



## Appendix 2

### Policy, Guidance and Strategy Context

## **APPENDIX 2 – POLICY, GUIDANCE AND STRATEGY CONTEXT**

A2.1 This Appendix provides a detailed summary of various policy, guidance and related statements and documents relevant to marine activity within the Solent Waterfront area.

### **EXISTING AND EMERGING LAND USE PLANNING POLICY CONTEXT**

#### **National Policy**

##### ***New Marine Bill White Paper***

A2.2 The Government published a new Marine Bill ‘A Sea Change’ for consultation in March 2007 that puts forward proposals for legislative measures to help deliver the Government’s vision of ‘clean, healthy, safe, productive and biologically diverse oceans and seas’. The White Paper sets out an integrated suite of proposals that constitute a new five-pronged approach for the management of marine activities:

- A new UK-wide system of marine planning;
- A streamlined, transparent and consistent system for licensing marine developments;
- A flexible mechanism to protect natural resources, including marine protected zones with clear objectives;
- Improvements to the management of marine fisheries in relation to England, Wales and Northern Ireland and the ability to share the costs of management with commercial and recreational sectors;
- A new Marine Management Organisation (MMO) delivering UK, England and Northern Ireland functions.

A2.3 The new system of marine planning will be a key element of the new approach. The Government intends to adopt a two-stage, plan-led approach to marine planning to help secure the maximum sustainable benefits for marine resources whilst ensuring appropriate environmental protection. A new UK marine policy statement will set out short and long-term objectives for the marine environment. This policy statement will be implemented through a series of marine plans applying to specific geographical areas and providing a spatial context to cover the whole of UK waters. The new MMO will be delegated responsibility for future marine planning.

A2.4 Legislative changes are proposed to streamline, simplify and consolidate the marine licensing process, with the new MMO administering licensing and providing integration and consistency between licensing regimes. The heart of the licensing system controlling activities in tidal waters and in ports and harbours will be reformed by consolidating existing consent regimes (Part 2 of Food and Environmental Protection Act (FEPA) and Part 2 of the Coastal Protection Act (CPA)) and will also extend to include all forms of dredging. In future only one licence will be needed where previously there has often been a need for two: the concept of ‘one project:one licence’. There are further proposals to change the scope of marine licensing as it applies to carbon capture and storage; offshore renewable projects; harbour legislation; activities carried out under the Transport and Works Act 1992 and; minor changes to cable-laying operations.

A2.5 Proposals for the management of the marine environment include introducing new tools to protect marine biodiversity and minimise the impact of damaging activities. In parallel to legislation to protect species and habitats of European importance, the Government propose to introduce new legislation to enable the designation and management of Marine Conservation Zones (MCZs). MCZ's are intended to provide protection for species and habitats of national value that cannot be protected under European law. Further legislative changes are proposed to address currently unregulated activities (such as recreational and tourist activities) where these might have an impact on MCZs or important marine wildlife outside protected areas. New enforcement mechanisms will provide a comprehensive toolkit to ensure compliance with conservation legislation.

A2.6 The newly created MMO is to be the main delivery vehicle for the range of marine administrative functions proposed in the Marine Bill with future responsibility for strategic planning, the streamlined marine licensing regime, fisheries management and enforcement and nature conservation enforcement. The new organisation is proposed to be a centre of marine expertise, providing a consistent and unified approach and delivering improved co-ordination, information and data, reducing administrative burdens.

### ***Planning Policy Guidance Note 20: Coastal Planning***

A2.7 This guidance recognises the coast as an important national resource and that the key policy issues for coastal planning are: the conservation of the natural environment; development, particularly that which requires a coastal location; risks, including flooding, erosion and land instability; and improving the environment, particularly of urbanised or despoiled coastlines.

A2.8 In respect of policies for development PPG20 states that in the coastal zone, development plan policies should normally not provide for development which does not require a coastal location, and that where new development requires a coastal location the developed coast will usually provide the best option. Examples of the type of developments requiring a coastal location are given, and include: tourism; recreation; developments, including ports, marinas and industries importing bulky raw materials, that depend on access to the sea; mineral extraction; energy generation; and waste water and sewage treatment and disposal.

A2.9 The guidance also states that coastal habitats of national and international importance should be protected and conserved and that policies should seek to minimise development in areas at risk from flooding, erosion and land instability.

### ***Modern Ports: A UK Policy***

A2.10 Although subject to review, this document remains the current UK ports policy. It recognises that the ports industry is market led and that ports serve the national interest, supporting the competitiveness of national and regional economies, and that it is in the national interest that the UK's ports remain able to handle current UK trade and its potential development efficiently and sustainably.

A2.11 In respect of container gateway ports the policy recognises that these have become increasingly important to their local and regional economies as their

business has grown, before stating that if such ports were to lose their existing business it would have corresponding substantial adverse consequences, a consideration that is recognised to be of national interest.

A2.12 The policy emphasises that it is important to make the most of the transport infrastructure the country already has and ensure that it works effectively. It also recognises that the pressure for expansion from the market is greatest at ports handling container and roll-on roll-off traffic. Policy also recognises that whilst ports have been created to take advantage of deep water, such environments are also of high importance to wildlife. It goes on to recognise that port operations need not be incompatible with nature conservation interests but that new infrastructure which would adversely affect environmentally sensitive areas must pass special tests.

### ***Ports Policy Review Interim Report (July 2007)***

A2.13 The Department for Transport (DfT) has been undertaking a review of its policies regarding ports. The Ports Policy Review was launched in May 2006 for consultation. DfT published its first interim report in July 2007 setting out general conclusions about the future direction of ports policy for England and Wales following initial consultation.

A2.14 The interim report indicates that the Government anticipates demand for port traffic is likely to exceed available capacity and in the absence of new development or large efficiency improvements over the coming decade this could potentially significantly constrain future economic growth, as could congestion on port access routes and the wider inter-urban network. Particular constraints are highlighted as:

- deep sea container terminals in the Greater South East, closest to the major shipping routes;
- feeder capacity (both berths and short sea shipping services) around the country for container movements via hub ports elsewhere; and
- roll-on - roll-off terminal capacity in the South East, serving short-sea routes to the Continent.

A2.15 The report reiterates the Government's view that commercial port operators are best-placed to make decisions about where and when to invest in the port sector i.e. the ports industry should remain market led. There would be no additional benefit from a locally or regionally determinative ports policy. The report argues that the Government's main responsibility is to create the conditions in which investment is encouraged, and yet sustainability is ensured.

A2.16 In respect of safeguarding, the report recognises that the planning system, at regional and local level, remains best placed to determine needs for safeguarding significant port facilities, even where underused, given their potential value in the longer term. However, in the very long run, the report argues that where there are pressures for alternative use now, it is right to take into account the potential value of other land uses. Recommended guidelines include

- a strong presumption against safeguarding where there is little realistic likelihood of the facility being brought back into significant port operational use within a period of fifteen years or where the alternative use being proposed can easily be terminated and the land reinstated to port use within that time;

- a strong presumption in favour of safeguarding where there is at least a reasonable likelihood of restitution to significant operational use within fifteen years and where the alternative use in contemplation is one, such as residential development, which will be difficult to reverse.
- within the range described by these cases, judgement based on appraisal of costs and benefits should be exercised by decision-makers in the planning system.

A2.17 A range of recommendations emerging from the December 2006 report 'Transport's role in sustaining the UK's productivity and competitiveness' (the Eddington Report) are also considered relevant to the review of ports policy, including the identification of the key inter-urban corridors and the key international gateways that are the most economically significant parts of the network and are showing signs of increasing congestion and unreliability, including the possible targeting of these areas for future investment.

## **Regional Policy**

### ***Regional Planning Guidance for the South East – March 2001 and The South East Plan (Draft Plan for Submission to Government)***

A2.18 Existing regional planning policy is contained with Regional Planning Guidance for the South East March 2001 (RPG9). The emerging South East Plan produced by the South East of England Regional Assembly (SEERA) was submitted to Government in March 2006 and was the subject of a public examination between November 2005 and March 2007. Once adopted this new Regional Spatial Strategy (RSS), will replace the existing regional planning guidance contained within RPG9. The Panel issued their Report following the EiP in August 2007 and the following paragraphs make reference to their recommendations. It is anticipated that Government will issue its Proposed Changes to the RSS for public consultation early in 2008 following consideration of the Panel's recommendations.

A2.19 RPG9 recognises that the south east region as a whole is a gateway to the rest of the United Kingdom, with transport infrastructure of national and international importance (paragraph 2.3). Reference in this context is made to six major ports two of which (Southampton and Portsmouth as shown on Maps 1 and 2 of Annex 1) are within the study area.

A2.20 RPG comments that the region is particularly sensitive to the effects of climate change in particular noting that the sea level is rising, threatening important coastal habitats and increasing the risk of flooding (paragraph 2.15). Referring to a study on the impacts of climate change in the South East in the 21<sup>st</sup> Century '*Rising to the Challenge*', RPG recognises that coastal features such as Hurst Castle, land in the Solent and East Head at the mouth of Chichester Harbour risk being lost in more frequent coastal storms. Furthermore, the guidance notes that ports are likely to be affected by more frequent storms and winds.

A2.21 Key development principles in RPG that should govern the continuing development of the region are set out in paragraph 3.5. These principles include the South East's international connections being developed as a basis for enhancing the region's attractiveness in Europe and the world and increasing economic objectives by raising skill levels and reducing disparities, in particular through positive

investment for the Thames Gateway and identified Priority Areas for Economic Regeneration (PAER). The study area contains two PAERs, namely South Hampshire, Southampton and Portsmouth, and the Isle of Wight. Policy RE7 requires local and regional partners to give particular attention to actively supporting economic regeneration and renewal, including inward investment in PAERs.

A2.22 RPG recognises that the region contains significant areas of land that are statutorily designated in recognition of their intrinsic environmental, wildlife, landscape or cultural value. Policies in RPG seek to protect such areas, particularly those designated at international or national level.

A2.23 RPG policy E4 specifically requires the landscape, wildlife, natural character and built heritage qualities of the coastal zone to be protected and enhanced. It further requires development plans to reflect national policy advice and provide appropriate policies for the safeguarding, development, enhancement and regeneration of coastal zones. Development plans are specifically encouraged to include policies for the enhancement of degraded coastal areas, especially within PAERs.

A2.24 In respect of existing employment land resources RPG policy RE5 states that sites for industry and commerce should be developed particularly in urban areas and in places which are accessible by environmentally friendly modes of transport, and that precedence should be given to the re-use of developed land over the release of new land and wherever possible the intensification of use on existing sites should be encouraged. Through Policy RE10 economic diversity is encouraged, facilitating small and medium enterprises, and supporting the growth of a variety of economic sectors including manufacturing. Tourism, arts and culture are encouraged through policy RE11.

A2.25 In respect of the economy of the region as a whole the emerging South East Plan, through policy RE1 encourages local authorities to promote nationally and regionally significant and locally important sectors and clusters through various measures. Research undertaken on behalf of the Regional Assembly (Spatial Requirements of Key Sectors in the South East, Atkins 2005) identifies and analyses regionally significant sectors including marine technologies and makes recommendations for actions by different stakeholders. The Panel recommend that economic opportunities from the market for new environmental products and technologies, and the need to support the growth in this sector, are included in Policy RE1.

A2.26 In relation to employment land generally, the Panel identified “A major deficiency ... is the lack of a clear spatial framework for economic development and employment land in the region (Chapter 6). Despite a strong objective of reducing intra-regional disparities, insufficient mechanisms have been included to ensure sustained economic growth throughout the region. Too much reliance has been placed on the smart growth concept without thinking through the mechanisms necessary to facilitate its delivery” (Panel Report 1.15).

A2.27 The Panel recommends an early partial review of RSS on employment land. It's report recommends that Policy RE2 'Employment and Land Provision' should include joint employment land reviews and that strategic employment land should be focused at locations identified in the sub-regional strategy, or more generally at the

regional hubs or gateways, and allocated or safeguarded in the relevant Local Development Document. In addition Policy RE2 should be strengthened to include the need to safeguard marine-related sites. The Panel recommend an addition to Policy RE2 for the need of such sites to be safeguarded in relevant Local Development Documents with a specific cross reference to key sites of importance to the marine industry identified through SEEDA's Waterfront Strategies.

A2.28 A new policy is recommended to highlight the need for 'smart growth' within each sub-regional strategy. Measures are taken to encourage smart growth in those areas that are underperforming as well as successful parts of the region involving SEEDA and local partners.

A2.29 In addressing intra regional economic disparities the emerging RSS, at policy RE5, in dealing with the coastal belt (including the South Hampshire and Isle of Wight areas) requires local partners to promote the economic potential of the international gateway ports of the region, including Southampton and Portsmouth.

A2.30 The Regional Transport Strategy contained within the RPG (which is effectively repeated in the emerging South East Plan) recognises Southampton and Portsmouth as Regional Hubs, with Southampton also being located on an International / Inter Regional corridor. Southampton and Portsmouth are identified as International Gateways and Ryde on the Isle of Wight is identified as a transport interchange. Policy T1 requires investment in upgrading the transport system to be prioritised to support delivery of the spatial strategy by, amongst other things, supporting the function of the region's international gateways and inter regional movement corridors.

A2.31 Specifically in relation to ports RPG states that priority should be given to improving rail access to the region's deep sea container port facilities at Southampton and Thamesport in order to support existing operations (paragraph 9.43) and that the cross channel ferry services operating out of Portsmouth are of significance for South East England, the South West and the Midlands. The emerging South East Plan at policy T12 states that priority should be given to enhancing the capacity for the movement of freight by rail on certain corridors, the first one being the route from Southampton to the West Midlands. The Panel recommend that Policy T12 should include a comment that rail offers the potential to carry a wider range of goods in the future. Also that this policy should be relocated in the final RSS to before Policy T11 to give more prominence to rail freight.

A2.32 Policy T7 of the RPG9 requires relevant regional strategies, development plans and local transport plans to include policies and proposals for infrastructure that maintains and enhances certain roles played by the regions ports. In relation to Portsmouth these roles are in roll on – roll off (ro-ro) and 'niche' market trades, whereas for Southampton these roles are in the ro-ro, 'niche' market and deep-sea container trades. This policy was initially reproduced as policy T10 in the emerging South East Plan but prior to its examination the regional assembly recommended the policy be altered to require the inclusion of policies and proposals for landside infrastructure that maintains and enhances the role of Southampton and Portsmouth (amongst others) as Gateway Ports. The Panel supported this amendment. In addition, the Panel recommended naming the Port of Southampton as the first Gateway and changing the supporting text to Policy T10 to emphasise the important

global role of the Port. Map 1 should be altered to show the deep-water channel from the port to the main shipping lanes and offshore shipping routes.

A2.33 Policy T8 of RPG9 seeks the development of short sea shipping connections linking the region into the wider European network and between the regions ports, including Southampton and Portsmouth. This policy is not specifically repeated in the emerging South East Plan but the encouragement of short sea shipping connections is incorporated into the amended policy T10 discussed above.

A2.34 Through policy T15 of RPG9 relevant regional strategies, development plans and local transport plans are required to include policies and proposals that, amongst other things safeguard wharves, depots and other sites that are, or could be, critical in developing the capability of the transport system to move freight, particularly by rail or water. The policy further encourages the safeguarding and promotion of sites adjacent to railways ports and rivers for developments, particularly new intermodal facilities and rail connected industry and warehousing, that are likely to maximise freight movement by rail or water. This policy is carried forward with minimal changes into the emerging South East Plan in policies T11 - T13. The Panel recommend that a list of regionally significant transport infrastructure, including those with potential to deliver modal shift, should be included and details of schemes added into the Implementation Plan.

A2.35 RPG9 recognises that the southern coastal strip of the region comprises a particularly diverse landscape and accommodates a huge diversity of tourism related activities. The Isle of Wight's unique situation is noted as presenting particular opportunities and challenges in relation to the further development of its tourism industry (paragraph 14.9). One of the key aims of the tourism strategy set out in RPG9 is to encourage travellers passing through the region's international gateways such as Southampton and Portsmouth to spend time in the south east region.

A2.36 The emerging South East Plan through policy NRM6 seeks the pursuit of an integrated approach to coastal zone planning and management where the dynamic nature and character of the coast is managed through enhanced collaboration between organisations and across administrative boundaries. In Local Development Documents and other strategies, local authorities and other agencies are required to:

- i. Take account of climate change and forecast effects on the coastal zone.
- ii. Promote and establish cross-border and cross-sectoral arrangements to facilitate an integrated approach to implementation of Shoreline Management Plans, Estuary Management Plans and Coastal Habitat Management Plans (ChaMPs). The Panel recommend that the long term horizon for SMPs and linkages to LDFs should be noted here.
- iii. Ensure that development does not prejudice options for managed realignment, significantly affect sediment inputs and transport, lead to an increase in flood risk or preclude the delivery of sustainable flood risk management solutions in the future.
- iv. Restrict development on the undeveloped coastline unless it specifically requires a rural coastal location and does not adversely affect environment, cultural and recreational resources.
- v. Prevent development on unstable land or areas at risk of erosion, as identified in Shoreline Management Plans.

- vi. Realise opportunities for sustainable coastal defences which enhance the region's wildlife, and fisheries, especially where this will continue to the achievement of regional and national biodiversity targets.

A2.37 The emerging RSS also states through policy TSR1 that opportunities should be sought to diversify the economic base of the region's coastal resorts, while consolidating and upgrading tourism facilities in ways which promote higher value activity, reduce seasonality and support urban regeneration.

A2.38 The coastal belt of the study area from Southampton east and the Isle of Wight is identified as a priority area for tourism development and management. Policy TSR7 requires local development frameworks, tourism/cultural strategies and transport plans to seek within the coastal belt complementary approaches to the development and management of tourism so as to upgrade facilities, promote diversity, reduce seasonality and improve access, whilst retaining and enhancing the natural character of the area.

A2.39 A large part of the study area stretching from Fawley in the west around to Hayling Island in the east is included within the South Hampshire sub-region, the subject of a separate chapter in the emerging south east plan. The introduction of this chapter recognises the excellent sea transport links that this sub-region benefits from (paragraph 1.3). Although this sub region contains an extensive stretch of coastline the sub regional strategy contains no strategic policy guidance for the coastal area. The only mention of anything to do with marine activity is a recognition that the area has excellent transport links by sea, a policy requirement that the transport and planning authorities will work together to 'manage the strategic transport network for longer journeys (especially from / to the ports of Southampton and Portsmouth and Southampton Airport), and statements that the ports of Southampton and Portsmouth are both international gateways and employers of sub-regional and local significance respectively. The emerging sub-regional policies themselves therefore fail to identify the marine activity sector / cluster (irrespective of its overall importance) let alone encourage it to the benefit of the economy of the region. Apart from minor recommendations and cross referencing the Panel in their report did little to rectify this deficiency.

A2.40 The eastern part of Chichester Harbour is within the Sussex Coast sub-regional area where the emerging RSS recognises that development potential is constrained by extensive environmental designations and vulnerability to fluvial flooding. Transport infrastructure and accessibility are highlighted as poor which the Plan notes frustrates potential strategic development opportunities and reinforce the area's peripherality. Investment in improvements to east-west road and rail links is a priority of Policy SCT2. The overall emphasis is on sustainable economic growth and regeneration of the Sussex coastal towns. Policies SCT3 and SCT4 provide guidance on existing employment sites and employment priorities enabling mixed use development where it assists the delivery and viability of employment space and exceptionally allowing development to infringe environmental constraints.

A2.41 The Isle of Wight is designated as a 'Special Policy Area' where the emphasis is on enabling regeneration and improving strategic transport links whilst respecting the environment. The need for investment in tourism-related infrastructure is highlighted. Emerging policy IW1 prioritises the development of infrastructure and inward investment opportunities in the Medina Valley; and supports the development

of centres of vocational excellence in the sectors of composite, marine and aeronautical silks and construction related industries. The Panel recommends adding an objective of improving transport links between Newport and Cowes to support the regeneration of this area. Emerging policy IW2 seeks to maintain and improve cross-Solent links.

### **Strategic and Local Planning Policies**

A2.42 The Planning and Compulsory Purchase Act 2004 automatically saved all adopted structure, local and unitary development plan policies for a period of three years from the date of its commencement (28 September 2004). During this period, local authorities were expected to bring forward local development documents to replace their saved plan policies. The three-year period ended on 27 September 2007. The Act made provision, for local authorities to seek the approval of the Secretary of State to extend the development plan status of their saved policies beyond 27 September 2007. On behalf of the Secretary of State, GOSE duly received requests to extend the policies in structure, local and unitary development plans within the sub-region. The Secretary of State has now issued direction letters setting out which policies are now saved beyond 27 September 2007. Any policies in plans adopted on or before 28 September 2004 not listed in these directions ceased to have development plan status from 28 September 2007.

A2.43 The planning policies highlighted below remain part of statutory development plans for the sub-area following the Secretary of State's Direction. Plans adopted after 28<sup>th</sup> September 2004 are unaffected.

### **County Policies**

A2.44 Prior to the adoption of the South East Plan, the 'saved policies' of the Hampshire County Structure Plan Review 1996 – 2011 (HCSPR) and the West Sussex Structure Plan 2001 – 2016 (WSSP) remain the strategic planning documents for a major part of the study area.

A2.45 The HCSPR identifies the Hampshire coast as being of special character created by a variety and complexity of development and uses and important natural habitats, and recognises the need for planning policies to preserve a balance between commercial and recreation activities and the protection of important coastal features. However non of its coastal policies have been 'saved'.

A2.46 The economic chapter of the HCSPR recognises the Dibden Bay area of the Hampshire coast as a site which has for many years been identified as a possible site for port activities. HCSPR policy EC6 states that port development requiring access to deep water may be permitted at Dibden Bay provided that it can be demonstrated that the need for the development outweighs its nature conservation, landscape and local community impacts, and provided that sufficient replacement ecological habitat and acceptable access can be provided. This policy has been 'saved' by the Secretary of State. This is taken to mean that that the policy covering Dibden Bay will remain part of the statutory development plan until RSS is approved by the Secretary of State. Current Government advice requires this policy to be 'expressly replaced' in the RSS.

A2.47 The WSSP identifies the coastal zone as both a local and national resource, contributing to the distinctive character of West Sussex. Its attractiveness as a place to live and visit, its nature conservation importance, its recreation resource significance and a place of economic activity is noted.

A2.48 Policy ERA3 deals with the coast and states that development should not be permitted unless the distinctive character and resources of the County's coast and coastal waters will be conserved or enhanced taking into account impact on matters such as landscape, heritage, the environment, coastal processes, nature conservation, recreation and economic interests. Development on the coast outside built up areas should not be permitted unless there is a demonstrable need for a coastal location and it cannot be located elsewhere.

A2.49 This WSSP policy also requires the relevant districts to define the extent of coastal zones and include policies in local plans that ensure its conservation and possible enhancement, safeguard and allocate land for uses requiring coastal locations and prevent development on the undeveloped coast which should be located inland or within built up areas.

### **Local Policies**

#### ***New Forest District Local Plan First Alteration – Adopted August 2005 (NFDLP)***

A2.50 The NFDLP contains policies for the coast which aim to: maintain and enhance its natural beauty, and its nature conservation value; conserve coastal features of historic, archaeological and geological value; retain coastal sites for uses requiring coastal locations; enable essential coast protection and flood defence works whilst minimising their environmental impact; and provide for coast-related recreational activities, including public access, where this does not harm nature conservation interests.

A2.51 The New Forest coast is the subject of 11 policies (Policies DW-C1 to DW-C11) which:

- i) Seek to ensure development on the coast is of a high quality design and does not adversely affect coastal townscape, landscape, seascape, nature conservation or archaeological interests (Policy DW-C1);
- ii) Seek to retain the relatively few coastal sites which provide access to coastal waters for uses dependent on such access (Policy DW-C2);
- iii) Permit port development requiring deep water access on Dibden Bay subject to certain criteria being met (Policy DW-C3);
- iv) Permit new and improved coastal protection works where there is a significant loss or inundation of land posing a threat to life, built up areas, amenity land or the best and most versatile agricultural land subject to acceptable effects on certain matters (Policy DW-C4);
- v) Make clear that development giving rise to a need for new coast protection work or for extensions or improvements to existing works will not be permitted (Policy DW-C5);
- vi) Make clear that development leading to an increase in risk to the public will not be permitted in areas on or near the coast at risk from coastal land slip or erosion (Policy DW-C6);
- vii) Permit the reclamation of land from the sea or the reclamation,

- development, excavation or permanent flooding of intertidal areas only where certain criteria area met (Policy DW–C7);
- viii) Seek to ensure provision of public access to and along the shore and clifftops in development proposals where this is practicable (Policy DW-C8);
  - ix) Provide criteria that any proposal for a new coastal amenity car park must meet (Policy DW-C9);
  - x) Limit permission for new beach huts to the replacement of existing huts and the infilling of gaps in existing lines of huts (Policy DW-C10); and
  - xi) Provide criteria that any proposal for new moorings and marinas must meet (Policy DW-C11).

A2.52 Through policy DW-C3 the NFDLP states that port development requiring access to deep water may be permitted at Dibden Bay subject to it complying with HCSPR policy EC6 and subject to certain criteria being met.

### ***City of Southampton Local Plan Review – Adopted March 2006***

A2.53 The introductory paragraphs of this plan describe Southampton as the regional centre for the growing Solent metropolitan area and recognises the importance of the Port to the history and fabric of the city. The plan recognises that for a maritime city, relatively little of the waterfront is accessible to the public and it is therefore important to protect existing accessible waterfront areas and hards. This protection is provided through policy CLT10. Similarly the plan recognises that Southampton has become an important centre for water based leisure activities and it is important that these interests are safeguarded. Policy CLT11 seeks to open up more of the waterfront for water based recreation.

A2.54 The Port of Southampton is identified as a vital part of Southampton's economy, the regional economy and a port of national importance. Support for the continued prosperity of the Port to ensure that its future is not constrained by the lack of land for associated and ancillary development is provided. Policy REI14 makes clear that planning permission for non-port related development will not be granted on operational port land.

A2.55 Certain wharves and quays are identified by policy REI12 where development which is not reliant upon wharfage or access to the water will not be permitted. This policy seeks to reflect the importance of parts of the Southampton waterfront to many industries reliant upon the navigable waters of the Rivers Test and Itchen.

### ***Eastleigh Borough Local Plan (2001 – 2011) Adopted May 2006***

A2.56 The River Hamble is recognised as significant in terms of landscape and nature conservation importance and in providing recreational opportunities for a large number of residents and visitors, who in turn support the local economy through the use of facilities and services. The boatyards on the River Hamble are specifically identified as an important part of the economy and a tourist and recreational facility. Furthermore, the importance of keeping such facilities up to date with modern standards and technologies where necessary through new development, provided it does not adversely affect the environment is recognised. The plan considers the area of riverside land suitable for boatyard development to be finite; so through policy

124.E seeks to protect the character of the river and its environs and to safeguard waterside sites for boatyard uses.

A2.57 Recognising that the River Hamble is close to its limit in terms of mooring numbers (set at 3,261 by Hampshire County Council as Harbour Authority) restrictions are placed on the amount and location of new moorings (policy 155.OS) with further restrictions and criteria set for the development of new jetties, slipways, pontoons and associated structures (policy 156.OS).

***Fareham Borough Local Plan Review – Adopted June 2000***

A2.58 This plan describes the coast as a key element in the character of the Borough, performing a variety of important inter-related functions. Policy C5 makes clear that development in the defined coastal zone will not be permitted unless:

- i) in the countryside, it is related to an existing use or it has an overriding need for a waterside or coastal location;
- ii) the development, and the extra activity it will create, does not adversely affect nature conservation interests, the special character of the coast when viewed from land or sea, the quality of the environment or recreational interests; and
- iii) where appropriate, it incorporates new public rights of way to, from and along the coast.

Providing that it would not: result in the loss of existing public access to, from or along the coast; adversely affect the amenity of users of the existing public rights of way network; and be located in areas at risk from flooding, erosion or land instability.

A2.59 Through policy C6 development adjacent to the River Hamble and Fareham Lake, including reclamation, will not be permitted unless certain defined criteria relating to navigation, nature conservation interests, the character of the area, recreational value, flooding and numbers of houseboats are met. The location and number of moorings to be permitted are considered through policy C7 and the criteria against which proposals for the replacement or relocation of existing moorings within mooring restricted areas are dealt with in policy C8. Policy E11 sets out the boatyard locations within which marine related development will be permitted subject to certain criteria being met.

***Gosport Borough Local Plan Review (2006)***

A2.60 The plan recognises that the coastal zone makes a significant contribution to the character of the district and that development can have significant environmental effects. Policy R/CH1 ensures that coastal development does not adversely affect the character of the coast, landscape features and interests, nature conservation and geological interests and that flooding is appropriately considered and planned for. Policy R/CH2 acknowledges the recreational value of the coastal zone and maintains and encourages pedestrian access to the coastline.

A2.61 Other than specific examples of essential dredging Policy R/CH3 prevents dredging and reclamation within Portsmouth Harbour or along the Solent shoreline. Further marina development within the part of Portsmouth Harbour covered by the

plan is prohibited through Policy R/CH4. However, development proposals for employment uses on waterside sites within the urban area will be permitted through policy R/EMP4 if they relate to appropriate marine uses.

A2.62 Provision is also made for the development of additional moorings (as part of the reorganisation and consolidation of existing mooring areas) and slipways through Policies R/CH5 and R/CH6. Proposals will be acceptable providing that they do not adversely affect the nature conservation or amenity of the surrounding area and adequate ancillary facilities are available.

#### ***Portsmouth City Local Plan 2001 – 2011 (2006)***

A2.63 The plan acknowledges the diversity of Portsmouth's coastal environments and identifies policies based on three specific coastal areas. Policy EC2 relates to Southsea Seafront and establishes the acceptability of the principal development in this area. Proposals will be permitted provided that they: are of a high standard of design to protect the existing character of the built environment; protect the natural and undeveloped coastal habitats; and maintain and enhance visitor attractions.

A2.64 Development in the coastal zone of Portsmouth Harbour acknowledges its joint role as a commercial and recreational location. Through policy PH1 proposals must have regard to coastal setting and landscape, public access to the waterfront, navigation within the harbour and nature conservation interests. New mooring proposals will only be permitted in the Harbour through policy PH2 in specified areas and provided they do not adversely impact upon nature conservation interests, navigation safety, the harbour landscape and views across the harbour.

A2.65 Development within the Langstone Harbour Open Coastal Area is more restricted and through policy LH1 will only be permitted if it requires a coastal location and providing it has regard for the coastal setting and landscape, public access to the waterfront, navigation within the harbour and nature conservation interests. Proposals in the Langstone Harbour Coastal Zone must also have regard to these matters (policy LH2). Through policy LH3 new moorings in Langstone Harbour will only be permitted in identified areas providing there would not be adverse effects on nature conservation sites, navigation safety, harbour landscape, views across the harbour or the operation of Kendalls Wharf as a marine aggregate quay.

#### ***Havant Borough District Wide Local Plan (2005)***

A2.66 Safeguarding the existing landscape quality and the recreational and commercial uses along the coastline are of primary consideration in the plans approach to coastal development.

A2.67 Policy C3 identifies that the principal of appropriate development in the coastal zone is acceptable providing existing water based recreational facilities, boatyards and marinas and public access to the area are retained and it contributes positively to the landscape. The importance of expanding employment uses within the coastal zone is acknowledged through Policy EMP9 but further marine related development is limited to specific sites and provided that it relates to a boat building or related use, is appropriate in scale, siting, design and layout and does not adversely impact upon the character of the area.

A2.68 Through policy R8 modifications to or redistribution of moorings, marine berths or launch on demand facilities in Chichester and Langstone Harbours will only be permitted providing certain defined criteria relating to maritime recreation, safety of navigation, the environment of the Harbours and nature conservation are met. The criteria which proposals for new slipways and jetties are required to meet are detailed in policy R9.

#### ***Chichester District Local Plan First Review (1999)***

A2.69 Through policy C1 waterside development proposals which detract from the openness of the landscape adjacent to the Harbour will not be permitted. Proposals which will result in the increase in the total number of moorings, marina berths or launch on demand facilities within Chichester Harbour AONB will through policy C5 only be permitted if there is no detriment to maritime recreation or the environment of the Harbour.

A2.70 Development that reduces the number moorings in favour of deep water/dry berth transfers will be permitted providing there is no increase in the total number of vessels, there is no damage to the landscape of the AONB and no dredging or reclamation is necessary (policy C6). Existing waterside sites are safeguarded for boating related facilities. As such through policy C7 development or redevelopment at boatyards and marina sites will only be permitted for uses associated with boat building fitting out, maintenance and repair of boats and ancillary uses.

#### ***Isle of Wight Unitary Development Plan (2001)***

A2.71 The plan focuses on conserving the landscape and natural coastal habitats of the island and does not generally promote coastal development. Only where it is essential for development to be located next to the coast will proposals be acceptable. This approach is applied through Policy G11 to the replacement of facilities which have a continued operational requirement to be located on the coast, which are at risk of loss through erosion, providing defined criteria are met. These include ensuring there are no adverse impacts on the landscape or views from the sea and that the loss of the facility would damage the economy.

A2.72 In respect of existing employment / industrial sites which have deep water frontages policy E7 states that proposals will only be approved where this type of location is essential to the proposed marine related use.

#### **EXISTING ECONOMIC STRATEGIES AND GUIDANCE**

A2.73 The remainder of this section provides a review of key strategies and guidance documents which define the economic and regeneration policy priorities and opportunities in the Solent area. Similar to the planning and land-use review provided above, consideration is given to relevant strategic and local policy and research documents.

#### **National Documents**

***Sector Competitiveness: Analysis of the UK Leisure Boatbuilding Industry (March 2006)***

A2.74 Prepared for the DTI by KPMG and published in March 2006 the report primarily examines the competitiveness of the UK leisure boatbuilding sector relative to other key players in the international market.

A2.75 The key finding of the study was that UK companies create significantly less value added per full time employees than their Italian or USA counterparts. However, this is accounted for by a range of factors including the average size of vessel manufactured. Nevertheless, revenue and job creation growth rates of the UK leisure boatbuilding industry are comparable to the Italian and American brands.

A2.76 The study concludes that there are opportunities for the UK sector to increase both value added and commercial returns through:

- Increasing revenue per unit output through pricing reviews, stronger 'customer ownership' and customer relationship management, and improved market and brand value understanding;
- Improved direct labour efficiency through the increased use of lean processes; and
- Improved material efficiencies through the selective adoption of technology.

#### ***Economic Benefits of Coastal Marinas, BMF 2007***

A2.77 In 2007, the BMF published a research document which contains an assessment of the economic significance of coastal marinas in the UK and Channel Islands. It highlights that there are at least 236 coastal marinas in the UK and Channel Islands which provide approximately 49,000 marina births. These berths are concentrated in the South East and the South West regions.

A2.78 In summary, the report indicates that the UK coastal marina sector, in terms of operating costs alone, has a turnover of £113 million, directly employs 1,700 people, with an added value of £69 million. Moreover, it is estimated that the associated marine and hospitality activities of marina operators provide a further 600 jobs and £6.5 million of value added. On-site tenant businesses are identified as generating the most significant impact, providing marine related or non-marine related services. It is also highlighted that the coastal marina sector is closely related to the wider tourism and leisure industry by providing infrastructure and services for leisure boating activities.

A2.79 The report highlights that demand for marina berths is increasing to the extent that supply cannot keep up. Indeed, this shortage of supply is exacerbated by the growing level of demand for larger boats.

A2.80 In conclusion, the report provides a series of recommendation including the need for policy makers to:

- Recognise the economic significance of coastal marinas and associated businesses to tourism and marine sectors and the potential role they can play in local regeneration.
- Consider the potentially negative economic impacts arising from planning and environmental policies.
- Assess the scale of local demand for marina berths and identify appropriate sites for development and expansion.

- Facilitate the development and coastal marinas and associated businesses where this is compatible with sustainable development objectives.

***Economic Benefits of the UK Leisure Boating Industry, BMF 2005***

A2.81 This study was commissioned by the BMF in 2005 to assess the economic benefits of the leisure boating industry to the UK economy, including the economic impact of its contribution to tourism.

A2.82 The study concludes that the UK leisure boating industry has grown significantly over recent years. Indeed, for 2003, it is estimated that the added value of the industry in the UK was approximately £700 million supporting approximately 30,000 jobs in 5,000 businesses. Annual net exports are estimated at £150 million per year.

A2.83 Six core sub-sectors of central economic importance are defined by the report:

- i. Manufacturing – the largest sector in the industry accounting for 50 – 60% of overall economic benefits, generating approximately £340 million of value added per annum, and supporting approximately 15,000 jobs in 1,300 businesses. Approximately 75% of sales are to export markets.
- ii. Distribution – generates approximately £37 million in value added, and 1,800 jobs in 360 businesses.
- iii. Retail and Brokerage – generates approximately £70 million in value added, employing 2,400 people in 780 businesses.
- iv. The Marina, Moorings and Boatyard Services sector – second largest sector accounting for approximately 15% of economic benefits, contributing £113 million value added, with approximately 3,500 people employed in 1,000 businesses.
- v. Charters and Sea Schools – generate approximately £73 million of value added, employing 4,700 people in 860 businesses.
- vi. Other Services (Insurance, Financial and Legal) – generate approximately £36 million of value added, 2,500 jobs in 700 businesses.

A2.84 The assessment of impacts on tourism activity indicates that approximately 24 million day visits and 16 million overnight trips involving leisure boating activities are undertaken per year. Domestic tourism spending is estimated at £1.8 – £2.2 billion in the UK with overseas accounting for approximately £200 million. The study estimates that total spending associated with the industry supports between 57,000 and 68,000 tourism jobs in the UK, of which approximately 10% are supported by foreign tourists.

A2.85 Despite the importance of the industry to the UK economy, the study highlights that it faces a number of key challenges. Of particular concern is the constraint on the physical supply of marinas and moorings.

***Global Competitiveness for UK Marine Sector Supply Chains, BMF 2004***

A2.86 This study was prepared with a view to mapping the supply chain supporting the boatbuilding sector in the UK. Whilst the study highlighted that different types of marine businesses have different types of supply chain, the most significant suppliers

are those with a specialist marine technology capability which are dedicated to supporting two or more large marine customers.

A2.87 The report highlights that, along with the South West and the East of England marine supplier firms are concentrated in the South East, where customer-supplier networks are well established.

A2.88 A series of key recommendations are put forward by the report aimed at both the industry and policy makers:

- the most significant firms should be targeted to ensure they are receiving adequate support, which would be complementary to the existing customer-driven supplier development activities;
- supplier development programmes should remain controlled and run by customer firms that can design and deliver the programme most appropriate to their requirements and competencies; and
- regional clustering should aid the process of regional supplier development programmes in that the regional development agencies will find it advantageous to support the supplier development programmes of customer firms located in their region.

### ***Marine Engineering Labour Market Observatory, 2002***

A2.89 This report by the Engineering and Marine Training Authority (EMTA) contains background to the marine engineering sector, workforce development issues, and highlights priorities for action.

A2.90 According to the report, there are approximately 35,000 people employed in marine engineering in over 1,700 workplaces in the UK. However, employment levels can fluctuate considerably, particularly in shipbuilding and fabrication. An additional 30,000 are estimated to work in the supply chain. The South East and East of England have a stronger boat building focus, while in the North East, the North West and Scotland activities centre around shipbuilding and repairing.

A2.91 The sector is faced with an ageing workforce, meaning that there is a need to recruit and upskill. In the shipbuilding and fabrication sectors retention problems are exacerbated by the project-based nature of contracts and the mobility of the workforce.

A2.92 It is significant to note that the report states that 98% of companies are classified as SMEs with almost 75% of workplaces employing 5 or less staff. Therefore, training needs to be tailored to meet the needs of companies who do not have the time or resources to train their staff. Collaboration in areas where there are clusters, the use of Group Training Associations, Centres of Vocational Excellence and a virtual one-stop-shop of information on training could fulfil part of this need.

A2.93 The Marine Labour Market Observatory identified four areas which require action:

- Development of a skills database to enable systematic manpower planning;
- Increasing accessibility to training across the whole sector;

- Collaboration for productivity gains; and
- Promotion and image improvement.

### ***Marine Sector Technology Plan, DTI 2005***

A2.94 This report by the Marine Team at the Department for Trade and Industry (DTI) relates to the commercial and naval shipbuilding, leisure boat building, ship repair and marine equipment sub-sectors. It aims to stimulate collaboration for R&D projects between these sectors and others where there may be common technology requirements. The report highlights that many areas of technology relating to the marine sector have applications with other industries, such as construction, automotive, rail and aerospace.

A2.95 Environmental technologies are increasingly important to the sector and increasing pressure is subjected by customers as well as through general regulation. Investment in long term R&D continues to be difficult because the sector has a large number of SMEs. Additionally, a skills shortage of engineering operators, qualified ship's officers, designers and technicians continues to act as a barrier to technology innovation. The sector appears to be open to the idea of shared resources and pooling of technology, lending itself to the possibility for regional clusters of activity.

## **Regional Policy**

### ***Regional Economic Strategy (RES) 2006-2016***

A2.96 The RES is built on three key objectives:

- Global competitiveness;
- Smart growth; and
- Sustainable prosperity.

A2.97 At the heart of the strategy are the targets of increasing productivity per worker in the region by an average of 2.4% annually and achieving an average annual increase in GVA per capita of at least 3%.

A2.98 For the 'Coastal South-East', the RES identifies a range of priorities including maximising the potential of existing technology clusters (including marine) and recognising the importance of high-value manufacturing and knowledge-based supply chains. Improving connectivity to and from the South Coast is also highlighted as a key goal. For example, the strategy targets the upgrading the Southampton – West Midlands freight corridor by 2009 and identifies the need for improvements along the M27 / A27 / A259 South Coast artery. Leisure-based economic growth also features as a priority for facilitating economic diversification in coastal areas.

A2.99 Importantly, the RES stresses the priority of investing in the long-term sustainable growth of key ports including Southampton and Portsmouth. It also highlights the need to ensure that coastal areas have a sufficient supply of employment land including the identification and use of strategic sites for high-value business and industrial uses.

A2.100 In relation to the goal of global competitiveness, the strategy aims to increase the percentage of total South East business turnover attributable to new and improved products and services. This includes the provision of support for key sector consortia including Marine South East. Moreover, it is highlighted in the RES that regionally important sectors such as marine will require measures to be taken which will ensure an adequate supply of land and premises. However, the RES does not provide specific guidance, initiatives or actions to demonstrate how this will be achieved.

***South East Marine Sector: Business Issues, Prospects for Clustering (2003)***

A2.101 Published in 2003, this report presents the findings of a cluster mapping study for the marine sector in the South East. The research was based on the analysis of a business database (2,000 firms), a business survey of 200 firms, local focus groups and in-depth interviews.

A2.102 The study estimated that 105,000 people are directly employed in the marine sector in the South East, using the Sea Vision initiative definition of the sector incorporating ports, services and shipping. According to the Sea Vision calculation 254,000 people are employed in the UK marine sector. It was highlighted that there is a broad variety of significant marine market segments, and many individual firms operate in more than one of the marine markets. Consequently, from a policy perspective, the study implies that the sector is likely to be resilient to market changes and can provide a firm basis for a broad variety of growth initiatives. However, the report also stressed that the sector is also highly fragmented which raises a significant challenge in relation to the development of coherent and integrated actions.

A2.103 Whilst the marine sector is dominated by 'micro' firms of 5 or fewer employees, predominantly in the leisure marine segment, the report suggests that there are a small number of 'pillar firms' which dominate the sector in employment terms (particularly in shipbuilding, oil and gas, and maritime services).

A2.104 The report emphasises the importance of safeguarding the economy of the Solent marine cluster, and states that the true magnitude and breadth of the sector in the Solent region has not been adequately represented either from a regional marketing perspective or by individual firms.

***Leisure Cruising in the South East (2004)***

A2.105 This study was commissioned by SEEDA in association with Tourism South East with a view to gathering data to inform promotional strategies for the sailing industry. The study involved a survey of nearly 1,500 visiting boats and interviews with marina / harbour managers. With regard to economic impacts on the South East, the study found that:

- 671,000 yachterspersons visited marinas and harbours in the region, collectively spending approximately £21.5 million. Taking into account multiplier effects, this translates to £27.9 million and supports approximately 697 full-time equivalent jobs.
- Overall average expenditure per visiting party per visit was £239.48. Overseas visitors spent on average around £185.29 per party per visit more than domestic

visitors. Eating out and drinking ashore and marina and ancillary charges generated the greatest average spend per party per visit.

A2.106 Key actions recommended by the study included:

- Improvements to berthing and supporting facilities;
- Marinas and harbours to be encouraged to monitor performance through visitor surveys;
- Marketing opportunities should be reviewed;
- The needs of tourists to be addressed in information services;
- Raising awareness of the economic value of yachting tourism to the regional economy through press releases etc.
- Encourage more visiting crew expenditure in towns by raising awareness of local goods and services available; and
- Raise awareness of the needs and benefits of water based recreation and yachting tourism;

***South East River Basin District : Economic Analysis of Water Use Supporting Document, Defra, 2005***

A2.107 Prepared by Defra, this document highlights that the South East River Basin District (RBD) contains a number of key ports including Southampton and Portsmouth. It notes that the lack of additional deep-water container port capacity in the UK is a major concern to the transport industry. However, the UK port industry expects that overall tonnage handled at the UK's ports will, at least, continue to grow in line with GDP for the foreseeable future. At present, the ports industry has direct employment of approximately 25,000 and it is estimated that a further 380,000 jobs are indirectly dependant on port activity.

A2.108 According to the research, Southampton handled 34,156,000 tonnes throughput in 2002, and Portsmouth 4,365,000 tonnes. Southampton is a leading container port and also handles large volumes of liquid and dry bulks. The port is also the UK's principal cruise port, handling almost half a million passengers in 2003. Each year the port handles approximately 24 million tonnes of liquid bulk fuels. Deep water means the port can accommodate the largest ships providing worldwide shipping links.

A2.109 Output forecasts have been conducted by Experian Business Strategies Ltd under the following relevant categories:

- Sea and coastal water transport (covering passenger sea and coastal water transport and freight sea and coastal water transport); and
- Inland water transport.

A2.110 In the South East RBD output from sea and coastal water transport is forecast to decrease from £161.7 million in 2002 to £158.6 million in 2015. This is an anticipated fall of 1.9 per cent. Output from inland water transport is forecast to remain fairly constant at £0.8 million between 2002 and 2015.

## **Sub-Regional Policy**

### ***City Growth Portsmouth: Strategy Document 2006***

A2.111 Led by the City Growth Portsmouth strategy board, the strategy document represents a private sector perspective on economic development priorities for Portsmouth. The strategy identifies the marine sector as one of three key business clusters that should be supported and promoted as a major plank for growth in the city region. The evidence base presented in the report indicates that the Portsmouth marine sector comprises approximately 250 firms which together employ around 7,100 employees. Furthermore, it is highlighted that the economic impact of the sector goes far beyond the narrow boundaries in which it is defined, through the supply and demand linkages to other parts of the economy.

A2.112 The strategy highlights that the city's marine cluster offers opportunities for significant spin-off and supply chain activity, and stresses the importance of the growing incidence of small firms in the sector.

A2.113 With regard to key sub-sectors the strategy anticipates long-term growth particularly in the leisure marine activities. Key challenges identified by the strategy include the need to:

- increasingly specialise in high value, sophisticated markets to protect against low cost competition in developing countries; and
- address labour market constraints relating to its ageing workforce, skills shortages and recruitment difficulties, which require coordinated support.

### ***Economic Drivers & Growth: Phase 3 Final Report – Partnership for Urban South Hampshire (PUSH), 2005***

A2.114 Prepared by DTZ, this report sets out the Priority for Urban South Hampshire (PUSH) authorities' preferred growth scenario for the South Hampshire sub-region. It also highlights the implications of the identified level of growth on the economy and an assessment of actions required by the public sector partners to support and encourage growth. The preferred growth scenario is based on the following assumptions:

- Initial GVA growth set at 2.75% per annum in line with historic trends;
- Annual GVA growth gradually increasing over time, reaching 3.33% in 2026;
- GVA per employee growth increases over the scenario period; and
- Average annual productivity growth constrained to 2.3% p.a.

A2.115 According to the DTZ preferred scenario, approximately 59,000 additional jobs will be generated in the sub-regional economy between 2006 and 2026, which equates to an increase in GVA of almost £13 billion. Table A2.1 summarises the key outputs from the forecast scenario.

**Table A2.1 – PUSH Preferred Growth Scenario – Employment Growth by Sector**

	2006		2026		Change 2006-26	
	No	% of Workforce	No	% of Workforce	No	% of Workforce
Agriculture	1000	0.2	800	0.2	-200	-0.1
Energy	1200	0.3	600	0.1	-600	-0.1
Manufacturing	50100	11.2	30500	6.0	-19700	-5.2
Construction	19900	4.4	22100	4.4	2200	-0.1
Distribution	120100	26.7	139100	27.4	19000	0.6
Transport & Communications	27000	6.0	28300	5.6	1300	-0.4
Business Services	86500	19.3	129300	25.5	42800	6.2
Public Services	119000	26.5	128700	25.3	9700	-1.1
Other Services	24500	5.4	28500	5.6	4100	0.2
Total	449300		507900			

Source: PUSH / DTZ, 2005

A2.116 The implications for the sub regional economy arising from this growth are as follows:

- Employment is forecast to be driven by growth in business services and distribution (including retail and tourism), with manufacturing as a whole forecast to decline. However, manufacturing output is forecast to increase arising partly from significant increases in labour productivity. Indeed, the report highlights that output growth is likely to be particularly significant in the advanced manufacturing sector.
- Process, plant and machine operatives is the only occupational group expected to experience a net decrease in workers, although skilled trade occupations are forecast to experience only very modest growth.
- In terms of industrial and commercial floorspace and land requirements, the major growth area is expected to be within the B1a Use Class (offices).

A2.117 Key actions recommended by the study include the following:

- Engage with the key sectors / businesses (particularly advanced manufacturing) to understand their future requirements for sites and premises.
- Develop the cultural and leisure facilities of the sub-region to complement the strong environmental drivers of quality of life.
- Some specialist skills provision in high technology is needed to deal with the upskilling of the declining traditional manufacturing sector.
- Invest in consolidating and intensifying employment development on existing sites.
- Land will need to be identified in LDFs to enable manufacturing to respond to changing conditions.
- Address bottlenecks in traffic flows along the M27.
- Invest in public transport within the sub-region to facilitate workforce movements and promote inclusion in the workforce.

## **Solent Marine Related Economic Impact Studies**

A2.118 A range of economic impact studies relating to specific components the Solent marine sector have been carried out over recent years. However, to our knowledge a single comprehensive assessment of marine activities as a whole has not been conducted (which is the subject of this report). Each of the key economic impact studies are reviewed briefly below, the results of which are summarised in Table A2.2 at the end of this appendix.

### ***Identifying Clusters of Potential in South Hampshire, 2006***

A2.119 This research was undertaken by the Centre for Local & Regional Economic Analysis at the University of Portsmouth in 2006, in order to establish the degree of clustering in the local authorities areas of Fareham, Gosport and Havant. The study identifies that advanced manufacturing, aerospace and defence and marine are significant in terms of their size and concentration.

A2.120 Advanced manufacturing and marine are classified as significant, specialised but declining faster than the regional average. Additionally, the marine sector is classified as a 'high point' sector (meaning that it significant in terms of employment and concentration), with 8,300 employees, 125 business units and a location quotient of 1.451. However, the report does note that employment in the marine sector is declining at a faster rate than the regional economy, and that this may be as a result of the reduction of direct defence employment. However, it is noted that shipbuilding employment has increased.

### ***Socio-Economic Impact Assessment of Portsmouth Naval Base (2007)***

A2.121 The University of Portsmouth was commissioned by Portsmouth City Council and SEEDA to undertake the Socio-Economic Impact Assessment of Portsmouth Naval Base as part of the Ministry of Defence wider review of the naval bases in Britain.

A2.122 It was reported that Portsmouth Naval Base (plus related economic activities) supports a total of 35,000 jobs, of which around 27,000 are located within the South Hampshire and Isle of Wight sub-region. A total income of £680 million is generated which arises from expenditure on wages and supplier goods and services.

A2.123 The study investigated three different scenarios and their potential impacts on the local economy:

- the expansion of Portsmouth Naval Base;
- the minimisation of Portsmouth Naval Base; and
- a baseline scenario (no changes to the Naval Base).

A2.124 In the event of minimisation of naval activities, the study implies a potential loss of 21,600 jobs and a reduction in income by £350 million. Expansion of naval activities would result in 2,900 additional jobs and an increase of £65 million flowing into the sub-region.

### **Southampton Cruise Tourism (2005)**

A2.125 Prepared by TTC International and Roger Tym & Partners, this study highlighted that there are three elements to the economic impact of cruise tourism in Southampton:

- employment in cruise management and crewing;
- employment in cruise supply chain industries; and
- employment in visitor and tourism industries.

Table A2.3 summarises the key findings of the study.

**Table A2.3 - Summary Cruise Industry Impacts**

	Expenditure Impact (£)	Jobs Impact
Supply chain effects	61,995,743	717
Impact of expenditure by consumers	10,619,424	154
Impact of expenditure by crew	4,846,029	51
Direct employees	71,761,638	872
Total expenditure	149,222,834	1,795
Multiplier effects	53,012,565	637
Total	202,235,400	2,432

Source: RTP / TTC, 2005

A2.126 In terms of the cruise industry's future growth potential in Southampton, the report highlights that prospects remain positive in line with international trends. However, it recognises that capacity for growth in Southampton's cruise industry may be constrained following the Government's decision to reject expansion of the port at Dibden Bay.

A2.127 The report highlights that the cruise industry faces potential labour and skill shortages particularly during the peak season.

### **Dibden Terminal Technical Statement – Economic & Employment Impact**

A2.128 Commissioned by ABP, this assessment was prepared as a technical background document for the Dibden Terminal port-expansion proposal. It was based on business surveys carried out in 1994 and 1997 as well as a range of secondary information provided by previously published research material and the ABP Ports Handbook.

A2.129 Table A2.4 summarises the key findings of the technical assessment.

**Table A2.4 – Direct Economic Impact of Port of Southampton**

	No. of Businesses	No. of Jobs	Average Turnover (£m)
Ports Cluster	34	6,400	14.2
Other Marine Activities	113	4,900	8.0
Total Marine Cluster	147	11,300	902

Source: ABP / DTZ Pida, 2000

A2.130 Whilst not made explicit in the report, it is assumed that the employment numbers include the activities of Esso and Exxon at Fawley. Average turnover figures were obtained by information provided by 91 firms.

**Table A2.2 – Summary Results of Key Marine Related Economic Impact Studies**

<b>Study</b>	<b>Sector</b>	<b>Study Area</b>	<b>Impacts</b>	<b>Notes</b>
Southampton Cruise Tourism (Southampton Partnership / SCC, 2005)	Cruise	Hampshire & IOW	Direct Jobs: 872 Indirect / Supply Chain Jobs: 717 Tourism Spending Jobs: 205 Induced Jobs: 637 Total Jobs: 2,432	Larger study area compared to Solent sub-region.
Dibden Terminal (Southampton) Economic Impact Assessment (ABP, 2000)	Commercial Port & Related Marine Industries	Southampton, New Forest, Fareham, Eastleigh, Winchester, Test Valley, Havant, Gosport	Port related jobs: 6,400 Other marine jobs: 4,900 Total marine cluster: 11,600 All indirect & induced Jobs: 4,500	Survey data dates back to 1994/97. Methodology unclear. Data assumed to include Esso / Exxon employees.
Socio-Economic Impact of Portsmouth Naval Base (PCC / SEEDA, 2007)	Defence	South Hampshire & IOW including Winchester, New Forest and Chichester.	On-base direct jobs: 13,608 Off-base direct jobs: 10,617 Indirect / induced jobs: 10,659 Total jobs: 34,884 Total jobs in study area: 26,693	Includes private firms on and off-site serving defence sector. Includes defence training activities located in study area. Includes expenditure of visiting ships.
Portsmouth Marine Cluster Validation (Portsmouth City Growth, 2005)	All Marine	Portsmouth, Havant, Gosport, Fareham (local authority areas).	Direct jobs: 13,300 (excluding service and contractor employment serving naval base).	Methodology based on Annual Business Inquiry data using SIC codes.
Economic Impact of Portsmouth Commercial Docks (PCC, 1994)	Commercial Docks	Portsmouth Travel to Work Area	Direct jobs: 1,800 Indirect & induced jobs: 2,600 Total jobs: 3,800	Based on 1993 data.