

Royal Borough of Windsor and Maidenhead

Employment Land Needs in RBWM October 2019 Topic Paper

Peter Brett Associates

October 2019

Peter Brett Associates
33 Bowling Green Lane
London EC1R 0BJ
T (+44) (0)2038246600
E london@peterbrett.com



Peter Brett Associates LLP disclaims any responsibility to the client and others in respect of any matters outside the scope of this report. This report has been prepared with reasonable skill, care and diligence within the terms of the contract with the client and taking account of the manpower, resources, investigations and testing devoted to it by agreement with the client. This report has been prepared for the client and Peter Brett Associates LLP accepts no responsibility of whatsoever nature to third parties to whom this report or any part thereof is made known. Any such party relies upon the report at their own risk.

© Peter Brett Associates LLP 2019

THIS REPORT IS FORMATTED FOR DOUBLE-SIDED PRINTING.

.

CONTENTS

- 1 INTRODUCTION..... 1**
 - Structure 1
 - Job ‘need’ in the submitted plan 1
- 2 IS ED1 STILL UP TO DATE FOR THE PLAN PERIOD?..... 4**
 - Introduction 4
 - Cambridge Econometrics 4
 - Experian..... 5
 - Conclusions..... 6
- 3 HOW HAS THE BOROUGH PERFORMED TO DATE? 7**
 - Introduction 7
 - Jobs delivered 2013 – 2017 7
 - Why have jobs been delivered but not the floorspace?..... 9
 - Conclusions.....10
- 4 NEW LAND NEEDED TO MEET ED1.....12**
 - Introduction12
 - Offices - Floorspace to meet need.....12
 - Industrial and Warehousing- Floorspace to meet need.....16
 - Summary.....19
- 5 SUGGESTED CHANGES TO POLICY21**

Appendix Office and industrial planning pipeline

1 INTRODUCTION

Structure

- 1.1 In this topic paper we both validate and update the key economic policy in the submitted plan Policy ED1.
- 1.2 It is important from the outset to note that this paper does not recommend any change to the job target in ED1. This is because, when tested, the job target remains sound.
- 1.3 In section 2, we ‘sense check’ policy ED1 against two recent economic forecasts, one from Cambridge Econometrics (CE) and a second from Experian. In section 3 we look at performance to date.
- 1.4 We then look in section 4 to ensure the plan is making sufficient provision, (in terms of land supply), to ensure that the delivery of policy ED1 is not constrained by a lack of development land.
- 1.5 In section 5 we look at the policy implications of the above analysis.

Job ‘need’ in the submitted plan

- 1.6 As background the submitted plans main economic development policy is reproduced below.

POLICY ED 1

Economic Development

1. A range of different types and sizes of employment land and premises will be encouraged to maintain a portfolio of sites to meet the diverse needs of the local economy. Appropriate intensification, redevelopment and upgrading of existing sites and premises will be encouraged and supported to make their use more efficient and to help meet the forecast demand over the plan period and to respond to modern business needs.
2. The Royal Borough will seek to make provision for at least 11,200 net new jobs across a range of floorspaces including at least 130,700m² of B Class use floorspace comprising 81,300m² of B1 uses, 24,500m² of B2 uses and 24,900m² of B8 uses, in the period up to 2033. It will do this by ensuring a flexible supply of high quality employment floorspace making some new allocations, utilising existing employment areas and promoting a more intensive use of these sites through the recycling, refurbishment and regeneration of existing older or vacant stock and promotion of flexible working practices.

- 1.7 In summary the policy set out to make provision for at least 11,200 net new jobs over the 2013 – 33 plan period.
- 1.8 The key driver of this policy, and this job number, was the ‘need’ for jobs to align with the SHMA evidence base and the 712 dpa OAN. The SHMA evidence base extensively tested the alignment of jobs and houses and we don’t repeat that analysis here.

- 1.9 We understand that more recent work has reconfirmed the OAN as sound and no changes are proposed.
- 1.10 To secure the delivery of the 11,200 jobs policy ED1 estimated the amount of floorspace needed. This estimate was based on an analysis of the borough's economy and how local firms used their space using data explicitly provided by legislation for the purposes of 'plan making'¹. As noted elsewhere in the evidence base this data, the IDBR (Inter Departmental Business Register), is the Governments master 'sampling frame' of all firms in the Country recording commercially sensitive data including detailed employment counts and SIC coding. The use of the IDBR by plan making bodies is increasingly common with the most recent data from the ONS showing 38 such applications from 'plan making bodies' were made in 2017 and a further 20 in the first six months of 2018².
- 1.11 The table below shows how these 11,200 jobs were made up across broad economic sectors using the IDBR analysis. The data show that 40% of the job growth was expected to occur outside the B class sectors. Of the B class job growth 52% of jobs (5,900) were expected to be accommodated in office space. Fewer than 900 were expected in new industrial or warehousing sectors.
- 1.12 Such a pattern of job growth, where the non-B class sectors provide a large share of job growth, is not unusual. Nationally health, education and social care are some of the fastest growing sectors and fall outside the B class sectors.

Table 1.1 Job Growth envisaged in ED1 by use class

THE SUBMISSION PLAN			
USES IDBR informed Labour Supply Jobs			
	Growth for Plan Period (20 years)	2013-33	
		Jobs	Per cent
	Total workforce job change	11,291	100%
	Office	5,908	52%
	Industrial	520	5%
	Warehousing	350	3%
	Total B	6,778	60%

Source: Eastern Berkshire EDNA, RBWM and Cambridge Econometrics

¹ The legislation granting local bodies the authority to develop these plans is the Employment and Training Act 1973 (ETA, as amended by the Employment Act 1988). Specific provisions within this legislation enable local authorities access to some variables from the Inter-Departmental Business Register (IDBR), including the names and addresses of local businesses, the number of people employed, the nature of the business (Standard Industrial Classification (SIC) 2003, SIC 2007), local authority ward code and middle super output area layer code.

Applications for access to the limited IDBR data from local planning authorities for the purpose of producing a local development plan, are considered by the Office for National Statistics (ONS) Microdata Release Panel (MRP)

² ONS Local Development Plans Release Record July 2018

Summary

- 1.13 In summary the plan sought to balance jobs and houses (labour supply). The evidence base suggested that 11,291 jobs aligned with the recommended OAN of 712 new homes a year over the plan period. At the time the plan's evidence was prepared the best estimate of how much floorspace was needed to accommodate this was set out in policy ED 1.

2 IS ED1 STILL UP TO DATE FOR THE PLAN PERIOD?

Introduction

- 2.1 The first question to test is whether ED1 remains up to date.
- 2.2 To check we have looked at two new economic forecasts. The first from Cambridge Econometrics³ and a second from Experian⁴. The original plan evidence base was derived from a Cambridge model, but good practice would support cross checking the view of one forecasting house with another. Both sources are well recognised, independent, forecasting houses whose data is commonly used in planning and more widely.

Cambridge Econometrics

- 2.3 The new Cambridge model output is shown in the table below, compared to that used in the submitted development plan.
- 2.4 The most recent Cambridge model run is from November 2018. As can be seen, over the plan period the number of jobs needed / demanded in the more recent forecast is almost exactly the same as the submitted plan.

Table 2.1 November 2018 Cambridge Forecast vs Submitted Plan

	2013-33 Plan	2013-33 New CE	% difference
Total workforce job change	11,291	10,906	-3%
Office	5,908	6,125	4%
Industrial	520	11	-98%
Warehousing	350	292	-17%
Total B	6,778	6,428	-5%

Source: Cambridge Economics and PBA analysis

- 2.5 The new Cambridge model is now very slightly lower than the number of jobs the plan provides for – 10,906 jobs over the 2013 – 33 period; as opposed to 11,291 in the plan.
- 2.6 The balance between B class jobs and non-B jobs is also almost exactly the same with around 6,500 net additional B class jobs. As with the development plan the majority of new jobs which are still expected in the office sectors. The plan makes provision for 5,908 jobs in offices while the new CE forecast shows 6,125 new office jobs.

³ November 2018 model run. Supplied to PBA in May 2019.

⁴ June 2019 model run. Supplied to PBA in July 2019.

2.7 The new model run has fewer industrial and warehousing jobs. This is most likely a ‘Brexit’ effect. Brexit has disproportionately affected the manufacturing outlook in the UK. At the plan base date the Borough accommodated around 3,500 industrial sector jobs – which were expected to grow by 500. But the updated Cambridge view is that this growth is less likely.

Summary

2.8 The submitted plan makes provision for 11,291 new jobs, of which 6,778 are expected to be in the B class uses. The new Cambridge model shows that this scale of job growth remains appropriate. The new Cambridge model run shows almost exactly the same total growth and the same B class growth, but is more pessimistic for industrial jobs. In this regard therefore the plan remains more positive about industrial job growth. Given that the ‘disagreement’ about the future for industrial jobs is likely to be Brexit related and so uncertain, the plan’s more positive approach would appear to remain sensible.

Experian

- 2.9 The second forecast we have considered in this note is from Experian.
- 2.10 The Experian model is updated more frequently than Cambridge. The most recent model run was provided in June 2019.
- 2.11 As with Cambridge this model also broadly supports the number of jobs in ED1. The total number of jobs in this more recent model run is 20% higher – but in terms of employment land (B class jobs) is almost exactly the same (-5%).

Table 2.2 June 2019 Experian Forecast Vs the Submitted Plan

	2013-33 Plan	2013-33 New Experian	% difference
Total workforce job change	11,291	13,500	20%
Office	5,908	5,953	1%
Industrial	520	228	-56%
Warehousing	350	285	-19%
Total B	6,778	6,466	-5%

Source: Experian and PBA analysis

2.12 As with Cambridge the new Experian model is now forecasting fewer industrial and warehousing jobs; which again is likely to be a Brexit effect and so, as with Cambridge discussed above, the plans more positive approach to industrial ‘need’ is sensible.

Summary

- 2.13 As with the CE model the new Experian forecasts still demonstrates that a minimum job target of 11,200, of which 6,778 are expected to be in the B class remains sound.
- 2.14 Also as with the CE model Experian shows a lower 'need' for industrial jobs / land. But this is likely to be Brexit related and so a cautious and positive approach is warranted.

Conclusions

- 2.15 We have used two new economic forecasts to test whether ED1 remains up-to date and 'sound'.
- 2.16 The two forecasts show a very similar number of new jobs in RBWM over the plan period. Cambridge is almost exactly the same, Experian 20% higher.
- 2.17 While Experian is now 2,000 jobs higher over the plan period, for B class jobs (requiring employment land) there is almost no difference (300 jobs).
- 2.18 For the Industrial jobs there is a difference between new CE data and the plan; and a smaller difference between the plan and Experian. But this is, at the moment, a very uncertain sector and the fall in job growth reflects (hopefully) short term economic uncertainty. It would not appear either sensible or positive to reduce or amend ED1 at the moment.
- 2.19 We conclude, with reference to two new Economic Forecasts, that policy ED1 as drafted remains a sound policy. The new evidence supports a 'minimum' 11,200 jobs and also the split of jobs between non-B and B class jobs.

3 HOW HAS THE BOROUGH PERFORMED TO DATE?

Introduction

- 3.1 The 'base date' of the BLPSV is 2013 and thus 5 years of the plan period have already passed.
- 3.2 This circumstance is not unusual and especially in complex areas where evidence was prepared jointly with a number of councils within a Housing Market Area. Also practically; for the economic evidence, the job 'need' cannot be determined in advance of the OAN – and it is well understood that deriving the OAN was a complex and time-consuming process.
- 3.3 A time lag in the economic evidence is also not unusual because there is a 'lag' in official statistics (BRES) reporting actual jobs in an economy. This time lag has reduced in recent years but at the time the economic evidence base was prepared this lag was around two years (i.e. 2013 data was released in September 2015).
- 3.4 Reflecting the fact that more recent economic data is available since the plans base date it is reasonable to 'sense check' the target in ED1 by looking at performance to date.
- 3.5 We then move on to see whether this more recent economic data still supports ED1 – and the 'remaining jobs' to be delivered – and so need to be provided with land in the plan.

Jobs delivered 2013 – 2017

- 3.6 The table below shows the number of jobs delivered between 2013 and 2017. At the time of writing, 2017 is the most recent release of official data.

Table 3.1 Jobs delivered 2013-2017

	Jobs 2013-33 Plan	Delivered 2013-37	To be delivered 2017-33	
Total workforce job change	11,291	4,300	6,991	62%
Office	5,908	2,189	3,719	63%
Industrial	520	280	240	46%
Warehousing	350	157	193	55%
Total B	6,778	2,626	4,152	61%

Source: Eastern Berkshire EDNA, RBWM, Experian and PBA analysis

- 3.7 The data shows that in the first 5 years of the plan period 4,300 jobs were delivered in the Borough, with 2,189 of these delivered in the office sector, 280 in industrial and 157 in the warehouse sector.

3.8 This means that to meet ED1 in full, land needs to be provided to accommodate 4,152 additional B class jobs – most of which need to be in the office sector.

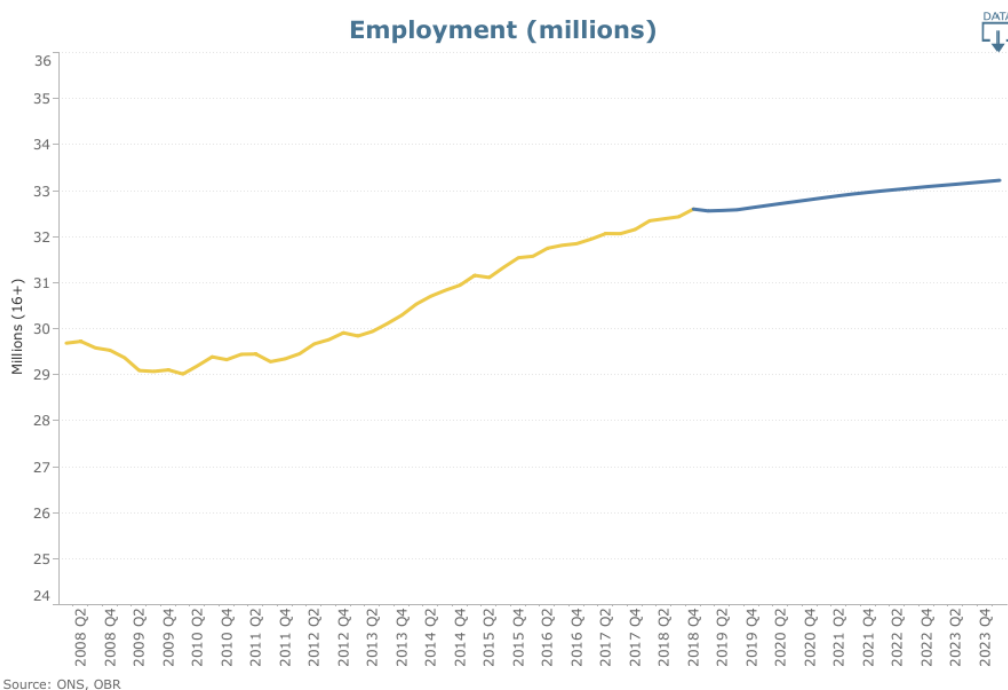
Why has job growth been so fast?

3.9 It may appear odd that 40% of the plan job growth has been achieved within the first 5 years. But this is far from unusual and reflects the strength of the national economy in those 5 years and the ebbs and flows of the economic cycle.

3.10 To illustrate this using independent data the same pattern can also be seen in the Government’s own employment projections. The chart below is taken from the Government’s independent Office for Budgetary Responsibility March 2019 fiscal outlook. This independent data illustrates that past job growth (yellow line) is much stronger than future growth (blue line).

3.11 Over the period 2013-17 the OBR reported employment growth 2.1 million. But over the 5 year period 2019 – 24 this falls to 0.6 million.

Figure 3.1 OBR Employment: Past and Future



Source: OBR

3.12 It may be tempting the view this lower job / employment growth as a negative feature that requires intervention. But in practice the opposite is the case. In terms of employment counts and the number of jobs the UK economy is now running at ‘full employment’. Labour supply economics is complex but most obviously previous job growth in the national economy was partly fuelled by reducing unemployment rates – falling from 8% in 2011 to 4% in 2018. The OBR forecast no further reductions in unemployment rates and have expressed the view that the labour market is at risk of overheating.

- 3.13 This fact has been recognised in the ‘Industrial Strategy’ where the main metrics now focus on quality jobs – or ‘good jobs’ – rather than absolute job counts.

Why have jobs been delivered but not the floorspace?

- 3.14 A second relevant question is why jobs have been delivered in advance of the land allocations being made and the floorspace being built to accommodate them.

Offices

- 3.15 In this case the Borough has added nearly 2,200 office jobs while the stock of office floorspace, reported by the VoA, fell from 421,000 sq m in 2012/13 to 408,000 sq m in 2018/19.
- 3.16 Again this is not unusual and reflects the fact that the office market was probably not in equilibrium at the base date of the plan – with a surplus of vacant office space.
- 3.17 Unfortunately, the Council’s EDNA failed to identify the vacancy rate in 2013 and in general there is no quantitative analysis regarding vacancy across Berkshire in that suite of evidence. Establishing whether or not a market is in balance before advising on future needs is a fundamental part of the evidence base but appears to have been overlooked here.
- 3.18 More recently we know from the Council’s Supplementary market analysis Employment Land Review (2018) that 15.8% of the stock was still vacant in 2018 – above any ‘benchmark’ normally considered healthy (5-10%). So it cannot be the case that, at the time the EDNA work was undertaken, that the office market was in equilibrium. It is likely that vacancy rates were even higher in 2013 than the Council found in 2018.
- 3.19 More strategically, around 2013 Central Government introduced national PDR changes in response to their view that office vacancy rates were too high across England. A few areas were given exceptions to PDR – where they showed exceptional reasons – but RBWM was not one of these areas. i.e. the national view was that at the base date of the development plan the market was not balanced with surplus stock which could be lost via PD
- 3.20 Setting aside the fact the EDNA failed to identify the quantum of vacant stock at its base date, it is certainly the case that office occupiers and changes in technology and office design means that many firms are now using their office space much more intensively than in the past. This includes reconfiguring office space to ‘densify’ floorplans but also technology facilitating more homeworking and remote working. Recent data from the ONS shows that nationally the number of homeworkers roughly doubled between 2008-18⁵

5

<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/adhocs/009913homeworkersbyukregion2008comparedto2018>

- 3.21 So, it is not surprising that job growth has been able to exceed the change in office stock. This is most likely to have been achieved through a mix of small changes to employment densities and a reduction in the office vacancy rate.

Industrial and warehousing

- 3.22 For industrial and warehousing the stock fell from 315,000 sq m to 300,000 sq m over the same period – while a very small number of jobs were delivered.
- 3.23 For industrial uses it is less likely that homeworking has contributed to this ‘space less’ job growth. But as with offices it is possible that some of the job growth was secured in previously vacant stock (although the EDNA provided no vacancy rate).
- 3.24 It is also possible that the shortage of stock in the market has required firms to make better, and more efficient, use of their stock and property.
- 3.25 In practice both a reduction in vacancy rates and more efficient use of property have probably occurred. In any event the job growth of 450 jobs marginal in the context of 300,000 sq m of stock.

Should adjustments be made looking forwards?

- 3.26 Finally – we briefly consider whether an allowance should be made for tightening job densities going forwards. Firms making more efficient use of the space in the past has allowed ‘space less job growth’ – so it follows this trend may continue.
- 3.27 Our opinion is that it would be unwise to ‘hardwire’ such an assumption in the plan. For offices there is continuing evidence that ‘agile working’ is allowing firms to use their space more efficiently – but we don’t know whether this trend will continue indefinitely. For industrial it may be that increased automation creates a demand for space not linked to job growth or conversely that technology means that industrial firms can also use their space more efficiently and employment more people in the same space.
- 3.28 In both cases (office and industrial) there is insufficient evidence to depart from a ‘fixed’ employment density assumption. So, for the ‘jobs remaining’ to be delivered to meet ED1, we still assume that each additional job requires new floorspace. The fact densities may continue to tighten should be considered additional contingency in the plan.

Conclusions

- 3.29 The plan is already 5 years into its period.
- 3.30 We have found the number of jobs expected in ED1 over the plan period remains sound. But we have also found that around 40% of these jobs have already been delivered. So looking forwards the plan needs to only allocate new land for the ‘balance’ – i.e. the 60%.
- 3.31 The fact that job delivery has been so high in recent years, and then slows through the remaining plan period, is not unusual and is fully in alignment with the two RBWM economic forecasts we considered above. It is also in alignment with the

OBRs, the Governments independent economic advisors, view of the national economy. The 2013 – 17 period would appear to have been one of nationally high growth – reflecting only a ‘positive window’ of a whole economic cycle.

- 3.32 There is no suggestion from the forecasting houses we have looked at, or the OBR that projecting forward the recent past trends would be appropriate.
- 3.33 Finally; we note that for industrial and warehousing new data is more cautious about job growth and so, for submitted plan more recent evidence would support a cautious approach to allocation / releasing land for industrial uses. However we don’t suggest redrafting ED1 to reduce the amount of floorspace for industrial uses because we recognise that there is considerable uncertainty in the industrial economy at the moment.

4 NEW LAND NEEDED TO MEET ED1

Introduction

- 4.1 In this section we look at how much new land is needed to meet the council's job target and, as per the SHMA, align jobs and houses.
- 4.2 We do this by estimating how much floorspace and land is needed to accommodate the remaining jobs in ED1.
- 4.3 For the plan this effectively updates the floorspace elements of ED1 to ensure that the 11,200 jobs can still be delivered.
- 4.4 In doing this we use the same approach as taken in the submitted plan; i.e. the same sector to space assumptions and also the same employment densities.
- 4.5 However in addition to this we also make a further allowance for a 'margin' to cover uncertainty, potential windfall losses from the stock and market choice. As part of this we consider that the market is not starting from a point equilibrium – office vacancy rates are too high and industrial rates too low.
- 4.6 This is particularly relevant to the industrial sector where a number of representors to the submitted plan expressed concern that the industrial market in particular was currently undersupplied. The council's own evidence, from the EDNA and the 'Supplementary Market Analysis paper' (SD_010) would also suggest the industrial market is not currently in balance.
- 4.7 In our office analysis we focus on floorspace as opposed to land. This is because office plot ratios are very difficult to establish – a town centre office could be delivered at a very high ratio if the site were suitable for large, tall buildings. But this may not be appropriate on constrained sites – for example around Windsor where tall buildings would clearly not be appropriate. As a 'rule of thumb' we would suggest a 40% plot ratio used for all industrial uses and 60% for offices.
- 4.8 For industrial the land area is more important – partly because not all industrial uses require floorspace (open storage; or many depots). But industrial plot ratios rarely exceed 40% because the 'yardage' space is almost equally as important as the built space so 40% should be used a rule of thumb when needed.

Offices - Floorspace to meet need

- 4.9 To accommodate the net change in jobs shown in policy ED1 requires 51,135 sq m of net additional office space assuming each new job requires 13.75 sq m.
- 4.10 However, a couple of additional adjustments are needed to establish how much land is needed. This is because, as submitted, the plan proposes releasing some developed (and occupied) sites. If these are taken forward the space lost needs to be replaced. There are also some, still to be implemented PDR losses, a positive (unbuilt) planning pipeline and we also need consider 'margin'.
- 4.11 So in the sections that follow we:

A) First discuss the sites proposed to be released in the plan. These are sites the Council can choose to retain and so avoid the need to replace the lost floorspace with new sites.

B) Discuss the (already committed) losses (PDR & PP) where the Council is unlikely to prevent the loss of space

C) Factor into our assessment sites with PP for new offices or possible new allocations (without PP).

4.12 Through A+B+C demonstrate that the plan is likely to meet the 'need' discussed above.

A) PDR and planning permission losses

4.13 The Council is in the process of implementing Article 4 Directions to control future losses of office space via the PDR route. This is justified because the Council is reaching the point where further losses of stock would necessitate the allocation of new, greenfield and likely out of centre allocations to replace them.

4.14 However, we understand that there is currently around 7,000 sq m of space with prior approval that is yet to be implemented⁶. In this assessment we make an allowance to replace this space. But, we do not make any allowance for further PDR losses beyond those in the pipeline. This is because, as we discuss below, there is still some 'slack' in the Borough's vacant stock – with some surplus vacant space which can absorb future PDR losses.

4.15 Planned losses/reduction in office floorspace are confined to:

- Foundation Park, Cox Green -272 sq m

4.16 This scheme proposes comprehensive redevelopment of an existing office building, where the replacement floorspace (6,900 sq m) will be just 272 sq m less than the original.

B) Planning pipeline gains

4.17 The first element of the positive planning pipeline are the sites with greatest certainty in respect of delivery:

- the former Imperial House site on Alma Road, Windsor - planning permission granted on appeal in 2019 for 16,389 sq m;
- the Broadway (the Landings) as part of a mixed-use scheme, Queen Street, Maidenhead - planning permission for 9,595 sq m, and development has commenced on site;

4.18 Together these two sites have planning permission to deliver 25,984 sq m of office floorspace, and due to the scale of space proposed we recommend that they are both to be identified in Policy ED1. In the case of Alma Road this was recently won

⁶ As reported in the latest AMR - year to 31st Mar 2018 (Dec 2018) plus CoU Vanwall Business Park -2,210 sq m

on appeal so we have some certainly the scheme will be implemented. The Landings is under construction.

- 4.19 The other element of the planning pipeline comprises other (smaller) permissions yet to be implemented and other sites known to have potential and expected to come forward through mixed use sites, that can be used to meet 'need' as per ED1.
- 4.20 This positive pipeline on smaller sites stands at 11,763 sq m (net). The pipeline includes five sites that would provide a positive contribution to office floorspace:
- York Road 1,930 sq m
 - Vansittart Road 1,189 sq m
 - High Street East/ York Street 331 sq m
 - West Street 3,500 sq m
 - Cordwallis (Clivemont House) 4,833 sq m
- 4.21 More detail about the pipeline (positive and negative) is appended to this topic paper.
- 4.22 It would be unsafe for the development plan to rely on the full implementation of this second element of the planning pipeline. There is considerable uncertainty surrounding the implementation of any permission, and the capacity yield from the redevelopment sites.
- 4.23 For the plan we consider it reasonable to plan on the basis that 50% of that part of the pipeline with the least certainty should be 'counted' (ie 5,882 sq m of the 11,763 sq m). To rely on full delivery of the pipeline would require much more detailed technical evidence than we have available, and even then a lapse rate would possibly still be needed.

Margin

- 4.24 It is common to over allocate land for 'margin' – to provide additional market choice, churn and friction. However, this is less important given that plan reviews are now much more frequent and if the plan makes sufficient provision for its plan period the risk of running out of land before a plan review now much reduced.
- 4.25 So for offices we have not made a further allowance for 'margin'. In reaching this conclusion we also note that vacancy remains above a 'healthy' benchmark (7.5%) and we have been very cautious counting the pipeline above. Had either factor have been different we may have reached a different conclusion.

Balancing demand and supply

- 4.26 We started with a net need of 51,135 sq m of new office space to meet ED1. But against this number we have committed losses with PP (272 sq m) or PDR (7,042 sq m), and also a positive pipeline of smaller sites (that is part of the supply 11,763 sq m) and two large recently permitted schemes.

Table 4.1 Office - demand supply balance

Demand	Sq m	Notes
a Net demand (2017-33)	51,135	3,719 jobs x job floorspace density (13.75 sq m per job)
b Planning permission losses	272	The losses are detailed on the table in the Appendix
c Like for like replacement of PDR losses	7,042	Sourced from the latest AMR - year to 31st Mar 2018 (Dec 2018) Plus Vanwall Business Park, Maidenhead
d Total net demand (a+b+c)	58,449	Sum of the above
Supply		
e Planning permission gains	25,984	The gains are detailed on the table in the Appendix
f Other planning pipeline	11,763	Sum of proposals and potential sites Detailed on the table in the Appendix
g Other planning pipeline - discounted (f *50%)	5,882	Cautious approach - assume 50% of sites known to have potential coming forward.
h Additional supply (e+g)	31,866	Sum of the above
i Demand supply balance (d-h)	26,583	Total net demand minus additional supply
j Land requirement (ha)	4.4	Land to accommodate the balance of floorspace at a plot ratio of 60%

Sources: RBWM starts & completions data, PBA analysis

- 4.27 Overall, these factors reduce the quantum of office floorspace needed to meet ED1 to 26,583 sq m. Assuming 60% plot ratio (as discussed above) this requires 4.4 ha of new land to be allocated.
- 4.28 Within the scope of the submitted plan the priority should be to secure this through further town centre redevelopment opportunities. The submitted plan, in ED2, already notes a number of possible town centre sites, but does not provide floorspace targets for each site.
- 4.29 To meet the shortfall we suggest that the policy makes more explicit positive allocations at:
- redevelopment of the Nicolson centre which is a major opportunity to deliver net additional floorspace within Maidenhead town centre. The recent masterplan identified scope for 22,000 sq m of office, which in net terms is a 15,000 sq m increase in office floorspace.
 - The Railway Station redevelopment would ideally provide a positive gain given the sites location and suitability for high trip generating uses. But at the moment we don't assume this provides net additional space so the policy should be expressed as 'gross'.
 - St Cloud's Gate which could potentially contribute in the order of 3,500 sq m net additional space.
- 4.30 In addition there are other sites within town centres that are being actively promoted and we understand are at the pre-application stage. We understand that two town centre schemes that are currently being promoted are capable of delivering a net uplift in office floorspace of 7,500 sq m across the two sites.

- 4.31 A combination of these sites is likely to mean that the borough can meet its 'need' in full. Should other schemes come forward over the lifetime of the Plan, which we think is reasonable to assume, they would provide further net additional office floorspace over and above that required to meet the demand.

Industrial and Warehousing- Floorspace to meet need

- 4.32 We address the need for industrial and warehouse floorspace/land together because they share very similar land or property requirements. Many 'industrial' (B2) units are now indistinguishable from 'warehouse' (B8) units. So in the text below 'industry' is used as a generic term covering factories, warehouses and workshop units.
- 4.33 To accommodate the net change in jobs shown in policy ED1 requires 25,070 sq m net additional 'industrial' space.
- 4.34 This breaks down as 11,328 sq m to accommodate the 240 industrial (B2) jobs remaining in ED1. And 13,743 sq m, to accommodate the 193 warehousing (B8) jobs in ED1.
- 4.35 However as with offices, a couple of additional adjustments are needed to establish how much land is needed. This is because, as submitted, the plan proposes releasing some developed (and occupied) sites. If these are taken forward the space lost needs to be replaced. There are also some, still to be implemented losses, a positive (unbuilt) planning pipeline and consideration of a 'margin'.

Sites to be released

- 4.36 The submitted plan proposed the release of a small number of industrial sites – but as representors noted – no replacement land / space was proposed to 'make good' these losses.
- 4.37 Responding to these representations, and to reflect new technical evidence (specifically new flood evidence) it is no longer appropriate to proactively release these sites.
- 4.38 In the submitted plan HA12 (Boyn Valley Industrial area) and HA2 (reform Road) were both proposed for release for housing, as were two very small industrial sites at Straight Works, Old Windsor and Tithe Farm, Wraysbury.
- 4.39 Boyn Valley is clearly a secondary industrial site but it is occupied and would appear to meet a local need for local quality industrial property in Maidenhead. Given the very low levels of vacancy, and limited opportunity to promote new sites (outside the Greenbelt) there is no rationale to positively release the site from the employment land supply. So we suggest this site added to ED2 as an industrial site.
- 4.40 The same principle would also apply to Reform Road but in addition we understand that further flood risk work has shown that the proposed housing allocation can no longer be supported. Therefore, in this plan, it is also pragmatic to reclassify this as an ED2 (industrial) site.

- 4.41 At the Straight Works and Tithe Farm we understand other technical work (flooding) has, post submission of the plan, demonstrated these were not deliverable as housing allocations. But unlike Boyn Valley and Reform Road we don't suggest 'promoting' these to ED2. We consider any future application for redevelopment in line with ED3. So we don't, in our assessment assume they are lost at the moment.
- 4.42 For this plan retaining these sites in the employment portfolio is the preferred option. This is because, should they be released, the Council would need to identify replacement space to 'make good' these losses. This would most likely require new Greenbelt sites and in any event this new space would not meet the same qualitative need as the property that would be lost.
- 4.43 An added reason to retain these sites (at least in the short term) is that even were additional new land allocations made to 'make good' the lost space it is unlikely this will be delivered ready for displaced firms to move into (even were it offered at affordable rents). With almost no vacancy in the market there is nowhere for displaced firms to move to in the short term.
- 4.44 In our recommendations we propose allocating more land than 'need'; partly to provide frictional vacancy in the current tight market. If this space is delivered then scope may be available in the medium term to review our recommendation. This is most likely at the Plan review.

Planning Pipeline Losses (and gains)

- 4.45 For industrial space the pipeline is negative – i.e. more space is permitted to be lost than gained.
- 4.46 At the moment the Council has permitted the loss of 10,606 sq m of space which is at the following sites:
- Planning permission for 3,000 sq m (loss) at Exclusive House, in the Oldfield Road industrial area (HA13)
 - Planning permission for 2,000 sq m (loss) at Middlehurst, Boyn Valley Road (HA15)
 - Planning permission for 1,050 sq m (loss) at the Osbourne Garage site, St Marks Road (HA16) (won on appeal).
 - Planning permission for 3,926 sq m (loss) at Furze Platt Industrial Area (North), and
 - The change of use from industrial to office referred to in the office section above at the Vansittart Road Industrial Estate that results in a loss of 630 sq m.
- 4.47 Regardless of the need to retain stock these sites already benefit from planning permission, and so there is no likelihood they can now be retained. These sites / floorspace need to be replaced.
- 4.48 As with the office sites the industrial pipeline is shown in the appendix.

Margin

- 4.49 When considering offices we concluded that no margin was needed. But for industrial uses we reach a different opinion.
- 4.50 There is almost no vacant space available on the market. So, it is clear that the market is not starting from a point of 'balance' or equilibrium. This is unlike the office market where there may be a small 'overhang' of vacant space or, at best, the market has returned to a more reasonable position of balance.
- 4.51 This 'stressed' industrial market was a conclusion from both the Council's 2018 evidence (Supplementary Market Evidence), but also noted in the ENDA (although no number / percentage was given).
- 4.52 The Council's 2018 market evidence calculated the rate of vacancy at 3.9% while we consider 5-10% is 'healthy'. In our sums below we have assumed the market should aim for 7.5% vacancy. To achieve this requires provision for 43,200 sq m of stock in addition to the 'net' need required to accommodate the job growth (10.8 ha).
- 4.53 We consider that this adjustment, which is considerable in the context of that needed to accommodate industrial job growth (B1c, B2 & B8) to be more than adequate to provide sufficient 'margin' in the market for this plan round.

Balancing demand and supply

- 4.54 The additional industrial space needed to accommodate the job growth in ED1 is very modest. We estimate only 25,070 sq m of net additional space would accommodate the net additional job change in ED1. At a 40% plot ratio this would need 6.3 ha of new land. However; in addition, we must make an allowance for space already committed to be lost (with PP) of 10,606 sq m (2.7 ha). So we 'need' around 10 ha to meet the number of jobs set out in ED1.
- 4.55 But this does not address the very low vacancy in the current market which would suggest more land is needed to allow the market to function more efficiently. To provide for around 7.5% vacancy in the stock would require a further 43,200 sqm of stock (around 10ha). This additional adjustment is not strictly 'need'; it does not contribute to net additional jobs in the plan. But a feature we think should be promoted as far as the Borough can within the limitations of the sustainable land supply.
- 4.56 The practical implication of acknowledging that at least 10 ha of land is needed to meet ED1 job growth is that the 'reserve' status of the Triangle site cannot be maintained.

Table 4.2 Industrial demand supply balance

Demand	Sq m	Notes
a Net demand (2017-33)	25,070	240 industrial jobs x job floorspace density (47.2 sq m per job) plus 193 industrial jobs x job floorspace density (71.2 sq m per job)
b Planning permission losses	10,606	Losses are detailed in the table on the Appendix
c Like for like replacement of PDR losses	0	The latest AMR - year to 31st Mar 2018 (Dec 2018) identifies no such losses
d Allowance for margin to return vacancy to frictional vacancy rate (7.5%)	43,200	Industrial vacancy is currently low at 3.9%, requiring an additional 3.6% to return it to a healthy and efficient 7.5%.
e Total net demand (a+b+c+d)	78,876	Sum of the above
Supply		
f Total pipeline	0	There are no gains (only losses) as shown on the table in the Appendix
g Demand supply balance (e-f)	78,876	Total net demand minus additional supply
h Land requirement (ha)	19.7	Land to accommodate the balance of floorspace at a plot ratio of 40%

Sources: RBWM starts & completions data, PBA analysis

- 4.57 We also note that a second, smaller site, at the Crossrail works site (Maidenhead) has come forward in the pause period. The site is well suited to a new employment use given its location and proximity to existing employment and operational railway land. Access to the site will limit the intensity of the sites operation, for example operational hour restrictions may be needed. But this feature does not mean that the site is not suitable for any or all possible employment uses.
- 4.58 Collectively the two sites (Triangle and Crossrail) exceed the 10ha we ‘need’ for job growth in ED1 and may go some considerable way to contributing to the additional 10ha we think the Council ought to consider.
- 4.59 Further work is need at the Triangle site, via master planning, to arrive at the optimal development capacity of the site. It is unlikely that all the site is developable.

Summary

- 4.60 As drafted the submitted plan made no explicit new land allocations for employment purposes. This is despite a positive job target.
- 4.61 Above we have updated the ‘need’ for new space to meet the Councils job target.
- 4.62 Overall we consider, that with a small number of changes to sites previously proposed for release from the employment portfolio, together with the new sites we suggest are ‘allocated’ the Council can demonstrate enough new land to meet ‘need’.
- 4.63 This is dependent on the loss of a small number of office sites, previously HA sites, no longer being promoted. This is a hard decision but one that flows from the lack of a large positive pipeline (or new allocations) to replace any space lost on these sites. The Council has undertaken a number of ‘call for sites’ but still no new options are available to replace this land/property that was previously proposed for release. Also

in most cases further technical work (flooding) has discounted the release of these sites.

- 4.64 As with offices, for Industrial we cannot support the proactive release of occupied sites. For Industrial this need is more pressing given the low vacancy rates in the market which means were these sites released there would not be alternative property for them to move into.
- 4.65 For Industrial land the practical implication of our analysis is to bring forward the Triangle site for development in the short and medium term.
- 4.66 In the longer term the Council needs to look for new sites and, given the limited success of 'call for sites' work proactively to secure the next generation of new sites.
- 4.67 Should the Council, or others ultimately disagree with the proposed retention of sites previously promoted for release, this needs to be seen in the context that (it is likely) additional new greenbelt sites would needed to 'make good' these losses. Or the plan will proceed with either less land / floorspace than need or greater uncertainty that the sites proposed in the employment policies can meet needs in full.

5 SUGGESTED CHANGES TO POLICY

- 5.1 While the number of jobs needed to be delivered in the plan has now reduced; and so the amount of land needed, some changes to the main employment policies ED1 & ED 2 are required to deliver new space to meet ED1 and also protect the remaining stock of sites.
- 5.2 For ED1 the policy needs to be refreshed to reflect the amount of land this plan needs to allocate to ensure the job target is reached.
- 5.3 We also suggest ED1 is expanded to allocate new land for development in order to meet the identified need.
- 5.4 The main change for the industrial portfolio is to allocate the Triangle site; moving the site from a 'reserve' site to a more formal allocation. We also suggest a second positive industrial allocation at the former Crossrail works site in Maidenhead. This is a small site adjacent to the railway line in close proximity to existing industrial property that will become available in the early years of the plan. It was not allocated in the submitted plan but promoted during the 'pause period'. It was recently used for Crossrail and bounded by industrial and operational railway land so would appear to be a sensible new employment allocation.
- 5.5 For offices the main change is to more explicitly identify where we expect the 'need' to be accommodated and the expectation of a minimum requirement at a number of sites.
- 5.6 Given the size of the permitted development at Alma Road Windsor (16,000 sq m) and the importance of the railway station redevelopment and the Landings Site we suggest these are explicitly referenced in the policies.
- 5.7 We also suggest that the Nicolson Centre development should be explicitly referenced as a potential source of supply along with a small quantum of space at St Cloud Gate,
- 5.8 These are not 'new' allocations and each site is within the defined town centres in the submitted plan. However, to provide additional clarity on how the Council intends to meet its needs we think there is merit in making these positive allocations more explicit.
- 5.9 Policy ED2 needs reasonably minor changes to bring back into scope those sites previously expected to be released from the employment stock. Policy ED2 also needs strengthening so that the general principle of 'nil net loss' is explicit where sites are redeveloped.
- 5.10 Only minor changes needed to ED 3; firstly to clarify that the Council will consider both leasehold and freehold tenures when applying the policy and to allow more flexibility to agree the marketing process in advance.
- 5.11 No changes are proposed to ED4.

APPENDIX A OFFICE AND INDUSTRIAL PLANNING PIPELINE

OFFICE

BLPSV reference	Site	Site description / informaton	Planning history	Loss of office
1 Existing employment allocations no longer proposed to be released for housing in the submitted plan				
HA17	Tectonic Place, Maidenhead	Site has been promoted for resi in last two Cfs. (2015 & 17)	No pre-app/applications.	-
HA19	Whitebrook Park	Site comprises three parcels - Hitachi (occupied 4,910 sq m) Stiefel Labs (vacant 3,095 sq m) nb Stiefel relocated to south of the town centre close to A404M. Playing field (land to the east of the S Labs) (2018 HELAA notes could be suitable for emplt). Site is mostly in FZ3a/b (Hitachi bldg FZ2), but is classified by EA as an area benefitting from flood defences.	Preapps for care home redevelopment of Hitachi. 2016 application for resi redevelopment of former Stiefel Labs remains undetermined. No history on playing fields No Planning applications/permissions.	-
HA25	Minton Place, Victoria Street, Windsor	Windsor town centre. Recently refurbished Grade A office accommodation on upper floors with retail below. A site that should be identified for mixed use with nil net loss of the 3,500 sq m office floorspace.	No pre-app/applications.	-
Release to housing				0
2 Planning pipeline				
2a Planning permissions (referenced in ED1)				
ED2(3)f	Alma Road, Windsor (former Imperial House)	Large cleared site.	18/00095/FULL - appeal allowed for a five storey building to provide 16,389sqm (GIA) of office floorspace (Use Class B1), plus a second residential building.	16,389
ED2(2)v	Broadway (Landings)	Maidenhead town centre site. Best case net additional is 9,595 sq m.	18/01576 - permission for one building to provide 7,007sq.m GEA of office floorspace (Class B1) and granted in full and up to 6,000sq.m GEA office floorspace (Class B1) granted in outline. A total of up to 13,007sq.m GEA office (Class B1), with the potential net office 9,595sq m.	9,595
Total ED1 permissions (gains)				25,984
2b Planning permissions				
HA5 / ED2(2)iv	York Road	Best case would be 1,930 sq m office. There is a risk that it may come forward split across the range of permitted uses. However, across the portfolio of sites we anticipate half the office space will come forward, which balances our 'best case' approach with sites such as this.	18/01608 - planning permission for 1,930 sq m GEA commercial and community/cultural floorspace (A1, A3, B1, D1).	1,930
ED2(4)f	Vansittart Road Industrial Estate, Windsor	Original building is 226 sq m office and 630 sq m B1c = 856 sq m in total.	18/00763/FULL - change of use from B1(c) to B1(a) with a first floor extension. Overall permission for B1a 1415 sq m, but some existing office.	1,189
Total other permissions (gains)				3,119
ED2(3)c	Foundation Park, Cox Green	Total office loss 272 sq m	14/02514/OUT (and subsequent variations) - application for comprehensive redevelopment including demolition and replacement of a B1 office building generating an overall loss of 272 sq m - 7,172 sq m replaced by 6,900 sq m.	-272
Total other permissions (losses)				-272
2c Other pipeline				
ED2(2)vi	High Street East/ York Street	Best case would be an office gain of 311 sq m.	Current application forms phase 3 of the development, and will involve loss of 294 sq m of B1(a) and a gain of 605 sq m commercial space.	311
Total other pipeline (gains)				311
2d Sites with potential for net change in floorspace				
HA4 / ED2(2)iii	West Street, Maidenhead	Town centre surface car park site. Promoted in Call for Sites 2017 and in more recent pre-app for circa 3,500 sq m office.		3,500
ED2(4)c	Cordwallis Industrial Area (East)	Cleared site within an ED2(4) employment (industrial) area, formerly in office use (Clivemont House) with 4,833 sq m. We build in the reprovision of the original floorspace given the nil net loss principle in the ED2 policy.	17/02538/FULL - application for residential refused, appealed and appeal withdrawn.	4,833
Total sites with potential for net change in floorspace (gains)				8,333
3 Other sites				
ED2(2)ii	Reform Road			-
ED2(3)b	Norreys Drive, Maidenhead (Site A, GSK)		No known planning activity	-
ED2(3)b	Norreys Drive, Maidenhead (Site A, Stiefel Labs)		No known planning activity	-
ED2(3)b	Norreys Drive, Maidenhead (Site A, Clarion House, Highways House and Scandanavian House)		No known planning activity	-
ED2(3)b	Norreys Drive, Maidenhead (Site A, Concorde Park)		No known planning activity	-
ED2(3)b	Norreys Drive, Maidenhead (Site B, Voyager Place)		No known planning activity	-
ED2(3)b	Norreys Drive, Maidenhead (Site C, McGraw - Hill House)		16/03993/VAR & 17/01106/INC - recent permissions for refurb of existing office, industrial & warehouse buildings, plus associated works. No change in floorspace.	-
ED2(3)d	Windsor Dials, Windsor		No known planning activity	-
ED2(3)e	Centrica, Millstream Windsor		No known planning activity	-
ED2(3)g	Stafferton Way, Maidenhead		No known planning activity	-
ED2(5)a	Land north and east of Churchmede Secondary School, Priory Road Datchet		No known planning activity	-
HA49 / ED2(5)b	DTC Research, Belmont Road, Maidenhead		17/03900/FULL - application to refurbish existing buildings.	-
ED2(6)a	Maidenhead office park, Westacott Way		No known planning activity	-
ED2(6)b	Ashurst Manor, Church Lane, Sunninghill	Site in the Green Belt. Repromoted in 2019 Cfs for housing (up to 40 houses) and employment (1,810m2).		-
ED2(6)d	Ditton Park, Riding Court Lane, Slough		No known planning activity	-
ED2(6)e	Horizon Building Honey Lane, Maidenhead		No known planning activity	-
Total other sites				0
Total Net addition				11,763

INDUSTRIAL

BLPSV reference	Site	Site description / information	Planning history	Loss of industrial
1 Existing employment floorspace proposed to be released for housing in the submitted plan				
HA12	Boyn Valley and Kings Grove Industrial estates	Site comprises three parcels: Kings Grove - remains empty 12b (land between Kings Grove and railway land) currently used for industrial activity / local services. 12c (land immediately to the south of 12b) - currently industrial and builders merchants.	Planning application for residential on 12b refused Mar 2019 (18/03301). Reason 1 - contrary to Pol E2 (loss of empty land).	-
HA13	Exclusive House, Oldfield Road industrial area		Planning permission granted Aug 2018 for redevelopment for residential (17/02698).	-3,000
HA15	Middlehurst, Boyn Valley Road		Planning permission for redevelopment for residential granted Jan 2017 (16/01630).	-2,000
HA16	Osbourne Garage, St Marks Road		Refused by RBWM (17/02051), but allowed on appeal.	-1,050
HA46	Straight Works, Old Windsor	Small backland site, occupied by local services activity, albeit with poor access, neighbouring residential. No scope for intensification.	No pre-app/applications.	-
HA48	Tithe Farm, Wraysbury	Small site currently used for small scale employment uses. Floodrisk issues, unsuitable for more high risk uses.	No pre-app/applications.	-
Total release to housing				-6,050
2 Planning pipeline				
2a Planning permissions				
ED2(4)a	Furze Platt Industrial Area (North)	A loss of 3,926 sq m B1c.	18/01269/FULL - permission has been granted on part of the site for residential.	-3,926
ED2(4)f	Vansittart Road Industrial Estate, Windsor	Original building is 226 sq m office and 630 sq m B1c = 856 sq m.	18/00763/FULL - change of use from B1(c) to B1(a) with a first floor extension. Overall permission for B1a 1415 sq m, but some existing office.	-630
Total permissions				-4,556
2b Other pipeline				
No sites being promoted through pre-app.				
Total other pipeline				0
3 Other sites				
ED2(4)b	Woodlands Business Park, Maidenhead		No known planning activity	-
ED2(4)c	Cordwallis Industrial Area (North)		No known planning activity	-
ED2(4)c	Cordwallis Industrial Area (South West)		No known planning activity	-
ED2(4)d	Howarth Road, Stafferton Way, Maidenhead		No known planning activity	-
ED2(4)e	Prior's Way Industrial Estate, Maidenhead		No known planning activity	-
ED2(4)g	Fairacres Industrial Area, Windsor		No known planning activity	-
ED2(h)	Ascot Business Park, Ascot		No known planning activity	-
ED2(4)i	Queens Road Industrial Estate, Sunninghill		No known planning activity	-
ED2(4)j	Manor House Lane Industrial Estate, Datchet		No known planning activity	-
ED2(4)k	Baltic Wharf, Boyn Valley Road, Maidenhead		No known planning activity	-
HA26 / ED2(5)c	Shirley Avenue, Vale Road Industrial Estate		No known planning activity	-
ED2(6)c	Lower Mount Farm	Site promoted in 2019 CFS for an unspecified amount of office, industrial, storage use.		-
ED2(6)f	Grove Park Industrial Estate, White Waltham, Maidenhead	Current use - 2,106 sq m office, 4,523 sq m light industrial. CFS 2019 promoted some housing with retention of office, but loss of light industrial.		-
ED2(6)g	Silwood Park, Ascot	Office site. Whole site repromoted in Call for Sites 2019 for housing exclusively.		-
Total other sites				0
Total Net addition				-4,556