

Fareham Borough Council Local Plan Examination Council's Response to Inspector's Matters and Issues

Matter 8 Employment Need and Supply (Policies E1-E7)

Employment land need and supply

1. What is the justification for the scale of employment land allocated in the Plan?

- 1.1 The Plan allocates seven sites for employment development in addition to land at Welborne. The allocation of these sites results in a surplus of employment land over the Plan period in the region of 120,000 square metres. This is considered acceptable given the nature and scale of the sites allocated, the need identified within the PfSH Economic, Employment and Commercial Needs Study (EMP004, Table 11.1 and 11.4). In addition, the Framework is clear in placing emphasis on the need to ensure that sufficient flexibility is included within the supply to accommodate needs, but also to allow for changing working practices and to enable a rapid response to changes in economic circumstances, including the need for new, modern sites and allowing for losses in the existing stock.
- 1.2 Welborne (90,000sq.m within the Plan period) is a strategic site for larger scale industry and logistics users as well as a business park with excellent motorway links. Daedalus (77,000 sq.m) is ideally suited to meet the needs related to specialised high-tech engineering and industry, as envisaged by the Council's Daedalus Vision (FBC052) and the PfSH Spatial Position Statement 2016 (FBC053, Waterfront Sites of Sub-Regional significance page 42). Both are considered sites of sub-regional importance in the PfSH Spatial Position Statement 2016 (FBC053, Strategic Employment Locations page 41) and will be delivered throughout the Plan period.
- 1.3 The allocation of Solent 2, Land at St Margaret's roundabout, Land at Military Road, Little Park Farm and Standard Way are smaller sites providing shorter term flexible, opportunities for small scale localised demand and providing flexibility in the economic role of the Plan, ensuring it is not dependent on two strategic sites. This approach to supply has been discussed with neighbouring authorities Winchester, Eastleigh, Portsmouth and Gosport through the Duty to Cooperate, as evidenced in individual Statements of Common Ground. It is agreed that the FBC approach provides sufficient land to meet needs and that the surplus, whilst significant, is acceptable and does not impinge on the 'cities first approach' to office development for the sub-region as set out in the PfSH Spatial Position Statement 2016 (FBC053, paragraph 5.16 page 29).

2. What are the implications of the surplus of employment land? If taken up will there be sufficient housing to support their development? Will there be an appropriate balance between workers and homes? Will the surplus depress land values to a point where development is not viable?

- 2.1 The PfSH Economic, Employment and Commercial Needs Study (EMP004) sets out the relationship between the 'need' analysis for employment land and the Standard Method for determining housing. The conclusion in the report (paragraphs 9.45 to 9.48, page 64) is that there is considerable 'headroom' in the Standard Method housing requirements to be more economically ambitious than the employment need figures would suggest, meaning that the level of housing proposed through the standard method can support considerably more jobs than proposed solely through the employment requirement work. Paragraph 9.40 (page 63) of the report identifies that the total housing requirement across the sub-region provides a

'headroom' of up to 50-60,000 more new jobs than the employment requirements would provide for. This means that even with delivery of all the floorspace supply being taken up in the borough, there would likely still be an element of demand for more jobs as a result of the new homes. Therefore, there is no evidence to suggest that the surplus supply within the Plan will hinder the market or that there will not be sufficient housing to support development, particularly given the range of sites included and the varying market segments that they will deliver.

- 2.2 The PfSH Economic, Employment and Commercial Needs Study (EMP004) also evidences (at paragraph 4.40, page 24) that there is a major undersupply of industrial accommodation generally in the South Coast. Without forthcoming developments businesses may be forced to take second-hand space, or more likely, requirements will be shelved, or businesses compelled to consider relocation to less constrained markets. Conversely, the South Hampshire office market (paragraph 4.57, page 28) has seen no speculative office development for the last decade but, nevertheless, has performed consistently well in terms of occupier demand/take-up. Even with the loss of secondary space to alternative uses (for example, permitted development conversions from office to residential use), the lack of new development has not constrained market activity. Given the strong market for both office and industrial uses and the constrained local conditions with regards to new space, there is no evidence to suggest the surplus supply of land will depress land values.
- 2.3 The Council is confident that the surplus of employment land contained within the Plan is therefore appropriate given the nature of sites allocated and provides a good balance in terms of opportunities for sites without unduly impacting on market conditions or employment opportunities.

3. Paragraph 6.8 of the plan states that Policy E1 identifies a requirement for office and industrial uses. This is not the case. What is the justification behind this?

- 3.1 This is a factual wording error, and the Council considers that the final sentence of paragraph 6.8 of the Plan could be amended as it is incorrect and its change would not materially impact the soundness of the Plan. The final sentence should read: *Policy E1 therefore identifies a single requirement for employment uses, with site allocations considered flexible for any type of office, industrial and warehousing/logistics employment uses.*

4. Policy E1 identifies sites for employment use but does not indicate what type of employment uses would be appropriate on each site. Is this approach justified? How does this ensure that the specific employment needs of the borough are met? Are the range of sites allocated in the plan appropriate for any type of employment use? How does this relate to existing planning permissions for specific employment uses?

- 4.1 The Council believes the flexible approach towards employment allocations in the Plan is justified. Paragraph 81 of the Framework is clear that planning policies should create conditions in which business can invest, expand and adapt. Significant weight should be placed on the need to support economic growth and productivity, taking into account both local business needs and wider opportunities for development. The flexible approach within the Plan provides adaptability and flexibility to the market in a quickly changing economic environment, particularly so post-pandemic, and supports the approach taken towards planning applications for employment use within the borough which have historically been approved for employment uses B1 to B8, rather than specific use classes. The move to general employment uses also accounts for the introduction of the 'new' E class on 1st September 2021, which now groups other commercial uses in with traditional office and light industrial uses, uses that may not be appropriate in such locations such as the sale of food and drink and financial services.

- 4.2 The Framework states that planning policies should be flexible enough to accommodate needs not anticipated in the Plan, allow for new and flexible working practices, and to enable a rapid response to changes in economic circumstances (paragraph 82 d)). The PfSH Economic, Employment and Commercial Needs Study (EMP004) identifies a significantly greater need for industrial/warehousing than office within the borough, and this is supported by recent trends in office floorspace delivery. Paragraph 11.16, page 70 of the study advises that the targets for office delivery should be considered as 'aspirational' in the context of almost no delivery in the last ten years, and that it may take time before the market starts to deliver at pace. Given that context the Council considers it a justified approach to provide for flexibility in the requirement and allow market demand to determine the use of the allocations. The Council will monitor, through its annual commercial monitoring and publication in the Authority Monitoring Report, the delivery of employment floorspace type and quantum, and review the position within the next Plan preparation cycle should trends dictate a need to be more prescriptive.
- 4.3 The Framework (paragraph 83) also dictates that policies should recognise the specific locational requirements of different sectors, especially storage and distribution operations at a variety of scales and in suitably accessible locations. As stated in question 1 of this matter, the inclusion of two strategic sites in the employment supply in the Plan requires a further degree of flexibility to provide for floorspace need that cannot be met through such large sites with significant lead in and delivery timescales, i.e. small scale, short term delivery requirements. The sites allocated within the Plan are likely to be attractive to different sectors largely based on their geographical locations. For example, those on, or with access to, the strategic road network will favour logistics. Those in or adjacent to existing employment areas are well positioned to deliver small-scale industrial units, and the two strategic sites will cater for a range of uses. Allocations E2 Faraday Business Park and E3 Swordfish Business Park are allocated for employment uses, but with the requirement to be in line with the Daedalus Vision. The Daedalus Vision (FBC052) is the Council's ambition for the site to be an aerospace engineering and advanced manufacturing business hub, creating skilled employment opportunities for local people, underpinned by a vibrant and sustainable airfield.
- 4.4 The approach within the submitted Plan is consistent with recent planning applications and decisions for employment uses on a number of sites. Table 1 below shows the demand for flexibility between types of economic use.

Table 1 – Planning uses of sites

Site	Application Number	Proposed Use
<i>Faraday Business Park</i>	P/11/0436/OA	Use Classes B1, B2 & B8
<i>Swordfish Business Park</i>	P/11/0436/OA	Use Classes B1, B2 & B8
<i>Welborne</i>	P/17/0266/OA	Commercial and Employment Space (B1); General Industrial Use (B2); Warehousing Space (B8)
<i>Standard Way</i>	P/19/0169/OA	For Purposes Falling Into Use Classes B2, B8 Or E(G)
<i>Land to the north of Military Road</i>	P/20/0636/OA	For Employment Use (B2, B8 & E(G))
<i>Little Park farm</i>	P/21/0809/OA	For B2 (General Industrial) And B8 (Storage Or Distribution) Uses

5. The Stantec Report (EE004) identifies a demand for strategic warehouses and recommends the provision of 5 new sites in the sub region, an additional need of around 50ha. Does the plan seek to address this? If not, why?

- 5.1 The Plan does not specifically address the demand for up to 5 new, 8-10ha sites for strategic warehouses as identified by the PfSH Economic, Employment and Commercial Needs Study (EMP004). This is a workstream being pursued by the partnership of authorities looking at the opportunities available across the sub-region as set out in para 3.47 of (FBC002) PfSH Joint Committee Report – Statement of Common Ground 2021 – Revisions and Update. The requirements for strategic warehousing sites are specific and paragraph 10.20, page 67 of the study states that the number of sites that can be offered will be limited by the availability of accessible sites. A market attractive site needs to be highly accessible to the motorway network and the sites also need to be available for single large units.
- 5.2 The Council considers that the SHELAA process and site assessment work contained within Appendix 2 and 3 of the Business Needs, Site Assessments and Employment Land Study and Addendum (EMP001 and EMP002) show that there is a lack of suitable sites within the Borough to meet this need. These findings have been shared with PfSH as part of the aforementioned work stream. The only suitable sites within the borough are Solent 2 (Policy E4) and Welborne, both of which are already allocations.
- 5.3 The only other location in proximity to a motorway junction in the Borough is land to the north of Junction 11, which has been actively promoted through the Local Plan preparation process (CD009, page 79). However, land in this area, other than the existing employment site covered by Policy E5, is not considered suitable given its prominent location on Portsdown Hill, and the significant landscape impact of any development proposals (DS004, sites 3011 and 3218). This is a position supported by the neighbouring authority, Portsmouth City Council through the Statement of Common Ground (SCG003 paragraphs 3.35 to 3.39). The Council will continue to work with neighbouring authorities through PfSH to identify suitable locations and sites to cater for potential need.

Policy E5 – Existing Employment Areas

6. Part a) of the policy requires a development to facilitate the creation of additional jobs. However, extensions may not create new jobs but support existing ones or result in modernisation. What is the justification for this policy requirement?

- 6.1 The Council is supportive of applications for employment uses within existing employment areas which have been designated within Policy E5 as being important to the economic future of the area. The policy is intended to create the conditions in which businesses can invest, expand and adapt as stipulated by the Framework (paragraph 81) and is not intended to be restrictive. The Council recognises that not all additional employment ‘space’ will result in increased jobs and therefore the policy as written is overly restrictive on all forms of extensions or refurbishment. The Council considers that part a) of the Policy could be amended to include the phrase ‘additional employment floorspace’ in place of ‘additional jobs’ as it does not materially impact the soundness of the Plan.

7. What is the justification for requiring a 12-month marketing period?

- 7.1 The purpose of the policy (E5) is to support the retention of existing employment areas and resist their loss to other uses where possible. There are some cases where the loss of a site or part of a site to another use will be necessary, however given the importance of these areas as key areas of economic activity within the Borough, it is considered appropriate for

the request to be made for it to be demonstrated that all other forms of economic uses have been considered and that the site is considered unsuitable for the use going forwards, as described in paragraph 6.33 of the Plan.

- 7.2 The twelve month marketing period is considered appropriate, as it is consistent with the approach used by the Council in the currently adopted Plan. and the approach taken towards the loss of other uses within the Plan. The 12 month marketing period would need to demonstrate that it had been marketed at the right price, in appropriate locations and publications. This includes both sale and let, as either could be a way to get the building back into/keep it in a employment use.

Policy E6 Boatyards

8. Is it clear to decision makers, developers and the local community what is meant by development ‘having a detrimental impact on the regime of the River Hamble’. Is the policy effective?

- 8.1 The Council agrees that as worded the policy is ambiguous and could be simplified so that decision makers, developers and the local community are clear on the meaning of the policy. In line with Policy NE7: New Moorings, the Council would like to change criteria i) of the policy to ‘the nature conservation, landscape or heritage value of the River Hamble’ as the Council does not think it materially affects the soundness of the Plan, and would allow that test within the policy to apply to other areas of the borough.

Policy E7 Solent Airport

9. Bearing in mind paragraph 6.40 of the plan which outlines the aspirations for the site, is the policy effective?

- 9.1 The policy is intended to promote and protect airport related activity for the site to support the aspirations identified in paragraph 6.40 of the Plan. Solent airport and surrounding employment allocations are a key asset of the Council and the borough. The policy provides clarity on what development may be permissible there within the boundary of the site, as without the policy, countryside and strategic gap policies would apply and developments such as replacement control tower, café and other aviation supporting uses may not find favour with the policies without the link to the need to support the airport.

Employment Allocations Site selection

10.Has the site selection methodology followed a robust process?

- 10.1 The employment allocations included in the Local Plan are those identified in EMP001 (Business Needs, Site Assessments and Employment Land Study 2019) and EMP002 (Business Needs, Site Assessments and Employment Land Study Addendum 2021). The study includes an appendix 3, an Individual Site Scoring Matrix based on the criteria contained within assessment. The sites in the Local Plan are those sites which score the highest, are available and considered deliverable. The methodology for the scoring of these sites is set out chapter 7 (page 66) of EMP001. The methodology used a five category grading system to identify high to low quality ranking against eight categories of assessment criteria:
- Strategic Location/accessibility;

- Estate layout/prominence;
- Character of area/neighbouring uses;
- Local amenities/public transport;
- Planning status;
- Occupier perception/property values;
- Age and suitability of built stock (fit for purpose);
- Redevelopment prospects and constraints.

10.2 This methodology was applied to assess the market appeal of existing employment sites and potential new sites. Information from the Strategic Housing and Employment Land Availability Assessment (DS004) was also used to determine the choice of suitable sites to be allocated. The proposed allocation sites were then tested through the Sustainability Appraisal (ISLP006) thus demonstrating that the site selection process has been robust.

11.The Business Needs Sites Assessment rates sites A-E according to their suitability. How has this informed the site selection? Why have some sites rated as A been rejected?

11.1 Appendix 3 (page 230) of the Business Needs, Site Assessments and Employment Land Study 2019 (EMP001) and Appendix 3 (page 5) of the Business Needs, Site Assessments and Employment Land Study Addendum 2021 (EMP002) contain a ranking of new potential employment sites as by grade A to E. The list of sites assessed was compiled from sites promoted to the Council for employment use, land identified by the Council for employment use and sites allocated within previous Local plans for employment use. As described in the answer to question 10 this, supplemented by the SHELAA (DS004) assessment, formed the basis of the selection of sites for allocation. Grade A sites being first choice and grade E sites the last choice.

11.2 Table 2 below replicates the table in EMP002 and provides the reasoning for why sites were taken forward or not. Two of the sites have been permitted and are now complete (J9 South Segensworth South ‘A’ and Land Adjoining Waste Transfer Station ‘C’). Two sites are located within current Existing Employment Areas and, given the Plan policy to retain employment uses on those sites, were therefore not considered necessary to allocate (Swanwick Shore Road ‘B’ and Walled Garden Cams Estate ‘B’). A further two sites have not been promoted to the Council for employment use (Land at Telford Way ‘C’ and Land at Pinks Hill ‘C’). The remaining Grade D sites were not considered suitable for allocation as set out in the SHELAA (DS004) given their planning status and site character.

Table 2 – Employment Site Scoring and Selection

Site name/address	Size (Ha)	Size (sq m)	Total score	Grade A-E	Potential to Allocate
J9 South, Segensworth South (Talbot Road)	1.843	4,000	37	A	No. Site complete.
Land North of St Margaret’s Roundabout	1.23	4,000	35	A	Yes
Welborne	20	97,250	34	A	Yes
Faraday Business Park, Daedalus East	44.25	28,000	34	B	Yes
Swordfish Business Park, Daedalus West	16.47	22,000	34	B	Yes
Solent 2, Whiteley (Rookery Avenue)	9.84	23,500	33	B	Yes

Swanwick Shore Road	0.36	2,279	30	B	No. Site within Existing Employment Area
Walled Garden, Cams Estate	1.66	1,952	30	B	No. Site within Existing Employment Area
Land at Telford Way	2.75	10,000	29	C	No. Site no longer promoted.
Land at Pinks Hill	0.7	2,000	26	C	No. Site no longer promoted.
Land Adjoining Waste Transfer Station	1.05	4,000	26	C	No. Site complete.
Land at Military Road	1.23	4,750	26	C	Yes
Little Park Farm	5.73	11,200	25	C	Yes
Standard Way, Wallington	0.59	2,000	23	D	Yes
Down Barn Farm / Spurlings	32.85	30,000	22	D	No. Discounted in SHELAA - Considered unsuitable on landscape grounds
Land West of Newgate Lane, Peel Common	3.06	10,000	21	D	No. Site no longer promoted and not considered in SHELAA for employment use. Site within Strategic Gap and discounted for residential use on strategic gap grounds.

11.3 This table shows how the evidence base has been used to select site allocations in a logical and methodical approach.

Site Allocations

Policies E2, E3, E4, E4a, E4b, E4c, E4d

12.Are the sites allocated for employment uses soundly based: are the stated capacities achievable; are the site-specific requirements justified and effective; is there evidence that there are no insurmountable constraints to the development coming forward?

12.1 The following answer sets out the Council's broad approach. The sites allocated in the submitted Plan align with paragraph 83 of the Framework, being spread across the Borough in areas that provide the geographic location benefits for different uses. This Development Strategy was tested positively through the Sustainability Appraisal (CD003) (option 6, the assessment is set out in Chapter 6 (page 51) of the SA).

12.3 Each site promoted for inclusion in the Plan has been thoroughly assessed through the Strategic Housing and Employment Land Availability Assessment (SHELAA – DS004) process (see SHELAA methodology pages 7-15), the Sustainability Appraisal (CD003, appendix F) and subsequently tested through Local Plan consultations with stakeholders. This process led to the identification of the site-specific requirements which appear in the specific allocation policies, which have also been subject to consultation with site promoters, infrastructure providers and where necessary, statutory advisors. Consultation has taken

place in relation to planning applications where sites have received planning permission which has also informed the site-specific requirements.

- 12.4 The following table, table 3, provides a summary of of the current planning status of the employment allocations within the Plan. It also includes latest delivery evidence gained from site promoters/owners including progress on mitigation where constraints have been identified. Mitigation requirements are included in site allocation policies where relevant. Table 3 shows that there are no insurmountable constraints to delivery on these sites.

Table 3 – Site Delivery

Allocation No.	Name	Application Number	Planning Status	Use	Delivery Evidence
E2	Faraday Business Park	P/11/0436/OA	Permission	Use of adjacent Airfield for Employment Based Development (Up To 50,202 Sq.m of Floor Space) In New and Existing Buildings (Use Classes B1, B2 & B8) With Incremental Demolition Together with Clubhouse (Class D2) Vehicle Access, Allotments, Open Space and Landscaping.	Part of wider Daedalus site. The site is owned and promoted by Fareham Borough Council. It is a key Corporate Priority as set out in the Council's Corporate Strategy. Designated Daedalus-Solent Enterprise Zone. Fareham Innovation Centre and Fareham College Campus for Engineering (CEMAST) already permitted and in operation and part of 17,677 sq.m. complete to date. Council has invested more than £30million in providing office, workshop and bespoke industrial units and new hangars for business and general aviation use, unique to the south coast. 2021 completion of 5 units totalling 5,814 sqm. Following Executive Approval of Environmental Mitigation Strategy on 7 th Dec 2021, off-site Solent Wader and Brent Geese mitigation provided (mitigation land purchased).
E3	Swordfish Business Park	P/11/0436/OA	Permission	Use of Airfield for Employment Based Development (Up To 50,202 Sq.m of Floor Space) In New and Existing Buildings (Use Classes B1, B2 & B8) With Incremental Demolition Together with Clubhouse (Class D2) Vehicle Access, Allotments, Open Space and Landscaping.	Part of wider Daedalus site. The site is owned and promoted by Fareham Borough Council. It is a key Corporate Priority as set out in the Council's Corporate Strategy.
E4	Solent 2	P/91/0626/OA P/06/1549/RM	<i>Extant Permission</i>	<i>Allocation in adopted plan. Extant planning</i>	As of January 2022, the site promoters (Arlington Ltd) anticipate submitting a new planning application mid-

				<i>permission since. Access commenced.</i>	2022. Full suite of updated ecological surveys which have been ongoing since July 2021.
E4a	Land north of St Margaret's roundabout	None	None	<i>Site was acting as compound for Smart Motorways works contractor until Feb 2022. Site now clear.</i>	As of January 2022, the County Council (owner) reaffirms the site's availability for employment generating uses. Discussions with a number of interested parties regarding the future development of this land for employment and complimentary uses are ongoing. Details of these enquiries are commercially sensitive at this time. The County Council's intention is to undertake a future marketing exercise post adoption of the Plan.
E4b	Land to the north of Military Road	P/20/0636/OA	Under Consideration	Outline Application for the Development of up To 22 Units for Employment Use (B2, B8 & E(G)) with Access Off Military Road	Site promoted by Foreman Homes and currently subject to outline application. Applicant is undertaking further work to satisfy requests made by highway authority which will be subject to further consultation. If permitted, construction anticipated to begin before April 2023.
E4c	Little Park farm	P/21/0809/OA	Under Consideration	Outline Application for The Use of Land B2 (General Industrial) And B8 (Storage or Distribution) Uses (11,200 Sq.m)	Site promoted by Frobisher developments and the subject of an outline application. Previous constraints posed by access have been resolved with Network Rail and are subject to separate application (P/21/0077/FP). Site promoters already have tenders returned in respect of the road and bridge reconstruction works and is planned to commence concurrently with the first development phase, thus this work will not hold up delivery. . Applicant expects to be on site within six to nine months of grant of planning consent and the necessary Reserved Matters/Detailed Application.
E4d	Standard Way	P/19/0169/OA	Under Consideration	Outline Application for Up To 2,000 Sq.m of Employment Space (For Purposes Falling into Use Classes B2, B8 Or E(G)) And Access from Standard Way, Wallington With Associated Highway Improvements	Site promoted by Foreman Homes and currently subject of outline application. Applicant is undertaking further work to satisfy requests made by highway authority which will be subject to further consultation. If permitted, construction anticipated to begin before October 2022.

Welborne Plan	Welborne	P/17/0266/OA	Permission	Up To 30,000 Sq.m Of Commercial and Employment Space (B1); Up To 35,000 Sq.m Of General Industrial Use (B2); Up To 40,000 Sq.m Of Warehousing Space (B8)	Permission granted September 2021.
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