Appendix IV

Stakeholder
Workshop Note

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Maidstone Borough Council

Qualitative Site Assessment Study

STAKEHOLDER WORKSHOP MEETING NOTES

10:00 Monday 21July 2014

Venue Maidstone Borough Council Offices, Maidstone House

The purpose of this note is to capture and summarise the key themes discussed at the stakeholder consultation workshop. It is not intended to provide full minutes of the meeting but to ensure the key points are recorded in order to inform the next stages of the project.

Attendees

Nick Rowell	FSB
Phillip Hubbard	Sibley Pares
Martin Clayton	Mapeley Estates
John Taylor	Kent Invicta Chamber
Tom Marchant	KCC ED Team
Katharine Harvey	Shared Intelligence
Paul Wookey	Locate in Kent
Graham Herbert	KCC Research Team
Sue Whiteside	Maidstone Borough Council
Sarah Anderton	Maidstone Borough Council
Martyn Saunders	GVA
Isobel Pierce	GVA

Summary of Discussion

The workshop commenced with a presentation given by Martyn Saunders of GVA. The presentation set out the purpose of the workshop and provided some initial observations on the employment land supply position. This included expectations of future growth, and identification of potential emerging issues, such as the quality of existing stock and retention of businesses.

The presentation was then followed by a roundtable discussion which focussed on the following key themes:

Sub-markets

The workshop commenced with a discussion on the key employment sub-markets in the borough of Maidstone. The Maidstone economy in general is seen as distinct from neighbouring areas, notably Ashford. The business base is diverse, with a high proportion of businesses located in Maidstone as a result of initial entrepreneurial activity of the borough's residents. These businesses are spread across the borough, although the market focus tends to be different between those north of Maidstone town (who tend to serve a regional/national demand) and those to the south (who focus more on servicing localised demand, particularly in the Weald).

The rural businesses in the south are concentrated around the 'Rural Service Centres' of Marden, Staplehurst and Headcorn. The employment offer has diversified in recent years, and whilst the rural/agricultural businesses remain, small entrepreneurial individuals and companies have established themselves in the area. As a result there is a growing tension, as these new businesses have different impacts on local infrastructure, and on the local job markets, particularly as they expand. A number of these businesses have grown and expanded activity/employment. Where this has resulted in relocation of the business away from the rural area it was observed that the large industrial units they have vacated are difficult to re-let.

Stakeholders suggested that the office offer made in the north of the borough (for example Eclipse Business Park) have historically drawn occupiers away from the town centre rather than attracting businesses from other places. The move from the town centre was largely attributed to the availability of parking and the ability to occupy newer, better quality space.

However, despite its strong offer and historic performance the later phases of Eclipse Business Park are yet to come forward, agents considered this to be a result of unfavourable financial viability conditions. Other stakeholders felt it other factors may also be an influence, in particular a poor alignment between the spaces deliverable and the demands of occupiers.

In Maidstone Town, the business base is diverse albeit with a remaining focus of public sector and professional service activities. The commercial office market was felt to be constrained by a shortage of Grade A space and lack of car parking in the town centre.

Again, this was observed to be driving businesses out of Maidstone, largely to out of the borough locations such as Hermitage Court, King's Hill or Ashford where flexible leases are also available to encourage occupation.

Transport

It was raised that the key constraint on the industrial/warehouse market was the poor transport connections, with north to south movement particularly limited.

This lack of connectivity is deterring industrial occupiers from moving in to the area, and is also driving existing occupiers to relocate to improve access to markets.
Parkwood Industrial Estate, located to south of Maidstone Town Centre was provided as an example of the difficulties attracting tenants; even where new stock has been delivered (Integra) it has been slow to let and vacancy is considered to be high. Furthermore the mix of occupiers contains a significant non-B Class component, including gyms and crèche.

Connectivity to the motorway network in the north of the borough is better, and this is reflected in both the mix of occupiers, which tend to be more traditional industrial/distribution businesses, and market values which are c.20% higher than those achieved at Parkwood Business Park.

Transport links to London are limited across the borough, particularly rail links, with many opting to drive to Ebbsfleet to join the HS1route. The stakeholders were concerned about the impact this has on Maidstone's competiveness to attract new office development and occupiers compared to Ebbsfleet, given its advantages in terms of connectivity. On the other hand, it was argued that the poorer connections may offer an opportunity to foster a more diverse and entrepreneurial business base in Maidstone.

Regardless of the ultimate impacts it was felt that the rail service was of lower importance to the future of the economy than road links. It was suggested that the existing transport links are likely to shape future employment patterns, for example businesses that specialise in small, lightweight, high value goods that are not dependent on HGVs for transportation may perform better than distribution based industries in the south of the borough. Conversely it was felt any 'larger scale' B2/B8 activities would only be attracted to the north.

Occupier Base of Maidstone

The majority of companies located in Maidstone are locally based, with very few attracted from outside the borough. It was generally felt that to draw businesses in to the area, the commercial offer would need to be improved.

Over the plan period the population is forecast to grow by 19,600 whilst just 14,700 new jobs will be created. There is therefore a disconnect between population growth (housing numbers) and job growth which could impact the Maidstone economy. It was observed, however, that Maidstone has never provided jobs for all residents, as a significant proportion work outside the borough.

In terms of unit sizes, demand is highest for small properties (2,000 sqft), and lowest for large units. Agents also report an undersupply of units measuring between 15,000-25,000 sqft.

Current/Future Demand

Wider change to working practice has increased demand for flexible commercial space in the borough and more widely across the UK. This trend, largely driven by improvements to internet connectivity, is expected to continue alongside an overall decrease in demand for commercial units as home-working becomes more popular.

A 30% growth in home-based businesses over the last few years is reported, which is increasing demand for shared work environments. There could therefore be an opportunity for speculative development of this type of unit in the borough.

A particular opportunity was identified to deliver new shared working environments in the south of the borough, where train links to London are quicker and the commuter population is growing. It was felt that there may be a long term opportunity to develop new start up and small businesses within areas such as Marden as higher skilled residents seek to improve their work-life balance and may consider starting up businesses.

This was seen as a particularly ‘locally relevant’ approach to economic growth, given the borough’s strong history of providing a base for businesses to start and then grow into significant employers.