

Examination of the Reading Borough Local Plan Partial Update

Reading Borough Council Hearing Statement for Matter 6: Employment

January 2026

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Note: In all Council Hearing Statements, references to the Local Plan Partial Update (LPPU) are to the Pre-Submission Draft Local Plan Partial Update showing tracked changes [LP003b] unless otherwise specified.

Issue 1: Are the policies for employment positively prepared, justified, effective and consistent with national policy?

6.1 Are the new floorspace figures for offices and industrial, warehouse and/or research and development set out in Policy EM1 justified?

6.1.1 The new floorspace figures set out in policy EM1 are justified in terms of being an appropriate strategy, taking into account the reasonable alternatives, and based on proportionate evidence.

6.1.2 The evidence base for the figures is in the Commercial Needs Assessment (CNA) [EV006] and its appendices [EV007-EV009]. The CNA develops a number of scenarios using different bases for calculating employment needs as follows:

- Scenario 1: Labour Demand – This uses three sources of employment forecasts, specifically Cambridge Econometrics, Oxford Economics and Experian and calculates floorspace needs based on each forecast. The initial results of this scenario are in Table 31 on p86. It then factors in assumptions about a margin for flexibility and changing trends for working from home, as well as assumptions about translating floorspace requirements into land. and the results of this scenario in terms of floorspace for low working from home assumptions (18% of office workers) are presented in Table 38 and for high working from home assumptions (50% increase in office workers) in Table 40, both on p90.
- Scenario 2: Labour Supply – This uses the population growth forecast in the Housing Needs Assessment and considers the level of employment growth needed to support it, taking account of assumptions as for the Labour Demand scenarios. The initial results are in Table 45 on p93 and the results for floorspace for low working from home assumptions are in Table 51 and for high working from home assumptions in are in Table 53 both on p96.
- Scenario 3: Past Take-Up – This looks at historical net absorption of floorspace by use class and assuming a projection of historical figures over the plan period, taking into account the same assumptions as previously discussed. The initial results are in Table 56 on p97 and the results for floorspace for low working from home assumptions are in Table 63 and for high working from home assumptions in are in Table 65 both on p99.
- Scenario 4: Synthesis Forecast – This brings together the three Labour Demand forecasts plus the Labour Supply and Past Take-Up scenarios to form a synthesis, which has the advantage of taking account of market intelligence. This applies a weighting to each scenario, explained in paragraph 402 and Table 67 (pp 100-101), which is informed by the market discussions. The initial results are in Table 68 on p101. After consideration of assumptions outlined above, the results for floorspace for low working from home assumptions are in Table 75 and for high working from home assumptions in are in Table 77 both on p103.

6.1.3 Table 1 below summarises the initial results for each scenario before considering the assumptions above including flexibility margins and homeworking scenarios.

Table 1: Employment floorspace requirements (sq m gross) (before assumptions)

Scenario	B1a/ E(g)(i)	B1b/ E(g)(ii)	B1c/ E(g)(iii)	B2	B8	Total
Labour Demand – CE	72,345	15,664	29,550	-20,160	45,130	142,529
Labour Demand – Experian	168,369	74,445	14,810	-9,238	-18,155	230,231
Labour Demand – OE	183,466	81,413	61,651	-15,084	151,074	462,520
Labour Supply	8,618	6,539	6,878	-84,849	280,684	217,871
Past Take-Up	69,819	0	8,414	10,025	204,286	292,544
Synthesis	85,803	25,638	24,261	-15,390	132,604	252,912

6.1.4 Table 2 below summarises the initial results for each scenario after considering the various assumptions and applying homeworking scenarios.

Table 2: Employment floorspace requirements (sq m gross) under every scenario after assumptions and homeworking scenarios

Scenario	B1a/ E(g)(i)	B1b/ E(g)(ii)	B1c/ E(g)(iii)	B2	B8	Total
Labour Demand – CE (Low WFH)	96,632	35,616	33,570	6,908	137,386	310,112
Labour Demand – CE (High WFH)	83,921	35,616	33,570	6,908	137,386	297,401
Labour Demand – Experian (Low WFH)	172,768	94,415	18,823	17,831	74,100	377,938
Labour Demand – Experian (High WFH)	148,462	94,415	18,823	17,831	74,100	353,632
Labour Demand – OE (Low WFH)	184,825	101,389	65,662	11,984	243,329	607,191
Labour Demand – OE (High WFH)	158,748	101,389	65,662	11,984	243,329	581,114
Labour Supply (Low WFH)	44,059	26,509	10,892	-57,780	372,940	396,619
Labour Supply (High WFH)	38,753	26,509	10,892	-57,780	372,940	391,313
Past Take-Up (Low WFH)	93,368	19,970	12,428	37,093	296,542	459,400
Past Take-Up (High WFH)	82,123	19,970	12,428	37,093	296,542	448,156
Synthesis (Low WFH)	122,092	48,702	27,560	11,895	215,087	425,335
Synthesis (High WFH)	100,879	48,702	27,560	11,895	215,087	404,122

6.1.5 The Policy Recommendations section of the CNA recommends use of the Synthesis Scenario. This is because it takes account of a wide range of inputs including local market knowledge to arrive at a more robust figure. This is the scenario on which policy EM1 is based.

- 6.1.6 However, in the Council's view, it is not necessary to include some of the elements that led to the figures for the synthesis scenario in Table 1 above, specifically the margin for flexibility and allowance for future losses. Paragraph 4.3.4 of the LPPU explains the reason for this decision. In terms of the safety margin, this is due to the limited availability of potential sites and the high level of need for other uses. More detail on the allowance for future losses is included in answer to question 6.2 below.
- 6.1.7 This means that the level of need used in the LPPU is that set out in Table 68 of the CNA on p101, i.e. before these assumptions (and others) are applied. This is set out in the bottom row of table 1 above and these are the figures referred to in paragraph 4.3.4 of the LPPU.
- 6.1.8 This does also mean that the above scenario does not incorporate assumptions around home working, where both low and high assumptions would have the effect of reducing office needs. These are sensitivity scenarios only, but the reduction due to low home working assumptions would result in office needs of around 70,000 sq m and in the high home working assumption around 61,000 sq m. Other uses would be unchanged. These fall within the range expressed in the policy. Other assumptions that are not applied other than those discussed above relate only to translating floorspace into land requirements and are not relevant for these purposes.
- 6.1.9 In terms of offices, at 31st March 2025 there were outstanding planning permissions that could deliver a net increase in 182,204 sq m of office floorspace, which would easily absorb any needs. However, the results of the HELAA [EV015] were that there was only capacity identified for 28,072 sq m of offices. The reason for the discrepancy is around the deliverability of existing permissions and the interplay of offices with other uses. A number of the existing permissions have been technically implemented but have progressed no further. One outstanding permission for 73,102 sq m that dates from a 2005 application is proposed in the LPPU for alternative use for industrial and warehousing under policy SR1c. In addition, the HELAA takes account of opportunities to convert or redevelop existing office floorspace to housing, and many of the housing sites in the LPPU, in particular in the town centre, are from this source. Anecdotally, since Covid there has been very little developer interest in provision of additional office other than on key sites in the immediate vicinity of the station. For this reason, the plan expresses the office requirements as a range between the identified capacity (30,000 sq m) and the identified need (86,000 sq m). A range is also appropriate in this case given uncertainties around home working. Figures are rounded.
- 6.1.10 In terms of options, the following were considered:
- EM1(i) – Revised policy to refer to updated needs for office, industrial and warehouse floorspace based on the latest data (proposed option)
 - EM1(ii) – Do not update the policy
- 6.1.11 An error has been identified in that part of the supporting text in 4.3.4 still refers to the former evidence and to the box which has been proposed to be deleted. A main modification is proposed in Appendix 1.

6.2 *Has sufficient allowance been made in Policy EM1 for any sites which do not come forward or for future losses of employment floorspace?*

- 6.2.1 The scope to accommodate the needs in Policy EM1 has been considered through the HELAA process. This resulted in the following site-specific capacity being identified over the plan period.
- Offices: 28,072 sq m
 - Industrial and warehousing: 125,249 sq m
- 6.2.2 The HELAA factors in variance rates which take account of the likelihood of non-delivery based on previous evidence, explained in paragraphs 3.33-3.37 of the HELAA [EV015]. For allocations without planning permission, these are significant – 42% in the town centre and 36% outside the town centre. These variance rates therefore already account for an allowance for non-delivery of sites. In addition, sites which are not considered developable in the next 15 years within the HELAA do not form part of the figures in the first place.
- 6.2.3 However, it is worth being aware that delivery of the industrial and warehousing needs is highly dependent on three sites in particular – SR1a, SR1c and SR4e. These sites comprise 135,408 sq m of industrial and warehouse space in the HELAA results (including variance rates), and without any of these sites, the needs would not be met, and there are no alternative sites within the Borough to deliver this level of floorspace. The status of each of these sites is set out in the Hearing Statement on Matter 10, but in summary a planning application on SR1a is expected relatively shortly and planning permission already exists on SR4e. SR1c is freehold owned by the Council with an option to a developer and is already clear of any existing uses other than temporary uses. Progress on these sites will need to be reassessed at the five year review stage to ensure that delivery over the plan period is still realistic.
- 6.2.4 The remainder of the industrial and warehouse needs would be met by intensification within the Core Employment Areas. This is assessed within the Employment Area Analysis [EV010] in Section 5, and identifies that, should those sites with scope for intensification come forward at the higher end of what has been achieved in recent permissions it would deliver 45,933 sq m of floorspace, which, added to the HELAA results would be sufficient to deliver a total of 171,182 sq m of industrial and warehouse space. There are no guarantees that the individual sites identified will come forward, but the purpose is to arise at a robust assumption for likely overall capacity within the CEAs. This will be market driven – should the pressing need for industrial and warehouse space transpire in practice, there are opportunities for intensification within these areas.
- 6.2.5 In terms of future losses, these were excluded from the need based on the CNA results as it would represent double-counting of the output of the HELAA. The HELAA goes through sites where losses of employment uses are anticipated to occur in depth and comes to an assumption about future losses factored into the capacity figure that in the Council's view is more robust and locally-specific than a more generalised assumption in the CNA could hope to be. The Council therefore considers it more appropriate to identify the needs without accounting for losses and

then derive a capacity figure that takes account of anticipated losses to meet that need.

6.3 *Is it appropriate for industrial, warehouse and/or research and development uses to be grouped together under one floorspace figure in Policy EM1?*

- 6.3.1 In the Council's view, it is appropriate for these uses to be grouped together. B2 and B8 floorspace in particular requires very similar types of premises with minimal adaption. In practice, planning applications in Reading very frequently seek flexible consents that cover E(g)(ii), E(g)(iii), B2 and B8 uses because the end user is not specified at the point that permission is sought. Setting out specific requirements for individual uses would be overly onerous and inflexible, and could therefore result in employment proposals being rejected because they would exceed a particular use class requirement and the options for provision of the other uses are limited. It would also fail to respond to changes in the market over time. It also gives flexibility to incorporate waste uses, which may fall under various uses, as the Joint Central and Berkshire Minerals and Waste Plan [OP005] identifies many of Reading's Core Employment Areas as preferred waste areas in Appendix C, which would be built waste facilities in industrial style buildings that would form part of rather than be additional to the identified employment floorspace needs. Finally, due to the preponderance of existing flexible consents, it would be virtually impossible to accurately monitor progress on an individual use class basis.

6.4 *Would the LPPU's employment policies be satisfactorily underpinned by modelling of impacts on the transport network?*

- 6.4.1 In terms of office floorspace, it is worth first noting that there is already almost 200,000 sq m of office floorspace with planning permission, all of which has been through a transport assessment process that takes account of cumulative impacts and should form part of the baseline for further assessment. As such, identified office provision in the LPPU is actually a reduction from the baseline with permission.
- 6.4.2 The outputs of the HELAA are what have fed into the Transport Modelling Report [EV018]. This is by assessing any new sites and uplift on the individual sites that contribute to the HELAA totals as part of the Local Plan scenario. These sites are listed in Appendix B to the Transport Modelling Report [EX020]. The level of development already in the Local Plan and with planning permission forms part of the Reference Case, and sites are listed in Appendix A [EX019].
- 6.4.3 The results of the Transport Modelling Report are discussed in full in the Hearing Statement for Matter 7. In summary, the report found that three junctions close to the town centre would have a volume/capacity ratio increase of more than 1.5%. In this location, mitigation would be focused on sustainable transport modes, including bus priority and walking and cycling infrastructure. Given the location of these junctions it is unlikely that this is mainly a result of employment allocations. There would be no negative impacts on roads within neighbouring authorities and no impact on the Strategic Road Network.
- 6.4.4 National Highways subsequently provided comments on the Transport Modelling Report identifying potential issues with M4 Junction 11 towards the end of the plan

period. This has led to further work including a Statement of Common Ground which is being reported separately.

Appendix 1: Proposed main modifications emerging from Hearing Statement

This Schedule sets out proposed 'main modifications' to the Local Plan Partial Update as a result of the contents of this hearing statement.

For the avoidance of doubt, the modifications and references in the following table show changes to the Local Plan Partial Update Pre-Submission Draft, November 2024 [LP003b].

The above document is already in tracked changes format and shows how the adopted Local Plan (November 2019) would be amended. Please therefore be aware that there are two types of amendments shown in this schedule.

Changes already proposed to be made in the LPPU Pre-Submission Draft [LP003b]:

- Additional text that would amend the adopted Local Plan (2019) is shown in green and underlined: Example
- Deleted text that would amend the adopted Local Plan (2019) is shown in green and struck through: ~~Example~~

Changes proposed as a main modification through the examination process:

- Additional text that would amend the Pre-Submission Draft LPPU (November 2024) is shown in blue and underlined: Example
- Deleted text that would amend the Pre-Submission Draft LPPU (November 2024) is shown in blue and struck through: ~~Example~~

Amendments in blue supersede those in green, so for instance where a change proposed to the adopted Local Plan in green is proposed to be further amended or deleted, this is shown in blue only.

Table A1.1: Schedule of proposed main modifications

Modification Number	Page number [LP003b]	Policy/Paragraph [LP003b]	Main Modification	Reason for Main Modification (linked to soundness requirements)	Reference in this statement
Matter 6 - A	92	4.3.4	<i>Amend second sentence of paragraph as follows:</i> The results of the EDNACDNA are summarised in the box below, but in summary it is considered that the figures that Reading needs to plan for between 2013 2023 and 2036-2041 2041 are:	To correct an error to ensure that the plan is effective.	Paragraph 6.1.11