



Report to the Partnership for South Hampshire Overview and Scrutiny Committee

Date: 09 March 2021
Report of: Claire Upton-Brown, Chair PfSH Planning Officers Group
Subject: Statement of Common Ground (SoCG) - Findings of the Economic, Employment and Commercial Needs (including logistics) Study

SUMMARY

This report sets out the findings of the Economic, Employment and Commercial Needs (including logistics) Study.

RECOMMENDATION

It is RECOMMENDED that the Overview & Scrutiny Committee: -

- a) NOTE the contents of this report;
- b) NOTE that Joint Committee will be asked to note the content of the Economic, Employment and Commercial Needs (including logistics) Study and that it will be published on the PfSH website; and
- c) consider any comments to be passed to the Joint Committee for consideration.

INTRODUCTION

1. The Joint Committee agreed a Statement of Common Ground (SoCG) at its meeting in October 2019. It set out the strategic issues that need to be addressed in the review of the 2016 Spatial Position Statement and the production of a new Joint Strategy. The SoCG identifies the evidence base workstreams needed to achieve this and the need to commission the Economic, Employment and Commercial Needs (including logistics) Study to inform the need for employment land allocations in local plans.
2. It should be noted that the Study focuses on South Hampshire but has also been extended to cover the whole of the Test Valley borough.
3. The report will summarise the key findings of the Study.

FINDINGS OF THE ECONOMIC, EMPLOYMENT AND COMMERCIAL NEEDS (INCLUDING LOGISTICS) STUDY

4. The key findings of the Study are:
 - Confirmation of the PfSH Functional Economic Market Area (FEMA)
 - The overall need for industrial and warehousing development is for 168 ha.
 - In addition to the above, suggest looking for up to five new sites for larger warehouses >25,000 sqm.
 - The overall 'aspirational' need for office development is for 390,000 sqm.
 - There is scope within the existing housing figures derived by the Standard Method to accommodate transformational projects without generating a need for additional housing provision.
5. The Study confirms that the South Hampshire FEMA broadly aligns with the old 'Partnership for Urban South Hampshire' boundary, i.e. excluding the New Forest National Park and the part of New Forest District to the west of the National Park. The study and the consultants comment on how the potential provision of land outside, but close to, the boundary could help meet the needs of the FEMA.
6. The need for industrial and warehousing development has been derived from analysis of past take up – particularly over the last five years and the indications that such development is now viable. However, it should be noted that this is a net figure and further work (to look at commitments, losses and any other policy considerations) will be needed by individual local planning authorities (LPAs) before they can derive employment land and floor space requirement figures appropriate for local plans.
7. The need for smaller warehouses will be included in the overall need for industrial and warehousing development above. However, it was a specific requirement for the study to look at the need for logistics development, to consider needs that may be generated by the ports and to meet the recent changes to the requirements of the National Planning Policy Framework. This has identified that within the South Hampshire FEMA there is not a need for very large warehouses supporting national distribution operations. However, it

has identified a need for up to five larger strategic warehouses (>10,000 sqm) in the South Hampshire FEMA.

8. The study will describe that although the labour demand analysis suggests that there will be a demand for office space, viability issues mean that new space is not currently being built and that rental values would need to increase before development becomes viable. However, the consultants urge caution as there are many uncertainties over past trends for the way space is occupied and losses through permitted development rights and that future economic growth should not be stifled as a result of insufficient land for development. It is therefore suggested that up to 390,000 sqm is planned for as an 'aspirational' figure. Again, this is a net figure and may not require any new land allocation when current commitments are considered.
9. Whilst in order to follow the Planning Practice Guidance the study needs to look at the labour supply, this has not proved to be relevant to informing recommendations on the need for employment land/floor space. However, the analysis will provide reassurance in that within the housing figures provided by government under the Standard Method, there is significant scope for employment development through transformational projects without generating housing needs above the Standard Method.

NEXT STEPS

10. The PfSH Planning Officers Group (POG) is currently considering how to take forward the recommendations in the Study, particularly the need for up to five larger warehouses.
11. The LPAs will need to consider the implications for local plans, in particular the need for land allocation. It appears as though at this stage there aren't issues of unmet need that need addressing for offices or general industrial, although this will become clearer when the POG considers how the SoCG should be updated in terms of evaluating need and supply and whether there is a surplus or shortfall of supply.
12. It is intended that proposed amendments and updates to the SoCG will be considered by the Joint Committee later this year. At that point it would be appropriate to consider any further action to be included in the SoCG to address strategic employment land/floor space issues.

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- c) consider any comments to be passed to the Joint Committee for consideration.

Appendices: None
Background Papers: None
Reference Papers: None

Enquiries:

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