

# **Gosport Borough Local Plan 2011-2029**

## **Statement on Additional Questions**

---

Q5. Taking into account the figure of 170 dwellings per annum, is the Council's aim for employment growth within the Local Plan supported by sound evidence given the employment projections in the SHMA (2014)?

Date: 20<sup>th</sup> March 2015

---



**GOSPORT**  
Borough Council

## **1.0 Introduction**

1.1 At the Examination in Public session relating to the Inspector's Question 1.4 held on 3<sup>rd</sup> March 2015, concern was expressed by the Inspector that the Council's proposed housing figure of 170 dwellings per annum (dpa) could undermine the employment objectives of the Gosport Borough Local Plan 2011-2029 (GBLP) (Examination Library LP/A1/1). Consequently the Inspector has asked the following question:

*Taking into account the figure of 170 dwellings per annum, is the Council's aim for employment growth within the Local Plan supported by sound evidence given the employment projections in the SHMA (2014)?*

1.2 This issue has been raised as an issue primarily in the light of the projections included in South Hampshire Strategic Housing Market Assessment (LP/E7/3) and accompanying appendices (LP/E7/3a).

1.3 The Council contends that there is sound evidence that the Borough can achieve employment growth whilst delivering 170 dpa.

1.4 In addition the employment projections in the SHMA for each district needs to be considered with caveats and also within the context of each district's particular circumstances.

1.5 Consequently this Paper seeks to clarify the following points:

- The need to consider the employment and economic trends of Gosport Borough in order to understand that employment growth is required to break the long-term trend of employment loss in the Borough;
- There is sound evidence to demonstrate the potential for future employment growth through the implementation of sub-regional and local economic and planning strategies;
- That investment is already taking place on strategic employment sites and that this growth is not predicated on the supply of housing in Gosport; and
- The need to consider the potential limitations of the SHMA employment projections.

1.6 These strands are then brought together to provide a justification that the Council considers that employment and economic growth can be achieved over the Plan period and that this is not determined by the proposed level of housing growth in the Borough.

## **2.0 Gosport Employment Issues**

2.1 As identified in the Employment Background Paper (LP/E1/3) and referenced in the GBLP, the Borough has had an historic dependence on Ministry of Defence (MoD) employment which has largely determined its economy to the

present day. Section 3 of the Employment Background Paper also identifies some key employment and economic issues and trends which are briefly summarised in this response in order to provide a context in which to understand that employment growth can be delivered as a result of new investment and that this growth can be achieved whilst delivering 170 dwellings per annum.

- 2.2 With the contraction of the Armed Services, particularly in relation to the Royal Navy, there has been a long term and significant decline of employment within the Borough. In addition there has been decline in MoD related and non-related manufacturing industries in the Borough. There are currently approximately 24,000 jobs in Gosport Borough<sup>1</sup> which has declined from, 33,000 in 2000 representing a 27% decrease in the employment base. Other core PUSH authorities such as Fareham and Eastleigh have experienced increases during this period.
- 2.3 The contraction in MoD landholding in the Borough has been hugely significant in shaping development in the Borough, for example in 1968 the MoD owned 38% of the land; by 2015 this has reduced to 21% with a release of 100 hectares between 2001 and 2015. As part of this massive shift in land ownership in the Borough, the land that formerly employed large numbers of residents has now been used to provide a significant number of new homes for example on sites such as Priddy's Hard, Royal Clarence Yard and St George Barracks with permission for 300 additional dwellings on the former MoD Haslar Hospital site. However during this time new employment opportunities on these sites and other available sites has been limited. As identified in the SHMA the Borough has seen the greatest percentage increase of housing stock between 2001 and 2011 at 12.7 % amongst the PUSH authorities (Paragraph 6.86 of the SHMA) whilst at the same time experiencing employment decline.
- 2.4 Consequently the proposals in the GBLP seek to partly redress this imbalance by providing new employment opportunities on sites such as the Solent Enterprise Zone at Daedalus, the Gosport Waterfront and Blockhouse whilst at the same time providing residential opportunities within these sites.
- 2.5 As highlighted above the MoD jobs have not been replaced with the equivalent number of new jobs and consequently the local residents with appropriate skills gained from such industries have had to find employment in other parts of the sub region and beyond. This has manifested itself in the significant levels of out-commuting from the Borough which has increased over time.

---

<sup>1</sup> 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)

- 2.6 There are currently 20,182 workers out-commuting<sup>2</sup> from the Borough (which represent net out-commuting of 13,400 resident workers). The overall out-commuting figure has increased by 11% from 2001 (when 18,189 out-commuted); whilst a comparison with 1991 highlights a significant increase of 57% in the number of residents out-commuting (approximately 12,900 out-commuted in 1991). Since 2001 the proportion of residents commuting out of Gosport for work has increased to 60% from 49% in 2001; and whilst the workplace self-containment ratio remains high at 66% it has fallen from 71% in 2001.
- 2.7 This relatively strong self-containment ratio does indicate that when jobs are provided locally a large proportion is filled by local residents. However job density in the Borough remains the lowest in the South East region at 0.45 jobs for each resident of working age<sup>3</sup>. It was 0.68 in 2000.
- 2.8 It is also necessary to consider the unemployed/underemployed element of the workforce which can fill new employment opportunities without necessarily needing to construct new dwellings. The current unemployment rate<sup>4</sup> for the Borough is 1.5% (January 2015) and whilst unemployment has remained below the national average (currently at 2.1%) it remains above the Hampshire (1.1%) and regional averages (1.2%).
- 2.9 The youth (18-24 years old) unemployment rate in January 2015 was 2.9% which was higher than the overall unemployment rate and higher than the average youth unemployment figure for Hampshire of 1.5% and the South East average of 1.9%. The latest Borough's economic inactivity rate is 23.4% which is higher than the South East average of 20.1% and the UK average of 22.6%<sup>5</sup>
- 2.10 In the light of these commuting, unemployment and economic inactivity issues there is consequently a pool of existing potential labour that would benefit from new employment opportunities in the Borough. Therefore from the new employment opportunities being generated which are outlined below there is clearly significant scope for these positions to be filled by local residents, particularly as there are a number of initiatives to improve skills to match the new jobs being created, for example the newly opened Centre of Excellence in Engineering and Manufacturing Advance Skills Training (CEMAST) on the Daedalus Solent Enterprise site.

---

<sup>2</sup> 2011 Census –excludes those working overseas

<sup>3</sup> (ONS Jobs Density 2012 cited by NOMIS 2011). For this indicator total jobs includes employees, self-employed, government-supported trainees and HM Forces.

<sup>4</sup> Seasonally adjusted claimants of job seekers allowance (16-64)

<sup>5</sup> <http://documents.hants.gov.uk/Economy/HampshireLMBJanuary2015.pdf>

### **3 Evidence that employment growth can be achieved**

- 3.1 It is important to recognise that the Solent Local Enterprise Partnership (LEP) endorses the broad thrust of the PUSH South Hampshire Strategy (LP/D1/1) as set out in the LEP statement on page 4 of the Strategy. In particular it welcomes the provision for housebuilding to match growth forecasts. Consequently the Solent LEP does not have an issue with the housing figures apportioned to each District, including that allocated for Gosport Borough. The Council consulted with the Solent LEP on the soundness of its Local Plan and no comments have been received. It is also noteworthy that the Solent LEP is represented on the steering group which is undertaking the review of the South Hampshire Strategy which will take into account the findings of the SHMA.
- 3.2 The Solent LEP's, Solent Strategic Economic Plan 2014-2020 (SSEP) (LPE4/17 p13) recognises that the Solent LEP and its partners have a strong track record of delivery and that it has already attracted significant investment through the Growing Places Fund and Regional Growth Fund and the designation of the Enterprise Zone at Daedalus on the Gosport peninsula. The Solent LEP's Strategy therefore highlights a commitment to both the Daedalus site and Gosport as a whole.
- 3.3 The significant on-going investment in transport infrastructure on the Gosport Peninsula is improving the attractiveness of new employment sites in the Borough through improved accessibility. This has included the recently completed Bus Rapid Transit and the current road access improvements to the Peninsula along Newgate Lane. Further proposals are likely to include the proposed Stubbington Bypass. Such improvements together with on-site investment to enhance employment opportunities will help realise the potential of the Solent Enterprise Zone at Daedalus and other existing and proposed employment areas in the Borough.
- 3.4 The GBLP Policy LP5 promotes the employment-led mixed use development at Daedalus with provision of 75,000 sq.m. employment floorspace within the Borough itself as well as provision for 350 dwellings during the Plan period. This policy is supported by a more detailed Daedalus SPD (LP/F2/1). Planning permission has been granted in principle for a comprehensive mixed use development on the site subject to the completion of a Section 106 agreement.
- 3.5 Progress towards stimulating the local economy and creating new employment generation is already underway at Daedalus (LPE4/17 p39) with significant infrastructure investment by the Solent LEP for on-site infrastructure including improvements to the airfield itself as well as connecting transport infrastructure to improve access to and from the

Peninsula. As previously mention a new training college (CEMAST) specialising in advanced manufacturing, marine and aviation skills has recently opened to provide the skills required for the types of industry to be located on the site. Premises for new start-up businesses have been constructed and proposals are coming forward for other businesses on the site.

- 3.6 In addition the SSEP recognises the Gosport Waterfront (p40) as being of strategic importance with opportunities to intensify employment generating uses, particularly marine-related employment utilising the opportunities to access deep water. Indeed the continued operation of marine businesses at the Gosport Waterfront and other sites on the Peninsula such as Blockhouse is an important employment and economic objective of the GBLP. This will also assist in enabling further expansion of this sector of the economy which is one of the key strengths of the Gosport and wider Solent economy. Employment on such sites can be created on the site by utilising existing skills in the area or utilising those workers which have recently been trained at the local training and education facilities which specialise in such sectors.

#### **4 SHMA Projections**

- 4.1 The SHMA produced for PUSH by GL Hearn in accordance with the Government's methodology considers demographic trends and the relation between population and economic growth, as well as household formation rates and how these relate to market signals. The relation between these various trends are then drawn together to make conclusions on the objectively assessed needs of the whole housing market area. The study includes nine separate projections covering a range of scenarios this includes scenarios relating to employment growth.
- 4.2 The Council has sought clarification from GL Hearn on how the employment projections contained in the SHMA should be viewed on a district-wide basis. A response from GL Hearn contained in Appendix 1 of the Paper emphasises that it seems entirely reasonable that employment growth in the Borough could be accommodated by increasing participation rates amongst existing residents; and by providing more local employment opportunities so people don't have to commute out of the area to work. GL Hearn state that it is not considered appropriate to seek to align jobs and homes at a local authority level, particularly for an authority such as Gosport which is relatively small and tightly drawn.
- 4.3 The SHMA itself (Para 7.35) recognises that the implications of economic and employment growth on housing need should be regarded as indicative as it is not based on a detailed assessment of drivers, opportunities and risks associated with future economic performance across the sub region.

- 4.4 It adds (para 7.36) that it should also be borne in mind that economic forecasting is not an exact science and is more difficult to undertake accurately than projections for future population growth. The SHMA emphasises that relating economic performance to housing need is also not straightforward and will be influenced by a range of factors including:
- Future economic and employment growth;
  - Potential changes in commuting patterns;
  - The relationship between growth in employment and the workforce; and
  - The proportion of people in different age groups who are in work.
- 4.5 The SHMA states (Para 7.37) that it is difficult to predict precisely how commuting patterns may change given the various influences on these including the balance between employment growth and growth in the workforce in different areas, skill issues and transport investment. This is of particular relevance to Gosport, (as highlighted in Section 2 above) as out-commuters represent a significant proportion of the Gosport workforce. It adds that 'given these sensitivities, the economic-led projections presented should be considered indicative particularly at a local level'.
- 4.6 In paragraph 7.50 the SHMA emphasises that,
- ' the economic modelling should be treated as a sensitivity rather than an accurate assessment of housing need. In purely methodological terms, there are inherent limitations in the accuracy of economic forecasts. Furthermore the relationship between population growth and growth in jobs locally is complex, and is sensitive to changes in employment rates, commuting patterns and double-jobbing.'*
- 4.7 It is therefore in the light of these statements that Projections A, B and Y (zero employment growth) need to be viewed (p56 of Appendix V of the SHMA Final Report: Appendices). The Council contends that the SHMA's projections relating to housing need based on employment and economic projections are much more useful on a sub-regional basis rather than at an individual district level, particularly as in Gosport's case the district has particular circumstances that need to be factored-in.
- 4.8 The zero employment growth outlined in Projection Y sets out a figure of 229 dwellings per annum (p.a.) and consequently it is understandable how it could be considered that a figure of 170 dwellings p.a. would lead to negative employment growth. However in reality the relationship is not that straightforward at a local level nor indeed is there a direct relationship otherwise it could be argued that the Borough would have seen positive employment growth over the past decade resulting from the 12.7% growth in housing stock over the decade between 2001 and 2011. Instead the reality of the situation is that more people have out-commuted or have been unable to

find work. Much of the commuting has been within the sub-region and consequently highlighting that the SHMA figures are more robust at a sub-regional rather than the local level.

- 4.9 It also the case therefore that the Borough can achieve employment growth through the delivery of particularly attractive employment sites at this time (as outlined in Section 3 above). This employment growth will not be undermined by the proposed Local Plan housing figure, as a significant proportion of the employment opportunities have the potential to be filled from those already living here who are currently out-commuting, under-employed or unemployed. Such opportunities will also contribute to the sub-regional economy and provide employment for those in the wider Portsmouth Travel to Work area.

## **5 Conclusion**

- 5.1 In the light of the above the Council contends that objective 9 of the GBLP is very much achievable due to the opportunities provided by employment-led mixed-use sites and other employment sites including the Solent Enterprise Zone at Daedalus and various waterfront sites. These can help regenerate the local economy, provide local jobs to help alleviate deprivation and social exclusion, and reduce out-commuting by largely utilising sizeable pools of existing labour markets within the existing Gosport population.
- 5.2 The new investment opportunities provided by the employment sites identified in the GBLP represent genuine and realistic ambitions to halt the trend of employment loss within the Borough which has affected the Borough's economy over the past 30 years. Therefore, in the context of the Peninsula's particular economic trends it is considered perfectly plausible to create new employment opportunities whilst constructing 170 dwelling per annum. It is considered that the proposals for employment growth is seeking to partially redress the balance whereby the Borough has experienced a significant increase in its housing stock without having the availability of high quality business sites to generate new employment opportunities.
- 5.3 The 170dph is considered an appropriate level of housing for the Borough in accordance with the South Hampshire Strategy as justified in the Council's response to the Inspector's Question 1.4. The South Hampshire Strategy including the overall housing allocation has been supported by the Solent LEP.
- 5.4 The spatial strategy of the GBLP therefore represents an aspirational yet realistic strategy to regenerate the former MoD brownfield sites and aims to ensure not only a reversal in past trends of employment decline but a potential for a step change in delivering new investment and economic growth for



Gosport. The Local Plan is aiming to facilitate increased employment opportunities to assist with employment deprivation issues as well as increase employment density and reduce the rate of out-commuting or at the very least reduce the rate of its increase. Due to the current investment in key employment sites it is considered that economic growth in the Borough will not be compromised by the 170 dwellings per annum housing rate as the jobs will be supported by the existing labour market within the Borough.

## Appendix 1: Response from GL Hearn (the consultancy which prepared the PUSH SHMA 2014) in relation to the Inspector's Question.

**From:** Nick Ireland [<mailto:Nick.Ireland@glhearn.com>]  
**Sent:** 11 March 2015 15:30  
**To:** Payne, Christopher  
**Subject:** RE: Gosport Local Plan examination [GLHN.tnlcy]

Chris

Thanks for your email. Firstly, I don't see it as appropriate to seek to align jobs and homes at a local authority level, particularly for an authority such as Gosport which is relatively small and tightly drawn and clearly relates to adjoining areas such as Fareham and Gosport. In the way the economy works, local authority boundaries are clearly somewhat arbitrary. This point is clearly made in the Planning Practice Guidance which seeks to align likely changes in job numbers and working age population in the housing market area - not at a local authority level. The SHMA identifies Gosport as part of a wider Portsmouth Travel to Work and Housing Market Area.

The evidence points to clear links to surrounding areas; and to a significant level of net out-commuting. The 2011 Census data shows a workplace population of 26,800 and a resident workforce of 40,000; resulting in significant net out-commuting of 13,400. Your figures look slightly different to these, but the overall conclusions are the same – of a shortfall of local job opportunities. This is borne out in a low jobs density (0.45 compared to 0.81 across the SE in 2012). It is reinforced by wider evidence – above average unemployment and worklessness; low earnings.

I think what makes the point most clearly however is the trend in employment in the Borough. The following graph plots trends in jobs using ONS data:



Total employment has fallen by 9,000 in the Borough over the period since 2000. The evidence points to a lack of local employment opportunities being a key driver of the net significant out-commuting. This was reinforced by the engagement with estate and letting agents we undertook as part of the SHMA work, who commented on the distance of much of the Borough from the M27 Corridor and employment opportunities along it.

It seems entirely reasonable to me that employment growth in the Borough could be accommodated by increasing participation rates amongst existing residents; and by providing more local employment opportunities so people don't have to commute out of the area to work. Given the growth planned at Fareham and Portsmouth's demographics (with a young population), it doesn't seem particularly likely that this would constrain economic growth elsewhere.

Hope this is of use.

Kind regards

Nick

[Nick Ireland](#)

Planning Director

GL Hearn Limited  
280 High Holborn  
London WC1V 7EE

M +44 (0)7827 944656  
D +44 (0)20 7851 4813  
[nick.ireland@glhearn.com](mailto:nick.ireland@glhearn.com)  
[glhearn.com](http://glhearn.com)

