

South East Plan EiP: Sub-matter 1B Inter-Regional and International Issues

Statement by Partnership for Urban South Hampshire (ref 7138)

1Bi.1 Has the draft RSS taken sufficient account of the effects of globalisation and likely changes to European policy and funding? Does the draft RSS incorporate sufficient future proofing, including effects of technological change and change in lifestyles?

1. In the context of the South Hampshire sub-regional strategy the answer to this question is yes. The DTZ forecasts on which the sub-regional strategy is based take account of globalisation trends such as off-shoring on a sector by sector basis and are heavily influenced by the effects of technological change. The urban economy of South Hampshire has been going through a phase of transition away from traditional manufacturing industries into more advanced manufacturing and general service-based activities. The PUSH strategy seeks to drive this process forward by addressing the key challenge for the economy of South Hampshire, facilitating the decline of the more traditional industries in the economy and promoting the growth of the knowledge-based sectors. The robustness of the forecasts and the strategy was also confirmed by benchmarking the preferred scenario against the results of other forecasting models, such as Cambridge Econometrics, which similarly take these wider national and international issues into account.

1B.2 Is the draft RSS founded on a robust understanding of the importance of the South East for the national economy? Is there sufficient alignment between draft RSS and draft RES, including assumptions on GVA and sectoral growth?

2. Whilst both the draft RSS and the draft RES share a common vision for the health of the region driven by sustainable prosperity, the assumptions on GVA vary between the two strategies. The draft RES target of at least 3% annual average growth in GVA per head (perhaps equivalent to 3.4% or 3.5% per annum growth in GVA), is clearly in excess of the draft RSS planning assumption of 3% average annual growth in GVA or the 2.9% per annum growth shown in the Technical Note 1 Annex¹. If the draft RSS planning assumption for GVA growth is consistent with a 28,900 dwellings per annum housing target and an unspecified requirement for employment floorspace then it might reasonably be assumed that the higher draft RES target for GVA growth would be consistent with an increased demand for housing and business development.

¹ Technical Note 1 - Annex: Economic and Labour Demand Forecasting: Scenario 7 Forecasts, SEERA, October 2006

3. That there is a degree of misalignment between the economic growth assumptions between the draft RSS and the draft RES may have been foreseen by the RSS authors who concede in the RSS Executive Summary that *“Some may argue that some of the economic aspirations in the Plan are set too low.”* However the draft RSS continues, *“The Plan is designed for possible revisions and our regular monitoring and review process gives the scope to make adjustments.”* In the cycle of plan, monitor and manage all three elements have equal weight. It would appear that the draft RSS is intended to be sufficiently flexible to allow the Assembly to manage the process of development and change in a different way without upsetting the general thrust of the strategy if needed.
4. The strategy for South Hampshire is not dependent on the economic aspirations of either the draft RSS or the draft RES. Rather, a clearly articulated sub-regional economic growth objective drives the strategy from employment and productivity through education and skills, enterprise and innovation, to housing provision, employment floorspace and infrastructure investment. Whilst this strategy too will be subject to rigorous monitoring and review, any external imposition of additional development over and above that already planned, which is well above existing RPG, would, in the absence of detailed supporting technical justification, be arbitrary and contrary to the proper planning of the sub-region.
5. While the strategy for managed growth in South Hampshire is internally consistent and coherent, it remains dependent and conditional on policy and investment support at the regional level. And here there is a strong degree of alignment between the draft RSS and draft RES as far as South Hampshire is concerned. The sub-regional strategy area defined in the draft RSS appears to be identical to the urban South Hampshire diamond for growth identified by the draft RES, the policy prescriptions concur on the need to address structural weaknesses and release economic potential, and the requirement for infrastructure investment is also commonly recognised as a stimulus to further economic growth and to enable the necessary business and housing development to happen.

1Bi.3 Does the Plan adequately address the relationship between the South East and adjoining regions, particularly London, having regard to such boundary issues as households and migration; employment and infrastructure, and transport and infrastructure?

6. In the context of South Hampshire the answer to this question is yes. In 2004 as part of the preparation of the South East Plan, the Regional Assembly commissioned studies in ten sub-regions.

7. The Eastern Dorset, South Hampshire and Isle of Wight Sub-regional Study² looked at the linkages between South Hampshire and other parts of the Study area and the options for accommodating development in the area.
8. The available evidence showed that there are relatively weak housing market linkages between urban South Hampshire and the wider study area and, although transport links through South Hampshire to eastern Dorset are important, in commuting terms urban South Hampshire is relatively self contained. There are only two key road links to provide for commuting and access between the two sub-regions; the A35, which is heavily constrained through Lyndhurst, and the A31, which the Highways Agency recognises is already operating above capacity between eastern Dorset and Junction 1 of M27. There is little realistic prospect of additional road capacity being provided through the New Forest, although the bottleneck at Ringwood has been identified for potential junction improvements and local capacity enhancement.
9. On the economy no significant linkages were found between urban South Hampshire and the wider Study area - firms relocating tend to want to move locally, labour markets are quite localised and though there are linkages in terms of comparison goods retailing, there are no clear trends.
10. In terms of environment, two important areas of linkage with neighbouring areas were identified - water resources (water from South Hampshire serves the Isle of Wight and West Sussex) and coastal dynamics.
11. In conclusion, the linkages analysis shows that Eastern Dorset has no significant linkages with South Hampshire, other than local cross-boundary links (between, for instance Ringwood and New Milton in the west of the New Forest in Hampshire and Christchurch and Bournemouth in Dorset).
12. On this basis the Partnership for Urban South Hampshire believes that the South Hampshire element of the South East Plan has considered and adequately addresses cross boundary issues with the eastern Dorset part of the South West region. We therefore endorse the view set out in Section B, paragraph 4.4 of the draft Plan that “In our early work we considered that linkages with the South West region in the Bournemouth/Poole areas would be of growing significance. Further analysis has cast doubt on that view and the Plan has been framed in that context” and also Section D1, paragraph 1.19 that “.... the relationship with the Bournemouth area seems of less significance”.

² Eastern Dorset, South Hampshire and Isle of Wight Sub-regional Study, May 2004 – can be viewed at www.push.gov.uk