

**Portsmouth City Council's Response to the
Inspectors' questions for
Matter 3
Employment target and a supply**



Matter 3: Employment target and supply

Issue: Whether the approach to establishing the Plan's employment target and the proposed supply of corresponding land is positively prepared, justified, effective and consistent with national policy.

This issue includes detailed consideration of Policy PLP25.

- 1) **Is the Plan's target to provide at least 138,746m² of new employment floorspace, as set out in Policy PLP25, informed by robust and up-to-date evidence?**
 - 3.1.1 Yes, the Plan's employment target is informed by robust and up-to-date evidence set out in the Housing and Economic Land Availability Assessment (HELAA) [HO04] and to a lesser extent the Housing and Economic Development Needs Assessment (HEDNA) [HO01] and its Update [HO02].
 - 3.1.2 The extant permissions are set out in Appendix 1A of the HELAA.
 - 3.1.3 Individual site assessment pro formas for all the sites allocated for employment in the Plan are included in Appendix 6 of the HELAA. Assessments of four employment sites are included in chapter 15 of the HEDNA [HO01].
- 2) **Are updates to the employment target (and therefore tables 3.1 and 7.1) required due to changing circumstances following the submission of the Plan, including changes associated with sites allocated and identified in the Plan?**
 - 3.2.1 Yes, changes are required to the employment target. These changes will update the employment figures to a 31 March 2026 base date to take into account new monitoring information provided by Hampshire County Council.
 - 3.2.2 The first change relates to completions. There were two large completions in established industrial areas of the City, which reflect the demand for new employment floorspace and opportunities for intensification in the City. There were also four small losses from offices to residential through the prior approval process. There was therefore a net completion figure of 18,876 m² of new employment floorspace.
 - 3.2.3 The second change relates to the City Centre strategic site. The withdrawal of His Majesty's Revenue and Customs (HMRC) from developing new offices on the former Matalan site (CD16 of the HELAA) in the City Centre has reduced the allocation of new employment floorspace in the City Centre from +5,846 to -2,154 m². An application has now been submitted for a Lidl supermarket for this site.
 - 3.2.4 Overall, there is a decrease of 8,518 m² in the employment target set in Policy PLP25. Updated versions of the Policy along with table 3.1 and 7.1 are set out below and have been added to the Supplementary Modifications [PCC15]. A modification will also be required to paragraph A11 of the Local Plan as set out below.

Strategic Policy PLP25: Employment Target

1. The Council will make overall provision for at least 130,228 m² ~~138,746m²~~ of new employment floorspace during the Plan period 2025-2040 for the following types of businesses:

a) 51,330 ~~60,248~~m² office floorspace (E(g)(i);

b) 14,118m² research & development / industrial processes floorspace (E(g)(ii&iii);

c) 64,780 ~~64,380~~m² manufacturing / warehousing floorspace (B2/B8).

A11 ...There is an overall surplus of ~~31,264~~ 22,743m² of new employment floorspace, which is entirely office floorspace.

- 3.2.5 The reduction in the surplus of employment floorspace has impacted the amount of floorspace that can be offered to Havant Borough Council to help meet their unmet need for offices. This has been discussed through the Duty to Cooperate and explained in the Council's representation on Havant's Regulation 19 Local Plan. It also results in Main Modifications to the Plan set out below and in the Supplementary Modifications Schedule.

Revised Employment element of Table 3.1 Development need and supply in Portsmouth

Employment need	Employment Supply	Difference
107,485 m ²	130,228 m ²	22,743 m ² surplus

Revised Table 7.1 Sources of Employment Land in Portsmouth (net)

Source		Office (E(g)(i) (m²)	R&D/ Industrial processes (E(g)(ii&iii) (m²)	Manufacturing/ Warehousing (B2/B8) (m²)	Total employment (m²)
Need		25,880		81,605	107,485
Completions as at 31 July 2026		673	6,465	11,738	18,876
Extant permissions as at 31 March 2026		2,811	1,403	21,792	26,006
Strategic Site	Portsmouth City Centre	-2,154	0	0	-2,154
Strategic Site	Tipner West	0	0	25,000	25,000
Strategic Site	Lakeside	50,000	0	0	50,000
Non-strategic site allocated in the Local Plan	Land West of Portsdown Technology Park	0	6,250	6,250	12,500
Total		51,330	14,118	64,780	130,228

- 3) **Does the Plan satisfactorily address identified employment needs? In particular:**

a. How have the locational requirements of different sectors been considered?

b. Would the employment development supported at the allocated sites provide an appropriate range and choice of sites, in terms of type, quality and size, to meet the needs of the area and accommodate the anticipated level of employment growth?

- 3.3.1 The HEDNA [HO01] and its Update [HO02] provide the background evidence relating to these questions and the Plan itself provides a response to them.

- 3.3.2 HO02 at paragraphs 8.35-8.37 considers the modern economy including data centres, gigafactories, laboratories and freight; other than the latter these are not considered to be in demand in the City. HO02 at paragraphs 8.27-8.34 discusses industrial and logistics, which are focused on the smaller scale demand – favoured to the north in the city with road network access, as well as demand for marine space – suited to Tipner. Paragraphs 8.13-8.16 discuss office needs, which are focused on smaller and mid-sized space, needed at the City centre / south of city, as well as Lakeside.
- 3.3.3 HO02 at paragraphs 11.27-11.37 summarises the recommendations on employment need and space, which integrates the industrial / logistics requirements.
- 3.3.4 Policy PLP25: Employment Target and its supporting text addresses these matters. Paragraph 7.27 explains that there will be significant new office space opportunities in the City centre, and the minimal net gains forecast figure in table 7.1 needs to be considered in light of a gross new delivery of new office floorspace, whilst older stock is also lost. Lakeside also provides a major opportunity for new high quality office space.
- 3.3.5 There are extant permissions in the City to support industrial growth of 23,195 m² as set out in table 7.1 (as updated) as well as Tipner West providing a further 25,000 m² of anticipated Manufacturing/ Warehousing some of which may be marine. Land West of Portsdown Technology Park is for a specialist business expansion being sought.
- 3.3.6 Overall, the allocation and commitments are considered to sufficiently respond to the evidence and support a range of sites and business choice. There are likely to be windfall deliveries across the plan period also, but these are not relied upon.
- 4) **Is the amount of employment floorspace allocated to addressing Havant Borough Council's unmet needs sufficiently clear and appropriately reflected in the Plan?**
- 3.4.1 Yes, the offer of employment floorspace is clearly and appropriately set out in paragraph A11 of the Plan. This figure has been updated as explained in the Council's answer to Question 2. It is also referenced in paragraph A214 of the Plan, which does not need to be updated.
- 3.4.2 The matter is addressed as a key cross boundary strategic matter in paragraphs 3.9 to 3.11 of the Statement of Common Ground between PCC and Havant Borough Council [SCG11]. This document is in the process of being updated to reflect the change in employment floorspace.
- 5) **Is the Plan sufficiently flexible to address any potential for changing employment needs, including for additional floorspace, over the Plan period?**
- 3.5.1 The HEDNA [HO01] and its Update [HO02] provide useful information as to how flexibility has been approached.
- 3.5.2 Para 11.14 of HO02 explains that the employment need figures include a 'margin for flexibility' equivalent to 5 years' worth of past completions which is applied to all employment use class types. For a 15 year period, this means that the employment need includes 'over planning' by a further 5 years and thus building in a strong approach to providing flexibility in future floorspace provision. Furthermore, paragraphs 11.11-11.13 of HO02 explain that a 'replacement factor' is also added to the base need figures, that where past losses of stock have occurred these should in part be built back into the future need to avoid ongoing stock dwindling (although this is not applied to the 'gross completions' model which already effectively 'ignores' past losses, although that model is not recommended).

3.5.3 Within the recommended scenarios both the replacement factor and margin for flexibility are applied, which implies a strong level of flexibility in the targeted floorspace provision.

6) **Would the intensification of existing sites provide a potential source of windfall supply of employment land? If so, would this be capable of addressing the anticipated shortfall against the employment target for manufacturing, warehousing, and research and development floorspace.**

3.6.1 Yes, the intensification of existing sites could provide a potential windfall supply of new employment floorspace. This is recognised in paragraph A215 of the Plan. However, although it is likely that there will be some windfall development of employment premises over the plan period the Council did not consider there to be sufficient certainty to justify identifying it as a source of supply in table 7.1 notwithstanding the fact that it would have helped meet the small shortfall of 3,107 m² of combined manufacturing, warehousing and research and development need. Paragraph A214 of the Plan highlights that there is flexibility between the E class uses of offices and research and development, which could also help with addressing the anticipated shortfall.

3.6.2 Table 46 of the BE Approach to Employment Land Study [TE03] looks at the intensification opportunities of a number of employment sites along with whether they should be protected for further employment use. This study was done in 2019, and further work was done on some of the sites in the HELAA [HO04]. The progression of these sites through the planning process and the designation of the six sites is set out in the following table:

Table 3.6.1 Approach to Employment Land Study Intensification Opportunities

Site Name	BE Study recommendation	HELAA ref	LP status
Builders Yard, Coniston Ave	Do not protect for employment	COP01	Identified for housing in Appendix 2, Table 1
Court Lane Yard, Cosham	Do not protect for employment	DF07	Not included, as it was discounted at Stage 1 of the 2025 HELAA, due to uncertainty of availability for development.
The News Centre, London Rd	Protect for employment	HI06	PLP14 allocation
Land at James Callaghan Dr	Protect for employment	PA05A	PLP10 allocation
Ben Ainslie HQ/Ineos Team UK	Protect for marine employment	Not assessed	Not named but protected by Policy PLP26 (4)
Yards west of Milton Rd	Do not protect for employment	BA02	Identified for housing in the Appendix 2, Table 2

3.6.3 Criterion 1 of Policy PLP26: Safeguarding Employment Land states that 'proposals for the redevelopment of existing employment premises that provide improved employment accommodation, make more efficient use of land and provides a similar number of jobs will be

encouraged.' This positive approach complements paragraph A215 of the Plan, which addresses the issue of identifying and modernising the employment offer of some of the City's employment estates that do not currently make efficient use of land.

3.6.4 In summary the Council did assess possible intensification opportunities in the City. However, it was considered that identifying a windfall source of employment floorspace was not justified.

7) **Is Policy PLP25 otherwise positively prepared, justified, effective and consistent with national policy?**

3.7.1 Yes, as detailed in the HELAA [HO04], HEDNA [HO01], HEDNA Update [HO02] and the Approach to Employment Land Study [TE03] Policy PLP25 is positively prepared, justified, effective and consistent with national policy.