



Nathaniel Lichfield
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Planning. Design. Economics.



Eastleigh Borough Council **Employment Land Requirements Study**

Final Report

January 2012



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Eastleigh Borough Council

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12826/MS/CGJ

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- Appendix 1 List of Consultees
- Appendix 2 Definition of B Class Sectors

1.0 Introduction

1.1 Eastleigh Borough Council (EBC) commissioned Nathaniel Lichfield & Partners (NLP) to prepare an assessment of the Borough's employment land requirements to 2029, to inform preparation of Council's Local Plan. This report follows, and should be read in conjunction with, the *Economic & Employment Land Baseline Report* prepared by EBC which has been published separately.¹

1.2 Together, these documents form the Council's Employment Land Review (ELR) and take account of relevant guidance from the South East England Planning Partnership Board (SEEPB)² and ODPM³ (now CLG), and have regard to *PPS4: Planning for Sustainable Economic Development*. However, some requirements arising from PPS4 are not considered and will therefore need to be subject to separate analysis.

1.3 With reference to the ODPM guidance on employment land reviews, the specific tasks required by the study brief were to:

- a review and comment on the Council's work on Stage 1 of the ELR;
- b review and complete the Council's work to date on Stage 2 of the ELR, which relates to assessment of future requirements for employment space and involves consultation with local employers and business groups; and
- c bring together Stages 1 and 2 to recommend an appropriate quantum of adaptable and flexible employment floorspace for the Borough to pursue, in terms of quantity and quality, along with recommendations on policy interventions to stimulate development.

1.4 This report addresses items (b) and (c) of the above requirements, with advice on the Council's draft Stage 1 report having been provided separately.

Scope of Study

1.5 The focus of this report is on the employment space needs for the group of B-class sectors outlined below:

- **B1 Business** (offices, research & development, light industry);
- **B2 General Industrial**; and
- **B8 Storage or Distribution** (wholesale warehouses, distribution centres).

¹ Economic & Employment Land Baseline Report, Eastleigh Borough Council, November 2011

² SEEPB Economic and Employment Land Assessments Supplementary Guidance Consultation Document, 2009. Although the SEEPB no longer exists and the formal status of this guidance is unclear, it is considered to be a source of good practice.

³ ODPM Employment Land Reviews: Guidance Note, 2004

- 1.6 Demand for B-class employment land and floorspace is considered in this report, and references to “employment space” are intended to mean both these elements. Industrial space in this report includes both manufacturing and distribution uses.
- 1.7 Whilst PPS4 defines economic development as including a wider range of non B-class uses (including retail, leisure, sports and recreation, arts and culture) that generate jobs, wealth or other economic outputs, an assessment of these uses is beyond the scope of this study.
- 1.8 The purpose of the study is to provide evidence to support the development of the Local Plan. It is not a policy or strategy document per se, but instead provides an evidence base input to specific planning or economic development policies being developed by the Local Planning Authority. An important consideration for any work of this type is that it is inevitably a point-in-time assessment that cannot entirely reflect very recent changes in circumstances. This study has incorporated the latest data and other evidence available at the time of preparation. The accuracy and sources of data derived from the Stage 1 analysis or other sources has not been checked or verified by NLP.
- 1.9 As part of the study, consultation was undertaken with a range of stakeholders including commercial agents, economic development and business organisations. A list of consultees is included at Appendix 1. A workshop comprising a presentation of interim findings and structured group discussion was held in Eastleigh in October 2011.
- 1.10 References in this report to ‘Eastleigh’ relate to Eastleigh borough as opposed to references to ‘Eastleigh town’.

Structure of Report

- 1.11 The report is structured as follows:
- **Economic Context** (Section 2.0) – this summarises key drivers and demand indicators in the local economy that will influence future employment space requirements in Eastleigh, drawing on the Stage 1 analysis prepared by EBC;
 - **Future Requirements** (Section 3.0) – this estimates future demand for employment space in the Borough based on several different approaches and growth scenarios;
 - **Additional Land Requirements** (Section 4.0) – this section compares the estimated space requirements from Section 3 with current supply of employment space derived in Stage 1 of the ELR to identify additional requirements, in both quantitative and qualitative terms;
 - **Unlocking Delivery of Employment Space** (Section 5.0) - this identifies policy and other approaches that could be used to help bring forward employment sites and economic development in Eastleigh; and
 - Overall **conclusions and implications** are presented in Section 6.0.

2.0 Economic Context

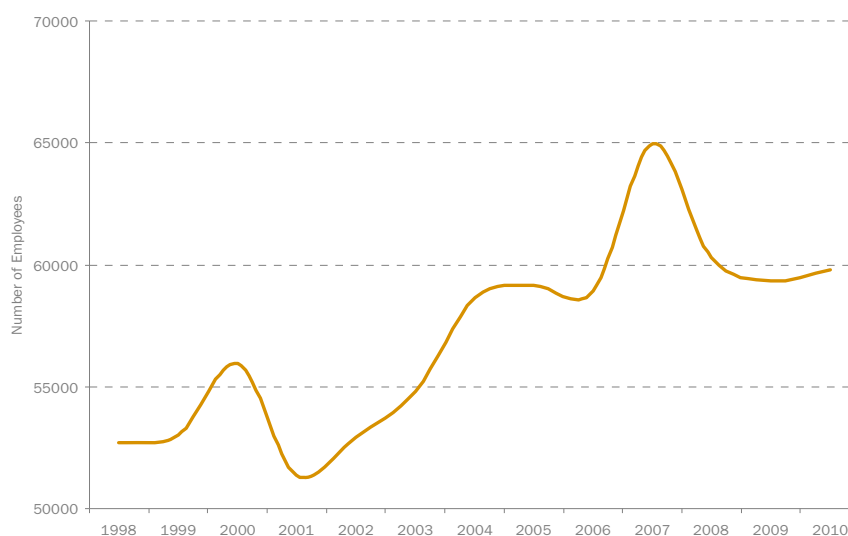
2.1 This section considers key drivers and demand indicators in the local economy that will influence future employment space requirements in Eastleigh. It draws on the analysis and assessments of existing sites contained in the *Economic & Employment Land Baseline Report* prepared by EBC, as well as findings from consultation with economic development, business and commercial property organisations in the area.

The Eastleigh Economy

2.2 The total population of Eastleigh is about 122,400 people, of whom 78,900 (64%) are of working age (16-64). The Eastleigh economy is a relatively high value economy with a higher estimated Gross Value Added (GVA) per head of resident population than most of the neighbouring districts, although GVA per workplace job was lower. In 2008, GVA per head in Eastleigh was around £21,600, compared to £12,300 in Gosport, £21,400 in Test Valley and £28,700 in Winchester.⁴

2.3 The number of employee jobs in Eastleigh has increased by about 7,100 over the period 1998-2010, equivalent to growth of about 13.1%. The Borough's employment peaked at nearly 65,000 jobs in 2007, before declining during the recession to just below 60,000 (Figure 2.1).⁵

Figure 2.1 Total Employee Jobs in Eastleigh, 1998-2010



Source: ABI (rescaled) / BRES / NLP analysis

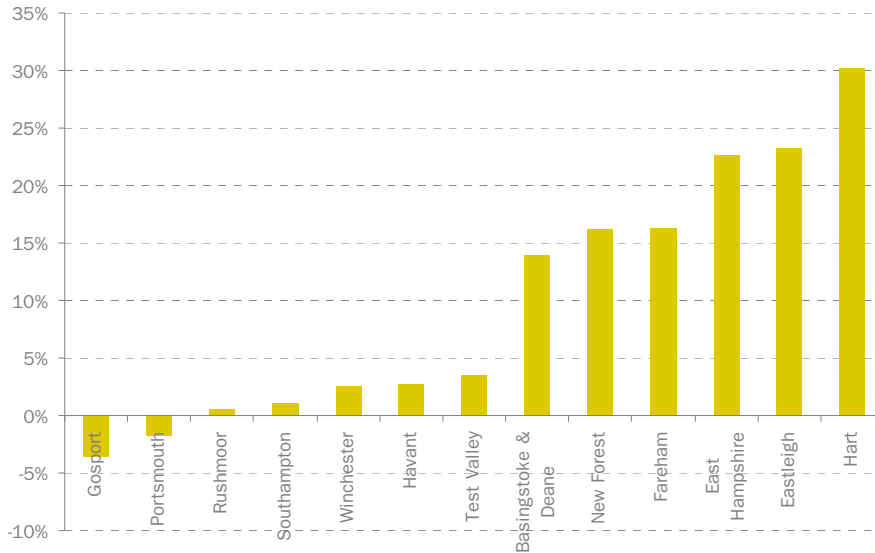
⁴ Eastleigh Local Economic Profile, Research & Intelligence, Hampshire County Council

⁵ Discontinuities exist between ABI and BRES data, and therefore caution should be taken when using and interpreting employee estimates at a local area level and which may be subject to future revision.

2.4

The Borough’s growth between 1998-2007 (i.e before the onset of recession) was 23%, the second highest overall growth rate of all Hampshire districts after Hart, and significantly higher than larger centres such as Southampton (Figure 2.2).

Figure 2.2 % Employment Growth by Hampshire District, 1998-2007

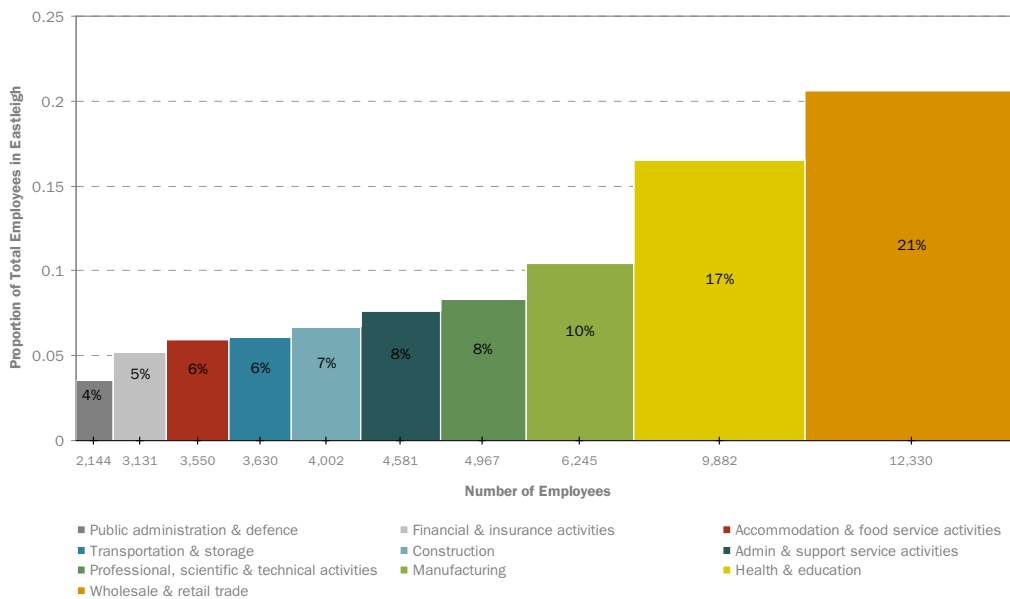


Source: ABI (rescaled) / BRES / NLP analysis

2.5

In 2010, the largest employment sectors in the Borough were wholesale & retail trades (21% of employees) and health and education (17% combined). Manufacturing was the third largest sector, accounting for 10% of total employees (Figure 2.3).

Figure 2.3 Main Employment Sectors in Eastleigh, 2010



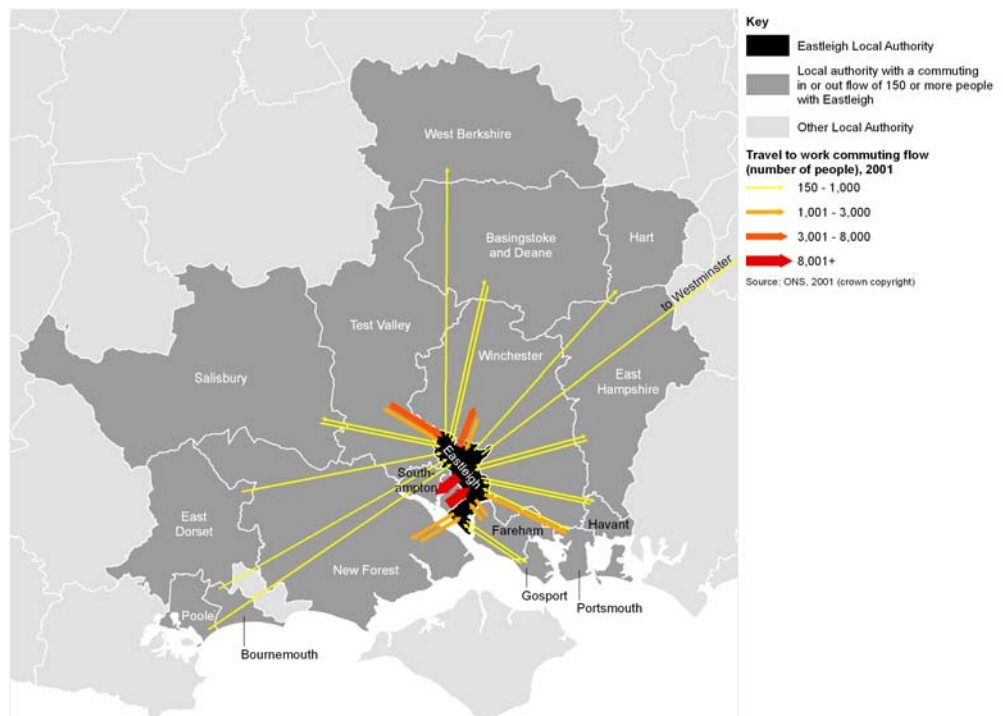
Source: BRES / NLP analysis

2.6 Over the past decade, banking, finance and insurance have been the fastest growing sectors in Eastleigh (70.1%) from a relatively small base, followed by transport and communications (49.2%), and public administration, education and health (36.5%). The largest declines have been recorded in the manufacturing and construction sectors, both contracting by 37%.

Linkages with Surrounding Areas

2.7 Eastleigh forms part of the wider South Hampshire area which includes major centres such as Southampton, as well as more rural areas. There are strong economic linkages between these districts, as Figure 2.4 below showing travel-to-work patterns illustrates. Eastleigh is a modest net exporter of labour, mainly to Southampton which accounts for 40% of all out-commuters, and to a lesser extent Winchester (23% of out-commuting trips). However there are also significant inflows of commuters to the Borough, notably from Southampton (42% of in-commuters) but also from Test Valley (11%).

Figure 2.4 Eastleigh Commuting Flows, 2001



Source: 2001 Census / NLP analysis

Property Market Conditions

Industrial

2.8 Discussions with a number of commercial agents active in the area indicate that Eastleigh is perceived as a good industrial location, benefiting from proximity to the M3 and M27 motorways, Southampton Port and Airport and good rail links to London as well as reasonable labour supply.

- 2.9 Although affected by the recession in 2008-09, commercial agents report that current demand for industrial space in Eastleigh has remained reasonably strong. There is demand for premises at all size levels and this now exceeds current supply. While enquiries for smaller units can usually be met from general turnover and recycling of secondary premises, there is a shortage of larger distribution units above 18,000 m².
- 2.10 In supply terms, much of the industrial space is relatively old and requires refurbishment while there has been very little modern space built in recent years. The main gap in supply at present is good, modern industrial premises, particularly larger units. The market view was that Eastleigh could attract significantly more distribution uses if good sites were provided.
- 2.11 There is no oversupply of industrial space; current vacancy rates are about 10% – a normal market level – but enquiries for large units and by some firms wishing to relocate to medium sized modern premises, cannot be met. A need was also identified for more, small starter units for industrial uses.
- 2.12 In the longer term, Eastleigh was seen as likely to remain a mainly industrial location but progress will depend on providing more large industrial sites, potentially at Eastleigh River Side. If River Side does not come forward in that time, agents considered that there was likely to be a need for more, well located industrial sites with good access to the strategic road network.

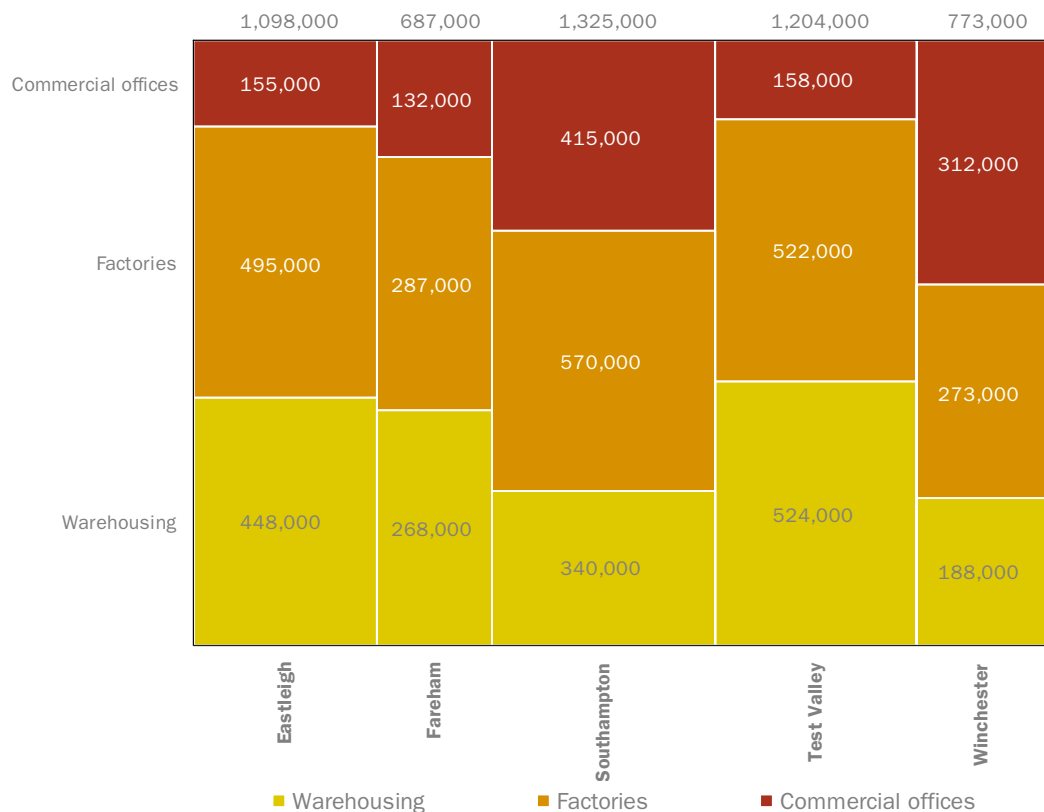
Offices

- 2.13 For office space, demand is generally low, with Eastleigh suffering from perceptions as a more industrial location and from much vacant office space in Southampton city centre and availability in business parks along the M27 corridor.
- 2.14 There is no oversupply of office space and vacancy levels appear quite low but there is also seen to be a lack of supply of good quality office premises. No speculative office development has been built in recent years although there have been some good quality refurbishments (e.g. Hampshire Corporate Park at Chandlers Ford).
- 2.15 Scope was seen to expand Eastleigh's office role in the longer term, building on its large occupiers and good communications. Property agents suggest that the main locations for new floorspace could potentially be adjoining existing business parks, or in new locations with good accessibility to the strategic road network, good parking levels and ideally near the airport.
- 2.16 No further provision of starter-units for office firms is required, with a reasonable existing supply, while high technology and R&D uses are reasonably catered for by the Southampton Science Park located in neighbouring Test Valley district.

Current Supply of Employment Space

- 2.17 The supply of employment space in Eastleigh is dominated by industrial uses – manufacturing and distribution/warehousing – which account for 45% and 41% of total stock respectively. The stock of warehousing accommodation is second only to Test Valley in terms of adjoining districts, whilst the stock of factory space is smaller than Southampton and Test Valley but significantly larger than Fareham or Winchester.
- 2.18 The Borough’s commercial office stock amounts to 14% of total employment space, and represents a significantly smaller stock of space than larger centres such as Southampton and Winchester, but is comparable to smaller surrounding districts such as Test Valley and Fareham (Figure 2.5).
- 2.19 Between 1998-08, Valuation Office Agency (VOA) data indicates that distribution space in Eastleigh increased by 33% and office space by 50% while manufacturing space fell by 8%. These growth/decline levels were all higher than the South East regional average. Both office and industrial space growth in Eastleigh were also much higher in percentage terms than in Southampton, although the office growth was from a much lower base.

Figure 2.5 Components of Commercial & Industrial Floorspace by District, 2008



Source: VOA / NLP analysis

- 2.20 Completion rates for employment space in Eastleigh over the last 10 years have been relatively good, with gross completions averaging 14,630 m² per

year. Almost 40% of this has been manufacturing space, with significant levels of office development (30%) and moderate amounts of distribution space and mixed industrial space (30%). Net completions have been significantly lower, mainly reflecting losses of industrial space, at 4,460 m² per year but 60% of these were for office development.⁶

- 2.21 Based on marketed premises, vacancy rates in Eastleigh in September 2011 were approximately 10% for industrial space and 6% for offices.⁷ This compares with a normal market vacancy rate of around 10%, and suggests no oversupply of industrial space and a potential shortage of office space.

Distribution of Existing Employment Sites

- 2.22 As detailed in the *Employment Land & Economic Baseline Report*, EBC undertook an assessment of 134 existing employment sites in the Borough in early 2009. Part of this assessment included recording the location of these sites by parish, the results of which are summarised in Table 2.1 below.

Table 2.1 Distribution of Existing Employment Sites by Parish

Parish	Number of Sites	Total Site Area	% of total
Allbrook	3	1.95	0.4
Bishopstoke	1	0.2	0.04
Botley	6	4.1	0.8
Bursledon	5	2.45	0.5
Chandler's Ford	20	86.5	17.6
Eastleigh (town)	32	135	27.5
Fair Oak	11	38	7.7
Hamble	15	87	17.8
Hedge End	23	87	17.8
Hound	7	21	4.3
West End	11	23	4.7
Total	134	486.2	100.0

Source: Eastleigh Borough Council, 2009

⁶ Excludes year 2002/03 where the large Pirelli site resulted in an exceptionally large loss of industrial space.

⁷ Based on 93,300 m² of industrial space in Eastleigh advertised on the EGPropertylink website, along with 9,300 m² of office space.

- 2.23 This indicates that Eastleigh town itself has the largest concentration of existing employment land, some 135 ha or over a quarter of total supply, although it should be noted that a significant proportion relates to land at River Side. Other significant concentrations occur at Hamble (87 ha), Hedge End (87 ha) Chandler’s Ford (86.5 ha), Fair Oak (38 ha) and Hound (23.3 ha). Outside of these areas, the supply is characterised by a range of smaller sites.

Quality of Existing Supply

- 2.24 The EBC site assessments included an appraisal of the characteristics and quality of existing and allocated employment sites, and an assessment of their suitability to meet future employment development needs. Each site was scored out of 10 against a range of criteria. The assessment is not intended as a definitive judgement on the quality of employment sites, and is likely to require updating in the future, but provides an indication of how sites perform against some established criteria for planning purposes. More detail and accompanying commentary on individual sites is contained within the *Economic & Employment Land Baseline Report*.
- 2.25 In summary, this assessment indicated that approximately 172ha (35% of total supply) was assessed as ‘good’ quality, 250ha (52%) as ‘average’ quality and 64ha (13%) as ‘poor’ quality (Table 2.2).

Table 2.2 Quality of Existing & Allocated Employment Sites

Quality	Number of Sites	Total Site Area	% of total
Good	51	172.1	35
Average	62	250.5	52
Poor	21	64.2	13
Total	134	486.6	100

Source: Eastleigh Borough Council

Potential Supply

- 2.26 Allocated and other employment space in the Borough that is not yet started or still under construction and available to help meet future needs is identified by the *Economic & Employment Land Baseline Report*. This comprises around 206,300 m² of B class floorspace in net terms, distributed across 24 sites, with an estimated breakdown by main use shown in Table 2.3. It should be noted that this includes some space under construction and committed to a specific user so that it may be less able to meet general future needs.

Table 2.3 Available employment space in Eastleigh, 2011

	Number of sites	Floorspace (m ²)
Manufacturing/Distribution (B1c/B2/B8)	16 *	170,800
Offices/R&D (B1a/b)	8	35,500
Total	24	206,300

Source: Hampshire County Council/Eastleigh Borough Council * Notes: assumes all identified plots at Eastleigh River Side are for industrial use.

- 2.27 Eastleigh River Side remains the dominant potential development site in the Borough accounting for some 90% of the Borough’s identified industrial supply. The site comprises several parcels in different ownerships: land at Chickenhall Lane, Northern Business Park at Southampton Airport, Network Rail land at Southampton Airport, and the railway works owned by St. Modwen.
- 2.28 The site has access issues and other constraints (aircraft noise, contamination, nature conservation) that need to be resolved in order to bring development forward and options for these are currently being considered by EBC.⁸

Summary

- 2.29 The key points of the above analysis can be summarised as follows:
- Eastleigh has been one of the fastest growing economies in Hampshire over the past decade, peaking at 65,000 jobs in 2007 but contracting slightly during the recession;
 - the Borough’s largest sectors of employment include retail and wholesale trades (21% of employees), health and education (17% combined) and manufacturing (10%); there has been strong recent growth of financial and business services, and significant declines of the manufacturing and construction sectors;
 - Eastleigh is perceived as a strong industrial location, which benefits from good strategic accessibility, but with limited available supply and ageing stock; delivery of River Side is regarded as important to meeting future industrial needs;
 - the Borough’s office market is relatively modest reflecting the Borough’s proximity to larger offices centres (e.g. Southampton), but scope was perceived for this to be expanded in the future;

⁸ Eastleigh River Side, Draft Background Paper, Eastleigh Borough Council, May 2011

- the existing supply of employment space in the Borough is dominated by industrial uses, with a limited stock of office accommodation;
- gross completions of employment space have averaged 14,630 sq.m (4,460 sq.m net) over the last 10 years, mainly reflecting losses of industrial space; and
- the Council's 2009 assessment of existing and allocated employment sites concluded that 87% of sites were of good/average quality, and identified 24 sites with a total capacity of 206,300 sq.m to meet future needs; 90% of this supply is accounted for by Eastleigh River Side where a number of barriers to delivery exist.

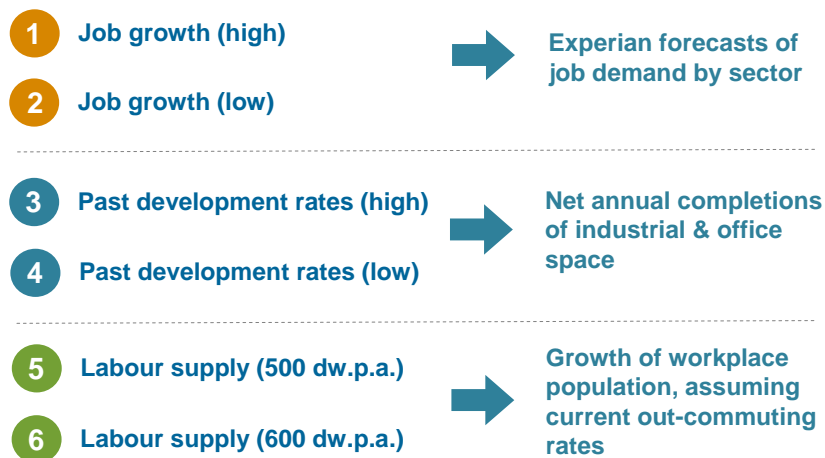
3.0 Future Requirements for Employment Space

3.1 This section assesses B Class employment space requirements in Eastleigh in the period to 2029 using several different approaches:

- a forecasts of job growth in the main B class sectors (**labour demand**) derived from economic forecasts prepared by Experian;
- b consideration of trends in **past development rates** of employment space, and how these might change in future; and
- c estimating future growth of local **labour supply** and the amount of jobs and employment space that this could support.

3.2 All these approaches have some limitations and careful thought needs to be given as to how appropriate each is to circumstances in Eastleigh. In addition, to be robust, the economic growth potential and likely demand for employment space in Eastleigh needs to be assessed under different future scenarios, to reflect lower or higher economic growth conditions that may arise in future. Accordingly, this has framed the consideration of six scenarios outlined in Figure 3.1, and detailed below.

Figure 3.1 Outline of Approach to Scenarios



Source: NLP

a. Job Growth

3.3 Forecasts of job growth for Eastleigh Borough up to 2026 were commissioned from Experian, and extrapolated to 2029 by NLP. Such forecasts tend to be most reliable at regional and national scales and consequently less so at the local economy level, but are widely recognised as a valuable input and can indicate the broad scale and direction of economic growth in different sectors and provide some indicators to help assess future land requirements.

Scenario 1: Job Growth (high)

- 3.4 The forecasts of job growth by sector used here reflect recent trends and are based on projections at regional level, and how economic sectors in Eastleigh have fared relative to the region's growth in the past. These forecasts also reflect the current post-recession economic climate.
- 3.5 The overall employment change in Eastleigh resulting from these forecasts is shown in Table 3.1 along with expected job growth in the main B class sectors. This includes an allowance for jobs in other non B class sectors that typically utilise industrial or office space, such as some construction uses, vehicle repair, courier services, road transport and cargo handling and some public administration activities (see Appendix 2). These indicate significant net job gains (almost 4,000 jobs) in the B-use classes in Eastleigh over the period to 2029, with strong growth in office based activities and modest gains in distribution jobs along with minimal job change in manufacturing employment. This is within the context of overall job growth of just over 7,900 jobs predicted for the Borough over the period, which outside the B Class sectors will mainly be in the retailing, catering and transport sectors.

Table 3.1 Forecast Employment Change in Eastleigh Borough 2011-2029

	No. of Jobs		Change
	2011	2029	2011-29
Manufacturing (B1c/B2)*	10,320	10,345	25
Distribution (B8)**	8,040	8,730	690
Offices (B1a/b)***	15,990	19,265	3,270
Total B-class Jobs	34,350	38,340	3,990
Jobs in All Sectors	69,250	77,165	7,920

Source: Experian / NLP analysis, 2011 - total jobs including self-employed

* includes vehicle repair and some construction activities ** includes parts of transport & communications sectors that use industrial land *** includes publishing and a proportion of government offices

- 3.6 These job forecasts for Eastleigh can then be converted to future employment space requirements assuming typical ratios of jobs to floorspace for the different B uses.⁹ To estimate space needs, an average ratio of 1 job per 43 m² gross is assumed for manufacturing space. For distribution, 1 job per 65 m² is assumed for general, smaller scale warehousing, and 1 job per 74 m² for large scale, lower density strategic units. Business and financial services jobs are taken to be the main requirements for B1 office space, at a general office ratio of 1 job per 10.5 m².

⁹ Based on HCA/Offpat Employment Densities Guide, 2010

- 3.7 An allowance of 10% is added to all floorspace requirements to reflect a normal level of market vacancy in employment space.

Table 3.2 Experian Job Growth based Employment Space Requirements in Eastleigh, 2011-2029

	Floorspace (m ²)
Manufacturing (B1c/B2)	1,140
Distribution (B8)	53,560
Offices (B1a/b)	37,810
Total	92,540

Source: NLP analysis

- 3.8 This forecast net increase of almost 4,000 B Class jobs over an 18-year period, which underpins this estimate of future employment space needs, is equivalent to an average of 220 additional jobs each year. This is slightly higher than the job growth achieved in Eastleigh since 1998. Between 1998 and 2008, Annual Business Inquiry data indicates that B class jobs in the Borough grew by approximately 185 jobs per annum, all in the office and distribution sectors. On the basis of past performance, the above employment space forecasts could be regarded as a more optimistic estimate.

Scenario 2: Job Growth (low)

- 3.9 With a very uncertain economic outlook for the UK, and medium term economic growth forecasts being reduced, it was considered appropriate to also consider an alternative, less optimistic job growth scenario. One approach would be project forward past trends in job growth in the B class sectors in Eastleigh. However, over the past 10 years, manufacturing jobs have strongly declined in the Borough and a simple extrapolation would lead to negative job levels by 2029. In reality, employment in the manufacturing sector is more likely to level off at a sustainable level rather than continuing to fall. While office jobs grew strongly over the past 10 years, that level of growth may be less likely to continue as the financial and business service sectors mature.
- 3.10 Against that background, the job growth (low) scenario assumes that, compared with the Experian job forecasts, growth in office jobs would be 10% less over the period to 2029, while manufacturing and distribution growth would both be 5% less. This results in the lower floorspace demand estimates indicated in Table 3.3.

Table 3.3 Lower Job Growth based Employment Space Requirements, 2011-2029

	Floorspace (m ²)
Manufacturing (B1c/B2)	1,100
Distribution (B8)	50,900
Offices (B1a/b)	34,000
Total	86,000

Source: NLP analysis * totals rounded

b. Past Development Rates

- 3.11 Because they reflect market demand and actual development patterns on the ground, in some situations long term completion rates of employment floorspace can provide a reasonable basis for informing future land needs, particularly where land supply or demand has not been unduly constrained historically. However, the future demand picture may not reflect past trends and some adjustments may be needed.

Scenario 3: Past Development Rates (high)

- 3.12 Data on past completions by B class sector was provided by Hampshire County Council. Completions in the period 2000-2011 have been analysed, since this is a reasonably long period that reflects a full business cycle. Over this period, average annual net completions for B Class uses amounted to some 4,460 m², broken down as shown in Table 3.4.¹⁰ Less than 40% of net completions were for industrial space, with over 60% for offices. Gross completions were significantly higher, at an average of over 14,600 m² annually, but this masks some losses of employment space in development schemes.

Table 3.4 Annual Net Completion Rates in Eastleigh, 2000-11

Sector (Use Class)	Net annual completion (m ²)	Gross annual completion (m ²)
Manufacturing (B1c/B2)	-1,030	5,730
Distribution (B8)	-140	1,300
Mixed industrial (B2/B8)	2,800	3,130
Office space (B1a)	2,820	4,465
All	4,460	14,630

Source: Hampshire County Council Commercial Land Monitoring

¹⁰ Excluding year 2002/3 which includes the loss of over 77,000 m² of industrial space on the Pirelli site, a one-off situation which would otherwise skew the general trend.

- 3.13 One view of future growth in Eastleigh could simply assume that future development rates carry on at the long term average achieved in the past. If it were assumed that the past net completion rates noted above continued in the 18 years between 2011-2029, it would equate to a need for almost 50,800 m² of office space, and nearly 30,000 m² of industrial space. In total, this would indicate demand for approximately 80,300 m² of employment space by 2029, a figure slightly lower than that estimated using job forecasts (Table 3.5).

Table 3.5 Employment Space Requirement based on Past Trends Continuing, 2011-29

Sector (Use Class)	Assumed annual completion rate (m ²)	Floorspace Required (m ²) *
Industrial (B1c/B2/B8)	1,640	29,520
Office space (B1a)	2,820	50,760
All	4,460	80,280

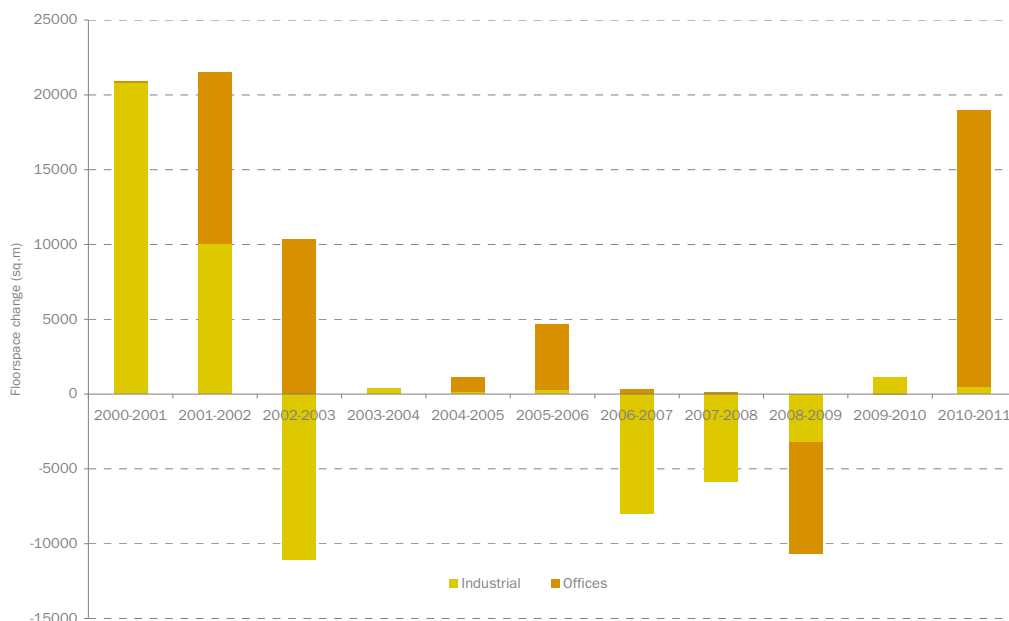
Source: NLP analysis * totals rounded

- 3.14 This approach assumes that past trends of office development in a relatively buoyant economic period would continue unchanged, and may not fully reflect the impacts of the current economic downturn or longer term workplace trends that could reduce future demand for office space. Conversely, it may underestimate future demand if the supply was constrained in the past, for example because of poor sites available or infrastructure/funding factors. If this approach is used, some adjustments to past completion rates are needed to reflect such factors.

Scenario 4: Past Development Rates (low)

- 3.15 As Figure 3.2 indicates, take-up rates for both offices and industrial uses have been very variable over recent years with no clear trend other than a general reduction in annual take-up in the last five years or so.

Figure 3.2 Net Take-up Rates in Eastleigh, 2000-11



Source: Hampshire County Council

3.16

An alternative growth scenario was therefore considered based on a lower rate of take-up than experienced over the past 10 years. Given the lack of a clear trend, this assumed that future industrial take-up rates would be 10% lower than in the past; this is to reflect potentially slower economic growth levels moderated by the strength of Eastleigh as a distribution location and Government aims to expand the manufacturing sector. Office take-up is assumed to be some 15% lower because of factors such as a maturing of some financial and business services sectors and reducing job/floorspace ratios. The floorspace requirements based on these factors are shown in Table 3.6 below.

Table 3.6 Employment Space Requirement based on Adjusted Take-up Rates, 2011-29

Sector (Use Class)	Assumed annual completion rate (m ²)	Floorspace Required (m ²) *
Industrial (B1c/B2/B8)	1,480	26,640
Office space (B1a)	2,400	43,200
All	3,880	69,840

Source: NLP analysis

* totals rounded

c. Future Labour Supply

3.17

It is also important to consider how many jobs, and hence how much employment space, would be needed to broadly match forecast growth of the Borough's resident workforce. In contrast to the two preceding approaches,

this forecasts the supply of labour rather than labour demand. It then indicates the amount of new jobs needed to take-up this future supply of workers and minimise local unemployment, and how much employment space would be needed to accommodate these jobs.

Scenarios 5 and 6: Labour Supply (500 / 600 dw.p.a.)

- 3.18 The Council has supplied two scenarios of future housing growth in Eastleigh for consideration, which imply 500 or 600 dwellings per annum (dw.p.a.) over the Plan period to 2029. The labour supply implications of these scenarios have been modelled by Hampshire County Council (HCC) to take account of economic activity rates and future pension age changes.
- 3.19 A 2001 Census workplace ratio was applied to these projections to convert the resident labour supply to a workplace-based equivalent. This provides an approximation of the number of people likely to be seeking work within Eastleigh as it allows for a proportion of the resident population commuting to jobs elsewhere and for some in-commuting. Overall, Eastleigh was a net exporter of labour in 2001, with a workplace ratio (the ratio of resident workers to workplace workers) of 0.94.
- 3.20 The workplace labour supply forecasts indicate an increase of between 3,300 and nearly 6,000 workers in the Borough by 2029 (Table 3.7). From these forecasts, the number of B Class jobs required was estimated assuming one additional job would be required for each additional worker forecast and based on the forecast proportion of B Class jobs within total jobs in Eastleigh in 2029.¹¹

Table 3.7 Forecast Labour Supply in Eastleigh

	Change 2011-2029	
	500 dwellings p.a.	600 dwellings p.a.
Resident labour supply	3,512	5,944
Workplace labour supply	3,307	5,597
B-class job requirement	1,654	2,800

Source: Hampshire County Council / NLP analysis

- 3.21 The resulting job numbers were then translated into estimated requirements for B class employment floorspace by applying the same standard employment densities used in the job growth based approach and adding a 10% vacancy allowance (Table 3.8).

¹¹ Source: Experian employment forecasts, 2011

- 3.22 The floorspace estimates for manufacturing and warehousing space were combined since these two sectors typically occupy the same types of sites at similar development densities.

Table 3.8 B Class Floorspace Required from Labour Supply Growth

	Floorspace (m ²)	
	500 dwellings p.a.	600 dwellings p.a.
Industrial (B1c/B2/B8)	49,300	83,400
Offices (B1a/b)	9,500	16,200
Total	58,800	99,600

Source: NLP analysis

- 3.23 Overall, future employment space requirements based on meeting the job needs of local residents would, at most, mean somewhere in the range between 58,800 and 99,600 m² of B-class employment space being required. This labour supply based estimate provides a useful benchmark for comparison with other approaches. The forecast based on 600 dwellings p.a. is of a similar magnitude to the estimate based on job growth while that based on 500 dwellings p.a. produces the lowest floorspace requirement of all the scenarios considered.
- 3.24 One potential drawback of this approach is that no change is assumed over time in the proportion of future jobs made up by office-based employment, which might be expected to increase in future. This might underestimate future office space requirements and overestimate industrial space needs.

Net Employment Space Requirements

- 3.25 Drawing together the results from these different approaches and growth scenarios, Table 3.9 below summarises the net floorspace requirement up to 2029 arising from each.

Table 3.9 Net Floorspace Requirement to 2029 for Different Growth Scenarios

Scenario Use	Labour Demand		Past Development Rates		Labour Supply	
	1. Job Growth (high)	2. Job Growth (low)	3. Past Take-up (high)	4. Past Take-up (low)	Labour Supply (500 dw.p.a)	Labour Supply (600 dw.p.a)
Offices (B1)	37,800	34,000	50,800	43,200	9,500	16,200
Industrial (B1c/B2/B8)	54,700	52,000	29,500	26,600	49,300	83,400
All B uses	92,500	86,000	80,300	69,800	58,800	99,600

Source: NLP analysis

Note: totals rounded

- 3.26 These forecasts reflect a fairly wide range of potential space requirements. For industrial space, this would be between 26,600 m² (based on past development trends) and 83,400 m² (labour supply growth). For office space, the range is very wide between 9,500 m² (based on housing/labour supply growth) and 50,800 m² (based on past development trends continuing).

Safety Margin

- 3.27 To estimate the overall requirement of employment space that should be planned for in allocating sites, and to give some flexibility of provision, it is normal to add an allowance as a safety margin for factors such as delays in some sites coming forward for development.
- 3.28 The SEEPB guidance on employment land assessments recommends an allowance that is equivalent to the average time for a site to gain planning permission and be developed, typically about two years. For Eastleigh, the margins set out in Table 3.10 were added for B Class use based on two years of average net take-up. This appears an appropriate level relative to the estimated scale of the original requirement.

Table 3.10 Safety Margin Allowances

Use	Average Annual Take-up (m ²)	Safety Margin Added (m ²)
Offices (B1)	2,820	5,640
Industrial (B1c/B2/B8)	1,640	3,280

Source: NLP analysis

Convert to Gross Floorspace Requirements

- 3.29 To convert the net requirement of employment space into a gross requirement (the amount of employment space or land to be allocated), an allowance is also typically made for some replacement of losses of existing employment space that may be developed for other, non B Class uses.
- 3.30 Judgements were made on the suitability and degree of the allowance for future losses which it would be appropriate to apply here based on the consultants' understanding of supply-side deliverability factors from Stage 1 of the ELR and current trends in the market. Not all losses need to be replaced as some will reflect restructuring in the local economy as less manufacturing space is needed in future. For industrial uses, a low level of loss replacement was allowed for (500 m² p.a.) given the low level of demand for manufacturing space and the sizeable safety margin that has been added. For offices, it is assumed most past losses have been lower quality units in urban areas and there is also a safety margin to partly compensate for losses. Increasing occupation densities of office space should also reduce the need to replace all losses in future. Therefore no replacement of office losses was allowed for.

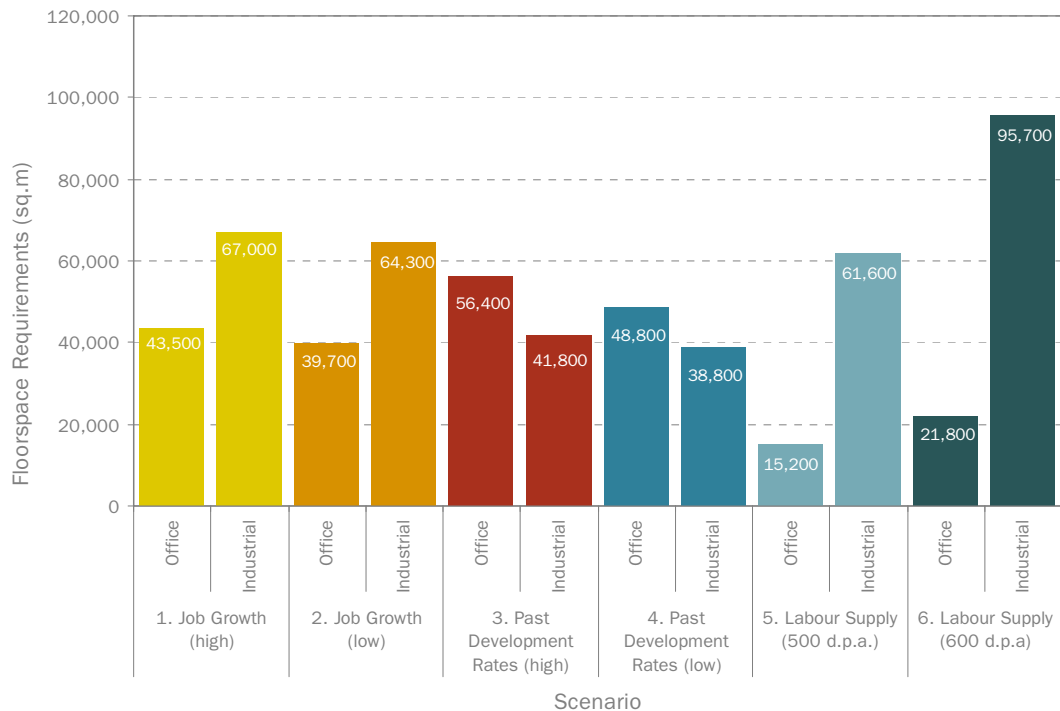
3.31 The resultant gross floorspace requirements incorporating these allowances are set out in Table 3.11 and Figure 3.3.

Table 3.11 Gross Floorspace Requirement by Scenario (m²)

Use	1. Job Growth (high)	2. Job Growth (low)	3. Past Take-up (high)	4. Past Take-up (low)	5. Labour Supply (500 dw.p.a)	6. Labour Supply (600 dw.p.a)
Offices (B1)	43,500	39,700	56,400	48,800	15,200	21,800
Industrial (B1c/B2/B8)	67,000	64,300	41,800	38,800	61,600	95,700
All B uses	110,500	104,000	98,200	87,600	76,800	117,500

Source: NLP analysis * totals rounded

Figure 3.3 Gross Floorspace Requirements by Scenario (sq.m)



Source: NLP analysis

Estimate Land Requirement

3.32 The final step, for all scenarios, was to translate floorspace into land requirements for both office and industrial uses. This has been calculated by applying appropriate plot ratio assumptions to the floorspace estimates using the following assumptions:

- **Industrial** – a plot ratio of 0.4 was applied so that a 1 ha site would be needed to accommodate 4,000 m² of employment floorspace; and

- **Offices** – assumed that 60% of the floorspace requirement would be met in lower density developments with a plot ratio of 0.4, but 40% would be in higher density urban locations/town centres at a plot ratio of 2.0.

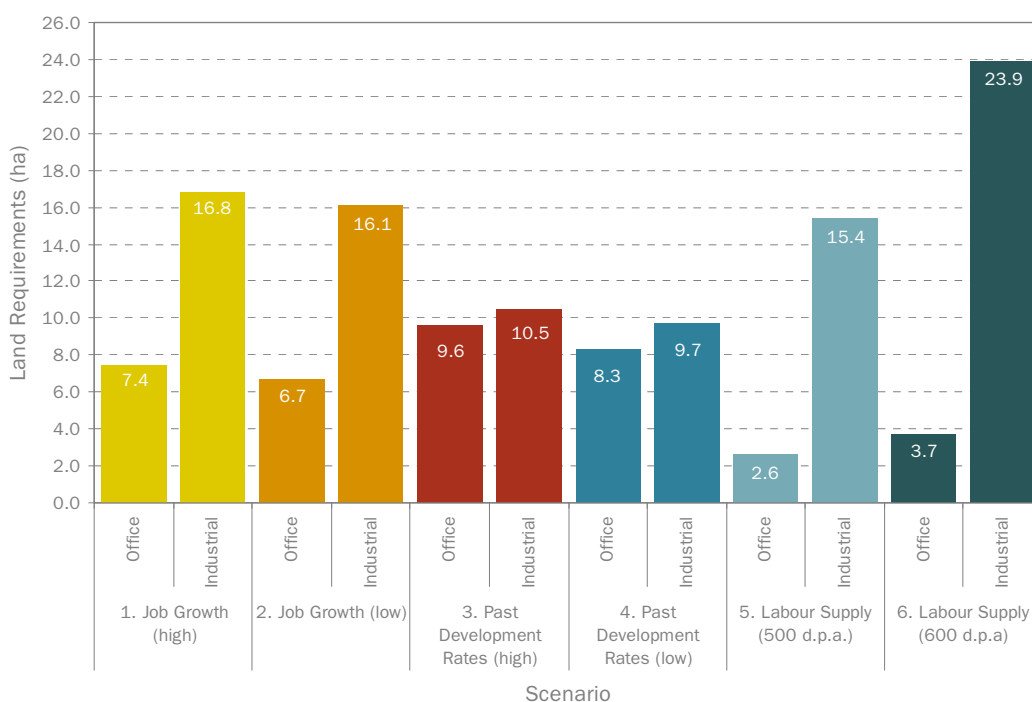
3.33 The resulting land requirements are set out in Table 3.12 and Figure 3.3.

Table 3.12 Gross Land Requirement by Scenario (ha)

Use	1. Job Growth (high)	2. Job Growth (low)	3. Past Take-up (high)	4. Past Take-up (low)	5. Labour Supply (500 p.a)	6. Labour Supply (600 p.a)
Offices (B1)	7.4	6.7	9.6	8.3	2.6	3.7
Industrial (B1c/B2/B8)	16.8	16.1	10.5	9.7	15.4	23.9
All B uses	24.2	22.8	20.0	18.0	18.0	27.6

Source: NLP analysis Totals rounded

Figure 3.4 Gross Land Requirement by Scenario (ha)



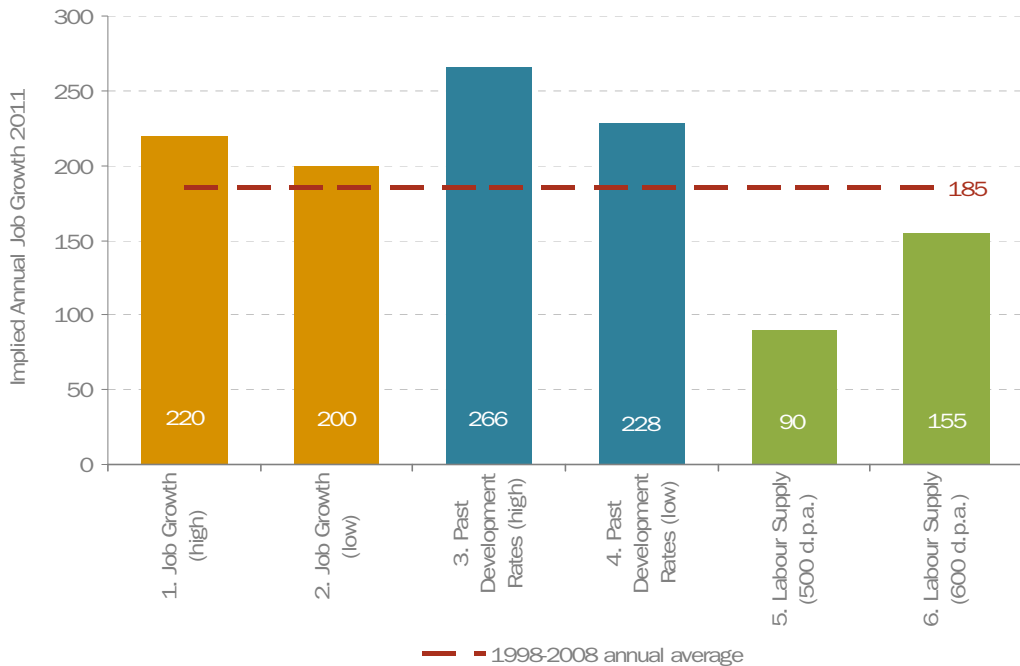
Source: NLP analysis

3.34 The range of land requirements for office development land is fairly narrow – between 2.6 and 9.6 ha, depending on the approach used. For industrial land, the range is wider, between 9.7 ha to just under 24 ha required in the maximum case.

Sensitivity Tests

- 3.35 Given the range of potential requirements implied by these different estimates of future requirements, it is important to test how reasonable each appears against other factors and how sensitive they are to different assumptions.
- 3.36 It is useful to compare the employment growth implied by these amounts of land with employment growth actually achieved in Eastleigh in recent years (Figure 3.5). The lowest labour supply based estimate implies about 90 B class jobs annually would be created over the next 18 years, mostly office jobs. The highest growth estimate based on past development trends implies some 270 more jobs annually, again mostly office jobs. These figures compare with an average gain of 185 B class jobs achieved in Eastleigh per year between 1998 and 2008. The estimates based on job forecasts (Scenarios 1 and 2) lie closest to this.
- 3.37 This indicates that the past development trend based estimates, which contain a greater level of office space than the others, could generate a significantly higher level of job creation than has been achieved in the Borough in the recent past. As that period was one of relatively strong economic growth, following a severe recession with an outlook of fragile recovery, that estimate would appear optimistic. It would also exceed forecast labour supply growth in the area (assuming the housing scenario assumptions put forward by EBC) and is more likely to result in increased in-commuting.

Figure 3.5 Annual Job Growth Implied by Scenarios



Source: NLP analysis / Annual Business Inquiry

Note: Estimated job levels for each scenario do not take account of additional floorspace allowance in the safety margin, which is identified for planning purposes and may not actually be developed

- 3.38 The highest demand estimates imply an annual increase of about 6,500 m² of B Class floorspace over the period to 2029, in gross terms. This would be much less than the gross annual completion rate of B class space in Eastleigh over the past 10 years (14,600 m²) but that figure includes changes of use of space between different B-classes. Compared with the net development rate achieved in recent years (4,460 m²), this estimated future rate may not be unrealistic for a lower growth economic picture nationally, with increasing occupier densities of space.
- 3.39 There is also potential for different estimates of demand depending on the assumptions made on future development rates, the scale of safety margin added or replacement of future losses of employment space. A moderate safety margin has been allowed for in line with current guidance and is considered appropriate to this area and local market conditions.
- 3.40 Another assumption which, if varied, could produce significant differences in overall space requirements is the replacement of future losses. At present, a fairly modest allowance has been made for this. If, for example, the figure for annual replacement of industrial losses was increased from 500 to 1,000 m², this would add 9,000 m² to industrial space requirements over the period, less than a 10% increase for the highest demand estimates and equivalent to some 2 ha more of land. Again, the allowance made appears reasonable in the light of current conditions and expected trends.
- 3.41 As noted earlier, the approach based on labour supply growth, assumed the relative proportions of B1 office, B1c/B2 and B8 jobs remain constant throughout the period at the levels forecast for 2029. If the share of office jobs instead increased from its forecast 50% share of all B class jobs to 60% over this period, this would increase office space requirements and reduce industrial space needs. In the highest case the overall employment space requirement would fall by about 12,000 m². This would bring the labour supply based estimates closer to those based on job growth.
- 3.42 The estimates of land requirements will also reflect the various assumptions on job/floorspace ratios and plot ratios adopted. Those used in the study come from CLG and SEEPB guidance. At present, it is assumed that some 40% of any new office space would be in a high density town centre/edge of centre location at a plot ratio of 2.0, and the remainder in other urban sites at a lower average ratio of 0.4. If, for example, all new office space was built at a plot ratio of 0.4, the maximum land requirement would increase from 9.6 to 14.1 ha. Conversely, if all the office demand was met in higher density, town centre locations, the land needed falls to only 2.8 ha. This suggests that the land requirement is quite sensitive to this factor.
- 3.43 Some of these different assumptions could, however, work to balance each other out and not significantly affect the overall demand estimate.
- 3.44 Overall, the range of forecasts of employment space requirements, with the safety margins incorporated, is considered to provide an appropriate basis for future planning taking account of the various uncertainties involved. While the

estimates could be varied with different assumptions, the wide range of requirements that results from the different approaches used ensures that most likely future outcomes are covered.

Conclusions

- 3.45 Based on consideration of various factors, six different scenarios of future employment space requirements have been considered. These are based on a number of approaches which reflect economic, development and potential housing supply factors. Several of these reflect assumptions of lower future economic growth and development rates in Eastleigh than in the recent past.
- 3.46 The overall space requirements related to these different futures range from 76,800 to 117,500 m² of all types of employment space up to 2029, but between 15,200 and 56,400 m² for office space. This implies a need for between 18 ha and 27.6 ha of employment land.
- 3.47 Four of the demand estimates produce a level of job generation which could outstrip the additional number of workers generated by potential housing growth, although the estimates based on job growth come closer to the labour supply figures.
- 3.48 Given a very uncertain economic outlook, it is difficult to select the most likely option from these alternative growth pictures. The estimates which assume past development trends continuing at similar or slightly reduced rates, with a high level of office development, are perhaps less likely in terms of the more pessimistic current economic outlook compared to the high rates of economic growth over the past decade, and would also put greater pressures on local labour supply.
- 3.49 One approach would be plan for job growth to match labour supply/housing growth (at least 76,800 m²) but probably with a higher office space component. A more aspirational approach to help the Borough realise its economic potential while avoiding over-provision of land, would involve planning for development on the basis of the job growth based estimates, in the order of 104,000 m² to 110,000 m². This would mean a slightly lower level of requirements than a growth picture based on 600 dwellings p.a. but would involve planning for a significantly higher office space requirement in the Borough.

4.0 Additional Land Requirements

4.1 This section draws together the forecasts of future employment space requirements in Section 3.0 and the estimates of land available on the Borough's existing employment sites from the Stage 1 report prepared by EBC in order to identify any need for more provision of employment space, or surpluses of it, in both quantitative and qualitative terms.

Quantitative Balance

4.2 Section 3.0 identified a need for broadly between 76,800 m² and 117,500 m² of employment space up to 2029, including a safety margin largely to allow for delays in sites coming forward for development. The land requirements associated with these amounts of employment floorspace were estimated at between 18 - 27.6 ha.

Pipeline Supply

4.3 Allocated and other employment space in the Borough that is not yet started or still under construction and available to help meet this future need is identified by the *Economic & Employment Land Baseline* report prepared by EBC. This comprised around 206,300 m² of B class floorspace in net terms, distributed across 24 sites, with an estimated breakdown by main use shown in Table 4.1. It should be noted that this includes some space under construction and committed to a specific user so that it may be less able to meet general future needs.

Table 4.1 Available employment space in Eastleigh, 2011

	Number of sites	Floorspace (m ²)
Manufacturing/ Distribution (B1c/B2/B8)	16	170,800
Offices/R&D (B1a/b)	8	35,500
Total	24	206,300

Source: Hampshire County Council/Eastleigh Borough Council

4.4 There is also some vacant employment space available in existing premises. However, based on the current stock of space being marketed it appears these vacancy levels are within or below the range of what is needed in a normal market to allow churn and choice, and so none of this vacant space has been added to current supply.

4.5 Based on discussions with EBC officers, it has been established that no allowance has been made in the figures in Table 4.1 for any net increase in employment floorspace in future arising from redevelopment or intensification of existing premises on the Eastleigh River Side land. Similarly, whilst the

monitoring data records land at Chestnut Avenue, Chandler’s Ford as available, construction of the new B&Q headquarters facility has since been completed, and therefore has been discounted to reduce the supply to 23 sites in total.

4.6 Drawing together the committed supply and other undeveloped land, there appears, based on the EBC data, to be current capacity to provide for some 7,100 m² of new office space and 170,800 m² of new industrial space, or about 178,000 m² in total.

4.7 A broad comparison of estimated demand for B Class space against all currently identified supply, as shown in Table 4.2, implies that, for all estimates of future employment space requirements, the Borough would have more than enough employment space in quantitative terms up to 2029.

Table 4.2 Demand/Supply of B Class Employment Space in Eastleigh

Use	1. Job Growth (high)	2. Job Growth (low)	3. Past Take-up (high)	4. Past Take-up (low)	5. Labour Supply (500 p.a)	6. Labour Supply (600 p.a)
Requirement for B-class space	110,500	104,000	98,200	87,600	76,800	117,500
Available Employment Space	178,000					
Surplus (+)/Shortfall (-)	+67,500	+74,000	+79,800	+90,400	101,200	+60,500

Needs of Different Employment Uses

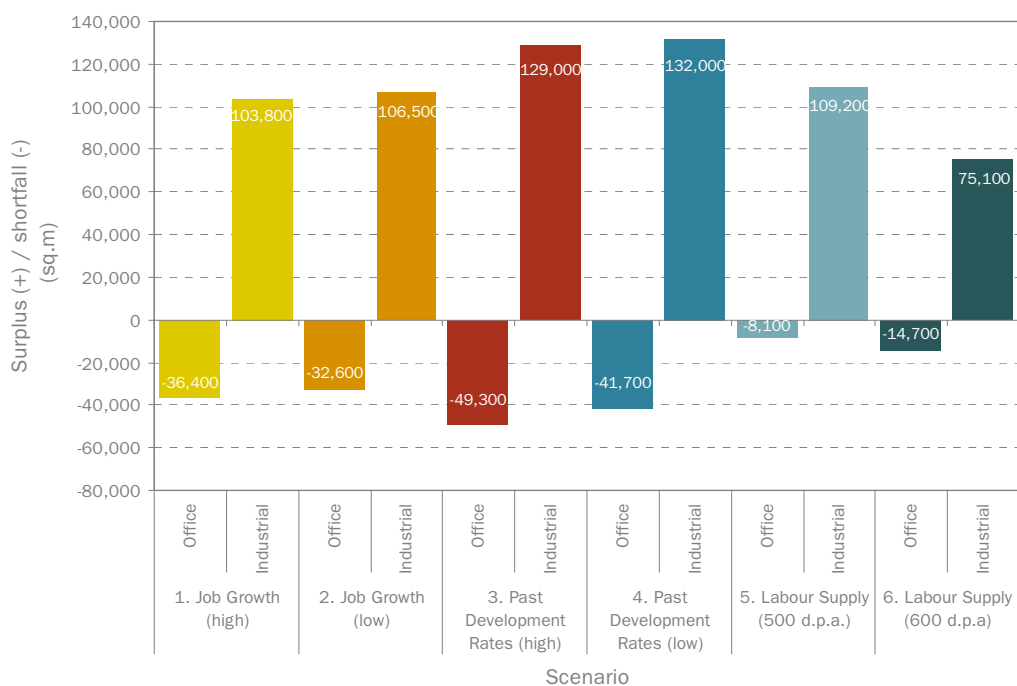
4.8 Ensuring an adequate choice of types of sites is also important even if there is adequate supply in quantitative terms. This is necessary to meet needs of different employment sectors and the aims for diversity of employment opportunities at different skill levels. Potential supply of employment space for both industrial and office uses was therefore compared with estimated requirements for these uses.

4.9 Table 4.3 and Figure 4.1 compare the demand and supply situations for industrial and offices uses separately. This indicates that there should be more than enough supply available, in purely quantitative terms, to meet industrial needs arising under all demand estimates. However, a large shortfall of office space is likely under all demand estimates, ranging from a modest 8,100 m² up to a sizeable 49,300 m² for the estimate based on past development rates continuing.

Table 4.3 Demand/Supply for office and industrial space to 2029

Use	1. Job Growth (high)	2. Job Growth (low)	3. Past Take-up (high)	4. Past Take-up (low)	5. Labour Supply (500 p.a)	6. Labour Supply (600 p.a)
Industrial						
Industrial Space Requirement	67,000	64,300	41,800	38,800	61,600	95,700
Potential supply of industrial space	170,800					
Surplus (+)/Shortfall (-)	+103,800	+106,500	+129,000	+132,000	+109,200	+75,100
Offices						
Office Space Requirement	43,500	39,700	56,400	48,800	15,200	21,800
Potential supply of office space	7,100					
Surplus (+)/Shortfall (-)	-36,400	-32,600	-49,300	-41,700	-8,100	-14,700

Figure 4.1 Demand/Supply for office and industrial space to 2029



Source: NLP analysis

4.10

However, the supply figures used in this comparison reflect the ‘maximum’ possible case, assuming that all allocated employment land comes forward for development during the plan period. To test all possibilities, a more pessimistic view of supply has also been examined. This discounts sites which

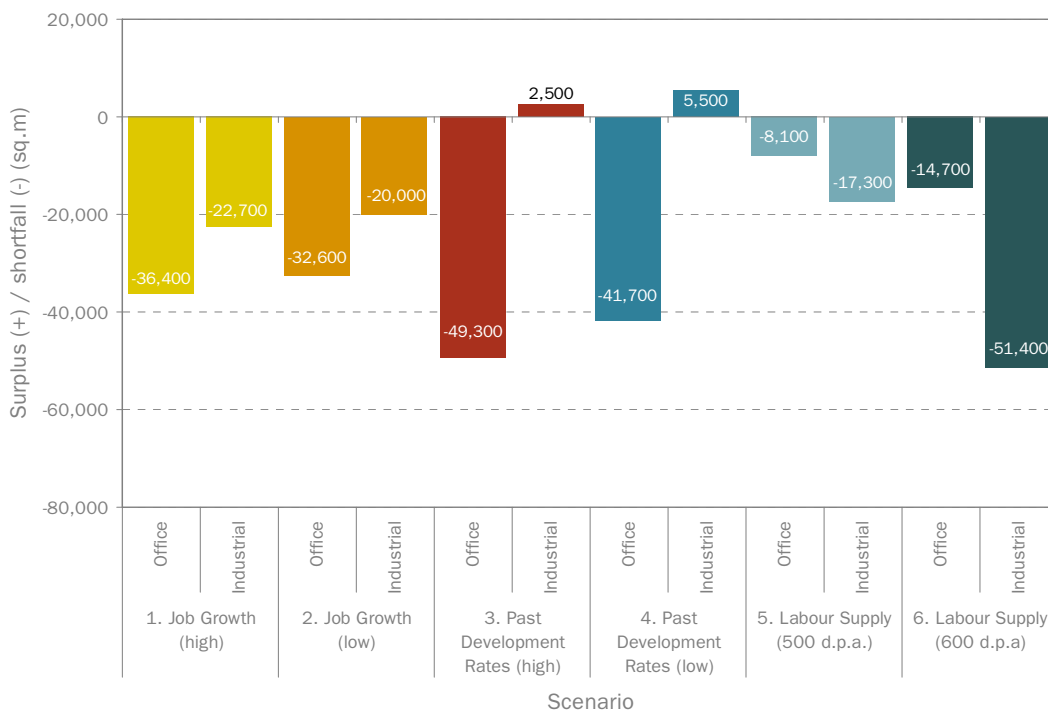
have significant identified constraints to development for employment uses that could prevent them coming forward within the plan period.

- 4.11 A number of the 23 sites which make up the current supply are relatively small sites, some related to marine activities, which were assessed as poorer quality sites by EBC's Stage 1 assessment. However, these account for a small proportion of total supply and most of the larger sites with permission were assessed by EBC as being good quality.
- 4.12 The Eastleigh River Side land forms a major element of current supply and some parts of it have significant constraints. It is understood from EBC that the development potential of this site is focused on industrial development. A key factor is the need for a new road and bridge improvements to provide adequate access to the land; these works would be very costly and it is unclear how they can be funded in the current economic climate. If the parts of the site with greatest constraints were excluded from the supply figure, this would reduce total industrial supply substantially to 44,300 m² but the office land supply would be unaffected. No further adjustments to the remaining supply of office sites have been considered.
- 4.13 The demand/supply balance for this more pessimistic level of supply is shown in Table 4.4 and Figure 4.2 below. It would result in a moderate/large shortfall of industrial space under four of the demand estimates and only a small surplus for the other two. The demand/supply balance for office space is unchanged from that outlined above with a projected shortfall under all scenarios.

Table 4.4 Demand/Supply for office and industrial space to 2029 (Pessimistic Supply Case)

Use	1. Job Growth (high)	2. Job Growth (low)	3. Past Take-up (high)	4. Past Take-up (low)	5. Labour Supply (500 p.a)	6. Labour Supply (600 p.a)
Industrial						
Industrial Space Requirement	67,000	64,300	41,800	38,800	61,600	95,700
Potential supply of industrial space	44,300					
Surplus (+)/Shortfall (-)	-22,700	-20,000	+2,500	+ 5,500	-17,300	-51,400
Offices						
Office Space Requirement	43,500	39,700	56,400	48,800	15,200	21,800
Potential supply of office space	7,100					
Surplus (+)/Shortfall (-)	-36,400	-32,600	-49,300	- 41,700	-8,100	-14,700

Figure 4.2 Demand/Supply for office and industrial space to 2029 (Pessimistic Supply Case)



Source: NLP analysis

Qualitative Factors

4.14 Even where no quantitative shortfall of space is identified, in some circumstances additional land may be needed for qualitative reasons, for example to:

- improve the choice of provision for occupiers;
- to meet gaps in the supply of particular types of premises; or
- to improve or modernise the quality of current provision and so help attract more occupiers.

4.15 Qualitative needs are considered for each sector below. As the assessment of sites is outside the remit of this study, this analysis is based on the information contained in the EBC *Economic & Employment Land Baseline Report* and on discussions with local commercial agents (see Appendix 1).

Offices

4.16 Office vacancy in Eastleigh is low compared with ‘normal’ market levels, and there is reported to be a limited supply and a shortage of good quality stock to attract occupiers to the Borough.

4.17 In terms of meeting market and developer needs and providing adequate choice, there are only a limited number of sites identified as having potential for new office development within the Borough. Most of the potential supply

has until recently been made up of one site which has now been built out (B&Q headquarters, Chandler's Ford) with most other sites relatively small redevelopment or change of use opportunities. This means there is now very little provision or choice for future office needs.

- 4.18 The main focus for office demand in the Borough is sites near motorway junctions, particularly at Chandler's Ford. This appears likely to remain the case in the future, and would imply that most additional office space should be in well located business park locations with only modest provision in Eastleigh town centre.
- 4.19 The main gap in provision identified by agents was high quality office space although it was less clear that developers would provide this in Eastleigh given the Borough's market reputation as an industrial location and competition with other business parks along the M27 corridor. However, if Eastleigh seeks to develop and diversify its economy more in knowledge-based sectors, a greater choice of high quality office locations seems important.
- 4.20 The broad quantum of space would depend on which level or scenario of growth EBC selects as the basis of future planning, but there would appear some need for a better quality office development site than is provided for by current allocations. This could potentially take the form of a small business/office park, able to accommodate a minimum of 20-30,000 m² of floorspace, which would offset the current deficit identified against the two labour-supply based scenarios which produce the lowest office space requirements. This implies a land requirement in the order of 5 – 7.5 ha. Additional land requirements would be required over and above this if the Council were to use higher growth scenarios as the basis for future planning.

Industrial

- 4.21 From the above analysis, there appears no quantitative need for additional land for industrial uses provided that the Eastleigh River Side site comes forward and is capable of delivering new industrial floorspace. However, there is widely considered to be some uncertainty about this given the constraints that apply to the site and the challenges faced in bringing it forward over previous years.
- 4.22 Current vacancy levels for industrial space are around normal market levels, but market views indicated shortages of land for large industrial units and a need for more modern industrial premises generally. This shortfall is likely to become more acute as the market recovers.
- 4.23 If Eastleigh wishes to capitalise on its existing strengths as an industrial location and achieve growth in its industrial sectors, there is a need to ensure sufficient land comes forward. At present, Eastleigh River Side comprises almost 90% of Eastleigh's future industrial supply. There are a number of other sites identified as available for industrial development, but these are generally small in size with capacity to accommodate only moderate amounts of floorspace.

- 4.24 It is a matter of policy choices how Eastleigh proceeds, and this is given further consideration in Section 5.0. However, although there is no quantitative need for more industrial land when the River Side site is taken into account, there may be circumstances where additional provision might be appropriate, either because:
- 1 the prospects for delivery of the River Side site are considered insufficiently strong, meaning the site cannot be judged as being likely to come forward during the plan period, necessitating the identification of alternatives to meet quantitative requirement; or
 - 2 there is considered to be a need to provide greater choice or more readily available land for industrial development to reflect the needs of business.
- 4.25 For this reason, it appears prudent to give consideration to one or more alternative industrial sites of 5 ha or more, with good road accessibility.
- 4.26 More generally, there also appears to be a need to modernise and upgrade some current older industrial stock through redevelopment, sub-division or re-cladding of older premises to ensure that provision meets market requirements and the Borough remains an attractive location for businesses. Approaches to doing this are discussed in Section 5.0. There would be some benefit in encouraging some more small-scale industrial units for starter firms, to reflect a perceived shortfall of such space at present. This might form a component (or requirement) of a larger industrial development.

Conclusions

- 4.27 Based on the total supply of employment space identified as available, in quantitative terms, Eastleigh has more than enough industrial land to meet future needs up to 2029, under various pictures of future growth.
- 4.28 However, the Eastleigh River Side site comprises 90% of industrial land supply and has a number of development constraints that could affect delivery in the plan period. Excluding River Side (for example, if the site proved not to be deliverable in the plan period), Eastleigh would have a shortfall of industrial development land under most estimates of future demand and a very small surplus under the others. The remainder of the current supply comprises smaller sites that are unlikely to meet future needs for larger industrial units.
- 4.29 This might suggest a need to consider allocating some alternative sites in the circumstances that the River Side site cannot be delivered in time, and/or to diversify the supply and provide greater choice for potential occupiers. In this context, allocating a new industrial site of 5 ha or so could be considered, and a further such site if the Eastleigh River Side land appears unlikely to come forward in time. Potential locations would be close to areas of proven demand with good strategic road access.
- 4.30 For office space, the current identified supply is not sufficient to meet future needs under any scenario of future needs, taking account of the latest completions of space (i.e. including the B&Q site at Chandler's Ford). This

confirms there is very limited other supply to meet any future requirements for larger occupiers seeking high quality modern premises in the Borough.

4.31

While Eastleigh is currently perceived as a good industrial location and less as an attractive office location, over the plan period it would appear prudent to plan for some diversification of the local economy and to attract some more, higher value, knowledge based businesses. This would build on the current range of high profile office based firms already based at the Botleigh Grange office campus, for example. On this basis, provision of a small business park site (5 - 7.5 ha) attractive to office firms could be considered to meet the minimum future office space requirements that have been identified.

5.0 Policy & Delivery Implications

- 5.1 This section considers policy and other approaches in relation to employment space to inform the Borough's Local Plan as well as other measures which could be used to help bring forward employment sites and support wider economic development objectives in Eastleigh.

Policy Approaches

- 5.2 The scenarios considered in the previous sections indicate the broad scale and type of growth arising from different approaches to modelling the Borough's future employment space needs. To varying degrees, they reflect both indigenous needs arising within Eastleigh as well as – particular in the case of the scenarios based on past development rates – a degree of footloose demand which operates across the Borough's boundaries from the wider South Hampshire area. The Council's policy approach should aim to at least fully meet Eastleigh's employment space needs so that economic growth in the Borough is not constrained, recognising that developments in adjoining areas will also be a key influence.
- 5.3 In a location with relatively constrained land supply, planning for employment needs will need to be balanced against pressures from other land uses, as well as other Local Plan objectives such as planned housing growth. B-class employment space also competes with non B-class uses such as retail, leisure and community uses (outside the remit of this study), some of which may also generate local economic benefits. This requires choices in the Local Plan about which sites to protect or allocate for employment development, or which to consider for release to other uses. The judgement should, however, take account of the local benefits of B-class sectors and maintaining a diversified economy, and the outcome if these sectors become displaced or are otherwise constrained from expanding within the Borough. This should also recognise the need to encourage growth of high quality jobs within the Borough to address the disparity between residents (high GVA per head) and workers (lower GVA per head).
- 5.4 The Borough should seek to plan for a choice of sites and locations to meet the needs of particular sectors and occupier needs. Approaches to providing for the different B-class uses are considered below.

Office Uses

- 5.5 Eastleigh's office market is largely focused on out-of-town and business park sites in close proximity to motorway junctions. By contrast, the Borough's 'town centre' office market is relatively underdeveloped, catering for smaller-scale localised needs - a situation which seems unlikely to change to any great extent given the established larger centres of Southampton and Portsmouth. Across the Borough, office vacancy generally appears low, and there are reported shortages of good quality stock and available development sites.

- 5.6 Whilst Southampton and Portsmouth function as the main office centres at a sub-regional scale and accommodate some of the largest occupiers, employment projections suggest that office-based sectors will expand in Eastleigh over the Local Plan period. Beyond this, as past development rates imply, there is scope for Eastleigh to capture some footloose sub-regional office demand taking account of the attractiveness of the Borough's strategic connections to potential occupiers. However, this is subject to competition from other business park locations along the M27 and M3, as well as developments elsewhere.
- 5.7 How these future needs are accommodated is – to some extent – a policy choice for the Local Plan, but should be based on a practical assessment of what the market can deliver, the types of space required and locations of strongest demand. Alongside this, if Eastleigh seeks to develop and diversify its economy in more knowledge-based sectors, a greater choice of high quality office locations appears important.
- 5.8 Market evidence suggests the balance of future demand will continue to seek accessible business park locations, with less focus on Eastleigh town and other town centre/urban locations. This in part reflects the lack of modern office accommodation in town centres to attract occupiers, which is in turn a reflection of the historically more constrained supply of sites and restricted car parking in these locations.
- 5.9 As noted in section 4.0, all six of the scenarios considered would result in a potential shortfall of office space against current identified supply. This position has become more acute following the recent completion of the new B&Q headquarters at Chandler's Ford, with most remaining identified sites comprising relatively small redevelopment or change of use opportunities. On this basis, there would appear to be quantitative requirement for additional office provision than is provided for by current allocations.
- 5.10 Taking account of market considerations, this could be most effectively provided in the form of a small business/office park able to accommodate 20-30,000 m² of floorspace (equivalent to 5 – 7.5 ha), in an accessible location and to help establish sufficient critical mass. This would meet the lower end of the requirements identified by the scenarios considered (the two labour-supply scenarios), but these do not appear unreasonable for planning purposes given that the Borough's office market is relatively modest and recent high levels of development are less likely in the short to medium-term due to the lag-effect of the recession. Whilst there may be some scope to redevelop any surplus industrial land that becomes available, this may not always be in suitable locations for new office development of the type required.
- 5.11 If the Council were to seek to actively promote a more specific 'town centre' focus to new office development through Local Plan policies, it is apparent that new sites would need to be identified. In this situation, new office space would be distributed across a number of smaller sites, potentially as part of mixed-use developments or other town centre redevelopment schemes capable of delivering office space. Theoretically, a step change in the quality of the town

centre offer which overcame the historical constraints (including car parking and quality and scale of offer) might support the success of a town centre focus, but there is no market evidence to support a conclusion that this approach has strong prospects of success, and in any case, it would take time to deliver (due to land assembly etc), by which time, opportunities to capture economic growth opportunities might be lost.

Industrial Uses

- 5.12 Eastleigh is highly regarded as an industrial location, taking account of its good accessibility, proximity to ports, and relatively large manufacturing sector which has declined over the past decade but is still the Borough's third largest sector of employment.
- 5.13 The current identified supply of industrial land will be more than sufficient in quantitative terms to accommodate all scenarios of future needs. The key issue, as identified above, is that future supply is almost completely related to Eastleigh River Side. The site has a number of significant barriers and costs associated with its development, and it has failed to come forward for a number of years.
- 5.14 However, even if River Side is capable of being brought forward in a reasonable timescale, concentrating the vast majority of potential industrial supply on one site would mean a limited choice of industrial development locations, particularly for larger scale units. Furthermore, there may also be some question marks over how appropriate River Side would be for larger-scale distribution uses.
- 5.15 On this basis, two options emerge. The **first option** would be to focus solely on achieving the delivery of the Eastleigh River Side site, and the infrastructure and other constraints that need to be overcome, in order that the site's development potential can be realised as soon as practicable. Against a backdrop of high development costs for the link road and constrained public sector funding, there are more limited mechanisms available to do this although adoption of one or more of the Government's new financial instruments for supporting growth and/or a cross-subsidy from higher value development elsewhere in Eastleigh may be ways forward (as set out below). Alternatively, a focus on finding alternative, possibly interim means of providing or improving access to various parts of the site may provide a way forward.
- 5.16 If there is a commitment to maintaining a focus on River Side as a key component of the portfolio, these approaches should be considered, because the prospects and mechanisms for delivery of the site will have moved on from when the feasibility of delivery of River Side was last considered in depth.
- 5.17 However, even if River Side is capable of being brought forward in a reasonable timescale, concentrating the vast majority of potential industrial supply on one site would mean a limited choice of industrial development locations, particularly for larger scale units. Furthermore, there may also be some

question marks over how appropriate River Side would be, for example, for larger-scale distribution uses.

- 5.18 Therefore, a **second option** could be to give consideration to one or more alternative industrial sites of 5 ha or more, with good road accessibility, to provide greater choice and more readily available development land if delivery of River Side is initially slow to progress and / or is phased over a long timeframe. If this option were pursued, the Council would need to identify and appraise any potential new sites in terms of their suitability to meet industrial needs and alongside other planning policy considerations, and ideally with potential for short-term delivery.

Renewal and Upgrading of Older Industrial Space

- 5.19 Beyond any new site allocations, improving the supply of modern, small-medium sized industrial units could also be achieved through redevelopment, subdivision and refurbishment of existing units on industrial estates. This was an issue identified by consultation feedback, and it was considered that Eastleigh's strength as an industrial location could be undermined if some upgrading and renewal of older space is not facilitated so that it better meets modern requirements.

- 5.20 Based on experience elsewhere, approaches that could apply to a number of the older established industrial estates range from stripping and repainting of industrial units, and making environmental improvements to estates through a Business Improvement District (BID) or equivalent mechanism. Similar processes of gradual improvement and upgrading should be encouraged to allow for other sites to make a positive contribution to meeting some of Eastleigh's future growth requirements. Encouragement for owners/developers to do this may be necessary, and would be aided by:

- 1 an LDF policy encouraging such forms of development;
- 2 introduction of Local Development Orders (LDOs) for specific industrial areas;
- 3 Council involvement in instigating a BID approach on suitable sites;
- 4 local initiatives to publicise to local firms case studies of improvements to business premises, including costs, local contractors involved and rental or other benefits achieved; and
- 5 exploring potential sources of grant aid to enable small/medium firms to upgrade premises if the market does not deliver these improvements.

- 5.21 To facilitate existing older employment sites being upgraded or redeveloped without forcing businesses out of the Borough, some sites will need to provide new premises to accommodate the relocation of firms. However, there appears to be limited scope to accommodate new employment development on existing sites. Infill redevelopment has allowed for more intensive development on some industrial sites in Eastleigh in the past, but this is not always easy to achieve where sites are in fragmented ownership or premises are currently occupied and/or subject to existing leases. This indicates a need for a cautious

approach to redeveloping/sub-dividing existing employment sites until such time as reasonable alternative sites (i.e. River Side and/or others) to accommodate relocations become available.

Start-up space

- 5.22 Consultation feedback identified a requirement for additional, small, lower cost units available on flexible terms and suited to start-up firms moving out of incubation or enterprise centres. Eastleigh has limited supply of such premises at present, but such provision is important if indigenous business growth is to be encouraged and retained within the Borough.
- 5.23 Based on experience elsewhere, two approaches to providing such premises could be considered:
- 1 seek provision of small units within larger employment developments, residential or mixed use schemes; this could be achieved as part of the s106 obligations with the developer delivering the units for management by the Council or another operator. Caution will be needed during a period of market fragility to ensure this does not damage delivery of valuable development; and
 - 2 encouraging conversion/sub-division of older industrial space into a number of small, lower cost office units (e.g. a small business centre) which can provide a more cost effective option than provision of new bespoke space; if the market did not bring this forward, such a scheme could be instigated by the Council with a development partner.

Delivery of Eastleigh River Side

- 5.24 As noted above, issues around the delivery of River Side will be a key determinant of the Borough's future employment land strategy. The site accounts for some 90% of Eastleigh's industrial land supply, but more broadly, has long been identified as a flagship employment site (the 'South Hampshire Employment Zone') to meet the needs of South Hampshire. Whilst the latter factor is subject to review following the forthcoming revocation of the South East Plan under the Coalition Government's Localism Bill, it underlines the need to resolve the future of the site as soon as practicable.
- 5.25 There has been previous work exploring delivery of the River Side site which is neither repeated or revisited in this study. However, this work predated some of the more recent evolutions in policy, local government finance, and general approach to economic development and regeneration. If EBC remains committed to taking forward River Side and relying upon it to meet its requirement for industrial space, it may need to consider again how the vision for development sits in viability terms with its need for infrastructure and the tools available to EBC to support delivery. This is necessary to ensure that the site is (and is seen as) suitable and available in market terms.

Resources for Up-front Investment

5.26 In the context that ‘traditional’ resources for economic development and regeneration are markedly reduced from those available previously, EBC could explore the scope for applying a range of mechanisms for attracting investment to deliver up-front investment to the site. These include:

- 1 **Tax Increment Financing (TIF)** subject to the TIF scheme design, whereby future uplifts in business rates are used to securitise borrowing to fund infrastructure delivery. The key is likely to be in evidencing the net additionality of economic growth (and tax return) arising from the infrastructure investment and de-risking its delivery. This is linked to the ongoing review of local government finance which will increasingly look towards increasing local government retention of business rates which in a district like Eastleigh which has seen growth and has reasonable future prospects could be a successful route.
- 2 **Local Government Funding** e.g. through municipal bonds or other borrowing or reserves. Either of these would clearly be subject to other financial pressures on local government at the current time and/or any future changes to the local government finance regime.
- 3 **Cross-funding/subsidy from other developments** either through the planning system (e.g. as part of work on CIL or New Homes Bonus) or through associated land ownership/contractual arrangements. The most likely source of subsidy is residential, although this too has calls upon value through, for example, affordable housing requirements.

5.27 A feature of the current paradigm for securing finance for up-front investment in new economic development and regeneration is that there needs to be a reasonable degree of confidence in both economic additionality and sharing of financial risk, with the Council having an appetite to utilise its borrowing and other powers whilst fully mining potential income streams and leveraging the value of its existing and future assets. However, and notwithstanding the immediate economic climate, long-term demand for industrial space (particularly distribution) has proved robust over time, and the market feedback indicates latent demand exists for future development of this type in Eastleigh. These factors should provide reasonable confidence that industrial sites can yield development to help offset the cost of up-front infrastructure required, although some higher value uses may be required depending on the exact specification of the infrastructure solution that is sought. The key challenge is ensuring that what may be true for the Borough can also apply to the River Side site.

Presenting a Positive Investment Prospectus

5.28 In tandem with the practical challenges of making the site suitable and available for development, it appears likely that it will be necessary to put forward a refreshed prospectus for the site which encourages buy-in from the broad range of landowner and developer interests involved. Some of these interests may have less confidence about the site’s deliverability given the

period over which it has not been successfully developed, or particular requirements that will influence any future development of the site. This needs to cover both a strategic and site-specific dimension:

- 1 The site needs to be **actively promoted within a refreshed site prospectus** that articulates how it can be delivered and actively brought forward for development (including the requirement for up-front works), taking account of:
 - how the current barriers to delivery will be overcome and a delivery plan evidencing how this will happen;
 - preparing an illustrative vision for the site that establishes how the site can deliver a range of flexible development opportunities, not tied to any specific sector, and that its infrastructure provision (i.e. access road) does not prejudice its attractiveness to potential investors/occupiers; and
 - accompanying this with a clear and positive planning framework, including, potentially, a Local Development Order (LDO) with clear design code that de-risks potential development from a detailed planning perspective.
- 2 Providing **clear lines of responsibility, decision making and delivery** in terms of providing the necessary support for private investment, given the ongoing uncertainty among some business sectors over how the new regime of LEPs will operate in tandem with local authorities. The precise mechanisms for delivery will need to reflect the specific requirements and tasks that will need to form part of a more detailed delivery plan, but in general terms, the following areas need to be considered:
 - establishing **a clear and unified public policy position**, through clear frameworks for stakeholder alignment, governance and accountability and public finance (capital and revenue);
 - ensuring the **vehicle for delivery has access to (if not necessarily complete control over) the necessary implementation levers**, including the planning system, land and property where relevant, and the people, powers and, where available, money of the local authority and its partners;
 - the **mechanism for engaging the private sector**, taking into account that the site is privately controlled. There are numerous models for engaging the private developer sector in delivering up-front infrastructure, as site master-developer, as contractor for construction of land and buildings, and owner/occupier of buildings. No single model is always correct, but in this case, the focus will need to be on what works commercially in light of the risk profile, once more detail can be established on precise costs and likely financial return from development of different plots/phases; and
 - a framework for **managing implementation** and responding to change over what will be a considerable period of pre-planning, infrastructure and site-preparation design and implementation, marketing and phased development.

5.29

The above provides some broad principles for considering the potential routes for delivery. Significant work will be needed to actively progress further the scoping of likely infrastructure and site preparation works required in light of the changed property market and lending conditions that are likely to exist for the foreseeable future.

6.0 Conclusions

- 6.1 Based on the analysis carried out and reported on in preceding sections of this report, the following key conclusions can be drawn.

Economic Context

- 6.2 Eastleigh has been one of the fastest growing economies in Hampshire over the past decade, peaking at 65,000 jobs in 2007 but contracting slightly during the recession.
- 6.3 The Borough's largest sectors of employment include retail and wholesale trades (21% of employees), health and education (17% combined) and manufacturing (10%); there has been strong recent growth of financial and business services, and significant declines of the manufacturing and construction sectors.
- 6.4 Eastleigh is perceived as a strong industrial location, which benefits from good strategic accessibility, but with limited available supply and ageing stock; delivery of River Side is regarded as important to meeting future industrial needs.
- 6.5 The Borough's office market is relatively modest reflecting the Borough's proximity to larger offices centres (e.g. Southampton), but scope was perceived for this to be expanded in the future.
- 6.6 The existing supply of employment space in the Borough is dominated by industrial uses, with a limited stock of office accommodation. Gross completions of employment space have averaged 14,630 m² (4,460 m² net) over the last 10 years, mainly reflecting losses of industrial space.
- 6.7 The Council's 2009 assessment of existing and allocated employment sites concluded that 87% of sites were of good/average quality, and identified 24 sites with a total capacity of 206,300 m² to meet future needs; 90% of this supply is accounted for by Eastleigh River Side where a number of barriers to delivery exist.

Future Employment Space Requirements

- 6.8 Six different scenarios of future employment space requirements have been considered through this study. These are based on a number of approaches which reflect economic, development and potential housing supply factors. Several of these reflect assumptions of lower future economic growth and development rates in Eastleigh than in the recent past.
- 6.9 The overall space requirements related to these different futures range from 76,800 to 117,500 m² of all types of employment space up to 2029, but between 15,200 and 56,400 m² for office space. This implies a need for between 18 ha and 27.6 ha of employment land.

- 6.10 Four of the demand estimates produce a level of job generation which could outstrip the additional number of workers generated by potential housing growth, although the estimates based on job growth come closer to the labour supply figures and to past levels of job growth achieved in Eastleigh.
- 6.11 Given a very uncertain economic outlook, it is difficult to select the most likely option from these alternative growth pictures. The estimates which assume past development trends continuing at similar or slightly reduced rates, with a higher level of office space, are probably less likely in terms of the more pessimistic current economic outlook compared to the high rates of economic growth over the past decade, and would also put greater pressures on local labour supply.
- 6.12 One approach would be plan for job growth to match labour supply/housing growth (at least 86,000 m²) but probably with a higher office space component. A more aspirational approach to help the Borough realise its economic potential while avoiding over-provision of land, would involve planning for development on the basis of the job growth based estimates, in the order of 104,000 – 110,000 m². The latter would involve planning for a significantly higher office space requirement in the Borough.

Additional Land Requirements

- 6.13 Based on the total supply of employment space identified as available, Eastleigh has more than enough industrial land to meet future needs up to 2029, under the various pictures of future growth considered.
- 6.14 However, the Eastleigh River Side site comprises 90% of industrial land supply and has a number of development constraints that could affect delivery in the plan period. Excluding River Side, Eastleigh could have a shortfall of industrial development land under all estimates of future demand. The remainder of the current supply comprises smaller sites that are unlikely to meet future needs for larger industrial units.
- 6.15 This might suggest a need to consider allocating some alternative sites in case the River Side site cannot be delivered in time, or to diversify the supply and provide greater choice for potential occupiers. In this context, allocating a further site of 5 ha or so could be considered, and a further such site on top of this if the Eastleigh River Side land appears unlikely to come forward in time. Potential locations would be close to areas of proven demand with good strategic road access.
- 6.16 For office space, the current identified supply is not sufficient to meet future needs under any scenario of future needs, taking account of the latest completions of space (i.e. including the B&Q site at Chandler's Ford). This confirms there is very limited other supply to meet any future requirements for larger occupiers seeking high quality modern premises in the Borough.
- 6.17 While Eastleigh is currently perceived as a good industrial location and less as an attractive office location, over the plan period it would appear prudent to

plan for some diversification of the local economy and to attract some more, higher value businesses. This would build on the current range of high profile office based firms already based at the Botleigh Grange office campus, for example. On this basis, provision of a small business park site (5-7.5 ha) attractive to office firms could be considered to meet the minimum future office space requirements that have been identified.

Policy & Delivery Implications

- 6.18 The scenarios considered through this study indicate the broad scale and type of growth arising from different approaches to modelling the Borough's future employment space needs. To varying degrees, they reflect both indigenous needs arising within Eastleigh as well as – particular in the case of the scenarios based on past development rates – a degree of footloose demand which operates across the Borough's boundaries from the wider South Hampshire area. However, the Council's policy approach should aim to at least fully meet Eastleigh's employment space needs so that economic growth in the Borough is not constrained, recognising that developments in adjoining areas will also be a key influence.
- 6.19 The Borough should seek to plan for a choice of sites and locations to meet the needs of particular sectors and occupier needs. Taking account of market considerations, future office provision could be most effectively directed towards a small business/office park, in an accessible location and to help establish sufficient critical mass. This would meet the lower end of the requirements identified by the scenarios considered (the two labour-supply scenarios), but these do not appear unreasonable for planning purposes given that the Borough's office market is relatively modest and recent high levels of development are less likely in the short to medium-term due to the lag-effect of the recession. Whilst there may be some scope to redevelop any surplus industrial land that becomes available, this may not always be in suitable locations for new office development of the type required.
- 6.20 If the Council were to seek to promote a more specific 'town centre' focus to new office development through Local Plan policies, it is apparent that new sites would need to be identified. In this situation, new office space would be distributed across a number of smaller sites, potentially as part of mixed-use developments or other town centre redevelopment schemes capable of delivering office space. There would likely be a time dimension to how far this could meet needs.
- 6.21 In industrial terms, whilst the current identified supply of industrial land will be more than sufficient in quantitative terms to accommodate all scenarios of future needs, the key issue as identified above, is that future supply is almost completely related to Eastleigh River Side. This report has outlined a number of potential approaches that could assist with delivery of up-front infrastructure at River Side taking account of the current funding landscape and backdrop of market demand, and the need to establish a refreshed prospectus for the site

which critically appraises its future role, infrastructure requirements and encourages buy-in from the range of landowners with interests in the site.

Appendix 1 List of Consultees

List of Consultees / Workshop Attendees

Individual Consultees

Jeff Walters, Economic Development Manager, Southampton City Council
Andrew Hodgkinson, Goadsby
Duane Walker, Primmer Olds Chartered Surveyors
Jason Webb, Jones Lang LaSalle
Adrian Whitfield, Lambert Smith Hampton
Steven Williams, Lambert Smith Hampton
Gerry Overton, EBC

Businesses

Coopervision
Key Productions Ltd
Finblade Ltd
Peter Redding
Graham Martin
Dynamics IT Consulting

Workshop Attendees

Bernie Topham, Chief Executive, EBC
Paul Ramshaw, Head of Regeneration & Planning Policy, EBC
Julia Norman, Local Plan Manager, EBC
Kathryn Rankin, Economic Development Officer, EBC
Tony Wright, Planning Policy & Design Manager, EBC
Tim Guymer, Senior Planner, EBC
Cllr Keith House
Christine Colesworthy, Eastleigh College
Andrew Hodgkinson, Goadsby
Robert Fairbairn, Goadsby
Jason Webb, Jones Lang LaSalle
Graham Holland, Lambert Smith Hampton
Andrew Archibald, Keygrove Chartered Surveyors
Clive Watkins, Lambert Brothers Haulage Ltd
Chris Ridge, London Clancy
Matthew Leonard-Williams, MDL Marinas
Duane Walker, Primmer Olds Chartered Surveyors
Steve Thurston, Southampton Airport
Gavin Hall, Savills
Chris Corcoran, Southern Planning Practice
Alison Wood, Southern Planning Practice
Nick Farthing, Sustrans Hampshire – IoW – Surrey – West Sussex
Ed Bastian, Berrywood Farm
Dick Bastian, Berrywood Farm
Matthew Spry, Director, Nathaniel Lichfield & Partners (NLP)
Ciaran Gunne-Jones, Associate Director, NLP

Appendix 2 Definition of B Class Sectors

Definition of B Class Sectors

The method used for re-categorising the employment forecasts by sector into B-Class uses is summarised below.

Apportionment of B Class Sectors to Land Uses

Experian Sector	Proportion of Jobs by Use Class		
	B1 office	B2 industrial	B8 warehousing
Agriculture, forestry & fishing		Non B-Class	
Oil & gas extraction		Non B-Class	
Mining		Non B-Class	
Food, drink & tobacco	0%	100%	0%
Textiles, footwear & clothing	0%	100%	0%
Wood & wood products	0%	100%	0%
Paper, printing & publishing	9%	9%	0%
Fuel processing	0%	100%	0%
Chemicals & manmade fibres	0%	100%	0%
Rubber & plastics	0%	100%	0%
Mineral products	0%	100%	0%
Metals	0%	100%	0%
Mechanical engineering	0%	100%	0%
Motor vehicles & transport equipment	0%	100%	0%
Other manufacturing	0%	100%	0%
Electricity, gas & water		Non B-Class	
Construction	0%	32%	0%
Wholesaling	0%	10%	72%
Retailing		Non B-Class	
Hotels & catering		Non B-Class	
Transport	0%	0%	43%
Communications	0%	0%	84%
Banking & insurance	100%	0%	0%
Business services	100%	0%	0%
Other F&B (real estate, R&D etc)	100%	0%	0%
Public administration & defence	10%	0%	0%
Health		Non B-Class	
Education		Non B-Class	
Other public	0%	5%	0%

Source: Experian / NLP analysis



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