

**AVISON  
YOUNG**

**Wates**

# **Wates Developments Ltd**

Employment Land Needs Statement of Common Ground

19 January 2024

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**Report title:** Employment Land Needs Statement of Common Ground

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**Contributors:**

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**For and on behalf of Avison Young (UK) Limited**

# 1. Introduction

- 1.1 This Statement of Common Ground ('SoCG') is agreed between the two main parties to the Appeal by Wates Developments Ltd ('The Appellant') against the decision of Maidstone Borough Council ('The Council') to refuse planning permission for the development of an employment / logistics building at Land North of the A20, Ashford Road, Maidstone ('The Site'). It relates specifically to issues of "Economic Need" and follows an 'Overarching SoCG' which was agreed on 15<sup>th</sup> December 2023.
- 1.2 The SoCG follows the guidance provided by the Planning Inspectorate ('PINS') on the preparation of such statements.
- 1.3 The agreed address for the Appeal is:
- LAND NORTH OF THE A20, ASHFORD ROAD, HOLLINGBOURNE, KENT, ME17 1XE
- 1.4 The agreed description of the Development is:
- Outline application for the erection a building for storage and distribution (Class B8 use) with a floorspace up to 10,788sqm (Gross External Area), ancillary offices, associated car parking, HGV parking, landscaping and infrastructure (All matters reserved except for access)
- 1.5 The Application has reference number 23/500899/OUT.

## 2. Economic Evidence Base

2.1 The evidence available to the Inquiry that directly considers issues of employment land demand and supply are agreed to be as follows:

- Adopted Local Plan:
  - CD5.4 Qualitative Employment Site Assessment Report 2014
  - CD5.5 Economic Sensitivity Testing and Employment Land Forecast 2014
- Local Plan Review
  - CD6.9 Maidstone Economic Development Needs Study (EDNS) Addendum 2021
  - CD6.10 Maidstone Economic Development Needs Study (EDNS) Stage 1 2019
  - CD6.11 Maidstone Economic Development Needs Study (EDNS) Stage 2 2020
  - CD6.12 Garden Settlements Economic Report 2021
  - CD6.14 Local Plan Review Main Modifications Document
  - CD6.2-6.5 – Wates Developments Ltd Submissions to Local Plan Review Consultation and Examination in Public
- Market Reports
  - CD5.3 Kent Property Market Report 2023
  - CD5.13 Savills UK Big Shed Briefing (July 2023)
  - CD5.14 Savills The Logistics Market in London and the South East (July 2023)
- Application Documents
  - CD1.6 Economic Needs Assessment
- Appeal Documents
  - CD7.9 Martyn Saunders Proof of Evidence (including Appendix I – JLL Market Report)
  - CD7.12 Matthew Kinghan Proof of Evidence
- Relevant Maidstone Borough Local Plan 2017 Policies
  - SS1 – Maidstone Borough Spatial Strategy
  - SP21 – Economic Development
  - EMP1 – Employment Allocations

### 3. Employment Land Need and Demand

#### Matters Agreed

- 3.1 It is agreed between the parties that the content of the Local Plan Review Main Modifications [CD6.14] document provides the most up to date figures for the quantum of employment floorspace required over the Local Plan Review period.
- 3.2 There is therefore a shared understanding that the borough-specific employment land requirements between 2021 and 2038 total **a minimum of 119,250sqm of additional floorspace**, with this total made up of the following specific uses:
- 36,650 sqm office use (previously 33,430 sqm)
  - 33,660 sqm industrial use
  - 48,940 sqm warehousing use
- 3.3 As a result, it is therefore Common Ground that there is an identified locally-driven need for the borough to accommodate additional B8 warehousing space in the Plan Period and that this forms the largest component of overall floorspace requirements.
- 3.4 Both parties agree that the Economic Development Needs Study Parts 1 and 2 plus the Addendum [CD6.9-6.11] establish the following:
- That the borough had seen increasing supply of warehousing space between 2010 and 2016 (the period of data presented in CD6.11).
  - The borough is seen as a good location for industrial activity and demand increases with proximity to the M20.
  - The 2021 Addendum predicted higher levels of need than the Part 2 report, however this was discounted as the authors considered the growth a result of post-COVID jobs recovery.
  - The changes in 2021 employment growth levels in order of magnitude were office jobs, manufacturing jobs and distribution (CD6.9 Fig 3.2). In terms of floorspace, B1c/B2 floorspace saw the greatest increase for the 2022-37 period whereas B8 floorspace saw the greatest increase for the 2022-42 period..
- 3.5 It is agreed that the market analysis presented in CD1.6 is a representation of fact and not contested. Therefore, it is agreed that the market evidence shows increased demand for B8 space in general, driven by a range of factors including COVID-19, Brexit, shifts in consumer behaviour, changing logistics network models, technological advances and other factors, in the period after CD6.9. 6.10 and 6.11 were prepared.
- 3.6 No direct reference to the Kent Property Market Report (CD5.3) by the Council is made, nor was it considered as part of the Local Plan Review, however its content is agreed as an accurate reflection of industrial and distribution market performance within Kent including Maidstone.
- 3.7 The parties agree that the logistics market has seen a cooling off since the 2021 peak, but demand remains above long-term trends (as reported in CD5.3, CD5.13, CD5.14 and CD7.9).

- 3.8 As noted in CD7.12 (Paragraph 6.4), drawing on CD5.14, within the 'big box' sector in London and the South East has seen the strongest take up for units between 100,000sqft and 200,000sqft, alongside ongoing demand for smaller sized units (not covered by CD5.14). Locate in Kent, in their letter appended to CD7.9, confirm they have received a large number of enquiries for large units (over 50,000sqft) in the area of North Kent that includes Maidstone but do not provide information on units between 100,000sqft and 200,000sqft being sought.
- 3.9 In line with references in the EDNS reports (for example CD6.10 Para 2.32, 6.14, 6.31 CD6.11 6.13) it is agreed that within Kent the M20 is identified as an attractive location for industrial and distribution activity. It sits alongside areas within the M25 (South) market area in Kent as a focus for activity and is considered the "prime" location for such activity (CD6.10 Paragraphs 6.14) in the borough.
- 3.10 It is agreed that the Functional Economic Market Area is principally made up of the north of Maidstone borough, the north of Tonbridge and Malling District and the south of Medway authority area (CD6,10). It is agreed that the M20 market area includes these areas as well as Ashford and northern Sevenoaks District (CD1.6 Fig4).

### **Matters Not Agreed**

- 3.11 It is not agreed that the Local Plan Review evidence base provides sufficient market analysis and information to ensure the Local Plan Review Examination Inspector had a sufficient understanding of the market signals affecting the nature of supply.
- 3.12 It is the Appellant's position that this remains a significant limitation in the evidence base that affects the soundness of the Local Plan Review given the form of demand is not updated beyond the work in CD6.10 section 6 dated 2019, only the quantum.
- 3.13 The Council consider that the 2021 need forecast figures should be discounted in favour of the 2020 figures. The Appellant's position is that they should not.
- 3.14 The Council's position is that the Appellant's case is predicated on the Appeal Site being needed to meet needs that are not borough specific. This is not agreed by both sides. The Appellant's position is that there is an identified qualitative need for the Appeal Site as supported by evidence in CD7.9 (including the information provided by Locate in Kent), CD2.4 (from the Council's Economic Development Team and CD6.10 Para 6.18 (local agents interviewed as part of the EDNS) that cannot be met on the sites allocated in the Local Plan or proposed in the eLPR given their locational and physical limitations (as set out in CD7.9)
- 3.15 The Council's position is that none of these sources identify a Maidstone specific requirement for the appeal site. The Locate in Kent Letter (CD7.9) does not clarify the size of buildings being sought only that they are over 50,000sqft in the area of North Kent that includes Maidstone, and the Council's Economic Development Team (CD2.4) provide no specific advice on qualitative need or the need for larger buildings and would prefer to see a range of size of units to serve the local market
- 3.16 The appellant would note that both sources understand the need for such units to serve the growing logistics sector's requirements and that the scheme would be well-received from the market/occupiers.
- 3.17 The Council's position is that the Economic Development Team reference Locate in Kent and the appellant's evidence in terms of supply and do not provide their own evidence.
- 3.18 The appellant would underline that the Economic Development Team have provided their professional opinion and support the scheme.

3.19 The position of individual sites in terms of construction and lettings is not agreed.

## 4. Employment Land Supply

### Matters Agreed

- 4.1 The parties agree that the land supply available to accommodate the identified borough specific need for B8 space is formed of the following allocated or proposed sites:

Site Reference	Site Name	Office	Industrial	Distribution	Town Centre
EMP1 (4)	Woodcut Farm		49,000sqm		
EMP1 (1)	West of Barradale Farm, Headcorn		3,500sqm		
EMP1 (2)	South of Claygate, Marden		4,000sqm		
LPRSA260	Ashford Road, Lenham		2,500sqm		
RMX1(4)	Former Syngenta Works, Yalding		46,000sqm		
LPRS4(A)	Heathlands Garden Settlement		19,110sqm		4,764sqm
LPRS4(B)	Lidsing Garden Settlement		42,998sqm		1,055sqm
Total			167,108sqm		5,819sqm

- 4.2 It is therefore agreed that no sites have been identified purely for B8 use.. The Council assumes that the identified B8 requirements will be met on sites allocated for a mix of employment generating uses e. If B8 use is the most needed then the allocations are flexible and can deliver that use.
- 4.3 It is agreed that these sites offer a quantitative supply that could be sufficient to meet and potentially exceed the identified quantitative B8 need, subject to the final balance of land uses within each site.
- 4.4 CD6.9, 6.10 and 6.11 are accepted as the evidence base for the proposed Local Plan Review site allocations and these do not include any analysis/assessment of the employment sites that will form future supply beyond their quantitative capacity.
- 4.5 It is agreed that the Garden Settlements have identified maximum levels of B8 development, based on all land identified as deliverable within the Plan Period comes forward within that Land Use class (CD3.23, Paragraph 3.23) as follows:
- Heathlands = 18,980sqm
  - Lidsing = 15,420sqm
- 4.6 It is agreed that delivery of the Garden Settlement Employment Land would come later in the Plan Period, as such it is therefore agreed that the borough is reliant on the 'rolled forward' allocations to meet B8 needs with the addition of LPRSAEmp1 and LPRSA260.



- 4.7 CD7.12 reflects the evidence for the Garden Settlements position that some of the employment provision at Lidsing and Heathlands would meet needs arising from neighbouring boroughs (CD7.12, para. 3,82). It is therefore Common Ground that not all of the space will be available to Maidstone specific needs within the Plan Period – however the Council considers some of the employment provision will go towards meeting wider needs in the FEMA/M20 market area.
- 4.8 It is agreed that Woodcut Farm has a maximum B8 development capacity 22,455sqm being restricted by condition (+ the floorspace of 1,425sqm allowed under application 21/506792/HYBRID) being a total of 23,880sqm. .
- 4.9 It is agreed that the sub-division of the unit, should the appeal scheme be approved, could be controlled/prevented via an appropriately worded condition.
- 4.10 The land supply position set out for Tonbridge and Malling and Medway is agreed.

### **Matters Not Agreed**

- 4.11 Whilst the quantum of land is agreed within the Garden Settlements, the timing of delivery remains a point of difference. The Main Modifications Report suggests delivery in both Settlements would not commence until 2033 LPRSP4(B) and 2031 LPRSP4(A). The appellant's assert that there remains no certainty of the quantum of space available for B8 in the Plan Period and therefore no clarity as to whether it will be able to meet identified need as stated by the Council. The LPA's position is that there is no requirement to evidence certainty and the quantum available has been clearly demonstrated.
- 4.12 The suitability of the identified supply site portfolio to accommodate B8 activity is not agreed. The Appellant's position is that the scale, location and development constraints on each site mean they would be of limited appeal to B8 businesses. The Council assumes that Lidsing provides some opportunity for B8 businesses given its proximity to the M2 as per reference to Strategic Road Network in CD3.2 Policy LPRSP4(B) 4)a) as well as references to SRN and logistics in CD6.12 table 2.2, paras 2.11, 2.12, 3.28. The Appellant agrees with this potential, but believes this does not address the qualitative shortcomings of the supply portfolio given the size limitations placed on individual units (6,000sqm) in CD6.14.
- 4.13 The Council considers that Woodcut Farm through the development management process and permission 20/505195/OUT (CD4.13) provided for potential B8 buildings up to 10,000sqm and buildings of 7,949sqm and 9,871sqm have subsequently been approved/constructed. Both parties agree (as confirmed at the Roundtable) that the largest buildings consented within CD4.13 have been built as 4 units (referred to by the Marketing Agents as Units B1, B2, B3 ND b4) ranging in size from 40,293sqft to 59,119sqft with three of the 4 units occupied. Sub divisions within the largest 9,871sqm building at the developers discretion have reduced the (current) occupiable area. It is therefore the Appellant's position that Woodcut Farm no longer offers the potential to accommodate a B8 building of 10,000sqm.
- 4.14 The potential positive benefits of the proposed development to the borough's economy have been accepted by the Council's Economic Development Team in CD2.4, however the potential 'disbenefits/opportunity cost' of not meeting the identified needs of the sector in the early part of the Plan Period by having an insufficient land portfolio have not been considered in the opinion of the Appellant. The Council's position is that the need for the site has not been established and that the general demand indicated in the appellant's market evidence can be met in the Plan supply or at alternative locations in the broad M20 / Kent market area. As such the Council does not consider any opportunity cost issue arises.

- 4.15 It is not agreed that the supply of land in other local authority areas offers an opportunity to meet some of the borough's needs. The Appellant's position is that there is a need for the proposed site to meet evidenced need (identified in CD7.9, CD5.4, CD6.10 and CD2.4) and there is no agreement in place for its needs to be met elsewhere, the supply identified in Tonbridge and Malling is needed to meet their own needs (which exceeds current supply) and the Medway supply lies outside the FEMA established in the Local Plan Review evidence base. The Council provides no indication that it expects other LPAs to meet the employment needs of Maidstone Borough as set out in CD6.11, particularly given its emerging Plan employment provision far exceeds the quantitative needs as identified. The Council asserts that there is and will continue to be supply across the FEMA and M20 that will continue to cater for a range of market needs.

## 5. Signatures

**Signed on behalf of Maidstone Borough Council**



Name: Richard Timms

Date: 19/01/24

**Signed on behalf of Wates Developments Ltd**



Name: Asher Ross

Date: 19 January 2024

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### **Avison Young**

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