Central Berkshire FEMA Economic Development Needs Assessment

Thames Valley Berkshire Local Enterprise Partnership

Final Report

October 2016

Central Berkshire FEMA

Economic Development Needs Assessment (EDNA)

Final Report

Thames Valley Berkshire Local Enterprise Partnership

October 2016

14793/MS/CGJ/LBa

Nathaniel Lichfield & Partners
14 Regent's Wharf
All Saints Street
London N1 9RL

nlpplanning.com

This document is formatted for double sided printing.

Registered Office:
14 Regent's Wharf
All Saints Street
London N1 9RL

Executive Summary

This Economic Development Needs Assessment (EDNA) has been prepared by Nathaniel Lichfield & Partners on behalf of the Thames Valley Berkshire Local Enterprise Partnership and the Berkshire authorities of Bracknell Forest, Reading, Windsor and Maidenhead and Wokingham. The method followed is National Planning Policy Framework (NPPF) and Planning Practice Guidance (PPG) compliant. It follows on from a Part 1 Study with the six Berkshire Authorities that for plan making purposes identified three Core FEMAs with the Berkshire area.

This EDNA considers the objectively assessed economic development needs for Bracknell Forest, Reading, Windsor and Maidenhead and Wokingham within the Central Berkshire Core FEMA over the period 2013-2036. The study considers future quantitative land and floorspace requirements alongside related qualitative factors for individual sectors and employment uses.

In accommodating growth needs, the EDNA notes competing pressures on land within authorities and the footloose nature of some needs that means they can be accommodated across individual boundaries. These factors will be considered in line with the NPPF by the Berkshire local authorities as part of the local plan process.

The key findings of the study are as follows:

- Employment space within the Central Berkshire FEMA (based on 2012 data) is split relatively evenly between office and industrial uses, with industrial space having decreased over the preceding 12 years and office space having increased. Reading accommodates the majority of both office and industrial space and Valuation Office Agency data also underlines the dominant role that Reading plays in terms of accommodating B class employment space in the FEMA, as well as the geography of the Greater Reading commercial market with significant clusters of B class space outside the boundary of Reading in the adjoining local authority of Wokingham.
- The commercial centre of Bracknell, and to a lesser extent the centres of Maidenhead and Wokingham, also stand out as supporting substantial clusters of B class employment floorspace in the Central Berkshire FEMA. The stock of employment floorspace in Maidenhead tends to be most characterised by office space, while Bracknell and Wokingham's space tends to be characterised as more mixed in nature.
- Over the last 10 years, a significant amount of new B class employment floorspace was completed in the FEMA, although Wokingham represents the only local authority area to have recorded more gains of employment floorspace than losses over this period.

- The Central Berkshire FEMA most closely aligns with the 'Core Thames Valley' geography or market area focused on the key M4 markets of Reading, Maidenhead, Bracknell and Wokingham, with strong economic relationships between these towns in terms of value, accessibility and labour force. Within the FEMA itself, Reading represents the main office location and offers a wide range of accommodation from small scale office suites to large HQ style accommodation. Reading's neighbouring authorities of West Berkshire and Wokingham accommodate large parts of what is generally considered to be a 'Greater Reading office market'.
- Bracknell's office market is generally characterised by business park style buildings with large floorplates. Demand for office space has struggled in recent years but has picked up more recently. For prospective office occupiers looking to locate in the Thames Valley, Bracknell is recognised as a relatively cheap option compared to other parts of the sub-region, and this cost advantage is reported to have attracted a number of relocations recently to Bracknell.
- Windsor and Maidenhead's two main towns comprise distinct areas for the commercial property market. Windsor is a niche location, attractive to certain higher value firms seeking a prestige, heritage location and does not compete with other nearby areas. In contrast, Maidenhead is part of the wider M4 / Thames Valley property market to a greater extent, with a degree of competition with Bracknell, Slough and Reading.
- Wokingham Borough accommodates a two tier office market, comprising a number of large scale, high quality business parks which functionally operate within the greater Reading office market, and the town of Wokingham itself which represents a smaller and more localised office location.
- The FEMA also accommodates a reasonably strong industrial market which is generally characterised by good levels of demand and low levels of supply and availability. The key locations for industrial activity include Reading (and its surrounding hinterland which takes in adjoining Wokingham Borough and West Berkshire District) and Bracknell both of which benefit from excellent strategic road access and a large critical mass of industrial occupiers and sites. By contrast, the industrial markets in Wokingham town and RBWM are smaller in scale and lack the strategic profile of nearby Slough, Reading and Bracknell. The majority of demand comes from local businesses with local churn largely accounting for take-up in recent years.
- Three different scenarios of future employment space requirements have been considered to provide a framework for considering the future economic growth needs and B class employment space requirements within the Central Berkshire FEMA during the 23 year period 2013 to 2036. These scenarios reflect the PPG and draw upon the following:
  - i projections of employment growth in the main B class sectors **(labour demand**) derived from economic forecasts produced by Cambridge Econometrics (CE) which are consistent with other

economic evidence base work that has been prepared recently for Thames Valley Berkshire;

ii consideration of **past trends in completions of employment space** based on monitoring data collected by Bracknell Forest Council, Reading Borough Council, Wokingham Borough Council and Royal Borough of Windsor & Maidenhead and how these trends might change in the future; and

iii estimating future growth of **local labour supply** based on population projections for the Central Berkshire FEMA applied as part of the recent Berkshire (including South Bucks) SHMA, and the amount of jobs and employment space that this can support.

- It should be noted that the CE economic forecasts were examined as part of the Berkshire (including South Bucks) Strategic Housing Market Assessment (February 2016) which highlighted notable variations in the rate of employment growth reported between historic time periods and the forecasts. The SHMA authors consequently made some adjustments to the overall rate of employment growth implied by the forecasts and for some authorities (Reading, West Berkshire and Wokingham) a specific ‘economic uplift’ is added within the SHMA to the objectively assessed housing need to account for this implied growth. Although it is not possible to model the employment space and land requirements associated with this adjusted growth trajectory as part of the EDNA, it is important to be aware of the adjustments that have been made as part of the SHMA within the context of economic evidence base alignment.
- The ‘net’ B class employment space requirements related to these different scenarios for the FEMA and individual local authority areas within the FEMA are summarised in Table ES1 below.

Table ES1: Net Employment Space Requirements (GEA sq.m) for Central Berkshire FEMA by Scenario, 2013 - 2036

	Uses	1. Baseline Labour Demand	2. Past Completion Rates	3. Labour Supply
CENTRAL BERKSHIRE FEMA	Offices (B1a/B1b)	261,545	-438,955	276,000
	Industrial (B1c/B2/B8)	683,250	18,285	660,200
	Total B Class Floorspace (sq.m)	**944,795**	**-420,670**	**936,200**
BRACKNELL FOREST	Offices (B1a/B1b)	106,215	-215,165	85,410
	Industrial (B1c/B2/B8)	324,395	6,785	263,110
	Total B Class Floorspace (sq.m)	**430,610**	**-208,380**	**348,520**
READING	Offices (B1a/B1b)	19,460	-252,310	44,605
	Industrial (B1c/B2/B8)	112,600	1,840	133,910
	Total B Class Floorspace (sq.m)	**132,060**	**-250,470**	**178,510**
WINDSOR & MAIDENHEAD	Offices (B1a/B1b)	50,500	-25,760	52,680
	Industrial (B1c/B2/B8)	171,580	-26,680	168,400
	Total B Class Floorspace (sq.m)	**222,080**	**-52,440**	**221,080**
WOKINGHAM	Offices (B1a/B1b)	85,370	54,280	93,305
	Industrial (B1c/B2/B8)	74,675	36,340	94,785
	Total B Class Floorspace (sq.m)	**160,045**	**90,620**	**188,090**

Source: NLP analysis

- After making an allowance for a safety margin and replacement of ongoing employment floorspace losses, the total 'gross' B class employment space requirement related to these different scenarios for the FEMA ranges from 64,410sq.m to 1,457,920sq.m over the period to 2036, which implies in broad terms a need for between 32.6ha and 324.0ha of employment land (as summarised in Table ES2 below). In employment land terms the majority of this spatial requirement relates to industrial (B1c/B2/B8) uses under all three scenarios, whilst all three scenarios forecast lower levels of B class job growth compared to that achieved historically.

Table ES2: Gross Employment Land Requirements (ha) for Central Berkshire FEMA by Scenario, 2013 - 2036

	Uses	1. Baseline Labour Demand	2. Past Completion Rates	3. Labour Supply
CENTRAL BERKSHIRE FEMA	Offices (B1a/B1b)	105.5	-18.5	107.4
	Industrial (B1c/B2/B8)	218.5	51.1	212.6
	Total B Class Land (ha)	**324.0**	**32.6**	**320.0**
BRACKNELL FOREST	Offices (B1a/B1b)	36.4	-25.5	32.5
	Industrial (B1c/B2/B8)	85.7	6.3	70.3
	Total B Class Land (ha)	**122.1**	**-19.2**	**102.8**
READING	Offices (B1a/B1b)	20.7	-21.3	24.4
	Industrial (B1c/B2/B8)	52.6	24.9	57.9
	Total B Class Land (ha)	**73.3**	**3.6**	**82.3**
WINDSOR & MAIDENHEAD	Offices (B1a/B1b)	19.3	6.3	19.6
	Industrial (B1c/B2/B8)	52.2	1.5	51.4
	Total B Class Land (ha)	**71.5**	**7.8**	**71.0**
WOKINGHAM	Offices (B1a/B1b)	29.1	22.0	30.9
	Industrial (B1c/B2/B8)	28.0	18.4	33.0
	Total B Class Land (ha)	**57.1**	**40.4**	**63.9**

Source: NLP analysis

- The net employment space requirements represent the minimum recommended quantum of employment floorspace to plan for, and each Local Planning Authority will need to take a view on the extent to which additional space should be planned for over and above the net requirements to allow for delays in development coming forward, for replacing employment space that is lost in future and to take account of other market signals.
- In light of the NPPF requirement to plan positively for growth, local authorities within the FEMA should consider planning to accommodate at least the labour supply based requirement (scenario 3) to ensure that the FEMA's indigenous growth potential (i.e. arising from its resident workforce) is not constrained by lack of spatial capacity in future. It is also important that quantitative growth forecasts presented within this study are considered alongside the more qualitative feedback and local market signals on business needs that have been identified through consultation with key property market agents active across the sub-region.

- Whilst growth needs have been identified on a FEMA wide and individual local authority basis, there will be some degree of footloose needs that potentially operate and can be accommodated across individual local authority boundaries. The Central Berkshire FEMA most closely aligns with the 'Core Thames Valley' sub market area which is characterised by a close inter-relationship between the towns of Reading, Maidenhead, Bracknell and Wokingham in terms of value, accessibility and labour force. All four constituent local authority areas within the FEMA therefore share strong interactions and inter-relationships from a commercial property market perspective, and in particular from an office market perspective, with all of these locations considered to offer a premium office location within the wider Western Corridor. Individual locations within the FEMA will have different roles to play in accommodating growth over the next 23 years.
- Reading faces particular constraints to accommodating new development due to its tight administrative boundary and the market response to this has historically been to effectively accommodate unmet business needs just outside of its boundary, within the Wokingham and West Berkshire administrative areas. Consideration will need to be given to providing for this accommodation within the western parts of Wokingham Borough (i.e. in locations benefiting from proximity to Reading and strong strategic transport accessibility) in future and this is reflected to an extent within the relatively high requirement for office space in Wokingham implied by the CE job demand based scenario.
- When considered in terms of 'best fit' to local authority area, Windsor & Maidenhead sits across two FEMAs (Central and Eastern Berkshire) due to the varied characteristics and economic role associated with different parts of the Borough. From a functional property market area perspective and notwithstanding the Borough also features in the Eastern Berkshire FEMA, the Core Thames Valley sub market area (and associated Central Berkshire FEMA) would appear to represent the most pragmatic wider spatial scale within which to consider planning to accommodate Windsor & Maidenhead's economic development needs.

Contents

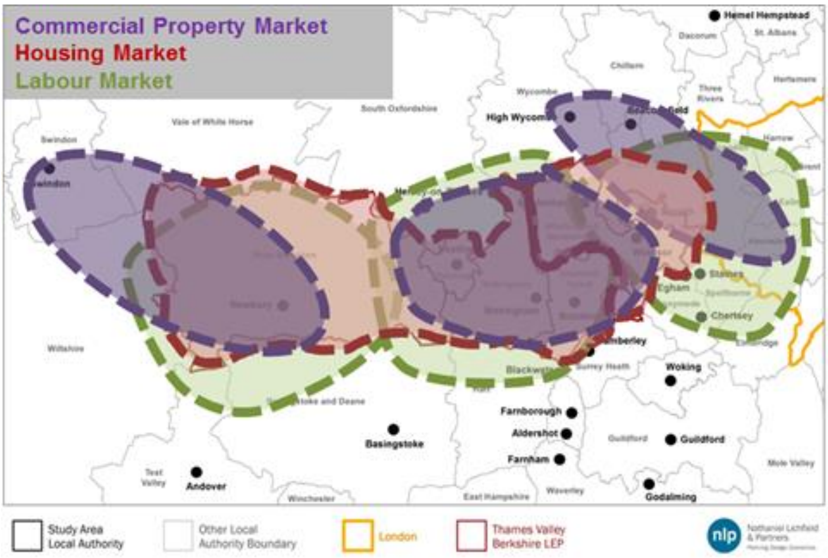
Appendices

1.0 Introduction

1.1 This Economic Development Needs Assessment ('EDNA') report has been prepared by Nathaniel Lichfield & Partners ('NLP') on behalf of the Thames Valley Berkshire Local Enterprise Partnership ('TVBLEP') and the Berkshire authorities of Bracknell Forest, Reading, Windsor and Maidenhead and Wokingham.

1.2 This report represents the second of a two-part study. The first part comprises the Berkshire Functional Economic Market Area ('FEMA') Study[1] prepared by NLP which identified the various FEMAs that operate across Berkshire in order to provide the TVBLEP and six Berkshire local authorities with an understanding of the various economic relationships, linkages and flows which characterise the sub-regional economy. These FEMAs are summarised in Figure 1.1 below and the Executive Summary of the Part One FEMA Study is included at Appendix 1.

Figure 1.1 Functional Economic Markets – Summary Map



Source: NLP analysis, drawing upon a range of sources

1.3 Based on a "best fit" with local authority boundaries, three FEMAs were identified as summarised in Table 1.1 and Figure 1.2. These FEMA areas encompass those local authority areas that the evidence indicates consistently have strong inter-relationships across a range of indicators including economic and sector characteristics, labour market areas, housing market areas, commercial property market areas, consumer market areas and transport and connectivity.

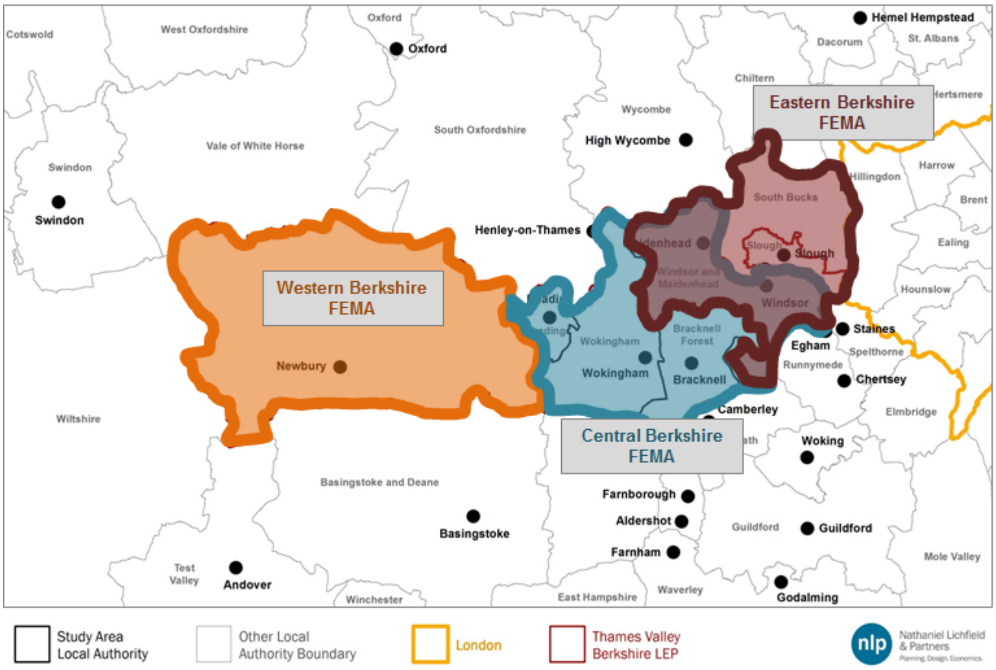
[1] Berkshire Functional Economic Market Area Study, Nathaniel Lichfield & Partners, February 2016.

Table 1.1 Core Functional Market Areas

Local Authority Area	Central Berkshire FEMA	Eastern Berkshire FEMA	Western Berkshire FEMA
Bracknell Forest	✓		
Reading	✓		
Slough		✓	
West Berkshire			✓
Windsor & Maidenhead[2]	✓	✓	
Wokingham	✓		
South Bucks[3]		✓	

Source: NLP analysis

Figure 1.2 Core Functional Economic Market Areas (Best Fit to Local Authority Boundaries)



Source: NLP analysis, drawing on a range of sources

1.4 This second part report focuses on the future economic development needs of the Central Berkshire FEMA defined as including Bracknell Forest, Reading, Windsor & Maidenhead and Wokingham. Second part reports have also been prepared to assess future economic development needs within the Eastern[3] and Western Berkshire FEMAs respectively.

1.5 The evidence from this study will help inform the basis for the development of economic policies through each local authority's future Local Plan processes.

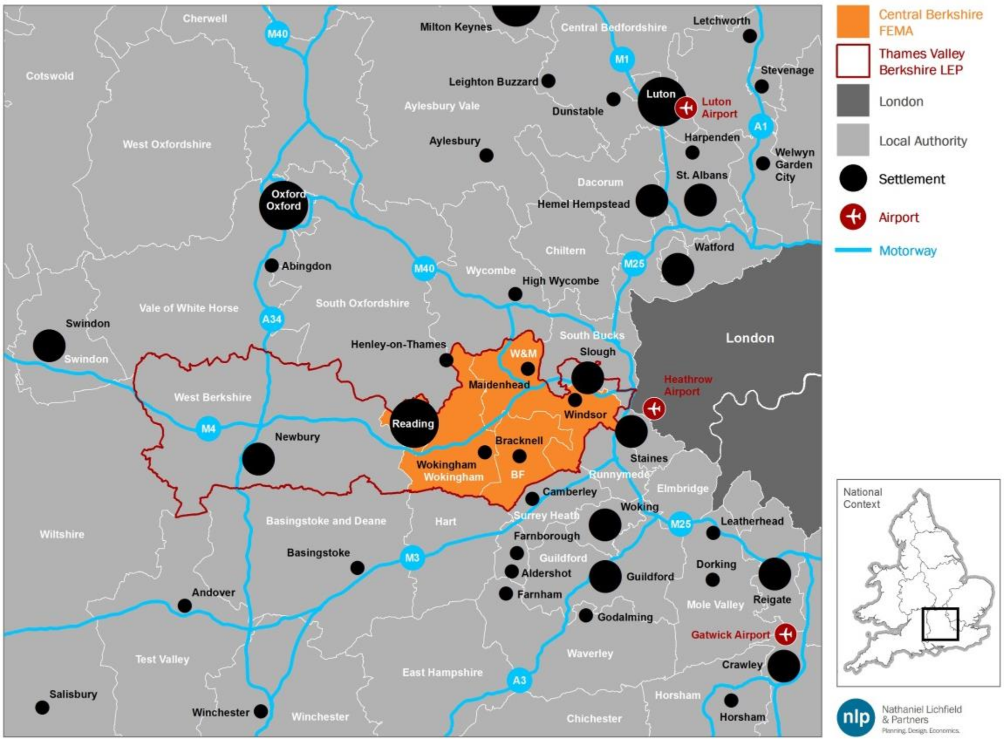
[2] Windsor & Maidenhead sits within two FEMAs due to the varied characteristics and economic role associated with different parts of the Borough. Economic development needs for Windsor & Maidenhead are therefore considered within both the Central and Eastern FEMA EDNA studies, with associated figures replicated on a consistent basis within both reports.

[3] In recognition of the evolution of the plan making geography since the publication of the Berkshire FEMA study, it is no longer considered necessary to document the needs arising in South Bucks within the Eastern Berkshire EDNA.

Spatial Overview

1.6 The Central Berkshire FEMA is located within the Thames Valley Berkshire LEP area and to the west of London. The FEMA comprises the four local authority areas of Bracknell Forest, Reading, Wokingham and Windsor and Maidenhead, as shown in Figure 1.3 below.

Figure 1.3 Spatial Context of Central Berkshire FEMA



Source: NLP analysis Note: settlements sized by population

Scope of Assessment

1.7 The purpose of the EDNA is to provide an understanding of the future business needs and requirements for employment land and floorspace within the defined FEMA. This is specifically considered for the group of B-class sectors outlined below:

- **B1 Business** (offices (B1a), research & development (B1b), light industry (B1c));
- **B2 General Industrial**; and
- **B8 Storage or Distribution** (wholesale warehouses, distribution centres).

1.8 Demand for B-class employment land and floorspace is considered in this report, and references to “employment space” are intended to mean both these elements. Industrial space in this report includes both manufacturing and distribution uses. Economic needs are considered over a 23 year study period from 2013 to 2036.

1.9 The study also considers forecasts of growth in non B-class sectors to set out how the overall economy of the FEMA could change in the future, although does not specifically assess the space implications of these other sectors because they are planned for using different methodologies and considered by other forms of technical evidence (such as a retail and leisure assessment).

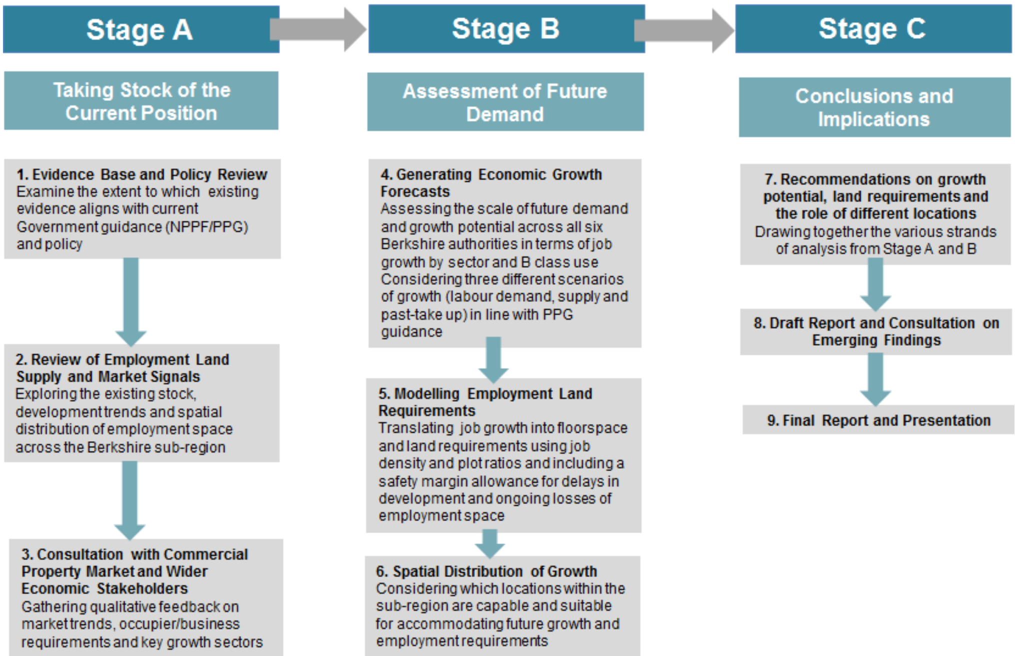
1.10 It should be noted that there are a variety of factors and drivers to consider when objectively assessing business needs for local areas. This study utilises a combination of both quantitative and qualitative analysis to explore these issues and synthesises these to draw overarching conclusions and implications. An important consideration for any work of this type is that it is inevitably a point-in-time assessment. This study has incorporated the latest data and other evidence available at the time of preparation. The accuracy and sources of data derived from third party sources has not been checked or verified by NLP. A glossary of key terms is included at Appendix 2.

1.11 The scope of the study is limited to assessing the need for B-class business space and land across the FEMA. It does not provide any assessment of the availability and suitability of land in the area to accommodate employment development uses either now or in the future.

Study Methodology

1.12 The assessment of future economic development needs involves three stages as set out in Figure 1.4 below. This takes account of the requirements of the National Planning Policy Framework (NPPF) and Planning Practice Guidance (PPG).

Figure 1.4 Economic Development Needs Assessment Outline Methodology



Source: NLP

1.13 In order to ensure that the analysis is based on robust and credible evidence, extensive consultation has been undertaken as part of the study with key stakeholders including commercial property agents active in the area, neighbouring local authorities and other organisations with an interest in economic development across the wider sub-region.

1.14 This includes consultation undertaken at the beginning of the first part study to gain feedback on the proposed methodology. A number of responses were received from key stakeholders to the methodology consultation and a copy of the methodology consultation questionnaire is included at Appendix 3. A summary of responses, alongside an overview of how these responses have been incorporated into the study methodology, is provided in Appendix 4.

1.15 A further consultation exercise was undertaken with stakeholders as part of Stage C to share and invite feedback on the emerging findings and conclusions set out in the Draft Report. A summary of the responses to this exercise, alongside an overview of how these responses have been incorporated into the final report, is provided in Appendix 6. A copy of the emerging findings consultation questions is also included in Appendix 5.

1.16 A list of other stakeholders that have been consulted as part of the study is included at Appendix 7.

Basis of Assessment

1.17 The terms of reference for this study do not require specific consideration of the potential employment or economic impacts arising from any potential future expansion of Heathrow Airport but assumes that the Airport continues to operate at current capacity. Any future policy decisions regarding expansion of Heathrow Airport may necessitate updates to the analysis and conclusions contained in this study.

1.18 The arrival of Crossrail, which will reach Reading by 2019, represents a significant infrastructure project of strategic importance for Berkshire. Analysis has been previously prepared on the economic benefits associated with the construction and operation of Crossrail; however the geographical remit of this analysis does not extend beyond the Greater London boundary. It has therefore not been possible to incorporate the outputs from this economic benefits exercise into the Central Berkshire EDNA analysis in quantitative terms; however some more qualitative commentary has been provided.

1.19 It should be noted that throughout the report, a number of different data sources and datasets have been used to analyse future business needs and requirements for employment land and floorspace within the defined FEMA. This means that it is not always possible to make direct comparisons between these datasets and indicators, particularly across the different constituent local authority areas.

Structure of the Report

1.20 The remainder of the report is structured as follows:

- **Overview of Employment Space** (Section 2.0) – analysis of the current stock and trends of employment space across the FEMA in terms of mix of uses, development rates, gains and losses and age of premises.
- **Commercial Property Market Signals and Intelligence** (Section 3.0) – a review of the sub-regional commercial property market, including the supply of and demand for different types of employment space within the FEMA and the needs of different market segments.
- **Future Requirements for Employment Space** (Section 4.0) – estimates future employment space requirements for B Class sectors across the FEMA in quantitative terms, drawing on employment forecasts, past take-up data and labour supply forecasts.
- **Policy Implications and Conclusions** are identified in Section 5.0.

2.0 Overview of Employment Space

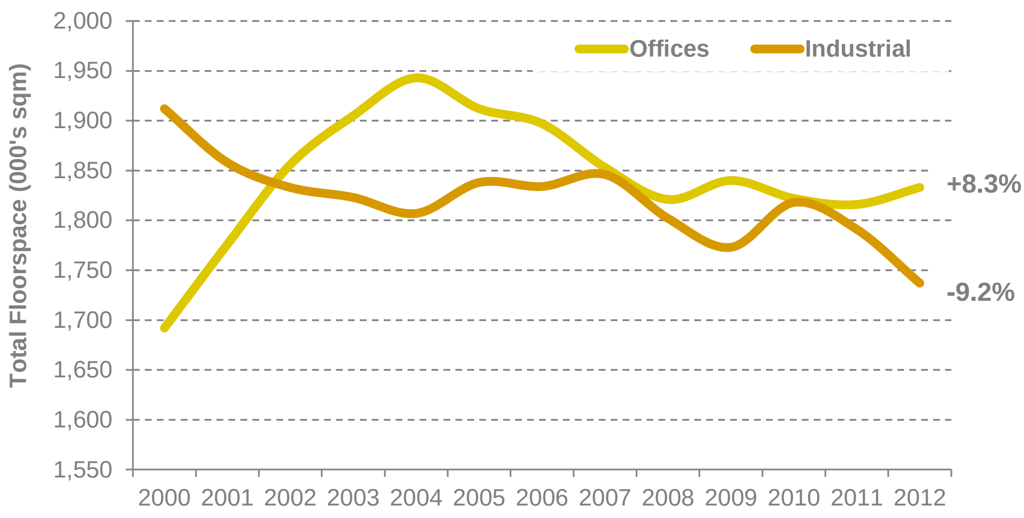
2.1 This section provides an overview of the current stock of B-Use employment space in the Central Berkshire FEMA, while also summarising recent trends and changes to the supply of this employment space. The amount of employment land and quantity of built employment floorspace has been considered across the three main types of employment uses (i.e. offices [B1a/b], manufacturing [B1c/B2], and warehouse and distribution [B8]). This analysis uses data from the following sources:

- Commercial floorspace data from the ONS and various datasets from the Valuation Office Agency (VOA);
- Monitoring data on commercial space from Bracknell Forest, Reading, Windsor & Maidenhead and Wokingham Borough Councils; and
- EGi Property Link database and other commercial property sources.

Current Stock of Employment Space

2.2 In 2012, the Central Berkshire FEMA contained around 3,570,000sq.m of B class floorspace, split broadly evenly between industrial (B1c/B2/B8) and office (B1a/b) uses. The total stock of office floorspace[4] in the FEMA increased by 8.3% between 2000 and 2012, just falling below the rate of growth (11.9%) achieved across the South East as a whole. Industrial floorspace decreased by 9.2% over this period, compared with a slight increase of 1.8% in industrial stock across the region as a whole over the same 12 year period (Figure 2.1).

Figure 2.1 Change in B Class Floorspace in Central Berkshire FEMA, 2000 - 2012

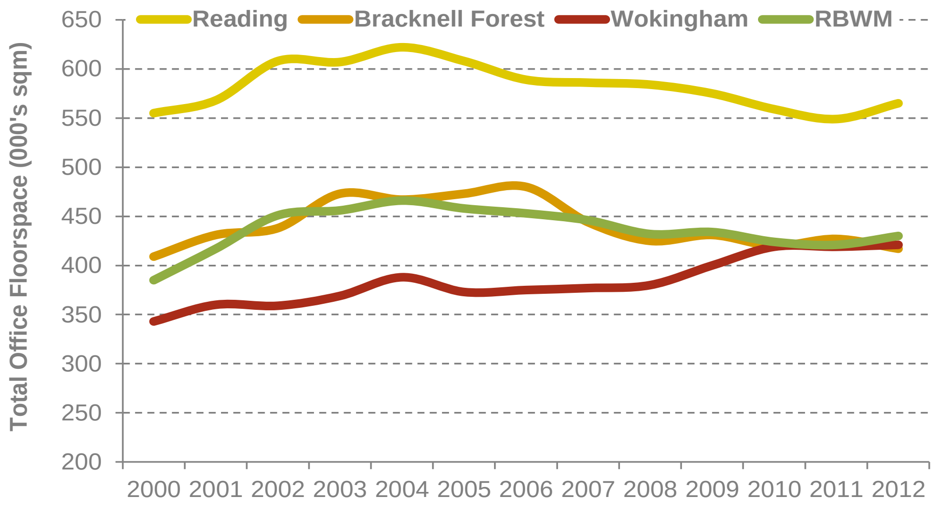


Source: VOA Business Floorspace / NLP analysis

[4] Defined as commercial office space (i.e. excluding office space occupied by public sector uses)

2.3 Within the Central Berkshire FEMA, the greatest increases in office floorspace between 2000 and 2012 were recorded in Wokingham and RBWM, in both absolute and percentage terms. This was equivalent to an increase of 22.7% in Wokingham and 11.7% in RBWM, compared with just 2% in Bracknell Forest and 1.8% in Reading over this period (Figure 2.2).

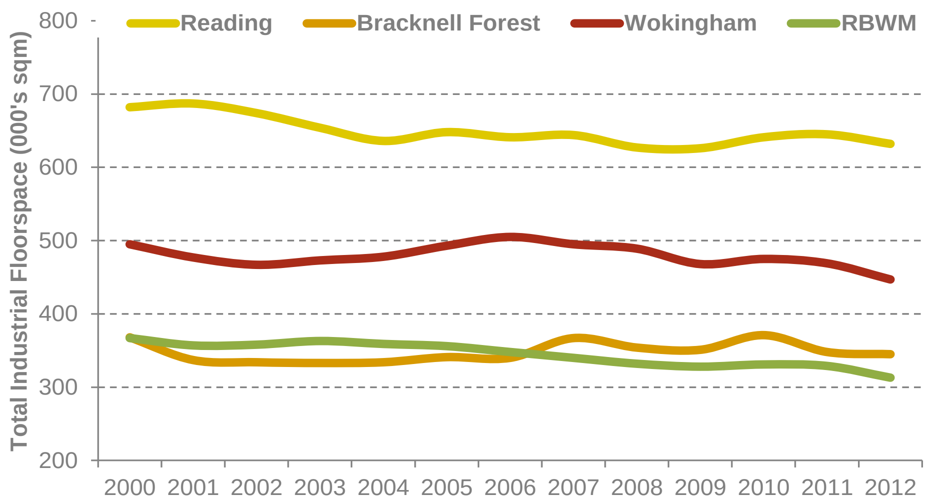
Figure 2.2 Change in Office Floorspace in Central Berkshire FEMA, 2000 - 2012



Source: VOA Business Floorspace / NLP analysis

2.4 With regards to industrial floorspace, the overall trend in declining floorspace recorded across the FEMA is echoed in each individual local authority area, with RBWM recording the most significant reduction in industrial space between 2000 and 2012 at 14.7% (Figure 2.3). The rate of decline in industrial floorspace was slightly lower across Wokingham (9.7%), Reading (7.3%) and Bracknell Forest (6.3%).

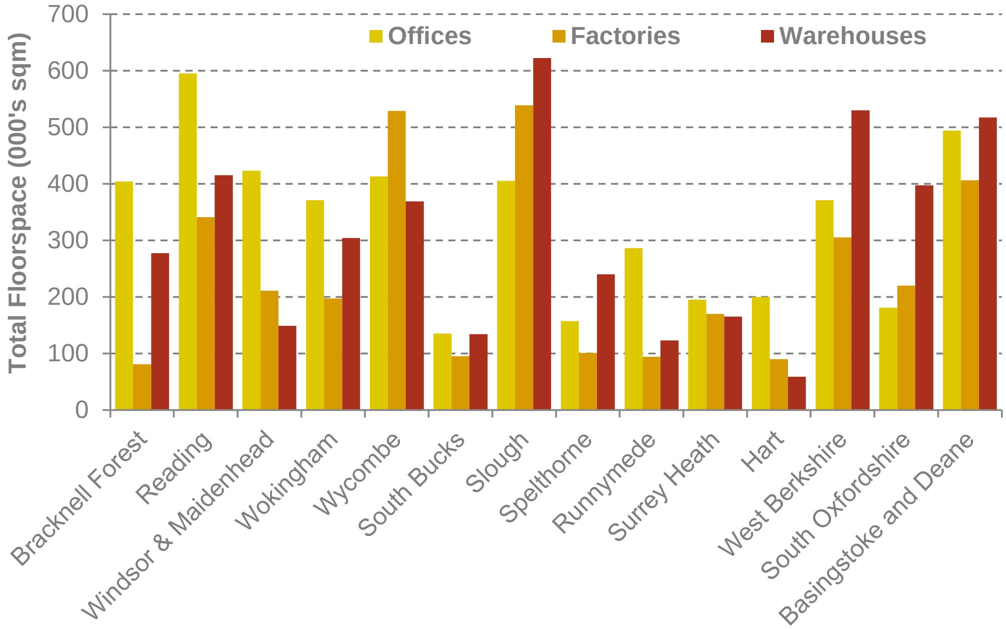
Figure 2.3 Change in Industrial Floorspace in Central Berkshire FEMA, 2000 - 2012



Source: VOA Business Floorspace / NLP analysis

2.5 A breakdown of the total employment floorspace by uses in 2008 is illustrated in Figure 2.4, including a comparison with employment space recorded in other local authority areas surrounding the Central Berkshire FEMA.

Figure 2.4 Components of Employment Floorspace by Local Authority, 2008



Source: VOA 2008[5] / NLP analysis

2.6 This analysis indicates that just under half (48%) of the supply of employment space within the Central Berkshire FEMA is characterised by office (B1a/b) uses, with the remaining 22% and 30% accounted for by factory (B1c/B2) and warehousing (B8) uses respectively.

2.7 Within the FEMA, Reading accommodates the majority of office space (equivalent to 33% of the FEMA total), followed by RBWM (24%), Bracknell Forest (23%) and Wokingham (20%). These quantums of office floorspace are generally larger than nearby authority areas such as South Bucks, Spelthorne, Runnymede, Hart, West Berkshire and South Oxfordshire, with only Basingstoke and Deane, Slough and Wycombe accommodating similar sized portfolios of office space.

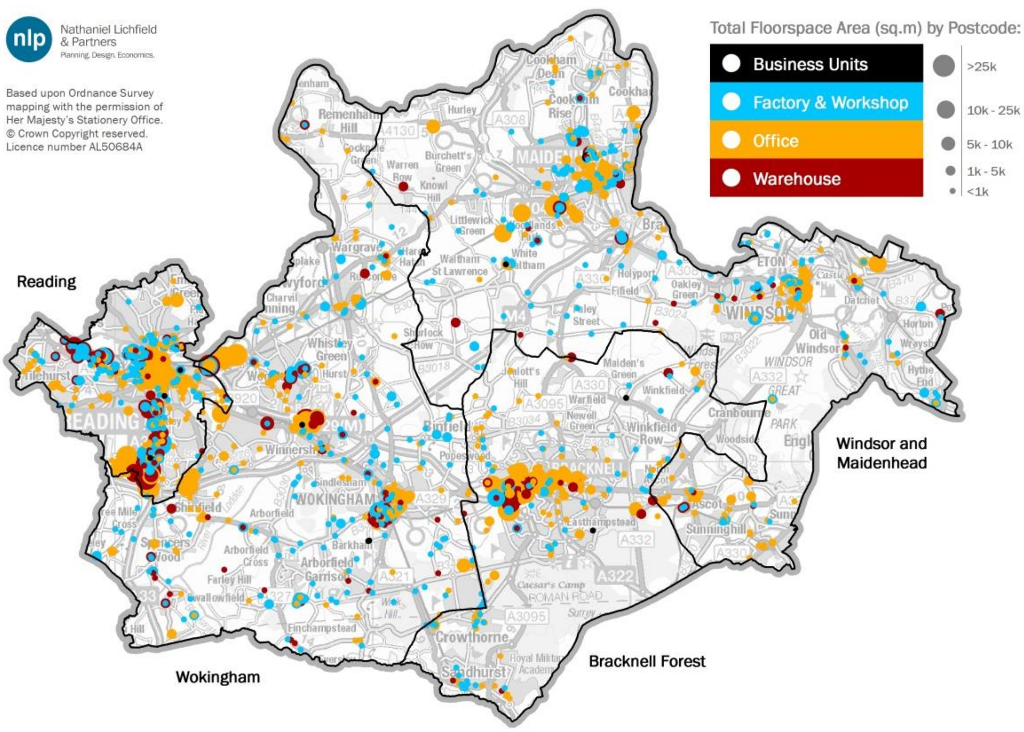
2.8 From an industrial perspective, Reading again accommodates the majority (36%) of stock in the FEMA, followed by Wokingham (23%), RBWM (21%) and Bracknell Forest (20%). A number of other local authority areas in the wider sub-region accommodate more industrial floorspace than Reading, including Slough, Basingstoke and Deane, Wycombe and West Berkshire. In contrast, a number of other nearby local authority areas have a significantly lower stock of industrial floorspace than the Central Berkshire FEMA authorities, including South Bucks, Spelthorne, Runnymede, Surrey Heath and Hart (Figure 2.4).

[5] VOA business floorspace analysis presented in this section draws upon a number of different VOA datasets – although these have been published at different time periods (2008, 2010 and 2012), they have been used because they each provide the latest available information in a slightly different, albeit complementary, format

Spatial Distribution

2.9 The spatial distribution of B class employment floorspace across the Central Berkshire FEMA is shown in Figure 2.5 using the latest available data from the Valuation Office Agency (VOA). This floorspace data underlines the dominant role that Reading plays in terms of accommodating B class employment space in the FEMA, as well as the geography of the Greater Reading commercial market with significant clusters of B class space outside the boundary of Reading in the adjoining local authority of Wokingham. This trend is particularly significant in the case of office floorspace.

Figure 2.5 Spatial Distribution of B Class Employment Floorspace in the Central Berkshire FEMA, 2010



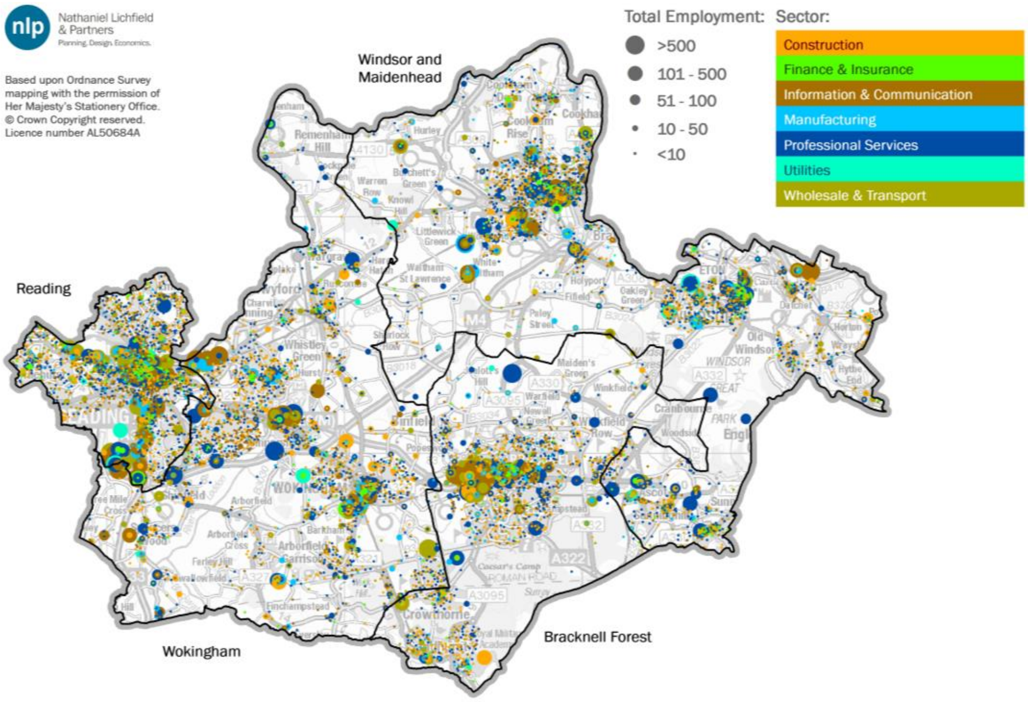
Source: VOA 2010 / NLP analysis

2.10 The commercial centre of Bracknell, and to a lesser extent the centres of Maidenhead and Wokingham, also stand out as supporting substantial clusters of B class employment floorspace in the Central Berkshire FEMA. The stock of employment floorspace in Maidenhead tends to be most characterised by office space, while Bracknell and Wokingham’s space tends to be characterised as more mixed in nature. The spatial portrait of employment space in the Central Berkshire FEMA also emphasises the important role that rural areas play in accommodating light industrial workshops and factories in the FEMA, whilst the smaller commercial centres of Windsor, Ascot and Sunninghill also support a share of the B class employment floorspace in the FEMA, although this floorspace tends to be of smaller scale

2.11 Individual and more detailed VOA maps illustrating the spatial distribution of B class employment floorspace in each of the local authorities forming the Central Berkshire FEMA is included in Appendix 8.

2.12 Drawing upon Inter-Departmental Business Register (IDBR) data, the spatial distribution of businesses in the Central Berkshire FEMA that operate within B class sectors can also be illustrated (Figure 2.6). This analysis shows that the largest cluster of B class businesses in the FEMA is found in Reading, while smaller clusters are also in Bracknell, Maidenhead and Wokingham.

Figure 2.6 Spatial Distribution of B Class Employment in the Central Berkshire FEMA, 2014



Source: IDBR / NLP analysis

Note: IDBR data does not record smaller businesses that fall under the VAT threshold.

2.13 The IDBR data also indicates that Reading supports a significant cluster of office based sectors in the Central Berkshire FEMA, including in professional services, finance & insurance, and information & communication. These firms tend to be located in Central Reading or along the A33 link road to the M4. In addition, the analysis reiterates the large overspill of B class businesses from Reading into the adjoining local authority of Wokingham, with a number of particularly large companies in information & communication and professional services located just outside the boundaries of Reading, which includes a notable cluster of businesses located in Winnersh Triangle. A sizeable cluster of information & communication businesses are also located in Bracknell, with examples of digital firm occupiers including Dell, HP, Fujitsu, Vodafone, Sharp Telecommunications and Netgear,

2.14 Other significant clusters of B class businesses in the Central Berkshire FEMA includes the concentration of wholesale & transport activities found in Reading and Bracknell, which both benefit from good access to the strategic M4 route, while pockets of manufacturing activity are also found in Reading, Wokingham, and Windsor & Maidenhead.

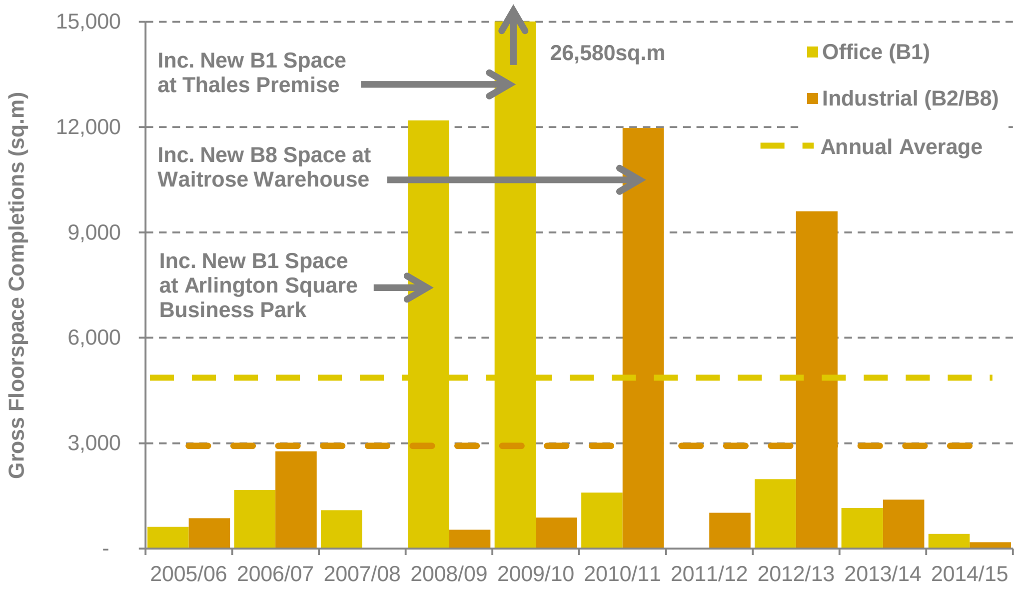
2.15 Individual IDBR maps showing the spatial distribution of all businesses located in each of the local authorities forming the Central Berkshire FEMA is included in Appendix 9.

Bracknell Forest Development Rates

Gross Completions

2.16 The gross quantum of B class employment floorspace developed in Bracknell Forest between 2005/06 and 2014/15 amounted to around 76,500sq.m which is equivalent to an annual average gross completion in the Borough of around 7,650sq.m during this period. The majority of this new B class floorspace in Bracknell Forest was developed for office/B1 uses (62%) and just over a third was developed for industrial uses (Figure 2.7).[6]

Figure 2.7 Gross B Class Floorspace Development in Bracknell Forest, 2005/06 - 2014/15



Source: Bracknell Forest Council / NLP analysis

Note: Use class B1 has been used as a proxy for offices for the purposes of analysis due to limitations in the way that BFC monitoring data records specific B1 uses (i.e. B1a, b and c). Due to the broad nature of the B1 use class category within the Council's commitments information, there may be a small element of B1c floorspace included within the B1 category

2.17 The rate of B class employment floorspace development in Bracknell Forest was relatively uneven during the monitoring period. The highest completions of gross office space in Bracknell Forest occurred in 2008/09 and 2009/10, which together accounted for approximately 82% of the total gross office floorspace developed in the Borough through this period. The significant developments of the Thales premises on Western Road (21,470sq.m) and Plot 5 of the Arlington Square Business Park (10,040sq.m) boosted office growth over these years.

[6] Bracknell Forest Council monitoring data does not disaggregate the B1 use class category by B1a, B1b and B1c use. In the absence of more detailed monitoring data, the B1 use class category has been assumed to relate to office uses by NLP although it is recognised that some B1c space may also be included within the overall B1 use class category

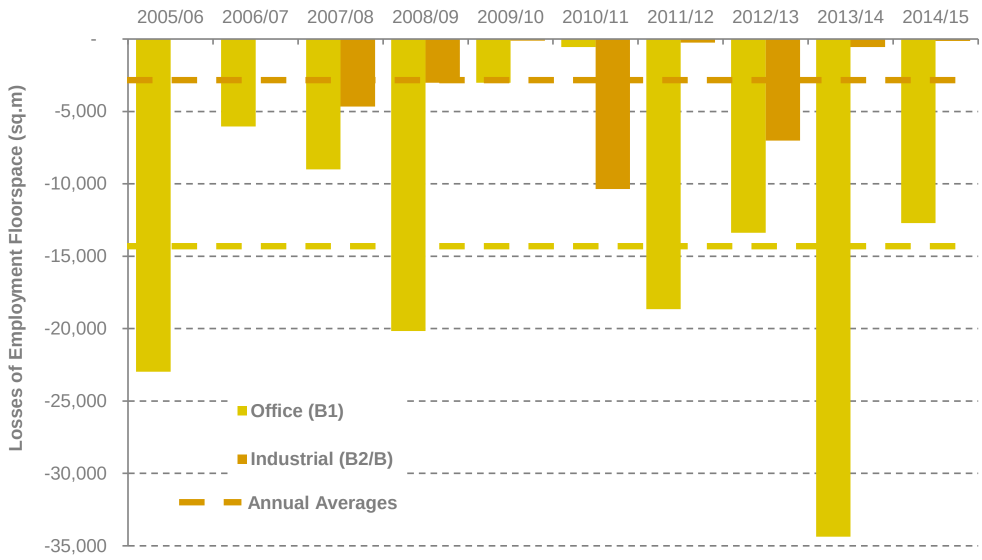
This reflects the ongoing redevelopment of previously developed (PDL) employment sites in the Borough.

2.18 The development of industrial space in Bracknell Forest peaked during the monitoring period in 2010/11 and 2012/13, with gross industrial development remaining relatively modest across the rest of the period of analysis. These years represented around three quarters of all industrial developments during the period 2005/06 to 2014/15, with the development of a warehouse for Waitrose in the Southern Employment Area in 2010/11 contributing to floorspace growth during this year.

Losses of Employment Space

2.19 Between 2005/06 and 2014/15, a total of 167,100sq.m of B class employment floorspace was lost in Bracknell Forest to other B class uses or non B class uses. As illustrated in Figure 2.8, the loss of office space in Bracknell Forest has been more substantial than the loss of industrial space through the monitoring period, with approximately 84% of all B class floorspace losses in Bracknell Forest relating to office uses.

Figure 2.8 Losses of B Class Floorspace in Bracknell Forest, 2005/06 - 2014/15



Source: Bracknell Forest Council / NLP analysis

Note: Use class B1 has been used as a proxy for offices for the purposes of analysis due to limitations in the way that BFC monitoring data records specific B1 uses (i.e. B1a, b and c). Due to the broad nature of the B1 use class category within the Council's commitments information, there may be a small element of B1c floorspace included within the B1 category

2.20 The losses of B class employment floorspace in Bracknell Forest have been relatively consistent over this monitoring period, particularly in terms of ongoing losses of office space. The most significant losses of employment space over this period occurred in 2005/06 and 2013/14, which together accounted for around 35% of the total losses of floorspace through this period.

2.21 The majority of office floorspace losses in 2005/06 related to the demolition of the former Met Office HQ buildings on London Road, Bracknell for residential development. In 2008/09, losses of office space were driven by the redevelopment of offices at 251 Western Road in Bracknell, as well as the redevelopment of offices at the former Met office site at Beaufort Park South Road in Bracknell.

2.22 The demolition of offices at the Boehringer Ingelheim site in Bracknell's Southern Employment Area accounted for around half of the office floorspace losses in 2011/12, while the change of use from offices to a health facility at Eastern Gate in Bracknell's Eastern Employment Area also accounted for a significant loss of office space in the same monitoring year.

2.23 Key developments accounting for the loss of office space in 2012/13 included the redevelopment of the Technical Centre on Easthampstead Road and change of use of office space at Brants Bridge for a Honda car dealership.

2.24 2013/14 stands out as recording the most significant loss of office floorspace over the monitoring period, and this included the demolition of over 12,000sq.m of office space as part of the Bracknell Town Centre Regeneration Scheme, as well as the demolition of buildings at Syngenta, Jealotts Hill Research Station in Warfield and the demolition of the former HFC Bank offices at North Street, Winkfield for housing.

Net Completions

2.25 During the monitoring period from 2005/06 to 2014/15, the net completion of B class employment space in Bracknell Forest was negative after taking account recent losses of employment space. The net completions of B class space in Bracknell Forest during this period equated to a net loss of 90,600sq.m, which includes a net loss of 93,550sq.m of office floorspace and a slight net gain of 2,950sq.m of industrial floorspace.

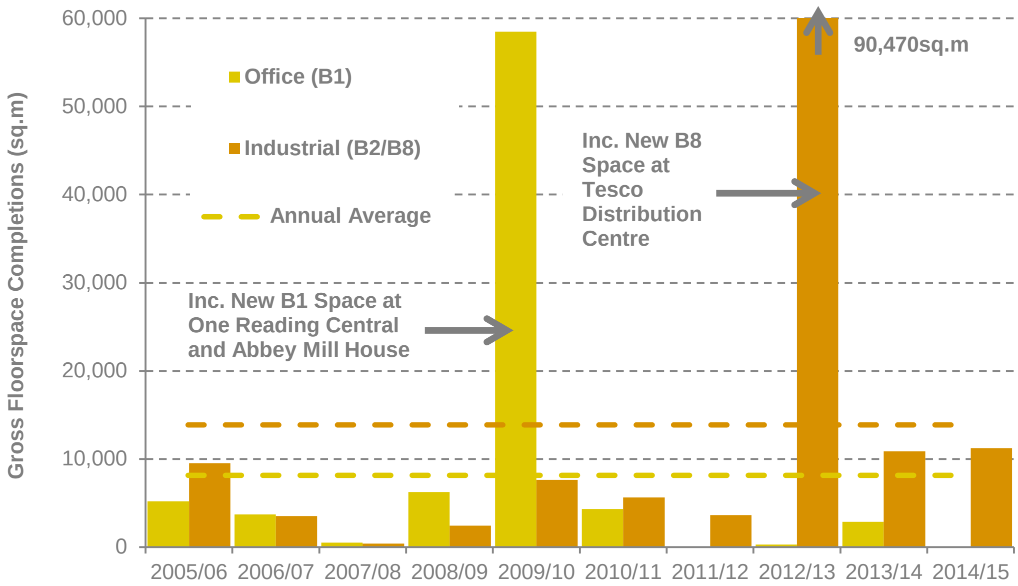
2.26 In this context, the losses of B class employment floorspace in Bracknell Forest have exceeded the gross completion of floorspace during this period. This has resulted in a declining stock of B class employment space in the Borough over recent periods although this decrease only relates to office space as industrial space has remained relatively stable during the monitoring period.

Reading Development Rates

Gross Completions

2.27 During the period 2005/06 to 2014/15, over 227,010sq.m of floorspace was developed for B class employment use in Reading. This recent development is equivalent to an average of around 22,700sq.m of new employment floorspace per annum, with the vast majority (64%) of this gross floorspace developed for industrial uses (Figure 2.9).

Figure 2.9 Gross B Class Floorspace Development in Reading, 2005/06 - 2014/15



Source: Reading Borough Council / NLP analysis

2.28 The trend in gross employment space development in Reading over this period shows a peak in the completion of industrial floorspace in 2012/13. Industrial space developed in this year alone accounts for approximately 62% of the total gross completion of industrial space over the monitoring period, with the major distribution centre for Tesco accounting for 86,000sq.m of the developed industrial floorspace recorded in this year.

2.29 The rate of development in the office sector shows a similar trend as that in the industrial sector in Reading, with around 72% of the overall gross completion of office space during this monitoring period undertaken in 2009/10. The major office completions at One Reading Central (20,350sq.m) and Abbey Mill House (10,570sq.m) accounted for a significant share of the office growth in 2009/10.

2.30 It should be noted that the monitoring period for which detailed completions data is available (i.e. 2005/06 to 2014/15) post-dates the period of time around the late 1990s and early 2000s when significant new commercial development was completed in Reading including at Green Park. This suggests that the past monitoring data available for Reading is likely to underestimate the scale of office space growth that has been recorded in the Borough over recent years.

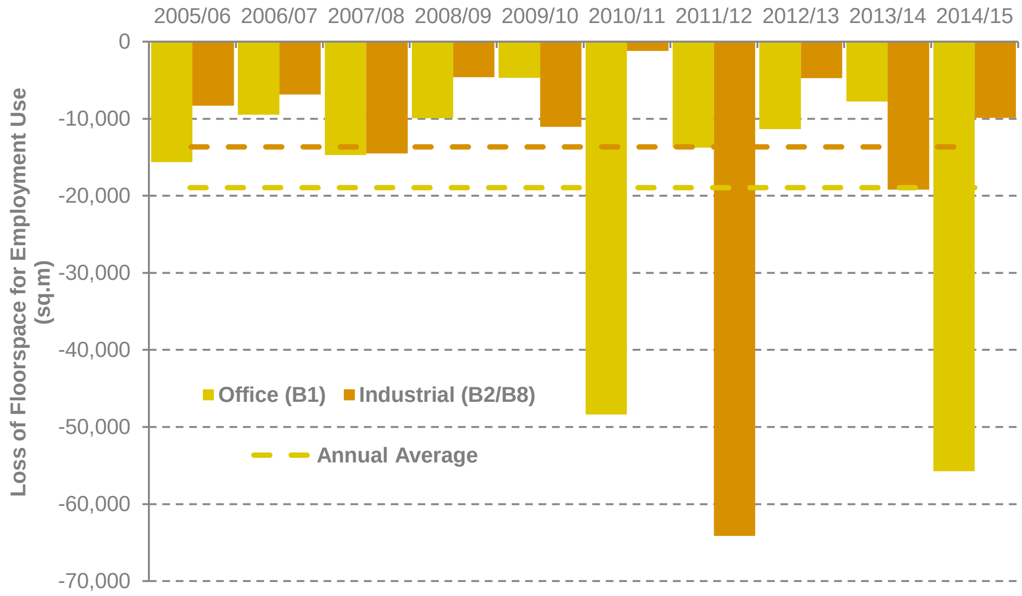
Losses of Employment Space

2.31 Between 2005/06 and 2014/15 Reading lost approximately 335,920sq.m of B class employment floorspace, including 191,400sq.m of office floorspace and 144,520sq.m of industrial floorspace during this monitoring period.

2.32 As shown in Figure 2.10, the majority of the losses of employment floorspace in Reading took place in selected years, with particularly significant losses of office space in 2010/11 and 2014/15, and significant losses of industrial space in 2011/12. Almost 58% of the total loss of B class employment floorspace in

Reading during the monitoring period from 2005/06 to 2014/15 occurred in these three selected years.

Figure 2.10 Losses of B Class Floorspace in Reading, 2005/06 - 2014/15



Source: Reading Borough Council / NLP analysis

2.33 Losses of employment floorspace in 2010/11 were driven by the demolition of the Hewlett Packard building at Worton Grange; in 2011/12 by the demolition of the Berkshire Brewery to allow for the development of the Tesco distribution warehouse; and in 2014/15 by some demolition of major offices in the town centre (Aldwych House and Energis House) to allow for new office floorspace, which is currently reported to be under construction.

Net Completions

2.34 Overall, Reading has lost approximately 108,910sq.m of B class employment floorspace in net terms over this monitoring period. This has been driven by the performance of the office sector in Reading that has lost a total of 109,720sq.m of floorspace during this period, while the industrial sector has recorded no real change in floorspace levels with a negligible net gain of 810sq.m.

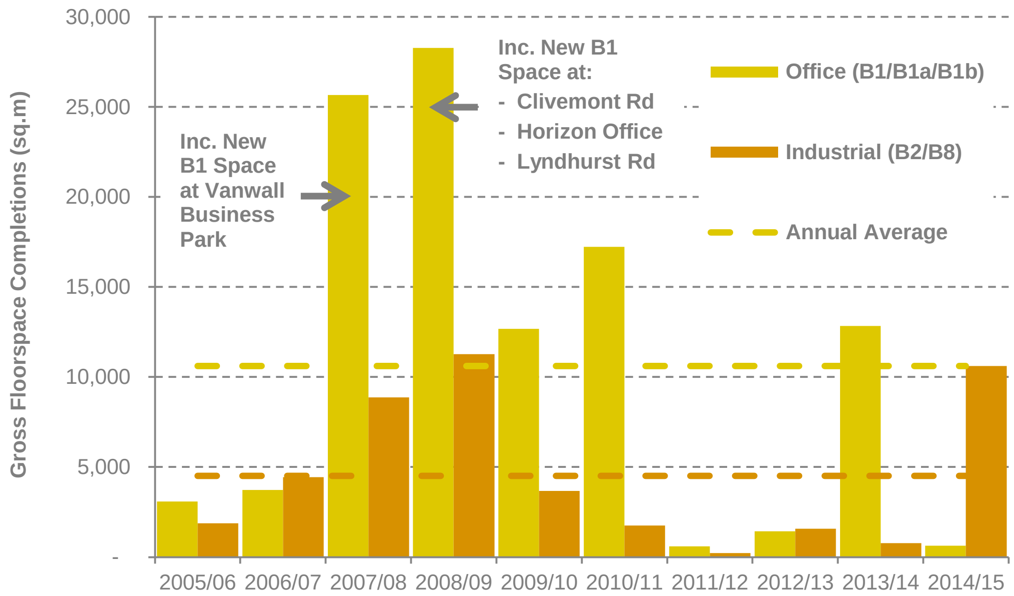
2.35 In this context, the losses of B class floorspace in Reading have exceeded the gross completion of floorspace during this period of analysis. This has resulted in a declining stock of employment space in the Borough during recent periods although this decrease only relates to office uses as industrial uses have remained relatively stable over this period.

Windsor & Maidenhead Development Rates

Gross Completions

2.36 The gross quantum of B class employment space developed within Windsor & Maidenhead between 2005/06 and 2014/15 equated to a total of 151,230sq.m, which is equivalent to an annual average gross completion of 15,120sq.m during this period. More than 70% of the total gross B class employment space developed in Windsor & Maidenhead through this period related to office uses (106,170sq.m), whilst a total of 45,060sq.m of industrial space was developed in the Borough over this monitoring period (Figure 2.11).[7]

Figure 2.11 Gross B Class Floorspace Development in Windsor & Maidenhead, 2005/06 - 2014/15



Source: Royal Borough of Windsor & Maidenhead / NLP analysis

2.37 The majority of the gross office space developed in Windsor & Maidenhead took place between 2007/08 and 2010/11 representing about 78% of the total office development during the monitoring period. As shown in Figure 2.8, the most significant years of gross office completions in the Borough occurred in 2007/08 and 2008/09, when large developments of B1 space was undertaken at Norreys Drive in Vanwall Business Park (18,380sq.m), Unit 6-16 Clivemont Road (8,750sq.m), Horizon office building (8,350sq.m), and Former Nupetra site on Lyndhurst Road. Similarly, more than two thirds of the industrial space developed in Windsor & Maidenhead over the monitoring period occurred in 2006/07, 2008/09 and 2014/15.

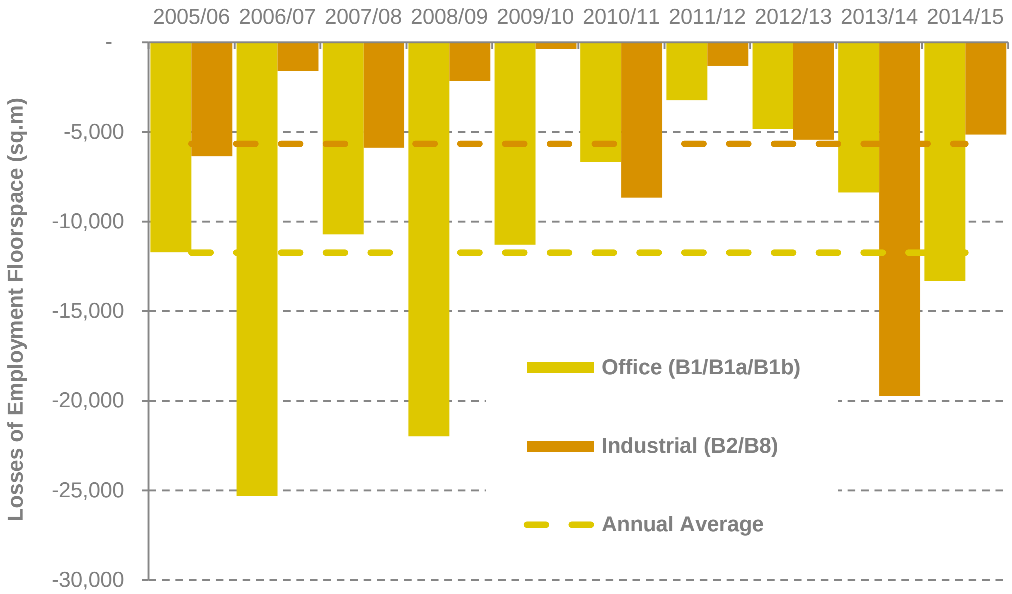
[7] The monitoring data from the Royal Borough of Windsor & Maidenhead did not disaggregate the B1 use class category by B1a, B1b and B1c uses between 2005/06 and 2010/11, but did make the distinction from 2011/12 onwards. In the absence of more detailed data, the B1 use class category used between 2005/06 and 2010/11 has been assumed to relate to office uses (i.e. B1a and B1b) by NLP.

Losses of Employment Space

2.38 Between 2005/06 and 2014/15, a total of 174,040sq.m of B class employment floorspace was lost to other B class and non B class uses in the Borough. This loss of employment space in Windsor & Maidenhead mostly related to losses of office floorspace, which accounted for around 67% of total losses during the monitoring period, while about 56,640sq.m of industrial floorspace was lost in the Borough during this period.

2.39 As shown in Figure 2.12 the losses of B class employment space in Windsor & Maidenhead during this period have been relatively balanced across the years. The most substantial losses of employment floorspace over this period was in 2006/07, 2008/09 and 2013/14, which accounted for just over 45% of the total losses of employment space in the Borough over the monitoring period.

Figure 2.12 Losses of B Class Floorspace in Windsor & Maidenhead, 2005/06 - 2014/15



Source: Royal Borough of Windsor & Maidenhead / NLP analysis

Net Completions

2.40 After taking account the recorded losses of employment floorspace in Windsor & Maidenhead, the net completions of B class floorspace in the Borough was negative during the period 2005/06 to 2014/15. The net completions of B class employment space in the Borough equated to a total loss of 22,810sq.m over this period, with the net floorspace losses evenly distributed across office uses (loss of 11,230sq.m) and industrial uses (loss of 11,580sq.m).

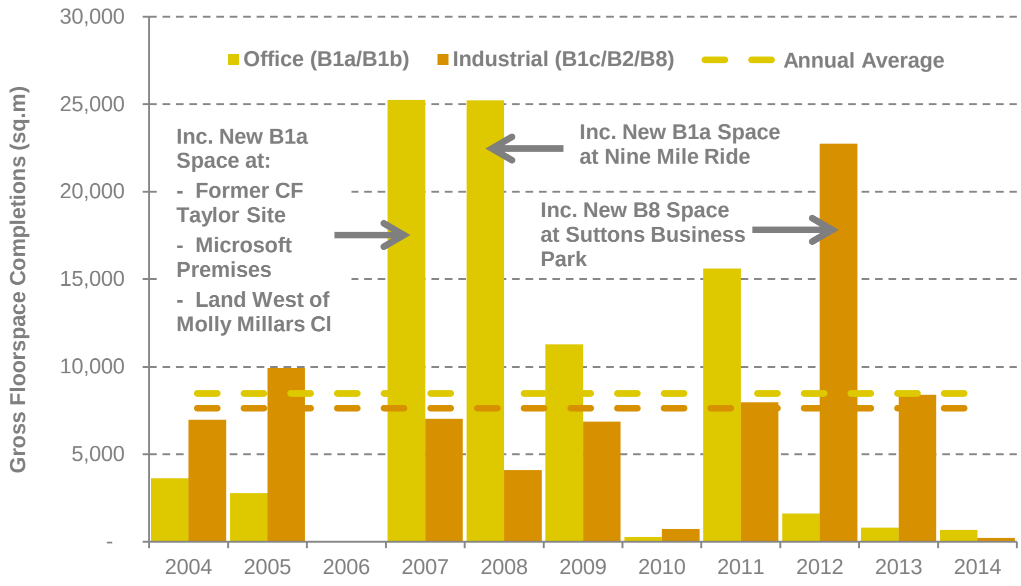
2.41 In this context, the losses of B class employment floorspace in Windsor & Maidenhead has exceeded the gross completion of floorspace over this period. This has resulted in a gradually decreasing stock of B class employment space in the Borough over recent periods.

Wokingham Development Rates

Gross Completions

2.42 The gross completion of B class employment space in Wokingham between 2004 and 2014 equated to approximately 162,000sq.m, which is equivalent to an annual average gross completion of 16,200sq.m in the Borough during the monitoring period.[8] The B class floorspace development was evenly balanced in the Borough during this period across office (87,060sq.m) and industrial (74,940sq.m) uses (Figure 2.13).

Figure 2.13 Gross B Class Floorspace Development in Wokingham, 2004 - 2014



Source: Wokingham Borough Council / NLP analysis

Note: Monitoring data provided by Wokingham Borough Council did not include data for 2006.

2.43 The majority of the gross completions of office space in Wokingham over this period were undertaken in 2007 and 2008 with around 58% of the overall office developments occurring in these two years. This significant office development in 2007 and 2008 were boosted by schemes at Nine Mile Ride in Beaufort Park (18,580sq.m), Former CF Taylor Site on Ashville Way (8,360sq.m), Microsoft premises (7,690sq.m), and land west of Molly Millars Close (4,880sq.m). More than 52% of the industrial developments undertaken in Wokingham were also completed between 2011 and 2013, with this industrial space growth supported by the major development of 19,510sq.m of warehousing floorspace at Unit 24 of Sutton Business Park.

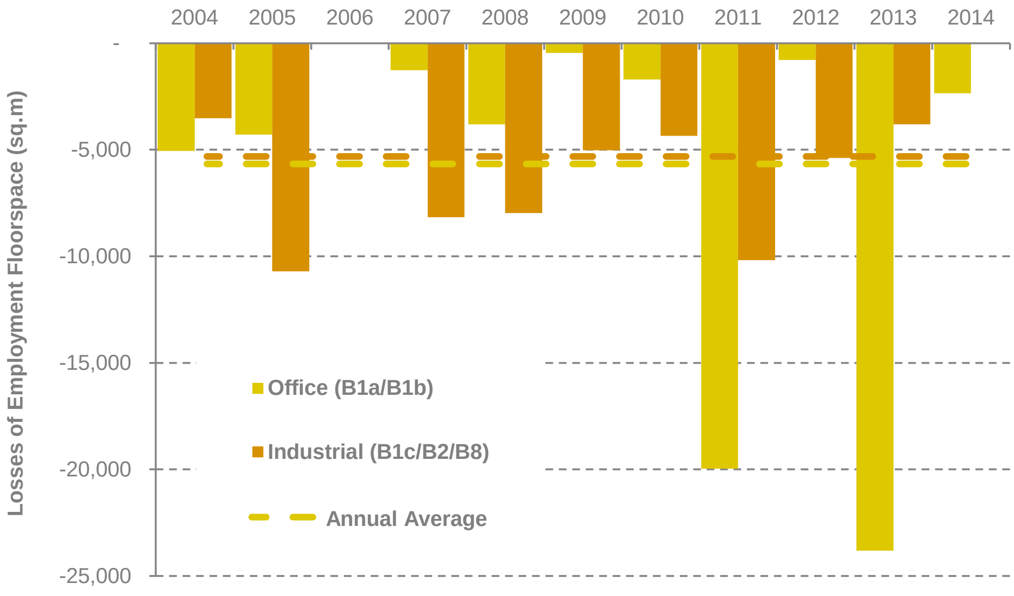
[8] The monitoring data from Wokingham Borough Council did not provide data for 2006, so this particular year has been removed from the analysis of past B class employment floorspace completions in the Borough.

Loss of Floorspace for Employment Uses

2.44 During the monitoring period from 2004 to 2014, about 122,590sq.m of B class employment floorspace was lost in Wokingham to other B class uses or non B class uses. This loss of employment space in the Borough includes a loss of 63,470sq.m of office floorspace and 59,120sq.m of industrial floorspace, which indicates a relatively even loss of floorspace during this period across both types of B class use.

2.45 The majority of the B class employment floorspace lost in the Borough over this period can be attributed to a few specific years, with particularly significant losses of office floorspace in recent years contributing to losses in Wokingham during the monitoring period. The most significant losses of employment space in the Borough occurred in 2005, 2011 and 2013, which accounted for almost 60% of the total losses of floorspace during this period.

Figure 2.14 Losses of B Class Floorspace in Wokingham, 2004 - 2014



Source: Wokingham Borough Council / NLP analysis

Note: Monitoring data provided by Wokingham Borough Council did not include data for 2006.

Net Completions

2.46 During the monitoring period, the net completion of B class employment space in the Borough equated to a net increase of 39,410sq.m. The majority of this net increase in B class employment space in Wokingham related to office (23,595sq.m) uses, with the remaining 15,815sq.m of net completions relating to industrial space. The annual average net completion of employment space in the Borough therefore amounted to around 3,940sq.m during the period 2004 to 2014.

2.47 In this context, the gross completions of B class employment floorspace in the Borough have exceeded the losses of floorspace over this period of analysis.

This has resulted in a growing stock of employment space in Wokingham over recent periods.

Permitted Development Rights

2.48 In 2013, the Government announced the proposed introduction of Permitted Development Rights (PDR) to allow for the change of use from B1a offices to residential use without the need to acquire planning permission from the local planning authority. The Government has now made these PDR permanent. In this context, PDR is expected to increase the rate of losses of office floorspace, potentially above historic rates of floorspace losses.

2.49 An analysis of monitoring data for the four local authorities forming the Central Berkshire FEMA indicates 41 prior approval applications for a change of use from office to residential uses have been completed in the FEMA since May 2013. These developments have resulted in an additional 307 residential units within the FEMA, including 64 units in Bracknell Forest, 114 units in Reading, 36 units in Windsor & Maidenhead, and 93 units in Wokingham (Table 2.1).

Table 2.1 Summary of Permitted Development Right Completions in the Central Berkshire FEMA

Area	PDR Completions	Losses of Office Floorspace (sq.m)		New Homes
		Total	% of Stock in the Borough	
Bracknell Forest	3	4,960	1.2%	64[9]
Reading	22	7,580	1.3%	114
Windsor & Maidenhead	7	2,410	0.6%	36
Wokingham	9	5,160	1.2%	93
Central Berkshire FEMA	**41**	**20,110**	**1.1%**	**307**

Source: Bracknell Forest Council / Reading Borough Council / Royal Borough of Windsor & Maidenhead / Wokingham Borough Council / NLP analysis

Note: The total stock of office floorspace in the Central Berkshire FEMA is based on latest available Valuation Office Agency (VOA) data in 2012.

2.50 Using monitoring data provided by the respective Councils forming the Central Berkshire FEMA, as well as historic VOA data, it is possible to estimate that these 41 prior approval applications have resulted in loss of about 20,110sq.m of office floorspace, which is equivalent to a small loss of approximately 1.1% of the total stock of offices in the FEMA in 2012 (Table 2.1).

2.51 The average loss of office floorspace in the Central Berkshire FEMA equates to about 490sq.m per PDR completion, which includes an average office floorspace loss of 340sq.m in Reading, 340sq.m in Windsor & Maidenhead, 570sq.m in Wokingham, and 1,650sq.m in Bracknell Forest. The majority of PDR completions in the FEMA thus far have therefore related to smaller office premises, although this trend in the FEMA could change in the future.

[9] It should be noted that of these 64 residential units, only 19 had been completed at 31st March 2015, with the remaining 45 residential units under construction

2.52 With PDR now confirmed as permanent, it will be necessary for the four local authorities forming the Central Berkshire FEMA to carefully monitor future losses of office space to determine whether additional provision becomes necessary over and above the requirements set out in Section 4.0.

3.0 Commercial Property Market Signals and Intelligence

3.1 This section provides an overview of the commercial property market in the Central Berkshire FEMA, including recent trends in demand and supply. The findings are mainly based on discussions with a number of commercial property agents currently active in the FEMA and wider sub-region (see Appendix 7) and where appropriate this has been supplemented with information derived from a number of sources including commercial property availability databases and published reports.

UK Property Market Overview

3.2 The UK economic recovery, which began in 2013, has now become firmly entrenched, and sentiment in commercial property appears to be the most positive it has been for many years. Improvements in market conditions have been supported by the greater availability of real estate debt and equity finance, occupier demand is steadily increasing, and generally rents and capital values are broadly stable.

3.3 While central London offices are still the outperforming market segment, some investors and developers are also looking further afield in an attempt to access stock and achieve good returns. However, much of this activity is focusing on the best performing locations in the South East or major provincial cities. In more economically marginal locations, and those without a significant existing commercial property market, there is still uncertainty and lenders and developers are likely to remain cautious.

3.4 It should be noted that property market intelligence collated and presented within this EDNA report pre-dates the outcome of the UK referendum on membership of the European Union (EU) in June 2016, and therefore does not give specific consideration for how the timing and basis for the UK's future exit from the EU could impact upon national or sub-regional commercial property market dynamics.

Market Geography

Sub Regional Geography

3.5 At a sub-regional level, the major commercial property markets are spread geographically along the M3 and M4 corridors with strong functional linkages to Heathrow airport and the outer west London boroughs. These market corridors can be collectively referred to as the Western Corridor and comprise a number of significant commercial centres including Reading, Slough, Newbury and Basingstoke.

3.6 The Western corridor is a high value area for offices, attracting some of the highest rents within the South East. Research undertaken by CBRE[10] notes that the rental values seen in the dominant centres of the Western Corridor (such as Maidenhead, Reading, Slough and Bracknell) suggest that these locations are equally attractive to occupiers and this reflects the general trend of M4 corridor towns commanding higher office rental values than the towns along the M3, mirroring the greater attractiveness of this section of the market to a wider range of occupiers.

3.7 The area also contains a significant concentration of industrial centres and markets, predominantly influenced by the good transport links offered by the M3/M4/M25 and proximity to Central London. Key Western Corridor industrial locations include Reading, Basingstoke, Slough, High Wycombe and Newbury.

3.8 Recent market intelligence[11] suggests that the trend of decentralisation from Central London is expected to continue over the coming months as rental and business rates growth reach record levels in the Capital and occupiers look to cut their real estate costs. The IT sector is expected to drive this trend, with the Thames Valley set to benefit from its highly skilled workforce in this respect. Recent examples of office occupiers decentralising from central London include Maersk who recently relocated their entire IT office function to Maidenhead and the relocation of Hammerson's back office support functions from Mayfair to Aquis House in Reading in 2014.

3.9 Within the Western Corridor, it is possible to identify a number of specific sub market areas, each sharing similar characteristics and trends and with a high degree of interaction occurring within these component submarkets. These are presented and illustrated within the Berkshire FEMA Part One study, and are summarised below.

iv **Core Thames Valley:** The Core Thames Valley or 'Upper M4' area focuses on the key M4 markets of Reading, Maidenhead, Bracknell and Wokingham, and reflects the close correspondence between these towns in terms of value, accessibility and labour force, and the area's status as the centre of the technology-driven business park market west of London. Over the coming years, Reading and Maidenhead are expected to remain the main foci for office demand, with Reading the main industrial centre.

v **Thames Valley West**: The Thames Valley West area constitutes the key node at the western end of the M4 corridor. The distinction of this area from the western corridor sub-region reflects the lower value profile in both office and industrial markets than the M4 markets closer to London, the quasi-industrial character of much of demand, and the linkages that exist with areas beyond the western boundary of the South East region towards the Swindon and Bristol area.

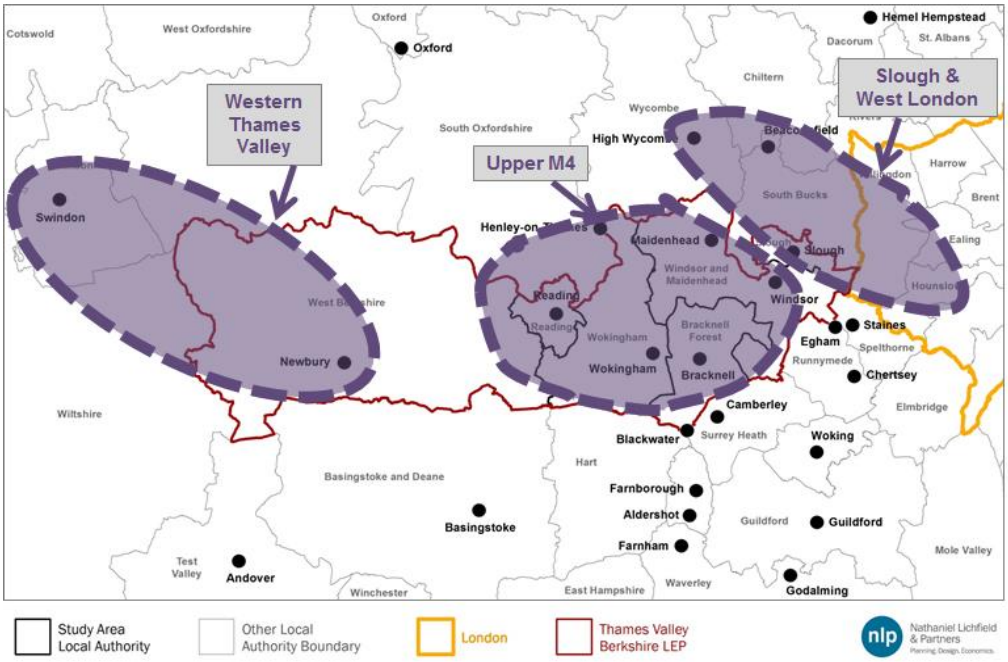
vi **Heathrow-Slough-High Wycombe:** this sub area effectively represents the eastern end of the Thames Valley market and, in overlapping

[10] CBRE, South East Regional Property Market Study, March 2007 (Note: Although this study is now a few years old, its key conclusions on broad property market characteristics are still considered to be relevant)

[11] Savills World Research, Greater London & South East Offices, Spotlight: How far are occupiers moving? January 2016

significantly with the London area, acknowledges the pervasive influence of Heathrow Airport. While there are clear linkages with the Core Thames Valley and little difference in terms of typical values, the industrial and quasi-industrial character of demand in the two main markets of Slough and High Wycombe provides a key measure of differentiation.

Figure 3.1 Functional Commercial Property Market Areas – Summary Map



Source: Berkshire Functional Economic Market Area Study, NLP February 2016

Central Berkshire FEMA

3.10 Within the context of these overarching commercial property sub market areas, the Central Berkshire FEMA most closely aligns with the ‘Core Thames Valley’ geography or market area which accommodates some of the largest and most significant employment sites in the sub-region. From a best fit to local authority boundary perspective, the FEMA comprises four local authority areas, each of which is considered in turn below.

Bracknell Forest

3.11 The town of Bracknell represents the Borough’s main employment centre and is situated between the M4 and M3 motorways via a strategic transport corridor along the A322/A329(M) which has seen significant and emerging transport junctions improvements. In commercial property market terms, it is commonly considered a Thames Valley location due to its excellent access to the M4 and the regional hub at Reading via the A329(M). The majority of Bracknell’s major employment areas have been built with almost direct access to this strategic transport corridor (due to its New Town origins).

3.12 Ease of access to the M4, M3 and M25 all contribute to the Borough’s interaction with the surrounding sub-region. The Borough’s (and Bracknell

Town in particular) strong strategic road connectivity and close access to the motorway network has provided a key factor in attracting major employers over recent decades, as well as the availability of land for development. Bracknell however is not generally regarded as a particularly competitive distribution centre; the M4 corridor provides cheaper locations for distribution activity such as Swindon.

Offices

3.13 From an office perspective, Bracknell operates within the Core Thames Valley market area which also takes in the key commercial centres of Reading, Wokingham and Maidenhead. For this reason, demand for office space comes from a relatively wide area which extends from London westwards along the M4 corridor and it is not uncommon to see occupier movement within this wider market area.

3.14 Much of the town's office floorspace is modern and of a reasonable quality, particularly when compared with other areas in the Thames Valley. The office market is generally characterised by business park style buildings with large floorplates and it therefore remains most attractive to larger HQ occupiers seeking an edge/out of town location and that operate across a range of sectors but most notably business services, information, communications and technology. This sector has recently undergone a period of consolidation and is particularly sensitive to changing working practices such as a drive to reduce floorspace requirements and it is not uncommon to see a significant share of these large floorplates in Bracknell accommodate multiple office occupiers. The majority of requirements for office floorspace in Bracknell town tend to fall between 5,000sq.ft (460sq.m) and 15,000sq.ft (1,400sq.m) in size.

3.15 Demand for office space in the Borough (and Bracknell town in particular) is reported to have struggled in recent years following the economic downturn but has picked up more recently. For prospective office occupiers looking to locate in the Thames Valley, the town of Bracknell is recognised as a relatively cheap option compared to other parts of the sub-region, and this cost advantage is reported to have attracted a number of relocations recently to Bracknell (including Honda from Slough). Another key selling point for Bracknell town as an office location is its rail connections to London Waterloo, and in particular the access that this line provides to a number of local labour markets between Bracknell and the Capital.

3.16 Very limited levels of new office development have occurred in recent years, with the most recent significant development having occurred in the 1990s. Demand for office floorspace declined during the recession and for a number of years the town has been characterised by significant levels of vacant office floorspace some of which has taken a number of years to occupy. For example, the Maxis Buildings on Western Road were built during the onset of the recession and have only recently become fully tenanted. Whilst enquiries for larger floorplate sizes can generally be accommodated, the key gap in the current market is reported to be for good quality, modern office space under 7,000sq.ft (460sq.m) in size.

3.17 Office rents in Bracknell typically range from £16sq.ft/£172sq.m to £24sq.ft/£258sq.m, with top quality Grade A space achieving £24sqft/£258sq.m. The majority of space commands a rent of between £20sq.ft/£215sq.m and £21sq.ft/£226sq.m, which provides a cost advantage over other Thames Valley locations such as Reading and Maidenhead (Table 3.1) which are considered to provide stronger connectivity with London and M25 locations.

Table 3.1 Commercial Property Rents in Central Berkshire FEMA and Comparator locations

Location	Industrial Rent		Office Rent	
	Sqft	Sq.m	Sqft	Sq.m
Bracknell	£9 - £10	£97 - £108	£16 - £24	£172 - £258
Reading	£7.50 - £11	£80 - £120	£18 - £33	£194 – £355
Wokingham (local market)	£6.25	£67	£15 - £20	£161 - £215
Maidenhead	£8 - £11	£86 - £118	£19 - £34	£205 - £366
Windsor	£8.50	£91	£24 - £32	£258 - £344
Slough	*£9 - £12.50*	*£97 - £135*	*£17 - £27*	*£183 - £290*
Basingstoke	*£6 to £8*	*£65 - £86*	*£12 - £17*	*£129 - £183*
Newbury	*£7 - £8.50*	*£75 - £91*	*£15 - £25*	*£161 - £269*
High Wycombe	*£8 - £10*	*£86 - £108*	*£17 - £22*	*£183 - £237*
Swindon	*£5 - £6.50*	*£54 - £70*	*£10 - £16*	*£108 - £172*
Didcot	*£5 - £6.50*	*£54 - £70*	*n/a*	*n/a*
Oxford	*£6.50 - £9*	*£70 - £97*	*£15 - £25*	*£161 - £269*

Source: EGi Property Link / Colliers Rents Map 2016 / Consultation with local commercial property agents

3.18 Recent market intelligence[12] does however suggest that office rents have been rising in Bracknell over recent months, with prime headline rental values having grown for the first time in four years at the end of 2014.

3.19 In terms of new development and supply, speculative refurbishment of existing office premises is occurring in Bracknell in order to upgrade some of the poorer quality stock to the level required by the market. Brand new speculative development however is reported to be unviable in the current climate, due to the existing supply/vacancy available in the town and the comparatively lower rental values in Bracknell compared with nearby Reading and Maidenhead (where new speculative office development is currently underway) and therefore less attractive investment opportunity. This position is not expected to change significantly over the short term, although the ongoing regeneration of Bracknell town centre is expected to have some positive impact on the local office market.

3.20 The provision of small scale office premises (typically sub 1,000sq.ft) for start-up businesses and SMEs in Bracknell is considered to be relatively good, with

[12] Lambert Smith Hampton, Thames Valley Office Market Report 2015

a range of office suites provided at the Bracknell Enterprise and Innovation Hub, Lilly Hill House and the Regus serviced offices building at Arlington Square.

3.21 The recent introduction of Permitted Development (PD) rights for change of use from office to residential is reported to have so far had an impact upon the office market in Bracknell. The effect of this policy is described in more detail in Section 2.0 and is reported to have resulted in approximately 600,000sq.ft (55,700sq.m) of office floorspace having been converted to residential uses so far in Bracknell. The majority of these conversions have occurred in and around Bracknell town centre, some of which have involved large floorplate office buildings (such as the offices previously located above the rail station). To date, the office space that has been lost has largely been poorer quality, obsolete stock that has remained vacant and unoccupied for some time, and this has pushed up office rents in the town's remaining stock. Bracknell Forest Council will need to carefully monitor any future losses to consider whether measures should be put in place to protect this space or plan for additional provision, particularly if better quality provision becomes at risk.

3.22 It should be noted that there are other underlying factors which are reported to have resulted in the loss of office space over recent years in Bracknell Forest. As a result of pressure on employment land from other non B uses and key conclusions from the Borough's previous Employment Land Review (2009, which identified an oversupply of office space in the Borough), the Council's Site Allocations Local Plan (SALP) (adopted July 2013) took a proactive approach to de-allocating some of the Borough's employment sites primarily for residential use, having the effect of removing office space from Bracknell Forest's supply portfolio. This process is likely to continue for the next few years as sites are cleared for redevelopment for housing.

Industrial

3.23 The industrial market in Bracknell is reported to be relatively healthy, characterised by rising demand in recent years and with a particular focus upon warehousing and logistics activity, and increasingly associated trade counter uses. The local warehouse market is considered to be particularly buoyant in Bracknell, with demand for distribution and logistics floorspace largely stemming from Bracknell's location near to London and a number of key arterial routes. The majority of the demand for warehousing floorspace is for small to medium-sized premises, ranging in size between 5,000sqft (460sq.m) and 15,000sqft (1,400sq.m).

3.24 The extent of the area of search for prospective occupiers looking for industrial floorspace in the Bracknell area tends to include the Core Thames Valley commercial property market area, although this does depend on the type of occupier.

3.25 The town's Southern Employment Area is the main distribution hub in Bracknell, supporting a number of warehousing and distribution centres including the Waitrose Headquarters. The Western Employment Area is characterised as supporting a cluster of trade counter uses, while the Eastern Employment Area (parts of which were de-allocated from employment uses through the 2013 SALP) is a smaller employment area that primarily supports a mix of smaller general industrial and storage units.

3.26 The average rental levels for warehousing floorspace in Bracknell ranges between £9sq.ft/£97sq.m and £10sq.ft/£108sq.m per sqft. These tend to be more expensive than the M3 market area, but cheaper than other industrial locations in the M4 market area such as Reading and Maidenhead (Table 3.1).

3.27 New industrial development in Bracknell in recent years has mainly comprised trade counter uses, with very limited new development of more traditional industrial and warehousing space. Whilst in overall terms local commercial property agents consider that industrial demand and supply is about balanced, the key growth area in the short term is reported to be for smaller light industrial floorplates (typically ranging between 2,000sq.ft (190sq.m) and 5,000sqft (460sq.m) in size). Rising rental levels for industrial floorspace in Bracknell have improved the viability for speculative development in the local market, although new development is reported to be constrained by land availability and pressure from residential uses.

Reading

Offices

3.28 The Reading market area is the main office location in Berkshire and offers a wide range of accommodation from small scale office suites to large head quarter style accommodation. The town’s business parks notably Thames Valley Park (which is located within Wokingham Borough) and Green Park (which straddles the Reading/Wokingham Borough boundary) effectively operate within the larger regional Thames Valley / M4 markets, and have historically captured the larger requirements within these markets. They provide modern high specification office buildings catering for larger occupier needs. The town centre stock provides more choice in terms of size, accommodation style and specification and has catered for a more diverse occupier base.

3.29 Reading’s neighbouring authorities of West Berkshire and Wokingham accommodate large parts of what is generally considered to functionally be the Reading office market; for example Arlington Business Park at Theale (West Berkshire District) and Green Park, Thames Valley Office Park and Winnersh Triangle (Wokingham Borough).

3.30 Demand for offices in Reading has historically been driven by the telecommunications, media and technology (TMT) business sector, including from businesses with parent companies based in the USA. The majority of enquires for office floorspace fall between 10,000sq.ft (930sq.m) and 20,000sq.ft (1,900sq.m) in size. Notwithstanding the challenges from other regions, countries and continents, businesses are still attracted to this location due to the skilled labour force, proximity to Heathrow and London plus the living and working environment. As with many office locations across the country, adequate provision of transport links and car parking is vital for attracting occupiers to Reading's office market, with the provision of car parking spaces particularly important for out-of-centre office locations that are not served by easily accessible public transport connections.

3.31 Reading's office market covers both town centre and out of town provision, although the out-of-centre office market has generally performed better and more consistently over the last few years when compared with the town centre office market. Green Park in particular has been successful at attracting (and retaining) a range of small and large office occupiers to the Greater Reading market, including from nearby locations such as Basingstoke, Bracknell, Newbury (e.g. Bayer relocation in 2016) and Southampton (amongst others). It is considered to represent the premier office location in the Thames Valley with a unique offer and appeal for office occupiers, with parkland and amenities/facilities helping to create an attractive and competitive environment. It also benefits from a strong brand as a prestigious office location that supports a number of large corporate occupiers. The operators of Green Park believe that this recent success is due to the park's great location, accessibility, an active asset management programme, investment in the retail/leisure amenities and its landscaped environment.

3.32 Thames Valley Park accommodates a range of small and large office occupiers, with the park reported to be fully occupied. Alongside standalone office premises, it also accommodates a Regus serviced office facility, which provides the opportunity for small businesses to operate alongside, and potentially collaborate with, larger businesses accommodated in the park (such as Microsoft).

3.33 Reading town centre stands out as providing the location for a significant amount of speculative office development which is currently underway, including new builds at R Plus Reading (100,000sq.ft/9,300sq.m), Thames Tower (100,000sq.ft/9,300sq.m) and Forbury Place (186,000sq.ft/17,300sq.m), as well as speculative refurbishment at The White Building (amongst others). Recent investment in Crossrail is cited to represent a key driver behind this significant pipeline of new office development which is expected to come to the market over the coming months. Alongside Maidenhead and Slough, Reading represents one of only a handful of Thames Valley locations to be attracting speculative office development in the current climate.

3.34 Reflecting Reading's role and status as Thames Valley's key commercial centre, office space commands a premium in rental terms over other centres in the wider sub-region (as shown in Table 3.1). They are however comparable to West London centres such as Brentford and Stockley Park which fall within the same peer group as Reading when it comes to competing for office occupiers either seeking to relocate out of Central London, or seeking a West London/ Thames Valley location (such as inward investors).

3.35 In terms of future supply, there is reported to be between five and ten years' worth of land supply still available as an extension to Green Park[13], which would appear to be sufficient to accommodate office needs over the short to medium term, as well as the previously mentioned speculative office space in Reading town centre which is due to come onto the market over the coming months. Reading Borough Council monitoring data indicates that at April 2015, unimplemented planning permissions equated to a total net gain of over 300,000sq.m of office space, approximately 130,000sq.m of which relates to schemes within the town centre.

Industrial

3.36 Reading is perceived to be a strong industrial location, benefiting from excellent strategic connectivity, a wide pool of labour and a portfolio of generally good quality accommodation. Demand for industrial property is driven by a mix of sectors and for a range of premises sizes, although retailers and delivery companies feature strongly within this mix.

3.37 Some industrial occupiers seek a Reading only location, whilst others have a broader area of search that extends to other Thames Valley centres such as Bracknell and sometimes across the whole of the South East (particularly larger distribution companies).

3.38 South Reading represents the prime location from an industrial occupier perspective, in and around Junction 11 and 12 of the M4 and the A33 corridor, with the excellent strategic connectivity that this location provides. Industrial estates to the West of Reading are considered to be secondary locations by comparison, and tend to accommodate the town's older and poorer quality secondary stock.

3.39 The combination of strong demand and very low levels of new industrial development in recent years has resulted in a severe shortage of industrial property in and around Reading across all size brackets. Local commercial property agents report that they are regularly unable to satisfy industrial premises enquiries within Reading, with demand outstripping available supply. Vacancy within existing industrial stock is also reported to be very low.

3.40 The impact of this reducing stock of industrial supply over recent years has been an increase in rents, a reduction in occupier incentives and a hardening of investment yields. In response, Reading is starting to see new speculative industrial development coming forward, catering in particular for the larger end of the market through provision of units above 40,000sq.ft in size (and up to around 120,000sq.ft).

3.41 An example includes the Island Road scheme just off Junction 11 of the M4 (via the A33) being delivered by specialist industrial and logistics developer Evander Properties. The scheme is due for completion in September 2016 and

[13] A 'refresh' of the Green Park Masterplan was undertaken by the site's owners during 2015/2016 and this supports an uplift in overall development (beyond extant planning permissions) of approximately 19% and sets a framework within which any new development should be taken forward

the 21 acre site will provide up to 260,000sq.ft of B2 and B8 accommodation over three high specification units. In light of the shortage of existing supply, these speculative units are expected to be taken up very quickly.

Windsor & Maidenhead

3.42 The Borough's main attractions for businesses are its generally pleasant towns and quality of life factors, its good transport accessibility, both to the M4 and rail links to London, reasonable proximity to Heathrow Airport and a pool of highly skilled workers. Existing concentrations of firms in the IT, telecommunications and pharmaceutical sectors attract other companies in those sectors whilst reasonable access to the universities at Oxford and Reading is also seen as an important factor.

3.43 The Borough's two main towns comprise distinct areas for the commercial property market. Windsor is a niche location, attractive to certain higher value firms seeking a prestige, heritage location and does not compete with other nearby areas. In contrast, Maidenhead is part of the wider M4 / Thames Valley property market to a greater extent, with a degree of competition with Bracknell, Slough and Reading, but with most demand coming from a more local area within 5-10 miles. In general, both towns are perceived to be office locations with the industrial market being much smaller.

Offices

3.44 The office market in the Borough comprises both town centre and out of town provision, with the town centres of Windsor and Maidenhead representing the preferred locations for many occupiers due to their good public transport accessibility (particularly Maidenhead, which benefits from frequent and fast rail links to London and the Capital's workforce). However, the high reliance of the local workforce on car transport means that out-of centre and business park locations with good parking ratios are preferred by some firms, with significant out-of-centre office clusters (e.g. Norreys Drive, Maidenhead) and purpose-built business parks (e.g. Foundation Park, Maidenhead Office Park, Vanwall Business Park). Windsor has less of this type of supply although the Centrica offices on Maidenhead Road are an exception to this.

3.45 In Windsor, the heritage constraints mean most demand is for smaller premises. The Sunningdale/Ascot area generally has a lower level of office supply and is seen as a more niche market. The area contains some larger buildings, often on former institutional sites such as the Imperial College Science Park. In addition there is one larger estate – Ascot Business Park – which contains high quality office and industrial space although much of the supply in this area is from smaller converted buildings.

3.46 Maidenhead competes with other large, established office centres in the Thames Valley such as Reading and Bracknell in terms of office firms, although the town's well-established IT, telecommunication and pharmaceutical clusters mean that many potential occupiers specifically want to locate in the town. In addition, the Borough has other advantages over these competing locations such as Reading's greater distance from Heathrow and the perception of Slough as an unattractive (albeit improving) centre.

3.47 The office market in Maidenhead is generally strong and characterised by good levels of demand. The majority of enquires for office floorspace fall between 10,000sq.ft (930sq.m) and 20,000sq.ft (1,900sq.m) in size and large enquiries over this threshold are received from time to time. Prime rental levels in Maidenhead vary across town centre (typically around £37.50sq.ft/£404sq.m) and out-of-centre (typically between £25sq.ft/£269qs.m and £28sq.ft/£301sq.m) locations. The premium for space in Maidenhead town centre reflects the connectivity benefits of this location compared to the out-of-centre office locations which are more reliant upon private car access and therefore draw upon a smaller pool of more localised labour.

3.48 Maidenhead represents one of very few locations within the Thames Valley (alongside Reading and Slough) that are currently attracting new speculative office development, reflecting its strengths as an office centre, profile as a premium Thames Valley office location and investor confidence off the back of infrastructure enhancements associated with Crossrail (due to arrive into Maidenhead in 2019) and the Western Rail Link to Heathrow (expected to be completed by the mid-2020s). This includes the Pearce Building to the north of the town centre which offers 50,000sqft (4,600sq.m) of flexible Grade A office space spread over seven floors. Speculative refurbishment of office space is also taking place in Maidenhead, an example of which includes the 100,000sq.ft (9,300sq.m) refurbishment of 25 Windsor Road.

Industrial

3.49 In general, the Borough is not perceived as a particularly strong industrial location due to its lack of supply, development constraints, nearby competitors such as Slough Trading Estate and high labour costs. Accordingly, the market is localised with demand mainly for smaller industrial units typically up to 5,000 sqft (460sq.m) in size, driven by the expansion or relocation needs of local firms, with very few firms moving in from outside of RBWM. Warehousing premises also characterises the majority of demand for industrial space, although again this relates to small scale space rather than strategic distribution uses.

3.50 The supply of industrial premises is low, with a mix of premises in terms of age across a range of industrial estates which are mainly fully developed. There is relatively little modern space as low rents tend to make new development unviable and there has been very little new space provided. There are a few examples of older industrial buildings being re-clad and divided into smaller units for flexible industrial/office uses but low rents again deter this happening widely. Vacancy levels for industrial units are low in Maidenhead and very low in Windsor, where there is little space.

3.51 As shown in Table 3.1, industrial rents in Maidenhead are comparable to those of nearby centres, but higher than Reading, while Windsor offers relatively competitive rents (albeit with limited supply).

Wokingham

Offices

3.52 Wokingham Borough accommodates a two tier office market, comprising a number of large scale, high quality business parks notably Thames Valley Park, Green Park and Winnersh Triangle which functionally operate within the regional (and specifically Reading) Thames Valley / M4 market and tend to capture the larger requirements.

3.53 In contrast, the town of Wokingham itself represents a smaller office location than other centres in the FEMA and the older and smaller stock offered by Wokingham Town Centre and secondary employment areas such as Mulberry Business Park and outlying parishes have been able to offer occupiers more choice in terms of smaller sized accommodation at a more competitive rental level. Wokingham town centre supports a cluster of professional service occupiers, including firms such as accountants and solicitors and this office market is largely local in nature (as opposed to headquarter style premises in the Winnersh Triangle area). Take up tends to represent churn in the local (i.e. Wokingham town) market through existing businesses relocating within the area and Wokingham town is generally unable to compete with other larger office centres in the Thames Valley such as Reading and Maidenhead for occupiers.

3.54 Demand for office floorspace in the Wokingham local market fell away steeply after the onset of the recession in 2008/09, with rental levels in the local market only now starting to reach pre-recession levels. Demand remains limited and the majority of requirements fall between 1,000sq.ft (100sq.m) and 2,000sq.ft (200sq.m) in size (up to a maximum of around 5,000sq.ft/500sq.m) and local property market agents report that enquiries can generally be satisfied at this point in time. Enquiries for office floorspace exceeding 5,000sq.ft (500sq.m) would be difficult to accommodate given the lack of existing stock of this size.

3.55 The quality of office space in Wokingham town tends to be of a secondary quality, with almost no top quality Grade A office floorspace within the town's portfolio (except for some small scale business space situated in the employment area around Molly Millers Lane). Wokingham's larger, more strategic business parks offer more prestigious office locations that are better suited to meeting the needs of corporate occupiers and as such, compete with other office locations in the Thames Valley such as Bracknell and Reading.

3.56 Average rental levels for reasonable quality (non Grade A) office floorspace in Wokingham town centre tend to range between £15sq.ft/£161sq.m and £20sq.ft/£215sq.m (see Table 3.1), and this is similar to the edge of centre employment area around Molly Millers Lane although premises here tend to be larger and of a more modern quality than in the town centre.

3.57 The Winnersh Triangle area, which is administratively located within Wokingham Borough but functionally operates within the Greater Reading office market, commands higher rental values reflecting this higher value market profile and role and higher quality floorspace available. These rents typically range between £30sq.ft/£323sq.m and £35sq.ft/£377sq.m. Local property agents note that new speculative office development is not currently viable in the more localised Wokingham town market, and this is not expected to change over the short term. This reflects the secondary nature of the town's office market within the wider Thames Valley sub-region.

3.58 The recent introduction of Permitted Development (PD) rights for change of use from office to residential is reported to have so far had a relatively significant impact upon the office market in Wokingham town. The effect of this policy is described in more detail in Section 2.0 and is reported to have resulted in between 30,000sq.ft (2,800sq.m) and 40,000sq.ft (3,700sq.m) of office floorspace being taken out of the local office portfolio. Most of this space has been lost from the town centre, which is reported to have significantly reduced the availability of office space in this segment of the market. Some larger office premises located on the edge of the town centre are also being converted to residential uses, although this generally relates to office floorspace that has remained vacant for some time.

3.59 Whilst this policy appears to have been effective in removing older, redundant office stock from the local market (which has had the effect of boosting rental values), some of the lost stock has also involved reasonable quality premises such as Mulberry Court (a multi-storey office building which previously supported up to 9,000sq.ft/840sq.m). Although there would appear to be an adequate stock of office space in the town to accommodate business needs for now, Wokingham Borough Council will need to carefully monitor any future losses (particularly if this starts to impact upon the supply of better quality stock) to consider whether measures should be put in place to protect this space or plan for additional provision.

Industrial

3.60 The industrial market in Wokingham is relatively dispersed across the Borough with the main locations and sites comprising Suttons Business Park, Winnersh Triangle, Mulberry Business Park, Headley Road East and Toutley Industrial Estate. Echoing the office market position, the Winnersh Triangle employment area falls within the administrative boundary of Wokingham but functions in market terms as part of the Greater Reading market. The employment area at Winnersh Triangle supports large industrial premises accommodating corporate occupiers that are attracted by location and connectivity to the M4. In contrast, most employment areas within the local Wokingham industrial market (i.e. in and around the town of Wokingham) have poorer access to the M4 and therefore attract and accommodate a more localised occupier base.

3.61 The majority of the industrial occupiers accommodated in Wokingham Borough are characterised as light industrial users, with almost no heavy industry operating in the local market. Almost all demand for industrial floorspace comes from local businesses, with hardly any new firms moving to the local market from outside of Wokingham Borough. The local industrial market (i.e. in and around the town of Wokingham) is considered to be a relatively well performing market that mainly serves the needs of local businesses and is characterised by limited levels of demand which is for small floorplates up to around 2,000sq.ft (190sq.m) in size (including start-up premises) and specifically for freehold opportunities.

3.62 Wokingham's local industrial market (i.e. in and around the town of Wokingham) is considered to be a sub-market in the context of the wider Thames Valley sub-region, and it is difficult to attract new occupiers to the Wokingham market despite the lower rental values on offer.

3.63 Rental levels in Wokingham Borough for industrial floorspace average around £6.25sq.ft/£67sq.m, which is lower than other Thames Valley locations such as Bracknell and Maidenhead and comparable with other centres outside of Berkshire such as Basingstoke and Swindon (Table 3.1). Development of new industrial space has been limited in recent years, and the prospects for new speculative development are low, in part due to the fact that there is currently reasonable provision of existing stock in the local market. Local property market agents did however cite a speculative refurbishment scheme currently underway in the employment area around Molly Millers Lane comprising the refurbishment of a 15,000sq.ft (1,400sq.m) premises that will be able to support multiple occupiers.

Summary

3.64 At a sub-regional level, commercial property markets areas are centred on the M3 and M4 strategic corridors, driven by strong functional economic linkages to Heathrow airport and the outer west London Boroughs. The Central Berkshire FEMA most closely aligns with the 'Core Thames Valley' geography or market area focused on the key M4 markets of Reading, Maidenhead, Bracknell and Wokingham, with strong economic relationships between these towns in terms of value, accessibility and labour force.

3.65 Within the FEMA, Reading represents the main office location and offers a wide range of accommodation from small scale office suites to large HQ style accommodation. Reading's neighbouring authorities of West Berkshire and Wokingham accommodate large parts of what is generally considered to be a 'Greater Reading office market'; for example Arlington Business Park at Theale (West Berkshire District) and Green Park, Thames Valley Office Park and Winnersh Triangle (located wholly or partly within Wokingham Borough). A significant amount of speculative office development is currently underway in Reading Town Centre with the current investment in Crossrail representing a key driver behind this significant pipeline of new office development which is expected to come to the market over the coming months.

3.66 Bracknell's office market is generally characterised by business park style buildings with large floorplates and therefore remains most attractive to larger HQ occupiers that operate across a range of sectors but most notably business services, information, communications and technology. These sectors have recently undergone a period of consolidation and it is not uncommon to see a significant share of these large floorplates in Bracknell accommodate multiple office occupiers. Demand for office space in Bracknell has struggled in recent years but has picked up more recently. For prospective office occupiers looking to locate in the Thames Valley, Bracknell is recognised as a relatively cheap option compared to other parts of the sub-region, and this cost advantage is reported to have attracted a number of relocations recently to Bracknell.

3.67 RBWM's two main towns comprise distinct areas for the commercial property market. Windsor is a niche location, attractive to certain higher value firms seeking a prestige, heritage location and does not compete with other nearby areas. In contrast, Maidenhead is part of the wider M4 / Thames Valley property market to a greater extent, with a degree of competition with Bracknell, Slough and Reading.

3.68 Maidenhead represents one of very few locations within the Thames Valley (alongside Reading and Slough) that are currently attracting new speculative office development, reflecting its strengths as an office centre, profile as a premium Thames Valley office location and investor confidence off the back of infrastructure enhancements associated with Crossrail.

3.69 Wokingham Borough accommodates a two tier office market, comprising a number of large scale, high quality business parks which functionally operate within the greater Reading office market, and the town of Wokingham itself which represents a smaller and more localised office location. Local demand remains limited and the quality of existing office space in Wokingham town tends to be of a secondary quality. Wokingham's larger, more strategic business parks offer more prestigious office locations that are better suited to meeting the needs of corporate occupiers and as such, compete with other office locations in the Thames Valley such as Bracknell and Reading.

3.70 The FEMA also accommodates a reasonably strong industrial market which is generally characterised by good levels of demand and low levels of supply and availability. The key locations for industrial activity include Reading (and its surrounding hinterland which takes in adjoining Wokingham Borough and West Berkshire District) and Bracknell both of which benefit from excellent strategic road access and a large critical mass of industrial occupiers and sites.

3.71 By contrast, the industrial markets in Wokingham town and RBWM are smaller in scale and lack the strategic profile of nearby Slough, Reading and Bracknell. The majority of demand comes from local businesses with local churn largely accounting for take-up in recent years. Demand is generally for small floorplates up to around 2,000sq.ft (190sq.m) in size with the local industrial markets in Wokingham and RBWM considered to operate as sub-markets in the context of the wider Thames Valley, and it is difficult to attract new occupiers from the sub-region's larger markets.

4.0 Future Requirements for Employment Space

4.1 This section considers future economic growth needs in the Central Berkshire FEMA by drawing on several methodologies that are guided by the PPG. These scenarios are used to inform the assessment of future employment land needs for office and industrial (i.e. manufacturing and distribution) uses within the FEMA.

Methodology

4.2 The NPPF requires local authorities to *"set out a clear economic vision and strategy for their area which positively and proactively encourages sustainable economic growth"* [paragraph 21]. Considering this in evidence base terms, this should be underpinned by a *"clear understanding of business needs within the economic markets operating in and across their area"* [paragraph 160].

4.3 In this context, a number of potential future economic scenarios have been developed through this study to provide a framework for considering the future economic growth needs and B class employment space requirements within the Central Berkshire FEMA during the 23 year period 2013 to 2036. These scenarios reflect the PPG and draw upon the following:

- projections of employment growth in the main B class sectors **(labour demand**) derived from economic forecasts produced by Cambridge Econometrics which are consistent with other economic evidence base work that has been prepared recently for Thames Valley Berkshire[14];
- consideration of **past trends in completions of employment space** based on monitoring data collected by Bracknell Forest Council, Reading Borough Council, Wokingham Borough Council and Royal Borough of Windsor & Maidenhead and how these trends might change in the future; and
- estimating future growth of **local labour supply** based on population projections for the Central Berkshire FEMA applied as part of the recent Berkshire (including South Bucks) SHMA, and the amount of jobs and employment space that this can support.

4.4 All references to employment relate to total workplace jobs.

4.5 Each of these approaches has limitations and consideration needs to be given as to how appropriate each is to the circumstances in the Central Berkshire FEMA. Further, to be robust the economic growth potential and likely demand for employment space in the FEMA needs to be assessed under a number of future scenarios, in order to reflect both lower and higher growth conditions that could arise in the future.

[14] This economic evidence base work includes the Thames Valley Berkshire Local Enterprise Partnership's Strategic Economic Plan (2015/16 - 2020/21) and the Berkshire (including South Bucks) Strategic Housing Market Assessment (February 2016).

4.6 It should also be noted that the ultimate judgement as to the level of need that should be planned for in the Central Berkshire FEMA is not purely quantitative, and that there will be a variety of qualitative factors to consider (discussed in other sections of this study). These factors will influence the employment space requirements that will need to be planned for and must be considered alongside the following modelled scenarios.

A. Forecasts of Job Growth

4.7 The forecasts of employment growth in the Central Berkshire FEMA during the period to 2036 were obtained from the September 2013 Cambridge Econometrics (CE) employment projections release (Forecast Version 10918). These projections have been used to ensure consistency and alignment with other recent economic evidence base work that has been prepared for the TVBLEP and Berkshire local authorities including the TVBLEP Strategic Economic Plan and the Berkshire (including South Bucks) Strategic Housing Market Assessment (February 2016). They reflect the latest macro-economic outlook and assumptions available at the time of preparation in 2013.

4.8 Further information on the methodology, assumptions and data sources applied by CE to inform their employment projections is provided in Appendix 10. The measure of employment provided by CE is workplace based jobs, which includes full-time, part-time and self-employed roles. The projections assume that economic growth in the local area is not constrained by supply-side factors such as population and the supply of labour. They assume that there will be enough labour (either locally or through commuting) with the right skills to fill the jobs. If, in reality, the labour supply is not there to meet projected growth in employment, growth could be slower.

4.9 It should be noted that employment has been allocated to specific sectors by CE based on official ONS data sources and there are recognised limitations in the way that business activity is classified by ONS (i.e. by primary sector of activity rather than the specific type of activity that occurs within a given local area). This may occasionally result in employment being under or over represented in particular sectors in some locations.

SHMA Adjustment to Job Growth Forecasts

4.10 It should be noted that the CE employment projections were examined as part of the Berkshire (including South Bucks) Strategic Housing Market Assessment, specifically within Chapter 5 of the February 2016 final report ('Economic-Led Housing Needs'). This highlighted notable variations in the rate of employment growth reported between historic time periods and the forecasts. For this reason, GL Hearn sought to draw their own conclusions regarding the overall rate of employment growth which can be expected over the study period, taking account of past employment growth trends and a wider understanding of factors which may affect future performance, in particular where these have not been present in the 'history.' These conclusions are summarised by local authority below:

- **Bracknell Forest:** CE forecasts show growth at a level significantly higher than Reading and Wokingham, lower growth trend based data is therefore assumed as a proxy for future growth (0.4% growth pa);
- **Reading:** it was deemed appropriate to boost the forecast levels of employment growth in Reading above that forecast by CE (equivalent to 0.6% growth pa);
- **Slough:** assumed a level of growth slightly higher than that forecast and above historic trends (0.7% growth pa);
- **RBWM:** the CE forecasts are deemed to represent a reasonable level of growth (0.6% growth pa);
- **West Berkshire:** the CE forecasts are deemed to represent a reasonable level of growth (0.5% growth pa); and
- **Wokingham:** assumed a level of job growth which is above the forecasts but below the historic trends (0.8% growth pa).

4.11 These adjustments imply a different distribution of employment growth to that seen historically and implied by the CE projections, and for some authorities (Reading, West Berkshire and Wokingham) a specific 'economic uplift' is added within the SHMA to the objectively assessed housing need to account for this implied growth.

4.12 No detail regarding the sectoral breakdown of these adjustments to implied future employment growth is provided by GL Hearn and it is therefore not possible to model the employment space and land requirements associated with this adjusted growth trajectory as part of the EDNA. It is however important to be aware of the adjustments that have been made as part of the SHMA within the context of economic evidence base alignment.

Scenario 1: Baseline Labour Demand

4.13 The employment forecasts obtained from CE indicate overall growth of 49,870 jobs in the Central Berkshire FEMA during the 23 year period to 2036 (Table 4.2), equivalent to 2,168 new jobs per annum on average. This forecast growth includes 15,390 new jobs in Bracknell Forest, 12,435 new jobs in Windsor & Maidenhead, 11,700 new jobs in Wokingham, and 10,340 new jobs in Reading. Table 4.1 sets out the highest growing sectors in the FEMA under this scenario, alongside those sectors expected to see a decline in jobs during this period. A full breakdown of baseline job growth by sector is provided in Appendix 11.

4.14 This analysis indicates that administrative & supportive services; computing & information services; and professional services are expected to be the primary drivers of job growth in the Central Berkshire FEMA through the next 23 year period, while wholesale; accommodation & food services; healthcare; and land transport, storage & post are also forecast to account for a significant share of the employment growth during this period. Sectors forecast to see the most significant job losses over this period include public administration & defence; education; and recreation.

Table 4.1 Highest Growing and Declining Job Sectors in the Central Berkshire FEMA, 2013 - 2036

Sector	Use Class	Job Growth				
		Bracknell Forest	Reading	Windsor & Maidenhead	Wokingham	Central Berkshire FEMA
Administrative & Supportive Services	Part B Class	+1,620	+3,420	+3,075	+3,710	**+11,830**
Computing & Information Services	B Class	+975	+2,575	+1,720	+3,940	**+9,210**
Professional Services	B Class	+5,885	-110	+1,320	+1,210	**+8,300**
Wholesale	B Class	+3,225	+1,100	+1,090	+1,065	**+6,485**
Accommodation & Food Services	Non B Class	+2,165	+1,055	+2,140	+495	**+5,855**
Health	Non B Class	+300	+2,885	+330	+490	**+4,010**
Land Transport, Storage & Post	Part B Class	+1,355	+1,045	+1,275	+175	**+3,845**
Recreation	Non B Class	-345	+180	-1,275	-785	**-2,225**
Education	Non B Class	-885	-140	-655	-585	**-2,265**
Public Administration & Defence	Part B Class	-385	-1,350	-405	-180	**-2,320**

Source: Cambridge Econometrics 2013 / NLP analysis

4.15 It should be noted that the majority of the sectors forecast to record the highest growth through this period are B class sectors or part B class sectors, with only accommodation & food services and health classified as being wholly non B class in nature (in terms of the type of space typically occupied).

4.16 The overall employment change in the Central Berkshire FEMA resulting from these projections is set out in Table 4.2, alongside the forecast growth in the main B class sectors. Employment sectors have been translated into three main B use classes (offices (B1a/B1b), manufacturing (B1c/B2) and distribution (B8)) based on a consideration of which sectors typically utilise space that falls within these three use class categories. This includes an allowance for jobs in some non B class sectors that typically would occupy some office or industrial space such as construction; vehicle repairs; courier services; road transport and cargo handling; and some public administration activities. The precise translation will inevitably vary by local authority, and the latest BRES data has been used to consider how much of an allowance to make at the local level. Further information about this methodology is summarised in Appendix 12.

4.17 The analysis indicates overall net job gains of 28,820 in B class sectors in the Central Berkshire FEMA during the period up to 2036, with significant growth in office jobs, moderate growth in distribution jobs and a smaller scale of growth in manufacturing jobs. This is in the context of total workplace job growth of 49,860 jobs projected for the FEMA during this period, which outside B class sectors will mainly be in accommodation & food services and health.

Table 4.2 Forecast Job Change in the Central Berkshire FEMA, 2013 - 2036

	Uses	Number of Jobs		Change (2013 - 2036)
		2013	2036	
CENTRAL BERKSHIRE FEMA	Offices (B1a/B1b)*	117,995	137,020	+19,025
	Manufacturing (B1c/B2)**	21,390	22,905	+1,515
	Distribution (B8)***	27,445	35,725	+8,280
	Total B Class Jobs	**166,830**	**195,650**	**+28,820**
	Total Jobs in All Sectors	**359,060**	**408,920**	**+49,860**
BRACKNELL FOREST	Offices (B1a/B1b)*	24,650	32,375	+7,725
	Manufacturing (B1c/B2)**	3,005	3,285	+280
	Distribution (B8)***	9,815	13,935	+4,120
	Total B Class Jobs	**37,470**	**49,600**	**+12,130**
	Total Jobs in All Sectors	**70,540**	**85,930**	**+15,390**
READING	Offices (B1a/B1b)*	39,490	40,905	+1,415
	Manufacturing (B1c/B2)**	6,000	6,390	+390
	Distribution (B8)***	6,385	7,685	+1,300
	Total B Class Jobs	**51,875**	**54,980**	**+3,105**
	Total Jobs in All Sectors	**114,810**	**125,150**	**+10,340**
WINDSOR & MAIDENHEAD	Offices (B1a/B1b)*	26,545	30,220	+3,675
	Manufacturing (B1c/B2)**	6,855	7,710	+855
	Distribution (B8)***	6,365	8,205	+1,840
	Total B Class Jobs	**39,770**	**46,130**	**+6,360**
	Total Jobs in All Sectors	**90,550**	**102,980**	**+12,430**
WOKINGHAM	Offices (B1a/B1b)*	27,310	33,520	+6,210
	Manufacturing (B1c/B2)**	5,530	5,520	-10
	Distribution (B8)***	4,880	5,900	+1,020
	Total B Class Jobs	**37,720**	**44,940**	**+7,220**
	Total Jobs in All Sectors	**83,160**	**94,860**	**+11,700**

Source: Cambridge Econometrics 2013 / NLP analysis

Note: * Includes publishing and a proportion of government offices.
** Includes vehicle repairs and some construction activities.
*** Includes parts of transport and communication sectors that use industrial land.

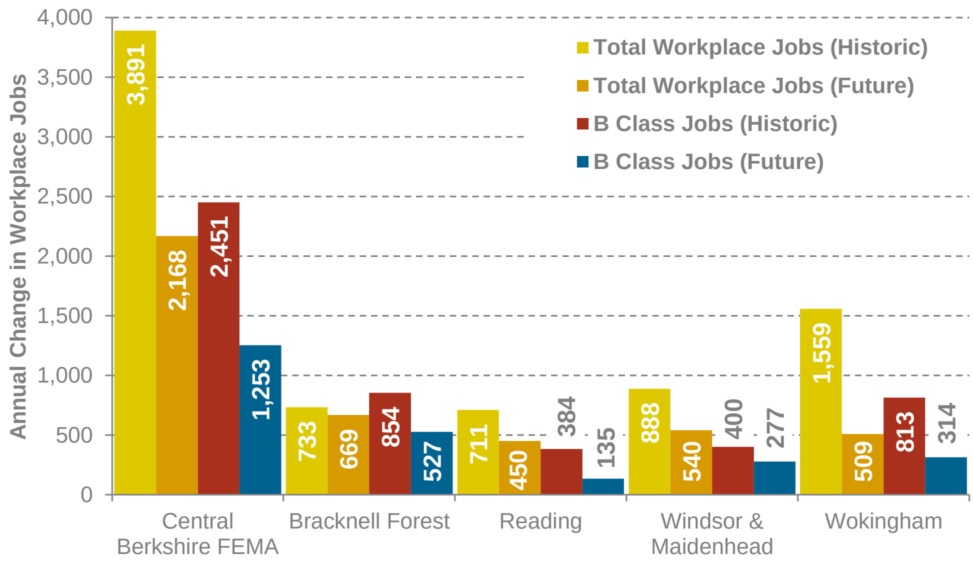
4.18 The projections indicate growth of 12,130 B class jobs in Bracknell Forest, 7,220 B class jobs in Wokingham, 6,360 B class jobs in Windsor & Maidenhead and 3,105 B class jobs in Reading. This is equivalent to 42% of B class employment growth within the Central Berkshire FEMA being supported in Bracknell Forest, 25% in Wokingham, 22% in Windsor & Maidenhead, and 11% in Reading.

4.19 Strong office job growth is forecast for all four local authorities in the FEMA, although this is expected to be highest in Bracknell Forest and lowest in Reading (Table 4.2). Distribution job growth is also expected to be highest in Bracknell Forest while manufacturing jobs are expected to record minimal levels of growth in all local authority areas except Wokingham (where manufacturing jobs are expected to decline).

4.20 The majority of total job growth under the baseline labour demand scenario is expected to be driven by Bracknell Forest (31%), followed by Windsor & Maidenhead (25%), Wokingham (23%), and Reading (21%) (Table 4.2).

4.21 The projected net increase of 28,820 B class jobs in the Central Berkshire FEMA to 2036 is equivalent to an annual average growth of 1,253 B class jobs through this period. This forecast B class job growth is lower than the 2,451 B class jobs on average per year that was recorded in the FEMA between 1996 and 2013, suggesting that growth in B class sectors is forecast to slow down to a degree during the study period compared to historically (Figure 4.1).

Figure 4.1 Historic vs Forecast Annual Job Growth in the Central Berkshire FEMA, 1996 - 2036



Source: Cambridge Econometrics 2013 / NLP analysis

4.22 This FEMA wide trend is also echoed across each individual local authority area, although the scale of slowdown in B class job growth in the future compared with past trends is greatest in Wokingham and Reading (Figure 4.1).

4.23 Total workplace job growth is also forecast to slowdown in the Central Berkshire FEMA between 2013 and 2036 compared with past trends (1996 and 2013), with 2,168 new jobs projected to be created in the FEMA on average each year over the study period to 2036. This compares with an annual average increase of 3,891 total jobs in the Central Berkshire FEMA between 1996 and 2013. Again, this FEMA wide trend is echoed across each individual local authority within the FEMA (Figure 4.1).

4.24 These employment forecasts can be converted into future employment space requirements assuming standard ratios of jobs to floorspace for different types of B class uses. In order to estimate employment space requirements across the FEMA, the following average ratios have been applied to the job forecasts for the Central Berkshire FEMA:

- **Offices:** 1 job per 12.5sq.m for general office space;
- **Industrial:** 1 job per 43sq.m as an average for B1c and B2 uses; and
- **Warehousing:** 1 job per 65sq.m for general small scale warehousing (assumed to account for 60% of all stock in Bracknell Forest, 90% of all stock in Reading, 100% of all stock in Windsor & Maidenhead, and 80% of all stock in Wokingham) and 1 job per 74sq.m for larger scale, lower density units (assumed to account for 10% of all stock in Reading, 20% of all stock in Wokingham, and 40% of all stock in Bracknell Forest)[15].

4.25 These assumptions are based upon the latest HCA guidance on job density ratios published in 2015[16]. This guidance takes account of recent trends in terms of changing utilisation of employment space, with the main change being the more efficient use of office floorspace due to the higher frequency of flexible working and hot-desking. This has resulted in a decline in the amount of floorspace per office worker assumed compared to earlier guidance.

4.26 An allowance of 10% is also added to all positive floorspace requirements to reflect a normal level of market vacancy in employment space. Where a reduction in jobs is forecast (e.g. manufacturing), the associated negative floorspace was halved. This reflects that while there may be ongoing manufacturing job losses (e.g. as firms use more efficient production approaches), it doesn’t automatically follow that all of the existing employment is lost.

4.27 From this assessment, the net employment floorspace requirements in the Central Berkshire FEMA up to 2036 based on the baseline job growth forecasts are set out in Table 4.3.

[15] % splits between small scale and large scale warehousing is made by NLP to broadly represent the existing nature of warehousing stock within each local authority area in the FEMA

[16] Homes and Communities Agency, Employment Density Guide 3rd Edition (November 2015)

Table 4.3 Net Employment Space Requirements (GEA sq.m) based on Baseline Labour Demand, 2013 - 2036

	Uses	Net Floorspace Requirement (GEA sq.m)
CENTRAL BERKSHIRE FEMA	Offices (B1a/B1b)	261,545
	Manufacturing (B1c/B2)	71,950
	Distribution (B8)	611,300
	Total B Class Floorspace	**944,795**
BRACKNELL FOREST	Offices (B1a/B1b)	106,215
	Manufacturing (B1c/B2)	13,325
	Distribution (B8)	311,070
	Total B Class Floorspace	**430,610**
READING	Offices (B1a/B1b)	19,460
	Manufacturing (B1c/B2)	18,445
	Distribution (B8)	94,155
	Total B Class Floorspace	**132,060**
WINDSOR & MAIDENHEAD	Offices (B1a/B1b)	50,500
	Manufacturing (B1c/B2)	40,340
	Distribution (B8)	131,240
	Total B Class Floorspace	**222,080**
WOKINGHAM	Offices (B1a/B1b)	85,370
	Manufacturing (B1c/B2)	-160
	Distribution (B8)	74,835
	Total B Class Floorspace	**160,045**

Source: NLP analysis

B. Past Development Rates

4.28 Because they reflect market demand and actual development patterns on the ground, in some cases long term completion rates of employment space can provide a reasonable basis for informing future land needs. Completions over such a period as ten years or more should even out demand fluctuations in a business cycle, and provide a reasonable basis for estimating future needs; given land supply has not been constrained. While forecasts show job growth in net terms, past trend-based analyses take into account recent patterns of employment space development and the role that recycling of sites has in terms of supporting employment uses in the FEMA.

Scenario 2: Past Completion Rates

4.29 Past completions monitoring data by B class space was provided by Bracknell Forest Council for the period 2005/06 to 2014/15, Reading Borough Council for the period 2005/06 to 2014/15, Wokingham Borough Council for the period

2004 to 2014, and the Royal Borough of Windsor & Maidenhead for the period 2005/06 to 2014/15. This data indicates the average annual net completion of employment space equates to a net gain of 3,940sq.m in Wokingham, and net losses of 9,060sq.m in Bracknell Forest, 10,890sq.m in Reading, and 2,280sq.m in Windsor & Maidenhead. This is equivalent to a net loss of 18,290sq.m of B class employment space in the Central Berkshire FEMA over recent periods (Table 4.4).

4.30 The gross completion of B class employment space within the FEMA was higher through these periods, with an annual average completion of 7,650sq.m in Bracknell Forest, 22,700sq.m in Reading, 16,200sq.m in Wokingham and 15,120sq.m in Windsor & Maidenhead. This is equivalent to an annual average gross completion of 61,680sq.m of employment space in the Central Berkshire FEMA over recent periods, although this does mask recent losses of employment space in the FEMA (Table 4.4).

Table 4.4 Annual B Class Floorspace Completions (sq.m) in the Central Berkshire FEMA

	Uses	Net Annual Average Completions (sq.m)	Gross Annual Average Completions (sq.m)
CENTRAL BERKSHIRE FEMA	Offices (B1a/B1b)	-19,085	32,245
	Industrial (B1c/B2/B8)	795	29,435
	Total B Class Floorspace	**-18,290**	**61,680**
BRACKNELL FOREST†	Offices (B1a/B1b)	- 9,355	4,745
	Industrial (B1c/B2/B8)	295	2,905
	Total B Class Floorspace	**- 9,060**	**7,650**
READING	Offices (B1a/B1b)	- 10,970	8,170
	Industrial (B1c/B2/B8)	80	14,530
	Total B Class Floorspace	**- 10,890**	**22,700**
WINDSOR & MAIDENHEAD	Offices (B1a/B1b)	- 1,120	10,620
	Industrial (B1c/B2/B8)	- 1,160	4,510
	Total B Class Floorspace	**- 2,280**	**15,120**
WOKINGHAM	Offices (B1a/B1b)	2,360	8,710
	Industrial (B1c/B2/B8)	1,580	7,490
	Total B Class Floorspace	**3,940**	**16,200**

Source: Bracknell Forest Council / Reading Borough Council / Wokingham Borough Council / Royal Borough of Windsor & Maidenhead / NLP analysis

Note: Net completions in Bracknell Forest based on data from the monitoring years 2005/06 - 2014/15

Net completions in Reading based on data from the monitoring years 2005/06 to 2014/15

Net completions in Wokingham based on data from the monitoring years 2004 to 2014 (excluding 2006)

Net completions in Windsor & Maidenhead based on data from the monitoring years 2005/06 to 2014/15

† Note: Bracknell Forest Council monitoring data does not disaggregate the B1 use class category by B1a, B1b and B1c use. In the absence of more detailed monitoring data, the B1 use

class category has been assumed to relate to office uses by NLP although it is recognised that some B1c space may also be included within the overall B1 use class category

4.31 One view of future growth in the Central Berkshire FEMA could therefore simply assume that past completion rates carry on in the future at the long term average. If it were assumed historic net completion rates were to continue over the next 23 year period, this would amount to a loss of 438,955sq.m of office space and a small gain 18,285sq.m of industrial space which is equivalent to an overall loss of 420,670sq.m of employment space by 2036 (Table 4.5). The total employment space requirement related to this scenario is therefore much lower than that estimated under the baseline labour demand scenario, with the industrial and office space requirements representing significantly lower estimates.

Table 4.5 Net Employment Space Requirements (sq.m) based on Past Completion Rates, 2013 - 2036

	Uses	Assumed Net Annual Completions (sq.m)	Net Floorspace Requirement (sq.m)
CENTRAL BERKSHIRE FEMA	Offices (B1a/B1b)	-19,085	-438,955
	Industrial (B1c/B2/B8)	795	18,285
	Total B Class Floorspace	**-18,290**	**-420,670**
BRACKNELL FOREST	Offices (B1a/B1b)	- 9,355	-215,165
	Industrial (B1c/B2/B8)	295	6,785
	Total B Class Floorspace	**- 9,060**	**-208,380**
READING	Offices (B1a/B1b)	- 10,970	-252,310
	Industrial (B1c/B2/B8)	80	1,840
	Total B Class Floorspace	**- 10,890**	**-250,470**
WINDSOR & MAIDENHEAD	Offices (B1a/B1b)	- 1,120	-25,760
	Industrial (B1c/B2/B8)	- 1,160	-26,680
	Total B Class Floorspace	**- 2,280**	**-52,440**
WOKINGHAM	Offices (B1a/B1b)	2,360	54,280
	Industrial (B1c/B2/B8)	1,580	36,340
	Total B Class Floorspace	**3,940**	**90,620**

Source: NLP analysis (totals rounded)

4.32 In addition, the analysis indicates that the requirement for B class employment space based on past completion rates equates to a gain of 90,620sq.m in Wokingham, a loss of 208,380sq.m in Bracknell Forest, a loss of 250,470sq.m in Reading, and a loss of 52,440sq.m in Windsor & Maidenhead during the study period to 2036. This reflects a positive historic net completion rate in B class employment space in Wokingham, and net losses of employment space in Reading, Windsor & Maidenhead and Wokingham over recent periods (Table 4.5).

4.33 Using standard ratios of jobs to floorspace for the different types of B class floorspace set out above, it is possible to estimate that around 34,820 B class jobs would be lost in the Central Berkshire FEMA by 2036 under the past completion rates scenario, which is equivalent to a net loss of around 1,510 B class jobs each year on average during the course of the study period. Under this scenario, it is estimated that around 17,100 B class jobs would be lost in Bracknell Forest, 2,500 B class jobs in Windsor & Maidenhead, and 20,150 B class jobs in Reading, while it is estimated that around 4,940 B class jobs would be created in Wokingham.

4.34 It should be noted that the monitoring period for which completions data is available postdates the construction of some of the Thames Valley's largest employment developments such as Green Park, and is also unlikely to capture the full scale of office space that has been lost to residential uses through the recent introduction of PDR.

C. Future Labour Supply

4.35 It is also important to take into account the number of jobs and the associated employment floorspace requirement that would be necessary to largely match the forecast growth of the resident workforce in the FEMA. In contrast to the other two scenario approaches, this approach focuses on the future supply of labour rather than the demand for labour. It identifies the number of workplace jobs that would be required to match the future supply of working-age persons and the amount of employment space that would be needed to support these new jobs in the FEMA.

Scenario 3: Labour Supply

4.36 A labour supply based scenario has been considered for the Central Berkshire FEMA based on population projections that have been used to inform the Objectively Assessed Housing Need (OAN)[17] for each constituent local authority area as part of the Berkshire SHMA[18].

4.37 Information on the employed resident population growth associated with this level of population growth has been supplied by the SHMA consultants (GL Hearn). This implies an increase in the number of employed residents within the FEMA from 302,270 in 2013 to 357,200 in 2036, which is equivalent to an additional 54,930 employed residents in the FEMA. This includes an increase of 16,690 employed residents in Wokingham, 13,130 in Reading, 12,560 in Windsor & Maidenhead, and 12,550 in Bracknell Forest. These figures include all age groups of the population.

4.38 An adjustment for commuting patterns has been made by NLP based on the latest 2011 Census travel-to-work data. These commuting trends for Bracknell Forest, Reading, Windsor & Maidenhead and Wokingham are assumed to

[17] The OAN has been derived in a slightly different way for each local authority area within Berkshire, with an 'uplift' added to baseline 2012 SNPP demographic projections to account for an increased scale of London out-migration and higher level of economic growth in some, but not all, of the study area authorities

[18] Berkshire (including South Bucks) Strategic Housing Market Assessment (February 2016)

remain the same for the entirety of the period to 2036, meaning that Bracknell Forest is assumed to continue to operate as a net exporter of labour, Reading as a net importer of labour, Windsor & Maidenhead as a net importer of labour and Wokingham as a net exporter labour.

4.39 Table 4.6 summarises the resident and workplace labour supply resulting from this scenario. Based on the population projections used in the Berkshire SHMA the number of workplace jobs required to support the increase in employed persons in the FEMA assumes that one additional job would be required for each additional worker, whilst the proportion employed in B class sectors takes into account the existing and forecast share of B class jobs to total jobs in Bracknell Forest, Reading, Windsor & Maidenhead and Wokingham from the CE employment forecast data (presented in Scenario 1).

4.40 This analysis results in a need for 29,745 B class jobs in the Central Berkshire FEMA over the study period to 2036, which is equivalent to about 1,293 new B class jobs per annum. These jobs include a requirement for 20,075 office jobs, 7,680 distribution jobs and 1,990 manufacturing jobs in the FEMA. This scenario also suggests that 33% of the need for B class jobs in the FEMA through the period to 2036 is in Bracknell Forest, 27% in Wokingham, 22% in Windsor & Maidenhead, and 18% in Reading (Table 4.6).

Table 4.6 Forecast Labour Supply and B Class Job Change for the Central Berkshire FEMA, 2013 - 2036

	Uses	Annual Change	Total Change
CENTRAL BERKSHIRE FEMA	Resident Labour Supply	2,388	54,930
	Workplace Labour Supply	2,347	53,975
	Office Jobs (B1a/B1b)	*873*	*20,075*
	Manufacturing Jobs (B1c/B2)	*87*	*1,990*
	Distribution Jobs (B8)	*334*	*7,680*
	Total B Class Jobs	**1,293**	**29,745**
BRACKNELL FOREST	Resident Labour Supply	546	12,550
	Workplace Labour Supply	524	12,055
	Office Jobs (B1a/B1b)	*270*	*6,210*
	Manufacturing Jobs (B1c/B2)	*8*	*195*
	Distribution Jobs (B8)	*146*	*3,365*
	Total B Class Jobs	**425**	**9,770**
READING	Resident Labour Supply	571	13,130
	Workplace Labour Supply	639	14,695
	Office Jobs (B1a/B1b)	*141*	*3,245*
	Manufacturing Jobs (B1c/B2)	*28*	*640*
	Distribution Jobs (B8)	*62*	*1,430*
	Total B Class Jobs	**231**	**5,315**
WINDSOR & MAIDENHEAD	Resident Labour Supply	546	12,560
	Workplace Labour Supply	565	12,985
	Office Jobs (B1a/B1b)	*167*	*3,830*
	Manufacturing Jobs (B1c/B2)	*40*	*910*
	Distribution Jobs (B8)	*76*	*1,755*
	Total B Class Jobs	**282**	**6,495**
WOKINGHAM	Resident Labour Supply	726	16,690
	Workplace Labour Supply	619	14,240
	Office Jobs (B1a/B1b)	*295*	*6,790*
	Manufacturing Jobs (B1c/B2)	*11*	*245*
	Distribution Jobs (B8)	*49*	*1,130*
	Total B Class Jobs	**355**	**8,165**

Source: Berkshire SHMA / NLP analysis

4.41 The forecast requirement for B class employment floorspace for these B class jobs can then be estimated by applying the same job density ratios used under the baseline labour demand scenario, and adding a 10% allowance for normal levels of vacancy.

4.42 The total future employment space requirement based on meeting the B class job needs of forecast workers in the Central Berkshire FEMA therefore equates to about 936,200sq.m of B class employment space over the study period to 2036. These requirements include 276,000sq.m of office space, 94,030sq.m of manufacturing space and 566,170sq.m of warehousing space. In addition, this scenario estimates a need for 348,520sq.m of employment space in Bracknell Forest, 221,080sq.m in Windsor & Maidenhead, 188,090sq.m in Wokingham and 178,510sq.m in Reading over the period to 2036 (Table 4.7).

Table 4.7 Net Employment Space Requirements (Gross External Area (GEA) sq.m) based on Labour Supply, 2013 - 2036

	Uses	Net Floorspace Requirement (GEA sq.m)
CENTRAL BERKSHIRE FEMA	Offices (B1a/B1b)	276,000
	Manufacturing (B1c/B2)	94,030
	Distribution (B8)	566,170
	Total B Class Floorspace	**936,200**
BRACKNELL FOREST	Offices (B1a/B1b)	85,410
	Manufacturing (B1c/B2)	9,235
	Distribution (B8)	253,875
	Total B Class Floorspace	**348,520**
READING	Offices (B1a/B1b)	44,605
	Manufacturing (B1c/B2)	30,305
	Distribution (B8)	103,605
	Total B Class Floorspace	**178,510**
WINDSOR & MAIDENHEAD	Offices (B1a/B1b)	52,680
	Manufacturing (B1c/B2)	42,835
	Distribution (B8)	125,565
	Total B Class Floorspace	**221,080**
WOKINGHAM	Offices (B1a/B1b)	93,305
	Manufacturing (B1c/B2)	11,655
	Distribution (B8)	83,130
	Total B Class Floorspace	**188,090**

Source: NLP analysis (Note: totals rounded)

4.43 The labour supply based estimate provides a useful benchmark for comparing with the demand scenarios. Based on the population projections for the Central Berkshire FEMA, these estimates provide a positive space requirement for the FEMA that is very similar to the baseline labour demand scenario, but much higher than the past completion rates scenario.

Summary of Net Employment Space Requirements

4.44 Drawing together the results from each of the future scenarios for the Central Berkshire FEMA, the net B class employment space requirements for the FEMA over the period to 2036 are presented in Table 4.8 below.

Table 4.8 Net Employment Space Requirements (GEA sq.m) for Central Berkshire FEMA by Scenario, 2013 - 2036

	Uses	1. Baseline Labour Demand	2. Past Completion Rates	3. Labour Supply
CENTRAL BERKSHIRE FEMA	Offices (B1a/B1b)	261,545	-438,955	276,000
	Industrial (B1c/B2/B8)	683,250	18,285	660,200
	Total B Class Floorspace (sq.m)	**944,795**	**-420,670**	**936,200**
BRACKNELL FOREST	Offices (B1a/B1b)	106,215	-215,165	85,410
	Industrial (B1c/B2/B8)	324,395	6,785	263,110
	Total B Class Floorspace (sq.m)	**430,610**	**-208,380**	**348,520**
READING	Offices (B1a/B1b)	19,460	-252,310	44,605
	Industrial (B1c/B2/B8)	112,600	1,840	133,910
	Total B Class Floorspace (sq.m)	**132,060**	**-250,470**	**178,510**
WINDSOR & MAIDENHEAD	Offices (B1a/B1b)	50,500	-25,760	52,680
	Industrial (B1c/B2/B8)	171,580	-26,680	168,400
	Total B Class Floorspace (sq.m)	**222,080**	**-52,440**	**221,080**
WOKINGHAM	Offices (B1a/B1b)	85,370	54,280	93,305
	Industrial (B1c/B2/B8)	74,675	36,340	94,785
	Total B Class Floorspace (sq.m)	**160,045**	**90,620**	**188,090**

Source: NLP analysis

4.45 The net employment space requirements represent the minimum recommended quantum of employment floorspace to plan for within the FEMA over the study period. Each Local Planning Authority will need to take a view on the extent to which additional space should be planned for over and above the net requirements to allow for factors such as delays in development coming forward, for replacing employment space that is lost in future and to take account of other market factors (as outlined below in more detail).

Converting to Gross Employment Space Requirements

4.46 To convert the net B class employment space requirements for the Central Berkshire FEMA into gross space requirements (i.e. the amount of employment space or land that should be allocated or planned for in the FEMA), two allowances are typically added for some additional flexibility for the purposes of planning for future business space and to also offset anticipated future losses of existing employment space stock in the FEMA which may be lost to other non B uses over the course of the study period. These allowances are considered in turn below.

Safety Margin

4.47 The application of a safety margin or 'buffer' is intended to allow for some flexibility of provision (whilst avoiding over-provision of land) and reflects the fact that there may be potential delays in some employment sites coming forward for development in the FEMA.

4.48 The former South East of England Partnership Board (SEEPB) guidance on employment land assessments recommends an allowance that is equivalent to the average time for a site to gain planning permission and be built-out, which usually amounts to two years. In absence of more up-to-date Government guidance, this recommendation has been broadly applied for the Central Berkshire FEMA. The safety margin used for Wokingham is based upon two years of average net take-up (over the period 2004 to 2014) as recommended by the former SEEPB guidance.

4.49 Given that the other three local authorities have recorded a net loss of B class employment space over recent periods, the safety margins used for these local authorities are based on one year of average gross take-up (over the period 2005/06 to 2014/15). Gross take-up rather than net take-up has been used as a proxy in order to generate a positive safety margin.

4.50 These safety margins are outlined in Table 4.9 and appear to be suitable margins relative to the estimated scale of the assessed need for B class employment space in the respective local authorities forming the FEMA.

Table 4.9 Safety Margin Allowance (sq.m) for the Central Berkshire FEMA

	Uses	Average Annual Completion Rates (sq.m)	Safety Margin Applied (sq.m)
CENTRAL BERKSHIRE FEMA	Offices (B1a/B1b)	25,895	28,255
	Industrial (B1c/B2/B8)	23,525	25,105
BRACKNELL FOREST	Offices (B1a/B1b)	4,745	4,745
	Industrial (B1c/B2/B8)	2,905	2,905
READING	Offices (B1a/B1b)	8,170	8,170
	Industrial (B1c/B2/B8)	14,530	14,530
WINDSOR & MAIDENHEAD	Offices (B1a/B1b)	10,620	10,620
	Industrial (B1c/B2/B8)	4,510	4,510
WOKINGHAM	Offices (B1a/B1b)	2,360	4,720
	Industrial (B1c/B2/B8)	1,580	3,160

Source: NLP analysis

Note: The average annual completion rate for Wokingham is based on net take-up rates; whilst the average annual completion rate for Bracknell Forest, Reading and Windsor & Maidenhead is based on gross take-up rates given the net take-up rates for the local authorities have been negative over recent periods.

Replacing Future Losses

4.51 As noted above, an allowance is typically made for some replacement of losses of existing employment space that are anticipated to occur in the FEMA in future in order to provide some protection against the continued erosion of B class employment space. A judgement has to be made as to the suitability and degree to which an allowance for future losses of employment space should be applied based on existing trends in the local commercial property market. Not all employment floorspace losses in the future will need to be replaced as some of this will simply reflect restructuring in the local economy, such as a decline in the need for manufacturing space in the future.

4.52 Analysis of past completions monitoring data provided by the local authorities forming the Central Berkshire FEMA identified the following losses of office and industrial space across the FEMA:

- Bracknell Forest Council: annual loss of 14,035sq.m of office space and 2,675sq.m of industrial space between 2005/06 and 2014/15;
- Reading Borough Council: annual loss of 19,140sq.m of office space and 14,450sq.m of industrial space between 2005/06 and 2014/15;
- Royal Borough of Windsor & Maidenhead: annual loss of 11,740sq.m of office space and 5,660sq.m of industrial space between 2005/06 and 2014/15; and
- Wokingham Borough Council: annual loss of 6,350sq.m of office space and 5,910sq.m of industrial space between 2004 and 2014.

4.53 As there is no way of knowing how much employment floorspace will be lost in the FEMA in future, these past trends have been used as a proxy for the scale of floorspace losses that are likely to occur over the study period to 2036.

4.54 Based on consideration of a range of market dynamics in the Central Berkshire FEMA, it is considered to be inappropriate to replace all office and industrial space that will be lost in the FEMA in the future. This study therefore assumes that 25% (i.e. a small and not excessive allowance) of all office and industrial losses recorded over the past monitoring period for the four local authorities would need to be replaced up to 2036.

4.55 The total replacement of B class employment space losses within the Central Berkshire FEMA therefore amounts to about 294,770sq.m of office losses and 165,000sq.m of industrial losses over the 23 year period to 2036.

4.56 These allowances do not appear to be excessive within the context of the original net floorspace requirement. They provide a guide for the purposes of planning for employment land within the FEMA in future, and each of the local authorities within the FEMA will need to carefully monitor any future losses of employment space, particularly in light of ongoing office to residential PDR conversions which is reported to have had an impact on the supply of office space in the FEMA.

4.57 Based on these estimated replacement allowances for office and industrial space in the Central Berkshire FEMA during the period to 2036, as well as the safety margins for flexibility identified earlier, the resultant gross requirements for B class employment space are set out in Table 4.10 and Figure 4.2.

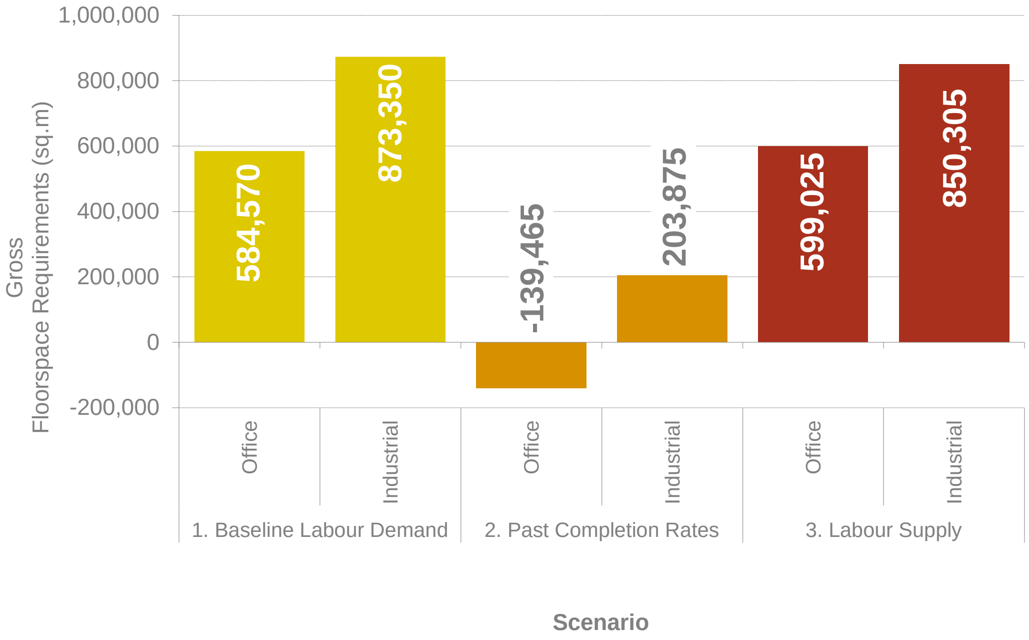
Table 4.10 Gross Employment Space Requirement (GEA sq.m) for Central Berkshire FEMA by Scenario, 2013 - 2036

	Uses	1. Baseline Labour Demand	2. Past Completion Rates	3. Labour Supply
CENTRAL BERKSHIRE FEMA	Offices (B1a/B1b)	584,570	-139,465	599,025
	Industrial (B1c/B2/B8)	873,350	203,875	850,305
	Total B Class Floorspace (sq.m)	**1,457,920**	**64,410**	**1,449,330**
BRACKNELL FOREST	Offices (B1a/B1b)	191,660	-134,465	170,855
	Industrial (B1c/B2/B8)	342,680	25,070	281,395
	Total B Class Floorspace (sq.m)	**534,340**	**-109,395**	**452,250**
READING	Offices (B1a/B1b)	137,685	-142,255	162,830
	Industrial (B1c/B2/B8)	210,220	99,460	231,530
	Total B Class Floorspace (sq.m)	**347,905**	**-42,795**	**394,360**
WINDSOR & MAIDENHEAD	Offices (B1a/B1b)	128,625	41,745	130,805
	Industrial (B1c/B2/B8)	208,635	5,865	205,455
	Total B Class Floorspace (sq.m)	**337,260**	**47,610**	**336,260**
WOKINGHAM	Offices (B1a/B1b)	126,600	95,510	134,535
	Industrial (B1c/B2/B8)	111,815	73,480	131,925
	Total B Class Floorspace (sq.m)	**238,415**	**168,990**	**266,460**

Source: NLP analysis

Note: These figures include an allowance for a safety margin and replacement of some ongoing losses of employment floorspace

Figure 4.2 Gross Employment Space Requirement (GEA sq.m) for Central Berkshire FEMA by Scenario, 2013 - 2036



Source: NLP analysis

4.58 The range of gross space requirements for industrial uses within the Central Berkshire FEMA during the period to 2036 is significant across the three future growth scenarios, with the requirements ranging from 203,875sq.m under the past completion rates scenario to 873,350sq.m under the baseline labour demand scenario. Set against the stock of existing industrial space within the FEMA in 2012, the range of requirements would be equivalent to a growth in industrial stock of between 12% and 50% over the period to 2036.

4.59 For offices, this ranges from -139,465sq.m under the past completion rates scenario to 599,025sq.m under the labour supply scenario. These requirements are equivalent to between a small decline of 8% and growth of 33% of existing office stock in the FEMA in 2012.

4.60 The percentage increase/decrease over and above existing employment space (at 2012) is presented by local authority area in Table 4.11 below. This illustrates the significant scale of uplift in employment space implied by the baseline labour demand and labour supply scenarios (scenarios 1 and 3), with the scale of uplift particularly high for Bracknell Forest (Table 4.11). It should be noted that these employment space requirements provide a longer term perspective on the FEMA's growth potential, covering a 23 year period.

Table 4.11 Percentage Increase/Decrease over and above Existing Employment Space by Scenario

	Uses	1. Baseline Labour Demand	2. Past Completion Rates	3. Labour Supply
CENTRAL BERKSHIRE FEMA	Offices (B1a/B1b)	+31.9%	-7.6%	+32.7%
	Industrial (B1c/B2/B8)	+50.3%	+11.7%	+49.0%
	Total B Class Floorspace	**+40.8%**	**+1.8%**	**+40.6%**
BRACKNELL FOREST	Offices (B1a/B1b)	+46.0%	-32.2%	+41.0%
	Industrial (B1c/B2/B8)	+99.3%	+7.3%	+81.6%
	Total B Class Floorspace	**+70.1%**	**-14.4%**	**+59.4%**
READING	Offices (B1a/B1b)	+24.4%	-25.2%	+28.8%
	Industrial (B1c/B2/B8)	+33.3%	+15.7%	+36.6%
	Total B Class Floorspace	**+29.1%**	**-3.6%**	**+32.9%**
WINDSOR & MAIDENHEAD	Offices (B1a/B1b)	+29.9%	+9.7%	+30.4%
	Industrial (B1c/B2/B8)	+66.7%	+1.9%	+65.6%
	Total B Class Floorspace	**+45.4%**	**+6.4%**	**+45.3%**
WOKINGHAM	Offices (B1a/B1b)	+30.1%	+22.7%	+32.0%
	Industrial (B1c/B2/B8)	+25.0%	+16.4%	+29.5%
	Total B Class Floorspace	**+27.5%**	**+19.5%**	**+30.7%**

Source: VOA 2012 / NLP analysis

Converting to Land Requirements

4.61 The gross employment space requirements for office and industrial uses estimated for the three scenarios can then be translated into land requirement by applying appropriate plot ratio assumptions to the gross space estimates. The following plot ratio assumptions have been applied to the gross space requirements to reflect development trends within the Central Berkshire FEMA:

- **Industrial:** plot ratio of 0.4 was applied so that a 1ha industrial site would be needed to accommodate a footprint of 4,000sq.m of floorspace; and
- **Offices:** plot ratio of 0.4 for low density, out-of-centre sites (assumed to account for 70% of new floorspace in Bracknell Forest, 50% in Reading, 50% in Windsor & Maidenhead, and 90% in Wokingham) and a plot ratio of 2.0 for higher density, town centre sites (assumed to account for 30% of new floorspace in Bracknell Forest, 50% in Reading, 50% in Windsor & Maidenhead, and 10% in Wokingham).

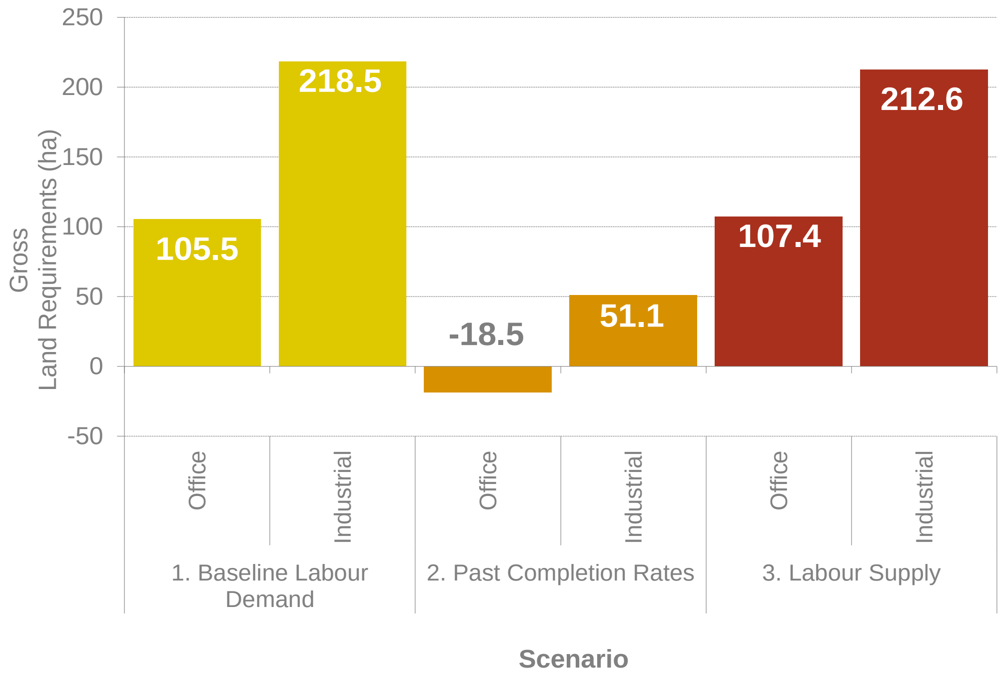
4.62 Based on the application of plot ratios to the estimated gross requirements for office and industrial floorspace in the FEMA during the period to 2036, the resultant land requirement for office and industrial developments are provided in Table 4.12 and Figure 4.3.

Table 4.12 Gross Employment Land Requirements (ha) for Central Berkshire FEMA by Scenario, 2013 - 2036

	Uses	1. Baseline Labour Demand	2. Past Completion Rates	3. Labour Supply
CENTRAL BERKSHIRE FEMA	Offices (B1a/B1b)	105.5	-18.5	107.4
	Industrial (B1c/B2/B8)	218.5	51.1	212.6
	Total B Class Land (ha)	**324.0**	**32.6**	**320.0**
BRACKNELL FOREST	Offices (B1a/B1b)	36.4	-25.5	32.5
	Industrial (B1c/B2/B8)	85.7	6.3	70.3
	Total B Class Land (ha)	**122.1**	**-19.2**	**102.8**
READING	Offices (B1a/B1b)	20.7	-21.3	24.4
	Industrial (B1c/B2/B8)	52.6	24.9	57.9
	Total B Class Land (ha)	**73.3**	**3.6**	**82.3**
WINDSOR & MAIDENHEAD	Offices (B1a/B1b)	19.3	6.3	19.6
	Industrial (B1c/B2/B8)	52.2	1.5	51.4
	Total B Class Land (ha)	**71.5**	**7.8**	**71.0**
WOKINGHAM	Offices (B1a/B1b)	29.1	22.0	30.9
	Industrial (B1c/B2/B8)	28.0	18.4	33.0
	Total B Class Land (ha)	**57.1**	**40.4**	**63.9**

Source: NLP analysis

Figure 4.3 Gross Employment Land Requirements (ha) for Central Berkshire FEMA by Scenario, 2013 - 2036



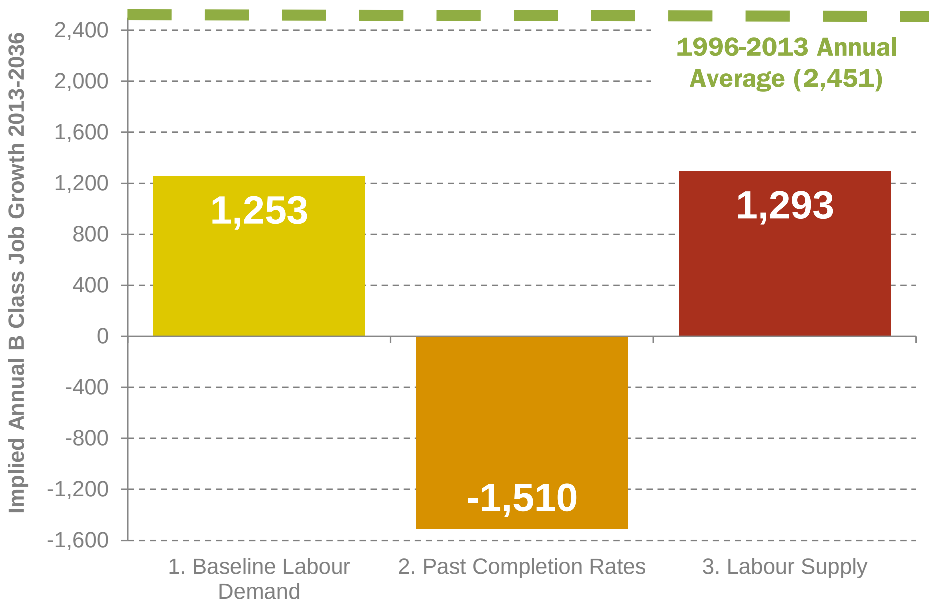
Source: NLP analysis

Sensitivity Tests

4.63 Given the breadth of potential requirements for office and industrial space in the Central Berkshire FEMA from the three growth scenarios, it is important to consider how appropriate each requirement appears to be by comparing the forecast growth with the levels registered historically in the FEMA (Figure 4.4).

4.64 In this way, the lowest estimate of land requirements is based on the past completion rates scenario, which implies a decrease of 1,510 B class jobs per year over the 23 year period to 2036. These implied losses include significant losses in office based jobs. The highest growth estimate of land requirements is based on the labour supply scenario which implies a growth of 1,293 B class jobs per annum through the period to 2036, with the majority of this growth forecast to be in office jobs. The baseline labour demand scenario generates a scale of job growth that falls very slightly behind the labour supply, at 1,253 B class jobs per annum (Figure 4.4).

Figure 4.4 Annual B Class Job Growth Implied by the Scenarios for Central Berkshire FEMA, 2013 - 2036



Source: NLP analysis / Cambridge Econometrics 2013

Note: The estimated B class employment levels for each scenario are based upon net employment floorspace requirements and do not take into account the additional floorspace allowance in the safety margin, which is identified for planning purposes only and may not actually be developed.

4.65 The range of implied B class job growth associated with the growth scenarios for the Central Berkshire FEMA compares with an annual average B class job growth of 2,451 in the FEMA through the period 1996 to 2013 (as implied by Cambridge Econometrics 2013 data). This means that all three growth scenarios are estimated to generate B class job growth that is lower than the rate of growth registered in the FEMA historically (Figure 4.4).

Summary

4.66 In interpreting the outputs of this section, regard should be had to guidance from the PPG, which states that local authorities should develop an idea of the future economic needs of their area based on a range of data and forecasts of quantitative and qualitative requirements. In this respect, planning for growth should avoid relying upon using single sources of data or forecasts which tend to rely on a number of different variables that are inevitably subject to change.

4.67 It is also important to recognise that there are inevitable uncertainties and limitations related to modelling assumptions under any of the future scenarios of growth considered in this study. For example, there are some inherent limitations to the use of local level economic projections, particularly within the context of significant recent changes within the economy. These forecasts are regularly updated and the resulting employment outputs will change over the study period for the Central Berkshire FEMA.

4.68 This assessment considered three different scenarios of future employment space requirements in the Central Berkshire FEMA based upon a number of approaches that reflect economic growth, past development patterns, and labour supply factors. The total gross B class employment space requirement related to these different scenarios for the FEMA (i.e. including an allowance for a safety margin and replacement of ongoing employment floorspace losses) range from 64,410sq.m to 1,457,920sq.m over the period to 2036, which implies in broad terms a need for between 32.6ha and 324.0ha of employment land. In employment land terms the majority of this spatial requirement relates to industrial (B1c/B2/B8) uses under all three scenarios, whilst all three scenarios forecast lower levels of B class job growth compared to that achieved historically.

4.69 Whilst the net employment space requirements represent the minimum recommended quantum of employment floorspace to plan for within the FEMA over the study period, each Local Planning Authority will need to take a view on the extent to which additional space should be planned for over and above the net requirements to allow for factors such as delays in development coming forward, for replacing employment space that is lost in future and to take account of other market factors.

5.0 Policy Implications and Conclusions

5.1 This section draws together overall conclusions of the study and considers potential policy approaches in relation to employment space for emerging Local Plans across the Central Berkshire FEMA as well as other measures which may be required to support the area's economic growth objectives.

Economic Development Needs

5.2 A number of scenarios have been analysed in Section 4.0 to indicate the broad scale and type of employment growth arising from different approaches to modelling employment land needs for the Central Berkshire FEMA. To varying degrees, the three scenarios reflect both indigenous needs arising within the Central Berkshire FEMA as well as a degree of footloose demand which operates across the FEMA's boundaries from the wider Thames Valley sub-region, but also that some needs have historically been met elsewhere (e.g. Theale in Western Berkshire). In the context of the NPPF and PPG, planning policy approaches should aim to plan positively to meet employment space needs so that the Central Berkshire FEMA's economy is not constrained, but recognising that the FEMA has constraints in terms of land supply and competing pressures on the limited number of development sites that are available.

5.3 The overall net floorspace requirements for the FEMA resulting from the three scenarios range from -420,670sq.m to 944,795sq.m over the 23 year period to 2036.The equivalent gross floorspace requirements (which factor in additional allowances for flexibility and for replacing anticipated future floorspace losses) range from 64,410sq.m to 1,457,920sq.m over the 23 year period to 2036, implying in broad terms a need for between 32.6ha and 324.0ha of employment land.

5.4 The net employment space requirements represent the minimum recommended quantum of employment floorspace to plan for within the FEMA over the study period and each Local Planning Authority will need to take a view on the extent to which additional space should be planned for over and above the net requirements to allow for factors such as delays in development coming forward, for replacing employment space that is lost in future and to take account of other market factors.

5.5 The CE employment projections presented in Scenario 1 imply that the pace of total and B class job growth across the Central Berkshire FEMA is expected to slow down in future compared with past trends. This trend is also echoed within each of the four local authority areas, although the scale of this job growth slowdown is most significant for Reading and Wokingham. It should be noted that past trends include employment data dating back to 1996 and includes a period of major expansion in employment space around the late 1990s and early 2000s. Bracknell Forest is anticipated to drive growth going forward in overall and B class terms, with Reading projected to record the lowest absolute level of job growth between 2013 and 2036. Wokingham is also expected to make a significant contribution to office job growth, and Windsor & Maidenhead to distribution/warehousing job growth. Office based sectors (most notably computing and information, admin and support and professional services) are expected to account for the majority of B class job growth in the FEMA over the 23 years to 2036, reflecting the FEMA's role as a key office location within the Western Corridor.

5.6 The past take-up based scenario of future growth (scenario 2) results in the lowest requirement for B class space over the next 23 years in the Central Berkshire FEMA, reflecting limited levels of new employment development that has occurred within the FEMA over recent years. In three of the four local authority areas comprising the FEMA (Bracknell Forest, Reading and Windsor & Maidenhead), historic net take-up of B class space has been negative, reflecting ongoing development constraints and pressure from other non B uses. As a FEMA wide approach, the past take-up based scenario therefore appears to provide a less robust basis for understanding objectively assessed need arising from economic growth.

5.7 The labour supply based approach (scenario 3) generates a B class floorspace requirement for the Central Berkshire FEMA which is slightly lower than the labour demand based approach (scenario 1). The requirement is similar with regards to the mix of B class growth, dominated by industrial (specifically warehousing/distribution) uses reflecting the fact that both scenarios use CE employment projections to estimate the relative contribution of B class sectors. The scale of employment growth associated with the labour supply based approach varies significantly within the FEMA, reflecting the different scales of population and household growth implied by the latest SNPP (described in more detail in the recent Berkshire [including South Bucks] SHMA) which provides a key input to this scenario. Bracknell Forest, Windsor & Maidenhead and Wokingham are all expected to record strong levels of population and household growth over the next 23 years, with Reading following behind with the lowest implied demographic growth within Berkshire. This trajectory of growth can also be explained by the relative roles of individual local authority areas within the FEMA as net importers and net exporters of labour, and the resulting supply of indigenous labour that is considered to be available to support employment growth within the FEMA over the next 23 years.

5.8 Within this context, and in light of the NPPF requirement to plan positively for growth, local authorities within the FEMA should consider planning to accommodate at least the labour supply based requirement (scenario 3) to ensure that the FEMA's indigenous growth potential (i.e. arising from its resident workforce) is not constrained by lack of spatial capacity in future. It is worth noting that the scale of economic growth associated with the labour supply scenario is linked to the scale of new housing and associated population growth that each local authority within the FEMA is able to deliver and support over the study period. If for example, the objectively assessed need for housing is not delivered or met in full, then the scale of growth amongst the resident population anticipated to be in employment and seeking a job in the FEMA is therefore likely to be lower.

5.9 It should be noted that the relative balance between future office and industrial employment growth (and associated floorspace requirements) is driven to a large extent by macro-economic trends and forecasts which are predicated on a structural shift away from industrial sectors of the economy towards more services and consumption related activity which tend to be more significant users of office space. As noted previously, industrial sectors have an important role to play in supporting the Central Berkshire FEMA, and this is expected to continue in future. It is therefore important that quantitative growth forecasts implied by the three scenarios presented within this study are considered alongside the more qualitative feedback and local market signals on business needs that have been identified through consultation with key property market agents active across the sub-region.

Accommodating Growth

5.10 Whilst growth needs have been identified on a FEMA wide and individual local authority basis, there will be some degree of footloose needs that potentially operate and can be accommodated across individual local authority boundaries. Analysis presented within the first part of the Berkshire Functional Economic Market Area ('FEMA') Study identified a number of distinct economic geographies and commercial property market sub-areas operating within the TVBLEP area, including a 'Core Thames Valley' area focused on the key M4 markets of Reading, Maidenhead, Bracknell and Wokingham, a Slough and West London sub area taking in Heathrow Airport as well as key commercial centres of Slough and High Wycombe, and a 'Thames Valley West' sub-market which constitute the key node at the western end of the M4 corridor, characterised by a lower value profile and quasi-industrial uses.

5.11 As noted in Section 3.0, the Central Berkshire FEMA most closely aligns with the 'Core Thames Valley' sub market area which is characterised by a close inter-relationship between the towns of Reading, Maidenhead, Bracknell and Wokingham in terms of value, accessibility and labour force. All four constituent local authority areas within the FEMA therefore share strong interactions and inter-relationships from a commercial property market perspective, and in particular from an office market perspective, with all of these locations considered to offer a premium office location within the wider Western Corridor. There are inevitably different 'tiers' of office market operating within the overarching FEMA, for example with Bracknell historically having been able to offer a cost advantage over other Core Thames Valley locations. Individual locations within the FEMA will have different roles to play in accommodating growth over the next 23 years, for example Wokingham town (as opposed to strategic employment sites on the fringes of Wokingham Borough) has a much more localised commercial property market which is best suited to accommodating indigenous business needs through an ongoing offer of affordable business premises.

5.12 Reading faces particular constraints to accommodating new development due to its tight administrative boundary and the market response to this has historically been to effectively accommodate unmet business needs just outside of its boundary, within the Wokingham and West Berkshire administrative areas. Wokingham accommodates a significant proportion of what is functionally regarded as a Reading commercial market (for example at Thames Valley Park, Green Park and Winnersh Triangle). Consideration will need to be given to providing for this accommodation within the western parts of Wokingham Borough (i.e. in locations benefiting from proximity to Reading and strong strategic transport accessibility) in future and this is reflected to an extent within the relatively high requirement for office space in Wokingham implied by the CE job demand based scenario (scenario 1).

5.13 To ensure a flexible and responsive policy framework, it will be necessary not just to focus on meeting forecast quantitative requirements (which will fluctuate over time), but to consider the opportunities and risks that flow from particular policies for supporting economic growth. Any supply-side studies and assessments that may be undertaken as part of the Local Plan evidence base should assess the quality and fitness for-purpose of employment land supply across the FEMA alongside, if necessary, a more detailed analysis of the qualitative supply-side issues identified as part of this assessment.

5.14 The PPG requires local planning authorities to regularly review short-term changes in economic market conditions and it will be important that each local authority closely monitors the pace, scale and location of employment floorspace change, requirements and delivery over time, and consider this within the context of the demand-side evidence presented within this study. This process would benefit from closely working with local business sectors to understand their aspirations for new employment floorspace.

5.15 Whilst this EDNA study provides an objective assessment of economic development needs within the Central Berkshire FEMA over the period 2013-2036, the ability of local authorities within the FEMA to meet these needs both individually and collectively over this period is ultimately an issue that will need to be determined through the next stage of the Local Plan making process.

Windsor & Maidenhead

5.16 When considered in terms of ‘best fit’ to local authority area, Windsor & Maidenhead sits across two FEMAs (Central and Eastern Berkshire) due to the varied characteristics and economic role associated with different parts of the Borough. The Borough’s position within two FEMAs reflects the equally strong relationships that Windsor & Maidenhead exhibits both with more central parts of Berkshire as well as areas within South Bucks. In labour market terms, eastern parts of the Borough share a TTWA with Slough and Heathrow, while northern and western parts of the Borough have stronger functional economic relationships with western M4 corridor locations such as Reading and Wokingham. The Borough also falls within an HMA with Slough and South

Bucks according to the Berkshire SHMA, underlining the particular strength of housing market relationships within this eastern part of Berkshire.

5.17 Under the baseline job growth scenario (scenario 1), the Borough is expected to record similar levels of total job growth to other authority areas within the Central Berkshire FEMA, and strong levels of office and distribution job growth to 2036. From a commercial property market perspective, Windsor & Maidenhead shares stronger inter-relationships with the 'Core Thames Valley' sub market area than it does with the 'Heathrow-Slough-High Wycombe' sub market area, with the key centre of Maidenhead more likely to compete for occupiers and B class firms with locations such as Reading, Wokingham and Bracknell than with other Eastern Berkshire FEMA locations such as Slough (in the short term at least, notwithstanding the higher value nature of much of Slough's upcoming pipeline of office development).

5.18 From a functional property market area perspective therefore, and notwithstanding the Borough also features in the Eastern Berkshire FEMA, the Core Thames Valley sub market area (and associated Central Berkshire FEMA) would appear to represent the most pragmatic wider spatial scale within which to consider planning to accommodate Windsor & Maidenhead's economic development needs.

Appendix 1 Executive Summary – Berkshire Functional Economic Market Area Study (February 2016)

Executive Summary

This report has been prepared by Nathaniel Lichfield & Partners ('NLP') on behalf of the Thames Valley Berkshire Local Enterprise Partnership ('TVBLEP') and the six Berkshire authorities of Bracknell Forest, Reading, Slough, West Berkshire, Windsor and Maidenhead and Wokingham. It establishes the various functional economic market areas that operate across Berkshire and the wider sub-region, in order to provide the six authorities and the TVBLEP with an understanding of the various economic relationships, linkages and flows which characterise the sub-regional economy.

The methodological approach adopted for this study has been informed by national Planning Practice Guidance for assessing economic development needs and investigating functional economic market areas within and across local authority boundaries, and been subject to consultation with a range of adjoining authorities and other relevant stakeholders.

A range of information and data has been drawn upon across a number of themes as summarised below:

Economic and Sector Characteristics

- Berkshire has recorded strong job growth in recent years, outperforming the regional and national average. Reading and West Berkshire represent the largest economies in employment terms, and Bracknell Forest the smallest. In relative terms, Berkshire's economy supports a strong concentration of jobs in high value telecoms, IT, professional services and utilities sectors when compared with the wider regional sector mix.
- Particular clusters of professional services activity are accommodated within Bracknell Forest and Reading, while West Berkshire shares similar characteristics to adjoining Basingstoke & Deane and Wiltshire with regards to a strong representation of manufacturing employment. Wholesale employment is strongly represented along the M25/M40 distribution corridor from Slough through South Bucks up to Wycombe. Slough also shares similar employment characteristics to adjoining Hillingdon in terms of transport, admin & support given its proximity to Heathrow.
- The Berkshire authorities perform unevenly across a range of labour market and business demography indicators. Slough shares a number of similar labour market and business characteristics with nearby Hillingdon, Runnymede and Wycombe, while similar characteristics can also be identified between Windsor and Maidenhead and Wokingham, particularly with regards to the size profile of firms and strong enterprise performance.

Labour Market Areas

- The functional labour market areas operating across Berkshire have been examined by assessing travel-to-work patterns in and out of the sub-region. An analysis of 2011 Census commuting flows data underlines the significant effect that Reading and West Berkshire have upon travel to work patterns in Berkshire. Slough also has a strong influence on labour market movements although these commuting relationships are just as strong with neighbouring Buckinghamshire and London as they are with Berkshire.
- Census data points to a growing east-west labour market divide in Berkshire, driven by the increasing influence and draw of Heathrow in commuting terms and declining influence of Reading upon travel to work flows with more eastern parts of Berkshire. TTWAs in the west of the LEP area have remained largely unchanged over the last 10 years.
- ONS analysis using 2011 Census data identified three broad TTWAs crossing the Berkshire LEP area, and these broad areas are substantiated by a more detailed local travel to work area analysis:
    - A **Reading TTWA** comprising the whole of Reading and Wokingham Boroughs as well as the majority of Bracknell Forest and parts of South Oxfordshire, West Berkshire, Windsor & Maidenhead and Hart.
    - A **Slough and Heathrow TTWA** including all of Slough Borough and parts of Windsor & Maidenhead. The majority of this TTWA falls to the east of the TVBLEP area, comprising a number of authorities including Runnymede, Spelthorne, South Bucks and the London Boroughs of Hillingdon and Kingston upon Thames.
    - A **Newbury TTWA** comprising the majority of West Berkshire District as well as parts of Wiltshire, Basingstoke and Deane and Test Valley.
- In most cases, these TTWAs align reasonably well with Berkshire local authority boundaries, although Windsor & Maidenhead stands out as featuring within two separate TTWAs; the western parts of the Borough within the Reading TTWA and eastern parts within the Slough and Heathrow TTWA. There are also significant labour market flows between West Berkshire and Reading, with eastern parts of West Berkshire District falling within the Reading TTWA.

Housing Market Areas

- From a housing market perspective, Berkshire is influenced by household migration and travel to work patterns from a range of surrounding authorities. Recent SHMA work undertaken on behalf of the six Berkshire authorities points to the existence of two HMAs operating across the TVBLEP area; a Western Berkshire HMA covering Bracknell Forest, Wokingham, Reading and West Berkshire; and an Eastern Berkshire HMA comprising Slough, Windsor and Maidenhead and South Bucks. This uses a "best fit" to local authority boundaries approach.

- Recent HMA analysis prepared on behalf of the four Buckinghamshire authorities identified that South Bucks falls across two separate HMAs; namely a Central Buckinghamshire HMA (comprising all of Wycombe and Chiltern Districts as well as parts of Aylesbury Vale and South Bucks) and a Reading & Slough HMA (comprising the local authorities of Bracknell Forest, Reading, Slough, West Berkshire, Windsor & Maidenhead and Wokingham, as well as South Bucks).
- Since that analysis was published, South Bucks have started to progress a Joint Local Plan with Chiltern District and have commissioned new evidence to determine housing and employment requirements over the period to 2033. The latest evidence emerging from this Housing and Economic Development Needs Assessment (HEDNA) study suggests that the Joint Local Plan Area for Chiltern and South Bucks would form part of a “best fit” with a Central Bucks HMA; together with the authorities of Aylesbury Vale and Wycombe. This is noted by the study as providing the most pragmatic arrangement for establishing local planning policy, although the previously defined HMA geography (which identifies strong housing market linkages between South Bucks and Berkshire) still remains valid.
- Housing market studies prepared for other authorities surrounding Berkshire defines those authorities as falling within separate HMAs, with no evidence of overlapping housing market relationships extending into Berkshire. On this basis, it is possible to conclude that two HMAs operate across the LEP area; an Eastern Berkshire HMA (which also incorporates South Bucks) and a Western Berkshire HMA.

Commercial Property Market Areas

- Within Berkshire, the largest concentration of employment space is found in Slough, followed by Reading and West Berkshire. These three authorities represent the largest industrial locations in floorspace terms, while Reading and Windsor & Maidenhead record the highest amount of office space.
- At a sub-regional level, commercial property markets areas are centred on the M3 and M4 strategic ‘Western corridors’, driven by strong functional economic linkages to Heathrow airport and the outer west London Boroughs. Within the Western Corridor, it is possible to identify specific sub market areas, each sharing a number of similar characteristics, trends and a high degree of interaction. This includes a Core Thames Valley or ‘Upper M4’ area focused on the key M4 markets of Reading, Maidenhead, Bracknell and Wokingham, with strong economic relationships between these towns in terms of value, accessibility and labour force.
- At the eastern end of the Thames Valley lies the Slough and West London sub area, reflecting the significant influence of Heathrow Airport upon property market interactions. This sub market area also takes in the South Bucks towns of Beaconsfield and Gerrards Cross.

- The western part of the sub-region accommodates the Newbury and Swindon sub-markets, which constitute the key nodes at the western end of the M4 corridor. This property market area is characterised by a lower value profile in both office and industrial terms than the M4 markets closer to London, a quasi-industrial character in regards to much of the demand, and linkages that exist with areas beyond the western boundary of Berkshire. There is some synergy in property market terms between Newbury and Reading, and Newbury and Oxfordshire, although these linkages and property market areas are not as strong.

Consumer Market Areas

- Working age population growth is expected to slow down in future across the majority of Berkshire authorities, with a number of nearby authorities across the wider sub-region anticipated to outperform the LEP area in working age population growth terms. These anticipated trends are likely to have an impact on the scale and proportion of travel-to-work and migration flows that occur to, from and within Berkshire as the balance of employment and working age population changes.
- Reflecting its size and position in retail ranking terms, Reading has the largest consumer market catchment in Berkshire, which extends along the M4, M3 and M40 corridors taking in all of Berkshire as well as large parts of Oxfordshire, Buckinghamshire, Surrey and Hampshire.
- Other Berkshire authorities tend to have more localised retail and consumer catchment areas, reflecting their lower order retail status and critical mass of occupiers. These generally form a broad radius around the main Berkshire centres and sit within the overarching Reading consumer catchment area, and also overlap into neighbouring counties.
- Due to the overlapping and complex nature of the various consumer market areas operating across Berkshire, this analysis is most helpful for defining sub-market areas rather than overarching functional economic market areas in themselves.

Transport and Connectivity

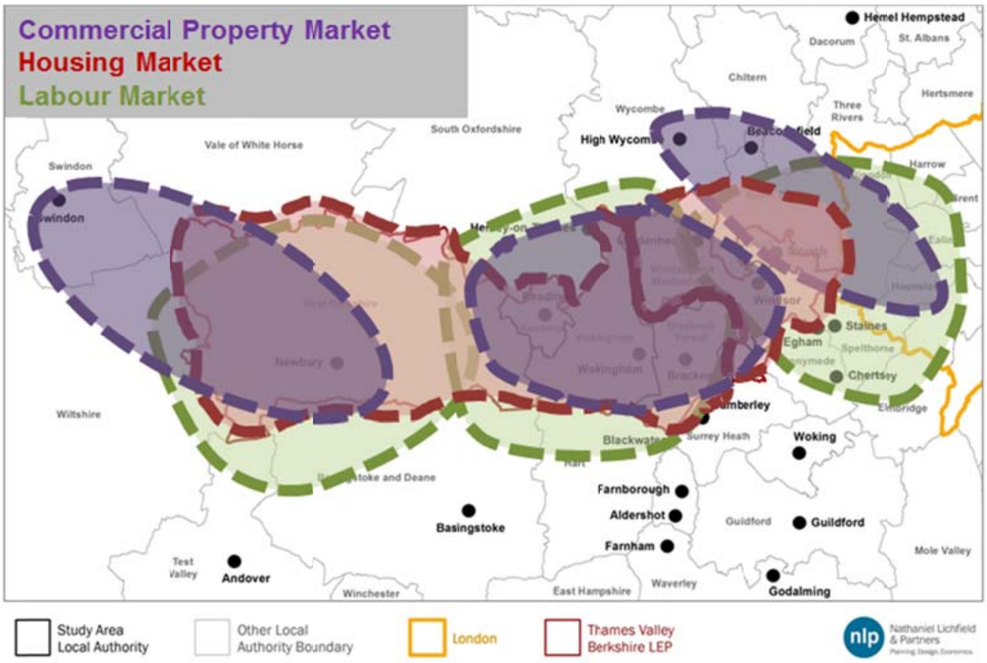
- Berkshire is located between three major east-west corridors of movement (M3, M4 and M40) and in close proximity to the M25; it therefore benefits from excellent access to motorway and trunk road networks. The LEP area is also well served by rail connections although north-south road routes are comparatively poor (with the exception of the A34 to the west of Berkshire).
- Transport accessibility is strongly linked with the geography of functional economic market areas, with the strategic transport network playing a key role in shaping commercial property, labour and housing market flows. Eastern Berkshire benefits from its proximity to a network of strategic routes which plays a key role in shaping the TTWA, housing market and commercial property market areas that operate across this part of Berkshire, and linking the key commercial centres of Slough, Heathrow Airport and High Wycombe.

- Similarly, the M4 and A4 corridors as well as the Great Western Mainline play an important role in linking Reading, Maidenhead, Wokingham and Bracknell in travel to work and commercial property market area terms. This pattern is likely to be reinforced through the operation of new Crossrail services from 2019. West Berkshire's location away from the 'core' Thames Valley cluster of Reading, Wokingham, Bracknell and Maidenhead means that commuting patterns and business movements tend to be more localised in character.
- These dynamics are echoed by peak drive time distances from Berkshire's largest centres, which identifies clear distinctions between eastern and western parts of Berkshire in terms of drive time accessibility and road connectivity.

Synthesis

- Based upon an assessment of the various functional economic markets that operate across Berkshire, it is possible to overlay each functional economic market to identify how well these align across Berkshire (Figure ES1). This represents a 'policy off' view of the geographical reach associated with different factors identified within the PPG including labour market flows, housing market areas and commercial property market areas that operate within and across Berkshire, regardless of administrative geographies. Invariably, however, these area boundaries are indicative and should not be interpreted as being either definitive or necessarily fixed over time.

Figure ES1 Functional Economic Markets – Summary Map



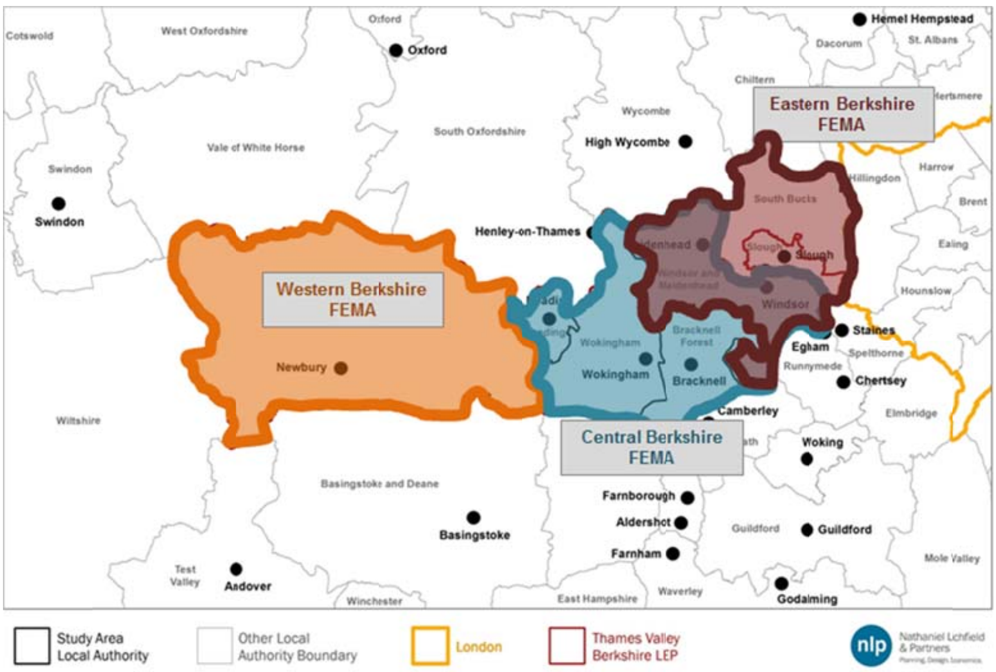
Source: NLP analysis, drawing upon a range of sources

- This shows that the spatial extent of these functional economic markets do not extend far beyond the TVBLEP administrative boundary. Parts of Surrey, Hampshire, Wiltshire, Oxfordshire, Buckinghamshire and Greater London feature within these broad geographical functional areas to a greater or lesser extent, although the only local authority area outside of Berkshire which consistently falls within these broad areas is South Bucks, which shares strong economic relationships with Berkshire (and in particular with eastern parts of Berkshire) in travel-to-work, housing and commercial property market terms.

Defining Core Functional Economic Market Areas

- In light of the inevitably nebulous nature of functional economic markets, it is helpful for Local Planning Authorities to identify a pragmatic and logical "best fit" with these various functional economic markets within the context of establishing Local Plan evidence and for the purposes of developing policy. On this basis, Figure ES2 below identifies three core Functional Economic Market Areas (FEMAs) that represent a "best fit" with local authority boundaries. These core FEMAs encompass those local authority areas that the evidence indicates consistently have strong inter-relationships.

Figure ES2 Core Functional Economic Market Areas (Best Fit to Local Authority Boundaries)



Source: NLP analysis, drawing upon a range of sources

- The '**Central Berkshire FEMA'** includes the authority areas of Reading, Wokingham, Bracknell Forest and Windsor & Maidenhead. This aligns with the ONS defined Reading TTWA and also the Upper M4 commercial property market area which is focused around the key M4 markets of Reading, Maidenhead, Bracknell and Wokingham, with strong economic relationships between these towns in terms of value, accessibility and labour force.
- The '**Western Berkshire FEMA'** comprises West Berkshire District and the key centre of Newbury. This area is characterised by having a relatively self-contained TTWA and tends to operate within a westward facing commercial property market constituting a key node at the western end of the M4 corridor. Whilst there is some synergy in travel to work and property market terms between Newbury and Reading, these linkages are not considered sufficiently strong to include West Berkshire within the Central Berkshire FEMA.
- The '**Eastern Berkshire FEMA'** comprises the two Berkshire authorities of Slough and Windsor & Maidenhead, alongside South Bucks. This area is consistent with the Slough and Heathrow TTWA as defined by the ONS (which comprises a number of other authority areas outside of Berkshire) as well as the Eastern Berkshire HMA. Within this FEMA, economic relationships with adjoining Buckinghamshire and West London are just as strong as they are with the rest of Berkshire and this is reflected in commercial property terms through the identification of a Slough & West London property market area. Of all three FEMAs, the Eastern Berkshire FEMA has the greatest degree of relationship and influence with areas beyond Berkshire, with South Bucks consistently standing out as sharing strong economic linkages with eastern parts of Berkshire.
- Windsor & Maidenhead sits across two FEMAs (Central and Eastern Berkshire) due to the varied characteristics and economic role associated with different parts of the Borough. The Borough's position within two FEMAs reflects the equally strong relationships that Windsor & Maidenhead exhibits with both more central parts of Berkshire as well as areas within South Bucks. In labour market terms, eastern parts of the Borough share a TTWA with Slough and Heathrow[1], while northern and western parts of the Borough have stronger functional economic relationships with western M4 corridor locations such as Reading and Wokingham. The Borough also falls within an HMA with Slough and South Bucks according to the Berkshire SHMA, underlining the particular strength of housing market relationships within this eastern part of Berkshire.

[1] Defined by ONS as the 'Slough and Heathrow' travel to work area (2011 Census based)

- Analysis undertaken as part of this study identifies evidence of interactions between the various Core FEMAs and with adjoining authorities outside of Berkshire. Whilst “best fit” areas have been defined above for the purposes of informing future plan making, it should be recognised that the boundaries of these areas are porous given the different layers of inter-relationship that exist between each area as well as across the TVBLEP area overall. It is important to continue to recognise these relationships in Duty to Cooperate terms.

Appendix 2 Glossary

B Class: Sectors or activities that typically utilise land and/or buildings for B1 Business, B2 General industrial and B8 Storage or distribution purposes, as defined by the Town and Country Planning (Use Classes) Order 1987.

Functional Economic Market Area (FEMA): The spatial level at which local economies and markets operate in practice.

Grade A Office Space: Office buildings classified as 'Grade A' are typically brand new, recently redeveloped, or have experienced a thorough refurbishment (typically to BREEAM standards). Grade A offices will also tend to possess high-quality furnishings, state-of-the-art facilities, and excellent accessibility.

By comparison, Grade B office space refers to properties that fall below the Grade A remit, typically in terms of location, facilities and maintenance. Grade B offices are usually maintained and finished to a good or fair standard, with adequate facilities.

Grade C offices provide functional space for tenants looking for low rents. The fit-out is usually much lower quality than A or B Grade properties, while internal furnishings and decoration are usually not maintained regularly, or to a high standard.

Gross Floorspace Completions: The total amount of new floorspace developed or completed over the course of a given year.

National Planning Policy Framework (NPPF): The Government's overarching planning policies for England. The framework acts as guidance for local planning authorities and decision-takers, both in drawing up plans and making decisions about planning applications.

National Planning Practice Guidance (NPPG): The Government's web-based resource providing practical guidance to assist practitioners in implementing national planning policies set out in the NPPF.

Net Floorspace Completions: The total amount of net additional floorspace developed or completed over the course of a given year, taking into account any loss of existing floorspace that has occurred to another use. Net completions are calculated by subtracting losses of floorspace from gross floorspace completions.

Objectively Assessed Housing Need (OAN): The scale and mix of housing and the range of tenures that is likely to be needed in the housing market area over the plan period.

Permitted Development Rights: General planning permission which has been granted by Parliament (rather than the local authority) which enables certain types of development or work to take place without the need to apply for planning permission.

Plot Ratio: The ratio of a building's total floor area to the size of the piece of land upon which it is built.

Safety Margin: An allowance for factors such as delays in some sites coming forward for development, added to the overall requirement for employment floorspace. It provides a degree of flexibility for the purposes of planning for business space over a given plan period.

Small and Medium Enterprises (SMEs): A business or company that has fewer than 250 employees.

Appendix 3 Methodology Consultation Questions

Berkshire Functional Economic Market Area Study and Economic Development Needs Assessment – Method Consultation

1. Introduction

The Thames Valley Berkshire Local Enterprise Partnership (TVBLEP), in conjunction with the six Berkshire local authorities of Bracknell Forest, Reading, Slough, West Berkshire, the Royal Borough of Windsor and Maidenhead and Wokingham, have recently commissioned independent planning and economic consultants Nathaniel Lichfield & Partners (NLP) to undertake a study to establish the various Functional Economic Market Areas (FEMAs) that operate across the Berkshire sub-region and the economic development needs that local authorities should be planning for within these FEMAs. The work will begin by developing appropriate methodologies for undertaking the study, and then use these methodologies to identify the relevant FEMAs and economic development needs to 2036.

This piece of work reflects the recognition that the geographical extent of local economies do not necessarily adhere to administrative boundaries, alongside the requirement set out in the Planning Practice Guidance (PPG) for local authorities to consider their economic needs in relation to Functional Economic Market Areas.

Evidence from this study will form the basis for the development of economic policies through each local authority's future local plan process(s) as well as other economic development work within and between the local authorities, and the work of the LEP.

The study will be undertaken in two parts; the first will establish the FEMA(s) that each of the six Berkshire local authorities sit within. The second part of the study will comprise an Economic Development Needs Assessment (EDNA) for each of the FEMAs identified through part one. It will use the methodology being developed as part of this work to identify the future quantity of land or floor space that will be required for economic development uses over the period to 2036 in each local authority area and in each of the defined FEMA(s). This will include both a quantitative and qualitative assessment of the need for new development.

The study represents early stage technical analysis and there will be further work to do on specific tasks and topics in due course. It should be noted that a Strategic Housing Market Assessment (SHMA) is being concluded on behalf of the six local authorities in Berkshire and the TVBLEP. Whilst the emerging findings from the SHMA will feed into this work, it does not form part of this FEMA study.

NLP have prepared an outline methodology for parts one and two of the study based upon guidance from the PPG and from experience elsewhere. It is important that the analysis is based on robust and credible evidence and is informed through consultation with key stakeholders including neighbouring local authorities and other organisations with an interest in economic development across the wider sub-region.

We are therefore inviting your feedback and comments on the proposed methodology and would be grateful if you could spend a few minutes to complete this short survey by Wednesday 28 October. If you have any queries about this survey, or would like more information about the FEMA study, please contact Caroline Perkins at TVBLEP on 0118 945 0201 or Caroline@thamesvalleyberkshire.co.uk.

Berkshire Functional Economic Market Area Study and Economic Development Needs Assessment – Method Consultation

2. Survey Participants

Please provide your details below so that we can better understand the context of your feedback and comments.

Name	
Organisation	
Email Address	
Phone Number	

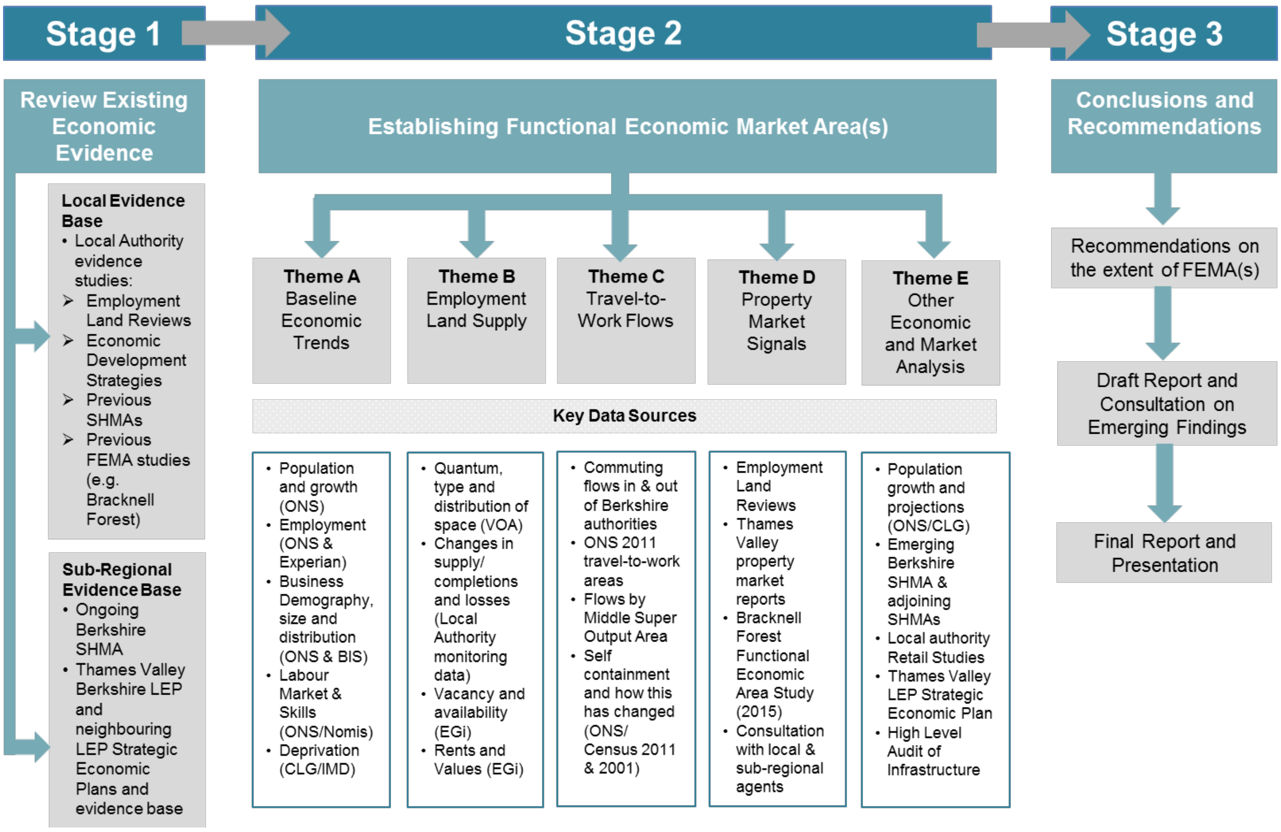
Berkshire Functional Economic Market Area Study and Economic Development Needs Assessment – Method Consultation

3. Part One - Identifying Functional Economic Market Area(s)

Methodology Overview

The identification of the FEMA(s) is proposed to involve three key stages, as set out in Figure 1 below.

Figure 1 Functional Economic Market Area Outline Methodology



STAGE 1 - REVIEW EXISTING ECONOMIC EVIDENCE

This stage would identify the context for the study by reviewing the existing evidence base associated with each of the six Berkshire local authorities on economic development, employment, transport, housing and retail matters, as well as evidence and documents that consider growth at the sub-regional level. Example documents are listed in the Methodology Diagram above.

Does this represent a comprehensive suite of existing economic evidence to review?

◯ Yes

◯ No

Any comments?

Are there any other sources that could be considered?

STAGE 2 - ESTABLISHING FUNCTIONAL ECONOMIC MARKET AREA(S)

This stage would involve analysing a range of information and data to establish and spatially define the various Functional Economic Market Areas that operate across the Berkshire sub-region. We propose to structure this analysis across five key themes, as shown in the Methodology Diagram above.

Do each of the proposed themes (A to E) represent a logical and robust input to defining the Functional Economic Market Area(s) operating across the Berkshire sub-region?

	Yes	No
A: Baseline Economic Trends	◯	◯
B: Employment Land Supply	◯	◯
C: Travel-to-Work Flows	◯	◯
D: Property Market Signals	◯	◯
E: Other Economic and Market Analysis	◯	◯

Any comments?

Are there any other sources of data or information that could be considered?

A: Baseline Economic Trends

B: Employment Land Supply

C: Travel-to-Work Flows

D: Property Market Signals

E: Other Economic and Market Analysis

Do you have any other comments on the proposed methodology, data sources or themes that are proposed as part of the Berkshire Functional Economic Market Area Study?

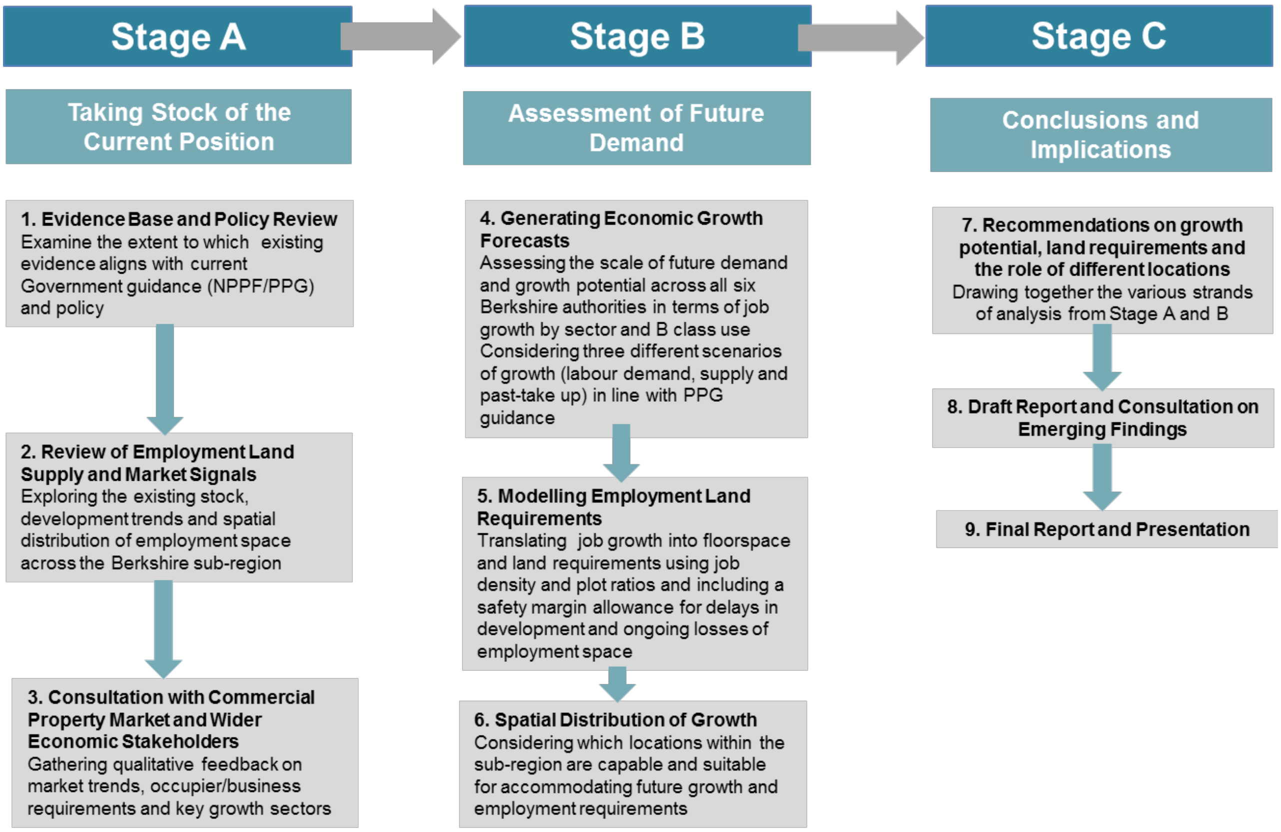
Berkshire Functional Economic Market Area Study and Economic Development Needs Assessment – Method Consultation

4. Part Two - Economic Development Needs Assessment

Methodology Overview

The assessment of economic development needs is proposed to involve three key stages, as set out in Figure 2 below. For the purposes of the study, 'economic development needs' relate to the B use class sectors, namely B1 Business (offices, research & development, light industry); B2 General Industrial; and B8 Storage or Distribution (wholesale warehouses, distribution centres).

Figure 2 Economic Development Needs Assessment Outline Methodology



STAGE A: TAKING STOCK OF THE CURRENT POSITION

1. Evidence Base and Policy Review

This task would identify the baseline position and previous economic evidence prepared by each of the six Berkshire local authorities (where not already reviewed as part of Part 1). We would examine the extent to which this existing evidence aligns with current Government guidance (NPPF/PPG) and policy.

Do you have any comments on the proposed approach for this task?

2. Review of Employment Land Supply and Market Signals

This task would explore the existing stock, development trends and spatial distribution of employment space across the Berkshire sub-region and each individual local authority area within it. This will provide a detailed understanding of recent patterns and change within the sub-regional commercial property market, drawing on data from the Valuation Office Agency (VOA), Council monitoring data and web-based property availability registers.

Do you have any comments on the proposed approach for this task?

3. Consultation with Commercial Property Market and Wider Economic Stakeholders

We would gather qualitative feedback on market trends, occupier/business requirements and key growth sectors from a range of stakeholders including commercial property market agents, local economic and business organisations.

Do you have any comments on the proposed approach for this task?

STAGE B: ASSESSMENT OF FUTURE DEMAND

4. Generating Economic Growth Forecasts

This task would assess the scale of future demand and growth potential of the six Berkshire local authorities and identified FEMAs in order to quantify the amount and type of employment land needed across the main employment use classes up to 2036, in both quantitative and qualitative terms. We propose to consider three different scenarios of growth, based on labour demand, labour supply and past take-up in line with PPG guidance.

Do you have any comments on the proposed approach for this task?

5. Modelling Employment Land Requirements

For all scenarios, job growth projections would be translated into floorspace requirements using industry standard job density ratios. Floorspace estimates would be converted into employment land needs using appropriate assumptions on plot ratios for different locations/types of development, based on Government guidance or any local information available. A safety margin allowance will be incorporated to account for delays in development and ongoing losses of employment space.

Do you have any comments on the proposed approach for this task?

6. Spatial Distribution of Growth

Within the context of identified future requirements, this task would consider which locations and key sites within the sub-region are capable and suitable for accommodating this growth based upon a high level SWOT analysis of the sub-region's commercial property market and FEMA(s).

Do you have any comments on the proposed approach for this task?

Thank you for taking the time to complete the survey.

Appendix 4 Methodology Consultation Responses Summary

Consultation was undertaken at the beginning of the study to gain feedback on the proposed methodology for both Part One (FEMA analysis) and Part Two (Economic Development Needs Assessment) of the study. The summary below incorporates responses received with regards to the Part Two EDNA analysis only.

Responses to the methodology consultation were received from the following consultees. Not all respondents provided written responses or comments on the study methodology; ID reference numbers are provided below to illustrate where comments were received.

- University of Reading (ID: M1)
- TFB Cinnamon Café (ID: M2)
- Peasemore Parish Council (ID: M3)
- Federation of Small Businesses (ID: M4)
- Wraysbury Parish Council (ID: M5)
- Newbury Town Council (ID: M6)
- Bracknell Forest Council (Business Team) (ID: M7)
- Telefonica UK (ID: M8)
- Rushmoor Borough Council (ID: M9)
- Enborne Parish Council (ID: M10)
- Hungerford Town Council (ID: M11)
- Guildford Borough Council (ID: M12)
- Runnymede Borough Council (ID: M13)
- Windsor and Eton town Partnership (ID: M14)

Consultation Response	ID Ref	NLP Comments/Response
Part Two: Economic Development Needs Assessment		
STAGE A: TAKING STOCK OF THE CURRENT POSITION		
1. Evidence Base and Policy Review Do you have any comments on the proposed approach for this task?		
How accurate is Government guidance and policy?	M5	It represents the official benchmark for undertaking analysis of this type.
Is the data up to date, relevant and comprehensive?	M6	The data that has been used is the most accurate and robust available.
Not sure if there are resources, but if there are wider consultations or surveys with the business community (instead of just partners) would be useful to get a better idea of local and regional views. This would be useful for below points as well (2. and 3.)	M7	Wider consultation with the business community falls beyond the scope of the EDNA study.
Impact of restrictions applying to A O N B s	M11	Specific consideration of AONBs falls beyond the scope of the EDNA study.
If there are Local Authorities outside of Berkshire which form part of the resultant FEAs, will the existing position in these authority areas also be assessed to give a full picture of the existing picture across each identified FEA?	M13	In theory yes, however the 3 FEMAs identified by the Part One FEMA study do not extend beyond Berkshire.
2. Review of Employment Land Supply and Market Signals Do you have any comments on the proposed approach for this task?		
Do they have accurate information because I suspect for example that Slough's population data is an underestimate?	M5	The data that has been used is the most accurate and robust available.
The proposed approach prejudges the outcome of the determination of the extent of the FEA by looking at the Berkshire sub-region. This is not necessarily wrong, but it should depend on the outcome of the FEA work	M9	The study area for each of the EDNAs has been identified from the conclusions of the Part One FEMA study (i.e. that there are 3 FEMAs operating across Thames Valley Berkshire)
Same comment as above-If there are Local Authorities outside of Berkshire which form part of the resultant FEAs, will their evidence also be considered and will engagement occur with these Authorities under the DtC to give a full picture across each identified FEA?	M13	The 3 FEMAs identified by the Part One FEMA study do not extend beyond Berkshire.
3. Consultation with Commercial Property Market and Wider Economic Stakeholders Do you have any comments on the proposed approach for this task?		
Do you survey home-workers?	M5	Home-workers are not specifically consulted as part of the consultation process, however the Part One FEMA study has looked at patterns and trends in home-working across the Thames Valley
This should not be focused solely on the Berkshire geographical area. For example, consideration should be given to overlap with the Blackwater Valley Market Area given that the southern section of Bracknell Forest has strong linkages with that	M9	The study area for each of the EDNAs has been identified from the conclusions of the Part One FEMA study (i.e. that there are 3 FEMAs operating across Thames

Consultation Response	ID Ref	NLP Comments/Response
Market Area		Valley Berkshire)
No. I assume that all of the Local Authorities identified in Bracknell's draft DtC statement for economic matters (including Runnymede) will be consulted on the emerging evidence.	M13	Yes.
STAGE B: ASSESSMENT OF FUTURE DEMAND		
4. Generating Economic Growth Forecasts Do you have any comments on the proposed approach for this task?		
What factors are built in for changes in employment?	M5	The employment forecasts used as part of the EDNA assume that changes occur within individual sectors of the economy in line with macro-economic forecasts and how local areas have performed across different sectors in the past
There are far more requirements than land needed to facilitate/ promote/ support economic growth	M6	These other requirements fall beyond the scope of the EDNA study.
Labour demand scenarios can vary significantly, depending on the economic forecasting model that is used. Experian, Cambridge Economics and Oxford Economics could all be called upon to determine the labour supply scenario. The report should clarify which economic forecasting model has been used, and why, and caveat the outcomes accordingly	M9	Economic forecasts from Cambridge Economics have been used in the EDNAs to be consistent with other Thames Valley Berkshire evidence. This has been clarified and caveated within the report.
No. But as above, I am interested to know how you would propose to deal with the situation if Local Authorities outside of Berkshire form the identified FEAs	M13	The 3 FEMAs identified by the Part One FEMA study do not extend beyond Berkshire.
5. Modelling Employment Land Requirements Do you have any comments on the proposed approach for this task?		
Obviously externally difficult to forecast, but take visitor Tourism into consideration	M2	Tourism is not a ‘B Class’ sector so it is not possible to model land requirements as part of the EDNA. Job growth projections for the recreation sector are included within Chapter 4.0 of the report.
Again please note my comment about home working and there is nothing said about the need for better broadband access and speed and there are blackspots not least in this village.	M5	These connectivity and accessibility issues are examined by the Part One FEMA study.
It is also important to include an allowance for natural churn in the market; anything up to 10% vacancy levels is considered to be appropriate to allow turnover of commercial properties. How will the Economic Needs Assessment take into account the confirmed and forthcoming changes to PD rights relating to some B class uses? Will the report consider recommending that some core employment sites in the FEA are made the subject of Article 4 Directions to protect the housing/employment balance in the FEA over the long term planning period?	M9	A vacancy level of 10% has been allowed for within the EDNA methodology and calculations. Council monitoring data on PD rights has been analysed and presented within the EDNA report. A detailed analysis of employment sites and supply falls beyond the scope of the EDNA study.

Consultation Response	ID Ref	NLP Comments/Response
6. Spatial Distribution of Growth Do you have any comments on the proposed approach for this task?		
The property market does not entirely show for example the failure to meet the needs of young people. There is need for more provision for older people such as retirement villages which in themselves will provide more employment.	M5	The need for different types of housing falls beyond the scope of the EDNA study.
Same comment as above about how Local Authorities outside Berkshire would be factored in.	M13	The 3 FEMAs identified by the Part One FEMA study do not extend beyond Berkshire.

Appendix 5 Emerging Findings Consultation Questions

Central Berkshire Economic Development Needs Assessment – Draft Report Consultation

Introduction

The Thames Valley Berkshire Local Enterprise Partnership (TVBLEP), in conjunction with the six Berkshire local authorities of Bracknell Forest, Reading, Slough, West Berkshire, the Royal Borough of Windsor and Maidenhead and Wokingham have commissioned independent planning and economic consultants Nathaniel Lichfield & Partners (NLP) to undertake assessments of the economic development needs that local authorities should be planning for within the Functional Economic Market Areas (FEMAs) that they operate in. These FEMAs were identified as a result of earlier work and are:

- Western Berkshire FEMA: comprising West Berkshire.
- Central Berkshire FEMA: comprising Bracknell Forest, Reading, the Royal Borough of Windsor and Maidenhead and Wokingham.
- Eastern Berkshire FEMA: comprising Slough, the Royal Borough of Windsor and Maidenhead and South Bucks (future economic development needs have not been specifically assessed for South Bucks as it falls outside of the TVBLEP area).

This consultation is on the Draft Economic Development Needs Assessment (EDNA) that has been prepared for the Central Berkshire FEMA.

The EDNA study provides an assessment of the future business needs and requirements for employment land and floorspace within the defined FEMA, focusing on the group of 'B use class' sectors (i.e. B1, B2 and B8) which together broadly cover office and industrial (including warehousing) land uses.

The draft report includes an Executive Summary which provides an overview of the key findings and conclusions. The Central Berkshire EDNA report can be downloaded **here**.

The study has been carried out in accordance with the Planning Practice Guidance and follows a methodology that was previously consulted on with wider stakeholders. It is important that this assessment has been based upon robust and credible evidence, and is informed through consultations with key stakeholders including neighbouring authorities and other bodies with an interest in economic development across the wider sub-region.

We are inviting your feedback and comments on the draft Central Berkshire EDNA and would be grateful if you could complete this short survey by Tuesday 5th July.

Evidence from this two part study will be used, alongside other economic evidence, to inform the preparation of economic policies in each local authority's future local plan process(s) as well as other economic development work within and between the local authorities, and the work of the TVBLEP. The study represents early stage technical analysis and there will be further work to do on specific tasks and topics in due course.

If you have any queries about this survey, or would like more information about the study, please contact Caroline Perkins at TVBLEP on 0118 945 0201 or Caroline@thamesvalleyberkshire.co.uk.

Central Berkshire Economic Development Needs Assessment – Draft Report Consultation

Survey Participants

1. Please provide your details below so that we can better understand the context of your feedback and comments.

Name

Organisation

Email Address

Phone Number

Thames Valley Berkshire
LOCAL ENTERPRISE PARTNERSHIP

Nathaniel Lichfield & Partners
Planning. Design. Economics.

Central Berkshire Economic Development Needs Assessment – Draft Report Consultation

Section 2.0: Overview of Employment Space

This page provides an opportunity to comment on the analysis undertaken in Section 2.0 of the draft study. Please refer to specific paragraph numbers where relevant.

2. Do you have any comments regarding the analysis of employment (i.e. B use class) space in the Central Berkshire FEMA as set out in Section 2.0?

Central Berkshire Economic Development Needs Assessment – Draft Report Consultation

Section 3.0: Commercial Property Market Signals and Intelligence

This page provides an opportunity to comment on the analysis undertaken in Section 3.0 of the draft study. Please refer to specific paragraph numbers where relevant.

3. Do you have any comments regarding the analysis of the commercial property market in the Central Berkshire FEMA as set out in Section 3.0?

Thames Valley Berkshire LOCAL ENTERPRISE PARTNERSHIP

Nathaniel Lichfield & Partners
Planning. Design. Economics.

Central Berkshire Economic Development Needs Assessment – Draft Report Consultation

Section 4.0: Future Requirements for Employment Space

This page provides an opportunity to comment on the analysis undertaken in Section 4.0 of the draft study. Please refer to specific paragraph numbers where relevant.

4. Do you have any comments regarding the development of the three future economic scenarios presented in Section 4.0:

Scenario 1: Baseline Labour Demand

Scenario 2: Past Completion Rates

Scenario 3: Labour Supply

5. Do you have any comments regarding the calculation of Gross Employment Space and Land Requirements as set out in Section 4.0?

Central Berkshire Economic Development Needs Assessment – Draft Report Consultation

Section 5.0: Policy Implications and Conclusions

This page provides an opportunity to comment on the overall conclusions set out in Section 5.0, as well as to provide any other comments regarding the draft study. Please refer to specific paragraph numbers where relevant.

6. Do you have any comments regarding the overall conclusions of the study (including the assessment of future economic development needs) and potential policy approaches in relation to employment space for emerging Local Plans across the Central Berkshire FEMA?

7. Do you have any other comments regarding the analysis undertaken for the draft Central Berkshire Economic Development Needs Assessment?

Thank you for taking the time to provide your feedback and comments.

Appendix 6 Emerging Findings Consultation Responses Summary

Responses to the emerging findings consultation were received from the following consultees. Not all respondents provided written responses or comments on the emerging study findings; ID reference numbers are provided below to illustrate where comments were received.

- Surrey County Council (ID: EF1)
- Basingstoke and Deane Borough Council (ID: EF2)
- Crowthorne Parish Council (ID: EF3)
- Bracknell Forest Economic and Skills Development Partnership (ID: EF4)
- Buckinghamshire County Council (ID: EF5)
- Green Park No1 Limited and Mapletree Investments (ID: EF6)

Consultation Response	ID Ref	NLP Comments/Response
Section 2.0: Overview of Employment Space		
2. Do you have any comments regarding the analysis of employment (i.e. B use class) space in the Central Berkshire FEMA as set out in Section 2.0?		
We note the comment in section 2.0 that 'With PDR now confirmed as permanent, it will be necessary for necessary for the four local authorities forming the Central Berkshire FEMA to carefully monitor future losses of office space to determine whether additional provision becomes necessary over and above the requirements set out in Section 4.0'. The refresh of EnterpriseM3's Commercial Property Market has also concluded that there is a need to review the impact of PDR and lobby Government if necessary. The position in Central Berkshire is similar to the position in adjoining parts of Surrey and we would urge the Berkshire authorities to work with Surrey authorities in addressing this issue if needed.	EF1	Comment noted.
The council notes the references to Basingstoke in this section.	EF2	n/a
On Page 11 more should be said regarding Bracknell's digital sector strength; with Dell, HP, Fujitsu, Vodafone, Sharp Telecommunications, Avnet, Netgear, etc. all within the borough.	EF4	References to these digital companies have been added at para 2.13.
Paragraphs 2.7 to 2.9 of the draft EDNA recognises that Reading accommodates 33% of office space within the Central Berkshire Functional Economic Market Area (FEMA), with the geographic area of the Greater Reading commercial market making an important contribution to this. Figure 2.10 illustrates that since 2005, there has been a net loss of employment space (B1-B8 Class) in Reading of approximately 108,910 sqm space, with the office sector in Reading losing a total of 109,720 sqm of floorspace. While these statistics are based on a robust evidence base, the experience of Green Park as a proportion of this, is very different to the overall picture presented for Reading.	EF6	As noted in para 2.30, the monitoring period for which detailed completions data is available (i.e. 2005/06 to 2014/15) post-dates the period of time around the late 1990s and early 2000s when significant new commercial development was completed at Green Park. This suggests that the past monitoring data available for Reading is likely to underestimate the scale of office space growth that has been recorded in the Borough over recent years.
Section 3.0: Commercial Property Market Signals and Intelligence		
3. Do you have any comments regarding the analysis of the commercial property market in the Central Berkshire FEMA as set out in Section 3.0?		
The council notes the references to Basingstoke in this section.	EF2	n/a
Page 60 concludes that, when taking into account all three scenarios that are projecting economic growth, the range of land requirement is between: 64,410sq.m to 1,457,920sq.m over the period to 2036. Clearly this is a very wide range and far too open ended. The study should make it clear that such a conclusion cannot be adopted; otherwise local councils cannot effectively plan for the appropriate level of growth.	EF4	The Conclusions chapter (Chapter 5) provides recommendations on which growth scenarios should be adopted by the local authorities within the FEMA.
The study outlines the importance of replacing lost employment space during the period till 2036 of 25%. This is important; however the figure of 25%	EF4	Some commentary is provided at paras 4.50 to 4.55 to explain the rationale for applying the

Consultation Response	ID Ref	NLP Comments/Response
does not seem to have any objective rationale. This leaves the reader feeling whether or not this is reasonable or not; and possibly it should be a higher percentage.		allowances. Ultimately each LPA must decide how much employment space should be planned for over and above the net requirement, taking into account a range of both quantitative and qualitative factors.
The study, however, does not include any information regarding the protection of employment land in a literal sense. The study should advise that local authorities include policy to project defined strategically important employment land against permitted development; change of use to residential.	EF4	This issue is considered to fall beyond the scope of the EDNA and should be explored as part of an employment land supply side assessment.
The study concludes that Bracknell Forest will be the driver for economic growth in Berkshire. Scenario 2, even taking into account replacing lost employment land, would result is Bracknell Forest losing 109,395 sq m of land from now (2016) till 2036. When taking into account the governments plan to give 100% of business rates to local government area, this would result in the council losing around £328k per annum over the next 20 years. For these reasons, scenario 2 cannot be an option and the study should make that clear.	EF4	The conclusions (Chapter 5) acknowledge that the past take-up based scenario provides a less robust basis for understanding objectively assessed need arising from economic growth.
When comparing scenario 1 and 3, taking into account replacing lost employment land, the impact of potential business rate income to Bracknell Forest is notable. Scenario 1 would require 534,000 sqm over the next 20 years, if this happened the council would generate around £1.5m per annum. Scenario 2 would require 452,000 sqm over the next 20 years, if this happened the council would generate around £1.3m per annum. From an income generation point of view, option 1 would be preferred.	EF4	The policy decision about how much employment land should be planned for will need to take into account a range of factors, and business rate income will be just one consideration.
Since Oxford Properties (now Mapletree Investments) acquired Green Park and took control of Cisco's vacant space, the Park has outperformed the competition with the vacancy rate falling from 53% to 7% and prime headline rents increasing by 52% to £35 per sq ft. Four global brands have relocated their headquarters to Green Park in the last 4 years, a unique achievement for any UK location during this period. This success is due to the park's great location, accessibility, an active asset management programme, investment in the retail/leisure amenities and its landscaped environment. The park has attracted a large number of start-ups and growing businesses as well as very large multi-nationals. As a result, the largest contiguous unit now available at Green Park is 29,000 sq ft which, with zero tenant sublease space, means there are no HQ units available for the first time in 15 years. The occupiers who have come to Green Park have been attracted to the park from a wide area; from Reading, Newbury, Basingstoke, Bracknell and further afield.	EF6	Additional commentary on Green Park has been added at para 3.30 to reflect these comments.
The potential contribution of Green Park to future employment space in Reading, the Thames Valley and the Central FEMA is significant. A 'refresh' of	EF6	Reference to the refreshed Green Park Masterplan has been added at para 3.34.

Consultation Response	ID Ref	NLP Comments/Response
the approved Masterplan for Green Park was undertaken during 2015/2016.		
The scale of future employment space available at Green Park should be factored into the assessment of future labour supply and demand.	EF6	Future employment space availability falls beyond the scope of the EDNA and should be explored as part of an employment land supply side assessment.
Section 4.0: Future Requirements for Employment Space		
4. Do you have any comments regarding the development of the three future economic scenarios presented in Section 4.0:		
Scenario 1: Baseline Labour Demand		
Under Scenario 1 (Baseline Labour Demand), forecast office job change is expected to increase by just 3,105 jobs between 2013 and 2036; 1,415 of these will be office based jobs. In support of this, Table 4.3 suggests a net floorspace requirement of 19,460 sqm (GEA). Based on the available space at Green Park (consent and unconsented), these figures appear low. For example, a planning permission for 400 Longwater Avenue is due to be determined in July 2016, which has a total floorspace of approximately 27,000 sqm (GEA). This building alone which is expected to be built within two years of planning permission would surpass the net floorspace requirement for the whole of Reading prior to 2020. While the building is not yet let, anecdotal evidence suggests that prior to completion, the building will be substantially let. It is therefore suggested that Scenario 1 under estimates office job growth in Reading.	EF6	The focus of the EDNA is upon an objective assessment of economic development needs, and is purely demand based. This comment is confusing demand with supply. Pipeline availability of space at Green Park is not considered as part of the EDNA and will need to be considered as part of a next stage supply side assessment (i.e. to establish whether pipeline supply is sufficient to accommodate identified needs).
Scenario 2: Past Completion Rates		
On Page 62 the study notes – "As a FEMA wide approach, the past take-up based scenario therefore appears to provide a less robust basis for understanding objectively assessed need arising from economic growth". This is a weak comment, but based on this scenario, which would result in a trend of negative economic growth, it is the correct conclusion. This statement should be made with more certainty and conviction.	EF4	This statement is considered to accurately reflect the conclusions that have been reached in respect of the past take-up based scenario.
Scenario 3: Labour Supply		
On Page 62 the study notes – "…in light of the NPPF requirement to plan positively for growth, local authorities within the FEMA should consider planning to accommodate at least the labour supply based requirement (scenario 3) to ensure that the FEMA's indigenous growth potential (i.e. arising from its resident workforce) is not constrained by lack of spatial capacity in future." This is a far more positive statement, which is objective, but has conviction; something the above note lacks.	EF4	n/a
5. Do you have any comments regarding the calculation of Gross Employment Space and Land Requirements as set out in Section 4.0?		

Consultation Response	ID Ref	NLP Comments/Response
Section 5.0: Policy Implications and Conclusions		
6. Do you have any comments regarding the overall conclusions of the study (including the assessment of future economic development needs) and potential policy approaches in relation to employment space for emerging Local Plans across the Central Berkshire FEMA?		
We note the overall conclusion that 'whilst growth needs have been identified on a FEMA wide and individual local authority basis, there will be some degree of footloose needs that potentially operate and can be accommodated across individual local authority boundaries.' In taking forward the study we would like to draw the four local authorities forming the Central Berkshire FEMA's attention to a study currently being carried out by Enterprise M3 to refresh its commercial property market study. The report will shortly be available to download from the Enterprise M3 website. The report summarises the demand for office and industrial space across the Enterprise M3 area some of which adjoins the Central Berkshire FEMA.	EF1	Comment noted.
In Reading in particular, the potential negative impact of planning policies on the supply of employment space should be considered.	EF6	Supply side issues fall beyond the scope of the EDNA.
7. Do you have any other comments regarding the analysis undertaken for the draft Central Berkshire Economic Development Needs Assessment?		
This stage of NLP's work appears to be limited to forecasting future labour-based land use needs, and consultation responses should therefore reflect this. The context of the work undertaken and how the findings of the report are to be used by the LEP and Borough Councils therefore needs to be explained. It would be helpful to understand the role the forecasts will play in planning future land use allocations and their relevance to future policy making.	EF4	The context of the work and an explanation of how the findings of the report are to be used by the LEP and Borough Councils is included within the Introduction (Chapter 1).
To help understand the significance of the forecast needs for increased office and industrial floor space, the forecasts should be tabulated against estimates of the existing volumes of labour space in the FEMA and for each Borough area, along with available information on current planned provisions for additional space and currently vacant space.	EF4	Forecast spatial requirements are compared against existing stock in the FEMA in Chapter 4 (see paras 4.57 and 4.58). Additional comparison with existing stock in each Borough has been added (see Table 4.11). Consideration of planned provisions for additional space and pipeline future supply falls beyond the scope of the EDNA.
The study needs to end with a bullet pointed list of recommendations based on the evidence and conclusions produced by the study, so that there is no ambiguity over the findings and policy makers can be confident that their decisions are robustly supported. The relative difference in forecasts for office and industrial space need to be explained as there appears to be a need to increase the provision of additional industrial space at the expense of office space, and this change would require a critical policy consideration.	EF4	Recommendations are provided in Chapter 5, this includes an explanation for the relative balance between future office and industrial employment growth (and associated floorspace requirements) (see para 5.10).

Consultation Response	ID Ref	NLP Comments/Response
The forecasts do not appear to take into account other planning and economic factors relating to other forms of development, such as Bracknell's town centre regeneration, which will have a substantial influence on the attractiveness of the Borough to businesses considering locating or remaining in Bracknell, and also on future labour requirements for the town centre itself. There will also be an impact on the growth in housing demand from an increased workforce associated with the town centre.	EF4	The baseline CE employment forecasts are policy neutral, so inevitably don't take account of planned investments and interventions such as Bracknell town centre regeneration. Reference is included within the commercial property market chapter (Chapter 3) to the town centre regeneration expected to have some positive impact on the local office market.
Employment space provision developed in the future needs to include collaboration with schools on thoughts on learning environments	EF4	This issue falls beyond the scope and remit of the EDNA and could perhaps be explored through other evidence base studies.
Whilst forecasts are given for each FEMA and each Borough, there does not appear to be any clear discussion over the inter-relationship of each forecast. For example, if Reading's growth is constrained by its boundaries, how much additional growth will Wokingham, Bracknell or RBW&M need to accommodate within its future labour land provision beyond the highest forecast provided.	EF4	Beyond suggesting how economic development needs might best be accommodated across the FEMA in broad terms (see paras 5.11 to 5.14), it is not possible to comment on specific quantums of employment land provision without undertaking a demand/supply balance analysis (which falls beyond the scope of the EDNA).
Following Brexit, it would be beneficial for the study to highlight the risks to Heathrow expansion and potential loss of investment and businesses located in the area.	EF4	As noted in para 1.17, the terms of reference for this study do not require specific consideration of the potential employment or economic impacts arising from any potential future expansion of Heathrow Airport but assumes that the Airport continues to operate at current capacity. Any future policy decisions regarding expansion of Heathrow Airport may necessitate updates to the analysis and conclusions contained in this study.
There are several cross boundary infrastructure links and other cross boundary relationships between the Berkshire Authorities and Buckinghamshire. BCC would want to continue to be made aware of the development needs of the Berkshire Authorities as that will be an important matter for planning in Buckinghamshire.	EF5	Comment noted.

Appendix 7 List of Consultees

Bracknell Economic and Skills Development Partnership

Caroline Waldron, Lambert Smith Hampton

Duncan Campbell, Campbell Gordon

Gareth Osborn, SEGRO

Heather Harvey-Wood, Cushman & Wakefield

Jon Varney, Deal Varney

Matthew Battle, Thames Valley Property Forum

Neil Stokes, Martin and Pole

Nick Hardy, Page Hardy Harris

Philip Hunter, Lambert Smith Hampton

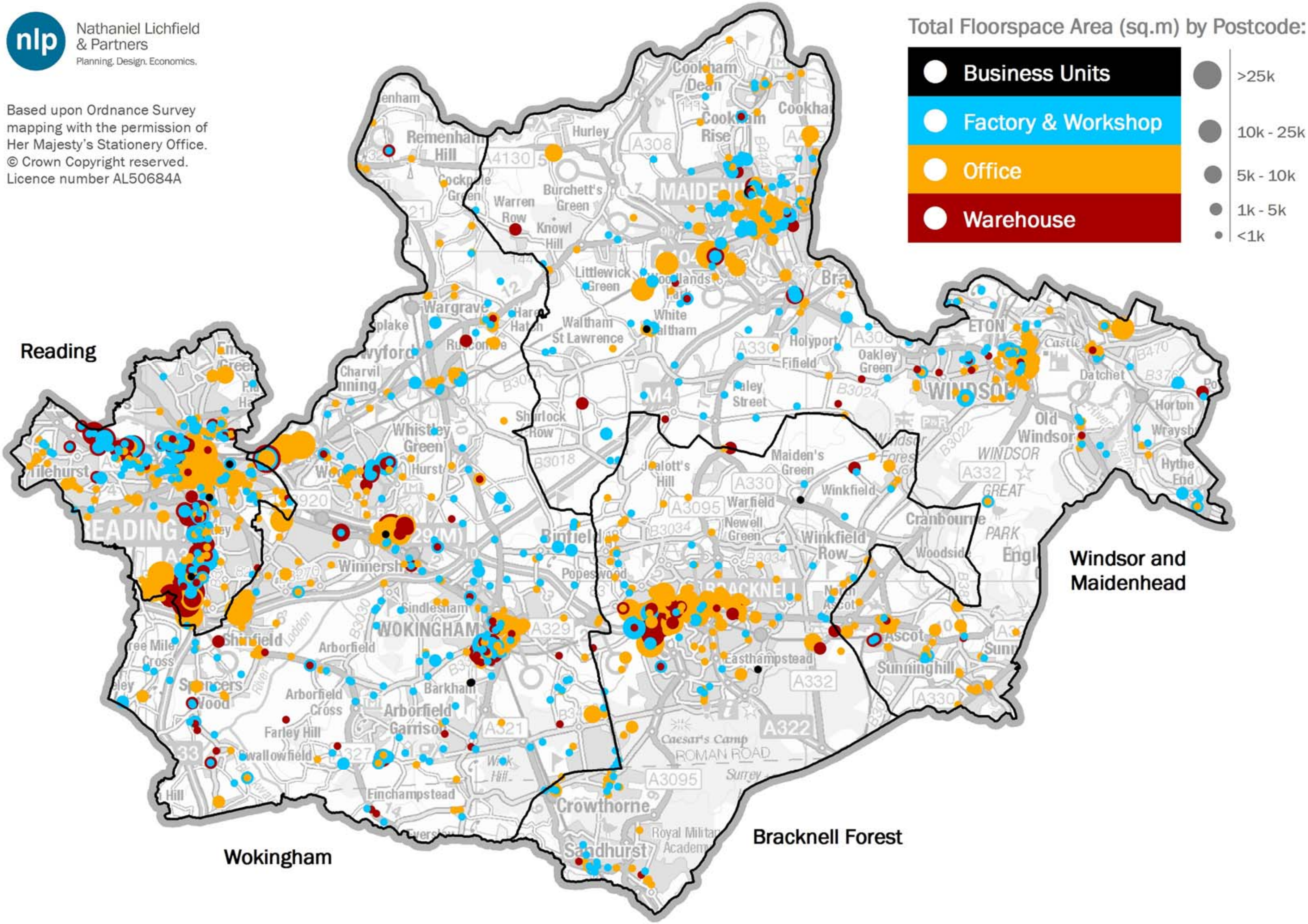
Shane Prater, Quintons Chartered Surveyors

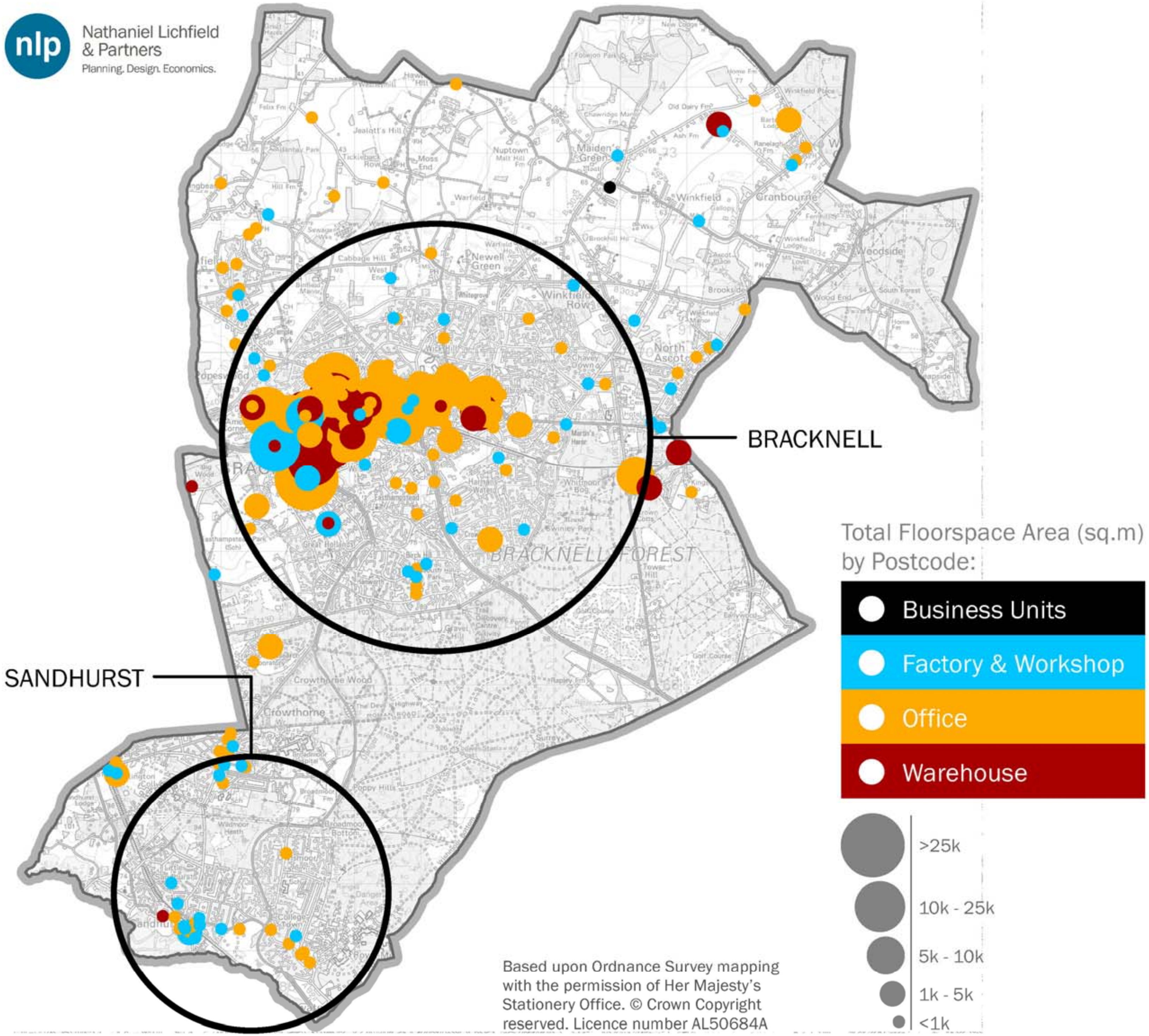
Simon Fryer, Fryer Commercial

Steve Griffin, Pennicott

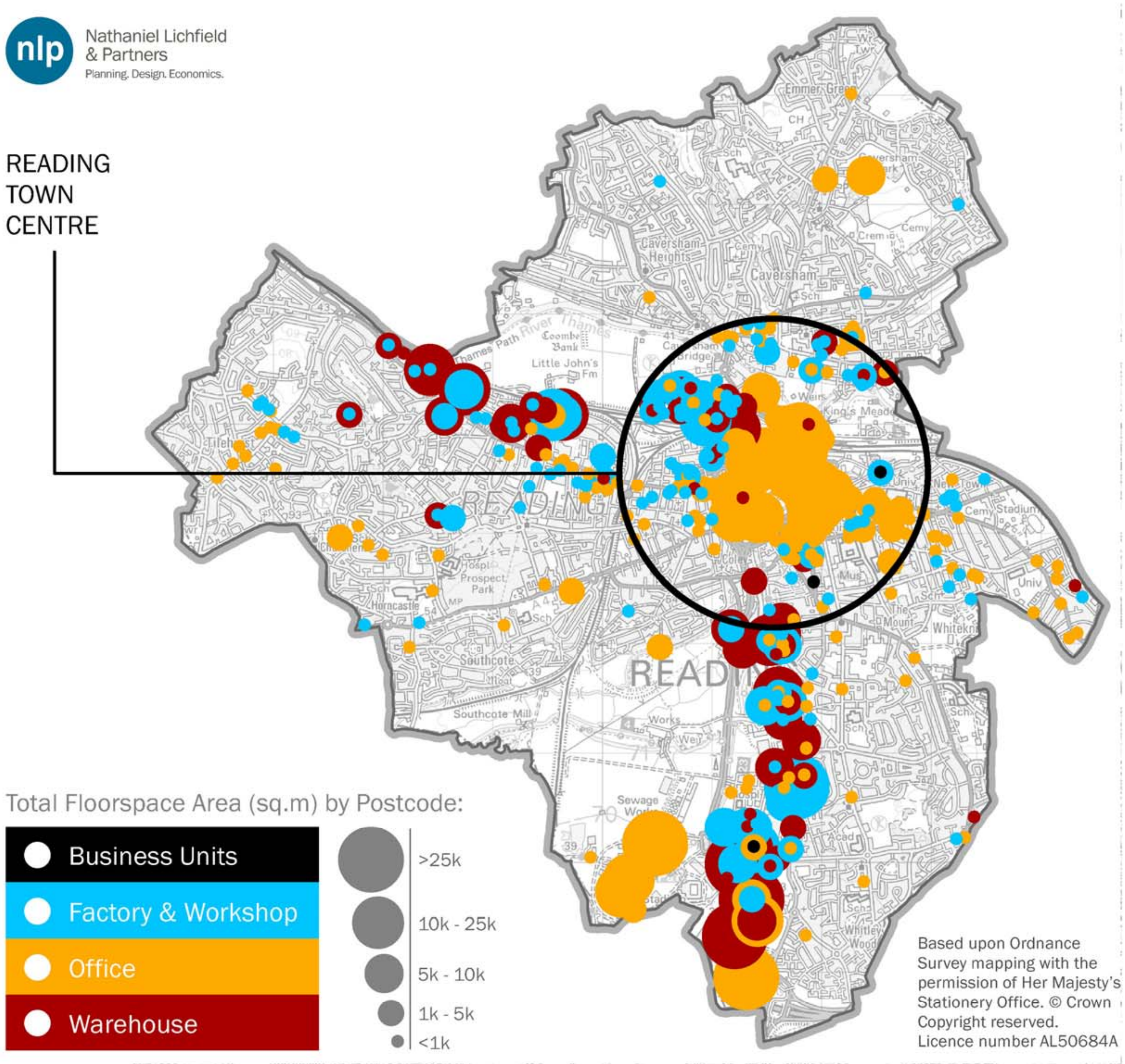
Appendix 8 VOA Floorspace Maps

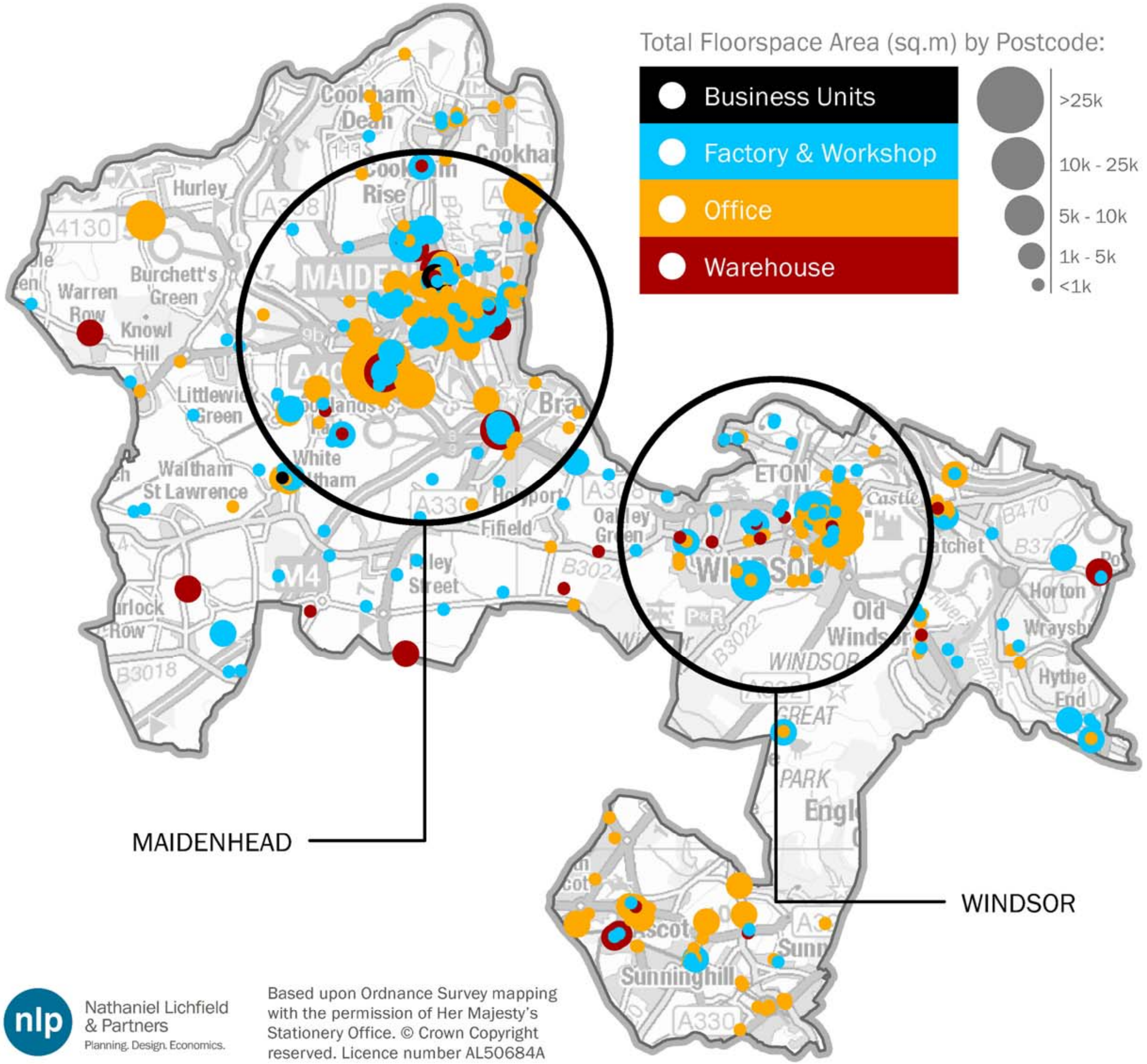
Nathaniel Lichfield & Partners
Planning. Design. Economics.



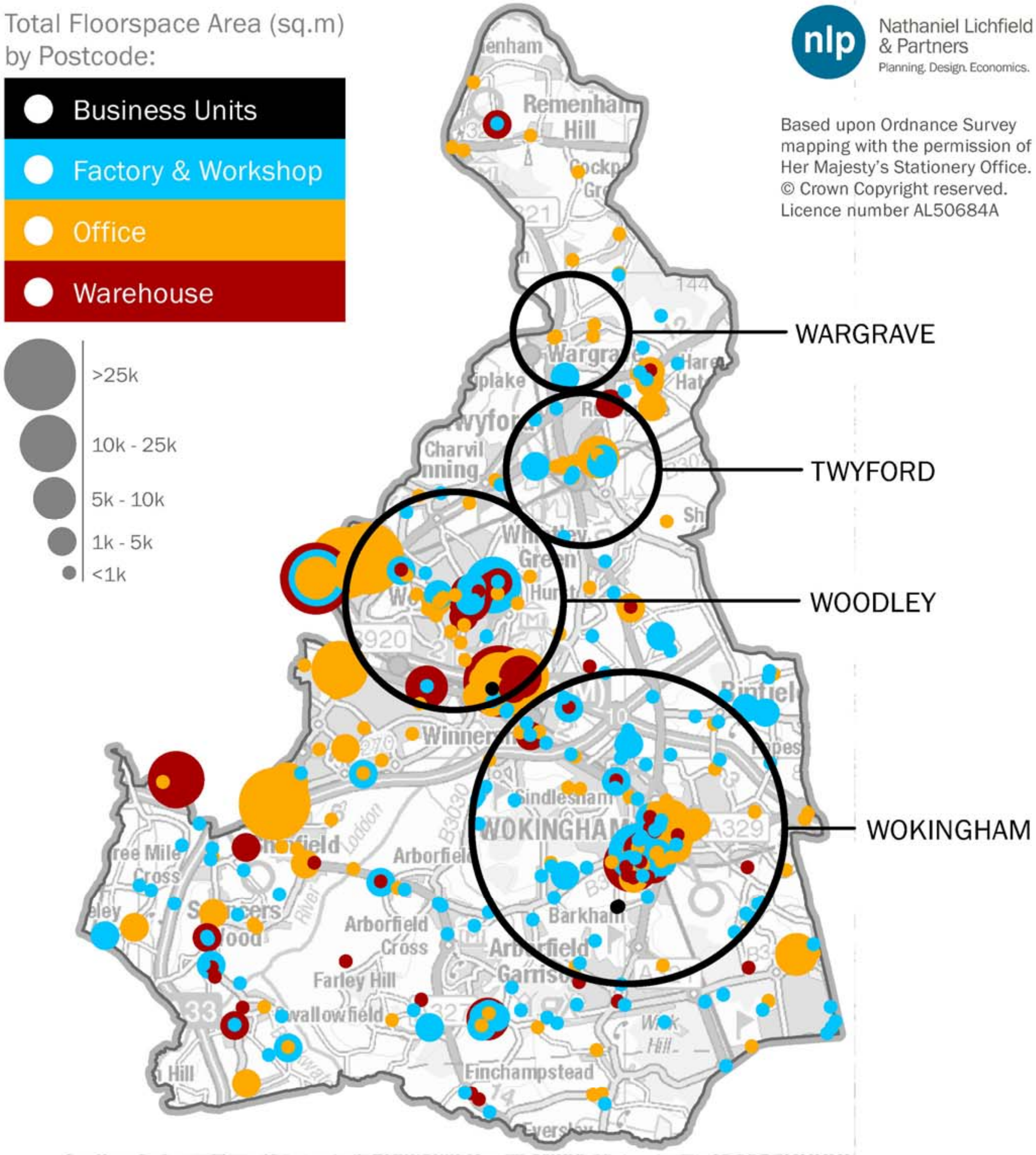


nlp
Nathaniel Lichfield & Partners
Planning. Design. Economics.
BRACKNELL
SANDHURST
Total Floorspace Area (sq.m) by Postcode:
Business Units
Factory & Workshop
Office
Warehouse
>25k
10k - 25k
5k - 10k
1k - 5k
<1k

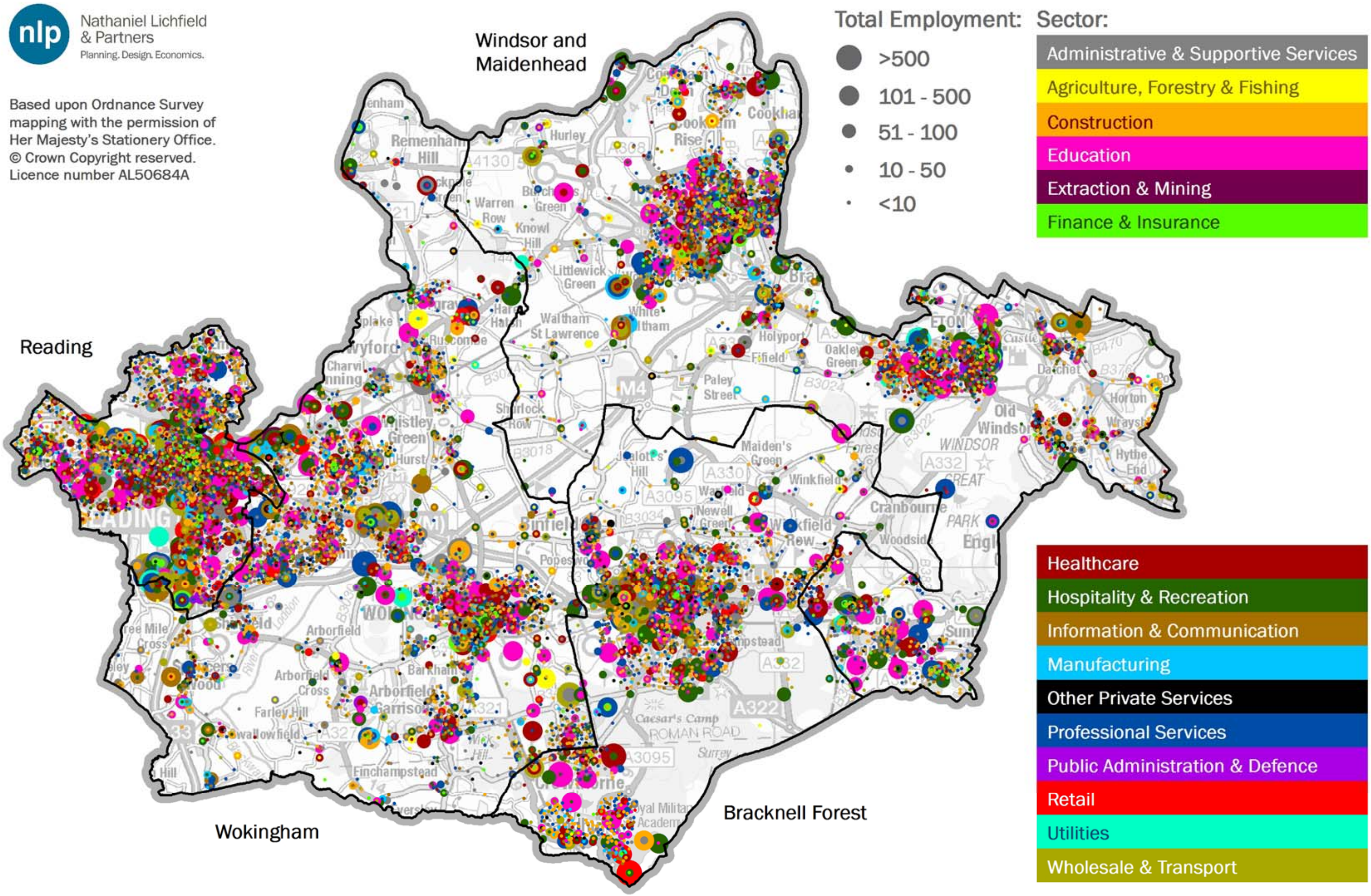

nlp
Nathaniel Lichfield
& Partners
Planning. Design. Economics.
READING
TOWN
CENTRE
Total Floorspace Area (sq.m) by Postcode:
Business Units
Factory & Workshop
Office
Warehouse
>25k
10k - 25k
5k - 10k
1k - 5k
<1k
Based upon Ordnance
Survey mapping with the
permission of Her Majesty's
Stationery Office. © Crown
Copyright reserved.
Licence number AL50684A



Nathaniel Lichfield & Partners
Planning. Design. Economics.

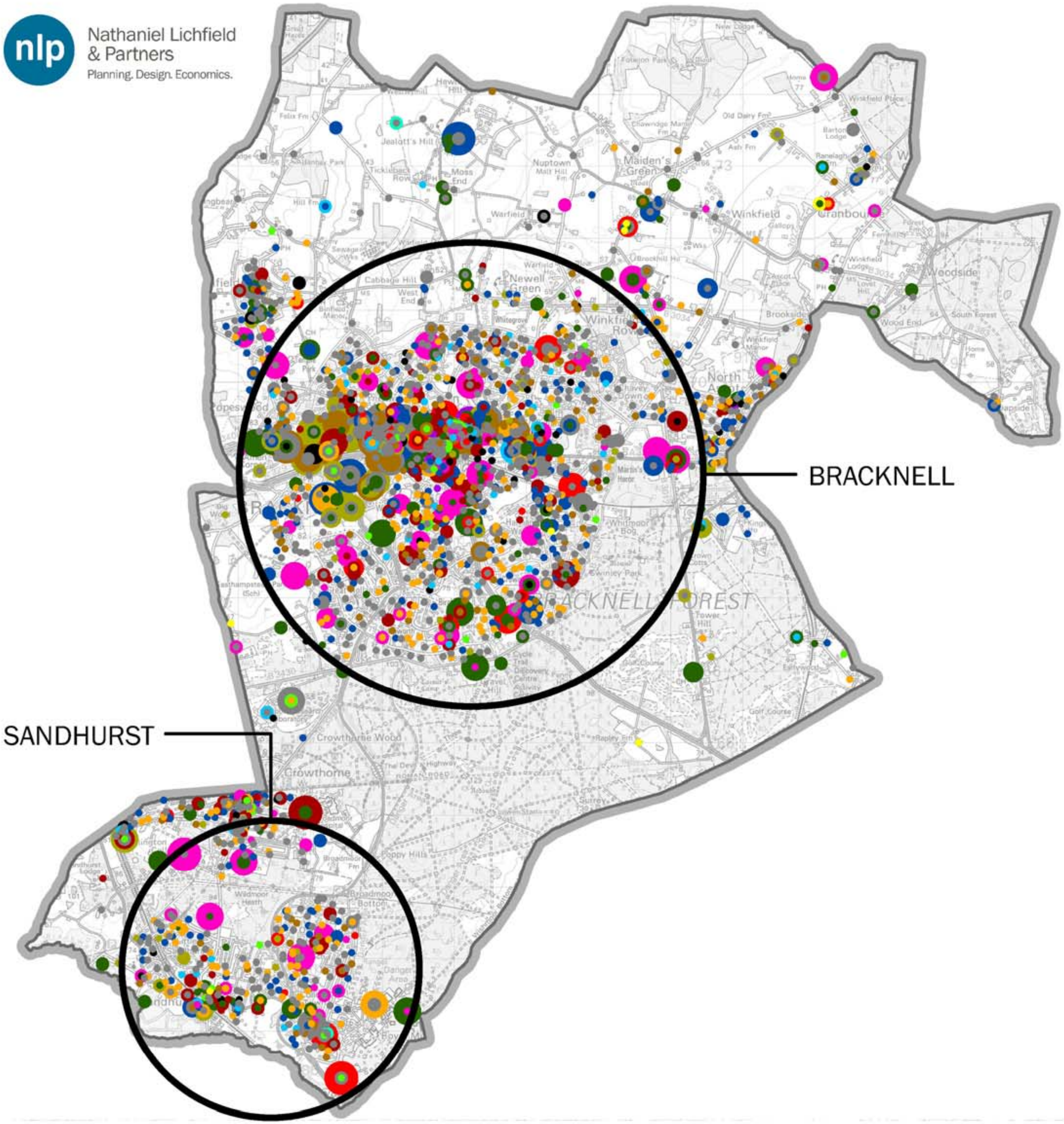

Total Floorspace Area (sq.m) by Postcode:
Business Units
Factory & Workshop
Office
Warehouse
>25k
10k - 25k
5k - 10k
1k - 5k
<1k
WARGRAVE
TWYFORD
WOODLEY
WOKINGHAM
Remenham Hill
Charvil
Winnersh
Sindlesham
Arborfield
Arborfield Cross
Farley Hill
Swallowfield
Barkham
Finchampstead
Eversley

Appendix 9 IDBR Business Maps



Based upon Ordnance Survey mapping with the permission of Her Majesty's Stationery Office. © Crown Copyright reserved. Licence number AL50684A
Windsor and Maidenhead
Reading
Wokingham
Bracknell Forest
Total Employment:
>500
101 - 500
51 - 100
10 - 50
<10
Sector:
Administrative & Supportive Services
Agriculture, Forestry & Fishing
Construction
Education
Extraction & Mining
Finance & Insurance
Healthcare
Hospitality & Recreation
Information & Communication
Manufacturing
Other Private Services
Professional Services
Public Administration & Defence
Retail
Utilities
Wholesale & Transport

Nathaniel Lichfield & Partners
Planning. Design. Economics.

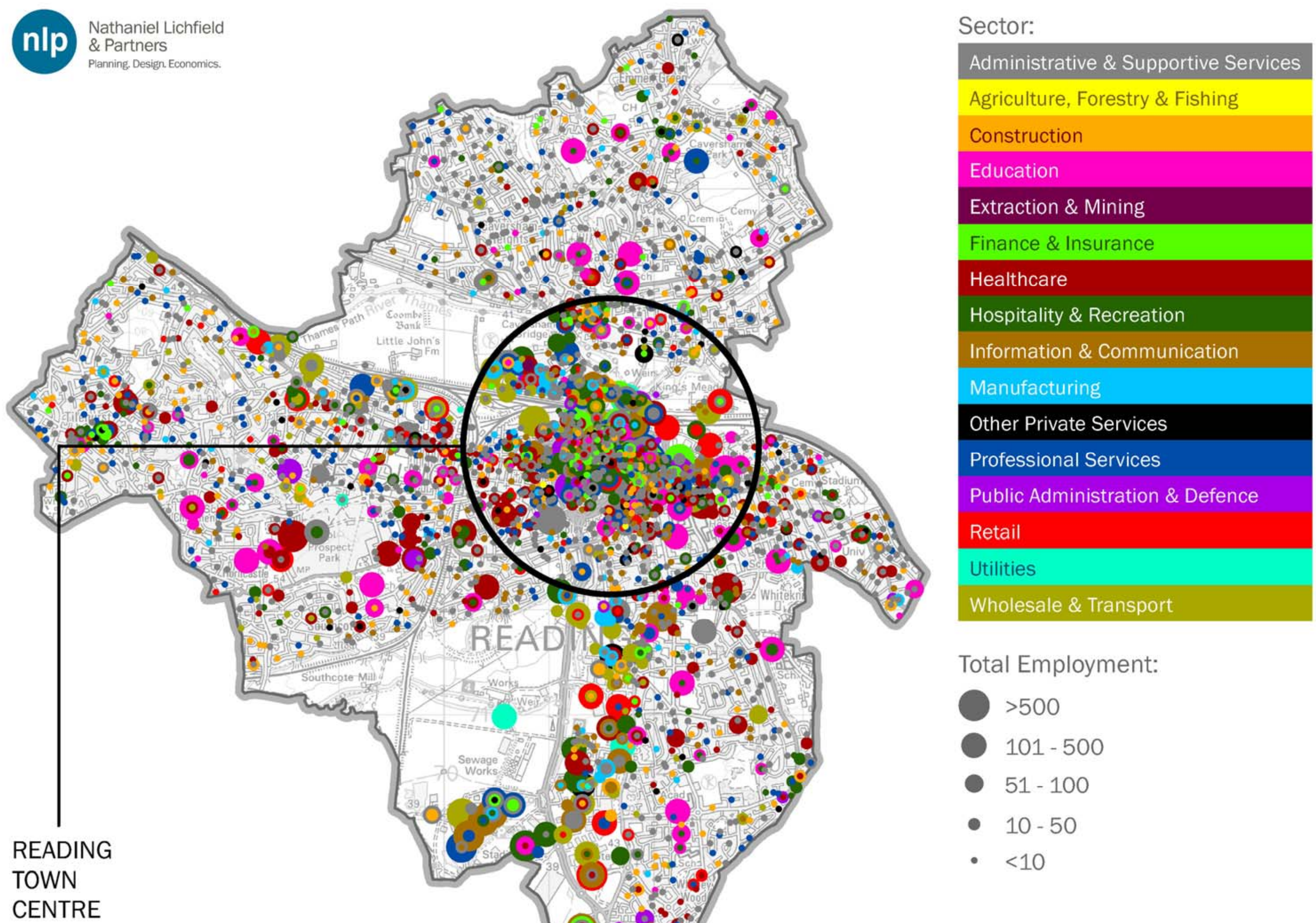


Sector:

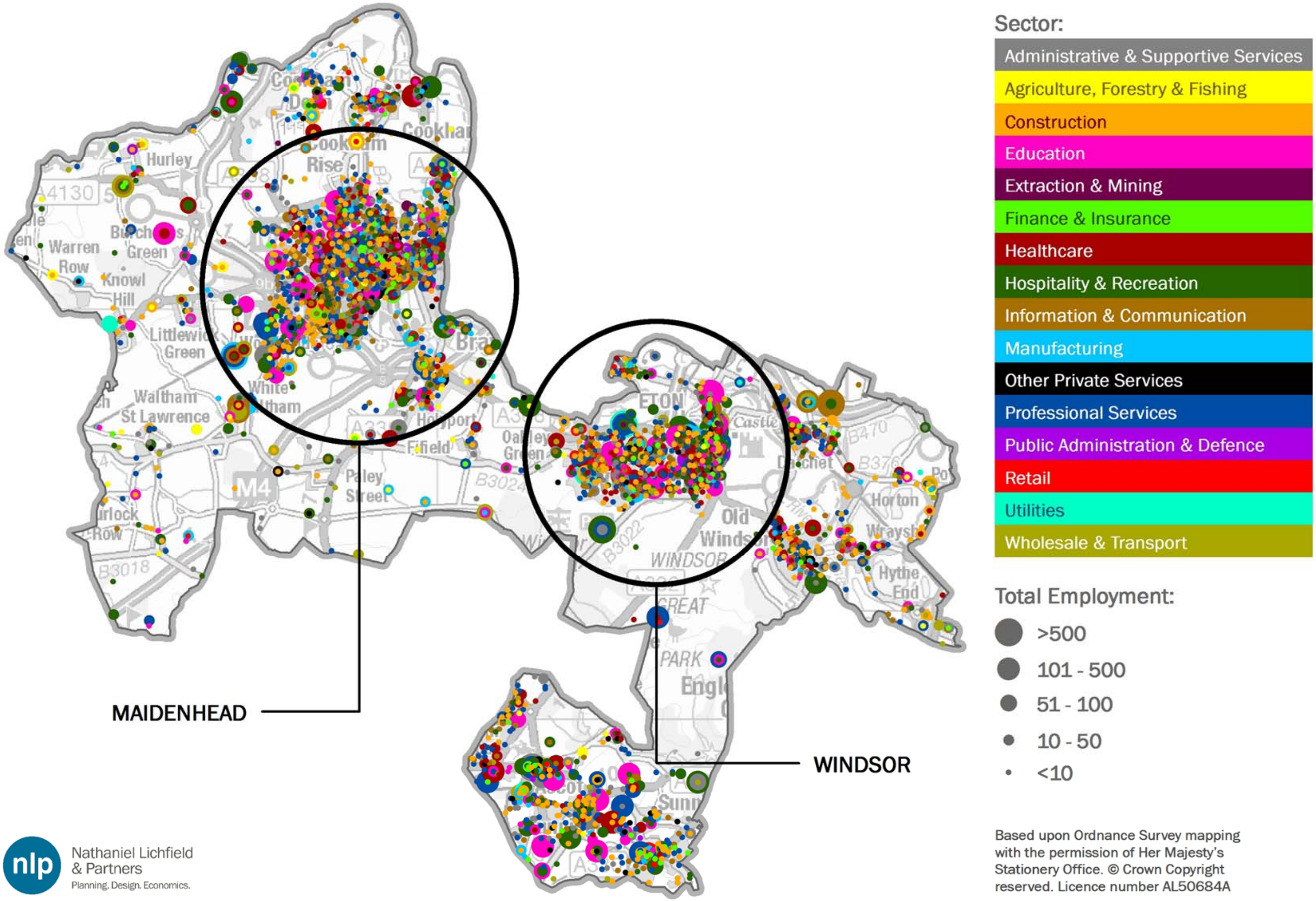
- Administrative & Supportive Services
- Agriculture, Forestry & Fishing
- Construction
- Education
- Extraction & Mining
- Finance & Insurance
- Healthcare
- Hospitality & Recreation
- Information & Communication
- Manufacturing
- Other Private Services
- Professional Services
- Public Administration & Defence
- Retail
- Utilities
- Wholesale & Transport

Total Employment:

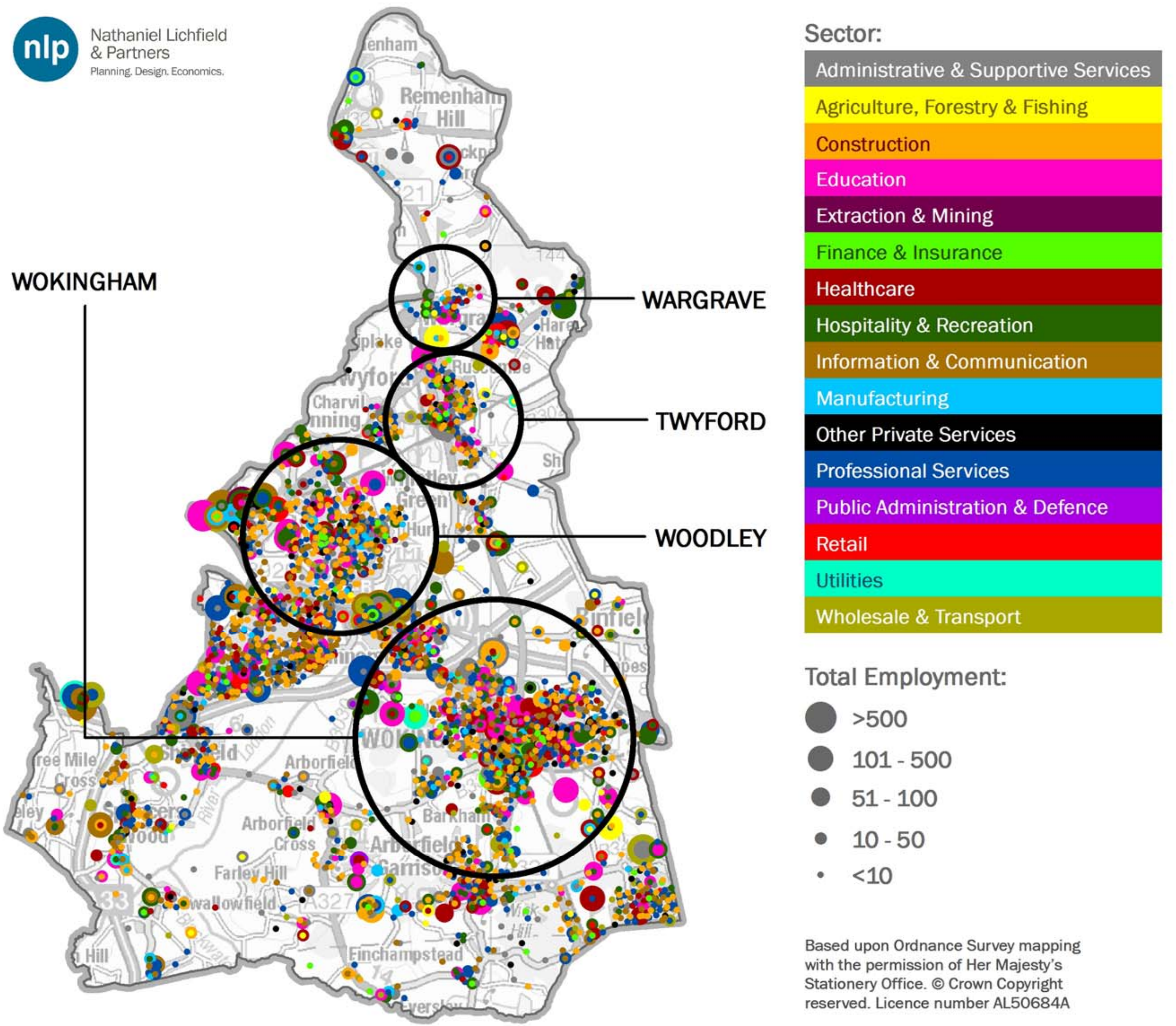
- >500
- 101 - 500
- 51 - 100
- 10 - 50
- <10



nlp
Nathaniel Lichfield & Partners
Planning. Design. Economics.
READING TOWN CENTRE
Sector:
Administrative & Supportive Services
Agriculture, Forestry & Fishing
Construction
Education
Extraction & Mining
Finance & Insurance
Healthcare
Hospitality & Recreation
Information & Communication
Manufacturing
Other Private Services
Professional Services
Public Administration & Defence
Retail
Utilities
Wholesale & Transport
Total Employment:
>500
101 - 500
51 - 100
10 - 50
<10



Nathaniel Lichfield & Partners
Planning. Design. Economics.


WOKINGHAM
WARGRAVE
TWYFORD
WOODLEY
Sector:
Administrative & Supportive Services
Agriculture, Forestry & Fishing
Construction
Education
Extraction & Mining
Finance & Insurance
Healthcare
Hospitality & Recreation
Information & Communication
Manufacturing
Other Private Services
Professional Services
Public Administration & Defence
Retail
Utilities
Wholesale & Transport
Total Employment:
>500
101 - 500
51 - 100
10 - 50
<10

Appendix 10 Cambridge Econometrics Employment Projections - Methodology and data sources

Cambridge Econometrics (CE) projections are baseline economic forecasts based on historical growth within the local area relative to the region or UK (i.e. depending on which area it has the strongest relationship with), on an industry-by-industry basis. The forecasts assume that those relationships continue into the future. Thus, if an industry in the local area outperformed the industry in the region (or the UK) as a whole in the past, then it will be assumed to also do so in the future. Similarly, if it underperformed in the past then it will be assumed to underperform in the future.

It is important to note that there are inherent limitations to the use of economic forecasts of this type, particularly within the context of recent changes in the economy. National macroeconomic assumptions are taken as the starting point and then modelled down to the regional and local levels by reference to the existing economic profile and sectoral composition of an area. Local level data is less comprehensive and reliable than at national and regional levels, which can affect how the modelling is calibrated. Similarly, top-down forecasts do not take account of specific local factors that might influence employment growth. However forecasts are recognised by the PPG as a valuable input to indicate the broad scale and direction of future economic growth in different sectors, which helps to assess the future land requirements of a local area.

At the time of preparation (September 2013), the following macroeconomic assumptions at UK level were made by CE, representing key drivers for the local level projections:

- GDP growth of around 2.25% in 2014, following 1.5% growth in 2013, driven by continued modest growth in household expenditure, improving consumer confidence and growth in real incomes during 2014.
- Government consumption expected to fall in 2014 as further austerity measures take effect, although this will be outweighed by an increase in investment as business confidence improves.
- Domestic and global demand is expected to recover only slowly, which means slower growth rates in imports and exports are predicted.
- Growth in financial and business services expected to accelerate to approximately 2.5% in 2014, with this growth remaining relatively modest by historic standards, but will lead UK GVA growth in 2014 and will give a boost to investment.
- Slowly recovering construction sector with the information and communication sector expected to make modest contributions to the UK GVA levels in 2014.

- Eurozone remains a risk with anaemic growth expected to continue in the short to medium term. This means that there is likely to be weak demand from the Eurozone for UK exports.

Appendix 11 Baseline Cambridge Econometrics Employment Projections

Historic and forecast workplace job growth by sector taken from the economic projections prepared by Cambridge Econometrics (2013) is summarised below.

It should be noted that employment has been allocated to specific sectors by Cambridge Econometrics based on official ONS industry classifications and data sources and there are recognised limitations in the way that business activity is classified by ONS (i.e. by primary sector of activity rather than the specific type of activity that occurs within a given local area). This may occasionally result in employment being under or over represented in particular sectors in some locations. Cambridge Econometrics data has been used as part of this study to be consistent with other economic evidence base work that has been prepared recently for the Thames Valley Berkshire LEP area.

Central Berkshire FEMA

Sector	Workplace Jobs in Central Berkshire FEMA			
	1996	2013	2036	Change (2013 - 2036)
Agriculture, Forestry & Fishing	1,111	788	1,053	265
Extraction & Mining	96	1,502	841	-661
Food, Drink & Tobacco	1,853	241	103	-138
Textiles & Clothing	190	363	94	-269
Wood & Paper	1,492	327	434	107
Printing and Recorded Media	3,315	1,365	1,588	223
Fuel Refining	9	26	19	-7
Chemicals	865	833	382	-451
Pharmaceuticals	202	72	47	-25
Non-Metallic Products	668	632	580	-52
Metal Products	3,391	2,006	1,988	-18
Computer & Electronic Products	3,070	1,780	1,435	-345
Machinery & Equipment	2,460	818	1,127	309
Transport Equipment	1,310	567	209	-358
Other Manufacturing	5,814	3,017	2,997	-20
Utilities	3,181	4,603	5,120	517
Construction of Buildings	5,165	4,074	5,817	1,743
Civil Engineering	2,004	3,149	4,467	1,318
Specialised Construction Activities	9,511	10,236	13,292	3,057
Wholesale	22,822	24,078	30,561	6,483
Retail	33,810	28,674	30,157	1,483
Land Transport, Storage & Post	9,514	11,082	14,929	3,847
Air & Water Transport	165	58	55	-3
Accommodation & Food Services	18,516	23,003	28,859	5,856
Recreation	6,871	12,511	10,284	-2,227
Media Activities	2,495	3,623	3,057	-566
Telecoms	0	0	0	0
Computing & Information Services	17,766	40,308	49,519	9,211
Finance & Insurance	12,704	9,154	7,527	-1,627
Insurance & Pensions	0	0	0	0
Real Estate	2,004	5,273	6,777	1,504
Professional Services	26,268	52,444	60,744	8,300
Administrative & Supportive Services	23,397	30,626	42,456	11,830
Other Private Services	11,018	11,322	11,693	371
Public Administration & Defence	16,194	11,279	8,957	-2,322
Education	23,137	28,362	26,096	-2,266
Health	10,379	17,444	21,451	4,007
Residential Care & Social Work	10,137	13,422	14,214	792
Total (rounded)	**292,905**	**359,060**	**408,920**	**49,860**

Bracknell Forest

Sector	Workplace Jobs in Bracknell Forest			
	1996	2013	2036	Change (2013 - 2036)
Agriculture, Forestry & Fishing	107	27	32	5
Extraction & Mining	11	2	2	0
Food, Drink & Tobacco	180	31	12	-19
Textiles & Clothing	4	34	13	-21
Wood & Paper	268	125	179	54
Printing and Recorded Media	150	140	157	17
Fuel Refining	0	0	0	0
Chemicals	2	202	101	-101
Pharmaceuticals	12	0	0	0
Non-Metallic Products	41	99	87	-12
Metal Products	694	169	166	-3
Computer & Electronic Products	1,590	317	257	-60
Machinery & Equipment	23	59	73	14
Transport Equipment	12	25	8	-17
Other Manufacturing	2,409	158	154	-4
Utilities	140	112	109	-3
Construction of Buildings	1,558	553	691	137
Civil Engineering	251	155	181	26
Specialised Construction Activities	1,955	2,723	3,305	583
Wholesale	3,139	8,574	11,800	3,226
Retail	9,403	5,542	5,812	270
Land Transport, Storage & Post	1,170	2,233	3,588	1,355
Air & Water Transport	2	1	0	-1
Accommodation & Food Services	2,830	5,107	7,273	2,166
Recreation	1,329	1,819	1,472	-347
Media Activities	285	279	251	-28
Telecoms	0	0	0	0
Computing & Information Services	5,381	8,676	9,651	975
Finance & Insurance	1,174	915	992	77
Insurance & Pensions	0	0	0	0
Real Estate	60	816	1,464	648
Professional Services	4,704	13,131	19,013	5,882
Administrative & Supportive Services	5,645	5,426	7,048	1,622
Other Private Services	2,921	1,524	1,487	-37
Public Administration & Defence	3,432	1,353	966	-387
Education	3,274	5,659	4,775	-884
Health	2,189	2,568	2,868	300
Residential Care & Social Work	1,740	1,989	1,945	-44
Total (rounded)	**58,085**	**70,540**	**85,930**	**15,390**

Reading

Sector	Workplace Jobs in Reading			
	1996	2013	2036	Change (2013 - 2036)
Agriculture, Forestry & Fishing	138	37	33	-4
Extraction & Mining	52	49	21	-28
Food, Drink & Tobacco	528	42	17	-25
Textiles & Clothing	58	20	7	-13
Wood & Paper	306	14	21	7
Printing and Recorded Media	1,824	695	792	97
Fuel Refining	0	0	0	0
Chemicals	405	227	81	-146
Pharmaceuticals	13	29	20	-9
Non-Metallic Products	140	144	133	-11
Metal Products	759	790	810	20
Computer & Electronic Products	413	247	200	-47
Machinery & Equipment	983	218	312	94
Transport Equipment	116	2	1	-1
Other Manufacturing	2,079	1,346	1,340	-6
Utilities	2,137	2,181	2,309	128
Construction of Buildings	1,166	741	966	225
Civil Engineering	1,220	152	140	-12
Specialised Construction Activities	3,153	2,061	2,493	431
Wholesale	7,883	5,274	6,375	1,101
Retail	10,638	11,552	12,168	616
Land Transport, Storage & Post	6,062	5,442	6,488	1,046
Air & Water Transport	28	20	7	-13
Accommodation & Food Services	6,190	6,227	7,281	1,054
Recreation	1,901	2,876	3,055	179
Media Activities	807	1,484	1,236	-248
Telecoms	0	0	0	0
Computing & Information Services	6,047	12,608	15,184	2,576
Finance & Insurance	7,898	4,995	3,551	-1,444
Insurance & Pensions	0	0	0	0
Real Estate	522	964	1,145	181
Professional Services	8,217	17,344	17,234	-110
Administrative & Supportive Services	7,372	8,622	12,045	3,423
Other Private Services	2,326	2,922	2,768	-154
Public Administration & Defence	9,576	5,950	4,601	-1,349
Education	4,397	5,788	5,647	-141
Health	4,350	9,548	12,434	2,886
Residential Care & Social Work	3,017	4,200	4,239	39
Total (rounded)	**102,720**	**114,810**	**125,150**	**10,340**

Windsor & Maidenhead

Sector	Workplace Jobs in Windsor & Maidenhead			
	1996	2013	2036	Change (2013 - 2036)
Agriculture, Forestry & Fishing	667	327	473	146
Extraction & Mining	23	24	5	-19
Food, Drink & Tobacco	345	157	70	-87
Textiles & Clothing	94	206	67	-139
Wood & Paper	761	71	100	29
Printing and Recorded Media	996	337	413	76
Fuel Refining	9	26	19	-7
Chemicals	399	393	196	-197
Pharmaceuticals	58	12	7	-5
Non-Metallic Products	233	241	230	-11
Metal Products	791	309	302	-7
Computer & Electronic Products	581	461	341	-120
Machinery & Equipment	517	335	460	125
Transport Equipment	154	125	45	-80
Other Manufacturing	774	913	912	-1
Utilities	384	1,350	1,673	323
Construction of Buildings	1,126	1,542	2,608	1,067
Civil Engineering	296	2,551	3,819	1,269
Specialised Construction Activities	2,001	2,732	4,285	1,553
Wholesale	6,295	5,455	6,544	1,089
Retail	7,627	6,387	6,719	332
Land Transport, Storage & Post	1,202	2,106	3,379	1,273
Air & Water Transport	116	33	44	11
Accommodation & Food Services	6,178	7,991	10,131	2,140
Recreation	2,621	5,061	3,785	-1,276
Media Activities	947	1,363	1,122	-241
Telecoms	0	0	0	0
Computing & Information Services	3,434	7,130	8,851	1,721
Finance & Insurance	2,870	1,726	1,305	-421
Insurance & Pensions	0	0	0	0
Real Estate	1,157	2,670	3,074	404
Professional Services	8,082	11,386	12,704	1,318
Administrative & Supportive Services	6,611	6,593	9,668	3,075
Other Private Services	3,457	3,508	3,475	-33
Public Administration & Defence	1,849	2,734	2,330	-404
Education	6,353	7,280	6,625	-655
Health	2,961	3,443	3,773	330
Residential Care & Social Work	3,479	3,569	3,426	-143
Total (rounded)	**75,450**	**90,550**	**102,980**	**12,430**

Wokingham

Sector	Workplace Jobs in Wokingham			
	1996	2013	2036	Change (2013 - 2036)
Agriculture, Forestry & Fishing	199	397	515	118
Extraction & Mining	10	1,427	813	-614
Food, Drink & Tobacco	800	11	4	-7
Textiles & Clothing	34	103	7	-96
Wood & Paper	157	117	134	17
Printing and Recorded Media	345	193	226	33
Fuel Refining	0	0	0	0
Chemicals	59	11	4	-7
Pharmaceuticals	119	31	20	-11
Non-Metallic Products	254	148	130	-18
Metal Products	1,147	738	710	-28
Computer & Electronic Products	486	755	637	-118
Machinery & Equipment	937	206	282	76
Transport Equipment	1,028	415	155	-260
Other Manufacturing	552	600	591	-9
Utilities	520	960	1,029	69
Construction of Buildings	1,315	1,238	1,551	314
Civil Engineering	237	291	327	36
Specialised Construction Activities	2,402	2,719	3,209	490
Wholesale	5,505	4,775	5,842	1,067
Retail	6,142	5,193	5,458	265
Land Transport, Storage & Post	1,080	1,301	1,474	173
Air & Water Transport	19	4	4	0
Accommodation & Food Services	3,318	3,678	4,174	496
Recreation	1,020	2,755	1,972	-783
Media Activities	456	497	448	-49
Telecoms	0	0	0	0
Computing & Information Services	2,904	11,894	15,833	3,939
Finance & Insurance	762	1,518	1,679	161
Insurance & Pensions	0	0	0	0
Real Estate	265	823	1,094	271
Professional Services	5,265	10,583	11,793	1,210
Administrative & Supportive Services	3,769	9,985	13,695	3,710
Other Private Services	2,314	3,368	3,963	595
Public Administration & Defence	1,337	1,242	1,060	-182
Education	9,113	9,635	9,049	-586
Health	879	1,885	2,376	491
Residential Care & Social Work	1,901	3,664	4,604	940
Total (rounded)	**56,650**	**83,160**	**94,860**	**11,700**

Appendix 12 Definition of B Class Sectors

The method for apportioning workplace employment projections by sector into B class uses is summarised below by local authority, which has drawn on 2014 BRES data. Employment sectors have been translated into three main B use classes (offices (B1a/B1b), manufacturing (B1c/B2) and distribution (B8)) based on a consideration of which sectors typically utilise space that falls within these three use class categories.

This includes an allowance for jobs in some non B class sectors that typically would occupy some office or industrial space such as construction; vehicle repairs; courier services; road transport and cargo handling; and some public administration activities.

The precise translation will inevitably vary by local authority, and the latest BRES data has been used to consider how much of an allowance to make at the local level.

Bracknell Forest

Sector	Share of Workplace Jobs by Use Class		
	B1 Offices	B2 Industrial	B8 Warehousing
Agriculture, Forestry & Fishing		Non B Class	
Extraction & Mining		Non B Class	
Food, Drink & Tobacco	0%	100%	0%
Textiles & Clothing	0%	100%	0%
Wood & Paper	0%	100%	0%
Printing & Recorded Media	0%	100%	0%
Fuel Refining	0%	100%	0%
Chemicals	0%	100%	0%
Pharmaceuticals	0%	100%	0%
Non-Metallic Products	0%	100%	0%
Metal Products	0%	100%	0%
Computer & Electronic Products	0%	100%	0%
Machinery & Equipment	0%	100%	0%
Transport Equipment	0%	100%	0%
Other Manufacturing	0%	100%	0%
Utilities	0%	76%	0%
Construction of Buildings		Non B Class	
Civil Engineering		Non B Class	
Specialised Construction Activities	0%	34%	0%
Wholesale	0%	7%	93%
Retail		Non B Class	
Land Transport, Storage & Post	0%	0%	84%
Air & Water Transport		Non B Class	
Accommodation & Food Services		Non B Class	
Recreation		Non B Class	
Media Activities	100%	0%	0%
Computing & Information Services	100%	0%	0%
Finance & Insurance	100%	0%	0%
Real Estate	100%	0%	0%
Professional Services	100%	0%	0%
Administrative & Supportive Services	13%	0%	0%
Other Private Services		Non B Class	
Public Administration & Defence	10%	0%	0%
Education		Non B Class	
Health		Non B Class	
Residential Care & Social Work		Non B Class	

Reading

Sector	Share of Workplace Jobs by Use Class		
	B1 Offices	B2 Industrial	B8 Warehousing
Agriculture, Forestry & Fishing		Non B Class	
Extraction & Mining		Non B Class	
Food, Drink & Tobacco	0%	100%	0%
Textiles & Clothing	0%	100%	0%
Wood & Paper	0%	100%	0%
Printing & Recorded Media	0%	100%	0%
Fuel Refining	0%	100%	0%
Chemicals	0%	100%	0%
Pharmaceuticals	0%	100%	0%
Non-Metallic Products	0%	100%	0%
Metal Products	0%	100%	0%
Computer & Electronic Products	0%	100%	0%
Machinery & Equipment	0%	100%	0%
Transport Equipment	0%	100%	0%
Other Manufacturing	0%	100%	0%
Utilities	0%	11%	0%
Construction of Buildings		Non B Class	
Civil Engineering		Non B Class	
Specialised Construction Activities	0%	50%	0%
Wholesale	0%	18%	82%
Retail		Non B Class	
Land Transport, Storage & Post	0%	0%	38%
Air & Water Transport		Non B Class	
Accommodation & Food Services		Non B Class	
Recreation		Non B Class	
Media Activities	100%	0%	0%
Computing & Information Services	100%	0%	0%
Finance & Insurance	100%	0%	0%
Real Estate	100%	0%	0%
Professional Services	100%	0%	0%
Administrative & Supportive Services	17%	0%	0%
Other Private Services		Non B Class	
Public Administration & Defence	10%	0%	0%
Education		Non B Class	
Health		Non B Class	
Residential Care & Social Work		Non B Class	

Windsor & Maidenhead

Sector	Share of Workplace Jobs by Use Class		
	B1 Offices	B2 Industrial	B8 Warehousing
Agriculture, Forestry & Fishing		Non B Class	
Extraction & Mining		Non B Class	
Food, Drink & Tobacco	0%	100%	0%
Textiles & Clothing	0%	100%	0%
Wood & Paper	0%	100%	0%
Printing & Recorded Media	0%	100%	0%
Fuel Refining	0%	100%	0%
Chemicals	0%	100%	0%
Pharmaceuticals	0%	100%	0%
Non-Metallic Products	0%	100%	0%
Metal Products	0%	100%	0%
Computer & Electronic Products	0%	100%	0%
Machinery & Equipment	0%	100%	0%
Transport Equipment	0%	100%	0%
Other Manufacturing	0%	100%	0%
Utilities	0%	91%	0%
Construction of Buildings		Non B Class	
Civil Engineering		Non B Class	
Specialised Construction Activities	0%	57%	0%
Wholesale	0%	9%	91%
Retail		Non B Class	
Land Transport, Storage & Post	0%	0%	66%
Air & Water Transport		Non B Class	
Accommodation & Food Services		Non B Class	
Recreation		Non B Class	
Media Activities	100%	0%	0%
Computing & Information Services	100%	0%	0%
Finance & Insurance	100%	0%	0%
Real Estate	100%	0%	0%
Professional Services	100%	0%	0%
Administrative & Supportive Services	30%	0%	0%
Other Private Services		Non B Class	
Public Administration & Defence	10%	0%	0%
Education		Non B Class	
Health		Non B Class	
Residential Care & Social Work		Non B Class	

Wokingham

Sector	Share of Workplace Jobs by Use Class		
	B1 Offices	B2 Industrial	B8 Warehousing
Agriculture, Forestry & Fishing	Non B Class		
Extraction & Mining	Non B Class		
Food, Drink & Tobacco	0%	100%	0%
Textiles & Clothing	0%	100%	0%
Wood & Paper	0%	100%	0%
Printing & Recorded Media	0%	100%	0%
Fuel Refining	0%	100%	0%
Chemicals	0%	100%	0%
Pharmaceuticals	0%	100%	0%
Non-Metallic Products	0%	100%	0%
Metal Products	0%	100%	0%
Computer & Electronic Products	0%	100%	0%
Machinery & Equipment	0%	100%	0%
Transport Equipment	0%	100%	0%
Other Manufacturing	0%	100%	0%
Utilities	0%	6%	0%
Construction of Buildings	Non B Class		
Civil Engineering	Non B Class		
Specialised Construction Activities	0%	54%	0%
Wholesale	0%	14%	86%
Retail	Non B Class		
Land Transport, Storage & Post	0%	0%	61%
Air & Water Transport	Non B Class		
Accommodation & Food Services	Non B Class		
Recreation	Non B Class		
Media Activities	100%	0%	0%
Computing & Information Services	100%	0%	0%
Finance & Insurance	100%	0%	0%
Real Estate	100%	0%	0%
Professional Services	100%	0%	0%
Administrative & Supportive Services	19%	0%	0%
Other Private Services	Non B Class		
Public Administration & Defence	10%	0%	0%
Education	Non B Class		
Health	Non B Class		
Residential Care & Social Work	Non B Class		

nlp

Nathaniel Lichfield
& Partners
Planning. Design. Economics.

Nathaniel Lichfield & Partners
14 Regent's Wharf
All Saints Street
London
N1 9RL

nlpplanning.com