

Reading Borough Council
READING EMPLOYMENT LAND REVIEW
SITE-SPECIFIC ANALYSIS

February 2010



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1. INTRODUCTION

- 1.1 The future of existing employment land is one of the key questions for how Reading develops over the coming years. Within such a constrained urban area, the industrial areas are coming under some pressure for alternative uses, particularly housing, which is underpinned by a national focus on reviewing the potential of employment land to provide housing.
- 1.2 For both housing and employment uses, national guidance expects local planning authorities to maintain a flexible and responsive supply of land. In an area such as Reading, this is a difficult balancing act, particularly given Reading's status as a Regional Hub in the South East Plan, expected to accommodate both housing and employment growth.

National Context

- 1.3 Planning Policy Statement 3 (Housing) states that, when deciding on locations for housing development, authorities should examine industrial and commercial sites (paragraph 38). An update to the predecessor of PPS3, Planning Policy Guidance 3, had been even more bullish on using employment land to meet housing needs.
- 1.4 Meanwhile, Planning Policy Statement 4 (Planning for Sustainable Economic Growth) in policy EC1.3 sets out the steps that authorities should go through in planning for employment uses. The evidence base should assess the detailed need for land, and assess existing and future supply. It notes the importance of carrying out Employment Land Reviews at the same time as Strategic Housing Land Availability Assessments. It also states, in policy EC2.1, that a range of sites should be identified and safeguarded to facilitate a broad range of economic development to meet the needs in the Regional Spatial Strategy.
- 1.5 More guidance on how these assessments should be carried out was contained in the ODPM guide Employment Land Reviews: Guidance Note (2004). This good practice guide contained a great deal of detail on how assessments can be prepared, which broadly fitted into a three-step methodology, as set out below:
 - Stage 1: Taking stock of the existing situation
 - Stage 2: Creating a picture of future requirements
 - Stage 3: Identifying a 'new' portfolio of sites

Local Context

- 1.6 In preparing the Borough's Core Strategy document, the Council commissioned Roger Tym and Partners to undertake an Employment Land Review, with the aim of identifying broad areas which should be

retained in employment use, and areas which had potential for release to alternative uses. The results of this study are summarised in the next section, but they informed the development of employment policies in the Core Strategy.

- 1.7 The Core Strategy (adopted in 2008) includes policy CS11, based on the findings of the Employment Land Review, which states that, within Core Employment Areas, employment land will be maintained, and sets out criteria for consideration of alternative uses elsewhere. Although the Core Strategy includes an interim definition of the Core Employment Areas, it delegates the definition of the detailed boundaries to the Site Specific Allocations Document.
- 1.7 Both the original Employment Land Review and the Core Strategy therefore deal in broad employment areas rather than specific sites. There is clearly a more detailed level of work that needs to be undertaken to define the exact extent of the Core Employment Areas and define specific sites which are candidates for development for alternative uses. That is the purpose of this analysis.
- 1.8 This Review has been prepared to inform the Sites and Detailed Policies Document (SDPD), which is the document that will allocate Core Employment Areas and any redevelopment of employment areas for alternative uses. The SDPD incorporates Site Specific Allocations, which were previously intended to form a separate document.

2. RESULTS OF EMPLOYMENT LAND REVIEW 2006

2.1 The Employment Land Review (ELR) undertaken by Roger Tym and Partners, with Lambert Smith Hampton, was intended to identify:

- i) The amount of additional employment land needed;
- ii) Employment areas and sites that should be retained; and
- iii) Areas and sites which can be used for alternative uses.

2.2 The ELR undertook a quantitative assessment of the need for additional employment space, based on employment forecasts, which is one of the methodologies suggested by the ODPM's guidance note on employment land reviews. These employment forecasts were based on population projections, provided by Anglia Polytechnic University, which were in turn derived from different levels of housing growth. Experian produced the employment forecasts.

2.3 The four different scenarios were as follows:

- Base case - using Experian's own population projections
- Scenario 1 - Draft South East Plan housing allocations (521 per year)
- Scenario 2 - housing levels under the Growth point bid (573 per year)
- Scenario 3 - a distribution option suggested in Roger Tym's report for GOSE (667 per year).

These scenarios were applied to both Reading Borough and to the 'wider Reading area', which in this case includes Reading Borough plus the whole of West Berkshire and Wokingham districts. Scenario 2 was not applied to the Wider Reading Area, as the other two districts did not submit Growth Point bids.

Table 1: Quantitative Need for Additional Employment Floorspace, 2020 (sq m)

READING			
	Dwellings p.a.	Industry/W'housing	Offices
Base Case ('Unconstrained')		-53,000	12,000
Scenario 1 (SE Plan housing figures)	521	-56,500	17,000
Scenario 2 ('Growth Point/Core Strategy')	573	-48,500	30,500
Scenario 3 (Option B of RTP SE report)	667	-34,000	55,000
READING, W.BERKS, WOKINGHAM			
	Dwellings p.a.	Industry/W'housing	Offices
Base Case ('Unconstrained')		-148,000	120,000
Scenario 1 (SE Plan housing figures)	1569	-34,000	-10,000
Scenario 2 ('Growth Point/Core Strategy')			
Scenario 3 (Option B of RTP SE report)	2008	-80,000	240,000

Undersupply

Oversupply

- 2.4 The results of the quantitative need assessment are shown in table 1. It shows either an over- or an undersupply of office and industry and warehousing floorspace at 2020. An undersupply means that there will be a need for additional space, while an oversupply means that we can consider whether some of the space can be redeveloped for alternative uses. Generally, the ELR found an undersupply of offices and an oversupply of industry and warehousing at 2020.
- 2.5 The ELR then looked at the Borough's broad employment areas (referred to in the study as Employment Character Areas) and examined whether any were suitable for release to other uses, and which were important to retain. The factors considered included access, general location, external and internal environments and market conditions. The following areas were considered worthy of retention:
- Green Park
 - Worton Grange
 - Acre Road
 - Bennet Road
 - Paddock Road
 - Great Knollys Street
 - Wigmore Lane
 - Upton Road
- 2.6 It was considered that there was some potential for whole or partial redevelopment of the following areas of Reading (some of which would mean contracting the employment area into a smaller defined area):
- Manor Farm
 - Boulton Road/Cradock Road
 - Elgar Road
 - Rose Kiln Lane
 - Forbury Park
 - Richfield Avenue
 - Portman Road/Loverock Road
 - Stadium Way/Deacon Way
 - Bridgewater Close
 - Sterling Way
- 2.7 In terms of where the identified need for additional offices should be met, the ELR suggested focusing allocations on a town centre office quarter, particularly in the area around the station. This area provides the concentration of activities within a limited area, and produces the 'beneficial externalities of face-to-face contact, inter-trading, competitive intensity and labour market spillovers that are uniquely achievable in the central area' (p93).

3. UPDATING CONCLUSIONS OF EMPLOYMENT LAND REVIEW 2006

3.1 Since the publication of the Employment Land Review in 2006, there have been a number of changes which would affect the conclusions of the study:

- Adoption of the Core Strategy (2008) and Reading Central Area Action Plan (2009), meaning that more is known about the future pattern of housing and employment development;
- Adoption of the South East Plan (2009), which contains higher housing allocations than previous versions;
- Continuing employment developments which affect the figures for existing floorspace; and
- Differing levels of vacancy.

Local Development Framework

3.2 There are a number of policy elements in the Core Strategy which need to be factored into the analysis of individual sites. Policy CS12 resists the loss of small units (150 sq m) and move-on units (150-500 sq m), and also protects storage and distribution space in the south of Basingstoke Road. Although Core Employment Areas are defined in the Core Strategy, this is only an interim definition, and should not affect the analysis here.

3.3 The ELR discovered a positive need for office space, which has since turned into an oversupply (see analysis below). The study recommended that the primary focus for this space should be in the centre of Reading. The Reading Central Area Action Plan (RCAAP) identified substantial tracts of land in the centre which could be suitable for a mix of uses, including offices. The capacity for office development was not quantified within the policies in the RCAAP, but the potential capacity is significantly greater than the quantitative need identified.

Changing Figures

3.4 The Employment Land Review was based on a number of figures which were correct in 2006, but which have subsequently been amended. This includes annual monitoring of completions and permissions, new surveys of vacancy of existing units, and new housing allocations in the final version of the South East Plan. Table 3.1 below sets out the differences in figures:

Table 3.1: Updated figures 2006 - 2009

	ELR (2006)	2008 Update
Housing Figures	521 (SE Plan) 573 (Core Strategy) 667 (suggested option)	611 (SE Plan)
Vacancy Levels	7.6% (ind/whsg) 13.3% (office)	14.4 % (ind/whsg) 22.8% (office)
Planned Supply from 2004 (completions and commitments)	5,348 sq m (ind/whsg) 232,138 sq m (office)	-1,685 sq m (ind/whsg) 198,337 sq m (office)

- 3.5 We consider that the methodology of the original Employment Land Review remains robust, as do the original employment projections, which were always intended to be long-term projections taking cycles in the economy into account. Such projections should not need to be changed regularly.
- 3.6 This analysis does not cover the rest of the Wider Reading Area, i.e. West Berkshire district and Wokingham Borough, as updated information on vacancy which would be consistent with the information for Reading was not available. In any case, the approach in the Core Strategy was based mainly on the Reading figures in any case, and the figures for the Wider Reading Area were mainly used for context.
- 3.7 Re-running the employment projections based on the new housing figures from the South East Plan was also not considered necessary. The Employment Land Review methodology tests options for 521, 573 and 667 dwellings per annum, and the 611 dwellings per annum fall within the range of two of those scenarios, albeit somewhat closer to the 573 figure. The result of updating these figures should therefore be expressed as a range.
- 3.8 The updated analysis starts from Table 5.4 of the ELR, which shows the results of the employment projections translated into floorspace, and is shown here as table 3.2. This table has not changed since 2006, and is therefore used as the starting point.

Table 3.2 Forecast Floorspace Requirements, 2004-2020

	Forecast Jobs to Space	Friction (2 yrs gross take up)	Total requirement
Base Case			
Ind/Whsg	-65,509	18,393	-47,116
Offices	223,081	60,998	284,079
All B-space	157,572	79,391	236,963
Scenario 1			
Ind/Whsg	-68,954	18,393	-50,561
Offices	228,265	60,998	289,263
All B-space	159,311	79,391	238,702
Scenario 2			
Ind/Whsg	-60,965	18,393	-42,572
Offices	241,819	60,998	302,817
All B-space	180,855	79,391	260,246
Scenario 3			
Ind/Whsg	-46,602	18,393	-28,209
Offices	266,183	60,998	327,181
All B-space	219,581	79,391	298,972

- 3.9 The next stage is to use the same figures for existing stock at the beginning of the analysis (2004) as the ELR, and to calculate current vacancy and the amount of vacant space which is **surplus**. Roger Tym and Partners estimated that a vacancy rate of 7.5% is necessary to allow movement in the market, and that anything above this rate is surplus space. This analysis continues to use that assumption.
- 3.10 The vacancy rates for industrial and warehousing space were derived from the 2008 survey of Reading's employment areas. The rates for office space are derived from a combination of that survey and Lambert Smith Hampton's 2008 office availability figure for the town centre¹, as the 2008 employment areas survey did not cover the centre. Table 3.3 equates to table 5.7 of the ELR, and clearly shows a large growth in surplus vacant stock of both office and industrial/warehousing space, consistent with the difficult economic circumstances.

Table 3.3: Vacant and Surplus Floorspace in Reading

Stock (sq m) at 2004	Ind/whsing	771,000
	Offices	687,000
Vacant Space 2008 (%)	Ind/whsing	14.4
	Offices	22.8
Surplus Space 2008 (%)	Ind/whsing	6.9
	Offices	15.3
Surplus Space (sq m)	Ind/whsing	52,847
	Offices	98,832

- 3.11 Table 3.4 summarises the new developments which have been completed, and planning permissions that have been granted, and equates to Table 5.8 of the ELR. It also includes change that would take place as a result of the developments set out in the Reading Central Area Action Plan (RCAAP). No figures for how much office would be provided are set out in the RCAAP, so the figure here is an estimate of the net capacity of the allocated sites.

Table 3.4: Planned Supply of Business Space from 2004 (sq m)

	Ind/Whsg	Office	All B-Space
Net completions 2004-5	9,173	-8,699	474
Net completions 2005-6	1,234	-10,440	-9,206
Net completions 2006-7	-1,055	-8,015	-9,070
Net completions 2007-8	-14,448	-13,882	-28,330
Net commitments 2008	5,167	267,056	269,170
Allocated sites	-9,600	90,000	80,400
Surplus Vacant	52,847	98,832	151,680
Total Supply	43,318	414,852	458,171

¹ Lambert Smith Hampton, 2008: Reading Office Report 2008

- 3.12 These figures can therefore be used to amend the requirements for business space in Reading in the four scenarios. Table 3.5 equates to Table 5.10 of the ELR, although the figures for the Wider Reading Area are not shown.

Table 3.5: Over(under) Supply of B-space, 2004-2020

	Sq m	% of stock in 2004
Base Case		
Ind/Whsg	90,434	12%
Offices	130,773	19%
All B-space	221,208	15%
Scenario 1		
Ind/Whsg	93,879	12%
Offices	125,589	18%
All B-space	219,469	15%
Scenario 2		
Ind/Whsg	85,890	11%
Offices	112,035	16%
All B-space	197,925	14%
Scenario 3		
Ind/Whsg	71,527	9%
Offices	87,671	13%
All B-space	159,199	11%

NB: A positive figure denotes oversupply and a negative figure denotes undersupply

- 3.13 Given that the new South East Plan housing figures are within the range of Scenarios 2 and 3, the table above shows that there is an **oversupply of 72,000 – 86,000 sq m of industrial/warehousing space**, and an **oversupply of 88,000 – 112,000 sq m of office space** to 2020. This should therefore inform the analysis of which sites could potentially be identified for alternative uses.
- 3.14 The figure for industrial/warehousing is therefore a larger oversupply than identified in the Employment Land Review. This is mainly due to the significantly greater surplus vacant space identified. The difference is much more significant for offices, where an undersupply turns into a large oversupply. As for industrial space, some of this difference is due to much greater levels of surplus vacancy, but most of the office change is due to the significant capacity for offices allocated in the RCAAP.

2009 Update

- 3.15 The preceding analysis was mostly carried out prior to updated information on commitments and completions being published for 2008-9 (October 2009). The oversupply set out in paragraph 3.13 is therefore correct to 2008 information. This is appropriate because

the information was used to inform the drafting of policy and the Proposals Map, which mainly took place through 2009.

- 3.16 The information has not been updated to include 2009 completions and permissions figures, because it would not be comparable to the 2008 vacancy information, and could lead to double-counting.
- 3.17 However, table 3.6 sets out the figures from the 2008-2009 commitments monitoring exercise. Taking into account the differences between tables 3.4 and 3.6, the oversupply for industrial and warehousing space is likely to be around 3,000 sq m larger than that set out in paragraph 3.13, which is not a significant difference. The oversupply of offices would work have an even smaller difference, around 1,500 sq m larger than set out in paragraph 3.13.

Table 3.6: Updates to planned supply of business space at 2009 (sq m)

	Ind/Whsg	Office	All B-Space
Net completions 2008-9	-2,183	-3,678	-5,861
Net commitments 2009	9,875	272,289	282,164

4. DETAILED SITE ANALYSIS

- 4.1 The Employment Land Review 2006 looked at 18 'Employment Character Areas', to determine whether they would be suitable for either retention or reallocation for alternative uses. The results were as follows:

Areas which should be retained	Areas where there is potential for full or partial release
<ul style="list-style-type: none">• Green Park• Worton Grange• Acre Road• Bennet Road• Paddock Road• Great Knollys Street• Wigmore Lane• Upton Road	<ul style="list-style-type: none">• Manor Farm• Boulton Road/Cradock Road• Elgar Road• Rose Kiln Lane North• Forbury Park• Richfield Avenue• Portman Road/Loverock Road• Stadium Way/Deacon Way• Bridgewater Close• Sterling Way

- 4.2 The recommendation was not that all of the areas with potential for release should be lost, but that these were the candidate areas that the local planning authority could examine in more detail. There was clearly therefore a need for a more fine-grained analysis of the areas, looking in more detail at specific sites, and also considering other standalone employment sites where release for other uses was a possibility. All areas were considered in more detail, including those that the original ELR considered should be retained.

Methodology

- 4.3 The first stage of the analysis was to identify the sites to be assessed. As set out above, the net was cast a little wider than for the 2006 ELR, as there were some sites not covered by that review, some of which were nominated for allocation in the Site Allocations Document during 2008. These areas were:

- Environment Agency site at Fobney Mead
- Industrial unit at Hodsoll Road
- Small industrial units on Gosbrook Road/Send Road
- Employment uses at Junction 11 of the M4.

This study does not cover Forbury Park or Great Knollys Street, which have now been allocated for primarily residential use in the Reading Central Area Action Plan.

- 4.4 These areas were broken down into 99 more manageable plots, which reflect potential development plots. Clearly, such a definition is always somewhat arbitrary, but it forms a more practical unit for analysis. These plots were shown in the Issues and Options consultation for the Site Allocations Document (Appendix 4 of that document), to enable respondents to tailor their responses to specific

plots within wider areas. Where a site has been nominated for development, it is always shown as a separate plot.

- 4.5 The plots used for analysis are shown in Appendix 1.
- 4.6 Each plot was then appraised against a variety of criteria, under nine headings, following a survey undertaken in early 2008. These headings were derived from the government guidance on undertaking Employment Land Reviews² (see box 6.2 of that guidance), albeit amended slightly, and are set out below:
- Quality of the Existing Internal Environment
 - Quality of the Existing Wider Environment
 - Strategic Access
 - Market Considerations, Perception and Demand
 - Ownership and User Constraints
 - Site Development Constraints
 - Accessibility
 - Sequential Considerations
 - Policy Considerations
- 4.7 **Quality of the Existing Internal Environment:** The following criteria were considered under this heading:
- Age
 - Condition
 - Whether the plot contains uses which cause noise/disturbance to nearby residential uses
 - Contamination
 - Other pollutants
 - General environmental quality of external areas
 - Parking and circulation
- 4.8 Where sites are old, in poor condition or lack elements which would be attractive to future business users, such as adequate parking and circulation space, they may be more likely to come forward for development in the plan period. Equally, where these uses currently cause problems for neighbouring residential uses, their loss may be desirable.
- 4.9 **Quality of the Existing Wider Environment:** This heading is concerned mainly with whether the environment surrounding the plot is generally only suitable for employment or related uses. Criteria considered were:
- Adjacent uses
 - Noise affecting the plot
 - Other pollutants affecting the plot

² Employment Land Reviews: Guidance Note, ODPM, 2004

- General environmental quality of wider area
- 4.10 Plots which are surrounded by other industrial uses and affected by noise and pollutants may have a limited scope to accommodate alternative uses.
- 4.11 **Strategic Access:** This heading relates to access to the strategic transport network, and is primarily concerned with the movement of goods rather than people. The criteria are as follows:
- Distance to Strategic Road Network
 - Quality of roads leading to Strategic Road Network
- A criterion on distance to a rail freight terminal would also have been included, but this does not affect any of Reading's employment areas. Broadly, areas which are most accessible to the strategic transport network are most appropriate for retention as employment land.
- 4.12 **Market Conditions, Perception and Demand:** This heading set out to identify the areas which were not considered to be likely to have a strong future as employment land. There were two main elements to this. The first was an examination of vacancy rates. We were fortunate in that a similar survey of employment areas had been undertaken during 2003, meaning that we were able to identify those areas that had a long-term vacancy issue.
- 4.13 The second element involved an updated market analysis by Lambert Smith Hampton, who contributed to the original Employment Land Review. The full analysis is attached at Appendix 2. The main purpose of the analysis was to identify the market segments existing in Reading, as recommended by the Employment Land Review Guidance, and examine the long-term strength of the those segments in different areas in Reading. Those sites with long-term vacancy and low future demand are often more suitable for release.
- 4.14 The following criteria were therefore assessed under this heading:
- % of stock vacant
 - % of stock long-term vacant (5 years)
 - Market segment
 - Strength of demand in market segment
 - Significant recent market activity (this also drew on previously published LSH market reports)
 - Whether release is likely to be viable (this criterion was used to highlight those few sites where the existing use would have such a high value that release would be unrealistic - these were generally large, modern, high value office blocks)
- 4.15 **Ownership and User Constraints:** This heading dealt with any known constraints and issues, and did not involve a full survey of the landowners of the sites. This gives a good indication of whether

release of employment land is likely. The following criteria were examined:

- Known ownership constraints
- Whether site is known to be available or unavailable for development

4.16 **Site Development Constraints:** This heading applied only to land allocated for employment but not taken up. In Reading, the only example of such land is at Green Park. The single criterion looks at whether there are any constraints that would affect the likelihood of the employment designation being taken up.

4.17 **Accessibility:** This differs from Strategic Access in that it looks at the accessibility of the employment areas to their workforce. Those areas which are highly accessible to their workforce by non-car modes are most suitable for retention. Although it may be the case that areas which are not accessible may not be suitable for other uses either, this is something that must be identified later when considering the site for a specific use.

4.18 The criteria assessed were:

- Number of residential properties within 800 m walk
- Bus accessibility
- Rail accessibility

4.18 **Sequential Considerations:** This looks at some key sustainability elements:

- Flood Zone
- Whether the site is brownfield or greenfield
- Whether the site is urban, urban edge or outside urban

In terms of flooding, employment uses tend to be among the few uses that are acceptable in areas at greater risk of flooding, and a plot located in Flood Zone 3 may be less suitable for release. Similarly, employment uses may be more appropriate on isolated sites in an urban edge location. However, it is recognised that these issues are far from clear-cut, and therefore the conclusions under this heading should be treated with caution as an indicator.

4.20 **Policy Considerations:** This is one of the most important elements of the analysis. This looks at specific policy constraints, as well as social and regeneration issues more generally. The following criteria are assessed:

- Proximity to areas of employment deprivation (...)
- Proximity to areas of education, skills and training deprivation (measured in terms of number of properties within 800m of

site which are in 20% most deprived SOAs nationally for education, training and skills in 2007³)

- Availability of other local employment land
- Whether loss of land would reduce space for lower-value uses that support the economy
- Suitability for Key Regional Sectors (as identified in previous Regional Economic Strategy)
- Presence of small units (less than 150 sq m) (policy CS12)
- Presence of move-on units (150-500 sq m) (policy CS12)
- Presence of distribution uses in South of Basingstoke Road (policy CS12)
- Whether site includes main site of major Reading employer (>250 employees) (not including those who are about to vacate site)

4.21 This section therefore highlights some very significant constraints, which may, in many cases, be showstoppers in terms of releasing the site for other uses.

4.22 **Overall:** For each of the nine headings, a conclusion is reached as to whether the site is suitable for release in terms of those issues. The conclusions are “Yes”, “No” or “Possibly”. We have purposefully moved away from giving a numerical score, which can be totalled, as this would give the pretence of an exact science. The Employment Land Review Guidance (paragraph 4.31) recommends avoiding aggregate scoring systems, as they are very susceptible to slight changes in assumptions. Our approach also allows for a very clear presentation of results in a single table.

4.23 One other factor that is introduced at this stage is whether it is possible to release a site in isolation. An individual plot may score highly in terms of potential for release, but there is little point promoting it if it is surrounded by important employment uses that need to be retained.

4.24 Therefore, the conclusions under each of the nine headings, taking into account the potential for release in isolation or as part of a larger scheme, result in an overall conclusion as to whether a site should be released. There are no official weightings for any of the nine headings, although the market conditions and policy considerations often tend to present issues that cannot be overcome, and are therefore often overriding factors.

³ SOA – Super Output Area. Source: Indices of Deprivation, 2007 (ONS)

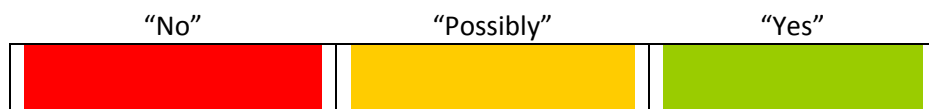
Quality of the Existing Internal Environment

- 4.25 Figure 4.1 shows the scores that were given for the quality of the existing internal environment. Those plots that have been considered as being the most suitable for release under this heading tend to be the older areas, particularly in the north and west as well as the northern parts of Basingstoke Road. It also includes the areas with industrial uses very close to residential properties, which may cause noise issues.
- 4.26 Areas least suitable for release under this heading tend to be the more modern and high quality space.

Figure 4.1: Score for Quality of the Existing Internal Environment



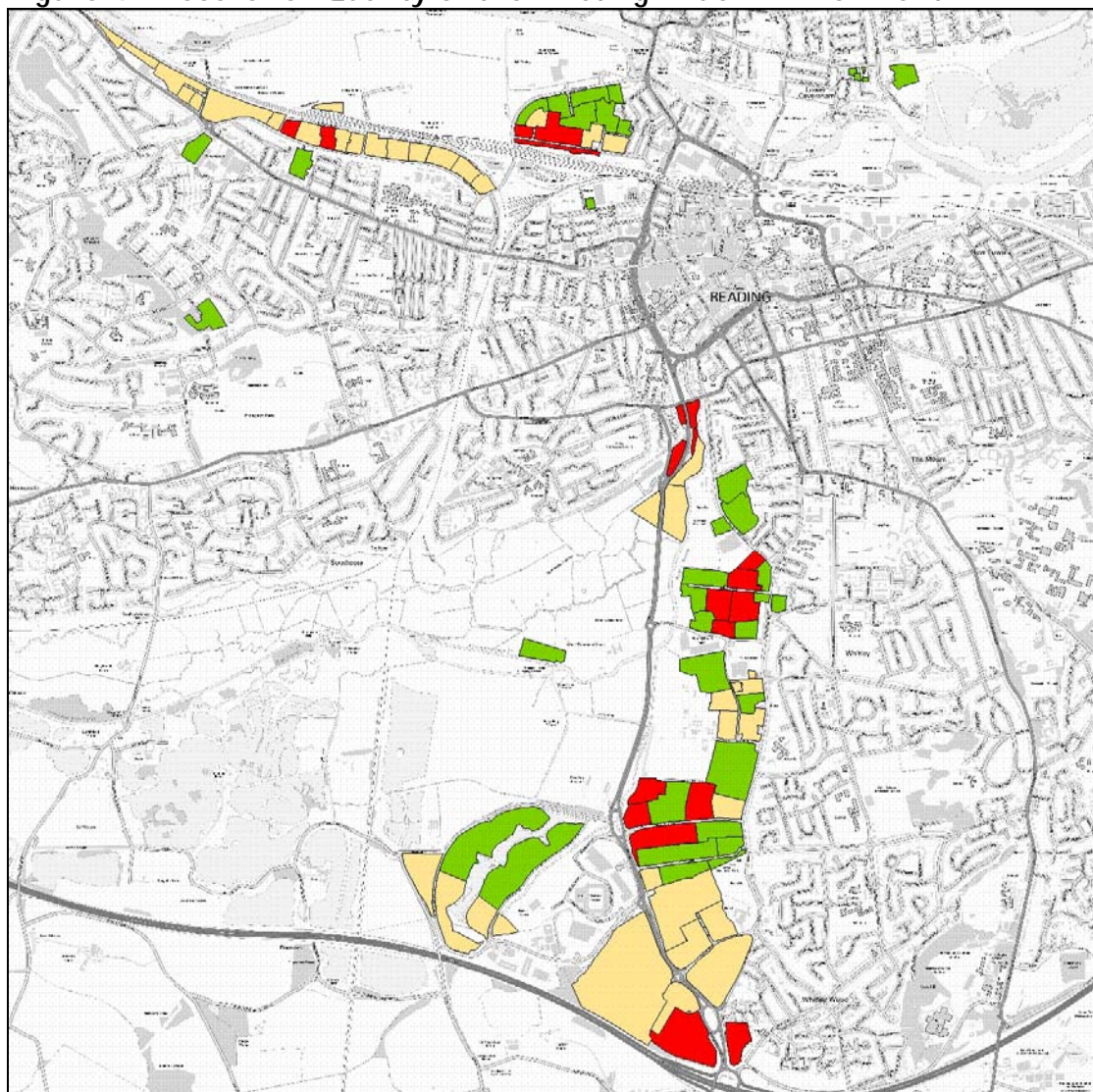
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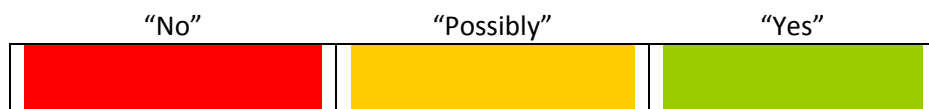
Quality of the Existing Wider Environment

- 4.25 Figure 4.2 shows the suitability of sites for release in terms of the quality of the wider environment. In general, those areas which have a more pleasant or tranquil setting come out as more suitable for release. These areas tend to be close to, or surrounded by residential areas, or open spaces, or, at the very least, unobtrusive employment areas.
- 4.26 Areas that are surrounded by noisy or potentially polluting industrial uses, or close to noise and disturbance from other sources, tend to not be considered suitable for release under this heading.

Figure 4.2: Score for Quality of the Existing Wider Environment



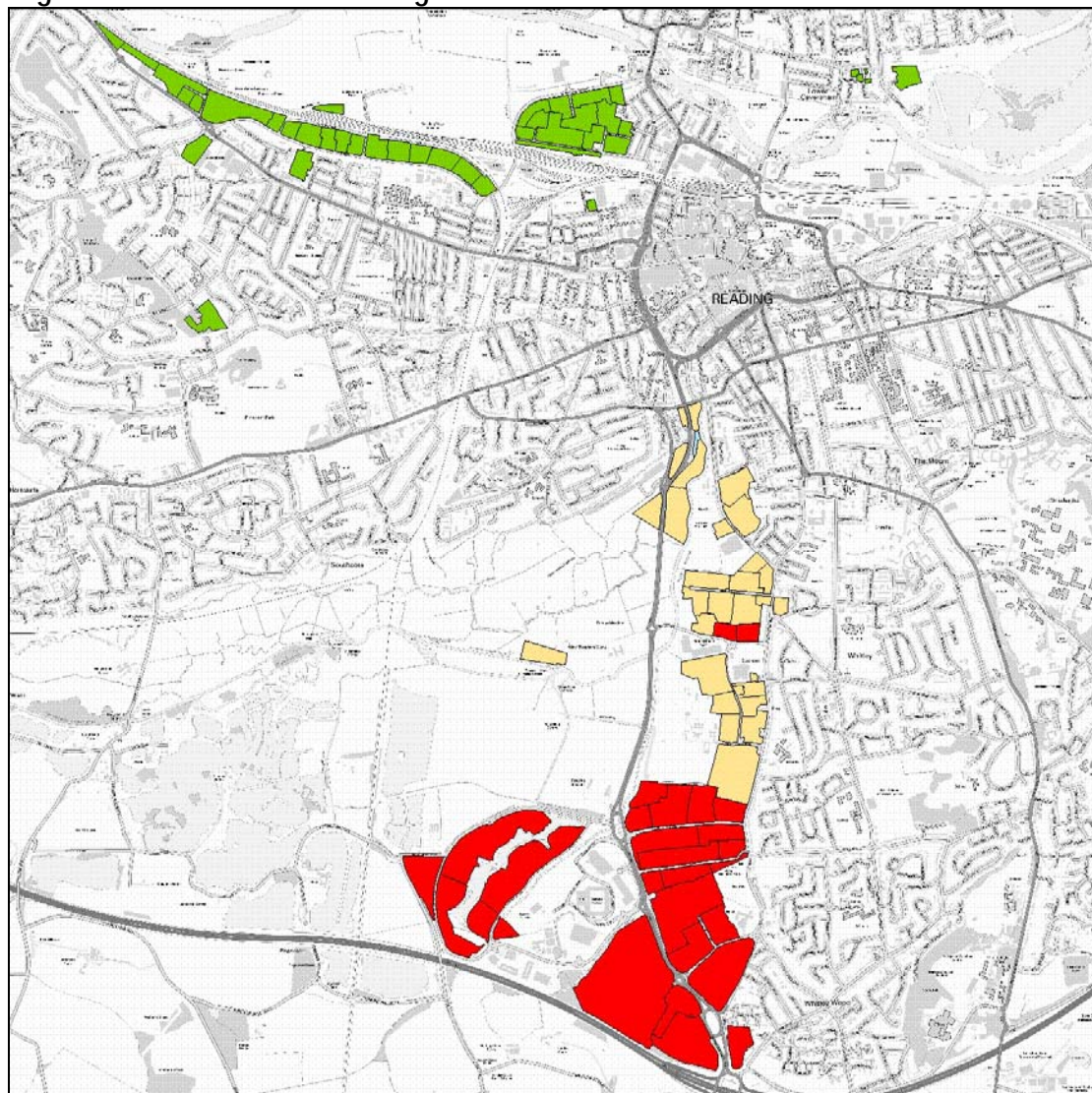
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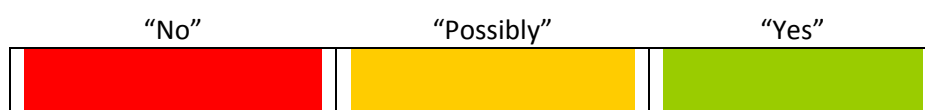
Strategic Access

- 4.25 Figure 4.3 shows the suitability of sites for release in terms of their access to the strategic transport network. The picture is quite clear from this map - vehicular access is the only significant factor for movement of goods in Reading, and this is almost wholly dependent on the proximity and quality of roads to Junction 11 of the M4. Access to Junction 12 of the M4 is poor, using mainly residential roads, and none of the employment areas are on the right side of Reading to use Junction 10. The rest of the strategic road network is beyond the M4 in any case.

Figure 4.3: Score for Strategic Access



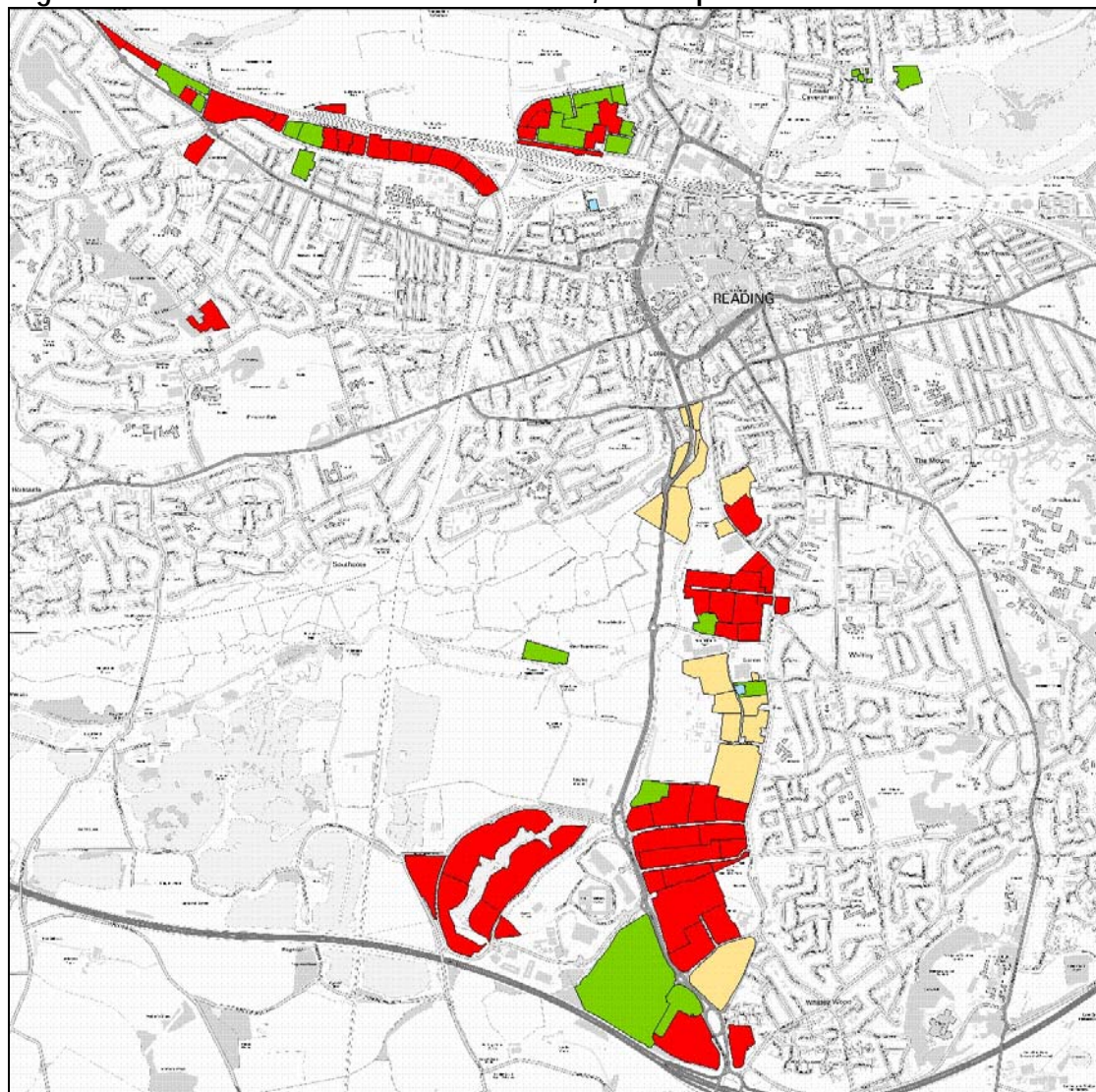
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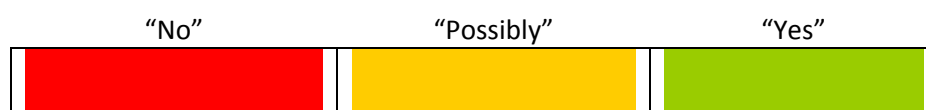
Market Conditions, Perception and Demand

- 4.25 Figure 4.4 shows the results of the considerations of market conditions, perception and demand, which is heavily influenced by the advice provided by Lambert Smith Hampton, at Appendix ?. This shows that the areas with lowest demand tend to be in Caversham and larger units in West Reading. Sites with long-term vacancy issues also tend to be shown in green. Meanwhile, sites where the market is strong or there has been recent market activity, or sites where the existing use value is so high that release would not be viable, tend to show up in red.

Figure 4.4: Score for Market Conditions, Perception and Demand



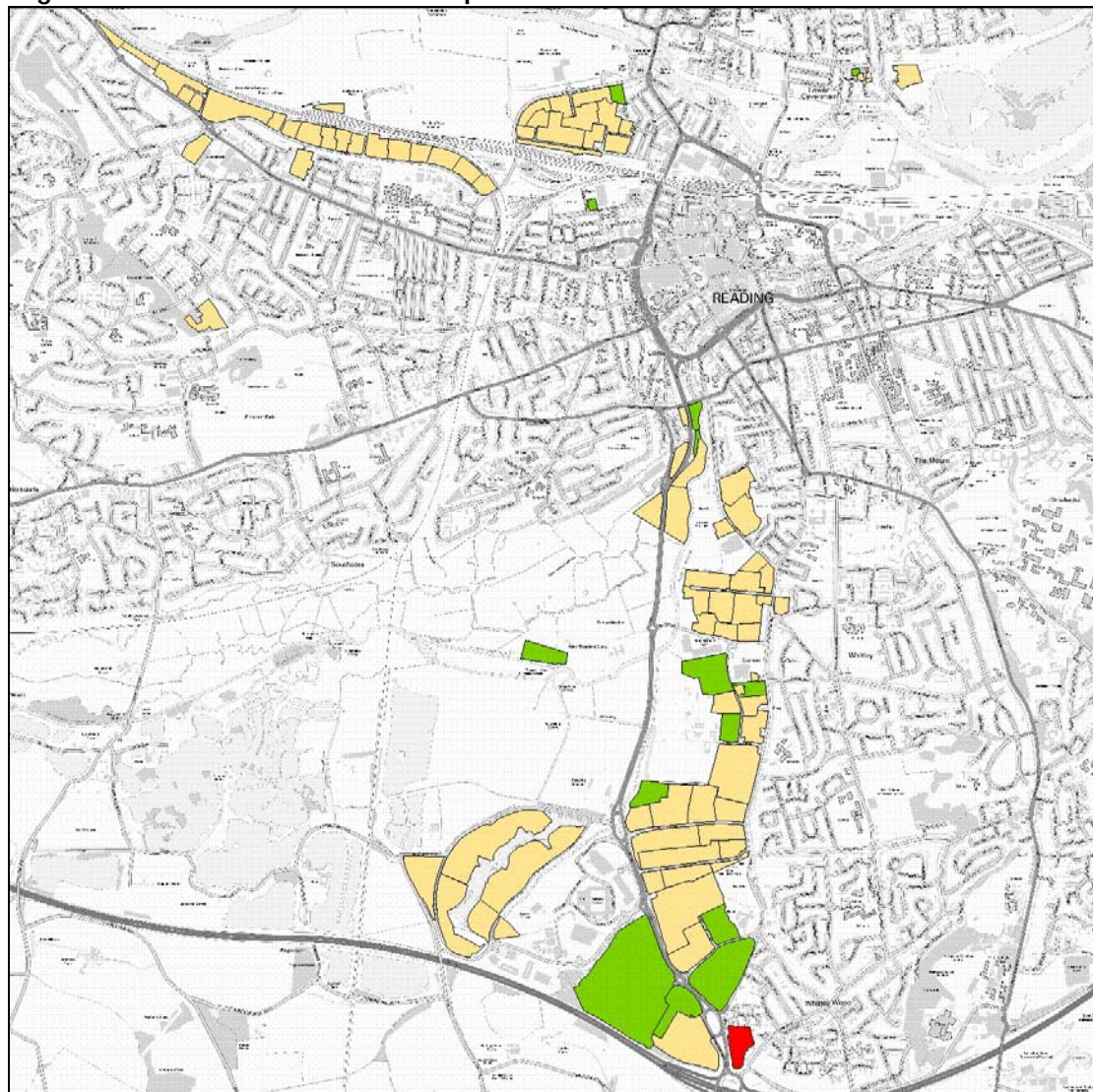
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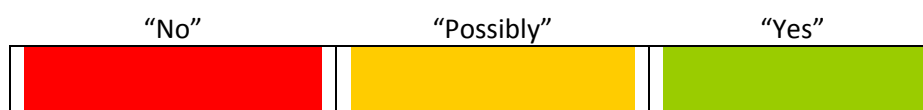
Ownership and User Constraints

- 4.25 Figure 4.5 shows the differences in terms of ownership and user constraints. In most cases, there is no information in terms of ownership and interest to show that sites are either likely or unlikely to be released. However, there are a number of sites that have been actively promoted for development either through the Site Allocations Document or other routes, and these are shown in green. The only site considered not suitable in terms of user constraints is a site which will be partially used for the Junction 11 improvements.

Figure 4.5: Score for Ownership and User Constraints



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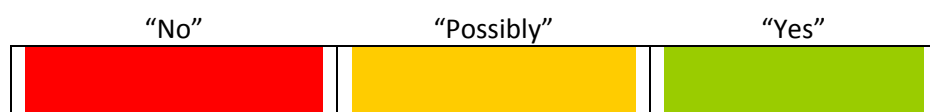
Site Development Constraints

- 4.25 Figure 4.6 shows whether there are any site development constraints. It applies only to outstanding employment allocations, and the only such allocation is at Green Park. Much of this allocation is covered by outstanding planning permissions, and there are no major constraints to prevent their development. The only exception to this is the current state of the office market, but a recovery would be likely to mean that this allocation would be taken up. These sites are not therefore suitable for release.

Figure 4.6: Score for Site Development Constraints



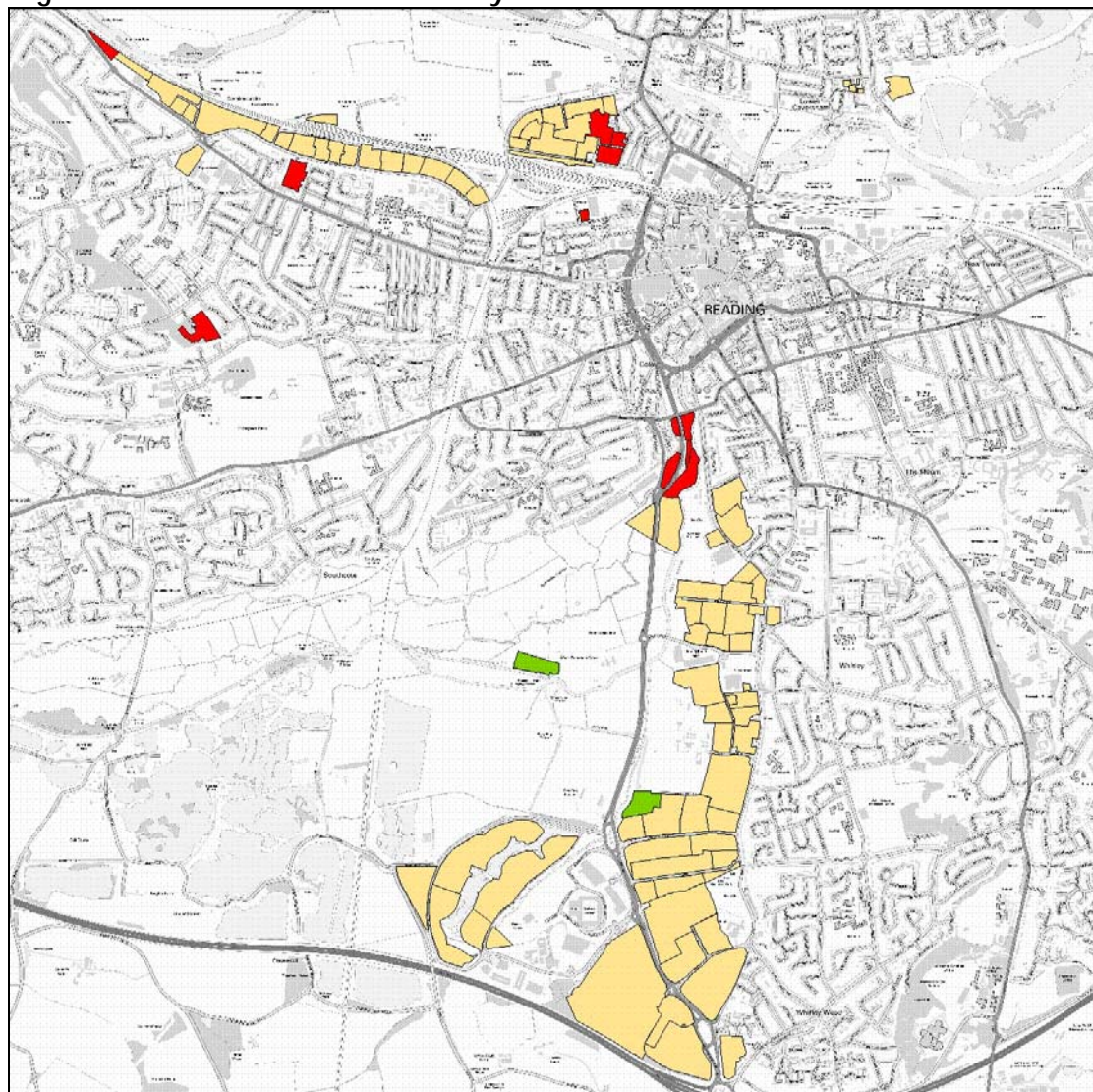
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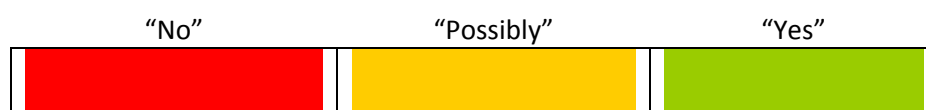
Accessibility

- 4.25 Figure 4.7 shows the accessibility levels for the various sites. In general, most sites in Reading are fairly easily accessible, and, since there is a good bus service, there is little to distinguish between sites in terms of suitability for release. However, those sites which are closest to a very significant number of dwellings, and sites closest to railway stations, are least suitable for release. Meanwhile, the sites which are remotest from residential properties or bus routes are most suitable for release.

Figure 4.7: Score for Accessibility



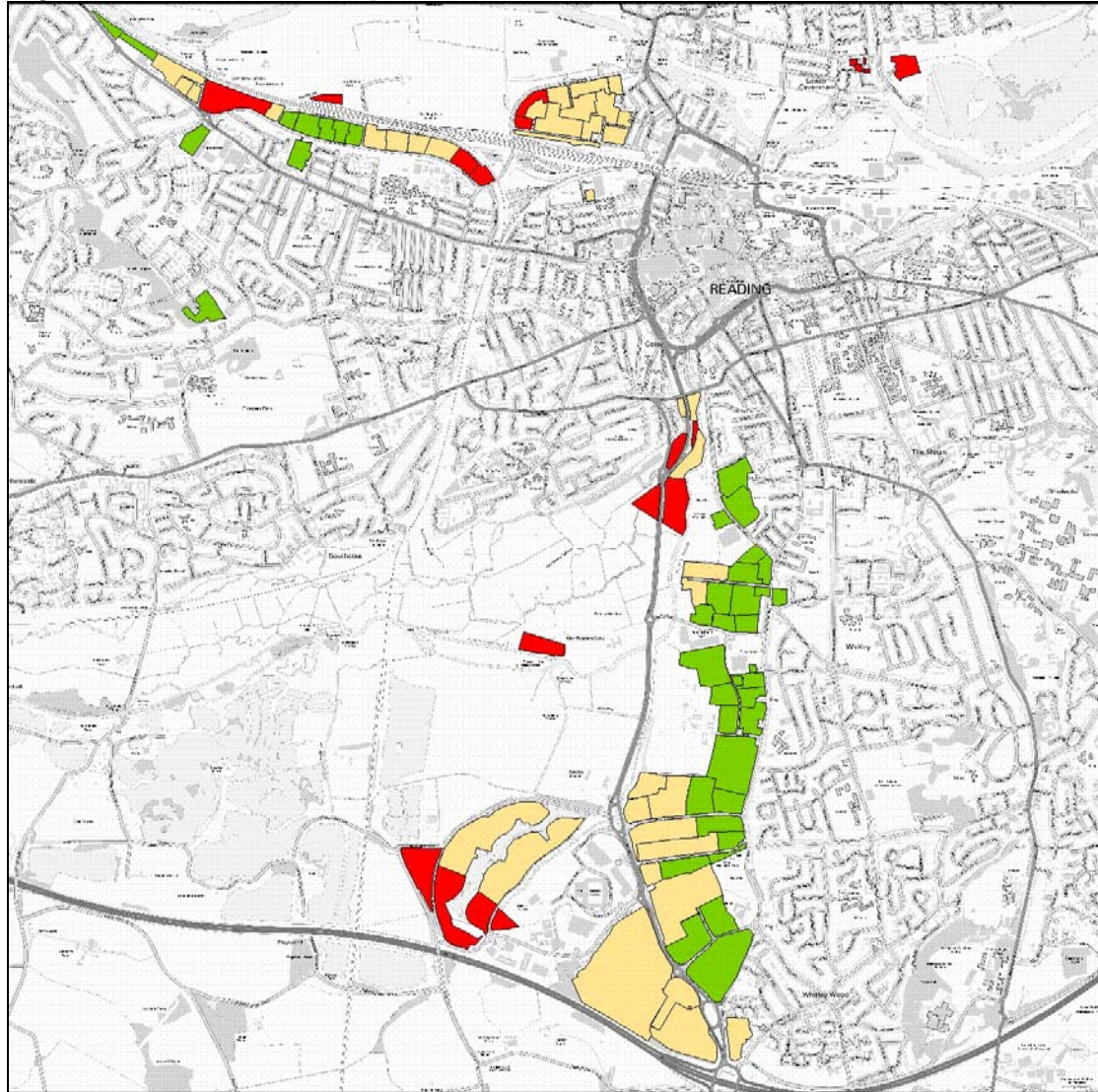
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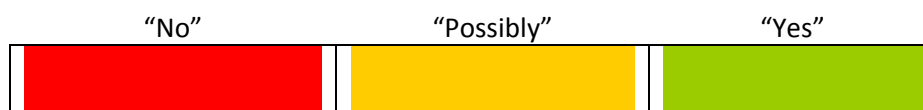
Sequential Considerations

- 4.25 Figure 4.8 shows the suitability of release of sites in terms of sequential considerations. The sites shown as not being suitable for release are mainly those which are in Flood Zone 3, and where most non-employment uses (and certainly any use for residential) would be significantly constrained. The sites in Flood Zone 1 and which are unencumbered by any other sequential considerations are generally shown as being suitable for release.

Figure 4.8: Score for Sequential Considerations



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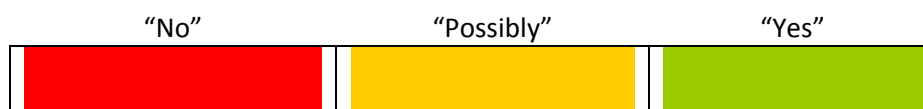
Policy Considerations

- 4.25 Figure 4.9 shows the suitability of sites for release in terms of policy and social and regeneration considerations. There are a substantial amount of considerations at play here, and trends are therefore not as apparent on a map as elsewhere. Sites which show up as not being suitable for release tend to be those that house small units or move-on units, B8 uses in the south of Basingstoke Road, the less glamorous employment stock in west and north Reading and the northern end of Basingstoke Road, and employment stock close to areas of deprivation. The sites shown in green are those with fewest policy constraints on their loss.

Figure 4.9: Score for Policy Considerations



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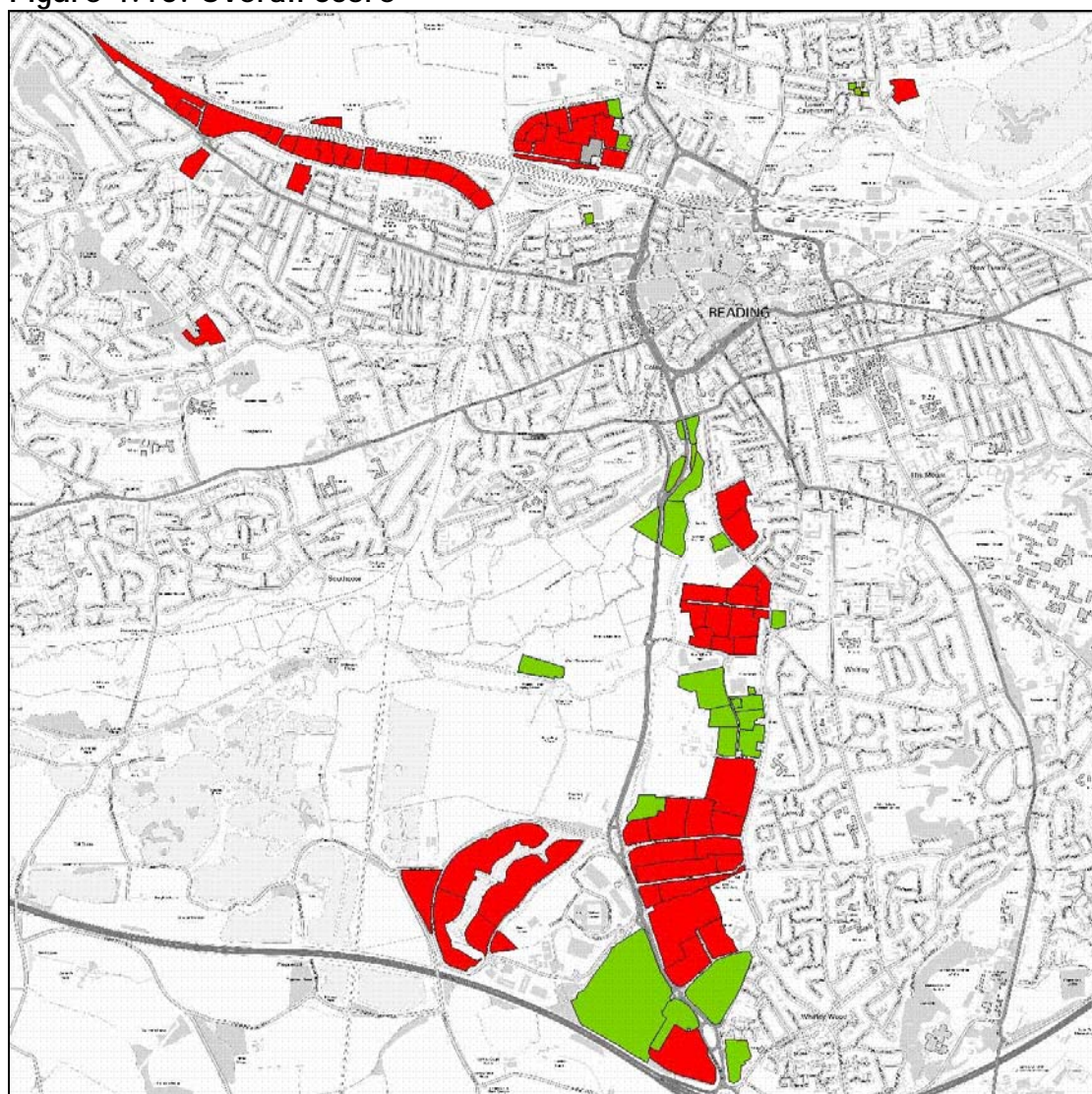


Overall

- 4.25 The nine previous considerations were considered as a whole to decide whether, on balance, a site should be released from an employment designation. This exercise was not looking for sites which did not score any “no”s when assessed against the nine headings, as there were very few such sites. Instead, this overall assessment looked at the reasons why each score was given, whether these reasons could be overcome, or whether negative or positive scores were outweighed by other considerations.
- 4.26 While no numerical weight was attached to any of the considerations, there were clearly headings which were more important than others, and this has been taken into account in the overall score. For instance, as has previously been stated, the sequential considerations are limited as an indicator of whether a site should be released. These considerations are much more important in identifying, for instance, housing sites, but that is a separate process and should be taken into account then. On the other hand, for instance, the protection of small units in the Core Strategy is absolute, and if release of a site would mean a net loss in small units, it would not be acceptable. Although it is hard to generalise, the issues under ‘policy considerations’ and ‘market conditions, perception and demand’ often carry particular weight.
- 4.27 It was also important to consider whether it would be possible to release employment sites for other uses in isolation. Some sites which had scored well in terms of potential for release are situated in the middle of, and are fundamentally linked to, employment areas which scored badly. These sites clearly cannot be released to alternative uses. The comments column of the table pick up where this is the case.
- 4.28 The results show that there are several areas which are most suitable for release from the employment land designation.
- A group of large vacant (or soon to be vacant) sites near Junction 11 of the M4, including the Berkshire Brewery;
 - The Manor Farm area between Manor Farm Road and Morrisons/Brunel Retail Park;
 - Most of the Rose Kiln Lane North area;
 - The Environment Agency site at Fobney Mead; and
 - Various sites on the fringes of larger employment areas.
- 4.29 Many of these areas are already long-term vacant, suggested for development, or contain uses which do not fall under the ‘employment’ designation for the purposes of the LDF (such as car dealerships). Loss of these areas has less of an impact on the overall local economy than loss of well-used employment land.

- 4.30 It is important to point out that the fact that a site is suitable for release **does not mean that it is appropriate for residential**. This is a separate process, and is undertaken in relation to site allocations in Reading in the Development Sites Background Paper.
- 4.31 Figure 4.10 below shows the areas which could be released. Many of these are in the South of Reading. Whilst this is the most deprived area of Reading, it is important to bear in mind that the areas which have the popular and valuable employment land would all be retained, in the strongest possible way. Even if all the sites identified in green were to be released, the South Reading area would still have by far the largest concentration of employment sites.

Figure 4.10: Overall Score



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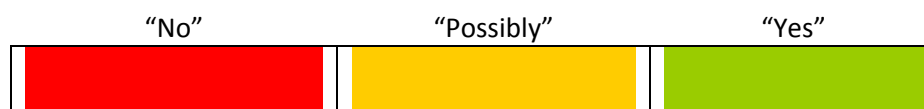


Figure 4.11: Summary of potential for release from Core Employment Area Designation

AREA/ PLOT	INTERNAL ENVIRON- MENT	WIDER ENVIRON- MENT	STRATEGIC ACCESS	MARKET DEMAND	OWNER- SHIP	DEVT CONST- RAINTS	ACCESS- IBILITY	SEQUENTIAL	POLICY		POSSIBLE TO RELEASE IN ISOLATION?	CONSIDER FOR C.E.A. RELEASE?	COMMENTS
GREEN PARK													
Plot 1	No	Yes	No	No	Possibly	N/A	Possibly	Possibly	No		Yes	No	Too many constraints to take further
Plot 2	No	Yes	No	No	Possibly	N/A	Possibly	Possibly	No		Yes	No	Too many constraints to take further
Plot 3	No	Possibly	No	No	Possibly	No	Possibly	No	Possibly		Yes	No	Too many constraints to take further
Plot 4	No	Possibly	No	No	Possibly	No	Possibly	No	Possibly		Yes	No	Too many constraints to take further
Plot 5	No	Possibly	No	No	Possibly	No	Possibly	No	Possibly		Yes	No	Too many constraints to take further
Plot 6	No	Possibly	No	No	Possibly	No	Possibly	No	Possibly		Yes	No	Too many constraints to take further
JUNCTION 11													
Plot 1	Yes	Possibly	No	Yes	Yes	N/A	Possibly	Possibly	Yes		Yes	Yes	Strategic access not overriding
Plot 2	Possibly	Possibly	No	Yes	Yes	N/A	Possibly	Possibly	Possibly		No	Yes	Strategic access not overriding
Plot 3	No	No	No	No	Possibly	N/A	Possibly	Possibly	No		Yes	No	Too many constraints to take further
Plot 4	Possibly	No	No	No	No	N/A	Possibly	Possibly	Possibly		Yes	Yes	Needed for Junction 11 development
WORTON GRANGE													
Plot 1	Possibly	Possibly	No	Possibly	Yes	N/A	Possibly	Yes	Possibly		Yes	Yes	Strategic access not overriding
Plot 2	No	Possibly	No	No	Possibly	N/A	Possibly	Yes	Possibly		No	No	Too many constraints to take further
Plot 3	No	Possibly	No	No	Possibly	N/A	Possibly	Possibly	No		No	No	Too many constraints to take further
Plot 4	Yes	Possibly	No	No	Yes	N/A	Possibly	Yes	Possibly		No	No	Still has value as employment land
ACRE ROAD													
Plot 1	Possibly	Yes	No	No	Possibly	N/A	Possibly	Yes	No		No	No	Too many constraints to take further
Plot 2	Yes	Yes	No	No	Possibly	N/A	Possibly	Yes	Possibly		No	No	Not desirable to release in isolation
Plot 3	Possibly	Yes	No	No	Possibly	N/A	Possibly	Possibly	No		No	No	Too many constraints to take further
Plot 4	Possibly	Yes	No	No	Possibly	N/A	Possibly	Yes	No		No	No	Too many constraints to take further
Plot 5	No	Possibly	No	No	Possibly	N/A	Possibly	Possibly	No		No	No	Too many constraints to take further
BENNET ROAD													
Plot 1	Possibly	Yes	No	No	Possibly	N/A	Possibly	Yes	No		No	No	Too many constraints to take further
Plot 2	Possibly	No	No	No	Possibly	N/A	Possibly	Possibly	No		No	No	Too many constraints to take further
Plot 3	Possibly	No	No	No	Possibly	N/A	Possibly	Possibly	Yes		No	No	Too many constraints to take further
Plot 4	Possibly	Yes	No	No	Possibly	N/A	Possibly	Possibly	Yes		No	No	Not desirable to release in isolation
Plot 5	Possibly	No	No	Yes	Yes	N/A	Yes	Possibly	Yes		Yes	Yes	Negative aspects can be managed
Plot 6	Yes	No	No	No	Possibly	N/A	Possibly	Yes	No		No	No	Too many constraints to take further
Plot 7	Possibly	Possibly	No	No	Possibly	N/A	Possibly	Yes	Possibly		No	No	Not desirable to release in isolation

AREA/ PLOT	INTERNAL ENVIRON- MENT	WIDER ENVIRON- MENT	STRATEGIC ACCESS	MARKET DEMAND	OWNER- SHIP	DEVT CONST- RAINTS	ACCESS- IBILITY	SEQUENTIAL	POLICY		POSSIBLE TO RELEASE IN ISOLATION?	CONSIDER FOR C.E.A. RELEASE?	COMMENTS
MANOR FARM													
Plot 1	Possibly	Yes	Possibly	Possibly	Possibly	N/A	Possibly	Yes	No		Yes	No	Loss of major employer is overriding
Plot 2	No	Possibly	Possibly	Possibly	Possibly	N/A	Possibly	Yes	Possibly		No	Yes	Consider as part of a wider release
Plot 3	Possibly	Possibly	Possibly	Possibly	Yes	N/A	Possibly	Yes	Possibly		No	Yes	Consider as part of a wider release
Plot 4	Possibly	Yes	Possibly	Possibly	Possibly	N/A	Possibly	Yes	Possibly		No	Yes	Consider as part of a wider release
Plot 5	Possibly	Possibly	Possibly	Possibly	Possibly	N/A	Possibly	Yes	Yes		No	Yes	Consider as part of a wider release
Plot 6	Possibly	Possibly	Possibly	Yes	Yes	N/A	Possibly	Yes	Possibly		No	Yes	Consider as part of a wider release
Plot 7	Yes	Yes	Possibly	Possibly	Yes	N/A	Possibly	Yes	Possibly		No	Yes	Consider as part of a wider release
Plot 8	Possibly	Possibly	Possibly	No	Possibly	N/A	Possibly	Yes	No		No	Yes	Possibly release if small units replaced
Plot 9	Possibly	Possibly	Possibly	Possibly	Possibly	N/A	Possibly	Yes	Possibly		No	Yes	Consider as part of a wider release
BOULTON ROAD/CRADOCK ROAD													
Plot 1	Yes	No	Possibly	No	Possibly	N/A	Possibly	Yes	Possibly		No	No	Still has value as employment land
Plot 2	Possibly	Yes	Possibly	No	Possibly	N/A	Possibly	Yes	Possibly		No	No	Still has value as employment land
Plot 3	Possibly	No	Possibly	No	Possibly	N/A	Possibly	Yes	Possibly		No	No	Still has value as employment land
Plot 4	No	Yes	Possibly	No	Possibly	N/A	Possibly	Possibly	No		No	No	Too many constraints to take further
Plot 5	Yes	Yes	Possibly	No	Possibly	N/A	Possibly	Yes	Possibly		No	No	Still has value as employment land
Plot 6	Yes	No	Possibly	No	Possibly	N/A	Possibly	Yes	No		No	No	Too many constraints to take further
Plot 7	Yes	No	Possibly	No	Possibly	N/A	Possibly	Yes	No		No	No	Too many constraints to take further
Plot 8	Yes	Yes	Possibly	No	Possibly	N/A	Possibly	Possibly	No		No	No	Still has value as employment land
Plot 9	Yes	Yes	Possibly	Yes	Possibly	N/A	Possibly	Yes	No		No	No	Still has value as employment land
Plot 10	Possibly	No	No	No	Possibly	N/A	Possibly	Yes	Possibly		No	No	Too many constraints to take further
Plot 11	Yes	Yes	No	No	Possibly	N/A	Possibly	Yes	Possibly		No	No	Still has value as employment land
Plot 12	Yes	Yes	Possibly	No	Possibly	N/A	Possibly	Yes	Possibly		Yes	Yes	No major constraints
ELGAR ROAD													
Plot 1	Yes	Yes	Possibly	Possibly	Possibly	N/A	Possibly	Yes	No		Yes	No	Small/medium units issue overriding
Plot 2	Yes	Yes	Possibly	No	Possibly	N/A	Possibly	Yes	No		Yes	No	Small/medium units issue overriding
Plot 3	Possibly	Yes	Possibly	Possibly	Possibly	N/A	Possibly	Yes	Possibly		Yes	Yes	No major constraints

AREA/ PLOT	INTERNAL ENVIRON- MENT	WIDER ENVIRON- MENT	STRATEGIC ACCESS	MARKET DEMAND	OWNER- SHIP	DEVT CONST- RAINTS	ACCESS- IBILITY	SEQUENTIAL	POLICY		POSSIBLE TO RELEASE IN ISOLATION?	CONSIDER FOR C.E.A. RELEASE?	COMMENTS
ROSE KILN LANE NORTH													
Plot 1	Yes	No	Possibly	Possibly	Possibly	N/A	No	Possibly	Possibly		Yes	Yes	Consider for exclusion from CEA
Plot 2	Yes	No	Possibly	Possibly	Yes	N/A	No	Possibly	Possibly		Yes	Yes	Residential permitted in any case
Plot 3	No	No	Possibly	Possibly	Possibly	N/A	No	No	Yes		No	Yes	Consider for exclusion from CEA ⁴
Plot 4	Possibly	Possibly	Possibly	Possibly	Possibly	N/A	No	Possibly	Yes		No	Yes	Consider for exclusion from CEA
Plot 5	Possibly	Possibly	Possibly	Possibly	Possibly	N/A	Possibly	No	Possibly		No	Yes	Consider for exclusion from CEA
Plot 6	Possibly	Possibly	Possibly	Possibly	Possibly	N/A	Possibly	No	Possibly		No	Yes	Consider for exclusion from CEA
Plot 7	No	No	Possibly	Possibly	Yes	N/A	No	No	Possibly		No	Yes	Consider for exclusion from CEA ⁵
PADDOCK ROAD													
Plot 1	Yes	Yes	Yes	Yes	Possibly	N/A	Possibly	No	No		Yes	No	Policy issues overriding here
RICHFIELD AVENUE													
Plot 1	Yes	No	Yes	No	Possibly	N/A	Possibly	Possibly	No		No	No	Too many constraints to take further
Plot 2	Possibly	No	Yes	No	Possibly	N/A	Possibly	No	Possibly		No	No	Too many constraints to take further
Plot 3	Yes	Possibly	Yes	No	Possibly	N/A	Possibly	Possibly	No		No	No	Still has value as employment land
Plot 4	Yes	No	Yes	Yes	Possibly	N/A	Possibly	Possibly	No		No	No	Not desirable to release in isolation
Plot 5	Possibly	Possibly	Yes	No	Possibly	N/A	Possibly	Possibly	No		No	No	Still has value as employment land
Plot 6	Yes	Possibly	Yes	Yes	Possibly	N/A	No	Possibly	Possibly		Yes	No	Not desirable to release in isolation
Plot 7	Possibly	Yes	Yes	No	Possibly	N/A	Possibly	No	Possibly		No	No	Still has value as employment land
Plot 8	Possibly	Yes	Yes	Yes	Possibly	N/A	Possibly	Possibly	Possibly		No	No	Not desirable to release in isolation
Plot 9	Possibly	Yes	Yes	Yes	Possibly	N/A	Possibly	Possibly	No		No	No	Not desirable to release in isolation
Plot 10	Possibly	Yes	Yes	Yes	Possibly	N/A	Possibly	Possibly	Possibly		No	No	Not desirable to release in isolation
Plot 11	Yes	Yes	Yes	Yes	Yes	N/A	Possibly	Possibly	Yes		Yes	Yes	No major constraints
Plot 12	Yes	Yes	Yes	No	Possibly	N/A	No	Possibly	No		No	No	Too many constraints to take further
Plot 13	Yes	Yes	Yes	Yes	Possibly	N/A	No	Possibly	Possibly		Yes	Yes	Accessibility issues not overriding

^{4 & 5} These sites are heavily constrained, and, on their own, would be suitable to retain in employment use. However, the remainder of this area would be suitable to release from the CEA designation, and it is not considered that these small site should be retained as CEAs on their own.

AREA/ PLOT	INTERNAL ENVIRON- MENT	WIDER ENVIRON- MENT	STRATEGIC ACCESS	MARKET DEMAND	OWNER- SHIP	DEVT CONST- RAINTS	ACCESS- IBILITY	SEQUENTIAL	POLICY		POSSIBLE TO RELEASE IN ISOLATION?	CONSIDER FOR C.E.A. RELEASE?	COMMENTS
PORTMAN ROAD/LOVEROCK ROAD													
Plot 1	Yes	Possibly	Yes	No	Possibly	N/A	Possibly	No	Possibly		No	No	Still has value as employment land
Plot 2	Yes	Possibly	Yes	No	Possibly	N/A	Possibly	No	No		No	No	Too many constraints to take further
Plot 3	Yes	Possibly	Yes	No	Possibly	N/A	Possibly	Possibly	No		No	No	Still has value as employment land
Plot 4	Yes	Possibly	Yes	No	Possibly	N/A	Possibly	Possibly	No		No	No	Still has value as employment land
Plot 5	Possibly	Possibly	Yes	No	Possibly	N/A	Possibly	Possibly	Possibly		No	No	Still has value as employment land
Plot 6	Yes	Possibly	Yes	No	Possibly	N/A	Possibly	Possibly	No		No	No	Still has value as employment land
Plot 7	Possibly	Possibly	Yes	No	Possibly	N/A	Possibly	Yes	No		No	No	Still has value as employment land
Plot 8	Possibly	Possibly	Yes	No	Possibly	N/A	Possibly	Yes	No		No	No	Still has value as employment land
Plot 9	Yes	No	Yes	No	Possibly	N/A	Possibly	Yes	No		No	No	Too many constraints to take further
Plot 10	Yes	Possibly	Yes	Yes	Possibly	N/A	Possibly	Yes	No		No	No	Not desirable to release in isolation
Plot 11	Yes	No	Yes	Yes	Possibly	N/A	Possibly	Yes	Possibly		No	No	Not desirable to release in isolation
STADIUM WAY/DEACON WAY													
Plot 1	Possibly	Possibly	Yes	No	Possibly	N/A	Possibly	Possibly	No		No	No	Still has value as employment land
Plot 2	Possibly	Possibly	Yes	No	Possibly	N/A	Possibly	No	Possibly		No	No	Still has value as employment land
Plot 3	Possibly	Possibly	Yes	Yes	Possibly	N/A	Possibly	Possibly	No		No	No	Not desirable to release in isolation
Plot 4	Yes	Possibly	Yes	No	Possibly	N/A	Possibly	Possibly	Possibly		No	No	Still has value as employment land
Plot 5	Yes	Possibly	Yes	Yes	Possibly	N/A	Possibly	Possibly	No		No	No	Not desirable to release in isolation
Plot 6	Possibly	Possibly	Yes	No	Possibly	N/A	Possibly	Yes	No		No	No	Still has value as employment land
Plot 7	Yes	Possibly	Yes	No	Possibly	N/A	No	Yes	No		No	No	Too many constraints to take further
BRIDGEWATER CLOSE													
Plot 1	Yes	Yes	Yes	Yes	Possibly	N/A	No	Yes	No		Yes	No	Still has value as employment land
WIGMORE LANE													
Plot 1	Yes	Possibly	Yes	No	Possibly	N/A	Possibly	No	Possibly		Yes	No	Site isolated and outside settlement
STERLING WAY													
Plot 1	Yes	Yes	Yes	No	Possibly	N/A	Possibly	Yes	No		Yes	No	Still has value as employment land
UPTON ROAD													
Plot 1	Yes	Yes	Yes	No	Possibly	N/A	No	Yes	No		Yes	No	Too many constraints to take further

AREA/ PLOT	INTERNAL ENVIRON- MENT	WIDER ENVIRON- MENT	STRATEGIC ACCESS	MARKET DEMAND	OWNER- SHIP	DEVT CONST- RAINTS	ACCESS- IBILITY	SEQUENTIAL	POLICY		POSSIBLE TO RELEASE IN ISOLATION?	CONSIDER FOR C.E.A. RELEASE?	COMMENTS
FOBNEY MEAD													
Plot 1	Possibly	Yes	Possibly	Yes	Yes	N/A	Yes	No	Yes		Yes	Yes	Consider for release to non-housing
HODSOLL ROAD													
Plot 1	Yes	Yes	Yes	No	Yes	N/A	No	Possibly	Possibly		Yes	Yes	Consider for exclusion from CEA
GOSBROOK ROAD													
Plot 1	Yes	Yes	Yes	Yes	Yes	N/A	Possibly	No	No		Yes	Yes	Still have value as employment land - however, not appropriate to retain as CEA for amenity reasons ⁵ .
Plot 2	Yes	Yes	Yes	Yes	Possibly	N/A	Possibly	No	No		Yes	Yes	
Plot 3	Yes	Yes	Yes	Yes	Possibly	N/A	Possibly	No	No		Yes	Yes	
Plot 4	Yes	Yes	Yes	Yes	Possibly	N/A	Possibly	No	No		Yes	Yes	

⁵ These sites are small industrial sites within a residential area. Whilst they are still of use as employment land, and would be desirable to retain, it would not be appropriate to designate them as Core Employment Areas, because policy CS10 focuses major employment on CEAs – this would clearly not be appropriate here given the residential surroundings. In these cases

5. CONCLUSIONS

Release from Core Employment Area Designation

- 5.1 The preceding analysis has resulted in a list of sites which should be retained as Core Employment Areas on their own merits. This should form the basis for the Core Employment Area designation in the Sites and Detailed Policies Document.
- 5.2 However, it is vital to compare the amount of floorspace which would be unprotected under this analysis with the scale of the oversupply of employment land identified in section 3 - this will show whether too much or too little land would be identified as Core Employment Areas.
- 5.3 Table 5.1 below shows the scale of the oversupply for the two types of floorspace with the amount of employment land which would be unprotected if the Core Employment Areas were drawn as recommended. This latter figure has been adjusted to exclude any permitted development on the sites that has already been taken into account in calculating the oversupply, thus avoiding double-counting.

Table 5.1: Comparing oversupply to unprotected floorspace

	Scale of oversupply at 2008 (sq m)	Employment floorspace on sites considered suitable for release from CEA designation (sq m)
Industrial/ warehousing	72,000 - 86,000	120,890
Office	88,000 - 112,000	96,606

- 5.4 In terms of office floorspace, the amount of floorspace identified for release from protection is well within the range of the oversupply. However, the situation with offices is very fluid. We have already seen that the oversupply is due to the very high levels of floorspace with existing permission, rather than an oversupply of existing land, and we have also seen that the scale of the oversupply as calculated at 2009 would be likely to be much greater than the 2008 figures, and greater than the amount of unprotected floorspace.
- 5.5 The scale of the difference for industrial and warehouse floorspace is much larger - around 40,000 - 50,000 sq m. On the face of it, therefore, the SDPD could be seen to be protecting too little land. A mismatch is in some ways inevitable - it would be exceptionally fortunate if the sites considered suitable for release on the basis of a site-by-site analysis added up exactly to the oversupply. However, the important fact to bear in mind is that not designating a site as a Core Employment Area does not equate to actively promoting its release. Much of the policy at national and regional level talks about a flexible and responsive supply of employment land. Policy CS11 of the Core Strategy introduces this flexibility by setting out criteria for

assessing the release of sites not designated as Core Employment Areas, covering matters such as access, any surplus of accommodation and viability for employment use. This gives something of a 'buffer', meaning that each application will need to be assessed on its merits taking into account the situation at the time, and gives reassurance that there will not be a wholesale loss of over 120,000 sq m of industrial and warehousing floorspace.

5.6 Table 5.2 therefore sets out the sites that will be retained as Core Employment Areas (and lists the corresponding SDPD designation):

Site	SDPD designation
Green Park (all plots)	SA12a: Green Park
Junction 11 (plot 3)	SA12b: Reading International Business Park
Worton Grange (plots 2-4)	SA12c: Basingstoke Road South
Acre Road (all plots)	
Bennet Road (plots 1-4 and 6-7)	SA12d: Bennet Road
Manor Farm (plot 1)	
Boulton Road/Cradock Road (plots 1-11)	SA12e: Basingstoke Road North
Elgar Road (plots 1-2)	SA12f: Elgar Road
Paddock Road	SA12m: Paddock Road
Richfield Avenue (plots 1-10 and 12)	SA12g: Richfield Avenue
Portman Road/Loverock Road (all plots)	SA12h: Portman Road
Stadium Way/Deacon Way (all plots)	
Bridgewater Close	SA12j: Bridgewater Close
Wigmore Lane	SA12i: Wigmore Lane
Sterling Way	SA12k: Sterling Way
Upton Road	SA12l: Marcus Close

Promotion of Alternative Uses

- 5.7 As stated above, there is a difference between not protecting employment floorspace, and actively promoting its release. Unlike the previous section, where the SDPD promotes release of employment to another use, the scale of this release will need to be much more closely matched to the expected oversupply, in order to justify that release.
- 5.8 This paper does not seek to assess the suitability of these sites for allocation as housing or other uses, or the reason for the allocation of one site but not another. That issue is dealt with in the Development Sites Background Paper. This paper deals solely with the issue of loss of employment.
- 5.9 The SDPD proposes promoting alternative uses on the following sites from this analysis:
- Junction 11, plots 1 and 2 (SA2b: Berkshire Brewery - mixed use including employment and residential);
 - Worton Grange, plot 1 (SA2a: Worton Grange - mixed use including employment and residential);

- Manor Farm, plots 2-9 (SA2c: Land North of Manor Farm Road - primarily residential); and
- Fobney Mead, plot 1 (SA10a: Fobney Mead - leisure)

5.10 Table 5.3 shows the scale of the oversupply compared to the scale of floorspace on sites that the SDPD actively promotes for redevelopment.

Table 5.3: Comparing oversupply to proposed loss of employment

	Scale of oversupply at 2008 (sq m)	Employment floorspace on sites promoted by the SDPD for loss of employment (sq m)
Industrial/warehousing	72,000 - 86,000	93,652
Office	88,000 - 112,000	90,686

5.11 In the case of industrial/warehousing, the amount of floorspace proposed to be lost is greater than the scale of the oversupply, although the difference is not substantial. The size of the gap for industry and warehousing is significantly smaller than that identified in table 5.1.

5.12 As previously stated (paragraph 5.4), any mismatch for offices is not of particular concern, although no mismatch is identified. However, a loss of too much industrial and warehousing space is of concern, given the importance of these uses as employment for deprived areas and in supporting the local economy. There would therefore be a need to mitigate any loss, and this will be achieved through new development.

5.13 The following sites, allocated for development in the SDPD, could help to provide additional industrial/warehousing space to make up the shortfall:

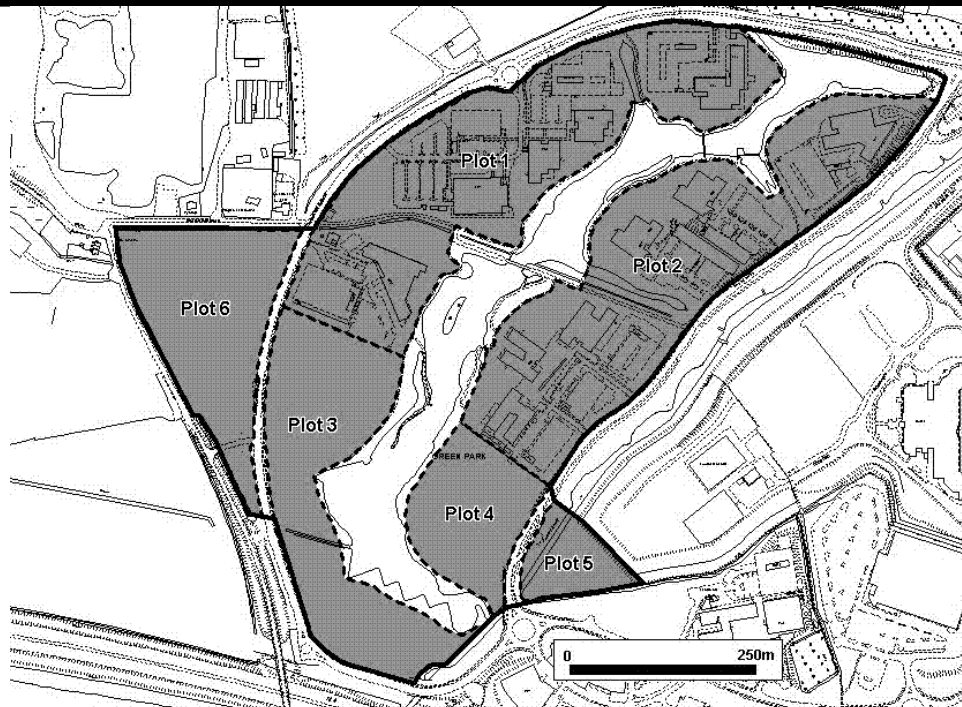
- **Berkshire Brewery (SA2b):** This site is allocated primarily for residential and B1c/B2/B8 uses. No floorspace figures are stipulated, as this would be too prescriptive for a site of this nature. However, the policy does limit residential to certain parts of the site, meaning that for parts of the site, industrial and warehousing will be the main uses. Given the size of this very large site, this is likely to make up for much of the shortfall on its own.
- **Land North of Manor Farm Road (SA2c):** This allocation is mainly for residential. However, some limited employment development would be included, particularly to help create a buffer between residential and the Major Accident Hazard site at Gillette. This is not likely to be significant.
- **Former Battle Hospital (SA9b):** This site is allocated for commercial and residential, with commercial making up the majority of the site. The type of commercial is not specified, but, given that the site is adjacent to the Portman Road Core

Employment Area, which is characterised by industry and warehousing, this is the most likely form of provision. In addition, Worton Grange (SA2a) is allocated for B8, but this is an alternative allocation to the mixed-use proposals, and is therefore not certain to be delivered.

- 5.14 It is therefore considered that the net change in employment floorspace as a result of the SDPD proposals will be in line with the scale of the oversupply of employment floorspace identified.

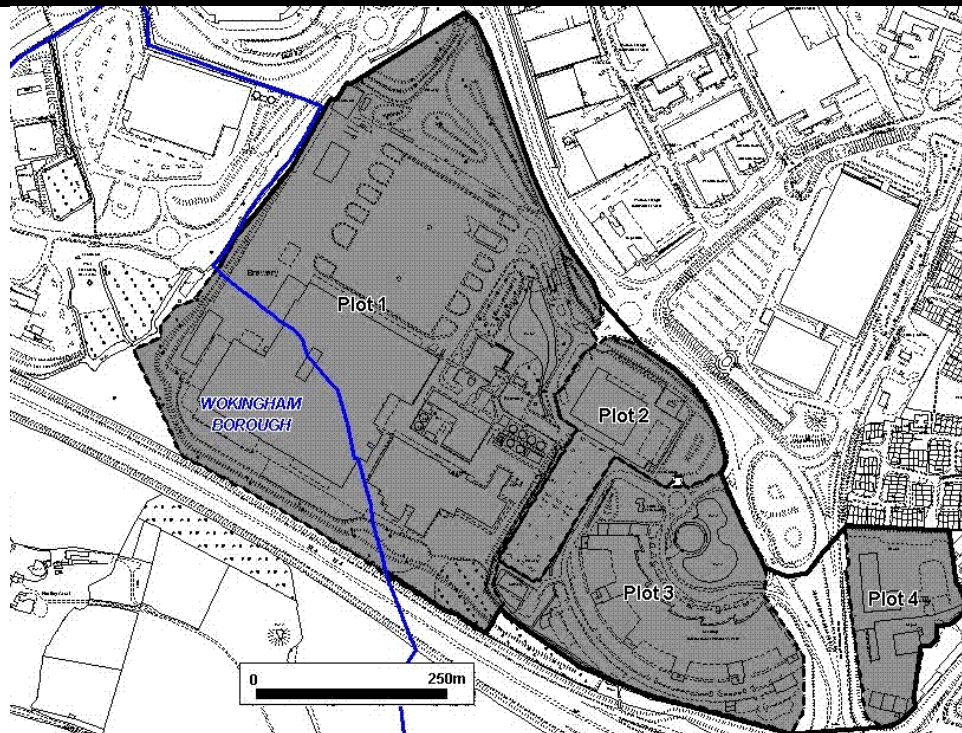
APPENDIX 1: PLOTS USED FOR ANALYSIS

GREEN PARK



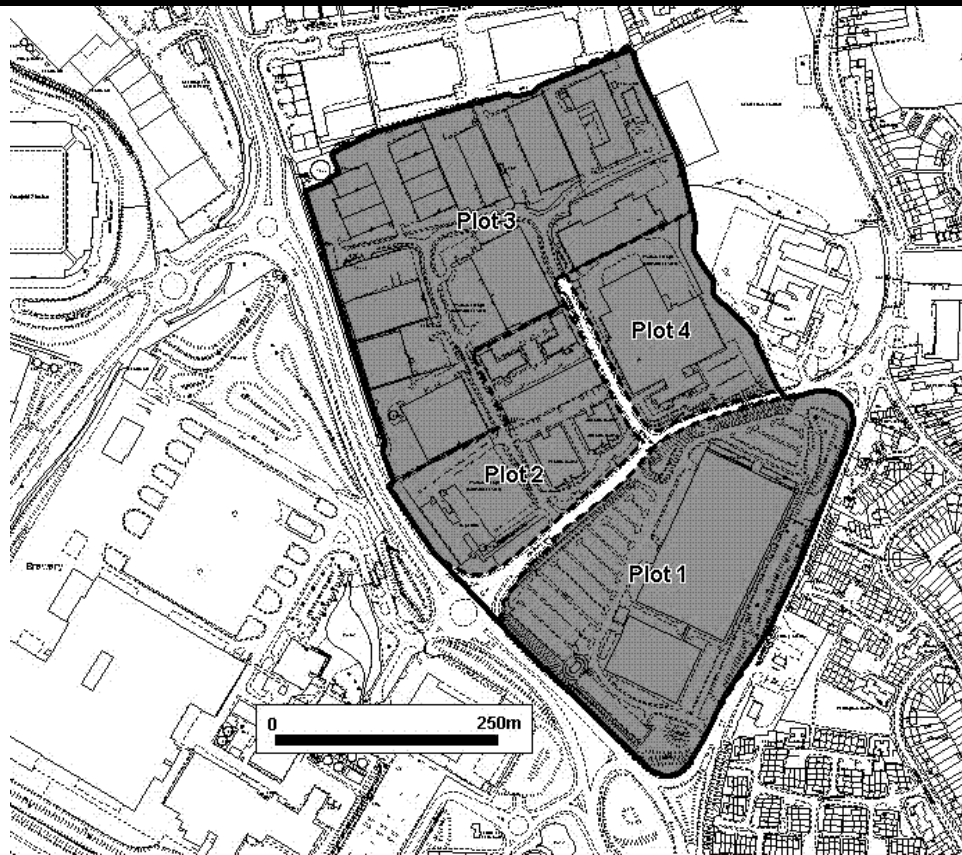
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JUNCTION 11



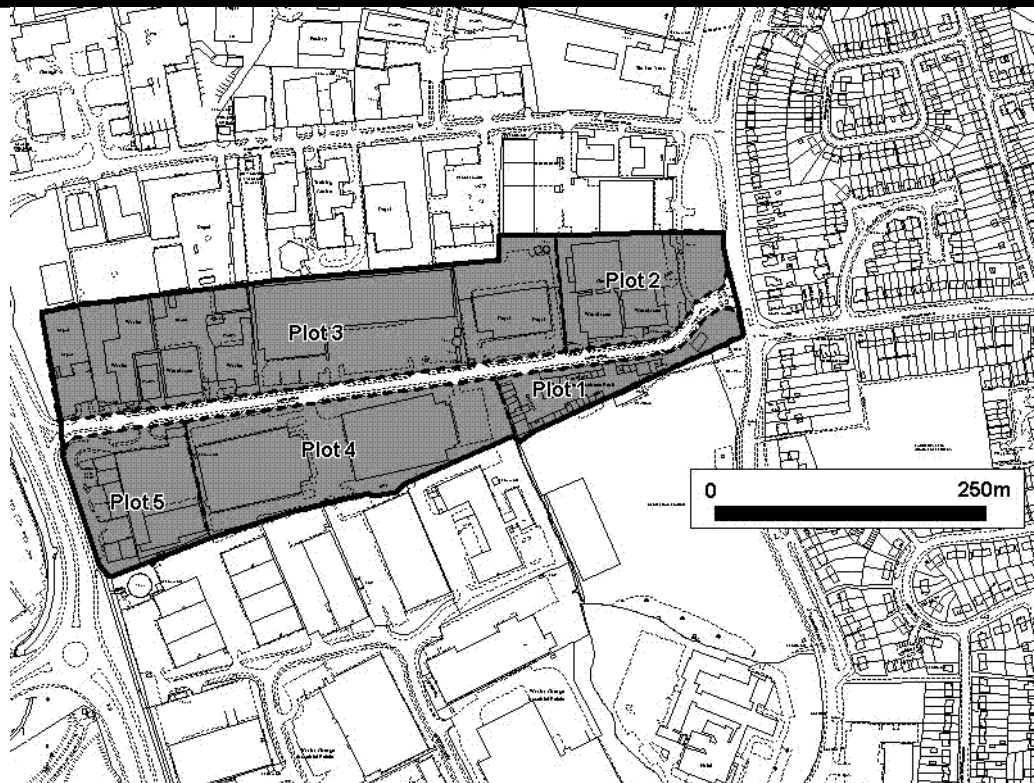
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WORTON GRANGE



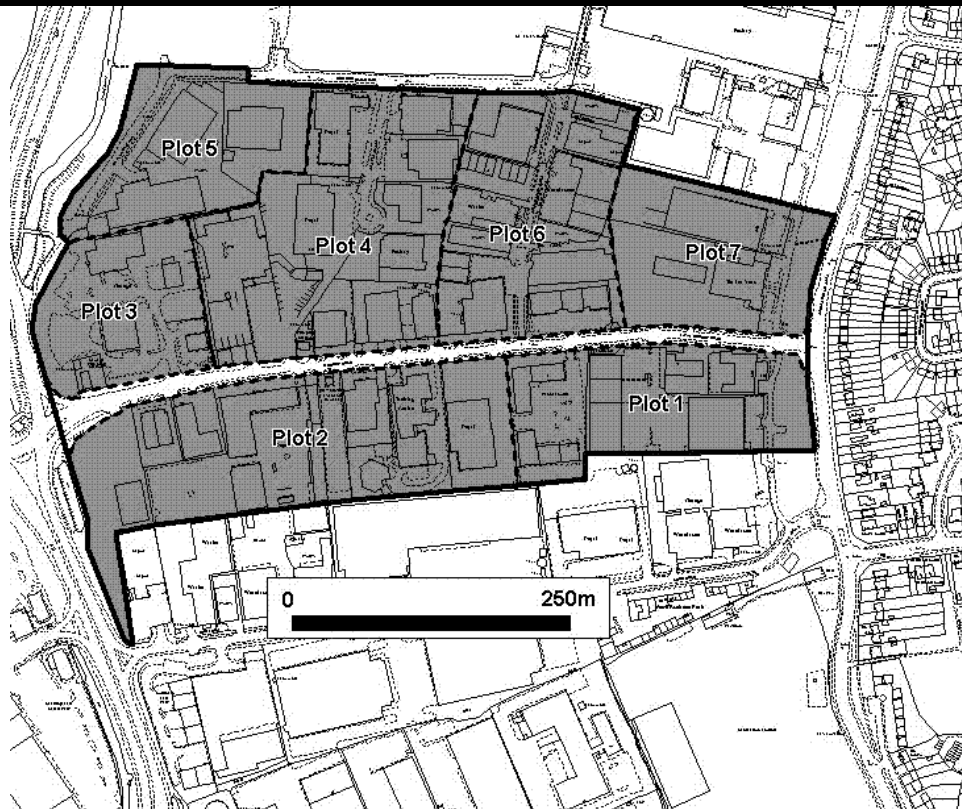
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ACRE ROAD



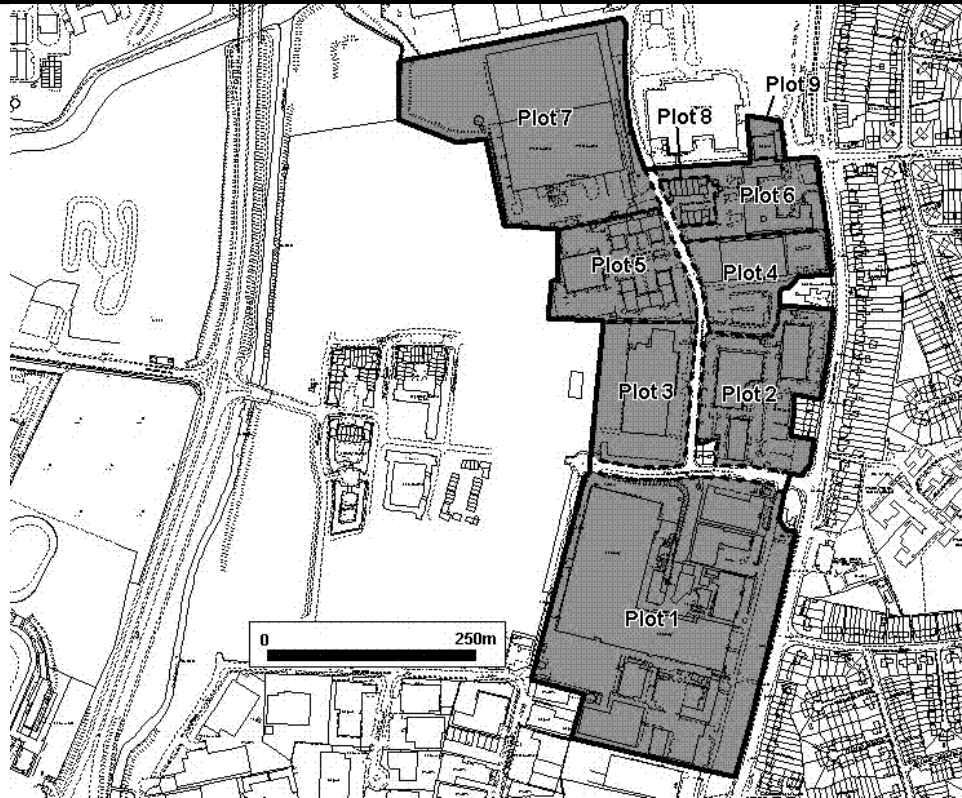
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BENNET ROAD



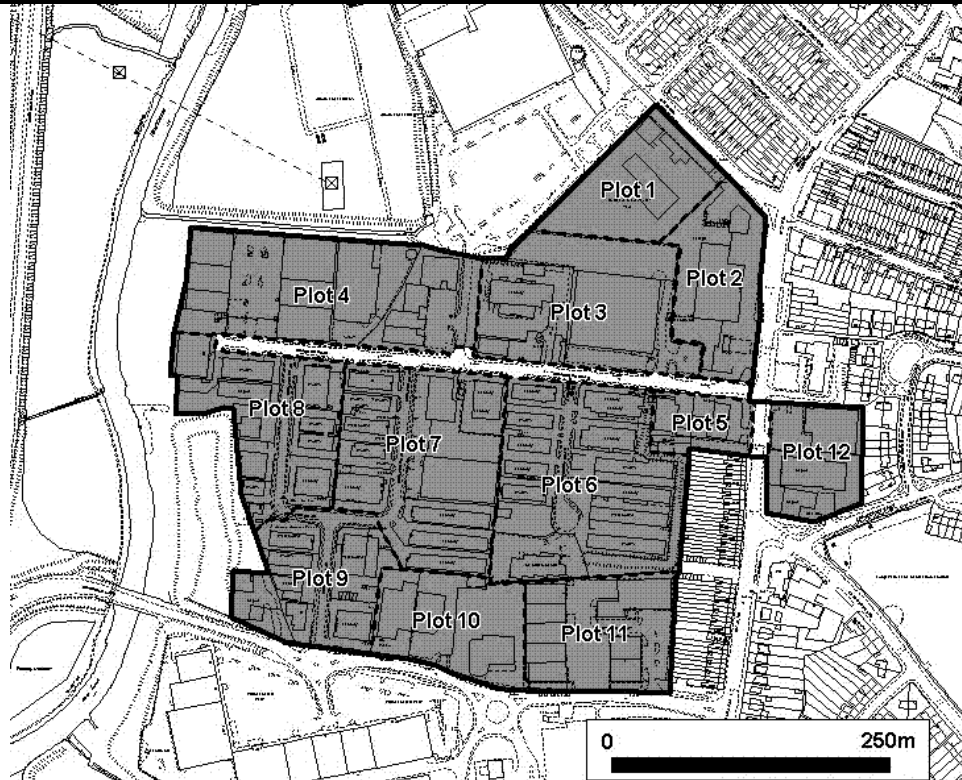
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MANOR FARM



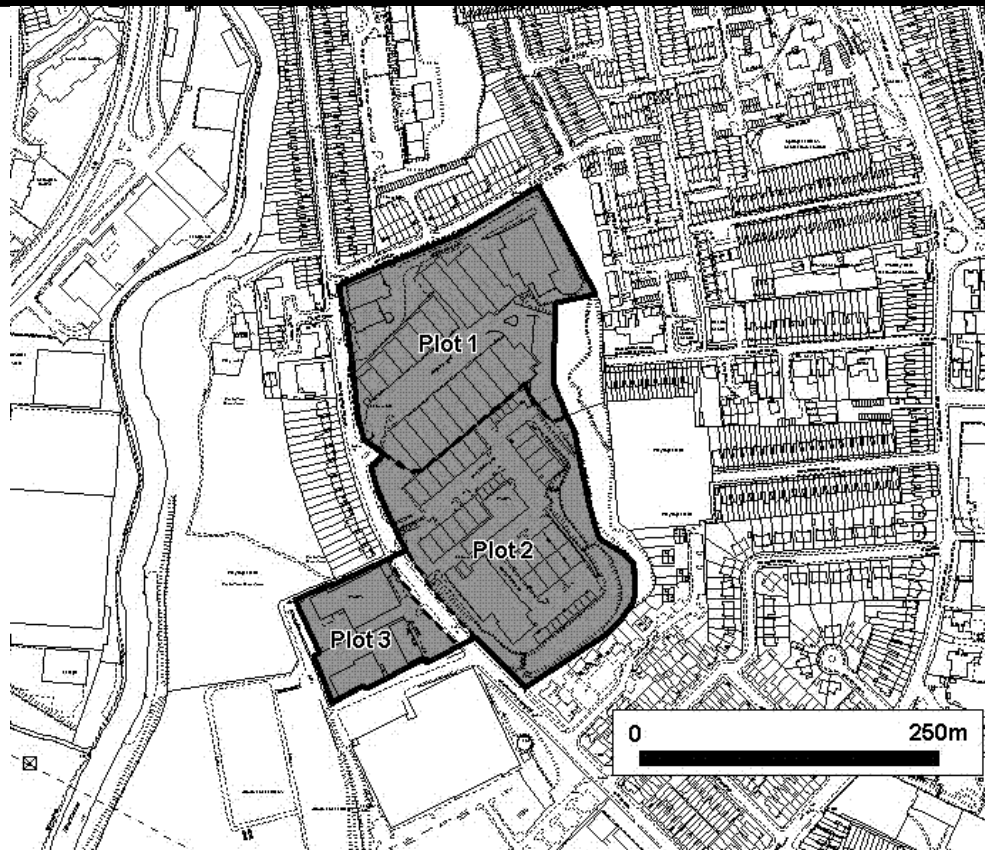
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BOULTON ROAD/CRADOCK ROAD



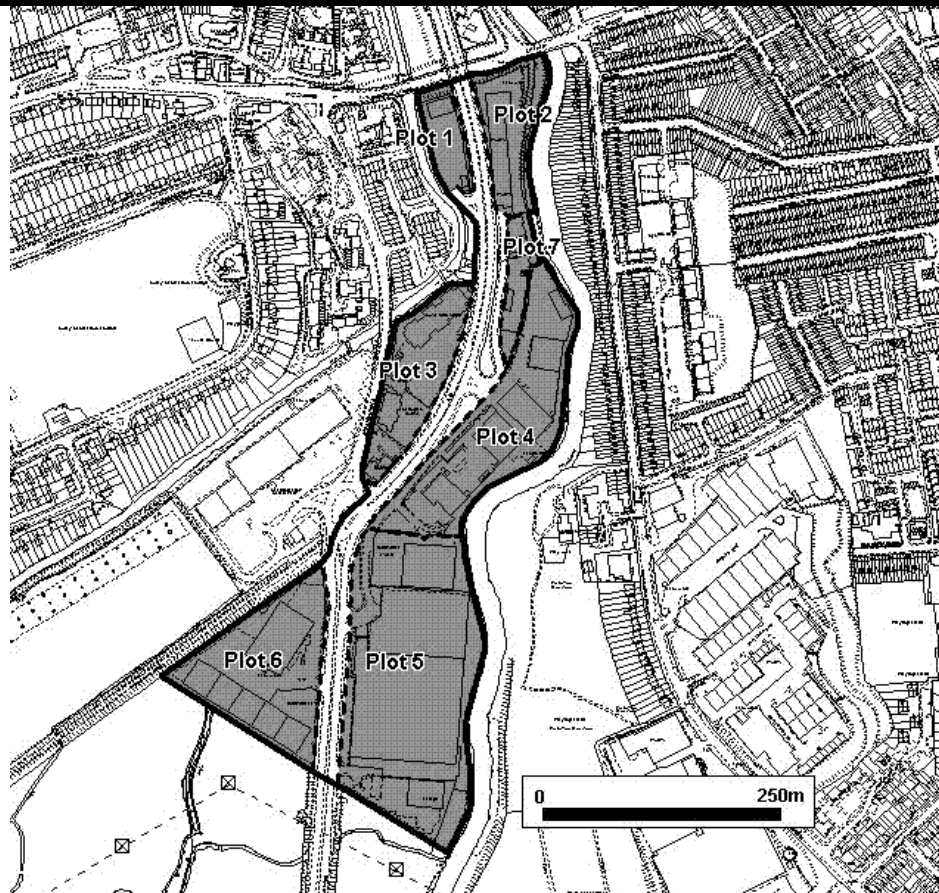
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ELGAR ROAD



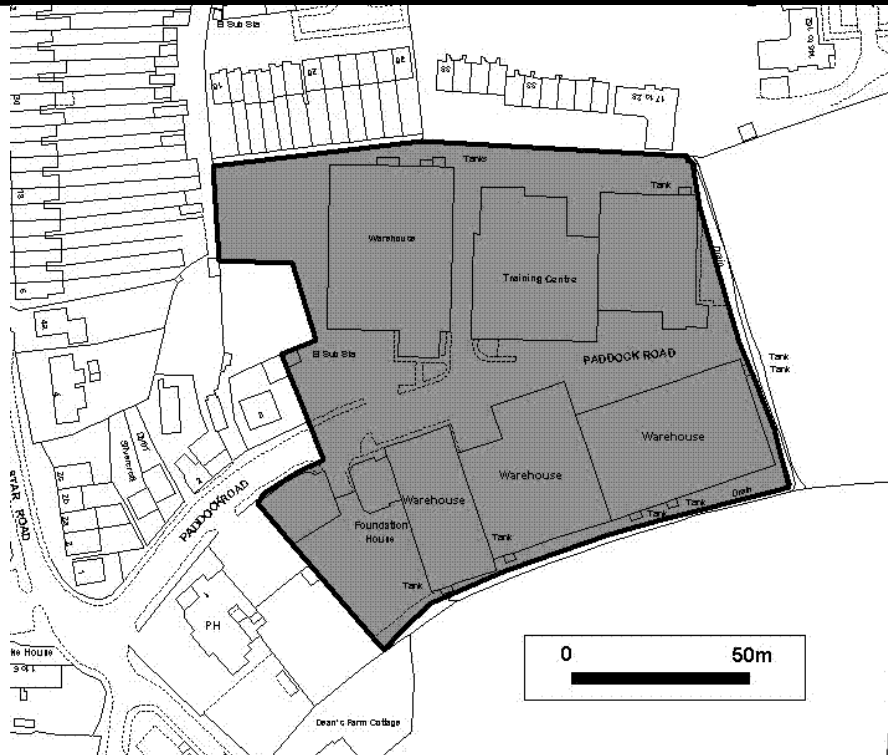
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ROSE KILN LANE NORTH



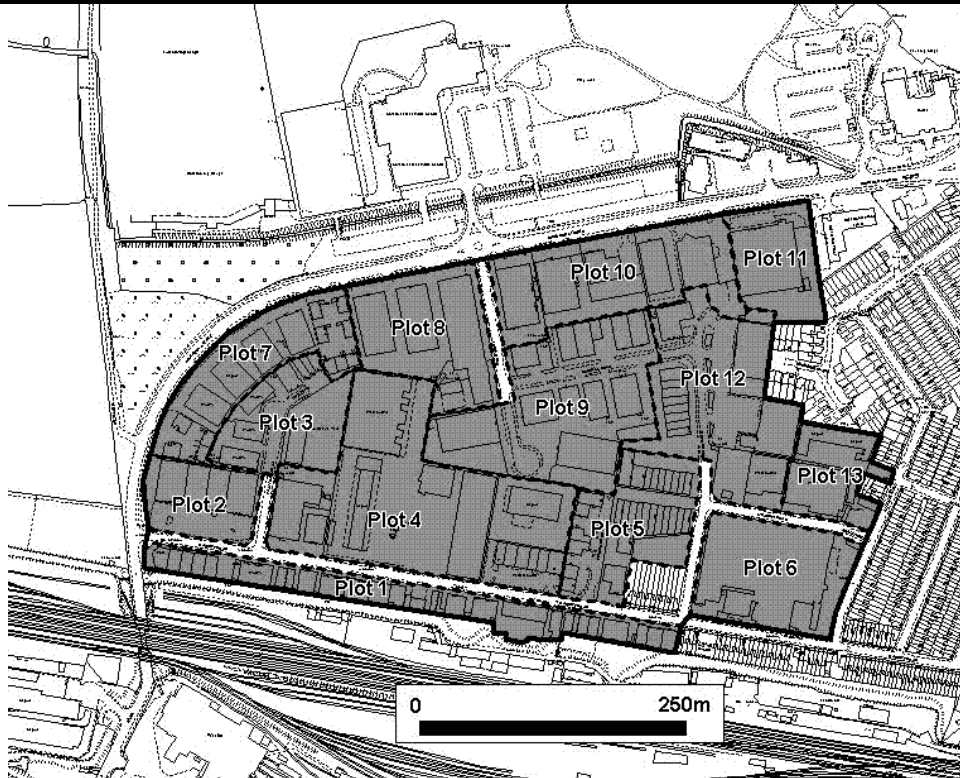
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PADDOCK ROAD



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RICHFIELD AVENUE



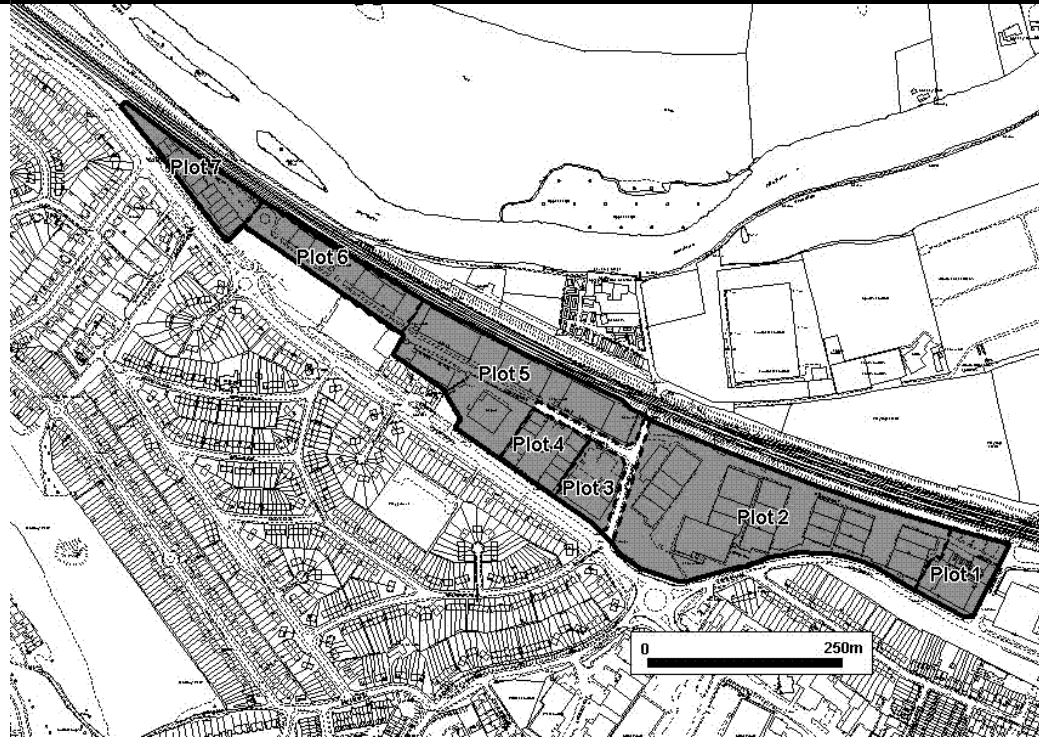
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PORTMAN ROAD/LOVEROCK ROAD



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STADIUM WAY/DEACON WAY



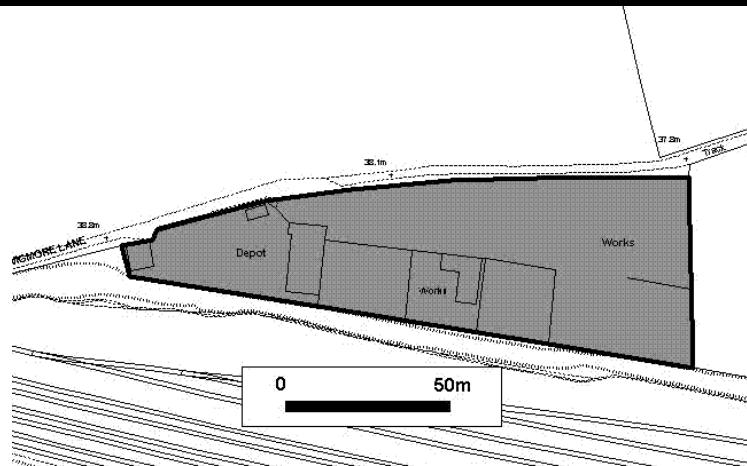
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BRIDGEWATER CLOSE



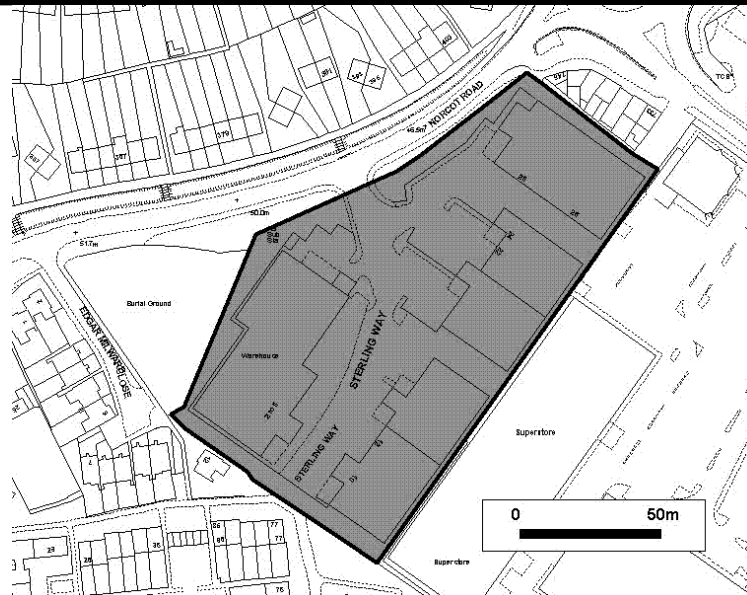
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WIGMORE LANE



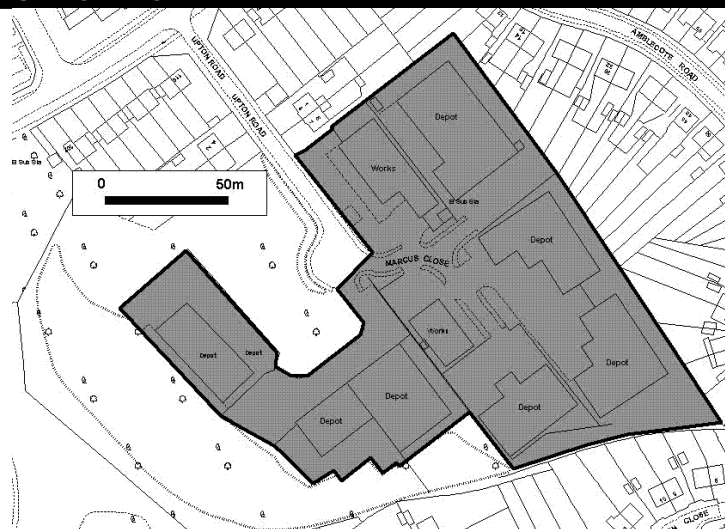
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STERLING WAY



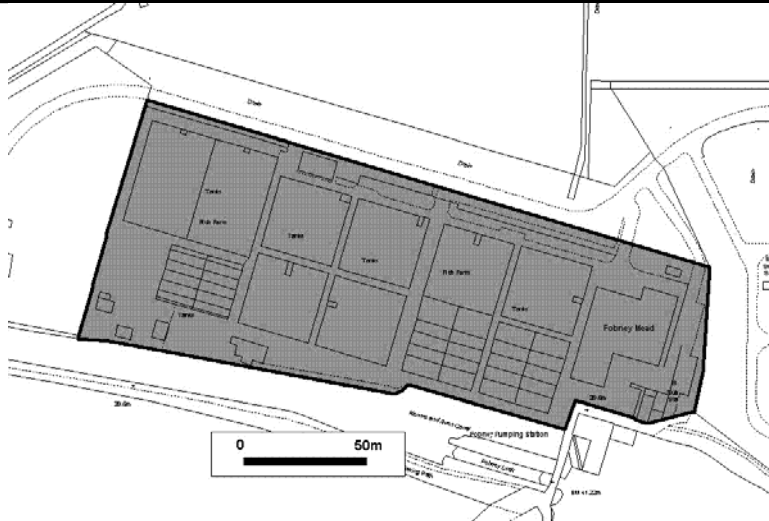
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UPTON ROAD



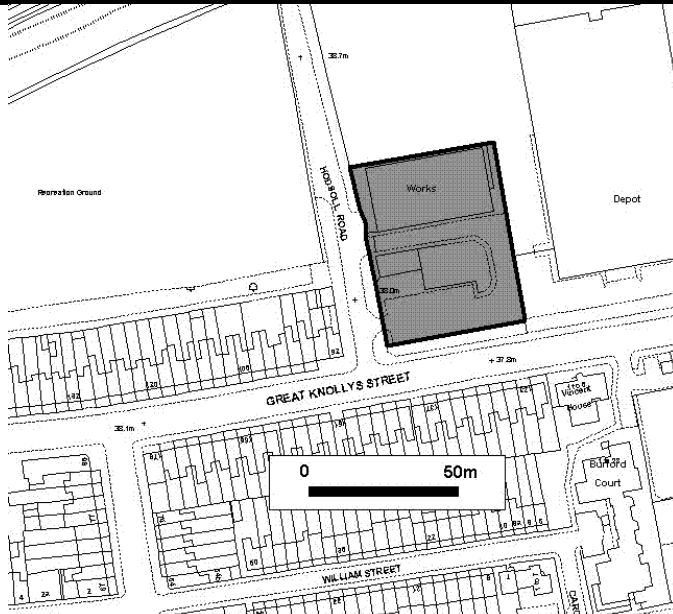
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FOBNEY MEAD



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HODSOLL ROAD



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GOSBROOK ROAD



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APPENDIX 2: BUSINESS/INDUSTRIAL MARKET ANALYSIS BY LAMBERT SMITH HAMPTON

22 May 2009

Mark Worringham
Senior Planner
Reading Borough Council
Civic Centre
Reading
RG1 7AE

Dear Mark,

RE: Request for Information on Reading's Business / Industrial Market

As discussed, please see our responses to your questions below.

1. Which "Market Segments" Exist In Reading?

Lambert Smith Hampton research indicates that the following market segments exist in Reading:

- High Quality Business Parks
- Research & Technology / Science Parks
- Warehouse / Distribution Parks
- General industrial / Business areas
- Incubator / SME cluster sites
- Recycling / environmental industries sites

2. How Strong Are These Market Segments?

2.1 High Quality Business Parks

There are several high quality business parks that serve the Reading market. Most notably Worton Grange, Suttons Business Park and Headley Park Industrial Estate (albeit the later two are within the Wokingham District). These types of business park offer high quality mixed use buildings. They are situated in good locations with easy access to motorways and major transport links. Generally the occupiers in these parks are involved in high value assembly. Specific examples include boat manufacturing and hi-technology assembly. These types of parks have experienced a consistent and steady but not dynamic level of demand, which has not significantly been overly affected by cyclical changes.

2.2 Research & Technology / Science Parks

Currently there is only a small research and technology centre on the University of Reading campus. However, the University are currently planning on developing a new Science Park on a site they own in Shinfield. In the long term, there is demand for this type of development, but unfortunately a current lack of supply means that most of the demand is met by science parks based around Oxford and Surrey Universities. The demand is driven by the high calibre of staff in the Greater Reading area, the strength of its University (particularly in agriculture and meteorology for example) and also, the close proximity to Heathrow attracts major US companies to this location.

2.3 Warehouse / Distribution Parks

The Reading area is not a major warehouse and distribution centre. This is due to relatively high land values, workforce costs and its relationship to the existing national distribution network. Areas such as Heathrow, Swindon and Northampton have far greater strengths in terms of location than Reading to service distribution warehouse requirements, due to their strategic position within the national distribution network. Within Reading it is very rare to find a warehouse of over 100,000 sq ft (9,290 sq m); however the one notable exception is 250,000 sq ft (23,225 sq m) used by Gillette, building near the A33 relief road. It is perhaps significant however that Gillette occupy this for largely historic reasons, and it would be very difficult to re-let due to the general lack of requirements for warehouses over 200,000 sq ft (18,580 sq m) in Reading.

There are several areas within the Reading area that cater to the market for smaller warehousing / sub regional distribution centres such as Suttons Business Park, Worton Grange, Headley Road Industrial Park and Winnersh Triangle. These cater well for requirements of up to 30,000 sq (2,787 sq m) ft for smaller warehousing and distribution needs. In addition, there are several locations, such as the Richfield Avenue, Portman Road areas that also offer buildings of up to 10,000 sq ft (929 sq m) for warehousing and distribution requirements, but these are less favoured due to being in a less accessible location for motorway access.

There is demand for smaller (less than 10,000 sq ft / 929 sq m) warehousing and distribution buildings within the Reading market, with many start up companies preferring the smaller and less expensive units situated in the general Portman Road / Richfield Avenue area for example and then progressing to larger and better accessed units on one of the business parks when they become more established.

2.4 General Industrial / Business Areas

There are several areas within Reading that may be classified as general industrial / business areas. These can be split into two primary locations within Greater Reading:

(i) South Reading:

- Basingstoke Road
- Rose Kiln Lane
- A33
- Boulton Road
- Craddock Road
- Acre Road
- Bennet Road

South Reading is where the majority of the larger industrial buildings are located in Reading owing to good accessibility to the M4 via the A33. However, this area also offers smaller units and also several trade counter premises, which have been catering to operators such as Screwfix Direct and Bathstore who have located here

(ii) West Reading:

- Cardiff Road
- Portman Road
- Lovelock Road
- Sterling Way
- Bridgewater Close

The industrial sites within West Reading provide a mixtures of sizes but include many smaller units, with provision generally ranging from 500 sq ft (46.5 sq m) up to 10,000 sq ft (929 sq m). There is relatively healthy demand currently for smaller units. These locations are favoured by such business as specialist printers and repair services. There is currently reasonable access to West Reading, however, with the proposed improvements to Cow Lane, access will greatly improve and it is anticipated that demand for these areas may increase as a result.

(iii) North Reading / Caversham:

- Paddock Road
- Marcus Close

The North Reading / Caversham area is less popular amongst occupiers and it may be said there is a notably lower demand for business and industrial space in this location. This is mainly owing to poor accessibility, being north of the Reading bridges which are subject to congestion. In the long term, the prospects for this location appear less favourable when compared to the other areas within Reading.

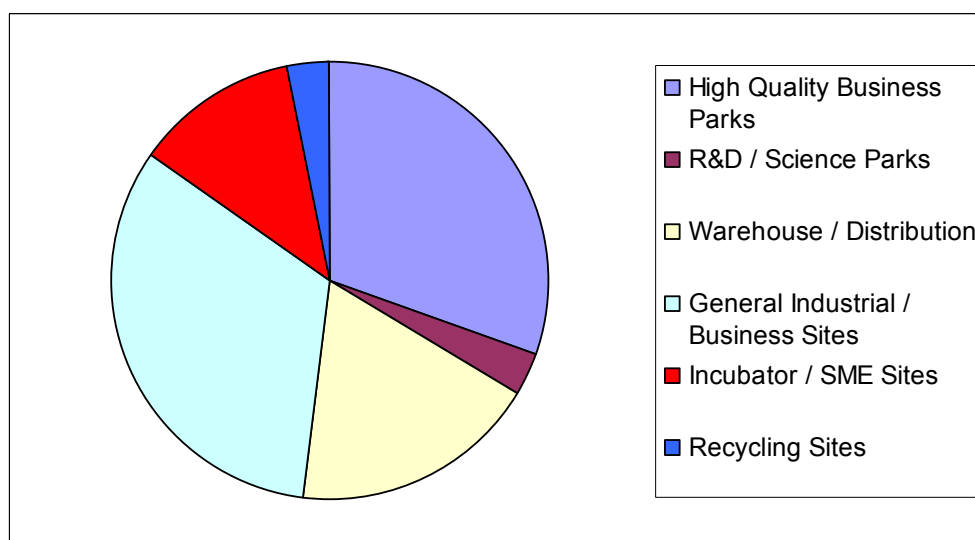
2.5 Incubator / SME Cluster Sites

There is currently a strong demand for smaller units in good locations for small to medium enterprises. For example, a scheme in the Portman Road area offering units of around 2,000 sq ft (185.8 sq m) has performed well, with high demand.

2.6 Recycling / Environmental Industries Sites

These sites are rare within Reading with only a few smaller operators located in the area, such as Select Environmental Services in Bennet Road and Charterhouse Muller in Portman Avenue who offer a high-end recycling service. However, there is growing demand for this type of use driven by the shift towards greater sustainability and more sophisticated waste management. We anticipate this being a key market in the long term.

Figure 1: Take – Up by Sector Based on Number of Transactions in 2008



Source: Lambert Smith Hampton Research

3. Are There Any Particular Requirements Of These Segments?

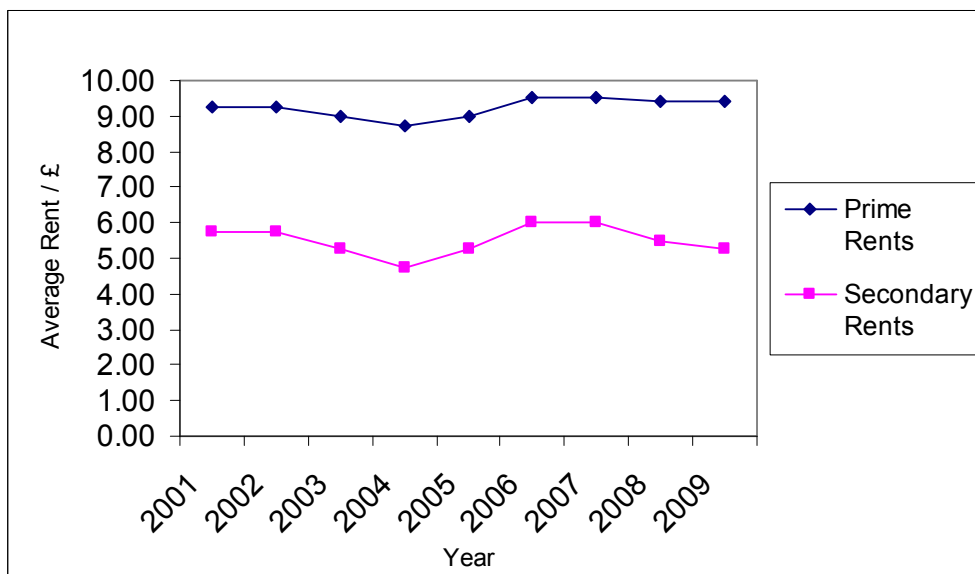
It is difficult to pinpoint exactly what differing operators require from their buildings as every company has different requirements with Reading not being dominated by any particular industrial sector or type of requirement. The nature of the demand for industrial space is disparate in the Reading area, with no one particular driver or type of occupier dominating demand. Rather there is a very diverse range of uses and occupiers, which in many way defy a clear definition. What is clear is they are often involved in added value rather than raw manufacturing, and smaller distribution of high value items rather than large scale distribution of low value materials etc.

In terms of these occupiers' requirements, generally storage and distribution operators require a minimum of an 8 metre eaves height in their buildings, with a mixture of dock levellers and full height loading doors. Most industrial occupiers also commonly require 10-15% office space in their buildings, however, this changes depending on the operator. We have seen a recent rise in the demand for a secure yard with the larger industrial buildings. This is because several operators store equipment over night and need to ensure that security is tight. Good road access is generally always required; however, operators are more concerned with the amount of traffic on nearby roads as deliveries need to be on time.

4. Have There Been Any Particularly Significant Areas Of Market Activity In Reading In Recent Years?

The diverse nature of demand means there are no significant “hot spots” however an area of slightly higher market activity has been at the business parks, albeit there is a consistent supply of available accommodation even in these locations with only at very rare points in time full occupation being reached. Figure 2 below, shows that rental levels have remained relatively stable over the past few years which indicates that there has been a general balance between supply and demand. This perhaps explains the lack of speculative industrial development over the past five years, with only a few new schemes coming onto the market, such as Reading Approach in Craddock Road, Base 329 on Headley Road East, the IO Centre in West Reading and Connect 33 in Boulton Road. These developments have taken a fairly long time to let, reflecting the gradual yet consistent rates of take up in the area. This is also demonstrated by the pattern of rental growth and reduction over time which is far less dynamic than the office and retail sectors which experience far higher variance in demand over time (see Figure 2 below).

Figure 2: Reading Industrial Rental Levels



Source: Lambert Smith Hampton Research

I hope the above is satisfactory for your needs. We have attempted to cover all areas of your brief, however, if there is an area you feel we have missed out or would be keen for more information, please do not hesitate to let me know.

Yours sincerely



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Director

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