BUILDING
A BETTER FUTURE

Employment Need and Supply Topic Paper

November 2026



Havant
BOROUGH COUNCIL

Employment Supply and Allocations Topic Paper

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1. Introduction

1.1 Paragraph 20 of the 2024 National Planning Policy Framework (NPPF) states that strategic policies should provide a clear strategy for bringing sufficient provision for employment. This should include planning for and allocating sufficient sites to deliver the strategic economic priorities of the area.

1.2 The Council has undertaken an Employment Land Review and has determined which sites should be allocated for employment development following national guidance in the Strategic Housing and Economic Land Availability Assessment (SHELAA) and then refining that list through the Sustainability Appraisal (SA).

1.3 The purpose of this paper is to set out the Council's need and supply including how sites were subsequently taken forward as employment site allocations in the Publication Building a Better Future Plan.

2. Employment Need

National Policy Context

2.1 The National Planning Policy Framework sets out the Government's policies for plan making and for making decisions on development proposals in England and how these are expected to be applied.

National Planning Policy Framework 2024

2.2 Chapter 6 of the National Planning Policy Framework 2024 sets out how local plan policies and planning decisions should create the conditions in which businesses can invest, expand and adapt.

2.3 Paragraph 86 sets out that planning policies should:

a) set out a clear economic vision and strategy which positively and proactively encourages sustainable economic growth, having regard to the national industrial strategy and any relevant Local Industrial Strategies and other local policies for economic development and regeneration;
b) set criteria, and identify strategic sites, for local and inward investment to match the strategy and to meet anticipated needs over the plan period;
c) pay particular regard to facilitating development to meet the needs of a modern economy, including by identifying suitable locations for uses such as laboratories, gigafactories, data centres, digital infrastructure, freight and logistics;
d) seek to address potential barriers to investment, such as inadequate infrastructure, services or housing, or a poor environment; and
e) be flexible enough to accommodate needs not anticipated in the plan, and allow for new and flexible working practices and spaces to enable a rapid response to changes in economic circumstances.

2.4 Paragraph 87 of the 2024 NPPF states that it is important for policies to address specific locational requirements of different sectors and make provision for:

a) clusters or networks of knowledge and data-driven, creative or high technology industries; and for new, expanded or upgraded facilities and infrastructure that are needed to support the growth of these industries (including data centres and grid connections);
b) storage and distribution operations at a variety of scales and in suitably accessible locations that allow for the efficient and reliable handling of goods, especially where this is needed to support the supply chain, transport innovation and decarbonisation; and
c) the expansion or modernisation of other industries of local, regional or national importance to support economic growth and resilience.

National Planning Policy Framework 2026

2.5 It is important to note at this stage that the Building the Better Future Local Plan has been written in line with the 2024 NPPF as that is what this Local Plan will be examined against. Nonetheless, the 2026 NPPF is relevant to consider.

Employment Land Review

2.6 The Council's Employment Land Review informs the economic development policies and employment land allocations in the Building a Better Future Local Plan.

2.7 The evidence base study is made up of two documents: Havant Borough Employment Land Review 2024 and Havant Borough Council Employment Land Review Update 2026. The documents combined cover a period of 21 years from 2022-2043. The updated study was required to supplement the original study in recognition that main evidence base documents for Local Plans should not be older that two years at the time of plan submission.

2.8 The studies combined provide an assessment of the Borough's economic need drawing on existing studies such as the Partnership for South Hampshire Economic, Employment and Commercial Needs Study (EC01) and more recent economic forecasts and assessments of past trends. The consultants of the reports engaged with a wide range of property professionals to understand the market now and where it is heading in the future.

2.9 National Planning Practice Guidance for the 2024 NPPF directs Council's to plan positively and proactively to encourage sustainable economic growth. This means identifying sites and policies that will help meet anticipated need for the Borough and be flexible and adaptable enough to respond quickly and appropriately to changing economic circumstances.

2.10 In the original 2024 study market commentary and agent feedback remained positive, however in hindsight that optimism was not reflected in the national market and in the following years levels of development have reduced. Delivery of employment development has generally been 'lumpy' – reflecting the relatively small number of developments schemes which are introduced into the market at one point as opposed to a housing scheme which is generally 'drip fed' onto the market as individual units complete. Nonetheless, in 2024/2025 for the first time in fifteen years there was no industrial development activity (neither gains nor losses) in the Borough.

2.11 However, in terms of employment skills, the local workforce has a lower level of qualifications and employment skills compared to county levels. This is reflected in employment occupations and wages and can act as a limitation on attracting firms able to offer higher waged jobs. Planning alone cannot secure higher wage jobs but can ensure the right sites are available to attract firms that, in turn may pay higher wages.

2.12 The updated study in 2026 took into consideration potential housing and labour supply growth of the Local Plan by looking at full standard method figures and also a lower capacity constrained scenario which was in line with the housing figures set out in the Publication Building Better Future Local Plan.

2.13 The study considered three main approaches to assessing future employment need; past trends, labour demand, and labour supply.

2.14 With regards to industrial need, while the wider outlook for industrial development has cooled the Borough has seen a range of new schemes developed. The assessment identifies a need of 146,213 sqm of net new industrial floorspace and 35,258 sqm of net new office floorspace. which should be treated as a minimum.

2.15 It is worth noting that Havant's office market remains weak and developer confidence to build new space has not yet returned. There is little evidence to suggest when confidence will return to the office market in Havant. Over the course of the Local Plan period there will be a rise in population in the Borough. This need assessment for office identifies a modest increase in job numbers over the plan period which equates to an office need of c. 36,000 sqm.

2.16 The conclusions of the study set out that neighbouring authorities have a more positive outlook and it is more than likely that recovery in the office market will be felt first in neighbouring authorities with larger established office areas such as Portsmouth and Fareham who are in the same economic market area.

3. Employment Supply

Strategic Housing and Economic Land Availability Assessment (SHELAA)

3.1 The Council's Strategic Housing and Economic Land Availability Assessment (SHELAA) provides a site-by-site assessment of land that is available meet development needs. It provides a high-level assessment of what sites in the Borough are suitable and available for development, and whether development is deliverable on that site. Where these three criteria are met, a site is determined to be 'developable.' The assessment does not, however determine whether a site should be allocated. The SHELAA was updated and reviewed in February 2026, and again to support the Publication Regulation 19 Plan in June 2026 informed by monitoring data with a base date of 1 April 2025.

3.2 Section 3 of the SHELAA sets out the PPG recommended methodology, through five stages and a list of core outputs. It provides a narrative of how the Council has worked through these five stages and demonstrates the rigorous approach undertaken to produce the core outputs which are contained within the appendices to the SHELAA.

3.3 Sites identified during 'Stage 1: Site / broad location identification' are then thoroughly considered through a robust assessment, the results of which are presented within individual site proformas: Developable economic development sites (Appendix 6); and Discounted economic development sites (Appendix 7). Where sites are concluded to be suitable, available and achievable, they have been concluded to be 'Developable' consistent with the definition of Annex 2 in the NPPF.

3.4 Table 2 in Section 3 of the SHELAA lists the likely site constraints, impacts and considerations in which sites and broad locations are assessed to determine their suitability. This is reflected in the 'Suitability' assessment within the individual site proformas. This included an assessment of whether it was possible to address or overcome the identified site constraints in the context of the constrained land supply, and whether there is a reasonable prospect that a suitable form of development could still be achieved.

3.5 Sites have been concluded to be 'Available' where there is a developer or landowner who has expressed an intention to develop the site, and there is confidence that there are no legal or ownership impediments to the development. Following the previous Local Plan Inspectors' concerns regarding deliverability of sites, this followed a rigorous process which involved re-establishing the availability of sites with landowners and/or site promoters. The individual site proformas document when and by whom sites have been promoted by, including whether this was a landowner, and/or a developer. Where there is an identified developer and/or housebuilder on board, then there is greater confidence about the deliverability of the site.

3.6 An assessment of 'Achievable' has been made based on the prospects of that a particular type of development being developed on the site at a particular point in time. This is in part a consideration and judgement on the economic viability of the site, having regard to the site constraints and whether technical constraints can be addressed within the limits of viability, and

secondly the capacity of the developer to complete and let or sell the development over a certain period. This has been informed by engagement with landowners and developers throughout the plan making process, and where relevant, discussions with development management officers where there are pre-application discussions, or current planning applications to provide a realistic and objective assessment of the likely delivery timescales and phasing.

3.7 Where there is no developer on board, but the landowner has provided an indication of delivery timescales, these have been compared with the delivery timescales for a site of its scale in the Lichfield's Start to Finish research (Third Edition)[1]. Whilst it is acknowledged that the timescales provided within this research are averages, the study provides a useful indication of the 'planning to delivery' period particularly for sites coming forward from years 6-10 onwards. Hampshire Country Council has also published research on housing delivery trends in Hampshire[2] which may also provide a broad indication of average time of start to finish of sites.

3.8 The summary of housing and economic land supply at section 4 of the SHELAA sets out an overview of supply.

3.9 The following sites have therefore been identified for allocation:

- Allocation 24: Waterloo Park
- Allocation 25: Dunsbury Park
- Allocation 26: Former Colt Site
- Allocation 27: Gas Holder Site, Downley Road, New Lane
- Allocation 28: Langstone Park
- Allocation 29: Interbridges West
- Allocation 30: Interbridges East

Employment Land Review

3.10 The Employment Land Review sets out the following sources of employment land supply.

Sources of employment land supply (2022-2043)	Net floorspace (sqm)
Completions 2022-25	32,216
Planning permissions as of 1 April 2025	70,969
Allocations[3]	45,745
Total employment land supply (from all sources)	148,930

[1] https://lichfields.uk/media/w3wjmws0/start-to-finish-3_how-quickly-do-large-scale-housing-sites-deliver.pdf
[2] Housing delivery trends in Hampshire 2000-2030 *Analysis of key trends on sies of 100-399 dwellings* https://www.hants.gov.uk/landplanningandenvironment/facts-figures/land-supply
[3] Does not include the Colt site which instead is accounted for in permissions.

3.11 Since the publication of the Employment Land Review Update it has come to the Council's attention that a site was mistakenly missed from the completions figures. The site located on Downley Road is a redevelopment and has led to a loss of 1 sqm of employment floorspace. The Council does not feel it necessary to update the figures in both the ELR itself or Policy 3 because of this loss of 1sqm of employment floorspace.

3.12 The Borough's industrial need is in balance with the committed supply matching the identified industrial demand by a small margin of 2,700 sqm.

3.13 However, there is a lack of office sites promoted for development. The ELR notes that the office market has been challenging for a number of years and that developers are unwilling to invest speculatively in securing land allocations when they do not see a reasonable short-term development opportunity. As such, given the current market weakness and limited viability, any new office development would be in the middle to the end of the plan period.

Unmet Office Need

3.14 The ELR Addendum acknowledges that it may be better to work with neighbouring authorities, particularly Portsmouth City Council to address office need. Portsmouth City is identified as the larger established office area within the Functional Economic Market Area and particularly suited to being able to accommodate office related labour supply growth in the short to medium term.

3.15 During the Council's Regulation 18 Draft Local Plan consultation. HBC wrote to neighbouring authorities of CDC, EHDC, PCC, SDNPA and WCC in addition to FBC and GBC (as set out above). This provided an update on the Council's housing need and supply position, and to formally request assistance with unmet employment need following the publication of the Employment Land Review. Significantly, PCC's response formally offered assistance with meeting unmet employment needs.

3.16 During the Council's Regulation 19 Publication Local Plan consultation. HBC wrote to neighbouring authorities of CDC, EHDC, PCC, SDNPA and WCC in addition to FBC and GBC as authorities in the same housing market area. Additionally, the Council also wrote to authorities in the Hampshire and Solent devolution area. The letter provided an update confirming that there was no longer a formal ask for assistance in respect of unmet employment need, with transfers of employment land from Portsmouth City Council and Fareham Borough Council's respectively being offered.

3.17 Portsmouth City Council (PCC) has therefore agreed to provide a total of 22,743 sqm of office floorspace towards HBC's unmet office employment need. This contribution from PCC will reduce HBC's unmet need for office floorspace to 12,515 sqm. This has been formalised in a bilateral Statement of Common Ground between HBC and PCC.

3.18 Fareham Borough Council has also agreed to provide a total of 19,973 sqm of employment floorspace towards the remainder of HBC's unmet office need. It should be noted that FBC's employment floorspace contribution is an overall contribution and does not distinguish between office, industrial and warehousing/logistics. Therefore, PCC are best placed to address the

unmet office need arising out of HBC given the certainty that 100% of the floorspace is allocated for office. It is also well located in relation to Havant, being the closest established office area to HBC within the Function Economic Market Area. The contribution from FBC will address HBC's remaining unmet need (+12,515m2), though there is a reduced degree of certainty the transfer of employment would address HBC's unmet office need in full.

3.19 There is further detail of the discussions which took place and the precise agreements reached in the Cooperation Statement (SP007) and Statements of Common Ground with Fareham Borough Council (SCG010), PCC (SCG009) and the South East Hampshire Authorities (SCG001-A/SCG001-B).

4. Conclusions

4.1 Havant's industrial market has cooled from the Covid related heights, but it remains a positive market, and the Borough has seen a range of new schemes developed and others in planning. Whilst the national picture may be of a market no longer at Covid heights, locally across the peaks and troughs of delivery the level of market interest has been consistent in the Borough.

4.2 However, The Borough's industrial need is in balance, with the committed supply matching the identified industrial demand, albeit with no margin with the resultant risk. If some of the supply did not come forward this would need more land to be identified, and undoubtably further engagement with the Borough's FEMA partners, although this could follow future Local Government Reorganisation and the potential creation of a single unitary authority covering the FEMA.

4.3 Havant's office market continues to be weak with no sign that developer confidence is close to a return. The latest VOA data shows that office floorspace in Havant has shrunk from close to 100,000 sqm in 2022 to just over 80,000 sqm in 2025.

4.4 With regards to office, there is no committed supply in the Borough having considered the market it is of the view of the Council and the Council's employment consultants that office unmet need is unlikely to transpire before the mid plan years, and any need is best met first within larger established office areas such as Portsmouth and the wider economic market area which includes Fareham for which the Council has received formal offers from both respective Council's to help meet office unmet need.