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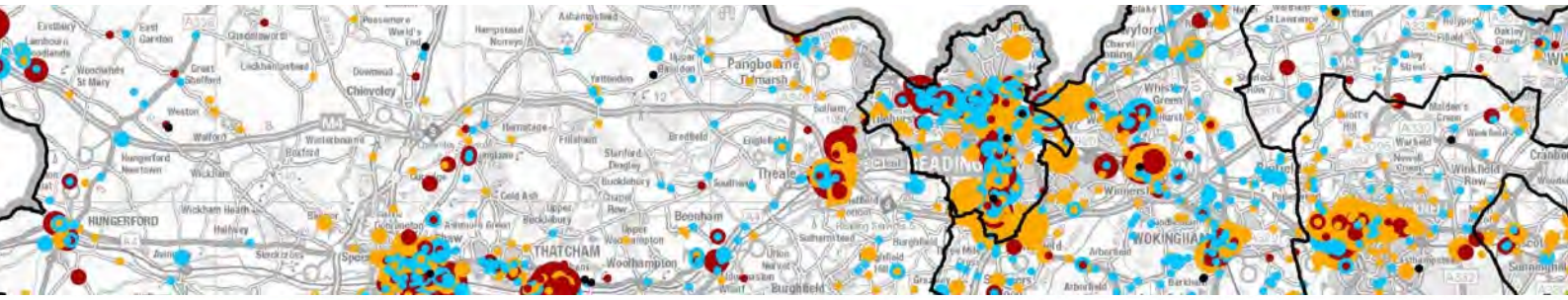

Berkshire Functional Economic Market Area Study

Thames Valley Berkshire Local Enterprise Partnership

Final Report

February 2016

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Executive Summary

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

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

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

Economic and Sector Characteristics

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

Labour Market Areas

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

Housing Market Areas

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

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

Commercial Property Market Areas

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

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

Consumer Market Areas

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

Transport and Connectivity

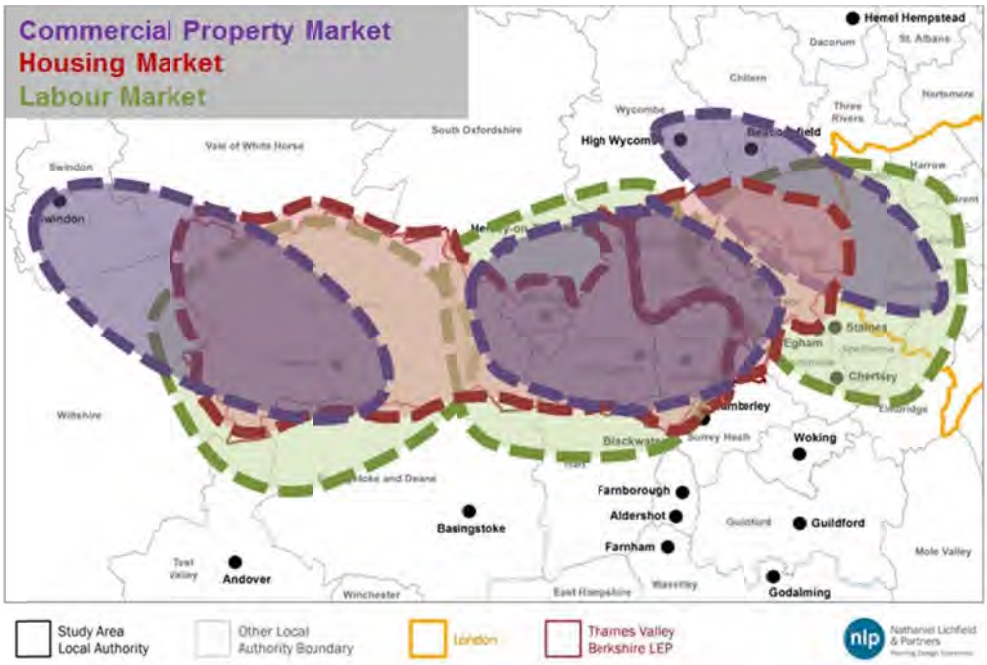
- Berkshire is located between three major east-west corridors of movement (M3, M4 and M40) and in close proximity to the M25; it therefore benefits from excellent access to motorway and trunk road networks. The LEP area is also well served by rail connections although north-south road routes are comparatively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

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

Synthesis

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

Figure ES1 Functional Economic Markets – Summary Map



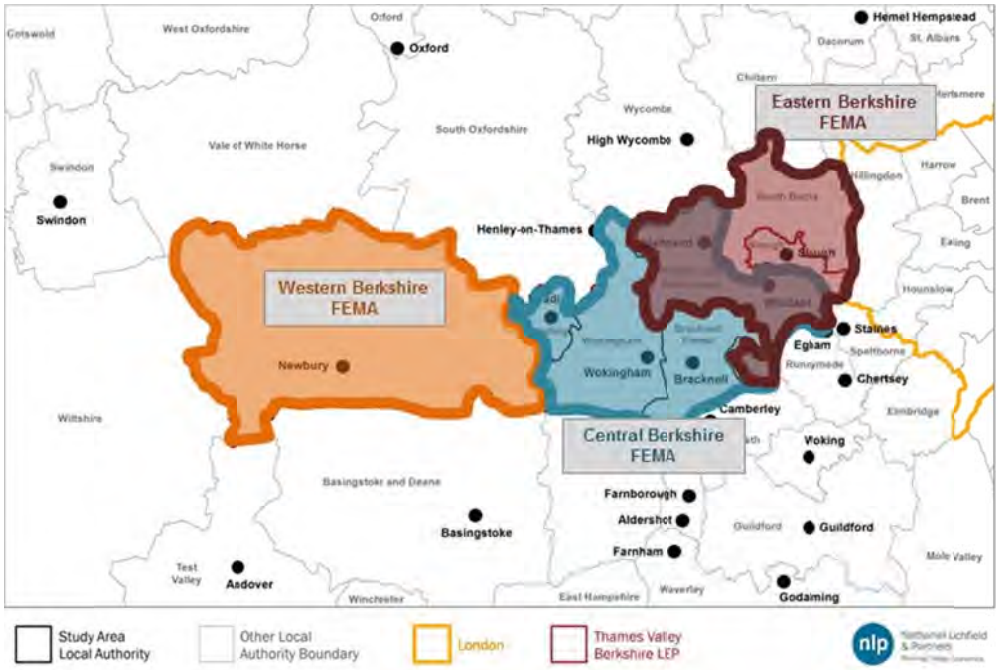
Source: NLP analysis, drawing upon a range of sources

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

Defining Core Functional Economic Market Areas

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

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



Source: NLP analysis, drawing upon a range of sources

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

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

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

Contents

1.0 Introduction

1.1 This report has been prepared by Nathaniel Lichfield & Partners ('NLP') on behalf of the Thames Valley Berkshire Local Enterprise Partnership ('TVBLEP') and the six Berkshire authorities of Bracknell Forest, Reading, Slough, West Berkshire, Windsor and Maidenhead and Wokingham. It establishes the various Functional Economic Market Areas (FEMAs) that operate across Berkshire and the wider sub-region[2], in order to provide the six authorities and the TVBLEP with an understanding of the various economic relationships, linkages and flows which characterise the sub-regional economy.

1.2 The evidence from this study will help to inform the basis for the development of economic policies through each local authority's future Local Plan process as well as other economic development work within and between the authorities, including the work of TVBLEP.

1.3 It represents the first of a two part study. The second part of the study will comprise an Economic Development Needs Assessment (EDNA) for each of the FEMAs identified through part one. This will identify the future quantity of land or floor space that will be required for economic development uses over the period to 2036 in each local authority area and in each of the defined FEMA(s).

Policy and Guidance

1.4 The National Planning Policy Framework (NPPF) and accompanying Planning Practice Guidance (PPG) require the development needs of local authority areas to be considered in terms of FEMAs. Where these FEMAs cross administrative boundaries, the guidance indicates that they should be collectively considered by relevant local authorities under the statutory duty to cooperate.

1.5 The NPPF specifically states the following in Paragraph 160 with regards to local authorities working together to meet strategic needs in cross-cutting markets:

"Local planning authorities should have a clear understanding of business needs within the economic markets operating in and across their area. To achieve this, they should:

- *work together with county and neighbouring authorities and with Local Enterprise Partnerships to prepare and maintain a robust evidence base to understand both existing business needs and likely changes in the market; and*
- *work closely with the business community to understand their changing needs and identify and address barriers to investment, including a lack of housing, infrastructure or viability." (para 160)*

[2] The term 'sub-region' in this report refers to the TVBLEP area and surrounding (non-Berkshire) Local Authority areas

1.6 The PPG further emphasises the collaborative approach that local authorities should adopt when analysing the housing and economic development needs of their areas, stating the following in Paragraph 2a-007 in regards to working with other local authorities to determine how needs should be accommodated:

"Local planning authorities should assess their development needs working with the local authorities in the relevant housing market area or functional economic market area in line with the duty to cooperate. This is because such needs are rarely constrained precisely by local authority administrative boundaries." (para 007 Reference ID: 2a-007-20140306)

1.7 In 2010, the Department for Communities and Local Government (DCLG) set out a guidance note examining the concept of a FEMA.[3] Although this note was prepared prior to the PPG, it still represents a useful reference when considering the nature of markets within the context of preparing economic or planning policy.

1.8 The note states that FEMAs provide the spatial scale in which to address the strategic issues and relationships that generally cut across traditional local authority boundaries. Instead of FEMAs being contained in administrative boundaries, these areas often more broadly correspond to sub-regions or city regions.

1.9 It indicated that there is no standard approach to defining a FEMA, as the dynamics and patterns of economic flows tend to differ depending on the markets assessed. The note does however recommend that commuting flow data represents the best source of information when assessing FEMAs, but that this should be supplemented by data from other relevant markets (e.g. housing markets and supply chains). The note also highlights the need to have regard to administrative boundaries:

"It is within administrative boundaries that services and strategies are applied and developed, based on analyses using FEMAs. The importance of administrative boundaries therefore also needs to be recognised. This can be done through 'best fitting' FEMA boundaries to local authority administrative areas so that they are approximated in terms of whole local authority boundaries, upper or lower tier."

1.10 The more recent PPG also recognises that no single source of data is comprehensive in identifying appropriate assessment areas, and highlights a number of factors to be considered when assessing and defining relevant FEMAs[4], as listed below:

- extent of any Local Enterprise Partnership within the sub-region;
- travel to work areas;
- housing market areas;
- flow of goods, services and information;

[3] Functional Economic Market Areas: an economic note, CLG, 2010
[4] PPG Paragraph 012 Reference ID: 2a-012-20140306

- service markets for consumers;
- administrative areas;
- catchments areas of facilities providing cultural and social wellbeing; and
- transport networks.

1.11 In order to appropriately define a FEMA, a number of these key market and catchment areas need to be considered, as this will allow the key drivers and dynamics impacting on local economies to be identified and further assessed.

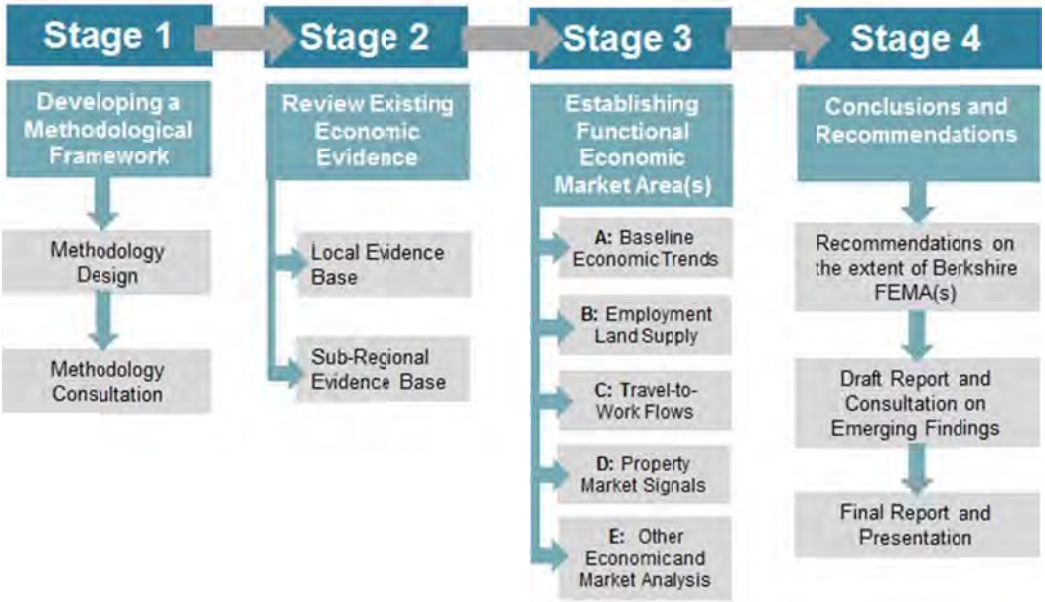
Study Methodology

1.12 The methodology adopted for this study follows the PPG for examining economic development needs and defining FEMAs within and across local authority areas. The methodology for the assessment covers the following three main stages, with stage four comprising conclusions and recommendations:

- **Stage 1: Developing a Methodological Framework** – designing a methodology for undertaking the study in line with national guidance such as the PPG and from experience elsewhere and consulting on this methodology with key stakeholders to ensure the robustness of the proposed analyses that will inform the FEMA assessment.
- **Stage 2: Review Existing Economic Evidence** – identifying the context for the study by reviewing the existing evidence base for Berkshire and individual authorities that fall within it, on economic development, employment, transport, housing and retail matters. This also includes evidence and documents that consider growth at the sub regional level;
- **Stage 3: Establishing Functional Economic Market Area(s)** – analysing a range of information and data to establish and spatially define the various Functional Economic Market Area(s) that operate across Berkshire. In line with the PPG, this analysis is considered across five key themes of baseline economic trends, employment land supply, travel-to-work flows, property market signals and other economic and market analysis.
- **Stage 4: Conclusions and Recommendations** – drawing together the range of analysis undertaken above to spatially define the FEMA(s) that operate across Berkshire and to identify the various economic roles that each of the six Berkshire authorities performs within these.

1.13 The four-stage methodological approach for this FEMA assessment is set out in the analytical framework in Figure 1.1.

Figure 1.1 FEMA Assessment Analytical Framework



Source: NLP analysis

Basis of Assessment

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

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

1.16 It should be noted that throughout the report, a number of different data sources and datasets have been used to analyse the various economic relationships and linkages characterising the study area. This means that it is not always possible to make direct comparisons between these datasets and indicators, which have been used primarily to identify broad trends for the purposes of defining FEMAs. Furthermore, the latest available economic evidence prepared for Berkshire and surrounding local authorities has been reviewed and incorporated within the report; however the date of this evidence varies considerably across individual authority areas and themes.

1.17 An important consideration for any work of this type is that it is inevitably a point-in-time assessment. This study has incorporated the latest data and other

existing evidence available at the time of preparation. It should also be noted that a number of economy and housing evidence base studies are currently being prepared and finalised by adjoining and nearby authorities, and where draft reports/findings are available these have been incorporated into the analysis. The accuracy and sources of data derived from third party sources has not been checked or verified by NLP.

Stakeholder Engagement

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

1.19 This includes consultation undertaken at the beginning of the study to gain feedback on the proposed methodology. A number of responses were received from key stakeholders to the methodology consultation carried out as part of Stage 1. A copy of the methodology consultation questionnaire is included at Appendix 1. A summary of responses, alongside an overview of how these responses have been incorporated into the study methodology, is provided in Appendix 2.

1.20 A further consultation exercise was undertaken with stakeholders as part of Stage 4 to share and invite feedback on the emerging findings and conclusions set out in the Draft Report. A summary of the responses to this exercise, alongside an overview of how these responses have been incorporated into the final report, is provided in Appendix 4. A copy of the emerging findings consultation questions is also included in Appendix 3.

Structure of the Report

1.21 The remainder of the report is structured around a number of key FEMA themes as follows:

- **Spatial and Economic Context** (Section 2.0) – an overview of the strategic location, current economic conditions and recent trends within Berkshire to identify key drivers of growth.
- **Functional Labour Market Areas** (Section 3.0) – examines the latest travel-to-work flows and patterns to, from and within Berkshire consider the relationship between where people live and where they work.
- **Housing Market Areas** (Section 4.0) – considers the housing market areas that operate across the Thames Valley.
- **Functional Commercial Property Market Areas** (Section 5.0) – analysis of the scale and spatial distribution of business space across the Thames Valley Berkshire LEP area and adjoining areas, and an overview of commercial property market signals and dynamics.

- **Other Economic and Market Factors** (Section 6.0) – considers a range of other demographic, consumer market, transport and communications indicators to inform an analysis of the spatial extent of FEMA(s) operating across Berkshire.
- **Overall conclusions** are presented in Section 7.0.

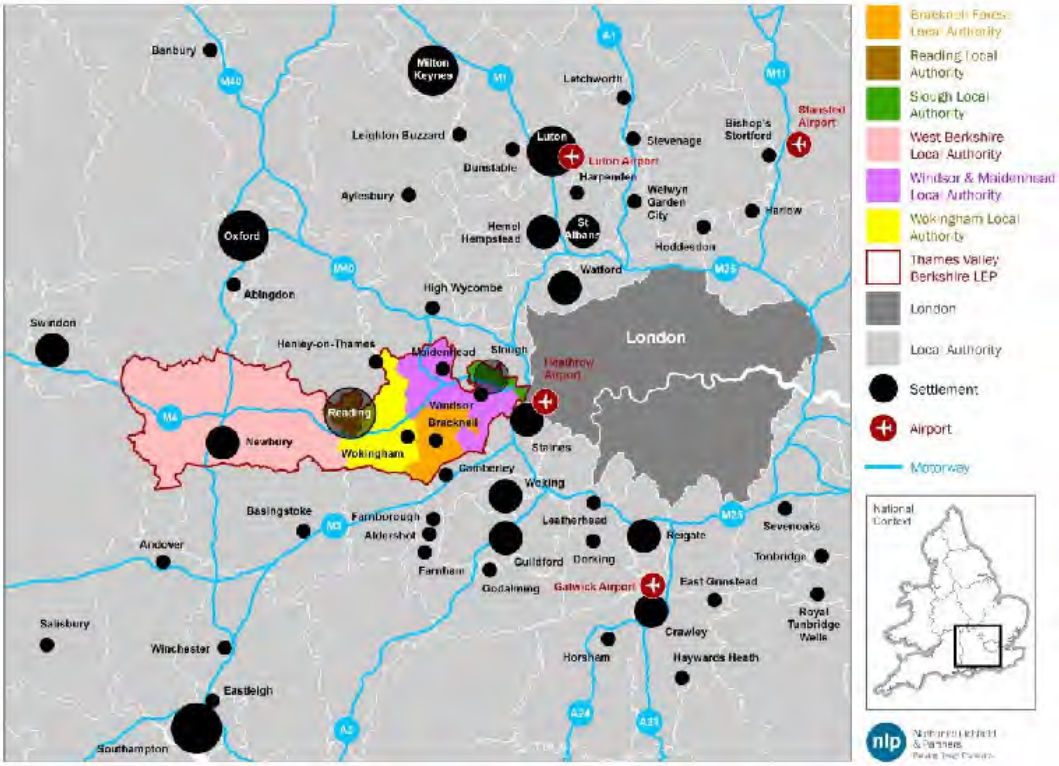
2.0 Economic Context and Trends

2.1 This section establishes the economic and labour market context for the study by summarising recent economic conditions and trends within Berkshire and surrounding authorities, relative to the wider South East region and the national economy. This is important for identifying the existing strengths and weaknesses of the economy and the factors that influence the economic flows and linkages characterising the study area. It draws upon a review of existing economic and policy evidence as well as the latest statistics and trends.

Spatial Overview

2.2 The Thames Valley Berkshire LEP area is located immediately to the west of London and comprises the former county of Berkshire, now divided into the six unitary authority areas of Bracknell Forest, Reading, Slough, West Berkshire, Windsor and Maidenhead, and Wokingham (Figure 2.1).

Figure 2.1 Spatial Context of Thames Valley Berkshire



Source: NLP analysis Note: settlements sized by population

Economic Conditions and Trends

Employment

2.3 Berkshire accommodates around 573,630 workforce jobs (as at 2015), having increased by 18.5% from its 1997 level. This scale of employment growth was

slightly higher than both the regional (18.1%) and national (18.0%) average during this period (Table 2.1).

Table 2.1 Employment by Authority

Location	Total Workforce Jobs (2015)	% Workforce Job Change 1997-2015
Bracknell Forest	*71,600*	*8.6*
Reading	*115,310*	*10.6*
Slough	*95,860*	*12.7*
West Berkshire	*110,450*	*31.9*
Windsor & Maidenhead	*93,640*	*15.3*
Wokingham	*86,770*	*36.1*
Berkshire	*573,630*	*18.5*
South Bucks	40,570	22.0
Hillingdon	243,280	50.2
Spelthorne	41,840	-27.3
Runnymede	66,770	49.2
Surrey Heath	59,980	25.8
Hart	44,910	28.2
Basingstoke and Deane	104,890	29.7
Wiltshire	235,720	18.3
Vale of White Horse	69,670	8.2
South Oxfordshire	68,410	13.1
Wycombe	93,430	-2.9
South East	4,703,310	18.1
UK	33,818,100	18.0

Source: Experian Regional Planning Service September 2015 / NLP analysis
Note: Contiguous authorities have been selected due to their strong travel to work relationships with Berkshire (see section 3.0 for further details on travel to work flows)

2.4 Within Berkshire, Reading and West Berkshire represent the largest economies in employment terms, accommodating 115,310 and 110,450 workforce jobs respectively in 2015. Bracknell Forest represents the smallest economy with 71,600 total workforce jobs.

2.5 The majority (85%) of this total employment (workforce jobs) relates to employee jobs, with the remainder (15%) relating to self-employed workers.

2.6 The scale of employment within Berkshire authorities is generally higher than many of its adjoining areas such as South Bucks, Spelthorne, Hart, South Oxfordshire and Runnymede. The only adjoining authority areas recording more workforce jobs than the two largest Berkshire authorities (of Reading and West Berkshire) are Hillingdon and Wiltshire (recording 243,280 and 235,720 workforce jobs respectively).

2.7 Over the last 18 years, workforce jobs have increased across all Berkshire authorities, with Wokingham and West Berkshire recording the highest rates of growth at 36.1% and 31.9% respectively, both outperforming the Berkshire wide average of 18.5%. In contrast, Bracknell Forest and Reading recorded the

lowest rates of employment growth (at 8.6% and 10.6%) which was lower than the majority of adjoining authorities across the wider sub-region (Table 2.1).

Sector Strengths and Clusters

2.8 In relative terms, the Berkshire economy supports a strong concentration of jobs in telecoms, IT, professional services and utilities compared with the South East as a whole (Figure 2.2). It is underrepresented in terms of employment within the air and water transport, agriculture and social care sectors when compared with the wider regional average sector mix.

2.9 Within Berkshire, these sector trends and concentrations significantly vary geographically, as shown in Figure 2.2 below. The Berkshire overrepresentation in telecoms employment is reflected most notably within the local economies of Slough, West Berkshire and Bracknell Forest, while Wokingham stands out as recording significant concentrations of jobs within the IT sector.

2.10 Professional services is well represented across the whole of Berkshire, although particular clusters are accommodated within Bracknell Forest and Reading. Financial and insurance sectors are underrepresented compared to the South East average within all Berkshire authorities apart from Reading.

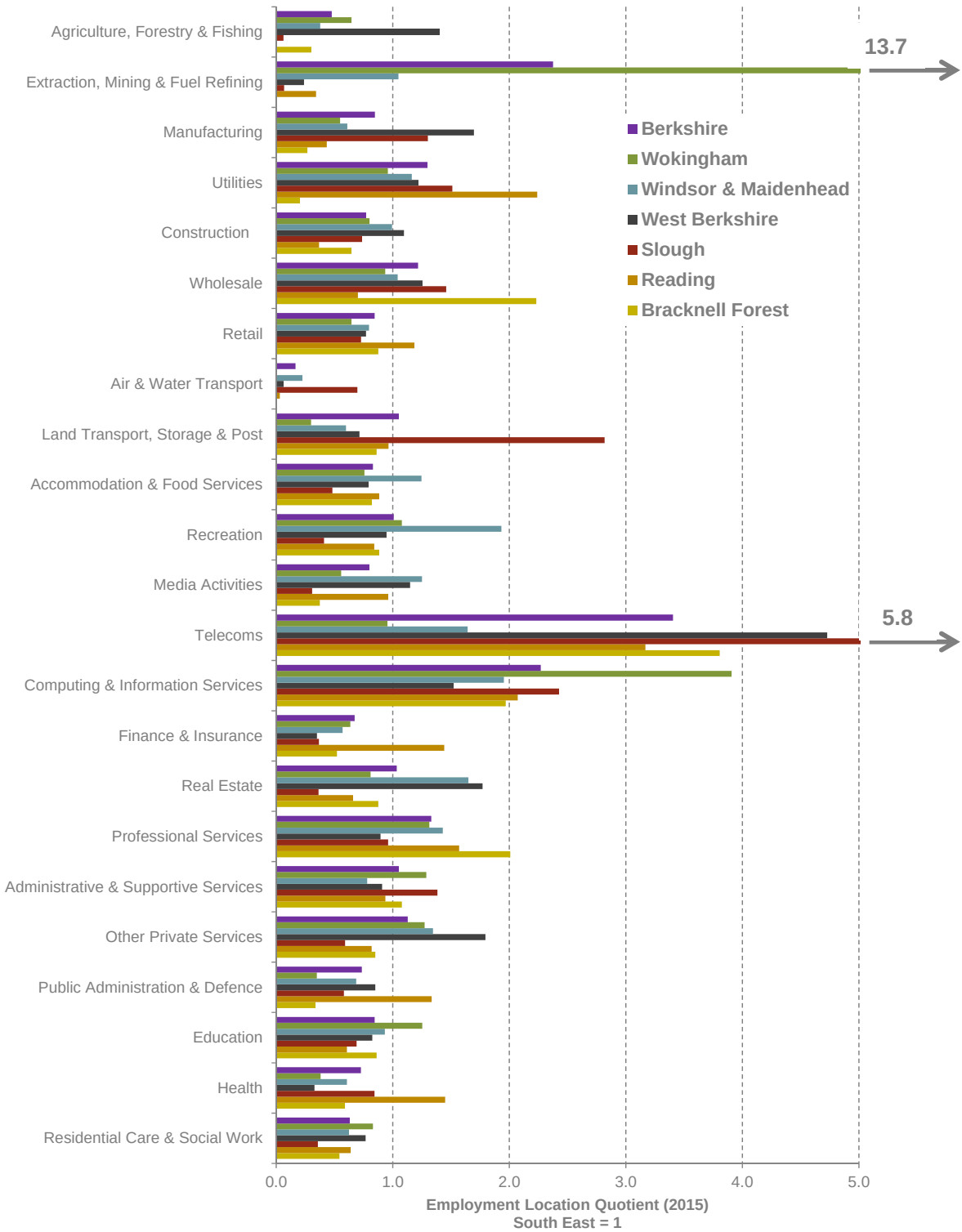
2.11 Slough accommodates a relatively high proportion of jobs within land transport sectors and wholesale, with the latter also accounting for significant numbers of jobs in Bracknell Forest and West Berkshire. Slough and West Berkshire also support strong concentrations of manufacturing employment, above the South East average, in contrast to the other four Berkshire authorities.

2.12 With regards to consumer-related services, retail employment is under-represented in all but one Berkshire authority (Reading), with Windsor & Maidenhead standing out as recording significant proportions of jobs within the recreation and hospitality sectors. More generally, tourism represents an important industry across the whole of Berkshire, with key visitor attractions including Windsor Castle and race courses at Windsor, Ascot and Newbury.

2.13 It is also possible to identify a number of sector strengths and clusters overlapping the Berkshire border. For example, West Berkshire shares similar characteristics to adjoining Basingstoke & Deane and Wiltshire with regards to a strong representation of manufacturing employment while wholesale employment is strongly represented along the M25/M40 distribution corridor from Slough through South Bucks up to Wycombe (Table 2.2), with pockets of wholesale employment also concentrated within Bracknell Forest and West Berkshire.

2.14 Slough also shares similar employment characteristics to adjoining Hillingdon in terms of transport given its proximity to Heathrow, with admin & support employment also clustered around these locations, much of which related to airport operations. Strong clusters of hospitality related employment are notable within the eastern reaches of Berkshire within the authority areas of Windsor & Maidenhead, Runnymede and South Bucks.

Figure 2.2 Employment Location Quotient by Sector (2015)



Source: Experian Regional Planning Service September 2015 / NLP analysis

Note: The high concentration of extraction, mining and fuel refining employment in Wokingham can be explained by the presence of a small number of large extraction and mining companies being headquartered in the Borough

2.15 The three authorities of South Oxfordshire, Vale of White Horse and Reading all share similarly strong concentrations of professional services employment, due in part to clusters of high value activity at locations such as Milton Park and Harwell Science and Innovation Campus as well as Reading's role as a key service centre.

Table 2.2 Key Sector Concentrations by Authority (Berkshire and Surrounding Area)

Sector	Local Authorities with Strong Employment Representation
Manufacturing	Slough, West Berkshire, Surrey Heath, Basingstoke & Deane, Wiltshire
Utilities	Runnymede, Reading, Vale of White Horse, Slough, Wycombe
Construction	Spelthorne, Wycombe, Basingstoke & Deane, West Berkshire, South Bucks, Vale of White Horse
Wholesale	Bracknell Forest, Wycombe, South Bucks, Slough, West Berkshire
Retail	Reading, Spelthorne, Wycombe, South Oxfordshire
Transport	Hillingdon, Spelthorne, Slough
Hospitality & Recreation	Windsor & Maidenhead, South Oxfordshire, Runnymede, South Bucks
Media Activities	South Bucks, Vale of White Horse, Spelthorne, Wycombe
Telecoms	Hart, Slough, West Berkshire, Bracknell Forest, Reading
IT	Wokingham, Slough, Hart, Runnymede
Finance	Reading, Basingstoke & Deane, Runnymede
Real Estate	South Bucks, West Berkshire, Windsor & Maidenhead
Professional Services	South Oxfordshire, Bracknell Forest, Vale of White Horse, Reading
Admin & Support	Surrey Heath, Hillingdon, Slough
Public Admin & Defence	Wiltshire, Reading, Spelthorne
Education	Wokingham, Vale of White Horse
Health & Social Care	Wiltshire, Surrey Heath, Runnymede, Reading

Source: Experian Regional Planning Service September 2015 / NLP analysis
Note: 'Strong employment representation' refers to sectors with a Location Quotient greater than 1 (when compared with the South East average)

2.16 The TVBLEP Strategic Economic Plan (SEP) identifies the importance of technology based activity to the Thames Valley economy, which sets the economy of TVB apart in relation to future economic growth, both in absolute terms and when considered alongside the role and potential of other LEP areas.

2.17 A recent report published by KPMG mapped the incidence of tech-based employment across every local authority district in England, Scotland and Wales[5]. On a definition which related largely to the IT sector (hardware and software), it found that Wokingham topped the list in terms of its 'tech location quotient' and that each of the other five unitary authority areas within TVB featured in the top 15 nationally.

[5] KPMG Tech Monitor UK, October 2013

2.18 A more recent Tech Monitor report[6] identifies that Reading has the UK's highest concentration of tech enterprises in the local business population, followed by neighbouring Wokingham and Slough. The report states that all of the top five UK local authorities with the highest concentration of tech enterprises are located in striking distance of the M4 motorway, representing a corridor of tech clusters from Reading and Wokingham in Berkshire to Hounslow in West London, with Slough and Bracknell Forrest in between. This footprint of tech businesses concentrated within the Thames Valley and beyond includes both major multinationals and a host of smaller tech companies. The top ranked local authorities all offer thriving tech ecosystems, targeted support for small tech enterprises as well as plentiful office space at purpose-built business parks for large multinational technology firms.

2.19 Berkshire is home to some very significant digital technology businesses. These range from well-established corporates (like Oracle, Cisco, Microsoft, Dell, Panasonic, Telefonica, Vodafone, Fujitsu and Hewlett Packard) through to awarding winning and high growth SMEs including Datasift, Cloud Distribution and Bullitt Group in Reading and Clearswift in West Berkshire.

Productivity

2.20 Productivity (measured by Gross Value Added [GVA] per worker) within Berkshire's labour force currently stands at £53,820 per worker, which is higher than both the regional (£49,740) and national (£45,990) equivalent (Table 2.3). In a recent article[7], the ONS identifies the TVBLEP area as recording the highest level of labour productivity (measured in terms of GVA per hour worked) of all 39 LEP areas in England. This overall trend varies slightly within the sub-region, with the workforce in Slough, Bracknell Forest and Reading generating marginally higher average levels of GVA than West Berkshire, Windsor & Maidenhead and Wokingham.

[6] KPMG Tech Monitor, November 2014
[7] ONS Subregional Productivity - February 2015

Table 2.3 Average GVA per Workplace Worker by Authority, 2015

	GVA Per Worker (2015)
Bracknell Forest	*£54,955*
Reading	*£54,940*
Slough	*£55,460*
West Berkshire	*£53,530*
Windsor & Maidenhead	*£53,560*
Wokingham	*£50,270*
Berkshire	*£53,820*
South Bucks	£56,480
Hillingdon	£73,350
Spelthorne	£65,750
Runnymede	£62,340
Surrey Heath	£58,780
Hart	£46,330
Basingstoke and Deane	£46,590
Wiltshire	£43,480
Vale of White Horse	£49,590
South Oxfordshire	£47,640
Wycombe	£58,390
South East	£49,740
UK	£45,990

Source: Experian Regional Planning Service September 2015 / NLP analysis

2.21 In overall terms however, this analysis suggests that the productivity of Berkshire's workforce is relatively consistent geographically, with no one single location standing out as generating particularly high or low average levels of economic output.

2.22 Labour productivity in Berkshire does however compare less favourably with some other neighbouring locations across the wider sub-region including Hillingdon (£73,350 GVA per worker), Spelthorne (£65,750) and Runnymede (£62,340) (Table 2.3).

2.23 The recently published Thames Valley Berkshire Skills Priority Statement[8] notes that in recent years neighbouring areas have out-performed Berkshire in terms of GVA growth, and two recent research reports, (Mapping Local Comparative Advantages in Innovation, BIS 2015 and Benchmarking Local Innovation: The Innovation Geography of the UK, ERC 2015), found that innovation levels amongst Berkshire businesses are lower than might be expected.

Labour Market

2.24 The Berkshire authorities perform unevenly across a range of labour market indicators. Across Berkshire as a whole, the economic activity rate (i.e. the

[8] Thames Valley Berkshire Local Enterprise Partnership, Skills Priority Statement, December 2015

proportion of working age residents either in or seeking employment) stands at 81.2%, higher than both the regional (80.1%) and national (77.5%) average.

2.25 This varies within Berkshire, with West Berkshire (86.3%) and Bracknell Forest (83.8%) recording the highest economic activity rates (Table 2.4). These proportions are similar to nearby Hart (85.2%), Basingstoke and Deane (85.3%), Surrey Heath (84.5%) and South Oxfordshire (84.4%). In contrast, Reading (76.4%) and Slough (78.7%) are both characterised by lower levels of economic activity than the Berkshire average.

Table 2.4 Labour Market Indicators by Local Authority

	Economic Activity (%)	Unemployment (%)	Resident Skills	
			NVQ Level 4 and above	No Qualifications
Bracknell Forest	*83.8*	*3.6*	*38.1*	*5.2*
Reading	*76.4*	*5.1*	*45.7*	*6.0*
Slough	*78.7*	*4.9*	*34.0*	*9.9*
West Berkshire	*86.3*	*3.0*	*47.4*	*4.0*
Windsor & Maidenhead	*82.2*	*3.4*	*54.4*	*3.0*
Wokingham	*81.0*	*2.9*	*49.6*	*2.9*
Berkshire	*81.2*	*3.7*	*45.0*	*5.2*
South Bucks	82.4	3.3	48.0	-
Hillingdon	79.3	6.0	39.8	9.5
Spelthorne	82.0	3.9	32.5	5.5
Runnymede	77.8	3.3	36.4	9.8
Surrey Heath	84.5	3.2	47.6	-
Hart	85.2	2.4	50.4	-
Basingstoke and Deane	85.3	3.7	39.5	3.2
Wiltshire	82.9	3.6	39.7	5.5
Vale of White Horse	79.2	3.1	43.7	6.1
South Oxfordshire	84.4	2.7	54.7	4.8
Wycombe	82.5	5.6	45.2	7.8
South East	80.1	4.4	39.1	5.6
GB	77.5	5.7	36.0	8.8

Source: ONS Annual Population Survey Jan 2014 – June 2015 / NLP analysis

2.26 On the Annual Population Survey measure of unemployment, Berkshire performs relatively well at 3.7% compared with the regional (4.4%) and national (5.7%) equivalents. Again this varies across individual authorities, with Wokingham (2.9%), West Berkshire (3.0%) and Windsor & Maidenhead (3.4%) recording the lowest levels of resident unemployment, while Reading (5.1%) and Slough (4.9%) both record higher than average levels of unemployment when compared with Berkshire and the South East as a whole. These rates are comparable with nearby Wycombe (5.6%) and Hillingdon (6.0%) which stand out within the sub-region as accommodating relatively high levels of unemployment.

2.27 As at 2014, some 45% of the resident working age population in Berkshire held an NVQ4 and above qualification, which was higher than the regional (39.1%) and national (36.0%) average. This Berkshire wide average is driven by particularly high levels of NVQ level 4 and above attainment in Windsor & Maidenhead (54.4%) and comparably low attainment within Slough at just 34.0% of the working-age resident population. Other locations across the sub-region with high levels of resident skills include South Oxfordshire (54.7%) and Hart (50.4%), with locations such as Spelthorne (32.5%) and Runnymede (36.4%) recording NVQ4 and above qualification attainment that is more akin to Slough.

2.28 These trends are broadly echoed with regards to the proportion of residents with no formal qualifications, equivalent to 5.2% across Berkshire as a whole. This proportion is nearly doubled in Slough at 9.9% and this is similar to nearby Hillingdon (9.5%) and Runnymede (9.8%).

2.29 The recently published Thames Valley Berkshire Skills Priority Statement identifies six priority sectors for the long term sustainable economic growth of Berkshire. Most of these sectors (and therefore skills issues) are common across the whole of Berkshire. For example, the digital technologies, professional and business services, life science and healthcare, education and care sectors are relatively evenly distributed across the sub-region. There are also some local clusters of economic activity which are likely to create higher demand for certain skills in some areas. For example, the logistics sector is particularly prevalent in the Slough and Thatcham areas, the sub-region's finance and insurance sector is concentrated in Reading and the hospitality sector is most prevalent in and around Windsor, and, to a lesser extent, in Reading.

Business Demography and Enterprise

2.30 Across Berkshire as a whole, the stock of enterprises amounts to just under 43,000, with Windsor & Maidenhead accommodating the largest number of firms at 9,285 or 22% of the Berkshire total (Table 2.5). West Berkshire and Wokingham also accommodate a sizeable stock of businesses, with Bracknell Forest recording the lowest number of businesses in Berkshire (at 4,670).

2.31 Slough accommodates the highest proportion of larger firms (in employment terms, 250+ employees) in Berkshire, making its business base similar to that of nearby Runnymede and Hillingdon. The TVBLEP Strategic Economic Plan notes that there are well over 200 European or global HQ operations in the LEP area, many of which are long-established and operating in strategically important sectors like pharmaceuticals, petrochemicals, energy, food and IT. The SEP Evidence Base[9] states that as of 2011, these foreign owned businesses were responsible for 26% of employment in the LEP area, the second highest percentage behind only the Coventry and Warwickshire LEP area. In location terms, they have tended to gravitate towards the areas' major

[9] Thames Valley Berkshire: Delivering national growth, locally, Strategic Economic Plan, 2015/16 – 2020/21, Evidence Base

employment sites such as Slough Trading Estate, Green Park, Thames Valley Park, and Winnersh Triangle.

2.32 Intelligence from the Thames Valley Chamber of Commerce[10] identifies that 13 of the World's Top 15 Software companies (by 2011 revenue) are located in or within 10 miles of the Thames Valley and that the area is a magnet for new investment from software businesses with 80% of foreign owned start-ups operating in this sector.

2.33 According to 2015 ONS Inter Departmental Business Register data, Wokingham, Windsor & Maidenhead and Bracknell Forest accommodate the greatest proportion of smaller firms employing under 10 people, with similar proportions to South Oxfordshire, Basingstoke and Deane and Hart.

2.34 Berkshire is characterised by relatively high levels of business start-ups, with 107.8 business starts per 10,000 working-age population in 2013, significantly higher than the regional (92.3) and national (86.0) average. This high start-up rate is driven in particular by Windsor & Maidenhead (133.9), West Berkshire (115.1) and Wokingham (110.6). Similarly high levels of business start-up are recorded elsewhere across the sub-region in Spelthorne (133.5), South Bucks (147.9) and Surrey Heath (112.3).

2.35 The proportion of the working age population that are self-employed in Berkshire is the same as the national average (10.1%) and the majority of Berkshire authorities fall behind the regional average (11.7%) on this measure of enterprise (Table 2.5). Surrey Heath (14%), Hart (13.5%) and South Oxfordshire (12.4%) all exceed the Berkshire, South East and national average while Wokingham (12.9%) is the only Berkshire authority to record higher levels of self-employment than the regional average (Table 2.5).

[10] Thames Valley Chamber of Commerce Group, June 2012 Datasheet

Table 2.5 Business Demography Indicators by Local Authority

	Self-Employment (%)	Stock of Enterprises	Business Births per 10,000 Working Age Population
Bracknell Forest	*10.1*	*4,670*	*78.9*
Reading	*8.0*	*6,705*	*98.5*
Slough	*10.1*	*5,245*	*106.0*
West Berkshire	*9.8*	*8,840*	*115.1*
Windsor & Maidenhead	*10.2*	*9,285*	*133.9*
Wokingham	*12.9*	*8,230*	*110.6*
Berkshire	*10.1*	*42,975*	*107.8*
South Bucks	8.5	5,265	147.9
Hillingdon	9.0	11,630	101.8
Spelthorne	6.9	4,870	133.5
Runnymede	8.4	4,345	96.7
Surrey Heath	14.0	4,880	112.3
Hart	13.5	4,970	105.6
Basingstoke and Deane	8.4	7,395	92.6
Wiltshire	11.4	20,610	83.4
Vale of White Horse	10.7	5,520	81.7
South Oxfordshire	12.4	7,935	110.3
Wycombe	11.1	9,385	104.5
South East	11.7	389,710	92.3
GB	10.1	2,392,965	86.0

Source: ONS Inter-Departmental Business Register 2015, Annual Population Survey Jul 2014 – Jun 2015, ONS Business Demography 2013, ONS Mid-year population estimates

Synthesis

2.36 Within Berkshire, Reading and West Berkshire represent the largest economies in employment terms, with Bracknell Forest the smallest. Berkshire has recorded strong job growth in recent years that has outperformed the regional and national average. The scale of employment within Berkshire authorities is generally higher than many of its adjoining areas, with the exception of Hillingdon and Wiltshire to the east and west of the TVBLEP area respectively.

2.37 In relative terms, the Berkshire economy supports a strong concentration of jobs in high value telecoms, IT, professional services and utilities industries. Recent research identifies the M4 corridor as accommodating the deepest concentration of tech companies in the UK. Berkshire is underrepresented in terms of air and water transport (except in Slough), agriculture and social care sectors when compared with the wider regional average sector mix.

2.38 Within Berkshire, these sector trends and concentrations vary geographically, and it is possible to identify a number of sector strengths and clusters. For example, although professional services is well represented across the whole of Berkshire, particular clusters are accommodated within Bracknell Forest and

Reading. West Berkshire shares similar characteristics to adjoining Basingstoke & Deane and Wiltshire with regards to a strong representation of manufacturing employment while wholesale employment is strongly represented along the M25/M40 distribution corridor from Slough through South Bucks up to Wycombe (with pockets of wholesale employment also found in Bracknell Forest and West Berkshire).

2.39 Slough shares similar employment characteristics to adjoining Hillingdon in terms of transport given its proximity to Heathrow, with admin & support employment also clustered around these locations, much of which is related to airport operations. Strong clusters of hospitality related employment are notable within the eastern reaches of Berkshire within the authority areas of Windsor & Maidenhead, Runnymede and South Bucks.

2.40 The Berkshire authorities perform unevenly across a range of labour market and business demography indicators. Slough shares a number of similar labour market and business characteristics (such as economic activity, resident skills and business start-up) with nearby Hillingdon, Runnymede and Wycombe, while similar characteristics can also be identified between Windsor and Maidenhead and Wokingham, particularly with regards to the size profile of firms and strong enterprise performance.

3.0 Functional Labour Market Areas

3.1 This section examines the latest commuting flows data from the 2011 Census to define Travel to Work Areas (TTWA) across Berkshire, in order to consider the relationship between where people live and where they work.

Travel to Work Areas

3.2 The Office for National Statistics (ONS) defines labour market areas as those areas where the majority of the resident population also works in the same area. Defining labour market areas requires analysis of commuting flows data to identify the Travel to Work Areas (TTWAs) of a local economy. The standard definition of TTWAs offered by the ONS is that they are the area from which at least 75% of an area's resident workforce is employed, and at least 75% of the people who work in the area also reside. The area must also have a working population of at least 3,500.

3.3 TTWAs represent the area from which local businesses are most likely to recruit their employees, while key strategic routes have the ability to extend these TTWAs well beyond the immediate sub-region.

3.4 In 2015, the ONS used 2011 Census data on home and work addresses to define 228 TTWAs that cover the whole of the UK. This analysis identifies three broad TTWAs that cover the TVBLEP area, namely Reading, Slough and Heathrow and Newbury (Figure 3.1).

Figure 3.1 TVBLEP Travel to Work Areas, 2011

Source: ONS - Based on 2011 Census commuting data

3.5 The Reading TTWA includes the whole of Reading and Wokingham Boroughs as well as the majority of Bracknell Forest and parts of South Oxfordshire,

West Berkshire, Windsor & Maidenhead and Hart. This geography is broadly substantiated by recent research undertaken by PwC and Demos[11] which measured the current performance of a range of the largest UK cities against a series of socio-economic factors. This defines Reading & Bracknell as a city for the purposes of the research; this was defined on the basis that it has a population of 250,000 or more and according to TTWAs.

3.6 Parts of Eastern Berkshire fall within the Slough and Heathrow TTWA, including all of Slough Borough and parts of Windsor & Maidenhead, although the majority of this TTWA falls to the east of the TVBLEP area, comprising a number of authorities including Runnymede, Spelthorne, South Bucks and the London Boroughs of Hillingdon and Kingston upon Thames.

3.7 Meanwhile, the Newbury TTWA comprises the majority of West Berkshire District as well as parts of Wiltshire, Basingstoke and Deane and Test Valley.

3.8 A comparison of the 2011 based ONS TTWAs with the equivalent analysis prepared using 2001 Census commuting data (as summarised in Figure 3.2) identifies a marked change in the spatial distribution and pattern of travel to work flows in and around the TVBLEP area. The most significant changes can be seen within Eastern parts of Berkshire, where western parts of London (and most notably Heathrow Airport) appear to have had an increasing influence upon travel to work flows.

3.9 By contrast, TTWAs in the more western parts of the LEP area have remained broadly similar over the last ten years, dominated by a single Newbury TTWA, although the Basingstoke TTWA has extended further into West Berkshire, for example by taking in the area around Aldermaston.

Figure 3.2 TVBLEP Travel to Work Areas, 2001

Source: ONS - Based on 2001 Census commuting data

[11] Good Growth for Cities 2015, PwC and Demos

3.10 The 2011 Census data shows that the key commercial centres of Maidenhead and Slough now sit within the Slough and Heathrow TTWA, having previously featured as part of the Wycombe & Slough TTWA in 2001. This suggests that these centres have developed stronger ties with Eastern Berkshire and West London in labour market terms, and conversely become less connected to Buckinghamshire than they have been in the past. This trend would also appear to reflect Heathrow's increasing draw in labour market terms, particularly from eastern parts of Berkshire.

3.11 Another interesting trend is the declining influence of Reading upon more eastern parts of Berkshire over the last 10 years in travel to work terms, to the extent that Windsor, which previously fell within the Reading & Bracknell TTWA, now sits within a Slough and Heathrow TTWA.

Commuting Flows

3.12 Whilst this ONS analysis provides a useful starting point to think about the spatial geography of labour market areas across the sub-region, it is also useful to examine local level commuting flows in more detail to understand the relative contribution that each of the TVBLEP authorities play in supplying labour across the sub-region.

3.13 Table 3.1 summarises a number of key commuting indicators for the six Berkshire authorities, drawing on the latest 2011 Census travel to work data. This shows that West Berkshire, Wokingham and Reading accommodate the largest resident workforce in Berkshire, home to 82,150, 81,790 and 80,200 working residents respectively, each of which is equivalent to 18% of the total Berkshire resident workforce. At 62,180, Bracknell Forest accommodates the smallest resident workforce in Berkshire (Table 3.1).

3.14 Reading and West Berkshire also accommodate the highest number of workplace workers (or workforce jobs), with Bracknell Forest again recording the lowest number of workplace workers (at 54,490).

3.15 A significant proportion of resident workers in both Reading and West Berkshire also work within the same authority area, giving these two authorities the highest labour self-containment rates in Berkshire, at 51.2% and 57.5% respectively. These rates both fall above the Berkshire wide average self-containment rate of 46.9%. In contrast, labour self-containment is much lower in the smaller economies of Bracknell Forest (41.7%), Slough (43.0%), Windsor & Maidenhead (45.8%) and Wokingham (39.9%), all of which fall below the Berkshire wide average.

3.16 The rate of labour self-containment has reduced across all Berkshire authorities over the 10 years between the 2001 and 2011 Census, indicating that a lower proportion of Berkshire residents also worked within the LEP area in 2011 compared with the position in 2001. The most significant reduction in self-containment was recorded in Slough (having reduced from 55.6% in 2001 to 43.0% in 2011), followed closely by Reading (reducing from 63.0% in 2001 to 51.2% in 2011).

Table 3.1 2011 Commuting Data by Local Authority

	Bracknell Forest	Reading	Slough	West Berkshire	Windsor & Maidenhead	Wokingham	Berkshire
Total working residents†	62,180	80,200	67,560	82,150	74,500	81,790	448,380
Total workplace workers*	54,490	83,350	68,400	80,840	71,190	63,530	421,800
Live and work in Local Authority*	25,930	41,040	29,080	47,230	34,140	32,670	210,090
Resident self-containment rate*	41.7%	51.2%	43.0%	57.5%	45.8%	39.9%	46.9%
Alternative resident self-containment rate¥	*42%*	*51%*	*43%*	*56%*	*40%*	*33%*	*n/a*
Out-commuting workers	36,250	39,160	38,480	34,920	40,350	49,110	238,270
Top out commuting destinations	Windsor and Maidenhead Wokingham Surrey Heath	Wokingham West Berkshire South Oxfordshire	Windsor and Maidenhead Hillingdon South Bucks	Reading Basingstoke and Deane Wokingham	Slough Hillingdon Westminster	Reading Bracknell Forest Windsor and Maidenhead	Surrey Heath South Oxfordshire Hillingdon South Bucks Basingstoke and Deane Westminster
In-commuting workers	28,560	42,310	39,330	33,610	37,050	30,850	211,710
Top in-commuting destinations	Wokingham Reading Windsor and Maidenhead	Wokingham West Berkshire South Oxfordshire	Windsor and Maidenhead South Bucks Hillingdon	Basingstoke and Deane Reading Wokingham	Slough Bracknell Forest Wokingham	Reading Bracknell Forest West Berkshire	South Oxfordshire South Bucks Hillingdon Basingstoke and Deane
Net flow of workers	7,690 outflow	3,150 inflow	850 inflow	1,310 outflow	3,300 outflow	18,260 outflow	26,560 outflow

Source: ONS Census 2011 / NLP analysis / Berkshire (including South Bucks) Strategic Housing Market Assessment (Final Report, February 2016)
† The total number of working residents includes those that work mainly at or from home, at an offshore installation, outside the UK, and with no fixed employment location
* includes local residents mainly working at or from home
¥ These alternative figures for resident self-containment are presented in the Berkshire (including South Bucks) Strategic Housing Market Assessment (Final Report, February 2016) and do not include the ONS 'other' categories of commuters (i.e. those that work mainly at or from home, at an offshore installation, outside the UK, or with no fixed employment location). They have been included here for reference only
Note: Employment (workplace workers) figures above differ from those presented in Table 2.1 due to the different sources and dates associated with this data

3.17 Table 3.2 uses 2011 Census travel-to-work statistics to compare the proportion of working-age population categorised as 'working mainly or at home' across Berkshire. This shows that the prevalence of home-working varies across the LEP area and is highest in Windsor & Maidenhead (14.9%), Wokingham (13.4%) and West Berkshire (13.2%), all of which fall above the Berkshire wide average of 11.6%. This reflects that, typically, rural areas have more remote workers and home-based businesses than urban centres.

Table 3.2 Proportion of Working-age Population working mainly at or from home

	2011
Bracknell Forest	11.1%
Reading	8.8%
Slough	7.4%
West Berkshire	13.2%
Windsor & Maidenhead	14.9%
Wokingham	13.4%
Berkshire	**11.6%**

Source: 2011 Census travel-to-work statistics

3.18 In absolute terms, Wokingham records the largest flow of out-commuters in Berkshire, followed by Windsor & Maidenhead, Reading and Slough.

3.19 Reading and Slough accommodate the largest flows of in-commuters, reflecting the size and influence of their commercial centres. These represent the only two Berkshire authorities that are net importers of labour in overall terms (Table 3.1), with the other four Berkshire authorities characterised as net exporters of labour. Wokingham stands out as recording the largest net outflow of workers in absolute terms at 18,260.

3.20 Given Berkshire's proximity to London, the Capital has a significant influence upon commuting flows to and from the sub-region. Of the 238,270 out-commuters from Berkshire, just over 42,800 or 18% travel to work in London Boroughs. These flows vary significantly by Berkshire authority, with Slough and Windsor & Maidenhead accounting for the largest London out-commuting flows in both absolute and proportionate terms. In contrast, out-commuting flows to London are much lower from Reading and West Berkshire, which is likely to reflect their relative distance from the Capital.

3.21 London also has an influence upon in-commuting labour flows to Berkshire, although in absolute terms these flows are less significant. Of the 211,710 in-commuting workers to Berkshire, 24,290 or 12% travel from London Boroughs. Again this trend varies by Berkshire authority, with Slough accommodating the vast majority of these in-commuting flows.

3.22 The geography of in and out commuting flows is complex and varies by Berkshire authority. For example, Slough and Windsor & Maidenhead both have strong labour market relationships with South Bucks to the north and Hillingdon to the east, with Heathrow in particular representing a key driver

behind these flows. Labour flows with Buckinghamshire authorities such as Wycombe and Chiltern are also strongest within this eastern part of Berkshire.

3.23 Meanwhile, West Berkshire and Reading have strong labour market relationships with adjoining Oxfordshire, Hampshire and Wiltshire, while Bracknell Forest and Wokingham's relative proximity to Surrey mean that in and out commuting flows to authorities such as Surrey Heath, Hart and Rushmoor are strongest here.

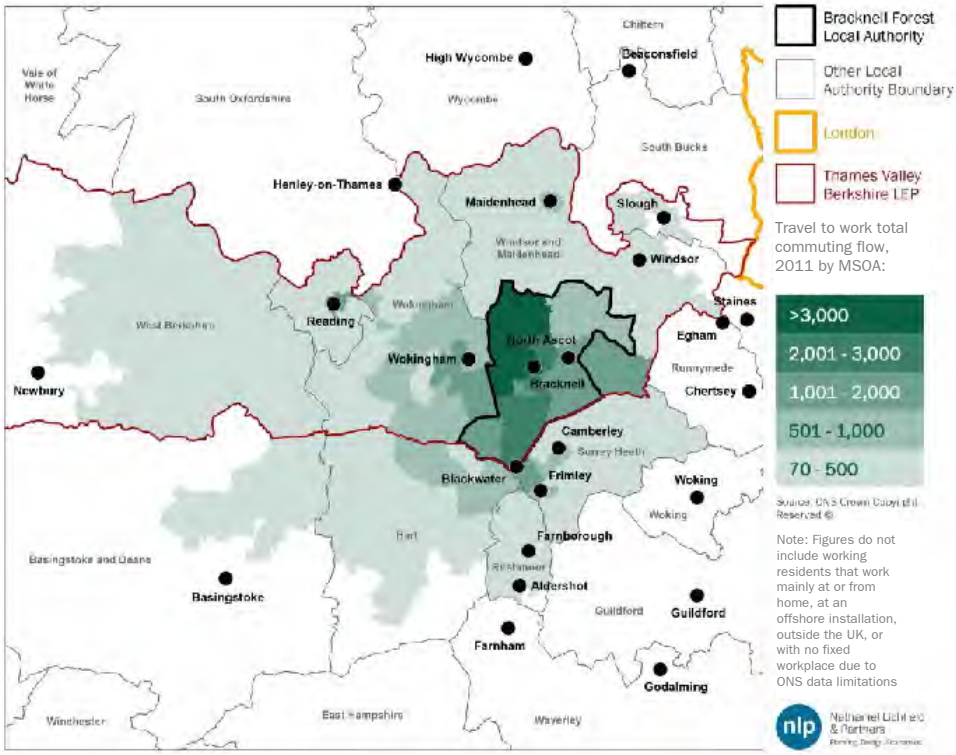
Defining Local Travel to Work Areas

3.24 Drawing upon the Census 2011 commuting flows data for the six Berkshire authorities, it is possible to define local travel to work areas for each authority. This uses the ONS definition of a travel to work area being the area from which at least 75% of the authority's resident workforce is employed, and at least 75% of the people who work in the authority also reside. The local travel to work area for each authority is presented in turn below, with the Middle level Super Output Areas (MSOAs) that fall within the authority's local travel to work area shaded in green.

Bracknell Forest

3.25 The local travel to work area for Bracknell Forest principally extends east to west along the M4 corridor from Windsor and the western part of Slough in the east to Newbury in the west (Figure 3.3). The M4 corridor also connects Bracknell Forest with the key economic centres of Maidenhead in the north and Reading in the west. In addition, the local travel to work area for Bracknell Forest encompasses areas to the south of the authority, reaching as far as Aldershot in the south and parts of eastern Basingstoke & Deane in the south-west. As well as the M4, the M3 to the south of Bracknell Forest represents a key strategic route connecting the authority to other economic centres in the wider sub-region.

Figure 3.3 Local Travel to Work Area for Bracknell Forest, 2011



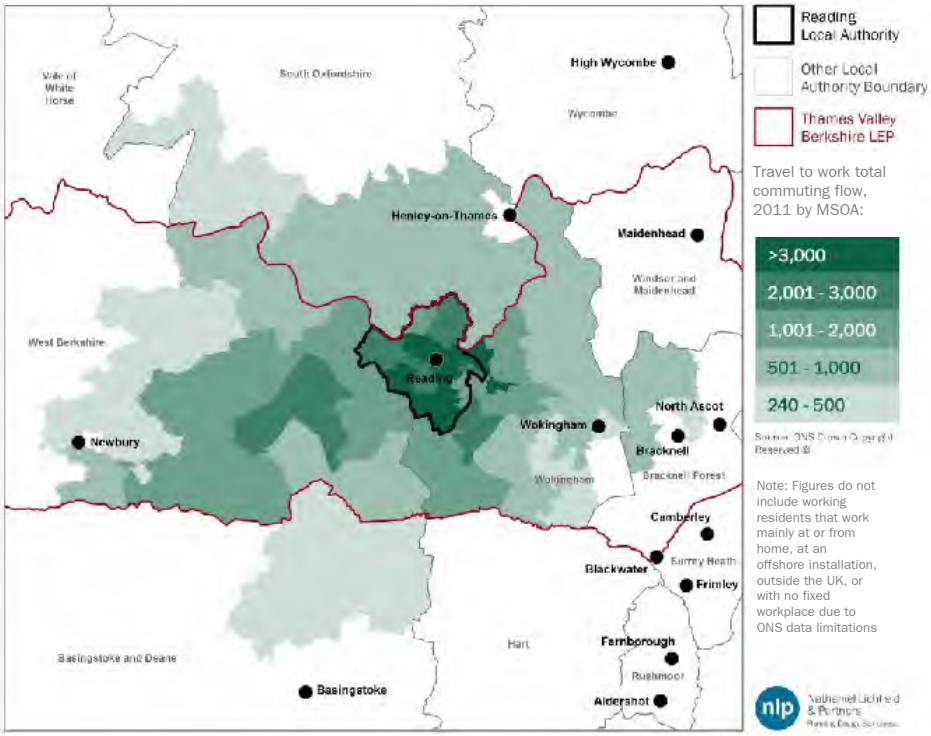
Source: Census 2011 / NLP analysis

3.26 It is clear from this analysis at the MSOA level that the most significant concentration of travel-to-work flows to and from Bracknell Forest operate between the adjoining authorities of Hart, Wokingham, Surrey Heath and Windsor & Maidenhead, while Reading also provides a relatively high concentration of travel-to-work flows.

Reading

3.27 Reading's local travel to work area extends in a broad radius around the Borough, generally focused east to west along the M4 corridor taking in the key centres of Wokingham to the south east and Newbury to the west. Aside from a small number of MSOAs at the western edge of Bracknell Forest, Wokingham Borough represents the eastern boundary of Reading's local travel to work area. Southern parts of South Oxfordshire District fall within its local travel to work area, although in general terms the local travel to work area does not extend far beyond Berkshire (Figure 3.4).

Figure 3.4 Local Travel to Work Area for Reading, 2011



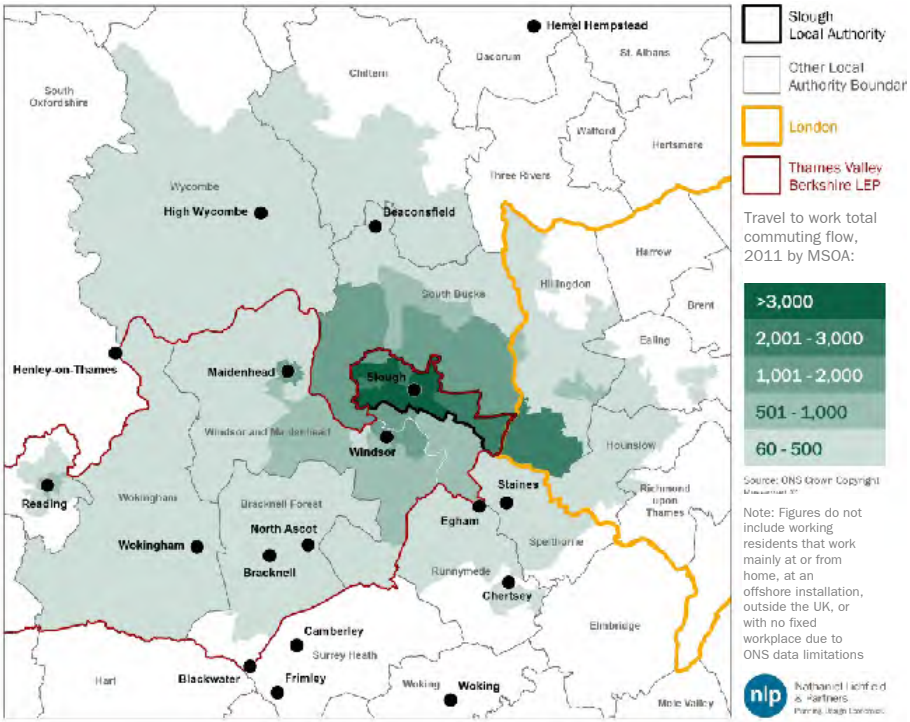
Source: Census 2011 / NLP analysis

3.28 The most significant travel-to-work flows to and from Reading operate between the adjoining authorities of West Berkshire and Wokingham, with more marginal flows associated with Bracknell Forest, South Oxfordshire and Basingstoke and Deane.

Slough

3.29 Compared with Reading, Slough's local travel to work area is more dispersed across a wider geographical area, with a core local travel to work area characterised by strong labour flows surrounded by more marginal flows of labour (Figure 3.5).

Figure 3.5 Local Travel to Work Area for Slough, 2011



Source: Census 2011 / NLP analysis

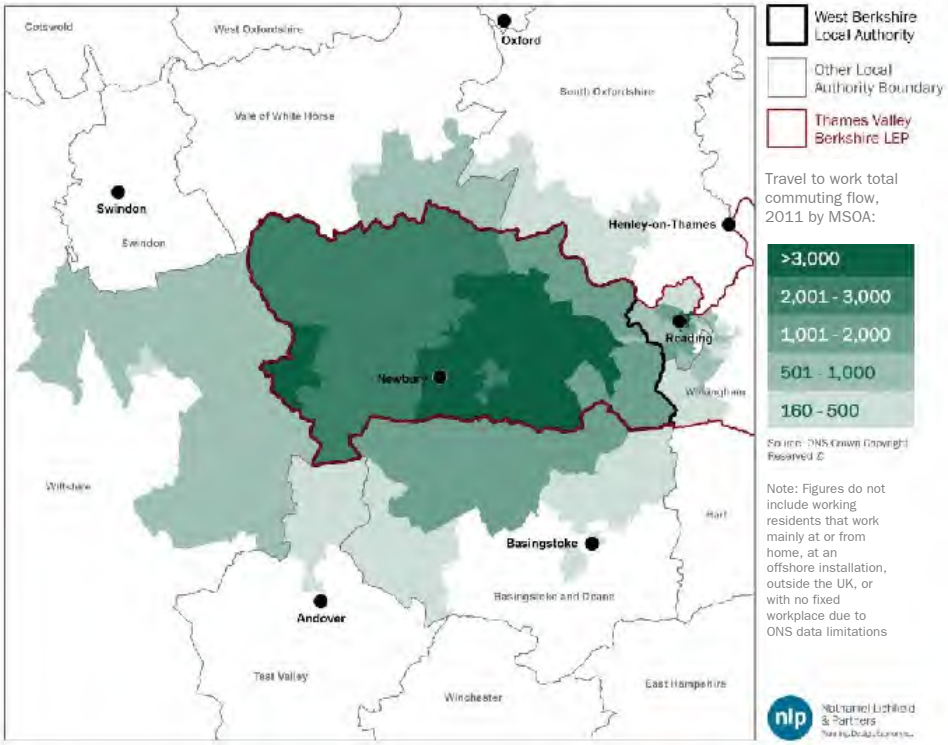
3.30 As shown in Figure 3.5, Slough's local travel to work area is focused upon adjoining MSOAs in South Bucks and Hillingdon, with Heathrow Airport representing a key driver in out-commuting terms. Strong labour flows are also evident with adjoining parts of Windsor & Maidenhead Borough, as well as large centres along the M4 corridor including Reading and Maidenhead. Due to Slough's location on the eastern fringes of Berkshire, its local travel to work area takes in large parts of Buckinghamshire, as well as Greater London and Surrey.

West Berkshire

3.31 West Berkshire's local travel to work area is relatively self-contained (the most self-contained in Berkshire) and does not extend much beyond the District's boundary (Figure 3.6). It is connected to Reading via the M4 but otherwise does not take in any other major commercial centres across the wider sub-region.

3.32 Beyond Reading Borough, the District's local travel to work area does not comprise any other part of Berkshire aside from small parts of western Wokingham. West Berkshire's labour market flows are much stronger with authorities in Wiltshire, Oxfordshire and Hampshire, with clusters of activity such as Milton Park and Harwell Science and Innovation Campus in the adjoining Vale of White Horse having a significant influence upon labour flows, particularly out-commuting flows, with West Berkshire.

Figure 3.6 Local Travel to Work Area for West Berkshire, 2011



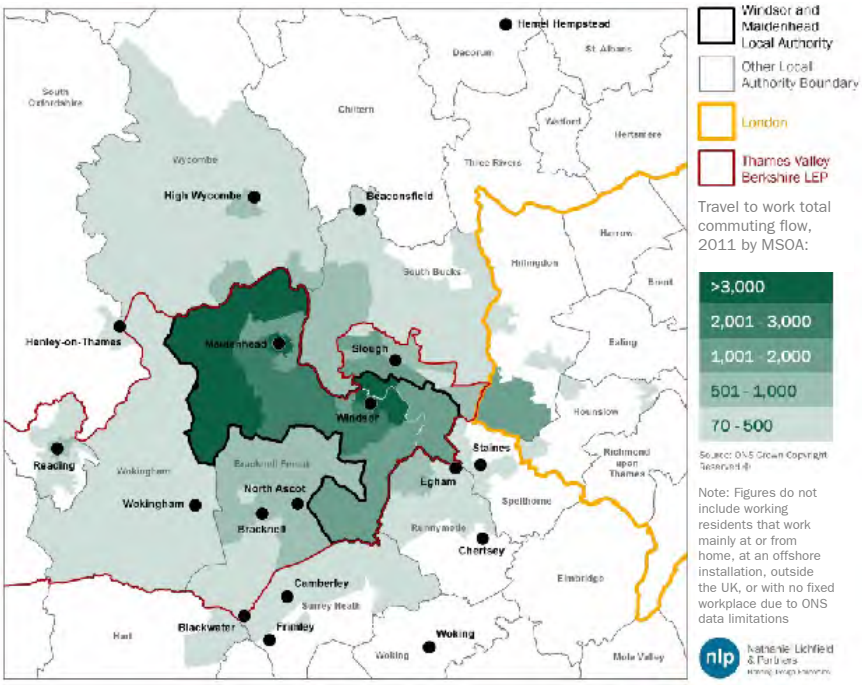
Source: Census 2011 / NLP analysis

Windsor and Maidenhead

3.33 Windsor & Maidenhead has a relatively wide reaching local travel to work area which extends north as far as High Wycombe and Beaconsfield, east as far as Hillingdon/Heathrow, south as far as Camberley and west as far as Reading and Henley-on-Thames (Figure 3.7).

3.34 Reflecting its location to the east of Berkshire, the Borough has stronger labour market links with the Buckingham authorities of Wycombe and South Bucks and the London Boroughs of Hillingdon and Hounslow than it does with West Berkshire, although links with neighbouring Slough and Bracknell Forest are also strong.

Figure 3.7 Local Travel to Work Area for Windsor & Maidenhead, 2011

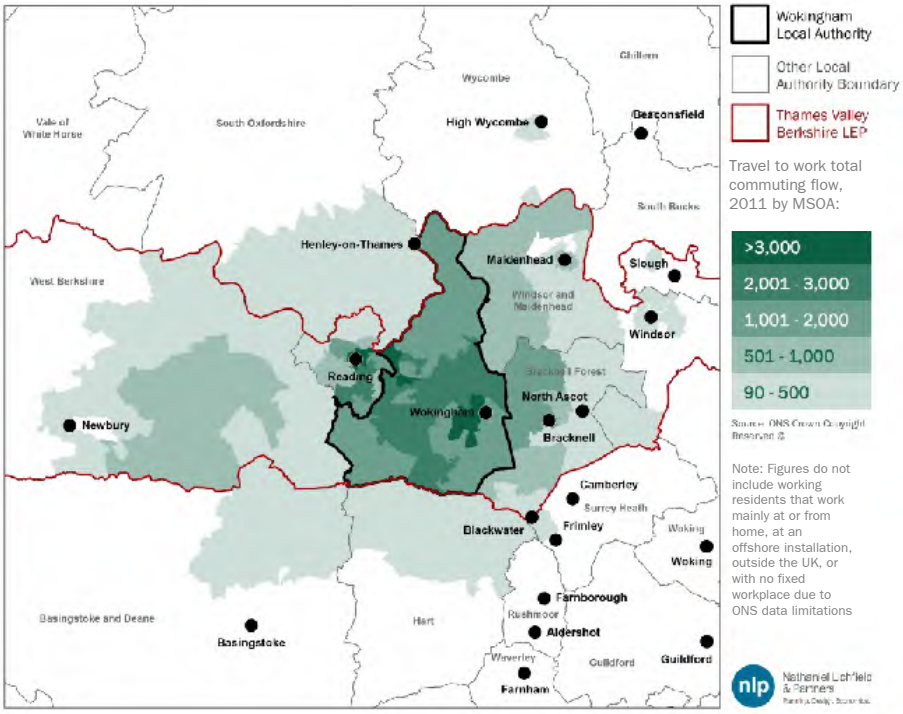


Source: Census 2011 / NLP analysis

Wokingham

3.35 Wokingham also has a relatively self-contained local travel to work area and particularly strong links with other parts of Berkshire in labour market terms (Figure 3.8). This most notably includes Reading, Bracknell Forest, Windsor & Maidenhead and West Berkshire.

Figure 3.8 Local Travel to Work Area for Wokingham, 2011



Source: Census 2011 / NLP analysis

3.36 The District's local travel to work area extends along the M4 corridor as far as Newbury to the west, Maidenhead to the north (with a pocket of commuters in High Wycombe), Windsor to the east and Frimley to the south. Although the local travel to work area identifies some MSOAs that fall outside of Berkshire (in South Oxfordshire, Hart and Basingstoke and Deane), these relationships are relatively weak when compared with other Berkshire authorities.

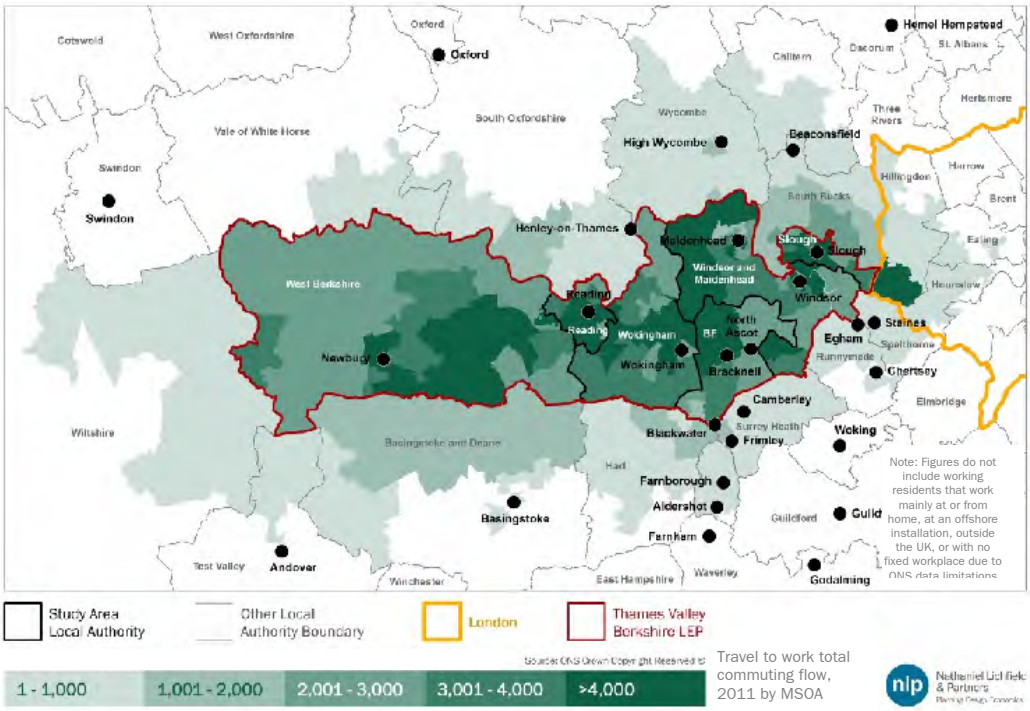
Berkshire Wide Travel to Work Area

3.37 By combining the commuting flows analysis presented above by authority it is also possible to identify the local travel to work area for Berkshire, representing the area from which at least 75% of Berkshire's resident workforce is employed, and at least 75% of the people who work in Berkshire also reside.

3.38 The Berkshire local travel to work area is presented in Figure 3.9 below, which shades all MSOAs falling within this 75% TTWA in green. This shows that the local travel to work area largely correlates with the TVBLEP boundary, with those MSOAs falling within Berkshire accommodating the majority of residents that work within Berkshire and the majority of workers that live in the area.

3.39 Contiguous MSOAs to Berkshire accommodate a much lower proportion of Berkshire workers and residents by comparison. MSOAs to the north and east of Slough (including in South Bucks and the London Borough of Hillingdon), north west of Reading (in South Oxfordshire) and south of Newbury (in Basingstoke and Deane) support the largest concentrations of workers outside of Berkshire.

Figure 3.9 Local Travel to Work Area for Berkshire, 2011



Source: Census 2011 / NLP analysis

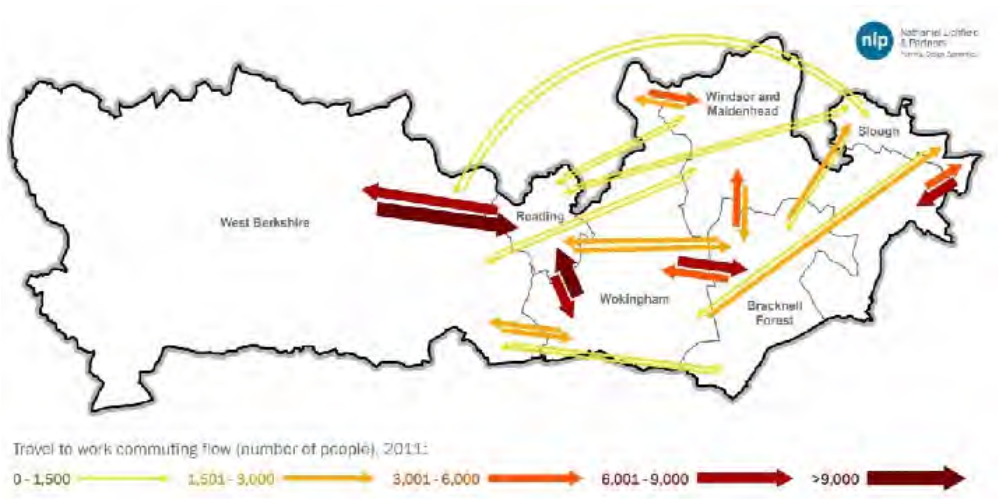
Labour Market Self-Containment

3.40 The above assessment considers the key travel to work flows that currently characterise the local authority areas in Berkshire, in order to understand the relationships that exist across the sub-region in terms of the movement of labour. The analysis also defined the key travel to work area for each of the six local authorities. It is useful to specifically consider the nature and scale of commuting flows solely within Berkshire as an alternative means of defining the key labour market areas that operate across the sub-region.

Internal Commuting Flows

3.41 Figure 3.10 and Table 3.3 below provide a summary of the internal in and out commuting flows within Berkshire. Although flows of labour are recorded between all six authority areas, the scale of these vary significantly with the strongest flows of commuters travelling between Reading and the authorities of Wokingham and West Berkshire. This is likely to reflect the size and importance of the Reading economy in both labour and employment terms, as well as the location of a number of Reading's out-of-town business parks (such as Green Park) falling partly within the Wokingham administrative area.

Figure 3.10 Travel to Work Flows within Berkshire, 2011



Source: Census 2011 / NLP analysis

3.42 By contrast, the scale of commuting between West Berkshire and the authorities of Slough, Windsor & Maidenhead and Bracknell Forest is much less significant, indicating a broad east west Berkshire split in labour market area terms.

3.43 Census 2011 data indicates that the self-containment rate within Berkshire is just under 47%. This means that 47% of residents that live within Berkshire also work there. This represents a relatively high proportion, particularly when compared with some of the individual authorities in isolation.

Table 3.3 Summary of the Internal Commuting Flows within Berkshire, 2011

		Out Commuting Flows						
		Bracknell Forest	Reading	Slough	West Berkshire	Windsor & Maidenhead	Wokingham	Total
In Commuting Flows	Bracknell Forest	-	2,247	751	1,027	2,135	6,371	12,531
	Reading	1,936	-	910	9,199	1,297	12,616	25,958
	Slough	1,878	1,052	-	518	5,865	1,767	11,080
	West Berkshire	833	6,255	271	-	542	2,659	10,560
	Windsor & Maidenhead	4,910	1,361	6,380	611	-	3,124	16,386
	Wokingham	4,620	7,778	517	2,498	1,692	-	17,105
	Total	**14,177**	**18,693**	**8,829**	**13,853**	**11,531**	**26,537**	**93,620**

Source: Census 2011 / NLP analysis

3.44 This data underlines the relative dominance of Reading as an employment centre within Berkshire, with the flow of in-commuters to the Borough accounting for over a quarter (28%) of all commuting flows across Berkshire. It also emphasises the important role that Wokingham plays in supplying labour to the wider Berkshire area, with the Borough's resident labour force accounting for 28% of all travel to work movements across Berkshire.

Synthesis

3.45 By assessing travel to work patterns in and out of Berkshire, it is possible to understand the relationship between where people live and work within the sub-region. This effectively allows functional labour market areas for Berkshire to be defined.

3.46 An analysis of Census 2011 commuting flows data underlines the significant effect that Reading and West Berkshire have upon travel to work patterns in Berkshire, by accommodating the largest resident and workplace workforce and having the highest levels of labour self-containment in the sub-region.

3.47 Slough also has a strong influence on labour market movements and represents one of just two net importers of labour in Berkshire (alongside Reading) although these commuting relationships are just as strong with neighbouring Buckinghamshire and London as they are with Berkshire.

3.48 Census data also points to a growing east-west labour market divide in Berkshire (between the 2001 and 2011 Census), driven by the increasing influence and draw of Heathrow in commuting terms and declining influence of Reading upon travel to work flows with more eastern parts of Berkshire. By contrast, TTWAs in the west of the LEP area have remained largely unchanged and relatively self-contained over the last 10 years, although a notable exception includes the growth of the Basingstoke TTWA which has extended further into West Berkshire.

3.49 The local travel to work areas presented above appear to substantiate the ONS 2011 TTWA analysis which identifies three broad TTWAs crossing the Berkshire area as follows:

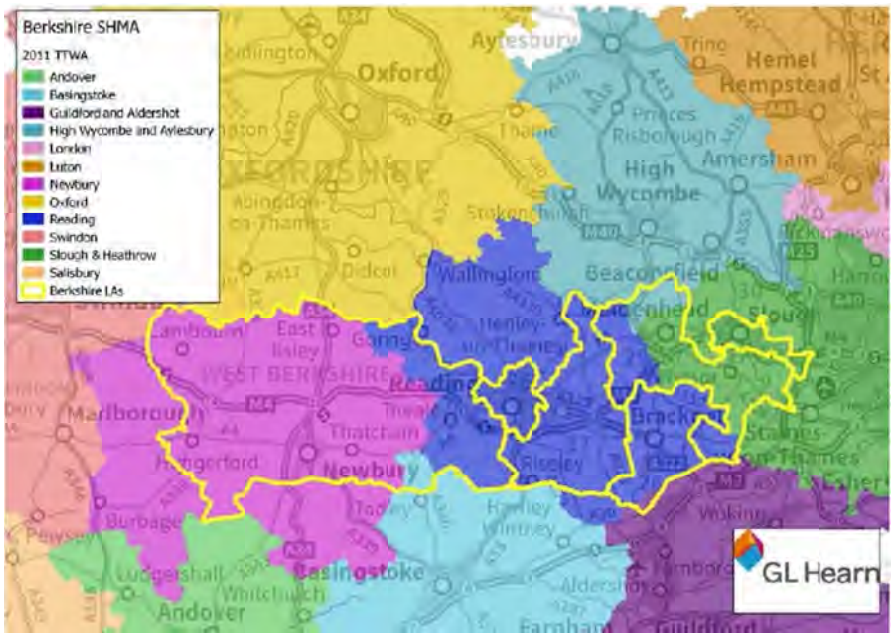
1. A **Reading TTWA** comprising the whole of Reading and Wokingham Boroughs as well as the majority of Bracknell Forest and parts of South Oxfordshire, West Berkshire, Windsor & Maidenhead and Hart.
2. A **Slough and Heathrow TTWA** including all of Slough Borough and parts of Windsor & Maidenhead. The majority of this TTWA falls to the east of the TVBLEP area, comprising a number of authorities including Runnymede, Spelthorne, South Bucks and the London Boroughs of Hillingdon and Kingston upon Thames.
3. A **Newbury TTWA** comprising the majority of West Berkshire District as well as parts of Wiltshire, Basingstoke and Deane and Test Valley.

3.50 In most cases, these TTWAs align reasonably well with Berkshire local authority boundaries, although Windsor & Maidenhead stands out as featuring within two separate TTWAs; the western parts of the Borough within the Reading TTWA and eastern parts of the Borough within the Slough and Heathrow TTWA (Figure 3.11)[12]. This reflects the unique geography of the

[12] It should be noted that a small area within the Northern part of Windsor & Maidenhead falls within a High Wycombe and Aylesbury TTWA (as shown in Figure 3.11) although the strength of this overlapping TTWA is relatively less significant than for the Reading and Slough and Heathrow TTWAs

Borough, and relative proximity to key employment centres to the east and west of the Borough.

Figure 3.11 2011 TTWA Alignment with Local Authority Boundaries



Source: Berkshire (including South Bucks) Strategic Housing Market Assessment (Final Report, February 2016)

3.51 It should be noted that there are also significant labour market flows between West Berkshire and Reading (as illustrated in Table 3.1 and Figures 3.4 and 3.6), with eastern parts of West Berkshire District (particularly those comprising the wider Reading urban area) falling within the Reading TTWA (Figure 3.11).

4.0 Housing Market Areas

4.1 Housing market areas are a useful input to the process of considering the spatial extent of Functional Economic Market Areas due to the influence they have upon travel-to-work and labour market flows. Close relationships typically occur between the boundaries of sub-regional housing markets and sub-regional labour markets (generally referred to as Travel to Work Areas as explored in the previous section). Across the South East around 65% of all households contain people who are in work, and unless these people are taking up a job in another location outside an acceptable journey time, they are likely to look for somewhere to live within the same travel to work area if they move house[13].

4.2 This section considers the housing market areas that operate across the Thames Valley. A number of housing market studies are currently being prepared to take account of the latest data and demographic projections. The emerging findings from these studies are summarised below, focusing upon the key conclusions from a housing market perspective.

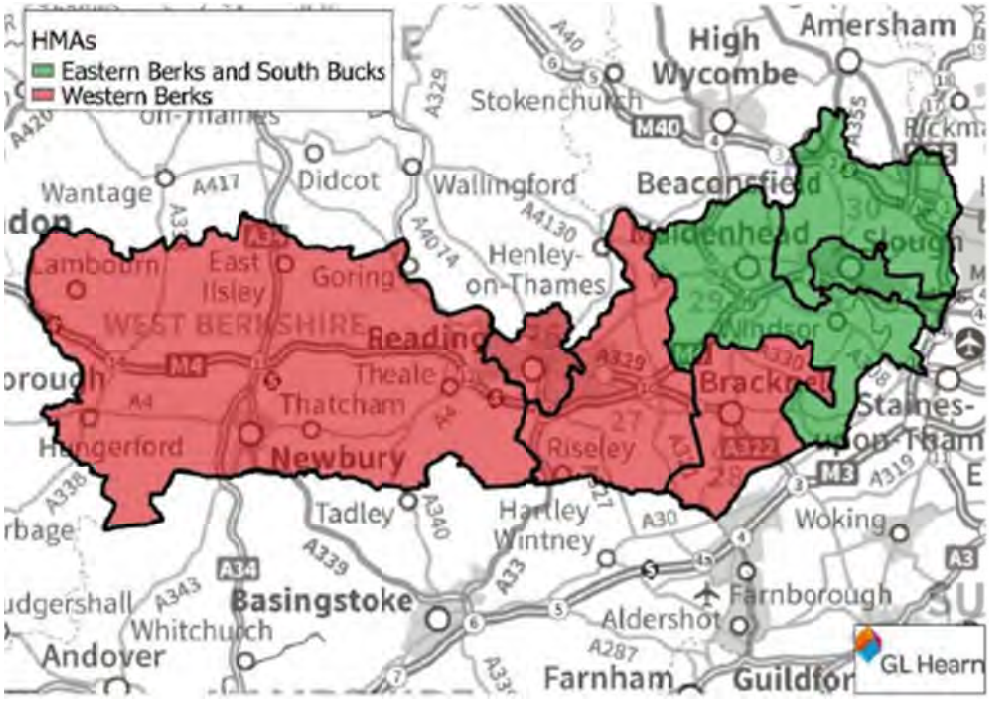
Berkshire

4.3 A Strategic Housing Market Assessment[14] (SHMA) has recently been prepared on behalf of the six Berkshire authorities and the TVBLEP by GL Hearn, Justin Gardner Consulting and Wessex Economics. The study involves two stages; the identification of housing market area(s) currently operating across the sub-region and the identification of the objectively assessed housing needs across the housing market area(s).

4.4 Using a best fit to local authority boundaries approach, this study identified **two separate HMAs operating across Berkshire; a Western Berkshire HMA covering Bracknell Forest, Wokingham, Reading and West Berkshire; and an Eastern Berkshire and South Bucks HMA comprising Slough, Windsor and Maidenhead and South Bucks**. These are shown in in Figure 4.1 below. The key differences between these areas relate to the strength of migration and commuting flows with Greater London, and in respect of house prices – with notably higher house prices in the Eastern Berks and South Bucks HMA.

[13] Berkshire Housing Market Assessment, Final Report February 2007, DTZ Consulting & Research
[14] Berkshire (including South Bucks) Strategic Housing Market Assessment, Final Report, February 2016

Figure 4.1 Housing Market Areas in Berkshire



Source: Berkshire (including South Bucks) Strategic Housing Market Assessment (Final Report, February 2016)

4.5 The SHMA notes that the case for these identified HMAs is stronger for the western area, not least because of the influence of London on the housing market, migration and commuting in Eastern Berkshire. By contrast (and as highlighted in Section 3.0 above), London's influence from a travel to work perspective is not as strong in the western area of Berkshire.

4.6 The Berkshire SHMA also notes that near the boundaries of any HMA there are relationships to adjoining areas, and the Berkshire area is no exception. The evidence in particular shows links from Bracknell Forest to Hart/ Surrey Heath; from West Berkshire into Basingstoke and Deane and Wiltshire; from Reading into South Oxfordshire; as well as an influence from Greater London.

4.7 There is also evidence of interactions between the two HMAs, particularly between RBWM and Bracknell Forest. Bracknell Forest's links with Wokingham are however stronger. This study also identifies that there is some overlap with adjoining areas for example South Bucks is linked with the other local authorities in Central Buckinghamshire. Reading is linked to the southern parts of South Oxfordshire. Bracknell Forest has relationships into the Blackwater Valley and West Berkshire has a relationship with Basingstoke & Deane.

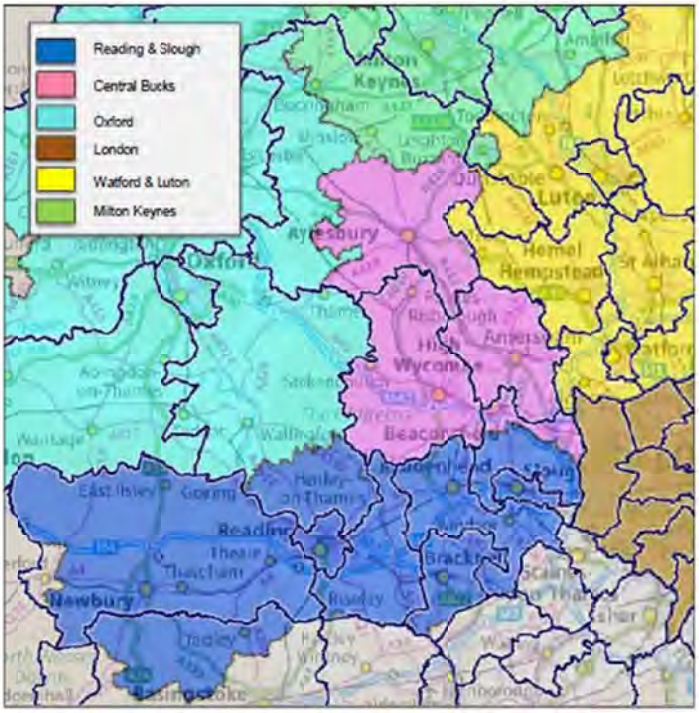
4.8 It is important to recognise these relationships in Duty to Cooperate terms, albeit they are not strong enough to merit sharing HMAs. The study concludes that for the purposes of considering future housing provision, the local authorities identified in the two HMAs should work initially to consider how housing need can be met within each HMA as defined.

Buckinghamshire

4.9 Opinion Research Services (ORS) and Atkins were jointly commissioned by the four District Councils in Buckinghamshire (Aylesbury Vale, Chiltern, South Bucks and Wycombe) to identify Housing Market Areas (HMAs) and Functional Economic Market Areas (FEMAs) for the county and surrounding areas[15]. A final report was published in March 2015. This concluded that a substantial majority of Buckinghamshire (80% of the population) falls within a single Housing Market Area, which includes Aylesbury town and High Wycombe, as well as the smaller settlements of Amersham, Beaconsfield and Princes Risborough. Milton Keynes (to the north) and Reading & Slough (to the south) can also be considered to be strategic housing market areas.

4.10 The proposed HMAs across the sub-region based on Middle-level Super Output Area (MSOA) boundaries is shown in Figure 4.2 below.

Figure 4.2 Functional Housing Market Areas based on MSOA boundaries, with Local Authority Boundaries



Source: ORS and Atkins, March 2015

4.11 The study identified a Central Buckinghamshire HMA which is shown in pink in Figure 4.2, and this comprises all of Wycombe and Chiltern Districts as well as parts of Aylesbury Vale and South Bucks. More specifically, the study notes that the South Bucks population is divided, with approaching half living in the Central Buckinghamshire functional housing market area and the remainder living in a Reading & Slough functional area. It is identified as relating more strongly to London and Slough/Windsor than other parts of Bucks.

[15] Housing Market Areas and Functional Economic Market Areas in Buckinghamshire and the surrounding areas: Report of Findings, March 2015, Opinion Research Services and Atkins

4.12 The report authors recommended that South Bucks district should be considered within the "best fit" for a Reading & Slough HMA, comprising the local authorities of Bracknell Forest, Reading, Slough, West Berkshire, Windsor & Maidenhead and Wokingham, as well as South Bucks. The study also acknowledged that the analysis can only identify the full extent of those HMAs and FEMAs for Buckinghamshire, and that neighbouring areas will only be identified as far as is necessary to establish the most appropriate boundary between them and the areas being identified in Buckinghamshire.

4.13 Since the Buckinghamshire HMA and FEMA study was published in March 2015, South Bucks have started to progress a Joint Local Plan with Chiltern District. To inform the Joint Local Plan evidence base, the two authorities have commissioned ORS and Atkins to undertake a Buckinghamshire Housing and Economic Development Needs Assessment (HEDNA) to identify housing and employment requirements over the period to 2033.

4.14 A Consultation Draft report was published in January 2016 outlining emerging HEDNA study findings and recommendations[16]. These findings indicated that the most pragmatically appropriate "best fit" for Chiltern and South Bucks as a single, combined area would be as part of the Central Bucks HMA; together with the authorities of Aylesbury Vale and Wycombe. This conclusion does not change the functional HMAs that have previously been identified by the March 2015 HMA and FEMA study, but provides a pragmatic arrangement for South Bucks in the context of developing a Joint Local Plan with Chiltern.

4.15 This position is reinforced by the Chiltern and South Bucks Local Plan Initial Consultation document[17] which notes that the 'best fit' approach to defining market areas (whereby the Chiltern and South Bucks Local Plan area falls within a Buckinghamshire Housing Market Area and Functional Economic Market Area comprising Chiltern, South Bucks, Wycombe and Aylesbury Vale districts) does not change the functional relationship between part of South Bucks and the Berkshire market area (or with London) where there is an overlap or functional relationship and there will remain important Duty to Co-operate relationships with Slough, Royal Borough of Windsor and Maidenhead, London Borough of Hillingdon and Mayor of London.

4.16 The latest evidence emerging from the Buckinghamshire HEDNA therefore concludes that whilst there are notable housing market linkages and relationships between South Bucks and Berkshire, for the purposes of plan making, South Bucks should be regarded as part of the Central Bucks HMA.

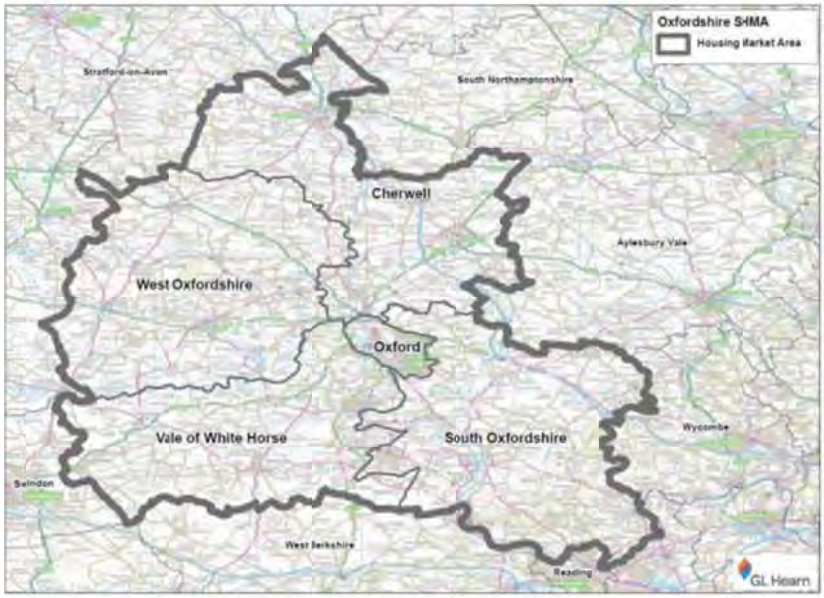
[16] Buckinghamshire Housing and Economic Development Needs Assessment 2015, Report of Findings, Consultation Draft: January 2016

[17] Chiltern and South Bucks Local Plan, Initial Consultation (Regulation 18) Incorporating Issues and Options, January/March 2016

Oxfordshire

4.17 A Strategic Market Housing Assessment (SHMA) for Oxfordshire[18] was published in 2014 and identified an Oxford-focused sub-regional housing market extending across much of Oxfordshire, reflecting the economic influence of the City (illustrated in Figure 4.3). It concluded that the county remained the most appropriate geography for analysis of housing markets in terms of the 'best fit' of local authority boundaries to a functional housing market area.

Figure 4.3 Oxfordshire Housing Market Area



Source: Oxfordshire Strategic Housing Market Assessment: April 2014, GL Hearn

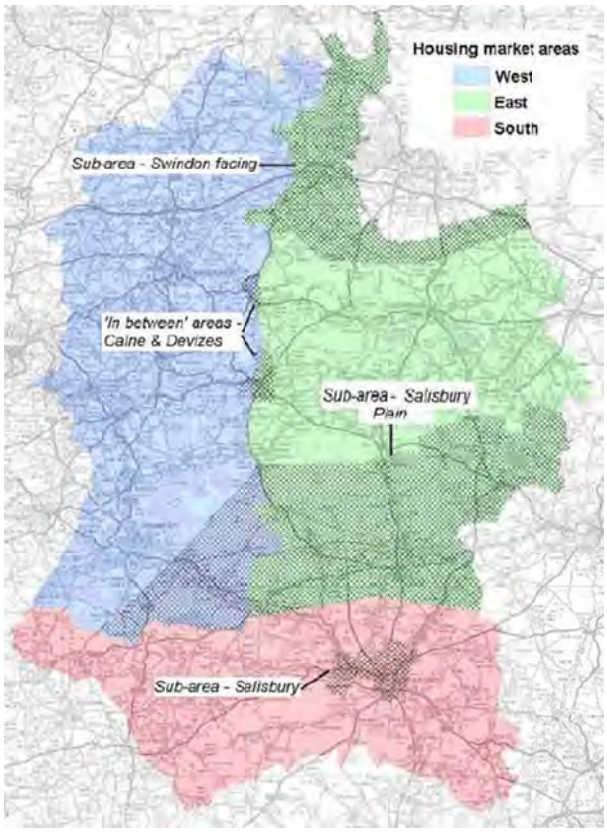
4.18 The SHMA however recognised that there are links, in housing market and economic terms, between parts of Oxfordshire and surrounding areas, including major employment centres close to the county's boundaries, including Reading (the influence of which extends into South Oxfordshire including Henley-on-Thames) and Swindon (the influence of which extends into the Vale of White Horse).

Wiltshire

4.19 The Wiltshire SHMA[19] was prepared by Fordham Research / RS Drummond Hay in 2011 and identified a number of Housing Market Areas that operate across the County, as shown in Figure 4.4 below. The Eastern Wiltshire HMA, which relates most closely to Berkshire, was defined as the area to the east of Devizes and Calne.

[18] Oxfordshire Strategic Housing Market Assessment: April 2014, GL Hearn
[19] Wiltshire Council Strategic Housing Market Assessment, December 2011, Fordham Research / RS Drummond Hay

Figure 4.4 Wiltshire Housing Market Areas



Source: Wiltshire Strategic Housing Market Assessment 2011

4.20 The study identified that this part of the County 'looks' towards the prosperous towns of Reading and Newbury and even further away to Oxford and London; and was strongly influenced by Swindon. It does not identify any overlap between the Wiltshire HMAs and the Berkshire Authorities and the defined HMAs did not extend beyond the County boundaries.

4.21 The Swindon and Wiltshire Local Enterprise Partnership (LEP) have recently commissioned a SHMA and FEMA study to identify up to date housing market areas and growth requirements.

Hampshire

Test Valley

4.22 A Strategic Housing Market Assessment for Test Valley was undertaken in 2013 (published January 2014[20]) and noted that at a 'strategic' level, Test Valley can be considered as part of a Southampton Housing Market area which covers the Borough along with Winchester, Southampton, Eastleigh and New Forest.

4.23 A lower level analysis based on ward data splits the Borough broadly into two local HMAs (Winchester/Eastleigh and Salisbury) with the Bourne Valley ward

[20] Test Valley Strategic Housing Market Assessment, January 2014, Justin Gardner Consulting

(to the north of the District) being placed in the Newbury HMA. The Winchester/Eastleigh HMA includes 13 wards to the south of the Borough along with most wards in Eastleigh and Winchester (and a small number in East Hampshire). The Salisbury HMA contains 10 wards in the Borough and extends to cover virtually all of the former local authority of Salisbury along with parts of East Dorset, New Forest and the former local authority area of Kennet.

4.24 This suggests there is very limited overlap in housing market area terms with Berkshire.

Basingstoke and Deane

4.25 The Basingstoke and Deane SHMA 2015 Update[21]reviewed the evidence base for the Housing Market Area provided in the March 2014 SHMA, including analysis of 2011 Census data for migration, travel to work statistics, and property price data as well as considering the SHMAs produced by neighbouring authorities since the publication of the 2014 SHMA.

4.26 It concludes that Basingstoke and Deane can be considered as a self-contained housing market area. Although there are relationships with neighbouring areas, particularly in relation to migration and travel to work patterns, with West Berkshire, Hart and Test Valley, taken with other contextual information and based on neighbouring authorities SHMAs, there is no new evidence to suggest that the Housing Market Area extends beyond the borough boundary.

Surrey

Blackwater Valley

4.27 A Strategic Housing Market Assessment[22] was published in 2014 by Wessex Economics on behalf of the three authorities of Hart, Rushmoor and Surrey Heath to develop an up to date evidence base that will underpin the core strategies and development plan documents being developed by the three authorities.

4.28 The analysis provided strong justification for the three authorities to work together, and identified that the three authorities form a single Housing Market Area. It also highlights the continued need to work with other neighbouring authorities in adjacent strategic housing market areas given the close links and complexity across the wider sub-region.

4.29 In terms of migration, Rushmoor, Hart and Surrey Heath are closely linked to one another. Rushmoor's most significant relationship is with Hart. Hart and Surrey Heath's most significant relationships are with Rushmoor. Hart and Surrey Heath are also connected to one another through migration flows but

[21] Basingstoke and Deane Strategic Housing Market Assessment, Basingstoke and Deane Borough Council, Updated May 2015
[22] Hart, Rushmoor and Surrey Heath Strategic Housing Market Assessment, Wessex Economics Ltd, December 2014

these are less significant than those with Rushmoor, Basingstoke (for Hart) and Woking (for Surrey Heath).

4.30 The study also noted that household movements between the three authorities and nearby Bracknell Forest are also relatively significant, particularly with regards to Hart and Surrey Heath. This suggests that Bracknell Forest can be viewed as having some links with the Blackwater Valley sub-regional housing market, although these linkages are much less significant with other parts of Berkshire.

Runnymede and Spelthorne

4.31 Spelthorne and Runnymede Borough Councils have been working together to prepare a SHMA which sets out the extent of the housing market area in Spelthorne and Runnymede and the number and type of homes needed to meet housing demand in that combined area over the period 2013 to 2033.

4.32 The final SHMA report[23] was published in November 2015 which identifies a strong relationship between these two authority areas and London, which is borne out in house prices, migration and commuting analysis. Looking more specifically at Surrey, the study identified a number of HMA groupings, including a North West Surrey HMA which comprises the local authority areas of Spelthorne and Runnymede.

West Surrey

4.33 It should be noted that a West Surrey SHMA is currently being undertaken on behalf of Guildford, Waverley and Woking Borough Councils. Although this study has yet to be finalised, emerging findings set out in the Draft Report[24] define a core West Surrey HMA as comprising the local authorities of Guildford, Waverley and Woking. This reflects the strong migration and commuting links between the three authorities and similar housing market characteristics.

4.34 It also identifies a complex set of interactions between areas across Surrey and North Hampshire, including a particular set of links between the core HMA and Rushmoor, East Hampshire and Runnymede. On this basis, there is no strong evidence of any overlap or relationship between the West Surrey housing market area and Berkshire.

Greater London

4.35 The 2013 GLA SHMA[25] focuses on the Greater London area, but recognises that ‘its urban area extends beyond this boundary and encompasses a substantial hinterland’ although there is no universally accepted way of measuring these cross boundary relationships.

[23] Runnymede and Spelthorne Strategic Housing Market Assessment, Final Report November 2015, GL Hearn
[24] Strategic Housing Market Assessment, Runnymede BC & Spelthorne BC, Final Report November 2015, GL Hearn
[25] Mayor of London, The 2013 London Strategic Housing Market Assessment, January 2014

4.36 The examination of Further Alternations to the London Plan took place in September 2014. This included consideration of whether London can be described as a single Housing Market Area. The report from the Planning Inspector, Anthony Thickett, following the Examination in Public was published in December 2014. In Paragraph 22 the Inspector did not challenge the GLA's contention that London represents a single Housing Market area, commenting that:

"The Mayor points to the acceptance by previous EiP Panels that London constitutes a single housing market area with sub markets which span Borough boundaries. The Mayor also points to the findings of the High Court, following a challenge to the Revised Early Minor Alterations to the London Plan, within which in his (undisputed) opinion, the Court accepted that although local variations exist, this did not compromise the view that London constitutes a single housing market area."

4.37 On this basis the London SHMA evidence does not point to any significant overlapping housing market relationships extending into Berkshire.

Synthesis

4.38 Recent SHMA work undertaken on behalf of the six Berkshire authorities points to the existence of two HMAs operating across the LEP area; a Western Berkshire HMA covering Bracknell Forest, Wokingham, Reading and West Berkshire; and an Eastern Berkshire HMA comprising Slough, Windsor and Maidenhead and South Bucks. This uses a best fit to local authority boundaries approach.

4.39 The case for these identified HMAs is stronger for the western area, not least because of the influence of London on the housing market, migration and commuting in Eastern Berkshire. By contrast, London's influence from a travel to work perspective is not as strong in the western area of Berkshire.

4.40 The Berkshire SHMA also notes that near the boundaries of these HMAs there are relationships to adjoining areas, and also some evidence of interactions between the two HMAs, particularly with regards to Bracknell Forest's links with Windsor & Maidenhead and Wokingham (although these relationships are not strong enough to merit sharing HMAs).

4.41 Recent HMA analysis prepared on behalf of the four Buckinghamshire authorities identified that South Bucks falls across two separate HMAs; namely a Central Buckinghamshire HMA (comprising all of Wycombe and Chiltern Districts as well as parts of Aylesbury Vale and South Bucks) and a Reading & Slough HMA (comprising the local authorities of Bracknell Forest, Reading, Slough, West Berkshire, Windsor & Maidenhead and Wokingham, as well as South Bucks).

4.42 Since this analysis was published, South Bucks have started to progress a Joint Local Plan with Chiltern District and have commissioned new evidence to determine housing and employment requirements over the period to 2033. The

latest evidence emerging from this HEDNA study suggests that the Joint Local Plan Area for Chiltern and South Bucks would form part of a “best fit” with a Central Bucks HMA; together with the authorities of Aylesbury Vale and Wycombe.

4.43 Housing market studies prepared for other authorities surrounding Berkshire defines those authorities as falling within separate HMAs, with no evidence of overlapping housing market relationships extending into Berkshire. On this basis, it is possible to identify two HMAs operating across the LEP area; an Eastern Berkshire HMA and a Western Berkshire HMA.

5.0 Functional Commercial Property Market Areas

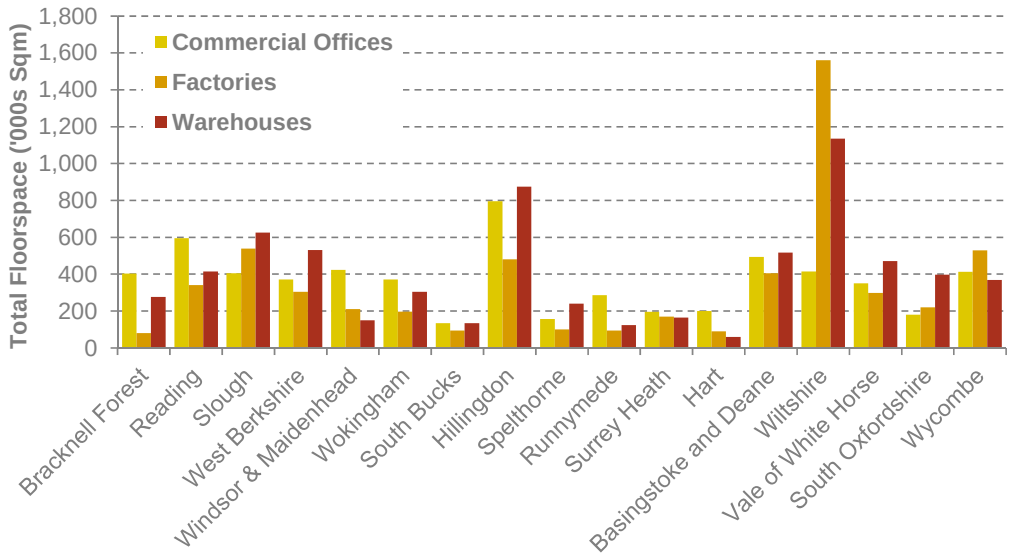
5.1 Commercial property market intelligence represents a key element to defining Functional Economic Market Areas, as the geographical extent of markets can be defined by the location of customers, supply chains, competitors (including competing employment schemes) and enquiries, as well as the proximity to key transport infrastructure. Much of the activity occurring within a commercial property market represents the gradual churn of occupiers, as a company's location can often be largely dictated by the need to be easily accessible to where the majority of their staff reside.

5.2 This section uses the latest information and data from the Valuation Office Agency (VOA), EGi Property Link database and published economic studies and property market reports for Berkshire and the wider sub-region, to summarise the scale and spatial distribution of existing commercial space, and provide an overview of commercial property market signals and dynamics across the sub-region.

Stock of Employment Space

5.3 Using VOA data, it is possible to estimate the total stock of employment space within Berkshire and compare this with nearby areas across the wider sub-region (Figure 5.1). This indicates that Berkshire accommodates a significant stock of employment space, equivalent to over 6.5 million sq.m in overall terms. Just under 40% of this relates to commercial office space, with warehousing and factory space accounting for 35% and 26% respectively.

Figure 5.1 Employment Floorspace by Local Authority ('000s Sq.m)



Source: ONS Neighbourhood Statistics / VOA 2008 / NLP analysis

5.4 Within Berkshire, the largest stock of B class space is accommodated in Slough (at 1,569,000sq.m), followed by Reading (1,351,000sq.m) and West Berkshire (1,206,000sq.m). Bracknell Forest accommodates the smallest overall quantum of employment space at 762,000sq.m, with Windsor & Maidenhead and Wokingham recording 783,000sq.m and 872,000sq.m of total stock respectively.

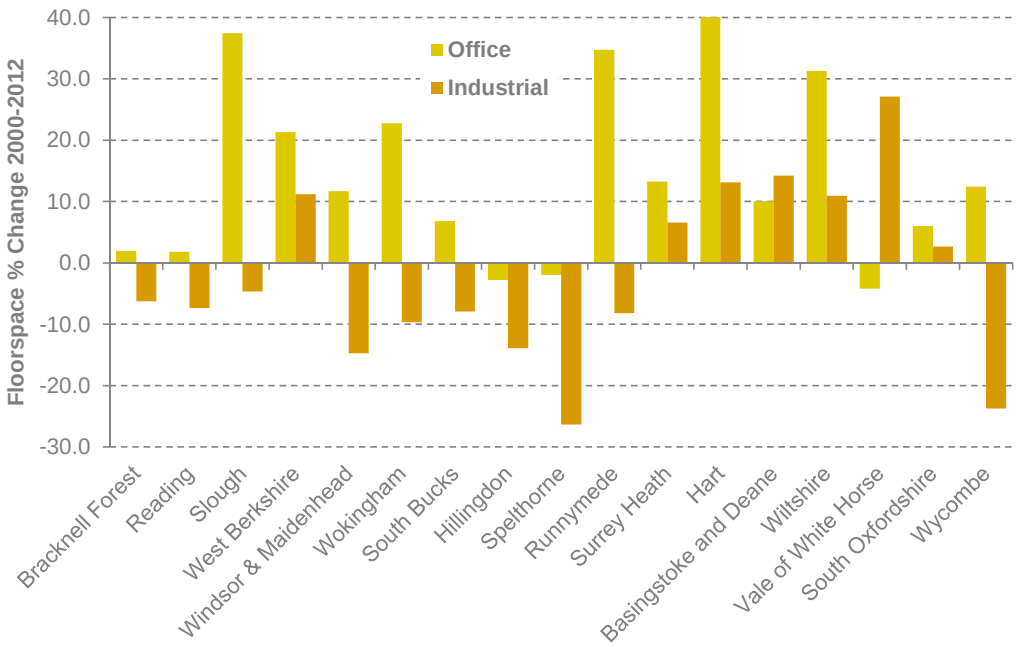
5.5 The largest industrial locations in Berkshire in floorspace terms are Slough, West Berkshire and Reading, while Reading and Windsor & Maidenhead record the highest amount of commercial office space.

5.6 Compared with the wider sub-region and adjoining authorities, Berkshire authorities represent significant office and industrial locations in employment floorspace terms, with only Wiltshire and Hillingdon accommodating more space than the larger Berkshire centres of Slough, Reading and West Berkshire. A number of adjoining authorities such as South Bucks, Runnymede and Spelthorne have a much smaller stock of B class space, reflecting constraints such as Green Belt policy.

Change in Floorspace

5.7 Over the 12 years from 2000 to 2012, the stock of commercial office space in Berkshire increased by just under 15%. This rate of growth was higher than across the South East as a whole (11.9%) but slightly below the England and Wales average over this period (of 16.6%).

Figure 5.2 Change in office and industrial floorspace by location, 2000-2012



Source: VOA 2012[26] / NLP analysis

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

5.8 This trend varies considerably within Berkshire however, with the majority of office space growth driven by Slough, Wokingham and West Berkshire (Figure 5.2). This pace of growth was comparable to other locations within the wider sub-region such as Runnymede, Hart and Wiltshire (albeit from a lower base point). Minimal levels of office space growth were recorded in Bracknell Forest and Reading over the 12 years to 2012.

5.9 By contrast, industrial space in Berkshire as a whole declined by nearly 4% between 2000 and 2012. This compares with an increase in industrial floorspace equivalent to 1.8% across the South East, and a small decline across England and Wales of 2.8%.

5.10 This Berkshire trend was mirrored across all authorities apart from West Berkshire, which recorded an increase in industrial floorspace of 11.2%. The most significant proportionate decline in industrial space was seen in Windsor & Maidenhead (Figure 5.2).

Spatial Distribution

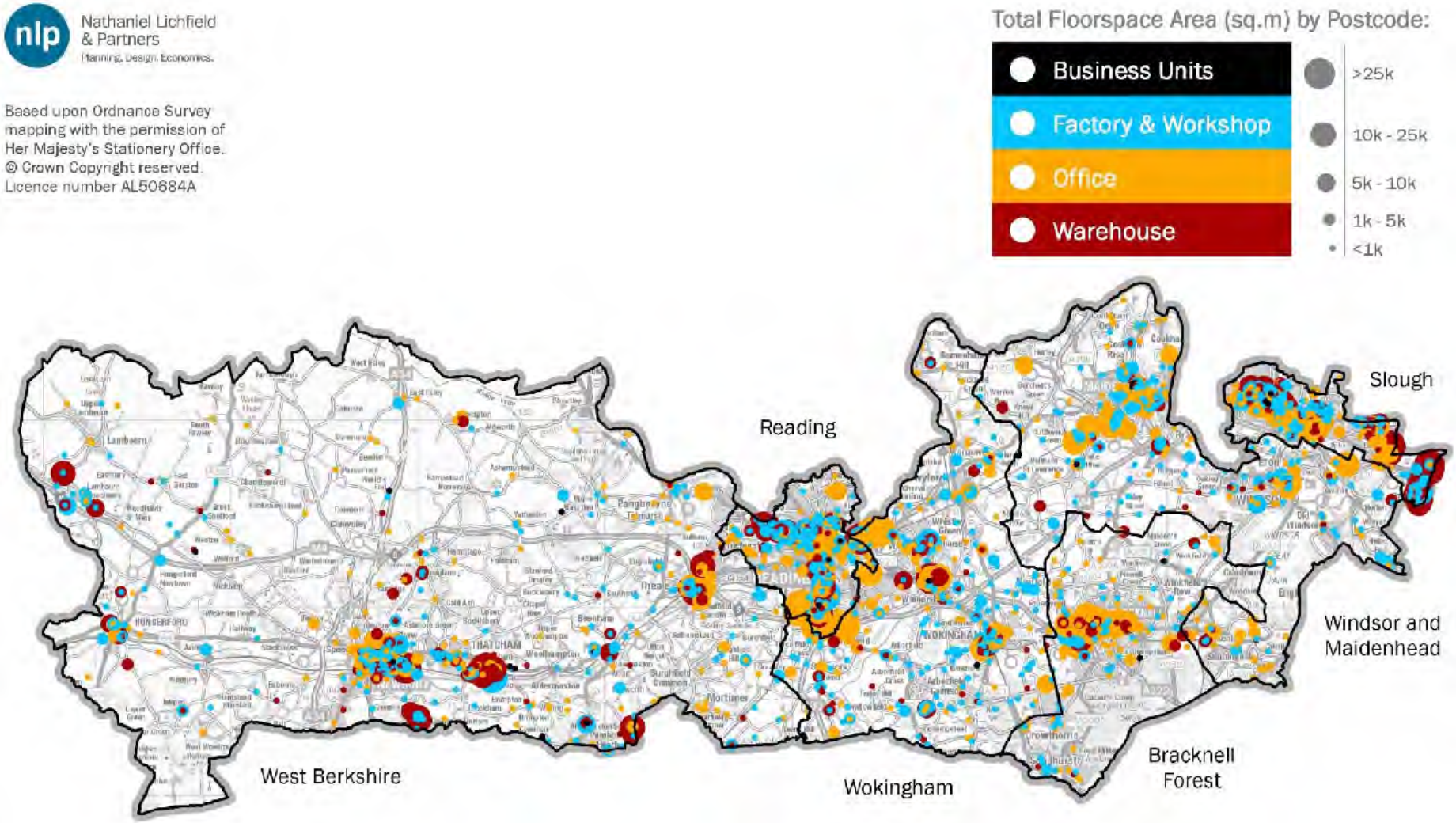
5.11 Figure 5.3 shows the spatial distribution of B class employment space across Berkshire using latest available VOA data. A larger copy of the map is included at Appendix 5. This indicates that the majority of employment space tends to be concentrated in the key commercial centres of Reading, Slough, Bracknell, Maidenhead and Newbury. It also underlines the significant role that the M4 plays in driving Berkshire's commercial property market, with the majority of employment space clustered along this strategic corridor or located close by.

5.12 Each of the main commercial centres accommodate a critical mass of office space, with smaller locations such as Wokingham and Windsor playing a much less significant role in office market terms. Across Berkshire, business units tend to comprise smaller suites of generally office space, and these are scattered across both urban and rural areas.

5.13 Slough, Reading (including parts of Wokingham which lie close to Reading's urban fringe) and Thatcham stand out as accommodating a significant proportion of Berkshire's warehousing space, with the A4 playing a key role in supporting West Berkshire's distribution market.

5.14 Factory and workshop space (which includes R&D and laboratory space) tends to be distributed more evenly across the sub-region, with large clusters found in the key centres of Slough, Reading, Maidenhead and Newbury as well as smaller premises scattered across smaller settlements and more rural parts of Berkshire.

Figure 5.3 Spatial Distribution of Employment Floorspace in Berkshire, 2010



Source: VOA 2010 / NLP analysis

Market Geography

Sub-regional Markets

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

5.16 Given that the majority of potential occupiers or investors search for property by radial routes out of London, there tends to be limited competition between the M3 and M4 corridors. Recent research[27] noted that whilst the M4 market continues to lead the way in terms of occupier activity, rental growth and spec development, the M3 is starting to see the same trends of tightening supply, improving take-up and growing rents. Within the M3 market, the technology sector is reported to have become the dominant business sector for take-up in 2015, followed closely by manufacturing and engineering occupiers. In particular, the town of Bracknell is reported to benefit most from the strength of the M3 and M4 markets, being equally located between the two property corridors.

5.17 The Western corridor is a high value area for offices, attracting some of the highest rents within the South East. Research undertaken by CBRE[28] notes that the rental values seen in the dominant centres of the Western Corridor (such as Maidenhead, Reading, Slough and Bracknell) suggest that these locations are equally attractive to occupiers and have no need to operate at a discount, unlike the smaller markets of Camberley, Farnborough, High Wycombe and Basingstoke. This reflects the general trend of M4 corridor towns commanding higher office rental values than the towns along the M3, mirroring the greater attractiveness of this section of the market to a wider range of occupiers.

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

5.19 The CBRE research identifies a number of sub market areas operating within the wider Western Corridor, as summarised below.

- **Core Thames Valley:** The Core Thames Valley area focuses on the key M4 markets of Reading, Maidenhead, Bracknell and Wokingham, and reflects the close correspondence between these towns in terms of value, accessibility and labour force, and the area's status as the centre of the technology-driven business park market west of London. Over the coming

[27] Reported in Property Week, 6th November 2015
[28] CBRE, South East Regional Property Market Study, March 2007

years, Reading and Maidenhead are expected to remain the main foci for office demand, with Reading the main industrial centre.

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

iii **Heathrow-Slough-High Wycombe:** this sub area effectively represents the eastern end of the Thames Valley market and, in overlapping significantly with the London area, acknowledges the pervasive influence of Heathrow Airport. While there are clear linkages with the Core Thames Valley and little difference in terms of typical values, the industrial and quasi-industrial character of demand in the two main markets of Slough and High Wycombe provides a measure of differentiation. The inclusion of Staines (part of the London Fringe in the original sub-region designation) also reflects the influence of the airport on this market and the commonality in value terms with the other markets in the area.

Berkshire

Bracknell Forest

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

5.21 The Borough's 2009 Employment Land Review[29] noted that a key impact of the Borough's geography, in property market terms, was that it closely interrelated with neighbouring districts. Ease of access to the M4, M3 and M25 all contribute to the Borough's interaction with the surrounding sub-region. Other significant centres nearby included Maidenhead, a strong office market, and Slough, with a substantial stock of industrial property. Woking and Guildford also represented significant centres in the same sub-region while Farnborough and the Blackwater Valley settlements were also nearby.

5.22 The Borough's (and Bracknell Town in particular) strong strategic road connectivity and close access to the motorway network has provided a key factor in attracting major employers over recent decades, as well as the

[29] This evidence base document is now relatively out-of-date but remains the most recent assessment of employment land requirements in the Borough

availability of land for development. Bracknell however was not regarded as a particularly competitive distribution centre; the M4 corridor provides cheaper locations for distribution activity such as Swindon.

5.23 The Borough's ELR identified that in office market terms, Bracknell Forest was in close competition with other centres in the Thames Valley –most notably Reading - which shared or exceeded many of its advantages. In particular, Reading was deemed to offer large office sites in high-quality business parks such as Green Park (straddling the Wokingham Borough boundary) and Winnersh Triangle (Wokingham Borough).

5.24 Analysis of office transactions undertaken in 2011[30] showed that the business services sector (which included information, communications and technology) represented the most dominant occupier in the Borough. However, the sector has recently undergone a period of consolidation and is particularly sensitive to changing working practices such as a drive to reduce floorspace requirements.

Reading

5.25 The Reading market area is the main office location in Berkshire. The nature of the stock on offer in Reading is also different given that it is predominantly head quarter style accommodation. The town's business parks notably Thames Valley Park (which is located within Wokingham Borough) and Green Park (which straddles the Reading/Wokingham Borough boundary) effectively operate within the larger regional Thames Valley / M4 markets, and have historically captured the larger requirements[31]. They provide modern high specification office buildings catering for larger occupier needs. The town centre stock provides more choice in terms of size, accommodation style and specification and has catered for a more diverse occupier base.

5.26 Demand for offices in Reading and the Thames Valley has historically been driven by the telecommunications, media and technology (TMT) business sector, including from businesses with parent companies based in the USA. Notwithstanding the challenges from other regions, countries and continents, businesses are still attracted to this location due to the skilled labour force, proximity to Heathrow and London plus the living and working environment.

5.27 The Reading industrial market can be defined as including the main Reading area and also extending to Winnersh Triangle J10 of M4 (within Wokingham Borough), and Theale J12 of M4 (within West Berkshire District). Reading's neighbouring authorities of West Berkshire and Wokingham accommodate large parts of what is generally considered to be the Reading office market; for example Arlington Business Park at Theale (West Berkshire District) and Green Park, Thames Valley Office Park and Winnersh Triangle (Wokingham Borough). The arrival of Crossrail to Reading is anticipated to extend Reading's competitive rail advantage over nearby locations such as Bracknell.

[30] Hicks Baker, Market Perspective of Bracknell Forest Borough Office Floorspace 2011
[31] Reading Employment Land Review, October 2006, Roger Tym & Partners

Slough

5.28 Slough represents a significant commercial centre within the Western Corridor, and accommodates the largest stock of industrial space in the Thames Valley. A recent study undertaken on behalf of Slough Borough Council[32] identifies the Slough Trading Estate in particular as being a key asset for the Thames Valley Berkshire as a whole, as well as Slough. The Borough has a significant strength in the logistics sector, in part due to its strategic location between the M4, M25 and Heathrow Airport. It is home to the headquarters of a number of large, multinational companies across a broad array of sectors.

5.29 Market feedback points to a shortage of Grade A office space in Slough, and it is anticipated that demand for this type of space will increase with new transport improvements such as Crossrail. The current supply of office space in Slough is noted by the 2015 Business Focus Study as consisting of a relatively high amount of Grade B and C stock; by comparison, Reading has a large amount of prime, Grade A stock.

5.30 The amount of office stock in Slough may be affected as a result of the recent changes in Permitted Development (PD) that allow conversion of office space to residential uses without the need for planning permission. Council monitoring data shows that this PD activity to date has been focused upon Slough Town Centre, and specifically older office stock. As at November 2015, Slough Borough Council estimates that 54,000sq.m of office space (equivalent to just over 10% of the Borough's total office stock) has the potential to be lost to residential use in the next few years under this national policy.

5.31 Construction of new A grade office space in the Town Centre is expected to start in the next 12 months. The loss of small/low grade/ town centre units may however have implications for the Borough's start-ups and small businesses that require more affordable provision.

West Berkshire

5.32 West Berkshire has a variety of employment sites ranging from large business parks and industrial estates to small rural sites converted from agricultural uses. There are particularly high concentrations of office floorspace in Newbury and Theale, and to a lesser extent Hungerford, Thatcham and New Greenham Park. Light industrial activity (B1c) is slightly more dispersed with lower concentrations in town centres and greater concentrations south of the A4, at Theale and west of Hungerford and Lambourn. The dispersal of B8 warehousing and B2 industrial space is also concentrated along the A4, at Theale and west of Lambourn and Hungerford, in proximity to Junction 14 of the M4.

5.33 The District accommodates a number of strategically important employment sites and occupiers including at New Greenham Park, Vodafone HQ, and the

[32] Slough Business Focus Study & Strategic Response, Regeneris, May 2015

Atomic Weapons Establishment (AWE) which has two bases in the area at Aldermaston and Burghfield.

5.34 The District's 2007 Employment Land Assessment notes that Reading is a particularly significant location in the context of West Berkshire given the transport links between the two areas and the fact that Reading is a major business location. West Berkshire is well connected in transport terms and the District's Core Strategy (Adopted July 2012) notes that the east-west M4 motorway intersection at Chieveley with the north-south A34 at the centre of the District is an important road interchange. The District benefits from good strategic road connections to larger centres such as Reading, Oxford, Swindon, Basingstoke and London, while mainline railway services to London and the south west of England run through the south of the District.

5.35 The Core Strategy also identifies the important role that traditional industries such as agriculture and the racehorse industry will have to play in driving the economy in future, and that the majority of the District (particularly away from the Reading urban area) is characterised by a mixed economy that is far more rural in nature than the rest of Berkshire. This rural characteristic also presents a number of challenges including transport accessibility issues in more rural parts of the District.

Windsor & Maidenhead

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

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

5.38 In general, the Borough is not perceived as an industrial location due to its lack of supply, development constraints, nearby competitors such as Slough Trading Estate and high labour costs. Accordingly, the market is localised with demand mainly for smaller industrial units.

5.39 The Borough's 2009 Employment Land Review Update noted that there were a number of major developments planned or underway in surrounding districts, some of which may represent competition to RBWM's economic growth prospects. These included the Heart of Slough office scheme, Amen Corner in

Bracknell and Green Park in Reading/Wokingham; local agents at the time believed that Windsor does not compete with these centres because most potential occupiers specifically want to locate in the town due to its cachet as a business and residential location.

5.40 Maidenhead competes to a greater extent in terms of office firms, although the town's well-established IT, telecommunication and pharmaceutical clusters mean that many potential occupiers specifically want to locate in the town. In addition, the Borough has other advantages over these competing locations such as Reading's greater distance from Heathrow and the perception of Slough as an unattractive centre.

Wokingham

5.41 Wokingham represents a smaller office location than either Reading or Bracknell and the nature of the Borough's stock differs somewhat from the predominantly Head Quarter style accommodation offered in these two locations. The Borough's business parks notably Thames Valley Park, Green Park and Winnersh Triangle effectively operate within the larger regional (and specifically Reading) Thames Valley / M4 markets, and capture the larger requirements and command higher rents[33]. The older and smaller stock offered by Wokingham Town Centre, the more secondary Mulberry Business Park and outlying parishes have been able to offer occupiers more choice in terms of smaller sized accommodation at a more competitive rental level.

5.42 The industrial market in Wokingham is relatively dispersed across the Borough except for the main locations being Suttons Business Park, Winnersh Triangle, Mulberry Business Park, Headley Road East and Toutley Industrial Estate. Compared with neighbouring districts, particularly Bracknell, Wokingham has a larger industrial stock due to it being a marginally less favoured office location.

5.43 A recent report by KPMG[34] identifies Wokingham as the number one tech employment cluster in Great Britain, where the proportion of tech jobs is more than five times the UK average. The report notes that major multinational tech companies, as well as smaller 'high tech' firms, are based throughout the purpose-built business parks located within Wokingham including Thames Valley Business Park and Suttons Business Park.

Relationship with other Property Market Areas

5.44 Given their relative proximity to the TVBLEP area, specific consideration has been given to the commercial property market areas associated with parts of Oxfordshire, Buckinghamshire, Surrey, Hampshire and Wiltshire that border Berkshire, drawing on recent evidence and intelligence presented in each respective authorities' employment land review and economic studies.

[33] Wokingham Employment Land Study, October 2005, Roger Tym & Partners and Lambert Smith Hampton
[34] KPMG Tech Monitor UK, October 2013

Surrey Heath, Hart and Rushmoor

5.45 A Joint Employment Land Review has recently been undertaken between the Districts of Hart, Surrey Heath and Rushmoor[35]. This identifies that the commercial property market is centred around the five main settlements of Aldershot, Camberley, Farnborough, Fleet and Frimley, a significant part of an area collectively known as the Blackwater Valley. This is generally perceived to be a relatively self-contained commercial property market due to the close proximity of these centres and good accessibility between them by road.

5.46 There are however, significant variations between the settlements as a result of differences in image, accessibility and relative levels and types of supply of commercial property. There is competition between the Blackwater Valley and other economic centres such as Basingstoke (M3 corridor), Bracknell, Newbury and Reading (M4 corridor) and Guildford and Woking (A3 corridor).

5.47 A significant quantity of large footprint office space has been developed across the Blackwater Valley over the past two decades, although it is widely acknowledged that occupier demand has never kept pace with this supply and the post 2007 economic downturn exacerbated this. This in part reflects that the M3 corridor has generally proved less successful in attracting a consistent level of major corporate relocations than the M4 corridor or the Thames Valley west of London.

5.48 The three authorities have each recently completed separate studies to explore the functional economic areas that each authority forms part of. The studies identify clear evidence that there is a sub-regional market for employment floorspace in the Blackwater Valley, distinct from the markets in Basingstoke, in Guildford-Woking, and in the M25 West Surrey quadrant.

Basingstoke and Deane

5.49 The Basingstoke and Deane Employment Land Review Update (May 2015) notes that various commercial market areas operate across the Enterprise M3 LEP area and Basingstoke is grouped with Andover to form one of the market areas, with the Blackwater Valley market area to the east, which includes Hart and Rushmoor, and the Central Hampshire market area to the south.

5.50 Market intelligence and market signals at the local/regional level show that generally office rent levels in Basingstoke remain low in relation to a number of more buoyant locations, with the office market in Reading stronger, and likely to see further increases in rental levels in the coming years. The lack of grade A space in Basingstoke is particularly pertinent, as this forms the main focus for market demand, with Reading having considerable amounts available, and additional space now coming on stream in the Blackwater Valley (in Farnborough).

[35] Hart, Rushmoor and Surrey Heath Joint Employment Land Review, Final Report, June 2015

Test Valley

5.51 Test Valley is a location that is seeing demand grow for its office and warehousing locations, primarily due to the ease of access and developed transport network including proximity to the M3 and M27, as well as the modern and high quality buildings which are in high demand across the sub-region.

5.52 The Test Valley Employment Land Review Update (October 2012) notes that the appeal of sites in the M27 corridor is attributed to the enhanced accessibility of a location on the M27 compared to a location in the centre of Southampton; and the availability of more modern open plan accommodation with higher parking ratios, both of which are difficult to deliver in the City Centre. Thus, agents have remarked that the M27 area is more characteristic of the overspill Southampton market than of the rest of the Test Valley market.

5.53 As with the office market, there are marked differences between different parts of the Borough in terms of the market for industrial property and warehouses. Andover has a substantial stock of industrial properties, much of it now quite dated, and a reasonable supply of warehouse space, in part linked to its location on the A303.

5.54 Large format warehousing in the Borough has historically been located largely in the southern end of the Borough, to the south of the M27. This area of warehousing is functionally part of the Southampton market and indeed the estates effectively adjoin the City boundary.

Wiltshire

5.55 The Wiltshire Workspace and Employment Land Review (December 2011) notes that like other areas of the UK, the commercial property market in Wiltshire has suffered considerably during the economic downturn. Whilst the economy has returned to economic growth, the recovery is likely to be slow and gradual.

5.56 Industrial and warehouse demand is relatively low, with rental prices falling continually over the past three years. Vacancy rates are continuing to rise and this is primarily due to the lack of prime floorspace that is available. Much of the floorspace that does become available is not fit for purpose and modern business. The north and west Wiltshire are the main concentrations of industrial and warehousing floorspace, whilst the former Salisbury local authority area is a key office location.

5.57 There has historically been very little speculative office development in Wiltshire, reflecting the low levels of demand for such space. More recently there has been significant office development in and around towns located closest to the M4, including Chippenham and Wootton Bassett. A notable exception to this trend has been the development of White Horse Business Park on the edge of Trowbridge, a town with a strong reliance on manufacturing. However, two of the larger occupiers on this park, Vodafone

and Virgin, have recently announced their plans to close their operations in Wiltshire as part of their nationwide cost cutting measures.

Swindon

5.58 Swindon benefits from excellent transport access at the western end of the Thames Valley and has attracted significant inward investment because of this and available land. As noted in the Swindon Employment Land Review (2007), the Borough's property market is characterised by relatively strong demand for industrial space and much weaker, but improving, office space demand.

5.59 The Borough is seen as having strong locational advantages to accommodate new investment and relocating firms from the South East region due to its lower costs, excellent transport accessibility and reasonable proximity to London and Heathrow Airport. Its diverse economy is a key strength to be maintained in future.

5.60 The Swindon ELR notes that the Borough's main competitors for future investment will be centres such as Milton Keynes, Reading, Bristol, and Oxford to some extent, rather than adjoining districts. These areas will compete with the Borough in their own areas of strength, but aside from Oxford, primarily for footloose firms seeking premises in the south of England. In the more specialist science-based and medical related sectors, the Borough is competing with towns with more and/or longer established universities while Reading and Bristol are both seeking to grow in this field.

5.61 The Borough's Employment Land Review is currently being updated, alongside a SHMA and FEMA study which will provide up-to-date evidence on Swindon's role within the wider sub-regional commercial property market area.

Vale of White Horse

5.62 The Vale of White Horse has significant strengths in light industrial sectors and is home to Science Vale UK which straddles the border between the Vale of White Horse and South Oxfordshire. Whilst it accommodates a diverse range of services, these tend to be driven by B1, B2 and B8 land uses.

5.63 Beyond Science Vale UK, there is also an established market area that is defined in the Vale of White Horse Employment land Review (2013) as the 'A34 corridor' which has proved to be an attractive location for high value sector businesses in technology. This has led to the East of the Vale being considered a key area within the sub regional market. Occupier demand has traditionally been focused upon office and light industrial premises, with two specific sites, Milton Park and Harwell, accommodating much of this supply.

5.64 The 2013 ELR noted that Oxford, South Oxfordshire and West Berkshire form part of the same Property Market Area, and businesses will generally consider all four of these areas when looking for a site or premises, each sharing similar market characteristics such as rental values, size and grade of office floorspace.

South Oxfordshire

5.65 The South Oxfordshire Employment Land Review (2007) notes the District's prime office location is Henley, with smaller sites in Wallingford, Thame and Didcot. However, it is noted that due to the close proximity of the sites to Reading, these centres are unlikely to attract high profile occupiers. Demand for office space is generally localised, with businesses looking to expand rather than new business relocating to the area.

5.66 The District competes with Milton Park in the Vale of White Horse for science and research occupiers but does have a competitive advantage with regards to B8 warehousing space with Didcot being located along the M40 corridor. Sites have been identified in these locations which are expected to provide sufficient land to meet future demand. The ELR also identifies that neighbouring districts have a greater provision of larger employment sites than South Oxfordshire.

Wycombe

5.67 Wycombe lies on the margin of the Thames Valley, which for many years has been the leading office market in the South East, featuring an established high-technology cluster in a wide corridor along the M4, from Hammersmith to Newbury[36].

5.68 In recent years, the District's office market has struggled, with a number of office occupiers consolidating to more central locations in both London and the Thames Valley. The District is generally unable to compete with larger, more established office centres nearby such as Reading and Maidenhead which tend to offer high quality stock and excellent accessibility. Over the longer term however, demand may spill over from the core of the Thames Valley into more peripheral locations such as Wycombe.

5.69 Intelligence from the recent Central Buckinghamshire Housing and Economic Development Needs Assessment (October 2015) suggests that High Wycombe town centre is considered to be an undesirable location for office businesses due to the poor quality of the environment for business purposes.

5.70 Historically Wycombe's economy was based on furniture making, and accordingly industrial space formed much of the employment stock. This stock was spread across the district, much of it on scattered sites rather than purpose-built industrial estates. In recent years, the wider region's industrial development has focused on strategic distribution warehousing, yet Wycombe has not been part of this trend. This could place it at a disadvantage compared to Reading, Slough or Maidenhead when competing for occupiers in future. Wycombe is reported to have very little land available for B8 use class growth and is generally more constrained than Aylesbury Vale in accommodating new development.

5.71 Marlow sits on the fringes of the Thames Valley and has some town centre office accommodation and edge-of-town business parks. Globe Park is

[36] Wycombe District Council, Economy Study & Employment Land Review, Draft Report January 2014

possibly the best strategic office location in Wycombe district, closest to the core of the Thames Valley, although at present is reported to be failing to fulfil its full potential.

South Bucks

5.72 The South Bucks property market is relatively small, with take-up of office space falling in recent years. The office market is focused towards demand from local, Small and Medium-sized Enterprises (SMEs) requiring small office units, as noted by the recent HMA and FEMA study (2015).

5.73 Take-up of industrial floorspace in the District is also relatively low and strongly biased towards medium-sized industrial properties, although there have been a small number of large deals, particularly in Iver.

5.74 Whilst the South Bucks market is relatively self-contained, providing space for small, local businesses, it does also form part of the wider M25 market area for office and industrial floorspace, including sites at Iver for larger industrial and distribution units. In some respects, the District's sites also form part of the wider Thames Valley market area, which runs along the M4 corridor, although it does not have the critical mass to attract the type and scale of occupiers that other parts of the Thames Valley does, despite being very well located.

5.75 The 2015 FEMA study notes that South Bucks (as well as nearby Chiltern) has a very localised property market and is not significant enough to represent its own FEMA. At a strategic level, the northern part of South Bucks, including Beaconsfield and Gerrards Cross, form part of a wider M40 property market which includes High Wycombe, whilst southern and eastern parts of South Bucks are part of an M4/M25 property market area.

Spelthorne

5.76 The Spelthorne Economy and Employment Land Study (2006) indicates that Spelthorne's location on the west side of London, close to Heathrow Airport and the M25 and M4 corridors, makes it an attractive location for business. Historically the area had a significant manufacturing base, which is still reflected in the presence of industrial estates and premises of various sizes throughout the Borough. Good communications, especially the proximity of Heathrow, has attracted warehousing, particularly to the Stanwell area adjacent to Heathrow, which forms part of the specialist market of airport related warehousing accommodating companies with close functional links to the airport.

5.77 Staines town centre is the main office hub in the area, and has by far the largest commercial area. The town benefits from excellent access to the road network with the M3, M25, A308 and A30 all within close proximity.

5.78 In common with other parts of the country the property market operates in an environment constrained by planning control and Green Belt designation,

which significantly reduces the supply of land available for employment development.

5.79 The more recent Spelthorne Local Economic Assessment 2013[37] notes that in the areas immediately adjoining the Borough there are significant amounts of business floorspace. This includes Heathrow Airport, Poyle Trading Estate and the Causeway, Staines which is on the south side of the River Thames in the Borough of Runnymede. Heathrow in particular makes a significant and positive economic impact on the wider area. It also underlines that generally Spelthorne and this wider area has historically been the focus of considerable growth pressures.

Runnymede

5.80 Runnymede forms part of the commercial property market focused on the M25 motorway and areas benefiting from the proximity of Heathrow Airport. However, several other nearby centres offer broadly similar characteristics and also have better rail links and more attractive town centre environments. In particular, Runnymede would tend to compete most with Staines, Woking, Maidenhead and Camberley/Farnborough[38].

5.81 Runnymede's main attractions for businesses are its generally attractive residential areas and quality of life factors, its accessibility to the M25, proximity to Heathrow and a pool of highly skilled workers. This has given it a relatively large office market which has seen significant growth in recent years.

5.82 The Borough has been successful in attracting a wide range of international, national and regional firms who often choose to locate their headquarter functions within Runnymede. Particular sectors have included IT and technology firms, although in the past few years pharmaceutical firms have come to the fore. The main drawbacks for the Borough relative to its competitors are its poor rail connections with London and town centres which are perceived as relatively unattractive.

5.83 Recent Functional Economic Area analysis undertaken by Runnymede Borough Council[39] notes that recent research has identified different geographical boundaries for the property market areas operating across Runnymede. This includes two sub-regional commercial property market areas which split the Borough into two zones - a northern zone encompassing Egham and Thorpe (heavily influenced by Heathrow airport) and a southern zone encompassing Chertsey and Addlestone. An alternative definition identifies one commercial property market which encompasses the Boroughs of Elmbridge, Runnymede and Spelthorne.

[37] Spelthorne Borough Council, Local Economic Assessment, September 2013
[38] Runnymede Employment Land Review, NLP, February 2010
[39] Runnymede Borough Council, Functional Economic Area Analysis, Final Report, June 2015

Synthesis

5.84 Within Berkshire, the largest concentration of B class space is accommodated in Slough, followed by Reading and West Berkshire. These three authorities also represent the largest industrial locations in floorspace terms, while Reading and Windsor & Maidenhead record the highest amount of commercial office space.

5.85 At a sub-regional level, commercial property markets areas are centred on the M3 and M4 strategic corridors, driven by strong functional economic linkages to Heathrow airport and the outer west London Boroughs. These market areas are collectively referred to as the Western Corridor and comprise a number of significant commercial centres including Reading, Slough and Basingstoke.

5.86 Within the Western Corridor, it is possible to identify specific sub market areas, each sharing a number of similar characteristics and trends and with a high degree of interaction occurring within these component submarkets. This includes a Core Thames Valley or 'Upper M4' area focused on the key M4 markets of Reading, Maidenhead, Bracknell and Wokingham, with strong economic relationships between these towns in terms of value, accessibility and labour force. This property market area also accommodates some of the largest and most significant employment sites in the sub-region including Green Park, Arlington Business Park, Winnersh Triangle and Bracknell's Western and Southern employment areas.

5.87 At the eastern end of the Thames Valley lies the Slough and West London sub area, reflecting the significant influence of Heathrow Airport upon property market interactions. The quasi-industrial nature of demand distinguishes this sub market area from the Upper M4 area, with the commercial centres of Slough and High Wycombe key in this respect. This sub market area also takes in the South Bucks towns of Beaconsfield and Gerrards Cross.

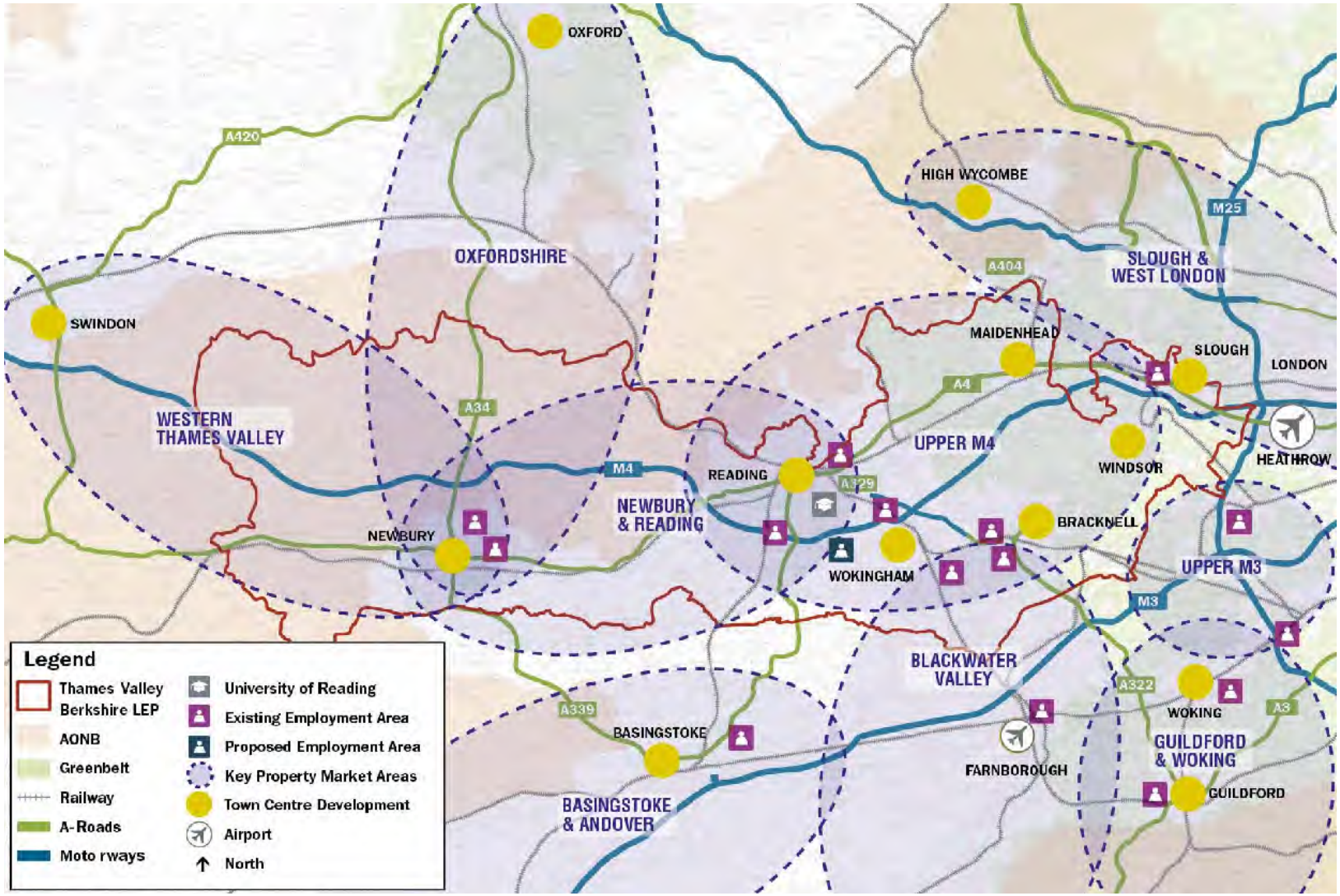
5.88 The western part of the sub-region accommodates the Newbury and Swindon sub-markets, which constitute the key nodes at the western end of the M4 corridor. This property market area is characterised by a lower value profile in both office and industrial terms than the M4 markets closer to London,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

5.89 Other localised property market areas operating across the Thames Valley area are shown in Figure 5.4 below, including the Blackwater Valley, Upper M3 and Basingstoke & Andover property market areas which together comprise the Surrey centres of Guildford, Woking, Farnborough and Staines-upon-Thames and the Hampshire centres of Basingstoke and Andover. As noted above, commercial property market linkages between these centres and

Berkshire are relatively weak with limited competition between the M3 and M4 corridors in overall market terms.

5.90 It should be noted that the broad property market areas illustrated in Figure 5.4 are intended to be indicative rather than definitive, and have been identified from a review of data, published studies and property market reports for Berkshire and the wider sub-region. There will inevitably be other property market areas operating on the fringes of, and beyond, the sub-region although these are not shown below.

Figure 5.4 Key Property Market Areas



Source: NLP analysis / Enterprise M3 Commercial Property Market Study, April 2013

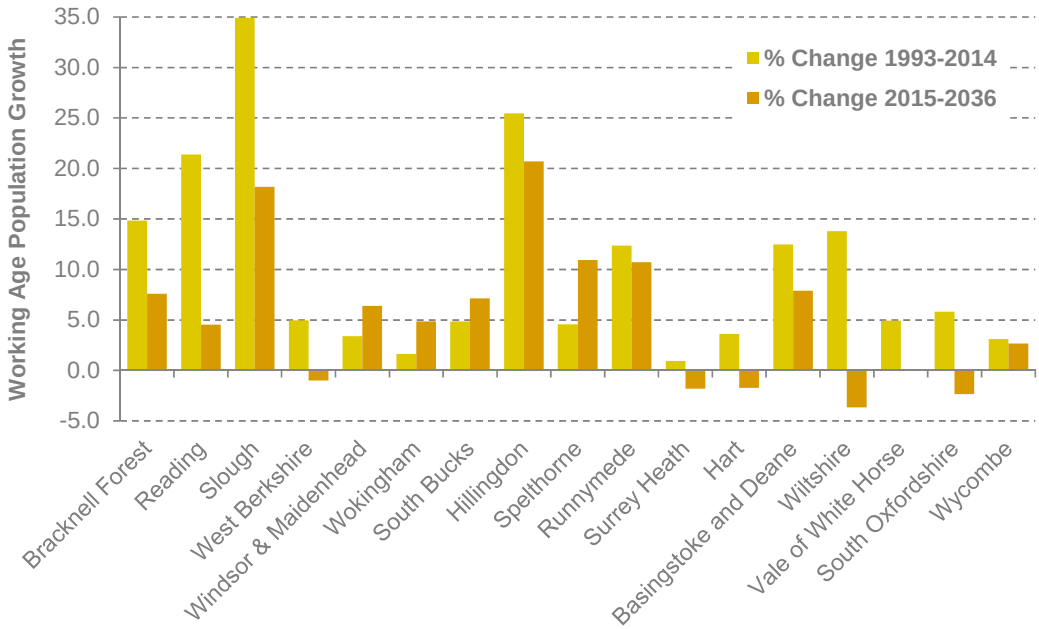
6.0 Other Functional Economic Market Factors

6.1 This section considers a range of other demographic, housing, consumer market, transport and communications indicators which are relevant to inform the functional economic area analysis. It draws upon latest available data sources and existing, published evidence based studies to consider how these factors may influence the spatial extent of FEMAs operating within Berkshire, within the context of the analysis presented in preceding sections.

Demographic Trends

6.2 ONS Mid-Year Population Estimates (1993 to 2014) and 2012 based Sub-National Population Projections show that the most significant growth in working age population in Berkshire and the wider sub-region over the 21 years 1993 to 2014 occurred in Slough (35%), Hillingdon (26%) and Reading (21%) (Figure 6.1). Bracknell Forest also recorded a relatively high level of working age population growth at 15%, outpacing many other nearby locations such as Surrey Heath (1%), Wokingham (2%), Wycombe (3%), Windsor & Maidenhead (3%) and West Berkshire (5%).

Figure 6.1 Working Age Population Growth by Local Authority



Source: ONS Mid-Year Population Estimates (1993-2014) and Sub-National Population Projections 2012

6.3 Working age population growth is expected to slow down over the next 21 years to 2036 across the majority of Berkshire authorities, with Windsor & Maidenhead and Wokingham representing the only two Berkshire authorities which are expected to record accelerated working-age population growth in future compared to past trends (Figure 6.1). In percentage growth terms, a number of nearby authorities across the wider sub-region are anticipated to

exceed the majority of Berkshire, including Hillingdon (21%), Spelthorne (11%), Runnymede (11%) and Basingstoke and Deane (8%). Figure 6.1 also shows that working-age population growth is expected to be negative in West Berkshire, inferring that the District's working-age population is set to decline in overall terms between 2015 and 2036.

6.4 These anticipated trends are likely to have an impact on the scale and proportion of travel-to-work and migration flows that occur to, from and within Berkshire as the balance of employment and working age population changes. Berkshire may be less able to draw in-commuters from locations such as Hart, Surrey Heath and South Oxfordshire in the future as their resident labour force reduces in size. West Berkshire's declining working-age population may also mean that the District must increasingly rely upon in-commuters to fill future employment opportunities generated by its business base.

6.5 At the same time, locations such as South Bucks and Spelthorne are expected to see a reasonably sizeable increase in its working age population over the next 21 years, representing a reverse trend from historic population growth patterns. If these residents are unable to find suitable employment opportunities within their own authority area, they may look to other commercial centres across the wider sub-region to provide these opportunities.

Retail and Consumer Market Areas

6.6 Within the context of identifying Functional Economic Market Areas, it is relevant to review existing retail and consumer market areas across the sub-region in order to consider the spatial area from which users of goods and services are drawn. Recent evidence prepared by the six Berkshire local authorities has been reviewed to gain an understanding of the location of the main retail and leisure centres and their respective catchment areas. This section also summarises the main centres which compete with Berkshire in retail and consumer market terms. This information may be subject to change as further analysis and updated retail studies are undertaken by the Berkshire authorities.

6.7 It should be noted that retail study areas/survey zones have been used as a proxy for retail catchment areas for the main Berkshire centres, in absence of a consistent approach having been adopted by the various retail studies in terms of defining the spatial extent of these catchment areas.

Sub-Regional Retail Hierarchy

6.8 Using VENUESCORE 2013-14 retail ranking data, it is possible to identify a hierarchy of retail venues across Berkshire and the surrounding area in order to understand how different centres compete for spend and investment. VENUESCORE 2013-14 evaluates each venue in terms of their provision of multiple retailers, and the score attached to each operator is weighted to reflect their overall impact on shopping patterns.

6.9 Table 6.1 below summarises the retail ranking position for the main centres in Berkshire and surrounding areas. This underlines Reading's position at the top of the sub-regional retail hierarchy, with a rank of 13 in overall terms across the country. The nearby centres of Guildford, Oxford, Basingstoke and High Wycombe all feature relatively highly in terms of their critical mass of retailers and catchment areas, with Windsor representing the second highest order retail centre within Berkshire, ranking at 98th in overall UK terms.

Table 6.1 Sub-Regional Retail Hierarchy

Centre	VENUESCORE 2013 Rank
Reading	13
Guildford	33
Oxford	42
Basingstoke	53
High Wycombe	67
Windsor	98
Staines	112
Newbury	116
Slough	128
Woking	134
Camberley	163
Maidenhead	258
Farnborough	265
Bracknell	292
Wokingham	360

Source: VENUESCORE 2013-14
Note: The ranking scores comprise over 500 retail centres across the country

6.10 Newbury and Slough share similar ranking positions in the UK hierarchy, at 116th and 128th respectively. There is a relatively wide gap between Slough and the next highest order retail centre of Maidenhead (at 258th), with Bracknell and Wokingham sitting at 292nd and 360th positions. It should be noted that all three of these lower ranking centres have town centre regeneration programmes in place, with construction work on these currently underway.

6.11 On a slightly different ranking measure – the Harper Dennis Hobbs Vitality Index[40] – a number of the retail centres noted in Table 6.1 score more highly, including Guildford (11th), Oxford (24th) and Windsor (44th). The Vitality Index ranks the top 500 British retail centres on the quality of their retail offer, rather than by size.

6.12 Functional economic market areas can also be defined by the catchment areas of facilities providing cultural and social well-being. Key cultural facilities across Berkshire include the racecourses at Ascot, Windsor and Newbury, LEGOLAND Windsor Resort and a number of heritage attractions such as Windsor Castle and Basildon Park, as well as Highclere Castle close to the Berkshire boundary.

[40] http://www.hdh.co.uk/uploads/properties/HDH_Vitality_Index3.pdf

Bracknell Forest

6.13 The Bracknell Forest Core Strategy 2008 notes that the Borough forms part of a complex network of retail centres with overlapping catchments, each with differing roles and functions. Bracknell Town centre represents the largest and most accessible centre in the Borough, with other centres having a different role and accordingly retail offer. Similarly, the catchment areas of individual retail stores will vary depending upon their location and offer.

6.14 The 2008 Bracknell Forest Retail Study undertook a comparison of Bracknell Town Centre with other centres in the wider sub-region and analysed the influence of key competing centres on the current and future role of Bracknell. The main centres identified as competing with Bracknell include Reading, Slough, Woking, Maidenhead and Wokingham. However, the retail study was based on data from the September 2007 household survey results and is therefore significantly out of date. The assumptions that are made with regards to the re-development of Bracknell Town Centre have altered as a revised scheme has subsequently been approved and implemented.

6.15 It should be noted that new retail evidence base work is currently being commissioned jointly by Bracknell Forest Council and other Berkshire authorities to form part of the evidence base for the Comprehensive Local Plan.

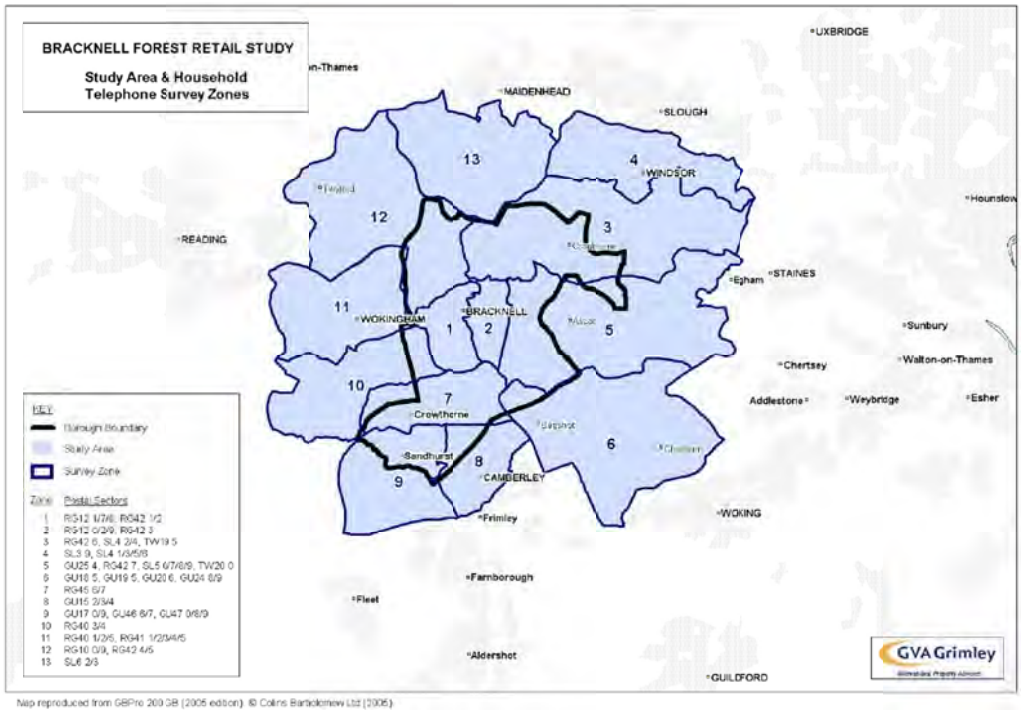
6.16 The Bracknell Forest Retail Study shows that Bracknell Town Centre draws approximately 14% of comparison goods expenditure from within the survey area defined by the study. Reading draws the highest market share of 16.4% from within the survey area, illustrating its dominant role in consumer market terms.

6.17 Although Bracknell does not currently tend to compete with Basingstoke in retail terms, there is potentially scope for this to change in future once the town centre regeneration has been completed and Bracknell's role and performance as a retail centre enhances, as noted by the Basingstoke and Deane 2009 Retail Study Update[41].

6.18 The retail catchment area for Bracknell Forest as defined in the Borough's 2008 Retail Study is presented in Figure 6.2 below. This shows that Bracknell Forest appears to fall within a consumer market area that extends as far west as the fringes of Reading, east as Windsor and Egham, South as far as Camberley and north to Maidenhead. Large parts of neighbouring Wokingham also fall within the catchment area.

[41] Basingstoke & Deane Borough Council, Retail Study Update, January 2009

Figure 6.2 Bracknell Forest Retail Study Area



Source: Bracknell Forest Retail Study, May 2008, GVA Grimley

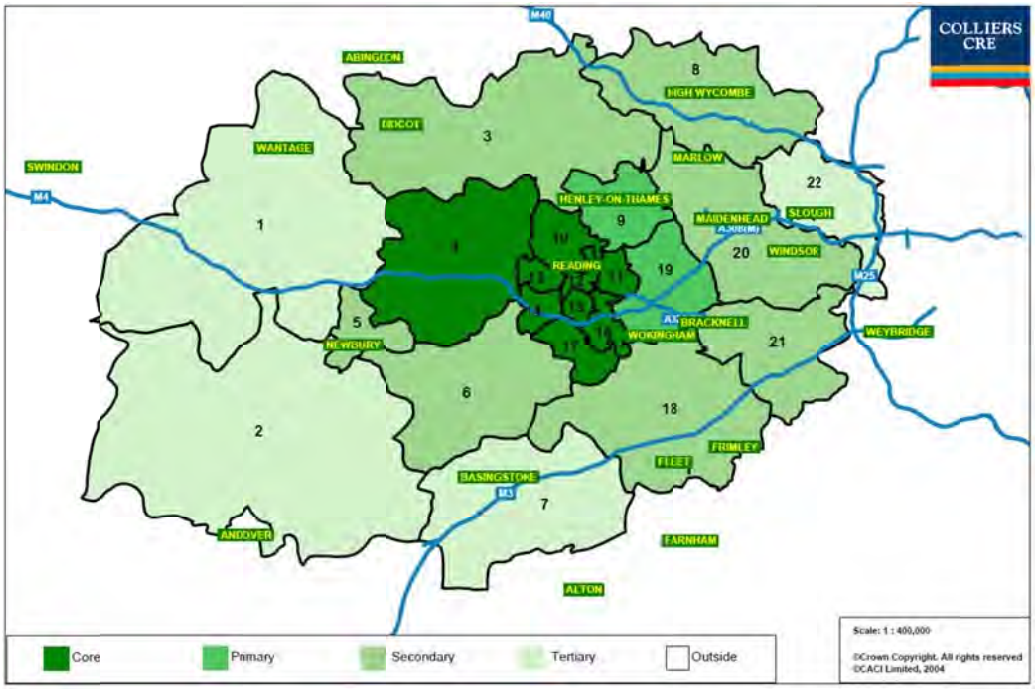
Reading

6.19 The 2005 Reading Retail & Leisure study identifies that Reading's catchment area for convenience goods is far smaller than that of comparison goods. This is to be expected as the main food offering locations in Reading are based at out of centre locations. Therefore despite Reading being far higher than that of the other local authorities in the retail rankings, it does not maintain a significant advantage with regards to convenience goods.

6.20 The study indicates that the position of Reading as the largest retail centre in the sub-region is secure and recommends that Reading does not need to try and increase its market share as the scale of trade diversion to other large retail centres nearby such as Basingstoke is relatively low.

6.21 The catchment area for Reading Town Centre as identified by the somewhat dated 2005 Retail and Leisure Study is shown in Figure 6.3 below. This comprises all of Reading Borough as well as an extensive hinterland which captures the vast majority of shopping trips made to the town. This hinterland extends along the M4, M3 and M40 corridors as far as Didcot and High Wycombe in the north, Slough and Windsor in the east, Basingstoke and Fleet in the south and Newbury in the west. The 'core' catchment area covers Reading Borough as well as a significant portion of north eastern West Berkshire (Figure 6.3).

Figure 6.3 Reading Retail Study Area



Source: Retail and Leisure Study of Reading, 2005, Colliers CRE

Slough

6.22 Slough Town Centre sits at the top of the network of shopping facilities in the Borough which also includes Langley and Farnham Road district centres with strong local identities and a series of small neighbourhood centres and local parades. The Borough's retail study is considered to be out of date, however the Core Strategy (2008)[42] reinforces this hierarchy and a Household Survey undertaken in 2015 shows Slough's Town Centre meets the needs of its local community well. Broader economic evidence however shows that it is underperforming as a retail and commercial centre in the region. This is likely to be due to competition from its neighbours and changes in the role of town centres in recent years.

6.23 In response, in September 2015, the Council's Cabinet adopted the vision set out in the Corporate Five year Plan[43]: 'The Centre of Slough will be vibrant, providing business, living and cultural opportunities'. The intention is to change the perception of the town and attract people to visit, invest, live and work in the centre building on the success of the 'Heart of Slough' and 'Art at the Centre' regeneration schemes. The Vision also moves beyond the centre's designation in the South East Plan as a primary retail destination promoting high quality housing-led regeneration as part of a multi-disciplinary approach to address recognised challenges and exploit the potential strengths of the town centre.

[42] Slough Local Development Framework Core Strategy 2006-2026 DPD
[43] http://www.slough.gov.uk/moderngov/mgAi.aspx?ID=29058

6.24 Twelve key themes of the Vision include reshaping the shopping centre, building on Slough's distinctive identity and excellent transport connections, and implementing 'Digital High Street' initiatives to make the High Street more convenient, accessible and vibrant for all shoppers and better inform retailers about their customer's needs and requirements. The new Local Plan will, based on evidence to understand the current and future needs and expectations of the High Street, translate these initiatives into Planning Policy and Site Allocations and suitable improvements to the scale and range of retail facilities.

West Berkshire

6.25 The primary retail centre in West Berkshire is Newbury which serves the District and the wider catchment area, although it is recognised that some of the smaller district centres play an important role in providing for local needs. The West Berkshire Retail Update 2010[44] shows that Newbury accommodates a lower than average percentage of convenience shopping than the national average (3.7%) and lacks a large foodstore anchor in the primary shopping area.

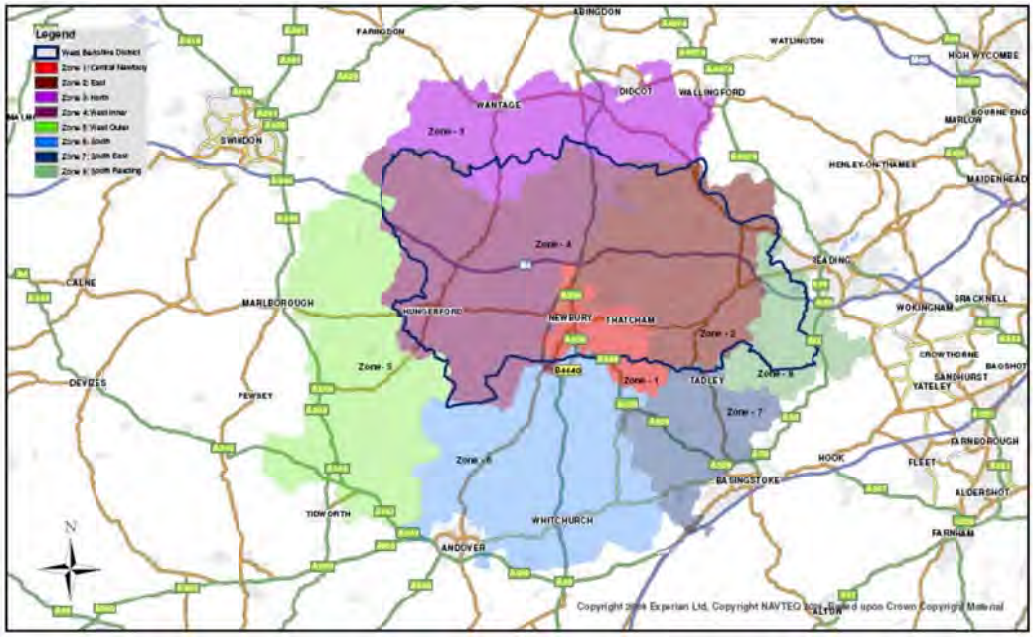
6.26 Despite relatively poor levels of convenience shopping in Newbury town centre, West Berkshire manages to retain 80.4% of convenience spending within the authority, with 70% of comparison shopping retained within the core catchment area. Newbury town centre draws 35.8% of comparison goods spend, with a further 13.2% at Newbury Retail Park, highlighting the important role of Newbury as a retail location. Comparison goods spending outside of the District tends to be drawn to Reading town centre (14%), with just 2.5% to Basingstoke.

6.27 With regards to the regional catchment area or 'outer' catchment area, West Berkshire attracts a very low amount of both comparison and convenience goods shopping. Newbury town centre attracts just 5.4% of comparison goods from the outer catchment area compared to 21.9% in Reading and 16% in Basingstoke which is illustrative of Newbury's status in the town centre hierarchy.

6.28 The District's catchment area is shown in Figure 6.4 below, as set out in the 2010 Retail Study Update. This extends beyond the District so as to take account of the fact that shoppers do not observe administrative boundaries when they shop.

[44] West Berkshire Retail Study Update, Final report: February 2010, Strategic Perspectives

Figure 6.4 West Berkshire Retail Study Area



Source: West Berkshire Retail Study, 2010 Update, Strategic Perspectives

6.29 Zones 1, 2 and 4 broadly represent Newbury town centre's 'Core' Catchment Area while the 'Outer' Catchment Area comprises Zone 3 and Zones 5 – 8. Although Newbury town centre and the other centres/stores in West Berkshire District will draw a proportion of their shoppers and expenditure from these zones, the Retail Study Update notes that resident population in the Outer Catchment Area will also have easy access to a number of major competing shopping locations, including Reading, Basingstoke, Oxford and Swindon.

6.30 It should be noted that a number of retail developments have taken/are taking place in the District since the Council's Retail Study Update was undertaken in 2010, including Parkway Newbury, a retail and residential development in Newbury Town Centre, while a new Ikea store at junction 12 of the M4 is currently in the early stages of construction. These developments are likely to have an impact on the retail sector and catchment areas within West Berkshire and potentially further afield across the wider sub-region.

Windsor and Maidenhead

6.31 The retail policies for the Borough are contained within the adopted Local Plan and Maidenhead Town Centre Area Action Plan. These note that retail has been one of the fastest growing sectors of the local economy in the Borough, with Windsor and Maidenhead town centres attracting the majority of this growth. Saved Local Plan Policy S5 directs retail into these centres and states that permission will only be granted for edge of town developments if there are no available sites in the centre.

6.32 A Retail and Town Centre Study[45] for the Royal Borough has recently been published (in final draft format) and this identifies the particular strengths of Windsor and Maidenhead town centres, whilst the smaller centres of Sunningdale and Ascot, whilst performing their role as a small district centre, are not expected to experience growth levels that would see them compete on a sub-regional basis. Windsor is the most attractive retail location in the Borough, but both Windsor and Maidenhead experience comparative advantages in certain areas. For example, Windsor has a higher fashion, clothing retail focused shopping experience, whilst Maidenhead specialises in medical and chemist related goods and beauty products.

6.33 It is recognised that the retail offering is mainly localised and convenience-based and is not likely to operate significantly on a sub-regional basis. Maidenhead has seen a decline in its retail ranking and now sits at 258th in the VENUESCORE 2013/14 rankings. Windsor has a higher ranking at 98th but this is not likely to see it compete with other sub regional centres such as Reading and Basingstoke.

6.34 The retail study identifies that becoming a top 100 centre in the UK is important for the area to ensure that it remains a location for major retailers; however this is offset by the increasing threats of regional neighbours, particularly Reading and Bracknell. Another threat identified by the retail study is that the introduction of Crossrail in 2019, whilst providing opportunities with regards to investment potential and better public transport, ensures that shopping in Central London will become more accessible and therefore the percentage of comparison shopping that remains in the Borough is likely to decrease.

6.35 The retail catchment area for Windsor and Maidenhead as defined in the Borough's 2015 Retail and Town Centre Study is presented in Figure 6.5 below. The study notes that the catchment area is wide enough to cover the area from which the Borough's shopping destinations capture significant market shares of available expenditure. It also covers Slough Town Centre's catchment area, to enable the household survey to establish shopping patterns for and shoppers' views on Slough Town Centre.

6.36 As well as taking in the whole of the Royal Borough itself, the catchment area also comprises large parts of Bracknell Forest, Slough, South Bucks (Beaconsfield), Wycombe (Marlow) and Hillingdon.

[45] The Royal Borough of Windsor and Maidenhead, Retail and Town Centre Study 2015, Final Draft September 2015, DTZ

Figure 6.5 Windsor and Maidenhead Retail Study Area

Source: Windsor and Maidenhead Retail and Town Centre Study, September 2015, DTZ

Wokingham

6.37 The Wokingham Core Strategy (2010)[46] identifies a hierarchy of centres within the Borough, with Wokingham town centre designated as a major town centre with several district centres such as Winnersh below it.

6.38 The Wokingham Retail Study 2014 Update[47] shows that even within central Wokingham, comparison good retention rate is just 36% across Wokingham Borough with 35% of this retained within Wokingham/Winnersh. Outside the centre of the Borough, in Zones 3/4 there are just 2% and 1% respectively of comparison goods of spending retained within Wokingham Borough.

6.39 Figures for convenience goods shopping have stronger retention rates, with Wokingham accounting for approximately £60 million in Zone 1 out of a total of £67.5 million. Wokingham represents the highest percentage share of convenience goods across the Borough apart from Zone 5 and Zone 6 where Twyford centre and Lower Earley/Woodley.

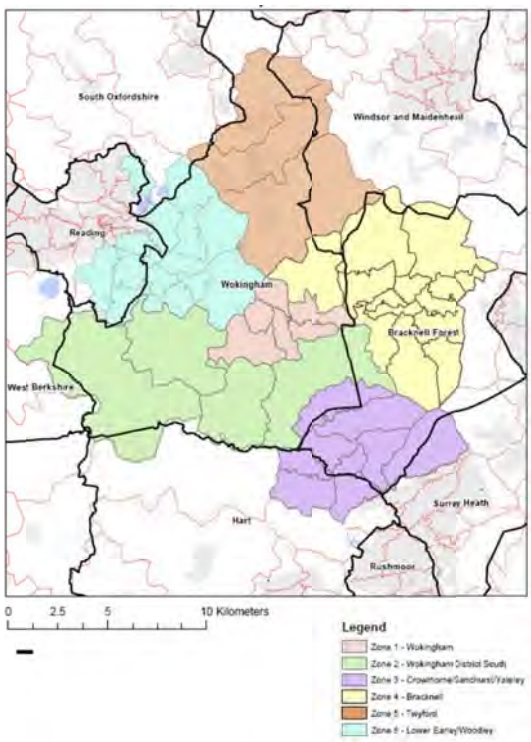
6.40 Wokingham attracts shoppers from across the Borough, while the other centres perform a more local shopping function, with a limited range of comparison goods retailers. The centres compete with major shopping destinations just outside the Borough, including Reading, Camberley, Bracknell

[46] Wokingham Borough Core Strategy Development Plan, 2010
[47] Wokingham Retail Study 2014 Update, NLP

and Maidenhead. Most notably, Reading has a strong influence over the northern and western part of the Borough.

6.41 The catchment area for Wokingham Borough as identified by the 2014 Retail Study Update is shown in Figure 6.6 below. This covers the majority of Wokingham Borough and extends into adjoining Bracknell Forest, Reading, Windsor & Maidenhead and Hart, and to a lesser extent, South Oxfordshire and West Berkshire.

Figure 6.6 Wokingham Retail Study Area



Source: Wokingham Retail Study, 2014 Update, NLP

Transport and Connectivity

Strategic Transport Network

6.42 Berkshire is located between three major east-west corridors of movement (the M3, M4 and M40) and therefore benefits from excellent access to motorway and trunk road networks. The M4 runs directly through the Thames Valley, linking London with the west. The southern corridor consists of the M3 and A30 linking London with the south west, while to the north the M40 motorway links London to Oxford. The M25 skirts the eastern border of Berkshire and carries a significant amount of north/south traffic as part of the London Orbital.

6.43 In addition to these strategically important road links, there are also a number of rail links passing through the area (as shown in Figure 5.2), most notably the Reading to Paddington line which provides a 30 minute non-stop journey time into Central London. There is also a rail connection between Reading and

Waterloo via Wokingham, Bracknell, Ascot, Staines, Twickenham and Clapham Junction, although as a stopping service this route is relatively slow.

6.44 Other primary rail stations in the area include Slough and Maidenhead, which both lie on the Great Western Mainline. Both of these stations will provide direct services to Heathrow Airport once the Western Rail Access improvements are completed. Newbury and Hungerford lie on the Reading to Taunton line, a major branch of the Great Western Mainline. Both of these locations benefit from direct train services to London Paddington.

6.45 The M25 provides an important strategic route connecting Berkshire with Greater London, although the most significant benefits in terms of connectivity are felt within eastern parts of the LEP area. Aside from this, north-south road connections across Berkshire are more limited with the A322, A33, A339 and A34 representing the main north-south connections across the study area.

6.46 With the exception of the A34 in the west of Berkshire, from a strategic road network perspective north-south routes in Berkshire are relatively poor. This issue was identified by the Reading Diamond Local Economic Assessment[48] which noted that firms newly locating in the Diamond regularly mentioned concerns relating to congestion levels and access difficulties (including car parking) for fringe and out-of-town locations, and what is seen as inadequate provision of public transport services in these areas.

6.47 Berkshire benefits from close proximity to London Heathrow via the M4, M3 and M25 motorways, while Gatwick is also accessible by train direct from Reading via Wokingham and Guildford. Direct train services run between Reading and Southampton Airport. Farnborough business airport is located just south of the Berkshire border and is estimated to support over 4,000 jobs as part of the airport's wider supply chain[49].

6.48 From a wider Thames Valley Berkshire perspective, the LEP's Strategic Economic Plan[50] acknowledges that the growth of the area's economy has been – and continues to be – fundamentally shaped by its connectivity. For example, the area's international links via Heathrow Airport are noted as a key reason why inward investors choose to locate in TVB and are therefore a crucial underpinning of ongoing re-investment. It was found in 2013 that Heathrow Airport represented around 5% of all employment within the 'Western Wedge' (i.e. the West London and Thames Valley area)[51]. Meanwhile, the importance of the sub-regions links with London cannot be overstated with the presence of the M4, the Great Western Mainline and the Reading to Waterloo Mainline.

6.49 Transport accessibility is strongly linked with the geography of functional economic market areas, with the strategic transport network playing a key role in shaping commercial property, labour and housing market flows. Eastern

[48] University of Reading, The Reading Diamond: Local Economic Assessment, 2010
[49] Oxford Economics: The Role of Business Aviation in the European Economy. October 2012
[50] Thames Valley Berkshire Strategic Economic Plan 2015/16 -2020/21
[51] Regeneris, September 2013. London Heathrow Economic Impact Study

Berkshire benefits from its proximity to a network of strategic routes including the M25, M4 and M40 each of which play a key role in shaping the TTWA, housing market and commercial property market areas that operate across this part of Berkshire, and linking the key commercial centres of Slough, Heathrow Airport and High Wycombe.

6.50 Similarly, the M4 and A4 corridors as well as the Great Western Mainline play an important role in linking Reading, Maidenhead, Wokingham and Bracknell in travel to work and commercial property market area terms. West Berkshire is also connected to more eastern Berkshire settlements via the M4 and A4 corridors as well as the Great Western Railway Mainline and benefits from good north south linkages via the A34. Its relative proximity away from the 'core' Thames Valley cluster of Reading, Wokingham, Bracknell and Maidenhead does however mean that commuting patterns and business movements tend to be more localised in character.

6.51 A recent KPMG Tech Monitor report[52] identifies that the M4 corridor retains its place as the geographical area with the deepest concentration of tech companies in the UK. Other notable infrastructure advantages for top ranking tech clusters include the close distance of Heathrow Airport, as well as reasonably quick railway links into central London.

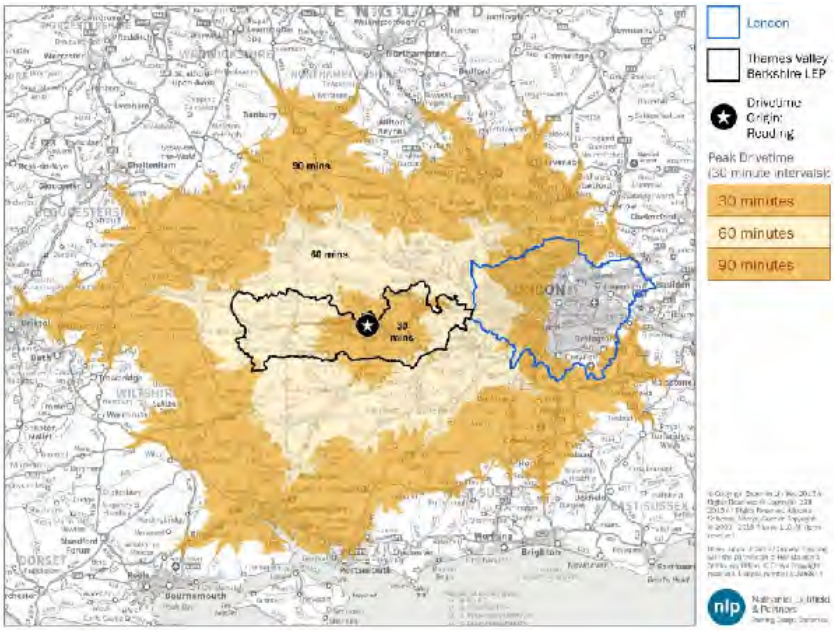
Road Connectivity

6.52 Transport networks support the productivity and success of urban areas and their catchments, by getting people to work, supporting deep and productive labour markets and allowing businesses within the area to reap the benefits of agglomeration. When considering access to labour catchment areas it is helpful to use isochrones as an indicator. These reflect the distance one can travel to/from a specific node in peak and off peak conditions. The figures below show how road accessibility varies across the LEP area, using peak drive time distances from Berkshire's largest settlements. Larger versions of drive time maps for the largest settlements in Berkshire are included at Appendix 6.

6.53 The isochrones map for peak travel originating in Reading shows high levels of 30 minute drivetime accessibility across the TVBLEP area, with Bracknell, Wokingham and Maidenhead all within 30 minutes' drive time. Other parts of Berkshire generally fall within a one hour boundary which also extends into West London along the M4 corridor (Figure 6.7).

[52] KPMG Tech Monitor, November 2014

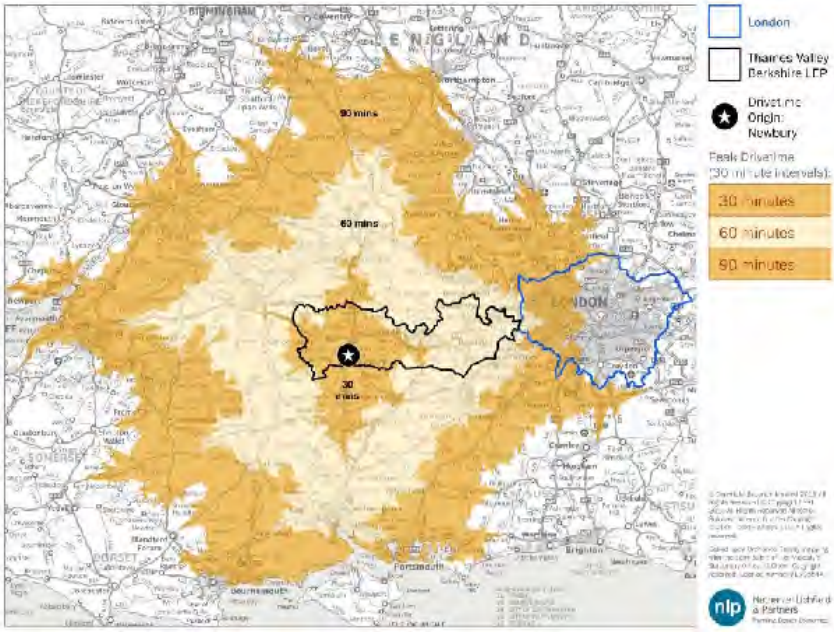
Figure 6.7 Reading Peak Drivetime Distance



Source: Experian 2015 / NLP analysis

6.54 For Newbury, Figure 6.8 shows that north-south transport corridors support a greater drive time distance than east-west corridors, with the Hampshire City of Winchester within easier reach of the town than the Berkshire centres of Bracknell, Maidenhead and Windsor. The 30 minute peak drive time also extends as far as Oxford along the A34 corridor.

Figure 6.8 Newbury Peak Drivetime Distance

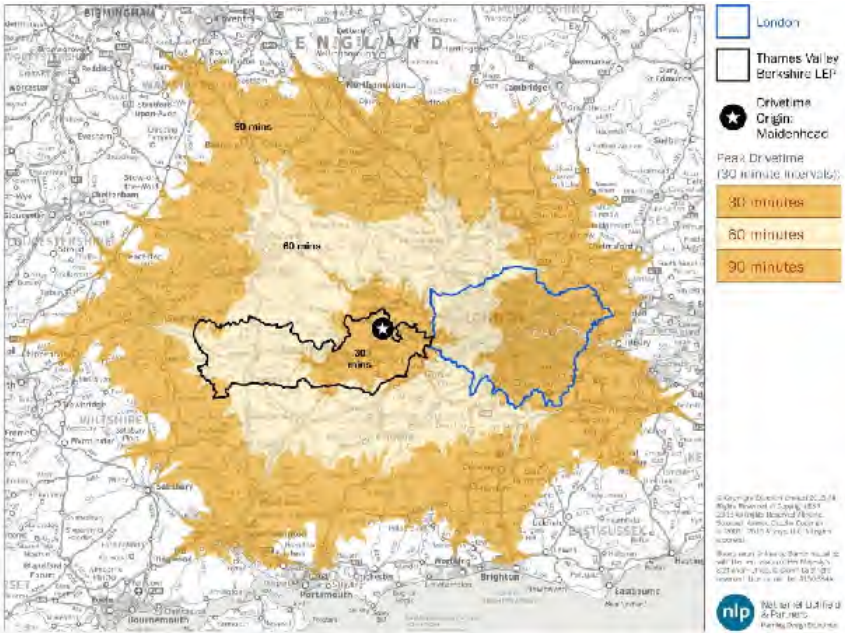


Source: Experian 2015 / NLP analysis

6.55 The isochrones map for peak travel originating in Maidenhead shows high levels of 30 minute drivetime accessibility along the M4 and M40 strategic

corridors (Figure 6.9). This means that locations such as High Wycombe, Beaconsfield and Amersham are just as accessible by car at peak times than the Berkshire centres of Reading and Bracknell. Large parts of West Berkshire fall outside of this 30 minute drive time, meaning that the town of Newbury is a similar drive time away from Maidenhead as M25 and M1 locations such as Watford and Hemel Hempstead.

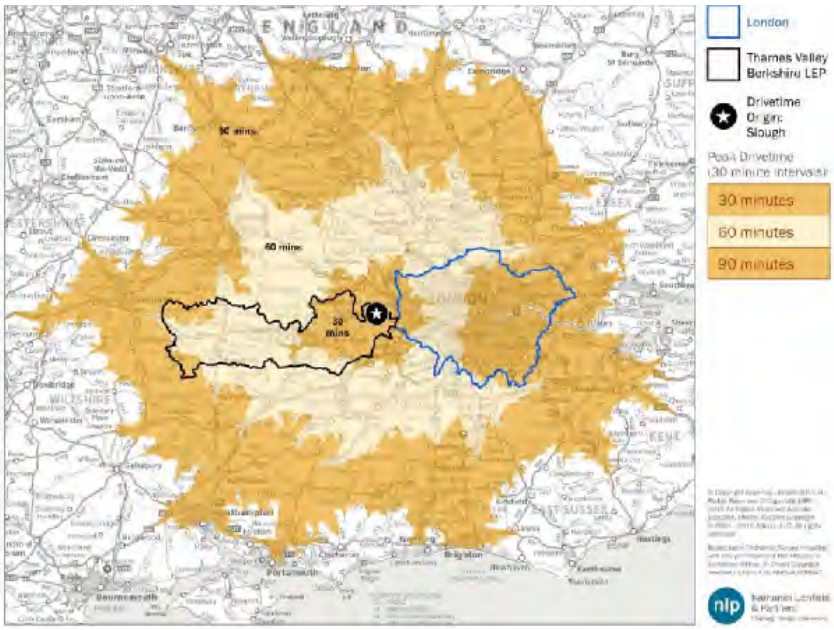
Figure 6.9 Maidenhead Peak Drivetime Distance



Source: Experian 2015 / NLP analysis

6.56 Slough's location at the eastern end of Berkshire means that peak drive time accessibility from the town is driven by the combination of M4, M25 and M40 corridors. Much of Slough's 30 minute drive time catchment falls to the east of the LEP area, covering large parts of Buckinghamshire, Surrey and West London (Figure 6.10). In contrast, the Berkshire towns of Reading and Newbury are much less accessible by road.

Figure 6.10 Slough Peak Drivetime Distance



Source: Experian 2015 / NLP analysis

Future Growth and Investment

6.57 The LEP's SEP identifies two major rail routes that affect the sub-region, with the first one being the Great Western mainline from London Paddington. A number of significant infrastructure upgrades are due to take place over the next few years, including improvements at Reading station which are part of an £850m project to overhaul the platforms and concourses. The improvements will allow more crossing movements per hour with extra connections to nearby lines such as the Berks and Hants line which acts as the main north-south freight route.

6.58 Electrification of the Great Western Mainline railway to Newbury will also provide a significant boost to the West Berkshire local economy by reducing travel times to London Paddington.

6.59 The second large infrastructure project will be the introduction of Crossrail which will reach Reading by December 2019. In addition, there will be a spur to Heathrow and further stations to the employment centres of Southall and Hayes and Harlington. Journey times between Reading and London Paddington will be longer via Crossrail than existing rail services, although for some commuters this is anticipated to be offset by the lack of changes required to get into Central London and other locations such as Canary Wharf (where Crossrail journey times will converge with existing service times). A significant increase in capacity associated with the new 450 seat Crossrail trains could encourage commuters to switch from existing mainline services.

6.60 The combination of new direct journeys, increased capacity and existing fast direct services has the potential to increase pressure for development right along the Crossrail route into Berkshire.

6.61 It is recognised that the introduction of Crossrail to Berkshire will create some economic threats as well as opportunities, with enhanced capacity to London meaning that there will be increased competition for consumer spending as shopping centres in central London will be more easily accessible to the Thames Valley area[53].

6.62 A further rail improvement that is ongoing is the Western Rail access to Heathrow. This is further behind in the development stage than Crossrail, although it has succeeded in securing a £500m commitment from the Government. Alongside the arrival of Crossrail, the Western Rail Access improvements may encourage greater travel to work flows to West London centres, most notably Heathrow Airport.

6.63 Pinch Point funding is being used to upgrade Junction 10 of the M4 which should ensure capacity enhancement. Outside of this project there are no further developments coming forward until the Managed Motorway Scheme is scheduled to improve Junction 12 after 2015.

6.64 Furthermore, Highways England proposes to improve the M4 by making it a 'smart motorway' between junctions 3 and 12. Smart motorways help relieve congestion by converting the hard shoulder to a running lane and using technology to monitor traffic flow and vary the mandatory speed limits to keep traffic moving smoothly.

Broadband Connectivity

6.65 Availability of broadband has significant positive economic, environmental and social impacts. Recent research[54] emphasises that at the local level economic impacts arise from construction effects, productivity growth, enterprise creation, job creation and increased labour force participation. Broadband is also an enabler for international trade and innovation. BT estimate that for a typical rural area in the South East superfast broadband could lead to an annual increase in GVA of 0.3% per annum over 15 years[55]. The availability and quality of broadband coverage are increasingly essential to the relative attractiveness of an area to do business.

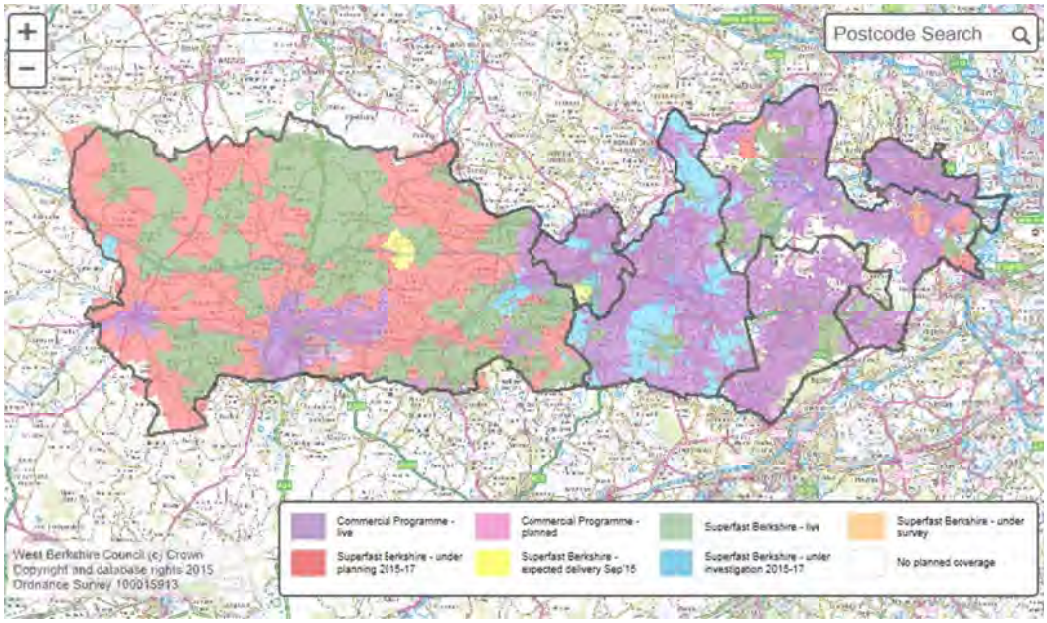
6.66 The Government's Universal Service Commitment aims to ensure that everyone will have access to at least basic broadband (with a download speed of 2 Mbs). However, as bandwidths available in urban areas improve it is possible that a 'digital-divide'[56] is emerging. The 'Superfast Berkshire' project started in 2011, as part of a Government subsidised national programme, to improve broadband coverage in areas deemed not commercially viable for the private sector. The project aims to ensure all Berkshire premises could access basic broadband, at speeds of 2Mbps or faster, and that at least 90% of Berkshire premises could access superfast broadband, at speeds of 24Mbps

[53] The Royal Borough of Windsor and Maidenhead, Retail and Town Centre Study 2015, Final Draft September 2015, DTZ
[54] UK Broadband Economic Impact, Literature Review, SQW, February 2013
[55] Social Study 2012 The Economic Impact of BT in the United Kingdom and the South-East, Regeneris
[56] UK Broadband Economic Impact Study, Impact Report, SQW, November 2013

or faster. The project is backed by all six Berkshire unitary councils and the TVBLEP.

6.67 Figure 6.11 below illustrates the anticipated roll out of fibre-based infrastructure (Next Generation Access) to support superfast broadband by the end of 2017 across the Berkshire area. This shows that western parts of the sub-region (i.e. to the west of the Reading urban area) are set to benefit most from the Superfast Berkshire programme, with large parts of eastern Berkshire already subject to live or planned commercial broadband programmes. The map also shows that large (predominately rural) areas towards the west of the sub-region are currently under investigation under the Superfast Berkshire programme, while some areas around the edge of Berkshire have no planned coverage (Figure 6.11).

Figure 6.11 Superfast Broadband Deployment Plans in Berkshire to 2017



Source: Superfastberkshire.org.uk

Synthesis

6.68 From a demographic perspective, working age population growth is expected to slow down in future across the majority of Berkshire authorities, with a number of nearby authorities across the wider sub-region anticipated to outperform the LEP area in working age population growth terms.

6.69 These anticipated trends are likely to have an impact on the scale and proportion of travel-to-work and migration flows that occur to, from and within Berkshire as the balance of employment and working age population changes. For example, Berkshire may be less able to draw in-commuters from locations such as Hart, Surrey Heath and Basingstoke and Deane in the future as their resident labour force reduces in size.

6.70 Reflecting its size and position in retail ranking terms, Reading has the largest consumer market catchment in Berkshire, which extends along the M4, M3 and

M40 corridors taking in all of Berkshire as well as large parts of Oxfordshire, Buckinghamshire, Surrey and Hampshire.

6.71 Other Berkshire authorities tend to have more localised retail and consumer catchment areas, reflecting their lower order retail status and critical mass of occupiers. These generally form a broad radius around the main Berkshire centres, and also overlap into neighbouring counties. For example, Bracknell Forest's retail catchment area extends into adjoining Surrey Districts, West Berkshire's catchment overlaps with parts of Wiltshire, Hampshire and Oxfordshire, while Windsor & Maidenhead's retail catchment extends to Buckinghamshire, West London and Surrey.

6.72 Due to the overlapping and complex nature of the various consumer market areas operating across Berkshire, this analysis is most helpful for defining sub-market areas rather than overarching functional economic market areas in themselves.

6.73 Berkshire is located between three major east-west corridors of movement (the M3, M4 and M40) as well as the M25 and therefore benefits from excellent access to motorway and trunk road networks. The LEP area is also well served by rail connections although north-south road routes are comparatively poor (with the exception of the A34 to the west of Berkshire).

6.74 Transport accessibility is strongly linked with the geography of functional economic market areas, with the strategic transport network playing a key role in shaping commercial property, labour and housing market flows. Eastern Berkshire benefits from its proximity to a network of strategic routes which plays a key role in shaping the TTWA, housing market and commercial property market areas that operate across this part of Berkshire, and linking the key commercial centres of Slough, Heathrow Airport and High Wycombe.

6.75 Similarly, the M4 and A4 corridors as well as the Great Western Mainline play an important role in linking Reading, Maidenhead, Wokingham and Bracknell in travel to work and commercial property market area terms. This pattern is likely to be reinforced through the operation of new Crossrail services from 2019. West Berkshire's relative proximity away from the 'core' Thames Valley cluster of Reading, Wokingham, Bracknell and Maidenhead means that commuting patterns and business movements tend to be more localised in nature.

6.76 These dynamics are echoed by peak drive time distances from Berkshire's largest centres, which identifies clear distinctions between eastern and western parts of Berkshire in terms of drivetime accessibility and road connectivity. Locations such as Slough and Maidenhead appear to have stronger economic relationships in labour accessibility terms with parts of adjoining Buckinghamshire, Surrey and West London than with more western parts of Berkshire. A similar distinction is evident in West Berkshire, with north south corridors supporting greater levels of drive time accessibility than east west corridors.

6.77 Although a significant programme of investment is underway to enhance broadband connectivity across Berkshire, there are still some (predominately rural) areas around the edge of Berkshire that are not anticipated to have any broadband coverage at all. This leaves certain parts of the TVBLEP area perhaps less well placed than other M4 corridor locations to compete for investment and firms.

7.0 Conclusions

7.1 This section draws together the range of quantitative and qualitative analysis presented in the previous chapters to consider the spatial remit associated with the various functional economic market areas operating across Berkshire. In line with PPG, the study has considered and reviewed a number of existing evidence documents and information sources to inform this assessment. It should be noted that some new or updated evidence studies are in the process of being prepared and therefore the conclusions outlined below may be subject to future change as new analysis is published.

Economic and Sector Characteristics

7.2 Berkshire has recorded strong job growth in recent years, outperforming the regional and national average. The scale of employment in Berkshire authorities is generally higher than many adjoining areas, with Reading and West Berkshire representing the largest economies in employment terms, and Bracknell Forest the smallest. In relative terms, Berkshire's economy supports a strong concentration of jobs in high value telecoms, IT, professional services and utilities sectors when compared with the wider regional sector mix.

7.3 Particular clusters of professional services activity are accommodated within Bracknell Forest and Reading, while West Berkshire shares similar characteristics to adjoining Basingstoke & Deane and Wiltshire with regards to a strong representation of manufacturing employment. Wholesale employment is strongly represented along the M25/M40 distribution corridor from Slough through South Bucks up to Wycombe (with pockets of wholesale employment also found in Bracknell Forest and West Berkshire). Slough also shares similar employment characteristics to adjoining Hillingdon in terms of transport, admin & support given its proximity to Heathrow and the airport's related operations.

7.4 The Berkshire authorities perform unevenly across a range of labour market and business demography indicators. Slough shares a number of similar labour market and business characteristics (such as economic activity, resident skills and business start-up) with nearby Hillingdon, Runnymede and Wycombe, while similar characteristics can also be identified between Windsor and Maidenhead and Wokingham, particularly with regards to the size profile of firms and strong enterprise performance.

Labour Market Areas

7.5 The functional labour market areas operating across Berkshire have been examined by assessing travel-to-work patterns in and out of the sub-region. An analysis of 2011 Census commuting flows data underlines the significant effect that Reading and West Berkshire have upon travel to work patterns in Berkshire, by accommodating the largest resident and workplace workforce and having the highest levels of labour self-containment in the sub-region. Slough also has a strong influence on labour market movements although

these commuting relationships are just as strong with neighbouring Buckinghamshire and London as they are with Berkshire.

7.6 Census data points to a growing east-west labour market divide in Berkshire, driven by the increasing influence and draw of Heathrow in commuting terms and declining influence of Reading upon travel to work flows with more eastern parts of Berkshire. TTWAs in the west of the TVBLEP area have remained largely unchanged over the last 10 years and relatively self-contained.

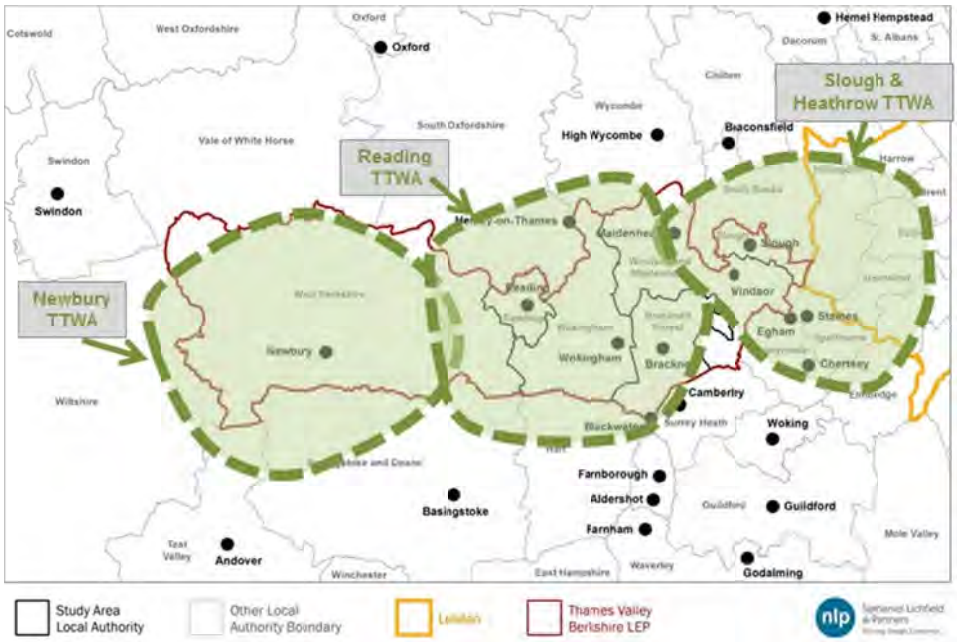
7.7 ONS analysis using 2011 Census data identified three broad TTWAs crossing the TVBLEP area, and these broad areas are substantiated by a more detailed local travel to work area analysis:

1. A **Reading TTWA** comprising the whole of Reading and Wokingham Boroughs as well as the majority of Bracknell Forest and parts of South Oxfordshire, West Berkshire, Windsor & Maidenhead and Hart.
2. A **Slough and Heathrow TTWA** including all of Slough Borough and parts of Windsor & Maidenhead. The majority of this TTWA falls to the east of the TVBLEP area, comprising a number of authorities including Runnymede, Spelthorne, South Bucks and the London Boroughs of Hillingdon and Kingston upon Thames.
3. A **Newbury TTWA** comprising the majority of West Berkshire District as well as parts of Wiltshire, Basingstoke and Deane and Test Valley.

7.8 In most cases, these TTWAs align reasonably well with Berkshire local authority boundaries, although Windsor & Maidenhead stands out as featuring within two separate TTWAs; the western parts of the Borough within the Reading TTWA and eastern parts within the Slough and Heathrow TTWA[57].

[57] It should be noted that a small area within the Northern part of Windsor & Maidenhead falls within a High Wycombe and Aylesbury TTWA (as shown in Figure 3.11) although the strength of this overlapping TTWA is relatively less significant than for the Reading and Slough and Heathrow TTWAs

Figure 7.1 Functional Labour Market Areas – Summary Map



Source: NLP analysis, drawing upon a range of sources

7.9 There are also significant labour market flows between West Berkshire and Reading, with eastern parts of West Berkshire District (particularly those comprising the wider Reading urban area) falling within the Reading TTWA.

Housing Market Areas

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

7.11 The case for these identified HMAs is stronger for the western area, not least because of the influence of London on the housing market, migration and commuting in Eastern Berkshire. Near the boundaries of these HMAs there are relationships to adjoining areas, and also some evidence of interactions between the two HMAs, particularly with regards to Bracknell Forest’s links with Windsor & Maidenhead.

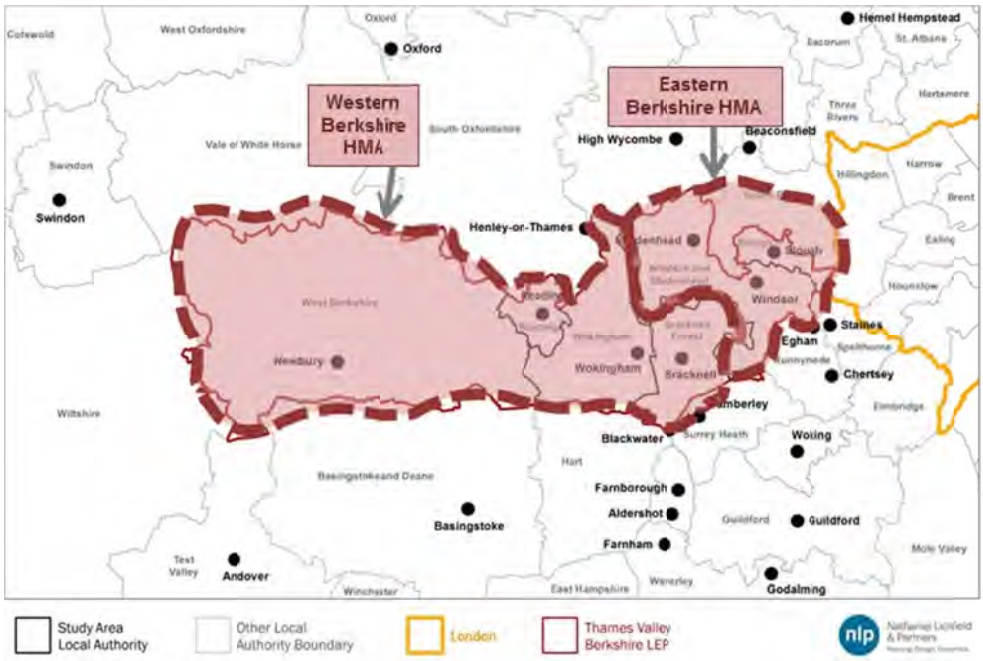
7.12 Recent HMA analysis prepared on behalf of the four Buckinghamshire authorities identified that South Bucks falls across two separate HMAs; namely a Central Buckinghamshire HMA (comprising all of Wycombe and Chiltern Districts as well as parts of Aylesbury Vale and South Bucks) and a Reading & Slough HMA (comprising the local authorities of Bracknell, Reading, Slough,

West Berkshire, Windsor & Maidenhead and Wokingham, as well as South Bucks, which was considered to be a 'best fit' with Berkshire).

7.13 Since that analysis was published, South Bucks have started to progress a Joint Local Plan with Chiltern District and have commissioned new evidence to determine housing and employment requirements over the period to 2033. The latest evidence emerging from this HEDNA study suggests that the Joint Local Plan Area for Chiltern and South Bucks would form part of a "best fit" with a Central Bucks HMA; together with the authorities of Aylesbury Vale and Wycombe. This is noted by the study as providing the most pragmatic arrangement for establishing local planning policy, although the previously defined HMA geography (which identifies strong housing market linkages between South Bucks and Berkshire) still remains valid.

7.14 Housing market studies prepared for other authorities surrounding Berkshire defines those authorities as falling within separate HMAs, with no evidence of overlapping housing market relationships extending into Berkshire. On this basis, it is possible to conclude that two HMAs operate across the TVBLEP area; an **Eastern Berkshire HMA** (which also incorporates South Bucks) and a **Western Berkshire HMA** (Figure 7.2).

Figure 7.2 Housing Market Areas – Summary Map



Source: NLP analysis, drawing upon a range of sources

Commercial Property Market Areas

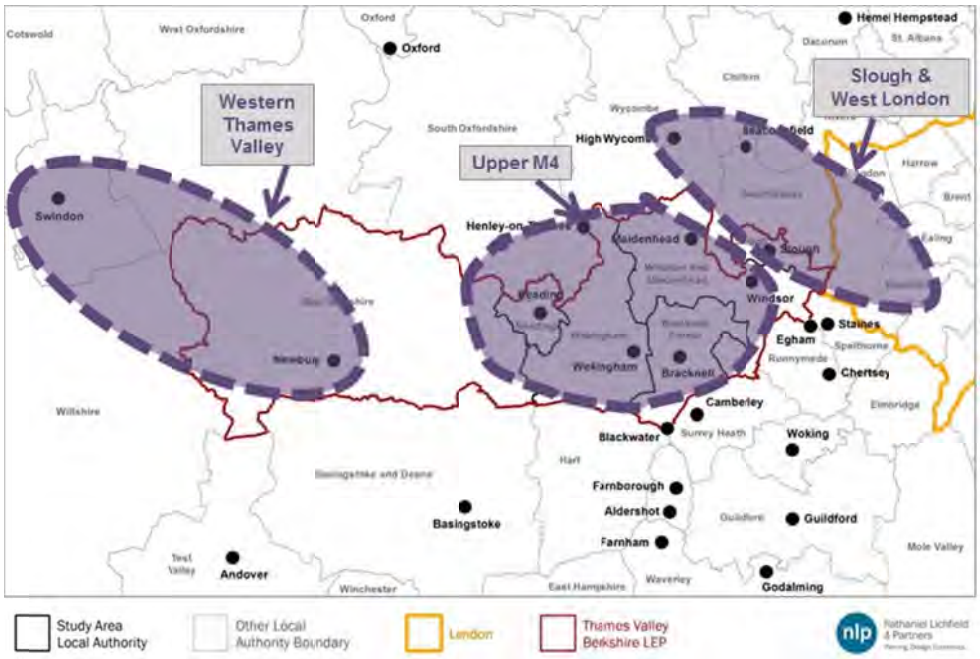
7.15 Within Berkshire, the largest concentration of employment space is found in Slough, followed by Reading and West Berkshire. These three authorities also represent the largest industrial locations in floorspace terms, while Reading and Windsor & Maidenhead record the highest amount of office space.

7.16 At a sub-regional level, commercial property market areas are centred on the M3 and M4 strategic 'Western corridors', driven by strong functional economic linkages to Heathrow airport and the outer west London Boroughs. Within the Western Corridor, it is possible to identify specific sub market areas, each sharing a number of similar characteristics, trends and a high degree of interaction. This includes a **Core Thames Valley or 'Upper M4' area** focused on the key M4 markets of Reading, Maidenhead, Bracknell and Wokingham, with strong economic relationships between these towns in terms of value, accessibility and labour force.

7.17 At the eastern end of the Thames Valley lies the **Slough and West London sub area**, reflecting the significant influence of Heathrow Airport upon property market interactions. The quasi-industrial nature of demand distinguishes this sub market area from the Upper M4 area, with the commercial centres of Slough and High Wycombe key in this respect. This sub market area also takes in the South Bucks towns of Beaconsfield and Gerrards Cross.

7.18 The western part of the sub-region accommodates the **Newbury and Swindon sub-markets**, which constitute the key nodes at the western end of the M4 corridor. This area has a lower value profile in both office and industrial markets than the M4 markets closer to London, a quasi-industrial character with regards to much of the demand, and linkages with areas beyond the western boundary of Berkshire. There is some synergy in property market terms between Newbury and Reading, and Newbury and Oxfordshire, although these linkages and property market areas (as previously identified in Figure 5.4) are not as strong as links to the west and are therefore not shown in Figure 7.3 below.

Figure 7.3 Functional Commercial Property Market Areas – Summary Map



Source: NLP analysis, drawing upon a range of sources

Consumer Market Areas

7.19 From a demographic perspective, working age population growth is expected to slow down in future across the majority of Berkshire authorities, with a number of nearby authorities across the wider sub-region anticipated to outperform the TVBLEP area in working age population growth terms. These anticipated trends are likely to have an impact on the scale and proportion of travel-to-work and migration flows that occur to, from and within Berkshire as the balance of employment and working age population changes.

7.20 Reflecting its size and position in retail ranking terms, Reading has the largest consumer market catchment in Berkshire, which extends along the M4, M3 and M40 corridors taking in all of Berkshire as well as large parts of Oxfordshire, Buckinghamshire, Surrey and Hampshire.

7.21 Other Berkshire authorities tend to have more localised retail and consumer catchment areas, reflecting their lower order retail status and critical mass of occupiers. These generally form a broad radius around the main Berkshire centres and sit within the overarching Reading consumer catchment area, and also overlap into neighbouring counties. For example, Bracknell Forest's retail catchment area extends into adjoining Surrey Districts, West Berkshire's catchment overlaps with parts of Wiltshire, Hampshire and Oxfordshire, while Windsor & Maidenhead's retail catchment extends to Buckinghamshire, West London and Surrey.

7.22 Due to the overlapping and complex nature of the various consumer market areas operating across Berkshire, this analysis is most helpful for defining sub-market areas rather than overarching functional economic market areas in themselves.

Transport and Connectivity

7.23 Berkshire is located between three major east-west corridors of movement (the M3, M4 and M40) as well as the M25 and therefore benefits from excellent access to motorway and trunk road networks. The TVBLEP area is also well served by rail connections although north-south road routes are comparatively poor (with the exception of the A34 to the west of Berkshire).

7.24 Transport accessibility is strongly linked with the geography of functional economic market areas, with the strategic transport network playing a key role in shaping commercial property, labour and housing market flows. Eastern Berkshire benefits from its proximity to a network of strategic routes which plays a key role in shaping the TTWA, housing market and commercial property market areas that operate across this part of Berkshire, and linking the key commercial centres of Slough, Heathrow Airport and High Wycombe.

7.25 Similarly, the M4 and A4 corridors as well as the Great Western Mainline and Reading to London Waterloo line play an important role in linking Reading, Maidenhead, Wokingham and Bracknell in travel to work and commercial property market area terms. This pattern is likely to be reinforced through the

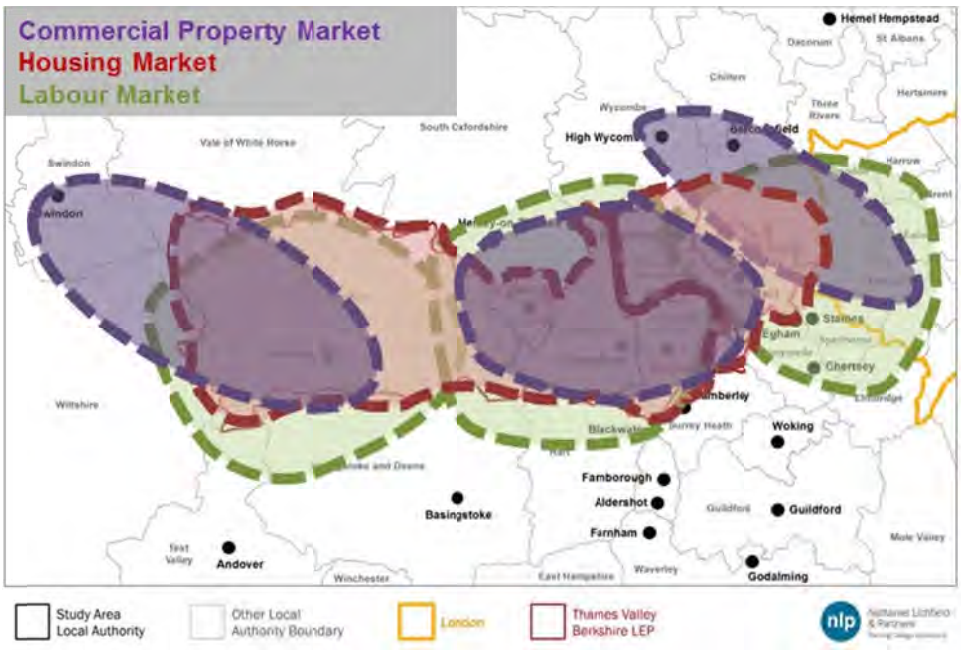
operation of new Crossrail services from 2019. These same connections also drive the strong links between Slough and London, and Crossrail will improve direct access to Slough, Burnham and Langley Stations. West Berkshire's location away from the 'core' Thames Valley cluster of Reading, Wokingham, Bracknell and Maidenhead means that commuting patterns and business movements tend to be more localised in character.

7.26 These dynamics are echoed by peak drive time distances from Berkshire's largest centres, which identifies clear distinctions between eastern and western parts of Berkshire in terms of drivetime accessibility and road connectivity. Locations such as Slough and Maidenhead appear to have stronger economic relationships in labour accessibility terms with parts of adjoining Buckinghamshire, Surrey and West London than with more western parts of Berkshire. A similar distinction is evident in West Berkshire, with north south corridors (including the A34) supporting greater levels of drive time accessibility than east west corridors.

Synthesis

7.27 Based upon the above assessment of the various functional economic markets that operate across Berkshire, it is possible to overlay each functional economic market to identify how well these align across Berkshire (Figure 7.4). This represents a 'policy off' view of the geographical reach associated with different factors identified within the PPG including labour market flows, housing market areas and commercial property market areas that operate within and across Berkshire, regardless of administrative geographies. Invariably, however, these area boundaries are indicative and should not be interpreted as being either definitive or necessarily fixed over time.

Figure 7.4 Functional Economic Markets – Summary Map



Source: NLP analysis, drawing upon a range of sources

7.28 In overall terms, Figure 7.4 shows that the spatial extent of these functional economic markets do not extend far beyond the TVBLEP administrative boundary. Parts of Surrey, Hampshire, Wiltshire, Oxfordshire, Buckinghamshire and Greater London feature within these broad geographical functional areas to a greater or lesser extent, although the only local authority area outside of Berkshire which consistently falls within these broad areas is South Bucks, which shares strong economic relationships with Berkshire (and in particular with eastern parts of Berkshire) in travel-to-work, housing and commercial property market terms.

Defining Core Functional Economic Market Areas

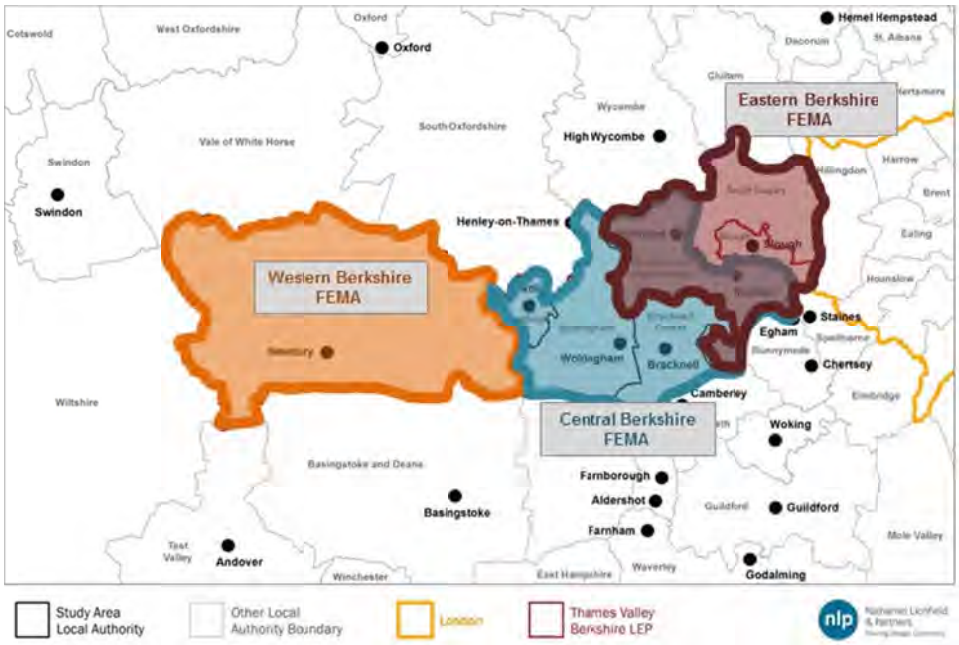
7.29 In light of the inevitably nebulous nature of functional economic markets, it is helpful for Local Planning Authorities to identify a pragmatic and logical “best fit” with these various areas within the context of establishing Local Plan evidence and for the purposes of developing policy.

7.30 The 2010 CLG note on functional economic market areas underlined the importance of administrative boundaries for the purposes of applying and developing strategies through “best fitting” functional economic market boundaries to local authority administrative areas. More recent guidance from the Planning Advisory Service (PAS)[58] notes that HMA boundaries that straddle local authority areas are usually impractical, given that planning policy is mostly made at the local authority level.

7.31 On this basis, Figure 7.5 below identifies three core Functional Economic Market Areas (FEMAs) that represent a “best fit” with local authority boundaries. These core FEMAs encompass those local authority areas that the evidence indicates consistently have strong inter-relationships.

[58] Planning Advisory Service, Objectively Assessed Need and Housing Targets, Technical advice note, Second edition July 2015

Figure 7.5 Core Functional Economic Market Areas (Best Fit to Local Authority Boundaries)



Source: NLP analysis, drawing upon a range of sources

7.32 The 'Central Berkshire FEMA' includes the authority areas of Reading, Wokingham, Bracknell Forest and Windsor & Maidenhead. This aligns with the ONS defined Reading TTWA and also the Upper M4 commercial property market area which is focused around the key M4 markets of Reading, Maidenhead, Bracknell and Wokingham, with strong economic relationships between these towns in terms of value, accessibility and labour force.

7.33 The 'Western Berkshire FEMA' comprises West Berkshire District and the key centre of Newbury. This area is characterised by having a relatively self-contained TTWA and tends to operate within a westward facing commercial property market constituting a key node at the western end of the M4 corridor. Whilst there is synergy in travel to work and property market terms between Newbury and Reading, these linkages are not considered sufficiently strong to include West Berkshire within the Central Berkshire FEMA.

7.34 The 'Eastern Berkshire FEMA' comprises the two Berkshire authorities of Slough and Windsor & Maidenhead, alongside South Bucks. This area is consistent with the Slough and Heathrow TTWA as defined by the ONS (which comprises a number of other authority areas outside of Berkshire) as well as the Eastern Berkshire HMA. Within this FEMA, economic relationships with adjoining Buckinghamshire and West London are just as strong as they are with the rest of Berkshire and this is reflected in commercial property terms through the identification of a Slough & West London property market area. Of all three FEMAs, the Eastern Berkshire FEMA has the greatest degree of relationship and influence with areas beyond Berkshire, with South Bucks consistently standing out as sharing strong economic linkages with eastern parts of Berkshire.

7.35 The identification of three core FEMAs is consistent with previous economic analysis undertaken on behalf of the TVBLEP, including most recently for the SEP[59], which recognised the presence of three distinctive functional economic areas in Thames Valley Berkshire as follows:

- To the west: the predominantly rural area around Newbury; a diverse economy with a mix of small and international businesses;
- In the centre: the highly interconnected urban areas of Reading, Wokingham and Bracknell; a major centre of economic activity with significant potential for future growth;
- In the east: Slough, Windsor and Maidenhead; another centre of economic activity with close links to adjacent areas in west London (including Heathrow Airport).

7.36 The TVBLEP also acknowledges that in practice, these functional economic areas are very difficult to define precisely and there is a great deal of porosity in terms of their boundaries. It is also important to recognise the continuously changing geography of the Thames Valley Berkshire economy; for example Centre for Cities have recently made some changes to the way in which the UK's largest cities or 'Primary Urban Areas' (the physical footprint of a city) are identified and defined[60]. This includes the addition of Slough to the list of cities/Primary Urban Areas that are now monitored through their regular Cities Outlook reports, and the loss of one local authority from the spatial extent of the Reading Primary Urban Area.

7.37 It should be noted that the Borough of Hillingdon and Heathrow Airport in particular, also share strong economic relationships with Berkshire, most notably in commercial property and labour market terms. The Borough of Hillingdon has not however been included within the Eastern Berkshire FEMA in best fit local authority boundary terms, due to the dominant effect that one single site/employment location (i.e. Heathrow) has in maintaining these relationships. Outside of Heathrow, economic linkages between Berkshire and the rest of Hillingdon Borough are much less significant. By comparison, the functional relationship between Berkshire and South Bucks (which is included within the Eastern Berkshire FEMA) is characterised by a more even distribution geographically across the District.

7.38 As shown in Figure 7.5 and Table 7.1, Windsor & Maidenhead sits across two FEMAs (Central and Eastern Berkshire) due to the varied characteristics and economic role associated with different parts of the Borough. The Borough's position within two FEMAs reflects the equally strong relationships that Windsor & Maidenhead exhibits both with more central parts of Berkshire as well as areas within South Bucks. In labour market terms, eastern parts of the Borough share a TTWA with Slough and Heathrow[61], while northern and

[59] Thames Valley Berkshire Strategic Economic Plan 2015/16 -2020/21; and Thames Valley Berkshire: Delivering national growth, locally, Strategic Economic Plan, 2015/16 – 2020/21, Evidence Base
[60] Centre for Cities, The changing geography of the UK economy: A review of the Primary Urban Area definition, December 2015
[61] Defined by ONS as the 'Slough and Heathrow' travel to work area (2011 Census based)

western parts of the Borough have stronger functional economic relationships with western M4 corridor locations such as Reading and Wokingham. The Borough also falls within an HMA with Slough and South Bucks according to the Berkshire SHMA, underlining the particular strength of housing market relationships within this eastern part of Berkshire.

7.39 Tables included in Appendix 7 summarise the degree of relationship between Berkshire and adjoining authorities by each of the key themes that have been assessed for the purposes of defining functional economic market areas, and for those themes where available information is sufficiently detailed to be able to differentiate the degree of relationship. It should be noted that this synopsis is indicative and is largely based upon existing, published evidence which is subject to change as and when new analysis is undertaken.

Table 7.1 Core Functional Economic Market Areas

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

Source: NLP analysis, drawing upon a range of sources

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

7.41 This is particularly relevant with regards to clusters of economic activity that sit close to the border between two different FEMAs. A good example of this is the Arlington Business Park at Theale which functionally operates within the same commercial property market as adjoining Reading (i.e. the ‘Upper M4’ property market area) but which in best fit to local authority boundary terms, falls within a Western Berkshire FEMA.

7.42 The conclusions that have been drawn as part of this study are based on what existing data and evidence shows about the economic geographies and flows of labour, residents and businesses across the wider sub-region. They do not take account of policy positions or approaches that may or may not be adopted by local planning authorities across Berkshire and neighbouring areas. Through the Duty to Cooperate process, local planning authorities will need to determine how the study conclusions and FEMA boundaries are taken forward in practical planning policy terms.