

West Berkshire Local Plan Review 2023-2041 (adopted June 2025)

7 Fostering Economic Growth and Supporting Local Communities

Strategic Approach to Employment Land

Policy SP17

Strategic Approach to Employment Land

Through the LPR the Council will seek to facilitate the growth and forecasted change of business development over the plan period through site allocations and by promoting the supply of office and industrial space across the District to meet the identified needs. For the plan period 2023 to 2041 there is a requirement across the District for a minimum of 57,531sqm (NIA) of office space and minimum of 98,196sqm (GIA) (24.5ha) of industrial space.

Appropriate proposals for business development (offices, industrial, and storage and distribution) will be supported where they are located:

- a. On sites allocated for business development in accordance with the individual site specific policy (ESA1 - ESA6) in this Plan or any subsequent neighbourhood plans; or
- b. On a suitable site within a settlement boundary; or
- c. Within a Designated Employment Area (DEA) in accordance with policy DM31, and as listed in Appendix 4 and as defined on the Policies Map; or
- d. On previously developed land within existing suitably located employment sites; or
- e. Within the countryside provided the proposal is in accordance with other relevant policies within the Plan, in particular policy DM35.

Proposals for new office development that are not within a town or district centre as set out in policy SP18 or within a DEA will be required to satisfy the sequential test.

Development proposals that would result in the loss of business development outside of a DEA, will be required to justify the loss of floorspace and/or land. As a minimum, this will require marketing evidence and demonstrating that the proposal will:

- f. Not substantially prejudice the overall supply of employment land over the plan period; and
- g. Not conflict with or undermine the function of existing neighbouring uses; and
- h. If offices within a town or district centre, maintain the vitality of that centre;
- i. If in the countryside, the proposal would also need to demonstrate that it does not have a significant negative impact on the vitality and viability of the local economy of the surrounding rural area in accordance with policy DM35.

The redevelopment and regeneration of existing employment sites for business uses will be supported.

A range of types and sizes of employment sites and premises will be encouraged throughout the District to meet the needs of the local economy. Proposals for business development should be of a high quality design and in keeping with the surrounding environment.

Where feasible and appropriate, the Council will encourage an Employment and Skills Plan as part of major business development proposals.

Supporting Text

7.1 The purpose of this policy is to set the framework to facilitate and promote the growth and forecasted change of business development across the District over the plan period to 2041. For the purposes of this Plan business uses/development are office (Egi and Egii), industrial, storage and distribution (Egiii, B2 and B8), and the term employment land/site refers to the land on which these uses are located. It is recognised that the term economic development is broader and encompasses other employment generating uses including main town centre uses, as well as community and public uses.

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7.2 The Council Strategy 2019 – 2023 sets out six priorities of which one is to support businesses to start, develop and thrive in West Berkshire, stemming from the Council's Strategy theme 'Open for Business'. This theme is followed through within the Council's Economic Development Strategy⁽⁹³⁾ which seeks to boost inclusivity, productivity and sustainability in a way that benefits all of our residents and businesses.

7.3 To inform the Local Plan Review (LPR) the Council undertook an Employment Land Review (ELR 2020)⁽⁹⁴⁾ which was completed prior to the Covid 19 pandemic, prior to the UK exiting the EU, and before significant changes were made to the planning system⁽⁹⁵⁾, all of which have implications for the local economy. The Council therefore updated the ELR in 2022⁽⁹⁶⁾ using the most recent economic forecasts which take account of the major macro-economic changes which have taken place and provides up to date evidence.

7.4 The ELR 2022 concludes that whilst the office sector in West Berkshire has been steadily shrinking over the past decade, the economic forecast predicts positive job growth over the plan period and the LPR evidence recommends a need for a net increase in office space of a minimum 57,531 sqm (NIA) to 2041.

7.5 Monitoring data shows a net decline in office floorspace for most of the past decade, with changes from office to residential under permitted development rights contributing to a large proportion of these losses which have been largely driven by the difference between residential and office values, as well as lower grade office space. In order to assist in protecting these employment sites, the Council will explore additional measures to provide protection for example through planning conditions/planning obligations restricting permitted development rights on new office development.

7.6 The Council's evidence confirms that the market signals are generally not sufficient to trigger new build office development on a speculative basis. It is evident from the ELR and the SA/SEA that the Plan is unable to make provision to meet the District's office requirements over the plan period to 2041. The Council positively sought opportunities to meet the office requirement for the District by undertaking numerous Call for Sites, sought to deliver office space on the North East Thatcham strategic site, and pursued opportunities through Duty to Cooperate.

7.7 With a lack of supply of suitable sites for office development and little to no viability in the market at present, the Council seeks to promote the supply and refurbishment/upgrading of existing offices and seeks to safeguard existing supply where possible, so that if the market demand for offices strengthens delivery can be achieved. Policy SP17 removes the requirement for office developments within DEAs to satisfy the sequential test and promotes the redevelopment and regeneration of existing employment sites for business development particularly in DEAs. The town and district centres policy also promotes the provision of office space on the regeneration or redevelopment of sites within and on the edge of existing centres. Given the identified shortfall in supply the Council commits to seek to address this matter again at the first five year review of the Local Plan.

7.8 The provision of industrial space has been consistently strong over recent years, and both trend-based projections and economic forecasts indicate growth in industrial space. The LPR evidence therefore recommends a minimum industrial requirement of 98,196sqm or 24.5ha of land to 2041 to meet identified needs.

7.9 Chapter 8 sets out a number of site allocations for industrial land, each of which has a site specific policy (policy ESA1 - ESA6) setting out development parameters. Whilst these allocations go some way towards meeting the identified need there remains a shortfall. As with the office requirement the Council positively sought opportunities to meet the industrial requirement however, the District is heavily constrained and this has resulted in a lack of suitable available sites. Given the identified shortfall in supply the Council commits to seek to address this matter again at the first five year review of the Local Plan.

7.10 Any sites allocated through the neighbourhood planning process will be in addition to those sites allocated within this Plan and/or existing planning commitments within the neighbourhood planning area.

7.11 The regeneration of the Bond Riverside area (formerly known as London Road Industrial Estate (LRIE)) has the potential to deliver additional supply in the later part of the plan period. The redevelopment and regeneration of the Bond Riverside area is a long held vision of the Council and the area has scope, subject to overcoming other policy constraints, for regeneration and the intensification of employment uses to maximise the potential of the site as an employment location, which at present is not optimum and does not provide an attractive environment for modern day use. At this stage the Bond Riverside area is not considered as part of the supply due to uncertainty with regard to the timing of delivery, but the LPR recognises its potential. The majority of the Bond Riverside area falls within the

93 Economic Development Strategy: <https://westberks.gov.uk/economic-development-strategy>

94 Employment Land Review (2020): <https://www.westberks.gov.uk/local-plan-evidence#employment>

95 The introduction of Use Class E and GDPO Class ZA and MA

96 Employment Land Review Addendum (2022): <https://www.westberks.gov.uk/local-plan-evidence#employment>

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London Road Industrial Estates DEA, an area designated for business uses. It is important to note that the DEA includes the majority of the Council owned Bond Riverside area and the adjoining Riverpark Industrial Estate, but excludes the football ground.

Location of business development

7.12 The policy seeks to support and build upon West Berkshire's strong and resilient economy through continued business development in sustainable locations. To retain existing businesses and attract new ones into the District the supply of sites and premises of the right quality, size and type in the right locations is essential.

7.13 The Council's evidence highlights two distinct areas of demand for offices within West Berkshire, focusing on Theale in the east which is connected to the Reading market, and Newbury and Thatcham in the centre of the District. The demand for office space in Newbury town centre is predominantly for smaller units with larger requirements focusing on the out of town stock, however large amounts of office accommodation has been lost to residential in recent years through permitted development rights. Outside of Theale and Newbury the office market has a local focus. Since the Covid 19 pandemic began the economy has experienced a weakened office market, with fallen demand and strong signs that companies are releasing/rationalising space and not taking on new space. However, despite this slowdown in the office market there remains a forecasted demand for office space over the plan period.

7.14 The industrial market across West Berkshire is performing well, with low vacancy and a tight supply for smaller units (up to 5,000sqm) which sees the most take up activity. Whilst there is demand for larger B8 distribution and logistics this tends to be at the motorway junctions. Occupiers across all building sizes range from local to national businesses and covering a wide variety of business activity with no specific sector driving demand. The Covid19 pandemic has strengthened the industrial market further, with continued strong demand.

7.15 As a result, the ELR recommends safeguarding existing employment sites. West Berkshire has a number of Designated Employment Areas (DEA) which are specific locations across the District designated for business uses/development providing a range of sites and locations to promote sustainable economic growth. All DEAs are listed in Appendix 4 and defined on the Policies Map. The District's DEAs contribute significantly to the supply of employment land and provide opportunities for regeneration and intensification and therefore policy DM31 seeks to safeguard these areas to protect and strengthen their function and integrity.

7.16 The Council will support appropriate proposals for offices, industrial, and storage and distribution on sites allocated for employment land, within settlement boundaries where there is a presumption in favour of development, within DEAs and on previously developed land within existing suitably located employment sites where they accord with the relevant policies within this Plan.

7.17 Greenham Business Park has a Local Development Order in place across the site. This sets out development parameters by which certain schemes can proceed without planning permission. Proposals which are outside of the scope of the Local Development Order and require planning permission shall be determined in accordance with the relevant LPR policies.

7.18 The District has a vast rural area that is host to a large number of small and medium sized enterprises which are vital to providing local job opportunities and a diverse economy. The LPR therefore seeks to support appropriate new or expanding businesses in the countryside, supporting sustainable economic growth within the rural areas without detriment to the environment. In the countryside, proposals that contribute to sustaining a prosperous rural economy will be encouraged where they accord with policy DM35.

7.19 Office development will be required to satisfy the sequential test where the proposal is not within a town or district centre as set out in policy SP18 or within a DEA. There will be a particular focus on directing offices to Newbury, where evidence indicates a market demand for high quality new office provision, provided the scale and intensity is in keeping with the surrounding area.

7.20 In order to maintain a supply of employment land across the District to support the local economy, proposals seeking the loss of business development, outside of a DEA, will be required to justify the loss of floorspace/land. This includes, as a minimum, providing evidence that the site has been marketed at a realistic price for a minimum period of six months with no reasonable offer of sale or rent. In addition, the Council require applicants to demonstrate that the proposal will not substantially prejudice the overall supply of employment land over the plan period and will not conflict with or undermine the function of existing neighbouring uses. If the proposal is for the loss of offices within a town or district centre as set out in policy SP18 then it must be demonstrated that the scheme will contribute to the

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vitality and viability of that centre. If the proposal is in the countryside, the applicant must also demonstrate that the proposal does not have a significant negative impact on the vitality and viability of the local economy of the surrounding rural area in accordance with policy DM35.

Scale, type and intensification of business development

7.21 The redevelopment and regeneration of existing employment sites for business development will be supported to boost supply and enable the provision of modern employment stock, attracting investment and replacing lower grade stock that is reaching the end of its functional life. To ensure the health of the local economy is maintained it is important to provide variety of size and type of employment premises of an appropriate scale and intensity allowing businesses to invest, adapt and expand. The Council will therefore encourage proposals which seek to upgrade or redevelop existing sites and premises making efficient use of land, especially within DEAs, which will enhance the flexibility and availability of employment space. Local Development Orders (LDO) will also be supported where appropriate.

7.22 Business development within the District is dominated by small and medium sized units. Demand for such accommodation is likely to be met through smaller individual sites and within multi-occupancy employment areas. The Council will encourage the provision for small and medium sized businesses, including flexible workspace which enables businesses to start, develop and thrive in West Berkshire.

7.23 An important factor in building economic resilience is having a skilled local workforce. Where feasible and appropriate, the Council will encourage an Employment and Skills Plan as part of major business development proposals. Such plans are likely to be conditioned/within a legal agreement, and undertaken in conjunction with the Council's Economic Development Team.