

Employment Land Review in Relation to the Powder Mills Site Final Report



Prepared for:
Sevenoaks District
Council

Prepared by:
URS Scott Wilson
September 2011

Employment Land Review in
Relation to the Powder Mills Site

Final Report

46407009

Project Title: Employment Land Review in Relation to the Powder Mills Site
at Leigh, Sevenoaks

Report Title: Employment Land Review in Relation to the Powder Mills Site
at Leigh, Sevenoaks

Project No: 46407009

Report Ref: -

Status: Final Report

Client Contact Name: Dave Bedford

Client Organisation: Sevenoaks District Council

Issued By: URS Scott Wilson
6-8 Greencoat Place
London
SW1P 1PL

Document Production / Approval Record

Name	Date	Position
Gareth Edgley	13 th September 2011	Senior Consultant
Gregory Openshaw	2 nd September 2011	Project Manager
Rory Brooke	13 th September 2011	Project Director

Document Revision Record

Issue No	Date	Details of Revisions
1	2 nd September 2011	Draft Report
2	13 th September 2011	Final Report

LIMITATION

URS Scott Wilson has prepared this Report for the sole use of Sevenoaks District Council in accordance with the Agreement under which our services were performed. No other warranty, expressed or implied, is made as to the professional advice included in this Report or any other services provided by us. This Report may not be relied upon by any other party without the prior and express written agreement of URS Scott Wilson. Unless otherwise stated in this Report, the assessments made assume that the sites and facilities will continue to be used for their current purpose without significant change. The conclusions and recommendations contained in this Report are based upon information provided by others and upon the assumption that all relevant information has been provided by those parties from whom it has been requested. Information obtained from third parties has not been independently verified by URS Scott Wilson, unless otherwise stated in the Report.

COPYRIGHT

© This Report is the copyright of URS Scott Wilson Limited. Any unauthorised reproduction or usage by any person other than the addressee is strictly prohibited.

CONTENTS

Section	Page No
1. INTRODUCTION.....	1
1.1. Context to the Study.....	1
1.2. Study Objectives	1
1.3. Approach	2
2. THE POWDER MILLS SITE	3
2.1. Introduction.....	3
2.2. The Site	3
2.3. Condition of the Site and Buildings	4
2.4. Historic Employment	5
2.5. Site Constraints.....	6
2.6. Planning Policy.....	10
2.7. Summary	13
3. DEMAND.....	14
3.1. Introduction.....	14
3.2. Immediate Interest in the Site	14
3.3. Trends in the Pharmaceutical sector.....	15
3.4. Long Term Employment Land Projections.....	16
3.5. Summary	24
4. SUPPLY	25
4.1. Introduction.....	25
4.2. Property Market Areas	25
4.3. Property Market Area Migration	29
4.4. Sites for New Employment Space in Sevenoaks.....	30
4.5. Summary	31
5. BALANCE OF EMPLOYMENT LAND DEMAND AND SUPPLY	32
5.1. Introduction.....	32
5.2. A Balance of Demand and Supply	32
5.3. Property Market Churn	33
5.4. Powder Mills as a Windfall Site	34
5.5. Summary	36
6. OPTIONS FOR POWDER MILLS	37
6.1. Introduction.....	37
6.2. SWOT Analysis of the Site for Employment Uses	37
6.3. Other Potential Land Uses	39
6.4. Options for the Site.....	40
6.5. Appraisal of Options	43
6.6. Preferred Option.....	47

CONTENTS

Section	Page No
7. IMPLICATIONS FOR MAJOR DEVELOPMENT SITES.....	49
7.1. Introduction.....	49
7.2. Development Tests for MDSs	49
8. NEXT STEPS.....	51

ABBREVIATIONS

Acronym	Explanation
CRO	Contract Research Organisation
DPD	Development Plan Document
ELR	Employment Land Review
GIA	Gross Internal Area
GSK	GlaxoSmithKline
HGV	Heavy Goods Vehicle
KCC	Kent County Council
LDF	Local Development Framework
MDS	Major Developed Site
NIA	Net Internal Area
NPPF	National Planning Policy Framework
PMA	Property Market Area
PPG	Planning Policy Guidance
PPS	Planning Policy Statement
R&D	Research & Development
SEEDA	South East of England Development Agency
SEERA	South East of England Regional Assembly
SHLAA	Strategic Housing Land Availability Assessment
SME	Small-medium sized Enterprise
SPD	Supplementary Planning Document
VOA	Valuation Office Agency

1. INTRODUCTION

1.1. Context to the Study

The key objective of this assignment is to provide clarity about the future use of the Powder Mills site which has become vacant since the long-term owners, GSK, left the site in 2010. The review will test the suitability of the site to provide employment space for local residents over the timeframe of the Core Strategy (which runs to 2026). The employment land evidence base, supporting the Sevenoaks Core Strategy (adopted in February 2011), is currently made up of the Sevenoaks Employment Land Review (ELR) (URS, 2007) and a subsequent ELR Update Addendum by Sevenoaks District Council in 2010.

At the time of the Sevenoaks ELR of 2007, our surveying team were unable to gain access to some of the Major Developed Sites (MDSs) in the district, including Powder Mills and Fort Halstead. Powder Mills was therefore omitted from the tables of rankings and recommendations (but we were assured that the site had received recent investment¹). The Council's ELR: Update Addendum of 2010 went some way to remedying the information deficit and states that; *'the site is in high quality condition albeit there remains limited opportunity for future development'* (page 15).

Subsequently, the Council's evidence base was reviewed by the Inspector during the examination of the Core Strategy and found to be; *'a sound basis for identifying employment sites for protection'* (paragraph 49). The inspector proposed adding a degree of flexibility to Policy SP8 that allows for a change of use if there is no reasonable prospect of an allocated employment site being used for business purposes over the Core Strategy period. This recommendation was incorporated into the adopted Core Strategy and, along with the current status of the Powder Mills site (a vacant MDS), represents the rationale for this commission.

1.2. Study Objectives

In view of the change in occupation the 2007 ELR and is now out of date in relation to the Powder Mills site. The objective of this study is therefore to undertake a limited review addressing the following issues:

- The prospects for achieving a viable re-use of the site in whole or in part for business purposes in accordance with Core Strategy policy. This should include longer term prospects as required by Core Strategy Policy SP8 and not be limited to current market demand
- If there is the potential for the continued use of the site for business purposes what form this should take having regard to size and location, accessibility, the form and quality of buildings and related facilities on site, parking and servicing arrangements and relationship to adjoining uses

¹ In 2003 GSK obtained planning permission for a new research and development facility of 2,500m² which was subsequently built.

- Wider implications for the District if the site were to be lost to other uses including other Major Developed Sites. It should also consider whether there are circumstances that set this site apart from other employment sites, that would ensure the release of this site, if justified, would not lead to the release of other sites that could put the existence of an adequate supply of employment land at risk

1.3. Approach

The study has been largely based on a review of secondary information, in particular analysis of the 2007 Sevenoaks ELR and the 2010 Update Addendum and an update to the long-term demand projections for employment space in Sevenoaks. In terms of primary information, the research team have surveyed the Powder Mills site and other competing sites, and liaised with the commercial property agents marketing the site on behalf of GSK (Cushman & Wakefield). The team have also conducted telephone interviews with local commercial property agents, Locate in Kent inward investment agency, the UK Science Park organisation and other local authorities that have similar experiences of pharmaceutical R&D operations closing down.

To meet the study objectives this review is arranged around the following structure:

- **Section 2** introduces the Powder Mills site; the levels of historic employment at the site; the size and condition of the principal buildings and the constraints to new development.
- The long-term projections of demand for employment space in Sevenoaks are revised in **Section 3** based on post-recession macro-economic forecasts. These demand projections update those of the 2007 Sevenoaks ELR.
- The location and influence of local property market areas for different types of employment space (office, warehouse, industrial, R&D) are introduced in **Section 4** to understand their relationship with the long-term demand projections for the district. Other 'competing' vacant sites for new employment space in the district are introduced.
- **Section 5** evaluated whether there is a balance between demand and supply in the district based on the analysis of Sections 3 and 4. This section also discusses the requirements of property market 'churn', and considers the Powder Mills site as a windfall site.
- Based on the information gathered, a SWOT analysis of the site for employment uses is carried out in **Section 6**. This section also reviews whether there are requirements for other land uses that could be accommodated at the Powder Mills site. This section introduces a range of options for the future of the site. These options are appraised and a preferred option proposed.
- **Section 7** assesses the implications of this study on other Major Development Sites in the district and **Section 8** proposes the next steps for the Council.

2. THE POWDER MILLS SITE

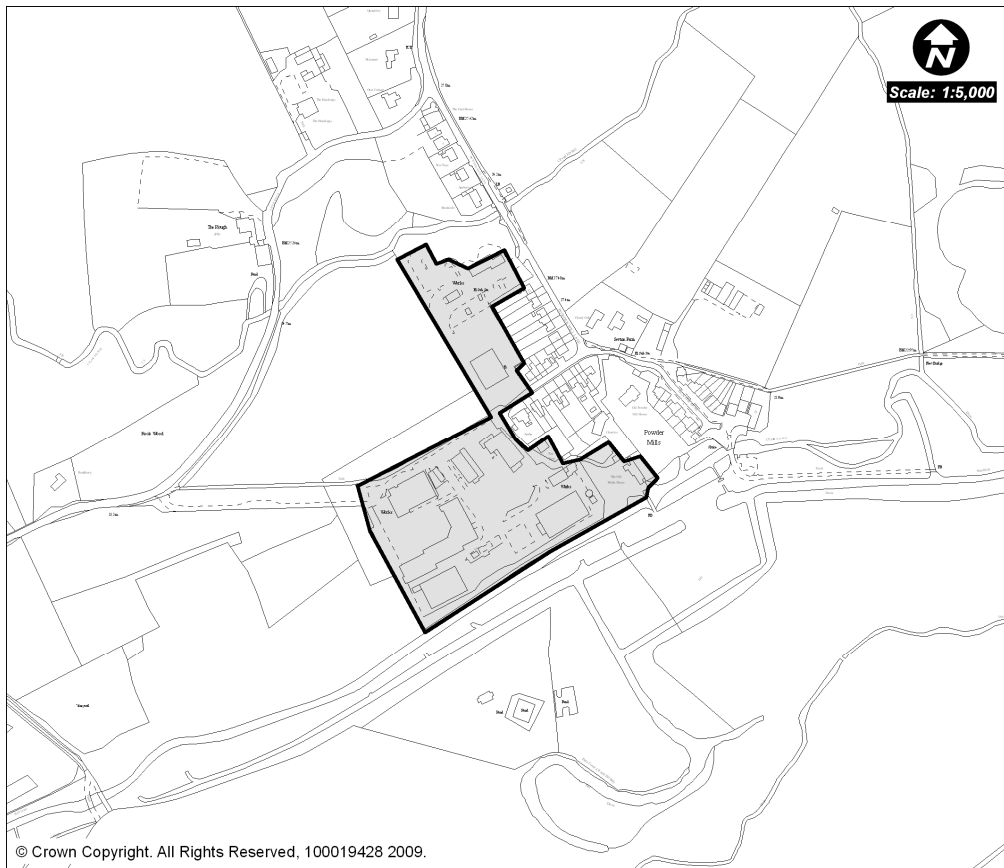
2.1. Introduction

This section introduces the Powder Mills site and the condition of the buildings. The constraints of the site for future development options are set out in terms of location, environment, remediation, archaeology, land use context and planning policy.

2.2. The Site

The Powder Mills facility occupies 3.4 hectares of developed land and buildings within a 21.5 hectare parcel of land. The site is set within the Metropolitan Green Belt between the village of Leigh and the town of Tonbridge. It is approximately 1.5 miles from Leigh and 3 miles from Tonbridge via the road network². The site lies on the border of Sevenoaks District and Tonbridge & Malling Borough Councils. Figure 2.1 below illustrates the location and immediate geographical context of the site.

Figure 2.1 The Powder Mills Site



Source: Ordinate Survey via Sevenoaks District Council

² There is restricted access on this route for larger vehicles. We review site access later under Section 2.5.

The site was first brought into commercial use in 1811 as a gunpowder factory - the origin of the site's name. In 1948 it became a chemical manufacturing facility for pharmaceutical products for the UK agents of Smith, Kleine & French Laboratories, who eventually became GSK³. More recently, the site concentrated on research and development activities rather than the production of chemicals.

2.3. Condition of the Site and Buildings

The consultant team surveyed the site with commercial property agents Cushman and Wakefield representing GSK, and Sevenoaks District Council, on Wednesday 3rd August 2011. Cushman & Wakefield have produced a marketing brochure for the site which contains maps and information of the site and premises, see Appendix A.

The shape of the site provides a natural division for two campuses, named the North Campus and the South Campus. An access point with a security checkpoint divides the two campuses.

There are a variety of building types on site: laboratories, offices, engineering workshops, warehousing, conferencing, a restaurant, social club, security, utility plants and a place of residence. The brochure states that in total there is 13,885m² Gross Internal Area (GIA) of principal building areas⁴. The majority of principal buildings and all of the laboratory space are in the South Campus, while the North Campus has only two principal buildings used warehousing and conferencing, but more car parking spaces.

Table 2.1 overleaf summarises the type, quantum and condition of the principal building areas. In total there are eight principal building areas providing 10,669m² of useable employment floorspace at the Powder Mills site, which provide office, industrial, warehousing and laboratory floorspace. Of the 10,669m² floorspace, the majority of which is laboratory space (7,179m²) with the balance comprising warehouse space (2,170m²) and office space (1,020m²), and a smaller building used for conferences (300m²). This figure of 10,669m² of floorspace does not include the Pilot Plant (Building 3 in the brochure site map) which measures 2,655 m², which the new owner would be required to demolish. The Pilot Plant was purpose built by GSK and housed specialist plant machinery which has been rendered unusable in the future.

The other principal building areas on site measure 561m² and comprise two residential buildings (Buildings 40 and 41 measuring 283m²); the boiler house (Building 19 measuring 170m²); the social club (Building 11 of 69m²) and the security gatehouse (Building 32 measuring 39m²). Appendix B contains photographs taken during the survey of the principal buildings.

³ The Powder Mill – Leigh (Chris Rowley)
<http://www.leighhistorical.org.uk/References/The%20Powder%20Mill.pdf>

⁴ The brochure states that these figure of floorspace and areas are approximate and that site boundaries of maps and are indicative

Table 2.1 Type, Quantum and Condition of the Buildings at Powder Mills

Building No ¹	Type of Space	Quantum (m ²) GIA	Condition	
North Campus				
30	Conference	300	Average	
31	Warehouse	684	Good	
South Campus				
2 and 6	Laboratory	4,860	Good	
4	Office	473	Good	
5	Warehouse	1,486	Average	
7	Office	547	Good	
12	Laboratory	2,319	Excellent	
Total Principal Building Areas: Employment Floorspace		-	10,669	-
Other Uses		-	3,216	-
Total Principal Building Areas: All Floorspace		-	13,885	-

Source: URS Scott Wilson; Cushman & Wakefield Marketing Brochure

¹ See page 3 of the marketing brochure in Appendix A to cross-reference the building numbers

² Other uses comprise the Pilot Plant, two residential buildings, the boiler house, the social club and the security gatehouse

The site itself remains in good condition. There is an internal road system, pedestrian walkways, security fences, a range of designated car parking spaces (estimated at 263⁵) and landscaped areas. The site has been maintained since GSK vacated the site.

2.4. Historic Employment

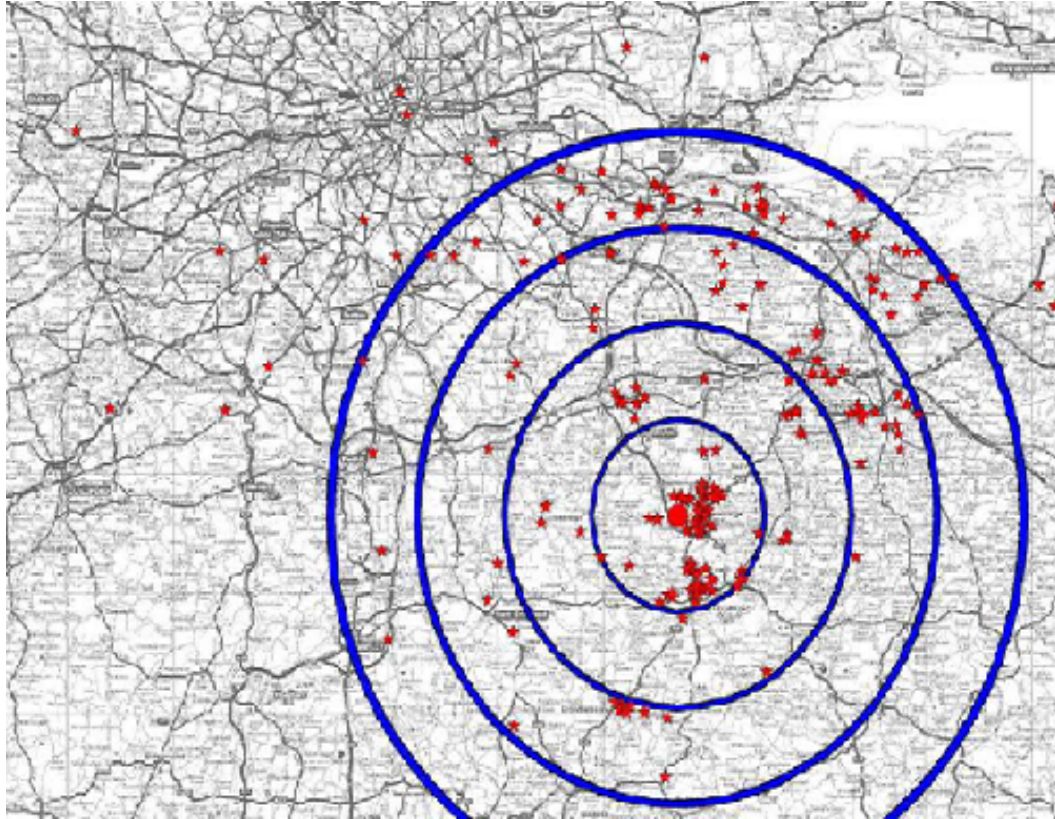
The Transport Statement for the proposed Strategic Technology Facility (Building 12; 2003) provides an estimate of the anticipated number of workers at Powder Mills site. The Statement indicates that there are 292 staff on site with an additional 20 workers expected after the completion of the new facility. The majority of the staff were employed in a number of shift patterns between the hours of 06:00 and 21:30 with peak attendance during standard office hours of 09:00 to 17:00. Relating the number of employees to the total floorspace results in an average employment density of 43.6m² per worker, almost four times as much space per worker as is typically provided in a general office building (12m² per worker⁶).

Figure 2.2 shows the residential locations of the former GSK employees at the site.

⁵ Transport Statement for the Proposed Strategic Technology Facility, Vol 1 2003

⁶ Employment Densities Guide; H&CA, 2010

Figure 2.2 Geographic Distribution of GSK Employees at Powder Mills



Source: Workspace Travel Plan for Research & Development Facility; Right Turns, 2009
Note: Radii are five miles distances from the site

The main clusters of residences are at the towns of Tonbridge to the immediate east of the site and Royal Tunbridge Wells to the south. The majority of employees appear to have resided outside of Sevenoaks district. Given the nature of research and development projects, a large proportion of employment was in the form of short-medium term fixed contracts over 1-2 years.

2.5. Site Constraints

The key constraints to the site are set out below. The constraints of planning policy are considered separately.

Access - Employees

The site is in a location relatively isolated from public transport. The location of the nearest permanent bus stop to the site is on Leigh Rd, approximately 1.5 miles away, although the number 210 bus can be hailed along its route, which passes along Leigh Road, providing links to Tonbridge Rail Station. The frequency of the service is one bus every one to two hours between 09:00 and 18:00 Monday to Saturday.

The rural nature of Leigh Road and Powder Mill Lane means that there are no footways or street lighting which makes the prospect of walking to and from the bus stop unsafe and undesirable, especially in low light conditions.

The nearest train station is at Leigh (1.5 miles away), which is on the railway line between Tonbridge and Redhill. There are no car parking spaces at Leigh. Hildenborough Station is approximately 2.2 miles away (by road) and has 285 car parking spaces. It is served by Southeastern services towards London, Ashford, Hastings and Tonbridge. More frequent train services operate from Tonbridge station (3.4 miles away by road) which provides 722 car parking spaces. Tonbridge station is likely to be the most frequently used station by employees of the site commuting by train.

However, access to the site is predominantly by road. The Travel Survey undertaken in 2009 as part of the Workplace Travel Plan for GSK found that 85% of employees travelled to the site by car (11% of those car sharing), with only 2% via train and none by bus.

Access - Goods

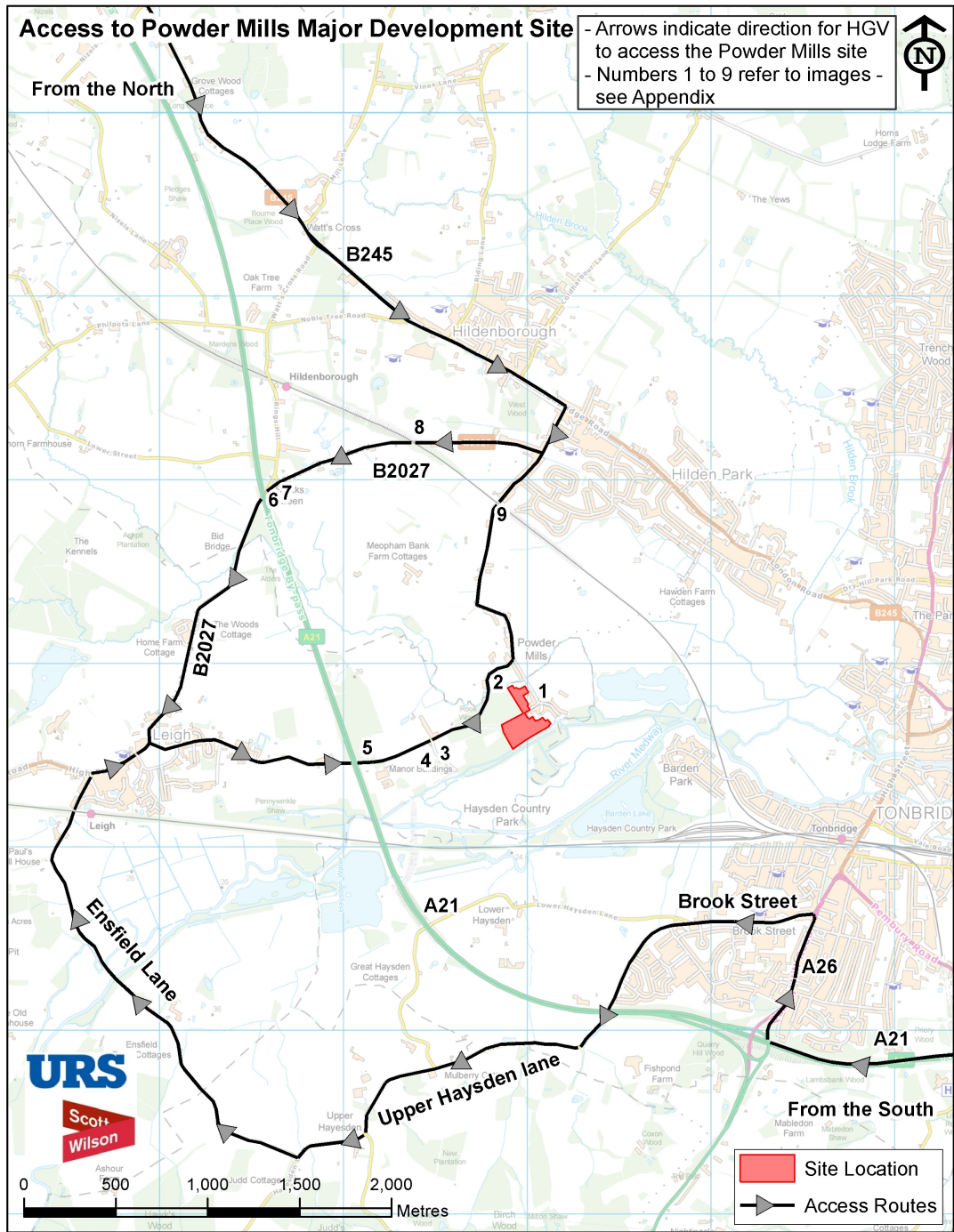
Although the site lies approximately 0.7 miles to the east of the A21 trunk road between London and Hastings there is no access onto the A21 in the immediate area. The shortest route to the A21 is over some 5.6 miles, which uses a number of low capacity roads of rural nature that pass through two bridges with height restrictions.

HGVs accessing the site must navigate bridges with height restrictions. From the north, by road, take the A21 junction on to the A225 and then the B245 (London Road) which runs south to Hildenborough. HGV traffic is routed onto the B2027 along Stocks Green Road - not via Leigh Road due to height restrictions (13.9ft) as the road runs under the railway tracks. The B2027 leads to Leigh where HGV traffic can take Powder Mills Lane east, which leads to the site. By this route access under the A21 is sufficiently high and wide to accommodate HGVs. Though the site lies approximately 5km due south of the A21-A225 junction, the diverted route via Hildenborough and Leigh is approximately 10.5km long (6.5 miles).

From the south, the closest exit to the site is off the A21 Tonbridge Bypass onto the A26 (Quarry Hill Road) travelling north to Brook Street and then due south along Upper Haysden Lane which leads to Ensfield Road and into Leigh. From there the Powder Mill Lane leads directly to the site. The A26 junction lie 2.3km due south of the site, however this diversion via Leigh - a necessary requirement for HGV traffic - is approximately 9km (5.6 miles).

Figure 2.3 shows the route of HGV traffic to the site noting in particular the vehicular restrictions of bridges, which are captured in images set out in Appendix C.

Figure 2.3 Vehicular Restrictions on the Road Network to Powder Mills



Source: URS Scott Wilson

Note Numbers 1 to the 9 refer to images of the location, held in Appendix C

As a R&D facility, the site did not require a significant volume of goods movements. GSK have advised that they restricted movements to smaller vehicles where possible.

However, GSK did receive around three HGVs a week and four smaller delivery trucks a day.

Archaeology

Part of the site contains the remains of a gunpowder manufacturing facility dating back to 1811⁷ (to the south of the developed area). Part of the site is listed in the English Heritage document 'Monument Protection Programme: Gunpowder Mills' (1998), where it is assessed as 'not of schedulable quality but undoubtedly of regional value'. The Kent County Council's Archaeology department have the site on their register.

Remediation

Cushman and Wakefield have confirmed that there is some low-level contamination of land.⁸ A report of the site's environmental quality is available to prospective purchasers which sets out the degree and nature of contamination. The remediation required is not expected to be overly costly.

Demolition

Cushman & Wakefield have informed us that GSK will require Building 3 the Pilot Plant (2.655m² internal floorspace) to be demolished as part of the transaction to sell the site. The building was used by GSK to examine the results of applying the manufacturing process to new products. The cost of demolition will need to be accounted for in the valuation of the site.

Topography

A water course runs along the south-eastern perimeter of the South Campus. There are remains of a canal network to the south of the developed area surrounding the old gunpowder manufacturing site. The developed area itself is built on land with a slight incline.

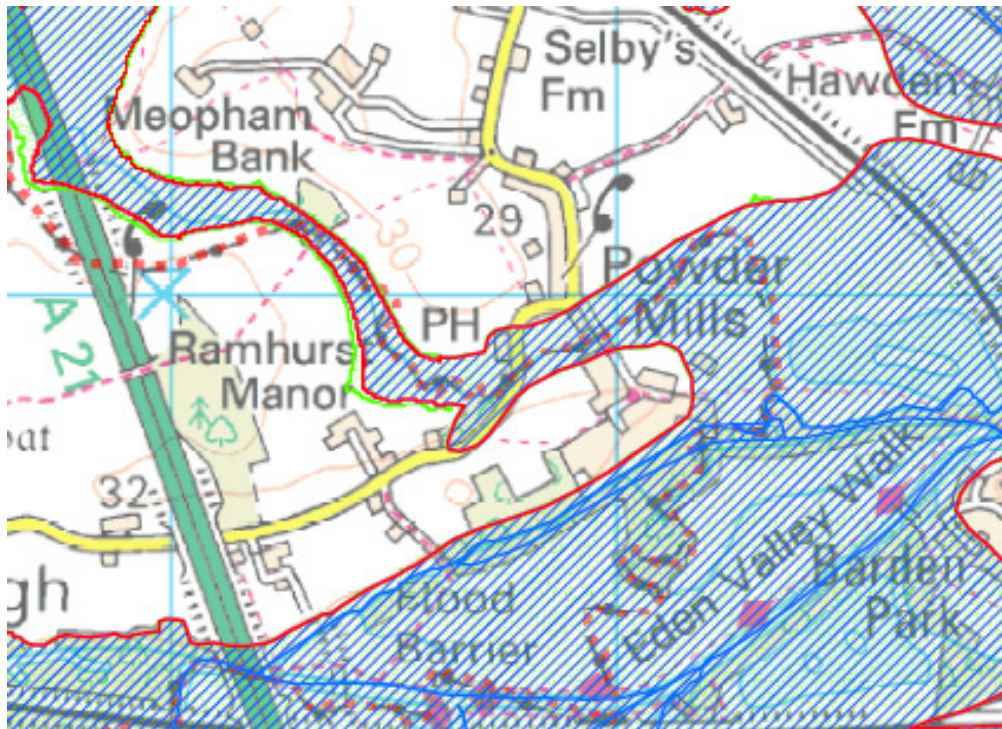
Flood Risk

The 2008 Sevenoaks Strategic Flood Risk Assessment identifies parts of the Powder Mills site as being situated within Flood Zone 3b – the functional floodplain of the River Eden, see Figure 2.4 below. This zone comprises of land where water has to flow or be stored in times of flood. Only essential infrastructure should be permitted for development in this zone. The majority of the developed area of the site lies outside this flood zone.

⁷ See The Powder Mill – Leigh (Chris Rowley) for more information on the history of the site <http://www.leighhistorical.org.uk/References/The%20Powder%20Mill.pdf>

⁸ Information on the specific nature of this contamination was requested from Cushman and Wakefield, but the environmental report which highlighted this finding was not accessed by URS.

Figure 2.4 Powder Mills and Flood Risk



Source: Sevenoaks Strategic Flood Risk Assessment (Halcrow, 2009)

Public Right of Way

A public right of way bisects the North and South Campus and runs along the outside of the security fence of the South Campus in a south-westerly – north-easterly direction. GSK sought to divert the pathway around the perimeter of the premises and undertook some preliminary construction works for a new pathway but the plans never reached fruition.

Sensitive Land Uses

The site is bordered by residential buildings to the north-east of the site. The site shares its main access road (Powder Mill Lane) with the residents and those of the Hunter Seal cul-de-sac. There is a separate access road to Powder Mill Lane from the western point of the South Campus that was infrequently used by GSK in the past. Figure 2.1 shows the location of the residential property and images 1i – 1iii in Appendix C show the streetscape of the residential area neighbouring the site.

2.6. Planning Policy

Sevenoaks Core Strategy (2010)

The site is a Major Development Site (MDS) in the Metropolitan Green Belt. Powder Mills is one of four MDSs in Sevenoaks, the others being Chaucer Business Park in Kemsing (4.4 hectares), North Downs Business Park at Dunton Green (6.1 hectares) and Fort

Halstead, Halstead (41.0 hectares). The Sevenoaks Core Strategy (2011) states that proposals for development within MDSs will be considered in light of Government guidance on the issue in Planning Policy Guidance (PPG) Note 2 (Green Belts).

Development is also framed by Policy SP8 of the Core Strategy (subject to Green Belt policy), which aims to encourage the sustainable development of the district's economy by measures such as:

- The retention, intensification and regeneration of existing business areas
- New office development in Sevenoaks and Swanley town centres

Policy SP8 of the Core Strategy also states that:

'Sites used for business purposes will be retained in business use unless it can be demonstrated that there is no reasonable prospect of their take up or continued use for business purposes during the Core Strategy period. Redevelopment for mixed use of business sites in urban areas may exceptionally be permitted where such development would facilitate the regeneration of the site to more effectively meet the needs of modern business, where the employment capacity of the site, represented by the commercial floorspace, is maintained and where a mixed use development would represent a sustainable approach consistent with the general distribution of development.'

This policy forms part of the rationale for this study – to establish whether there is a reasonable prospect of the continued use of the Powder Mills site for business purposes over the Core Strategy period.

Planning Policy Guidance Note 2 (Green Belts)

Annex C of PPG2 sets out the national planning policy for MDSs in the Green Belt. Limited infilling – that is, filling the small gaps between developed buildings – is allowed if the infilling:

- Has no greater impact on the purposes of including land within the Green Belt than the existing development. The purposes of including land are (from paragraph 1.5):
 - o To check the unrestricted sprawl of large built-up areas
 - o To prevent neighbouring towns from merging into one another
 - o To assist in safeguarding the countryside from encroachment
 - o To preserve the setting and special character of historic towns
 - o To assist in urban regeneration by encouraging the recycling of derelict and other urban land
- Does not exceed the height of the existing buildings
- Does not lead to a major increase in the developed portion of the site

Paragraph C4 of Annex C notes that the complete or partial redevelopment of MDSs may offer the opportunity for environmental improvement without adding to their impact on the openness of the Green Belt and the purposes of including land within it. Redevelopment should:

- Have no greater impact than the existing development on the openness of the Green Belt and the purposes of including land within it, and where possible have less
- Contribute to the achievement of objectives of the use of land within Green Belts. The objectives are set out in paragraph 1.6:
 - o To provide opportunities for access to the open countryside for the urban population
 - o To provide opportunities for outdoor sport and outdoor recreation near urban areas
 - o To retain attractive landscapes, and enhance landscapes, near to where people live
 - o To improve damaged and derelict land around towns
 - o To secure nature conservation interest
 - o To retain land in agricultural, forestry and related uses
- Does not exceed the height of the existing buildings
- Does not occupy a larger area of the site than the existing buildings (unless this would achieve a reduction in height which would benefit visual amenity). The relevant 'area' here is the footprint of existing permanent buildings which at the Powder Mills site is estimated to be 8,400m².⁹

Any proposals for the partial redevelopment of the Powder Mills site must be put forward in the context of comprehensive, long-term plans for the site as a whole. The character and dispersal of proposed redevelopment will need to be considered as well as its footprint. For example many houses may together have a much smaller footprint than a few large buildings, but may be unacceptable because their dispersal over a large part of the site.

Draft National Planning Policy Framework (2011)

The National Planning Policy Framework (NPPF) is intended to replace all existing PPGs and Planning Policy Statements. A draft of NPPF was released for public consultation in July 2011. The statements regarding the redevelopment of developed sites in the Green Belt are consistent with PPG2. The draft NPPF states that a local planning authority

⁹ The estimated area of the building footprints within the Powder Mills site is set out in Appendix D

should regard the construction of new buildings as inappropriate in Green Belt with the following exceptions:

- Buildings for agriculture and forestry
- Provision of appropriate facilities for outdoor sport, outdoor recreation and for cemeteries, as long as it preserves the openness of the Green Belt and does not conflict with the purposes of including land within it
- The extension or alteration of a building provided that it does not result in disproportionate additions over and above the size of the original building
- The replacement of a building, provided the new building is not materially larger than the one it replaces
- Limited infilling in villages, and limited affordable housing for local community needs under policies set out in the Local Plan; or
- Limited infilling or the partial or complete redevelopment of previously developed sites (excluding temporary buildings), whether redundant or in continuing use, which would not have a greater impact on the openness of the Green Belt and the purpose of including land within it than the existing development.

The draft NPPF states that certain other forms of development are also not inappropriate in Green Belt provided they preserve the openness of the Green Belt and do not conflict with the purposes of including land in Green Belt. These are:

- Mineral extraction
- Engineering operations
- Local transport infrastructure which can demonstrate a requirement for a Green Belt location
- The re-use of buildings provided that the buildings are of permanent and substantial construction; and
- Development brought forward under a Community Right to Build Order.

2.7. Summary

This section has shown that the principal buildings at Powder Mills are in average to excellent condition. Building 12 is the most modern addition to the site (estimated construction year 2005) and remains in excellent condition. The site is affected by a number of constraints to development, most pertinently its location in the Green Belt which restricts redevelopment to the scale of the existing footprint of the permanent buildings on-site (8,400m²) without any further adverse impact on visual amenity. The site is also constrained by the low capacity of its access roads (width and height limitations), archaeological remains, location on the flood plain and sensitive neighbouring uses amongst others.

3. DEMAND

3.1. Introduction

This section examines the level of demand for the site for new commercial activities. It is set out as follows:

- Evidence from the commercial property agents currently marketing the site
- Assessment of trends in the pharmaceutical research and development (R&D) sector for likely future requirements; and
- Long-term projections of demand for different types of employment space over the Core Strategy period to 2026, updating the projections published in the 2007 ELR

3.2. Immediate Interest in the Site

In early 2010 GSK attempted to sell the existing operations at the Powder Mills site as a going concern through the company's Worldwide Business Development/Transaction team. GSK contacted 32 competing research companies about the site and its operations. Of the 32, five signed confidentiality agreements for further information and three followed up with site tours. Detailed negotiations were then conducted with one party but, for a number of reasons, the sale did not proceed.

In September 2010, Cushman & Wakefield were employed to market the site and explore options to dispose of GSK's interest. Cushman & Wakefield proceeded with the following steps:

- Produced a marketing brochure for the site (see Appendix A)
- Renewed contact with the 32 competing research companies informing them that the site and premises themselves were now available (rather than as a package with the business as a going concern)
- Targeted mailing to educational establishments in Kent, including Kent University, Canterbury University, University of Greenwich, University of Southampton and nearby Tonbridge School (a secondary boys boarding school)
- Targeted mailing to 1,230 office and industrial commercial property agents in London, Kent & Surrey
- General marketing with an advertising campaign in the national property press including Property Week and Estates Gazette
- Provided Locate in Kent with the brochure for their internet-based marketing

Cushman & Wakefield report that they have received over 112 enquiries but very few have been commercial in nature. The majority have been from developers interested in developing the site for residential purposes. These are summarised below:

- Two enquiries from film set location companies (they would want to use the site for short periods)
- Two agents have expressed interest on behalf of occupiers wanting laboratory space with close proximity to London. Neither have viewed the site and both have raised objections over its location; and
- A boiler manufacturer expressed interest in one of the buildings but this did not develop due to the amount of work necessary to re-configure the space and the inability to secure the building with direct access.

3.3. Trends in the Pharmaceutical sector

The decision by GSK to cease its R&D operations at the Powder Mills site can be viewed in the context of changes in the wider pharmaceutical sector. There are three companies in the global pharmaceutical industry with a substantial presence in the UK – GSK, AstraZeneca and Pfizer and all of them have been rationalising their R&D operations in recent years.

The sector is currently characterised by revenue loss from major patent expiries and downward global pressure on drug prices, combined with greater demands from regulators and payers to demonstrate the value of the medicines¹⁰. The industry is therefore seeking new ways to improve the productivity of R&D operations and bring medical advances to patients more quickly and more cost-effectively.

GSK announced in early 2010¹¹ that they were taking staff away from research into certain areas of neuroscience (as conducted at the Powder Mills site), including depression and pain, and moving them into neurodegenerative and neuroinflammatory diseases such as Alzheimer's, Multiple Sclerosis and Parkinson's. Clinical trials into areas of neuroscience can be long and expensive and do not always result into defined answers about their effectiveness.

GSK is seeking to increase the level of externally sourced compounds in their development pipeline, through more option-based agreements with third parties. GSK's re-organisation has also affected other sites in the UK, with closures at Harlow (380 jobs) and Crawley (500 jobs). Overseas, GSK successfully sold its research facility in Verona, Italy, to manufacturing service group Aptuit in 2010 in a move which saved some 500 R&D jobs¹².

In early 2011 Pfizer announced its decision to close its research and development operations at Sandwich, Kent. The Sandwich site is substantial and at the time of announcement, some 2,400 jobs were expected to be lost. Pfizer aimed to outsource some of its activities to contract research organisations (CROs; a similar third party arrangement as set out by GSK) but this did not prove to be viable. In June of 2011 Pfizer

¹⁰ Written evidence by the Association of the British Pharmaceutical industry to the Science and Technology Committee regarding Pfizer's decision to close its R&D facility at Sandwich

¹¹ Q4 2009 GSK Press Release (4th Feb, 2010) <http://www.gsk.com/investors/reports/q42009/q42009.pdf>

¹² <http://www.inpharm.com/news/aptuit-deal-saves-gsk-r-and-d-unit-verona>

announced that they would retain 350 jobs at the site and will market the rest of the site as 'Discovery Park' through its brokers, CBRE, with the aim of attracting other R&D companies.

In early 2010 AstraZeneca announced the closure of its 69 acre R&D facility at Charnwood, near Loughborough in Leicestershire with the loss of 1,200 jobs. AstraZeneca also announced the closure of smaller sites in Cambridge, Bristol and London. Again, the decision was strategic, based on the company's decision to withdraw from ten disease areas and to re-focus on other therapy areas namely cardiovascular, gastrointestinal, oncology, respiratory, inflammation, neuroscience and infection¹³.

The structural re-organisations in the pharmaceutical sector have also brought new opportunities. In April 2011 GSK announced that it was relocating bio-manufacturing operations from India to Montrose in Scotland, to what will be its first new factory in the UK in 30 years¹⁴. AstraZeneca are increasing the number of employees at their R&D facility at Alderley Park, Cheshire, as staff relocate from other sites in the UK that are closing down. Pfizer has announced that it will be setting up a new R&D facility in Cambridge focusing on pain and sensory disorders.

One factor cited by Pfizer in its decision to close their Sandwich site has been its isolation. Pfizer aim to improve how they conduct their research by moving to 'global innovation hubs' (such as Cambridge) with 'easy access to leading biomedical research institutions and provide access to a deep and energised talent base'¹⁵.

This is likely to be indicative of future trends in the sector. As the major companies seek to contract out larger shares of their research activities, there is an opportunity for small-medium sized organisations and academic institutions to fill the gap. Such organisations are likely to value economies of agglomeration associated with a clustering of activities in bio-tech/science parks and centres. It is likely that a number of these parks will be associated with Universities that specialises in bio-medical research such as those at Cambridge, Oxford and London.

3.4. Long Term Employment Land Projections

Table 3.1 shows the projections of demand for employment space in Sevenoaks over the long-term that inform the Core Strategy. It is reproduced from Table 9.16 of the 2007 Sevenoaks ELR.

¹³ http://www.pharmatimes.com/Article/10-03-02/AstraZeneca_closes_sites_exits_much_of_discovery_research.aspx

¹⁴ <http://www.heraldsotland.com/business/corporate-sme/gsk-reveals-job-plan-to-swap-india-for-scotland-glaxo-chief-explains-move-to-scotland-1.1095256>

¹⁵ Written evidence by the Pfizer to the Science and Technology Committee regarding Pfizer's decision to close its R&D facility at Sandwich

Table 3.1 Employment Land Demand Forecasts, 2006-2026

Use	Low Growth	High Growth
1. Office (B1a, B1b)	+4.0	+4.3
2. Factories (B1c, B2)	-1.8	-1.0
3. Warehousing (B8)	-0.4	-0.3
Industrial (2+3)	-2.2	-1.3
Total	+1.8	+3.0

Source: 2007 Sevenoaks ELR (URS)

In addition, the 2007 ELR identified an excess amount of vacant industrial land that could be released to other land uses (8.4 hectares). The recommendations of that report identified 2.2 hectares of former industrial sites (2.0 hectares at West Kent Cold Storage, Dunton Green and 0.2 hectares at London Road, Swanley) to meet the needs for new office space while a number of other poorly performing industrial sites were proposed for land use change. The balance of office space projected to be required over the planning period (2.0 hectares) was not explicitly identified in the ELR but expected to come forward through the further intensification of existing office sites or the redevelopment of industrial sites as they become vacant.

In 2010 the Council produced an Addendum to the 2007 ELR to provide more up-to-date information for the Site Allocations (Options) DPD and the Core Strategy. The 2010 Addendum recorded a similar quantum of employment space in Sevenoaks as the 2007 ELR but slightly revised the distribution of space between areas. The Addendum did not update the long-term projections of demand for employment space.

Impact of the 2008-09 Recession

The projections of demand in the 2007 ELR were over the long-term planning period of the Core Strategy, to 2026, and accounted for changes in the economic cycles. Broadly, the forecasting method was based on the historic records of employment space in Sevenoaks (1998-2005) and then adjusted for by changes projected by the long-term macro-economic employment forecasts for the region.

The employment floorspace data covered a relatively short time period (1998-2005) but represented nearly a full business cycle as defined by the Treasury who consider that a full economic cycle ran between 1997 and 2006¹⁶. Depending on the stage of the economic cycle, the derived linear forecast is expected to be above or below the records in floorspace data. The recent recession experienced in the UK from Q2 2008 to Q3 2009 could be considered a low point of the fluctuations around the long-term linear trend.

However, a limitation of the floorspace statistics is that they become more reliable post-1998. Pre-1998 floorspace records, which would capture more of the earlier economic cycles, are incomparable with the post-1998 floorspace data due to changes in the VOA's

¹⁶ Treasury Pre-Budget Report 2008 (paragraph 46)

approach. The recent recession has been at a greater scale than most – GDP contracted for six consecutive quarters for the first time since records began and 2009 saw the largest calendar-year fall in output since 1921 at a 5% contraction. Therefore, it could be argued that basing a forecast on data from the previous economic cycle 1997-2006 will not capture the full effect of the recent recession.

Macro-economic employment forecasts compensate for this limitation as they are based on a greater depth of data, typically capturing the previous two economic cycles back to 1983. In the 2007 ELR the long-term employment forecasts for Sevenoaks were derived from adjusting the regional employment forecasts for the South East of England¹⁷ to Sevenoaks, based on analysis of the Sevenoaks sectoral profile, locational advantages, socio-economic characteristics and labour market intelligence (see Table 9.5 of that report). In this study, we can avoid that step as Kent County Council have provided us with long-term macro-economic employment and GVA forecasts for Sevenoaks, which were produced by Experian in 2009. These forecasts capture the impact of the recent 2008-09 recession.

Figure 3.1 compares the 2009 employment forecasts for Sevenoaks (as produced by Experian) with the 2006 employment forecasts used in the 2007 ELR (as produced by Experian for SEERA and adjusted to Sevenoaks by URS).

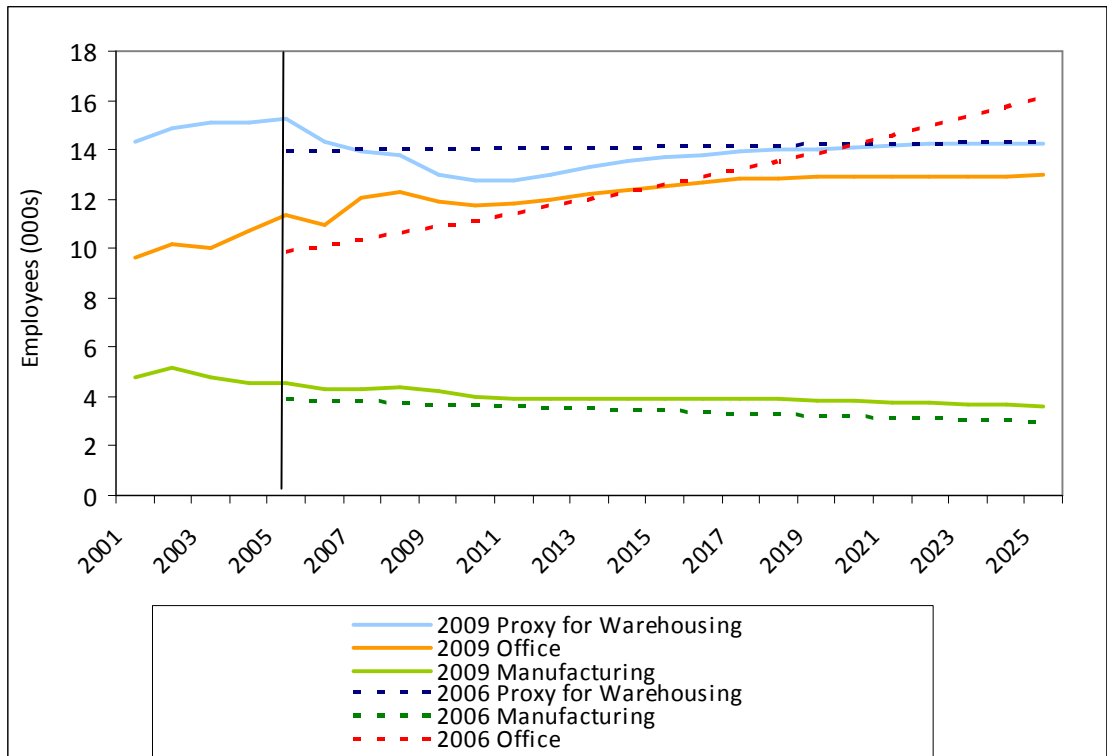
Although there are some methodological differences between the two datasets (and therefore different base points in 2005) it is the shape of the long-term projections that is of interest. The long-term projections for both warehousing¹⁸ and manufacturing are broadly similar (with a degree of deviation from the linear trendline between 2008 and 2016 in the warehouse sector) but the projections of employment in office space¹⁹ are notable for their difference post-2016.

¹⁷ Source: SEERA, Draft South East Plan, Technical Note 1 (updated March 2006), Economic and Labour Forecasting. Produced by Experian

¹⁸ The graph displays trendlines for employment as a 'proxy for warehousing'. This is because the forecasts are made at broad sectoral level and not disaggregated into components that can be more easily labelled as 'warehousing' employment. A proxy for warehousing is made up of two broad sectors – 'transport and communications' and 'distribution, hotels and catering'. We estimate that employment in warehousing accounts for approximately 25% of employment in the 'distribution, hotels and catering' sector and 100% of the 'transport and communications' sector

¹⁹ Made up of employment in the 'financial and business services' sector

Figure 3.1 Employment Forecasts for Sevenoaks, 2006 v 2009



Source: Kent County Council (2009; Experian), Sevenoaks ELR (2007; URS based on Experian)

The revised macro-economic forecasts project a much flatter level of growth in employment in office activities over the long-term than previous publications projected. SEEDA recognised this change and in 2009 stated:

'Recent Experian forecasts for the region (spring and autumn 2008) have been compared to the autumn 2006 Experian forecasts SEEDA used at the South East Plan Examination.... . While it is accepted that all forecasts should be treated with a certain degree of caution it is worth noting the regional total job growth forecast for 2006-2020, much of the Plan period (2006-2026), has decreased by 48% between the autumn 2006 and autumn 2008 forecasts. On the basis that job growth is one of the components of GVA growth, there appears to be a clear indication that the recent economic downturn will have impacts and require consideration in LDF policy making decisions.' (LDF Delivery South East Economic Outlook 2009)

Clearly, this change will have an impact on the long-term projections of demand for office employment space in Sevenoaks.

Long-term Floorspace Demand Projections

The approach taken here to producing revised demand projections of employment space over the long-term is the same as set out in the 2007 Sevenoaks ELR but with more up-to-date information. One area of change is our approach to projecting demand for

warehousing space. Our research for the GLA and LDA in the Demand and Supply of Land for Logistics in London (2007) found that economic growth (as measured by GVA) was a better predictor of the amount of warehouse space required than employment. Therefore we use the long-term projections of GVA growth for Kent growth to shape our projections of demand for warehouse space rather than projections of employment in the sector.

Table 3.2 Revised Forecasts of Employment Floorspace in Sevenoaks, 2008-2026

Use	Floorspace Change ²⁰ (2001-2008)	Employment/ GVA Change (2001-2008)	Employment/ GVA Forecast (2008-2026)	Adjustment Factor (2001-2008 v 2008-2026)	Floorspace Forecast (2008-2026)
Office	+2.3%	+3.6%	+0.3%	0.09	+0.2%
Warehouse	+1.0%	+3.4%	+1.8%	0.52	+0.5%
Factories	-0.4%	-1.3%	-1.1%	0.84	-0.3%

Source: VOA, Kent County Council (Experian)

Note: Compound annual average growth rates used. Employment data and forecasts used for office and factories, GVA data and forecasts used for warehouse space

The effect of adjusting the trend of employment floorspace change recorded in Sevenoaks from 2001 to 2008 with the wider macro-economic forecasts results in a more 'settled' employment land market. The growth in demand for office space is projected to decline from an average of 3.6% per annum from 2001 to 2008 to 0.2% per annum from 2008 to 2026. Similarly, growth in warehouse space is projected to decline from a growth rate of 3.4% per annum to 0.5% per annum in the future. The use of manufacturing employment floorspace is projected to decline at a slightly slower rate in the future, from -0.4% per annum to -0.3% per annum over the planning period.

Projecting demand over the long-term is not an exact science. It is prudent to introduce a degree of flexibility to the projections by employing low-medium-high growth scenarios. The medium scenario is determined by forecast of Table 3.2 above, while the low and high growth scenarios are +/-0.25% of this forecast²¹. Table 3.3 below shows the range of employment space growth scenarios and the result this will have on the quantum of floorspace in Sevenoaks by 2026.

²⁰ Levels of building vacancy over this period were within normal parameters – 8% of industrial space and approximately 9% of office space (general office premises) and relatively consistent, see Section 8 of the 2007 ELR for further information. Growth rates were therefore not 'hidden' by excess building vacancy levels.

²¹ This degree of variance is equivalent to +/- 3,900ft² (360m²) of office space or +/- 12,800ft² (1,200m²) of industrial space per annum

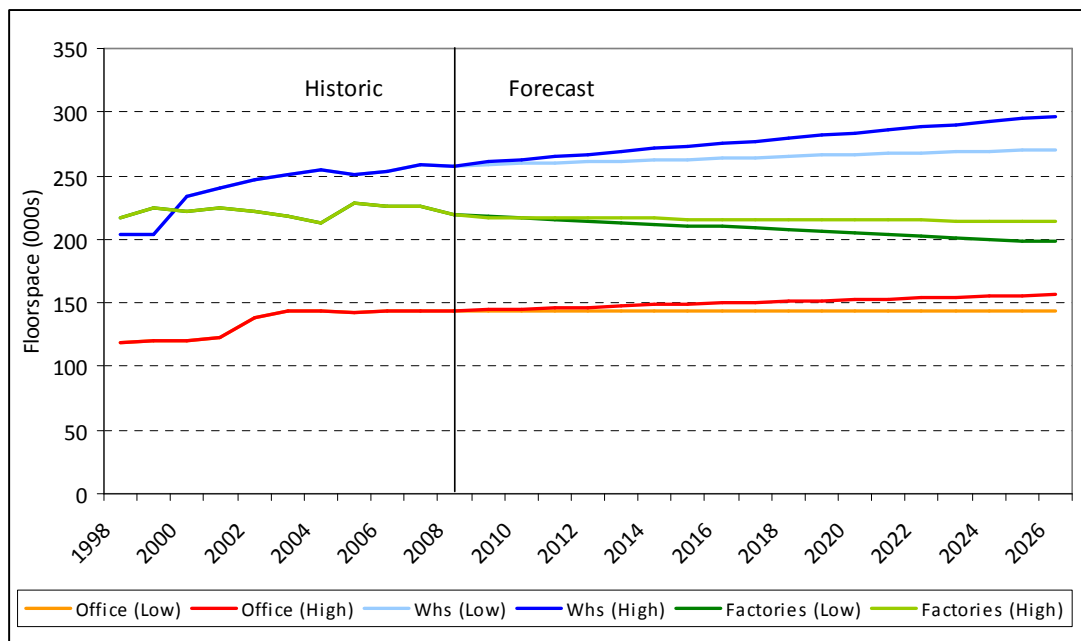
Table 3.3 Long Term Office and Industrial Floorspace Demand Forecast

Use	Estimated Floorspace 2011	Future Floorspace Requirement 2026 (m ²)		
		Low Scenario	Medium Scenario	High Scenario
Office	144,900	143,200	149,500	156,600
Warehouse	261,000	270,700	281,700	296,800
Factories	216,900	196,700	206,500	214,100
Total (Gross)	622,700	610,700	637,700	667,500
Total (Net)	622,700	-12,000	+15,000	+44,800

Note columns may not sum due to rounding

Table 3.3 above shows that the net requirement for new employment floorspace is approximately 15,000m² by 2026 under the most likely medium scenario. Given the stage of the current economic cycle and associated high levels office vacancy²² it is likely that short-term growth will be at a lower rate than the long-term average. Figure 3.2 illustrates the forecast in the context of historic floorspace records from 1998-2008.

Figure 3.2 Long Term Office and Industrial Floorspace Demand Forecast



Source: URS 2011

²² Locate in Kent promotes available commercial premises in the County. At the time of writing some 19,000m² of office floorspace was on the market for occupation in Sevenoaks district, compared to 8,200m² reported in the 2007 ELR. The opposite is true for industrial space, with less available in 2011 (21,400m²) than in 2007 (37,000m²), which is in line with the positive demand forecasts (for warehouse space)

Caveat – Research & Development Facilities

A high proportion of the office space in Sevenoaks district is used for research and development purposes. The VOA define 'offices' as, '*purpose-built office buildings, offices over shops, light storage facilities and light industrial activities*', which is likely to include the laboratory space used for research and development in Sevenoaks (see Table A2; Commercial and Industrial Floorspace Rateable Value Statistics, 2005; ODPM). Powder Mills and Fort Halstead contain the majority of research and development facilities in the district.

At Powder Mills there is 7,179m² of laboratory space (Table 2.1). The Fort Halstead website (www.forthalstead.com) states that there is approximately 1,000,000ft² of office, laboratory and storage space within the site. If we convert the quantum to square metres and apply the same proportion of laboratory space as there is at Powder Mills, this results in a possible 50,000m² of laboratory space at Fort Halstead. The combined total of the laboratory space at the two sites represents some 40% of the total 'office' space in the Sevenoaks district.

Laboratory space is more specialised than general office space and appeals to a more restricted range of occupiers. If efforts to find new occupiers for the laboratory space at Powder Mills and Fort Halstead²³ prove unsuccessful and that space is then used for other purposes, the long-term projections of demand in this section will need to be revised and the expectations of growth applied to a lower baseline.

Long Term Office and Industrial Land Demand Forecast

Table 3.4 applies the plot ratios for new employment space developments to derive a land requirement from the employment floorspace forecasts of Table 3.3. The plot ratios are the same as those used in the 2007 ELR:

- 1.50 for new office space (assuming new development will have a 50% plot ratio and be comprised of three storeys)
- 0.45 for new factory space²⁴
- 0.40 for new warehouse space

²³ It has been recently announced that the principal occupier of Fort Halstead, the Defence Science and Technology Laboratory (Dstl), will be leaving the site.

²⁴ The long-term trend is for a decline in factory premises rather than the construction of new sites. However, the 2007 ELR notes that existing factory premises had a plot ratio of 0.47 so the difference between new build and existing premises is negligible.

Table 3.4 Long Term Office and Industrial Land Demand Forecast

Use	Future Land Requirement 2026 (hectares)		
	Low Scenario	Medium Scenario	High Scenario
Office	-0.1	0.0	0.8
Warehouse	2.4	5.2	9.0
Factories	-4.5	-2.3	-0.6

Note: the columns are not summed intentionally as different land uses have different locational requirements and demand is not necessarily interchangeable between sites

Table 3.4 presents a quite different forecast to that of the 2007 ELR shown earlier in Table 3.1. Two major factors have affected the change – the 2009 employment forecasts from Experian have significantly reduced growth expectations for activities that typically use office space in the district; and using GVA as a proxy for future distribution demand has increased the projected requirement for warehouse space.

The Rural Economy

In 2007 it was estimated that approximately 140,300 people were employed in rural areas of Kent, accounting for 24.9% of all employees²⁵. The VOA floorspace data used as the base for the long-term projections of demand in this section includes space located in both rural and urban areas in Sevenoaks. Due to their nature, rural businesses are often dispersed over a wide area and the VOA does not publish floorspace data where there are too few sites (due to confidentiality issues). Therefore, disaggregating the floorspace data between rural and urban locations is problematic.

A survey of rural businesses in Sevenoaks was undertaken as part of the 2007 Sevenoaks ELR. The survey reported that:

- The majority of business activities in rural areas were in the manufacturing and financial services sectors.
- The majority of respondents reported that they were based in a workshop or an office (both 18%) with 12% working from home and 10% in a general industrial location
- The majority of rural business occupy small premises, with 59% accommodated in buildings no larger than 90m² (approximately 1,000ft²)
- 80% reported that having good road transport links was important or very important to their business. Having a supply of appropriate premises (71%) in a good quality area (66%) was also deemed important or very important
- The survey showed that access to suitable staff is just as important in rural areas as urban areas, highlighting this factor is that rural business reported that 80% of their workforce was professional or skilled manual

²⁵ The Agricultural Sector and Rural Business in Kent; Evidence Base (KCC; 2009)

- The large majority of businesses surveyed were not planning to move over the next five years (76%). A smaller majority expected their business size to stay the same (55%) with 31% expecting to grow gradually
- The planning system does not seem to constrain growth aspirations

The 2007 ELR concludes that the rural economy in Sevenoaks is representative of the rural economy across the UK, with similar trends and economic activity. There is a declining dependency on traditional rural business activities and there is an increasing convergence of the urban and rural economies. In light of this convergence the difficulty in disaggregating the VOA data by urban and rural area should not affect the reliability of the long-term forecasts, as both areas are influenced by similar underlying economic trends.

3.5. Summary

This section has shown that although GSK has sought a buyer for the R&D operations at Powder Mills and Cushman & Wakefield has marketed the site and premises (not the operations) since September 2010, a new tenant has not been secured. Analysis of the trends in the pharmaceutical sector show that this is not a surprising outcome, as other companies with major R&D sites in the UK such as Pfizer, AstraZeneca have also announced similar withdrawals from R&D activities. It is hoped that smaller enterprises and research organisations will fill the gap left in the R&D market but these companies generally have different locational requirements to the larger organisations, and tend to favour closer links with universities and proximity to other like-minded organisations to benefit from economies of agglomeration.

The long-term demand trends for Sevenoaks show a change since the 2008-09 recession, with a flat forecast of demand for additional office floorspace. The space required for storage and distribution purposes is expected to grow in line with the economy but space required for manufacturing activities is expected to continue to decline. The trends affecting change in the demand for employment space in the rural economy are considered to be similar to those underlying the broader economy.

4. SUPPLY

4.1. Introduction

This section introduces employment land allocations in Sevenoaks that could accommodate the demand projections set out in Section 3. Firstly, the analysis looks beyond Sevenoaks administrative boundaries across wider property market areas and assesses whether land constraints elsewhere might result in businesses increasingly looking at development opportunities in the district of Sevenoaks more so than they have in the past.

4.2. Property Market Areas

Although the focus of this review is Sevenoaks, the market area for property is not limited by local authority boundaries - factors pertinent to successful business operations, such as proximity to labour supply, transport links, site availability and consumer markets are more influential in choice of location. A property market area (PMA) could typically be an area of search for a potential R&D, office or industrial occupier. The 2007 ELR reported that companies that choose to locate in Sevenoaks will consider other sites in the context of the wider PMAs for the office and industrial land markets.

Office PMA

For occupiers of office space, sites in Sevenoaks are competing with other locations within the South East quadrant of the M25 office market, see Figure 4.1 below.

Figure 4.1 M25 Office Markets



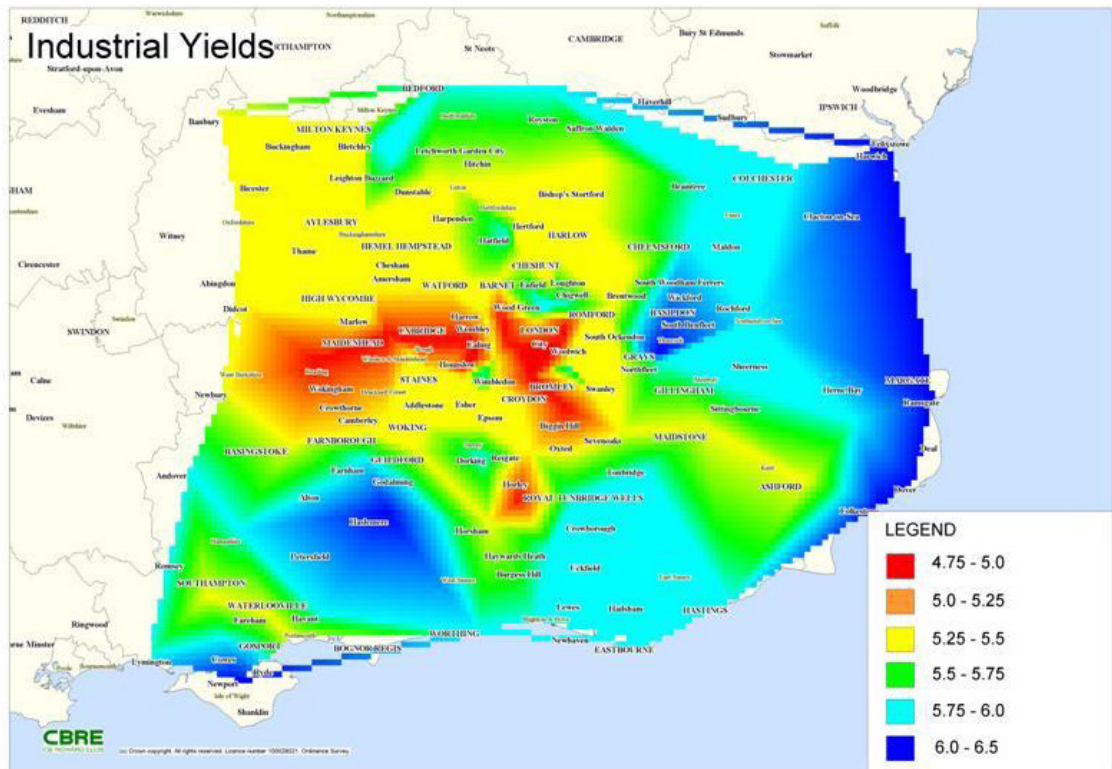
Source: Knight Frank in the 2007 Sevenoaks ELR

The 2007 ELR reports that the South East quadrant encompasses several different sub-markets. Some are centred in historic regional towns such as Sevenoaks and Bromley while other areas have expanded due to business park developments such as Crossways in Dartford and Kings Hill in West Malling. The South East quadrant is reported to be relatively immature in terms of stock and take-up in comparison to the North West which has more established locations such as Reading and Bracknell. In the South East PMA, the business parks at Crossways and Kings Hill dominate the office market.

Industrial Land PMAs

The 2007 ELR reports that the industrial market in Kent falls into two distinct parts. The areas close to the M25 (including northern parts of Sevenoaks) in North West Kent is driven by demand from warehouse and distribution centres for whom access to the strategic road network and national markets is crucial. The Dartford area is regarded as a national occupier location and demand is migrating further into Kent along the M2 and M20. Figure 4.2 illustrates this effect with better industrial yields achieved around the M25 and M20 into Kent to Ashford.

Figure 4.2 Industrial Yields in the South East



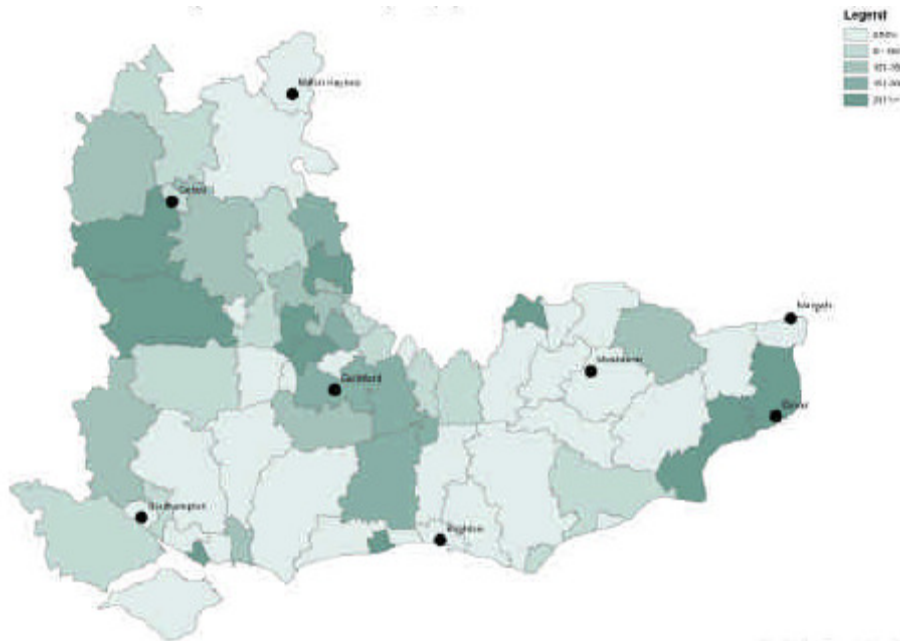
Source: South East Regional Property Market Study; CBRE (2007)

The industrial land market becomes more localised at locations further into Kent at Sevenoaks and locations such as Tonbridge and Tunbridge Wells. Industrial occupiers here are generally linked to more local supply chains rather than the national markets.

Healthcare R&D PMA

Figure 4.3 shows the geography of the agglomerations in employment (as measured by location quotients) in the Healthcare Technologies sector in the South East. With the exceptions of the coastal area around Dover (heavily influenced by the Pfizer site at Sandwich which is due to close) Kent County seems less well represented by employment in the healthcare technologies sector than Oxfordshire, Buckinghamshire and Surrey.

Figure 4.3 Geography of Employment in Healthcare Technologies in the South East



Source: *Spatial Requirements of Key Sectors in the South East; Atkins, 2005*

The largest proportion of research organisations in SEEDA’s key sectors is in the healthcare technologies sector (it accounts for 40% of all R&D in the South East). The South East’s higher education facilities provide a major component of the region’s R&D capacity, with the Universities of Oxford, Southampton and Surrey scoring particularly highly for their quality of research excellence. Science and research parks are similarly distributed to the areas of employment with the large majority situated in Oxfordshire.

The Spatial Requirements of Key Sectors in the South East (Atkins, 2005) study presents a number of key drivers of business location in the healthcare technologies sector:

- Geographical clustering is a prominent feature of healthcare and related sectors. Indeed, the industry is concentrated in a relatively small number of global regions, of which the South East is one of the most important. For start-up and young firms, proximity to existing healthcare clusters is very important, particularly in respect of those engaged in R&D. Given that biotechnology is in its early stage of development, a high proportion of firms operating in the sector are engaged in research, design, testing and other innovative processes. Proximity to existing clusters is also very important in facilitating technology and knowledge transfer and the facilitation of spin-out activities.
- Given the importance of venture capital and other forms of business finances in funding R&D activities in the bio-pharmaceutical sector, access to London is of particular importance to the sector. The venture capital industry is highly concentrated in London and funders prefer to support projects which are physically accessible to them. The venture capital industry is also a common factor which causes geographical synergy with other sectors such as IT.

- Industry representatives stated that another key reason for locating in London and the most accessible locations in the South East reflects the need to be able to attract and retain graduate employees. These parts of the South East are considered to represent a location where the largest proportion of graduates prefer, or are prepared to live. Indeed, research for SEEDA indicated that Oxford and Surrey are the key locations in the region for attracting staff; *'attracting well-qualified staff is easier in Oxford and Surrey, but it is more difficult to attract people to the fringes of Kent and Southampton because they are perceived to be isolated'*.
- Reinforcing the importance of existing clusters, the wet lab survey carried out for SEEDA by SQW²⁶ highlighted that following key factors would be fundamental in determining a potential move of location:
 - Commuting distance of employees
 - Location with a high-tech image
 - Bespoke, higher quality premises
 - Proximity to a university

4.3. Property Market Area Migration

Section 3 showed that new warehouse space is likely to be required to meet demand over the Core Strategy planned period. Net growth in office space is expected to be flat in the medium growth scenario and land is expected to become available from older manufacturing operations. However, Section 4.2 above had shown that Sevenoaks forms one part of wider employment land PMAs. If land availability is constrained in other areas, it is possible that companies might increasingly turn their attentions to sites in Sevenoaks, more so than has been captured in the historic trends.

Migration of Demand for Office Space

As set out in the property market assessment, Crossways (Dartford) and Kings Hill (West Malling) are the main drivers of new office space in the South East M25 PMA. Both sites have significant scope for further expansion²⁷ and capacity to accommodate future demand.

In terms of the local office market centred in the town centres in Sevenoaks, the Powder Mills site is closest to the town centre of Tonbridge and lies on the administrative boundary of both Sevenoaks District and Tonbridge & Malling Borough Councils. The most recent employment land review for Tonbridge & Malling is dated from 2005 and states that, at the time of writing, demand and supply for local office space in the Borough

²⁶ SQW (July 2001): Survey of Wet Lab Space in the South East of England – to Oxford Innovation on behalf of SEEDA.

²⁷ Kings Hill has outline planning consent for a further 1.2 million ft², or 111,000m² of office space that has yet to be built. Crossways plans 10 million ft², or 930,000m², of new commercial space over the next 20 years

are roughly in equilibrium with no reported shortages in availability or development opportunities.

Migration of Demand for Industrial Space

The 2007 ELR reported that there is evidence of industrial land demand migrating further from the M25 along the strategic road network for cheaper and more plentiful supply of land. One example is Gazeley, who are developing 1.4 million ft² (126,000m²) of warehouse space at G.Park, in Sittingbourne, five miles north of the M2. Two-thirds of the site has already been pre-let to Morrisons supermarket for distribution activities. Swanley is situated to the north of Sevenoaks district, south of Dartford, and lies on the junction of the M20 and M25 and is likely to benefit from any future migration of demand from the Dartford/M25 area.

As with office space, the Tonbridge & Malling ELR reports that demand and supply of local industrial space in Tonbridge is roughly in equilibrium with minimal spillover effects likely to affect Sevenoaks or the Powder Mills site.

Migration of Demand for Healthcare R&D Facilities

Section 3.2 reported that there is a global restructuring of R&D in the pharmaceutical sector. Increasingly, the major players are outsourcing R&D activities with licensing and option agreements to small and medium enterprises (SME)/CROs and academic institutions. Accordingly, the isolated R&D sites such as at Powder Mills and Sandwich (although that site is on such a large scale that it could attract a new cluster of R&D activities) that once fulfilled the requirement for private, internalised R&D activities for large companies, are not as attractive for SMEs that wish to benefit from links with universities and economies of agglomeration with like-minded companies. Therefore, long-term trends in the sector indicate that demand is more likely to migrate to areas such as Oxford and Cambridge that have universities and strong links with research institutions, labour market, high quality image and clusters of science parks that appeal to SMEs/CROs.

4.4. Sites for New Employment Space in Sevenoaks

Table 4.1 updates the status of vacant employment land sites of at least one hectare as set out in the 2007 Sevenoaks ELR (Table 7.9) with information collected for the 2010 ELR Addendum and subsequent development activity.

Table 4.1 Vacant Employment Sites in Sevenoaks Over One Hectare, 2011

Site Name	Location	Area (hectares)	Notes
Broom Hill	Swanley	4.1	Greenfield site with Transport Assessment (2010) indicating that industrial (rather than office) development is preferable
Horton Kirby Trading Estate	South Darenth	(2.2)	Available land has been redeveloped for mixed-use scheme
North Downs Business Park	Dunton Green	(1.0)	2010 Addendum refined boundaries of site. Vacant land no longer included in the allocation
Albion Business Park	Edenbridge	(1.2)	Land has since been granted permission for residential development
Station Approach	Edenbridge	(1.3)	Site is currently used by a builder's merchant

Source: 2007 ELR; 2010 ELR Addendum; Sevenoaks District Council

Table 4.1 shows that the majority of vacant land identified in the 2007 ELR (5.7 hectares) has either been redeveloped, earmarked for redevelopment or is currently occupied. Undeveloped greenfield land at Broom Hill (4.1 hectares) is the sole employment land allocation remaining that is available for new development. As indicated in the table, the LDF Background Paper 'Reduced Transport Evaluation of Development Proposed in Swanley' (2010) suggests that an industrial estate type development at Broom Hill would have a smaller impact on the strategic road network (as opposed to a business park scheme) and offer the potential to improve accessibility to neighbouring employment sites and residential areas.

4.5. Summary

Companies that take-up office, industrial and pharmaceutical/healthcare R&D properties do not look at Sevenoaks in isolation but typically undertake their searches across wider PMAs. In the office sector, Sevenoaks is part of the South East M25 area, with larger business parks at Kings Hill and Crossways complemented by more local stock in the urban areas. Similarly the industrial PMA is drawn to Dartford and the M25 and M20, with business serving local markets accommodating more dispersed locations across Kent. The pharmaceutical R&D market is more geographically focused around the Universities and clusters of science parks around Cambridge, Oxford and UCL. The long-term trends in these wider PMAs do not indicate that Sevenoaks is likely to benefit from a greater proportion of businesses migrating to the district than they have in the past.

Analysis of the development opportunities on sites allocated for employment uses in Sevenoaks shows that Broom Hill (4.1 hectares), near Swanley, is the only site currently available over one hectare in size. Research also shows that industrial-type development at Broom Hill will minimise the impact of new development on the surrounding road network.

5. BALANCE OF EMPLOYMENT LAND DEMAND AND SUPPLY

5.1. Introduction

The objective of this section is to propose what type of employment space could be provided at the Powder Mills site in the context of demand and supply trends in the wider Sevenoaks employment land market over the Core Strategy period. The preceding section found that the strongest growth over the long term is for warehouse premises, that there is limited demand projected for office space and that demand for industrial sites is contracting across all growth scenarios (low, medium and high). We therefore assess whether the Powder Mills site is well placed to meet this warehousing demand, or whether the site could meet the needs of property market 'churn' for offices, that is demand as businesses move between office premises in the district to take advantage of more suitable sites/accommodation opportunities. The Powder Mills site is evaluated as a windfall site²⁸ which could provide new employment space in Sevenoaks.

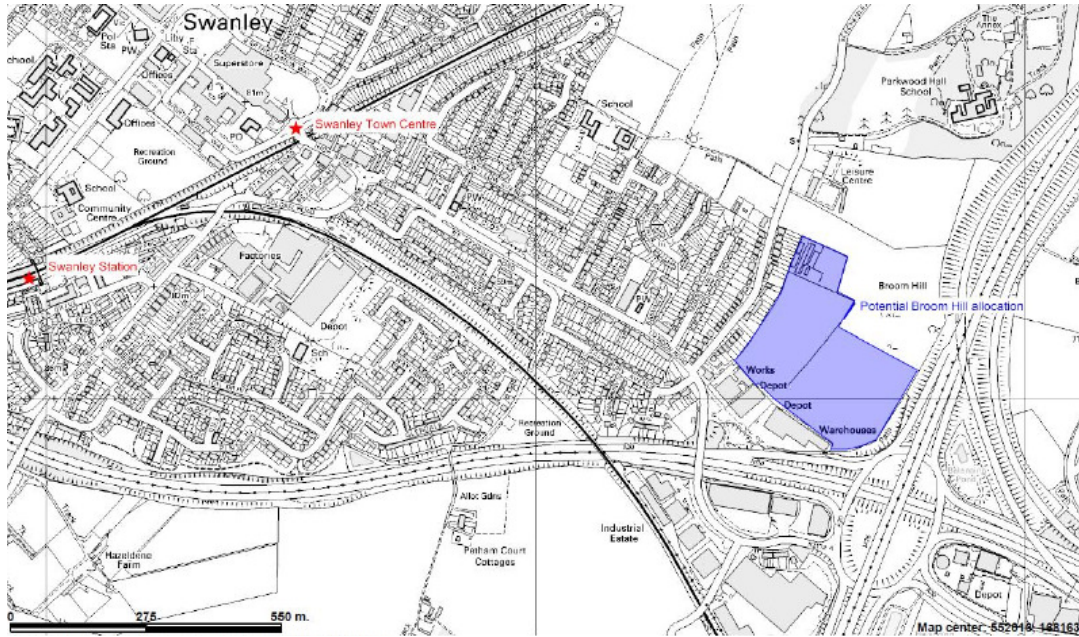
5.2. A Balance of Demand and Supply

The long-term demand projections of employment space in Section 3.4 identify a requirement for an additional 5.2 hectares of land for warehousing space up to 2026 under the medium growth scenario. Over the same period some 2.3 hectares of industrial premises (that accommodated manufacturing activities) is projected to become available as demand contracts. It is possible that some of this land could be used to meet the requirement for new warehouse space but the locational requirements of the two land uses do not always correspond. Warehouse demand is likely to be strongest towards the north of Sevenoaks, close to the national logistics PMA, around Dartford, and close to the motorway network. It is therefore prudent to plan for new warehouse space independent of the windfall sites that could become available through the closure of more traditional industrial activities.

Section 4.4 showed that there is approximately 4.1 hectares of land at Broom Hill, Swanley available for industrial estate type development, see Figure 5.1 below.

²⁸ A site that unexpectedly comes forward in the planning period

Figure 5.1 Potential Development at Broom Hill, Swanley



Source: *Reduced Transport Evaluation of Development Proposed in Swanley; Sevenoaks District Council; 2010*

The Broom Hill site is ideally located to meet the requirements of warehouse demand – it lies close to the Dartford logistics PMA and is directly adjacent to the junction of the M25 and M20. At 4.1 hectares the site will meet the majority of the projected 5.2 hectares required under the medium growth scenario.

Some 2.3 hectares of industrial sites are projected to become available and it is likely that some of that space could be used to accommodate the balance of demand for warehousing activities (1.1 hectares) over the Core Strategy planning period. This introduces a degree of flexibility to the employment land allocation process and means that the attractiveness of windfall sites for distribution activities should be considered before other possible land uses. The importance of windfall sites becomes more important if the high growth scenario for warehousing transpires - this scenario forecasts demand for an additional 9.0 hectares for warehouses.

5.3. Property Market Churn

Section 3.4 presents the long-term ‘net’ change in the total amount of employment land projected over the Core Strategy period. Table 3.4 shows that under the medium growth scenario there is projected to be an overall decrease in the number of sites within employment land allocations that are used for manufacturing and industrial activities. However, a note of caution needs to be applied to these long term projections. A projected reduction of some 2.3 hectares of land used for traditional manufacturing purposes is a net figure of land use change. Within this total there is likely to be a greater number of premises closing down and becoming redeveloped in accordance with the normal ‘churn’ of the market. Care must be taken to ensure that only those sites that are

least appropriate for future employment needs are released to other land uses and that the normal redevelopment and investment in existing industrial sites is encouraged.

In terms of office space, a flat projection of net demand over the long-term will disguise the normal activity in the market, as businesses move into new premises within the district and other businesses move on. During void periods landlords may choose to withdraw the property from the market and refurbish the stock to attract a higher grade of tenant. Older properties may also be appropriate for land use change (for example, hotels can typically occupy buildings once used for office purposes) and new properties may come to the market in popular locations (usually close to town centres and public transport or strategic road networks).

Therefore, there will be some fluctuation around a flat 'net' trendline. The 2007 ELR recorded 23,355m² of Grade B office space taken-up between Q1 1998 and Q4 2006²⁹, at an average of 2,595m² per year. On a baseline of an estimated 87,000m² of general office space³⁰ in 2008 this represents approximately 3.0% of office space changing hands per annum as part of normal market activity. There is a low proportion of Grade A office take-up in proportion to the number of transactions in Sevenoaks. Only one out of 51 lettings between 1998 and 2007 was reported in the 2007 ELR as a letting of Grade A office stock (160 London Road).

5.4. Powder Mills as a Windfall Site

If it proves difficult to find new occupiers for the laboratory space at Powder Mills (and Fort Halstead) then those sites could be used to meet the requirements of other types of employment space over the Core Strategy period (as per Policy SP8).

Warehouse Space

The long term demand projections of Section 3 show that the new employment space required is likely to be warehousing for distribution activities.

However, Section 2, which set out the characteristics and constraints of the Powder Mills site, found that it is not a good location for distribution activities for the following reasons:

- The majority of demand for distribution activities is at the northern part of the district - close to the M25/M20 junction and the Dartford PMA. The Powder Mills site is to the south of the district, in an area of lower and more localised demand
- Poor access for HGVs. Powder Mills Lane is a small, rural road unsuited to HGV movements, the site is approximately six miles from the closest strategic road network via rural roads, and a number restrictive bridges

²⁹ Table 8.5 excluding Gordon Henry House (3,252m²) in Edenbridge which changed use to residential and 160 London Rd (new Grade A space occupied by BT in 2004)

³⁰ The VOA records 144,000m² of office space in 2008 in Sevenoaks. Removing an estimated 50,000m² for laboratory space at Fort Halstead (see Section 3.4) and 7,000m² for laboratory space at Powder Mills results in an estimated 87,000m² of general office space

- Sensitive neighbouring land uses. The main entrance is through a residential area which also borders the northern part of site. However, the site could be reconfigured to make the access road to the western side of the South Campus the main access point; and
- Increasing HGV traffic at a Green Belt location is likely to have an adverse environmental impact than the current land use, contrary to the planning policies of PPG2.

Office Space

Powder Mills could possibly be a better location for businesses currently using office space in Sevenoaks. Although the long-term demand projections show little net change in the total floorspace required for office uses, it could possibly meet the requirements of gross demand. That is, if businesses were to move to the Powder Mills site because it is an improvement upon their existing office location in Sevenoaks then over time market activity would result in less suitable sites for offices becoming vacant (and possibly being identified for land use re-designation). During this process, the quantity of the district's office stock could remain the same but the overall suitability/quality would improve as businesses migrate to more suitable locations and/or better quality stock.

Local commercial property agents were consulted for their views on the office stock in Sevenoaks and a consistent theme was that there is perceived to be a lack of Grade A office stock in the district (although 160 London Road near Sevenoaks station is on the market at the time of writing with 3,040m² of Grade A office space available as smaller units). This is supported by the earlier review of take-up activity between 1998 and 2006 which saw only one of 51 lettings involving Grade A stock.

We assessed the Powder Mills site as an office location against a number of criteria important to businesses including:

- Proximity to public transport, to the strategic road network, to amenities, to a skilled workforce
- Quality of the built environment, quality of the public realm; and
- Parking availability.

The assessment was carried out in the context of other office employment land locations in the district identified in the 2007 ELR such as Tubs Hill House, Tubs Hill, Sevenoaks and Media House, Azalea Drive, Swanley. The evaluation shows that the Powder Mills site is amongst the lower scoring office locations in the district but could possibly be attractive for businesses that place more value on certain criteria, such as quality of the built environment, than others, such as access to amenities.

The Powder Mills site is in a rural location and the 2007 ELR showed that the majority of rural businesses occupy small premises, with 59% accommodated in buildings up to 90m². The example of Great Hollenden Business Centre in Hildenborough close to Powder Mills site supports the view that demand from rural businesses is for smaller

premises³¹. The Great Hollanden Business Centre has 12 units (of converted old farm buildings such as barns) of around 120m² in size totalling 1,450m², and was cited by one commercial property agents as success. Building 12 at Powder Mills, which is of excellent quality and measures 2,319m² GIA, could potentially be split into small unit sizes and marketed separately.³²

5.5. Summary

This section has shown that the employment property market in Sevenoaks is broadly in balance over the Core Strategy period with no the need for significant additional land allocations to be made across the district. The strongest demand over the long term is for warehousing. The 4.1 hectare site at Broom Hill is well placed to meet the majority of growing demand for warehouse space. Powder Mills could, however, meet the demands for new office space in Sevenoaks – that is, the need for new Grade A office space to provide businesses with the opportunity to move on from their existing premises and improve the quality of the overall office stock in the district.

³¹

http://www.estatesgazette.com/propertylink/advert/unit_m_great_hollanden_business_centre_mill_lane_sevenoaks_kent-sevenoaks_kent-3325326.htm

³² There are limited examples of other comparably sized successful rural office locations in Sevenoaks and the surrounding area. When commercial agents were consulted Eclipse Park at Maidstone was cited as a success. This modern business park however is significantly larger providing more than 300,000 sq ft (27,900 m²) of Grade A office, hotel and conferencing facilities over 16 acres, and is located favourably at Junction 7 M20 and close to Maidstone town centre.

6. OPTIONS FOR POWDER MILLS

6.1. Introduction

This section introduces and appraises a number of development options for the Powder Mills site. In development of these options we have considered the conclusions of the preceding sections relating to the potential provision of employment land at the Powder Mills site. These are summarised in a Strengths, Opportunities, Weaknesses and Threats (SWOT) analysis. In addition to the potential for employment land uses to be retained at the site, we consider the potential for other uses, such as education or health facilities. Following this, five development options are proposed. These options range from a 'do nothing' scenario to a complete redevelopment of the site for residential use. Between these options are three mixed-use options. The section concludes with an option appraisal against key criteria from which a preferred option is proposed.

6.2. SWOT Analysis of the Site for Employment Uses

Table 6.1 overleaf shows the SWOT of the Powder Mills site for employment uses (R&D, offices, industrial and warehousing) drawing upon the findings of the preceding sections. In summary the research finds that:

- R&D/Office: Though the long term demand forecasts for office space suggest very limited growth, the high quality campus and good/excellent quality buildings of 2, 6 and 12 (providing laboratory floorspace that could be converted into office space) and 4 and 7 (providing office floorspace), all located in the South Campus, could meet the needs of local businesses looking for higher quality office/R&D space, i.e. provide for demand from property market churn. On this basis it is worth considering whether some parts of the South Campus could be retained for office/R&D uses.
- Warehousing: Long term demand projections find that is likely to be demand for additional warehouse space. The site already has some good quality warehouse space; however, the site's location does not offer direct access to the strategic road network and access is via rural roads which have height and width restrictions. These issues, combined with its location outside the prime PMA for distribution activity, means that the site is at a significant disadvantage in attracting distribution businesses when compared to other large vacant sites closer to the M20/M25 and Dartford, such as Broom Hill.
- Industrial: The long-term demand forecasts show declining demand for industrial space. The site's access issues and the potential for conflict with the sensitive neighbouring residential areas means that the site is not considered suitable to provide for industrial property market churn.

Table 6.1 SWOT Analysis of the Powder Mills Site for Employment Uses

R&D Use	Office	Industrial	Warehouse
Strengths			
Physical assets – 7,179m ² of laboratory floorspace in three Buildings (2, 6 and 12), two in good and one in excellent condition Isolated site, good for privacy and suitable for confidential operations Access to skilled workforce High quality rural campus setting	Physical assets - 1,000m ² of office floorspace in Buildings 4 and 7, both in good condition Possible reconfiguration of a further 7,179m ² of laboratory space into office space (Buildings 2, 6 and 12), Proximity to Tonbridge labour market High quality rural campus setting	Physical assets – 2,200m ² of average-good quality warehouse space High quality rural campus setting High capacity utilities infrastructure ready Proximity to Tonbridge labour market	Physical assets – 2,200m ² of average-good quality warehouse space High quality rural campus setting
Weaknesses			
Geographically isolated and therefore lacking economies of agglomeration (clusters) with other R&D firms Distance from the major bio-science universities .e.g. Oxford, Cambridge, UCL Poor access to public transport, low capacity road network and restrictions for HGVs	Poor access to public transport Low capacity road network providing access Poor access to (and low benefits for) complementary uses such as other office users, retail and leisure	Low capacity road network along rural roads with some restrictions for HGVs Long distance to the strategic road network (5.6 miles to the A21) Sensitive neighbouring land uses (residential) and planning (Green Belt)	Site is located away from north Sevenoaks, the M20/M25 & Dartford PMA Low capacity road network along rural roads with some restrictions for HGVs Long distance to the strategic road network (5.6 miles to the A21) Sensitive neighbouring land uses (residential) and planning (Green Belt)
Opportunities			
Possibility to develop the site more intensively, particularly the North Campus (within constraints of Green Belt policy) Possibility to forge links with local Universities, e.g. Kent, Canterbury	Possibility to develop the site more intensively, particularly the North Campus (within constraints of Green Belt policy) Potential to accommodate demand arising through property market 'churn'	Possibility to develop the site more intensively, particularly the North Campus (within constraints of Green Belt policy)	Possibility to develop the site more intensively, particularly the North Campus (within constraints of Green Belt policy) Long term projections show positive demand for additional warehouse space
Threats			
Competing laboratory space in Kent at Sittingbourne (Kent Science Park) and Sandwich (Discovery Park) Declining demand for R&D space in pharma sector (in the short term at least)	Competing Grade A office space and new development opportunities at Kings Hill (Malling) and Crossways (Dartford) Flat long-term demand (net) for new office space	Competing locations for industrial space closer to strategic road network and Dartford PMA (such as Broom Hill) Long term projections show decline in demand for space for manufacturing	Competing locations for distribution space closer to strategic road network and Dartford PMA (such as Broom Hill)

6.3. Other Potential Land Uses

The availability of a large site in the Green Belt with redevelopment possibilities is a rare occurrence and care must be taken to make sure that opportunities to locate land uses that will help meet the social and environmental goals of the Core Strategy (as well as the economic opportunities) are fully explored. Where possible, the evidence for requirements of neighbouring Tonbridge & Malling Borough is also reviewed.

Education Facilities

The draft Sevenoaks Developer Contributions SPD (2011) states that additional primary school places are to be provided at school extensions in Sevenoaks and Swanley. There is no expectation that any new school sites will be required for new build schools. We are not aware of any Further Education (FE) or Higher Education (HE) requirements that could potentially be suitably accommodated on the site.

Health Facilities

The draft Sevenoaks Developer Contributions SPD (2011) states the level of development proposed in the Core Strategy may require improvements to Sevenoaks Hospital, expansion of Sevenoaks Town Medical Centre and expansion and improvement of Edenbridge Medical Centre.

Open Space and Recreation

The Sevenoaks Open Space, Sport and Recreation Study (2009) identifies the area around Leigh to have adequate access to open space and recreation facilities, with the exception of children's play space, in which it was assessed to have a deficiency. It is a recommendation of the Sevenoaks Open Space, Sport and Recreation Study that new play areas are prioritised at Leigh. However, a more optimal location for new facilities is likely to be close to the residences at the village centre of Leigh³³ rather than at the relatively isolated site at Powder Mills, 1.5 miles away. An undersupply of sports halls and indoor tennis courts is noted but rural areas (such as Leigh) are not considered appropriate locations to remedy this deficiency.

The Open Space Strategy for Tonbridge & Malling (2009) reports that both Tonbridge and Hildenborough have deficiencies in children's play space but, as with the need in Leigh, the more accessible urban centres are likely to be the optimal locations for new facilities. The study also notes that south-west of the Borough (Hildenborough and Tonbridge) have a large shortfall of outdoor sports facilities, principally junior football pitches (some 11.5 hectares).

³³ The draft Sevenoaks Developer Contributions SPD (2011) does not propose to seek contributions for children's play spaces in Leigh because; 'locally it is considered that there is no requirement for such provision' (para 6.21)

Hotels

The Sevenoaks Hotel Futures 2007 Update found that the majority of interest by hotel developers was in Sevenoaks town centre itself, or on the approaches to the town. There was reported to be some interest in locations on the urban fringe or countryside by County house and destination hotel developers. This is opportunistic interest, dependant upon the details of the specific property with grounds becoming available – eg historic house, hospital, office or golf club site.

There is unlikely to be a need for new budget hotels in the Leigh area since the Premier Travel Inn opened at Hildenborough (called Tonbridge North) with 41 rooms in 2006. This complements the Premier Travel Inn in Tonbridge which also has 40 rooms.

Residential

The 2008 Sevenoaks Strategic Housing Land Availability Assessment³⁴ (SHLAA) found that the Council could meet its 3,300 dwelling requirement as set out in the South East Plan (in the process of being withdrawn as material consideration) whilst still complying with Government policy in relation to giving priority to brownfield sites and protecting the Green Belt and Areas of Outstanding Natural Beauty. It identified that sufficient land was available within existing settlements to meet the District's overall housing requirement without the need to release or develop any Green Belt land.

The Council's 2009 Update to the SHLAA showed that 3,531 new homes could be delivered in the district, above the regional target (3,300) and without the need to use sites or MDSs (such as Powder Mills) in the Green Belt.

Summary of Other Potential Land Uses at the Powder Mills Site

A review of the needs of land uses (other than employment land uses) shows that there could be demand for outdoor sports facilities or a higher grade hotel. Outdoor sports facilities are unlikely to prove viable on the site as they will not attract sufficient land values and such facilities are more appropriately located in urban areas or town centres where there are high population densities and better accessibility. Although capacity has been identified in Sevenoaks to meet the long-term housing needs of the district, residential development is likely to attract viable land values and make use of the previously developed land. There is anecdotal evidence to support the case for residential development, the large majority of enquiries received by Cushman & Wakefield have been from developers interested in the site's potential for residential use.

6.4. Options for the Site

Five options are proposed for the site. The five options have been informed by the research findings: the site assessment and consideration of the sites' constraints, long-term demand projections for the district, comparison with other key vacant sites, consultation with commercial property agents and the SWOT analysis.

³⁴ The methodology of the SHLAA was agreed with Tonbridge & Malling and Tunbridge Wells Borough Councils

The options are designed to provide a range of outcomes – from the retention of the entire site for employment uses to release of the entire site to non-employment land uses. A number of mixed use options involve the use of the best quality laboratory buildings 2, 6 and 12 on the South Campus and introduction of residential build on the rest of the site.

Option 1 - Retain the Entire Site for R&D (predominantly B1b Use Class)

This is the 'do nothing' scenario. The site would continue to be marketed until a new tenant(s) moves in and uses the laboratory space and associated buildings across the site for research and development purposes.

Option 2 - Retain the Entire Site for R&D and/or Office Space (B1a/b Use Classes)

This option opens the premises up to a wider range of occupiers by proposing that some or all of the laboratory floorspace in Buildings 2, 6 and 12 (measuring 7,179m² in total) is retained or converted to office space. Although the long-term projections of demand for office floorspace in Sevenoaks is flat, this new space would meet the needs of the property market churn (estimated to be some 2,595m² per annum – see Section 5.3) and possibly lead to the release of less appropriate office floorspace elsewhere in the district.

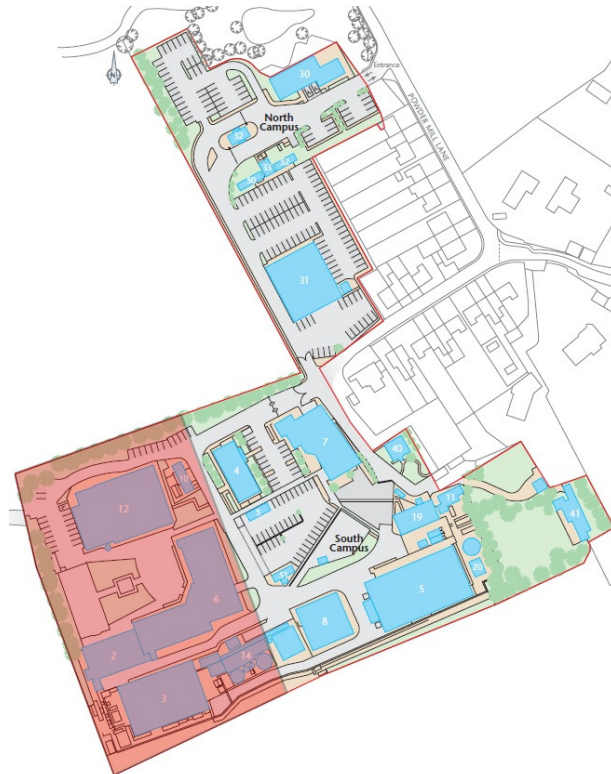
Option 3 – Retain buildings 2, 6 and 12 for R&D/Office (B1a/b Use Classes) with the Footprint Area of Building 3 Retained for Ancillary Warehousing, and Introduce Residential on the Rest of the Site

This option introduces a mix of uses on site. The highest quality buildings (2, 6 and 12) are retained for use classes B1a/b/c while the rest of the site becomes residential. Building 3 is due to be demolished as part of the sale of the site. It is likely that a warehouse building of similar footprint would need to be sited here to support the R&D activities in Buildings 2, 6 and 12. The access road leading from the western point of the South Campus to Powder Mills Lane would become a dedicated access road for the R&D buildings. Car parking can be provided on the hard standing area off this access road.

Access to the residential part of the site would be via the two access points to the north-east of the site. The new residential land will form a natural extension to the existing residential land neighbouring the site to the north-east.

The total footprint of all permanent existing buildings is estimated at 8,400m² (see Appendix D). Retention of Buildings 2, 6 and 12 (and replacement of Building 3 for ancillary warehousing uses) would result in 4,832m² of existing building footprint area released for residential development. Note that this is based on the PPG2 definition of area – the footprint of buildings.

Figure 6.1: Option 3



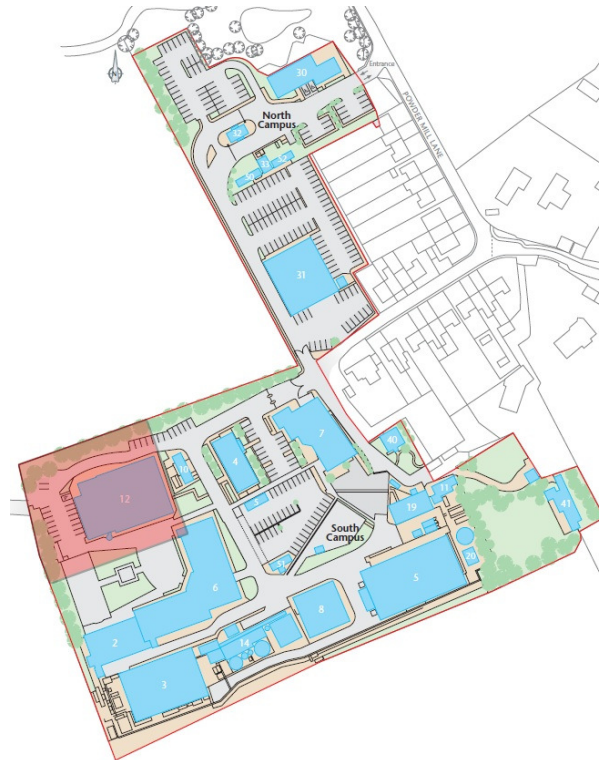
Source: URS adapted from Cushman and Wakefield's Marketing Brochure

Option 4 – Retain Building 12 for R&D/Office space (B1a/b/c Use Classes) and Introduce Residential on the Rest of the Site

Retention of Building 12 and conversion to office space on the basis of limited growth in office use over the long term and the site attracting limited demand. The comparative assessment of Powder Mills with other office employment sites in the district found that Powder Mills compared less favourably. On this basis there could be limited movement of businesses to Powder Mills from other sites in the district. Provision of small units of high quality space has been successful at Great Hollenden Business Centre in Hildenborough. This option could involve provision of serviced office space. Under this option 2,319m² of laboratory/office floorspace would be retained and 5,645m² of building footprint area would be released to residential.

The access road leading from the western point of the South Campus to Powder Mills Lane would become a dedicated access road Building 12. Car parking can be provided on the hard standing area off this access road.

Figure 6.2: Option 4



Source: URS adapted from Cushman and Wakefield's Marketing Brochure

Option 5 – All Residential

In this option all of the current buildings are demolished and the land used for new residential development. Under this option 8,400m² of building footprint area across all 3.4 hectares of the site would be released to residential.

6.5. Appraisal of Options

The appraisal of options is based on information gathered from the preceding sections. The criteria has been chosen

- Development capacity: A high level estimate of the commercial floorspace and number of houses that could be retained / modified or delivered

There are a number of caveats which we recognise in our high level assessment of development capacity, which could require further examination:

- There may be geographical limitations to where development comes forward due to flood risk (and there is likely to be a need for flood risk mitigation measures such as Sustainable Urban Drainage Systems)
- PPG2 does have some flexibility for a greater amount of development than just the footprint of the existing buildings if the new residential development

would achieve a reduction in height compared to the existing buildings, and so could therefore take up more area without adversely affecting visual amenity

- There will be costs incurred associated with demolition, site clearance and site remediation which could impact on options involving residential, which are not known at this stage
- Demand and Supply: Whether the option helps achieve a balance of demand and supply over the long term
- Impact on the local economy: The employment-generating potential of the option and the type and quality of employment provided
- Sustainable development: Potential travel patterns and car trip generation
- Marketability: A mark out of 5 (1 low, 5 high) for how marketability the option could be. Factors which typically impact on this are: location; site constraints; type of development allowed; costs such as need for site clearance, remediation issues and flood defence. A further expression of market interest would be the speed at which the option could come forward, and we provide an initial judgement of whether the option could come forward in the short or longer term

Options conform to planning policy and therefore have not been assessed against planning policy criteria.

Table 6.2 Options Appraisal

Option Number	Development Capacity	Balance of Demand and Supply	Impact on Local Economy	Sustainable Development	Marketability
Option 1: Do nothing (entire site remains R&D; B1b use)	No change in current capacity	Demand and supply of employment land allocations in Sevenoaks is broadly in balance over the long-term. Retention of the site would not impact upon the total quantum of employment space	Were a new tenant to be found and the site's building floorspace capacities to remain the same there would be negligible impact on the local economy	Negligible change to when GSK operated the site. The site suffers from poor access in terms of public transport. Personal car journeys make up the majority of trips. Trip patterns and frequency expect to be of similar levels as when GSK operated the site	Evidence from evaluation of the pharmaceutical market suggests that future demand is for locations in proximity to universities, with access to intellectual networks/clusters and a highly skilled workforce The site does not compare well to other R&D centres such as Oxford/Cambridge Unlikely to find a tenant over the short-medium term, potentially also over the longer term
Option 2: Retain the entire site for R&D/Office uses (B1a/b use)	Floorspace capacity of the site assumed not to change (however, number of workers on site likely to increase - see Impact on Local Economy) Questionable whether if the same quantum of building footprints were redeveloped for B1a office use whether the right threshold of space for a business park could be reached (there would be significant access issues too, given the rural location and restrictive road capacity)	Demand and supply of employment land allocations in Sevenoaks is broadly in balance over the long-term. Retention of the site would not impact upon the district's total employment stock (although, there would be more commercial office space rather than laboratory space if redeveloped) Net demand for office use is static over the long term Provides opportunity to meet demand from property market churn	GSK operations were non-intensive. Re-use of the site (whether in current format or modified e.g. converting laboratory into office space) could see a significant increase in number of jobs on site As a broad indication of employment potential, taking the current site's total floorspace of 13,885m ² and applying the HCA Employment Density Guide (2 nd ed 2010) of one full time equivalent (FTE) job per 12m ² NIA for office = 1,157 jobs This compares to an estimated 312 workers on site at its peak (Section 2.4) for R&D operations	Re-use by R&D and /or modification for office use would result in a large increase in workers on site The site suffers from poor access in terms of public transport, however and it is likely personal car journeys would make up the majority of journeys A major increase in employment at the site is likely to be unsustainable in terms of trip generation	Demand projections and market trends in R&D coupled with the geographical location and site constraints (access in particular) means that this site is not highly marketable as an R&D/office location. Commercial agents, generally, do not consider this option to be appropriate. Demand for office is likely to be low and from local established businesses rather than new inward investment propositions Timing: unlikely that a single tenant would be found, so the site would need to be broken up. Demand could evolve over the long term commercial agents though evidence for this is limited – at best piecemeal and slow to materialise
Option 3: Retain Buildings 2, 6 and 12 for R&D/Offices (B1a/b use classes) and introduce residential on rest of the site	Approx 7,179m ² of employment floorspace retained across 1.1ha; 2.3ha of the site released for residential; and 4,765m ² of building area footprints released for residential Based on a ratio of 60m ² footprint per dwelling (assuming a 120m ² dwelling over two storeys) = 79 dwellings. Or based on Core Strategy Policy SP7 of 30 dwellings per ha = 69 dwellings Note that calculations do not include any provision for community facilities so dwelling yields could be lower R&D uses are likely to require ancillary warehousing. Potentially space in the basement of Buildings 2 and 6, and/or redevelopment of Building 3 Buildings 2, 6 and 12 considered viable to convert to office space. Office would not require ancillary warehousing A route exists (west side South Campus) which could provide dedicated road access Parking for offices could be sited at existing area of hardstanding west of the proposed access road In times of flooding access to the North Campus (proposed residential) could be cut off. Residents would need to be able to use the proposed new access road to the commercial space on the South Campus	Net demand for office is static over long term and this option retains the majority of R&D/office floorspace Evaluation of evidence shows that demand for pharmaceutical R&D contracting and likely to focus at existing clusters such as Oxford/Cambridge Provides opportunity to meet demand from office property market churn Would result in the loss of 1,020m ² of general office space (Buildings 4 and 7); 2,825m ² of factory space (Buildings 3 and 19) and 2,170m ² of warehouse space (Buildings 5 and 31). Loss of office and warehouse space to be compensated by development elsewhere in the district. Loss of factory space is in line with long-term projections	There would be loss of employment floorspace at the site; however the GSK operations were non-intensive and only provided up to 312 jobs across the whole site Applying the HCA Employment Density Guide (2 nd ed. 2010) of one FTE job per 12m ² NIA for office it is estimated that Buildings 2, 6, 12 could provide in the region of 600 FTE jobs If Buildings 2, 6 and 12 were to provide R&D use, a density of 30m ² NIA per FTE job and one FTE job per 70m ² GEA applied to 300m ² of warehousing at Building 3, the option could provide for around 250 jobs It is estimated the option could provide between 250 and 600 FTE jobs or a net gain of between -62 and +288 jobs	Potentially the site could provide space for almost twice as many FTE jobs as GSK operations with the conversion of buildings into commercial office space It is not anticipated that there would be an increase in HGV movements, however; though this depends on the business activities on site Assuming 2.4 people per house (data from SHLAA, 2008; page 26), this option could give rise to a population of some 190 residents In the absence of frequent public transport, it is anticipated that car journeys would increase significantly New build would provide the opportunity to apply high standards of sustainable design and construction, though there may be costs to bear in terms of site remediation and flood mitigation measures Contributes to the districts housing targets Residential component could help pay for conversion of laboratory buildings into office space	Commercial agents questioned whether there would be demand for this quantum of employment floorspace at this location A limiting factor is the accessibility of the site, and relative isolation, which detracts from marketability for a large tenant Timing of employment floorspace: take up over the longer term, which calls into question the financial viability of this option, especially when coupled with the demolition/re-provision and remediation costs of employment land Timing of residential: potentially in the short term, though the retention of employment space would lower financial viability, and reduce developer interest

Option Number	Development Capacity	Balance of Demand and Supply	Impact on Local Economy	Sustainable Development	Marketability
Option 4: Retain Building 12 for R&D/Offices (B1a/b use classes) and introduce residential on the rest of the site	<p>Approx 2,319m² of employment floorspace retained across 0.3ha</p> <p>Approx 3.1ha of the site released for residential</p> <p>Approx 7,365m² of building area footprints released for residential</p> <p>Based on a ratio of 60m² footprint per dwelling (assuming a 120m² dwelling over two storeys) = 123 dwellings. Based on Core Strategy Policy SP7 of 30 dwellings per ha = 97 dwellings</p> <p>Note that calculations do not include any provision for community facilities so yields could be lower</p> <p>If R&D, assume that any storage space could be provided on site</p> <p>Building 12 considered viable to convert to office space if required</p> <p>Parking for offices could be sited at existing area of hardstanding west of the proposed access road</p> <p>In times of flooding access to the North Campus (proposed residential) could be cut off. Residents would need to be able to use the proposed new access road to the commercial space on the South Campus</p>	<p>Net demand for office is static over long term, though there could be demand from property market churn, particularly for higher quality/more suitable accommodation</p> <p>Would result in the loss of 5,880m² of laboratory space (Buildings 2 and 6); Evaluation of evidence shows that demand for pharmaceutical R&D contracting and likely to focus at existing clusters such as Oxford/Cambridge. Loss of space unlikely to be compensated by development elsewhere in the district (see Note at end of table)</p> <p>Would result in the loss of 1,020m² of general office space (Buildings 4 and 7); 2,825m² of factory space (Buildings 3 and 19) and 2,170m² of warehouse space (Buildings 5 and 31). Loss of office and warehouse space to be compensated by development elsewhere in the district. Loss of factory space is in line with long-term projections</p>	<p>There would be a loss of employment floorspace at the site; however the GSK operations were non-intensive and only provided up to 312 jobs across the whole site</p> <p>Applying the HCA Employment Density Guide (2nd ed. 2010) of one FTE job per 12m² NIA for office it is estimated that Building 12 could provide 193 FTE jobs. Serviced office employment densities are higher (10m² NIA per FTE job) and could provide 232 FTE jobs</p> <p>If Building 12 were to provide R&D use at a density of 30m² NIA per FTE job, there could be space for around 77 FTE jobs</p> <p>It is estimated the option could provide between 77 and 232 FTE jobs, or a net loss of 80 to 235 jobs. If Building 12 was converted to managed office space the option would result in a net loss of 80 FTEs</p>	<p>The site would generate fewer jobs compared to GSK operations</p> <p>However, assuming 2.4 people per house (data from SHLAA, 2008; page 26), this option could also give rise to a new population of some 226 residents</p> <p>In the absence of frequent public transport, it is anticipated that car journeys to and from the site will increase</p> <p>It is anticipated that there would be a reduction in HGV movements</p> <p>New build would provide the opportunity to apply high standards of sustainable design and construction, though there may be costs to bear in terms of site remediation and flood mitigation measures</p> <p>Positive contribution to the districts housing targets, and potential to form a new community</p> <p>Residential component could help pay for conversion of Building 12 into office space</p>	<p>Great Hollenden Business Centre provides evidence that there is demand for small business centres of around 2,000m² offering small units to locally established businesses. Some commercial agents point to higher demand in town centres locations</p> <p>Demand from the rural sector businesses is often for farm-type buildings (such as at Great Hollenden Business Centre), which Powder Mills does not offer</p> <p>Timing for employment uses: Short to longer term. Potentially requires discount rental values to attract and build take up</p> <p>Timing for residential: short term. Potential delays through negotiations over employment use retention</p>
Option 5: All Residential	<p>All 3.4ha of the site released for residential use</p> <p>Based on a ratio of 60m² footprint per dwelling (assuming a 120m² dwelling over two storeys) = 140 dwellings. Based on Core Strategy Policy SP7 of 30 dwellings per ha = 102 dwellings</p> <p>Note that calculations do not include any provision for community facilities, so yields could be lower</p> <p>This option has the potential to include a hotel (Section 6.3)</p> <p>A new access road to the South Campus would provide residents for alternative access in times of flooding</p>	<p>Loss of 3.4ha of employment land to residential</p> <p>However, long term demand suggests that it is the distribution activities which require land, which this site is less well suited for given the limitations to accessibility</p> <p>Would result in the loss of 7,179m² of laboratory space (Buildings 2, 6 and 12); Evaluation of evidence shows that demand for pharmaceutical R&D contracting and likely to focus at existing clusters such as Oxford/Cambridge. Loss of space unlikely to be compensated by development elsewhere in the district (see Note at end of table)</p> <p>Would result in the loss of 1,020m² of general office space (Buildings 4 and 7); 2,825m² of factory space (Buildings 3 and 19) and 2,170m² of warehouse space (Buildings 5 and 31). Loss of office and warehouse space to be compensated by development elsewhere in the district. Loss of factory space is in line with long-term projections</p>	<p>There would be a loss of employment floorspace at the site. The GSK operations were non-intensive and only provided up to 312 jobs across the whole site. The site could provide significantly more jobs and therefore the potential opportunity foregone is considered to be higher</p>	<p>Assuming 2.4 people per house (data from SHLAA, 2008; page 26), this option could give rise to a population of 280 new residents</p> <p>Positive contribution to the districts housing targets, and potential to form a new rural community</p> <p>Greater need for social infrastructure</p>	<p>According the commercial agents representing GSK (Cushman & Wakefield) this site has already received interest from house builders</p> <p>Timing: strong demand over short term, with high prospects for site to be built out quickly</p>

Note: Under Option 4 and 5 the laboratory space at Powder Mills is proposed for a change of land use. In Option 4 the footprints of Buildings 2 and 6 are used for residential development. Under Option 5 the footprint of Building 12 also contributes to the quantum of residential development. Section 3.4 showed that the laboratory space is likely to be recorded as 'office' space by VOA. Therefore the loss of these buildings will reduce the total 'office' floorspace in the district. This will result in a step-change in the trends of office space for Sevenoaks (under Option 5 7,179m² of laboratory space will change use). This represents some 5% of the total office space recorded in Sevenoaks in 2008 (144,000m²). As laboratory space is a highly specialised form of office space a distinction should be made between the loss of this space and the loss of general office premises in future forecasts. This point is particularly important if the estimated 50,000m² laboratory space at Fort Halstead is deemed suitable for land use change in the future (some 35% of total office stock in the district). In the short-medium term (at least until a new ELR is produced) the long-term projections of a flat office forecast should apply to general office premises only. Planning for the loss of laboratory space must be undertaken in the specific context of that sector, mindful of the locational requirements of R&D firms that operate in that sector

6.6. Preferred Option

There is evidence from commercial agents suggesting that there is strong demand for residential development at the site, which could be realised in the short to medium term, and this supports Option 5. In the current climate where there are greater returns financial on residential build than employment uses, this is perhaps unsurprising, and comparatively, Cushman & Wakefield have received limited enquiries for bringing the site into commercial use. However the lack of enquiries must be taken in context of a slow and fragile economic recovery emerging from recession with macro economic uncertainties still being played out.

These economic uncertainties affect business confidence and business planning, and though these uncertainties also apply to large house builders, they have a greater effect on smaller businesses which have less collateral, more limited access to finance, and less frequent/lower levels of cashflow. Other deterrents to SMEs expressing interest in the site may have been the method of sale (to seek unconditional offers for the whole campus) and the lack of knowledge of how the wider site may be redeveloped. It could be therefore that interest from established SMEs has not been fully recognised yet.

There is a case to be made for Option 4, which sees release the majority (approximately 90%) of the site to residential, but also the retention of Building 12 for B1a/b use classes (office/R&D). This would allow a part of the site to be retained for employment use (which could potentially have its own access via the western access route to the South Campus). The option would retain a Grade A building of high quality construction and visual impact, which on initial survey, we believe, could be modified to provide a range of small units and readily convert to office space. Further inspection of the building would be required to confirm any structural requirements, in particular the western brick construction of the building which although provide for a large proportion of total floorspace has few windows and therefore limited natural light.

The surrounding environment is screened by trees and the immediate area around the building's footprint could be hard/soft landscaped and planted out. There is sufficient space for car adequate parking on the hardstanding area located to the west side of the proposed access road, which would be required given the site's rural location. The building has the potential to act as a serviced office space or business centre providing for established and, potentially young/growing, SMEs. The cost of modification and refurbishment of the building could be tied to the rest of the site, given the large release of employment land to residential (which is likely to generate larger returns to a private developer than Option 3 for instance).

Option 4 presents a unique opportunity to retain and bring back into use high quality employment floorspace, which could offer small units for B1a/b use and play an important role for established SMEs operating locally. Option 4 will also enable the retention of Grade A office space in the district, helping to redress a deficiency identified in the take-up records and consultation with commercial property agents. If Building 4 was to be converted into managed office space is could result in a net loss of 80 FTEs (with 232 FTEs) compared to peak employment at the site when operated by GSK.

Option 4 will provide 2,319m² of managed office space, which should be sufficient critical mass given the success of the smaller Great Hollenden Business Centre in Hildenborough nearby (1,450m² split up into small units of approximately 100-120m² each). However, this quantum of floorspace is still relatively low and it is possible that further employment space (although less than that proposed by Option 3) could make the proposal more attractive, depending upon prevailing market conditions and overall development viability.

The significant residential development which Option 4 proposes (an estimated 97-123 new homes) will provide the potential to create a new rural community, which will require complementary social infrastructure and community space on site to support its population. The retention of Building 12 can also be seen in this context - as one of a number of land uses and functions which will make up part of a new community at Powder Mills – and is considered to be the preferred option.

7. IMPLICATIONS FOR MAJOR DEVELOPMENT SITES

7.1. Introduction

The preferred option (Option 4) proposes substantial land use change at the Powder Mills MDS. As set out in the introductory sections, Sevenoaks contains three other MDSs, and part of the brief is to understand what the wider implications of this study could be on the other MDSs. While each site has its own specific context and characteristics it is possible to propose a series of development tests for assessing the options for retaining, re-designating or releasing MDSs, which are subject to businesses relocation and vacancy. This is particularly important in light of the recent decision made by DSTL to vacate Fort Halsted, the largest of the MDSs in Sevenoaks district. This section sets out a sequence of tests which Sevenoaks District Council could conduct to gather evidence to ensure that well-informed decisions are made.

7.2. Development Tests for MDSs

In a similar method applied to this research programme, we propose that the Council consider undertaking the following steps when reviewing the future of other MDSs in the district:

- Survey the site to gather up to date information, this will include a multi-criteria strategic assessment of buildings and any plant or facilities of special worth, the surrounding environment, context and constraints, and gathering information on any intrusive surveys undertaken, e.g. soil and ground water studies, and any specific costs associated with demolition, refurbishment and remediation.
- Identification of other employment land sites in the district which include vacant plots or buildings, or have the potential for intensification. Undertake a comparative assessment of the MDS against these other sites to ascertain the relative importance of the MDS against these sites for new and existing businesses in Sevenoaks district.
- Consult with commercial agents regarding the potential demand at the site, recognising that agents will often have a short term, local perspective of what comprises the PMA, and limited experience of dealing with inward investment opportunities from outside the sub-region or region.
- Assess short and longer term demand for B1, B2 and B8 use classes and sectors or sub-sectors which have expressed interest in the site or which have been identified in earlier research e.g. with commercial agents.
- Undertake a SWOT exercise of the site to inform an options development.
- In the context of the information gathered, develop potential options.
- Undertake an options appraisal against key criteria to determine a preferred option.

- Undertake further studies to develop further evidence and confidence in the preferred option, as required.

8. NEXT STEPS

In terms of next steps for the Powder Mills site, we recommend the following:

- The Council make a decision to support (or not) the preferred option proposed here; further work may be required, such as a further investigations into the short-medium term demand for Grade A SME space (potentially serviced space) by local established businesses.
- The Council inform GSK and their agents, Cushman & Wakefield, about their aspirations for the site. We have been informed by Cushman & Wakefield that GSK will seek to dispose of the site by the end of 2011 so it is important that the market understands the Council's position on the development possibilities to develop a realistic valuation of the site.
- The Council make a decision whether a Planning Brief is necessary for the site (it may not be given the small size of the site). In the absence of a Planning Brief, PPG2 states that any proposals for part of the site must be put forward in the context of comprehensive, long-term plans for the site as a whole.
- This study has not included a more detailed appraisal of the development viability of Option 4. This could be conducted as part of a Planning Brief for the site. In the absence of a Planning Brief, the Council can liaise with prospective developers to understand more clearly the viability of retaining Building 12 for employment uses and possibly converting it into managed office space. This analysis may also reveal scope for the provision of further employment space. The Council may need to review its position (and preferred option) based on the results of such tests..
- Pre-application discussions with potential developers could also determine the scope of new development (which will affect viability), given that residential development would achieve a reduction in height compared to the existing buildings so could therefore take up more area without adversely affecting visual amenity, as set out in PPG2.
- Review the boundaries of the site in the draft Allocations Development Plan Document.
- The Council to liaise with developers (a number of whom have already made enquiries to Cushman & Wakefield and have been contacted via this commission) to work up an outline planning application(s) for the site.

Appendix A - Powder Mills Marketing Brochure

Marketing Brochure produced by Cushman & Wakefield.

Former Research & Development Site

OLD POWDER MILLS
TONBRIDGE, KENT TN11 9AN



Approximately 155,750 sq ft
(14,469 sq m) of laboratory, office and
workshop accommodation available
within approximately 53 acres (21.5 ha)
of rural campus.

Old Powder Mills

BRIEF HISTORY

The site was first brought into commercial use in 1811 as a Gunpowder factory. In 1948 it became a chemical manufacturing facility for pharmaceutical products. More recently, the site accommodated research and development activities. The buildings that remain on site were constructed between c.1820 and 2005.

SITE SUMMARY

- The previously developed accommodation is contained on two adjacent campuses (North and South)
- South Campus contains all scientific buildings
- North Campus contains offices, meeting rooms and warehousing
- The site is a Major Developed Site in the Metropolitan Greenbelt (as illustrated by the red line area only on the adjacent aerial photograph)
- Buildings available include:
 - Offices
 - Warehousing
 - Laboratories
 - Engineering and Workshop
 - Restaurant
 - Residential
 - Conference Centre
 - Effluent Treatment Plant

DESCRIPTION

	AREA	
	Acres	Hectares
DEVELOPED LAND & BUILDINGS	8.3	3.4
RESIDENTIAL PROPERTIES	1.0	0.4
MANAGED WOODLAND	24.2	9.8
PLANTED WOODLAND	15.7	6.4
FARMLAND	3.6	1.5
TOTAL (white dotted line on aerial)	52.8	21.5

All areas are approximate and interested parties are advised to undertake their own due diligence.



This plan is published for convenience of identification. Any site boundaries shown are indicative only and should be checked against title deeds.



PRINCIPLE BUILDING AREAS

Approximate Gross Internal Areas

Bldg No.	Function	Area gross (sq m)	Area gross (sq ft)
2	Laboratories	1,072	11,539
3	Pilot Plant	2,655	28,579
4	Offices	473	5,091
5	Engineering Workshops & Warehouse	1,486	15,996
6	Laboratories	3,788	40,775
7	Restaurant, Offices & Security	547	5,888
11	Social Club	69	743
12	Laboratories	2,319	24,962
19	Boiler House	170	1,830
30	Conference Centre	300	3,229
31	Warehouse	684	7,363
32	Security Gatehouse North	39	420
40	Residence	123	1,324
41	Residence	160	1,722
		13,885	149,462

CAR PARKING SPACES

South Campus	113
North Campus	147
Total Site	260

This plan is published for convenience of identification. Any site boundaries shown are indicative only and should be checked against title deeds.

SITE INFRASTRUCTURE & SERVICES

Electricity

Maximum available capacity of 3.7 MW.

Gas

Gas is supplied to the boiler house, restaurant kitchen & warehouse for space heating.

Water

Mains water is delivered via 90mm and 110mm main supplies. Normal pressure on the 90mm supply is 4 bar g. In addition, there is an on-site borehole with an abstraction licence for 31,822m³ per year.

Steam

Steam can be supplied to all major buildings on the south campus at a nominal pressure of 7 bar g.

Effluent Treatment

The original design of the Effluent Treatment Plant was to treat a COD loading of around 28,000 mg/l. The output from the treatment plant is approximately 18,000m³ per year and the composition of the trade effluent discharged is controlled by the consent agreement with Southern Water Services Ltd.

Local Area Network (LAN)/IT

All buildings on the campus were upgraded to Cat 6 cabling in 2006.

Planning

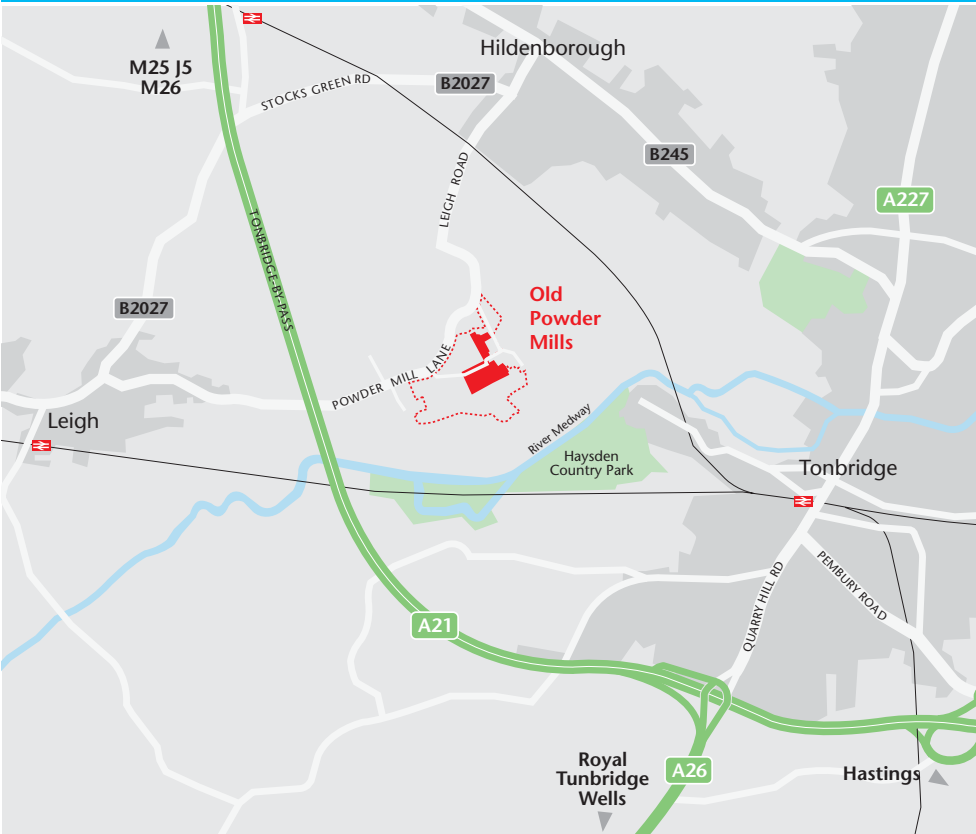
The historic use of the site was for the manufacture of gunpowder dating from the early 19th century. However the site has been associated with pharmaceutical use from 1948 and based on its recent planning history it is considered that it benefits from a Class B1(b) Research & Development use. This longstanding employment site is also identified as a Major Developed Site in the Green Belt within the Sevenoaks District Local Plan and the Core Strategy. Planning policy allows for development to take place within MDS's provided criteria to prevent adverse impact on the Green Belt are met, along with other policies in the Core Strategy.

Core Strategy policy states that sites used for business purposes will be retained in business use unless it can be demonstrated that there is no reasonable prospect of their take up or continued use for business purposes during the Core Strategy period (up to 2026).

Interested parties should make their own enquiries with Sevenoaks District Council: Nicola Cowley, Principal Planning Officer, 01732 227000
nicola.cowley@sevenoaks.gov.uk



Old Powder Mills



LOCATION/DIRECTIONS

The Tonbridge site is located in a rural part of Kent, adjacent to housing and farmland. It is approximately 40 minutes, by road, from Gatwick Airport and a further 40 minutes from Heathrow Airport. It is 15 minutes from the M25 and A21 road intersection at Junction 5.

The nearest main line railway station giving direct access to London is Tonbridge, which is 3 miles from the site.



Method of Sale

Unconditional offers for the whole campus will be sought.

Further Due Diligence Pack

A further Due Diligence package will be available upon request.

Viewings

Strictly by Appointment via the sole agents.

Mark Webster (0207 152 5519)
mark.webster@eur.cushmanwakefield.com

Greg Cooper (0207 152 5614)
gregory.cooper@eur.cushmanwakefield.com

MISREPRESENTATION ACT 1967 and PROPERTY MISDESCRIPTONS ACT 1991
Cushman & Wakefield LLP, their clients and any joint agents, give notice that: (i) These particulars do not form part of any offer or contract and must not be relied upon as statements or representations of fact. (ii) No person in the employment of the agent(s) has any authority to make or give any representation or warranty whatever in relation to this property. (iii) Floor areas, measurements or distances given are approximate. Unless otherwise stated, any rents, or outgoings quoted are exclusive of VAT. (iv) Any descriptions given of the property cannot be taken to imply, it is in good repair, has all necessary consents, is free of contamination, or that the services and facilities are in working order. Interested parties are advised to carry out their own investigations as required. April 2011.









Appendix B - Photographs of the Principal Buildings at Powder Mills

Building numbering refers to the Cushman & Wakefield Marketing Brochure; images relate to Section 2.3 of this report.

Building Number: 2 & 6

<p>Description: Central Laboratories Building Type: Laboratory space</p>	<p>Condition: Good Quantum of Floorspace: 4,860m²</p>
<p>Image 1: Building 6 (north easterly) and Building 2 just visible to the right</p>	<p>Image 2: Building 6 (south westerly)</p>
	
<p>Image 3: Building 6 interior</p>	<p>Image 4: Building 6 court year (looking east)</p>
	
<p>Image 5: Laboratory equipment retained</p>	<p>Image 6: Laboratory equipment retained</p>
	

Building Number: 4

<p>Description: Offices Building Type: Office space</p>	<p>Condition: Good Quantum of Floorspace: 473m²</p>
<p>Image 1: Main entrance looking south east</p> 	<p>Image 2: Interior</p> 
<p>Image 3: Interior</p> 	<p>Image 4: Exterior looking north east</p> 

Building Number: 5 and 8

Description: Workshops & Warehouse

Condition: Average

Building Type: Warehouse

Quantum of Floorspace: 1,486m²

Image 1: Warehouse building the far ground; building 8 in the foreground



Image 2: Building 5 in the far ground, building 8 in the foreground



Building Number: 7

Description: Restaurant, offices and security

Condition: Good

Building Type: Office space

Quantum of Floorspace: 547m²

Image 1: Main entrance security office



Image 2: Building 7 office and restaurant



Building Number: 12

Description: New Laboratories

Condition: Excellent

Building Type: Laboratory space

Quantum of Floorspace: 2,319m²

Image 1: East wing of Building 12



Image 2: Front, looking north



Image 3: Building 12's staircase and view of ground floor from first floor lobby



Image 4: West end of building 12




Image 5: Laboratory equipment retained




Image 6: Interior space, ground floor



Building Number: 30

Description: Conference Centre	Condition: Good
Building Type: Conference/office space	Quantum of Floorspace: 300m ²
Image 1: Building 30 and alternative access route to South Campus	
	

Building Number: 41

Description: Conference Centre	Condition: Good
Building Type: Conference/office space	Quantum of Floorspace: 300m ²
Image 1: Building 41, cottage located at the eastern most extent of the South Campus	
	

Building Number: 31

Description: Warehouse	Condition: Good
Building Type: Warehouse	Quantum of Floorspace: 684m ²

Image 1: Warehouse at the North Campus



Image 2: Interior to Building 31



Appendix C - Access Routes from the Powder Mills Site

These images refer to Figure 2.3

Image 1: On Powder Mills Lane – at North Campus site entrance
i) looking north towards Leigh Road



ii) looking south towards the South Campus



iii) Residential properties on Hunter Seal cul-de-sac



Image 2: Leigh Road looking west



Image 3: Powder Mill Lane looking west



Image 4: Access to the South Campus of Powder Mills (looking from Powder Mill Lane)



Image 5: Powder Mill Lane/Tonbridge Bypass (A21)



Image 6: Stocks Green Road (B2027)/Tonbridge Bypass (A21) (looking SW)



Image 7: HGV restrictions along (B2027) under low bridge (at Leigh Road/rail line)



Image 8: Stocks Green Road (B2027)/rail line

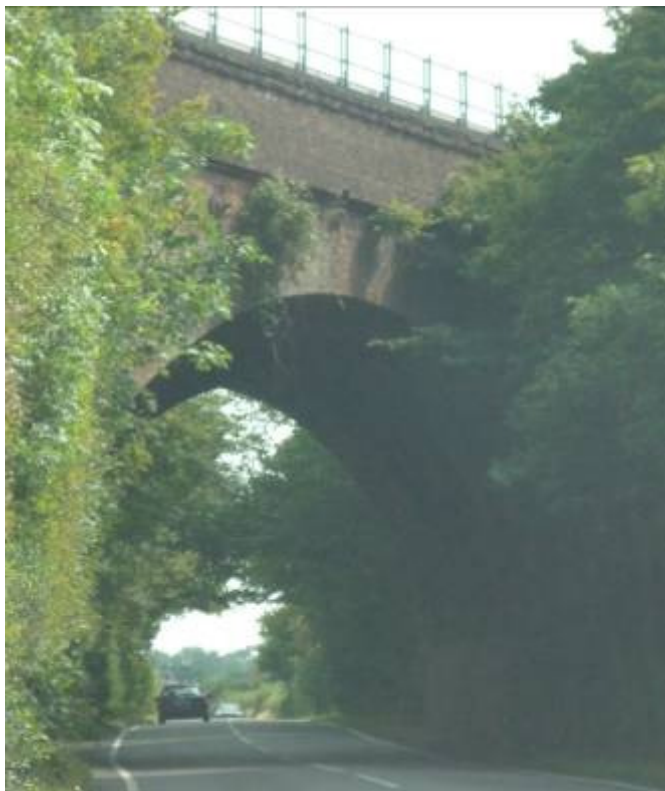


Image 9: Road towards the low bridge of Leigh Road/rail line



Appendix D - Building Footprint Estimates

Table D.1 Area of Permanent Building Footprints, Powder Mills Site

Building Number	Area (sq m)	Comment
3	879.60	
4	289.55	
5	1,062.75	
6 & 2	1,718.98	
7	543.00	
8	395.07	
10	66.57	
11	78.10	
12	967.64	
14	800.00	Not provided by OS metadata: estimated
19	140.52	
20	30.89	
30	303.31	
31	674.57	
32	77.01	
33	22.13	
40	77.77	
41	170.76	
50	50.00	Not provided by OS metadata: estimated
52	50.00	Not provided by OS metadata: estimated
Total	8,398.21	

Source: OS Metadata of the Powder Mills site provided by Sevenoaks District Council