Summary: This report introduces a discussion paper to be used to stimulate debate on the Borough’s future and gather a response from interested organisations and individuals. In line with the priorities of the Cabinet’s agreed Ashford 2030 Framework, the paper’s focus is principally on the future prospects for the Borough’s economy in order to feed into the review of the adopted Core Strategy which will look to 2030. The paper also sets out possible consequences in terms of the number of new homes needed to provide for different levels of possible jobs growth and those needed to cater for changes in the existing population – particularly the predicted rapid increase in the proportion of older residents. These are complex and inter-related issues – a short leaflet will also be produced to summarise them for the public. The paper concludes with a number of questions for respondents to consider. All views received will be reported back in due course before a decision is made on the correct jobs and housing targets to plan for in the Borough.

Key Decision: YES

Affected Wards: All wards

Recommendations: The Cabinet be asked to:

1. Consider and agree the attached discussion paper as the basis for a public consultation exercise.

Financial Implications: Only printing costs which can be met within budget

Risk Assessment: No specific actions likely to cause a significant risk are proposed

Equalities Impact Assessment: By its nature the paper affects all of the Borough and all who live and work here. The paper identifies possible levels of provision of jobs and homes at a strategic level to meet broad likely needs in the future – equalities issues are most likely to arise in terms of different people’s ability to access jobs and homes which is an issue for a subsequent level of
consideration.

Other Material Implications: None at this stage

Background Papers:
KCC Housing Modelling results for Ashford

Contacts: Richard.alderton@ashford.gov.uk – Tel: (01233) 330239
Exploring a jobs-led future for Ashford Borough:
Early issues for the Core Strategy Review

Issue to be decided

The attached paper has been produced to help widen understanding of the issues involved in the first stage of the Core Strategy review. It is intended that the reviewed Core Strategy will look forward to 2030. The paper aims to stimulate a debate that will help inform the Council's next steps. This report seeks approval for the attached discussion document to be used as the basis of that consultation.

Background

This is an early stage in the Core Strategy review process, seeking to understand and gather views upon the economic growth potential of the Borough over the next 20 years and the consequences of this in terms of future planning. The Council’s Cabinet has made clear its intention that the future development strategy for the Borough should emphasise economic development and the creation of jobs.

Members will be familiar with the economic modelling carried out by consultants G L Hearn and how the series of scenarios they have considered have been applied by Kent County Council demographers to identify a range of likely housing requirements that would result.

It is important to stress that the major purpose of consultation at this stage is to seek broad views on the future of the economy of the Borough. The discussion paper outlines the issues involved and the linkages between them. Respondents are invited to give an open response (with a series of prompt questions) to help inform councillors’ debate at the next stage.

The intention is to collect and report back people’s views to members before moving to identify levels of jobs and housing growth to plan for in the later stages of the Core Strategy review.

Although the discussion paper identifies possible consequences of different levels of jobs growth in terms of the new homes that would be needed, these figures are provisional at the moment. Further work is needed on key variables such as economic activity rates and commuting ratios, taking into account the responses received.

It is worth emphasising that this is only the start of a series of opportunities for public debate on the key issues that will shape the review of the Core Strategy. Issues for a future debate will include how jobs and homes are distributed between Ashford town and the rural areas – it is not anticipated that the long standing general approach to rural restraint to help protect the Borough’s countryside will change. Changes such as the new National Planning Policy Framework and the opportunity for local communities to encourage growth under the Localism Act may have some
Impact, but probably a limited one, on the overall picture, and these will be assessed in later stages as the Core Strategy Review takes on a more spatial approach.

Handling

The issues involved in this debate are complex and are difficult to distil whilst maintaining a full understanding of them. As a result the discussion paper is relatively lengthy and technical, although hopefully clear. It is inevitable that it will tend to be organised groups and similar interested parties who have the interest and capacity to respond and the paper will be targeted to such groups in the community, voluntary and business sectors as well as neighbouring district councils and other formal and statutory bodies.

To widen the debate in the community generally a short leaflet based on the paper will also be produced and made available. Press and other media coverage will be encouraged as this probably stands the best chance of attracting people’s attention and generating a response. The Council’s web site and use of social media will also be used to help raise awareness. A pack will be prepared for Parish Councils and, in the urban area, Community Forums, to have the opportunity to take the lead on identifying the particular issues and views in their own communities.

All responses received will be carefully considered and a report produced to a future Cabinet on the issues raised.

Conclusion

The Core Strategy review needs to be well informed by public and stakeholder opinion from the outset. Approval is sought for the discussion paper attached to be circulated to a wide range of groups and interested individuals so that members can understand their views and determine how best to respond as the Review unfolds.

Portfolio Holder’s Views

‘I support the recommendations and commend the report to Cabinet.’ (Cllr Clarkson)

Contact: Richard Alderton 330239
Email: richard.alderton@ashford.gov.uk
Exploring a jobs-led future for Ashford Borough

Early issues for the Core Strategy Review – We need your views!

This document has been produced to stimulate a debate on the future of Ashford Borough. It focuses on the prospects for the area’s economy and jobs growth, as well as the homes that will be needed to support such growth. It also looks at the new homes likely to be needed to cater for the existing population’s changing needs and the needs of people moving to the area. This is the first step in reviewing the Council’s Core Strategy, its local plan for the Borough, for the period up to 2030.

This is not a consultation on specific targets for jobs and homes. The scenarios explained are not fixed options but are illustrations. The issues are more complex than a simple list of choices and what the Council seeks at this stage is the considered opinion of consultees to help inform the next stages of the process.

A wide range of organisations and individuals will be asked for their views on this document and a simplified leaflet will be produced to encourage debate. The Council will consider all of the responses it receives before moving to the next stage of setting development targets for 2030.

Later stages of the process will then identify the respective roles of the urban and rural parts of the Borough, key sites needed for development and any changes in policy approach that are needed. The whole process is a lengthy one as it involves several stages of public participation leading to an independent, public examination of the plan.
This Consultation paper

This paper is divided into the following sections:

1. Recent history
2. What sort of Borough?
3. Testing likely jobs growth
4. Jobs - Understanding the current position
5. What are the prospects for jobs growth?
6. Comparing the jobs growth scenarios
7. Housing - Understanding the current position
8. Factors influencing the future requirement for housing
9. Predicting the overall levels of housing needed
10. The overall picture - Bringing Jobs and Housing Together
11. The consequences for future plan making

At the end of the paper there are a series of suggested ‘key questions’ to help guide the debate. Links to key documents are also provided and contact points for further information and your response.

1 Recent history

The Ashford Borough Core Strategy was adopted in 2008 and reflected the times it was produced in – Ashford town was a Government designated growth area and a large scale of new development was anticipated. The Core Strategy looked to 2021 and envisaged nearly 17,000 homes and around 17,000 jobs \(^1\) being needed in Ashford over a 15 year period. Meanwhile, growth in the rural area of the Borough was focused at rural service centres \(^2\).

Much has changed since 2008 when the Core Strategy was adopted. The national and global recession has slowed development rates and the concept of ‘localism’ and key changes to the planning system have been introduced by the coalition Government. Under the Localism Act, the Government intends to revoke the South East Plan, which currently sets targets for new homes and jobs until 2026, and in preparation for this, it is timely for the Council to consider how new targets to replace them might be arrived at. Locally, a major programme of infrastructure investment has been completed \(^3\) supported by growth area funding and the High Speed 1 domestic service has been introduced radically reducing journey times to and from London.

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\(^{1}\) Policy CS2 Core Strategy

\(^{2}\) Policy CS6 Core Strategy

\(^{3}\) Including improved water supply, wastewater treatment, highway infrastructure, community facilities, environmental projects, etc
The Core Strategy is now being reviewed. This discussion paper sets out the background for the Review and explains the results of forecasting work ⁴ that has been commissioned to explore the future prospects for the Borough’s economy and jobs growth. It also looks at the impact jobs growth and changes to the Borough’s population over time will have on the requirement for new homes.

2 What sort of Borough?

Before focusing on what level of growth is needed in the Borough, it is important to establish what aims and ambitions we have for the future. The Council’s Cabinet has set this out in a ‘Framework’ document ⁵. The key emphasis in the Framework is on growing the economy of the Borough and creating jobs, and it aims to deliver a level of acceptable growth that will sustain the long-term economic prosperity of the Borough.

Ashford – and especially its town centre – has a crucial role with the need to stimulate investment and jobs there over a sustained period. Boosting the rural economy of the Borough is also a central part of the jobs focus of the Framework.

Although the Framework is clearly ‘economy-led’ it also aims to support strong, viable local communities and deals with housing, with an emphasis on meeting needs for affordable homes (in rural and urban areas) and on quality (for example, in terms of better space standards for new homes). As far as housing in the rural areas of the Borough is concerned, the need for an overall policy of restraint remains to help protect the quality of the Borough’s environment, but in the era of ‘localism’ those communities that wish to grow will have more ability to do so.

3 Testing likely jobs growth

Exploring the economic potential of the Borough and the range of likely jobs growth to 2030 has been an important starting point for assessing the Borough’s future prospects. This will influence both the spatial strategy of the reviewed Core Strategy, the amount of housing needing to be provided in the Borough and the allocation of enough land to provide for new employment space needed.

Consultants ⁶ were commissioned to provide an independent and expert view working to an agreed brief⁷. The full consultants’ report is available ⁸.

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⁴ Ashford Borough Council, Strategic Employment Options Report, commissioned from G L Hearn, 2012 (weblink to be added)
⁶ G L Hearn in partnership with SOW and Cambridge Econometrics
⁷ Available from the Planning and Development Unit, contact Andrew.Osborne@ashford.gov.uk
⁸ Ashford Borough Council, Strategic Employment Options Report, commissioned from G L Hearn, 2012 (weblink to be added)
To determine the scale of potential new jobs targets for the Borough, a number of influencing factors have been looked at including:

- the macro-economic drivers and risks
- local vision & aspiration for the area
- past economic performance
- commercial property market dynamics
- local economic characteristics and
- competition from other areas

The work provides a range of jobs targets based on what expected demand there will be within the economy to create jobs in different sectors and within different occupations over the next 20 years.

Based on Cambridge Econometrics’ UK Regional forecasts from July 2011, the jobs forecasts incorporate the impacts of wider global trends, including the worsening position of the European economic market, and further public sector retrenchment both in expenditure and employment.

Local factors taken into account include major highway infrastructure improvements within the area, but more importantly the step change in rail services with the introduction of the High Speed Trains to and from London in late 2009.

A key element of the assessment has been the impact on prosperity within the economy through the driving up of productivity (Gross Value Added per Job) and earnings, looking at the quality of jobs as well as the number of jobs.

4 Jobs - Understanding the current position

The most recent information from the end of 2010 shows that Ashford Borough has seen an increase in employment of around 7,000 net new jobs (including full-time, part-time and self-employment) between 2001 and 2010 ⁹. This is an increase of approximately 780 jobs per year on average during this period to a total figure of around 58,000 in 2010. The speed of growth slowed during the period 2008-2010 although it was still an overall increase even during this period of national economic recession.

Employment has kept up with population growth during this period which has seen an estimated increase of 6,900 people aged 16-64 ¹⁰ within the borough, and an estimated 5,500 in the economically active population between 2001 and 2010 ¹¹.

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⁹ Cambridge Econometrics Baseline Projections based on ABI/BRES and other official data sources.
¹⁰ ONS Mid Year Population Estimates
¹¹ ONS Mid Year Population Estimates assuming 80% of the working-age population are economically active
The size of the local economy, as measured by Gross Value Added (the value of goods and services produced in the local economy), has also grown by an average of 2.3% a year between 2001-2010. This is well above the 1.2% average annual growth achieved across the South East and 1.6% across the UK over this period.

But productivity (GVA per job) has not kept pace with other areas, and while some higher quality jobs have been created, productivity in the borough has declined from 86% of the South East average in 2001 to 84% in 2010. This reflects the Borough’s economic structure, the type and quality of jobs created. To improve prosperity within the Borough in the future, more high quality jobs will need to be created to increase earnings and productivity.

**Summary point:** Over the last 10 years on average around 780 additional jobs have been created in Ashford Borough each year – (this includes part time jobs and self-employment). The rate of growth has been significantly faster than the south east of England average. But the productivity/ value added to the local economy of Ashford Borough jobs has declined - this is reflected in lower average rates of pay.

The breakdown by sectors of employment in Ashford Borough can be seen below. There is a broad cross section of jobs with no overriding dependency on any sector, but with a stronger representation in transport and storage; construction; and retail than the SE average.
5 What are the prospects for jobs growth?

Several scenarios have been developed to test the potential range of employment demand to 2030. Each scenario reflects differing assumptions about how the economy of Ashford Borough will perform over that time.

Three broad scenarios have been identified by the consultants:

- ‘Baseline’
- ‘Downside Risks’
- ‘Enhanced growth’

These scenarios are based on Cambridge Econometrics’ widely recognised Local Economy Forecasting Model and provide the broad range of demand for job creation across businesses and organisations in the Borough in the future. Each of these scenarios is now presented in more detail.

The ‘Baseline scenario’

The baseline scenario is based on ‘projections’ rather than ‘forecasts’. It assumes that relationships that held true in the past between economic growth in Ashford Borough relative to growth in the South East or UK, by sector, will continue to hold true in the future.

These projections take into account the economic structure for the Borough, and past relative performance across 41 separate business sectors. Then national forecasts (based at July 2011) are applied to these figures taking into account the relative strength of the sector in Ashford Borough. For this scenario, population growth is modelled on trend-based projections that assume that Ashford Borough continues to grow considerably faster than the average for the South East or UK.

The ‘baseline’ scenario results are as follows:

<table>
<thead>
<tr>
<th></th>
<th>Net additional Jobs 2010-2030</th>
<th>% jobs growth 2010-2030</th>
<th>Average jobs growth per year (2010-2030)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Baseline</td>
<td>12,400</td>
<td>21%</td>
<td>620</td>
</tr>
</tbody>
</table>

Summary point: The ‘baseline’ jobs forecast assumes Ashford Borough grows in broadly the same way relative to the south east and UK as it has before, but taking account of national projections for sectors of the economy. It suggests that an
average of around 620 additional jobs will be created each year to 2030 in Ashford Borough.

The ‘Downside Risks scenario’

This scenario takes a different starting point to the baseline projections, by modelling in the current macro-economic risks including:

- Weaker prospects for global growth, particularly in Europe in the short term, and its impact on overall growth prospects, and prospects for individual sectors (particularly exporting sectors, both manufacturing and services)
- Risks associated with a further credit crunch, and retrenchment in bank lending, and the impact of this on business investment
- Continuing public sector spending restraints beyond the Comprehensive Spending Review period to 2015 (as is assumed in the baseline projection), as mooted by the Treasury’s Autumn 2011 Statement

The scenario also assumes for modelling purposes that population growth in Ashford Borough is consistent with forecasts for the South East. This is a lower assumption than the forecast population growth in the baseline scenario.

The ‘downside risks’ scenario results are as follows:

<table>
<thead>
<tr>
<th></th>
<th>Net additional Jobs 2010-2030</th>
<th>% jobs growth 2010-2030</th>
<th>Average jobs growth per year (2010-2030)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Downside risks</td>
<td>8,100</td>
<td>14%</td>
<td>405</td>
</tr>
</tbody>
</table>

Summary point: The ‘downside risks’ forecast takes a cautious view of the future national and global context and the influence this will have on local job creation and assumes lower population growth than has occurred in Ashford Borough over the last decade. It suggests that, on average, around additional 405 jobs will be created each year in Ashford Borough.

‘Enhanced Growth’ scenario

The consultants identified two more optimistic variations of an enhanced growth scenario. Both of these assume the current macro-economic conditions as a starting point but take a more optimistic view of the scale and timing of an economic recovery within the Borough.
The first is stronger growth brought about through maximising the **economic potential** of the Borough – for example, arising from:

- the first rate transport infrastructure (road and rail) providing a competitive edge for investment
- the development of an in-town office market over the plan period to 2030 with delivery of the Commercial Quarter, as well as build out of the Eureka Business Park, a major out-of-town business park
- growth in warehouse/distribution-related activities
- stronger town centre retail and leisure sectors clawing back expenditure ‘leakage’ to other centres
- the attraction of new higher value-added sectors such as IT/ computing and new media
- strengthening performance in the rural areas including growth in the small business base and tourism/leisure.

The second more optimistic scenario assumes an increase in the **economic productivity** of the Borough through a focus on the creation of higher-quality / skilled jobs (rather than simply job numbers).

This scenario moderates the economic potential but is more focussed. It still relies on exploiting first rate transport infrastructure, and high quality broadband connections but it drives increases in productivity by concentrating on:

- Improvements in the skills profile of the local workforce, including investment in education/training provision; and
- Concentrating on higher value-added sectors such as computing, digital/creative, office-related activities (professional and business services), mechanical engineering, and electronics with some growth in pharmaceuticals/medical sectors
- Exploiting the inherent strengths of the rural economy for enterprise and growth of higher value-added small businesses.

But this scenario assumes less growth in sectors such as construction, distribution, retail, and transport. It sees greater policy support and investment for the manufacturing sector in line with the Government’s Plan for Growth (2011).

The ‘enhanced growth scenario’ results are as follows:

<table>
<thead>
<tr>
<th></th>
<th>Net additional Jobs 2010-2030</th>
<th>% jobs growth 2010-2030</th>
<th>Average jobs growth per year (2010-2030)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Enhanced growth</strong> – economic potential</td>
<td>15,900</td>
<td>28%</td>
<td>795</td>
</tr>
<tr>
<td><strong>Enhanced growth</strong> – economic productivity</td>
<td>14,300</td>
<td>25%</td>
<td>715</td>
</tr>
</tbody>
</table>
Summary point: The ‘enhanced growth’ scenario explores two views – one based on realising the economic potential of the Borough and the other on realising the higher value growth sectors of the economy. This scenario suggests that, on average, between 715 – 795 additional jobs will be created each year in Ashford Borough.

6 Comparing the jobs growth scenarios

The graph below shows the projected growth in employment for each of the employment demand scenarios and the table the specific data.

Employment in Ashford Borough

<table>
<thead>
<tr>
<th>Scenario</th>
<th>Net additional jobs 2010-2030</th>
<th>% jobs growth 2010-2030</th>
<th>Average jobs growth per Year (2010-2030)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Downside Risks</td>
<td>8,100</td>
<td>14%</td>
<td>405</td>
</tr>
<tr>
<td>Baseline</td>
<td>12,400</td>
<td>21%</td>
<td>620</td>
</tr>
<tr>
<td>Enhanced growth</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Economic productivity</td>
<td>14,300</td>
<td>25%</td>
<td>715</td>
</tr>
<tr>
<td>- Economic potential</td>
<td>15,900</td>
<td>28%</td>
<td>795</td>
</tr>
</tbody>
</table>


Note: Employment includes full-time and part-time employment and self-employed.
Comparative growth for the same period in the South East is predicted to be a 16% increase in employment and a 13% increase within the UK.

The jobs scenarios are not presented as fixed options to choose from – they help to illustrate the range of choice within which a plausible and well justified option will emerge. Consultation responses to this document will help to inform that choice.

This is how the consultants summarise their scenarios, starting with the scenario that produces the lowest job projections and working up:

- **Downside risks scenario – 405 jobs per annum**

This scenario is considered by the consultants to be feasible in reflecting more recent economic circumstances, but cautious in its assessment of risk and may underplay the economic impact of the location and infrastructure advantages the Borough has.

- **Baseline scenario – 620 jobs per annum**

With significant changes to the national and global economy since July 2011 when this was based, this scenario does not take into account the full contraction of the UK economy, prospects for the housing market or the weakened outlook for the Eurozone. On the other side of the coin, it does not reflect the long term impact of the domestic High Speed 1 service and recent investment in infrastructure. The Downside risks scenario is therefore considered by the consultants to be a more updated baseline for future forecasts.

- **Enhanced growth scenario – 715 – 795 jobs per annum**

Both variants of this scenario require a favourable set of conditions which the consultants believe may be hard to achieve given the wider economic context, the sustained growth rates needed and competition with other business locations. Although annual growth rates between 2001 and 2008 were similar, this rate of growth would be challenging to achieve over a sustained period.

### 7 Housing - Understanding the current position

The average rate of net new housing completion (i.e. after deducting any demolitions/conversions to other uses) in the Borough since 2000 is illustrated below. The average annual completion rate in the years 2000 – 2005 (684) is markedly higher than the subsequent 5 years (510) – one key factor, of course, being the state of the national economy and availability of mortgage finance. Included in these total figures is the delivery of 1,084 affordable homes and 113 local needs homes on ‘exception’ sites in villages.
Over the last 10 years Ashford Borough has delivered one of the highest annual house-building rates in Kent. But in the last five years this rate has slowed – during that time there have been six other council areas in Kent delivering a faster rate of housing growth than Ashford Borough.

When the rate of house-building is compared with the population size of the districts in Kent the following picture emerges – showing that Ashford Borough has grown fastest in relation to its population size.
Factors influencing the future requirement for housing

Having explored the potential range of jobs likely to be created over the next 20 years we now turn to the need for new homes this will create. But first we need to take account of changes taking place in the population as a whole - nationally and locally - that are having a heavy influence on the future need for homes.

Ashford Borough’s population will continue to change naturally over the next 20 years – for example, people who already live here will continue to have children whilst older people will continue to live longer. Predicted birth and death rates, along with other changes such as the growing number of single person households all create a need for extra homes. The computer modelling package 13 run by Kent County Council has been used to estimate the impact of the scale of these essential needs for which provision should be made.

It is possible to model the hypothetical situation where no ‘net migration’ takes place (i.e. the numbers of people deciding to move into and out of the Borough exactly balance each other out) so all that is estimated is the inherent set of needs the existing population will create. This estimates that the population of the Borough would increase by around 9,630 people in the period from 2010 to 2030 (particularly as a result of people living longer). Translating this population into the number of extra homes needed suggests that an additional 7,250 dwellings or 362 homes per year would be needed just to accommodate this ‘natural’ change. This is known as the ‘zero net migration’ requirement.

In terms of jobs, the only change in this scenario comes from the net effect of the older population leaving the labour market and the younger people entering it for

13 KCC use a nationally recognised system called POPGROUP
the first time – hence there would be very few new workers and therefore very limited job growth potential.\footnote{The model estimates a total extra jobs of 289 (15 per year) over the 20 year period 2010 - 30}

**Summary point:** Before looking at the overall future housing requirement, it is important to understand the need for extra homes that will arise just to accommodate changes in Ashford Borough’s existing population structure over time – these are set out below:

<table>
<thead>
<tr>
<th>Natural change ('Zero net migration')</th>
<th>Total extra homes needed 2010 - 30</th>
<th>Extra homes needed each year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>7,250</td>
<td>362</td>
</tr>
</tbody>
</table>

9 Predicting the overall levels of housing needed

The Council has used the specialist skills of the County Council’s demographic forecasting team to look at the range of likely housing requirements that will be needed over the next 20 years. There are essentially two different ways of forecasting – both of which build on the understanding of the needs of the existing population (explained above) but overlay the more dynamic picture of people moving into and away from the Borough.

There has been a net inflow of people moving to the Borough for many years. People are attracted by the relatively low property prices, the quality of life, access to countryside and sea, job prospects and the good rail and road access.

The first way of forecasting looks at population growth in the future (which could be based on a trend in growth from the past, for example) and derives a dwelling need from that. The second starts with an assessment of the possible numbers of jobs that will be created and this is then used to generate a required working population and finally, the additional dwellings needed to support this population.

**Using recent trends to forecast housing numbers**

A projection based on the recent trends of net in-migration to the district – known as the ‘trend based projection’ – assesses how the population will change if trends from the past five years were to continue into the future. This has been calculated using trend information over the last decade, but also over the last 5 years which includes the impact of the economic downturn. The 10 year trend suggests that the dwelling requirement will be 16,140 for the period 2010 – 30, or 807 homes a year. The 5 year trend suggests an additional 14,660 homes over the 20 year period, or 732 a year. These figures include the growth in the existing population that will naturally
occur from the predicted changes in society in coming years – for example, as the population of elderly people grows so does the number of homes needed for them - but also add in an allowance for in-migration to the Borough at the same rate that has happened in recent years.

Summary point: If we add the ‘natural’ changes occurring to Ashford Borough’s population to an assumption about how many people will move here based on recent trends the following picture emerges:

<table>
<thead>
<tr>
<th></th>
<th>Total extra homes needed 2010 - 30</th>
<th>Extra homes needed each year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Last 10 years ‘trend based projection’</td>
<td>16,140</td>
<td>807</td>
</tr>
<tr>
<td>Last 5 years ‘trend based projection’</td>
<td>14,660</td>
<td>732</td>
</tr>
</tbody>
</table>

Using jobs growth to forecast housing numbers

The Council’s over-arching objective is to drive growth in the local economy. A logical approach is therefore to use forecast jobs numbers over the next 20 years to derive the dwelling requirement that will be needed to provide for this number of jobs. This jobs-led approach can be modelled using the KCC model.

The jobs growth that has been forecast in the three main scenarios within the economic consultants’ study has been used to forecast possible housing requirements. The ‘zero net migration’ figure remains the starting point but it is clear that in addition some in-migration will occur as people are attracted to Ashford Borough to fill the jobs created, or for other reasons such as lower property prices than the regional average (even if people still choose to work elsewhere).

In order to translate the jobs scenarios into a related housing requirement, there are a number of key variables where important assumptions need to be made. There are two key variables it is worth highlighting at this stage. Further work may be needed to fully test these assumptions and explore the impact that any variations have on the overall housing requirement.

The first is the activity rate. Essentially this is an estimate of the number of economically active people that there will be within each of the various age groups – this is likely to change over time, for example, as retirement ages are changed and more people remain economically active for longer. Changing activity rates over the 20 year forecasting period may increase the number of existing residents in the workforce. Work on activity rates carried out by Kent County Council has made

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15 Economically Active: The number of people within an area that are either employed or actively seeking employment
some allowances for this and it would be sensible to apply these rates – this will result in a relatively modest reduction in the figures for new homes required to meet the jobs growth scenarios in the tables which follow. Any further changes in the activity rates applied would need to be clearly justified and their impact could then be tested.

The second key variable is the **commuting ratio**. There are more economically-active people living in Ashford Borough than working in Ashford Borough and therefore it is a net exporter of labour. If more people travelled to work in the Borough from outside in the future (and existing residents’ work pattern remained the same) the housing requirement arising from a jobs-led model would be reduced. The commuting ratio used in the projections so far is a net outflow of 1.06 (i.e. for every 106 working people who live in the Borough, there are only 100 jobs in the Borough). This is based upon data from the census in 2001 – more recent estimates by KCC indicate that the Borough has become a bigger net exporter of labour because of the decreased commuting times to London.

In the longer term, if the commuting ratio was to change and the Borough was to become a net importer of labour, for example, through the development of substantial office development in the commercial quarter in the town centre, this would potentially reduce the housing requirement. This could be helped by less people choosing to commute out from Ashford Borough as the quality of local job opportunities rise. Again more detailed work is needed on these figures and it will be important to compare assumptions with the expectations of neighbouring Councils as they will have their own workforce strategy and policy approach.

**Summary point:** The position taken on various important assumptions that are behind the modelling will affect the final figures that are produced – specifically on assumptions about economic activity rates and the balance of commuting flows into and out of the Borough. Reasonable working assumptions have been made on both but refinements may be justified in the light of local circumstances and responses to this consultation.

### 10 The overall picture - Bringing Jobs and Housing Together

The table below shows for each of the jobs growth scenarios set out above the housing requirement that the modelling shows would arise:

<table>
<thead>
<tr>
<th></th>
<th>Net additional jobs 2010 - 2030</th>
<th>Average jobs growth per year (2010-2030)</th>
<th>Net additional homes 2010 - 2030</th>
<th>Average homes growth per year (2010-2030)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Downside risks</strong></td>
<td>8,100</td>
<td>405</td>
<td>14,470</td>
<td>723</td>
</tr>
<tr>
<td><strong>Baseline</strong></td>
<td>12,400</td>
<td>620</td>
<td>18,060</td>
<td>903</td>
</tr>
<tr>
<td>Enhanced growth</td>
<td>Total extra homes needed 2010 - 30</td>
<td>Extra homes needed each year</td>
<td></td>
<td></td>
</tr>
<tr>
<td>------------------------------</td>
<td>------------------------------------</td>
<td>-----------------------------</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Economic productivity</td>
<td>14,300</td>
<td>715</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Economic potential</td>
<td>15,900</td>
<td>795</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The next table attempts to summarise the information presented in this discussion paper as it relates to the future housing requirement to allow easy comparison of the figures:

<table>
<thead>
<tr>
<th>Natural change ('Zero net migration')</th>
<th>Total extra homes needed 2010 - 30</th>
<th>Extra homes needed each year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>7,250</td>
<td>362</td>
</tr>
</tbody>
</table>

Population based forecasts:

<table>
<thead>
<tr>
<th>‘trend based projection’ (based on last 10 years)</th>
<th>16,140</th>
<th>807</th>
</tr>
</thead>
<tbody>
<tr>
<td>‘trend based projection’ (based on last 5 years)</td>
<td>14,660</td>
<td>732</td>
</tr>
</tbody>
</table>

Jobs based forecasts:

<table>
<thead>
<tr>
<th>Downside risks</th>
<th>14,470</th>
<th>723</th>
</tr>
</thead>
<tbody>
<tr>
<td>Baseline</td>
<td>18,060</td>
<td>903</td>
</tr>
<tr>
<td>Enhanced growth</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Economic productivity</td>
<td>19,670</td>
<td>984</td>
</tr>
<tr>
<td>- Economic potential</td>
<td>21,000</td>
<td>1,050</td>
</tr>
</tbody>
</table>

Summary point: Pulling all the evidence in this report together the provisional modelling figures identify a range of between 723 and 1,050 new homes a year to support the job growth forecasts for the Borough. It should be emphasised that these are provisional figures and may be adjusted as the assumptions behind important variables are tested more fully.
11 The consequences for future plan making

It is too early to identify the requirement for homes and jobs in the Borough looking forward – the purpose of this discussion paper is to stimulate debate and help to influence that decision and the need for any further technical work to refine our understanding.

When views on this document have been taken into account and any further detailed modelling work needed has been carried out, we will be able to arrive at proposed target figures for jobs and homes to be planned for to 2030. These figures can then be adjusted to allow for any development already completed, for permissions already in the ‘pipeline’ and plan allocations already made. We can then identify the remainder which will need to have land allocated to accommodate it in the Core Strategy review.

There will be further stages of consultation and wider community participation as this work unfolds in the run up to the publication of a draft Core Strategy review.

Key questions for the debate

This paper raises a series of complex and inter-related questions about the future of the Borough. We would welcome responses on any aspects of this report or the issues it raises.

Comments of all sorts are welcome but if you are willing to tackle any, or all, of the questions overleaf this would be especially helpful. It would also be useful if you could explain the reasons for your view.
Exploring a jobs-led future for Ashford Borough

Early issues for the Core Strategy Review

Key Questions:

1) Do you support the use of a jobs-led approach to looking at the Borough’s future growth needs? *(If not, what approach would you like to see taken?)*

2) The consultant’s three scenarios for the Borough’s economy are shown below in terms of predicted annual average jobs growth over the next 20 years. Please tick the box to show the average jobs growth rate which most closely reflects your view:

<table>
<thead>
<tr>
<th>Consultants’ scenarios:</th>
<th>Downside Risks</th>
<th>Baseline</th>
<th>Enhanced performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jobs per year</td>
<td>c 405</td>
<td>c 620</td>
<td>c 715 – 795</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>MY VIEW – please tick relevant box:</th>
<th>Average of less than 400 jobs per year</th>
<th>Average of 400-500 jobs per year</th>
<th>Average of 500-600 jobs per year</th>
<th>Average of 600-700 jobs per year</th>
<th>Average of 700-800 jobs per year</th>
<th>Average of more than 800 jobs per year</th>
</tr>
</thead>
</table>

3) Over the next 20 years, how do you think Ashford Borough’s performance as a whole will compare with average jobs growth rates in the south-east of England?

4) Which sectors of the Borough's economy do you feel are likely to grow faster, or slower, than the average for South-East England, and why?
5) How do you think the pattern of commuting to work will change in the next 20 years for residents of the Borough? Will they be more or less likely to work outside the Borough?

6) How do you think the rate at which people who live outside the Borough but commute into it for work will change?

7) Do you consider it important to provide housing in Ashford Borough to meet the changing needs of the existing residents of the Borough and their children? (If not, where do you think those needs should be met?)

8) Looking at the rate at which people moved to the Borough to live in recent years, do you think the trend will in future years will decrease, remain similar, or increase? Please tell us the reason for your view.

9) How do you think the ‘activity rate’ (the rate of full- or part-time work or self-employment among the resident population) of the Borough’s residents will change in the future, as more people retire later, live in single-person households and live for longer?

10) Are there any other issues or trends that you feel should be taken into account in considering the prospects for future jobs growth and the numbers of new homes needed in the Borough over the period to 2030?