

**Winchester District
Local Plan Part 1 – Joint Core
Strategy**

Submission June 2012

**Background Paper 4:
Employment Land and Retail Study**

June 2012



Winchester
City Council

1.0 INTRODUCTION

- 1.1 This Background paper sets out the context for developing the District's objectively assessed employment and retail needs. The paper includes the main findings of the evidence studies undertaken during preparation of the Local Plan Part 1 to assess the retail and employment needs across the District and within the three spatial areas defined.
- 1.2 The development strategy and emerging policies have been developed in accordance with national policy and are consistent with the National Planning Policy Framework. The policies have also been drafted to ensure consistency with sub-regional economic strategy, particularly the economic development objectives of the Partnership for Urban South Hampshire (PUSH) and the two Local Economic Partnerships which cover the District.
- 1.3 The policy development has directly involved key partners and importantly has engaged with the local communities and businesses through a series of inclusive workshops and meetings under the Blueprint title, to identify local employment and retail, aspirations and needs.
- 1.4 The main conclusions to emerge from the Council's evidence studies are that there is no requirement to allocate any further strategic sites in the Local Plan Part 1 for either employment or retail uses.

2.0 BACKGROUND EVIDENCE

- 2.1 The District has a relatively strong and so far resilient economy with a high skill base. A significant number of local residents are employed in knowledge based industries, the public sector (primarily governance, education and health) and business services. But there are significantly lower proportions of people employed in manufacturing, construction and transport/ communications.
- 2.2 In 2009 there were 66,310 jobs across the District¹ (a 4% increase since 2003). There is considerable uncertainty over the level of future employment growth, and the down turn in the national economy over the past 4 years has led to a permanent loss of economic capacity. However, employment in the District is expected to grow to 2031 by 13%, the main growth sectors being the service sector (primarily business services), health, distribution and retail (DTZ Study 2011, Figure 2.7).
- 2.3 Winchester Town houses around 36% of the District's population and provides about 50% of the total number of jobs in the District. There are significant patterns of in and out commuting due to the mismatch of workers and residents with some 18,000 commuting in and 10,000 commuting out daily.
- 2.4 In 2009 the service sector accounted for 52% of the jobs available in the Town, there are around 18,000 jobs in public administration, education and health; 6,600 in business and financial services and 3,500 in retail and distribution (DTZ Study 2011, Figure 2.2). The actual number of jobs in the Town has declined over the past 10 years and is projected to decline further with the public administration and education sectors contracting; although other services, including the creative industries are expected to grow. Growth in these sectors could help offset the decline in other sectors.
- 2.5 In terms of retail growth, updated evidence² indicates that the projections of spending on convenience goods are slightly higher than projected in 2007, whereas, expenditure for comparison goods is lower than projected due to the effects of the recession. The up-dated Retail Study suggests that there is expected to be no need for any allocations for new retail (A1) floorspace across the District in the short to medium term, although there is expected to be potential growth in the longer-term (NLP Study 2012, Table 5.1).
- 2.6 The Winchester District is divided into three distinct spatial areas for the purposes of the Local Plan Part 1; Winchester Town, South Hampshire Urban Areas, and the Market Towns and Rural Areas. The policies to meet the spatial requirements in respect of employment land and retail are therefore aligned with these spatial areas and their associated development strategies.

¹ Review of Employment Prospects, Employment Land and Demographic Projections - DTZ 2011

² Retail Update - NLP 2012

2.7 The Winchester District Strategic Partnership (WDSP) prepared the Community Strategy for Winchester District following extensive consultation with local people, councils, businesses, voluntary organisations, and public sector services. This was carried out in parallel with the early stages of the Local Plan and the Community Strategy was originally adopted in March 2007 and refreshed in 2008 and 2010, Its vision is:-

‘Our vision for the Winchester District is of diverse and dynamic communities, where people work together to ensure that everyone has the opportunity to lead a fulfilling life now and in the future’.

2.8 The following objectives follow from the aim set out in the Community Strategy of promoting a prosperous economy;

- promote the varied talents of the District, building on the creative and knowledge based industries that exist, whilst developing the agricultural, tourism and cultural assets of our historic towns and villages and valued landscapes.
- ensure that there are a range of sites and premises available for businesses and commercial enterprises to set up and expand to meet their full potential and adequate infrastructure is available, including the provision of communications technology.
- maximise the economic opportunities offered by the designation of the South Downs National Park, utilising its tourism, recreation and cultural opportunities whilst supporting its purposes.
- encourage the development and adoption of energy efficiency and renewable energy technologies and enable their take-up by new and existing businesses, through the creation and promotion of a low carbon economy.

2.9 Council developed its Economic Strategy in 2010 which identified a number of key issues and challenges that the town would need to address over the next decade, they included;

- promotion of knowledge based industries – to ‘future proof’ the economy through diversification and promotion of knowledge and low-carbon enterprises;
- reduce commuting – to balance the in and out daily commuting flows;
- provision for creative industries – to retain graduates from the universities by providing the right start-up accommodation;
- additional retail and speciality shopping – to retain the distinctive specialist shops that make Winchester an attractive retail destination, and to ensure that the retail mix remains appropriate;
- develop the early evening economy – to promote opportunities for local businesses during the evening lull (5-8pm);

- promote the visitor economy – to retain Winchester’s attraction to tourists and provide adequate visitor facilities and accommodation
- 2.10 The strategy to address some of these issues is outlined in the ten year Economic Strategy, and the Economic Prosperity Change Plan adopted by the Council in 2010 which sets out an agreed programme of work. The background information used to formulate the Economic Strategy was either based on the LDF evidence base or derived from stakeholder consultation, published statistics and other sector-based research. The Economic Strategy was a key component in preparing the employment policies in the Local Plan Part 1.
- 2.11 Earlier evidence studies which sought to gain an insight into the future direction of the District’s economy, which helped to inform the Preferred Option stage of the Core Strategy, includes the Winchester District Economic and Employment Land Study (SQW November 2007) and the Winchester District Economic and Employment Land Study Supplementary Report (SQW November 2008).
- 2.12 While much of this evidence base is still relevant, the studies were prepared at a time when the full scale and impact of the global recession had yet to be determined. However, amongst the conclusions of those studies was the need to provide additional higher value jobs in Winchester Town to meet the needs of future residents and to reduce some of the current out-commuting, which is still pertinent today.
- 2.13 In order to understand and develop the options for the Core Strategy a supplementary study was commissioned in 2008³ to up-date the evidence base. This assessed the commuting and sustainable development implications of the economic options in the emerging Core Strategy, and tested the validity of the potential step change in economic growth and the concept of a knowledge based business park on the edge of Winchester Town. The study recognised the global slow down in economic activity apparent in 2008, but considered that the trends and patterns identified in earlier work will re-emerge in broadly similar form in the longer term, which so far has not been the case.
- 2.14 The study indicated that Winchester Town has ‘significant potential for economic growth particularly higher value added and knowledge-based activities’ which were thought to be constrained by the lack of suitable sites and premises, and restrictive planning policies. Importantly in the then current economic context, they forecast that the established ‘county town economy’ would continue to develop slowly, with the focus of growth shifting to the M27 corridor. It was important to determine whether this was still the case in the current economic circumstances.
- 2.15 Therefore a review of the Council’s economic evidence base was required to update and refresh the evidence on employment growth across the District. At the same time, the Council was in the process of developing its own

³ Winchester District Economic and Employment Land Study Supplementary Report (SQW November 2008).

locally-derived housing target and the important links with economic matters were recognised. Therefore consultants were appointed to undertake a review of economic projections, employment land requirements and the impact of the economic situation on the scenarios being examined for housing growth. A 'Review of Employment Prospects, Employment Land, Demographic Projections' was therefore prepared for the Council by DTZ and published in August 2011 to critically examine the employment and demographic projections for the District, and to consider the implications that this would have for emerging policy.

- 2.16 The Study considered employment prospects within the District as a whole but also broke the projections down into three spatial areas: Winchester Town; the Market Towns and Rural Area; and the PUSH area. It examined those sectors which might be expected to grow over the 20 year Plan period up until 2031, and also identified those sectors which might contract.
- 2.17 The Review⁴ then predicted potential floorspace requirements for the different sectors on the basis of the type of jobs that might be created. One significant difference to earlier studies was that, as a result of current working practices, including the increase in flexible and home working, the amount of floorspace required for each worker has decreased significantly. For example, earlier studies had assumed a worker floorspace ratio of 20 sq m per worker in B1 office uses, whereas more recent studies suggest the requirement is much lower at around 12 sq m per worker. This means that less floorspace is required to meet the projected growth in employment, and that business is becoming much smarter in how it utilises its current and potentially future accommodation (DTZ Study 2011).
- 2.18 The Review took into account both the current economic forecasts and the recent changes in Government economic and planning policy. The forecast is that growth in employment in the District over the next 20 years is projected to be around 9,270 jobs by 2031 (or a 13% increase) (DTZ Study 2011, Figure 2.7). This is down on previous forecasts, which projected a growth of around 10,770 new jobs by 2026.
- 2.19 The main generator of employment growth in the Winchester District is expected to be in the business services sector, which includes many knowledge-based and creative industries. Limited growth is also expected in health; distribution and retail; hotels and catering; and 'other services' which includes arts, entertainment and recreation.
- 2.20 Manufacturing is expected to decline, whereas previous forecasts suggested a modest growth (although it should be noted that growth in this sector is a specific objective of the Solent LEP). The Review emphasises the point that decreases in manufacturing employment have been in part countered by increases in growth in manufacturing productivity, so in terms of its value to the local economy, its importance remains relatively unchanged. Needless to

⁴ Review of Employment Prospects, Employment Land, Demographic Projections' was therefore prepared for the Council by DTZ in July 2011

say, the Review highlights the expected decline in public sector employment as the economy is re-balanced towards growth in the private sector.

- 2.21 Importantly at the present time, employment in the sectors that are expected to experience growth are spread across the three spatial areas, and therefore the projected growth in jobs is likely to be spread around the spatial areas of the District (DTZ Study 2011, Figure 2.11).
- 2.22 The Review highlights the risk that employment in Winchester Town will continue to decline as it loses jobs in key sectors, and if it fails to capture its share of the projected growth in the business services sector. It presents a radically different assessment of employment floorspace needs than in previous studies. This is in part due to lower employment projections than previously forecast (25% lower than the SQW Study). The result is that DTZ forecast the need for an additional 15.7 hectares of employment land across the Plan period District-wide, as opposed to previous forecasts of between 44 - 84 hectares of additional employment land (DTZ Study 2011, Figure 3.7). However, the Review recognises that there could be a case for increasing the floorspace in Winchester Town to avoid the risks to the town's economy outlined above. This is consistent with the work on the emerging Vision for Winchester which emphasises the importance of providing new, higher quality, employment provision within the town to attract private sector business growth in the medium term.
- 2.23 The Review also highlights that one of the growing sectors in the local economy is that of self-employment which currently stands at around 12%. The Local Plan Part 1 provides the policy context needed to nurture and expand this growing sector.
- 2.24 There is recognition that, due to shifts in the local economy and potential pressures from (then proposed) changes in government policy which would encourage the change of use of employment land to other uses, the Local Plan Part 1 will need to consider its policy response to future applications to remove buildings and land from employment use. The Review recommends that any future policies take into account: the local environment; accessibility; market attractiveness; and the redevelopment potential, including the scope for intensifying the existing use and replacing older stock.

Retail

- 2.25 In 2007 Nathaniel Lichfield & Partners (NLP) were commissioned by the Council to prepare a Retail and Town Centre Uses study. The study provided:
- an assessment of the future needs for additional retail and commercial leisure facilities within the District up to 2026;
 - an analysis of the role and function of existing centres in the Winchester District;

- an assessment of the capacity of Winchester’s existing retail centres to accommodate growth, the identification of potential development sites; and a policy review.
- 2.26 NLP was commissioned to provide an update of the 2007 Retail and Town Centre Uses study in 2010, to provide evidence on recent changes/trends in retail planning and to review and update the assessment of retail capacity.
- 2.27 Given the changing economic forecasts and the slower than expected growth, together with changes to the policy framework, a further review and update of the retail evidence was commissioned from NLP in 2012. The earlier 2010 Study was based on the guidance set out in Planning Policy Statement 4: ‘Planning for Sustainable Growth’ published in December 2009. This guidance has now been superseded by the NPPF published on 27 March 2012.
- 2.28 The 2012 Retail Update identifies recent changes and trends in retail planning, including an assessment of the consequences of the National Planning Policy Framework (NPPF). The Study provides an update of the retail capacity assessments based on the latest information, e.g. population projections, expenditure and turnover levels. The Study also reviewed the capacity for Winchester’s retail centres to accommodate growth.
- 2.29 The study concluded that existing commitments, particularly Silver Hill, Sainsburys at Bishops Waltham and Whiteley Village, will meet retail needs within the District up to and beyond 2018. Not surprisingly the study concluded that long term forecasts up to 2026 and 2031 may be more susceptible to change, due to unforeseen circumstances, and that they should not be the basis for new allocations at this stage.
- 2.30 The quantitative assessment of the potential need for new retail floorspace suggests that there would be scope for some new comparison retail development within Winchester Town and the Rural Area in the longer term (after 2021), but with no need in Whiteley until 2031. For convenience floorspace, there is no need for additions in any part of the District by 2021, due largely to the Sainsbury’s commitment at Bishops Waltham, and there is only scope for new convenience retail development in the longer term (2031) in Winchester Town (NLP Study 2012, Table 5.1).
- 2.31 There is a projected surplus expenditure beyond 2018, which is attributable to projected growth in spending per capita, extrapolated from growth projections, as well as population growth. If the growth in expenditure is lower than that forecast then the scope for additional space will reduce. Long term projections should therefore be treated with caution, monitored and kept under review.
- 2.32 The expenditure projections in the Study took into account home shopping made through non-retail businesses, by excluding these ‘special forms of trading’. The study assumes that special forms of trading will increase in the future, including the growth of internet shopping. However, the impact of Internet growth on the demand for retail floorspace is unclear, and the long term impact of home shopping on the expenditure projections is uncertain.

3.0 POLICY CONTEXT

National

- 3.1 In March 2011, the Government published its 'Plan for Growth'. This, together with the Chancellor's budget statement and subsequent Ministerial statements, gives a clear instruction for local authorities to plan for sustainable economic growth. The Plan for Growth states that the Government's top priority is to promote sustainable economic growth. Local authorities are urged to press ahead without delay in preparing up to date development plans, and to be proactive in driving and supporting the growth that the country needs. They should make every effort to identify and meet the business needs of their area.
- 3.2 The **National Planning Policy Framework** sets out the Government's planning policies for England and replaces all previously issued Planning Policy Statements with a single national planning policy document.
- 3.3 The NPPF sets out the three dimensions to sustainable development. These dimensions give rise to the need for the planning system to perform a number of roles:
- **an economic role** – contributing to building a strong, responsive and competitive economy, by ensuring that sufficient land of the right type is available in the right places and at the right time to support growth and innovation; and by identifying and coordinating development requirements, including the provision of infrastructure;
 - **a social role** – supporting strong, vibrant and healthy communities, by providing the supply of housing required to meet the needs of present and future generations; and by creating a high quality built environment, with accessible local services that reflect the community's needs and support its health, social and cultural well-being; and
 - **an environmental role** – contributing to protecting and enhancing our natural, built and historic environment; and, as part of this, helping to improve biodiversity, use natural resources prudently, minimise waste and pollution, and mitigate and adapt to climate change including moving to a low carbon economy.
- 3.4 The NPPF sets out a number of core planning principles to proactively drive and support sustainable economic development to deliver the homes, business and industrial units, infrastructure and thriving local places that the country needs. Every effort should be made objectively to identify and then meet the housing, business and other development needs of an area, and respond positively to wider opportunities for growth. Plans should take account of market signals, such as land prices and housing affordability, and set out a clear strategy for allocating sufficient land which is suitable for development in their area, taking account of the needs of the residential and business communities

- 3.5 Section 1 of the NPPF is dedicated to building a strong and competitive economy and includes a commitment to securing economic growth (NPPF, para 18), ensuring that the planning system supports sustainable economic growth and does not act as an impediment (NPPF, para 19), and that local planning authorities plan proactively (NPPF, para 20).
- 3.6 Planning policy expectations should not over-burden development and should address potential barriers to investment, including setting out a clear economic vision, identifying strategic sites to meet anticipated needs, supporting existing business sectors and clusters, identifying priority areas for economic regeneration, and facilitating the integration of residential and commercial uses. (NPPF, para 21)
- 3.7 Planning policies should avoid the long term protection of sites allocated for employment use where there is no reasonable prospect of a site being used and should be regularly review land allocations (NPPF, para 22).

Retail Guidance

- 3.8 In respect of retail planning the NPPF sets out various guidelines. In terms of plan making, the NPPF (para. 161) states that Local Planning Authorities should evidence to assess the need for land or floorspace, the role and function of town centres and the relationship between them, and the capacity of existing centres.
- 3.9 In terms of retail development, the NPPF states (para. 23) that planning policies should be positive and promote town centres. In drawing up Local Plans, local planning authorities should support town centres, define a network and hierarchy of centres and their extent provide a diverse retail offer, retain and enhance markets, and allocate suitable sites to meet development needed in town centres.
- 3.10 In terms of the sequential test, the policy requirements are largely unchanged from PPS4. Applications for main town centre uses should be located in town centres, then in edge of centre locations and only if suitable sites are not available should out of centre sites be considered. When considering edge and out of centre proposals, preference should be given to accessible sites that are well connected to the town centre.

Regional

- 3.11 The South East Plan (SEP) is at least for the time being part of the adopted development plan for the District. The Plan includes various policies which are relevant to economic and retail matters, mainly in Section 6: Sustainable Economic Development and Section 13: Town Centres. In general terms these seek to ensure adequate provision is made to enable economic growth and that town centre uses are the focus for retail development. There are no District-level targets for employment or retail provision, with the only numerical targets being for jobs in the sub-regional areas. The only sub-

regional area affecting Winchester District is South Hampshire (PUSH), see below. The Town Centres section identifies Winchester as a 'Secondary Regional Centre (Policy TC1) and promotes a sequential approach to town centre development and resistance of large out of centre developments (Policies TC2 and TC3).

- 3.12 Section 16 of the SEP sets out the strategy for the South Hampshire sub-regional spatial area. The content of this section was initiated by PUSH and reflects the PUSH economic growth strategy. The main aim is to align housing delivery with improved economic performance.
- 3.13 SE Plan Policy SH1 seeks to deliver sustainable economic growth, largely centred on the two cities, but recognises that other towns will play a complementary role and serve their more local areas. The sub-regional strategy aims to improve economic performance in the sub region to at least match the regional average by achieving a target of 3.5 % Gross Value Added (GVA) by 2026. Policy SH3 of the SE Plan sets floorspace targets for the sub-region, broken down by use (B1 Offices, B2 Manufacturing and B8 Warehousing) and divided into the western and eastern parts of the sub-region. Winchester District falls within the eastern part of PUSH, which has the following requirements:
- Class B1 Offices 535,000 sq.m.
 - Class B2 Manufacturing 123,000 sq.m.
 - Class B8 Warehousing 240,000 sq.m.
- 3.14 Of this requirement, 480,000 sq.m. is to be within the cities and towns, 121,000 sq.m. in the Fareham SDA and 297,000 sq.m. in large greenfield urban extensions or other greenfield sites.
- 3.15 In order to provide a more useful basis for preparing core strategies or other development plan documents PUSH has produced a [Policy Framework for Employment Floorspace](#). This was produced and agreed by the local authorities in PUSH so as to allocate the overall floorspace requirements in the SE Plan to individual Districts (or parts of Districts). It is an example of PUSH authorities cooperating to take forward strategic planning proposals affecting their areas. The Policy Framework includes targets for the various authorities within PUSH for the main land use types. The targets for the 'south-east area', including Winchester, are reproduced at Appendix A, along with a commentary for each District.
- 3.16 It can be seen that all of the floorspace requirements for Winchester can be provided from existing sites, with no requirement for additional allocations. This reflects the fact that provision is concentrated on the urban areas where possible, with provision in Winchester consisting of existing commitments, mainly at Whiteley (remaining parts of Solent 1 and Solent 2 Business Parks) and West of Waterlooville (Allocated employment land within the Major Development Area allocation). This is reflected in the commentary for Winchester which recognises that the requirements can be met on existing

commitments, with just a possible need to reallocate land from manufacturing to warehousing use.

- 3.17 The original PUSH strategy and the SE Plan was developed at a time of more optimistic forecasts for economic growth, and to some extent has been superseded by the global recession. This required PUSH to undertake a refresh of the sub-regional economic strategy.
- 3.18 To this end, PUSH commissioned consultants DTZ to undertake a refresh of the South Hampshire Sub-regional Economic Strategy in 2010. The priorities and aspirations in order to create a prosperous economy and thereby improve the quality of life of people living in the area are;
- to narrow the gap in economic performance between the sub-region and the South East of England;
 - to support the cities to fulfil their potential as engines for economic growth;
 - to address the impact of the recession, create jobs and tackle unemployment and increase productivity.
 - to make best use of the assets of the area and achieve sustainable economic growth.
- 3.19 DTZ also produced an updated assessment of floorspace requirements in the same categories as the original requirements in Policy SH3 of the SE Plan (but for the whole of PUSH). These show that the need for B1 Office and B8 Warehousing floorspace had declined significantly, whilst B2 Manufacturing had increased substantially. In terms of land supply, this was adequate to meet the identified needs overall, but with surpluses in the B1 use class and shortfalls in B2 and B8. This does not have significant implications for Winchester District given the existing adequacy of B2 Manufacturing and B8 Warehousing floorspace commitments in the PUSH part of the District (see Table A5 at Appendix A below).
- 3.20 More recently, the Solent LEP has been established and largely covers the Partnership for Urban South Hampshire (PUSH) area with the addition of the Isle of Wight. PUSH will continue to provide strategic housing and spatial planning advice to the LEP.
- 3.21 The updated [PUSH Economic Strategy 2010](#) sets out eight transformational actions necessary to achieve these ambitions, as set out below;
- Leading on employment and skills – our brighter future is based on a skilled workforce that can underpin higher levels of growth and ensure our residents are engaged and suited to the jobs that are created.
 - Supporting the growth of our cities – ensuring our cities fulfil their potential as drivers of a sustainable and growing economy.

- Creating, sustaining and growing businesses – through developing an entrepreneurial culture and utilising the business leaders and entrepreneurs in our area to deliver mentoring and support.
- Facilitating site development to support growth – making sure we can accommodate the growth we are striving for by prioritising investment in the most important areas.
- Establishing a single inward investment and place marketing function – to ensure we use resources efficiently to attract new business to the sub-region.
- Developing our world leading sectors – to ensure we continue to be recognised as a leading location for marine, aerospace and advanced manufacturing.
- Strengthen innovation networks to drive productivity growth – ensuring innovation and knowledge lies at the heart of our economy.
- Driving innovation in delivery and funding models – ensuring that creative and innovative delivery is at the centre of all that we do.

3.22 The Solent LEP identified the following priorities for its first 18 months of its operation, which were developed from and are entirely consistent with, the PUSH economic strategy:

- Developing a growth hub and strategic clusters to support growth, in particular focussing on advanced manufacturing and engineering, transport and logistics.
- Strengthening the visitor economy.
- Investing in skills to enable increased employment.
- Realising the potential of the cities and reducing benefit dependency.
- Infrastructure including transport, housing, key land assets, flood risk mitigation and reliable high speed broadband.
- Supporting enterprise.
- Establishing a single inward investment and place marketing function.
- Innovation in delivery and funding.

3.23 Winchester District also falls partly within the Enterprise M3 LEP. Winchester Town and the parts District outside PUSH are within the area covered by the Enterprise M3 LEP. The Key Priorities for the M3 Enterprise LEP include;

- Developing entrepreneurship culture and skills, particularly in Higher and Further Education (working with HEEG).

- Apprenticeships - making it easier for small and medium size companies to take on apprentices by removing bureaucracy from the system.
- Making the most of existing skills by encouraging and enhancing labour force mobility based on cross–sector skills matching - to make sure that the skills of people being made redundant are available to local companies.
- Providing advice and innovative solutions to the ongoing problems of accessing finance, whether for cash flow or for business growth.
- Ensuring that the best local companies are able to take advantage of Business Coaching for Growth, and other government funded programmes
- Given the sector mix of the Enterprise M3 area, universal access to superfast broadband is a very high priority. This is the single biggest infrastructure improvement which is required.
- Using the Growing Places Fund to deliver those infrastructure improvements which are most able to deliver the Enterprise M3 vision.

3.24 Many of the key economic priorities set out by the LEPs are outside of the remit of a spatial plan. However, in order to be consistent with the NPPF and to deliver the spatial objectives of the two LEPs a number of important messages emerge, especially the need for the Council to respond positively and flexibly to the need to provide the right employment floorspace in locations that are attractive to business and support economic growth; and that the development of new employment floorspace should be focused on the established urban areas.

4.0 DELIVERY OF THE STRATEGY

General

- 4.1 The Review of Employment Prospects Study⁵ anticipates that employment growth in the District will be driven almost entirely by the Business Services sector. Employment uses in this sector generally require less floorspace than other employment uses to operate effectively, in addition to which employment growth is lower than previously anticipated. When this is taken together with evidence that employment densities for business floorspace have increased significantly since earlier studies, this means that more jobs can be provided with less floorspace than previously estimated. The current forecast has therefore dramatically reduced the estimated requirement for employment floorspace.
- 4.2 The Study projects that across the District there will be a requirement for a further 15.7 hectares of employment land during the plan period up to 2031. This is a gross figure that does not take into account any net gains from the re-use / redevelopment of employment land. Given the existing commitments of consented employment land at West of Waterlooville, together with the unimplemented consents at Whiteley (both within the South Hampshire Urban Area) and elsewhere in the District, there is no compelling need to allocate any further strategic sites in the Local Plan Part 1.
- 4.3 The Local Plan Part 1 sets out the strategy for building a prosperous economy. Policies CP8 and CP9 set out the principles for delivering economic growth and diversification across the District; and the factors to be considered in assessing whether employment land and premises should be retained. Policy CP 8 supports economic growth and the diversification of the local economy through the retention, regeneration and intensification of previously developed land. The aim is to ensure that there is an adequate supply of land and premises; this will be monitored on a regular basis through the maintenance of an up to date employment land review, which might require the allocation of small-scale sites (in Local Plan Part 2) to support employment growth in sustainable locations.
- 4.4 Given the existing commitments in South Hampshire Urban Area, and the environmental sensitivity of the Market Towns and Rural Areas which would militate against any large-scale development, any future demand for additional employment land is most likely in Winchester Town. The Plan promotes the development or redevelopment of sites within the existing built-up area where possible, particularly for office development which should follow a sequential approach in accordance with the NPPF. Depending on the scale of demand this might require further consideration of Bushfield Camp, an area highlighted in the 2009 SQW Supplementary Report as being suitable for a knowledge based business park. Local Plan Policy WT3

⁵ Review of Employment Prospects, Employment Land and Demographic Projections; DTZ August 2011

identifies Bushfield Camp as an ‘opportunity’ site which may be suitable for such development, if a need exists and the policy requirements can be met

- 4.5 The current allocations and commitments in the South Hampshire Urban Area are needed to meet the floorspace requirements identified by PUSH and to help deliver its economic growth strategy. The employment sites at West of Waterlooville MDA and the Solent Business Parks (Whiteley) are identified in the DTZ Economic Strategy update as strategic sites and classified as having ‘Good’ suitability. These sites should, therefore, be retained for the planned uses given their strategic importance within PUSH.
- 4.6 Should the situation change, and in order to avoid protecting sites with no reasonable prospect of implementation, there might be a case for reviewing the retention of these areas if they remain undeveloped. The loss of these strategic sites should not be countenanced lightly, but Policy CP9 sets out the factors which would be considered when assessing any proposals for the loss of employment floorspace and premises. Policy CP9 seeks to ensure that there is a stock of premises of different sizes available to meet the varied needs of business without holding onto sites which would clearly be better developed for other more appropriate land uses. Before the principle of releasing employment land is agreed, especially key sites such as Waterlooville or Whiteley, further discussions would be required with PUSH and the two LEPs, taking account of the duty to cooperate in strategic planning and cross-boundary matters.
- 4.7 The Local Plan Part 1 does not include any strategic employment allocations on the basis of the updated evidence and the identification of only 15 hectares of employment land required across the District. The above strategy forms the basis for any small scale allocations to be identified, if necessary to meet local needs, through the Local Plan Part 2.

Winchester Town

- 4.8 The Council’s evidence base identifies a number of challenges for Winchester Town, specially the need to broaden and diversify the local economy to ensure that it is not over-reliant on the public sector; and the need to rebalance the economy in a way that begins to address the mismatch between in and out commuting.
- 4.9 The Review of Employment Prospects Study⁶ highlights the risks that employment in Winchester town will continue to decline as it loses jobs from its key sectors, especially in public administration, and subsequently fails to capture a share of the expansion in the one area expected to expand significantly, the business services sector. On the other hand, the commuting imbalance suggests that what is needed is the replacement of lower value jobs with employment that better enables its employees to live in the town, rather than substantial net job growth. In order to do this, a proactive economic development strategy is required, rather than simply a

supply of additional employment land. The Study acknowledges the town is well placed to exploit the potential to 'tap into' the skills present at the Universities to boost higher value jobs in the creative industries sector.

- 4.10 Policy WT1 sets out the high level strategy for sustainably growing the local economy. It supports the retention of existing employment land to help provide for new businesses to start up. Policy WT2 is essentially about bringing forward the predominantly housing site at Barton Farm, again to help address the commuting issue, particularly through the provision of affordable housing. However, provision is made in this policy for limited local employment opportunities in the new local centre to help with self containment. Other uses on the site such as the primary school, shops and community facilities will also offer employment opportunities.
- 4.11 The Employment Prospects Study⁷ highlights the point that there is currently sufficient capacity in Winchester town to meet around 50% of the District's business floorspace needs. The Study therefore concludes that the case for a knowledge based business park is more about generating job growth and changing the employment profile of the town, rather than providing space for projected demand. Policy WT3 therefore identifies land at Bushfield Camp as an 'opportunity site', which is potentially capable of meeting a future need to diversify the town's economy, should the case be made for employment on this site and the policy requirements be met.

South Hampshire Urban Areas

- 4.12 The South Hampshire spatial area has a high level of employment in the growing business services sector. Given the existing allocations with planning consent at Whiteley and West of Waterlooville, there is no case for any further strategic employment sites in this spatial area. It should also be noted that a large amount of additional employment floorspace is currently being planned for the Strategic Development Area north of Fareham, the boundaries of which immediately adjoin the Winchester District boundary.
- 4.13 Policy SH2 retains the requirement for the Major Development Area West of Waterlooville to provide 23 hectares of employment land. This is consistent with the outline planning consents for the development of this site and with its identification as a strategic employment site within the PUSH area. While it is noted that the developers of West of Waterlooville promote a more flexible approach to this allocation of employment land, the Plan's Policy CP9 allows for its future to be reconsidered if this proves necessary in the future (as would Local Plan Part 2). However, it is considered right that the Local Plan Part 1 should continue to maintain the requirement for the provision of this land in view of its strategic importance, consistency with the PUSH and LEP economic growth strategies for the area, and also in the interests of providing a balance of uses in this major development area.

⁷ Review of Employment Prospects, Employment Land and Demographic Projections; DTZ August 2011

- 4.14 Because of the significant areas of employment land at or near to Whiteley there is no requirement in policy SH3 for the strategic housing allocation at North Whiteley, to provide any additional employment floorspace, although like at Barton Farm this would not preclude any small scale employment uses in the two new local centres being planned. The housing provision at North Whiteley provides an opportunity to improve the housing / employment and commuting balance at Whiteley, but does require that the existing undeveloped commitments in the Solent Business Parks (Solent 1 and Solent 2) are retained in employment use.

Market Towns and Rural Areas

- 4.15 Employment growth in this spatial area remained flat between 2003 and 2009, but has shown signs of decline along with the rest of the economy over the past 4 years. During the same period there was a decline in employment in agriculture which is expected to continue. The Employment Prospects Study⁸ suggests that there might be opportunities in the market towns and rural areas for employment growth in the business services, transport, and communications sectors. However the Study does not recommend that any sites should be specifically identified to meet this potential growth as this is likely to have very modest land requirements.
- 4.16 The community engagement process undertaken through Blueprint and other consultations, whilst emphasising the need to retain the rural character of these areas, acknowledged the need for limited development to meet local community and employment needs. The Local Plan therefore seeks to encourage this and links the potential scale of any development to the scale of the settlement and access to other services (Policies MRTA2 and MTRA3).
- 4.17 These policies also enable local communities to meet any business or community needs, and identify any small sites which might be needed, for local employment opportunities in the smaller settlements through Neighbourhood Planning or similar inclusive processes to ensure proper community engagement and support for emerging proposals.
- 4.18 The Employment Prospects Study identifies that the Market Towns and Rural Areas have a disproportionate amount of business floorspace, which can largely be put down to a small number of major employers in rural campus sites. The Plan recognises the importance of retaining these uses, which support the economic objectives for the area, and promoting their sustainable expansion (policy MTRA5).
- 4.19 However, it will be equally important to diversify and expand the employment opportunities in other rural areas and policy MTRA 4 sets out the framework for creating employment opportunities in rural areas and seeks the sustainable re-use of existing buildings.

⁸ Review of Employment Prospects, Employment Land and Demographic Projections; DTZ August 2011

Retail policies

- 4.20 The Winchester Retail Study Update⁹ concludes that existing commitments will meet the needs of the District up to and beyond 2018; and that the short to medium term priority is to ensure that these commitments come forward. The main commitments are at Silver Hill (major town centre redevelopment in Winchester), Whiteley town centre redevelopment (under construction) and Abbey Mill, Bishops Waltham (planning permission for Sainsburys).
- 4.21 Forecasts beyond 2018 up to the end of the plan period in 2031 are more susceptible to change and are reliant on projections of surplus expenditure through increases in spending per capita, extrapolated from growth projections and population increases. If growth is slower than forecast then the additional expenditure might not be realised in the way envisaged. The Study also takes into account the growth in home and internet shopping, but concludes that the actual impact that this might have on the high street remains as yet unclear.
- 4.22 Therefore to meet the level of growth expected over the Plan period does not require the allocation of any additional sites for retail floorspace in the Local Plan at the present time. The Plan sets out the hierarchy of town centres as required by the NPPF (Policy DS1), reflecting the evidence in the retail studies. It also requires that any future growth will be focused towards defined town centres in compliance with the retail hierarchy and in accordance with the NPPF (Policy DS1).
- 4.23 The development strategy for Winchester Town seeks to provide additional retail floorspace through the existing commitments at Silver Hill and Weeke, together with additional provision as necessary to support the town's role as a sub-regional shopping centre (WT1). Policy WT2 in respect of Barton Farm provides for a small local centre with a range of shopping facilities primarily aimed at meeting locally generated needs.
- 4.24 At the present time around 25,600 sq m of new retail floorspace is being developed at Whiteley, some of it replacement of existing floorspace as part of the redevelopment of Whiteley town centre, and this will meet projected short and medium-term retail requirements, including additional demand generated by the new community of around 3,000 houses planned at North Whiteley.
- 4.25 Additionally policies SH2 and SH3 set out the development principles for the strategic allocations at West of Waterlooville and North Whiteley and make provision for a new local centre in the former development area and two new local centres in the latter. No floorspace targets or limits are set in the Local Plan, but the policy is clear that they should be primarily to serve local needs. The town centres first approach in Policy DS1 enables this to be controlled, although the scale of the proposed centres could be adjusted if any shortfall in convenience floorspace was identified in the longer term.

⁹ Winchester Retail Study: Retail Update; NLP May 2012

4.26 In the Market Towns and Rural Areas the policy (MTRA 2) is to support commercial growth of an appropriate scale to improve the shopping service in these areas. Policy MTRA1 requires this to be appropriate to the town centre hierarchy and additional retail floorspace is directed towards the defined centres. In view of the limited retail needs and the small scale of these centres, Policy MTRA includes the requirement that any retail development of 500 sq.m. or more outside a defined centre should be subject to an impact assessment. The policy also requires existing shopping and commercial facilities to be retained or improved.

APPENDIX A – EXTRACTS FROM PUSH POLICY FRAMEWORK FOR EMPLOYMENT FLOORSPACE

South East area (All figures in square metres)

Table A4: B1 Offices in South-East

Authority	B1 Offices		
	Target	Existing sites	Additional floorspace*
Portsmouth	176,000	88,000	88,000
Fareham	23,000	16,000	7,000
N Fareham SDA	72,000	72,000	0
Gosport	39,000	10,000	29,000
Havant	75,000	65,000	10,000
Winchester	146,000	147,000	0
East Hampshire	4,000	5,000	0
Total	535,000	403,000	134,000

Table A5: B2 Manufacturing in South-East

Authority	B2 Manufacturing		
	Target	Existing sites	Additional floorspace*
Portsmouth	36,500	84,000	0
Fareham	6,000	11,000	0
N Fareham SDA	16,000	16,000	0
Gosport	12,500	40,000	0
Havant	45,500	38,000	7,500
Winchester	5,500	58,000	0
East Hampshire	1,000	1,000	0
Total	123,000	248,000	0

Table A6: B8 Warehousing in South-East

Authority	B8 Warehousing		
	Target	Existing sites	Additional floorspace*
Portsmouth	75,000	52,000	23,000
Fareham	12,000	3,000	9,000
N Fareham SDA	33,000	33,000	0
Gosport	30,000	7,000	23,000
Havant	41,500	27,000	14,500
Winchester	48,000	49,000	0
East Hampshire	500	500	0
Total	240,000	171,500	69,500

Note:

* The “additional floorspace” may be found through wholly new allocations and/or transfers from sites allocated for other uses.

Implications for each authority

The information in this appendix is correct as at April 2006 and represents the position at the start of the 20 year period covered by this Policy Framework.

South East sub-area

Portsmouth:

The target figure for offices is more than double the capacity of existing sites largely found at Hilsea, Johnson and Johnson, North Harbour, Tipner and Stanhope Road. The identification of substantial new sites for offices will be required, possibly including the opportunity for a new office quarter in the city centre at Station Square and Guildhall Square, together with further development at sites identified in the City's core strategy for employment. The target figure for warehouse and distribution requires the City's LDF to identify new space for this use roughly equivalent to half as much again as existing sites. The B8 target is based on achieving a switch from existing B2 sites. Consideration will also be given to whether there is a need or ability to identify wholly new sites.

Fareham:

The target figure for offices would require the identification of new sites equivalent to approximately half the capacity of existing sites again. These could include edge-of-centre mixed use sites that are also likely to contribute to the other use classes. The target figure for warehouse and distribution will also require the Borough's LDF to identify new space for this use. This could possibly include development at Daedalus and/or allowing warehousing and distribution uses on some land currently earmarked for manufacturing.

Gosport:

The target figure for offices is considerably more than that identified as committed sites (i.e. those with planning permission or is allocated in a statutory development plan). The identification of new sites will be required, possibly including Gosport Waterfront, the Civil Service sports ground and HMS Sultan which is expected to be released towards the end of the plan period. The target for warehousing and distribution is also considerably more than that identified as committed sites). Possibilities for accommodating this potential floorspace could include increasing the allocation at Daedalus, making an allowance at HMS Sultan and/or allowing warehousing uses on some land currently earmarked for manufacturing.

Havant:

The target figure for offices is rather greater than the capacity of existing sites largely at Dunsbury Hill Farm, Langstone Technology Park and Harts Farm Way. Only a modest amount of new sites will therefore need to be identified, possibly including Dunsbury Hill Farm extension and West Broadmarsh. These same locations may also help to provide for the new floorspace required to meet the manufacturing target which is around a fifth more than the capacity of existing sites. The Borough's LDF will also need to identify new sites for warehousing and distribution to meet the target which is well in excess of the capacity of existing sites. Possibilities for this use will also include Dunsbury Hill Farm extension and West Broadmarsh.

Winchester:

The target figure for offices is matched by the capacity of existing sites including substantial development at Solent Business Park, Segensworth and the West of Waterlooville Major Development Area. The target figure for warehousing and distribution will require a relatively small amount of new floorspace to add to the capacity of existing sites. This could possibly be found through increased allocations at the MDA and/or allowing warehousing and distribution uses on some land currently earmarked for manufacturing.

East Hampshire:

The target figures for offices and manufacturing are matched by the capacity of existing sites. However the target figure for warehousing and distribution will require the District's LDF to identify new sites.