

Local Plan, Part 2 - Needs Assessment Group on Employment and the Local Economy in Alresford

Interim full report of recommendations & evidence to go forward to Public Meeting April 25th 2013 and subsequently to the consolidated report

These recommendations have been agreed by the Needs Assessment Group on Employment and the Local Economy, which met on 26th February and 3rd April. The purpose of this group is to identify Alresford's needs that will ensure there are good opportunities for business and employment over the next 20 years and beyond, especially in view of the anticipated population growth. In strategic planning terms, this means ensuring availability of sufficient, appropriately sited land, in timely fashion and accompanying infrastructure.

Sections are provided for:

1. Introduction & characteristics of Alresford's local economy
2. Current & future employment in Alresford
3. Retail space and jobs
4. Health services, education provision and other public services
5. Tourism
6. Demand for premises and future land allocation requirements – office, commercial and industrial
7. Connectivity

1. Introduction & characteristics of Alresford's local economy

Recommendation – To retain the characteristics of Alresford as a working market town

A strong local economy and employment base contributes to a strong community. Alresford is a working town; not a dormitory town and not just a tourist destination. It retains strong elements of the traditional market town – 'a small town in the countryside that has a regular market and acts as a business centre for surrounding farms and villages' – but also re-invents itself. Once a mecca for antique shops it has evolved in response to customer needs with a wide range of independent shops, food and drink hostelrys, local attractions, heritage and land assets, which are all key factors in the local economy. It also has estate agents, banks, a post office and sorting office; community services (including a surgery, opticians, dentists and schools/nursery provision), and industrial and commercial sites.

Alresford Chamber of Commerce survey of business types

143 businesses in Alresford completed an email/paper survey in March-April 2013.

Table 1 - Mix of businesses in New Alresford 2013

Type of business	Number and percentage of total surveyed
Retail	67 (47%)
Tradesman	18 (13%)
Manufacturing	14 (10%)
Hospitality	10 (7%)
Training & Business Services	9 (6%)
Property Related:	7 (5%)
IT Services	6 (4%)
Engineering	5 (3.5%)
Transport:	3 (2%)
Medical/Vet	3 (2%)
Charitable	1 (0.5%)
Total	143 (100%)

Table – Age groups of employees

Under 18:	(4%)
18-29:	(19%)
30-50:	(38%)
51-70:	(37%)
71 and over:	(2%)

Although it doesn't cover all businesses, Table 1 provides a good overview of the type and wide variety of businesses in the town and the overall dominance of retail (both convenience and comparison) and hospitality, important to residents and visitors alike. At least half are also well-established businesses.

Table 3 – length of time these businesses have been established in Alresford

More than 10 years	72 (50%)
6 to 10 years	31 (22%)
Less than 5 years	40 (28%)

Table 4 - Size of these businesses in terms of number of people employed, %s full & part-time & future expectations over next 5-10 years

More than 10	22%
5 to 10	18%
Less than 5	60%
Part Time	48%
Full Time	52%
More staff	35.5%)
No more	11.5%)
About the same	53%

2. Current and future employment in Alresford

Recommendation – To retain a wide-ranging mix of jobs in Alresford, provide opportunities for at least 200 extra jobs and for more people to both live and work in the town

The shops, commercial and other businesses identified above provide a range of local job opportunities. Being a multi-faceted, self-contained working town helps build a strong sense of community and local patronage. It helps to avoid problems such as services and facilities moving to larger towns, the decline of traditional shopping centres to other, out of town parks, and provides a strong response to the growth of internet shopping, likely to continue to expand at a faster pace than total retail sales in the next few years (but may then be constant from c. 2018 as the market matures). In fact, of those businesses surveyed in Alresford, 57 businesses (40%) sell their products on line and 86 (60%) do not.

500 new houses and their occupants will help to maintain sustainability but we will need additional jobs. The figures below are projections by Hampshire County Council, based on the growth rates for Winchester District proposed by the South East Plan. HCC applies these growth rates to the Alresford population and a multiplier is then used to illustrate population change arising from an increase of 500 dwellings from 2011 to 2031. **NB. The results should be treated with caution and are a general guide only.**

Table 5 Number of jobs needed until 2031

<u>Current data</u>	<u>Alresford</u>	<u>Percentage</u>	<u>Source</u>
Population	5410	100%	2011 Census (Parish)
People aged 16-74	3787	70%	2011 Census (Parish)
Economically active	2727	72%	2011 Census (Parish)
% living and working in Alresford	1044	38.3%	2007 land study
<u>Forecast for 2031 population</u>			
Population	6709	100%	HCC forecast
People aged 16-74	4428	66%	HCC forecast
People aged 16-74 economically active	3188	72%	HCC forecast

It is suggested by WCC that we should aim for *at least* the current proportion of economically active residents also working in the town – the 38% in the 2011 census. This figure does not include home workers (c. 9%) because, self-evidently, no additional land allocation is required for this category but much improved internet connectivity is a very major requirement to facilitate this. (See Connectivity below, page 10).

1. If people living and working in Alresford is retained at 38.3%, could mean around 200 new jobs will be required
2. If people living and working in Alresford is to be increased to 45-50% (example only), could mean around 420 new jobs

(Full or part-time jobs not specified)

Salaries and commuting

Most economically active people in Alresford are employees but about 500 are self-employed and there is a low level of unemployed (about 50 but we do not know what sort of jobs they are seeking).

There is a tension between relatively few senior level jobs in Alresford and average salaries for most, which impacts on many aspects of employment and the local economy and housing affordability.

1. Senior managers, professionals and technicians (50% of economically active) will often commute outside the town to find the level of employment and salaries to be able to afford to live here.
2. Most retail businesses (bar the Co-operative and Tesco stores) are managed by the owner; there are few middle management jobs and assistant staff is usually semi-skilled.
2. 53% of residents who work commute elsewhere to do so (Winchester 24%, B'stoke 8%, Soton 6%, London 6%, Alton 6%).
3. A significant number of people working in the town live elsewhere, including workers at the two largest employers, First Option and Warwick Trailers/CeeJay Systems. Each employs c.40+ but a significant majority in each case live elsewhere.
4. A 40% requirement for affordable housing (see Housing for more detail) will potentially increase the number of workers who would prefer to work in the town and avoid expensive commuting. There is evidence of quite substantial numbers of people working from home (9%), which in addition to the 38% of people who live and work locally equals 47% and there is a low level of unemployment (<1%). Public transport (see Infrastructure) and internet connectivity needs will need to increase significantly.

3. Retail space and jobs

Recommendation - No significant additional retail space is required

Alresford has a good range of quality retail businesses (both convenience and comparison) and the latter especially are closely linked to the important tourist economy. Whilst business types will continue to evolve in response to market trends and customer demand, no major deficiencies are identified. In contrast to the national picture, Alresford currently has only one empty shop.

1. The historic character of the town centre means that development opportunities to expand facilities within the centre are very limited.
2. The town centre is supported by a loyal local customer base; residents would have to travel long distances to reach alternative facilities.
3. Any significant out of town retail business would very severely affect the town centre, especially everyday convenience shops (small food shops, news agents, etc.) that serve the community but are not tourist draws.
4. Parking is adequate at most times but needs further consideration if tourism expands significantly, resulting from the SDNP. (See Tourism below and further consideration in Infrastructure).
5. As indicated in the WCC Background Paper on Employment & Land Submission to Inspectorate 2012, to meet the level of growth expected to 2031 does not require the allocation of additional sites for retail, and any retail development of 500 sq.m. or more outside a defined centre should be subject to an impact assessment. (The Co-op, for comparison purposes, is just over 400sq.m).

- The 2007 WCC-commissioned SWOT analysis of retail businesses and 2012 update indicates that the planning strategy for Market Towns and Larger Villages should be to take a 'town centres first' approach to retail, leisure or other proposals that attract visitors.

6. The town centre (predominantly residential and retail) will be further improved by road, lighting and other plans for West Street, especially at the Jacklyns Lane/The Dean/Pound Hill cross-roads (subject to finances). This will improve pedestrian safety whilst maintaining steady vehicular traffic flows. (See also Infrastructure).

The dominant retail and hospitality sectors (all types) provide very significant numbers of jobs both f/t and p/t. Opportunities to increase job numbers will largely result from national economic conditions, from increased tourism and the general growth in population.

4. Jobs in health services, education provision and other public services

Recommendation – In view of planned expansion to GP premises and services (in hand), no requirement for allocation of land for this purpose to 2031

The GP surgery has been granted planning permission to expand its premises, which will accommodate up to 2000 extra patients from the town and surrounding villages, so there is little requirement for further services or land allocations for this or related purposes to 2031.

Alresford is remarkably self-contained and has a good range of health and public services, which employ a significant number of people. In addition to the surgery, there are:

- Two dentists (one private, the other NHS), 2 opticians and a chiropodist, etc., etc.
- It has a police station and fire station, now sharing premises in Pound Hill.
- The Secondary school is further described in the Infrastructure section, as are nursery, infant and junior provision at Sun Hill. Capacity on existing sites is an important issue for the future, especially with increased housing, families and children.

Numbers of jobs in these sectors are still being finalised but they employ significant numbers of people. For example:

- GP surgery – 50 jobs (90% p/t) and, with expansion of premises and services, c.15 extra jobs over the plan period. 80% live in Alresford.
- Perins school – 145 jobs (of whom c. 23% live and work in Alresford)
- Police – 11 jobs (of whom 3 live in Alresford)

5. Tourism

Recommendation – Tourism is a significant part of the local economy and provider of jobs, and is a priority for the town but must balance the needs of residents and visitors in this busy settlement area.

NATC's draft tourism strategy focuses on the maintenance and development of the relaxing character of Alresford and the facilities available to tourists and residents. Tourism provides much employment (some seasonal) with attractions including the Watercress Line, Watercress Festival, and Alresford Show. It sustains the wide range of comparison shops, and the restaurant, café, pub and hotel businesses provide many jobs, full and part-time). There will be further opportunities for employment as it is promoted as a hub of the South Downs National

Park Authority on our doorstep, which will also bring further implications for parking. (See Infrastructure)

Winchester City Council intends to review the value of tourism to Alresford later this year.

6. Demand for premises and future land allocation requirements – office, commercial and industrial

Recommendation – Ensure provision of land (range c. 1.5 - 3 hectares, to be further defined) for new business/commercial park, to provide the opportunity for businesses to remain or locate in Alresford, and secure some of extra jobs required.

The decision of businesses to locate or remain in Alresford is a commercial one based on the availability of suitable land, premises, appropriately skilled staff, internet connectivity and physical access. It is, however, important for the town to ensure that there is provision for an adequate supply of suitable employment land to provide the opportunity for business to remain or locate in Alresford.

Premises

There are different issues relating to different types of business but existing premises both in the town centre and other, commercial areas (The Dean, Winchester Road, Prospect Road) are, overall, characterised by the following:

1. Very few can be considered 'modern' in *design* (although in the case of shops, this is a significant part of their charm).
2. Few are technologically well-equipped to the highest standards, especially in terms of internet connectivity.
3. Some, especially industrial premises, date from the 1950s (see industrial below) and do not lend themselves to increased turnover or productivity and profitability, or significant future jobs potential.

Retail space

There is only one vacant shop in Alresford (17 West Street, the old Post Office, 73 sq.m, currently under offer), whereas some towns may have up to 30% vacancies. There still appears to be a fairly steady demand for retail outlets but as noted above, no identified demand for further allocation of land. There is a wide range, including increasing numbers of high quality comparison shops for 'ladies who lunch' and various hostelrys have been 'made over' recently for the coming tourist season. As the businesses are run by the owners in most cases, there is not much middle management and in the current economic climate, the number of staff in shops has been quite significantly reduced overall but is expected to increase again as economic prospects improve.

Office space

There is a limited amount of advertised vacant space in Alresford – only the ground floor of Station Mill (106 sq m.). The demand for offices generally has been in decline throughout the UK and not just in Alresford. With the onset of the computer age and mobile phones there has been less need for small businesses to have premises, and former office users such as solicitors, banks etc. have tended to centralise head office functions rather than have a number of small branch offices. There may, though, be a need for small scale, flexible, modern office space, possibly Basepoint style, for very small enterprises that need space to grow. WCC is doing a

survey on serviced/managed office space but this doesn't conclude until the end April. There is also existing planning permission (July 2012) for re-building premises at the Long Barn in Winchester Road to provide office accommodation but it is not, seemingly, being progressed at present.

Design criteria for office accommodation is typically 1 person per 10 m², although many office workers are now working closer to a ratio of 1 to 8m². The entire 200+ **new** jobs suggested earlier could, for example, be accommodated in 2020 m² (21,500 sq ft) of offices but this takes no account of better or different utilisation of existing capacity or increase in home working

Trade, commercial assembly/manufacturing & warehousing space

Any future business losses also mean job losses. The industrial areas in Alresford ((largely located in The Dean, Winchester Road and Prospect Road) are currently a mix of B1 and B2 business classifications, ranging from industry and warehousing, through to office accommodation. Overall, the existing site layouts and structures (some of them put up in the immediate post-war years) are an inefficient use of valuable space, and do not lend themselves to increased turnover or productivity and profitability and, therefore, significant future jobs potential. Nonetheless, they currently provide a wide range of services and products, some local, some for national and even international markets, and jobs at all levels. As also described below, there are significant limitations on internet connectivity that increasingly impacts on businesses of every kind.

There are a number of vacant industrial units (mainly small, c. 100 – 200 sq.m, 4 in The Dean, and 3 in Prospect Road, totalling 545 – 1350 sq.m.). Overall, they have been vacant for many months (in some cases in The Dean for 3 years).. The majority of vacant units in Alresford are now dated but recent refurbishments in The Dean and Prospect Road, where access is not ideal and parking limited, have also proved unpopular.

Warwick Trailers/CeeJay Systems, however, is a very notable example of a growing company that actually requires significant additional space.

Very major industrial operators, though, do not look to Alresford for premises but to Winchester, the PUSH area to the south or Basingstoke to the north, so any requirement for further industrial land will be modest.

The Dean

There has been much talk of relocating the industrial units in The Dean to a new site on the outskirts of the town. Whilst this may be feasible there are significant barriers, as much a question of finance and commercial interests as the possible allocation of land and associated issues such as traffic and access.

The Winchester Plan, LP1 policy CP9, specifically resists loss of existing employment premises and jobs in the District **unless** (to summarise) there are better alternative uses of the sites such as more efficient business premises and employment possibilities or 'specific local requirements'. It is not the purpose of this stage of the Local Plan Stage 2 to focus at all on potential locations; that follows after May. However, there are opportunities to utilise existing premises that are not fit for their current use; possibly for affordable housing, small, flexible and more modern premises for new knowledge-based and wide-ranging creative industries and, perhaps, sheltered accommodation with an adjacent nursing home. (The likely increase in the

numbers of elderly people in Winchester District (HCC forecast) is 80% for over 75s, from 10,800 to 18,900 and county-wide from 119,100 to 214,600 between 2011 and 2031). Such a facility could, for example, provide jobs for c. 40 full & part-time workers that could either replace jobs lost if Warwick Trailers leaves Alresford or be additional jobs if Warwicks relocates in the town.

Occupational density for warehousing is likely to be more in the order of 1 to 40m² and similar for assembly/manufacturing. Average site cover for office or industrial would be approximately 50% but there may be significant 'open warehousing' space requirements, as at Warwick Trailers/CeeJay Systems, which may need to park dozens of vehicles that are being worked on at any one time.

Summary of land requirements

1. If all **new** jobs were accommodated in offices this would require approximately 0.40 ha or 1 acre.
2. If all were in industrial/warehousing then 1.60 ha or 3.95 acres although this may be more if Warwick Trailers/CeeJay Systems could relocate within the town.
3. It is assumed any increase in retail jobs would be in the existing floor space (see Retail above).
4. Alresford will not attract big businesses (or even medium-sized, classified as up to 250 employees) that will provide significant job opportunities in future. Southampton, Basingstoke, Winchester, etc., offer better facilities (including internet connectivity) and a larger, wider skills base to draw on. Also, new housing and open space requirements are in direct competition for the very limited land available.

7. Connectivity

Recommendation – Alresford business and employment opportunities are significantly and urgently in need of improved internet connectivity that has the potential to secure existing and create future jobs and improve the local economy.

The Employment Prospects Study (DTZ, 2011) identifies the drivers of growth to 2025 in Winchester District as business services (including knowledge-based and creative industries) and says '... the Market towns and rural areas have a greater share of the District's Business Service jobs than their share of total employment would suggest'. Alresford offers very limited opportunities for physical growth but improved connectivity – although not a strategic planning (i.e. land allocation) issue - has a significant impact on business services jobs and, indeed, all businesses as described below (see Needs).

Tim Considine, MD of First Option has provided (March 2013) a detailed paper on 'Availability & Quality of Internet Connectivity in New Alresford, March 2013. The full paper is available on request but is extensively quoted below, given its current and future impact on business and jobs.

- The BT exchange was updated in the early 2000s and broadband is available quite widely in the town and some surrounding villages but the quality of connection does not support large numbers of users or connection speeds at greater distances from the exchange.

- From a business perspective, there is very limited commercial-grade internet. There is no current data on the number of private internet leased lines and First Option may have the only one.
- There is no diverse routing (other than back to Winchester), risking total failure and loss of connectivity.
- There is a 50% cost premium. What costs £15k p.a. in Winchester typically will cost £22k in Alresford.
- Achieving diverse routing will cost c. £100k initial fees and will likely increase the p.a. differential to 100%.

Needs - Internet connectivity may not appear to be a major issue except for IT-related businesses such as First Option but HMRC now requires a range of information to be submitted online, and only online. Real Time Information (PAYE reporting) comes into force in April 2013, and other normal business needs will only increase. Both speed and reliability become increasingly important in the face of deadlines and competition.

Impact of more housing, more jobs (both employed and self-employed) in Alresford -

Opportunities to achieve more employment are distinctly restricted if knowledge workers are not able to deliver services to clients effectively. Tele-working not only reduces transport impacts but also drives employment and jobs where they would not exist based on physical presence. Improved connectivity is a potential (partial) solution to increasing employment that does not compete with housing and open space requirements for extremely limited land in Alresford and helps reduce transport and commuting out of town. It also maintains demand for other services in the town.

Data on trends in home working will be finalised shortly.

Without highly effective internet connectivity, Alresford effectively reduces its attraction to a range of modern small businesses (both IT related and non-IT dependent on internet for operational reasons). For example, First Option employs 40+ staff and will inevitably leave Alresford in the next 12-24 months without massively improved internet connections. Replacement businesses are unlikely to be attracted, also resulting in a significant loss of spend in the town.

Lack of connectivity may also impact the demographics; Alresford will not be a popular area for economically active and younger-generation workers.