

**Winchester Local Plan 2020-2040
Examination of the Local Plan**

**Matter 16: Creating a Vibrant Economy
(including site allocations)**

Statement on behalf of Three Maids Property
LLP

March 2025

Turley

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Three Maids Property LLP

Our reference

MEYS3000

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1. Introduction

- 1.1 This Statement is submitted on behalf of Three Maids Property LLP to Stage 2 of the Winchester Local Plan Examination and in response to 'Matter 16: Creating a vibrant economy (including site allocations)' as set out in the Inspector's 'Matters, Issues and Questions' for Stage 2 of the Examination' (document ED17).
- 1.2 Three Maids LLP has an interest in, and has actively promoted the land at Upper Farm, Headbourne Worthy, Winchester to the emerging Local Plan. The site is well placed to deliver commercial and industrial development on the edge of Winchester to support the needs of the District.
- 1.3 This Statement should be read in conjunction with the other Statements submitted on behalf of Three Maids Property LLP, and their representations to consultation on the draft Local Plan (ANON-AQTS-32F2-P).
- 1.4 In responding to the Inspector's matters and questions, due regard is had to the NPPF paragraph 35 in assessing the Plan's soundness.
- 1.5 This Statement has been prepared on the basis that the Local Plan is to be examined against the NPPF published in 2023. Unless specifically referred to, any references to the NPPF are to that version.

2. Response to Matter 16: Creating a Vibrant Economy (Including Site Allocations)

Employment and Retail Requirements

1. With particular regard to the Employment Land Study [VE08] and Employment and Town Centre Uses Study (ETCUS) [VE03] is the gross additional need for employment land of between 27.6 and 37.8 hectares as set out in the submitted Plan justified by robust evidence?

2.1 The Employment Land Study (ELS) considers a number of forecast based scenarios to consider the employment needs over the plan period. For industrial land (Use Class B2/B8), the conclusions are based on the average of the forecasted scenarios, which the Council and LSH consider provides the most robust demand forecast for forecasting future employment needs. The report also takes into account the completions trend which the Council and LSH also consider provides a robust basis for future industrial land requirements.

2.2 In our view completions data is not a reasonable or robust basis upon which to consider future need and does not represent a justified approach to plan making in accordance with the Framework. Completions data does not take into account actual need and is reflective of a land use which has been constrained by previous local plan policies. It is notable that the average forecast scenarios have higher future requirements for B2/B8 relative to past completions.

2. The Plan sets out that the current identified supply (commitments and site allocations) of roughly 39 hectares of employment land to be sufficient to meet identified needs. In this respect, roughly 20 hectares of employment land would be allocated in this Plan. Would this approach that effectively rolls over existing site allocations from the extant local plan be justified by robust evidence?

2.3 The provisions for employment land are based wholly upon an approach of re-confirming the existing development plan allocations. No consideration has been given to whether these sites are actually deliverable owing to the fact they remained a carried over local plan allocation.

2.4 No new employment allocations are proposed and the Integrated Impact Assessment shows that the Council has not considered any alternatives than their approach of carrying forward existing undelivered allocations. This does not meet the requirements of the SEA/SA Regulations Schedule 2(8) which requires an “assessment of reasonable alternatives” and the identification of the “reasons for selecting the alternatives tested in the light of the others available.” In *Ashdown Forest Economic Development LLP v SSCLG and Wealden DC* [2014] EWHC 406 (Admin), Mr Justice Sales held (at paragraph 97) that the planmaker should be aware “The court will be alert to scrutinise its choices regarding reasonable alternatives to ensure that it is not seeking to avoid that obligation by saying that there are no reasonable alternatives or by improperly limiting the range of such alternatives which is identified.”

- 2.5 Whilst we are supportive of policies that seek to encourage economic development and diversification, the omission of any new employment allocations will not genuinely deliver the new employment floorspace required. The plan merely carries forward allocations which have failed to deliver since their adoption over 10 years ago which is not justified nor effective.
- 2.6 For a plan to be found sound, Paragraph 35 of the Framework is clear that it must be justified taking into account the reasonable alternatives and based on proportionate evidence. Whilst the Council appear to have considered alternatives in respect of the provision of housing, they have not done the same for employment land.
- 2.7 It is imperative that to meet the employment needs the Council allocates new sites which are available and suitable for employment development in sustainable locations with good access to the strategic road network.

3. Would the Plan provide for the type of employment land required? In particular, would it provide for the needs of offices (use class E(g)) and other employment land (use classes B2-B8) during the Plan period, taking account of existing commitments and proposed site allocations?

- 2.8 No, the plan does not provide for the type of employment land required, specifically for use classes B2/B8.
- 2.9 Policy E1 states that the Local Plan will make provision for about 39 hectares of employment land. This is in line with the conclusions of the ELS (July 2024) (document VE08) which show an overall total need for 27.6 ha – 38.9 ha of employment land. However, the split between the need for B2/B8 and office space is 24.3 ha – 26.7 ha for B2/B8 space and 3.3 – 12.2 ha for office space. The proposed allocations do not reflect this split.
- 2.10 Non-residential uses on mixed use developments are predominantly retail or office based, small scale employment uses ancillary to the residential development. These types of sites will not deliver B2/B8 uses.
- 2.11 For Policy SH4 Solent Business Park, an additional 11,000 sqm is allowed for a range of high technology and business use within Use Class E(g). It will not deliver B2/B8 uses.
- 2.12 Policy W7 Central Winchester Regeneration Area includes 4.5 ha of land for mixed uses to reinforce and complement the town centre, including retail, leisure, other town centre uses and residential. It will not deliver B2/B8 uses.
- 2.13 Policy W8 Station Approach Regeneration Area includes a number of land parcels comprising a total area of c 7ha. A number of potential uses are being explored. It is estimated that a mix of new employment floorspace, housing and complimentary food and beverage commercial uses will be proposed. It is unlikely to deliver B2/B8 uses.
- 2.14 Policy BW3 Tollgate Sawmill is a 2.6 ha site of which at least 2.2 ha should be employment use, with a limited amount of enabling residential development if necessary. The employment uses should be research and development (E g(ii)), light industrial (E g (iii)) and storage and distribution (B8). A small amount of general industrial

use (B2) will be allowed on part of the site. Given the mix of uses required and the strong possibility that there will also be residential uses on the site, the amount of B2/B8 will be minimal.

- 2.15 Planning permission was granted for the mixed-use development of Morgan's Yard (Policy WC1) in December 2024. The permission includes a modest 716sq.m of Class E commercial space comprising Class E(c) - (financial and professional services), E (e) (medical or health services) and E (g) uses. These are all uses that can be carried out in a residential area without detriment to its amenity. The permission will not provide any B2 or B8 floorspace.
- 2.16 Policy W5 Bushfield Camp allocates up to 20 ha for high quality business employment and complementary uses. The Council has approved a Concept Masterplan which indicates that approximately 59% of the total development of 20 ha will be offices. An application was submitted in 2023 which remains 'live'; however, this does not include any B2/B8 uses.
- 2.17 Winnall is an existing employment allocation and comprises an existing industrial estate. Policy W6 is aimed at retaining the core of the 43 hectares of the area in 'sub-area 1', for industrial (B2) and storage and distribution (B8) employment, with more flexibility in other parts of Winnall. Whilst the proposed policy allows for redevelopment, a review of the Council's online planning register shows that there have been very limited applications within the existing industrial area and thus the contribution that this site will make to meeting the identified employment needs is questionable. Even if applications for redevelopment come forward, there is uncertainty as to how much additional floorspace could be delivered. Therefore, this allocation will not make any meaningful contribution towards the identified needs for B2/B8 uses over the plan period.
- 2.18 Given the above considerations of the employment allocations, it is apparent that the provision falls considerably short of meeting the B2/B8 need of 24.3 ha – 26.7 ha, and it is crucial that additional allocations are made in order to meet this need.
- 2.19 Furthermore, the conclusions that the demand for warehouse and logistics space is predominantly focussed at the smaller end of the B8 market is not reflective of the demand from operators within the market. This is supported by the Lambert Smith Hampton Industrial and Logistics Report 'Keeping the Faith' (March 2025)¹ which states that whilst all size segments saw below trend take-up in 2024, the XL segment (>250k sq ft) was the most resilient, with take-up rebounding by 22% year-on-year.
- 2.20 This report also highlights demand for quality premises with Grade A space accounting for a record 73% share of total 2024 take-up. Meanwhile demand for poorer quality spaces has fallen with second-hand space not delivering what occupiers want and need, risking obsolescence. This emphasises the need for suitable allocations to deliver against occupier requirements. The past trend of small units is a result of that being all that has been released through the plan making process. In essence the adopted Local Plan has

¹ <https://www.lsh.co.uk/-/media/files/lsh/research/2025/ilm%202025%20final>

constrained supply and has not provided sufficient flexibility to accommodate changes within the market.

4. Given the District's historic reliance on employment floorspace within farm sites how would the Plan provide for employment land supply in rural areas?

- 2.21 The plan makes no reference nor considers the importance of economic growth in the rural proportion of the District to the overall economy of the area.
- 2.22 The Employment and Town Centre Uses Study (ETCUS) noted that historically approximately 20% of developments, and 35% of all gross employment floorspace, have come forward on farm sites within the plan area. The Local Plan states that this is expected to continue under policies E9, E10 and SP2 and it is anticipated that further windfall will come forward to make good any shortfall in land for industrial and employment uses.
- 2.23 However, Policy E9 focuses on the re-use of existing buildings, with limited new development in the specific circumstances as set out in the policy and therefore is not likely to make any meaningful contribution to future market requirements, particularly for larger B8 units.
- 2.24 Policy E10 relates to farm diversification. Again, this is predominantly expected to rely on the re-use of existing buildings and typical forms of farm diversification include visitor accommodation and farm shops. The policy will also not facilitate the development of further employment floorspace, particularly for B2/B8 uses.
- 2.25 Policy SP2 sets out the Spatial Strategy and Development Principles which includes how housing and economic growth will be delivered across the three spatial areas. This relates to allocations within the plan and again does not provide flexibility for additional floorspace to be delivered.
- 2.26 Proposed Policy E5 of the Plan confirms that employment development will be supported within the defined settlement boundaries. In the absence of additional confirmed allocations, it is highly unlikely that this would deliver anything more than smaller scale employment as part of redevelopment of existing employment sites.
- 2.27 Therefore, there is no policy mechanism within the Local Plan that would provide flexibility in order to allow additional employment floorspace to come forward in response to market demands in any meaningful way, including on farm sites.

5. Would the Plan provide appropriate flexibility regarding the specific makeup of employment land, given the uncertainty over forecast scenarios and continuing structural changes?

- 2.28 There should be a flexible approach towards employment allocations in terms of the uses proposed. Paragraph 86 of the Framework is clear that planning policies should be flexible enough to accommodate needs not anticipated in the Plan, allow for new and flexible working practices, and to enable a rapid response to changes in economic circumstances.

- 2.29 However, the Plan does not provide sufficient flexibility in terms of B2/B8 uses. It is unclear how the needs for these sectors will be met particularly given the market requirement for many occupiers to have good access to the Strategic Road Network.

Strategic Policy E2 Spatial Distribution of Economic Growth

2. Would the proposed site allocations for employment, mixed development and large housing development which include employment uses provide for the identified need for employment land as set out in strategic policy E1?

- 2.30 Policy E1 states that the Local Plan will make provision for about 39 hectares of employment land. This is in line with the conclusions of the ELS (July 2024) (document VE08) which show an overall total need for 27.6 ha – 38.9 ha of employment land. However, the split between the need for B2/B8 and office space is 24.3 ha – 26.7 ha for B2/B8 space and 3.3 – 12.2 ha for office space. The proposed allocations do not reflect this split.
- 2.31 As set out in our answer to Question 3 in relation to ‘Employment and Retail Provisions’, the allocations included within the plan will not provide for the identified need for employment land, specifically B2/B8 uses, and does not take into account the specific requirements of B2 and particularly B8 uses to have good connectivity to the Strategic Road Network.

Winchester Employment Allocations

Policy W5 Bushfield Camp

1. What would be the status of the masterplan? In dealing with matters to ensure the development of the site is acceptable in planning terms, would the policy be effective?

- 2.32 Policy W5 requires applications for development on the site to be preceded by a comprehensive and evidence based site wide masterplan and transport assessment. However, if these are to be submitted prior to an application, there is no defined process for approving such a masterplan and transport statement. This requirement raises a number of questions in relation to the status of the documents, consultation requirements and processes for resolving disagreement. For this reason, the policy is not effective.

6. This site allocation is being carried over from the extant Plan. Given that it has not delivered yet, what evidence is there that it will deliver within the submitted Plan period?

- 2.33 Bushfield Camp is a long-standing allocation that was originally identified for development potential within the 1997 Bushfield Camp Study and subsequently allocated for employment within the adopted Core Strategy 2013 (Policy WT3).
- 2.34 Despite the allocation being made over 20 years ago, there has been no movement on the site until an outline planning application was submitted in October 2023. The application is for a knowledge quarter comprising 96,500 sqm (less than 10 ha) comprising flexible uses within Use Classes E and F, it does not include any form of B2

and B8 uses. The application does not accord with the allocation within the proposed submission local plan.

- 2.35 We would argue that this does not meet the requirements of the Framework at paragraph 126 which states that:

“126. Planning policies and decisions need to reflect changes in the demand for land. They should be informed by regular reviews of both the land allocated for development in plans, and of land availability. Where the local planning authority considers there to be no reasonable prospect of an application coming forward for the use allocated in a plan:

- a. it should, as part of plan updates, reallocate the land for a more deliverable use that can help to address identified needs (or, if appropriate, deallocate a site which is undeveloped); and*
- b. in the interim, prior to updating the plan, applications for alternative uses on the land should be supported, where the proposed use would contribute to meeting an unmet need for development in the area.”*

- 2.36 The Local Plan should be updated to reflect the actual uses coming forward through the outline planning permission, with the shortfall this creates in B2/B8 development within the plan re-allocated elsewhere. We are also concerned with the narrow focus of the employment type for this location, particularly with the difficulties abounding in the tertiary education market.

Policy W6 Winnall

1. This policy aims to allocate and protect existing traditional employment uses, retaining 43 hectares of the area for traditional B2-B8 uses, with more flexibility elsewhere.

In relation to sub areas 1 and 2, policy W6 seeks to ensure retention of existing industrial type uses and the creation of additional B2 and B8 floorspace. In so doing, would the policy be unduly restrictive, particularly in terms of retail and leisure sectors beyond traditional industrial uses? Should it provide greater flexibility e.g. employment generating uses outside B use classes, including retail, leisure and other sui generis uses with the aim to better reflect the diverse economic base of the District?

- 2.37 The primary purpose of the allocation at Winnall (Policy W6) is to safeguard the existing industrial premises within the Estate. Whilst the proposed policy allows for redevelopment, a review of the Council’s online planning register shows that there has been very limited applications within the existing industrial area and thus the contribution that this site will make to meeting the identified employment needs is questionable. This indicates that there is not market demand for further development of such uses within Winnall and therefore additional flexibility would be of benefit.

Given the number of retail uses at Winnall, it would be well located to support additional employment floorspace of this nature.

- 2.38 However, whether or not additional flexibility is given. Additional allocations are required to meet the need for B2/B8 uses as evidenced in the ELS (July 2024) (document VE08).

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