OTTERPOOL PARK

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APPLICATION DOCUMENT | **3.6**

ECONOMIC STATEMENT

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ARCADIS

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February 2019

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OTTERPOOL PARK GARDEN TOWN

FEBRUARY 2019

Quod

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1.1 New Garden Towns and Villages present an opportunity for a fresh approach to planning of new homes; a chance to consider the future of a new community in the round from streets and spaces to community facilities, transport and space for jobs and business. New homes naturally generate jobs in schools, healthcare and in local shops and services. New Garden Towns also present an opportunity to think about new strategic employment sites that can provide jobs within walking distance of homes or serve a wider role in the economic growth and prosperity of the area.

1.2 Otterpool Park will deliver up to 10,000 new homes (8,500 new homes in the Outline Planning Application (OPA)). Alongside new homes Folkestone and Hythe District Council (FHDC) and Cozumel Estates (the Applicants) are planning a development with a strong economic base, providing jobs for new and existing local residents, expanding FHDC's economic strengths and supporting opportunities for flexible and home working to meet the needs of 21st century business.

1.3 The Applicants have commissioned Quod to provide an economic statement for Otterpool Park Garden Town. This report builds on the Lichfields Employment Opportunities Study (LEOS)[1] as well as the district's existing strengths and the types of industries that are supported in other similar comparator towns, in order to develop an economic growth strategy.

1.4 FHDC benefits from good connectivity to economic hubs of the South East and to London. Its economy has some areas of concern, however. Skill levels in the district are relatively low, which is reflected in wages. The population is ageing and has a relatively low proportion of working age people - which could represent challenges to sustainability and prosperity in the long term if working age families cannot be encouraged to stay here or move here.

1.5 The Shepway (FHDC) Economic Development Strategy 2015-2020 sets out FHDC's ambitions for economic growth. The key priority is to 'boost the local economy and provide employment opportunities'; this will be achieved by building on current and emerging economic strengths, boosting productivity and supporting business growth promoting further investment by maximising the value of assets and stimulating confidence, and improving education and skills attainment. It identifies several key sectors for achieving this: financial services creative industries (including media and IT); business and professional services; energy; tourism, culture, retail and recreation; and advanced manufacturing.

1.6 The 2018 draft Core Strategy highlights the need for "good quality flexible commercial space that meets modern occupier needs." Creative industries and financial/business services are identified as potential growth sectors which the district's location and transport links can help it attract.

1.7 The South East Local Enterprise Partnership (LEP) identifies opportunities and challenges in East Kent: the sub-region is well-connected, has a growing cultural and tourism offer and has significant capacity for growth, but also faces concentrations of deprivation. Folkestone Creative Quarter is identified as a continuing success story in attracting creative industries and creating a vibrant place to do business, and further development is encouraged.

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[1] Otterpool Park Garden Town Employment Opportunities Study, Lichfields, 2018

1.8 The proposals for Otterpool Park have been developed to reflect and support these local and regional aspirations. They also reflect the government's vision for Garden Communities, which include the requirement to be vibrant, mixed-use and self-sustaining.

1.9 The Otterpool Masterplan Framework (OMF) sets out the long term ambition that Otterpool Park will deliver 10,000 homes, accommodating up to 25,000 people. The OPA is for the first 8,500 of these homes. Up to 77,500 sqm GIA of B1 and B2 commercial floorspace, 21,000 sqm (NIA) of retail and leisure floorspace (Use Classes A1 to A5) is planned, in addition to community uses and supporting housing which will also create jobs. Home and flexible working will be supported and promoted.

1.10 High quality housing attracts skilled workers which results in local economic growth, improved productivity and local economic activity through expenditure in local cafes, shops, restaurants.

- **GVA:** Based on the types of jobs that are expected to be supported in Otterpool Park, it is anticipated that the Gross Value Added (GVA) supported would be £354m. The majority of this (£212m) would be within office and light industrial activities.
- **Local expenditure:** Additional homes support additional expenditure in the local area as residents spend their income on shopping and leisure activities. Based on the household expenditure survey, we have estimated that households are likely to spend between £250 and £300 per week in Otterpool Park and the surrounding region. This is equivalent to annual expenditure of between £130m and 156m.

1.11 Otterpool Park will have one primary employment district to provide a profile and critical mass for the new hub; this will provide a strategic employment function which the district currently lacks. This hub will be located close to Westenhanger Station to maximise the benefits of connectivity to the rest of the region (through both rail and road) and hence makes it an attractive location for people to work and businesses to locate.

1.12 The OPA Development will support approximately 8,950 direct jobs (equivalent to 7,195 FTEs[2]): around 50% of employment (4,475 jobs) is expected to be supported in office and light industrial jobs. The remaining employment is expected to be in retail and leisure, hotels, recreation and community, and home working. This represents 4.5% of the job target across the whole of the South East LEP.

1.13 We suggest that the three growth industries identified in the LEOS which are most likely to facilitate growth in the employment hub are 'advanced manufacturing', 'business, finance and professional services' and 'creative, digital and media industries'. Aligned with the Garden Community principles and objectives, the Applicants are also exploring options for employment and innovation in health, social care and the green economy, including green construction. Home working, supported by the most up to date technology and supporting infrastructure, in envisaged to be a key part of the employment offer at Otterpool Park.

1.14 To support the successful implementation and long-term economic sustainability for Otterpool Park, there is a need to attract highly skilled residents to the area and attract, grow and retain new businesses. The Applicants have set out a framework of commitments and next steps. This includes the approach to engagement and marketing, curating of new tenants, building support and investor networks for new

[2] One part time job = 0.5 FTE as per the employment densities guide. Part time working is based on the industry breakdown of part time employment in Folkstone and Hythe (BRES 2016, ONS).

business, considering flexible and favourable lease terms and developing a business offer that is complementary and not competing with neighbouring centres, especially Folkestone.

1.15 As the Application is in Outline and there will be opportunities (and requirements to) refine the employment space offer and the strategy of support and marketing as part of the detailed design process. This Strategy is a first step in this process and the steps that will follow are set out in the final section.

2 Introduction

2.1 The Ministry of Housing, Communities and Local Government (MHCLG) released its prospectus for Garden Communities[3] in August 2018. The aim is to provide over 200,000 homes within 23 communities by 2050. Garden Communities are intended to be: *"vibrant, mixed-use, communities where people can live, work, and play for generations to come – communities which view themselves as the conservation areas of the future. Each will be holistically planned, self sustaining, and characterful."*

2.2 In June 2016, Folkestone and Hythe District Council (FHDC)[4] responded to the call for proposals for new Garden Communities and submitted an Expression of Interest for a new garden town at Otterpool Park. This proposed, amongst other ambitions, *"Maximising the opportunities for strategic new employment space in close proximity to… the M20, and to provide a range of modern employment types and spaces within the new settlement to support a mixed-use community."*.

2.3 FHDC has recognised the economic potential at Otterpool Park and included policies to deliver the Garden Town in its draft Local Plan. The Local Plan states that Otterpool Park *"provides an opportunity to deliver a major change to the economy of the district by providing a focus for well-located strategic employment development."*[5]

2.4 Otterpool Park is proposed to deliver 10,000 homes when the full OMF proposal is built out, accommodating up to 25,000 people. The first application is for 8,500 of these homes. Otterpool Park will be located in the west of Folkestone and Hythe District. Otterpool Park is served by Westenhanger Station with good connectivity to the rest of the region. The station is connected to the South Eastern Main line, which provides services to London Bridge/Charing Cross/ Kings Cross in one hour and twenty minutes. There are regular connections to Folkestone, Ashford and HS1, with a journey of approximately one hour to St Pancras International. The site is also located adjacent to Junction 11 of the M20 providing further accessibility by car. The Applicants' ambition is for the development to support almost 9,000 jobs. It is expected to form an important new part of the economy of FHDC, building and developing the local economy, providing employment opportunities for existing and new residents and opportunities for existing local businesses to grow.

2.5 There are some core principles which the Applicants hope to deliver as part of the proposals, which will help to realise this job target. These are:

- Plan for spaces that will allow business to be close to homes to promote the use of walking and public transport to work.
- Plan for businesses space to be an integral part of the Garden Town offer – providing a key part of a sustainable community and a key selling point for families seeking to move here.
- Support flexible and home working to allow 21st century businesses to thrive and support the growth of new enterprises.
- To build on FHDC's existing strengths including cultural and creative industries, with a Cultural Vision and strategy to make culture and creativity an integral part of the development.

[3] Garden Communities, MHCLG, August 2018
[4] FHDC was known as Shepway District Council at the time of submission
[5] Folkestone and Hythe District Council Core Strategy Review 2018, Consultation Draft (Regulation 18), p. 70.

- To make the most of the road and rail links, putting Otterpool Park on the map for firms in the South East.

2.6 The Applicants have commissioned Quod to provide this economic statement for Otterpool Park Garden Town. This report builds on the Lichfields Employment Opportunities Study (LEOS)[6] as well as the district's existing strengths and the types of industries that are supported in other similar comparator towns, in order to develop an economic growth strategy.

2.7 The Application for Otterpool is in Outline at this stage. This means that Applicants have indicated what amount and type of floorspace could be delivered and its broad location but have not set out the specific design or exact location of commercial uses. These decisions will made over time, as the development comes forward and as part of the detailed design process on a phase by phase basis. This process allows the development to respond to economic needs and opportunities that arise at the time of delivery and mean that the application is not too prescriptive about the nature of employment space at this early stage.

2.8 Therefore this Statement provides a high level overview of the current local economy and potential opportunities at Otterpool Park in that context. It presents a framework for approaching the delivery of future commercial floorspace and services for businesses. More detailed work will be undertaken, including working with delivery partners and future tenants, over the course of the detailed planning process.

2.9 The remainder of this report is structured as follows:

- **The local economy today:** sets out the characteristics of the residents and the economy.
- **Aspirations for growth:** sets out the aspiration for growth in FHDC, Kent and the SE LEP.
- **The vision for Otterpool Park:** sets out the role of a Garden Town and the aspirations for Otterpool Park.
- **Maximising the benefits of Otterpool Park:** considers the employment opportunities and the benefits of the housing provided at Otterpool Park.
- **Commitments:** sets out a series of commitments that will ensure successful delivery of the development.
- **Next Steps:** sets out actions that will help to achieve these commitments.

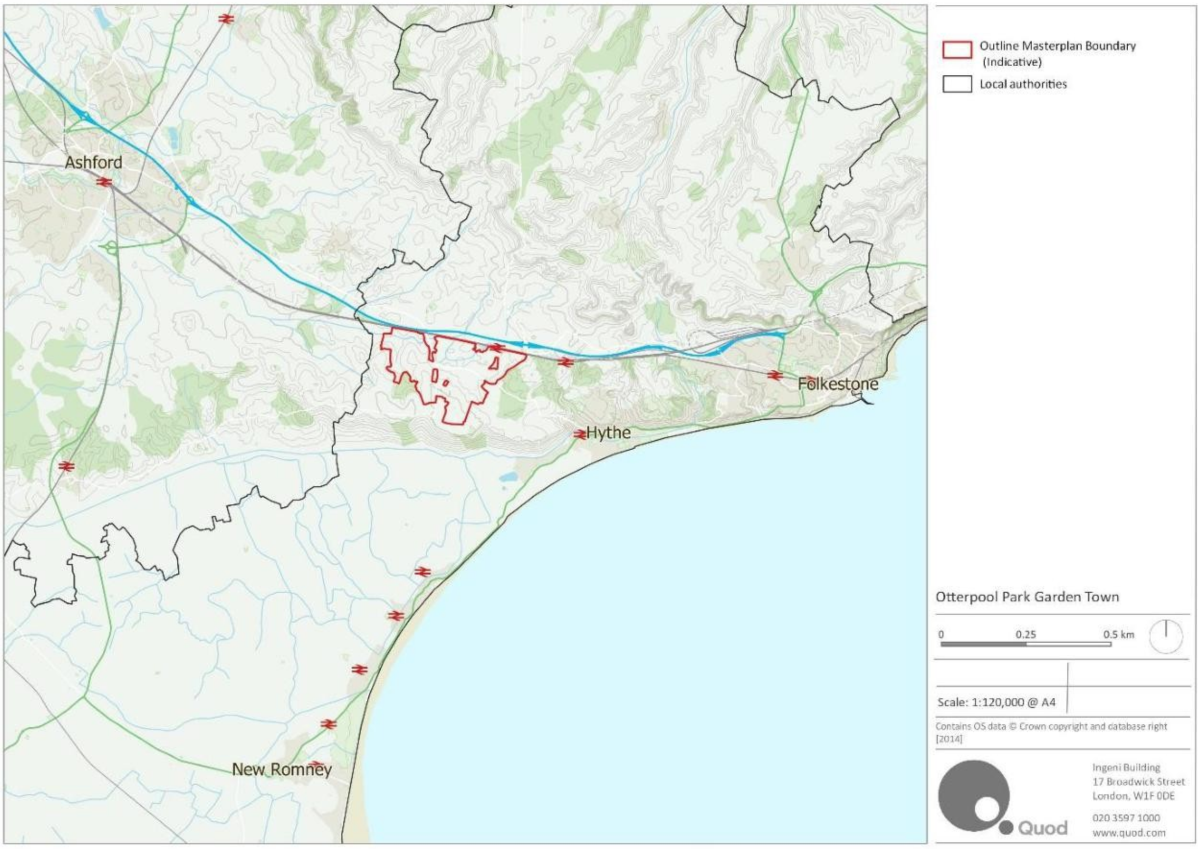
[6] Otterpool Park Garden Town Employment Opportunities Study, Lichfields, 2018

3 The local economy today

3.1 This section sets out what the local economy looks like today, where current residents work, and how many jobs and businesses there are in the local area.

3.2 As set out above, Otterpool Park is well connected to the M20 and mainline rail links to Folkestone, Ashford, HS1 and London.

Figure 1: Location of Otterpool Park



Existing residents – economic characteristics

3.3 According to the 2011 Census, there were 107,970 residents in FHDC in 2011.

3.4 The district has a relatively high proportion of older residents and a lower proportion of working age residents than county, regional and national averages (refer to Figure 2). This could be a concern from an economic point of view – a high dependency ratio (or a high proportion of children or older people in comparison to working age people) puts extra pressure on local social and health services, increases economic support payments and could signal recruitment challenges for local businesses. This is particularly pressing as the population is projected to engage significantly by 2030 (refer to Figure 3).

Figure 2: Age structure (ONS 2014)

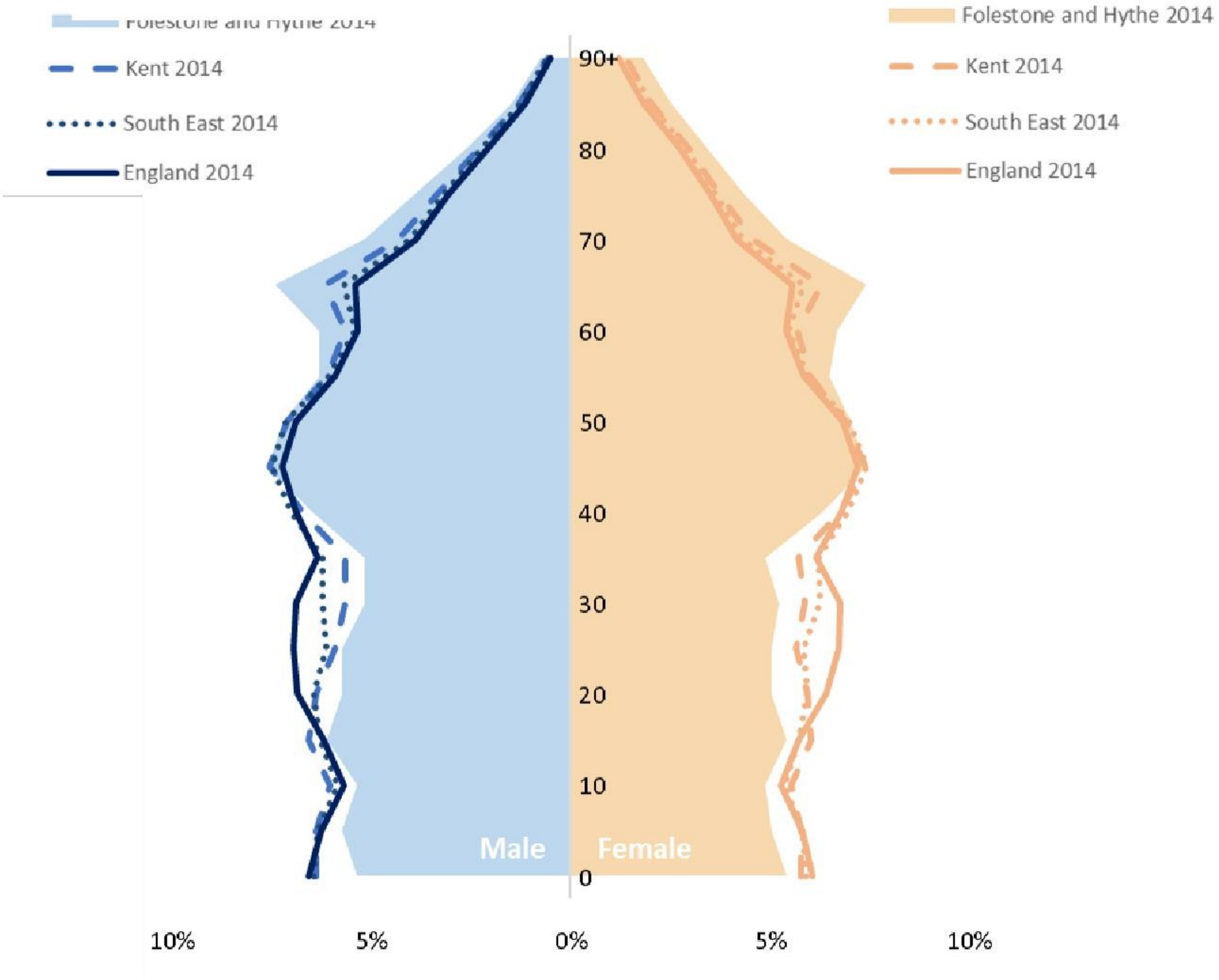
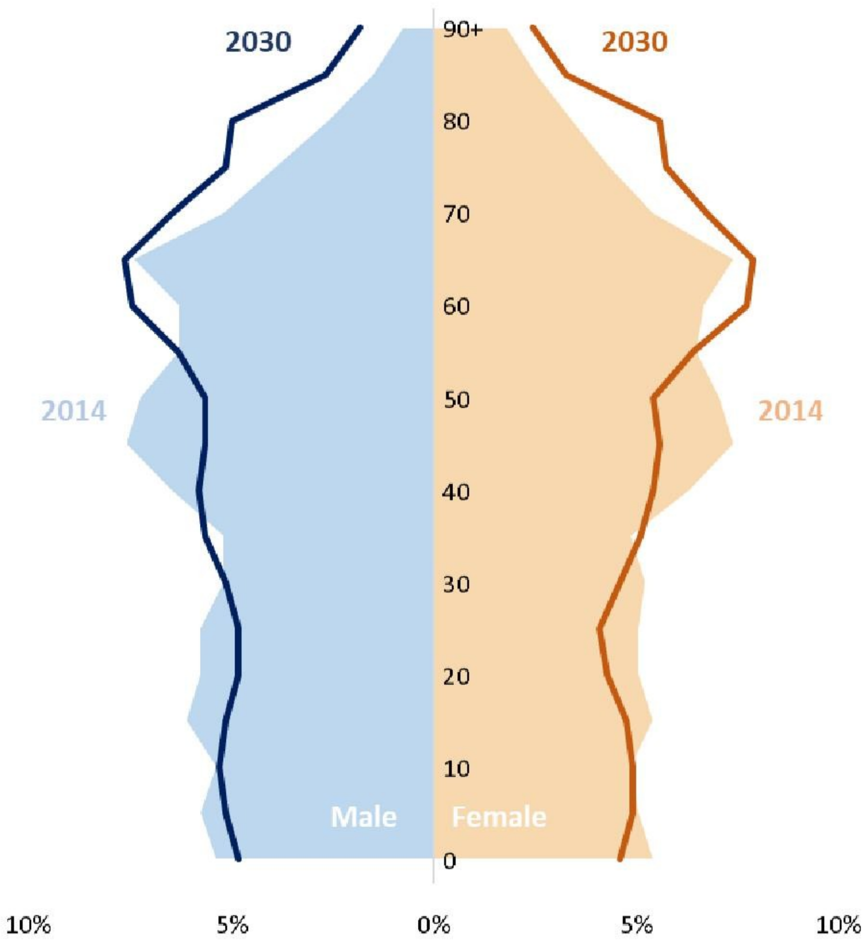


Figure 3: Age structure (2014) and projection (2030) for Folkestone & Hythe



3.5 A relatively high proportion of residents aged 16-74 are retired: 18% of FHDC residents, compared to 15% in Kent and 14% in the South East and in England. The proportion of over over-65s in FHDC grew slightly between 2001 and 2011 in line with growth across England.

3.6 FHDC has a lower proportion of economically active residents aged 16 to 74 (67%) compared Kent (70%), the South East (72%) and England (70%). This translates into slightly lower employment levels: 60% of FHDC residents (aged 16 to 74) were in employment, lower county, regional or national averages.

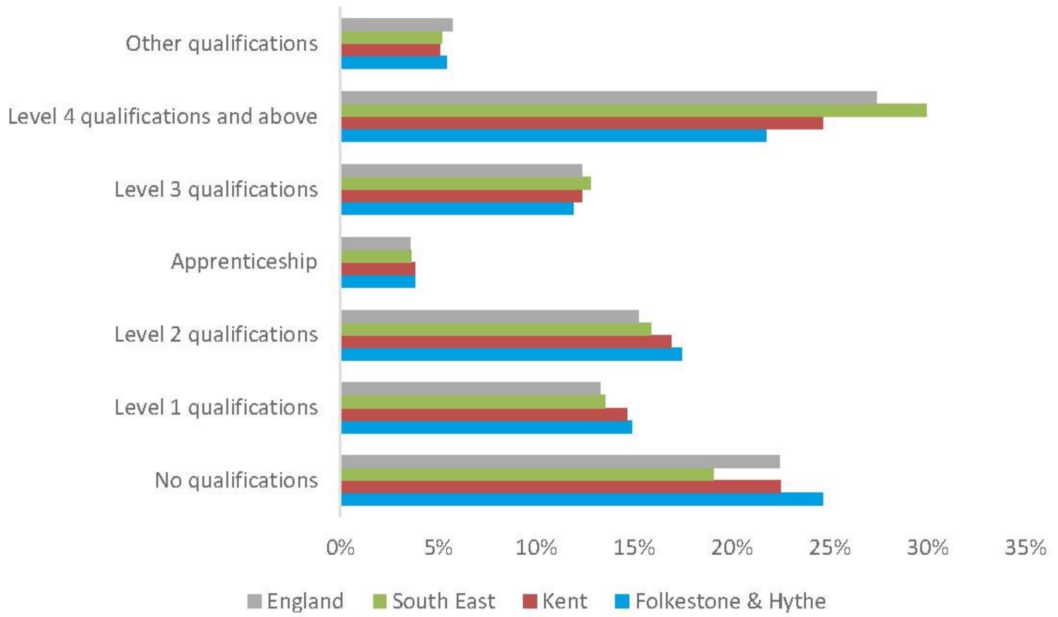
Table 1: Economic activity, residents aged 16-74, Census 2011

	FHDC	Kent	South East	England
Economically active	67%	70%	72%	70%
In employment	60%	63%	65%	62%
Unemployed	5%	4%	3%	4%
Full-time student	3%	3%	3%	3%
Economically Inactive	33%	30%	28%	30%
Retired	18%	15%	14%	14%
Student	4%	5%	5%	6%
Looking after home or family	4%	5%	4%	4%
Long-term sick or disabled	5%	4%	3%	4%
Other	2%	2%	2%	2%

Qualifications and occupations of residents

3.7 Residents in FHDC have lower than average levels of qualifications[7]. 22% of residents have a degree or equivalent, compared to 30% across the region. 25% of residents have no formal qualifications.

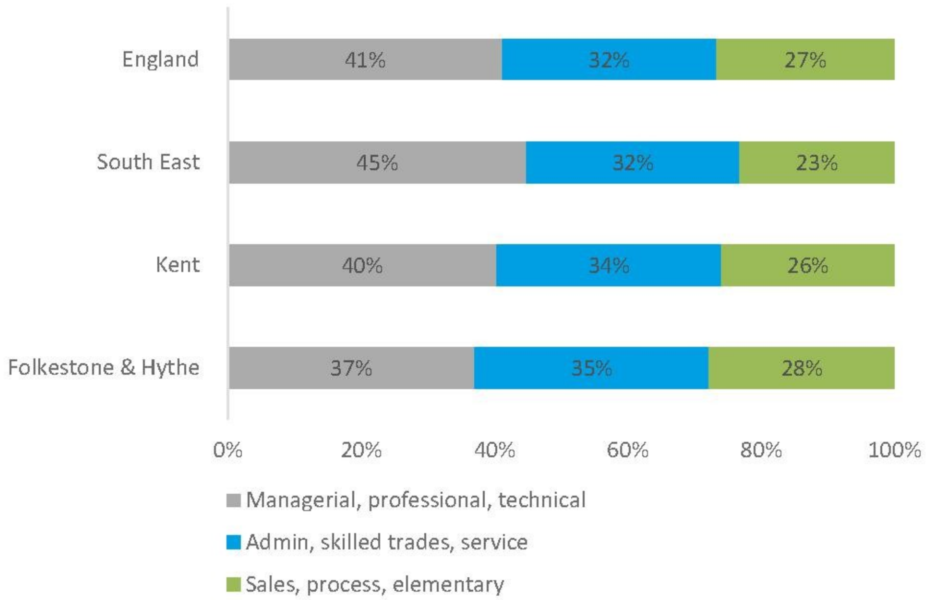
Figure 4: Qualifications of residents (Census 2011)



[7] No qualifications: No academic or professional qualifications; Level 1 qualifications: 1-4 GCSEs or equivalent; Level 2 qualifications: 5+ GCSEs or equivalent; Level 3 qualifications: 2+ A-levels or equivalent; Level 4 qualifications: degree level or above; Other qualifications: vocational/work-related qualifications, qualifications gained outside the UK (NI) (Not stated/ level unknown).

3.8 This pattern is reflected in occupations of residents. Fewer FHDC residents work in higher skilled managerial or technical roles than in the South East or Kent generally. Business growth and new housing provides an opportunity to retain skilled young residents who might otherwise move out of the district and attract new working age households. Thriving businesses create opportunities for career development and training.

Figure 5: Resident occupations, Census 2011



Deprivation

3.9 The 2015 Index of Multiple Deprivation (IMD) ranks small areas in England based on relative deprivation across several domains.[8] This data shows that there are pockets of concentrated deprivation in FHDC, in particular within parts of Folkestone, Hythe and areas around the Romney Marsh as shown in Figure 6 below. Data on deprivation in terms of employment and in education, skills and training also indicates concentrations of deprivation across these domains, with particularly strong education and skills deprivation in the south of the district as shown below.

[8] These domains are: income; employment; education, skills and training; health deprivation and disability; crime; barriers to housing and services; and living environment.

Figure 6: IMD - all domains

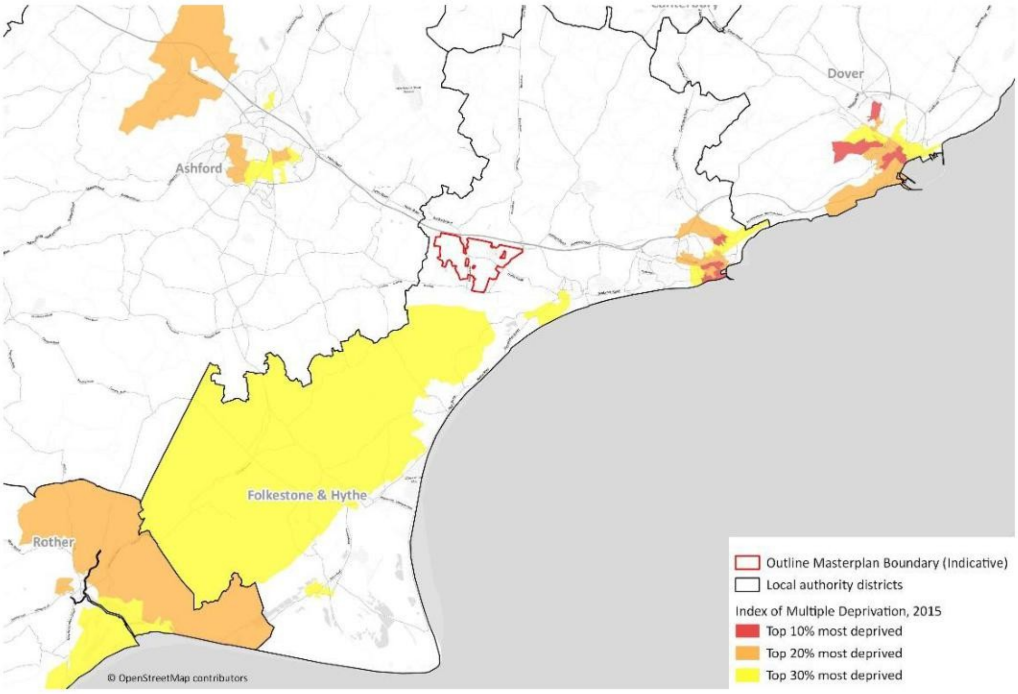


Figure 7: IMD - employment domain, 2015

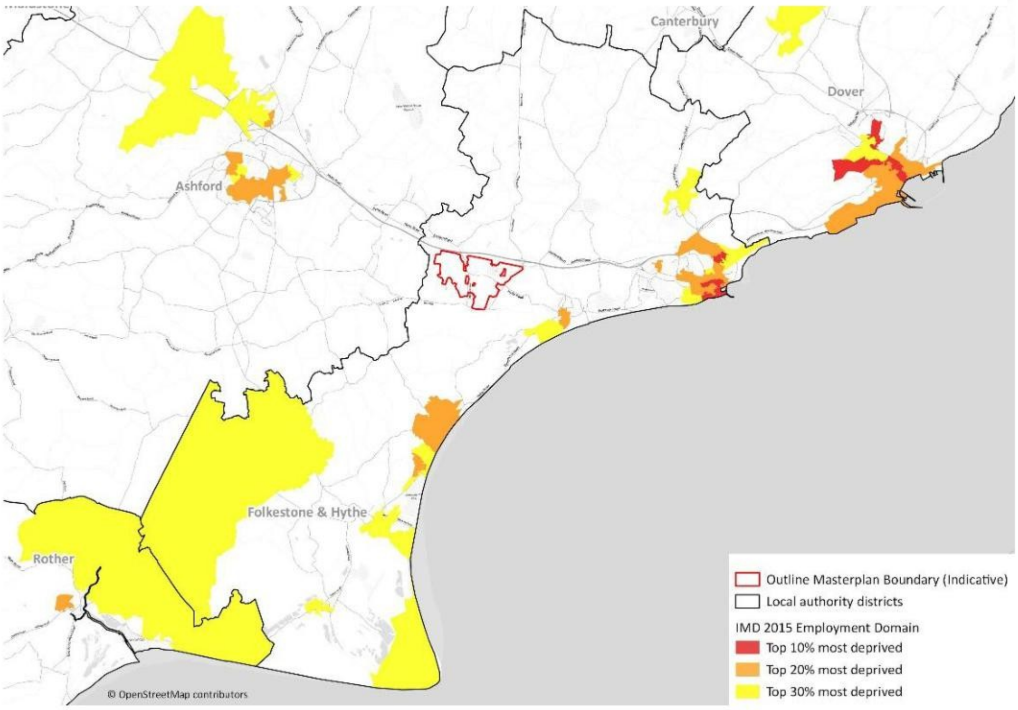
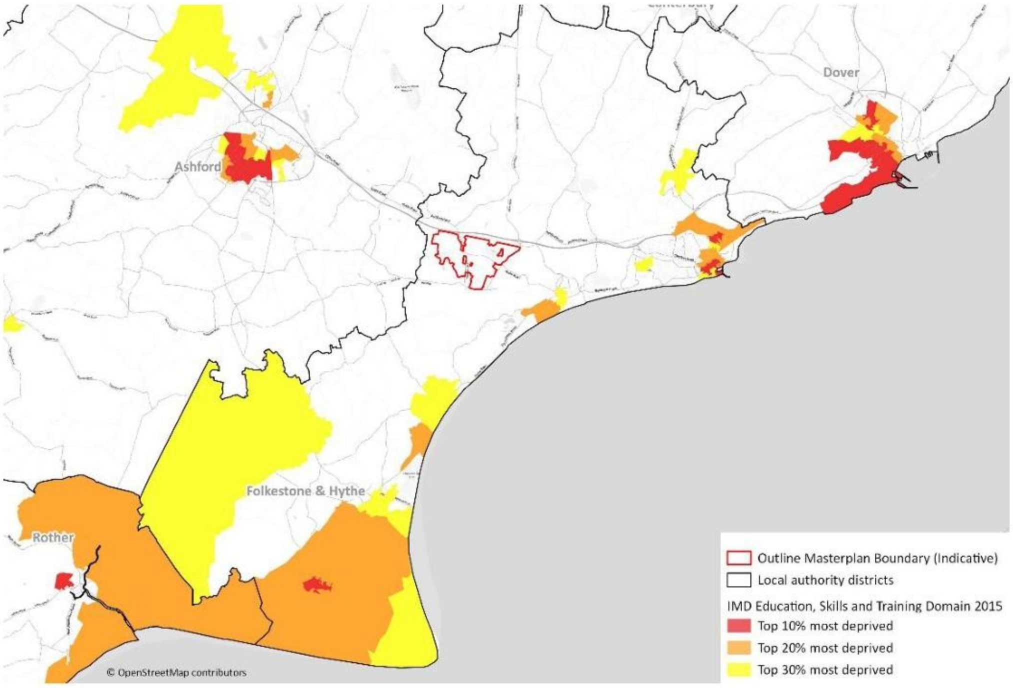


Figure 8: IMD education, skills and training domain, 2015



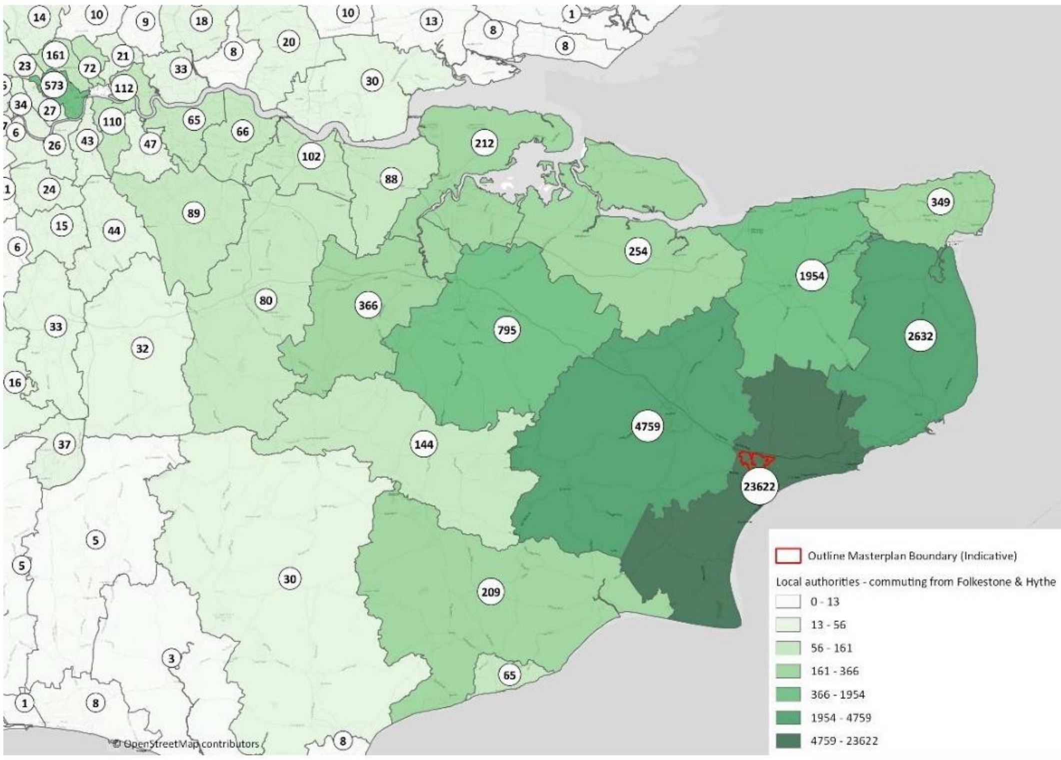
3.10 This indicates that there are some key challenges that economic development in Otterpool Park can help address. The *Shepway Economic Development Strategy 2015-2020* reflects this; while it notes that employment rates and the working age population compare well to some struggling districts in the region, it identifies issues including access to high-skilled jobs and relatively low economic activity rates as key issues to be tackled.

Commuting

3.11 Data from the 2011 Census indicates relatively high levels of commuting self-containment in FHDC i.e. people both and living and working in the district. Just under half (49%) of FHDC working residents commute to jobs within FHDC, while a further 11% work mainly at or from home. A fifth (20%) travel less than 2km to work, compared to 16% in Ashford and 17% in Kent overall, the South East and England.

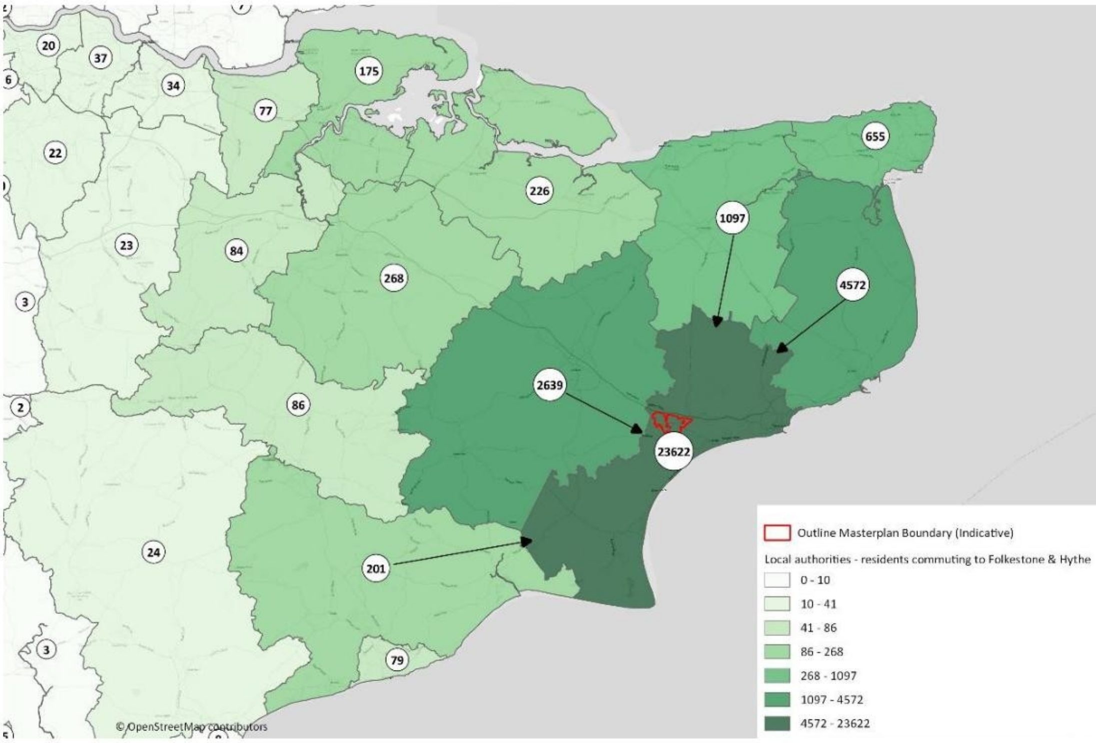
3.12 A small proportion of residents commute further away, including Ashford (10%) and Dover (5%) as well a small proportion (4%) to London.

Figure 9: Commuting from Folkestone and Hythe – where residents work (number of commuters in indicated in the circle for each destrict) (Census 2011)



3.13 Jobs within FHDC itself tend to be taken by FHDC residents: 68% of jobs in 2011 in FHDC were filled by FHDC residents, with a further 13% filled by residents of Dover and 8% from Ashford.

Figure 10: Commuting to FHDC – where workers live



Wages

3.14 Resident wages in FHDC are higher than workers' wages, on average. This partly reflect a general trend that people are willing travel further to work for higher pay, but also reflects generally lower wage opportunities in the district. Both worker and residents of FHDC earn less than their counterparts in Kent and England (for both full time workers and all employment).

3.15 Resident wages in the district have not grown over the last 5 years but workplace wages have - indicating the FHDC residents are not necessarily benefiting from any wage growth in the district's jobs.

3.16 The five-year growth rates show an interesting picture: full time workers have experienced a decrease of 5%, while total workers have seen an increase of 8%. This suggest that salaries in part time jobs in the district are increasing.

Table 2: Median average earnings

	Resident			
	All workers		Full time workers	
	Median annual pay	5-year growth rate	Median annual pay	5-year growth rate
FHDC	£23,000	-1%	£27,300	0%
Kent	£24,200	5%	£30,000	4%
England	£23,700	9%	£29,100	8%
	Workplace			
	All workers		Full time workers	
	Median annual pay	5-year growth rate	Median annual pay	5-year growth rate
FHDC	£22,100	8%	£25,300	-5%
Kent	£21,900	5%	£27,100	4%
England	£23,700	9%	£29,100	8%

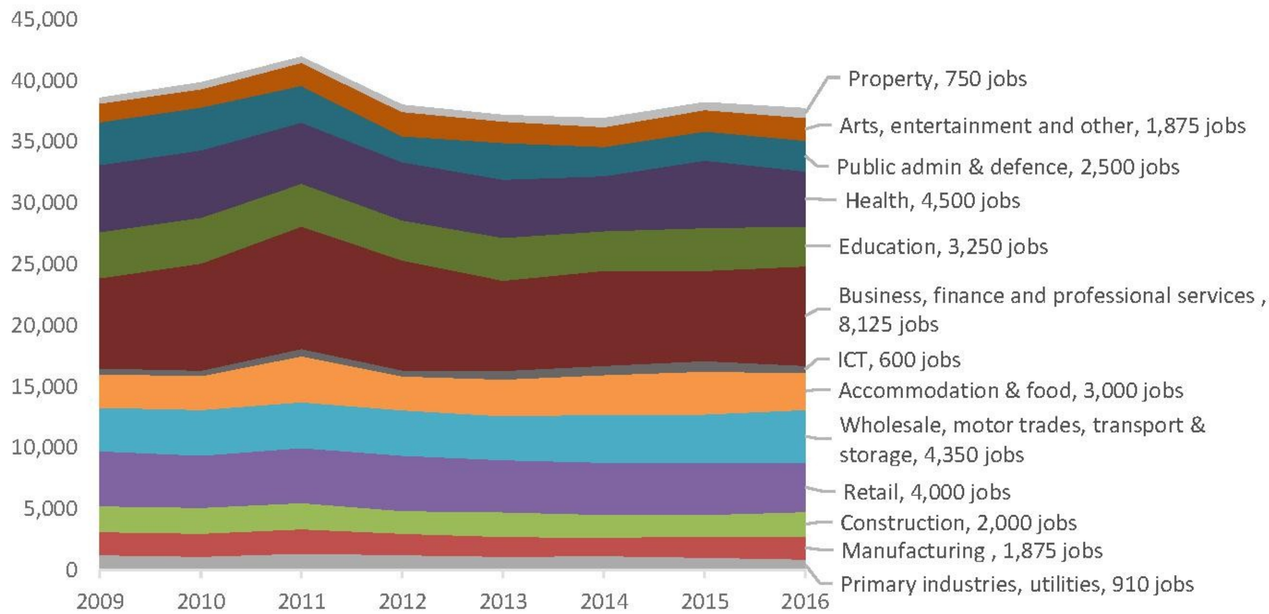
Jobs and businesses

3.17 Data from the Business Register and Employment Survey (BRES) in 2016 indicates there are approximately 38,000 jobs in FHDC. Figure 11 shows that employment in FHDC has been fairly volatile between 2009 and 2016: there was growth between 2009 and 2011, but this was offset by a decline in employment between 2011 and 2013. Although BRES is survey based data and may be subject to errors at a local level for particular years, the data indicates limited or no employment growth across the whole period (2009 to 2016); this compares to growth of 8% in both Kent and Great Britain (GB).

Figure 11: Index of employment growth (2009 =100)

3.18 The largest sectors in FHDC are business, finance and professional services (8,125 or 22% of jobs) and health (4,500 jobs, 12% of the total). The fastest growing industries in terms of job numbers are wholesale, motor trades, transport & storage (800 jobs or 23%) and business, finance and professional services (750 jobs or 23%).

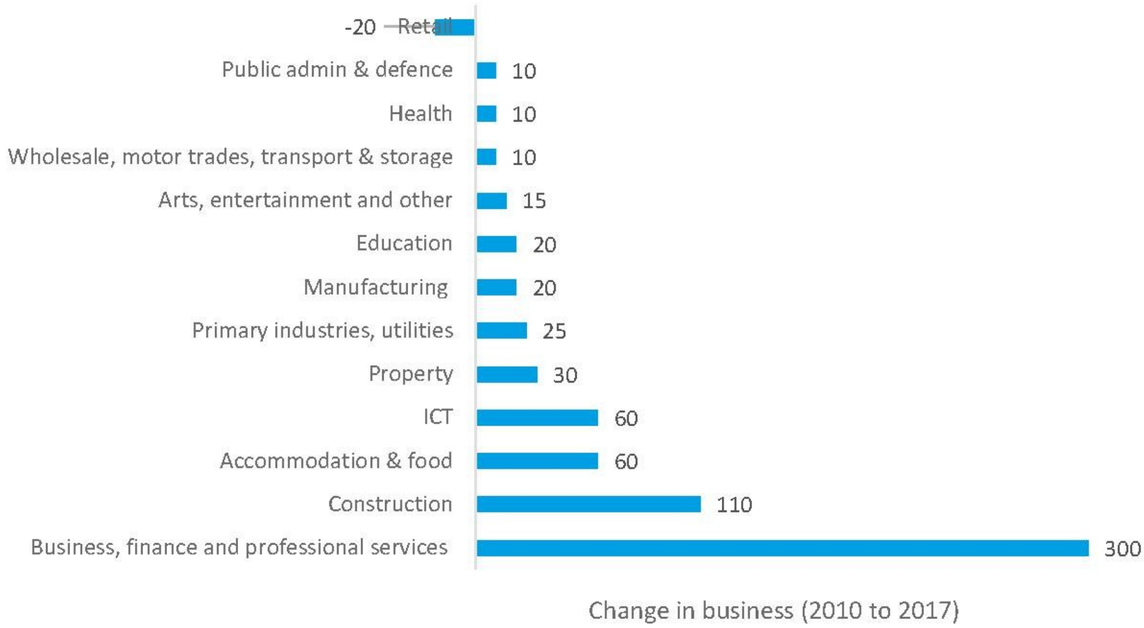
Figure 12: Employment in FHDC, 2009-2016 (BRES)



3.19 There are currently 3,760 businesses in FHDC, 89% of which have fewer than ten employees. This is an increase of 650 businesses in FHDC since 2010.

3.20 Figure 13 shows that the fastest-growing sector is business, finance and professional services, with the number of businesses in this sector growing by 300 between 2010 and 2017. This is followed by the construction sector (110 additional businesses), the accommodation and food sector and ICT (both with 60 additional businesses).

Figure 13: Number of businesses in FHDC, 2010-17



3.21 There is an opportunity to build on the successes of FHDC businesses, which have grown in recent years. FHDC has committed to support new businesses to set up and develop. The challenge is in maximising employment and investment, particularly in sectors which can boost local skills and productivity. The pullout boxes overleaf review some of the key local leaders in the economy and in education and training. This shows the rich resources that are already serving the communities of FHDC and the potential for growth, innovation and upskilling in the district, particularly in the arts and technology sectors.

3.22 The section that follows reviews how FDHC and its partners have reflected on the local challenges and opportunities to develop a vision for Otterpool Park.

Local leaders – case studies

FHDC is home to many new and growing companies. Many of these are in dynamic, high-skilled growth sectors. These demonstrate the capacity of local businesses to thrive and grow in Folkestone and Hythe.

Folkestone Creative Quarter

The Folkestone Creative Quarter provides space for arts, creative industries and education. It was developed by the Creative Foundation, a charity launched in 2002. The Creative Foundation now leases space for 240 businesses and residences, including shops, flats, offices and artist studios.[9] The Creative Quarter hosts a range of small businesses including sound studios, film production, architects and art and design studios, as well as retail, food and drink and a new theatre and event space. It has successfully worked to help build Folkestone's reputation as an attractive place for business and creativity.

Saga

Saga is a company providing financial services, holiday and healthcare products as well as other services. It was founded in Folkestone in 1951 as a travel company by Sidney de Haan, and has grown rapidly and expanded into new fields since then. It now has over 4,000 employees across the country[10], with its head office in Folkestone. It is one of the largest employers in the district, providing high-skilled jobs in finance and services.

Holiday Extras

Holiday Extras is a business selling travel extras such as airport hotels, airport travel, car hire and holiday insurance. The company was founded in 1983 and currently employs over 600 staff, with its head office bordering the Otterpool Park site in Newingreen. This company primarily sells through its website and through travel agents. The company has adapted to new market conditions (with the rise of the internet in place of travel agents) and expanded, adding an extension to its headquarters building in 2015/16.

Oak Creative Advertising and Design

This print and digital graphic design studio is based in a former pub public directly adjacent to the Otterpool Park site. The company is 25 years old and currently employs about 10 people, and has been on the site since 2001. The company provides web design, advertising and brand design services. Together with Holiday Extras, it is an example of a local company in a mid- to high-skilled growth sector making use of Otterpool Park's locational advantages and good transport connections.

[9] National Coastal Tourism Academy, 'Case study: Folkestone Creative Quarter', March 2018.
[10] Saga PLC. Annual report, 2018.

Education Partnerships

East Kent College, Folkestone

East Kent College in Folkestone is the main further education institution in FHDC, and also has campuses in Dover and Broadstairs. It provides a range of professional, vocational and technical further education courses, with a particular focus on developing skills and employability. The college offers apprenticeships, professional and vocational qualifications in areas such as computing/ICT, construction, art and design, teaching and health and social care. The Folkestone campus has particularly strong links with the town's Creative Quarter, with the EDGE School of Creative and Business offering courses in art, design, film, media and creative computing.

University for the Creative Arts, Folkestone

The University for the Creative Arts is based in several campuses around the country, including in Canterbury. It has a presence in Folkestone's Creative Quarter, occupying a renovated pub on Tontine Street. This is used as a project and exhibition space for postgraduate students.

The Sidney De Haan Research Centre for Arts & Health, Folkestone

Part of Canterbury Christ Church University Faculty of Health and Wellbeing and located in the heart of Folkestone's Creative Quarter, the Sidney De Haan Research Centre is dedicated researching the potential value of music and performing arts in promoting health and wellbeing. This centre brings together medical research with creative and performing arts.

Kent and Medway Medical School, Canterbury

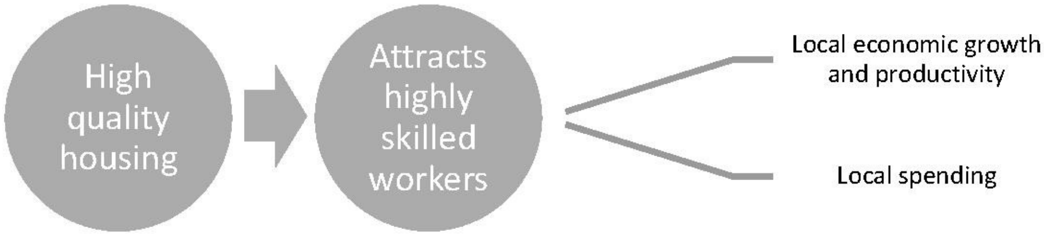
Canterbury Christ Church University and the University of Kent are opening a joint medical school in Canterbury, which will be the first in Kent. This will provide important recruitment and support for the healthcare sector throughout Kent. The School will open in September 2020 with an initial intake of 100 undergraduates. It aims to work with local health organisations and address workforce shortages by developing doctors in specialities that are under-represented, with placements in community, primary and hospital care throughout Kent.

4 The value of housing for economic sustainability

Supporting the economy

4.1 High quality housing is one of the key criteria for growth in Otterpool. It attracts skilled workers which results in local economic growth/productivity and local economic activity through expenditure in local cafes, shops, restaurants.

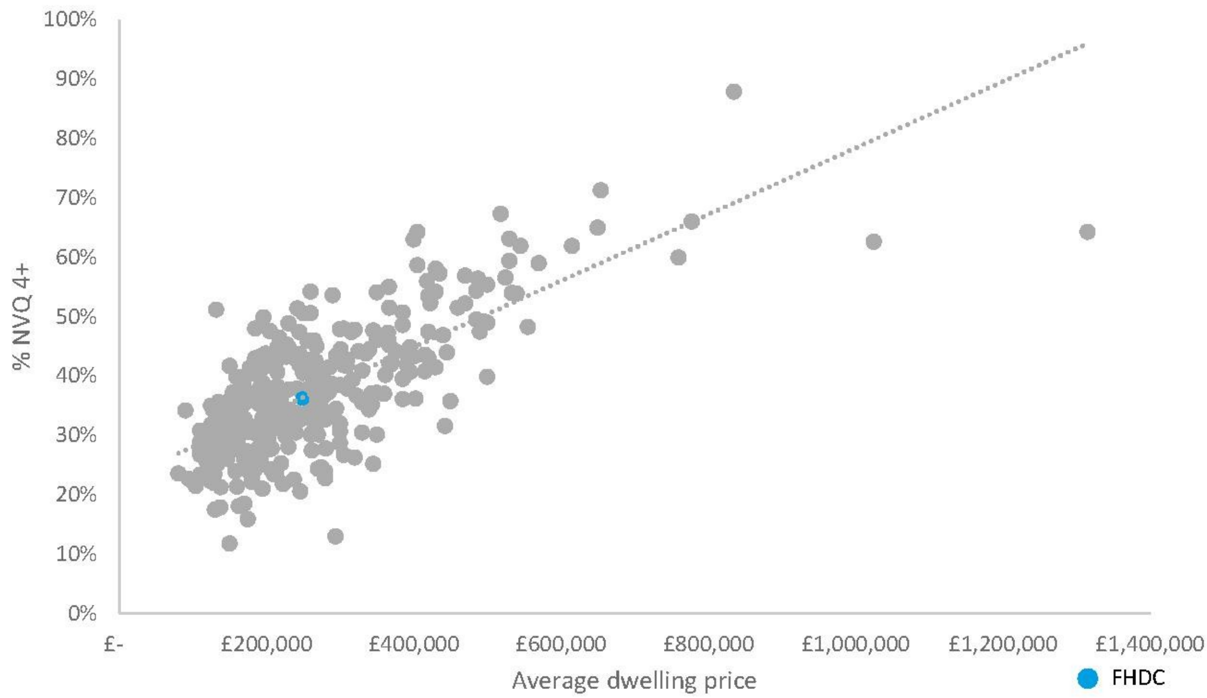
Figure 14: Impacts of high quality housing



High quality housing attracts skilled workers who are typically in high value employment

4.2 Using average house prices as a proxy for quality of dwellings, Figure 15 shows that there is a strong correlation between housing quality and skill level. High skill level is defined as having qualifications of NVQ4 or above, which is equivalent to an undergraduate degree. Availability of high-quality housing is not the only factor which attracts highly skilled workers to an area, but this relationship suggests that it is important.

Figure 15: Qualification versus average dwelling price (2017)

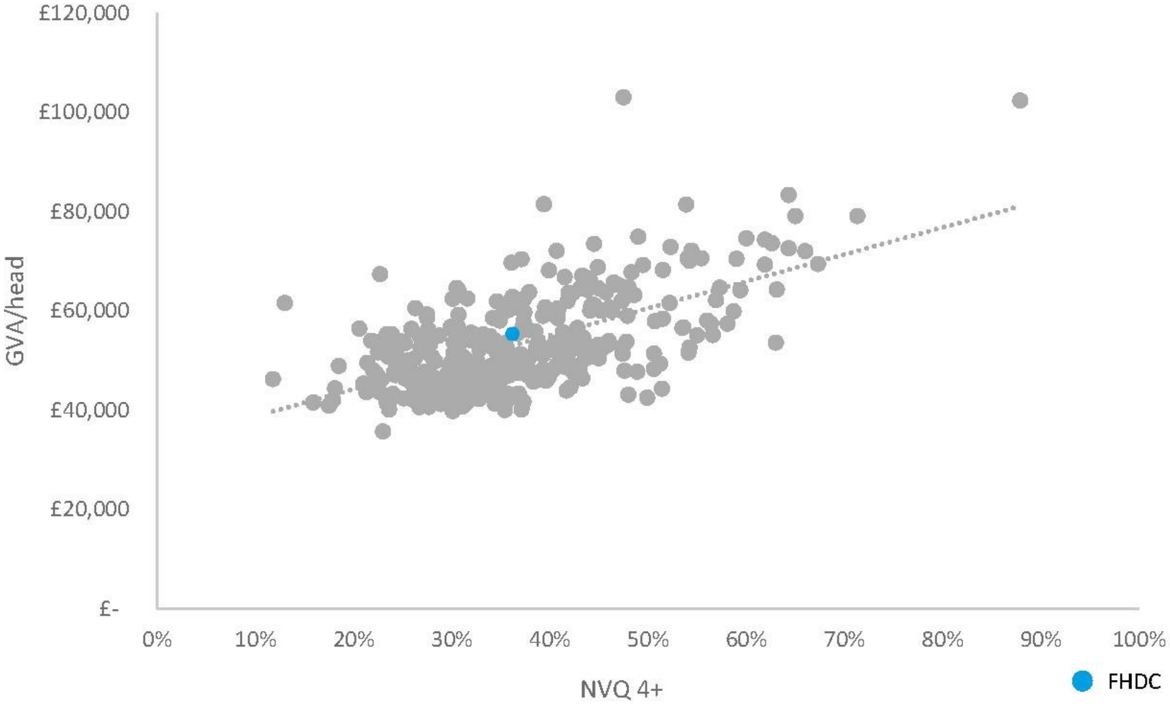


Source: Annual population survey (January 2017 – December 2017) ONS; House Price Statistics for Small Areas (HPSSAs) 2017. NB: Excludes the Isles of Scilly

Highly skilled workers support the economy

4.3 Highly skilled workers tend to fill highly productive jobs which contribute significantly to the economy. Figure 16 shows the correlation between the proportion of residents in a local authority who have qualification of NVQ 4 or above and the average GVA per head (used as a proxy for productivity).

Figure 16: Skill level versus GVA/head (worker)



Source: Annual population survey (January 2017 – December 2017) ONS; Regional GVA (2015), ONS. NB: Excludes the Isles of Scilly

4.4 Section 6 includes further information on the types of employment that could be accommodated at Otterpool Park. Based on these job types, it is anticipated that the GVA supported would be £354m. The majority of this (£212m) would be within office and light industrial activities.

Table 3: GVA at Otterpool Park

	Jobs	GVA/head (worker)	GVA
Office and light industrial	4,475	£47,300	£212m
Retail including F&B	1,725	£29,600	£51m
Recreational and community uses	1,045	£33,400	£35m
Extra care and hotels	610	£28,300	£17m
Homeworking	1,095	£36,100	£40m
	8,950		**£354m**

Local expenditure

4.5 The OMF will deliver 10,000 homes, accommodating up to 25,000 people. These additional homes will support additional expenditure in the local area as residents spend their income on retail and leisure activities. This expenditure will be split between the spending within the region (including within Otterpool Park), and other spending (including internet shopping, spending elsewhere in the UK, and spending abroad).

4.6 The ONS Family Spending Survey 2015-17 sets out the expenditure on different goods and services of households by region. Based on these expenditure patterns, and the proportion of retail shopping that is done online, we have estimated that households are likely to spend between £250 and £300 per week in Otterpool Park and the surrounding region. This is equivalent to annual expenditure of between £130m and 156m.

Table 4: Expenditure in Otterpool Park and the surrounding region

	Lower	**Upper**
Number of dwellings	10,000	10,000
Local spend per week	£250	£300
Total spend per year	£130m	£156m

5 Aspirations for growth

5.1 The vision for Otterpool Park is to create a vibrant new community providing homes and opportunities for its residents and the wider local area. It will fit within FHDC's wider plans for growth and investment in the local economy. This section sets out the broader local aspirations for growth, as set out in local policy.

5.2 The *Shepway Economic Development Strategy 2015-2020* sets out FHDC's ambitions for economic growth. The key priority is to 'boost the local economy and provide employment opportunities'; this will be achieved by:

- Building on current and emerging economic strengths;
- Boosting productivity and supporting business growth;
- Promoting further investment by maximising the value of assets and stimulating confidence; and
- Improving education and skills attainment.

5.3 It identifies the district's opportunities and challenges. FHDC is very well-located at the heart of a key UK-Europe corridor, with the Channel Tunnel, HS1 and the M20 motorway providing easy access to UK and European markets. The economy of Folkestone is increasingly vibrant, attracting investment and nurturing a Creative Quarter. Employment has grown in recent years while the number of residents out of work has fallen steadily. As set out in the earlier section, the district has relatively low economic activity rates, earnings and productivity are relatively low and there are not enough high-value, high-skilled jobs.

5.4 The strategy focuses on the need to boost skills, productivity and investment. It identifies several key sectors for achieving this, which are well-represented in the district or have potential to grow; these include:

- Financial Services (including insurance and pensions)
- Creative Industries (including media and IT)
- Business and Professional Services (including engineering-related scientific consultancy and R&D)
- Energy
- Tourism, Culture, Retail and Recreation
- Advanced Manufacturing

5.5 The strategy proposes supporting business start-ups and survival rates, identifying and bringing forward sites for commercial development, and skills development through apprenticeships and partnerships with education/training providers including East Kent College. It also proposes identifying employment land which is well-located near M20 junctions and mainline rail network to maximise the district's connectivity strengths.

5.6 FHDC produced a consultation *draft Core Strategy Review* in March 2018. This sets out the council's policies for achieving growth, investment and prosperity. This builds on the *2015 Economic Strategy* by identifying need to boost skills and productivity, as well as tackle pockets of deprivation in the district. Key issues in the local economy include an *"over-representation of lower value employment sectors"* and a lack of *"good quality flexible commercial space that meets modern occupier needs."*

5.7 Creative industries and financial/business services are identified as potential growth sectors which the district's location and transport links can help it attract. The plan also identifies employment land which can meet the plan's aim of attracting high-skilled, productive industries – including Otterpool Park – drawing on the 2017 Employment Land Review.

5.8 The South East Local Enterprise Partnership's *Growth Deal and Strategic Economic Plan* (2014) sets out regional aspirations for growth and investment in Kent, Essex and East Sussex, including 200,000 new jobs and £10 billion extra investment by 2021. It sets a regional aspiration for boosting growth and productivity through attracting investment in high-skilled jobs. It identifies opportunities and challenges in East Kent: the sub-region is well-connected, has a growing cultural and tourism offer and has significant capacity for growth, but also faces concentrations of deprivation. The plan includes infrastructure proposals throughout Kent to develop the strategic road and rail network, and for Folkestone in particular it encourages the development of the Creative Quarter and the Folkestone Seafront and Harbour. It also points to the Folkestone Creative Quarter as a continuing success story in attracting creative industries and creating a vibrant place to do business.

5.9 FHDC's aspirations for growth through boosting investment and productivity are also backed by the *UK's Industrial Strategy* (2018). The Industrial Strategy identifies boosting productivity as the key to national economic success. The key components of productivity include boosting skills, research and development, investing in infrastructure, supporting businesses and developing local economies. This also feeds into the *National Planning Policy Framework* (2018), which states that planning should "should help create the conditions in which businesses can invest, expand and adapt" in order for Britain to be "a global leader in driving innovation," as well as setting the conditions for places to build and capitalise on higher productivity.

6 Maximising the benefits of Otterpool Park

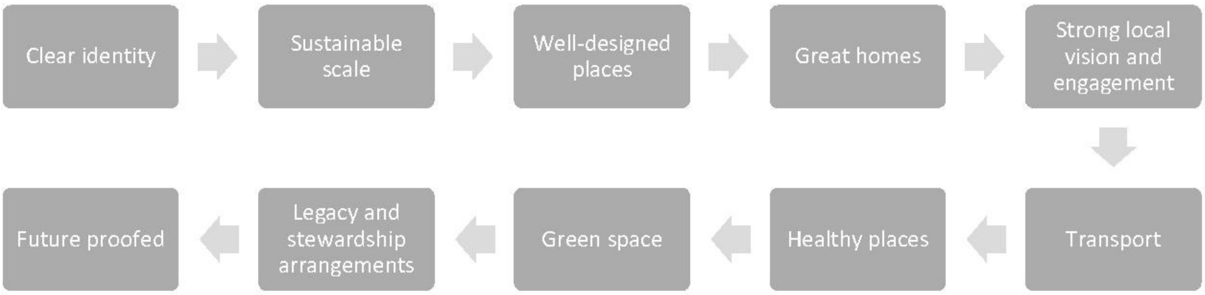
The role of Garden Communities

6.1 A range of guidance on establishing new garden towns has been published by both the Ministry of Housing, Communities and Local Government (MHCLG) and the Town and Country Planning Association (TCPA). These set out some principles to guide the economic role of new garden towns.

6.2 The MHCLG released its prospectus for Garden Communities[11] in August 2018. The aim is to provide over 200,000 homes within 23 communities by 2050. Garden Communities are intended to be: *"vibrant, mixed-use, communities where people can live, work, and play for generations to come – communities which view themselves as the conservation areas of the future. Each will be holistically planned, self sustaining, and characterful."*

6.3 New Garden Towns with at least 10,000 homes, such as Otterpool Park, are to be prioritised. The prospectus outlines how new communities need to be locally-led and fit strategically with the local area in terms of housing needs and long-term economic growth. The key qualities identified by MHCLG are set out in Figure 17.

Figure 17: Key Qualities of a Garden Community



6.4 The TCPA[12] defines a garden city as a *'holistically planned new settlement that enhances the natural environment and offers high-quality affordable housing and locally accessible work in beautiful, healthy and sociable communities'*. It identifies nine principles which contribute to a successful garden community:

- Land value capture for the benefit of the community;
- Strong vision, leadership and community engagement;
- Community ownership of land and long-term stewardship of assets;
- Mixed-tenure homes and housing types that are genuinely affordable;
- A wide range of local jobs in the Garden City within easy commuting distance of homes;
- Beautifully and imaginatively designed homes with gardens, combining the best of town and country to create healthy communities, and including opportunities to grow food;

[11] Garden Communities, MHCLG, August 2018
[12] Garden City Standards for the 21st Century, Guide 1, TCPA 2018

- Development that enhances the natural environment, providing a comprehensive green infrastructure network and net biodiversity gains, and that uses zero-carbon and energy-positive technology to ensure climate resilience;
- Strong cultural, recreational and shopping facilities in walkable, vibrant, sociable neighbourhoods; Integrated and accessible transport systems, with walking.

Providing space for business

6.5 The Otterpool Park Employment Opportunities Study (OPEOS) was produced by Lichfields for FHDC in March 2018. The report recommends that Otterpool Park's economic role *"must combine both local functions that support the garden town itself but also delivery of a more strategic employment function which the District currently lacks."* It sets out need for Otterpool Park to provide space for advanced manufacturing, a business park, an element of hybrid employment space and dispersed workspace hubs in local centres, which are largely absent from the existing district economy and can attract investment.

6.6 In order to develop an economic growth strategy, this report builds on the Lichfields Employment Opportunities Study (LEOS)[13] as well as the district's existing strengths and the types of industries that are supported in other similar comparator towns.

6.7 The OPA for Otterpool Park is proposed to have up to 77,500 sqm (GIA) of B1, B2 and B8 commercial floorspace, 21,000 sqm (NIA) of retail and leisure floorspace in addition to community uses.

6.8 There will be a primary employment district to provide a profile and critical mass for the new hub. This hub will be located close to Westenhanger Station to maximise the benefits of connectivity to the rest of the region (through both rail and road) and hence makes it an attractive location for people to work and businesses to locate. A balance between the strategic town centre and neighbourhood offer will be supported by local employment centres which will support predominantly retail and community employment uses.

Total employment at Otterpool Park

6.9 The employment that will be supported across the whole development has been calculated by applying the standard job densities from the HCA Employment Density Guide (2015). The OPA development would support around 8,950 direct jobs; this is equivalent to 7,195 FTEs[14]. Figure 18 and Table 3 show the breakdown of employment by use class: 50% of employment (4,475 jobs) is expected to be supported in office and light industrial jobs. The remaining employment is expected to be in retail[15] (1,725), recreation and community uses (1,045) and in extra care and hotels (610). A further 1,095 jobs are expected to be supported through home working[16].

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[13] Otterpool Park Garden Town Employment Opportunities Study, Lichfields, 2018

[14] One part time job = 0.5 FTE as per the employment densities guide. Part time working is based on the industry breakdown of part time employment in Folkstone and Hythe (BRES 2016, ONS).

[15] Including F&B

[16] This is based on the ratio of the number of home workers to dwellings in Folkstone and Hythe, which is 0.11 (Census 2011, ONS)

Figure 18: Projected new jobs at Otterpool Park (OPA for 8,500 homes)

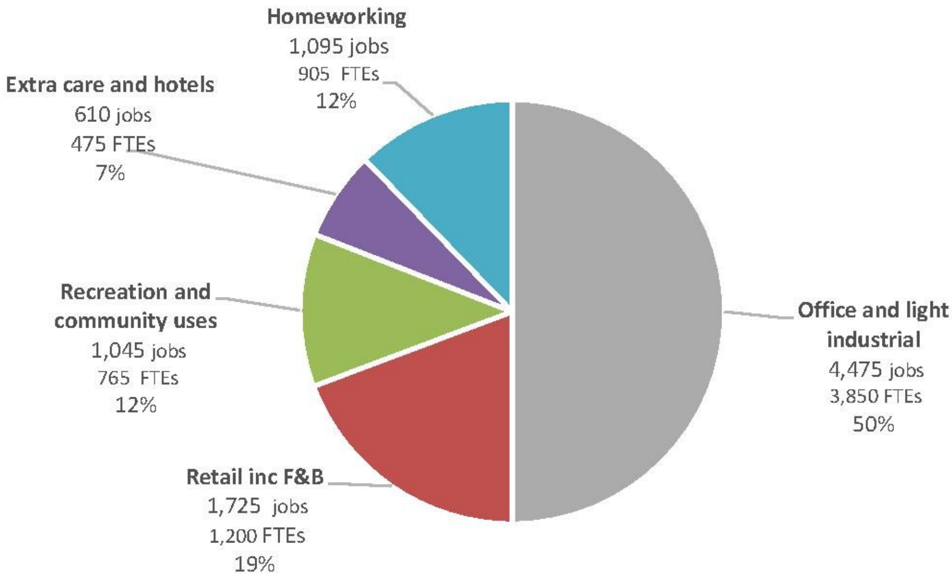


Table 5: Direct Employment at Otterpool Park

		FTE		% part time	Jobs	
B1	Commercial business in hubs*	770		28%	895	
B1	Commercial business in parks*	2,850	3,850	28%	3,315	4,475
B2	Light industrial business park *	230		28%	265	
A2/A3/A4	Business/café/restaurant/pub/takeaway	460	1,200	58%	650	1,725
A1	Retail	740		63%	1,075	
D2	Sports pavilion	10		60%	10	
D2	Indoor sports hall	70		60%	95	
D1	Secondary school (including sixth form)	220		33%	265	
D1	Primary school	205		72%	320	
D1	Nursery	75	765	53%	105	1,045
D1	Community centre	70		60%	105	
D1	GP services (not including additional health and social care that could be developed in B1 space)	115		44%	145	
C2	Extra care	435	475	44%	555	610
C1	Hotel	40		58%	55	
	Home working	905		35%	1,095	
	TOTAL	**7,195**		**39%**	**8,950**	

**these elements could include health and social care research/training etc*

6.10 As per the role of garden communities set out previously, the size of Otterpool Park is substantial enough that the residents should be able to serve the needs of business (in terms of labour market) and vice versa, and hence the level of net commuting has the potential to be low. That said, the accessibility of the site to the rest of the region means that it is well placed to integrate with the rest of the region and provide a strategic employment function which the district currently lacks.

Identifying Growth Sectors

6.11 It is not possible to project with accuracy the businesses who will locate at Otterpool Park. The LEOS study, the work and ambition of the Local Plan and the LEP, community consultation, and the Applicants' own local experience and understanding of the economy have influenced the economic vision for the Garden Town to date. The Application is in Outline and there is still significant flexibility to deliver a wide range of potential business and industry types and to adapt to changing needs over time as the development comes forward.

6.12 Quod has undertaken additional research into the economies of towns of a similar size to Otterpool Park to understand their structure. Ten towns were chosen based on size, all containing approximately 10,000 homes and 20-26,000 residents. These were chosen by analysing 2011 Census data for Built-Up Areas and are shown below.

Industries in comparator towns

6.13 These ten places represent a mix of towns across England. Newton Aycliffe was chosen as it is the closest new town[17] by size to Otterpool Park. These towns have varied economies, with some being prosperous market towns (Sudbury, Godalming), some with major industrial employment (Huntingdon, Newton Aycliffe) and some as centres of tourism (Truro, Buxton).

Table 6: Comparator towns

Town	LPA	Region	Dwellings (Census 2011)	Population (Census 2011)	Jobs (Census 2011)	Jobs (BRES 2016)
Buxton	High Peak	East Midlands	10,000	22,100	9,400	10,500
Daventry	Daventry	East Midlands	10,000	23,900	13,500	14,000
Godalming	Waverley	South east	9,500	22,700	11,200	12,000
Huntingdon	Huntingdonshire	East	9,800	23,900	18,700	19,500
Hythe (Hampshire)	New Forest	South east	9,100	20,200	5,000	4,000
Market Harborough	Harborough	East Midlands	10,300	22,900	11,200	11,500
Newport	Isle of Wight	South east	10,300	24,900	18,800	19,500
Newton Aycliffe	County Durham	North east	11,400	26,000	13,100	14,500
Sudbury	Babergh	East	10,000	22,200	11,100	9,500
Truro	Cornwall	South west	10,800	23,000	25,900	29,000

NB: All census figures are rounded to the nearest 100; BRES data is only available to the nearest 100. It should be noted that the BRES figures are not available at BUA level and so the best approximation has been estimated using output areas.

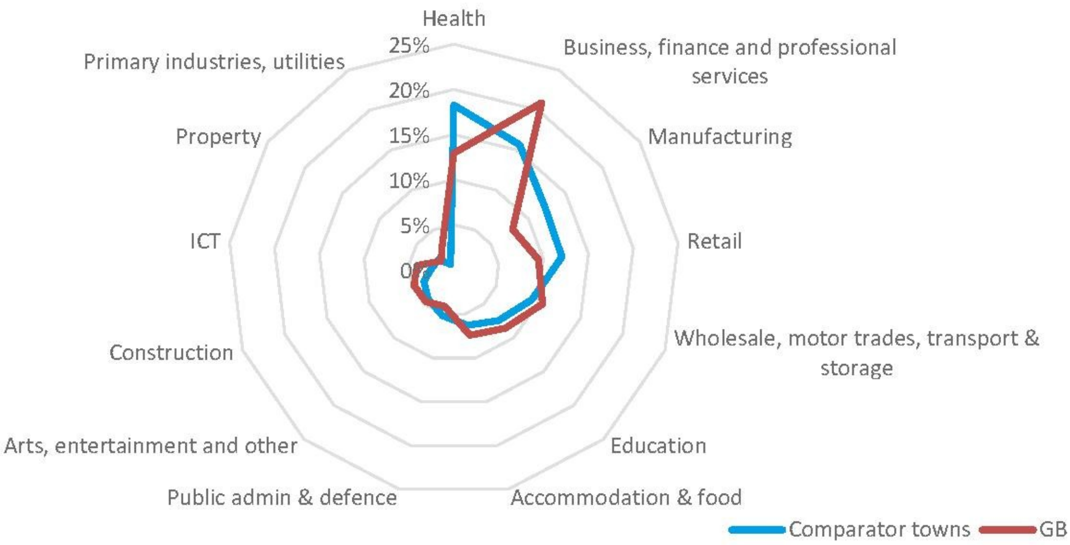
6.14 Some of these towns have considerable employment sectors. The 2011 Census recorded almost 26,000 people working in Truro, reflecting its status as a major town centre. The lowest employment level was in Hythe in Hampshire, with just under 5,000 jobs.

[17] Founded in 1947 under the New Towns Act of 1946

6.15 BRES data from 2016 shows a diversity of sectors in these towns. Figure 19 shows the breakdown of employment across all ten comparator towns[18], compared to industrial breakdown of national (GB) employment.

- The health sector is the largest employer across the ten towns employing 18% of all people employed, compared to a national average of 12%. This sector supported the largest numbers of jobs in Truro (8,500 jobs), Newport (5,500), Huntingdon (4,550) and Buxton (1,750).
- Business, finance and professional services is the second largest sector across the ten towns, employing 16% of the workforce. This is still smaller a smaller proportion than the national average where 21% of people are employed in this sector. Business, finance and professional services is particularly prevalent in Huntingdon and Godalming which both support over 3,000 jobs.
- Manufacturing is the third largest sector across the ten towns, employing 13% of the workforce. This compares to a national average of 8%. It was the largest sector in Newton Aycliffe (6,000 jobs), Sudbury (2,500) and Daventry (2,750).

Figure 19: Industrial breakdown - comparator towns



The Lichfields Employment Opportunities Study

6.16 The LEOS identified five different growth sectors based on market, policy and economic drivers. The criteria were based on:

- **Potential to service growing regional, national and international markets** in order to capitalise on the potential and locational advantages of a new garden town and to maximise the widest range of opportunities available.
- **Capacity to contribute to employment and GVA** growth in order to boost the Shepway local economy as envisaged in the Council's Corporate Plan and Economic Development Strategy.
- **Align with national policy and financial support**, for example in terms of the Government's emerging Industrial Strategy and associated funding mechanisms such as the National Productivity Investment Fund.

[18] This adds up employment by industry across the ten towns, so towns with higher employment will be more highly weighted.

- **Evidence of inward investment track record** and/or enquiries that provide a potential platform for future growth.
- **Build on existing strengths within the Shepway local economy** as identified within the Council's Economic Development Strategy.

6.17 On this basis LEOS identified five key growth sectors: green construction; low carbon environmental goods and services; advanced manufacturing; creative digital and media industries; and business, finance and professional services. LEOS presented a scorecard which showed the extent to which the growth sectors satisfied the criteria (refer to Table 7: Growth sector 'scorecard').

Table 7: Growth sector 'scorecard'

	Potential to serve growing markets	Capacity to contribute to employment and GVA	Alignment with gov. policy and funding	Inward investment track record	Builds on existing Shepway strengths
Green construction	●	●	●	○	○
Low carbon environmental goods and services	●	●	●	◐	○
Advanced manufacturing	●	●	●	◐	◐
Creative, digital and media industries	●	●	●	◐	●
Business, finance and professional services	●	●	○	●	●

Source: Otterpool Park Employment Opportunities Study, Lichfields, 2018

6.18 This suggests that the three growth industries identified in the LEOS which are most likely to facilitate growth in the employment hub are 'advanced manufacturing', 'business, finance and professional services' and 'creative, digital and media industries'. As part of the health and wellbeing aspirations for Garden Towns at a local and national level, the Applicants also envisage health related employment as part of a new multi-speciality/extended service health hub, which could have links to education and training for health and social care professionals. The Green Economy also has potential for innovation and training links. The evidence for this is set out in more detail below.

Advanced manufacturing

6.19 The LEOS identifies advanced manufacturing as including 'high-research intensive subsectors such as pharmaceuticals, computer and electrical equipment, and engineering activities. This was identified as an opportunity to counterbalance the shortage of high-quality industrial premises catering for bespoke manufacturing in Kent and capture the benefit of businesses who are moving out of the constrained and expensive locations in London.

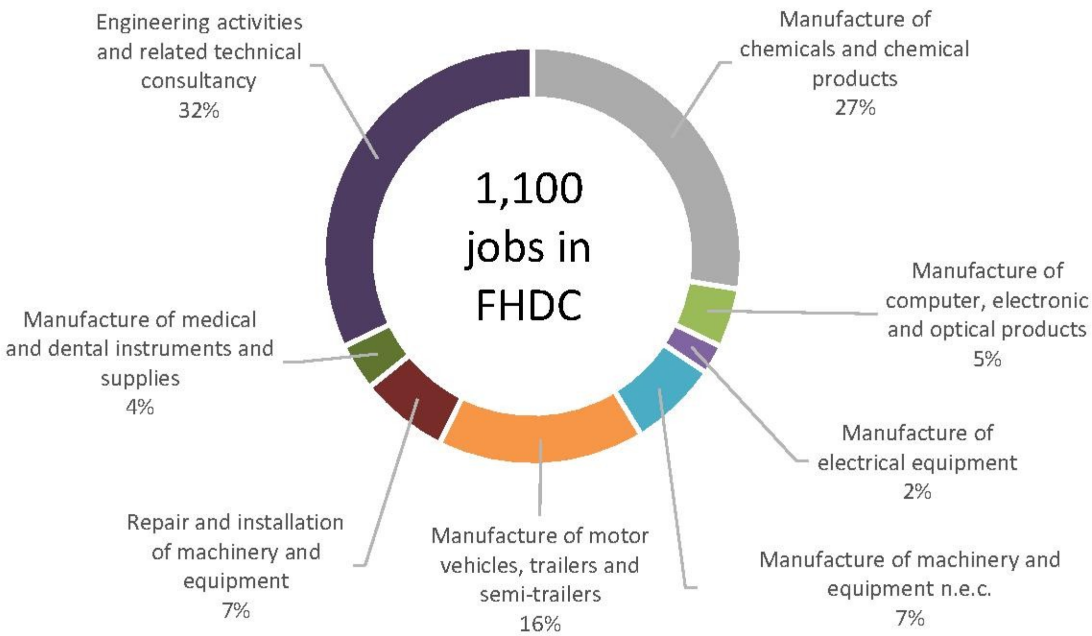
6.20 This finding in the LEOS is supported by the analysis of industries in similar sized towns in the previous section (refer to paragraph 6.15). This found that manufacturing was the largest employer across the ten comparator towns, employing 13% of the workforce. This compares to a national (GB) average of 8%.

6.21 There are currently approximately 1,100 people employed in FHDC in advanced manufacturing[19] in FHDC, which is 3% of total employment in the area. This is lower than the national (GB) average of 4% of people

[19] This is based on the LEOS definition which includes the following SIC codes: 20: Manufacture of chemicals and chemical products; 21: Manufacture of basic pharmaceutical products and pharmaceutical preparations; 26: Manufacture of computer, electronic and optical products; 27 : Manufacture of electrical equipment; 28: Manufacture

employed in advanced manufacturing. There is an opportunity for a cluster of health based advanced manufacturing businesses who benefit from the proximity to the new Kent and Medway Medical School and the onsite health facility. Our research supports the LEOS observation that this is a potential growth area for the district, but that availability of skilled workers will be key to growth in this area.

Figure 20: Advanced manufacturing in FHDC



NB 'Manufacture of basic pharmaceutical products and pharmaceutical preparations' (SIC 21) and 'manufacture of other transport equipment' (SIC 30) are not included in the graph as they do not support employment currently in FHDC.

6.22 There is a general shortage of good quality industrial premises across Kent, and particularly design and build opportunities for specific businesses wanting to invest in bespoke facilities (more common for advanced manufacturing operations). In addition, there is a general trend of some industrial activities being displaced from more constrained or expensive locations such as Greater London.

6.23 Research from Arcadis as part of this application indicates that there have been over 100 investments in this sector across Kent since 1997 indicating that there is growth potential and with further enquiries in the pipeline.

Creative, digital and media industries

6.24 Creative, digital and media industries are 'characterised by wealth and job creation through the generation and exploitation of intellectual property'. This has been identified as a growth sector on the basis of existing strengths in the region (the Folkestone Creative Quarter and the University for Creative Arts in Folkestone), and due to the sector's ability to attract a young, highly mobile workforce from other towns and cities.

of machinery and equipment n.e.c.; 29: Manufacture of motor vehicles, trailers and semi-trailers; 30: Manufacture of other transport equipment; 33: Repair and installation of machinery and equipment; 325: Manufacture of medical and dental instruments and supplies; and 7112: Engineering activities and related technical consultancy

6.25 Creative industries do not fall neatly into the industrial breakdown presented previously. Based on the ONS's definition of creative industries[20], which included digital and media industries, it is estimated that there are currently 800 people employed in FHDC is creative industries. This is 2% of the workforce. This is lower than the national average (4%). As the LEOS identifies, there is therefore an opportunity for growth in this sector but it is dependent on flexible office/workspace, suitable environments, exemplary connectivity and superfast broadband.

6.26 The Creative Quarter in Folkestone is a good stepping stone to build on. Its current focus is on arts, media and design, but has also now started to see growth of related digital companies. The Applicants do not want to displace uses from the Creative Quarter and wants to ensure its continued success alongside new provision of space at Otterpool Park. This means working in partnership with the Creative Quarter to establish a complementary and non-competing offer e.g. move-on space for businesses that outgrow the existing offer in Folkestone. The

6.27 A vision and strategy for maximising the cultural and creative potential of Otterpool Park is set out in *The Cultural and Creative Strategy for Otterpool Park Garden Town (Create Otterpool),* submitted with the OPA. This aims to make culture and creativity an integral part of the development of Otterpool Park and promote creative learning and business. Proposed interventions include appointing a Cultural Champion and Creative Advisory Board, supporting cultural assets through long-term stewardship, a programme of community arts commissions and activities, public realm interventions, and an attractive living and working environment that weaves design into the public realm.

Business, finance and professional services

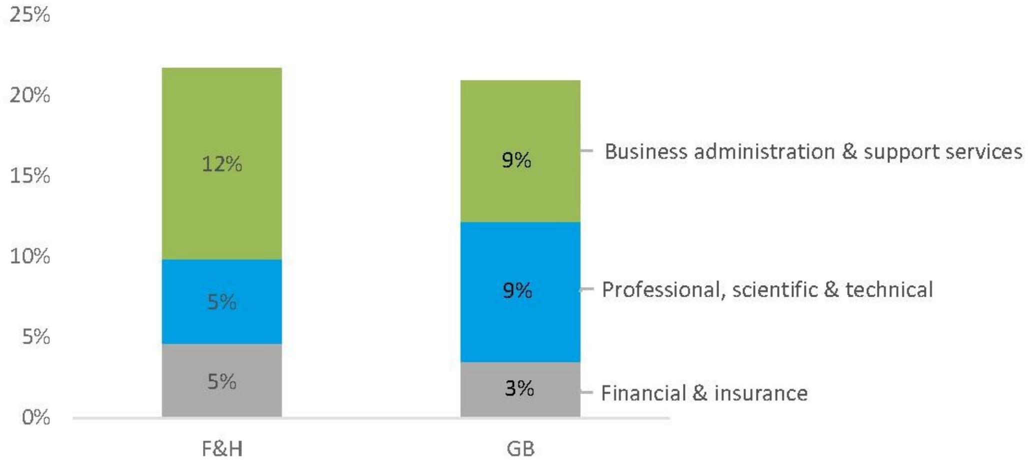
6.28 Business, finance and professional services is a broad sector which includes (although is not limited to) funding and finance, consultancy, architecture, legal and engineering. The LEOS identified it as a growth sector based on the existing strength of the sector in the local area, and the growth of the sector (at a national level).

6.29 This is supported by the evidence set out in the previous section (refer to paragraph 6.15) which showed that business, finance and professional services is the second largest sector across the ten comparator towns, employing 16% of the workforce (albeit at a lower proportion than the national level of 21%).

6.30 The proportion of FHDC'S employment in business, finance and professional services in FHDC (22%) is in line with the national average (21%). Figure 21 shows the breakdown between the three main industrial sectors which make up business, finance and professional services: FHDC has a higher proportion of people employed in 'business administration and support services' compared to the national average and a lower proportion in 'professional' scientific and technical' and 'finance and insurance'. Growing these latter subsections at Otterpool is an opportunity to attract higher value employment opportunities to the district.

[20]Defined in Creative Industries Economic Estimates, Department for Culture, Media and Sport Creative Industries Economic Estimates, June 2016

Figure 21: Employment in business, finance and professional services



6.31 This sector is dependent on business to business relationships and therefore as is identified in the LEOS, the transport accessibility is crucial. The LEOS also identifies good quality office accommodation and high-quality housing stock (to attract the labour force) as essential for growth in this sector.

Health and social care

6.32 The Kent and Medway Sustainability and Transformation Plan (STP) from 2017 points to shortages of staff and difficulties recruiting and retaining as crucial challenges for the NHS across Kent. In particular it notes that there are very high levels of vacancies at primary care level, with an estimated 136 GP vacancies (12% of the total) across Kent and Medway. There are also problems recruiting practice nurses and mental health service staff.

6.33 There are four key challenges which have been raised in respect to GP recruitment in rural areas in the UK:

- The need for partners and other family members to be able to find work where GPs are posted
- The desire for GPs to work in larger, dynamic practices where there may be opportunities for continued learning or specialisation
- The relative likelihood for GPs to stay in the area where they trained (which means that places without any medical training facilities may struggle more to recruit.)
- The need for high quality places to live

6.34 Otterpool Park presents an opportunity to attract GPs to FHDC. The new homes will provide a wide range of possible options of GPs and other health and care staff to rent, part own or own their homes. The setting of a Garden Town will provide the environment to attract skilled workers, including healthcare professionals. The employment space that will be delivered on-site, as well as the good transport connections, will help to ensure partners and families will also have employment opportunities, including opportunities in healthcare related sectors, which the Applicants consider to be a very good fit with the aspirations and health and wellbeing agenda for the Garden Town.

6.35 The potential for an innovative and extended healthcare model such as a Multi-speciality Community Provider (MCP) or Treatment Centre will help to attract healthcare professionals and will offer opportunities for training and development, which will dovetail well with the new Kent and Medway Medical School and with the commercial opportunities on-site.

Homeworking

6.36 An estimated 40% of full-time workers in the UK have some form of flexibility about their working hours, meaning they can work remotely on some days of the week or for parts of the day[21]. Legally, anyone who has worked for an employer in the UK for a minimum of 26 weeks has the right to ask to work flexibly — a term that includes homeworking, part-time working, flexitime and job-sharing[22].

6.37 According to research by Timewise and Deloitte, companies that have focused on giving their employees greater flexibility in how, when and where they work have capitalised on attracting and keeping the best people. Flexible working is now the preferred way of working for a large proportion of both men and women across generations[23].

6.38 In addition to flexible working, 1 in 10 residents of FHDC work mainly from home. 7% of residents are self-employed (12% in Kent and across the South East[24]). In order for self-employment, home and flexible working to be a practical and productive choice for residents. Otterpool Park must provide superfast broadband to all homes and could provide a range of commercial services including co-working and flexible/shared office space; affordable conferencing and meeting room hire and facilities providing printing and business services.

The Green Economy

6.39 Large scale developments can be environmental test beds, to explore new technologies, ways of working, building and living.

6.40 The design, build and operation of the Garden Town provides the opportunity to implement and showcase green construction approaches as a fundamental part of achieving high sustainability credentials. Modern methods of construction and the associated training and manufacture of components is a growth area.

6.41 There is scope for 'smart city' principles relating to energy and waste management to be incorporated within the design of Otterpool Park. This could provide the starting point for small-scale industries which can then grow and export goods and services to other parts of the country. Research by Arcadis for this application indicates that over 40 investments have been made in this sector across Kent since 1997 indicating that there is growth potential and with further enquiries in the pipeline.

Approach to commercial development: attracting growth sectors

6.42 The Applicants have identified the five key Unique Selling Points at Otterpool.

- **The overall Otterpool Park vision:** the quality of place and identity that will be established.
- Regional, national and international **transport connections**
- **An attractive place to live for employees**: attracting a strong labour force, retaining skilled young people.

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[21] Timewise/Deloitte, 2018. A Manifesto for Change: a Modern Workplace for a Flexible Workforce. Accessed 22.11.18
22 Financial Times, June 28 2018, Flexible working: here's what employees want. Accessed 22.11.18
23 Timewise/Deloitte, 2018. A Manifesto for Change: a Modern Workplace for a Flexible Workforce. Accessed 22.11.18
24 Annual Population Survey, % aged 16-64 who are self employed, June 2017-2018

- Early commercial development to be a **creative response to reusing existing assets** such as the Farm buildings, Barns and Racecourse outbuildings to build a sense of place and character
- **Building on the nascent demand for business space** in the area: popular industrial park at Lympne and strong demand in Kent for smaller flexible use units.

6.43 Based on these strengths and the other research in the LEOS and set out above there are two main themes that form the core of the approach:

1. **Super-Connected:** Otterpool Park will be exemplary in transport and broadband connectivity making the most of opportunities to form local links within community and building networks with Folkestone, Ashford, London and the wider south East.

2. **Innovative:** Otterpool Park will offer new ways of working including affordable incubator spaces and shared flexible working environments. There are opportunities to provide structured support for new businesses, investor networking, mentoring and co-ordination of angel funding. The quality of life offered at Otterpool Park will attract skilled workers and promote and support more flexible and creative ways of working where these can improve wellbeing.

7 The Applicants' Commitments

7.1 In order to support successful implementation and long-term economic sustainability for Otterpool Park, there is a need to attract highly skilled residents to the area and attract, grow and retain new businesses. Table 8 shows the commitments that will ensure successful delivery of the development.

7.2 As set out in the introduction, the plans and application are in Outline. This means the Applicants are at the earliest stages of plans for the design and delivery of commercial space. The needs of local area and businesses may change over the delivery period, but the list below sets out a framework of actions that the Applicants and their partners will pursue in the Post-Application period to build a strong economic base at Otterpool Park.

Table 8: Commitments of Otterpool Park

Broad aim		Commitment
Attract, grow and retain new businesses	Attract new business	Seek to engage pioneer tenants to move within early phases.
		Curate new tenants to attract new growth sectors and spin-offs.
		High quality, flexible office space to accommodate a range of businesses and industries.
		Engage with MHCLG regarding a potential for Enterprise Zone status.
	Growing new businesses	Allow for flexible/short term leases which provide new businesses with low barriers to entry to office/industrial.
		Seek to provide co-working space to support home working/self employment and start-ups
		Provide supported workspaces and incubators to support new businesses.
		Promote angel funding and investor networks.
		Form a skills/education partnership which promotes a relationship between local education providers and the business community, with the aim to support local recruitment.
	Retain businesses	Develop lease terms which favour internal movement.
		Provide a range of sizes of space to accommodate businesses as they grow.
	Develop specialisms	Support clusters that play to Otterpool Park's Strengths, as outlined in this report. Review options for preferential rents for certain sectors, co-locating new businesses and targeted support/partnership.
Attracting skilled residents		Provide a range of high-quality housing to suit a range of needs, including a range of tenures and sizes of homes.
		Provide high quality public realm to create a sense of space; this will be informed by a strategy to ensure to ensure there is a cohesive approach across the development.
		Provide community services (health, education) to meet the needs of the population.

	Provide alternatives to public transport; seek to provide car club cars onsite to reduce the need for ownership, and provide cycle parking and cycle hire schemes.
Attract both skilled residents and attract, grow and retain new businesses	Lobby for a connection to the HS1 line at Westenhanger station to further improve transport accessibility.
	Marketing Strategy and PR
	Seek to provide ultrafast fibre broadband for both businesses and residents.
	Develop a brand for Otterpool Park which reflects its unique selling point to both residents and businesses.

8 Next steps

8.1 As part of the post-application period and into the detailed design phase the Applicants will commit to a process of engagement, marketing and support that will help to achieve the commitments set out above. This will include:

- Actively engaging with FHDC economic development team which will be developing a strategy for employment delivery that aligns with strategic objectives.
- Engaging with the LEP and actively seeking feedback and partnership at a strategic level.
- Preparing a delivery strategy for the first phase of business space including the approach to tenant curation, engagement with tenants/representative groups and the suite of options for flexible/supported lease terms.
- Preparing a marketing strategy for the first phase of business space, including potential lease terms and target industries.
- Developing a strong brand as part of the approach to placemaking.
- Establishing links with the local tenant representative groups such as Chambers of Commerce.
- Building or linking to investor networks and angel investor groups.
- Running marketing events that bring these stakeholders together.
- Building partnerships with public and private sector education bodies; understanding and making the most of potential synergies.
- Engaging with public sector bodies responsible for strategic infrastructure, including rail links, to promote the site and explore available opportunities to provide best practice in connectivity.
- Developing detailed designs that carry forward the principles of public realm, housing and services that have been committed to at Outline Stage.