

THRIVING ECONOMY TOPIC PAPER

February 2026

**To support the
Portsmouth Pre-Submission Local Plan 2024
and
Portsmouth Pre-Submission Local Plan
Addendum 2025
combined**



Portsmouth
CITY COUNCIL

Executive summary

- This Thriving Economy Topic Paper provides a clear, evidence-based rationale to support all the policies in the Thriving Economy chapter of the Pre-Submission Portsmouth Local Plan 2024 and the Pre-Submission Local Plan Addendum 2025. These policies are PLP25: Employment Target in the Portsmouth Pre-Submission Local Plan Addendum 2025, and PLP26: Safeguarding Employment Land, PLP27: Employability & Skills, PLP28: Town Centres and PLP29: Small Local Shops in the Pre-Submission Local Plan 2024.
- This paper summarises the evidence on employment need identified in the Housing and Economic Development Needs Assessment (2023) and Update (2025). The employment needs for the City over the plan period (2025-2040) are 25,880m² of office floorspace and 81,605m² for combined manufacturing, warehousing and research and development floorspace.
- The Portsmouth Pre-Submission Local Plan 2024 and the Pre-Submission Local Plan Addendum 2025 combined allocate or identify all deliverable and developable sites, which have been comprehensively assessed for suitability, availability and achievability in line with the Housing and Economic Land Availability Assessment 2025 methodology and national policy. There is an over-supply of office floorspace and a small under-supply of combined manufacturing, warehousing and research and development floorspace.
- It explains the evidence behind PLP26: Safeguarding Employment Land to safeguard all existing and allocated employment sites that are fit for purpose from redevelopment to other uses, particularly housing. It highlights the importance of the marine and maritime industry in Portsmouth and explains that employment premises on waterfront sites, particularly those with deep-water access, will be protected in the Local Plan for marine related employment and associated uses in order to support the further development of the marine and maritime economy.
- This paper provides evidence for lower levels of representation in key employment sectors in the City and the contributing factors, such as low educational attainment, skills and qualification shortages, deprivation and inequality. It explains the emphasis of PLP27: Employability & Skills on raising local skill levels and employability in existing and potential business sectors to tackle low representation.
- It summarises the evidence behind PLP28: Town Centres on future retail and commercial leisure needs for Portsmouth, and the updated assessment of the performance of the City, Town and District Centres. The Pre-Submission Local Plan 2024 does not specifically allocate land for retail use due to the flexibility allowed for by the Use Classes Order to transition between Class E uses, as well as evidence indicating a wide scale move away from traditional retail shopping.
- This paper explains the justification behind the small shop threshold in PLP29: Small Local Shops.

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1. Introduction

- 1.1 The purpose of this paper is to outline and signpost the key evidence and justification behind policies in the Thriving Economy chapter of Portsmouth City Council's ('PCC') Pre-Submission Portsmouth Local Plan¹ ('PLP') 2024 and Pre-Submission PLP Addendum² 2025 combined. This topic paper considers the relevant national planning policy and guidance as well as local evidence that have informed the development of the plan policies and employment allocation policies. The specific policies covered in this document and the PLP version in which they are contained are listed below in brackets.
- Policy PLP25: Employment Target (PLP Addendum 2025)
 - Policy PLP26: Safeguarding Employment Land (PLP 2024)
 - Policy PLP27: Employability & Skills (PLP 2024)
 - Policy PLP28: Town Centres (PLP 2024); and
 - Policy PLP29: Small Local Shops (PLP 2024).
- 1.2 Background evidence behind the formulation of Policy PLP30: Cultural and Visitor Economy (PLP 2024) is contained in the Cultural, Creative and Visitor Economy Background Paper³.
- 1.3 The Pre-Submission PLP Addendum 2025 has been prepared and will be examined under the National Planning Policy Framework⁴ ('NPPF') published in December 2024. The Pre-Submission PLP Addendum 2025, combined with the Pre-Submission PLP 2024 will be examined under the December 2024 NPPF. The majority of this Thriving Economy Topic Paper, therefore, relates to the December 2024 NPPF, and where references are made to the NPPF it should be taken as referring to the December 2024 version, unless otherwise stated.
- 1.4 The main evidence base documents discussed here are the Housing and Economic Development Needs Assessment (HEDNA)⁵ 2023; the HEDNA Update 2025⁶; and the Housing and Economic Land Availability Assessment (HELAA) 2023⁷ and HELAA 2025⁸. These documents provide recently prepared, comprehensive and robust evidence sources that are drawn on throughout the paper.

¹<https://www.portsmouth.gov.uk/wp-content/uploads/2024/06/presubmission-portsmouth-local-plan-june-2024-aa-accessible.pdf>

² <https://www.portsmouth.gov.uk/wp-content/uploads/2025/11/pre-submission-local-plan-addendum-nov-2025-aa-accessible.pdf>

³https://www.portsmouth.gov.uk/wp-content/uploads/2025/01/Cultural_creative_and_visitor_economy_BP_December_2024_FINAL.pdf

⁴ https://assets.publishing.service.gov.uk/media/67aafe8f3b41f783cca46251/NPPF_December_2024.pdf

⁵https://www.portsmouth.gov.uk/wp-content/uploads/2024/04/4-Portsmouth-HEDNA_Final-Report-Dec-2023-CONFIDENTIAL-1.pdf

⁶ <https://www.portsmouth.gov.uk/wp-content/uploads/2025/10/Portsmouth-HEDNA-Update-Final-Report-October-clean.pdf>

⁷ https://www.portsmouth.gov.uk/wp-content/uploads/2024/08/02-PCC_Housing-and-Employment-Land-Availability-Assessment_2023-Report_FINAL-latest-version-for-CDL.pdf

⁸ <https://www.portsmouth.gov.uk/wp-content/uploads/2025/10/HELAA-2025.pdf>

- 1.5 Since the publication of the Pre-Submission PLP 2024, PCC decided to prepare a PLP Addendum including a version of Policy PLP3: Tipner West that has no adverse impact on internationally designated sites that cannot be mitigated. A number of other policies have also been updated for the following reasons:
- They were impacted by the decision to avoid adverse impacts on international conservation designations that could not be mitigated.
 - The amount and/or type of development had changed independently of the decision regarding international conservation designations.
 - They were impacted by the new 2024 NPPF and the need to take account of the latest evidence.
- 1.6 There are a number of proposed strategic sites and site allocation policies relating to the Thriving Economy in the Pre-Submission Local Plan Addendum 2025, which replace policies in the Pre-Submission Local Plan 2024 in their entirety. The new policies are included in the Addendum as they include significant changes to the employment quanta or type of development. These policies are: PLP3: Tipner West, PLP6: Portsmouth City Centre and PLP10: Land West of Portsdown Technology Park.
- 1.7 The Topic Paper includes several sections. Section 2 briefly summarises national policy on employment and section 3 outlines the regional and local context of employment in Portsmouth. Section 4 explains the evidence behind the Employment Target Policy. It explains the net planning permissions figures for the plan period, settings out how the key evidence base studies have helped determine employment need and employment supply, and how this has fed into the formulation of PLP25: Employment Target in the PLP Addendum 2025. This section also sets out information on the site allocations for employment uses. Section 5 considers the evidence behind safeguarding land for employment use, followed by the evidence behind the policy on employability and skills in Section 6. Sections 7 and 8 provide direction towards the evidence behind the Town Centres Policy and explains the evidence behind the thresholds set in the Small Local Shops Policy. Section 9 concludes by pulling together the key evidence on employment need and supply.

2. National Policy Context

2.1 Introduction

- 2.1.1 This section reviews requirements for employment, business and economic growth, as set out in the NPPF⁹ and considers national planning policy guidance on the matter.
- 2.1.2 A Consistency with National Policy Topic Paper¹⁰ was prepared by PCC in November 2025 to support the emerging PLP at Submission. It sets out how the Pre-Submission PLP 2024 and the Pre-Submission PLP Addendum 2025 is consistent with latest national policy in the 2024 NPPF and references recent changes in national planning guidance where relevant.

2.2 National Planning Policy Framework

- 2.2.1 The NPPF states the purpose of the planning system is to contribute towards achieving sustainable development, including commercial development (paragraph 7). One of the objectives at the heart of pursuing sustainable development is an economic objective, meaning that planning should ensure the right land is available in the right places at the right time to support growth, innovation and productivity and build a strong, responsive and competitive economy (paragraph 8(a)).
- 2.2.2 Paragraph 11 sets out the presumption in favour of sustainable development, meaning that for plan-making:

"all plans should promote a sustainable pattern of development that seeks to: meet the development needs of their area; align growth and infrastructure; improve the environment; mitigate climate change (including by making effective use of land in urban areas) and adapt to its effects".

- 2.2.3 In plan-making, local planning authorities must include strategic policies that should set out an overall strategy for the pattern, scale and design quality of places and make sufficient provision for homes, employment, retail, leisure and other commercial development (paragraph 20(a)). Paragraph 22 states strategic policies should look ahead over a minimum of 15 year period from adoption (except in relation to town centre development), to anticipate and respond to long-term requirements and opportunities, such as those arising from major improvements in infrastructure.
- 2.2.4 Paragraph 23 sets out that strategic policies should provide a clear strategy for bringing sufficient land forward, and at a sufficient rate, to address objectively assessed needs over the plan period, in line with the presumption in favour of sustainable development. This includes planning for and allocating sufficient sites to deliver the strategic priorities of the area.

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https://assets.publishing.service.gov.uk/media/67aafe8f3b41f783cca46251/NPPF_December_2024.pdf

¹⁰ <https://www.portsmouth.gov.uk/wp-content/uploads/2025/11/FINAL-National-Consistency-Topic-Paper.pdf>

- 2.2.5 In section 6 on 'Building a strong, competitive economy', paragraph 85 explains how planning policies and decisions can help create conditions in which businesses can invest, expand and adapt. Significant weight should be placed on the need to support economic growth and productivity, taking into account both local business needs and wider opportunities for development. It specifies the approach taken should allow each area to build on its strengths, counter any weaknesses and address the challenges of the future.
- 2.2.6 Paragraph 86 sets out that planning policies should:
- a) *set out a clear economic vision and strategy which positively and proactively encourages sustainable economic growth, having regard to the national industrial strategy¹¹ and any relevant Local Industrial Strategies and other local policies for economic development and regeneration;*
 - b) *set criteria, and identify strategic sites, for local and inward investment to match the strategy and to meet anticipated needs over the plan period;*
 - c) *pay particular regard to facilitating development to meet the needs of a modern economy, including by identifying suitable locations for uses such as laboratories, gigafactories, data centres, digital infrastructure, freight and logistics;*
 - d) *seek to address potential barriers to investment, such as inadequate infrastructure, services or housing, or a poor environment; and*
 - e) *be flexible enough to accommodate needs not anticipated in the plan, and allow for new and flexible working practices to enable a rapid response to changes in economic circumstances.*
- 2.2.7 Paragraph 87 states that planning policies and decisions should recognise and address specific locational requirements of different sectors. This includes making provision for:
- a) *clusters or networks of knowledge and data-driven, creative or high technology industries; and for new, expanded or upgraded facilities and infrastructure that are needed to support the growth of these industries (including data centres and grid connections);*
 - b) *storage and distribution operations at a variety of scales and in suitably accessible locations that allow for the efficient and reliable handling of goods, especially where this is needed to support the supply chain, transport innovation and decarbonisation; and*
 - c) *the expansion or modernisation of other industries of local, regional or national importance to support economic growth and resilience.*
- 2.2.8 Implications of the 2024 NPPF for planning for employment in Portsmouth are discussed further in Section 4 of this Topic Paper.

¹¹ Invest 2035: The UK's Modern Industrial Strategy identifies priority sectors for growth and support as: advanced manufacturing; clean energy industries; creative industries; defence industries; digital and technology businesses; financial services; life sciences; and professional and business services.

2.3 Planning Policy Guidance

2.3.1 There is Government guidance on plan-making and what evidence should be gathered to plan for economic development¹². Plan-making authorities should prepare a robust evidence base to build a clear understanding of local economic development and business requirements. Paragraph 040¹³ states the steps to building evidence to plan for business include:

- *working together with county and neighbouring authorities, Mayors, combined authorities and with Local Enterprise Partnerships to define the most appropriate geography to prepare policies for employment;*
- *preparing and maintaining a robust evidence base to understand both existing business needs and likely changes in the market, with reference to local industrial strategies where relevant; and*
- *engaging with the business community to understand their changing needs and identify and address barriers to investment, including a lack of housing, infrastructure or viability.*

2.3.2 Paragraph 041¹⁴ states that local planning authorities can use this evidence base to assess:

- *the need for land or floorspace for economic development, including both the quantitative and qualitative needs for all foreseeable types of economic activity over the plan period, including for retail and leisure development;*
- *the existing and future supply of land available for economic development and its suitability to meet the identified needs. This should be undertaken at the same time as, or combined with, Strategic Housing Land Availability Assessments and should include a reappraisal of the suitability of previously allocated land.*
- *the likely availability and achievability of employment-led development, taking into account market signals;*
- *the role, capacity and function of town centres and the relationship between them, including any trends in the performance of centres;*
- *locations of deprivation which may benefit from planned remedial action; and*
- *the needs of the farming and food production industries, including the location and extent of the best and most versatile agricultural land, and the ways in which planning could support investment in those industries.*

2.3.3 Information on preparing housing and economic development needs assessments¹⁵ and housing and economic land availability assessments¹⁶ is set out in detail in the Planning Practice Guidance.

2.4 Definition of employment

2.4.1 Although many land uses support economic growth, it should be noted that in planning terms, 'employment uses' do not refer to all uses which provide employment. The term 'employment' is traditionally defined in planning as offices, research and development,

¹² <https://www.gov.uk/guidance/plan-making>

¹³ Paragraph: 040 Reference ID: 61-040-20190315 Revision date: 15 03 2019

¹⁴ Paragraph: 041 Reference ID: 61-041-20190315 Revision date: 15 03 2019

¹⁵ <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>

¹⁶ <https://www.gov.uk/guidance/housing-and-economic-land-availability-assessment>

industrial processes, manufacturing and warehousing. These are the employment uses identified in both the evidence base and the policies of the Portsmouth Local Plan.

2.4.2 Offices, research and development and industrial processes fall under Class E - 'Commercial, Business and Service' uses that may be carried out in a residential area without detriment to its amenity. Class E uses were introduced in 2020 through an amendment to the Town and Country Planning (Use Classes) Order, covering the former use classes of A1 (shops), A2 (financial and professional), A3 (restaurants and cafes), B1a offices, B1b research and development and B1c industrial processes as well as parts of D1 (non-residential institutions) and D2 (assembly and leisure).

2.4.3 Other E class uses such as retail and similar activities are not considered 'employment' uses within this Topic Paper and the Local Plan, notwithstanding the contribution they make to the local economy and employment provision. Manufacturing and warehousing still fall under Class B uses for general industrial (B2) and storage or distribution (B8) uses, that cannot be carried out in a residential area without detriment to its amenity.

2.4.4 These uses are defined in The Town and Country Planning (Use Classes) Order 1987 (as amended) as the following Use Classes:

- **Class B2 General industrial** - Use for industrial process other than one falling within class E(g) (previously class B1) (excluding incineration purposes, chemical treatment or landfill or hazardous waste)
- **B8 Storage or distribution** - This class includes open air storage.
- **Class E: Commercial, Business and Service:** - E(g) Uses which can be carried out in a residential area without detriment to its amenity:
 - E(g)(i) Offices to carry out any operational or administrative functions,
 - E(g)(ii) Research and development of products or processes
 - E(g)(iii) Industrial processes

2.4.5 The Pre-Submission Portsmouth Local Plan 2024 provides an explanation of uses considered as employment and commercial in paragraph 7.2 of the Thriving Economy chapter. Further clarity on the difference between commercial and employment uses is provided by the addition of both terms to the glossary in the Schedule of Changes as follows:

Employment: a type of commercial development relating only to the following uses as defined by the Use Class Order: offices to carry out any operational or administrative functions (Egi), research and development of products or processes (E(g)(ii)), industrial processes (E(g)(iii)), general industrial (B2) and storage or distribution (B8).

Commercial development: development that achieves at least one of the following objectives: provides employment opportunities, generates wealth or generates an economic output or product. This includes traditional employment uses.

2.5 General Permitted Development Order

2.5.1 Since 2015, Class MA of the General Permitted Development Order (GPDO) has permitted the change of use of commercial, business and service (Class E) uses to dwellinghouses (Class C3) under permitted development. However, this was limited to a floorspace of 1,500m², and required the property to have been vacant for at least three months prior to an application for prior approval. This means Portsmouth, like many other cities, has seen significant losses of employment floorspace through the conversion of offices to residential under the GPDO. A significant number of new homes are delivered through permitted development rights, forming an important source of housing supply in the City. Examples of such schemes locally include Roebuck House (21/00022/PACOU) and Hippodrome House (20/00019/PACOU). The new homes that have resulted come without the benefits cemented through legal agreements such as affordable housing and public open space.

2.5.2 Changes to the GPDO legislation came into force in March 2024 to allow for increased movement between certain commercial uses to residential use without the need for planning permission. This is facilitated through an amendment to Class MA to remove the requirement that a building must have been vacant for a continuous period of at least three months immediately prior to the date of an application for prior approval, as well as removing the floorspace upper limit for buildings changing use under the right.

2.6 Industrial Strategy

2.6.1 Industrial strategies provide an overarching framework for the economy. In June 2025, the Government published 'The UK's Modern Industrial Strategy'¹⁷, which forms part of the Government's mission to achieve the highest rate of sustainable economic growth in the G7. The ambition to "kickstart economic growth" is the "number one mission" out of five national missions set by the Labour government as its mandate¹⁸, aiming to drive growth, rebuild Britain, support good jobs, unlock investment and improve living standards across the country. While driving economic growth nationally is the primary objective, the strategy has social and environmental objectives, including supporting regional economic growth, the UK's economic security and resilience and the UK's transition to net zero greenhouse gas emissions. The growth mission¹⁹ comprises two milestones: to raise living standards in every part of the UK and to 'rebuild Britain'.

2.6.2 The Industrial Strategy is the government's 10-year plan for the economy to deliver the certainty and stability that businesses need to invest in the high-growth sectors that will drive the Government's long-term economic growth mission. The Industrial Strategy seeks to stimulate investment and activity in eight sectors (the IS-8) with the highest growth potential:

- Advanced Manufacturing
- Clean Energy Industries

¹⁷ <https://www.gov.uk/government/consultations/invest-2035-the-uks-modern-industrial-strategy/invest-2035-the-uks-modern-industrial-strategy>

¹⁸ <https://researchbriefings.files.parliament.uk/documents/CBP-7682/CBP-7682.pdf>

¹⁹ <https://www.gov.uk/missions/economic-growth>

- Creative Industries
- Defence, Digital and Technologies
- Financial Services
- Life Sciences
- Professional and Business Services.

2.6.3 Many of these growth-driving sectors identified in the Industrial Strategy present important opportunities for economic development and improvements to skills and qualifications attainment in Portsmouth, as identified in the HEDNA 2023 and HEDNA Update 2025, as discussed further in the sections below. Through its proposed site allocations, and the employment target; employability and skills; employment land safeguarding; and visitor and cultural economy policies, the PLP seeks to support growth of the City's key sectors. This includes Portsmouth's strong advanced manufacturing and engineering sectors, defence and aerospace, digital and creative industries, maritime and maritime industries, and the health and tourism sector. There are further opportunities to drive growth in life sciences, ICT, green technologies as seen across the Solent area, developing its creative, cultural industries and visitor economy, and develop the City's current, more limited offer of professional and financial services.

The NPPF sets out in paragraph 86(a), that planning policies should have regard to the national industrial strategy. The Pre-Submission PLP 2024 sets out that Portsmouth City Council's ambitions and vision for the City for a thriving economy are in line with the Government's Industrial Strategy²⁰ 2017, which was in place at the time of preparing the evidence base of the Local Plan.

2.6.4 The Schedule of Additional Changes proposes an update to chapter seven on the Thriving Economy of the Pre-Submission PLP 2024 to have regard to the national modern industrial strategy and the high-growth sectors.

²⁰ <https://www.gov.uk/government/topical-events/the-uks-industrial-strategy>

3. Regional and Local Context

3.1 Introduction

- 3.1 This section provides an overview of the relevant regional and local context of economic development and employment in Portsmouth and highlights key supporting evidence for the sub-region.

3.2 Regional Context

- 3.2.1 Portsmouth is located on the south coast of England, in the southeastern corner of Hampshire within the South Hampshire sub-region. PCC works closely with its partners in the Partnership for South Hampshire (PfSH), which is made up of district and unitary authorities, together with Hampshire County Council (HCC) and the New Forest National Park Authority, to deliver economic growth and support the wider sustainable growth of the South Hampshire sub-region. The publication of the English Devolution White Paper²¹ in December 2024 sets out the Government's intentions to create Strategic Authorities with a population of at least 1.5 million across the whole of England, formed by several local councils working together to improve the economic and social wellbeing of their areas. Together, Portsmouth City Council, Hampshire County Council, Isle of Wight Council, and Southampton City Council will form the new Hampshire and the Solent Mayoral Combined County Authority (MCCA).
- 3.2.2 South East Hampshire is a functional economic market area (FEMA), as set out in the PfSH Economic, Employment and Commercial Needs (including logistics) Study²². The whole South Hampshire sub-region possesses important economic specialisms relating to its marine location. The Solent region in particular has strong marine and maritime university and research and development assets, as well as key institutions such as the Maritime and Coastguard Agency (MCA) and Lloyd's Register. Across Southampton, Portsmouth and the Solent, the marine and maritime sector already accounts for over 20% gross value added and provides 40,000 jobs locally. There is an extensive evidence base demonstrating the significant macroeconomic contribution that the marine and maritime sector in the Solent provides to UK GDP, many of these are highlighted in this section.
- 3.2.3 Portsmouth is the only city in South East Hampshire. The City's economic specialisms include its specialist advanced manufacturing and engineering sectors, particularly the marine sector including marine businesses, marine related engineering and research. This is linked to the University of Portsmouth, Portsmouth International Port and Royal Navy Base, the latter which is home to two-thirds of the Royal Navy's surface ships and is a major employer for the City. The importance of the marine and maritime sector for Portsmouth in relation to the City Deal is discussed further in this section.

²¹https://assets.publishing.service.gov.uk/media/67ade9866e6c8d18118acd58/English_Devolution_White_Paper_Web_Accessible.pdf

²²<https://www.push.gov.uk/wp-content/uploads/2021/05/Economic-Employments-and-Commercial-Needs-including-logistics-Study-Final-Report-March-2021.pdf>

Southampton and Portsmouth City Deal (2013)

- 3.2.4 The Southampton and Portsmouth City Deal²³ was signed in 2013, aiming to maximise the economic strengths of the two coastal cities and the wider Solent area by supporting further growth in the area's maritime, marine and advanced manufacturing sectors. Despite the economic potential of Portsmouth and Southampton, both cities face challenges of supporting long-term unemployed residents back into work. The City Deal sought to create new jobs and get unemployed people – especially the long-term and young unemployed – into work, as well as help improve the relatively low rates of new business start-ups, by unlocking two, high-profile sites within Southampton and Portsmouth. Portsmouth City Council has already invested £24m in infrastructure around Tipner-Horsea Island to support current and future development.
- 3.2.5 In Portsmouth, the City Deal sought to provide new employment and housing sites by unlocking land owned by the Ministry of Defence (MoD) at Tipner-Horsea Island. This site comprises five pieces of land: Port Solent, Tipner West, Tipner East, Horsea Island East and the Tipner Firing Range. A key element of the City Deal was to unlock the Tipner-Horsea Island site fully to enable the provision of 2,370 new homes and 58,000m² of employment space for the growing marine and advanced manufacturing sectors of the Solent economy, creating over 3,700 permanent jobs.
- 3.2.6 In early 2025 the Government made an unlawful and since withdrawn IROPI (Imperative Reasons of Overriding Public Interest) Opinion in regard to the strategic site of Tipner West & Horsea Island East, which was allocated in the Pre-Submission Local Plan 2024. The Council decided to prepare a PLP Addendum with a new policy for Tipner West, which would not result in adverse impacts on international conservation designations that could not be mitigated. Therefore, the site can, only be allocated and developed at a diminished scale and without deep water access. The Pre-Submission PLP Addendum 2025 proposes the allocation of the Tipner West strategic site with an employment supply at a reduced quantum of 25,000m² and 1,000 new homes. This means it is not possible to deliver a regionally significant marine hub with the 3,600 new jobs that were promised in City Deal.
- 3.2.7 The Tipner-Horsea Island site has been split up and allocated for development across several strategic sites and site allocations in the emerging Pre-Submission PLP 2024 and Pre-Submission PLP Addendum 2025 combined. These are policy PLP4: Tipner East in the Pre-Submission PLP 2024 and Policies PLP3: Tipner West, PLP9: Horsea Island Strategic Open Space and PLP11: Port Solent in the Pre-Submission PLP Addendum 2025. The Tipner West strategic site allocation in relation to the Thriving Economy is further discussed in section 4.4 of this Topic Paper. Full detail on the wider planning and legal background of Policy PLP3: Tipner West can be found in the

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https://assets.publishing.service.gov.uk/media/5a7c3d4be5274a1b004226bd/2013111_Southampton_and_Portsmouth_City_Deal_Document_and_Implementation_Plans.pdf

Tipner West Topic Paper²⁴. Detail on the key evidence and justification behind the PLP allocations is contained in the Site Allocations Topic Paper²⁵.

- 3.2.8 The City Deal is discussed in Chapter 3 of the Pre-Submission PLP 2025, as it provides further context to the four strategic sites and site allocations (PLP3, PLP4, PLP9, and PLP11) in the north of the City. Discussions are ongoing between PCC and the Government regarding the spending of the City Deal funding.

The Economic Contribution of the Maritime Sector in the Solent LEP (2019)

- 3.2.9 In September 2019, the Centre for Economics and Business Research (CEBR) were commissioned by the Solent LEP²⁶ and Maritime UK to produce a report on the Economic Contribution of the Maritime Sector in the Solent LEP²⁷. This report assesses the economic importance of the Solent-based Maritime Sector and Portsmouth Naval base, noting the Solent plays a critical role in facilitating UK trade with the rest of the world, as well as being an important gateway for international tourism.
- 3.2.10 The report highlights the particular importance of the contributions of the Solent-based maritime sector for the export of machinery and transport equipment and its important role in facilitating the supply chain needs of UK manufacturers of machinery and transport equipment. In terms of direct employment impacts from the Solent-based Maritime sector and Portsmouth Naval Base, an estimated 28,800 people were directly employed in 2017. The largest contributions to the direct employment impact in 2017 came from the Shipping industry (9,700 jobs) and Portsmouth Naval Base (c. 9,300 jobs).
- 3.2.11 The PLP seeks to enhance the City's maritime industries. The Pre-Submission PLP 2024 proposed the allocation of land for a marine hub with working quayside at Tipner West & Horsea Island East in policy PLP3 with a focus on research and development and advanced manufacturing. Following the Council's decision to prepare an Addendum to the Local Plan with a new approach which would not result in adverse impacts on international conservation designations that could not be mitigated, the proposed strategic site policy for Tipner West & Horsea Island East was replaced by a new policy in the Pre-Submission PLP Addendum 2025, removing the regionally significant marine hub and avoiding the direct habitat losses previously anticipated from limited reclamation and associated dredging. The new Policy PLP3: Tipner West in the PLP Addendum 2025 proposes the allocation of new general employment development, for a range of industrial, research and development, storage and distribution businesses including marine uses.

²⁴ <https://www.portsmouth.gov.uk/wp-content/uploads/2024/07/Topic-Paper-version-FINAL.pdf>
<https://www.portsmouth.gov.uk/wp-content/uploads/2025/10/Topic-Paper-TW-siteNov2025-vFINAL.pdf>

²⁵ <https://www.portsmouth.gov.uk/wp-content/uploads/2025/12/Allocations-Topic-Paper-RS-Nov-2025-v2.pdf>

²⁶ As of the 2023/2024 financial year, Government LEP funding has ceased, however, the functioning economic area of Isle of Wight, Portsmouth and Southampton was confirmed in March 2024 and is working together as the Solent Growth Partnership.

²⁷ https://solentlep.org.uk/media/2837/cebr_maritime_uk_solent_lep_16102019.pdf

- 3.2.12 Policy PLP11: Port Solent is allocated for 500 new homes and marine related uses to support the delivery of new marine and maritime employment at Port Solent. To support the City's maritime and marine economy.
- 3.2.13 Policy PLP26: Safeguarding Employment Land protects all employment premises on waterfront sites, particularly those with deep-water access, for marine related employment and associated uses.
- 3.2.14 Policy PLP27: Employability and Skills seeks to tackle skills shortages in a number of business sectors including marine businesses.

Economic, Employment and Commercial Needs (including logistics) Study (2021)

- 3.2.15 Stantec in conjunction with Vail Williams produced an Economics, Employment and Commercial Needs (including logistics) Study²⁸ in March 2021 for PfSH. It updates the 'economic need' for land and floorspace across South Hampshire, including Portsmouth, establishing the need for employment development in South Hampshire as c. 392,000m² (gross) for office and c. 168 ha (gross) for industrial floorspace up to 2040. In terms of office space, Portsmouth is recommended to provide for 74,217m² or 12.4 ha based off a jobs growth model and a need for 210,214m² or 52.6 ha of industrial space.
- 3.2.16 Since the preparation of the Study, there have been a number of significant national and international changes impacting the sub-region's economy, relating to the COVID-19 pandemic, Brexit, and the Russia-Ukraine conflict, as well as sub-regionally significant developments, notably the designation of the Solent Freeport in 2022. The need figures for Portsmouth are extremely high and outdated, in comparison to need figures calculated in more recent HEDNA studies. Therefore, Policy PLP25: Employment Target in the Local Plan Addendum 2025 does not take forward the figure in the Economic, Employment and Commercial Needs Study.

Solent 2050 - An Economic Strategy for the Solent (2022)

- 3.2.17 The Solent 2050 Strategy²⁹ sets out a long-term strategy to unleash the Solent's distinctive strengths that can power the local economy to increase productivity and support its communities to prosper. It offers a bespoke approach to building upon the strengths of the Solent to achieve sustainable and transformative growth and build a more prosperous and productive regional economy.
- 3.2.18 The Strategy sets the vision for the Solent in 2050:
"to be the globally leading maritime cluster and at the forefront of innovations to adapt to climate change, with towns and cities that are fantastic places to live, trade and with opportunities for all our communities to flourish".

²⁸ <https://www.push.gov.uk/wp-content/uploads/2021/05/Economic-Employments-and-Commercial-Needs-including-logistics-Study-Final-Report-March-2021.pdf>

²⁹ <https://solentlep.org.uk/media/4289/60410-solent-2050-updated-130422.pdf>

- 3.2.19 The Strategy Vision is underpinned by seven strategic priorities around which future activities to transform the Solent are framed, including:
- A world-leading marine and maritime economy.
 - Pioneering approaches to climate change adaptation and decarbonisation.
 - The UK's capital of coastal renaissance.
 - A thriving visitor, creative and cultural economy.
 - Developing a world-class talent base.
 - An outstanding business environment.
 - Health and wellbeing at the heart of economic success.
- 3.2.20 It identifies a broad range of interventions to address productivity underperformance of the Solent economy, relating to transforming productivity; driving job creation; boosting earning potential; levelling up Solent communities; carbon reduction; supporting the development of sustainable new communities that are future ready; and a digital revolution.
- 3.2.21 The Pre-Submission PLP 2024 and Pre-Submission PLP Addendum 2025 combined brings forward these strategic priorities, including the proposed allocation of 25,000m² of employment including marine uses in PLP3: Tipner West, and marine uses at PLP11: Port Solent, whilst protecting marine businesses on the waterfront in PLP26: Safeguarding Employment Land. It seeks to provide through the policies in the Thriving Economy chapter of the Plan, namely PLP25: Employment Target an outstanding business environment to develop Portsmouth as a City with a thriving economy, supercharging local businesses and entrepreneurs and attracting investment nationally and internationally from businesses of all sizes. PLP27: Employability and Skills seeks to develop a world-class talent base by raising skills and qualifications attainment. PLP30: Cultural and Visitor Economy seeks to develop Portsmouth's thriving visitor, creative and cultural economy.
- 3.2.22 Following the dissolution of the Solent LEP in March 2024, the functioning economic area of the Isle of Wight, Portsmouth and Southampton was confirmed and the local authorities are working together as the Solent Growth Partnership (SGP). There is currently no replacement for the Solent 2050 Strategy, however the SGP Growth and Prosperity Strategy 2024 is the most recent strategy for the functioning economic area and reflects the partnership approach of the Solent.

Maritime UK Solent Business Plan 2023/24

- 3.2.23 Maritime UK (MUK) Solent Limited was launched in 2019 as an industry-led body to promote a thriving maritime sector within the Solent. The Solent is one of seven UK Maritime Clusters identified in Maritime 2050³⁰, the UK's strategy for the Maritime Sector.
- 3.2.24 The Solent Business Plan 2023/24's ambition is for the Solent to be known globally for maritime excellence, enabling maritime businesses and organisations operating in the Solent to trade off the Solent brand and make the Solent the first choice for

maritime investment. It recognises the crucial role of the Portsmouth International Port (PIP) as a major UK port, contributing £390m to the national economy and providing an important freight and passenger routes across the channel, as well as its contributions towards clean maritime and meeting PIP's ambition to be the UK's first net zero carbon port. The Solent Business Plan 2023/24 sets the Vision:

"For the Solent to be a world leading maritime cluster, with a highly productive business base, powered by a vibrant innovation ecosystem, the skills the sector needs, and that is at the forefront of a low carbon economy."

3.2.25 To deliver this Vision, MUK Solent's mission is to deliver and support activities that meet three priority areas:

- **Lead:** Provide leadership for the Solent maritime sector by bringing together the breadth of the sector, coordinating cross-sector activity, projecting a collective voice, and providing a direct link to Maritime UK and Government.
- **Champion:** Raise the profile of the Solent - locally, nationally, and internationally - as a globally leading maritime cluster that has world leading maritime excellence, fosters innovation, provides an exceptional location to invest and trade, provides rewarding careers, and has a unique maritime story.
- **Grow:** Develop and maintain a compelling value proposition for the Solent maritime cluster that attracts new investment, raises productivity and output, creates new jobs, and the skills the sector needs.

PfSH Spatial Position Statement (2023)

3.2.26 PfSH produced a Spatial Position Statement (SPS) 2023³¹ (December 2023) setting out the overall need for, and distribution of development in South Hampshire until 2036. Given that the key strategic sites listed in the Statement will continue to deliver new development beyond 2036, it provides an overall vision and strategic direction for new development that can be considered up to 2050. This document, replacing the PUSH Spatial Position Statement 2016, was produced collaboratively by the authorities which make up the PfSH, including Portsmouth City Council. Although not a development plan document, the Spatial Position Statement helps inform the preparation of, and strategic co-ordination of local plans, forming part of the Council's Duty to Cooperate.

3.2.27 The SPS sets out in its first Strategic Principle SPS1: Strategic Principles for Sustainable Growth that housing growth needs to be balanced with economic growth, focussed in existing urban areas with 'cities and towns first' and/or in locations that support modal shift in transport. This economic recovery should be focused on a 'green' recovery, to tackle ingrained economic, environmental, and social challenges in the sub-region.

3.2.28 The SPS also highlights the national economic importance of the delivery of a freeport network. In the subregion is the Solent Freeport, one of only eight Freeports in England, and made up of eight sites, including one in Portsmouth: Portsmouth

³¹ <https://www.push.gov.uk/work/planning-and-infrastructure/push-position-statement/>

International Port. The SPS estimates 16,000 new jobs could be created from the Freeport together with £500m in retained business rates to fund improvements in the local area.

Solent Economic Profile (2024)

- 3.2.29 Litchfields were commissioned by Solent Partners to prepare a report on The Solent Economic Profile³², updating the version prepared in July 2019. This report considers a range of demographic, labour market, business, and employment characteristics for the Solent (both as an aggregate and at the local level).
- 3.2.30 The report identifies a number of strengths, weaknesses, opportunities and challenges to future economic growth in the Solent Area relating to employment, businesses, the population, and the labour market. In particular, it highlights the strengths of the Solent's wide range of sectors, specialisms in marine and maritime activities, strategic location, distinct geography, and presence of three universities. It identifies skills gaps and graduate retention, infrastructure challenges, and pockets of deprivation, particularly in cities as being amongst other weaknesses of the Solent. Portsmouth and Southampton are both within the 20% most deprived local authorities nationally and are performing "worse than the national median" on levelling-up indicators. It identifies development and growth in maritime and related sectors as one of the key opportunities for the region, and as one of the key drivers for growth in Portsmouth and Southampton. There is potential to drive productivity levels, increase labour market participation and retention levels, and cement Portsmouth as a driver of growth within the Solent and South East region.
- 3.2.31 Through the policies in the Thriving Economy chapter of the Plan, the Pre-Submission Portsmouth PLP 2024 sought to strengthen the City's marine and maritime industries through the proposed allocation of a marine hub / marine centre of excellence in PLP3: Tipner West & Horsea Island East. As set out in the section above, the Council's decision in early 2025 to prepare an Addendum to the Local Plan with a new approach which would not result in adverse impacts on international conservation designations that could not be mitigated means that the site can, only be allocated and developed at a diminished scale and without deep water access. The Pre-Submission PLP Addendum 2025 proposes the allocation of the Tipner West strategic site with an employment supply at a reduced quantum for new employment development, for a range of industrial, research and development, storage and distribution businesses, including marine uses.
- 3.2.32 Policy PLP25: Employment Target explains the ways in which Portsmouth will drive growth in the sub-region. PLP27: Employability and Skills seeks to address the skills gap, retention and deprivation challenges to improve access to employment opportunities.

³² <https://www.portsmouth.gov.uk/wp-content/uploads/2024/09/06.-The-Solent-Economic-Profile-2024.pdf>

Solent Growth and Prosperity Strategy (2024)

- 3.2.33 The Solent Growth and Prosperity Strategy³³ (SGPS) has been developed by the Isle of Wight Council, Portsmouth City Council and Southampton City Council to provide a positive future roadmap for economic growth and prosperity in the sub-region. The Solent Growth and Prosperity Strategy is the most recent economic strategy, reflecting the partnership approach of the Solent. It aligns closely with the Government's five missions for a better Britain, seeking to help kickstart economic and productivity growth, provide interventions that nurture and grow the Solent's green energy sector, support the care sector in the Solent, address deprivation and create attractive places, and address inequality, boost social capital and enhance skills in the Solent area. The SGPS sets out the new Solent Economic Vision for 2050:
- 3.2.34 *"In 2050, the vibrant coastal cities and picturesque landscapes of the Solent will be the most exciting maritime place to live, work, invest in and visit in Europe. A modern, dynamic and well-connected place, it will be a confident, globally competitive, lowcarbon and nature-positive economy, with a cluster of world leading Maritime, Technology and Green Economy firms and an ecosystem that supports innovation and attracts investment. It will be a highly sustainable, well-functioning and attractive place, with a fantastic quality of life, prosperous and skilled people ready to seize the economic opportunities of the future and drive productive growth."*
- 3.2.35 The SGPS targets six priority sectors in the Solent, namely: marine and maritime, green energy, technology, cultural, creative and visitor economy, natural capital and nature based solutions, and foundational economy. Some of these economic sectors possess a strong, existing presence in the Solent economy, while others are emerging or have good potential to grow and support national and local policy objectives for enhancing economic growth and productivity.
- 3.2.36 The HEDNA Update 2025 notes these priorities will drive employment growth in Portsmouth in Manufacturing, Professional, scientific and technology and Education. The Pre-Submission Local Plan Addendum 2025 proposes the allocation of land for employment uses including marine and maritime industries in PLP3: Tipner West, and for marine uses at PLP11: Port Solent, whilst protecting marine businesses on the waterfront in PLP26: Safeguarding Employment Land. It seeks to provide through the Pre-Submission Local Plan Addendum 2025 policy PLP25: Employment Target an outstanding business environment to develop Portsmouth as a City with a thriving economy, supercharging local businesses and entrepreneurs and attracting investment nationally and internationally from businesses of all sizes. PLP30: Cultural and Visitor Economy seeks to develop Portsmouth's thriving visitor, creative and cultural economy.

³³ <https://solentgrowthpartnership.co.uk/wp-content/uploads/2025/01/SGPS-Jan-2025-V2.pdf>

3.3 Local Context

Portsmouth Vision

- 3.3.1 The PLP seeks to implement the six strategic objectives of the Imagine Portsmouth 2040 Vision³⁴ through its City-wide policies and allocations. The objectives of the Vision are all important and are interlinked, meaning many of the thriving economy policies will achieve multiple strategic objectives. The six policies in the thriving economy chapter and the four site allocation policies seek to achieve the 'a City with a thriving economy' objective. The creation of new jobs and attractive spaces for new businesses, industries and investment will support new skills and career opportunities for Portsmouth residents.

Local Economic Context

- 3.3.2 As largely an island economy, Portsmouth possesses unique characteristics, opportunities and challenges for employment. His Majesty's Naval Base (HMNB) Portsmouth and the University of Portsmouth are major employers in Portsmouth. The City is also home to Portsmouth International Port, a major UK port for both passenger travel and cargo shipping. Across the City, other key employment assets in the City include Lakeside Business Park, Portsdown Technology Park, Queen Alexandra Hospital and Port Solent.
- 3.3.3 Portsmouth has clear advantages and opportunities in the marine sector, including the potential to deliver marine employment uses at the proposed strategic site allocation of PLP3: Tipner West in the Portsmouth Pre-Submission PLP Addendum 2025. The Solent Marine and Maritime Study³⁵ conducted by Savills in 2021 highlights that the Solent is an important maritime and marine industry cluster. Marine and maritime clusters provide a critical mass of expertise and skills that provide a 'one-stop shop' for global marine and maritime companies. The Solent is unique as one of the most diversified clusters in the marine and maritime industry; ranked in the top three in terms of jobs for marine leisure, MBS, naval defence, shipping and ports, and ranked highest in terms of marine leisure and ports. However, its nationally significant marine and maritime industry needs to be supported via additional capacity and development.
- 3.3.4 The 2023 Marine Employment Land Assessment³⁶ by Marina Projects provides an updated assessment of the land available for development of marine sector employment facilities. Tipner West is identified in this report as the largest and best Tier 1 site across the Solent region, offering the "best characteristics to give continued support and growth" and the ability to transition to marine and maritime employment. Further detail on the drivers behind the proposed strategic allocation of Tipner West is included in the Tipner West Topic Paper.

³⁴ <https://imagineportsmouth.co.uk/the-vision/>

³⁵ <https://www.portsmouth.gov.uk/wp-content/uploads/2024/09/21-10-28-Marine-and-Maritime-Study-Report-FINAL.pdf>

³⁶ https://www.portsmouth.gov.uk/wp-content/uploads/2024/09/MP244-R-09-Land-supply-v4-Final_Appx.pdf

Economic Development and Regeneration Strategy 2019-2036 (2019)

- 3.3.5 The Economic Development and Regeneration Strategy³⁷ is the Council's strategy to boost employment and bring prosperity to the City of Portsmouth. The Strategy highlights several key challenges for the City, as well as delivering economic step change, highlighting the importance of the huge development possibilities at Tipner West. As this strategy is still being implemented, the emerging Local Plan can help support opportunities for long-term economic growth in the City's key economic sectors.
- 3.3.6 The Strategy states that the City's brand and image is weak and not viewed in a positive light by many investors, businesses, and visitors. Poor health is contributing towards high economic inactivity within the City's population, and educational and skills weaknesses require addressing. Furthermore, the decline of the City Centre as a retail centre requires tackling, the City's transport connectivity needs improvement and its housing offer is not attractive enough. Some of the City's strengths are underutilised, such as the waterfront which is a great asset but still has greater potential. The City lacks a science park or innovation quarter and its creative industries sector and visitor economy is underexploited. Portsmouth must also take advantage of its engineering and manufacturing strengths.
- 3.3.7 The overall aim of the strategy is to:
Make Portsmouth Britain's premier waterfront technology and innovation city – a great place to invest, learn, live, work and visit and the most attractive place for starting, growing or relocating a business."
- 3.3.8 The Strategy is comprised of five themes with a number of associated strategic aims and objectives. These are as follows:
- **Strengthen the Portsmouth brand:** to improve the image and reputation Portsmouth has as a City, across the UK and the world.
 - **Become a destination City for ideas and innovation:** increase innovation in Portsmouth, thereby boosting business growth, productivity, employment and inward investment
 - **Put people at the heart of regeneration:** address skills and education deficiencies and support those excluded from the labour market
 - **Infrastructure and place:** Ensure infrastructure supports long-term productivity
 - **Create a thriving and competitive business environment:** make Portsmouth the best place to start, grow and move a business to in the UK
- 3.3.9 To achieve these aims, the strategy sets out six targets, these being:
- Workplace employment: 7,000 more jobs in Portsmouth in 2036
 - Resident employment: An extra 7,000 Portsmouth residents in work by 2036
 - Productivity: £60,000 of GVA per person by 2036

³⁷ <https://www.portsmouth.gov.uk/services/council-and-democracy/policies-and-strategies/economic-development-and-regeneration-strategy/>

- Higher wages: £1,000 a week average earning by employees in Portsmouth by 2036
- Skills target: 5% with no qualifications in 2036
- Skills target: 40% educated to at least NVQ Level 4 by 2036

3.3.10 The target set out in the Strategy to provide 7,000 new jobs is key to the Local Plan. This figure was assessed in the HEDNA 2023 and in the HEDNA 2025 to determine whether the target was achievable over the Plan period. The assessment of the employment target is discussed in detail in section 4.2 below. The achievement of 7,000 new jobs in Portsmouth is implemented through Policy PLP25: Employment Target, which sets out employment land provision figures for the City, to provide 4,800 to 7,900 new jobs over the plan period.

4. Employment Target

4.1 Introduction

- 4.1.1 This section sets out the evidence on Portsmouth's employment need, employment supply and the employment target. It considers evidence from the HEDNA 2023 and HEDNA Update 2025 as well as the HELAA 2025. Previous evidence base studies which have informed the PLP at earlier stages of plan-making include the Approach to Employment Land Study³⁸ by BE Group, which reviewed existing strategies, targets and several employment sites including the key strategic sites. The findings of this study were tested in 2020 by the Portsmouth City Employment Land Forecasting³⁹ by GL Hearn.
- 4.1.2 These studies have been largely superseded by the HEDNA 2023⁴⁰ and HEDNA Update 2025, produced by Icení, which are the main evidence base studies on housing and employment land and comply with Government guidance on preparing HEDNAs. The HEDNA provides up to date, robust and proportionate evidence to inform Portsmouth's employment development strategy and policies, analysing employment growth outlook in Portsmouth over the Plan period, up to 2040 using the Oxford Economics Forecast Model. The document provides:
- A comprehensive overview of the City's economic baseline in Chapter 12.
 - Assessments of the industrial (covering industrial and warehousing) and office markets in the City which has been used to inform the scale and type of future needs in Chapter 13.
 - An outlook for employment growth in Chapter 14, which has been used to inform the employment floorspace and land needs forecasts.
 - A review of employment land supply, in relation to potential strategic and non-strategic allocation sites in Chapter 15.
 - Assessments of employment land requirements which considers the demand for employment land and floorspace over the plan period in Chapter 16.
- 4.1.3 As the main evidence base, the HEDNA 2023 sets out evidence on Portsmouth's housing need. This includes an analysis of the relationship between housing need and economic growth to determine how many homes may be needed for jobs growth.
- 4.1.4 The HEDNA Update 2025, was prepared to support the Pre-Submission PLP Addendum 2025. The decision to prepare the Pre-Submission PLP Addendum 2025 necessitated an update to a number of evidence-based studies including the HEDNA on development needs and the HELAA on the supply of development sites. These documents support the Addendum policies on housing and employment targets.
- 4.1.5 The HEDNA Update 2025 updates the HEDNA 2023 to consider a number of housing and economic development matters. It also responds to the changes to the NPPF, in

³⁸ <https://www.portsmouth.gov.uk/wp-content/uploads/2020/05/development-and-planning-employment-land-study.pdf>

³⁹ https://www.portsmouth.gov.uk/wp-content/uploads/2021/09/Portsmouth-Employment-Needs-Review-Final_Accessible-Final_compressed.pdf

⁴⁰ https://www.portsmouth.gov.uk/wp-content/uploads/2024/04/4-Portsmouth-HEDNA_Final-Report-Dec-2023-CONFIDENTIAL-1.pdf

December 2024. For employment, the HEDNA Update 2025 addresses how to meet the needs of the modern economy such as laboratories, gigafactories, data centres, digital infrastructure, freight and logistics as set out in the NPPF 2024 in paragraph 86(c). The HEDNA Update 2025 looks at options for marine businesses and advises on the suitability of Tipner West for employment development without the advantage of deepwater access. This follows on from the Council's decision to prepare a new policy for PLP3: Tipner West which would not result in adverse impacts on international conservation designations that could not be mitigated. A summary of the findings of the HEDNA 2023 and HEDNA Update 2025 is provided below in section 4.2.

4.2 Evidence on Employment Need

- 4.2.1 Section 12 of the HEDNA and section 7 of the HEDNA Update provides an overview of local economic baseline in relation to the South East region and England as a whole, using a wide range of data sources including the Office for National Statistics (ONS).
- 4.2.2 The HEDNA 2023 states there were 105,650 jobs in Portsmouth in 2021 according to the latest Office for National Statistics (ONS) data (Business Register and Employment Survey (BRES)). Oxford Economics data suggests there were 121,970 jobs in Portsmouth in 2021, which is considered to be the more accurate figure due to poor data capture of the BRES for defence / naval employment. The HEDNA Update 2025 revises this figure, setting out that there were 108,150 jobs in Portsmouth in 2023 according to the BRES.
- 4.2.3 Paragraph 12.21 of the HEDNA 2023 notes the largest sectors of employment in the City are health, education, retail, manufacturing, hospitality, business admin & support and public admin and defence. The health, manufacturing, and public admin and defence sectors make up notably higher percentages of the Portsmouth economy compared to the South East and England. Typically, office based sectors, which tend to have higher productivity and earnings, have lower representation in the City. Sectors with lower representation are finance, professional services, wholesale and agriculture, and ICT, which are below the regional and national average.
- 4.2.4 Paragraph 7.7 of the HEDNA Update 2025 explains that public admin and defence, manufacturing; and mining (company HQs skew this data rather than mining activity) sectors make up a much higher percentage of the Portsmouth economy compared to elsewhere.
- 4.2.5 Paragraph 12.31 of the HEDNA 2023 notes there are high levels of employment in a range of specialist manufacturing sectors including ship maintenance, equipment manufacturing, air and space craft manufacturing and ship building which are likely to continue to play a central role in the Portsmouth economy. The health sector has a high location quotient in Portsmouth, totalling 9,000 hospital-related jobs (9% of economy total), reflecting the presence of two main hospitals in the City. Education has a high representation for employment, reflecting the University, and hospitality

(accommodation and food services) is a relatively large employment sector with further growth potential, in part related to the University as well as the cruise ship businesses.

- 4.2.6 The HEDNA 2023 highlights in paragraph 12.44 that Portsmouth has a higher rate of long term sick (30.3%) compared to the South East (22.6%) and Great Britain (26.5%), and higher rate of people looking after family/home (24.4%) compared to the South East (19.9%) and Great Britain (19.7%). In terms of economic inactivity, paragraph 7.14 of the HEDNA Update 2025, explains that Portsmouth has an overall lower rate of economic inactivity (17%) compared to the South East (18.95%) and England (21.2%). However, of those that are economically inactive, there is a higher rate of long-term sickness (37.4%) compared to the South East (22.3%) but lower than England (27.1%). The City also has a similar rate of people “Looking After Family/Home” (17.9%) compared to the South East (19.3%) and England (18.9%) and a lower rate of people retired (7.5%) compared to the South East (13.9%) and England (12.4%).
- 4.2.7 The HEDNA 2023 highlights in paragraphs 12.44 that at 3.8%, the City has slightly higher unemployment rate for people 16 and over than the South East (3.1%) and England (3.6%) in 2022. Paragraph 12.51 examines the challenges faced by some residents related to deprivation. Many parts of the City fall into the top 10% most deprived areas in the country, including deprivation of income, education, employment, health, crime and housing. Additionally, evidence shows that on average those working in Portsmouth earn slightly more than those living in Portsmouth, suggesting a portion of the higher earning jobs in Portsmouth are occupied by people who commute into the City.
- 4.2.8 Section 13 of the HEDNA 2023 and section 8 of the HEDNA Addendum 2025 provide assessments of the industrial and warehousing, and office commercial property markets in Portsmouth using a range of data sources including CoStar and Valuation Office Agency (VOA) data. The analysis of this section was used to inform the scale and type of future employment needs in the HEDNA 2023 and HEDNA Update 2025. Paragraph 13.7 of the HEDNA 2023 identifies that changing working patterns since the pandemic have led to a ‘flight to quality’, increasing demand for highest quality office spaces to help occupiers create an attractive, modern place to work, drawing employees back into the office. Evidence shows office floorspace in the City has steadily declined since 2016/17 in part due to permitted development (PD) losses. This is consistent with findings of earlier studies, as in the Approach to Employment Land Study⁴¹ which observed that in recent years the City's office market has experienced a shift of occupiers relocating from the City Centre to locations such as Lakeside and sites outside Portsmouth. This was accompanied by strong demand of student accommodation taking some of the vacant space within the City Centre, including some office buildings and potential office sites.

⁴¹ <https://www.portsmouth.gov.uk/wp-content/uploads/2020/05/development-and-planning-employment-land-study.pdf>

- 4.2.9 Paragraph 8.15 of the HEDNA Update 2025 explains that stakeholder engagement with local commercial agents demonstrates a lack of quality office space in the south of the City including the City Centre, as many landlords are changing their premises to residential use instead of refurbishing ageing office stock. Paragraph 8.4 states that the vacancy rate for office space in Portsmouth is 6.95% as of May 2025, lower but more volatile than comparator areas. Stakeholder engagement as set out in paragraph 8.13 onwards of the HEDNA Update 2025 explains that larger businesses are looking at downsizing or hybrid models, and as a result co-working spaces are popular. This is in addition to increased demand for stand-alone offices catering to small businesses with 2-10 employees and larger offices being divided up into smaller units for small-medium enterprises.
- 4.2.10 The HEDNA Update 2025 states the industrial vacancy rate in the City is 3.85% as of May 2025, a small decrease compared to 4.3% recorded in the HEDNA 2023, the highest it has been since 2013, although lower than comparator areas. Stakeholder engagement as set out in paragraph 8.27 explains there is a gap in the market for new high-quality industrial space and there is not enough industrial space available, especially for SMEs which is in line with size and budget requirements. Small and medium size light industrial units are in high demand, and start-up and small-medium enterprise spaces such as Portsmouth Enterprise Centres are well occupied. Industrial space is predominantly located in the north of the City and premises in this location are favourable due to their easy access to the M27 and A3(M).
- 4.2.11 Section 14 of the HEDNA 2023 sets out the outlook for employment growth up to 2040 in Portsmouth. The results of the analysis were used to inform the employment floorspace and land needs forecasts. Oxford Economics (OE) forecasts were used as a baseline and these were adjusted as an alternative, drawing on policy initiatives, stakeholder engagement and sector analysis. Section 9 of the HEDNA Update compares the OE forecasts relied on in the HEDNA 2023 against actual employment growth. It rebases the OE forecasts from 2023 i.e. adjusts the forecasts based on actual sector employment growth to provide an updated employment outlook for the 2025-40 period.
- 4.2.12 The HEDNA 2023 baseline forecast anticipated there will be 6,800 jobs between 2019 and 2040 including an adjustment to take account of pandemic impacts. Employment growth was analysed by sector for the OE forecast model. This is broken down in paragraph 14.14 as:
- Manufacturing -3,310
 - Construction +1,420
 - Accommodation and food service +1,100
 - Information and communication +640
 - Professional, scientific and tech +1,340
 - Administrative and support +1,900
 - Public administration and defence +450
 - Human health and social work +3,860
 - Arts, entertainment and rec. +510

- 4.2.13 The HEDNA Update 2025 compares published BRES employment data (available up to 2023) to employment levels forecasted within the 2023 HEDNA OE forecasts. Paragraph 9.4 explains that OE and BRES data source are not directly comparable as BRES data does not account for self-employment, whereas OE does. In terms of total employment, there has been an increase reported by BRES of 4,600 jobs, significantly higher than forecasted growth of 600 jobs for the 2020-23 period. The Update 2025 notes there have been substantial differences between the actual sectoral employment change and the OE forecasts. This is broken down in paragraphs 9.7 - 9.9, with sectors for information and communication, administration and support, health, and arts, entertainment and recreation having a higher level of growth than forecasted. Other services saw a smaller decline than forecasted, with no change in employment, compared to a 14% decline. Additionally, some sectors saw a greater decline than forecasted, these being construction, wholesale and retail, transport and storage, and public administration and defence.
- 4.2.14 Given these substantial differences, paragraph 9.10 of the HEDNA Update 2025 considers it appropriate to rebase the forecasts from 2023 onwards, applying the sectoral proportional change for the 2020-23 period to the forecasts, and showing a total employment change of 5,208 for the 2020-23 period, compared to the original OE forecasted change of 600 jobs. Both the original and rebased forecasts identify a total jobs growth of 4,790 jobs for the 2025-40 period, but the rebased forecast has a higher endpoint of 136,808 jobs by 2040, compared to the HEDNA 2023 with 132,170 jobs by 2040. It summarises that jobs growth 2020 to 2025 has been strong and outperformed expectations.
- 4.2.15 The HEDNA 2023 identifies in paragraph 14.15 there are a number of reasons to consider a preferred alternative outlook to the baseline forecasts, as:
"Off the shelf' baseline forecasts largely share out the national and regional growth down to the local level using the historic relative strength of each sector locally. Where there are planned growth initiatives these will not be included. There can also be distortions caused by the national / regional outlook that should not be applied uncritically to the local level".
- 4.2.16 The HEDNA considers in paragraph 14.17 the reasons as to why baseline forecasts may be wrong, namely considering the relationship of the forecast to past trends in Portsmouth and the relationship with the regional outlook, due to the City's island economy, it does not share some regional characteristics. The HEDNA anticipates that potential in the manufacturing sector is likely to be better than forecasts, but growth in the health sector to occur at a slower rate than forecast. Evidence suggests baseline forecasts are unlikely to paint an accurate picture of the Portsmouth outlook for future jobs growth. Additionally, no growth is forecast in the education sector, contrary to the growth seen in the City over the past 10 years, driven in part by the University and its planned expansions.
- 4.2.17 Recent strong local performance in manufacturing and stakeholder feedback has been considered in paragraph 14.20, feeding into the development of a preferred alternative position. OE assumes a forecast decline in manufacturing employment in

the baseline outlook, expecting that job reductions are necessary to achieve productivity improvements. This approach will not factor in local economic factors or development opportunities, nor the changing relationship between jobs and premises driven by productivity and automation.

- 4.2.18 Paragraph 9.21 of the HEDNA Update 2025 develops an updated preferred alternative outlook to reflect priority growth sectors identified within the SGPS (as referred to in section 3.2 of this Topic Paper), alongside previous adjustments made in the HEDNA 2023. It adjusts the Healthcare sector based on lower levels of growth and the manufacturing, professional scientific and technical, transport and storage and public Admin and defence sectors based on higher levels of growth. It further models a more detailed manufacturing scenario, assuming most sectors decline at the OE rate of 32%, but that specialist marine and related sectors grow at 20%, delivering a further 1,300 jobs. Despite the reduced land available at Tipner West, these industries remain a specialism of the local economy with potential growth and floorspace demand.
- 4.2.19 The HEDNA summarises in paragraph 14.31 that the City should realistically be planning for 6,800 to 7,300 new jobs by 2040, in line with the Economic Development and Regeneration Strategy's employment target for 7,000 jobs between 2017 - 2036. The HEDNA Update 2025 summarises that the rebased Oxford Economics forecasts indicate that for the 2025-40 period, there will be a growth of 4,790 jobs or towards 7,900 jobs under the adjusted scenario. Based on demographic projections, an upper bound of 18,088 jobs could be supported. This compares to the Economic Development and Regeneration Strategy which sets a target for the creation of 7,000 new jobs for the 2019-36 period. Policy PLP25: Employment Target sets out employment land provision figures to provide 7,000 new jobs over the plan period.

4.3 Employment Land Requirements

- 4.3.1 Section 16 of the HEDNA 2023 considers the demand for employment land and floorspace over the plan period. Section 11 of the HEDNA Update 2025 provides an update to the employment land and floorspace demand modelling for the new 2025-2040 Plan Period, using the latest data available. The employment floorspace requirement by labour demand model scenarios between 2025-2040 is shown in Table 1 below. Research and development (R&D) and industrial processes uses (E(g)(ii) and (iii) are pulled out from office (E(g)(i)) uses in the HEDNA and considered alongside industrial and warehousing requirements. This is because of the importance of R&D and industrial development for the City and the similarities between these sectors.

Table 1: Employment Floorspace Requirement by Labour Demand and Supply Scenarios, 2025-2040 (Iceni, 2025)

	Baseline	Preferred Alternative	Labour Supply
Office	7,459	13,008	20,774
Office Post Pandemic WFH 30%	5,221	9,106	14,542
R&D	1,404	1,586	2,599
Industrial	-111,047	18,254	-78,682
Warehouse	-164	15,382	29,658
Including margin for flexibility (equal to 5 years' worth of gross deliveries)			
Office	11,131	16,861	25,641
Office Post Pandemic WFH 30%	8,893	12,959	19,408
R&D, Industrial & Warehousing	-86,499	53,646	-24,313
Including replacement demand @50% of the rate of historical losses for industrial / warehouse and @20% of the rate for offices			
Office	24,052	29,782	38,562
Office Post Pandemic WFH 30%	21,814	25,880	32,329
R&D, Industrial & Warehousing	-63,242	81,605	-1,056

4.3.2 For offices, the HEDNA 2023 and HEDNA Update 2025 consider a preferred alternative office scenario which considers reduced post-pandemic levels of working from home compared to pre-pandemic. In the HEDNA 2023, levels of employment growth and replacement demand in the 'Post-Pandemic Working from Home' scenario were reduced by 50%, reflecting post-pandemic office occupancy figures. Evidence from the HEDNA Update 2025 concludes the average post-pandemic office occupancy has stabilised at 70% of pre-pandemic levels, therefore levels of demand in the 'Post-Pandemic Working from Home' scenario are reduced by a 30% factor in the sensitivity analysis. The need figure for offices ranges from 21,814m² to 38,562m², whereby the lower end of the range assumes greater levels of working from home in the future.

4.3.3 The HEDNA Update 2025 considers the 'preferred alternative scenario' as the most appropriate in terms of planning future office floorspace requirements, although there is little difference with the baseline. Paragraph 11.44 of the HEDNA Update 2025 summarises the office requirement planned for should be for around **25,880m²** due to low demand for office floorspace. This level of need is significantly lower than the HEDNA 2023, which identified a need for 42,500m². However, this is not a like-for-like comparison, as the previous need was across the 20 years, while the need presented in the HEDNA Update 2025 is only across 15 years. This figure is set out as the need position for office floorspace in policy PLP25: Employment Target in the Local Plan Addendum 2025.

4.3.4 The HEDNA 2023 states there is evidence that there is potential for new offices to be developed over time in the City Centre, particularly for managed smaller or quality mid-sized space. One of the SGPS business priorities is to deliver new Grade A and flexible employment space in the City Centre, and therefore, a pragmatic approach

would be to plan for a moderate level of office floorspace despite post-pandemic office market dynamics. This is discussed in further detail in policy PLP6: Portsmouth City Centre of the Pre-Submission Local Plan Addendum 2025.

- 4.3.5 The HEDNA 2023 recommends in paragraph 16.38 that a pragmatic response should be taken to monitor office floorspace demand over time if greater numbers return to the office. This supports strategic out of town opportunities such as Lakeside North Harbour, proposed for allocation in the Pre-Submission Local Plan 2024 as policy PLP5: Lakeside North Harbour. The need for a pragmatic approach to plan for a moderate level of office floorspace despite post-pandemic office market dynamics is reiterated in the HEDNA Update 2025.
- 4.3.6 The HEDNA Update 2025 sets out that the need for new industrial floorspace ranges from a loss of 63,242m² to a need for 81,605m². Both the HEDNA 2023 and HEDNA Update 2025 assume that industrial losses will occur at 50% of previous rates, given the lack of supply. The upper end reflects the HEDNA's adjustments to the sectors which operate in a range of factories and warehouses including high quality premises suitable for advanced and marine technology and manufacturing. Paragraph 11.35 of the HEDNA Update 2025 concludes that the labour demand (alternative) scenario and net completions ranges are more appropriate, showing a range around 78,300m² to 81,600m². It considers it is appropriate to plan for the higher need derived from the preferred alternative labour demand scenario at **81,605m²** given that industrial vacancy rates indicate historical delivery has been too low. This level of need is only slightly lower than the HEDNA 2023, which identified a need for 96,300m². However, this is not a like-for-like comparison, as the previous need was across the 20 years, while the need presented in the HEDNA Update 2025 is only across 15 years. This figure is set out as the need position for combined manufacturing, warehousing and research and development floorspace in PLP25: Employment Target in the Local Plan Addendum.

4.4 Employment Land Supply

- 4.4.1 This section sets out the evidence on Portsmouth's employment supply for the plan period of 2025-2040. Employment land supply is monitored through analysis of completions and permissions data on an annual basis (period of 1 April - 31 March) by Hampshire County Council (HCC) in partnership with PCC and summarised in the Authority Monitoring Report⁴² (AMR).
- 4.4.2 The Local Plan Addendum sets the new base date for the Portsmouth Local Plan as 2025. Latest data available during the preparation of the Local Plan Addendum was for the 2024/25 monitoring year, therefore, any completions recorded, or permissions granted after 31 March 2025 were not available to be included in Table 7.1 of the Local Plan Addendum. The Local Plan Addendum includes a number of updates to the employment allocation figures for PLP3: Tipner West, PLP6: Portsmouth City

⁴² <https://www.portsmouth.gov.uk/services/development-and-planning/planning-applications/annual-monitoring-reports/>

Centre and PLP10: Land West of Portsdown Technology Park , as set out in the Site Allocations Topic Paper⁴³ (correct at October 2025).

Extant permissions

- 4.4.3 The data for extant permissions is set out in Table 2 below. Permissions outstanding as of 31 March 2025 total 45,400m². As stated above, the HEDNA reflects that research & development and industrial processes are important parts of the City's supply; these permissions have been separated out from the office permissions for the purposes of plan preparation. Several speculative planning applications have been permitted for E(g)(i-iii), B2 and B8 development to allow flexibility of the use of new light industrial, industrial and warehousing development brought to the market. This is particularly important as in modern market occupier terms there is limited difference between the unit types that industrial (B2), and warehouse (B8) businesses want. B1-B8 permissions have been split up by the Council to the relevant Use Class through a desk-based officer assessment of the permission granted and likely implemented use, although this is likely to change dependent on the development brought forward. Table 7.1 of the Local Plan Addendum sets out the total extant permissions as of 31 March 2025.

Table 2: Extant permissions as of 31 March 2025

Year	Offices (E(g)(i)) (m ²)	R&D / Industrial processes (E(g)(ii/iii)) (m ²)	Manufacturing / Warehousing (B2/B8) (m ²)	Total (m ²)
2025	4,402	7,868	33,130	45,400

Evidence on employment land supply

- 4.4.4 In terms of evidence, the HELAA⁴⁴ is the main evidence base study on available land for development within the City, forming the starting point for any site allocations for housing and employment development. The findings of two evidence-based studies assessing the existing and proposed employment sites in Portsmouth have informed the preparation of the HELAA. One study is the Lambert Smith Hampton Business Needs, Site Assessments and Employment Land Study⁴⁵ (July 2016), which assessed the quality and suitability of existing and potential new employment sites and looked at gaps in provision, supporting the preparation of the PLP at early stages of plan-making. The other is the BE Group Approach to Employment Land Study⁴⁶ (February 2019), which reviewed employment targets and critiqued several employment sites to assess their suitability for employment. These documents have been effectively superseded by the publication of the HELAA but do contain some useful site-specific detail. The Council updates the HELAA on a regular basis, to ensure an accurate representation of land availability within the City. The most recent version of the

⁴³ <https://www.portsmouth.gov.uk/wp-content/uploads/2025/10/Allocations-Topic-Paper-RS-Nov-2025-PDF-FINAL-VERSION.pdf>

⁴⁴ <https://www.portsmouth.gov.uk/wp-content/uploads/2025/11/HELAA-2025.pdf>

⁴⁵ <https://www.portsmouth.gov.uk/wp-content/uploads/2020/05/development-and-planning-business-needs-site-assessments-and-employment-land-study.pdf>

⁴⁶ <https://www.portsmouth.gov.uk/wp-content/uploads/2020/05/development-and-planning-employment-land-study.pdf>

Portsmouth HELAA is dated October 2025, but earlier versions of the HELAA have informed earlier stages of plan making prior to the Pre-Submission PLP Addendum 2025 being prepared and are available to view on the PCC website⁴⁷.

Available employment land based on the HELAA

- 4.4.5 The HELAA 2025 comprises a HELAA Report and Appendices⁴⁸, and a Methodology⁴⁹ document published separately which sets out the approach. The base date of the HELAA is 31 March 2025 for permissions and completions and the findings are only a 'snapshot' of information held at the time the report was compiled. Therefore, the document has been prepared in accordance with national policy and planning practice guidance at the time of publication. As noted in the HELAA Methodology the most recent Call for Sites was undertaken in April 2025.
- 4.4.6 Paragraph 3.4.1 notes that Stage 1 filters out sites outside the scope of the HELAA, sites with planning permission and sites discounted at Stage 1 as unsuitable or unavailable.
- 4.4.7 Paragraph 3.4.7 notes that the final part of Stage 1 is to identify if there are any fundamental suitability or availability issues that would likely be "showstoppers" for development. These are set out in Table 2C of the HELAA Methodology and listed below:
- sites not available;
 - sites in existing employment use put forward for housing use as a whole or in the majority;
 - sites entirely within an area of flooding that has 3.3% or greater AEP (annual exceedance probability) as defined in Appendix A, Figure 11 of the SFRA⁵⁰;
 - sites including or within the immediate setting of heritage assets of the highest significance where development is likely to cause harm to those assets and is not likely to be capable of mitigation;
 - sites entirely or the majority within protected open spaces (as specifically designated and identified clearly in a made Neighbourhood Plan or Local Plan);
 - sites within areas of significant nature conservation importance;
 - sites identified as Core or Primary sites for Solent Waders and Brent Geese
- 4.4.8 Appendix 1C of the HELAA lists the sites discounted at Stage 1 as unsuitable or unavailable, totalling eight employment sites. Reasons for discounting these sites were based on unavailability, with the most common reasoning being that the sites were indicated as unavailable, or their availability could not be confirmed with the landowner.

⁴⁷ <https://www.portsmouth.gov.uk/services/development-and-planning/planning-policy/emerging-development-plan/housing-and-economic-land-availability-assessment/>

⁴⁸ <https://www.portsmouth.gov.uk/wp-content/uploads/2025/10/HELAA-2025.pdf>

⁴⁹ https://www.portsmouth.gov.uk/wp-content/uploads/2025/10/01-PCC_Housing-and-Economic-Land-Availability-Assessment_Methodology-v3.pdf

⁵⁰ https://www.portsmouth.gov.uk/wp-content/uploads/2024/07/PfSH_PortsmouthCity_Figure11_TidalFloodExtent3_3.pdf

- 4.4.9 Sites which were not discounted at Stage 1 progressed to Stage 2 for detailed review to assess their development potential, to estimate the amount of development which could be delivered on site, and the estimated timescale the site could come forward for development. Sites were assessed for their suitability, availability, and achievability. Appendix 2 of the HELAA lists the sites which were discounted at stage 2 for being unsuitable, unavailable, and/or unachievable. No employment sites were discounted at Stage 2 due to being unsuitable, unavailable and/or unachievable.
- 4.4.10 Relating to employment, the HELAA identifies a total of two employment sites and four mixed-use sites as being deliverable based on assumptions on development timescales (excluding sites which already have planning permission). All of these sites are identified in the Local Plan in some form, either as strategic sites or site allocations. These sites have a theoretical combined capacity of 93,346m² of employment floorspace.
- 4.4.11 With regard to deliverability, there are one employment and three mixed-use sites considered deliverable, resulting in total quantum of 8,346m² employment floorspace considered deliverable in the 0-5 year timeframe. These sites are:
- Land West of Portsdown Technology Park (PA05A) is considered able to deliver 12,500m² of employment floorspace in the 0-5 years' timeframe;
 - Matalan Outlet and Car Park (CD16) is considered able to deliver 8,000m² of employment floorspace in the 0-5 years' timeframe;
 - City Centre North (CD17) is expected to deliver a loss of -15,754m² of employment floorspace in years 0-5, with 5,000m² in years 6-10 and 5,000m² in years 11-15;
 - Debenhams, Commercial Road (CD18) is considered able to deliver 3,600m² of employment floorspace in the 0-5 years' timeframe.
- 4.4.12 With regard to developability, one employment and one mixed-use site are considered developable. These sites are:
- Lakeside (COS10) is considered able to deliver 50,000m² in years 11+;
 - Tipner West (NE18) is considered able to deliver 25,000m² in years 6+, comprising 10,000m² in years 6-10 and 15,000m² in years 11-15.
- 4.4.13 All of these sites have been allocated in the Local Plan as strategic sites or site allocations.

Assessment of employment land based on the HEDNA

- 4.4.14 The HEDNA 2023 further assessed four strategic allocations sites, one allocation site, and an existing employment site to review their potential for retaining and increasing employment. The sites assessed and the HEDNA 2023's recommendations are summarised in Table 3 below.

Table 3: Summary of the HEDNA's (2023) assessment of sites for potential for retaining and increasing employment

Site name	Policy status	Overall recommendation
Portsmouth Technology Park	Not allocated (existing employment site).	Retain as key employment site to support naval and other military contracts.
Land West of Portsmouth Technology Park	Draft allocation in the Regulation 19 Pre-Submission Plan 2024 as a non-strategic employment site.	Allocate for employment.
Lakeside North Harbour	Previously allocated in the 2012 Local Plan for offices. Draft allocation in the Regulation 19 Pre-Submission Plan 2024 as a strategic employment site.	Retain office employment. Could be suitable for a mix of other leisure, retail or commercial uses if office market fails to recover. Unsuitable for housing.
Tipner West and Horsea Island East	Northern part of Tipner West previously allocated in the 2012 Local Plan for housing and offices as part of wider Tipner site. Draft allocation in the Regulation 19 Pre-Submission Plan 2024 as a strategic mixed-use site.	Designate as a mixed-use development with particular support given to marine related employment development.
Fratton Park and the Pompey Centre	Previously allocated in the 2012 Local Plan for a new stadium and office/light industrial space, and the northern part as an existing employment site. Draft allocation in the Regulation 19 Pre-Submission Plan 2024 as a strategic mixed-use site.	Not suitable for additional employment floorspace.
Portsmouth City Centre	Previously allocated in the 2012 Local Plan for retail, office, hotel space and housing. Draft allocation in the Regulation 19 Pre-Submission Plan 2024 as a strategic mixed-use site.	Suitable for offices as well as commercial retail and leisure, and residential.

Strategic Sites

- 4.4.15 The HELAA 2025 identifies three strategic sites as suitable for allocation for employment, namely:
- Tipner West
 - Lakeside North Harbour
 - Portsmouth City Centre (comprising the Former Debenhams store and Station Street Car Par, City Centre North and Matalan)
- 4.4.16 Tipner West was partly previously allocated in The Portsmouth Plan (2012) as part of PCS1 Tipner. It has been subsequently separated out into two, separate strategic site allocations: PLP3: Tipner West and PLP4: Tipner East. As stated in section 3.2, Tipner West has been a long-standing ambition of the Council and has received funding through the City Deal to unlock the site and enable 58,000m² of employment floorspace for marine and advanced manufacturing. The site Tipner West & Horsea Island East was proposed for allocation in the Portsmouth Pre-Submission Local Plan 2024 for a marine hub with a working quayside and up to 58,000m² of marine employment floorspace (class E(g) offices, research and development, light industrial, B2 general industrial and B8 storage or distribution).
- 4.4.17 However, following the Government's unlawful and since withdrawn IROPI Opinion, the Council's decision in early 2025 to avoid adverse impacts on international conservation designations that cannot be mitigated has resulted in the removal of the ability to deliver a regionally significant marine hub. Evidence from the HEDNA Update 2025 shows that the market for larger (10,000m²+) industrial units is less active, with many businesses holding off on decisions to expand or relocate due to economic uncertainty. However, there is evidence of a gap in the market for new high-quality industrial space, and demand for marine-related and general employment space. Therefore, a reduced figure for employment floorspace including marine/maritime uses of 25,000m² is proposed for the strategic site allocation in PLP3: Tipner West and the figure listed in Table 7.1 of PLP25: Employment Target in the Pre-Submission Local Plan Addendum 2025. Although Tipner East is allocated for and has permission for commercial floorspace of 712m² and 840m² ancillary commercial uses at the transport hub, these are not included in PLP25: Employment Target as these uses do not fall under the definition of 'employment'.
- 4.4.18 Lakeside North Harbour was previously allocated in The Portsmouth Plan (2012) as PCS5 Lakeside business park. Evidence from the HELAA 2025 states the site is anticipated to be able to deliver 50,000m² gross office floorspace. This figure has been used for the strategic site allocation in PLP5: Lakeside North Harbour and the figure listed in Table 7.1 of PLP25: Employment Target. Evidence from the HEDNA 2023 also suggests that a mix of other leisure, retail or commercial uses could be appropriate if new offices do not come forward. The HEDNA 2025 considers the implications of the NPPF 2024 regarding the facilitating development that meets the needs of a modern economy. Lakeside already hosts a data centre offering colocation and cloud solutions. At present there is no further demand, but additional requirements could be considered should they arise.

- 4.4.19 Portsmouth City Centre is a complex allocation made up of multiple HELAA sites and surrounding land. City Centre North was previously allocated in The Portsmouth Plan⁵¹ (2012) as part of PCS4 Portsmouth city centre. The site has resolution to grant planning permission for up to 10,000m² non-residential uses (22/01243/CS3), to come forward as office floorspace. Evidence from the HELAA 2025, signed Statements of Common Ground (SCG), site planning history, and representations made on the Pre-Submission Local Plan 2024) states City Centre North is anticipated to be able to deliver -5,754m² of employment floorspace, once existing commercial floorspace losses of 15,754m² are accounted for, including a considerable amount of lower quality, first floor office space.
- 4.4.20 The former Matalan Outlet and Car Park was considered in the HELAA 2023 (CD16) for employment floorspace, however, due to uncertainty it was not assigned an estimate of potential employment floorspace yield for HELAA purposes. The implication of planning permission (24/00837/FUL) granted in July 2025 for approximately half of the site to be developed for employment use, is that rather than 600 dwellings being accommodated on the site as set out in the HELAA 2023, half will be entirely employment instead (providing 8,000m² of employment floorspace) and the remaining half will be for housing. Additionally, a loss of 2,700m² of retail floorspace at Matalan had been incorrectly identified as employment at Regulation 19 in 2024. This has since been corrected in the Pre-Submission Local Plan Addendum 2025, so there is no loss of employment floorspace at Matalan.
- 4.4.21 The end user of the Matalan site had previously expressed strong interest in City Centre North when the Pre-Submission Local Plan 2024 was drafted, but they have instead opted for the Matalan site. This leaves 10,000m² gross employment floorspace at City Centre North, instead of 20,000m² as proposed for allocation in the Pre-Submission Local Plan 2024.
- 4.4.22 The Former Debenhams and Station Street Car Park site was also considered in the HELAA 2023 for employment floorspace (CD18), however due to uncertainty it was not assigned an estimate of potential employment floorspace yield for HELAA purposes. A planning application (24/00650/OUT) submitted for Debenhams confirms the level of employment development proposed is 3,600m².
- 4.4.23 Considering the anticipated commercial floorspace losses, Portsmouth City Centre strategic site is anticipated to deliver a total net quantum of 5,846m² office floorspace. The updates to the quantum of employment floorspace proposed to be allocated at the Strategic Site PLP6: Portsmouth City Centre are shown below in Table 4. Suggested phasing for the sites which make up the employment element of PLP6 is set out in Table 5. These updates are set out in the PLP Addendum 2025 to be submitted alongside the Pre-Submission PLP 2024 for examination.

⁵¹ <https://www.portsmouth.gov.uk/wp-content/uploads/2020/05/The-Portsmouth-Plan.pdf>

Table 4: Development Quanta for the Portsmouth City Centre Strategic Site

City Centre Site Name	Office floorspace (E(g)(i)) m ² proposed at Pre-Submission PLP (2024)			Latest position Office floorspace (E(g)(i)) m ² as per the Pre-Submission PLP Addendum (2025)		
	Gross gain	Gross loss	Net	Gross gain	Gross loss	Net
City Centre North	20,000	-15,754	4,246	10,000	-15,754	-5,754
Matalan Outlet & Car Park	0	-2,700	-2,700	8,000	0	8,000
Former Debenhams and Station Street Car Park	0	0	0	3,600	0	3,600
Total	20,000	-18,454	1,546	21,600	-15,745	5,846

Table 5: Employment phasing for Portsmouth City Centre

Site Name	2025-2030	2030-2035	2035-2040	2040 onwards	Total
City Centre North Zone					
City Centre North	-15,754m ²	5,000m ²	5,000m ²	0	-5,754m ²
Station Road Regeneration Area Zone					
Matalan Outlet & Car Park	8,000m ²	0	0	0	8,000m ²
Commercial Road Zone					
Former Debenhams	3,600m ²	0	0	0	3,600m ²
Total					5,846m²

4.4.24 Together, the three strategic sites which include elements of employment provide a total of 80,846m² of net employment floorspace. This is broken down below in Table 6 below.

Table 6: Development Quanta for the Strategic Sites

Strategic Site Name	Offices (E(g)(i)) (m ²)	R&D / Industrial processes (E(g)(ii/iii)) (m ²)	Manufacturing / Warehousing (B2/B8) (m ²)
Tipner West	0	0	25,000
Lakeside North Harbour	50,000	0	0
Portsmouth City Centre	5,846	0	0
Total	55,846	0	25,000

Site Allocations

- 4.4.25 The HELAA identified one site as suitable for employment allocation, namely:
- Land West of Portsdown Technology Park
- 4.4.26 Evidence from the HELAA 2025 shows that Land West of Portsdown Technology Park (PA05A) is anticipated to be able to deliver 12,500m² employment floorspace. This figure forms the site allocation in PLP10: Land West of Portsdown Technology Park. The site was proposed for allocation for R&D (E(g)(ii) and/or manufacturing (B2) in the Pre-Submission Plan 2024. A Statement of Common Ground⁵² (SCG) prepared in relation to Land West of Portsdown Technology Park established that the landowner requires flexibility to deliver storage or distribution (class B8) as well as classes E(g)(ii) and class B2 and includes a highways assessment which supports this. Policy PLP10: Land West of Portsdown Technology Park is proposed for allocation in the Pre-Submission PLP Addendum 2025, to for E(g)(ii), B2, and B8 uses on the site. An updated SCG⁵³ has been prepared for the site in 2025, confirming the revised allocation in the Pre-Submission Local Plan Addendum 2025.
- 4.4.27 The News Centre site was assessed in the HELAA (HI06) as developable for housing. It is allocated in the Pre-Submission Local Plan (2024) for mixed use including an electric bus depot, homes and community uses. The site is split into two parcels. The whole site is owned by First Bus, who intend to build an electric bus depot on the southern parcel. The site promoter for the northern parcel of the site is City & Regional Limited.
- 4.4.28 At Regulation 19 in 2024, representations were submitted by Vail Williams on behalf of First Bus, which stated that First Bus had no intention of promoting residential development on this site, particularly the northern parcel. They suggested that the policy be made more flexible in terms of the types and quantum of uses proposed, such as alternative employment use classes instead. They suggested the following wording for the type of development that should be allocated at the site:
'Approximately 100 homes or alternative employment use classes subject to justification in the planning application process, particularly in terms of transport and impact on nearby local centres.'
- 4.4.29 It emerged during discussions with the site promoters in 2025 that there was now developer interest in housing for the northern parcel of The News Centre site. The decision was made by PCC and in discussion with the site promoters not to include a new policy in the Local Plan Addendum 2025, which partially allocated the site for employment. Instead, minor changes were agreed to draft Policy PLP14 of the Pre-Submission Local Plan 2024 that did not change the quantum or type of development allocated for the site. They are included in the Schedule of Minor Modifications that will be submitted for examination along with the Local Plan.

⁵² <https://www.portsmouth.gov.uk/wp-content/uploads/2024/10/Land-West-of-Portsdown-Technology-Park-SCG-September-2024-Final-Signed.pdf>

⁵³ <https://www.portsmouth.gov.uk/wp-content/uploads/2025/10/Signed-Land-West-of-Portsdown-Technology-Park-SCG-August-2025.pdf>

- 4.4.30 A Statement of Common Ground⁵⁴ has been agreed with City & Regional Ltd confirming the intention to provide residential use (C2 and/or C3 accommodation) on the northern parcel of the News Centre site.

Omission sites

- 4.4.31 An omission site is a piece of land promoted for development by landowners or developers that has not been identified or allocated for development in the emerging Local Plan. There is one omission site for the PLP and it has been put forward by Vail Williams on behalf of First Bus. The omission site is the current Hilsea Bus Depot which is promoted for employment (most likely industrial/warehouse) uses. The representation relates to Policy PLP25: Employment Target and recommends the allocation of more smaller sites, including Hilsea Bus Depot, to improve the chance of delivery and to meet market demand.
- 4.4.32 No change has been suggested by the Council for the Schedule of Changes in response to the representation from First Hampshire & Dorset Ltd; the supply of employment sites was assessed in the 2025 HELAA. Hilsea Bus Depot is in active current use as a bus depot and is not currently available as an employment site. If and when it comes forward for development for new industrial floorspace it will be duly considered under emerging Policy PLP25: Employment Target and PLP26: Safeguarding Employment Land which encourages the redevelopment of existing employment premises that provide improved employment accommodation. Its development for employment could come forward as windfall and does not require allocation.
- 4.4.33 The figures above are listed in Table 7.1 of PLP25: Employment Target. Employment floorspace allocated at the sites is set out in Table 6 below.

Table 7: Development Quanta for the Site allocations

Site Allocation Name	Offices (E(g)(i)) (m²)	R&D / Industrial processes (E(g)(ii/iii) (m²))	Manufacturing / Warehousing (B2/B8) (m²)
Land West of Portsdown Technology Park	0	6,250	6,250
Total	0	6,250	6,250

4.5 Policy Approach

- 4.5.1 Supply and need evidence as set out in tables 2, 6 and 7 above forms the sources of employment land in Portsmouth set out in Table 8 below. These employment figures form Table 7.1 of PLP25: Employment Target in the Local Plan Addendum, totalling, 60,248m² of offices supply, 14,118m² of R&D/industrial processes supply, and

⁵⁴ https://www.portsmouth.gov.uk/wp-content/uploads/2026/01/FINAL_SCG_PCC_City-Regional-Ltd_signed_redacted.pdf

64,380m² of manufacturing and warehousing supply, totalling 138,746m² of employment floorspace as set out in Table 8.

- 4.5.2 Overall evidence from studies and stakeholder and landowner engagement suggests the City is seeing a 'flight to quality' in terms of office spaces moving away from dated office blocks towards high quality office spaces, therefore the majority of the City's office supply is allocated at Lakeside North Harbour, with a smaller allocation at the City Centre as part of the City Centre North regeneration scheme. Land West of Portsdown Technology Park is suitable for large scale employment intensification as an extension to the existing employment park, and therefore is allocated for R&D, industrial processes (E(g)(ii/iii)) and manufacturing (B2) and warehousing (B8) uses. Tipner West is allocated for new employment development including marine uses (classes E(g)(ii) and (iii) research and development and light industrial, B2 general industrial and B8 storage or distribution) and ancillary office space to provide a substantial quantum of new business floorspace.

Table 8: Sources of Employment Land in Portsmouth (Table 7.1 of the Local Plan Addendum 2025)

Source		Office (E(g)(i)(m ²)	R&D/ industrial processes (E(g)(ii&iii) (m ²)	Manufacturing / warehousing (B2/B8) (m ²)	Total employment (m ²)
Extant permissions 31 March 2025		4,402	7,868	33,130	45,400
Strategic site	Portsmouth City Centre	5,846	-	-	5,846
Strategic site	Tipner West	-	-	25,000	25,000
Strategic site	Lakeside	50,000	-	-	50,000
Site Allocation	Land West of Portsdown Technology Park	-	6,250	6,250	12,500
Total		60,248	14,118	64,380	138,746

- 4.5.3 Bringing together the office floorspace requirement of 25,880m² and 60,248m² of office supply, there is a potential over-supply of office floorspace, subject to an increased return to office in the future. This oversupply of offices can help to meet unmet need in the neighbouring borough of Havant.
- 4.5.4 The HEDNA 2023 notes there has been a considerable amount of Mixed B-Class floorspace delivered, the majority of which is either industrial or R&D led. For future needs calculations, it merges these into a single Industrial Category which also includes warehouses. For this reason, Policy PLP25 sets out the position in terms of combined manufacturing, warehousing and research and development need. (81,605m²) and supply (78,498m²), demonstrating there is a small under-supply.

4.5.5 Need for new employment floorspace can be met by the supply of sites through both allocations and permissions. In summary, there is an overall surplus of 31,261m² of new employment floorspace, which is entirely office floorspace. This is set out in Policy PLP25: Employment Target of the Pre-Submission Local Plan Addendum 2025.

4.5.6 At the time of writing (February 2026), discussions are underway with Havant Borough Council, which is located in the same FEMA as Portsmouth. They wrote to the City Council early in early 2025 requesting help in meeting their unmet employment need. Correspondence from Havant Borough Council in September 2025⁵⁵ clarifies the current contribution position and explains that collaboration between the Havant Borough and Portsmouth City Councils will contribute towards the reduction of a sizeable proportion of unmet employment need. This has been formalised through a Statement of Common Ground⁵⁶ (February 2026).

4.6 2024 Regulation 19 Representations on PLP25: Employment Target

4.6.1 This section sets out the representations that have been made on PLP25: Employment Target at the Pre-Submission PLP (Regulation 19) 2024 consultation, which ran between 9 Jul 2024 - 3 September 2024. All responses to the consultation will be included in the Regulation 22 Consultation Statement, to be published when the Local Plan is submitted for examination.

4.6.2 Vail Williams, on behalf of First Hampshire and Dorset Ltd, raised concerns over the under supply of industrial floorspace in the City, and considered that reliance on two large sites to meet need is a significant risk. They are concerned by the perceived shortfall in provision of smaller sites. They stated that there is no evidence of the Council having sought alternative/additional sites to make up the shortfall. This representation suggested that the current Hilsea Bus Depot site provides an opportunity for providing smaller units, particularly given the existing employment nature of the site. No change has been suggested by the Council for the Schedule of Changes in response to the representation from First Hampshire & Dorset Ltd; the supply of employment sites was assessed in the 2025 HELAA. The matter of allocating the current Hilsea Bus Depot is discussed above under 'omission sites.'

4.6.3 Southampton City Council (SCC) suggested an amendment to the Plan as part of their Regulation 19 response in regard to offices, requesting that any applications that would exceed the target for offices set in Policy PLP25 should be subjected to a sub-regional sequential assessment. This would be to establish whether any alternative sites are available in neighbouring local authorities, including Southampton City Centre. Officers from PCC and SCC met to discuss this strategic cross boundary issue. Due to need for new jobs and employment premises in the City, PCC did not amend the Policy, but did agree on the need for careful monitoring of the employment

⁵⁵ <https://www.portsmouth.gov.uk/wp-content/uploads/2025/10/250910-Response-to-PCC-re.-housing-and-employment-need.pdf>

⁵⁶ https://www.portsmouth.gov.uk/wp-content/uploads/2026/02/Final_SCG_HBC_PCC_Feb-26_SIGNED.pdf

target. As a cross-boundary strategic issue, PCC are continuing to work with SCC to promote the economies of both Cities and the wider Solent economy.

5. Safeguarding Employment Land

5.1 Introduction

- 5.1.1 This section sets out the evidence behind the drafting of Policy PLP26: Safeguarding Employment Land. This policy is a new policy approach for the City intended to safeguard all existing and allocated employment sites that are fit for purpose from redevelopment to other uses, particularly housing.

5.2 Employment land context

- 5.2.1 Section 4.4 of this Topic Paper broadly covers the evidence on employment land supply in the City. Due to the City's constrained island geography, supply of new employment land is limited. Evidence from the HEDNA regarding office spaces shows there has been a slowdown in demand for larger offices and many enquiries from larger businesses looking to downsize. There is a lack of quality office space in the south of the City (including the City Centre), with many landlords changing their premises to residential use instead of refurbishing aging stock. However, there is also a lack of grow-on space in the market for start-ups looking to expand.
- 5.2.2 In terms of industrial employment spaces, the HEDNA notes the market in Portsmouth is strong, however, there is a lack of supply, and many businesses cannot find a suitable space within budget. Start-up and small-medium enterprise (SME) spaces such as Portsmouth Enterprise Centres, are generally well-occupied and units tend to only remain vacant for up to a month, indicating specific demand for incubator space in the City. Stakeholder engagement also indicates that mid-sized units see strong take-up and vacancies are short-lived, with there being demand for move-on space across the City and a limited supply of affordable mid-sized stock suitable for SME expansion for occupiers that have outgrown the smaller, light industrial units.
- 5.2.3 Therefore, as well as providing new employment floorspace, it is important to safeguard existing premises in the City that are fit for purpose, particularly high-quality office spaces and a range of industrial and warehousing spaces. Evidence from the HELAA indicates that some of the City's existing, poorer quality office and industrial units have potential to be redeveloped, and so PLP26: Safeguarding Employment Land seeks to recognise the need for flexibility in the supply of employment land, in order to respond to changing business requirements.

5.3 Marine and maritime land safeguarding

- 5.3.1 Evidence from the HEDNA 2023 notes that the City has a strong advanced manufacturing sector, notably in the marine and maritime sector, with a huge competitive advantage in terms of supply chain demand for marine related engineering and research. The HEDNA Update 2025 notes the City has clear advantages and opportunities in the marine sector.

- 5.3.2 Tipner West is identified by the Solent Waterfront Assets Register as the largest and best Tier 1 site with development potential for marine and maritime employment in the Marine Employment Land Assessment⁵⁷ (2023).
- 5.3.3 In particular, Tipner West & Horsea Island East was identified and assessed in both the HEDNA 2023 and HELAA 2023 as being a prime site for specialist occupiers due to its waterside location with potential for deepwater access and the notable lack of alternative sites of its kind, especially those with marine access. This emphasises that given that marine and maritime industries are key business sectors in the City and the wider Solent and the lack of alternative sites, Tipner West & Horsea Island East could be reserved for those specific occupiers that need them. Due to the Council's decision in early 2025 to avoid adverse impacts on international conservation designations that cannot be mitigated, a regionally significant marine hub cannot be pursued at Tipner West, and therefore a reduced quantum of employment development, with marine uses is proposed for allocation in PLP3: Tipner West of the Pre-Submission Local Plan Addendum 2025.
- 5.3.4 The importance of the marine and maritime industry is highlighted in Policy PLP26, which sets out that all employment premises on waterfront sites, particularly those with deep-water access, will be protected in the Local Plan for marine related employment and associated uses in order to support the further development of the marine and maritime economy.

5.4 Marketing Requirements

- 5.4.1 Appendix 4 of the Pre-Submission Local Plan 2024 sets out the Marketing Requirements for Change of Use Applications. The Marketing Requirements seek to prove through a full and active exercise that an employment site is no longer fit for purpose for employment uses.
- 5.4.2 The requirement for a marketing campaign applies to Policies PLP26: Safeguarding Employment Land, PLP28 Town Centres, PLP29: Small Local Shops and PLP52: New and Existing Community & Leisure Facilities. The marketing period for Policies PLP26, PLP28 and PLP29 is set at six months. This allows for sufficient time to test market demand for the existing use. To assist decision-making, as part of any planning application submitted which involves the loss of employment land, a marketing report proportionate to the scale and type of the proposed change of use will need to be provided. The evidence provided as part of the Marketing Report should evidence that there is no longer a reasonable prospect of the site being used for the existing employment use.
- 5.4.3 The marketing requirements in the Local Plan have been prepared based on practical officer experience and through discussion and involvement with PCC's Development Management and Economic Development teams in order to develop and implement a standardised, policy-led approach to employment land safeguarding in the City.

⁵⁷ https://www.portsmouth.gov.uk/wp-content/uploads/2024/09/MP244-R-09-Land-supply-v4-Final_Appx.pdf

5.5 2024 Regulation 19 Representations on PLP26: Safeguarding Employment Land

- 5.5.1 This section sets out the representations that have been made on PLP26: Safeguarding Employment Land at the Pre-Submission PLP (Regulation 19) 2024. All responses to the consultation will be included in the Regulation 22 Consultation Statement, to be published at a future date.
- 5.5.2 Southampton City Council in their representation noted they support the policy approach of refusing development proposals resulting in the loss of marine business premises on waterfront sites. They note this is justified by the Government's Maritime 2050 strategy and that the policy approach mirrors the approach being taken by SCC in its new Plan.

6. Employability and Skills

6.1 Introduction

- 6.1.1 This section reviews the context behind Policy PLP27: Employability and Skills. It sets out the evidence on skills and qualifications as well as the position for improving skills and access to jobs.

6.2 Strategies and background on employability and skills

Economic Development and Regeneration Strategy

- 6.2.1 Theme 3 "put people at the heart of regeneration of the Economic Development and Regeneration Strategy [and] sets out three key objectives to address skills and education deficiencies and support those excluded from the labour market. This includes prioritising a qualification for local talent progression skills and employment strategy; addressing low educational attainment and pupil attainment; and empowering residents in Portsmouth to raise the City's economic activity rate.

Skills and Labour Market Strategy 2020-2025

- 6.2.2 PCC has adopted the Skills and Labour Market Strategy⁵⁸, which seeks to align skills provision to local employment needs and ensure residents are able to access local opportunities. It provides a focussed strategy driven by a clear action plan to support recovery and growth.
- 6.2.3 At the core of the strategy is ambition. This places emphasis on raising aspirations, developing homegrown talent to support skills needs, and providing educational and training support to support the City alongside a rapidly changing industrial landscape.
- 6.2.4 The strategy highlights several weaknesses and threats to Portsmouth, noting a low number of residents progress to a Level 4 qualification or higher and has a low percentage of people going to university. Resident salaries are lower than the national average, indicting a lower skills level of the workforce. Large numbers of the resident population leave the City each day to work and mainly these are in lower skilled job types and many of the City's higher paid and skilled jobs are taken by employees commuting into it, and not by residents.
- 6.2.5 At the time of writing (February 2026), the Skills and Labour Market Strategy 2026-2030 is currently in the final stages of preparation, building on the ambition and progress of the current strategy.

6.3 Skills and qualifications evidence and policy approach

- 6.3.1 The HEDNA 2023 and HEDNA Update 2025 provides an overview of skills and qualifications attainment in Portsmouth in relation to the South East and England as a whole.
- 6.3.2 Relating to occupational groups, the HEDNA Update 2025 explains that Portsmouth has a level of its population (54.8%) in top three occupation groups (managers,

⁵⁸ <https://www.portsmouth.gov.uk/wp-content/uploads/2021/06/Skills-and-labour-market-strategy-accessible.pdf>

professionals and technical roles), higher with the national average (53.3%) but below the South East (56.9%). It also has a slightly lower percentage of its population in the bottom four occupation groups, compared to the national average, particularly in caring, leisure & other service occupations and sales & customer service occupations. Evidence reflects much lower levels of representation in key employment sectors such as professional scientific and technical jobs, which are typically higher earning and higher value.

- 6.3.3 Policy PLP27: Employability & Skills therefore permits development proposals that at both construction and occupation stages tackle skill shortages in existing and potential business sectors. It places particular emphasis on addressing skills shortages in manufacturing and engineering, including marine and space businesses, life sciences, creative industries and sustainable construction methods in order to tackle the City's underrepresentation in these sectors.
- 6.3.4 Paragraph 12.48 of the HEDNA 2023 states that latest ONS data from the Annual Population Survey reports that the City's working age population has a slightly higher level of degree educated (NVQ4+) workers than wider comparator areas and a higher proportion at NVQ3+ level. However, Portsmouth has challenges in terms of resident qualifications. The City also has a higher percentage of population without any qualifications compared to the South East. In terms of skills and qualifications, the City's residents face a number of challenges, as skills indicators reflect performance below the national average and lower levels of representation in key employment sectors. These typically lower levels of educational attainment present a weakness for the City's economic growth and productivity.
- 6.3.5 In response to these local challenges, Policy PLP27 seeks to raise local skill levels and increase employability. These should be demonstrated in an Employment and Skills Plan submitted as part of any housing or commercial development proposal which meets the criteria; this is further discussed in section 6.4 of this Topic Paper.
- 6.3.6 Paragraph 12.51 of the HEDNA 2023 explains that many parts of the City fall into the top 10% most deprived areas in the country in terms of income, education, employment, health, crime and housing. This means there are some residents who have low skills and have difficulty in accessing good quality employment.
- 6.3.7 Taking into consideration the above, the Pre-Submission Local Plan 2024 considers the ways in which some people may face multiple barriers to getting to work. Therefore, Policy PLP27 seeks to address barriers for economically inactive people including those who have protected characteristics.

6.4 Supplementary Planning Documents

- 6.4.1 The City currently has an adopted Achieving Employment and Skills Plans Supplementary Planning Document (SPD)⁵⁹ which details further guidance on

⁵⁹ <https://www.portsmouth.gov.uk/wp-content/uploads/2020/05/Achieving-Employment-and-Skills-Plans-Supplementary-Planning-Document.pdf>

Employment and Skills Plans (ESP) including the process for preparing and implementing them.

- 6.4.2 An ESP is prepared by a developer with the help of the Council to achieve positive education and employment outcomes for local people. It seeks to secure a wide range of employment and training opportunities including work experience, apprenticeship training and the creation of new jobs. The SPD sets out how new developments can contribute towards providing training and employment opportunities for local people. To ensure that it does not place too many burdens on small developers, ESPs are only requested from major housing and commercial (including office, retail, leisure, hotels, industrial, and warehousing) development, which is defined as 10 or more residential units, or more than 1000m² of commercial floorspace.
- 6.4.3 The SPD sets out an appropriate threshold which represents a more substantial development, therefore planning applications, specifically those that have more than 30 residential units or 1,000m² of commercial floorspace, will require an ESP. Policy PLP27 brings forward the SPD threshold and is relevant to all housing schemes of more than thirty homes at the construction phase of the development and all commercial schemes that would provide more than 1,000m² of new commercial floorspace at the occupation stage of the development.
- 6.4.4 As the SPD was adopted in July 2013, the Council has recognised the need to prepare an updated planning guidance document. At the time of writing (March 2026), the Council's Economic Growth team is preparing an updated Employment and Skills guidance note. Policy PLP27 requires applicants to seek advice from both the local planning authority and the Council's Economic Growth team at the earliest opportunity on measures relevant to a planning application.

7. Town Centres

7.1 Introduction

7.1.1 This section sets out the City's retail and leisure need over the next ten years of the Plan period. It explains the evidence behind the formulation of Policy PLP28: Town Centres and the designation of Portsmouth's identified City, Town, District, Local and Neighbourhood Centres in the Town Centre Hierarchy in the Pre-Submission PLP 2024. The Town Centre Hierarchy is defined in PLP28 and shown below in Figure 1.

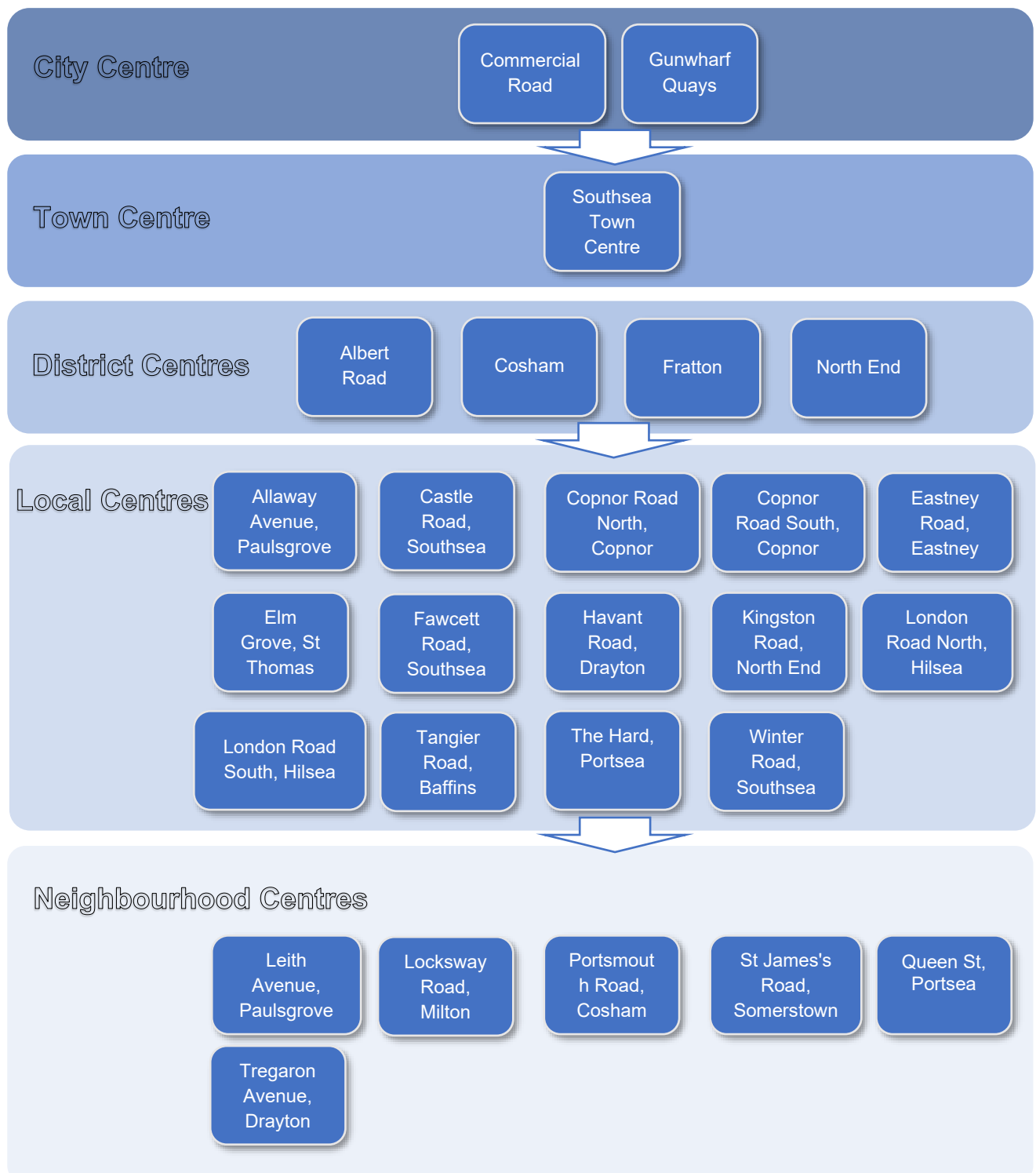


Figure 1: Portsmouth's Town Centre Hierarchy in the Pre-Submission PLP 2024

7.2 Retail and Leisure Need

7.2.1 A Retail and Leisure Study Update 2024⁶⁰ was prepared by JLL to provide advice on the future retail and commercial leisure needs for Portsmouth and an updated assessment of the performance of its main City, Town and District Centres.

7.2.2 The Retail and Leisure Study Update provides an assessment of the quantitative need for comparison and convenience goods floorspace that needs to be planned for. Table 9 below sets out the need for additional retail floorspace over the next ten years. With regard to comparison goods, the Study indicates there is a need to plan for an additional 6,300 - 6,700m² of retail floorspace across the City. The majority of this is concentrated within Commercial Road shopping area part of the City Centre and Gunwharf Quays. In relation to convenience goods, there is limited need for additional floorspace over the plan period, with only an additional 300 to 450m² needed within the City.

Table 9: Comparison and Convenience Goods Floorspace Capacity at 2032

Centre	Additional Floorspace Capacity at 2032 (sq.m)	
	Low population scenario	High population scenario
Comparison Goods Retailing		
Portsmouth	6,300	6,700
Portsmouth City Centre	2,500	2,800
Portsmouth City Centre & Gunwharf Quays	4,300	4,600
Convenience Goods Retailing		
Portsmouth	300	450

7.2.3 The Pre-Submission PLP 2024 does not specifically allocate land for retail use due to the flexibility allowed for by the Use Classes Order to transition between Class E uses, as well as evidence indicating a wide scale move away from traditional retail shopping. PLP4: Tipner East is allocated for 716m² of commercial floorspace (Classes E, F1 and F2), as well as 840m² of ancillary commercial uses at the transport hub. No specified quantum of retail development is allocated in PLP6: Portsmouth City Centre due to retail trends away from traditional big box retailers, however, the policy seeks to protect and enhance the City Centre's retail offer. It is also anticipated that large scale new residential development will be associated with a more culture and leisure focused destination with an increase in the food and drink offer and more independent retailers. As stated in section 4.4 of this Topic Paper, Lakeside North Harbour is also suitable for a mix of leisure, retail or commercial uses that complement the existing office park if offices do not come forward during the plan period.

7.2.4 In relation to leisure services, spending growth in the population of Portsmouth and personal spending over the plan period will generate an additional £34-35m of

⁶⁰ <https://www.portsmouth.gov.uk/wp-content/uploads/2024/07/Portsmouth-Retail-Study-Update-2024.pdf>

expenditure, representing a growth of 7.5%. For this reason, Policy PLP28: Town Centres seeks to encourage new leisure and cultural services in the City and encourage leisure, culture and arts uses, restaurants, cafes and bars, events and markets in the designated Centres. Criterion 1 d) of Policy PLP6: Portsmouth City Centre in the PLP Addendum 2025 allocates cultural, civic, educational and leisure uses along with housing, employment and a new green space. It is expected that residential development in the City Centre will support cultural and leisure development across the City Centre including at Commercial Road and the Guildhall Quarter.

7.3 Town Centres Assessment

- 7.3.1 As part of the preparation of the Local Plan, the Council reviewed the existing Centre boundaries designated in The Portsmouth Plan (2012) and the Southsea Town Centre Area Action Plan⁶¹, as well as the draft boundaries proposed at earlier stages of the Regulation 18 Local Plan. This was conducted through a comprehensive assessment of the centres across City, examining the role and function of each designated centre, and of centres not previously designated. The boundary review process included a health check of the existing City, Town, District and Local Centres to assess the mix of retail uses present in the centres and inform the officer assessment of the boundaries. From this assessment, a number of adjustments to the town centre hierarchy are proposed. Boundary adjustments and new centre designations are set out in the Town Centre Assessment⁶² (2024).
- 7.3.2 Alongside an updated assessment of the health of the City's centres, the Retail and Leisure Update Study 2024 considered each proposed alteration and made recommendations for boundary adjustments. The Study highlighted that there was a noticeable variation in size and function of some of the centres, with a number of very small centres comprising a small number of units and not well served by public transport, limiting the centre's catchment to residents in walking distance. As a result, the Study recommended the identification of a lower level 'Neighbourhood Centre' to the town centre hierarchy. PCC's actions and response to the recommendations is included in chapter 10 of the Assessment.

⁶¹ <https://www.portsmouth.gov.uk/wp-content/uploads/2020/05/development-and-planning-southsea-town-centre-area-action-plan.pdf>

⁶² https://www.portsmouth.gov.uk/wp-content/uploads/2024/11/FINAL_Town_Centres_Assessment_July_2024.pdf

8. Small Local Shops

8.1 Introduction

- 8.1.1 This section sets out the evidence behind the preparation of Policy PLP29: Small Local Shops of the Pre-Submission Local Plan 2024. This is a new policy for the City, which identifies that smaller scale shops located outside of the town centre hierarchy play an important role in providing for the day-to-day shopping and service needs of residents, particularly for those living in areas poorly served by public transport or without easy access to identified centres.

8.2 Small local shop threshold

- 8.2.1 Evidence was collected by JLL as part of the Retail and Leisure Study Update⁶³ to determine the average small shop size in the City in order to set an appropriate threshold of the net sales area of a small local shop located outside of a designated hierarchy of town centres.
- 8.2.2 Average unit sizes across the City, Town and District Centres in Portsmouth were calculated using the Experian Goad UK averages. Taking this information, all larger units of 1,000m² or above were excluded, to determine the average small shop size. The average unit sizes of small shops in Portsmouth are set out in Table 10 below.

Table 10: Average unit size and average small unit size in Portsmouth (m²)

Unit size/Centre Name	Portsmouth City Centre	Southsea	Albert Road and Elm Grove	Cosham	Fratton	North End	Overall Average
Average unit size (m ²)	398.7	204.3	121.8	199.9	249.2	190.4	227.4
Average small unit size (m ²)	195.8	155.0	118.0	162.8	167.2	176.3	162.5

- 8.2.3 Considering the figures above, the average size of a smaller shop unit in the City ranges from 118m² at Albert Road and Elm Grove District Centre to 195.8m² in the City Centre. The standard threshold figure for small local shops is no more than 280m² shop area floorspace, which accords with the provision of the Sunday Trading Act 1994. Evidence indicates that in Portsmouth, the average shop size is considerably smaller than the standard threshold; the average small shop size is 162.5m².

⁶³ <https://www.portsmouth.gov.uk/wp-content/uploads/2024/07/Portsmouth-Retail-Study-Update-2024.pdf>

- 8.2.4 Considering the average small shop size, and to accord with the threshold set in Class M⁶⁴ in the GPDO, Policy PLP29 sets the threshold permitted for small local shops or services outside an identified centre as less than 150m².

⁶⁴ <https://www.legislation.gov.uk/uksi/2015/596/schedule/2/part/3/crossheading/class-m-retail-or-betting-office-or-pay-day-loan-shop-to-dwellinghouses>

9. The Way Forward and Conclusion

- 9.1.1 This Topic Paper has set out the evidence on the Council's approach to identifying employment supply and need in Portsmouth and how this will be addressed over the Plan period. This includes an explanation of the process through which employment floorspace needs have been calculated and how this evidence has been updated up to the preparation of the Pre-Submission Local Plan Addendum 2025.
- 9.1.2 Section 4 has established that the employment needs for the City over the plan period are **25,880m²** of office floorspace and **81,605m²** for combined manufacturing, warehousing and research and development floorspace. Drawing the need (**25,880m²**) and supply (**60,248m²**) positions together, there is an indication of a potential over-supply of office floorspace subject to a more pronounced return to office usage in the future. The position in terms of combined manufacturing, warehousing and research and development need (**81,605m²**) and supply (**78,498m²**) is that there is a small under-supply.
- 9.1.3 The City Council considers that the need for new employment floorspace can be met by the supply of sites through both allocations and permissions. This is set out in Policy PLP25: Employment Target of the Pre-Submission PLP Addendum 2025.
- 9.1.4 The Council's employment evidence as set out in section 4 of this topic paper demonstrates that drawing together the need (107,485m²) and supply (138,746m²) positions from the HEDNA and HELAA, there is a surplus of 31,261m² new employment floorspace. Through ongoing duty to cooperate discussions, PCC have agreed to provide the surplus of 31,261m² employment floor space towards Havant's unmet employment needs. This would reduce Havant Borough's unmet need for office demand to 2,498 square metres.