

3 SOCIO-ECONOMIC ISSUES

3.1 Executive Summary

3.1.1 In this chapter, evidence in support of the original application for a Regional Distribution Centre (RDC) has been revised in response to points raised in Reason for Refusal 4 and questions about the proposal raised earlier by Salisbury District Council's Planning Policy Team. Evidence has also been updated to incorporate the latest available information.

3.1.2 The strategic importance of Amesbury for economic development and housing growth, referred to in Reason for Refusal 4, is not in dispute. Solstice Park is part of a portfolio of business sites in South Wiltshire that is capable of delivering a wide variety of business development and employment opportunities.

3.1.3 The proposed RDC will deliver employment beyond the lifetime of the Local Plan (after 2011). It is not therefore a material departure from Local Plan Policy E8A, as suggested in Reason for Refusal 4, as the phasing criteria in that policy are not relevant after 2011. Evidence is presented to show that:

- i. The RDC will contribute to the long term strategic employment needs of Amesbury, with other sites on Solstice Park and elsewhere in the Community Area.
- ii. The RDC can, with other sites on Solstice Park and elsewhere in the Community Area, help to deliver an appropriate level of employment land to balance long-term housing development (whatever detailed housing allocations eventually emerge from the Core Strategy).
- iii. The RDC will provide levels of employment comparable with manufacturing and a mix of occupations that will match available skills within the Amesbury area (although details of employment are dependent on the occupier).
- iv. The RDC will leave sites at Solstice Park that are developed, committed but not yet developed, or uncommitted, for a variety of uses. It therefore accords with the aims and objectives of the Master Plan, although detailed plans must evolve in response to evidence of market demand and economic conditions.

3.2 Introduction

3.2.1 This socio-economic statement has been prepared to accompany the resubmission of a planning application by Kenmore Capital Portfolio Ltd for a Regional Distribution Centre (RDC) at Solstice Park, Amesbury.

3.2.2 The statement revises and updates an earlier socio-economic statement which was lodged in support of the previous RDC application and, in addition, addresses Reason for Refusal 4 on the previous RDC planning application (S/2007/2518).

3.2.3 In view of the fact that various issues were raised by the Forward Planning & Conservation Team of Salisbury District Council, as consultees on the previous RDC application, this statement incorporates additional comment by reference to previous supplementary statements submitted by Pegasus Planning Group in response to the District Council's comments.

3.2.4 The opportunity has also been taken to update information contained in the Environmental Statement that accompanied the previous RDC planning application.

Previous RDC application - Reason for Refusal 4 – employment issues

3.2.5 The fourth reason for refusal of the previous planning application was:

'Both the Local Plan and evidence collated for the emerging south Wiltshire core strategy highlight the importance of Amesbury in south Wiltshire, and its role in delivering strategic growth over the next 20 years. Given the limited number of such sites in the district it is important that strategic growth is delivered in a managed way which matches employment to housing. The proposal is on land

identified for employment beyond the lifetime of the adopted Salisbury District Local Plan and is therefore a material departure from policy E8A.

The applicant has also failed to demonstrate:

- i) That the proposal meets the long term strategic employment needs of Amesbury.
- ii) That the proposal will deliver the level of employment land required to balance long term housing growth as set out in the emerging Regional Spatial Strategy and emerging Core Strategy.
- iii) How the scale of the proposal, the mix of employment types and the number and types of jobs the proposal will generate will be beneficial to Amesbury.
- iv) How the proposal accords with the aims and objectives of creating mixed use developments on the site as set out in the accompanying documentation and text (Zone D) to the Solstice Park Master Plan.'

3.2.6 In response to this reason for refusal, this chapter investigates updated information on the local economy and, together with other reports submitted with the planning application will show that:

- i. the RDC will not prejudice the longer term employment needs of Amesbury, taking into account market demand, the location of the site and the availability of other sites;
- ii. the RDC and Solstice Park will contribute to the balanced growth of housing and employment in the Housing Market Area required by the emerging Regional Spatial Strategy;
- iii. the RDC and Solstice Park will provide an appropriate scale and range of employment for Amesbury; and
- iv. the approved Master Plan for Solstice Park has been misinterpreted.

3.2.7 The chapter covers the main socio-economic implications of the proposed Regional Distribution Centre, especially in relation to planning policy objectives, employment land supply, labour supply, commuting, job growth and the wider economic benefits of a regional distribution centre.

3.3 Assessment Approach

3.3.1 Social and economic implications of the proposed Regional Distribution Centre have been considered in relation to the impacts on the supply of land for employment; the numbers of jobs the RDC will accommodate; the labour force arising from the surrounding area's population; future growth in the local labour supply; and the implications for employment structure, commuting and housing demand.

3.3.2 The scope of these considerations was originally discussed with the Strategic Planning Authority in 2007 in order to establish what information would be needed to accompany the previous RDC application.

3.3.3 The social and economic implications of the RDC have been considered in relation to the local area (the Community Areas of Amesbury and Salisbury), the wider District of Salisbury and the background of Regional and National planning policies, taking into account also the cumulative effects of other proposed developments in the area, such as Boscombe Down and Porton Down.

3.3.4 Estimates of the employment that may be accommodated by the Regional Distribution Centre are based on the proposed floor areas and published sources of information on employment densities. The proposed floor area of the RDC is 94,144 sq metres including 6% of ancillary offices (6,065 sq metres).

3.3.5 An authoritative source of information on employment densities is published by English Partnerships, based on the analysis of a number of studies by Arup Economic and Planning¹. This study has been

¹ Arup Economics and Planning, 2001, *Employment Densities: A Full Guide*, English Partnerships

compared with other sources, including information from the Government's guidance on Employment Land Reviews² and from ProLogis, a specialist developer of distribution centres³.

3.3.6 An appropriate employment density to apply to the Regional Distribution Centre is considered to be 80 sq metres per workspace overall, including the ancillary offices, which implies 1,177 jobs. An alternative approach of 95 sq metres for the warehouses and 19 sq metres for the ancillary offices produces an estimate, which is 70 higher at 1,246 jobs, with an average of 1,212 between the two estimates.⁴ The Salisbury Employment Land Review of April 2007, following work by DTZ for the South West Regional Development Agency, applied a ratio of 65 sq m per worker for B8 warehouse/storage uses, which would imply 1,446 jobs on the RDC's total floor area of 94,144 sq m.

3.3.7 In advance of known occupiers for the RDC, it should be emphasised that these are best estimates, based on other similar, modern developments. Employment densities vary according to sizes of unit, occupiers, activities undertaken and stages of the economic cycle. The table below shows examples of the range of employment densities that is found in different Regional Distribution Centres. The throughput or 'dwell time' of goods at distribution centres has been found to influence employment densities. Regional Distribution Centres have more rapid turnovers than national centres that hold stock and food distribution centres tend to have higher employment densities than non-food distribution centres.⁵

Table 3.1: Comparative Employment Densities

Distribution Centre	Occupier	Total Floorspace (Sq Metres)	Total Employment	Sq Metres per Worker
G Park, Sittingbourne	Morrisons	85,468	1,200	71
G Park, Kettering	Morrisons	85,468	2,000	43
DC2, ProLogis Park, Dunstable	Cinram	22,368	150	149
Oliver Rd, West Thurrock	Co – operative	29,737	677	44

Sources: Gazeley (G Park), Cinram (DC2) and Graftongate (West Thurrock)

Note: Employment at West Thurrock in Table 3.1 differs from the total in Appendix 3.5 as Table 3.1 excludes drivers. If drivers and related occupations are included, employment density increases to 32 sq m per worker (see also paragraph 157 below)

3.3.8 It is also generally recognised that new employment results in additional, secondary employment through "multiplier effects": including indirect effects (additional employment created by suppliers) and induced effects (resulting from additional consumer expenditure generated by the direct and indirect increases in employment).

3.3.9 These multiplier effects could, according to one study, result in additional employment of one job for every 3 jobs created initially⁶ (perhaps another 400 jobs resulting from the Regional Distribution Centre in suppliers and services, including shops, schools and other local facilities). However, multiplier effects will vary according to the activities of occupiers of the RDC and characteristics of the local economy. They cannot be estimated directly on the basis of floorspace alone, but they will contribute to the range and

² ODPM, 2004, Employment Land Reviews – Guidance Note, Appendix D

³ ProLogis, January 2006, *Not Just Stacking Shelves – Tackling pre-conceptions about employment in the logistics industry*

⁴ The average figure of 88 sq metres per workspace corresponds to the findings of research by Roger Tym & Partners in the East Midlands Strategic Distribution Study of November 2006

⁵ Roger Tym & Partners, op cit

⁶ ProLogis, January 2006, op cit

choice of jobs generated by the development and will not simply replicate the original jobs generated by the development itself.

3.3.10 The Solstice Park employment allocation predates the current Local Plan allocation and has its roots in a long-standing strategy to diversify Amesbury's employment opportunities, in order to reduce its reliance on jobs related to Ministry of Defence establishments in and around Salisbury Plan. This remains an important part of the District's economic strategy.

3.3.11 Employment land supply estimates have been obtained from Salisbury District Council and Wiltshire County Council, including the Salisbury District Employment Land Review (April 2007) and the Wiltshire Structure Plan Monitoring Report on Employment Land and Floorspace (April 2006). Since the socio-economic statement with the earlier planning application, updates of the Wiltshire Structure Plan Monitoring Report have been published including a report on Employment Land and Floorspace to April 2007 and the Annual Monitoring Report 2007/08.

3.3.12 Information on local population and labour force has been drawn from the Office for National Statistics (2001 Census and Labour Force Projections, 2006-2020), Wiltshire County Council's population projections (2001 to 2026), and WCC's local labour force projections in their analysis of proposed development at Porton Down.

3.3.13 Other relevant sources of information for the original statement included Salisbury District Council's Local Development Framework Annual Monitoring Report (December 2006) and South Wiltshire Economic Assessment (2006) – as updated by the South Wiltshire Economic Indicators Report of September 2008 – Roger Tym & Partners' report to the South West of England Regional Development Agency on 'Spatial Implications of Economic Potential in the South West' (June 2006), evidence presented to the Examination in Public of the draft Regional Spatial Strategy for the South West (April to July 2006) and statutory development plans.

3.3.14 These sources have been updated where possible and new information has also been added, including the latest information for February 2009 on unemployment and vacancies and national, regional and local economic surveys and forecasts reflecting current economic conditions. Recent reports include Forecasts for the UK Economy – a comparison of independent forecasts (February 2009)⁷, the South West of England Regional Development Agency's Economic Review 15 (February 2009)⁸, GWE Business West's Research Report on The Economic Impact of the 2008 Slowdown in Wiltshire (December 2008) and a report to Salisbury District Council's Cabinet meeting on 28th January 2009 on the local economic situation.

Planning Policies for Employment

3.3.15 The current planning policy framework is provided by the Salisbury District Local Plan (June 2003), which covers the period to 2011 and the Swindon and Wiltshire County Structure Plan (April 2006), which covers the period to 2016.

3.3.16 The draft Regional Spatial Strategy (RSS) for the South West (covering 2006 to 2026) was submitted in March 2006. After its Public Examination, between April and July 2007, publication of the Panel's Report in January 2008 and the Secretary of State's Proposed Changes in July 2008, the Secretary of State intends to issue the final RSS at the end of June 2009.

3.3.17 The RSS will set the overall District housing target against the background of high levels of expected job growth. The Secretary of State's Proposed Changes (Policy HMA 11) provide for the growth of about 13,900 jobs and 12,400 dwellings in the Salisbury Housing Market Area. Within the Salisbury Travel to Work Area, there is provision for about 13,500 jobs and about 37 hectares of employment land.

3.3.18 The potential for continuing growth at Amesbury is recognised in the Local Plan and in the Community Strategic Plan⁹, which acknowledges that '*Solstice Park is expected to play a major role in the expansion of the South Wiltshire economy*'. The Local Plan proposes phased developments of housing and employment land to consolidate the town's role as a local centre for the north of the District, including

⁷ HM Treasury, February 2009, Forecasts for the UK Economy, No 262

⁸ South West RDA Economics Review Issue 15, First Quarter, February 2009

⁹ Amesbury Market Town Partnership, 2006, *Amesbury Community Strategic Plan 2006-2016*

Solstice Park, Porton Down and some 550 homes south of Boscombe Road during the period of the local plan (to 2011).

3.3.19 The local plan allocated land for employment to the east of Porton Road, Amesbury (Solstice Park), stating that 'development of the site will be phased with development limited to 18 hectares (net) of employment land during the lifetime of this Local Plan.' It followed the 2001 Wiltshire Structure Plan's requirement that "'about' 50 hectares of additional employment land should be provided in Salisbury District between 1991 and 2011." By April, 1999, 21.16 ha had either been developed or committed for development.

3.3.20 In setting out the remaining local plan employment land requirement, Salisbury District Council stated that it was *'mindful of both the word "about" in relation to the Structure Plan requirement (which is intended to provide some flexibility for provision across the district) and also the desire to promote economic development in Amesbury.'*

3.3.21 The 2006 Structure Plan allocated 80 hectares of land for employment in Salisbury District up to 2016: 35 ha in the City and 45 ha elsewhere, against an estimate of 57 ha already built or committed in 2003 (14 ha in the City and 43 ha elsewhere – including only the phased local plan allocation at Solstice Park of 18 ha up to 2011 rather than the whole of Solstice Park), leaving an outstanding requirement for strategic employment sites of 23 ha in the District (21 ha in the City but only 2 ha elsewhere). Subsequently, the Regional Economic Strategy (RES) and the RSS have indicated a need for high levels of continuing job growth to 2026.

3.3.22 The emerging Core Strategy for South Wiltshire, which will ultimately be consolidated in a Core Strategy for the new Wiltshire Unitary Authority, has progressed to the stage of Preferred Options, which were published for consultation between February and April 2008. Preferred Option 13 proposes:

- to allocate sites specifically for office warehousing and general industrial uses 'to reflect the trend away from manufacturing';
- to plan for 30 to 35 ha of new employment land split between 'approximately' 53% B1 (office), 12% B2 (general industrial) and 35% B8 (storage and distribution);
- to allocate sites for mixed employment uses to encourage specialist groupings such as office parks and research and development; and
- that allocated employment sites should provide 10% to 20% of land for start-up and incubator units.

3.3.23 The justification for the proposed split between B1, B2 and B8 appears to be the Employment Land Review of April 2007. We have strong reservations about the approach taken in the Review to forecasting land requirements, including the limited basis for the employment forecasts, the ways in which they were translated into land-use requirements and the lack of consideration given to information on market demand. The emerging Regional Spatial Strategy is not prescriptive about employment within different use classes.

3.3.24 SDC's Addendum to Topic Paper 9 (February 2008) rejects the option that a large proportion of employment land should be in Amesbury on the grounds that it would be against regional policy which identifies Salisbury as a SSCT, which means that more development should be identified in Salisbury rather than Amesbury. However it recognises that employment should be balanced with housing growth and that the Solstice Park allocation will be an important contributor to further employment opportunities. The same document supports options for large proportions of employment land to be through extending Porton Down and around Old Sarum.

3.3.25 The Addendum to Topic Paper 9, like some other SDC planning policy statements, does not address important distinctions between numbers of jobs, areas of floorspace and site areas. Although the focus of employment growth is on the City in terms of numbers of jobs, these are expected to be higher-density activities, including a high proportion of office employment. It is entirely consistent with that approach for lower-density forms of employment to occupy more extensive sites outside the City, including Solstice Park.

3.3.26 This point was recognised by the RSS Panel¹⁰ who commented: *'it is the Panel's view that the City centre is the best location to accommodate growth in the office sector, with more expansive uses and some other specialist growth sectors being accommodated at the Amesbury locations (Solstice Park and Porton Down), where the Panel notes there are sizeable existing commitments to 2011.'*

3.3.27 Salisbury District is fortunate to have a portfolio of employment opportunities that can accommodate a wide range of business uses with differing site and locational requirements. This broad portfolio underlines the need for planning policies to respond positively to the diversity of requirements and opportunities which arise in different locations.

3.3.28 It has been estimated that the proposed Regional Distribution Centre will occupy some 22.24 ha; net of areas for landscaping, major roads and re-modelling of the site. Allowing time for planning, development and fitting-out, occupation is likely in 2011 – a beyond the end of the of the adopted Local Plan period (1/1/2011).

3.3.29 Details of partially developed sites at Solstice Park and planning consents that are not yet implemented are set out in Appendix 3.1. Not all current consents will be completed and occupied by 2011.

3.3.30 Current consents for business development in Zones A and C of Solstice Park (excluding the leisure, retail and catering uses in Zone B) comprise partially developed plots A100, A200 and C2, totalling 1.17 ha, and unimplemented consents on plots A102, A103, A300, A400, C1, C2 and C4A totalling 10.91 ha, although Plot C1, at 1.98 ha, is the subject of a proposed Asda store.

3.3.31 The site areas of the proposed RDC (22.24 ha) and the implemented consents at Solstice Park (1.17 ha) could therefore total some 23.41 ha, which is 5.41 ha above the local plan phasing of 18 ha to 2011. If sites with outstanding, unimplemented consents were also developed, the total would be higher. However, there are reasons to expect that not all the unimplemented consents (totalling 9.74 ha) in Zones A and C will be completed and occupied by 2011, based on previous take-up rates for Zones A and C.

3.3.32 Existing and potential employment at Solstice Park is analysed in Appendix 3.3 which shows that on committed sites there are 335 existing jobs and 1,293 estimated future jobs (total 1,628) and that the total employment potential at Solstice Park is estimated to be 4,297 jobs.

3.3.33 The County's strategic planning officers have confirmed that the employment land figures of the structure and thus the local plan policies are not meant to be interpreted rigidly; recognising that the relationship between site areas and employment numbers is highly variable and dependent on specific occupiers and uses, unit sizes, prevailing economic conditions and of course the possibility of new employment uses emerging with their own land requirements.

3.3.34 In any event, any technical breach of the local plan phasing policy would take place at a time when the local plan is shortly to be rolled-forward into a new local development document or documents looking ahead to 2026 in the light of employment figures in the RSS.

3.3.35 The background for the Regional Spatial Strategy included economic forecasts of substantial job growth in Salisbury District of 10,800 to 13,600 between 2006 and 2026 (with 7,700 jobs by 2016 on the higher forecast). These forecasts, prepared by Cambridge Econometrics and quoted by Roger Tym & Partners¹¹ in their report for the Regional Development Agency, also formed part of the Regional Economic Strategy.¹²

3.3.36 Although County and District Councils have called for the balanced development of jobs and housing in their statements for the EiP on the draft RSS, they did not address the imbalance between the jobs forecast and housing provision of 9,200 in the draft RSS. This imbalance was, however, addressed in the Panel's Report and in the Secretary of State's Proposed Changes (see paragraph 36 above).

¹⁰ RSS Panel Report, paragraph 4.11.13

¹¹ Roger Tym & Partners, June 2006, *Spatial Implications of Economic Potential in the South West*

¹² South West Regional Development Agency, May 2006, *Regional Economic Strategy for South West England 2006-2015: Spatial Implications – Place Matters*

3.3.37 The Regional Economic Strategy (RES) refers, on the one hand, to growth opportunities in knowledge-based companies such as the biotech sector and, on the other hand, to problems in the City of Salisbury that include a tight labour market (demand exceeding supply) and environmental constraints that result in a shortage of land for employment and affordable housing. The RES also describes the economic links between Salisbury and the A303 towns of Amesbury, Andover and Basingstoke.

3.3.38 County Council officers, in their report on Porton Down, have questioned whether these employment forecasts can be achieved, because of the implications for labour supply and population growth. There are also questions about the supply of suitable sites, especially in and around the City of Salisbury. However, the forecasts also point to the need for much of the District's future economic growth to take place outside the City where it can still be associated with reductions in outward commuting from the District.

3.3.39 Questions of housing-job balance in Amesbury need to be considered in the light of the need for additional housing allocations in Salisbury District (which of course in Regional terms comprises the Housing Market Area (HMA)) and constraints on development within the City. Further considerations include the current balance of commuting, which holds the potential for increasing the local working population.

3.3.40 Commuting data for 2001, the latest date for which comprehensive information is available, shows that about 42% (6,393) of those working in the Amesbury CA (15,217) lived elsewhere, whilst there was also an outflow of 46% (7,624) of the resident workforce (16,448) to jobs elsewhere: a net commuting outflow of 1,231 people from the Amesbury CA. Clearly there is scope to expand local employment in Amesbury to enhance opportunities for the resident labour force, which will assist in reducing outward commuting.

3.3.41 In April 2007, the latest Structure Plan Monitoring Report shows that completions in the City of Salisbury totalled 7.6 ha or just 22% of the Structure Plan allocation to 2016. For the rest of Salisbury District, completions were 5.23 ha or 12% of Structure Plan provision. These figures represent a slow take-up of employment land compared with the County average of 29%. Prospects for the future will depend on the economic situation and the availability of sufficient housing to accommodate the workforce. The analysis of employment land supply is considered later in this chapter.

Scoping Criteria

3.3.42 The economic implications of the proposed Regional Distribution Centre need to be considered in relation to the whole District and not just the Amesbury Community Area (ACA). The Regional Spatial Strategy recognises the interaction between housing and employment growth is important in meeting the objectives of sustainable development. To this end the use of Housing Market Areas (HMA) is considered to be an appropriate tool in achieving a balance of housing and employment (see below).

3.3.43 Certainly the Salisbury Community Area (SCA) needs to be included in the analysis (see Map 1). These two areas (ACA and SCA) make up some 66% of the total population of the District. They are projected to take over 90% of the District's total growth in labour force on the basis of projections controlled to the RSS housing proposals or, on the basis of trend projections, all of the growth in labour supply (or 135% of the overall change when declines in other areas are taken into account).

3.3.44 Questions of land supply, housing: job balance and household projections are best approached at the level of the Housing Market Area (HMA), which is defined in the draft RSS to comprise the whole of the District. The use of HMAs as the appropriate level at which to consider household projections and housing-job balance has been supported in the RSS Panel's Report and in the Secretary of State's Proposed Changes. The HMA approach is supported by a large volume of recent Government guidance, including PPS 3 (paragraph 33), the Advice Note on '*Identifying Sub-Regional Housing Markets*' and the Practice Guidance on '*Strategic Housing Market Assessments*' (both from *Communities and Local Government* in March 2007).

Limitations of the Assessment

3.3.45 For the purposes of this Chapter it is assumed that the housing and employment figures set out in the Secretary of State's Proposed Changes to RSS will be included in the RSS when it is finally issued. Any change to these figures must however be tempered by the fact that the application proposals fall on a site which already has outline planning permission for employment development.

3.3.46 The Secretary of State intends to issue the final RSS at the end of June 2009. This chapter is being submitted before the RSS is finalised but the re-submitted planning application for the Regional Distribution Centre will, in all likelihood be determined after the RSS has been issued in its final form.

3.3.47 The existing Local Plan runs only until 2011. Approval of the re-submitted application for the proposed Regional Distribution Centre will result in a development that will be constructed and occupied only after the end of the Local Plan period, given the development “lead in” time. Although saved policies of the Local Plan will still apply when the planning application is determined, Policy E8A will have little or no relevance as it addresses the phasing of Solstice Park only up to 2011.

3.3.48 The Core Strategy Preferred Options included a number of scenarios to accommodate the increase in RSS housing requirements, including: a new settlement of up to 2,500 dwellings related to employment at Porton Down; a wider distribution of additional housing throughout the District, including some 2,100 at Amesbury, Bulford and Durrington; or an urban extension for about 2,500 dwellings at Firsdown.

3.3.49 A subsequent consultation in September 2008 announced that suggestions for a new settlement around the Pheasant Hotel on the A30 at Winterslow and an urban extension to Firsdown had been abandoned and that there were no longer plans for a new settlement anywhere in the District. The consultation document suggested a need for about 2,240 new homes (about 112 per year) over the next 20 years In the Amesbury Community Plan Area, with the strategic site at Archer’s Gate able to deliver about 1,025 of these new homes in the first 5 years of the Plan and remaining homes to be distributed within various settlements, with the detailed selection of longer-term sites subject to further consultation and the subsequent production of policy documents by the new Wiltshire Council.

3.4 Baseline Conditions

Area Description and Context

3.4.1 Amesbury Community Area’s resident population was 30,173 in 2001 (Census): 26% of Salisbury District’s total (of 114,613). Its resident workforce (people aged 16 to 74 in employment) was 16,457: 29% of the District’s total (of 57,468).

3.4.2 Salisbury Community Area’s resident population in 2001 was 44,173: 39% of the District total, and its resident workforce was 21,880: 38% of the District’s total.

3.4.3 Together, the two Community Areas accounted for 65% of the District’s resident population (74,346) and 67% of its resident workforce (38,337). In the wider potential labour market area defined by 30 minutes’ driving time from Solstice Park (which includes Salisbury to the south and Andover to the East), the resident workforce has been estimated at over 78,000¹³.

3.4.4 The Amesbury Community Area had high levels of economic activity and employment, but a low level of self employment, compared with the District as a whole, and a low level of unemployment, compared with the national average:

Table 3.2: Economic activity 2001 (% of people aged 16-74 years)

	Amesbury Community Area	Salisbury District	England
Economically active	76.7	71.9	66.9
Employee	65.4	57.0	52.6
Self-employed	7.8	10.9	8.3
Unemployed	1.8	1.8	3.3
Students in employment	1.8	2.1	2.6

Source: 2001 Census, Key Statistics Profile by Wiltshire County Council

¹³ Jones Lang LaSalle, 2006, Solstice Park Labour Market Analysis (commissioned by the Amesbury Property Company)

3.4.5 The industrial structure of employment among Amesbury Community Area residents (industries of the companies in which they worked) showed a very high concentration on public administration and defence in the 2001 Census: 30.8% of employed people, compared with 15.2% for the District and 5.7% nationally. The proportions employed in all other sectors were consequently lower.

3.4.6 The occupational structure (types of job and skill levels) of Amesbury Community Area residents showed a particularly high proportion of employed residents in 'associate professional and technical occupations' (technicians and people in professional support roles) at 25.3% compared with 17.3% for the District or 13.8% nationally. There were lower proportions employed in managerial and professional occupations (21.4% locally compared with 26.5% nationally) or as process, plant and machine operatives (5.5% against 8.4% nationally).

3.4.7 These employment characteristics are largely a result of the predominance of Ministry of Defence and related employment in the Amesbury Community Area as described above. It is part of the economic strategy of the Local Plan and the Community Strategic Plan to diversify Amesbury's employment base and to reduce its reliance on activities related to the Ministry of Defence.

3.4.8 Few of the wards within the Amesbury Community Area (Amesbury East and West, Bulford, Durrington, Lower Wyle and Woodford Valley, and Upper Bourne) rank poorly in deprivation indices relating to employment and income. They are generally in the top half of the Wiltshire ward rankings.

3.4.9 However, Durrington and Upper Bourne are in the lowest 20 per cent of County wards for employment deprivation; Upper Bourne is also in the lowest 20 per cent of County wards; and Durrington is in the lowest quartile of County wards for income deprivation. These rankings need to be seen in the light of the generally high levels of prosperity of Wiltshire.

3.4.10 When considering the social and economic impacts of development at Solstice Park, it is appropriate to consider the wider context beyond the Amesbury Community Area, including the Salisbury Community Area and the rest of the District. The Community Areas have a limited significance when considering social and economic activities. They are very uneven in size and do not follow ward boundaries, which also limits the availability of information.

3.4.11 The Salisbury Community Area had a 2001 population of 44,173. Amesbury Community Area, with 26% of the District's population, and Salisbury Community Area, with 39%, therefore accounted for 65% of the District's population. Together, they were even more important in terms of employment and growth, because of the rural character of the rest of the District, although Salisbury City contained only 44.4% of total Travel to Work Area employment (the second lowest proportion of TTWA employment within an urban area in the region, after Trowbridge).¹⁴

3.4.12 The South Wiltshire Economic Indicators Report (September 2008) contains later demographic and economic data at district level. The main findings included:

- The mid-2006 population of Salisbury District was 115,300;
- Employment and economic activity rates were above the national, regional and county averages;
- Unemployment, as measured by the Job Seekers' Allowance claimant count, was well below the national, regional and county averages;
- The proportion of the district's work population qualified at NVQ level 4 or above was below the national and regional averages;
- Median earnings of residents were below the national and county averages but higher than the regional average. Median workplace earnings were also below national and county averages but close to the regional average. Residents can often earn higher wages by commuting to work outside the District.

¹⁴ Roger Tym & Partners, June 2006, *Spatial Implications of Economic Potential in the South West*

- The ratio of average house prices to average earnings was nearly 12 (in 2007); higher than the national, regional and county ratios, and comparable with Kennet or Winchester (due to relatively low earnings as well as high house prices).

3.4.13 More recent information is now available at district level on population (115,800 at mid-2007, compared with 115,300 in mid-2006); unemployment (2% in February 2009 compared with 1% in August 2008); job vacancies (479 in February 2009 compared with 762 in August 2008). Rates of employment and economic activity remain higher than the county, regional and national averages.

Baseline Survey Information

3.4.14 The most relevant factors in relation to the social and economic effects of the proposed Regional Distribution Centre are its impacts on employment land supply and on labour demand which affects the balance between homes and jobs.

Employment Land Supply

3.4.15 Employment land supply in the Salisbury area was referred to in the Regional Development Agency's submission to the Examination in Public of the Regional Spatial Strategy. SWRDA corrected an error in figures supplied by DTZ Pieda¹⁵ that suggested a potential over-supply in Salisbury, citing the evidence of Roger Tym & Partners¹⁶ that: *'Both in terms of inward investment and retention of existing businesses, the lack of available employment land is a key issue'*.

3.4.16 The Wiltshire Structure Plan Monitoring Report on Employment Land and Floorspace (April 2007) found that completions plus planning permissions in the City of Salisbury totalled some 16.56 ha, or 47% of Structure Plan provision (to 2016). When allocations of 6.48 ha in the local plan are added, total commitments in the City are 23.04 ha: 66% of the Structure Plan provision. These figures are low compared with other parts of the County.

3.4.17 In the remainder of Salisbury District, the Structure Plan Monitoring Report (2007) found that completions and planning permissions totalled 24.3 ha or 54% of the Structure Plan provision, to which can be added local plan allocations of 14.5 ha and to give an overall figure of 38.8 ha or 86.2% of the Structure Plan provision. There is also one 'soft commitment'¹⁷ of 1.1 ha. These figures include only that part of Solstice Park allocated up to 2011 (18 hectares) and not the whole Park.

3.4.18 It is clear that Salisbury District looks to the Amesbury area for a substantial proportion of its employment land supply. This is largely a consequence of the physical and environmental constraints that limit the number and sizes of sites that are available in the historic City of Salisbury and its surroundings within the Avon Valley. However, there is a varied portfolio of opportunities for economic development throughout the District, including high-density regeneration sites within the City, research campuses and business parks at Porton and Boscombe, a substantial mixed-use development at Old Sarum and smaller development sites elsewhere.

3.4.19 The land supply picture is therefore different from that of employment opportunities. The City can accommodate higher-density employment and (in the words of the Secretary of State's Proposed Changes to RSS) *'higher-skilled employment, particularly in the office sector.'* The RSS Proposed Changes describe a variety of employment opportunities in the District: *'Salisbury is a key employment centre and there are also significant concentrations of jobs at Amesbury, Porton Down and associated with military activities on and around Salisbury Plain.'*

3.4.20 Completed development on sites for employment-related uses has been relatively slow in the City and District of Salisbury compared with other parts of the County. In the 11 years between April 1996 and April 2007, completions in the County as a whole were 212 ha or 29% of total Structure Plan provision for 1996 to 2016. The rate varied between a high of 48 ha or 42% (in the remainder of West Wiltshire outside Trowbridge) and lows of 5 ha or 12% in the remainder of Salisbury District and 8 ha or 22% in the City of

¹⁵ DTZ Pieda, January 2007, *'The Demand and Supply of Employment Land, Sites and Premises in South West England'*

¹⁶ Roger Tym & Partners, June 2006, *Spatial Implications of Economic Potential in the South West*

¹⁷ A planning application awaiting completion of a legal agreement

Salisbury.¹⁸ The supply of employment land in Amesbury Community Area and Salisbury District needs to be seen in the light of past rates of take-up. Appendix 3.1 shows the relatively slow implementation of B1 floorspace at Solstice Park.

3.4.21 In addition to the proposed Regional Distribution Centre, economic development is also proposed at Porton Down. Wiltshire County Council (WCC) has prepared an analysis of that development, which provides a useful context for assessing the potential implications of the Regional Distribution Centre at Solstice Park. Other employment creation at Solstice Park on plots occupied or committed (i.e. with planning permission) but not yet developed is estimated to be some 1293 future jobs in addition to the 335 existing jobs¹⁹.

3.4.22 Analysis of employment land supply should therefore be undertaken across more than one Community Area within the District. It should reflect the varied portfolio of locations, sizes and types of site available; the varying needs of different kinds of commercial activity; and the evidence of market demand including inquiries and take-up rates.

3.4.23 The area of 37 hectares referred to in the RSS (Secretary of State's Proposed Changes) should not be regarded as anything but a *minimum figure* for employment land requirements. This figure and other land areas quoted in relation to the emerging Core Strategy Development Plan Document should certainly not be taken as maximum figures for planning policies in ways that would constrain economic development, which would also be contrary to the emerging *Planning Policy Statement 4: Planning for Sustainable Economic Development*.

3.4.24 It is worth noting that the County Structure Plan applied the word 'about' to its employment land requirement and, in setting out the employment allocation for Solstice Park in the local plan, Salisbury District Council stated that it was 'mindful of both the word "about" in relation to the Structure Plan requirement (which is intended to provide some flexibility for provision across the district) and also the desire to promote economic development in Amesbury.'

3.4.25 Recent estimates of employment land requirements for the HMA all appear to be derived from a set of economic and employment forecasts commissioned by the Regional Development Agency for the Regional Economic Strategy and Regional Spatial Strategy from Cambridge Econometrics. Employment forecasts were subsequently translated into land areas by DTZ²⁰, using assumptions about employment densities and plot ratios. These forecasts have been used as the basis for estimates of employment land requirements and, in conjunction with estimates of employment land supply, as a basis for planning policies.

3.4.26 DTZ's forecasts of employment land supply and demand were criticised by Wiltshire and Dorset County Councils and the Boroughs of Bournemouth and Poole at the RSS Examination in Public²¹ because of the limited range of forecast scenarios and the assumptions used to convert employment projections to requirements for land and premises.

3.4.27 The figure of 37 ha for employment land demand, between 2006 and 2026, in the Salisbury HMA is taken from the DTZ study which also referred to an identified capacity of 54.51 ha. At the Examination in Public, the local authorities corrected this capacity estimate to 36 ha.²²

3.4.28 The scope for variation in forecasts of employment land supply and demand is exacerbated when attempts are made to disaggregate the forecasts by land-use categories. We shall see how such estimates have been applied in the Salisbury HMA by various parties. It is clear that such estimates can only provide a broad basis for planning policy or for decisions on specific employment development proposals.

3.4.29 Government guidance on employment land reviews²³ recommends a broadly-based approach to the assessment of future land requirements for employment. It also emphasises the importance of

¹⁸ Wiltshire County Council, April 2007, *Wiltshire Structure Plan Monitoring: Employment Land and Floorspace*

¹⁹ Amesbury Property Company. See Appendix 3.3(a).

²⁰ DTZ, January 2007, *The Demand and Supply of Employment Land, Sites and Premises in South West England*, including Technical Appendices 1 to 5

²¹ South West Strategic Authorities (SE) (1042) Supplementary Statement to Matter 8/1. *Response to The Demand for and Supply of Employment Land, Sites and Premises in South West England*

²² Panel Report, paragraph 4.11.14

²³ ODPM, 2004, *Employment Land Reviews – Guidance Note*

understanding the nature of the local commercial property market in terms of both geography and market segments, including the locational and premises requirements of particular types of businesses. It describes 10 different types of site that vary in terms of their different market segments and locational, site and property requirements:

- Established or Potential Office Locations;
- High-Quality Business Parks;
- Research and Technology/Science Parks;
- Warehouse/Distribution Parks;
- General Industrial/Business Areas;
- Heavy/Specialist Industrial Sites;
- Incubator/SME Cluster Sites;
- Specialised Freight Terminals;
- Sites for Specific Occupiers; and
- Recycling/Environmental Industry sites.

3.4.30 The guidance recommends using a variety of forecasting methodologies (e.g. based on sectoral economic forecasts, labour supply projections and take-up of sites) and a range of forecasting scenarios. It also recommends that these techniques are *'supplemented by consultation with informed stakeholders, studies of key and emerging business sectors and by the monitoring and analysis of published business, economic and employment statistics.'*²⁴

3.4.31 A justification for the provision of 30 ha of employment land between 2006 and 2026 is given in the SDC LDF *Core Strategy Topic Paper 9, The Economy and Employment*. It is derived from economic forecasts prepared by Cambridge Econometrics for the Regional Development Agency, with two scenarios: a *'central view'* of 10,800 jobs in the TTWA between 2006 and 2026, based on GVA growth of 2.8% p.a., and a *'growth view'* of 13,800 jobs based on GVA growth of 3.2% p.a.

3.4.32 These forecasts are also incorporated in the District Council's 2007 *Employment Land Review*²⁵, which goes further in forecasting employment floorspace requirements by industrial sector. The approach translates employment forecasts by sector into land-use categories (for both *central* and *growth* scenarios); it applies employment densities to each land-use category (to give floor areas); and then it applies plot ratios to derive site areas.

3.4.33 The Employment Land Review concludes that the requirements for 2006 to 2026, according to the *'central'* and *'growth'* scenarios, are 10,800 to 13,600 jobs; 138,000 to 168,000 sq metres of business floorspace; and a land area of 25 to 30 ha.

3.4.34 The conclusions in relation to Class B8 uses (storage or distribution) are 560 to 600 jobs; 36,400 or 39,000 square metres of floorspace; and 9 to 10 ha of land.

3.4.35 Although the Employment Land Review contains commentaries on economic indicators and property trends, consultations with local property agents, and a survey of local businesses (for which only limited information is provided) these appear to have had little influence on the detailed quantitative forecasts of employment land requirements:

²⁴ ODPM, 2004, *Employment Land Reviews – Guidance Note*, paragraph 5.18

²⁵ Salisbury District Council, April 2007, *Employment Land Review*, Chapter 15

'The quantitative forecasting has been based on assumptions devised and used by SWRDA/DTZ for regional planning, and are therefore a reliable source. It can therefore be assumed that the forecasts in this review provide a reasonable indication of future requirements.'²⁶

3.4.36 In fact, there are many questionable assumptions underlying the translation of employment forecasts into building floorspace or site areas. One of the most questionable procedures is the estimation of floorspace and land requirements for Class B8 (storage or distribution) uses. Total job growth in the distribution industry sector between 2006 and 2026 as projected by Cambridge Econometrics is 2,800 to 3,000 based on their 'central' and 'growth' scenarios. This represents 22% to 26% of total job growth. When translating job growth from industrial sectors to land-use categories (as defined by the Use Classes Order), the Employment Land Study assumes that only 20% of job growth in the distribution industry will require Class B8 sites or premises, that 40% will occupy Class A1 retail premises, 20% Class B1 and 20% Class B2. Even more surprising is the assumption that there is no requirement for Class B8 premises from any of the 8 other industrial sectors.²⁷

3.4.37 These assumptions about the proportions of job growth requiring Class B8 sites and premises are highly questionable. They do not even follow the assumptions used by DTZ in their report to the Regional Assembly, which includes a matrix translating industrial sectors to land-use classes.²⁸ DTZ's assumptions in their report to the Regional Assembly would lead to a higher figure for B8 employment in Salisbury District (725 to 794, rather than 560 to 600). However, even these assumptions are also open to question (and they were challenged by Wiltshire County Council among others at the RSS Examination in Public).²⁹

3.4.38 Employment land reviews in other parts of the country have calculated substantially higher proportions of employment requiring B8 premises in the wholesale, transport and communications industries: at 36% to 77% in different parts of the North West³⁰, compared with just 20% of the distribution sector in the Salisbury Employment Land Review. Other studies also include requirements for Class B8 premises to accommodate employment growth in other industrial sectors.

3.4.39 It would be more reasonable to assume that the specific opportunities presented by the 'strategic corridor' of the A303 and locations such as Solstice Park will result in higher proportions of growth in distribution and other industrial sectors taking the form of Class B8 activities. This possibility was clearly envisaged in the RSS Panel's comments on the opportunity for 'more expansive uses' at Amesbury (quoted in paragraph 36 above).

3.4.40 The limited information from consultations with property agents and local businesses that is reported in the Employment Land Review provides some useful observations:

'The majority of property on the market in the Salisbury district is small and split between office and industrial uses. In terms of numbers of properties, the majority are located in the Salisbury city area. In terms of larger and purpose built property and development land, it is really only Solstice Park at Amesbury that is offering such opportunities.'³¹

'Discussions with local agents reflect the fact that the main opportunities and demand for property should be focussed around Salisbury City. Amesbury clearly has a vital role in the long term at Solstice Park.'³²

'Whilst businesses were cautious about revealing future plans, the majority of those who responded were satisfied with their current location and felt it would still meet their needs in five years time. Of those looking for an alternative location, Salisbury city is the most popular

²⁶ Salisbury District Council, April 2007, Employment Land Review, paragraph 16.6.1

²⁷ printing and publishing, transport equipment, hotels and catering, transport and communications, banking and insurance, other business services, education and health, and miscellaneous services

²⁸ DTZ, January 2007, *The Demand and Supply of Employment Land, Sites and Premises in South West England*, Technical Appendix 4, Annex A

²⁹ South West Strategic Authorities (SE) (1042) Supplementary Statement to Matter 8/1. *Response to The Demand for and Supply of Employment Land, Sites and Premises in South West England*

³⁰ Arup, 2006, Employment Land Methodology for the Draft North West RSS

³¹ op cit, paragraph 16.3.2

³² op cit, paragraph 16.3.3

area and there is a clear demand for premises of less than 3,000 sq ft, reflecting the nature of local businesses being mostly small.³³

3.4.41 These comments highlight the fact that sites for economic development in the City are limited and that companies and premises are generally small. Also relevant to the need for business development beyond the City are aspirations in the emerging Core Strategy for mixed-use redevelopments of the Churchfields Industrial Estate and sites on the Southampton Road.

3.4.42 Unfortunately, the Employment Land Review and documents supporting the emerging Core Strategy seem to be predicated on the idea that employment land requirements can be forecast with some precision and confidence for 20 years ahead, based on trends in output and employment within industrial sectors and highly questionable assumptions about the land-use implications of these forecasts. Assumptions are also required to translate employment forecasts into floorspace and land requirements. These relationships are not sufficiently robust in terms of the available evidence on past changes or understanding of the factors that could influence changes in the future.

3.4.43 It follows that these relationships have not been sufficiently justified in the background work on the LDF to be dependable as the basis for formulating prescriptive employment policies or to be applied to decisions about specific employment proposals.

3.4.44 There have been major changes in the distribution industry in recent years, which are demonstrated by the growth of Regional Distribution Centres. These changes include 'just-in-time' supply techniques and more sophisticated logistics management to control the flow of goods and minimise stock-holding in retailing and other industries, structural changes in the retail industry and the accelerating growth of Internet shopping.

3.4.45 The techniques that were used by the Employment Land Supply to assess land requirements do not recognise these trends and therefore do not take account of likely future changes in the transport, distribution, wholesaling and logistics industries. (See also paragraphs 147 to 165 below on the economic benefits of a Regional Distribution Centre.)

3.4.46 A recent review of the logistics market in the M4/A303/M3 corridor by Colliers CRE³⁴ notes that that the economic downturn has not undermined the continuing growth of demand for large warehouses over 300,000 sq ft, but there is a restricted supply of available units or sites. The area between the M4 and M3, including the A303 has particular strengths in terms of location, transport links and labour supply for distribution services to South and West London, the Southern Home Counties and the South West Region. Major occupiers include Mars in Slough, Inbev and Gillette in Reading, Scottish & Newcastle in Newbury, Londis and WH Smith in Andover, Sainsbury in Basingstoke and Comet in Westbury.

3.4.47 Available sites for warehouses over 300,000 sq ft in the M4/A303/M3 corridor, according to Colliers CRE, include ProLogis Park in Newbury (with limits on unit floor areas and eaves heights), Andover Airfield, (where Tesco is expected to take 862,000 sq ft of the 1,240,000 sq ft permitted) and the former Woolworth depot in Swindon. There is therefore a very limited supply compared with the unsatisfied demands of occupiers which Colliers CRE describe as including:

³³ op cit, paragraph 16.4.1

³⁴ Colliers CRE, April 2009, *M4/A303/M3 Corridor Logistics Market Review* (See Appendix 3.7)

Electrical retailer	350,000 sq ft
National food retailer	800,000 sq ft
Co-operative Society	400,000 sq ft
National food retailer	500,000 sq ft
National bakery	250,000 sq ft
Southern food retailer	300,000 sq ft
Industrial distributor	750,000 sq ft
National food retailer	300,000 sq ft

Projected Labour Supply

3.4.48 Wiltshire County Council has analysed the employment implications of development at Porton Down on the assumption that it will increase employment capacity in that area by some 1,200 jobs. This increase in employment demand is compared with alternative assumptions about the future size of the labour force as a result of population growth, other demographic changes (e.g. the impacts of an ageing population on economic activity) and other factors such as changes in retirement ages.

3.4.49 WCC projected economic activity rates are derived from the 2001 Census using the ONS National Labour Force Projections (2006). These rates were applied to a set of population projections that were constrained to the draft (i.e. submitted) RSS dwelling figures. The projected growth in the number of economically active people (labour force) in the Amesbury Community Area was 1,353 between 2006 and 2016.

3.4.50 An alternative WCC housing-led population projection assumed a concentration of housing growth within the Amesbury Community Area (equivalent to all of the RSS District housing allocation after current permissions³⁵). This projection resulted in an increase in the number of economically active people (labour force) in the Amesbury Community Area of 2,431 between 2006 and 2016.

3.4.51 WCC's housing-led economic activity projections were also applied to other parts of the District. In the Salisbury Community Area, both projections resulted in similar increases in the number of economically active people between 2006 and 2016 of about 1,840. Across the whole of Salisbury District, the alternative projections showed increases in the number of economically active people of 3,974 to 4,068 between 2006 and 2016. (See Table 3.3 below.)

Table 3.3: Alternative projections of growth in economically active population, 2006 to 2016 (Wiltshire County Council)

Area	Housing constrained to draft (submitted) RSS	Housing concentrated in Amesbury
Amesbury Community Area	1,353	2,431
Salisbury Community Area	1,841	1,840
<i>Sub-totals for Amesbury and Salisbury Community Areas</i>	<i>3,194</i>	<i>4,271</i>
Salisbury District	3,974	4,068

Source:
Wiltshire County Council 2007, *Analysis of the Development at Porton Down*

³⁵ The submitted RSS district housing allocation was 4,600 for 2006-2016 and there were permissions for some 3,000 dwellings, of which about 600 were in Amesbury.

3.4.52 The first set of WCC projections showed a growth in labour supply within the Amesbury Community Area (1,353) that was less than the combined job growth potential of Porton Down and Solstice Park (at 2,380 based on 1,200 jobs at Porton Down, as estimated by WCC, and some 1,180 at Solstice Park, as estimated in paragraph 16 above³⁶). However, the relevance of this finding is limited in several ways:

- because the area considered was limited to the Amesbury Community Area (see following paragraphs);
- because the population projections were constrained to the submitted RSS housing figures and the approved RSS is likely to reflect the Secretary of State's Proposed Changes, which include a significantly higher housing allocation; and
- because the analysis did not take account of commuting.

3.4.53 More relevant is the combined projected growth in the number of economically active people in the combined Amesbury and Salisbury Community Areas which is from 3,194 to 4,271 between 2006 and 2016; based on the alternative WCC projections (see Table 3.2 and Appendix 3.2)³⁷. The WCC analysis noted that, as Porton Down is located between Amesbury and Salisbury, work journeys originate from both areas.

3.4.54 WCC has also produced alternative population and economic activity projections based on a 'trend' projection that is related to the *Department of Communities and Local Government* household projections; two projections based on the RSS and Structure Plan housing figures; and a 'hybrid' projection which is policy-based in the short-term and trend-based in the longer term. These projections are summarised in Appendix 3.2.

3.4.55 Although the 2016 Structure Plan-based figure for total economically active population in the Amesbury Community Area is only about 5% to 6% lower than the RSS-based or trend-based figures, the projected *change* in economically active population from 2006 to 2016 is 912 to 1020 lower (440 rather than 1,352 or 1,460 respectively).

3.4.56 Again, it is the combined projections for the Amesbury and Salisbury Community Areas – or the projection for the whole of the District as a Housing Market Area – that are more relevant to questions of housing-job balance associated with major employment growth at Solstice Park (and Porton Down and elsewhere).

3.4.57 More substantial differences are likely to result from housing-led projections based on the CLG household projections. Household projections and higher figures proposed by some of the parties at the RSS Examination in Public would have resulted in increases in the economically active population of the District some 1,000 to 3,000 higher between 2006 and 2016.³⁸

3.4.58 Wiltshire County Council has not yet produced revised labour force projections based on the Secretary of State's Proposed Changes to RSS, which increased the housing allocation in the Salisbury District HMA by 3,200; from 9,200 to 12,400 (to go with a jobs target of 13,900) including an additional 1,000 homes (total 6,000) at the City as SSCT,.

3.4.59 Core Strategy Preferred Options included three alternative scenarios to meet the later RSS target of 12,400 dwellings of which 6,400 were expected to be outside the City. A subsequent consultation in September 2008 suggested a need for about 2,240 new homes (about 112 per year) over the next 20 years in the Amesbury Community Plan Area, with the strategic site at Archer's Gate able to deliver about 1,025 of these new homes in the first 5 years of the Plan and remaining homes to be distributed within various settlements, with the detailed selection of longer-term sites subject to further consultation and the subsequent production of policy documents by the new Wiltshire Council

³⁶ 94,144 sq m @ 80 sq m per workspace

³⁷ Note: the higher figure for the Amesbury and Salisbury Community Areas together exceeds the District total because there are reductions in other parts of the District.

³⁸ assuming that the number of additional workers approximates to the number of additional homes, after allowing for dwelling occupancy and economic activity rates.

Commuting

3.4.60 In 2001, the number of people working in the Amesbury Community Area was some 15,217, including 6,393 who commuted into the area: 1,439 from Salisbury Community Area, 1,208 from the rest of the District and 3,746 from outside the District.

3.4.61 Some 7,624 residents of the area travelled to work elsewhere: 2,505 to the Salisbury Community Area, 1,512 elsewhere in the District and 3,607 outside the District.³⁹

3.4.62 From the Salisbury Community Area, 2,901 residents travelled to work elsewhere in the District (not including Amesbury) and 3,816 travelled to work outside the District.

3.4.63 The District overall had balanced flows of in-commuting (12,379) and out-commuting (12,544), with 57,472 employed residents and 57,307 jobs (a net outflow of 165).⁴⁰

3.4.64 There is, therefore, within the District and the two Community Areas of Amesbury and Salisbury, potential to add to the locally employed work force from those who currently travel to work elsewhere, for example in Andover, Basingstoke, Hampshire or West Wiltshire, who may be able to find employment nearer home as a consequence of economic development at Amesbury and Porton Down.

3.4.65 National fiscal and travel policies are likely to provide increasing incentives for people to minimise their journeys to work. The scope to reduce commuting out of the District of Salisbury as a result of new employment opportunities at Amesbury and Porton Down should be seen in this light.

3.4.66 The 7,600 out-commuters from the Amesbury Community Area (including the 3,600 who travelled outside the District) and the 3,800 people who travelled outside the District from Salisbury Community Area could potentially augment the local workforce when new jobs are created at Amesbury and Porton Down.

3.4.67 Realistically, major economic development at Amesbury and Porton Down will also attract in-commuters to augment the labour force, depending on the mix of occupations and skills required. Although there may be some additional journeys of this kind, they are likely to be outweighed by the increased opportunities for current out-commuters to work locally. There are therefore opportunities for net reductions in journeys to work from the two Community Areas and the wider District.

The current economic situation

3.4.68 In the past 18 months, the economic situation has worsened nationally, regionally and locally. The average outcome of independent national economic forecasts is that output (GDP) increased by only 0.7% in 2008; will contract by 2.8% in 2009; and will be virtually static in 2010.⁴¹ The latest national output forecasts by Cambridge Econometrics are 0.7% in 2008; -3.2% in 2009; and -0.6% in 2010.⁴²

3.4.69 Average estimates of employment change by independent economic forecasters are: 0.4% in 2008; -2.5% in 2009; and -1.3% in 2010. On different definitions, the employment change estimates from Cambridge Econometrics are: 0.5% in 2008; -2.3% in 2009; and -1.6% in 2010.

3.4.70 The South West England Regional Development Agency's Economics Review for February 2009⁴³ predicts that recession in the South West will be shallower but longer lasting than the national average, with jobs falling more than output and a return to the trend growth path in 2012 after job losses in at least 11 quarters (the 'baseline' scenario), or perhaps as many as 19 quarters (the 'adverse' scenario).

3.4.71 At its meeting on 29th January 2009, Salisbury District Council's Cabinet received a report on the current economic climate including research by GWE Business West on the economic impacts of the

³⁹ Census 2001, summarised by Wiltshire County Council in their analysis of the Porton Down development

⁴⁰ Salisbury District Council, 2006, *South Wiltshire Economic Assessment*, (2001 Census Data based on aggregation of workplace travel tables and therefore subject to error)

⁴¹ HM Treasury, February 2009, *Forecasts for the UK economy – a comparison of independent forecasts (no 262)*

⁴² Regional forecasts by Cambridge Econometrics were the basis for economic growth scenarios used in the Regional Spatial Strategy

⁴³ South West RDA, First Quarter: February 2009, *Economics Review Issue 15*

recession in Wiltshire.⁴⁴ The report noted that the number of people claiming Job Seekers Allowance in Salisbury had increased from 462 in December 2007 to 953 in December 2008. By February 2009 the figure had risen to 1,332. However, the claimant count unemployment rate⁴⁵ at 2.0% remained below the rates for Wiltshire (2.4%), the South West (2.9%) or Great Britain (3.8%).

3.4.72 It is disappointing that the Planning and Regulatory Committee who refused the previous RDC application in 2008, contrary to the recommendations of the Head of Development Services and the Northern Area Committee, were not able to reflect on the implications of the current economic recession. Some Members appeared to believe that the economic downturn would change in a matter of months.

3.4.73 Recent redundancies in Salisbury District have included 440 from Mahle Filter Systems at High Post, closure of the Army's HQ Land Command in Wilton, a proposed quarry closure by Imerys, closure of the Salisbury Tax Office, closure of Woolworths in Salisbury and redundancies at Salisbury District Council resulting from local government re-organisation.

3.4.74 The GWE Business West report made various detailed forecasts of unemployment in Wiltshire, including the prediction that Salisbury would be one of the hardest hit workplace economies, with the loss of around 800 'workplace jobs' in the District, 500 in the Salisbury Community Area and 140 in the Amesbury Community Area between June 2008 and June 2009. The claimant count was predicted to rise in the same period by over 900 in the district, nearly 400 in Salisbury Community Area and about 250 in the Amesbury Community Area. More than 60% of the job losses were predicted to be unskilled jobs.

3.4.75 The basis for GWE's forecasts was a 'base' scenario that envisaged national claimant unemployment rising to 1,250,000 in June 2009, *whereas the actual level had already reached 1,391,100 by February 2009.* At the current rate of job losses, even GWE's 'higher pace' scenario (1,700,000 national JSA claimants by June 2009) will be exceeded. GWE's forecasts for Wiltshire must therefore be considered optimistic. Their forecast increase in JSA claimants for Salisbury District from June 2008 to June 2009 was 928 compared with an actual increase of 765 by February 2009 of which 262 occurred in the previous month.

3.4.76 The number of unfilled job centre vacancies in the District had also fallen from a peak of 968 in November 2007 to 479 in February 2009.

3.4.77 In response to the Cabinet report, Salisbury District Council recommended that the new Wiltshire Council implement a number of measures to support local communities and wrote to all local businesses with an assurance that **'we will continue to do all we can to assist local businesses and residents during these difficult times...'**⁴⁶

3.4.78 At this uniquely difficult time for the national and local economy, investment in the proposed Regional Distribution Centre represents a substantial opportunity for the creation of new employment in the District in 2011 and thereafter. Planning policies and decisions need to support economic development.

3.5 Key Impacts and Likely Significant Effects

Job Growth

3.5.1 Substantial job growth is expected as a result of the proposed Regional Distribution Centre at Solstice Park (some 1,200 jobs) and as a result of development at Porton Down (also some 1,200 jobs), to which may be added the multiplier effects on local employment of perhaps 400 jobs. Solstice Park is also expected to generate a further 3,000 jobs in addition to those in distribution at the RDC (see Appendix 3.3 and paragraph 42 above).

3.5.2 The Porton Down Master Plan (January 2007) envisages the development of 10 ha of which 5 ha is allocated in the current local plan (to 2011) including 2.1 ha in Phase 1. Within the next 10 years a number

⁴⁴ GWE Business West, December 2008, *The Economic Impact of the 2008 Slowdown in Wiltshire*

⁴⁵ JSA claimants as % of resident people of working age (ONS, February 2009)

⁴⁶ Letter, dated March 2009 from the Leader and Deputy Leader of Salisbury District Council

of developments are expected at Porton Down including the relocation of several hundred jobs from other sites by the Defence Science and Technology Laboratory, development of part of the site occupied by the Health Protection Agency (Centre for Emergency Preparedness and Response); and successive phases of the Porton Bioscience and Technology centre (totalling 435 jobs).

3.5.3 At Porton Down, the Council's 2007 Employment Land Review recommends *'further consideration of the potential for the site to accommodate further private research and development investment in order to provide additional employment space to help meet future needs.'*

3.5.4 At nearby Boscombe Down, 7 ha were identified in the Local Plan for employment development before 2011 under Policy E8b, and this allocation remains available. The Council's 2007 Employment Land Review recommends that *'the scale and location of the site offers great potential for further consideration to provide additional employment space'...and...'it could feasibly provide substantial employment space to help meet future needs to 2026.'*

3.5.5 We understand that the E8b allocation remains a site which the Defence Estates wish to protect for future investment and Solstice Park is able to provide the necessary infrastructure (protected under the Solstice Park Master Plan) to enable this investment to be realised).

3.5.6 Other opportunities for employment growth within the local labour market include sites in Salisbury, especially 33 ha at Churchfields which *'provides huge potential to be regenerated to provide a much higher density of high quality B1 and B2 employment space within relatively smaller amounts of land'*⁴⁷ and 6 hectares at Old Sarum with the potential for some 800 jobs.

3.5.7 The Regional Economic Strategy and its background papers have forecast substantial potential for job growth in the Salisbury Travel to Work Area. There is already a large and varied portfolio of opportunities for employment growth in the Housing Market Area, including sites in the City for high density office developments, sites for high technology research, development and production at Porton Down and Boscombe Down, mixed uses at Old Sarum and Solstice Park where the proposed Regional Distribution Centre will provide substantial employment in the distribution sectors in addition to the diverse range of activities already accommodated on the site and further development opportunities for the future;

3.5.8 It is not realistic to try to assess the balance between homes and jobs in detail, especially as the distribution of housing throughout the District in response to the emerging RSS is not yet determined. However, there is clearly an abundant supply of opportunities for employment growth throughout the District and, in particular in the Amesbury area where significant housing growth is also planned (within the Amesbury Community Area). There is also a diverse portfolio of sites of sites of different sizes, types and locations throughout the District, to provide a range of choice for different business uses and activities.

3.5.9 The current Master Plan for Solstice Park shows a total gross area of 64.75 ha of which 44.52 ha is net developable area. 9.74 ha are already implemented and the RDC proposal is for 22.20 ha, leaving a residual area of 12.58 ha. The area available for development during the RSS period (2006 to 2026) is therefore in excess of 34 ha at Solstice Park, compared with the RSS land supply target of about 37 ha for the whole District. It includes the RDC, the residual area and some of the area that has now been implemented. We have also pointed out that more than 23 ha are potentially available at Porton Down, Boscombe Down and Old Sarum, without considering sites in the City where regeneration is capable of increasing employment densities (especially Churchfields and Harnham Trading Estate).

Economic Benefits of a Regional Distribution Centre

3.5.10 The proposed Regional Distribution Centre at Solstice Park is based on clear evidence of market demand obtained from intensive marketing of the site over a number of years. Market demand confirms the views of the RSS Panel that this location is uniquely well suited for economic activity that benefits from an extensive site area and from a strategic location on the A303, at a gateway to the South West Region. These are the specific requirements of a Regional Distribution Centre that cannot be met anywhere else in the District or adjoining parts of the region.

⁴⁷ Salisbury District Council, April 2007, *Employment Land Review*

3.5.11 There are, unfortunately, a number of misconceptions about the nature of the distribution industry, its economic importance and the kinds of employment it provides.

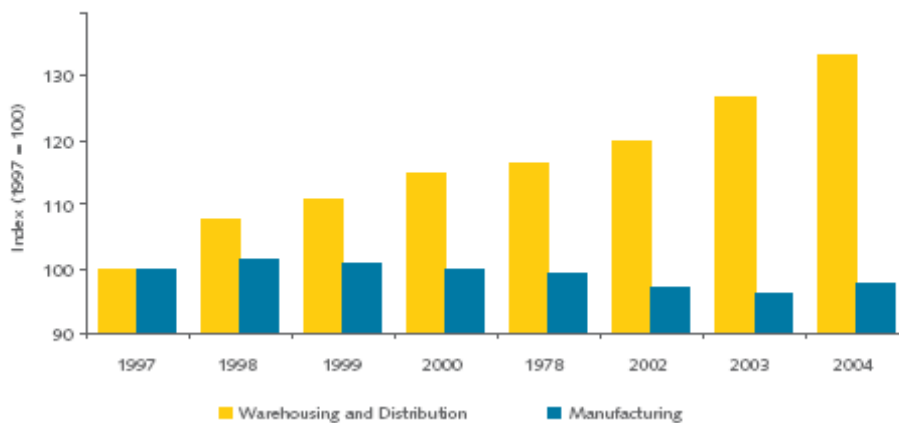
3.5.12 In recent decades, the organisation of distribution (logistics) has been transformed by information technology, structural changes in manufacturing and retailing, and the need to control the flow of goods and manage the use of floorspace more efficiently. Regional Distribution Centres are part of that trend; built to house goods in transit and manage the flow of goods from factory or port to retail outlet or user, sometimes via a National Distribution Centre.

3.5.13 The importance of distribution is also related to the decline of manufacturing in the UK, as a result of global trends including the off-shore relocation of UK manufacturing. Distribution has become an increasingly important source of added value in the UK economy. In today's economy, B8 distribution developments are probably creating more jobs than manufacturing, often at higher densities than manufacturing, with a range of occupations and skill levels, and with multiplier effects on job growth in suppliers, customers and related industries⁴⁸.

3.5.14 Research by Cranfield University School of Management and GVA Grimley⁴⁹ shows that between 1978 and 2006 whilst almost 4 million jobs were lost in manufacturing approximately a million jobs were created in the distribution sector which is expected to employ more people than manufacturing by 2016. This research also shows a narrowing of the difference between employment densities in manufacturing and distribution over the last decade in particular. Although manufacturing has a higher overall average density of employment (i.e. more employees per area of floorspace), over a third of distribution organisations have employment densities above the average for manufacturing. Cranfield and Grimley emphasise that 'employment density figures need to be treated with caution as a basis for determining land use requirements.'

3.5.15 The Cranfield and Grimley Study shows how *value added* in distribution has grown relative to manufacturing: since 1997 value added in distribution has increased by over 30%, whilst there has been virtually no change in manufacturing. Distribution developments are therefore delivering considerable economic benefits.

Change in Value Added in Distribution and Manufacturing (1997=100)



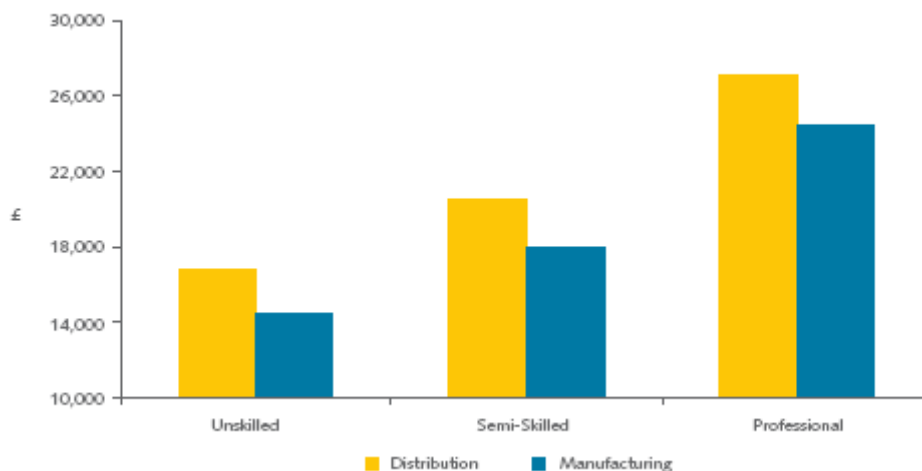
Source: Cranfield University School of Management and GVA Grimley, Spring 2007, Making & Moving – The Future Prospects for British Industry

3.5.16 The same study found that wages and salaries were, on average, 10% to 17% higher in the distribution sector than in manufacturing, across all skills levels.

⁴⁸ ProLogis, January 2006, *Not Just Stacking Shelves – Tackling pre-conceptions about employment in the logistics industry*

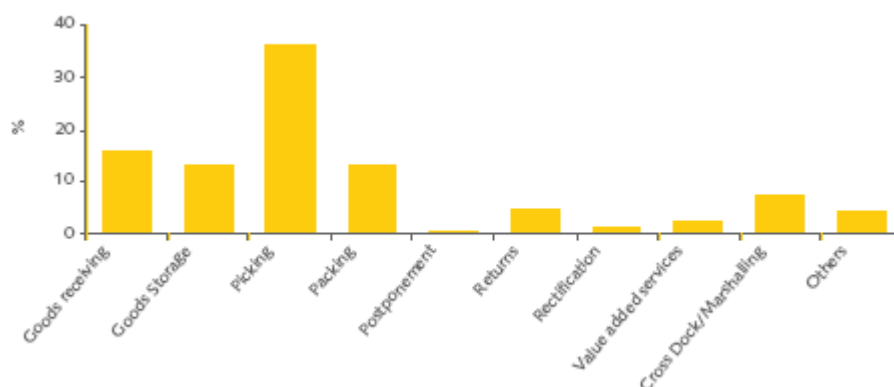
⁴⁹ Cranfield University School of Management and GVA Grimley, Spring 2007, *Making & Moving – The Future Prospects for British Industry*

Average Wages and Salaries in Distribution and Manufacturing



Source: Cranfield University School of Management and GVA Grimley, Spring 2007, Making & Moving – The Future Prospects for British Industry

3.5.17 The Cranfield and Grimley study also found a good range of jobs on offer in the distribution sector, as shown in the % distribution of jobs by function in the following chart. The traditional warehousing functions of receiving goods and storage made up less than a third of the jobs: *‘In fact, certain activities appear to have been displaced from manufacturing businesses, such as rectification and value added services⁵⁰, reflecting how the nature of industrial operations has been changing over the last decade.’*



3.5.18 The nature of employment in the distribution sector is therefore changing, as many of the developments in distribution require increasingly skilled employees – including the growth of internet retailing, which accounts for 13.9% of retail expenditure. There is growing requirement for personal service and sales skills as well as semi-skilled operatives.

3.5.19 Appendix 3.4 shows the occupational structures of different industrial sectors in the UK from the Annual Population Survey 2006-7. The distribution sector (G-H) is broadly defined here to include wholesale and retail trading as well as hotels and restaurants, whilst the transport and communications sector (I) includes also includes distribution and warehousing activities. Both sectors include significant proportions of managerial jobs (14%-20%) and administrative/secretarial occupations (7%-10%) as well as process operatives and elementary occupations (26%-49%).

3.5.20 Appendix 3.5 shows employment at the Co-op’s West Thurrock Regional Distribution Centre, developed by Graftongate Developments (Kenmore’s Development Managers and Logistics Consultants for the Solstice Park RDC). This Regional Distribution Centre, which has been operating for 2 years, has a total

⁵⁰ Including warranty and after-sales services

floor area of some 29,737 square metres (320,000 square feet) and total employment of 927, with an overall density of 32 sq metres per worker. If drivers are excluded, the remaining number of jobs at the RDC totals 677 and the employment density is 44 square metres per worker. Managerial, supervisory, clerical and training posts total 115, which is over 12% of total employment or 20% of the non-driving jobs.

3.5.21 Earlier in this chapter we applied a relatively conservative assessment of employment at the Regional Distribution Centre, based on an overall job density of 80 square metres per worker including the ancillary offices; broadly equivalent to 95 square metres for the warehouses⁵¹ and 19 square metres for the ancillary offices to give an estimate of some direct 1,200 jobs (not including multiplier effects). Applying the “Thurrock model” at densities of 32 to 52 square metres to 94,144 square metres would imply direct employment of 1,800 to 2,900. The higher estimate includes drivers in the overall employment density and is not therefore directly comparable, although drivers would be a valid addition to local employment if the RDC operator had an operator’s license which would, in effect, “anchor” drivers in the locality.

3.5.22 Appendix 3.6 is a recent report about careers and training in transport and logistics from a training publication that was reprinted in *The Independent*. It describes some of the training and graduate employment opportunities that are now available in the distribution industry. Qualifications and professional standards in the industry are governed by the Chartered Institute of Transport and Logistics (UK).⁵²

3.5.23 For planning purposes, it is clear that the changing nature and requirements of the distribution industry require recognition in land allocation policies and decisions on planning applications. In the future, the distribution industry is likely to be the main source of demand for industrial land⁵³. The industry is important to the national economy for the value added and the range of employment opportunities that it provides.

3.5.24 Regional Distribution Centres are important for the industrial sectors that they serve and for the regional and local economies in which they operate. They provide essential logistical services for companies within the region and wider economic benefits within their local areas, including a variety of employment and demands for local services that also generate multiplier effects for income and employment.

3.5.25 An efficient network of Regional Distribution Centres also reduces trip generation, haulage distances, transport costs and associated carbon emissions, and therefore contributes to sustainable economic development.

3.5.26 The concept of matching employment growth to available skills in an area is as unreliable as that of seeking to match employment land supply to projected demand.⁵⁴ Earlier in this Chapter we described characteristics of the workforce in the Amesbury Community Area in 2001. (Later information on labour supply and demand is not available at this level, because of the small sample sizes of the Annual Population Survey and other sources, and resulting problems of disclosure.)

3.5.27 We have noted that employment in the Amesbury Community Area has a high concentration in public administration and defence: (30.8% of employed people, compared with 15.2% for the district and 5.7% nationally). The occupational structure of the Amesbury area showed high proportions of employed residents in ‘associate professional and technical occupations (technicians and professional support roles (25.3% compared with 17.3% for the District and 5.7% nationally). There were lower proportions employed in managerial and professional occupations (21.4% compared with 26.5% nationally) or as process, plant and machine operatives (5.5% compared with 8.4% nationally).

3.5.28 The Regional Distribution Centre will provide a proportion of employment in managerial and supervisory roles and other occupations as well as jobs for semi-skilled process operatives and elementary

⁵¹ similar to average densities quoted by Arup Economics and Planning in *Employment Densities: A Full Guide*, published in 2001 by English Partnerships and ProLogis, January 2006, *Not Just Stacking Shelves – Tackling pre-conceptions about employment in the logistics industry*

⁵² <http://www.ciltuk.org.uk>

⁵³ Cranfield University School of Management and GVA Grimley, Spring 2007, *Making & Moving – The Future Prospects for British Industry*

⁵⁴ See Section 4 above

occupations. These job creation characteristics match some of the gaps in the local labour market and therefore respond to the economic strategy of diversification in the adopted Local Plan.

3.5.29 It is not realistic to seek to match labour demand and supply at the local level in a precise way, but it is also worth noting Amesbury's past history as a distribution base: NAAFI employed about 600 people in the area in distribution activities until nine years ago, Amesbury Transport (subsequently Gregory Transport) employed about 200 people at three yards until about five years ago and Mahle Filter systems also included a significant number of distribution jobs among the 440 posts that were recently made redundant. There are therefore likely to be people in the Amesbury area with the requisite skills, who could be re-employed locally at the proposed Regional Distribution Centre.

3.6 Mitigation

3.6.1 The increased housing allocation of the RSS Proposed Changes will (if confirmed in the final issued RSS) help to improve the balance between housing and employment growth in the District/HMA in general and, in particular, in the Amesbury area where there are opportunities for extensive employment uses like the proposed RDC and smaller-scale business units as well as significant opportunities for additional housing, retailing and leisure uses. Sites have already been identified in the Local Plan for further housing in Amesbury. The South Wiltshire Core Strategy has identified options to provide housing in step with economic development.

3.6.2 An apparent contradiction between the focus of economic development on the City (in the emerging RSS and South Wiltshire Core Strategy) and the greater supply of employment land outside the City (including Amesbury) is resolved when the characteristics of employment land are considered. Within the City, there are opportunities to intensify employment by regeneration and redevelopment of some key employment sites at higher densities for offices. The City also has leading roles in retailing, leisure and other services. Elsewhere, there are opportunities for research and development and high technology business uses at Porton Down and Boscombe Down, and for major distribution facilities at Solstice Park.

3.6.3 The District therefore has a broadly-based portfolio of different sizes, types and locations of site for business development. It will be important that planning policies and decisions acknowledge the diversity of opportunities and the diverse requirements of different kinds of business. It would be counter-productive to seek to micro-manage employment land supply on the basis of *averages* for employment density, site size, rate of take-up, or other characteristics. It will be important to have regard to market demand, changing industrial structures and business requirements. This approach is the cornerstone of Government advice on economic development.

3.6.4 Job growth in the Amesbury Community Area including the proposed RDC will help to widen the employment base of the area, which is currently highly-skewed towards public administration and defence, and related occupations. This is an explicit aim of both the Local Plan and the Community Strategic Plan. Economic development in Amesbury will also help to offset the relative deprivation in employment and income of some of the rural wards.

3.6.5 Changes in commuting patterns encouraged by new local employment opportunities are likely to increase local labour supply by reducing out-commuting, which will result in reductions in the length of journeys to work. Such changes will be only partly offset by some increases in inward commuting to augment the local labour force, especially where specific skills are not available locally.

3.6.6 Green Travel Plans for Solstice Park (and Porton Down and other employment locations) will facilitate more sustainable modes of travel to work and further encourage local working.

3.7 Consultations Responses on the Previous RDC Planning Application**The South West Regional Assembly**

3.7.1 In its consultation response on the previous planning application⁵⁵, the Regional Assembly drew attention to the policies of the draft RSS and the Panel's report. It also referred to saved policies of the Structure Plan and Local Plan, drew attention to the A303 as part of the strategic route network, and cited RSS policies for sustainable construction.

3.7.2 The Regional Assembly noted that Amesbury was not identified as a *Principal Urban Area* or as a *Strategically Significant City or Town* and that was for Salisbury District Council to define Amesbury's status in relation to RSS Development Policies B and C, in its Local Development Framework. (The RSS Panel recommended that the approach to Policy B and C settlements should not be sequential but based on the identified needs, opportunities and roles of those settlements.)

3.7.3 The Regional Assembly noted the Panel's views on Amesbury's supporting role in relation to the Salisbury as a SSCT and their recognition of commitments and opportunities at Solstice Park and Porton Down.

3.7.4 The Regional Assembly also noted that the site is allocated for economic development in the adopted local plan (Policy EC8A), that outline planning consent was granted in 2002, and that parts of the site are already developed. The Assembly raised no in-principle objection to the RDC application exceeding the land area allocated in the local plan, which was a local matter for Salisbury District Council to consider.

3.7.5 The Regional Assembly also found that the proposal complied with the role of the A303 and with the RSS Panel's recommendation on development linked to this strategic route corridor.

Wiltshire County Council

3.7.6 Wiltshire County Council's consultation response⁵⁶ noted that *'the proposed development is in line with the use envisaged for Solstice Park and taking into consideration its location adjoining the A303, a transport route of strategic and regional importance, the site can be seen as a good location for a RDC.'*

3.7.7 The County Council also noted that *'Amesbury is the second largest settlement in the District outside of Salisbury and has been subject of a period of housing growth which is probably set to continue in the new plan period. New employment development at Amesbury would therefore be in accordance with Policy DP 3 of the adopted Wiltshire and Swindon Structure Plan 2016 that endorses appropriate opportunities for the growth of employment to enhance self containment in main towns.'*

3.7.8 Although the scale of the proposal is larger than anticipated in the local plan, for the period up to 2011, there is residual land for development beyond 2011 and only 5.23 hectares of strategic employment land has so far been developed, compared with the Structure Plan requirement of 45 hectare for the period 1996 to 2016 (Policy DP4)

3.7.9 The County Council concluded that:

- the site is part of an existing allocation in the adopted Local Plan that is likely to be brought forward in the emerging Core Strategy for South Wiltshire;
- Amesbury provides the best potential to deliver sustainable growth in the district outside Salisbury; and
- the proposed RDC will contribute to the local economy and help deliver employment growth.

3.7.10 Accordingly, as Strategic Planning Authority, Wiltshire County Council did not object to the proposed development.

⁵⁵ Letter dated 28th January 2008

⁵⁶ Letter dated 22 April 2008

3.7.11 As Salisbury DC is now part of the new Wiltshire Unitary Authority (Wiltshire Council), we assume that any consultation response on this resubmitted RDC will be a single “corporate” one under the responsibility of Wiltshire Council.

The South West Regional Development Agency

3.7.12 In its consultation response on the application for a Regional Distribution Centre at Solstice Park, the South West Regional Development Agency (SWRDA) indicated its support for the proposed development *‘subject to the District Council being satisfied that the proposed development will not have a deleterious effect on the range and choice of employment space available in the district to meet the needs of business.’*⁵⁷

3.7.13 SWRDA also noted that the proposed Regional Distribution Centre had the potential to help to deliver a key strategic objective of the Regional Economic Strategy: to promote successful and competitive businesses.

3.7.14 SWRDA’s letter referred to the *‘the evidence from regional and local sources that around 10 ha of land will be required for B8 storage and distribution uses in the Salisbury TTWA over the period 2006-2026.’* The letter noted that the proposed development, at about 22 ha, exceeded that quantum and suggested that the District Council would need to be satisfied that this would not have a deleterious effect on the range and choice of employment land for B1, B2, B8 and other employment-generating uses.

3.7.15 We have explained above why the projected requirement of 10 ha for Class B8 uses over a 20-year period is not a reliable estimate to apply to a Regional Distribution Centre development and should not be used as a policy target or to constrain economic development. Sites will still be available at Solstice Park to accommodate smaller units and other employment uses.

3.7.16 The District has a potentially wide and varied portfolio of sites for different kinds of employment-generating activities, including sites and premises in the City and at Solstice Park, Boscombe Down and Porton Down. The location and availability of large, unconstrained sites at Solstice Park make it uniquely suited for a Regional Distribution Centre, which will provide a wide range of direct employment and provide logistical support for other industries in the Travel to Work Area and in the wider region. It is the only site in the District that can accommodate such a use.

3.7.17 SWRDA’s letter also referred to the employment potential of the Regional Distribution Centre and its direct and indirect economic benefits. As there is no need for concern about the future supply of land for employment in this area, SWRDA’s letter can be seen as support for the proposed RDC.

Salisbury District Council Forward Planning Team Consultation Response

3.7.18 It may no longer be relevant to refer to the District Council’s previous comments in view of the amalgamation of the District Council into the new Wiltshire Council where we assume that a single “corporate” consultation response will be provided. However, we comment below on the District Council Forward Planning Team’s response to the previous RDC scheme which was at variance with comments of the Regional and Strategic agencies charged with stimulating economic development.

3.7.19 The consultation response from Salisbury District Council’s Forward Planning & Conservation Team in May 2008 cited Policy E8A of the adopted Local Plan as the only relevant policy and identified the issues on which the response focused as:

- amount of employment land being used
- need for this level of B8 and the number of jobs being generated
- loss of public open space

3.7.20 This chapter addresses policy considerations and the first two issues. The open space issue is addressed elsewhere.

⁵⁷ Letter dated 14th January 2008

3.7.21 Policy E8A of the Local Plan, which was saved by Direction of the Secretary of State to continue beyond 27th September 2007, states:

'E8 Employment development is proposed on the following sites in Amesbury:

A) Land to the east of Porton Road. Extensive landscaping will be required on the eastern boundary. The development of the site will be phased with development limited to 18 hectares (net) of employment land during the lifetime of this Local Plan. Provision will be made within the site for a link road to the E8B at Boscombe Down. Proposals for leisure development will also be permitted on the site subject to their being no adverse effect on the vitality and viability of Amesbury Town Centre....'

3.7.22 Although it is specific policies that are saved by the Secretary of State's Direction, rather than the whole of the Local Plan, it is important to understand the District Council's reasoning behind this allocation, which is described in paragraphs 5.1 and 5.2 of the plan:

'Salisbury District Council believes the promotion of economic development in the District is important to the future well being of the local residents. The main employment area in the District is Salisbury City, which offers a range of employment opportunities. Amesbury, the second largest settlement in the District, has traditionally relied heavily on the Ministry of Defence for local employment. Recent changes in the nation's defence requirements has resulted in the rationalisation of services and changes in working structures within the MOD, with a resultant reduction in local employment opportunities. The town has good road access to major centres to the east via the A303, and is considered to offer potential for major new employment growth to support the existing local population and future planned growth. The District Council will therefore promote economic development in Amesbury through this Local Plan with the identification of significant areas of land for employment development.

The Adopted Wiltshire Structure Plan (2001) requires that 'about' 50 hectares of additional employment land should be provided in Salisbury District between 1991 and 2011. By April, 1999, 21.16 hectares had either been developed or was committed for development (through the granting of planning consent). The Local Plan is therefore required to identify land to meet the remainder of the Structure Plan requirement. In meeting the requirement, the District Council is mindful of both the word "about" in relation to the Structure Plan requirement (which is intended to provide some flexibility for provision across the district) and also the desire to promote economic development in Amesbury.

3.7.23 Wiltshire County Council's response on the strategic planning implications of the previous application is summarised above. The County Council concluded that the proposal offered significant benefits for the local economy and employment; that it accorded with Policy DP3 of the Structure Plan; that there was no cause for concern about the continuing supply of employment land and; that there was no reason for a strategic planning policy objection.

3.7.24 SDC's Forward Planning Team also calculated that the combined areas of the proposed RDC (22.2 ha) and the area already developed or committed at Solstice Park (10.52 ha) would exceed the local plan allocation (18 ha) by 14.72 ha. These figures are not disputed but should not be looked at in isolation. It is important to remember that the Local Plan allocation is just for the period up to 2011 and it should be interpreted flexibly in the light of wider economic objectives for Amesbury and the District as a whole; because development of the RDC will take place after the Local Plan period; and in view of the outline planning consent for Solstice Park.

3.7.25 A more detailed comment about the Solstice Park Policy position is set out in the Planning supporting statement submitted with this application.

3.7.26 Another calculation by SDC's Forward Planning Team related to the forecast in the Employment Land Review that 25 to 30 ha of employment land are required to 2026 and the recommendation of the RSS Panel that this figure should be increased to 37 ha. The Forward Planning Team stated erroneously that

these figures were in addition to the 64 ha (gross) already allocated at Solstice Park. Clearly, forecasts are not influenced by existing commitments or allocations.

3.7.27 Calculation of employment land requirements in the Employment Land Review was based on two scenarios of job growth between 2006 and 2026 ('central' and 'growth') of 10,800 to 13,600, which were translated into land-use categories, floorspace requirements and site areas for Class B1, B2 and B8 activities.

3.7.28 Job gains of 6,490 to 7,750 in the Class B uses were translated into gross floorspace requirements of 158,795 to 184,910 square metres from which were subtracted jobs and areas of Class B floorspace in sectors where job losses were forecast. The resulting net changes were expected to be 5,765 to 7,225 jobs and 138,430 to 168380 square metres of floorspace in Class B uses.

3.7.29 These floor areas were then translated into employment land requirements, based on assumptions about plot ratios of 70% for B1 and 40% for B2 and B8. The resulting employment land provision was calculated to be 25 to 30 ha.

3.7.30 The calculation of 25 to 30 ha therefore led to the 'requirement' for a net addition of Class B floorspace, between 2006 and 2026. It incorporated no assumptions about committed or planned land supply at Solstice Park or anywhere else.

3.7.31 The figure of 37 ha for employment land demand, on which the RSS Panel relied and which is included in the Secretary of State's Proposed Changes, was taken from a study by DTZ and can be compared with an estimate of committed supply of 36.65 ha in a document tabled at the Examination in Public (as a correction to the DTZ report, which originally estimated the supply of land at 54 ha). The supply estimate included 18 ha at Solstice Park, which was the area allocated in the Local Plan for development before 2011 and is significantly less than the actual supply available for development between 2006 and 2026, which includes land committed, but not developed; the 22.2 ha proposed for the RDC; and a residual site area of 11.8 ha, at Solstice Park. Sites at Porton Down, Boscombe Down, Old Sarum, the City of Salisbury and elsewhere also contribute to employment land supply between 2006 and 2026.

3.7.32 Contrary to the impression given in the consultation response of the District Council's Forward Planning Team to the previous planning application, the RDC proposal does not therefore result in a shortage of employment land supply. In reality, there is a healthy supply of employment land in the district available for development between 2006 and 2026 of at least 16 ha in excess of the forecast requirement⁵⁸ of 37 ha in the Panel's Report, without taking account of 8.6 ha that are committed, but not yet developed at Solstice Park (e.g. Plot A600⁵⁹) or other opportunities that are likely to arise (such as the redevelopment at higher densities of regeneration sites in the City of Salisbury).

3.7.33 The remaining question posed by the District Council's forward Planning Team was whether the area of land devoted to B8 uses in the proposed RDC was too great a proportion of the total land supply. This question is addressed in paragraphs 74 to 106 above and although the position would be different if the employment strategy were one of restraint where limited land was proposed for employment, this is not the case here.

3.7.34 The forecast 'requirement' of 10 ha for B8 uses in the District Council's Employment Land Review is flawed, for a number of reasons given in this chapter, including

- reliance on one set of economic forecasts;
- unreliable assumptions used to translate employment growth by industrial sectors to employment by land use categories;
- absence of any analysis of changing trends in distribution and other industry sectors; and

⁵⁸ The difference between the assumptions made for Solstice Park and the RDC proposal plus the residual site area at Solstice Park (22.2 – 18.0 + 11.8 = 16 ha)

⁵⁹ This 3.58 ha site was to provide a 7,000 sq metre/75,000 sq ft Distribution Centre for Gregory Transport, who relocated to Westbury in 2003. The site is now likely to be developed for smaller units.

- disregard of market evidence on the demand for B8 floorspace in the District, including the effect of its strategic location on the A303 corridor

3.7.35 In this chapter we have described the employment potential of the proposed RDC as ranging from 1,200 on conservative assumptions to over 2,000 on the basis of information from other similar developments. We have also noted how changing trends are affecting job densities, value added, wage and salary levels and the skills mix in the distribution industry. These are, of course, only estimates. The suggestion that the RDC proposal will result in a potential shortfall of jobs because of a difference between two estimates is totally unjustified.

SDC Forward Planning Team's Supplementary Response

3.7.36 SDC's Forward Planning and Conservation Team gave a further response on the previous RDC planning application in August 2008 adding to their consultation response of May 2008. So far as employment is concerned, the comments referred to the following:

1. The Section 106 Agreement
2. Potential for job creation
3. Original proposed site use
4. The Master Plan
5. Employment land supply

3.7.37 Pegasus Planning responded with comments on this supplemental response, which are summarised and updated below with the issues raised on items 1 to 5.

3.7.38 The Section 106 Agreement on the original outline consent, which limits the development site to 18 ha, also states in Paragraph 5.1.2: *'That at the date of publication of the next deposit draft local plan the council shall review the extent to which it is appropriate to vary this restriction in the light of policies contained in such draft plan and shall review the requirements in relation to infrastructure and sustainable transport and shall assess additional requirements in respect of any further development...'*

3.7.39 SDC's Forward Planning Team noted in their supplemental response that the emerging Core Strategy Local Development Document includes Preferred Option 42: *'To continue to work towards the delivery of a range of quality employment opportunities in Solstice Park, with a revised masterplan and planning brief outlining the type of employment uses that the site will deliver.'*

3.7.40 The Forward Planning Team inferred that *'Allowing development on the future development area at this time is contrary to the 106 and if allowed would be circumventing the LDF process.'* In response, Pegasus pointed out that this was an incorrect interpretation of the Section 106 agreement. The phasing restriction of the Local Plan runs until 2011, after which development can continue over the rest of the site as planning consent exists for development of the whole site, subject to approval of Reserved Matters by 2014.

3.7.41 Whilst the local planning process (now the Local Development Framework) was expected to review the phasing restrictions and other requirements relating to development of the site, it does not follow that decisions about further development of the site can only be taken following a review of local plan policies. The Section 106 Agreement (which was related to the outline consent of 2002) simply indicated that a future local plan review would provide an opportunity to vary phasing and consider additional requirements (such as the need for the RDC).

3.7.42 There is no need to await adoption of the emerging Core Strategy (or any subsequent Local Development Documents or Supplementary Planning Documents) before planning for the continuing development of Solstice Park before and after 2011. Adoption of a Core Strategy for South Wiltshire is programmed for April 2010 in the Local Development Scheme of the new unitary Wiltshire Council. However this timetable appears more than optimistic in view of the statutory procedures that remain to be completed and uncertainties about development options raised by the consultation (*'Our Place in the Future'*) of September 2008.

3.7.43 It was not therefore appropriate to recommend the refusal of planning permission for the RDC on the grounds of conflict with the Section 106 Agreement or prematurity with respect to the Local Development Framework and indeed that was the position adopted by the Head of Development Services

3.7.44 The Forward Planning Team's supplemental response also commented on the potential job creation of the RDC on the basis of 97,027 sq m of floorspace including 6% ancillary offices. (The gross external floor area if the RDC is actually 95,027 sq m and the gross internal area is 94,144 sq m). Calculations of potential employment were made at ratios of 18.5 sq m per worker for the B1 office floorspace and 65 sq m per worker for the B8 distribution floorspace, totalling 1,679 jobs. This calculation was contrasted with an estimate of 1,200 jobs on the planning application, which is described as implying 'a shortfall of some potential 500+ jobs'.

3.7.45 In reality, as explained earlier, a range of estimates can be made of employment potential especially when occupiers are not yet known. The difference between these estimates (479) cannot be described as a 'shortfall'.

3.7.46 The SDC Policy Team's supplemental response also included the suggestion that if all of the RDC floorspace were used for B1 offices (and occupied at 18.5 sq m per workspace), it could accommodate 5,244 jobs.

3.7.47 This is a meaningless calculation as office development of this scale (over a million square feet) would not feasibly be developed and occupied in this location. 5,244 jobs would provide 39% of the RSS's jobs allocation for the whole of the Salisbury Travel to Work Area on one site. Office development on this scale would also conflict with the City of Salisbury's role in office development, as envisaged by the Local Plan, the emerging RSS and the emerging South Wiltshire Core Strategy (as described above).

3.7.48 The supplemental response goes on to suggest that the full employment potential of Solstice Park as a major headquarters relocation, as originally envisaged, would be 8,538 jobs at an 'optimum' B1 office density of 18.2 jobs per sq m and a plot ratio of 70%. This calculation is even more extraordinary. It implies an office development of over one and half million square feet (155,400 sq m); providing 63% of the RSS's jobs allocation for the whole Travel to Work Area for 20 years, on one site.

3.7.49 Information on the marketing of Solstice Park over the past 6 years is presented elsewhere. It is clear that, despite full marketing of the site, demand solely for office development is limited at Solstice Park, where current consents for B1 offices have not yet been fully taken up in Zones C1 (corporate) or C2 (smaller scale).

3.8 Conclusions

3.8.1 This chapter has described the main socio-economic implications of the proposed Regional Distribution Centre, especially in relation to planning policy objectives, employment land supply, labour supply, commuting, job growth and the wider economic benefits of a regional distribution centre.

3.8.2 This chapter has also addressed the fourth reason for refusal of the previous RDC application and the comments on that application made by the policy planning teams of the former County and District Councils and regional agencies.

3.8.3 In particular, it has shown that the proposed RDC will help to meet the long-term strategic employment needs of Amesbury. It will contribute to the economic development of the town and the Community Area: providing employment for the area's growing labour force associated with new housing development and opportunities to reduce levels of out-commuting.

3.8.4 The proposed RDC will also provide secondary economic benefits to other businesses in the area who are suppliers of services to the RDC or recipients of goods that will be distributed by the RDC. There will therefore be multiplier effects to boost the local economy and local employment.

3.8.5 The RDC will form part of a wide range of business and leisure uses on Solstice Park. There will remain space for the continuing development of other kinds of businesses at Solstice Park and other sites in the Community Area, including the complementary locations of Porton Down and Boscombe Down where high-technology research, development and production facilities are envisaged.

3.8.6 There is more than sufficient land for employment to accommodate the projected requirements of the Regional Spatial Strategy in the Salisbury Housing Market Area and a diverse portfolio of sites, which includes high-density office sites in the City, research facilities and business parks at Porton Down and Boscombe Down, business parks and associated uses as well as the proposed RDC at Solstice Park, mixed use sites at Old Sarum and a range of smaller sites around the District. There is therefore sufficient flexibility in employment land supply for job growth to balance long-term housing growth in the District, notwithstanding uncertainty about housing provision in the emerging Core Strategy.

3.8.7 RDCs are a manifestation of the changing nature of the distribution industry, which is taking over functions that were previously undertaken in manufacturing units (such as warranty, after sales and other added-value services). They provide a wide range of types of employment at densities that are often greater than manufacturing. The density of employment is determined by the nature of the goods that are handled and their turnover rather than the size of the floorspace, but there will generally be a proportion of administrative and managerial jobs and a variety of skilled and semi-skilled occupations, with opportunities for in-house training and career progression.

3.8.8 Solstice Park has been marketed for a variety of business uses over many years and there is clear evidence that a Regional Distribution Centre is the most viable economic use for a substantial part of the site, which will continue to accommodate a wide mix of uses on other areas that are already occupied or planned or not yet committed. The Master Plan will need to evolve to reflect changing business demands.

3.8.9 In their objections to the previous RDC proposal, the former District Council's policy team applied simplistic and unrealistic calculations of employment land requirements; failed to address market demands and the specific locational advantages of Solstice Park; failed to understand the changing nature of the distribution industry; misconstrued the Section 106 agreement on phasing in the outline consent; and misapplied Policy E8A of the Local Plan, which will expire before the RDC is developed and occupied.

3.8.10 It would therefore be unwise for Wiltshire Council to reject the valuable employment opportunity of the proposed Regional Distribution Centre at Solstice Park, at a highly suitable trunk road location, especially on the grounds that some other form of development is to be preferred when there is no evidence of market demand for alternative uses.

3.8.11 In the light of current economic conditions, the abundant long-term supply of employment land in the District and Government guidance that the planning system should support sustainable economic development, there is no justifiable policy objection to the proposed Regional Distribution Centre.