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## EXECUTIVE SUMMARY

- i. The South Worcestershire Economic Development Needs Assessment (EDNA) has been prepared by BE Group on behalf of Malvern Hills District Council, Worcester City Council and Wychavon District Council. The EDNA forms part of the South Worcestershire Development Plan (SWDP) Review. It reviews employment land supply and demand to 2041.
- ii. The Covid-19 pandemic has delayed the original timetable of the preparation of the SWDP Review and thus the Councils are relooking at the supporting evidence base which informed the Preferred Options consultation in 2019 to update it in preparation for the Publication version of the SWDP review. Therefore, this EDNA has been prepared as an update of an earlier version of the EDNA to reflect changes in the market due to Covid-19 and the resulting economic shock. Since the development of the earlier EDNA in 2018, there have been changes to the planning system, most notably the revoking of the B1 office use class, with it being replaced by the E(g) class. This updated EDNA accommodates those changes and the potential implications for employment land.

### ***Socio-Economic Profile***

- iii. South Worcestershire has a population of some 309,400 persons, with population growth rates outstripping the West Midlands over the last 20 years. Economic activity levels match the regional profile, though the age profile of South Worcestershire is older than the national and regional averages.
- iv. Employment has increased in recent years across the region and despite the economic shock in 2020, overall unemployment remains low. The largest sectors of employment are health and manufacturing, with the proportion of workers in the manufacturing sectoring significantly above national averages. South Worcestershire is very specialised in manufacturing, with several subsectors employing over double the proportion of workers in South Worcestershire, compared to the national proportions, including manufacture of:
  - Machinery and equipment
  - Electrical equipment
  - Computer, electronic and optical products
  - Basic metals
  - Rubber and plastic products

- v. There is net out-commuting (more commuting out for work than commuting into the area for work) in South Worcestershire. On average, those South Worcestershire residents who work outside of the area have higher earnings than those who work in South Worcestershire.

#### ***Property Market Assessment***

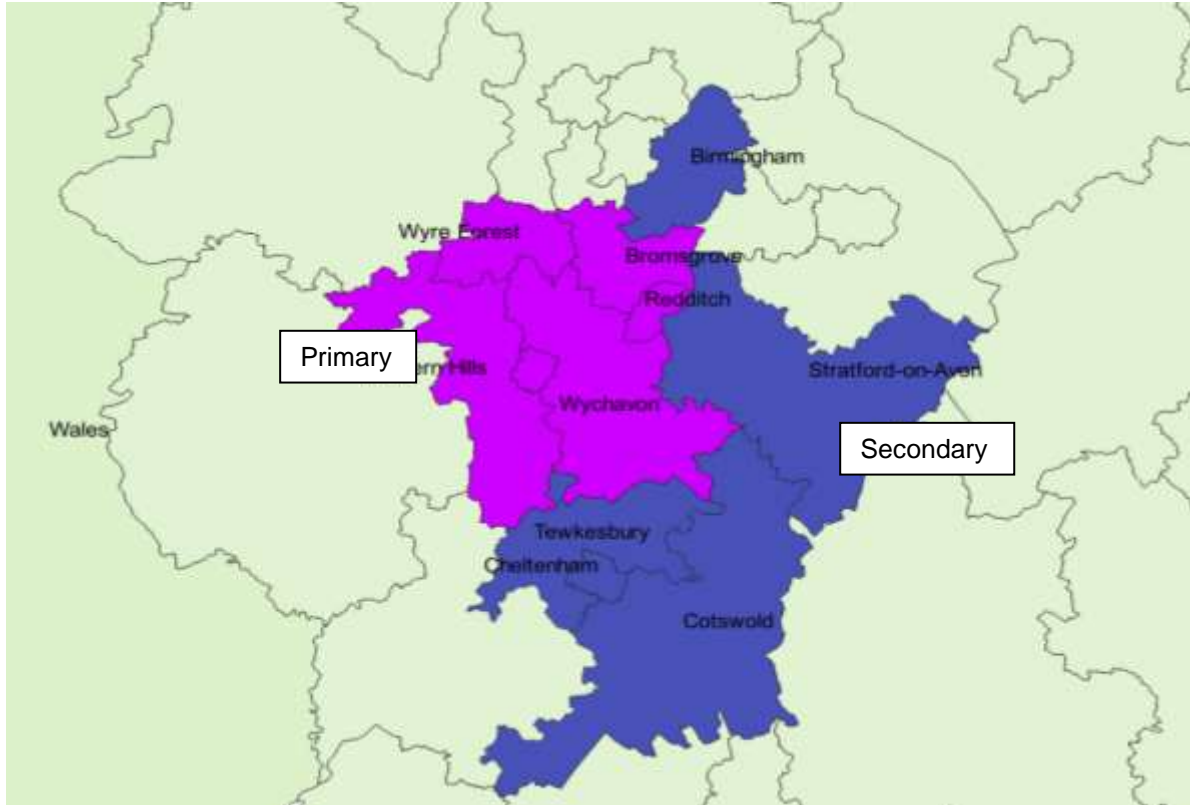
- vi. Commercial property transaction data shows there were significantly more industrial units transacted in South Worcestershire over the last decade than office units. This has implications for the types and locations of employment land that should be provided in the region over the planning period.
- vii. Transactions for both industrial and office units declined in 2020 compared to the previous year. In particular it is noted that the South Worcestershire market has not been able to take advantage of the wider increase in demand for warehousing premises in 2020 due to the increase in online retailing and increased inventory requirements. This is likely to be due to a lack of readily available larger warehousing units in the market.
- viii. The office market has also declined in the region due to the pandemic. This is likely to be an on-going concern for this sector, with dampened demand beyond lockdown restrictions as office-based businesses re-evaluate their space requirements. It is likely that office spaces that offer flexibility, opportunities for social distancing and safe collaboration spaces would be sought after by businesses as they adjust their requirements.
- ix. Vacancies for industrial/warehousing units have decreased since 2018, corroborating the position that the market is being dampened due to a lack of good premises. Vacant office premises, however, have increased significantly since 2018, indicating a struggling market due to changed economic circumstances.

#### ***Functional Economic Market Area***

- x. The functional economic market area of South Worcestershire is estimated based on known information of commuting patterns, business relationships, key transport corridors and the role of Worcester as the region's primary city centre. The functional economic market area has been defined to incorporate a primary and secondary area. The primary functional economic market area can be approximated by the Worcestershire County area. A broader area extending to Stratford-on-Avon, Cotswold, Tewkesbury and Cheltenham local authorities in the south and east and Birmingham in the north would be

an approximation of a secondary functional economic market area for South Worcestershire. This is illustrated below.

**Figure E1 – Functional Economic Market Area for South Worcestershire**



Source QGIS, 2021

### ***Employment Land Assessment***

- xi. The employment land allocations, mixed-use allocations, strategic reallocations and new strategic sites have been reviewed as part of this assessment to understand the full supply of employment land available to the market over the planning period. The following table summarises the net supply of employment land in South Worcestershire.

**Table E1 – Net Areas for Proposed Employment Land Allocations**

| Local Authority             | Employment Allocations (ha) | Mixed-Use Allocations (employment component, ha) | Strategic Reallocation Sites (ha) | New Strategic Sites (ha) | Total (ha)    |
|-----------------------------|-----------------------------|--|-----------------------------------|--------------------------|---------------|
| Malvern Hills               | 51.27                       | 14.5   | 13.5 <sup>1</sup>                 | 5                        | 84.27         |
| Worcester City              | 9.96                        | 0  | 0                                 | 0                        | 9.96          |
| Wychavon                    | 97.88                       | 1.09   | 27.5 <sup>2</sup>                 | 70                       | 196.47        |
| <b>South Worcestershire</b> | <b>159.11</b>               | <b>15.59</b>                                     | <b>41</b>                         | <b>75</b>                | <b>290.70</b> |

*Source: SWDP Review, BE Group assessment, 2021*

- xii. Commitments in the pipeline as at March 2021, not including on sites already accounted for within the site allocations, would add a further 71.75 ha (net) to the available supply in South Worcestershire.

***Objectively Assessed Need***

- xiii. The employment land requirement for South Worcestershire, including its constituent local authority areas, was assessed through two methods – looking at past completions data and assessing employment growth forecasts. Reviewing both these methods, it was considered that the method based on past completions was more likely to be a better indicator of future employment land needs for South Worcestershire.
- xiv. Under this method **the objectively assessed need for employment land between 2021 and 2041 in South Worcestershire is estimated to be 280.40 ha. Including a five-year buffer to provide for choice means that this need increases to 350.5 ha.**

***Conclusions and Recommendations***

- xv. The potential available supply of employment land for South Worcestershire has been estimated at 362.45 ha (allocations plus net commitments). The demand for additional land has been forecast to be 350.50 ha (including buffer), suggesting a modest surplus of 11.95 ha over the forecast period.
- xvi. The supply and demand balance is not uniform across South Worcestershire. The following table summarises the surplus/deficit for each local authority area.

<sup>1</sup> SWDP (2016) Wider Worcester Area Allocations (SWDP 45/1, 8.5ha and SWDP 45/2, 5ha)

<sup>2</sup> SWDP (2016) Wider Worcester Area Allocations (SWDP 45/1, 11.5ha and SWDP 45/6, 16ha)

**Table E2 – Supply vs Demand for Employment Land**

| Area                        | Available Supply - SWDP Review proposed allocations | Available Supply - Monitoring commitments (at 31/03/2021) | Total Available Supply | Land Demand 2021-41 | Surplus/ Deficit |
|-----------------------------|---|---|------------------------|---------------------|------------------|
| Malvern Hills               | 84.27   | 10.51   | 94.78                  | 51.25               | 43.53            |
| Worcester City              | 9.96  | -3.09   | 6.87                   | 54.25               | -47.38           |
| Wychavon                    | 196.47  | 64.33   | 260.80                 | 245.00              | 15.80            |
| <b>South Worcestershire</b> | <b>290.70</b>                                       | <b>71.75</b>  | <b>362.45</b>          | <b>350.50</b>       | <b>11.95</b>     |

Source: BE Group, 2022

- xvii. Redistributing the demand for employment land across South Worcestershire can be a means of rebalancing the supply/demand mix. It is recommended that Malvern Hills and Wychavon take a higher level of the region's employment land demand to account for Worcester City's shortfall, as illustrated below.

**Table E3 – Revised Supply vs Demand for Employment Land**

| Area                        | Available Supply | Revised Land Demand 2021-41 | Surplus/ Deficit |
|-----------------------------|------------------|-----------------------------|------------------|
| Malvern Hills               | 94.78            | 90.00                       | 4.78             |
| Worcester                   | 6.87             | 6.25                        | 0.62             |
| Wychavon                    | 260.80           | 254.25                      | 6.55             |
| <b>South Worcestershire</b> | <b>362.45</b>    | <b>350.5</b>                | <b>11.95</b>     |

Source: BE Group, 2022

- xviii. The following further recommendations have been proposed within the EDNA:
- Particular types of premises would need to be accommodated for, including
    - Smaller industrial units (200-1,000 sqm)
    - Mid-sized industrial units (2,000-3,000 sqm)
    - Larger industrial and warehouse units (+10,000 sqm)
    - Corporate offices
    - Small offices

- Support for the Strategic Sites within SWDP Review – Throckmorton Airfield, Worcestershire Parkway and Rushwick – will be important in providing for overall employment land throughout the planning period. The Councils should work closely with the land holders and other strategic partners to ensure the timely delivery of these sites.
- The following employment areas are recommended to be deallocated for employment:
  - Backfields Upton
  - Sixways Industrial Estate
  - Three Springs Trading Estate
  - Orchard Street
  - Gregory’s Mill Industrial Estate
  - Pope Iron Road
  - Stanway Screens
  - Vines Lane, Droitwich Spa
- The office market is facing pressures from several fronts, including the implications of Covid-19 on the way businesses operate and from changes to planning use classes and permitted development rights. It is recommended that employment areas that are continuing to function in an economic manner are supported, both through business support and landholder incentives to renew and maintain employment spaces. However, it is recognised that some employment areas are likely to be lost over the planning period, given the lower planning obstacles to converting to other uses.
- The employment land market should be regularly monitored on a consistent basis across the South Worcestershire region and regular reviews of the EDNA should be undertaken as appropriate. This is particularly important given the relatively modest spare capacity in the current supply.



## 1.0 INTRODUCTION

- 1.1 The South Worcestershire Economic Development Needs Assessment (EDNA) has been prepared by BE Group on behalf of Malvern Hills District Council, Worcester City Council and Wychavon District Council. The EDNA forms part of the South Worcestershire Development Plan (SWDP) Review.
- 1.2 The three local authorities collaborated to prepare the current SWDP, adopted in February 2016. The collaboration is continuing with the SWDP Review, which has resulted in the publication of the Issues and Options Consultation document (November 2018) and the Preferred Options Consultation document (November 2019), as well as a range of supporting evidence, including the first iteration of this EDNA (September 2018). The consultation on the Regulation 19 Publication SWDP is set for July-August 2022.
- 1.3 The Covid-19 pandemic has delayed the original timetable of the preparation of the SWDP Review and thus the Councils are relooking at the supporting evidence base which informed the Preferred Options consultation in 2019 to update it in preparation for the Publication version of the SWDP Review. Therefore, this EDNA has been prepared as an update of the earlier document to reflect changes in the market due to Covid-19 and the resulting economic shock.
- 1.4 From an employment perspective it is appropriate to assess the supply and demand of employment land and premises over such a geography, recognising the overlapping and interrelated economies.
- 1.5 This EDNA will provide input into the review and update of the SWDP, to guide planning for employment sites to 2041, including considerations of the supply and demand for B-class employment uses (B2 industrial and B8 warehousing) and the new E(g) Class<sup>3</sup>, understanding of the local property market, consideration of drivers of growth, forecasting of employment and implications for employment land and understanding of the need for employment land, including locations and types. The

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<sup>3</sup> From 1<sup>st</sup> September 2020: Uses which can be carried out in a residential area without detriment to its amenity: **E(g)(i)** Offices to carry out any operational or administrative functions, **E(g)(ii)** Research and development of products or processes, **E(g)(iii)** Industrial processes.

methodology of this EDNA is in line with requirements of the National Planning Policy Framework (NPPF, 2021).

## 2.0 STRATEGIC CONTEXT

2.1 This chapter provides an overview of the key policy documents in relation to South Worcestershire and the national level that may influence the planning and demand for employment land within South Worcestershire.

**Table 1 – Planning Policy Documents**

| Strategy   | Policy /Guidance  | Details   |
|--|---|---|
| <b>National Planning Policy Framework, 2021</b>              | <b>Building a strong, competitive economy</b>   | Planning policies should set out a clear economic vision and strategy which positively and proactively encourages sustainable economic growth. Policies should address potential barriers to investment, identify strategic sites and be flexible to accommodate needs not anticipated in the plan. Policies should recognise and address the specific locational requirements of different sectors.  |
|  | <b>Ensuring vitality of town centres</b>  | Policies and decisions should support the role that town centres play at the heart of local communities, by taking a positive approach to their growth, management and adaptation.  |
|  | <b>Supporting a prosperous rural economy</b>  | Planning policies and decisions should enable the sustainable growth and expansion of all types of businesses in rural areas, enable development and diversification of the rural economy, support rural tourism and leisure and support local services.  |
|  | <b>Making effective use of land</b>   | Strategic policies should set out a clear strategy for accommodating objectively assessed needs, in a way that makes as much use as possible of previously-developed or 'brownfield' land.  |
| <b>Use Class Order Amendments, 2020 and 2021</b>             |   | Key change is the revoking of the B1 use class since 1 <sup>st</sup> September 2020, moving within the E class, which also includes retail, restaurants, creches. Use class E(g) is the comparable use class to the former B1 class. Further changes were implemented from 1 <sup>st</sup> August 2021 which saw Permitted Development Class MA being introduced which removed the need for planning permission (subject to prior approval) for dwelling houses to be created from those uses within the E Use Class. |
| <b>South Worcestershire Development Plan, 2016 (adopted)</b> | <b>Policy SWDP 3: Employment, Housing and Retail Provision Requirement and Delivery</b> | South Worcestershire Councils (SWC) should plan, monitor and manage the delivery of employment land from 2006 to 2030, in accordance with Table A1.1 of Appendix 1 to this report and the site allocations set out in Policies SWDP 43 -59. The Policy states that new employment provision will be located primarily within/adjacent to main urban areas including employment provision at the new urban extensions.   |

| Strategy | Policy /Guidance  | Details  |
|----------|---|--|
|          | <b>Policy SWDP 8: Providing the Right Land and Buildings for Jobs</b> | Local authorities should provide the right land and buildings to maximise job creation. Other uses should be welcomed on employment land providing they support job creation.  |
|          | <b>Policy SWDP 12: Employment in Rural Areas</b>                      | To ensure adequate employment opportunities in rural areas, local authorities should ensure that rural employment land is retained, and that expansion of rural employment sites and farm diversification is supported.  |
|          | <b>Policies SWDP 43-54</b>  | These 7 policies below set out details of the sites that are allocated for mixed use/employment development by the SWDP. Each policy covers a different settlement, site or area of South Worcestershire. Where appropriate, these policies set out the specific requirements that apply to the individual sites/settlements/areas.  |
|          | <b>Policy SWDP43: Worcester City</b>                                  | SWDP43 identifies residential, mixed-use and employment sites to meet growth requirements inside the City boundary. There are six sites with some employment element (four mixed use and two employment) and these are shown in Table 1.2, Appendix 1. In addition, 41 ha of employment land has been identified within Urban Extensions, detailed in Policy SWDP45.   |
|          | <b>Policy SWDP45: Worcester Urban Extensions</b>                      | SWDP45 outlines plans to develop five new urban extensions adjoining Worcester city to accommodate housing and mixed-use development. Two of the five include some employment element:<br><ul style="list-style-type: none"> <li>•SWDP45/1 Broomhall Community and Norton Barracks Community (Worcester South urban extension) - 247.1ha of which 20ha is for employment use</li> <li>•SWDP45/2 Temple Laugherne (Worcester West urban extension) - 138.8 ha, of which 5ha of employment use.</li> </ul> |
|          | <b>Policy SWDP47: Pershore Urban Extensions</b>                       | SWDP 47 outlines two Pershore Urban Extensions, one of which proposes employment land:<br><ul style="list-style-type: none"> <li>•SWDP47/2 Land to the North-East of Pershore - On land to the north of Wyre Road, an allocation of 5ha of employment land for B1, B2 and B8 uses.</li> </ul>  |
|          | <b>Policy SWDP49: Droitwich Spa Urban Extensions</b>                  | SWDP 49 outlines three Droitwich Spa Urban Extensions includes two with employment land:<br><ul style="list-style-type: none"> <li>•SWDP49/1 Copcut Lane - Provision of 3.5 ha of B1 and B2 employment uses</li> <li>•SWDP49/3: Stonebridge Cross Business Park - Provision of approximately 10ha of B1, B2 and B8 employment land</li> </ul>  |
|          | <b>Policy SWDP 51: Evesham Urban Extensions</b>                       | Policy SWDP 51 outlines three Evesham Urban Extensions, including one which with new employment use:<br><ul style="list-style-type: none"> <li>•SWDP51/3 Vale Industrial Park, Evesham Provision of approximately 34 ha of B1, B2 and B8 employment land and landscaping</li> </ul>  |
|          | <b>Policy SWDP 53: Malvern</b>  | This states that a 15.4 ha mixed-use development will be developed on the site at Malvern Technology Centre (QinetiQ), with at least 4.5 ha for B1(b) employment. The site is seen as being critical in terms of securing high   |

| Strategy   | Policy /Guidance   | Details   |
|--|--|---|
|  | <b>Technology Centre (QinetiQ)</b>                       | technology industry at Malvern to meet the economic vision for south Worcestershire. 10.6 ha will also be safeguarded for B1 use class and associated development.  |
|  | <b>Policy SWDP 54 – Blackmore Park</b>                   | This Blackmore Park allocation is a 5.1ha extension to an existing employment site at for B1, B2 and B8 uses. It is proposed that the site is extended onto adjacent land that is part residual brownfield land and part greenfield land.   |
|  | <b>Policy SWDP56 – Development at North East Malvern</b> | 56.84 ha is allocated for a sustainable, well-designed mixed-use urban extension. It is proposed that development within this area will include 10ha of employment-generating uses.   |
| <b>South Worcestershire Development Plan Review, Preferred Options Consultation (2019)</b><br><br><b>The Regulation 19 (Publication) version of the SWDP Review is currently in production</b> |  | Regulation 18 (Preferred Options) consultation document to eventually replace the adopted 2016 SWDP. This has accounted for data emerging from the evidence base supporting the SWDP Review, including the 2018 version of the EDNA.<br><br>SWDPR 1 outlines the overall employment, housing and retail requirements. For employment this was 316 ha of new employment land, though this was a drafting error and the correct figure at that time was 295 ha.<br><br>SWDPR 49 to SWDPR 55 outline the employment land allocations proposed to meet South Worcestershire's needs to 2041. The proposed available supply of new allocations and reallocations totalled 316ha.<br><br>Regulation 19 (Publication) consultation is scheduled for July 2022, and it is the intention to submit the SWDPR to the Planning Inspectorate in the autumn of 2022. |
| <b>South Worcestershire Development Plan – 2021 employment land monitoring updates</b>   |  | The amount of new employment land provided / lost for completions across South Worcestershire in the monitoring year (2021) was 41.08 ha gained, and 1.78 ha lost (so 39.30 ha net). For commitments in the monitoring year (2021) 79.77 ha was gained, and 8.02 ha was lost (so 71.75 ha net). Both data points include Wider Worcester Area data. Commitments are the most pronounced in Wychavon District.   |

### **3.0 SOCIO-ECONOMIC CONTEXT**

- 3.1 This chapter provides a summary of the socio-economic factors of the local community, with a particular focus on those factors that may influence employment land demand. Further details are provided in Appendix 2.
- 3.2 South Worcestershire had a population of 309,353 as at 2019 and this has grown by 12.3% over the previous 20 years with the growth outstripping the West Midlands region. South Worcestershire has a significantly higher proportion of people aged over 60 than the national average and above average internal migration.
- 3.3 The geographic area is characterised predominantly by farmland surrounding significant built settlements including Worcester, Evesham, Great Malvern, Pershore and Droitwich Spa. The population lives in approximately 140,700 dwellings and 85% of these dwellings are privately owned. Households have relatively low levels of deprivation and South Worcestershire is mid-ranking when compared to other UK Local Authorities apart from when measuring barriers to housing and services and the living environment.
- 3.4 The levels of economic activity of the working age population across the area match the levels seen in England as a whole. Overall self-employment is relatively high and unemployment low when compared to national rates. However, the working age population is less likely to be degree qualified and less likely to work in higher skilled jobs.
- 3.5 As far as the resident population is concerned, however, higher wages are earned by working outside of South Worcestershire than within the region. The highest difference was seen in Malvern Hills where the average resident earnings is 22 percent higher than the average workplace earnings.
- 3.6 During the census year 2011 South Worcestershire saw 9% of their working population work from home - this was higher than the proportion for the region (6%) and nationally (7%). During 2020 exceptional circumstances caused by the Covid-19 pandemic saw these figures take a leap upwards as 23.1% in the West Midlands region reported they worked from home the week prior their interview. Despite this, South Worcestershire

still recorded an even higher proportion of home workers with 28.7% of the population working from home.

- 3.7 The net commuter position at the time of the last census, was net outbound migration of nearly 4,000 people. Despite the out -commuting figure, approximately 72% of jobs in South Worcestershire are filled from within the area which represents a relatively high degree of self-containment.
- 3.8 Employment across the area in the period since 2015 has increased – and increased in each of the Local Authority areas. The rise has been relatively consistent as each of the Local Authorities recorded employment growth in every year apart from 2018 where all experienced a fall and as a result the employment growth since 2015 for South Worcestershire (6%) has been above the regional and national figures (both 5%) over the same period of 2015-2019.
- 3.9 Whilst each Local Authority has recorded a slightly different trend in terms of sectors, overall, South Worcestershire employed (in 2019) the highest proportion of people in health (14%), manufacturing (12%), accommodation and food services (9%) and retail (9%). Health and retail are typically seen in the top 4 of most UK Local Authorities, however, it is uncommon to see such a large proportion of manufacturing jobs and indeed so many accommodation and food service jobs.
- 3.10 In 2020 the overall average unemployment rate for South Worcestershire was 3.6%. Whilst Wychavon (3.4%), Worcester (3.8%) and Malvern Hills (3.6%) were below the West Midlands (5.3%) and national average (4.9%). The South Worcestershire region has maintained low unemployment levels despite the pandemic, though this data was gathered while job support schemes (e.g. Covid-19 furlough schemes and business support) were still in place in England.
- 3.11 Business Register and Employment Survey (BRES) data for the period of 2015-2019 saw the largest employment gains for South Worcestershire made in accommodation and food services (+4,000 jobs) followed by health (+2,500 jobs) and business administration and support services (+1,500). It is noted that this data precedes the pandemic.
- 3.12 In the same period declines were recorded for South Worcestershire in wholesale (-1,000 jobs), finance & insurance (-800 jobs) and manufacturing (-500).

- 3.13 The sectoral structure of the area can also be measured in terms of location quotients (the proportion of employment in a sector compared to the national average). For South Worcestershire the location quotients support the importance of manufacturing to employment (disproportionately important to employment in South Worcestershire) and also remediation activities.
- 3.14 Overall, South Worcestershire can be characterised as growing in terms of residents and employment – but an area which has not seen high levels of international migration and has a population which is ageing faster than the UK as a whole. The workforce is well educated, on average holds senior positions and this results in low levels of deprivation – but the highest paid typically out-commute. In fact, the area as a whole, whilst reasonably self-contained, is an area of net out-commuting.
- 3.15 Health, retail, manufacturing and accommodation and food make up three of the top four sectors of employment. Manufacturing is a sector which employs the second largest number of people across the area. South Worcestershire is very specialised in manufacturing as in a large number of manufacturing sectors it employs a number of workers that is more than double the English average, including manufacture of:
- Machinery and equipment
  - Electrical equipment
  - Computer, electronic and optical products
  - Basic metals
  - Rubber and plastic products
- 3.16 Only some socio-economic data has been released that account for the implications of the pandemic. Unemployment levels in South Worcestershire appear to be being maintained at relatively low levels. The workplace patterns have changed significantly, with almost 30 percent of South Worcestershire workers working from home in 2020. Information on qualifications and occupations to 2020 suggests that this population remains a highly qualified workforce with diversity in occupations.



## 4.0 PROPERTY MARKET ASSESSMENT

### Introduction

- 4.1 The current property market in South Worcestershire is discussed in this chapter based on an analysis of recorded information on commercial property transactions conducted within Worcester, Wychavon and Malvern Hills, currently marketed commercial property and discussions with locally active property agents.

### Deals

#### *Industrial*

- 4.2 Transactions of commercial stock in South Worcestershire have been reviewed to gauge interest in the market and performance levels over the past decade. Not all transactions are recorded, although the available data provides a good indication of types of transactions and market preferences.
- 4.3 819 industrial deals occurred in **South Worcestershire** between 2011 and 2021, with a floor area totalling approximately 1,097,276 sqm. The size band of 201-500 sqm saw the highest number of transactions, comprising 31 percent of all transactions.
- 4.4 2015 was the year with the highest number of transactions completed (118), contributing 14 percent of the decade total, with a total floor area of 83,656 sqm. There were six other years when total floorspace take-up was higher with fewer transactions. 2013 saw the largest amount of floorspace take-up in a single year with 246,780 sqm, which was 23 percent of the overall seen in the decade. This was led by seven transactions in excess of 10,000 sqm, six of these within Wychavon District totalling 155,980 sqm and predominantly within Droitwich Spa (Stonebridge Cross Business Park and Kidderminster Road) where five transactions totalling 118,819 sqm were completed within the year.
- 4.5 2019 saw the largest take up of floorspace since 2013 with 159,983 sqm being sold. 50% of this figure is accounted for by 5 transactions of plots in excess of 10,000 sqm. Interestingly the following year saw the lowest take up of floorspace seen in the decade with only 38,340 sqm being bought, down 76% from the year before, which is a trend starkly in contrast to that seen in the West Midlands where Savills found a 65% increase in take up compared to 2019.
- 4.6 2020 saw only one transaction of an industrial unit over 5,000 sqm which again is in stark contrast to the trend we have seen across the UK and indeed the West Midlands

region. According to Knight Frank there was a 30% increase in the take up of plots over 4,500 sqm in size between 2019 and 2020 in the UK.

4.7 The trend seen across the UK has been driven by the Covid-19 pandemic which has caused a surge in online retailing, forcing retailers to upscale their supply chains rapidly in order to facilitate the demand. This has manifested itself in a rise in the take up of larger industrial units, typically over 5,000 sqm, as online retailing requires greater storage than is needed for your typical high street store. It is likely that South Worcestershire's data does not reflect this trend as there is a lack of supply in the area of large industrial units that are of the quality these retailers' demand.

4.8 A full breakdown of transactions by year and size category can be seen in Appendix 3 for South Worcestershire and the constituent local authority areas. A summary table is provided below:

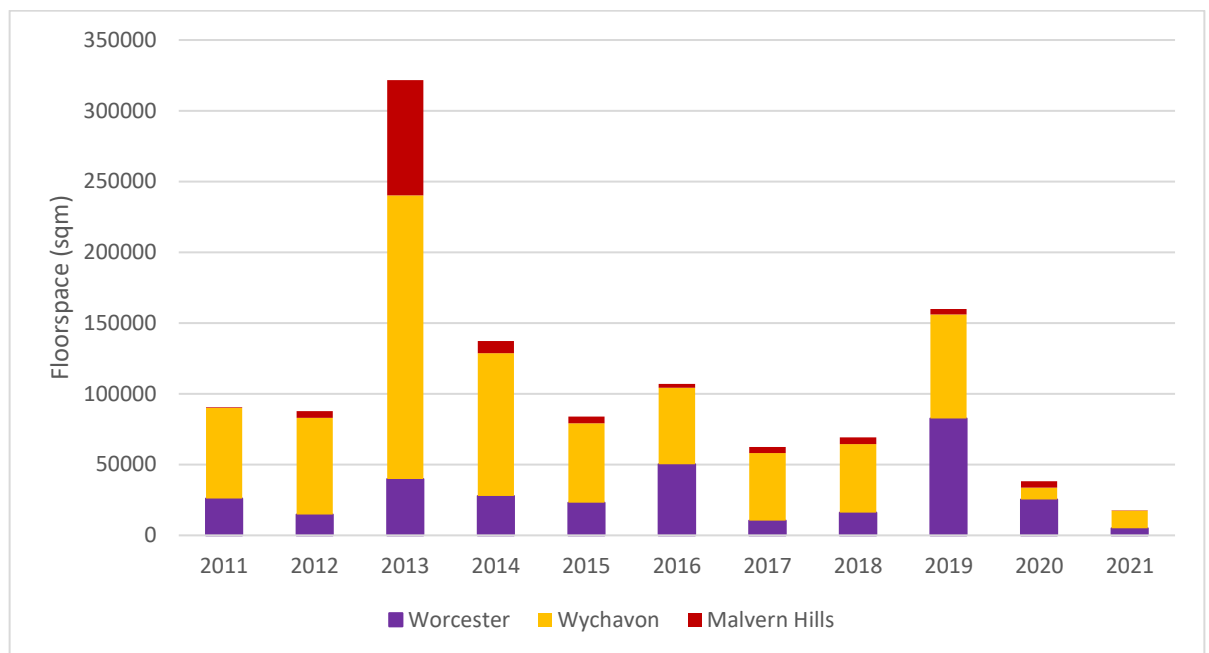
**Table 2 – Summary of Industrial Transactions 2011-2021 by Size Band**

|                      |                  | Size (sqm) |         |         |           |             |              |         |         |           |
|----------------------|------------------|------------|---------|---------|-----------|-------------|--------------|---------|---------|-----------|
|                      |                  | 0-100      | 101-200 | 201-500 | 501-1,000 | 1,001-5,000 | 5,001-10,000 | 10,000+ | Unknown | Total     |
| Malvern Hills        | Floorspace (sqm) | 528        | 3,560   | 6,018   | 6,149     | 29,294      | 0            | 0       | 0       | 45,548    |
|                      | Total Properties | 7          | 24      | 20      | 9         | 14          | 0            | 0       | 0       | 74        |
| Worcester            | Floorspace (sqm) | 4,097      | 6,883   | 32,915  | 29,623    | 85,282      | 30,868       | 128,236 | 0       | 317,905   |
|                      | Total Properties | 68         | 48      | 94      | 44        | 41          | 4            | 7       | 3       | 309       |
| Wychavon             | Floorspace (sqm) | 2,693      | 12,668  | 44,516  | 35,504    | 178,407     | 84,665       | 375,370 | 0       | 733,823   |
|                      | Total Properties | 40         | 94      | 137     | 49        | 77          | 13           | 19      | 7       | 436       |
| South Worcestershire | Floorspace (sqm) | 7,317      | 23,112  | 83,448  | 71,276    | 292,983     | 115,534      | 503,606 | 0       | 1,097,276 |
|                      | Total Properties | 115        | 166     | 251     | 102       | 132         | 17           | 26      | 10      | 819       |

Source: EGi, 2021

4.9 Figure 1 illustrates the relative sizes of the markets in the three South Worcestershire authorities in terms of industrial floorspace transacted.

**Figure 1: Industrial Transactions in South Worcestershire**



Source: EGi, 2021

- 4.10 Wychavon District recorded the highest share of industrial transactions in terms of total floorspace and the largest individual floorspace transactions over the past decade. Malvern Hills District recorded a relatively small percentage of the total industrial floorspace transacted. The relative market shares of the three local authorities within South Worcestershire are functions of market attractiveness and the supply of stock (premises and land being developed). The availability of premises with quality A-road connectivity to the motorway network in Wychavon is relatively high, Worcester City is an attractive market, but lacks expansion capacity and quality premises, which has suppressed overall turnover of stock. Malvern Hills District is a more localised market (and therefore will have a lower turnover of stock) and is also constrained by a lack of supply.
- 4.11 74 industrial deals were completed in the last 10 years in **Malvern Hills**, with 80 percent of these being leasehold transactions, and in total comprising of 120,415 sqm of floorspace. There were no transactions over 5,000 sqm, with units of 101-200 sqm being the most popular with 24 deals completed (32 percent). Units in the size category of 201-500 sqm were also popular with 20 deals completed (27 percent).
- 4.12 2018 saw the most deals with 12 industrial deals completed in each of these years. Whilst ten deals were completed in 2014, this year saw the highest amount of

floorspace transacted, 8,661 sqm. This was almost 19 percent of the take-up for the decade.

- 4.13 309 industrial deals were completed in the last 10 years in **Worcester**, with 86 percent of these being leasehold transactions and in total comprising 317,905 sqm. With units of 201-500 sqm being the most popular with 94 deals completed (30 percent), units of 0-100 sqm were also popular with 68 deals completed (22 percent).
- 4.14 Whilst 2015 saw the highest number of deals completed (50 deals), which was 16 percent of the total for the whole decade. 2019 saw the largest amount of floorspace transacted in a single year, 82,511 sqm. This was 26 percent of the total seen over the ten years.
- 4.15 436 industrial deals were completed in the last 10 years in **Wychavon**, with 73 percent of these being leasehold transactions, comprising 733,823 sqm of floorspace. With units of 201-500 sqm being the most popular with 137 deals completed (31 percent).
- 4.16 2013 saw the highest number of deals completed (64 deals) and the largest amount of floorspace transacted in a single year, 64 deals with a floor area of 200,424 sqm (22 percent of the decade floorspace). Six units over 10,000 sqm sold in this year, contributing 78 percent of the total take-up and 21 percent of the total seen during the ten years.
- 4.17 The largest industrial deal completed between 2011 and 2021 was lease of a 40,468 sqm unit in 2013, at Berry Hill Industrial Estate.
- 4.18 All areas saw a below average volume of transactions for industrial units in 2020, during the pandemic. This is in contrast to many areas in the UK which have seen an upsurge in demand for warehouse premises, driven by increased online retail demand and some urgent requirements for warehouse space for medical supply chains and more broadly in the economy to increase inventory domestically, rather than relying on international supply chains. It appears that South Worcestershire has not seen such economic benefits, potentially due to a lack of supply of suitable, larger premises, with such increasing logistics functions being picked up elsewhere.

**GJS Dillon Worcestershire Commercial Property Market Report 2021 – Industrial**

4.19 GJS Dillon have a very large presence in the Worcestershire area and each year they provide a report that gives an in-depth overview of the commercial property market. The headline statistics are contained in the table below.

**Table 3 – GJS Dillon Industrial Headline Statistics 2020**

|                                 | Malvern Hills | Worcester | Wychavon |
|---------------------------------|---------------|-----------|----------|
| <b>Total Take-up (sqft)</b>     | 20,294        | 139,776   | 131,299  |
| <b>Vacancy rate (%)</b>         | 3.4           | 3.5       | 3.9      |
| <b>Average Deal Size (sqft)</b> | 4,059         | 6,656     | 5,252    |
| <b>Freehold:Leasehold</b>       | 0:100         | 13:87     | 5:95     |
| <b>Headline Rent (£/sqft)</b>   | 7.68          | 7.87      | 9.94     |

*Source: GJS Dillon*

4.20 According to GJS Dillon, Worcester saw the greatest take-up of industrial space with 139,776 sqft of floorspace becoming occupied. Wychavon was not far behind with a take-up of 131,299 sqft of take-up, however Malvern Hills lagged very far behind with a take-up of only 20,294 sqft of industrial floorspace.

4.21 Prime stock in Wychavon has been able to secure the highest rents in the region at about £9.94/sqft which was considerably higher than Malvern Hills and Worcester which saw rents of £7.68/sqft and £7.87/sqft respectively.

**Office**

4.22 The number of office units transacted in South Worcestershire between 2011-2021 was 643 with a floor area of 156,398 sqm. The most popular size band for office units was 0-100 sqm, with 261 deals in this size range. This was 41 percent of the transactions for the decade.

4.23 Like industrial units, 2015 saw the highest number of deals completed in a single year (95) which was 15 percent of the decade total. 2013 and 2014 were the best years for floorspace take up with 25,070 sqm and 25,381 sqm respectively, each accounting for 16 percent of the decade total.

4.24 A full breakdown of transactions by year and size category can be seen in Appendix 3, with a summary table below:

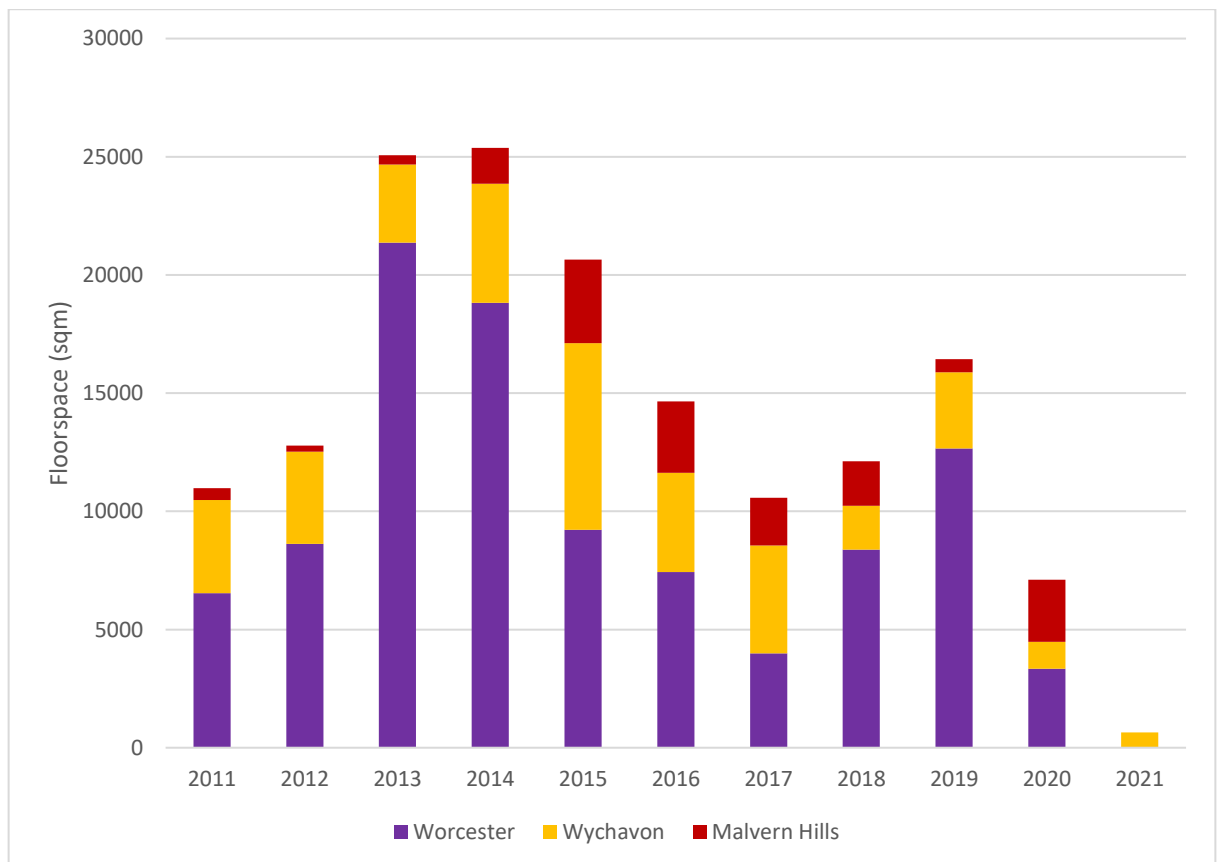
**Table 4 – Summary of Office Transactions 2011-2021 by Size Band**

|                      |                  | Size (sqm) |         |         |           |             |              |         | Unknown | Total   |
|----------------------|------------------|------------|---------|---------|-----------|-------------|--------------|---------|---------|---------|
|                      |                  | 0-100      | 101-200 | 201-500 | 501-1,000 | 1,001-5,000 | 5,001-10,000 | 10,000+ |         |         |
| Malvern Hills        | Floorspace (sqm) | 1,419      | 2,297   | 4,996   | 3,869     | 3,742       |              |         |         | 16,322  |
|                      | Total Properties | 29         | 18      | 17      | 5         | 2           |              |         | 3       | 74      |
| Worcester            | Floorspace (sqm) | 7,095      | 10,994  | 25,638  | 18,614    | 38,044      | 0            | 0       | 0       | 100,385 |
|                      | Total Properties | 138        | 77      | 83      | 26        | 19          | 0            | 0       | 8       | 351     |
| Wychavon             | Floorspace (sqm) | 4,912      | 7,033   | 17,114  | 5,083     | 5,548       | 0            | 0       | 0       | 39,690  |
|                      | Total Properties | 94         | 50      | 54      | 9         | 4           | 0            | 0       | 7       | 218     |
| South Worcestershire | Floorspace (sqm) | 13,427     | 20,323  | 47,748  | 27,566    | 47,334      | 0            | 0       | 0       | 156,398 |
|                      | Total Properties | 261        | 145     | 154     | 40        | 25          | 0            | 0       | 18      | 643     |

Source: EGi, 2021

4.25 Figure 2 illustrates the relative sizes of the office markets in South Worcestershire in terms of floorspace transacted.

**Figure 2: Office Transactions in South Worcestershire**



Source: EGi, 2021

- 4.26 The data demonstrates that Worcester City is the main location for office demand across South Worcestershire, with Wychavon having a smaller percentage relative to its industrial role. Malvern Hills has a higher proportion of the office market than its industrial market share.
- 4.27 Another trend to notice is the sharp reduction in floorspace taken up after 2019 as 2020 saw a 57% fall in the floorspace demanded. This is due to the Covid-19 pandemic as lockdowns and social distancing has forced firms to adopt remote working practices. As such many businesses have delayed decisions on relocating premises throughout 2020. Furthermore, firms have realised the benefits of remote working as it saves on the overhead expenditures on office space. As Covid-19 restrictions have eased, some office-based workers have returned to work, however it is unlikely that office demand will return to pre-pandemic levels in the short to medium term. While overall in South Worcestershire there has been an observed reduction in office floorspace transacted, this is not uniform, with Malvern Hills increasing office floorspace transacted between 2019 and 2020.
- 4.28 Of the 74 office deals completed in the last ten years in **Malvern Hills**, 96 percent were leasehold and totalled 16,322 sqm. Smaller premises were the most common transacted, with units of 0-100 sqm being the most popular with 29 deals completed. The number of deals completed reduces as the size of the office units increases.
- 4.29 2016 saw the highest number of office units transacted, 13, which was 18 percent of the total for the ten-year period. 2015 saw the largest amount of floorspace transacted with 3,536 sqm of floorspace take-up. 66 percent of this take-up comprised a single 2,348 sqm unit, the largest office unit involved in a deal within the ten-year period.
- 4.30 The 2020 floorspace transacted totalled 2,629 sqm, increasing from 553 sqm in the previous year.
- 4.31 351 office deals completed in the last ten years in **Worcester** involving 100,385 sqm of floorspace take-up. Similar to Malvern Hills and Wychavon, the most popular deals were for offices of 0-100 sqm, with 138 deals totalling 7,095 sqm. Unlike Malvern Hills, which saw fewer transactions as floorspace size increases, Worcester saw more transactions for units between 201-500 sqm (83 deals) than for units between 101-200 sqm (77 deals).

- 4.32 2019 saw the highest number of office units transacted (45 deals), which was 13 percent of the total for the ten-year period. 2013 saw the largest amount of floorspace transacted with 21,372 sqm of floorspace take-up. The largest single occupational sale was in 2014, 3,756 sqm at Bridgewater House, Blackpole Road. While classified as an occupational sale in the data, this building has since been converted to residential units.
- 4.33 The floorspace transacted in 2020 was 3,348 sqm, which was only about one quarter of the volume transacted in 2019, highlighting the influence of the pandemic on the office market.
- 4.34 218 office deals were completed in the last ten years in **Wychavon**, totalling 39,690 sqm of floorspace. Similar to Malvern Hills and Worcester, the highest number of deals completed (94 deals) were for units of 0-100 sqm. Similar to Worcester, Wychavon recorded more transactions of offices 201-500 sqm in size (54 deals) than transactions of offices 101-200 sqm in size (50 deals).
- 4.35 2015 saw the highest number of office units transacted (45 deals), which was 21 percent of the total for the decade. 2015 also saw the largest amount of floorspace transacted with 7,894 sqm of floorspace taken up, 20 percent of the total floor space transacted in the decade. The largest single letting was in 2012, 1,672 sqm at Hartlebury Trading Estate.
- 4.36 The floorspace transacted in 2020 in Wychavon was 1,131 sqm, which was only about one third of the volume transacted in 2019, once again illustrating the impacts of the pandemic on the office market.
- 4.37 All three local authorities saw a dominance of leasehold deals occurring within the last decade. Smaller businesses tend to require low entry costs and location on small, designated office schemes. These developments are usually, whilst higher risk for the developer, let on short lease (3-5 years) and so suitable for small firms.
- 4.38 Larger companies are more likely to be looking for freehold options due to the need for control over build and design and with the capital to accommodate these needs. Developers may design and build to sell but also available on long leases. These patterns are not unique to South Worcestershire and are seen across the UK.



## GJS Dillon Worcestershire Commercial Property Market Report 2021 - Office

4.39 According to this report, Malvern Hills saw a take-up of 20,294 sqft of office space.

**Table 5 – GJS Dillon Office Headline Statistics 2020**

|  | Malvern Hills | Worcester | Wychavon |
|--|---------------|-----------|----------|
| <b>Total Take-up (sqft)</b>                      | 10,940        | 49,507    | 28,685   |
| <b>Vacancy rate (%)</b>                          | 5.2           | 1.3       | 3.6      |
| <b>Average Deal Size (sqft)</b>                  | 2,188         | 1,904     | 2,207    |
| <b>Average Deal Size vs. 10 Year Average (%)</b> | -7            | -14       | 51       |
| <b>Headline Rent (£/sqft)</b>                    | 14.89         | 15.61     | 16.43    |

Source: GJS Dillon

4.40 The table above shows that Worcester had the greatest take-up of floorspace within South Worcestershire with 49,507 sqft of floorspace taken up. Wychavon had the second largest take up with 28,685 sqft, while Malvern Hills only saw 10,940 sqft of floorspace taken up.

4.41 Wychavon saw an average deal size in 2020 that exceeded its ten year average by 51 percent; it was the only district in 2020 where the average office deal size exceeded the previous ten year average. Worcester and Malvern Hills both recorded small average unit sizes transacted in 2020 compared to the ten year average, 14 percent and seven percent below the average respectively.

4.42 Wychavon commanded the highest prime headline rent with a prevailing price of £16.43/sqft, while Worcester and Malvern Hills saw rents of £15.61/sqft and £14.89 respectively.

### Property Supply

4.43 The commercial premises currently being marketed have been analysed as a proxy of the vacant premises within South Worcestershire. It is recognised that not all vacant premises are marketed, with landlords choosing not to market the premises for a variety of reasons (committed but not yet occupied, previously marketed and no occupiers found, strategic business planning, etc.). Furthermore, marketed premises may include some as yet unconstructed premises (i.e. being sold off plan) and thus would not be considered existing vacant stock. This is also a snapshot in time as marketed premises are constantly changing as leases and transactions are completed and further stock becomes available. The actively marketed stock provides a good

indication however of the capacity for the market to absorb additional demand and would represent the choices available to businesses looking for new premises.

4.44 The vacancy schedules for industrial and office properties throughout South Worcestershire area provided in Appendix 4 and were compiled in June 2021.

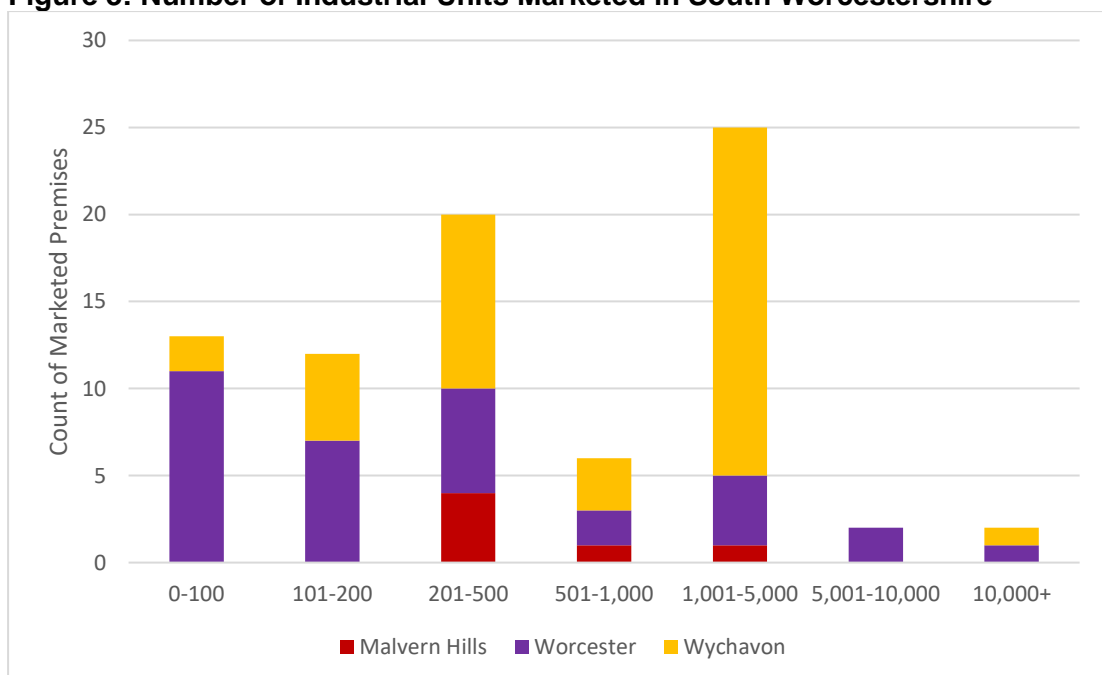
**Industrial**

4.45 There are 33 industrial units available in Worcester totalling approximately 73,265 sqm of floorspace, 6 available units in Malvern totalling 2,950 sqm and 41 available units in Wychavon totalling 72,683 sqm. The total for South Worcestershire of 80 available industrial units with a total floor area of 148,898 sqm.

4.46 The total quantity of floorspace being marketed has declined since 2018 in Malvern Hills (-4,612 sqm) and Wychavon (-27,614 sqm) but has increased in Worcester (+19,566 sqm). Therefore, overall, in South Worcestershire the total quantity of marketed stock has declined by 12,660 sqm, indicating a tightening of supply in the region.

4.47 There are a wide range of sizes of industrial units on offer across South Worcestershire, with the highest number within the 201-500 sqm size bracket, with 20 units (25 percent) being marketed. As seen in Figure 3, there are significant numbers of premises being marketed in the small to medium size ranges, but less so in the larger size bands. Stock above 1,000 sqm is more likely to be available in Wychavon.

**Figure 3: Number of Industrial Units Marketed in South Worcestershire**



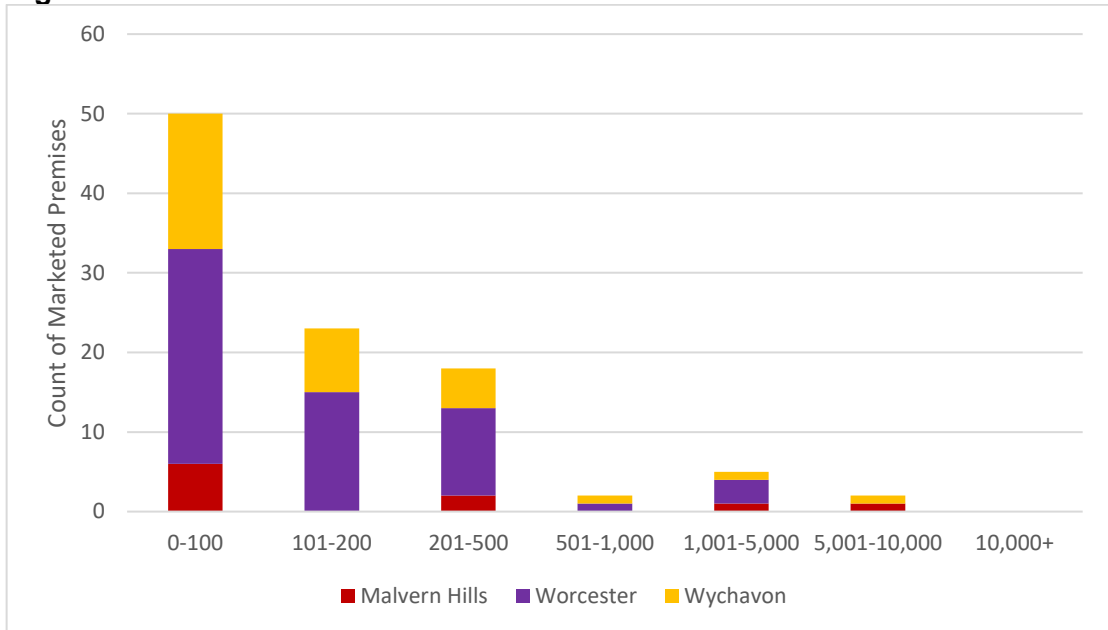
- 4.48 In terms of overall current supply, the 80 available units comprising 148,898 sqm compares to the average of 82 units transacted per annum (110,000 sqm p.a.) over the last decade.
- 4.49 Of the available properties on the market in South Worcestershire, one unit (one percent) is offered on only a freehold basis, 75 (94 percent) on a leasehold tenure and four units (five percent) freehold or leasehold tenure.
- 4.50 Figure 3 is consistent with the trends spotted earlier in the chapter as the very low levels of industrial transactions observed over 5,000 sqm in 2020 can now clearly be demonstrated not to be a demand side problem. Instead, demand for large industrial units in South Worcestershire, as in the rest of the UK, is very strong, the problem is that there is a severe lack of supply with only four industrial units over 5,000 sqm currently being marketed, accounting for only 5% of the total supply.

### **Office**

- 4.51 Worcester has the largest quantity of office premises being marketed, with 57 marketed office units totalling some 13,933 sqm. Malvern Hills has 10 available units which total 8,760 sqm and Wychavon has 33 available units which total 39,693 sqm. The total for South Worcestershire is 100 available office units with a total floor area of 62,386 sqm.
- 4.52 The total quantum of floorspace being marketed in 2021 has declined compared to 2018 in Malvern Hills (-4,088 sqm) and increased compared to 2018 in Wychavon (+38,186 sqm) and Worcester (+18,978 sqm) for an overall increase in the availability of office space in the region of 53,076 sqm. This demonstrates the lack of demand for this sector in recent times, primarily due to changing workplace patterns from the pandemic.
- 4.53 Comparing the current supply to typical annual take-up rates, the 100 office premises in South Worcestershire comprising 62,386 sqm, compares to an annual average over the last decade of 64 transactions comprising about 15,600 sqm.
- 4.54 A clear pattern can be identified of more available units on the market of a smaller floorspace, with 45 units (41 percent) of 0-100sqm. Unsurprisingly the availability of floorspace decreases for larger premises. This is consistent with the transaction

volumes in South Worcestershire over the past decade which saw higher volumes for smaller premises. The breakdown of marketed office units is provided in Figure 4.

**Figure 4: Number of Office Units Marketed in South Worcestershire**



- 4.55 Of the available office units on the market, 12 units (11 percent) are being marketed freehold, 84 units (76 percent) leasehold and 15 units (14 percent) freehold or leasehold. A breakdown by size can be found in Appendix 4.
- 4.56 The Valuation Office Agency statistics for 2020 estimates that there is a total industrial floorspace of 2,204,000 sqm in South Worcestershire and based on the vacancy schedule in Appendix 4 this amounts to an industrial vacancy rate of 7%. This vacancy rate suggests a relatively balanced market, with some choice of premises to enable churn and growth, but not excessive that would indicate lack of demand.
- 4.57 There is however a large variation in the rate of industrial vacancies across the three districts. Malvern Hills has vacancy rate of less than 1%, indicating the market is overly tight, while Worcester has a vacancy rate of 12%, indicating higher spare capacity in this area. Wychavon has a similar rate to that seen in South Worcestershire (6%) indicating a balanced market.
- 4.58 The total office floorspace in South Worcestershire is estimated by the Valuation Office Agency to be 268,000 sqm which sees the office vacancy rate of 23.3%. This suggests that the market for offices is underperforming as there is not sufficient demand

triggered by the pandemic. As noted above the quantum of office premises on the market in South Worcestershire has significantly increased since 2018.

- 4.59 All three districts have an office vacancy rate above 10%, which indicates there is a deficiency in demand for offices across the district. Despite this, the magnitude of the vacancy rate still does vary quite considerably across the three districts with Wychavon observing the highest vacancy rate of 48% while Malvern Hills' and Worcester's vacancy rates are far lower (16% and 11% respectively).

### **Property Agents Comments**

- 4.60 Along with the above property data analysis, consultations with commercial property agents in all three districts have been carried out. Agents were asked about activity levels for office and industrial units in relation to rents, sizes and weaknesses of the market. A full description of these consultations can be found in Appendix 5, whilst the key information is discussed below:

- Demand is most active in the industrial and warehousing sector, including for a range of sizes.
- Smaller industrial stock (<500 sqm) has been the most popular, though stock above 1,000 sqm is also in demand.
- Larger warehousing stock (>10,000 sqm) is in strong demand.
- Good quality industrial premises are attracting £6.5-7/sqft rents.
- Lack of supply is limiting the industrial and warehousing market.
- Office demand is significantly lower than for industrial and warehousing.
- Office demand is generally for smaller stock (<200 sqm).
- Office price points have a wider range, including £15-17/sqft with some leading stock in good locations above £20/sqft.
- Viability of new office developments is limiting new builds, with rents being able to be achieved not sufficient to cover increasing construction costs.

### **Summary**

- 4.61 Transaction data shows there were more industrial units transacted over the last decade than office units. For both property types, 2015 was the year in which the highest number of deals completed.
- 4.62 Transactions for both industrial and office units declined in 2020 compared to the previous year. In particular it is noted that the South Worcestershire market has not

been able to take advantage of the wider increase in demand for warehousing premises in 2020 due to the increase in online retailing and increased inventory requirements. This is likely to be due to a lack of readily available larger warehousing units in the market.

- 4.63 The office market has also declined in the region due to the pandemic. This is likely to be an on-going concern for this sector, with dampened demand beyond lockdown restrictions as office-based businesses re-evaluate their space requirements. It is likely that office spaces that offer flexibility, opportunities for social distancing and safe collaboration spaces would be sought after by businesses as they adjust their requirements.
- 4.64 The new planning use classes for office space (B1 to E(g)) potentially lower the obstacles to convert existing office space to other uses, such as residential. This means that some office space (likely near or in town centres) could be converted to residential space and thus lost to the overall supply of office stock.
- 4.65 Vacancies for industrial/warehousing units have decreased since 2018, corroborating the position that the market is being dampened due to a lack of good premises. Vacant office premises, however, have increased significantly since 2018, indicating a struggling market due to changed economic circumstances.

## 5.0 FUNCTIONAL ECONOMIC MARKET AREA

5.1 This chapter defines and reviews the functional economic market area of the South Worcestershire region, as a recognition that its economy does not operate in isolation, but rather it has crucial interrelationships with neighbouring local authority areas.

5.2 The guidance for Plan Making produced by the Department for Levelling Up, Housing and Communities (DLUHC) (previously known as the Ministry of Housing, Communities and Local Government (MHCLG)) includes guidance for the definition and consideration of a functional economic market area. The guidance states:

*“Since patterns of economic activity vary from place to place, there is no standard approach to defining a functional economic market area, however, it is possible to define them taking account of factors including:*

- *extent of any Local Enterprise Partnership within the area;*
- *travel to work areas;*
- *housing market area;*
- *flow of goods, services and information within the local economy;*
- *service market for consumers;*
- *administrative area;*
- *catchment areas of facilities providing cultural and social well-being; and*
- *transport network.”* (Para. 19 last updated 15 March 2019).

5.3 The functional economic market area is used to help illustrate the influences and potential impacts of the South Worcestershire economy on neighbouring authority areas and conversely the potential influences and impacts of neighbouring areas on South Worcestershire. This understanding can help to guide the Councils in discussions with neighbouring authorities and in cross-border planning.

5.4 All definitions of a functional economic market area are approximations of the interrelationships of a local economy with areas outside the local authority. The functional economic market area cannot account for all relationships in the economy, rather it is a representation of the key economic, workforce and consumer flows for the local economy. It provides an approximation of the main sphere of economic activity for South Worcestershire.

5.5 In defining the functional economic area of South Worcestershire, the following factors have been considered:

- South Worcestershire has been considered as a single entity.
- The geography of South Worcestershire and the surrounding areas, in particular natural or engineered boundaries that affect people flows and perceptions of proximity (e.g. the Malvern Hills, the Cotswold, strategic road networks).
- Worcester's role as the centre of Worcestershire, which is reflected in net in-commuting to Worcester City from other areas in the County, including elsewhere in South Worcestershire. Furthermore, the administrative, higher-educational and cultural assets and institutions important for the County that are located in Worcester highlight its central role.
- The net out-commuting of workers in South Worcestershire (i.e. more residents commuting out for work elsewhere than workers commuting in to work in South Worcestershire). This net out-commuting is predominantly north to Birmingham (from all three local authorities) and south-east to Cheltenham, Cotswold and Stratford-on-Avon (predominantly from Wychavon).
- The manufacturing focus of the South Worcestershire economy (second largest sector by employment numbers) is consistent with the wider West Midlands area.
- Consultations with businesses undertaken in 2018 suggested a relatively tight network of business relationships within the South Worcestershire area. In terms of access to markets, the proximity to Worcester and access to the M5 were considered key, with the broader location central within the UK also cited as important.

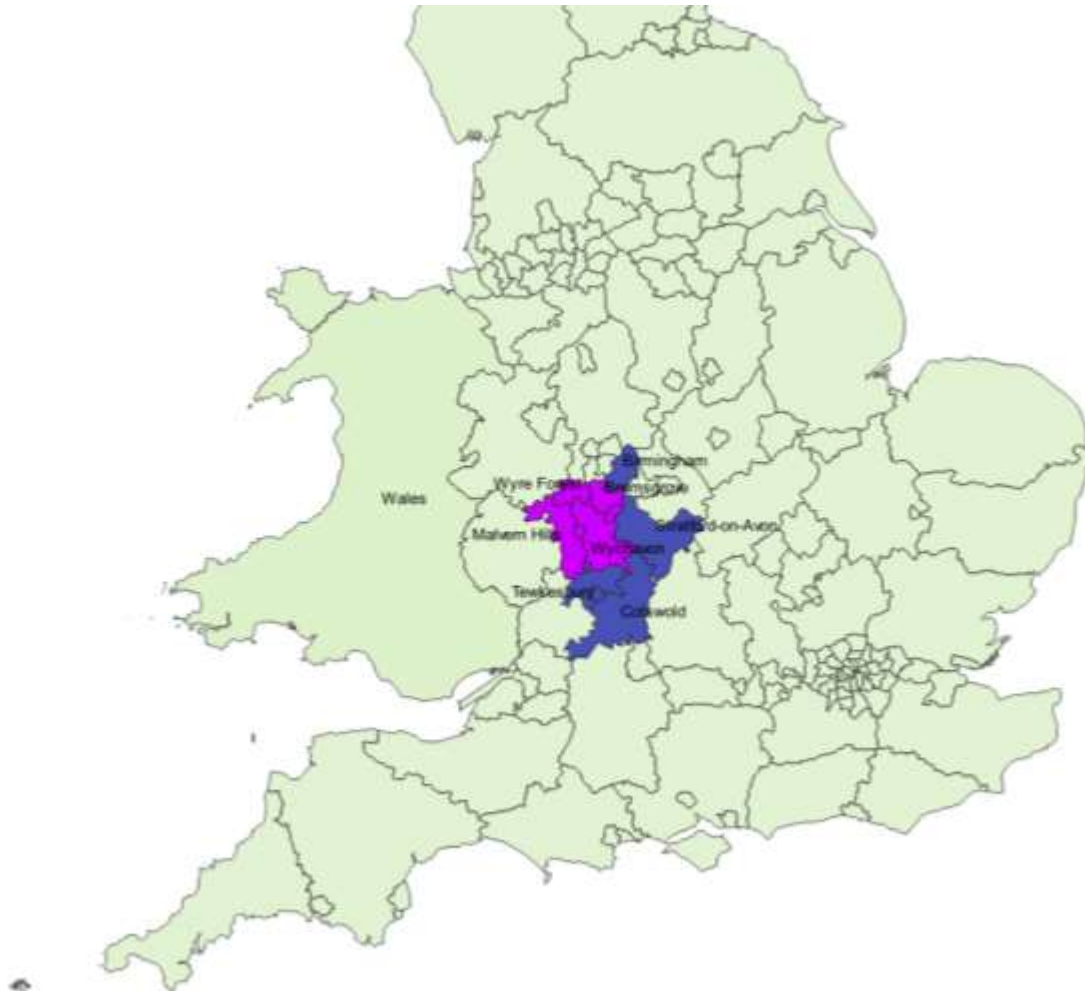
5.6 **Therefore, on the basis of the above, it is concluded that the primary functional economic market area for the South Worcestershire area can be approximated by the Worcestershire County area. A broader area extending to Stratford-on-Avon, Cotswold, Tewkesbury and Cheltenham local authorities in the south and east and Birmingham in the north would be an approximation of a secondary functional economic market area for South Worcestershire.**

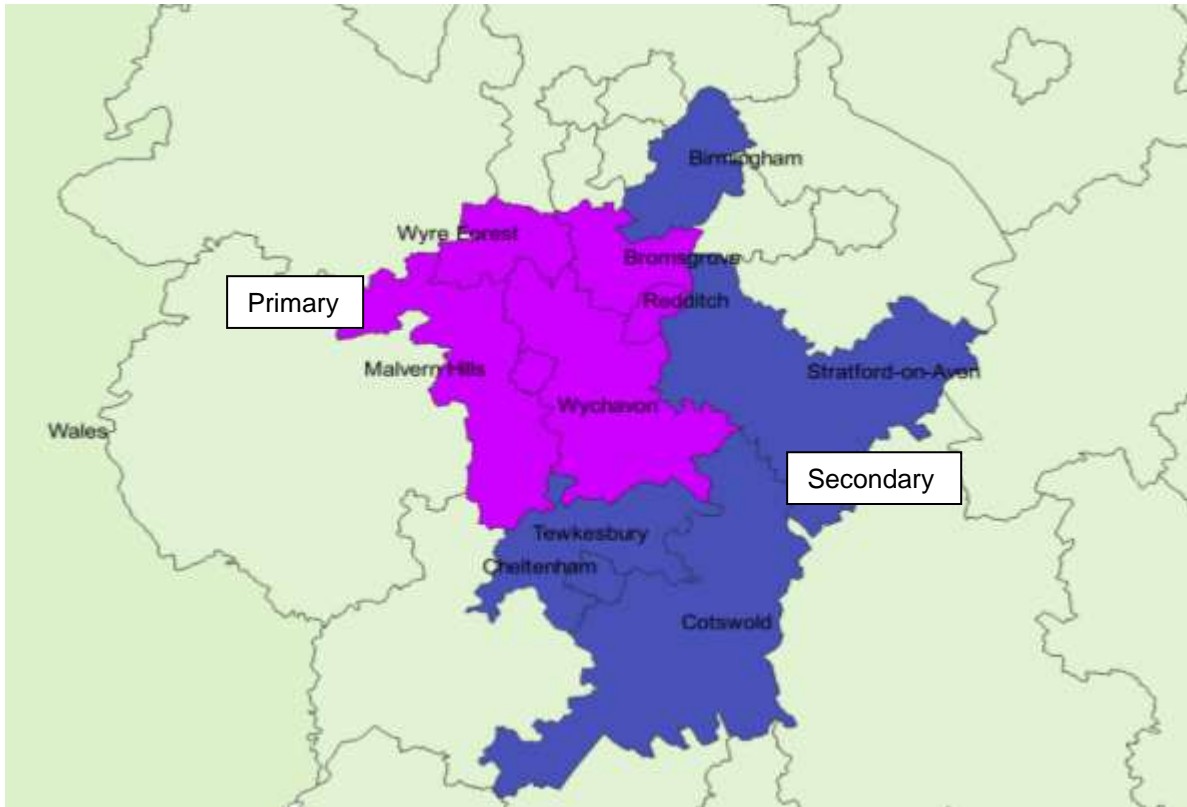
5.7 This definition is the same as that defined in the previous iteration of the EDNA in 2018. No substantive evidence has emerged since the earlier report to depart from this definition.



5.8 Below is a map showing the functional economic market area for South Worcestershire, with the primary functional economic market area being coloured in pink and the secondary functional economic market area being coloured in blue.

**Figure 5 – Functional Economic Market Area for South Worcestershire**





Source QGIS, 2021

## 6.0 EMPLOYMENT LAND

- 6.1 The following tables (6, 7, 8 and 9) review the employment land site allocations and reallocations proposed as part of the SWDP Review, including an assessment of the development potential of the sites and reviewing any development or planning approvals that have occurred since the Preferred Options consultation in November 2019.
- 6.2 The tables also provide an assessment of the development potential of the sites and any known planning permissions or intents for the sites. Sites proposed in the SWDP Review include employment allocations and mixed-use sites, some of which would have an element of office, manufacturing or warehousing employment. These are the sites that have been reviewed, with table 6 below listing the proposed employment allocations, table 7 listing the proposed mixed-use allocations, table 8 listing the strategic reallocation sites and table 9 listing the employment land element of the newly proposed strategic locations.

**Table 6 – Employment Land Allocations proposed in the SWDP Review<sup>4</sup>**

| Policy Reference     | Site  | Available Employment Land (ha) | Site area gross (ha) | Ownership    | Site Description  | Development Potential   |
|----------------------|---|--------------------------------|----------------------|--------------|---|---|
| <b>Malvern Hills</b> |   |                                |                      |              |   |   |
| CFS0082              | Land off B4208 between Hill View Area and Willow End Business Park, Malvern | 6.5                            | 6.5                  | Brian Holton | Predominantly flat (slight slope south to north), rectangular site situated off the B4208. Site does not appear to be in use currently. Mix of neighbouring uses including office and industrial situated at Willow End Business Park. There is a residential premise at the entrance to the site. The site is not well connected to major road networks with the nearest A | With this site being situated in a rural location, it is likely that uses on site (Eg(i)/B2/B8) will serve the local market. This would therefore rule out any large-scale logistics options. Uses complementary to the Willow End Business Park are most likely to be supported. Premises with a heavy reliance on the use of HGV's could face objection, with a residential premise at the entrance to the site and Willow End Business Park. |

<sup>4</sup> Site status correct as relates to monitoring data recorded up to 31<sup>st</sup> March 2021.

| Policy Reference | Site  | Available Employment Land (ha) | Site area gross (ha) | Ownership                      | Site Description  | Development Potential   |
|------------------|---|--------------------------------|----------------------|--------------------------------|---|---|
|                  |   |                                |                      |                                | road being the A449 (2.6 km's off site) and the nearest motorway being the M50 (14.3 km's off site).  | <b>Summary: Uses complementary to Willow End Business Park most appropriate</b>   |
| CFS0084          | Land off B4208 between disused railway track and Willow End Business Park Hanley Castle | 2.1                            | 2.1                  | Brian Holton                   | Flat site situated off the B4208. The site does not appear to be in use currently. Neighbouring uses include office and industrial premises situated at Willow End Business Park. There is a residential premise at the entrance to the site. The site is not well connected to major road networks with the nearest A road being the A449 (2.6 km's off site) and the nearest motorway being the M50 (14.3 km's off site). | Site has planning permission for 4,985 sqm B1 (Eg(i)) development to be ZX Lidars new headquarters. Construction has yet to start. With this site being situated in a rural location, it is likely that uses on site (Eg(i)/B2/B8) will serve the local market. This would therefore rule out any large-scale logistics options. Uses complementary to the Willow End Business Park are most likely to be supported.<br><br><b>Summary: Planning consent for office development, construction not yet started.</b>          |
| CFS0117          | Park Farm, Blackmore Park Road, Malvern   | 14.05                          | 14.05                | Malvern Hills District Council | The site lies in a rural location east of Malvern Wells situated off the B4208. The site is undeveloped aside from a small farm/industrial complex in the north-west of the site. Neighbouring uses include Blackmore Park Industrial Estate and a small residential development along the southern border of the site. The site is in close proximity to the Three Counties Showground.                                    | Opportunities for the site would be secondary and smaller B2/B8 uses supporting the local Malvern Hills market. Uses could include those that need some separation from an urban population. There is a small residential complex which sits on the southern border of the site but lies within the same field(s). Residents could object to neighbouring employment uses.<br><br><b>Summary: Secondary and smaller B2/B8 uses likely on the site. Residents along the southern border of the site could slow delivery.</b> |

| Policy Reference | Site                                   | Available Employment Land (ha) | Site area gross (ha) | Ownership          | Site Description   | Development Potential  |
|------------------|--|--------------------------------|----------------------|--------------------|--|--|
| CFS0141b         | Land adjoining Blackmore Park, Malvern | 5.52                           | 5.52                 | Blackmore Park Ltd | Irregularly shaped site adjacent to the eastern side of Blackmore Park Industrial Estate, east of Malvern Hills. Access to the site is via a gravel track road beyond where the main road finishes at Blackmore Park Industrial Estate. The site is situated off the B4208. The site is flat with a small tree and a few bushes located around the site. Industrial debris currently left along the northern perimeter of the site.  | <p>This site would logically be used to extend Blackmore Park Industrial Estate with it being immediately adjacent to the site. For the site to be accessible, investment in infrastructure would be required to improve the road surface and width. The site would have the same function as existing uses within Blackmore Park Industrial Estate, serving a local market.</p> <p><b>Summary: Site could be used to extend Blackmore Park Industrial Estate and provide further B2/B8 employment uses to serve a local market.</b></p> |
| CFS0487          | Land at Bluebell Farm, Earls Croome    | 5.60                           | 6.63                 | William Ball       | This site lies at the intersection between the A38 and the A4104. This junction is currently being upgraded to a roundabout to be completed in autumn 2022. The M50 is 5.1 kms south of the site, accessible by travelling along the A38. The site is currently in use as a caravan park/B&B/farm which is in operation in the north-west corner. Immediately adjacent to the site there is a single residential dwelling. There is also neighbouring uses further south of the site. The site itself is flat with no constraints besides a few young trees around the site perimeter and a small pond to the south of the caravan park. | <p>A B2/B8 development on this site would seem appropriate given neighbouring uses and the good transport routes to serve a local/regional market. However, adjacent residential premise may object to development.</p> <p><b>Summary: Site appropriate for small to mid B2/B8 uses to serve a local/regional market.</b></p>  |
| CFS0696          | Land to the north of Digaway, Ryall    | 1.88                           | 1.88                 | David Goodwin      | Site lies and is directly accessible off the A38. The site is moderately sloped in the south-east corner, which would need addressing if development was to occur here. The land is currently being used as agricultural land. Adjacent to the south of the site is a small industrial development with occupiers such as RevsHog Motorcycles and Grove House Garage. The M50 is accessible via the A38 4.6 kms south of the site.   | <p>This site would likely provide an extension to the existing industrial uses adjacent to the south (small B2/B8 premises). Sloping on the site could make development more difficult in this location but reasonable access to major road networks would make this site attractive to businesses.</p> <p><b>Summary: Small B2/B8 development, expanding on adjacent uses, most likely. Attractive site due to proximity to major road networks via the A38.</b></p>  |

| Policy Reference | Site  | Available Employment Land (ha) | Site area gross (ha) | Ownership                | Site Description   | Development Potential   |
|------------------|---|--------------------------------|----------------------|--------------------------|--|---|
| CFS1019sc        | Land to the west of Worcester Road, Open Barn Farm, Kempsey | 2                              | 2                    | John Anstey              | Flat, rectangular site directly accessible off the A38. Taking the A38 and A4440 to the north provides access to Junction 7 of the M5, 5.0 kms from the site. Neighbouring uses include small industrial premises to the south-west of the site.   | The width of the site is likely to limit employment uses on the site towards small/medium-scale B2/B8 development. However, access to the A38 and the A4440 makes this site an attractive prospect to businesses looking to serve both a local and wider market.<br><br><b>Summary: Suitable for small-medium sized B2/B8 employment uses.</b>  |
| CFS1097a         | Land at Mayfield Road, Malvern                              | 7.97                           | 9.71                 | Jonathan Chenevix-Trench | Large site with slight slopes throughout. Malvern Riding School and attached residential dwelling is situated adjacent to the northern edge of the site. Neighbouring uses include residential to the north and the west and agricultural land to the east and south. There is a large industrial estate north of the site, separated from the site by a residential area. Access to the site would be via Mayfield Road, a one-way single-track road unsuitable for HGV's. The site is not in close proximity to major road networks with the nearest A road being the A449, 1.9 kms from the site. | Proximity to major road networks would suggest that employment uses would serve a local market. Eg(i), B2 and B8 uses could all be suitable for this site in some capacity. However, with the site being in a predominantly residential area and there being poor access to the site, limiting the ability for HGV's to access the site, this would not appear to be the most attractive of prospects for businesses looking for new premises.<br><br><b>Summary: An employment site with a few factors which make the success of development at this location difficult. However, industrial estate to the north of the site demonstrates that a successful employment site is possible in this location. Likely to be a longer-term prospect serving Malvern's needs.</b> |
| CFS1212a         | Plot 1 at Severn House, Bromyard Road, Crown East           | 0.47                           | 0.47                 | Wellbeing (Holdings) Ltd | Small, flat site adjacent to the entrance road to Severn House. The site is accessible directly off the A44 and close to the roundabout connecting the A44 with the A4103 and the A4440. Road into Severn House is wide and suitable for HGV use. There are a few trees around the perimeter of the site. Reasonably close to the urban area of Worcester.   | Logically, this site would be used to expand on the existing B2/B8 premises located at Severn House. The site's good quality access and proximity to A roads would suggest that employment uses would be attractive to businesses serving a local/ regional market. Potential to serve the Worcester market, providing overflow land for the extension of the urban area.<br><br><b>Summary: Potentially providing small scale B2/B8 premises which would serve the Worcester market.</b>   |
| CFS1212b         | Plot 2 at Severn House, Bromyard Road, Crown East           | 2.98                           | 2.98                 | Wellbeing (Holdings) Ltd | This is a predominantly flat site with slight sloping in the north-west corner. The site is adjacent with residential properties along its eastern perimeter and adjacent to Severn House to the south. Access   | Logically, this site would be used to expand on the existing B2/B8 premises located at Severn House. If the road into Severn House is extended to provide access to the site, with the site being in close proximity to A roads, B2/B8 development would be attractive to businesses  |

| Policy Reference      | Site                              | Available Employment Land (ha) | Site area gross (ha) | Ownership  | Site Description   | Development Potential   |
|-----------------------|-----------------------------------|--------------------------------|----------------------|--|--|---|
|                       |                                   |                                |                      |  | would need to be established. Some trees at perimeter of site. Reasonably close to the urban area of Worcester.  | <p>serving a local/ regional market. Potential to serve the Worcester market, providing overflow land for the extension of the urban area.</p> <p><b>Summary: Potentially providing small scale B2/B8 premises which would serve the Worcester market.</b></p>  |
| SWDP54                | Blackmore Park, Malvern           | 2.2                            | 5.06                 | Blackmore Park Ltd, Barnett Waddingham Trustees Scotland Ltd | Partially developed site, with potential to accommodate expansion uses of Blackmore Park business park. Various approvals for B1, B2, B8 uses on site.   | <p>Rural location east of Malvern Wells. Opportunities for the site would be secondary and smaller B2/B8 uses supporting the local Malvern Hills market. Uses could include those that need some separation from an urban population.</p> <p>Alongside the allocation, ESP Enigma have a site with further expansion room, which would be for their own purposes (B2/B8).</p> <p><b>Summary: Developable for smaller, rural based B2/B8 units.</b></p>  |
| <b>Worcester City</b> |                                   |                                |                      |  |  |   |
| CFS0587sc             | Land at Blackpole Road, Worcester | 8.12                           | 8.12                 | Charles Hindlip  | Large site located in the green belt with a modest slope from north to south. The site is accessible via the B4850 which lies just off the A449. The site sits in a highly industrial area of Worcester. There are trees that run from north to south through the centre of the site. Majority of site is overgrown grassland. | <p>Site is suitable for B2/B8 development of most sizes. This is complementary to neighbouring uses. With easy access to the A449 which provides access to the M5 to the east, this site could be attractive to businesses looking to serve a regional/national market. Infrastructure will be required to improve the road/ dirt track currently providing access onto the site.</p> <p><b>Summary: Strong site with the potential to deliver medium-large B2/B8 units for a regional/national market.</b></p> |

| Policy Reference     | Site   | Available Employment Land (ha) | Site area gross (ha) | Ownership   | Site Description  | Development Potential  |
|----------------------|--|--------------------------------|----------------------|---|---|--|
| CFS1164              | Land at the junction of Berkeley Way and Parsonage Way | 1.84                           | 1.84                 | Grey Technology Holding Ltd                               | Thin site that sits adjacent to the A440 and in close proximity to Junction 6 of the M5 (1.3 kms). Neighbouring uses include residential and a church adjacent to the south of the site. Across Berkeley Way to the north there are industrial uses. The site itself is heavily constrained with steep sloping and thick bushrow and trees throughout the site. Currently, access to the site is via St. Nicholas Lane, a narrow road unsuitable for HGV use. | <p>The proximity of this site to Junction 6 of the M5 makes it an attractive prospect for B2/B8 development. The site is currently significantly constrained with sloping and thick vegetation. In addition, the site is narrow, reducing the potential size of premises on the site. However, the site has planning permission for 2,915 sqm of employment uses, including offices (1,606 sqm), research (373 sqm) and storage (936 sqm). This is for the headquarters of a single occupier. If the constraints can be overcome, this would become a strong site generating significant interest from developers/businesses.</p> <p><b>Summary: To be developed in accordance with planning permission.</b></p> |
| SWDP 43/15 (CFS0703) | Worcester Woods Business Park, Newtown Road            | 0                              | 9.16                 | Berkeley Castle Estate/ Spetchley Estate                  | Large site, partially covered with trees and some sloping. Site is in a high profile location and intersection of Newtown Rd and Parsonage Way and adjacent to Worcester Royal Hospital. Part of site now used as additional car-parking space for the hospital.  | <p>Majority of the site is vacant and grassed. Some sloping but developable for B-class uses. Potential for business park or research park with links to Hospital, though is of sufficient scale for a broader range of employment uses. However, the land is recorded as '0 ha' for employment uses as there is a high probability that the site will now be used for a new secondary school.</p> <p><b>Summary: Developable for employment, e.g. office/research park. However, there is a high probability that the site will now be used for a new secondary school.</b></p>   |
| <b>Wychavon</b>      |  |                                |                      |   |   |  |
| CFS0061a             | Hartlebury Trading Estate, Crown Lane, Hartlebury      | 1.57                           | 1.57                 | W.G.T.C. Nominees Ltd, British Overseas Bank Nominees Ltd | Slightly sloped, maintained, grass site with several trees on site, but mainly around the perimeter. The site forms part of the northern area of Hartlebury Trading Estate. Neighbouring uses include office and industrial units. Good quality access to the site, suitable for HGV's. Close proximity to the A449 and Hartlebury Train Station.   | <p>This site would be appropriate for Eg(i), B2 or B8 development, however, the majority of neighbouring buildings in the northern area of Hartlebury are office premises. Therefore, office may be the most appropriate development. Strong, local transport routes would make this site an attractive prospect for developers/businesses. With the site being disconnected from motorway networks, it is likely that any development would serve a similar market to existing Trading Estate uses.</p>   |



| Policy Reference | Site  | Available Employment Land (ha) | Site area gross (ha) | Ownership   | Site Description   | Development Potential  |
|------------------|---|--------------------------------|----------------------|---|--|--|
|                  |   |                                |                      |   |  | <b>Summary: Limited constraints, being positioned within an existing trading estate and good connections to local transport routes makes this site a strong candidate for office/industrial development in the short-medium term</b>   |
| CFS0061b         | Hartlebury Trading Estate, Crown Lane, Hartlebury | 0.17                           | 0.17                 | W.G.T.C. Nominees Ltd, British Overseas Bank Nominees Ltd | This site is positioned at the northern most entrance to Hartlebury Trading Estate. Although the majority of neighbouring uses are office/industrial, directly adjacent to the site is a residential dwelling which could limit development options on this site. The land is flat and unconstrained with wide roads providing access to the site, suitable for HGV's. Close proximity to the A449 and Hartlebury Train Station. | Due to the size of this area of land, it lends itself towards a small-scale office or industrial development. The proximity of the site to local transport routes would make it desirable for businesses serving a local/ regional market.<br><br><b>Summary: Unconstrained site with development potential for a small-scale office/industrial unit.</b>  |
| CFS0061c         | Hartlebury Trading Estate, Crown Lane, Hartlebury | 0.31                           | 0.31                 | W.G.T.C. Nominees Ltd, British Overseas Bank Nominees Ltd | Small, backland site which is part of Worcester Timber Products premises in Hartlebury Trading Estate. Access to the site is via a road with cars parked on its side. This could make HGV access difficult, however, there is evidence that HGV's do operate on the road. The site is constrained by several trees.  | This site would appear to be only appropriate to be used for expansion of Worcester Timber Products property in Hartlebury Trading Estate.<br><br><b>Summary: Expansion site for Worcester Timber Products or order storage site.</b>  |
| CFS0061d         | Hartlebury Trading Estate, Crown Lane, Hartlebury | 0.65                           | 0.65                 | Schroders UK  | Brownfield site immediately adjacent to Anderman Ceramics in Hartlebury Trading Estate. The site is flat and is currently being used to store industrial goods (forklifts, pallets, etc). To the north west of the site there is a gated area in which lorries appear to be being stored. Access to the site is good, with wide roads complimentary with HGV use. The site is  | With the site being to the rear of two existing industrial premises, development would likely be an additional industrial unit or the expansion of one of the existing, adjacent units. A new industrial unit would not have frontage to one of the main roads running through the estate. This would therefore suggest that expanding one of the existing units may be more appropriate. Planning permission to extend Unit 111, Hartlebury Trading Estate has permission but is yet to be implemented. |

| Policy Reference | Site  | Available Employment Land (ha) | Site area gross (ha) | Ownership                    | Site Description   | Development Potential  |
|------------------|---|--------------------------------|----------------------|------------------------------|--|--|
|                  |   |                                |                      |                              | in close proximity to the A449 and Hartlebury Train Station.   | <b>Summary: B2/B8 development appropriate, with the expansion of one of the existing industrial units appearing to be the most logical option</b>  |
| CFS0099          | Land off Evesham Road, North of the Twyford Roundabout, Evesham | 3.61                           | 3.61                 | Lansdowne Rodway Estates Ltd | The site is situated between the A46, the A44 and the B4088, north of Evesham. This provides the site with good access to the local road network. Neighbouring uses include residential, industrial and leisure. The site is moderately sloped from north to south and has some bushes and trees throughout. Additionally, a power line runs through the site. Currently a single-lane road via the B4088 provides access onto the site. | It appears that the most appropriate use of this site would be to develop B2/B8 property to benefit from the adjacent A roads. The proximity to the A roads would suggest that any development would serve a local Evesham market.<br><br><b>Summary: B2/B8 development serving Evesham.</b> |
| CFS0102          | South of Keytec East, Business Park, Pershore                   | 0.97                           | 0.97                 | Crown House Developments Ltd | Flat, unconstrained site situated to the south of Red Deer Herbs Ltd in Keytec East. There are other neighbouring industrial uses to the north and west of the site. The site is accessible via the B4083 which connects to the A44 (1.5 km's from site).  | This site provides a logical area of land for the expansion of Keytec East. Development would serve local/regional market given its proximity to the A44, but not any motorway networks.<br><br><b>Summary: Keytec East expansion site, for B2/B8 development</b>                            |
| CFS0103          | Keytec East Business Park, Pershore Pershore                    | 0.73                           | 0.73                 | Crown House Developments Ltd | Flat, unconstrained site situated to the north of Red Deer Herbs Ltd in Keytec East. There are other neighbouring industrial uses to west of the site. The site is accessible via the B4083 which connects to the A44 (1.6 kms from site).   | Suitable for B2/B8 development as part of further expansion of Keytec East.<br><br><b>Summary: Site suitable for Keytec East B2/B8 expansion</b>   |

| Policy Reference | Site   | Available Employment Land (ha) | Site area gross (ha) | Ownership                     | Site Description  | Development Potential  |
|------------------|--|--------------------------------|----------------------|-------------------------------|---|--|
| CFS0142          | Parcel A - Land adjacent Broadway Road, Wickhamford, Evesham | 6.34                           | 6.34                 | Derek Jarman                  | Flat site situated immediately off the A44 and close to the junction with the A46, south-east of Evesham. There is a wide gated entrance into the site which is wide enough for HGV's to enter. The majority of neighbouring land is used for agricultural purposes aside from Long Acres Park, a caravan park across the A44. There are a few thick bushes and small trees onsite as well as a power line which passes through the site.   | With good connections to both the A44 and A46, the site would be appropriate for B2/B8 development to serve the Evesham and wider regional markets.<br><br><b>Summary: Strong candidate site for B2/B8 development to serve Evesham/regional market</b>  |
| CFS0143          | Parcel B - Land adjacent Broadway Road, Wickhamford, Evesham | 1.76                           | 1.76                 | Derek Jarman                  | Site is situated to the south-east of Evesham and could be accessible via the A44 when allocated with Parcel A. Also, in close proximity to the A46 and access could be achieved via existing allocated extension to Vale Park (SWDP 51/3). Currently access to the site is down an uneven dirt track unsuitable for most forms of transport. The site itself is flat and unconstrained. The site is surrounded by agricultural/ open land. Further south-west there is a large industrial estate, Vale Park. | Would likely need to be developed in conjunction with site CFS0142 due to access issues via the dirt track from the A46. New access would need to be achieved off A44/Broadway Road. Likely development would be in the form of B2/B8 units of a small-medium nature to serve the Evesham/ regional market.<br><br><b>Summary: Suitable for B2/B8 development serving Evesham/ regional market</b> |
| CFS0990sc        | Parcel C - Land adjacent Broadway Road, Wickhamford, Evesham | 3.82                           | 3.82                 | Barwood Land                  | Site is situated to the south-east of Evesham and is accessible via the A44 when allocated with Parcel A/B. Currently access to the site is down an uneven dirt track unsuitable for most forms of transport. The site itself is flat and unconstrained. The site is surrounded by agricultural/ open land. Further south-west there is a large industrial estate, Vale Park.   | Would likely need to be developed in conjunction with site CFS0142 and CFS0143 as a smaller cut due to access issues via the dirt track from the A46. Likely development would be in the form of B2/B8 units of a small-medium nature to serve the Evesham/ regional market.<br><br><b>Summary: Suitable for B2/B8 development serving Evesham/ regional market</b>                                |
| CFS0400sc        | Eatons Farm, Church Lane, Tibberton                          | 9.54                           | 9.54                 | Worcestershire County Council | The site consists of two fields. The bottom field slopes quite significantly from north-west to south-east. It is currently in use for agriculture. The top field moderately  | The sites close proximity to the M5 and the neighbouring Worcester Six Business Park makes it an ideal candidate for large-scale B2/B8 development to serve a national   |

| Policy Reference | Site   | Available Employment Land (ha) | Site area gross (ha) | Ownership             | Site Description  | Development Potential   |
|------------------|--|--------------------------------|----------------------|-----------------------|---|---|
|                  |  |                                |                      |                       | slopes from north to south and does not have any current uses. The site is immediately adjacent to Worcester Six Business Park, to the west. Pershore Lane (A road) runs adjacent to the sites western boundary and connects the site to Junction 6 of the M5 just 1 km north of the site. Pershore Lane also connects the site to the A422 to the south.   | market. However, sloping on site could make development more difficult or reduce yield.<br><br><b>Summary: Potential for site to capitalise on strategic location and serve national market with large scale B2/B8 development. Follow-on development once Worcester Six is completed.</b>  |
| CFS0559          | Land north of Drakes Broughton Business Park, Worcester Road, Drakes Broughton | 2.31                           | 2.31                 | Jeremy Boraston       | Site is situated off the B4084 in Drakes Broughton. The site sits immediately adjacent to the north of Drakes Broughton Business Park. Other residential uses include a residential complex. The site itself consists of unkept, thick bushes and the site is slightly sloped from south to north. The A44 is the nearest major road and is accessible 2.1 kms off site.  | Development would likely be an extension to the existing Drake Broughton Business Park. By extending the road through the business park, direct access could be provided to the site. Therefore, development would be small-medium B2/B8 units.<br><br><b>Summary: Small-medium B2/B8 extension to Drake Broughton Business Park would be suitable.</b>               |
| CFS0680          | Land off Sawmills Walk/Briar Close Business Park, Evesham                      | 0.87                           | 0.87                 | Eveline Rudge         | Site is situated immediately south-west of Briar Close Business Park north Evesham. The site slopes from east to west which could create difficulties for development. Constraints on site include thick shrubbery and small trees. This site is relatively near to both the A44 (2.5 km) and the A46 (2.5 km).   | If sloping can be addressed, then this site would provide an opportunity to extend Briar Close Business Park with further B2/B8 development. Proximity to the A44 and A46 would suggest that development would serve both Evesham and the wider region.<br><br><b>Summary: Site could be used to expand Briar Close Business Park if constraints can be overcome.</b> |
| CFS0775          | Snodsbury Farmhouse, Bow Wood Lane, Upton Snodsbury                            | 0.44                           | 1.71                 | Sevilla Worcester Ltd | A semi developed site with industrial uses currently in place. Occupiers include Jarvis Autocare, Peak Revs – Garage services and Delta Mart, all of which operate out of industrial premises. Access to the site is via a narrow dirt track. HGV's would struggle to turn into the site entrance. The undeveloped land is currently in use as grazing land for horses. The site is situated immediately off the A422 in Upton Snodsbury. | Site could be used to expand Snodsbury Court to the south, providing further B2/B8 units. Isolated location would suggest that development would serve a local market.<br><br><b>Summary: Expansion of Snodsbury Court (B2/B8) to serve local market</b>  |

| Policy Reference | Site  | Available Employment Land (ha) | Site area gross (ha) | Ownership  | Site Description  | Development Potential   |
|------------------|---|--------------------------------|----------------------|--|---|---|
| CFS0891          | Land south of Vale Park, Evesham                        | 5.3                            | 5.3                  | Wychavon District Council  | Site lies to the south of Vale Industrial Park, south of Evesham. Vale Park is situated just off the A46 and close to the roundabout connecting the A46 to the A44. The site is mildly sloped from south-east to north-west, but this is unlikely to cause problems for development. Land is currently being used for agriculture. Battleton Brook runs along the site's western boundary.  | Site is currently being marketed as a design and build opportunity known as Phase 2 – Vale Park. Phase 2 would include fully developing this site and an adjoining field to the east. Industrial units will be between 30,000 – 226,000 sqft.<br><br><b>Summary: Design and Build extension to Vale Park providing industrial units between 30,000 - 226,000 sq ft.</b> |
| CFS0925          | Two Shires Park, Weston Road, Honeybourne               | 13.95                          | 31.26                | Ownerships include Elision UK Ltd, Carey Pension Trustees UK Ltd | This site is developed in parts, with vacant employment land to the south-east. Developed land on site consists of dated industrial units with occupiers including IDS Transport Ltd, Gold Cars, Superior Freight Ltd and others. Undeveloped long is mostly unconstrained besides a few small areas of trees. There is a wide road providing access into Two Shires Park, suitable for HGV's. The site is fairly isolated from major road networks with the nearest a road, the A44, being 6.4 kms off site. | Most likely use of undeveloped land is to extend Two Shires Park, providing additional B2/B8 industrial premises. However, the rural nature of the business park would suggest that development would serve only a local market.<br><br><b>Summary: B2/B8 extension to Two Shires Park to serve local market is most likely.</b>  |
| SWDP NEW 63      | Former Pipes Support Site, Salwarpe Road, Droitwich Spa | 1.54                           | 1.54                 | Fletcher Construction  | Brownfield site now cleared but previously in employment use. Established access for former employment use off Salwarpe Road. The site is well connected to the existing road network and contained by existing features including, River Salwarpe, railway and a canal making it a highly logical infill plot.   | Suitable commercial uses under class E(g), B2 and B8 of the Use Classes Order with ancillary office accommodation.<br><br><b>Summary: E(g), B2/B8 regeneration scheme to serve a regional/national market</b>   |
| SWDP 49/3        | Stonebridge Cross Business Park, Hampton Lovett         | 10                             | 10                   | Stoford  | Allocated for employment in 2016 SWDP. Established business/industrial uses within Stonebridge Cross Business Park, including mid to larger occupiers. SWDP 49/3 would be a logical extension of this business park. Good access onto A442,   | Extension to established site with largescale employment uses. Therefore, complementary uses would be B2/B8 providing an extension function for Stonebridge Cross Business Park. Proximity to good road links development would serve regional/national markets.  |

| Policy Reference                    | Site                          | Available Employment Land (ha) | Site area gross (ha) | Ownership | Site Description  | Development Potential   |
|-------------------------------------|-------------------------------|--------------------------------|----------------------|-----------|---|---|
|                                     |                               |                                |                      |           | linking east to M5 Jct. 5 and north to Kidderminster A449.  | <b>Summary: B2/B8 uses to serve local and regional markets, potentially some ancillary office uses.</b>   |
| SWDP 51/3                           | Vale Industrial Park, Evesham | 34                             | 34                   | St Modwen | Allocated for employment in 2016 SWDP. Established industrial/commercial uses of which SWDP 51/3 is an extension. Good links to M5 and M40 via A46 (T). | Extension to established site with largescale employment uses. Therefore, complementary uses would be B2/B8. Proximity to good road links development would serve regional/national markets.<br><br><b>Summary: Mixed employment, predominantly B2/B8 serving a regional/national market.</b> |
| <b>Total Malvern Hills District</b> |                               | <b>51.27</b>                   |                      |           |   |   |
| <b>Total Worcester City</b>         |                               | <b>9.96</b>                    |                      |           |   |   |
| <b>Total Wychavon District</b>      |                               | <b>97.88</b>                   |                      |           |   |   |

Source: SWDP Review; BE Group assessment, 2022

6.3 As well as the proposed employment allocations above, the SWDP Review also includes a range of mixed-use allocations, some of which are intended to include employment uses. The following table reviews the proposed mixed-use site allocations of the SWDP Review that have elements of employment uses intended for them.

**Table 7 – Mixed Use allocation sites proposed in the SWDP Review<sup>5</sup>**

| Site Reference       | Site   | Uses   | Available Employment Land (ha) | Site area gross (ha) | Ownership  | Site Description  | Development Potential  |
|----------------------|--|--|--------------------------------|----------------------|--|---|--|
| <b>Malvern Hills</b> |  |  |                                |                      |  |   |  |
| SWDP53               | Malvern Technology Centre (QinetiQ), St Andrews Road, WR14 3PS | Mixed use development including E(g) employment land | 4.5                            | 15.4 out of 26       | QinetiQ  | The remaining 10.6 ha will be safeguarded for B1 use class and associated development. Critical for anchoring high technology industries at Malvern to meet economic vision for area. Land here is under-utilised due to out of date premises that are currently occupied at low density. Owners are pursuing a masterplan to rationalise the site. North of site is Malvern Hills Science Park with limited space available for future expansion and the need to provide growth capacity for existing companies means that the land needs to be safeguarded for future business use. | QinetiQ control the site but have disposed of spare brownfield land to the south of the site for residential development, which is now underway. Potential for supporting or satellite employment opportunities around the core QinetiQ use.<br><br><b>Summary: Remaining employment land appropriate for E(g) and B2 uses, likely to be supporting the cyber and surveillance technologies in this locality. Provides options for growth of the Technology Centre and Science Park.</b>                   |
| SWDP56               | Development at North East Malvern                              | Mixed use urban extension                            | 10                             | 56.7                 | Gleeson Developments Ltd and Wellbeck Strategic Land LLP | Comprehensive masterplan is required for this site to deliver 800 dwellings (up to 40% affordable), 10 ha of employment land in a location that is attractive to business interests, community infrastructure (primary school, community hall, cemetery, police), green infrastructure, neighbourhood shopping facilities, public transport facilities. Masterplan would need to consider access to A449.   | Development would be residential-led, though there would be opportunities for a mix of employment uses on site. Narrow frontage reduces profile of site and suitable access for residential and employment uses would need to be secured. Employment potential would be a mix of Eg(i)/B2/B8 uses, providing additional capacity to the local Malvern market. Potential to deliver the next wave of A-grade stock for Malvern.<br><br><b>Summary: Mix of employment uses for mid-term Malvern's needs.</b> |

<sup>5</sup> Site status correct as relates to monitoring data recorded up to 31<sup>st</sup> March 2021.

| <b>Worcester City</b> |  |  |         |       |   |   |  |
|-----------------------|--|--|---------|-------|---|---|--|
| CFS0933<br>CFS1076    | Land at Navigation Road, Diglis, Worcester             | Residential and Employment/ Commercial                               | 3 (0)   | 14.27 | Canal and River Trust   | Existing industrial estate that is a potential regeneration site, including residential and employment uses. Existing employment uses comprise approximately 11 ha, with proposed employment uses to be about 3 ha. (i.e. net loss of employment land and therefore not included in totals).  | Regeneration opportunity for a comprehensive mixed-use scheme. Likely to be residential-led, with supporting employment uses, which are likely to be offices or light industrial.<br><br><b>Summary: Regeneration scheme for residential and employment uses, though a net loss of employment land from existing position.</b>   |
| SWDP 43aa             | Lowesmoor Wharf, Worcester                             | Commercial and residential   | 0       | 1.14  | Lowesmoor Wharf Developments Ltd  | Site consists of a mix of light industrial and retail uses. The site has been developed with little room for expansion. The layout of the site results in any vacant areas of land being obscure in shape, making further development tricky.   | Redevelopment opportunities are intended for residential and commercial uses and unlikely to be office, manufacturing or warehousing opportunities.<br><br><b>Summary: Regeneration opportunities not intended for further employment uses</b>   |
| SWDP44/4              | Shrub Hill   | Approx. 750 dwellings. Plus, other mixed use/ commercial development | unknown | 19.72 | Several ownerships including St Modwen  | Mixed use development should be developed both East and West of the railway line. Potential for significant amounts of new or refurbished commercial office space. A mixed-use development would create a new neighbourhood in the city. Existing businesses should not be lost as are an important element to the economy of the city. | Existing St Modwen industrial estate and commercial uses. Well positioned, inner-ring estate, though has older buildings and confusing layout. Some vacant premises on site, though is still providing a function for secondary/tertiary employment spaces in a near city location. Potential for a comprehensive redevelopment on the site, likely to be residential with a range of E-class commercial uses, including some office uses. Planning permission for a mix of uses granted east of the railway line (19/00693/REM, 19/00694/RM).<br><b>Summary: Longer term redevelopment opportunity that may result in other uses forming part of a mixed-use development. Unlikely to be a net gain of employment floorspace on site.</b> |
| SWDP 44/5             | Blockhouse / Carden Street Opportunity Zone, Worcester | Opportunity Zone, Residential  | 0       | 3.9   | Several ownerships including British Telecommunication Plc, Worcester City Council, Worcestershire County Council | Site consists of dated, brick, industrial units in the South of Worcester. British Telecommunications owns a large office premise along the northern border of the site. Little to no room for expansion on site, though potential regeneration opportunity.  | This provides an opportunity to create a network of intimate shared surface streets, which can provide access to a mix of good quality city centre housing (approximately 120 dwellings), smaller business premises and live - work opportunities.<br><br><b>Summary: Developed site with little/no room for expansion</b>   |



|                 |   |                                       |      |      |  |  |   |
|-----------------|---|---------------------------------------|------|------|--|--|---|
| SWDP 44/6       | Cathedral Quarter and Sidbury Opportunity Zone, Worcester | Opportunity Zone, Cultural facilities | 0    | 1.91 | Several ownerships including Berkeley Homes Ltd, Worcester City Council, The Bransford Trust   | Key regeneration and gateway site in Worcester City Centre.  | Intended for regeneration of the site for a cultural quarter for Worcester. Recent residential development could provide catalyst for further development. Unlikely to be Eg(i), B2, B8 uses, though could support other ground level E-class uses.<br><br><b>Summary: Residential development in 2020 has limited the potential for new development of employment uses on site</b>   |
| SWDP 44/8       | St Clement's Gate Learning Quarter                        | Learning quarter                      | n/a  | n/a  | Several Ownerships including Worcester City Council and University of Worcester  | Identified as key interface between city centre and university. Majority of site is part of the University of Worcester's city campus, including The Hive, library (a joint venture between Worcestershire County Council and the University of Worcester).  | Further employment-based development is unlikely in this area, with any development on the clear land north of the railway line likely to be an extension of the University facilities.<br><br><b>Summary: Employment use development unlikely due to undeveloped land being in the University of Worcester's ownership. Therefore, future development will likely be an extension to the University. Some potential for incubator space to support start-ups emerging from the University.</b> |
| <b>Wychavon</b> |   |                                       |      |      |  |  |   |
| CFS0709         | No 72 High Street/Swan Lane, Evesham                      |                                       | 0    | 0.58 | Eros Properties Ltd  | Flat site, situated on Evesham High Street/Swan Lane. Site is fully developed with several retail units and a car park. No constraints on site.  | Site has been developed and is being used for retail. Potential to redevelop car park to the rear of retail uses.<br><br><b>Summary: Developed site with retail uses</b>  |
| CFS0991         | Riverside Shopping Centre, Evesham                        |                                       | 0    | 1.45 | Several ownerships including PJK Investments Ltd   | Large shopping centre in the centre of Evesham. This site is fully developed.  | Fully developed site with little/no room for expansion.<br><br><b>Summary: Developed site (Riverside Shopping Centre)</b>   |
| CFS1208         | Land off Kennel Lane, Broadway                            |                                       | 1.09 | 2.89 | Peter Dennis<br>George Aizlewood,<br>Mascoll Properties,<br>Jeremy<br>Christopher William<br>Houghton, Michael<br>Colin Houghton,<br>Peter Renfrow | Site is situated to the south of Broadway's main high street with a narrow, single track road providing access to the site. HGV's would not be able to pass through the access road. The site holds a variety of uses including retail workshops, residential uses and showrooms. There is some undeveloped land on the eastern side of the site currently being used as a large dog pen. Additionally, in the south | Limited available land for development but there is the potential to expand onto vacant land and develop additional retail/workshop/office units. This would serve the local Broadway market.<br><br><b>Summary: Potential to develop additional retail/workshop/office units on undeveloped land</b>   |

|                                     |   |                             |             |     |  |   |  |
|-------------------------------------|---|-----------------------------|-------------|-----|--|---|--|
|                                     |   |                             |             |     |  | west of the site there is some vacant land, but this land is constrained by thick shrubbery and trees. The site is a proposed mixed-use allocation in the Regulation 16 Broadway Neighbourhood Plan which is at examination at time of publication. |  |
| SWDP 59/19                          | Land adjacent to Station Road, Broadway | Residential, Medical Centre | 0           | 9.5 | Wychavon District Council, Surgery Developments Ltd, George Bryant | The new Broadway Medical Centre is being relocated onto this site and is nearing completion. The southern area of the site is also currently being used as a long stay car park and by Broadway United Football Club.                               | Intended for 100 dwellings. The construction of the Medical Centre should encourage the development of complementary uses on the remainder of the site.<br><br><b>Summary: Broadway Medical Centre currently under construction. Remainder of site likely for residential.</b> |
| <b>Total Malvern Hills District</b> |   |                             | <b>14.5</b> |     |  |   |  |
| <b>Total Worcester City</b>         |   |                             | <b>0</b>    |     |  |   |  |
| <b>Total Wychavon District</b>      |   |                             | <b>1.09</b> |     |  |   |  |

Source: SWDP Review; BE Group assessment, 2022

**Table 8 – Strategic Reallocation Sites Proposed in the SWDP Review**

| Site Reference   | Site  | Uses   | Available Employment Land (ha) | Site area gross (ha) | Ownership  | Site Description   | Development Potential  |
|--|---|--|--------------------------------|----------------------|--|--|--|
| <b>Malvern Hills</b>   |   |  |                                |                      |  |  |  |
| SWDP45/1<br>(Wider Worcester Area – SWDP (2016))<br>Malvern Hills Section <sup>6</sup> | Broomhall Community and Norton Barracks Community (Worcester South Urban Extension) | Mixed use including employment land and dwellings. | 8.5                            | 247.1                | Several ownerships including Wellbeck Strategic Land LLP | Large site to the south of the Worcester urban area. This gross area includes land within the development boundary for the rural settlement of Norton Barracks/ Brockhill Village (27.5 ha). | <p>Employment opportunities would be for B2/B8 units. The broader site is a residential led scheme, with potential for retail to service the population. Further infrastructure is required to deliver the employment use, with the infrastructure to be delivered by the residential components.</p> <p>Construction of Phase 1 of St Modwen’s employment (B2/B8) scheme is underway, as are the residential elements. Phase 2 and further Build to Suit opportunities will be delivered in the future. Over 180,000 sq ft of employment floorspace will have been delivered once all phases are complete</p> <p><b>Summary: B2/B8 uses to be delivered in the short/medium term with construction underway</b></p>               |
| SWDP45/2<br>(Wider Worcester Area – SWDP (2016))<br>Malvern Hills)                     | Temple Laugherne (Worcester West Urban Extension)                                   | Mixed use including employment land and dwellings. | 5                              | 138.8                | Hallam Land Management Ltd, University of Worcester      | The site is to support some 2,150 dwellings. Timing of the delivery will be dependent on the Worcester Transport Strategy, in particular the dualling of the A4440 Southern Link Rd.         | <p>Residential led opportunity for the majority of the site. University of Worcester have an interest in part of the site for student accommodation and campus facilities. Employment uses should be in the southern area of the site, to service local Worcester and Malvern needs and businesses not requiring close proximity to motorways. Likely to be mix of employment uses, though predominantly B2. Likely to be small to mid-size units. Would need to ensure that the employment aspects are delivered appropriately, rather than just a residential scheme.</p> <p><b>Summary: Requires masterplanning and would need monitoring to ensure employment aspects come forward. Medium to longer term opportunity.</b></p> |

<sup>6</sup> SWDP 45/1 covers all three South Worcestershire local authorities. The 20ha of employment land has been split between Malvern Hills and Wychavon

| Site Reference  | Site  | Uses   | Available Employment Land (ha) | Site area gross (ha) | Ownership  | Site Description   | Development Potential  |
|---|---|--|--------------------------------|----------------------|--|--|--|
| <b>Worcester City</b>   |   |  |                                |                      |  |  |  |
| No strategic reallocation employment land sites in Worcester City (a small portion of SWDP 45/1 is located in Worcester City but employment uses are not planned for this area of the site allocation.) |   |  |                                |                      |  |  |  |
| <b>Wychavon</b>   |   |  |                                |                      |  |  |  |
| SWDP45/1<br>(Wider Worcester Area – SWDP (2016) Wychavon Section)   | Broomhall Community and Norton Barracks Community (Worcester South Urban Extension) | Mixed use including employment land and dwellings. | 11.5                           | 247.1                | Several ownerships including Wellbeck Strategic Land LLP | Large site to the south of the Worcester urban area. This gross area includes land within the development boundary for the rural settlement of Norton Barracks/ Brockhill Village (27.5 ha). | <p>Employment opportunities would be for B2/B8 units. The broader site is a residential led scheme, with potential for retail to service the population. Further infrastructure is required to deliver the employment use, with the infrastructure to be delivered by the residential components.</p> <p>Construction of Phase 1 of St Modwen’s employment (B2/B8) scheme is underway, as are the residential elements. Phase 2 and further Build to Suit opportunities will be delivered in the future. Over 180,000 sq ft of employment floorspace will have been delivered once all phases are complete</p> <p><b>Summary: B2/B8 uses to be delivered in the short/medium term with construction underway</b></p> |
| SWDP 45/6<br>(Wider Worcester Area – SWDP (2016) Wychavon)  | Worcester Six Business Park (South Phase)   | Employment Land                                    | 16                             | 20.32                | Berkeley Castle Estate/ Spetchley Estate                 | Extension site for the Worcester Six Business Park, which is to the north. Site is predominantly flat and currently used for agriculture. Some frontage to M5, though access via B4636.      | <p>Potential for a mix of employment uses. Opportunity to continue in similar vein to current Worcester Six development, as predominantly for larger B2 and B8 uses, though could also accommodate an E(g) business park use.</p> <p><b>Summary: Appropriate for a mix of employment uses once existing Worcester Six development is completed.</b></p>  |
| <b>Total Malvern Hills District</b>   |   |  | <b>13.5</b>                    |                      |  |  |  |
| <b>Total Worcester City</b>   |   |  | <b>0</b>                       |                      |  |  |  |

| Site Reference                 | Site | Uses | Available Employment Land (ha) | Site area gross (ha) | Ownership | Site Description | Development Potential |
|--------------------------------|------|------|--------------------------------|----------------------|-----------|------------------|-----------------------|
| <b>Total Wychavon District</b> |      |      | <b>27.5</b>                    |                      |           |                  |                       |

6.4 In addition to the above employment allocations, mixed-use allocations and strategic reallocation sites, the draft SWDP Review proposes strategic sites for new settlements including employment components. Table 9 below reviews the employment opportunities for the strategic sites proposed.

**Table 9 – Net Areas for Employment Land at the New Strategic Locations**

| Strategic Site                   | Employment Area (ha) | Description   | Development Potential  |
|----------------------------------|----------------------|---|--|
| Worcestershire Parkway, Wychavon | 50                   | Very large site (1,300 ha) to the east of the M5 in Wychavon, intended for new settlement, including town centre, 5,000 dwellings (to 2041), education and employment. Site is well positioned in relation to strategic road network. Site is in control of developers looking to bring site forward, St Modwen and Spetchley Estate.   | Potential for a broad range of employment opportunities, including large-scale premises. Positioned well in relation to M5, site could provide for logistics, manufacturing and business park operators. Key location to satisfy mid to large space requirements. Some office space, servicing the emerging residential population could be located in town centre.    |
| Throckmorton Airfield, Wychavon  | 20                   | Large site around an existing airfield. Intended for 2,000 dwellings (to 2041), local centre, education and employment. Requires significant road infrastructure to improve access to the site of sufficient capacity. Some low-intensity employment uses, including specialist technology uses are at Throckmorton. Additionally, Throckmorton has an extant commitment for 27 ha for employment uses (not overlapping with the 20 ha strategic designation), which could be developed in the short term. This 27 ha site may ultimately be redeveloped as part of the full masterplan redevelopment of Throckmorton but can provide an interim employment function. | Potential for a range of employment, though likely to be predominantly manufacturing and small-scale warehousing. Reliant on infrastructure upgrades and likely to be a longer-term opportunity because of infrastructure requirements. Monitoring of market opportunities should be undertaken so that changes in market dynamics can be incorporated in development. |
| Rushwick, Malvern Hills          | 5                    | Large site to the south-west of Worcester, providing expansion potential. Intended for 1,000 dwellings, education, local centre and employment. Rail infrastructure required to unlock this site.   | Employment uses likely to be a mix of small to medium Eg(i), B2, B8 uses, serving the sub-regional market.   |
| <b>Total</b>                     | <b>75</b>            |   |  |

*Source: SWDP Review, BE Group assessment, 2022*

6.5 The following table summarises the quantity of available employment land within the three local authority areas, from the review of employment allocations, mixed-use

allocations and strategic sites.

**Table 10 – Net Areas for Proposed Employment Land Allocations**

| Local Authority             | Employment Allocations (ha) | Mixed-Use Allocations (employment component, ha) | Strategic Reallocation Sites (ha) | New Strategic Sites (ha) | Total (ha)    |
|-----------------------------|-----------------------------|--|-----------------------------------|--------------------------|---------------|
| Malvern Hills               | 51.27                       | 14.5   | 13.5 <sup>7</sup>                 | 5                        | 84.27         |
| Worcester City              | 9.96                        | 0  | 0                                 | 0                        | 9.96          |
| Wychavon                    | 97.88                       | 1.09   | 27.5 <sup>8</sup>                 | 70                       | 196.47        |
| <b>South Worcestershire</b> | <b>159.11</b>               | <b>15.59</b>                                     | <b>41</b>                         | <b>75</b>                | <b>290.70</b> |

Source: SWDP Review, BE Group assessment, 2022

6.6 The table below lists the sites with realistic prospects of development for employment uses, with the net available land areas also listed (i.e. excluding any land already developed). Sites with no land available or realistically developable have been removed.

**Table 11 – Net Areas for Proposed Employment Land Allocations**

| Policy Reference      | Site  | Available Employment Land (ha) |
|-----------------------|---|--------------------------------|
| <b>Malvern Hills</b>  |   |                                |
| CFS0082               | Land off B4208 between Hill View Area and Willow End Business Park, Malvern             | 6.5                            |
| CFS0084               | Land off B4208 between disused railway track and Willow End Business Park Hanley Castle | 2.1                            |
| CFS0117               | Park Farm, Blackmore Park Road, Malvern   | 14.05                          |
| CFS0141b              | Land adjoining Blackmore Park, Malvern  | 5.52                           |
| CFS0487               | Land at Bluebell Farm, Earls Croome   | 5.60                           |
| CFS0696               | Land to the north of Digaway, Ryall   | 1.88                           |
| CFS1019sc             | Land to the west of Worcester Road, Open Barn Farm, Kempsey                             | 2                              |
| CFS1097a              | Land at Mayfield Road, Malvern  | 7.97                           |
| CFS1212a              | Plot 1 at Severn House, Bromyard Road, Crown East                                       | 0.47                           |
| CFS1212b              | Plot 2 at Severn House, Bromyard Road, Crown East                                       | 2.98                           |
| SWDP54                | Blackmore Park, Malvern   | 2.2                            |
| SWDP53                | Malvern Technology Centre (QinetiQ), St Andrews Road, WR14 3PS                          | 4.5                            |
| SWDP56                | Development at North East Malvern   | 10                             |
| <b>Worcester City</b> |   |                                |
| CFS0587sc             | Land at Blackpole Road, Worcester   | 8.12                           |
| CFS1164               | Land at the junction of Berkeley Way and Parsonage Way                                  | 1.84                           |
| SWDP44/4              | Shrub Hill, Worcester   | unknown                        |
| SWDP 44/8             | St Clement's Gate Learning Quarter, Worcester   | unknown                        |

<sup>7</sup> SWDP (2016) Wider Worcester Area Allocations (SWDP 45/1, 8.5ha and SWDP 45/2, 5ha)

<sup>8</sup> SWDP (2016) Wider Worcester Area Allocations (SWDP 45/1, 11.5ha and SWDP 45/6, 16ha)

| Policy Reference                    | Site  | Available Employment Land (ha) |
|-------------------------------------|---|--------------------------------|
| <b>Wychavon</b>                     |   |                                |
| CFS0061a                            | Hartlebury Trading Estate, Crown Lane, Hartlebury                                   | 1.57                           |
| CFS0061b                            | Hartlebury Trading Estate, Crown Lane, Hartlebury                                   | 0.17                           |
| CFS0061c                            | Hartlebury Trading Estate, Crown Lane, Hartlebury                                   | 0.31                           |
| CFS0061d                            | Hartlebury Trading Estate, Crown Lane, Hartlebury                                   | 0.65                           |
| CFS0099                             | Land off Evesham Road, North of the Twyford Roundabout, Evesham                     | 3.61                           |
| CFS0102                             | South of Keytec East, Business Park, Pershore                                       | 0.97                           |
| CFS0103                             | Keytec East Business Park, Pershore Pershore  | 0.73                           |
| CFS0142                             | Parcel A - Land adjacent Broadway Road, Wickhamford, Evesham                        | 6.34                           |
| CFS0143                             | Parcel B - Land adjacent Broadway Road, Wickhamford, Evesham                        | 1.76                           |
| CFS0990sc                           | Parcel C - Land adjacent Broadway Road, Wickhamford, Evesham                        | 3.82                           |
| CFS0400sc                           | Eatons Farm, Church Lane, Tibberton   | 9.54                           |
| CFS0559                             | Land north of Drakes Broughton Business Park, Worcester Road, Drakes Broughton      | 2.31                           |
| CFS0680                             | Land off Sawmills Walk/Briar Close, Evesham   | 0.87                           |
| CFS0775                             | Snodsbury Farmhouse, Bow Wood Lane, Upton Snodsbury                                 | 0.44                           |
| CFS0891                             | Land south of Vale Park, Evesham  | 5.3                            |
| CFS0925                             | Two Shires Park, Weston Road, Honeybourne   | 13.95                          |
| CFS0498                             | Former Pipes Support Site, Salwarpe Road, Droitwich Spa                             | 1.54                           |
| CFS1208                             | Land off Kennel Lane, Broadway  | 1.09                           |
| SWDP 49/3                           | Stonebridge Cross Business Park   | 10                             |
| SWDP 51/3                           | Vale Industrial Park  | 34                             |
| <b>Strategic Reallocation Sites</b> |   |                                |
| SWDP 45/1                           | Broomhall Community and Norton Barracks Community (Worcester South Urban Extension) | 20                             |
| SWDP 45/2                           | Temple Laugherne (Worcester West Urban Extension)                                   | 5                              |
| SWDP 45/6                           | Worcester Six Business Park (South Phase)   | 16                             |

Source: SWDP Review; BE Group assessment, 2022

## Site Quality

6.7 All sites have been graded using a standard scoring system that consists of objective measures (as far as possible). Each site is scored out of 100, made up of ten individual measures, each scored out of ten. These are:

- proximity to the strategic highway network
- prominence
- access to public transport
- sequential testing
- planning status
- access to services
- constraints



- environmental setting
- flexibility
- availability.

6.8 The scoring system is provided in Appendix 6 and the scoring matrix is in Appendix 7.

6.9 Two scores are provided in Table 12, a total score and a market-led score, which reflects the locational strengths and weaknesses of each site. The market-led score is made up of just strategic highway proximity, prominence, sequential testing, environmental setting and flexibility. These are the characteristics that are very difficult to improve. The other five aspects (public transport, planning status, services, constraints and availability), which combine to make up the total score, are potentially easier to improve through specific interventions and hence provide the ability to raise the quality of a site.

6.10 The range of sites across South Worcestershire have a variety of attractiveness from an employment development perspective, as is reflected in the scores below. The leading sites were revealed to be Former Pipes Support site, Salwarpe Road, Vale Industrial Park, Worcester Six Business Park and Broomhall Community and Norton Barracks Community (Worcester South Urban Extension) – sites that have planning in place and/or are strategically placed.

**Table 12 – Assessment of Employment Allocations**

| Name  | Score,<br>max 100 | Market -led<br>Sub-total<br>(max 50) | Land Type                        |
|---|-------------------|--------------------------------------|----------------------------------|
| Former Pipes Support site, Salwarpe Road  | 81                | 36                                   | Industrial                       |
| Vale Industrial Park, Evesham, WR11 1GT – allocations and developable in-fill sites | 77                | 41                                   | Industrial                       |
| Worcester Six Business Park (South Phase)   | 73                | 48                                   | Office/Laboratory/<br>Industrial |
| Broomhall Community and Norton Barracks Community (Worcester South Urban Extension) | 69                | 44                                   | Office/Industrial                |
| Worcester Woods Business Park, Newtown Road   | 69                | 42                                   | Office/ Industrial               |
| Land to the west of Worcester Road, Open Barn Farm, Kempsey                         | 67                | 41                                   | Industrial                       |
| Temple Laugherne (Worcester West Urban Extension)                                   | 66                | 41                                   | Office/Industrial                |
| Hartlebury Trading Estate, Crown Lane, Hartlebury (CFS0061d)                        | 65                | 22                                   | Industrial                       |
| Hartlebury Trading Estate, Crown Lane, Hartlebury (CFS0061a)                        | 64                | 30                                   | Office/Industrial                |
| Land at Blackpole Road, Worcester   | 62                | 40                                   | Industrial                       |

| <b>Name</b>   | <b>Score, max 100</b> | <b>Market -led Sub-total (max 50)</b> | <b>Land Type</b>                 |
|---|-----------------------|---------------------------------------|----------------------------------|
| Land off Evesham Road, North of the Twyford Roundabout, Evesham                                   | 62                    | 40                                    | Industrial                       |
| Plot 1 at Severn House, Bromyard Road, Crown East   | 61                    | 34                                    | Industrial                       |
| Stonebridge Cross Business Park, Pointon Way, WR9 0LW   | 59                    | 34                                    | Industrial                       |
| Land adjacent to Station Road, Broadway   | 59                    | 32                                    | Office/Industrial/Medical Centre |
| Land off B4208 between disused railway track and Willow End Business Park Hanley Castle, WR13 6NN | 59                    | 26                                    | Office/Industrial                |
| Land to the north of Digaway, Ryall   | 59                    | 35                                    | Industrial                       |
| Land at Mayfield Road, Malvern (CFS1097a)   | 59                    | 35                                    | Office/Industrial                |
| Hartlebury Trading Estate, Crown Lane, Hartlebury (CFS0061b)                                      | 59                    | 28                                    | Office/Industrial                |
| Parcel A - Land adjacent Broadway Road, Wickhamford, Evesham                                      | 59                    | 42                                    | Industrial                       |
| Eatons Farm, Church Lane, Tibberton   | 59                    | 42                                    | Industrial                       |
| Land south of Vale Park, Evesham  | 59                    | 30                                    | Industrial                       |
| Plot 2 at Severn House, Bromyard Road, Crown East   | 58                    | 31                                    | Industrial                       |
| Land at the junction of Berkeley Way and Parsonage Way  | 58                    | 38                                    | Industrial                       |
| Snodsbury Farmhouse, Bow Wood Lane, Upton Snodsbury   | 58                    | 31                                    | Industrial                       |
| Development at North East Malvern   | 57                    | 36                                    | Office/Industrial                |
| South of Keytec East, Business Park, Pershore   | 57                    | 33                                    | Industrial                       |
| Malvern Technology Centre (QinetiQ), St Andrews Road, WR14 3PS                                    | 56                    | 31                                    | Office/Laboratory                |
| St Clements Gate Learning Quarter, Worcester  | 55                    | 30                                    | Office                           |
| Land at Navigation Road, Diglis, Worcester  | 54                    | 29                                    | Office/ Industrial               |
| Keytec East Business Park, Pershore Pershore  | 54                    | 30                                    | Industrial                       |
| Shrub Hill, Worcester   | 54                    | 29                                    | Office                           |
| Land off B4208 between Hill View Area and Willow End Business Park, Malvern                       | 53                    | 29                                    | Office/Industrial                |
| Land at Bluebell Farm, Earls Croome   | 52                    | 32                                    | Industrial                       |
| Land off Sawmills Walk/Briar Close, Evesham   | 52                    | 27                                    | Industrial                       |
| Blackmore Park, WR13 6NN  | 49                    | 18                                    | Industrial                       |
| Land north of Drakes Broughton Business Park, Worcester Road, Drakes Broughton                    | 49                    | 26                                    | Industrial                       |
| Park Farm, Blackmore Park Road, Malvern   | 48                    | 29                                    | Industrial                       |
| Land adjoining Blackmore Park   | 48                    | 29                                    | Industrial                       |
| Land off Kennel Lane, Broadway  | 47                    | 25                                    | Industrial                       |
| Parcel B - Land adjacent Broadway Road, Wickhamford, Evesham                                      | 45                    | 30                                    | Industrial                       |
| Parcel C - Land adjacent Broadway Road, Wickhamford, Evesham                                      | 45                    | 30                                    | Industrial                       |
| Hartlebury Trading Estate, Crown Lane, Hartlebury (CFS0061c)                                      | 44                    | 17                                    | Industrial                       |
| Two Shires Park, Weston Road, Honeybourne   | 40                    | 21                                    | Industrial                       |

## Existing Employment Areas

- 6.11 The existing employment areas have also been critiqued based on a similar approach to scoring the allocated employment sites, with the scoring system also provided in Appendix 6. The results are found in Appendix 8.
- 6.12 On-the-ground inspections of the existing areas were undertaken to determine gradings. From the review and scoring of the existing employment areas, some sites scored poorly, and these are listed below, with recommendations as to the on-going potential uses of these sites.
- 6.13 Some of the areas scoring lowly, did so on the basis that they are remotely located, rural sites. The criteria relating to proximity to the road network, prominence and access meant that these sites scored low. While they would not be appropriate for the majority of potential B-class and E(g)-class users, and it would be inappropriate to rely heavily on such assets to provide employment premises, these areas provide a local function important to the rural economy.

**Table 13 – Poorly Performing Existing Employment Sites**

| Name  | Score, max 90 | Comments and Recommendation  |
|---|---------------|--|
| <b>Malvern Hills</b>                        |               |  |
| Backfields Upton                            | 26            | A small light industrial estate that is enclosed by residential uses. Access is very narrow, and premises do not have any frontage to a roadway.<br><b>Recommendation: Area is not protected for employment.</b>   |
| KDO Business Centre                         | 26            | Remotely located business centre serving a rural economy function.<br><b>Recommendation: Area is protected for employment.</b>   |
| Woodside Business Park                      | 30            | Remotely located industrial estate serving a rural economy function.<br><b>Recommendation: Area is protected for employment.</b>   |
| Bruff Business Centre                       | 32            | Remotely located business centre serving a rural economy function.<br><b>Recommendation: Area is protected for employment.</b>   |
| Sixways Industrial Estate, Barnards Green   | 33            | A small industrial estate that is surrounded by retail and residential uses. Has a poor, narrow frontage.<br><b>Recommendation: Area is not protected for employment.</b>  |
| Upton upon Severn Industrial Estate         | 34            | Industrial estate in Upton upon Severn, surrounded by residential uses. Some potential for conflict between uses, including traffic and noise issues. Well-occupied and performing a local function.<br><b>Recommendation: Area is protected for employment.</b> |
| Buckman Works                               | 35            | Older premises in need of refurbishment removed from key markets. However, has good occupancy levels and current function expected to continue.<br><b>Recommendation: Area is protected for employment.</b>  |
| Mill Pool Farm Industrial Estate, Main Road | 35            | Older premises in need of refurbishment removed from key markets. However, serving local function and is fully occupied.   |

| Name   | Score,<br>max 90 | Comments and Recommendation  |
|--|------------------|--|
|  |                  | <b>Recommendation: Area is protected for employment.</b>   |
| <b>Worcester City</b>                                    |                  |  |
| Three Springs Trading Estate,<br>Vincent Road            | 25               | Poorly located light industrial estate, with very narrow access points, including approaches on local streets. Units are dated and in need of refurbishment.<br><b>Recommendation: Area is not protected for employment.</b>   |
| Orchard Street   | 29               | Poorly located industrial estate on a residential street. Narrow access points, including approaches on local streets. Poorly signed. Units are dated and in need of refurbishment.<br><b>Recommendation: Area is not protected for employment.</b>  |
| Gregory's Mill Industrial Estate,<br>Gregory Mill Street | 30               | Poorly located light industrial estate, with very narrow access points, including approaches on local streets. Units are dated and in need of refurbishment. Difficult to locate.<br><b>Recommendation: Area is not protected for employment.</b>  |
| Pope Iron Road   | 30               | Small number of industrial units on a residential street. Poor location for industrial premises, with potential for conflicts with neighbouring uses. Unit 2 has planning permission for residential use, including demolition of industrial unit.<br><b>Recommendation: Area is not protected for employment.</b>   |
| Diglis Industrial Estate,<br>Navigation Road             | 41               | Larger industrial estate, it is limited by narrow approach streets. Some buildings are derelict and in need of refurbishment, although others continue to be occupied and functioning adequately. Some regeneration has occurred on neighbouring sites for residential development. Landholder has interest in developing for residential and is proposed for a regeneration scheme in the SWDP Review, which includes 495 dwellings and 3 ha for employment.<br><b>Recommendation: Area is redeveloped in line with proposals in SWDP Review, which results in a net loss of employment land.</b> |
| <b>Wychavon</b>  |                  |  |
| Stockwood Business Park                                  | 31               | Remotely located business centre serving a rural economy function. Reasonable quality buildings but narrow road access.<br><b>Recommendation: Area is protected for employment.</b>  |
| Murcot Turn Business Park                                | 34               | Rural industrial estate with narrow access point past residential dwellings, although actual units are separated from residential uses. Serves a rural economy function.<br><b>Recommendation: Area is protected for employment.</b>   |
| Bennets Hill Business Park                               | 34               | Remotely located business centre serving a rural economy function, in area with significant horticultural production (greenhouses). Narrow access.<br><b>Recommendation: Area is protected for employment.</b>   |
| Deer Park Business Centre,<br>Woollas Hill               | 34               | Remotely located business centre with small office units. Attractive buildings but narrow road access.<br><b>Recommendation: Area is protected for employment.</b>   |
| Farncombe House, Farncombe<br>Estate                     | 34               | Remotely located business centre with small office units. Attractive buildings but narrow and windy road access.<br><b>Recommendation: Area is protected for employment.</b>   |
| Stanway Screens, Oilcroft<br>Orchard                     | 34               | Single use building for an industrial operator. Neighbouring uses include residential, rail corridor and open space. Building is set back from the road. Beyond its current occupation, it would be difficult to see its on-going use as an industrial operation.  |

| Name  | Score,<br>max 90 | Comments and Recommendation  |
|---|------------------|--|
|   |                  | <b>Recommendation: Area is not protected for employment.</b>   |
| Strensham Business Park,<br>Twynning Road             | 35               | Close to M5/M50 junction, although not visible from motorways and access to/from motorways includes a significant detour through Twynning. Reasonable quality buildings for small light industrial and office users. Serving a local function.<br><b>Recommendation: Area is protected for employment.</b>   |
| Holden and Charlotte Works,<br>New Road               | 36               | Medium sized industrial units on narrow New Road, which also serves a residential function. Units are surrounded by residential uses. Potential for significant conflicts between industrial operations and surrounding uses. Potential for regeneration to residential uses, although this would require the relocation of a significant quantity of floorspace and jobs.<br><b>Recommendation: At this stage it is recommended to protect for employment, however, it is considered that in the planning timeframe, it should transition to residential uses and thus a regular review of the status of the site should be undertaken.</b> |
| Ikon Trading Estate, Droitwich<br>Road                | 37               | Rural location within a reasonable proximity to Kidderminster. Would provide a secondary location for the Kidderminster economy and serve part of its demand. Surrounded by agricultural fields<br><b>Recommendation: Area is protected for employment.</b>  |
| Field Barn Lane Industrial<br>Estate, Field Barn Lane | 38               | Field Barn Lane is a very narrow thoroughfare, which restricts access to the industrial estate. Small number of occupiers in industrial units, serving a local function, including some rural economy occupiers.<br><b>Recommendation: Area is protected for employment.</b>   |
| Wood Norton/ BBC Training<br>Centre, Wood Norton      | 38               | Specific, single use of the site, which requires a large footprint. Re-use of the site for B-class uses may be difficult and likely to involve a broader mix of uses, however current use is appropriate.<br><b>Recommendation: Area is protected for employment.</b>  |

*Source: BE Group 2021*

6.14 Sites not listed in the table above performed better in the scoring assessment and would be recommended to be retained for employment.

## 7.0 OBJECTIVELY ASSESSED NEEDS

### Introduction

7.1 National Planning Practice Guidance (NPPG) states that the assessment of future land needs should be determined by looking at both past trends and future forecasting methods. This chapter explains the approach used to take account of NPPG. That methodology uses two models to assess land needs. None provide a definitive answer, but they provide influences to be understood. They must also be considered in light of the market overview undertaken as part of this study. The two models are:

- Historic land and floorspace take-up forecast

This approach reviews the actual take-up of employment floorspace in the three districts over a period of time. The method is not wholly reliable as there will be peaks and troughs, different time periods taken can also result in different outcomes and it relies on accurate recording of take-up over several years. A period of sustained growth may show a high average take-up whereas looking over a recessionary period could well reflect low or even nil take-up. Furthermore, some caution is needed if relying on historic trends only, and these should be considered in the context of current and projected market activity. It should also be noted that historic take-up rates may be influenced by other factors rather than just demand, such as a lack of available supply.

In particular, as South Worcestershire's economy emerges from the pandemic, it may have differing market dynamics to the pre-pandemic market in relation to demand and need for employment land and premises. This method assumes that past take-up trends will continue through the forecast period. Given the potential changes to the office market in particular, as businesses reassess their workplace needs, this may not be the case.

- Employment based forecast

This relies on the econometric forecasts which use a model that projects the likely jobs growth in different industry sectors. The jobs from individual sectors are then translated to land using a formula based on a jobs-to-floorspace density, which in turn can be translated into the projected land need. Again, viewing these figures in isolation can provide trends that do not reflect the market signals identified in this study. Thus, the employment data should be considered in the context of the market.

Once again, impacts of the pandemic may lessen the veracity of this model. Employment and other economic forecast models are not good at accounting for sudden shocks to the economy, such as that experienced in 2020. The implications for employment have yet to be fully realised and given the exceptional circumstances of the current economic environment, there is an increased level of uncertainty in such models, though forecasters are adapting their models to accommodate the latest information. Assessments based on these models, such as employment land assessments, would have a commensurate heightened level of uncertainty.

- 7.2 The forecasts in this chapter cover a 20-year period from 2021 to 2041 for both models.
- 7.3 The use class changes implemented in September 2020 revoked the B1 use class, which now essentially forms the use class E(g). The broader E-class also includes retail, restaurants and other uses, with permitted development rights (subject to certain conditions) to enable a change of use from one use to the other (see Appendix 1). However, it is still instructive to understand the office demand and resulting land requirements emerging from sectors that require office space, including professional services, administration and business services. Therefore, this chapter assesses this demand, drawing upon information on former B1 use class growth in past years, as well as assessing sectoral growth.

#### **Other Factors Influencing Property Market**

- 7.4 The lack of availability of suitable commercial space has had a constraining impact on the number of deals completed (GJS Dillon, 2021). From a planning policy perspective, it may be there is allocated land available and, as this has not come forward for development, demand is adequately covered. However, there are several factors that may influence a site owner not to bring their allocated land forward not related to demand.
- 7.5 A good example of this in Evesham are sites adjacent to Vale Park. Despite support for the allocation of the associated sites in the SWDP (2016), National Highways (previously Highways England) is requiring significant improvements to the A46 before it will support any further development there, meaning the next significant development is liable for hefty infrastructure costs. Given the level of demand, the uplift in land values and the price at which these sites were first purchased, the additional infrastructure costs may not completely undermine the viability of commercial development, but there is a clear motivation to hold off bringing a site forward if there

is the possibility a neighbouring landowner may be liable for infrastructure costs if they were to proceed first.

7.6 The rapid increase in commercial land values is also causing landowners to wait to bring to the market in anticipation of land values increasing further. It was recently reported that Commercial Land values had overtaken Residential Land values and the first £1 million per acre commercial land deal was completed in the East Midlands (Covill, R 'The Business Desk' 25 July 2021).

7.7 Increasing construction and material costs will also have an impact on developer confidence, investors are targeting pre-let deals to fund and are not investing in speculative developments (Price, D 'Construction News' 6 September 2021). The speculative development market is where small to medium scale businesses (sub 25,000 sqft) operate, but significant supplies of smaller units have not recently come to the market in the region. As an example of this, Wychavon District Council, funded the development of 10 small business units on Vale Park following the withdrawal of the private sector developer over market uncertainty. In the event, once the units were built the original investor bought them off Wychavon District Council as the construction cost risks were no longer an issue.

#### **Model One: Land and Floorspace Take-Up**

7.8 The local authorities of Worcester City, Malvern Hills and Wychavon record annual employment floorspace take-up in each of their respective areas. The data is summarised in the tables below for each area. Data has then been combined to produce totals for South Worcestershire collectively. Historically, data has been collected over different time periods and with different methodologies, although over the past decade there has been good consistency of data collection.

7.9 The table below summarises the past employment land take up rates across South Worcestershire, as derived from the SWDP Authorities Monitoring Report, 2020 and additional employment land monitoring data as of June 2021.



**Table 14 - Employment Land Completions and Commitments 2006-2021**

| Area  | Completions (ha)   |         |                       |         |               | Commitments (ha) <sup>9</sup> | Total Completions and Commitments (ha) |
|---|--------------------|---------|-----------------------|---------|---------------|-------------------------------|--|
|   | 2006-11            | 2011-18 | 2019/20 <sup>10</sup> | 2020/21 | Total 2006-21 | 2020/21                       |  |
| <b>Malvern Hills</b>                        |                    |         |                       |         |               |                               |  |
| Gains                                       | 12.4               | 2.36    | 5.92                  | 3.83    | 24.15         | 9.07                          | 33.22                                  |
| Losses                                      | 0.01 <sup>11</sup> | 0.64    | 0.51                  | 0.66    | 1.82          | 1.23                          | 3.05                                   |
| <b>Worcester City</b>                       |                    |         |                       |         |               |                               |  |
| Gains                                       | 10.64              | 8.66    | 6.79                  | 6.47    | 32.56         | 0.91                          | 33.47                                  |
| Losses                                      | 20.04              | 13.07   | 0.95                  | 0       | 34.06         | 4                             | 38.06                                  |
| <b>Wychavon</b>                             |                    |         |                       |         |               |                               |  |
| Gains                                       | 26.9               | 34.4    | 148.36                | 29.36   | 239.02        | 60.16                         | 299.18                                 |
| Losses                                      | 3.13               | 4.48    | 7.34                  | 1.12    | 16.07         | 2.79                          | 18.86                                  |
| <b>Wider Worcester Area (Wychavon)</b>      |                    |         |                       |         |               |                               |  |
| Gains                                       | 0                  | 0       | 17.22                 | 1.42    | 18.64         | 6.96                          | 25.60                                  |
| Losses                                      | 0                  | 0       | 0                     | 0       | 0             | 0                             | 0                                      |
| <b>Wider Worcester Area (Malvern Hills)</b> |                    |         |                       |         |               |                               |  |
| Gains                                       | 0                  | 0       | 0                     | 0       | 0             | 2.67                          | 2.67                                   |
| Losses                                      | 0                  | 0       | 0                     | 0       | 0             | 0                             | 0                                      |

*Source: Authorities' Monitoring Report 2020 and additional employment land monitoring data for 2021. Data correct to 31<sup>st</sup> March 2021.*

7.10 Points to note from the above table are:

- The three local authority areas have experienced different take-up trajectories over the past decade.
- Employment land losses are most pronounced in Worcester City, though also significant in Wychavon District.
- Wychavon recorded a very high completions figure in 2019/20 (though for two years 2018/19 and 2019/20), far outperforming growth in the district in previous years, even accounting for it including data for two years. 2020/21 completions were lower at 29.36 ha, though this is still higher than the long-term average.

<sup>9</sup> Commitments in this table relate to sites with full planning permission only (with the exception of Worcester Six – North Phase in WWA Wychavon).

<sup>10</sup> Data not available for 2018/19 but surveying information in 2019/20 to have picked up completions of both 2018/19 and 2019/20

<sup>11</sup> 2010/11 only

- Commitments recorded provides a potential further source of supply in the pipeline, some occurring on allocated land (i.e. would already be accounted for in the land supply) and some occurring on other sites (not accounted for).
- Consideration would need to be given to what a reasonable average level to take forward for the forecasting would be for each local authority area, particularly for Wychavon with a very high 2019/20 figure (for two years) skewing the averages.

7.11 Examining the commitments data provided by the three Councils reveals the quantity of these commitments that is not on employment land that would already be accounted for in the supply of land as outlined in Chapter 6.0. Commitments on other sites (net amounts) total 10.51 ha for Malvern Hills (includes 2.67 ha in the WWA MHDC), -3.09 ha for Worcester City and 64.33 ha for Wychavon (includes 6.96 ha in the WWA WDC). Together this comprises 71.75 ha of net gains of employment land across South Worcestershire.

7.12 For the purposes of forecasting based on past take-up rates, the completions data is the most relevant as not all commitments are taken forward or could be rolled out over several years. Furthermore, it is the gains that are critical in forecasting additional land demands. The 2006-21 completion gain averages for the three areas are provided below.

**Table 15 – Average Annual Employment Land Take-up 2006-21**

| Area                 | 2006-21 Average (ha) |
|----------------------|----------------------|
| Malvern Hills        | 1.61                 |
| Worcester            | 2.17                 |
| Wychavon             | 15.93                |
| Wider Worcester Area | 1.24                 |
| South Worcestershire | 19.71                |

*Source: Analysis of Authorities' Monitoring Report 2020 and additional 2021 employment land data*

7.13 The averages for Malvern Hills and Worcester are slightly higher than those adopted in the 2018 EDNA. The Wider Worcester Area, as a separately defined area, will not be taken forward in the SWDP Review and thus the historic annual take-up will be apportioned to Malvern Hills and Wychavon as part of projecting employment land forward (see further details below). For Wychavon, the very large completions figure for the District in 2019/20 (for two years) has meant that the average annual employment land take-up rate increased from 8.29 ha/yr for 2006-2018 to 15.93 ha/yr

for 2006-2021.

7.14 It is considered that the extreme figure for 2019/20 is an outlier and unrepresentative of a typical year. However, it does demonstrate the acceleration in land take-up that can occur when further supply becomes available and the right economic conditions for employment growth are in place. The previous years, while strong compared to Malvern Hills and Worcester, may have been somewhat dampened by limited supply of large plots.

7.15 Therefore, it is appropriate to consider what the most appropriate annual take-up level to take forward for the forecasting would be for Wychavon. To assist with this, the following points are noted in regards to Wychavon's take-up:

- The average for the 12-year period 2006-18 is **5.11 ha/yr**.
- The average for 2006-18 and 2020/21 is **6.97 ha/yr**, increased by the strong year in 2020/21, which provides for almost a third of the total take-up of that period.
- The average for the full 2006-21 period is **15.93 ha/yr**, though as stated above this includes a figure that is considered an outlier in the data. Comparing this average to the two dot points above shows the effect of the outlier data point on the overall figure.
- It is appropriate to account for stronger and weaker periods of growth in forecasting forward; however it is prudent to assess whether extreme levels in the historic data can be repeated throughout the forecast period.

7.16 As such it is considered that the 15.93 ha/yr figure for Wychavon is too high to be extrapolated over the full period to 2041.

7.17 Excluding the outlier figure for 2019/20 provides an average of about 5-7 ha/yr for Wychavon. However, it is recognised that recent market demand has been for more land consumptive uses (e.g. mid to large logistics), which could result in higher land take-up figures to be recorded in the short to medium term. Therefore, it is recommended that a figure of **9 ha/yr** is adopted for forecasting for Wychavon.

7.18 As mentioned above, the Wider Worcester Area is not being taken forward in the emerging SWDP. However, the historic take-up, averaging 1.24 ha/yr, cannot be ignored. For the purposes of the projections over the planning period, this Wider Worcester Area take-up would need to be allocated to Malvern Hills and Wychavon. How this is split is a matter of judgement and it is noted that the most recent

commitments split is larger for Wychavon than Malvern Hills (see paragraph 7.11). **Therefore, it is assumed that +0.8 ha/yr will be allocated to Wychavon’s projected annual take-up and +0.44 ha/yr will be allocated to Malvern Hill’s projected annual take-up.**

7.19 Forecasting for employment land using the past take-up rates is based on extrapolating the historic trends over the forecast period. The table below provides an estimate of the employment land and floorspace requirements for each local authority area based on the assumption of keeping the same average land consumption rates as during the 2006-21 period for Malvern Hills and Worcester and the adjusted rate for Wychavon. The total land requirement if adopting the unadjusted (15.93 ha/yr) figure is also provided in the table. The floorspace estimate is based on a development assumption of 3,900 sqm of employment floorspace per hectare.

7.20 The ready availability of land is a critical component in the take-up of employment land over time. A constrained market will result in a latent demand that would not be evident in the take-up rates. This may result in underestimating the take-up rate potential in coming years. In the case of South Worcestershire, there is evidence of a constrained market in previous years in Worcester, which has been compensated for in growth in Wychavon.

**Table 16 – Forecast Employment Land Take-up 2021-41**

| Area  | Change 2021-41 (ha) | Floorspace Growth 2021-41 (sqm) |
|---|---------------------|---------------------------------|
| Malvern Hills @ 2.05ha/yr*                            | 41.00               | 159,900                         |
| Worcester @ 2.17ha/yr                                 | 43.40               | 169,300                         |
| Wychavon @ 9.8 ha/yr*                                 | 196.00              | 764,400                         |
| Wychavon @ 15.93 ha/yr                                | 318.60              | 1,242,500                       |
| <b>South Worcestershire</b><br>(Wychavon @ 9.8 ha/yr) | <b>280.40</b>       | <b>1,093,600</b>                |

Source: BE Group, 2022

\* including WWA reallocation of past take up rate

7.21 The above table suggests that adopting the past take-up rates (adjusted for Wychavon) would require some 280 ha of employment land to be available to the market over the period 2021 to 2041 to provide some 1,093,600 sqm of office, manufacturing and warehousing employment floorspace.

7.22 Table 17 provides a breakdown by five-year intervals over the planning period, assuming a constant take up of land and floorspace. Generally, floorspace take up has stronger and weaker periods of growth, influenced by overall market confidence and economic opportunities, but the table provides an indication of potential growth patterns. However, the recent evidence for Wychavon suggests that current performance is running at above average levels. Therefore, the Councils should ensure that a broad suite of sites is available in the short term to allow for growth that could continue at higher levels in the short term.

**Table 17 – Cumulative Employment Land Take-up 2021-41**

| Area                        | 2021-26        | 2026-31        | 2031-36        | 2036-41          |
|-----------------------------|----------------|----------------|----------------|------------------|
| <b>Employment Land (ha)</b> |                |                |                |                  |
| Malvern Hills               | 10.25          | 20.50          | 30.75          | 41.00            |
| Worcester                   | 10.85          | 21.70          | 32.55          | 43.40            |
| Wychavon                    | 49.00          | 98.00          | 147.00         | 196.00           |
| <b>South Worcestershire</b> | <b>70.10</b>   | <b>140.20</b>  | <b>210.30</b>  | <b>280.40</b>    |
| <b>Floorspace (sqm)</b>     |                |                |                |                  |
| Malvern Hills               | 40,000         | 80,000         | 119,900        | 159,900          |
| Worcester                   | 42,300         | 84,600         | 126,900        | 169,300          |
| Wychavon                    | 191,100        | 382,200        | 573,300        | 764,400          |
| <b>South Worcestershire</b> | <b>273,400</b> | <b>546,800</b> | <b>820,100</b> | <b>1,093,600</b> |

Source: BE Group, 2022

\* numbers subject to rounding

7.23 It is prudent to include a level of flexibility in the forecasts to provide for unexpected requirements. A buffer equivalent to a five-year take-up of land is recommended to be included to incorporate this flexibility. This is provided in the table below.

**Table 18 – Forecast Employment Land Take-up 2021-41, including Buffer**

| Area                        | Change 2021-41 (ha) | Floorspace Growth 2021-41 (sqm) |
|-----------------------------|---------------------|---------------------------------|
| Malvern Hills               | 51.25               | 199,900                         |
| Worcester                   | 54.25               | 211,600                         |
| Wychavon                    | 245.00              | 955,500                         |
| <b>South Worcestershire</b> | <b>350.50</b>       | <b>1,367,000</b>                |

Source: BE Group, 2022

7.24 It is also important to consider what types of employment floorspace would be appropriate across South Worcestershire. Once again past trends can provide some measure of the market preferences for different employment use types. The three local authorities have collected information on employment floorspace take-up by different types, although the database timeframes vary between the three areas. Details of the breakdown of floorspace take-up in previous years is provided in Appendix 9. It should also be noted that:

- Breakdown of employment floorspace to use classes (B1 (now E(g)), B2, B8) is only available for Worcester City since 2017.
- Use class definitions changed for offices in September 2020, as there is no longer a B1 class, with office now incorporated with A1, A2 and A3 into one E use class.
- Other factors such as the current market dynamics, overarching economy and potential future trends for the economy would also influence the mix of floorspace types in demand over the forecast period.

7.25 The average floorspace completions for the three local authority areas are provided below. Data for Malvern Hills and Worcester is available over a longer timeframe. Consistent with the land take-up, the floorspace completions show that over the past decade Wychavon has recorded higher levels of floorspace completions than the other two local authority areas. The year-by-year data in the Appendix shows that there can be substantial variation in the take up over the years. For example, an authority may experience zero growth for several years before a scheme is brought forward that provides a quantum of floorspace (e.g. 10,000 sqm). Importantly, when considering take-up, the average over the past period is considered, which can include several zero years and some high growth years. The average would reveal a moderate growth; however, it is important to understand that the actual growth is more discrete and 'lumpy'.

7.26 The table below shows the averages for all years and the averages for just the years where there was a gain of employment floorspace. The total floorspace averages are alike in that there is no year within the three authorities where there were no recorded completions in any of the B-class use types. As noted above, more recent data on floorspace by use type is only available for Worcester City.

**Table 19 – Average Employment Floorspace Completions by B-Class Use**

| Local Authority                                | Floorspace, sqm  |       |        |          |        |
|--|------------------|-------|--------|----------|--------|
|  | B1<br>(now E(g)) | B2    | B8     | B1/B2/B8 | Total  |
| <b>Malvern Hills</b>                           |                  |       |        |          |        |
| Average 96/97-16/17                            | 6,009            | 672   | 1,057  | 2,911    | 10,649 |
| Average 06/07-16/17                            | 2,603            | 1,028 | 1,072  | 1,557    | 6,260  |
| Average 06/07-16/17<br>(excl. 0 take-up years) | 2,892            | 1,285 | 1,340  | 15,567   | 6,260  |
| <b>Worcester</b>                               |                  |       |        |          |        |
| Average 96/97-20/21                            | 2,908            | 1,365 | 1,141  | 4,227    | 9,641  |
| Average 06/07-20/21                            | 1,881            | 396   | 1,457  | 5,315    | 8,811  |
| Average 06/07-2021<br>(excl. 0 take-up years)  | 4,075            | 1,850 | 4,736  | 7,440    | 8,811  |
| <b>Wychavon</b>                                |                  |       |        |          |        |
| Average 06/07-16/17                            | 3,777            | 3,936 | 9,403  | 4,242    | 21,357 |
| Average 06/07-16/17<br>(excl. 0 take-up years) | 3,777            | 3,936 | 9,403  | 6,194    | 21,357 |
| <b>South Worcestershire*</b>                   |                  |       |        |          |        |
| Average 06/07-16/17                            | 8,603            | 5,330 | 11,487 | 9,051    | 34,471 |
| Average 06/07-16/17<br>(excl. 0 take-up years) | 10,744           | 7,234 | 14,457 | 26,872   | 34,471 |

*Source: Monitoring reports for South Worcestershire and individual local authorities  
\* to 2017 only as data not available beyond this time period for Wychavon and Malvern Hills*

7.27 The forecast breakdown of the floorspace growth projections to 2041 is provided in Table 20 below. This is based on the overall floorspace projected in Table 17 and considers the historic breakdown of floorspace information above. It also considers factors emerging from the other aspects of this study, particularly from the property market review and consultations with commercial agents. Principally among these themes are the strength of the manufacturing market and the resulting need for further B2 and B8 floorspace, the dampened demand for office space and preferred locations around Worcester and in Wychavon. This breakdown should be seen as indicative only, providing guidance as to the likely mix of uses, rather than representing a prescriptive floorspace outcome.

7.28 In comparison to the previous iteration of the EDNA, the indicative mix of floorspace below shows a reduction in the relative quantity of office space forecast for South Worcestershire, reflective of the poorer overall market prospects for office space than

anticipated in 2018, primarily due to changes in workplace requirements triggered by the pandemic, which are expected to continue after pandemic restrictions are fully released.

7.29 It should be noted that all of the E(g) office floorspace is assumed to be developed as two-storey premises, which therefore require less overall land requirements. Therefore, while the floorspace totals match to the previous Tables 16 and 18, the land area totals have been adjusted to reflect this assumption.

**Table 20 – Net Employment Floorspace Projections 2021-2041 by B-Class Use**

| Scenario                                 | Projection of Floorspace requirement (2021-2041), sqm |                |                | Projection of Land requirement (2021-2041), ha |              |              | Total        |
|--|---|----------------|----------------|--|--------------|--------------|--------------|
|  | E(g)*   | B2             | B8             | E(g)*  | B2           | B8           |              |
| <b><i>Excluding Five-year Buffer</i></b> |   |                |                |  |              |              |              |
| Malvern Hills                            | 56,000  | 75,200         | 28,800         | 7.2  | 19.3         | 7.4          | 33.8         |
| Worcester                                | 50,800  | 67,700         | 50,800         | 6.5  | 17.4         | 13.0         | 36.9         |
| Wychavon                                 | 76,400  | 305,800        | 382,200        | 9.8  | 78.4         | 98.0         | 186.2        |
| <b>South Worcestershire</b>              | <b>183,200</b>  | <b>448,700</b> | <b>461,800</b> | <b>23.5</b>                                    | <b>115.1</b> | <b>118.4</b> | <b>256.9</b> |
| <b><i>Including Five-year Buffer</i></b> |   |                |                |  |              |              |              |
| Malvern Hills                            | 70,000  | 94,000         | 36,000         | 9.0  | 24.1         | 9.2          | 42.3         |
| Worcester                                | 63,500  | 84,600         | 63,500         | 8.1  | 21.7         | 16.3         | 46.1         |
| Wychavon                                 | 95,600  | 382,200        | 477,800        | 12.3   | 98.0         | 122.5        | 232.8        |
| <b>South Worcestershire</b>              | <b>229,100</b>  | <b>560,800</b> | <b>577,300</b> | <b>29.4</b>                                    | <b>143.8</b> | <b>148.0</b> | <b>321.2</b> |

Source: BE Group, 2021

\* Assumed to be two-storey

7.30 Employment premises may have several occupiers over their economic life, with differing B-class and/or E(g) uses. Most commonly, a unit may house B2 and B8 occupiers over its lifetime with relatively modest fit-out (and planning) changes. As such, some of the space in the table above is likely to have planning permission for a mix of B2/B8 uses.



### **Model Two: Employment Based Forecasting**

- 7.31 While the previous model forecast employment land requirements based on past take-up of land in South Worcestershire, the second model looks at employment forecasts and the resulting implications for employment land and premises.
- 7.32 The scenario uses as its base an Experian econometric model. The forecast projects employment change by sector from the current date to 2041.
- 7.33 There are a number of points that need to be considered when interpreting and using economic forecasts and the results drawn from them:
- The results are indicative rather than exact: While econometric modelling is carried out using the best available economic data the results are an indication of what is likely to happen, and they may of course vary dependent on unexpected events
  - The longer term the data the more variation is likely
  - There can be significant differences in the outcomes predicted by different forecasters. Typically, forecasters start with their assumptions on the national growth position and break it down to a local level using a range of assumptions
  - Forecasting during a period of economic volatility (such as the pandemic impacts) is even more difficult and carries greater uncertainties.

Clearly the headline growth expectations and the assumptions will differ.

- 7.34 The overall employment trend and forecasts from the Experian Model are illustrated in Appendix 10.

### **Summary of Model Projections**

- 7.35 Only certain sectors will translate jobs into a requirement for employment land. The model assesses what percentage of jobs in each sector translates into floorspace. For example, in transport and storage a percentage of jobs will be warehouse based, whilst the remainder will be drivers not operating on site. Thus, such a model is likely to be influenced by a number of key factors:
- The future mix of activities in respect of office, manufacturing and warehousing employment within different sectors. It is not possible to predict the impact of evolving technical change over the period to 2041, and we have therefore assumed that this mix will not change over the period

- The percentage of employees in each sector that will translate to floorspace
- The proportion of people in each industry sector that occupy E(g), B2 or B8 space conforms to those ratios used in other studies and accepted in comparable locations
- The average space each employee occupies – the employment density. We have assumed no variation in the density rates through to 2041 and have used those densities identified in the HCA 2015 published Employment Densities Guide 3<sup>rd</sup> Edition. These density rates are averages, and as they were reviewed some years ago can only be viewed as a guide. With changing work practices, the densities will vary, but in the absence of more locally sourced data this industry accepted data has been used
- As an average development floorspace per ha for office, manufacturing and warehousing activities, we have applied a uniform amount of 3,900 sqm per ha.

7.36 These assumptions are summarised in Table 21.

**Table 21 – Model Assumptions**

| Industry Sector             | Employees   |                                      |   |
|-----------------------------|---|--------------------------------------|---|
|                             | Percentage of staff occupying E(g), B2, B8 Floorspace (percent) | Floorspace occupied per person (sqm) | Other Comments  |
| Agriculture*                | 5   | 12                                   | Managerial, admin, thus E(g) office space (Net Internal Area)   |
| Manufacturing               | 100   | 36                                   | HCA gives a range from 36-47 sqm/job. More dense employment reflects largely B2; a lower density can be applied to B1 light industry. Given the manufacturing mix in S Worcestershire, the general industrial density has been adopted (36 sqm/job) (Net Internal Area) |
| Utilities                   | 26  | 12                                   | Managerial, admin, thus E(g) office space. (Net Internal Area)  |
| Construction                | 26  | 12                                   | Managerial, admin, thus E(g) office space. (Net Internal Area)  |
| Distribution                | 48  | 70                                   | Warehouses, offices- possibly large scale/high bay facilities (Gross External Area)   |
| Transport                   | 48  | 70                                   | Warehouses, offices- possibly large scale/high bay facilities (Gross External Area)   |
| Financial & Business        | 100   | 12                                   | E(g) offices (Net Internal Area)  |
| Government & Other Services | 22  | 12                                   | Local Government, Public Administration E(g) offices (Net Internal Area)  |

Source: HCA, 2015

\*not updated in the 3<sup>rd</sup> edition (2<sup>nd</sup> edition numbers applied)

7.37 Using the adjustments shown in Table 21, the net job figure for each sector is calculated to reflect the proportion of jobs occupying employment floorspace. That figure is then multiplied by the floorspace per person to give total floorspace for each sector. The detailed calculations for this are shown below.

7.38 Once a total floorspace is calculated, the figures are then translated to a land requirement using the ratio of 3,900 sqm per hectare. This applies to all use classes. Table 22 show these calculations for South Worcestershire. Sectors showing jobs growth resulting in a positive land requirement are shown separately from jobs reductions.

7.39 The floorspace requirements for South Worcestershire are shown below:

**Table 22 – Forecast Employment Land and Floorspace Demand based on Experian Forecasts 2021-2041 – South Worcestershire**

| SIC Group   | Workforce Growth 2021-41 | Percentage Occupying E(g)/B2/B8 Space | Growth Number of Jobs on E(g)/B2/B8 Space | Floorspace Per Job, sqm | Floorspace Required, sqm |
|---|--------------------------|---------------------------------------|---|-------------------------|--------------------------|
| Agriculture, Forestry & Fishing                                   | 0                        | 5                                     | 0   | 12                      | 0                        |
| Accommodation, Food Services & Recreation                         | 2,000                    | 0                                     | 0   |                         | 0                        |
| Construction  | 100                      | 26                                    | 26  | 12                      | 312                      |
| Wholesale & Retail  | 2,200                    | 5                                     | 110                                       | 70                      | 7,700                    |
| Extraction & Mining   | 0                        | 5                                     | 0   | 12                      | 0                        |
| Finance & Insurance   | 200                      | 100                                   | 200                                       | 12                      | 2,400                    |
| Information & Communication                                       | 900                      | 100                                   | 900                                       | 12                      | 10,800                   |
| Manufacturing   | 8,600                    | 100                                   | 8,600                                     | 36                      | 309,600                  |
| Professional & Other Private Services                             | 2,900                    | 100                                   | 2,900                                     | 12                      | 34,800                   |
| Public Services   | 3,500                    | 22                                    | 770                                       | 12                      | 9,240                    |
| Transport & storage   | 1,300                    | 48                                    | 624                                       | 70                      | 43,680                   |
| Utilities   | -100                     | 26                                    | -26                                       | 12                      | -312                     |
| <b>Total</b>  | <b>21,600</b>            |                                       | <b>14,104</b>                             |                         |                          |
| <b>Increase in Floorspace – Growth Sectors (sqm)</b>              |                          |                                       |   |                         | <b>418,532</b>           |
| <b>Decline in Floorspace – Declining Sectors (sqm)</b>            |                          |                                       |   |                         | <b>- 312</b>             |
| <b>Net Change in Floorspace Demand (sqm)</b>                      |                          |                                       |   |                         | <b>418,220</b>           |
| <b>Assumed Developable Floorspace per Hectare (sqm/ha)</b>        |                          |                                       |   |                         | <b>3,900</b>             |
| <b>Equivalent Employment Land Needed – Growth Sectors (ha)</b>    |                          |                                       |   |                         | <b>107.3</b>             |
| <b>Equivalent Employment Land Needed – Declining Sectors (ha)</b> |                          |                                       |   |                         | <b>-0.1</b>              |
| <b>Equivalent Employment Land Needed – Net (ha)</b>               |                          |                                       |   |                         | <b>107.2</b>             |

Source: BE Group, 2021 analysis of Experian forecasts

7.40 The above assumes that all floorspace is developed as single storey developments. This is a reasonable assumption for manufacturing and warehousing spaces, but office spaces are commonly multi-storey. If it is assumed that office space averages two storeys, then the land area requirements would be as follows (floorspace requirements would be unchanged):

**Table 23 – Forecast Employment Land Assuming Two-Storey Offices, South Worcestershire**

| Land Area Requirements 2021 to 2041 Assuming two-storey Office Buildings | Floorspace Required, sqm |
|--|--------------------------|
| <b>Equivalent Employment Land Needed – Growth Sectors (ha)</b>           | <b>99.9</b>              |
| <b>Equivalent Employment Land Needed – Declining Sectors (ha)</b>        | <b>-0.1</b>              |
| <b>Equivalent Employment Land Needed – Net (ha)</b>                      | <b>99.8</b>              |

*Source: BE Group, 2021 analysis of Experian forecasts*

7.41 **In total therefore, the Model 2 figures suggest a net gain of some 418,000 sqm of employment floorspace over the forecast period (2021-41) in South Worcestershire. This would amount to some 99.8 ha of employment land.**

7.42 Only one sector, utilities, is forecast to have a declining requirement for employment floorspace in South Worcestershire, and only a very small decline (312 sqm). Therefore, the land requirement when considering only the growth sectors is very similar (and well with the range of uncertainty for 20-year forecasts) of 99.9 ha.

7.43 The largest drivers of floorspace growth are manufacturing (309,600 sqm across South Worcestershire), transport and storage (43,700 sqm) and professional and other private services (34,800 sqm). It is noted that the forecast level of floorspace requirement for manufacturing is significantly above that forecasted in 2018 (180,000 sqm for 2016-41), reflecting the more positive forecasts prepared by Experian for the region in 2021.

7.44 The equivalent tables for the three individual local authorities are provided in Appendix 10, with the summary numbers in the table below.

**Table 24 – Forecast Employment Land Assuming Two-Storey Offices, Three South Worcestershire Authorities**

| Land Area Requirements to 2041 Assuming two-storey Office Buildings | Employment Land Required, ha |             |             |
|---|------------------------------|-------------|-------------|
|   | Malvern Hills                | Worcester   | Wychavon    |
| Equivalent Employment Land Needed – Growth Sectors (ha)             | 11.8                         | 31.0        | 57.8        |
| Equivalent Employment Land Needed – Declining Sectors (ha)          | 0.0                          | -0.1        | -0.1        |
| <b>Equivalent Employment Land Needed – Net (ha)</b>                 | <b>11.8</b>                  | <b>30.9</b> | <b>57.7</b> |

*Source: BE Group, 2021 analysis of Experian forecasts*

### Comparison of the Two Models

7.45 The summary land and floorspace requirements estimated through the two models is provided below. Clearly there is a substantial difference in the two models' outputs, which have implications for planning for employment growth. Each line assumes that E(g) offices are two-storey, with B2 and B8 uses single storey.

7.46 Model Two does not have a calculation for WWA.

**Table 25 – Comparison of Employment Land Forecasts (excluding buffers and two-storey offices)**

| Model   | Employment Land Required, ha |           |          |                      |
|---|------------------------------|-----------|----------|----------------------|
|   | Malvern Hills                | Worcester | Wychavon | South Worcestershire |
| Model One – Historic Take Up base (from Table 20)                     | 33.8                         | 36.9      | 186.2    | 256.9                |
| Model Two – Employment Forecast (from Table 24)                       | 11.8                         | 30.9      | 57.7     | 99.9                 |
| Model Two – Employment Forecast – Growth Sectors Only (from Table 24) | 11.8                         | 31.0      | 57.8     | 99.8                 |

*Source: BE Group 2021 analysis of Experian forecasts*

7.47 Firstly, in regard to the Model Two outputs, there were very few sectors that have been forecast to decline between 2021 and 2041, and those that are forecast to decline are expected to only see minor declines. Therefore, the differences in full forecast and the growth only sectors is negligible.

7.48 Secondly, it is noted that for Worcester City the two models provide reasonably similar

outputs and thus which one is adopted is of minor concern.

7.49 Thirdly, the Wychavon forecast using Model Two appears low for a 20-year period given the large land completions figure in 2019/20 (148 ha over two years). While this may be an exceptional year, the most recent 2020/21 figure was for approximately 29 ha, which together does suggest that a forecast of about 58 ha over 20 years would not reflect the market position.

7.50 It is recommended that the Model One outputs be adopted for all local authority areas for the forecast period. **Therefore, the objectively assessed need for employment land between 2021 and 2041 in South Worcestershire is estimated to be 280.4 ha.** This figure is the full South Worcestershire figure based on past take-up rates and does not account for higher density of development of office space, compared to industrial or warehousing (high plot ratio). **Including a five-year buffer to allow for choice in the market increases the demand to 350.50 ha.**

#### **Comparison to Land Supply**

7.51 It is prudent to compare this requirement with the available land in South Worcestershire. As identified in Chapter 6.0, there is some 290.70 ha of land available for employment uses across South Worcestershire. Furthermore, there is some 71.75 ha of land committed for employment uses, in addition to the land allocations. Therefore, **there is some 362.45 ha of land allocated or committed for employment uses.** Compared to the objectively assessed need (including five-year buffer), there is some spare capacity of 11.95 ha. If excluding the five-year buffer this spare capacity increases to 82.05 ha.

7.52 Therefore, the current land supply, including allocations and commitments, is sufficient to cover the forecast demand to 2041, including a five-year buffer to allow for choice and unforeseen changes in demand. That the supply covers the five-year buffer is particularly important given the volatility in the Wychavon take-up and resultant uncertainty as to the appropriate level upon which to calculate growth in the District.

## 8.0 CONCLUSIONS AND RECOMMENDATIONS

### Main Findings

8.1 The key findings of this Economic Development Needs Assessment are stated below:

#### ***Economic Profile***

- South Worcestershire has a population of 309,400 persons (ONS, 2019) and has experienced similar rates of population growth as the West Midlands region.
- The sub-region is an economically active area, with manufacturing employment being of particular importance to South Worcestershire.
- Importantly, manufacturing employment has grown in recent years, bucking the trends of many other areas in the UK.
- While there is a net out-commuting from South Worcestershire, Worcester City itself has a net in-commuting workforce, with its role as the County Town.
- The economy has remained resilient during the pandemic, with unemployment remaining at low levels, though the latest data available was during a period where business support and furloughing was still in place.

#### ***Property Market***

- The property market has significant variations across the area.
- For industrial, Wychavon and Worcester have recorded similar numbers of total transactions over the past decade, although the total floorspace transacted in Wychavon is substantially higher, reflecting its role in providing mid to larger industrial premises. Malvern Hills has a significantly smaller industrial market, although importantly has very high levels of occupancy, which suggest that there is a latent demand for space that is not being met at present.
- For offices, there is a significantly smaller market in terms of transactions volumes than the industrial market. Average unit sizes transacted are significantly smaller, which is typical of the national commercial property market. Worcester City is the primary location for offices in South Worcestershire. Malvern Hills, while having a small market share, has a larger office market share than for industrial premises.
- Vacancy rates for office premises are high in South Worcestershire and have worsened since 2018. In particular, the total quanta of marketed office space in Wychavon and Worcester have increased markedly since 2018.

- Local commercial property agents report strong demand for industrial premises throughout South Worcestershire, particularly in areas with good connectivity, though demand for office space is more muted. The agents report that there is a lack of good quality industrial premises, in particular larger units.
- Local agents report that industrial and office premises are achieving solid rent levels for good quality stock.

#### ***Functional Economic Market Area***

- The primary functional economic market area for South Worcestershire can be approximated by the Worcestershire County boundary, with a broader area including Stratford-on-Avon, Cotswold, Tewkesbury, Cheltenham and Birmingham being an approximation of a secondary area.

#### ***Employment Land Supply***

- A review of the proposed employment allocations, mixed-use allocations (with potential for employment) and strategic sites for the SWDP Review suggests that there is some 290.70 ha of available employment land in South Worcestershire. This includes 84.27 ha in Malvern Hills<sup>12</sup>, 9.96 ha in Worcester City and 196.47 ha in Wychavon<sup>13</sup>.
- In addition to the proposed employment allocations in the SWDP Review, the South Worcestershire Councils collectively have a net 71.75 ha of employment land commitments, as of 31<sup>st</sup> March 2021. This includes 64.33 ha in Wychavon (includes 6.96 ha the WWA WDC), 10.51 ha in Malvern Hills (includes 2.67 ha in the WWA MHDC), but a deficit of 3.09 ha in Worcester City.
- The combination of the proposed employment land site allocations total for the SWDP Review (290.70 ha) and the net employment land monitoring commitments total (71.75 ha), provides the South Worcestershire Councils with a potential supply of **362.45 ha** of employment land.
- The existing employment areas have also been reviewed. Mostly these sites are appropriate to continue their employment functions, however a small number of sites have been considered to be at the end of the economic life and it is recommended that they are not protected for employment uses.

#### ***Objectively Assessed Needs***

- The objectively assessed need for employment land was modelled using two approaches. From a critique of the approaches, it was considered that the model based on historic land take-up is the most appropriate for South

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<sup>12</sup> Of which 13.5 ha relates to the Wider Worcester Area – SWDP (2016)

<sup>13</sup> Of which 27.5 ha relates to the Wider Worcester Area – SWDP (2016)



Worcestershire. This model forecasts a demand for some 280.4 ha of employment land in South Worcestershire between 2021 and 2041. Including a five-year buffer to allow for choice in the market increases the demand to **350.5 ha**.

- The nature of the employment growth that is forecast in the jobs projections remains relevant to the study. Of particular note, is the projected growth in the manufacturing sector, driven by growth in Wychavon and Worcester, although such growth would benefit the entire South Worcestershire area.
- It is noted that the forecasts prepared by Experian in 2021 project more positive growth than was forecast in 2018, including for key sectors such as manufacturing.

### Supply vs Demand – Meeting the Need for Employment Land

8.2 The potential available supply of employment land for South Worcestershire has been estimated at 362.45 ha. The demand for additional land has been forecast to be 350.50 ha, including a five-year buffer, suggesting a **surplus of employment land of 11.95 ha over the forecast period**.

8.3 The surplus/deficit of employment land over the forecast period for the individual local authorities is summarised in the table below, based on current supply and the forecast demand including the five-year buffer.

**Table 26 – Supply vs Demand for Employment Land (including five-year buffer)**

| Area                        | Available Supply - SWDP Review proposed allocations | Available Supply - Monitoring commitments (at 31/03/2021) | Total Available Supply | Land Demand 2021-41 | Surplus/ Deficit |
|-----------------------------|---|---|------------------------|---------------------|------------------|
| Malvern Hills               | 84.27   | 10.51   | 94.78                  | 51.25               | 43.53            |
| Worcester City              | 9.96  | -3.09   | 6.87                   | 54.25               | -47.38           |
| Wychavon                    | 196.47  | 64.33   | 260.80                 | 245.00              | 15.80            |
| <b>South Worcestershire</b> | <b>290.70</b>                                       | <b>71.75</b>  | <b>362.45</b>          | <b>350.50</b>       | <b>11.95</b>     |

*Source: BE Group, 2022*

8.4 From the above it is apparent that the supply and demand balance is not uniform across South Worcestershire, with a deficit in Worcester City, a modest surplus in Wychavon and a larger surplus in Malvern Hills.

- 8.5 The increase in the provision of sites in Malvern Hills compared to the adopted SWDP has resulted in an estimated surplus of land of about 44 ha, compared to demand to 2041. This surplus of supply would provide for the deficit in Worcester City.
- 8.6 The South Worcestershire market will see overlaps in the supply/demand balance between the individual local authority areas, which is the impetus for the planning at the South Worcestershire level. In effect, this is likely to see some of Worcester City's demand being taken up in the Wychavon and Malvern Hills, where there are forecast to be spare capacities in employment land.
- 8.7 The table below is an indicative assessment of how that supply/demand balance could be revised, assuming that the forecast shortage in Worcester City would be met within Wychavon and Malvern Hills. The table is a revision of Table 26.

**Table 27 – Revised Supply vs Demand for Employment Land**

| Area                        | Available Supply | Revised Land Demand<br>2021-41 | Surplus/ Deficit |
|-----------------------------|------------------|--------------------------------|------------------|
| Malvern Hills               | 94.78            | 90.00                          | 4.78             |
| Worcester                   | 6.87             | 6.25                           | 0.62             |
| Wychavon                    | 260.80           | 254.25                         | 6.55             |
| <b>South Worcestershire</b> | <b>362.45</b>    | <b>350.5</b>                   | <b>11.95</b>     |

*Source: BE Group, 2022*

- 8.8 This provides a distribution of growth within the individual local authority areas that would be sufficiently matched by supply within those areas.
- 8.9 This Supply vs Demand analysis has thus far only considered overall B-class/E(g)-class employment land. However, not all employment land will be developed in the same manner. Therefore, further considerations as to the types of sites and premises in demand are considered below.

#### **Types of Sites and Premises**

- 8.10 The broad array of geographies, settlements and sub-economies across the South Worcestershire region means that a broad array of sites and premises is also

appropriate. This study has identified that the following markets would need to be catered for.

- **Smaller industrial operators:** manufacturing businesses that typically employ less than 20-30 people but are important to the overall economy. Requires premises of about 200-1,000 sqm (2,150-10,740 sqft). Importantly, these operators would be looking for built premises and generally have a preference for leasehold rather than freehold. Therefore, it would be important to consider how and who would develop such spaces to provide it to the market. Such premises should be available in multiple locations, including options in all key settlements.
- **Mid-sized industrial operators:** businesses taking 2,000-3,000 sqm premises, the mid-sized businesses would have a larger network of suppliers and markets and thus location is increasingly important (e.g. proximity to strategic road network, closer to larger urban settlements). Such users would have a mix of premises requirements, including leasehold and freehold, hybrid type premises (mix of engineering floorspace with quality office premises), bespoke design and build schemes, etc. Therefore, the rolling out of floorspace to provide for this market would be a mix of developing standard units to be available for the leasehold market and providing sites for new build arrangements.
- **Larger industrial and warehouse operators:** the key consideration for such operators is the location of sites, which is an optimisation of access to markets, suppliers and workforce and thus would require being on the strategic road network. Provision of sites, rather than built premises, is the priority, with the operators looking to build bespoke premises. Investment in this sector is generally more secure due to the operators being larger enterprises and thus developer interest is often strong, sometimes at the expense of developer interest in the smaller markets. This sector has particular growth requirements in the short term, which have not been adequately met in the market and require addressing in the immediate term.
- **Corporate offices:** while a slower market than the industrial markets, the office sector remains important to the region. This market is particularly vulnerable at the moment as the country emerges from Covid-19 restrictions, with office-based businesses re-evaluating their floorplate needs. There would be an on-

going, though slow, demand for business park premises, with good connectivity and quality premises.

- **Small offices:** small office space should be provided for office-based SMEs in multiple locations throughout the three local authority areas.

8.11 Therefore, from a demand perspective, the small to mid-sized units (predominantly industrial) are likely to have the highest level of demand in South Worcestershire over the planning period. It is important that there is a range of sites that would be appropriate and developable for such uses throughout the three local authority areas.

8.12 Smaller industrial units are less likely to be developed speculatively (although some developers are prepared to do this) and are also less likely to be developed on a design and build basis, commissioned by the end occupier. This is because the end occupiers of smaller units are less likely to have sufficient capital to commission such a project and are thus more likely to be seeking built premises. As such, it may be appropriate to offer some level of incentive to developers to build smaller units speculatively, in order to ensure that there is on-going supply of premises for prospective occupiers. Such incentives may be relaxations through the planning process, negotiated infrastructure contributions or investment by the local authorities or the LEP in particular projects. For example, the local authorities may choose to take the head lease of a portion of a development in order for it to be commenced, which in turn could be subleased to occupiers. This would provide a guarantee of income for the developer, which would reduce their risk (which would be transferred to the local authority) and thereby make it a more attractive project for the developer and its financiers.

8.13 The roll out of employment land and premises is also dependent on the ability to deliver required infrastructure to the sites in a viable manner. This will include appropriate access routes as well as utilities infrastructure for the sites. Linking the employment uses to mixed-use developments is seen as a means of providing additional income streams to fund the infrastructure delivery, although this introduces the risk of the non-employment uses being the priority and focus of the project at the detriment of the roll out of the employment land.

### **Strategic Sites**

- 8.14 The three proposed strategic sites in the SWDP Review – Throckmorton Airfield, Worcestershire Parkway and Rushwick – are particularly important to provide larger-scale premises and schemes in the market that would support the economy to 2041 and beyond. These sites should be promoted at the County/LEP level to garner support for enabling infrastructure to help unlock these sites.
- 8.15 On-going and regular engagement with landholders should continue to ensure that masterplanning work is undertaken that is consistent with the overall intent for the sites. The employment land within these strategic sites is critical for South Worcestershire’s economic growth, forming a vital component of the overall supply. Therefore, the proposed allocations of employment lands should be defended, with any moves to reduce the quantum of employment land being resisted. The Councils should encourage the landholders to develop the employment components as an early stage of the development.

### **Deallocation of Employment Areas**

- 8.16 As discussed in Chapter 6.0, some of the existing employment areas are no longer fit for purpose, which have been identified through a review and critique of the areas. The following existing employment areas are recommended to be not protected for employment.

- Backfields Upton
- Sixways Industrial Estate
- Three Springs Trading Estate
- Orchard Street
- Gregory’s Mill Industrial Estate
- Pope Iron Road
- Stanway Screens
- Vines Lane, Droitwich Spa

### **Monitoring of Office Market**

- 8.17 The recent use class changes for offices, revoking the B1 use class and forming an E-class, which also includes retail, restaurants and other uses, could have significant implications for the city and town centres, as well as for business parks. The conversion of office spaces to other E-class uses would be relatively straightforward, which could

see a reduction in the quantity of office spaces throughout South Worcestershire. This may be tempting for landlords if they see that office space is a less viable product in the post-pandemic environment.

- 8.18 If such structural changes do occur in the economy, it would be appropriate that some spaces are repurposed for other uses. However, it should not be simply assumed that retail uses would be located within disused office space, as the retail sector is also struggling, with many high streets oversupplied for retail spaces.
- 8.19 There remains an important role in the economy for office parks in Worcester and more broadly South Worcestershire. These sites should be protected where possible under the new planning regime from undue encroachment from other E-class uses. It would need to be demonstrated that there would be wholly unacceptable adverse impacts of such conversions.
- 8.20 Given this is still an emerging change in the market in regard to the E use class, it is recommended that office spaces be monitored as to any emerging patterns of repurposing or reuse. It has been seen in South Worcestershire, particularly within inner-city areas of Worcester, that there has been conversion of office uses to residential since permitted development rights for such conversion were introduced in 2013. This has the potential to expand following the E use class changes, although the most likely conversion would still be offices to residential.

#### **Protection from Redevelopment to Residential**

- 8.21 It is important that remaining employment areas are protected from redevelopment to non-employment uses where possible, with residential development the most likely prospect. Older stock in inner-urban areas is the most vulnerable to such redevelopment. While this may be appropriate for some areas, such as those recommended to be not protected for employment moving forward, it is important that the Council's manage this process.
- 8.22 The Government directions to encourage residential development on uneconomic employment sites has given impetus to landholders to try and get a higher value out of their sites. It also limits Councils' ability to protect existing employment areas. Therefore, it should be expected that some existing employment areas would be lost to other uses over the planning period. The Councils should look to support employment sites that remain economic in order to limit loss of employment areas.

This could be through a range of mechanisms such support for the businesses that occupy the space, to encourage retention of businesses within the area, and support for landholders, such as incentivising refurbishment and renewal of stock for continued employment uses.

8.23 The employment area scoring within this study has helped to identify the next suite of employment areas that may be considered vulnerable for redevelopment. The approach to these areas as employment nodes could be to:

- Encourage employment based redevelopment and renewal of the sites to more modern and economically viable premises. This would ensure the long-term survival of the areas as employment nodes. The viability of such an approach can be difficult to achieve in many instances and thus input of the economic development arms of the Councils as well as the Worcestershire LEP would be advantageous.
- Manage the redevelopment of the sites to non-employment uses in a timeframe acceptable to the Councils. This may include encouraging small interventions to help the employment uses remain appropriate for the estate for a few more years.

8.24 Either approach would require early engagement with the landholders of the employment areas identified to be vulnerable to redevelopment.

#### **Future Reviews and Monitoring**

8.25 This document includes forecasting over a 20-year period, which necessarily involves uncertainties and assumptions. Furthermore, economic conditions can change substantially in such a period, as is evidenced by the upheaval in 2020, impacting on employment land and premises demand. Therefore, regular reviews of the supply and demand dynamics of employment land in South Worcestershire should be undertaken, about every three to five years, depending on market activity. Annual monitoring of employment floorspace and land take-up should continue and be consistent across the three local authorities.

8.26 Importantly, it has been identified that the current supply only provides for a relatively modest spare capacity over projected demand (though this includes a five-year buffer to account for uncertainties). This modest spare capacity should be monitored through

the planning period and as any changes to take-up rates become evident, the supply of land should be re-evaluated.

- 8.27 This may necessitate the identification and delivery of further sites in the latter years of the planning period as further land take-up evidence is gathered.