

Gosport Borough Council

Joint Economic Development Needs Assessment and Economic Land Availability Assessment



Final Report
November 2018

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EXECUTIVE SUMMARY

- i. This Joint Economic Development Needs Assessment and Economic Land Availability Assessment has been prepared by BE Group and Mickledore on behalf of Gosport Borough Council. It forms part of Gosport Borough Council's review of the Local Plan, with the plan period extended to 2036.

Socio-Economic Profile

- ii. The local community is an economically active area with low unemployment. The area is moderately skilled – with lower levels of adults with degree level of above, compared to the Solent LEP, but overall a higher percentage of workers with some level of qualification. Gosport is highly urbanised. Its population has grown by 12 percent over the last 20 years, although significantly the working age population has grown more slowly.
- iii. Gosport is a significant out-commuter location. Importantly, the data suggests that commuters are travelling outside of the Borough for higher value jobs. Further, high-quality, attractive business workspaces in the borough would help to provide a more diverse range of quality jobs in the borough.
- iv. The borough has clear sectoral employment specialisms including **manufacturing of paper and paper products, repair and installation of machinery and equipment, manufacture of textiles** and **scientific research and development**. Paper and paper products demonstrate Huhtamaki's importance in the economy. The marine industrial sector would be represented in repair and installation of machinery and equipment and manufacture of textiles. All these specialisms require skilled workers.

Property Market Assessment

- v. The property market has been reviewed from the perspectives of past transaction data, currently available premises, demand for stock and discussions with locally active commercial agents.
- vi. Commercial transactions over the last decade have predominantly been for small units for both office and industrial premises. However, there is an important market for mid-size industrial premises that, while having a smaller transaction volume than smaller premises, remains an important market for Gosport.

- vii. There are only a limited amount of vacant premises available in the market in Gosport, constraining supply and limiting choice for potential occupiers. This risks meaning that Gosport misses out on new businesses to neighbouring areas. The vacant industrial premises are mostly contained within two schemes and once the immediate availability of premises at Fareham Reach and Daedalus Park has been exhausted, there is not an obvious location for further premises that could service this market. Furthermore, the marine industry is constrained due to a lack of on/near water premises.
- viii. Where further stock has been made available (e.g. Daedalus Park), take-up of the units has been strong and has lifted overall transaction numbers for that period.

Company Survey and Business Engagement

- ix. The study included a business survey to a random sample of businesses currently operating in Gosport of the types that typically locate in B-class premises.
- x. Overall the respondents showed confidence in their business prospects over the coming year. The survey has shown a strong sense of loyalty to the area from Gosport businesses, with several long-term companies and relocation decisions (past and current) favouring alternative locations within Gosport. However, the connection of the businesses to the area is being strained by transport concerns, which emerged strongly from the survey as the prime disadvantage of operating a business in Gosport and a factor in future relocation decisions.
- xi. A significant percentage of respondents indicated a potential to relocate sites in coming years. Given the lack of available premises in Gosport, this represents a significant risk of losing businesses that are unable to find alternative premises.
- xii. The primary research with businesses also included a series of in-depth, one-on-one consultations with key businesses in the borough. A key theme emerging through these consultations was the impact that traffic congestion in Gosport has on the businesses, and critically is influencing future decision making in terms of business locations and operations. The consultations also highlighted the importance of the marine industry sector to Gosport and the need to protect the marine assets from encroachment from incompatible uses.

Existing Employment Sites

- xiii. The review of existing employment sites found that most were at or near built capacity, with very limited opportunities for new built premises within or adjacent to the existing built stock. This significantly reduces opportunities for businesses to easily enter the market.

Currently Identified Employment Land and Floorspace Supply

- xiv. The existing employment allocations from the adopted Local Plan have been reviewed, as well as other potential sources of supply, such as outstanding permissions and developable land within existing employment areas. These are summarised below, which shows a potential net supply of 27.81 ha and 94,516 sqm of floorspace. However, this must be seen as a maximum potential and relies on all sites, permissions and other potential sources to be realised.

Known supply following review of existing sources of supply identified for the period 1st April 2016-31st March 2036*¹

Site ref	Source of supply	Employment Floorspace gain (net) (sq.m)	Employment floorspace (gross) (sq.m)	Land available (ha)
Completions 1st April 2016-31st March 2018 (Table 31)		8,340	17,600*¹	N/A
Outstanding permissions (Table 32)				
E/LW/1	Daedalus* ²	47,432	61,339	11.83
E/AG/1	Haslar Hospital (B1a)* ³	2,805	2,805	0.70
E/RH/1	Huhtamaki –Rowner Road (B1-8)	9,629	11,660	4.27
Subtotal outstanding planning permissions		59,866	75,804	16.8
Outstanding allocations still considered appropriate (Table 34)				
E/BH/6	Huhtamaki - land south of Grange Road.	8,400	8,400	1.4
E/CC/3	Royal Clarence Yard Retained Area	9,500	9,500	3.7
E/TN/3	Other sites in Gosport Town Centre	0	Not known at this stage	-
Subtotal outstanding allocations		17,900	17,900	5.1
Remaining developable within existing sites without current planning consent (Table 36)				
E/BN/5	Standard Aero	3,750	3,750	1.39
Subtotal remaining developable land		3,750	3,750	1.39
Other sources of supply to come forward in short/medium term (Table 37)				
E/BN/3d	Wickham Laboratories, Hoeford Point	7,000	7,000	2.32
E/TN/6a	Boatyard, Haslar marina	2,000	2,000	0.5
E/AG/7	Gunboat Sheds, Haslar Road	4,000	4,000	1.7
Subtotal of other sites		13,000	13,000	4.52
Total current supply including completions		102,856	128,054	N/A
Total available supply minus completions		94,516	110,454	27.81

Source: Gosport Borough Council, BE Group, 2018

*¹ see footnotes below Table 38 in main text for further explanation

- xv. In addition to this, Gosport Borough has key military sites that may be vacated by the MoD over the next decade. HMS Sultan and Blockhouse have the potential to provide significant additional employment land and floorspace in Gosport, which would alleviate supply pressures, if they become available to the general market. This is considered in detail in Section 8.

Functional Economic Market Area

- xvi. The primary functional economic market area for Gosport can be approximated by the local authority areas of Gosport, Fareham and Portsmouth. The remainder of the Solent LEP area (Winchester, Eastleigh, Southampton, Havant, East Hampshire, Test Valley, New Forest and the Isle of Wight) can be considered as a secondary functional economic market area for Gosport.

Objectively Assessed Need

- xvii. The objectively assessed need for employment land and floorspace in Gosport between 2016 and 2036 has been assessed through a multi-pronged approach, including looking at past employment land and floorspace take-up rates, employment forecasts and comparing to Solent LEP averages. From the assessment it was considered that using past take-up rates was the most appropriate forecast method for Gosport.
- xviii. Including a five-year buffer, the objectively assessed need for employment land to 2036 is 20.0 ha (77,500 sqm) for the baseline scenario, or 28.5 ha (111,300 sqm) assuming that the MoD sites (HMS Sultan and Blockhouse) become available and spur land take-up.
- xix. If a more aggressive growth strategy was to be pursued, or economic conditions were sustained at an above average level over the course of the forecast period, the forecasts of Model 1's growth scenario of 116,000 sqm floorspace and 30.0 ha of employment land should be adopted. Including a five-year buffer, this equates to 145,000 sqm and 37.5 ha.

Supply vs Demand

- xx. Reviewing the supply and demand dynamics in Gosport has shown that, while the overall potential supply appears to be sufficient to meet demand to 2036, the nature of the supply (brownfield, some uncertainties regarding timing and eventuality) and

the need to provide choice in the market strongly suggests that further sites should be brought forward in the market.

Recommendations

xxi. This study has concluded with the following recommendations for Gosport Borough Council.

- Further employment site options be added to the suite of site allocations, to provide the market with further choices
- If HMS Sultan is released by the MoD, Gosport Borough Council should ensure that it has an on-going employment function, providing a broad range of B-class employment units.
- If Blockhouse is released by the MoD, Gosport Borough Council should ensure that it has an on-going employment function focussed on marine industry and offices.
- The Solent EZ should be continued to be supported, with a particular focus on rolling-out the next phase of Gosport's land in the EZ to maintain momentum once Daedalus Park is completed.
- The marine sector should be supported, protected and enhanced, including protecting key sites and assets from encroachment and preserving access to the waterfront.
- Further office space is supported for the town centre, above the high street.
- Some existing employment areas are no longer suitable and should not be protected for employment.
- Non-B-class uses in employment areas have a limited function and can be supported where ancillary, complementary and no impinging on the core focus of the area.
- The employment land and floorspace should be periodically monitored, with annual monitoring of take-up (as is done presently) and regular reviews of supply and demand issues.

1.0 INTRODUCTION

1.1 This Joint Economic Development Needs Assessment and Economic Land Availability Assessment has been prepared by BE Group and Mickledore on behalf of Gosport Borough Council.

1.2 Gosport Borough Council have commenced a review of the Gosport Borough Local Plan (GBLP), which covers the period of 2011 – 2029. The review will extend the Plan to 2036 and as part of the review, this Joint Economic Development Needs Assessment and Economic Land Availability Assessment for Gosport Borough has been commissioned.

1.3 As stated in the brief, the objectives of this study are:

- *“To undertake a joint Economic Development Needs Assessment (EDNA) and Economic Land Availability Assessment (ELAA) for Gosport Borough in the context of the wider South Hampshire sub region, the PUSH Spatial Position Statement and in accordance with the NPPG.*
- *To identify underlying specific strengths and weaknesses of Gosport’s economy as well as the threats and opportunities for future employment including the release of key MoD sites at HMS Sultan and Fort Blockhouse.*
- *To undertake an assessment of various options and scenarios taking into account the findings of the above with particular reference to major MoD sites releases, the marine sector and the role of the Daedalus Enterprise Zone.”*

1.4 This study provides part of the evidence base for the latest Local Plan covering the period to 2036. It will provide a review of the economic performance of the Borough to enable future jobs growth to be forecast over the Local Plan Period, and this in turn will inform decisions on current and future land allocations as part of a wider review of the employment land and premises needs of Gosport.

Methodology

1.5 The Economic and Employment Land Study has incorporated a methodology accepted by Inspectors in England and in line with the NPPF and PPG. Research methods used include site visits, face-to-face and telephone interviews with property market stakeholders such as developers, investors and their agents. Consultations were undertaken with a number of the Borough’s major private sector employers and

key public sector agencies (Gosport, Hampshire and Solent LEP level). Desktop analysis of national, sub-regional and local reports and strategies has been undertaken.

- 1.6 The Functional Economic Market Area (FEMA) of Gosport is identified using methods identified in the PPG and a discussion of the implications of the FEMA for employment land demand in Gosport has been included in this study. This has been corroborated through consultations with officers from the neighbouring Councils and an understanding of their growth intentions.
- 1.7 Finally, the land supply has been assessed against forecast data to understand the future need for any additional employment land. This is then developed into a series of economic development recommendations that cover not just land, but also premises.
- 1.8 Attached at Appendix 1 is a list of all consultees.

Employment Land Review Guidance

- 1.9 The PPG provides guidance on how local authorities should approach both housing and employment land reviews. Two guidance notes have been produced – *Housing and Economic Land Availability Assessment* which provides a methodology of reviewing suitable land, and *Housing and Economic Development Needs Assessments*, which provides guidance on how future needs can be determined. The Housing and Economic Land Availability Assessment process takes the form of a five stage methodology under the following headings:
 1. **Stage 1: Identification of sites and broad locations** to provide an audit of available land of 0.25 ha and above. This will be a desktop review identifying as wide a range as possible of sites and broad location for development (including those existing sites that could be improved, intensified or changed). The outcome of this stage is to understand key employment land supply issues and generate a portfolio of potential employment sites to take forward for more detailed review.
 2. **Stage 2: Site/broad location assessment** to estimate the development potential. This will include a re-appraisal of the suitability of previously allocated land and the potential to designate allocated land for different or a wider range of uses. This stage entails a qualitative review of all significant

sites and premises for their 'suitability', 'availability' and 'achievability' in order to confirm which of them are unsuitable for/unlikely to continue in B1/B2/B8 employment use; to establish the extent of 'gaps' in the portfolio; and if necessary, identify additional sites to be allocated or safeguarded. This exercise will help to inform whether a site is 'deliverable', 'developable' or neither.

3. **Stage 3: Windfall assessment** Not applicable as relates to housing only.
4. **Stage 4: Assessment review** ascertaining the need for economic development uses. To understand the future quantity of land required across the main business sectors; to provide a breakdown of that analysis in terms of quality and location and provide an indication of 'gaps' in supply through economic forecasting, consideration of recent trends and/or assessment of local property market circumstances. Preferred forecast methods include:
 - Sectoral and employment forecasts and projections (labour demand)
 - Demographically derived assessments of future employment needs (labour supply techniques)
 - Analysis based on the past take-up of employment land and property and/or future property market requirements.

The outcome of this stage is to provide broad quantitative employment land requirements across the principal market segments covering Gosport's Local Plan period and an analysis of the likely 'gaps' in supply that need to be filled

5. **Stage 5: Final evidence base**, the outcome of which will be the completion of the employment land review, to be taken forward in the Local Plan. The Review is prepared in line with this advice.

1.10 The Housing and Economic Development Needs Assessments guidance further outlines factors to consider in the study, including:

- *"The recent pattern of employment land supply and loss to other uses (based on extant planning permissions and planning applications). This can be generated through a simple assessment of employment land by sub-areas and market segment, where there are distinct property market areas within authorities.*
- *Market intelligence (from local data and discussions with developers and property agents, recent surveys of business needs or engagement with business and economic forums).*
- *Market signals, such as levels and changes in rental values, and*

differentials between land values in different uses.

- *Public information on employment land and premises required.*
- *Information held by other public sector bodies and utilities in relation to infrastructure constraints.*
- *The existing stock of employment land. This will indicate the demand for and supply of employment land and determine the likely business needs and future market requirements (though it is important to recognise that existing stock may not reflect the future needs of business). Recent statistics on take-up of sites should be consulted at this stage, along with other primary and secondary data sources to gain an understanding of the spatial implications of ‘revealed demand’ for employment land.*
- *The locational and premises requirements of particular types of business.*
- *Identification of oversupply and evidence of market failure (e.g. physical or ownership constraints that prevent the employment site being used effectively, which could be evidenced by unfulfilled requirements from business, yet developers are not prepared to build premises at the prevailing market rents).”*

1.11 Table 1 shows how this Economic and Employment Land Study aligns with this Guidance. The link between the report and the PPG methodology is not always clear cut, with different sections overlapping, indeed certain steps overlap.

Table 1 – Employment Land Review – PPG Guidance

Stage 1 – Site / Broad Location Identification	
Step 1 – Determine assessment area and site size	Undertaken by Gosport Borough Council
Step 2 – Desktop review of existing information	Covered in chapters 2, 3, 4, 5, 6, 7
Step 3 – Call for sites / broad locations	Undertaken by Gosport Borough Council
Step 4 – Site / broad location survey	Covered in chapters 6, 9, 10
Stage 2 – Site / Broad Location Assessment	
Step 5 – Estimating the development potential in parallel with assessing suitability, availability, achievability – including viability	Covered in chapter 7 and Appendices
Step 6 – Overcoming constraints	Covered in chapter 7 and Appendices

Stage 3 – Windfall Assessment	
Step 10 – Determine housing / economic development potential of windfall sites (where justified)	N/A
Stage 4 – Assessment Review	
Step 11 – Review assessment and prepare draft trajectory; enough sites / broad locations?	Chapter 9
Stage 5 – Final Evidence Base	
Step 12 – Evidence Base and monitoring	Presentation of this report, with monitoring to be undertaken by Gosport Borough Council.

Source: BE Group, 2018

2.0 POLICY CONTEXT

2.1 This chapter provides an overview of the key policies and relevant supporting evidence documents at the borough, county and regional levels that may influence the planning and demand for employment land in Gosport.

National

National Planning Policy Framework (NPPF) (July 2018)

- 2.2 The framework sets out planning policies for England, as made by the Government, and the ways in which they can be applied. The introduction states that it “*provides a framework within which locally-prepared plans for housing and other development can be produced.*” The NPPF must be taken into account when developing local authority development plans and is a material consideration in planning decisions.
- 2.3 Most substantive amendments to the 2012 NPPF focus on housing policy and practice rather than employment. In terms of Local Plans, the NPPF recommends plan reviews to be completed no later than five years after adoption (Para 33) and would require Local Planning Authorities to prepare a statement of common ground with neighbouring authorities (Para 27).
- 2.4 Key for employment, and other sites, will be Chapter 11 on making ‘Effective Use of Land.’ Para 120 encourages reallocating land where there is no reasonable prospect of an application coming forward for the allocated use, specifically Local Planning Authorities should:
- a) *as part of plan updates, reallocate the land for a more deliverable use that can help to address identified needs (or, if appropriate, deallocate a site which is undeveloped); and*
 - b) *in the interim, prior to updating the plan, applications for alternative uses on the land should be supported, where the proposed use would contribute to meeting an unmet need for development in the area.”*
- 2.5 “*Local planning authorities should also take a positive approach to applications for alternative uses of land which is currently developed but not allocated for a specific purpose in plans, where this would help to meet identified development needs. In particular, they should support proposals to ... use retail and employment land for*

homes in areas of high housing demand, provided this would not undermine key economic sectors or sites or the vitality and viability of town centres, and would be compatible with other policies in this Framework.” (Para 121).

- 2.6 Additionally, planning policy should *“promote and support the development of under-utilised land and buildings, especially if this would help to meet identified needs for housing where land supply is constrained and available sites could be used more effectively (for example converting space above shops, and building on or above service yards, car parks, lock-ups and railway infrastructure)” (Para 118).*

Regional

PUSH Spatial Position Statement (2016)

- 2.7 The Partnership for Urban South Hampshire (PUSH) released the PUSH Spatial Position Statement to address *“important issues concerning the distribution of future development across South Hampshire, potential major development locations in the longer-term, and key infrastructure to support sustainable growth.”* It is intended to provide an overall statement for the PUSH region to enable individual local authorities to review their Local Plans in the context of the Position Statement. *“In doing so, they will assess the development strategy set out in the Position Statement in more detail for their area, identify specific sites and locations for development, and undertake full public consultation with their local communities.”*
- 2.8 In terms of the broad distribution of development in the PUSH area, it was noted in the Spatial Position Statement that Gosport is already a heavily built up area and thus has much less capacity to accommodate new development. It was also stated that *“discussions with the Ministry of Defence indicate that only small amounts of their landholdings may be released for development.”* If a greater level of MoD land is released than anticipated in this Spatial Position Statement, then presumably Gosport could take a larger role in the distribution of development than anticipated in the Statement.
- 2.9 The Spatial Position Statement included estimates of net changes to employment floorspace for each local authority area, based on positive planning for economic growth and subject to further assessment. The Position Statement stated that local authorities should plan on the basis of these estimates. For Gosport the net change

estimates between 2011 and 2034 were 28,000 sqm for offices and 46,000 sqm for mixed B-class uses (total 74,000 sqm). This equates to about 6 percent of the total PUSH estimate for offices and 10 percent of the total for the mixed B-class uses.

- 2.10 The Spatial Position Statement names the Solent Enterprise Zone at Daedalus as one of the Strategic Employment Locations in the PUSH area.
- 2.11 The Statement identified waterfront sites as being of “*critical importance to supporting the marine and maritime sector in the sub-region.*” Endeavour Quay, Royal Clarence Yard and Solent Enterprise Zone are Gosport waterfront sites identified as being of sub-regional significance and to be protected through local plans.
- 2.12 This Position Statement is supported by the Base Paper and Maritime Futures report both reviewed below.

PUSH: Economic and Employment Land Evidence Base Paper (2016)

- 2.13 Working to form part of the evidence base for the PUSH Spatial Strategy, this report looks at the economic and commercial market dynamics that currently exist within South Hampshire and Isle of Wight.
- 2.14 The report evaluates the office and industrial markets at the time for the South Coast. With the office market having ‘*continued to steadily recover since 2012 with increased take-up and a long-term decline in availability*’ and industrial market ‘*has improved significantly since 2013 with growing take-up and investment activity and a decline in availability*’, economic and commercial markets within South Hampshire seem to be gaining in confidence.
- 2.15 The report highlights the relatively small employment market of Gosport, relative to other local authorities in the Solent, comprising 20,600 workers or 3.1 percent of the region’s employees in 2013 (Business Register and Employment Survey (BRES), 2013). Importantly for this study, the report highlighted that Gosport had the highest concentration of manufacturing jobs in the Solent at 12.8 percent of workers. Gosport also has a relatively high concentration of public sector workers, compared to other Solent authorities. Overall Gosport was reported to have a low jobs density, suggesting “*that there are a lack of employment opportunities in Gosport*”, meaning that it is an out-commuter borough.

- 2.16 The report reviewed the decadal take-up of industrial and office space in the local authorities and compared to the supply as at September 2015. At that time, for Gosport, there was estimated to be some 20,718 sqm of industrial premises on the market, which equates to about 2.5 years supply when compared to the ten-year average take-up of 8,235 sqm per annum. The office market in Gosport has a substantially lower volume of floorspace turnover, averaging 487 sqm per annum between 2005 and 2014. The September 2015 vacancy level of offices was 4,017 sqm, which equates to some 8.2 years supply. Gosport has a very small office market, compared to other local authorities in the Solent area.
- 2.17 The report includes forecasted net employment floorspace requirements, which were determined using labour market forecasts and extrapolating past take-up rates. The report provides forecasts for the entire PUSH area, as well as broken down by each individual authority and employment classification group. Table 2 below summarises the projected demand for floorspace presented in the report for Gosport, based on differing methodologies.

Table 2 – Net Forecasts for Future Employment Growth in Gosport 2011-36 (sqm)

Method	B1a/b	B1c	B2	B8	Total B Class
Labour Demand	26,711	1,461	-13,193	38,994	53,971
	B1/B1a/B1b	B1c/B2/B2-7	B8	Mixed B-Class	Total B Class
Past Take-Up (1998-2008 ave)	5,798	702	300	69,977	76,776
Past Take-Up (2004-2014 ave)	8,363	-938	300	46,282	54,006

Source: Economic and Employment Land Evidence Base Paper, 2016

- 2.18 For the Past Take-Up forecasts, there is no detail as to how the Mixed B-Class take-up was occupied, whether it was skewed towards a particular B-class use.
- 2.19 The report states a preference for the Labour Demand method of forecasting employment land. However, in assessing overall future need, the report adopts a hybrid approach, adding a five-year buffer (to account for uncertainties) using the past take up method. This results in the following overall net need being estimated.

Table 3 – Overall Net Need for Employment Floorspace in Gosport 2011-36 (sqm)

	Office	Mixed B-Class	Total B Class
Gosport	29,379	39,527	68,906

Source: Economic and Employment Land Evidence Base Paper, 2016

2.20 Waterfront sites within the Solent are recognised as a key sector which is important to the marine and maritime industry within the sub-region. Through recognising which sites are key to employment and sector growth, the sites can be categorised ‘into a number of typologies, which were then attributed to different grouping on the basis of the potential policy approach. In addition, the relative importance of sites was assessed to supporting the marine and maritime economy.’ It was identified that 1,730 ha of employment land exists within 97 sites across the Solent including a significant proportion within Gosport Borough (as evidenced in the Marine Futures report – see below), which aim to support 11,000 jobs. Key sites identified included the Blockhouse and DM Munitions sites in Gosport. Tier One (prime importance) waterfront sites included Gosport’s Royal Clarence Yard (retained area) and Daedalus Enterprise Zone (waterfront sites), which were categorised under Invest and Grow for marine and maritime uses. Tier Two waterfront sites included Gosport sites at Haslar Marine Technology Park and Priddy’s Hard and Tier Three sites in Gosport were Gosport Boat Yard, Vector Aerospace (now known as the Standard Aero site), Fareham Reach Industrial Park and Quay Lane Industrial Estate.

Maritime Futures: Solent Waterfront Sites (2015)

2.21 This report prepared by AECOM on behalf of the Solent LEP looks to ‘develop an evidence base of key waterfront employment sites in the Solent region to inform planning policy decision making on waterfront site retention’. Through drawing on major works previously done, such as the Solent Waterfront Strategy (2007) and Transforming Solent Strategy (2014), employment sites are being evaluated to discover whether their retention will help prosper the sector, the wider region and employment within the local economy.

- 2.22 Research and consultations have proven the importance of the marine and maritime sectors and found that in terms of growth:
- *“There are over 3,000 businesses within the Solent LEP area supported by the marine and maritime sector;*
 - *The sector contributes 20.5% of the Solent’s gross value added (GVA); and*
 - *The sector accounts for 40,000 direct jobs within the Solent area and a further 8,300 jobs once indirect and induced effects are accounted for.”*
- 2.23 The report found *"a diverse and growing marine and maritime economy across the Solent and demonstrate(s) the scale of opportunity which could be forthcoming should further growth and investment in the sector be realised."* Existing waterfront employment sites across the Solent were generally found to have low vacancies.
- 2.24 With 97 different sites being identified as key waterfront sites, certain local key factors have been established to assist in the growth of the sector:
- New opportunities at Portsmouth Naval Base
 - Release of MoD sites
 - Land Asset Strategy and Management Programme – for the disposal and re-use of surplus land
 - Research facilities – developing skills for an estimated 3,500 new recruits into Solent’s engineering sector between 2010-2020
 - Capital Investment
 - Economic Development and Planning – with the marine and maritime sector recognised as a strategic priority.
- 2.25 The report recognises a number of key sectors which will alter the nature of the marine and maritime cluster and the types of sites required. This includes the composites sector, marine autonomous systems and renewable energy. The report includes recommendations for the future management and monitoring of waterfront sites in the region, including the establishment and updating of a waterfront employment sites register, engagement with key landowners, protection of the key waterfront employment sites through safeguarding sites and careful consideration of any potential redevelopments, identification of investment opportunities and promoting shared assets for water access. The report recommended further work to establish which of the 97 sites should be protected for marine and maritime employment.

Transforming Solent: Growth Strategy (Jan 2015)

2.26 The Growth Strategy is the Solent LEP's document to guide sub-regional growth to *"unlock investment for the Solent area worth £1.5 billion over the period (2014-20)."*

To do this, the Growth Strategy has outlined six enabling strategic priorities:

- *"Supporting new businesses, enterprise and ensuring SME survival and growth."*
- *Enabling infrastructure priorities including land assets, transport and housing.*
- *Establishing a single inward investment model to encourage companies to open new sites.*
- *Investing in skills to establish a sustainable pattern of growth, to the benefit of local residents.*
- *Developing strategic sectors and clusters of marine, aerospace and defence, advanced manufacturing, engineering, transport and logistics businesses, low carbon, digital and creative and the visitor economy.*
- *Building on our substantial knowledge assets to support innovation and build innovative capacity."*

2.27 Unlocking flagship sites throughout the Solent was identified in the Growth Strategy as one of a number of 'game-changers'. Improvements to access to, and around, the Gosport peninsula will support growth in the flagship sites of the Solent Enterprise Zone and Gosport Waterfront.

2.28 The Growth Strategy highlights the mixed economy within Solent, including for high knowledge sectors – creative industries, advanced technologies, financial and business services – as well as the key marine and aerospace clusters.

2.29 The Strategy sets a number of targets to be achieved by 2020, including an additional 15,500 new jobs for the Solent, 1,000 new businesses and 24,000 new homes.

Transforming Solent: Solent Strategic Economic Plan (2014-2020), Solent LEP

2.30 Transforming Solent is Solent LEP's economic plan for the future of the Solent region and aims to *'recognise and build on our current strengths, harness the drivers for growth and address the barriers, which if not addressed, could constrain growth'*.

2.31 Building on the LEP's A Strategy for Growth (2012), which set out aspirational targets for the Solent region, Transforming Solent outlines further ambitious targets on top of those in the 2012 document, including:

- An additional 15,500 new jobs created
- Achieve GVA growth of 3%
- Improve economic rates from 80% to 81%
- Raise the business birth rates from 3.6% to 4.1% (and create 1,000 new businesses)
- Improve business survival rate from 61.4% to 62.5%
- Raise the proportion of the working age population with Level 4 and above skills from 32% to 36%
- Education attainment rates to be above the UK average
- Attract at least 5% of Foreign Direct Investment (FDI) projects entering the UK
- Improve GDP per head so it is closer to the South East average.

2.32 Small and medium sized enterprises (SME's) are identified as key to improving the employment and business base of the Solent through their growth. This is aiming to be achieved through '*safeguarding SMEs within supply chains, helping them to diversify, to reduce their dependency on the public sector and to strengthen their international trade links*', in order to generate economic recovery using the private sector. Investment into infrastructure such as transport, housing and high-speed broadband is also deemed a key objective to unlock development sites and for employment growth.

Transforming Solent: Marine and Maritime Supplement (March 2014)

2.33 This Supplement to the main economic plan document recognises the importance of the marine and maritime sector in the Solent and looks to provide a specific economic plan for this sector. It sets out a direction according to specific themes, which are:

- **Theme One – Leadership:** The report recognises the at-times disjointed leadership in the region in relation to this sector and proposed a dedicated body within the LEP to oversee growth in the sector, the Solent Marine and Maritime Working Group (since established as the Solent Marine and Maritime Steering Group).

- **Theme Two – Developing Our Ports:** There is considerable growth potential through the region’s ports, exploiting increased containerised demand, auto manufacturing growth and cruise opportunities. This requires increased capacity to be unlocked within the ports and upgrades to regional infrastructure.
- **Theme Three – Marine Manufacturing:** Specific projects are proposed to increase the capacity of the marine manufacturing sector in the region and to encourage new businesses and business growth. Projects include a new marine incubation centre for Portsmouth, a marine-focussed Enterprise Zone on the Isle of Wight, supply chain improvements and business support.
- **Theme Four – Technology and Innovation:** This theme recognises the need to better unify and coordinate the key research assets in the region and to take advantage of the specialisms of the area, including composites, marine greening and marine autonomous systems. This will include the establishment of a satellite of the National Composites Centre to the Solent – the Solent Large Structures Composites Centre.
- **Theme Five – Skills:** This part of the plan looks to address potential or current skills shortages, including specific maritime, STEM and heritage maritime skills needs.
- **Theme Six – Solent Brand:** The plan will promote the marine and maritime sector in Solent, highlighting the existing strengths and specific growth projects.

Hampshire Development Portfolio (2018)

2.34 This report is an update of the portfolio, with previous versions in 2015 and 2017. It aims to provide a detailed portfolio of the key commercial and mixed-use development sites across the County. *“Sites which are included in the Development Portfolio are ones in Hampshire which can support significant employment floor space provision of 10,000 sqm or above.”* This portfolio document aims to provide *“a holistic overview of significant development land and occupier opportunities”* in Hampshire. Three key development sites have been listed regarding Gosport specifically (Table 4) highlighting a limited supply of sites at this time:

Table 4 – Key Development Sites – Gosport

Site Name	Plot Size, ha	Location	Planning Status	Development Considerations
Gosport Waterfront Regeneration Area	11.56	The regeneration area of Gosport Waterfront covers a long section of coastline from the Royal Clarence Yard, to the Gosport bus station and passenger ferry terminal	Designated as a key employment site under Gosport Borough Council Local Plan, an estimated 33,000 sqm (gross) of employment floorspace could be developed (B1c, B2). Area is subject to Gosport Waterfront and Town Centre Supplementary Planning Document.	Royal Clarence Yard and St George's Barracks South are two conservation areas which lie within the site. With access to deep water facilities, certain parts of the site e.g. Royal Clarence Yard, are ideally suited for marine related employment. The Royal Clarence Yard Retained Areas has operational infrastructure along the south eastern edge, with MoD requiring on-going access to. A new ferry/bus interchange would be a key element of the redevelopment of the site.
Royal Haslar	25	On the south coast of Gosport, about 1.2 km from the Gosport ferry terminal.	Outline planning permission for: <ul style="list-style-type: none"> • 271 new-build residential dwellings • 244 retirement homes • 60 bed care home • Community health hub • 78 room hotel/spa • Licensed and retail • Over 50,000 sqft (4,645 sqm) of business space 	Some buildings are heritage listed, including the main hospital building, which is Grade II*
Solent Enterprise Zone at Daedalus	81	Lee-on-the-Solent at the Fareham and Gosport borough boundaries	Two outline planning applications for most of the site were approved by the councils in March 2012. A resolution to grant outline planning consent is in place for the Waterfront Area (Gosport Borough) for 83,547 sqm of mixed use floorspace and 232 residential units (32 are C2). Planning consents for Daedalus Park are in place and being developed. Daedalus Regeneration Area is identified in the Gosport Borough Local Plan. Planning permissions are also in place for the Fareham Borough areas	Daedalus Waterfront benefits from a wide marine slipway to the Solent. The distinctive built heritage of the Waterfront is to be conserved and enhanced, including consideration of listed buildings. Plots throughout the EZ are available now, as well as built premises for let. Assets on the EZ include CEMAST and Fareham Innovation Centre

Source: Hampshire Development Portfolio, 2018

Borough

Gosport Borough Local Plan 2011-2029 (GBLP) (2015)

- 2.35 Building upon regional plans which begin talks on potential development employment sites, the Local Plan *'identifies key proposals, allocates land for development and sets out detailed policies which the Borough Council will use to determine planning applications'*.
- 2.36 Whilst taking advantage of the opportunities of its coastal location and increasing accessibility throughout the borough, a main objective can be seen as the *'the delivery of high quality sites which will maintain and enhance the Brough's sense of place'*. The Local Plan (Policy LP3) states that 84,000 sqm net additional employment floorspace (B1, B2 and B8) will be made available, particularly for the major redevelopment proposals of:
- The Waterfront and Town Centre (LP4) – approximately 33,000 sqm of floorspace (gross) to be developed
 - Daedalus (LP5) – planning permission for 75,000 sqm of floorspace (gross)
 - Haslar Peninsula (LP6) including
 - Royal Hospital Haslar
 - Blockhouse – utilising the location for coastal activities in terms of employment and leisure
 - Haslar Marine Technology Park
 - Other sites include
 - Priddy's Hard (LP9A)
 - Grange Road (LP9C)
 - Land at Aerodrome Road (LP9C)
 - HMS Sultan (western side) has been identified as an employment priority site if released by the Ministry of Defence.

2.37 The Local Plan includes a section which aims to deliver a prosperous economy by diversifying the local economy and generating new employment by building on the strengths in the marine, aviation, aerospace and advanced manufacturing sectors. This includes:

- Identifying new employment land (LP16:1)
- Protecting existing employment sites (LP16:2)
- Safeguarding key employment assets (such as waterfront access, airfield access or specialist on-site facilities (LP16:3)
- Setting out circumstances where employment land can be redeveloped for other economic development uses (LP16:4)
- Requiring skills and training plans (Lp17:1)
- Protecting and encouraging training and skill sites (LP17:2&3)
- Facilitating tourism development (LP18)
- Guiding new marina and mooring provision (LP19)
- Encouraging new information and communications technology (LP20)

2.38 Whilst developing the key employment sites within the Borough, certain factors exist which must be considered to enable these developments and strengthen the Borough as a whole which include:

- Design and Heritage
- A Prosperous Economy
- Improving Transport and Accessibility
- Quality Neighbourhoods
- A Sustainable Environment.

Gosport Borough Local Plan – Local Background Paper (2014)

2.39 This is a document which acts as a background paper to the Gosport Local Plan of 2011-2029. It focuses specifically on policies of national and local level relating to employment, and '*evidence and consultation responses related to employment issues*'. It is supported by evidence in the Employment Land Review (2012).

2.40 With data available regarding details of key development sites, an estimate of potential floorspace available from existing employment sites at that time can be assessed against proposed allocations in the Gosport Local Plan, as seen in the table below.

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 1 st April 2014	+1,541	13,490
Estimated potential floorspace within existing employment sites at 1 st 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 ¹⁵	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

Source: Gosport Borough Local Plan – Local Background Paper, 2014

2.41 As can be seen, the total gross estimated floorspace from completions, outstanding planning permissions and estimated potential floorspace within existing sites is equal to 25,247 sqm, combined with the estimated total to gain from proposed allocations leads to a total gross employment floorspace for Gosport of 145,647 sqm. The net figure as at 1st April 2014, and included as the supply figure in the adopted Local Plan, is 83,498 sqm. These totals do not include the potential, and as yet unknown, yield of floorspace from the Blockhouse and HMS Sultan sites.

Gosport Coastal Community Team Economic Plan 2016-2020 (2016)

2.42 This report covers the Gosport Waterfront and Town Centre area of the Borough. It highlights that whilst Gosport has a thriving public sector and strong marine industry and defence sector connections, there are also disadvantages or limitations in the

economy. The plan wishes to change the lack of economic diversity in the region which is occurring due to a declining defence industry and tourism competition with other coastal areas in the sub-region.

- 2.43 Two key sites have been highlighted, the Royal Clarence Yard retained waterfront and the bus station development. The Coastal Community Team consider that *'these two sites will drive economic development, regeneration and quality of life for residents for the next five years and beyond'*. Focus for the Plan is highlighted in three main areas of Business Growth, Employment and the Marine Industry.
- 2.44 Growth is aiming to continue throughout the Borough with development of brownfield sites and MoD land releases having occurred over the last 10 years. This has meant that *'the release and future development of the remaining MOD waterfront site will result in further business creation with a strong marine emphasis'*.
- 2.45 Employment within Gosport is seeing problems of nearby regional competition, a mismatch of skills with the current working age residents, and a loss of significant employers in the area. These factors combine, resulting in Gosport having *'one of the highest population densities but the lowest job density in the region'*. The current trends occurring within Gosport's economy highlight the issues which the Plan wishes to change and improve through a number of themes:
- Social, Community Development and Skills
 - Coastal Environment and Urban Heritage
 - Business Growth and Jobs
 - Inward Investment and Land Use
- 2.46 The Coastal Community Team identify the recreational marine sector, and specifically the waterfront, as of regional significance to Gosport in relation to economic development and growth. This thriving sector has benefits that spread into the leisure, knowledge and innovation and media sectors of the region, which will help deliver new employment floorspace through public-private partnership investment.

Gosport Waterfront and Town Centre Supplementary Planning Document (2018)

- 2.47 Linking to the Gosport Local Plan of 2015, this document aims to deliver a *‘more detailed consideration of development opportunities and potential public realm enhancements within this area’*. Key sites with opportunities for development have been identified and explored in detail.
- 2.48 The development of Gosport’s marine industry creates an *‘opportunity to intensify employment generating uses’*, along with the residential, retail, commercial and leisure sectors, therefore making it important to identify the key components of development in terms of strengths, weaknesses, opportunities and challenges.
- 2.49 A detailed analysis of eight broad locations took place with the intention of 40 individual opportunity sites:
- i. Bus station and Falkland Gardens – 1 site
 - ii. Waterfront – 11 sites
 - iii. North of the High Street – 3 sites
 - iv. High Street– 4 sites
 - v. South Street – 8 sites
 - vi. Trinity Green Area – 7 sites
 - vii. Haslar Marina – 1 site
 - viii. Gosport Lines – 5 sites
- 2.50 Sites’ current uses and individual future needs were assessed to establish a collective picture of the economic development needs of Gosport’s future. The SPD recognises that sites discussed *‘include both known and potential development opportunities in the Town Centre and Waterfront’*.
- 2.51 The report highlights opportunities to enhance the marine industry along waterfront sites, particularly servicing the high-value yachting sector. Improved links between the marine industry areas and the town centre would encourage users of the marine areas to also use the town centre.

3.0 SOCIO-ECONOMIC PROFILE

Introduction

- 3.1 This chapter sets out the socio-economic baseline for Gosport. The characteristics of Gosport are considered alongside national and regional comparators as well as the other local authorities that make up the Solent LEP / PUSH area.
- 3.2 The purpose of the socio-economic profile is to understand the current characteristics and recent trends that may influence the demand for employment within Gosport, including its recent performance, specific opportunities and strengths and how economic activity within Gosport interacts with the wider sub-region.

Population

- 3.5 The estimated population of Gosport in 2016 (ONS) was 85,363 and over the period of the last 20 years the population has increased by nearly 12 percent; equating to around 9,000 residents. Population growth has been broadly on a par with the wider LEP area. As can be seen, for all areas, the working age population has increased at a slower rate than the overall population, which has implications for availability of labour, taxation base and provision of services.

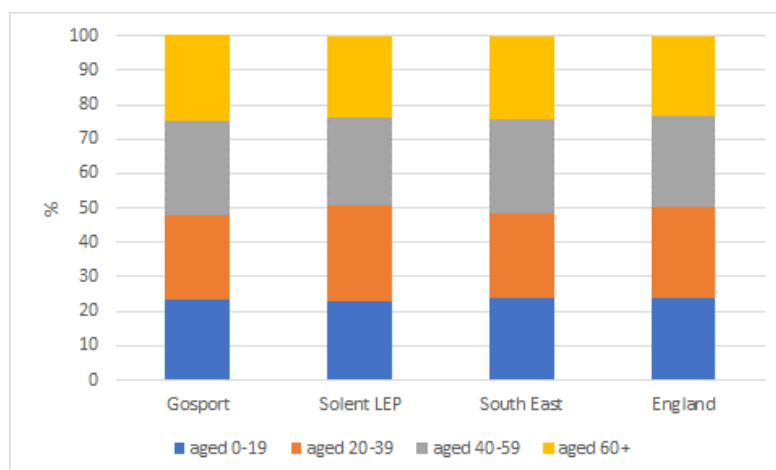
Table 5 – Population 1996-2016

	1996		2016		Percentage Change 1996-2016	
	Total	Working Age (15-64)	Total	Working Age (15-64)	Total	Working Age (15-64)
Gosport	76,410	49,100	85,363	53,686	11.7	9.3
Solent LEP (full LA boundaries)	1,420,709	910,900	1,604,166	1,011,161	12.9	11.0
South East	7,800,406	5,046,500	9,026,297	5,694,798	15.7	12.8
Eng & Wales	51,410,433	33,248,200	58,381,217	37,412,990	13.6	12.5

Source: ONS Population Estimates 2016

3.4 Population change is influenced by two factors – natural change (births and deaths) and migration. The age profile of Gosport compared to comparator regions is shown below. Age profiles between areas tend not to show extremes of variability. The greatest proportion of the population (27 percent) is now aged 40-59 and this is consistent with the regional and national average.

Figure 1 – Age Profile



Source: ONS Population Estimates

3.5 It was estimated that in 2016, 8 percent of the Gosport population was born outside of the UK (7,000 people). This is lower than the proportion at a regional (13 percent for the South East) and national level (15 percent in England).

3.6 In addition, in recent years Gosport has been the net recipient of internal UK migration as shown in Table 6 below.

Table 6 – Gosport Internal (within the UK) Migration Flows 2013-2016

	Inflow	Outflow	Net
2013/14	3,712	3,414	+298
2014/15	3,642	3,535	+107
2015/16	3,613	3,341	+272

Source: ONS

- 3.7 The result is that Gosport is a growing population, which remains attractive to residents of other areas of the country as a place to live. There is a lower proportion of non-UK born residents than at a regional or national level.

Deprivation

- 3.8 The latest edition of the English Indices of Deprivation was published by the Department of Communities and Local Government on 30 September 2015. The indices include the Index of Multiple Deprivation (IMD) 2015. Most of the data underpinning the IMD 2015 relates to 2012/13.
- 3.9 IMD 2015 uses 37 separate indicators, organised across seven distinct domains of deprivation (income, employment, education skills and training, health deprivation and disability, crime, barriers to housing and services, and living environment) which are weighted and combined to calculate the Index of Multiple Deprivation 2015.
- 3.10 IMD 2015 is based on the small area geography of Lower Super Output Areas (LSOAs). There are 32,844 LSOAs in England and they are designed to be of a similar population size with each one containing around 1,500 residents. There are 53 LSOAs in Gosport.
- 3.11 IMD 2015 ranks all 32,844 LSOAs in England. 1 is the most deprived and 32,844 is the least deprived. Once ranked these are generally grouped into bands with the worse 10 percent generally used to define the most deprived areas.
- 3.12 Gosport ranks as the 131st most deprived local authority in England (where 1 is the worst deprived local authority and 326 is the least deprived). It is the 3rd most deprived local authority area in the Solent LEP region.
- 3.13 When looking at the individual elements of deprivation, Gosport is considered the most deprived (relative to other aspects) in terms of its education, skills and training – it is the 50th most deprived local authority area in England on this measure.

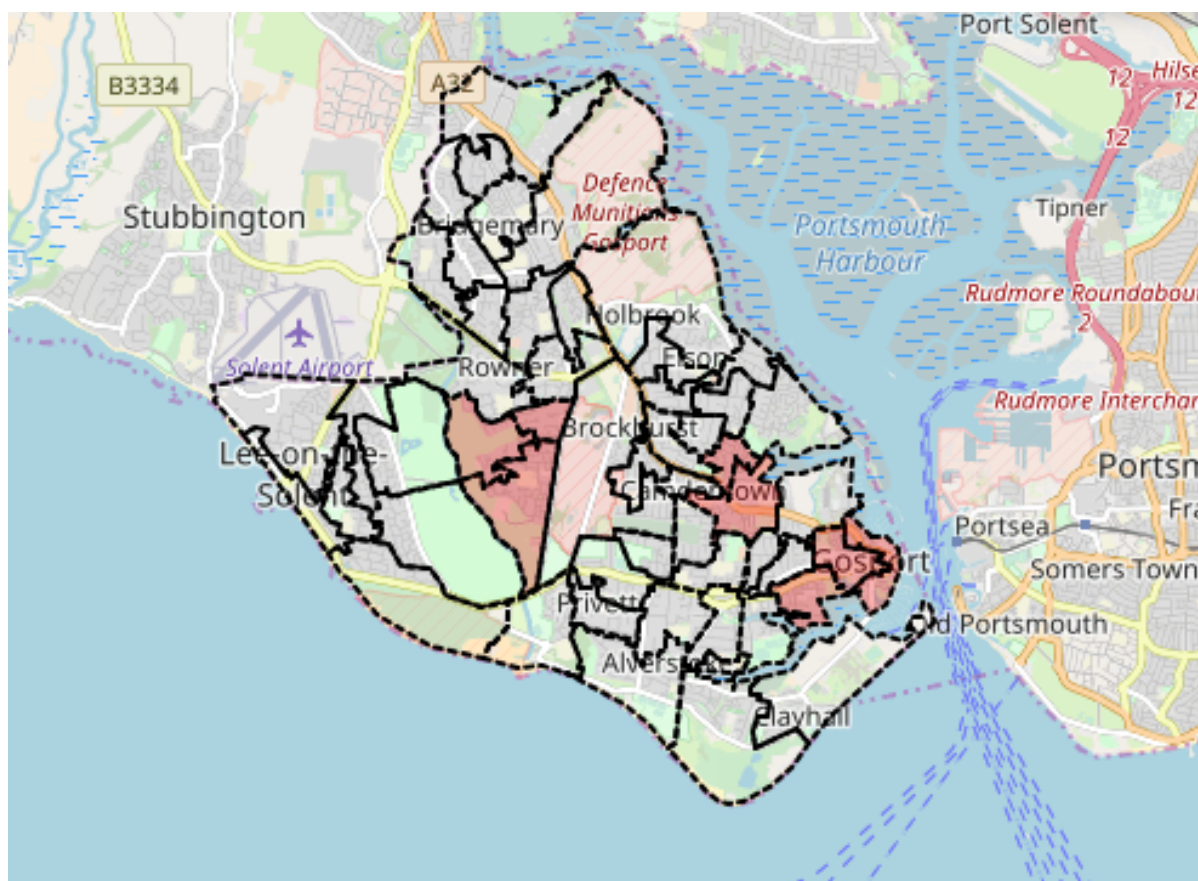
Table 7 – Indices of Deprivation Average Ranking at Local Authority Level - Gosport and neighbouring authorities

Local Authority	IMD	Income	Employment	Education, Skills and Training	Health deprivation and disability	Crime	Barriers to housing and services	Living Environment
East Hampshire	308	301	300	298	295	288	135	302
Eastleigh	298	281	281	210	266	259	272	229
Fareham	312	310	294	278	280	315	264	189
Gosport	131	148	156	50	125	84	223	76
Havant	142	126	125	73	119	139	161	223
Isle of Wight	83	67	46	44	118	210	221	64
New Forest	257	253	235	214	256	206	126	251
Portsmouth	57	95	147	38	90	64	103	10
Southampton	54	106	153	75	60	16	154	22
Test Valley	286	290	291	258	288	253	101	284
Winchester	307	306	301	312	299	286	110	276

Source: English indices of deprivation 2015, Ministry of Housing, Communities and Local Government

3.14 Figure 2 highlights the Lower Super Output Areas (LSOAs) within Gosport that have been ranked in the top 20 percent of most deprived LSOAs in England. This identifies three areas of particular deprivation – around the Gosport town centre, around Forton Road and areas of Rowner and Grange.

Figure 2 – LSOAs in Gosport in Top 20 Percent of Most Deprived Areas of England



Source: Department for Communities and Local Government, Nomis

Housing Stock and Land Use

3.15 Gosport is estimated to have a total of 37,270 dwellings (including vacant dwellings). Of this the vast majority are in the private sector (83.7 percent); a slightly lower proportion than for the Solent LEP area overall.

Table 8 – Housing Stock Tenure

Tenure	Gosport		Solent LEP	England
	No.	%	%	%
Local Authority	3,150	8.5	6.7	6.8
Private Registered Provider	2,950	7.9	8.3	10.5
Other public sector	0	0	0.2	0.2
Private sector	31,180	83.7	84.8	82.5

Source: Local Authority Housing Statistics year ending March 2016

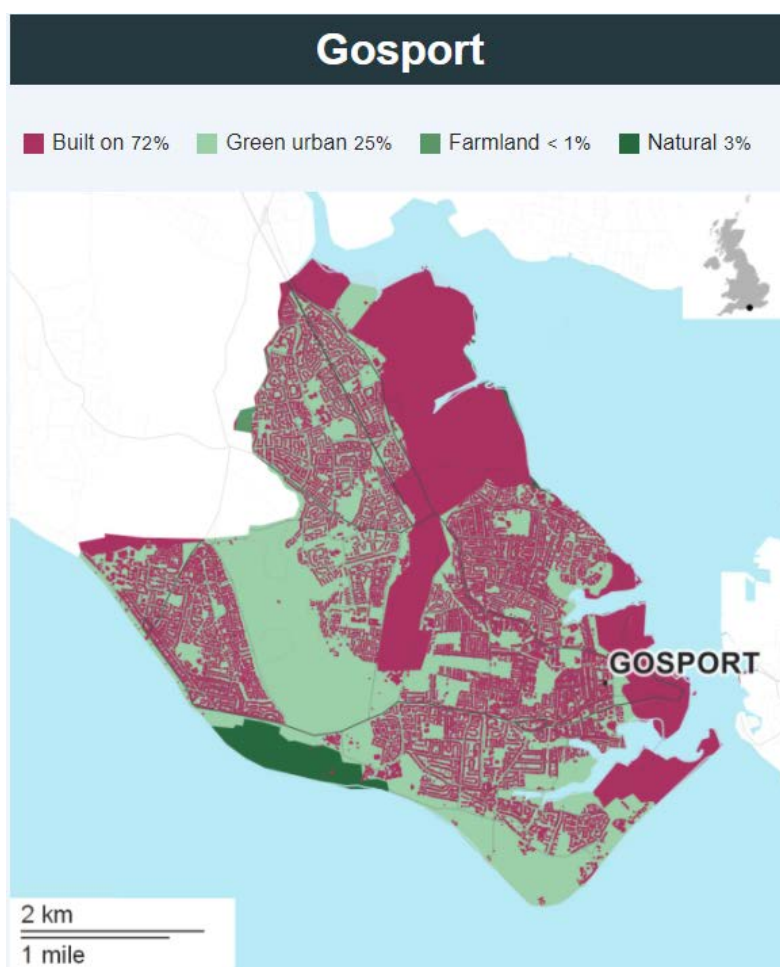
3.16 The University of Sheffield has created a series of land use summaries for different areas in England, based on amalgamated data from the 44 different land use codes used by the Co-ordination of Information on the Environment (Corine) project initiated by the European Commission in 1985. Based on this it is estimated that 72 percent of Gosport's land is built on; a much higher proportion than the majority of its neighbouring areas.

Table 9 – Land Use Split, Gosport and neighbouring Local Authorities

Local Authority Area	Built on %	Green urban %	Farmland %	Natural %
East Hampshire	5	2	75	17
Eastleigh	36	10	49	5
Fareham	38	10	47	5
Gosport	72	25	<1	3
Havant	46	15	31	8
Isle of Wight	9	3	79	9
New Forest	7	3	44	47
Portsmouth	70	16	13	1
Southampton	75	20	4	1
Test Valley	5	2	82	10
Winchester	4	3	85	8

Source: Corine Land Cover Statistics (2012)

Figure 3 – Land Use Split, Gosport



Source: BBC News, 2017

Housing Affordability

- 3.17 One measure of the affordability of housing in an area is to compare median house prices to median earnings. Of particular interest is the ability to enter the housing market and thus comparing the lower quartile house price to lower quartile annual earnings is a useful indicator of affordability. The table below compares Gosport to other local authorities in the region, as well national and South East England averages. The data is a ratio of the lower quartile house price to the lower quartile gross annual earnings. Therefore, a higher figure means a less affordable housing market for the lower quartile earners. Gosport compares well to its neighbours in terms of affordability of housing and on this measure is the most affordable housing market in the Solent region.

Table 10 – Ratio of Lower Quartile House Prices to Lower Quartile Annual Earnings

	Ratio, 2017
East Hampshire	10.97
Eastleigh	10.18
Fareham	9.30
Gosport	7.44
Havant	9.27
Isle of Wight	7.95
New Forest	10.93
Portsmouth	8.20
Southampton	7.92
Test Valley	9.96
Winchester	11.04
South East	10.30
Eng & Wales	7.12

Source: ONS, 2016

Key Market Indicators

- 3.18 Gosport has 43,400 economically active residents; this represents 79.1 percent of the workforce. Gosport has a higher rate of economic activity than some other parts of the LEP area – it is lowest on the Isle of Wight at 76.9 75 percent – but lower than other areas such as Fareham at 85.0 percent. Gosport’s economic activity rate is about level with the national average (79.2 percent for England & Wales).

Table 11 – Economic Activity

	Gosport		LEP	South East	Eng & Wales
	No.	%	%	%	%
Economically active	43,400	79.1	80.9	81.3	79.2
Employment	41,200	75.0	77.5	78.5	75.9
Self-employment	5,000	9.1	9.3	12.0	10.8
Unemployment	1,700	4.0	4.2	3.4	4.2
Inactive	11,200	20.9	19.1	18.7	20.8

Source: Annual Population Survey, Apr 2017-Mar 2018

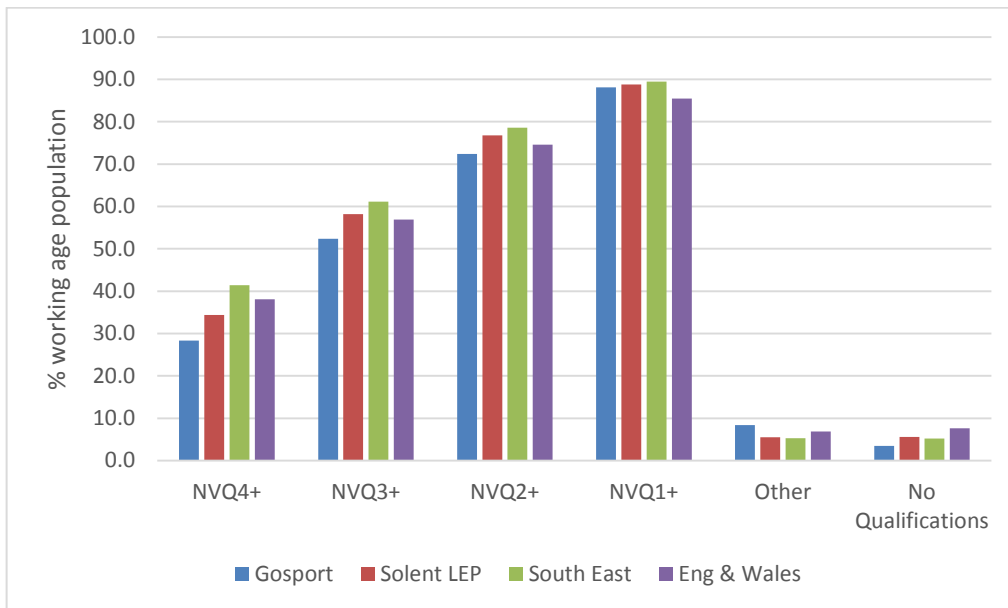
Self-Employment and Home Working (working age population)

- 3.19 8 percent of the Gosport workforce are self-employed, this is slightly lower than its comparator localities at a LEP, regional and national level. 4.9 percent of the working population in Gosport work from home – this is considerably lower than the proportion at a LEP (7 percent), regional (8.2 percent) and national level (6.8 percent). Whilst current levels are low, as it is to be expected that the trend in flexible working practices continues, both self-employment and home-working will rise in Gosport and as such needs to be taken account of in design and planning of relevant workspaces.

Skills and Qualifications

- 3.20 According to the ONS Annual Population Survey 2017, approximately 28.3 percent of the Gosport working age population is educated to NVQ Level 4 or above (equivalent to degree level). This is lower than the proportion at the LEP level (34.4 percent) and the national average. Conversely only 3.5 percent of the working age population in Gosport have no qualifications at all; less than half the national average (7.6%) and lower than both the South East and LEP averages (5.2 percent and 5.6 percent respectively). This reflects the job opportunities in and around Gosport, requiring a skilled workforce.

Figure 4 – Qualifications of Working Age Population



Source: Annual Population Survey, 2017

Occupations

- 3.21 35.9 percent of Gosport's workforce are occupied in senior managerial, professional or associated professional or technical occupations – lower than the regional and national averages. However, within this group, the associate professional and technical occupations comprised some 19.8 percent of the jobs, which was 5 percentage points above the national average and reflective of the engineering nature of the local economy.

Table 12 – Occupations of the Workforce

	Gosport*		LEP %	South East %	Eng & Wales %
	No.	%			
Managers, directors and senior officials	4,400	11.1	9.3	12.3	11.1
Professional occupations	2,000	5.0	19.2	22.2	20.2
Associate prof & tech occupations	7,900	19.8	14.1	15.4	14.5
Administrative and secretarial occupations	4,800	12.0	10.3	10.7	10.4
Skilled trades occupations	4,000	10.0	11.2	9.8	10.3
Caring, leisure and other service occupations	4,300	10.6	9.2	8.8	9.0
Sales and customer service occupations	2,200	5.5	7.8	6.8	7.4
Process, plant and machine operatives	3,700	9.3	6.5	4.9	6.3
Elementary occupations	6,000	15.0	11.8	8.6	10.4

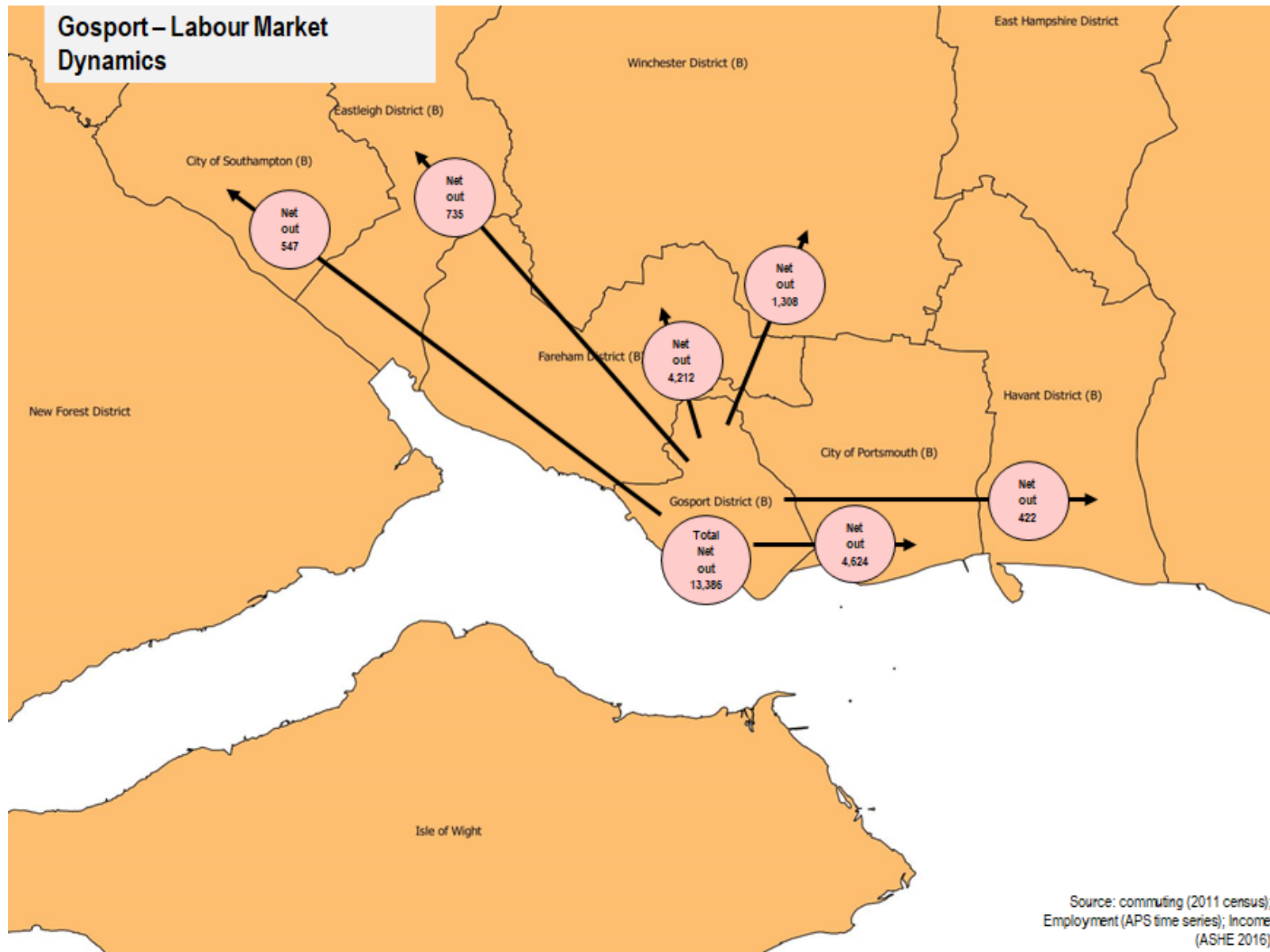
Source: Annual Population Survey 2017

* Some figures for Gosport have a high degree of uncertainty

Containment and Travel to Work Patterns

- 3.22 Gosport is a district which has a significant out-commuter flow. Based on 2011 Census data capture, 7,398 workers commute into Gosport from other local authorities in the UK and 20,784 workers commute out of Gosport to other local authorities in the UK or abroad. Overall, this results in a net out-commute 13,386 from Gosport. The largest commuter flows, both inward and outward, unsurprisingly are to Fareham and Portsmouth.
- 3.23 At the time of the 2011 Census, around a third (32.7 percent) of those residents of Gosport who were employed also worked in the borough (13,092 out of 40,063 residents aged 16-74 in employment, Census 2011). Conversely, 63.9 percent of the working population of Gosport also lived in the borough. This highlights the localised nature of employment.

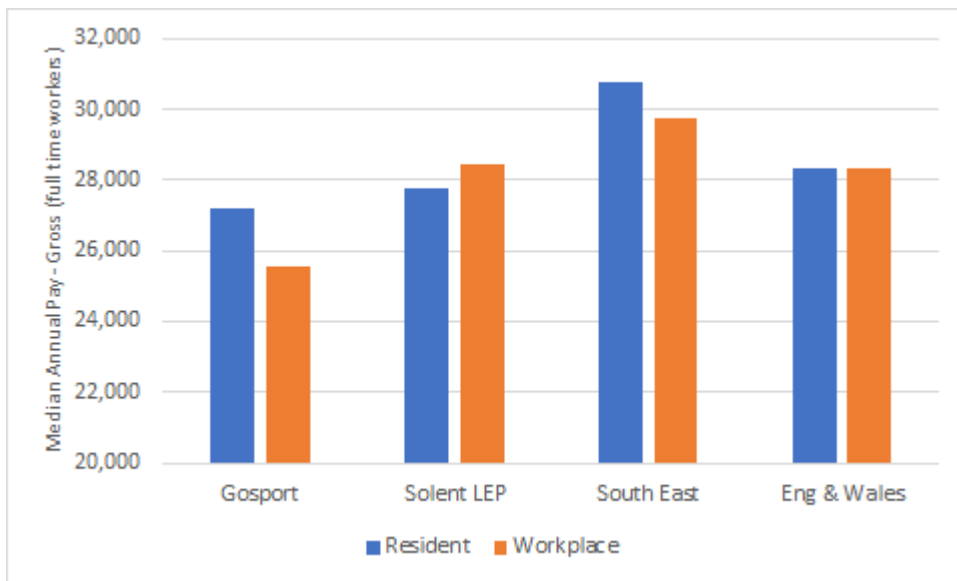
Figure 5 – Net Commuter Outflow, Gosport



Annual Pay

- 3.24 Gosport residents appear to be able to earn more (on average) by out-commuting than by remaining in the Borough for their employment where average wages are on average c£1,600 lower. Resident based earnings are higher in Gosport than workplace earnings. The average earnings for a resident in Gosport is £27,194 whereas for those working in Gosport the average annual pay is lower at £25,549. Average pay in Gosport is lower than it is across the Solent LEP as a whole or when compared with the South East and national averages.

Figure 6 – Median Annual Pay (gross): Resident and Workplace

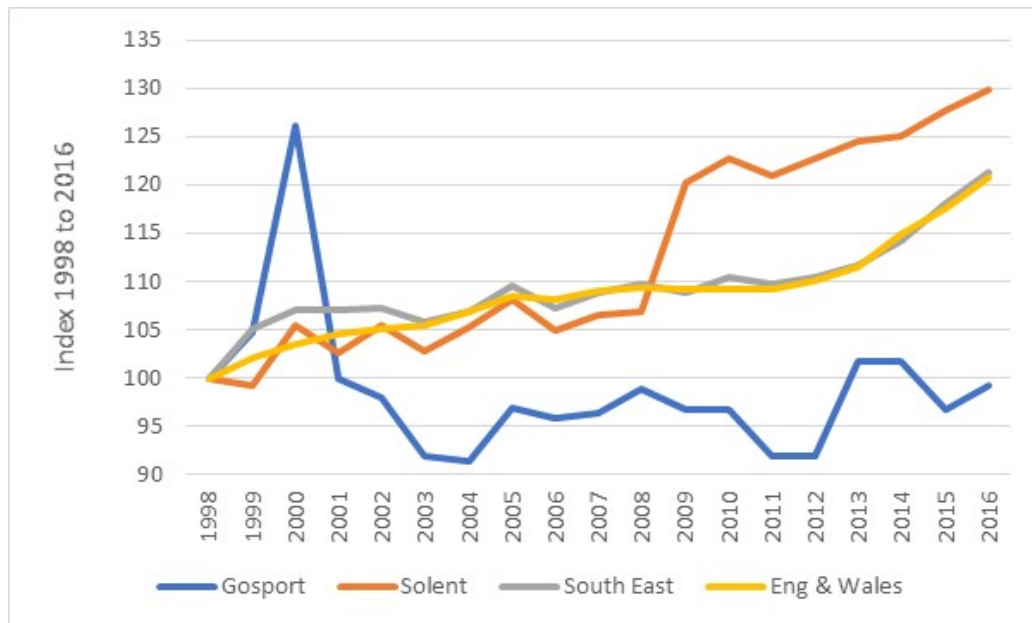


Source: Annual Survey of Hours and Earnings 2016

Employment Trends

- 3.25 In absolute terms, the number of people employed in Gosport has changed little since 1998 when 20,700 were employed to now (latest figures in 2016 report 20,500 employed). The graph below suggests that Gosport has been subject to greater fluctuations in its employment than the wider area in which it sits where employment growth has been higher. However, whilst the trend is clear, the volatility in the graph for Gosport may reflect survey/data issues over a smaller geographical area.

Figure 7 – Employment Change 1998 – 2016 (indexed: 1998 level = 100.0)



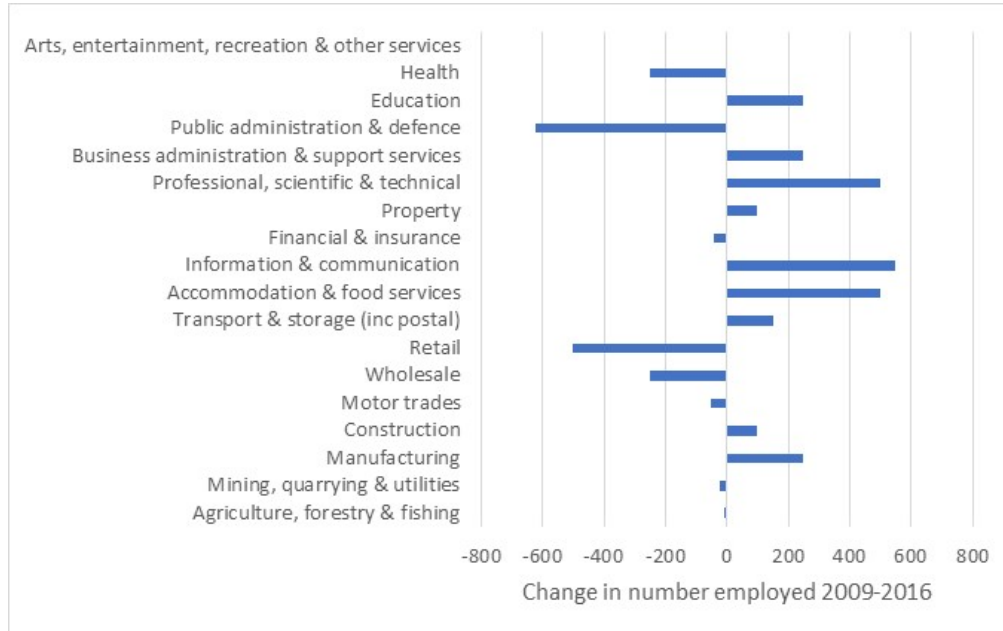
Source: Annual Business Enquiry employee analysis/BRES 2016

3.26 The data presented on sectoral employment is collated from the Business Register and Employment Survey (BRES 2016). BRES is the official source of employee and employment (employees plus working owners) estimates by detailed geography and industry. The survey collects employment information from businesses across the whole of the UK economy for each site that they operate. This allows ONS to produce workplace-based employee and employment estimates by detailed geography and industry. It is worth noting that BRES does not cover the very small businesses neither registered for VAT nor PAYE, which make up a small part of the economy.

3.27 Looking at employment patterns in absolute terms over the last 8 years for Gosport, it can be seen that the broad industry sectors that have seen the largest decline are public administration and defence (a fall of 625 people employed in this industry) and retail (a fall of 500). Industries to have seen the largest growth are information and communications (a rise of 550 employed); accommodation and food services (a rise of 500) and the professional, scientific and technical industry (a rise of 500). Due to the small numbers involved and associated survey limitations, it is hard to draw firm conclusions but it is clear to see the decline of the public sector. Clearly, Gosport is vulnerable to changes to public sector decisions on employment in the area, such as on-going commitments to key MoD sites. Furthermore, with several years of austerity impacting on public sector budgets, the provision of services has changed over

recent years, including shrinking of footprints and collocation of services, which has reduced the overall demand for floorspace.

Figure 8 – Gosport employment change by broad industry sectors 2009-2016



Source: BRES 2016

Marine Engineering employment

3.28 Despite the falls in marine engineering recorded in recent years, mainly through the dynamics of the defence and naval shipbuilding sector, there remains an optimistic outlook for marine engineering in the future and it is likely that vacant marine accessible sites anywhere in the UK will see demand – especially in those locations where marine engineering skills remain.

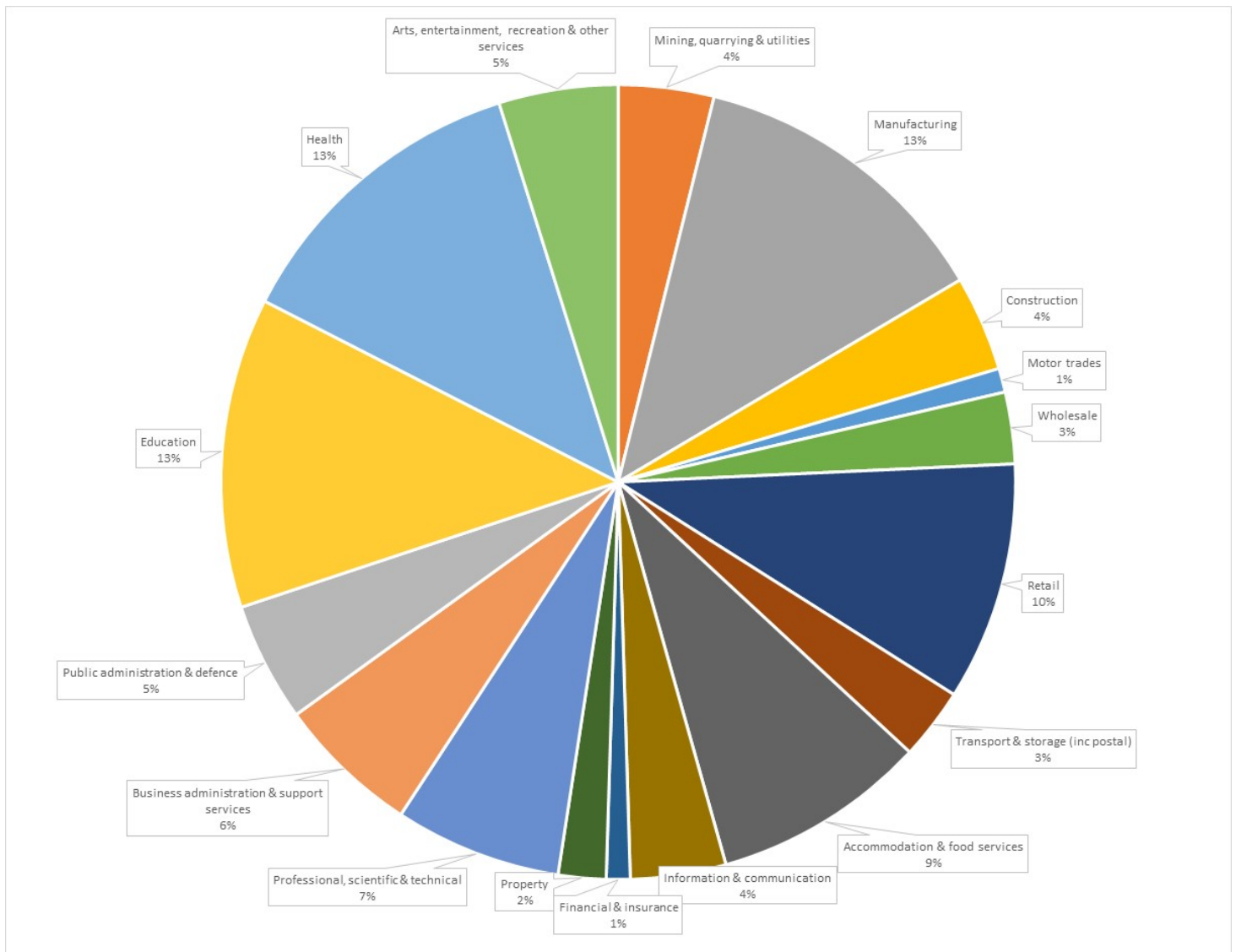
3.29 It is difficult to gain full data from a desk review alone in this sector – but marine engineering is typically recorded in ‘other transport equipment’ (in terms of building vessels), and ‘repair and installation of machinery’ (in terms of modification and repair). Between 2009 and 2015 employment in ‘other transport equipment’ in Gosport fell by more than 800 to less than 100 people whilst the repair and installation businesses increased by more than 700 to a total employed of over 800. This suggests that in Gosport there was a shift towards maintenance and repair – but marine engineering skills remain. However, it is noted that for specific sectors in smaller areas there is significant uncertainty and volatility in the BRES information.

- 3.30 More broadly speaking, the marine economy is a key sector in the sub-regional economy, with a strong history, skilled workforce and several key assets. The sector is multi-faceted, including freight handling, construction, maintenance and re-fit, training, military, storage, tourism and supporting technical and professional services.
- 3.31 The Centre for Economic and Business Research's (CEBR) report *The Economic Role and Contributions of the Maritime Sector in the Solent LEP Area (2018)* states that *"the Solent maritime sector plays a crucial role in the realisation by the manufacturers and distributors of the export goods that it brings to market of at least £20 billion in GVA contributions to UK GDP. This is a 2014 estimate and is likely to have increased since but equates to a significant 1.1% share of UK GDP in that year."*
- 3.32 The report provided a broad assessment of the economic contribution of the maritime sector for the sub-region, which it summarised with the following metrics:
- *"A GVA contribution to GDP of at least £5.5 billion in 2015, which equates to a:*
 - *19.3% share of the Solent LEP economy;*
 - *2.2% share of the economy of the South East of England; and*
 - *0.3% share the entire UK economy.*
 - *Employment for upwards of 120,000 people, equating to a 19.8% share of all jobs in the Solent LEP economy.*
 - *Wages, salaries and other employee remuneration of at least £2.2 billion.*
 - *A direct exchequer contribution of at least £459 million in 2015, equivalent to a share of 7.2% of the contribution made by the UK maritime sector as a whole.*
 - *Exports of maritime goods and services valued at £680 million in 2015, equivalent to a 5.4% share of all UK maritime exports."*

Current Sectoral Composition

- 3.33 In 2016 there were 20,500 in employment in Gosport. The largest cohorts, similar to other local authority areas in England, are health (13 percent of all employed are employed in the health sector), education (13 percent) and retail (10 percent). The manufacturing industry is also one of the largest cohorts at 13 percent. Following these, the next biggest sector is the accommodation and food services industry.

Figure 9 – Industry Sectors (broad industrial sectors) by employment, Gosport



Source: BRES 2016

3.34 Location Quotients (LQs) are used to consider how sectoral employment in Gosport differs from the national average. A LQ of 1 indicates that the proportion of employment is the same as the national average and a LQ of 2 shows a proportion double the national average.

3.35 The table below highlights the industry sectors (at 2-digit SIC code) in Gosport where the proportion is at least 1 and a half times the national average. The table clearly shows the importance of manufacturing in the area and the presence of major employers such as Huhtamaki (paper and paper products).

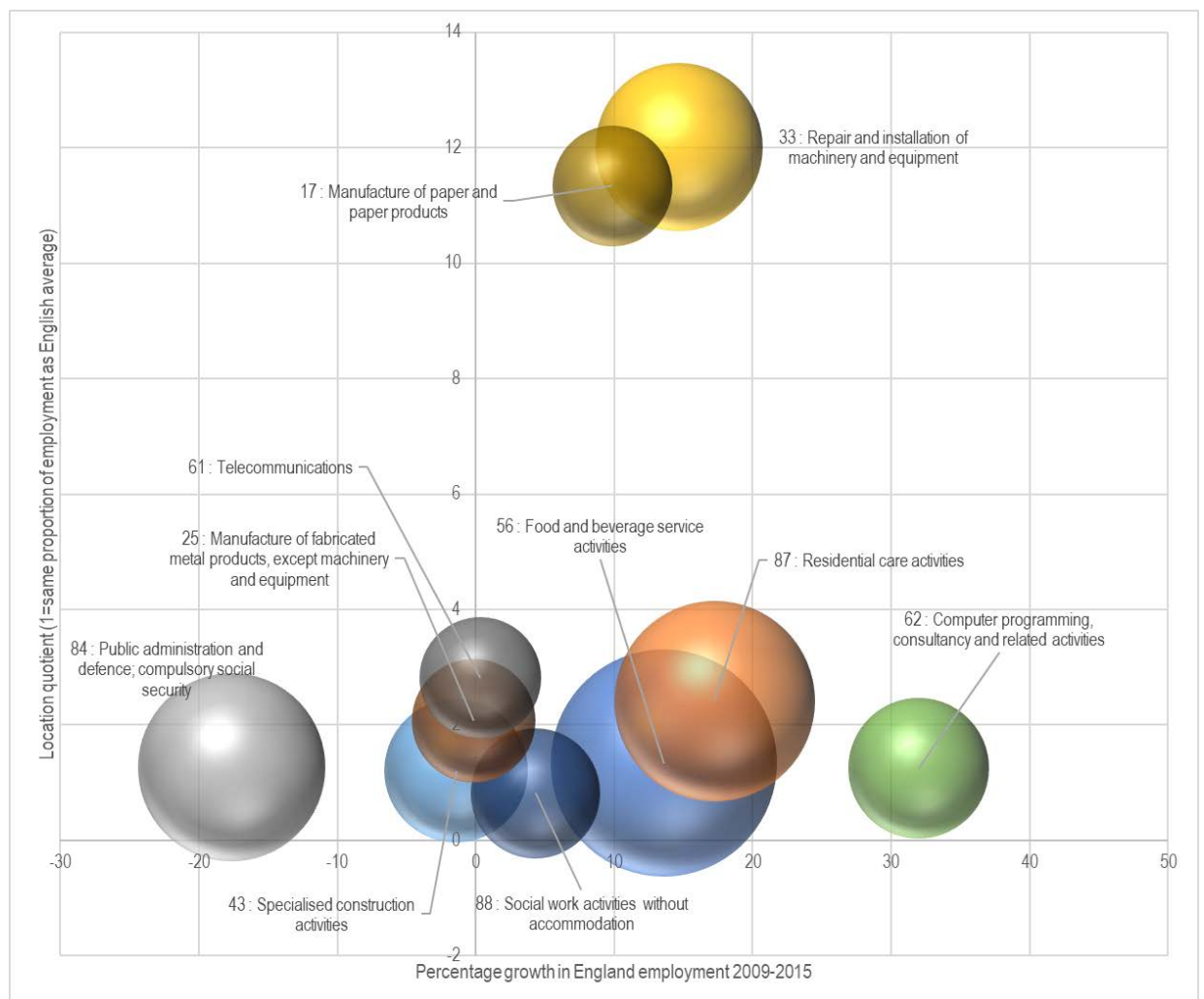
Table 13 – Major Industry Sectors (as measured by LQ of 1.5+) in Gosport 2016

Industry Sector	LQ
Manufacture of paper and paper products <i>paper, cardboard, pulp, paper packaging, stationery, wallpaper, toilet paper, sanitary products</i>	12.4
Repair and installation of machinery and equipment <i>repair of fabricated metal products, repair of machinery, repair of electrical equipment, repair and maintenance of transport (ships and boats, aircraft and spacecraft, other transport), installation of machinery and equipment</i>	9.2
Manufacture of textiles <i>preparation and spinning of textile fibres, weaving, finishing, manufacture of other textiles, canvas, textiles for soft furnishings, carpets and rugs, cordage, rope, twine or netting, made-up textile articles (does not include apparel)</i>	4.8
Scientific research and development <i>research and experimental development on natural sciences and engineering, biotechnology, social sciences and humanities</i>	3.1
Manufacture of basic metals <i>basic iron and steel and ferro-alloys, tubes, pipes, hollow profiles and related of steel, other products of first processing of steel, manufacture of basic precious and other non-ferrous metals, casting of metals</i>	2.4
Printing and reproduction of recorded media <i>printing including newspapers, labels, pre-press and pre-media services, binding and related, reproduction of recorded media, sound recording, video recording, computer media</i>	2.1
Residential care activities <i>residential nursing care activities, residential care activities for learning disabilities, mental health, substance abuse, for elderly and disabled, other residential care activities</i>	2.1
Manufacture of fabricated metal products, except machinery and equipment <i>structural metal products, doors and windows of metal, tanks, reservoirs, containers of metal, steam generators (not hot water boilers), weapons, ammunition, forging, stamping, coating of metals, machining, cutlery, locks, tools, steel drums, light metal manufacturing, wire, chains, springs, fasteners</i>	2.0
Telecommunications <i>wired, wireless, satellite, other activities</i>	1.8
Gambling and betting activities <i>operation of casinos, bingo halls, video gaming terminals, provision of lotteries, off-track betting, bookmaking</i>	1.7
Water transport <i>sea and coastal passenger and freight transport, inland passenger and freight transport</i>	1.7

Source: BRES 2016

- 3.36 The graph below shows those tradeable sectors with employment over 400 people in Gosport. The size of the circle is proportionate to the level of employment. The growth in employment in England in that sector is shown on the horizontal axis with the location quotient on the vertical axis.

Figure 10: Scale and Location Quotient of Sector Employment Against Recent Changes in the Employment of the Sector Nationally.



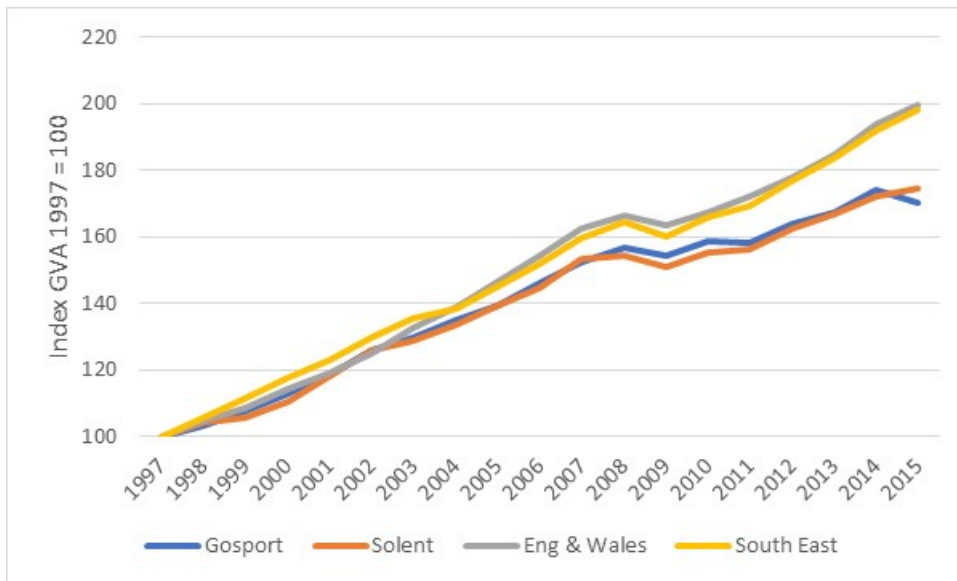
Source: BRES, 2017

Gross Value Added

3.37 Gross value added (GVA) is a measure of the increase in the value of the economy due to the production of goods and services. Economic output is measured by the nominal gross value added (GVA) income approach. Total GVA growth rates can be used as an indicator for a region's annual economic performance.

3.38 Gosport's GVA in 2015 was measured to be £1,153 million. The indexed chart below shows an upward trend in GVA over the last 20 years or so (with a dip along with the rest of the country at the start of the recession), although there was a slight drop from 2014 when GVA was £1,181 million.

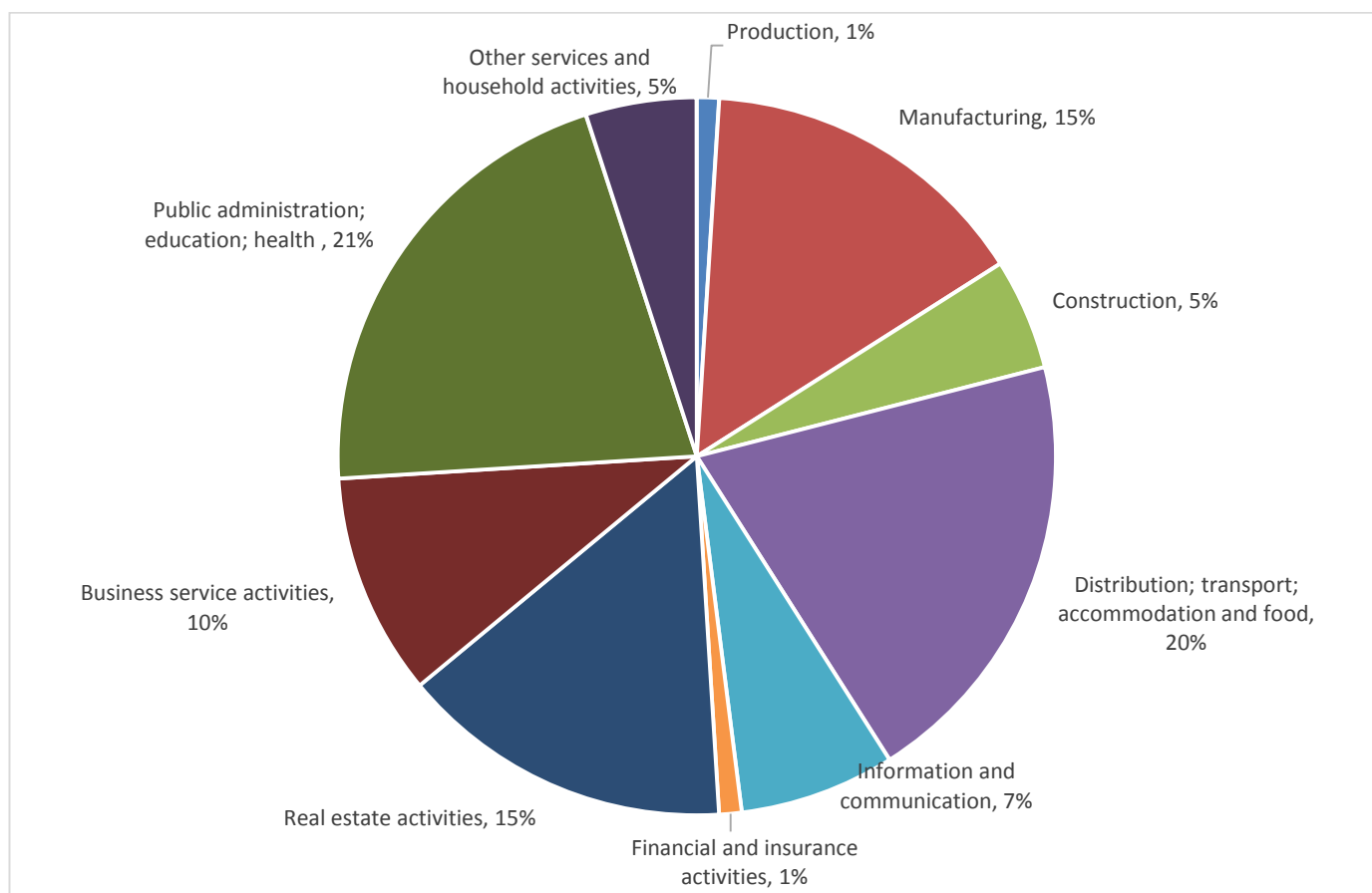
Figure 11 – GVA 1997 to 2015 (indexed: 1997 level = 100.0)



Source: ONS 2017

- 3.39 Public administration, education and health sectors contribute the most to Gosport's overall GVA (21 percent), as well as distribution, transport, accommodation and food (20 percent). Manufacturing and real estate are the next two most important sectors in terms of GVA contribution (both contributing 15 percent to the area).

Figure 12 – GVA 2015 by Industry, Gosport



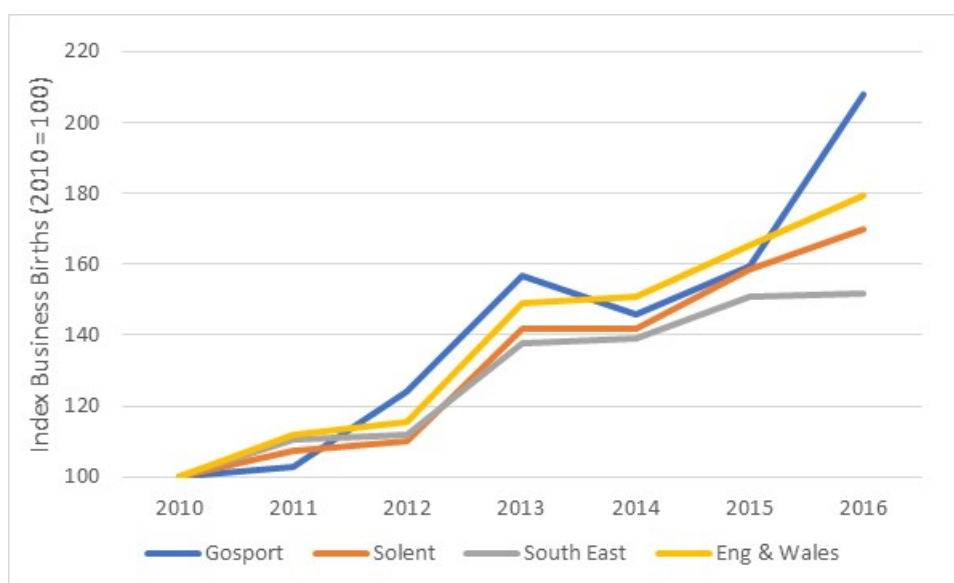
Source: ONS 2017

Business: Active Enterprises, Start Up and Death Rates

3.40 In 2016 there were 2,275 active enterprises in Gosport. Active Enterprises are defined as businesses that had either turnover or employment at any time during the reference period. The number of active enterprises has increased consistently since 2012 when there were 1,885 active enterprises.

3.41 New business registrations are referred to as business births and the birth rate is calculated using the number of births as a proportion of the active businesses. There were 385 business births in Gosport in 2016; this represents a significant increase on previous years and the business birth rate (16.9 percent) in this year outstrips that of comparator areas (13.5 percent for the Solent LEP area).

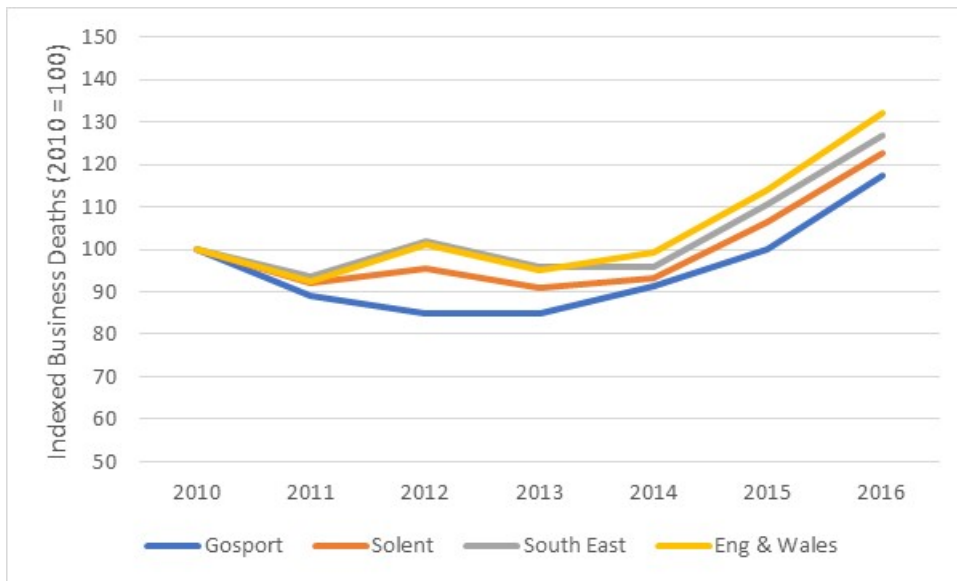
Figure 13 – Indexed Business Births 2010 to 2016, Gosport and Comparator Locations



Source: ONS Business Demography Statistics 2016

3.42 Businesses that have ceased to trade (identified through de-registration of the administrative units, that is, VAT and Pay As You Earn (PAYE) are referred to as business deaths. The business death rate is calculated using the number of deaths as a proportion of the active businesses. In 2016 there were 270 business deaths in Gosport (a 11.9 percent death rate). This profile more similarly follows the comparator trajectories, as illustrated below.

Figure 14 – Indexed Business Deaths 2010 to 2016, Gosport and comparator locations



Source: ONS Business Demography Statistics, 2016

3.43 For several years, the number of business births has been greater than the number of business deaths which is a positive sign for the local economy.

Table 14 – Birth and Death Rates 2010 – 2016, Gosport and Comparator Locations

Area	2010	2011	2012	2013	2014	2015	2016
Gosport							
Birth Rate %	9.4	10.1	12.2	14.7	13.4	14.1	16.9
Death Rate %	11.7	10.9	10.3	9.9	10.4	11.0	11.9
Solent							
Birth Rate %	9.2	10.0	10.2	12.9	12.5	13.3	13.5
Death Rate %	10.6	9.9	10.2	9.5	9.4	10.3	11.3
South East							
Birth Rate %	9.8	10.8	10.8	13.1	12.7	13.2	12.8
Death Rate %	10.1	9.5	10.2	9.4	9.1	10.1	11.1
Eng & Wales							
Birth Rate %	10.1	11.3	11.5	14.3	13.9	14.6	14.9
Death Rate %	10.7	9.9	10.7	9.7	9.7	10.7	11.6

Source: ONS Business Demography Statistics 2016

- 3.44 One-year business survival rates also show a positive picture for Gosport. 94.9 percent of new businesses in 2015 survived into 2016; this is higher than the national average of 89.7 percent. Over recent years, one-year survival rates in Gosport hit a high in 2013 (96.6 percent) but have dropped off slightly since then – this is a trend that has been seen elsewhere too.
- 3.45 Five-year survival rates are somewhat lower in Gosport (39.5 percent of new businesses in 2011 have survived for 5 years) than they are in comparator locations.

Table 15 – Business Survival Rates 1 year 2011 – 2015 and 5 year survival rate for 2011

	2011 1 yr %	2012 1 yr %	2013 1 yr %	2014 1 yr %	2015 1yr %	2011 5 year survival rate %
Gosport	94.7	91.3	96.6	96.3	94.9	39.5
Solent	93.7	91.0	94.1	93.4	91.5	44.9
South East	93.6	91.1	94.0	93.2	90.6	46.0
Eng & Wales	93.1	91.2	93.5	92.2	89.7	44.0

Source: ONS Business Demography Statistics, 2016

Job Density

- 3.46 Job density is an indicator of the job opportunities in a given area to the local labour market and is measured as a ratio of total number of jobs to the number of working age population in the area (16-64 year olds). A higher number indicates a higher level of jobs in the area for a given working age population.

Table 16 – Job Density

	2013	2014	2015	2016
East Hampshire	0.71	0.77	0.84	0.83
Eastleigh	0.83	0.83	0.91	0.94
Fareham	0.82	0.83	0.85	0.83
Gosport	0.49	0.51	0.53	0.53
Havant	0.73	0.74	0.69	0.70
Isle of Wight	0.75	0.72	0.77	0.76
New Forest	0.79	0.78	0.83	0.82
Portsmouth	0.88	0.87	0.86	0.87
Southampton	0.77	0.79	0.80	0.78
Test Valley	0.87	0.95	1.05	1.04
Winchester	1.25	1.24	1.29	1.28
Solent LEP	0.78	0.78	0.79	0.79
South East	0.83	0.84	0.87	0.88
Eng & Wales	0.80	0.82	0.84	0.85

Source: ONS, 2016

- 3.47 As seen in the table, Gosport has a comparatively low job density level compared to neighbouring authorities and the regional and national averages. Indeed this is the joint lowest job density in South East England. This indicates that opportunities for the local working population is relatively narrow, and is consistent with the significant out-commuting statistics highlighted earlier. This also highlights the importance of providing an increased provision of premises and/or land for employment in order to encourage an increased business activity in the Borough, thereby providing further job opportunities. It is noted that the job density figure for Gosport has risen in recent years.

Summary

3.48 The following summarises the key socio-demographic characteristics of Gosport.

- Population growth in Gosport has risen by almost 12 percent over the last 20 years to approximately 85,400 persons. It is noted that the overall population growth has increased at a faster rate than the working age population, which has implications for the economy in terms of participation in the workforce.
- Gosport is a highly urbanised local authority, with approximately 72 percent of the land area built upon.
- Gosport's workforce has average levels of economic activity (in employment or looking for work), similar to the England and Wales average. Unemployment is 4.0 percent, which is considered near full employment and is also similar to the England and Wales average.
- Gosport has lower levels of those who have attained education to degree level or above compared to the LEP. However, overall there is a higher percentage of workers with some level of qualification than the regional averages.
- Consistent with this, the largest occupations category in the Gosport workforce is the associate professional and technical occupation group.
- Gosport is a substantial out-commuter area, with the main net outflows to Portsmouth and Fareham. This is due to the more limited job opportunities in Gosport, highlighted by the low job density figure.
- Median annual earnings are higher for out-commuting residents of Gosport than for workers working in the borough.
- Public administration and defence and retail have seen significant falls in employment in Gosport in recent years, offset by growth in other sectors, including information and communication, professional, scientific and technical and accommodation and food services sectors.
- For the marine industry sector, there appears to be a movement in employment from construction to maintenance and repair.
- In terms of sector specialisations in the area, manufacturing of paper and paper products, repair and installation of machinery and equipment, manufacture of textiles and scientific research and development scored high location quotients, meaning that these sectors have a more significant proportion of the employment in Gosport compared to the national averages.

- There has been a higher level of business births in Gosport in recent years, compared to regional and national averages. Business death rate has increased slightly since 2010, although at a lower rate than the rise in business death rates at the regional and national levels. This indicates a relative confidence and resilience in the business market.

- 3.49 It is an economically active area with low unemployment, indicating that there may be some difficulties in recruitment in the labour market if the economy expands.
- 3.50 It is noted that Gosport is a significant out-commuter location. Importantly, the data suggests that commuters are travelling outside of the Borough for higher value jobs. Further, high-quality, attractive business workspaces in the borough would help to provide a more diverse range of quality jobs in the borough.
- 3.51 The borough has clear sectoral employment specialisms including **manufacturing of paper and paper products, repair and installation of machinery and equipment, manufacture of textiles** and **scientific research and development**. Paper and paper products demonstrate Huftamaki's importance in the economy. The marine industrial sector would be represented in repair and installation of machinery and equipment and manufacture of textiles. All these specialisms require skilled workers.
- 3.52 Gosport is a densely developed borough. However, the Borough is still recording solid business births. Therefore, there is a need to ensure the adequate provision of employment spaces to accommodate further business growth.

4.0 PROPERTY MARKET ASSESSMENT

Introduction

4.1 The current property market in Gosport has been discussed in the following chapter based on recorded information on commercial deals conducted within Gosport, currently available commercial property and discussions with locally active property agents. Overall the property market in Gosport is constrained due to three factors:

- its lack of capacity to expand;
- its peninsula location; and
- its position in the shadow of larger markets such as Portsmouth, Fareham and Southampton.

Transactions

4.2 A list of recorded deals completed between 2007 and 2018 (year to date), obtained from the EGI property database, has been compiled and analysed in Table 17 below. Overall, a total of 248 property deals were recorded during the time period. Of this, 41 were office deals and 207 industrial/warehouse deals. Whilst this database is not comprehensive of all deals conducted within Gosport, it does provide a guide to the level and nature of activity within the Borough. Deals for 2018 have started to be logged on the property database, but there is generally a time lag in which data becomes available and thus would not be fully representative of the year to date.

Table 17 – Gosport Transactions Listed by Terms, 2007-2018 (YTD)

	Freehold	Leasehold	Investment	Other	Total
Office	17	19	4	1	41
Industrial/ Warehouse	98	103	5	1	207
Total	115	122	9	2	248

Source: EGI, 2018

4.3 Of the 41 office deals recorded within Gosport, the largest share (19 or 46.3 percent) were described as leasehold, with 17 (41.5 percent) sales or auctions.

4.4 Of the 207 industrial/ warehouse deals, 103 (49.8 percent) were leasehold, compared with 98 (47.3 percent) freehold deals.

4.5 Total deals and floorspace transacted in each individual year is displayed in Table 18 below.

Table 18 – Total Deals (2007-2018)

Year	Office		Industrial		Total	
	Number of Deals	Floorspace (sqm)	Number of Deals	Floorspace (sqm)	Number of Deals	Floorspace (sqm)
2007	0	0	27	3,682	27	3,682
2008	5	248	22	3,529	27	3,777
2009	2	421	10	1,252	12	1,673
2010	2	406	9	3,581	11	3,987
2011	4	352	7	9,892	11	10,244
2012	4	534	13	25,599	17	26,133
2013	9	1,665	22	5,776	31	7,441
2014	6	1,733	18	15,725	24	17,458
2015	3	382	22	28,527	25	28,909
2016	1	21	38	17,114	39	17,135
2017	5	1,248	16	17,672	21	18,920
2018 (YTD)	0	0	3	344	3	344
Total	41	7,010	207	132,693	248	139,703

Source: EGi, 2018

4.6 Whilst 2016 saw the most office and industrial/warehouse sales completed within Gosport, with 39 deals (15.7 percent of deals), 2015 was the year with the highest amount of floorspace take up, 28,909 sqm across 25 deals (20.7 percent of floorspace). The high number of deals in 2016 was spurred by Daedalus Park becoming available, which contributed to 36 percent of the transactions in that year. This is an example of when new product becomes available to the market (thereby increasing capacity) that the market takes it up quickly, indicating that take-up is influenced by supply.

Office Transactions

4.7 Table 19 overleaf provides a breakdown of office deals conducted within Gosport between 2007 and 2018, broken down by size range. 41 office deals have been done

in Gosport over this period, equating to 7,010 sqm of floorspace, with an average deal size of 241 sqm.

Table 19 – Office Deals Completed, 2007-2017

Office		Size(sqm)						Total
		0-100	101-200	201-500	501-1,000	1,001+	Unknown	
2007	Floorspace(sqm)							0
	Total Properties							0
2008	Floorspace(sqm)	95	153				~	248
	Total Properties	1	1				3	5
2009	Floorspace(sqm)	74		347				421
	Total Properties	1		1				2
2010	Floorspace(sqm)		111	295				406
	Total Properties		1	1				2
2011	Floorspace(sqm)		352				~	352
	Total Properties		2				2	4
2012	Floorspace(sqm)		308	226			~	534
	Total Properties		2	1			1	4
2013	Floorspace(sqm)	156	324		1,185		~	1,665
	Total Properties	2	2		2		3	9
2014	Floorspace(sqm)	98	433		1,202			1,733
	Total Properties	1	3		2			6
2015	Floorspace(sqm)			382			~	382
	Total Properties			1			2	3
2016	Floorspace(sqm)	21						21
	Total Properties	1						1
2017	Floorspace(sqm)		218	277	753		~	1,248
	Total Properties		2	1	1		1	5
2018 YTD	Floorspace(sqm)							0
	Total Properties							0
Total	Floorspace(sqm)	444	1,899	1,527	3,140	0	~	7,010
	Total Properties	6	13	5	5	0	12	41

Source: EGi, 2018

- 4.8 The spread of office floorspace over the time period 2007-2017 (no transactions yet recorded for 2018) was highly skewed towards smaller unit sizes. No individual transaction was recorded above 1,000 sqm (10,760 sqft), with the largest transaction being 753 sqm. This transaction occurred in December 2017, a sale at 133 Stoke Road. Premises of 101-200 sqm accounted for the greatest number of deals, 13 (31.7 percent of all deals), totalling 1,899sqm. 83 percent of deals, in which the floorspace was quoted, were less than 500 sqm.
- 4.9 2013 was the year which saw the highest number of deals completed (9), contributing to 22 percent of the total, although 2014 saw the highest floorspace transacted over the course of one year, with 1,733 sqm sold. 2017 was a solid year, recording the third highest total office floorspace transacted (including the largest individual transaction) and the equal third highest in terms of numbers of transactions.

Industrial/Warehouse Transactions

- 4.10 Industrial/warehouse units were involved in a larger number of deals than office units over the time period 2007-2018, with EGi recording a total of 207 sales completed. This amounts to 132,693 sqm of floorspace take up, averaging at 702 sqm per deal. Table 20 is a summary of these transactions.

Table 20 – Industrial/Warehouse Deals Completed, 2007-2018

Industrial		Size(sqm)								
		0-100	101-200	201-500	501-1,000	1,001-5,000	5,001-10,000	10,000+	Unknown	Total
2007	Floorspace(sqm)	735	1506	824	617				~	3,682
	Total Properties	8	11	3	1				4	27
2008	Floorspace(sqm)	423	1,448	203	1,455				~	3,529
	Total Properties	5	11	1	2				3	22
2009	Floorspace(sqm)	366	668	218					~	1,252
	Total Properties	4	4	1					1	10
2010	Floorspace(sqm)		556	337	2,688					3,581
	Total Properties		4	1	4					9
2011	Floorspace(sqm)	97	200			9,595			~	9,892
	Total Properties	1	1			4			1	7
2012	Floorspace(sqm)		530	435	693	2,852		21,089	~	25,599
	Total Properties		4	2	1	2		1	3	13
2013	Floorspace(sqm)	93	1,424	911	1,096	2,252			~	5,776
	Total Properties	1	11	4	2	1			3	22
2014	Floorspace(sqm)	186	733	913	2,262	6,112	5,519			15,725
	Total Properties	2	5	3	4	3	1			18
2015	Floorspace(sqm)	384	644	825	3,206	10,559	12,909			28,527
	Total Properties	4	5	3	4	4	2			22
2016	Floorspace(sqm)	360	2732	3,027		4,612	6,383		~	17,114
	Total Properties	4	17	10		3	1		3	38
2017	Floorspace(sqm)		1561	687	538	2,286		12,600		17,672
	Total Properties		10	3	1	1		1		16
2018 YTD	Floorspace(sqm)	92	252							344
	Total Properties	1	2							3
Total	Floorspace(sqm)	2,736	12,254	8,380	12,555	38,268	24,811	33,689	~	132,693
	Total Properties	30	85	31	19	18	4	2	18	207

Source: EGi, 2018

4.11 2016 saw the highest amount of deals completed, 38 (18.4 percent). 2016's transactions were dispersed throughout the borough, although most concentrated along the Fareham Road/Aerodrome Road corridor and at Daedalus Park. 2015 was the year which saw the highest quantum of floorspace transacted, being some 28,527 sqm (21.5 percent of floorspace transacted over the last decade), which saw several transactions at Regent Trade Park and Fareham Business Park.

4.12 As is typical of most markets, there was a higher number of transactions recorded for smaller units, with the 101-200 sqm category accounting for the greatest number of deals, 85 (41.1 percent of deals), totalling 12,254 sqm. 80 percent of industrial/warehousing transactions of the decade were for units up to 1,000 sqm. However, it is important to note that while the volume of transactions in the larger size brackets were lower, this is still a significant market which would need to be accommodated. 18 transactions occurred in the 1,000-5,000 sqm size cohort, over the last decade, of which 11 have occurred since 2014.

4.13 Six transactions were recorded in excess of 5,000 sqm over the last decade, all of which have occurred since 2012, which are listed below:

- Fareham Business Park, **21,089 sqm**, sale (Mar 2012)
- Unit 210-220 Fareham Reach, **5,519 sqm**, lease (Aug 2014)
- Units 2, 3 and 6 Fareham Business Park, **6,034 sqm**, lease (Feb 2015)
- Fareham Business Park, **6,875 sqm**, pre-let (Jul 2015)
- Units 4 and 5 Fareham Business Park, **6,383 sqm**, lease (Mar 2016)
- Fareham Business Park, **12,600 sqm**, investment sale (Dec 2017)

4.14 All these larger recorded transactions were in close proximity to each other on the A32 at the gateway to Gosport Borough. Fareham Reach and Fareham Business Park are neighbouring industrial schemes.

Rents

4.15 Table 21 overleaf displays average rental prices for offices achieved in each of the individual years between 2007-2017. Of the 41 deals conducted within this time period, 15 displayed costing data on EGi.

Table 21 – Average Rents by Year, Offices, 2007-2018

Year	Number of Deals	Average Deals, £/sqm	Average Deals, £/sqft
2007	0(0)	~	~
2008	0(5)	~	~
2009	1(2)	104.70	9.70
2010	1(2)	176.10	16.40
2011	2(4)	127.10	11.80
2012	1(4)	75.40	7.00
2013	3(9)	103.30	9.60
2014	2(6)	51.10	4.80
2015	1(3)	91.50	8.50
2016	1(1)	161.50	15.00
2017	1(5)	128.50	11.90
2018 (YTD)	0(0)	~	~
Total	13(41)		
Average Rents (2007-2017)		108.00	10.00

Source: EGi, 2018

- 4.16 The small number of lease transactions that have recorded price points means that it is difficult to draw conclusions as to directions of price from year to year. For office deals the average rent over the period was £108/sqm or £10/sqft.

Table 22 – Average Rents by Year, Industrial/Warehouse, 2007-2018

Year	Number of Deals	Average Deals, £/sqm	Average Deals, £/sqft
2007	4(27)	70.80	6.60
2008	7(22)	76.60	7.10
2009	4(10)	78.30	7.30
2010	5(9)	76.10	7.10
2011	4(7)	62.10	5.80
2012	8(13)	58.60	5.50
2013	13(22)	63.30	5.90
2014	10(18)	72.70	6.80
2015	11(22)	64.70	6.00
2016	3(38)	83.60	7.80
2017	1(16)	106.90	9.90
2018	0(3)	~	~
Total	70(207)		
Average Rents (2007-2017)		69.20	6.40

Source: EGi, 2018

- 4.17 With a higher volume of industrial leases reporting price points, the data does give an indication of the trends, with healthy average industrial rent levels in recent years.

Property Supply

Vacancies

- 4.18 Vacant floorspace being marketed within Gosport (as at March 2018) has been compiled in the tables below, through physical survey of employment nodes, a review of commercial property agents' websites and consultations with agents. The displayed marketed properties below should be seen as a reasonable approximation of current vacancies; however there may be occupiers waiting for interest in their property before moving and empty units which are available but not currently being marketed. Further details are provided in Appendix 2.

Office

- 4.19 Table 23 shows ten vacant office units in Gosport with a combined floorspace of 2,569 sqm. The largest unit currently being marketed is The Granary at the Royal Clarence Marina, which is a full floor of 686 sqm. However, most of the units are small, with eight of the ten between 33-113 sqm.

Table 23 – List of Marketed Office Property

Address	Postcode	Size (sqm)	Tenure	Rent/Price
Unit 4 Oaklands Business Centre, Aerodrome Rd	PO13 0GY	86	Leasehold	£107.40/sqm
Suite 125 Fareham Reach, Fareham Rd	PO13 0FW	85	Leasehold	£129.20/sqm
Units 4 The Old Railway Station, Gosport	PO12 1FQ	45	Leasehold	£110.90/sqm
Unit 16 Haslar Rd, Gosport	PO12 1NU	33	Leasehold	£193.80/sqm
Stoke Rd, Gosport		844	Leasehold	POA
The Granary, Royal Clarence Marina	PO12 1FX	686	Leasehold	POA
The Brew House, Royal Clarence Marina, Weevil Ln	PO12 1AX	94	Leasehold	POA
Building 145, Haslar Marine Technology Park, Haslar Rd	PO12 2AG	480	Leasehold	POA
Unit 12 Cooperage Green, Weevil Ln	PO12 1FY	113	Freehold	£115,000
D11 Heritage Business Park, Fareham Rd	PO12 4BG	103	Leasehold	£59.20/sqm

Source: review of agents' websites, contact with agents, 2018

- 4.20 Only one of the units on the market was available for sale, with the rest available on a leasehold basis.
- 4.21 The size profile of vacant office premises is similar to the office transaction data, suggesting that the types of properties being marketed are appropriate to the local market. However, the overall volume of office properties being marketed is small and thus provides limited choice for those seeking to enter the market.
- 4.22 Further stock is available within serviced offices or business centres, which are listed below. Such stock provides more flexibility in terms of rental arrangements, as well as administrative/reception services and shared facilities such as meeting rooms. Therefore, these units are generally taken up by SMEs, particularly start-up or relatively new businesses.
- 4.23 A properly functioning office market, with capacity for churn and growth, should have a mix of traditional office and serviced office units available, in order to enable businesses to enter the market, initially with lower commitments, but then have the capacity for longer term rents or options to purchase property.

Table 24 – Serviced Offices/Business Centres in Gosport

Address	Postcode	Size (sqm)	Tenure	Rent
Sanderson Business Centre, 15 Lees Ln	PO12 3UL	14-26	monthly	£102-129/sqm
Basepoint Business Centre, Frater Gate, Aerodrome Rd	PO13 0FQ	12-75	monthly	
Building 23, Haslar Marine Technology Park, Haslar Rd	PO12 2AG	11-496	monthly	£161/sqm
Quay West Business Centre, Quay Ln	PO12 4LJ	14-140	monthly	

Source: review of agents' websites, contact with agents, 2018

- 4.24 The business centres are located throughout Gosport, including along Fareham Road near to larger employment areas and closer to the town centre.

Industrial

- 4.25 Table 25 overleaf lists the identified industrial/warehousing premises currently on the market in Gosport. As can be seen, this list is dominated by two schemes – Fareham Reach and Daedalus Park. Fareham Reach provides large warehouse style units for leasehold. The Daedalus Park scheme included in the following table is the second stage of a new-build scheme being sold off the plan. This has been consented but

not yet built and it is understood to be generating significant business interest. The first stage of the scheme has been constructed and fully occupied. Together Daedalus Park and Fareham Reach are the leading schemes available to the market in terms of profile and quantum of space, representing over 87 percent of currently marketed floorspace in Gosport.

Table 25 – List of Marketed Industrial Property

Address	Postcode	Size (sqm)	Tenure	Rent/Price
Unit 200 Fareham Reach, Fareham Rd	PO13 0FW	1,968	Leasehold	POA
Unit 210 Fareham Reach, Fareham Rd	PO13 0FW	2,002	Leasehold	POA
Unit 620 Fareham Reach, Fareham Rd	PO13 0FW	2,615	Leasehold	POA
Unit 1000 Fareham Reach, Fareham Rd	PO13 0FW	8,261	Leasehold	POA
Building 12, Haslar Marine Technology Park, Haslar Rd	PO12 2AG	1577	Leasehold	POA
Unit 13 Quay Ln	PO12 4LJ	328	Leasehold	£54.90/sqm
Unit 8 Alphage Rd, Fort Brockhurst	PO12 4DU	307	Leasehold	£48.40/sqm
Unit 2 Invincible Building, Daedalus Park, Lee-on-the-Solent	PO13 9JY	100	Freehold	£145,000
Unit 4 Invincible Building, Daedalus Park, Lee-on-the-Solent	PO13 9JY	203	Freehold	£285,000
Unit 5 Invincible Building, Daedalus Park, Lee-on-the-Solent	PO13 9JY	100	Freehold	£145,000
Unit 6 Invincible Building, Daedalus Park, Lee-on-the-Solent	PO13 9JY	100	Freehold	£145,000
Unit 7 Invincible Building, Daedalus Park, Lee-on-the-Solent	PO13 9JY	100	Freehold	£145,000
Unit 8 Invincible Building, Daedalus Park, Lee-on-the-Solent	PO13 9JY	123	Freehold	£175,000
Unit 6 Illustrious Building, Daedalus Park, Lee-on-the-Solent	PO13 9JY	100	Freehold	£145,000
Unit 7 Illustrious Building, Daedalus Park, Lee-on-the-Solent	PO13 9JY	100	Freehold	£145,000
Unit 8 Illustrious Building, Daedalus Park, Lee-on-the-Solent	PO13 9JY	123	Freehold	£175,000
Unit 5 Hermes Building, Daedalus Park, Lee-on-the-Solent	PO13 9JY	96	Freehold	£140,000
Unit 6 Hermes Building, Daedalus Park, Lee-on-the-Solent	PO13 9JY	96	Freehold	£140,000
Unit 2 Keppel Building, Daedalus Park, Lee-on-the-Solent	PO13 9JY	202	Freehold	£285,000
Unit 3 Keppel Building, Daedalus Park, Lee-on-the-Solent	PO13 9JY	202	Freehold	£285,000
Unit 4 Keppel Building, Daedalus Park, Lee-on-the-Solent	PO13 9JY	202	Freehold	£285,000
Unit 5 Keppel Building, Daedalus Park, Lee-on-the-Solent	PO13 9JY	161	Freehold	£230,000
Unit 9 Clarence Wharf, Mumby Rd	PO12 1AJ	227	Leasehold	£73.20/sqm

Source: review of agent and developer websites, contact with agents, 2018

- 4.26 The currently marketed premises provide a range of unit sizes from small workshops to larger warehousing premises. However most of the smaller stock is available on a freehold basis, which will only appeal to a certain sector of the market. Compared to the transactions data presented earlier in this chapter (see Table 18), there is a reasonable supply of premises available in the most popular 101-200 sqm size range, although this is all contained within one scheme (Daedalus Park). The second and third most popular size bands, 201-500 sqm and 0-100 sqm, are less provided for in the currently available properties.
- 4.27 While Fareham Reach and Daedalus Park provide higher profile stock in the north and west of the Borough, there is very limited choice of industrial premises near the waterfront or the town centre. This would have implications for businesses requiring near/on water sites as part of the marine engineering sector.

Valuation Office Agency Data

- 4.28 The Valuation Office Agency (VOA) provides data on the overall number of business premises (hereditaments) and overall floorspace by broad use type, including offices and industrial/warehousing. According to the latest VOA statistics (2015-2016), there were 180 office hereditaments and 530 industrial hereditaments within Gosport at that time, totalling 22,000 sqm and 204,000 sqm respectively.
- 4.29 Comparing this to the vacancy schedules above can provide an indication of the overall occupancy rate of the commercial premises. As at March 2018, there were some 2,569 sqm of office space and 19,293 sqm of industrial space. This equates to occupancy rates of 88.3 percent for offices and 90.5 percent for industrial space. Clearly the different timeframes of the two data points (the VOA data and the vacancy schedule) and that some floorspace is being sold off-plan (i.e. yet to be constructed) mean that these occupancy rates are estimates only, but do provide a reasonable indication of the overall performance of the market.
- 4.30 Occupancy rates of 90-95 percent can be considered a reasonable balance between a vibrant, active market provide good returns to landlords and providing capacity for churn and growth in the market. A high occupancy rate is an indicator of a full market with businesses having difficulties in finding adequate premises. A low occupancy market indicates long-term unoccupied and derelict stock and poor business growth.

4.31 The occupancy rates of the Gosport market suggest a reasonably performing market, particularly in the industrial sector. Given that a reasonable proportion of the available industrial stock is within the under-construction Phase 2 of the Daedalus scheme (which has a good level of pre-commitments), the actual occupancy rate would be higher still and indicates potential for constraints in the market. Furthermore, the concentration of vacant premises within two schemes – Fareham Reach and Daedalus Park – in the west of the Borough suggests very high occupancy rates elsewhere in the Borough, including around the waterfront to the east, which would have implications for growth of the marine industrial sector.

Consultation with Property Agents

4.32 Along with the above property data analysis pertaining to Gosport, consultations with active commercial property agents in the Borough have been carried out. Agents were asked about activity levels in Gosport for office and industrial units in relation to spatial and size differences, key market interest and weaknesses in the market. Feedback from the agents is summarised in Tables 26 below. In order to protect confidentiality, names of the agents/agency have been separated from the information that they provided. The opinions recorded in the table below are the opinions of the respondents.

Table 26 – Property Agents’ Comments

Contact	Comment
Local Agent	Companies that are coming into the area can vary from local businesses to a few national companies, although the majority are local businesses. Currently marketing 3 leasehold properties, all found within Haslar Marine Technology Park. These options comprise of two office units between 470sqm-500sqm, with one asking for £15.12 per sqft. The other option on the market is for a 1,577sqm industrial unit.
Local Agent	Not marketing many units in Gosport at the moment because there are not many options available for office or industrial units. Businesses that are looking for property in the area tend to be from local, small, niche sectors. Overall, however, there is not much demand for businesses wanting to move into Gosport which is predominantly due to the limited transport options from both rail and motorway. This is showcased through Gosport being the biggest town in the South with no train station. The Council need to target transport improvements in order to improve the employment sector of Gosport. (BE Group asked about the future use of the HMS Sultan site) – Residential properties will outbid commercial properties in value and so residential units will probably end up on the site. However, there is no point in drawing more residents into the area if there is not employment available in Gosport for them.

Local Agent	<p>There is not a lot of demand for businesses coming into Gosport, but any demand received is for micro-sized businesses due to Gosport's niche market sector. In particular, the maritime sector is what is predominantly attracted to the area.</p> <p>Employment pools are bigger elsewhere in terms of markets and potential space.</p> <p>There are some weaknesses to be found within the individual office and industrial markets with there being a lot of limitations in the office market because of the poor catchment area, poor accessibility and poor skill set of the workers. In terms of the industrial market, it was questioned how much expansion there is for sites such as Daedalus.</p> <p>Currently marketing four offices, all of which hold a leasehold tenure and range from 29-114sqm. One office is located at Oaklands Business Centre and is being marketed at £9,270 per annum. Another unit at Ordance Business Park is on the market as a warehouse/industrial unit, which holds a freehold value of £265,000 for 2,645sqm of floorspace.</p>
Local Agent	<p>There is no employment land available in Gosport at the moment, with there not being enough big sheds in the area and a lack of 10,000sqft properties.</p> <p>Gosport is not a very popular area for industrial businesses, and specifically no distributions or logistics companies will go to the area. Fareham is a much more popular place for businesses than Gosport. Certain problems exist within Gosport which are instrumental in the current condition of the employment market, most noticeably is the traffic problems along the A32. The A32 is home to huge pollution issues due to the huge amount of traffic on the road. Developing the HMS Sultan site into an industrial area will only increase the trucks and lorries which use the road, causing pollution levels to increase even more. To improve the employment market of Gosport, infrastructure improvements are required.</p> <p>Currently marketing a warehouse/industrial unit at Fareham Reach Business Park under a leasehold tenure of 1,394-6,800sqm.</p>

Source: BE Group interviews with Property Agents, 2017

Summary

- 4.33 Transaction data over the last decade has revealed that the Borough has seen almost four times as many industrial deals than office deals.
- 4.34 The majority of deals for both office and industrial units were for smaller sized facilities of 101-200 sqm, agreeing with the view of local property agents that Gosport is predominantly attractive to small, local businesses due to its niche markets and geographic constraints. However, there is an important market for mid-size industrial premises that, while having a smaller transaction volume than smaller premises, remains an important market for Gosport.

- 4.35 Comparing this demand profile to the supply of vacant premises, the vacant office premises represent a reasonable range of sizes, although the overall volume of stock is limited. The vacant industrial premises are mostly contained within two schemes and once the immediate availability of premises at Fareham Reach and Daedalus Park has been exhausted, there is not an obvious location for further premises that could service this market. Furthermore, the marine industry is constrained due to a lack of on/near water premises.
- 4.36 It appears that the availability of premises has had an impact on take up of units in Gosport, with the limited amount of supply of recent years dampening transaction rates. Where further stock has been made available (e.g. Daedalus Park), take-up of the units has been strong and has lifted overall transaction numbers for that period.

5.0 COMPANY SURVEY AND BUSINESS ENGAGEMENT

Introduction

5.1 The consultations and primary research with the business community in Gosport and relevant organisations comprised a three-pronged approach:

- Telephone survey with a randomised selection of existing Gosport businesses that typically locate in B-class premises;
- Targeted one-on-one consultations with key businesses in Gosport;
- One-on-one consultations with key organisations – public sector organisations at the regional level and neighbouring local authorities.

Business Survey

5.2 A business survey has been carried out as part of this study to provide further evidence to the analysis of the local commercial property market of the previous chapter. It is another strand of information that has been used to inform the conclusions and recommendations of this study.

5.3 The views discussed below are those of the individual organisations surveyed at the time of consultation. They are not the views of the consultants or local authority.

Methodology

5.4 136 businesses within Gosport were surveyed in November 2017, which is representative of about 10 percent of the current business stock within Gosport. The businesses information was gained from a business database; Market Locations and once received, businesses were filtered out to those business types that use B1, B2 and B8 premises. These were the target groups required for the business survey. The survey was carried out over the telephone, with the questionnaire being completed by the surveyor at the time of correspondence. The survey included basic information regarding the businesses current location and future needs whilst residing in Gosport. The business survey can be found in Appendix 3.

Survey Responses

5.5 The responses to each of the survey questions have been consolidated and displayed in tables/graphs and analysed individually below.

Current Accommodation

Business Sector

5.6 Companies were asked to define the main activity of their business, with results in the table below showing 16 different SIC classification groups in operation within Gosport.

Table 27 – SIC Classification Groups

SIC Classification Group	Responses	
	Number	Percent
Manufacturing	36	26.5
Electricity, Gas, Steam and Air Conditioning Supply	3	2.2
Waste Supply, Sewerage, Waste Management and Remediation Activities	1	0.7
Construction	31	22.7
Wholesale and Retail Trade	7	5.1
Transportation and Storage	10	7.4
Information and Communication	3	2.2
Financial and Insurance Activities	2	1.5
Real Estate Activities	2	1.5
Professional, Scientific and Technical Activities	21	15.4
Administrative and Support Service Activities	3	2.2
Public Administration and Defence	3	2.2
Education	4	2.9
Human Health and Social Work Activities	2	1.5
Arts, Entertainment and Recreation	5	3.7
Other Service Activities	3	2.2
Total	136	100.0

Source: BE Group, 2018

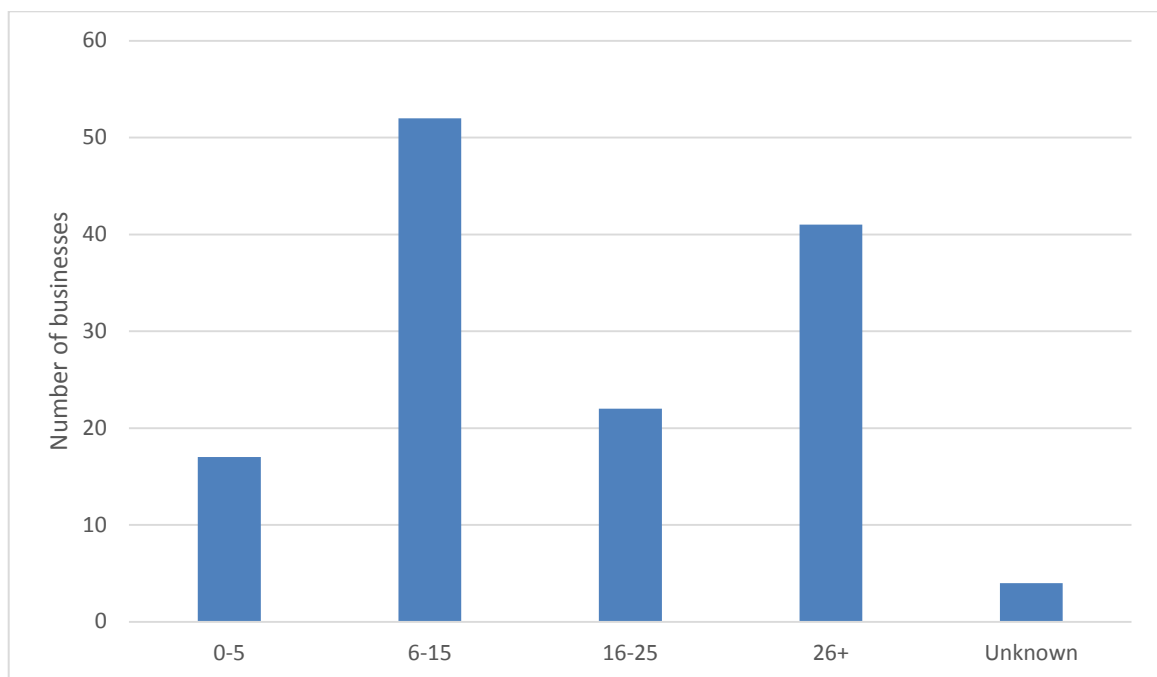
5.7 *Manufacturing* can be seen as the most popular business activity within Gosport, with over 25 percent of the businesses surveyed belonging to this classification group.

The *Construction* sector contributed to 22.7 percent of business surveyed, and when combined with *Manufacturing*, indicates almost half of respondents belonging to one of these two employment classification groups. With the Maritime sector a highly employable section of the Gosport business market, there can be seen to be Marine related businesses in various employment groups such as *Manufacturing*, *Education* and *Administrative and Support Service Activities*. From the breakdown above, a wide variety of business types locate in employment spaces, which would need to be accounted for in the planning for new business spaces.

Years within Gosport

- 5.8 Companies were questioned on the number of years they had been active and operational within Gosport, with a median operation lifetime in Gosport of 15 years. Figure 15 showcases a breakdown of the years of operation within Gosport.

Figure 15 – Years of residence within Gosport (number)



Source: BE Group, 2018

- 5.9 With almost 20 percent of businesses stating they had been active in Gosport for 0-5 years, this shows businesses are being attracted to start up/move to the area, a positive factor for employment in the area.

Employee Numbers

5.10 Companies were asked to state the number of employees within their Gosport premises, with responding businesses averaging 9.6 workers. The percentage breakdown of employee size band can be seen in Table 29 below.

Table 29 – Business Employee Numbers by Size Band, Percent

Area	Micro (0-9)	Small (10-49)	Medium (50-249)	Large (250+)	Unknown/ Cannot disclose
Gosport	69.8	25.0	2.9	0	2.2

Source: BE Group, 2018

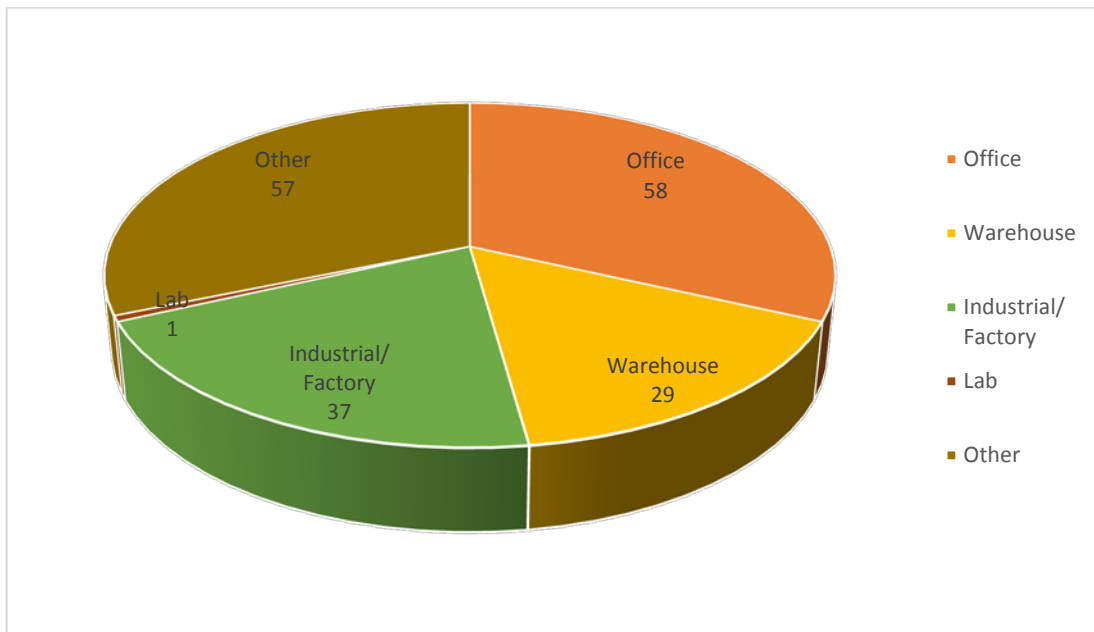
5.11 Overall, with just under 70 percent of businesses who responded having between 0-9 employees currently, it is deemed that micro sized businesses are the most common. However, typically micro-businesses occupy an even higher percentage of overall business numbers. The structure of the business survey, specifically targeting businesses that generally locate in B-class units, would somewhat exclude micro-businesses (e.g. some home based, tradespeople). With businesses with a small employee band (10-49 employees), contributing to 25 percent of the surveyed respondents, it indicates the backbone to the local economy is one made up of businesses with micro/small employee numbers.

Type of Premises

5.12 Businesses surveyed were asked about the type of premises that their business is located in within Gosport. Options were given which suit the typical premises of B1, B2 and B8 businesses, and results can be seen amalgamated in Figure 16 below.

5.13 Respondents were able to give more than one option for their premises type, as some companies were operating from multiple premises within Gosport or occupy a hybrid unit (e.g. office/warehouse). Office premises were deemed to be the most popular accommodation type, with 31.9 percent, closely followed by the category of 'other' with 31.3 percent, which was mostly made up of businesses that were located in the employee's homes. A combined total of 36.2 percent of business listing their premises as a warehouse/industrial unit.

Figure 16 – Type of Business Premises (business count)

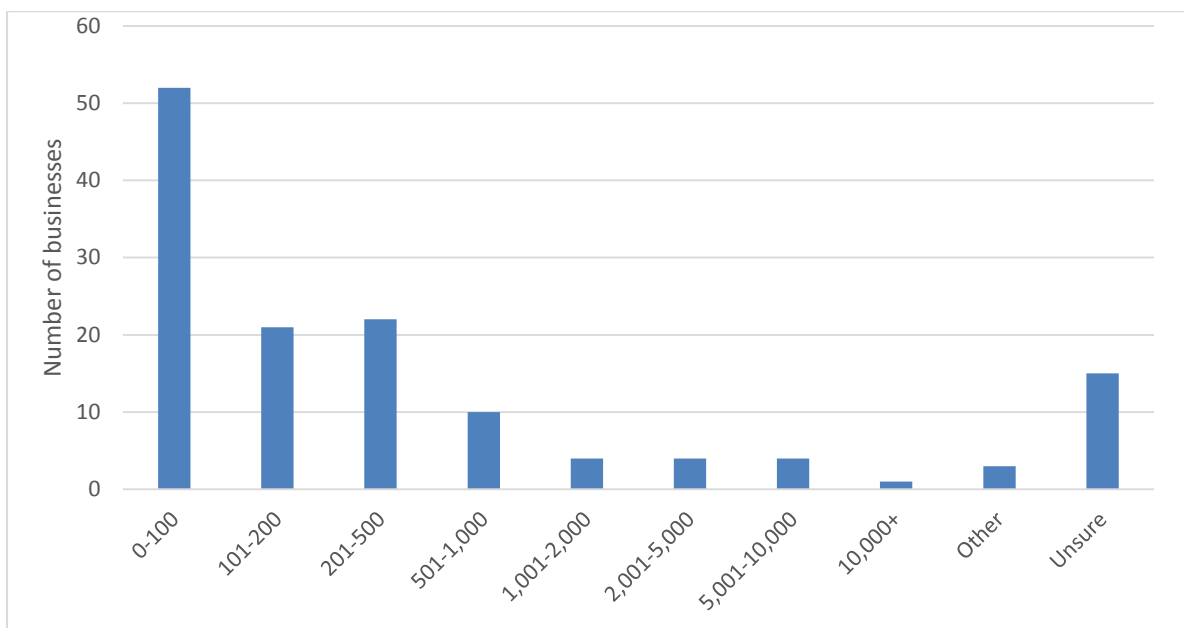


Source: BE Group, 2018

Size of Premises

5.14 Businesses were asked to state the size of their current unit. This helps demonstrate the preferred types of premises in the market, alongside the other market evidence presented in in the previous chapter and through targeted consultations with stakeholders. Figure 16 below shows the split of these floorspace sizes.

Figure 17 – Size of Premises, sqm (number)



Source: BE Group, 2018

5.15 The graph clearly demonstrates a strong current preference for smaller units, consistent with the dominance of smaller businesses, including home-based businesses, in the market. 38.2 percent of businesses surveyed had a unit floorspace of less than 100 sqm.

5.16 While a small number, it is noted that 13 respondents were located in premises over 1,000 sqm (10,800 sqft), including five respondents in premises over 5,000 sqm (53,800 sqft). Larger premises are generally more difficult to find sites for, particularly in a densely developed area such as Gosport. Therefore, while there are only a small number of businesses occupying such space, planning for the provision of such units remains important.

Ownership and Lease Length

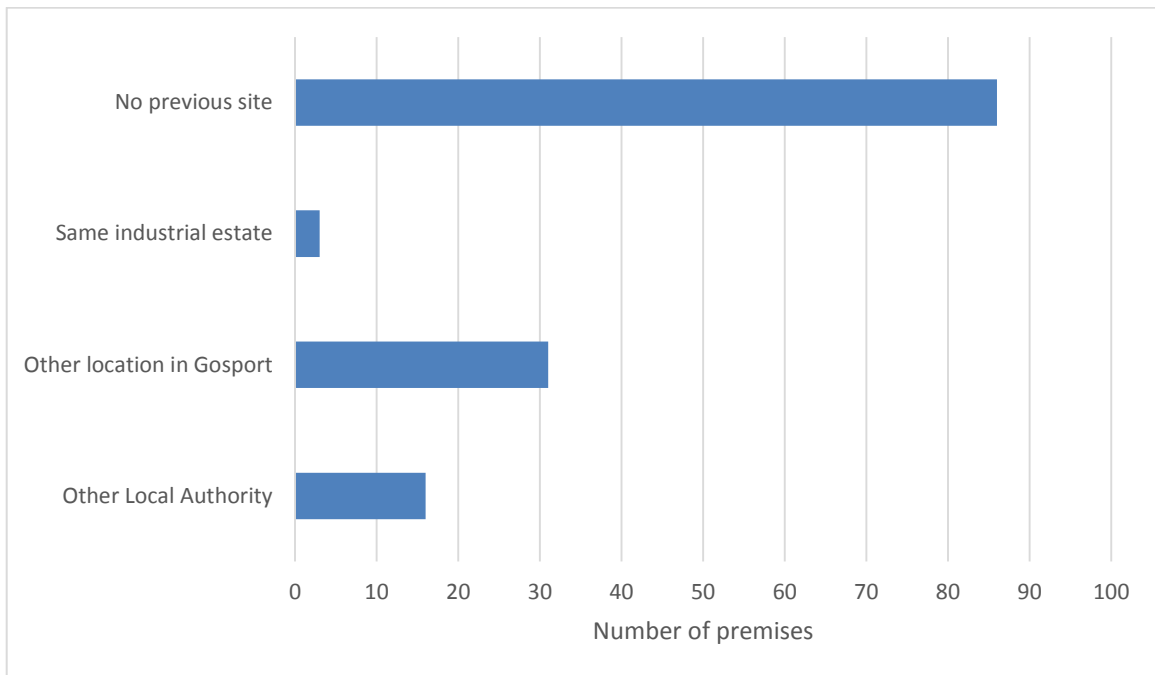
5.17 Businesses were asked about the ownership of their current premises, if it is held under a leasehold or freehold tenure, and if leasehold, then how long is left on the lease. The split between owned and rented properties in Gosport is fairly even, with rented properties representing 50.7 percent of businesses and owned properties 49.3 percent of businesses surveyed.

5.18 Companies currently holding a leasehold tenure stated a range from 1 year remaining on their lease up to 12 years remaining, with seven companies stating that their lease was on a 'rolling' basis.

Previous Location of Business

5.19 Respondents were asked whether there had been any previous locations of the business, illustrated in the graph below. The majority of businesses, 63.2 percent, have never had any other business location. Furthermore, a further 25.0 percent had relocated from another unit in Gosport (either within the same estate or elsewhere), which means that some 88.7 percent of businesses are indigenous to the area. This highlights the localised nature of the economy.

Figure 18 – Previous Location of Business Premises (number)



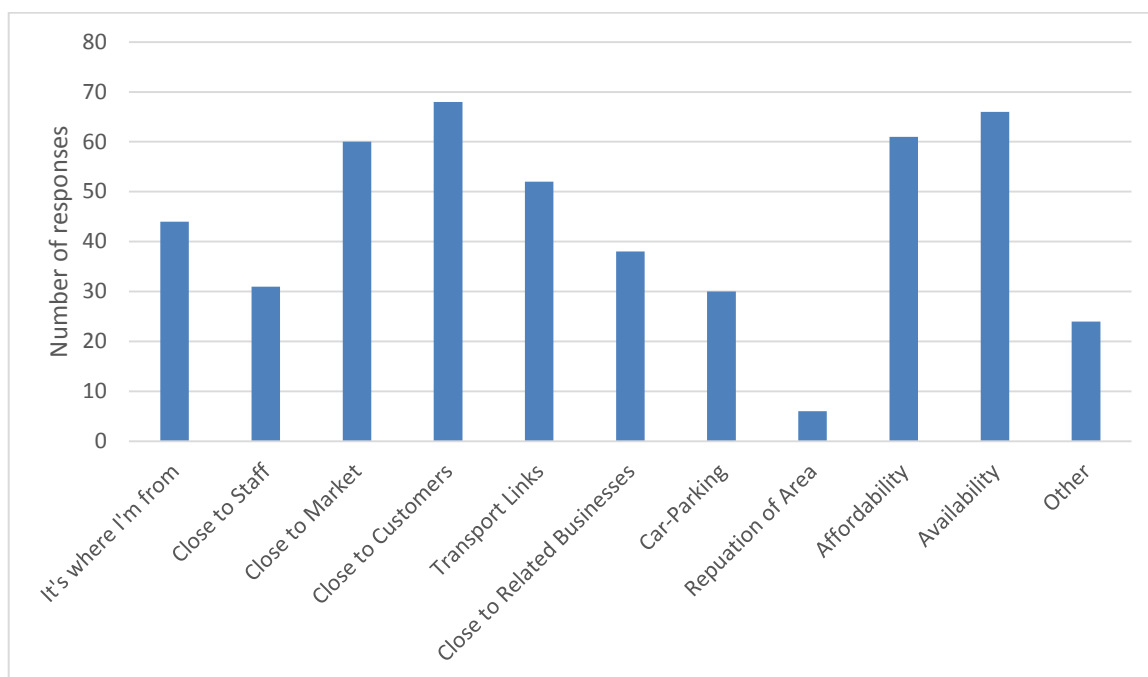
Source: BE Group, 2018

5.20 The remaining 11.8 percent of businesses had located to Gosport from areas close by such as Fareham and Portsmouth, or as far-away as Dorchester.

Advantages of Current Location

5.21 Companies were asked to state the main advantages that they felt for their business due to being located within Gosport, with respondents able to provide more than one answer. Respondents were given 11 different options to choose from, with the results displayed in Figure 19 below.

Figure 19 – Main Advantages of Current Location (number)



Source: BE Group, 2018

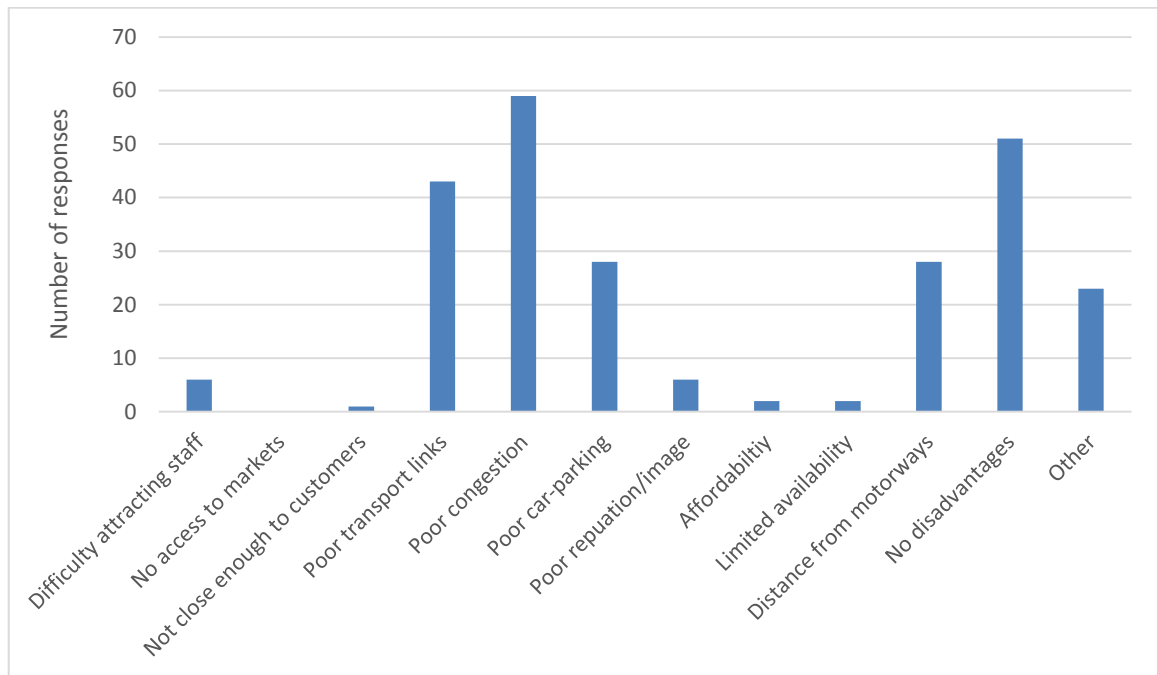
5.22 Being close to customers and availability of premises were the most popular responses, achieving 14.2 percent and 13.8 percent respectively. However, it is noted that there was a broad mix of responses, with no outstanding or dominant response. Proximity responses (to customers, market, related businesses, staff) were also important answers.

5.23 The most popular 'other' response was also a proximity response, specifically being close to marinas, reflecting the importance of this asset to the local economy.

Disadvantages of Current Location

5.24 Respondents were also asked about the disadvantages of operating businesses in Gosport. Again, companies were allowed to provide multiple responses. This provided a stark response, with the four significant selected responses all concerning transport issues, most notably congestion. Furthermore, while the 'other' responses provided an array of responses, variations on the transport theme were also prominent. Positively, some 37.5 percent of respondents did not identify any disadvantages.

Figure 20 – Disadvantages of Current Business Location



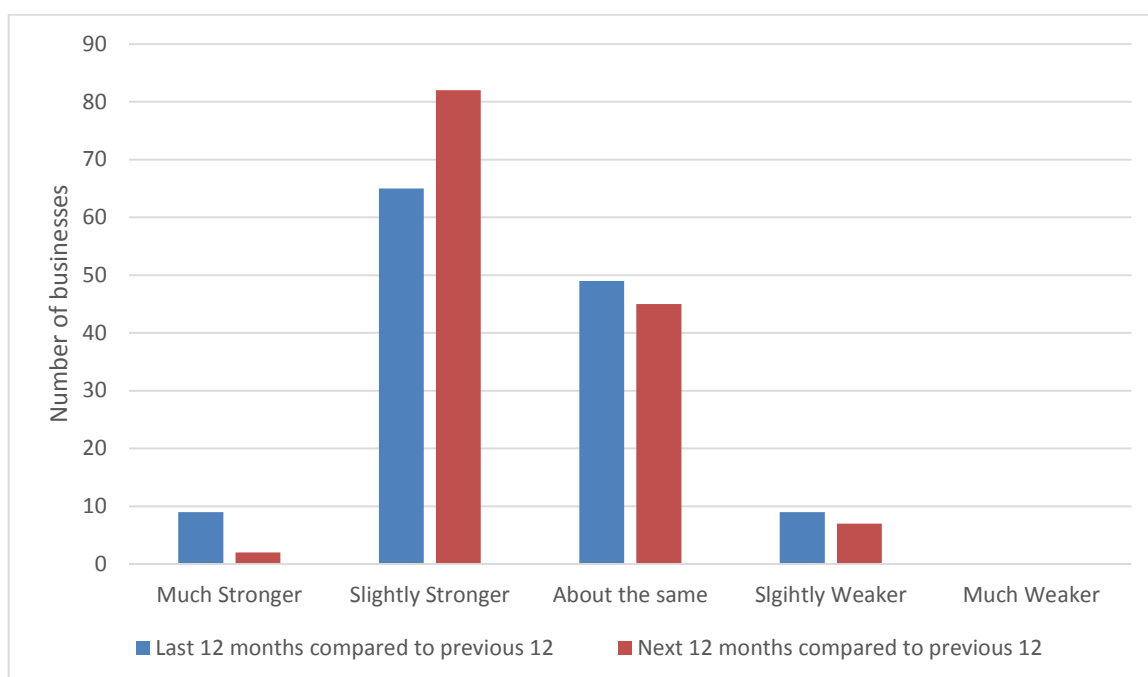
Source: BE Group, 2018

Business Confidence

Business Performance

5.25 Businesses were asked to analyse their performance levels, in respect to how well their business had changed from the previous year, to the current year and also comparing the current year to expected performance for the upcoming year. This measures recent growth and business confidence of anticipated further growth. The performance levels were rated on a scale from 'much stronger' to 'much weaker' with the results for both questions displayed on the graph below in Figure 21.

Figure 21 – Business Performance



Source: BE Group, 2018

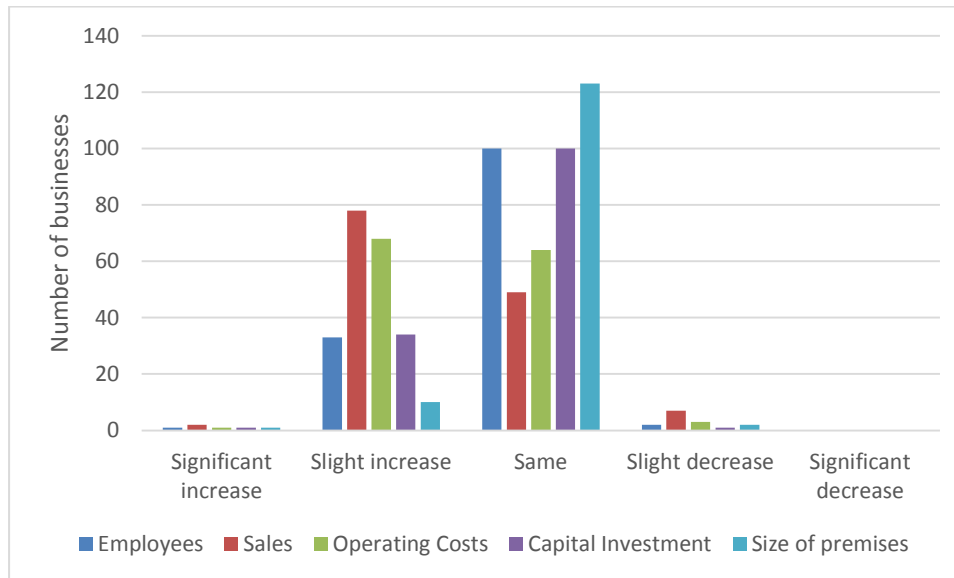
- 5.26 Of the respondents, 56.1 percent of businesses considered that their business had performed stronger over the last 12 months, compared to only 6.8 percent of businesses were feeling that their business had performed to some degree weaker over the last 12 months compared to the previous 12 months.
- 5.27 Regarding future performance of their business, there was generally an optimistic outlook by respondents with 60.3 percent expecting a slightly stronger performance and a further 1.5 percent expecting a much stronger performance.

Changing Business Factors

- 5.28 Companies were given five factors associated with their business (employment numbers, sales, operating costs, capital investment and size of premises) to rate on a scale from significant increase to significant decrease in regard to how they are expected to change over the upcoming 12 months, which is summarised in the graph below. Summaries of the responses for the five metrics are provided in the subsequent paragraphs. Overall, the dominant expectations were for the same performance or a slight increase in the five metrics. Sales and operating costs were expected by more respondents to rise, with size of premises employment numbers and capital investment more likely to stay the same. This is to be expected as the last

three metrics are generally more stable within a business than sales and operating costs, which fluctuate more often.

Figure 22 – Expected Changes in Business Metrics



Source: BE Group, 2018

Future Requirements

Relocating

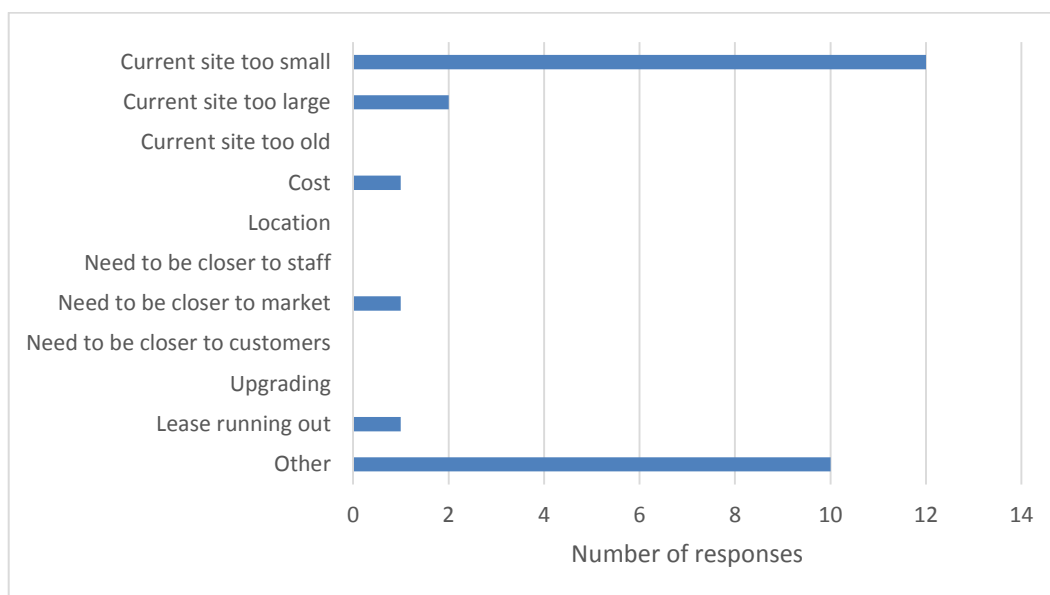
5.29 Businesses were asked about to give a yes or no answer on if they were considering relocating their business premises, with 18 of the 136 stating that they were considering relocating, equating to 13.2 percent. From similar exercises throughout England asking about such intentions, BE Group has found that levels above 10 percent are significant.

5.30 The following questions have been answered by the 18 companies who are considering relocating, in order to understand why and what they would require from their relocation.

Main Reason for Relocation/Expansion

5.31 It is important for the Council to understand why a business would be considering relocating in order to interpret any problems with the current employment property market. Companies were given 11 different options and allowed to choose as many as were applicable.

Figure 23 – Reason for Relocation

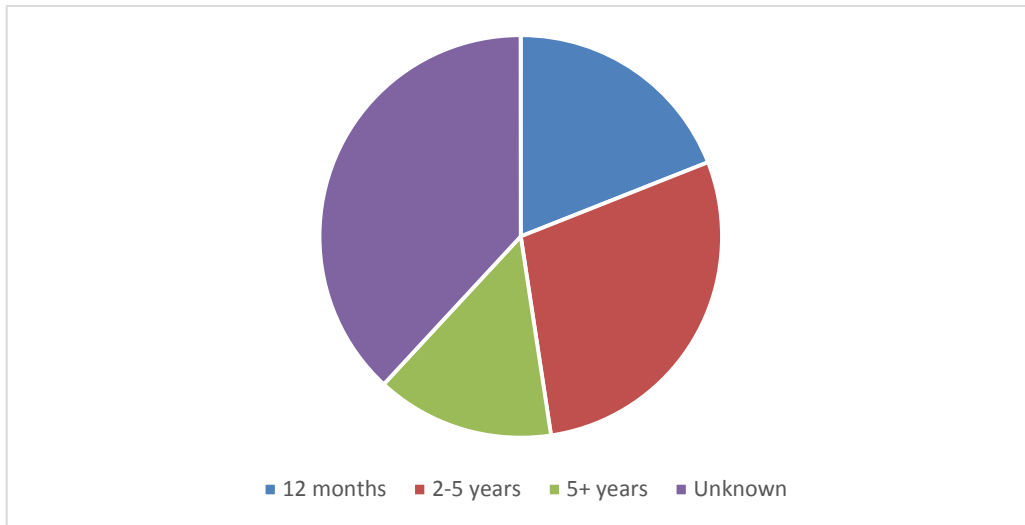


Source: BE Group, 2018

- 5.32 A total of 27 reasons for relocating were given from the 18 companies who stated that they had a desire to relocate from their current premises. Over half of the responses given (51.8 percent) were regarding the size of the current premises, with 44.4 percent stating that their need to relocate was because their current site was too small. The current unit sizes of these businesses range from 0-100 sqm to 5,001-10,000 sqm, indicating premises of all sizes are in demand from this group.
- 5.33 Companies were free to give 'other' reasons as to their desire to relocate if required reasons were not an option. The need of companies to be nearer to better transport links was mentioned as the most common of these other comments. This is potentially of significant concern as it implies a movement out of Gosport.

Timeframe for Relocation

Figure 24 – Estimation of Relocation Timeframe, percent



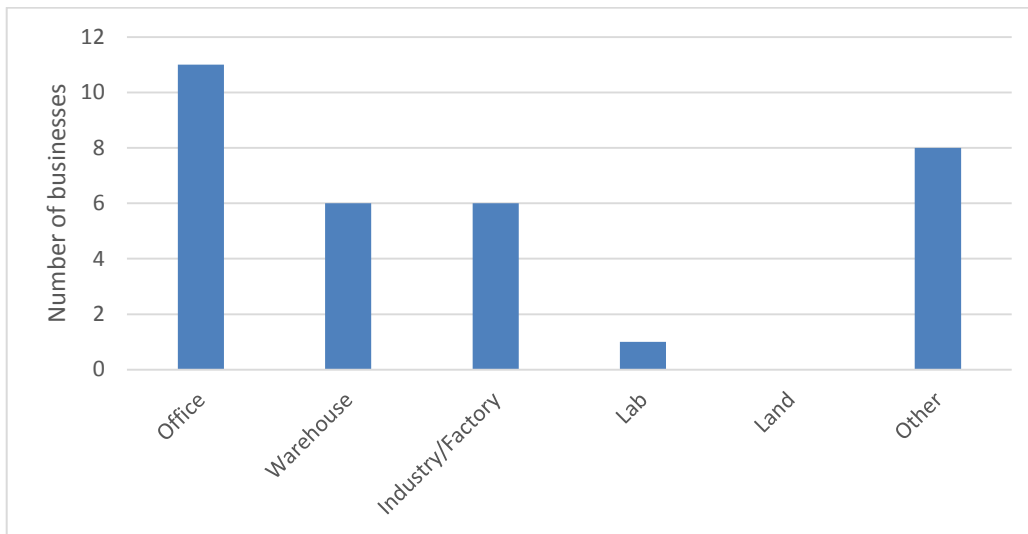
Source: BE Group, 2018

- 5.34 In total, almost 50 percent of businesses stated a wish to move premises in five years or less. This could be caused by 60 percent of these companies having a lease that expires within three years or less, therefore are thinking about the possibility of relocating.

Desired Property for Future Relocation

- 5.35 Whilst companies were asked to state their current premises type earlier on in the survey, it is important to understand, for those companies wishing to relocate, what property type demand they would be looking for in a relocation. Companies were given six property options for their future relocation choices, with the results displayed in Figure 25 overleaf.

Figure 25 – Desired Property for Future Relocation



Source: BE Group, 2018

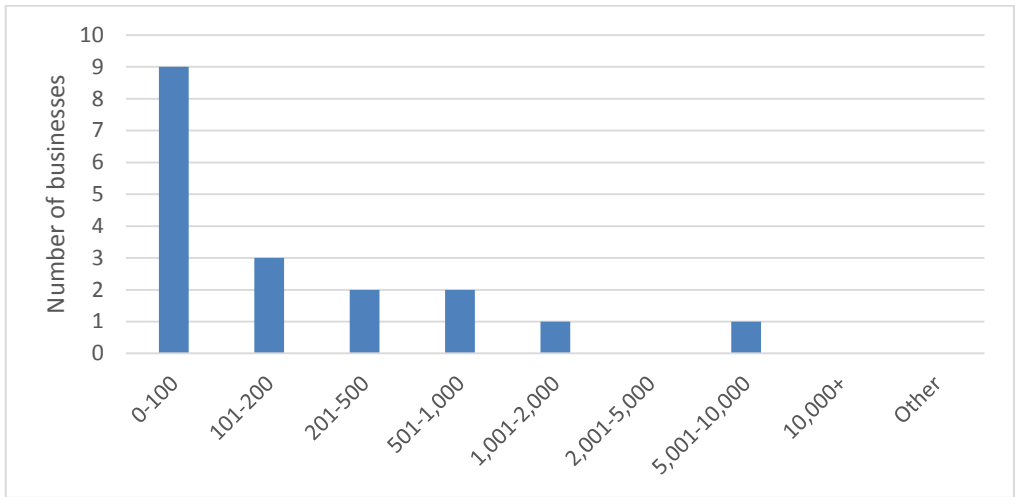
5.36 Companies wishing to relocate gave 32 different answers of desired property for their future relocation needs, with various companies stating more than one requirement or preference. Office space was the most popular choice of future requirements, although most as part of an industrial/warehousing unit.

Desired Size of Property for Future Relocation

5.37 Figure 26 overleaf shows the distribution of preferred unit sizes from those considering relocation. It is clear that size units of 0-100 sqm are the most sort after for relocating businesses in Gosport. The businesses that nominated this unit size are also currently within units of this size band.

5.38 The requirements nominated, broadly reflect the overall property market, with a dominance of the smaller unit sizes.

Figure 26 – Desired Size of Future Property (sqm)

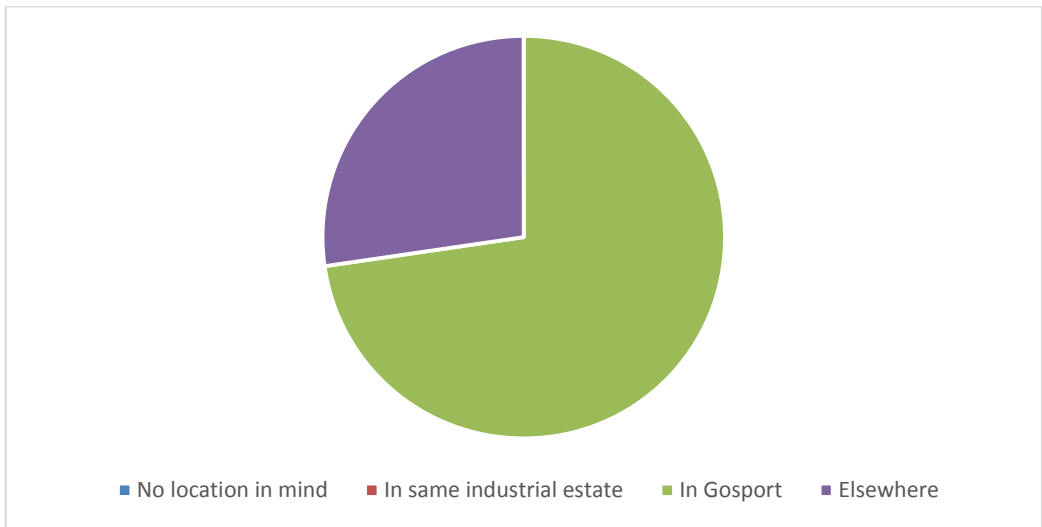


Source: BE Group, 2018

Desired Destination for Relocation

5.39 Companies were asked to state whether there was a location in mind for their relocation destination. Results have been collected and displayed in Figure 27.

Figure 27 – Destination of Relocation



Source: BE Group, 2018

5.40 While most respondents indicated that their preference was another unit within Gosport, just over one-quarter were considering relocating out of the Borough. Only one company had given a specific preferred destination outside of Gosport, (only specified as elsewhere in Hampshire), whilst another was certain to move away in order to gain better transport links, but had no set location. The remaining four businesses stated that they were willing to move away from Gosport if their desired

premises were not available. If a higher density of available employment properties were made available, there is the potential of more companies wishing to relocate, remaining within Gosport.

Additional Comments

- 5.41 With companies encouraged to discuss any additional issues that they may have, certain comments were made which were not able to be brought up through a question in the survey. Companies were wishing to strongly express their issues regarding traffic in and out of Gosport and how it is affecting their businesses in terms of staff and attracting customers. Many stated that they were not wishing to relocate, but if this were a desire, it would be due to the traffic problems.
- 5.42 Business rates were also a concern to some businesses, in particular recent rises. Some small businesses stated they wish they had more help from the Council for helping their businesses to grow, especially in the form of small business premises availability.
- 5.43 Availability has been an issue brought up by a few companies who are not looking to relocate their businesses, but rather to expand. Expansion options do not seem to be readily available, especially for companies who must remain in a set location i.e. at the waterfront. If physical room for companies to grow is seen as a limiting option within Gosport, the number of businesses wishing to relocate may increase.

Summary of Business Survey Findings

- 5.44 The business survey is a snapshot of the current market in Gosport, derived from a random sample of Gosport businesses, of the types that typically locate in B-class premises.
- 5.45 Overall the respondents showed confidence in their business prospects over the coming year.
- 5.46 The survey has shown a strong sense of loyalty to the area from Gosport businesses, with several long-term companies and relocation decisions (past and current) favouring alternative locations within Gosport. However, the connection of the businesses to the area is being strained by transport concerns, which emerged strongly from the survey as the prime disadvantage of operating a business in Gosport and a factor in future relocation decisions.

5.47 With a significant percentage of respondents indicating a potential to relocate sites in coming years, there is a risk that businesses will be lost from Gosport as they are attracted to areas with less transport concerns.

Targeted Business Consultations

5.48 To complement the business survey, a series of one-on-one consultations with key businesses in Gosport was undertaken to provide a deeper level of understanding of issues for businesses in the borough. Business were specifically targeted, either because they are a large business in Gosport or because it was known that they had a particular requirement or concern.

5.49 The consultations were primarily undertaken as face-to-face meetings, although some were telephone conversations. They did not follow a strict list of questions or were fully scripted; rather they were discussions covering a range of topics – background on the business, historic reasons for establishing a business in Gosport, advantages and disadvantages of operating in Gosport, requirements for premises, key concerns, staff recruitment, future business plans, etc.

5.50 The summaries of the consultations with the business representatives are provided in Appendix 4. Below are the key findings and themes emerging from these consultations.

- Congestion on the key roads is a broad concern, particularly the A32. This has implications for staff getting to work, suppliers/associates and accessing markets. Traffic congestion and access was cited as the key concern for Gosport by most of the respondents.
- Traffic congestion is impacting on business operations to the extent that some respondents saying that it could lead them to relocating the business outside of Gosport. Respondents cited examples of other businesses that relocated from Gosport for such reasons.
- The marine sector is a key sector within Gosport with several key assets (marinas, waterfront with deep water access, slipways, boat lifts, cluster of businesses, skilled workforce). It is a well-functioning sector within Gosport and a strength of the area.
- One respondent mentioned the potential conflict between marine waterfront uses and residential developments and would be keen for the marine sector to be protected from residential developments.

- Two respondents stated that they had spare land capacity on their sites, but this would be for future expansions/in-house uses and would not become available to the broader market.
- The Solent EZ at Daedalus is seen as a strong location for businesses, with advantages cited being rates relief, more accessible than elsewhere in Gosport, avoids congestion on the A32, has expansion opportunities and can provide plots of land for design and build options.
- Businesses reported a preference for training their own staff, building their skills up in-house through apprenticeships and on-going training. Fareham College was cited as a location for apprenticeships.
- There was a range of opinions on how easy it is to recruit staff, with some respondents stating it was straightforward and others reporting on-going difficulties. Quality of life was a key attractor of staff to the area and local housing was seen to be attractive. Specialist skilled staff were more difficult to attain.

5.51 The clear primary concern for businesses in Gosport is the transport issue, which has appeared as the overarching issue in both the business survey and the targeted business consultations. This is affecting business operations in terms of staff commuting, client visits and deliveries. **Critically, it is also impacting on business location decisions, with businesses citing that access issues could impel them to relocate out of Gosport.** Furthermore, examples were cited of other businesses that had relocated out of the Borough for access reasons.

5.52 This highlights the importance of continuing transport improvements, such as the recently completed Newgate Lane scheme and the proposed Stubbington Bypass and the further development of the South East Hampshire Bus Rapid Transit (BRT) scheme. Promoting these current and proposed schemes to the business community, including forecast benefits, may help retain businesses considering relocating due to current transport constraints.

Public Agencies

5.53 Relevant public agencies were also contacted in regards to potential implications for employment land demand in Gosport and to gain an understanding of what the neighbouring authorities are planning.

Hampshire County Council

- 5.54 Representatives of Hampshire County Council highlighted the constrained employment market in Gosport, with limited options for new development/expansions.
- 5.55 The representatives suggested a more development focus for Gosport Council, including a dedicated development team, rather than just a property arm. The representatives consider that the Borough Council is not resourced for development. Gosport would benefit from a vision for investment by the public sector. It was noted that some areas in Gosport have Assisted Area Status, but that this was not being promoted. The Daedalus area was cited as a key location for Gosport.
- 5.56 In the broader region, Portsmouth and Gosport have an important relationship and Gosport's proximity to the city represents a real opportunity for the Borough's economy. There is regional pressure for the release of further land for employment. They noted that the Welborne area will provide further employment land, but that this is likely to be for distribution uses. The Stubbington Bypass may improve traffic in the area.
- 5.57 The representatives identified several key or niche sectors for the region, including marine, aerospace and digi-tech, which are relevant to Gosport
- 5.58 The office market has two key issues – firstly, there has been several schemes that have been converted to residential in town/city centre locations. Secondly, the main activity for office growth has been out of town schemes, which has dragged activity away from the town centres.

Partnership for Urban South Hampshire (PUSH)

- 5.59 The representative stated that the recent focus for PUSH has been for housing, rather than for employment land, with the LEP taking a higher role for employment.
- 5.60 PUSH has a skills agenda, recognising the shortfall in specialist skills for the area, particularly in aviation and marine industries. PUSH is working with the sixth form colleges to have improved links with businesses and to gear the curriculum to reflect local skills needs.
- 5.61 A discussion occurred around PUSH's Economic and Employment Land Evidence Base Paper, in particular the forecast employment floorspace demand for the local

authorities, including Gosport (the Base Paper is reviewed in Chapter 2.0). it was recognised that these forecasts would need to be updated in light of further housing needs for the area and that PUSH would look to this study for guidance on employment growth and land demand for Gosport.

Fareham Borough Council

5.62 BE Group prepared Fareham's Economic and Employment Land Study in 2016/17. As such the representative of Fareham Council was confident that the overlapping issues affecting the two Boroughs would be understood and considered, including developments on the boundary such as the Solent EZ at Daedalus and traffic movements in the broader region.

5.63 Fareham Borough's key employment nodes with capacity for growth are Solent EZ and Welborne, with the EZ having current development activity and Welborne providing future opportunities on the M27.

Portsmouth City Council

5.64 The representative of Portsmouth City Council recognised the proximity of Gosport and Portsmouth, but that they are separated by road by about 45 minutes. The commonality is the waterfronts, with both having extensive frontages. However, it was recognised that the waterfronts have different functions – Portsmouth continues to have a large naval base, as well as a seafront and leisure and retail facilities at Gunwharf Quays. Gosport has a working waterfront, particularly for leisure craft.

5.65 The representative can see Gosport continuing to have a marine engineering role in boatyards at the waterfront.

5.66 Portsmouth city centre office role is shrinking, with some buildings being lost to residential uses, particularly student accommodation for the growth of the university. However, the office market remains considerably larger than Gosport. The move to out-of-town office locations will also impact on Gosport

6.0 EXISTING EMPLOYMENT SITES

Introduction

6.1 This chapter reviews the quality of existing employment sites in the Borough. These include those identified as Existing Employment Areas on the Gosport Borough Local Plan 2011-2029 (GBLP) Policies Plan as well as other existing employment areas that are not currently protected. It is important to consider the appropriateness of existing employment sites before considering recent completions, existing permissions and allocations, employment priority sites and other brownfield redevelopment opportunities in Gosport which can contribute to the overall supply of employment land and floorspace.

Site Quality

6.2 All sites have been visited and assessed according to their current functionality as an employment site, potential for expansion and on-going appropriateness for employment uses. As well as a qualitative review of the sites, each employment area has been graded using a standard scoring system that consists of objective measures (as far as possible). Each site is scored out of 90, made up of nine individual measures, each scored out of ten. These are:

- proximity to the strategic highway network
- prominence
- access to public transport
- sequential testing
- ability to expand
- access and congestion
- interface with neighbouring sites
- building quality and congestion
- site amenity.

6.3 The scoring system is provided in Appendix 5, the scoring matrix is in Appendix 6 and the total score is provided in the table overleaf, which also includes descriptions of the existing employment areas. Maps of the existing employment areas and allocations are provided in Appendix 7.

Table 30 – Existing Employment Areas Schedule

Label	Address	Core Uses	Commentary	Site Score (max 90)	Spare Land Capacity
E/BN/1	Cement Works, Fareham Rd	Cement batching plant	Site is located on Fareham Rd, within a core employment corridor. Site has an on-going, single occupier. Appropriate for retention as an employment area, particularly given its proximity to other existing employment sites along the A32	55	No
E/BN/2	Fareham Reach, Fareham Rd	Mix of B8 and B2 uses	Key employment area at the entrance to Gosport on Fareham Rd. Mix of mid to large industrial or warehousing units with some small serviced office units fronting Fareham Rd. One of the higher profile industrial areas in Gosport, it commands solid income levels and generally is sought after in the market. Appropriate for retention as an employment area.	64	No
E/BN/3a	Fareham Trade Park	B1, B2, B8, non-B-class uses	Trade park fronting the A32. Uses include self-storage, auto repairs, hardware and a fast-food outlet. Units are modern with attractive frontages. Some flat, unused land with frontage to the A32, which has an existing permission for a food/drink use and thus is unlikely to be available for further B-class employment uses. Appropriate for retention as an employment area, though recognising loss of area to existing fast food outlet and proposed food/drink use.	70	Yes, but with permission for food and drink use
E/BN/3b	Fareham Business Park	Mix of B8 and B2 uses	Fareham Business Park is located immediately to the north of Fareham Trade Park and contains some mid-size industrial or warehousing units and open storage. Some of the land parcels have the potential for more intensive uses, although currently have a lower order use (e.g. open storage). Appropriate for retention as an employment area.	59	No
E/BN/3c	Lederle Ln	Mix of B1, B2 and B8 uses	Mix of employment uses to the north of Fareham Business Park, with land parcels both north and south of Lederle Ln. Uses include modern office buildings, open storage and warehouse/industrial uses. Appropriate for retention as an employment area.	57	No
E/BN/3d	Hoeford Point	B1 (including B1b), B2, B8	Single research occupier in a secure location. Site does not have significant prominence as it is to the north of Fareham Business Park and Lederle Ln, but is an attractive site with views over water channel. The occupier, Wickham Laboratories have stated interest in subleasing spare capacity to similar high-tech firms and permission to build further laboratory space. Appropriate for retention as an employment area.	62	Yes. Planning consent for additional 7,000 sqm of floorspace over 4 buildings at Wickham

Label	Address	Core Uses	Commentary	Site Score (max 90)	Spare Land Capacity
					Laboratories
E/BN/4	Regent Trade Park, Barwell Ln (off Fareham Rd)	Mix of B2 and B8 uses	Small, modern industrial or warehousing units at Barwell Ln, within six buildings. Multiple SME occupiers, with units serving a localised market. Appropriate for retention as an employment area.	62	No
E/BN/5	Standard Aero (formerly known as Vector Aerospace/Fleetlands), Fareham Rd	Aerospace manufacturer and testing	Large site with frontage to Fareham Rd. Standard Aero own the site and is the dominant occupier, although lease parts of the site to Boeing. Land has numerous buildings for manufacture, administration, testing and storage uses for Standard Aero. Appropriate for retention as an employment area and could support intensification of development of underutilised land.	61	Some underutilised areas reserved for Standard Aero's uses or similar uses requiring a secure site
E/BS/1	Venture Business Park, Fareham Rd	Mix of B2 and B8 uses	Site with frontage to Fareham Rd with multiple industrial and open storage occupiers. The site has older industrial units, is unsightly and has a poor layout. Internal roads/car parking require resurfacing. Appropriate for retention as an employment area, although likely to require redevelopment as buildings reach end of their economic life.	46	No
E/BS/2	Gosport Business Centre, nr Fareham Rd and Aerodrome Rd	Mix of B1 uses	Site at the intersection of Fareham Rd and Aerodrome Rd. Currently comprising a Basepoint Business Centre, which leases serviced office units to the market (predominantly SME users). Occupancies are solid, and the buildings are of good quality. Appropriate for retention as an employment area.	66	No
E/BS/3	Frater Gate Business Park, Aerodrome Rd	Mix of B2 and B8 uses	Modern, industrial/warehousing units fronting Aerodrome Rd and part of a corridor of employment uses along Aerodrome Rd. Suitable for SME users. Appropriate for retention as an employment area.	60	No
E/BS/4	Glenmore Business Park, Aerodrome Rd	Mix of B1, B2 and B8 uses	Small, hybrid units, mix of B1 office above workshop/storage areas. Part of a corridor of employment uses along Aerodrome Rd. Suitable for SME users. Appropriate for retention as an employment area.	60	No
E/BS/5	Oaklands Office Park, Aerodrome Rd	Mix of B1 uses	Two-storey, relatively modern offices as part of a corridor of employment uses along Aerodrome Rd. Suitable for SME users. Appropriate for retention as an employment area.	55	No

Label	Address	Core Uses	Commentary	Site Score (max 90)	Spare Land Capacity
E/BS/6	Ordnance Business Park, Aerodrome Rd	Mix of B2 and B8 uses	Modern, industrial/warehousing units fronting Aerodrome Rd and part of a corridor of employment uses along Aerodrome Rd. Suitable for SME users. Appropriate for retention as an employment area.	55	No
E/BS/7	Defence Munitions Gosport, Fareham Rd	MoD site	Large, single occupier site in control of the MoD. Site contains several buildings and internal roads, all used for MoD purposes. Secure site. Appropriate for on-going MoD uses. If MoD were to vacate the site, it would be appropriate as a continuation of an employment use.	62	No, although potential for more intensive development.
E/EL/1	Brockhurst Industrial Estate, Wingate Rd	Mix of B1, B2 and B8 uses	Busy mix of small to medium industrial and workshop premises centred on Wingate Rd. Majority of occupiers serve local markets (e.g. auto services, engineering services). Some of the premises are looking dated and not consistent with modern requirements, however the estate is well occupied. Appropriate for retention as an employment area, although some buildings are likely to require redevelopment as buildings reach end of their economic life.	50	No
E/EL/2	Heritage Business Park, Heritage Way	Mix of B1, B2 and B8 uses	Mix of schemes along Heritage Way and north of Brockhurst Industrial Estate. Predominantly modern B2/B8 units, with occupiers including engineering, landscape suppliers, auto services. Non-B-class uses include childcare nursery and dance studio. Appropriate for retention as an employment area.	60	No
E/RH/1	Huhtamaki Rowner Rd	Single manufacturer	This site is Huhtamaki's core manufacturing premises. The site has good access to Fareham Rd. Buildings comprise of one main factory unit, plus smaller administration premises. Site is an appropriate site for manufacturing, whether as an on-going site for Huhtamaki or for another operation. Appropriate for retention as an employment area.	63	Yes, outstanding planning permission for further floorspace (net gain of 9,629 sqm) for Huhtamaki's use
E/BH/3	Huhtamaki Grange Rd	Single manufacturer	This site is the remainder of Huhtamaki's manufacturing operations in Gosport. The site has good access to Fareham Rd and Huhtamaki's Rowner Rd premises. One, large building covers the site. Site is an appropriate site for manufacturing, whether as an on-going site for Huhtamaki or for another operation. Appropriate for retention as an employment area.	62	Yes, potential for 8,400 sqm
E/HD/2	Quay Lane Industrial Estate, Quay Ln	Mix of B1, B2 and B8 uses	Crowded industrial estate with several small users and one larger occupier (Geo Kingsbury). Businesses include auto services/repairs, engineering, boatyard, machining, storage. Boatyard has slipway access to Portsmouth Harbour. Predominantly street parking	43	There is scope to intensity employment uses on Geo Kingsbury

Label	Address	Core Uses	Commentary	Site Score (max 90)	Spare Land Capacity
			Appropriate for retention as an employment area.		site
E/FT/1	Forton Road Industrial Estate, Forton Rd	Mix of B1, B2 and B8 uses	Densely developed industrial estate, south of Forton Rd on Park St, Toronto PI and surrounding streets. Diverse mix of buildings, businesses and landholdings. Operators are SMEs servicing a local market. Streets are crowded with on-street parking. Some buildings are dated and in need of refurbishment. While not suitable for leading businesses, the industrial estate provides for lower order, cheap premises. The Sanderson Business Centre provides short-term office, storage and workshop spaces, located at the western edge of the estate. Appropriate for retention as an employment area.	50	One small vacant site at edge of industrial estate
E/FT/2	Royal Mail Depot, Mill Rd	Royal Mail depot	Single use site as the Royal Mail depot. Access to Brockhurst Rd, via Mill Rd. Neighbours include residential dwellings to north, east and south, with a vacant storage yard to the west. While suitable as an on-going use for the mail depot, there may be pressure for residential uses if the Royal Mail leaves the site. If such an occurrence eventuates there would need to be a demonstration that the site is no longer suitable for employment. Should be considered for alternative uses.	46	No
E/FT/3	Solent Building Supplies Site, Forton Rd	Former building supplies yard, current vacant	This site is a vacated building supplies yard alongside the Royal Mail depot. The site is still under the control of the building supplies firm. The site has access to Brockhurst Rd, although also wraps behind existing residential uses on Brockhurst Rd. Similar to the neighbouring Royal Mail site, there may be pressures for residential uses on the site. Should be considered for alternative uses.	47	Yes
E/PV/1	Westfield Rd Industrial Estate	Mix of B2 and B8 uses	Small, older industrial estate comprised of a number of small workshops and garages and a common hardstand area. Access is via Westfield Rd and is narrow and constrained. Residential uses surround the site. Buildings are in a poor state of repair. Should be considered for alternative uses.	29	No
E/PV/2	Wilmot Ln Depot	Council depot and waste transfer station	Single use site, currently used by Council. Flat site with several older warehouse and workshop buildings and a large hardstand area, used for outdoor storage, heavy vehicle parking, etc. Surrounding uses are residential. The site has two access points, Wilmot Ln and Westfield Rd. If not used for Council's purposes, employment uses are likely to be limited to lower order warehousing/outdoor storage uses. If Council do leave this site, there is likely to be pressure for a housing	36	No

Label	Address	Core Uses	Commentary	Site Score (max 90)	Spare Land Capacity
			<p>redevelopment of the site.</p> <p>Appropriate for retention as an employment area, although limited market appeal may result in other uses being preferred in the fullness of time.</p>		
E/AV/1	Bury Cross, off Privett Rd	Automotive repairs	<p>Single use site occupied by an automotive servicing and repairs business. Single workshop building and hardstand area for vehicle parking. Site does not have direct road frontage, rather it is behind a petrol station. Site also abuts residential dwellings and a fire station yard.</p> <p>Premises would have limited market appeal beyond its current use. Should be considered for alternative uses.</p>	32	No
E/CC/1	Royal Clarence Yard (primarily Cooperage Green and North Meadow), Weevil Ln	Mix of B1, B2, B8 and marina uses	<p>Regeneration scheme of a former naval site, which has included repurposed and new buildings. Employment uses include offices, small workshops and marina related activities. Residential apartments form a substantial part of the regeneration of this site. The workshops are predominantly around Cooperage Green and North Meadow, which has several, single-storey units around a central car park. Cooperage Green is also the access point to the MoD's remaining area within Royal Clarence Yard, which has the opportunity for further marine industrial uses (see below). Office and apartments are located in the northern half of the area.</p> <p>Appropriate for retention as an employment area.</p>	56	No, spare land committed to residential uses
E/TN/3	Gosport Town Centre, High St	Mix of high street uses	<p>Town centre is centred on the pedestrianised High St, which links the waterfront to Walpole Rd near Morrison's. Predominantly a retail node, the town centre also has civic, community, dining and leisure uses. B-class employment uses are B1 offices, including the Gosport Borough Council offices. Opportunities are likely to be through the renewal of built stock, rather than the development of new-build premises. Potential premises for refurbishment include above ground floor premises and under-utilised Gosport Borough Council office space.</p> <p>Appropriate for retention as a B-class employment area, as a portion of the mix alongside other town centre uses.</p>	62	No, however regeneration of stock would see refurbished or new premises
E/TN/1	Cranbourne Industrial Estate, Dock Rd and Cranbourne Rd	Mix of B1, B2, B8 and retail uses	<p>This area is comprised of a disparate range of uses, including building supplies, auto-servicing, car wash, retail (Asda supermarket) and sports club. A disused gas storage site is located within the estate at the eastern end of Cranbourne Rd. This site, still under the control of the gas operator (Southern Gas Networks), has hardstand and storage areas and provides an opportunity for redevelopment for other industrial uses. Redevelopment costs, including remediation, are likely to be significant. The site has frontage to Haslar Lake, although it is shallow, tidal and separated from the harbour by the low Haslar Rd bridge. Therefore, it is not a strong</p>	51	Brownfield opportunity at gas storage site

Label	Address	Core Uses	Commentary	Site Score (max 90)	Spare Land Capacity
			<p>candidate site for marine industrial uses.</p> <p>Some of the Cranbourne Industrial Estate land is used for non-B-class uses (e.g. Asda supermarket). Residential dwellings surround the estate on three sides.</p> <p>Appropriate for retention of remaining employment land as a B-class employment area.</p>		
E/TN/4	Gosport Waterfront Coldharbour, Mumby Rd	Mix of B1, B2, B8, retail, marina, residential uses	<p>Gosport Waterfront – Coldharbour area is a key asset for the Gosport economy. There is a diverse range of existing uses in this area including marine industry, marina, offices, retail, residential uses. Important marine industry assets include water access, boat lift, boat maintenance, marina, chandlery, office based marine businesses and administrative services. Such a collection of assets is not located elsewhere in Gosport and would be very difficult to establish such a cluster in another Gosport location. While recent development in this area has been for non-B-class uses (e.g. retail), the importance of the marine industry means that such redevelopment should not impinge on the functions of the marine sector. Any further redevelopment on this site will be renewal/regeneration of older buildings or intensification of uses.</p> <p>Appropriate for retention of remaining employment land as a B-class employment area.</p>	61	No
E/TN/5	St George Barracks South, Clarence Rd and Mumby Rd	Mix of B1 and residential	<p>Former military barracks site, with heritage buildings that have been repurposed for residential flats/apartments and B1 offices. Majority of the site is residential, with offices at Clarence Rd/Frankton Way entrance.</p> <p>Appropriate for retention of employment land as a B-class employment area. Residential areas should not be reallocated as employment areas.</p>	59	No
E/TN/6	Haslar Marina, Haslar Rd	Marina, including supporting uses	<p>Operational marina on Haslar Road. Facilities include berths, floating dry dock/boat lift, boat maintenance, boat storage, clubs, restaurants, etc. Any further B-class employment uses should be supportive and complementary to the core marina use.</p> <p>Appropriate for retention as a marina and supporting marine-related businesses.</p>	53	Yes, potential for additional marine employment uses (est. 2,000 sqm)
E/CC/2	Stoke Road District Centre, Stoke Rd	High street district centre	<p>High street centre, comprising convenience retail, some comparison shopping, takeaway outlets, dining, personal services. Also includes a small amount of ancillary office space above street level.</p> <p>Appropriate location for office space as a complementary and supporting use of the high street. Office uses are unlikely to expand, with the potential for alternative uses (e.g. residential flats).</p>	52	No

Label	Address	Core Uses	Commentary	Site Score (max 90)	Spare Land Capacity
E/AG/1	Clayhall Rd (80-84)	B2	Site comprises of a single, low-set, brick industrial building and hardstand area. Building is dilapidated although is currently occupied, and site is poorly presented. Surrounding uses include residential dwellings and a pub. Should be considered for alternative uses.	33	No
E/AG/2	Haslar Marine Technology Park, Haslar Rd	Mix of B1, B2 and B8 uses	The Technology Park is anchored by QinetiQ but also has a range of other occupiers over several buildings. The Park has a secure entrance. There is no spare and developable land within this site, although some of the buildings are underutilised. Appropriate for retention as an employment area.	52	No, although may be some scope for intensification
E/AG/3	Institute of Naval Medicine, Crescent Rd	Institute of Naval Medicine	Single use site with the Institute housed in a heritage building. Any employment uses beyond the current use would be limited to office uses. However, that would not be envisaged at this time. Appropriate to retain as current use.	55	No
E/AG/4	QinetiQ, Alverstoke, Fort Rd	Mix of B1 and B2 uses	Unused site comprising several office and research buildings, some of which are in a poor state of repair. Site is controlled by QinetiQ, although they do not have on-going requirements for it. Site includes heritage assets. Green space surrounds the site and it is on the fringe of flooding designation. Site has been disused for several years and there appears to be very limited prospects for employment uses on the site. Should be considered for alternative uses, which would be sensitive to the surrounding environment and the heritage assets.	37	No, although renewal of the site would provide a more efficient layout
E/LW/1	Daedalus Park, Solent EZ	B2	Modern industrial park comprising high quality units. First stage has been completed and is fully occupied, the remaining part of the scheme currently being sold off-plan. Interest has been strong.	65	Yes as part of wider Daedalus development
E/LW/2	Lee-on-the-Solent District Centre, High St/ Monserrat Rd	High street district centre	High street centre, comprising convenience retail, takeaway outlets, cafes, personal services. Includes a small amount of ancillary office space above street level. Appropriate location for office space as a complementary and supporting use of the high street. Office uses are unlikely to expand, with the potential for alternative uses (e.g. residential flats).	52	No

Source: BE Group/ Gosport Borough Council, 2018

6.4 Table 30 demonstrates the constrained nature of the existing employment areas in Gosport. The substantial majority of sites do not have spare employment land capacity, and those that do are either small remnant parcels or brownfield sites that would require significant investment. This is particularly the case with Daedalus which does offer significant opportunities for the redevelopment of land for employment uses but requires investment.

7.0 CURRENTLY IDENTIFIED EMPLOYMENT LAND AND FLOORSPACE SUPPLY – QUANTITY AND QUALITY

Introduction

7.1 This chapter looks at the existing portfolio of potential employment land in the study area, not only how much there is, but also its quality, type, suitability and availability. Part of this analysis is ensuring that there is adequate choice of employment land for prospective developers and occupiers. A solid understanding of the current supply of land is required prior to projecting future land demand for Gosport.

Employment Floorspace Completions

7.2 The Local Plan Review period is 2016 to 2036. Therefore, the completions since 1st April 2016 are relevant in the understanding of the take-up of employment land in the borough. The table below lists the completions by net and gross floorspace.

Table 31: Employment floorspace completions 1st April 2016- 31st March 2018

Site ref	Source of supply	Employment Floorspace (net) (sqm)	Employment floorspace (gross) (sqm)
1st April 2016-31st March 2017			
E/LW/1	Daedalus (B1-B8)	+3,268	3,268
n/a	4-6 White Hart Road (B1a)	-607	N/A
1st April 2017-31st March 2018			
E/LW/1	Daedalus (B1-B8)	+5,679	5,679
Employment supply adjustment 2018			
E/LW/1	Daedalus (B1-B8)	N/A	8,653*
Total Completions		+8,340	17,600

Source: Hampshire County Council, Gosport Borough Council

* Daedalus adjustment is for two units which are occupied by businesses that have reused existing hangar space for B-class uses. The occupiers are in Dunning (5,353 sqm) and Swann (3,300 sqm). Including the reuse of these former military hangars as part of the gross floorspace by two advanced manufacturing operations reflects the reality on the ground.

7.3 This highlights the lack of activity elsewhere in Gosport, due to the very limited available sites and the importance of the Solent EZ in providing further sites for the market.

Planning Permissions

7.4 In addition to the completions since 2016, there is a small range of outstanding employment related planning permissions in Gosport.

Table 32: Outstanding employment floorspace planning permissions as at 1st April 2018

Site Ref	Source of supply	Employment Floorspace (net) (sq.m)	Employment floorspace (gross) (sq.m)	Outstanding Area (ha)
As at 1st April 2018				
E/LW/1	Daedalus (B1-B8)* ¹	47,432	61,339	11.83
E/AG/1	Haslar Hospital (B1a) * ²	2,805	2,805	0.70
E/RH/1	Huhtamaki (Rowner Road) (B1-8)	9,629	11,660	4.27
Total outstanding planning permissions		59,866	75,804	16.8

Source: Gosport Borough Council

*1 1/2/19 GBC adjustment and assumption: As at 31/3/18 the overall total (completions and permissions) on Daedalus including original Daedalus outline and additional area of the initial Daedalus Park phase equated to 78,939sqm (gross) and 56,379 sqm (net). This is higher than the Local Plan allocation of 75,000sqm (gross) (and an estimated 50,700sq.m net). The outstanding employment floorspace figures are calculated as follows:

Net figure 56,379sqm minus 8,947sqm completed to date = 47,432sqm

Gross figure 78,939sq.m minus 8,947sq.m completed to date minus 8,653 sqm re-utilised floorspace from former hangar space (Swann and Dunning units) which GBC is assuming is not now available floorspace as part of the original consent = 61,339sq.m

*2 1/2/19 GBC Adjustment- Table 6.1 of GBLP it was assumed that Haslar Hospital could accommodate net additional floorspace of 4,000 m²; the planning permission is for 2,805m² and therefore for the purposes of the supply table this is considered to be the revised employment floorspace supply for this site.

Land Supply – Employment Allocations

7.5 The following table provides the gross and net employment floorspace allocations included in the **current** Gosport Borough Local Plan 2011-2029, some of which have been developed (Table 31) or been granted planning permission (Table 32). The Local Plan identifies the employment allocations including regeneration areas, other employment land allocations and an Employment Priority Site (HMS Sultan). This section reviews these allocations and considers whether they are still applicable to roll forward to the new Local Plan.

Table 33: Existing allocations as shown in the GBLP

Site ref	Source of supply	Employment Floorspace (net gain) (sq.m)	Employment Floorspace (gross) (sq.m)
E/LW/1	Daedalus	+50,700	75,000
E/BH/6	Grange Road, land south of Huhtamaki	+8,400	8,400
E/EL4	Brockhurst Gate (formerly known as Former Frater House site)	+5,000	5,000
E/AG/1	Royal Hospital Haslar	+4,000	4,000
E/BS/8	Aerodrome Road	+1,100	1,100
E/HD/1	Priddy's Hard Heritage Area	+1,000	1,000
E/TN/2 and E/TN/4	Gosport Waterfront	0*	25,900
E/TN/3	Other sites in Gosport Town Centre	0*	Not known at this stage
Sub total		70,200	120,400

Source: Gosport Borough Local Plan 2011-2029, Employment Background Paper (GBC), 2014

* New employment premises will be developed which will potentially increase employment but no overall new gain in floorspace

7.6 The sites are reviewed below with a consideration of the remaining gross and net floorspace available as well as the land which could potentially be development for B1, B2 and B8 uses. In some instances, the outstanding land supply can be difficult to determine particularly on mixed use sites and consequently it has been necessary to make various assumptions. Comments on the current status of the sites and their potential for development for employment floorspace has been provided.

7.7 The sites have also been scored in terms of their quality, in an analogous manner to the scoring for the existing employment areas in the previous chapter. The scoring criteria is provided in Appendix 5, the total score is in the following table with the full breakdown of the scores in Appendix 8. The maximum score is 100, built from ten criteria with a maximum of ten points for each. Criteria assessed were

- proximity to the strategic highway network
- prominence
- access to public transport
- sequential testing
- planning status
- access to services
- constraints
- environmental setting
- flexibility
- availability.

7.8 Two total scores are provided in Appendix 8, a total score and a market-led score, which reflects the locational strengths and weaknesses of each site. The market-led score is made up of just strategic highway proximity, prominence, sequential testing, environmental setting and flexibility. These are the characteristics that are very difficult to improve. The other five aspects (public transport, planning status, services, constraints and availability), which combine to make up the total score, are potentially easier to improve through specific interventions and hence provide the ability to raise the quality of a site.

7.9 The particularities of Gosport mean that all sites are removed from the motorway

network and from a rail station. Therefore, none of the sites are able to score full marks for strategic highway proximity and public transport availability. The highest scoring site of the employment allocations is the Daedalus site, with strong scores due to the opportunities and environment due to its EZ designation and current activity.

Table 34: Review of existing allocations with updated supply figures

Site Ref	Source of supply	Employment Floorspace (net gain) (sqm)	Employment floorspace (gross) (sqm)	Land available as an allocation	Quality Total (max. 100)
Proposed Allocations in the current Gosport Borough Local Plan 2011-2029					
E/LW/1	Daedalus	N/A- see Tables 31 and 32	N/A- see table 31 and 32	N/A	72
<p>Update: This site now has outstanding planning permission with parts having been completed (See Table 30)</p> <p>Site forms the land within the Solent EZ that is within Gosport Borough. Identified as the Daedalus Waterfront area of the Solent EZ, the development intent for this area of the EZ is for employment and housing, community and leisure uses. An existing marine slipway provides water access, which would influence potential future employment businesses attracted to the site, although it is noted that there are limitations.</p> <p>Much of the development in the early stages of the EZ has focussed on sites within Fareham Borough, particularly the area known as Daedalus East (Faraday and Swordfish Business Parks), which has seen development sites brought forward and developed for industrial uses. Fareham College's Centre of Excellence for Engineering, Manufacturing and Advanced Skills Technology (CEMAST) and the expanding Fareham Innovation Centre are key assets within the Daedalus East section of the EZ.</p> <p>The area within the Solent EZ within Gosport Borough has been identified for employment floorspace, hotel, leisure, commercial and 350 residential dwellings.</p> <p>Daedalus Park is a current scheme within Gosport Borough's portion of the EZ. Daedalus Park provides industrial/light industrial units (typically about 100-200 sqm), with the first phase built out and fully let. The second phase is approved and being marketed off plan and comprises about 4,500 sqm, with approximately 75% reportedly pre-let.</p> <p>Other parts of the site have derelict commercial and MoD buildings, which would need to be demolished or substantially redeveloped in order to accommodate further uses. The intended uses of this southern area would be for further employment and commercial uses as well as housing. Planning permission has also now been granted for 200 dwellings which forms part of the overall mixed-use allocation. The site contains a number of Listed Buildings and other heritage assets, and part of the site is within a Conservation Area.</p> <p>Ultimately, this site has the potential for up to 75,000 sqm of B1/B2/B8 floorspace.</p> <p>Concluding comment: The allocation in the Local Plan Review should therefore reflect the outstanding planning permission outlined above.</p>					
E/BH/6	Grange Road, land south of Huhtamaki	+8,400	8,400	1.4ha	69
<p>Update: Partially treed, flat site between Huhtamaki Grange Road premises and the northern edge of the HMS Sultan site. Huhtamaki have control of the sites with plans for expansion for their own purposes. Should not be considered to be available to the wider market, unless Huhtamaki have a change of strategic direction. However, Huhtamaki's uses would be for B-class uses (B2/B8) as required by Huhtamaki in their growth plans.</p> <p>Should opportunities for the site change (i.e. Huhtamaki no longer require the site), then other opportunities would still be for B-class uses, complementing the wider employment node around the site. Likely to lose part of the floorspace yield for the site, in order to preserve the trees where possible.</p> <p>Concluding comment: Continue to allocate in the Local Plan Review.</p>					

E/EL4	Brockhurst Gate (formerly known as Former Frater House site)	N/A	N/A	N/A	N/A
<p>Update: Flat site in a high-profile location at the intersection of Fareham Road and Heritage Way. Site is in ownership of Millngate Properties, which has planning consent for a retail development and is now under construction. Therefore, this site will not be available for B-class employment uses moving forward.</p> <p>Concluding comment: No longer relevant to include in the Local Plan Review as an employment allocation</p>					
E/AG/1	Royal Hospital Haslar	N/A- see Table 32	N/A- see Table 32	N/A	60
<p>Update: The site has planning consent and is currently being marketed as Royal Haslar, being developed by Harcourt Developments. Business units will form part of the redevelopment of the Royal Hospital Haslar, through the refurbishment and reuse of existing buildings. Early site works have commenced. Uses will be offices, studios and small business spaces, with permission for up to 2,805 sqm of floorspace, in line with the Local Plan policy. Royal Haslar will also include some 286 residential units, 244 self-contained retirement units and 60-bed care home.</p> <p>Concluding comment: The allocation in the Local Plan Review should therefore reflect the outstanding planning permission outlined above.</p>					
E/BS/8	Aerodrome Road	N/A – (the previously identified figure of 1,100 sqm is not considered deliverable)	N/A – (the previously identified figure of 1,100 sqm is not considered deliverable)	N/A – (the previously identified figure of 0.32 ha is not considered deliverable)	45 (if it becomes available)
<p>Update: Small, vacant, triangular site on Aerodrome Road. Aerodrome Road comprises a range of employment uses, being a mix of B1, B2 and B8. However, it is noted that all of these uses are to the south of Aerodrome Road along this section and the triangular site is to the north of Aerodrome Road. The site would have the potential to provide similar uses to that currently on Aerodrome Road, albeit for smaller units only.</p> <p>The site is owned by the MoD and forms part of the RNAD Gosport site. The MoD do not have intentions to bring the site forward for development or to release to the market. While appropriate for B-class uses, this site is unlikely to be available in the short to medium term and at any rate would only yield a small amount of floorspace (~1,000 sqm).</p> <p>Concluding comment: Exclude as an allocation as there are significant doubts as to its deliverability.</p>					
E/HD/1	Priddy's Hard Heritage Area	N/A	N/A	N/A	42
<p>Update: Priddy's Hard is located to the north of Forton Lake and has waterfrontage. A former military site, the area has undergone some redevelopment both within the site allocation area and neighbouring areas, including for housing and the Explosion Museum.</p> <p>Specifically for the site allocation, the area comprises a range of Grade I and II listed buildings. The northern half of the site is comprised of the Explosions Museum. The southern half of the site allocation (which is the 1.24 ha) is a flat, brownfield site comprising derelict military buildings and hardstand areas. Opportunities for redevelopment would be in the southern part of the site, but would need to have due regard to the heritage aspects of the site. It would also be expected that non B-class uses would form the bulk of any further redevelopment of the site, supporting the Museum or taking advantage of the waterfront location and could include residential, leisure, visitor accommodation, tourism-related retail, dining, bar, etc. There would be some potential for small B1a office space or other small, low impact business units, that could complement this node.</p> <p>The site is connected to the Royal Clarence Yard and on to the town centre via a pedestrian bridge over Forton Lake. Access to the site is via residential streets and</p>					

thus intensive uses leading to high traffic volumes would not be appropriate.

The housing is to the west of the site allocation and comprises modern apartment dwellings.

The site's character is unlikely to lead to intensive employment uses given its heritage asset and it is more likely that development will support the visitor economy rather than particular B1, B2 and B8 uses.

Concluding comment: The site is more likely to deliver space linked to the visitor economy rather than B1, B2 and B8 uses and therefore do not include as part of the employment floorspace supply in the Local Plan Review

Various – see text below	Gosport Waterfront –to be referred to as Royal Clarence Yard: Retained Area as this is the only site within the Waterfront area which will yield significant new employment floorspace (see comment below)	+9,500	+9,500	3.7	Full area: 55 RCY Retained Area only:
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Update: The allocation in the current GBLP is known as the Gosport Waterfront and Town Centre mixed use allocation. For the purposes of the Local Plan Review it is considered sensible to disaggregate this wider allocation to a number of smaller sites.

Gosport Bus Station (Site Ref E/TN/2): Redevelopment opportunities would be focussed on the intensification of development on site. In particular, Gosport Bus Station has redevelopment potential, with opportunities for a mixed-use development. The Council's Gosport Waterfront and Town Centre SPD (adopted March 2018) identifies a new transport interchange, potential for café/bar/restaurant/retail use on the ground floor with other uses on upper floors such as residential hotel and/or office uses as well as some leisure and cultural uses. Consequently, the site should be retained as a mixed-use site, although it may be not applicable to identify this site as supplying significant office B1 floorspace supply. There will however be a loss of some old existing office space as part of the demolition of the existing bus station building (600 sqm). Given the relatively small figure and the potential for some limited office in the new development it is proposed to presume a no net loss or gain on this site.

Gosport Marina and associated land (Site Ref E/TN/4a): This site includes a cluster of marine-related businesses including those connected with the boat repair and maintenance facilities at Endeavour Quay and the activities associated with Gosport Marina. It is important for Gosport's economy that the marine industrial function of the waterfront is retained and enhanced. The boat lift facility and deep-water access are key assets for the marine economy and support surrounding businesses. Therefore, any redevelopment of this site should not be detrimental to the marine industry, including restricting access (water and road), incompatible neighbouring uses, etc. Any forthcoming proposals to reorganise the site including some intensification will require a whole-site masterplan approach. The marina and marine related operations are the prime function of the site and any reorganisation may lead to some additional employment floorspace but this will not be significant in terms of net additional floorspace.

Mumby Road Industrial Estate (Site Ref E/TN/4b) – Existing employment site (see Table 30)

Gosport Boat Yard (Site Ref E/TN/4c) – Existing employment site (See Table 30)

Palfinger - (Site ref (E/TN/4d) – Existing employment site (See Table 30)

RCY Retained Area (Site Ref E/CC/3)- the northern part of the waterfront area, has been identified in the Gosport Waterfront and Town Centre SPD as an area for a new marine business hub, on land currently owned by the MoD, which are currently looking to dispose of the site. Initially the MoD are aiming to release the northern part of the site (approx. 2.1 ha) which has direct deep-water access, with access from the road network through Cooperage Green. It is considered however that the site would be more attractive for business use if the whole site were to be released, recognising that a strip of land on the southern boundary would need to be available in association with ongoing MoD operations.¹

Redevelopment opportunities would occur in line with the Gosport Waterfront and Town Centre SPD.

There are some issues on the amount of land that the DIO will release and therefore the Council will need to liaise further with the DIO during plan preparation to finalise a figure that could be released during the Plan period.

	Net and gross Floorspace (sqm)	Area (Ha.)	Quality score
Option 1 – northern section only (RCY Retained Area)	8,000	2.1	60
Option 2 – whole site	9,500	3.7	55

In the light of the above the only significant new employment floorspace to be included in the Local Plan Review supply figures relates to the two RCY Retained Area options.

Concluding remark: Include RCY Retained area (whole site) as part of the employment floorspace supply and as an employment allocation. Other sites highlighted above should be included as a mixed-use site as currently shown in the GBLP with a strong protection given to marine employment uses and essential assets (such as access to deep water facilities).

E/TN/3	Other sites in Gosport Town Centre	0	Not known at this stage	N/A	61
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Update: The town centre has an employment allocation to encourage redevelopment and renewal of office space in the town centre. Opportunities are likely to be through the renewal of built stock, rather than the development of new-build premises. Potential premises for refurbishment include above ground floor premises and under-utilised Gosport Borough Council office space.

Redevelopment opportunities would occur in line with the Gosport Waterfront and Town Centre SPD.

The Local Plan anticipates that regeneration of the town centre could incorporate some 7,000 sqm gross of office space, although it is not expected to have any significant net gain. Rather the regeneration would be a renewal of stock to suit modern business needs.

Concluding remark: Whilst there is likely to be new refurbished office space there is unlikely to be significant new office floorspace and therefore it is not considered applicable to include as a significant source of net additional supply.

Sub total		17,900	17,900	5.1	N/A
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Source: Gosport Borough Council, BE Group, 2018

¹ 1/2/19 GBC comment- the whole site scores lower primarily as the southern part of the site is not currently available.

7.10 In addition to the above sites, other sources have been previously identified (2012 Employment Land Review) and included in the Gosport Borough Local Plan supply table. These are listed below.

Table 35: Remaining developable within existing designated employment sites (as identified in previous GBLP evidence studies)

Site Ref	Source of supply	Employment Floorspace (net gain) (sqm)	Employment floorspace (gross) (sqm)	Land (ha)
Remaining developable land within existing sites without current planning consent				
E/BS/7	Defence Munitions	5,400	5,400	3.0
E/BN/2	Fareham Reach	500	500	0.1
E/FT/1	Forton Road Industrial Estate	315	315	0.09
E/BS/2	Frater Gate: Gosport Business Centre	1,400	1,400	0.4
E/BN/5	Standard Aero (formerly Vector Aerospace/Fleetlands)	3,750	3,750	1.39
Total		11,365	11,365	4.98

Source: Gosport Borough Council, GBLP 2011-2029

7.11 Similarly to the above critique of sites, these additional sites have been reviewed in terms of current status and likelihood of development for employment (Table 36). This shows only one potential site – Standard Aerospace – as providing potential employment floorspace for Gosport. The additional floorspace would be achieved through the intensification of the land uses on these areas. However, the key unknown is the availability of this site, which is currently a secure site with existing functions, which are incompatible with an open office or industrial scheme. A change in the functions of this site would be required, or, as is more likely in the case, a limited range of complementary uses that also benefit from a secure environment would be an appropriate solution.

7.12 Following this table, a further table is provided (Table 37) which summarises other potential sites for employment, which either have planning permissions, applications or are seen as potential employment areas.

Table 36: Review of the remaining developable areas within existing sites (as identified in Table 35) and other potential sites identified

Site ref	Source of supply	Employment Floorspace (net gain) (sqm)	Employment floorspace (gross) (sqm)	Land (ha)	Quality Total (max. 100)
Remaining developable within existing sites without current planning consent					
E/BS/7	Defence Munitions	It is no longer considered that the potential for additional employment floorspace (5,400 sqm) is available due to operations reasons.	It is no longer considered that the potential for additional employment floorspace (5,400 sqm) is available due to operations reasons.	It is no longer considered that the potential for additional employment land (3 ha) is available due to operations reasons.	51 (if site was available for employment development)
<p>Comment: Large, single occupier site in control of the MoD. This previously considered source of supply only included the area close to Fareham Road, as shown on the 2015 Policies Map, and consisted of under-utilised land that had the potential to be used for further employment floorspace. Site contains several buildings and internal roads, all used for MoD purposes. Secure site. In foreseeable future, will be an on-going MoD use, and would be inappropriate for B-class uses collocating. If MoD were to vacate the site, it would be appropriate as a continuation of an employment use.</p> <p>Concluding remark: Maintain the Existing Employment designation but do not consider to be a source of employment land supply at this stage, therefore do not show additional potential as part of the supply figures as it is not deliverable. Dependent on MoD requirements in longer term.</p>					
E/BN/2	Fareham Reach (166 Fareham Reach)	N/A	N/A	N/A	65
<p>Comment: Remnant site (0.1ha) within Fareham Reach Industrial Estate, currently used for car-parking. Unlikely to come forward for employment uses. If it does, it is likely to be for small B1c/B2 unit(s).</p> <p>Concluding remark: Do not consider to be a significant source of employment land supply</p>					
E/FT/1	Forton Road Industrial Estate	N/A	N/A	N/A	48
<p>Comment: This site is now being used as outside storage and is unlikely to be forthcoming as employment floorspace.</p> <p>Concluding comment: Do not include as a source of supply</p>					
E/BS/2	Frater Gate: Gosport Business Centre	N/A	N/A	N/A	46
<p>Comment: The site is used for outdoor vehicle storage as part of a business operation and therefore it is unlikely to come forward as additional floorspace.</p> <p>Concluding comment: Do not include as a source of supply</p>					

Site ref	Source of supply	Employment Floorspace (net gain) (sqm)	Employment floorspace (gross) (sqm)	Land (ha)	Quality Total (max. 100)
E/BN/5	Standard Aero	3,750	3,750	1.39	49
<p>Comment: It is likely that under-utilised land on the site will be brought forward for development as part of a secure hi-tech cluster of aviation (potentially marine) engineering companies. This could include Standard Aero itself (and associated companies), other existing businesses on the site or indeed new businesses which are compatible with existing operations.</p> <p>Concluding comment: Continue to identify as a source of employment floorspace supply.</p>					
E/TN/1	Land at Dock Rd	N/A	N/A	N/A	49
<p>Comment: Site within the Cranborne Industrial Estate (0.13). Currently used as part of the car parking for the Asda supermarket. Unlikely to be available to the market for B-class uses.</p> <p>Concluding comment: Do not consider to be available for employment supply</p>					
Total		3,750	3,750	1.39	N/A

Source: Gosport Borough Council, BE Group, 2018

Table 37 Other potential employment floorspace likely to come forward in the short/medium term

Site ref	Source of supply	Employment Floorspace (net gain) (sqm)	Employment floorspace (gross) (sqm)	Land (ha)	Quality Total (max. 100)
E/BN/3d	Wickham Laboratories, Hoeford Point	7,000	7,000	2.32	72
<p>Comment: This site has gained planning permission since April 2018 for new high-tech laboratories with the potential to sublet spare capacity to similar high-tech forms. This capacity would be for specialised B1b uses, with the main occupier being Wickham Laboratories themselves for pharmaceutical research uses.</p> <p>Concluding remark: Therefore, this figure should be included in the supply figures, for B1b uses</p>					
E/TN/6a	Boatyard, Haslar Marina	2,000	2,000	0.5	63
<p>Comment: A proposal has been submitted for a variety of marine-related employment uses. Whilst this proposal does not currently have planning permission the Gosport Waterfront and Town Centre SPD supports the principle of marine employment in this area</p> <p>Concluding remark: Further employment would be appropriate in this location and is consistent with the intention for the marina.</p>					
E/AG/7	Gunboat Sheds, Haslar Road	4,000	4,000	1.7	57
<p>Comment: This is estimate is based on the floorspace based on the disused Grade I Listed Gunboat Sheds which are suited to marine industries.</p> <p>Concluding remark: Further employment would be appropriate in this location and is consistent with the intention for this location.</p>					
Total		13,000	13,000	4.52	

Source: Gosport Borough Council, BE Group, 2018

Summary of Employment Land Supply

7.13 The following table summarises the data in the previous tables, providing the overall position of the supply of land and floorspace available (or potentially available) to Gosport Borough to 2036.

Table 38: Known supply following review of existing sources of supply identified for the period 1st April 2016-31st March 2036

Site ref	Source of supply	Employment Floorspace gain) (sq.m) (net	Employment floorspace (gross) (sq.m)	Land available (ha)
Completions 1st April 2016-31st March 2018 (Table 31)		8,340	17,600*¹	N/A
Outstanding permissions (Table 32)				
E/LW/1	Daedalus* ²	47,432	61,339	11.83
E/AG/1	Haslar Hospital (B1a)* ³	42,805	2,805	0.70
E/RH/1	Huhtamaki –Rowner Road (B1-8)	9,629	11,660	4.27
Subtotal outstanding planning permissions		59,866	75,804	16.8
Outstanding allocations still considered appropriate (Table 34)				
E/BH/6	Huhtamaki - land south of Grange Road.	8,400	8,400	1.4
E/CC/3	Royal Clarence Yard Retained Area	9,500	9,500	3.7
E/TN/3	Other sites in Gosport Town Centre	0	Not known at this stage	-
Subtotal outstanding allocations		17,900	17,900	5.1
Remaining developable within existing sites without current planning consent (Table 36)				
E/BN/5	Standard Aero	3,750	3,750	1.39
Subtotal remaining developable land		3,750	3,750	1.39
Other sources of supply to come forward in short/medium term (Table 37)				
E/BN/3d	Wickham Laboratories, Hoeford Point	7,000	7,000	2.32
E/TN/6a	Boatyard, Haslar marina	2,000	2,000	0.5
E/AG/7	Gunboat Sheds, Haslar Road	4,000	4,000	1.7
Subtotal of other sites		13,000	13,000	4.52
Total current supply including completions		102,856	128,054	N/A
Total available supply minus completions		94,516	110,454	27.81

Source: Gosport Borough Council, BE Group, 2018

*¹ Includes 8,947 sqm new floorspace at Daedalus and 8,653 sqm of re-utilised floorspace from former hangar space (Swann and Dunning units)

*² 1/2/19 GBC adjustment and assumption: As at 31/3/18 the overall total (completions and permissions) on Daedalus including original Daedalus outline and additional area of the initial Daedalus Park phase equated to 78,939sqm (gross) and 56,379 sqm (net). This is higher than the Local Plan allocation of 75,000sqm (gross) (and an estimated 50,700sq.m net). The outstanding employment floorspace figures are calculated as follows:
Net figure 56,379sqm minus 8,947sqm new floorspace completed to date = 47,432sqm
Gross figure 78,939sq.m minus 8,947sq.m new floorspace completed to date minus 8,653sqm re-utilised floorspace from former hangar space (Swann and Dunning units) which GBC is assuming is not now available floorspace as part of the original consent = 61,339sq.m

*³ 1/2/19 GBC Adjustment- Table 6.1 of GBLP it was assumed that Haslar Hospital could accommodate net additional floorspace of 4,000 m²; the planning permission is for 2,805m² and therefore for the purposes of the supply table this is considered to be the revised employment floorspace supply for this site.

7.14 Therefore, the net floorspace supply in Gosport is approximately 94,516 sqm over 27.81 ha (not including completions). However, this should be seen as a likely maximum, with some doubt over the timing or eventuality of some sites. In particular, this analysis has revealed:

- The Solent EZ (Daedalus) site comprises the largest single area of further supply in Gosport – with a net gain of up to 47,432 sqm of floorspace over 11.83 ha. Some of this additional area would require further investment in infrastructure to deliver the full floorspace.
- Outstanding planning permissions (including Daedalus) comprise some 59,866 sqm of net additional floorspace (16.8 ha), which is some 79 percent of the total available floorspace supply (excluding completions). This includes the Huhtamaki site which would be for Huhtamaki's own expansion plans and thus would not be available to the wider market.
- The remaining employment allocations could yield some 17,900 sqm (5.1 ha) of additional floorspace.
- The Standard Aero (formerly Vector Aerospace/Fleetlands) site represents a potential longer-term option for further employment floorspace, although if developed, is likely to be for specialist uses (e.g. complementary to core uses).
- The Wickham Laboratories floorspace would be for specialist B1b research and laboratory space and should not be considered part of the potential supply of more generic B1 office space.
- Gosport is overwhelmingly reliant upon brownfield/redevelopment sites for employment growth, which can be more difficult and complex to deliver.

Summary

7.15 The analysis of employment allocations and existing employment areas highlights the constrained nature of the employment market in Gosport. The suite of options is overly reliant on brownfield sites to provide refurbished or redeveloped stock for employment growth, some of which would be difficult to achieve in the timeframes required to provide sufficient choice for businesses.

7.16 Some of the sites have potential growth opportunities that would be suitable for the marine sector. This should be protected and encouraged.

8.0 POTENTIAL SOURCES OF SUPPLY

8.1 This chapter investigates potential significant additions to the supply of employment land, if the land parcels are appropriate and become available to the market. The three areas are:

- HMS Sultan
- Blockhouse
- Browndown Camp

8.2 The large MoD sites HMS Sultan and Blockhouse are current and operational MoD facilities. However, announcements in previous years regarding the future closure of these sites means that it is prudent to consider uses of the sites beyond the current military functions.

8.3 The MoD's *A Better Defence Estate* (2016) outlines the Ministry's intended disposals of sites within its estate. This document identified the following departments moving from HMS Sultan, with the estimated dates of disposal:

- Submarine Engineer Training – 2024
- Mechanical Engineering Training – 2025
- Admiralty Interview Board – 2026

8.4 The report also states the following in relation to Fort Blockhouse:

- “33 *Field Hospital* will be rationalised in 2018 as part of improvements to deployed medical provision to the Joint Force 2025. Personnel will be assigned in line with this date.” Estimated date of disposal is 2020.

HMS Sultan

8.5 HMS Sultan is designated as an Employment Priority Site in the Adopted Local Plan, recognising the potential for the site to cease being a military site and understanding the importance of securing at least part of the site for employment beyond the MoD horizon. As such, it is important to understand the existing assets and uses on the site and potential opportunities from an employment perspective.

- 8.6 HMS Sultan provides a range of military uses, although is primarily a site for cadet engineering training for the Royal Navy. Cadets live on site (the site to the east of Military Road). The site includes a range of recreational facilities for on-site residents and staff, including sporting fields, playing courts, gyms, etc. The sports fields on the western side of Military Road are also used by the local community. Allied uses are also located within the site, including contractors (e.g. payroll services, catering) and Network Rail's engineering apprenticeship training. Caravan/motorhome storage is located within Fort Rowner. Approximately 1,700 people live on site and 3,000 work/train on site (including cadets, military and civilian staff).
- 8.7 The site straddles Military Road, with the western site being the main operational and training facilities and the eastern site being the residential area. Overall HMS Sultan is approximately 79 ha, of which the western portion is about 68 ha (including sporting fields) and the east is about 11 ha.
- 8.8 The site includes two heritage forts – Fort Rowner in the north and Fort Grange in the south. Both are 19th Century forts comprising round, central buildings, a long, narrow, outer row of buildings and a central open area. Buildings are of brick construction with the outer buildings segmented.
- 8.9 The forts have a range of current uses. Fort Rowner is used for open caravan storage, with parts of the outer buildings used for storage. A nursery is located within Fort Rowner, primarily for families of HMS Sultan. The open area of Fort Grange is currently being used for sporting facilities (football pitch, tennis courts), with some of the outer buildings being used for storage. Most of the buildings in the forts would require substantial refurbishment to house more intensive uses than storage.
- 8.10 The operational buildings within HMS Sultan are across a large campus and comprise a range of space types and quality. Uses include engineering workshops, testing facilities, training workshops, training classrooms, office spaces, residential dormitories, recreational buildings and storage. The buildings are of a range of quality, from recently refurbished to at the end of their useful life.
- 8.11 Opportunities for use of the HMS Sultan site after it is disposed of by the MoD are significant. Its scale and central location within Gosport mean that it will generate significant market interest, both for its potential as an employment site and as a residential site. The shortage of existing employment sites, particularly in central

locations, suggests that Council's current intention to protect the site for employment uses is an appropriate strategy.

- 8.12 The site is of sufficient scale to accommodate a range of employment uses, including comparable B2 and B8 uses that have located to Fareham Reach, Fareham Business Park and Solent EZ. This would be an appropriate location for such similar uses, particularly for B2 manufacturing. There would also be sufficient space for a campus style office/business park scheme, although the market for such a use in this location would be more doubtful.
- 8.13 Some of the existing buildings would still have a useful life beyond the MoD leaving the site, including some engineering and office buildings. However, others would need significant refurbishment or demolition. The forts would require substantial investment to bring to an appropriate standard for modern business needs, which would need to consider heritage issues of the forts.
- 8.14 The scale of the site suggests that any redevelopment of the site would take many years, potentially beyond the lifetime of the current Local Plan Review and the forecasting period of this study. Therefore, consideration should be given to the appropriate phasing of the redevelopment of the site. Such considerations would include the identification of premises that still have an economic function and could be reused as is. This would provide income and activity on the site in a short timeframe. Further considerations would include a demolition and refurbishment programme for the site that would enable a staged roll-out of new-build and refurbished premises to the market in line with demand.
- 8.15 There is likely to be pressure for a residential component of HMS Sultan, which could either be a fully residential scheme or as part of a mixed-use development. It is likely that a residential scheme would be successful at this location, improving the choice for residents in Gosport. However, given the current employment function of the site and the scarcity of employment sites in the Borough, it is recommended that the prime function of the HMS Sultan site be for employment uses.
- 8.16 A full masterplanning exercise, including an audit of the existing built stock, would need to be carried to fully understand the ultimate yield, phasing and opportunities for the sites. However, at this stage, it is apparent that the HMS Sultan site provides a potential solution for the current limited choice of sites in Gosport, particularly outside of the Solent EZ.

Blockhouse

- 8.17 The Blockhouse site is currently owned by the MoD, although they have announced intentions to dispose of the site, with a planned rationalisation of uses starting in 2018 and an estimated date of disposal of 2020. MoD uses on the site include accommodation, administration, specialised training, storage and recreation facilities. The Royal Navy Submarine Museum is also located within the site.
- 8.18 Following any departure of the MoD uses on the site, there would be opportunities for a mix of uses to be developed on site. B-class employment opportunities should take advantage of the marine access, including deep water frontage, with a clear development opportunity to enhance and grow the capacity of Gosport's marine industry. B1 office uses would be an appropriate reuse of the existing administration buildings on site. However, other non B-class uses would also be appropriate for the site and desirable from a developer perspective, such as residential apartments, serviced apartments, hotel, dining, leisure or retail, which could also be solutions for the reuse of existing buildings.
- 8.19 A full masterplan would be required for this site to guide its redevelopment.
- 8.20 The Gunboat Sheds site within the broader Blockhouse area has a current application for a mixed-used development comprising apartments, art gallery, ground floor commercial (A1, A2, A3 or B1) and marine uses (boat servicing, slipway, storage). The marine uses would provide further assets for the industry in this area. From a review of the plans for the ground floor commercial and considering market realities, it is unlikely that this floorspace would be for B1a uses and thus this floorspace should not be counted on as a significant means of increasing such office space in the area. Although there is the potential for office uses supporting marine operations.
- 8.21 Any redevelopment of the Gunboat Sheds site should not impinge on the on-going employment uses of surrounding areas (e.g. Haslar Marine Technology Park). The redevelopment should enable the continued access to the water from the Technology Park.

Browndown Camp

- 8.22 Browndown Camp is a former military training camp, now disused. MoD sold the site to a private entity, although it is understood that the MoD retains ownership of some

neighbouring land. The site is outside of the urban area of Gosport, however is a key site on the coastal road at the south of the borough.

- 8.23 It would appear that opportunities for the site would be centred on tourist accommodation and/or leisure schemes. Opportunities for employment uses would be limited, given its location, need for sensitivity to neighbouring uses and the environment and access.

Site Scoring

- 8.24 In the same manner as the scoring for the employment site allocations, these potential additional sites have been scored to provide a comparable metric to assess the sites. The table below provides the summary score for the sites.

Table 39 – Potential Further Employment Site – Scoring

Site	Total Score (max 100)	Market led Subtotal (max 50)	Total Score if Allocated for Employment (max 100)	Potential Employment Land Types
HMS Sultan	57	37	61	Office/Industrial and potential non B-class uses
Blockhouse	47	32	51	Office/Industrial and potential non B-class uses
Browdown Camp	38	21	42	Tourism and leisure uses

Source: BE Group

- 8.25 All sites' scores are reduced due to their lack of current planning support and unavailability of the sites at the moment. As seen in the site scoring system in Appendix 5, sites with full planning are scored 10 for the planning status category and scored 8 with outline planning. Sites allocated for employment in the Local Plan are scored 4. Therefore, Table 39 above includes an additional column showing what the total score would be for these three sites if they were allocated in the Local Plan Review for employment uses.

- 8.26 The scores for Browdown Camp and Blockhouse are further reduced because of their distance from the key strategic road network. The more central location of HMS Sultan, closer to services and key roads means that it has an improved score.

- 8.27 All sites would also have an improvement to their scores through investments in infrastructure or site improvements to overcome constraints.

9.0 FUNCTIONAL ECONOMIC MARKET AREA

9.1 As part of the Economic Needs Assessment and Economic Availability Assessment it is necessary to consider the functional economic market area in order to assist in understanding the objectively assessed needs of Gosport Borough, which is considered in Chapter 10.0. The following commentary defines and reviews the functional economic market area of the Borough, as a recognition that the Gosport economy does not operate in isolation, but rather it has crucial interrelationships with neighbouring local authority areas. In particular, the influence of the two main urban areas of Portsmouth and Southampton within close proximity of Gosport is important to the Borough's economy.

9.2 The guidance for Housing and Economic Development Needs Assessments produced by the Department for Communities and Local Government includes guidance for the definition and consideration of a functional economic market area. The guidance states:

“The geography of commercial property markets should be thought of in terms of the requirements of the market in terms of the location of premises, and the spatial factors used in analysing demand and supply – often referred to as the functional economic market area. Since patterns of economic activity vary from place to place, there is no standard approach to defining a functional economic market area, however, it is possible to define them taking account of factors including:

- *extent of any Local Enterprise Partnership within the area;*
- *travel to work areas;*
- *housing market area;*
- *flow of goods, services and information within the local economy;*
- *service market for consumers;*
- *administrative area;*
- *Catchment areas of facilities providing cultural and social well-being;*
- *transport network.”*

9.3 All definitions of a functional economic market area are approximations of the interrelationships of a local economy with areas outside the local authority. The functional economic market area cannot account for all relationships in the economy, rather it is a representation of the key economic, workforce and consumer flows for

the local economy. It provides an approximation of the main sphere of economic activity for Gosport.

9.4 In defining the functional economic area of Gosport, the following factors have been considered:

- Gosport's role as a net out-commuting local authority, with principal net outflows to Portsmouth (net outflow of 4,600 workers in 2011) and Fareham (net outflow of 4,200 workers), with lower levels for Winchester (net outflow of 1,300 workers), Eastleigh (net outflow of 700 workers) and Southampton (net outflow of 500 workers)
- Importantly, and unsurprisingly, the worker relationship with Portsmouth is substantially stronger than the other regional city, Southampton.
- Land transport networks into Gosport by necessity come via Fareham. Fareham Rail Station is the closest rail station (by road) servicing Gosport.
- Gosport and Portsmouth have strong linkages via water transport, with regular ferries between the centres. This has an important commuter function and links with the Portsmouth Harbour mainline railway station.
- The business survey revealed that almost two-thirds of respondents did not have a previous location of business (that is, they are indigenous businesses to Gosport) and that one of the principal reasons for locating in Gosport was to be close to clients/customers. These are indicative of a localised function of businesses in the Borough.
- The Solent LEP's strategic sectors of marine, aerospace and defence, advanced manufacturing, engineering, transport and logistics businesses, low carbon and the visitor economy are closely aligned with the key market sectors in Gosport.

9.5 Therefore, on the basis of the above, it is concluded that the primary functional economic market area for Gosport can be approximated by the local authority areas of Gosport, Fareham and Portsmouth. The remainder of the Solent LEP area (Winchester, Eastleigh, Southampton, Havant, East Hampshire, Test Valley, New Forest and the Isle of Wight) can be considered as a secondary functional economic market area for Gosport.

10.0 OBJECTIVELY ASSESSED NEEDS

Introduction

10.1 Planning Practice Guidance states that the assessment of future land needs should be determined by looking at both past trends and future forecasting methods. This chapter explains the approach used to take account of PPG. That methodology uses two models to assess land needs. None provide a definitive answer, but they provide influences to be understood. They must also be considered in light of the market overview undertaken as part of this study. The two models are:

- Historic floorspace take-up forecast

This approach reviews the actual take-up of employment floorspace in the Borough over a period of time. The method is not wholly reliable as there will be peaks and troughs, different time periods taken can also result in different outcomes and it relies on accurate recording of take-up over several years. A period of sustained growth may show a high average take-up whereas looking over a recessionary period could well reflect low or even nil take-up. Furthermore, some caution is needed if relying on historic trends only, and these should be considered in the context of current and projected market activity.

- Employment based forecast

This relies on the econometric forecasts which use a model that projects the likely jobs growth in different industry sectors. The jobs from figures are then translated to land using a formula based on a jobs to floorspace density, which in turn can be translated into the projected land need. Again, viewing these figures in isolation can provide trends that do not reflect the market signals identified in this study. Thus, the employment data should be considered in the context of the market.

10.2 Both of these models will be impacted by the lack of supply of premises and land over recent years in Gosport, which has subdued take-up rates (first method) and thus employment growth, upon which for employment forecasts would be based (second method). Therefore, it would be prudent to consider the potential for a spike of growth if further choice of premises and sites becomes available in Gosport.

10.3 The forecast covers a 20-year period from 2016 to 2036.

Model One: Floorspace Take Up

- 10.4 Hampshire County and Gosport Borough Councils record annual employment floorspace take-up in Gosport. The data is summarised in the table below, with a calculation of the land area required to provide the net level of floorspace.
- 10.5 The forecast period for this study is 20 years to 2037. The historic take-up data available is also over a 20-year period, from 1996/97 to 2016/17. Therefore, there is data covering periods when the national economy was strong, with a positive market outlook, and during the recession years, with low market confidence.
- 10.6 Table 40 overleaf demonstrates a significant variation year-on-year in the floorspace take-up in Gosport. The highest take-up in an individual year was in 2004, which saw 20,530 sqm of floorspace taken-up, equating to about 5.3 ha of land. Furthermore, 2004 also was the highest individual year for office floorspace take-up (4,747 sqm) and B1/B2/B8 floorspace take-up (20,530 sqm). By comparison, 1999/00, 2011/12 and 2012/13 recorded no take up of floorspace.
- 10.7 The land take-up is an estimate based on the total net floorspace consumption, calculated assuming 3,900 sqm floorspace per hectare for all B-class use types.
- 10.8 The variations in floorspace take-up are influenced by the availability of space in the borough. Times when further space becomes available (2004/05, 2015/16) have corresponded with the elevated take-up compared to nearby years. In 2004/05 space in Heritage Business Park and along Fareham Road came to the market and in 2015/16 Daedalus Park was being rolled out.
- 10.9 Therefore, in this market when further capacity is available, the market can support higher levels of take-up.

Table 40 – Employment Floorspace and Land Take-Up 1996-2017

Period	Floorspace, sqm					Total, ha Est.
	B1a/A2	B2-B7	B8	B1/B2/B8	Total	
1996/97	300	0	0	0	300	0.08
1997/98	0	230	0	0	230	0.06
1998/99	282	0	0	0	282	0.07
1999/00	0	0	0	0	0	0
2000/01	794	0	0	10,379	11,173	2.86
2001/02	0	0	0	867	867	0.22
2002/03	270	656	0	0	926	0.24
2003/04	625	0	0	445	1,070	0.27
2004/05	4,747	0	0	15,783	20,530	5.26
2005/06	240	0	0	4,888	5,128	1.31
2006/07	572	0	320	345	1,237	0.32
2007/08	0	0	0	903	903	0.23
2008/09	1,958	0	0	0	1,958	0.5
2009/10	796	0	0	0	796	0.2
2010/11	212	0	0	1,521	1,733	0.44
2011/12	0	0	0	0	0	0
2012/13	0	0	0	0	0	0
2013/14	0	0	0	692	692	0.18
2014/15	0	0	0	1,541	1,541	0.4
2015/16	0	0	0	11,949	11,949	3.06
2016/17	0	0	0	3,268	3,268	0.84
Total	10,796	886	320	52,581	64,583	16.54
Overall Average (96/97-16/17)					3,075	0.79
Peak Growth Average (00/01-06/07)					5,847	1.50
Post-recession Average (10/11-16/17)					2,740	0.70
Average (96/97-16/17 excl zero take-up)					3,588	0.92

Source: Hampshire County Council, Gosport Borough Council; BE Group's land area calculations

10.10 Several averages have been included in the table to reflect the overall growth since 1996, the period of strong growth (2000-2007), post-recession growth (2010-2017) and to only account for growth years. These can provide a basis for scenario testing, under assumptions of strong or weak growth, etc. The strong growth period could be considered as indicative of a more aspirational scenario for take-up or that which might be achievable with an increase in availability of land (i.e. MoD sites becoming

available). Furthermore, it is prudent planning practice to consider the potential for stronger growth so that planning has sufficient flexibility to accommodate a strengthening market.

10.11 The different periods show varying averages of about 0.7-1.5 ha per annum of land take-up, depending on the years adopted.

10.12 However, even within the comparator periods, there is significant variation. The period 2010-2017 shows a period of constrained growth. This is due to several factors, including the constrained land availability, slower economic growth, competition from neighbouring areas with more availability of land. This period had an average floorspace take-up of 2,300 sqm per annum, equating to a land area of about 0.7 ha per annum. However, it is noted that the highest take-up over this 2010-17 period was 11,949 sqm or 3.1 ha in 2015/16, which constituted over 60 percent of the growth over this period and demonstrates the potential variability in take-up rates. Therefore, while this large take-up in 2015/16 seems to be unusual, it should not be dismissed as a one-off anomaly. Indeed, it is an example of when good quality land becomes available (in this instance at Fareham Trade Park) units are developed and occupied in a short timeframe. Projections of growth should account for the potential of larger, albeit less often, occupiers looking to take up premises.

10.13 Employment land take-up rates are influenced by supply and demand forces. The ready availability of adequately serviced and appropriately positioned employment land is a key determinant in the level of take-up, as businesses considering locating on employment land would have more options for their particular needs. A more constrained area, with limited options of employment land, may miss out on potential take-up by businesses unable to find adequate land and thus may choose land in neighbouring local authorities. Demand can change due to overarching economic conditions influencing the appetite for property development or more localised influences such as changes to the local economy. The lack of available development land in Gosport is likely to have dampened take-up rates over recent years.

10.14 The performance of key sectors in Gosport would be of particular relevance to the take-up of employment land, such as advanced manufacturing, marine industry and aerospace. Changes to the dynamics of these industries, or the departure or

entrance of an anchor tenant within these sectors, would influence on-going take-up rates of employment land.

10.15 Table 41 provides forecasts for employment take-up for the period 2016-2036 based on two average annual floorspace take-up options – a baseline scenario and a more ambitious growth scenario. The baseline scenario has adopted the 1996-2017 average of about 0.8 ha per annum and 3,100 sqm per annum. The growth scenario has adopted the 2000-2007 peak period growth rate.

Table 41 – Employment Floorspace and Land Take-Up Scenarios, 2016-2036

Scenario	Assumed Floorspace pa, sqm	Assumed Land pa, ha	Projection of Floorspace requirement (2016-2036), sqm	Projection of Land requirement (2016-2036), ha
Baseline	3,100	0.8	62,000	16.0
Growth	5,800	1.5	116,000	30.0

Source: BE Group, 2018

10.16 The above forecasts are the estimations of the likely requirement for floorspace and employment land to 2036, based on the analysis of historic growth rates. However, as with all forecasts, there is a level of uncertainty in these figures, with the potential for the actual growth to be below or above these forecasts. If the actual growth is below that forecasted then a portion of the employment land and floorspace would remain unoccupied by 2036, which would be available to the market beyond 2036 or could at a later time be allocated for other uses if considered surplus to further requirements. If the actual growth is above the forecasts, then there will be tightness in the market that would restrict businesses' opportunities to enter the market. This is of more concern than overestimating growth.

10.17 A means of introducing an additional 'safety net' into the forecasts to address a shortfall in supply (i.e. the forecasts underestimating actual growth), is to add a buffer of additional supply, typically equivalent to five years' supply of employment land. As well as responding to the uncertainty in the forecasts, this approach recognises that the property market reality is that not every single parcel of land is taken up in an orderly manner alongside business-led demand. In particular, when nearing the end of the forecast period, in an ideal market the last remaining land parcels would be taken up by the outstanding businesses requiring space. However, the market reality is that these businesses may have different site requirements (e.g. location, price,

visibility) even if the remaining land supply is sufficient in size. Therefore, some level of flexibility in the market is advantageous, which can be planned for through an additional buffer of land.

10.18 It is further recognised that this employment land analysis will not be the only time that employment land is assessed in Gosport over the forecast period. It is appropriate and prudent to undertake periodic reviews of supply and demand in the Borough, as well as annual monitoring of actual take-up. Such reviews will adjust the forecasts and resulting planning as appropriate given the latest market information available. The risk of not planning with an additional buffer, if actual growth is above the original forecast, is that in subsequent reviews, there would need to be a steeper change in supply of land, which may prove more difficult to plan for.

10.19 Table 42 shows what the floorspace and land need would be for the baseline and growth scenarios when factoring in a five-year buffer.

Table 42 – Employment Floorspace and Land Take-Up with a Five-Year Buffer

Scenario	Assumed Floorspace pa, sqm	Assumed Land pa, ha	Including 5-Yr Buffer	
			Projection of Floorspace requirement (2016-2036), sqm	Projection of Land requirement (2016-2036), ha
Baseline	3,100	0.8	77,500	20.0
Growth	5,800	1.5	145,000	37.5

Source: BE Group, 2018

10.20 The B-class land and floorspace required will be a mix of B1, B2 and B8 uses. Most of the historic data is grouped by office uses or mixed B1/B2/B8 uses. For the majority of the mixed B-class uses, the developments are for majority industrial (B2/B8) schemes, with supporting offices. Evidence from the property market review showed a higher turnover of industrial/warehousing stock than office stock (about 4:1 transactional volume) and consultations suggest more interest in manufacturing than offices. Furthermore, the B2 and B8 uses generally require more floorspace than B1 uses. Table 43 provides an indicative breakdown of the projected floorspace and land requirements (both including and excluding the five-year buffer) by B-class type. This is based on past trends, where the split is available, and the property assessment earlier in this report.

10.21 It should be noted that all of the B1 floorspace is assumed to be developed as two-storey premises, which therefore require less overall land requirements. Therefore, while the floorspace totals match to the previous Tables 41 and 42, the land area totals have been adjusted to reflect this assumption.

Table 43 – Employment Floorspace by B-Class Use and Land Take-Up

Scenario	Projection of Floorspace requirement (2016-2036), sqm			Projection of Land requirement (2016-2036), ha		
	B1	B2	B8	B1	B2	B8
Excluding Five-Year Buffer						
Baseline	3,000	37,000	22,000	0.4	9.5	5.6
Growth	6,000	70,000	40,000	0.8	17.9	10.3
Including Five-Year Buffer						
Baseline	4,000	46,000	27,500	0.5	11.8	7.1
Growth	7,500	87,500	50,000	1.0	22.4	12.8

Source: BE Group, 2018

10.22 It should be understood that a given unit designated for employment uses may have several occupiers over its economic life, with differing B-class classifications. Most commonly, a given unit may house B2 and B8 occupiers over its lifetime with relatively modest fit-out (and planning) changes. As such, some of the space in the table above is likely to have planning permission for a mix of B1/B2/B8 uses.

10.23 It is noted that the employment forecasts reviewed in the following Model Two analysis suggest growth in B8 related uses (transport and storage) and B1 uses (professional and other private services) and declines in employment in B2 related uses (manufacturing). The above B-class use breakdown is based on the historic trends and the input from the consultations with local property agents and businesses, which suggest a higher level of activity for B2 uses.

Model 2: Employment Based Forecast

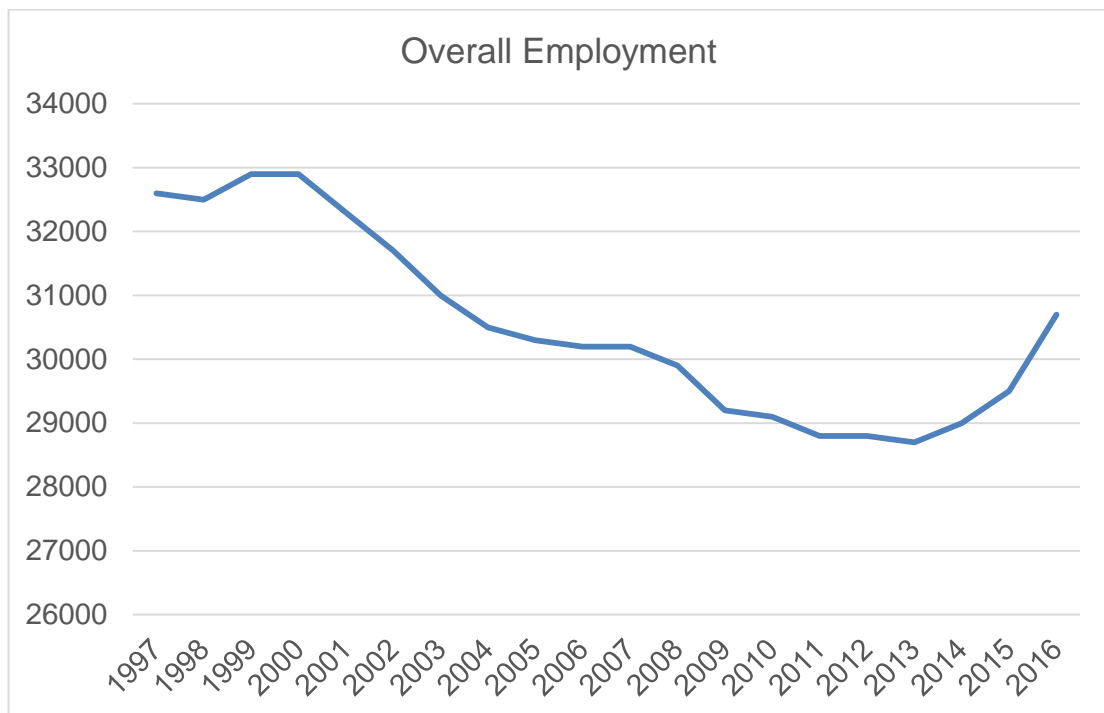
10.24 The scenario uses as its base an Experian econometric model. The forecast projects employment change by sector from the current date to 2036. In addition, the model also includes data from 1997 onwards and as a result past demand can be used to calculate the assumed land need over the historic period for comparison with actual land take-up over the same period.

10.25 There are a number of points that need to be considered when interpreting and using economic forecasts and the results drawn from them:

- The results are indicative rather than exact: While econometric modelling is carried out using the best available economic data the results are an indication of what is likely to happen, and they may of course vary dependent on unexpected events.
- The longer term the data the more variation is likely.
- There can be significant differences in the outcomes predicted by different companies. Typically, forecasters start with their assumptions on the national growth position and break it down to a local level using a range of assumptions. Clearly the headline growth expectations and the assumptions will differ.

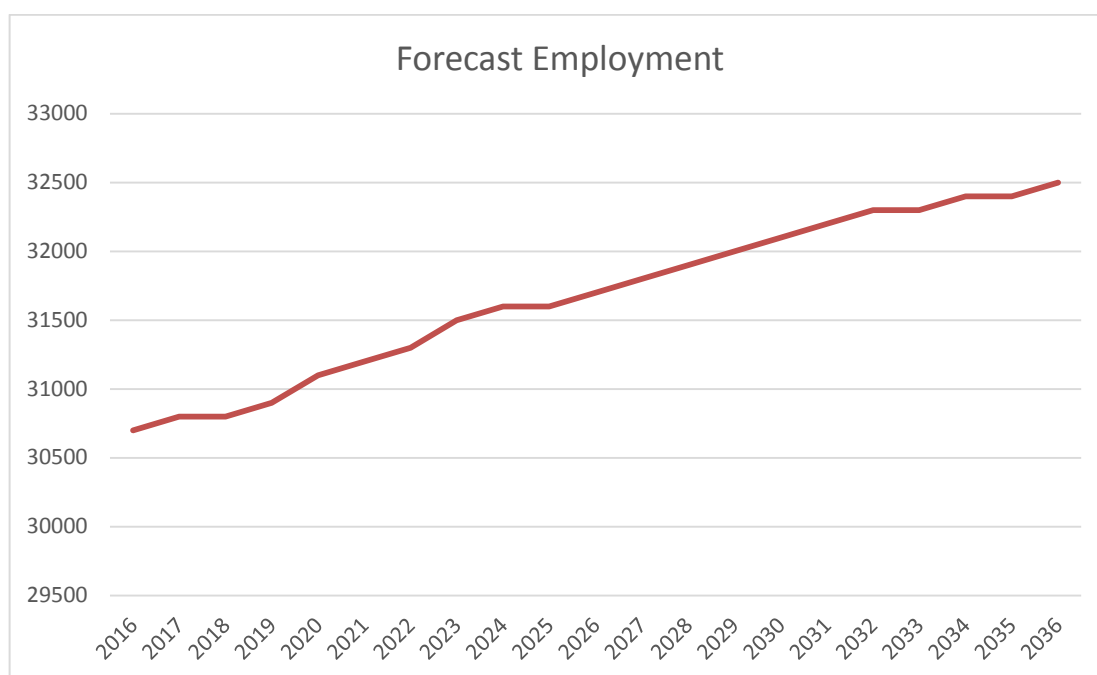
10.26 The overall employment trend and forecast from the Experian Model are illustrated in the graphs below.

Figure 28: Overall Employment in Gosport 1997-2016 (working in the Borough)



Source: Experian Econometric Forecast, 2017

Figure 29: Forecast Employment in Gosport 2016-2036 (working in the Borough)



Source: Experian Econometric Forecast, 2017

10.27 The Experian data therefore suggests that overall employment in Gosport declined each year between 2000 and 2013 from a high point of 32,900 to a low point of 28,700. Since 2013 employment has increased rapidly to 30,700 in 2016 and further gradual increases forecast over the next twenty years to a level of 32,500. The growth over the forecast period, therefore, would not result in employment rising to its original highpoint recorded in 2000.

10.28 The overall data, whilst providing some context, is of limited use without considering the variations in the sectors providing the employment

Sector Level Forecasts

10.29 The Experian econometric forecast breaks down employment to 12 broad sectors of employment and also into 38 more detailed categories of employment. These provide employment change during the projected time periods and allow those jobs relevant to employment land to be identified. It should be noted that for this model the forecasts reflect a ‘policy off’ position. In other words, this is a non-intervention scenario in which none of the LEP or Local Authority specific initiatives are

considered or that major structural changes to the economy such as the loss of large MoD sites would not be accounted for. Later we consider some reasonable sensitivity analysis to examine other potential scenarios.

10.30 The table below shows the changes forecast in employment over the period 2016-2036 for the 12 broad sectors.

Table 44: Employment Forecast by Broad Sector

Sector	2016	2021	2026	2031	2036	Change 2016-2036
Accommodation, Food Services & Recreation	3,300	3,400	3,400	3,400	3,300	0%
Agriculture, Forestry & Fishing	0	0	0	0	0	0%
Construction	1,700	1,900	2,000	2,100	2,200	29%
Extraction & Mining	0	0	0	0	0	0%
Finance & Insurance	0	0	0	0	0	0%
Information & communication	1,300	1,200	1,200	1,200	1,200	-8%
Manufacturing	3,900	3,700	3,400	3,100	2,900	-26%
Professional & Other Private Services	5,100	5,300	5,700	6,000	6,400	25%
Public Services	9,400	9,400	9,600	9,800	9,800	4%
Transport & storage	1,100	1,200	1,300	1,400	1,500	36%
Utilities	0	0	0	0	0	0%
Wholesale & Retail	4,500	4,600	4,600	4,700	4,700	4%
Total	30,300	30,700	31,200	31,700	32,000	6%

Source: Experian Econometric Forecast, 2017

10.31 The figures above do not always add up to the total workforce projections because of rounding errors.

10.32 The figures show that despite the overall forecasted rise in employment in the period 2016-2036 there is some variation between the sectors.

10.33 The largest sectors at the beginning of the period by employment are public services (9,400) and professional & other private services (5,100) and the forecast predicts that not only will these remain the largest sectors by employment but will also both

record increases in employment with public services employment rising by 4% to 9,800 and professional & other private services rising by 25% to 6,400.

10.34 The other sectors forecast to grow strongly over the period are construction (29%) and transport & storage (36%) but these rates of growth are from a relatively small initial starting point.

10.35 There is expected to be a modest decline in employment arising from information and communication (8% loss representing just 100 employees) and a more significant decline in manufacturing which is forecast to decline by 26% with the loss of 1,000 jobs over the forecast period.

10.36 Table 45 overleaf sets out the forecast employment position for the 38 detailed categories of employment. Only those categories with any employment in any year have been included reducing the number of categories to 23.

Table 45: Employment Forecast by Category

Sector	2016	2021	2026	2031	2036	Change 2016- 2036
Accommodation & Food Services	2,500	2,400	2,400	2,300	2,200	-12%
Administrative & Supportive Services	1,500	1,700	1,800	2,000	2,200	47%
Computing & Information Services	800	800	800	800	800	0%
Construction of Buildings	400	400	400	500	500	25%
Education	4,000	4,100	4,300	4,400	4,500	13%
Health	1,500	1,500	1,500	1,500	1,400	-7%
Land Transport, Storage & Post	1,100	1,200	1,200	1,300	1,400	27%
Metal Products (manufacture of)	700	700	600	600	500	-29%
Non-Metallic Products (manufacture of)	200	200	200	200	100	-50%
Other Manufacturing	1,600	1,500	1,400	1,300	1,300	-19%
Other Private Services	900	900	900	900	900	0%
Professional Services	2,200	2,300	2,400	2,600	2,700	23%
Public Administration & Defence	1,500	1,400	1,300	1,300	1,200	-20%
Real Estate	400	500	500	600	600	50%
Recreation	800	1,000	1,000	1,100	1,100	38%
Residential Care & Social Work	2,400	2,400	2,600	2,700	2,700	13%
Retail	3,200	3,200	3,200	3,200	3,200	0%
Specialised Construction Activities	1,300	1,400	1,500	1,600	1,600	23%
Telecoms	400	300	300	300	300	-25%
Textiles & Clothing (manufacture of)	100	100	100	100	0	-100%
Transport Equipment (manufacture of)	200	100	100	100	100	-50%
Wholesale	1,300	1,300	1,400	1,400	1,500	15%
Wood & Paper (manufacture of)	600	600	500	500	500	-17%

Source: Experian Econometric Forecast, 2017

10.37 At the more detailed level of breakdown, the three largest sectors of employment in 2016 were education (4,000), retail (3,200) and accommodation & food services (2,500). In 2036, the largest sectors are forecast to be education, which is forecast to increase employment by 13%, retail which is forecast to remain unchanged and residential care and social work and professional services which will both increase to 2,700 by 13% and 23% respectively.

10.38 The fastest growth in employment over the period is forecast to be in real estate (50%), administrative & supportive services (47%), recreation (38%), land transport, storage & post (27%) and construction (25%).

10.39 The steepest declines in employment over the period are anticipated to be in manufacture of textiles (-100%), non-metallic products (-50%), transport equipment (-50%), metal products (-29%) and wood & paper (-17%) although in total the decline in these five sectors is expected to account for 600 jobs. The largest absolute fall in employment in any one category is forecast in public administration and defence which is forecast to fall by a further 300 jobs (or 20%). It should be noted that this assumes a continuation of baseline trends and the potential closures of the MoD sites, which would be outside of a baseline scenario, could result in substantially larger public-sector employment losses.

Comparison to Recent Employment Trends

10.40 Before drawing the broad conclusions from the forecast data, it is useful to examine the trends which have been taking place over the last 15 years and these trends are set out for broad sectors in the table below.

Table 46: Recent Employment Changes by Broad Sector

Sector	2001	2006	2011	2016	Change 2001- 2016
Accommodation, Food Services & Recreation	2,800	2,700	3,000	3,300	18%
Agriculture, Forestry & Fishing	0	0	0	0	0%
Construction	1,200	1,400	1,400	1,700	42%
Extraction & Mining	0	0	0	0	0%
Finance & Insurance	0	0	0	0	0%
Information & Communication	600	600	600	1,300	117%
Manufacturing	3,800	3,600	3,700	3,900	3%
Professional & Other Private Services	3,300	4,200	4,200	5,100	55%
Public Services	14,800	11,700	10,100	9,400	-36%
Transport & storage	600	900	900	1,100	83%
Utilities	0	0	0	0	0%
Wholesale & Retail	4,600	4,600	4,500	4,500	-2%
Total	31,700	29,700	28,400	30,300	-4%

Source: Experian Econometric Forecast, 2017

- 10.41 What is apparent is that the changes in the actual levels of employment by broad sector have, in general, been significantly more variable than predicted in the forecast data for the next 20 years.
- 10.42 The period 2001 to 2016 saw an overall decline in employment, led by declines in the two largest sectors, public services (decline of 36%) and wholesale and retail (decline of 2%). Both of these sectors are forecast to grow by 4% in the period 2016 to 2036. The information and communication sector was reported to have more than doubled its workforce in the period 2001 to 2016 (all growth occurring between 2011 and 2016). However, this sector is expected to remain stable over the forecast period to 2036 (slight decline of 100 workers).
- 10.43 These patterns can be examined in greater detail by consideration of the 38 categories of employment and the recent changes in employment in these categories is shown in the table below (with those categories in which no employment is recorded in any year excluded).

Table 47: Recent Employment Changes by Category

Sector	2001	2006	2011	2016	Change 2001- 2016
Accommodation & Food Services	2,200	2,000	2,100	2,500	14%
Administrative & Supportive Services	1,000	1,300	1,300	1,500	50%
Computing & Information Services	400	400	400	800	100%
Construction of Buildings	300	300	300	400	33%
Education	2,900	3,300	3,600	4,000	38%
Health	1,500	1,600	1,500	1,500	0%
Land Transport, Storage & Post	600	800	900	1,100	83%
Metal Products (manufacture of)	300	400	600	700	133%
Non-Metallic Products (manufacture of)	700	500	300	200	-71%
Other Manufacturing	600	800	1,300	1,600	167%
Other Private Services	900	1,000	800	900	0%
Professional Services	1,200	1,700	1,700	2,200	83%
Public Administration & Defence	8,900	5,000	2,800	1,500	-83%
Real Estate	200	300	300	400	100%
Recreation	600	700	900	800	33%
Residential Care & Social Work	1,400	1,700	2,100	2,400	71%
Retail	3,400	3,200	3,200	3,200	-6%
Specialised Construction Activities	900	1,100	1,100	1,300	44%
Telecoms	100	100	200	400	300%
Textiles & Clothing (manufacture of)	700	300	100	100	-86%
Transport Equipment (manufacture of)	500	700	400	200	-60%
Wholesale	1,100	1,400	1,300	1,300	18%
Wood & Paper (manufacture of)	100	100	300	600	500%

Source: Experian Econometric Forecast, 2017

10.44 This table also highlights the dramatic variation in employment over the last fifteen years in some categories of employment. Furthermore, the percentage changes are of only limited value due in some cases as the more detailed categories often only have small absolute employment numbers. In addition, with the figures rounded to the nearest 100, the calculated percentage changes would be influenced by the rounding of these numbers, which is more significant for the smaller values.

10.45 Larger sectors that have experienced strong growth in recent years include professional services (+1,000 jobs or 83%), residential care and social work (+1,000 jobs or 71%) and education (+1,100 jobs or 38%). The substantial decline in the public administration and defence sector (-7,400 jobs or 83% decline) highlights the considerable structural change in the economy over the past fifteen years in Gosport.

10.46 Critically, looking back at the previous employment growth can be compared to the historic take-up rates of floorspace and land area. This exercise can help illuminate which model provides a better indicator or actual take-up.

Model 2 Forecast of Floorspace and Land Requirements

10.47 It is useful to consider the model projections for the next 20 years in terms of business space and in order to do so the following allocations are made:

Table 48: Building type allocation by category

Sector	Type of space	B-Class Uses
Accommodation & Food Services	Leisure	
Administrative & Supportive Services	Office	B1
Computing & Information Services	Office	B1
Construction of Buildings	Office	B1
Education	Specialist public sector	
Health	Specialist public sector	
Land Transport, Storage & Post	Warehousing	B8
Metal Products (manufacture of)	Manufacturing	B2
Non-Metallic Products (manufacture of)	Manufacturing	B2
Other Manufacturing	Manufacturing	B2
Other Private Services	Office	B1
Professional Services	Office	B1
Public Administration & Defence	Office	B1
Real Estate	Office	B1
Recreation	Leisure	
Residential Care & Social Work	Specialist public sector	
Retail	Retail	
Specialised Construction Activities	Office	B1
Telecoms	Office	B1
Textiles & Clothing (manufacture of)	Manufacturing	B2
Transport Equipment (manufacture of)	Manufacturing	B2
Wholesale	Warehouse	B8
Wood & Paper (manufacture of)	Manufacturing	B2

Source: Mickledore and BE Group, 2018

10.48 By allocating these building types to the change in employment data the following findings can be drawn from the Experian forecast data:

Table 49: Changes in Employment by Building Type

Sector	2016-2021	2021-2016	2026-2031	2031-2036	Change 2016-2036
Leisure	100	0	0	-100	0
Office	200	100	500	200	1,000
Specialist public sector	100	400	200	0	700
Manufacturing	-200	-300	-100	-300	-900
Construction	100	100	200	0	400
Transport & Distribution	100	100	100	200	500
Total	400	400	900	0	1,700

Source: Interpretation of Experian data, 2018

10.49 The result, taking Experian data at face value therefore suggests that employment in an office environment is forecast to increase by approximately 1,000; employment in warehousing type uses will increase by 500 and employment in specialist public sector facilities will increase by 700. Employment in manufacturing facilities is forecast to decline by 900 jobs.

10.50 Only certain sectors will translate jobs into a requirement for employment land. The model assesses what percentage of jobs in each sector translates into floorspace. For example, in transport and storage a percentage of jobs will be warehouse based, whilst the remainder will be drivers not operating on site. Thus, such a model is likely to be influenced by a number of key factors:

- The future mix of activities in respect of office, manufacturing and warehousing employment within different sectors. It is very imprecise to predict the impact of evolving technical change over the period to 2036, and we have therefore assumed that this mix will not change over the period.
- The proportion of people in each industry sector that occupy B1, B2 or B8 space conforms to those ratios used in other studies and accepted in comparable locations.
- The average space each employee occupies – the employment density. We have assumed no variation in the density rates through to 2036, and have used those densities identified in the Home and Communities Agency’s (HCA) Employment Density Guide 3rd Edition (2015). With changing work practices, the densities will vary, but in the absence of more locally sourced data this industry accepted data is used.
- The average development floorspace per ha for office, manufacturing and

warehousing activities. We have applied the uniform amount of 3,900 sqm per ha for single storey buildings, although we have assumed that office buildings are on average two storeys.

10.51 Details of the HCA floorspace densities are provided in the following table as applied to the different sectors.

Table 50 – Model Assumptions

Industry Sector	Employees		
	Percentage of staff occupying B1, B2, B8 Floorspace (percent)	Floorspace occupied per person (sqm)	Other Comments
Agriculture	5	12	Managerial, admin
Manufacturing H C A ,	100	36	HCA gives a range from 36-47 sqm/job. More dense employment reflects largely B2; a lower density can be applied to B1 light industry. Given the manufacturing mix in Gosport, the general industrial density has been adopted (36 sqm/job)
Utilities	26	12	Managerial, admin
Construction	26	12	Managerial, admin
Distribution 5 , B E	48	70	Warehouses, offices-non large scale/high bay facilities. HCA provides a range of 70-95 sqm/job. Range reflects final mile distribution centres (70 sqm/job), regional distribution centres (77 sqm/job) and national distribution centres (95 sqm/job). Assume 70 sqm/job for Gosport to account for final mile warehousing.
Transport r o	48	70	Warehouses, offices-non large scale/high bay facilities. Same range and assumption as Distribution.
Financial and Business p	100	10-12	HCA guide reports higher job densities in finance and insurance sector (10 sqm/job) than other office based sectors (12 sqm/job)
Government and Other Services	22	12	Local Government, Public Administration

Source: HCA, 2015, BE Group 2018

10.52 Using the adjustments shown in Table 50, the net job figure for each sector is calculated to reflect the proportion of jobs occupying 'B' floorspace. That figure is then multiplied by the floorspace per person to give total floorspace for each sector. The detailed calculations for this are shown below.

10.53 Once a total floorspace is calculated, the figures are then translated to a land requirement using the ratio of 3,900 sqm per hectare.

10.54 The calculations are therefore shown below:

Table 51 – Forecast Employment Land and Floorspace Demand based on Experian Forecasts 2016-2036

SIC Group	Workforce Growth 2016-36	Percentage Occupying B1/2/8 Space	Growth Number of Jobs on B1/2/8 Space	Floorspace Per Job, sqm	Floorspace Required, sqm
Accommodation, Food Services & Recreation	0	0	-		-
Agriculture, Forestry & Fishing	0	5	-	12	-
Construction	500	26	130	12	1,560
Extraction & Mining	0	5	-	12	-
Finance & Insurance	0	100	-	12	-
Information & Communication	-100	100	- 100	12	- 1,200
Manufacturing	-1000	100	- 1,000	36	- 36,000
Professional & Other Private Services	1300	100	1,300	12	15,600
Public Services	400	22	88	12	1,056
Transport & storage	400	48	192	70	13,440
Utilities	0	26	-	12	-
Wholesale & Retail	200	5	10	70	700
Total	1,700		620		
Increase in Floorspace – Growth Sectors (sqm)					32,356
Decline in Floorspace – Declining Sectors (sqm)					- 37,200
Net Change in Floorspace Demand (sqm)					- 4,844
Assumed Developable Floorspace per Hectare (sqm/ha)					3,900
Equivalent Employment Land Needed – Growth Sectors (ha)					8.3
Equivalent Employment Land Needed – Declining Sectors (ha)					-9.5
Equivalent Employment Land Needed – Net (ha)					-1.2

Source: BE Group and Mickledore, 2018 analysis of Experian forecasts

10.55 Table 51 assumes that all floorspace is developed as single storey developments. This is a reasonable assumption for manufacturing and warehousing spaces, but office spaces are commonly multi-storey. If it is assumed that office space averages two storeys, then the land area requirements would be the following (floorspace requirements would be unchanged):

Table 52 – Forecast Employment Land Assuming Two-Storey Offices

Land Area Requirements to 2037 Assuming two-storey Office Buildings	Floorspace Required, sqm
Equivalent Employment Land Needed – Growth Sectors (ha)	6.0
Equivalent Employment Land Needed – Declining Sectors (ha)	-9.4
Equivalent Employment Land Needed – Net (ha)	-3.4

Source: BE Group and Mickledore, 2018 analysis of Experian forecasts

10.56 Therefore, **based on the employment forecasts (Model 2), the net floorspace requirement for B-class uses to 2036 would be -4,800 sqm.** This is comprised of a positive requirement for B1 floorspace of 17,000 sqm and a positive requirement for B8 floorspace of 14,100 sqm, offset by a negative requirement for B2 floorspace of -36,000 sqm.

10.57 **This equates to a negative employment land requirement of -3.4 ha, assuming that all B2 and B8 floorspace is single storey and B1 floorspace is two-storey.** Assuming all the land is taken by single storey uses, would still result in a negative land requirement of -1.2 ha.

10.58 However, it should be noted that with some sectors projected to have growing employment land demands and some with declining employment land demands just looking at a net employment land implies a smooth transition from one employment use to another. This may be appropriate and relatively straightforward in some instances (e.g. from manufacturing to warehousing) but not appropriate in others (e.g. manufacturing to office).

10.59 Therefore, it is more appropriate to consider just the growth sectors, which are projected to have a growth in floorspace of 32,400 sqm, equating to a land requirement of 6.0 ha, up to 8.3 ha if all single storey. It is recommended that the

growth sector approach be followed when looking at employment land requirements based on employment projections.

Summary of Model Projections

10.60 The previous two models have assessed employment land and floorspace requirements for Gosport between 2016 and 2036. It is important to compare these forecasts to each other, as well as to the previous forecasts of employment land developed for the adopted Local Plan and the PUSH forecasts for Gosport.

Table 53 – Comparison of Employment Land Modelling

Scenario	Floorspace p.a. (sqm)	Total Floorspace Requirement 2016-36 (sqm)	Estimated Land Requirement (ha)*
Historic take-up baseline growth (0.8 ha/yr)	3,100	62,000	16.0
Historic take-up baseline (0.8 ha/yr) – with buffer	3,875	77,500	20.0
Historic take-up growth (1.5 ha/yr)	5,800	116,000	30.0
Historic take-up growth (1.5 ha/yr) – with buffer	7,250	145,000	37.2
Employment Forecasts – Net demand	-240	-4,800	-1.2
Employment Forecasts – Growth Sectors only	1,720	34,400	8.3
Local Plan rate extrapolated over new plan period	4,667	93,340	23.9
PUSH Position Statement extrapolated over new plan period	3,217	64,340	16.5

* Assumes single storey mix of B-class uses, at 3,900 sqm/ha

10.61 Overarching all considerations is the *potential* availability of the MoD sites for B-class employment uses some time in the next decade. Therefore, a ‘straight line’ take up of employment land and floorspace may not be the most precise to reflect the sudden increase in availability of employment land and floorspace in the middle of the forecast period. Therefore, the table below presents hybrid forecasts based on the historic take-up method (Model One) in which the 20 year forecast period is split into two sections – the first ten years it is assumed that the baseline growth rate will continue to apply (i.e. continued strained supply) and for the second ten years it is assumed that the growth scenario take-up will apply (i.e. land becomes available, spurring take-up). This is presented in the table overleaf.

Table 54 – Adjusted Model One Forecasts for MoD Land Release

Scenario	Floorspace p.a. (sqm)	Total Floorspace Requirement 2016-36 (sqm)	Estimated Land Requirement (ha)*
Model One Hybrid (2016-26 @ 0.8ha/yr; 2026-36 @ 1.5ha/yr)	4,450	89,000	22.8
Model One Hybrid – with buffer	5,560	111,250	28.5

* Assumes single storey mix of B-class uses, at 3,900 sqm/ha

10.62 Another potential way of looking at employment growth, is by having an objective to match Solent LEP levels within the planning period. Solent LEP employment is forecast to grow by 0.4 percent over the period 2015 to 2036. If Gosport was to match that employment growth over the period 2016 to 2036, overall employment would increase from 30,300 jobs in 2016 to 32,700 by 2036 (a minor increase above the Experian forecast of 32,000 jobs by 2036).

10.63 Also, it was noted in Chapter 3.0 (see Table 16) that Gosport's job density (0.53) is lower than neighbouring areas and the Solent LEP average (0.79). Jobs density is a ratio of jobs in an area to the 16-64 year old population of the area. For Gosport to increase its job density to the Solent average, it would need to increase the number of jobs in the area, relative to the working age population. The ONS 2016 subnational forecasts for population growth in Gosport include population forecasts by five-year age cohort and forecasts that the 15-64 year old population will decrease from 53,800 persons in 2016 to 52,200 persons in 2036. Comparing this working age population decline to the Experian employment forecasts (and noting the slight difference in working population age group) the job density would change from 0.56 in 2016 to 0.61 in 2036. To increase to 0.79 to match the 2016 Solent LEP level would require the employment level to increase to 41,200 jobs in Gosport by 2036, an increase of 9,200 jobs above the baseline Experian forecasts. That is, in order to match the Solent LEP jobs density, the employment would need to increase by 10,900 jobs, rather than the forecast 1,700 jobs increase.

10.64 These increases to match the Solent LEP employment growth and to match the jobs density figure can be applied to the Model Two approach to estimate the resulting floorspace and employment land requirements. The adjusted overall employment levels have been applied to the Experian sectoral forecasts, inflating the growth for each sector (or reducing the declines). This has been converted to a demand for floorspace and employment land, as summarised overleaf.

Table 55 – Adjusted Model Two Forecasts to Match Solent LEP Levels

Scenario	Floorspace p.a. (sqm)	Total Floorspace Requirement 2016-36 (sqm)	Estimated Land Requirement (ha)*
<i>Matching Solent LEP employment growth 2016-36</i>			
Net demand	315	6,290	1.6
Growth sectors only	1,930	38,690	9.9
<i>Matching Solent LEP job density by 2036</i>			
Net demand	5,150	103,000	26.4
Growth sectors only**	5,150	103,000	26.4

* Assumes single storey mix of B-class uses, at 3,900 sqm/ha

** No declining sectors in this assumption, therefore growth sectors is the same as net

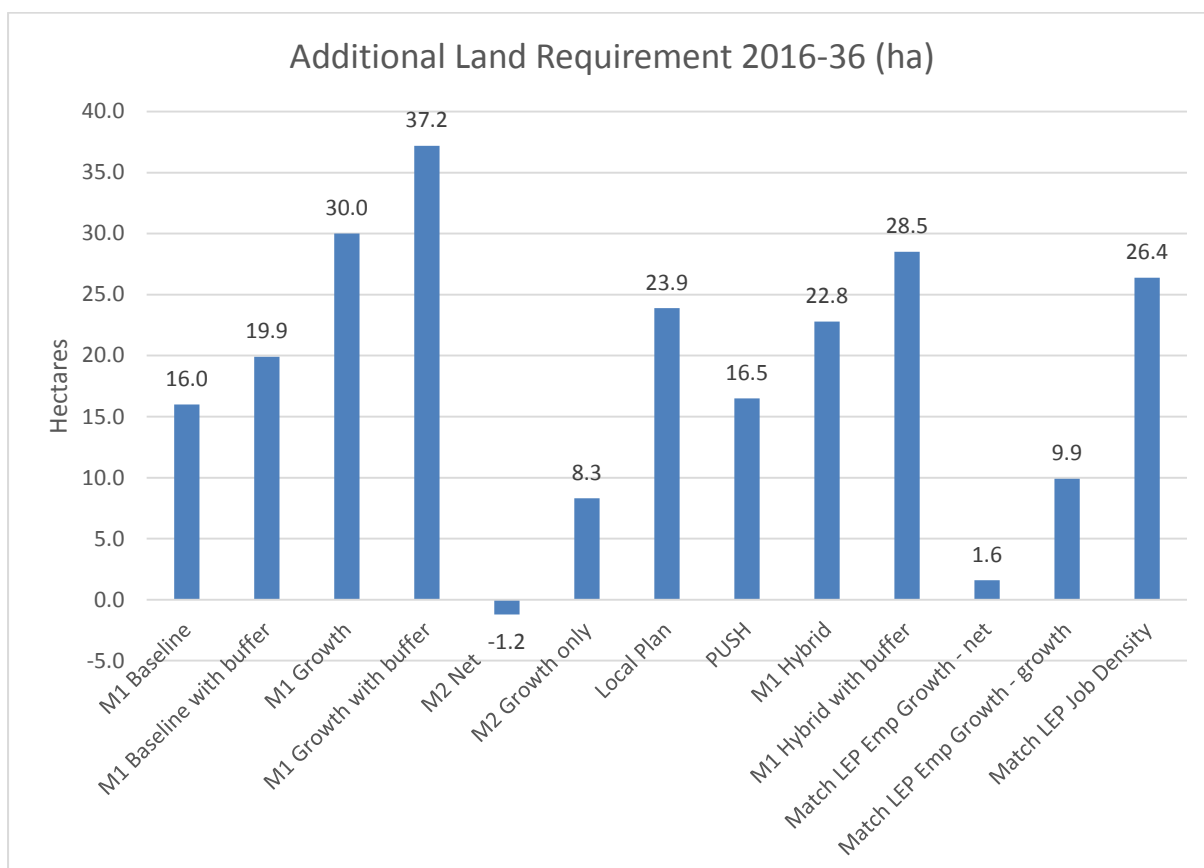
10.65 Therefore, from the above analysis, there is some significant variation in land requirement depending on the underlying assumptions or objectives, ranging from - 1.2 ha to +37.2 ha. The table and graph below summarise and illustrate the modelling differences. As can be seen, generally the forecasts based on the historic land take up approach result in higher land requirements than those based on employment forecasts.

Table 56 – Adjusted Model Two Forecasts to Match Solent LEP Levels

Model	Estimated Land Requirement (ha)*
Model One – Baseline	16.0
Model One – Baseline with buffer	20.0
Model One – Growth	30.0
Model One – Growth with buffer	37.2
Model Two – Net	-1.2
Model Two – Growth only	8.3
Local Plan rate extrapolated	23.9
PUSH Position Statement rate extrapolated	16.5
Model One Hybrid for MoD land release	22.8
Model One Hybrid for MoD land release – with buffer	28.5
Match Solent LEP employment growth – Net	1.6
Match Solent LEP employment growth – Growth only	9.9
Match LEP Job density	26.4

* Assumes single storey mix of B-class uses, at 3,900 sqm/ha

Figure 30 – Comparison of Models



Source: BE Group, 2018

10.66 The results show varying levels of projected growth, depending on the underlying assumptions. Given the land constrained nature of Gosport, it may be tempting to adopt a lower (even negative) figure on which to base policy. However, it may be more prudent planning to adopt a higher base, which can be rolled back in future years if necessary.

10.67 It is possible to draw on the existing take-up data (from Hampshire County Council) and employment growth data (from Experian) for the last twenty years to see if employment changes are a good indicator of actual take-up of employment land and floorspace in Gosport.

10.68 Experian provides annual employment data back to 1997, which can be used to calculate an employment land and floorspace demand over the period 1997-2017 based on the workforce growth. This can be compared to the recorded growth in employment land and floorspace as in Table 40. In undertaking this exercise, the jobs over the period 1997-2017 declined by -1,800 jobs, driven by substantial declines in

the public sector (of which only a portion would be located on B-class land). Just looking at employment on B-class land, this employment grew by 1,170 jobs over the same period. Using the methodology of Model 2, this equates to a generated net demand of -1.7 ha (including B1 2-storeys) or +5,200 sqm of floorspace. The table below summarises this position in comparison to the actual employment land and floorspace take up.

Table 56 – Comparison in Forecasting Models for Historic Data 1997-2017

Methodology	Calculations
Actual Take up	Floorspace: 64,583 sqm Estimated Land: 16.54 ha
Employment Forecast Model	Increase in Floorspace – Growth Sectors: 60,906 sqm Decline in Floorspace – Declining Sectors: -55,704 sqm Net Change in Floorspace: 5,202 sqm Employment Land – Growth Sectors: 15.6 ha Employment Land – Declining Sectors: -14.3 ha Net Employment Land Demand: 1.3 ha

Source: BE Group, 2018

- 10.69 From this exercise for Gosport’s growth over the last 20 years, it appears that looking at the net employment land and floorspace requirements for the Borough based on jobs forecasts is not a good indicator. However, just looking at the growth sectors does provide a reasonable estimate of actual take-up over the last twenty years. It is noted however, that much of the historic growth has included manufacturing businesses (B2 floorspace), despite the overall employment decline in this sector, which suggests that the calculated floorspace growth attributed to other sectors may be being taken up by some manufacturing operations. Therefore, the actual predictive strength of Model 2, particularly for employment floorspace types, is questionable.
- 10.70 When looking at Model 2, it is recommended that the growth sectors be used as the focus when assessing employment floorspace and land demand, rather than net levels.
- 10.71 It is considered that the historic take-up approach (Model 1) is an informative and appropriate model to follow. BE Group has found in similar studies throughout England and Wales that Model 1 generally provides a better predictor than Model 2, even just accounting for the growth sectors.

- 10.72 The hybrid approach to Model 1 to account for the potential release of MoD land during the forecast period is an informative model that shows the potential acceleration of land take-up in the second half of the period. As the MoD land becoming available for employment remains a possible outcome for Gosport, this option should remain as a valid alternative.
- 10.73 The models to match the Solent LEP levels are informative of what would be required, particularly the substantial step change required to bring about the same level of job density in Gosport by 2036 as in the LEP in 2016. However, they should just be used as comparisons, rather the basis for modelling, as the overall objective of employment land provision should be to serve the market demand, rather than match regional levels.
- 10.74 Therefore, the baseline Model 1 forecast of 16.0 ha (62,000 sqm) is considered a reasonable forecast level if the MoD sites remain unavailable. Should HMS Sultan become available, the hybrid model of 22.8 ha (89,000 sqm) would be appropriate.
- 10.75 As mentioned above, it is also prudent to add in a buffer to account for any unanticipated surges of employment take-up and to enable continuity of supply towards the end of the planning period. Therefore, including a five-year buffer, the objectively assessed need for employment land to 2036 is 20.0 ha (77,500 sqm) for the baseline scenario, or 28.5 ha (111,300 sqm) assuming that the MoD sites become available and spur land take-up.
- 10.76 If a more aggressive growth strategy was to be pursued, or economic conditions were sustained at an above average level over the course of the forecast period, the forecasts of Model 1's growth scenario of 116,000 sqm floorspace and 30.0 ha of employment land should be adopted. Including a five-year buffer, this equates to 145,000 sqm and 37.5 ha.

11.0 SUPPLY AND DEMAND SUMMARY

Meeting the Need for Employment Land

- 11.1 Chapter 7.0 identified that the employment allocations that have a realistic potential to come forward could ultimately yield some 95,000 sqm over 27.8 ha (net floorspace, minus completions). This is summarised below.

Table 57 – Summary of Sources of Supply

Source	Net Employment Floorspace Gain (sqm)	Land Available (ha)
Outstanding permissions	59,866	16.8
Outstanding allocations	17,900	5.1
Developable land within existing sites without current consents	3,750	1.39
Other sources in short/medium term	13,000	4.52
Total available supply	94,516	27.81

Source: Gosport Borough Council, BE Group, 2018

- 11.2 The largest single contributor to this total is the outstanding permission at Solent EZ comprising some 47,400 sqm and 11.8 ha.
- 11.3 The total supply at first brush appears to be sufficient for the baseline growth projections, including buffer (20.0 ha), although slightly short for the hybrid model, including buffer (28.5 ha). It should be noted, however, that the hybrid model assumes some of the land would be taken-up in HMS Sultan, which is not included in the supply and thus accounting for some additional land becoming available in HMS Sultan, the overall supply of land would be sufficient for the demand under this scenario.
- 11.4 However, critically, further investigations of that overall supply show the reliance on brownfield locations and sites that would be for specific uses (e.g. marine industry, Huhtamaki's expansions, etc.) rather than available to the wider market. It also relies on spare capacity in a secure site (Standard Aero) which also would have a narrow market and not be appropriate for the wider market. Furthermore, while Daedalus Park is progressing and seeing good take-up, full development of Gosport's portion of the Solent EZ will be reliant on regeneration of older stock, which is likely to take

longer to be developed out than the greenfield parcels in other parts of the EZ, within Fareham's boundaries.

- 11.5 Indeed, as significant proportions of the supply of stock will rely on the regeneration of brownfield sites, some of which have heritage value, this necessarily provides more constraints and complexities to the process, compared to greenfield sites, such as site acquisition/amalgamation, site assessments, demolition, refurbishments, habitat assessments, infrastructure upgrades, contamination assessments, etc., which can increase the length of time for a project and make schemes more marginal.
- 11.6 The employment allocations all have constraints within them, whether they are regeneration sites, limited to a specific use, small or not in the ownership of a developer. This means that it is an optimistic position to take that this suite of sites will neatly fulfil the objectively assessed need for employment premises. Further employment sites are required to increase the choices for prospective businesses and to ensure continuity of supply, given some of the sites are likely to be longer-term development opportunities.
- 11.7 Therefore, it is prudent to understand the market considerations for the key areas of potential growth in Gosport.

Solent EZ

- 11.8 The immediate growth of employment opportunities in Gosport is heavily reliant on the Solent EZ, as seen in the floorspace potentials in Chapter 7.0. The Solent EZ's supply equates to over half of the baseline employment land demand (including buffer) for Gosport. Further employment opportunities becoming available at HMS Sultan and Blockhouse will be several years away, factoring in the winding down of military operations, disposal of the sites, masterplanning, planning process, demolition, construction and delivery. The Solent EZ site will be the preeminent employment growth site for Gosport in the interim.
- 11.9 However, while the Daedalus Park scheme is performing well and provides a current option for businesses, the opportunities after Daedalus Park will involve redevelopment of derelict/underutilised stock and thus will be more time-consuming. It is important that the Council has an active role alongside the LEP in encouraging the redevelopment of the brownfield areas to ensure that momentum is not lost within Gosport's part of the EZ once Daedalus Park is completed.

11.10 It is a market reality that some businesses in the near term are likely to be lost from Gosport to the Solent EZ areas within Fareham Borough, as these are the most immediately deliverable sites within the EZ. While a loss to Gosport, including loss of business rates, the business will be retained in the broader area, with on-going employment opportunities for Gosport residents. Such an eventuality would also free up premises within Gosport for other enterprises. However, this market reality highlights the urgency in bringing forward the remainder of the employment areas of the Solent EZ within the boundary of Gosport Borough.

11.11 Solent EZ must take the leading role in the provision of employment floorspace in Gosport in the short to medium term, in order for the Borough to meet the roll out of some 3,900 sqm of floorspace per annum to meet baseline needs (including buffer).

Additional Sites

HMS Sultan

11.12 The HMS Sultan site is an excellent candidate for further employment in Gosport if the MoD vacate the site for several reasons, including:

- It has a substantial workforce population on the site currently and providing alternative jobs on the site after the MoD departs would be a means of offsetting the MoD job losses. This may also prevent losses of the non-military tenants on the site (e.g. Network Rail)
- The site has employment infrastructure that would have an economic life beyond the MoD, including engineering workshops and offices.
- The site is large, flat and centrally located within Gosport, with connectivity to the A32.
- The site could accommodate mid to larger B2/B8 units, a key market for Gosport that has very limited alternatives elsewhere in the Borough.
- This site could provide for the industrial market as the Solent EZ scheme nears capacity, ensuring on-going availability of key premises.
- The site could also accommodate a range of high quality B1 office buildings in a business park format.

11.13 It is understood that Gosport Borough Council would be keen to see HMS Sultan retained as a military facility, with its current training function. However, if the MoD was to dispose of the site, it would be highly desirable for Gosport that it retains an employment function in order to offset the losses from the MoD relocation and to relieve capacity constraints in the employment market.

11.14 **As an employment site**, HMS Sultan would be the key growth area for the general mix of businesses in Gosport, without having a particular sectoral specialism. The mix of business along the A32 and Aerodrome Road would provide a strong indicator of the mix of enterprises likely to be attracted to the HMS Sultan site.

11.15 There is some heritage infrastructure on the site, including the two historic forts and officers' quarters. On-going uses of such forts have proven problematic throughout Gosport and further afield. Minimal upgrades and investment to the forts would allow for low-cost storage uses, including open storage in the central yard and shuttered storage in the fort itself. The sporting facilities at Fort Grange (the southern fort) would have an economic life beyond the timeframe of the MoD and could be retained as a leisure use.

11.16 It would be beneficial for the development of the HMS Sultan site if the LEP would have an active role in driving the redevelopment, similar to the Solent EZ. This would help initiate the masterplanning for the site, as well as secure funding for infrastructure and delivery of key elements of the masterplan.

11.17 The masterplan for the HMS Sultan site should incorporate the following principles:

- The site is to be primarily an employment site;
- The site is to accommodate employment growth for Gosport for the coming Local Plan period and beyond.
- Within the Local Plan period the site should accommodate some 30-40,000 sqm of B2/B8 floorspace and 2-3,000 sqm of B1 floorspace, with planning for further B-class floorspace in the longer term. This equates to an initial release of about 8-12 ha of employment land.

11.18 Approximately 3,000 persons train or work on the HMS Sultan at present. If Council had an objective to maintain such a level of activity beyond the occupancy of the MoD, the site is of sufficient scale to accommodate a mix of B-class uses providing employment for about 3,000 workers. The land and floorspace requirements would

be dependent on the mix of B-class uses. If the breakdown of employment was about 2,000 B2 workers, 800 B1 workers and 200 B8 workers, and assuming typical job floorspace per worker figure, then some 95,600 sqm of floorspace would need to be provided (B1 9,600 sqm, B2 72,000 sqm, B8 14,000 sqm), which equates to about 24.4 ha of land.

- 11.19 The portion of HMS Sultan site east of Military Road (where the cadet residences are situated) is separated from the remainder of the site and thus could be considered for alternative uses. While it would still be appropriate for employment uses, including a mix of office, industrial and warehousing uses, there would be the potential to non B-class uses. If, through the full masterplanning of the HMS Sultan site, it is determined that the eastern parcel is not required to deliver the required level and mix of employment floorspace, then this site could be made available for residential uses, which would help provide funding for the delivery of other areas.
- 11.20 Infrastructure considerations would be a key component of any masterplanning exercise for the site. As seen from the consultations as part of this study, the road capacity on the key arterials in Gosport are already strained. Consideration would need to be given to the additional stresses from employment on the HMS Sultan site. However, any redevelopment of the site would be after the completion of upgrades at Newgate Lane and the Stubbington Bypass, which will help alleviate the broader stresses on the network. Improvements to the Bus Rapid Transit corridor, including links to the Gosport Town Centre, will be in place before any redevelopment of the HMS Sultan site.
- 11.21 Other infrastructure considerations would need to include the ability to upgrade high-speed broadband access to the site, as well a review of the capacities of other utilities given the potential to intensify activity on parts of the site upon redevelopment.
- 11.22 If the HMS Sultan site does not become available for employment uses within the lifetime of the coming Local Plan, then the Borough would have a continued, very constrained commercial property environment. The market would continue to have limited choice of premises and land, particularly for mid to larger units. The market would see losses of businesses to neighbouring areas as business owners cannot find appropriate stock for their needs. If the MoD retains the site over the longer term, Council should encourage it to include an increased array of non-military employment

uses on the site, taking advantage of under-utilised areas within HMS Sultan. This would be a means of enabling further employment floorspace to be provided in Gosport even if HMS Sultan does not become available to the wider market.

- 11.23 Alternative options for the further provision of employment premises are very limited and not ideal, including intensification of existing areas (where the better performing areas are already at/near capacity and relatively intensely developed), other MoD sites (which would also be reliant on the MoD to dispose of sites), identification of other non-employment, brownfield areas for redevelopment for B-class uses or movement into non-urban areas such as the 'strategic gap' area (which should be avoided wherever possible).

Blockhouse

- 11.24 Blockhouse provides an opportunity for further employment premises at a waterfront location. Using the waterfrontage and the existing built stock at Blockhouse, the clear B-class opportunities for the site are for marine industrial uses and offices.
- 11.25 The marine industrial uses would utilise the deep-water frontage and access on the site. This site would be a strategic addition to the marine industry assets along Gosport's waterfront near and at the mouth of Portsmouth Harbour. It would provide growth opportunities beyond the build-out timeframes around Gosport Waterfront (Coldharbour) and Royal Clarence Yard Retained Area.
- 11.26 The office uses on the site would incorporate the existing built form within Blockhouse, including refurbishments of existing offices. Therefore, this could represent a relatively short-term outcome for employment on site after the exit of the MoD. Potential occupiers of the offices would be B1 businesses that support the marine sector, SMEs indigenous to Gosport and businesses that do not require ready motorway access. The office products should be positioned to provide quality premises that could be marketed at a premium, taking advantage of the waterside location. The units required will predominantly be small units less than 100 sqm.
- 11.27 This location would also be a suitable and attractive location for a serviced office product, with serviced offices alongside traditional office space in the scheme. This could provide office-based incubator units as well as flexible spaces for more established businesses.

- 11.28 A redevelopment of Blockhouse would also include a range of non B-class uses, including residential, training, dining, tourism and leisure, building on the existing accommodation within Blockhouse, as well as other assets such as the Royal Navy Submarine Museum. These uses would form an important part of the mix of any redevelopment, helping to enrich and open up this area for the community. However, it should not impinge (in the near or longer term) upon the potential for this location to be an important marine industry growth area.
- 11.29 Once again, the timing of any redevelopment is dependent on the MoD's disposal of the site, which is anticipated to occur in 2020.
- 11.30 The site would require a comprehensive masterplan to guide any redevelopment of the site. This would need to include an assessment of the current building stock and marine assets to understand potential opportunities beyond the military use. Furthermore, a review of the infrastructure capacities on the site would need to be undertaken, including an assessment of the infrastructure's appropriateness for a private sector employment function. Some key considerations include the condition of important historic assets and their re-use, the condition of the sea defences and contamination issues.

12.0 CONCLUSIONS AND RECOMMENDATIONS

Main Findings

12.1 The key findings of this Economic Development Needs Assessment and Economic Land Availability Assessment are stated below:

Economic Profile

- It is an economically active area with low unemployment levels (4.0 percent in 2017/18).
- Gosport has lower levels of those who have attained education to degree level or above compared to the LEP. However, overall there is a high percentage of workers with some level of qualification than the regional averages.
- Consistent with this, the largest occupations category in the Gosport workforce is the associate professional and technical occupation group.
- Gosport is a significant out-commuter location, particularly for higher value jobs.
- The borough has clear sectoral employment specialisms including manufacturing of paper and paper products, repair and installation of machinery and equipment, manufacture of textiles and scientific research and development.
- The business births and deaths data in Gosport indicate that there is confidence and resilience in the local market.
- There appears to be a movement in employment in the marine sector from construction to maintenance and repair.

Property Market

- The property market in Gosport is dominated by smaller units. However, there is a smaller, but significant market in mid-size premises (predominantly industrial) that would need to be provided for in the on-going supply of land.
- The industrial market is a larger market in terms of transaction volumes in Gosport than the office market.
- The overall volume of stock currently on the market is limited in terms of location, size choices and quality.

- The availability of near or on-water industrial premises is extremely limited, which inhibits opportunities for marine-based businesses to enter the market or expand operations.
- The Gosport property market is an indigenous market, in that the substantial majority of enquiries for premises made to property agents and the transactions completed are from businesses already located in the area.

Stakeholder Consultations and Business Survey

- The overwhelming issue of concern for local businesses, which was evident through the direct stakeholder consultations and the business survey, was centred on the transport constraints, in particular road options in and out of the borough. Some of these concerns are intractable given the geography of Gosport and distance to motorways. However, some concerns may be addressable with investment (e.g. bottlenecks along A32, capacity of strategic road networks). Indeed, current or planned projects such as Newgate Lane improvements, the Stubbington Bypass and BRT improvements should help to improve perceptions of transport constraints.
- Critically, the transport issue is impacting on business decision making, including leading to businesses considering relocating out of Gosport.
- Despite these concerns, overall businesses demonstrated a confidence in their business prospects and loyalty to Gosport.

Employment Land Supply

- The employment allocations that have some realistic prospect of development, if fully developed, could yield some 95,000 sqm of B-class floorspace over 27.8 ha. This includes outstanding permissions, under-developed allocations, under-developed existing sites and potential short to medium term additional sites. However, critically, the substantial majority of this potential floorspace is heavily reliant on the redevelopment of brownfield sites.
- The significant employment allocation nodes are:
 - Solent EZ/Daedalus – which will require the demolition or refurbishment of older, derelict buildings, which will be less attractive to the market than the greenfield options in the Fareham Borough portion of the EZ.

- Royal Clarence Yard and Retained Area – which is not available to the market as yet, would require redevelopment of existing marina yard areas and would be a specialised marine industry area;
- Huhtamaki's sites – which are for Huhtamaki's expansion prospects.
- Therefore, opportunities for the general employment market to obtain readily developable sites is very limited.
- The existing employment areas are generally built to capacity and provide very limited options for further growth.

Functional Economic Market Area

- The primary functional economic market area for Gosport can be approximated by the local authority areas of Gosport, Fareham and Portsmouth.

Objectively Assessed Needs

- Historically, Gosport has averaged approximately 3,080 sqm of employment floorspace take up per annum over the last 20 years, which equates to approximately 0.8 ha per annum.
- Employment forecasts suggest that Gosport's workforce will grow by 1,700 workers between 2016 and 2036 to approximately 32,000 workers.
- Key employment growth sectors emerging from the forecasts are professional and other private services, public services, transport and storage and construction. Manufacturing is anticipated to be the main declining sector in terms of employment numbers.
- The objectively assessed need for employment land and floorspace to 2036 has been projected to be 20.0 ha and 77,500 sqm respectively, including a five-year buffer as a baseline forecast. If HMS Sultan is made available for B-class employment, it is considered that this could spur take-up rates, in which case an objectively assessed need of 28.5 ha or 111,300 sqm of floorspace should be adopted.

Supply vs Demand

- Overall, supply (27.8 ha) appears to be sufficient for projected demand under the baseline scenario, including buffer of 20 ha from 2016 to 2036. The hybrid scenario, with buffer, to be adopted if some land within HMS Sultan becomes available and spurs demand is for a land demand of 28.5 ha, which suggests

a slight shortfall in the supply. However, given this supply estimate does not include HMS Sultan itself, with some land becoming available at HMS Sultan, the overall Gosport supply would be sufficient for this increased demand level.

- However, critically, the nature of the supply is largely comprised of brownfield sites or sites for a narrow, specialist purpose. Therefore, it is considered that the supply is not adequate to meet the forecast demand for the broader B-class employment market.
- HMS Sultan and Blockhouse would both be appropriate sites for employment uses, if and when the MoD departs from these locations. They would provide capacity beyond the forecast period.

Recommendations

12.2 The following recommendations are provided, based upon the analysis and findings of this study.

Recommendation 1: Key Employment Sites

12.3 The NPPF provides the opportunity for Gosport Borough Council to identify 'key employment sites' that are considered to significantly contribute to the Borough's land supply for B-class uses. These can then be safeguarded for B-class uses and other employment uses. It is recommended that the existing known key employment sites/areas are:

- Regeneration Area 1: Gosport Waterfront including the Retained Area at Royal Clarence Yard
- Regeneration Area 1: Gosport Town Centre
- Regeneration Area 2: Daedalus
- Regeneration Area 3: Haslar Peninsula
- Rowner Road and Grange Road (Grange Road Depot Site)

Recommendation 2: Future Employment Land and Floorspace Provision

12.4 The objectively assessed need for employment land was estimated to be 20.0 ha, equating to some 77,500 sqm of employment floorspace (including a five-year buffer) and it is recommended to adopt this level as a baseline upon which to plan for development. Although, it is considered that HMS Sultan becoming available for a range of B-class employment uses would spur take-up and thus a level of 28.5 ha

(assuming all single storey) or 111,300 sqm be adopted under the assumption that the site is released for development.

- 12.5 Table 58 provides a summary of the indicative breakdown of that employment floorspace by B-class use, based on historic splits between B-class use types, employment sector forecasts and current market expectations.

Table 58 – Employment Floorspace by B-Class Use and Land Take-Up

Scenario	Projection of Floorspace requirement (2016-2036), sqm				Projection of Land requirement (2016-2036), ha		
	B1	B2	B8	Total	B1*	B2	B8
Including Five-Year Buffer							
Baseline	4,000	46,000	27,500	77,500	0.5	11.8	7.1
Assuming HMS Sultan becomes available	5,500	66,800	39,000	113,500	0.7	17.1	10.0

Source: BE Group, 2018

* B1 offices assumed to be two-storey premises

- 12.6 By comparison, the following table summarises the realistic potential floorspace yield from the employment allocations and employment floorspace planning permissions.

Table 59 – Floorspace Potential from Sites (net gain)

Name	Potential Floorspace Growth (sqm)
Daedalus/Solent EZ	47,432
Haslar Hospital	2,805
Huhtamaki – Rowner Rd	9,629
Huhtamaki – land south of Grange Rd	8,400
Royal Clarence Yard Retained Area	9,500
Standard Aero	3,750
Wickham Laboratories	7,000
Boatyard, Haslar Marina	2,000
Gunboat Sheds, Haslar Rd	4,000
Total	94,516

Source: BE Group 2018

- 12.7 The Solent EZ provides the largest floorspace capacity in Gosport and could provide about half of the baseline requirement to 2036. However, relying on this one scheme to deliver all the expected demand within the Borough for industrial and warehousing uses would not provide choice of location, price point or provider for the market. With

the other significant floorspace areas being committed for Huhtamaki or specific uses (marine industry, laboratory), there are not choices for more generic space in Gosport

12.8 It is further noted that the current planning approval for 7,000 sqm of B1b laboratory floorspace at the Wickham Laboratories is in excess of the anticipated full B1 floorspace growth over the planning period. However, this specialised laboratory floorspace should be considered outside of the on-trend growth projections and thus should be considered in addition to the generic B1 office floorspace demand for the Borough.

12.9 The brownfield nature of some of the allocated sites means that there are further complexities in bringing these sites forward for the occupation of businesses. Such schemes can take several years to gather momentum and overcome the constraints to development.

12.10 Therefore, for the reasons above, it is recommended that further employment site options be added to the suite of site allocations, to provide the market with further choices.

12.11 The primary concern for further employment should be for B2/B8 units up to about 1,000 sqm (approx. 10,000 sqft). This is the key on-going requirement in Gosport. Further availability of such premises would allow for growth of businesses in the Borough, enable new entrants to the market and provide up-grade options for those seeking to improve their premises. As revealed in the business survey, there is a significant percentage of Gosport businesses looking for alternative accommodation.

12.12 However, options should also be available for larger premises (e.g. B2/B8 unit sizes approx. 3,000-4,000 sqm) that provide alternatives for the mid to large business in Gosport, similar to the successful Fareham Business Park and Fareham Reach schemes. While having a lower overall demand for such units, their larger size means that they are more difficult to accommodate, with a significant risk of losing such businesses to neighbouring areas due to the lack of alternatives in Gosport.

12.13 Also revealed through the business survey and the one-on-one stakeholder consultations was the importance of transport and connectivity as part of the decision making of businesses in looking for alternative accommodation. The existing congestion and bottlenecks are leading businesses to seek units outside of the Borough. **Therefore, in planning for transport and highways upgrades it is**

critical to consider the economic impacts of not undertaking such upgrades, which will be the continued loss of Gosport businesses out of the Borough.

Recommendation 3: Employment Growth at HMS Sultan

12.14 Recommendation 2 above identifies the need for further employment sites to be identified in the Borough to provide further choice for businesses. As discussed in the previous chapter, HMS Sultan site is an excellent candidate for further employment in Gosport if the site becomes available.

12.15 **It is strongly recommended that the HMS Sultan site continue to be identified as an employment priority site, with the intention that it forms part of the suite of employment allocations if it is vacated by the MoD.** While it would be preferable for the overall economy of Gosport that the site remains as a MoD function, assuming that it is vacated it is imperative that it be protected for a broad range of employment uses. It is recommended that the planning be accelerated for the life of the site beyond the MoD usage, even though the timing of the availability of the site to the wider market is still uncertain.

12.16 It is recommended that early masterplanning work be undertaken for HMS Sultan, in collaboration with the MoD and Solent LEP to identify potential infrastructure issues and development opportunities for the site. As an input into the masterplan, it is recommended that the employment provision is *at least* at the level identified in Chapter 11.0 to be provided within the planning period, with further provision anticipated for beyond 2036.

12.17 If HMS Sultan is retained by the MoD, Council should encourage the MoD to include an increased array of non-military employment uses on the site, taking advantage of under-utilised areas within HMS Sultan. This would be a means of enabling further employment floorspace to be provided in Gosport even if HMS Sultan does not become available to the wider market.

Recommendation 4: Employment Growth at Blockhouse

12.18 Blockhouse is a site with strong potential to provide additional B-class employment in Gosport, should the MoD vacate the site (which is considered likely at this stage). It is a clear opportunity for the continued growth of the marine industry, with waterfront assets and access, and for B1 office space, reusing existing built stock or the development of further floorspace.

12.19 It is recommended that the Blockhouse site be protected for employment, particularly for marine industry and office uses.

12.20 However, it is recognised that other uses are likely to form a part of any redevelopment of the site, including residential, visitor accommodation and leisure, complementing the existing assets around the site (e.g. Royal Haslar, Royal Navy Submarine Museum). This is appropriate but should not preclude or limit the development of employment uses on the site, particularly the function of the marine industry.

12.21 Development of a masterplan is recommended for this site. This could begin in the short term, in collaboration with the MoD and the LEP.

Recommendation 5: Continue to Encourage Delivery of Solent EZ

12.22 Given the reliance on the roll-out of the Solent EZ for the continued near term supply of floorspace stock in Gosport, it is imperative that Gosport Borough Council continues to have an active role in encouraging its delivery in a timely manner.

12.23 Daedalus Park is currently the main focus for the delivery of floorspace in the EZ. However, it is the following stage which will be critical for Gosport's employment growth. The Council would need to ensure that development momentum is maintained following the completion of the Daedalus Park scheme.

Recommendation 6: Support of the Marine Industry Sector

12.24 The marine industry has a number of key development sites to accommodate growth opportunities – Royal Clarence Yard Retained Area, the Gosport Waterfront area, Daedalus and Blockhouse. While it is understood that these are mixed use areas, with a variety of employment and non-employment uses in the neighbouring areas, it is important that the marine industry opportunities and functions of these areas are supported and maintained.

12.25 The Royal Clarence Yard Retained Area has a history of military marine industry use. Beyond the MoD requirements for the site, there will be pressures for other uses, including potentially higher value residential uses. However, its key marine assets – deep-water access, hardstand areas, location near other marine industry assets – mean that it is a critical site for the growth of the marine industry in Gosport and the

broader Solent area. It is recommended that the Council and/or the LEP take an active role in the redevelopment of the site, including opportunities to purchase and bring forward the site themselves, in order to see it retained and available for marine industry uses, rather than be lost to other uses or remain unavailable to the market for several years.

- 12.26 The Gosport Waterfront area can provide further intensification of uses in regards to the marine industry and such intensification should be supported. This could include the redevelopment of areas currently used for marina car-parking. There is likely to be intensification of other non-marine industry uses within this area, which is to be supported where it does not conflict with the operations, uses, access and functions of the marine industry uses at this site.
- 12.27 As mentioned previously, Daedalus is critical for delivering a large proportion of the supply of floorspace in the Borough, this includes employment connected to the marine sector. Its Enterprise Zone status cites marine industries as one of the key sectors. There are large areas of outdoor space and the potential for hangars to be refurbished which would suit marine industries. There is also a slipway to the Solent.
- 12.28 As discussed above, the Blockhouse site represents opportunities for employment uses, including marine industry uses. This area represents the site for medium to longer term growth of the marine industry. The precise floorspace, land and unit type requirements of marine industry for this site would be more in focus upon the development and success of the other two sites mentioned above.

Recommendation 7: Employment Uses in the Town Centre

- 12.29 While there is a general preference in the market at present for out-of-town (business park) type accommodation for offices, rather than town centre locations, it is still important that B1 office accommodation is provided in Gosport town centre to support that section of the market with a preference for a town centre position, as well as broadening the array of uses in the town centre and utilising the range of services, facilities and transport assets.
- 12.30 Above high street office premises are opportunities for micro-businesses/SMEs with individual floorspace requirements of less than 100 sqm, including requirements for individual office rooms. Business types that would be attracted to such

spaces would be those that service the local residential population (e.g. small financial advisors, accountants, solicitors, etc.).

12.31 The underutilised Borough Council offices provide an opportunity for larger floorspace units to be made available to the private sector.

Recommendation 8: Continue not to Allocate the Following Sites as Employment Sites

12.32 Table 30 in Chapter 6.0 reviewed the existing employment areas, describing their functions, the availability of growth areas, quality of premises, etc. Appendix 6 has expanded on this review, through a multi-criteria analysis and scoring of the existing employment areas according to the criteria outlined in Appendix 5. This provides a consistent measure across the suite of existing employment areas, as a means of identifying employment areas that are no longer meeting market needs or that no longer serve an appropriate purpose. Therefore, these sites may no longer be appropriate to continue to allocate as existing employment areas in the coming Local Plan.

12.33 The employment areas that scored the lowest are listed in Table 60 overleaf. Other sites in Appendix 6 scored higher in the analysis and are recommended to be retained for employment (see Recommendation 9).

Table 60 – Poorly Scoring Existing Employment Areas

Employment Area	Score (Max 90)	Comments and Recommendation
Sites Not Protected for Employment		
Westfield Rd Industrial Estate	29	This is a small, poorly maintained industrial estate, with narrow access via a residential street. While the estate has some operating businesses, the quality of premises is not generally suitable for modern businesses. Operations have impacts on neighbouring residential uses. Recommendation: Area is not protected for employment
Bury Cross, off Privett Rd	32	Site is a single building that does not have direct access to the road network; rather it is accessed via a petrol station. Has neighbouring residential uses, which can limit operations. Recommendation: Area is not protected for employment
Clayhall Rd (80-84)	33	Site is in a quiet residential area, removed from other employment uses. Site has a single building, comprising workshops, which is dated and unsightly. The site is not an appropriate area for employment uses. Recommendation: Area is not protected for employment
Wilmot Ln Depot	36	Site has two access points, one of which is via a narrow residential street. Currently used as a Council depot, it is difficult to see a private sector employment use for this site. Recommendation: Area is retained for Council's needs as required, however beyond that requirement it is not protected for employment
QinetiQ, Alverstoke, Fort Rd	37	Site is at the fringe of Gosport's urban footprint, with sensitive, coastal environments surrounding the site. While a long-term employment area, the site is no longer required by QinetiQ and is currently disused. Substantial investment would be required to deliver a workable, employment area appropriate for modern needs. Even so, the market for such a scheme would still be very limited for employment given its removed location. It is likely that other uses (e.g. residential, leisure) that are sensitive to the environment, would be more viable concerns on this site Recommendation: Area is not protected for employment.

Employment Area	Score (Max 90)	Comments and Recommendation
Royal Mail Depot, Mill Rd	46	<p>This depot site has reasonable prominence, near the A32 and has an on-going use by the Royal Mail. However, its neighbours on three sides are residential dwellings. Once the Royal Mail no longer require the site, it is unlikely that further employment uses would be identified.</p> <p>Recommendation: Area is retained for Royal Mail's needs as required, however beyond that requirement it is not protected for employment</p>
Solent Building Supplies Site, Forton Rd	47	<p>This site has prominence, on the A32, although does have a narrow entry-point. However, it has been vacated by its previous occupier. Its neighbours are residential dwellings. The site would be suitable for in-fill residential uses, which would have less impacts than new employment uses.</p> <p>Recommendation: Area is not protected for employment</p>
Sites Protected for Employment		
Quay Lane Industrial Estate, Quay Ln	43	<p>This industrial area is a crowded, cramped area, removed from the key arterial roads. However, it services a local function and its busyness suggests that it is performing that function well.</p> <p>Recommendation: Area is retained for employment.</p>
Venture Business Park, Fareham Rd	46	<p>This industrial area has older buildings, poorly maintained hardstand areas and is unsightly. However, it has prominence on the A32 and is positioned alongside other employment uses. Council should encourage the revitalisation of this area as an employment use</p> <p>Recommendation: Area is retained for employment.</p>

Source: BE Group, 2018

Recommendation 9: Retain the Following Existing Employment Areas as Employment Sites

12.34 The following existing employment areas are recommended to be protected as employment sites.

Table 61 –Existing Employment Areas to be Retained

Employment Area	Score (Max 90)
Former Cyanamid site, Barwell Ln and Lederle Ln (off Fareham Rd)	69
Gosport Business Centre, cnr Fareham Rd and Aerodrome Rd	66
Daedalus Park, Solent EZ	65
Fareham Reach, Fareham Rd	64
Huhtamaki Rowner Rd	63
Regent Trade Park, Barwell Ln (off Fareham Rd)	62
Defence Munitions Gosport, Fareham Rd	62
Huhtamaki Grange Rd	62
Gosport Town Centre, High St	62
Standard Aero, Fareham Rd	61
Gosport Waterfront Coldharbour, Mumby Rd	61
Frater Gate Business Park, Aerodrome Rd	60
Glenmore Business Park, Aerodrome Rd	60
Heritage Business Park, Heritage Way	60
St George Barracks South, Clarence Rd and Mumby Rd	59
Gosport Waterfront – Gosport Bus Station, South St	57
Royal Clarence Yard, Weevil Ln	56
Cement Works, Fareham Rd	55
Oaklands Office Park, Aerodrome Rd	55
Ordnance Business Park, Aerodrome Rd	55
Institute of Naval Medicine, Crescent Rd	55
Haslar Marina, Haslar Rd	53
Gosport Waterfront Retained Area, Royal Clarence Yard, Weevil St	52
Stoke Road District Centre, Stoke Rd	52
Haslar Marine Technology Park, Haslar Rd	52
Lee-on-the-Solent District Centre, High St/ Monserrat Rd	52
Cranbourne Industrial Estate, Dock Rd and Cranbourne Rd	51
Brockhurst Industrial Estate, Wingate Rd	50
Forton Road Industrial Estate, Forton Rd	50
Venture Business Park, Fareham Rd	46
Quay Lane Industrial Estate, Quay Ln	43

Source: BE Group, 2018

Recommendation 10: Non-B-Class Uses on Employment Land

- 12.35 Modern industrial estates and business parks are generally not exclusively one type of employment use, but have a range of employment types. While predominantly B-class uses, which is desirable, there may be a range of non B-class employment uses such as retail, restaurants/takeaway outlets, accommodation, health services or sui generis uses. Such uses may serve the businesses or workers in the estate (e.g. lunchtime facilities) or are not readily located elsewhere in the community. Not all employment areas would have non B-class employment uses. Rather, it is typical in larger nodes. For example, Fareham Business Park has a small number of takeaway food outlets and trade counters that support and are complementary to the core employment uses of the scheme.
- 12.36 Such non B-class uses are appropriate if they do provide this supportive, complementary function to the core B-class employment on site. In assessing the provision of non B-class employment uses within employment areas, it is important to consider the intended function of the use and its compatibility with the overall employment area.
- 12.37 It would be appropriate that such complementary facilities would be appropriate in a redevelopment of the HMS Sultan site. A full redevelopment could entail a substantial level of employment uses and such a workforce population would require lunchtime, recreation, and personal services and businesses would benefit from supportive facilities, such as banking, hotel, meeting venues, etc. Therefore, the masterplanning of this site should incorporate a level of non B-class uses, although the primary intent of the HMS Sultan redevelopment should remain to provide further B-class employment sites for Gosport.

Recommendation 11: Future Reviews and Monitoring

- 12.38 This document includes forecasting over a 20 year period, which necessarily involves uncertainties and assumptions. Furthermore, economic conditions can change substantially in such a period, impacting on the take-up of employment land and premises. Therefore, regular reviews of the supply and demand dynamics of employment land in Gosport should be undertaken, about every three to five years, depending on market activity. Annual monitoring of employment floorspace and land take-up should continue.

12.39 Regular monitoring and reviews will help to determine whether actual growth is adhering to the baseline scenario or the growth scenario (or another growth rate). This will guide the on-going planning for employment land.

Appendix 1

List of Consultees

Appendix 1 – List of Consultees

Fareham Borough Council
Garner Wood
Gosport Marine Scene
Hampshire County Council
Holloway, Liffé & Mitchell
Hughes Ellard
Huhtamaki
Norjon Engineers
Portsmouth City Council
Premier Inn
Premier Marinas
Seldon Mast
Tecsew
Vail Williams
Vector Aerospace (now Standard Aero)
Wickham Labs

Business Survey

136 responses from businesses

Appendix 2

Vacancy Schedule

Gosport Borough Vacant Property Supply						
Office						
Address	Size (sqft)	Size (sqm)	Rent (psf)	Tenure	Agent	Details
Unit 4 Oaklands Business Centre, Aerodrome Rd, PO13 0GY	927	86	10	LH	Hughes Ellard	Ground floor premises for offices or medical
Suite 125 Fareham Reach, Fareham Rd, PO13 0FW	912	85	12	LH	Hellier Langston	open plan offices within industrial park
Units 4 The Old Railway Station, Gosport PO12 1FQ	484	45	10.3	LH	Hughes Ellard	small office within refurbished heritage building
Unit 16 Haslar Rd, Gosport, PO12 1 NU	358	33	18	LH	Keygrove	Small office unit within Haslar Marina
Stoke Rd, Gosport	9,086	844	POA	LH	Whites Independent Lettings	Two storey office building
The Granary, Royal Clarence Marina, PO12 1 FX	7,393	686	POA	LH	Holloway Iliffe & Mitchell	Marina offices on single floor
The Brew House, Royal Clarence Marina, Weevil Ln, PO12 1 AX	1,011	94	POA	LH	Holloway Iliffe & Mitchell	office or retail unit on ground floor
Building 145, Haslar Marine Technology Park, Haslar Rd, PO12 2AG	5,165	480	POA	LH	Holloway Iliffe & Mitchell	variety of unit sizes up to 5,165 sqft within a secure business park
Unit 12 Cooperage Green, Weevil Ln, PO12 1FY	1,215	113	£115,000	FH	Cyan Power	ground floor unit in courtyard development
D11 Heritage Business Park, Fareham Rd, PO12 4BG	1,100	103	5.5	LH	Cyan Power	first floor modern office suite
TOTAL		2,569				
Office						
Address	Size (sqft)	Size (sqm)	Rent (psf)	Tenure	Agent	Details
Sanderson Business Centre, 15 Lees Ln, PO12 3UL	150-280	14-26	9.5-12	monthly		range of suites available. Services include admin, reception, mailing, meeting rooms
Basepoint Business Centre, Frater Gate, Aerodrome Rd, PO13 0FQ	125-810	12-75		monthly		range of suites available. Services include admin, reception, IT support, mailing, meeting rooms
Building 23, Haslar Marine Technology Park, Haslar Rd, PO12 2AG	111-5,340	11-496	15	monthly	Holloway Iliffe & Mitchell	range of suites available. Services include admin, reception, meeting rooms
Quay West Business Centre, Quay Ln, PO12 4LJ	150-1,500	14-140		monthly		range of offices, workshops, warehouses. Services include admin, reception, meeting rooms
Industrial						
Address	Size (sqft)	Size (sqm)	Price/Rent	Tenure	Agent	Details
Unit 200 Fareham Reach, Fareham Rd PO13 0FW	21,184	1,968	POA	LH	Hellier Langston	
Unit 210 Fareham Reach, Fareham Rd PO13 0FW	21,550	2,002	POA	LH	Hellier Langston	
Unit 620 Fareham Reach, Fareham Rd PO13 0FW	28,152	2,615	POA	LH	Hellier Langston	
Unit 1000 Fareham Reach, Fareham Rd PO13 0FW	88,929	8,261	POA	LH	Lambert Smith Hampton/Vail Williams	large warehouse 73,190 sqft ground floor + mezzanine and office, potential for subdivision for a 15,000 sqft unit
Building 12, Haslar Marine Technology Park, Haslar Rd PO12 2AG	16,973	1577	POA	LH	Holloway Iliffe & Mitchell	14m eaves, detached industrial building in secure business park
Unit 13 Quay Ln, PO12 4LJ	3,526	328	5.1	LH	Holloway Iliffe & Mitchell	workshop with office
Unit 8 Alpage Rd, Fort Brockhurst PO12 4DU	3,300	307	4.5	LH	Holloway Iliffe & Mitchell	workshop with office
Unit 2 Invincible Building, Daedalus Park, Lee-on-the-Solent, PO13 9JY	1,076	100	£145,000	FH	Holloway Iliffe & Mitchell	new build industrial unit
Unit 4 Invincible Building, Daedalus Park, Lee-on-the-Solent, PO13 9JY	2185	203	£285,000	FH	Holloway Iliffe & Mitchell	new build industrial unit
Unit 5 Invincible Building, Daedalus Park, Lee-on-the-Solent, PO13 9JY	1,076	100	£145,000	FH	Holloway Iliffe & Mitchell	new build industrial unit
Unit 6 Invincible Building, Daedalus Park, Lee-on-the-Solent, PO13 9JY	1,076	100	£145,000	FH	Holloway Iliffe & Mitchell	new build industrial unit
Unit 7 Invincible Building, Daedalus Park, Lee-on-the-Solent, PO13 9JY	1,076	100	£145,000	FH	Holloway Iliffe & Mitchell	new build industrial unit
Unit 8 Invincible Building, Daedalus Park, Lee-on-the-Solent, PO13 9JY	1,325	123	£175,000	FH	Holloway Iliffe & Mitchell	new build industrial unit
Unit 6 Illustrious Building, Daedalus Park, Lee-on-the-Solent, PO13 9JY	1,076	100	£145,000	FH	Holloway Iliffe & Mitchell	new build industrial unit
Unit 7 Illustrious Building, Daedalus Park, Lee-on-the-Solent, PO13 9JY	1,076	100	£145,000	FH	Holloway Iliffe & Mitchell	new build industrial unit
Unit 8 Illustrious Building, Daedalus Park, Lee-on-the-Solent, PO13 9JY	1,325	123	£175,000	FH	Holloway Iliffe & Mitchell	new build industrial unit
Unit 5 Hermes Building, Daedalus Park, Lee-on-the-Solent, PO13 9JY	1,030	96	£140,000	FH	Holloway Iliffe & Mitchell	new build industrial unit
Unit 6 Hermes Building, Daedalus Park, Lee-on-the-Solent, PO13 9JY	1,030	96	£140,000	FH	Holloway Iliffe & Mitchell	new build industrial unit
Unit 2 Keppel Building, Daedalus Park, Lee-on-the-Solent, PO13 9JY	2,175	202	£285,000	FH	Holloway Iliffe & Mitchell	new build industrial unit
Unit 3 Keppel Building, Daedalus Park, Lee-on-the-Solent, PO13 9JY	2,175	202	£285,000	FH	Holloway Iliffe & Mitchell	new build industrial unit
Unit 4 Keppel Building, Daedalus Park, Lee-on-the-Solent, PO13 9JY	2,175	202	£285,000	FH	Holloway Iliffe & Mitchell	new build industrial unit
Unit 5 Keppel Building, Daedalus Park, Lee-on-the-Solent, PO13 9JY	1,733	161	£230,000	FH	Holloway Iliffe & Mitchell	new build industrial unit
Unit 9 Clarence Wharf, Mumby Rd, PO12 1AJ	2,450	227	6.8	LH	Cyan Power	light industrial unit with mezzanine

Appendix 3

Business Survey

**Gosport Borough Council
Gosport Business Survey 2017**

Company Details

1. Company Name

2. Respondent Name

3. Position within Company

4. Telephone Number

5. Email Address

Current Accommodation

6. Activity of Company

7. Number of years active

8. Number of employees

9. Type of accommodation:

Office

Warehouse

Industrial/Factory

Lab

Site (undeveloped land)

Other

10. What is the size(sqm) of your current premises?

0-100 (0-1,076sqft)	<input type="checkbox"/>	101-200 (1,077-2,152sqft)	<input type="checkbox"/>	201-500 (2,153-5,382sqft)	<input type="checkbox"/>
501-1,000 (5,383-10,764sqft)	<input type="checkbox"/>	1,001-2,000 (10,765-21,529sqft)	<input type="checkbox"/>	2,001-5,000 (21,530-53,820sqft)	<input type="checkbox"/>
5,001-10,000 (53,821-107,639sqft)	<input type="checkbox"/>	10,001+ (107,640sqft+)	<input type="checkbox"/>	Other (i.e. hectares/acres)	<input type="checkbox"/>

11. Is the property rented or owned?

Rented Owned

12. If rented, how long is the current lease?

.....

13. Has there been any previous location for the business?

No previous site	<input type="checkbox"/>
In the same industrial estate	<input type="checkbox"/>
In Gosport	<input type="checkbox"/>
Elsewhere (<i>please state</i>)	<input type="checkbox"/>

.....

14. What are the advantages of having your business in its current area? (Please tick as many that apply)

Its where I'm from	<input type="checkbox"/>	Car-parking	<input type="checkbox"/>
Close to staff	<input type="checkbox"/>	Reputation of area	<input type="checkbox"/>
Close to market	<input type="checkbox"/>	Affordability	<input type="checkbox"/>
Close to customers	<input type="checkbox"/>	Availability	<input type="checkbox"/>
Transport links	<input type="checkbox"/>	Other (<i>please state</i>)	<input type="checkbox"/>
Close to related businesses	<input type="checkbox"/>		

.....

15. What are the main disadvantages of having your business located in its current area? (Please tick as many that apply)

- | | | | |
|-------------------------------|--------------------------|-------------------------------|--------------------------|
| Difficulty attracting staff | <input type="checkbox"/> | Poor reputation/image | <input type="checkbox"/> |
| No access to markets | <input type="checkbox"/> | Affordability | <input type="checkbox"/> |
| Not close enough to customers | <input type="checkbox"/> | Limited availability | <input type="checkbox"/> |
| Poor transport links | <input type="checkbox"/> | Distance from motorways | <input type="checkbox"/> |
| Poor congestion | <input type="checkbox"/> | No disadvantages | <input type="checkbox"/> |
| Poor car-parking | <input type="checkbox"/> | Other (<i>please state</i>) | <input type="checkbox"/> |
-

Business Confidence

16. How would you rate the strength of your business on the following performance issues?

- | | Much Stronger | Slightly Stronger | About the same | Slightly Weaker | Much Weaker |
|---|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| How has your business performed in the last 12 months compared to the previous 12? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| How do you expect your business to perform in the next 12 months compared to the previous 12? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

17. How do you expect the following factors of your business to change over the next 12 months?

- | | Significant increase | Slight increase | Remain the same | Slight decrease | Significant decrease |
|------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Employee Numbers | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Sales | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Operating Costs | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Capital Investment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Premises	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Future Requirements

18. Looking to relocate or expand?

Yes No

If answered 'No' to question 18, please proceed to question 24.

19. What is the main reason for your business choosing to relocate/expand?

Current site too small	<input type="checkbox"/>	Need to be closer to market	<input type="checkbox"/>
Current site too large	<input type="checkbox"/>	Need to be closer to customers	<input type="checkbox"/>
Current site too old	<input type="checkbox"/>	Upgrading	<input type="checkbox"/>
Cost	<input type="checkbox"/>	Lease running out	<input type="checkbox"/>
Location	<input type="checkbox"/>	Other (<i>please state</i>)	<input type="checkbox"/>
Need to be closer to staff	<input type="checkbox"/>		

.....

20. What is your time frame for relocating/expanding your business?

12 months	<input type="checkbox"/>
2 – 5 years	<input type="checkbox"/>
5+ years	<input type="checkbox"/>
Unknown	<input type="checkbox"/>

21. What type of property will you be looking for?

Office	<input type="checkbox"/>	Lab	<input type="checkbox"/>
Warehouse	<input type="checkbox"/>	Land	<input type="checkbox"/>
Industrial/Factory	<input type="checkbox"/>	Other (<i>Please state</i>)	<input type="checkbox"/>

.....

22. What size site(sqm) are you looking for?

- | | | | | | |
|--------------------------------------|--------------------------|------------------------------------|--------------------------|------------------------------------|--------------------------|
| 0-100
(0-1,076sqft) | <input type="checkbox"/> | 101-200
(1,077-2,152sqft) | <input type="checkbox"/> | 201-500
(2,153-5,382sqft) | <input type="checkbox"/> |
| 501-1,000
(5,383-10,764sqft) | <input type="checkbox"/> | 1,001-2,000
(10,765-21,529sqft) | <input type="checkbox"/> | 2,001-5,000
(21,530-53,820sqft) | <input type="checkbox"/> |
| 5,001-10,000
(53,821-107,639sqft) | <input type="checkbox"/> | 10,001+
(107,640sqft+) | <input type="checkbox"/> | Other (i.e. hectares/acres) | <input type="checkbox"/> |

23. Is there a location you have in mind for relocation/expansion?

- No location in mind
- In the same industrial estate
- In Gosport
- Elsewhere, please state

.....

Additional Comments

24. Please let us know if you have any additional comments to make regarding your business or commercial properties in the Gosport in general:

.....

.....

.....

.....

25. Please let us know if you would be happy to be contacted again for further research:

- Yes No

Appendix 4

Summary of Consultations

Introduction

- A7.1 One-to-one consultations were undertaken with a sample of existing large local businesses within Gosport and relevant public agencies. These consultations were undertaken to provide further insight into the local employment market to complement the detailed business survey conducted for the study.
- A7.2 The interviews were conducted in order to understand the motivations of locating a business within Gosport, from businesses who have chosen the area for themselves. Questions were asked regarding any advantages or disadvantages to operating within the Borough, requirements for further land or premises they have/ or may have in the future, and any plans for individual business growth and overall employment sector growth.

Local Businesses

- A7.3 The information provided by companies is considered confidential and is the opinion of the individual companies consulted and not the view of the consultants or local authority. A summary of their positions is presented below. The discussions with local businesses were undertaken on a one-to-one basis, primarily as face-to-face interviews. The discussions were semi-structured covering topics regarding premises/land supply, advantages/disadvantages of operating businesses from Gosport, key issues, future plans, etc. but did not have a strict list of questions to answer.
- A7.4 The sample of businesses targeted for one-on-one interviews were selected as they were high-profile, key sector or growing businesses in Gosport.
- A7.5 The research into local business needs also included a telephone survey of businesses, which comprised a random sample of businesses that typically occupy B-class spaces. The survey results are provided in the following chapter.

Business Stakeholder Consultation Summary

Business Type	Commentary
Advanced Manufacturing	<p>The occupier has a large site, which they own, with some vacant areas. They have received requests for other parties to use the sites but as it is a secure site, it is difficult to arrange. International owners are currently considering options for the land, but it is considered necessary for internal uses and would not be made available to the public.</p> <p>Access to the site for staff and visitors is the key issue in operating the businesses. The A32 is very busy at peak times, causing congestion and staff have had accidents.</p> <p>Skills – the business has an extensive apprenticeship programme, with further plans for expansion. Mainly engineering.</p> <p>Those visiting the business or contractors usually stay in hotel options in Gosport, such as Premier Inn.</p>
Manufacturing	<p>The occupier has manufacturing and warehousing in Gosport. It has some spare land capacity on site but will develop the land for their purposes. The business also has other locations in Southampton and Portsmouth.</p> <p>Biggest issue for the occupier is the road access, which delays staff. Road improvements would help with this. Most shop floor staff are local, but technical staff often come from further afield. The business uses Fareham College for training.</p>
Marine Components Manufacturing	<p>The business manufactures marine components for the leisure craft sector. It is located in the Daedalus EZ (Daedalus Park), and benefits from rates relief. Another reason for locating to Daedalus is to avoid the A32, the western side of Gosport is more accessible, for connectivity to Fareham, or using Newgate Lane. However, public transport needs to be improved to service Daedalus.</p> <p>Finding appropriately skilled staff is a problem for the business, due to high employment in the area. It links with Fareham and Portsmouth Colleges for apprenticeships. The business also uses employment fairs, which are useful.</p>
Advanced Manufacturing	<p>The business is a precision engineering firm based in Quay West. Current premises are at capacity and is poor quality. The unit is not suitable for their business. Could look to move in four years when the lease is up but is dependent on future plans of the company.</p> <p>Alternative locations – Daedalus would be ideal. They would want to buy a plot and develop their own building. They would look to stay in Gosport.</p> <p>Access is a problem for Gosport, but consider that the Stubbington Bypass will help.</p> <p>They have a preference to employ locally and train staff up.</p>
Marine Sector	<p>The business represents the marine industry in Gosport. Gosport has several key marine assets including deep-water sites, 700 space marina alongside a town centre, hoist and workshop for large boats, waterfront MoD sites that could be redeveloped, racing yacht training/refitting.</p> <p>They would like to ensure that the marine industry is supported, including protecting the supply chain. Although they note that there is not demand for additional boat building in the area. They note that too many waterfront sites have been lost to housing, which constrain the sector.</p>

Business Type	Commentary
Marine Sector	<p>Gosport is an important marina trades area. Marina directly employs 20 people, but marina tenants add another 80-100 jobs at the boatyard, which are important small businesses. Multiplier for direct to indirect jobs in the boating industry is c. x12, which shows the importance of the sector. The marina also has a 180-tonne boat lift, which is a rare asset.</p> <p>Road infrastructure is a big problem in Gosport – getting in and out of the town centre/marina.</p> <p>Need to retain the marine industry in Gosport. Cannot only have a marina, without the associated marine industry. Therefore, need to protect the industry at the waterfront.</p>
Marine Components Manufacturing	<p>Business provides components to the leisure craft sector. Important to be in Gosport as this is where its market is.</p> <p>The big issue for Gosport is traffic, though not a problem for the business as most are travelling against the traffic or outside peak times. Though they are aware that some of their suppliers/associates have moved out of the area due to traffic concerns.</p> <p>The business recruits locally and is usually not a problem.</p> <p>There is a good supply chain in the marine sector in Gosport and the sector is working well.</p>
Pharmaceutical	<p>Business is a commercial laboratory for the life sciences sector. Considers that there is an undersupply of laboratory space in the South West England corridor (Gosport to Bristol). They have planning consent for further space (75,000 sqft or 7,000 sqm) which would be for the own uses as well as leasing out to other laboratory firms.</p> <p>Recruiting has not been a problem, because they are a specialist/high tech firm they recruit from a large area. Staff access is via roads and buses, including connecting to the train station at Fareham. They are a 24hr operation so not really affected by peak congestion.</p> <p>Quality of life is a big draw to get staff to relocate to the area. Staff find local housing to be good and of sufficient supply.</p>
Publishing	<p>The business publishes special interest/industry magazines, undertakes trade expos/events/awards and prepares other media/PR for clients. Office based tasks are undertaken in Gosport (or home-based employees) and printing is undertaken outside of Gosport.</p> <p>Access and transport is the key problem for Gosport. It is difficult to get in and out of the town. Clients have been very late to meetings at their offices due to traffic and staff have to plan trips carefully in order to get there in time. The lack of a train station also is a problem for Gosport.</p> <p>The traffic is such an issue that ideally, they would move elsewhere and they are only staying as the senior staff are local and have connections in Gosport.</p> <p>They attract staff from all over the country and do not have a problem recruiting. Their business has flexibility of work locations (can be done from home) therefore there is flexibility in recruiting.</p>
Hotel	<p>The hotel has high occupancy levels. Notes that access/transport in and around Gosport can be improved. Removal of the pedestrianisation of the town centre high street would help, they could then reroute buses along the high street. There is a need to improve links with the ferries, including cycle routes.</p>

Source: BE Group interviews, 2017/18

A7.6 The clear primary concern for businesses in Gosport is the transport issue. This is affecting business operations in terms of staff commuting, client visits and deliveries. **Critically, it is also impacting on business location decisions, with businesses citing that access issues could impel them to relocate out of Gosport.** Furthermore, examples were cited of other businesses that had relocated out of the Borough for access reasons.

Public Agencies

A7.7 Relevant public agencies were also contacted in regards to potential implications for employment land demand in Gosport and to gain an understanding of what the neighbouring authorities are planning.

Hampshire County Council

A7.8 Representatives of Hampshire County Council highlighted the constrained employment market in Gosport, with limited options for new development/expansions.

A7.9 The representatives suggested a more development focus for Gosport Council, including a dedicated development team, rather than just a property arm. The representatives consider that the Borough Council is not resourced for development. Gosport would benefit from a vision for investment by the public sector. It was noted that some areas in Gosport have Assisted Area Status, but that this was not being promoted. The Daedalus area was cited as a key location for Gosport.

A7.10 In the broader region, Portsmouth and Gosport have an important relationship and Gosport's proximity to the city represents a real opportunity for the Borough's economy. There is regional pressure for the release of further land for employment. They noted that the Welborne area will provide further employment land, but that this is likely to be for distribution uses. The Stubbington Bypass may improve traffic in the area.

A7.11 The representatives identified several key or niche sectors for the region, including marine, aerospace and digi-tech, which are relevant to Gosport

A7.12 The office market has two key issues – firstly, there has been several schemes that have been converted to residential in town/city centre locations. Secondly, the main activity for office growth has been out of town schemes, which has dragged activity away from the town centres.

Partnership for Urban South Hampshire (PUSH)

- A7.13 The representative stated that the recent focus for PUSH has been for housing, rather than for employment land, with the LEP taking a higher role for employment.
- A7.14 PUSH has a skills agenda, recognising the shortfall in specialist skills for the area, particularly in aviation and marine industries. PUSH is working with the sixth form colleges to have improved links with businesses and to gear the curriculum to reflect local skills needs.
- A7.15 A discussion occurred around PUSH's Economic and Employment Land Evidence Base Paper, in particular the forecast employment floorspace demand for the local authorities, including Gosport (the Base Paper is reviewed in Chapter 2.0). It was recognised that these forecasts would need to be updated in light of further housing needs for the area and that PUSH would look to this study for guidance on employment growth and land demand for Gosport.

Fareham Borough Council

- A7.16 BE Group prepared Fareham's Economic and Employment Land Study in 2016/17. As such the representative of Fareham Council was confident that the overlapping issues affecting the two Boroughs would be understood and considered, including developments on the boundary such as the Solent EZ at Daedalus and traffic movements in the broader region.
- A7.17 Fareham Borough's key employment nodes with capacity for growth are Solent EZ and Welborne, with the EZ having current development activity and Welborne providing future opportunities on the M27.

Portsmouth City Council

- A7.18 The representative of Portsmouth City Council recognised the proximity of Gosport and Portsmouth, but that they are separated by road by about 45 minutes. The commonality is the waterfronts, with both having extensive frontages. However, it was recognised that the waterfronts have different functions – Portsmouth continues to have a large naval base, as well as a seafront and leisure and retail facilities at Gunwharf Quays. Gosport has a working waterfront, particularly for leisure craft.
- A7.19 The representative can see Gosport continuing to have a marine engineering role in boatyards at the waterfront.

A7.20 Portsmouth city centre office role is shrinking, with some buildings being lost to residential uses, particularly student accommodation for the growth of the university. However, the office market remains considerably larger than Gosport. The move to out-of-town office locations will also impact on Gosport

Appendix 5

Site Scoring System

Appendix 5

Site Scoring System for Employment Allocations

Site Location and Access	Proximity to strategic highway network	<ul style="list-style-type: none"> • Site adjacent to motorway junction – score 10 • Site adjacent and with direct access to A32 – score 6 • Site within 0.5km of A32 – score 5 • Site on other key arterials within Gosport – score 4 • For each further half km distance from key arterials, reduce score by one point
	Prominence within Gosport	<ul style="list-style-type: none"> • Site adjacent to, and visible from A32 – score 10/9 • Site adjacent to, and visible from other A road – score 8/7 • Site adjacent to, and visible from a major B road – score 6/5 • Site has local prominence, e.g. within its industrial location – score 4/3 • Site located in ‘backlands’ – score 2/1/0
	Public Transport	<ul style="list-style-type: none"> • Site close to bus route (within 0.5 km) and near to rail station (within 2 km) – score 10 • Site within 0.5 km of a bus route – score 5 • Limited public transport – score 0
	Sequential test	<ul style="list-style-type: none"> • Within urban area – score 10 • Urban fringe (close to settlement development boundary) – score 7 • Rural location (away from settlement development boundary) – score 3
Planning Status		<ul style="list-style-type: none"> • If site has detailed/full planning status – score 10 • If site has outline planning status – score 8 • If site allocated in the development plan – score 4 • If site is available, subject to planning – score 1
Site Conditions	Services Availability	<ul style="list-style-type: none"> • If all services are provided and in place – score 10 • If priority services are available with no abnormal costs – score 7 • If all priority services are available, but with abnormal costs – score 3 • Some services are unavailable – score 0
	Constraints	<p>May be physical (including access), planning, or legal</p> <p>Reduce score by 2 for each constraint</p> <p>If there are none – score 10</p>
	Environmental Setting	<p>Subjective, score 0 to 10, examples:</p> <ul style="list-style-type: none"> • Good quality business park/greenfield location – score 10 • Moderate quality industrial estate – score 5 • Poor quality industrial estate/in-fill location – score 2
	Flexibility	<p>Subjective, score 0 to 10: Score site in terms of site shape and ability to sub-divide to suit smaller occupiers</p> <p>Consider the site within its context/category. Score 10 if it is flexible, 0 if it is inflexible.</p>
Site Availability		<ul style="list-style-type: none"> • Site available to develop within 0-1 year – score 10 • Site available to develop within 1-3 years – score 6 • Site available to develop 3-5 years – score 3 • Site available to develop 5+ years – score 0

Site Scoring System for Existing Employment Areas

Site Location and Access	Proximity to strategic highway network	<ul style="list-style-type: none"> • Site adjacent to motorway junction – score 10 • Site adjacent and with direct access to A32 – score 6 • Site within 0.5km of A32 – score 5 • Site on other key arterials within Gosport – score 4 • For each further half km distance from key arterials, reduce score by one point
	Prominence within Gosport	<ul style="list-style-type: none"> • Site adjacent to, and visible from A32 – score 10/9 • Site adjacent to, and visible from other A road – score 8/7 • Site adjacent to, and visible from a major B road – score 6/5 • Site has local prominence, e.g. within its industrial location – score 4/3 • Site located in 'backlands' – score 2/1/0
	Public Transport	<ul style="list-style-type: none"> • Site close to bus route (within 0.5 km) and near to rail station (within 2 km) – score 10 • Site within 0.5 km of a bus route – score 5 • Limited public transport – score 0
	Sequential test	<ul style="list-style-type: none"> • Within urban area – score 10 • Urban fringe (close to settlement development boundary) – score 7 • Rural location (away from settlement development boundary) – score 3
Site Conditions	Ability to expand	<ul style="list-style-type: none"> • Large choice of several sites available for growth – score 10 • Some choice of sites available – score 7 • Limited choice of sites available – score 5 • Potential to expand to neighbouring sites, though no planning in place – score 3 • Estate is at capacity and no neighbouring options available – score 0
	Access and Congestion	<p>Subjective, score 0 to 10, considering:</p> <ul style="list-style-type: none"> • Sufficiency of car-parking • Congestion of internal roads • Entry to site • Appropriateness and capacity of roads leading to site • Turning capacity for heavy vehicles
	Interface with Neighbouring Sites	<ul style="list-style-type: none"> • No neighbouring uses that would limit activities on site – score 10 • Some potentially sensitive neighbouring uses but sufficient screening in place – score 7 • Neighbouring uses are moderately impacted by site uses, mitigated by basic screening – score 5 • Site is within a residential area and accessed through residential streets – score 0-2
	Building Quality and Condition	<ul style="list-style-type: none"> • High quality, modern premises in excellent state of repair – score 10 • Modern premises in good condition – score 8/9 • 1990's build in good or reasonable state of repair – score 6/7 • Older stock in moderate state, requiring some upkeep – score 4/5 • Dilapidated buildings, in need of refurbishment, not fit for

purpose – score 0-3		
	Site Amenity	Subjective, score 0 to 10, considering: <ul style="list-style-type: none">• Landscaping• Site layout• On-site services

Appendix 6

Existing Employment Areas Scoring

Site Name	Type	Site Location and Access				Site Conditions					Total (Max 90)
		Strategic Road Proximity	Prominence	Public Transport	Sequential Test	Ability to Expand	Access and Congestion	Interface with Neighbouring Sites	Building Quality and Condition	Site Amenity	
Cement Works, Fareham Rd	Cement batching plant	6	9	5	10	0	5	10	5	5	55
Fareham Reach, Fareham Rd	Mix of B8 and B2 uses	6	10	5	10	0	8	10	8	7	64
Fareham Trade Park, Fareham Rd	B1, B2, B8, non-B-class uses	6	10	5	10	5	8	10	9	7	70
Fareham Businss Park, Fareham Rd	Mix of B8 and B2 uses	5	8	5	10	0	7	10	7	7	59
Lederle Ln	Mix of B1, B2 and B8 uses	5	4	5	10	0	7	10	8	8	57
Hoeford Point	B1 (including B1b), B2, B8	5	4	5	10	7	7	10	6	8	62
Regent Trade Park, Barwell Ln (off Fareham Rd)	Mix of B2 and B8 uses	6	9	5	10	0	6	10	9	7	62
Standard Aero, Fareham Rd	Aerospace manufacturer and testing	6	10	5	10	0	8	10	6	6	61
Venture Business Park, Fareham Rd	Mix of B2 and B8 uses	6	10	5	10	0	3	7	2	3	46
Gosport Business Centre, cnr Fareham Rd and Aerodrome Rd	Mix of B1 uses	5	10	5	10	0	9	10	9	8	66
Frater Gate Business Park, Aerodrome Rd	Mix of B2 and B8 uses	5	4	5	10	0	9	10	9	8	60
Glenmore Business Park, Aerodrome Rd	Mix of B1, B2 and B8 uses	5	4	5	10	0	9	10	9	8	60
Oaklands Office Park, Aerodrome Rd	Mix of B1 uses	5	4	5	10	0	7	10	7	7	55
Ordnance Business Park, Aerodrome Rd	Mix of B2 and B8 uses	5	4	5	10	0	7	10	7	7	55

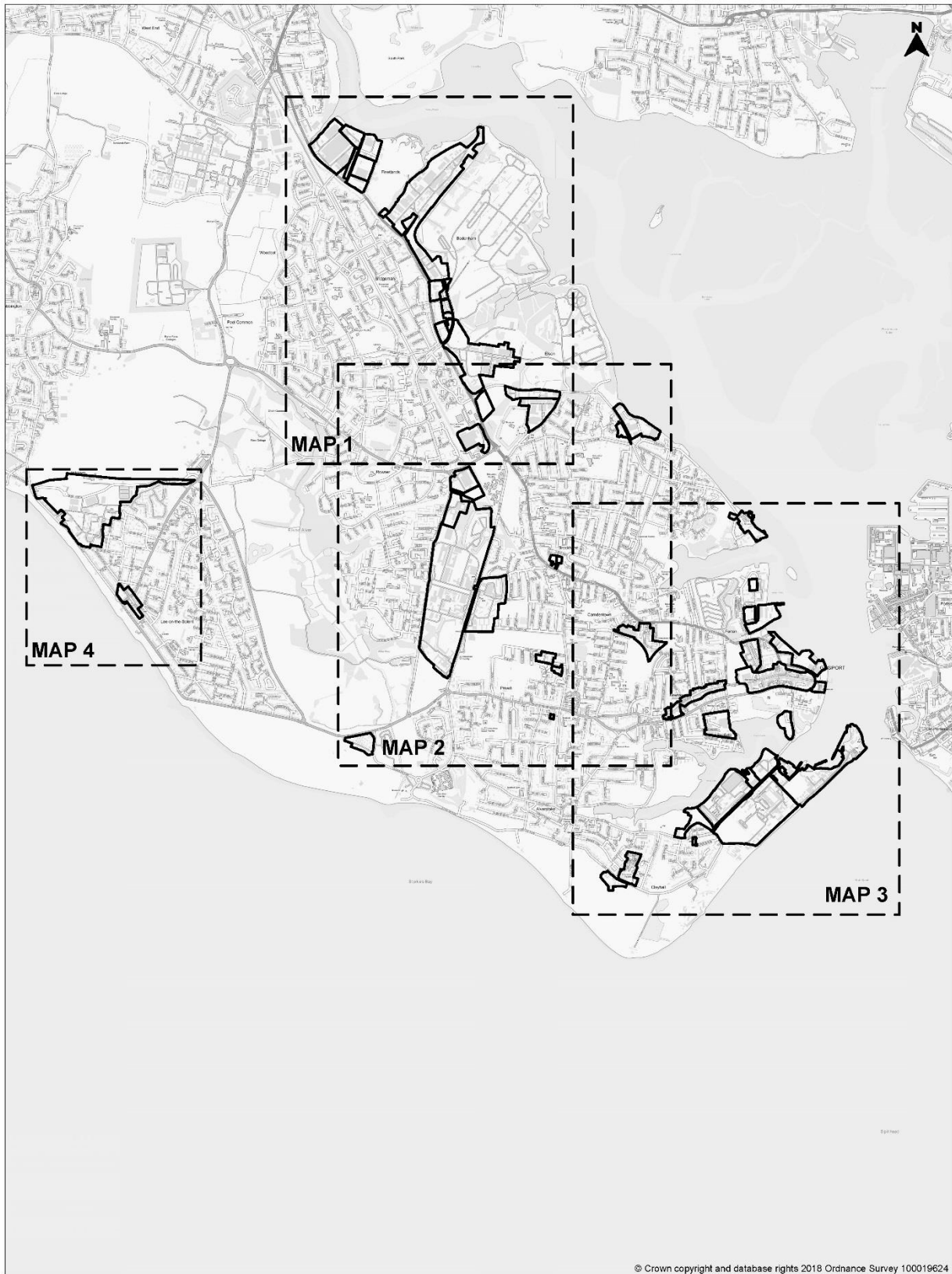
		Strategic Road Proximity	Prominence	Public Transport	Sequential Test	Ability to Expand	Access and Congestion	Interface with Neighbouring Sites	Building Quality and Condition	Site Amenity	(Max 90)
Defence Munitions Gosport, Fareham Rd	MoD site	6	10	5	10	0	8	10	6	7	62
Brockhurst Industrial Estate, Wingate Rd	Mix of B1, B2 and B8 uses	4	4	5	10	0	6	10	5	6	50
Heritage Business Park, Heritage Way	Mix of B1, B2 and B8 uses	5	6	5	10	0	8	10	8	8	60
Huhtamaki Rowner Rd	Single manufacturer	5	8	5	10	0	9	10	8	8	63
Huhtamaki Grange Rd	Single manufacturer	5	7	5	10	0	9	10	8	8	62
Quay Lane Industrial Estate, Quay Ln	Mix of B1, B2 and B8 uses	2	3	5	10	0	5	7	6	5	43
Forton Road Industrial Estate, Forton Rd	Mix of B1, B2 and B8 uses	6	9	5	10	0	4	7	5	4	50
Royal Mail Depot, Mill Rd	Royal Mail depot	5	6	5	10	0	5	5	5	5	46
Solent Building Supplies Site, Forton Rd	Former building supplies yard, current vacant	6	9	5	10	5	3	3	2	4	47
Westfield Rd Industrial Estate	Mix of B2 and B8 uses	2	2	5	10	0	2	2	3	3	29
Wilmot Ln Depot	Council depot and waste transfer station	2	2	5	10	0	3	3	5	6	36
Bury Cross, off Privett Rd	Automotive repairs	1	0	5	10	0	2	5	5	4	32
Royal Clarence Yard, Weevil Ln	Mix of B1, B2, B8 and marina uses	5	5	5	10	5	5	7	7	7	56
Gosport Waterfront Retained Area, Royal Clarence Yard, Weevil St	MoD site and unused buildings.	5	4	5	10	5	3	7	6	7	52

		Strategic Road Proximity	Prominence	Public Transport	Sequential Test	Ability to Expand	Access and Congestion	Interface with Neighbouring Sites	Building Quality and Condition	Site Amenity	(Max 90)
Gosport Town Centre, High St	Mix of high street uses	5	9	5	10	3	7	10	6	7	62
Gosport Waterfront – Gosport Bus Station, South St	Bus station	6	9	5	10	0	8	10	3	6	57
Cranbourne Industrial Estate, Dock Rd and Cranbourne Rd	Mix of B1, B2, B8 and retail uses	4	6	5	10	3	5	6	6	6	51
Gosport Waterfront Coldharbour, Mumby Rd	Mix of B1, B2, B8, retail, marina, residential uses	6	9	5	10	5	6	7	6	7	61
St George Barracks South, Clarence Rd and Mumby Rd	Mix of B1 and residential	6	9	5	10	0	8	5	8	8	59
Haslar Marina, Haslar Rd	Marina, including supporting uses	2	4	5	10	0	6	10	8	8	53
Stoke Road District Centre, Stoke Rd	High street district centre	4	4	5	10	0	6	10	6	7	52
Clayhall Rd (80-84)	B2	1	1	5	10	0	4	5	4	3	33
Haslar Marine Technology Park, Haslar Rd	Mix of B1, B2 and B8 uses	3	3	5	10	3	7	7	7	7	52
Institute of Naval Medicine, Crescent Rd	Institute of Naval Medicine	3	3	5	10	0	5	10	9	10	55
QinetiQ, Alverstoke, Fort Rd	Mix of B1 and B2 uses	3	3	5	10	0	5	3	4	4	37
Daedalus Park, Solent EZ	B2	4	4	5	10	7	7	10	10	8	65
Lee-on-the-Solent District Centre, High St/ Monserrat Rd	High street district centre	4	4	5	10	0	6	10	6	7	52

Appendix 7

Maps of Existing Employment Areas and Allocations

Key to Maps

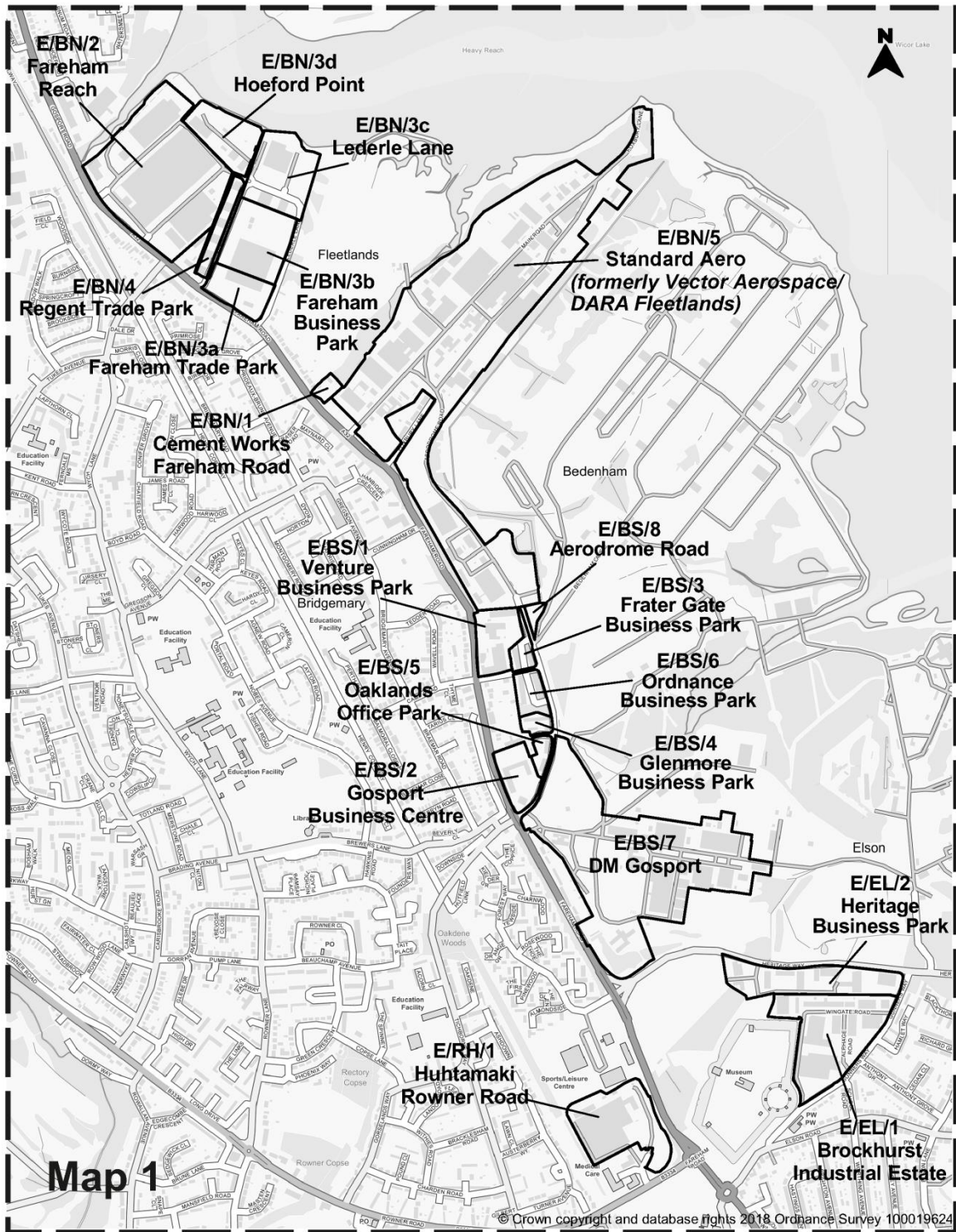


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Map 1



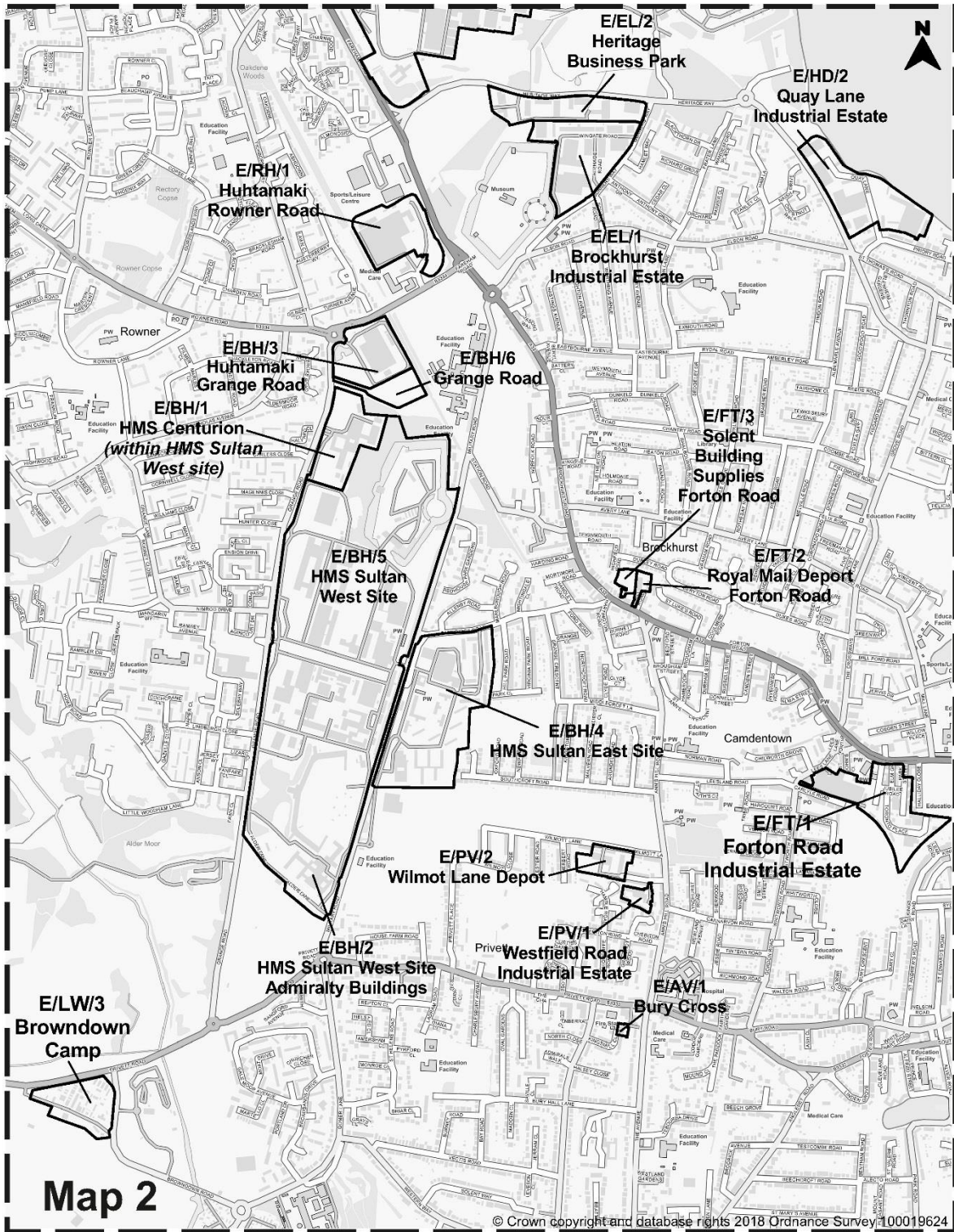
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Map 2



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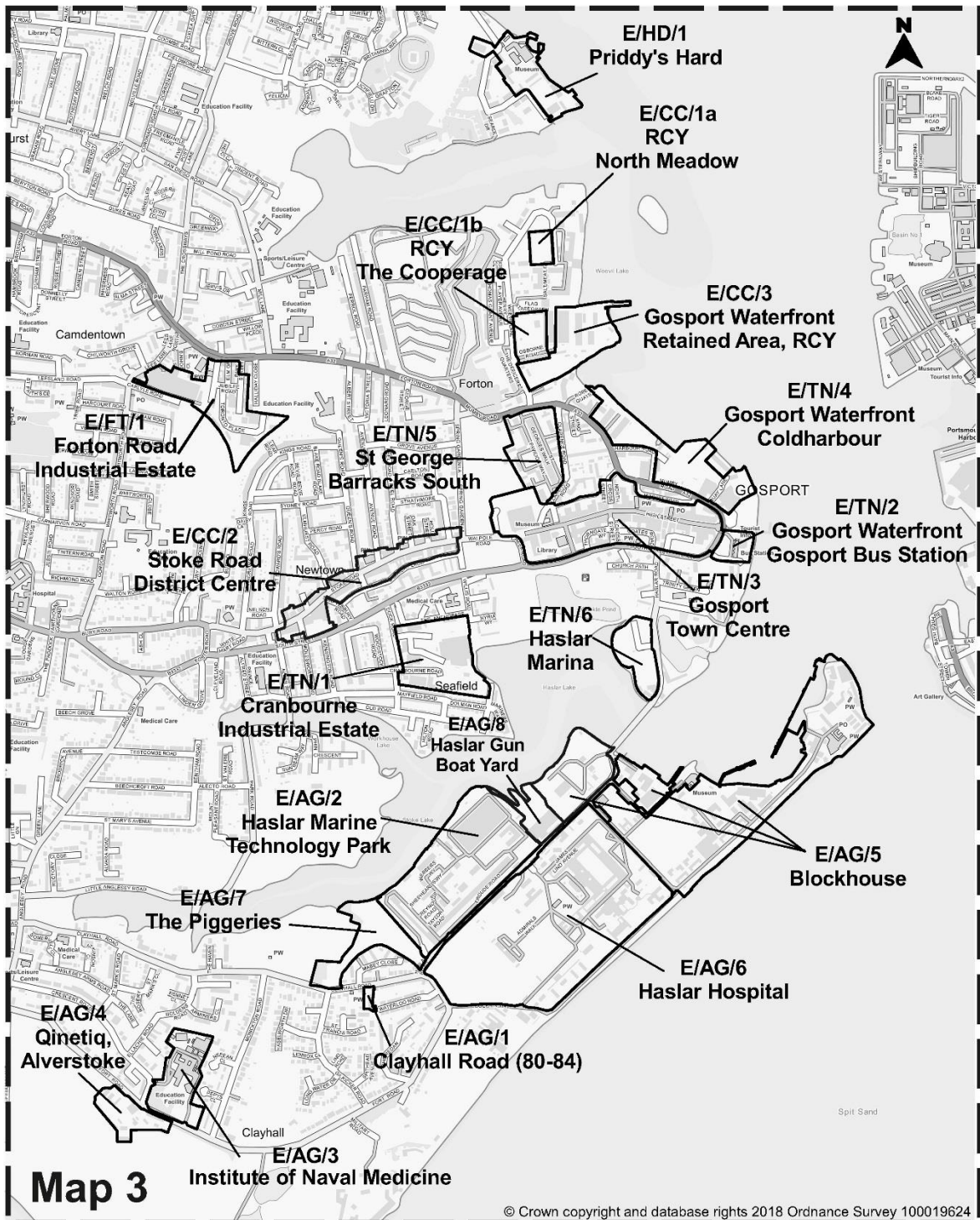


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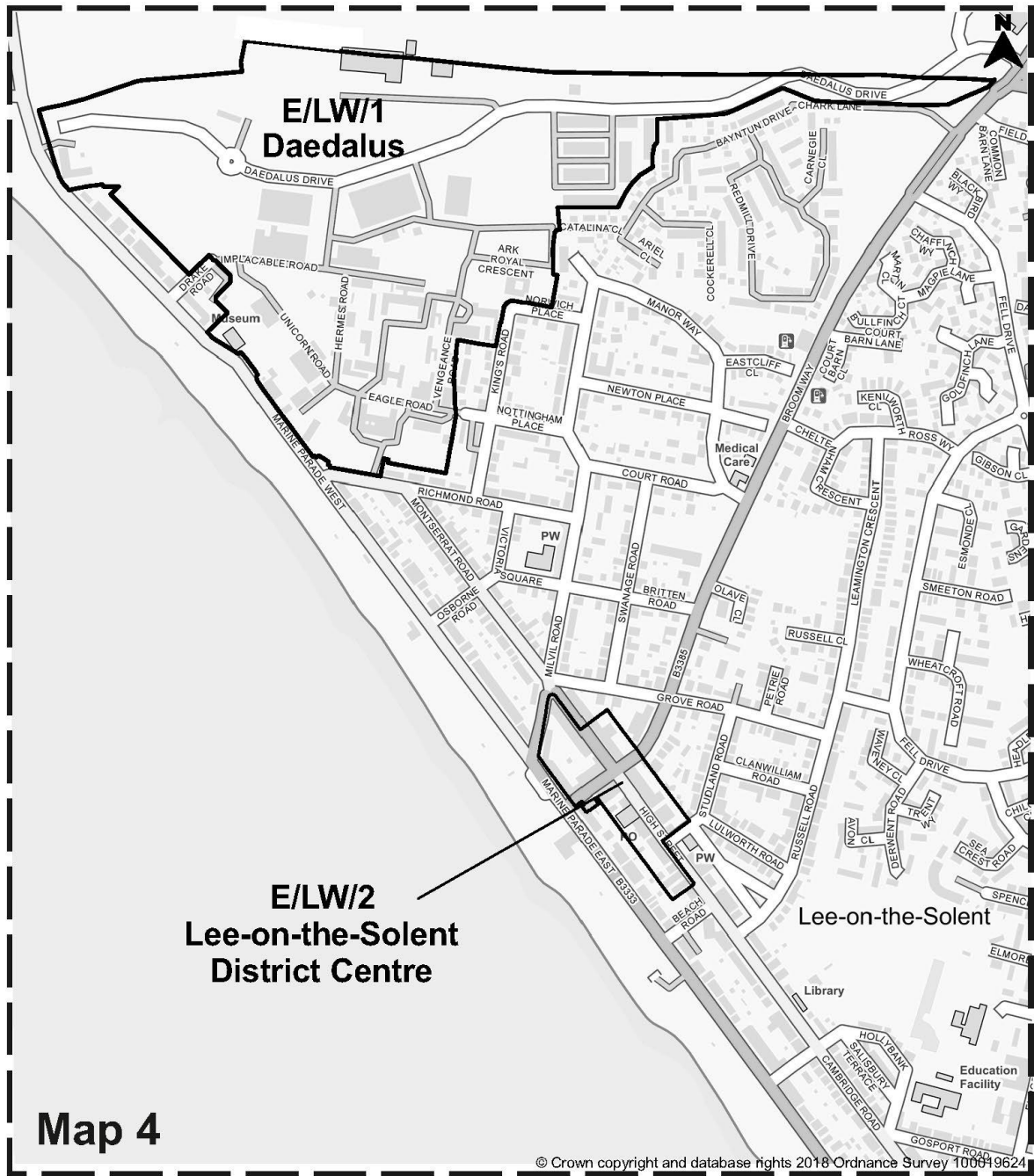
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Map 4



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Appendix 8

Employment Sites Scoring

Site Name	Size (ha)	Type	Site Location and Access				Planning Status	Site Conditions				Site availability	Total	Market - led Sub-total	Likely Use
			Strategic Road Proximity	Prominence	Public Transport	Sequential Test		Services Availability	Constraints	Environmental Setting	Flexibility				
Forton Industrial Estate, Toronto PI	0.09	Greenfield	5	1	5	10	4	7	8	2	0	6	48	18	Office/Industrial
Rowner Rd & Grange Rd (Grange Rd Depot Site)	2.4	Greenfield	5	7	5	10	8	7	8	8	8	3	69	38	Industrial
Land at Dock Rd	0.13	Brownfield	3	4	5	10	4	7	8	6	2	0	49	25	Industrial
Former HMS Daedalus Site, Broom Wy	16.13	Brownfield	4	5	5	10	8	7	6	9	8	10	72	36	Office/Industrial
Priddy's Hard, Heritage Wy	1.24	Brownfield	0	2	0	10	4	3	6	7	4	6	42	23	Office/Light Industrial
Waterfront, Mumby Rd - full site	10.6	Brownfield	6	9	5	10	4	7	4	7	3	0	55	35	Office/Industrial and potential non B-class uses
Waterfront, RCY Retained Area	2.1	Brownfield	6	7	5	10	4	7	6	7	5	3	60	35	Industrial, focussed on marine
166 Fareham Rd	0.1	Brownfield	6	9	5	10	8	10	8	7	2	0	65	34	Industrial
Haslar Hospital, Haslar Rd	0.7	Brownfield	1	4	5	10	8	7	8	7	4	6	60	26	Office
Gosport Town Centre, Mumby Rd/High St/South St	8.4	Brownfield	5	8	5	10	4	10	6	8	2	3	61	33	Office
Land at Aerodrome Rd	0.32	Greenfield	5	3	5	10	4	3	10	5	0	0	45	23	Industrial
HMS Sultan	79.0	Brownfield	5	6	5	10	1	10	4	6	10	0	57	37	Office/Industrial and potential non B-class uses
Blockhouse	24	Brownfield	5	1	0	10	1	10	4	6	10	0	47	32	Office/Industrial and potential non B-class uses
Wickham Laboratories	2.3	Brownfield	5	4	5	10	10	8	8	8	6	8	72	33	Laboratory, office
Boatyard, Haslar Marina	0.5	Brownfield	2	4	5	10	4	10	8	8	6	6	63	30	Industrial, focussed on marine
Gunboat Sheds, Haslar Road	1.7	Brownfield	1	4	5	10	1	7	6	7	3	3	47	25	Office/Industrial and potential non B-class uses