Evaluating the South East England Development Agency's
STRATEGIC DEVELOPMENT ACTIVITIES
Case Studies

Enter

SEEDA SOUTH EAST ENGLAND DEVELOPMENT AGENCY
Working for England's World Class Region

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1.0 Introduction

1.1 Background

This report sets out the findings of Stage 4 of a study commissioned by the South East England Development Agency (SEEDA) to provide a framework which the Agency can use to evaluate its Strategic Development activities. Stage 4 tested the framework using three project case studies at different stages of implementation: Chatham Maritime, a long standing, well advanced project originally initiated by English Estates and English Partnerships; Queenborough and Rushenden a more recent project where consultation and masterplanning has taken place; and Margate Town Centre Regeneration, a project which is still in part at options development and appraisal stage, with a start on site not expected until 2009.

The focus of the Stage 4 work is to:

- Test the issues which arise in practice in the application of the framework, providing a basis for any necessary 'fine tuning' and the provision of supplementary guidance on its application;
- Provide an interim evaluation of the impacts of the Chatham Maritime development;
- Provide a basis for the future evaluation of all three case studies, including, inter alia, the assembly of baseline information, identification of appropriate impact indicators and the development of detailed recommendations on future monitoring and evaluation arrangements.

2.0 CHATHAM MARITIME

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2.0 Chatham Maritime

2.1 Origins of the Project

The closure of Chatham's Naval Dockyard in 1984 resulted in 7,000 direct job losses, and at least as many again indirectly through supply chain and procurement linkages. This created severe unemployment and also left behind a large derelict site of which English Estates (later English Partnerships) acquired a substantial part (140 Ha) with the intention of bringing about a mixed use development. Ownership of the remaining sections of the Dockyard lies with the Port of Sheerness (and operates as a commercial port) and Chatham Historic Dockyard Trust (which operates as a visitor attraction).

In 1986, 24 Ha of the site was designated as an Enterprise Zone for a period of ten years. A development brief for the site (1987) established three objectives for the site:

- Creation of a high quality environment.
- Maximise long-term employment in the area without adversely affecting the amenity of surrounding land uses.
- Create attractive residential areas with sufficient critical mass to support a range of basic facilities.

These objectives were included in the masterplan approved by English Partnerships in 1996. At its inception in 1999, SEEDA took over responsibility for the ongoing regeneration of the site and the original objectives are reflected in the current business plan approved in 2001.

Chatham Maritime remains SEEDA's largest direct development project.

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2.1.1 Expenditure and Outputs to Date

Responsibility for the site was transferred to SEEDA in April 1999. The current full business plan emerged in April 2001. This presents the preferred option for the final phase of development, informed by an options appraisal undertaken by SQW in 2001. Therefore the review of expenditure and outputs to date considers first what was achieved pre-2001 and then what has been achieved to date in the final phase of development (2001 to present).

Prior to SEEDA's inception, the most significant achievements made by English Partnerships (Estates) were:

- Part funding the Medway Towns Northern Relief Road, providing dual carriageway access to Chatham Maritime from the M2 and M25.
- Building 75,000 sq m of office and educational facilities.
- Completion of 250 new homes.
- Decontamination of St Mary's Island.
- Installation of locks and lifting bridge to Basin No. 1.
- Golden Contracts which locked in the benefits of the Enterprise Zone[1] .

Between 1999 and April 2001, SEEDA was successful in achieving a step change in both public and private investment on the site. Key achievements were:

- A joint venture between SEEDA and Countryside Properties (Countryside Maritime Limited) which increased the rate of construction of new homes on St Mary's Island. In summary, 480 new homes had been completed and occupied, 200 were under construction with a further 150 awaiting planning permission.
- Refurbishment of the Grade II listed Ship and Trades building, in association with

[1] Golden Contracts extended the period during which tax allowances were allowed for construction expenditure within the Enterprise Zones.

Shepherd Neame, creating accommodation a pub, restaurant, hotel and convenience store.

- A joint venture agreement with Miller Foxdown bringing forward the first development 8,000 sq m of offices at Pembroke Court.
- Construction of phase one of the new marina, providing 175 berths.
- Significant repairs to historic buildings.

In the period to the end of 2000 - 2001, total expenditure (by SEEDA and English Partnerships) was £149 million[1] . This was associated with the leverage of private sector funding estimated at £294 million.

In 2001, SEEDA considered a number of options for their future involvement in the site and decided to proceed with the Medium Investment Strategy Option which was considered to be the minimum level of investment that SEEDA needed to ensure that its objectives were met in full. This was estimated to require SEEDA expenditure of £35.5 million in the period 2001 - 2006.

SEEDA's objectives for the final development phase were to:

- Bring forward development on the remaining land: in a manner consistent with SEEDA's corporate aims and objectives; and within the shortest feasible timescale generating the maximum level of receipts.
- Maximise the output from SEEDA's investment at minimum cost.
- Provide high quality sustainable development with an emphasis on good design.
- Integrate the physical development at Chatham Maritime with social initiatives geared

[1] However, excluding an over-payment of £16 million results in a net expenditure of £133 million.

at ensuring that disadvantaged communities adjacent to the site benefit from the development.

- Promote the creation of a Medway University campus.
- Encourage the setting up and growth of small to medium sized enterprises particularly those related to Information Technology and to maximise synergy with the University.

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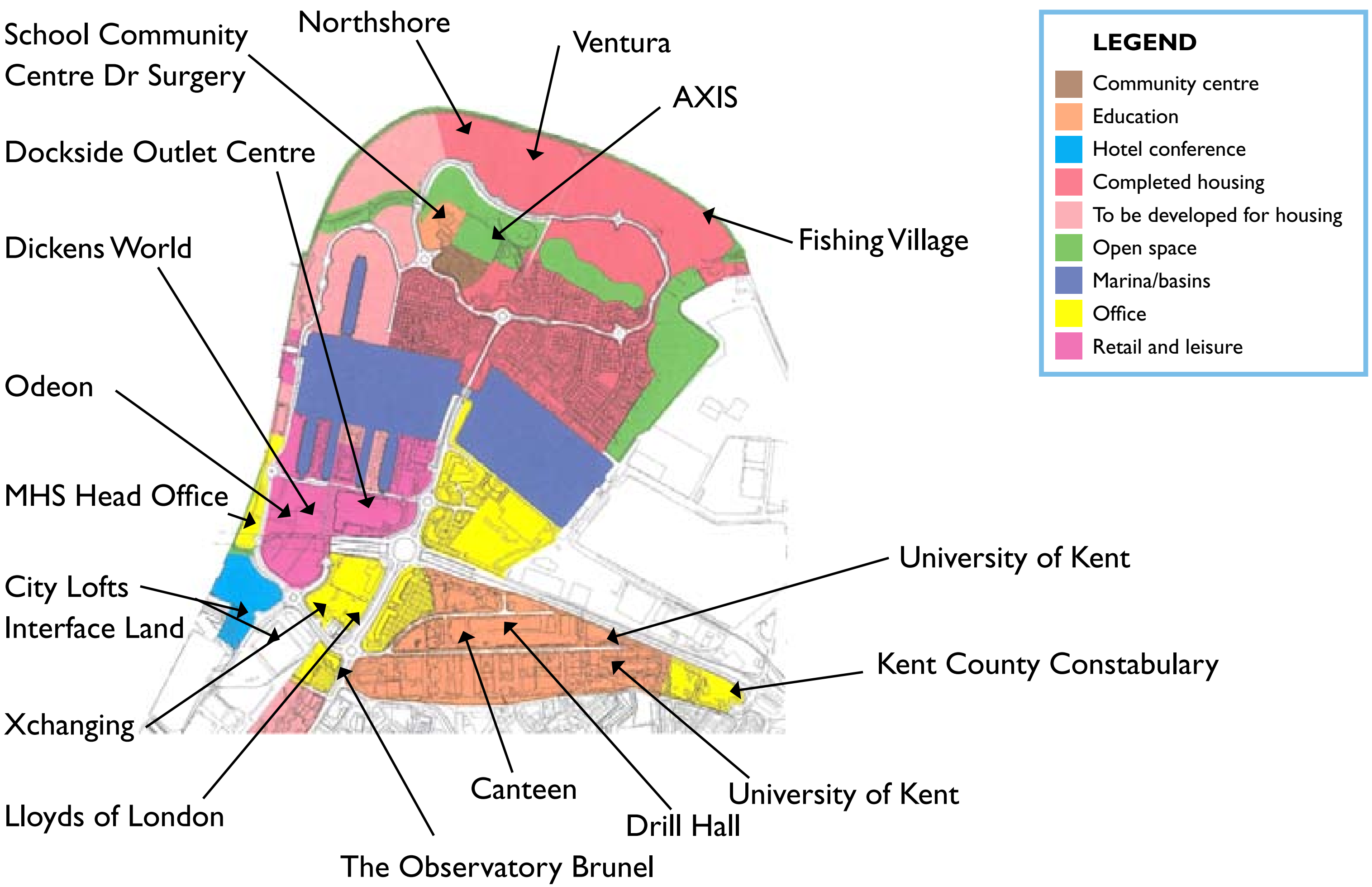
Figure 2.1 Chatham Maritime Site



Source: SEEDA

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Since 2001, further progress has been made and it is estimated that, overall, in excess of £500 million of public and private funds have been invested in the site, creating:

- Over 100,000m^2 of office space, attracting occupiers such as Halifax Plc and Micro Medical, with more space to be developed.
- Restoration of a number of historic buildings to bring them back into economic use and create a sense of place. Restoration work has included the former Boiler House which was converted into the Dockside Outlet Centre.
- A 300-berth marina in the former Basin One.
- Universities at Medway project which has seen three universities established at Chatham Maritime (University of Greenwich, University of Kent and Canterbury Christ Church University) along with Mid Kent College. Around 6,000 students are expected to be enrolled at the campus in 2007.
- The residential quarter on St Mary's Island which so far contains around 1,000 homes with more planned so that the site will eventually provide a home for 7,000 residents.
- Supporting infrastructure to ensure a sustainable community, including a school, a day nursery, GP surgeries, community centre, leisure facilities and parkland.

2.2 Approach to the Case Study

Given the stage the development has reached, the approach to the case study has been to make an assessment of the emerging impacts, following the approach that is set out in the framework document. The research has involved the following tasks:

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- Analysis of expenditure and output information.
- Analysis of socio-economic and property market conditions.
- Consultations with SEEDA and key partners.
- Telephone survey of occupying firms and property agents (generic versions of the survey instruments used are contained within annex 3 of the main framework).

In March 2007 a letter was sent by SEEDA to 27 companies occupying premises on the Chatham Maritime site encouraging them to contribute to the evaluation by taking part in a telephone survey. An ECOTEC researcher contacted recipients of the letter by telephone and 12 organisations subsequently completed the survey. A further four declined outright and the remainder could not be contacted, despite repeated attempts being made. Therefore the survey findings can only be treated as indicative given the relatively small number of respondents.

The details of three property agents involved in the development were provided by SEEDA, two were able to provide information relating to the site by participating in a short survey.

2.3 Baseline and Socio-Economic Changes

This section presents information on a range of socio-economic and property market indicators based on the latest available data. Where possible, the analysis also considers change which has taken place since 2001.

Chatham is one of the Medway towns. Medway is located 30 miles east of London, in the North Kent section of the Thames Gateway. The area is characterised by a densely populated urban area around the River Medway estuary, containing the five historic towns of Chatham, Strood, Rochester, Gillingham and Rainham, to the north and west of which lie rural areas.

The 2004 Index of Multiple Deprivation ranked Medway as the 161st most deprived local authority in the country, ranked from a total of 354 (based on the rank of average rank measure). This places it within the 50 percent most deprived local authority areas although pockets of more significant deprivation exist at neighbourhood level.

2.3.1 Population

Over the past 25 years the population of Medway has increased by over 10,000. The rate of increase has been particularly rapid since the late 1990s.

In 2001, the population of the Medway district was 249,700 and by 2005 had increased to 251,100. Like other parts of the South East, there is significant pressure for the area to accommodate more development, and the population is expected to grow to around 300,000 by 2020. [1]

[1] Medway Communities Plan.

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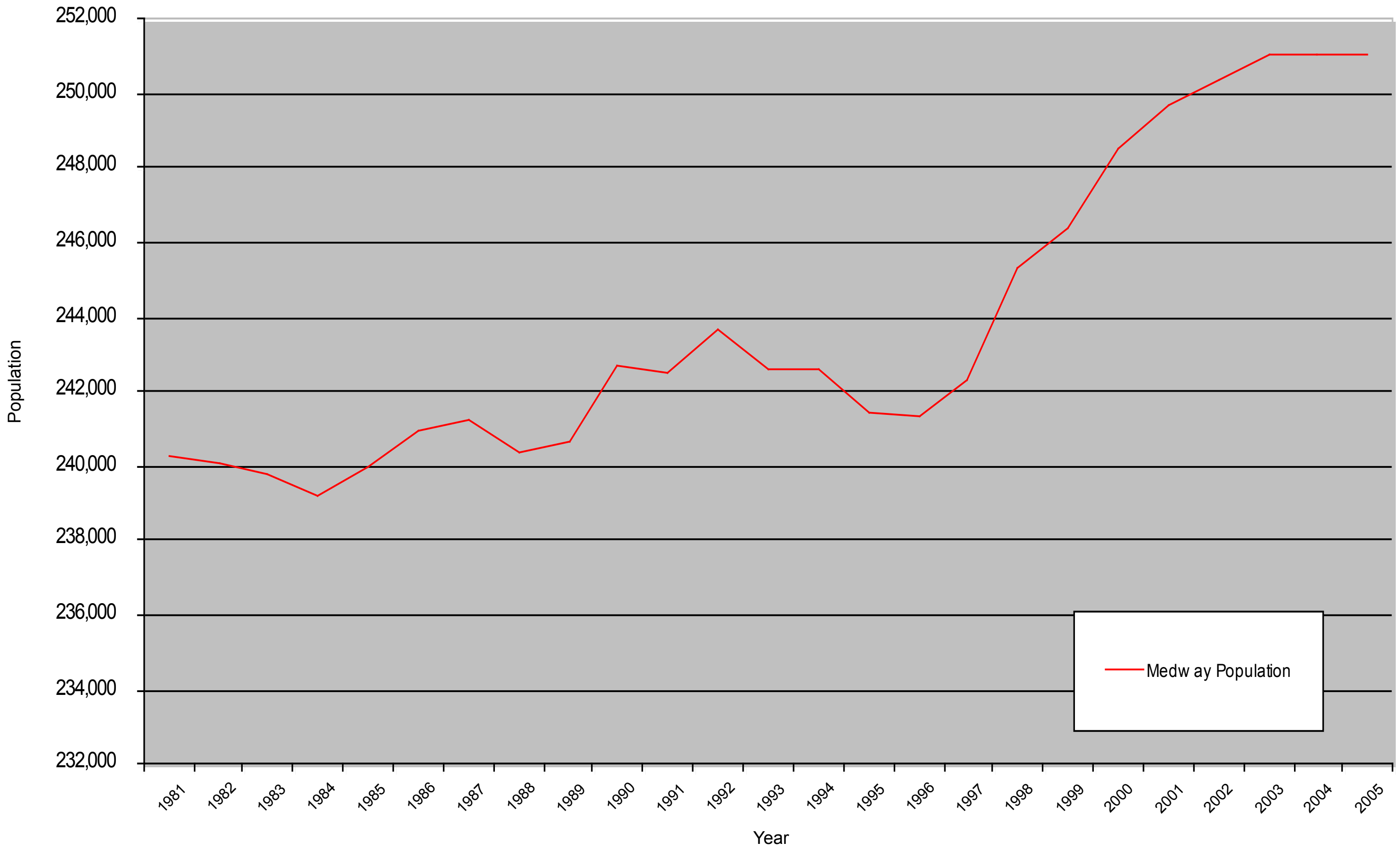
Figure 2.2 Population of Medway



Source: National Statistics

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Medway has a younger population than average for the country. The proportion of the population who have reached the age of retirement has been increasing over time but at a slower rate than the regional and national averages.

2.3.2 Employment and Activity

Employment rates in Medway are higher than average. However, the Community Plan notes that employment in Medway is more likely to be in lower paid and / or lower skilled jobs than in other parts of the region.

At the time of the 2001 Census, 30 percent of the working age population of the district had no qualifications, compared to 24 percent across the whole South East region. Medway also had a much smaller proportion of those achieving higher level (Level 4 / 5) qualifications, at just 12 percent compared to 22 percent across the region as a whole. In the Chatham Central ward, these differences are even more apparent, with 36 percent having no qualifications and only 11 percent achieving at the higher level.

Unemployment in Medway has fallen since 2001 but remains above the regional average, fluctuating around the national average over this period.

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Table 2.1 Unemployment

Date	Medway Towns (%)	South East (%)	Great Britain (%)
March 01 - February 02	4.6	3.3	5
March 02 - February 03	5	4	5.1
March 03 - February 04	5.8	3.7	4.9
January 04 - December 04	5.4	3.7	4.7
Jan 05 - Dec 05	4.9	3.7	4.9
April 05 - March 06	5	3.9	5
July 05 - June 06	5.4	4.3	5.2

Source: National Online Manpower Information Service (NOMIS)

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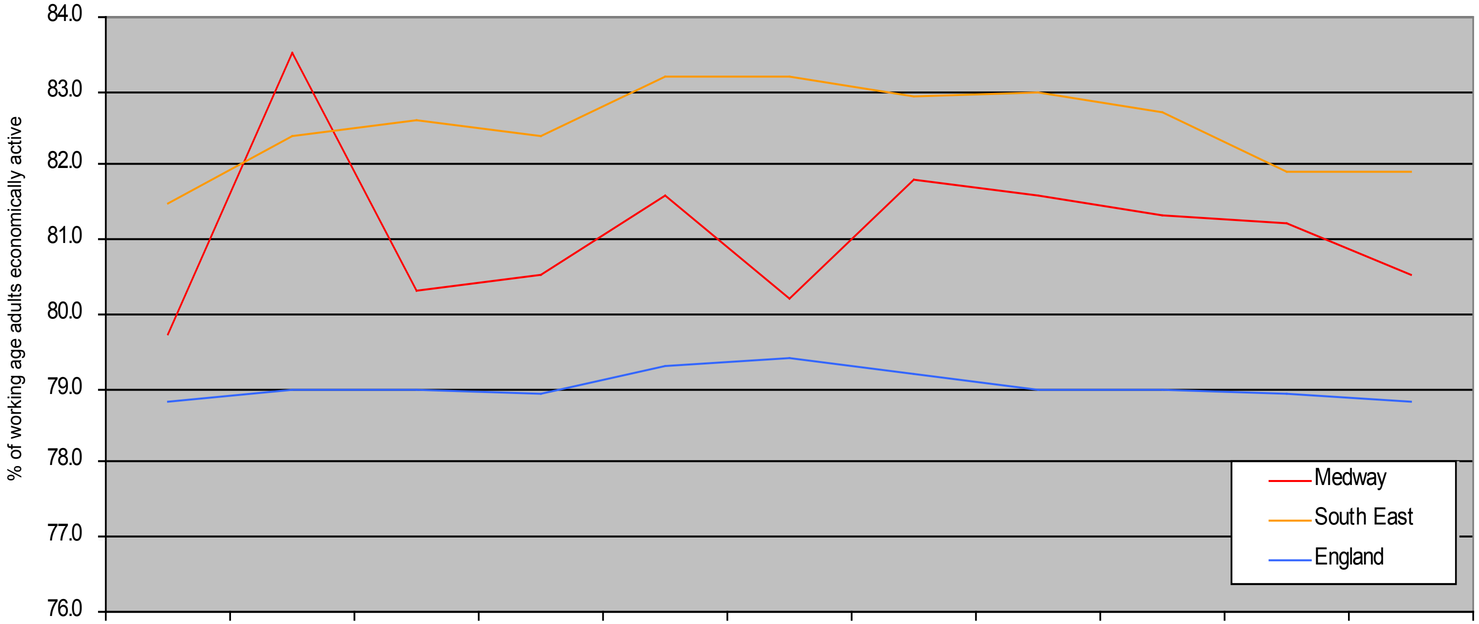
Since 2001, the economic activity rate at both local and regional level has fallen, although the decrease between 2003 and 2004 in Medway was more severe than that seen at the regional, and national, scale.

Figure 2.3 Economic Activity in Medway



Source: Labour Force Survey

2.3.3 Business and Economy

As noted, the closure of the Naval Dockyard in Chatham had a devastating impact on the area's economy, leading to many thousands of direct and indirect job losses. Since then significant restructuring has taken place and the service sector now accounts for over 80 percent of all jobs.

Table 2.2 Employment by Industry

Employee Jobs by Industry	Medway Towns (%)	South East (%)	Great Britain (%)
Manufacturing	10.4	8.8	11.1
Construction	4.7	4.4	4.6
Services (total)	83.1	85.3	82.9
Distribution, hotels & restaurants	24.4	25.6	24.1
Transport & communications	5.4	6.1	6
Finance, IT, other business activities	19.1	23.8	20.7
Public admin, education & health	28	24.6	26.9
Other services	6.2	5.2	5.2
Tourism - related	6.9	8	8.1

Source: NOMIS (based on data for 2005)

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Medway's key employment sector is now public administration, education and health. Distribution, hotels and restaurants are also significant providers of jobs in the area, along with finance and business services.

Comparing statistics for Medway in 2001 and 2005 reveals:

- A significant increase in the total number of jobs, rising from 84,900 to 91,600.
- An increase in the proportion of jobs accounted for by the service sector (from 79.6 percent to 83.1 percent) and a decrease in the relative importance of the manufacturing sector (declining from 14.1 percent to 10.4 percent).
- An increase of almost 3,000 in the number of jobs in finance (from 14,600 to 17,500).

All of these industry sectors are represented by occupiers on the Chatham Maritime site which has contributed to the increased number of jobs in the area, particularly as a result of the additional office floorspace provided.

2.3.4 Land and Property

Residential property prices in Medway have increased significantly in recent years, in line with general housing market trends. However, mean house prices remain significantly below the regional and national averages.

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Table 2.3 House Price Change

Mean House Prices (£)	2001	2002	2003	2004	2005	2006
Medway	£95,045.20	£113,160.02	£134,058.34	£150,107.00	£155,098.55	£162,143.77
South East Region	£157,244.20	£181,910.77	£204,055.43	£223,447.00	£232,736.05	£247,761.90
England	£121,768.97	£141,108.28	£159,357.38	£181,330.00	£192,246.72	£206,594.37

Source: Land Registry

It is estimated that there are 935 Ha of brownfield land with potential for development in Medway[1] of which 351 Ha is suitable for housing development. The Chatham Maritime development has had a significant impact in terms of bringing previously developed land back into use. Vacancy statistics for commercial and industrial property suggest a vacancy rate of 9 percent for Medway in 2004/05, which was in line with the regional and national figure. However, this is higher than the 5 percent vacancy rate estimated for 2000/01 (and 6 percent across the South East as a whole)[2] .

Agents viewed the demand for office accommodation in Medway, and Kent as a whole, as restrained given that demand for office space has historically tended to be focused on areas to the west of London. Demand in the sub-region has mainly come from the financial services sector wanting a good location for back office / call-centre type operations as support staff for firms based in London often tend to live in Kent or Essex. The site has also generated interest from academic institutions. Agents consider Chatham Maritime the premier office development in Medway given its high quality, with rental values and prices reported to be at a premium to other sites available locally (including Gillingham Business Park and the limited historic stock of office space in the town centres of the Medway towns).

[1] DCLG National Land Use Database (2006).
[2] Source: National Statistics.

However, at present it is estimated that over 25 percent of completed office space on the site is vacant (although this figure is skewed by the large Colonial House building which is currently empty). The availability of Enterprise Zone funding stimulated the supply of office space at both Chatham Maritime and in Gillingham causing supply to run ahead of demand. This would not have been built on a speculative basis given the level of demand which existed. If SEEDA (and English Partnerships) had not intervened it is considered most likely that the site would have been developed for residential use. Agents view the development as an asset for the area and one unlikely to have taken place without English Partnerships / SEEDA investment.

2.3.5 Policy Context

The Regional Economic Strategy (2006) identifies the regeneration of the Medway towns as likely to have a major impact on the overall economic performance of the South East. The South East Plan (2006) identifies the Medway Ports as one of the 21 Regional Transport Hubs and emphasises the need for developments in the area to promote the economic potential of the international gateways of the Ports, with the aim of maximising business opportunities in the surrounding areas. Policy BE7 stresses the need to adopt policies and proposals which support conservation and enhance the historic environment and the contribution it makes to local and regional distinctiveness and sense of place. SEEDA's intervention has led to the restoration and reuse of a number of historic buildings on the site.

In terms of sub-regional policy, the Kent and Medway Structure Plan (2006) identifies Kent Thames Gateway as a key growth area and Chatham Maritime as a 'prestige' project. The aim is to turn the area into a '…thriving city centre devoted to living, working, learning, shopping, leisure and culture'. The Plan emphasises the role of the waterfront as a driver of regeneration and stresses the need to develop technology and knowledge sectors in the area.

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The Chatham Centre and Waterfront Development Framework (2004) stresses the need to restructure Chatham's traditional economic base. The priority is stated as the attraction of public and private involvement and investment to 'unlock Chatham's potential'. Chatham Maritime is identified as making a significant contribution to a wide range of regeneration objectives, including increasing civic pride amongst residents, establishing Chatham as a destination and providing a mixed use development which adds to the social and economic vibrancy of the area.

The Medway Waterfront Renaissance Strategy (2004) emphasises the river as one of Medway's greatest assets. Medway has been designated as a growth area within the Thames Gateway and as such has been in receipt of £57 million for regeneration projects (former ODPM funding). The Strategy states that this funding is being used to revitalise Chatham Centre and Waterfront as the commercial and civic heart of the city, utilising brownfield land and bringing about the renaissance of Medway Waterfront. The overarching objective is to harness the intrinsic assets of the waterfront to create new opportunities, whilst also

retaining its traditional economic role as a corridor for river-related business and industry. There is explicit recognition that regeneration in the area is about people as much as places; about enhancing quality of life for Medway's communities.

The Medway Economic Development Action Plan (2006) identifies the potential for Chatham to benefit from its position at the heart of Medway. This position needs to be exploited to become the focus for new public sector amenity provision, cultural and leisure developments, improved and expanded retail space and public transport improvements. The Chatham Maritime development is expected to contribute towards achieving these goals and to help promote the city centre as a cultural, commercial and leisure destination, building on amenity provision and enabling the wider area to compete more effectively in attracting inward investment.

The review of policy documents highlights that the Chatham Maritime development is a significant component of current strategies for both the Medway towns and the Thames Gateway through its contribution to economic regeneration and the creation of a sustainable community.

2.4 Assessment of Economic Impacts

The quantity of business space and residential accommodation which has been developed on the site will need to be recorded. The Project Management System (PMS) could be used for this purpose, although it is not currently standard practice to do so. Once the residential development is complete a household survey should be undertaken to provide information on the characteristics of residents and their satisfaction with the development.

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The activities of businesses located on the site vary. Of those which responded to the occupier survey, approximately 60 percent of the sample (7) was private sector businesses, (the majority being engaged in financial or business services). The remaining 40 percent were either part of the public sector or organisations with social objectives; this included a higher education institution and housing association. Over 80 percent of respondents (10 organisations) represented multi-site companies and, of these, 70 percent had other locations elsewhere in Kent and 80 percent viewed their Chatham premises as a branch (but for the remaining 20 percent, it was the company headquarters).

Since moving to the site 60 percent of respondents (6 organisations) had seen their employment in the Medway towns increase compared to before they moved. Only 20 percent reported a decrease, one of which is a significant reduction and was prompted by a restructuring and consolidation of the business. The majority of respondents expected employment to remain steady over the next three years.
Over half of the sample (7 organisations) had relocated from another site in the Medway towns, the majority without any expansion.

Almost half of respondents (5 organisations) were occupying premises which had been built speculatively while one-third were in premises which had been designed specifically for their occupation. The most commonly cited reason for choosing to occupy the site was location / accessibility, followed by the physical environment / facilities. Just over 40 percent (5 organisations) reported that their organisation would probably have left the Medway towns if their current premises had not been available. Two-thirds (8) reported a shortage of suitable sites to choose from in the area, while the remainder were unsure whether or not this was the case.

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For just over 50 percent the availability of their current premises was essential to the restructuring and / or expansion of the business. Questions on sales and competitors were not applicable to a number of organisations within the sample. Where information was available, only one organisation noted that moving to the premises had had a positive impact on sales, although nobody reported a negative change. Two respondents commented that they had seen very little impact but this could be because they had only been located on the site for a short time. The proportion of turnover which was represented by sales in Medway ranged from zero to 100 percent. Companies felt that the majority of their competitors were based elsewhere in the South East region.

One quarter of the sample felt that their organisation had made a positive contribution to the local economy owing to their use of local suppliers and a further 17 percent mentioned a contribution in terms of the employment of local residents. This suggests that the site is generating valuable multiplier effects within the local economy both indirect impacts generated by the procurement activity of firms based on the site and induced impacts generated by the local expenditure of those who employed there. However, a small number of respondents (2) expressed concern about the infrastructure of the site being insufficient to support the number of employees and students currently based there, particularly in relation to parking space and accessibility by public transport.

Assessment of impacts to date:

Step 1 - Quantity of completed floorspace

16,250 m^2 academic accommodation
125,050 m^2 office floorspace (of which 16,650 is occupied by public sector institutions)

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10,700 m^2 retail floorspace
16,400 m^2 leisure floorspace

It is assumed that all completed floorspace is additional based on the evidence that SEEDA (and English Partnerships) intervention was vital to the viability of the development (Enterprise Zones funding also played a part). There is also a need to consider the extent to which the availability of commercial floorspace within the development has led to activity being diverted from other sites in the area. In reality there is no evidence that other office development would have taken place in Chatham in the absence of the Chatham Maritime development and, although there is some possibility of alternative leisure and / or retail development taking place elsewhere, this was unlikely to have been very significant and, in the absence of further evidence, is discounted.

Step 2 – Quantity of employment

For commercial floorspace, the range of employment accommodated by the development can be estimated based on guideline employment density figures for different types of floorspace, supplemented by the survey findings[1] . The following table calculates the estimated employment impact of the development based on the quantity of floorspace which is presently occupied (i.e. taking account of the estimated 25 percent current vacancy rate for private sector office space).

[1] Note: such guideline figures are viewed by some agents / developers as providing a conservative estimate of likely current employment density. Unfortunately, evidence from the occupier survey was insufficient to provide a robust validation of these figures.

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Table 2.4 Gross Employment Supported by Occupied Floorspace

Use	Floorspace occupied (sq m)	Employment Density (sq m supporting 1 FTE)	Employment Supported (FTE)
Office	98,150	12.8 (call centre) – 22 (HQ)	4,461 - 7,668
Retail	10,700	19 (town centre) – 20 (food superstore)*	535 - 565
Leisure	16,400	13 (restaurants) – 90 (cinemas)	180 - 1,260

Source (employment densities): OffPAT. * Small shops (less than 50 sq m) may have much higher densities (around 1 FTE per 10 sq m) but this is not likely to be applicable in this case.

An indication of the potential future employment impact can be obtained by repeating the above calculation and assuming that the office space is 95 percent or fully let:

95% of office space let: employment supported 5,440 - 9,345 FTE.
Office space fully let: employment supported 5,685 - 9,770 FTE.
Of the office space which is currently occupied, 16,650 m^2 (755 - 1,300 FTE) accommodates public sector activity and the remaining 81,500 m^2 (3,705 - 6,365 FTE) houses private sector businesses.

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As noted above, 16,250 m^2 of floorspace is occupied by a cluster of three academic institutions. Information submitted by these institutions suggests that around 383 staff are currently employed in the cluster.

In terms of the additionality of employment, it would seem reasonable to make three assumptions:

1. All employment in academic institutions is additional to the Medway towns as it is unlikely that the Medway Universities cluster would have formed in the absence of the development.
2. Employment in public sector organisations is not additional, as posts based at Chatham Maritime are likely to represent jobs which would have been located elsewhere in the Medway towns had the development not existed[1].
3. A proportion of the employment in private sector companies is additional to the local area, representing jobs which would otherwise not have been located in the Medway towns. The occupier survey findings suggest that the majority of respondents relocated from within the Medway area without expansion (e.g. Emerson Process Management). However, there are known to be examples of companies which are new to the area (e.g. Vanquis Bank). Therefore a conservative assumption would be that the proportion of additional jobs associated with private sector employers is around 50 percent.

[1] However, it is possible that the premises vacated by these organisations elsewhere in Medway were taken up by (additional) occupiers.

Applying these assumptions, the gross additional employment currently accommodated by the development is:

Table 2.5 Gross Additional Employment

Use	Additional Employment
Academic	383
Office – Public Sector	0
Office – Private Sector	1,850 - 3,185
Retail	535 - 565
Leisure	180 - 1,260
Total	2,950 - 5,395

Based on the available evidence, the following assumptions are made in relation to displacement:

1. Displacement generated by public sector activity and the presence of academic institutions is zero and there will be no negative impact on other businesses in the area as a result of these organisations being located on the Chatham Maritime site.

2. Displacement generated by private sector office-based activity is virtually zero as the survey findings suggest that businesses on the site tend to serve wider markets (i.e. generate the majority of their sales outside of the immediate local area).

3. Retail and leisure activity is likely to create some displacement of expenditure from the nearby town centres. English Partnerships guidance suggests that for a flagship retailing project (such as the Dockside Factory Outlet Centre) displacement in the local area is likely to be 0.5 whilst for recreational projects displacement is estimated at 0.4.

Leakage could not be reliably estimated from the survey of occupying firms and is therefore assumed to be 20 percent based on travel-to-work data from the most recent Census.

Accounting for displacement and leakage, the current estimated employment impact is:

Table 2.6 Additional Employment (After Displacement and Leakage)

Use	Additional Employment (after displacement)
Academic	305
Office – Public Sector	0
Office – Private Sector	1,480 - 2,550
Retail	215 - 225
Leisure	70 - 505
Total	2,070 - 3,585

The employment estimates now need to be adjusted for multiplier effects. English Partnerships suggest that the following composite (income and supply linkage) multipliers are appropriate:

Table 2.7 Local Area Composite Multipliers

Project Type	Local Area Composite Multiplier
B1 Office	1.29
Recreation	1.38
Retailing	1.21

Source: English Partnerships - Additionality Guide (2004)

The total employment impact is therefore:
[Total additional employment (after displacement and leakage) by land use x local area composite multiplier]

For private sector office accommodation: (1,480 - 2,550) x 1.29 = 1,910 - 3,290 FTE
For academic institutions: (305) x 1.21 = 370 FTE
For retail units: (215 - 225) x 1.21 = 260 - 270
For leisure accommodation: (70 - 505) x 1.38 = 95 - 695

An additional impact will be generated by the expenditure of students who are studying at the three universities but who would normally reside outside of the local area. Research undertaken on behalf of the former Department for Education and Skills (DfES)[1] highlights the purchasing power of the student population and estimates that, on average, a full-time student spends £10,270 during the academic year (based on figures for 2004/05), while a part-time student spends £14,270 (likely to be due to the fact that

[1] Student Income and Expenditure Survey 2004/05 (DfES).

most part-time students also work and therefore have higher income levels). Living costs such as food, clothes, entertainment, household goods and non-course-related travel amount to £5,870 (£8,970 for part-time students). The majority of this will be spent in the local area.

An estimated 6,000 students will be enrolled at the Medway campus in 2007. If information can be obtained on their enrolment status (full or part-time) then this can be combined with the estimated expenditure figures to result in an indicative additional expenditure figure, which can then be converted into jobs supported using standard employment multipliers.

For example, assuming that 40 percent[1] of the 6,000 students at the campus are enrolled on a part-time basis, this results in expenditure of:

2,400 x 8,970 = £21.5 million
3,600 x 5,870 = £21.1 million

Estimated total student expenditure on living costs = £42.6 million.

The spend will be spread over a variety of providers of goods and services. However, conservatively assuming that every £45,000 of spend supports one full-time equivalent job suggests that the expenditure of students enrolled at the campus supports almost 950 jobs in total.

The majority of this is likely to be spent in the Medway area. The student population will include both students who live in Medway and those who have a permanent residence elsewhere in the country.

[1] Universities UK estimate over 40 percent of all HE students are studying on a part-time basis.

However, it could be argued that even the expenditure of those who live locally should be included in the calculation as without the Universities of Medway campus these students would have been likely to study elsewhere and so their spend would have been lost to the local area.

Step 3 – Short-term construction related impacts

An estimate of the number of short-term employment opportunities created by the development can be generated by assuming that one person year of employment is created by every £55,000 - £100,000 spent[1]. The range accounts for the differing capital to labour ratios required by different types of construction project.

Number of person years of employment = [total construction expenditure / 100,000] to [total construction expenditure / 55,000]

It is estimated that to date over £500 million of public and private sector funds have been invested in the site. This results in an estimated employment impact of 5,000 - 9,090 person years.

[1] A figure of £55,000 is in line with current English Partnerships guidance for relatively labour intensive work, while a figure of £100,000 is more appropriate for relatively capital intensive projects (which are perhaps more relevant to the Chatham Maritime context).

2.0 CHATHAM MARITIME

Table 2.8 Summary of Employment Impacts

	Local Level Employment Impacts
Short-term (person years)	
Direct	5,000 - 9,090
Total (Direct plus Multiplier Impact[2])	6,450 - 11,725
Ongoing (FTE)	
Office (direct plus multiplier)	1,910 - 3,290
Academic (direct plus multiplier)	370
Retail (direct plus multiplier)	260 - 270
Leisure (direct plus multiplier)	95 - 695
Total	2,635 - 4,625

In addition, the expenditure of students enrolled at the Medway campus has been shown to support an estimated 950 FTE jobs in the local area.

[2] Based on a local level multiplier value of 1.29.

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2.5 Wider Project Impacts

An important aspect of the wider impact is the creation of a sustainable community which involves a high quality environment and provides the infrastructure and supporting facilities required for the workforce and resident population.

The vast majority of occupying businesses responding to the survey were satisfied with both the site and the local area (over 80 percent in both instances); while almost 60 percent agreed that they had seen improvements in the local area since moving to the site, in particular the leisure facilities. This indicates that the facilities and environment provided by the site are likely to be making a positive contribution to the quality of life of those employed there.

The floorspace provided has also had a significant impact in terms of increasing the number of job opportunities in the local area; however, it is necessary to assess the extent to which the opportunities provided are accessible to local people. The skills mix of the workforce is skewed towards those with degree-level and / or professional qualifications, particularly in relation to financial services. The businesses also support a significant number of clerical and administrative roles. The respondents estimated that all of their employees at the Chatham Maritime site were based in the South East region, the proportion of Medway Town residents ranged from 25 to 100 percent highlighting that the proportion of local labour employed on the site varies from business to business.

2.6 Environmental and Equalities Impacts

2.6.1 Environmental Aspects

Key achievements of the intervention are:

- The reclamation and reuse of a 140 hectare derelict site;
- The quality of the physical environment and facilities provided on the site were rated highly by occupiers (the amenity value provided by the development could be further explored in a survey of residents);
- A number of historic buildings have been restored in order to bring them into economic use; and
- All new homes have been built to Ecohomes Very Good standard.

2.6.2 Equalities Aspects

In terms of workforce demographics, the majority of survey respondents reported a fairly even number of men and women, although in one case all employees were found to be women and in another 90 percent were men, indicating that the gender distribution can vary significantly according to business activity. The proportion of employees classed as disabled was zero in most cases, and in others tended to relate to a small proportion (representing only one or two members of the workforce), although this finding is unlikely to capture all forms of disability. The proportion of employees from Black and Ethnic Minority (BME) groups was also low. In addition, respondents were more likely to employ workers who were over 50 than those who were under 21, although in one case it was reported that 80 percent of employees were under 21.

2.7 Strategic Added Value

Significant Strategic Added Value has resulted from SEEDA's involvement in the Chatham Maritime project. It is widely viewed as a flagship regeneration project in the heart of the Thames Gateway regeneration area. The project was a finalist in the former Deputy Prime Minister's Sustainable Communities Awards 2004 for its outstanding contribution to creating a sustainable community. It is acknowledged as a 'prestige project' in the Kent and Medway Structure Plan and has contributed to the aims of a number of local strategies, such as the Medway Waterfront Renaissance Strategy. Discussions with agents suggest that the St Mary's Island residential development has proved popular and has achieved premium pricing and viewed as the best performing development in the Medway towns.

The following table presents the categories of Strategic Added Value and summarises SEEDA's achievements to date in relation to the Chatham Maritime development.

Table 2.9 Strategic Added Value

RDA SAV Roles	SAV Outputs from the Chatham Maritime Intervention
• Strategic leadership and catalyst: Articulating and communicating regional development needs, opportunities and solutions to partners and stakeholders in the region and elsewhere.	• Consultation with property agents suggests that a mixed use development would have been unlikely to have come forward on the site in the absence of intervention, particularly given the constrained demand for office space in the local area. • Universities at Medway project and potential to contribute to addressing local skills issues.
• Strategic influence: Carrying out or stimulating activity that defines the distinctive roles of partners, get them to commit to shared strategic objectives and to behave and allocate their funds accordingly.	• SEEDA continued the work started by English Estates / Partnerships in order to achieve the objectives which had been set out for the regeneration of the site.
• Leverage: Providing financial and other incentives to mobilise partner and stakeholder resources – equipment, people as well as funding.	• It is estimated that over £500 million of both public and private sector funding has been invested in the site.
• Synergy: Using organisational capacity, knowledge and expertise to improve information exchange and knowledge transfer and coordination and / or integration of the design and delivery of interventions between partners.	• Chatham Maritime is viewed as SEEDA's flagship regeneration project and was a finalist in the DPM's Award for Sustainable Communities in 2004.

The role of the Agency in bringing about the Universities at Medway Campus and contributing to resolving local skills issues could be explored further. Issues for potential future exploration include:

- Consultation with representatives of the Universities / colleges to explore reasons for locating in Chatham and details of other locations which were considered.
- Further research into how far the development is supporting the local labour market by providing accessible and relevant employment and training opportunities.
- Discussions with businesses which have undertaken significant recruitment should be held, to explore the existence of recruitment and retention issues.
- Consultation with local stakeholders could be used to ensure that efforts are being made to maximise the benefits which accrue to the local labour force.

2.8 Future Impacts and their Measurement

2.8.1 Potential Future Impacts

Development which is currently underway, or planned, on the site will result in further outputs, particularly further private investment, creation of floorspace / housing units, and jobs created / safeguarded. Monitoring data relating to these outputs will provide a key input to the calculation of impacts resulting from the scheme[1].

[1] It should be noted that the quantity of floorspace created by use (which is a key input to the economic impact calculations) is not currently recorded and so will need to be collected in addition to the outputs listed in PMS.

2.8.2 Towards the Final Evaluation

The key research tasks for a final evaluation will be:

- Baseline updates covering socio-economic conditions and policy context.
- Output and expenditure review.
- Project level assessment for key aspects of the scheme.
- Supporting surveys and consultation.

As part of the final evaluation further surveys of business occupiers and property agents should be undertaken to update and expand upon what has been done as part of this case study. In addition, once the St Mary's Island residential development is completed and fully occupied a household survey could be undertaken. The purpose of this would be to:

- Establish the characteristics of occupiers (including household size and composition, demographic features and socio-economic status).
- Investigate where respondents lived previously and their reasons for moving to the development.
- Collect information on perceptions of image and community cohesion.
- Collect information on travel-to-work / study / leisure patterns.
- Assess satisfaction with the development, including the environment, infrastructure and retail / leisure offer.

The development is not so large that all households and business occupiers cannot reasonably be contacted and so selecting a sample would be unnecessary. A postal survey (with reply paid envelope) is likely to be the most cost effective way of administering such a survey. A prize draw could be offered as a way of boosting the response rate.

An initial survey of householders has been undertaken, although findings were not available in time to be reported here. The questionnaire was distributed by post to all households on the island and a response rate of 38 percent was achieved. This is a more than reasonable figure to capture the views of the population of residents as a whole. The option to complete the survey online was also offered but take-up of this was low.

The findings of the above research tasks should then be used to inform an assessment of the impact of the intervention.

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Table 2.10 Final Evaluation Indicative Timetable

Task	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6
Management and Coordination	- ongoing -					
Baseline Update						
Output / Expenditure Review						
Project Assessment						
Stakeholder Consultation						
Agents Survey						
Occupier Survey						
Resident Survey						
Assessment of Impact						
Reporting						

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2.9 Issues and Lessons

A main issue when assessing the impact of the Chatham Maritime development is the diversity of activity accommodated on the site (unlike, for example, a business park which often accommodates a cluster of fairly similar companies). This range of activity also creates a risk of double-counting given that some of the businesses are likely to generate a high proportion of their sales from servicing other occupiers of the site (e.g. occupants of office space using pub / restaurant and convenience store facilities).

The wide variety of activity means a relatively high proportion of effort should be directed towards survey work. This is to achieve a robust sample size and ensure that the survey captures information on the full range of occupiers (in terms of type of organisation and activity).

A range estimate of the short-term employment impact resulting from the capital spend has been made in section 3.4. This could be improved by undertaking a telephone survey of construction companies involved in any future development work in order to collect information on the level of employment generated; the extent to which local labour is being used; and the diversity of the workforce. The best time to collect this information is while the company is on site, or shortly after the construction work has been completed.

3.0 Queenborough and Rushenden

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3.0 Queenborough and Rushenden

3.1 Origins

The Isle of Sheppey is located within the North Kent section of the Thames Gateway. The vision for the intervention is to integrate the outlying settlement of Rushenden into Queenborough, and promote a positive image of Queenborough and Rushenden as a place where people want to live, work, invest in and visit.

Regeneration of the area has been unlocked by the planned improvements to the A249, including the provision of a second Swale Crossing and a link road from the A249 to the development area, which will improve access between the island and the mainland, reduce industrial traffic in residential areas and make the area more attractive as a business location.

SEEDA activity dates back to 2002/03. The Agency has sought to intervene to develop and deliver earlier Local Plan proposals for housing and employment by enhancing the capacity of the development to fund the necessary infrastructure (intensifying the housing development and therefore its capacity to fund social infrastructure and the third section of a new link road to serve the development) and securing higher value uses on the Neatscourt employment area.

A key objective for SEEDA is to ensure that the area is not simply developed as a dormitory community for people commuting off the island.

3.0 Queenborough and Rushenden

3.1.1 Content, Focus and Potential Timetable

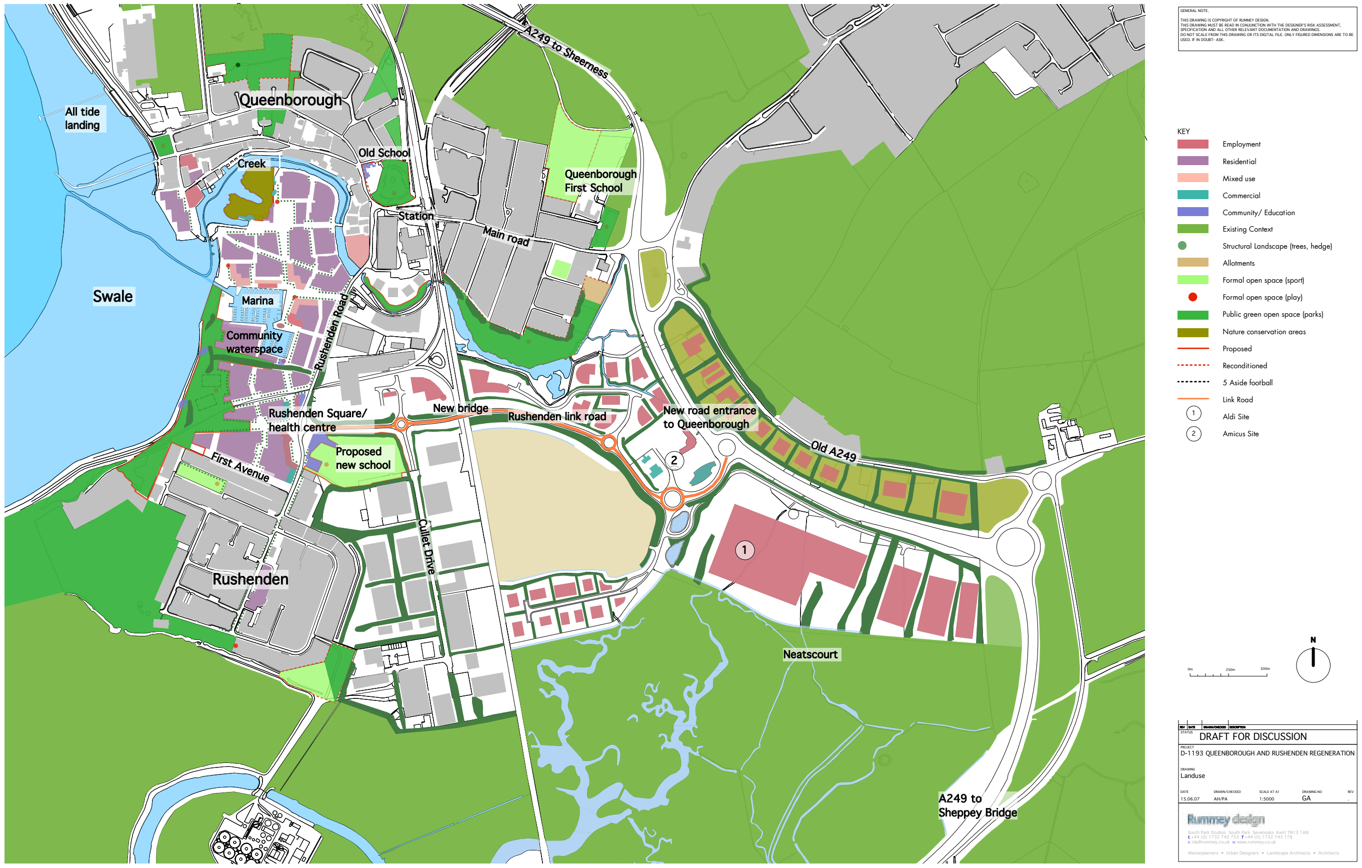
A draft masterplan has been submitted to Swale Borough Council, drawing on the Area Action Plan produced in March 2004. The strategy area can be broadly sub-divided into five zones as follows:

- Neatscourt Business Park – designated as a priority area for new commercial development for some time but infrastructure constraints, including a lack of suitable highway access, have prevented the site from coming forward in the past. The completion of the A249 improvements will help to provide access to the site but significant investment will still be required to address the other infrastructure needs.
- Land east of the A249 – earmarked for low density business uses and a key objective will be the creation of a high quality environment to the gateway to the development area.
- Cullet Drive Estate – presently home to a number of existing businesses which make a valuable contribution to the local economy. Any significant new development proposals which come forward in this area (e.g. redevelopment or business expansion) will be required to contribute to the physical and social infrastructure which is to be provided to support new development in the area.
- West of Rushenden Road / North Rushenden – highlighted as having significant potential for mixed-use redevelopment, including new residential development, enhanced boating facilities, and small-scale retail and ancillary community uses (including a new primary school). Comprehensive development of the area will be dependent on improved access and highway improvements and supporting social infrastructure.
- The existing built-up areas of Queenborough and Rushenden - the Area Action Plan includes Rushenden and the parts of Queenborough adjacent to Queenborough Creek.

3.0 QUEENBOROUGH AND RUSHENDEN

A more detailed breakdown of land uses within the strategy area is shown in Figure 3.1.

Figure 3.1 Strategy Area



Source: Rumney Design Associates

3.0 Queenborough and Rushenden

The masterplan recognises that the intervention has a role to play in terms of creating a sense of place, drawing on the unique island characteristics, surrounding landscape and heritage features of the site. There will be an emphasis on creating a high quality public realm and environment, including traffic improvements, new pedestrian routes and community facilities.

The masterplan envisages:

- The development of 2,000 residential units (with 1,200 to be developed by 2016). SEEDA acquired much of the housing land (10 out of 20 ha) which is brownfield in March 2003. The scheme involves:
    - the construction of supporting physical, environmental and social infrastructure to be funded by an S106 contribution of some £10,500 per unit;
    - a marina with a strong focus on attracting visiting craft to be funded from receipts from the sale of the residential land;
    - small office and retail units with pubs, restaurants, etc, probably on the ground floor of the apartments to be concentrated around the marina area in the middle of the development (the area is "Defended Floodplain");
    - a possible Combined Heat and Power (CHP) scheme.

- The development of up to 180,000m^2 of employment space (B1 / B2 / B8) on the Neatscourt employment area, with possibly a hotel and conference centre. The scheme is being developed by SEEDA though a joint venture with Crown Estates. Aldi has committed to a 56,000m^2 headquarters and regional distribution centre scheme on the site and another deal is almost in place for a 4,000m^2 local headquarters office development.

A detailed planning application for the Aldi development and enabling works has been submitted, along with an outline application for the rest of the Neatscourt scheme. This is expected to be approved in May 2007.

The aim is to create a sustainable community and the masterplan contains a Green Charter which sets detailed targets relating to energy, carbon dioxide emissions, water use, waste and design, which exceed current building regulation standards. The development intends to achieve an Ecohomes 2006 Excellent rating for all residential units and BREEAM Excellent for all non-residential buildings.

3.1.2 Potential Expenditure

The public sector contribution to the initial stages of the redevelopment, over the next ten to fifteen years, will be funded primarily by an allocation of £7 million from ODPM (now Department of Communities and Local Government) Sustainable Communities Plan, and £3 million allocated by SEEDA. The assessment of impact will need to focus on what has been achieved by the total public sector funding as the role of the intervention is to unlock private development and investment.

To date, SEEDA has made a number of acquisitions as follows:

- The Twyfords Bathrooms factory purchased freehold in March 2003. The site totals 18.5 acres (7.5 Ha) and SEEDA has cleared the site of existing industrial buildings. The main site 12.8 acres (5.2 Ha) is zoned for industrial uses while the remaining area is allocated for residential development.

3.0 Queenborough and Rushenden

- Two light industrial sites totalling 1.5 acres (0.6 Ha) in First Avenue, Rushenden purchased freehold in December 2003. SEEDA has completed demolition of most of the existing industrial buildings. The site is allocated in the current local plan for residential purposes.
- The former Jewsons site along Rushenden Road purchased freehold by SEEDA in February 2006. The 1.58 acres (0.64 Ha) site is being used for community use in the short-term.

The Neatscourt site enabling works is being developed though a joint venture with Crown Estates (the landowner). SEEDA is funding the advanced works and the first section of the link road which serves the development. £3 million of the total cost is being provided through the Sustainable Communities Plan allocation and the remainder by SEEDA as bridging funding. The Agency will recover the £3.8 million contribution involved through land sales which are already virtually in place.

PMS records indicate the following budgeted SEEDA expenditure (planned in 2003):

- £3 million for the acquisition of the Twyfords site, Rushenden Road.
- £6 million for the Neatscourt area allocated to grants for project delivery.
- £1.17 million of expenditure on the masterplanning works for the regeneration of the area.
- £0.5 million for further site acquisition, Rushenden Road.

Actual figures and an updated forecast show some variations at present:

- £3 million for the acquisition of the Twyfords site, Rushenden Road.

- £0.9 million for the Neatscourt area allocated to a range of capital expenditure items, including project management, legal fees, engineering fees and masterplanning.
- £1.8 million of expenditure on the regeneration of the area, again allocated across a range of capital expenditure items, primarily quantity surveyors and engineering fees.
- £0.26 million for further site acquisition, Rushenden Road.

In subsequent evaluation work the reasons for any variation and the perceived accuracy of the updated forecast should be explored in consultation with the project manager.

It is anticipated that development work will start in late 2007. Kent County Council will be responsible for the construction of the link road and planning approval is expected in spring 2007 with work on the link road expected to complete in 2008.

3.2 The Approach to the Case Study

As the development is not yet underway, the approach to the case study has been focused on:

- Reviewing the expected content of the scheme and likely expenditure and outputs, based on a review of project documents and discussions with the SEEDA project manager.
- Establishing the baseline against which change will be measured, in terms of a range of socio-economic and property market indicators.
- Survey work with local property agents to establish the current property market context.

- Advising on the details of the future process for monitoring change and evaluating the impact of the development.
- Consideration of Strategic Added Value effects both to date and potentially in the future.

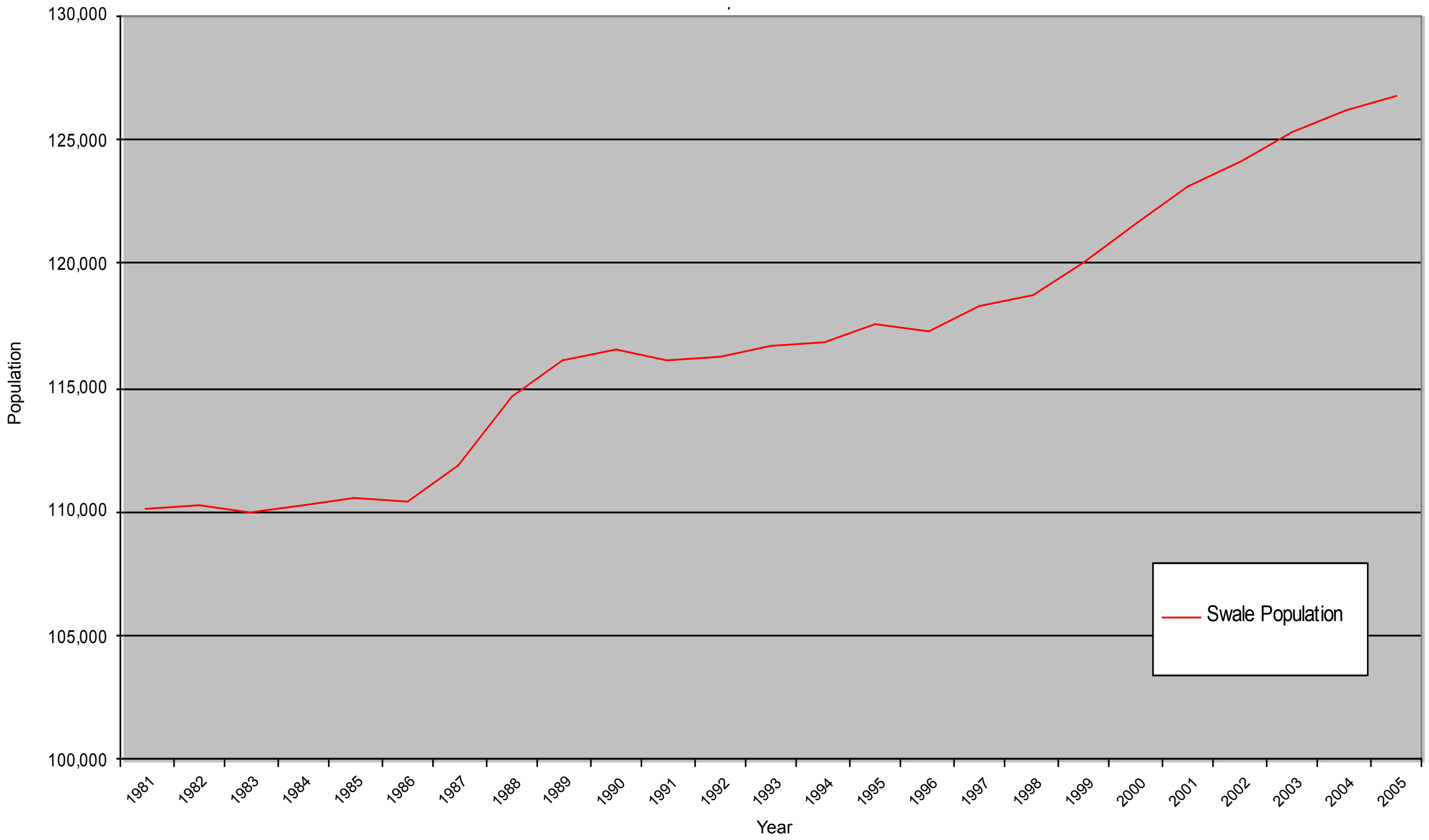
3.3 Baseline Socio Economic and Property Indicators

The 2004 Index of Multiple Deprivation placed Swale as the 131st most deprived local authority in the country, ranked from a total of 354 (based on the rank of average rank measure). This places it within the 40 percent most deprived local authority areas, although pockets of more significant deprivation exist at neighbourhood level. Historically the island has suffered from limited vehicle access due to poor infrastructure. Whilst improvements have been made in recent years the local road network on the island remains a constraint.

3.3.1 Population

The population of Swale has grown since the mid -1980s, and the rate of increase has become more pronounced since the late -1990s.

Figure 3.2 Swale Population Trends



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3.0 Queenborough and Rushenden

The population of the Isle of Sheppey is estimated at 35,000, over 30,000 of which live in the north-western corner of the island encompassing Queenborough and Rushenden.

The proportion of the population over the current age of retirement has fluctuated around the regional and national average, although the latest figures show that this proportion is increasing, which has potential implications for the relative size of the labour force.

3.3.2 Employment and Activity

During the 1990s, the Isle of Sheppey stood out as one of the areas of high unemployment in the South East region. By the 2000s, numbers had fallen but unemployment was still above the national and regional averages indicating that persistent employment problems.

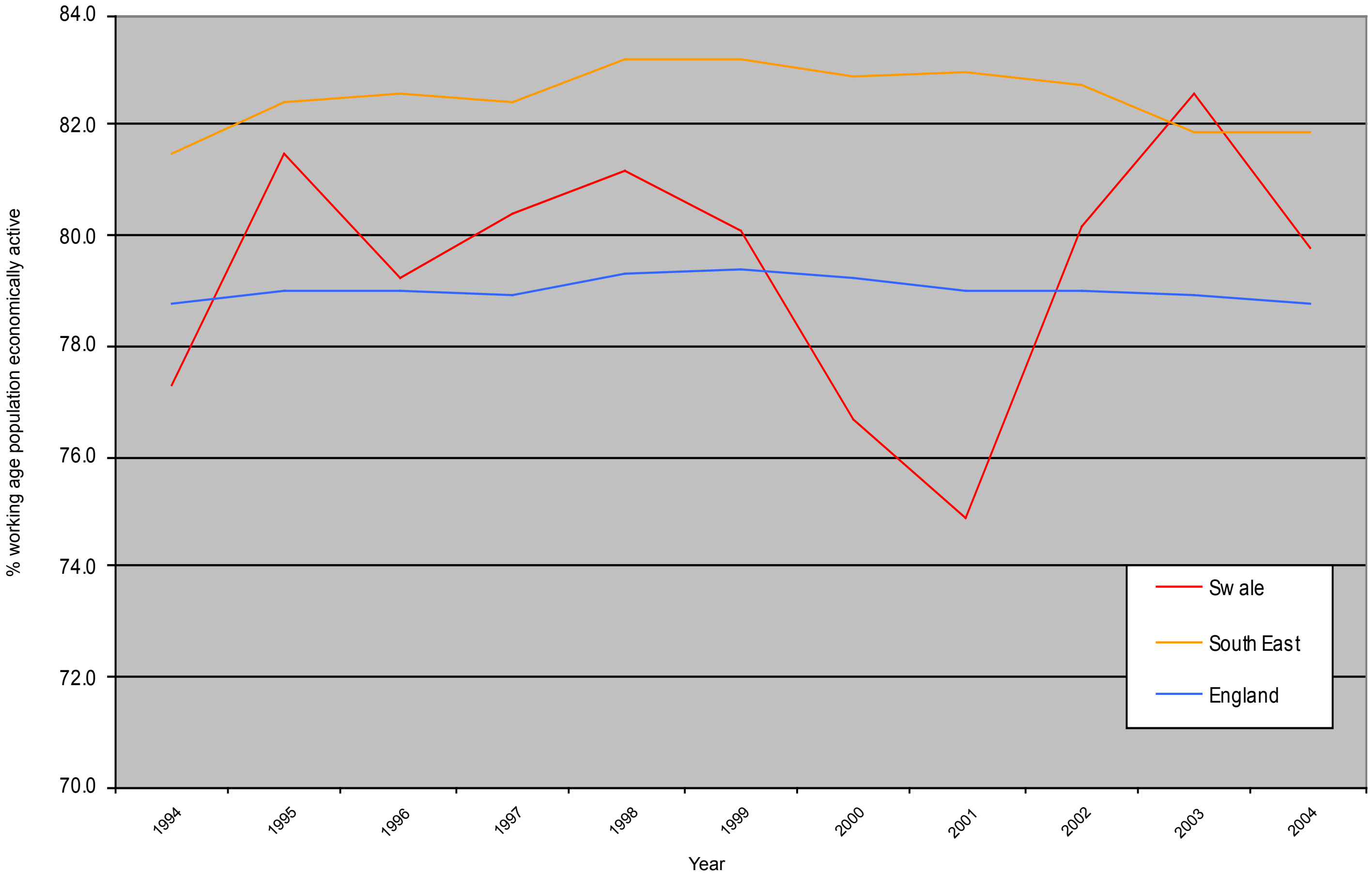
3.0 Queenborough and Rushenden

Date	Swale (%)	South East (%)	Great Britain (%)
March 96 - February 97	8.1	5.5	7.8
March 97 - February 98	7.7	4.9	6.7
March 98 - February 99	6.6	4.2	6.1
March 99 - February 00	5.9	3.8	5.9
March 00 - February 01	5.3	3.3	5.3
March 01 - February 02	5.4	3.3	5
March 02 - February 03	5.7	4	5.1
March 03 - February 04	4.7	3.7	4.9
January 04 - December 04	4.3	3.7	4.7
January 05 - December 05	4.7	3.7	4.9
April 05 - March 06	5.1	3.9	5
July 05 - June 06	5.3	4.3	5.2

Source: NOMIS

Activity rates in Swale have fluctuated around the national average but tended to remain below the regional average, except for a peak which was reached in 2003 .

Figure 3.3 Economic Activity



Source: LFS

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3.0 Queenborough and Rushenden

Workforce skills are below the regional average in Swale, using data from the 2001 Census. At that time, 34 percent of people of working age within the district had no qualifications, compared to 24 percent across the region as a whole. At the other end of the spectrum, only 12 percent achieved higher level (Level 4 / 5) qualifications, compared to 22 percent at the regional level. Within the Sheppey Central ward, these differences were even more pronounced, with 38 percent lacking any qualifications and just 8 percent gaining them at the higher level.

3.3.3 Business and the Economy

Queenborough and Rushenden have suffered economic decline since the 1960s. However, the area's history as an important seafaring district, in addition to its waterfront location, is thought to provide potential for regeneration.

Swale has a relatively narrow economic base, with a high proportion of its employment focused within manufacturing and agriculture (and related industries). Manufacturing is still relatively important, particularly compared to the South East economy as a whole. The Port of Sheerness is a major employer and generates a demand for commercial accommodation for related uses, such as vehicle and produce importation. However, much of the port's growth has been accommodated off the island, including packaging and distribution centres which have been established in Sittingbourne and on the outskirts of the Medway Towns.

Other than retailing, the service sector is poorly developed, especially in terms of finance and business services.

Table 3.2 Employment by Industry

Employee Jobs by Industry (2005)	Swale (%)	South East (%)	Great Britain (%)
Manufacturing	17.1	8.8	11.1
Construction	5.4	4.4	4.6
Distribution, hotels & restaurants	23.5	25.6	24.1
Transport & communications	7.7	6.1	6
Finance, IT, other business activities	15.2	23.8	20.7
Public admin, education & health	21.8	24.6	26.9
Other services	5.3	5.2	5.2
Tourism-related	7.1	8	8.1

Source: NOMIS

Job opportunities in the borough are relatively limited, in terms of both numbers and range, with a high proportion of low wage / low skill jobs. As a result levels of commuting are high. Data from the 2001 Census shows that over a third (37 percent) of residents in Swale travelled more than 5km to work. However, almost half (47 percent) lived less than 2km from their workplace or worked mainly from home[1]. More recent figures for travel to work patterns are currently unavailable.

Comparing results for Swale in 2001 and 2005 shows:

[1] Nomisweb

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- An increase in the number of jobs, from 42,000 to 46,800.
- An increase in the proportion of jobs accounted for by the service sector (from 71.7 percent to 73.5 percent) and construction (4.7 percent to 5.4 percent), and a decrease in the relative importance of manufacturing (19.3 percent to 17.1 percent) and tourism (8.5 percent to 7.1 percent).
- 2,100 new jobs in banking, finance and insurance, and 1,500 in public administration, education and health.

3.3.4 Land and Property

In line with general trends in the housing market, residential property prices in the borough have risen in recent years. While the average price of property in Swale remains below both the regional and national average, prices in the borough have been increasing at an above average rate.

Table 3.3 House Price Change

Mean House Prices (£)	2001	2002	2003	2004	2005	2006
Swale	£101,742.13	£123,902.46	£143,447.46	£163,020.00	£169,750.66	£179,520.82
South East Region	£157,244.20	£181,910.77	£204,055.43	£223,447.00	£232,736.05	£247,761.90
England	£121,768.97	£141,108.28	£159,357.38	£181,330.00	£192,246.72	£206,594.37

Source: Land Registry

Values have risen relative to the general market in anticipation of the new crossing and new residential development.

3.0 Queenborough and Rushenden

Around 86 percent of the dwelling stock in Swale is either owner occupied or private rented sector; the remainder is controlled by registered social landlords.

It is estimated that there are 96 Ha of brownfield land with potential for development in Swale[1] of which 44 Ha is suitable for housing development. The development at Queenborough and Rushenden will help to bring previously developed and derelict land back into use, thereby improving the physical environment and providing both residential and employment opportunities.

Agents report good demand for industrial premises which now outstrips supply and that the borough has been successful in attracting inward investment. This is illustrated by the current shortage of land for industrial development being experienced in Sittingbourne, the principal location for such uses in the borough.

Other than specific individual buildings for owner occupiers, there has been no significant commercial development on the Isle of Sheppey for the last 15 - 20 years. However, there are signs of increasing interest in the island and, aside from the SEEDA proposals; there are two small business unit schemes currently under consideration. There is very limited demand for office accommodation and as a result a number of office units have been converted to other uses, usually residential. The vacancy rate for commercial and industrial property in Swale has remained relatively steady but exceeds the regional and national figures.

[1] DCLG National Land Use Database (2006).

3.0 Queenborough and Rushenden

Table 3.4 Commercial and Industrial Property Vacancies

Commercial and Industrial Vacant Property Estimates (Hereditament %)			
	Swale	South East	England
April 2004 to March 2005	11	9	9
April 2003 to March 2004	12	9	9
April 2002 to March 2003	12	8	8
April 2001 to March 2002	11	7	8
April 2000 to March 2001	9	6	7

Source: National Statistics

The planned improvements to the road infrastructure would be expected to increase the attractiveness of the Isle of Sheppey as a location for business and help to stimulate further demand for business premises in the area.

There is no recent reliable transactional evidence that could be used to indicate yields on the island. Rentals remain low with virtually all of the accommodation being over 20 years old, and no evidence available to indicate any significant growth. However, land values for commercial / industrial use have grown significantly from under £100,000 per acre to approaching £200,000 per acre in 2007. The increase in demand for and value of land is considered to be a consequence of the new bridge.

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3.0 Queenborough and Rushenden

Historically, almost all demand for commercial property has been from locally based businesses. Inward investment has been at a very low level and generally related to port activities. With completion of the new bridge agents report increased enquiries from businesses from outside of the local area, perhaps attracted by the perception that values are low in relation to locations which are comparable in terms of accessibility. Agent expectations are that values in the commercial property sector on the island will grow relative to the market overall over the next 2 / 3 years. This is considered a consequence of its location in the Thames Gateway, completion of the new bridge and the anticipated benefits of the SEEDA intervention.

3.3.5 Policy Context

The Queenborough and Rushenden masterplan (2005) highlights a need for regeneration and identifies the key challenges as high levels of deprivation, unemployment, child poverty and poor health. The masterplan states that the developments in Rushenden will focus on the following in response to local concerns: traffic management and improved accessibility; community provision; leisure and health facilities; housing units; education provision; water space; open space and environmental quality; employment land and jobs; and tackling crime and promoting community safety.

Aside from Queenborough and Rushenden, a number of other initiatives are also leading towards significant opportunities for regeneration in North Kent. These include: the new A249 bridge; Rushenden Link Road; Swale Ecotourism Study; the development of a Learning Hub; Sittingbourne Northern Relief Road; Sittingbourne Town centre Regeneration; Kent Science Park; North Kent Natural Park and Thames Port on the Isle of Grain.

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3.0 Queenborough and Rushenden

Both the RES (2006) and the South East Plan (2006) identify the wider Kent Thames Gateway as a major Growth Area of which the Isle of Sheppey is part. The South East Plan identifies the Isle of Sheppey as the location for a major new employment site to expand and diversify the local economic base. The Plan states that employment land allocations should be generous to enable the concentration of new housing in the area and the need to revitalise and diversify the Sheppey economy.

The Kent and Medway Structure Plan (2006) emphasises the need for economic regeneration and diversification involving mixed use development at Queenborough and Rushenden to provide necessary housing, employment, and community facilities in conjunction with environmental improvements and transport measures.

Swale's Sustainable Communities Plan (2006) identifies the key local regeneration challenges as:

- Investment in Swale's learning and skills base;
- Ensure that Kent Science Park strengthens and consolidates Swale's knowledge economy and local numbers of resident knowledge workers;
- Exploit the borough's enterprise culture as a key economic driver;
- Low earnings, weak local amenity provision and low connectivity;
- Anti-social behaviour in Swale is a major concern for local people;
- Build on the borough's natural heritage as a key asset to contribute to the quality of life, to attract investors, visitors and new residents;
- Safeguard green spaces and natural areas from environmental crime and pollution caused by waste disposal and energy consumption; and
- Health inequalities and housing affordability.

3.0 Queenborough and Rushenden

The Strategic Development project will contribute to meeting these regeneration concerns by providing employment provision, new homes and a clean-up of areas contaminated by industrial use. There will be major road improvements, education and training to fill skills gaps, marine employment and tourism opportunities.

The current Swale Local Plan (2000) sets out the Council's aim to improve access between the Isle of Sheppey and the mainland, as well as around Sheppey itself, to help secure economic regeneration and create new development opportunities. However, the plan envisaged a smaller level of housing development (150 dwellings within the plan period, primarily on despoiled land at Queenborough Creek) and made more general statements around employment sites in the development area (including the use of Neatscourt for B2 and B8 uses). The Borough Council considered that comprehensive redevelopment would help to secure an improvement to the historic core of Queenborough centred on the creek. A smaller site was also proposed for residential and recreational use to complement that on the southern bank. The plan reflected the longer-term aims for this area, for the relocation of employment uses where these conflict with residential uses, and to improve the appearance of the Conservation Area.

3.4 Measuring Future Impacts

As the physical development work is not yet underway, there is an opportunity for the project manager to undertake some formative evaluation work. This should include work to define the full list of outputs which will need to be monitored throughout the lifetime of the intervention, selection of baseline indicators (including highlighting of gaps in the baseline and any research which should be commissioned to rectify this), and development of an initial Evaluation Plan which shows the timing of evaluation activity and survey work.

3.0 Queenborough and Rushenden

Given the lengthy timescale of the project it would be sensible to undertake an interim evaluation to review progress at the mid-point, followed by a final evaluation on completion of the development. As well as providing an opportunity to review monitoring information (relating to spend and physical outputs), work will also be required to update the baseline indicators, consult with key stakeholders and undertake appropriate survey work. Key stages of the methodology are summarised in the following box.

Table 3.5 Methodology Overview

Key Research Tasks
Desk review of expenditure and output data analysis of data recorded in PMS[1] and assessment of progress against targets, with discussions with project lead to clarify / verify information as necessary.
Project level assessment – review of documentary evidence relating to key aspects of the intervention which have been progressed (e.g. Neatscourt site) and discussions with project manager (and other stakeholders who have had a role in delivery) in order to complete project assessment tool.
Baseline update – to identify changes in the socio-economic and property market context of the area based on key indicators. An updated review of the policy context would also be useful to inform an assessment of strategic fit (this should be focused on assessing the fit of the development with any new / emerging policy). An initial baseline and policy context is provided in section 4.3.
Supporting surveys – a number of surveys are relevant to the development: 1) telephone survey of property agents – to provide contextual information on the local property market and impact of the development 2) telephone survey of occupiers of business space to assess the activity and employment accommodated by the site, the influence of the availability of the development on the business decisions of occupying firms, and general views on the site / local area (e.g. quality of development and supporting infrastructure) and 3) postal survey of occupying households to establish the characteristics of those who have moved into the development, the influence of the development on determining where they had chosen to live and general views on the site / local area. The development is not so large that all households and business occupiers cannot reasonably be contacted and so selecting a sample would be unnecessary.

[1] It should be noted that the quantity of floorspace created by use (which is a key input to the economic impact calculations) is not currently recorded and so will need to be collected in addition to the outputs listed in PMS.

3.4.1 Economic Impacts

The findings of the desk review and research tasks should be used as the basis for an assessment of economic impacts. This involves a number of steps:

Step 1 – assessing the additional floorspace / development attributable to SEEDA intervention.
Step 2 – estimating the net additional employment and GVA resulting from the development.
Step 3 – assessing the net impacts of the development.

One key issues will be how far the development is able to overcome the traditionally negative perceptions of the island, reflected in relatively low land values and property prices, although it needs to be noted that local land values are typically affected by abnormals (ground conditions, flood plain issues). Any change in local conditions will be highlighted by the baseline update and the underlying reasons should be explored through consultation.

A major potential issue will be how much of the impact is attributable to the development itself and how much improvements occurred as a result of the transport infrastructure. Although it will be initially impossible to disentangle these factors it will be important at least to explore this aspect through consultation and surveys. The key question is what the market alone might have been expected to deliver in the absence of the SEEDA intervention. Updates to the baseline can be used to highlight changes in local conditions which may have occurred in anticipation of the transport improvements.

3.4.2 Wider Impacts

The evaluation will need to consider the extent to which the development results in wider quality of life impacts for local communities.

In the case of Queenborough and Rushenden, the occupier surveys can be used to gauge the level of satisfaction with the physical environment and the community facilities which have been provided.

It would also be possible to undertake more in-depth work relating to community facilities by reviewing the rationale for their provision and then assessing the benefits which they have provided through surveys or focus groups with user groups.

3.4.3 Environmental and Equalities Impacts

In order to assess the environmental sustainability of the development, the evaluation should consider the progress made against the targets set in the masterplan. It is assumed that this information would be collected as part of monitoring the development work.

The supporting surveys could be used to collect information about the travel behaviour (including travel-to-work distance) and energy use of occupying firms and residents. This could then be compared with benchmark data, for example relating to household energy use, and / or local travel-to-work patterns.

Supporting surveys can also be used to provide demographic information on employees and residents. This can then be compared to information on the local population profile to assess the extent to which occupiers of the development are representative of the wider local area. There will need to be a separate

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analysis for the workforce and resident population. A review should also be undertaken of the extent to which the development has incorporated features which promote equality.

3.5 Strategic Added Value

3.5.1 Strategic Added Value to Date

To date, significant work has been done to build a partnership, including SEEDA, Swale Borough Council, Kent County Council and Swale Forward. SEEDA has demonstrated strategic leadership and influence in ensuring that all partners are signed up to a common vision for the development area[1]. The interventions made by SEEDA would also be expected to have a catalytic impact, enabling the development work to come forward and ultimately encouraging business investment in the area. Without SEEDA intervention, property agents consider that SEEDA's original core landholding (the former Twyford site) would have been likely to revert to local value commercial uses, such as port-related transportation, resulting in limited benefits for the local area. It is also considered that the proposed new link road would not have been funded in the absence of the Queenborough and Rushenden project.

Comparisons of the masterplan proposals with the aspirations set out in Swale's Local Plan show how plans for the area have become more ambitious as a result of SEEDA's involvement.

The Local Plan identified a new housing site on the island at Queenborough Creek; this comprised 12.4 Ha of land and was planned to accommodate 150 dwellings over the plan period. Neatscourt was identified as a major site for the development of new employment floorspace given its proximity to major transport routes and the local workforce. The plan suggested it was most suitable for industrial, warehousing and

[1] Note: it has not yet been explored in consultation with other parties how far they accept that SEEDA has played a / the key role.

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distribution uses and would be used to create 90,000 sq m of new floorspace (36,000 sq m of B2 uses and 54,000 sq m of B8 uses). However, development of the site was linked to the provision of new and improved infrastructure, with the developer being required to make a significant contribution towards the Rushenden link road, part of which would constitute the main access route into the site.

In contrast, the current masterplan envisages up to 180,000m^2 of employment space (B1 / B2 / B8) being developed on the Neatscourt employment area and 20 Ha of land being used for the development of 2,000 residential units (with 1,200 of these to be developed by 2016).

The intensification of the development plans is thought to have been heavily influenced by SEEDA's involvement and the resulting scheme is considered more deliverable due to the greater capacity of the residential development to contribute funding to the link road and the more focused employment development which will be better able to attract higher value added activities.
The masterplan for the area has also been subjected to rigorous community consultation and the engagement role played by SEEDA should be acknowledged.

3.5.2 Potential Future Strategic Added Value Aspects and their Measurement

The following table considers the broad categories of Strategic Added Value and suggests how these impacts could be assessed in relation to the project.

Table 3.6 Strategic Added Value

RDA SAV Roles	Capturing SAV outputs from the Queenborough and Rushenden Intervention
• Strategic leadership and catalyst: Articulating and communicating regional development needs, opportunities and solutions to partners and stakeholders in the region and elsewhere.	• Collecting evidence of increased confidence in the prospects for economic growth in the area and increases in the capacity of partners and stakeholders to realise the potential for growth. Consultations will be required to explore the precise role that SEEDA has played in increasing confidence and helping to drive the development forward. Also issues around wider impacts on perceptions / image of the area and the wider prospects for regeneration.
• Strategic influence: Carrying out or stimulating activity that defines the distinctive roles of partners, get them to commit to shared strategic objectives and to behave and allocate their funds accordingly.	• Assessment of SEEDA's role in building an effective partnership aligned to a single vision via looking at the influence SEEDA's vision has had on relevant policies impacting on the development area and how this has helped to bring forward the development and consulting with partners to collect views on SEEDA's role.
• Leverage: Providing financial and other incentives to mobilise partner and stakeholder resources – equipment, people as well as funding.	• Review of the level of expenditure / resources going into the development and local area from both public and private sector sources. Consultation with stakeholders to confirm SEEDA's role in influencing this investment.

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• Synergy: Using organisational capacity, knowledge and expertise to improve information exchange and knowledge transfer and coordination and / or integration of the design and delivery of interventions between partners.	• Review of any linked / complementary developments and the role that SEEDA has played in these. • Assessment of quality and innovation aspects (e.g. design) and the influence that SEEDA has brought e.g. in terms of encouraging environmental good practice.
• Engagement: Setting up the mechanisms and incentives for more effective and deliberative engagement of stakeholders in the design and delivery of interventions,	• Review of community consultation process / mechanisms based on level of engagement achieved (e.g. attendance / response rate) and feedback from respondents on the effectiveness and inclusiveness of the process. • Consultation has been an important part of the masterplanning process and there is evidence that the masterplan has responded to issues which were raised by the consultation, for example the need to provide new leisure facilities in the area.

Consultation with property agents suggests that, assuming that the scheme proceeds as envisaged, it would be expected to create a 'step change,' particularly relating to the physical environment and perception of the location, and the island more generally. This would be expected to result in significant inward investment in addition to that already committed by SEEDA and partners.

3.6 Work Programme

The following tables provide an indicative timetable for evaluation activity. Given the current development timetable, it seems sensible that mid-term evaluation should take place in 2010 / 2011 with a final evaluation in 2013 / 2014[1].

[1] However, these dates should be the reviewed in the event of any delays in the progress of the development.

Table 3.7 Mid-Term Evaluation Indicative Timetable

Task	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6
Management and Coordination	- ongoing -					
Baseline Update						
Output / Expenditure Review						
Project Assessment						
Stakeholder Consultation						
Agents Survey						
Interim Assessment of Impact						
Reporting						

3.0 Queenborough and Rushenden

Table 3.8 Final Evaluation Indicative Timetable

Task	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6
Management and Coordination	- ongoing -					
Baseline Update						
Output / Expenditure Review						
Project Assessment						
Stakeholder Consultation						
Agents Survey						
Occupier Survey						
Resident Survey						
User Survey						
Assessment of Impact						
Reporting						

3.7 Issues and Lessons

It will be difficult to separate fully the respective roles of the Highways Agency scheme and SEEDA's interventions in bringing about the development, without the former the development to a large extent would not have been deliverable given the traditionally limited level of employment development interest and low land values on the island.

However, the evaluation is likely to experience difficulties in disentangling the role of improved access to the island and the development in generating wider changes in the local property market and the economy of the area. It will be important to note the timing of any observed changes, particularly as it is believed that significant changes have already occurred in anticipation of the new crossing, and changes over time can be drawn out through updates in the baseline indicators. Consultation and supporting surveys should also take care to explore the perceived reasons for changes to local economic conditions and the relative importance of these two factors.

Issues likely to emerge in the eventual evaluation are based around:

- Assessing potential impacts in terms of unlocking future development and associated Section 106 contributions that may emerge beyond the proposed timescale for the final evaluation.
- The need to consider the effect on the quality of employment / activity generated at Neatscourt. This should be informed by the property agent survey and / or development appraisal.

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- The need to assess:
  - Financial aspects of the mechanisms through which SEEDA / Section 106 contributions provided funding for the scheme, including whether the level of funding has been the minimum necessary, and the appropriateness of the clawback / overage provision.
  - The difficult issue of what levels and types of development might have gone forward, and when, in the absence of public funding for the link road (i.e. defining the counterfactual situation). This can be explored through the agents' survey and / or development appraisal bearing in mind that opinions will be influenced by future changes in property values.
- The wider potential effects of the housing development on local labour supply and the willingness of higher skilled employees to live locally. This can be explored via questions on education and skills in the household survey instrument. It may also be useful to talk to key employers about their experiences and evidence from their discussions with potential recruits.
- How effective the project has been in preventing the area from becoming a dormitory community. This will need to be assessed via the questions on where residents' work in the household survey.
- The extent to which new residents use local retail, community and leisure facilities, which again can be explored via the questions in the household survey.

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4.0 Margate

4.1 Origins

Margate town centre has suffered long-term decline, exacerbated by the recent opening of the out-of-town Westwood Cross Shopping Centre, near Broadstairs. The town centre is unable to compete with other centres due to its limited offer of good quality retail outlets, particularly since the departure of Marks and Spencer from the High Street.

Reconfiguring the retail offer will increase economic activity in the town centre and generate a step-change in property-led urban regeneration activity. Investment is required to create the right environment to encourage good quality retailers and office employers into the area. Public sector intervention is required as the cost of the required land assembly and redevelopment work would exceed subsequent end values.

SEEDA has been working with key partners, including Thanet District Council, Kent County Council and English Heritage, since 2002 to create an appropriate delivery structure for the regeneration proposals. Consultants set out a number of regeneration options. Option 4 (comprehensive redevelopment) was preferred with the optimal long-term regeneration impact and the best return on the investment of public funds. The redevelopment proposes a significant intensification of retail and residential uses in order to help catalyse a revival in retail, business and economic activity in the town centre. These proposals are consistent with the current local plan policies for the town centre.

An Action Plan for the town was adopted in July 2005 and contains about 20 different regeneration projects, ownership of which was distributed amongst partners taking account of factors such as expertise and resources. A masterplan for the town centre has been prepared by ctm architects.

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4.0 MARGATE

4.1.1 Project Content, Focus and Potential Timetable

The purpose of the project is to purchase, redevelop and regenerate a series of key sites in Margate town centre to achieve a comprehensive renewal and urban renaissance of the town. It aims to create a "new commercial heart" for the town centre, addressing the decline in the retail offer which followed the Westwood Cross development and responding to the opportunities associated with / momentum generated by the Turner Contemporary development. The proposed development is a high density scheme designed to deliver the value needed to make the project fundable and the critical mass necessary to create a new urban community. It is located within the historic Old Town Townscape Heritage Initiative Area / Conservation Area and has the potential to provide more effective linkages between the core shopping area (High Street) and the historic Old Town area.

After adoption of the Action Plan in 2005, SEEDA agreed to take responsibility for the following projects:

- The former Marks and Spencer retail unit (53 - 55 High Street)
- Six sites to the rear of 53 - 55 High Street in separate private ownerships but with important frontages to New Street and / or marriage value potential.

Thanet District Council is to acquire the freehold interest in a number of sites, including the key former Marks and Spencer retail unit. SEEDA's role is to fund, and control, the purchase, reclamation and redevelopment works. The redevelopment will be delivered via a joint venture with a private sector developer. SEEDA's proposals involve two phases of development:

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- Phase 1 – attraction of an anchor comparison goods trader and small / medium sized food store (to be completed by 2011).
- Phase 2 – shop units with residential accommodation above.

Land assembly and planning work is currently ongoing. It is anticipated that work on site will start in 2008/09. Some detailed planning is being undertaken to avoid disturbance to existing businesses. A plan showing the site is contained in annex 1.

4.1.2 Potential Expenditure and Outputs

The project was intended to assemble, reclaim and service approximately 0.4 Ha of development land in Margate town centre and generate an estimated £30 million in private sector investment in the form of joint venture project capital. The project is considered to have the potential to create up to 83 new town centre residential units, 1,300m^2 of town centre offices and 4,230 m^2 of redeveloped retail accommodation. The investment could create over 230 gross new jobs in the town centre.

Table 4.1 Margate Town Centre Regeneration Mix of Uses

Accommodation Type	Total Area (sq m)
Former Marks and Spencer Building	
Retail units (ground and first floor)	3,902
Small office units (second floor)	1,301
Residential apartments (floors three to eight)	4,275
Adjoining Sites	
Offices and retail accommodation (ground floors)	325
Residential apartments (between two and five floors)	915
Town houses	404

Source: SEEDA (Appraisal Form, 2006)

However, the scheme is still evolving. In particular, the office component is likely to be removed (as recent analysis suggests that this impacts negatively on scheme values) and replaced with additional residential accommodation.

PMS records indicate the following budgeted SEEDA expenditure (set in 2005):

- £8.5 million for Margate town centre regeneration, primarily relating to grants for project delivery (£6.1 million). Just over £2 million of this was recorded as income from European Regional Development Fund (ERDF) (expected in 2008).

- £0.1 million to be spent on property advice in preparation of a project delivery plan.

Actual figures and an updated forecast show some variation at present:

- £5.6 million to be spent on Margate town centre regeneration.
- £0.1 million spent on a range of fees (quantity surveyors, property advice, valuation, etc) relating to the production of a project delivery plan.

This variation has been caused by delays to the progress of the scheme given that a number of key decisions are yet to be made concerning the size / scope of the development. As a result the project manager is unable to provide an updated forecast of future spend and outputs at this stage.

4.2 The Approach to the Case Study

As development work has not yet begun, the focus of the case study has been on:

- Reviewing the expected content of the scheme and likely expenditure and outputs, based on a review of project documents and discussions with the SEEDA project manager.
- Establishing the baseline against which change is to be measured, in terms of a range of socio-economic and property market indicators and reviewing the policy context applicable to the local area.

- Survey work with local property agents to establish the current property market context and inform the baseline assessment.
- Developing recommendations for the monitoring of the progress of the development and its eventual evaluation, based on a mixture of tracking its physical implementation, updating the baseline indicators and appropriate survey work.
- Consideration of Strategic Added Value aspects, to date and potential.

4.3 Baseline Socio Economic and Property Indicators

Margate is located in the district of Thanet on the north east Kent coast. It is one of three relatively large seaside towns in the district (the others being Ramsgate and Broadstairs). Margate was one of Britain's first seaside towns and as a result grew rapidly until the second part of the twentieth century when it began to experience rapid decline, in common with many other seaside towns.

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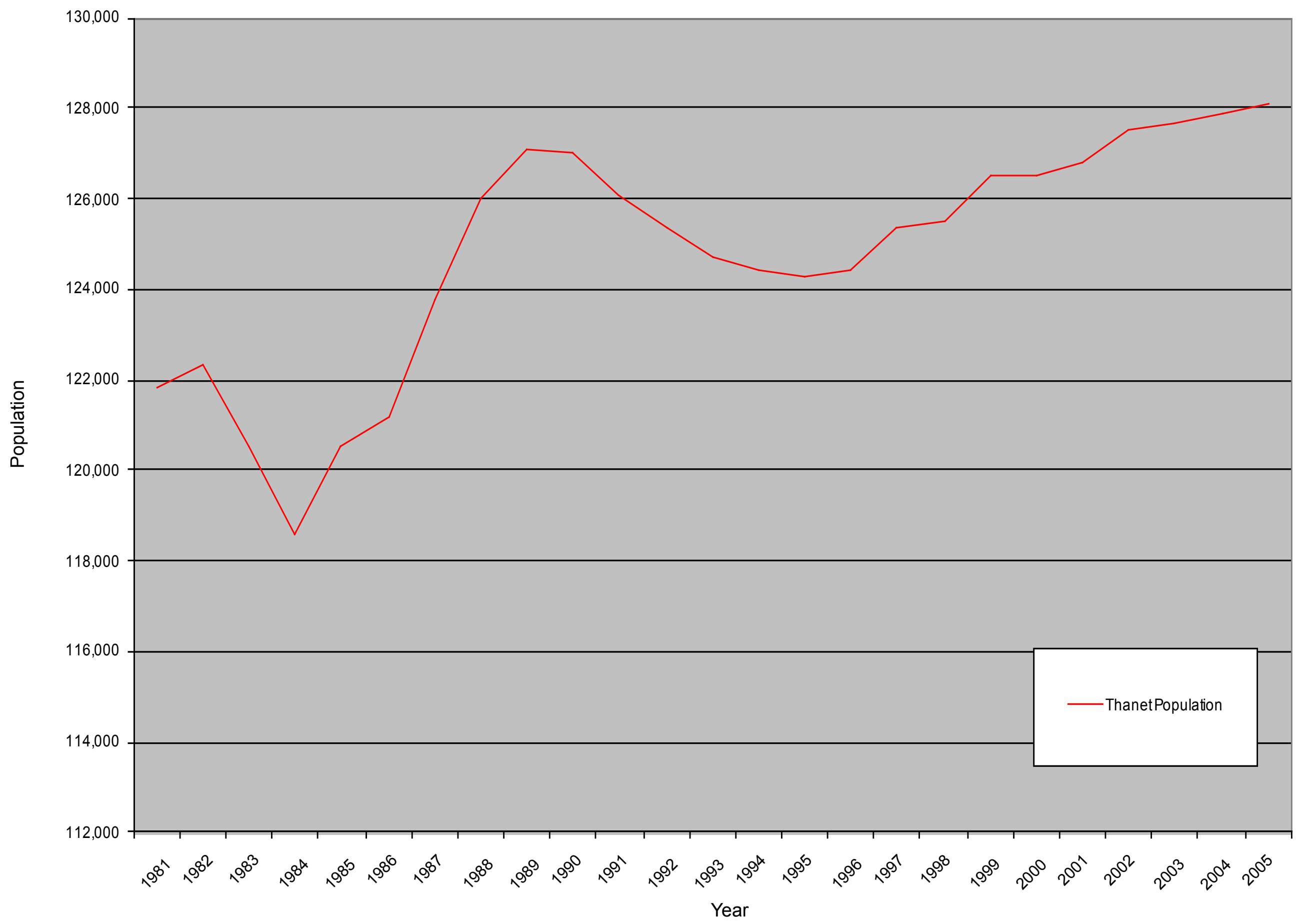
The 2004 Index of Multiple Deprivation placed Thanet as the 83rd most deprived local authority in the country, ranked from a total of 354 (based on the rank of average rank measure). This places it within the 25 percent most deprived local authority areas in England. A quarter of Thanet's Super Output Areas (SOAs) are among the 20 percent most deprived in England, with 12 percent falling within the 10 percent most deprived. The deprivation is concentrated in particular areas, particularly in Margate with 60 percent of the SOAs falling in the top 10 percent most deprived list located in the Cliftonville West and Central Margate areas.

4.3.1 Population

The population of Thanet dipped in the mid-1980s but has since increased steadily, reaching a high of around 128,000 in 2005.

Figure 4.1 Thanet Population Trends



Source: National Statistics

4.0 Margate

The district has a higher proportion of residents over the age of 65 than the wider region or nationally. It also has a lower proportion of working age residents which has implications for the proportion of the population which is currently available to work.

4.3.2 Employment and Activity

The unemployment rate in Thanet has fallen over the past 10 years, although has consistently remained above both the regional and national averages. Unemployment rates in both Margate and Ramsgate have consistently been above the district average.[1]

[1] Source: Thanet DC (2006).

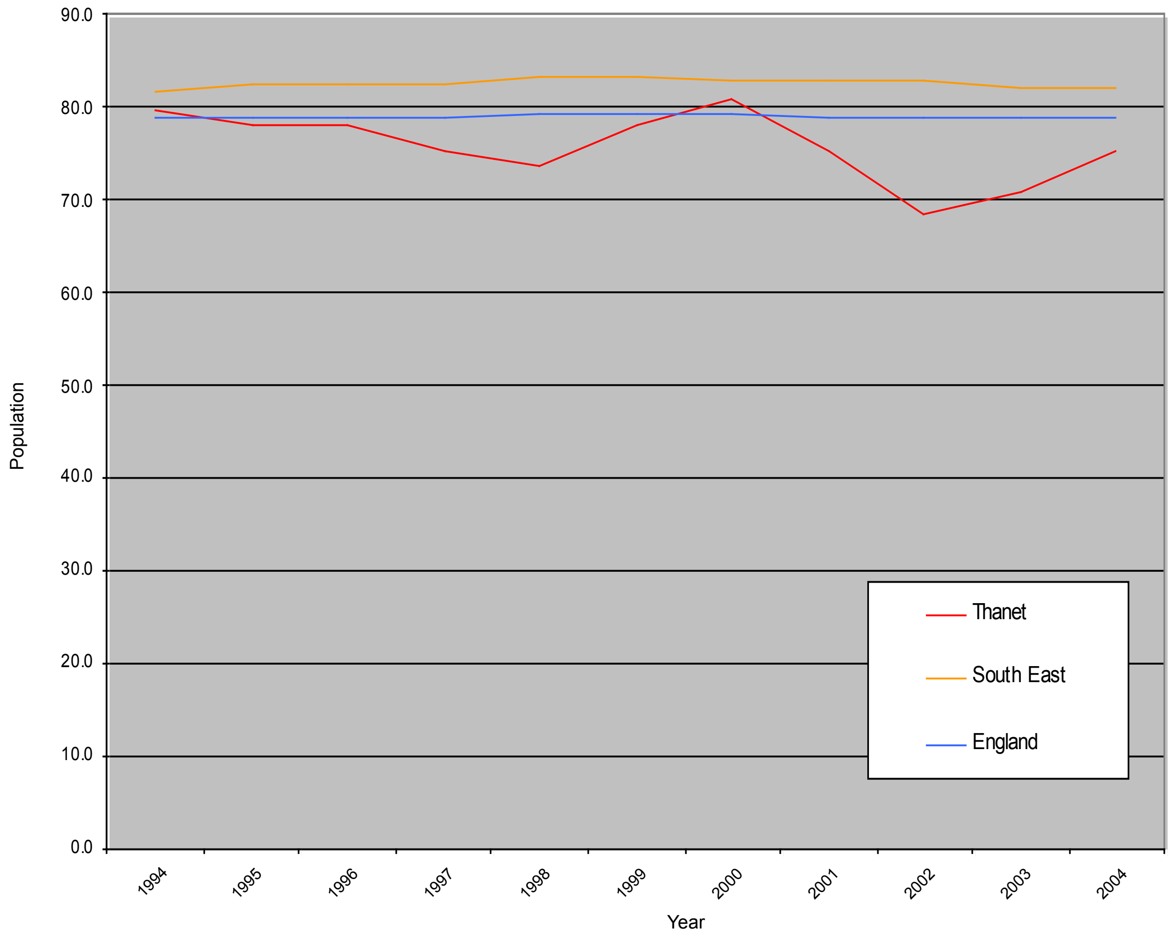
Date	Thanet (%)	South East (%)	Great Britain (%)
March 96 - February 97	11.3	5.5	7.8
March 97 - February 98	10.6	4.9	6.7
March 98 - February 99	9.8	4.2	6.1
March 99 - February 00	8.2	3.8	5.9
March 00 - February 01	6.4	3.3	5.3
March 01 - February 02	5.5	3.3	5
March 02 - February 03	7.1	4	5.1
March 03 - February 04	7	3.7	4.9
January 04 - December 04	5.4	3.7	4.7
January 05 - December 05	6.1	3.7	4.9
April 05 - March 06	6.5	3.9	5
July 05 - June 06	7	4.3	5.2

Source: NOMIS

Thanet also has a relatively low economic activity rate largely due to the relatively high proportion of the working age population (estimated at 39 percent) unable to work because of a long term illness, compared to 24 percent in the South East as a whole. [1]

[1] Source: Thanet DC (2006).

Figure 4.2 Economic Activity



Source: Labour Force Survey

Workforce skills levels are also an issue. At the time of the 2001 Census, around one-third of the working age population had no qualifications, compared to around one-quarter across the region as a whole. Thanet also had a lower proportion of the working age population with higher level (Level 4 / 5) qualifications (13 percent compared with 22 percent in the South East as a whole). These differences were even more apparent in Margate and Ramsgate where it was estimated that 36 percent of the working age population had no qualifications and only 11 percent had higher level qualifications. [1]

4.3.3 Business and Economy

Thanet's largest employment sector is public administration, education and health which provide over 35 percent of all jobs. Distribution, hotels and restaurants are also an important source of local employment.

[1] Source: Thanet Economic Growth and Regeneration Strategy – Strategy Report (2007) / Census (2001)

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Employee Jobs by Industry	Thanet (%)	South East (%)	Great Britain (%)
Manufacturing	9.9	8.8	11.1
Construction	4.9	4.4	4.6
Services (total)	84.6	85.3	82.9
Distribution, hotels & restaurants	27.3	25.6	24.1
Transport & communications	5.1	6.1	6
Finance, IT, other business activities	11	23.8	20.7
Public admin, education & health	35.8	24.6	26.9
Other services	5.2	5.2	5.2
Tourism-related	9.3	8	8.1

Source: NOMIS

The proportion of jobs provided by tourism-related businesses accounts for over 9 percent of jobs, which is to be expected given the district's coastal location and the image of locations such as Margate as a seaside town.

Thanet experienced only a relatively modest increase in the number of people employed between 2001 and 2005, rising by 2,300 to 40,500.

The main trends in terms of employment by sector are:

- The creation of 3,500 new jobs in services, compared to the loss of 1,000 jobs in manufacturing and 600 in tourism.
- The number of jobs in banking, finance and insurance soared by 50 percent to 4,500, while employment in public administration, education and health increased by 1,900 to 14,500.

4.3.4 Land and Property

Average house prices in Thanet have increased steadily over the past 10 years, in line with general trends, but remain significantly below both regional and national averages. However, in recent years the percentage growth in prices has outpaced that seen across the region and country as a whole.

Table 4.4 House Price Change

Mean House Prices (£)	2001	2002	2003	2004	2005	2006
Thanet	£90,125.39	£106,734.32	£130,219.72	£148,008.00	£160,871.40	£170,435.63
South East Region	£157,244.20	£181,910.77	£204,055.43	£223,447.00	£232,736.05	£247,761.90
England	£121,768.97	£141,108.28	£159,357.38	£181,330.00	£192,246.72	£206,594.37

Source: Land Registry

[1] UK Shopping Index – Management Horizons Europe (as reported in Margate Town centre Economic Appraisal - Drivers Jonas, 2007).
[2] Town centre Health Indicators 2006: Margate Town centre (Kent County Council, 2007).

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The average price of a flat / maisonette in Thanet is estimated at £130,402 (based on transactions made between January and March 2007), this compares to a figure of £159,833 for the South East as a whole.

The Retail Sector

The UK Shopping Index charts the ongoing decline of Margate from a ranking of 214 in 1995/96 to 276 in 2003/04. This decline is expected to have continued since 2003/04 as Margate is thought to have lost market share which would cause it to slip further down the ranking of centres. [1]

Margate town centre has a total of 27,330m^2 of retail and service sector floorspace (accommodated in 187 units); the majority of this relates to the provision of comparison goods (primarily clothes and 'other' categories) and food stores[2].

Of the 187 retail properties, 62 were vacant at the time of the survey, giving a vacancy rate of 33 percent of units (equivalent to 30 percent of floorspace), which is the highest rate of the seventeen town centres included in the study. Nearby Ramsgate experienced a vacancy rate of 26 percent but for over one-third of the town centres in the sample the vacancy rate was 10 percent or lower. Unlike Ramsgate, in Margate vacant premises are evident in the core shopping area of High Street, damaging to the image and vitality of the town centre as a whole.

Market research was carried out at a number of sites around the town centre and the findings were used to estimate the number of pedestrians over of a period of one week as being 14,560. Data from previous surveys suggests that footfall has increased from a low point in 2002 to just fewer than 15,000 in 2005 and then remained at around this level in 2006.

[1] Margate Town centre Economic Appraisal (Drivers Jonas, 2007).

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In terms of retail yields, Margate remained close to the Kent average over time. Retail rents were stable between 1997 and 2002 but since then have increased and in 2006 reached £538/m², which is a similar level to that achieved in Sittingbourne and Gravesend but lower than rental levels in all but one of the other town centres in the sample (for which data was available). In addition, retail employment in the town centre wards has gradually increased over time and in 2005 was almost 1,000.

Research by Drivers Jonas identified 'significant growth of expenditure potential in the town centre for both comparison and convenience goods.' Margate currently has a relatively low share of expenditure on both comparison and convenience goods from residents of its catchment's area and Drivers Jonas[1] conclude that it will only retain this market share if improvements to the centre are achieved. The SEEDA proposals have an important role to play in acting as a catalyst for improving the town centre as a whole and attracting additional footfall to both High Street and the Old Town area.

The Office Sector

In April 2006, Thanet had 483,000m² of office floorspace. Between 2001 and 2004, the value of office premises in the district rose from £36 per square metre to £44 per square metre, compared to values of over £100 at both regional and national level during this period.[1] The vacancy rate for all commercial and industrial property more than halved from 9 percent in 2000/01 to 4 percent in 20004/05, while the regional and national averages both moved in an upward direction.

4.3.5 Policy Context

The development of Margate town centre is identified in local, sub-regional and regional policy as key to

[1] National Statistics

addressing the local challenges presented by a fragile town centre economy, high unemployment, weak skills offer, and an ageing population.

The Regional Economic Strategy (2006) aims to 'Create cities and towns where people choose to live by investing in an urban renaissance, redeveloping and regenerating key town centres to stimulate development of local economies.' The emphasis is on a partnership approach to the development of a town centre 'offer' to tackle the low economic activity rates in Kent.

The South East Plan (2006) recognises the economic peripherality of many parts of the Kent sub-region and the need to regenerate its coastal towns. It highlights potential opportunities associated with the introduction of the domestic high speed rail link.

Both the Plan and the RES identify the need for the coastal regeneration areas within East Kent to develop a positive relationship with the Ashford Growth Area. The emphasis is on the provision of infrastructure and services to support growth and the Plan stresses that there must be a balance between housing provision (with the proposal to develop an additional 325 dwellings per year in Thanet) and employment. The Plan states that East Kent's coastal towns '…are of major strategic importance for international gateways, research and manufacturing, these functions should be developed and the economy of each town diversified and enlarged.' Thanet in particular is highlighted as requiring a larger economic base. The overarching objective however is 'urban renaissance', which translates into improving local quality of life, tackling deprivation and exclusion, and enhancing education, skills and housing provision. Nevertheless, there is recognition that such developments will need to be integrated in with the promotion, conservation and management of the natural environment.

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The East Kent Partnership's Delivery Plan (2006) also states that major physical regeneration activity in East Kent should be focused on achieving an urban renaissance of the key coastal towns and building upon the area's natural resources, to address RES objectives and raise the area's profile. Similarly, the Kent Action Plan (2006) identifies the need to regenerate Margate and identifies priority actions to attract capital investment, boost tourism and restore Margate as a destination for visitor. Developments such as the Turner Contemporary Gallery and Margate Theatre Royal will act as a catalyst to this process.

The Kent Structure Plan (2006), alongside the Thanet Local Plan, recognises that the rejuvenation of Margate Old Town and Harbour has a vital part to play in the revitalisation of the whole town. The 'Old Town Action Plan' aims to take advantage of the distinctive character of the area to attract businesses, create links to the newer parts of the town and to re-establish the area as one of cultural importance. The Old Town is identified as an area to encourage cultural and artistic quarters, together with offering a central location for small 'high tech' industries, such as information technology. Related initiatives include improved street lighting, sports facilities, public spaces, a 'Heritage Trail', public art (including the Turner Centre) and organised special events.

Thanet's Economic Growth and Regeneration Strategy (2007) recognises Margate's fragile town centre economy and aims to capitalise on the opportunities of the high speed domestic rail link. The goal is to develop Margate as a 'lifestyle choice' with quality residential, leisure and retailing offers. The Strategy stresses the potential for creative sector and growth in the food and drink sector. The Margate masterplan (2004) sets out how this will be achieved, identifying zones for sustainable future use by residential, retail, leisure, community, tourism, hotel, arts and culture, and harbour uses.

4.4 Measuring Future Impacts

Thanet is a priority area for economic development and regeneration within the region. Therefore, in addition to considering the physical outputs achieved by SEEDA's intervention, the eventual evaluation will need to consider the contribution made by the development to the wider economic and social regeneration of the area. The research tasks will need to reflect that this is a mixed use scheme, encompassing retail, residential and office uses and so evidence will need to be collected in relation to all aspects of the development.

There is an opportunity to undertake an element of formative evaluation once the scale and scope of the intervention is finalised. This should include work to define the full list of outputs which will need to be monitored throughout the lifetime of the intervention, selection of baseline indicators (existing baseline information is good, although there may be scope to collect more localised information relating to the supply and demand of residential property in the town), and development of an initial evaluation plan which shows the timing of evaluation activity and survey work. Further evaluation should be undertaken both at the mid-point (interim) and end (final) of the intervention timetable in order to track and capture progress over time. Key tasks, which will provide information to inform the assessment of impacts, are summarised in the following box.

[1] It should be noted that the quantity of floorspace created by use (which is a key input to the economic impact calculations) is not currently recorded and so will need to be collected in addition to the outputs listed in PMS.

Table 4.5 Methodology Overview

Key Research Tasks
Desk review of expenditure and output data – analysis of data recorded in PMS[1] and assessment of progress against targets, with discussions with project lead to clarify / verify information as necessary.
Project level assessment – desk review of documentary evidence relating to individual sites and discussions with the project manager (and other stakeholders who have had a role in delivery) in order to complete project assessment tool for each.
Baseline update – analysis of change in local economic performance by reference to a range of economic, social and property market indicators. An updated review of current regeneration activity and the relevant policy context should also be undertaken in order to assess the relevance of the scheme and how it fits with other interventions. An initial baseline and policy context has been provided in section 4.3.
Consultations with key partners / stakeholders – to provide contextual information, inform the assessment of impact, particularly the achievement of strategic added value.
Supporting surveys – a number of surveys should be undertaken: 1) telephone survey of property agents – to provide contextual information on the local property market and impact of the development 2) telephone survey of occupiers of retail / office space – to assess the employment provided, the influence of the development in the location decision, and general views on the site / local area (e.g. quality of development and supporting infrastructure) 3) postal survey of residents – to determine where people lived prior to the development, the influence of the development on determining where they had chosen to live, and general views on the site / local area and its characteristics; and 4) face-to-face survey of town centre users – to establish satisfaction with the town centre and whether the development has impacted on behaviour (e.g. in terms of choice of destination for shopping trips). The development is not so large that all households and business occupiers cannot reasonably be contacted and so selecting a sample would be unnecessary.

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Measuring the impacts of the scheme will depend on a robust system to track achievements. Physical outputs will be captured by PMS and changes in the wider socio-economic context should be highlighted by updating the baseline indicators, but this should be supplemented by consultation to ensure that more localised impacts, and the causes of these, are identified. Care should be taken to ensure that environmental and social aspects are brought into the assessment, both quantitatively (through monitoring of targets and survey evidence) and qualitatively (from consultation findings).

4.4.1 Economic Impacts

The eventual evaluation will need to focus on a mix of financial outcomes and physical outputs, as well as the net impacts of the project in terms of job creation and town centre retail turnover. It will also need to include hard and soft measures of wider economic changes in the town centre (for example, total changes in employment, 'leakage' of retail spend, retail and office rentals, property prices but also perceptions of confidence and suitability as a business location)[1].

Firstly, the findings of the research tasks should be used as the basis for a quantitative assessment of economic impacts. This involves a number of steps:

- Step 1 – assessing the additional floorspace / units attributable to SEEDA's intervention.
- Step 2 – estimating the net additional employment and GVA resulting from the scheme.
- Step 3 – assessing the net impacts and achievements of the development (including the rental values / property prices achieved and vacancy rates). An assessment of the extent to which the development has achieved its objective 'to catalyse a revival in town centre retail, business and economic activity.'

[1] It would be useful to repeat key aspects of the existing Kent County Council town centre research if this is not already planned.

Another important area of analysis is the impact on the performance of the town centre and an assessment should be made of the impact of the development on footfall and retail spend. This could be done by updating the research which has been undertaken by Kent County Council. A survey of town centre users could also be used to capture more detailed evidence relating to use of the town centre and change in behaviour in terms of choice of retail / leisure destination.

Supporting surveys and consultation should also be used to inform an assessment of the extent to which the development has impacted on the image of the area as a retail / business location and whether this has resulted in spin-off benefits to other businesses (e.g. increased footfall in the town centre in general) and residents (e.g. access to an increased range of employment opportunities). It will be important to undertake consultation prior to the development in order to establish a baseline assessment in terms of the image of the town amongst local people and businesses.

4.4.2 Wider Impacts

The evaluation should also consider the impact of the intervention on the quality of life experienced by the local community, in particular the extent to which it has achieved the objective of establishing 'vibrant communities.' Through the planned intervention SEEDA hopes to impact positively on the economic circumstances of the area but also address the social inclusion issues facing existing residents. It will be important for the evaluation to consider both of these, at times potentially conflicting, objectives. As a first step the project manager should seek to identify other agencies / projects which are working locally to reduce social exclusion (for example Job Centre Plus, Learning and Skills Council and local education / training providers) in order to collect their views on the Margate intervention and also explore how it might complement their existing work. These discussions should be able to highlight possible tensions

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between physical and social regeneration efforts and also identify opportunities to add value to existing projects. Supporting surveys should be used to determine the extent to which the development has benefited existing residents of the area and / or resulted in in-migration of employees / residents.

The supporting survey of occupiers will go some way to assessing satisfaction with the development. However, a more specific (face-to-face) survey of town centre visitors could be used to assess user satisfaction and whether the development has influenced shopping decisions and impacted on local image / identity.

For businesses which are new to the area, a review should be carried out of recruitment issues, including the recruitment mechanisms used and the extent to which the local labour market was able to provide the staff required. Any links with employment and / or training interventions should be explored to inform an assessment of whether the development has helped to provide employment opportunities for local people in an area of relatively high unemployment. This should link to the assessment of equalities impacts through a review of the diversity of the workforce.

4.4.3 Environmental and Equalities Impacts

A key issue in terms of environmental impact is the visual amenity impact of the development. The Cecil Square façade of the former Marks and Spencer building is listed and this will undergo restoration work as part of the scheme and be incorporated into the redevelopment of the building. The other sites to be acquired by SEEDA all lie within the Old Town Townscape Heritage Initiative area (also a Conservation Area). The scheme is intended to improve the visual amenity of the area; however, the extent of the 'intensification' of development, and the historic nature of the location, mean that visual impacts are a potential issue. Expert opinion could be sought in relation to the visual impact and quality of the development. In addition, surveys of town centre users and residents should be used to gauge levels of satisfaction with the physical environment.

The evaluation should also consider the extent to which the development represents environmental best practice. Standards achieved should be compared to appropriate industry benchmarks and the targets (e.g. in relation to Ecohomes or BREEAM).

Another potential benefit is a reduced need for local shoppers to travel to out of town, or other existing, centres. Any changes in behaviour can be captured through a town centre user survey and supported by data on footfall. Information on where new residents work and shop could also be collected via a residents' survey.

In terms of equalities impacts, information on the demographic profile of employees and residents, collected through the supporting surveys, should be compared to information on the local population profile to assess the extent to which beneficiaries of the development are representative of the wider local area. Issues in relation to housing affordability should also be considered. In addition, surveys should explore whether beneficiaries are residents of the local area or travel in / have relocated from elsewhere.

A review should be undertaken of the extent to which the development has incorporated features which promote use and accessibility by all sections of the local population.

4.4.4 Strategic Added Value

To date SEEDA may have generated Strategic Added Value (SAV) through its commitment to a partnership approach to the redevelopment of the site. Further SAV should emerge as the development progresses and the following table provides an indication of potential impacts and how they might be assessed.

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Table 4.6 Strategic Added Value

RDA SAV Roles	Capturing SAV outputs from the Margate Intervention
• Strategic leadership and catalyst: Articulating and communicating regional development needs, opportunities and solutions to partners and stakeholders in the region and elsewhere.	• Collecting evidence of increased confidence in the prospects for, and image of, the area and increases in the capacity of partners and stakeholders to realise the potential for growth. Consultations will be required to explore the role that SEEDA has played in increasing confidence and helping to drive the development forward.
• Strategic influence: Carrying out or stimulating activity that defines the distinctive roles of partners, get them to commit to shared strategic objectives and to behave and allocate their funds accordingly.	• Assessment of SEEDA's role in building an effective partnership and influencing behaviour via consultation with partners.
• Leverage: Providing financial and other incentives to mobilise partner and stakeholder resources – equipment, people as well as funding.	• Review of the level of expenditure / resources flowing into the development and wider town centre area from both public and private sector sources. Consultation with stakeholders to inform an assessment of SEEDA's role in influencing this investment.
• Synergy: Using organisational capacity, knowledge and expertise to improve information exchange and knowledge transfer and coordination and / or integration of the design and delivery of interventions between partners.	• Review of any linked / complementary developments and the role that SEEDA has played in these. • Assessment of how far this development links with other SEEDA supported activities. • Assessment of quality and innovation aspects (e.g. design) and the influence that SEEDA has brought e.g. in terms of encouraging environmental good practice.
• Engagement: Setting up the mechanisms and incentives for more effective and deliberative engagement of stakeholders in the design and delivery of interventions.	• Review of consultation activity and extent of engagement achieved. Extent to which consultee views were taken into account.

4.5 Work Programme

The following tables provide an indicative timetable for evaluation activity. Given the current development timetable, it seems sensible that mid-term evaluation should take place in 2010 / 2011 with a final evaluation in 2012 / 2013. This timetable may clearly need to be revisited as the project timetable evolves.

Table 4.7 Mid-Term Evaluation Indicative Timetable

Task	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6
Management and Coordination	- ongoing -					
Baseline Update						
Output / Expenditure Review						
Project Assessment						
Stakeholder Consultation						
Agents Survey						
Initial Assessment of Impact						
Reporting						

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Table 4.8 Final Evaluation Indicative Timetable

Task	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6
Management and Coordination	- ongoing -					
Baseline Update						
Output / Expenditure Review						
Project Assessment						
Stakeholder Consultation						
Agents Survey						
Occupier Survey						
Resident Survey						
Town centre Survey						
Assessment of Impact						
Reporting						

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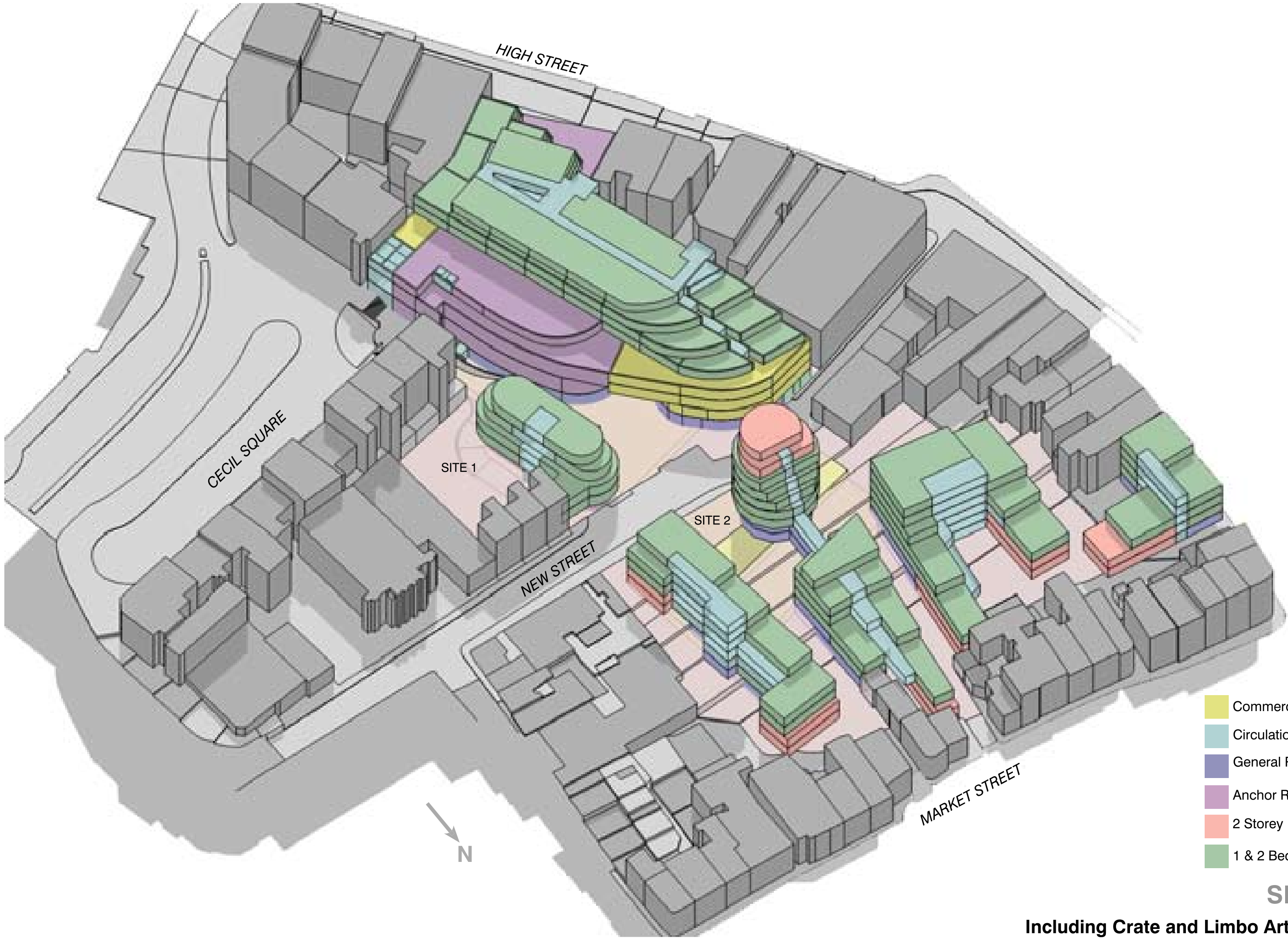
4.6 Issues and Lessons

As in the case of Queenborough and Rushenden, it is difficult to assess precisely what issues will emerge in terms of evaluation. However, key issues in the case of Margate are likely to include:

- The need to update the baseline data relating to current retail / town centre performance (e.g. footfall and spend). A review should be undertaken at the outset of existing information (primarily Kent County Council's Town centre Health Indicators) so that efforts can be made to address any existing gaps for the point at which the development gets substantially underway.
- The extent to which, in practice, the retail aspects impact, positively or negatively, on other parts of the town's retail offer (i.e. displacement of retail spend versus attraction of additional visitors to the area, and associated spend). This should be assessed through monitoring of town centre performance and consultation with key stakeholders.
- The extent to which the upgrading of the stock of office accommodation succeeds in drawing in occupiers from outside of the area, or securing expansion of existing firms. This is central to the issue of assessing the additionality of employment accommodated by the development area. This should be explored via the survey of occupying firms and data on vacancy rates and rental values.
- The effects on the size and characteristics of the town centre resident population, with information to be collected via the residents' survey.
- How far the development contributes to meeting local housing needs and promotes social inclusion.
- The impact on the wider regeneration of the town in terms of spin-off effects on development / developer intent on other sites. This will need to be addressed partly through observation. It will also informed by the property agent survey.

5.0 Annex One: Margate - Site Plans



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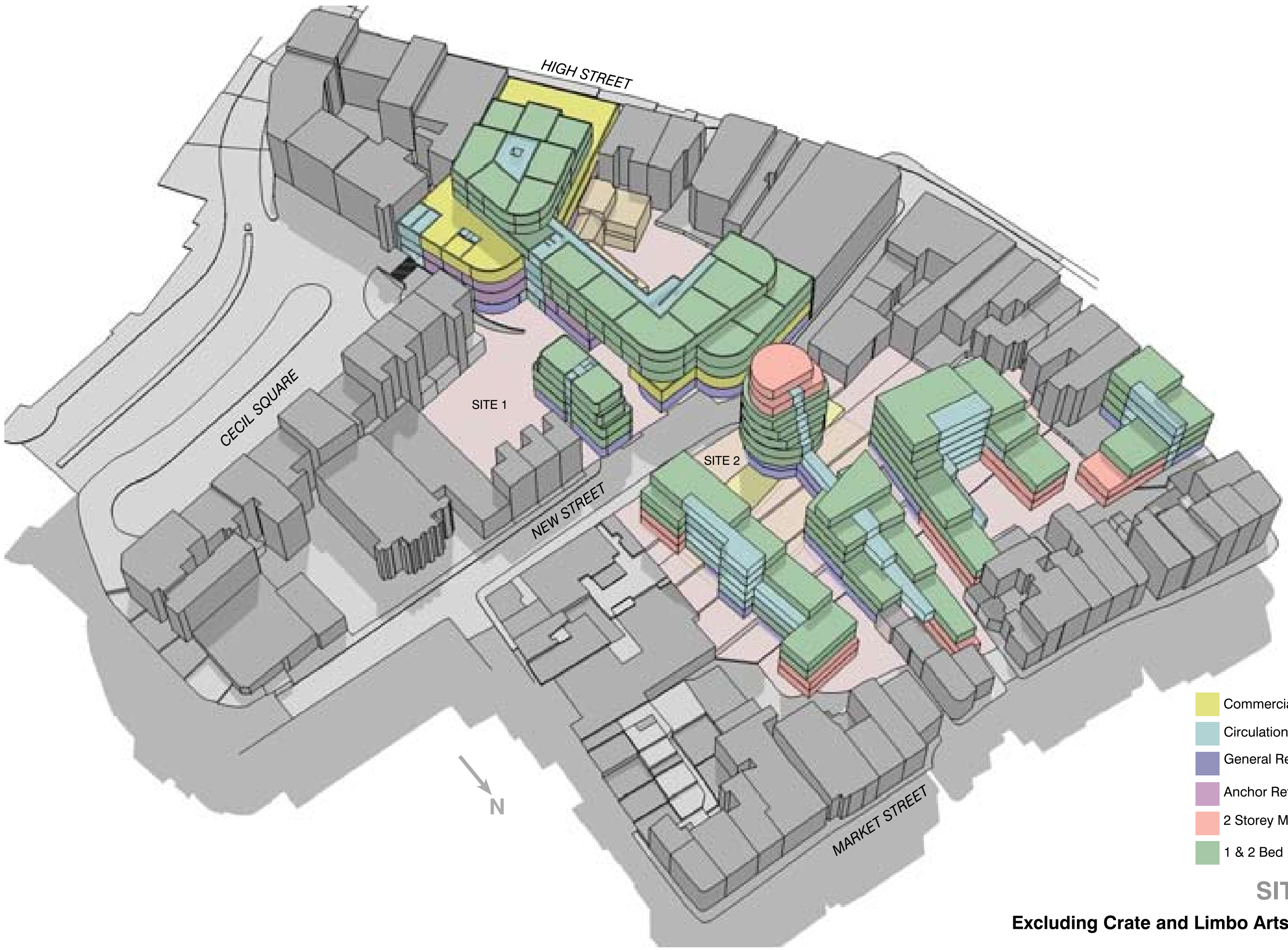

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