Eastern Berkshire FEMA Economic Development Needs Assessment

Thames Valley Berkshire Local Enterprise Partnership

Final Report

September 2016

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Economic Development Needs Assessment (EDNA)

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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 Slough and Windsor and Maidenhead. 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 Slough and Windsor and Maidenhead within the Eastern Berkshire Core FEMA over the period 2013-2036[1]. 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:

- The supply of employment space within the Eastern Berkshire FEMA is broadly evenly split between office (B1a/b), factory (B1c/B2) and warehousing (B8) uses. Office space is also broadly evenly split between Windsor and Maidenhead and Slough. From an industrial perspective, Slough accommodates the majority of stock in the FEMA.
- Valuation Office Agency data underlines the dominant role that Slough plays in terms of accommodating B class employment space in the FEMA, particularly in regards to warehousing and distribution floorspace. The spatial distribution of offices, factories, workshops and business units tend to be more evenly dispersed within the FEMA, with Maidenhead also standing out as a key location for office floorspace outside Slough.
- Over the last 10 years, the FEMA accommodated just over 40,000sq.m of new B class development per year on average, driven by industrial uses in Slough and office uses in Windsor and Maidenhead. After taking into account losses of B class employment space to other uses over this period, the net rate of B class development was positive in Slough, but negative in Windsor and Maidenhead.

[1] South Bucks is also included within the Eastern Berkshire FEMA but future economic development needs have not been specifically assessed for this local authority as it falls outside of the TVBLEP area

- The Eastern Berkshire FEMA most closely aligns with the 'Heathrow-Slough-High Wycombe' sub market area which effectively represents the eastern end of the Thames Valley market with a distinctive industrial and quasi-industrial character. There is also some degree of overlap with the 'Core Thames Valley' 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.
- Slough represents a significant commercial centre within the Western Corridor, and accommodates the largest stock of industrial space in the Thames Valley. Its office market is performing reasonably well but is still characterised by high levels of office vacancy. Despite this, new speculative office development is starting to occur in and around the town centre, driven by the lack of Grade A office space, the arrival of Crossrail in 2019 and specifically targeting the Western Corridor corporate office market.
- Windsor and Maidenhead'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. 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.
- 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 in the Eastern 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 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 collated by Slough 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 Eastern 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 Eastern Berkshire FEMA by Scenario, 2013 - 2036

	Uses	1. Baseline Labour Demand	2. Past Completion Rates	3. Labour Supply
EASTERN BERKSHIRE FEMA	Offices (B1a/B1b)	108,800	-26,565	137,950
	Industrial (B1c/B2/B8)	627,150	206,310	733,540
	Total B Class Floorspace (sq.m)	**735,950**	**179,745**	**871,490**
SLOUGH	Offices (B1a/B1b)	58,300	-805	85,270
	Industrial (B1c/B2/B8)	455,570	232,990	565,140
	Total B Class Floorspace (sq.m)	**513,870**	**232,185**	**650,410**
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**

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 401,805sq.m to 1,117,490sq.m during the period to 2036, which implies in broad terms a need for between 90.8ha and 251.2ha of employment land (as summarised in Table ES2 below). For all three scenarios, the majority of this spatial requirement relates to industrial (B1c/B2/B8) uses. Two of the three scenarios (baseline labour demand and supply) forecast higher B class job growth than that achieved historically across the FEMA as a whole.

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

	Uses	1. Baseline Labour Demand	2. Past Completion Rates	3. Labour Supply
EASTERN BERKSHIRE FEMA	Offices (B1a/B1b)	37.9	14.7	42.2
	Industrial (B1c/B2/B8)	182.4	76.1	209.0
	Total B Class Land (ha)	**220.3**	**90.8**	**251.2**
SLOUGH	Offices (B1a/B1b)	18.6	8.4	22.6
	Industrial (B1c/B2/B8)	130.2	74.6	157.6
	Total B Class Land (ha)	**148.8**	**83.0**	**180.2**
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**

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.
- The NPPF requirement to plan positively for growth means that local authorities within the FEMA should consider planning to accommodate the labour supply based requirement (scenario 3) to ensure that the FEMA's indigenous growth potential can be met. Both population and employment growth may be constrained by lack of spatial capacity in future.
- 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. Within the FEMA, the key commercial centres of Slough and Maidenhead do not tend to compete with each other for occupiers to any significant extent, with Maidenhead historically commanding higher office rents and as a result, higher value office occupiers compared to Slough. Whilst this market dynamic may change in future, particularly as Slough's Grade A office product offer improves through the new high quality speculative development currently underway, the distinct economic profile associated with individual commercial centres within the FEMA suggests that the majority of employment land requirements that have been identified for the two local authority areas within the FEMA would ideally be accommodated within (or near to) these local authority areas as far as possible.

- Windsor and Maidenhead's position within both the Central and Eastern FEMAs reflects the equally strong relationships the Borough exhibits with both the Eastern and Central parts of Berkshire. 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 (including South Bucks) SHMA, underlining the particular strength of housing market relationships within this eastern part of Berkshire.

Contents

Appendices

Appendix 1	Executive Summary – Berkshire Functional Economic Market Area Study (February 2016)
Appendix 2	Glossary
Appendix 3	Methodology Consultation Questions
Appendix 4	Methodology Consultation Responses Summary
Appendix 5	Emerging Findings Consultation Questions
Appendix 6	Emerging Findings Consultation Responses Summary
Appendix 7	List of Consultees
Appendix 8	VOA Floorspace Maps
Appendix 9	IDBR Business Maps
Appendix 10	Cambridge Econometrics Employment Projections - Methodology and data sources
Appendix 11	Baseline Cambridge Econometrics Employment Projections
Appendix 12	Definition of B Class Sectors

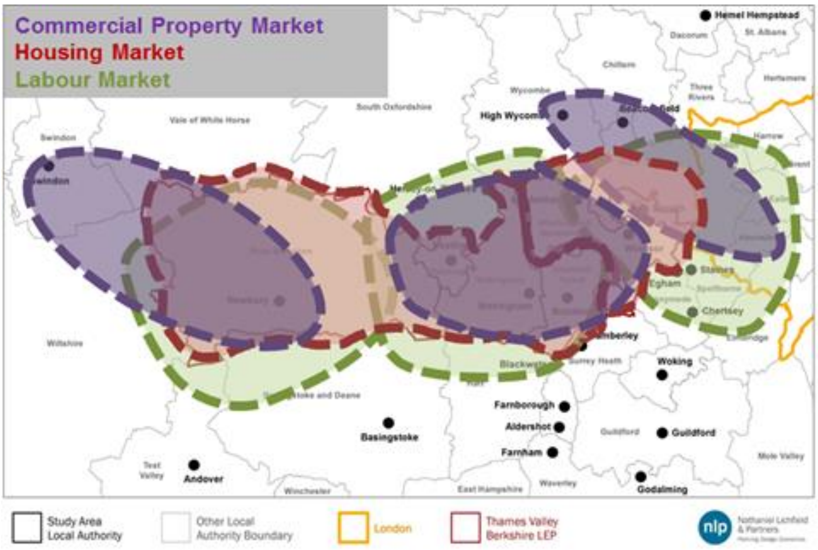
1.0 Introduction

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 Slough and Windsor and Maidenhead.

1.2 This report represents the second of a two-part study. The first part comprises the Berkshire Functional Economic Market Area ('FEMA') Study[2] prepared by NLP 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 and from that the various FEMAs that operate across Berkshire. That concluded for plan making purposes that three Core FEMAs operate across Berkshire, with Slough and Windsor and Maidenhead operating within an Eastern Core FEMA. The Executive Summary of the Joint Berkshire FEMA Study is included at Appendix 1.

1.3 The functional economic geographies of the Eastern Berkshire FEMA are however complex due to the influence of London, and the dynamic nature of the economy as shown in Figure 1.1 below which summarises the main 'policy off' relationships that characterise the FEMA study area, and how these overlap in the sub-region and across local authority boundaries. The FEMA Study concluded that these areas are indicative and should not be interpreted as being definitive or fixed over time.

Figure 1.1 Functional Economic Markets – Summary Map



Source: NLP analysis, drawing upon a range of sources

1.4 For plan making purposes these relationships were overlaid to give a "best fit" with local authority boundaries, and three core FEMAs were identified as summarised in Table 1.1 and Figure 1.2. These FEMA areas encompass those

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

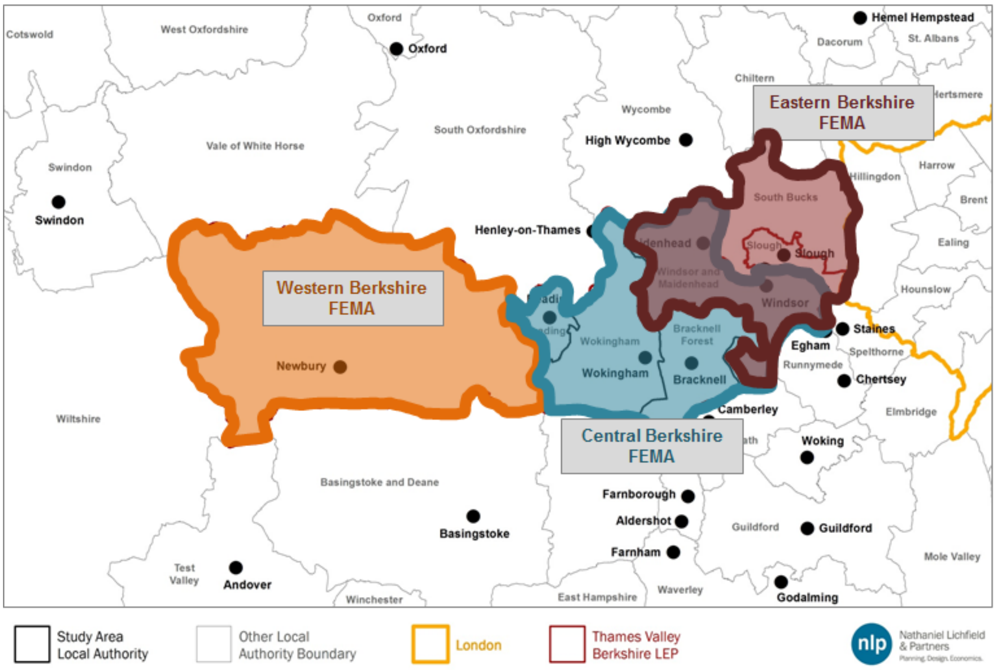
local authority areas that the evidence indicates consistently have strong inter-relationships across a range of indicators including economic and sector characteristics, labour market areas, housing market areas, commercial property market areas, consumer market areas and transport and connectivity.

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[3]	✓	✓	
Wokingham	✓		
South Bucks[4]		✓	

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

1.5 This second part report focuses on the future economic development needs of Slough and Windsor & Maidenhead. These are the two Berkshire Authorities that form the Eastern Berkshire Core FEMA along with South Bucks although future economic development needs have not been specifically assessed for South Bucks as it falls outside of the TVBLEP area.

3 Windsor & Maidenhead sits within two FEMAs due to the varied characteristics and economic role associated with different parts of the Borough.

4 South Bucks is included within the Eastern Berkshire FEMA but future economic development needs have not been specifically assessed for this local authority as it falls outside of the TVBLEP area.

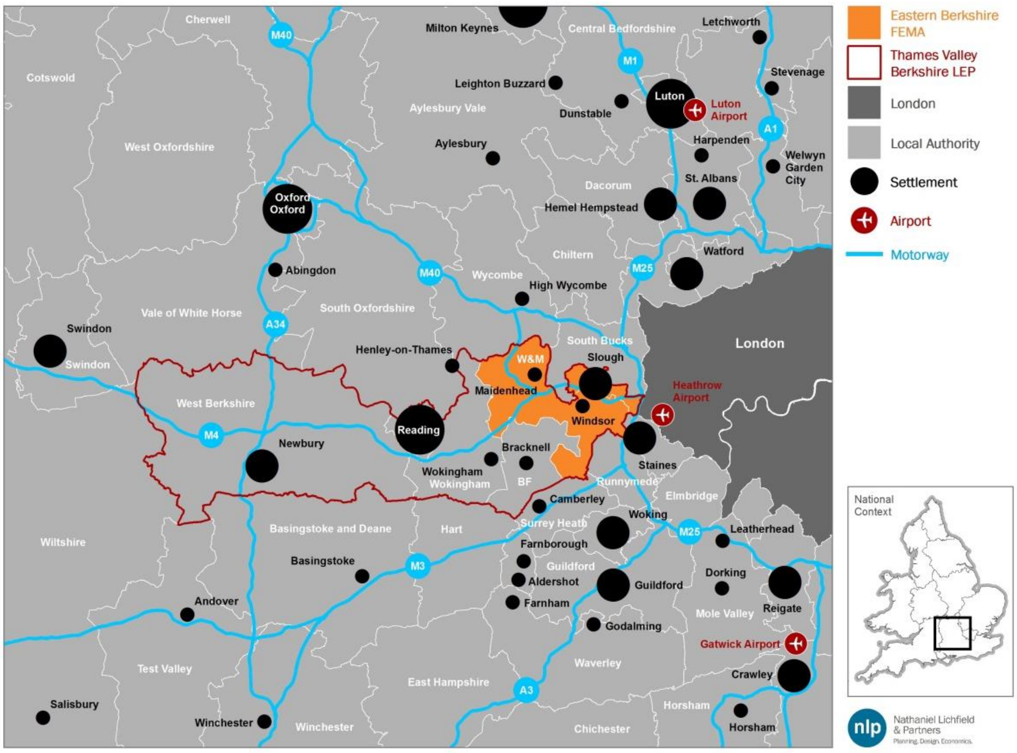
1.6 Windsor and Maidenhead also forms part of the Central Berkshire Core FEMA and second part Economic Development Needs Assessment Reports have also been prepared to assess future economic development needs within the Central and Western Berkshire FEMAs.

1.7 The evidence from both the 'FEMA' and 'EDNA' parts of the study will help inform the basis for the development of economic policies through each local authority's future Local Plan processes. Policy formulation will also take a pragmatic approach that recognises that the boundary of the Core FEMAs are porous and the particular influence of Heathrow and London.

Spatial Overview

1.8 The Eastern Berkshire FEMA is located within the Eastern part of the Thames Valley Berkshire LEP area and immediately to the west of London. For the purposes of this study, the FEMA comprises the two Berkshire Unitary Authority areas of Slough and Windsor and Maidenhead, as shown in Figure 1.3 below.

Figure 1.3 Spatial Context of Eastern Berkshire FEMA



Source: NLP analysis Note: settlements sized by population

Scope of Assessment

1.9 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

Core Eastern Berkshire FEMA (subsequently referred to as the FEMA). This is specifically considered for the group of B-class sectors outlined below[5]:

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

1.10 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.

1.11 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).

1.12 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.

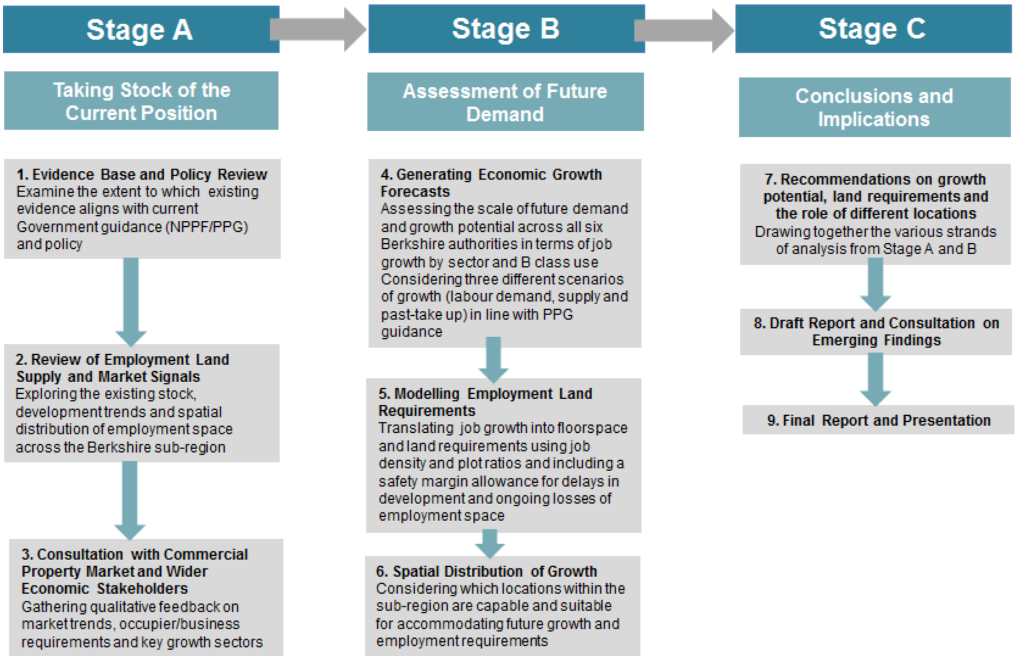
1.13 The scope of the study is limited to assessing the need for B-class business space and land across the FEMA. It does not provide any assessment of the availability and suitability of land in the area to accommodate employment development uses either now or in the future.

Study Methodology

1.14 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).

[5] It should be noted that activities associated with data centres (which represent a key occupier in the FEMA and in Slough in particular) tend to be included within the Computing & Information Services sector category (data processing, hosting and related activities sub-sector) and therefore most closely align with the B1a/b use class category

Figure 1.4 Economic Development Needs Assessment Outline Methodology



Source: NLP

1.15 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.

1.16 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.

1.17 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.

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

Basis of Assessment

1.19 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.

1.20 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 Eastern Berkshire EDNA analysis in quantitative terms; however some more qualitative commentary has been provided.

1.21 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

1.22 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

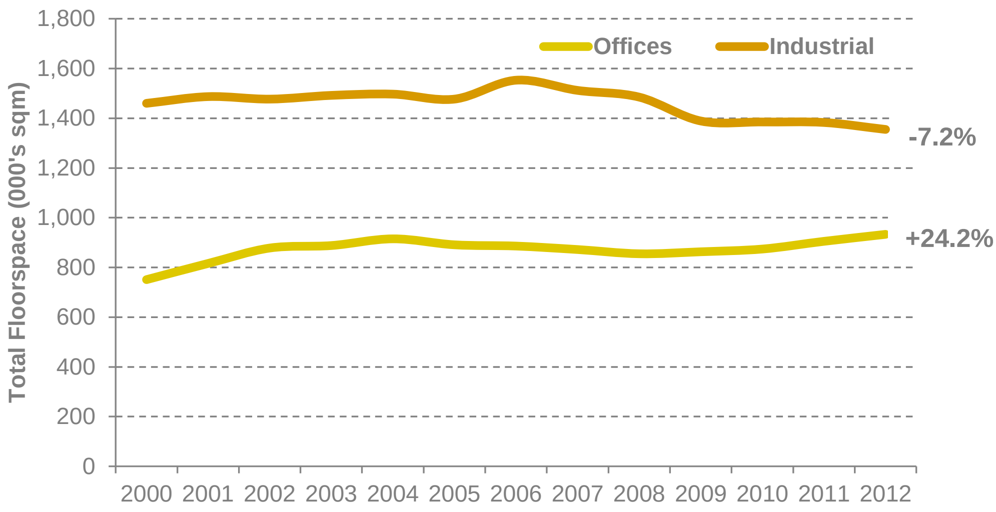
2.1 This section provides an overview of the current stock of B-Use employment space in the Eastern Berkshire FEMA, while also summarising recent trends and changes to the supply of this employment space. The amount of employment land and quantity of built employment floorspace has been considered across 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 Slough and Windsor & Maidenhead Borough Councils; and
- EGi Property Link database and other commercial property sources.

Current Stock of Employment Space

2.2 In 2012, the Eastern Berkshire FEMA contained around 2,288,000sq.m of B class floorspace, the majority (59%) of which is characterised by industrial (B1c/B2/B8) uses. The total stock of office floorspace[6] in the FEMA increased by 24.2% between 2000 and 2012, which was more than double the rate of growth (11.9%) achieved across the South East as a whole. Industrial floorspace decreased by 7.2% 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 Eastern Berkshire FEMA, 2000 - 2012

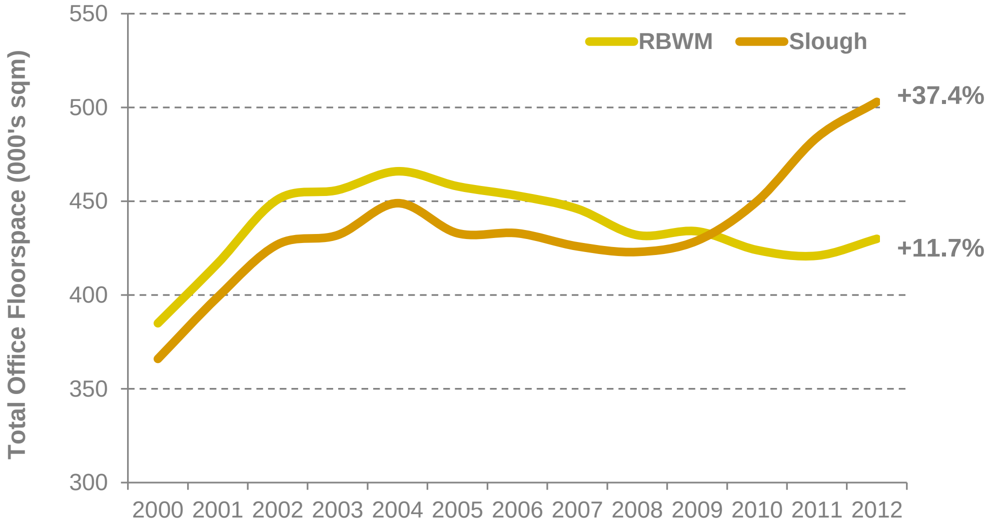


Source: VOA Business Floorspace / NLP analysis

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

2.3 Within the Eastern Berkshire FEMA, the greatest increase in office floorspace between 2000 and 2012 was recorded in Slough in both absolute and percentage terms. This was equivalent to an increase of 37.4%, compared with 11.7% in RBWM over this period (Figure 2.2).

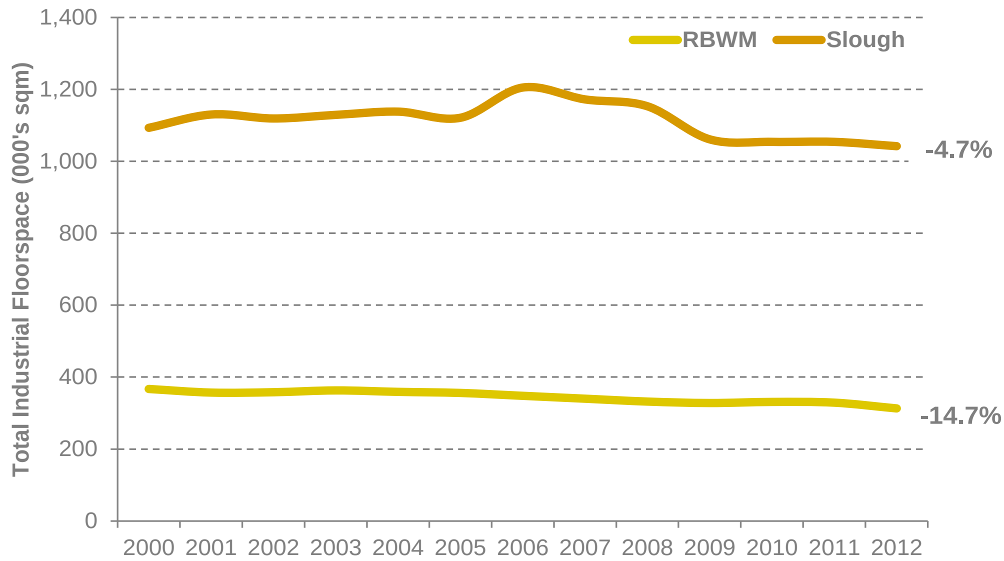
Figure 2.2 Change in Office Floorspace in Eastern Berkshire FEMA, 2000 - 2012



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 in Slough at 4.7% (Figure 2.3).

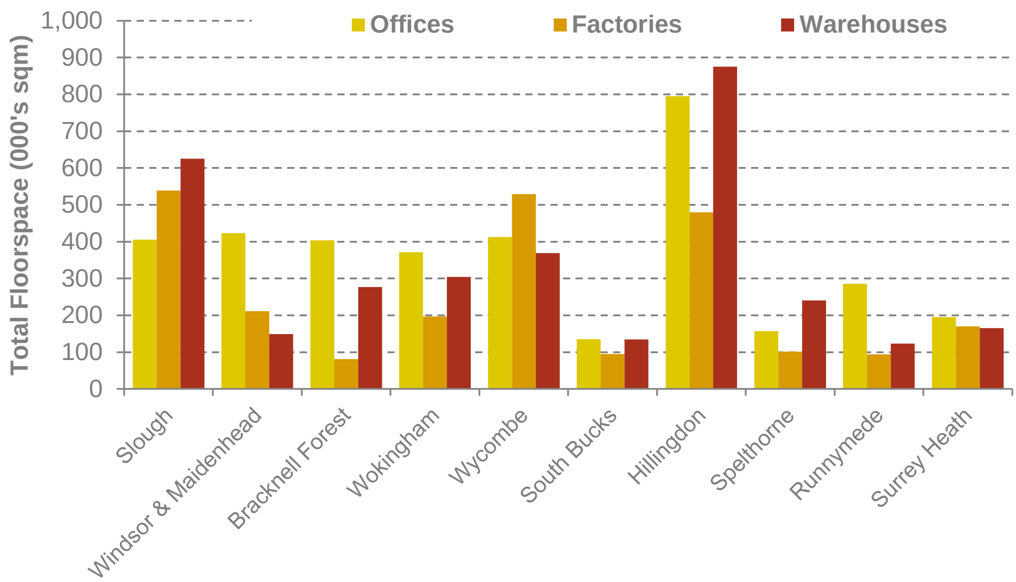
Figure 2.3 Change in Industrial Floorspace in Eastern Berkshire FEMA, 2000 - 2012



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 Eastern Berkshire FEMA.

Figure 2.4 Components of Employment Floorspace by Local Authority, 2008



Source: VOA 2008[7] / NLP analysis

2.6 This analysis indicates that the supply of employment space within the Eastern Berkshire FEMA is broadly evenly split between office (B1a/b), factory (B1c/B2) and warehousing (B8) uses, equivalent to 35%, 32% and 33% of total stock respectively.

2.7 Within the FEMA, office space is also broadly evenly split between RBWM and Slough, and this quantum of space is comparable to the nearby local authority areas of Bracknell Forest, Wokingham and Wycombe (Figure 2.4). LB Hillingdon stands out as recording the most significant quantum of office floorspace in the wider sub-region at 795,000sq.m, with Surrey Heath, Spelthorne and South Bucks recording the smallest total stock of office space.

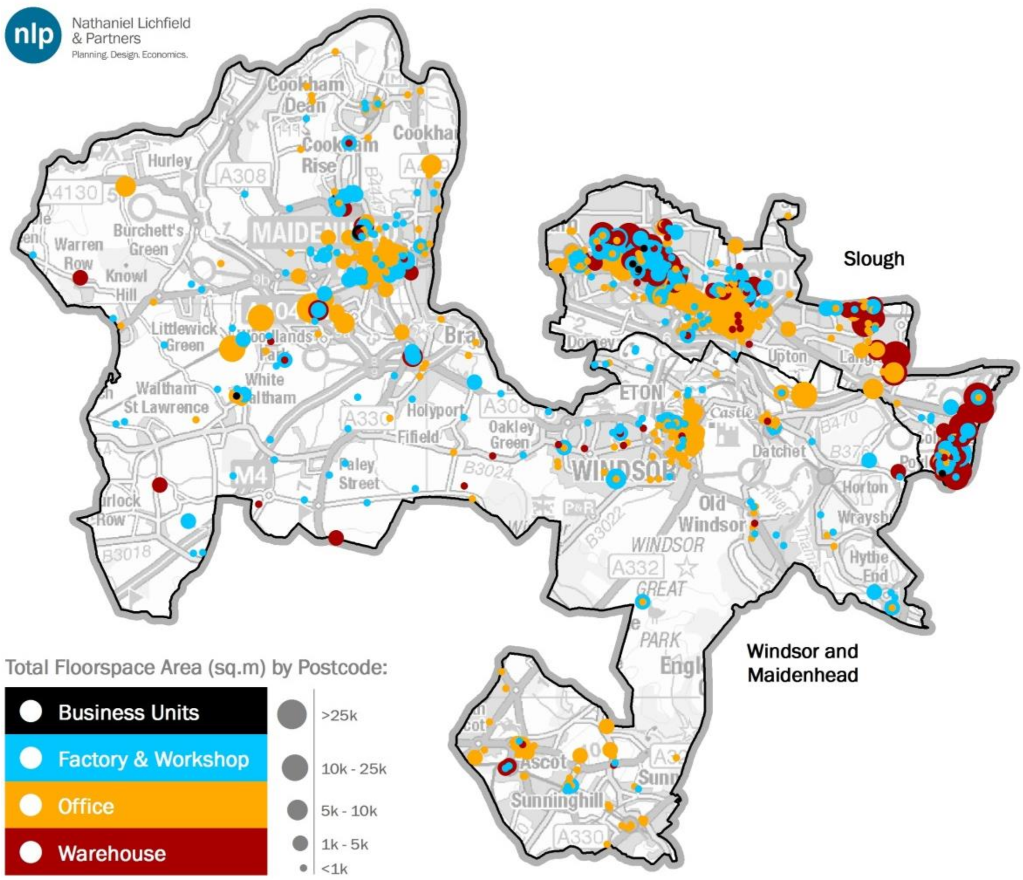
2.8 From an industrial perspective, Slough accommodates the majority (76%) of stock in the FEMA. LB Hillingdon represents the only local authority area in the surrounding sub-region that records a larger stock of industrial space than Slough, although Wycombe does not fall far behind (Figure 2.4). RBWM's stock of industrial space is comparable in scale to adjoining Bracknell Forest, and is larger than nearby South Bucks, Spelthorne, Surrey Heath and Runnymede.

[7] 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 Eastern 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 Slough plays in terms of accommodating B class employment space in the FEMA, particularly in regards to warehousing and distribution floorspace. The spatial distribution of offices, factories, workshops and business units tend to be more evenly dispersed within the FEMA, with Maidenhead also standing out as a key location for office floorspace outside Slough.

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



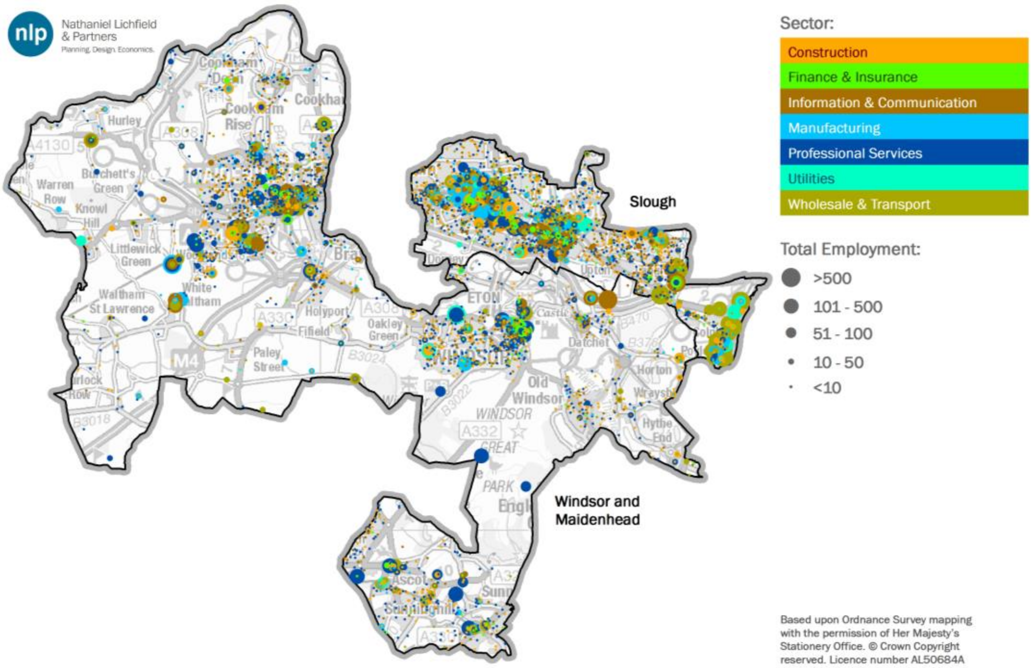
Source: VOA 2010 / NLP analysis

2.10 Outside the more substantial commercial locations of Slough and Maidenhead in the Eastern Berkshire FEMA, the smaller commercial centres of Windsor, Ascot and Sunninghill also accommodate a reasonable share of the floorspace in the FEMA. However this B class employment floorspace tends to be much smaller in scale compared to those premises supported in Slough and Maidenhead.

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 Eastern Berkshire FEMA is included in Appendix 8.

2.12 Drawing upon Inter-Departmental Business Register (IDBR) data, the spatial distribution of businesses in the Eastern Berkshire FEMA that operate within B class sectors can also be illustrated (Figure 2.6). This analysis underscores that the largest cluster of B class businesses in the FEMA are found in Slough and Maidenhead, while smaller clusters of business are located in and around Windsor, Ascot and Sunninghill.

Figure 2.6 Spatial Distribution of B Class Employment in the Eastern 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 Slough supports substantial clusters of industrial sectors in the Eastern Berkshire FEMA. In particular, the eastern part of the Borough accommodates a concentration of wholesale and transport businesses that are attracted to the location by the close proximity to Heathrow Airport. In addition, the western part of the Borough accommodates a significant cluster of manufacturing businesses in the FEMA, with the majority of these businesses operating in and around Slough Trading Estate.

2.14 The office based sectors of professional services, finance & insurance, and information & communication also tend to be most strongly concentrated in the main commercial centres of Slough and Maidenhead. However the IDBR data also indicates a number of larger professional services businesses are located across the FEMA in smaller commercial locations.

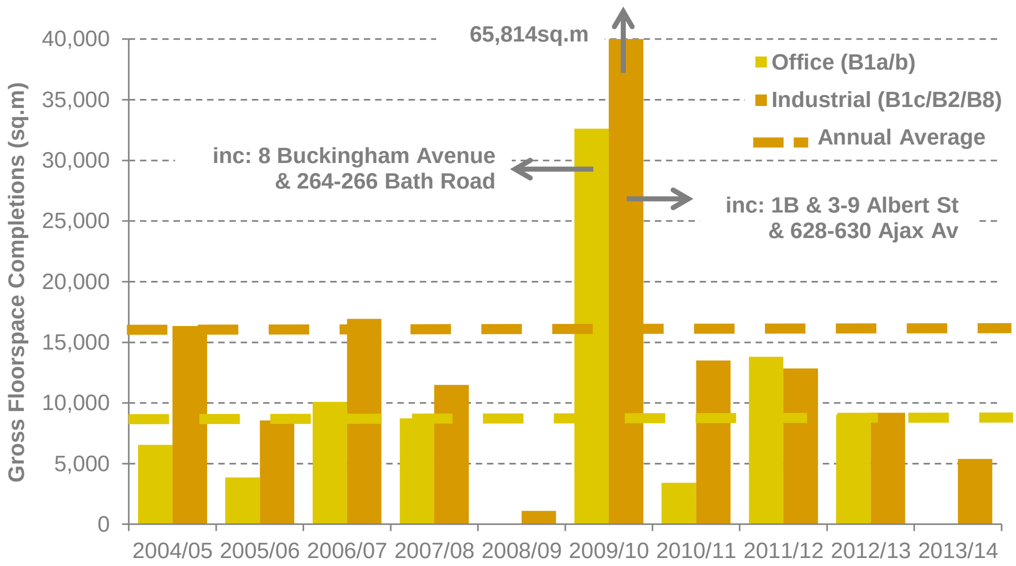
2.15 Individual IDBR maps showing the spatial distribution of all businesses located in each of the local authorities forming the Eastern Berkshire FEMA is included in Appendix 9.

Slough Development Rates

Gross Completions

2.16 The gross amount of B class employment space developed in Slough between 2004/05 and 2013/14 equated to just over 249,300sq.m, or 24,930sq.m per year on average. This B class growth was mainly driven by 161,190sqm (65%) of new industrial (B1c/B2/B8) development. It should be noted that in practice much of this floorspace has actually been occupied by data centres. Office (B1a/b) development accounted for the remaining 88,120sq.m or 35% (Figure 2.7).[8]

Figure 2.7 Gross B Class Floorspace Development in Slough, 2004/05 - 2013/14



Source: Slough Borough Council / NLP analysis

2.17 Gross completions of B class floorspace during this period were relatively consistent on an annual basis, with the key exception being the monitoring year 2009/10, which stands out as recording a much higher level of B class development than any other year in the monitoring period (for both office and industrial uses). Monitoring data indicates that this was driven by a number of large developments including 1B & 3-9 Albert Street (11,085sq.m B1a), 8 Buckingham Avenue (29,291sq.m data centre), 264-266 Bath Road (12,030sq.m B1a), Galvin Road, Slough Trading Estate (28,082sq.m data centre) and 14 Liverpool Road (13,636sq.m data centre).

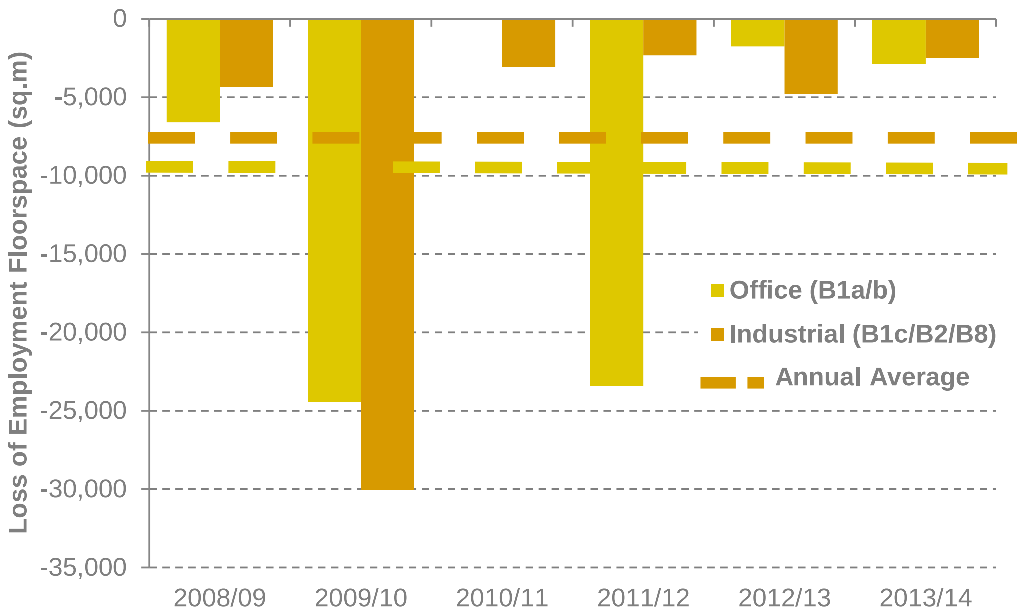
[8] The monitoring data from Slough Borough Council included an unspecified B1-B8 use class category to reflect flexible B class employment floorspace which includes data centres (sui generis). In the absence of more detailed data this unspecified category has been redistributed evenly across the three main B class categories (i.e. B1, B2 and B8) by NLP.
This flexible range of B class uses in part reflects the presence of a Simplified Planning Zone across most of the Slough Trading Estate which allows some types of development, mostly datacentres, warehouses and research and development centres, to be built without the need to apply for an individual planning permission.

Losses of Employment Space

2.18 The monitoring data provided by Slough Borough Council only records losses of B class employment floorspace from 2008/09 onwards, as opposed to gross B class completion data that goes back as far as 2004/05. The total amount of employment floorspace that was lost in Slough between 2008/09 and 2013/14 equated to approximately 106,160sq.m, split relatively evenly between office (59,095sq.m) and industrial floorspace (47,065sq.m).

2.19 The majority of the B class floorspace lost in the Borough over this period can be traced back to a few specific years, rather than to a significant trend through the period as a whole. More than 80% of office space lost over the monitoring period is attributable to 2009/10 and 2011/12 while just under 64% of industrial space lost during this period can be attributed to 2009/10 (Figure 2.8).

Figure 2.8 Losses of B Class Floorspace in Slough, 2008/09 - 2013/14



Source: Slough Borough Council / NLP analysis

Net Completions

2.20 The overall net completion of B class employment space in Slough between 2008/09 and 2013/14 remains positive after taking into account losses of B class space, equating to total net completions of 60,570sq.m over this monitoring period. All of this positive net completions figure relates to industrial space (60,790sq.m), with office space recording a slight net loss in overall terms over the monitoring period (-220sq.m).

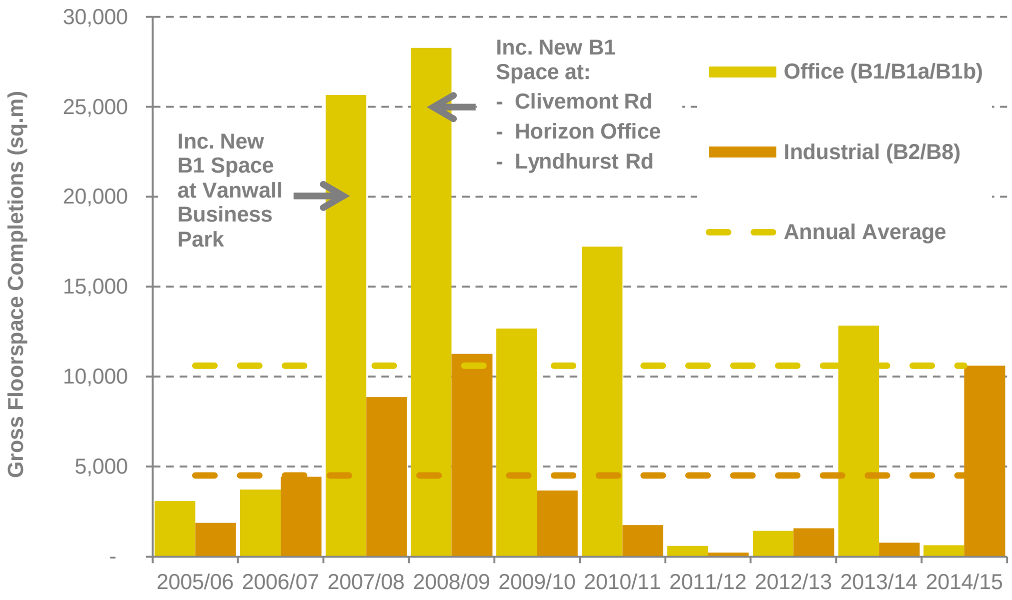
2.21 In this context, the gross completion of B class employment space in Slough has exceeded the losses of floorspace during this monitoring period. This has resulted in an increase in the total quantum of B class employment floorspace (including data centres) in the Borough over recent periods.

Windsor & Maidenhead Development Rates

Gross Completions

2.22 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 employment floorspace 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 2.9).[9]

Figure 2.9 Gross B Class Floorspace Development in Windsor & Maidenhead, 2005/06 - 2014/15



Source: Royal Borough of Windsor & Maidenhead / NLP analysis

2.23 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 2.9, 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.

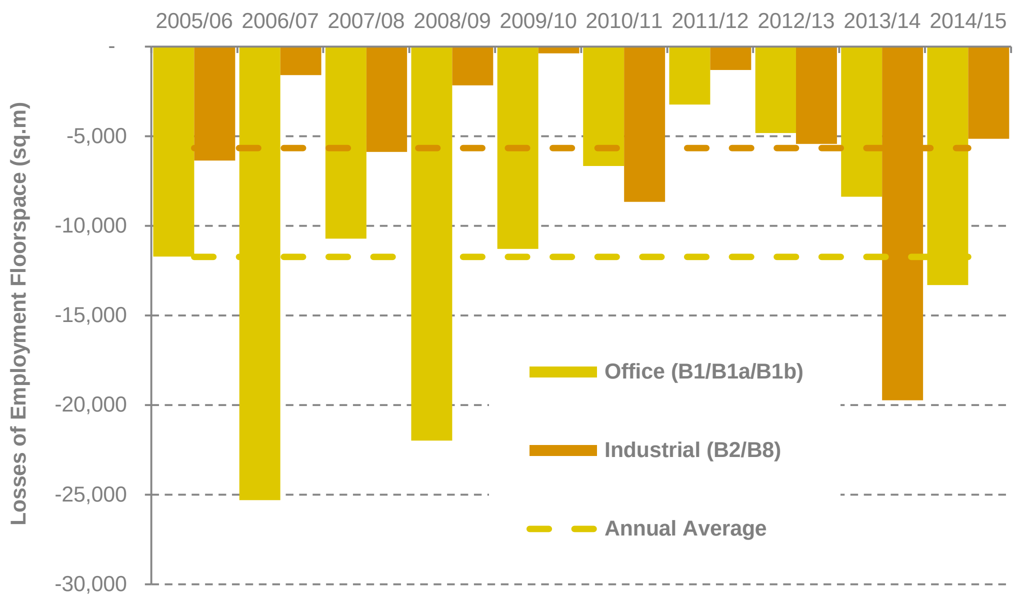
[9] The monitoring data from the Royal Borough of Windsor & Maidenhead did not disaggregate the B1 use class category by B1a, B1b and B1c uses between 2005/06 and 2010/11, but did make the distinction from 2011/12 onwards. In the absence of more detailed data, the B1 use class category used between 2005/06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

Losses of Employment Space

2.24 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.

2.25 As shown in Figure 2.10, the losses of B class employment space in Windsor & Maidenhead during this period have been relatively balanced across the years. The most significant losses of employment floorspace during 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 2.10 Losses of B Class Floorspace in Windsor & Maidenhead, 2005/06 - 2014/15



Source: Royal Borough of Windsor & Maidenhead / NLP analysis

Net Completions

2.26 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).

2.27 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.

Impact of Permitted Development Rights

2.28 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 uses 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.

2.29 An analysis of monitoring data from Slough Borough Council and the Royal Borough of Windsor & Maidenhead indicates 12 prior approval applications for a change of use from office to residential uses have been completed in the Eastern Berkshire FEMA since May 2013. These developments have resulted in an additional 74 residential units in the FEMA, including 38 units in Slough and 36 units in Windsor & Maidenhead (Table 2.1).

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

Area	PDR Completions	Losses of Office Floorspace (sq.m)		New Homes
		Total	% of Stock in the Borough	
Slough	5	1,900	0.4%	38
Windsor & Maidenhead	7	2,410	0.6%	36
Eastern Berkshire FEMA	**12**	**4,310**	**0.5%**	**74**

Source: Slough Borough Council / Royal Borough of Windsor & Maidenhead / NLP analysis

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

2.30 Using monitoring data provided by Slough Borough Council and the Royal Borough of Windsor & Maidenhead, as well as historic VOA data, it is possible to estimate that these 12 prior approval applications have resulted in a loss of 4,310sq.m of office space in the Eastern Berkshire FEMA, which is equivalent to a negligible loss of 0.5% of the total stock in the FEMA in 2012 (Table 2.1).

2.31 The average loss of office floorspace in the Eastern Berkshire FEMA equates to about 360sq.m, which includes an average office floorspace loss of 380sq.m in Slough and 340sq.m in Windsor & Maidenhead. The majority of the PDR completions undertaken in the FEMA thus far have therefore related to smaller office premises, although this trend in the FEMA could change in the future.

2.32 The introduction of PDR is expected to have a significant effect on the supply of office floorspace in local authorities across the UK, particularly in those local authorities with the highest residential land value and pressure on lower value uses (e.g. office floorspace). With PDR now confirmed as permanent, it will be necessary for Slough Borough Council and the Royal Borough of Windsor & Maidenhead to carefully monitor future losses of office floorspace to determine whether additional provision becomes necessary over and above the requirements set out in Section 4.0.

2.33 Anecdotal feedback from Slough Borough Council indicates that a significant number of PDR office to residential conversions are anticipated to be completed within the Borough over the coming months and this is expected to significantly accelerate the scale of office floorspace losses associated with this policy within Slough over and above the scale of losses reported above, over the short term at least.

Summary

2.34 The majority of the existing stock of B class employment space in the Eastern Berkshire FEMA is characterised by industrial uses, accounting for about 59% of the total stock within the FEMA. Between 2000 and 2012 the stock of office space in the FEMA increased by 24.2%, which was more than double the rate in the South East as a whole, while the stock of industrial space decreased by 7.2%. The most significant growth in office floorspace during the period was in Slough, while the declining trend in industrial floorspace was evident in both Slough and Windsor & Maidenhead. The stock of office space in the Eastern Berkshire FEMA is also relatively evenly split between the two local authorities although Slough does support the majority of the industrial space in the FEMA.

2.35 The spatial distribution of B class employment space in the Eastern Berkshire FEMA emphasises the substantial role that Slough plays in terms of supporting employment floorspace, particularly in regards to warehousing and distribution floorspace in the eastern part of the Borough, and manufacturing floorspace in the western part of the Borough. The stock of office floorspace in the FEMA tends to be more dispersed compared to industrial floorspace, although Slough and Windsor & Maidenhead do support sizeable clusters of office based firms. Outside the more significant commercial centres of Slough and Maidenhead, the smaller commercial locations of Windsor, Ascot and Sunninghill also accommodate a share of B class floorspace in the FEMA.

2.36 Both Slough and Windsor & Maidenhead have registered reasonable levels of new development during recent periods, driven by industrial/data centre uses in Slough and office uses in Windsor & Maidenhead and driven by a small number of large developments. At the same time, a relatively significant amount of B class floorspace has been lost within the Eastern Berkshire FEMA during recent periods, with most of these losses relating to office floorspace. In this context, the analysis indicated that Slough has been gaining B class space over recent periods with positive net completions of industrial/data centre uses, while Windsor & Maidenhead has been losing B class space with negative net completions of both office and industrial uses.

2.37 The recent introduction of Permitted Development Rights (PDR) for change of use from office to residential uses has also started to have an effect within the Eastern Berkshire FEMA, with monitoring data from Slough Borough Council and Royal Borough of Windsor & Maidenhead indicating that 12 prior approval applications have been completed within the FEMA thus far. These completed prior approval applications have resulted in a loss of 4,310sq.m of office space in the Eastern Berkshire FEMA, including 1,900sq.m in Slough and 2,410sq.m in Windsor & Maidenhead. Although the loss of office floorspace as a result of PDR completions has been relatively low to date, it will be important for the Councils to continue to monitor future losses to determine whether any additional provision becomes necessary. Over the short term, the scale of office floorspace losses associated with PDR is expected to significantly accelerate over the coming months in Slough as a number of prior approvals are due to be implemented.

3.0 Commercial Property Market Signals and Intelligence

3.1 This section provides an overview of the commercial property market in the Eastern 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 study Part One, 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.

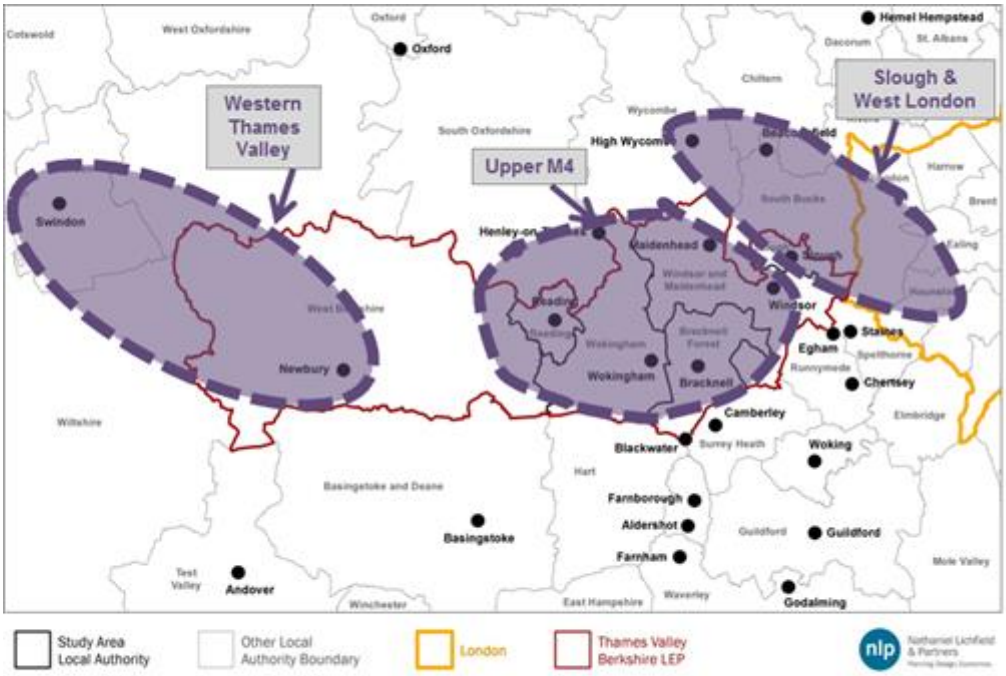
vi **Heathrow-Slough-High Wycombe:** this sub area effectively represents the eastern end of the Thames Valley market and, in overlapping

[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

Eastern Berkshire FEMA

3.10 Within the context of these overarching commercial property sub market areas, the Eastern Berkshire FEMA most closely aligns with the ‘Heathrow-Slough-High Wycombe’ geography or market area with some degree of overlap with the ‘Core Thames Valley’ market area with respect to the centres of Maidenhead and Windsor. From a best fit to local authority boundary perspective, the FEMA comprises two local authority areas, each of which is considered in turn below.

Slough

3.11 Slough represents a significant commercial centre within the Western Corridor, and accommodates the largest stock of industrial space in the Thames Valley. A recent study undertaken on behalf of Slough Borough Council[12] identifies the Slough Trading Estate in particular as being a key asset for the Thames Valley as a whole, as well as Slough. The Borough has a significant strength in the logistics sector, in part due to its strategic location between the M4, M25 and Heathrow Airport. It is home to the headquarters of a number of large, multinational companies across a broad array of sectors.

12 Slough Business Focus Study & Strategic Response, Regeneris, May 2015

Industrial

3.12 Slough is one of the strongest performing industrial locations in the Thames Valley and continues to attract strong levels of demand and development activity. Demand tends to be fairly localised, with many requirements coming from firms that are already based in or near to Slough. Requirements for larger industrial premises tend to originate from a wider geographical area of search. A key occupier requirement is for good yard space and security.

3.13 Local commercial property agents report strong levels of demand across all size ranges, typically grouped into: sub 10,000sqft; 10,000-25,000sqft; and 40,000sqft and above. Particular gaps are reported in supply at the smaller end of the size range (partly due to the lower amount of stock falling within this size range), and also at the upper end with Slough generally unable to satisfy requirements for industrial accommodation exceeding 40,000sq.ft in size. These requirements tend to be displaced to nearby Reading or Heathrow (depending upon the occupier).

3.14 The Trading Estate commands a premium in terms of rents over other Thames Valley locations and these remain on a par or slightly cheaper than Heathrow locations (see Table 3.1).

3.15 A reasonable supply of new industrial space has been completed over recent years in Slough and the majority of industrial accommodation at the Trading Estate is therefore modern and of a generally good quality. As the market has improved older industrial stock has gradually been redeveloped and speculative development has been coming forward and taken up very quickly. A recent example of this is a new terrace development at 255-258 Ipswich Road comprising of four production/warehouse units benefitting from a high specification, with a shared yard and offices on the first floor. This development is reported to have been fast-tracked by the estate’s Simplified Planning Zone status which enables the fast and flexible construction of new buildings and flexibility within and across B use classes on the Estate.

3.16 The pace of new industrial development in recent years has been overtaken by strong levels of occupier demand, to the extent that there is reported to be a record low level of vacancy amongst existing industrial property. Beyond the ongoing piecemeal redevelopment by Segro of existing premises and sites, local commercial agents consider there to be limited scope for intensification of the site to accommodate more development in future, partly due to the occupier requirement for lower density yard space and associated facilities on site.

Offices

3.17 Slough accommodates a reasonably large office market which is reported to be performing reasonably well in the current climate. It attracts a range of small, medium and large office occupiers although the majority of the demand spans the 15,000sq.ft (1,400sq.m) to 20,000sq.ft (1,900sq.m) floorspace range.

3.18 Following the economic downturn a few years ago, the Slough office market has been characterised by relatively high levels of office floorspace vacancy and whilst this has been reducing over the last couple of years as demand has picked up, the vacancy rate is still reported to be reasonably high at around 20%. This means there is plenty of available floorspace in the market to meet occupier needs over the short term.

3.19 The key gap in the market however is the supply of top quality Grade A office space which is reported to be in short supply, as occupiers are increasingly seeking high quality premises for which the Thames Valley is known for. The current supply of office space in Slough is noted by the 2015 Business Focus Study as consisting of a relatively high amount of Grade B and C stock; by comparison, Reading has a large amount of prime, Grade A stock, which means that Slough has historically struggled to attract higher value office occupiers.

3.20 As the office demand/supply balance has tightened in Slough over recent years, prime rental levels have been rising and are now reaching up to £27sqft (£290sq.m) for the best quality space. This offers a cost advantage over nearby Reading and Maidenhead as well as West London locations such as Stockley Park and Chiswick (Table 3.1).

3.21 Despite these relatively low office rental values and the relatively high availability of vacant office space on the market, speculative office development is occurring within Slough. This includes the 115,000sq.ft (10,700sq.m) Porter building opposite Slough station which is expected to be delivered in mid-2017, 350,000sq.ft (32,500sq.m) of office space across three buildings known as Brunel Place (next to the bus station) and a three storey 75,000sqft (7,000sq.m) refurbishment at 234 Bath Road. These 'step change' developments will all provide Grade A office floorspace to meet the gap in the market for this top end space in Slough, and are reported to be targeting large occupiers and the Western Corridor office market. The arrival of Crossrail in 2019 and the enhanced connectivity that this will provide also represents a key driver behind this speculative development, a trend which can also be seen further along the line in Maidenhead and Reading.

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

Location	Industrial Rent		Office Rent	
	Sqft	Sq.m	Sqft	Sq.m
Slough	£9 - £12.50	£97 - £135	£17 - £27	£183 - £290
Maidenhead	£8 - £11	£86 - £118	£19 - £34	£205 - £366
Windsor	£8.50	£91	£24 - £32	£258 - £344
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*
Basingstoke	*£6 - £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*
Hounslow	*£9 - £12.50*	*£97 - £135*	*£14 - £21*	*£151 - £226*
Heathrow	*£11 - £15*	*£118 - £161*	*£18 - £23*	*£194 - £248*
Stockley Park	*n/a*	*n/a*	*£27 - £32*	*£183 - £344*
Staines	*£8 - £12*	*£86 - £129*	*£22 - £33*	*£237 - £355*
Brentford	*£8.50 - £12*	*£91 - £129*	*£20 - £27*	*£215 - £290*
Chiswick	*n/a*	*n/a*	*£30 - £50*	*£323 - £538*

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

3.22 The recent introduction of Permitted Development (PD) rights for change of use from office to residential has had a strong impact on the local office market in Slough, with around 40 office sites reported to have received prior approval for residential conversions. These conversions have generally involved the loss of poor quality, obsolete office stock within Slough Town Centre that doesn't meet modern occupier requirements. In this respect, it has had a positive effect on the local office market by removing this redundant stock from the supply and boosting the occupier profile of Slough, although it is anticipated that the rate of conversions may slow down over the coming months, once the immediate pipeline of conversions are completed and once the remaining poorer quality stock (which had initially represented a prime candidate for conversion) has been taken out of the portfolio.

Windsor & Maidenhead

3.23 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.

3.24 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

3.25 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.

3.26 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.

3.27 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.

3.28 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 (£269sq.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.

3.29 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 (previously Observatory House).

Industrial

3.30 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.

3.31 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.

3.32 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).

Summary

3.33 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. These market areas are collectively referred to as the Western Corridor and comprise a number of sub market areas, each sharing a number of similar characteristics and trends.

3.34 The Eastern Berkshire FEMA most closely aligns with the ‘Heathrow-Slough-High Wycombe’ sub market area which effectively represents the eastern end of the Thames Valley market with a distinctive industrial and quasi-industrial character. There is also some degree of overlap with the ‘Core Thames Valley’ 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.

3.35 Slough represents a significant commercial centre within the Western Corridor, and accommodates the largest stock of industrial space in the Thames Valley. Its office market is performing reasonably well but is still characterised by high levels of office vacancy. Despite this, new speculative office development is starting to occur in and around the town centre, driven by the lack of Grade A office space, the arrival of Crossrail in 2019 and specifically targeting the Western Corridor corporate office market.

3.36 RBWM'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. 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.

3.37 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.

3.38 In general, RBWM 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 and limited new development has occurred in recent years meaning that existing supply is relatively dated.

4.0 Future Requirements for Employment Space

4.1 This section considers future economic growth needs in the Eastern 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 in the Eastern 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[13];
- consideration of **past trends in completions of employment space** based on monitoring data collated by Slough 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 Eastern 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 Eastern 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.

4.6 It should also be noted that the ultimate judgement as to the level of need that should be planned for in the Eastern Berkshire FEMA is not just quantitative,

[13] 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).

and that there will be a number of qualitative dynamics 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 Eastern 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 are however a few years old and therefore do not reflect the latest macro-economic outlook or assumptions.

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.

SHMA Adjustment to Job Growth Forecasts

4.9 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).

4.10 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.

4.11 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

4.12 The employment forecasts obtained from CE indicate overall growth of 27,110 jobs in the Eastern Berkshire FEMA during the 23 year period to 2036 (Table 4.2), equivalent to just under 1,180 new jobs per annum on average. This forecast growth includes 14,680 new jobs in Slough and 12,430 new jobs in Windsor & Maidenhead. Table 4.1 shows the highest growing sectors in the FEMA under this scenario, alongside those sectors expected to see a decline in job numbers during this period. A full breakdown of baseline job growth by sector is provided in Appendix 11.

4.13 This analysis indicates that administrative & supportive services; land transport, storage & post; and computing & information services are expected to be the main drivers of job growth in the Eastern Berkshire FEMA during the next 23 year period, while professional services; accommodation & food services; wholesale; and specialised construction activities are also projected to account for a significant share of the employment growth during this period. Sectors forecast to see the most significant employment losses through this period include education; recreation; and public administration and defence (Table 4.1).

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

Sector	Use Class	Job Growth		
		Slough	Windsor & Maidenhead	Eastern Berkshire FEMA
Administrative & Supportive Services	Part B Class	+4,025	+3,075	**+7,100**
Land Transport, Storage & Post	Part B Class	+5,465	+1,275	**+6,735**
Computing & Information Services[14]	B Class	+2,395	+1,720	**+4,120**
Professional Services	B Class	+1,785	+1,320	**+3,105**
Accommodation & Food Services	Non B Class	+390	+2,140	**+2,530**
Wholesale	B Class	+1,285	+1,090	**+2,375**
Specialised Construction Activities	Part B Class	+705	+1,550	**+2,255**
Public Administration & Defence	Part B Class	-350	-405	**-755**
Recreation	Non B Class	+40	-1,275	**-1,240**
Education	Non B Class	-840	-655	**-1,495**

Source: Cambridge Econometrics 2013 / NLP analysis

4.14 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 classified as being entirely non B class in nature (in terms of the type of space typically occupied).

4.15 The overall employment change in the Eastern Berkshire FEMA resulting from these projections is set out in Table 4.2, alongside the forecast growth in the main B class sectors. This includes an allowance for jobs in other non B class sectors that typically would occupy some office or industrial spaces, such as in construction; vehicle repairs; courier services; road transport and cargo handling; and some public administration activities (see Appendix 12).

4.16 The analysis indicates overall net job gains of 15,965 in B class sectors in the Eastern Berkshire FEMA over the period to 2036, with strong growth in distribution and office jobs, and a much smaller increase in manufacturing jobs. This is in the context of overall workplace job growth of 27,110 jobs projected for the FEMA through this period, which outside B class sectors is expected to be in accommodation & food services and construction.

4.17 Within the FEMA, the analysis indicates growth of 9,605 B class jobs in Slough and 6,360 B class jobs in Windsor & Maidenhead through the study period to 2036. This means that Slough is projected to support approximately 60% of the overall B class job growth in the Eastern Berkshire FEMA during this study

[14] It should be noted that activities associated with data centres (which represent a key occupier in the FEMA and in Slough in particular) tend to be included within the Computing & Information Services sector category (data processing, hosting and related activities sub-sector)

period, while Windsor & Maidenhead will support approximately 40% of this job growth.

4.18 Strong office job growth is forecast in both Slough and Windsor & Maidenhead during this period, while the forecast job growth in distribution uses is most significant in Slough. Manufacturing jobs are expected to decline by just over 820 in Slough between 2013 and 2036, with growth of just over 850 manufacturing jobs expected in Windsor & Maidenhead over this period (Table 4.2), mainly driven by projected growth within construction related activities that typically use some manufacturing space.

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

	Uses	Number of Jobs		Change (2013 - 2036)
		2013	2036	
EASTERN BERKSHIRE FEMA	Offices (B1a/B1b)*	50,800	58,715	+7,915
	Manufacturing (B1c/B2)**	17,040	17,070	+30
	Distribution (B8)***	22,965	30,995	+8,030
	Total B Class Jobs	**90,810**	**106,775**	**+15,965**
	Total Jobs in All Sectors	**183,435**	**210,545**	**+27,110**
SLOUGH	Offices (B1a/B1b)*	24,255	28,495	+4,240
	Manufacturing (B1c/B2)**	10,185	9,360	-825
	Distribution (B8)***	16,600	22,790	+6,190
	Total B Class Jobs	**51,040**	**60,645**	**+9,605**
	Total Jobs in All Sectors	**92,885**	**107,565**	**+14,680**
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**

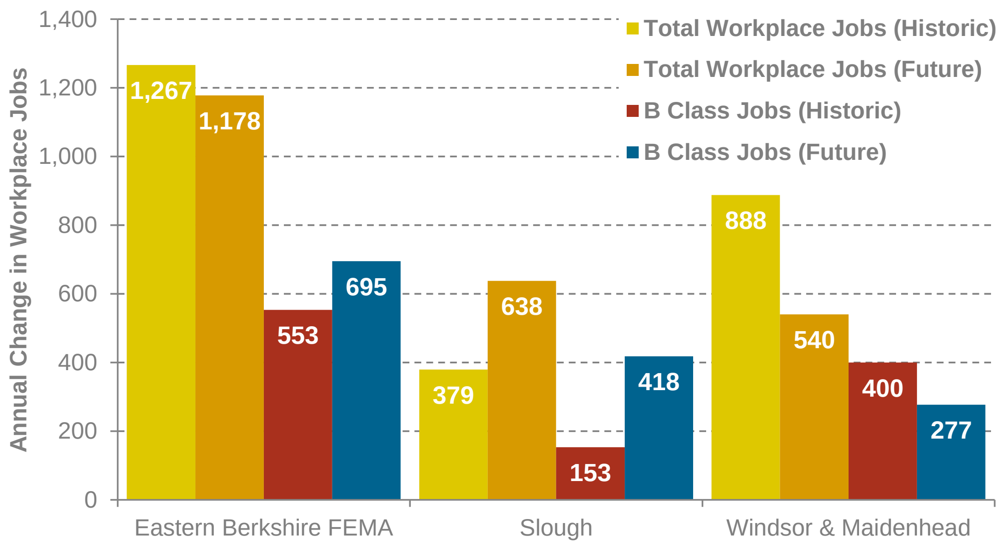
Source: Cambridge Econometrics 2013 / NLP analysis

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.

4.19 The forecasts also indicate that Slough will support approximately 54% of the overall job growth within the Eastern Berkshire FEMA, with Windsor & Maidenhead accommodating approximately 46% of this overall job growth. In overall terms, job growth will be split relatively evenly across the two local authority areas within the FEMA.

4.20 The projected net increase of 15,965 B class jobs in the Eastern Berkshire FEMA to 2036 is equivalent to an annual average increase of 695 B class jobs during this period. This is significantly higher than the 553 B class jobs on average each year that was recorded within the FEMA between 1996 and 2013, suggesting that B class sectors are expected to grow faster in future compared to historically. This acceleration growth trend is driven wholly by Slough, while the pace of B class job growth is expected to slow down in Windsor & Maidenhead in future compared with past trends (Figure 4.1).

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



Source: Cambridge Econometrics 2013 / NLP analysis

4.21 By contrast, total workplace job growth is forecast to decelerate slightly in future compared with the level of growth recorded in the FEMA between 1996 and 2013, with 1,178 new jobs projected to be created in the Eastern Berkshire FEMA on average each year through the study period to 2036. This compares with annual average total growth of 1,267 jobs in the Eastern Berkshire FEMA between 1996 and 2013. Within the FEMA, Windsor & Maidenhead is expected to echo this FEMA wide trend, while the rate of total job growth in Slough is expected to accelerate in future compared with the period 1996 to 2013 (Figure 4.1).

4.22 These employment forecasts can be converted to future employment space requirements assuming standard ratios of jobs to floorspace for different types of B class use. To estimate employment space requirements in the FEMA, the following average ratios have been applied to the employment forecasts for the Eastern 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, smaller scale warehousing (assumed to account for 100% of all stock in Windsor & Maidenhead and 50% of all stock in Slough) and 1 job per 74sq.m for larger scale, lower density units (assumed to account for 50% of all stock in Slough)[15].

[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

4.23 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.

4.24 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.

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

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

	Uses	Net Floorspace Requirement (GEA sq.m)
EASTERN BERKSHIRE FEMA	Offices (B1a/B1b)	108,800
	Manufacturing (B1c/B2)	22,605
	Distribution (B8)	604,545
	Total B Class Floorspace	**735,950**
SLOUGH	Offices (B1a/B1b)	58,300
	Manufacturing (B1c/B2)	-17,735
	Distribution (B8)	473,305
	Total B Class Floorspace	**513,870**
WINDSOR & MAIDENHEAD	Offices (B1a/B1b)	50,500
	Manufacturing (B1c/B2)	40,340
	Distribution (B8)	131,240
	Total B Class Floorspace	**222,080**

Source: NLP analysis

4.26 It should be noted that the B class floorspace requirement for Slough (derived from the baseline labour demand scenario approach) is driven to a large extent by strong growth in warehousing/distribution jobs which tend to use more space per worker than other B class uses such as manufacturing and offices. Growth in warehousing/distribution jobs in Windsor & Maidenhead is forecast to be much lower by comparison, thereby resulting in a lower overall net floorspace requirement under the baseline labour demand scenario approach.

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

B. Past Development Rates

4.27 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

4.28 Past completions monitoring data by B class uses was provided by Slough Borough Council for the period 2004/05 to 2013/14 and the Royal Borough of Windsor & Maidenhead for the period 2005/06 to 2014/15. This data indicates the average annual net completion of B class employment space equates to a net loss of 2,280sq.m in Windsor & Maidenhead and a net gain of 10,095sq.m in Slough[17]. This is equivalent to a net completion of 7,815sq.m of employment space per annum in the Eastern Berkshire FEMA (Table 4.4).

4.29 The gross completion of B class employment space in the Eastern Berkshire FEMA was higher during these periods, with an annual average of 15,120sq.m completed in Windsor & Maidenhead and 24,930sq.m in Slough. This amounts to an annual average gross completion of 40,050sq.m of B class employment space in the 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 Eastern Berkshire FEMA

	Uses	Net Annual Average Completions (sq.m)	Gross Annual Average Completions (sq.m)
EASTERN BERKSHIRE FEMA	Offices (B1a/B1b)	-1,155	19,430
	Industrial (B1c/B2/B8)	8,970	20,630
	Total B Class Floorspace	**7,815**	**40,050**
SLOUGH	Offices (B1a/B1b)	-35	8,810
	Industrial (B1c/B2/B8)	10,130	16,120
	Total B Class Floorspace	**10,095**	**24,930**
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**

Source: Slough Borough Council / Royal Borough of Windsor & Maidenhead / NLP analysis

[17] Past completions monitoring data provided by Slough Borough Council only includes data on losses of space for the period 2008/09 to 2013/14, meaning that net completions of employment space in the Borough can only be estimated over this period.

Note: Net completions in Slough based on data from the monitoring years 2008/09 to 2013/14, while gross completions are based on data from the monitoring years 2004/05 to 2013/14
Net and gross completions in RBWM based on data from the monitoring years 2005/06 to 2014/15

4.30 One view of future growth in the Eastern Berkshire FEMA could simply assume past completion levels continue 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 net loss of 26,565sq.m of office space, and an increase in 206,310sq.m of industrial space by 2036, which is equivalent to a total growth of 179,745sq.m of B class employment space (Table 4.5). The total B class employment space requirement related to this scenario is therefore significantly lower than that estimated under the baseline labour demand scenario.

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)
EASTERN BERKSHIRE FEMA	Offices (B1a/B1b)	-1,155	-26,565
	Industrial (B1c/B2/B8)	8,970	206,310
	Total B Class Floorspace	**7,815**	**179,745**
SLOUGH	Offices (B1a/B1b)	-35	-805
	Industrial (B1c/B2/B8)	10,130	232,990
	Total B Class Floorspace	**10,095**	**232,185**
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**

Source: NLP analysis

4.31 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 1,255 B class jobs would be created in the Eastern Berkshire FEMA by 2036 under the past completions rates scenario, which is equivalent to a growth of around 55 B class jobs each year on average during the course of the study period. Under this scenario, it is estimated that around 3,755 B class jobs would be created in Slough and around 2,500 B class jobs would be lost in Windsor & Maidenhead.

C. Future Labour Supply

4.32 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

4.33 A labour supply based scenario has been considered for the Eastern Berkshire FEMA based on population projections that have been used to inform the Objectively Assessed Housing Need (OAN)[18] for each constituent local authority area as part of the Berkshire SHMA[19].

4.34 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 143,360 in 2013 to 176,000 in 2036, which is equivalent to an additional 32,640 employed residents in the Eastern Berkshire FEMA. This includes an increase of 20,080 employed residents in Slough and 12,560 employed residents in Windsor & Maidenhead. These figures include all age groups of the population.

4.35 An adjustment for commuting patterns has been made by NLP based on the latest 2011 Census travel-to-work data. These commuting patterns for Slough and Windsor & Maidenhead are assumed to remain the same for the whole of the period to 2036, meaning that Slough is assumed to continue to operate as a strong net importer of labour and Windsor & Maidenhead is assumed to continue as a slight net importer of labour throughout the study period.

4.36 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 overall jobs in Slough and Windsor & Maidenhead from the CE employment forecast data (presented in Scenario 1).

4.37 This analysis results in a need for 20,170 B class jobs in the Eastern Berkshire FEMA over the study period to 2036, which is equivalent to around 877 new B class jobs per annum. These jobs include a requirement for 10,030 office jobs, 9,015 distribution jobs and 1,125 manufacturing jobs in the FEMA.

4.38 This scenario also suggests around 68% of the need for B class jobs in the FEMA up to 2036 is in Slough, with 32% in Windsor & Maidenhead (Table 4.6).

[18] 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

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

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

	Uses	Annual Change	Total Change
EASTERN BERKSHIRE FEMA	Resident Labour Supply	1,419	32,640
	Workplace Labour Supply	1,535	35,305
	Office Jobs (B1a/B1b)	*436*	*10,030*
	Manufacturing Jobs (B1c/B2)	*49*	*1,125*
	Distribution Jobs (B8)	*392*	*9,015*
	Total B Class Jobs	**877**	**20,170**
SLOUGH	Resident Labour Supply	873	20,080
	Workplace Labour Supply	970	22,320
	Office Jobs (B1a/B1b)	*270*	*6,200*
	Manufacturing Jobs (B1c/B2)	*9*	*215*
	Distribution Jobs (B8)	*316*	*7,260*
	Total B Class Jobs	**595**	**13,675**
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**

Source: Berkshire SHMA / NLP analysis

4.39 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.

4.40 The overall future employment space requirements based on meeting the B class job needs of forecast workers in the Eastern Berkshire FEMA therefore equates to about 871,490sq.m of B class employment space during the study period up to 2036. These requirements include 137,950sq.m of office space, 53,110sq.m of manufacturing space and 680,430sq.m of warehousing space.

4.41 In addition, the requirements estimate a need for approximately 650,410sq.m of B class employment space in Slough and 221,080sq.m in Windsor & Maidenhead during the period to 2036 (Table 4.7).

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

	Uses	Net Floorspace Requirement (GEA sq.m)
EASTERN BERKSHIRE FEMA	Offices (B1a/B1b)	137,950
	Manufacturing (B1c/B2)	53,110
	Distribution (B8)	680,430
	Total B Class Floorspace	**871,490**
SLOUGH	Offices (B1a/B1b)	85,270
	Manufacturing (B1c/B2)	10,275
	Distribution (B8)	554,865
	Total B Class Floorspace	**650,410**
WINDSOR & MAIDENHEAD	Offices (B1a/B1b)	52,680
	Manufacturing (B1c/B2)	42,835
	Distribution (B8)	125,565
	Total B Class Floorspace	**221,080**

Source: NLP analysis (totals rounded)

4.42 The labour supply based estimate provides a useful benchmark for comparing with the demand scenarios. Based on the population forecasts for the Eastern Berkshire FEMA, these estimates provide a positive space requirement for the FEMA that is slightly higher than the baseline labour demand scenario, but much higher than the past completions rate scenario. It should also be noted that these are unconstrained labour supply forecasts which do not take account of the possible shortage of land for new development.

4.43 The labour supply based scenario also provides a similar estimate for Windsor & Maidenhead when compared with the baseline labour demand scenario, while the estimate for Slough is slightly higher than the baseline labour demand scenario. It provides a much higher estimate compared to the past completions rate scenario for both local authorities.

Summary of Net Employment Space Requirements

4.44 Drawing together the results from each of the future scenarios for the Eastern 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 Eastern Berkshire FEMA by Scenario, 2013 - 2036

	Uses	1. Baseline Labour Demand	2. Past Completion Rates	3. Labour Supply
EASTERN BERKSHIRE FEMA	Offices (B1a/B1b)	108,800	-26,565	137,950
	Industrial (B1c/B2/B8)	627,150	206,310	733,540
	Total B Class Floorspace (sq.m)	**735,950**	**179,745**	**871,490**
SLOUGH	Offices (B1a/B1b)	58,300	-805	85,270
	Industrial (B1c/B2/B8)	455,570	232,990	565,140
	Total B Class Floorspace (sq.m)	**513,870**	**232,185**	**650,410**
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**

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 Eastern 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 Eastern Berkshire FEMA. The safety margin used for industrial uses in Slough is based on two years of average net take-up (covering the monitoring years 2008/09 to 2013/14) as recommended by the former SEEPB guidance.

4.49 However given that the net take-up of B class employment space in Windsor & Maidenhead has been negative in recent periods the margins used are based on one year of average gross take- up in the Borough (covering the monitoring 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. This has also been applied for office space in Slough, given that historically the average annual net completion rate was negative.

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

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

	Uses	Average Annual Completion Rates (sq.m)	Safety Margin Applied (sq.m)
EASTERN BERKSHIRE FEMA	Offices (B1a/B1b)	19,430	19,430
	Industrial (B1c/B2/B8)	14,640	24,770
SLOUGH	Offices (B1a/B1b)	8,810	8,810
	Industrial (B1c/B2/B8)	10,130	20,260
WINDSOR & MAIDENHEAD	Offices (B1a/B1b)	10,620	10,620
	Industrial (B1c/B2/B8)	4,510	4,510

Source: NLP analysis

Note: The average annual industrial completion rate for Slough is based on net take-up rates; while for office space the average annual completion rate for Slough is based on gross take-up.

The average annual completion rate for both industrial and office uses in Windsor & Maidenhead is based on gross take-up rates given the net completion rates have been negative in the Borough 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 from Slough Borough Council over the period 2008/09 to 2013/14[20] indicates the Borough has lost an average of 9,850sq.m of office space and 7,845sq.m of industrial space each year over this period.

4.53 The past completions monitoring data provided by the Royal Borough of Windsor & Maidenhead for the period 2005/06 to 2014/15 indicates the Borough has lost an average of 11,740sq.m of office space and 5,660sq.m of industrial space per year over this recent monitoring period. The total losses of space in the Eastern Berkshire FEMA therefore equates to approximately 21,590sq.m of office space and 13,505sq.m of industrial space over recent periods. 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 the consideration of a range of market dynamics in the Eastern 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 provided sufficient new allocations are being made elsewhere. This study therefore assumes 25% (i.e. a small and not excessive allowance) of all office losses recorded over the past monitoring period for Slough and Windsor & Maidenhead will be replaced up to 2036 which equates to a total replacement of 56,640sq.m of office losses in Slough and 67,505sq.m of office losses in Windsor & Maidenhead.

4.55 In regards to industrial losses, it is assumed 25% of lost industrial space will also need to be replaced in this period. This is equivalent to a replacement of 45,110sq.m of industrial losses in Slough and 32,545sq.m of losses in Windsor & Maidenhead.

4.56 The total replacement of B class employment space losses within the Eastern Berkshire FEMA therefore amounts to about 124,145sq.m of office losses and 77,655sq.m of industrial losses over the period to 2036.

4.57 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 the total amount of employment land within the FEMA in future. It does not imply that it is acceptable to lose existing employment land in policy terms. 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.

4.58 Based on these estimated replacement allowances for office and industrial space 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.

[20] Past completions monitoring data provided by Slough Borough Council only includes data on losses of space for the period 2008/09 to 2013/14

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

	Uses	1. Baseline Labour Demand	2. Past Completion Rates	3. Labour Supply
EASTERN BERKSHIRE FEMA	Offices (B1a/B1b)	252,375	97,580	281,525
	Industrial (B1c/B2/B8)	729,575	304,225	835,965
	Total B Class Floorspace (sq.m)	**981,950**	**401,805**	**1,117,490**
SLOUGH	Offices (B1a/B1b)	123,750	55,835	150,720
	Industrial (B1c/B2/B8)	520,940	298,360	630,510
	Total B Class Floorspace (sq.m)	**644,690**	**354,195**	**781,230**
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**

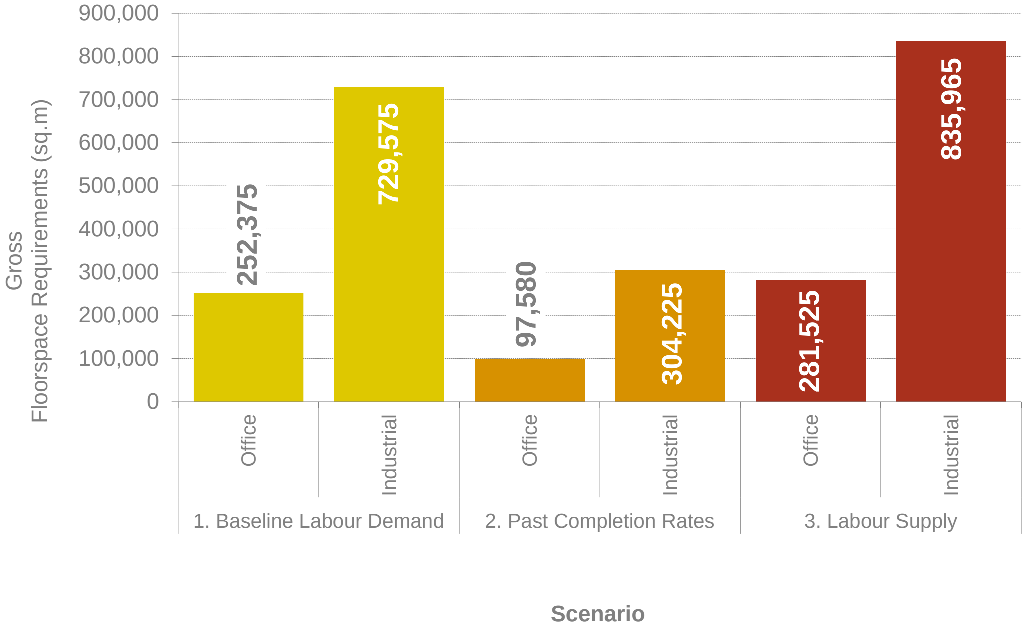
Source: NLP analysis

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

4.59 The range of gross space requirements for industrial uses within the Eastern Berkshire FEMA through the period to 2036 is relatively broad across the three future growth scenarios, with the requirements ranging from 304,225sq.m under the past completions rate scenario to 835,965sq.m under the labour supply based scenario. Set against the stock of existing industrial space in the FEMA, in 2012 the range of requirements would be equivalent to an increase in industrial stock of between 22% and 62% over the period to 2036.

4.60 In terms of the gross requirement for office space in the Eastern Berkshire FEMA the range of requirements is much narrower ranging from 97,580sq.m under the past completion rates scenario to 281,525sq.m under the labour supply scenario. These requirements are equivalent to an increase of between 10% and 30% of existing office stock in the FEMA in 2012.

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



Source: 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 to land requirements 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 patterns in the Eastern 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 50% of new floorspace in Slough and 50% in Windsor & Maidenhead) and a plot ratio of 2.0 for higher density, town centre sites (assumed to account for 50% of new floorspace in Slough and 50% in Windsor & Maidenhead).

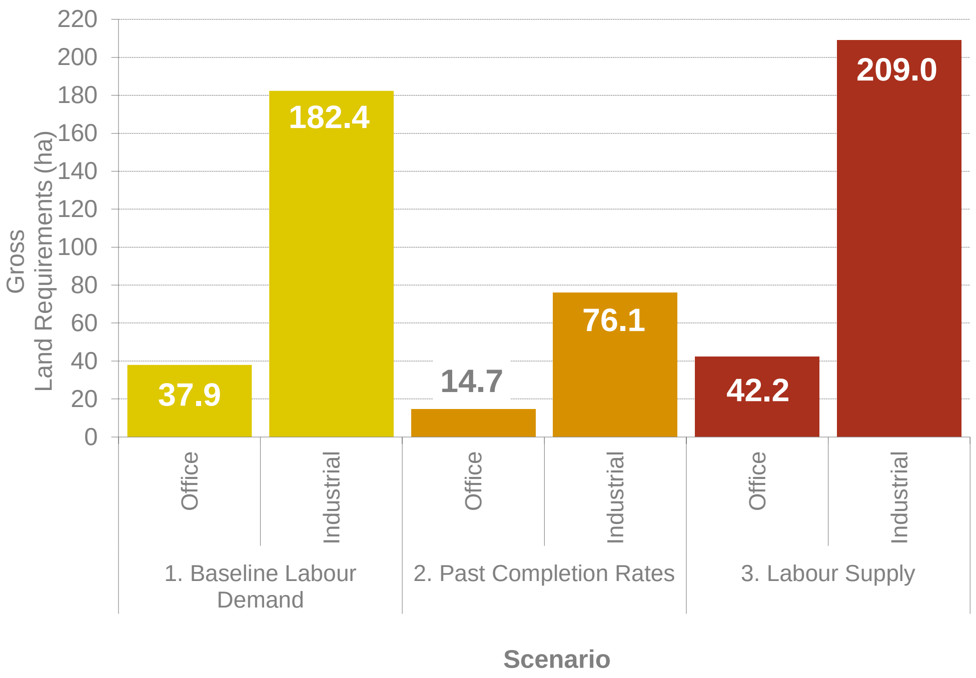
4.62 Based on the application of plot ratios to the estimated gross requirements for office and industrial floorspace in the FEMA during the period to 2036, the resultant land requirement for office and industrial uses are provided in Table 4.11 and Figure 4.3.

Table 4.11 Gross Employment Land Requirements (ha) for Eastern Berkshire FEMA by Scenario, 2013 - 2036

	Uses	1. Baseline Labour Demand	2. Past Completion Rates	3. Labour Supply
EASTERN BERKSHIRE FEMA	Offices (B1a/B1b)	37.9	14.7	42.2
	Industrial (B1c/B2/B8)	182.4	76.1	209.0
	Total B Class Land (ha)	**220.3**	**90.8**	**251.2**
SLOUGH	Offices (B1a/B1b)	18.6	8.4	22.6
	Industrial (B1c/B2/B8)	130.2	74.6	157.6
	Total B Class Land (ha)	**148.8**	**83.0**	**180.2**
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**

Source: NLP analysis

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



Source: NLP analysis

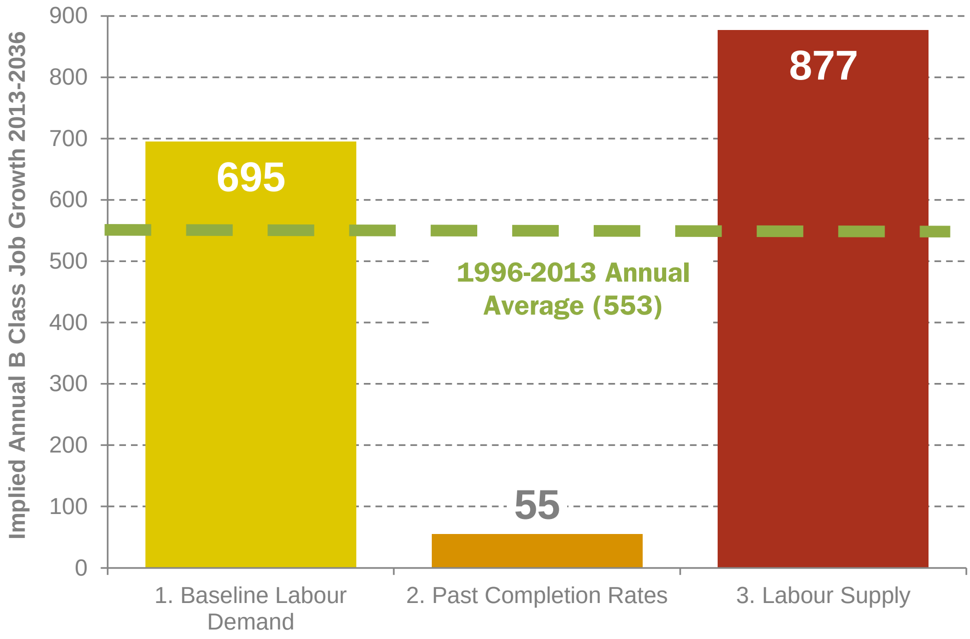
Sensitivity Tests

4.63 Given the breadth of potential requirements for office and industrial space in the Eastern 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 an increase of just 55 B class jobs each year over the 23 year period to 2036. This implied growth includes significant increases in industrial based jobs and a loss of office based jobs.

4.65 The highest growth estimate of land requirements for the Eastern Berkshire FEMA is based on the labour supply scenario which implies a growth of 877 B class jobs per annum during the period to 2036. This growth is forecast to be split relatively evenly between industrial and office based jobs.

Figure 4.4 Annual B Class Job Growth Implied by the Scenarios for Eastern 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.

4.66 The range of implied B class job growth associated with the growth scenarios for the Eastern Berkshire FEMA compares with an annual average B class job growth of 553 in the FEMA over the period 1996 to 2013 (as implied by Cambridge Econometrics 2013 data). This means that two of the three scenarios (baseline labour demand and labour supply) support a level of B class job growth that is higher than the level of growth achieved in the FEMA historically (Figure 4.4.).

Summary

4.67 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.

4.68 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 Eastern Berkshire FEMA. It should also be noted that the forecasts are unconstrained whereas past trends reflect what has actually been delivered in recent years in the FEMA.

4.69 This assessment considered three different scenarios of future employment space requirements in the Eastern 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 401,805sq.m to 1,117,490sq.m during the period to 2036, which implies in broad terms a need for between 90.8ha and 251.2ha of employment land. For all three scenarios, the majority of this spatial requirement relates to industrial (B1c/B2/B8) uses. Two of the three scenarios (baseline labour demand and supply) forecast higher B class job growth than that achieved historically across the FEMA as a whole.

4.70 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 Eastern Berkshire FEMA.

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 Eastern Berkshire FEMA. To varying degrees, the three scenarios reflect both indigenous needs arising within the Eastern Berkshire FEMA as well as a degree of footloose demand which operates across the FEMA's boundaries from the wider Thames Valley sub-region. In the context of the NPPF and PPG, planning policy approaches should aim to plan positively to meet employment space needs so that the Eastern 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 179,745sq.m to 871,490sq.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 401,805sq.m to 1,117,490sq.m over the 23 year period to 2036, implying in broad terms a need for between 90.8ha and 251.2ha 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 Under Scenario 1, the CE employment projections imply that the pace of total job growth within the Eastern Berkshire FEMA is expected to decrease slightly in future compared with past trends, however for B class sectors specifically, this trend is the opposite, i.e. that B class job growth is expected to accelerate in future compared with past trends. Within the FEMA, Slough is expected to drive the majority of job growth, with both total and B class job growth anticipated to increase in future over and above past recorded growth. By contrast, both total and B class job growth in Windsor & Maidenhead is expected to slow down in future compared with past trends. Distribution/logistics (B8) based sectors are anticipated to represent the key driver of B class employment growth across the FEMA to 2036, and Slough is expected to accommodate most of this growth. The lower job density associated with distribution space results in a significantly higher employment floorspace and land requirement for Slough, which accounts for two thirds of the total FEMA space requirement to 2036 under Scenario 1. Office based sectors represent the main driver of B class job growth in Windsor & Maidenhead over the 23 year period to 2036.

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 Eastern Berkshire FEMA, reflecting limited levels of new employment development that has occurred within the FEMA over recent years. This is particularly the case for Windsor & Maidenhead which lost more B class space from its portfolio than it gained over the last nine years, reflecting ongoing development constraints within the Borough and pressure from other non B uses. Past take-up in Slough has been positive in net terms, although the future scenario based upon rolling forward this scale of development (scenario 2) results in an overall employment space requirement that falls significantly behind the other two economic growth scenarios (1 and 3) based on labour demand and supply. It is therefore considered that the past take-up based scenario provides 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 Eastern Berkshire FEMA which is slightly larger in scale 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. Within the FEMA, the majority (70%) of the labour supply requirement relates to Slough and this can be partly explained by strong population and household growth implied by the latest SNPP (and described in more detail in the recent Berkshire [including South Bucks] SHMA); indeed Slough is expected to record higher population and household growth (in percentage terms) than all of the other Berkshire authorities as well as the South East and England. In contrast, population and household growth is expected to be lower in Windsor & Maidenhead.

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 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 Eastern 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 constitutes 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 Eastern Berkshire FEMA most closely aligns with the 'Heathrow-Slough-High Wycombe' geography or market area with some degree of overlap with the 'Core Thames Valley' market area with respect to the centres of Maidenhead and Windsor. Within the FEMA, the key commercial centres of Slough and Maidenhead do not tend to compete with each other for occupiers to any significant extent, with Maidenhead historically commanding higher office rents and as a result, higher value office occupiers compared to Slough, with Slough tending to capture larger, more strategic industrial requirements and occupiers given its location and proximity to the M25/Heathrow. Whilst this market dynamic may change in future, particularly as Slough's Grade A office product offer improves through the new high quality speculative development currently underway, the distinct economic profile associated with individual commercial centres within the FEMA suggests that the majority of employment land requirements that have been identified for the two local authority areas within the FEMA would ideally be accommodated within (or near to) these local authority areas as far as possible.

5.12 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. It will therefore be important that supply-side studies and assessments undertaken as part of the Local Plan evidence base provide a comprehensive assessment of the quality and fitness-for-purpose of employment land supply across the FEMA alongside a more detailed analysis of the qualitative supply-side issues identified as part of this study within the context of overall economic needs identified by the EDNA.

Windsor & Maidenhead

5.13 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 with both Eastern and Central parts of Berkshire. 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.

5.14 Under the baseline job growth scenario (scenario 1), the Borough is expected to record similar levels of total job growth to the other authority area within the Eastern Berkshire FEMA (i.e. Slough), although with much less of a role in driving distribution related jobs. Growth in office jobs is expected to be just as significant in Windsor & Maidenhead as it is in Slough although 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).

5.15 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

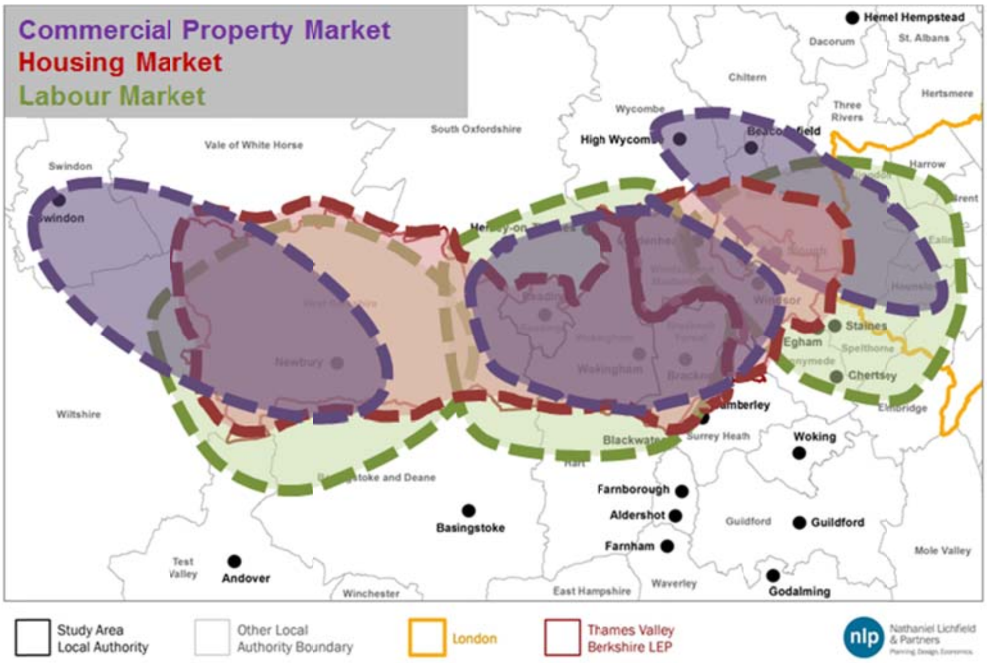
- Berkshire is located between three major east-west corridors of movement (M3, M4 and M40) and in close proximity to the M25; it therefore benefits from excellent access to motorway and trunk road networks. The LEP area is also well served by rail connections although north-south road routes are comparatively 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



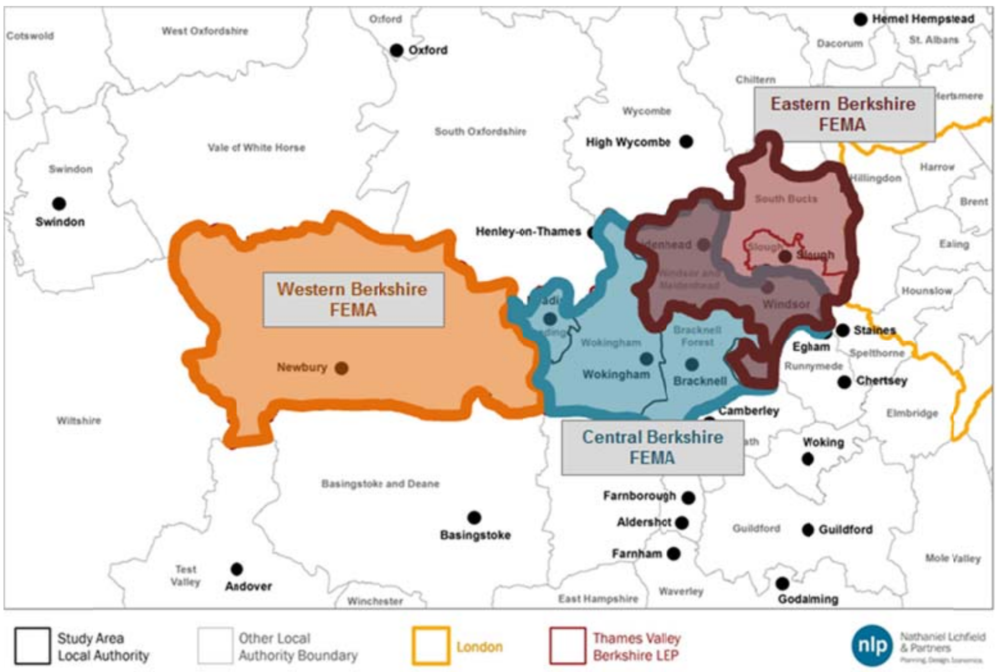
Source: NLP analysis, drawing upon a range of sources

- 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	

Thames Valley Berkshire
LOCAL ENTERPRISE PARTNERSHIP

nlp Nathaniel Lichfield & Partners
Planning. Design. Economics.

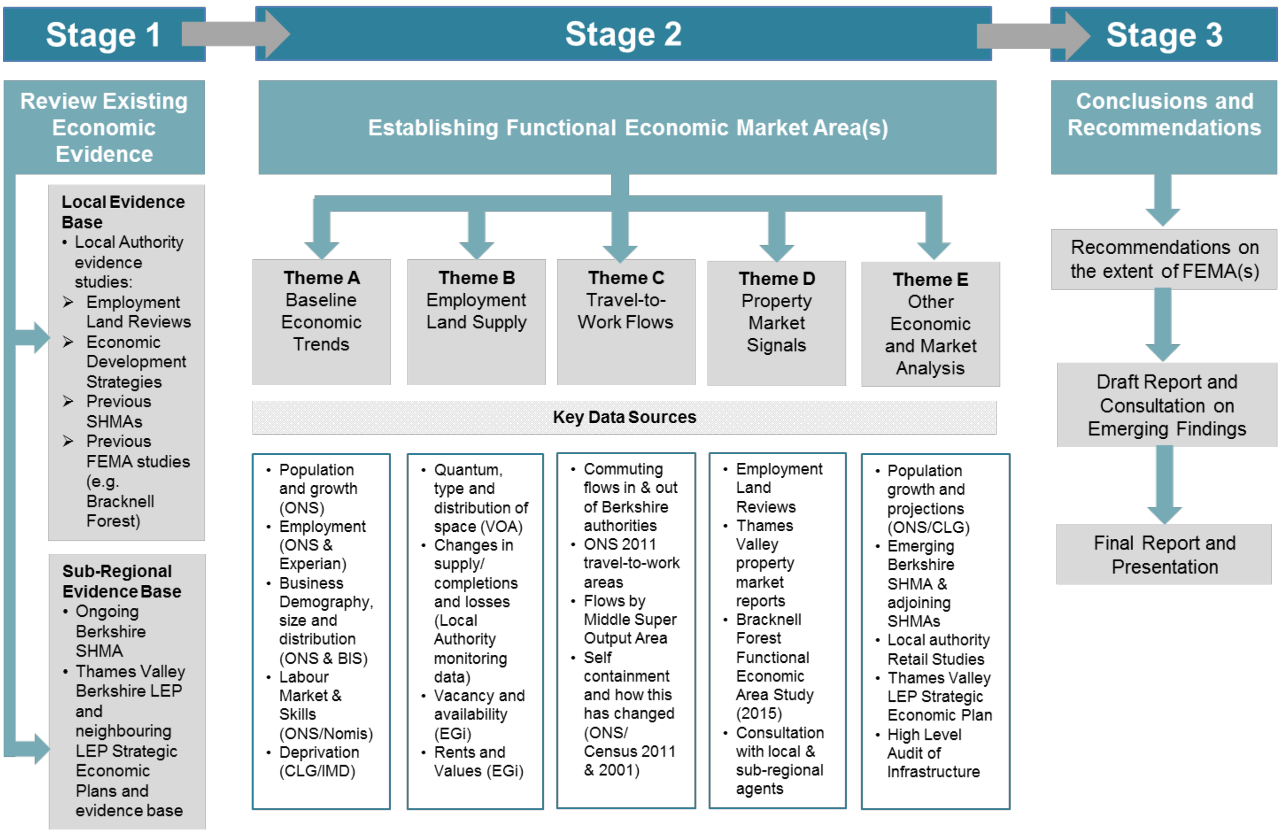
Berkshire Functional Economic Market Area Study and Economic Development Needs Assessment – Method Consultation

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

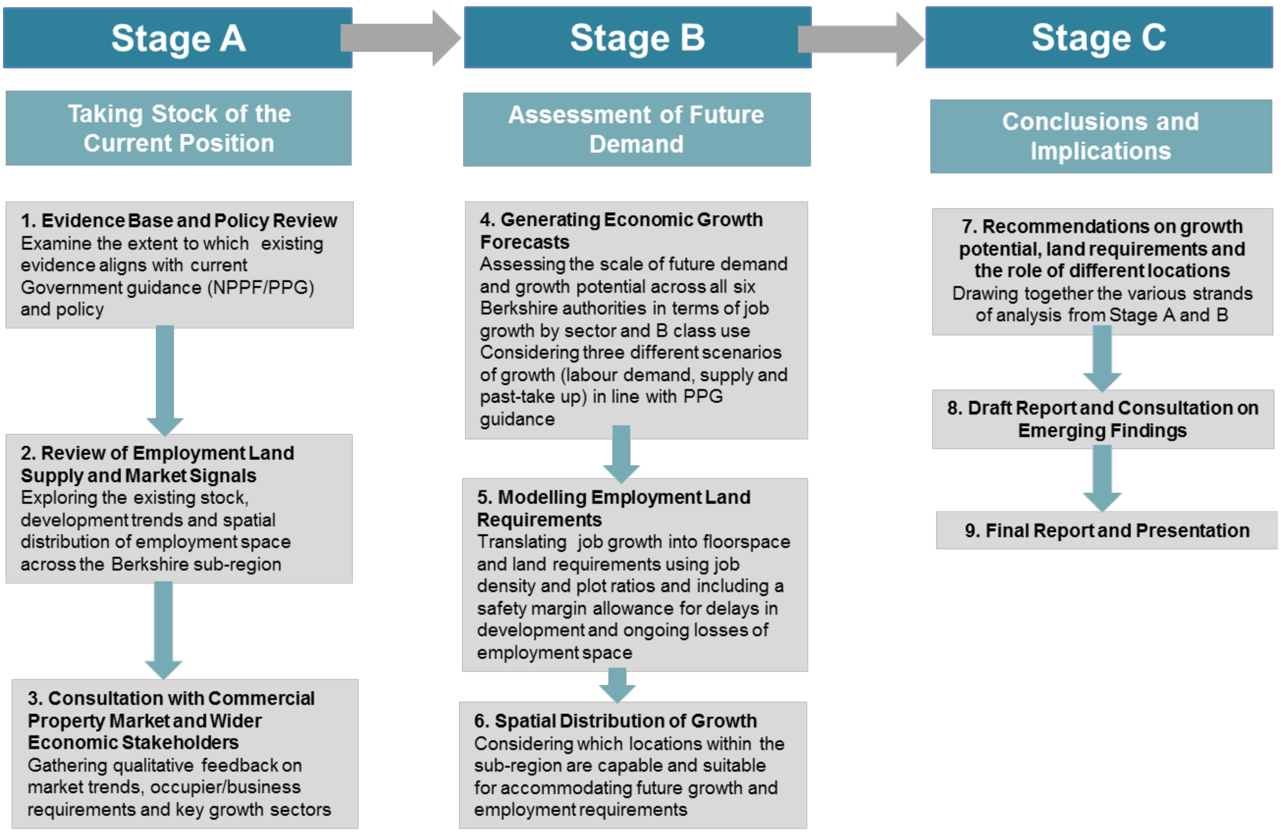
Do you have any other comments on the proposed methodology, data sources or themes that are proposed as part of the Berkshire Functional Economic Market Area Study?

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

Eastern 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 Eastern 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 Eastern 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 Eastern 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.

Eastern 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	

Eastern 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 Eastern Berkshire FEMA as set out in Section 2.0?

Eastern 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 Eastern Berkshire FEMA as set out in Section 3.0?

Eastern 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?

Eastern 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 Eastern Berkshire FEMA?

7. Do you have any other comments regarding the analysis undertaken for the draft Eastern 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)
- SEGRO (ID: EF2)
- Eacotts International Limited (ID: EF3)
- David Hilton (resident) (ID: EF4)
- Spelthorne Borough Council (ID: EF5)
- Buckinghamshire County Council (ID: EF6)
- South Bucks and Chiltern District Councils (ID: EF7)
- Windsor Link Railway (ID: EF8)
- Wycombe District Council (ID: EF9)

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 Eastern 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 Slough Borough Council and the Royal Borough of Windsor & Maidenhead to carefully monitor future losses of office floorspace 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 Study has also concluded that there is a need to review the impact of PDR and lobby Government if necessary. The position in Eastern 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.
Industrial demand is at its highest SEGRO have known with voids of about 4%. This is in stark contrast to the office market and the amount of consented sites that may not be built. There is lack of available land and space for industrial property	EF2	Comment noted.
General direction of travel to be supported - the need for more B space requires the release of more land alongside the need for more residential	EF2	Comment noted.
There is a shortage of land for B uses but particularly B2 and B8	EF2	Comment noted.
Paragraph 2.33 notes that permitted development rights are expected to have a significant effect on the supply of office floorspace in Slough and as such, it is agreed that continued monitoring is important. Spelthorne has a query regarding prior approvals and the extent to which these have been fully taken into account - in particular those that are still being implemented and might not have been reflected in the survey data. In many areas the losses of office space through permitted development rights are very significant, however the time periods over which the Slough (2004/05 to 2013/14) and RBWM (2005/06 to 2014/15) data has been collected largely misses the period in which we have seen prior approvals for offices to residential implemented.	EF5	The EDNA analysis is inevitably constrained by availability of monitoring data on office to resi PD conversions, although we have analysed the most recent monitoring data available at the time of analysis. This commentary also draws upon the more qualitative feedback that has been obtained through consultation with economic stakeholders active in the FEMA, including commercial property market agents.
Windsor & Maidenhead should not be considered as one block. They are different towns with different problems and opportunities, which just happen to be in the same unitary authority. The ' gradual decreasing stock' of office space noted in the report only applies to the borough on average. It therefore masks the precipitous decline in office space in Windsor. This puts increased pressure on Windsor transport, which is already over-capacity and results in a town which is not being adequately planned for. Again, the 'neglible' loss of office space quoted in the report is anything but neglible from the perspective of Windsor town centre, particularly for traders who rely on office workers for custom.	EF8	Analysis of employment space trends within the EDNA is inevitably constrained by the geographical area for which data is available. However, more detailed property market commentary from an individual town perspective is provided in Chapter 3.

Consultation Response	ID Ref	NLP Comments/Response
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 Eastern Berkshire FEMA as set out in Section 3.0?		
3.11 - it is not correct to say that the majority of requirements are localized. There are a lot of requirements which end up outside our area as there is a lack of large sites to accommodate demand. I believe the demand for industrial space will be strong across the remainder of East Berks, if space and land was available	EF2	Text at para 3.11 tweaked to reflect this comment.
Spelthorne Borough Council welcomes the fact that the Berkshire authorities have been working together across local authority boundaries to produce an Economic Development Needs Assessment due to their strong economic ties. Paragraph 3.8 and Figure 3.1 identify that in the western corridor there are several sub-markets. Given these shared ties, there needs to be cooperation and regard for other neighbouring authorities, with a recognition that boundaries are not fixed and economic activity extends beyond.	EF5	Comment noted.
Placement of Windsor in the 'upper M4' FCPMA is wrong. It is more closely linked to Slough and West London. This analysis seems to have been done for political reasons, to match political boundaries, rather than based on geographic and behavioural data. Also, consultants should stop referring to train links as 'good'. This applies to Maidenhead but is not true for Windsor. Despite having two stations, the latter has the worst rail connections, measured by frequency of trains, seats per hour, and direct destinations accessible. Orbital connections are also surprisingly bad, with journeys to the M40 and M3 corridors in many cases impractical. Rail links to Heathrow will improve for Maidenhead and Slough with the WRAtH project but journeys other than by taxi will remain impractical for both Windsor and Ascot. 3.25 says that heritage constraints mean that demand is for smaller premises. This is confusing supply (which is heritage limited) and demand (which is not). Some mention should be made of the Alma Road office development which has planning permission and remains part of the strategic supply.	EF8	The process of defining the three Berkshire FEMAs and property market areas is described in the Part One Berkshire FEMA study which also presents the evidence that was used to inform these conclusions. This includes an assessment of transport, infrastructure and connectivity factors. This consultation on the EDNA study specifically focuses on the economic development needs that have been identified for each of these FEMAs. 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		
Paragraph 7.4 states that forecasts of employment growth were obtained from 2013 Cambridge Econometrics. Given that these forecasts are a few years old and do not reflect the latest macro-economic outlook, these figures need to be approached with caution and utilised with this delay in mind.	EF5	Comment noted. This issue has been highlighted within the EDNA.

Consultation Response	ID Ref	NLP Comments/Response
Scenario 2: Past Completion Rates		
Paragraph 4.27 notes that the completions over such a period as 10 years or more should even out demand fluctuations in a business cycle. Given that many of the years monitored by Slough and Windsor & Maidenhead covered a period of recession, are the authorities confident that the trends in rate of completions are reflective of the whole period and are likely to continue into the future? Spelthorne has concern over the assessment of past development rates in that if development is not occupied then it becomes a less accurate measure of demand. It would be useful to see if vacancy levels in the property market remained constant through the period assessed or if this is taken into account at all.	EF5	The 10 year monitoring period does include a number of years of recession, but also a number of years of economic growth pre 2008. The Conclusions chapter (Chapter 5) notes that the past take-up based scenario provides a less robust basis for understanding objectively assessed need arising from economic growth. Past-take up rates is just one of a number of approaches that have been considered by the EDNA (in line with PPG guidance).
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?		
I am concerned about the skills gap and the need to adequately train and develop staff. If we had high skills levels that would enhance our attractiveness	EF2	This issue is considered to fall beyond the scope and remit of the EDNA and could perhaps be explored through other evidence base studies.
Paragraph 7.4 states that forecasts of employment growth were obtained from 2013 Cambridge Econometrics. Given that these forecasts are a few years old and do not reflect the latest macro-economic outlook, these figures need to be approached with caution and utilised with this delay in mind.	EF5	Comment noted. This issue has been highlighted within the EDNA.
The requirements for Windsor & Maidenhead should be separated out. Transport links between the two are not great, with a train link that is slower than cycling, and just two road links, either via the M4 or via Bray, both of which are over-capacity during commuter hours. It is not therefore sensible to treat them as one area and without a major transport intervention they cannot function as one.	EF8	Analysis of employment space requirements within the FEMA is inevitably constrained by the geographical area for which data is available (in most cases this aligns with local authority areas). This is however supplemented and triangulated with qualitative feedback on the spatial distribution of requirements which is summarised in Chapter 5 (Conclusions and Policy Implications).
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 Eastern 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 Slough Borough Council and the	EF1	Comment noted.

Consultation Response	ID Ref	NLP Comments/Response
Royal Borough of Windsor and Maidenhead'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 Eastern Berkshire FEMA.		
I see a shortage of industrial land and premises across East and Central Berkshire. This will inhibit our ability to accommodate future business growth. The demand for future offices has to be moderated. Big future drivers will be access to super-fast broadband or its equivalent for commercial space, particularly SMEs. Also need a strategy to provide adequate power into the area for future businesses	EF2	The issue of infrastructure provision is considered in more detail through the Part One Berkshire FEMA study.
Given the points raised previously regarding prior approvals and vacancy rates, the eastern Berkshire authorities should be aware that these factors have implications that could materially alter the conclusions the study has come to.	EF5	Comment noted.
The absence of intra-regional transport links (e.g. orbital around London, between Windsor & Maidenhead, Slough and Windsor, Windsor and Ascot etc) as well as inter-regional (e.g. Maidenhead to SW London) with the capacity to carry the forecast increase in employment has not been considered. This will be a major impediment to economic growth. As the LEP has no plans to address this, the forecasts therefore optimistic. Proposals such as the Windsor Link Railway which do address this demand should therefore be a part of the LEP's plans.	EF8	This is an issue that is considered to fall beyond the scope and remit of the EDNA and could perhaps be explored through other evidence base studies.
7. Do you have any other comments regarding the analysis undertaken for the draft Eastern Berkshire Economic Development Needs Assessment?		
It is believed that the Economic Development Needs Assessment provides a comprehensive analysis, however there are some queries which need addressing. We wish to continue a dialogue on economic matters owing to certain functional interactions between Eastern Berkshire authorities and Spelthorne.	EF5	Comment noted.
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.	EF6	Comment noted.
South Bucks and Chiltern District Councils have commissioned a number of studies to establish the housing and economic market area(s) to underpin our new local plan. The studies by ORS and Atkins conclude that Chiltern District falls entirely within a Central Buckinghamshire housing and economic market area comprising Chiltern, Wycombe District and part of Aylesbury Vale District. South Bucks District falls partly within the Central	EF7	The process of defining the three Berkshire FEMAs (Eastern, Central and Western) is described in the Part One Berkshire FEMA study which also presents the evidence that was used to inform these conclusions. This consultation on the EDNA study specifically focuses on the

Consultation Response	ID Ref	NLP Comments/Response
Buckinghamshire housing and economic market area, and partly within a Berkshire-wide housing and economic market area with Slough and Bracknell Forest, Reading, West Berkshire, Windsor and Maidenhead and Wokingham. Housing and economic market areas for plan-making purposes are defined on a 'best fit' basis. In most instances the best fit is based on a single local authority area. However, because South Bucks and Chiltern District Councils are preparing a joint local plan the best fit is defined based on the whole plan area. The evidence prepared on behalf of the Buckinghamshire local authorities indicates the best fit for a Chiltern and South Bucks Local Plan is the Buckinghamshire Housing Market Area and Functional Economic Market Area comprising the whole of Aylesbury Vale, Chiltern, South Bucks and Wycombe Districts. The same evidence for the Buckinghamshire authorities also supports a single Berkshire-wide housing and economic market area comprising Slough, Bracknell Forest, Reading, West Berkshire, Windsor & Maidenhead and Wokingham. On this basis, South Bucks and Chiltern District Councils do not recognise a Berkshire housing market area geography that includes South Bucks District for plan-making purposes. Nor do we recognise a geography that defines an Eastern Berkshire Housing Market Area, whether that includes or excludes South Bucks District. We consider that the Berkshire housing market area geography is flawed and may be an unsound basis for plan-preparation.		economic development needs that have been identified for each of these FEMAs.
We also question whether a single local authority area – in this case Windsor & Maidenhead – can logically sit across two FEMAs on a best fit basis.	EF7	The rationale for concluding that Windsor & Maidenhead sits across two FEMAs is described in detail in the Part One FEMA study.
National Planning Practice Guidance (Paragraph: 035, Reference ID: 2a-035-20140306) confirms that economic development needs assessments should set out clear conclusions on the levels of quantitative and qualitative predicted need. This forms an important input to the local plan preparation process; plan makers need to consider housing and economic strategies in light of needs. Based on this guidance, we consider that Section 5 of the draft document goes beyond the remit of an Economic Development Needs Assessment. In particular, the sections of the report on 'Accommodating Growth' and 'Windsor & Maidenhead' stray into what is properly the remit of the local making process, pre-empting that process, including Duty to Co-operate discussions. Section 5 should be edited so that its scope is limited to conclusions on forecast levels of need.	EF7	Chapter 5 of the EDNA study draws a number of conclusions and recommendations based on an objective assessment of economic development needs. It is ultimately down to each LPA to decide if and how these recommendations are taken forward through the duty to cooperate.
One comment we would like to make is in relation to the Eastern Berkshire FEMA and inclusion of High	EF9	To confirm, the Eastern Berkshire FEMA that has been defined for

Consultation Response	ID Ref	NLP Comments/Response
Wycombe in it. We are concerned that the identified FEMA includes High Wycombe and the reference made in the report to development needs identified in the FEMA being accommodated in these areas. This seems to be at odds with the FEMA identified for the Central Buckinghamshire authorities and as such we would like to express our concerns on the extent of the Eastern Berkshire FEMA, it's inclusion of High Wycombe.		the purposes of this EDNA study does not include High Wycombe town or Wycombe District. The Part One FEMA study notes that there are strong economic linkages between parts of Berkshire and the town of High Wycombe from a commercial property market perspective, although from a 'best fit to local authority boundaries' approach, Wycombe District is not included within any of the Berkshire FEMAs.

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

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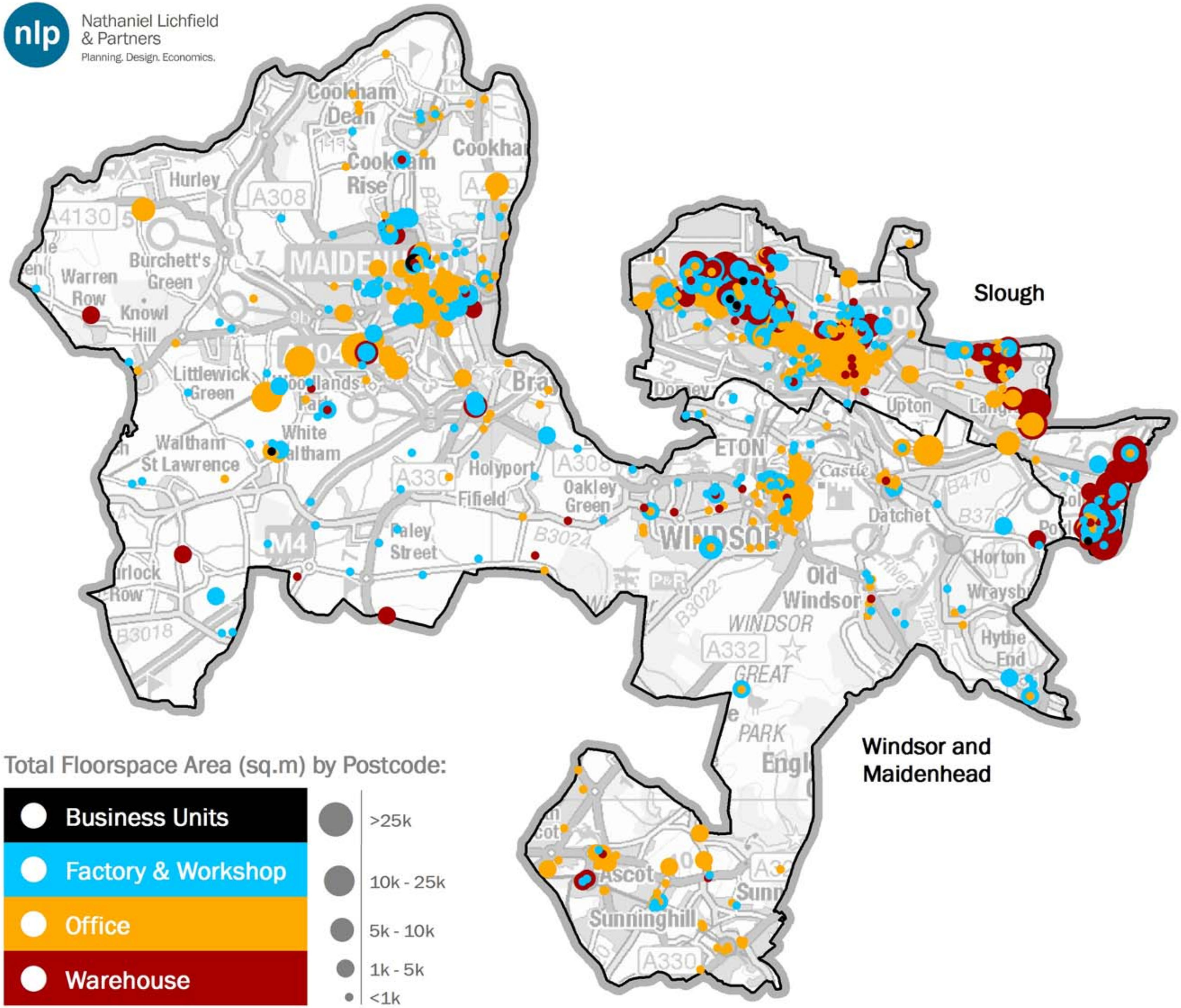

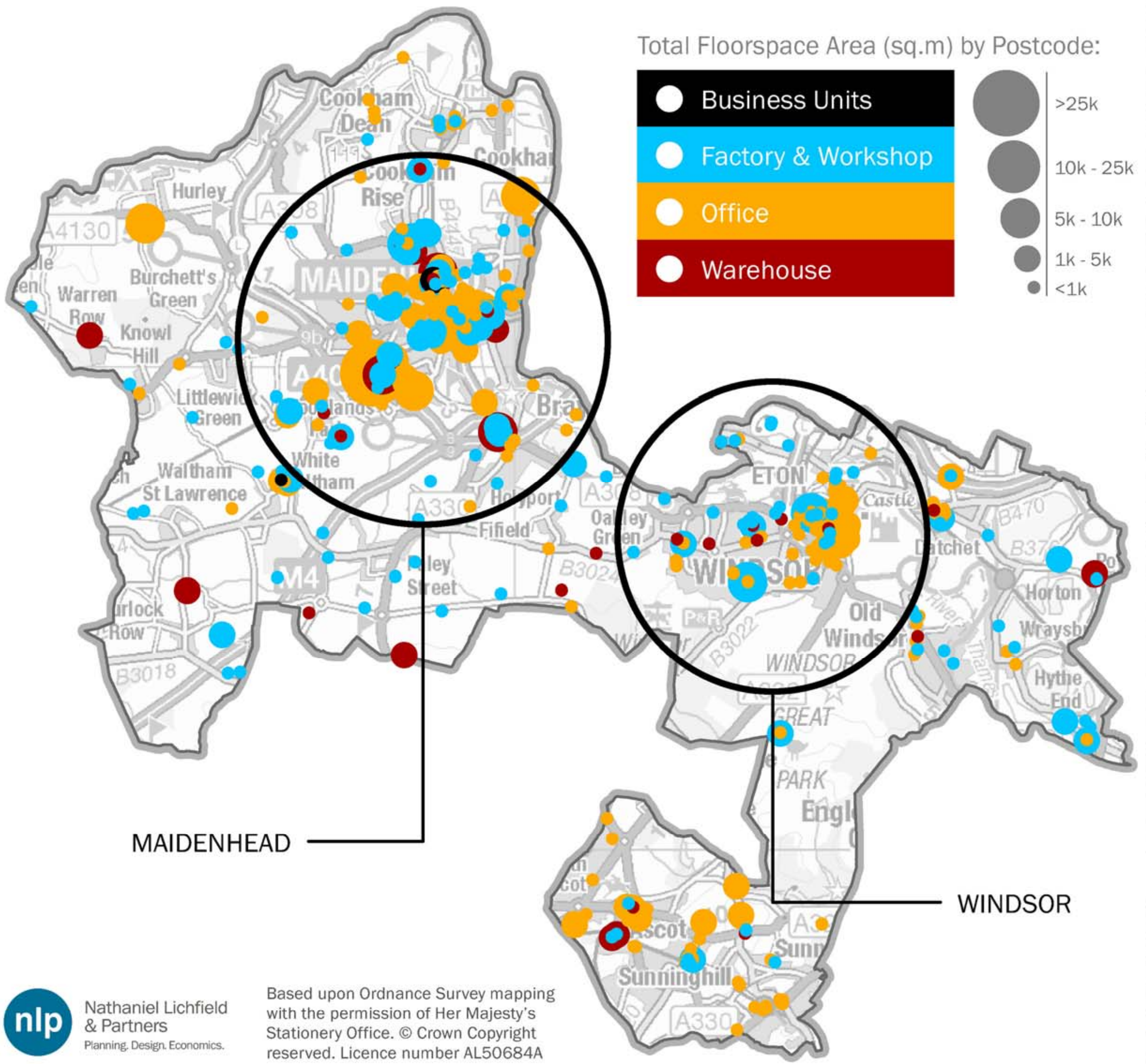
Total Floorspace Area (sq.m) by Postcode:
Business Units
Factory & Workshop
Office
Warehouse
>25k
10k - 25k
5k - 10k
1k - 5k
<1k
MAIDENHEAD
WINDSOR
Cookham Dean
Cookham Rise
Hurley
Burchett's Green
Warren Row
Knowl Hill
Littlewick Green
White Waltham
Waltham St Lawrence
Fifield
Oakley Green
ETON
Datchet
Horton
Old Windsor
Hythe End
Sunninghill
M4
A4130
A330
B3024
B3022
B3018
B470
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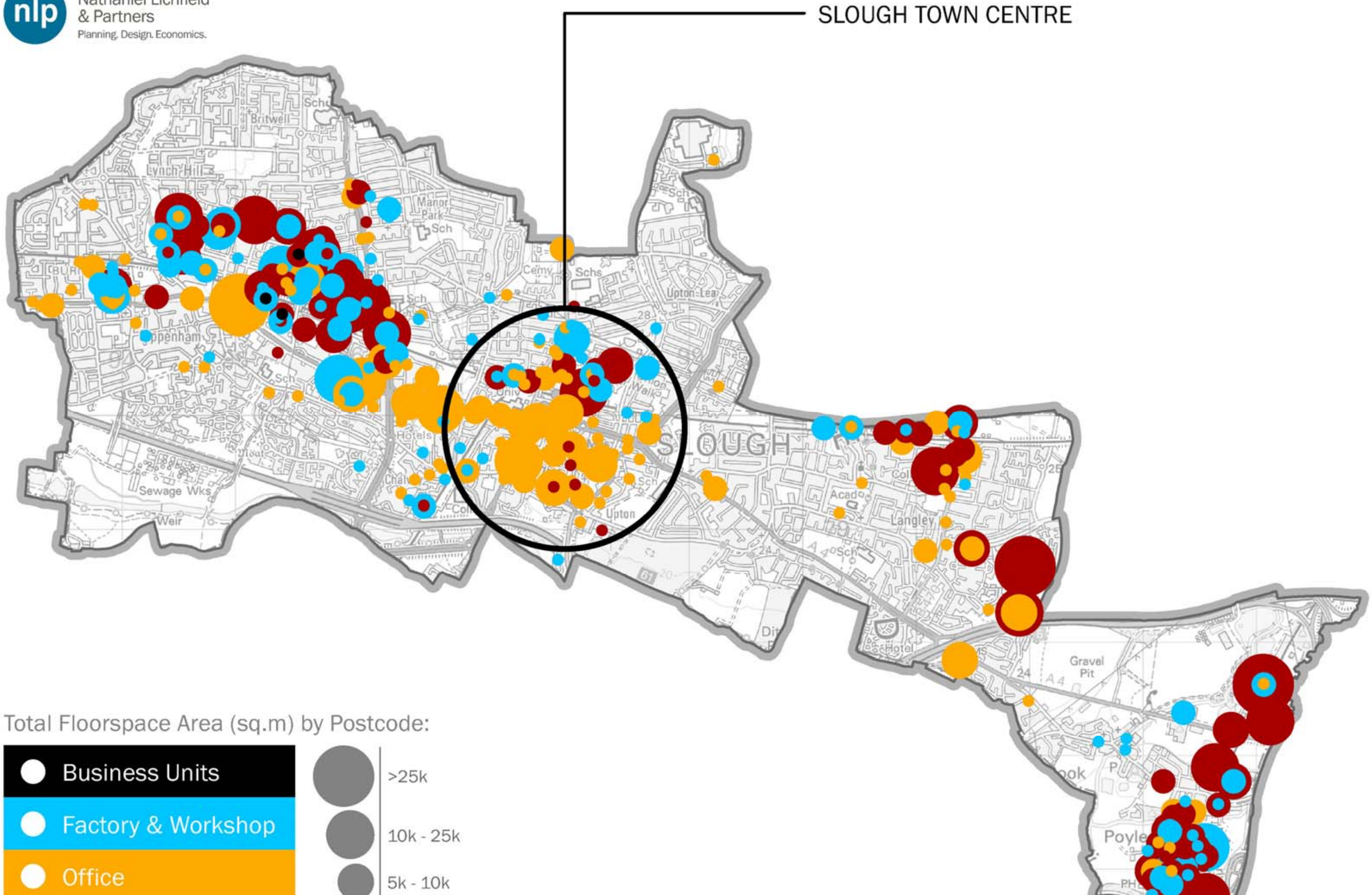

Appendix 9 IDBR Business Maps

nlp Nathaniel Lichfield & Partners
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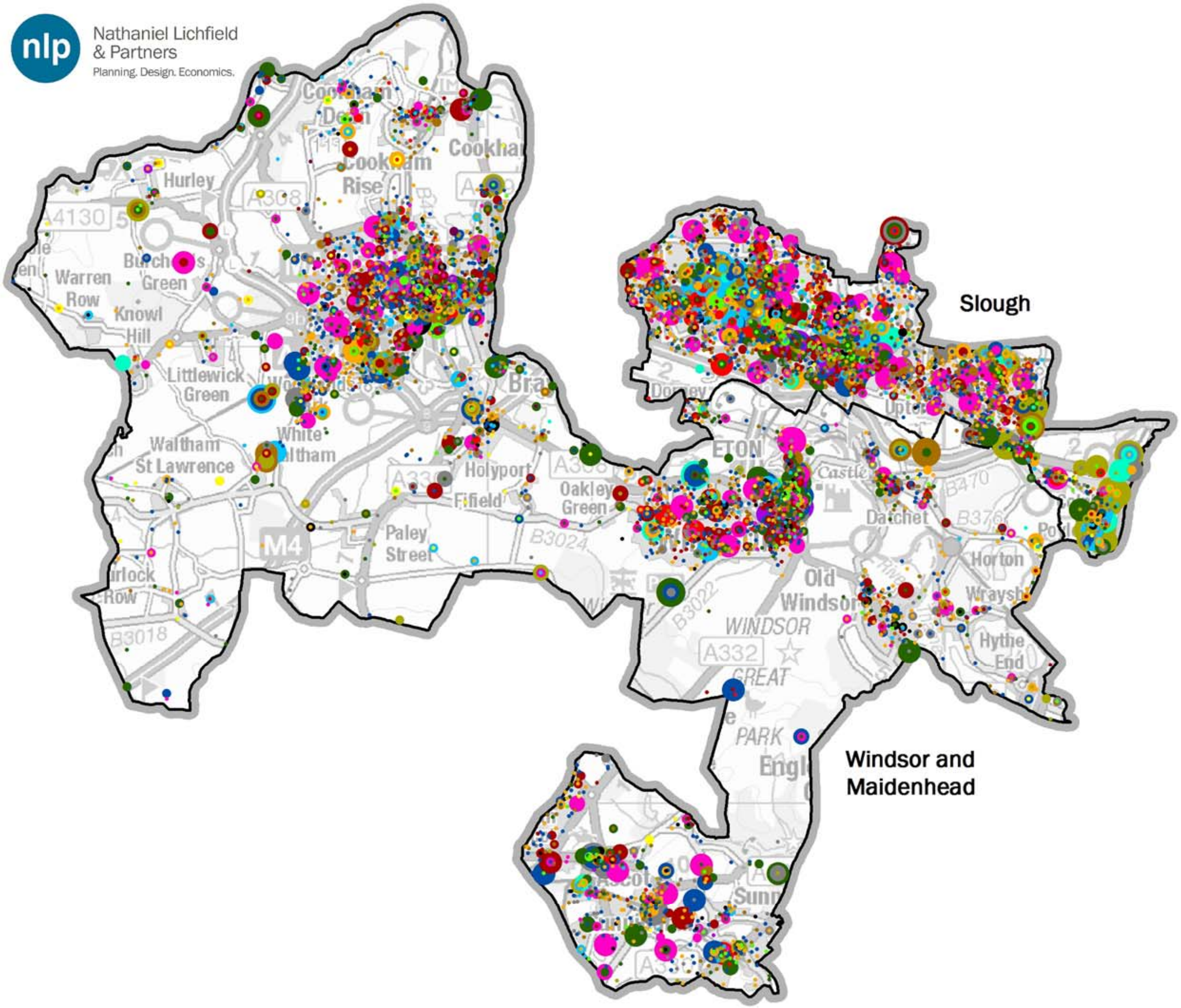
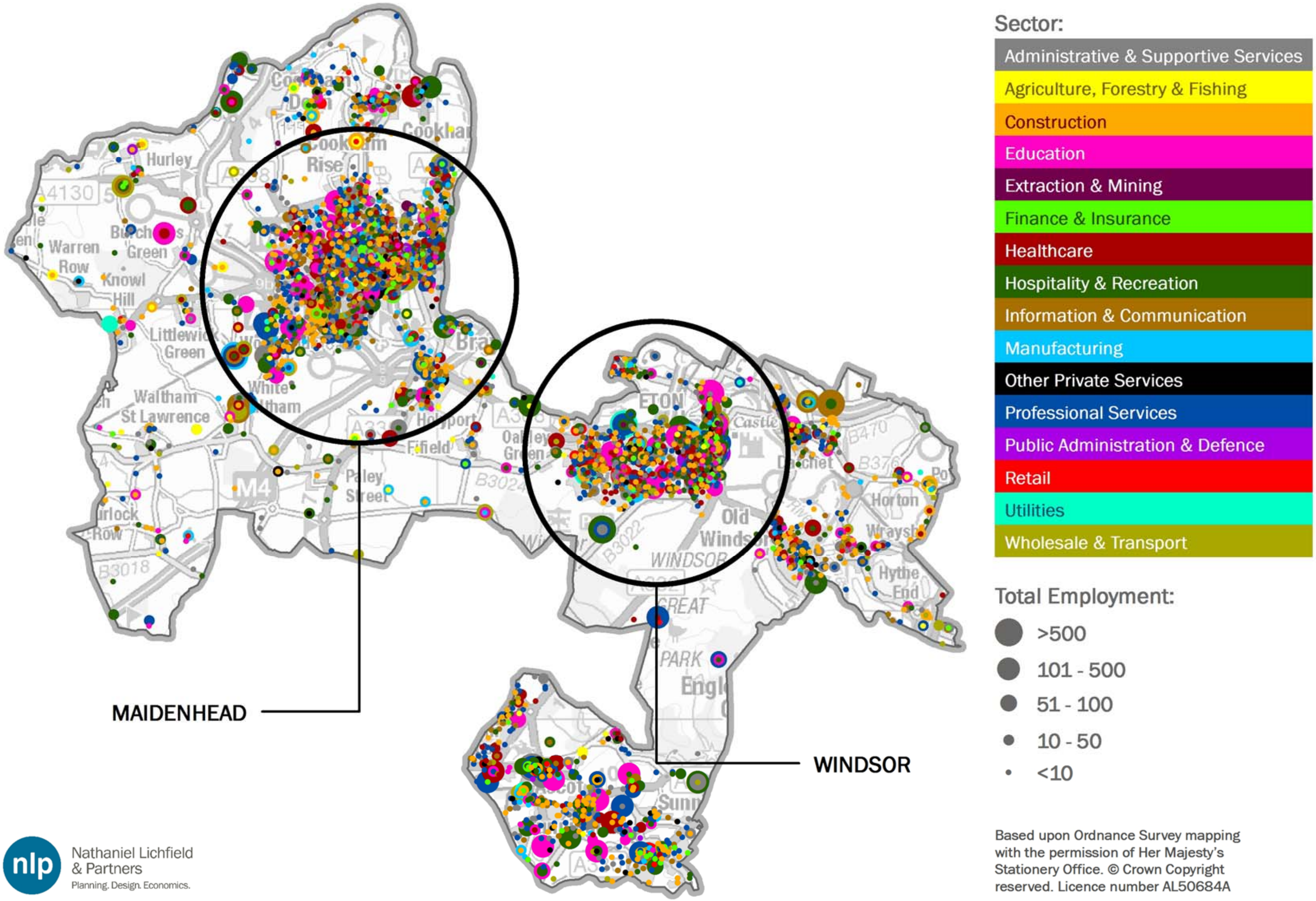


Sector:

- 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



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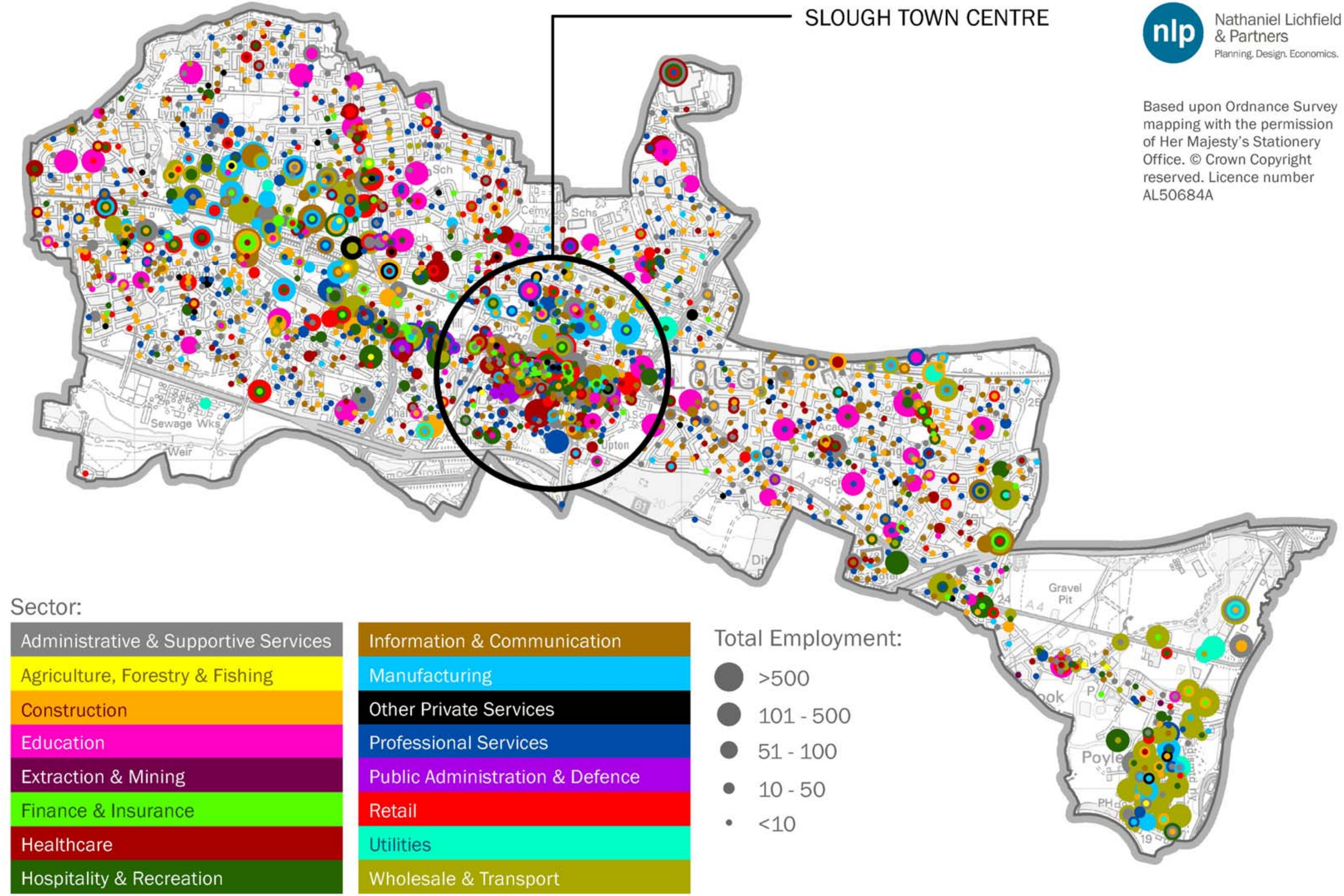

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Appendix 10 Cambridge Econometrics Employment Projections - Methodology and data sources

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.

Eastern Berkshire FEMA

Sector	Workplace Jobs in Eastern Berkshire FEMA			
	1996	2013	2036	Change (2013 - 2036)
Agriculture, Forestry & Fishing	1,476	393	569	176
Extraction & Mining	37	32	10	-22
Food, Drink & Tobacco	3,651	1,904	1,290	-614
Textiles & Clothing	271	295	73	-222
Wood & Paper	1,052	229	218	-11
Printing and Recorded Media	1,588	736	917	181
Fuel Refining	9	26	19	-7
Chemicals	2,088	1,761	1,168	-593
Pharmaceuticals	261	425	293	-132
Non-Metallic Products	1,818	839	782	-57
Metal Products	2,820	810	808	-2
Computer & Electronic Products	1,991	1,305	892	-413
Machinery & Equipment	2,455	871	1,230	359
Transport Equipment	1,138	282	124	-158
Other Manufacturing	1,527	1,199	1,198	-1
Utilities	1,222	2,878	3,256	378
Construction of Buildings	2,393	2,798	4,235	1,437
Civil Engineering	990	2,656	3,922	1,266
Specialised Construction Activities	5,371	6,301	8,558	2,256
Wholesale	15,752	14,354	16,730	2,376
Retail	14,707	12,293	12,951	658
Land Transport, Storage & Post	7,965	11,876	18,612	6,736
Air & Water Transport	189	290	406	116
Accommodation & Food Services	9,877	11,178	13,706	2,528
Recreation	3,952	6,202	4,964	-1,238
Media Activities	1,394	1,825	1,537	-288
Telecoms	0	0	0	0
Computing & Information Services	9,939	20,589	24,706	4,117
Finance & Insurance	4,522	2,748	2,061	-687
Insurance & Pensions	0	0	0	0
Real Estate	1,505	3,094	3,577	483
Professional Services	14,642	19,206	22,309	3,103
Administrative & Supportive Services	14,094	17,193	24,293	7,100
Other Private Services	4,942	5,171	5,069	-102
Public Administration & Defence	4,822	4,762	4,006	-756
Education	9,862	13,080	11,586	-1,494
Health	6,935	8,114	8,993	879
Residential Care & Social Work	4,629	5,717	5,477	-240
Total (rounded)	**161,885**	**183,435**	**210,545**	**27,110**

Slough

Sector	Workplace Jobs in Slough			
	1996	2013	2036	Change (2013 - 2036)
Agriculture, Forestry & Fishing	809	66	96	30
Extraction & Mining	14	8	5	-3
Food, Drink & Tobacco	3,306	1,747	1,220	-527
Textiles & Clothing	177	89	6	-83
Wood & Paper	291	158	118	-40
Printing and Recorded Media	592	399	504	105
Fuel Refining	0	0	0	0
Chemicals	1,689	1,368	972	-396
Pharmaceuticals	203	413	286	-127
Non-Metallic Products	1,585	598	552	-46
Metal Products	2,029	501	506	5
Computer & Electronic Products	1,410	844	551	-293
Machinery & Equipment	1,938	536	770	234
Transport Equipment	984	157	79	-78
Other Manufacturing	753	286	286	0
Utilities	838	1,528	1,583	55
Construction of Buildings	1,268	1,257	1,627	370
Civil Engineering	693	106	103	-3
Specialised Construction Activities	3,370	3,569	4,272	704
Wholesale	9,457	8,899	10,186	1,287
Retail	7,080	5,906	6,232	326
Land Transport, Storage & Post	6,763	9,770	15,233	5,463
Air & Water Transport	73	257	362	105
Accommodation & Food Services	3,699	3,187	3,575	388
Recreation	1,331	1,141	1,179	38
Media Activities	447	462	415	-47
Telecoms	0	0	0	0
Computing & Information Services	6,505	13,459	15,855	2,396
Finance & Insurance	1,652	1,022	756	-266
Insurance & Pensions	0	0	0	0
Real Estate	348	424	503	79
Professional Services	6,560	7,820	9,605	1,785
Administrative & Supportive Services	7,483	10,600	14,625	4,025
Other Private Services	1,485	1,663	1,594	-69
Public Administration & Defence	2,973	2,028	1,676	-352
Education	3,509	5,800	4,961	-839
Health	3,974	4,671	5,220	549
Residential Care & Social Work	1,150	2,148	2,051	-97
Total (rounded)	**86,440**	**92,885**	**107,565**	**14,680**

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**

Appendix 12 Definition of B Class Sectors

The method for apportioning workplace employment projections by sector into B class uses is summarised below, which has drawn on the 2014 BRES data.

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%	**38%**	0%
Construction of Buildings	Non B Class		
Civil Engineering	Non B Class		
Specialised Construction Activities	0%	**53%**	0%
Wholesale	0%	**33%**	**67%**
Retail	Non B Class		
Land Transport, Storage & Post	0%	0%	**68%**
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	**6%**	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		

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