

Warwick District Employment Land Review Update

Warwick District Council

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This document must only be treated as a draft unless it has been signed by the Originators and approved by a Business or Associate Director.

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Limitations

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1 INTRODUCTION

- 1.1 Warwick District Council is in the process of preparing a new Local Plan for the District which will set out planning policies and allocate land for development over the period to 2029.
- 1.2 An Employment Land Review (ELR) was prepared for the District and published in April 2009. This Study included analysis of economic and property market dynamics in the District, demand forecasting, analysis of the portfolio of employment sites and potential employment land allocations and advice on the strategy for employment land provision in the District. An Addendum to the Employment Land Review was published in January 2011 which reviewed potential scenarios for employment land provision linked to different scenarios for housing provision in the District.
- 1.3 In 2012 the Council commissioned preparation of new economic forecasts for Warwick District (as well as Coventry). The forecasts take account of recent economic performance and trends, as well as the economic structure and characteristics and growth potential of the economy at a local and sub-regional level. The economic forecasts were prepared by a team comprising Cambridge Econometrics, GL Hearn and SQW and consider performance in terms of employment and economic output (GVA) over the period to 2031.
- 1.4 This Update to the Employment Land Review has been prepared to:
- Take account of the revised economic outlook/ forecasts and current market conditions;
 - Consider the alignment between housing and employment land provision;
 - Consider and advise on the strategy for employment land provision.
- 1.5 The Employment Land Review Update is intended to inform and support the new Local Plan for the District. It deals principally with local employment land issues, rather than regional or sub-regional employment land provision. We have provided separate advice to the Council in regard to proposals for strategic employment land provision at Coventry & Warwickshire Gateway, an employment site proposal in the Green Belt adjoining Coventry Airport.
- 1.6 The remainder of this report is structured as follows:
- Section 2: Strategic Policy Review;
 - Section 3: Review of Economic & Labour Market Dynamics;
 - Section 4: Review of Commercial Property Market Dynamics;
 - Section 5: Review of Employment Land Supply;
 - Section 6: Employment Land Demand Forecasting;
 - Section 7: Supply-Demand Balance;
 - Section 8: Potential Employment Land Allocations;
 - Section 9: Conclusions and Recommendations.

2 POLICY AND RESEARCH CONTEXT

- 2.1 This first section reviews and seeks to draw out key information from existing planning and economy policy documents and other research which potentially has a bearing on the development of policies for employment land provision in Warwick District.

Localism Act 2011

- 2.2 The Localism Act was passed in 2011 by the Coalition Government. It provides the legislative basis to enact the Government's intention to abolish Regional Spatial Strategies including that for the West Midlands.
- 2.3 In place of regional planning, the Localism Act introduces a Duty to Cooperate, requiring all local authorities to engage with one another and with other statutory consultees in the preparation of development plan and other local development documents or associated / supporting activities (including the development of the supporting evidence base). Authorities are required by Section 110:2 of the Act to "engage constructively, actively and on an on-going basis" with the other authorities identified in undertaking these tasks.

The Plan for Growth

- 2.4 The Plan for Growth was published by HM Treasury and the Department for Business, Innovation and Skills (BIS) in March 2011. This sets out the Coalition Government's overarching goals for economic development against the context of the recent economic recession and substantial fiscal deficit – to achieve strong, sustainable and balanced growth that is more evenly shared across the country and between industries.
- 2.5 The Plan for Growth sets out the Government's view that over the last decade the UK economy has become seriously unbalanced and heavily indebted, leading to a decline in underlying economic competitiveness. Growth was concentrated in a few sectors of the economy, and in a few regions of the country; with others becoming increasingly reliant on the public sector. Moving forward it sets out four key ambitions:
1. To create the most competitive tax system in the G20;
 2. To make the UK one of the best places in Europe to start, finance and grow a business;
 3. To encourage investment and exports as a route to a more balanced economy; and
 4. To create a more educated workforce that is the most flexible in Europe.
- 2.6 These are supported by action on a number of fronts including seeking to reduce regulation and through targeted investment. The Government intends to reduce the costs of doing business through a reduction in Corporation Tax, simplification of the tax system and the review/ roll-back of regulations. It intends to make Britain more business friendly, encouraging investment and business

start-ups through a range of measures including tax reliefs and planning reforms. It also wants to encourage investment and exports and is implementing a number of measures to achieve this, including allowances for new capital investment, setting up a number of new Enterprise Zones and a Green Enterprise Bank, as well as a network of Technology & Innovation Centres and reform of inward investment activity. To improve skills it supports additional work experience and apprenticeship places and establishment of new University Technical Colleges. Additional measures are outlined to support the housing market (and thus the construction sector).

- 2.7 The Plan also identifies a number of key sectors which the Government wishes to support, which include: healthcare and life sciences; advanced manufacturing; construction; digital and creative industries; retail; professional and business services; the space industry; and tourism. The ambition is clearly for private sector-led growth and across a greater spread of sectors relative to the last decade.

Coventry and Warwickshire LEP 5 Year Strategy (2011 - 2016)

- 2.8 Coventry and Warwickshire's Local Enterprise Partnership (CWLEP) was one of the UK's first business led partnerships to be approved in 2010. It aims to make Coventry and Warwick 'one of the leading places in England to run existing businesses and generate new businesses and skills in the future'. To meet this aim, the LEP's Five Year Strategy is structured around three key ambitions:
- i. Create an environment where it is easy for business to start, locate and thrive;
 - ii. Accelerate growth of our economy through targeted support in our key strategic sectors; and
 - iii. Tackle the skills problem by aligning supply and demand.
- 2.9 Key Ambition 1 focuses on creating an environment where it is easy for businesses to start up. It plans to enhance economic growth and identify barriers (e.g. finance and planning) which discourage an enterprise culture.
- 2.10 Key Ambition 2 aims to increase employment and the number of businesses working in target sectors for Coventry and Warwickshire. These target sectors are:
- Advanced engineering and high-value manufacturing
 - Automotive and low carbon mobility
 - Business & professional services, computing & gaming
 - Creative & cultural industries, low carbon technologies
 - Sustainable construction
 - Tourism.
- 2.11 To increase the employment numbers in these sectors, the LEP proposes a focus on inward investment, training, skills and to ensure that appropriate infrastructure and sites are provided for the target sectors.

- 2.12 Key Ambition 3 aims aligning the supply of workforce skills with demand, up-skilling the economy overall through improving qualification attainment rates and increasing the number of apprentices.

[The National Planning Policy Framework \(NPPF\) \(2012\)](#)

- 2.13 The National Planning Policy Framework (NPPF) was published in March 2012. It replaces previous Planning Policy Statements/ Guidance.
- 2.14 This sets out that planning should proactively drive and support sustainable economic development to deliver the homes, business and industrial units, infrastructure and thriving places that the country needs. It sets out that every effort should be made objectively to identify and then meet the housing, business and other development needs of the area, and respond positively to wider opportunities for growth. Planning should take account of market signals ... and set out a clear strategy for allocating sufficient land which is suitable for development ... taking account of the needs of the residential and business communities¹.
- 2.15 This approach is underpinned by the presumption in favour of sustainable development. For plan-making this means that local planning authorities should positively seek opportunities to meet the development needs in their areas, and that Local Plans should meet objectively assessed development needs with, sufficient flexibility to adapt to rapid change, unless the adverse impacts of doing so would significantly and demonstrably outweigh the benefits or other policies in the Framework indicate that development should be restricted. For decision-making it means that development proposals that accord with the development plan should be approved without delay.
- 2.16 In paragraph 19 the NPPF sets out that the Government is committed to ensuring that the planning system does everything it can to support sustainable economic growth. Planning should operate to encourage and not act as an impediment to sustainable growth. Therefore significant weight should be attached to the need to support economic growth through the planning system.
- 2.17 Paragraphs 18 – 22 of the NPPF focus on ‘delivering a strong, competitive economy’ and look specifically at employment policies as this section of the NPPF.’ It outlines (in paragraph 21) that in drawing up Local Plans, local planning authorities should:
- Set out a clear economic vision and strategy for their area which positively and proactively encourages sustainable economic growth;
 - Set criteria, or identify strategic sites, for local and inward investment to match the strategy and to meet anticipated needs over the plan period;
 - Support existing business sectors, taking account of whether they are expanding or contracting, and where possible, identify and plan for new or emerging sectors likely to locate in [the] area. Policies should be flexible enough to accommodate needs not anticipated in the plan and to allow a rapid response to changes in economic circumstances;

¹ CLG (2012) *National Planning Policy Framework. Core Planning Principles (Para 17)*

- Plan positively for the location, promotion and expansion of clusters or networks of knowledge driven, creative or high technology industries;
- Identify priority areas for economic regeneration, infrastructure provision and environmental enhancement;
- Facilitate flexible working practices such as the integration of residential and commercial uses within the same unit.

2.18 In paragraph 22 the NPPF sets out that planning policies should avoid the long-term protection of sites allocated for employment use where there is no reasonable prospect of a site being used for that purpose. It promotes regular review of land allocations. The preparation of the ELR Update addresses this through the review of the deliverability of outstanding employment land allocations.

Warwick District Local Plan (2007)

2.19 The Warwick District Local Plan was adopted in September 2007 and covered the period 1996 - 2011. Saved policies in the Local Plan form part of the current development plan against which planning applications for development are assessed.

2.20 The Local Plan makes provision for the development of up to 132 hectares of employment land for development over the 1996-2011 plan period in accordance with the Warwickshire Structure Plan. This is to be achieved by the allocation of 7.5 hectares of land for employment development within the Plan.

2.21 The following policies set out in the Warwick Local Plan are particularly relevant to the future employment land development within Warwick:

Policy UAP2: Directing New Employment Development

2.22 The overall strategy for the location of B-class employment uses is set out in Policy UAP2. This outlines that proposals for employment development will be permitted as follows:

- Major office development will be permitted on previously developed land within Town Centres.
- Light Industry and small scale offices and research and development will only be permitted on previously developed land within established employment areas, within sites allocated under Policy SSP1, within Town Centres, on upper floors of shopping centres and adjacent to public transport interchanges.
- General Industrial (B2) and storage and distribution (B8) employment uses will only be permitted within established employment areas, within Town Centres or within sites allocated under SSP1.

Employment Land within Town Centres (Policies TCP7 and TCP9)

2.23 Proposals for employment land provision in town centres are guided by policies TCP7 and TCP9. Policy TCP9: Protecting Employment Land and Buildings sets out that the redevelopment or change of use of existing employment land and buildings will be permitted except within the Town Centre Employment Areas.

Policy TCP7: Opportunity Sites in Old Town, Leamington

2.24 Policy TCP7 sets out that proposals for employment uses on opportunity sites will be supported as follows:

- Site A, Station Area – Housing / commercial and business uses (B1/B2/B8)/improved access to the railway station / improvements to car parking/improvements to pedestrian accessibility; and
- Site B, Wise Street Area – Housing / commercial and business uses (B1/B2/B8)/retail/environmental enhancements.

Policy SSP1: Employment Allocations

2.25 Policy SSP1 allocates the following sites for 'B' class employment uses:

- A – Station Goods Yard, Station Approach, Leamington Spa (2.1ha);
- B – Land at High Street/Lower Avenue, Leamington Spa (0.2ha);
- C – Land at Queensway, Leamington Spa (3.2ha);
- D – Land at Rear of Homebase, Princes Drive, Leamington Spa (1.8ha);
- E – Saltisford Depot, Saltisford, Warwick (1.2ha); and
- F – Land at Nelson Lane, Warwick (0.5ha).

Policy SSP2: Major Developed Sites within the Green Belt

2.26 Policy SSP2 sets out that within the following major developed sites within the Green Belt appropriate infilling and redevelopment for employment uses is appropriate:

- Stoneleigh Park;
- University of Warwick;
- Stoneleigh Business Park;
- Former Honiley Airfield, Oldwich Lane East, Wroxall;
- Police Headquarters, Leek Wootton;
- North Leamington School, Leamington;
- The Woodside Training Centre, Kenilworth; and
- Haseley Business Centre, Haseley.

Policy SC2: Protecting Employment Land and Buildings

2.27 Policy SC2 outlines criteria protecting existing employment land and buildings. It sets out that the redevelopment or change of use of existing committed employment land and buildings for other uses will not be permitted unless:

- Existing employment activity has an adverse upon adjacent residential uses; or
- The use of the site for existing or alternative employment uses is not economically viable; or
- The proposal is for affordable housing; or
- The application is not for housing and complies with all other policies set out in the Local Plan.

Planning & Development Brief for Station Area, Leamington Spa

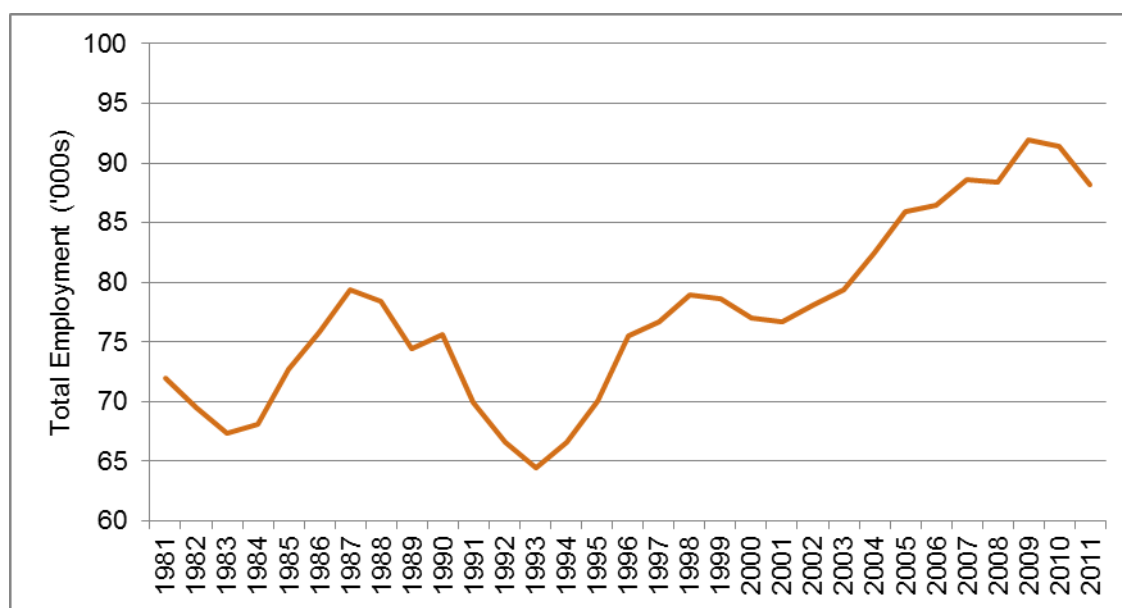
- 2.28 This development brief, published in 2008 is a Supplementary Planning Document (SPD). It sets out a vision for the station area in light of the closure of the Ford Foundry on Old Warwick Road.
- 2.29 The station area is centrally located within Leamington Spa to the south west of the town centre. It comprises 16.5ha of predominantly previously developed land comprising various uses including a bus depot, retail trade centres and car sales.
- 2.30 The vision for the area is to promote and enhance the image and character of the area by creating a gateway for Leamington through the use of high quality landmark buildings, a mix of uses and improved linkages to other areas of the town.

3 REVIEW OF ECONOMIC & LABOUR MARKET DYNAMICS

Economic Overview

- 3.1 Warwick District is a £3.2 billion economy (2011). The District's economy outperformed both the West Midlands economy and the UK in the period leading up to the recent recession.
- 3.2 Over 2000-08, the Warwick District economy grew by 3¼% pa, compared to 1½% pa and 2½% pa in the West Midlands and the UK respectively, while employment grew by 1¼% pa compared to just over ½% pa in the West Midlands as a whole and 1% pa in the UK. Both output and employment growth was above average.
- 3.3 Figure 1 shows the trend in employment growth in the District. Employment in the District increased fairly steadily over the period between 1993-2008 against a backdrop of macro-economic growth.

Figure 1: Employment Trends, Warwick District 1981-2011



Source: GLH Analysis of CE Data

- 3.4 Since the start of the recession in 2008, employment in Warwick is estimated to have fallen slightly, but by less than ¼% pa. However, there has been little impact on economic output (GVA). Indeed, output from the economy in 2011 is estimated to be slightly larger than it was in 2008. This is in sharp contrast to the outcome in the West Midlands and the UK, where output fell by around ½-¾% pa. Total employment in 2011 in the District was 88,200 persons.

- 3.5 GVA per job in 2011, as a measure of economic productivity, was £36,400 in Warwick District which was -3% below the UK average but a notable 7% above the West Midlands average. The District and South Warwickshire more widely has an economy more focused towards higher value-added activities than a number of other parts of the West Midlands.
- 3.6 The underlying outlook for the Warwick economy is that it will continue to outperform the West Midlands economy in both the medium and long term, with both GVA and employment growing at a faster rate than the region as a whole. Economic forecasts are considered further in Section 6.

Economic Structure

- 3.7 Figure 2 identifies the ten largest employment sectors in the District. The largest sector is professional services, followed by health and education. Like many areas retailing and public administration also fall within the 10 largest sectors. These 10 sectors collectively account for 81% of total employment in the District in 2011.

Figure 2: 10 Largest Employment Sectors in Warwick District in 2011

Sector	Employment, 2011	% Employment
Prof. Services	11600	13%
Health & Social Work	9000	10%
Education	8000	9%
Distribution	7300	8%
Retailing	7200	8%
Other Bus. Services	7000	8%
Public Admin. & Def.	6800	8%
Misc. Services	5300	6%
Communications	4900	6%
Hotels & Catering	4400	5%

Source: GLH Analysis of CE Data

- 3.8 We have used a location quotient analysis to analyse how the sectoral structure of employment in Warwick District compares with that of the West Midlands region as a whole. A location quotient (LQ) of 1 means that there is an equal proportion of employment in the sector in Warwick District as in the region. An LQ of 2 means that the proportion of employment in the sector in the District is twice that across the West Midlands.
- 3.9 The location quotient analysis suggests a strong concentration of employment in utilities, communications, computing services, professional services, public administration and food and drink manufacturing.

3.10 Our understanding of the local economy and the data together would suggest that:

- There is a strong concentration of employment in professional services in the District, focused particularly in Leamington Spa;
- The high public administration employment in the District is influenced by the location of the County as well as District Councils in the District. Public spending constraints could affect this sector in the short-term;
- There is a concentration of food and drink manufacturing firms, particularly in Leamington Spa, but this sector has not performed well through the recession with a number of business closures;
- The concentration of employment identified in the utilities sector and communications could be influenced by a number of specific employers, such as Arqiva on Warwick Technology Park, United Utilities and National Grid;
- Equally the concentration of employment in computing services is likely to be influenced by employment at IBM in Warwick.

Figure 3: Sectors with a Concentration of Employment in Warwick District, 2011

	Employment, 2011	Location Quotient (vs. WM)
Utilities	2,000	3.5
Communications	4,900	2.3
Computing Services	2,300	2.0
Professional Services	11,600	1.6
Public Administration	6,800	1.6
Food & Drink Manufacturing	1,600	1.2

Source: GLH Analysis of CE Data

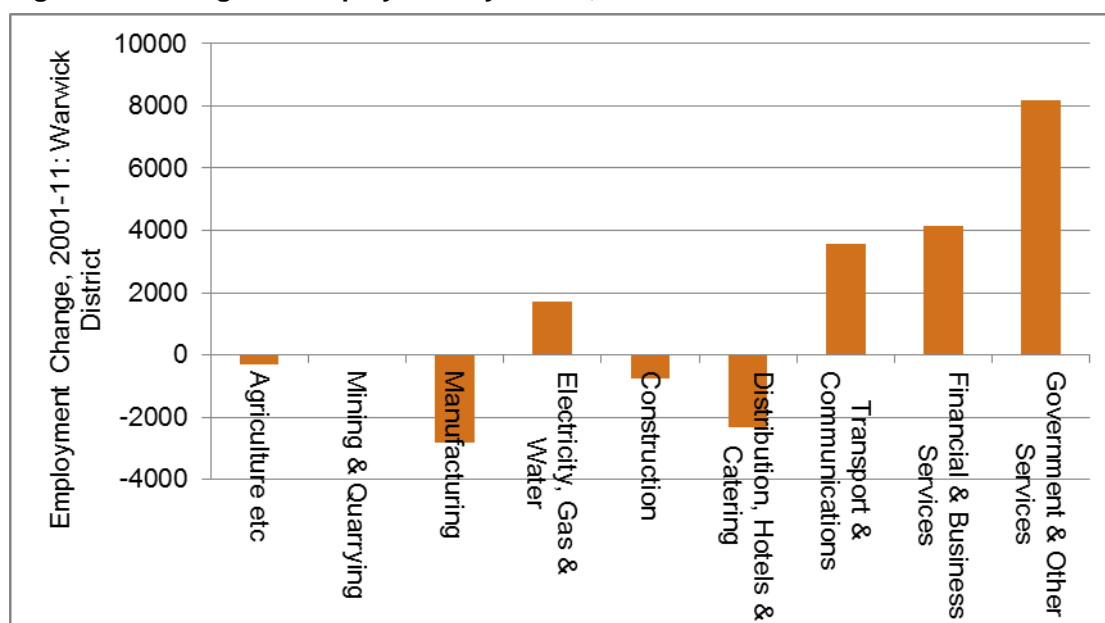
3.11 Other sectors in which employment is above average include distribution, miscellaneous services, electronics, and air transport. We would expect distribution employment in the District to be particularly influenced by jobs at Middlemarch Business Park, on the edge of Coventry (albeit that there are also larger distribution units at Queensway Business Park in Leamington). The miscellaneous services category is likely to include some employment in membership organisations (e.g. at Stoneleigh Park). Employment numbers in the air transport and electronics manufacturing sectors are relatively modest. The former most likely reflects the location of Coventry Airport in the District.

3.12 Overall the analysis particularly to sectors in which the District has a particular strength, as including:

- Professional services – an sector where the District has out-performed the region;
- Computing, IT and Communications Technology – with a concentration of key firms;
- Food and Drink Manufacturing – although this sector does not appear to be performing well.

- 3.13 In our view there are also some wider specialisms in the District's economy which don't come as strongly through the statistics.
- 3.14 We would consider that there is a strength in the automotive/ vehicle manufacturing sector at a sub-regional level which includes Warwick District. There District itself accommodates Dennis Eagle, which manufactures waste/recycling trucks as well as Jaguar Land Rover's Academy/Training Centre – both at the Heathcote Industrial Estate. Just outside of the District's boundaries, Aston Martin and Jaguar Land Rover both have facilities at Gaydon; whilst JLR's World HQ is located at Whitley in Coventry to the north of the District. The sector is also supported by the Warwick Manufacturing Group at Warwick University.
- 3.15 There is also a concentration of employment in science, research and development activities associated with agriculture. This is focused in Stoneleigh, which is the home of the National Farmers Union and Royal Agricultural Society for England; but extends across South Warwickshire with notable employment by the NFU for instance in Stratford-on-Avon District and research focused at the Horticulture Research International (HRI) site at Wellesbourne.
- 3.16 If we analyse employment growth over the 2001-11 decade, we have seen some shift in the sectoral composition of employment. Employment growth has been focused in service sectors – particularly Government and Other Services; Financial and Business Services and Transport and Communications.

Figure 4: Changes in Employment by Sector, 2001-11



Source: GLH Analysis of CE Data

- 3.17 Employment in Distribution, Retail and Leisure and Manufacturing both fell over the 2001-11 period. A modest reduction in employment in agriculture and in construction was also recorded.

Performance in a Sub-Regional Context

- 3.18 We consider that it is important to understand the District's economy within the context of the wider sub-region. Warwick District's economic performance has been particularly strong relative to other parts of the Coventry & Warwickshire Sub-Region/ LEP Area. Our own understanding, drawing on that in the Coventry & Warwickshire Economic Assessment is that this is underpinned by:
- Strong socio-economic characteristics of the labour force (wealth/ skills);
 - An attractive place to live and work (high quality of place);
 - Locational characteristics, with strategic accessibility along the M40 and A46.
- 3.19 Relative to other parts of the sub-region, Warwick District (and Stratford-on-Avon) have an economic structure which is more aligned to growth sectors; and a strong housing offer and quality of place.
- 3.20 Across a range of economic indicators, the District performs strongly relative to other parts of the sub-region. However there are some concerns – the Economic Assessment indicates for instance that whilst business start-ups between 1998-2008 (pre-recession) were above average, the growth of these businesses has not been as strong. The lack of growth in key sectors is a notable issue. A lack of growth in the business base across the sub-region as a whole has constrained growth in employment and productivity, and there is an under-representation of high-growth businesses.
- 3.21 Overall the Coventry & Warwickshire Local Economic Assessment identifies a particular set of challenges to improving productivity performance across the sub-region:
- a lack of growing businesses and an under-representation of high-growth businesses;
 - underperformance in exploiting the innovation assets which exist in the area;
 - weak agglomeration effects, in particular of Coventry at the heart of the sub-region;
 - relatively poor north-south transport connectivity, particularly between the north and south of the county; and
 - higher value, knowledge intensive businesses/ sectors – but ones which have not been growing at the same rate as the wider economy.
- 3.22 Whilst this is the sub-regional picture, the Assessment identifies Warwick District as the least vulnerable and most adaptable District within the sub-region.
- 3.23 The challenges for Warwick District (along with Stratford-on-Avon District) relate to an ageing population, increasing pressures of housing and employment land affordability, and higher levels of congestion linked in part to employment and housing growth (noting existing net in-commuting to Warwick District).

- 3.24 It identifies that there is a younger population (and greater labour market capacity) in other parts of the sub-region – particularly Coventry – and we should bear in mind that there could be some potential for further commuting from Coventry into Warwick District. This will be influenced by relative levels of housing provision and economic growth in different areas.
- 3.25 Growth sectors at the sub-regional level include research and development, high value engineering and niche specialist and applied manufacturing. The C&W LEA identifies the potential for employment growth in financial and professional services; distribution and transport and the potential to exploit the transition to the low carbon economy, particularly in the low carbon mobility sector.

Labour Market Characteristics

- 3.26 We have analysed a range of labour market indicators to identify key labour market characteristics. These are:
- **A strong skills profile** – with 38% of residents in the District (according to the 2011 Census) qualified to degree level or equivalent (Level 4) in common with other parts of South Warwickshire. This is significantly higher than the West Midlands average of 23% and the 27% level nationally. The skills profile is also borne out in the occupational profile with a high proportion of the resident population in work employed in professional occupations, as well as managerial and associate professional/ technical roles;
 - **Above average economic participation** – with an employment rate in Warwick District which is 10 percentage points above the West Midlands average at 78% (according to the Annual Population Survey, Oct 2011 – Sept 2012). Unemployment is correspondingly notably below average;
 - **Above average wages** – reflecting the economic structure and skills profile, both residents' and workplace based earnings are above regional and national averages. Higher residence-based earnings point to some out-commuting from the District to higher-paid employment opportunities in other areas (such as Coventry and Birmingham). This partly reflects the District's attractiveness as a place to live.
- 3.27 Figure 5 shows the percentages of Warwick District that are economically active and economically inactive. The percentage of economically active residents is more than 10% higher than in the West Midlands and England.
- 3.28 Similarly, at 4.6%, the unemployment rate in Warwick District is almost half that in the West Midlands (8.8%) and in England (8.1%).
- 3.29 Both the high economic activity rate and the low unemployment rate reflect the skilled population in Warwick District as shown in Figure 5 which are influenced by the attractive setting in Warwick and the highly regarded University.

Figure 5: Economic Activity (2012)

	Warwick (%)	West Midlands (%)	England (%)
Economically Active			
Economic activity rate	82.1%	74.6%	76.9%
Employment rate	78.3%	68.0%	70.7%
% aged 16-64 who are employees	71.0%	58.9%	60.5%
% aged 16-64 who are self employed	7.3%	8.6%	9.8%
% who are economically inactive	17.9%	25.4%	23.1%
Economically Inactive			
Unemployment rate	4.6%	8.8%	8.1%
JSA Claimant %	1.8%	4.4%	3.7%

Source: NOMIS 2012 - Employment and unemployment (Oct 2011-Sep 2012) and Total JSA claimants (December 2012)

- 3.30 Figure 6 shows the occupation groups of the resident population of Warwick District from the 2011 Census. A high proportion of Warwick's resident population are either managers or in professional occupations with a lower proportion occupied in elementary occupations.
- 3.31 The percentage of Warwick District residents employed in 'knowledge based industries' (the top three standard industrial classifications ((employment in managerial, professional and associate professional occupations) is notably higher than in the West Midlands or in England.

Figure 6: Occupational Profile of Warwick District Residents (2011)

	Warwick (%)	West Midlands (%)	England (%)
Managers, Directors and Senior Officials	13%	10%	11%
Professional Occupations	25%	16%	17%
Associate Professional and Technical Occupations	14%	11%	13%
Administrative and Secretarial Occupations	11%	11%	11%
Skilled Trades Occupations	9%	12%	11%
Caring, Leisure and Other Service Occupations	8%	10%	9%
Sales and Customer Service Occupations	7%	9%	8%
Process Plant and Machine Operatives	5%	9%	7%
Elementary Occupations	9%	13%	11%

Source: NOMIS – 2011 Census – (KS608EW to KS610EW)

- 3.32 Both resident and workforce earnings are higher in Warwick than in the West Midlands and in England. Higher residence-based earnings reflect the high proportion of Warwick District residents occupied in managerial and other professional occupations.

- 3.33 Warwick District residents in full-time work in 2012 earn on average £574.90 per week. This compares to an average earnings of £521.20 for those that work in the District. Residents earnings are on average 10% higher. This implies that there is some out-commuting of residents to higher paid jobs, most likely in Coventry and South Birmingham .

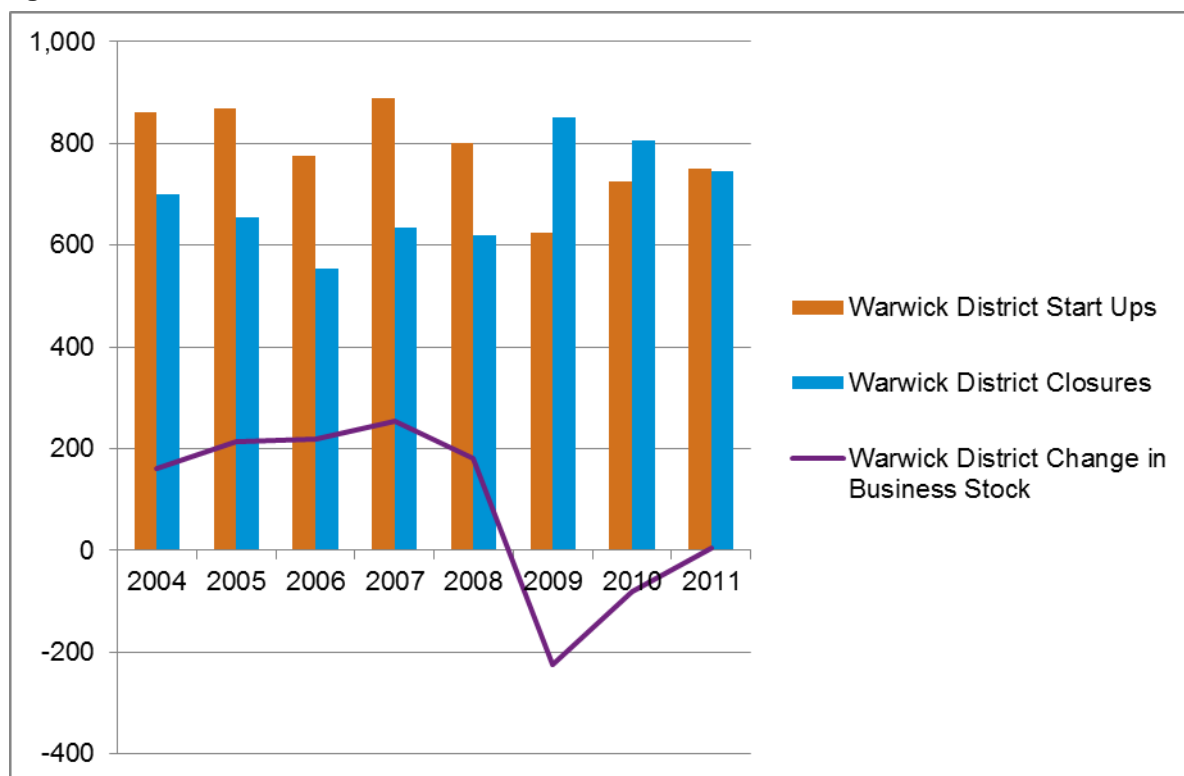
Figure 7: Median Gross Weekly Pay of People Living and Working in Warwick District (2012)

	Warwick	West Midlands	England
Residents	£ 574.90	£469.30	£ 512.70
Workforce	£ 521.20	£469.20	£ 512.10

Source: NOMIS - 2012 Annual Survey of Hours and Earnings (Residential and Workplace)

- 3.34 Figure 8 shows trends in business start-ups and closures in the District. It shows that the number of business closures has increased since 2008 as a result of the economic recession. Whilst number of business start-ups decreased sharply in 2008, the levels have been increasing slowly since 2009, which reflects some resilience in Warwick despite the adverse economic conditions.

Figure 8: Business Performance in Warwick 2004 - 2010



Source: NOMIS – ONS Business Demography (2004 – 2011)

- 3.35 Figure 9 benchmarks the density of businesses in the District. Warwick District has an average of 81 businesses per 1,000 working-age residents which is 9.4% above the Warwickshire average and a substantial 47.3% above the West Midlands average.

Figure 9: Business Density, 2011

2011	Enterprises	Working-Age Population, 16-59/64	Enterprises per 1,000 WA Population
Warwick District	7,055	86,800	81.3
Warwickshire	24,500	329,700	74.3
West Midlands	187,065	3,391,900	55.2
England & Wales	2,129,570	34,574,800	61.6

Source: ONS Business Demography Statistics, 2011 Mid-Year Population Estimates

4 REVIEW OF COMMERCIAL PROPERTY MARKET DYNAMICS

Introduction

4.1 In this section of the report, we provide an overview of the national office and industrial market before focusing on the local market characteristics. In respect of the local market characteristic we provide details of the following:

- The Key Locations
- Market Conditions
- Rental Values and Recent Transactions
- Market Summary

National Context - Offices

4.2 The UK economy struggled to maintain momentum in the final quarter of 2012, with preliminary estimates from the ONS indicating a 0.3% decline in GDP. In overall terms GDP for 2012 was flat. Further the ONS numbers showed the drop-off in growth from the services sector, which is often linked to demand for office space.

4.3 Occupier take-up across the UK regional markets was below average in 2012. According to research by Jones Lang La Salle take-up totalled 5.5 million sq ft, up 3.5% compared to 2011 but 12% below 10 year average levels. A lack of larger deals and a slowdown in Grade A activity appear to be the primary reasons for the subdued level of take-up in 2012.

4.4 The majority of activity remains focused on smaller transactions. While there remains a reasonably healthy level of market churn, occupier caution persists with many opting to renew or re-gear existing lease in the context of fragile economic growth.

4.5 Investment activity in 2012 is estimated at £1.1 billion, down 58.5% on the back of what was a particularly strong 2011. Investors continued focus on the south east and particular the Western Corridor market, which accounted for 51% of total volumes. Prime UK regional office yields moved out from 6.29% at the end of 2011 to 6.36% at the end of 2012.

4.6 Looking specifically at the West Midlands region, a report by Lambert Smith Hampton indicated that office demand peaked in the early 2000s (rather than in 2007). Demand in 2011 was subdued, similar to 2010 levels, and demand is not expected to increase until economic conditions improve. Despite a lower than average proportion of Grade A space (22% of the total), market availability of office space has remained high since 2009 (8 million sqft). This higher than average

amount of available space implies that rental growth is not expected in the W.Midlands the near future.

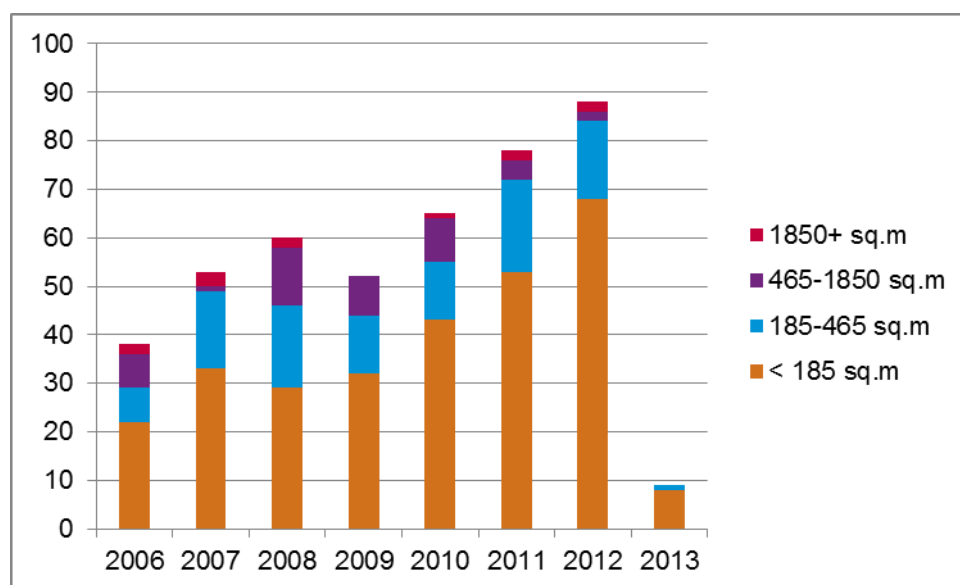
- 4.7 A report by GVA in 2012 showed that rents in Business Parks in the West Midlands had declined over the past 12 months. The report also showed that construction of business parks is at its lowest level since the survey began in 1992.

Local Market Conditions

- 4.8 The Warwick District office market can be divided into two main sub-markets; the town centre market and the out-of-town market.
- 4.9 Occupational demand in town centre locations such as Warwick and Leamington Spa has generally remained healthy since 2000 and is “supply led”. Demand for town centre locations is typically from indigenous smaller professional and business services and reflective of existing companies looking to expand, contract or enhance their property assets due to age and obsolescence. Both Warwick and Leamington Spa have historic cores and a wealth of local amenities, which make them attractive locations for professional services.

The level of demand for property in Warwick District is illustrated in the graph below which sets out the quantum of transactions in the District from 2006 to 2013 according to FOCUS and EGI. As can be seen in the table below there has been an average of 55 deals per annum between 2006 and 2013 but positively there has been a notable increase in deals from 2010 onwards albeit mainly for units of sub 185 sq m, confirming the demand profile for town centre locations.

Figure 10: Office Deals in Warwick District (2006 – 2013)



Source: Focus / EGI

- 4.10 Agents indicate that developers that have built speculatively have generally been successful in attracting occupiers, however, in light of the current economic climate the level of speculative activity has been subdued and it is envisaged that this trend will continue whilst economic conditions remain difficult and there are continuing difficulties in raising finance .
- 4.11 The out of town office market has historically been dominated by larger corporate occupiers seeking high quality, modern accommodation providing larger floor-plates, better car parking ratios. Activity within this sector was very strong in the district until the 'dotcom' crash in 2001. Since that time, demand from corporate occupiers has been relatively muted, resulting in limited speculative and pre-let development activity both in Warwick District and the wider M42 office corridor.
- 4.12 Set out in the table below is a summary of the key out of centre office locations which are considered further in the next section of this report.

Key Out-of-Town Office Locations

Figure 11: Review of Existing Key Out-Of-Town Office Locations in Warwick District

Tachbrook Park, Leamington Spa	This is one of the largest employment locations in the District situated to the south west of Leamington Town Centre with frontages onto Heathcote Lane, Olympus Way. The area comprises a mix of employment as well as retail uses.
Spa Park, Leamington Spa	Spa Park is a sub area of Tachbrook Park. It is located off Tachbrook Road on the eastern side of this employment area.
Queensway Business Park, Leamington Spa	Queensway Business Park is also a sub area of Tachbrook Park located to the northern tip of this employment area.
Warwick Gates (Gallagher Business Park), Leamington Spa	Warwick Gates (also known as the Gallagher Business Park) is located immediately south of Tachbrook Park fronting onto Heathcote Lane approximately 1.6 km (2.5 miles) from the centre of Leamington Spa. The site is largely undeveloped albeit access and site infrastructure have been provided.
South West Warwick (Tournament	This development fronts the A429 Stratford Road

Fields), Warwick	circa 0.8 km (1.3 miles) to the south west of Warwick Town Centre. The site benefits from its excellent road connections being a short distance from Junction 15 of the M40.
Stoneleigh Business Park (National Agricultural Centre)	Stoneleigh Business Park is located to the north west of Warwick close to the A46. Historically, uses within the site have been restricted to those associated with agriculture and key occupier is the National Farmer's Union (NFU). The site is substantial comprising approximately 100ha in total.
Stoneleigh Deer Park	Stoneleigh Deer Park is distinct from the Business Park, and is situated just to the east of the hamlet of Stareton. The site comprises a number of high quality modern office buildings.
OPUS 40 (IBM Warwick)	OPUS 40 is located off the A46 north west of Warwick Town Centre, two miles from J15 M40. The site comprises three existing office buildings which total approximately 27,870 sq m (300,000 sq ft) in size and a large amount of car parking and mature open space.
Warwick Technology Park, Warwick	Warwick Technology Park (WTP) is one of the highest profile out of town office schemes in the study area. This is due to its strategic location between Leamington Spa and Warwick, whilst still being close to the motorway network.
Middlemarch Business Park, Coventry Airport	Located in the north east of the District adjacent to Coventry airport. Large mixed B1/B2/B8 employment area with some good quality B1 office accommodation.

Rental Values & Recent Transactions

- 4.13 With the exception of Birmingham, rents in the West Midlands are below the national average as indicated in the table below, which sets out the headline office rents in the Midlands. The table indicates that rents ranges from £14.00 - £28.00 psft with a regional average of circa £19.50 per sq ft.

Figure 12: Performance of Office Market across larger Midlands Office Centres

Market	Market Balance (months)	Average Market Balance (months)	Grade A as % available space	Prime Rent (£ psf)
Leicester	33	36	29	16.50
Nottingham	54	48	4	19.75
Northampton	69	31	7	14.00
Birmingham	80	40	28	28.00
UK Average	94	44	26	23.00

- 4.14 According to local agents prime rents in the District have remained relatively steady over the past few years. Prime rental values for business park accommodation typically range between £161 - £183 per sq m (£15.00 - £18.00 per sq ft). This rent profile would be appropriate for the prime locations such as Warwick Technology Park (as can be seen from the recent transactions table below), Opus 40 development as well as the better quality units within Tachbrook Park.
- 4.15 Less established office locations would command rental levels in the order of £150 – £172 per sq m (£14.00 - £16.00 per sq ft) rental value. Older secondary accommodation which is prevalent in town centres such as Warwick and Leamington would typically command £129 - £151 per sq m (£12.00 - £14.00 per sq ft) depending upon location, specification and lease terms. There is a premium for newly refurbished space and one such example is the newly refurbished office space located on Jury Street in Warwick, which is currently being marketed at £25 per sq ft.
- 4.16 Local agents report a steady level of demand from a broad spectrum of occupiers. Focus data shows that recent deals in both Warwick and Leamington Spa have been predominantly to smaller local firms and typically professional service firms, including lawyers and accountants.
- 4.17 Whilst agents report that the town centre office market in both Warwick and Leamington Spa is steady, the demand is typically focused towards relatively small occupiers. Agents indicate the lack of new build office development, accessibility and car parking remains a key constraint in respect of the town centre office market. Local agents also report that the recent development in out of centre locations, such as in Tachbrook Park, are acting as a competitor to the town centre market and although property market conditions are improving it is unlikely that standalone new build offices will be brought forward over the next few years in either Leamington Spa or Warwick town centre. It is more likely that office accommodation come forward as part of mixed use schemes where more viable town centre uses will assist in overall scheme viability.

Recent Transactions

- 4.18 Some of the largest office deals recorded by EGI since 2010 include the following:

- Letting of 1, 200 sq. ft at Iceni Centre, Warwick Technology Park in November 2012 to Alliance Medical at £17.00 psft
- Letting of 25,820 sqft at the Iceni Centre, Warwick Technology Park in July 2012 to Rolls Royce at £15.00 psft
- Investment sale of 235,998 sqft at the Warwick Technology Park in May 2012 to National Grid
- Letting of 3, 702 sqft at Tournament Court in January 2012 at £17.00
- Letting of 9, 704 psft to Accenture in July 2010 at Warwick Technology Park at £14.99 psft

Yield

- 4.19 A property 'yield' (or capitalisation rate) is the relationship between the income received from a property investment (i.e. rent) and the overall value of the property investment. The yield is usually expressed as a percentage.
- 4.20 An increase in property yields will, all other things remaining equal, decrease the capital value of the property investment. Secondary office investments will achieve yields in excess of prime yields, and as a consequence much lower capital values will be achievable.
- 4.21 In respect of Warwickshire there has been limited investment activity and therefore establishing the yield profile for the District is extremely difficult. That said a unit on the Warwick Technology Park was acquired by National Grid from Prudential Property Investment Managers in May 2012 for £57m reflecting a yield of 6.70%. In contrast 1 Kingmaker Court on Gallows Hill was sold for £9.36 m in May 2012 reflecting a yield of 11%.

Office Market Summary

Out-of-town

- The premier business parks attract largely regional and national occupiers
- Headline rents - £17 - £19 per sq ft
- Key Locations – Tachbrook Park (Various sub sites), Tournament Fields, Gallagher Business Park, Stoneleigh Business Park, Stoneleigh Deer Park, Opus 40, Warwick Technology Park, Coventry Airport etc.
- All generally successful with few vacancies
- Key competitor locations Coventry (Whitley, Ansty) & Solihull (Blythe Valley)

Office in-town

- Generally small to medium sized occupiers due to nature of existing office stock and historic core of Warwick and Leamington Spa
- Demand generally from indigenous smaller professional and business service sectors
- Limited recent office development activity due to constrained development funding, lack of speculative development & scarcity of sites
- Availability and quantum of car parking seen as a particular constraint

- Rental values generally £16 - £18 per sq ft

National and Regional Context – Industrial

- 4.22 As with the office market, there has been a decrease in the industrial and distribution activity since the recession. According to a recent report by Lambert Smith Hampton (Logistic and Distribution market – 2013) take-up in the UK market fell by 25% in 2012 as uncertainty about the stability of the global economy, dwindling supply of grade A stock and good quality accommodation took their toll on occupational activity.
- 4.23 Despite the overall downturn in activity, occupiers continued to target grade A stock, with the levels of take-up rising by 11% compared to the previous year's figure. The major slowdown in activity was seen in the take-up of second hand stock, which fell by one third to 53.8m sq ft.
- 4.24 The West Midlands, the North West and Yorkshire and the Humber proved to be more resilient than the rest of the UK, with activity down by a combined 18%. These markets were aided by the improving levels of demand from the manufacturing sector as the government aims to resurrect activity in this sector of the economy. Occupiers targeted better quality stock in the West Midlands region, with take-up of grade A space rising to 3.6m sq ft. The findings indicated that the main down turn in activity was seen in the second hand market where take-up was down by 34.8%.

The Midlands is a particularly important logistics location. It contains the distribution 'Golden Triangle' which has the best 360 degree coverage for distribution of goods to the widest possible UK area via the motorway network. That said Warwick District does suffer from relatively poor accessibility to the motorway network with the exception of sites in the extreme north east and south west of the District and as such does not have a significant distribution sector market i.e for units over 100,000 sq ft.

Local Market Context

- 4.25 Given the limited logistics and distribution provision the industrial market in the District generally comprises smaller traditional industrial units. Local agents have indicated that the market has been relatively healthy with demand predominantly coming from local/regional companies and occupiers trading up to larger / newer properties.
- 4.26 Agents report that in general terms vacancy levels across the District are relatively low when compared to other larger centres in the West Midlands. That said it was recognised that are some estates / industrial areas which appear to be coming to end of their economic life and as such have notable vacancy levels which we have commented on below.

- 4.27 The industrial market in Warwickshire is focussed around a relatively small number of locations which are summarised in the table below. As per the office section further detail and analysis is provided within the next section of this report in respect of each of the industrial areas / estates referred to below.

Key Industrial Locations

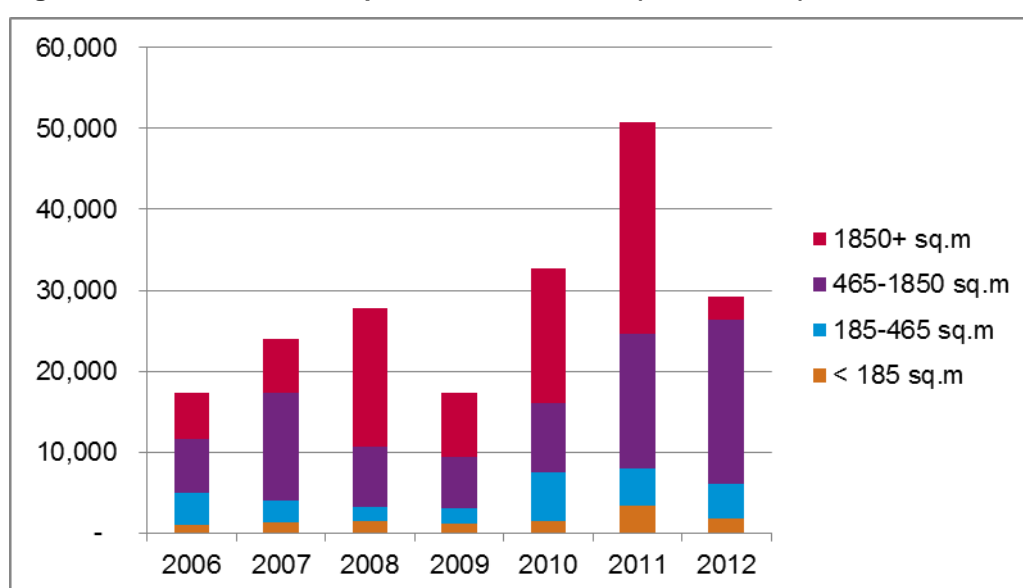
Figure 13: Review of Existing Key Industrial Locations in Warwick District

Tachbrook Park, Spa Park and Queensway Park, Leamington Spa	Referred to in the Office section. All three areas provide a range of employment uses comprising B1, B2 and B8. The area is situated to the south west of Leamington town centre.
Sydenham Estate, Leamington Spa	One of the largest industrial areas in the District to the east of Leamington Spa. The area is bound by the railway line to the south and west, the Grand Union Canal to the north, and Sydenham Drive to the east. The estate comprises mainly medium/large industrial units dating from the 1970's and 1980's.
Kenilworth (Various)	The concentration of industrial units in Kenilworth is to the north east of the town centre. Key industrial locations are Common Lane Industrial Estate and Princes' Drive Industrial Estate. The estates generally comprise small industrial estates with older units.
Warwick	Budbrooke Industrial Estate - Located to the north of Warwick in close proximity to the A46, to the south of Opus 40 off the A425 Birmingham Road. This estate comprises a number of office buildings at the front of the estate, which date from the 1970s to 1990s.
	Harris Road Industrial Estate - Located off Wedgnock Lane just to the south of Opus 40 and provides a mix of older units.
	Miller's Road Industrial Estate - Provides a mix of industrial units which are in average to poor condition. This estate is accessed via local roads (Cape Road and Millers Road) and is surrounded by largely residential areas.

Take Up

- 4.28 The table and graph below shows industrial take up in the District from 2006 to 2012 according to Focus and EGI. The analysis indicates that there has been a steady rise in take up in the District peaking in 2011 at circa 50,000 sq ft. 2012 saw take up drop to levels broadly the same as in 2010. The table indicates that the majority of take up was for units in excess of 465 - 1850 sq m .

Figure 14: Industrial Take Up in Warwick District (2006 – 2013)



Source: Focus / EGI

Rental Values and Recent Transactions

- 4.29 Industrial rental values vary greatly in the study area depending on the age, location of the property and also the extent of office content. Prime rental values of new build industrial accommodation are in the region of £59 - £62 psm (£5.50 - £5.75 psf), with rents of secondary accommodation (depending on exact condition, specification and size ranging from £32 - £46 psm (£3.00 to £4.25 psf)).
- 4.30 The rental values are comparable to the larger neighbouring centres for example several lettings were completed at Crosspoint Business Park, Coventry to Fedex and Tata Motors Electrical Testing Centre both at headline rents of £5.50 per sq ft. Further headline rental values are indicated in the table below.

Figure 15: Industrial Rental Values in key West Midlands Centres

	Rent per square foot
Birmingham	£5.50
Coventry	£5.50
Burton-on-Trent	£4.75
Stoke-on-Trent	£4.50

Source: LSH, 2012

4.31 The largest industrial deals recorded by EGI include the following:

- Letting of 2, 795 sq.ft at Wedgnock Industrial Estate at £7.14 psf in June 2012
- Letting of 2,462 sq ft at Unit 5 at Cape Industrial Estate, Warwick at £6.30 per sq ft in Jan 2013
- Letting of 11,185 sq ft at Unit 4 at Tachbrook Park, Warwick at £5.59 per sq ft in Jan 2013
- Letting of 650 sq ft at Unit 5, Budbrooke Industrial Estate Warwick at £8.07 per sq ft in Jan 2012
- Letting of 2,756 sq ft at Unit 1 & Unit 2, Budbrooke Road Trading Estate, Budbrooke Road, Budbrooke Industrial Estate at £4.38 per sq ft in September 2012
- Letting of 900 sq ft at Unit 6, Ladbroke Park, Millers Road, Warwick, at £8.33 per sq ft in September 2009

Industrial and Distribution Sector Summary

- Industrial estates in the District generally attract local and sub-regional occupiers
- Key locations – Tachbrook Park (various sub areas), Middlesmarch, Sydenham Ind Estate, N. Warwick Ind Estates and E. Kenilworth.
- Demand and quality of stock varies significantly with notable vacancies on some estates.
- Smaller affordable space tends to be well let / notable vacancies on estates which accommodate larger premises
- Constrained accessibility to strategic highway network resulting in limited distribution sector
- Headline rents - £5.50 - £5.75 per sq ft

5 REVIEW OF EMPLOYMENT LAND SUPPLY

5.1 This section of the report provides a review of the existing and proposed supply of employment land within Warwick district. It provides a quantitative and qualitative assessment of the employment land supply. The supply of employment land in Warwick comprises two components:-

- a. Existing employment land currently serving the needs of businesses within the District.
- b. Allocated employment sites that may be developed within the Plan period and contribute to meeting future employment needs. This includes sites with planning permission for employment use or Local Plan employment allocations.

Existing Employment Locations

5.2 This relates to sites which are existing established employment locations. A total of 19 locations comprising 333.51 ha were identified and reviewed.

5.3 These locations have been inspected and an assessment undertaken in relation to a range of qualitative criteria. The criteria used were as follows:-

- Typology
- Building Age
- Building Quality
- General External Environment
- Voids
- Existing Tenants
- Market Attractiveness
- Accessibility Strategic & Local
- Local Amenities
- Public transport

5.4 A copy of the assessment pro-forma used is enclosed at Appendix 1 and a summary of the assessment results is provided at Appendix 2. Our summary comments in relation to the existing employment locations are provided below. Vacancy figures relate to the proportion of the entire site which is currently vacant.

Figure 16: Review of Existing Main Employment Land Locations in Warwick District

Site Ref.	Site Name	Site Area ha	Summary Comments
1	Tachbrook Park and Spa Park, Leamington Spa	100	<p>The largest employment area in the District. Located south west of Leamington town centre it comprises a mixed area of B1, B2 and B8 uses along with some retail and quasi-retail uses. The area is in a number of ownerships and there is no overall management regime. There is a wide variety in terms of the quality, size and type of accommodation. The area suffers from traffic congestion and parking issues. Generally vibrant with a relatively low level of vacancies.</p> <p>Spa Park is located to the east of Tachbrook Park. Comprises large footprint industrial and distribution premises including the relatively new UK headquarters of Wolseley Building Supplies.</p>
2.	Queensway, Leamington Spa	9.7	Adjoins Tachbrook Park to the east. Originally developed as a post war industrial estate and therefore comprises mainly older large footprint buildings. Some areas have/are being redeveloped for retail led uses and likely to be continued pressure for non-employment redevelopment
3.	Sydenham Industrial Estate, Leamington Spa	18.5	Large industrial estate located south east of Leamington Spa town centre. The estate comprises mainly 1960/70's medium to large industrial units. The estate appears tired and has a high level of vacancies, most notably the northern half of the estate. Residential areas adjoin to the north and east. Potential for rationalisation and consolidation of the estate and redevelopment of the northern half of the estate for residential led development.
4.	Althorpe Industrial Estate/Court	2.6	Industrial area located immediately south of Leamington town centre. Bordered by the railway line to the north and Grand Union Canal to the south. Althorpe generally comprises a

	Street, Leamington Spa		range of small, older industrial units. The environment is poor but vacancy levels are low due to the affordability and convenient location. Court Street has similar constraints, although the character is more mixed use including B1 uses.
5.	Riverside House, Leamington Spa	1.75	Current WDC civic offices. Large 1980's office building and associated car parking. Attractive riverside location within easy reach of Leamington town centre and station. Suitable office location although site clearly would be attractive for residential redevelopment.
6.	Warwick Technology Park, Warwick	25	Largest and highest profile out of town office park in the District, located to the south east of Warwick with good accessibility to Leamington and the M40. Comprises a range of good quality office accommodation from smaller serviced offices to large corporate offices including National Grid HQ and Co-op regional HQ. Relatively low level of vacancies. Parking congestion appears an issue.
7.	Opus 40, Warwick	8.6 (excluding car park with permission for development)	High quality office park located to the north west of Warwick, immediately adjacent to the A46 and approximately 2 miles from J15 of the M40. Comprises 3 modern office buildings occupied by IBM (2 buildings) and Talent and associated car parking. Planning permission for further office development on land currently utilised for car parking.
8.	Budbrooke Rd Industrial Estate, Warwick	5.7	Mixed employment area adjacent to Opus 40 to the north west of Warwick. Comprises a range of office and industrial units dating from the 1970's and 1980's. Evidence of recent investment and redevelopment.
9.	Harris Road Industrial Estate, Warwick	4	Small industrial estate located directly to the south of Opus 40. Comprises a range of industrial units and office accommodation. Reasonably well let but there are notable vacancies within the office development.

10.	Wedgnock Lane/Rothwell Road, Warwick	10.9	Mixed industrial/office area immediately to east of Opus 40. Well let, with national/international occupiers including Royal Mail and Volvo.
11.	Cape/Millers Rd Industrial Area, Warwick	8.5	Large mixed industrial area located between the Grand Union Canal and Millers Road to the north west of Warwick town centre. The area comprises a range of industrial uses and premises, which vary in age and quality. The north west part of the area has now largely been redeveloped for residential use. There are significant vacancies in the western half of the area and the quality of the buildings is poorer than the eastern half which has better quality, smaller premises. Potential rationalisation and consolidation of the western area with release of land for alternative uses.
12.	Montague Road/Nelsons Lane, Warwick	9.45	Two employment areas located to the north of Warwick town centre on either side of the Grand Union Canal. Highway access is very constrained and there are residential areas adjoining. Montague Road comprises several larger site a number of which are either vacant or appear to be coming to the end of their economic life. Redevelopment of these sites for alternative uses may be appropriate. Nelson Lane comprises a range of smaller industrial units as well as car sales premises. It appears reasonably well let, although the constraints of the area for employment use may mean that the area offers longer term redevelopment potential.
13.	Tournament Fields, SW Warwick	2.31	Major 21 ha employment site located at J15 of the M40, south west of Warwick. Prominent location with excellent accessibility. C. 10,600 sq m of B1 accommodation constructed or under construction. Initial Tournament Court development comprises smaller office units. Recent development comprises larger HQ type buildings. 16 ha of serviced land remaining for development. marketed as a business park, but also has potential for an element of B8

			use.
14.	Common Lane Industrial Estate, Kenilworth	3 (planning application for extra care scheme 0.64 ha)	A small industrial estate located north east of Kenilworth. The estate comprises arrange of older units, many in need of investment. The access road is narrow and unsuitable for larger vehicles. There is a new residential development to the south of the site. Potential comprehensive residential redevelopment opportunity, subject to relocation of existing occupiers.
15.	Princes Drive Industrial Estate, Kenilworth	3.5	A medium sized industrial estate accessed from the A429, north east of Kenilworth town centre dating from the 1980's. Well utilised with limited vacancies. Limited expansion potential as semi-rural location.
16.	Stoneleigh Park, Stoneleigh	c.16	The former National Agricultural Centre, located in a rural setting northeast of Warwick. 100 ha site in total comprising a range of uses – offices, hotel, conference centre, showground, retail etc. Uses are agriculture and rural industries related. Office component of 29,000 sq m includes NFU HQ. Planning permission granted 2012 for expansion to include a further 11,500 sq m of B1 floorspace.
17.	Stoneleigh Deer Park (Abbey Park), Stoneleigh	16	A modern high quality office business park in a very attractive rural setting adjacent to Stoneleigh Park. Occupiers – British Horse Society, AGCO, British Assoc of Dairy Farmers – mainly but not wholly rural/agriculture related. Planning permission for further development.
18.	Middlemarch Business Park, Coventry Airport,	85	Major mixed employment area immediately to the south of Coventry airport. Comprises a mix of offices, manufacturing and distribution space. It is of good quality and well occupied with a range of regional and national occupiers. The only location in the District to provide major distribution premises, including national Parcelforce centre. Suffers from peak time traffic congestion at Tollbar A45/6 junction but Highway

			Agency due to implement improvements in 2013.
19.	Holly Farm Business Park, Honiley	3	Rural business park located 4 miles west of Kenilworth providing mainly small basic office/workshop accommodation for small local businesses. Well maintained and managed with few vacancies.
	Total	333.51	

Conclusions

- 5.5 Our overall conclusions in relation to the District's existing employment locations are that they are generally performing well with low vacancies in most locations. There is a good range of accommodation, from small, affordable workshops and offices to larger industrial premises and good quality B1 offices on business parks.
- 5.6 However, the available stock is restricted, particularly in relation to good quality modern accommodation of all types and sizes. There are also some employment locations which are performing less well and these are considered further later in this section.
- 5.7 The nature of the Districts' economy and its relative remoteness from the strategic highway network means that it is not a major manufacturing or distribution location and supply is more orientated towards B1 office accommodation and smaller industrial premises (sub 5,000 sq m).

Town Centre Office Provision

- 5.8 In relation to office provision within the District's main town centres, Warwick and Leamington Spa, there is a fairly diverse range of office accommodation with a significant element of period properties.
- 5.9 It is clear from our research that Leamington Spa has a larger concentration of office stock compared to Warwick Town Centre. According to national databases (EGi) there is approximately 78,665 sq ft office space available in Warwick Town compared with approximately 167,269 sq ft available in Leamington Spa.
- 5.10 The available data indicates that the town centre stock is broadly similar in terms of the range, size and age of stock. Specifically the office units available typically range from 11 sq m – 92 sq m (120 -1000 sq.ft) with the large majority of office stock being second hand. Agents report that this period stock can be particularly difficult to let due to the physical constraints of the buildings.

Employment Land Supply

- 5.11 This relates to employment sites which benefit from planning permission or are allocated for employment development within the existing Local Plan, but have not yet been developed. Data on these sites was supplied by the Council to GL Hearn. A total of 15 sites comprising 74.29 ha were identified and reviewed. Only sites of over 0.2 ha in area have been considered. A number of the sites are existing employment sites which have been allocated for redevelopment or expansion and have therefore also been considered in the above section.
- 5.12 These sites have been inspected and an assessment undertaken in relation to a range of qualitative criteria. The criteria used were as follows:-
- Access
 - Prominence
 - Site Layout
 - Character of Area
 - Economic constraints
 - Location
 - Market Attractiveness
 - Accessibility Strategic & Local
 - Local Amenities
 - Public transport
- 5.13 A copy of the assessment pro-forma used is enclosed at Appendix 1 and a summary of the assessment results is provided at Appendix 2. Our summary comments in relation to the potential employment locations are provided below.

Figure 17: Review of Employment Land Supply in Warwick District, April 2013

Site Ref.	Site Name	Site Area ha	Summary Comments
1	Gallagher Business Park (Warwick Gates), Leamington Spa	13.5	Located immediately south of Tachbrook Park. Single office building completed (Gallagher HQ). Remainder of site accessed, serviced and arranged as plots. Currently being marketed. Good, prominent and accessible location.
2	Former Ford foundry, Old Warwick Rd, Leamington Spa	2.4	Prominent site on edge of Leamington town centre close to station. Within Station Area Development Brief area. Consent granted in 2011 for mixed use development including Morrisons supermarket, 10,000 sq m B1 offices and 7,000 sq m B1c/B8 light manufacturing/distribution (on land rear of Homebase). Suitable employment location although understood that applicant wishes to also promote for retail development as office marketing unsuccessful to date.
3.	Land rear of Homebase, Princes Drive, Leamington Spa	1.6	Included within 2011 consent mentioned above. Consent for 7,000 sq m of B1c/B8 light manufacturing/distribution. Suitable subject to provision of satisfactory access arrangements which are constrained.
4	Station Goods Yard/Station Approach, Leamington Spa	2.6	Land north of the railway station currently comprising open storage, car parking and Stagecoach bus depot. Identified in Station Area Development Brief for residential and B1 development, although comprehensive residential development acceptable. Former office development planning permission on part not implemented. Suitable for element of B1 office development relating to station.

5	Tachbrook Park and Spa Park Leamington Spa	7.25	Various sites within the Tachbrook Park/Spa Park industrial area south of Leamington Spa town centre. Most are currently being marketed for employment development. Includes 1.15 ha site which has consent for expansion of Wolseley headquarters.
6	Queensway Industrial Estate, Leamington Spa	1.88	Adjoins Tachbrook Park to the east. Originally developed as a post war industrial estate and therefore comprises mainly older large footprint buildings. Some areas have/are being redeveloped for retail led uses and likely to be continued pressure for non-employment redevelopment.
7	Land at Queensway	1.2	Separate area of allocated employment land located at Queensway.
8	Opus 40, Warwick	3.7	High quality office park located to the north west of Warwick, immediately adjacent to the A46 and approximately 2 miles from J15 of the M40. Planning permission for further 26,000 sq m of office development on land currently utilised for car parking, being actively marketed. Good ,accessible prominent location.
9	Tournament Fields, SW Warwick	15.49	Major 21 ha employment site located at J15 of the M40, south west of Warwick. Prominent location with excellent accessibility. C. 10,600 sq m of B1 accommodation constructed or under construction. Initial Tournament Court development comprises smaller office units. Recent development comprises larger HQ type buildings. 15.5 ha of serviced land remaining for development. marketed as a business park, but also has potential for an element of B8 use
10	Tournament Fields, SW Warwick – Land adjacent to A46	2.33	Outline planning application for land adjacent to A46.

11	Cape Road, Warwick	1.49	Large mixed industrial area located between the Grand Union Canal and Millers Road to the north west of Warwick town centre. The area comprises a range of industrial uses and premises, which vary in age and quality. The north west part of the area has now largely been redeveloped for residential use. There are significant vacancies in the western half of the area and the quality of the buildings is poorer than the eastern half which has better quality, smaller premises. Potential rationalisation and consolidation of the western area with release of land for alternative uses. Consent for mixed use redevelopment of part of western area.
12	Nelson Lane, Warwick	0.5	Small site currently being used for car parking. Nelson Lane comprises a range of smaller industrial units as well as car sales premises. It appears reasonably well let, although the constraints of the area for employment use may mean that the area offers longer term redevelopment potential.
13	Stoneleigh Park, Stoneleigh	5	The former National Agricultural Centre, located in a rural setting northeast of Warwick. 100 ha site in total comprising a range of uses – offices, hotel, conference centre, showground, retail etc. Uses are agriculture and rural industries related. Office component of 29,000 sq m includes NFU HQ. Planning permission granted 2012 for expansion to include a further 11,500 sq m of B1 floorspace.
14	Stoneleigh Deer Park (Abbey Park), Stoneleigh	5	A modern high quality office business park in a very attractive rural setting adjacent to Stoneleigh Park. Occupiers – British Horse Society, AGCO, British Assoc of Dairy Farmers – mainly but not wholly rural/agriculture related. Planning permission for further B1a/b office development of up to 12,000 sq m.
15	Former Honiley Airfield, Oldwich	10	78 ha former airfield owned and used by Prodrive as a test track with associated facilities. Planning permission granted in 2010 for major expansion of the facilities to provide c. 33,000 sq m of B1 floorspace which has not been implemented to date.

	Land at High Street	0.2	Local Plan allocation
	Total	73.1	

Sites Considered Available for Future Employment Use

- 5.14 However, not all of the above sites can be considered to be available for future employment use due to a range of factors such as re-allocation in the new Local Plan or other restrictions/constraints affecting future use. The table below sets out those sites which are considered available for future employment use and identifies the relevant factors which remove some of the sites identified above as part of the employment supply.

Figure 18: Identified Land Supply for General Employment Development, April 2013

Site Ref.	Site Name	Site Area ha	Summary Comments
1	Gallagher Business Park (Warwick Gates), Leamington Spa	3.6	9.6 ha of this site is allocated for residential development in the Revised Development Strategy.
2	Former Ford foundry, Old Warwick Rd, Leamington Spa	2.4	
3.	Land rear of Homebase, Princes Drive, Leamington Spa	1.6	
4	Station Goods Yard/Station Approach, Leamington Spa	0	Allocated for residential development in the Revised Development Strategy
5	Tachbrook Park and Spa Park Leamington Spa	6.1	1.15 ha Spa Park site has consent for expansion of Wolseley headquarters. Therefore not considered available.

6	Queensway Industrial Estate, Leamington Spa	1.88	
7	Land at Queensway	1.2	
8	Opus 40, Warwick	3.7	
9	Tournament Fields, SW Warwick	13.24	2.25 ha granted consent for private hospital and care home.
10	Tournament Fields, SW Warwick – Land adjacent to A46	2.33	
11	Cape Road, Warwick	1.49	
12	Nelson Lane, Warwick	0.5	
13	Stoneleigh Park, Stoneleigh	5	
14	Stoneleigh Deer Park (Abbey Park), Stoneleigh	5	
15	Former Honiley Airfield, Oldwich	0	Planning permission restricts use to motor sport related and is bespoke to current owners needs
	Land at High Street	0.2	
	Total	48.2	

5.15 Of the 74.1 hectares of employment land supply initially identified, the above analysis indicates that 25.9 hectares of this supply is not available due to various factors identified above, resulting in 48.2 hectares of remaining available land.

- 5.16 Land at Honiley Airfield is treated separately as the use is restricted to motor-sports related activities. Land at this location provides the flexibility to support enhanced growth in motor sport-related sectors over and above that forecast within the Cambridge Econometric forecast which informed the demand assessment for employment land.

Suitability for Future Employment Use

- 5.17 In carrying out our assessments of existing employment locations and employment land supply, we have also considered the suitability of these sites for employment use in the future. This review of suitability has considered factors such as current performance (condition, vacancies, etc), constraints (access, prominence) and alternative use potential.
- 5.18 We have highlighted below the sites which we consider have employment suitability issues and where future redevelopment for alternative uses may be appropriate. Within the assessment, we have indicated the area of land which could be proposed for release from employment use. Please note that this is an indicative figure only based on an estimated percentage land release.

Figure 19: Employment Sites Considered Potentially Suitable for Rationalisation or Redevelopment

Site Ref.	Site Name	Site Area proposed for release (ha)	Summary Comments
4.	Sydenham Industrial Estate, Leamington Spa	8	Large industrial estate located south east of Leamington Spa town centre. The estate comprises mainly 1960/70's medium to large industrial units. The estate appears tired and has a high level of vacancies, most notably the northern half of the estate. Residential areas adjoin to the north and east. Potential for rationalisation and consolidation of the estate and redevelopment of the northern half of the estate for residential led development.
6	Riverside House, Leamington Spa	1.75	Current WDC civic offices. Large 1980's office building and associated car parking. Attractive riverside location within easy reach of Leamington town centre and station. Suitable office location although site clearly would be attractive for residential redevelopment.

11.	Cape/Millers Rd Industrial Area, Warwick	4.5 (includes 1.49 in supply)	Large mixed industrial area located between the Grand Union Canal and Millers Road to the north west of Warwick town centre. The area comprises a range of industrial uses and premises, which vary in age and quality. The north west part of the area has now largely been redeveloped for residential use. There are significant vacancies in the western half of the area and the quality of the buildings is poorer than the eastern half which has better quality, smaller premises. Potential rationalisation and consolidation of the western area with release of land for alternative uses.
12.	Montague Road/Nelsons Lane, Warwick	4.6	Two employment areas located to the north of Warwick town centre on either side of the Grand Union Canal. Highway access is very constrained and there are residential areas adjoining. Montague Road comprises several larger site a number of which are either vacant or appear to be coming to the end of their economic life. Redevelopment of these sites for alternative uses may be appropriate. Nelson Lane comprises a range of smaller industrial units as well as car sales premises. It appears reasonably well let, although the constraints of the area for employment use may mean that the area offers longer term redevelopment potential.
14.	Common Lane Industrial Estate, Kenilworth	2.4	A small industrial estate located north east of Kenilworth. The estate comprises arrange of older units, many in need of investment. The access road is narrow and unsuitable for larger vehicles. There is a new residential development to the south of the site. Potential comprehensive residential redevelopment opportunity, subject to relocation of existing occupiers.
Total		21.25	

5.19 The above analysis indicates that of the 322.61 ha of existing employment provision, c 21.25 ha of this land has suitability issues for continued employment use and may be suitable for redevelopment for alternative uses.

6 EMPLOYMENT LAND DEMAND FORECASTING

- 6.1 In this section we consider demand for employment land and floorspace over the plan period from 2011-29. It considers requirements for employment land in the B1, B2 and B8 use classes. The assessment relates to local-scale demand, and does not consider demand for regional or sub-regional employment land provision.
- 6.2 The analysis is of 'demand' for employment land and therefore does not take account of any supply-side factors such as existing employment land allocations or commitments. Demand is considered in both 'net' and 'gross' terms.
- 6.3 The ODPM Guidance, *Employment Land Reviews: Guidance Note* (ODPM, 2004) encourages the use of a number of different techniques to estimate future employment land requirements, namely assessments based on :
- Labour demand (derived principally from econometric forecasts);
 - Labour supply (taking account of planned housing provision and demographics); and
 - Past rates of take-up/ development of employment land.
- 6.4 There are relative benefits of each. Econometric forecasts take account of differences in economic performance moving forward relative to the past, overall in regard to the sectoral composition of growth. However a detailed model is required to relate net forecasts to use classes and to estimate gross floorspace and land requirements.
- 6.5 In contrast, past take-up is based on actual delivery of employment development; but does not take account of the implications of growth in labour supply associated with housing growth nor any differences in economic performance relative to the past. It is also potentially influenced by past land supply policies.

Future Economic Performance

- 6.6 As we set out in Section xx, the Warwick District economy outperformed both the West Midlands economy and the UK in the period leading up to the recent recession. Over 2000-08, the Warwick economy grew by 3¾% pa, compared to 1½% pa and 2½% pa in the West Midlands and the UK respectively, while employment grew by 1¾% pa compared to just over ½% pa in the West Midlands as a whole and 1% pa in the UK.
- 6.7 Since the start of the recession, employment in Warwick District is estimated to have fallen slightly, by less than ¼% pa. However, there was little impact on output. Indeed, output from the economy in 2011 is estimated to be slightly larger than it was in 2008. This is in sharp contrast to the outcome in the West Midlands and the UK, where output fell by around ½-¾% pa.

- 6.8 The underlying outlook for the Warwick economy is that it will continue to outperform the West Midlands economy in both the medium and long term, with both GVA and employment growing at a faster rate than the region as a whole. This is shown in Figure 10.
- 6.9 Overall employment in Warwick is projected to return to its pre-recession peak by 2020.

Figure 20: Key LEFM Indicators for Warwick, West Midlands and UK

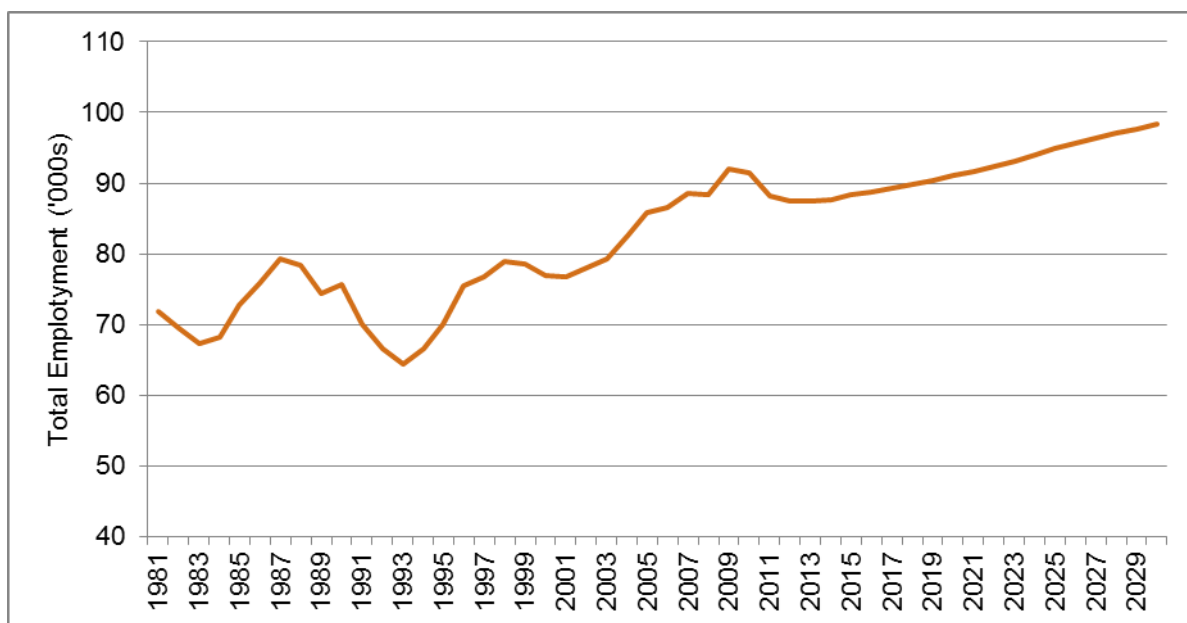
KEY LEFM INDICATORS FOR WARWICK, WEST MIDLANDS AND UK (% pa)							
	2011 (£m)	1990-2000	2000-2008	2008-2011	2011-2015	2015-2020	2020-2025
GVA							
Warwick	3209.6	2.2	3.8	0.2	2.0	2.6	2.9
West Midlands	86795.2	2.1	1.6	-0.7	1.7	2.4	2.6
UK	1167622.6	2.4	2.5	-0.6	1.9	2.6	2.9
Employment							
	2011 (000s)	1990-2000	2000-2008	2008-2011	2011-2015	2015-2020	2020-2025
Warwick	88.2	0.2	1.7	-0.1	0.1	0.6	0.8
West Midlands	2550.8	-0.3	0.6	-2.0	-0.2	0.7	0.7
UK	31101.8	0.1	1.0	-1.0	0.1	0.8	0.7

Notes: GVA is chained volume measure (CVM), reference year 2008
Source: LEFM Baseline consistent with Cambridge Econometrics' UK Regional Economic Forecasts, July 2012.

- 6.10 The outlook for many broad sectors is more favourable in Warwick than in the West Midlands as a whole, including:
- Manufacturing;
 - Transport & Communications; and
 - Financial & Business Services.
- 6.11 Further details and analysis of the forecasts is set out in the *Economic and Demographic Forecasts Study 2012* which presents the economic forecasts for Warwick District and Coventry.
- 6.12 Manufacturing in Warwick is dominated by food and drink, and mechanical engineering, though it also has clusters of activity in higher value activities including motor vehicles and electronics. The motor vehicles sector in particular was badly affected during the recession.

- 6.13 The outlook for manufacturing is relatively strong, with growth expected to exceed that in the West Midlands as a whole. The clusters of high technology-focused activities in particular are expected to perform well.
- 6.14 However, growth prospects in the food sector are much weaker and the sector's large presence in the local economy has the effect of holding back overall growth. This is borne out on the ground locally with evidence of a number of recent business closures.
- 6.15 Prospects in distribution, hotels & catering are broadly in line with those for the region as a whole. The sector in Warwick will be supported by strong employment growth, but the larger regional retailing centres will continue to draw in spending from residents.
- 6.16 Overall, most sectors in Warwick are expected to see employment grow in line with that in the region, with growth in the Financial & Business Services sector the only major sector where growth is expected to exceed that in the West Midlands as a whole. Professional Services is the largest sub-sector within this and is expected to continue to create new employment opportunities in Warwick, but at a slightly slower rate than expected in the West Midlands as a whole. Nevertheless, the subsector's relative importance locally is an important factor behind the wider sector locally outperforming the region.
- 6.17 Figure 11 sets out the forecast for total employment in Warwick District, based on the Cambridge Econometrics forecasts. Over the 2011-30 plan period, employment is forecast to increase by 11.6% with a net increase in employment of 10,200 jobs in Warwick District.

Figure 21: Forecast Total Employment in Warwick District, 2011-30



Source: CE

- 6.18 Figure 12 breaks this down for separate broad economic sectors, showing annual employment growth rates over time looking back and forwards.

Figure 22: Forecasts for Sectoral Performance of Broad Sectors, Warwick District 2011-230

	2001-8	2008-11	2011-16	2016-21	2021-26	2026-30	2011-30 Total
Agriculture etc	-0.6%	-12.2%	-1.2%	-1.6%	-1.1%	-2.1%	-3.7%
Manufacturing	-2.3%	-5.5%	-1.0%	-0.1%	-0.3%	-0.9%	-0.5%
Electricity, Gas & Water	61.7%	7.2%	-3.7%	-3.0%	-2.3%	-3.1%	-2.3%
Construction	-0.4%	-6.2%	0.7%	0.6%	0.2%	0.3%	0.5%
Distribution, Hotels & Catering	-0.6%	-2.3%	-0.1%	0.3%	0.4%	0.3%	0.2%
Transport & Communications	6.6%	15.0%	-0.3%	-0.4%	-0.3%	-0.2%	-0.3%
Financial & Business Services	5.8%	-4.2%	1.8%	1.7%	2.0%	2.1%	2.0%
Government & Other Services	2.8%	5.7%	-0.4%	0.8%	0.9%	1.2%	0.5%
Total	2.2%	-0.1%	0.1%	0.7%	0.9%	1.0%	0.6%

Source: Cambridge Econometrics

Labour Demand Scenario

- 6.19 The Cambridge Econometrics forecasts are for 42 sectors. GLH has converted forecasts for total employment by sector into forecasts for Full-Time Equivalent (FTE) employment by sector through analysis of the proportion of full- and part-time jobs by sector in Warwick District.
- 6.20 GLH has considered the proportion of employment in each of these sectors which is likely to take place in office or R&D floorspace (Use Classes B1a and B1b), industrial floorspace (Use Classes B1c or B2) and warehouse/ distribution floorspace (Use Class B8). We have calibrated our standard model which relates sectors and use classes for the Warwick District economy through interrogation of the composition of employment in key sectors at 4-digit SIC level. This is used to derive the following forecasts of net growth in FTE employment by use class over the plan period:

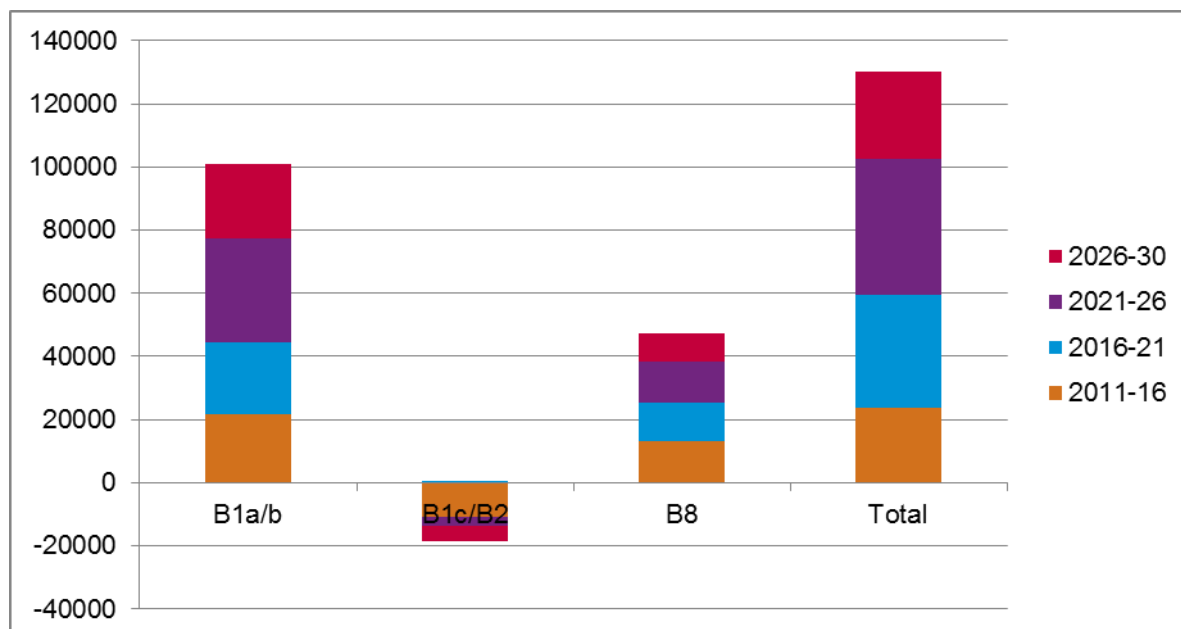
Figure 23: Forecast FTE Job Growth in Warwick District by B-Class Sector, 2011-30

	2011-16	2016-21	2021-26	2026-30	2011-30 Total
B1a/b	1534	1650	2348	1688	7220
B1c/B2	-268	5	-69	-129	-462
B8	200	190	200	140	730
Total B Class	1466	1845	2478	1699	7489
Total Job Growth	464	2489	3311	2328	8592

Source: CE/ GL Hearn

- 6.21 To these figures we have applied standard employment densities taking account of the *HCA Employment Densities Guide: 2nd Edition* (Drivers Jonas Deloitte, 2010). We have converted figures to provide employment densities for gross external floor areas on the following basis:
- Office (B1a): an average of 14 sq.m GEA per employee based on a blend between business park, serviced office and general office floorspace and assuming that the gross external area of buildings is on average 20% higher than the net internal area;
 - Industrial (B1c, B2): an average of 40 sq.m GEA per employee based on a mix of B1c and B2 floorspace including both smaller light industrial units and larger food manufacturing;
 - Warehouse/ Distribution (B8): an average of 65 sq.m GEA per employee. This is towards the middle of the range of B8 activities reflecting evidence of some demand for strategic distribution development in the District, particularly nearer Coventry, alongside smaller B8 units elsewhere in the district on industrial estates.
- 6.22 Applying these employment densities to the forecasts of net growth in jobs in B-class activities, we can derive forecasts for net changes in employment floorspace. This forecasts a net requirement for around 130,100 sq.m of employment floorspace in B-class uses over the 2011-30 plan period. This comprises:
- A net requirement for an additional 101,100 sq.m of office and R&D floorspace (B1a/ B1b);
 - A forecast net reduction in demand for B2 industrial floorspace of -18,500 sq.m; and
 - A net requirement for around 47,500 sq.m of B8 warehouse/ distribution floorspace.

Figure 24: Forecasts of Net Changes in Employment Floorspace by Use Class in Warwick District, 2011-30



Source: GL Hearn

6.23 These are net changes and do not take account of replacement demand, such as from existing companies requiring upgraded floorspace.

6.24 To calculate the land requirements to support these net changes, we have applied the following plot ratios:

- 0.325 for B1a/b office and R&D uses;
- 0.4 for B1c/B2 industrial uses; and
- 0.5 for B8 warehouse/ distribution floorspace.

6.25 These plot ratio assumptions are consistent with those used in the 2009 GVA Employment Land Review. This generates the following requirement for net additional land to support the Cambridge Econometrics employment growth forecasts:

Figure 25: Forecast Net Land Requirements to Support Net Forecast Employment Growth

Net Land Requirement (Hectares) 2011-30	
B1a/b: Office & R&D	31.1
B1c/B2: Industrial	-4.6
B8: Warehouse/ Distribution	9.5
Total B-Class Uses	36.0

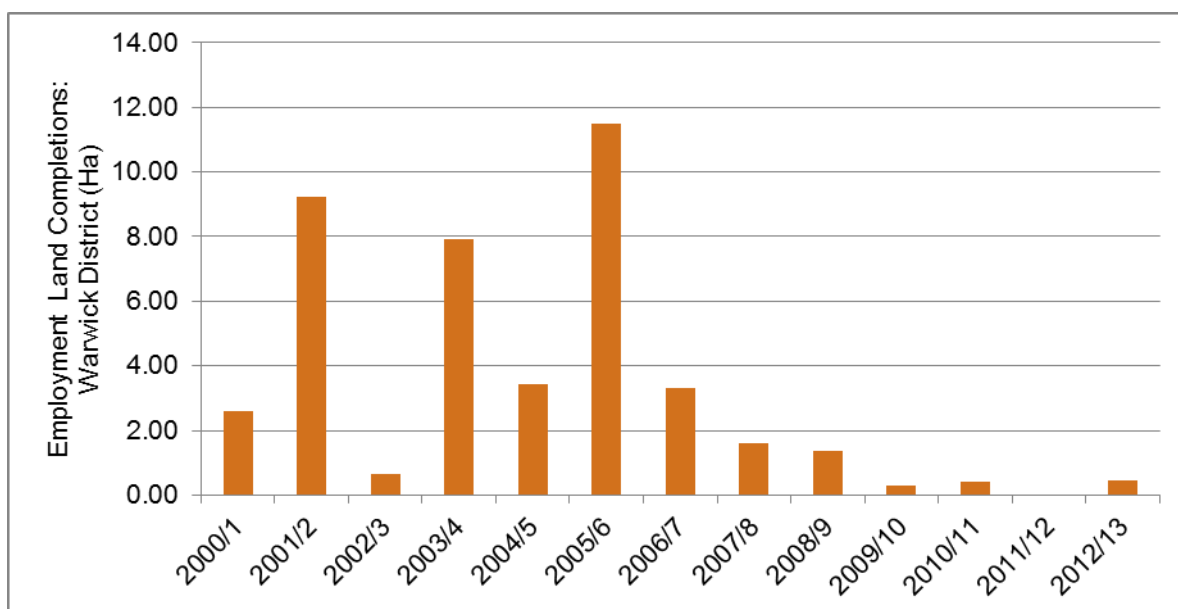
Source: GL Hearn

- 6.26 To set this in context, if we were to forecast forward employment land requirements based on net changes in employment floorspace recorded using VOA data between 1998-2008, this yields a land requirement (using consistent plot ratios assumptions) of 62 hectares over the 2011-30 period. The requirement for B1 floorspace is notably higher than indicated in Figure 16 (66 hectares), but is offset by a more substantial reduction forecast in industrial floorspace (-38 hectares). The requirement for warehouse/ distribution space is 35 hectares. The differentials particularly relate to expected economic performance over the plan period relative the buoyant pre-recession decade.
- 6.27 In identifying how much land to allocate for development, we consider that it would be prudent to include a 'margin' to provide for some flexibility, recognising:
- The potential error margin associated with the forecasting process;
 - To provide a choice of sites to facilitate competition in the property market;
 - To provide flexibility to allow for any delays in individual sites coming forward.
- 6.28 We consider that it would be appropriate to make provision for a 5-year 'margin' based on past employment land take-up. In addition it will be necessary to 'make good' any expected losses of existing occupied employment land.

Past Completions

- 6.29 Figure 26 shows trends in employment land completions in Warwick District on sites of over 0.4 hectares in size since 2000. Over this 12 year period completions for employment development on such sites averaged 3.5 hectares per annum.
- 6.30 If we project this forward on a linear basis, it would result in a requirement for employment land provision over the 2011-30 plan period of 62.6 hectares.

Figure 26: Gross Completions of Employment Land in Warwick District on Sites of over 0.4 hectares, 2000-2013



Source: WDC

- 6.31 Figure 27 outlines the distribution of completions by use class on sites of over 0.4 hectares over the 2005-12 period. This is the period for which a breakdown of the completions data is available. 47% of completions over this period were for B1 use, and 42% for B8. The remaining 12% comprised development across a mix of employment use classes.

Figure 27: Completions Profile by Use Class, 2005-12

	B1A	B1	B2/B8	B1/B2/B8	B8
Totals 2005-12	3.35	5.33	0.66	1.43	7.70
% Completions	18%	29%	4%	8%	42%

Source: WDC

- 6.32 The completions trends include development on existing employment sites. However as Figure xx indicates, the levels of employment development which have taken place since the onset of the economic recession in 2008 have been relatively modest. Over the period pre-2008 employment land completions averaged 5.0 hectares per annum in the District. This has fallen to 0.5 hectares per annum over the period since 2008. Forecasting completions trends in the pre-recession period forward would result in a requirement for 96 hectares of land over the 19 year plan period.

Figure 28: Forecasts of Gross Employment Land Requirements based on Past Completions

Land Developed (Ha)	Former Industrial Sites	Greenfield Sites	Other Sites	Total Land
Totals, 2000-12	16.09	24.34	1.91	42.34
Totals, 2000-08	16.09	22.29	1.91	40.29
Annual Average 2000-12	1.34	2.03	0.16	3.53
Annual Average, 2000-8	2.01	2.79	0.24	5.04
18 Year Forecast based on 12 Year Trend (2000-12)	24.1	36.5	2.9	63.5
18 Year Forecast based on Pre-Recession Trend (2000-8)	36.2	50.2	4.3	90.7

Source: GLH based on WDC Data

- 6.33 This analysis highlights the impact which the recession has had on development activity. While it is unlikely that development trends over the 2011-30 plan period will match those between 2000-8, it would seem reasonable to assume that the property market in the longer-term could support some improvement.

How much land to plan for?

- 6.34 We consider that there are a number of factors which are relevant in considering how much land to allocate for development:
- The level of housing provision proposed in the plan. This needs to be considered against the economic forecasts, which recognising that there could be some potential for growth in commuting into the District reflecting the District's stronger forecast economic performance relative to other parts of the sub-region;
 - The need for some flexibility in land supply to ensure that the District captures economic investment and to facilitate the growth of the indigenous business base;
 - Dynamics in surrounding areas, with some evidence that land supply within Coventry in particular is relatively 'tight' relative to trends in past levels of development (although recognising that these have been very variable);
 - Potential losses of current employment land through redevelopment, either through a plan-led approach or through windfall development proposals for changes of use or redevelopment of employment sites/ premises.
- 6.35 At this stage we would recommend that provision of 50-60 hectares of land would be appropriate. This takes account of the labour demand forecast, and a margin for flexibility based on 5-years of past completions.
- 6.36 This is below the 90 hectares recommended in the Draft RSS Phase 2 Revision. The lower requirement reflects a shorter plan period (19 years instead of 20), the changed economic climate and the expected changes in demography within South Warwickshire's population.

- 6.37 The Council would also need to make provision for the replacement of any losses of employment land envisaged. This would be over-and-above the demand forecasts.

7 SUPPLY-DEMAND BALANCE

- 7.1 In this section we consider the balance between demand for employment land over the plan period to 2029 and the existing supply of employment land – land with development potential on existing employment sites including land on sites with planning consent for employment development. We consider the balance between supply and demand in both quantitative terms, in regard to the hectares of land required and available; and in qualitative terms, examining the fit between the nature of the employment land available and that which the market requires. This takes account of the site assessments, the quality of existing employment land and the needs of different types and sizes of businesses.

Overall Quantitative Assessment

- 7.2 The quantitative assessment of employment land requirements set out in Section 6 outlined a requirement for provision of 50-60 hectares of employment land over the 2011-30 plan period.
- 7.3 However some new employment land provision is also recommended to replace poorer quality sites which we have identified as suitable for development. We have identified 21.25 hectares of employment land which may be suitable for redevelopment for alternative uses, and estimate that replacement provision would need to be made comprising 13.5 hectares of land, taking account of the density and occupancy rates of these sites.
- 7.4 Drawing this together, there is therefore a requirement to identify provision for between 68.5 – 73.5 hectares of employment land for the 2011-29 plan period.
- 7.5 There were no completions of employment development on sites of over 0.4 hectares in 2011/12. In 2012/13 completion of 0.47 hectares of land for B-class development was recorded.
- 7.6 In Section 5 we examined the level of employment land which is currently available. Although 74.1 hectares of employment land supply was initially identified, detailed interrogation of the availability, suitability and market attractiveness has indicated that the effective supply of land is of 48.2 hectares.
- 7.7 In quantitative terms, there is therefore a requirement to identify between 15 - 25 hectares of additional employment land.
- 7.8 This does not take account of the potential impact of development at Coventry and Warwickshire Gateway. Should this be consented, based on our estimates of potential displacement, it would

reduce the requirement for employment land provision elsewhere in Warwick District by an estimated 6.5 hectares.

Figure 29: Supply-Demand Balance for Employment Land, April 2013

	Employment Land (ha)
Net Employment Land Requirement, 2011-30 (Ha)	36.0
Margin to Provide Flexibility of Supply, 2011-30 (Ha)	16.5
Replacement Provision for Sites identified for redevelopment, 2011-30 (Ha)	13.5
Total Gross Employment Land Requirement, 2011-30	66.0
Completions 2011-12 & 2012-13 (Ha)	0.47
Current Available Land Supply (Ha)	48.2
Total Supply (Ha)	48.7
Net Shortfall	17.3

- 7.9 A net shortfall of 17.3 hectares of B-class employment land is identified in quantitative terms. There are however a number of assumptions which inform the modelling. We consider that it would be appropriate to consider the allocation of between 15 – 25 hectares of additional employment land for the plan period to 2030.

Qualitative Supply-Demand Balance

- 7.10 It is also appropriate to consider the supply-demand balance in qualitative terms; taking account of market signals and considering the fit between the demand forecasting for different types of employment development and the existing portfolio of employment land.
- 7.11 The demand forecasting identifies a net requirement for provision of 31.1 hectares of employment land for office and R&D activities in the B1a and B1b Use Classes. The market assessment identified occupier demand from smaller professional and business service occupiers within Leamington Town Centre; and from a range of occupiers including larger corporates on business park locations. The business park demand is particularly focused on sites around Leamington and Warwick, which are accessible from the M40 and A46. In regard to existing supply, land supply or adjoining Leamington Town Centre is relatively constrained. On the southern side of Leamington and around Warwick there are a number of sites which could support B1a and B1b development including Tachbrook Park, Opus 40 and Tournament Fields.
- 7.12 Looking at the industrial and warehouse/ distribution sectors, the demand forecasting indicates a modest net requirement for 3.7 hectares; however there is likely to be demand for additional land to support the investment and growth of the existing business base and to provide high quality sites to

which occupiers can relocate to from some of the poorer quality existing sites which are identified as having potential for redevelopment. Demand for industrial and warehouse/ distribution land is expected to largely arise from churn within the existing business base, with a focus principally towards small and medium-sized units.

- 7.13 Demand for larger distribution units within the District is limited and is expected to be focused principally towards the north-east and south-east of the district, on sites such as Middlemarch Business Park and Tournament Fields.
- 7.14 Overall, our research through this report and in regard to proposals for development at Coventry and Warwickshire Gateway identify that there is limited provision within the local area or at a sub-regional level for medium-sized hybrid B1 units; and that the supply of sites capable of accommodating larger manufacturing and warehouse/ logistics activities at the sub-regional level will need to be improved to meet demand in the medium-term.
- 7.15 Our assessment through this report indicates that in general the District has a relatively rounded portfolio of employment land; although it would benefit from delivery of additional good quality town centre office provision most likely through mixed-use development.

8 POTENTIAL FUTURE EMPLOYMENT LAND ALLOCATIONS

8.1 In addition to reviewing existing employment areas and allocated employment land supply, we have also been requested by the Council to review areas which have been identified as having future employment potential. The areas we have considered are:-

- South Leamington
- North Leamington
- South Kenilworth

8.2 We have considered and reported separately on proposals for strategic employment development at Coventry and Warwickshire Gateway which are not therefore included herein.

8.3 Each of these areas has been considered in relation to their potential suitability for future employment development.

South Leamington

8.4 This area is south west of Leamington town centre, in the area around the existing Tachbrook Park and Warwick Technology Park. A number of potential sites have been identified by the Council located on either side of the A452, numbered 22 – 29.



Figure 30: Land Considered for Future Employment Development: South Leamington

- 8.5 This area is already a successful, established employment location, benefiting from good access to the M40 as well as both Leamington and Warwick town centres. Further feasibility investigations and masterplanning will be required to determine the most suitable locations within this area for employment development. However, our initial view would be that it would be appropriate to allocate land adjacent to Warwick Technology Park for future expansion of the Technology Park, either opposite the existing site on the south side of Gallows Hill, or to the east of the existing park, on the north side of Gallows Hill.
- 8.6 The layout of the existing Technology Park is around a semi-circular road to the north of Gallows Hill. The land to the south of this is flat, and development would be visible from the A425. This could potentially enhance the visibility and profile of employment development in this area. This land relates well to the Technology Park.
- 8.7 Development could alternatively be located on the north side of Gallows Hill, to the east of the Technology Park. There is a low voltage power line crossing this site, but otherwise limited evident development constraints. This site is higher topographically than the existing Technology Park. Depending on the scale and layout of development it would potentially be visible from the A452 Europa Way.
- 8.8 Further feasibility and masterplanning work would provide the opportunity to consider the relationship of new employment and residential development in this area. Key issues to be considered in delivering successful employment development will be the good quality transport access by both car and public transport, and this should be a consideration in which site to allocate for employment development. We would also consider it beneficial if new employment development could help to release parking pressures within the existing Technology Park.
- 8.9 In terms of scale, the existing Technology Park has an area of c 25 hectares and we would suggest that any extension should be of reasonably significant scale. Taking into account the nature of the adjoining land, we would suggest an allocation of an additional c.10 hectares in this location to provide future expansion space for the technology park.

North Leamington

- 8.10 This area is north of Leamington, in the Blackdown area. There is little existing employment development in this area and links to the strategic highway network are relatively poor. Land in this area is relatively flat. It is served by the A452 which runs from Leamington to Kenilworth and links to the A46. Access to the south of Leamington and the M40 is relatively poorer. A number of potential sites have been identified by the Council located on either side of the A452.

- 8.11 We consider that the potential for employment development in this location is limited, due to the access constraints (particularly to the south of Leamington and the M40) and lack of existing commercial critical mass. There are a limited number of businesses located along or close to the A452, such as Jepson and Amec, but no cluster of employment uses. It may be appropriate to consider the allocation of a small employment area providing offices and workshops for the local market as part of a residential-led development scheme.

South Kenilworth

- 8.12 This area is located between Kenilworth and the A46. The Council is considering a number of sites in this location, mainly for residential development.



Figure 31: Land Considered for Future Employment Development, South Kenilworth

- 8.13 Whilst this is not an established employment location and adjoins high value residential areas, Site 36 provides a good opportunity to provide an employment allocation as an element of a larger residential led development. The site has excellent access to the A46 and Kenilworth town centre. The supply of employment space in Kenilworth is limited and this site would provide the opportunity to accommodate an office led development which could meet local needs as well as wider District needs requiring access to the A46 corridor.

- 8.14 Further feasibility and masterplanning will be required to assess the most suitable location and scale of employment development. Our initial view is the most appropriate location would be in the south west corner of this site, adjacent to the A452 Leamington Road and A46. This is the most prominent location, with visibility and accessibility from the A46. We would suggest a site area of c 10 hectares is identified in this location for employment development, which should be able to accommodate office development of 25 – 30,000 sq m. providing opportunities for larger headquarters type buildings along with smaller buildings to meet more local needs.

9 CONCLUSIONS AND RECOMMENDATIONS

- 9.1 We set out in this section the conclusions and recommendations of the Employment Land Review Update.

Strategy for Employment Land Provision

- 9.2 The overall strategy for employment land provision within the Local Plan needs to respond to national policy which emphasises providing a supply of good quality employment sites to meet the needs of the business community and supporting existing and growing sectors within the local economy.
- 9.3 The economic evidence and forecasts point to the potential of economy of Warwick District, and South Warwickshire more widely, to perform well in relative terms. The underlying outlook for the Warwick District economy is that it will continue to outperform the West Midlands economy in the medium and long-term, with both GVA and employment growing at a faster rate than the region as a whole. Our conclusions reflect, and seek to plan for this.
- 9.4 The National Planning Policy Framework sets out that in drawing up local plans, local planning authorities should plan positively and proactively to encourage sustainable economic growth. This should include supporting existing business sectors, the promotion and expansion of clusters or networks of knowledge-driven, creative or high-tech industries, and through adopting a flexible approach which takes account of the potential for needs which can't be anticipated or to allow for rapid changes in economic circumstances.
- 9.5 Warwick District and the wider sub-regional economy supports a concentration of higher value manufacturing activities, with strength in the motor vehicles sector. There is a sub-regional strength in advanced manufacturing and engineering. The district has a concentration of employment in communications, utilities and computing linked in part to key employers such as Arquiva, IBM and National Grid. The evidence base herein forecasts that a number of key sectors in which there district's economy has a strong existing representation are expected to perform strongly in relative terms – including manufacturing, transport and communications, and financial and business services.
- 9.6 Ensuring a supply of good quality, well located employment sites is maintained will help to support investment by existing business and growth in the business base in these sectors. The focus of demand for additional floorspace is expected to be towards B1 activities, however a continuing

supply of land suitable for B2 manufacturing uses will be equally important in retaining and supporting investment by higher value-added manufacturing employers.

- 9.7 We expect to see a moderate shift of floorspace from B2 towards B8 uses in net terms over the plan period. There is demand for strategic warehouse/ logistics floorspace development at a sub-regional level however where this is met needs to be considered through sub-regional working across local authorities. Within Warwick District the potential for larger-scale B8 development is focused towards the north-east and south-east of the District, around Tournament Fields and Middlemarch Business Park.
- 9.8 There is also a strong agricultural and rural sector in the District, with a national specialism in this area and related research and development activities, linked in particular to the businesses and research and development activities located in and around Stoneleigh Park and Abbey Park. These are nationally-significant economic assets for this sector, and it would be appropriate for the Local Plan to make specific provision for continuing investment and growth on these key strategic sites.
- 9.9 The evidence base would support a strategy for employment land provision which:
- Seeks to improve the quality of the overall employment land portfolio, through a strategy of:
 - Protecting existing well-located and well-performing sites from competing development pressures, and continues to encourage investment in these sites;
 - Focused allocation of additional well-located employment land at locations which are accessible by a range of means of transport;
 - Selected redevelopment of existing poor quality small and constrained employment sites where there is clear evidence that these no longer remain suitable to meet current occupier and business needs.
 - Recognises and seeks to continue to support economic growth at Stoneleigh Park and Abbey Park in agricultural and related activities and research and development;
 - Ensure a balanced provision of employment land across the District, with appropriate additional provision linked to supporting the economic health of all of the District's key settlements;
 - Seeking to maintain, through a plan, monitor and manage approach, a supply of land and floorspace which is capable of meeting the requirements of a range of businesses of different sizes and in different sectors. There is no evidence of significant gaps in the land or property portfolio at the time of this assessment, but this should be kept under review;
 - Includes policies which provide the flexibility to respond to significant opportunities for economic and business growth and investment when these arise.

Provision for Employment Land in the Local Plan

- 9.10 The Council through the Local Plan needs to meet objectively-assessed development needs, with sufficient flexibility to respond to rapid change. Through this report we have assessed development needs over the period to 2030.
- 9.11 Between 2011-30 total employment in the District is expected to increase by 10,200 jobs. This is based on demand-based forecasts (rather than assessments of changes in labour supply). It represents employment growth of 11.6%. The Council through the Local Plan should set a target for employment growth over this plan period, which should take account of these forecasts as well as expected housing provision and demographic dynamics.
- 9.12 To support the level and nature of employment growth forecast, the modelling herein indicates that **the Council should make provision for between 63.5 – 73.5 hectares of employment land provision over the 2011-30 period (3.3 – 3.9 hectares per annum)**. This requirement includes 13.5 hectares provision for the replacement of sites identified within this report for redevelopment, and a five year 'margin' based on past take-up to ensure – in line with the NPPF – that the plan is able to respond and accommodate rapid changes in demand and to ensure a choice of sites is available.
- 9.13 This does not take account of the potential impact of development at Coventry and Warwickshire Gateway. Should this be consented, based on our estimates of potential displacement, it would reduce the requirement for employment land provision elsewhere in Warwick District by an estimated 6.5 hectares.
- 9.14 We would recommend that the Council seeks to ensure that a rolling supply of employment land which is developable in the immediate term is maintained at all times. This should equate to a supply of at least five years based on past take-up, which is equivalent to an 16 hectare supply based on current trends.
- 9.15 Taking account of completions between 2011-13 and the current available land supply, which total 48.5 hectares, **there is a requirement to allocate between 15 – 25 hectares of employment land within the Local Plan**. This requirement would be reduced moderately (by c. 6.5 hectares) should the Council grant planning consent for development at Coventry and Warwickshire Gateway (both Zones A and B).
- 9.16 In spatial terms, employment land provision across the District should seek to:

- Provide a portfolio of well-located sites, with a high quality environment, at prominent location with good access to the highway network, public transport and local facilities;
- Maintain a strategic balance of employment land provision across the District in spatial terms. Against this context, there is a strategic case for enhancing employment land provision at Kenilworth;
- Provide additional employment land at South Leamington, building on the success of existing sites such as Warwick Technology Park and the emerging strategy for housing provision in the District;
- Ensure a balance between employment and housing provision in regard to both the scale and location of development.

9.17 We recommend that the Council consider the following allocations of employment land in the development of the Local Plan:

- Provision of around 10 hectares of employment land on the southern side of Leamington/ Warwick. The most appropriate location for this would be adjacent to Warwick Technology Park at a location which offers strong access by both car and public transport;
- Provision of around 10 hectares of employment land, focused on office-led development, between Kenilworth and the A46 to meet local as well as wider District needs and enhance employment provision in Kenilworth.
- Provision of a small employment area providing offices and workshops, serving a local market, as part of any residential-led development north of Leamington close to the A452. We would not expect this to exceed 5 hectares.

9.18 In addition to these employment land allocations, the Council should continue to encourage employment development and investment on existing employment sites and commitments.

9.19 There are however a selected number of sites which we consider have employment suitability issues and where future redevelopment for alternative uses may be appropriate. A managed release of employment land at these locations would be appropriate. They comprise:

- Rationalisation of employment land at Sydenham Industrial Estate, Leamington Spa, with potential redevelopment of 8 hectares on the northern part of the estate;
- Redevelopment of WDC's civic offices at Riverside House, Leamington Spa in the medium/ long-term;
- Rationalisation of employment land in the western part of the Cape/ Millers Road Industrial Estate in Warwick with potential for redevelopment of 4.5 hectares of land;
- Redevelopment of the Montague Road and Nelsons Lane employment areas in Warwick, the latter offering longer-term redevelopment potential;
- Redevelopment of the Common Lane Industrial Estate in Kenilworth, subject to relocation of existing occupiers and provision of additional employment land to serve the settlement.

9.20 The town centre office market in the District is typified by period office stock occupied in small units by professional services firms. This typical stock suffers from a number of physical constraints which restrict its attractiveness and suitability in comparison with modern accommodation. There is

a need for the provision of good quality new office provision within the town centres to improve the range of accommodation available to occupiers. Current market conditions mean that development of stand-alone town centre offices is unlikely to be viable and it is recommended that development of new office space as an element of mixed use town centre schemes is encouraged through policy, particularly within Leamington Spa Town Centre which has the strongest town centre office market.

Delivering Employment Land

- 9.21 The Council will need to work proactively to deliver the above strategy for housing provision. This will include working proactively with landowners and developers to bring forward new employment land provision, including through progressing masterplanning and feasibility studies with the appropriate landowners and developers to consider the appropriate location, scale and form of employment land provision at South Leamington, North Leamington and Kenilworth, together with the delivery and funding of associated infrastructure.
- 9.22 The Council may also need to take an active role in helping to facilitate the redevelopment and rationalisation of the poorer quality employment sites. Initially this will be through establishing an appropriate planning framework (through the Local Plan), but bringing forward redevelopment may require the Council to take a more proactive role in assisting business relocations within the District, and potentially through use of the Council's compulsory purchase powers.

Planning Policies relating to Existing Employment Sites

- 9.23 In addition to establishing policies regarding future employment land provision, the Local Plan needs to set out a clear policy framework in regard to existing employment sites. This ELR Update has included a review of exiting employment land supply, considering the market attractiveness and deliverability of development at these locations.
- 9.24 With the exception of those existing employment sites identified above as having potential for redevelopment or rationalisation, there is a strong case for the protection of other employment sites assessed within the District for B-class employment or related activities.
- 9.25 We would recommend implementing a policy setting a presumption against redevelopment for alternative uses unless key criteria/ policy tests can be met justify any release of existing employment land.
- 9.26 The CSW Sub-Region Employment Land Study produced by DTZ provided a suitable set of 'tests' which we consider remain relevant. Drawing on this, we consider the following tests appropriate to assessing the potential for release of employment land:

- A. Is the site allocated for employment land? The assumption is that allocated sites are protected.
- B. Is there an adequate supply of allocated employment sites of sufficient quality in the locality (the relevant settlement within the District) to cater for a range of business requirements?
- C. Is the site capable of being serviced by a catchment population of sufficient size? What is the balance between population and employment in the relevant area settlement? What might be the impact of employment loss on commuting patterns? Would there be a detrimental impact on the local economy from loss of the employment land?
- D. Is there evidence of active marketing? We would recommend a requirement for active marketing for 2 years. How does the size and quality of space provided match local demand, taking account of market conditions and expected future economic trends?
- E. Could employment redevelopment be brought forward, taking account of site characteristics (including physical factors, accessibility and neighbouring uses) and would redevelopment be viable? If employment redevelopment is not viable, could mixed use redevelopment be brought forward?
- F. If firms are likely to be displaced through redevelopment, is there a supply of alternative suitable accommodation in the locality to help support local businesses and jobs? Would this promote or hinder sustainable communities and travel patterns?

Wider Actions to Support Economic Growth

- 9.27 In addition to land and planning-based measures, the Council can work with other stakeholders, including the Local Enterprise Partnership and County Council, to promote economic development. This includes addressing barriers to business growth in regard to infrastructure – including highways and broadband infrastructure – and skills development.
- 9.28 The focus of this report has been on considering employment land provision to meet local needs. It will be important that in addition to this the Council engages actively in planning for and supporting the development of strategic employment land provision across the LEP area, working with other local authority at this level.

Monitoring & Review

- 9.29 In accordance with good practice in planning, it will be important that both demand and the supply pipeline of employment floorspace are kept under review. On-going monitoring should address

trends in take-up and availability of employment floorspace and rental levels as well as key indicators related to overall growth in employment, sector performance and skills.

- 9.30 Should there be a material change in the long-term economic outlook then it may be appropriate to revise demand forecasts for employment floorspace and land. On the supply-side the Council to seek to ensure that a 5-year supply of deliverable land is maintained based on past completions, which is equivalent to 16.5 hectares of employment land provision.
- 9.31 On-going monitoring and review should inform decision making in line with a 'plan-monitor-manage' approach.

Appendices

APPENDIX A: Site Assessment Proforma

Employment Sites Proforma

Site Number:

Site Address:

Location

Criteria	Score – Please Ring	Scoring Notes
Access	1 / 2 / 3 / 4 / 5	5. Either adjoining main road or motorway junction with easy site access for all vehicles or access to rail, air and sea networks
		4. Close to major road network; easy site access for all vehicles
		3. Easy site access for all vehicles; indirect or restricted access to major road network
		2. Restricted access for HGVs; restricted access to major road network
		1. Restricted access for all commercial vehicles, severely restricted access to major road network
Strategic Location	1 / 2 / 3 / 4	4. Motorway Corridor
		3. Other Strategic Roads
		2. Elsewhere in Built up Area
		1. All other sites
Prominence	1 / 2 / 3 / 4 / 5	5. Gateway site to a prominent estate, visible from major road network
		4. Visible site, on a main road or prominent estate
		3. On a main road or prominent estate, tucked away from view
		2. Visible, on a minor road or estate
		1. On a minor road or estate, tucked away from view
Public Transport	1 / 2 / 3 / 4 / 5	5. Close to a station, peak time bus route and cycle route; on a pedestrian route
		4. Close to a station or peak time bus route, close to cycle route, on a pedestrian route
		3. Close to either a station or peak time bus route or cycle route; on a pedestrian route
		2. Not near a station, peak time bus route or cycle route; on

		a pedestrian route
		1. Not on a pedestrian route; not near a station, peak time bus route or cycle route
		<i>NB. "Close" = within about 10 minutes' walk</i> <i>NB. Peak time bus routes defined as more than 2 buses per hour</i>
Local Amenities	1 / 2 / 3 / 4 / 5	5. Close to a town centre with a wide range and quantity of services
		4. Close to local centre with a reasonable range and quantity of services
		3. Close to a limited range and quantity of basic services
		2. Close to one or two services
		1. No services in close proximity
		<i>NB: Employment related services such as banks, travel agents, shops, leisure/recreation, pubs/restaurants</i> <i>NB: "Close" = within about 10 minutes' walk</i>

Physical Site Characteristics

Criteria	Score – Please Ring	Scoring Notes
Character of Area	1 / 2 / 3 / 4 / 5	5. Well established commercial area
		4. Established commercial area, with residential area or rural area nearby
		3. Mixed commercial and residential area
		2. Mainly residential or rural area with few commercial uses
		1. Mainly residential or rural area with no existing commercial uses
Site Layout	1 / 2 / 3 / 4 / 5	5. Clear plot, no obstructions
		4. Regular shaped plot, obstructed
		3. Regular shaped plot, fragmented
		2. Irregular shaped plot, obstructed
		1. Irregular shaped plot, fragmented
Greenfield or Brownfield	1 / 2	1. Site is on Greenfield Land
		2. Site is on Brownfield Land

Marketing and Planning etc.

Criteria	Comments / Score	Scoring Notes
Availability	Yes / No	<p>Yes – Site is advertised as being available / there are no obvious obstructions to immediately develop the site.</p> <p>No – Site is not immediately available (please state reasons below)</p>
Site Ownership		Please note Site Ownership Details if available
Market Activity (any in last 5 years)	Yes / No	<p>Yes – Evidence of recent development in the immediate surrounding area (e.g. on the same part of an estate or road)</p> <p>No – No evidence of recent development. If the site is a new (Greenfield) site please state below whether it would be attractive to the market at present</p>
Market Attractiveness	1 / 2 / 3	3. Site attractive to National companies
		2. Site attractive to Sub-regional companies
		1. Site attractive to Local companies
Planning Status	1 / 2 / 3 / 4 / 5	5. Detailed planning permission
		4. Outline planning permission
		3. Published development brief
		2. Local Plan allocation
		1. Allocation in Deposit Draft Local Plan, or reserve site
Economic Constraints	1 / 2 / 3 / 4 / 5	5. No obstacles to development
		4. Minor obstacles to development; relatively easy, quick and cheap to resolve
		3. Minor obstacles to development; more difficult, expensive and time-consuming to resolve
		2. Major obstacles to development; very difficult, expensive and time-consuming to resolve
		1. Major obstacles to development; extremely difficult, expensive and time-consuming to resolve
		<i>NB: Obstacles to development would include access difficulties, infrastructure requirements, contamination remediation costs, multiple ownership etc.</i>

Existing Employment Areas Proforma

Site Number:

Site Address:

Location		
Criteria	Score – Please Ring	Scoring Notes
Accessibility Strategic	1 / 2 / 3 / 4 / 5	5. 0 -5 minutes' drive time
		4. 5-10 minutes' drive time
		3. 10-20 minutes' drive time
		2. 20-30 minutes' drive time
		1. 30 minutes plus
Access Local	1 / 2 / 3 / 4 / 5	5. Easy site access no issues available public transport
		4. No access for issues for vehicles but no public transport
		3. Easy immediate site access but wider issues on link to strategic highway network
		2. Restricted access for HGV's and restricted access to major road network
		1. Restricted access by all commercial vehicles not public transport
Local Amenities	1 / 2 / 3 / 4 / 5	5. Close to a town centre with a wide range of services (5 different services or more)
		4. Close to local centre with a reasonable range of services (4 different services)
		3. Close to a limited range of basic services (3 different services)
		2. Close to one or two services
		1. No services in close proximity

		<i>NB: Employment related services such as banks, travel agents, shops, Leisure/recreation, pubs/restaurants.</i> <i>NB: "Close" = within about 10 minutes' walk</i>
Public Transport	1 / 2 / 3 / 4 / 5	5. Close to a station, peak time bus route and cycle route; on a pedestrian route 4. Close to a station or peak time bus route, close to cycle route, on a pedestrian route 3. Close to either a station or peak time bus route or cycle route; on a pedestrian route 2. Not near a station, peak time bus route or cycle route; on a pedestrian route 1. Not on a pedestrian route; not near a station, peak time bus route or cycle route <i>NB: "Close" = within about 10 minutes' walk</i> <i>NB: Peak time bus route defined as being a frequency of 2 buses per hour or more (Mon – Fri).</i>

Use of Employment Area and Physical Characteristics

Criteria	Score – Please Ring	Scoring Notes
Typology	1 / 2	1. An industrial estate owned and managed as an investment likely to have similar types of buildings, etc. 2. Other industrial areas dominated by owner occupiers interwoven with other small industrial estates.
General External Environment	1 / 2 / 3 / 4 / 5	5. Excellent quality environment – extensive external public realm areas well maintained road maintenance no issues, buildings of high quality external appearance for use, no derelict sites, and vacant plots maintained. 4. High quality – less extensive landscaping but public realm maintained, road maintenance adequate but minor defects, buildings of appropriate quality, no derelict sites but vacant plots need some maintenance. 3. Average quality – few landscaped areas, and where present maintenance required. Buildings of average quality for use. Road maintenance some significant repairs needed, some derelict sites but not highly visible, vacant

		plots untidy and requiring major improvement
		2. Below average quality – maintenance of public realm poor, extensive repairs needed to roads, some open storage uses – vacant plots appear abandoned, buildings of below average quality.
		1. Very poor /poor quality – evidence of fly tipping in public areas, roads system in need of complete overhaul, major /derelict sites, buildings of very poor /poor quality even taking use. Numerous open storage uses presenting poor image
Building Age	1 / 2 / 3 / 4	1. Pre 1945
		2. 1945 – 1960, post war but likely to have similar characteristics
		3. 1960-1980 more modern buildings portal frame with modern car parking emerging
		4. 1980-2006 modern buildings good specification and car parking
Building Quality	1 / 2 / 3 / 4 / 5	5. Good condition – lower than normal level of maintenance requirement within medium term.
		4. Satisfactory condition – normal level of maintenance and repair requirement within the medium term.
		3. Fair condition – capable of attracting satisfactory condition rating but with a notable backlog of maintenance and /or technical upgrading works required within the medium term
		2. Poor condition – major repair and /or technical work required in the short term but capable of attaining with expenditure that does not exceed 50% of replacement cost.
		1. Very poor condition – as per as poor condition but level of expenditure required to obtain satisfactory condition exceeds 50% of replacement cost.

Market Appeal

Criteria	Score Ring	– Please	Scoring Notes
Level of visible Voids	1 / 2 / 3 / 4 / 5		5. 90 – 100% of buildings occupied 4. 80% - 90% of buildings occupied 3. 60 – 80% of buildings occupied 2. 40% - 60% of buildings occupied 1. less than 40% of buildings occupied
Nature of Existing Tenants	1 / 2 / 3 / 4 / 5		5. National /international names: significant presence 4. Some national /international names present, but majority of occupiers from drawn from regional companies 3. No national /international names companies exclusively Warwickshire based. 2. Companies drawn from local area but could be seen as having choice of locations in local area. 1. Very local companies who by nature of their business would be expected to have very limited choices in terms of alternative location.
Market Attractiveness	1 / 2 / 3		3. Site attractive to National companies 2. Site attractive to Sub-regional companies 1. Site attractive to Local companies

APPENDIX B: Site Assessment Summary

Site Scoring Summary - Existing Employment Locations

Site Ref	Address	Site area (ha)	Use & Physical Characteristics				Location				Market Appeal		
			Typology	Building Age	Building Quality	General External Environment	Accessibility Strategic	Access Local	Local Amenities	Public Transport	Level of Visible Voids	Nature of Existing tenants	Market Attractiveness
1	Tachbrook Park & Spa Park, Leamington Spa	100	1	4	4	4	4	3	3	4	4	5	3
2	Queensway, Leamington Spa	9.7	1	4	5	4	4	3	3	4	4	5	3
3	Sydenham Industrial Estate, Leamington Spa	18.5	2	3	3	3	3	3	3	3	3	3	1
4	Althorpe Industrial Estate/Court Street, Leamington Spa	2.6	2	2	2	2	2	2	5	4	5	2	1
5	Riverside House, Leamington Spa	1.75	1	4	5	5	3	5	5	5	4	3	3
6	Warwick Technology Park, Warwick	25	1	4	5	5	4	5	1	3	4	5	3
7	Opus 40, Warwick	8.6	1	4	5	5	5	5	2	3	5	5	3
8	Budbrooke Rd Industrial Estate, Warwick	5.7	2	4	4	4	5	4	2	2	4	3	2
9	Harris Rd Industrial Estate, Warwick	4	2	4	4	3	5	4	2	3	4	4	2
10	Wedgnock Lane/Rothwell Rd, Warwick	10.9	2	3	3	2	4	4	2	3	3	2	2
11	Cape/Millers Rd Industrial Area, Warwick	8.5	2	2	2	2	3	2	3	3	3	2	1
12	Montague Road/Nelsons Lane, Warwick	9.45	2	2	3	3	3	3	2	4	3	3	1
13	Tournament Fields, SW Warwick	2.31	1	4	5	5	5	5	3	4	5	4	3
14	Common Lane Industrial Estate, Warwick	3	2	2	3	2	3	2	2	3	4	2	1
15	Princes Drive Industrial Estate, Kenilworth	3.5	1	3	3	3	3	3	2	3	4	3	1
16	Stoneleigh Park, Stoneleigh	16	1	4	5	5	4	5	2	3	5	5	3
17	Stoneleigh Deer Park, (Abbey Park), Stoneleigh	16	1	4	5	5	4	4	1	1	5	5	3
18	Middlemarch Business Park, Coventry Airport	85	1	4	5	5	5	5	3	3	5	5	3
19	Holly Farm Business Park, Honiley	3	1	4	5	4	2	2	1	1	4	2	1

Site Scoring Summary - Employment Land Supply

Site Ref	Address	Site area (ha)	Location					Physical Site Characteristics			Market and Planning					
			Access	Strategic Location	Prominence	Public Transport	Local Amenities	Character of Area	Site Layout	Greenfield/ Brownfield	Availability	Site Ownership	Market Activity	Market Attractiveness	Planning Status	Economic Constraints
1	Gallagher Business Park (Warwick Gates), Leamington Spa	13.5	4	3	4	4	3	4	5	1	Yes	Yes	Yes	3	4	5
2	Former Ford Foundry, Old Warwick Rd, Leamington Spa	2.4	3	3	4	5	5	5	5	2	Yes	Yes	Yes	3	4	5
3	Land r/o Homebase, Princes Drive, Leamington Spa	1.6	2	3	1	5	5	5	2	2	Yes	Yes	Yes	2	4	3
4	Station Goods Yard/Station Approach, Leamington Spa	2.6	2	2	3	5	5	3	2	2	No	Yes	No	2	3	2
5	Tachbrook Park & Spa Park, Leamington Spa	7.25	4	3	3	4	3	5	5	2	Yes	Yes	Yes	3	4	5
6	Queensway Industrial estate , Leamington Spa	1.88	4	3	3	4	3	5	5	2	Yes	Yes	Yes	3	4	5
7	Land at Queensway, Leamington Spa	1.2	4	3	3	4	3	5	5	2	Yes	Yes	Yes	3	4	5
8	Opus 40, Warwick	3.7	5	4	5	3	3	5	4	2	Yes	Yes	Yes	3	4	4
9	Tournament Fields, SW Warwick	15.49	5	4	5	4	3	3	5	1	Yes	Yes	Yes	3	4	5
10	Tournament Fields, SW Warwick - land adjacent A46	2.33	5	4	5	4	3	3	5	1	Yes	Yes	Yes	3	4	5
11	Cape Rd Industrial Area, Warwick	1.49	2	2	4	4	4	3	4	2	Yes	Yes	Yes	1	4	2
12	Nelsons Lane, Warwick	0.5	4	2	2	4	4	3	2	2	No	Yes	No	1	2	3
13	Stoneleigh Park, Stoneleigh	5	3	1	3	2	1	4	5	1	Yes	Yes	Yes	3	4	5
14	Stoneleigh Deer Park, (Abbey Park), Stoneleigh	5	2	1	1	2	1	4	4	1	Yes	Yes	Yes	3	4	5
15	Former Honiley Airfield, Oldwich	10	2	1	1	1	1	4	3	2	No	Yes	No	2	4	3