

CAB2179(LDF)  
FOR DECISION  
WARD(S): ALL WINCHESTER  
TOWN WARDS, OLIVERS ATTERY  
AND BADGER FARM. PART OF  
LITTLETON, HARESTOCK,  
COMPTON, OTTERBOURNE, AND  
SPARSHOLT

CABINET (LOCAL DEVELOPMENT FRAMEWORK) COMMITTEE

6 June 2011

REFRESH OF THE WINCHESTER ECONOMIC EVIDENCE BASE

REPORT OF HEAD OF STRATEGIC PLANNING

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RECENT REFERENCES:

[CAB 1542\(LDF\)](#) - Winchester District Economic and Employment Study. Cabinet (LDF) Committee 6 November 2007.

EXECUTIVE SUMMARY:

The Core Strategy requires an up to date and sound evidence base to support its policies. The economic studies and evidence base which have to date assisted in developing the Core Strategy to a large extent pre-date the recent recession, and the fundamental changes in economic policy introduced by the Coalition Government.

The Council's Economic Strategy was produced more recently, and therefore tempered this earlier evidence with more up to date information, predictions and consultation. Although it is unlikely, therefore, that a refreshed evidence base will lead to a major shift in direction for the Council in economic terms, it is important for the soundness of the Core Strategy to be able to demonstrate the currency and accuracy of the evidence base.

This report, together with a Background paper (Appendix A), sets out some of the changes since the evidence base was produced, and makes the case for a refresh of that evidence base, particularly in respect of the Winchester Town spatial area, to support and take forward the Core Strategy

RECOMMENDATIONS:

- 1 That the Committee agrees to the proposal to refresh the economic evidence base for Winchester Town, and authorises the Head of Strategic Planning to commission the necessary work, provided a suitable brief and fee can be agreed with the consultants currently appointed to monitor the Housing Market Assessment.
- 2 That a Direction be made under Contracts Procedure Rule 2.4 a) be made to authorise the arrangements in 1. above.

## CABINET (LOCAL DEVELOPMENT FRAMEWORK) COMMITTEE

6 JUNE 2011

### REFRESH OF THE WINCHESTER ECONOMIC EVIDENCE BASE

#### REPORT OF HEAD OF STRATEGIC PLANNING

##### DETAIL:

#### 1 Introduction

- 1.1 The District now falls within two economic areas recently designated by the Government; the south of the District is within the Solent Local Economic Partnership (LEP) area, and rest of the District is included in the Enterprise M3 LEP. The Solent LEP largely covers the Partnership for Urban South Hampshire (PUSH) area with the addition of the Isle of Wight. PUSH will continue to provide strategic housing and spatial planning advice to the LEP, and will be responsible for the development and implementation of the sub-regional economic strategy. To this end, PUSH commissioned consultants DTZ to undertake a refresh of the South Hampshire Sub-regional Economic Strategy in 2010. This has now been completed and will inform the Winchester Core Strategy in respect of this part of the District. While there might be some sustainable expansion of rural enterprises in the rest of the District, the main opportunity for any significant economic growth is within the spatial area of Winchester Town. This report therefore refers generally to the LDF evidence base, but concentrates particularly on the economic position for Winchester Town and the immediate area.
- 1.2 While Winchester Town is within the area covered by the Enterprise M3 LEP, it will be for the Council, in partnership with the local community and businesses, and in consultation with the LEP, to develop the appropriate economic response to address the many challenges facing the Town. However, despite the need for a locally derived 'bottom up' economic policy base, the changes proposed in the emerging Localism Bill do not alter the need to provide a robust and sound evidence base to support the Core Strategy. It is also clear from recent Ministerial statements that the localism agenda is viewed as one of encouraging sustainable economic growth.

#### 2 Current Position

- 2.1 With the first stage of the Blueprint exercise now complete and the results analysed, it is important to ensure that the supporting economic evidence base is updated and aligned with the priorities and aspirations identified by the different communities through the process of engagement. This is particularly important given the major recent shifts in the national and local economy and consequent implications for the local economy and local communities.

2.2 Accompanying the Chancellor's budget statement in March 2011 was the Plan for Growth, and subsequent Ministerial statements. Together, these give clear instructions for local authorities to plan for sustainable economic growth. The Plan for Growth states that the Government's top priority is to promote sustainable economic growth. Local authorities are urged to press ahead without delay in preparing up to date development plans, and to be proactive in driving and supporting the growth that the country needs. They should make every effort to identify and meet the business needs of their area.

### 3 Previous Studies

- 3.1 The most recent studies of the District's economy are contained in the Winchester District Economic and Employment Land Study (SQW November 2007) and the Winchester District Economic and Employment Land Study Supplementary Report (SQW November 2008).
- 3.2 The consultant's brief for the Winchester District Economic and Employment Land Study sought to inform the preparation of the Core Strategy, which in turn is intended to support delivery of the aspirations set out in the District's Economic Strategy. The consultants were required to pull together different strands of economic data and evidence available at that time into a comprehensive evidence base and economic profile of the Winchester District. Part of the study was also to undertake an employment land review.
- 3.3 The final report was prepared at a time when the full impact of the global recession had yet to be felt. However, amongst the conclusions was the need to provide additional higher value jobs in Winchester to meet the needs of future residents and to reduce some of the current out-commuting. The economic assessment indicated that the Town has *'significant potential for economic growth...particularly higher value-added and knowledge-based activities'* which were thought to be constrained by the lack of suitable sites and premises, and restrictive planning policies.
- 3.4 Importantly in the then current economic context, they forecast that the established 'county town economy' would continue to develop slowly, with the focus of growth shifting to the M27 corridor.
- 3.5 In order to understand and develop the options for the Core Strategy, a further study was commissioned which focused on Winchester Town (the 2008 Supplementary Report). This assessed the commuting and sustainable development implications of the key economic options in the emerging Core Strategy, and tested the validity of the potential step change in economic growth and a proposed knowledge-based business park. The study recognised the global slow down in economic activity apparent in 2008, but considered that the trends and patterns identified in earlier work will re-emerge in broadly similar form in the longer term.
- 3.6 The conclusions of this study implied that the then current housing requirements in the South East Plan were likely to constrain economic growth, and fail to realise the Town's economic potential. It concluded that gross in-

commuting could be reduced by adopting a policy of requiring 40% affordable housing, and out-commuting reduced by allocating a strategic site for a knowledge based business park at either Barton Farm or Bushfield Camp.

#### 4 Recent Developments

4.1 The Council adopted its Economic Strategy in 2010 and this picked up on a number of themes identified in the SQW studies, and identifies a number of key issues for the town, including;

- Promoting knowledge based industries
- Commuting
- Creative industries
- Retail and speciality shopping
- The early evening economy
- The visitor economy
- Winchester's cultural assets
- Development impacts

4.2 To help address some of these issues a further Background Paper has been produced to assess the land and buildings within Winchester Town that could be available to promote knowledge and creative industries. Much of the Background Paper (appended) draws on the earlier SQW study outlined above. The conclusions put forward a number of recommendations, which set out to determine the economic role of Winchester Town; a number of key actions are also recommended which will need testing if they are to be included in the Core Strategy.

4.3 The Background Paper also takes into account the Coalition Government's Comprehensive Spending Review and concurrent policy of re-balancing the economy away from the public to the private sector. The consequences of this could be quite significant given the proportion of public sector employment in the District, especially in the county town of Winchester which is the administrative centre for Hampshire. Already, job losses in the public sector have been announced locally.

4.4 Other Government initiatives to get people off of welfare and into work and the high levels of youth unemployment might require an economic development and spatial response in the Core Strategy depending on the outcome of the refresh.

4.5 These issues were captured in the ten year Economic Strategy adopted by the Council in June 2010, and the Economic Prosperity Change Plan seeks to

address them through a number of agreed programmes of work. Where not based on the previous LDF evidence base, information used to formulate the strategy was often derived from stakeholder consultation, published statistics and other sector-based research. Whilst it is highly unlikely that any refresh of the LDF evidence base would result in an overall change of economic strategy for the Council, it is necessary to demonstrate that this base is as accurate and current as possible at the time of developing the Core Strategy. All of the above issues will therefore need to feed into a refresh of the Council's evidence base. However given the comprehensive nature of the studies to date it is not considered necessary to undertake a complete review, but solely to concentrate on up-dating those areas identified above. Likewise the Council has undertaken a comprehensive review of the current stock of employment land, and this need not form part of the refresh.

- 4.6 Given that the proposed work would be a refresh of some parts of the previous study, rather than a new study, its cost should be much more modest than the original study. Some of the statistics used will not have changed (as they are derived from the 2001 Census) but much of the other information used is kept under regular review as part of the contracts for updating the Central Hampshire and South Hampshire Housing Market Assessments. The consultants that produce these updates have also produced the recent update of the PUSH economic strategy.
- 4.7 It is, therefore, considered that this consultant should be able to undertake much of the work needed to produce the refresh without the need for new research. It is important that the results of the work should be fed into the work on housing needs and the same consultant has experience of doing this through the PUSH economic strategy update. It is therefore recommended that this consultant is approached with a view to agreeing a brief and fee for the necessary work, and that a Direction be made under the Contracts Procedure Rules be made to permit this. Should it not prove possible to reach satisfactory arrangements for this work, a full consultant's brief would be produced and quotations for the work would be sought.
- 4.8 In conclusion much of the evidence base which supported the development of the Winchester Core Strategy needs to be up-dated, not least to take into account the spatial implications of revised economic forecasts of growth both nationally and in the South East region. The outcomes of the refresh of the Study can also assist in informing and up-dating the Council's Housing Technical Paper, which identified that the Government projections on which the recommended housing provision is based may not take full account of recent economic changes.

## OTHER CONSIDERATIONS:

### 5 SUSTAINABLE COMMUNITY STRATEGY AND CHANGE PLANS (RELEVANCE TO)

5.1 The LDF is the spatial planning tool designed to deliver the vision for the District set out in the Sustainable Community Strategy. The evidence base referred to in this report is, in particular, intended to inform planning policy in support of the economy of the District, and so lead to delivery of the Strategy's Prosperous Economy outcome and Economic Prosperity Change Plan.

### 6 RESOURCE IMPLICATIONS:

6.1 The expected cost of commissioning consultants to undertake the necessary work can be funded from within the current Strategic Planning budget for LDF work, supplemented if possible by the commissioning budget for the Economic Prosperity corporate priority.

### 7 RISK MANAGEMENT ISSUES

7.1 The LDF is a 20 year plan, and as such there will be significant national and local change throughout its lifetime. By building the plan on the most accurate and up to date evidence base, particularly at this time of political, economic and social uncertainty, the Council minimises the risk of adopting the 'wrong' strategies for the future.

7.2 In a more immediate sense, the refreshed evidence base will also reduce the risk of the LDF core strategy being found to be 'unsound' by the Government, which would result in an unnecessary delay, and the deployment of additional resources for redrafting.

## BACKGROUND DOCUMENTS:

1. The Winchester District Economic and Employment Land Study, SQW November 2007;
2. The Winchester District Economic and Employment Land Study Supplementary Report, SQW November 2008;
3. The Winchester Economic Strategy 2010 – 2020;
4. PUSH Refresh of the South Hampshire Sub-regional Economic Strategy; DTZ 2010.

## APPENDICES:

Appendix A. Background Paper: Opportunities within Winchester Town to promote the Knowledge and Creative Sectors of the Economy

Opportunities within Winchester Town  
to promote the Knowledge and  
Creative Sectors of the Economy

**BACKGROUND PAPER**

**May 2011**



## **Opportunities within Winchester Town to promote the Knowledge and Creative Sectors of the Economy**

### Introduction

The Economic and Employment Land Review undertaken in 2007 by consultants SQW recognised that Winchester Town presented opportunities to promote and develop its economic base in both the knowledge and creative sectors.

That study highlighted the following distinctive economic characteristics for Winchester Town as:-

- *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*

The study concluded that the town “*has substantial knowledge-based economic development assets and it is important that these are not squandered...*”

The Council’s Economic Strategy specifically identifies the following as key issues for the Town during the period 2010 – 2020:-

1. Knowledge based industries
2. Commuting
3. Creative industries
4. Retail and speciality shopping
5. The early evening economy
6. The visitor economy
7. Winchester’s cultural assets
8. Development impacts

This background paper therefore briefly sets out the current position and identifies a number of opportunities that exist in Winchester Town to promote both the knowledge based and creative sectors and includes a number of recommendations as to how this information can be taken forward in the Council’s Core Strategy to encourage and promote a ‘knowledge and creative economy’.

### Definition of Study Area

The Local Development Framework (LDF) Core Strategy Preferred Option (2009) defined three spatial areas for the Winchester District. This is based on a range of evidence gathered to inform the preparation of the LDF, particularly in relation to there being three economies operating in the wider District (SQW 2007), these areas were defined as :-

- Winchester Town
- The South Hampshire urban areas
- The Market towns and the rural area

Winchester Town covers the built up area of the city that performs as a centre of employment, retail, commerce and learning, it also has special cultural and heritage features which play an important role in its attractive environment and setting, and its potential to offer more.

For the purpose of this study Winchester Town includes the following wards:-

St Barnabas ward  
St Bartholomew ward  
St John and All Saints ward  
St Luke ward  
St Michael ward  
St Paul ward  
Olivers Battery and Badger Farm  
Part of Littleton and Harestock  
Part of Compton and Otterbourne  
Part Sparsholt

This paper will focus primarily on the provision and opportunities for employment land presented within this area, but will also take into account a slightly wider area that may offer further opportunities.

### Definition of a Knowledge and Creative Economy

The Regional Economic Strategy (2006 -2016) prepared by SEEDA includes a range of references to a knowledge economy and recognises that the South East has a higher concentration of knowledge intensive sectors than any other UK region apart from London, this is given in part due to the attractiveness of the region as a place to live. The report also recognises that the region also has a strong creative arts knowledge base which promotes entrepreneurship in graduates, and cooperation and knowledge exchange with business.

The Organisation for Economic Co-operation and Development (OECD) in its report 'The Knowledge Based Economy' (1996) refers to the matter that knowledge is now recognised as the driver of productivity and economic growth, leading to a new focus on the role of information, technology and learning in improving economic performance.

The State of the District Audit undertaken by the Local Futures Group in 2004 to inform the emerging Community Strategy included an examination of the industrial structure of the Winchester District. This report recognised that apart from the long term shift from manufacturing to services, there was a structural trend in the growth of the 'knowledge economy' across all sectors of the economy marked by rising levels of innovation, technology, creativity and entrepreneurship and by a more skilled and educated workforce. The Audit assessed Winchester's industrial structure from the 'knowledge economy' perspective and distinguished between:-

'Knowledge-based production' – such as - aerospace, electrical machinery and optical equipment, printing, publishing and recorded media, chemicals and energy;

'Knowledge-based services' – such as - telecommunications, computer and related services, R&D, finance and business services, air transport services, recreational and cultural services.

These groups are based on the OECD definition (see below) and where businesses are classified as 'knowledge-based' if graduates make up at least 25% of their workforce.

The term knowledge economy is used in a range of studies and strategies but there is no clear definition of what it precisely covers. The SQW report refers to the (OECD) definition of knowledge based activities as *"pharmaceuticals, office machinery and computers, aerospace, precision instruments, electrical and electronic engineering, telecoms, financial intermediation, insurance, auxiliary activities to financial intermediation, computer and related activities, research and development, other business activities, motion pictures and video and radio and television."*

Creative activities are also frequently referred to in relation to the strengths and opportunities promoted in Winchester Town. A recent study undertaken by University of Birmingham on behalf of PUSH, classifies creative industries as :- *advertising; architecture; arts and antiques; crafts; design; designer fashion; video, film and photography; music and the visual and performing arts; publishing; software, computer games and electronic publishing; radio and TV.*

There is a degree of overlap between these activities and those included in the OECD definition of knowledge based activities.

From a land use planning perspective it appears that the majority of the uses referred to would typically fall within the B1 or B2 class of the Town and Country Planning Use Classes Order, and it is within this framework that the economic opportunities available within Winchester Town are explored.

Existing Plans and Strategies that refer to Winchester Town's Economy

As the previous section illustrates reference to knowledge and creative sectors is not a recent phenomena in relation to Winchester Town. The Future of Winchester Study concluded in 1999 that taking Winchester's skilled and educated population provided an opportunity '*as a base for knowledge-based and information society businesses with improved links between the school/colleges/university and local businesses*', and that this would require an investigation '*of the need, potential and practicability of new or redeveloped business and research accommodation in and around the city.*'

The document 'One Vision, One Place: Winchester - towards our Future' produced by Winchester Town Forum in 2007, sets out a vision for the town area, under eight themes including :-

- Encouraging people to do business here
- Becoming a regional centre for creativity and culture

These themes are then expanded to include a range of actions – those relevant to this study are:-

- '*Encourage business expansion, new and small businesses and create business start up units;*
- '*Examine the opportunities for more commercial development within the town, prevent the loss of employment land and regenerate the Winnall Industrial Estate for new business uses;*
- '*Provide space and resources to encourage major and smaller private businesses to stay in the city;*
- '*Support established businesses and new entrepreneurs in the creative and cultural sector*
- '*Work with our two Universities to promote creative activity and support new creative enterprises*'

Some of these elements have been updated with the adoption of the Council's Economic Strategy covering the whole of the Winchester District, others will be reviewed by Winchester Town Forum through its revision of 'One Vision, One Place : Winchester - towards our Future', currently taking place .

With regard to Winchester Town the Economic Strategy recognises that in relation to knowledge based industries there is a strong synergy with the commuting levels. A high proportion of Winchester's working population consists of graduates and professionals in the knowledge sector (engineering, computing, accountancy and other business services), around 10 000 of these commute out every day to locations such as Basingstoke and London. These 10,000 do not all necessarily work within the knowledge based sector but it is assumed a significant portion do. This 'out-commute' restricts the contribution these professions make to the local economy, it is therefore recognised that there is a need to provide opportunities for these types of businesses to locate in the Town.

The labour supply (based on 2001 census data) from Winchester wards is set out in detail at Appendix A and summarised below. This recognises that of the 38000 resident population some 24000 are of working age and 18000 are economically active. In terms of the range of occupations of the resident population, these are set out below:-

<b>Employment by Occupation</b> (Coded as per 2000 edition of Standard Occupational Classification (SOC) – this is based on the kind of work performed - job, and the competent performance of the tasks and duties – skill)	
1. managers and senior officials	2920 (16%)
2. professional	3436 (19%)
3. associate professional and technical	2586 (15%)
4. administrative and secretarial	2018 (11%)
5. skilled trades	1388 (8%)
6. personal services	1160 (7%)
7. sales and customers services	1345 (8%)
8. process plant and machine operatives	706 (4%)
9. elementary occupations	2194 (12%)

Source : Census 2001

This table illustrates a predominance of managers, professional and technical jobs held by the resident population. There is also a significant proportion classified as having elementary occupations which covers a range of lower order jobs such as cleaners, product sorting, and street sales.

The SQW study also recognised the need to diversify the local economy which because of Winchester’s county town status is at present biased towards the provision of public sector services which results in a massive ‘in-commute’ of some 18 000 workers everyday, who cannot afford to live locally. A further issue is the role and relationship with the Universities, these generate a number of graduates in disciplines such as design, IT and other creative industries, who cannot find suitable start-up premises to remain within the Town.

The Council’s Economic Strategy identifies a number of success factors for the Town including: - *business support in terms of ‘provide training, skills and advice for business start ups, creative industry practitioners, knowledge industries. Provide and protect a range of business premises for a range of enterprises.’*

The target outputs expressed in the Economic Prosperity Change Plan, which is the delivery plan for the Economic Strategy, also provide a range of opportunities to promote knowledge and creative industries such as :-

- A long term development plan for Winnall Industrial Park ;

- Establish a marketing image to promote business – especially the knowledge industries....
- Position Winchester (district) as a sympathetic and pro-active base for knowledge industries.

-

With regard to Winnall Industrial Park, this area of the Town was subject to a specific study in 2006/7, which resulted in the preparation of an informal master plan for the site with the purpose of providing guidance to land owners and developers to achieve the following objectives :-

- To raise the economic profile of the area
- To assist in ensuring the future commercial attractiveness of the area
- To identify how to co-ordinate any future developments to create a distinctive area with its own identity whilst integrating with the existing fabric
- To raise environmental quality
- To provide a safe and secure environment and
- To improve pedestrian safety, parking arrangements, public transport and highway links.

Since the Winnall study was completed (January 2007) the economic situation has not been conducive to develop the above objectives into a series of actions. This opportunity still exists and needs to be exploited given the number, size and range of sites offered at Winnall.

The Council's Sustainable Community Strategy, shares with the LDF its place shaping role for the District, one of its priorities is to ensure a prosperous economy, which it describes as :-

*“A prosperous economy*

*The economy in the Winchester District is dynamic and creative, with traditional assets and qualities underpinning innovation and entrepreneurship for the long term benefit of everyone who lives, works and visits here.*

*Programmes of work we will put in place to achieve this:*

- *Exploit Winchester's reputation as a cultural stronghold, using this as a means to stimulate a modern and creative approach to business.*
- *Build a low carbon economy, seeking competitive advantage and new employment opportunities for local people*
- *Make the most of local opportunities to enhance the skills and ambitions of those who live in the district.*
- *Help businesses to be good neighbours. “*

## **Economic Structure and Growth Potential**

### **District Context**

As a District Winchester ranks 87<sup>th</sup> out of 408 British local authorities for its proportion of employment in knowledge-driven sectors. During 1991 -2001 the District experienced an employment increase of 97% in knowledge driven sectors considerably above the national, regional and sub-regional scores-ranking 13<sup>th</sup> highest nationally and 6<sup>th</sup> in the South East (State of the District Audit - Local Futures Group 2004). This report goes on to state that as a District it is stronger on knowledge-driven services (ranked 53<sup>rd</sup> nationally) compared to knowledge-driven production (ranked 398<sup>th</sup> nationally), and also recognises that the public sector is an important driver of the knowledge economy and Winchester has one third of its employment in public services.

It is generally recognised (SEEDA) that the knowledge economy is a potential route to full employment, better jobs and social inclusion, it is powered by human capital – the knowledge, skills and other attributes of the workforce. The occupational profile of the District is such that Winchester is ranked 41<sup>st</sup> most 'knowledge-intensive' local economy in Britain, out of 408 Local Authorities, based on the fact that over half of the workforce is classified as knowledge-workers', (State of the District Audit - Local Futures Group 2004). The report also acknowledged that education and skills are key to economic development in the District.

In summary the Audit concluded that :-

*“Winchester (District) presents an excellent economic development profile....the local economy is entrepreneurial, productive and knowledge-driven, with healthy employment rates and a well educated workforce...”*

The SQW report (2007), examines the economy of the District which it concludes 'Winchester performs strongly on most measures of economic performance'. The report also examines the economy in terms of which sectors are improving or declining and makes a number of observations, both District wide and Winchester Town specific:-

- Employment in the District is expected to grow at 0.3% per annum over each of the five year periods to 2020
- The fastest growing sector is projected to be computing services – this would tend to favour Winchester Town (with links to some aspects of creative industries)
- The sectors which are expected to grow include a range of business services – banking and finance, insurance and computing services again favouring Winchester Town as a location
- Although its absolute growth is limited, the relative importance of public administration and defence is projected to increase – this sector is again concentrated in Winchester Town;



- Retailing and distribution are both projected to grow but will be lower than the wider South East;
- The future prospects for employment growth in some potentially high value-added manufacturing sectors appears relatively weak;
- The concentration of employment in agriculture and food and drink manufacturing when compared to the average for the South East is set to grow.

SQW undertook a range of detailed assessments of economic and employment growth for the period 2006 – 2026 using forecasts and projections to determine a ‘baseline’ projection which illustrates current and prospective trends across 42 sub-sectors of the local economy and an overall growth of about 10 770 jobs (14%) up to 2026 across the Winchester District.

This data was then manipulated and sectors assigned additional growth rates to reflect those which had greater potential for growth up to 2026, to create a ‘baseline plus’ projection. This gives an emphasis to manufacturing – to reflect the potential further growth of advanced manufacturing, and the potential for local food production and arts and crafts; in addition financial and business services are recognised to reflect their significant potential in knowledge based activities, with some limited growth in local creative and media activities. This would create about 12 890 new jobs (17%) across the District over a 20 year period.

These projections were then translated into District wide employment land needs, to equate to some additional 37.7 ha for the ‘baseline’ projection and 43.9 ha for the ‘baseline plus’. Given the emphasis on economic growth and the need to promote/diversify certain sectors of the economy the ‘baseline plus’ forecast was then translated into a ‘status quo’ (business as usual) spatial distribution. This uses the three spatial areas of the District previously referred to and assigns the above land requirements on a pro-rata basis, to reflect the estimated net additional employment land needs in Winchester District between 2006 and 2026 :-

<b>Spatial area</b>	<b>Status quo</b>	<b>Hampshire Urban Areas / M27 shift</b>	<b>Winchester Town Shift</b>	<b>Rural Area Shift</b>
Hampshire Urban Areas / M27	14.5 ha	15.4 ha	13.2 ha	13.2 ha
Winchester Town	14.9 ha	14.5 ha	17.6 ha	13.2 ha
Rural Area	14.5 ha	14.0 ha	13.2 ha	17.6 ha

This illustrates that based on the SQW study for Winchester Town there would be an additional employment land requirement of between 13.2 ha and 17.6 ha up to 2026. Clearly since then there has been a major shift in both

national and local economic circumstances and it will be important to commission revised predictions in respect of the level of growth and employment prospects.

### Winchester Town

The scenarios referred to above reflect a series of options for economic development across the District, the Winchester Town shift scenario represents an opportunity to reassess the economic and service role of the Town. On this basis there would be a requirement for some 17.6 ha of additional employment land compared to 14.9ha if the current situation (status quo) is maintained.

A further issue is the role Winchester Town wishes to have within the wider sub-region. If it seeks to strengthen its place as a sub-regional centre, the SQW report identifies the need for additional employment land of about 6 ha if this is to be pursued. This together with the 14.9ha required to maintain the status quo equates to some 20.9ha in total.

These figures are based on pre-recession and Comprehensive Spending Review data and estimates, therefore suggest that there is a need for new employment land of between 14.9 – 20.9 ha in Winchester Town.

As part of the 2007 Economic and Employment Land Review SQW undertook a review of local property markets for a range of office/industrial premises within the District, through discussions with local property agents; officers at Winchester City Council and Hampshire County Council and data from the local property register.

In relation to Winchester Town the following reflects the key issues raised:-

- Industrial users and large space users do not usually consider Winchester as a possible location because they are aware that available land and premises are limited;
- The historic character of the town and defensive attitude of local people has limited scope for new office and industrial development;
- Local agents are critical of the policy restrictions on new office development in the town centre;
- Demand would be strong for modern office and industrial workspace if provision could be made – there is also 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 and creative industries.

Existing Employment Areas in Winchester Town and its immediate hinterland

Given the historic role of Winchester as a county town and as a centre for public services, there is a limited range of traditional employment space. Within the town centre itself there is a range of office floorspace varying from small offices above shops to purpose built office units. In terms of more traditional industrial or business/commercial sites Winchester has two, situated to the south and east of the town at Bar End and Winnall.

Winnall Employment Area:

Winnall lies to the north-east of the city centre adjacent to the convergence of the M3, A34 and A33, the employment area extends to some 41 hectares and runs north-south. The Winnall Moors Nature Reserve forms the western boundary of the site with the M3 junction 9 and the A34/A33 to the east, the newly designated South Downs National Park wraps around the site to the east and west.

The Winnall Area Study (2007) examined extensively this employment area and found that apart from a number of vacant sites – both modern and more traditional, that there was little other visible evidence of decline. The main problem being that the area has been developed in an ad hoc manner since the late 1940s and suffers from lack of a coherent design approach, with buildings varying substantially in age and design and poorly related to street frontages. This study focussed on design and character of the area and consequently the findings are still relevant, albeit there have been some redevelopment schemes recently completed i.e Basepoint, Moorside Place, and the new fire station.

In design terms the study made the following observations:-

- Quality of the Public Realm – this is summarised as poor with little consideration given to pedestrian movement; lack of soft landscaping; lack of street furniture; poor street lighting; poor overall identity and signage – no landmarks;
- Ease of movement - significant on-street parking; few road/path linkages with wider area; area dominated by vehicular traffic – but good links with strategic road network
- Adaptability and diversity – most buildings on the site have been built for a specific user/use, particularly the older buildings this could restrict their potential for alternative uses. There is a predominance of units in Class B1c/B2 of the Use Classes Order, with a number of retail units fronting Easton Lane and other ‘trade’ counters operating beyond the normal working week, creating an area that lacks vitality with little pedestrian movement and passing traffic.

Whilst the study focussed on design matters it did assess demand and supply for industrial units and concluded that to *‘make development worthwhile in economic terms the type of business space needed will have to meet demand*

*more suited to the local high skilled labour supply, probably providing more office space and more car parking which is not available in the city centre’.*

The report went on to acknowledge that there was a need for space for more knowledge based or professional concerns to attract businesses producing higher incomes rather than traditional manufacturing, particularly given that some local businesses had relocated elsewhere due to the lack of sizable office units.

The study concluded with a suggested ‘Development Framework’ for the area to include :-

Character – creating a positive identity for the Winnall area and as a gateway to Winchester

Continuity and Enclosure – defining public and private spaces

Quality of the public realm – attractive and successful outdoor areas

Ease of movement – accessibility and local permeability

Legibility - a place that is easy to understand

Adaptability – a place that can change easily

Making best use of available land

Crime prevention

Energy efficiency

Lighting

Noise/odour

Since 2007, some additional 2000 sq metres of commercial floorspace has come forward in this area.

In addition there are a number of premises that are vacant and being marketed at [www.invest-in-southampton.co.uk](http://www.invest-in-southampton.co.uk) . A snapshot of available premises late 2010 revealed that between 10 000 – 11 000 sq metres of floorspace was being marketed, ranging from purpose built industrial premises to modern workshops or small office units.

#### Bar End Employment Area:

Bar End is situated to the south of Winchester city centre, with ready access to junction 10 M3. It is significantly smaller than Winnall and is occupied by a range of users but in a limited number of units. There are fewer smaller units in comparison to Winnall. In addition there are a number of commercial premises along Barfield Close which connects to Bar End Road. Like Winnall the South Downs National Park adjoins the area to the south and west.

Some 800 sq metres of commercial floorspace has been granted planning permission in this area since 2007 and some 4000 sq m of floorspace is available. A significant difference between Bar End and Winnall is that Bar End is categorised by larger units and both sites currently available are in excess of 1000 sq m each.

Winchester City Centre

Within Winchester town centre there are a number of premises that are used for commercial employment purposes, these can vary greatly in size and character from very small offices above shops to purpose built office units.

There are a number of office ‘clusters’ around the city centre, the following indicates the amount of floorspace available:-

<b>Area</b>	<b>Approx available floorspace (sq.m)</b>
Jewry Street	1300+
Staple Gardens	700+
Southgate Street	500+
Hyde Street (incl City Business Cente)	1900+
St George’s Street	500+
<b>Total</b>	<b>4900+</b>

Many of these units are relatively small, forming part of a larger purpose built or converted office unit. In addition there are a limited number of self contained office units currently available, many of which have the benefit of parking provision. :-

Land and premises adjoining Winchester Town

In addition to land within the Town boundary there are a few employment sites/premises either on the edge of or within neighbouring settlements. Given their proximity and ease of access by Winchester residents these could also make a valuable contribution to the wider Winchester economy.

<b>Site ref</b>	<b>Site address</b>	<b>Type of accommodation</b>	<b>Available floorspace (sq.m)</b>
47	Royal Court, London Road, Kingsworthy	New high spec offices in landscaped grounds	328 - 985
46	Franklin House , 1 Royal Court, London Road, Kingsworthy	Second floor office suite	700
64	The Coach House, Worthy Park, Kingsworthy	Period office premises	23 - 162
44	The Chilcomb Centre,	Modern	7259

	Chilcomb Lane, Junction 10 M3	industrial/warehouse with self contained offices	(1.9ha)
Total			8,310 – 9,106

The amount of employment floorspace available (end of 2010) may be summarised as:-

<b>Location</b>	<b>Amount of floorspace sq.m</b>	<b>Types of premises</b>
Winnall	10,258 – 11,865	Variety of new, old, modern, purpose built, self contained premises, situated over a broad area known as Winnall Industrial Area
Bar End	4023	Limited number of larger self contained sites/premises
Winchester town centre	Small units = 4900+ Larger units = 1121 – 1908	Variety of office accommodation ranging from very small units to larger purpose built office units.
Outside Winchester Town boundary	8,310 – 9,106	Range of office and business premises, including a large purpose built industrial unit.
Totals	28,613 – 31,802	

This table demonstrates that across the Town, there is a significant amount of readily available floorspace, which has increased substantially given the current contraction of the public sector and the release of further premises onto the market. The available premises range from small/large office and industrial/business units, many of which are located with good access to the strategic highway network with access to the M3 (junctions 9 or 10), A34, A31, and A272.

Feedback from Commercial Agents and the Business Sector

Whilst the above quantifies the amount of floorspace available, a comparable commentary on its quality in terms of location, type and size etc is desirable to consider whether this stock has the potential to offer suitable sites/premises for modern business needs.

As part of the Council's recent 'Blueprint' initiative to engage with not only residents but also businesses and commercial interests across the District, a number of discussions have been held which have focussed on the economic role and potential of Winchester Town itself.

Feedback from a variety of discussions suggests the need for consideration to be given to the following:-

- more affordable workspace for small businesses
- space for small hi-tech and/or creative units
- funded workspace for new businesses
- provision of live/work units
- need flexible modular space that can be adapted to meet changing circumstances
- create a centre of excellence for low carbon businesses
- create 'communities of business'
- lack of large sites to attract high end employers
- new modern office premises needed with possibly a large 'anchor' business
- consider mixed use developments which could offer more jobs through better use of land/buildings
- public sector organisations may be able to support the provision of new lower cost premises
- promote Winchester as a business support centre offering advice, start-up premises etc
- growth will come from start-ups rather than inward investment
- Winchester needs to consider whether it should promote itself in a particular role.

In addition, a short questionnaire was circulated during late 2010 to those commercial agents currently advertising property within Winchester Town. The purpose of this was to understand the interests being shown in the Town and whether these are matched by sites/premises that are available.

In summary, current demand is for new or modern premises industrial or office with parking, and there is increasing interest in more energy efficient buildings. Proximity to the strategic highway network or town centre locations may also be a consideration depending on the type of business activity.

The majority of interest in locating in Winchester Town is from existing businesses in the locality, with many looking to expand rather than downsize. Current interest is from businesses in IT; Financial services; Professional

services; Film production; Administrative/service sector, with little interest from the more traditional business categories.

In terms of the quality of existing stock and how attractive this was to business growth and development, comments related to the lack of good quality stock and whilst Winchester is well located it needs to remain attractive above alternative locations with more suitable premises and a choice of premises.

In terms of assessing the longer term business requirements of Winchester Town, respondents to the survey made the following comments:-

- need to address car access and parking against travelling time and convenience for workforce
- consider campus style office development close to the town centre;
- additional warehouse/industrial/business premises close to strategic road network
- issue of commuting needs to be addressed
- need quality industrial/business units

A further requirement was for a positive planning framework to address the changing requirements of the business sector in parallel with addressing the current flux of additional floorspace given the contraction of the public sector.

#### Recent Changes to National Economic Policy

The SQW report was prepared at a time when full impact of the global recession had yet to be felt or quantified. The study recognised the global slow down in economic activity apparent in 2008, but considered that the trends and patterns identified in earlier work will re-emerge in a broadly similar form in the longer term.

Importantly, in the then current context they forecast that the established 'county town economy' would continue to develop slowly, with the focus of growth shifting to the M27 corridor. However, the Coalition Government has undertaken a Comprehensive Spending Review and introduced the concurrent policy of re-balancing the economy away from the public to the private sector. The consequences of which could be significant in the county town of Winchester which is the administrative centre for Hampshire. Already job losses in the public sector have been announced locally. This was to some extent predicted in the Council's Economic Strategy and was one of the prime reasons for the recommendation that the town should seek to diversify its economy, particularly in the expanding low carbon, and knowledge/creative sectors.

One of the few recent growth sectors in the UK economy is in advanced manufacturing, this sector is generally well represented in the area < particularly in the fields of environmental technology/green industries that are



closely linked to a knowledge based economy. The opportunities to take advantage in this sector locally, and spatial implications will need further consideration

Other Government initiatives are to get people off of benefits and into work and the high levels of youth unemployment This is also identified in work programmes in the Economic Strategy, and might also require an economic development and spatial response in the Core Strategy. A further area which might need more consideration in the future is the consequences of an aging population, and higher retirement ages, and whether the requirement and desire to work beyond what was until recently considered retirement age might generate its own employment needs that should be addressed in future Council economic strategies.

Accompanying the Chancellor's budget statement in March 2011 was the Ministerial statement and the Plan for Growth. This set out the Government's top priority of promoting sustainable economic growth and jobs, and gave clear instructions for local authorities to press ahead and plan for sustainable economic growth

### Conclusions

This background paper provides a snapshot of the variety of both land and premises currently available in Winchester Town for a range of commercial, industrial or business purposes, equating to some 28000 – 31000 sq. m. Together with some of the challenges facing the Council in developing a broader economic base by encouraging knowledge based and creative industries to locate or expand in the town.

The SQW report identified the need for about 14.9 – 20.9 ha of new employment land to meet the longer term employment needs of the town. But this will need to be tested in the light of the changed economic circumstances and updated economic projections.

Given the amount and variety of existing floorspace available there needs to be a strategy for utilising this floorspace in order to contribute to the longer term employment requirements of Winchester Town, and simultaneously to identify any additional land that may need to be allocated for business purposes.

In the current economic circumstances it will be important to understand the extent to which the current offer meets local needs for start-up floorspace, and the extent to which rents are affordable to small businesses. A further consideration is the Government proposal to make it easier to change the use of buildings from employment to residential, and what this likely to do to the future supply of employment floorspace, especially the affordable start up units many consider to be required to stimulate the knowledge based and creative businesses

Likewise it will be important to assess the extent to which the current supply of readily available floorspace might inhibit the development of new and more innovative energy efficient employment floorspace, and the policy response required by the Council to encourage sustainable economic growth.

Views of the commercial sector sought through a variety of mechanisms have provided an insight as to what investors/occupiers are looking for and how Winchester fits such requirements. These views are key to the long term success of the Town and how policies devised by the Council and plans prepared by the private sector are brought together.

The Core Strategy will need to develop spatial planning policies that maximise existing employment opportunities by retaining existing floorspace and promoting opportunities to create workspace that contributes to Winchester's economy and meets the needs of those requiring floorspace in the town.

This background paper was initiated through the need to understand whether the pursuance of a knowledge and creative economy required any specific considerations in terms of land and buildings. Given the definitions and degree of overlap between the knowledge and creative sectors, it appears that there are a number of premises available which could be suited to a range of uses that fall within these sectors. But in the light of the rapidly changing economic landscape there is a need to refresh the economic evidence base in order to develop robust policies and ensure a sound Core Strategy.



**Appendix A :****Employment Data for Winchester Town Residents (2001)**

Source : 2001 Census (NOMIS Official Labour Market Statistics)

<b>Winchester Town Wards</b>	<b>Winchester Town Totals</b>	<b>St Barnabas</b>	<b>St. Bartholomew</b>	<b>St John and All Saints</b>	<b>St Luke</b>	<b>St M</b>
<b>Resident Population</b>						
Total Population	38,767	5509	5478	6027	5590	60
Working age population Working age includes males aged 16 to 64 and females aged 16 to 59	24,436	2927	3361	3803	3523	35
<b>Labour Supply</b>						
<u>Economically Active</u> Residents who are working or looking for work	18,470	2349	2635	2952	2628	25
In employment	17,752	2293	2501	2838	2517	24
Employees	15,701	2029	2198	2558	2259	20
Self employed	2051	264	303	280	258	34
Unemployed	718	56	134	114	111	94
<u>Economically Inactive</u> Residents who are not working	5943	575	717	857	898	10
Retired	454	96	55	49	60	64
Student	2486	138	320	281	330	65
Other	2767	341	342	527	508	35
<b>Hours Worked</b>						

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<b>Winchester Town Wards</b>	<b>Winchester Town Totals</b>	<b>St Barnabas</b>	<b>St. Bartholomew</b>	<b>St John and All Saints</b>	<b>St Luke</b>	<b>St M</b>
Full time Full time = >31 hours per week	12,933	1588	1947	2120	1685	17
Part time part time = <30 hours per week	4812	709	552	704	834	61
<b>Employment by Occupation *1</b>						
1. managers and senior officials	2920	387 13%	476 16%	361 12%	256 9%	50 17
2. professional	3436	432 13%	562 16%	373 11%	207 6%	65 19
3. associate professional and technical	2586	305 12%	438 17%	346 13%	231 9%	39 15
4. administrative and secretarial	2018	291 14%	265 13%	332 16%	287 14%	19 10
5. skilled trades	1388	205 15%	174 12%	288 21%	313 22%	11 8
6. personal services	1160	154 13%	143 12%	205 18%	257 22%	13 11
7. sales and customers services	1345	162 12%	146 11%	226 17%	291 22%	14 11
8. process plant and machine operatives	706	96 13%	59 8%	185 26%	189 27%	43 6
9. elementary occupations	2194	261 12%	238 10%	522 24%	486 22%	22 10

\*1 = Coded as per 2000 edition of Standard Occupational Classification (SOC) – this is based on the kind of work performed - job, and the competent performance of the tasks and duties - skill