Gosport Borough Local Plan 2011-2029 Publication Version

Employment Background Paper

June 2014

GOSPORT
Borough Council

Employment Background Paper

Contents

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1.0 INTRODUCTION

1.1 This document is a background paper to the draft Gosport Local Plan 2011-2029 relating to employment issues. It sets out the relevant national and local policy context and a summary of evidence and consultation responses related to employment issues.

2.0 POLICY CONTEXT

National Policy

National Planning Policy Framework (DCLG March 2012)

2.1 The National Planning Policy Framework (NPPF) recognises that the purpose of the planning system is the achievement of sustainable development which comprise of economic, social and environmental considerations.

2.2 The NPPF states that the Government is committed to securing economic growth in order to create jobs and prosperity, building on the country's inherent strengths and to meeting the twin challenges of global competition and of a low carbon future. The planning system therefore needs to support sustainable economic growth and meet the development needs of business. Planning policies should recognise and seek to address potential barriers to investment, including a poor environment or any lack of infrastructure, services or housing. In drawing up local plans, local planning authorities should:

- set out a clear economic vision and strategy for their area which positively and proactively encourages sustainable economic growth;
- set criteria, or identify sites for local and inward investment to match the strategy and to meet anticipated needs over the plan period;
- support existing business sectors taking account of whether they are expanding or contracting, and where possible identify and plan for new or emerging sectors. Policies should be flexible enough to accommodate needs not anticipated in the plan;
- plan positively for the location, promotion and expansion of clusters or networks of knowledge driven, creative or high technology industries;
- identify priority areas for economic regeneration, infrastructure provision and environmental enhancement; and
- facilitate flexible working practices such as the integration of residential and commercial uses within the same unit.

2.3 The NPPF makes it clear that planning policies should avoid the long term protection of sites allocated for employment use where there is no reasonable prospect of a site being used for that purpose.

2.4 Where there is no reasonable prospect if a site being used for the allocated employment uses, applications for alternative uses of land or buildings should be treated on their merits having regard to market signals and the relative need for different land uses to support local communities.

National Planning Practice Guidance (DCLG 2014)

2.5 The Government's National Planning Practice Guidance supports the NPPF and includes details of how economic development needs should be assessed. This includes identifying the future quantity of land or floorspace required for economic development uses including both the quantitative and qualitative needs for new development and providing a breakdown of that analysis in terms of quality and location, and to provide an indication of gaps in the current land supply.

2.6 It states that local planning authorities should make an assessment of the likely growth in job numbers based on past trends and/or economic forecasts as appropriate and also having regard to the growth of the working age population in the housing market area. These have been taken place at both a sub-regional basis with figures supplied for each district as well as local assessments based on past trends.

2.7 This guidance incorporates the principles included in the previous Government guidance, 'Employment Land Reviews (2004), which informed the Council's Employment Land Review (2012).

<u>Assisted Area Status</u>

2.8 The Government has recently recognised the particular difficulties affecting the defence industry in the Portsmouth Harbour area and has designated the area as having Assisted Area Statusincluding six wards within Gosport Borough: Bridgemary North, Bridgemary South, Christchurch, Elson, Hardway and Town. In summary Assisted Areas are locations recognised in European state aid rules as being less economically advantaged places that would benefit from additional support for development. As a result, financial support from Government is permitted to undertakings, typically businesses, for new investments in these areas. Being located in an assisted area does not confer any right to financial assistance; rather, it allows the public sector to provide certain types of assistance if it wishes. Further details are outlined in the Government document, *An Introduction to Assisted Area* (Department of Business Innovation and Skills May 2014)[1].

Sub Regional Economic Strategy

2.9 **Transforming Solent- Solent Strategic Economic Plan** (Solent Local Enterprise Partnership 2014): This document recognises and builds on the Solent economy's strengths, harnesses drivers for growth and addresses the barriers that will constrain Solent's contribution to the UK economy if left un-tackled.

2.10 The vision set out in *Transforming Solent* is to create an environment that will generate employment and private sector investment in the Solent. It will assist this globally-competitive area to reach its full potential, enabling existing businesses to grow, become more profitable and to be greener. It will enable the creation of new businesses and attract new businesses to the region.

2.11 It sets put some clear objectives, which are:

- **Maximise the economic impact of the Solent's economic assets** and potential for growth. This includes promoting the area as the UK's leading growth hub for advanced manufacturing, marine and aerospace both at home, and more importantly in the global marketplace. Developing the

[1] https://www.gov.uk/government/publications/state-aid-assisted-areas-introduction

advance engineering and manufacturing sector through a business-led approach and supporting the visitor economy.
- **Unlock critical employment sites** to enable the Solent businesses, particularly the marine, maritime and advanced manufacturing sectors of their economy, to expand.
- **Provide new housing** to support our growing workforce.
- **Provide effective support to our small and medium-sized enterprises (SMEs)** to enable them to grow, including marine and maritime SMEs; and
- Unlock **innovation led growth** to engage more businesses in knowledge exchange and innovation, develop links to wider Higher Education Institutions (HEIs) and demonstrate the benefits of working with knowledge based partners.

2.12 The Plan seeks to focus investment on those parts of the economy that need to develop or change the most to accelerate growth. Therefore ambitious growth targets will be progressed under six strategic priorities:
- Supporting new businesses, enterprise and ensuring SME survival and growth.
- Enabling infrastructure priorities including land assets, transport and housing, reducing flood risk and improving access to superfast broadband.
- Establishing a single inward investment model to encourage companies to open new sites in the region, supported by effective marketing.
- Investing in skills to establish a sustainable pattern of growth, ensuring local residents are equipped to take up the jobs that are created and businesses can source local skills and labour to underpin growth.
- Developing strategic sectors and clusters (interconnected groups and businesses) of marine, aerospace and defence, advanced manufacturing, engineering, transport and logistics businesses, low carbon, digital and creative and the visitor economy – establishing the area as a business gateway, at both local and international levels and developing local supply chains.
- Building on substantial knowledge assets to support innovation and build innovative capacity in the Solent area to stimulate growth in Solent businesses and in new high growth sectors, particularly linked to its Higher Education excellence.

2.13 The new growth plan contains some ambitious targets, including by 2020:
- the creation of an additional 15,500 new jobs;
- achieve a GVA growth of 3%;
- increase GVA per job by an additional £6,879 per job;
- improve productivity (GDP per head) closer to the South East average;
- increase employment rates to 80% from the current 78% and improve economic activity rates from 80% to 81%;
- enable the delivery of 24,000 new homes;
- raise the business birth rate from 3.6% to 4.1% (and create 1,000 new businesses
- improve the business survival rate from 61.4% to 62.5% (3-year business survival rate equivalent to an extra 1,000 businesses);
- raise the proportion of the population with Level 4 and above skills to 36% of the working age population from the current 32% (equivalent to an additional 37,000 people);
- raise education attainment rates to above the UK average; and
- increase inward investment into Solent attracting at least 5% of Foreign Direct Investment (FDI) entering the UK.

2.14 In order to achieve this, it will be necessary to maximise value for money from key public sector investments focusing on areas that are economically vulnerable, and linking local people to jobs through effective procurement processes whilst levering private sector investment in skills and employment. The Plan states that the Solent LEP can unlock investment for the Solent area worth £2.88 billion over the period 2014-2020. The Plan will continue to support the continued development of the marine economy, the Solent Enterprise Zone at the Daedalus site within Gosport and Fareham Boroughs and the plans for a new development north of Fareham, called Welborne.

2.15 In addition to the major developments at the Solent Enterprise Zone at Daedalus the Solent Strategic Economic Plan recognises the Gosport Waterfront as a priority site as it includes a number of areas where there is an opportunity to intensify employment generating uses, particularly marine – related employment due to opportunities to access deep water.

2.16 **Solent LEP- EU Structural and Investment Fund Strategy 2014-2020** (Solent Local Enterprise Partnership 2014): The Solent Local Enterprise Partnership (LEP) has been given strategic responsibility for the delivery of £36.9m (€43.1 m) of European Social Fund (ESF) and European Regional Development Fund (ERDF) funding over the 2014 – 2020 period, alongside £2.49m (€2.9m) from the European Agricultural Fund for Rural Development (EAFRD). This European Structural & Investment Funds (EU SIF) Strategy forms part of a wider local growth plan for the Solent LEP area. It sets out: how Solent intends to invest EU growth funds in the area; how this will contribute to the ambitions for local economic growth; the rationale for the proposed investments; how the Strategy will be delivered; and the anticipated impact.

2.17 **Transforming Solent: Marine and Maritime Supplement to the Solent LEP Strategic Economic Plan (March 2014**): This document recognises that the Marine and Maritime sector is one of the largest and most productive in the Solent, contributing 20.5% of its GVA and 5% of the private sector jobs. The coastal location, business base, traditions, research and skills provide the area with immense marine and maritime strengths, strengths on which it can build, taking advantage of global growth in maritime trade, the rapid expansion of the cruise sector, rising demand for leisure marine and specialist vessels, and expansion in marine renewables and technology-led industries. Although the recent announcements by Ford and BAE significant affected the region, it is acknowledged that the Solent has a host of world-class marine and maritime assets. With investment, leadership and a region-wide plan, there is an opportunity to address the challenges, to take advantage of a range of growth opportunities to expand its market share, contribute to the UK's export-led recovery and deliver the LEPs over-arching aim of positioning the Solent as a globally recognised marine and maritime centre of excellence.

2.18 The Plan includes 36 recommendations and 15 proposals for funding and sets out how these will be delivered. The most relevant, with regard to the emerging Gosport Borough Local Plan 2011-2029, are set out below; although it is acknowledged that other recommendations will have potential benefits to the Gosport economy and workforce. Recommendations include:

- In order to secure the long-term future of the marine industry it will be necessary to undertake a review of waterside sites across the Solent and develop a regional policy to safeguard sites with the greatest marine manufacturing utility for employment use.
- There are a number of initiatives to enhance the local skills base.

- There are proposals to improve infrastructure. This includes mention of the Stubbington Bypass which would address congestion, economic deprivation and support growth in the Gosport peninsula including the Solent Enterprise Zone at Daedalus which has focus on advanced engineering, aerospace and marine.
- There is the aspiration for a business incubation centre at the Enterprise Zone at Daedalus.

2.19 **PUSH Economic Development Strategy** (Partnership of Urban South Hampshire (PUSH) 2010[2]): PUSH is a consortium of south Hampshire local authorities which have come together to form a formal partnership which seek to address a number of planning, economic and infrastructure-related matters on a sub-regional basis. The PUSH Economic Development Strategy aims to create a more prosperous future with everyone sharing the benefits with reduced levels of deprivation and increased levels of labour market participation. It envisages that the cities fulfil their economic potential within the sub-region becoming an even greater place to live, work and do business, offering an excellent quality of life. The challenge to close the gap with the rest of the SE is still considered a valid objective

2.20 The vision seeks a more sustainable economic future that utilises the assets of the sub-region and build on key sectors as well as the skills of the resident population, the world class businesses and existing institutions such as universities. It is considered that continued collaboration, has been, and will remain the strength of PUSH. Seven transformational actions have been identified to achieve PUSH's ambitions:

- leading on employment and skills- a brighter future is based on a skilled workforce that underpin higher levels of growth and ensure residents are engaged and suited to the jobs that are created;
- supporting growth in our cities – ensuring the cities fulfil their potential as drivers of a sustainable and growing economy;
- ensuring the provision of sites and premises to facilitate growth – making sure the PUSH area can accommodate the growth by prioritising investment in the most important places;
- establishing a single inward investment and 'place marketing' function – to ensure resources are used efficiently to attract new businesses in the sub-region;
- developing the sub-region's world leading sectors- ensuring South Hampshire continues to be recognised as a leading location for marine, aerospace and advanced manufacturing;
- strengthening innovation networks to drive productivity growth – ensuring innovation and knowledge lies at the heart of the local economy; and
- driving innovation in delivery and funding models – ensuring that creative and innovative delivery is at the centre of all that PUSH does.

2.21 The Strategy identifies three categories of sectors which shape future action. These are:

[2] www.push.gov.uk/work/economic-development/economic-development-strategy.htm

Using local strengths to generate high GVA[3]	**Creating employment opportunities for many**	**Underpinning quality of life and place**
Advanced manufacturing	Financial and business services	Creative industries
Marine	Health and care	Retail
Aerospace		Leisure and visitor economy
Environmental technologies		
Transport and logistics		

2.22 Increasing output in the sectors with particular local strengths will improve productivity, create additional high wage jobs and stimulate further job growth in other sectors. The Strategy aims to ensure growth opportunities are captured and businesses are not held back by a lack of skills or development land. The Strategy recognises that tackling climate change must be embedded in all that PUSH does and that this will help support the local growth of the environmental technologies sector. This could include supporting business change, developing infrastructure to mitigate the effects of climate change or ensuring the resource efficiency of existing and new property.

2.23 The Strategy recognises that business services and health sectors are projected to be a major source of additional jobs over the next 15-20 years and that this growth must be facilitated. The Strategy recognises the need to support the cities to fulfil their potential and become attractive and successful locations for financial and business service employers and reverse recent trends of firms relocating out-of-town. It also seeks to ensure that opportunities for health care are captured in the sub-region.

2.24 The protection and enhancement of the sub-region’s natural, heritage and cultural assets is important for attracting sectors such as creative, retail, tourism and leisure.

2.25 Key actions identified in the PUSH Strategy particularly relevant to the emerging Gosport Borough Local Plan include:

- Facilitating the development of appropriate sites and premises including:
    - aligning the planning function, and infrastructure and site investments with the overarching strategy;
    - undertaking research to better inform future requirements for sites and premises.
- Working with employers to develop the skills of the existing workforce to meet their business requirements.

2.26 The Strategy is supported by a number of other documents including the ‘Economic Development Evidence Base’ and ‘Employment Sites and Premises Demand and Supply Analysis’ (DTZ 2010).

2.27 **Implementing the Skills for Employability and Growth** (PUSH 2008) sets out a number implementation measures to improve skills and employment opportunities in South Hampshire.

2.28 **Solent Waterfront Strategy (SEEDA) (2007):** The Strategy recognises the significant economic significance of the marine industry to the Solent sub-region and that it is often under-estimated as a driver for growth. The marine cluster

[3] Measurement of output = Gross value added per worker.

makes up at least 20% of the value of the Solent economy. It considers that land-use planning, spatial and economic policies are critical for the future of this important sector. It makes a number of recommendations that are relevant to Gosport including:

- SEEDA, PUSH and Marine Industries should raise the profile of the importance of the Solent as the centre of UK marine industries and actively promote it as a place for growth and innovation;
- strategic marine sites should be identified and safeguarded and/or allocated for marine use in development plans. These should include policies to safeguard locally important waterfront sites, both existing or with potential for marine use; and
- the need to address the likely impact of climate change on marine industries.

PUSH: A Cultural Strategy for the Quality Place Deliver Panel (Jan 2009)

2.29 The Cultural Strategy sets out the way in which culture can help to achieve sustainable growth and economic development of South Hampshire and thus support the overall key objectives of PUSH. The Strategy sets out a number of areas for joint working, leadership, agreement on policies and practices to be delivered locally. The Strategy uses the Department of Culture Media and Sport (DCMS) definition for culture which includes tourism, festivals and attractions. It includes a Vision which build on current strengths such as its globally and nationally recognised world-class maritime heritage, which Gosport has a significant role. It suggests assets around Portsmouth Harbour should be promoted as a package and the offer needs to be developed as a coherent whole around Portsmouth Harbour. It recognises the need to provide improved hotel accommodation. Tourism has the potential to attract more international visitors, help revive the local economy and provide a fertile area for enterprise to locate.

2.30 The Strategy recognises that development plans can help deliver land allocations and infrastructure as well as secure developer contributions.

Sub-regional Planning Policy

2.31 The formulation of the draft Local Plan has been guided at the sub-regional level by the close collaboration of the PUSH authorities. PUSH through local consultation has produced its own sub-regional strategy for south Hampshire which was submitted to the former South East of England Regional Assembly (SEERA) and was included (largely unchanged) in the South East (SE) Plan (2009) following an Examination in Public.

2.32 Despite the revocation of the SE Plan it is considered that the original South Hampshire Strategy (2009) is still a relevant consideration as it has been devised at a local level by a group of local authorities and has been subject to public consultation and examination.

South Hampshire Strategy (PUSH October 2012)

2.33 In the light of the significant changes that have occurred in the economy and changes in national policy it has been considered necessary to refresh the South Hampshire Strategy. The latest Strategy provides the framework for the emerging Gosport Borough Local Plan 2011-2029 and is detailed below.

2.34 Its vision includes that the sub region should be an area offering prosperity and a high quality of life for residents and be a location of choice for growing business. It will be a major centre of excellence in creativity, innovation and technology, enabling smarter and more sustainable growth. The vision for a brighter future will be based on a strengthened economy, a higher skilled workforce, a broader range of housing and better infrastructure.

2.35 The Strategy states that achieving this vision requires a commitment to long term, managed economic growth and regeneration. More specifically PUSH has adopted the following strategic ambitions to:

- narrow the gap in performance between South Hampshire and the South East of England;
- support the cities to fulfil their potential as engines for economic growth;
- address the impact of the recession, create jobs and tackle unemployment and increase productivity;
- make best use of its assets so the area can achieve sustainable growth;
- create the conditions which will attract business investment and offer places where people will want to live.

2.36 Policy 4 of the Strategy requires the following amount of employment floorspace in South Hampshire for the period 2011 to 2026:

- 580,000 sq.m of net additional office floorspace;
- 550,000 sq.m of net additional manufacturing and distribution floorspace.

2.37 These requirements should be provided for by the PUSH authorities collectively through site allocations and planning permissions. The employment floorspace provision figures exceed what is likely to be built even when economic conditions improve. This slight excess is deliberate in order to offer choice to developers and occupiers and to ensure the market capacity to 'move and churn'.

2.38 The total PUSH employment land figures have been apportioned to each district as set out in Policy 6 of the South Hampshire Strategy. The target for Gosport Borough for the period 2011-2026 is 84,000 sq.m net additional employment floorspace.

2.39 The South Hampshire Strategy aims to improve its economic performance by raising its economic output (Gross Value Added (GVA)) as well as the number of jobs. Emphasis will be placed on providing for the key sectors of advanced manufacturing including marine and aerospace, environmental technologies and transport and logistics which have the potential to generate high levels of GVA. The vast majority of jobs will be created in financial and business services, distribution, retailing, health and care; and consequently provision needs to be made for these sectors too.

2.40 A significant increase is projected in employment uses which do not require conventional employment floorspace – e.g. health, personal services, retailing, hotels and restaurants. Indeed, that increase is forecast to be larger than the number created in offices, manufacturing and distribution combined. For example it is forecast that there will be 9,000 additional jobs in the health and care sector by 2026 and over 5,000 in hotel and restaurants. There is latent potential for job growth in tourism, capitalising more fully on the area's natural assets and its international gateway function. Positive provision should also be made for creative industries including design, media, IT and culture.

2.41 Policy 7 relates to the allocation of employment sites with particular emphasis placed on providing for key sectors (advanced manufacturing including marine, aerospace and environmental technologies). Addressing deprivation should be a consideration in the allocation of sites. Policy 8 requires that sites allocated for employment development should be suited to modern business requirements and be capable of being economically developed. Existing and allocated employment sites which satisfy these criteria should be safeguarded for employment purposes.

2.42 Policy 9 relates to skills. It recognises the PUSH ambition for residents to have greater levels of skill and that this is a prerequisite for higher levels of productivity and higher GVA. This is necessary for South Hampshire to be an attractive location for business investment. The policy outlines a number of initiatives to improve skills, of particular reference to the emerging Local Plan is that the PUSH authorities should endeavour to negotiate skills and training initiatives with developers specifically related to the development, and that these are secured through Section 106 Agreements.

2.43 Policy 13 recognises the importance of infrastructure to enable economic growth and that priority should be given to the implementation of:

- transport network improvements and provision of access into key development sites;
- improved broadband coverage and speed;
- new/enhanced floor defences;
- new/upgraded wastewater treatment facilities;
- new /upgraded water supply infrastructure;
- new/enhanced green infrastructure; and
- new/expanded education and training facilities.

PUSH Policy Framework: the use of Developer Contributions to Provide Workforce Training (PUSH 2010)

2.44 The PUSH authorities have worked together to develop a common PUSH Policy Framework on the use of developer contributions to provide workplace training. This has been based on the successful approach taken by Southampton City Council. It is recognised that contributions can be financial or in kind, secured by a Section 106, for measures directly related to the development. These can include contributions to ensure that developments complement and benefit the local labour market and the economy by raising skills and enabling local people to compete for the jobs generated. Specific measures can include training (pre-employment and vocational), apprenticeships, employment advice, interview guarantees, work placements, transport arrangements and childcare.

2.45 The Framework states that it is for each authority to consider how to seek such measures. The Framework sets to achieve a common understanding of opportunities. It sets out a general rationale and justification for seeking contributions, in the light of the PUSH Economic Strategy, local economic circumstances and Government requirements for the use of Section 106 planning obligations. It also includes some local examples of how such agreements have operated as well as a good practice guide.

Local Policy

Gosport Borough Council Corporate Plan

2.46 The Corporate Plan (GBC 2009a) includes a number of Strategic Priorities relevant to employment and the economy including:

- Attracting investment to Gosport's economy;
- Maximising local employment opportunities;
- Promoting tourism opportunities;
- Improving social inclusion;
- Regenerating Gosport's town centre and Waterfront; and
- Tackling the congested road network.

Gosport Borough Local Plan Review (2006-2016)

2.47 The Gosport Borough Local Plan Review was adopted in May 2006, providing the current planning policy framework for the area. The Plan's strategy recognises the fundamental importance for the need to identify sites for employment use to enable economic regeneration to achieve a more sustainable employment base.

2.48 The Plan's employment objectives are that the Council will:

- promote and improve the economic well-being of the Borough;
- facilitate new development or redevelopment to provide new job opportunities;
- encourage a more diverse employment base and reduce dependence on defence related industries;
- provide for the consolidation and expansion of existing employment uses where appropriate;
- retain major employment sites within the Borough to facilitate a sustainable pattern of development;
- facilitate provision of tourism related employment; and
- provide a range of sites for small and medium sized business.

Gosport: An Opportunity 2011-2026, Business Growth and Community Regeneration (2011)

2.49 The document sets out the Borough Council's economic vision and integrated delivery framework for the Borough, based on the advantages and opportunities in the Borough. It includes details on key development sites, priority sectors and cross-cutting infrastructure relating to infrastructure, skills and image. It recognises the importance of:

- partnership - including working as part of PUSH and the Solent Local Enterprise Partnership;
- being proactive - including the delivery of key sites, helping to secure infrastructure improvements, working to improve the image and perception of the Borough as a place to invest, live and visit, and taking opportunities to improve skills and training; and
- taking a phased approach- to transform Gosport over the long term.

2.50 The Vision is to create a diverse and thriving economy with increased investment and a good choice of jobs on the peninsula. Gosport Borough Council and its partners will realise this vision by:

- delivering opportunities to proactively encourage growth in priority sectors:
  - Marine, Aerospace and Advanced Manufacturing
  - Tourism and Leisure
  - Health and Care
- taking action to improve accessibility, skills and quality of life to support business growth; and

- promoting the integrated and complementary development of strategic sites.

2.51 The Strategy outcomes are:
- a better balanced and rounded economy, through a major focus on job creation in the next few years;
- a stronger image internally and externally as a business and visitor location through an enhanced skills profile, business infrastructure, quality of environment and cultural offer;
- improved infrastructure that encourages investment in business and quality of life;
- Gosport being known as a centre for skills development that serves the marine, aerospace and advanced engineering sectors across South Hampshire, enhancing Gosport's attraction to business investors in these key activities; and
- coordinated and complementary development across key sites, to facilitate and nurture business growth in priority sectors and help realise investment in associated infrastructure.

Economic Regeneration Strategy (2005-2007)

2.52 The Economic Regeneration Strategy 2005-2007 still provides a framework to guide the Council's investment and policy formation in respect of the sustainable economic regeneration of the Borough.

2.53 Key objectives include:
- raise basic skills levels in literacy, numeracy and ICT;
- expand workforce capacity and address skills shortages;
- improve communication and liaison with local businesses;
- develop local business networks;
- contribute to the development of sector-based initiatives;
- where land is surplus to MoD requirements, support its phased release for mixed use and employment purposes;
- encourage inward investment and expansion opportunities for local businesses;
- ensure the quality and sustainability of existing and proposed commercial property solutions; and
- encourage an innovative and integrated approach to tackling social exclusion.

2.54 It includes a number of actions to assist in achieving these objectives including:
- identify issues for marine-related businesses;
- support local and sub-regional tourism initiatives;
- contribute to the development of regional clusters for construction and defence sectors;
- preparation of development briefs;
- develop an inward investment strategy for the Borough;
- take a lead role in marketing and promoting investment opportunities in the Borough;
- ensure the provision of a range of industrial and office accommodation;
- seek to regenerate older industrial areas;
- support appropriate improvements to the local infrastructure and environment;
- support various local skills initiatives;
- support the development of integrated and sustainable transport solutions; and

- work with regeneration partners to identify priorities, develop projects and maximise funding opportunities.

2.55 A revised Economic Regeneration Strategy is currently being prepared.

Securing Employment and Training Measures Through Planning Obligations (GBC April 2012)

2.56 This document sets out the Council's approach for securing employment and training measures in association with major development. Where a proposed development reaches the thresholds set out, the Borough Council will negotiate and seek contributions for a range of measures. This list is indicative of the types of interventions anticipated and is not exhaustive. Indicative 'in-kind' measures include:

- Work placements
- Curriculum Support Activities
- Career advice
- Pre-employment training
- Work trials and Interview guarantees
- Apprenticeships
- Vocational training (NVQs)
- Leadership and management training
- Supervisor training
- Health and safety
- Construction skills certificate scheme
- Support with transport, childcare and work-equipment
- Training infrastructure and equipment

2.57 Where appropriate the Council will work to develop an employment and skills plan in partnership with the developer which would seek to maximise benefit to both the developer and the local economy. Where this is not appropriate, financial contributions in lieu will be considered. The Borough Council will have regard to other site constraints and obligations as part of the negotiations. It is intended that developer contributions (in kind or actual) will form part of a tailored package including resources levered in from local colleges, training providers and jobcentre plus to deliver the employment and skills plan. Where financial contributions are agreed the funds will be retained specifically for employment and skills development.

Gosport Tourism: A Way Forward 2006-2010 (Gosport Tourism Forum 2006)

2.58 This document has been prepared by Gosport Borough Council on behalf of the Gosport Tourism Forum. The document highlights various issues stakeholders that will assist in informing and guiding the subsequent actions. Key priorities relevant to the emerging Local Plan include:

- increase accommodation provision;
- improve and increase the tourism product through more facilities, attractions and services; and
- improve the image of Gosport as a destination.

3.0 EVIDENCE

3.1 Significant evidence has been produced to support the employment policies and proposals of the emerging Gosport Borough Local Plan. This includes sub-regional analysis such as:

- Work supporting the Transforming Solent- Solent Strategic Economic Plan 2014-2020 (Solent Local Enterprise Partnership 2014)
- Anchoring Growth: An Economic Assessment of the Solent Area (Centre for cities May 2013)
- Businesses in Growth in South Hampshire (*TBR* commissioned by PUSH 2008);
- Identifying Clusters of Potential in South Hampshire (University of Portsmouth 2006);
- Property Requirements for Distribution and Logistics (Roger Tym & Partners at al 2008);
- PUSH Economic Development Evidence Base (DTZ/Oxford Economics June 2010); and
- South Hampshire Economic Drivers & Growth: Combined Report DTZ Pieda Consulting (January 2007).)

3.2 Key local studies include:

- Employment Land Review (GBC 2012) which brings together the findings of many of the cited sub-regional and local studies;
- Gosport Commuting and Employment Study (MVA 2008);
- The Impact of the Defence Sector on the Economy of Gosport (University of Portsmouth 2008); and
- Gosport Sustainability Profile (GBC regular updates) includes a compilation of key employment and economic statistics.

Economic Assessment of the Solent Area

3.3 The ‘Transforming Solent –the Solent Strategic Economic Plan 2014-20 (Solent Local Enterprise Partnership’ (Solent LEP 2014) and ‘The Anchoring Growth: An Economic Assessment of the Solent Area (Centre for Cities May 2013). The Solent LEP has undertaken a detailed review of the area’s strengths and weaknesses which is summarised below with a more detailed summary contained in Section 3.2 of the Solent Strategic Economic Plan 2014-20.

Strengths	Weaknesses
Major urban growth centres Strategic accessibility Sector specialism in maritime and marine Relatively high economic activity Strong intermediate level skills Strong knowledge assets Strong HE and FE provision Transport hub with global links Great natural environment Natural assets with ports with double tides and excellent linkages to international shipping channels	Relatively weak productivity Underperforming cities Declining business stock, low business birth rate Slow employment recovery Lack of resilience to public spending cuts Comparatively high proportion of low-skilled employment Skills shortages Lack of higher level skills amongst resident population Low resident participation in higher education Youth and long-term unemployment Pockets of social deprivation
Opportunities	**Threats**
Strong growth potential Marine and maritime specialism Strong research base Global connections Attractive place to live Attracts inward migration Solent Enterprise Zone Connecting research and innovation to support the local business base Supply of land for development Potential for regeneration Housing affordability Strong record of partnership working Improving competitiveness	Further economic shocks Strategic Defence Review Challenges to the shipping industry Demographic change Skills shortages Lack of employer investment in training International competition Low educational attainment in parts of the Solent Low skills amongst resident population Low business density Reliance on public sector employment Reliance on large employers Failure to link local people to local jobs Development pressures Environmental impact Congestion

3.4 It is recognised that the Solent economy has seen relatively strong growth over the past decade. Growth in economic output however, has not been accompanied by large increases in private sector employment. As a result, the area is more dependent on large employers and the public sector than the wider South East, making it vulnerable to business failure and public sector cuts.

3.5 The Solent economy is heavily reliant on its manufacturing base with baseline forecasts showing that this will decline and by 2030 manufacturing it is expected to contract by 20.6% with the shedding of 9,900 jobs. Consequently there is a need to support the modernisation and development of the Solent manufacturing sector to take advantage of new knowledge intensive markets which are required to be developed and secured if this forecast decline is prevented.

3.6 The cities of Portsmouth and Southampton – and their ports – lie at the heart of the Solent economy, providing nearly 40 per cent of high skilled jobs in the Solent. While economic activity is concentrated in Portsmouth and Southampton, the two cities are not punching their economic weight. The future growth prospects for the Solent are dependent on the ability of the cities to attract businesses by offering access to suppliers, customers, and skilled workers, and to drive growth

3.7 The recession had a considerable impact on the Solent's businesses and business confidence remains low. Due to the nature of supply chains in the Solent, the closure of large companies and public sector cuts are seen as major threats to business survival. The Solent Local Enterprise Partnership has a central role to play in supporting business growth. It should address barriers of growth including working with local authorities, local businesses and education providers in order to improve educational attainment, raise aspirations of young people, and improve the skills of young people and facilitate workforce training

3.8 The Solent LEP needs to continue to work with PUSH and other local partners to identify economic priorities for the Solent and coordinate across different funding streams to deliver them. PUSH should continue its role in ensuring an adequate supply of land for employment and housing development. Partners should also seek greater financial freedom and flexibility from central government to allow them to coordinate funds and respond to the area's specific challenges.

3.9 The Solent is forecast to experience increasing levels of congestion, unless urgent action is taken. The Solent LEP's detailed research suggests that this congestion will restrict future job creation equivalent to 1.7% of future output and there is a potential loss of GVA of 1.3% per annum by 2025. The Solent Strategic Economic Plan specifically mentions that, '*without improved accessibility to the Gosport Peninsula, capacity issues and congestion will continue to have a negative impact upon investment which will not be attracted into the area, and retention of existing employment will continue to decline.'*

3.10 It add that continued congestion also has an adverse impact on public health given the significant health benefits, which result from even moderate levels of walking and / or cycling. Increased congestion also leads to poorer air quality and the Solent area contains a number of Air Quality Management Areas (AQMAs) and the majority of these are due to traffic movements.

3.11 The Solent Strategic Economic Plan also recognises that a lack of space for expansion and development will continue to impede the growth of our businesses and the provision of new homes. In addition Significant areas of land including existing houses and businesses are at very real risk of flood damage. Flood risk is also inhibiting the opening up of new sites for development and regeneration, inhibiting new private sector investment, employment land and homes.

3.12 Significant tracts of prime development land in the Solent, including much sought after waterside access are owned by the Ministry of Defence and will not be put to productive use. This is currently providing a significant constraint on growth of Southampton Port and the marine and maritime sector.

3.13 Projected demographic changes and replacement demand will place significant pressures on the labour market and will act as a major barrier to growth.

3.14 Poor educational attainment at Key stage 4 and Science, Technology Engineering and Maths skills (STEM) in particular will impact on our key growth sectors including our manufacturing and the marine and maritime sectors going forward. These need to be addressed with some urgency, but without the growth deal investment we will not be in a position to invest in new capacity and capability to support these skills.

Economic and Employment Profile of Gosport Borough

3.15 Key economic and employment issues are summarised below with skill and training considered separately later in the Background Paper.

Structure of the local economy[4]

3.16 Gosport exhibits specialisms and competitive advantage in key high value and growth sectors. Advanced manufacturing makes up 46% of the local workforce and aerospace employment in Gosport is over 13 times more concentrated than in the South East region as a whole. The table below summaries the Gosport position for a number of key sectors. An assessment of each of these sectors is contained in Appendix 1 with definitions in associated Annex A and B.

Sector	Characteristics of each sector
Advanced Manufacturing	High concentration of employment in Gosport High GVA generation Recent employment growth Existing skills base National, regional and sub-regional policy priority Sub-regional strength and knowledge assets
Aerospace	High GVA per worker High concentration of employment in Gosport Recent employment growth Growing market globally National, regional and sub-regional policy priority Need to diversify into civil and commercial markets Specific physical assets e.g. Daedalus Airfield
Creative Industries	Low concentration of employment in Gosport No real evidence of active creative sector in Borough National and regional policy priority National growth sector GVA and employment Sector dominated by small businesses suited to Gosport Unlikely to be major future growth area for Gosport Important to foster creative/cultural sector for quality of life and wider benefit
Environmental Technologies	High GVA generation No current concentration in Gosport Major growth opportunity globally, nationally, regionally and sub-regionally Significant policy support at all levels Opportunity for Gosport to capitalise on existing expertise and utilise assets such as testing tanks
Financial & Business Services	Low concentration in Gosport Growing in employment terms Future employment growth forecast Need to capture growth where possible, particularly SMEs
Health & Education	Relative concentration in Gosport Employment growth faster than PUSH average Largely local service delivery at present Development opportunities linked to health and education assets (Haslar, HMS Sultan etc)

[4] Based on work undertaken by DTZ for the Gosport Proposition

Marine	Marine market a major driver for Gosport and sub-regional economy Concentration of employment in Gosport High GVA per worker Local assets (coastline, testing tanks, development sites) to be exploited Risks related to potential defence downsizing in sub-region
Tourism & Leisure	Low concentration of employment in Gosport Weak overnight accommodation at present Marine and health market potential drivers of growth Opportunities linked to waterfront redevelopment and waterbus service Important for quality of life and changing image and perception Alver Valley and Gosport Leisure Park are opportunity locations for this sector Proposals/opportunities at various sites for new hotels

3.17 The Borough has a low business density (18.9 per 1,000 residents), significantly below the average business density for Hampshire and the South East although this has increased over the past 15 years. During the recession, the business stock in the core PUSH authority area fell by 6 per cent, with the largest falls in Eastleigh, Gosport, Havant and Portsmouth (Centre for Cities 2013).

3.18 Gosport has also one of the lowest business start-up rate in the South-East. Overall, during the recession, the urban core of PUSH saw a relatively large decline in the business start-up rate (a fall of 9 per cent), with sharp falls in Gosport and Fareham (Centre for Cities 2013). Low business density is associated with lower levels of entrepreneurship which is often associated with areas that have a high dependency on large public sector employers such as the Ministry of Defence.

3.19 According to the UK Competiveness Index[5], Gosport Borough is ranked the lowest amongst the PUSH authorities and one of the lowest in the UK, with a ranking of 375. This is a fall from 281st in 2013. The Solent Strategic Economic Plan comments that ‘Gosport’s poor and deteriorating competitive position is a cause for concern and reinforces the need to ensure that the Enterprise Zone delivers on its promise’. The Solent as a whole has increased by 3 places in the LEP rankings.

3.20 There remains a dependence on narrow range of industrial activities in Gosport and a high dependence on public sector employment. Areas within the Solent LEP, such as Gosport (73%) and Portsmouth (75%) area significantly below the national average (79%) in terms of private sector employment. There has been a continuation in the long-term trend for there to be a higher than average proportion of jobs within the public administration sector (including defence, health and education) compared to that at county and regional level despite the closure of several Ministry of Defence establishments and recorded public sector job losses over recent years. Employment in Gosport (as well as Portsmouth and Havant) remains heavily dependent on military spending. Any continuation of the recent contraction in the defence budget could have a significant impact on the economic fortunes of these areas.

[5] UK Competitiveness Index, 2010-2013, Cardiff University cited by the Solent LEP in EU Structural and Investment Fund Strategy 2014-2020

3.21 According to a 2010 analysis by Experian and the BBC, Gosport ranked 284th and Portsmouth, 290th, out of 324 local authorities nationally in terms of their resilience to public spending cuts. The main reasons for this are:

• High volumes of businesses and employees in sectors vulnerable to recession and public expenditure cuts.

• Low levels of job density.

• Low levels of self-employment (Gosport is third from bottom in this table).

• Comparatively low levels of employment in industries that often export.

3.22 The long term losses in the MoD sectors have not been compensated by recent gains in particular manufacturing or business service sectors

3.23 There has also been a continuation of the long-term trend for there to be a significantly lower proportion of jobs within the finance, IT and other business activities sector and other knowledge based sectors, particularly in the private sector, in comparison to county and regional levels

3.24 The business sector is characterised by a small number of organisations employing a large proportion of the workforce. There are 1,495 businesses in Gosport employing some 20,500 employees.

Location of employment and commuting

3.25 The Borough experiences significant out-commuting with relatively poor infrastructure and connectivity (limited road/public transport network on a peninsula) leading to significant road congestion over an extended peak period)

3.26 Key findings from the evidence include:

- Out-commuting from Gosport Borough has increased by 41% from 1991 to 18,159 workers in 2001;
- The 2001 Census showed that 49% of employed Gosport residents work outside the Borough;
- The MVA Employment and Commuting Study (2008) shows that in the sample surveyed, 64% of employed Gosport residents work outside the Borough;
- It highlights that the Borough experiences an extended peak-time congestion problem particularly in the AM peak with many out-commuting journeys starting around 6.30am, and 70% of such journeys taking place before 8:00am;
- Gosport Borough provided work for only 51% of its resident workers, which was one of the lowest rates in the County (ONS Census 2001);
- Conversely, Gosport had the second highest workplace self-containment ratio in Hampshire with 71% of Gosport based jobs filled by local residents. This implies that where local jobs are provided a high proportion are filled by local residents;
- Over 6,500 workers commuted to Fareham Borough representing 36% of those working outside the Borough. Around 5,100 commuted to Portsmouth (28%) with large numbers working in other areas of south Hampshire, including Winchester (7%), Southampton (5%), Havant (4.5%) and Eastleigh (4.1%) (ONS Census 2001); and
- Traditionally Portsmouth has been the major source of jobs outside of the Borough, the switch to Fareham is one of the key contributors to congestion

on the A32 with a higher proportion using the private car than more sustainable methods of travel via the ferry to Portsmouth.

Employment

3.27 Gosport has the lowest job density in the South East of England (0.45 jobs for each resident of working age) (ONS Jobs Density 2012 cited by NOMIS 2011). It was 0.68 in 2000;

3.28 The economically active population even when taking into account higher retirement ages is forecast to fall by 3.9% between 2011 and 2029, despite the overall population increasing by 2.2%. This is largely due to the continuing trend of an ageing population.

3.29 The current economic activity rate and employment rate for Gosport are 78.1% & 71.1%. These are significantly lower than Fareham, Havant Eastleigh and Hampshire. Only the two cities exhibit lower economic activity and employment rates.

3.30 There are approximately 24,000 jobs in Gosport Borough[6] in 2012 which has declined from, 33,000 in 2000 representing a 27% decrease in the employment base. This is significantly different from the other Core PUSH authorities which between 2000 and 2010 have experienced increases between 1.6% (Eastleigh) and 5.7% (Fareham), with only Southampton experiencing a decline (-1.6%)[7].

3.31 A separate measure on jobs shows that there were approximately 19,100 employee jobs in Gosport in 2012[8]. This has decreased from approximately 21,200 employee jobs in 2008. The reduced number of employee jobs which has also been recorded across a number of key sectors apart from advanced manufacturing can be attributed to the economic downturn.

3.32 As the economic downturn deepened, unemployment in the Borough increased. Unemployment during this uncertain economic period reached a peak of 3.5% in January 2010. Despite this, unemployment has remained below the national average. There are now signs of improvement As at April 2014 those claiming Job Seekers Allowance had fallen to 1.8% which was lower than the national average. The three wards that have unemployment rates higher than the national average are Christchurch, Grange and Town[9].

3.33 Whilst unemployment has been traditionally low there are significant pockets of unemployment and areas of employment deprivation (two Super Output Areas within Town ward and one within Privett ward are within the Top 15% of most deprived employment deprived areas in the Country) (IMD 2010 cited by CLG 2011).

3.34 The youth unemployment rate in April 2014 was 4.3% which was higher than the overall unemployment rate. This is in line with the national trend on youth unemployment which has emerged as a result of the economic downturn. Long-term trends show that unemployment amongst these age groups has generally been the highest proportionately in wards such as the Town, Leesland and Grange.

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[6] ONS 2012- this is a workplace measure and includes employee jobs, self-employed, Government trainees and HM forces http://www.nomisweb.co.uk/reports/lmp/la/1946157304/report.aspx#tabempunemp (as viewed 2/6/14)

7 Over the same 10 year period Gosport Borough has a 21% decrease in jobs within the Borough

[8] http://www.nomisweb.co.uk/reports/lmp/la/1946157304/report.aspx?#ld

9 As at March 2014 Town was in the bottom 30 wards in the Hampshire and Isle of Wight with a rate of 3.9%

3.35 Whilst improvements have been made in addressing basic skills, the profile for Gosport is still skewed towards a lower skilled workforce. Only 16.8% are qualified to level 4, compared to a South East average of 33.9%. More over levels of attainment have begun to reduce in recent years. According to the Solent LEP this is a potential barrier to future growth in high-skilled employment.

3.36 Gosport residents reflect a broad range of occupations. However, in comparison to the rest of Hampshire, Eastleigh and Fareham, there are fewer people employed in managerial and professional occupations. A sizable cohort works in associate professional and technical occupations 20.3%, arguably reflecting the strong manufacturing base in the borough.

Earnings

3.37 Gosport residents earn below the national and regional average with a weekly average earning of £511.2 compared with the national average of £518.1[10]. The Borough has the lowest earning rates within Hampshire. The average weekly workplace earnings for Gosport is £488.8 which is below the national average of £517.8. Workplace earnings in the Borough remain lower than the regional average of £536.6.

3.38 There is a higher proportion of benefit claimant in Gosport than the Regional and County averages

Quantum of employment floorspace development

3.39 Details relating to the proposed quantum of development of employment floorspace and the issues arising are set out in the Spatial Strategy Background Paper and informed by the Employment Land Review (ELR)(GBC 2012). The Borough Council is proposing 84,000 sq.m of net additional employment floorspace between 2011-2029. This is based on work undertaken for PUSH for the South Hampshire Strategy following various economic assessments and has been tested locally in the form of a series of scenarios.

3.40 The South Hampshire Strategy covered the period 2011 and 2026, however the Council considers that this target is appropriate for the additional three years to 2029 given the depth of the current recession. The ELR had identified 88,000sq.m of potential employment floorspace supply however this supply has been revised downwards to just under 83,500 sq.m. following the re-evaluation of potential employment floorspace within the Daedalus site[11] and changes to planning applications to other industrial areas.

Location of proposed employment sites

3.41 The Employment Review and its accompanying Site Profiles document details proposed development sites for employment sites. Further information regarding the Regeneration Areas and other development sites are also included in the Spatial Strategy Background Paper. A summary of the proposed sites are outlined below in the proposed employment supply table (Table 1).

[10] Annual Survey of Hours and Earnings 2013

[11] within the formerly proposed Phase II of the Married Quarters site.

Table 1: Summary of identified employment supply in Gosport

Source of supply	**Employment Floorspace (net gain) (sq.m)**	**Employment floorspace (gross) (sq.m)**
Total completions (1 April 2011- 31 March 2014)	392	392
Outstanding planning permission[12] for employment uses at 1st April 2014	+1,541	13,490
Estimated potential floorspace within existing employment sites at 1st April 2014	+ 11,365	11,365
Sub total	**+13,298**	**25,247**
Proposed Allocations in the Gosport Borough Local Plan 2011-2029		
Daedalus	+50,700	75,000
Grange Road, land south of Huhtamaki	+8,400	8,400
Former Frater House site	+5,000	5,000
Royal Hospital Haslar	+4,000	4,000
Aerodrome Road	+1,100	1,100
Priddy's Hard Heritage Area	+1,000	1,000
Gosport Waterfront[13]	0	25,900
Other sites in Gosport Town Centre	0	Not known at this stage
Sub total	**70,200**	**120,400**
Blockhouse	Proposed to allocate as Mixed Use site- quantum available for employment floorspace not known at this stage	
HMS Sultan	Employment Priority Site if released- not appropriate to estimate or include a quantum	
Minimum Identified Total	**83,498**	**145,647**

Rationalisation of MoD sites and impact on the economy

3.42 Much of the supply is based on released former Ministry of Defence sites or potential within existing MoD sites. Former MoD sites include HMS Daedalus which is the most significant employment site in the Borough, as well as Former Frater House, Royal Hospital Haslar and Priddy's Hard.

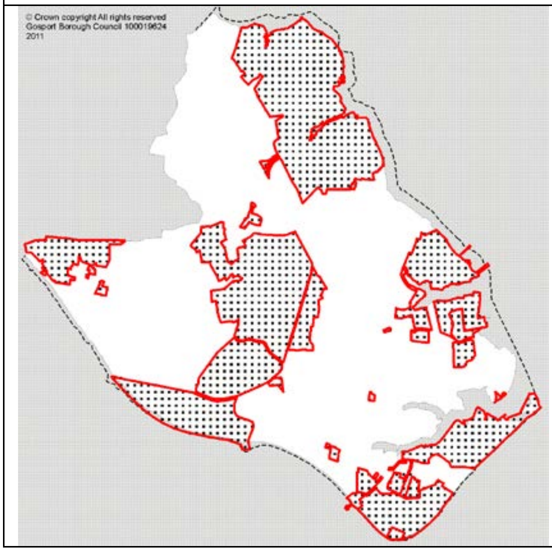
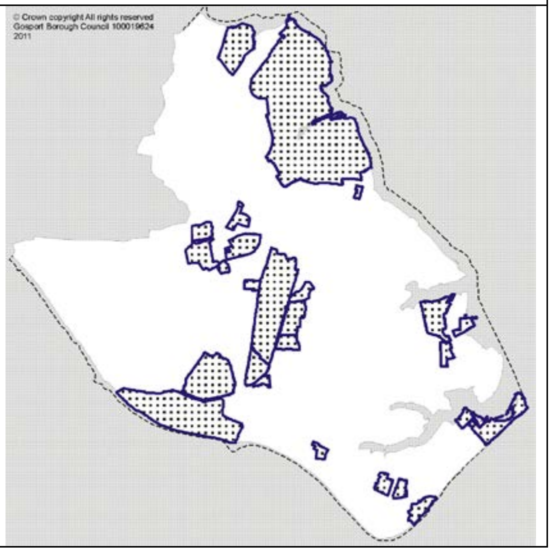
3.43 The Retained Area at Royal Clarence Yard, which is currently owned by the MoD, is an integral part of proposals at the Gosport Waterfront. It is also estimated that there is approximately 10,000 sq.m of additional employment floorspace identified as part of other existing MoD sites.

3.44 In addition to the identified supply there is uncertainty regarding Blockhouse and HMS Sultan sites which could provide additional employment supply in the future although the Council strongly supports the retention of HMS Sultan as a training base. It is considered useful at this stage to provide further context regarding the extent and influence of MoD sites within the Borough as this issue has shaped the Borough's employment-led strategy for the emerging Local Plan.

[12] Including those currently under construction
[13] New employment premises will be developed which will potentially increase employment but no overall net gain in floorspace

3.45 For centuries, land use in the Borough has been dominated by the presence of military uses. Over the last three decades there has been a massive contraction of defence holdings in the Borough. For example in 1968 38% of the Borough's land area was in Ministry of Defence (MoD) ownership by 2001 this had contracted to 25% and by 2011 the proportion was down to 21% with the potential for further releases (Figure 1). This represents a huge area of land that has been released for example the land released between 2001 and 2014 represents approximately 100ha of land.

Figure 1: MoD Ownership in Gosport Borough

1968	**2014**
	

3.46 Table 2 summarises some of the employment changes on the large former MoD sites within the Borough in order to emphasise the scale of employment losses in relation to current and former MoD sites

Table 2 Employment change on existing or former Ministry of Defence sites (1986-2008)

Current Establishment	Number of employees in 1986 (mean no. of service personnel & civilians)*1	Number of employees (no. of service personnel or civilians) (2006-2008)
Blockhouse	2,477 *2	387 *3
Daedalus	1,785	182 *4
Defence Munitions	1,292	340 *3
Haslar Hospital	940	0
Haslar Marine Technology Park (Qinetiq)	324	335 *3
HMS Centurion	751	318
HMS Sultan*5	2,516	2,588 *3
Institute of Naval Medicine	179	265 *3
Royal Clarence Yard	217	110 *6
St George Barracks South	366	70 *6
Vector Fleetlands	1,191	1,112 *3
Total	12,038	5,707

*1 GBC research 11/12/1986
*2 incorporates former HMS Dolphin, Joint Services Sailing Club, and Dir. of Medical Staff Training
*3 University of Portsmouth 2008 *4 Drivers Jonas for SEEDA (2008)
*5 incorporates Fort Rowner *6 Rounded IDBR data (2006 data)

3.47 It is considered that 28% (6,000) of the jobs in Gosport are related to local defence bases with an estimated output value of £550million (University of Portsmouth 2008)[14]. The impact of various proposed and potential closure programmes could result in the loss of over 3,000 direct jobs and the loss of around £13.5million direct expenditure into the local economy. Once the cumulative effect of the multiplier is taken into account the loss to the economy is around £18.9 million which in turn support a further 230 jobs. The overall impact would be felt throughout the economy whilst the direct losses will impact on the public sector and business services, the indirect impacts would be felt most keenly in retail, manufacturing, construction and property services. The overall impact is that around 15% of all jobs in the Borough are at risk unless alternative employment can be found to fill the gap.

3.48 The closure or rundown of sites such as Blockhouse and Sultan will have significant impacts upon local employment and income. The University of Portsmouth Study (2008) outlines the potential impacts of the closure of MoD sites in the Borough in terms of jobs and direct and indirect contributions to the local economy including an assessment of individual sites. Key points relating to the economic contribution of the most recently released large site and other key potential releases are outlined below:

3.49 **Royal Hospital Haslar**: The site closed as a military hospital in 2007 and the NHS ceased operating from the site in July 2009. In 2008 before its closure Haslar Hospital employed 662 people of which 357 lived in Gosport. The site contributed some £3.5 million to the Gosport economy per annum out of a potential £6.4 million. The Borough Council is proposing that the site is a care/medical-led mixed use site in the emerging Local Plan. This will provide not only significant employment in the care sector but also the potential for limited B1 employment.

3.50 **Blockhouse**: In 2008 Blockhouse employed 387 people of which 227 lived locally. The site still retains a number of MoD uses including important training facilities. However the future release of the site has become less certain with the MoD initially indicating a short-medium term release but this appears to have changed and it is unclear when and how much of the site will be released. Consequently it has not been possible to include any potential employment floorspace on the site as part of the overall supply figure in the emerging Local Plan. However it is considered appropriate to identify this site as a broad area for redevelopment. The site is appropriate for a mix of uses including marine and leisure uses linked to current assets on the site as well as appropriate residential.

3.51 **HMS Sultan:** This is a major training site and is one of the largest employers in the Borough. It currently accommodates the Royal Navy School of Marine Engineering and the Royal Naval Air Engineering and Survival School. The site employs almost 2,600 people (including approximately 1,350 trainees, 450 service personnel and 800 civilians)[15]. The estimated expenditure of the base on goods and services to the Gosport economy is some £13.3million per annum out of a potential £25.2 million.

3.52 In 2007 the MoD announced that the training function at HMS Sultan would move its training facilities to St Athan in South Wales in 2017. However

[14] The Impact of the Defence Sector on the Economy of Gosport (University of Portsmouth 2008)
[15] The Impact of the Defence Sector on the Economy of Gosport (University of Portsmouth 2008)

following the Strategic Defence and Security Review 2010 this proposal is no longer proceeding. It remains unclear whether the MoD will retain the HMS Sultan site for training or other defence purposes post 2020.

3.53 The Borough Council's position is that it will continue to lobby that the site remains a major training base. However as there is a question over the future of this site it is necessary to consider the implications of both the closure of the training facility and its potential release. Due to the uncertainty about its release it is not considered appropriate to identify as a Regeneration Area although the Borough considers it necessary to ensure the site is used for employment purposes should the site be released to at least compensate for the potential number of jobs lost in the Borough. Consequently the HMS Sultan has been identified as an Employment Priority Site in the emerging Local Plan.

3.54 The University of Portsmouth (2008) report shows that the impact of any rundown of HMS Sultan is likely to be one of the most important factors affecting future employment and income within Gosport. This means that in the event of a rundown of HMS Sultan's activities it is vital that the site is used to generate new employment and income opportunities. At the moment it currently supports a total of 2588 posts on 57.5 hectares. This figure of approximately 45 jobs per hectare reflects the labour intensive nature of the training establishment. This suggests that future planning decisions will need to address the problem of how to most efficiently use the site.

3.55 The Portsmouth University Study concludes that the challenge is for the Borough and its partners to 'enable' the local economy to respond to these changes positively and proactively. The key to dealing with the forthcoming changes in the local defence establishment must be to attempt to ensure that the local jobs and income lost are replaced by new job opportunities. The worst possible scenario for the Borough would be for these important sites to be left empty and undeveloped due to uncertainties over their future roles. Thus the Borough Council must act to ensure that unwanted and unused land is made available for development that is sensitive to both the needs of the local community and of the local economy.

Protection of existing sites

3.56 The Employment Land Review assesses the appropriateness of protecting existing employment sites for office, industrial and warehousing uses with further details set out in the accompanying Site Profiles document. The sites included in Table 3 were considered important to retain for employment purposes as they contribute to the overall mix of B1, B2 and B8 uses in the Borough. However it is recognised that some of these sites may need modernising to meet the needs of modern business and that in certain cases some enabling development may be required to facilitate this. It is also recognised that in the changing economy there may be the need to accommodate non-B1, B2 and B8 employment uses on some of these sites where other policy tests (such as retail tests) are met.

Table 3: Protect as an 'Existing Employment Site'.

Brockhurst Industrial Estate	Frater Gate: Glenmore Business Park	Huhtamaki, Rowner Road
Cement Works, Fareham Road	Frater Gate: Gosport Business Centre	Institute of Naval Medicine
Cranbourne Industrial Estate	Frater Gate: Oaklands Office Park	Quay Lane Industrial Estate
Defence Munitions (DM) Gosport (not whole site only core area)	Frater Gate: Ordnance Business Park	Regent Trade Park
Fareham Reach	Haslar Marina	Royal Clarence Yard (The Cooperage and North Meadow)
Former Cyanamid	Haslar Marine Technology Park	St George Barracks South
Forton Road Industrial Estate	Heritage Business Park	Vector Aerospace
Frater Gate Business Park	Huhtamaki, Grange Road	Venture Business Park

Business clusters and Protection of employment assets

3.57 The Employment Land Review also consolidates information relating to the identification of important clusters of businesses within Gosport and why such clusters are important to the local economy.

3.58 Business clusters represent the geographic concentration of interconnected businesses and institutions and often highlight that the location has a competitive advantage within that particular sector (*Clusters and Competitiveness* Porter, M 1998). The development of existing clusters and/or the emergence of new ones will impact on the level of demand for new employment floorspace including the type of premises and whether there are any specific locational requirements. In many cases individual businesses enjoy benefits of being located within an area where there are other businesses within a cluster. These benefits include the use of specialised facilities, being part of a specialised supply chain, benefiting from a positive local reputation, sharing knowledge and expertise and the ability to lobby for mutual interests. In addition such clusters support other local businesses including a range of service industries (e.g. catering, retail, business services such as accountancy) which may develop their own linked specialisms.

3.59 In order to strengthen existing clusters it is important to safeguard important assets which help protect and create opportunities. Key assets are outlined below:

3.60 **Waterfront sites, particularly deep-water assess:** The importance of this issue is identified in the Solent Waterfront Strategy (SEEDA 2007). It identifies sites that are important for marine industries where access to the water including deep-water are necessary. Defence sites at Frater Bedenham and Fleetlands (Vector Aerospace) are considered to be of national importance given the scale of navy employment in the area and its contribution to the local economy. Daedalus has been identified as of regional significance as it is the only sizeable coastal site which marine industries could be accommodated with room to expand.

3.61 The Strategy also identifies the area between Haslar and Priddy's Hard as of regional significance and that this area has a long history of marine activity, defence and employment uses.

3.62 **Other marine-related facilities:** Such existing facilities can support existing businesses and encourage others to locate to the Borough. This could include the marine testing tanks at the Haslar Marine Technology Park, the boat lifting facilities at the Gosport Waterfront and diving facilities at Blockhouse. Slipways including the one at Daedalus are also important assets.

3.63 **Airfield and other air-related facilities:** The runways at Daedalus with supporting airfield infrastructure (control tower etc) are critical for attracting investment to the site and new employment opportunities. There are also facilities at Vector Aerospace that are important.

3.64 In relation to the above the Local Plan will need to include a policy which protects these and other assets. The Plan will also include safeguarding policies which aims to ensure that requirements for uses such as the airfield at Daedalus are not compromised by other forms of development in the vicinity.

3.65 Linked to the importance of protecting assets that support clusters is the need to ensure that local residents have sufficient skills to work in these industries. This issue is considered below.

Skills and Training

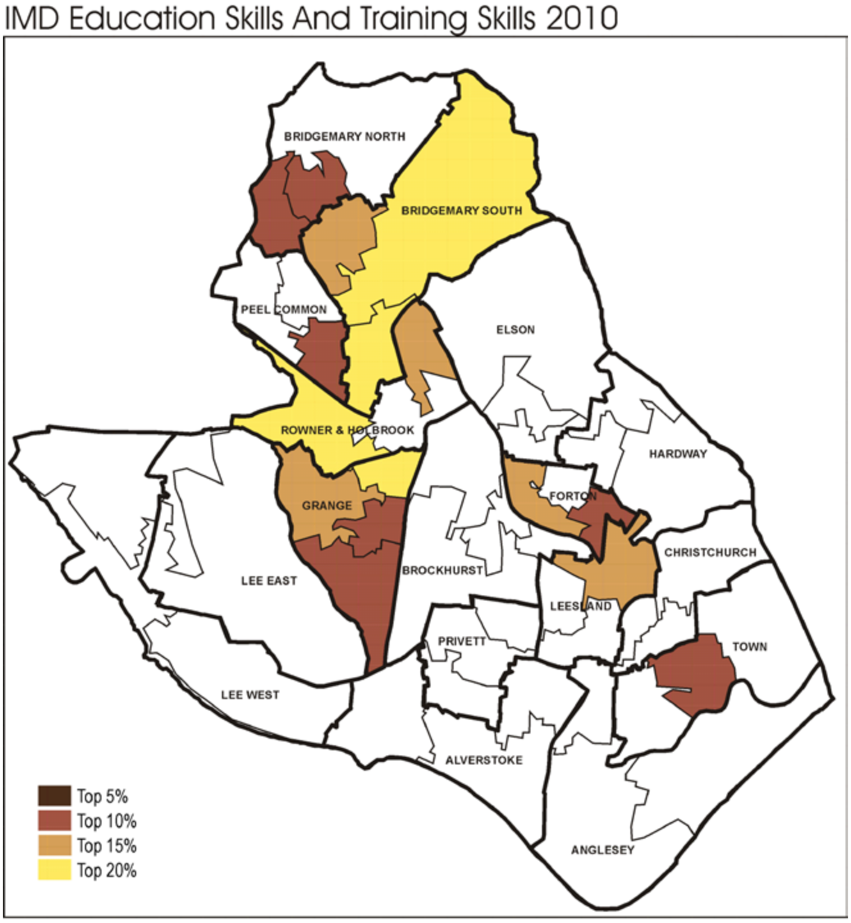
3.66 The Borough is considered to have significant pockets of deprivation in relation to education, skills and training as highlighted by the most recent indices of deprivation (Figure 2) which shows that a number of areas perform relatively poorly for a range of indicators. Some areas particularly in Bridgemary North, Peel Common, Forton, Grange and Town are in the Top 10% most deprived areas (super output areas) in England.

3.67 Some key statistics are highlighted below:

- 9.1% of the working age population in Gosport have no qualifications. This is higher than the county average but lower than the South East and Great Britain averages (ONS Annual Population Survey January-December 2010 cited by NOMIS 2011).
- The proportion of the working age population within the Borough who have attained a HND, Degree and Higher Degree level qualifications or equivalent as their highest qualification is significantly lower than the Hampshire, South East and Great Britain averages. The rate of 16.8% is currently the lowest in Hampshire (including the two cities) (Annual Population Survey January-December 2010 cited by NOMIS 2011).
- Gosport underperforms from early years through to GCSE which according to the Solent LEP will have implications for the skills of the future workforce and prevalence of worklessness and it threatens both individuals' and our wider growth aspirations.[16]

[16] EU Structural and Investment Fund Strategy 2014-2020 (Solent LEP 2014)

Figure 2: Most deprived areas in Gosport in relation to education, training and skills indices (top 20% most deprived super output areas in England)[17]



Source: 2001 Census, Output Area Boundaries. Crown copyright 2003.
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3.68 Some key issues relating to the provision of future training are set out below.

Provision of Vocational Centres

3.69 There are a number of places that provide vocational training in the Borough including St Vincent College[18] and the newly established Gosport College[19] which is a collaborative initiative to support the participation in education and training by young people in Gosport, commissioned by Hampshire County Council through Fareham College. There are also numerous private, voluntary and other public sector providers each with their own specialisms.[20] A new training facility at Daedalus[21] is being proposed which will provide specialist training in engineering and related professions as part of the Solent Enterprise Zone.

[17] Source: Indices of Deprivation-Revised (Communities and Local Government 2010). The Government's Indices of Multiple Deprivation includes a selection of education and training indicators including those used above as well as other indicators such as Key Stage scores, Grades at GSCE/GNVQ, the proportion of residents not entering further or higher education and absence rates.

[18] www.stvincent.ac.uk/
[19] http://www.gosport.ac.uk
[20] www.go-gosport.co.uk/forms/skillsdirectory/
[21] Just inside Fareham Borough

3.70 Planning permission has now been granted for a vocational skill centre at Bridgemary School which will help local young people to gain training for use in a number of skilled jobs included bricklaying and mechanics

Future provision of training by the Ministry of Defence

3.71 The University of Portsmouth study, commissioned by the Borough Council, 'The Impact of the Defence Sector on the Economy of Gosport' (2008), highlights the importance of the MoD training sector to the local economy.

3.72 A wide range of training programmes are undertaken by service personnel of varying levels of experience at the naval bases located within and in close proximity to Gosport Borough. At the RN Air Engineering and Survival School (RNAESS) based at HMS Sultan, training takes place in aeronautical engineering including communications and radar, weaponry and survival techniques. Technicians are also trained in all aspects of aircraft and helicopter construction and maintenance. At the same base, the RN School of Marine Engineering (RNSME) delivers progressive training in engineering craft skills, alongside marine engineering training and specialist instruction for personnel serving in nuclear submarines.

3.73 The Nuclear Department at HMS Sultan also delivers courses for both service personnel and civilians in nuclear engineering and safety. Specialist medical training, including courses on radiation medicine, is offered at the Institute of Naval Medicine to both medical and non-medical service personnel as part of their continuing professional development. HMS Collingwood located close to the Borough within Fareham, is the largest naval training establishment in Western Europe, and is the main base for the Maritime Warfare School (MWS). Service personnel undertake a variety of training programmes ranging from introductory courses to more advanced team training alongside instruction in all aspects of navigation, naval warfare and weaponry. Many of the training programmes at the various bases incorporate the use of sophisticated computer based simulation packages and equipment.

3.74 As stated previously whilst the proposed move of training functions to St Athan is no longer going ahead and facilities will be retained at Sultan for the time being there is still uncertainty regarding the long term future in the light of the Defence Spending Review.

3.75 Blockhouse also contains training facilities although its role has diminished over recent years. The Submarine Training School relocated to Devon in 2000, although the Submarine Escape tank is still used for training purposes. Tri-service sail training still takes place at the site.

Developing the Tourism sector

3.76 The tourism industry in Gosport Borough has been a growing sector with almost 1.5 million visitors a year, spending almost £78.7 million and sustaining over 1,770 jobs (Tourism South East 2010)[22]. However staying visitors make-up only a small proportion of these visits and expenditure (just under 10% and 23% respectively) and therefore there is considerable scope for this element of the market to bring greater economic benefits. The Borough itself has sufficient attractions to encourage over-night stays and serve as a base to explore the Portsmouth Harbour area, particularly those with an interest in the rich maritime heritage or those who enjoy marine activities (sailing and other water sports).

[22] Research carried out by Tourism South East using the Cambridge Economic Impact Model

Currently there is the potential for more weekend tourism as hotel occupancy rates are significantly weaker than mid-week.

3.77 Tourism South East research sets out some key statistics relating to the local tourism industry over the past decade. These can be summarised in the table below. More detailed analysis is contained within the report

Table 4: Tourism Economic Impact Estimates in Gosport:[23]

	2003	2008	2010	% Change between 2003 and 2010
Total staying visitors	168,000	147,000	144,000	-14.3%
Total tourist day visitors	945,000	1,316,000	1,341,000	+41.9%
Total visitors (staying and day)	1,113,000	1,463,000	1,485,000	+33.4%
Total spend	£40,274,000	£78,636,000	£78,668,000	+95.3%
Total local business turnover generated	£57,590,000	£95,857,000	£96,417,000	+67.4%
Total jobs supported in the Borough	1,206	n/a	1,775	+47.2%

3.78 Gosport Tourism (2006) sets out a number of strengths, opportunities, potential for improvement and issues to consider which are included in the Table 6 below and has informed the Council's emerging Local Plan policy on tourism. The Strategy identifies four priority areas:

- increase tourism accommodation;
- improve the tourism product;
- improve the image of Gosport as a destination; and
- develop support mechanisms for the industry.

Table 5: Analysis by Tourism Forum of tourism in Gosport

Strengths	
Notable attractions	Market- diversity and popularity
Museums and local naval history	Waterfront/water-based trips
Priddy's Hard and Royal Clarence Yard	Caravan park/Touring base
Cycle links/trails	Local events and sporting features
Beaches and good views	Micro climate
Proximity of rail connection/Gosport Ferry/ access to other area/Continental Ferries	
Opportunities	
Priddy's Hard and Royal Clarence Yard	Waterbus and links to attractions
Alver Valley County Park	Tap into Portsmouth attractions
The Spinnaker Tower	Media links for events and PR
Holbrook Recreation Centre [now being developed as the Gosport Leisure Park]	More leisure activities, joint promotion/sport
Former HMS Daedalus site [now designated as the Solent Enterprise Zone]	
Potential for improvement	
Increase quality accommodation/ hotels	Communicate vision for future
Improve road links	Improve historical information
Enhance retail environment	Provide quality infrastructure
Develop specialist shopping interest	Develop employment opportunities
Develop street market	Increase special events
Provide quality evening economy	Create strong brand/image
Issues to consider	

[23] Source: Tourism South East research uses the Cambridge Economic Impact Model

Need for continuous improvement	Peninsula location
Need for clear decision-making	Effect of neighbouring locations
Commitment to transport investment	Improve quality of the environment

3.79 The Economic Impact of Tourism on Gosport Study (Tourism South East 2005) Study concluded that whilst tourism may be seen as a fledging economy in Gosport in view of the low volume of commercial accommodation stock and visitor attractions for local businesses, it clearly represents a significant contributor to the local economy and there is much scope for the tourism potential to be further harnessed and maximised.

3.80 In order to galvanise tourism benefits the report states that it is important to take a wider perspective and look at what is happening across the region. It is important for local authorities to invest more in tourism marketing to regain former market share and tap into new markets. Local authorities may also need to consider developing high value niche markets.

3.81 The issue of the need to increase hotel accommodation is highlighted by a number of evidence studies including:

- Hampshire Hotel Trends 2010-2012 (Hotel Solutions April 2013)
- South Hampshire Hotel Futures (Hotel Solution April 2010 for the Partnership for Urban South Hampshire and Tourism South East
- Hampshire Hotel Trends Survey 2006-2007 (Hotel Solutions April 2008) for Hampshire County, Tourism South East and local Councils in Hampshire;
- Hampshire Hotel Futures: Site Assessment, Development Testing and Issues Paper (Tourism Solutions May 2006) for Hampshire County Council and Tourism South East; and
- Hotel Sector Shortage Assessment and Site Marketing Study (Tourism Solutions August 2001).

3.82 The latest study identifies 4 hotels 59 rooms (none have been inspected /graded) and identifies the need for additional bedrooms in the Borough. It is acknowledged that the demand for hotel accommodation in Gosport over the period to 2031 is likely to grow and could support two new budget hotels potentially providing 100 new hotel bedrooms and 22 jobs. In terms of timing South Hampshire is likely to see relatively few new hotel openings in the next five years. Hotel development activity should then accelerate after 2015 as the major regeneration and development schemes are progressed and completed.

3.83 Since the study was produced a 64-bed hotel has been completed at the Gosport Leisure Park. There may be potential for additional bed space as the regeneration areas are developed and new opportunities for tourism are realised. It is therefore important for the Local Plan to help protect existing tourism assets and facilitate the expansion of this sector at a realistic and sustainable level.

3.84 The studies recognise the potential for Daedalus and the Gosport Waterfront as sites for hotel development. The study itself considers them for budget hotels. It acknowledges other potential sites including Royal Hospital Haslar, Blockhouse and Priddy's Hard.

3.85 Key challenges for hotel companies include:

- securing finance (most difficult challenge);
- difficulty of securing sites;
- securing planning permission (including the application of the sequential test);

- planning conditions and design, car parking requirements and BREEAM standards (potential to increase costs to the point where schemes became no longer viable);
- impact of policies (flood risk and safeguarding employment sites) constraining the delivery of sites with hotel potential;
- unrealistic expectations on value from site owners and a mismatch between destination aspirations and hotel market potential

3.86 The evidence sets out key requirements for supporting the development of the hotel sector including a positive planning policy framework, a spatial strategy for hotel development, provision of up-to-date data, and a coordinated approach for dealing with hotel developers. It also recognises the need to support the development of the hotel market including addressing transport infrastructure barriers for Gosport and Portsmouth, supporting staff training, effective marketing and development of a conference centre.

3.87 The earlier specific study for Gosport (Hotel Solutions 2001) sets out future prospects for the hotel industry in Gosport which are listed below and are still relevant:

Positives:

- Gunwharf Quays and the whole ‘Renaissance of Portsmouth Harbour’ project is generating significant new business for the whole area;
- Proposed LRT [now BRT], waterbus and improved ferry services will help improve access and better integrate Gosport with the wider Portsmouth Harbour area;
- Potential for major events; and
- Redevelopment of sites including commercial development should boost business tourism demand.

Negatives

- Downturn of UK economy;
- Additional hotel development is surrounding area;
- Complexity of disposing MoD sites and the associated delays. It was clear from the Gosport study that developer interest in Gosport was limited;
- Poor awareness of Gosport;
- Insufficient commercial base to support a hotel in terms of business demand;
- Accessibility issues.

3.88 The report states that addressing these weaknesses will be key to developing Gosport’s potential and that the programme of regeneration which is underway will begin to do so. It recognises that there may well be additional potential for further hotel development to take place in the future as part of the regeneration process.

4.0 CONSULTATION

Main Consultations to date including:

- Consultation at each plan-making stage:
  - Gosport Borough Local Plan 2011-2029: Consultation Draft (Dec 2012- Feb 2013);
  - Core Strategy : Preferred Options (GBC December 2009);
  - Core Strategy: Issues and Option (GBC December 2006);
  - The Community Strategy and Local Development Framework: Make Your Mark December 2006 events (held in December 2006 Gosport Partnership); and
- On-going meetings with key stakeholders

4.1 In broad terms respondents to all the previous consultations have been supportive of the Borough Council's Strategy of employment-led development. It has been clearly recognised that there is a need for more employment opportunities, which can assist with the reduction of congestion and compensate for jobs lost over recent years.

4.2 The Issues and Options consultation which included significant public comments as part of the Making Your Mark Vision Fairs[24] showed a strong emphasis on the need to retain and improve existing employment sites. There was strong support that the Borough Council should encourage the economic regeneration of existing sites (92% of respondents). There were some representations made regarding the need to increase the flexibility of uses on such sites.

4.3 Transport improvements have been cited as the most important improvement for existing and potential businesses as well sufficient land, development of key sites (Daedalus, Waterfront sites), training facilities and a skilled workforce.

4.4 There was significant support that developers should fund training agreements to support residents accessing the skills they need for local job opportunities. Detailed specific points have been made by the Gosport Business Forum highlighting that funding should encourage qualifications that reflect jobs available in the Borough and should focus on vocational schemes and apprenticeships rather than academic training. It is also noted that there should be greater liaison between schools and workplaces. A smaller proportion of respondents to this question consider that developers should not fund training agreements instead this should be provided by colleges and priority should be given for developers to fund infrastructure.

4.5 Strong support has been shown to protect educational facilities and make suitable provision for suitable sites to support the identified need for vocational training facilities.

4.6 In relation to tourism a large number of respondents consider that tourism in the Borough should be promoted including:

- the need for increased hotel accommodation;
- encouraging enhance sailing/watersport facilities;
- improving promotion of attractions and a local awareness campaign;
- increase day visitors;
- green tourism initiatives;

[24] undertaken by the Gosport Partnership (the local strategic partnership) and the Borough Council

- investment in the Gosport Waterfront and Daedalus;
- more restaurants and cultural facilities; and
- improved transport required.

4.7 At the 'Make Your Mark' exhibition 686 people responded to the 'Local Jobs' employment board, 661 (96%) people agreed that more jobs should be provided in Gosport for local people 25 (4%) disagreed. A high proportion agreed with the following statements:

- We should encourage investment to attract new businesses in the Borough (516);
- We should give people the skills to fill the jobs in Gosport (473);
- We should encourage more marine, defence and tourism businesses (393);
- We should develop a more positive image of the Borough (328); and
- We should encourage and support people starting their own business (300).

4.8 When people were asked to make suggestions relating to this issue the most popular types of suggestions were:

- Improve the A32 and access roads to Gosport (in order to encourage investment); and
- New businesses need incentives to locate here.

4.9 Many of the more detailed responses made at the Preferred Options stage were incorporated, where appropriate in to the emerging Gosport Borough Local Plan including:

- the Council should be more flexible on allowing other uses on existing employment sites;
- policy should include reference to the role of ICT;
- viability issues need to be considered on the Gosport Waterfront in terms of the types of employment uses that could be accommodated;

4.10 Key points raised to the more detailed Consultation Draft of the Gosport Borough Local Plan 2011-2029 are set out below:

Economic objectives

4.11 A number of comments have been received which support the Plan's economic objectives including providing sufficient land for employment use

Overall quantum of employment floorspace

4.12 PUSH supports the proposed employment floorspace targets set out in the Local Plan and is broadly in line with the figures set in the 2012 South Hampshire Strategy.

4.13 Views were expressed by a local residents organisation Employment should take precedence over new housing. Additional houses will simply increase out commuting with the result of increased congestion on access roads and thus make Gosport that much less attractive for investment and job creating activities.

Marine employment

4.14 A marine sector organisation stated that the Local Plan should identify the importance of utilising the harbour asset to stage international sailing events. Accordingly the {;an has been amended to reflect this point

Warehousing

4.15 A local resident's groups recognised that warehousing-type development have lower job densities and should be avoided. The Borough Council considers that B8 floorspace will not be a dominant form of employment floorspace in the Borough due to other parts of the sub-region being more accessible to the motorway. It is also recognised that distribution uses can have low job densities although in some case can be important as part of wider employment site. The Borough Council in accordance with the NPPF aims to seek an efficient use of land for employment purposes without being overly prescriptive.

Tourism

4.16 English Heritage support the recognition of heritage-related activities being tourism opportunities and a landowner at the Waterfront supported the recognition that leisure and tourism are important to the local economy.

4.17 A local hotel owner considered that the evidence base for the tourism section was weak. However the Borough Council contends that it has used a variety of studies related to tourism accommodation; the most recent published in 2013.

4.18 The same owner considered that the Policy, as written would deter will deter private houses and other premises from converting into tourist use if they see they are "locked in" with no way out. This point is addressed in the following section relating to the protection of tourist accommodation.

Marina

4.19 The Crown Estate proposed that consideration is given to developing a new marina facility further along the coastline at Lee on the Solent. There is a substantial demand for further marina berths within the Solent area, and this location would be ideally situated between the River Hamble to the West and Portsmouth Harbour to the East, with direct sailing access to the Solent. Employment would be created within the marina, and with the addition of associated marine related activities on site.

Specific sites

Gosport Waterfront

4.20 A landowner with the Gosport Waterfront area welcomed recognition that Gosport Waterfront, and therefore Gosport Marina, has the potential to accommodate a range of uses, including intensified employment development, retail floorspace and other town centre uses and residential accommodation.

4.21 However there may be a case for the loss of marine-related employment within the site if there is a net benefit in regeneration terms to the local economy through possible relocation. It may be that these employment uses can be relocated to another site within Gosport Borough or even within the wider South Hampshire Region. It is not clear which or all deep water facilities are being referred to. Whilst safeguarding access to deep water facilities (4a) is important, this must also be seen as part of the overall comprehensive approach to the development of the Waterfront. Potentially through the SPD it could be illustrated that some deep water facilities are surplus to requirements and other uses may be more in keeping with the regeneration proposals with some uses being relocated to Royal Clarence Yard and other locations; this needs to be permitted through Policy LP4 rather than an outright protection of such access points.

4.22 The MoD's Defence Infrastructure Organisation considers that the Policy is too restrictive in relation to the retained area at Royal Clarence Yard and the proposed employment uses may not be viable, particularly in relation to the presence of Listed Buildings and that residential uses should be consider

4.23 Both these points are addressed in the following section in relation to protecting marine employment and assets.

Former Frater House site/Brockhurst Gate

4.24 The land owner considered that this employment allocation should be redesignated for a wider range for economic uses. The Borough Council considered that the area outside the open space should be redesignated given the site's proximity to the Gosport Leisure Park and consequently there is greater flexibility of economic uses on the site. It is therefore proposed to allow a range of economic uses on the site subject to the relevant tests in the NPPF. This would require that the site is separated from the other two sites and forms a new policy relating to Economic Use sites.

5.0 Key issues addressed by the Local Plan

5.1 The emerging Local Plan aims to help address a number of issues identified as a result of the available evidence, policy framework and comments received from consultation.

5.2 The Plan includes policies which provide new employment opportunities, enhance local skills and develop the tourism industry. These accord with key sustainability and location principles defined in government guidance and sub-regional policy documents. The development of employment policies therefore will help to address the following issues:

- The need to utilise brownfield sites for employment purposes particularly to replace jobs previously located on them such as former MoD sites, in some cases these may be wholly employment sites or part of a mixed use site;
- The need to regenerate the local economy and improve local employment and skill opportunities including:
  - provide a significant number of local jobs to help alleviate deprivation and social exclusion, and reduce out-commuting;
  - ensure there is sufficient employment land available to meet the needs of a range of modern businesses including those of existing clusters (advanced manufacturing, marine and aviation) as well as emerging sectors (environmental technology);
  - facilitate diversification of the economy;
  - consider ways in which the local skill levels can be enhanced;
  - facilitate the refurbishment of existing sites; and
  - continue to develop the tourism sector.

- The need to Improve accessibility and reduce car usage including:
  - plan the future land in the Borough so that the need to travel is reduced and the use of more sustainable forms of transport is encouraged;
  - ensure that employment is conveniently accessible to local residents;
  - ensure road access to the peninsula is improved which will help attract new business investment;
  - ensure public transport links are significantly improved to services and employment areas within Gosport and the sub region; and
  - ensure cycling and pedestrian networks are safe and convenient.

- The need to maintain vibrant centres including ensuring that centres remain a focus for retail and office employment and other jobs normally found in these locations.

- The need to ensure that there is sufficient and appropriate levels of infrastructure including:
  - ensuring that the existing community, including local businesses is served by appropriate infrastructure and consider ways in which existing infrastructure deficiencies can be addressed; and
  - ensure the provision of the appropriate level of infrastructure and services to meet the needs generated by new development including transport improvements and water management infrastructure. This will help attract new business investment

5.3 In addition to these overarching issues a number of more specific issues have been raised as part of the consultation to the Consultation Draft of the Local Plan 2011-2029 and considered below. Further information regarding the consideration of options and the assessment of social, economic and environmental issues are included in the Sustainability Appraisal.

<u>The need to protect marine employment and assets</u>

5.4 Due to the limited and finite nature of sites with deep water access it is important that such assets are retained wherever possible. The Solent Waterfront Strategy acknowledges the importance of sites with deep water access at this part of Portsmouth Harbour. The Gosport Waterfront site is considered particularly important given its proximity to the mouth of the Harbour and the internationally important sailing waters of the Solent.

5.5 That said the Borough recognises that existing deep water facilities used along this stretch could be potentially reorganised to allow for other forms of development provided they are located elsewhere on the site. It is suggested that the Retained Area at Royal Clarence Yard could offer potential for this. If such reorganisation is not forthcoming it will be important to retain the existing facilities to safeguard existing business and allow for other marine businesses to operate in the future.

5.6 The Borough Council therefore does not consider deep water access as surplus to requirements and considers that its policy provides sufficient flexibility whilst retaining important employment assets on the site which are one of the main reasons why business would want to locate here.

5.7 It is the Borough Council's objective that the Waterfront should be a genuine mixed use site which utilise the site's important assets. This includes its access to deep water. This is vital in order to retain and enhance the Borough's marine sector, which is one of its key business clusters and supports other parts of the local economy.

5.8 Despite concerns raised to the protection of such facilities in the Gosport Waterfront area. The Borough Council considers the approach in the policy is clear. It seeks to retain deep-water access at the site whilst giving developers the possibility to relocate/reorganise the facilities within the Waterfront site thereby demonstrating significant flexibility in relation to the development of the site. It therefore recognises that certain deep water access could be lost if sufficient provision is made elsewhere on the site (such as the land at the Retain Area at Royal Clarence Yard). It would also support the retention of existing of deep water access and the provision of new facilities at the Retained Yard as this will provide additional employment opportunities on the site,

5.9 This approach is in line with its employment-led strategy and concurs with the Solent Waterfront Strategy which recognises that need to retain deep water provision to support the marine industry in the Solent. The importance of this part of Portsmouth Harbour for deep water access is recognised in the Strategy,

5.10 As highlighted by the DIO, it is acknowledged that the Retained Area at Royal Clarence Yard includes a number Listed Buildings but this does not preclude their re-use for employment purposes given that they are industrial in nature. Indeed in many respects an employment use is more likely to protect the significance of these buildings more than other uses including residential. Once detailed proposals are submitted it will be necessary to consider the significance of the buildings and what, if any changes to the building are appropriate.

5.11 It is considered that the Retained Area is very appropriate for marine uses with its deep water access and indeed would be the most appropriate location for other businesses within the Waterfront site to relocate to gain access to deep water facilities.

The need to protect tourist accommodation

5.12 LP18 aims to provide a flexible approach based on the principle of protecting tourism accommodation in order to provide the basis for a developing tourist industry. The policy does enable the change of use of tourist accommodation if it can be demonstrated that the use is no longer viable. This approach was advised by Tourism SE in earlier consultations.

5.13 However the objector (outlined in Section 4 above) makes a number of valid points and the Policy could penalise small guesthouse/B&B operators who wish to convert their property back to house. In some cases the policy would not necessarily give the required flexibility as the business may have been operating successfully but there may be other reasons why the owner wishes to change the use. As the objector points out the policy could also deter other potential businesses from entering the market if they felt that it would be difficult to convert to an alternative use.

5.14 Therefore it is proposed to introduce a threshold for the policy whereby this policy would not apply to those with a certain number of tourist bedrooms (although planning permission would still need to be sought). The suggested level is 5 or less tourist bedrooms. This will enable flexibility within the guesthouse B&B market. Accommodation with 6 or more bedrooms would be in buildings normally outside the typical guesthouse B&B market and therefore it is considered should be safeguarded unless the criteria of the Policy can be met.

Potential for a new marina in the Solent

5.15 In relation to the Crown Estates comments the Borough Council considers that no proposals have been submitted and no evidence is available to satisfy the Borough Council that a new marina could be developed without impacting on the local environment including internationally important habitats in the vicinity (Ramsar/SPA). Consequently the Borough Council is not in a position to allocate a specific site for a marina proposal. It is considered that the current policy provides suitable clarity on how the Borough Council will consider future proposals recognising the potential benefits for the local economy whilst ensuring environmental issues are properly addressed.

5.16 Proposals in the Solent would also require the support of the MMO as much of the site would be outside of the Borough boundary and consequently outside of its decision-making jurisdiction.

APPENDIX 1: Industrial Structure of Gosport

This Appendix looks at the key sectors for Gosport. It is based on work by consultants DTZ which was commissioned by Gosport Borough Council as an evidence base for the Gosport Proposition.

Advanced Manufacturing

There are approximately 1,300 workers employed in advanced manufacturing in Gosport, representing approximately 6% of total employment. In addition it is recognised that there is much more employment contained in supply chain and associated industries. Total manufacturing employment in Gosport is approximately 2,800 workers meaning advanced manufacturing makes up approximately 46% of the all manufacturing employment. This is significantly higher than many other areas, for example in the SE advanced manufacturing is only 25% of all manufacturing employment and the average across GB is 18%.

At a Gosport level there has been an increase in the number of workers employed in the advanced manufacturing sector increasing by 900 workers over the period 1998 to 2008, representing growth of 223%. Over the same period employment in this sector has declined at a PUSH and SE level. Overall Gosport has a significant share of employment in the sector relative to the SE, with the proportion of employment in this sector in Gosport being approximately three times higher than the average across the SE.

The sector is an important sector in terms of GVA generation. For example, the sector generates GVA per worker of £66,500, (UK level, ABI 2007) more than the average GVA per worker across the whole economy of £34,800. This represents a growth in GVA per worker in the advanced manufacturing sector of 53% since 1997. Over the same time period the whole economy GVA per worker has grown by 42%.

The importance of employment increase in Gosport in the advanced manufacturing sector is magnified due to the high levels of GVA per worker created.

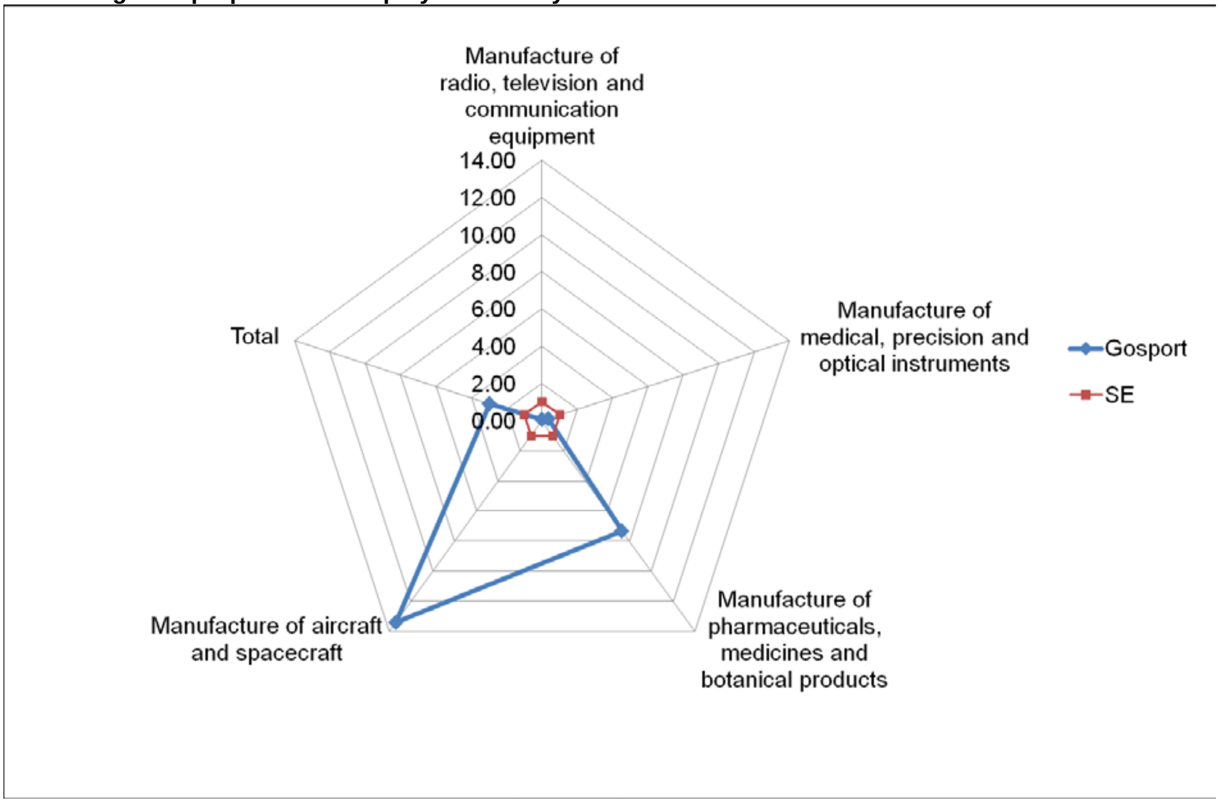
Figure 1: Current Position of the Advanced Manufacturing Sector

	Gosport	PUSH	South East
Employment	1,300	15,300	77,300
Businesses	Fewer than 50	300	2,600
Employment Change (98-08)	900	-5,300	-34,600
Location Quotient (vs SE)	2.98	1.67	1

Source: ABI 2008, DTZ

Gosport’s employment in the advanced manufacturing sector comes almost exclusively from two main sub-sectors. Around 800 people are employed in the manufacture of aircraft and spacecraft subsector and approximately 400 workers are employed in the pharmaceuticals industry. These are important sectors to the Gosport economy as many of the jobs are high value added. Figure 2 shows the influence of the two sub sectors have on the overall employment in advanced manufacturing in Gosport. They both have significantly above average concentrations of employment and provide the vast majority of employment in the advanced manufacturing sector in Gosport.

Figure 2 proportion of employment in key sectors



Aerospace

The aerospace sector is one of the UK's highest value adding manufacturing sectors. It *provides the UK with one of the largest exporting industries, with exports accounting for 69% of the sectors' sales in 2008.*[25] *In addition as a sector it generates significant supply chain employment.*

Employment in the aerospace sector in Gosport has increased by 800 workers over the period 1998 to 2008, growing from a sector with virtually no employment to its current size. This represents approximately 4% of total employment. Over the same period PUSH employment in the aerospace sector has increased by 700 workers, with 4,700 workers being employed currently. This means that employment in the other parts of PUSH outside of Gosport have actually seen employment decline over this time. Gosport has seen strong employment growth at a time when aerospace employment overall across GB has declined by around 3%. GVA per worker has increased by 34% over the period 1998 to 2007, increasing from £53,200 to £71,200 in the PUSH area.

Figure 3: Current Position of the Aerospace Sector

	Gosport	PUSH	South East
Employment	800	4,700	11,100
Businesses	Fewer than 50	Fewer than 50	100
Employment Change (98-08)	+800	+700	-2,300
Location Quotient (vs SE)	13.4	3.57	1

Source: ABI 2008, DTZ

The location quotient shows that Gosport has a very strong concentration of aerospace employment when compared to the SE. 3.9% of Gosport's total employment is in the aerospace sector compared with 0.3% of employment in the SE. This means that aerospace employment in Gosport is over 13 times more concentrated than in the SE.

[25] UK Trade and Investment website, Sectors Aerospace (Civil) Available at: https://www.uktradeinvest.gov.uk/ukti/appmanager/ukti/sectors?_nfls=false&_nfpb=true&_pageLabel=SectorType1&navigationPageId=/aerospace (Accessed 14.2.2010 DTZ).

The maintenance, repair and overhaul aerospace related subsector has good growth prospects and offers the potential for Gosport to diversify its aerospace sector further into civil and commercial aerospace markets as currently there tends to be a large focus on work in the defence sector.

Creative Industries

The creative industries sector in the UK had an average annual GVA growth rate of 4% *between 1997 and 2006, compared to an average of 3% growth per annum for the whole economy.*[26] *Creative industries employment grew by 2% per annum nationally, faster than the whole economy growth rate of 1% over the period 1997-2007.*

The creative industries sector employs approximately 1,200 workers in Gosport, an increase of 700 from 1998 to 2008, meaning that employment grew by 126% over this period. Employment growth in the creative industries was also strong in PUSH and the SE, with growth rates of 112% and 115% respectively. Despite strong employment growth in the creative industries sector in Gosport the sector is still underrepresented when compared with the SE.

GVA per worker in the creative industries sector has grown by £12,400, over the period 1998 to 2007, increasing from £29,300 to £41,700. GVA per worker in the sector is higher than the whole economy average GVA per worker of £34,800.

Figure 4: Current Position of the Creative Industries Sector

	Gosport	PUSH	South East
Employment	1,200	32,200	355,200
Businesses	200	3,900	52,200
Employment Change (98-08)	+700	+17,000	+190,400
Location Quotient (vs SE)	0.63	0.77	1

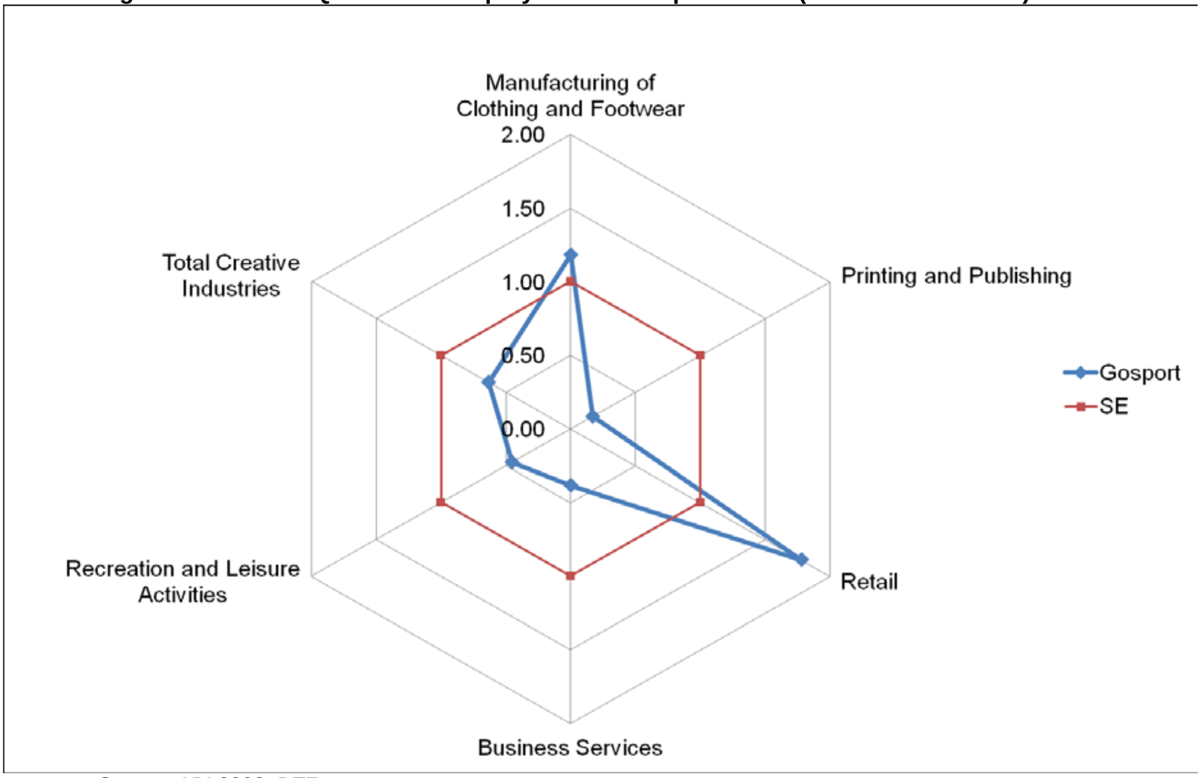
Source: ABI 2008, DTZ

The creative industries sector is typically made up of lots of very small businesses each employing only a few workers. Figure 5 shows the concentration of employment in each of the creative industry sub sectors in Gosport when compared with the SE. Some of these sectors are part of the ‘core’ creative industry such as printing and publishing, business services (i.e. digital media, IT) and recreation and leisure activities (i.e cultural activities). Other sub sectors such as manufacturing of clothing and footwear (i.e. fashion based activities) and retail (i.e. the second hand sale of goods) are not part of the traditionally thought ‘core’ creative industries but do have some elements of them which could fall under the creative industries banner.

For creative industries sector, employment is greatest in the retail sale of goods including the second hand sale of goods, i.e. ‘non-core’ and business services, i.e. ‘core’ creative industries activity. These sectors employ 600 and 500 workers in Gosport respectively, the vast majority of the total 1,200 creative industries employment in the borough. Figure 4 sets out the share of employment across the sub-sectors relative to the share of employment within the South East.
Anecdotal evidence would suggest that these strengths are not due to significant creative and cultural businesses in Gosport and in reality the sector is relatively small and undeveloped.

[26] Creative Industries Economic Estimates Statistical Bulletin, Jan 2009 http://www.culture.gov.uk/images/research/Creative_Industries_Economic_Estimates_Jan_09.pdf, Accessed 26.2.10

Figure 5: Location Quotient of Employment in Gosport vs SE (Creative Industries)



Source: ABI 2008, DTZ

The creative industries sector presents some limited opportunities for Gosport as the economy begins to recover post recession. Much of the creative industries sector has relatively low start up costs and low barriers to entry, with modern technology meaning that many people can start businesses from home or in cheap shared office space.

A study commissioned by local authorities and Arts Council England[27] found that the developing the creative economy in the Hampshire and Isle of Wight area would require a stronger infrastructure of specialist advice and support for businesses. This could look to develop closer links with other economic development areas such as tourism (exploiting the natural links between hospitality services and arts and cultural assets) or by providing value adding services for 'traditional' industries.

Environmental Technologies

Using the DTZ definition, there are 700 workers employed in the environmental technologies sector within Gosport, representing around 3% of all workers employed in the area. GVA per worker in this sector is approximately £61,400, 75% higher than the average GVA per worker for the whole economy.[28]

Employment growth in the environmental technologies sector in Gosport has been strong with the number of workers increasing by 500 over the period 1998 to 2008. This represents employment growth of 207%, significantly faster than employment growth in PUSH (56%) and the SE (20%).

Strong employment growth in the environmental technologies has increased the concentration of employment in this sector relative to the SE but the overall level remains below the SE level.

[27] Creative Returns, The Economic and Social Impact of Cultural Investments in Hampshire and the Isle of Wight, Local Authorities, Arts Council England, Jan 2008

[28] ABI 2007, Using UK level figures

Over the period 1998-2007 GVA per worker in this sector grew by approximately 50%, from £41,000 to £61,400. During the same period GVA per worker for the whole economy grew by 42%. This shows that the environmental technologies sector has a higher GVA per worker than the average but also that productivity has been growing faster than for the economy as a whole.

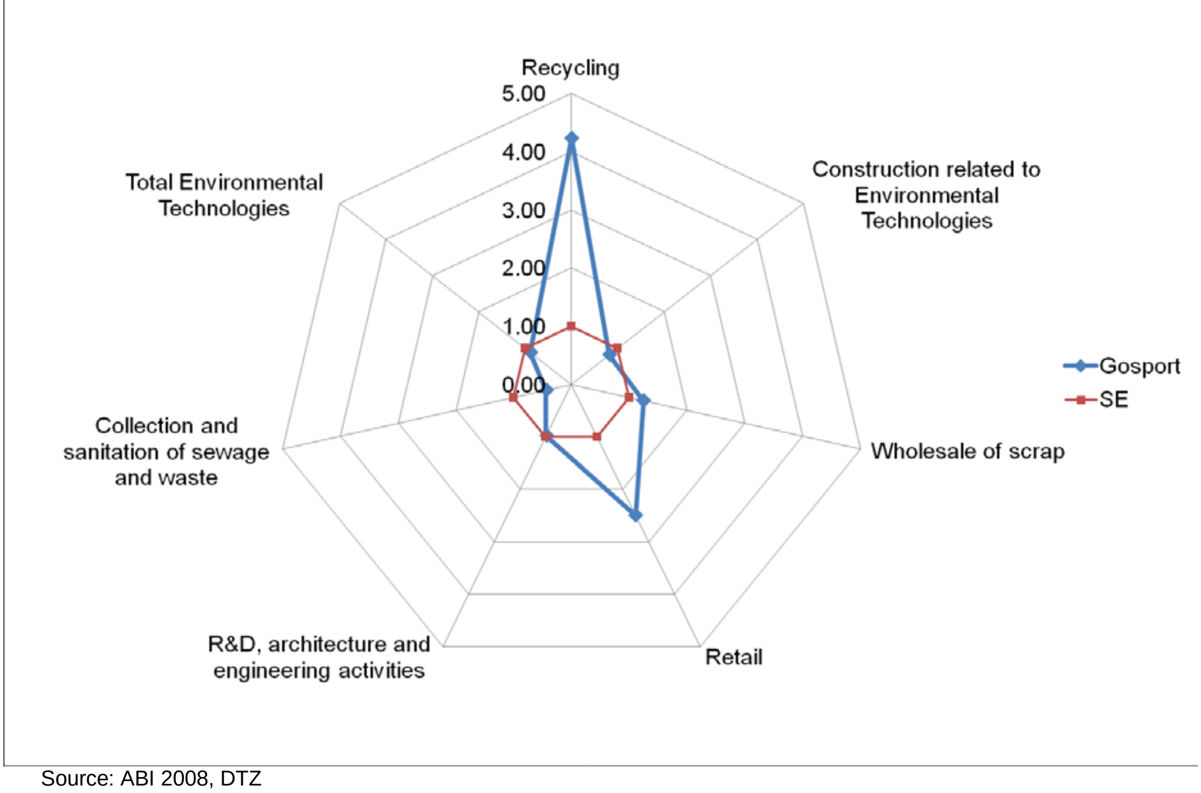
Figure 6: Current Position of the Environmental Technologies Sector

	Gosport	PUSH	South East
Employment	700	16,700	145,900
Businesses	100	1,800	17,400
Employment Change (98-08)	+500	+6,000	+23,900
Location Quotient (vs SE)	0.89	0.97	1

Source: ABI 2008, DTZ

Research and development, architecture and engineering related activities form the broad basis of environmental technologies employment in Gosport. Between them these categories employ 600 of the 700 employees in the environmental technologies sector. Environmental technology related employment in the recycling and retail sectors is small but contains a strong concentration of employment when compared with the same sectors at a SE level. This is shown in Figure 7 where recycling and retail employment is relatively more important to Gosport than the SE. The R&D strength in Gosport may not be exclusively environmental technologies given the related strengths in advanced manufacturing, aerospace, marine and defence and is likely to reflect the activity of QinetiQ. However, there are potential crossovers from these sectors to Environmental Technologies in both research and advanced manufacturing which present opportunities for Gosport. The growth prospect of the environmental technologies sector is likely to be fuelled by the further development of the Green agenda.

Figure 7: Location Quotient of Employment in Gosport vs SE (Environmental Technologies)



Source: ABI 2008, DTZ

The current R&D strength in Gosport in advanced manufacturing, aerospace and marine, coupled with the marine testing tanks and the coastal location provides scope for the research, develop and potentially manufacture and maintenance of offshore wind or wave technology. Given Gosport's coastal location and transferable skills in closely related sectors there are tremendous opportunities for Gosport to capture new markets as the environmental technologies sector develops.

Recycling employment is also likely to increase as many landfill sites have reached capacity and there are no/very few proposals to replace them. Therefore the waste generated from domestic and commercial sources will have to be processed efficiently and recycled wherever possible.

Financial and Business Services

The financial and business services sector has been one of the fastest growing sectors over the last ten years in both employment and GVA terms. This has, in part, been driven by the rapid growth in financial services, which has had extremely high productivity levels. However, the recession has impacted heavily on the employment in the sector and damaged confidence in the sector from outside.

There are approximately 2,800 workers employed in the financial and business services sector in Gosport and 99,300 workers employed across PUSH. This represents approximately 13% of total employment in Gosport and 22% of total employment in PUSH. If we focus only on advanced business services (see Annex A for definition) then we would estimate that the total employment in Gosport would currently be 1,000, approximately 5% of all employment.

Employment in the financial and business services sector in Gosport has grown by 1,000 workers over the period 1998 to 2008, an increase of 59%. At the same time employment in the financial and business services sector in PUSH grew by 20,200 (26%). Despite strong recent growth in the financial and business services sector in Gosport the employment concentration is less than in either PUSH or the SE. Gosport would need to have an additional 2,200 workers employed in financial and business services sector to have the same concentration of employment as the SE, almost doubling the current employment level.

Figure 8: Current Position of the Financial and Business Services Sector

	Gosport	PUSH	South East
Employment	2,800	99,300	903,100
Businesses	600	13,000	148,200
Employment Change (98-08)	+1,000	+20,200	+176,400
Location Quotient (vs SE)	0.56	0.93	1

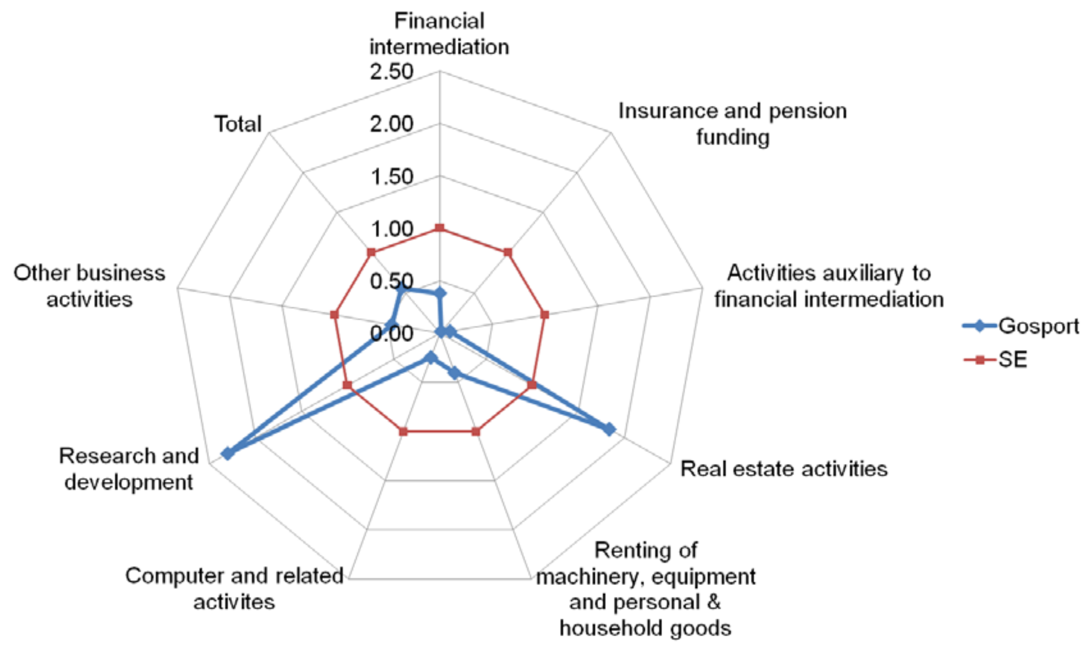
Source: ABI 2008, DTZ

Employment in the financial and business services sector is dominated by activities relating to other business activities (1,300 jobs), real estate activities (700 jobs) and research and development (400 jobs). Other business activities is a broad ranging sector which includes legal and accounting activities, advertising, labour recruitment and industrial cleaning. Labour recruitment includes the activities of agency staff who get their work through employment agencies so this can cover a wide range of different sectors. Research and development can include basic research, applied research as well as experimental development. These three sectors represent 2,400 of the 2,800 jobs in the business services sector in Gosport.

The most concentrated sub sector in advanced business services is research and development related to natural sciences and engineering which employs 400 workers (out of a total of 1,000 in the advanced business services). QinetiQ are probably the most prominent example of a business that operates in the advanced business services sector.

The importance of the real estate and research and development sub sectors is further magnified when we see that they are two areas in which Gosport has a concentration of employment which is greater than the SE for the same sectors. The high level of employment in the real estate activities is likely to be linked to the property boom of the early 2000's.

Figure 9: Location Quotient of Employment in Gosport vs SE (Financial and Business Services)



Source: ABI 2008, DTZ

Economic forecasts from Oxford Economics suggest that the business services and financial services sectors are likely to return to strong growth levels over the next few years, which will help to drive economic growth, but not to the same degree as we have seen over the last decade.

Health & Education

The health and education sector currently employs 5,300 workers in Gosport, around 26% of all employment. Employment in this sector in Gosport has increased by 800 workers over the last decade. This equates to employment growth in this sector of 17%, in comparison to 13% in PUSH and 32% in the SE.

Gosport has a slightly higher proportion of its workforce employed in the health and education sector than the SE average. Given the relative sizes of workforces in SE and Gosport, the health and education sector in Gosport employs 20% more workers than the SE.

The vast majority of health and education employment is delivered through the public sector with the exception of a few private providers.

Figure 10: Current Position of the Health and Education Sector

	Gosport	PUSH	South East
Employment	5,300	95,400	801,700
Businesses	200	3,100	29,500
Employment Change (98-08)	+800	+11,300	+195,200
Location Quotient (vs SE)	1.21	1.01	1

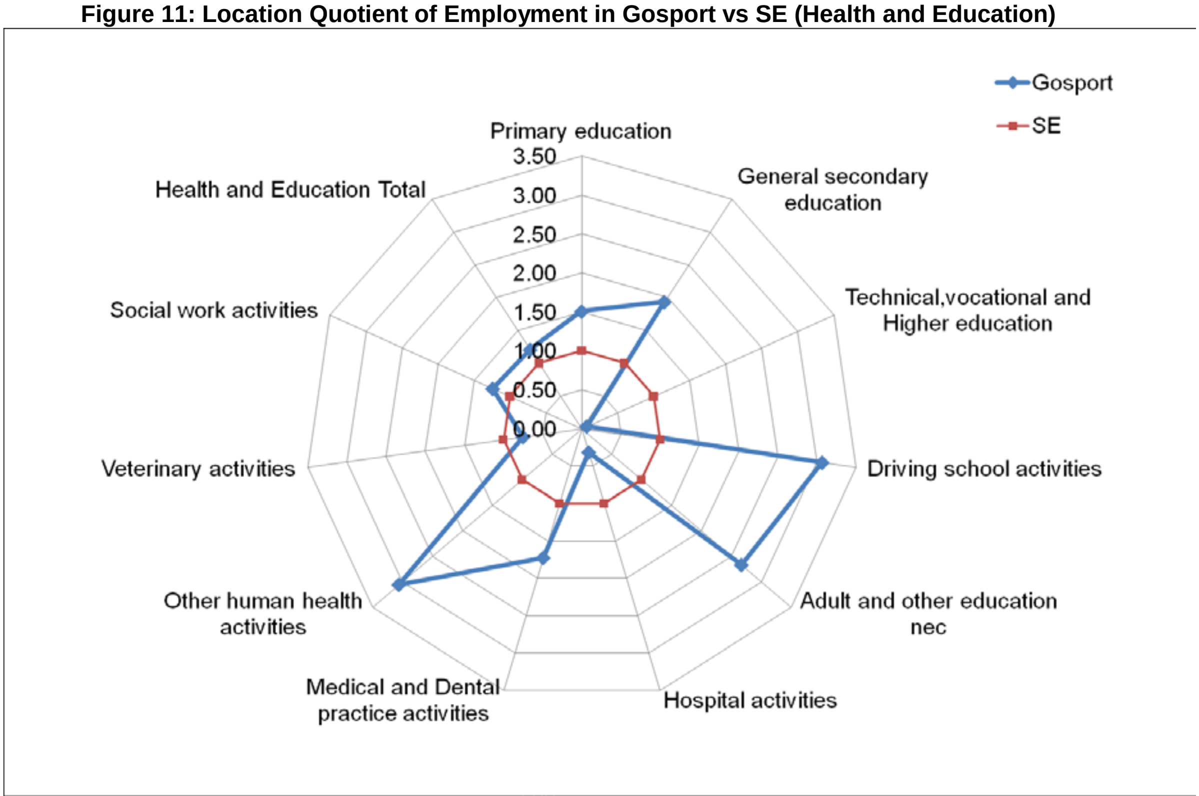
Source: ABI 2008, DTZ

Employment in the health and education sector is predominately in primary and secondary education (1,300 and 900 jobs respectively) and also in social work activities (1,100 jobs). Other important activities undertaken but at a lower employment level include hospital related activities and medical and dental practices.   In short, the data suggests employment relates to service delivery to the local population rather than activities delivering services more widely. The concentration of activity is in part a reflection on the low job density in Gosport and the relatively small-scale private sector.

Looking at the LQ of employment in Gosport in comparison with the SE it is apparent that there is a concentration of employment in the other human health activities sector, driving school activities (albeit from a very low base employment level) and adult and other education not elsewhere classified. Gosport also has a strong level of employment in the primary and secondary education when compared to the average across the SE.

Over the longer term the aging population will be a driver to the demands for the healthcare sector, particularly in areas such as residential care homes

Figure 11: Location Quotient of Employment in Gosport vs SE (Health and Education)



Source: ABI 2008, DTZ

Marine

According to the DTZ definition there are currently 200 people working in the marine sector in Gosport which represents approximately 1% of all employment. At the PUSH level there are currently 9,100 workers employed in the marine sector, about 2% of total employment. However, this understates the total importance of the marine sector to the Gosport and wider PUSH economy. The Solent Waterfront Strategy which looked at a wider geographic definition took a broader view of the marine sector and indicated that the sector in its entirety was responsible for 18% of the sub-region's total economy, approximately 48,000 jobs[29].

[29] when including the Portsmouth naval base and MOD activity, Fawley oil and petrochemical facility, tourism expenditure related to cruise visitors and educational establishments

The marine sector in Gosport experienced a marginal employment decline over the period 1998 to 2008. The surprisingly low level of employment in the marine sector given the coastal location of Gosport may be due to definitional issues. Anecdotal evidence suggests many companies in Gosport may operate within supply chains to markets ultimately marine related. Over this same period employment in the marine sector in PUSH grew by approximately 600 workers. The marine sector has a strong representation in both Gosport and PUSH when compared with the SE. However, marine based employment in Gosport is significantly weaker than marine based employment in PUSH.

Over the period 1998 to 2007 GVA per worker in the marine sector grew by 69%, increasing from £44,100 to £74,500. This compares favourably with GVA per worker growth for the whole economy of 42% over the same period. Also the GVA per worker generated in the marine sector is twice as much as the GVA per worker for the whole economy, with £74,500 and £34,800 respectively.

Figure 12: Current Position of the Marine Sector

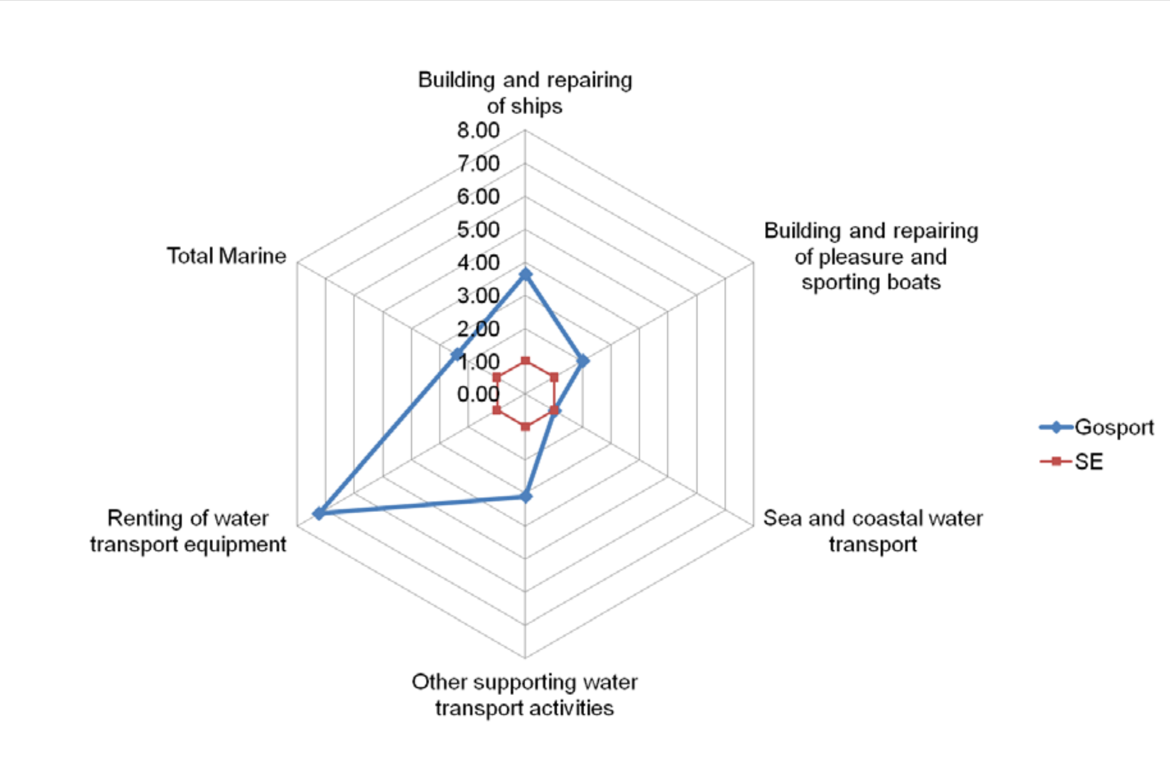
	Gosport	PUSH	South East
Employment	200	9,100	16,500
Businesses	Fewer than 50	400	1,100
Employment Change (98-08)	Small Decline	+600	-3,100
Location Quotient (vs SE)	2.39	4.67	1

Source: ABI 2008, DTZ

Of the 200 workers in Gosport who are employed in the marine sector the majority are either employed in the building and repairing of ships or in other supporting water transport activities.

Figure 13 shows that the there are many sub sectors of the marine sector in which Gosport has a strong concentration of employment relative to the SE. However, despite the relatively high concentration of employment in these sectors it should be remembered that the absolute level of employment in many of these sectors is very small especially when we consider that the total employment in the marine sector in Gosport is approximately 200 workers.

Figure 13: Location Quotient of Employment in Gosport vs SE (Marine)



Source: ABI 2008, DTZ

Key employers in this sector include Haslar and Gosport Marinas, QinetiQ, Crewsaver and Mabway Training. The marinas provide over 1,100 berths for boats including annual booking and visitor passes. The marine sub-sector supports a diverse range of supply chain businesses as it does not always require highly specialised components.[30] This means that it can use suppliers of more general engineering equipment who in turn can supply many other sectors. The future prospects of the marine sector in Gosport could be influenced heavily by the Ministry of Defence continued presence (or lack thereof) in Portsmouth given its close proximity and overall importance in employment terms. The marine sector should be considered a priority sector for Gosport.

Tourism & Leisure

In many ways the prosperity of the tourism and leisure sector is linked to the performance of the marine sector. In 2008, 718,000 visitors from overseas came to Hampshire and the Isle of Wight.[31] This included those coming for holidays, business trips, visiting friends and relatives or other reasons such as studying. The number of visits was up on the previous year's figure of 597,000 (2007) but slightly down on the recent high of 731,000 (2006).

The tourism and leisure sector employed 600 workers in Gosport as of 2008. Employment in this sector has increased by 51% between 1998 and 2008, faster than employment growth in either PUSH or the SE. Although tourism and leisure sector supports only a relatively small number of jobs directly, many other jobs are supported through associated activities such as catering and transportation, throughout Gosport borough.

Employment in the tourism and leisure sector in Gosport and PUSH is slightly underrepresented when compared to employment in this sector across the SE. GVA per worker in the tourism and leisure sector has increase from £17,200 in 1998 to £27,100 in 2007. This represents an increase in GVA per worker of 57%.

Figure 14: Current Position of the Tourism and Leisure Sector

	Gosport	PUSH	South East
Employment	600	13,900	141,200
Businesses	100	1,000	10,800
Employment Change (98-08)	+200	+3,400	+31,300
Location Quotient (vs SE)	0.84	0.83	1

Source: ABI 2008, DTZ

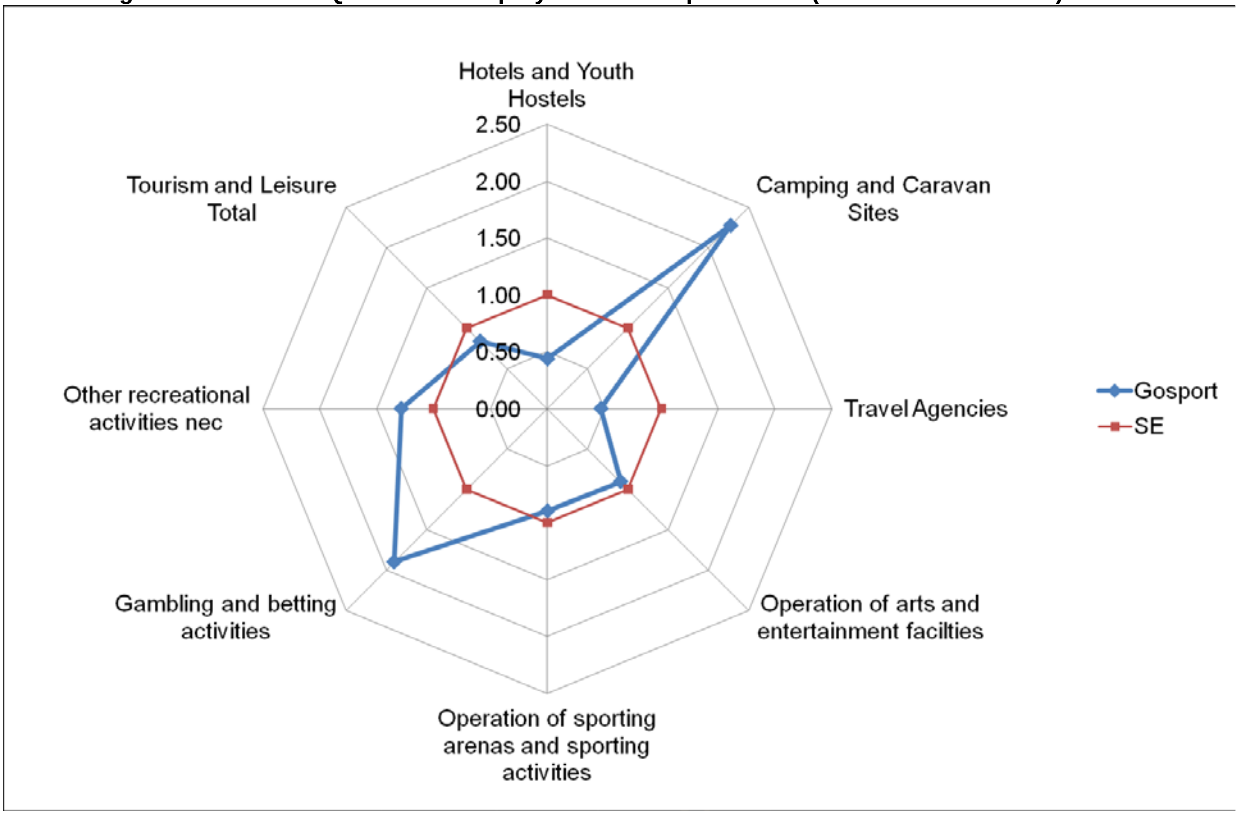
The most important sub-sector, in employment terms, of the tourism and leisure sector is the operation of sporting arenas and sporting activities. This sub-sector employs approximately 300 workers within the borough of Gosport, roughly half of all tourism and leisure employment.

The operation of camping and caravan sites and gambling and betting activities are the two areas which have the greatest level of concentration in Gosport, relative to the SE. However, the overall level of employment in these sectors is relatively small. Employment in the hotel sector is very small due to the dearth of operators in the borough.

[30] Consultations with Marine South East

[31] International Passenger Survey 2008, Office for National Statistics

Figure 15: Location Quotient of Employment in Gosport vs SE (Tourism and Leisure)



Source: ABI 2008, DTZ

There are several examples of visitor attractions which have marine links such as Explosion! Museum of Naval Firepower and the Royal Navy Submarine Museum, plus the large number of marina berths located within close proximity of the main town centre.

However the overall impression of Gosport is that is does not always perform as well as it could as a tourist destination, with issues such as a lack of overnight accommodation and a limited town centre retail offer, limiting the attractiveness of Gosport as a tourist destination. Proposals for new waterbus service linking Gosport and Portsmouth more strongly, particularly related to the key marine related visitor attractions presents an opportunity to increase footfall on the peninsula.

Annex 1A Key Sector Definitions

Advanced Manufacturing Definition

Defining the advanced manufacturing sector can be difficult as the sector does not match easily to Standard Industrial Classification (SIC) codes. This is largely because advanced manufacturing can occur in any of the core manufacturing sectors. Certainly the aerospace, electronics and chemicals sectors are likely to contain a lot of advanced manufacturing but so might metals & engineering or transport equipment. As it is difficult to tell in each of these broad sectors how much activity is advanced and how much is less specialised, DTZ have chosen the classes which they feel are most likely to include significant proportions of advanced manufacturing, but recognise that advanced manufacturing activity will occur outside of these sectors and equally, that some non advanced activities may well take place in the selected sectors. More details of the sector definition used are included in the Annex B. There is also some crossover between the advanced manufacturing sector and the aerospace and marine sectors.

Aerospace

The definition of the aerospace sector looks only at those jobs which are directly related to the manufacture of aircraft and spacecraft. Although this definition is already included in the advanced manufacturing sector definition, the aerospace sector is strategically important enough to the Gosport area that separate analysis is provided.

Creative Industries

The Department for Culture, Media and Sport (DCMS) defines the creative industries as ‘those industries which have their origin in individual creativity, skill and talent which have a potential for job and wealth creation through the generation and exploitation of intellectual property’. DTZ have based the definition of the creative industries sector on the DCMS definition used in the Creative Industries Mapping Document 2001.[32]

However, the DCMS definition is not without problems. The difficulty with accurately measuring the creative industries sector is that the ABI only counts businesses registered for VAT. This excludes many small businesses and does not include the self employed, both of which have a strong representation in the creative industries sector. Also employment in the ABI is measured by the primary occupation of the business, so a graphic designer within a manufacturing company would be classified outside of the creative industries.

Environmental Technologies

It can be difficult to define the Environmental Technologies sector as much of the activity occurs across different sub sectors of the industrial structure. Environmental technologies related activities and research might be part of the business services sector or advanced manufacturing. For example, the manufacturing of wind turbines is an environmental technology related activity but it is also part of the advanced manufacturing sector. However a large part of the manufacturing sector will not be related to environmental technologies. Therefore DTZ focused on a narrower definition of the environmental technologies sector, predominately on activities relating to recycling and treatment of waste products and research and development activities relating to natural sciences and engineering. This has the added benefit of avoiding too much duplication with the definition of other sectors.

Financial and Business Services

[32] Creative Industries Mapping Document, DCMS, 2001
http://www.culture.gov.uk/reference_library/publications/4632.aspx, Accessed 26.2.10

The types of activities included in the financial and business services sector are wide ranging, including activities such as financial services, professional services, advertising, labour recruitment and call centres. The skills requirements of these jobs can vary significantly, as can the GVA generated from each of these sub-sectors. Therefore in the definition of financial and business services there is also a sub-definition titled ‘advanced business services’ which only looks at those parts of the sector which focus on higher skill levels.

Health and Education
The sector definition used includes all workers in the health and education sector.

Marine
DTZ focused the definition of the marine sector on what we consider to be ‘core’ marine activities centred on the building and repair of water borne vessels (i.e. ships, boats, yachts etc) and activities relating to sea and water transport. Further supply chain activities are separate from the ‘core’ marine sector activities but it is recognised that they play an important role in supporting supply chain employment and GVA creation. This methodology was adopted as it can be difficult to define the marine sector as many of the activities occur in sub-sectors of other sectors. For example some marine related activities may occur as part of the manufacturing sector, the public sector (marine related research undertaken at Universities), the transport sector (sea and coastal water transport) and some elements of the business service and leisure sector.

Tourism and Leisure
We have focused on a fairly narrow definition of the leisure and tourism sector focusing on activities relating to hotels, leisure activities such as museums and arts facilities, and sporting activities. This definition has been chosen to best represent the leisure and tourism sector given the limitations with how SIC codes match with activities in the real world. The number of jobs directly supported by the tourism and leisure sector in Gosport will be far outweighed by the number of additional jobs indirectly supported.

Annex 1B: Sector Composition by SIC Code

Advanced Manufacturing
24.4: Manufacture of pharmaceuticals, medicinal chemicals and botanical products
30: Manufacture of office machinery and computers
32: Manufacture of radio, television and communication equipment and apparatus
33: Manufacture of medical, precision and optical instruments, watches and clocks
34: Manufacture of motor vehicles, trailers and semi-trailers
35.3: Manufacture of aircraft and spacecraft

Aerospace
35.3: Manufacture of aircraft and spacecraft

Creative Industries
17.71: Manufacture of knitted and crocheted hosiery
17.72: Manufacture of knitted and crocheted pullovers, cardigans and similar articles
18.10: Manufacture of leather clothes
18.21: Manufacture of workwear
18.22: Manufacture of other outerwear
18.23: Manufacture of underwear
18.24: Manufacture of other wearing apparel and accessories not elsewhere classified
18.30: Dressing and dyeing of fur; manufacture of articles of fur
19.30: Manufacture of footwear
22.11: Publishing of books
22.12: Publishing of newspapers
22.13: Publishing of journals and periodicals
22.14: Publishing of sound recordings
22.15: Other publishing
22.31: Reproduction of sound recording
22.32: Reproduction of video recording
22.33: Reproduction of computer media
52.48: Other retail sale in specialised stores
52.50: Retail sale of second-hand goods in stores
72.21: Publishing of software
72.22: Other software consultancy and supply
74.20: Architectural and engineering activities and related technical consultancy
74.40: Advertising
74.81: Photographic activities
74.87: Other business activities not elsewhere classified
92.11: Motion picture and video production
92.12: Motion picture and video distribution
92.13: Motion picture projection
92.20: Radio and television activities
92.31: Artistic and literary creation and interpretation
92.32: Operation of arts facilities
92.34: Other entertainment activities not elsewhere classified
92.40: News agency activities
92.72: Other recreational activities not elsewhere classified

Environmental Technologies (1992 SIC)
37.10: Recycling of metal waste and scrap
37.20: Recycling of non-metal waste and scrap
41.00: Collection/purification etc of water
45.24: Construction of water projects
45.32: Insulation work activities
51.57: Wholesale of waste and scrap

52.50: Retail sale: second-hand goods in stores
60.10: Transport via railways
73.10: Research: natural sciences/engineering
74.20: Architectural/engineering activities
74.30: Technical testing and analysis
75.13: Regulation: more efficient business
90.00: Sewage and refuse disposal etc
92.53: Botanical and zoological gardens etc

Financial and Business Services
65: Financial intermediation, except insurance and pension funding
66: Insurance and pension funding, except compulsory social security
67: Activities auxiliary to financial intermediation
70: Real estate activities
71: Renting of machinery and equipment without operator and of personal and household goods
72: Computer and related activities
73: Research and development
74: Other business activities

Advanced Business Services
65.11: Central banking
67.11: Administration of financial markets
67.12: Security broking and fund management
72.1: Hardware consultancy
72.21: Publishing of software
72.22: Other software consultancy and supply
73.1: Research and experimental development on natural sciences and engineering
73.2: Research and experimental development on social sciences and humanities
74.11 Legal activities
74.12: Accounting, book-keeping and auditing activities; tax consultancy
74.14: Business and management consultancy activities
74.2: Architectural and engineering activities and related technical consultancy
74.3: Technical testing and analysis
74.4: Advertising

Health and Education
80: Education
85: Health and social work

Marine
35.11: Building and repairing of ships
35.12: Building and repairing of pleasure and sporting boats
61.10: Sea and coastal water transport
63.11: Cargo handling
63.22: Other supporting water transport activities
71.22: Renting of water transport equipment

Tourism and Leisure (1992 SIC)
55.11: Hotels and motels, with restaurant
55.12: Hotels and motels, without restaurant
55.21: Youth hostels and mountain refuges
55.22: Camping sites, including caravan sites
92.32: Operation of arts facilities
92.33: Fair and amusement park activities
92.34: Other entertainment activities nec

92.52: Museum activities etc
92.53: Botanical and zoological gardens etc
92.61: Operation of sports arenas and stadiums
92.62: Other sporting activities
92.71: Gambling and betting activities
92.72: Other recreational activities nec

And

(2003) SIC
55.10: Hotels
55.21: Youth hostels and mountain refuges
55.22: Camping sites, including caravan sites
63.30: Activities of travel agencies and tour operators; tourist assistance activities not elsewhere classified
92.32: Operation of arts facilities
92.33: Fair and amusement park activities
92.34: Other entertainment activities not elsewhere classified
92.52: Museum activities and preservation of historical sites and buildings
92.53: Botanical and zoological gardens and nature reserve activities
92.61: Operation of sports arenas and stadiums
92.62: Other sporting activities
92.71: Gambling and betting activities
92.72: Other recreational activities not elsewhere classified

Appendix 2: Background Papers and References

National Guidance

Department of Communities and Local Government (DCLG)(2014*)* National Planning Practice Guidance http://planningguidance.planningportal.gov.uk/blog/guidance/

Department of Communities and Local Government (DCLG)(2012*)* National Planning Policy Framework
www.gov.uk/government/publications/national-planning-policy-framework--2

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Partnership for Urban South Hampshire (PUSH) (October 2012)- South Hampshire Strategy: A Framework to Guide Sustainable Development and Change to 2026
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Partnership for Urban South Hampshire (PUSH) (Jan 2011) - LDF Policy Framework: The Use of Developer Contributions to Provide Workforce Training
www.push.gov.uk/pjc-110111-r05-gtu-kra-.pdf

Partnership for Urban South Hampshire (PUSH)/DTZ (October 2010)- Employment Sites and Premises Demand and Supply Analysis
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Partnership for Urban South Hampshire (PUSH)/DTZ (June 2010)- Economic Development Strategy
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Partnership for Urban South Hampshire (PUSH) (2009): A Cultural Strategy for the Quality Place Delivery panel: Agenda
www.push.gov.uk/push_qpdp_cultural_strategy_jan_092.pdf

Partnership for Urban South Hampshire (PUSH) / Roger Tym & Partners at al (2008) - Property Requirements for Distribution and Logistics
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http://solentlep.org.uk/uploads/documents/Solent_LEP_Response_to_Marine_and_Maritme_Strategy.pdf

Solent Local Enterprise Partnership (2014)- Solent Strategic Economic Plan- Executive Overview http://solentlep.org.uk/uploads/documents/Solent_Strategic_Economic_Plan_-_Executive_Overview.PDF

Solent Solent Local Enterprise Partnership (2014)- Transforming Solent –Solent Strategic Economic Plan 2014-2020
http://solentlep.org.uk/uploads/documents/Solent_Strategic_Economic_Plan.pdf

Local Documents

Gosport: An Opportunity 2011-2026, Business Growth and Community Regeneration (GBC 2011 prepared by DTZ)
www.gosport.gov.uk/EasysiteWeb/getresource.axd?AssetID=21596&type=full&servicetype=Attachment

Gosport Borough Council (GBC) / Gosport Partnership (Oct 2010) – Gosport Sustainability Profile
www.gosport.gov.uk/sustainability-profile

Gosport Borough Council (2012) - Employment Land Review and accompanying Site Profiles
www.gosport.gov.uk/elr
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Gosport Borough Council is committed to equal opportunities for all.

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