Winchester District Economic and Employment Land Study

Final Report

October 2007

SQWconsulting

Contents

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1: Introduction

1.1 This report presents the findings and recommendations of stages one and two of the Winchester District Economic and Employment Study that has been undertaken by SQW Consulting and Cambridge Econometrics for Winchester City Council. This chapter outlines the brief and methodology for the study and the structure of the report and annexes.

Study brief

1.2 The brief for this assignment requires a comprehensive Economic and Employment Study primarily to inform the preparation of the Core Strategy for the Winchester Local Development Framework (LDF). The study is also intended to identify priorities for the City Council's economic development service within the context of its Community Strategy, Corporate Strategy and existing Economic Action Plan.

1.3 The purpose of the study is to undertake a strategic review of the current and future direction of the local economy and, within this, to prepare an Employment Land Review (ELR) for the area. Key objectives include the provision of:

- a robust evidence base on economic and employment issues for the LDF
- econometric forecasts for the Winchester City Council district
- a review of employment land to comply with Government ELR Guidance
- advice on future options for sustainable economic development.

1.4 The brief outlines the context for the study including the City Council's aims to promote the local economy and to maximise the number of people earning to their full potential. It mentions the employment and housing growth requirements of the Draft South East Plan and the apportionment of the proposed growth to local authority areas within the South Hampshire sub-region by the Partnership for Urban South Hampshire (PUSH). It also mentions the wider context of Government Guidance emerging from the Barker Review of land use planning, the Planning White Paper and the forthcoming review of PPG4 on economic development.

Study method

1.5 The brief called for a three stage study. This report covers the assessment of the local economy, the review of commuting patterns, key elements of the employment land review and the two stakeholder workshops that were undertaken for stages one and two of the study.

1.6 Following public consultation on the LDF Core Strategy Issues and Options report in early 2008, we will undertake stage three of the study to advise Winchester City Council on their work to assess preferred options and develop proposals for the economic and employment aspects of the LDF Core Strategy.

1.7 Stage One of the study included an inception meeting, desk research and consultations, preparation of an economic profile of Winchester district, analysis of commuting flows between the district and adjoining areas, a survey of selected employment sites, econometric forecasts, estimates of employment land needs and a client and consultant progress meeting to discuss initial findings. Stage Two included a stakeholder visioning workshop, a stakeholder options workshop, review of spatial options for employment land development and this report. It concluded with a further progress meeting to finalise the report.

1.8 Throughout the first and second stages of the study, we have differentiated between the needs and characteristics of the M27 growth corridor in the southern part of the district, the Winchester town area in the north-central part of the district and the surrounding market towns and rural areas (see map on next page).

1.9 We have noted the influence of the Southampton-Portsmouth conurbation to the south and the Basingstoke area to the north where they are relevant. The South Hampshire sub-region (the PUSH area) extends further into the district than the M27 corridor we have identified (see map). In our opinion, the rural areas and rural settlements just to the north of the M27 Corridor have market and functional characteristics that are similar to the rural area we have identified further to the north. Sites for the growth allocated to the PUSH area in the Draft South East Plan are all located within the area we have identified as the M27 Corridor.

Report structure

1.10 The rest of this report is structured in three sections as follows:

Section A: Economic Context

- Chapter 2: Strategic context
- Chapter 3: Economic overview

Section B: Employment Land Review

- Chapter 4: Employment site surveys
- Chapter 5: Employment land needs
- Chapter 6: Mix and match assessment

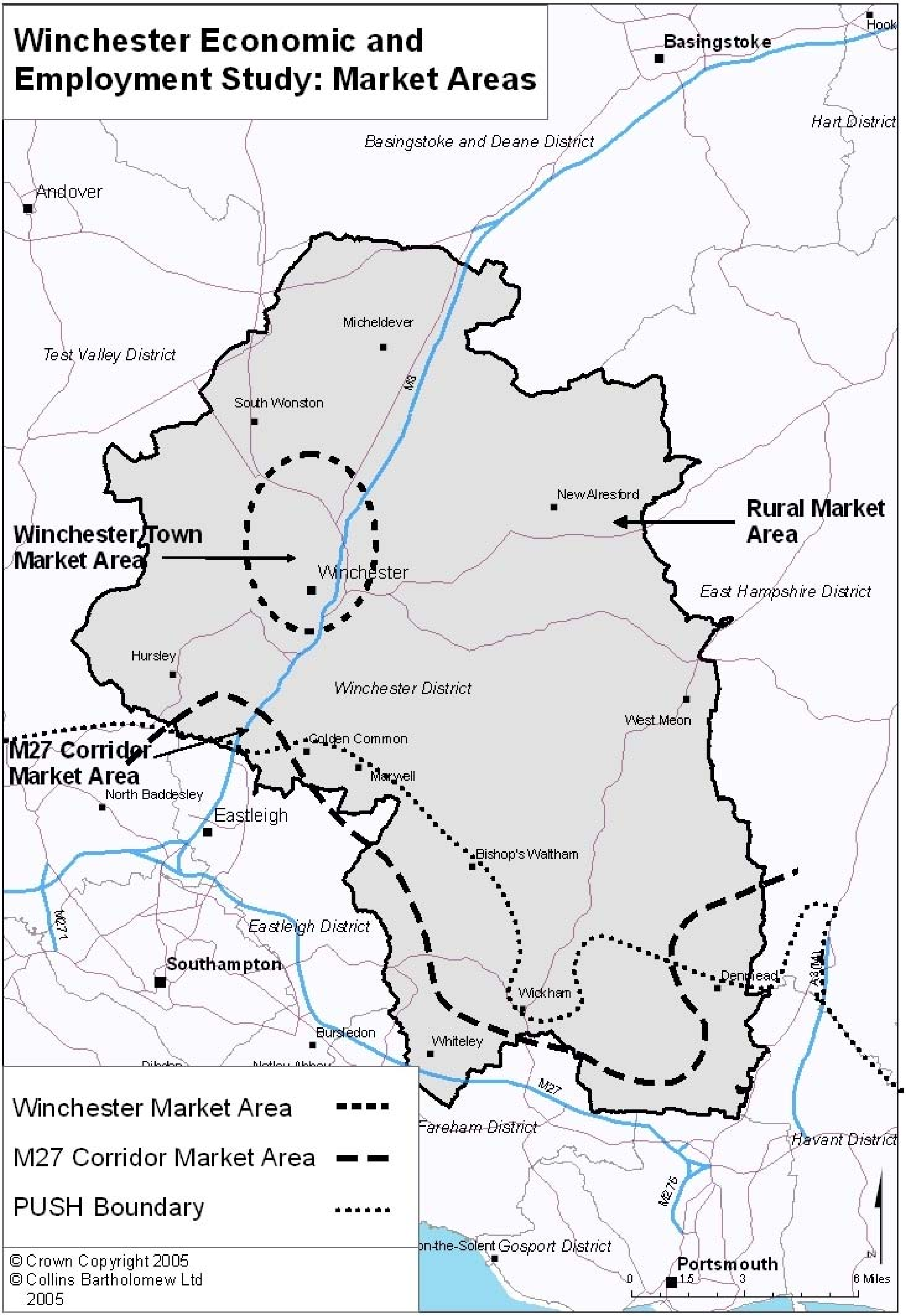
Section C: Synthesis

- Chapter 7: Economic strategy and spatial options.

1.11 The report is supported by a series of annexes as follows:

- Annex A: Commuting flows
- Annex B: Forecasts and land needs
- Annex C: Employment site surveys .

1.12 A glossary of selected terms and acronyms is included at the end of this main report.


Winchester Economic and Employment Study: Market Areas
Basingstoke
Hook
Hart District
Basingstoke and Deane District
Andover
Test Valley District
Micheldever
South Wonston
M3
New Alresford
Rural Market Area
Winchester Town Market Area
Winchester
East Hampshire District
Hursley
Winchester District
West Meon
M27 Corridor Market Area
Colden Common
Marwell
North Baddesley
Eastleigh
Bishop's Waltham
M271
Eastleigh District
Southampton
Denmead
A3(M)
Wickham
Bursledon
Whiteley
M27
Fareham District
Havant District
M275
Gosport District
Portsmouth
0
1.5
3
6 Miles
N
Winchester Market Area
M27 Corridor Market Area
PUSH Boundary
© Crown Copyright 2005
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Section A: Economic context

The Economic Context section of this report comprises:

- Chapter 2 : Strategic context
- Chapter 3 : Economic overview.

Two further sections deal with the Employment Land Review and the Synthesis of economic strategy and spatial options for the future.

2: Strategic context

2.1 This chapter outlines the current and future strategic context for economic and employment growth in Winchester District. It considers – in outline – the main provisions of the existing Local Plan which will set the development context for the district into the short-to-medium term (until the LDF Core Strategy is in place). It then presents other key elements of the local strategic context for economic and employment growth in Winchester District which are linked, fundamentally, to the provisions of the Sustainable Community Strategy. Thirdly, the chapter goes on to set out in more detail the evolving regional strategic context which will be instrumental in determining the broader context for the development of the LDF Core Strategy. Finally, the chapter seeks to draw some conclusions in relation to the particular challenges and opportunities that the evolving strategic framework represents.

The existing Local Planning Framework

Winchester District Local Plan – Adopted July 2006

2.2 The existing Local Plan was adopted in July 2006 and it sets out the extant local planning context for development within the district which will continue to apply whilst the LDF Core Strategy is being prepared. Informed by extensive consultative work – undertaken initially in the late 1990s – its aim is

> *To guide development in the District… to ensure that necessary development is located, designed and implemented to protect and enhance the character of its setting, to help sustain a buoyant local economy and to avoid the wasteful use of resources (para 2.15).*

2.3 The Plan’s objectives are consistent with this aim. They focus on conserving the district’s character and attractiveness; providing for the requirements of the Hampshire Structure Plan through two Major Development Areas and within existing built-up areas; promoting development which meets local needs (particularly with regard to affordable housing); contributing to sustainable development; and protecting the district’s rural character.

2.4 In the chapter on Strategy, a clear statement is made with regard to priorities in respect of Winchester town:

> *In Winchester itself, the pressure for development needs to be controlled and channelled to prevent harm to the town’s special character and setting. As well as containing the town within its current limits, the Plan seeks to ensure that development within the built-up area is undertaken sensitively and without detriment to valued features (para 2.27).*

2.5 This statement indicates broad continuity with earlier plans which implemented policies of restraint, particularly with regard to office development. Office floorspace in Winchester increased by 76% between 1974 and 1990 but this growth was tempered in the context of weak commercial market conditions in the 1990s and a booming housing market. Against this backdrop, the current Adopted Local Plan argues for a more flexible approach, particularly with regard to office space within Winchester town centre (see para 7.26). Provision is also made – should there be a need – for a Major Development Area (MDA) to the north of Winchester town (para 2.7). However the need to retain the town's essentially compact character – one of the findings from the earlier *Future of Winchester Study* – remains an important consideration.

Other Local Strategies and Plans

Sustainable Community Strategy

2.6 As set out by the Winchester District Strategic Partnership (the Local Strategic Partnership), the 20-year vision for Winchester district is one 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*". Underpinning this vision are five Outcomes (health and wellbeing; freedom from fear; economic prosperity; high quality environment; and inclusive society) and each of these is linked to a series of priorities. For the third Outcome (economic prosperity), the priorities identified in the Sustainable Community Strategy are as follows:

- Priority 12: Strengthen the economy in rural areas of the District
- Priority 13: Lift standards of education throughout the District
- Priority 14: Enhance the contribution of tourism to the economy of the Winchester District, and ensure Winchester maintains its 'competitive edge'
- Priority 15: Increase the contribution of the creative industries
- Priority 16: Enhance the contribution of the evening economy.

2.7 As the local strategic context for this study, the priorities linked to the economic prosperity Outcome are especially important. However they also need to be understood alongside – and in relation to – some of the others. Specifically:

- Outcome 4 (high quality environment) includes priorities linked to reducing carbon dioxide emissions per head (Priority 17) and increasing the range of services which are available without the need to travel (Priority 19)
- Outcome 5 (inclusive society) includes a priority linked to the provision of affordable housing to meet local needs (Priority 22).

Winchester District Economic Action Plan, 2006-09

2.8 Nested within the overarching Community Strategy, the Winchester District Economic Action Plan sets out a series of economic outcomes that need to be delivered such that the vision set out in the Community Strategy might be achieved. The Economic Action Plan emphasises the strengths of the local economy but also the need to avoid complacency, recognising that subtle but important changes are taking place. Nine action areas are identified and a series of guiding principles are set out for each:

- support the rural economy – by promoting local produce, supporting sustainable tourism, supporting small rural facilities, and encouraging training in traditional crafts
- support the urban economy – by promoting and building the competitiveness of Winchester town
- providing high quality business support services
- nurturing the creative industries – by encouraging enterprise activity in the sector and promoting Winchester as a centre of creative and cultural excellence
- assisting businesses in their environmental responsibilities
- retaining and increasing the effectiveness of the workforce
- providing a balanced mix of commercial sites and premises
- tackling transport issues affecting businesses
- maximising the social benefits of businesses (including social enterprises).

Winchester City Centre Partnership and the proposed Business Improvement District

2.9 A third element of the local strategic context is focused specifically on Winchester town. In July 2007, businesses within the town centre were balloted on whether a Business Improvement District (BID) should be created. The outcome of the ballot was positive and hence the intention now is that the BID will operate from April 2008-March 2013, funded through a levy on local businesses.

2.10 The vision for the BID is to create a business-led programme of investment throughout Winchester City Centre, raising the quality of experience for businesses, residents and visitors. There are four overarching objectives, one of which is "to promote business". Within this context, particular reference is made to the knowledge, creative and cultural industries and – working with the University of Winchester, the City Council and the Chamber of Commerce – the importance of ensuring that businesses within these sectors can start-up, grow and prosper is emphasised; a number of planned interventions are focused specifically on achieving this outcome. Additionally, within the business case for the BID, particular reference is made to "managing the evening economy", recognising both the opportunities (linked mainly to economic impact) and challenges (linked more to issues around community safety) associated with it.

The evolving regional strategic context

Regional Economic Strategy

2.11 The Regional Economic Strategy for the South East was published by SEEDA in autumn 2006 and it sets out the economic priorities for the region over the decade to 2016. Its overall vision is a simple one: for the South East to be a world class region achieving sustainable prosperity. Underpinning this vision are three high level objectives (global competitiveness, smart growth and sustainable prosperity) and three headline targets (relating to per capita GVA, productivity per worker and the region's ecological footprint). At the highest level, the principal themes of the RES may be summarised as:

- ensuring that the South East region as a whole – and the businesses and individuals within it – is genuinely competitive on a global stage, recognising the increasingly international nature of the economy and the imperative to sustain competitive advantage
- ensuring that the region makes the best use of its assets – particularly people and land – and increases its performance with regard to overall productivity (i.e. it must generate more output per unit of input, whether that is labour, sites and premises, or any other factor of production)
- ensuring that economic growth is pursued within environmental limits such that the region's ecological footprint is stabilised and then reduced.

2.12 Behind the high level architecture, the strategy for the region is both complex and detailed. Four or five quantified targets are identified for each of the three headline objectives and underpinning the targets are large numbers of more specific actions. Additionally, the RES identifies eight transformational actions which are cross-cutting in character and include 100% next generation broadband coverage, the development of a skills escalator, and raising economic activity rates. All of these different actions are described in some detail in a RES Implementation Plan which was published in draft in spring 2007 for a 12-week public consultation.

2.13 In recognition of both the scale and diversity of the South East region, the RES identifies three broad spatial contours: inner, rural and coastal south east. It acknowledges that the challenges and opportunities relating to each of these vary – both in relation to each other and to the regional "average". Spatially, Winchester district is – for the most part – contained within the rural contour for which the RES identifies the importance of addressing dispersed patterns of deprivation, maintaining and managing landscapes sustainably, and seizing the opportunities afforded by ICT for businesses. The southern-most part of the district falls within the extensive South Hampshire sub-region and is hence classed as "coastal". Although of limited relevance for the Winchester southern fringe, the dominant theme within the RES with regard to the coastal contour is the challenge of addressing socio-economic decline and long term economic under-performance.

Regional Spatial Strategy

2.14 The Regional Spatial Strategy (RSS) sets out the statutory spatial development framework for the region and in principle, it should be wholly aligned with the RES[1]. The last few months have seen significant developments with regard to the preparation of the RSS relating to the period 2006-2026:

[1] The recently-published Sub-National Review of Economic Development and Regeneration heralded a coming together of the two documents and processes, under the leadership of the RDA. This process will take some time to be effected, but it will mean that the read-across between the two documents will certainly grow

- the draft Regional Spatial Strategy for the South East was submitted to government by the South East England Regional Assembly in spring 2006
- it underwent an Examination in Public (EiP) between November 2006 and March 2007
- the Panel's report following the EiP – which included specific recommendations for changes to the draft RSS – was published in August 2007.

2.15 These developments are very important with regard to the changing context for economic and spatial development in Winchester district (and, indeed, for the rest of the region). In the paragraphs below, we comment briefly on some of the key emerging themes and issues before turning to consider the specific implications in relation to Winchester district.

Overview

2.16 Region-wide, the most contentious issue for the EiP related to housing numbers. The draft RSS submitted by the Assembly proposed an annual increment of 28,900 dwellings per annum (dpa) but the Panel concluded that this figure gave too much weight to the views of existing residents and insufficient attention to wider demographic and economic factors. Hence the Panel argued that the figure ought to be increased to 32,000 dpa over the period 2006-2026; this was considered to be at the "bottom end" of what was demanded by "strategic factors" (i.e. economic growth projections and demographic trends).

2.17 The Inspectors argued further that the RSS should present a bold spatial strategy – hence they welcomed the principle of the "sharper focus" concept articulated in the draft plan and endorsed the identification of nine sub-regions as the "linch-pin" of the spatial strategy. However they recommended that definition should be added through (a) a sharper focus on specific urban areas which are likely to see significant change over the plan period; (b) the identification of six Strategic Development Areas (above a threshold of 4,000-5,000 dwellings); and (c) the inclusion of a spatial diagram to accompany each sub-regional core strategy.

2.18 A third overarching theme identified by the Panel and of particular relevance to this study was the lack of a clear spatial strategy for economic development and employment land. The Panel considered that this constituted a "major deficiency" within draft RSS. Specifically, the point was made that the draft plan placed too much reliance on the concept of "smart growth" – taken from the RES – with too little consideration given to how this would work in practice and/or the extent to which it was genuinely achievable. The implication of this argument was that "smart growth" should certainly be the aspiration and the intent, but that it should not be used uncritically – or as an excuse for avoiding difficult decisions – with regard to the allocation of employment land.

South Hampshire – including the southern fringe of Winchester district

2.19 The southern-most fringe of Winchester district – bounded approximately by the southern and western boundaries of the proposed South Downs National Park – falls within the RSS sub-region of South Hampshire.

2.20 The Panel commented that the sub-regional strategy for South Hampshire included within draft RSS was among the most robust and well-developed. It was premised on strong economic growth (driven initially by employment growth and subsequently by productivity improvements), linked to urban regeneration. Spatially, it had a clear focus on Portsmouth and Southampton, supported by sub-regional centres (especially Eastleigh and Fareham) and – later in the plan period – by two Strategic Development Areas: Fareham (to the south of Winchester district) and north/north east of Hedge End (to the south west).

2.21 The draft sub-regional strategy set out an overall housing requirement of 80,000 net additional dwellings over the plan period. This figure was considered to be aspirational, driven mainly by the sub-region's ambitions with regard to economic growth but also helping to address a backlog of unmet need. The Panel concluded that this figure was "about right" in terms of the area's economic aspirations and "challenging but achievable" in terms of environmental concerns, particularly those relating to water supply. With regard to the district-level distribution of planned housing growth, the Panel endorsed the proposals from the draft strategy which they considered to be consistent with population distribution and environmental attributes. The implication for that part of Winchester district which is included within the South Hampshire sub-region is a target of 6,739 net additional dwellings over the plan period.

2.22 The draft sub-regional strategy for South Hampshire identified a jobs growth target of 59,000 – consistent with GVA growth rising to 3.5% per annum by 2026 – over the plan period. This figure is significantly higher than that generated by trend-based forecasts and the implication is that policy interventions will be needed to stimulate accelerated economic growth. The target was informed by a series of studies undertaken by DTZ. For South Hampshire as a whole, these studies identified three key areas where public sector interventions would be required: skills; enterprise, innovation and business support; and land, property and infrastructure. The Partnership for Urban South Hampshire (PUSH) strategy and business plan has been developed in response.

2.23 Consistent with this aspiration in relation to economic growth, the sub-regional strategy within the draft RSS identified an overall need for employment floorspace of some two million square metres; of this, around 55% was in the South West sub-area (i.e. in and around Southampton) and the remainder was in the South East sub-area (Portsmouth and the surrounding area, including the southern part of Winchester district). Background studies indicated an employment land need of about 600ha based on average densities but the "town centre first" approach advocated by the draft RSS suggests that higher densities achieved in inner urban areas would reduce the overall estimated land need.

2.24 Policy SH7 of the draft RSS provided guidance for LDDs stating that sites should be allocated which meet the following criteria:

- provide for the needs of firms, recognising that most demand will be for business services, distribution and advanced manufacturing
- be in locations which meet business requirements
- be capable of being developed within the required timescale

- ideally be accessible by a variety of means of transport.

2.25 In reviewing the draft policies, the Panel agreed that the GVA growth target was ambitious, but they supported it, arguing that it was consistent with the priority attached to sustainable economic regeneration. They also agreed with Policy SH6 (Employment floorspace). They acknowledged that a range of employment land would be needed – from town centre to science park locations – consistent with the on-going economic restructuring which, across South Hampshire, is leading to a stronger relative focus on R&D and customer care facilities as lower value added activities are relocating. Additionally, the Panel agreed with the argument that a strong approach would be needed to the protection of employment land.

2.26 In parallel with the EiP process and subsequently, planners from within the Partnership for Urban South Hampshire has been working on the apportionment of provision for new employment floorspace between the relevant districts, distinguishing between B1 offices, B2 industry and B8 warehousing (Interim Apportionment agreed by PUSH, October 2007). The findings and proposals – insofar as they relate to Winchester district – are as follows:

- in terms of *sites which are already allocated and/or have planning permission*, Winchester district has available:
    - 159,135 square metres of B1 offices – 13% of the total draft RSS B1 requirement for South Hampshire and dominated by outstanding planning permissions at Solent Business Park (Whiteley) and the allocation at the West of Waterlooville Major Development Area (MDA)
    - 62,032 square metres of B2 manufacturing – 29% of the total draft RSS B2 requirement for South Hampshire and dominated by Solent 2 (Whiteley) and Segensworth business parks
    - 33,443 square metres of B8 warehousing – 6% of the total draft RSS requirement for South Hampshire
- overall, for the South East sub-area (of which the Winchester southern fringe is a part), there is a sizeable surplus of B2 manufacturing space and a deficit of B8 warehousing
- comparing the requirements of the PUSH interim apportionment of sub-regional requirements to districts with the provision of existing sites in the Winchester southern fringe suggests a close balance of B1 offices, a surplus of B2 manufacturing and a near balance of B8 warehousing space.

Rest of Hampshire – including the rest of Winchester district

2.27 That part of Winchester district which is outside of the southern fringe – which is the majority of district, including Winchester itself – is outside of any formally defined RSS sub-region. It is included within an area known as Central Hampshire and New Forest which is predominantly rural; Winchester (with a population of 42,000) and Andover (39,000) are the largest settlements by some margin.

2.28 The Panel considered the "rest of Hampshire" and, within this, proposals and plans relating to the "rest of Winchester". Some concern was expressed with regard to the relatively low housing numbers for Winchester district. In considering the scope for further growth, the Panel argued that proposals should be judged in relation to "*the sustainability of further growth at Winchester and its impact particularly on the sub-regional strategy for South Hampshire*" (para 26.27). It noted that Winchester is far more important as an historic, cultural and administrative centre and as a tourism destination than an inspection of population data alone would imply; indeed as a concentration of office employment, the town ranks above Oxford and Slough. The Panel observed that this in turn is associated with complex commuting flows and a high incidence of long distance commuting into Winchester to work (para 26.28). It concluded that the case for a higher level of housing provision for the "rest of Winchester" was "convincing" and – particularly if steered to the north of the town – growth could be planned so as to widen access to housing and reduce travel distances for commuters whilst avoiding compromising either the character of Winchester or the growth and regeneration ambitions of South Hampshire. Hence the recommendation was made that 1,800 dwellings should be added to the figure in the draft RSS for the "rest of Winchester" reflecting the needs and opportunities relating to Winchester town.

2.29 It is important to note that despite the acknowledged functional importance of Winchester town, the Panel did not advocate its promotion to the status of "regional hub" (i.e. a settlement in which the provision of (or potential to provide) a range of multi-modal transport services supports the concentration of land uses and economic activity). It observed that whilst Winchester had some hub-like characteristics, the promotion of it could divert the focus for investment from Southampton and Portsmouth.

Conclusions

2.30 The strategic policy context with regard to economic and employment growth in Winchester is complicated. It is also changing in a number of important respects, and these need to be understood fully. By way of conclusion, we make three overarching observations.

2.31 First, the disjuncture in the spatial development framework between the provisions of the existing Local Plan (adopted in July 2006) and the direction of travel signalled by both the draft RSS and the subsequent report of the Panel following the EiP, is notable and important. Although the former made provision for potentially two Major Development Areas, it took a reasonably cautious approach and it emphasised strongly the need to conserve the high quality built and natural environment that characterises what remains a predominantly rural district. The draft RSS growth targets for the South Hampshire subregion, which includes the southern fringe of Winchester district, are driven by ambitious aspirations for GVA and productivity growth that are reflected in employment and housing, growth targets that will demand incisive policy interventions. The analysis of employment land availability completed by the planning group of the Partnership for Urban South Hampshire has flagged up just how important the contribution of existing employment land allocations in the Winchester district southern fringe is likely to be in achieving these outcomes. The scale of these development objectives far exceeds the provision required in Winchester town and the rural areas of the district but should not overshadow their significance for local communities.

2.32 Second – and related – the EiP Panel argued for an increment in proposed housing numbers in the "rest of Winchester" (outside the southern fringe). The rationale for this reflected issues relating to housing affordability and labour supply, given that the functional role of Winchester town is greater – because of the high concentration of public sector administrative activities – than the size of its population would typically imply. The Panel's arguments appeared to give greater weight to the possibility – already lodged in the adopted Local Plan – of greenfield release linked to a contingent MDA at Winchester North. The arguments surrounding the proposition for an expansion of Winchester town were complex. Whilst the case for a greater housing contribution was made, the Panel was cautious to advocate a much stronger economic role for the town. Its concerns related to the potentially adverse implications for Portsmouth and Southampton, both of which were considered to be regeneration priorities. This does not mean that Winchester town should effectively "shut up shop" in terms of its own economic development aspirations, but from a regional planning point of view there are clearly issues to address in relation both to displacement and possible commuting effects. Both require careful consideration.

2.33 Third – and in part as a consequence – there is a need to consider carefully and creatively the scope within Winchester District (and particularly Winchester town) for genuinely "smart growth" as set out in the RES. Region-wide this is one of three headline objectives and it arguably has particular cogency within Winchester. If it can be effected, it could be the win-win solution that links together the aspirations of both the RES and draft RSS, and those set out in the Winchester District Sustainable Community Strategy and its daughter documents. As the Panel observed, "smart growth" cannot be used uncritically as a panacea, and the potential for it needs to be addressed carefully. However it is a regional policy objective with particular resonance at a local level and it needs to be taken seriously in this context.

3: Economic overview

3.1 This chapter examines the economic profile of Winchester district drawing on the review of commuting flows and the economic analysis which have been undertaken for this study. It considers district-level data before turning to examine three sub-areas. It then assesses the strengths, weaknesses, opportunities and threats (SWOT) of the local economy which set the context for the future economic strategy for the area.

The District-wide picture

Overview

3.2 Winchester district had – at the time of the last Census – a resident population of some 107,000 people. Of these, just over 78,000 were of working age. Some 42,000 residents were employees and a further 8,500 were self-employed. Overall, data from the Census suggested that just over 66,000 people worked at workplaces in the district but less than half of these jobs were taken by residents of Winchester district. This all indicates a very open economy which is characterised by strong in- and out-flows of people to work, although overall, there is a net in-commute to Winchester district of over 11,000 people. Well over 30% of all in-commuting was accounted for by residents of Southampton, Eastleigh and Portsmouth: hence there was a sizeable daily inflow of people from the south and west travelling to work in the district. With regard to out-commuting – which is smaller in volume, but still significant in scale – the three most important destinations were Southampton, London and Portsmouth.

3.3 This picture of a reasonably open economy which is, overall, a net importer of labour, provides the backdrop to understanding much of the economic character of Winchester district – and the opportunities and threats associated with it.

3.4 District-wide, Winchester performs strongly on most measures of economic performance. On the overall Index of Local Competitiveness for 2005 – developed by Robert Huggins and Associates – the district ranked as the 32nd best performing of 434 nationally and the 18th best performing of 67 Local Authority Districts (LADs) in the South East. Closer inspection of the Index – and its component parts – suggests that compared to its overall rank, the district performs best on measures of unemployment (implying that within Winchester, there is effectively full employment) and skills (measured in terms of the proportion of the resident working age population qualified to NVQ level 4 or above). Relatively, it performs less well on measures of business density (ranked 67) and rates of start-up(ranked 52), and quite poorly on economic activity (ranked 302) and employment rates(ranked 169). Workplace-based measures of GVA per capita are reasonably strong – although these are bolstered by net in-commuting. The proportion of knowledge-based businesses in the economy is also relatively high; in 2002, about 28% of businesses were considered to be knowledge-based (as defined by Robert Huggins Associates[2]).

3.5 However, of some concern must be the observation that Winchester's overall rank of 32 in 2005 represents a fall of 7 places since the Index was compiled in 1997. Within the South East, its rank has fallen three places and it has been overtaken by a number of districts including Hart, Tandridge and Chichester. The implication is that whilst Winchester's performance is still strong, it may be slipping down the Index at both regional and national scales. Hence there can be little room for complacency.

3.6 Within this overall context, data supplied by Cambridge Econometrics provide an important insight into how the economy of Winchester district has been changing. Table 3-1 provides historical data relating to 1985, 1995 and 2005 for both Winchester district and the South East. It shows employment numbers for those sectors that accounted for at least 500 jobs in Winchester by the end of the period. It also shows annual growth rates in employment for each sector over each of the two decades in both Winchester and the South East. Finally, it provides a Location Quotient for employment sectors in Winchester relative to the South East for 1985, 1995 and 2005. From the Table, we make a number of important observations:

- in 2005, there were about 75,000 jobs in Winchester district, an increment of over 10,000 on the 1995 figure
- between 1995 and 2005, the rate of employment growth was stronger in Winchester district (1.6%) than across the South East region as a whole (1.4%). However in the preceding decade, there was actually a decline in Winchester's employment base (-0.4%). The district's performance therefore improved both relatively and absolutely in relation to the region between the first decade and the second decade
- the Professional Services sector appears to have grown strongly in both absolute terms and relative to the average for the South East; by 2005, it accounted for 11,000 jobs in the district and was the second biggest employment sector (behind Health and Social Work)
- as employment sectors, Banking and Finance, and Insurance have also both performed much more strongly in Winchester than across the South East. In both cases, the Location Quotient has grown substantially over the 20 year period such that these sectors are now ones of relative specialisation within the district; in 1985, both were under-represented
- there are a number of sectors in which employment in Winchester has been stable whilst it has fallen sharply region-wide; Mechanical Engineering and Electrical Engineering and Instrumentation are two examples. This may be explicable in terms of niche production, or possibly linking into the high value manufacturing which has been identified as a strategic priority across South Hampshire

[2] Robert Huggins Associates used the OECD definition of knowledge based activities: "pharmaceuticals, office machinery & computers, aerospace, precision instruments, electrical & electronic engineering, telecoms, financial intermediation, insurance, auxiliary activities to financial intermediation, computer & related activities, research & development, other business activities, motion pictures & video and radio & television"

Table 3-1: Sectoral pattern of employment in Winchester and the South East, 1985-2005

(Note CAGR is Compound Annual Growth Rate and LQ is Location Quotient – see glossary)

Sector	Winchester Employment by Industry (thousands): 1985	Winchester Employment by Industry (thousands): 1995	Winchester Employment by Industry (thousands): 2005	CAGR in employment 1985-95	CAGR in employment 1995-2005	Employment by Industry in South East (thousands): 1985	Employment by Industry in South East (thousands): 1995	Employment by Industry in South East (thousands): 2005	CAGR in employment – 1985-95	CAGR in employment 1995-2005	Winchester 1985 LQ	Winchester 1995 LQ	Winchester 2005 LQ
1 Agriculture etc	2.5	1.0	2.1	-8.5%	7.1%	81.1	75.3	71.9	-0.7%	-0.5%	1.6	0.8	1.6
5 Food, Drink & Tob.	0.7	0.7	0.6	0.8%	-2.0%	49.7	29.1	28.5	-5.2%	-0.2%	0.7	1.4	1.2
8 Printing & Publishing	0.2	0.5	0.9	8.6%	6.6%	57.3	57.0	52.7	0.0%	-0.8%	0.2	0.5	0.9
15 Metal Goods	1.9	0.4	0.6	-14.8%	3.7%	57.2	43.4	33.6	-2.7%	-2.5%	1.7	0.5	0.9
16 Mech. Engineering	0.7	0.6	0.7	-2.2%	2.2%	69.5	49.1	40.2	-3.4%	-2.0%	0.5	0.7	1.0
18 Elec. Eng. & Instrum.	0.5	0.5	0.9	0.2%	7.0%	63.0	58.2	54.7	-0.8%	-0.6%	0.4	0.5	1.0
25 Construction	4.0	4.7	5.5	1.5%	1.6%	270.2	242.9	303.0	-1.1%	2.2%	0.8	1.1	1.0
26 Distribution	4.2	3.5	3.0	-1.9%	-1.6%	275.6	284.8	308.3	0.3%	0.8%	0.8	0.7	0.6
27 Retailing	3.3	4.8	6.3	3.7%	2.8%	322.5	374.2	431.8	1.5%	1.4%	0.5	0.7	0.8
28 Hotels & Catering	3.4	4.5	4.8	2.8%	0.7%	202.3	212.2	274.4	0.5%	2.6%	0.9	1.2	1.0
29 Land Transport etc	0.5	0.6	1.6	1.1%	10.5%	107.2	123.5	153.4	1.4%	2.2%	0.3	0.3	0.6
32 Communications	0.4	0.8	0.9	6.9%	0.9%	56.9	69.0	71.7	1.9%	0.4%	0.4	0.7	0.7
33 Banking & Finance	0.7	0.9	1.8	3.3%	6.8%	91.0	103.2	100.0	1.3%	-0.3%	0.4	0.5	1.0
34 Insurance	0.1	0.2	0.9	4.2%	14.7%	35.4	40.9	36.1	1.4%	-1.2%	0.2	0.3	1.4
35 Computing Services	0.2	2.0	1.6	25.5%	-2.0%	34.6	68.0	136.4	7.0%	7.2%	0.3	1.7	0.7

Sector	Winchester Employment by Industry (thousands): 1985	Winchester Employment by Industry (thousands): 1995	Winchester Employment by Industry (thousands): 2005	CAGR in employment 1985-95	CAGR in employment 1995-2005	Employment by Industry in South East (thousands): 1985	Employment by Industry in South East (thousands): 1995	Employment by Industry in South East (thousands): 2005	CAGR in employment – 1985-95	CAGR in employment 1995-2005	Winchester 1985 LQ	Winchester 1995 LQ	Winchester 2005 LQ
36 Prof. Services	5.2	7.5	11.0	3.8%	3.9%	223.2	291.7	387.4	2.7%	2.9%	1.2	1.5	1.6
37 Other Bus. Services	1.4	3.3	2.5	8.9%	-2.5%	99.5	208.2	329.6	7.7%	4.7%	0.7	0.9	0.4
38 Public Admin. & Def.	10.5	11.2	6.9	0.7%	-4.8%	268.0	224.0	207.9	-1.8%	-0.7%	2.1	2.9	1.9
39 Education	10.6	4.7	5.3	-7.7%	1.0%	236.9	298.4	338.6	2.3%	1.3%	2.3	0.9	0.9
40 Health & Social Work	10.5	8.0	11.8	-2.6%	4.0%	320.7	395.0	462.4	2.1%	1.6%	1.7	1.2	1.5
41 Misc. Services	3.8	3.4	4.8	-1.1%	3.6%	192.1	204.5	262.1	0.6%	2.5%	1.0	1.0	1.0
Total	67.0	64.6	75.7	-0.4%	1.6%	3501.1	3740.7	4303.2	0.7%	1.4%	1.0	1.0	1.0

Source: Cambridge Econometrics

Table 3-2: Occupational profile of employment in Winchester and the South East, 1985-2005

(Note CAGR is Compound Annual Growth Rate and LQ is Location Quotient – see glossary)

Occupation	Winchester Employment by Occupation ('000) – 1985	Employment by Occupation in Winchester ('000) - 1995	Employment by Occupation in Winchester ('000) – 2005	CAGR in Employment by Occupation in Winchester, 1985-1995	CAGR in Employment by Occupation in Winchester, 1995-2005	Employment by Occupation in SE ('000)), 1985	Employment by Occupation in SE ('000), 1995	Employment by Occupation in SE ('000), 2005	CAGR in Employment by Occupation in SE, 1985-1995	CAGR in Employment by Occupation in SE, 1995-2005	LQ for employment by occupation in Winchester, 1985	LQ for employment by occupation in Winchester, 1995	LQ for employment by occupation in Winchester, 2005
Corporate Managers	5.6	7.7	10.9	3.3%	3.6%	349.1	443.7	598.5	2.4%	3.0%	0.8	1.0	1.0
Managers and Proprietors	2.9	3.2	3.3	1.0%	0.1%	152.9	153.5	166.3	0.0%	0.8%	1.0	1.2	1.1
Science/Tech Professionals	1.7	2.8	3.5	5.0%	2.1%	110.0	129.7	169.5	1.7%	2.7%	0.8	1.3	1.2
Health Professionals	0.6	0.8	1.8	3.1%	8.4%	23.4	27.1	37.7	1.5%	3.4%	1.3	1.7	2.7
Teaching/Research Prof.	4.2	3.4	5.5	-2.1%	4.8%	148.8	163.8	197.5	1.0%	1.9%	1.5	1.2	1.6
Business/Public service Prof.	1.6	2.4	3.1	4.4%	2.7%	81.8	96.4	123.9	1.7%	2.5%	1.0	1.4	1.4
Science Associate Prof.	0.9	1.1	1.4	1.8%	2.0%	69.8	75.6	92.4	0.8%	2.0%	0.7	0.9	0.8
Health Associate Prof.	2.5	1.9	3.8	-3.0%	7.3%	107.1	123.4	142.9	1.4%	1.5%	1.2	0.9	1.5
Protective Service Occs	1.6	1.3	1.1	-2.1%	-1.1%	34.5	45.2	63.9	2.7%	3.5%	2.4	1.6	1.0
Culture/Media/Sport Occs	0.9	1.3	1.9	3.7%	4.1%	45.5	62.9	100.2	3.3%	4.8%	1.0	1.2	1.1
Bus/Public Serv. Assoc Prof.	2.5	3.1	4.0	2.3%	2.3%	161.7	193.1	242.6	1.8%	2.3%	0.8	0.9	0.9
Admin & Clerical Occupations	6.3	6.4	4.9	0.2%	-2.6%	391.2	395.6	394.3	0.1%	0.0%	0.8	0.9	0.7
Secretarial & Related Occs	3.4	3.2	2.3	-0.8%	-3.2%	199.1	191.0	155.9	-0.4%	-2.0%	0.9	1.0	0.8

Occupation	Winchester Employment by Occupation ('000) – 1985	Employment by Occupation in Winchester ('000) - 1995	Employment by Occupation in Winchester ('000) – 2005	CAGR in Employment by Occupation in Winchester, 1985-1995	CAGR in Employment by Occupation in Winchester, 1995-2005	Employment by Occupation in SE ('000)), 1985	Employment by Occupation in SE ('000), 1995	Employment by Occupation in SE ('000), 2005	CAGR in Employment by Occupation in SE, 1985-1995	CAGR in Employment by Occupation in SE, 1995-2005	LQ for employment by occupation in Winchester, 1985	LQ for employment by occupation in Winchester, 1995	LQ for employment by occupation in Winchester, 2005
Skilled Agricultural Trades	1.1	0.9	1.5	-1.2%	4.5%	40.8	42.1	53.5	0.3%	2.4%	1.4	1.3	1.6
Skilled Metal/Elec Trades	2.6	2.0	2.4	-2.7%	2.0%	223.2	191.1	158.1	-1.5%	-1.9%	0.6	0.6	0.9
Skilled Construct. Trades	2.5	1.9	2.4	-2.7%	2.7%	144.4	131.2	166.8	-0.9%	2.4%	0.9	0.8	0.8
Other Skilled Trades	1.6	1.5	1.0	-0.8%	-3.7%	91.2	86.0	81.9	-0.6%	-0.5%	0.9	1.0	0.7
Caring Personal Service Occs	2.3	2.7	4.8	1.5%	6.0%	77.8	141.8	238.9	6.2%	5.4%	1.6	1.1	1.1
Leisure/Oth Pers Serv Occs	1.5	1.2	1.1	-1.9%	-1.0%	64.1	71.5	83.9	1.1%	1.6%	1.2	1.0	0.8
Sales Occupations	3.6	4.1	4.5	1.2%	1.0%	188.9	213.7	263.9	1.2%	2.1%	1.0	1.1	1.0
Customer Service Occupations	0.2	0.3	0.6	3.9%	7.2%	20.7	31.3	57.7	4.2%	6.3%	0.5	0.6	0.6
Process Plant & Mach Ops	3.2	1.7	1.3	-6.1%	-2.6%	200.8	153.1	121.0	-2.7%	-2.3%	0.8	0.7	0.6
Transport Drivers and Ops	1.9	1.4	1.7	-3.2%	2.0%	117.1	120.6	142.9	0.3%	1.7%	0.9	0.7	0.7
Elementary: Trades/Plant/Mach	2.9	2.0	1.9	-3.4%	-0.5%	186.6	152.1	123.6	-2.0%	-2.1%	0.8	0.8	0.9
Elementary: Clerical/Service	8.8	6.3	4.9	-3.4%	-2.5%	270.5	305.2	325.4	1.2%	0.6%	1.7	1.2	0.8
Total	67.0	64.6	75.7	-0.4%	1.6%	3501.1	3740.7	4303.2	0.7%	1.4%	1.0	1.0	1.0

Source: Cambridge Econometrics

- two major employment sectors – Public Administration and Defence, and Education – have both declined relatively as employment sectors although both remain important in Winchester in absolute terms
- although there was significant employment decline from 1985-95, the last decade has seen stability (or even slight growth) in employment in land-based activities linked to Agriculture, and Food and Drink. This picture appears somewhat different from the regional average.

3.7 In terms of its structure, Table 3-2 parallels Table 3-1. However, the focus is on the changing occupational mix of employment within Winchester district, both in absolute terms and relative to the average for the South East, again over the twenty year period. The data need to be read alongside those in Table 3-1. They suggest that:

- Winchester has grown – relatively and absolutely – as a location for most of the higher order occupations. There was a particularly marked increase in health professionals but from a relatively low base. However the fact that by 2005 there were almost 11,000 corporate managers working in the district – about one job in six – is noteworthy. This compares to 6,000 corporate managers twenty years earlier
- both relatively and absolutely, Winchester has declined as a location for elementary occupations – notably those linked to clerical services
- although the numbers are reasonably small, Winchester appears to have retained its relative specialism in skilled agricultural occupations.

Digging beneath the district-level data

3.8 In practice, Winchester operates as a series of economies that effectively function at a sub-district scale. Our early analysis and consultations pointed to three quite different local economies: Winchester town, the substantial rural area and the market towns within it, and the district's southern fringe. It is on these geographies that we now focus, reflecting on and drawing in the outcomes from the two workshops that were held during the summer 2007, a series of partner consultations as well as the findings of the Census analysis – completed on the basis of real settlement geographies and as an integral component of this assignment.

Winchester town

Commuting flows and functional connectivity

3.9 Winchester town is a settlement with a population of some 41,420 people – approximately 40% of the population of the district as a whole. The town itself hosts almost 30,000 jobs. Some 11,501 of these jobs are taken by people who are resident within Winchester, the implication being that almost 18,000 people commute into the town to work. At the same time, around 8,600 people are commuting from their homes in Winchester town to workplaces elsewhere.

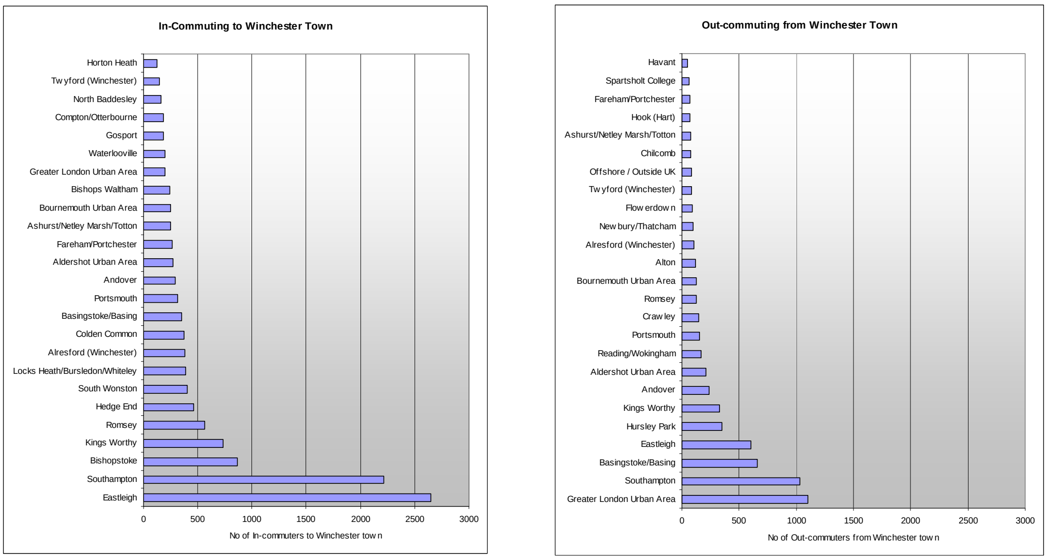
3.10 The geography of these two sets of flows is – as Figure 3-1 illustrates – quite different. Approaching 30% of commuting into Winchester town is from Eastleigh and Southampton – to the west and south of the town. Conversely the largest destination for out-commuters from Winchester town is London.

3.11 Digging into these data a little further, we can make some additional observations. In relative terms, the greatest incidence of in-commuting is amongst those working in "administrative and skilled trades" or "personal services and sales" occupations. The implication is that those working in "management and professional" occupations can – in the main – afford to live in Winchester (even if a good number choose to commute out of the town to work) whilst those in lower occupational groups typically cannot. Hence – all other things being equal – while the growth of jobs which demand lower order occupations is likely to fuel in-commuting, we might infer that the economic growth consistent with the aspirations of those in higher order occupational groups may be resolved through lifestyle choices in which working locally might be seen, by some, as preferable to London commuting. This occupational "cut" on the commuting flows is an important one with clear implications for policy (see Figures 3.1 and 3.2 below).

Figure 3-1 In and out commuting to and from Winchester Town, 2001 (no)

(a) In-commuting to Winchester Town

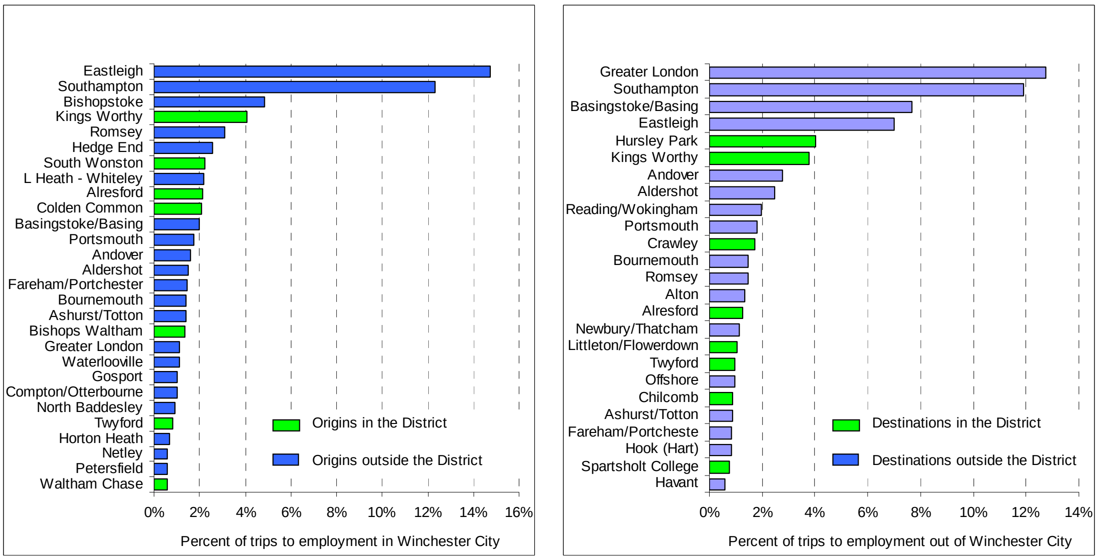
(b) Out-commuting from Winchester Town



Source: 2001 Census

Figure 3-2: In and out commuting to and from Winchester Town, 2001 (%)

(a) In-commuting to Winchester Town (b) Out-commuting from Winchester Town



Source:2001 Census

3.12 Also striking from Figures 3-1 and 3-2 is the limited extent to which the economy of Winchester town – despite its overall openness – is connected to other settlements within the district. Jobs in Winchester town are unlikely to be attractive to workers living in the rural areas and market towns. Of the people travelling to work in Winchester (excluding those who are resident within Winchester itself) fewer than 15% are travelling from elsewhere in the district (and hence 85% are travelling from outside). The figures are similar in terms of out-commuting from Winchester town: very few people who are resident in the town work at employment locations elsewhere in the district. This finding is important for it suggests – all other things being equal – that jobs growth within the town is unlikely to generate a substantial increase in intra-district commuting.

Local economic characteristics and attributes

3.13 With the exception of the Census, local economic data is poor at a below-district level. Hence the observations we make with regard to the character of the Winchester town economy are shaped by evidence derived through consultations and workshops, as well as through an extrapolation of district-level data. With regard to Winchester town, its distinctive economic characteristics appear to be:

- the potential of its creative and cultural industries, linked to its universities
- the opportunities to support growth in advanced manufacturing
- the importance of its visitor economy and, linked to this, its evening economy
- the increasing incidence of professional and business services activities
- the continuing role of the town with regard to public services.

3.14 In the paragraphs that follow we comment briefly on each of these dimensions in turn.

(a) Creative and cultural industries

3.15 Although enormously difficult to quantify precisely, it is recognised that the creative and cultural industries play an important contribution in relation to the economy of Winchester town. Regionally, it is estimated that the creative and cultural industries contribute approaching £50bn per annum to the economy; that employment in the sector grew by almost 30% in the latter half of the 1990s; and that earnings in the sector are around 20% higher than the regional average[3]. Winchester town has been part of this cultural industries phenomenon and ought to be recognised as a distinctive local cluster – with a strong knowledge base – within the wider regional sector.

3.16 Winchester's profile with regard to the creative and cultural industries owes much to the presence within it of two higher education institutions, both of which have strong credentials in the field:

- Winchester School of Art (which has been part of the University of Southampton since the mid 1990s) specialises in painting, sculpture, fashion, graphic design, advertising design, photography, textile art and design, history of art, textile conservation and museum studies. It has strong and very well-established links within Winchester town, but also strong connections to museums and galleries in London. In its field, it is leading edge
- the University of Winchester employs over 700 people. It has over 1,000 postgraduate and over 4,000 undergraduate students, most of whom are Winchester-based. It has been estimated that it contributes – directly or indirectly – over £100m per annum to the local economy. Its research and teaching specialisms include communication, cultural and media studies; dance, drama and performing arts; and education. In each of Rounds 2 and 3, the University was awarded just over £200k of HEIF funding.

3.17 In the context of a relatively small urban area, the impact of these two higher education institutions is substantial. With regard to the University of Winchester, it is estimated that of the students graduating each year, some 400-500 remain within the local economy, thereby contributing to the area's very high performance in terms of the skills of the resident working age population (reported earlier). Moreover, during their studies, students form a very significant proportion of the casual and part time workforce that the town relies upon in the context, particularly, of its visitor economy[4]. Finally, both HEIs are associated with a number of galleries and other amenities that provide much of the physical focus for creative and cultural industries within the town.

[3] *Creative and Cultural Industries – An Economic Impact Study for South East England* – Completed by David Powell Associates for South East England Cultural Consortium and SEEDA, 2002
[4] *The impact of the University of Winchester and its students in the community* – paper prepared by the Pro Vice Chancellor, October 2006

(b) Visitor economy and links to the evening economy

3.18 The visitor economy is also a very important part of the local economy and one that needs to be nurtured and supported. Data prepared as part of the evidence base for the Winchester District Community Strategy suggest that the nature of tourism activity is changing in important respects. The number of visitors staying overnight has declined steadily over the last decade or so whilst the number of day visitors grew until about 2002 before levelling off at around 4,000,000 visitors per annum. However the evidence seems to suggest that visitor spend has continued to increase throughout this period reaching a figure of approaching £200m in 2004; whilst this is a district-wide figure, the likelihood is that the town of Winchester has been the principal focus. In tourism terms, the profile of Winchester is national or international in scale.

3.19 In parallel, there appears to be a growing conviction that Winchester's evening economy is in need of development (we focus here on a range of leisure and associated activities between the end of the working day and midnight although various different sub-markets will operate outside this period and overlap in particular with day time shopping and leisure activities). The evening economy was a prominent theme in the BID submission (see Chapter 2) and was also raised in the workshop discussions that were held in the course of this assignment. In part, concerns relating to the evening economy were of a defensive character; there is clearly some anxiety relating to crime, safety, etc. However – in strictly economic terms – the evening economy ought to be a substantial opportunity, both in terms of the direct impact of spend but also the implications of it with regard to Winchester's wider roles. The commuting data set out above suggest that links between Winchester and the rest of the district are modest in scale. The same perspective emerged in discussions with regard to its evening economy; people from outside the town do not appear to travel into Winchester to enjoy its facilities and amenities. Hence while the recreational role of Winchester is clearly established in relation to national and international markets, its more local role is, apparently, weaker. This finding is important to the future dynamics of the district economy and the role of Winchester within it particularly in thinking about the opportunities to develop the role of Winchester town centre as a venue for local people as well as visitors and possibly link it into the growing creative and media industry and the established heritage industry.

(c) Professional and business services

3.20 Again, although difficult to quantify, there is a strong sense that within Winchester town, there is a growing number of small scale, high-value, professional and business service providers, a good proportion of whom may have opted to work in Winchester rather than commute to London. The evidence for this derived mainly from consultations and other informal feedback – but from those who were in a position to know. It is consistent with the finding from historical data that the incidence of employment in these sectors has grown very quickly (see Table 3-1) but in the context of relatively little provision having been made for large scale office developments (see Chapter 2). This is a group of activities that is knowledge-based and of a high value-added character and, we suspect, it is likely to be resourced from among people who already live locally; it includes "wealth management" which appeared to be developing as a particular specialism. In seeking to build a more sustainable future for both the district and the town, it is a driver of economic growth that needs to be taken seriously.

(d) Public sector service functions

3.21 Finally, with regard to Winchester town, there is a need to comment briefly on its continuing importance with regard to public sector service functions. Within the spatial footprint of the town are located the main offices of Winchester City Council, Hampshire County Council, Hampshire Police Headquarters, and one of the principal offices of NHS South Central, as well as the higher education institutions mentioned above. Within the context of a relatively small urban area, this amounts to a very significant concentration of public sector managerial and administrative functions.

3.22 Although it is very difficult to demonstrate conclusively, the inference from the commuting data presented above (and the view expressed consistently through our discussions) is that the high concentration of relatively poorly paid public sector jobs is a major catalyst to in-commuting from areas in which house prices are generally lower – particularly Southampton and Eastleigh. Looking ahead, given the pressures on the housing market and also the regeneration imperatives relating to Southampton and Portsmouth (as identified by the EiP Panel), we might question the wisdom of a continuing focus on activities of this nature within Winchester and the wider impacts of the displacement effects linked to it: are higher value activities and functions actually being squeezed out?

Settlements within M27 Corridor / Southern Fringe of Winchester district

Commuting flows and functional connectivity

3.23 In the course of our analysis of commuting flows, we examined patterns of in- and out-commuting in relation to four settlements within the M27 Corridor, three of which (Denmead, Whiteley and Wickham) are within the district, while the fourth (Hedge End) is just outside it; the latter was included because of its designation in draft RSS as a Strategic Development Area.

3.24 Denmead is a market town with a resident population of some 5,788 people. Among its working population, almost 600 people work within the settlement – hence about 20% of its residents who work have a job locally. However Portsmouth is – by some margin – the biggest destination for its working resident population, followed by Waterlooville, Havant and Fareham. This suggests that its functional economic links – at least insofar as these can be proxied by flows of workers – are strongly to the south and along the axis provided by the M27/A27. From Denmead, there is almost no out-commuting to Winchester town. The clear – and important – implication is that Denmead and Winchester are functionally independent. Although smaller in scale (with a resident population of 1,915), very similar arguments can be made with regard to Wickham.

3.25 In terms of its resident population, Whiteley appears to operate in a very similar manner to Denmead and Wickham, with strong outward-facing links along the M27/A27 Corridor. However Whiteley is distinctive because it contains Solent Business Park and Segensworth Business Park. Hence Whiteley is a substantial employment location with a significant net inflow of approaching 4,000 people travelling to work. The principal sources of workers are Portsmouth and Southampton, and of those working in Whiteley, almost half have "managerial and professional" occupations. While the jobs – and hence the workplace-based GVA – is located within (and therefore accruing to) Winchester district, Whiteley is functionally part of the economy of South Hampshire; indeed, for many addresses on Segensworth Business Park, the postal address refers to Fareham.

3.26 As an employment location, the occupational profile of Hedge End (in Eastleigh district) is notably different from that of Whiteley: the incidence of lower order occupations is much higher while that of "management and professional" occupations is more than 15 percentage points below the Whiteley figure. Notwithstanding its proximity to the boundary, very few people from Winchester district commute to work in Hedge End; instead, the profile of in-commuters is dominated by the residents of Southampton, Portsmouth, Fareham and Eastleigh. Some 465 people who live in Hedge End work in Winchester town and some 45 people who live in Winchester town work in Hedge End.

Local economic characteristics

3.27 Looking across the southern fringe of Winchester district, it is difficult to pin-point precisely its distinctive character in terms of the businesses (and hence sectors) operating there. It is, functionally, part of the very big economy of South Hampshire – both as a source of labour and a location for business. The major business parks located in Whiteley can boast an array of different types of businesses and the presumption must be that their M27 Corridor location is significant. Notwithstanding peak hour congestion, this brings with it good access to both Southampton and Portsmouth and a local population of well in excess of one million people. Additionally, proximity to ports at both Portsmouth and Southampton, and to Southampton International Airport will, for many, be important. South Hampshire is a large, diverse, urban, gateway economy and the southern fringe of Winchester district is very much part of it.

Rural area and the market towns

Commuting flows and functional connectivity

3.28 Five market towns have been identified within Winchester: Alresford, Bishop's Waltham, Denmead, Whiteley, and Wickham. Of these, reference has already been made to the latter three towns in the context of the M27 Corridor. In terms of their resident population, the market towns range from Bishop's Waltham (with a resident population of 6,085) to Wickham (1,915). Whiteley, as we have already observed, is an unusual case (because of the presence of two very large business parks) but excluding this, the market towns range from Bishop's Waltham (2,226) to Wickham (869) in terms of the number of jobs that they host. From the Census data, it is possible to derive two different measures of self-containment. Summary data are presented in Table 3-3 below and a number of summary observations follow:

Table 3-3: Measures of self-containment across the District's market towns

Market town	% of working residents who work within the settlement	% of workers in the settlement who also live there
Alresford	38.3%	52.6%
Bishop's Waltham	31.3%	44.2%
Denmead	20.8%	42.5%
Whiteley	20.4%	5.7%
Wickham	27.3%	31.2%

Source: 2001Ccensus

- on both metrics, Alresford is the most self-contained of the market towns; the most "open" market town economy is that of Whiteley (for reasons that have already been discussed)
- without exception, the three market towns located within the southern fringe are less self-contained than those further north.

3.29 We have already observed that the volume of out-commuting from the market towns on the southern fringe to Winchester town is negligible; instead the predominant (and relatively large) connections appear to be with Portsmouth and Southampton. However for Bishop's Waltham and, especially, Alresford, out-commuting to Winchester is more significant; for the latter, it accounts for almost a quarter of journeys to work that are outside of the settlement. Overall, therefore, two of the market towns appear to have reasonably strong links with Winchester town while three do not.

3.30 But there is another – quite different – finding that we must take away from our analysis of market towns and their travel to work characteristics. As set out in paragraph 3.2, just over 66,000 people travelled to work at workplaces in Winchester district at the time of the last Census. Of these, 29,492 travelled to workplaces in Winchester town and a further 11,698 travelled to work in the five market towns. Three other major employment locations – Hursley Park, Marwell Zoo/Hotel and Colden Common – together accounted for 4,291jobs. Subtracting employment in Winchester town, the market towns and the major employment sites from the total for the district leaves a balance of 20,539 jobs. By definition, these must be located across the extensive rural area that defines "the rest" of the district. Hence the rural part of Winchester district – outwith the market towns and the three major employment locations – accounts for over 30% of the district's economy. Its significance – which is widely acknowledged in relation to the district's environmental character should not therefore be overlooked in straightforward economic terms.

Local economic characteristics

3.31 The market towns and rural areas of Winchester district are – in many respects – a microcosm of the whole-district economy and they share many of its sectoral characteristics. Below we comment on those characteristics that are – in some respects – distinctive.

3.32 Rural areas within the district provide the spatial focus for the land-based sector. As the data in Table 3-1 revealed, although the agriculture and food and drink sectors have undergone continuing rationalisation and restructuring, the sectors remain relatively strong compared to elsewhere in the South East. A consistent view from workshop attendees was that these sectors should not be overlooked and that initiatives to add value and diversify remain very important, particularly in the context of the debacle over Single Farm Payments, the continuing pressure from supermarkets, and the continuing uncertainties associated with the transition to a fully decoupled CAP. Given the overall affluence of the district (and the area to the north) – and the strength of the visitor economy – there ought to be real scope for sustaining initiatives linked to the production and processing of locally sourced food and drink products. Additionally, the role of Sparsholt College should be recognised, particularly given the extent of skills shortages in the sector.

3.33 Another distinctive feature of the economy of rural parts of the district is the relatively high incidence of home-working. As Table 3-4 indicates, around 10% of workers in both Winchester town and the five market towns work “mainly at or from home”. By deduction, this figure rises to above 14% in rural parts of the district. Put another way, almost half of the homeworkers working in the district live in the rural areas. There is every indication that since the time of the last Census – over six years ago – this figure has risen as the uptake of broadband has increased. Home-working therefore is a large and growing feature of the economy of rural areas within Winchester district; its importance ought to be acknowledged and supported fully.

Table 3-4: Incidence of Home-working

Location	Trips originating from study settlement (economically active)	Working 'mainly at or from home'	Home-working %
Market towns (5)	10996	1171	10.6%
Other employment locations (3)	1926	203	10.5%
Winchester Town	20135	1927	9.6%
Winchester District	54,843	6,379	11.6%
Rural parts of Winchester	21,786	3,078	14.1%

Source: 2001 Census

3.34 That said, in policy terms, home-working presents some challenges. Sectorally, and in terms of occupations, it encompasses a great diversity of activities – from plumbers, to teleworkers, to home-based childcare businesses, to self-employed IT consultants. Some of these activities are high value-added in character, others are not. Some will be definite career choices, whilst others will be survival strategies developed out of necessity because of a lack of rural transport. Home-working is itself no panacea, and the causes – and implications of it – need some unpacking. However marshalled appropriately, it ought to provide some basis for more sustainable rural communities as more people of working age are, by definition, at home during the day and thus notions of dormitory roles can start to be unpicked.

Looking ahead: Forward projections

3.35 For sectors in which there were over 500 jobs in Winchester district in 2005, Table 3-5 below shows: employment projections for 2005, 2010, 2015 and 2020[5]; the employment growth rate over the intervening years; and for each of the four years, the derived Location Quotient for Winchester district relative to the South East. Table 3-6 shows Gross Value Added (GVA) output for 2005, 2010, 2015 and 2020 and the compound annual growth rates (CAGRs) for the intervening periods.

Table 3-5: Employment projections for Winchester District – absolute numbers, growth rates, and location quotients relative to the South East

(Note CAGR is Compound Annual Growth Rate and LQ is Location Quotient – see glossary)

Sector	Emp 2005 ('000)	Emp 2010 ('000)	Emp 2015 ('000)	Emp 2020 ('000)	CAGR 2005-2010	CAGR 2010-2015	CAGR 2015-2020	LQ 2005 (SE)	LQ 2010 (SE)	LQ 2015 (SE)	LQ 2020 (SE)
1 Agriculture etc	2.1	1.8	1.7	1.7	-1.1%	-0.6%	-0.1%	1.63	1.70	1.75	1.76
5 Food, Drink & Tob.	0.6	0.6	0.6	0.6	-0.1%	-0.3%	-0.3%	1.18	1.19	1.20	1.23
8 Printing & Publishing	0.9	0.9	0.9	0.9	0.0%	0.2%	0.2%	0.95	0.96	0.96	0.98
15 Metal Goods	0.6	0.6	0.5	0.4	0.5%	-1.3%	-1.6%	0.94	0.96	0.92	0.87
16 Mech. Engineering	0.7	0.7	0.7	0.6	-0.3%	-0.3%	-0.2%	0.98	1.03	1.05	1.07
18 Elec. Eng. & Instrum.	0.9	0.9	0.7	0.6	-0.8%	-1.7%	-2.5%	0.97	0.95	0.89	0.81
25 Construction	5.5	5.8	6.1	6.3	0.6%	0.4%	0.4%	1.03	1.01	0.99	0.98
26 Distribution	3.0	3.2	3.3	3.4	0.5%	0.5%	0.4%	0.55	0.57	0.59	0.60
27 Retailing	6.3	6.1	6.4	6.8	-0.3%	0.5%	0.6%	0.83	0.82	0.82	0.83
28 Hotels & Catering	4.8	4.8	5.1	5.2	0.2%	0.5%	0.3%	0.99	0.98	0.99	0.99
29 Land Transport etc	1.6	1.6	1.5	1.4	-0.3%	-0.6%	-0.8%	0.61	0.61	0.59	0.58
32 Communications	0.9	0.9	0.9	0.9	-0.2%	-0.3%	0.1%	0.73	0.73	0.72	0.72
33 Banking & Finance	1.8	1.9	2.0	2.0	0.4%	0.4%	0.1%	1.03	1.05	1.07	1.08
34 Insurance	0.9	0.8	0.9	1.0	-0.2%	0.7%	0.8%	1.36	1.36	1.40	1.44
35 Computing Services	1.6	1.8	2.3	2.8	1.4%	2.1%	2.2%	0.67	0.70	0.75	0.80
36 Prof. Services	11.0	11.4	11.9	12.5	0.4%	0.5%	0.5%	1.61	1.58	1.54	1.51
37 Other Bus. Services	2.5	2.6	2.7	2.9	0.3%	0.5%	0.6%	0.44	0.43	0.42	0.41
38 Public Admin. & Def.	6.9	6.9	7.0	7.0	0.0%	0.1%	0.1%	1.89	1.93	1.97	2.02
39 Education	5.3	5.5	5.6	5.7	0.4%	0.3%	0.2%	0.88	0.87	0.86	0.86
40 Health & Social Work	11.8	12.5	13.2	13.7	0.6%	0.5%	0.4%	1.46	1.44	1.43	1.42
41 Misc. Services	4.8	5.0	5.1	5.2	0.3%	0.3%	0.2%	1.05	1.04	1.04	1.03
Total	75.7	77.6	80.3	82.9	0.3%	0.3%	0.3%				

Source: Cambridge Econometrics

[5] Note that the employment land chapter later in this report is based on extended projections (to 2026) to fit with the RSS planning period

Table 3.6: GVA by industry in Winchester, 2005 to 2020

	2005	2010	2015	2020	CAGR 2005-10	CAGR 2010-2015	CAGR 2015-2020
1 Agriculture etc	29.2	29	30.3	31.4	0%	1%	1%
5 Food, Drink & Tob.	31.2	31.4	33	33.9	0%	1%	1%
8 Printing & Publishing	31.8	33.1	35.6	38.5	1%	1%	2%
15 Metal Goods	19.7	21.4	20.7	19.5	2%	-1%	-1%
16 Mech. Engineering	28.6	31.1	32	33.2	2%	1%	1%
18 Elec. Eng. & Instrum.	36.3	35.5	33	28.3	0%	-1%	-3%
25 Construction	160.9	172.5	186.8	207.9	1%	2%	2%
26 Distribution	108.9	128.6	150.2	173.4	3%	3%	3%
27 Retailing	129.4	145.8	167.3	192.3	2%	3%	3%
28 Hotels & Catering	67.4	77.3	86.4	93.7	3%	2%	2%
29 Land Transport etc	50.9	54	56.7	58.5	1%	1%	1%
32 Communications	54	69.5	95.3	135.8	5%	7%	7%
33 Banking & Finance	147.7	187.8	222.6	257	5%	3%	3%
34 Insurance	61.5	69	79.4	88.7	2%	3%	2%
35 Computing Services	96.8	128.7	179.4	253.3	6%	7%	7%
36 Prof. Services	482.7	560.9	644.5	740.6	3%	3%	3%
37 Other Bus. Services	42.2	49.7	57.1	64.3	3%	3%	2%
38 Public Admin. & Def.	263.6	293.2	327.9	364.8	2%	2%	2%
39 Education	102.6	109.5	122.1	135.4	1%	2%	2%
40 Health & Social Work	224.4	261.9	300.8	342	3%	3%	3%
41 Misc. Services	137.1	149.4	163.7	178.3	2%	2%	2%
Total	2484.7	2836.3	3248.7	3729.3	3%	3%	3%

Note(s):
Total GVA includes ownership of dwellings and adjustment for financial services
Consistent with UK Regional Economic Prospects, Cambridge Econometrics, February 2007

3.36 From Table 3-5, we can make some important observations with regard to the future of the Winchester district economy. Additionally – from our observations on the economy's current geography – we can make some inferences in terms of its likely future geography at a sub-district scale:

- overall, employment in the district is expected to grow at 0.3% per annum over each of the five year periods to 2020. This is similar to (but slightly less than) the average for the South East region
- the sector in which the fastest growth is projected within the district is computing services; potentially, this would tend to favour Winchester town (with links to some aspects of creative industries) and/or the rural areas (with the possibilities linked to home-working) but it could also affect IBM's activities at Hursley and the needs of the M27 corridor for business IT support
- the sectors in which Winchester district is expected both to grow, and to do so more quickly than the average for the region, include a range of business services – banking and finance; insurance; and computing services. Overall, these would again

favour Winchester town although parts of these sectors may be well suited to locations in the M27 Corridor

- although its absolute growth is very limited, the relative importance of public administration and defence is projected to increase. Currently, this sector is concentrated within Winchester town
- retailing and distribution are both projected to grow in employment terms, although in both cases, their incidence in Winchester district is projected to remain notably lower than across the South East region; the consequences of this ought to be considered carefully, particularly in the context of the possibility – following the EiP – of additional housing growth
- the future prospects for employment growth in some potentially high value-added manufacturing sectors appears to be relatively weak within the district – electrical engineering and instrumentation is a case in point – although there will probably be stronger potential for growth in GVA and productivity in these sectors
- although levels of employment are projected to decline further, the concentration of employment in agriculture and food and drink manufacturing (relative to the average for the South East) is set to grow.

3.37 From Table 3.6, it can be seen that, overall, Gross Value Added (GVA) output from the local economy is expected to increase both absolutely and relatively from 2005 to 2020 with an average annual compound growth rate (CAGR) of 3% throughout the period. Particularly rapid output growth is expected in computing services (6% CAGR 2005 to 2010 and 7% 2010 to 2020) which is mirrored by the fastest expected sectoral growth in employment to 2020. Rapid GVA growth is expected in communications (5% 2005 to 2010 and 7% 2010 to 2020) although this contrasts with a marginal decline in employment to 2015 and modest growth to 2020. Rapid GVA growth is also expected in banking & finance from 2050 to 2010 (5%) but it falls off from 2010 to 2020 (3%). As with employment growth, GVA is expected to grow strongly in a range of business services including insurance, professional services, other business services and health & social work.

3.38 Overall, the projections point to a continuing restructuring of the local economy with a growing focus on higher value added services, many of which are intrinsically knowledge-based. Within this context there appear to be particular – although different – opportunities for each of the three sub-district geographies. In planning for the district's economic future, account ought to be taken of these findings.

Conclusions

3.39 This chapter has examined in turn something of the recent historical context for economic development in Winchester district; the character and functional dynamics of each of three sub-areas and – at a district-wide level – prospects for future economic and employment growth. Overall, the picture is a positive one: at a district level, Winchester is a successful economy and continuing growth is anticipated. However, particularly when the findings of the economic review are considered alongside those deriving from the earlier assessment of the strategic context (Chapter 2), some difficult challenges and dilemmas start to emerge. We identify three major ones by way of conclusion.

3.40 First, the starting point for future economic development within Winchester district is full employment and significant net in-commuting. Additionally, from the existing Local Plan, we are aware that there is currently concern that the essential rurality of the district and the compact character of the town of Winchester should be retained. Yet the district – and particularly the town – has substantial knowledge-based economic development assets and it is important that these are not squandered, recognising the particular cogency of the "use it or lose it" adage: ambitious businesses and other organisations will grow, whether that is *in situ* or – of necessity - elsewhere.

3.41 In this context, there is a pressing need to explore what the RES concept of "smart growth" really means; the EiP Panel argued that this had not been sufficiently unpicked in the body of draft RSS and arguably, the future economic development of Winchester provides an outstanding test case. The response ought to be multi-faceted. There is, potentially, scope to increase activity rates and hence increase effective labour supply. Equally, there is a strong case for suggesting that some lower value public sector functions might be relocated such that (a) the flow of in-commuting amongst lower occupational groups is stemmed and (b) the sites and premises that are subsequently vacated might be diverted to higher value uses (which may in turn appeal to some of those who currently commute to London). Indeed, the County Council is already considering the possibility of relocating out of Winchester which could help create opportunities for the development of a cultural quarter in the town. Clearly, the politics of these arguments are complicated and contentious, but in pure economic development terms it is essential that "smart growth" starts to bite as a policy driver within Winchester and particularly within the town.

3.42 Second, particularly through the detailed analysis of commuting data, we have observed that the level of functional connectivity between Winchester town and the remainder of the district is really quite limited. In functional terms, Winchester town's role appears to be defined much more in relation to the large urban areas to the south and west, and to London, than it is in relation to a substantial rural hinterland. Through policy, it could be that some of these dynamics are changed over time: certainly, a consistent message from our workshop discussions was that Winchester *ought* to be playing a much stronger role in relation to the district's market towns. However the reality, currently, is that this role is really quite limited. The consequence is that the impacts of development proposals in Winchester town that may arise from the LDF Core Strategy may actually have little bearing on prospects for the rest of the district. Additionally, it must be recognised that the economy of rural parts of the district is sizeable – excluding the market towns it accounts for around 30% of the district total and with them it amounts to approaching half.

3.43 Third, it is important to acknowledge the extent to which the southern fringe of the district is functionally part of South Hampshire and within this context, the great importance of the M27 Corridor. This appears to be the key economic driver for the south of the district which in turn has a critical role to play in realising the growth ambitions that have been defined in relation to South Hampshire. As noted in Chapter 2, the sites in the Winchester southern fringe account for around 13% of the total South Hampshire draft RSS requirement and the importance of them in that context cannot be overlooked. Through their development, they will contribute disproportionately to the economic performance of the administrative area of Winchester, but that is simply a quirk of boundaries: the driver for growth is agglomerative processes which are essentially outwith the greater part of the district and ensconced within wider ambitions for South Hampshire. Again, in looking forward, the implications need to be recognised fully.

Section B: Employment Land Review

The Employment Land Review section of this report builds on the Economic Context for the Winchester District (see previous section) and comprises:

- Chapter 4 : Employment land needs
- Chapter 5 : Employment site surveys
- Chapter 6 : Mix and match assessment.

The final section of the report deals with a Synthesis of economic strategy and spatial options for the future of the area.

4: Employment land needs

4.1 This chapter summarises the property market review, the econometric forecasts and the employment land need estimates that were prepared for Winchester District as part of this study (see Annex B). Together with the results of the employment site surveys (see previous chapter), it forms a basis for the mix and match of employment land supply and demand which is presented in the next chapter.

Property market review

4.2 SQW undertook a review of the local property markets for office, industrial and warehousing land and premises within the Winchester City Council (WCC) district. It set the context for our survey of employment sites (see previous chapter) and, together with the econometric forecasts and the 2006 business survey carried out by Winchester City Council, it guided our assessment of employment land needs (see later in this chapter). It drew on :

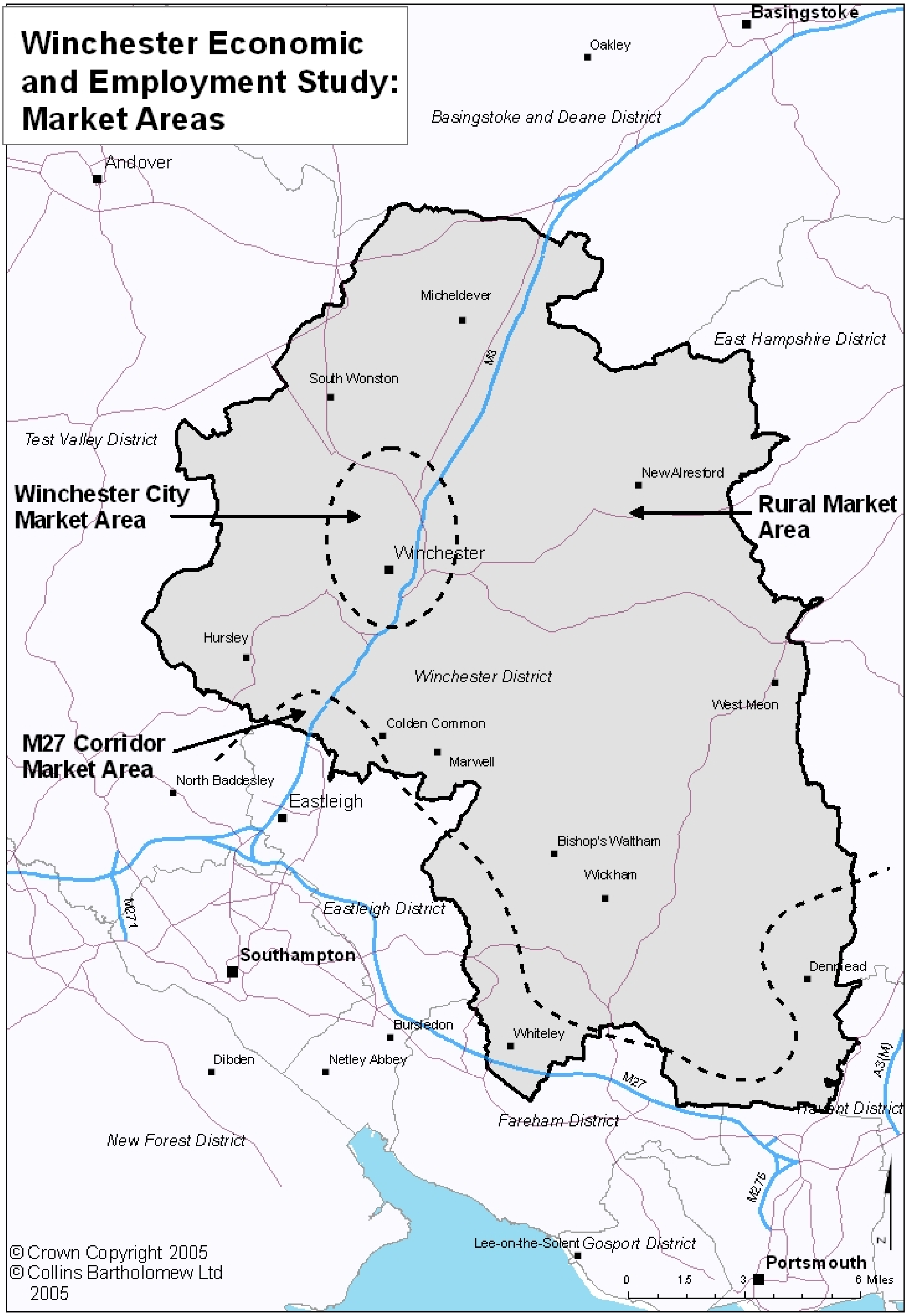
- discussions with local property agents who are active in the area
- discussions with officers of WCC and Hampshire County Council
- information on the supply and demand of land and property including the Invest in Southampton Industrial and Commercial Property Register
- SQW's knowledge of the local property market and its experience in assessing similar property markets elsewhere in the UK.

4.3 We identified three broad function and property market areas in the Winchester City Council district which overlap various local authority boundaries for the purpose of this property market review (see following map) as follows :

- M27 Corridor market area which includes the southern ends of the M3 and A3M
- Winchester town market area which includes the immediately surrounding areas
- Rural area market which includes the market towns in the rest of the district.

4.4 A detailed analysis of the local property market would have required extensive investigations into supply and demand issues for a wider area along the south coast and would have gone beyond the brief for this study. We therefore focused our research on sites that have been identified as available for development, current development activity levels and anecdotal information from local property agents.

4.5 Generally, the property markets in the Winchester area, like many other parts of the UK, have residential land values that are much higher than the values for B1 office, B2 industrial and B8 distribution uses. Consequently, there is consistent pressure from land and property owners to seek changes of use from employment to residential uses whenever the opportunities arise.


Winchester Economic and Employment Study: Market Areas
Basingstoke
Oakley
Basingstoke and Deane District
Andover
Micheldever
M3
East Hampshire District
South Wonston
Test Valley District
Winchester City Market Area
New Alresford
Rural Market Area
Winchester
Hursley
Winchester District
West Meon
M27 Corridor Market Area
Colden Common
Marwell
North Baddesley
Eastleigh
Bishop's Waltham
Wickham
M271
Eastleigh District
Southampton
Denmead
Bursledon
Whiteley
Dibden
Netley Abbey
M27
A3(M)
Havant District
Fareham District
New Forest District
M275
Lee-on-the-Solent
Gosport District
Portsmouth
0 1.5 3 6 Miles
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M27 corridor market

4.6 The M27 corridor market overlaps local authority areas in the Portsmouth - Southampton conurbation which form part of the Partnership for Urban South Hampshire (PUSH) area and include the regional growth area identified by the Draft South East Plan. The motorway corridor market has a wide appeal and attracts international and national enquiries as well as enquiries from local firms based in Portsmouth or Southampton.

4.7 Local property agents have reported a good demand for all types of employment space, particularly for large companies along the M3 corridor near Chandlers Ford and along the M27 corridor. Traffic congestion is increasing at the southern end of the M3 and at M27 Junction 9 around Segensworth Business Park and Solent Business Park. Demand appears to be slightly lower to the east of Junction 9 and at the southern end of the A3(M) but local agents believe it could improve when current road improvement works at Hindhead reduce delays on the main A3 between London and Portsmouth.

4.8 Developers and occupiers continue to be active in various locations. Local property agents say that supply and demand has been helped by employment land allocations in areas such as Waterlooville. They say supply and demand are broadly in equilibrium with a possible shortage along the southern end of the M3. They report the value of land in the motorway corridor area at around £700,000 per acre (£1,750,000 per hectare) for industrial use and £1 million or more per acre (£2,500,000 per hectare) for office use. Rents for industrial space are around £7 to £8 per sqft (£75 to £85 per sqm) and best office rents are around £20 to £23 per sqft (£215 to £245 per sqm). Corresponding figures are given for comparison for the different situations in the other two market areas (below).

Winchester town market

4.9 Local property agents report that the Winchester area is a discrete property market with limited available employment land and floorspace and, apart from a few exceptions, with no large sites or modern premises. Industrial uses and large space users do not usually consider Winchester as a possible location because they are aware that land and premises are limited. We have found that the historic character of the town and defensive attitude of many local people has also limited the scope for new office and industrial development. Reflecting on long experience of the Winchester town property market, local agents are particularly critical of the current planning policy restriction on new office development to schemes of more than around 2,200 sqft (200 square metres).

4.10 We have found a shortage of modern employment sites and premises floorspace in the Winchester town market area. We did find, however, a successful recent office scheme of around 50,000 sq ft (4,750 sqm) at Kings Worthy funded by Standard Life, the refurbishment of existing premises at Junction 10 of the M3 by Bar End Properties, proposals for a large scale but problematic industrial redevelopment at Winnall, proposals for a mainly residential scheme at Barton Farm north of Winchester by Cala Homes and mention of Oliver’s Battery / Bushfield Camp south of Winchester now owned by the Church Commissioners as a potential site for a science or technology park.

4.11 Demand would be strong for modern office and industrial workspace if provision could be made according to local property agents. Local property agents also report a strong demand for warehousing and distribution space close to the M3 and a particular demand for a science or technology park to cater for modern knowledge based industries and creative industries. Land values for industrial and warehousing use are reported to be around £600,000 per acre (£1,500,000 per hectare) and rents are around £7 to £9 per sqft (£75 to £95 per sqm). Land for offices is around £1 million or more per acre (£2,500,000 per hectare) and best rents are around £20 to £23 per sqft (£215 to £245 per sqm) for new space and around £17 per sqft (£185 per sqm) for secondary space. Values for standard quality housing land start at £2 million per acre (£5 million per hectare) and can be far higher in Winchester town where densities are high.

Rural area market

4.12 The rural market area in Winchester district includes various market towns such as Bishops Waltham and New Alresford and other smaller villages where there is a limited supply of office and industrial workspace with some established workspace schemes and some potential for the conversion of farm buildings into workspace accommodation. Local agents describe the rural areas as “very much the place to live” for a number of wealthy people where there is a strong local lobby for conservation.

4.13 Local agents report a dearth of available employment land and premises. There is a strong demand for office and industrial workspace wherever property becomes available in rural areas. Demand for warehousing and distribution space is limited in areas that are relatively remote from motorways or major roads apart from operations associated with a rural activity. We found very little vacant employment land and floorspace to let or for sale in the rural areas of Winchester district.

4.14 Two prominent exceptions to these general features of the rural market area are the IBM Research Centre at Hursley and the ARQIVA offices at Crawley to the southwest and north west of Winchester town respectively. The environment and setting of each development is first class and clearly influenced the original location decisions for these major companies. Land values for industrial and warehousing use in the rural market area are reported to be around £700,000 per acre (£1,750,000 per hectare) and industrial rents are around £7 to £8 per sqft (£75 to £85 per sqm).

Econometric projections

4.15 Cambridge Econometrics (CE) prepared a “baseline” econometric projection and a “baseline plus” econometric forecast for the Winchester district using the Local Economy Forecasting Model (LEFM) to provide a quantitative and qualitative basis for estimating employment land needs in the district to 2026. The “baseline” projection showed the effects of current and prospective trends and the “baseline plus” econometric forecast showed the effects of expected differential growth in selected sectors of the local economy recognising the restraint of existing land supply and restrictive planning policies. These forecasts of economic and employment growth include some but not all of the employment growth that has been allocated to the district to accommodate regional and sub-regional economic growth by the Draft Regional Spatial Strategy (RSS), the Draft South East Plan.

4.16 The "baseline" econometric projection for the Winchester district was prepared with LEFM initially for the period from 2006 to 2020 and then for the period 2006 to 2026 to correspond with the plan period for the Draft RSS (see Table 4.1). It showed the effects of current and prospective trends across 42 subsectors of the local economy and an overall growth of about 10,770 jobs through the plan period (14% growth). The projected overall growth in Gross Value Added (GVA) from 2006 to 2020 was £1,182.8 million (46% growth) compared with overall projected growth in employment of 7,230 jobs (9.5% growth) in the same period (only the original employment projections for 2020 were extended to 2026).

Table 4-1: Summary of Winchester district "baseline" econometric projection

Employment (thousands)	**2006**	**2011**	**2016**	**2021**	**2026**
Agriculture etc	2.27	1.82	1.73	1.72	1.71
Mining & quarrying	0.01	0.04	0.03	0.03	0.03
Manufacturing	3.32	4.76	4.46	4.16	3.92
Electricity, gas & water	0.24	0.02	0.02	0.02	0.02
Construction	4.55	5.83	6.10	6.33	6.57
Distribution, hotels etc	13.58	14.24	14.93	15.58	16.25
Transport & communications	1.68	2.54	2.41	2.30	2.20
Financial etc services	17.42	18.82	20.09	21.51	23.12
Government etc services	31.72	30.10	31.02	31.81	32.63
Totals	**74.68**	**78.17**	**80.81**	**83.47**	**86.45**

4.17 SQW then examined the sectoral structure of the baseline projection and assigned additional growth to selected sectors which had been found to have further potential for growth from the wider review of the local economy. The "baseline" projection was adjusted as follows :

- agriculture etc was given a marginal increase (+1.1%) to reflect the potential for enhancing local food production for local sale to residents and tourists to the district
- mining and quarrying was given no change
- manufacturing was increased (+3.6%) to reflect potential for further growth of advanced engineering in Hampshire and the potential for local food production and arts and crafts (which could be linked into the local tourism sector)
- electricity, gas and water were given no change
- construction was given a marginal increase (+1.3%) to reflect the additional development in the M27 Corridor / SE PUSH area

- distribution, hotels and catering were increased (+3.2%) to reflect the potential further increase in tourism in Winchester town and the market towns
- transport and communications were given no change
- financial and business services were given a major increase (+4.5%) to reflect the significant potential for further growth in knowledge based activities across the district including some limited growth in local creative and media activities
- government and other services were given a marginal increase (+1.0%) to reflect the potential growth in tourism and other services across the district.

4.18 CE then adjusted the "baseline" projection to reflect these additional growth factors and produced a "baseline plus" forecast which showed the expected shifts across the selected subsectors of the local economy (see Table 4.2). This resulted in an overall growth of about 12,890 jobs through the Draft RSS plan period from 2006 to 2026 (17% growth) compared with growth of about 10,770 jobs in the "baseline" projection for the same period (14% growth). This includes some but not all of the 9,000 jobs which we estimate could be accommodated in the additional employment floorspace which has been apportioned to the southern part of the district from the Draft RSS employment growth requirements by PUSH (September 2007) (see below).

Table 4-2: Summary of Winchester district "baseline plus" econometric projection

Employment (thousands)	2006	2011	2016	2021	2026
Agriculture etc	1.94	1.89	1.83	1.78	1.73
Mining & quarrying	0.04	0.04	0.03	0.03	0.03
Manufacturing	4.90	4.75	4.50	4.26	4.06
Electricity, gas & water	0.02	0.02	0.02	0.02	0.02
Construction	5.47	5.76	6.06	6.35	6.66
Distribution, hotels etc	13.83	14.55	15.28	16.01	16.77
Transport & communications	2.60	2.54	2.41	2.30	2.20
Financial etc services	17.78	19.10	20.62	22.28	24.15
Government etc services	29.10	30.17	31.015	32.04	32.96
Totals	**75.68**	**78.82**	**81.91**	**85.07**	**88.57**

Employment land needs

4.19 SQW translated the "baseline" econometric projections and the "baseline plus" econometric forecasts into estimates of employment land needs to provide a quantitative basis for the Winchester Employment Land Review. The relatively greater increase in Gross Value Added (GVA) during the forecast period shown by the econometric projections is reflected in the corresponding but disproportionately smaller increase in employment and hence in employment land needs. The results of these estimates can be compared with "commercial completions" in Winchester district (including industrial, office and warehousing development) which have risen from 12,906 sqm (153,495 sq ft) in 1995 to 49,108 sqm (528,599 sq ft) in 2005/6 with various fluctuations averaging 20,442 sqm per year (219,948 sq ft per year) over the period (*Source: Hampshire County Council employment land availability information*). These average commercial completions represent an average employment land need of 17 acres per year (6.8 hectares per year) at the guidance conversion rate of 3,000 sqm per hectare indicated by the employment land availability information.

4.20 We first converted the employment in the 42 subsectors of the projections and forecasts to the various B1 (business), B2 (industrial), B8 (warehousing) and other Non-B (non-business) uses required for statutory spatial planning (Class B1(c) light industrial uses were included with Class B2 general industrial uses for these purposes). The assumptions we adopted to allocate various proportions of each subsector to each business use class and to a non-business use class are shown by the "conversion factors" in the spreadsheets in Annex B. They are based on our previous experience of Employment Land Reviews but have been adapted to the Winchester situation to allow, for example, for the different proportions of the manufacturing and service sectors in each area.

4.21 We converted the business use class employment estimates into estimates of employment land need using standard assumptions for worker densities, plot ratios and vacancy rates adjusted to the characteristics of the Winchester local economy and property market (see Table 4.3). The assumptions for worker densities are drawn from the English Partnerships standard assumptions used by Regional Development Agencies (July 2001). By way of comparison, Hampshire County Council use an overall average worker density of 25 sqm per worker for B1 business uses whereas we have adopted relatively higher mid-range density assumptions for inner urban and urban edge locations within Winchester district. Hampshire County Council use an average worker density of 34 sqm per worker for B2 industrial uses whereas we have adopted a slightly higher mid-range density assumption for industrial sites within Winchester district.

Table 4-3: Employment land conversion assumptions

	Floorspace per worker	Plot ratio	Vacancy rate	Comment
B1* inner urban	15	100	5	Mid-range assumption
B1* urban edge	20	40	5	Mid-range assumption
B2 Light and general industry	30	40	5	Mid-range assumption
B8 Warehousing and distribution	50	50	5	Low-end assumption

Note : B1* includes B1(a) offices, B1(b) high technology but not B1(c) light industry
B1(c) light industry is included with B2 general industry

4.22 The assumptions for inner urban and urban edge office and high technology uses (B1), light and general industrial uses (B2) and warehousing and distribution uses (B8) are shown by the "conversion factors" in the spreadsheets in Annex B. Generally, we have assumed that inner urban B1* represent about 65% of the existing office and high technology employment land across the district and could reduce to about 55% by 2026 largely as a result of major urban edge developments in the subregional growth area in the M27 Corridor. The Winchester Retail and Town Centre Study has recently shown, for example, that about 30% of all office space in the district is located in Winchester town centre (which has been defined more narrowly than inner urban areas). The employment land requirements for non-business uses include for example retail, leisure, education, health and other services and are outside the scope of the Government's Employment Land Review Guidance but would need to be considered within the wider context of the Winchester LDF.

4.23 The results of this analysis of the "baseline" econometric projections and conversion assumptions are that we estimate that an additional 37.7 hectares of employment land will be required in the Winchester area from 2006 to 2026 (see Annex B). We estimate that this would comprise 37.5 hectares for B1 office and high technology uses (37.7 hectares in urban edge locations and a marginal reduction in inner urban areas), minus 6.6 hectares of B2 light and general industrial uses (a surplus of current provision) and 6.8 hectares of B8 warehousing uses. These estimates represent the net employment land needs converted from the "baseline" econometric projections (from an estimated gross total of 196.5 hectares in 2006 and 234.2 hectares in 2026).

4.24 These quantitative estimates of employment growth and employment land need should be interpreted flexibly to allow for "churn" between shifting sectors within the local economy and between changing land uses within the local property market. Allowances should also be made to identify sites of suitable quality, to provide for developer choice and to respond to practical implementation problems which can affect the deliverability of particular sites. Overall, a ratio of up to about 1.5 might have to be applied to increase the quantitative estimates of employment land need to provide a flexible portfolio of employment sites to meet the qualitative needs of future economic and business development. The PUSH estimates of employment land needs include a 10% margin for churn and developer choice (Background Report on Employment to SEERA, 2005) and the Hampshire Economic Partnership proposed a margin of 20% in its evidence to the Examination in Public of the Draft South East Plan (2006). It will be particularly important to adopt a "plan, monitor and manage" approach to implementation as an economy led (rather than a labour force led) approach to employment land provision has only recently been adopted in Hampshire.

4.25 We then estimated the net employment land needs for the "baseline plus" econometric forecasts using the same conversion assumptions as for the "baseline" projections. On this basis, we estimate that an additional 43.9 hectares of employment land will be required in the Winchester area from 2006 to 2026 which would comprise 41.1 hectares for B1 office and high technology uses (40.3 hectares in urban edge locations), minus 5.6 hectares of B2 light and general industrial uses (a surplus of current provision) and 8.4 hectares of B8 warehousing uses. These net employment land needs are estimated from the gross total need of 196.5 hectares in 2006 and the forecast total of 240.4 hectares in 2026).

4.26 The employment land needs estimated from the "baseline plus" forecast represent an average employment land need of 2.2 hectares per year for what are essentially local needs. They can be compared, in part, with the average "commercial completions" of 6.8 hectares per year in the district over the last ten years which include major development projects in the M27 corridor and therefore comprise provision both regional and local needs. These quantitative estimates of employment growth and employment land need should be interpreted flexibly to allow for "churn" between shifting sectors within the local economy and between changing land uses within the local property market.

4.27 We subdivided the estimated "baseline plus" employment land needs for B1(a) office and B1(b) high technology activities between inner urban areas (assuming a reduction from 65% in 2006 to 55% in 2026) and urban edge areas (assuming an increase from 35% to 45% over the same period). This acknowledges the "town centres first" approach of the subregional strategy and the emerging Winchester Local Development Framework but it also reflects the expected shift from the existing distribution of office and high technology activities from inner to outer urban areas. As space in inner urban areas becomes more restricted, the PUSH growth area will accommodate major employment and housing growth in outer urban locations along the northern edge of the Portsmouth-Southampton conurbation within the M27 corridor. We then added the estimated employment land needs of B2 industrial uses and B8 warehousing uses to the subdivisions of B1 office and high technology uses to complete the picture of employment land needs for all business class uses across Winchester district.

Table 4-3: Summary of Winchester district "baseline plus" net additional employment land needs

Employment land (hectares)	2006-11	2011-16	2016-21	2021-26	2006-26
Non-business uses	-	-	-	-	-
Offices and high technology	9.38	9.87	10.41	11.43	41.10
Inner urban	0.33	0.22	0.11	0.13	0.78
Urban edge	9.05	9.66	10.30	11.31	40.32
Light and general industry	-0.98	-1.67	-1.61	-1.85	-5.61
Warehousing & distribution	2.15	2.03	2.07	2.19	8.43
Totals	**10.55**	**10.23**	**10.87**	**12.27**	**43.92**

4.28 We finally allocated the employment land needs we had estimated from the "baseline plus" econometric forecasts to a "status quo" spatial distribution between the M27 Corridor, the Winchester town and the rural functional and market areas of Winchester district. This allocation assumed 35% of employment land needs in the M27 corridor, 50% in Winchester town and 15% in the rural area. It reflected a mix of Annual Business Inquiry (ABI) ward based workplace employment data for 2005 and Hampshire County Council Employment Land Availability (ELA) information for 2006 (see Table 5.4). This recognises that some but not all of the employment land that has been allocated in the Winchester part of the South Hampshire growth area is additional to the employment land needs of the local economy.

Table 4-4: Distribution of workplace employment, 2005, and employment land availability, 2006, within sub-areas of Winchester district

Functional and market sub-area	**Workplace employment (ABI ward data, 2005)**		**Employment land availability (Hants CC, 2006)**	
	No	*%*	*Hectares*	*%*
M27 corridor	18,963	30	5.2	33
Winchester town	33,286	52	2.8	34
Rural area	11,861	18	7.0	33
Totals	**64,109**	**100**	**15.0**	**100**

4.29 The allocation of the "baseline plus" estimates of employment land need to a "status quo" spatial distribution on this basis is presented in Chapter 6 together with three further scenarios for employment land development (Table 6.1).

Conclusions

4.30 The local property market review found strong market demand for employment uses in the M27 corridor particularly at the southern end of the M3 in the west whilst traffic congestion and other factors are limiting demand around M27 Junction 9 and the southern end of the A3(M). Market demand for employment uses is restrained in the Winchester town area by the limited supply of office and industrial land and floorspace and restrictive planning policies that limit further office development but there could be potential for further development if additional land were allocated. Apart from the existing major office facilities at Hursley and Crawley, there is a dearth of available employment land and premises and a strong demand for office and industrial workspace wherever opportunities arise in the rural market area.

4.31 The "baseline" econometric projection for Winchester district foresees an increase of 10,770 jobs from 2006 to 2026 (14% growth) and the "baseline plus" econometric forecast foresees an increase of 12,890 jobs in the same period (17% growth). The "baseline" projection reflects current and prospective trends and a continuation of existing policy whilst the "baseline plus" forecast reflects additional growth in selected sectors in the local economy. Some but not all of the 9,000 jobs which we estimate could be accommodated by the Draft RSS employment floorspace requirements for the South Hampshire Sub-region is included within these projections and forecasts of employment growth (see Table 6.2).

4.32 The "baseline plus" econometric forecasts indicate that an additional 43.9 hectares of employment land will be required in the Winchester area from 2006 to 2026 comprising 41.1 hectares for B1 office and high technology uses, minus 5.6 hectares of B2 light and general industrial uses and 8.4 hectares of B8 warehousing uses. Some but not all of the 50 hectares which we estimate could be required to accommodate the Draft RSS employment floorspace requirements in the South Hampshire Sub-region is included within these employment land needs (see Table 6.2).

5: Employment site surveys

5.1 This chapter outlines the scope, method and results of the employment site surveys that were undertaken for a selected sample of 50 existing and proposed employment sites in Winchester District (see Annex C). It assesses the supply of existing and committed sites for comparison with the estimated employment land needs (summarised in Chapter 4).

Scope of employment site surveys

5.2 SQW undertook an employment sites survey to assess the qualitative as well as the quantitative character of a selected sample of 50 existing, committed and potential employment sites within Winchester City Council district. It complemented a recent survey of major employment sites of more than 0.5 hectares by the Hampshire Economic Partnership and produced broadly consistent results. Most of the committed sites selected for the SQW survey were identified from Employment Land Availability information provided by Hampshire County Council including all the sites of more than 0.25 ha (the minimum size threshold suggested in the 2004 Government Guidance for Employment Land Reviews (ELRs)) and some other important but smaller sites. The existing employment sites were identified by Winchester City Council and the potential sites were identified in discussion between SQW and Winchester City Council to address the potential demand, particularly for knowledge based activities, identified in the employment land needs assessment.

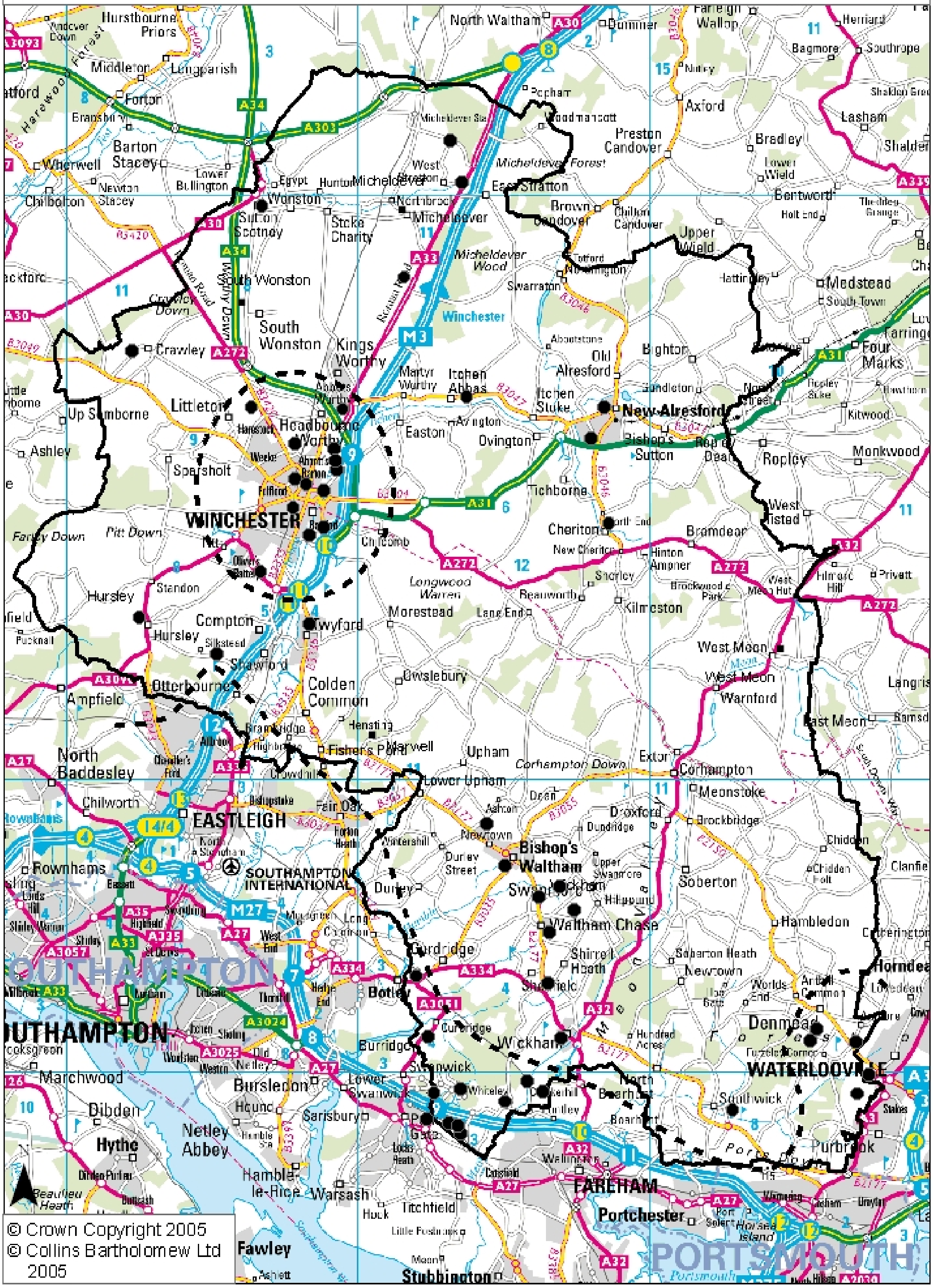
5.3 The selected employment sites for the survey are listed in Table 5.1 (below) and their locational distribution is shown on the map of the Employment Sites Survey (on the next page). The selected employment sites include a variety of allocated employment sites and mixed use sites with an employment element from the current Winchester Local Plan, a variety of existing large and small employment sites and industrial estates (some of which adjoin allocated sites and some of which are large single user sites) and several potential sites for knowledge based industries in and around Winchester (plus one near Fareham).

Table 5-1: Winchester Employment Sites Survey

SQW site no	HCC site no	Site name	Site type (or comments)
01A	Existing	Brambles Business Park	Main employment site
01B	0173	West of Waterlooville	LP employment site allocation
02	0082	Hillson’s Road, Curbridge	LP employment site allocation
03	0030 / BA	Solent Business Park N^{o} 1, Whiteley	LP employment site allocation
04	0030D	Solent Business Park N^{o} 2, Whiteley	LP employment site allocation
05	0123	Little Park Farm, Whiteley	LP employment site allocation
06	0039	Abbey Mills, Bishops Waltham	LP employment site allocation
07	0126	Freeman’s Yard, Cheriton	LP mixed use allocation
08	0045	Station Yard, Sutton Scotney	LP mixed use allocation
09	Existing	Claylands Road, Bishops Waltham	Main employment site
10	0152 / 0202	Prospect Road, New Alresford *(sample surveyed)*	Main employment site
11	Existing	The Dean, New Alresford *(sample surveyed)*	Main employment site

SQW site no	HCC site no	Site name	Site type (or comments)
12A	0024	Parklands, Denmead	Main employment site
12B	0024	Parklands, Denmead	Main employment site
13	0070	Royal Court, Kings Worthy	Main employment site
14	Existing	William Wheatley site, Wickham	Main employment site
15A	0030EB, 0030EH	Segensworth Business Park *(0030EB developed so only 0030EH surveyed)*	Main employment site
15B	0030EG	Segensworth Business Park	Main employment site
15C	0030EI	Segensworth Business Park	Main employment site
16A	0021	Winnall Industrial Estate	Main employment site
16B	0191	Winnall Industrial Estate	Main employment site
16C	0192	Winnall Industrial Estate	Main employment site
17	Existing	St Martins Business Park, Winnall	Main employment site
18	Existing	Bar End Industrial Estate, Winchester	Main employment site
19	Existing	Hyde St, Abbey Rd laundry site	Main employment site
20	Existing	Hyde St, Victoria Rd, Andover Rd	Main employment site
20A	Existing	Denplan site off Hyde St	Main employment site
20B	Existing	City Business Centre off Hyde St	Main employment site
20C	Existing	Hyde Historic Resources, Hyde St	Main employment site
20D	Existing	Cromwell House, Andover Rd	Main employment site
20E	Existing	Lending Library, Andover Rd	Main employment site
21	Existing	Southgate Street fringe area	Main employment site
22	Existing	IBM Hursley	Large firms / small estates
23	Existing	ARQIVA, Crawley	Large firms / small estates
24A	00081	Knowle Hospital	Large firms / small estates
24B	00102	Knowle Business Park	Large firms / small estates
25A	0171	Micheldever station	Large firms / small estates
25B	00142	Newdown Farm	Large firms / small estates
26	Existing	Otterbourne, Four Dell Farm	Large firms / small estates
27	0101	Brickyard Rd, Swanmore	Large firms / small estates
28	Existing	Lower Chase Rd, Swanmore	Large firms / small estates
29	0170	Northfields Farm, Twyford	Large firms / small estates
30	Existing	S&S Diesels, Waltham Chase	Large firms / small estates
31	0042	Rosehill Garage, Waltham Chase	Large firms / small estates
32	Existing	Byngs, Hambledon Rd, Denmead	Large firms / small estates
33	Existing	Pegham Industrial Pk, Laveys Lane	Large firms / small estates
34	0040	Botley Industrial Estate, Hillsons Rd	Large firms / small estates
35	Existing	Culverlands Business Pk, Shedfield	Large firms / small estates
36	Existing	Itchen Abbas Business Centre	Large firms / small estates
37	Existing	Parkhill Farm, Micheldever	Large firms / small estates
38	Potential	Bar End *(north of M3 Junction 10)*	*Opportunity site if required*
39	Potential	Bushfield Camp *(south of Winchester)*	*Opportunity site if required*
40	Potential	Barton Farm *(north of Winchester)*	*Opportunity site if required*
41	Potential	Sir John Moore Barracks *(northwest of Winchester)*	*Opportunity site if required*
42	Potential	Former HMS Dryad *(Southwick northeast of Fareham*	*Opportunity site if required*

Winchester Economic and Employment Study: Selected Sites for Employment Sites Survey



5.4 The selected employment sites are spatially concentrated in the M27 Corridor market area and the Winchester town market area reflecting the main concentrations of employment within the district. There is a smaller concentration of selected employment sites in and around the market towns and villages of Bishops Waltham, Swanmore, Shedfield and Wickham to the north of Whiteley. The other selected employment sites are spread amongst other market towns and villages including Hursley, Crawley, Sutton Scotney, Micheldever, Itchen Abbas, New Alresford and Cheriton.

Survey methods and assumptions

5.5 SQW carried out a visual inspection of all the selected employment sites using a set of criteria and a site survey template agreed in advance with Winchester City Council. The survey involved a planning specialist and a property specialist to ensure a mix of judgement and experience in assessing the fitness for purpose of each site across the whole sample. The results of the survey were subsequently reviewed by the consultant team and then with Winchester City Council to ensure consistency amongst the various types of sites.

5.6 The employment site survey assessment criteria were drawn from Government Guidance on Employment Land Reviews (Annex B) and on Sustainability Appraisal for the "new" Planning System (Economic Objectives Appendix 9) both published in 2004. The assessment criteria provided a mix of market, development and sustainability tests for the fitness for purpose of each site on a consistent and comparable basis across the whole sample. The site assessment criteria were adjusted to suit the local characteristics of Winchester and are listed in Table 5.2 (below).

Table 5-2: Site Assessment Criteria

Physical characteristics

- Site location
- Size and shape of site
- Potential for development

Market demand

- Strength of local demand in sector
- Availability of pre-let occupiers
- Viability of development without intervention

Environmental quality

- Quality of land, buildings and public realm
- No landscape or heritage designation
- Quality of immediate surroundings

Site development constraints

- No ownership and user restraints
- No contamination, land stability and flooding
- Availability of utilities and services

Site access and accessibility

- Access to main roads, ports, airports and public transport
- Site access and car parking (inc walking and cycling)
- Access to settlement centre and local facilities

Movement and commuting

- Low impact on area traffic congestion
- Increase in local area employment
- Reduce local and wider area commuting

Employment growth policy

- Realise employment growth objectives
- Reduce local community deprivation
- Support local community development

Economic development policy

- Diversify local employment opportunities
- Reduce disparities in economic performance
- Accommodate indigenous and inward investment

Sequential development test *(based on PPG3, PPG6 and RSS)*

- Urban rather than urban edge or outer urban location
- Use of previously developed land (brownfield land)
- No use of previously undeveloped land (greenfield land)

Other policy objectives

- Assist local economic specialism and diversification
- Realise regional business development objectives
- Enhance area image as a business location

5.7 The employment site survey used a survey template based on the site survey assessment criteria (above) which also included basic location, site area and other information about the site, details of its planning status and a general site description. The survey template also provided space for key planning application information, comments on viability and additional information where relevant. The completed forms and photographs of the selected sites are included in Annex C.

5.8 The site survey assessment criteria were laid out on the site survey template to provide space for written comments and a score of site suitability for employment use (ranging from 1 = low, through 5 = norm, to 10 = high). The survey template provided for the total score for each site to be carried forward to a "traffic light" assessment where green = "clearly fit for purpose" for employment use, amber = "potentially fit for purpose" with improvement for employment use and red = "clearly not fit for purpose" for employment use with potential for an alternative use. The total score for each site was considered together with the available site area, the existing employment use, the future (employment or alternative) use, the need for policy protection, the viability for future employment use and (for amber sites) the improvements required in assigning sites to "traffic light" categories. There is therefore a legitimate overlap in the range of total scores for each category. This method has been tried and tested successfully in other employment land studies and found to give a sound broad assessment of fitness for purpose.

Results of site surveys

5.9 The initial results of the fitness for purpose scores from the employment sites survey were brought together into a summary spreadsheet, ranked by site score and available site area and then sorted by market area and "traffic light" assessment. The consultant team and the client team reviewed the initial results sorted by "traffic light" assessment, market area and ranked site score and made some minor adjustments to ensure consistency and comparability across the whole sample of the 50 selected employment sites. They also reviewed the results on this basis for industrial sites, office sites and potential sites for knowledge based activities within the Winchester town market area. The final summary spreadsheet is included in Annex C.

5.10 The first level results of the employment sites survey are that, when sorted by traffic light and ranked score, 42 sites are "green" (clearly fit for purpose), 8 are "amber" (fit for purpose with improvement) and 2 are "red" (clearly <u>not</u> fit for purpose). The top 20 sites by rank order in the 84% of surveyed employment sites that are clearly fit for purpose include, not surprisingly, all the major sites in the M27 corridor together with some of the existing and potential sites in the Winchester town market area and a couple of the larger existing sites in the rural market area. These findings reflect the impressions of the consultant team and the client team and generally confirm the current employment land allocations in the district.

5.11 The "amber" sites that are potentially fit for purpose with improvement are mainly in the rural market area (a mix of 4 existing, allocated and potential sites) with 2 existing sites in the Winchester town market area and another 2 sites in the M27 corridor market area (one allocated and one existing). As might be expected, these sites reflect a variety of situations and some of them might justify improvement for employment use. The 2 "red" sites that are clearly not fit for purpose comprise a recent residential conversion of an institutional building in the M27 corridor and an isolated backland site with poor access in the rural market area.

5.12 The second level results of the employment sites survey are that, when sorted by ranked score and market area, are that there are 13 "green" mainly allocated sites in the M27 corridor area, 15 "green" mainly existing sites in the Winchester town market area and 17 "green" mainly existing sites in the rural market area. This indicates a mix of existing and allocated sites in each market area but, not surprisingly, with most of the existing sites in the Winchester town and rural market areas and most of the allocated sites in the M27 corridor area. This finding points to a need to reassess the availability of proposed and potential sites in relation to estimated employment land needs in the Winchester town and rural market areas. The key points of this analysis are illustrated in Table 5.3.

Table 5-3: Analysis of Employment Sites Survey sorted by "traffic light", ranked score and market area *(see explanation of method and assumptions in preceding text)*

SQW site no	HCC site status	Site name	Traffic light	Ranked score	Available area (ha)
M27 Corridor Market Area					
03	Allocated	Solent Business Park N^{o} 1, Whiteley	Green	1=	13.35
04	Allocated	Solent Business Park N^{o} 2, Whiteley	Green	1=	8.08
01B	Allocated	West of Waterlooville	Green	2=	30.0
01A	Existing	Brambles Business Park	Green	3=	0
15C	Allocated	Segensworth Business Park	Green	4=	1.77
05	Allocated	Little Park Farm, Whiteley	Green	7=	1.30
15B	Allocated	Segensworth Business Park	Green	8=	2.74
34	Allocated	Botley Industrial Estate, Hillsons Rd	Green	8=	4.06
15A	Allocated	Segensworth Business Park	Green	9=	3.39
32	Existing	Byngs, Hambledon Rd, Denmead	Green	11=	0
12A	Allocated	Parklands, Denmead	Green	12=	0.70
24B	Allocated	Knowle Business Park	Green	12=	0.40
12B	Allocated	Parklands, Denmead	Green	13=	0.70
02	Allocated	Hillson's Road, Curbridge	Amber	18	0.34
33	Existing	Pegham Industrial Pk, Laveys Lane	Amber	21	0
24A	Allocated	Knowle Hospital	Red	17=	0
Winchester Town Market Area					
38	Potential	Bar End (north of M3 Junction 10)	Green	2=	0
20A	Existing	Denplan site off Hyde St	Green	3=	0
20B	Existing	City Business Centre off Hyde St	Green	4=	0
20E	Existing	Lending Library, Andover Rd	Green	4=	0
17	Existing	St Martins Business Park, Winnall	Green	6=	0
18	Existing	Bar End Industrial Estate, Winchester	Green	6=	0
20C	Existing	Hyde Historic Resources, Hyde St	Green	6=	0
40	Potential	Barton Farm (north of Winchester)	Green	6=	0
41	Potential	Littleton (northwest of Winchester)	Green	7=	0
20D	Existing	Cromwell House, Andover Rd	Green	9=	0
16A	Allocated	Winnall Industrial Estate	Green	10=	0.25
39	Potential	Bushfield Camp (south of Winchester)	Green	10=	0
13	Allocated	Royal Court, Kings Worthy	Green	11=	1.32
16C	Allocated	Winnall Industrial Estate	Green	11=	0.94
16B	Allocated	Winnall Industrial Estate	Green	14=	0.30
21	Existing	Southgate Street fringe area	Amber	10=	0
19	Existing	Hyde St, Abbey Rd laundry site	Amber	12=	0
Rural Market Area					
06	Allocated	Abbey Mills, Bishops Waltham	Green	5	2.44
22	Existing	IBM Hursley	Green	7=	0
09	Existing	Claylands Road, Bishops Waltham	Green	10=	0
10	Allocated	Prospect Road, New Alresford	Green	10=	0.19
14	Existing	William Wheatley site, Wickham	Green	10=	0
23	Existing	ARQIVA, Crawley	Green	10=	0
31	Allocated	Rosehill Garage, Waltham Chase	Green	10=	0.72

SQW site no	HCC site status	Site name	Traffic light	Ranked score	Available area (ha)
36	Existing	Itchen Abbas Business Centre	Green	11=	0
30	Existing	S&S Diesels, Waltham Chase	Green	12=	0
29	Allocated	Northfields Farm, Twyford	Green	13=	1.05
35	Existing	Culverlands Business Pk, Shedfield	Green	13=	0
08	Allocated	Station Yard, Sutton Scotney	Green	14=	0.90
11	Existing	The Dean, New Alresford	Green	16	0
25A	Allocated	Micheldever station	Green	17=	0.04
25B	Allocated	Newdown Farm	Green	17=	0.30
37	Existing	Parkhill Farm, Micheldever	Green	17=	0
26	Existing	Otterbourne (Four Dell Farm)	Green	19=	0
42	Potential	Former HMS Dryad (Southwick)	Amber	10=	0
27	Allocated	Brickyard Rd, Swanmore	Amber	15	0.24
28	Existing	Lower Chase Rd, Swanmore	Amber	20	0
07	Allocated	Freeman's Yard, Cheriton	Red	19=	1.10

5.13 When the second level results of the employment sites survey are examined more closely within the Winchester town market area, it is apparent that there is a reasonable mix of 5 "green" existing and allocated industrial sites, 6 "green" mainly existing office sites and 4 "green" potential employment sites (another potential site in existing use was identified for comparison in the rural area to the northwest of Fareham). It should be noted that the potential sites were identified as opportunities to provide for the need to accommodate knowledge based activities identified in the economic review and the employment land needs assessment (see Chapters 3 and 4). These locations are not in any sense intended to represent proposals for development and they would need further investigation particularly to establish potential linkages with Higher Education institutions. This analysis indicates the relative shortage of sites for office and knowledge based activities in the Winchester town area in contrast to the extensive provision in the M27 corridor which reflects the impressions of the consultant team and the client team. It points to a need to review the availability of sites for office and knowledge based activities in Winchester town and the wider economic role of the town in the district and the wider South Hampshire sub-region.

Conclusions

5.14 The employment sites survey undertaken for this study covered a selected sample of 50 existing, committed and potential sites across the three market areas within the Winchester City Council area. The selected sites are spatially concentrated in the M27 Corridor and Winchester town market areas and they are more widely dispersed in the rural market area.

5.15 The survey comprised a visual inspection of each site with reference to available information to assess the fitness for purpose and suitability for development against a range of market development and sustainable development criteria drawn for Government Guidance. It also included other information about the site, details of its planning status, a general site description and key planning application information where relevant.

5.16 The first level results of the survey are that there are 42 sites which are clearly fit for purpose ("green"), 8 which are fit for purpose with improvement ("amber") and 2 which are clearly not fit for purpose ("red"). The top 20 of the surveyed sites that are clearly fit for purpose include all the major sites in the M27 corridor together with some existing and potential sites in the Winchester town area and a couple of the larger existing sites in the rural area. These findings generally confirm the current employment land allocations in the district.

5.17 The second level results are that there are 13 "green" mainly allocated sites in the M27 corridor area, 15 "green" mainly existing sites in the Winchester town area and 17 "green" mainly existing sites in the rural area. Most of the existing sites are in the Winchester town and rural market areas and most of the allocated sites are in the M27 corridor area which suggests a need to reassess the availability of proposed and potential sites in relation to estimated employment land needs in these market areas.

5.18 There is a reasonable mix of 5 "green" existing and allocated industrial sites, 6 "green" mainly existing office sites and 4 "green" potential sites for knowledge based activities in the Winchester town market area. This suggests a need to review the availability of sites for office and knowledge based activities and the wider economic role of Winchester town in the district and the wider South Hampshire sub-region when the results of this study are picked up in the preparation of the Winchester LDF Core Strategy.

6: Mix and match assessment

6.1 This chapter of the report compares the estimates of employment land need and the assessment of employment land supply (from previous chapters) to examine four spatial scenarios for employment land development (see Annex B) to match the different needs and characteristics of three sub-areas and for Winchester District as a whole.

Employment land demand

6.2 The estimated net increase in employment land needs in Winchester district between 2006 and 2026 based on the "baseline plus" econometric forecasts amounts to around 44 hectares (see Chapter 5 and Annex B). This includes some but not all of the additional 50 hectares which we estimate would be required for the additional employment floorspace which have been apportioned by PUSH (September 2007) to the southern part of the district from the Draft RSS employment growth requirements (see Table 6.2). It can be compared with the available area of around 75 hectares in committed employment sites identified in the employment sites survey but these figures cannot be reconciled because the employment floorspace growth requirements in the Draft RSS are not district specific.

6.3 The overall estimated change in employment land needs in Winchester district between 2006 and 2026 based on the "baseline plus" econometric forecasts comprises an increase of 42.6 hectares in B1 office and high technology uses (including 42.5 hectares in urban edge locations), a decrease of 5.6 hectares in B2 industrial uses and an increase of 8.4 hectares in B8 warehousing uses. This reflects locally generated employment land needs but not the additional regional employment land needs required by the draft South East Plan in the South Hampshire sub-region. The total net increase of 43.9 hectares from the "baseline plus" forecast masks some significant changes between business use classes and significant churn within the local property market which reflects the sectoral changes in the local economy which are shown by the econometric forecasts. As noted earlier (Chapter 4), future employment land allocations should exceed these net figures by a ratio of up to 1.5 to provide flexibility for churn, developer choice and implementation problems.

Employment land supply

6.4 The available area of allocated land permitted for future development within the 50 employment sites selected for the employment sites survey amounts to around 75 hectares (see Chapter 5 and Annex C). This includes most if not all of the allocated and permitted employment sites of more than 0.25 hectares (the minimum suggested by the Government's ELR Guidance) but not the area of suggested potential sites included in the survey. It includes around 65 hectares in the M27 corridor, around 3 hectares in the Winchester town area and around 7 hectares in the rural area.

Spatial scenarios

6.5 We have identified four scenarios to illustrate the possible spatial distribution of estimated net additional employment land needs in Winchester district between 2006 and 2026 not including all of the regionally and sub-regionally based employment growth reflected in the Draft RSS employment floorspace requirement in the Winchester part of the South East PUSH area (which broadly corresponds with the M27 corridor market area). The four scenarios we have identified are:

Scenario A: Status quo

Scenario B: M27 corridor shift

Scenario C: Winchester shift

Scenario D: Rural shift.

6.6 These four scenarios cover a range of possibilities and illustrate a range of issues for employment land development and employment land allocations which will need to be explored and resolved in the Winchester ELR and LDF. Whilst the employment land needs allocated to the M27 corridor, the Winchester town area and the rural area in each scenario are based on the "baseline plus" econometric forecasts, allowance should also be made for the additional employment floorspace requirements of the Draft RSS in the M27 corridor and the margin for flexibility to allow for churn, developer choice and implementation problems.

6.7 The four scenarios for employment land development are illustrative only and show the implications of marginal shifts in the existing "status quo" distribution of locally generated employment land needs between the three market sub-areas of Winchester district. They do not include the regionally generated employment land needs required by the draft South East Plan in the South Hampshire sub-region. The rationale for the four scenarios is outlined here and the percentage shifts are shown in Table 6.1.

- Scenario A represents the "status quo" spatial distribution of the "baseline plus" estimates of employment land need based on a mix of Annual Business Inquiry (ABI) ward based workplace employment data for 2005 and Hampshire County Council Employment Land Availability (ELA) information for 2006 (see Table 5.1)
- Scenario B represents an "M27 Corridor shift" from the status quo which could arise if future revisions of the South East Plan propose further development in the M27 Corridor along the northern edge of the Portsmouth-Southampton conurbation
- Scenario C represents a "Winchester shift" from the status quo which could arise if a reassessment of the economic and service role of the town is reflected in the LDF Core Strategy and future revisions of the South East Plan do not propose further development in the M27 Corridor
- Scenario D represents a "Rural shift" from the status quo which could arise if the role and sustainability of market towns and their relationship with Winchester town is promoted and reflected in the LDF Core Strategy and future revisions of the South East Plan do not propose further development in the M27 Corridor.

Table 6-1: Employment land need spatial distribution from 2006 to 2026 for four scenarios of "baseline plus" forecast to sub-areas of Winchester district

Functional and market sub-area	**Scenario "A" "Status quo"**	**Scenario "B" "M27 Corridor shift"**	**Scenario "C" "Winchester shift"**	**Scenario "D" "Rural shift"**
M27 corridor	33%	33 < 40%	33 > 30%	33 > 30%
Winchester town	34%	34 > 40%	34 < 40%	34 > 30%
Rural area	33%	33 > 30%	33 > 30%	33 < 40%
Totals	**100%**	**100 – 100%**	**100 – 100%**	**100 – 100%**

6.8 The reallocations of the "status quo" spatial distribution allocate the 43.9 net additional hectares required for the "baseline plus" econometric forecast (7.2 hectares more than the 37.7 hectares required for the "baseline" projection). We illustrate a redistribution of the projected net increase in employment land needs between 2006 and 2026 for the "status quo" and each of the other three scenarios :

- the "Status quo" (Scenario A) distribution would require a projected net increase of 14.5 hectares in the M27 Corridor, 14.9 hectares in Winchester town and 14.5 hectares in the rural areas. This is assumed to comprise a net increase of at least 0.8 hectares of B1 uses in inner urban areas and up to 40.3 hectares of B1 uses in urban edge areas (as explained in Chapter 4), 8.4 hectares of B8 uses across the district and a reduction of about 5.6 hectares of B2 uses where existing industrial sites are no longer fit for purpose
- the "M27 Corridor shift" (Scenario B) would require 15.4 hectares in the M27 Corridor, 14.5 hectares in Winchester town and 14.0 hectares across the rural area. The overall increase in B1 uses in inner urban and urban edge areas, B8 uses across the district and the reduction of B2 uses would be the same as the "status quo"
- the "Winchester shift" (Scenario C) would require 13.2 hectares in the M27 Corridor, 17.6 hectares in Winchester town and 13.2 hectares across the rural area. The overall increase in B1 uses inner urban and in urban edge areas, B8 uses across the district and the reduction of B2 uses would be the same as the "status quo"
- the "Rural shift" (Scenario D) would require 13.2 hectares in the M27 Corridor, 13.2 hectares in Winchester town and 17.6 hectares across the rural area. The overall increase in B1 uses inner urban and in urban edge areas, B8 uses across the district and the reduction of B2 uses would be the same as the "status quo".

Urban South Hampshire

6.9 The "baseline plus" econometric forecast estimates a requirement to accommodate an additional 12,890 jobs in Winchester district between 2006 and 2026. This broadly corresponds with the provision of 12,240 homes in Winchester district proposed in the recent Panel report of the Examination in Public of the draft South East Plan depending on the demographic and house type mix of future housing provision and on future commuting patterns and can be compared with the employment figures in the PUSH Background Report on Employment to SEERA, 2005. The "baseline plus" econometric forecast therefore provides a useful indicative basis for the Winchester ELR and LDF.

6.10 PUSH has recommended an apportioned requirement of about 204,500 sqm of additional employment floorspace (subdivided between B1, B2 and B8 uses) to the Winchester part of the SE PUSH area from 2006 to 2026 from the Draft RSS requirement for this area (Policy SH6). Broadly, sufficient land is already available in existing and "possible"[6] sites for 159,500 sqm of B1 uses and 39,500 sqm of B8 warehousing in the Winchester part of the SE PUSH area. However, there appears to be a surplus of about 62,000 sqm of B2 industrial land in excess of the apportioned B2 requirement of 5,500 sqm but not all of this would be suitable for future B1 or B8 uses and may need to be considered for other uses in the Winchester Local Development Framework.

6.11 SQW has converted the employment floorspace requirements which have been apportioned to the Winchester part of the SE PUSH area by the PUSH Planning Officers Group (September 2007) into employment land requirements and employment equivalents in order to establish an indicative comparison with the "baseline plus" forecasts (see Table 6.2 below). These estimates are based on the same assumptions as in the estimation of employment land needs for the "baseline plus" forecasts.

Table 6-2: Conversion of apportioned Draft RSS Employment Floorspace Requirements for Winchester part of the South East PUSH area, 2006 to 2026

Business Use Class	Draft RSS requirement (sqm)	Employment land need (ha)	Employment equivalent (jobs)
B1 offices and high technology	159,500	39.88	7,975
B2 industry	5,500	1.38	183
B8 warehousing	39,500	7.90	790
Totals	**204,500**	**49.16**	**8,948**

Note : the worker density assumptions used to convert the "baseline" and "baseline plus" employment forecasts into employment land requirements for this study are slightly higher than the overall average worker density assumptions used by Hampshire County Council and they are shown in Table 4.3 and explained in para 4.21.

6.12 These indicative estimates attempt to bridge the gaps in available information about employment, employment land and employment floorspace allocations and requirements in the Winchester part of the SE PUSH area. The Hampshire County Council Employment Land Availability (ELA) information for 2006 identifies a total of about 85 hectares of allocated and permitted employment land in Winchester district of which some 75 hectares is estimated to fall within the SE PUSH area of the district. The difference between this and the 50 hectares estimated in Table 6.2 is attributable to the significant surplus of B2 industrial land in the area (noted above).

6.13 The estimated Draft RSS employment land need requirement of around 50 hectares between 2006 and 2026 in the Winchester part of the SE PUSH area (Table 6.2 above) substantially exceeds the estimated employment land need of 14.5 hectares in the M27 Corridor in the

6 "Possible" sites in the PUSH Provisional Apportionment are the sites that have been identified by local authorities for possible allocation in forthcoming Local Development Frameworks but have not yet been tested through the planning process or considered by local authority members.

"Status Quo" (Scenario A - see Table 7.1) and 15.4 hectares in the "M27 Corridor shift" (Scenario B) of the "baseline plus" forecast. The additional 12,890 jobs in this projection from 2006 to 2026 for Winchester district represent locally generated demand and do not include the 9,000 regionally generated jobs that are estimated to correspond to the apportionment of the Draft RSS employment land requirement to the Winchester part of the SE PUSH area. However, many of the workers in these jobs will live outside Winchester district and commute into the area.

6.14 It is clear from this analysis that much of the Draft RSS employment land requirement that has been apportioned to the Winchester part of the SE PUSH area will provide for the economic growth needs and opportunities of the wider South Hampshire sub-region and will exceed the local employment growth potential of Winchester district alone. It is therefore difficult to equate the employment land allocations that have already been committed to meet sub-regional and other local requirements specifically with sub-regional and with local employment needs. However, it does mean that these allocations provide an opportunity for Winchester district to contribute to and share in the significant planned increase in sub-regional economic growth and to take advantage of new opportunities for local economic growth. The economic fortunes of the district and the wider sub-region will become increasingly interwoven as commuting patterns, supply chains and economic catchments are further interlinked.

6.15 The four scenarios for distributing the employment land requirements of the "baseline plus" econometric forecast are assessed in the next chapter of this report.

Conclusions

6.16 It is difficult to equate the committed supply with the estimated need for employment land in Winchester district from 2006 to 2026 because the Draft RRS employment floorspace requirements are not district specific. The available area of committed land for future development amounts to around 85 hectares which includes most employment sites of more than 0.25 hectares but not the area of suggested potential sites included in the employment sites survey. The estimated net increase in employment land needs based on the "baseline plus" econometric forecasts amounts to around 44 hectares and includes some but not all of the additional 50 hectares we have estimated could be required for additional employment floorspace in the Winchester part of the PUSH area by the Draft RSS.

6.17 We have identified four scenarios to illustrate the possible spatial distribution of estimated net additional employment land needs in Winchester district between 2006 and 2026 as a basis for the Winchester ELR and LDF : Status quo, M27 corridor shift, Winchester shift and Rural shift. The employment land needs which have been allocated to these scenarios are based on the "baseline plus" econometric forecasts but allowance should also be made for the additional employment floorspace requirements of the Draft RSS in the M27 corridor and the margin for flexibility to allow for churn, developer choice and implementation problems.

6.18 The scenarios for the spatial distribution of employment land provision comprise :

- the "Status quo" distribution which would require a net increase of 14.5 hectares in the M27 Corridor (33%), 14.9 hectares in Winchester town (34%) and 14.5 hectares in the rural areas (33%) based on an assumed mix of existing employment and employment land allocations

- the "M27 Corridor shift" which could arise from further regional growth in South Hampshire and would require 15.4 hectares in the M27 Corridor, 14.5 hectares in Winchester town and 14.0 hectares across the rural area
- the "Winchester shift" which could arise from a reassessment of the town's economic role in the sub-region and would require 13.2 hectares in the M27 Corridor, 17.6 hectares in Winchester town and 13.2 hectares across the rural area
- the "Rural shift" which could arise from promoting the role of market towns and sustainable rural communities and would require 13.2 hectares in the M27 Corridor, 13.2 hectares in Winchester town and 17.6 hectares across the rural area.

6.19 The "baseline plus" econometric forecast estimates a requirement for about an additional 13,000 jobs in Winchester district between 2006 and 2026 and provide a useful indicative basis for the Winchester ELR and LDF. We estimate that the Draft RSS growth requirements represent a need for about 9,000 jobs in the Winchester part of the SE PUSH area but it is not clear how far this is additional regional and sub-regional growth and how far it includes the growth potential of the Winchester local economy. The estimated employment land need requirement of about 50 hectares in this area substantially exceeds the estimated employment land need of 20 hectares in the "M27 Corridor shift" scenario.

6.20 It is clear that much of the Draft RSS employment land requirement for the Winchester part of the SE PUSH area will provide for the economic growth needs and opportunities of the wider South Hampshire sub-region and will exceed the local employment growth potential of Winchester district alone. These regional employment land requirements will therefore enable Winchester district to contribute to and share in the significant economic growth planned in the sub-region and to take advantage of new opportunities for local economic growth. The local and sub-regional economies will become increasingly interwoven as commuting patterns, supply chains and economic catchments are further interlinked.

Section C: Synthesis

The final section of this report builds on the Economic Context and the Employment Land Review sections of this report (see previous sections) and deals with a Synthesis of economic strategy and spatial options for Winchester District for the future.

7: Economic directions and spatial options

7.1 This final chapter of the report draws out the key findings and recommendations of the study to set out an approach to economic directions and spatial options for employment land development for Winchester District. It provides a basis for inputs to the forthcoming Issues and Options public consultation on the Winchester Local Development Framework (LDF) Core Strategy and the subsequent development of the Core Strategy and other Local Development Documents (LDDs) within the LDF.

Economic directions

7.2 The economy of Winchester district is performing strongly and it has substantial assets which ought to pave the way for sustained future growth. However there is no room for complacency: evidence suggests that its relative position might be slipping and, for the ambitious individuals and businesses within Winchester district, constraining growth is not a viable or desirable option. Looking ahead, our review of the local economy – which distinguished between the three sub-areas within the district – has suggested a number of imperatives for future growth. These ought to provide a focus for a district-wide economic development strategy that would provide a clear context for employment land provision.

7.3 The first imperative for future economic growth should be to advance the concept of “smart growth” – one of three headline objectives from the new RES and a key (although ill-defined) feature of draft RSS. The EIP Panel report endorsed the “shaper focus” on higher value added activities and specific urban areas with growth capacity proposed by the draft RSS. In response, there is a need to focus seriously in an LDF context on the scope to increase productivity, both of labour and with regard to the use of employment land. The consequences of such a focus might be wide-ranging and substantial:

- potentially, consideration should be given to effecting a shift in local employment provision from lower to higher value-added activities, recognising that the high concentration of public sector employment will appear anomalous within this context and could – over time – be managed downwards (as is already being considered in the potential relocation of Hampshire County Council functions out of Winchester town). Such a shift ought, in principle, to create space for higher value jobs and functions but it is recognised that this approach would have wider social implications for Winchester town and district
- additionally, it may be that steps can be taken to increase economic activity rates. In practice – in the context of a relatively affluent district – it may be that a good number of people of working age have chosen to be economically inactive (and may therefore choose not to register as unemployed)_and, if this is the case, it is difficult to see how policy interventions might make a difference. However some people will be economically inactive because they cannot access work, or because jobs are poorly structured in relation to caring or other responsibilities (when people would tend to register as unemployed). Ameliorative actions could then be taken to introduce “back

into work" programmes to provide skills training and to assist these people in finding suitable and accessible employment.

7.4 The second and related imperative for future economic growth is that Winchester district ought to be seeking actively to support the continuing growth of its creative and cultural industries, recognising that it has distinctive knowledge-based assets in this domain. In so doing, it needs to understand the particular character of entrepreneurs and businesses within the sector, and recognise and respond to their locational requirements; it is quite possible that these are entirely consistent with wider spatial ambitions but they need to be "designed in" with regard to future spatial development plans.

7.5 The third imperative is that some consideration ought to be given to the economic character of Winchester's outbound commuters. We know from the Census that there are large numbers of them and that, in the main, they are drawn from the higher occupational groups. The key problem of net in-commuting to lower paid could be countered to some extent by the potential relocation of public sector jobs out of Winchester into the Portsmouth-Southampton urban area where many of these in-commuters originate. Economic development in Winchester ought to focus – as far as possible – on activities that might cause locally resident commuters to reconsider the desirability of commuting out of the district. Again, this would tend to favour a focus in Winchester district (and Winchester town in particular) on higher value activities linked to a range of business and professional service activities.

7.6 The fourth imperative, across the district, is that the home-working phenomenon ought to be acknowledged fully. It must be recognised that for some, home-working is a lifestyle choice and many positive impacts are associated with it. However, for other people, it may be borne out of necessity in the context of a limited ability to travel and few real options. Either way though, it ought to confer certain benefits in the pursuit of more sustainable rural communities in which an employment base is retained and encouraged. Hampshire County Council's "Matisse" project, for example, illustrates how "smart commuting" can contribute to this. Home-working needs to be supported through, for example, the provision and uptake of next generation broadband. Moreover it could, arguably, be a "bottom-up" feed into a sustainable strategy for rural employment – which itself ought to be seen as a strategic priority.

7.7 Finally, we think that an economic development strategy for the district of Winchester ought to take seriously the district's continuing strengths relating to the land-based sector. Such a focus is clearly not new (Sparsholt College, for example, offers courses in the production and processing of locally sourced food and drink products). Nor is it particularly "exciting". However, in the context of the enormous changes and pressures that have beset the sector, Winchester appears to have held its own. It has the advantage of a relatively affluent customer base and – with appropriate support – businesses within the sector ought to do well. Sparsholt College and Winchester's Farmers Market provide key resources for responding to changing requirements in the land-based sector and the proposed South Downs National Park provides an opportunity to serve an expanding market for locally sourced produce.

Spatial options

7.8 We based our review of spatial options for the future development of employment land in the Winchester area on an assessment of employment land allocations required to meet potential regional and local growth for consideration in the Winchester ELR and the LDF. We now examine the strengths and weaknesses of the four spatial scenarios for employment land development identified earlier in this report as an input to the forthcoming public consultation on the issues and options for the Winchester LDF Core Strategy.

Overall employment land needs

7.9 We estimate that the locally generated employment growth in the Winchester area in the "baseline plus" econometric forecast from 2006 to 2026 would involve an increase of 12,890 jobs (17% growth) (para 4.26) and would require an additional 43.9 hectares of employment land (para 4.27). This "baseline plus" forecast reflects current and prospective trends and potential additional growth in selected sectors and represents an upper end view of a range of economic potential against the "baseline" projection of the local economy. It recognises that the growth of the local economy has been restrained by limitations in the supply of suitable employment land and premises, and restrictive employment land policies particularly in the town of Winchester. We have taken the status quo distribution of the "baseline plus" forecast of employment land need to provide an upper end illustration of a realistic range of locally generated employment land needs for the purposes of this study (see Chapter 4).

7.10 In addition to this locally generated employment growth, there are two possible sources of regionally generated employment growth in the Winchester area. The first of these is the 9,000 jobs and 50 hectares of employment land that we have estimated from the latest PUSH apportionment (September 2007) of the Draft RSS employment growth requirements for the Winchester part of the South East PUSH area (see Table 6.2). We have assumed that the regionally generated employment land requirement is around 34 hectares based on the difference between the total PUSH land requirement (49 hectares) and the locally generated employment land requirement (15 hectares) in the M27 Corridor market area.

7.11 The second possible source of regionally generated employment growth in the Winchester area could comprise provision for knowledge based activities particularly in Winchester town; this might in turn be considered in the issues and options for the LDF Core Strategy in response to the economic overview earlier in this report (see Chapter 3). Some of this provision could be made in some form of "cultural quarter" linked to the two Higher Education Institutions (HEIs) in Winchester town (including a range of managed workspace and other rented accommodation for start-up and small businesses in the cultural and creative sectors) within the inner urban area of the town. Further complementary provision could be made later to provide accommodation for grow-on and larger scale opportunities for knowledge based activities as part of a sustainable mixed use urban extension. Development of this sort to accommodate knowledge based activities also linked to local HEIs, complementing the existing Chilworth Science Park north of Southampton, could require up to 12 hectares within the LDF period with a further 8 hectares for longer term expansion to achieve critical mass. We have assumed that around half of the initial phases (6 hectares) might accommodate locally generated needs and that the other half would accommodate potential inward investment from elsewhere in the sub-region, the South East region and also London (see Table 7.1). However, this would have to be considered in the context of the Report of the Panel of the Examination in Public into the draft RSS which emphasises the need to concentrate major employment growth in the PUSH sub-regional growth area.

7.12 In summary, we estimate on this basis that overall employment land needs in Winchester district between 2006 and 2026 could be up to around 85 hectares comprising 45 hectares for locally generated employment and 39 hectares for regionally generated employment (see Table 7.1). However, these figures might need to be increased by a ratio of up to perhaps 1.5 to provide flexibility for churn, developer choice and implementation problems as explained earlier in this report (see para 6.4). This can be compared with the estimated supply of committed allocated and permitted employment sites of around 85 hectares (see para 6.17) and includes the possible 6 hectares for knowledge based activities if the LDF Core Strategy consultation accepts a change of direction in Winchester's economic future to strengthen its role as a sub-regional centre.

Table 7-1: Assessment of overall employment land needs, 2006 to 2026

Estimated land needs in hectares	**B1 Office & high technology**	**B2 Light & general industry**	**B8 Warehousing & distribution**	**Total employment land**
M27 Corridor regional growth [1]	26.9	1.0	6.6	34.5
M27 Corridor local growth	13.6	-1.7	2.6	14.5
M27 Corridor subtotal	**40.5**	**-0.7**	**9.2**	**49.0**
Winchester town regional growth [2]	6.0	0	0	6.0
Winchester town local growth	14.0	--1.8	2.7	14.9
Winchester town subtotal	**20.0**	**-1.8**	**2.7**	**20.9**
Rural area local growth	13.6	-1.7	2.6	14.5
Rural area Subtotal	**13.5**	**-1.7**	**2.6**	**14.5**
Regional growth subtotal	32.9	1.0	6.6	40.5
Local growth subtotal [3]	41.3	-5.3	7.9	43.9
Winchester district total	**74.2**	**-4.2**	**45.5**	**84.4**

Note 1 : the PUSH apportioned Draft RSS growth requirements less locally generated growth (see Note 3) in the M27 corridor have been allocated to B1, B2 and B8 uses pro rata to the PUSH data

Note 2 : the estimated scale of initial phases of possible provision for knowledge based activities in Winchester town is assumed to accommodate half locally and half regionally generated employment

Note3 : the estimated locally generated employment in all three sub-areas is based on the status quo spatial distribution of the employment land needs of the "baseline plus" forecast

Employment land supply

7.13 The employment sites survey undertaken for this study included a selection of existing sites, most committed sites and a selection of potential sites to assess the fitness for purpose and suitability for development against a range of market development and sustainable development criteria drawn for Government Guidance (see Chapter 5). The first level results show that there are 42 sites which are clearly fit for purpose ("green"), 8 which are fit for purpose with improvement ("amber") and 2 which are clearly <u>not</u> fit for purpose ("red"). The top 20 of the surveyed sites that are clearly fit for purpose include all the major sites in the M27 corridor together with some existing and potential sites in the Winchester town area and a couple of the larger existing sites in the rural area.

7.14 The second level results of the employment sites survey show that there are 13 "green" mainly allocated sites in the M27 corridor area, 15 "green" mainly existing sites in the Winchester town area and 17 "green" mainly existing sites in the rural area. There is a reasonable mix of 5 "green" existing and allocated industrial sites, 6 "green" mainly existing office sites and 4 "green" potential sites for knowledge based activities in the Winchester town market area. This suggests a need to review the availability of sites for office and knowledge based activities and the wider economic role of Winchester town in the district and the wider South Hampshire sub-region as part of the Winchester LDF Core Strategy.

Assessment of spatial scenarios

7.15 The various scenarios for the distribution of the estimated employment land needs of the "baseline plus" employment forecasts between the three sub-areas of Winchester district provide a basis for contributing an employment land component to the identification of spatial options for the LDF Core Strategy. The employment land policies of the LDF should be complemented by a clear economic vision and economic development strategy for the area (see Chapter 6). Whilst the "status quo" scenario reflects the existing pattern of provision and the "M27 Corridor" scenario to some extent reflects the requirements of the Draft RSS, the "Winchester shift" and the "Rural shift" scenarios raise issues for further provision that could be made in the Winchester LDF to complement the South Hampshire growth area.

7.16 The four scenarios for distributing the employment land requirements of the "baseline plus" econometric forecast provide a basis for considering the relative advantages and disadvantages of the existing "status quo" distribution of employment activity within Winchester district or shifting the distribution of future employment activity towards the M27 Corridor, the town of Winchester or the rural areas and market towns. The percentage shifts between the three market sub-areas in each of the four scenarios are shown in Table 6.1 and the estimated employment land requirements (which are repeated here) are summarised in para 6.18. However, these scenarios have to be seen within the wider context of the significant employment land commitments that have already been made in the M27 Corridor to meet the sub-regional employment growth requirements of the Draft RSS regional strategy which substantially exceed local economic growth requirements.

7.17 The four scenarios for employment land development in Winchester district also have to be seen in the context of wider housing, transport, community and environmental issues that will need to be considered in formulating and assessing issues and options for the LDF Core Strategy. The most important factor in the sustainable development of the district which links these issues with economic and employment land development is commuting. We have reviewed the overall pattern of gross and net commuting flows into and out of the district earlier in this report (see Chapter 3) and highlighted the in-commuting from the Southampton-

Portsmouth conurbation to relatively lower skilled and lower paid jobs in Winchester alongside the out-commuting from Winchester to Portsmouth, Southampton and Eastleigh and relatively higher skilled and higher paid jobs in Basingstoke and London.

Status quo scenario

7.18 The estimated existing distribution of "baseline plus" employment land needs between 2006 and 2026 shows an increase of 14.5 hectares in the M27 Corridor, 14.9 hectares in Winchester town and 14.5 hectares in the rural area, totalling 43.9 hectares in Winchester district as a whole. Across the district, this comprises 41.1 hectares of B1 office and high technology uses (predominantly in urban edge locations), 8.4 hectares of B8 warehousing and distribution uses and an overhang of minus 5.6 hectares of B2 industrial uses. This does not include all of the additional employment land commitments that have been made in the M27 Corridor to meet the apportioned requirements of the Draft RSS to the South Hampshire sub-regional growth area in the Winchester part of the SE PUSH area.

7.19 The "status quo" scenario distribution of employment land needs reflects the importance of Winchester town as an employment centre within the local economy, the continuing significance of the rural areas and market towns and the emerging importance of the M27 Corridor in the growth in business activities which is expanding from the Portsmouth-Southampton conurbation into the southern parts of the district. It shows how the previous economic focus of the district is continuing to shift steadily in response to strategic planning and property market imperatives whilst the established "county town" economy of Winchester town continues to develop more slowly within the constraints of its valued heritage environment. The "status quo" option therefore owes more to conservation objectives than an economic growth agenda. It could help to reduce currently unsustainable net in-commuting into Winchester town although it would not significantly reduce current net in-commuting into the district because of continued growth in the M27 corridor.

M27 Corridor shift scenario

7.20 The estimated distribution of an "M27 Corridor shift" scenario for employment land needs between 2006 and 2026 shows a boosted increase to 15.4 hectares in the M27 Corridor and a slightly reduced increase to 14.5 hectares in Winchester town and 14.1 hectares in the rural area. The mix of B1, B2 and B8 uses across the district is the same as the "status quo" within the employment land needs for each of the three sub-areas. The largest requirements for urban edge B1 office and high technology uses and B8 warehousing and distribution uses would be in the M27 Corridor and Winchester town. As in the "status quo" scenario, this does not include all the additional employment land commitments in the M27 Corridor to meet the apportioned requirements of the South Hampshire sub-regional growth area in the Winchester part of the SE PUSH area.

7.21 This "M27 Corridor shift" scenario would mean a greater than present allocation of employment land for the Winchester part of the South Hampshire growth area. This would be additional to the land that has already been allocated to meet the sub-regional growth requirements that have been apportioned to Winchester district. It would represent a further concentration of the district's economic activity into the growth area and it could involve more inward investment from London and other parts of the South East as might possibly be considered in a future review of the South East Plan to consolidate the present strategy. It would increase current net in-commuting into the district because of an increase in continuing employment growth in the Winchester part of the PUSH area in the M27 corridor. However, it would also represent a further reinforcement of the established “county town” economy of Winchester town and an approach that would put a greater emphasis on the objectives of conserving of its heritage environment than an economic growth agenda.

Winchester shift scenario

7.22 The estimated distribution of a “Winchester shift” scenario for employment land needs between 2006 and 2026 shows a reduced increase of 13.2 hectares in the M27 Corridor, a boosted increase of 17.6 hectares in Winchester town and a reduced increase of 13.2 hectares in the rural area. The mix of B1, B2 and B8 uses across the district is the same as the “status quo” within the employment land needs for each of the three sub-areas. This means that the largest requirements for urban edge B1 office and high technology uses and B8 warehousing and distribution uses would be in the Winchester town sub-area. As in the “status quo” scenario, this does not include all of the additional employment land commitments that have already been made in the M27 Corridor to meet the apportioned requirements of the Draft RSS in the Winchester part of the SE PUSH area.

7.23 This “Winchester shift” scenario represents a greater than present allocation of employment land for the Winchester local economy to Winchester town itself. This would enable the present “county town” focus of the local economy to play a stronger role in the local and sub-regional economies and complement the developing strengths of the M27 Corridor. This would represent a change of direction for the Winchester local economy and enable it to realise its potential to build on its existing and growing strengths in higher education, creative and media activities, financial and professional services and other knowledge based activities. It could also attract inward investment, particularly in financial and business services and other knowledge based activities from London and other parts of the region, and create a basis for strengthening the knowledge economy through possible provision of suitable accommodation as part of a mixed use urban extension of Winchester.

7.24 This scenario presents perhaps greater opportunities and greater challenges than the other scenarios particularly over the issues of economic direction and commuting. Strengthening the role of Winchester as a sub-regional centre could help to realise the growth potential of the local economy that we have identified in this study but it would alter the strategic rationale of current economic and spatial plans and would prompt a change in the next review of regional strategies. Additional employment growth in Winchester town would need additional housing growth to increase the local labour supply if further in-commuting were to be avoided and could possibly be accommodated in a mixed use sustainable extension in the Winchester north area. The growth in job opportunities in Eastleigh and the rest of the PUSH area could intercept some of the current in-commuting to Winchester from the Southampton-Portsmouth conurbation and the growth in the local knowledge economy could intercept some of the current out-commuting to London and the rest of the South East.

Rural shift scenario

7.25 The estimated distribution of a "Rural shift" scenario for employment land needs between 2006 and 2026 shows a reduced increase of 13.2 hectares in both the M27 Corridor and the Winchester town areas and a boosted increase of 17.6 hectares in the rural area and its market towns. The mix of B1, B2 and B8 uses across the district is the same as the "status quo" within the employment land needs for each of the three sub-areas. This means that the largest locally generated requirements for urban edge B1 office and high technology uses and B8 warehousing and distribution uses would be in the rural sub-area although the additional regionally generated provision in the M27 Corridor would exceed this.

7.26 This "Rural shift" scenario represents a greater than present allocation of employment land for the Winchester local economy to the rural areas and their market towns. The estimated requirement of 17.6 hectares would enable a number of further small employment sites to be allocated in each of the market towns. We suggest that most of these sites should comprise managed workspace projects to provide for office, high technology and light industrial uses in response to our assessment of the local property market and the pattern of existing provision which includes various small rural industrial estates that are not all well suited to modern business needs. This would enable the market towns to play a stronger role in the rural economy, to provide new job opportunities for people living in the surrounding countryside and to provide live-work opportunities within more sustainable rural communities. It would tend to prompt a marginally more dispersed pattern of commuting across the rural areas and a marginally reduced net in-flow into Winchester town and the M27 corridor in particular but the overall sustainability of gross and net commuting within the district and between it and other areas would probably not be changed significantly.

Summary of scenarios

7.27 The employment land scenarios will need to be considered together with other housing, transport, community and environmental factors in the forthcoming public consultation on issues and options for the Winchester LDF Core Strategy. They have highlighted some important issues for the Winchester Employment Land Review (ELR) and the LDF:

- a need to take this opportunity to review the continuing roles of the PUSH growth area and Winchester town within the district's future economic development strategy
- a need to consider the scope for knowledge based activities in Winchester town to respond to the potential for growth in the sub-regional role of the local economy
- a need to consider the future roles of the market towns and rural areas within the district and the opportunities to foster more self-reliant and sustainable communities
- a need to consider both the quantitative and the qualitative aspects of employment land development in identifying a portfolio of employment sites for the future
- a need to assess the sustainability of housing and employment growth and their implications for gross and net commuting within and beyond the district.

Synthesis

7.28 Finally, we draw together the findings of our assessment of the current and potential economic directions and our review of employment land demand and supply. This is premised on our view that the "baseline" projection and "baseline plus" econometric forecast illustrate a range of possible futures. The "baseline" represents current trends which are land and policy restrained and the "baseline plus" represents a greater realisation of economic potential.

Economic directions

7.29 The recently published report of the Panel of the Draft RSS Examination in Public presents Winchester City Council with the prospect of an increase in housing provision in Winchester town in response to significant existing employment provision. This has the potential advantage of increasing the local labour force and reducing the current net in-commuting from the Portsmouth-Southampton area to mainly lower paid jobs in Winchester district and Winchester town in particular. However, it does not address the potential mismatch between the socio-economic profile of future residents of the proposed additional housing and the profile of the current in-commuters to the town or the potential reduction in GVA per head in the local economy in the longer term. The issues and options for the LDF Core Strategy will therefore need to follow the EiP Panel's proposals as they stand or propose provision for some additional - mainly higher paid and higher value added - jobs to meet the full range of needs of future residents and to reduce some of the current out-commuting of existing residents to mainly higher paid jobs in London.

7.30 These issues raise some fundamental options around the future economic directions of Winchester district and Winchester town in particular. Our economic assessment has indicated that the town has significant potential for economic growth, particularly in higher value added and knowledge based activities, that is currently being restrained by limited availability of suitable employment land and property and restrictive planning policies which aim to protect the special heritage and environment of the town. Provision for additional employment land to realise some of this potential, in addition to the additional housing provision proposed by the EiP Panel, would enable the local economy to raise its productivity, meet the challenges of 'smart growth' and contribute to the overall sustainability of future development. This might be accommodated partly in some form of "cultural quarter" for creative and media activities within the inner urban area, perhaps in association with a higher education institution, and partly by complementary provision for knowledge based activities as part of a mixed use urban extension at Winchester North as suggested by the EiP Panel.

Spatial options

7.31 The "status quo" scenario for employment land provision shows how the established "county town" economy of Winchester town would continue to develop slowly whilst the focus of economic activity would continue to shift to the M27 Corridor. The "M27 Corridor shift" scenario shows how any further consolidation of the South Hampshire growth area would further reinforce the established "county town" economy of Winchester within the constraints of its valued heritage environment. The "Winchester shift" scenario, by contrast, would enable the town to play a stronger role in the local and sub-regional economies and enable it to realise its potential to build on its existing and growing strengths. The "Rural shift" scenario would enable the market towns to play a stronger role in the rural economy, to provide new job opportunities for people living in the surrounding countryside and to provide live-work opportunities within more sustainable rural communities.

7.32 The four scenarios are not mutually exclusive and some combination of them may be identified to achieve optimum benefit through the public consultation on issues and options for the LDF Core Strategy. The sustainability of options for employment and housing growth will need to be tested to reduce the carbon costs of commuting and other movement patterns and to enhance the potential benefits of economic growth and environmental conservation. Although there are concerns about current net in-commuting to the district and Winchester town in particular, it will be important to assess these issues in a wider context across local authority boundaries which are in many ways arbitrary to the functions of the sub-regional growth area and other parts of the region. A preferred core strategy will need to be identified to promote the sustainable economic, social and physical development of the district in its wider regional and sub-regional setting.

Glossary

This glossary presents brief definitions and/or explanations of selected terms and acronyms

"Baseline" projection	The Cambridge Econometrics "Baseline" projection used the Local Economy Forecasting Model (LEFM) provided a trend based projection of the local economy for employment (jobs and occupations) and for Gross Value Added (GVA) in 42 sectors
"Baseline plus" forecast	The "Baseline Plus" forecast adjusted the Cambridge Econometrics "Baseline" projection by assigning additional growth to selected sectors identified to have growth potential in the review of the local economy
CAGR	Compound Annual Growth Rate
ELR	Employment Land Review
Evening economy	Sport, recreation, arts, entertainment and associated business activities that provide leisure services between the end of the working day and midnight
GVA	Gross Value Added is an estimate of economic output measured by the difference between business turnover and production costs
Knowledge based activities	Knowledge based activities were identified by Robert Huggins Associates using the OECD definition: "pharmaceuticals, office machinery & computers, aerospace, precision instruments, electrical & electronic engineering, telecoms, financial intermediation, insurance, auxiliary activities to financial intermediation, computer & related activities, research & development, other business activities, motion pictures & video and radio & television" include a wide range of activities in different conventional economic sectors that depend on the collection, analysis, interpretation and creative use of information and are characterised by relatively high value added and relatively low hard product – they include, for example, health, education, research and development, professional and business services and advanced manufacturing
LDF	Local Development Framework
LQ	Location Quotient – a measure of the relative representation of an economic sector in an area in relation to the nation or the region

PUSH	Partnership for Urban South Hampshire
Scenarios	The study examined the potential shift in employment land from the assumed “status quo” spatial distribution between the three market sub-areas (Scenario A), ranging from an “M27 Corridor shift ” (Scenario B), a “Winchester shift” (Scenario C) and a “Rural shift” (Scenario D)
Smart growth	Smart growth is the economic growth that can be accommodated by a relatively limited increase in employment land and floorspace as a result of higher development densities and a mix of economic sectors and activities that are characterised by high value added and high development density – another meaning of smart growth (not intended by the report of the draft South East RSS EiP Panel) is sustainable development which achieves a balance between housing, employment and other activities to reduce the need to travel and consequent use of energy
Status Quo	The assumed “status quo” spatial distribution of employment in the three market sub-areas of Winchester district is based on a mix of workplace employment and employment land availability (not including strategic growth land allocations) in each of the sub-areas
Winchester district	Winchester district is the area covered by Winchester City Council (ie the whole local authority area)
Winchester town	Winchester town is the urban area of Winchester (ie not including the other areas of the district)