



Vale of White Horse Employment Land Review 2013 Update

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White Horse District
Council



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ABBREVIATIONS

ABI	Annual Business inquiry
DCLG	Department of Communities and Local Government
ELR	Employment Land Review
EZ	Enterprise Zone
Harwell Campus	Harwell Oxford
HCA	Homes and Communities Agency
ICT	Information and Communications Technology
LDF	Local Development Framework
ODPM	Office of Deputy Prime Minister
OEO	Oxford Economic Observatory
ONS	Office of National Statistics
PMA	Property Market Area
PPG	Planning Policy Guidance
PPS	Planning Policy Statement
R&D	Research and Development
RES	Regional Economic Strategy
RSS	Regional Spatial Strategy
HCA	South East England Development Agency
SSA	Site Specific Allocation
SVUK	Science Vale UK
VOA	Valuation Office Agency
VoWH	Vale of White Horse

EXECUTIVE SUMMARY

Purpose

URS were commissioned in 2012 by the Vale of White Horse District Council to undertake an update to the employment land review (ELR) originally completed in 2008. This report represents a refresh of the 2008 report with updated research, analysis and findings to take account of the economic downturn and Enterprise Zone policy that will affect the District's two most significant employment areas: Harwell Oxford and Milton Park. The overall purpose of the ELR is to assess the quantity, quality and viability of the District's employment land supply and forecast the future demand for employment land over the next planning period (2012 to 2029).

This important piece of work will inform the policies in the Vale of White Horse's emerging Local Plan 2029 and provide an evidence base to support the Council's decisions on planning applications and appeals. The National Planning Policy Framework (NPPF) sets out the requirement for Local Planning Authorities (LPA) to plan for an appropriate quantum of land and floorspace for economic development for both quantitative and qualitative needs and for all foreseeable types of economic activity across the plan period.

Approach

The study area included the whole of the Vale of White Horse (VoWH) focusing on established business and industrial areas as identified in the VoWH's Draft Local Plan 2029 (LPP1). A broad range of land and premises were assessed including industrial estates, business parks, science and technology parks and some office premises.

A number of research elements informed the conclusions and recommendations of this study, including:

- Socio-economic analysis and local economy
- Employment land survey and appraisal
- Employment land market assessment
- Employment Land Demand Forecasts
- Demand and Supply Gap Analysis

Socio-economic analysis

The socio-economic analysis found that Vale of White Horse residents are:

- More economically active than the average South East of England resident
- More highly skilled than the average South East of England resident
- More likely to be managers, senior officials or professionals
- On a higher weekly salary than the average South East of England resident
- Most likely to work in the Vale of White Horse

The implications for employment land are that there needs to be an adequate provision of sites and premises made available locally and within the District itself which provide relevant technical and professional employment opportunities that will attract and retain highly skilled

residents within the area. Providing suitable jobs locally also promotes shorter and hence more sustainable travel to work patterns.

Employment Land Survey

This work began with a desk-based review of all the existing employment areas. Employment land in this instance refers to land in use classes B1a (Office), B1b (Research and Development), B1c (Light Industry), B2 (General Industry), and B8 (Storage and Distribution). Throughout this report employment land is more generally referred to as land in office, factory and warehouse use. Office can be considered to include B1a and B1b. Factories include B1c and B2 and warehouses B8.

URS reviewed the information provided by VoWH District Council on the location and types of businesses operating in the local area as well as analysing previous employment land reviews. Additional clusters were then identified of land in employment use that were sizeable enough to be included in the appraisal.

URS then consulted with officers of VoWH District Council to discuss and agree the clusters to be included in the survey. At this point a total 33 clusters were identified and agreed for inclusion in the survey (these are shown in Table 6-1).

Employment Land Market

The primary focus of the market overview was to examine changes in the total stock of commercial and industrial floorspace, past development rates and the potential supply of property to meet future demand. This information was gained through consultation with stakeholders and market agents in both 2008 and updated in 2012. Property markets do not necessarily follow political boundaries. Nevertheless, local authorities are a primary unit of data analysis and so have been used as a basis for carrying out the property assessment. To provide an understanding of the property markets involved in the operation of the VoWH market, the following market areas were considered:

- Oxford, an area that the eastern Vale is closely associated with, and is driven by a sizable office (B1) market. Forms part of the Oxford and Banbury sub-regional property market;
- Swindon, an important location for blue-chip companies and a market that part of the western Vale such as Faringdon is influenced by. Forms part of the wider Thames Valley West sub-regional property market, where both B1 and B2 land uses dominate; and
- Abingdon/Didcot (South Oxfordshire), lying within or in proximity to three sub—regional markets; Oxford and Banbury, Thames Valley West and Core Thames Valley (Reading). Contains a diverse range of businesses, reflecting the importance for B1, B2 and B8 land-use.
- In addition to the above markets, further consultation in 2012 with key stakeholders and market agents led to the conclusion that the Science Vale UK (SVUK) should be considered a market within itself due to its increasing prominence as one of the UK's leading areas for scientific research and related commercial high-tech manufacturing.

The VoWH was found to be influenced by a number of operating property markets. This is a result of the District's central location between Oxford and Swindon and also between Oxford-Didcot-Reading. The large land areas present in the District partly result in the Eastern Vale and Western Vale being characterised by different property drivers and a certain separation between the two halves of the District.

The 'A34 Corridor' is recognised as being a key determinant in the property market area due to it connecting the VoWH with Oxford. This therefore links the District with Oxford's

associated academic and research facilities. The result has been a clustering of high value-added sectors (notably R&D) in the sub-area that, whilst not being in Oxford city itself, can still draw on the local infrastructures and pool of skilled labour. This area is broadly the Science Vale UK.

The B1 property market is characterised more by light industry and science laboratories than by traditional town-centre office developments. These facilities are located on large science and business parks and not within town-centres, as highlighted in the large over-supply in Abingdon town-centre. There is a net demand for small-scale traditional industrial accommodation (B2) and the majority is again found on industrial estates in the Eastern Vale. Whereas there is evidence of vacancy in B1 and B2 accommodation the reverse is true for warehousing (B8). Existing stock is found near the major strategic roads, particularly the A34, and two agents made reference to an overall lack of supply in the VoWH.

The consultations and research revealed that the EZ policy should create additional demand for employment space in the Science Vale UK and across the district as a whole. The VOWH has weathered the recession relatively well and is in a good position to expand once the market returns to growth.

Employment Land Demand Forecasts

We developed a synthesis approach to employment land demand forecasting that takes account of both the local context and the wider regional property market macro-economic context. This builds upon the strengths of each approach and helps minimise the limitations. We build up this analysis by considering the following information:

- Floorspace data and growth
- Employment forecasts
- Synthesis forecast

There are a number of drivers to the forecast update, which include the creation of an Enterprise Zone (EZ) at Harwell Oxford and Milton Park and the increase in land available for employment use at the EZ; the decommissioning of Didcot A power station; new aspirations for housing growth, which could accommodate mixed use, employment schemes; and the change in economic circumstances since 2008.

Our employment land forecast has resulted in the following net land requirements for the B – use class sectors. Demand was split between land in the Enterprise Zone and land outside. This is shown in **Tables 1 and 2** below:

Table 1: Potential Land to Accommodate Office Demand, Outside the EZ

	Growth Scenario		
	Low	Med	High
Net demand for office floorspace (m^2)	291,122	311,172	331,786
Indicative land requirement with Plot ratio 1 : 1.2 (ha)	24.3	25.9	27.6

Source: URS

Table 2: Summary of Employment Land Demand (EZ and Outside EZ)

	Growth Scenario (Ha)		
	Low	Med	High
Industrial and Warehousing land demand (outside EZ)	23.4	24.7	26.0
Office land demand (outside EZ)	24.3	25.9	27.6
Sub-total (outside EZ)	47.7	50.6	53.6
EZ Employment land demand	92.0		
Total	139.7	142.6	145.6

Source: URS

Demand and Supply Gap Analysis

The demand forecasting section estimated that between 2012 and 2029 there will be an increase of approximately 14,300 jobs in the VOWH and a total of 76,000 employees in office, warehousing and industrial land. **Table 3** summarises some of the main findings of the VoWH Employment Land Review by setting out the forecasted employment land demand between 2012 and 2029 and the current supply of occupied land and vacant/developable land.

Table 3: Employment Land Demand and Supply Gap Analysis

Description	Quantum (ha)	Notes
Current Supply of Occupied Employment Land	474.1	Total Occupied Employment Land in the Clusters as shown in Table 6.1 minus the three sites not currently developed for employment uses (C31, C32 and C33) (581.7) minus the Vacant and Developable Land.
Current/Future Supply of Vacant and Developable Land at the EZ	92.0	Development Sites as shown in Table 6.5
Current Supply of Vacant and Developable Land (non EZ)	19.6	Development Sites as shown in Table 6.5
Future Supply of Potentially Developable Land available approx 2016 to 2020	68.0	Development Sites as shown in Table 6.5
Additional Demand for Employment land in the EZ	92.0	
Additional Demand for Employment Land (outside the EZ) up to 2029	Low 48.0	
	High 54.0	

Conclusions and Recommendations

The table below provides a summary of the specific site recommendations and the quantity of employment land up to 2029. The justification for these recommendations is explained in Section 8, including suggested improvements to other employment areas.

Table 4: Site Specific Recommendations

Cluster/Area	B1 (ha)	B2 (ha)	B8 (ha)
C16 Harwell Campus	64*		
C14 Milton Park	28*		
Sub-Total	+36.8	+49.6	+5.6
C1 Abingdon Business Park at Wyndyke Furlong	+0.67		
C2 Abingdon Science Park at Barton Lane	+0.74		
C9f Faringdon – land adjacent to A420 – '4&20' Site	+1.4	+1.4	+1.4
C8 Cumnor Hill	+0.3		
C20 Wootton Business Park	+1.48		
C10 Grove Technology Park		+2.7	+2.7
C9b Faringdon – HCA business centre	+0.18		
Sub-Total	+4.77	+4.1	+4.1
C29 Didcot A	+17	+2	+10
C32 North Grove Monks Farm	+4	+1	+1
C33 Faringdon South Park Road		+1	+2
Sub-Total	+21.0	+4.0	+13.0
Total Supply up to 2029	+62.6	+57.7	+22.7

Source: URS (2012)

* Note: No differentiation of employment by use type is made for the EZ as they are likely to be delivered through Local Development Order (LDO).

1. INTRODUCTION

1.1 Introduction

URS were commissioned in 2012 by the Vale of White Horse District Council to undertake an update to the employment land review (ELR) originally completed in 2008. This report represents a refresh of the 2008 report with updated research, analysis and findings to take account of the economic downturn and Enterprise Zone policy that will affect the District's two most significant employment areas: Harwell Oxford and Milton Park. The purpose of the ELR is assess the quantity, quality and viability of the District's employment land supply and forecast the future demand for employment land over the next planning period (2012 to 2029).

This important piece of work will inform the policies in the Vale of White Horse's emerging Local Plan 2029 (LPP1) and provide an evidence base to support the Council's decisions on planning applications and appeals. The National Planning Policy Framework (NPPF) sets out the requirement for Local Planning Authorities (LPA) to plan for an appropriate quantum of land and floorspace for economic development for both quantitative and qualitative needs and for all foreseeable types of economic activity across the plan period.

This ELR will provide a tool, based on sound methodology and robust analysis, for the Vale of White Horse to use for future planning aimed at providing sustainable economic development across the District.

1.2 Study Area

The study area included the whole of the Vale of White Horse (VoWH) focusing on established business and industrial areas as designated in the VoWH's Local Plan 2011 and emerging policies from the evolving Local Plan 2029 (LPP1). A broad range of land and premises were assessed including industrial estates, business parks, science and technology parks and some office premises.

1.3 Report Structure

The report sets out our approach to employment land analysis, the key findings from the analysis and the conclusions and recommendations based on the overall assessment. This detailed employment land review is based on a comprehensive desk-based policy review and socio-economic analysis providing a baseline employment and business profile for the District; individual employment site appraisals providing both a quantitative and qualitative assessment; and a synthesis forecasting exercise bringing together macroeconomic employment forecasts and historic trends in floorspace completions with local factors and policies effecting employment and development in the VoWH.

The remainder of this report is structured as follows:

- **Section 2** provides further detail of our approach to the various research elements of the assignment
- **Section 3** describes the national and local policy context of particular relevance to employment land and related issues in the VoWH
- **Section 4** provides a comprehensive analysis of socio-economic baseline conditions in the VoWH relative to Oxfordshire and the South East

- **Section 5** provides an overview of the employment land market outlining the historical trends in the commercial and industrial property sectors
- **Section 6** summarises the key qualitative and quantitative results of the employment land cluster appraisals
- **Section 7** sets out our employment land demand forecasts
- **Section 8** presents our overall conclusions and recommendations for the future management of employment land in the VoWH.

2. APPROACH

2.1 Introduction

There are a number of research elements informing this study, which are outlined in more detail below. These include:

- Socio-economic analysis and local economy
- Employment land survey and appraisal
- Property market assessment
- Supply and demand analysis

2.2 Socio-economic Analysis and Local Economy

A socio-economic analysis was undertaken for the VoWH set within the context of Oxfordshire and the South East in order to provide an in-depth understanding of the current population and socio-economic make-up of the District. A number of information sources were reviewed including:

- Census data
- Annual Population Survey
- Annual Business Inquiry
- Local Labour Force Survey

In addition a baseline assessment of the existing economic structure and key trends in employment related development was completed. This work involved:

- A review of historical employment information for the District, including information on workforce characteristics, unemployment, occupation, earnings and travel to work information.
- A review of the local economy and business trends within the District

2.3 Employment Land Survey

This work began with a desk-based review of all the existing employment areas. Employment land in this instance refers to land in use classes B1a (Office), B1b (Research and Development), B1c (Light Industry), B2 (General Industry), and B8 (Storage and Distribution). Throughout this report employment land is more generally referred to as land in office, factory and warehouse use. Office can be considered to include B1a and B1b. Factories include B1c and B2 and warehouses B8.

URS reviewed the information provided by VoWH District Council on the location and types of businesses operating in the local area as well as analysing previous employment land reviews. URS then identified additional clusters of land in employment use that were sizeable enough to be included in the appraisal.

URS then consulted with officers of VoWH District Council to discuss and agree the clusters to be included in the survey. At this point a total 33 clusters were identified and agreed for inclusion in the survey (these are shown in Table 6-1).

2.4 Strategic Site Appraisal

The employment clusters were visited and surveyed using an agreed set of strategic site appraisal criteria in order to test fitness for purpose and sustainability. The criteria used are based on our experience of similar studies and the 2004 DCLG¹ Employment Land Reviews Guidance Note. They include:

- Existing employment use/activity
- Strategic access (external and internal road access and access to public transport)
- Neighbourhood issues (i.e. noise and air pollution, smell, HGV traffic, etc)
- Amount of vacant and derelict land and/or buildings (including mapping relevant sites)
- Quality of environment (streets, public realm, lighting, etc)
- Servicing and parking (on or off road, congestion)
- Building conditions (as a percentage of all buildings within the cluster)
- Proximity to other land uses (i.e. residential, retail, etc)

The surveyors used a questionnaire to complete the survey. The questionnaire included a series of tick-box style and open-ended questions. This approach allowed for a qualitative and quantitative analysis to be undertaken.

Prior to going on site surveyors attended a briefing and were given a 'survey pack' which included guidance on how each of the different questions should be completed to ensure that questions were answered consistently throughout the survey. The strategic site surveys were completed in March 2008 and updated in July 2012. Copies of the site survey questionnaires are included in **Appendix B**.

2.5 Market Overview

The primary focus of the market overview has been to examine changes in the total stock of commercial and industrial floorspace, past development rates and the potential supply of property to meet future demand. This information was gained through consultation with stakeholders and market agents in both 2008 and updated in 2012. Property markets do not necessarily follow political boundaries. Nevertheless, local authorities are a primary unit of data analysis and so have been used as a basis for carrying out the property assessment.

To provide an understanding of the property markets involved in the operation of the VoWH market, the following market areas were considered:

- Oxford, an area that the eastern Vale is closely associated with, and is driven by a sizable office (B1) market. Forms part of the Oxford and Banbury sub-regional property market;
- Swindon, an important location for blue-chip companies and a market that part of the western Vale such as Faringdon is influenced by. Forms part of the wider

¹ Department for Communities and Local Government (DCLG) formerly the Office of the Deputy Prime Minister.

Thames Valley West sub-regional property market, where both B1 and B2 land uses dominate; and

- Abingdon/Didcot (South Oxfordshire), lying within or in proximity to three sub-regional markets; Oxford and Banbury, Thames Valley West and Core Thames Valley (Reading). Contains a diverse range of businesses, reflecting the importance for B1, B2 and B8 land-use.
- In addition to the above markets, further consultation in 2012 with key stakeholders and market agents led to the conclusion that the Science Vale UK should be considered a market within itself due to its increasing prominence as one of the UK's leading areas for scientific research and related commercial high-tech manufacturing.

The analysis has also distinguished between the industrial and office property markets. However, the distinction between and within these markets is not always straightforward in planning terms as reflected in the Use Classes. Broadly, however, we have taken industrial property to be reflected by B1c, B2 and B8 Use Classes, and office property to be reflected by the B1a and B1b Use Class.

2.6 Demand Forecasts

A number of different techniques can be used for forecasting future demand of employment land, each with their own strengths and weaknesses. The decision was therefore taken to adopt a synthesis approach that is based on:

- Sub-regional floorspace trends
- Employment forecasts based on macro-economic forecasting
- Local factors

For the purpose of this study we have used the political boundaries of the PMA identified in the market overview provided in Section 7, which includes the Local Authorities of:

- Vale of White Horse
- Oxford
- South Oxfordshire
- West Berkshire

VOA data was used to assess the changes in floorspace between 1998 and 2008. This analysis was carried out for the PMA as well as for the VoWH. The historic trends were used as the bases for a linear forecast.

The linear floorspace forecast was then adjusted using historic and forecast employment published by Annual Business Inquiry (ABI) and Cambridge Econometrics respectively. The final step was to align the employment land forecast with the specific economic, property and political situation of the VoWH.

3. POLICY AND LITERATURE REVIEW

3.1 Introduction

This section provides an overview of the policies and strategies relevant to employment and employment land in the Vale of White Horse. It also includes a review of key research reports including those supporting national and regional policy developments.

3.2 National

3.2.1 *National Planning Policy Framework (NPPF)*

The NPPF condenses all planning policy statements (PPSs) into a single all encompassing planning framework with the intention of making the planning system less complex and more accessible. The National Planning Policy Framework was published and came into effect on 27th March 2012.

The NPPF describes the Government's vision for building a strong, competitive economy. It sets out a presumption in favour of sustainable development in the absence of a local plan or where the plan is silent or indeterminate. The presumption should be reflected by the emerging local plan and be informed by robust evidence to support clearly defined allocations for land for employment. In relation to economic and employment land it states the following:

The Government is committed to ensuring that the planning system does everything it can to support sustainable economic growth. Planning should operate to encourage and not act as an impediment to sustainable growth.

Therefore significant weight should be placed on the need to support economic growth through the planning system.

To help achieve economic growth, local planning authorities should plan proactively to meet the development needs of business and support an economy fit for the 21st century.

Investment in business should not be over-burdened by the combined requirements of planning policy expectations. Planning policies should recognise and seek to address potential barriers to investment, including a poor environment or any lack of infrastructure, services or housing. In drawing up Local Plans, local planning authorities should:

- Set out a clear economic vision and strategy for their area which positively and proactively encourages sustainable economic growth;
- Set criteria, or identify strategic sites, for local and inward investment to match the strategy and to meet anticipated needs over the plan period;
- Support existing business sectors, taking account of whether they are expanding or contracting and, where possible, identify and plan for new or emerging sectors likely to locate in their area. Policies should be flexible enough to accommodate needs not anticipated in the plan and to allow a rapid response to changes in economic circumstances;
- Plan positively for the location, promotion and expansion of clusters or networks of knowledge driven, creative or high technology industries; Identify priority areas for economic regeneration, infrastructure provision and environmental enhancement;

and facilitate flexible working practices such as the integration of residential and commercial uses within the same unit.

3.2.2 UK Plan for Growth (2011)

The Government's economic policy objective is to achieve strong, sustainable and balanced growth. In November 2010, the Chancellor of the Exchequer and the Secretary of State for Business, Innovation and Skills launched the Growth Review to undertake a thorough assessment of how Government can help create the conditions for growth.

The Growth Review is a rolling programme, to last the whole of this Parliament, calling on business to challenge the Government to remove barriers to growth. It is focused on four ambitions for the UK economy:

- To create the most competitive tax system in the G20;
- To make the UK the best place in Europe to start, finance and grow a business;
- To encourage investment and exports as a route to a more balanced economy; and
- To create a more educated workforce that is the most flexible in Europe.

3.2.3 Enterprise Zones

In 2011 the Government announced the creation of 24 new Enterprise Zones (EZ). This included one in the VOWH covering specified sites at two locations; Milton Park and Harwell Oxford. EZ's are specific areas where a combination of financial incentives, reduced planning restrictions and other support is used to encourage the creation of new businesses and jobs – and contribute to the growth of the local and national economies. The specific incentives available to businesses locating in an EZ include the following:

- Subject to eligibility, a business rate discount worth up to £275,000 per business over a five year period (£55,000 a year).
- the retention, for at least 25 years, of the Business Rate growth from the Zone in order to support the relevant local enterprise partnership's economic priorities
- radically simplified planning, for example, through the use of Local Development Orders
- Government support to ensure that superfast broadband is rolled out throughout each Zone

A key objective of this study is to assess the implications of EZ status at Harwell Oxford and Milton Park and demand for employment space across the VOWH.

3.3 Regional

3.3.1 South East Plan

Although in the Localism Act² the Government has expressed its desire to abolish the regional planning tier until this is formalised the South East Plan is still part of the

² UK Government, The Localism Act (2011)

development plan for VOWH³. The Plan brings together policies for development and land use with other policies and programmes that influence the nature of places and people.

The South East Plan has defined a set of nine sub-regions. Each sub-region has its own distinct issues and requirements that need to be addressed. Oxfordshire falls into the Rest of County Areas sub-region and a large section of the Vale of White Horse is thought of as being part of the Central Oxfordshire sub-region. The Plan has produced a Statement of Strategy for each sub-region, for Central Oxfordshire the strategy is:

'Development for employment purposes will provide for the requirements of activities which contribute to regional and local priorities for economic development. This includes providing a range of accommodation for small businesses and innovation, skills development, business infrastructure and linkages within the knowledge-based economy. Priority should be given to development which supports educational, scientific and technological sectors and responds to the needs of established and emerging clusters within the county.'

Additional land for employment will be provided where justified at Bicester and Didcot, for the expansion and relocation of existing local firms to foster knowledge-based industry.

In Oxford, development for employment uses will be expected to take place primarily on previously developed land and former safeguarded land or in conjunction with development schemes for mixed uses incorporating housing, town centre or other facilities. In the city centre, development which maintains and enhances the sub-regional role and diversity of the centre will be permitted, provided it is consistent with the protection of Oxford's architectural and historic heritage.

Regarding jobs the plan says the following:

The number, location and types of jobs generated over the Plan period are difficult to predict but for monitoring purposes and pending any updated evidence or guidance, a guide figure of a minimum 18,000 net additional new jobs will be created within the sub-region from 2006 to 2016.

The Central Oxfordshire economy benefits from the universities, their spin offs, research campuses and publishing and the draft South East Plan highlights the importance of providing employment land for these activities to develop further.

3.4 Local

3.4.1 Vale of White Horse Local Plan 2011

The Vale of White Horse Local Plan 2011 was adopted in July 2006 and forms part of the current statutory Development Plan for the Vale of White Horse. A Draft Local Plan is currently being prepared for consultation in 2013, which will, once adopted, supersede some policies of the Local Plan 2011 (see Section 3.3.2). The Local Plan

³ It should be noted that the South East Plan has been revoked since the time of writing, and now no-longer forms part of the development plan for the VOWH.

2011 policies outlined below were saved by direction of the Secretary for State dated 1 July 2009.

The Local Plan 2011 seeks to ensure that avenues exist for business and employment growth sufficient to meet the needs of the Vale of White Horse, whilst, at the same time, protecting the local environment against potentially damaging development.

At the time the Plan was adopted, adequate provision had been made to accommodate business and industry on sites throughout the District. This included the 77 hectare Milton Park business development in the east, though over 30 hectares of vacant land existed at these sites in 2004. It was also forecasted that a potential of 7,500 jobs might be accommodated in total by 2011 at the existing key centres at Milton Park, Harwell Oxford and around Didcot (in neighbouring South Oxfordshire).

Regarding development sites, the Plan sets out individual policies (E1-E8), which each relate specifically to a certain locality where sites are found. For each of the eight localities the respective Policy lists; the nature of development permitted at sites; the type of use permitted; any relevant criteria needed to be fulfilled for development; and, where necessary, the specific sites where development is allowed.

Policy E9 states that developments on sites not outlined in **Policies E1-E8** will be permitted if the proposal is;

- within the development boundaries of the five main settlements listed in the Local Plan 2011;
- for small firms requiring no more than 500sqm within a built-up village listed in **Policy H 11** (Housing);
- for the expansion of existing enterprises whose business characteristics make its specific location necessary, if the site is outside the development boundaries of the five main settlements or a built-up village; and
- does not generate a demand for housing which cannot be met by existing or planned housing provision.

Policy E10 lists locations that are designated as strategic employment sites, where proposals that lead to the loss of existing business land to non-business uses will not be permitted, other than for ancillary uses detailed under **Policy E13**.

Policy E11 lists locations of existing rural employment, where proposals that lead to the loss of existing business land to non-business uses will not be permitted, other than for ancillary uses detailed under **Policy E13**.

Policy E12 describes the policies towards large 'campus style' employment sites such as Milton Hill, Amey at Sutton Courtenay and Tubney Wood. The policy aims to retain the viability of these sites while avoiding impacts on surrounding areas.

3.4.2 Draft Local Plan 2029 Part 1 (LPP1)

Vale of White Horse DC are currently preparing a Draft Local Plan 2029 Part 1 (LPP1) with consultation scheduled for 2013. Once prepared, this will provide a framework for development in the Vale to 2029, accommodating both housing need and economic growth.

Preparation of the LPP1 reached an advanced stage with consultation on Preferred Options and sites completed in 2009 and 2010. However, following the announcement

of significant reform to the planning system by the new government, including the revocation of Regional Spatial Strategies, preparation of the LPP1 was paused, with a review currently ongoing of sites and development targets. Once developed, the Council will include any revisions in a Draft LPP1 for consultation in 2013.

With specific regard to employment, it is anticipated that the majority of jobs growth will be concentrated in the Science Vale UK area, although the Council will also recognise the potential for growth that Science Vale UK and the Enterprise Zone sites could create across the rest of the VOWH. The importance of providing for local need across the rest of the VOWH is also recognised

3.4.3 *South Oxfordshire (SODC) Core Strategy (Strikethrough version Feb 2012)*

SODC is the neighbouring authority to VOWH. Mainly due to the rural nature of SODC the SODC Core Strategy relies on VOWH to provide 6.5 ha of employment land at Science Vale UK to meet SODC needs. This is explained at Policy CSEM2. This additional land is at Didcot although no specific sites have currently been identified in current planning policy. However, the analysis of this ELR concludes that the 6.5 ha will be part of the demand accommodated at the VOWH EZ (see recommendation 2 and 3 in section 8).

3.5 Other Employment Land Studies and Reviews

3.5.1 *Oxford Employment Land Study*

The Oxford ELS (2006) noted that the City had many economic strengths, centred mainly upon its internationally renowned higher education and health institutions, its supply of suitable premises for high-value added sectors, and its skilled workforce. It also recognised that weaknesses continue to undermine growth, to an extent, including the limited supply of labour in some activities, the inability of firms to expand within the city, owing to its size, and, importantly, the lack of supply of employment land.

The study underlines concerns that Oxford cannot compete for investment in high-value added industries with other business locations such as Reading, the Thames Valley and Milton Keynes, owing to limited labour supply and property values. However it does state that other areas in Oxfordshire, such as the Vale of White Horse, are developing strong research capacity and will, in effect, themselves become Oxford's competitors.

Specifically in terms of employment land, it is noted that the city has a steady supply of B1 premises, underpinned by a large stock of second-hand offices in the city centre. With regards to B2 employment land and premises, much of the stock is occupied by one employer (BMW car manufacturers), with very few new sites being developed. Specifically, employment land lost to other uses was highest over 1999-2004 in the B2 sector at over 7 hectares although employment land lost to other uses has contracted in size over recent years.

In terms of demand for B1 premises, the study remarks that much of this has been absorbed by development at the Oxford Business and Science Park, and that supply will struggle to meet demand in the long term. Furthermore, demand was thought to be more for light-industrial (B1c) premises than offices. Demand for B2/B8 land was not considered to be strong, with businesses choosing to locate in low-cost locations in surrounding Districts.

The ELS presents a number of different options for accommodating the employment needs of Oxford. These options are based around Oxford City Council's policy of 'managed growth', whereby growth is accommodated but with consideration to any adverse impacts, e.g. increased congestion. In order to provide flexibility the ELS

recommends the option which requires extra employment land allocations (37.5 ha) as part of an urban extension to the city.

3.5.2 South Oxfordshire Employment Land Review (2007)

The South Oxfordshire ELR (2007), undertaken by DTZ, details that B1 and B8 employment land-use in the District makes up the vast majority of occupied land, with B2 uses being of much lesser significance. In terms of supply and demand, the review notes that the moderate demand for B1 sites and premises is generally absorbed by available floorspace at Howbery Business Park, Milton Park (outside South Oxfordshire but caters for a portion of its demand) and at small town centre locations. It was thought that demand levels would be sustained through growth in the business services sector and the continuing expansion of local businesses. The review therefore recommended that long-term demand for B1 employment land was not being met and that action, in the form of policy change, should be undertaken by South Oxfordshire District Council.

Although industrial activity is recognised to be of little overall importance to the increasingly service-based, 'light-industrial' economy of South Oxfordshire, demand for B2 employment space was deemed to exist albeit mainly for small premises, measuring less than 2,500 sq. ft. It was further noted though that this demand was expected to undergo a steady decline and that the renewal of vacant stock would be sufficient to meet this in any case.

Warehouse/distribution parks, supplying B8 employment land, were deemed to be well-established in the District, particularly around Didcot and the western portion. However, it was identified that overall demand for B8 space was thought to be relatively muted, except for smaller premises, with Didcot again being an important location for such market activity. Indeed, vacancy of new or refurbished premises was estimated to account for almost 50% of overall vacancy in this use class, strongly indicating that demand was being met by supply. It was however recommended in the review that take-up of land around Didcot is regularly monitored, given the preference for this location, so that the market would remain responsive to changes in circumstance.

Revisiting South Oxfordshire's Employment Land Projections (2008)

In 2008, South Oxfordshire District Council (SODC) commissioned WM Enterprise (WME) to revisit the employment land needs assessment set out in their Employment Land Review 2007. The principal purpose of the work was to derive new estimates for employment land requirements given the publication of updated employment projections and population forecasts.

DTZ suggested in 2007 that South Oxfordshire's additional employment land requirements were 27.6 ha. Based on assessments using updated Experian employment forecasts, and ONS and OCC/HCA population projections, the WME study concluded that the Council should plan for either:

- 16.8 ha of additional employment land, assuming a rate of population growth consistent with the ONS forecasts.
- 18.1ha of additional employment land, If the population growth is consistent with the OCC/HCA population forecasts.

The main reason for the difference between the WME findings and DTZ's outputs is the significant difference between the sector forecasts available in 2008 and those used by DTZ in 2007.

3.5.3 Swindon Employment Land Review

The Swindon ELR (2007) concluded that the key sectors/industries found in the borough were 'automotive engineering, distribution, financial services and ICT companies'. It also noted however that, like other surrounding areas, a contraction has taken place in manufacturing employment, particularly in more traditional sectors, with a shift being observed towards higher value-added, knowledge-intensive services.

With specific regard to B1 employment land, it is noted that Swindon has suffered a net loss of floorspace for this use in recent years. This is in part a reflection of the falling demand for such premises in the wake of the 2000-2001 'dot-com' crash. Vacant premises are generally small in size, are to be found in the town centre, and are often found to be older stock. Although it is recognised that an adequate supply of larger offices exists, nearby districts, such as the Vale of White Horse, are thought of as being increasingly favoured locations for office premises and demand is therefore at a low-level.

Concerning the supply of B2 employment land in Swindon, the ELR comments that, although a steady supply of new built premises exist, many of its industrial areas are actually considered to be somewhat dated and would require investment to be considered as modern employment space. The recent contraction in manufacturing employment in the area implies that there may be something of a fall-off in the demand for B2 industrial sites and premises. However, it appears that demand has in fact remained robust, mainly on the back of the continued success, and expansion of, the Honda car plant – a key component within the local supply chain. As a result the 'Eastern Edge' of Swindon, bordering the Vale of White Horse, has been the focus for much of this demand within the borough.

The market for B8 employment land is of great importance when it is considered that 52% of overall employment space is occupied by warehousing or storage facilities. The review indicates that much of the newly developable land available in the borough is to be used for B8 uses, namely the 37.5 hectare 'Triangle' site and on remaining land at the Keypoint development. Demand levels are perceived to have been increasingly buoyant over the last few years, with take-up in 2006 estimated at 158,000 sq. ft. (inc. B2). The 'Eastern Edge' of the borough is again deemed an important location for this type of land-use.

The review concluded that, taken as a whole, a very high proportion of the employment land supply in the borough of Swindon is of good quality. It also concludes that, despite large swathes of developable land being brought forward, supply may only be considered adequate in the medium-term based on current take-up rates. The review therefore recommends that policy changes, related to the allocation of employment land sites, be carried out by the borough council to respond to this perceived constraint to the area's economic prosperity.

3.6 Summary

The NPPF replaced PPSs and PPGs as of March 27th 2012, with the aim to make the planning system less complex and to promote sustainable growth. The NPPF recognises that the planning system plays an important role in promoting economic growth and building a strong, competitive economy. In 2011 the Government announced the creation of Enterprise Zones at Milton Park and Harwell Oxford. The aim of EZ's is to provide incentives, reduced planning restrictions to create employment and economic development. A key objective of this study is to assess the implications of EZ status at Harwell Oxford and Milton Park and demand for employment space across the VOWH.

The Vale of White Horse Local Plan 2011 was adopted in July 2006, with a Draft Local Plan 2029 (LPP1) currently being prepared for consultation in 2013. Once adopted, it will supersede some policies in the Local Plan 2011. Through local planning policy and its approach to Employment Zones, the VoWH is continuing to recognise the importance of supporting business and employment growth for employment sites. The Local Plan 2011 protects against the loss of business land and outlines specific growth criteria. In particular the Local Plan 2011 recognised the importance of Harwell Campus and Milton Park to the local, regional and, in some instances, national economy - a trend recognised in a number of regional and local research reports that stress the importance of knowledge-based industries to the economy in and around Oxfordshire.

Other ELRs completed in the area provide an assessment of the local requirements although do not provide a complete understanding of how the impact of the changing balance between jobs and workforce could affect their own areas as well as neighbouring districts. For example, jobs are forecast to increase in Oxford but it is expected that the local workforce will not be able to fill all of these. Therefore Oxford will likely draw on the surrounding areas, including the VoWH, for a workforce. This could have implications for commuting patterns and the economic base of the VoWH⁴.

⁴ This factor is taken account of in the employment land forecasting exercise as described at section 7.4.1. The employment forecasts use data from a wide property market, including Oxford and VOWH. This takes account of movement of labour between different local authority areas.

4. SOCIO ECONOMIC STRUCTURE

4.1 Introduction

It is helpful to consider current demand and future provision of employment land in the context of the socio-economic structure of the area. Creating sustainable communities includes providing for employment suitable to the local workforce. Therefore this section analyses the socio-economic structure of the Vale of White Horse and makes reference to key trends in population and employment. Comparisons with the rest of the South East are provided for context where applicable.

4.2 Population

The population of Vale of White Horse has grown since the 2001 Census of Population by approximately 4%. In 2001 the population was estimated to be 115,800 and had increased to 120,988 by 2011.

Just over one-third (34%) of the population is between 25 and 59 years of age and 24% are under 19. The District has experienced the greatest growth in the 0 to 4 year age group and 60+ year age group. A further breakdown of the age distribution of the population in Vale of White Horse is provided in Table 4-1.

Table 4-1 Age Distribution of Population in 2001 and 2011

	2001		2011		Change (2001-2010)	
	Number	%	Number	%	Number	%
0-4	6,800	6%	7,411	6%	611	9%
5-14	15,400	13%	14,094	12%	-1,306	-8%
15-19	7,300	6%	7,417	6%	117	2%
20-24	5,700	5%	5,927	5%	227	4%
25-49	41,200	36%	40,540	34%	-660	-2%
50-59	15,800	14%	15,858	13%	58	0%
60+	23,600	20%	29,741	25%	6,141	26%
Total	115,800	100%	120,988	100%	5,188	4%
Male	57,600	50%	60,058	50%	2,458	4%
Female	58,200	50%	60,930	50%	2,730	5%

Source: ONS (2013)

In 2011 Vale of White Horse's population was estimated to be 50% female and 50% male. In 2001 the resident population was highly homogeneous with 98% of people being White or of White descent.

Population forecasts for the Vale of White Horse from 2012 to 2026 have been published by Oxfordshire County Council and are shown in Table 4-2 below. This data shows that the population of the Vale of White Horse will increase from an estimate of 124,450 for 2012 to 138,743 in 2026 – an increase of 11% over the period. However these forecasts were made before the results of the 2011 census was published and the base year population in 2012 is nearly four thousand more than the actual figure for 2011. This means the forecasts are likely to be an overestimate in the initial years.

Table 4-2 ONS Population Forecasts for VoWH 2012 - 2026

Year	Population	Change per Annum
2012	124,540	-
2013	125,090	550
2014	125,916	826
2015	127,012	1,096
2016	128,179	1,167
2017	129,310	1,131
2018	130,536	1,226
2019	132,004	1,468
2020	133,336	1,332
2021	134,592	1,256
2022	135,599	1,007
2023	136,592	993
2024	137,455	863
2025	138,305	850
2026	138,743	438

Source: Oxfordshire County Council population forecasts 2012

NB: Published as interim forecasts and to be rebased using 2011 Census data when available

4.3 Employment

In 2010 there were approximately 75,000 working age residents in Vale of White Horse, which accounts for 62.6% of the population. Of working age residents 79.3% were economically active with 61,100 people in employment and 2,500 people unemployed. This was similar to the economic activity rate recorded for the South East (79.2%).

There is a relatively high proportion of people working from home in Vale of White Horse. According to Census 2001 7.7% of those people in employment worked mainly from home, which is slightly above the rate for the South East of 6.9%. This could have policy implications in terms of the need to promote coverage of broadband across the district.

As of May 2012, the number of people out of work and in receipt of Job Seekers Allowance (JSA) in Vale of White Horse stood at 1,131 - a rate of approximately 1.5% compared to 2.6% in the South East. With regard to other benefit claimants, as of November 2011 there were 2,310 people receiving incapacity benefit and 600 people receiving disability allowance in the Vale of White Horse.

Table 4-3 Economic Activity in the Vale of White Horse

	Vale of White Horse		South East
All People	(Numbers)	(%)	(%)
Economically active	61,100	79.3	79.2
In employment	60,400	78.4	74.4
Employees	52,900	69.4	63.6
Self employed	7,600	9.0	10.4
Unemployed	2,500	3.9	5.9

Source: Annual Population Survey (Oct 2010 – Sep 2011)

* Percentages have been calculated from a different data source to the working age population as written above

4.4 Skills and Training

Vale of White Horse residents generally attain higher levels of qualifications in comparison to the rest of the South East. In 2010 the large majority of working age residents (78.7%) have their GCSEs⁵, while 44.0% of working age residents are qualified to a degree level and above. This compares to figures of 70.8% and 33.9% respectively recorded for the South East. There were 4,600 residents recognised as having ‘other qualifications’, which includes qualifications obtained overseas.

⁵ Percentage of pupils achieving 5 or more A*-C grade passes at GCSE or equivalent.

Table 4-4 Skills and Training

Qualification Level	Vale of White Horse (Numbers)	Vale of White Horse (%)	South East (%)
NVQ4 ⁶ and above	32,100	44.0	33.9
NVQ3 and above	45800	62.9	53.8
NVQ2 and above	57,300	78.7	70.8
NVQ1 and above	65,300	89.6	84.1
Other Qualifications	4,600	6.3	7.5
No Qualifications	#	N/a	8.5

Source: Local Area Labour Force Survey (Jan 2006-Dec 2006)

Denotes sample size too small for reliable estimate

4.5 Employment by Occupation

The Vale of White Horse workforce is primarily made up of managers, professional and associate professionals, with 50% of all people in employment working at this level of employment. This is significant in that the proportion of the workforce in the South East occupying such higher-level occupations is lower at 45%.

⁶ No qualifications: No formal qualifications held

Other qualifications: includes foreign qualifications and some professional qualifications

National Vocational Qualification (NVQ) 1 equivalent: e.g. fewer than 5 GCSEs at grades A-C, foundation GNVQ, NVQ 1, intermediate 1 national qualification (Scotland) or equivalent

NVQ 2 equivalent: e.g. 5 or more GCSEs at grades A-C, intermediate GNVQ, NVQ 2, intermediate 2 national qualification (Scotland) or equivalent

NVQ 3 equivalent: e.g. 2 or more A levels, advanced GNVQ, NVQ 3, 2 or more higher or advanced higher national qualifications (Scotland) or equivalent

NVQ 4 equivalent and above: e.g. HND, Degree and Higher Degree level qualifications or equivalent

Table 4-5 Occupational Structure of the Vale of White Horse

	Vale of White Horse (numbers)	Vale of White Horse (%)	South East (%)
Managers, directors and senior officials	8,057	13%	12%
Professional occupations	14,651	23%	19%
Associate, professional & technical	8,954	14%	14%
Administrative & secretarial	6,904	11%	11%
Skilled trades occupations	6,923	11%	11%
Caring, leisure and Other Service occupations	5030	8%	9%
Sales and customer service Occupations	3943	6%	8%
Process plant & machine operatives	3362	5%	6%
Elementary occupations	5357	8%	10%

Source: ONS (2013)

4.6 Earnings by Workplace and Residence

The Annual Survey of Hours and Earnings (2011), records that the average gross weekly earnings in the VoWH are £646 for the workplace-based population and £592 for the resident population. Both of these figures are above the comparative earnings for the South East and England (see Table 4-6). Figures need to be treated with caution, as the reliability of statistics at a district level is limited due to a small sample size.

Table 4-6 Average Gross Weekly Earnings by Workplace and Residence

District/Region	Workplace-based Average Gross Weekly Earnings (£)	Residence-based Average Gross Weekly Earnings (£)
Vale of White Horse	646	592
South East	528	554
Great Britain	502	503

Source: ONS, Annual Survey of Hours and Earnings, 2011

4.7 Travel to Work

Of Vale of White Horse residents currently in employment approximately 60% (35,728) live and work in the District. The latest data on travel to work patterns is provided through origin-destination statistics collated from Census 2001. While the total figures for employment may be ten years old, the figures are the most recent available and give an indication of the inflow and outflow of residents and workers into and out of Vale of White Horse and are considered to be reflective of the current situation.

Table 4-7 below summarises travel to work movements of Vale of White Horse residents and Table 4-8 presents the travel to work movements of those employees working within the Vale of White Horse.

Table 4-7 Travel to Work Patterns of Vale of White Horse Residents

	Where do VOWH Residents Work	
	Total	%
Vale of White Horse	35,728	60.0
Oxford	9,626	16.1
South Oxfordshire	3,859	6.4
Swindon	1,824	3.1
West Oxfordshire	1,595	2.7
Cherwell	1,197	2.0
West Berkshire	1,016	1.7
Reading	563	0.9
Total	59,847*	100.0

Source: Origin Destination Statistics for Local Authorities, Census 2001

* numbers do not match total employment figures set out in Section 4.3 due to separate data sources. However this does provide a good indication of the current movements of Vale of White Horse's population and employees.

Table 4-8 Travel to Work Patterns of Vale of White Horse Employees

	Where do VOWH Employees Live	
	Total	%
Vale of White Horse	35,728	66.7
South Oxfordshire	5,972	11.3
Oxford	3,627	6.9
West Oxfordshire	2,596	4.9
Swindon	1,773	3.4
Cherwell	1,643	3.1
West Berkshire	886	1.7
Cotswold	332	0.6
Total	52,888*	100.0

Source: Origin Destination Statistics for Local Authorities, Census 2001

* numbers do not match total employment figures set out in Section 4.3 due to separate data sources. However this does provide a good indication of the current movements of Vale Of White Horse's population and employees.

Section 4 findings show that Vale of White Horse residents are:

- More economically active than the average South East of England resident
- More highly skilled than the average South East of England resident
- More likely to be managers, senior officials or professionals
- On a higher weekly salary than the average South East of England resident
- Most likely to work in the Vale of White Horse

The implications for employment land are that there needs be an adequate provision of sites and premises made available locally and within the District itself which provide relevant technical and professional employment opportunities that will attract and retain highly skilled residents within the area. Providing suitable jobs locally also promotes shorter and hence more sustainable travel to work patterns.

5. THE EMPLOYMENT LAND PROPERTY MARKET

5.1 Introduction

It is helpful to consider current demand and future provision of employment land in the context of the socio-economic structure of the area. Creating sustainable communities includes providing for employment.

Whilst political administration boundaries are useful in the categorisation of employment land allocations and forecasts they fail to convey the fact that actual property markets are never as rigidly defined. Property markets can be very fluid entities that vary greatly in character and are determined by the interplay of many factors. This chapter presents research into these factors that work to shape and define the Vale of White Horse Market Area.

This work has entailed a combination of telephone and desk based research to gather perceptions on the general state and direction of the market for commercial property and employment land both in the South East and the local area. A range of agents/surveyors were contacted via telephone and asked a series of questions that allowed us to gauge the characteristics of both the wider Oxfordshire property market and that of the Vale of White Horse specifically (see Appendix E). The research carried out in 2008 described the key employment lands property market trends relevant to the VOWH. According to the consultation and literature review the recent recession has effectively stalled growth across the UK. However, it appears that many of the prevailing trends and relative differences between sub-areas have remained the same. In this respect many of the characteristics of the VOWH property market area are still relevant. Where this is the case the analysis is left and amended where appropriate with more up to date information and findings.

5.2 The Property Markets Influencing the Vale of White Horse

5.2.1 *Regional Market*

The planned abolition of regional planning outlined in the Localism Act (2011) means that property market evidence at the regional level has not recently been updated. However, evidence gathered in 2008 was checked with stakeholders and market agents for its continued relevance and evidence that remains relevant is combined with new findings and is described below.

Despite the recession the South East property market (see Figure 5-1) remains the most popular destination nationally for businesses due to its proximity to the UK's largest market; London and the excellent road infrastructure that links employment sites to the capital i.e. M4, M25.

Figure 5-1 Classification of Key Property Market Groupings



Source: South East Regional Property Market Study (March, 2007)

Before the economic downturn started in 2008 the market for B1 land and premises in the South East grew as a result of increased decentralisation following land pressure in the City and West End. Much of this demand was absorbed by the 'M25 office market'. Yet, where conditions have been suitable and infrastructure has been sound, a few areas beyond the M25 themselves thrived, with Oxfordshire being a good example given accessibility provided by the M4, M40 and Great Western Railway. It would appear that the growth of this market is driven by the technology media and telecoms sector (TMT) that has accounted for 31% of take-up in the region over the previous 15 years⁷. During the boom period overall take-up of office premises, whilst being considerably muted when compared with London, was generally stable, which is a reflection of the strength of the internal linkages of sub-regional markets as opposed to the region as a whole.

The industrial (B2) property market of the South East is somewhat different in that activity is not reflected by proximity to London but more by links to and the quality of local infrastructure, and the required skills base. This is perhaps owing to the fact that the majority of industrial activity in the region is focused on high-value added manufacturing and knowledge intensive activities that depend on sound local as well as regional linkages. As a result the major regional centres of industrial employment and stock are viewed as being Milton Keynes, along the M4 corridor (Reading-Swindon) and the M40 axis (Oxford-Wycombe/Science Vale UK).

The distribution/storage (B8) property market in the South East is considered to be relatively well-dispersed, in contrast with the commercial and industrial markets, although hubs are deemed to exist in northern Hampshire, north Kent and in proximity to the M1 in Hertfordshire/Bedfordshire. Although the distribution and storage sector is important to the economy of the South East, the associated property market is less

⁷ Source: South East Plan Property Market Research (March 2007)

dynamic, than is the case with other land-uses, in that demand patterns are not tied to the prospects of individual local economy and depend more on linkages that go beyond the regional level. There is less evidence of spatial clustering in this sector than might be expected given the perceived importance of infrastructure to locational preference. It is acknowledged that this presents challenges for the management of land allocations for this type of land-use as it is difficult to identify locations where such use may be demanded, other than along major roads.

Although it is clear that the market for employment land in the South East region possesses certain characteristics, it is equally clear that sub-regional markets have their own individuality and that local linkages are as, if not more, important than regional.

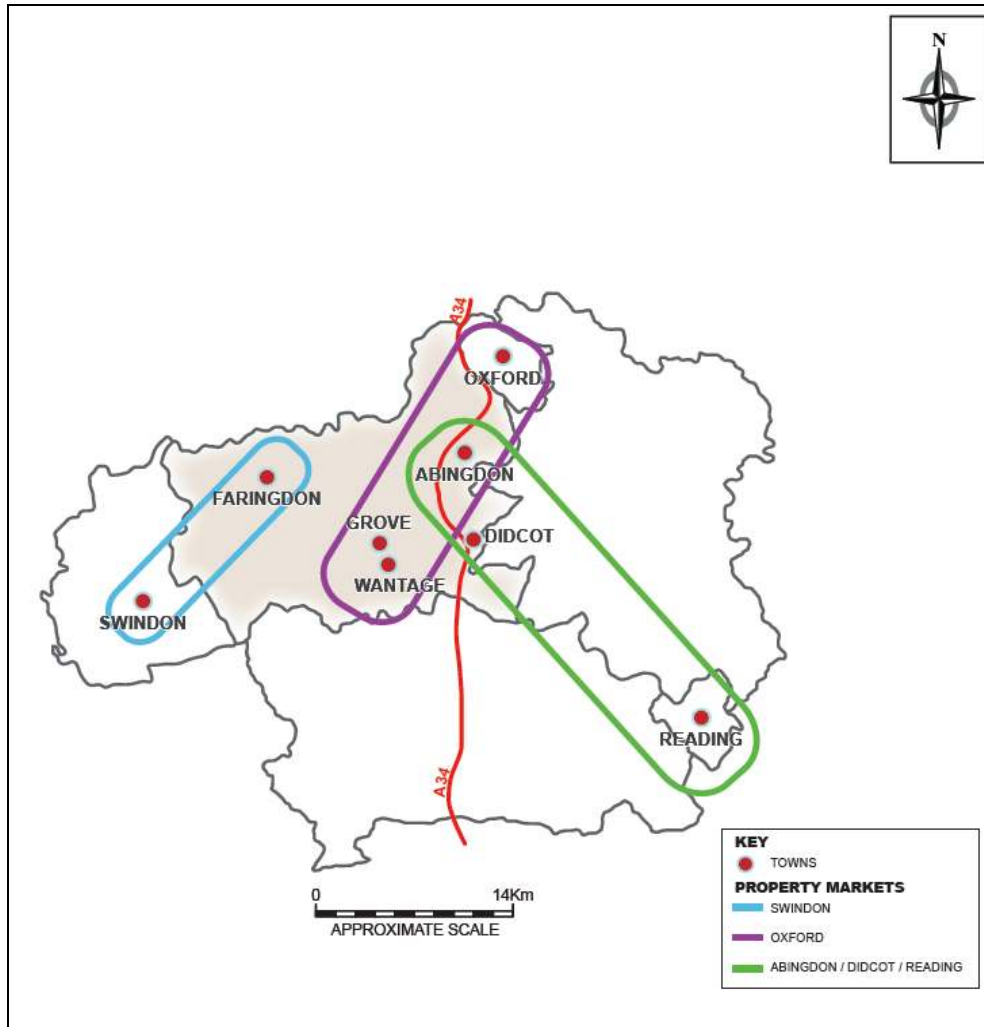
5.2.2 Local/ Sub-regional Markets for Commercial and Industrial Land

At district level each property and each settlement has its own characteristics. However, there are also clear groupings that make natural market areas. In addition there are also particular linkages between them, related to land use and road infrastructure. The market area may not follow clear lines of demarcation and a number of factors must be considered when deciding the relevant areas of influence and their importance.

After consultation with local agents and surveyors, it was established that the main commercial and industrial property markets that the Vale of White Horse included were the following:

- Science Vale UK - Abingdon/Didcot (South Oxfordshire), lying within or in proximity to three sub—regional markets; Oxford and Banbury, Thames Valley West and Core Thames Valley (Reading). Contains a diverse range of businesses, predominantly in the high technology and science related industries reflecting the importance for B1, B2 and B8 land-uses.
- Oxford, an area that the eastern Vale is closely associated with, and is driven by a sizable office (B1) market forms part of the Oxford and Banbury sub-regional property market;
- Swindon, an important location for blue-chip companies and a market that the western Vale is influenced by. Forms part of the wider Thames Valley West sub-regional property market, where both B1 and B2 land uses dominate

Figure 5-2 Property Markets affecting the Vale of White Horse



In addition to these there is a market defined by transport-infrastructure, associated with the A34 road that links Oxford with the M4 and can thus be considered the main artery of commerce and industry in the District. The links that this road provides to both Oxford, an international centre of academic and research excellence, and the national road network means that the 'A34 corridor' has proved, and continues to be, a particularly attractive location for businesses in the high value-added sector of Research and Development (R&D) along with other 'hi-tech' sectors. The consequence of this is that the eastern Vale has key areas of employment land of B1, B2 and B8 uses. The western Vale is relatively isolated from this key piece of infrastructure and as such cannot be considered a key area within a sub-regional market in the way that the eastern Vale is regarded. Despite this Faringdon is linked to the Oxford and Abingdon/Didcot market by the A420 which is a good quality road and dual carriageway from Cumnor.

At the northern end of the 'A34 corridor' another linear market is deemed to exist. The land supply in, and around, Oxford is constrained and hence surplus demand subject to greenbelt restrictions can be pushed in the direction of Kidlington and Bicester (Cherwell) or towards Abingdon (Vale of White Horse). The 'A34 corridor' is recognised

as an important area in the Draft South East Plan and recommendations are made to improve rail services and road management.

The role of business parks within the employment land market of the Vale of White Horse is pivotal given the sub-regional prominence of locations, such as Milton Park and Harwell Oxford, and other estates of more local significance, such as Abingdon Business and Science Parks, Vale of White Horse Industrial Estate and Grove Technology Park. The availability of both land and premises at these sites can be regarded as being indicative of the general condition of the different markets that these sites are a part of.

5.3 Supply and Demand of Employment Land in the Vale of White Horse

From desk-based research and consultations with local agents it is apparent that the Vale of White Horse contains a diverse range of business activity and as such land-usage is not specific to defined geographical areas. Therefore supply and demand for employment land in the Vale of White Horse can generally differ over a relatively short geographical area and there is much evidence that demand is linked to the attractiveness of particular locations rather than general areas. The key new factor to consider is the introduction of the Enterprise Zone with sites at Harwell Oxford and Milton Park. The fact that this EZs totalling approximately 92 hectares of developable land is in effect provided with state aid incentives in the form of tax breaks and a simplified planning regime means that the normal market mechanism is potentially distorted and demand inflated in these particular locations. However, it is also expected that the EZ will increase overall levels of demand across VOWH because new businesses will be attracted to the district, and this will benefit the district as a whole because of supply-chain impacts.

5.3.1 Commercial (B1)

Owing to the local strength of light industry sectors such as R & D and the manufacture of scientific instruments, there is a steady demand for B1 sites and premises, particularly in the Science Vale UK. Premises supplied are generally of high design standard and of varying density, with a mixture of freeholds and leaseholds being in demand.

Milton Park, a 100 hectare Science Park wholly owned by MEPC, is considered to be a major regional and national based hub for knowledge-intensive industries and is thus a popularly demanded location for these and associated businesses. Given the economic downturn the level of vacancy observed during the 2012 field survey and through consultation with agents appears to be relatively low. This is an indicator of healthy demand. The majority of sites that are vacant or under used are connected to the Enterprise Zone proposals. 9 sites including 28 hectares are allocated as Enterprise Zone at Milton Park. These sites are all either vacant, cleared, or have short leases that will expire soon. The EZ also includes three greenfield sites (MP5, MP8 and MP9). The views of all agents and stakeholders contacted were that the 28 hectares of EZ sites would be occupied during the planning period due to strong latent demand unlocked by the EZ incentives.

Harwell Oxford, near Didcot, is an expanding employment centre where both B1 land and premises are available. The site is around 300 hectares set in a campus style setting with well spread out buildings and green space. This provides opportunity for intensification. The campus currently employs around 4,500 people at approximately 150 organisations⁸. It is home to some of the world's leading science research facilities

⁸ Information obtained from <http://www.harwelloxford.com/> accessed 24/07/12

for example, UK Atomic Energy Authority, Rutherford Appleton Laboratory, and European Space Agency. The EZ proposals are for 64 hectares of additional employment development that hopes to build on the prestige of these organisations and the existing business base. The fact that there are numerous proposed developments catering for B1 use at the campus indicates that demand, for office and light-industrial accommodation, at the location is buoyant. Two considerations for the development of sites at Harwell Oxford are that land at the expansive UK Atomic Energy Agency site will need to be de-contaminated and the nature of future development at Harwell Oxford could also be decided by the particular land requirements (e.g. building shapes) of certain scientific facilities. Despite this it should be noted that a lot of land at Harwell Oxford has already been decontaminated and de-licensed and there is a programme to decontaminate additional land⁹.

At Abingdon, B1 premises are to be found at both the Business and Science Parks, although there is little in the way of developable land remaining at these estates. In the town centre, smaller B1 premises are in such high supply as to raise concern amongst agents, with long-term vacancy even becoming a problem. The lack of a rail-link in the town and a glut of second-hand accommodation availability have been cited as reasons behind these problems.

In the western Vale, office premises are available at several key locations such as Shrivenham Trading Estate and Faringdon, with modest expansion evident at the latter. Most premises are designed for office-use owing to the proximity to the Swindon market. Most available accommodation is new and of relatively low-density. It is thought by local agents and stakeholders that demand generally outstrips supply in these areas due mainly to the lack of available land with very little vacancy currently existing. The key employment site in Faringdon that remains vacant is the 4&20 site (Cluster C9f) where there are proposals for a mixture of B1 and B2 uses. Consultees views and observations made at the field survey lead to the conclusion that the site is appropriate for employment development. The main reason the site it is still vacant is that the current market conditions are deterring risk-averse investors who generally prefer sites that do not require substantial investment in ground works etc. However when the market picks up the site is likely to attract speculative developers.

5.3.2 *Industrial (B2)*

Areas of Industrial (B2) employment land are to be found at several key locations in the Vale of White Horse. Most industry is small-scale and is aimed at production for local markets, the main exception being where knowledge-intensive operations outgrow their status of being 'light industry'. Demand exists for both new and second-hand accommodation with leaseholds being popular. The property market for B2 land-use in the Vale of White Horse can be deemed to be of far less significance than that for B1 owing to the nature of the sub-regional economy.

Although predominantly a location for B1 employment land-use, Milton Park is an important location for industrial land-use and premises are available for such use. The EZ funding bid suggests that the EZ sites will be occupied by a mixture of B1 and B2 uses. Most vacant accommodation is second-hand, with new plots usually developed for B1 use, and this is generally deemed adequate in meeting demand at this location. The park was originally developed for industrial purposes in the early 1970's and due to

⁹ The first phase of the Harwell clean-up programme to 2031 is focusing on making historic arisings of radioactive waste passively safe, transferring them off site if necessary, and decommissioning redundant nuclear facilities. In the second phase to 2064, the remainder of the site environment will be restored, making clean land and buildings available for unrestricted use.

significant investment since 1997 most premises are of decent design quality and suitability for modern high-tech manufacturing/engineering.

In Abingdon, the Radley Road Industrial Estate and Thames View Industrial Estate are the principal locations for businesses requiring B2 employment premises. Sites are generally of adequate size for the small-scale industry that is found in the area and are of good overall quality. Agents noted however that demand for industrial accommodation around Abingdon was generally insignificant and that a supply of vacant premises could be found.

In the western Vale, the main centre of industrial land-use is at White Horse Business Park, Stanford-in-the-Vale that houses numerous small-occupiers engaged mainly in manufacturing. There are vacant premises and available development land at the park. . Although agents generally stated that in line with long term trends of de-industrialisation in the UK demand for industrial sites and premises are not considered to be particularly strong there are two good examples of healthy demand for industrial style sheds in Faringdon. One is the redevelopment of an industrial site on Park Road at the Cameo Glass works (see Figure 5.3 below). The other is the redevelopment of a shed on Pioneer Road (see figure 5.4 below). This suggests that when the economic climate improves the lack of industrial supply in Faringdon may hinder demand.

Figure 5.3 Recent Industrial Development in Faringdon – Cameo Glass



Source: URS Survey 2012

Figure 5.4 Recent Industrial Development in Faringdon – Pioneer Road



Source: URS Survey 2012

Wicklesham quarry is an existing quarry site that is being put forward by the landowner for development as a mixed B2/B8 site. It is approximately 8 hectares and is intended to support industrial estates in Faringdon. The key consideration in deciding its suitability for designation as an industrial site is the fact it is outside of the settlement boundary, its current use is a quarry which is an employment use - albeit providing a low number of jobs - and the fact it may have high remediation costs.

5.3.3 Distribution and Warehousing (B8)

B8 employment land is distributed throughout the Vale of White Horse, though is generally located near to major roads such as the A34 and A420. The general condition of the market for such land in Vale of White Horse is therefore considered by some agents to be unhealthy, mainly due to a lack of supply of suitable sites. This assessment is tested in Sections 6 & 7 where the supply and demand for B8 employment land is assessed.

Milton Park, being a mixed-use development, contains several large B8 sheds with some current vacancy being reported to exist. Building size at the park is generally quite large and some B2 premises might be considered suitable for B8 use. Although others may not be suitable given factors such as insufficient eaves height and loading bays. It should be noted that Milton Park has recently demolished redundant warehousing on some of its EZ sites to clear sites for redevelopment. However, the conversion of B2 to B8 could be considered on a site by site basis.

Vale of White Horse Business Park was stated as an important location for B8 businesses in the western Vale. Although the A420 is for the most part a single-

carriageway, it is a major transport route in the western Vale and important for supporting the requirements of distribution/storage businesses.

The consultees suggested that vacant premises are available for B8 land-use in the Vale of White Horse. Agents consider this to be the case because existing premises are unsuitable for the needs of large businesses, and, with exception to the Milton Park area, most locations are situated too far from major road infrastructure. This, coupled with the fact that new developable land is generally bought quickly by B1 developers means that the property market for B8 land-use can be considered as being relatively stagnant.

This context of a relative lack of supply of appropriate B8 supply to match demand provides some of the backdrop for two potential B8 proposals. The redevelopment of Didcot A power station once it is decommissioned in March 2013 could be suitable for B8 but the plans for the decommissioned Didcot A are not fully developed at this stage. Potential B8 uses could serve Milton Park and the Science Vale UK and might benefit from increased demand generated by the EZ. There are two further proposals. One is for a mixed B2/B8 site at Wicklesham Quarry. The other is for around 4 hectares of employment uses south of Park Road in Faringdon. This would help to address the relative lack of B8 supply in Faringdon. Consultees felt that there was likely to be demand for B8 uses at these three locations.

5.4 Outlook for the Property Market in the Vale of White Horse

Consultations with commercial and industrial property agents and key stakeholders in the Vale of White Horse indicate that there are several issues concerning future trends in the demand and supply of employment land in the District. The two most pertinent issues relate to how the VOWH will weather the storm of the economic downturn and how successful the EZ will be in attracting businesses to the Science Vale UK. The consultees remain reasonably confident that the economy of the Oxfordshire sub-region is robust enough to largely escape from negative effects of the recession. It is interesting to note that the views of consultees made in 2008 on the eve of the recession were that the district would weather the storm well and this appears so far to have been largely borne out.

5.4.1 Demand in the Enterprise Zone and implications for the rest of the VOWH

As mentioned at 3.2.2 and 5.3 above, the Enterprise Zone status of 92 hectares of employment land at Harwell Oxford and Milton Park is likely to have a significant effect on demand in the VOWH, both at those sites and in the wider district as a whole. Expected future demand at the EZ is assessed in more detail in Chapter 7. However, due to the fact that the incentives offered in the form of tax breaks effectively distorts the normal market mechanism it is difficult to follow traditional econometric demand forecasting methodologies to arrive at likely future demand at the EZ. For that reason a significant weight is given to the 'bottom-up' consultation with market agents and key stakeholders. A review of the Science Vale UK EZ funding bid was also carried out to provide evidence of demand at the EZ.

All those consulted were confident that demand would be high in the EZ and that the full 92 hectares of proposed sites would be occupied within the planning period. The key reasons given by consultees correspond with the Science Vale UK EZ bid application (May 2011). The EZ bid application was also accepted by CLG officials which provides evidence of its robustness. The positive attributes of the EZ that was suggested in the EZ bid application were as follows:

- Good geographical location – close to academic centre of Oxford and financial centres of London and Thames Valley with good transport links for international access.
- Outstanding scientific facilities – one of largest science clusters in the UK; estimated £1bn investment within the zone potentially available for use by inward investors.
- Attraction of anchor organisations – range of world leading organisations both academic and commercial with growth areas such as space research (European Space Agency plus 13 organisations) and biotech (48 healthcare companies).
- Availability of finance through access to local banks, venture capital and angel networks
- Entrepreneurial culture with commercial awareness and business networking
- Skilled workforce and ability to attract staff – skills training through a range of organisations and good quality of life in surrounding area
- Room to grow – essential for organisations to be able to grow within the location and retain staff
- Experienced management of the zone by Harwell Oxford and MEPC who have outstanding reputations in science park development.

The other key issue is whether the take up of space at the EZ will have a multiplier effect and therefore increase demand for employment land across the rest of the VOWH – especially the more separated rural areas such as Faringdon. It should be noted that Wantage and Grove are part of the Science Vale UK. The response of consultees to this point was that the EZ is likely to generate additional demand across the rest of the district. The Science Vale UK EZ application bid used accepted ONS UK Analytical input-output tables to assert that a multiplier of 1.3 would be likely¹⁰. If this happens it would lead to an additional 30% of employment linked to supply chains outside the EZ. In land terms this might be around 20 hectares after factors such as deadweight are considered. While much of this could be close to the EZ in the Science Vale UK at least some of it is likely to be in other parts of the district. Consultees commented that not every business space occupier wants to be in the Science Vale UK for reasons ranging from cost and scale of accommodation, to personal circumstances to wanting to have access to other markets such as Swindon and the M4.

5.4.2 *Developer Preference for Small Sites and Premises*

A key issue, cited by agents as affecting the property market, is the continuing preference amongst developers for small B1 sites, either for offices or hi-tech and light industrial use. The two examples of recent development at Faringdon discussed at 5.3.2. demonstrates that there is strong demand for these type of units. This preference would appear to indicate that developers are often unwilling to develop larger sites for fear of not being able to let the entire premises, a feeling that may result from visible B1 vacancy in locations such as Abingdon. It was also suggested by one agent that developers appear to be purchasing land without immediate intention of developing it. Were this trend of land banking to continue it might be argued that available employment land of sufficient size would be in short enough supply to deter larger businesses from locating in the area thus influencing the wider property market of the

¹⁰ P26 E4, SVUK, Enterprise Zone Application Bid, (May 2011)

Vale and indeed the Oxfordshire sub-region. While it is widely recognised that Local Planning Authorities are limited in their ability to combat landbanking suggested actions that could be taken to deter this from happening include close negotiation with land owners and developers and the threat of Compulsory Purchase Order (CPO) where there is clear evidence of the need for the land for employment purposes.

5.4.3 *Economic and Environmental Sustainability*

Another issue relates to the impact of the government's 'sustainability agenda' in a predominantly rural area such as the Vale of White Horse. It is acknowledged by developers that the state of the road network, particularly in the western Vale, acts as a relative constraint on the attractiveness of the area as a business location. Being a rural area¹¹, it is thus unlikely that improvement and significant expansion of the road network could occur with the knock-on effect that demand for large scale employment land expansion, particularly B2 and B8 uses, will be relatively low. However, consultations in 2012 suggested that demand for smaller scale B2/B8 land in the Western Vale was relatively buoyant. This is partly explained by the proximity to Swindon and the M4 market and the high quality of environment.

5.4.4 *Empty Properties Act*

In response to recommendations in the Barker Review of Land-Use Planning the Government has attempted to modernise empty property relief from business rates. The Rating Act was introduced into Parliament in May 2007 and was adopted in 2008.

The main steer of the Act is the closing of loopholes for paying rates bills. For example, constructive vandalism and occupation by a charity will no longer allow exemption for paying rates. The effect on commercial accommodation will be felt most strongly on empty properties. It is expected that the Act will force industrial properties which have been empty for over six months to pay full rates.

The additional rates cost will have an effect on the industrial market and on the delivery of buildings. Older industrial buildings are more likely to be demolished, even if they could be used for another five years, so as to avoid paying full rates. This reduction of stock could increase rents and reduce any tenant incentive packages.

5.5 *Summary*

The VoWH was found to be influenced by a number of operating property markets. This is a result of the District's central location between Oxford and Swindon and also between Oxford-Didcot-Reading. The large land areas present in the District partly result in the Eastern Vale and Western Vale being characterised by different property drivers and a certain separation between the two halves of the District.

The 'A34 Corridor' is recognised as being a key determinant in the property market area due to it connecting the VoWH with Oxford. This therefore links the District with Oxford's associated academic and research facilities. The result has been a clustering of high value-added sectors (notably R&D) in the sub-area that, whilst not being in Oxford city itself, can still draw on the local infrastructures and pool of skilled labour. This area is broadly the Science Vale UK.

¹¹ Parts of the western Vale are in the Great Western Community Forest, the area surrounding Abingdon and Botley are in the Green Belt and a southern strip of the District is classified as an Area of Outstanding Natural Beauty.

The B1 property market is characterised more by light industry and science laboratories than by traditional town-centre office developments. These facilities are located on large science and business parks and not within town-centres, as highlighted in the large over-supply in Abingdon town-centre. There is a net demand for small-scale traditional industrial accommodation (B2) and the majority is again found on industrial estates in the Eastern Vale. Whereas there is evidence of vacancy in B1 and B2 accommodation the reverse is true for warehousing (B8). Existing stock is found near the major strategic roads, particularly the A34, and two agents made reference to an overall lack of supply in the VoWH.

The consultations and research revealed that the EZ policy should create additional demand for employment space in the Science Vale UK and across the district as a whole. The VOWH has weathered the recession relatively well and is in a good position to expand once the market returns to growth.

6. CHARACTERISTICS OF EMPLOYMENT LAND

6.1 Introduction

This section provides a summary of the key findings of the field survey and associated desk based appraisal. Results are summarised to provide an overview of conditions of employment clusters and Local Plan 2011 allocations. The purpose of this exercise is to help determine the suitability of employment clusters, existing Local Plan 2011 allocations and proposed future Local Plan 2011 allocations for employment use. This section highlights the characteristics of land felt to have development potential and provides the full list of surveyed sites. Field surveys were carried out in 2008 and 2012.

6.2 Surveyed Employment Clusters

Table 6-1 below lists the 33 business clusters in the Vale of White Horse that were surveyed against the strategic appraisal criteria. These clusters were defined through an assessment of existing employment policies in the Local Plan 2011 (Policies E1-E8) and verified with the Council. Additional clusters were identified in 2012 through consultation with the Council. These relate to potential employment sites that will be explored further in the Local Plan 2011 process. These include two undeveloped greenfield sites that may include an element of employment uses. The other two sites are an existing quarry that is proposed by the landowner for redevelopment for B2/B8 uses and the existing Didcot A power station which is due for decommissioning in March 2013. The District is characterised by a number of relatively small and dispersed sites, however there are a few larger sites that form self-contained science and business parks, most notably Harwell Oxford and Milton Park that include the EZ sites.

Some of the clusters were divided into two parts during the survey due to non-employment uses in between or there being a clear division of the cluster due to use or occupancy/ownership. These are represented with an 'a' or 'b' (i.e. 9a and 9b). In addition some of the clusters contain sites for business development where new industrial development is expected to take place. These sites are covered under policies E1-E8 in the Local Plan 2011. The total amount of land assessed during the employment land survey was 590.8 ha.

Table 6-1 Surveyed Employment Clusters¹²

Cluster Number	Name	Local Plan (2011) Policy, Local Plan Proposed SSA or Developer proposed site	No. of 'Sites for Business Development' ¹³ (vacant/developable)	Total Cluster Area (ha)
C1	Abingdon Business Park at Wyndyke Furlong	E1(i), E10	1	37.53
C2	Abingdon Science Park at Barton Lane	E1(ii), E10,	1	11.01
C4	Radley Road Industrial Estate	E10	0	2.26

¹² Clusters C3a Half of Thames View Industrial Estate and C3b Burgess Site from the 2008 ELR were initially reviewed but they have been removed as they have been developed.

¹³ 'Sites for Business Development' are defined in the Local Plan as sites in the Vale where the District Council expects new industrial development to take place (p.211)

Cluster Number	Name	Local Plan (2011) Policy, Local Plan Proposed SSA or Developer proposed site	No. of 'Sites for Business Development' ¹³ (vacant/developable)	Total Cluster Area (ha)
C5	Drayton Road Industrial Estate	E10	0	1.02
C6	Fitzharris Trading Estate	E10	0	0.42
C7a	Minns Business Park at North Hinksey	E2 (ii), E10	0	1.59
C7b	Hinksey Business Centre and Industrial Estate	E10	0	2.47
C7c	Botley – north of West Way	E10	0	1.66
C8	Cumnor Hill (Chawley Park)	E2 (i)	1	0.51
C9a	Faringdon – north of Pioneer Road	E3 (i), E10	1	0.85
C9b	Faringdon – HCA business centre	E3(ii)	1	0.18
C9c	Faringdon – strip of land alongside Park Road	E3(ii)	1	0.71
C9d	Faringdon – land to the south of the playground	E3(ii)	1	0.28
C9e	Faringdon – former nursery	E3(iii)	0	0.87
C9f	Faringdon – land adjacent to A420 – '4&20' Site	E3(iv)	1	4.2
C9g	Faringdon – large cluster excluding development sites	E10	0	5.4
C10	Grove Technology Park	E4, E10	1	11.74
C11	Downsview Road, Grove (Crown Technology)	E10	0	4.59
C12	Grove Road, Wantage	E10	0	2.45
C13	Station Road, Grove (Williams F1)	E10	0	7.1
C14	Milton Park	E5, E10	1	78.04
C15 ¹⁴	West of Didcot Power Station	E6		

¹⁴ C15 was initially assessed in the 2008 ELR but was then excluded from the study on the advice of the client due to the site being expected to be allocated for housing. Since then the site has become available for employment but is included in cluster C29 in this ELR study.

Cluster Number	Name	Local Plan (2011) Policy, Local Plan Proposed SSA or Developer proposed site	No. of 'Sites for Business Development' ¹³ (vacant/developable)	Total Cluster Area (ha)
C16	Harwell Oxford	E7, E10	1	291.03
C17	Kingston Business Park	E8(i), E11	0	5.38
C18	Whitehorse Business Park	E8(ii), E11	1	9.19
C19	Uffington Station	E8(iii)	1	1.04
C20	Wootton Business Park	E8 (iv)	1	2.24
C21	Shrivenham Hundred Business Park	E8(v), E11		5.41
C22a	Ardington – Works	E11	0	0.82
C22b	Ardington – The Bakers Yard	E11	0	0.32
C22c	Ardington – Home Farm	E11	0	0.45
C23	Challow – W&G Estate	E11	0	2.79
C24	Sandford Lane Industrial Estate	E11	0	1.19
C25	Steventon – Station Yard Industrial Estate	E11	0	0.21
C26	Milton Hill Business & Technology Centre	E12	0	11.16
C27	Sutton Courtenay	E12	1	6.19
C28	Tubney Wood – Oxford Instruments	E12 (v)	0	2.5
C29	Didcot A Power Station	Proposed SSA	1*	58.0
C30	Faringdon – Wicklesham Quarry	Developer proposed	1	8.0
C31	North East Wantage – Crab Hill	Proposed SSA	1	0.0 ¹⁵
C32	North Grove – Monks Farm	Proposed SSA	1	6.0
C33	Faringdon – South of Park Road	Proposed SSA	1	4.0
Total				590.8

Source: URS Survey 2008 and 2012

* Not developable until decommissioning which is expected to be March 2013 plus it will take at least a further three years to remediate the site.

¹⁵ It is unclear at this stage whether or how much employment land would make up the proposed SSA.

6.3 **Quality & Characteristics of Employment Clusters**

Each cluster and individual development site has been surveyed where appropriate with regards to the following criteria:

- Quality of environment
- Access to facilities and amenities
- Topographical & Ecological Issues
- Bad neighbourhood uses (noise, air, smell etc.)
- Proximity to sensitive land-uses
- Servicing
- Parking
- Strategic road access
- Strategic access to public transport
- Condition of buildings

A copy of the strategic survey questionnaire is provided in **Appendix B** and a summary of the results is presented below.

Where there was a 'site for business development' within the cluster the additional following criteria were used:

- Possibility for redevelopment/intensification
- Physical site constraints
- Evidence of marketing for the site as employment land

The following sections summarise key elements of the surveyed clusters, including: quality of the environment; access to facilities and amenities; and access to the strategic road network. These were defined through URS experience of similar studies and the ODPM Employment Land Review Guidance – Annex E.

6.3.1 **Quality of Environment**

The quality of environment for each cluster was assessed using the following criteria:

Very Good The quality of the streets and the public realm within and surrounding the business cluster are of very good quality (no potholes, no litter, no uncollected rubbish, well maintained street furniture). There is enough street lighting and no perceived safety issues. The business cluster is not polluted by noise or air pollution from neighbouring uses and/or heavy street traffic.

Good The quality of the streets and public realm within and surrounding the business cluster is of good quality. Nothing in the local environment seems disturbing but it does not reach the 'very good' standard (some litter, street furniture shows signs of age, etc).

Average The quality of the streets and the public realm within and surrounding the business cluster are of average quality. Whilst there may be some good aspects to the environment this is compromised by minor pollution issues.

Poor The quality of the streets and the public realm within and surrounding the business cluster are of poor quality (some potholes, some litter, poorly maintained or damaged street furniture). There is not enough street lighting and some perceived safety issues. The business area might be polluted by some noise or air pollution from neighbouring uses and/or heavy street traffic.

Very poor The quality of streets and the public realm within and surrounding the business cluster are of very poor quality (potholes, litter on street, uncollected rubbish, etc.) there is noise and/or air pollution from neighbouring uses and/or heavy street traffic.

Of the surveyed clusters approximately 71% were reported as having a very good or good quality of environment. Seven of the surveyed clusters (18%) were classed as having a poor environment. Common observations were that these areas were poorly maintained with rubbish on the ground and along the edge of the roads, unsafe areas with no clear pedestrian routes and potholed roads.

6.3.2 Access to Facilities & Amenities

Another factor of the cluster environment taken into account as part of the survey was the accessibility to facilities and amenities.

The following criteria were used to assess clusters access to amenities:

Very good Shops, restaurants and/or cafes and personal services within the business cluster or can be reached in a 5-minute walk (e.g. our Wimbledon offices). There is a selection of places for lunch; there is the possibility to do some shopping during lunch.

Good Shops, restaurants and/or cafes within a 5-10 min walk. There is some selection of places for lunch and other services.

Reasonable Shops, restaurants and/or cafes within a 10-15 min walk. There is a limited selection of places for lunch.

Poor Shops, restaurants and/or cafes within a 15 –20 min walk. There is a limited selection of places for lunch.

Very poor Shops, restaurants and/or cafes more than a 20 min walk away. No or very limited selection of places for lunch.

The survey found that approximately 52% of business clusters had very good or good access to facilities and amenities while no clusters were reported as having very poor access to nearby amenities.

6.3.3 Road Access

As part of the survey, road access was assessed in terms of both external and internal access and ease of circulation. Here the results are presented in relation to how well the business cluster had access to the strategic road network.

External Road Access

Very Good entrance to cluster is directly off of A-road

Good entrance to cluster is within 500 m of A-Road.

Reasonable entrance to cluster is within a 5 minute drive to an A-Road

Poor cluster on an indirect route to the A-Road and between a 5 and ten minute drive to an A-Road

Very Poor cluster is more than a 10-minute drive to an A-road

Table 6-2 Cluster assessment

Cluster	Name	Quality of Environment	Facilities and Amenities	Strategic Road Access
C1	Abingdon Business Park at Wyndyke Furlong	Very Good	Good	Very Good
C2	Abingdon Science Park at Barton Lane	Very Good	Good	Poor
C4	Radley Road Industrial Estate	Average	Poor	Poor
C5	Drayton Road Industrial Estate	Good	Very Good	Average
C6	Fitzharris Trading Estate	Poor	Good	Average
C7a	Minns Business Park at North Hinksey	Good	Very Good	Very Good
C7b	Hinksey Business Centre and Industrial Estate	Poor	Very Good	Very Good
C7c	Botley – north of West Way	Good	Very Good	Very Good
C8	Cumnor Hill (Chawley Park)	Good	Poor	Good
C9a	Faringdon – north of Pioneer Road	Poor	Good	Very Good
C9b	Faringdon – HCA business centre	Good	Average	Very Good
C9c	Faringdon – strip of land alongside Park Road	Average	Average	Very Good
C9d	Faringdon – land to the south of the playground	Average	Average	Very Good
C9e	Faringdon – former nursery	Good	Average	Very Good
C9f	Faringdon – land adjacent to A420 – ‘4&20’ Site	Good	Average	Very Good
C9g	Faringdon – large cluster excluding development sites	Poor	Poor	Very Good
C10	Grove Technology Park	Very Good	Poor	Poor
C11	Downsview Road, Grove (Crown Technology)	Good	Poor	Average
C12	Grove Road, Wantage	Good	Poor	Good
C13	Station Road, Grove (Williams F1)	Very Good	Poor	Good

Cluster	Name	Quality of Environment	Facilities and Amenities	Strategic Road Access
C14	Milton Park	Very Good	Very Good	Very Good
C15 ¹⁶	West of Didcot Power Station	n/a	n/a	n/a
C16	Harwell Oxford	Very Good	Very Good	Very Good
C17	Kingston Business Park	Good	Good	Average
C18	Whitehorse Business Park	Good	Poor	Good
C19	Uffington Station	Good	Poor	Very Poor
C20	Wootton Business Park	Good	Poor	Very Good
C21	Shrivenham Hundred Business Park	Very Good	Good	Very Good
C22a	Ardington – Works	Poor	Good	Good
C22b	Ardington – The Bakers Yard	Good	Good	Good
C22c	Ardington – Home Farm	Good	Good	Good
C23	Challow – W&G Estate	Poor	Poor	Good
C24	Sandford Lane Industrial Estate	Good	Poor	Poor
C25	Steventon – Station Yard Industrial Estate	Good	Good	Good
C26	Milton Hill Business & Technology Centre	Very Good	Very Good	Good
C27	Sutton Courtenay	Poor	Poor	Poor
C28	Tubney Wood – Oxford Instruments	Very Good	Poor	Very Good
C29	Didcot A Power Station	Average	Poor	Good
C30	Faringdon – Wicklesham Quarry	Poor	Poor	Very Good
C31	North East Wantage – Crab Hill	Good	Poor	Good
C32	North Grove – Monks Farm	Good	Poor	Good
C33	Faringdon – South of Park Road	Good	Poor	Good

Source: URS

6.4 Development Sites – Vacant & Developable Land

Of the 33 clusters surveyed, including the ‘sites for business development’, a number were identified as being vacant and developable land. Vacant land is empty or derelict sites where the land is generally considered to be underutilised and where the economic development/employment potential of the land is not being fully utilised. The sites, outlined in Table 6-3, offer the potential for additional employment land stock.

Table 6-3 includes information from the Local Plan 2011 on what the District Council felt to be suitable land-uses for future development. The scoring system developed as part of the site surveys will test the viability of these designations and what Use Classes the sites are best suited for.

¹⁶ C15 was excluded from the study on the advice of the client. Since then the site has become available for employment but is included in cluster C29 in this ELR study.

For maps of the individual development sites see **Appendix A**.

Table 6-3 Development Sites (Vacant and Developable Land)

Cluster	Name	Developable Area ¹⁷	Any restrictions on land-use policy
C1	Abingdon Business Park at Wyndyke Furlong	0.67	No
C2	Abingdon Science Park at Barton Lane	0.74	B1 only
C8	Cumnor Hill (Chawley Park)	0.3	B1 only
C9a	Faringdon – north of Pioneer Road	0.85	B1 only
C9b	Faringdon – HCA business centre	0.18	B1 only
C9c	Faringdon – strip of land alongside Park Road	0.71	B1 only
C9d	Faringdon – land to the south of the playground	0.28	B1 only
C9e	Faringdon – former nursery	0.87	Built out
C9f	Faringdon – land adjacent to A420 – '4&20' Site	4.20	B1 or B2 only
C10	Grove Technology Park	5.4	B1 and B2 no restrictions, B8 must not exceed 1.6 ha of the site in total
C14	Milton Park	28.0	To be defined in LDO ¹⁸
C16	Harwell Oxford	64	To be defined in LDO
C20	Wootton Business Park	1.48	B1 only
C27	Sutton Courtenay	3.93	There is a resolution to grant outline permission for housing on this site, subject to S106/legal agreements
TOTAL		111.6	

Source: URS

Table 6-3 calculates that the Development Sites offer a total supply of 111.6ha. The developable site areas have been derived through a combination of applying plot ratios to the level of floorspace planned, consultations with site owners and desk based mapping. The majority of this potential future supply of developable employment land is within the EZ sites of Milton Park (C14) and Harwell Oxford (C16), which are discussed

¹⁷ These areas are based on GIS analysis, except for Harwell Oxford and Milton Park which have been developed through assessment of the Enterprise Zone application bid.

¹⁸ Government consider that if an Enterprise Zone is going to be successful, planning controls should be simplified and the Government wants to see local authorities making greater use of Local Development Orders (LDO's) to achieve this. LDOs extend permitted development rights, meaning that certain development can take place without the need for planning permission. This can reduce delay and the costs to businesses and local planning authorities, associated with the planning application process

in more detail in Chapter 5 above. If these two sites are removed there is 15.68 hectares of immediately developable land.

Table 6-4 below shows the future potential employment sites that could become available in the future.

Table 6-4 Future Potential Development Sites

Cluster	Name	Developable Area ¹⁹	Expected year of availability
C29	Didcot A Power Station	58.0	2018 to 2021
C32	North Grove – Monks Farm	6.0	TBC – likely after 2016
C33	Faringdon – South Park Road	4.0	TBC – likely after 2016
TOTAL		68.00	

Source: URS

Table 6-5 below shows the total supply of known land available for employment uses during the planning period broken down into the different areas.

Table 6-5 Total Future Potential Development Sites

Developable Land by Area	Clusters	Developable Area - Supply	Expected year of availability
Enterprise Zone	C14 and C16	92.0	2012
Available development sites outside EZ	C1, C2, C8, C9, C10, C20,	19.6	2012
Future potential development sites	C29, C32, C33	68.0	2016 to 2021
TOTAL		179.6	

Source: URS

6.5 Summary

The field survey revealed that VOWH has a healthy supply of suitable employment land. The majority of employment sites appear fit for purpose and many are of a very high standard. This corresponds with the findings of the property market assessment (Chapter 5) that suggests that in the UK context the VOWH is one of the healthiest employment markets. There is also a significant amount of potential developable employment land that could help to meet future demand if it arises. This can be broken into separate categories of developable land. The first is land available at Milton Park and Harwell Oxford connected to the Enterprise Zone. This equates to 92 hectares. The second category is developable land in existing employment clusters outside the EZ. This equates to 19.6 ha. Finally there is approximately 68 ha of potentially available employment land at Didcot A and proposed Local Plan 2029 SSA sites in Wantage and Faringdon. The next step is to assess the level of demand for employment land over the planning period and how this compares to the available supply identified in this chapter.

¹⁹ These areas are based on GIS analysis, except for Harwell Oxford and Milton Park which have been developed through assessment of the Enterprise Zone application bid.

7. EMPLOYMENT LAND FORECAST

7.1 Introduction

In this section we forecast demand for the quantum of employment land required by B-use class type over the planning period 2012 to 2029.

7.2 Approach to Forecasting

There are a number of drivers to this forecast update, which include the creation of an Enterprise Zone (EZ) at Harwell Oxford and Milton Park and the increase in land available for employment use at the EZ; the decommissioning of Didcot A power station; new aspirations for housing growth, which could accommodate mixed use, employment schemes; and the change in economic circumstances since 2008.

In researching these local circumstances and through the supporting literature and consultations undertaken with market agents and key stakeholders, it is apparent that the creation of an EZ at Harwell Oxford and Milton Park could result in a step change in demand for sites within the EZ of a level very different to the historic demand profile in the rest of the district. This has implications for our approach to forecasting demand.

Our typical approach to employment land forecasting considers the relationship between the rate of change in B-use class floorspace, historically, and the change in employment in B-use classes both historically and projected. Any significant change in the demand profile - which is either not captured in the employment forecasts or is expected to result in significantly different demand profile for floorspace than the historic rates of change - may therefore be underestimated in forecast modelling which is solely based on historic rates of change.

For this reason we forecast demand in two ways:

- Demand within the EZ of Harwell Oxford and Milton Park (using the anticipated demand profile for employment and floorspace growth which is tested and supported through qualitative research from discussions with commercial market agents and stakeholders, within the EZ); and
- Demand outwith the EZ, based on our synthesis approach to modelling demand arising for B-use class floorspace and land in the rest of the district (outwith the EZ).

We present these two demand components below.

7.3 Demand Arising in the Enterprise Zone

The VoWH contains the majority of the Science Vale UK area (a term used to describe the clustering of enterprise and innovation in science, high technology and the knowledge industries). This includes the two Enterprise Zone (EZ) sites of Harwell Oxford and Milton Park in Didcot, and others such as the Grove Technology Park and parts of Wantage. The Enterprise Zone at Harwell Oxford and Milton Park measures 92

hectares and was granted Enterprise Zone Status following their successful bid in August 2011²⁰.

Harwell Oxford and Milton Park offer world-class scientific facilities and have an international reputation. The granting of EZ status which grants financial incentives²¹ to development further enhances the competitive position of Harwell Oxford and Milton Park, and as a result considerable inward investment and employment opportunities are expected to come about.

The EZ targets hi-growth sectors, primarily sectors of space, bio-technology, information technology, cryogenics, advanced manufacturing, green energy and the environment, and intellectual property management – sectors which have already established themselves at Harwell Oxford and Milton Park. Evaluations of previous enterprise zones demonstrates that businesses of these sectors are attracted to areas where they find clusters of existing similar enterprises and relevant infrastructure, and links with service industries.

The EZ not only provides financial incentives to support development, but also through its scale and land availability provides the potential for critical mass of different but complimentary offers to become further established. There is also significant scope for varied plot and premises sizes to be developed so that start-up (including university spin outs), SMEs and fast growing businesses can be accommodated on the EZ. The provision of an economic incentive to inward investors will generate interest in the EZ as a place to locate business and help to unlock latent demand. To develop the full potential of this site a package of infrastructure improvements is required, many of which are outlined in the Southern and Central Oxfordshire Transport Strategy (SCOTS).

In terms of the likely employment demand arising Science Vale UK area has a target of over 16,000 jobs over the next 15 years. Within the Harwell Oxford and Milton Park area, the formation of an EZ is expected to bring about a step change in demand in space by businesses resulting in 8,400 direct jobs at the EZ by 2015/16. The figure of 8,400 jobs is based upon 200,000sqm of new space coming forward in the 92ha of the EZ - all of which will be new development – as set out in Table 7.1. The EZ is targeting sectors that have high job densities, which are already being delivered at Harwell Oxford and Milton Park and so should be capable of repetition.

²⁰ See the Science Vale UK Gateway *Enterprise Zone* submitted by Oxfordshire Local Enterprise Partnership to CLG in May 2011.

²¹ Businesses could be eligible for a business rates discount of up to £55,000 a year for five years if they locate to specified sites that are ready for development at Harwell Oxford and Milton Park.

Table 7.1 Office, Factories and Warehousing Floorspace Demand in the EZ

<i>Use Class</i>	<i>Projected Demand</i>
<i>Office (B1a)</i>	120,000 sq m
<i>Laboratory (B1b)</i>	40,000 sq m
<i>Industrial (B1c/B2)</i>	40,000 sq m
Total floorspace	200,000 sq m
Total land	92 ha

Source: Science Vale UK Gateway Enterprise Zone Bid (Oxfordshire Local Enterprise Partnership to CLG, May 2011)

Of the 8,400 jobs, 1,680 (20%) are considered to be deadweight (i.e. they would come forward anyhow without EZ status) and a further 1,680 jobs would be displaced from the local economy²². The net direct additional employment generated by the EZ is therefore estimated to be 5,040 by 2015. To ensure not double-counting, the figures for deadweight and displacement are discounted from our synthesis forecast which models demand arising at Harwell Oxford and Milton Park in line with historic rates of employment growth.²³

Business supply chain opportunities and, to a lesser degree, expenditure-related effect arising from businesses being located at the EZ will result in additional employment opportunities. A proportion of these job opportunities will fall in the district and more widely across the PMA, which will result in additional demand for employment land and premises, and we capture their effects in our local factors analysis under **Section 7.9**.

7.4 Demand Outwith the Enterprise Zone

To estimate B-use class demand across the rest of the district – outwith the EZ - we apply our synthesis forecast.

As outlined in the ODPM's Employment Land Reviews: Guidance Note (2004) there are various forecasting approaches that can be used. We have developed a synthesis approach to employment land demand forecasting, which combines both employment forecasts at a regional level and the local economic context. We develop our forecast by the following steps:

1. Analysis of the historic floorspace trends.
2. Analysis of the historic employment trends.
3. Analysis of the projected change in employment over the forecasting period.
4. Assessing the relationship between the rate of change calculated in 1 and 2, which can be used as a proxy for the potential rate of change in future employment floorspace when applied to the forecasted employment growth. This method overcomes the requirement to convert employment projections to floorspace using employment densities, which can vary widely for office,

²² These figures on displacement and deadweight come from the EZ application form.

²³ The 3,360 jobs associated with deadweight and displacement are assumed to 60% B1a use-class; 20% B1b use-class and 20% B1c use class be as per the projected proportions of new floorspace coming forward at the EZ.

factories and warehousing premises meaning that the conversion to employment can be unreliable^{24 25}.

5. Consideration of the potential impact of local factors; for example the availability and nature of sites, major projects such as infrastructure improvements and local economic development initiatives, and is informed by our consultation with market agents.

This is essentially the same approach used in the 2008 employment land review.

7.4.1 *Property Market Area*

Though the focus of our assessment is on floorspace and land requirements arising in the VoWH our forecast takes account of change occurring across a wider geography. Businesses searching for sites or premises will typically consider a number of similar locations in the vicinity. These competing locations within the area of search will often have similar characteristics such as connectivity and transport reliability, access to labour markets, clients, the supply chain and property (rental values, size and grade), which are influential in their choice of location. The area of search for property is typically larger than any one district - unless the market is localised - and can be termed the Property Market Area (PMA).

Due to data availability, and to allow comparison with existing sub-regional forecasts and benchmarks, we have taken the PMA to include the following districts:

- Vale of White Horse
- Oxford
- South Oxfordshire; and
- West Berkshire.

This PMA is the same as that used in our 2008 ELR forecasting.

7.4.2 *Data Sources Used in Forecasting*

The sources of this data are as follows: historical floorspace data is derived from the Valuation Office Agency (VOA), which is broken down by office, factories and warehousing uses; historic employment data is derived from the Office of National Statistics (ONS) Annual Business Inquiry data and Business Register Employment Service (BRES) data; and the employment forecasts are taken from Cambridge Econometrics (CE) Integrated Policy Model (IPM) dated June 2010.

The IPM integrates spatial analysis, economic activity and environmental impacts to produce employment forecasts by nine industry sector groupings and geographically by each district in the South East. CE states that the IPM forecasts should only be used 'as a guide to help understand how the future might look and should be assessed and interpreted in conjunction with other data and intelligence'. Before we begin developing our synthesis it is worth considering, in light of the ongoing weaknesses in the UK economy, whether the IPM data remains relevant.

²⁴ London Industrial Land Release Benchmarks (URS for the GLA, 2007); London Industrial Land Baseline (URS for the GLA, 2010)

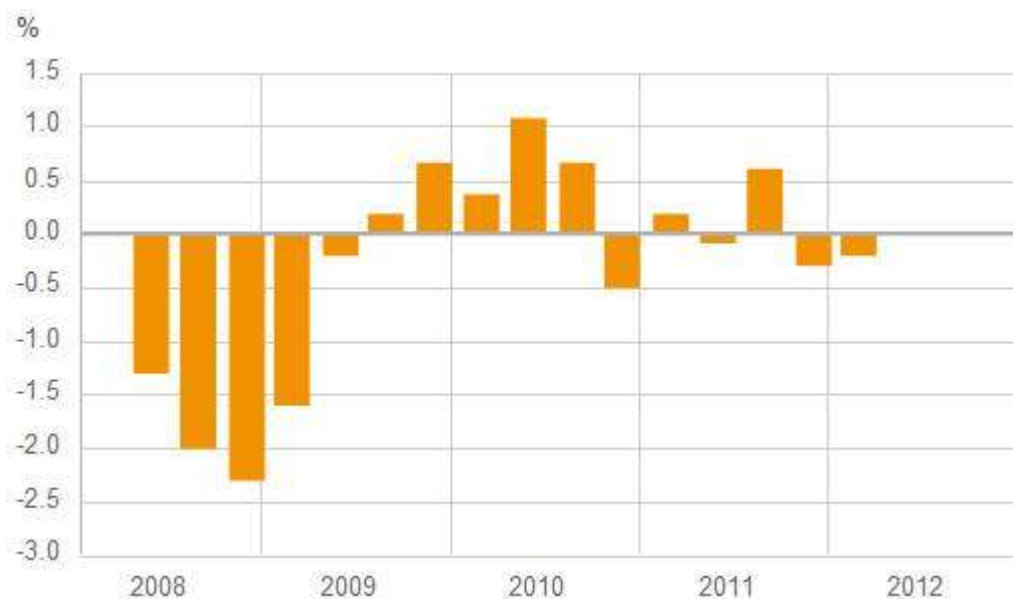
²⁵ The Use of Business Space in London (Roger Tym and Partners for the LDA, 2005)

7.4.3 Impact of the Economic Downturn and the IPM

The IPM employment projections, published in spring 2010, incorporate to some extent the impact of the economic downturn, which began in 2007/2008. However, given the depth and duration of the downturn there is merit in considering further the potential impact of the economic downturn on the IPM forecasting data.

Figure 7.1 below illustrates the severity of the 2008 recession as recorded by the large and sudden fall in Gross Domestic Product (GDP) ²⁶ output from Q2 2008 to Q1 2009. This economic contraction during years 2008 and 2009 would have been captured in the IPM employment forecast modelling which drew upon data available as of spring 2010. Though there was a return to growth in the latter part of 2009, the UK economy has continued to show weaknesses with low rates of GDP growth, and in the first three months of 2012 returned to recession²⁷ with GDP shrinking by 0.2%. The fall in GDP was driven by weakness in the construction sector and the production sector (i.e. manufacturing), though it should be noted that other sectors (related to office and warehousing) grew between Q1 2011 and Q1 2012: the Transport, storage & communication increased its output by 1.4%; and Business services & finance increased by 1.2%.²⁸

Figure 7.1 UK Gross Domestic Product Growth, Quarter on Previous Quarter



Source: ONS Gross Domestic Product: Preliminary Estimate, Q1 2012 (Released 25 April 2012)

At a regional scale, the ONS Business Register Employment Survey (BRES) provides the latest picture of how, in terms of employment, the local economy has fared between 2008 and 2010. Analysis of employment change between these years finds that the South East contracted by -1.0% (-0.5% pa) but, comparatively, employment across the PMA grew by +0.9% (0.5% pa) and in the VoWH grew by +1.6% (+0.8% pa). This indicates a relative local resilience of the PMA and VoWH to the economic downturn.

²⁶ GDP provides a measure of the total economic activity in the UK, and is referred to as one of the main summary indicator.

²⁷ Broadly defined as two consecutive quarters of negative growth

²⁸ ONS Gross Domestic Product: Preliminary Estimate, Q1 2012 (25 April 2012)

It is useful to compare the ONS recorded data with the IPM employment estimates as a way of checking the validity of the IPM's employment forecast, and whether the severity of the downturn and ongoing weakness in the economy is captured in the IPM forecast. Since ONS and HM Treasury do not publish forecasts at a local geographical level we compare the IPM forecast with what is happening at a UK level. Looking at the HM Treasury (HMT) May 2010 'Forecasts for the UK economy: a comparison of independent forecasts' (released around the time of the IPM publication) reveals that HMT originally forecasted a strong return to growth over the 'medium-term'²⁹ compared to the latest HMT May 2012 forecasts, which were less optimistic in terms of the speed and strength of recovery. Comparing the IPM employment forecast data with the latest employment change forecast by HM Treasury data³⁰ at a UK level recorded, year on year between 2010 and 2013, we have:

IPM:	2010-11, -0.1%;	2011-12, +0.1%;	2012-13, +0.5%
HMT:	2010-11, -0.3%;	2011-12, +0.4%;	2012-13, +0.5% ³¹

At a UK level our conclusion is that the IPM forecast is very similar to that of HM Treasury forecasts over the short term. This gives confidence that the IPM data does not require any significant revision in terms of the scale of growth (to account for the severity of the recession) or delay in growth (to account for the ongoing weaknesses in the economy). It should also be noted that the IPM forecast is driven in part by historic trends of sector output and employment change since the early 1980s and therefore take into account variations over multiple business cycles. The current economic downturn can therefore be considered a low point in the fluctuations around a business cycle and long-term linear trend.

Given these reasons and the strategic nature of this review, we believe that the IPM forecast is still relevant for use in forecasting VoWH employment land requirements, and no adjustments to the IPM base employment forecasts at 2029 have been made.

7.5 Historic Floorspace Trends

The Valuation Office Agency (VOA) records the amount of floorspace in an area for tax purposes (the assessment of business rates) by building type. VOA data is considered to be a reliable source of data and is comparable after 1998 and available up to 2008 (the latest known data). The data are consistent within five yearly revaluation time periods, but it is not always possible to retain consistency between revaluations. A revaluation took place in 2005, so there is consistency within the time period of 1998 and 2004, and post revaluation 2005 to 2008 but not between these sets of years. For this reason we look at two separate periods of data and apply the average compound annual growth rate in our analysis.

Although the time period 1998 to 2008 covers a relatively short time period it approximates to the last full business cycle (identified by the Treasury to be between 1997-2006) and therefore can be considered to encompass both periods of weaker and stronger demand. Depending on the stage of the economic cycle, the derived linear forecast is expected to be above or below the records in floorspace data. The recent recession experienced in the UK from Q2 2008 to Q3 2009 could be considered a low point of the fluctuations around the long-term linear trend.

²⁹ As defined by HM Treasury in the report cited.

³⁰ HM Treasury does not provide

³¹ Taken from HM Treasury May 2011 and HM Treasury May 2012 'Forecasts for the UK economy: a comparison of independent forecasts'

Table 7.2 sets out the historic floorspace change in VoWH compared with the PMA. The table takes into account the data discontinuities, which have occurred in ONS data between 1998 and 2008. The VoWH has seen particularly strong growth in office use-classes floorspace but relatively low rates of growth in factories and warehousing over the period 1998-2008. Comparatively the PMA has seen lower rates of office floorspace growth but higher rates of factory space and warehousing, indicating that the PMA is considered by businesses (and developers) to be more attractive as a location for factories and warehousing. VoWH therefore has an opportunity to capture a larger proportion of the growth in factories and warehousing occurring within the PMA, whilst maintaining its comparative advantage as a location for office.

Table 7.2 Change in Office, Factories and Warehousing Floorspace

Area	Use Class	1998 '000m ²	2008 '000m ²	Average CAGR (Note 2)
VoWH	Office (1)	224	393	9.2%
	Factories	238	298	0.7%
	Warehousing	433	471	0.9%
	Factories + Warehousing	671	769	0.8%
PMA	Office	995	1,420	4.7%
	Factories	1,095	1,254	1.3%
	Warehousing	1,383	1,651	2.2%
	Factories + Warehousing	2,478	2,905	1.8%

Source: URS; VOA data as of June 2012

Figures may not sum due to rounding

CAGR: Compound Annual Growth Rate

Note 1: Commercial offices only

Note 1: Taking account of VOA and ABI data discontinuities between 2004 and 2005

7.6 Historic Employment

7.6.1 Historic Employment by Sector

Historic employment data is drawn from the Annual Business Inquiry (ABI) for 1998-2008 and the Business Register Employment Survey (BRES) post 2008. There are data-discontinuities within the ABI dataset and between the ABI and BRES datasets primarily due to recoding of Standard Industrial Classifications (SICs).

Changes to ABI/1 survey were introduced in 2006, which resulted in a data discontinuity with previous years; estimates for 2005 and earlier are on a different basis to those from 2006, mainly due to a change in the survey reference date and direct comparisons between employment estimates over the discontinuity should be avoided. ONS analysis to measure the discontinuity indicates that retail, real estate, education and health sectors were the industries affected the greatest³². To ensure consistency our CAGR analysis for the ABI data is based on employment growth over two separate periods: pre-discontinuity, 1998-2005; and post-discontinuity, 2006 to 2008 (2008 being the

³² The overall discontinuity introduced by the three changes to the ABI/1 is estimated to be 417,000 employees in a downward direction. (Discontinuity analysis affecting the 2006 ABI employee estimates, ONS)

latest known dataset). There are further complications when comparing the employment growth of broad sectors pre and post 2008 data as the ABI and BRES datasets record employment by SIC 2003 and SIC 2007 respectively, which means direct comparisons between datasets cannot be made.

The table below shows the breakdown of employment and growth rates for the PMA by broad sector groups. It shows that during the years 1998 – 2008 ABI recorded an increase in employment across the PMA of 4.7%, or 0.5% per annum. When we take into account the change in employment recorded between 2008 and 2010 by BRES, the annual growth rate 1998 to 2010 across the VoWH remains 0.5%.

Within the PMA economy there has been growth and contraction by different sectors. The table shows that manufacturing has seen a fall in employment of over 20% during the ten year period 1998 to 2008, compared with strong growth in education, and health and social work measuring over 80% and 50%.

Table 7.3 Historic Employment in PMA

Sector (ABI sections)	Change (1998-2008)	CAGR 1998-2008 <i>Note 1</i>
A : Agriculture, hunting and forestry	-6.9%	-0.8%
B : Fishing	-71.1%	-6.1%
C : Mining and quarrying	-43.1%	-5.5%
D : Manufacturing	-20.1%	-2.2%
E : Electricity, gas and water supply	0.8%	0.1%
F : Construction	1.4%	0.1%
G : Wholesale, retail trade; repair & personal goods	-7.4%	-0.8%
H : Hotels and restaurants	12.2%	1.2%
I : Transport, storage and communication	18.2%	1.6%
J : Financial intermediation	-16.0%	-1.7%
K : Real estate, renting and business activities	4.5%	0.4%
L : Public admin and defence; social security	-33.3%	-4.0%
M : Education	80.1%	6.1%
N : Health and social work	51.3%	4.2%
O : Other community, social & personal service	18.2%	1.7%
Total	4.7%	0.5%

Source: ABI and BRES data as of June 2012 and URS calculations

Note 1: Based on ABI historic change 1998 – 2008

7.6.2 Historic Employment by B-Use Classes

Some sectors such as education, health, retailing, and hotels/catering will not be located on 'employment land' sites and it is therefore necessary to exclude these sectors from our analysis of historic employment associated with our B-use class employment land demand. To estimate employment change by B-use classes associated with office, factories and warehousing uses (as per our ELR definition) we identify those sectors, at a four digit SIC level, which typically operate from office, factories or warehousing premises. The mapping of sectors to B-use classes draws upon our work for other London districts in which we have mapped employment land by SICs³³. By this approach we estimate employment by use class as set out in **Table 7.4**.

Our synthesis forecast considers the relationship between the ratio of the historic floorspace CAGR and historic employment CAGR. VOA floorspace data is only available for the period 1998-2008, so we therefore consider below employment change over the same time period (1998 to 2008).

Table 7.4 Historic Employment by B-Use Class

Area	B-Use Class	Average CAGR (1)
VoWH	Office	0.9%
	Factories	-7.1%
	Warehousing	1.5%
	Factories + Warehousing	-4.6%
PMA	Office	2.2%
	Factories	-1.8%
	Warehousing	1.3%
	Factories + Warehousing	-0.9%

Source: Based on ABI as of June 2012 and URS calculations

Figures may not sum due to rounding

Note: 1. Average over years 1998-2008. Taking account of data ABI discontinuities as noted by ONS.

The key findings from the above are:

- Employment growth for office for the PMA is shown to have grown at a faster rate than VoWH (2.2% pa compared with 0.9% pa). There could be opportunities for the VoWH to attract more office space.
- Employment growth in factories for the PMA has contracted at a slower rate than the VoWH, though being of a larger geographical area this rate of change is considered to be more representative of the property market direction.
- Employment growth in warehousing for both VoWH and the PMA are approximately in line, with both showing positive growth.
- When historic employment trends in factories and warehousing are combined, the PMA shows that there has been a minor contraction in factories and warehousing employment. Interestingly, VOA data records a positive growth in factories and warehousing floorspace over the same time period which indicates

³³ For example see the London Industrial Land Release Benchmarks and North East and South East Baseline, URS (2007)

that there is an inverse relationship between floorspace change and employment change, i.e. an increase in floorspace and a decline in employment. This could imply growth in larger units with lower job densities, which is indicative of warehousing.

7.7 Published Employment Forecasts

7.7.1 Employment Forecasts by Sector

The IPM provides employment forecasts at a local authority level for 2012 to 2031, by broad sector groups. The IPM forecasts employment growth across the VoWH of 0.8% pa between 2012 and 2029 and by 2.1% pa across the PMA. The IPM forecasts for all sectors of the economy, broken down by sector, are set out in **Tables 7.5** and **7.6** below.

As with any forecasts generated at a regional scale, particular care should be taken regarding district level forecasts, as robustness inevitably decreases at finer levels of disaggregation³⁴.

Table 7.51 VoWH Employment Projections by Sector

Sector	Actual ('000)		Change 2012-29		
	2012	2029	No. ('000)	Absolute %	CAGR % pa
Agriculture	1.1	0.8	-0.3	-26.7%	-1.8%
Mining & Quarrying	0.1	0.1	0.0	-32.1%	-2.2%
Manufacturing	5.4	3.7	-1.7	-32.0%	-2.2%
Electricity, Gas & Water	0.4	0.4	-0.1	-16.7%	-1.1%
Construction	5.6	5.6	-0.1	-1.0%	-0.1%
Distribution, Hotels etc	12.7	13.5	0.9	6.8%	0.4%
Transport & Communications	2.2	2.2	0.0	0.1%	0.0%
Fin., Bus. & Other Mkt. Services	22.5	30.2	7.7	34.4%	1.8%
Non-Market Services	12.2	14.4	2.2	18.5%	1.0%
Total	62.1	70.8	8.6	13.9%	0.8%

Source: Cambridge Econometrics IPM forecast (version 1.1; 10th June 2010) with URS calculations
Figures may not sum due to rounding

³⁴ The figure for total additional jobs forecast for 2029 (approx 8.6K) differs to the figure in Table 7.7 of approximately 9.4K as the figures in Table 7.5 include all employment sectors such as agricultural, construction etc. The jobs in Table 7.5 do not all necessarily occur on employment land. The jobs forecast in Table 7.7 all occur on employment land as defined by the ODPM ELR guidance note (2004).

Table 7.6 PMA Employment Projections by Sector

Sector	Actual ('000)		Change 2012-29		
	2012	2029	No. ('000)	Absolute %	CAGR % pa
Agriculture	3.0	3.3	0.2	7.1%	0.4%
Mining & Quarrying	0.2	0.2	0.0	-8.8%	-0.5%
Manufacturing	23.6	20.7	-2.9	-12.4%	-0.8%
Electricity, Gas & Water	0.6	0.8	0.1	17.8%	1.0%
Construction	14.9	21.2	6.3	42.3%	2.1%
Distribution, Hotels etc	53.8	74.4	20.6	38.3%	1.9%
Transport & Communications	12.7	15.3	2.6	20.3%	1.1%
Fin., Bus. & Other Mkt. Services	82.6	142.6	60.0	72.6%	3.3%
Non-Market Services	84.1	112.3	28.2	33.6%	1.7%
Total	275.6	390.6	115.1	41.8%	2.1%

Source: Cambridge Econometrics IPM forecast (version 1.1; 10th June 2010) with URS calculations
Figures may not sum due to rounding

7.7.2 Employment Forecasts by B-Use Classes

For this analysis it is important to consider the employment forecast by use classes - office, factories and warehousing. IPM historic and forecast data is not available by B-use class but by assigning use classes to the 4 digit SIC codes, we can estimate the average proportion of historic employment and the average rate of change in office, factories and warehousing use classes. We can then apply this rate of change to the IPM forecast data to estimate the likely proportion by office, factories and warehousing use classes in the forecast data. **Table 7.7** records forecasted growth by B-use classes (office, factories and warehousing).

Table 7.7 Employment Forecasts

Areas	Use class	Actual ('000)		Change 2012-29		
		2012	2029	Absolute Change ('000)	Absolute Change (%)	CAGR % pa
VoWH	Office	36.0	45.7	9.6	26.7%	1.4%
	Factories	12.5	11.5	-1.0	-8.1%	-0.5%
	Warehousing	13.0	13.8	0.8	5.8%	0.3%
	Factories+ Warehousing	25.5	25.3	-0.3	-1.0%	-0.1%
PMA	Office	213.1	266.6	53.5	25.1%	1.3%
	Factories	56.9	52.6	-4.4	-7.7%	-0.5%
	Warehousing	69.0	76.0	7.0	10.2%	0.6%
	Factories+ Warehousing	125.9	128.6	2.7	2.1%	0.1%

Source: Cambridge Econometrics IPM forecast (version 1.1; 10th June 2010) with URS calculations
Figures may not sum due to rounding

The table shows that office employment in VoWH is forecast to grow at a similar rate than the PMA (1.4% per annum compared with 1.3%, respectively) and see the same contraction in factory employment (-0.5% and -0.5% respectively). In combination factories and warehousing employment in VoWH is projected to contract slightly between 2012-29; however the wider PMA is expected to grow. In terms of employment associated with office and factories/warehousing, the VoWH has the potential to attract a larger share of employment growth arising from the PMA and benefit from a redistribution of growth.

7.8 Synthesising the Rates of Change

Our synthesis forecast approach takes trends in historic floorspace provision as a basis for forecasting future employment land demand. The historic floorspace trends are projected by a linear function and adjusted for regional economic changes by incorporating an adjustment factor. The adjustment factor is the ratio of forecast employment to historic employment. The adjustment factor is then applied to historic change in floorspace to determine the floorspace forecast. Our calculation of the adjustment factor is shown in **Table 7.8**. This CAGR for historic floorspace, historic employment and forecast employment are taken from preceding tables.

Table 7.8 Synthesis Forecast for Employment Floorspace, PMA

	<i>Floorspace Historic CAGR</i>	<i>Employment CAG</i>		<i>Adjustment Factor</i>	<i>Adjusted Average Annual Floorspace</i>
<i>Use Class</i>	<i>1998-2008 (1)</i>	<i>Historic 1998-2010 (2)</i>	<i>Forecast 2012 – 2029</i>	<i>CAGR</i>	<i>CAGR</i>
Office	4.7%	2.2%	1.3%	0.6	2.8%
Factories	1.3%	-1.8%	-0.5%	0.3	0.4%
Warehousing	2.2%	1.3%	0.6%	0.4	0.9%
Factories+ Warehousing	1.8%	-0.9%	0.1%	-0.1	-0.2%

Source: URS calculations 2011

Figures may not sum due to rounding

Note 1: Taking into account VOA floorspace discontinuities

Note 2: Taking into account ABI/1 discontinuities

The synthesis method calculates that over the period 2012-2029 at the PMA level employment floorspace is expected to increase at 2.8% annually for offices; at 0.4% pa for factories use classes; and by 0.9% pa for warehousing floorspace.

7.9 Adjustment of the Synthesised Rates of Change

As indicated previously, whilst the IPM forecast takes account of national and regional growth trends it does not directly take account of local factors which could drive local economic growth. The next step in the forecasting approach is to adjust the PMA employment floorspace forecasts by taking into account the specific local factors of VoWH PMA economy. We consider the change in demand arising from:

- Indirect and induced demand arising from the creation of an Enterprise Zone
- Major new developments
- Population / housing growth
- Property market migration or opportunities within the PMA; and
- The impact of the economic downturn.

Based on our desk-based analysis, consultation with agents and professional judgement, we give each factor a weighting based on the degree to which it could influence the demand for employment floorspace in the VoWH PMA over the long term.

7.9.1 Indirect demand associated with the EZ and raising the profile of the VoWH

There is recognition of the indirect economic growth that the Harwell Oxford and Milton Park EZ could create for the rest of the district. The county council and partner agencies (such as the Federation for Small Businesses) have identified significant supplier benefits generated as a result in increased spending by businesses (i.e. supply chain expenditure impacts). Much of this spending will benefit businesses that are located in other parts of the district – these employment multiplier benefits are expected to stimulate growth in a wide range of supply businesses including construction, property maintenance, distribution, professional services and software engineering.

Benefits are expected to accrue for businesses located within distance of the EZ. In addition, induced employment will also occur as the additional direct and indirect employees of these new businesses spend a proportion of their earnings in the local area, thus generating more jobs. In total The Oxfordshire Local Enterprise Partnership (Oxon-LEP) estimated that 2,500 jobs will be generated indirectly (through the supply chain) and a further 1,250 jobs generated through the expenditure effects (induced impacts). Not all of these jobs will however be located within the VoWH.

The creation of an EZ and the role of Science Vale UK will further enhance the perception of VoWH as a place to do business, in particular for B1 and B2 uses. EZ status for the Science Vale UK area builds upon Science Vale UK's status as a nationally excellent science and technology cluster. It is anticipated too that the updated Draft Local Plan 2029 (LPP1) will clearly focus strategic growth at the EZ sites, with continued support for the wider Science Vale UK area. Work is ongoing to identify appropriate strategic infrastructure needed to support growth across the Science Vale UK area. A Science Vale UK Infrastructure Strategy has been prepared and a working group made up of district and county council officers are preparing a funding and delivery plan. As well as the formation of the Science Vale UK partnership, Oxon-LEP also has a commitment to supporting the creation of additional private sector employment in the district.

7.9.2 *Impact of Major Developments*

Didcot A Power Station

Didcot A is a coal fired power station that operates as an opted out station under the Large Combustion Plant Directive (LCPD). This means that Didcot A can operate for up to 20,000 hours between 1 January 2008 and 31 December 2015, when the station will have to close. It is understood that because of number of hours already operated since 2008 the station is likely to close in March 2013. The station will then take six months to decommission and then another 2.5 – 3 years to demolish, including the cooling towers. It is understood that NPower does not plan to retain the majority of the site for power station use and that 58 hectares will become available for redevelopment. According to consultation with agents and stakeholders the current plan for the site following decommissioning is for it to be retained for employment uses. One of the plans is to develop a logistics park which could serve the requirements of the nearby Milton Park and new EZ sites. However it should be noted that the plans for the decommissioned Didcot A are not fully developed at this stage.

The decommissioning and consequential new development opportunities will be a positive impact on employment growth in that it could raise the profile of the VoWH as an investment location.

Mixed Use Developments

The development of strategic housing sites in the VoWH (especially in Faringdon and Wantage/Grove) and associated mixed use schemes are expected to bring forward additional employment space.

Faringdon town council has commenced preparation of a Neighbourhood Development Plan (NDP) for the Great Faringdon Parish. Although it is expected that the NDP will focus on town centre issues (retailing/ tourism/ public realm), the town council are also very keen to explore how more employment can be delivered in the town to help improve the balance between housing and employment. There is also a proposed Strategic Site Allocation (SSA) South of Park Road which includes provisional proposals for around 4 ha of employment uses.

Wantage and Grove currently have two proposed SSA's. These are Crab Hill (North East Wantage) for up to 1,500 dwellings and Monks Farm (North Grove) for up to 900 dwellings. The Monks Farm site is proposed to be mixed use with approximately 6ha of employment. The site adjoins the Williams F1 site and Williams are part of the consortium promoting this site. The proposal includes relocating suppliers to Williams to Grove to reduce costs and increase synergy between these related companies.

At Botley the Oxford Green Belt precludes any large scale expansion of housing or employment. Proposals are being developed for the Westway shopping centre which is expected to include a large format convenience store.

There will be indirect and induced employment opportunities associated with any growth in employment floorspace at these sites, a proportion of which will require B1, B2 or B8 use classes within the VoWH.

7.9.3 *Population and Employment Growth*

The IPM includes consideration of how the availability of labour supply changes with housing provision, in particular how the provision of housing in one area increases the supply of labour available to work in another area. We do not know what profiles of housing growth were used in the IPM of 2010, or the importance placed on housing in shaping employment growth, but VoWH council have confirmed that the current average annual house building targets are comparable with those of 2009/10, which would have been used to underpin the IPM. Although the total VOWH housing target has increased this is mainly due to the Local Plan period being extended from 2026 to 2029. For this reason the potential growth in employment demand arising from housing is likely to be the same as reflected in the IPM of 2010.

In terms of population growth, analysis by Oxfordshire County Council (OCC)³⁵ calculates population in VoWH increased at a rate of 0.7% per annum between 2001 and 2011, but that future population growth is expected to increase at a faster rate at 0.8% per annum. OCC's analysis of households for the same time periods in the VoWH also shows an increase in the rate of growth compared with historic growth rates. On this basis and given the aspirations of the emerging Local Plan 2029 (LPP1) to bring about significant development at settlements such as Wantage, Grove and Faringdon, it is expected that there could be further increases in the working age population and, by association, demand for employment land.

Expected employment growth at Swindon, as described at 3.5.3 above, is likely to have a positive effect on demand for employment space in VOWH. This is especially relevant in the western part of the district such as Faringdon due to the close proximity and the links to Swindon via the A420.

7.9.4 *PMA Trends*

Our analysis of past trends indicates that the VoWH has experienced a lower employment growth rate in offices than the PMA, and has seen a stronger contraction in employment growth in factories. Rates of growth in warehousing employment over the past decade for the VoWH and the PMA have been comparable. These figures imply that employment in the VoWH has potential to grow at a faster rate were it able to capture demand from elsewhere in the PMA.

Historic trends in floorspace and employment show that there has been strong demand for office sites and premises due to the strength of demand for office, R&D, and light

³⁵ OCC ward population forecasts, 2012, provided by VoWH.

industry such as the manufacturing of scientific instruments. This demand is characterised by two large campuses: Milton Park and Harwell Oxford, as well as a range of other smaller business and science parks.

More broadly, analysis of the property market area has also found anecdotal evidence of the greenbelt located to the north of Oxford and Cherwell district acting as a constraint to business growth, which has led to some growing businesses moving south to the VoWH to meet their employment land and premises requirements.

7.9.5 **Impact of the Economic Downturn**

As analysed at the start of this section, over the full plan period (2012-2029) the current economic recession is not expected to have a significant impact on reducing the overall demand for employment over the long term. There may however be an impact in the short to medium term i.e. over the next five years.

7.10 **Local Factor Summary**

Table 7.9 presents the effects of the local factors on the demand forecasts.

Without knowing the actual change in employment demand, we present the impact of local factors in terms of either a positive impact on demand (↑), a negative impact on forecasts (↓) or no overall impact (↔). We have assigned a weighting of +/-10%, according to the direction of the arrow, to the adjusted floorspace CAGR for each factor. The result of this exercise produces an adjusted forecast.

Table 7.9 Summary of Local Factors' Impact on the Synthesis Forecast

	<i>Office</i>	<i>Factories</i>	<i>Warehousing</i>
<i>Adjusted CAGR Floorspace</i>	2.8%	0.4%	0.9%
<i>EZ and Economic Dev initiatives</i>	↑	↑	↑
<i>Major projects</i>	↑	↑	↑
<i>Population and Employment Growth</i>	↑	↑	↑
<i>PMA trends and opportunities</i>	↑	↑	↔
<i>Economic downturn</i>	↓	↓	↓
<i>Adjusted CAGR Floorspace plus Local Factors</i>	3.6%	0.5%	1.1%

Source: URS

Note 1: B-use class employment arising through the supply chain and induced effects.

7.11 **Sensitivity**

To account for potential variations in our synthesis forecast based on employment, floorspace and local factors we introduce high and low growth scenarios to our demand projections +/-5% either side of our best estimate (medium growth scenario).

Our low to high growth scenarios also provide some flexibility to any potential changes in demand (up or down) arising from, for example, variations in plot ratios, demand or the impact of local factors. The impact of some or a combination of these development

proposals could provide a step in demand and it is recommended that the council monitor employment land demand and supply.

The three growth scenarios, including the impact of local factors, are presented in **Table 7.10**.

Table 7.10 Growth Projections with Local Factors and Growth Scenario

Developable Land	Adjusted CAGR		
	Office	Factories	Warehousing
Low Growth Scenario	3.4%	0.50%	1.08%
Medium Growth Scenario	3.6%	0.52%	1.14%
High Growth Scenario	3.8%	0.55%	1.19%

Source: URS

7.12 Current Stock of B-Use Class Floorspace and Pipeline

7.12.1 Updating the Figure for B-Use Class Floorspace

Our forecast of the gross and additional floorspace required to meet employment growth are projected off the current stock of B-use class floorspace. The VOA publish floorspace figures to April 2008 so to understand how the stock of B-use class floorspace may have changed we look at B-use class development completed since April 2008 using the VoWH council's development database. **Table 7.11** presents our analysis of floorspace completed by B1, B2 and B8-use classes, which shows that there has been very limited development activity since April 2008, with no new B2 or B8 floorspace being built.

Table 7.11 B-Use Class Development Completed Since April 2008

	Sq m		
	Office	Factories	Warehousing
Previously on site	513	0	0
Built	963	0	0
Net gain	450	0	0

Source: VoWH Permissions data, July 2012; URS calculations

The development pipeline is a term used to refer to B-use class development which has been granted planning consent and which is therefore expected to come forward in the near future. In total the pipeline measures 82,074 sq m but the net gain is 12,342 sq m, which reflects a healthy backlog in potential development. This floorspace has yet to come forward and therefore represents demand arising over the forecast period, 2012-2029.

Table 7.12 B-Use Class Development Pipeline

	Sq m			
	Office	Factories	Warehousing	Total B-Use Class
Currently on site	40,865	12,387	16,992	70,245
Proposed	34,040	19,021	29,014	82,074
Net gain	-6,313	6,633	12,022	12,342

Source: VoWH Permissions data, July 2012; URS calculations

7.13 Forecast for Office, Factories and Warehousing Outwith the EZ

The net growth in demand for office, factories and warehousing floorspace outside the EZ over the planning period, 2012 to 2029 is set out in **Table 7.13**. Net growth refers to the balance of commercial space once new development and the loss of premises (either demolished or changed use) has been taken into account. The table shows that the net requirement employment floorspace in VoWH by 2029 is estimated to be between 270,000m² and 307,000m² for office space, and 120,000m² to 134,000m² additional floorspace for factories and warehousing. The table shows that the net requirement employment floorspace in VoWH by 2029 is estimated to be between 390,000 m² and 440,000 m². Given the stage of the current economic cycle it is likely that short-term growth will be at a lower rate than the long-term average.

Table 7.13 Long Term Floorspace Demand Forecast

	Net Additional Floorspace Requirements at 2029 (m ²)		
	Office	Factories	Warehousing
Low Growth Scenario	270,000	26,000	94,000
Medium Growth Scenario	288,000	28,000	100,000
High Growth Scenario	307,000	29,000	105,000

Source: URS

Note 1: Figure rounded to the nearest thousand square metres

7.14 The Forecast for Factories and Warehousing Land to 2029

The 2004 CLG ELR guidance, states that where possible employment floorspace should be converted to employment land using plot ratios³⁶. Office development can vary considerably (from three to ten plus storeys) so therefore it is not suitable to convert the demand projections from floorspace into office land requirements. By comparison with offices, development density (plot ratio and storeys) tends to be static for industry and warehousing premises as development are typically over one storey in height. The 2004 CLG ELR guidance indicates that plot ratios for industry premises (factories) tend to be between 1:0.35 and 1:0.45 (1:0.4 on average), and for warehousing tend to be between 1:0.4 and 1:0.6 (1:0.5 on average). This ratio means that over one hectare of land one can typically expect the footprint of a factory to take up 0.40 hectares on average and a warehousing building to take up 0.5ha. Using these ratios we calculate that the additional demand for industry and warehousing floorspace,

³⁶ Page 47 of the Guidance

set out in **Table 7.13** is the equivalent of 22.3ha, 23.5ha or 24.8ha (low, medium and high growth scenarios respectively). The demand summary set out in **Table 7.14** below takes into account the need to retain an appropriate level of vacant or derelict land while sites are prepared for new occupiers - termed frictional vacancy³⁷.

Table 7.14 Industrial and Warehousing Land Demand, Outwith the EZ

		Growth Scenario (ha)		
Demand for industrial/warehousing floorspace		Low	Medium	High
A	Land demand 2012 to 2029 (Note 1)	22.3	23.5	24.8
B	Frictional vacant land 2012 to 2029 (5% of D (Note 2))	1.1	1.2	1.2
C	Total demand for industrial and warehousing land	23.4	24.7	26.0

Source: URS

Figures may not sum due to rounding

The following sources and assumptions have been used to detail the above table.

- Note 1: As assessed in **Table 7.11**, we consider consented development which has yet to be completed (the pipeline), to be an expression of potential demand which could come forward over the short to the medium term. The pipeline is therefore captured within the land demand figure in A.
- Note 2: URS' experience of a typical level of the optimum level of frictional land requirement is around 5% of the total stock of land. Our view is substantiated by other key documents on employment land such as the recent publication of the Land for Industry and Transport Draft SPG (Mayor of London; February 2012) of which paragraph 3.7 states that 'a reasonable average rate of frictional vacancy for London at any given time approximates to around 5 per cent of the industrial land stock and 8 per cent for floorspace'.

7.14.1 **Land for Waste and Recycling**

There is potential that additional sites may be required to meet future waste and recycling needs in the VOWH. This could generate additional demand for employment land. The Oxfordshire Joint Municipal Waste Management Strategy (2006) and Action Plan (2009) outline the waste strategy for VOWH but do not specifically quantify the amount of additional land for waste and recycling required in the planning period. If this information becomes available it can be factored into the calculation of industrial land demand in **Table 7.14**. It also provides justification for adopting a flexible approach towards allocation of future employment sites - for example, Didcot A once commissioned.

7.15 **The Forecast for Office Uses to 2029, Outwith the EZ**

7.15.1 **Floorspace Forecast**

It is not meaningful to translate floorspace (square metres) into land requirements (hectares) given the range of plot ratios for office premises and the fact that many offices are coming forward as part of mixed use development. The stock for offices, is therefore represented in terms of floorspace (per square metre).

Table 7.15 shows up to 2029 there is additional (net) demand for between approximately 270,000m² and 307,000m² office floorspace in VoWH. Once the

³⁷ See para 3.7 of the Land for Industry and Transport Draft SPG (Mayor of London; February 2012) for a fuller explanation of frictional vacancy

additional floorspace for frictional demand is taken into account the net demand for office floorspace in VoWH is estimated to be between 291,000m² to 332,000m² over the period 2012 to 2029.

Table 7.15 Office Floorspace Demand, Outwith the EZ

Demand for office floorspace		Growth Scenario (M ²)		
		Low	Medium	High
A	Actual (Gross) B1 Floorspace (Note 1 and 2)		350,450	
B	Forecast demand for office floorspace	269,558	288,123	307,210
C	Additional floorspace required for frictional demand (8% of B) (Note 2)	21,565	23,050	24,577
D	Gross demand for office floorspace (A+B+C)	641,572	661,622	682,236
E	Net demand for office floorspace (E-A)	291,122	311,172	331,786

Source: URS

Figures may not sum due to rounding

- Note 1: Revised figure of office floorspace at April 2012 based on VOA data at 2008 (latest available data) plus the net change in office floorspace as per **Table 7.13**.
- Note 2: URS' experience of a typical level of the optimum level of frictional land requirement is around 5 to 8% of the total floorspace. Our view is substantiated by other key documents on employment land such as the recent publication of the Land for Industry and Transport Draft SPG (Mayor of London; February 2012) paragraph 3.7 states that 'a reasonable average rate of frictional vacancy for London at any given time approximates to around ...8 per cent for floorspace'. We know from VOA data that the Vale of White Horse's rates of floorspace vacancy were between 5% and 9% between 1998 and 2005. For the purposes of this analysis we assume that frictional floorspace in line 'A' is currently in balance. Frictional floorspace for the additional office floorspace arising over the period 2012-29 is calculated at 8%.
- Note 3: Office development consented but yet to be completed, estimated using the **Table 7.13**. We assume that this development will meet demand arising over the planning period and is an expression of future demand, and therefore captured under line A.

It is not meaningful to translate floorspace (square metres) into land requirements (hectares) given the range of plot ratios for office premises and the fact that many offices are coming forward as part of mixed use development. The stock for offices is therefore represented in terms of floorspace (per square metre).

7.15.2 Office Land Forecast

We have applied a plot ratio of 1:1.2 ha for the net office space demand to provide an indicative estimate of land required for office space. However it should be noted that plot ratios for office development can vary significantly depending on a number of circumstances such as their location/ value of the land, whether the office development is part of a mixed use development or single office development, e.g. purpose built for a particular business, or the type of business operations being undertaken. The estimate of land based on the plot ratio of 1:1.2 ha is presented in **Table 7.16** below.

Table 7.16 Potential Land to Accommodate Office Demand, Outwith the EZ

	<i>Growth Scenario</i>		
	<i>Low</i>	<i>Med</i>	<i>High</i>
Net demand for office floorspace (m^2)	291,122	311,172	331,786
Indicative land requirement with Plot ratio 1 : 1.2 (ha)	24.3	25.9	27.6

Source: URS

7.16 Employment Land Demand Summary

The demand forecasting exercise has estimated demand for office and industrial and warehousing land both in and outside the Enterprise Zone. This is shown in **Table 7.17** below.

Table 7.17 Summary of Employment Land Demand (EZ and Outwith EZ)

	<i>Growth Scenario (Ha)</i>		
	<i>Low</i>	<i>Med</i>	<i>High</i>
Industrial and Warehousing land demand (outwith EZ)	23.4	24.7	26.0
Office land demand (outwith EZ)	24.3	25.9	27.6
Sub-total (outwith EZ)	47.7	50.6	53.6
EZ Employment land demand	92.0		

Source: URS

8. CONCLUSIONS AND RECOMMENDATIONS

8.1 Introduction

This section draws together the different strands of research in the employment land review, provides overall conclusions and forms recommendations. The gap analysis discusses the difference between the current supply of employment land and the demand for employment land projected over the planning period. Recommendations are then introduced to address these findings and enable the VoWH District Council to maximise the opportunities presented by the changing nature of the demand for employment land.

8.2 Conclusions

The demand forecasting section estimated that between 2012 and 2029 there will be an increase of approximately 14,300 jobs in the VOWH. This includes a total of approximately 76,000 employees in office, warehousing and industrial land. **Table 8-1** summarises some of the main findings of the VoWH Employment Land Review by setting out the forecasted employment land demand between 2012 and 2029 and the current supply of occupied land and vacant/developable land.

Table 8-1 Employment Land Demand and Supply

Description	Quantum (ha)	Notes
Current Supply of Occupied Employment Land	474.1	Total Occupied Employment Land in the Clusters as shown in Table 6.1 minus the three sites not currently developed for employment uses (C31, C32 and C33) i (581.7) minus the Vacant and Developable Land.
Current/Future Supply of Vacant and Developable Land at the EZ	92.0	Development Sites as shown in Table 6.5
Current Supply of Vacant and Developable Land (non EZ)	19.6	Development Sites as shown in Table 6.5
Future Supply of Potentially Developable Land available approx 2016 to 2020	68.0	Development Sites as shown in Table 6.5
Additional Demand for Employment land in the EZ	92.0	
Additional Demand for Employment Land (outside the EZ) up to 2029	Low 48.0	
	High 54.0	

8.2.1 Gap Analysis

B1 Land Use

As explained in Chapter 7, the demand for B1 office in the EZ is dealt with separately. It is assumed that all the available land at the EZ will be occupied during the planning period. The Science Vale UK EZ application bid estimated that 80,000 sq m of B1 office would come forward at the EZ. The demand forecasting exercise and property market assessment concluded that this was a realistic prospect. This is mainly because the EZ status distorts the normal market mechanism by offering tax breaks to potential occupiers. This combined with the high latent demand that already exists for Science Vale UK as one of the UK's most attractive locations for high tech office accommodation means that the 80,000 sq m of office at the EZ should come forward during the planning period.

The synthesis forecast calculates that there is a demand of between approximately 24.3 and 27.6 ha of B1 employment land in the period up to 2029 outside of the EZ. This forecast growth in office-based employment is in line with national and, most importantly, regional trends whereby the South East economy recognises the centrality of research, development and innovation to its future success (South East Plan Regional Economic Strategy, p.9). Within the South East, Oxfordshire is recognised as a leader in high value-added businesses, in particular through research and education linked to the existing research and development facilities and ultimately the University of Oxford. The high demand for B1 employment land in the VoWH therefore fits in with these wider trends for tertiary-based businesses.

As described in Section 6, the future supply of employment land in the VoWH is strongly characterised by developable land at the Enterprise Zones at Harwell Campus and Milton Park. Both of these sites benefit from existing business infrastructure which will aid new development. For example Milton Park has an internal bus service, car parking and on-site facilities and amenities. Similarly, Harwell Campus has on-site facilities including a nursery and through the current masterplanning process will be provisions for a hotel and conference facilities. Although offices sit harmoniously with residential development this is less of an issue in the VoWH and with these two sites in particular. This is due to the majority of B1 premises being located on large rural business parks as opposed to town-centre offices. The forthcoming B1 office development is therefore forecast to match current trends and be located on business and science parks as opposed to town centres. Therefore issues such as a high quality of environment are particularly important and this is a strong element of many of the business and science parks in the VoWH.

In addition to the two major EZ sites described above we believe there is potential to accommodate some additional B1 office floorspace at existing business and science parks. This includes: Abingdon Business Park; Abingdon Science Park; 4 and 20 site Faringdon; Cumnor Hill; HCA Business Park Faringdon; and Wootton Business Park. These six existing sites are allocated in the Local Plan 2011 and combined provide a potential of approximately 4.8 hectares. They were all judged to be suitable for B1 office development.

The remaining approximately 23 hectares of median demand after the 4.8 hectares is taken up in existing business clusters could be accommodated in the potential future employment development sites. These sites include Didcot A once it is decommissioned and the Monks Farm SSA in North Grove. It should be noted that consultations with agents and stakeholders revealed that the current plans for Didcot A are mainly focused on B8 and industrial uses. However, given the demand forecasting exercise uncovered relatively higher demand for offices compared to industrial and warehousing, Didcot A could potentially provide a large supply of office employment land to meet this demand. This could link to the existing office

development at nearby Milton Park as Didcot A has the same intrinsic qualities being closely located to the A4130 and it is less than 1 mile away from Didcot Parkway on the mainline national rail network. This is subject to more detailed assessment of the suitability of the site for office uses and understanding of the remediation process.

B2 Land Use

Employment in traditional manufacturing is in decline in the VoWH, reflecting wider national and regional trends. However, as described in Chapter 7, there is a strong overlap between employment sectors in the VoWH which could be classified as either B2 or B8 use classes. There is also strong overlap between B1 and B2 uses. For example, a high proportion of the R&D employment in the local area is science-related and has a direct link to spin-offs which may include high-end manufacturing. Therefore the distinction between research laboratories and hi-tech manufacturing activities is often not clear-cut. This would therefore explain the relatively high demand for B2/B8 employment land which is forecast to be between an additional 23.4 and 26.0 ha in the period up to 2029. The B2 element of this demand is approximately 8 hectares in the medium scenario.

Analysis from site surveys and consulting with local property agents suggests that traditional manufacturing will only make up a small and declining element of the employment land stock. Therefore we suggest that the forecast demand is met through existing business and science parks, similar to the criteria set out above for B1 employment uses. This includes making use of business and science parks that currently have an element of B2 employment, including: Grove Technology Park (2.7ha) and the 4 and 20 site in Faringdon (1.4ha). A further 4 hectares could be accommodated at the proposed new employment sites at Didcot A once it is decommissioned, South of Park Road Faringdon and Monks Farm North Grove.

B8 Land Use

The demand for B2/B8 land in the VoWH up to 2029 is for between a gain of 23.4 ha and 26.0 ha in the period up to 2029. The B8 element of this is approximately 17 hectares in the medium scenario. The findings of the literature review (chapter 3) and property market assessment (chapter 5) shows that this reflects the changing profile of the UK economy with a greater reliance on importation of goods from the Asia and the rest of the world and the corresponding increasing demand for warehousing, logistics and distribution employment space.

The consultation with stakeholders and agents also revealed that the increased demand related to the growth of Science Vale UK and the Enterprise Zones which will have a knock on effect and will generate increased demand for B8 sites that will be used to move goods in and out of the Science Vale UK. One of the long term aspirations of the Science Vale UK is to increase the manufacture of high tech and high value goods that will need to be shipped to the UK and the rest of the world. B8 locations close to the Science Vale UK and EZ are therefore required to meet this need. The 17 hectares of B8 land forecast to be required in the planning period can be accommodated at a range of sites across the VoWH. These sites have good transport links and available space. These sites include approximately 1.4 hectares at the 4 and 20 site in Faringdon and 2.7 hectares at the Grove Technology Park which are existing employment sites. A further 10 hectares could be accommodated at Didcot A once it has been decommissioned. This relates partly to the proposal by site owner Npower for a distribution park at the site although it is likely to be a lower figure than the current plans appear to envisage. South of Park Road Faringdon could accommodate around 2 hectares and Monks Farm in North Grove around 1 hectare of B8.

8.3 Recommendations

Based on the findings in this report we put forward a number of recommendations for the future of employment land in the VoWH and for maintaining and enhancing the District's existing employment areas. The recommendations aim to recognise that employment land in the VoWH sits within a wider context of growth in research, development and innovation in the Science Vale UK/Central Oxfordshire sub-region, most notably with the importance of business and science facilities at the Enterprise Zone sites at Harwell Campus and Milton Park. In line with the NPPF and local planning policies the recommendations aim to provide a range of different sites for the local economy to grow while recognising other land uses where appropriate. The recommendations also make use of site criteria developed with reference to Annex E in the ODPM 'Employment Land Reviews: Guidance Note'.

Table 8-2 provides a summary of the specific site recommendations and the quantity of employment land supply up to 2029.

Table 8-2 Employment Land Recommendations

Cluster/Area	B1 (ha)	B2 (ha)	B8 (ha)
C16 Harwell Campus	64*		
C14 Milton Park	28*		
Sub-Total	+36.8	+49.6	+5.6
C1 Abingdon Business Park at Wyndyke Furlong	+0.67		
C2 Abingdon Science Park at Barton Lane	+0.74		
C9f Faringdon – land adjacent to A420 – '4&20' Site	+1.4	+1.4	+1.4
C8 Cumnor Hill	+0.3		
C20 Wootton Business Park	+1.48		
C10 Grove Technology Park		+2.7	+2.7
C9b Faringdon – HCA business centre	+0.18		
Sub-Total	+4.77	+4.1	+4.1
C29 Didcot A	+17	+2	+10
C32 North Grove Monks Farm	+4	+1	+1
C33 Faringdon South Park Road		+1	+2
Sub-Total	+21.0	+4.0	+13.0
Total Supply up to 2029	+62.6	+57.7	+22.7

Source: URS (2012)

* Note: No differentiation of employment by use type is made for the EZ as they are likely to be delivered through Local Development Order (LDO).

R1 Other than where proposed for de-designation from employment use (see below) all employment land, as identified in Policies E1-E13 in the Local Plan 2011, should remain in this allocation. This will help to ensure that there is adequate land to meet the needs of different types of economic activity over the plan period, as per the NPPF. These employment land allocations should be carried forward and safeguarded for employment uses in the evolving VOWH Local Development Framework. Also, to meet anticipated future demand the potential employment land clusters that could come forward during the planning period as assessed in this study should also be safeguarded for employment uses at this stage. This is subject to the specific comments below related to gaining further appropriate information in the near future.

Justification

Overall demand for employment land in the VoWH and wider Oxfordshire sub-region is strong due to a combination of local assets, including: excellent quality of environment, high-quality research and science facilities, a large catchment pool of skilled labour; and existing science and business parks with growth aspirations. This growth is expected to remain relatively strong up until 2029, as presented in **Table 8-1**.

The existing employment land clusters identified in this study contain within them areas of vacant and developable land. These development sites total 179.6ha (as shown in Table 6.5 and Table 8.1). This includes 92 hectares of land at the Enterprise Zones, 68 hectares in potential future employment sites and approximately 19 hectares in existing employment clusters as identified in the Local Plan 2011. For this reason it is suggested there is no requirement for additional allocations to meet the total demand of 92 hectares in the Enterprise Zones and between 47.7ha and 53.6ha outside the EZ.

If the total demand at the EZ and the median demand at sites outside the EZ are added together (143ha) and then compared with the total supply of developable land (179.6ha which includes the land that has the potential to come forward during the planning period) there will be a surplus of approximately 37 hectares. Given the uncertainties around when and if, some of this land will come forward it is recommended that a cautionary approach is taken at this stage. The means the surplus employment land should be protected for potential employment uses at this stage until further information is gained. The DCLG Employment Land Review Guidance (2004) recommends that ELR's are updated approximately every five years to take account of changing supply and demand patterns³⁸ Also, the NPPF at paragraph 22 states that employment land allocations should be reviewed regularly.

It is recommended that the bulk of this 40 hectare surplus should be apportioned to Didcot A which is not likely to be available for employment uses until at least sometime around 2016/17. A total of 58 hectares would be available at the Didcot A site. However, it is not certain that there is demand for all this land for employment uses at this stage. Closer to the time a further demand and site assessment could be carried out and pending the results of this assessment the surplus land could either be retained for employment uses or released to alternative uses. The reason the majority of the 40 hectare surplus is apportioned to the Didcot A site rather

³⁸ Department for Communities and Local Government (DCLG) formerly the Office of the Deputy Prime Minister.

than the other potential sites (South of Park Road Faringdon and Monks Farm) is because the other potential employment sites at Faringdon and Wantage are important to serve the more rural non Science Vale UK employment market. If this approach was not followed all the forecast demand could easily be concentrated around Science Vale UK and Didcot A and the surplus apportioned to the more rural sites. However, this approach would not recognise the economic activity needs of the whole district and would therefore contravene the principles of the NPPF.

The suitability of certain development sites is discussed below, along with the recommendations on de-designation from employment use.

To note Steventon Storage Depot is referred to in the Local Plan 2011 under policy E15. The site is 30 ha B8 site offering small-scale storage, but its access is unsuitable for such a use. The plan refers to the area being relocated. This could be for B1 or B2 uses with a commensurate reduction in the site area. A specific proposal has not yet been defined, but the potential for further development in relation to this site needs to be recognised in relation to the assessment of supply versus demand in this report.

R2 Harwell Oxford is provided with a stand-alone policy designation in the Local Plan (2011) and has Enterprise Zone status for the developable sites. This reflects its strategic importance and recognises its capacity to provide up to approximately 64 ha of employment land.

Justification

Harwell Campus offers major potential to accommodate a large proportion of the forecast demand for B1 and B2 employment land in the VoWH Enterprise Zone. Although accurate information is not available on the exact level of future employment land supply, we suggest that at least 64 ha will be brought forward up to 2029. This is line with the Science Vale UK EZ application bid. It is worth noting that the assumptions on future employment land growth used in the EZ application bid were accepted by the Department of Communities and Local Government and HM Treasury economists who would have provided a technical critique of the application bid.

Harwell Campus has benefited from the investment related to the Diamond Synchrotron and the ISIS neutron source and is an established location for science and technological research. Large areas of land are becoming de-commissioned from previous activities and will be available for future development.

The exact make-up of this 64 ha will be dependent on the current masterplanning process, possible Local Development Order (LDO) and market conditions. Discussions with the site owner have revealed the strong demand for both small and flexible incubator space and more importantly 'move-on accommodation'. This latter type of workspace is for businesses that start in incubators and then through success see the need to grow their business.

The exact make-up of the B1 and B2 split at Harwell Campus will become more clear-cut during the masterplanning process. The District Council must therefore maintain an active role in overseeing the masterplanning process. This is to make sure that the correct type of

workspace is planned for and also that they are up-to-date on the specific levels of employment land supply to be brought onto the market.

R3 Milton Park EZ is provided with a stand-alone policy designation in the Local Plan (2011) and has Enterprise Zone status for the developable sites. This reflects its strategic importance and recognises its capacity to provide up to approximately 28 ha of B1, B2 and B8 employment land.

Justification

Similar to Harwell Campus, Milton Park offers the potential to accommodate a significant proportion of the forecast demand for employment land in the VoWH Enterprise Zone. Although the majority of the site is 'built out', the EZ outlines nine development sites including plans for redevelopment/intensification and new development on a site to the south of the railway line that runs between London and the South-West and a large currently greenfield site to the north east abutting Sutton Courtenay Lane.

We suggest that Milton Park should accommodate a mix of B-use classes due to the current combination of office, industrial and warehousing units³⁹. It should be noted that because LDOs will be used at the EZ sites the exact makeup of different employment uses will not be defined through planning controls. The site has excellent strategic road access, with the nearby A34 linking onto the Motorway system with 13 miles to junction 13 of the M4 and 23 miles to junction 9 of the M40. Furthermore, Milton Park's existing advantages include a high quality environment, on-site support services and very good access to a workforce.

R4 C1 - Abingdon Business Park at Wyndyke Furlong

This site is recommended to accommodate approximately 0.67ha of B1 employment land.

Justification

The corner plot at Abingdon Business Park presents an opportunity for further B1 development, with a large B1 office having recently been constructed on the adjoining site. The potential therefore exists to mirror this site. This is an open and flat site with no evident site constraints.

The nature of demand in the Eastern Vale is for offices on business parks and this would fit into this market requirement. In addition the Abingdon Business Park was referred to by two agents as a location in perceived demand.

³⁹ The current composition of land uses on Milton Park includes 67.18% of industrial and warehousing floorspace (source: MEPC Ltd Written Statement).

R5 C2 - Abingdon Science Park at Barton Lane

This site is recommended to accommodate approximately 0.74ha of B1 employment land.

Justification

There is currently an outstanding planning application on this site for the development of two B1 office buildings which together will provide approximately 5,000 sqm (and therefore meet the recommended 0.74ha supply⁴⁰). The proposals are for 3-storey units with associated car parking on the site.

There is an excellent quality of environment at Abingdon Science Park and the future B1 office use would benefit from the surrounding uses which are predominantly B1. The town of Abingdon is easily accessible and can provide a skilled workforce and wider facilities and amenities.

R6 C9f – Faringdon – land adjacent to A420 – ‘4&20’ Site

This site is recommended to accommodate approximately 1.4ha of B1 employment land and 1.4ha of B2 employment land and 1.4ha of B8 employment land.

Justification

This is a large site in Faringdon, alongside the A420 and has had recent planning applications submitted on it. It is a site that is suitable for B1, B2 and B8 employment due to a combination of surrounding residential land-uses, a small element of existing light industry on the site, good transport access routes and a large open site that has no evident site constraints. The consultation with agents and stakeholders revealed that part of the reason the site has not come forward in the past few years is that ownership of the site has recently changed hands and the recession has stalled development plans.

The allocation of both B1, B2 and B8 employment land allows for a diverse local economy in Faringdon and draws on the existing light industry.

⁴⁰ This is using an assumed plot ration of 0.8

R7 C8 - Cumnor Hill

This site is recommended for 0.3ha of B1 employment land.

Justification

There is currently the construction of B1 offices on this site that are being actively marketed, with the majority already let. B1 land use is suitable on this site due to the presence of residential next door and opposite the development site.

Access is off an A-road but the internal servicing would be poor and therefore constrains the potential for B2 or B8 employment uses.

R8 C20 - Wootton Business Park

This site is recommended to accommodate approximately 1.48ha of B1 employment land.

Justification

This site has one existing B1 office unit and a number of plots prepared to take further units. The proximity of new residential development to the rear and side of the site makes B1 employment the most suitable. In addition the small internal roads would not be suitable for servicing B2 or B8 employment uses.

R9 C10 - Grove Technology Park

This site is recommended to accommodate approximately 2.7ha of B2 employment land and 2.7ha of B8 employment land.

Justification

This technology park has an open plot of 5.4ha at the northern section of the site. It is recommended that it is brought forward a mixture of B2 and B8 employment land with the understanding that this would not cover traditional B2 manufacturing but hi-tech/light industry instead and distribution and logistics linked to the high tech market. The current presence of a range of science and technology industries would be advantageous to B2 industries that share characteristics with B1 premises.

The plot is in a largely rural location and therefore away from any surrounding residential land-uses. In addition this is a large single plot that provides scope for the specific configuration that a B2/B8 occupier may require.

R10 C9b - Faringdon HCA

This site is recommended to accommodate approximately 0.18ha of B1 employment land.

Justification

This site has been identified by HCA as an enterprise centre and consent has been granted for 17 incubator units on the site⁴¹. However this has been slow to come on-stream. It is a site that is suitable for B1 employment due to a combination of surrounding residential land-uses, a neighbouring medical practice and small access road off the A417 that is not suitable for commercial vehicles.

It is also important for employment to be spread across the VoWH's main centres and this site in Faringdon offers potential job creation in the Western Vale. The majority of B1 employment land is currently in the Eastern Vale and future demand is also predominantly centred in the eastern centres. However, to recognise the importance of sustainable travel practices this site in Faringdon is suggested as suitable for employment land.

R11 C29, C32, C33 Potential Future Employment Clusters -

It is recommended that certain potential future sites could accommodate approximately 29 hectares of employment land to meet anticipated future demand. This includes approximately 21 hectares of B1, 4 hectares of B2 and 13 hectares of B8 employment land. As per Recommendation 1 the residual potential available employment land at these sites should be retained at this stage and kept under review.

Justification

C29 Didcot A is expected to cease operation in March 2013, with land likely to become available for reuse in 2018, following decommissioning, demolition and remediation. The consultations with agents and stakeholders and site assessment concluded that once redeveloped the site will be suitable for a mixture of employment uses. This is due to its good location in the heart of the Science Vale UK, links to the road network and lack of sensitive neighbouring uses. Although the site is currently in industrial use and the current proposals are for a B8 distribution park the demand forecasting exercise indicated that there is likely to be higher relative demand for B1 uses compared to other uses over the planning period. The total estimated breakdown of uses as shown in Table 8.2 is 17 hectares for B1 uses, 2 hectares for industrial and 10 hectares for B8 uses. As explained in Recommendation 1 the remaining half of the 58 hectares should be kept under review and if there is no evidence of demand it could potentially be released to other uses.

C32 Monks Farm is a proposed future SSA which will include approximately 900 new homes. It is estimated that around 6 hectares of employment uses could be included in the

⁴¹ VOWH planning reference: P10/V0922/EX

development. To match the expected demand this could be apportioned into 4 hectares for B1 uses, 1 hectare for B2 and 1 hectare for B8 uses.

C33 South of Park Road Faringdon is a proposed SSA which will include approximately 400 dwellings and around 4 hectares of employment land. The results of the consultation with stakeholders and agents, the demand forecasting exercise and the site survey suggests that it would be appropriate to provide around 3 to 4 hectares of B2 and B8 employment land here to serve the Faringdon market.

R12 The Council should implement a monitoring and tracking system in line with the Annual Monitoring Review procedures.

Justification

In order to accurately plan for future growth the Council should implement a monitoring system to track planning permissions and completions in order to maintain a clear understanding of the market conditions operating in the local area, and in particular, changes of use. This monitoring should particularly apply to Harwell Campus where the exact quantum of employment land, and the split between B1 and B2 use classes, will become clearer during the masterplanning process.

The employment land review should be updated later on in the plan period and could be undertaken in coordination with the reporting undertaken for the Annual Monitoring Review. This is particularly important if Harwell Campus and Milton Park do not provide supply as quickly as is required to meet the forecast net demand for land.

R13 It is recommended that the remaining sites that are surplus to employment requirements are reviewed by the Council for alternative uses. Further work would be required to ascertain whether these sites would be suitable for other uses (e.g. residential etc.)

Justification

The following sites remain from Table 6-5 that are currently vacant and developable land but do not meet the criteria to satisfy the forecast demand up to 2029: C9a (Faringdon – north of Pioneer Road); C9c (Faringdon – strip of land alongside Park Road); C9d (Faringdon – land south of the playground); C27 (Sutton Courtenay).

It is outside the scope of this research to assess the specific suitability of these sites for other uses. However, reference is made to NPPF which provides policy on housing supply and states that consideration should be given to sites which are currently allocated for industrial or commercial use but could be more appropriately re-allocated for housing development

The suitability of these sites for other uses would require further research into: access; the ability for surrounding land uses to be mitigated; and commercial viability. It should be noted

that there is a degree of cross-over between the site requirements for residential development and B1 employment land use. Therefore, although this study has not specifically looked at residential development, the Council can incorporate some of the site analysis into their research when conducting further reviews.

The following table introduces a short commentary on each of the remaining sites with regard to any existing problems that could be mitigated to allow for employment premise development.

Table 8-3 Mitigation Notes for Remaining Sites

Cluster	Name	Notes
C9a	Faringdon – north of Pioneer Road	The main problems with this site relate to poor road access (from the south) and the proximity to the industrial estate. This can be overcome through creating a southern buffer (vegetation) and orientating the access to the east along Volunteer Way.
C9c	Faringdon – strip of land alongside Park Road	The site has physical constraints, most notably a slope. This would require landscaping and groundworks to improve the site for development potential.
C9d	Faringdon – land south of playground	The site has physical constraints, most notably a slope. This would require landscaping and groundworks to improve the site for development potential.
C27	Sutton Courtenay	The small country lanes make this unsuitable for any land-use that could generate heavy volumes of traffic. This is unlikely to change due to the nearby conservation area and therefore the future planning of the site must be sensitive to this.

APPENDIX A DEVELOPMENT SITE MAPS AND ADDITIONAL DESCRIPTIONS

See separate file for appendix A.

APPENDIX B SITE APPRAISAL QUESTIONNAIRES

Employment Cluster assessment criteria:

Cluster Number (URS): _____ Your Initials: Date:

List Local Plan 2029 Employment Allocations & existing Industrial Estates/Business Areas included.....

The cluster is best described as a (multiple ticks possible): (mark on the site plan types of uses in different parts of the cluster)

- | | |
|--|---|
| <input type="checkbox"/> Business park | <input type="checkbox"/> Recycling / environmental industrial sites |
| <input type="checkbox"/> Industrial estate | <input type="checkbox"/> Town centre / main shopping area |
| <input type="checkbox"/> Warehouse / distribution Park | <input type="checkbox"/> Incubator / SME cluster |
| <input type="checkbox"/> Local shopping centre | <input type="checkbox"/> Other _____ |

Developable area in cluster in percent _____% **Current use** _____

This is an accumulation of identified and any unidentified vacant/derelict sites (inc. Local Plan allocations), in addition to any segments of developable land within developed sites

Site Area of cluster (through GIS/ desk based).....(Ha)

Quality of environment

- ☐ Very good
☐ Good
☐ Poor
☐ Very poor

Always comments on quality of environment

Access to facilities and amenities

- ☐ Very good ☐ Good ☐ Poor ☐ Very poor

Topography issues

- ☐ Yes
☐ No

If yes, comments on topography and illustrate on map

Ecological issues

- ☐ Yes
☐ No

If yes, comments on ecology and illustrate on map

Bad neighbourhood uses

Businesses in the business cluster cause:

- ☐ None
☐ Noise pollution
☐ Air pollution

Always comments on bad neighbourhood uses (except none)

- ☐ Smell
- ☐ HGV traffic
- ☐ Significant car traffic
- ☐ Other (please comment)

The cluster lies within close proximity to / has impact on *(multiple answers possible)*

- ☐ Residential uses
- ☐ Town centre
- ☐ Local shopping centre
- ☐ Other.....

Servicing of businesses in cluster

(Multiple answers possible)

- ☐ Road side loading/unloading
- ☐ Off road loading/unloading
- ☐ Loading bays

Always comment on servicing, reason for judgment on adequacy

Servicing is adequate for the uses within the cluster

- ☐ Yes
- ☐ No
- ☐ Don't know

Parking facilities

(Multiple answers possible)

- ☐ Dedicated parking within cluster
- ☐ On street parking
- ☐ Yellow / double yellow lines
- ☐ Red route
- ☐ Controlled parking zone/paid parking

Always comment on parking facilities give reason for judgment on adequacy of parking provision

Parking provision is:
know

- ☐ Adequate
- ☐ Too little
- ☐ Too much
- ☐ Don't

Strategic road access (trunk roads) (Observation and desk based).....

.....

Strategic access to public transport (Observation and desk based).....

.....

Condition of Buildings - % of buildings within Cluster in:

Very Good _____ % / **Good** _____ % / **Poor** _____ % / **Very Poor** _____ %

Possibilities for intensification / redevelopment (in which way, what are the options / how?)

Describe:.....
.....

Photographs

Image number(s) _____ / _____ / _____ / _____ / _____
(Minimum of 1 image per cluster)

General description of cluster / comments on business cluster

Always describe business cluster, and include any comments you have. List any active marketing of sites / premises.

Development site assessment criteria:

Local Plan E.L. Allocation e.g. E1(i):

Policy destinations? :

Site Area (see UDP).....(Ha)

Site Developed: ☐ Site Undeveloped: ☐ New Developable site: ☐

Employment Land Use: B1 (a) ☐ B1(b) ☐ B1(c) ☐ B2 ☐ B8 ☐ Other
.....

List key occupiers:

What is the developable area (in percent).....%

This is applicable for developed, undeveloped and newly identified vacant/derelict sites.

Possibility for intensification / redevelopment?

.....

.....

.....

(Describe the ways in which the site can be intensified or redeveloped for employment usage)

Strategic road access (trunk roads) (Observation and desk based).....

.....

.....

Access to public transport: catchment:

Access to facilities & amenities:

Access to workforce

- ☐ Very Good
- ☐ Good
- ☐ Poor
- ☐ Very Poor

- ☐ Very Good
- ☐ Good
- ☐ Poor
- ☐ Very Poor

- ☐ Very Good
- ☐ Good
- ☐ Poor
- ☐ Very Poor

Is there any evidence of potential contamination on site?

- ☐ Yes
- ☐ No

Is there any potential ecological value on site?

- ☐ Yes

If yes, describe potential contamination and indicate on map

☐ No

Are there any topographical issues (sloping site)?

☐ Yes

☐ No

Comments on topography and illustrate on map

Physical site constraints? (i.e. access from local road, layout issues, incompatible land use, environmental/nature conservation)

.....

Quality of existing buildings/premises?

.....

General description of undeveloped/vacant/derelict site.

A	, and include any comments you have
	If yes, make note of site area / land available, estate agent, exact use.

Photographs (minimum of 1 image per site)

Image number(s) _ / _ / _ / _ / _

APPENDIX C TRANSLATION OF 2-DIGIT SIC DATA TO HCA EMPLOYMENT CATEGORIES

SIC	SEEDA
01 : Agriculture, hunting and related service activities	Agriculture, Forestry & Fishing
02 : Forestry, logging and related service activities	Agriculture, Forestry & Fishing
05 : Fishing, operation of fish hatcheries and fish farms; service activities incidental to fishing	Agriculture, Forestry & Fishing
10 : Mining of coal and lignite; extraction of peat	Other Mining
11 : Extraction of crude petroleum and natural gas; service activities incidental to oil and gas extraction excluding surveying	Oil & Gas Extraction
12 : Mining of uranium and thorium ores	Other Mining
13 : Mining of metal ores	Other Mining
14 : Other mining and quarry	Other Mining
15 : Manufacturing of food and beverages	Food, Drink & Tobacco
16 : Manufacture of tobacco products	Food, Drink & Tobacco
17 : Manufacture of textiles	Textiles & Clothing
18 : Manufacture of wearing apparel; dressing and dyeing of fur	Textiles & Clothing
19 : Tanning and dressing of leather; manufacture of luggage, handbags, saddlery, harness and footwear	Textiles & Clothing
20 : Manufacture of wood and products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials	Wood & Wood Products
21 : Manufacture of pulp, paper and paper products	Paper, Printing & Publishing
22 : Publishing, printing and reproduction of recorded media	Paper, Printing & Publishing
23 : Manufacture of coke, refined petroleum products and nuclear fuel	Fuel Refining
24 : Manufacture of chemicals and chemical products	Chemicals
25 : Manufacture of rubber and plastic products	Rubber & Plastics
26 : Manufacture of other non-metallic mineral products	Minerals
27 : Manufacture basic metals	Metals
28 : Manufacture of fabricated metal products, except machinery and equipment	Metals
29 : Manufacture of machinery and equipment not elsewhere classified	Machinery & Equipment
30 : Manufacture of office machinery and computers	Machinery & Equipment
31 : Manufacture of electrical machinery and apparatus not elsewhere classified	Machinery & Equipment
32 : Manufacture of radio, television and communication equipment and apparatus	Electrical & Optical Equipment
33 : Manufacture of medical, precision and optical instruments, watches and clocks	Electrical & Optical Equipment
34 : Manufacture of motor vehicles, trailers and semi-trailers	Transport Equipment
35 : Manufacture of transport equipment	Transport Equipment
36 : Manufacture of furniture; manufacturing not elsewhere classified	Other 'Other' Manufacturing
37 : Recycling	Other 'Other' Manufacturing
40 : Electricity, gas, steam and hot water supply	Gas, Electricity & Water
41 : Collection, purification and distribution of water	Gas, Electricity & Water
45 : Construction	Construction
50 : Sale, maintenance and repair of motor vehicles and motorcycles; retail sale of automotive fuel	Retailing
51 : Wholesale trade and commission trade, except of motor vehicles and motorcycles	Wholesaling
52 : Retail trade, except of motor vehicles and motorcycles; repair of personal and household goods	Retailing
55 : Hotels and restaurants	Hotels & Catering
60 : Land transport; transport via pipelines	Transport
61 : Water transport	Transport
62 : Air transport	Transport
63 : Supporting and auxiliary transport activities; activities of travel agencies	Transport
64 : Post and telecommunications	Communications
65 : Financial intermediation, except insurance and pension funding	Banking & Insurance
66 : Insurance and pension funding, except compulsory social security	Banking & Insurance
67 : Activities auxiliary to financial intermediation	Banking & Insurance
70 : Real estate activities	Business Services
71 : Renting of machinery and equipment without operator and of personal and household goods	Business Services
72 : Computer and related activities	Other F&Bs
73 : Research and development	Other F&Bs
74 : Other business activities	Other F&Bs
75 : Public administration and defence; compulsory social security	Public Admin. & Defence
80 : Education	Education
85 : Health and social work	Health
90 : Sewage and refuse disposal, sanitation and similar activities	Other 'Other' Services
91 : Activities of membership organisations not elsewhere classified	Other 'Other' Services
92 : Recreational, cultural and sporting activities	Other 'Other' Services
93 : Other service activities	Other 'Other' Services
95 : Private households as employers of domestic staff	Other 'Other' Services
96 : Undifferentiated goods producing activities of private households for own use	Other 'Other' Services
97 : Undifferentiated services producing activities of private households for own use	Other 'Other' Services
99 : Extra-territorial organisation and bodies	Other 'Other' Services

APPENDIX D TRANSLATION OF HCA EMPLOYMENT CATEGORIES TO B-USE CLASSES

HCA Employment Sector	USE CLASS
Agriculture, Forestry & Fishing	
Oil & Gas Extraction	
Other Mining	
Food, Drink & Tobacco	B2
Textiles & Clothing	B2
Wood & Wood Products	B2
Paper, Printing & Publishing	B2
Fuel Refining	B2
Chemicals	B2
Rubber & Plastics	B2
Minerals	B2
Metals	B2
Machinery & Equipment	B2
Electrical & Optical Equipment	B2
Transport Equipment	B2
Other 'Other' Manufacturing	B2
Gas, Electricity & Water	
Construction	
Wholesaling	B8
Retailing	
Hotels & Catering	
Transport	
Communications	
Banking & Insurance	B1
Business Services	B1
Other F&Bs	B1
Public Admin. & Defence	B1
Education	
Health	
Other 'Other' Services	B1

Comprehensive URS analysis has been used to form basis of the judgement on which Use Classes map to which SICs.

APPENDIX E CONTACTED PROPERTY AGENTS & STAKEHOLDERS & QUESTIONS

Property Agents

Savills – Oxford 01865 269114

Gilbert Walker & Partners – Oxford - 01865 723551

King Sturge & Co – Swindon - 01793 533155

VSL & Partners – Oxford - 01865 848488

Wicklesham Commercial – Faringdon – 01367 244794

Kemp & Kemp – Oxford - 01865 240001

Allies Morrison – 0207 921 0100

Wicklesham Estates - [01367 243562](tel:01367243562)

The questions used to form the basis of the discussions with property agents were as follows:

- What office and industrial property markets does the VoWH fit into? Please can you give us examples. (e.g. Oxford, Swindon etc.)
- What are the characteristics of these markets? And how do they differ from each other?
- Are there specific dynamics for B1, B2 and B8 employment land? Please can you give us examples.
- How does the Vale of White Horse fit into the wider South East (regional) market? Also how does it fit into the Oxfordshire market?
- How would you describe the property market relationship with Oxford & Swindon?
- How are these markets defined? Are they linear or defined by infrastructure, such as roads?
- Are there any locations or estates in the VoWH specifically in demand? Which ones and for what type of land-use?
- How do you judge the supply and demand characteristics (for both land and premises)? e.g does demand outstrip supply? Does this vary for office and industrial properties?
- Are businesses/developers seeking leasehold/freehold properties?
- Is vacancy an issue for B1, B2 and B8 premises and do you know the approx vacancy rates?

- What are the take-up trends in the VoWH? Is there specific demand for second-hand, refurbished or new accommodation (for B1, B2 & B8)?
- What are the commercial developers demanding in the VoWH? New sites? New premises? Does current supply meet their requirements?
- Do you predict the property market changing in the future?
- Are there any other influences on the future property market? e.g. a new train station at Grove and new masterplan at Harwell Oxford etc.

Stakeholders

Federation of Small Businesses

VOWH Economic Development Department

VOWH Property Department

Wantage Chamber of Commerce

Faringdon Chamber of Commerce

Abingdon Partnership

Faringdon Town Council

The questions used to form the basis of the discussions with property agents were as follows:

- What is your view on the relevant Property Market Area? i.e. key distinctive areas and characteristics.
- Are there any particular issues with a shortage of supply of B8 premises?
- Do you think the employment space in the Enterprise Zones at Milton Park and Harwell Oxford will be taken up promptly? What expected uses, occupiers and what timeframe?
- What impact do you think the Enterprise Zone at Milton Park and Harwell Oxford will have on demand for employment space in other parts of VOWH. Especially Faringdon and Wantage. What is the time profile for this demand? i.e. what period will any increased demand take place? Are there any constraints to realising this demand?
- Do you think there will be demand for new employment uses on the decommissioned Didcot A site? If so what uses (comment on Npower B8 proposals) and when?
- What are your views on the potential for employment uses on the following similar major housing/employment sites?
 - Faringdon – 4/20 employment land.

- Faringdon – Wicklesham Quarry
 - Faringdon – South Park Rd (400 dwellings)
 - Wantage/Grove – Crab Hill (approx 1,500 dwellings)
 - North Grove – Monks Farm
- What impact do you think the recession will have on the VOWH employment land market?