

The South East Plan
South Hampshire Sub-regional Strategy

Final Report

Partnership for Urban South Hampshire
PUSH

November 1st 2004

PREFACE

The brief issued by the South East England Regional Assembly commissions Hampshire County Council, Portsmouth City Council and Southampton City Council to prepare the sub-regional strategy. These three authorities have decided to prepare the strategy through the aegis of the Partnership for Urban South Hampshire (PUSH) which includes all eleven councils which comprise the strategy area: East Hampshire District Council, Eastleigh Borough Council, Fareham Borough Council, Gosport Borough Council, Hampshire County Council, Havant Borough Council, New Forest District Council, Portsmouth City Council, Southampton City Council, Test Valley Borough Council and Winchester City Council.

The strategy has also been prepared with the involvement of the economic partners (Hampshire Economic Partnership), environmental partners (South East Forum for Sustainability) and social partners (Regional Action in the South East) of the South East Regional Assembly. Officers from the Assembly itself and the Government Office for the South East have also participated as observers. The technical work was undertaken by officers of the same organisations and their assistance is gratefully acknowledged.

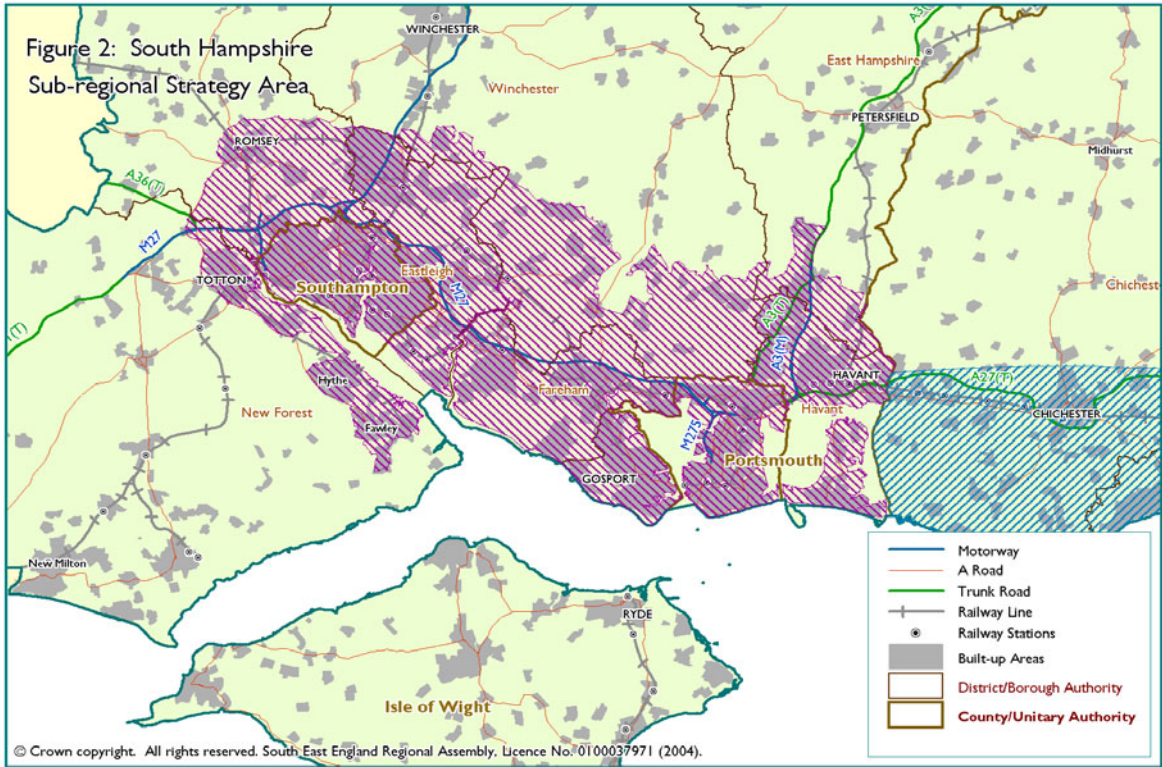
This report sets out options for developing South Hampshire over the next 20 years, together with supporting policies and a section on implementation. The PUSH Steering Group would like to see South Hampshire achieve a higher economic growth rate than the region as a whole, thereby reducing intra-regional disparities and delivering the PUSH vision. A background report and supporting technical appendices explain in more detail the strategy preparation process and the results of testing of the options.

The submission of the report - only thirteen weeks after the brief was issued, bears testimony to the co-operative and positive approach adopted by all those involved in its production. Notwithstanding this, it remains the case that a six to nine month project has been completed in only three months.

As a consequence, some of the information and data needs further verification and the proposals that appear in this report are tentative and require further elaboration, testing and refinement and is conditional upon provision of investment in hard and soft infrastructure (e.g. transport, water resources, sewerage systems, skills training, policing, health care, social care and education services and facilities). PUSH intends to continue developing its approach over the next six months in parallel with the formal consultation which the Regional Assembly proposes to undertake on the South East Plan and the sub-regional strategies over the same period.

Overall, the timescale for this sub regional work remains a source of concern to the authorities, providing little time for effective community or wider political engagement in the process.

Map of area



Contents

1. Vision
2. Key issues
3. Spatial options
4. Summary of strategy and options
5. Implementation
6. Preliminary estimate of infrastructure costs and phasing
7. Policies for South Hampshire for inclusion in the South East Plan (summary)

Annex 1

Policies for South Hampshire for inclusion in the South East Plan

Supporting documents (available separately)¹

1. Background report
- Technical Appendices:
1. The PUSH vision
 2. Assembly Brief
 3. Work programme and process
 4. Reports on Members workshops 6, 14 and 27 September and statutory agencies workshop on 21 September
 5. Networking with partner organisations
 6. Economic Drivers and Growth - Executive Summary by DTZ Pinda
 7. Meeting South Hampshire's housing needs and understanding the local housing market
 8. Estimate of housing supply
 9. Transport issues
 10. Report on testing of spatial options
 - a. Push vision
 - b. Integrated regional framework
 - c. Spatial constraints and opportunities
 - d. Transport implications
 11. Infrastructure investment

¹ Still under preparation

1 Vision

- 1.1 The PUSH Steering Group decided to adopt the following sub-regional strategy at their meeting of October 27th, 2004:
- To address the economic regeneration and development needs of the sub-region by delivering a growth rate in GVA of between 3 and 3.5% per annum over the period 2006 to 2026
 - To place a high priority on the identification of a range of appropriate employment sites within the sub-region, in support of this goal
 - To deliver sufficient new homes over the period to ensure that housing availability and affordability do not constrain this growth objective
 - To provide a suitable volume and mix of housing types and tenures, to meet the affordable housing needs of the sub region over the period
 - To ensure that these development goals are met in a sustainable way, which ensures that the quality of life of the sub-region is enhanced and separation of settlements is maintained
 - To ensure that future growth rates are directly related to the provision of appropriate and adequate infrastructure to meet the needs of existing and expanding communities within the sub-region – 'conditional managed growth'
- 1.2 This is a strategy of sustainable managed growth, which is led by economic growth and investment in infrastructure, and is focused on regeneration of Portsmouth, Southampton and the other urban areas. The pace of growth and development will be determined by, and is conditional on, the rate of infrastructure investment.
- 1.3 South Hampshire is 'punching below its weight' in the Region and currently does not have a sufficiently high profile to attract the economic and infrastructure investment it needs. South Hampshire's economic performance is below the regional average and there are significant pockets of deprivation. In view of this, the area has been designated as a regional Priority Area for Economic Regeneration (PAER). The strategy for South Hampshire is to improve its economic performance to make inroads into the accumulated shortfall against the regional average in recent years.
- 1.4 This will involve growth - of new businesses to replace declining ones, growth of the skills and productivity of the workforce and of the importance of the cities of Portsmouth and Southampton as centres of employment, leisure, shopping, culture and educational excellence. To enable this to happen, there will need to be increased investment in the full range of supporting transport, social, economic, physical and environmental infrastructure.
- 1.5 New development must be carefully targeted to locations where it would benefit the sub-region, through associated transport improvements for example, or helping to reduce social deprivation. The overall focus should be on the regeneration and renaissance of the two cities and other urban

areas, embracing mixed use development and very high densities in appropriate locations. Development elsewhere must show it would complement and not conflict with that aim.

- 1.6 In spatial terms, the strategy is to focus on the potential of Portsmouth and Southampton to support social needs, tackle deprivation, and secure social and economic inclusion. Both cities have achieved substantial regeneration successes in recent years and there is an outstanding portfolio of major projects in the pipeline. The dual city-focus will be complemented by regeneration and development within the other urban areas.
- 1.7 Although the focus and priority will be on urban regeneration, brownfield sites alone cannot accommodate all the necessary development. Some greenfield sites will be needed for the new businesses on which future economic prosperity depends and to provide enough sustainably constructed and affordable housing.
- 1.8 This new development will need to be accompanied by investment, particularly in transport infrastructure, and measures to maintain and enhance South Hampshire's character and quality of life, and to improve its cultural, leisure and environmental assets. It will also require significant investment in, and co-ordination of, skills development in order to bring the new opportunities inherent in economic development within the grasp of the existing population of the sub-region.
- 1.9 Some growth within South Hampshire is inevitable with or without the strategy and its focus on managed growth. The alternative of un-managed growth and a continuation of current trends would mean continued economic under-performance, continuing skills deficits and social exclusion, unnecessary development of greenfield land to the detriment of the two cities and other urban areas, and development in locations which do not maximise the potential to solve existing transport and other infrastructure problems. The quality of life for those unable to secure good, well paid employment would remain low and would in turn be reflected in poor quality environments for many deprived neighbourhoods and communities.
- 1.10 At this stage, the strategy requires further elaboration and refinement. Some of the information which underpins it needs testing. The local authorities intend to undertake this work during the next six months, in parallel with the formal consultation on the South East Plan. PUSH intends to submit a further report to the Assembly in April 2005 as part of its formal response on the consultation on the South East Plan. Specific areas to explore further include a better understanding of the relationship between economic growth and sub-regional housing need; housing need linked to new household formation and the current housing backlog; clarifying the essential transportation and other infrastructure needs and undertaking a more in-depth analysis of the spatial options. This further work is referred to in this report as Phase Two.

2. Key Issues

Economy and Employment

- 2.1 The PUSH strategy is to achieve higher rates of economic growth within South Hampshire of 3 to 3.5 per cent per annum over the next twenty years. This improvement in economic performance would reduce the gap in performance with the region as a whole and is required to achieve the successful economic regeneration of the area, including investment in infrastructure.
- 2.2 Over the last two decades, South Hampshire's economic growth rate was below the South East Region average. Within South Hampshire there were marked differences with even lower growth in the two cities. The outermost parts of the strategy area drove the sub-region's growth, with rates above the regional average. The urban areas outside the two cities improved their performance towards the same level in the late 1990s.
- 2.3 The South Hampshire economy can generally be regarded as well balanced with an industrial structure similar to the national one. There is a strong specialism in advanced manufacturing in some South Hampshire towns which represents a key driver of future growth. On the other hand, South Hampshire lags behind the South East Region in the development of the high value-added Advanced Business Services. Employment in this sector is growing in the two cities, however, and this represents a key development for the future.
- 2.4 Consultants DTZ Pieda were commissioned to assess the implications of achieving growth in Gross Value Added in South Hampshire of 2.5, 3.0, 3.5 and 4.0 per cent per annum. (Gross Value Added or GVA is the main measure of economic output below the national level). The four scenarios assume an increase in productivity and would mean an increase in employment as shown in table 1 below.

Table 1: Economic Scenarios 2006 - 2026

Increase in GVA (per annum)	Increase in productivity (per annum)	Employment increase (total)*	Gross floorspace required (square metres) *	Gross land required (hectares) *
2.5%	1.8%	50,000	1,300,000	290
3.0%	2.1%	69,000	1,700,000	390
3.5%	2.4%	89,000	2,200,000	490
4.0%	2.7%	111,000	2,800,000	620

Source: DTZ Pieda and HCC * These figures have recently been significantly revised, applying a new methodology which needs more detailed review.

- 2.5 Around half of the job growth will be in finance and business services, with the remainder split largely between distribution (including retailing, hotels, restaurants and tourism) and public services (including education and health). Although employment in manufacturing is forecast to continue to decline overall, this masks an increase in jobs in advanced manufacturing which will be an important driver for the South Hampshire economy. The scenarios do not make any specific allowance for potential job losses arising from 'offshoring' (transfer to countries with significantly cheaper labour costs), which requires further investigation.
- 2.6 The expansion of high value added industries will require a general upskilling in South Hampshire's workforce particularly at degree level (NVQ Level 4 and above). Conversely, the forecast decline in employment in traditional manufacturing industry will reduce the demand for people with no formal skills.
- 2.7 About 60 per cent of the floorspace and land required in all four future scenarios will be for office space (B1) largely for finance and business services with a small amount for public administration. Most of the rest will be required for warehouse space (B8) for distribution, transport and communications. The forecasts exclude the site requirements of retail and leisure development as these will not require office or industrial sites. Market demand in these areas will continue, particularly in the cities, with possible implications for the availability of potential office space in central locations. It is also noted that, although there is no net requirement to increase the supply of manufacturing land, a proportion of the current supply may be unsuitable for new advanced manufacturing businesses. An assessment of the suitability of current sites is under way, in conjunction with the Hampshire Economic Partnership.
- 2.8 The consultants have highlighted the following as requiring new policies and investment if they are not to be barriers to economic growth:-
- transport infrastructure including to achieve some modal shift towards public transport;
 - information and communications (ICT) infrastructure - essential if the sub-region is to attract higher value added industries;
 - training to up-skill the sub-region's workforce, especially with qualifications at NVQ level 4 and above;
 - research, conference and hospitality facilities;
 - suitable land and premises - to rectify the low amount of employment land currently available and its generally low quality.
- 2.9 In the context of national and regional growth expectations, the consultants have emphasised that these barriers need to be overcome to exceed a 2.5 per cent per annum increase in GVA in the long term. As progress is made in the delivery of appropriate employment sites, infrastructure investment and skills development, an increase of 3.0 per cent or even 3.5 per cent is likely to be possible. The potential achievability of that is shown by the 3.0 per cent growth in South Hampshire's output during the last couple of years.

- 2.10 PUSH has decided that the sub-regional strategy should be based on an economic growth target of between 3 and 3.5 per cent implying an extra 69,000 – 89,000 jobs and requiring around 400 – 500 hectares gross on land for industrial and business development (excluding land for manufacturing).
- 2.11 Further work to investigate these economic and employment issues will be undertaken as part of Phase two.

Housing requirements

- 2.12 The Regional Assembly has decided that the draft South East Plan should be based on 32,000 – 36,000 new homes per annum across the Region as a whole. This is between 6 and 22 per cent above the housebuilding in RPG. The brief for the South Hampshire sub-regional strategy required options to be tested of 20 and 40 per cent above the RPG rate of housebuilding. The scenarios that have been tested are shown in the table below.

Table 3: Housing options 2006 – 2026

Rate of housing growth	Number of dwellings 2006 - 20026
RPG plus 6%	72,000
RPG plus 20%	82,000
RPG plus 40%	95,000

The PUSH Steering Group believes that a rate of RPG +40% is unlikely to be achievable without unacceptable compromise of the principles of the agreed strategy. A more acceptable rate of growth would be in the range of RPG +15% to RPG +20%. The reasons for this are set out below.

- 2.12 The main components of future housing need include:
- Housing requirements for new entrants to the sub-regional job market
 - New household formation, leading to an increase in household numbers within the existing population structure
 - Latent demand/housing backlog within the sub-region

This will include a requirement for an increase in affordable housing provision (see paragraphs 2.16 to 2.18). Other types of housing need may include housing pressures from non-economic migrants to South Hampshire (e.g. the retired, students).

- 2.13 The Regional Assembly's demographic projections show a requirement, based on a continuation of recent migration trends, of between 67,000 and 69,000 dwellings 2006 - 2026 in South Hampshire. This would be broadly equivalent to continuing the house-building rate in Regional Planning Guidance (RPG). However, this work is based on an historical growth rate. It does not incorporate the effects of a managed growth strategy within the sub-region, with a long-term economic growth rate ahead of the regional

average. Also, it may not accurately reflect the latest sub-regional estimates of housing need.

- 2.14 Initial analysis from economic consultants (DTZ Pbeda) implies that housing requirements linked to new jobs in the sub-region will be in the range of 63,000 to 81,000 for growth rates between 3.0% and 3.5% GVA. In the short time available, the consultants were not able to consider the extent to which jobs will be occupied by South Hampshire residents who are currently unemployed, or to consider whether economic activity rates (the percentage of the working age population who wish to work) will change. Further work will be required during Phase 2 to determine the combined impact of the aging population profile of the sub-region through the plan period and the tendency to work to a higher retirement age.
- 2.15 Housing requirements associated with new household formation and current housing backlog need to be considered alongside these figures and will add to these housing requirements. There are currently no agreed estimates of the level of new household formation that needs to be accommodated. This could be substantial; further work is urgently required to evaluate this. The current affordable housing backlog has been estimated by the PUSH Housing Group at 5,000 units. At an early stage during phase 2, estimates of these additional components of housing need will be tested and refined.
- 2.16 There is a need to consider the delivery of affordable housing as a distinct component of housing need. The PUSH Steering Group has emphasised that it is a priority to 'drive out poverty' within the sub-region and meeting affordable housing need is therefore seen as an important goal.
- 2.17 The South Hampshire authorities have calculated that about 23,500 additional affordable homes will be needed in the South Hampshire during 2001 – 2021². In addition, they estimate that there is a backlog of affordable housing need of about 5,000. Together, this is a total need for 28,500 affordable homes.
- 2.18 The percentage of affordable housing that could be delivered via the planning system is probably no more than 30% of total house building³. On this basis, a total of around 95,000 new homes would be needed to meet affordable housing requirements up to 2026; a level well above RPG +20%. Further work will need to be done to assess how affordable housing needs can be met within the parameters of the proposed strategy.
- 2.19 The PUSH Steering Group has decided to work within a range of estimated housing need representing RPG + 15% to 20%. Over the period

² District based housing needs surveys tend to indicate much higher levels of need than population based studies, but may be less reliable at the sub-regional level. Nor can they necessarily be used to project need over such a long time scale.

³ This is lower than most affordable housing policies in local plans within South Hampshire but many development sites fall below policy thresholds and are not required to include an affordable housing element.

2006 to 2026, this represents a range of between 79,000 and 82,000 new homes.

2.20 Hampshire County Council, Test Valley Borough Council and New Forest District Council have expressed the following views for inclusion in this report.

2.21 Test Valley District Council:

- Supports the Vision previously expressed by the PUSH group and in particular the economic growth led approach to the strategy but has concerns about the sub-regions' ability to achieve the levels of growth targeted unless significant investment is made in infrastructure, particularly transport, and in increasing high level skills.
- Recognises the contribution it can make in protecting and developing land for employment within the Borough and in promoting a major "Woodland Park".
- Notes the proposals for continued technical work but considers that the evidence base is inadequate at present for informed judgements to be made on the spatial options for development. A Strategic Development Area in southern Test Valley is unlikely to be considered environmentally sustainable therefore until further work is carried out, this Council could not support the RPG +15% lower limit of the range for testing housing options and would prefer the continuing technical work to examine options in a range of RPG +6% to RPG +20%.

2.22 Hampshire County Council supports:

- the idea of 'conditional managed growth' and the message that the pace of development must be dependent on the pace of investment in new infrastructure;
- the aim of economic growth - taking the point made in the report that 'growth' is not synonymous with 'development'; and focused on those areas where improving employment opportunities would be most beneficial and in order to reduce regional disparities;
- the city-focus and priority on urban regeneration and brownfield development;
- the emphasis on protecting and improving the quality of life.

but it has reservations on the need to plan for housing growth of up to RPG9 + 20% and economic growth of up to 3.5% in that it believes:- the evidence is insufficiently developed at this stage of the process in respect of the relationship between economic growth and housing and the likelihood that the identified barriers to higher economic growth can be overcome, particularly in the first part of the plan period; the indications are that a growth of around 3%, the projected long term regional average, could be supported by housing growth rate at RPG9.

- 2.23 New Forest District Council shares the doubts expressed by Hampshire County Council about the relationship between economic growth and housing delivery levels.

PUSH Strategy for South Hampshire

- 2.24 On the basis of the work outlined above, the PUSH Steering Group has defined the following broad strategy for the period 2006 to 2026 (See table 4). It is emphasised that this is a strategy for ‘conditional managed growth’; with the principal condition being a Government commitment to the provision of the necessary infrastructure and skills investment to support the delivery of sustainable communities in South Hampshire at the levels of growth proposed.

Table 4: PUSH Strategy 2006 – 2026

	Lower Estimate	Upper Estimate
Economic growth rate	3% pa	3.5% pa
Land for employment	400 hectares*	500 hectares*
Total new housing	RPG +15% 79,000	RPG +20% 82,000
Accommodated through existing commitments and urban capacity	47,000 – 56,000	47,000 - 56,000
Additional housing required on greenfield sites	23,000 – 32,000	26,000 - 35,000

* to be confirmed

- 2.25 The cornerstone of any spatial strategy must be to improve quality of life in the area it covers. Quality of life includes a rich, diverse and healthy environment, but also embraces the provision of jobs and services, settlement identity and decent housing for all. PUSH is using the South East Integrated Regional Framework (IRF) to provide a framework for testing the extent to which strategy options improve the quality of life in South Hampshire. Although all of the IRF objectives are relevant at the sub-regional level, some are of lesser relevance to the spatial strategy. PUSH has accordingly weighted them in terms of significance to the strategy making process.
- 2.26 Due to the speed with which the strategy has been prepared, there is an inevitable need to continue testing and validation work in a number of important areas, which have been referred to above. This will include work to satisfy requirements for a Strategic Environmental Assessment. The strategy is therefore expressed in terms of broad ranges, which reflect the

PUSH vision. With a significant programme of ongoing technical work, there may be a need to refine these figures in the light of emerging results.

Infrastructure

- 2.23 South Hampshire already requires transport investment to address issues arising today, without which the position is expected to get worse over the next 20 years, irrespective of any additional development. Congestion is a major issue on several sections of the strategic network, particularly the M3, M27, A27, A3(M), A32 and A326. The traffic situation in the two city centres also suffers through peak time congestion in a number of key corridors. Technical work indicates that, by 2026, the natural and committed growth will exacerbate congestion, especially on the M3 and M27. Some links are predicted to have 70% over capacity (all day average). There are constraints on rail capacity in both Southampton and Portsmouth, and on the “Fareham – Eastleigh” east west rail link.
- 2.24 New infrastructure associated with new development has the potential to mitigate some of these issues. However, investment from both new development and the Government will be essential to provide the new and integrated infrastructure needed to secure properly managed and sustainable growth.
- 2.25 In order to deliver more sustainable communities, and to realise the PUSH vision for managed growth, investment in transport and accessibility has to run in parallel with development and growth. Investment is also needed in both demand and supply measures for a more effective and sustainable transport system to meet social, economic and environmental imperatives
- 2.26 Work is underway on quantifying supporting infrastructure, such as health, skills, water and other utilities needed to support future development in South Hampshire, and make communities more sustainable. This analysis will be verified by independent consultants who will also identify potential sources of funding including the likely investment required from Central Government. This issue is a critical and determining consideration in the PUSH vision as growth without supporting infrastructure is not acceptable.

3 Spatial options

- 3.1 South Hampshire is constrained by its geography. River systems fragment the coastal margins into a series of islands or peninsulas and the proposed New Forest and South Downs National Parks limit opportunities to the west and north-east. Much of the area has high environmental quality and the coastal margin is already heavily urbanised.
- 3.2 The guiding principles adopted by PUSH in relation to the development of spatial options for development in greenfield locations are that they should:-
- Relate well to the two cities (a bi-polar growth focus);

- Relate well to strategic public transport corridors and interchanges; and
- Be of sufficient size to justify and contribute to investment in necessary transport and other infrastructure

3.3 Three broad development options have been evaluated in more detail against these principles and other criteria and opportunities. A further, 'scattered' development option was initially considered by PUSH but was not developed further as it was inconsistent with the guiding principles.

Option A Focus in and around the two cities

3.4 This option locates new development within and very close to the two cities in order to reduce the need to travel and could as a consequence erode many of the undeveloped gaps between existing settlements. It also builds on existing public transport infrastructure and could justify more investment in these services.

3.5 Much of the infrastructure required for this option already exists, although in some locations additional development will put a strain on existing services (e.g. drainage). Some areas adjacent to the two cities currently have poor access to city centres and the main road network and new development may simply add to existing problems as it may be difficult and costly to resolve them.

3.6 This option could deliver in the region of RPG +6%, in terms of new homes, so could not deliver the PUSH strategy.

Option B Focus on the two cities plus strategic development areas

3.7 In addition to development within the cities and other urban areas, this option would locate a substantial amount of new development in 'Strategic Development Areas' which might typically accommodate between 5,000 and 10,000 dwellings. Up to four of these would be located north of, and in close proximity to, the two cities and although they would have a degree of self containment, there would still be a need for enhanced or new transport links with neighbouring towns and existing or planned major employment areas. Although the emphasis would be on public transport initiatives there would also be a need for some new roads. A key challenge under this option will be the integration of the new developments into the rest of South Hampshire, especially in relation to the two cities.

3.8 As wholly new communities there will be substantial infrastructure costs as there will be little existing infrastructure to utilise. However, their size also offers potential to offset some of these costs if part of the increase in land values associated with development can be captured.

3.9 This option could deliver the PUSH strategy, in terms of housing growth (around RPG +20%), possibly with fewer strategic development areas than are outlined above.

Option C Focus on the two cities plus future transport corridors

- 3.10 In addition to development within the cities and other urban areas, this option would concentrate new development within existing or new transport corridors. Examples of potential corridor enhancements or improvements include:
- Romsey to Southampton
 - Fareham to Eastleigh
 - Fareham to Gosport and Portsmouth
 - Waterlooville to Portsmouth
- 3.11 Transport corridors would link the new development into the existing network but also offer potential to address existing problems. Key links would be between the new development and adjacent city and town centres, transport hubs and existing or planned major employment locations. The focus of the links would be public transport although some additional road building is also likely to feature.
- 3.12 The development of transport corridors can be expensive. For this reason alone this option could support a high growth scenario, or a lower one based on fewer corridors. The split between public and private transport investment would also require careful assessment to ensure that the corridors support the needs of business and provide attractive alternatives to the private car.
- 3.13 This option could also deliver the PUSH strategy (around RPG +20%), in terms of new homes.

Option D Focus on the two cities plus strategic development areas and future transport corridors

- 3.14 This option combines options B and C. It has potential to deliver a high capacity, above that envisaged by the PUSH strategy (perhaps up to RPG +40%). There is therefore scope to be selective, for example by reducing the number of strategic development areas. The number and size of strategic development areas remains dependent upon the target level of economic growth, requirements for employment and housing land and the achievement of sustainable development options within the cities and other urban areas or within preferred transport corridors.
- 3.15 The main advantage of this option is that it provides a significant critical mass in key locations to help justify the investment in the development of new transport corridors.
- 3.15 More work is required to evaluate the variants of this option.

Further work on the spatial options

- 3.16 At this stage, PUSH does not wish to express any preference between the spatial options.

- 3.17 Further work is being undertaken to refine the strategy further. All of the above options will be tested further during Phase 2. In addition, work will be undertaken to identify the impact growth would have on the general infrastructure of the area, with particular attention to the implications for the identified transport corridors. Strategic environmental assessment of the options needs to be undertaken. There will also be an evaluation of any impacts on strategic and local gaps, with the requirement to retain effective separation of settlements a high priority.

4 Summary of strategy and options

4.1 In summary, the key elements of this strategy are:

- An economic growth target of between 3 and 3.5 per cent per annum
- An extra 69,000 – 89,000 jobs requiring around 400 – 500 hectares gross on land for industrial and business development (excluding land for manufacturing, and figures to be confirmed)
- Between 79,000 and 82,000 quality designed new dwellings to include the full range of market and social housing
- Between 47,500 and 56,000 of these dwellings to be developed within the existing urban areas
- Maintenance of effective separation of settlements and retaining appropriate strategic and local gaps, to retain separate identities
- Improving accessibility, especially public transport to the two cities, main towns and transport hubs
- Improved physical, environmental and social (e.g. skills training) infrastructure
- Opportunities to enhance biodiversity and create leisure and recreational uses near urban areas or new development

4.2 The PUSH Steering Group has not at this stage specified a preferred option. The spatial options considered include:

- Focus on the two cities
- Up to four strategic development areas, each capable of delivering sustainable communities, underpinned by the full range of supporting infrastructure
- Some smaller development areas, usually with an employment or housing focus to address a local imbalance between employment and housing or help justify new or improved transport corridors
- New or improved corridors focused on public transport to link the strategic development areas with the cities, main towns and key employment locations

5 Implementation

- 5.1 PUSH has agreed on the following broad approach to delivery and implementation of the sub-regional strategy:
- Co-ordinating the strategic development of South Hampshire will have democratic leadership from the PUSH councils
 - To draft and endorse a constitution, structure and governance arrangements that will support PUSH local authorities in steering the delivery vehicle arrangements
 - To prepare a business and resource plan that directly relates to the sub-regional strategy. This will identify the initial programme of strategic development projects, identify timeframes and outcomes and define the resources required to deliver them
 - To draft out protocols to guide work within PUSH and with partners, including those at national and regional level
 - To prepare an action plan for the first 5 years, which would reflect the business and resource plan and existing plans and projects already in hand
- 5.6 Phasing has been considered in broad terms. The initial focus would be on existing capacities within the two cities and urban areas coupled with the release of employment and housing sites already in the pipeline where these do not undermine city centre regeneration objectives. The capacity of development proposals to unlock funds or land for significant infrastructure improvements will also be considered. The release of new development land would be dependent upon monitoring and would be managed to ensure that economic growth, infrastructure and housing growth are brought together and developed in tandem.

6 Preliminary estimate of infrastructure costs and phasing

- 6.1 PUSH will only be able to support a managed growth strategy with appropriate and timely investment in infrastructure provision. It will therefore be seeking a comparable level of agreement with Government to support its managed growth strategy along the lines of the other growth areas.
- 6.2 PUSH also expects regional bodies, such as the Regional Development Agency and the Learning and Skills Council, to co-operate in supporting investment in skills training so as to ensure that the benefits of economic growth and job creation are available to the resident population.
- 6.3 Alongside such investment, PUSH will look to secure appropriate levels of infrastructure investment from the private sector and other project beneficiaries, including the capture of a proportion of the improved land values arising from the new development proposals for necessary infrastructure investments.

- 6.4 The following are preliminary estimates of transport and water infrastructure costs to deliver the preferred option. These are only intended to provide a broad indication of selected costs for which information is currently available and will need to be reviewed during Phase 2. The figures exclude the costs of motorway widening; rail track capacity improvements in the Southampton and Portsmouth areas (not quantified, but likely to be very high); the cost of land for transport improvements; demand management measures and revenue expenditure/income.

£1,800m Transport improvements (including rapid transit, passenger rail improvement, road improvements and bypasses, park & ride)

£30m New reservoir (Havant thicket)

- 6.5 In addition, other costs such as drainage, new education and health facilities, employment land development and skills re-training will be costed as part Phase Two.

7. Policies for South Hampshire for inclusion in the South East Plan

- 7.1 The policies required to delivery the strategy are set out in Annex 1 (attached). In summary they are:

SH1 Overall strategy
SH2 Strategic Development Areas
SH3 Implementation agency
SH4 Plan, monitor and manage
SH5 Review of the strategy
SH6 Scale and location of employment development
SH7 Town and city centres
SH8 Office development
SH9 Skills
SH10 Sub-regional transport schemes and measures
SH11 Transport management and integration
SH12 Scale and location of housing development
SH13 Affordable housing