

CABINET (LOCAL DEVELOPMENT FRAMEWORK) COMMITTEE

7 JUNE 2007

WINCHESTER DISTRICT DEVELOPMENT FRAMEWORK – ECONOMIC AND
EMPLOYMENT STUDY

REPORT OF HEAD OF STRATEGIC PLANNING

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RECENT REFERENCES:

CAB 1328 Winchester District Local Development Framework – Core Strategy

EXECUTIVE SUMMARY:

An understanding of the economic issues facing the District and a robust assessment of economic needs and the suitability of employment sites are key requirements of the Local Development Framework's evidence base for the Winchester District. Due to the skills and resources required to undertake this very specific project the Council has acknowledged the need to appoint specialist consultants to assist with certain aspects of the LDF (see report CAB1328, 11 Oct 2006). It had been thought that an employment land study would be produced in-house but Members were also keen to extend this to a more forward-looking examination of the economic trends, issues and options facing the District. Funding was therefore allocated in the 2007/08 and 2008/09 budgets for a combined Economic and Employment Study (Chair or Vice Chair of Cabinet).

Four suitably experienced consultancies have been interviewed and the most suitable consultant has been appointed. This follows agreement by the Chairman of Cabinet to the appointment of SQW Ltd (economic and management consultants) to undertake this work. Because SQW did not submit the cheapest tender for the work, their appointment required approval by the Chairman or Vice Chairman of Cabinet, and this decision must be reported to Cabinet for information. This report fulfils this requirement.

RECOMMENDATION:

That the report be noted.

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DETAIL:

1 Introduction

- 1.1 In CAB1328, reported on 11th October 2006, Members were given an outline of the processes needed to prepare the Local Development Framework (LDF). The report recognised that in accordance with Planning Policy Statement 12 (PPS12) the LDF needed to be prepared on the basis of a thorough understanding of the needs of the District and the opportunities and constraints that operate within it to ensure that the policies prepared were founded on a robust and sound basis. Para 4.8 of PPS12 states *“Local Planning Authorities should prepare and maintain an up-to-date information base on key aspects of the social, economic and environmental characteristics of their area, to enable the preparation of a sound spatial plan meeting the objectives of sustainable development.”*
- 1.2 CAB1328 further commented that as the Strategic Planning Team was small with a broad range of responsibilities in addition to LDF production, it would not have the time or the skills to undertake all the key elements of work including some of the more technical reports required to inform the LDF. Significant additional funds would be required to deliver the LDF on time and in compliance with both the Town and Country Planning (Local Development) (England) Regulations 2004. The report went on to acknowledge that the use of consultants would be required to undertake this particular project. At that stage it was envisaged that an employment land study would be produced in-house but it has since become clear that there is a desire amongst Members for a more wide-ranging assessment of the local economy and its future direction. As a result, provision was made in the 2007/08 and 2008/09 budgets for the appointment of consultants to produce an Economic and Employment Land Study (totalling £75,000, see CAB1418, 13 February 2007). A consultants’ brief has now been published, suitable consultants interviewed, and an appointment made, following agreement by the Chairman of Cabinet.
- 1.5 This report is required to follow procedures in the Constitution which require, for work of this value, approval to be first sought from the Chairman or Vice Chairman of Cabinet to accept anything other than the lowest quote. This is then to be followed with a report to Cabinet for information.

2 Appointment of Consultants

- 2.1 Nine consultants were forwarded a copy of the Council’s requirements on 4th April 2007, with a submission deadline of Friday 27th April 2007. The consultant’s brief is set out in full at Appendix 1. As a result 7 consultancies made submissions. After a shortlisting process, 4 consultancies were invited to interview in early May. The outcome of that process is set out in **exempt** Appendix 2.

- 2.2 After detailed consideration, officers, in consultation with the Chairman of Cabinet, have offered SQW consultancy the project. SQW is a multi-disciplinary company providing consultancy and research services covering a range of matters. This consultancy has been offered the contract on the basis that they responded the most thoroughly to the Council's brief and demonstrated both in written submission and the interview process the importance of working with the Council to provide a strong evidence base to inform primarily the Core Strategy, but also to build upon the Council's Economic Strategy and Action Plan so that the Council understands the local economy and stays ahead of changing trends affecting the District. Their quote was the second cheapest, and it was considered that they would be able to fulfil the requirements of the brief better than the consultancy which provided the lowest quotation. Appendix 2 sets out the scoring process and financial proposals involved.
- 2.3 Funding for this study (£75,000) was agreed by Cabinet in February 2007 when the growth bid submitted was agreed (CAB1418). That report set out that part of the project (£50,000) would be funded from the 2007/8 budget and the remaining £25,000 from 2008/9.

OTHER CONSIDERATIONS:

3 CORPORATE STRATEGY (RELEVANCE TO):

- 3.1 The use of consultants on this key project will contribute to the Council's priority of economic prosperity. One outcome of the project is for the development of a sound and robust evidence base that will inform not only the Council's LDF but also provide a way forward for the Council's Economic Development service.

4 RESOURCE IMPLICATIONS:

- 4.1 The appointment of consultants to undertake this project can be funded from the growth bid agreed by Cabinet in February 2007, provided that £50,000 is sourced from 2007/8 and the remainder from 2008/9. This has been made a requirement of the consultant's appointment.

BACKGROUND DOCUMENTS:

None.

APPENDICES:

Appendix 1 Consultant's Brief

Appendix 2 Results of Interview Assessment

CONSULTANTS BRIEF

WINCHESTER DISTRICT DEVELOPMENT FRAMEWORK

ECONOMIC & EMPLOYMENT STUDY

April 2007

1 Introduction and Background

- 1.1 Winchester District lies within central/southern Hampshire bordered by Basingstoke and Deane, Portsmouth, Havant, Fareham, Test Valley, Eastleigh, and East Hampshire local authorities. A number of these are influential in the way Winchester District functions and is used by its residents.
- 1.2 The District covers an area of 64,750 hectares with a resident population of some 112,500 people. The District is mainly countryside interspersed with many small towns and villages. The main centre for commercial activity is the city of Winchester, with other main centres in the rural part of the District being Alresford, Bishops Waltham, Denmead, Wickham and Whiteley.
- 1.3 The City Council wants to promote its local economy and stay ahead of changing trends. It is looking to shape the District's economic future and to develop policies which will facilitate this. The Council are particularly interested in identifying opportunities to develop and sustain the rural economy. Therefore, the Council is wishing to appoint a firm of consultants to undertake an economic and employment study primarily to inform the preparation of its Local Development Framework (LDF) and in particular the Core Strategy, but to also to identify priorities for the Council's economic development service, within the context of its Community and Corporate Strategies. The Council's has an existing Economic Action Plan:
<http://www.winchester.gov.uk/media/pressreleases/NewsArticle.asp?id=SX9452-A7815396>
- 1.4 The City Council's Local Development Scheme (LDS) was originally adopted in March 2005. It has been reviewed twice and the 2007 version can be viewed on the Council's web site:
<http://www.winchester.gov.uk/Documents/Committees/cabinet/1300->

[1399/CAB1389-LocalDevelopmentSchemeUpdate.pdf](#) (this is subject to approval by the Government Office).

- 1.5 The City Council's Statement of Community Involvement (SCI) was adopted by the Council in January 2007. The document and its associated papers can be viewed at the City Council's website at <http://www.winchester.gov.uk/Documents/LDF/SCI/StatementofCommunityInvolvement%28Jan2007%29.pdf>.
- 1.6 The LDS identifies three key development plan documents to be produced between now and 2012, along with a number of Supplementary Planning Documents. Completion of the three initial Development Plan Documents (DPDs) is anticipated late 2009 and mid 2012 .
- 1.8 In terms of DPD production, preparation of the Core Strategy has commenced. A Cabinet LDF Committee has been set up to lead and champion LDF delivery. An LDF officer steering group has also been established, comprising City Council officers together with officers from the County Council and key partners.
- 1.9 In addition to the LDF, the City Council plans to undertake annual updates of its Community Strategy, which was originally adopted in 2004. The 2007 Community Strategy update will be an integral part of the Council's LDF in delivering the Council's vision. The City Council recognises that the LDF is a key priority for putting into action not only the Community Strategy but also for the promotion of shared activities within and outside the Council. The Local Strategic Partnership has a number of sub-groups which have produced their own strategies or actions plans on, for example, economy, housing, crime & disorder, etc.
- 1.10 The Winchester District Local Plan Review was formally adopted by the Council in July 2006, and contains policies to allocate land, promote

and control employment uses across the District. These policies are however based on earlier trends and evidence and there is a need to undertake a more holistic view as to the future policy approach to economic and employment matters for the life of the LDF and beyond, and for the delivery of the Council's Community Strategy.

- 1.11 As well as the Core Strategy, this research will also be required to inform the preparation of both the Development Allocations DPD and the Development Control DPD, due to commence mid 2007 and late 2008 respectively.
- 1.12 The Council has prepared an Economic Development Action Plan as a result of widespread consultation with businesses and key stakeholders in the District. This project will help to ensure the Economic Action Plan's objectives continue to be appropriate in the changing economic environment of Winchester District.
- 1.13 The Council is a member of the Partnership for Urban South Hampshire (PUSH), a grouping of local authorities which has the objective of improving the economic performance of South Hampshire to 3.5% GVA by the year 2026. The southern part of Winchester District is in the PUSH area.
- 1.14 More information about the District and the Council can be found on the Council's website www.winchester.gov.uk.

2 Requirement for an Employment Study

- 2.1 Due to the position of Winchester District, it experiences a range of influences on its economic base. Yet it is a very diverse District offering a wide range of goods and services to its residents. Being predominantly rural, there is a requirement for the larger villages and markets towns to retain and potentially expand their service base to ensure the communities they serve remain sustainable.
- 2.2 There is a substantial amount of employment data available covering the District and the South East region (see bibliography for some of the most relevant). However, there is a lack of a comprehensive and up to date/evidence base where both qualitative and quantitative data specific to Winchester District is available. The City Council considers that there is a requirement for the existing strands of information to be brought together in an 'evidence base' which illustrates the economic situation in the District and to use this to develop an economic strategy to inform the preparation of both its Local Development Framework and Community Strategy. This will tie in with the programme for producing the LDF Core Strategy and therefore allow various issues and options to be tested and consulted on as part of that process.
- 2.3 Part of the requirement is for the production of an employment land review, although the study is wider than this. The Government's advice on employment land reviews (December 2004) highlights a number of matters that the City Council is keen to explore – particularly how to develop an understanding of future requirements, not just through land supply but through a comprehensive understanding of market areas and employment forecasts. Account must also be taken of more recent guidance which is relevant, including PPS3: Housing.

Background Guidance and existing studies

- 2.4 In preparing this report there is a range of data available on economic, employment and related matters which should be taken into account. The successful consultancy will be required to undertake an initial scoping exercise to assess which reports remain relevant, prior to the identification of any gaps that further research would be required to complete. Some of the studies will cover the whole of the District whilst others will be specific to certain areas. For example there are a number of economic based reports that have been prepared for the South Hampshire ('PUSH') area, which includes the southern part of the Winchester District. These may raise pertinent issues that it may be necessary to explore for the remainder of the District. PUSH is currently undertaking work to apportion the employment floorspace requirements of the South East Plan to Districts in the sub-region and the consultants will need to take account of this and other work available at the time.
- 2.5 In terms of regional and national guidance, the consultants will be expected to scope all relevant Planning Policy Guidance Notes/Statements and any supporting guidance and best practice notes that cover these topic areas. The consultants will also need to take account of any emerging guidance or advice that is relevant throughout the LDF process and the term of the contract.

3 The Project Specification

In summary - the Council requires the consultants to produce an 'economic profile' of Winchester District, identifying economic evidence and trends and including an employment land review. This will establish the strengths and weaknesses of the District's economic base, assess the suitability of sites both in use and allocated for employment purposes, and canvass and consider the views of employers/businesses across the District. The work will need to

identify longer term economic and sustainability issues, including labour market projections, land requirements and commuting patterns, and any other external influences on the District that may have an impact on the Council and its partners achieving one of the outcomes of the Council's Community Strategy – "Economic Prosperity" which aims for the following outcome :-

"The number of people earning to their potential is maximised. The District offers high value jobs, and service sector jobs (e.g. in the tourist industry) offer good wages and benefits to workers. There is little or no unemployment. Local needs are met locally. The vibrancy of the economy in Winchester town is maintained. The rural economy is growing. People are able to take up jobs which give high levels of personal satisfaction and which enable them to make the most of living/working in the Winchester District."

3.1 Procedure :-

The project should be undertaken in a series of stages and include the following:-

Stage 1 - Scoping and evidence gathering

- Scope relevant requirements and best practice, as set out in Government guidance, the draft Regional Spatial Strategy, the Regional Economic Strategy, etc. This should also include assessment of existing reports and studies to assess which remain relevant and can help inform the work, and examination of existing local economic and planning policies and their effects on business growth and flexibility;
- Produce an 'economic profile' of the District, setting out key economic information, trends and issues. This should identify whether certain parts of the District are within different economic market areas and/or other variations which may affect the spatial

policies which may need to apply. It should also identify trends within key sectors and the implications for policies;

- Assess future labour supply and demand (including potential skill shortages and training requirements), the availability and take-up of land and property, the suitability of available land and property, and the implications for future land requirements (taking account of the impact of home working and other changes to working patterns). This should take account of the range of needs existing and likely to arise in the District, including;
 - land and buildings for B1 – B8 purposes;
 - offices in Winchester city centre and the market towns, together with those used for public administration;
 - tourism uses (a separate retail and leisure study is being commissioned so this aspect will not need to be assessed in detail but there will need to be links with and account taken of this parallel study);
 - major employers within the District and potential impacts of changes to their operations;
 - sites within the rural area (barn conversions, etc).
- Formulate (for approval by the client) and apply a set of site appraisal criteria against which to assess the 'fitness for purpose' of allocated and committed business sites, and to assess the suitability of potential additional allocations. Depending on the outcome of the work above on business needs, it may be necessary to apply these criteria to other existing/potential business sites.
- Produce a report summarising the key issues identified in Stage 1.

Stage 2 – Identifying and seeking views on the issues and options

- Present the above report to at least 2 seminars/workshops to seek the views of (i) local Councillors and officers and (ii) local

employers, businesses and other stakeholders. The outcomes of these events in terms of future aspirations, business requirements (including SMEs), sector/site-specific factors, etc should be taken into account in a transparent way alongside the evidence from Stage 1 to develop issues and options;

- Seek views of local agents/developers to assess the attractiveness and weaknesses of the District as a place to do business;
- Establish whether the District has niche markets/sectors, the trends and factors affecting them, and whether they could/should be targeted for future growth and development;
- Taking account of the information and aspirations identified at Stages 1 and 2, identify issues and aspirations and produce a report summarising the issues and options arising and the potential spatial planning implications.

Stage 3 – Assist development of preferred options

- Establish robust criteria for assessment of the options and work with and advise the Council's officers in developing a preferred option by providing an economic input. This would include acting as a 'critical friend' advising officers on the commercial attractiveness/viability of different options, including advising on whether the options are flexible enough to respond to changing economic needs, for consideration alongside the sustainability, spatial and land use implications of each option;
- Produce a final report documenting the project, amplifying the preferred option and setting out the reasons why it has been developed, taking account of the evidence, issues, stakeholder input, etc.

3.2 Outputs :-

- Provide reports as set out above and, where specified, lead the necessary stakeholder consultation requirements;

- Provide a full final report, initially as a draft for the Council to comment on, including a written explanation of the assessment technique employed together with a full explanation of the findings to allow for comprehensive interpretation and examination of the results. This must be sufficiently robust to ensure that dependant aspects of the Local Development Documents are determined sound following public examination;
- Present to 2 workshops, as required above, for various stakeholders to explain the outcomes of Stage 1 and identify issues, aspirations and requirements. The consultant should make clear in any proposal the assumptions which have been made about the level of input of Council officers in organising and running the workshops and should provide a quotation for the cost of additional workshops if needed;.
- Present the Final Report to a meeting of officers and Members. The final report should :-
 - Follow the Council's corporate style, to include the Council logo and LDF branding
 - Provide 6 bound colour copies
 - Provide a black and white version for copying purposes
 - Include text, graphs, tables and photos as necessary
 - Be provided in MS Word and PDF formats to enable the report to be stored/manipulated electronically and placed on the Council's website

4 Liaison and Project Management

- 4.1 The appointed consultant will be required to attend initiation and progress meetings, commencing at the beginning of the project and on a regular basis thereafter, to report on progress and issues arising. Appropriate communication between these meetings will be expected via telephone or email, and in any event there will need to be a quarterly progress meeting between the consultant and the project team leaders.
- 4.2 The work will be overseen in the first instance by the Head of Strategic Planning, covering all issues in relation to LDF matters, and the Council's Economic Development Officer :-

Steve Opacic
Head of Strategic Planning
Chief Executive's Unit
Winchester City Council
sopacic@winchester.gov.uk
01962 848101

Kate Crawford
Economic Development Officer
Cultural Services
Winchester City Council
kcrawford@winchester.gov.uk
01962 848563

other officers that will be involved in the project :-

Jenny Nell
Principal Planning Officer
Strategic Planning

Winchester City Council

jnell@winchester.gov.uk

01962 848278

5 Fees

5.1 The Council has a budget in the range of £60,000 - £75,000 for this project (Stages 1-3 above). It is aware that Stage 1 of the work, especially site appraisal, could be very resource intensive. The consultant's proposals should therefore indicate how they propose to balance the need to contain costs with the requirement for a sound study which meets the requirements of relevant guidance. The Council requires the quotation to itemise the following costs (including VAT) :-

- A breakdown of the costs of each of Stages 1, 2 and 3;
- Preparation and appearance as expert witness for the Council at the Examination in Public, if necessary (to be identified separately, based on an hourly/day rate plus expenses);
- Costs of attending any meetings, presentations or workshops which may be needed **in addition** to those required in Section 3, including expenses.

5.2 The quote will also need to set out the expected level of involvement of the Council's officers in terms of the provision of raw data/materials, discussion time and attendance at meetings.

5.3 Fees will be paid on a staged basis and timing of payments will be subject to negotiation with the City Council. The Council's budget will assume that no more than £50,000 will be paid in the 2007/08 financial year, with any balance to be paid after 1 April 2008.

5.4 All prices quoted should be fixed for the duration of the project.

Quotation Data

5.6 The following data is required to be submitted both electronically, along with one unbound paper copy with each quotation :-

- Company name and contact details
- CV's of the person(s) who will carry out the work including grade, qualifications and experience
- Hourly/day rates for each individual involved
- Details of how the project will progress
- The consultants assessment of the work involved and the methodology proposed
- Details of liaison and reporting mechanisms between the consultant and the Council
- Details of any conflict of interests and how the consultant is proposing this issue will be managed.
- Two references

Selection Process

5.7 The successful consultancy must be able to comply with the following and should provide details with their quotation :-

- A good understanding of the brief and the outputs required by the Council
- The ability to respond quickly and efficiently to tight timescales
- Experience of preparing economic studies, employment land reviews, labour force growth forecasts/modelling
- An effective approach to consultation with the business community both small organisations and key employers

Timescales

5.8 Quotations for this work must be received by the Council, before

4pm on Friday 27 April 2007

Quotations should be returned to :-

**Steve Opacic
Head of Strategic Planning
Winchester City Council
Colebrook Street
Winchester
SO23 9LJ**

5.9 Candidates shortlisted will be invited to interview and to give a presentation on 4th May 2007. The successful consultant will be selected shortly after the interview, with the intention of commencing the project immediately and to the following timescales:-

Stage 1 and 2 reports	July 2007
Stage 3 (final) report	February 2008

6 Bibliography

- 'Winchester Economic Action Plan':
<http://www.winchester.gov.uk/Documents/EconomicDevelopment/drafteconomicactionplan.doc>
- 'Economic Drivers and Growth':
DTZ for Partnership for Urban South Hampshire, March 2005
- 'Winchester Retail Study':
Nathaniel Litchfield & Partners for WCC, Jan 2003
- 'The State of Winchester District':

<http://www.winchester.gov.uk/General.asp?id=SX9452-A7829593&cat=8389>

- 'Winchester – Towards Our Future:
<http://www.winchester.gov.uk/GeneralM.asp?id=SX9452-A7832EC3>

- 'Winchester Economic Profile':
Hampshire County Council for WCC, March 2001

'Creative Winchester - A Tourism Strategy for the Winchester District':

<http://www.visitwinchester.co.uk/site/research/tourism-strategy>

8 Enquiries

7.1 Please direct any enquiries about this project in the first instance to :-

Jenny Nell
Principal Planning Officer
Strategic Planning
Winchester City Council
jnell@winchester.gov.uk
01962 848278