

ITEM 9

Andover Economic Update

Report of the Head of Estates & Economic Development (Portfolio: Economic)

Recommended:

That OSCOM endorse the Council's approach to supporting all aspects of Andover's economy.

SUMMARY:

- Andover's economy has grown significantly in recent years and continues to do so. It comprises several distinct elements including: the provision of new jobs, the state of the labour market and housing markets, the economic health of the town centre and delivery of infrastructure.
- Andover's economy will face future challenges. Council support, described in a new long term economic strategy and a revitalised Andover Vision will help ensure sustainable growth for the benefit of residents and business.

1 Introduction

- 1.1 This report updates previous summaries, presented to Overview and Scrutiny Committee, on the state of Andover's economy.

2 Background

- 2.1 The Overview and Scrutiny Committee (OSCOM) have received regular updates on the state of local economic conditions in Andover and Southern Test Valley over recent years. In 2015 OSCOM considered a Corporate Economic Portfolio Review in 2015 which has resulted in the preparation of a new Test Valley Economic Development Strategy. This report is, therefore, a timely bench-mark for that forthcoming strategy.
- 2.2 Andover's economy is made up of several elements, including:
- the provision of new jobs;
 - the state of the labour supply and housing markets;
 - the economic vitality of the town centre; and
 - delivery of infrastructure, necessary to support growth.
- 2.3 Like any town, Andover is not completely self-contained or a separate economy. Instead, it is part of the regional, south east economy and contributes to the national economy. Andover therefore demonstrates national economic trends and features at a local level.

- 2.4 Andover’s relationship with the regional economy is illustrated by 5% of its out-commuters working in London (2011 Census) - hence the demand for the recent car parking improvements to add additional spaces at Andover Railway Station.
- 2.5 At the same time, Andover has an independent character: Despite the reduction in the number of Travel to Work Areas (TTWAs) used in Government statistics from 308 in 1991 to 228 in 2011(as more people commute longer distances to work) Andover still retains its own TTWA.

Population and new homes

- 2.6 The Council’s long term planning framework is resulting in the three major new residential communities: Augusta Park, Picket Twenty and Picket Piece. The Revised Test Valley Local Plan requires 7,092 new homes in Nothern Test Valley (2011 – 2029) of which 6,444 (358 dwellings p.a.) in Andover.
- 2.7 As the result Andover’s population is forecast to grow from 47,275 in 2016 to 53,180 in 2022. However, the number of new homes allocated in the Test Valley Local Plan Review to 2029 means that Andover’s population will continue to grow beyond the 2022 population forecast towards 60,000 by the end of the plan period.
- 2.8 It is noteworthy that more homes have been allocated since the 2006 Test Valley Local Plan, and are being built today, than were built under the Town Development Agreement or “London Overspill”, which has been such an influence on Andover’s character from 1960s to 1970s.

Commercial Property Market

- 2.9 Andover’s commercial property market is performing well. Vacancy rates are relatively low and levels of investor confidence has resulted in several major speculative developments including Angle 340 on Andover Business Park and Evolution 50 on Walworth Business Park. Occupancy rates (based on Business Rates - units):

West Portway 95%

East Portway 100%

Walworth 96%.

Vacant sites & premises

- 2.10 Looking forward there are several major employment allocations that will generate additional jobs in the future.

Available Sites:

Plot 90 “Logistics City” Walworth Business Park (extension)	371,715 sq. m
Plot 35 “Blueprints” Walworth Business Park	5,576 sq. m
Plot 5 Andover Business Park	47,752 sq. m

Available Premises:

Plot 50 “Evolution 50” Walworth Business Park	4,797 sq. m
Unit 16, 17 Stephenson Close, East Portway Business Park	19,585 sq. m
Plot 2 Andover Business Park “Angle 340”	31,522 sq. m

Employment

- 2.11 Andover has significantly out-performed the national economy in the generation of new jobs. Between 2010-15 Andover’s employment grew by 5,600 jobs or 25%, contributing a disproportionate 61% of Test Valley’s increase (given that it contains only 49% of its jobs).

The key growth sectors were:

Business/Admin./Support	1,805 (32%)
Wholesale	721 (13%)
Transport/Storage	711 (13%)
Health	664 (12%)
Public Admin./Support	597 (11%)
Professional/Scientific/Technical	482 (9%)
Education	386 (7%)
Finance/Insurance	362 (6%)

Manufacturing lost 650 jobs.

Unemployment

- 2.12 At September 2016 260 persons were claiming Job Seeker’s Allowance (JSA), down by 22 from September 2 years ago and down by 323 6 years ago (September 2010) as the recession took effect. The rate of unemployment for Andover’s wards ranges from 0.5% to 1.2% and is about 0.8% overall for the town. This compares to 0.6% for the Borough, 0.9% for Hampshire and 1.8% for GB.
- 2.13 The fall in the JSA rate is welcome. It contrasts with the more stubborn statistic on the broader level of worklessness. In September 2010 the number of persons claiming out-of-work benefits overall, including Income Support and Employment and Support Allowance (ESA), in Test Valley was 4,760 (3,500 excluding JSA). By September 2016, the number claiming ESA had only fallen slightly and out-of-work benefit claimants still stood at 3,490 (or 3,150 excluding JSA).

Andover Town Centre

- 2.14 Andover’s retail vacancy rate in the Primary Shopping Area at October 2016 was 10.3%. This compares to 4.7% for Romsey and 12.4% nationally and is a change from 9.4% in May 2016.
- 2.15 Newbury Street and Chantry Street have recently been enhanced as the latest phase to improve the town centre’s accessibility and public realm, and the façade of the Chantry Centre have been refaced, together with new entrance signage. The Andover Archways Artwork project is progressing, with the first arch for George Yard installed. Better wayfinding is also being planned, to follow the course of the River Anton.

Infrastructure

- 2.16 There has been considerable investment in both physical infrastructure such as highways, cycleways, Andover Rail and Bus Stations – and now broadband for Portway and Walworth - as well as essential social infrastructure.
- 2.17 In the town centre, the creation of the Odeon Cinema, The Lights theatre and major investment at Andover College (including The Technology & Future Skills Centre) have all happened in recent years.
- 2.18 In the new communities, Endeavour School and Pilgrims Cross schools, together with community centres and other local facilities are fundamental to the successful creation of the new communities of Augusta Park and Picket Twenty respectively and similar provision will accompany Andover’s third new community at Picket Piece.

3 Conclusion

- 3.1 In conclusion, the Andover economy is in good shape. However, it will face uncertainty over the next few years and challenge as will the national economy. Therefore the Council working with the partner organisation’s will continue to support business as part of its corporate priority to ensure Test Valley is a great place to do business.

<u>Background Papers (Local Government Act 1972 Section 100D)</u>			
<u>Confidentiality</u>			
It is considered that this report does not contain exempt information within the meaning of Schedule 12A of the Local Government Act 1972, as amended, and can be made public.			
No of Annexes:			
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Report to:	OSCOM	Date:	7 December 2016