FINAL REPORT

AECOM

South Oxfordshire and Vale of White Horse Employment Land Needs Assessment

South Oxfordshire and Vale of White Horse District Councils

January 2024

Delivering a better world

Prepared for:

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1. Executive Summary

Study Context

1.1 AECOM was commissioned by South Oxfordshire and Vale of White Horse District Councils to undertake an Employment Land Needs Assessment (ELNA). The study sets out a detailed evidence base which forms part of the evidence base to support the Joint Local Plan 2041, and specifically the districts' future approach to the provision, protection, release and enhancement of employment land and premises.

1.2 The National Planning Policy Framework (NPPF)[1] outlines the principles that Local Planning Authorities should follow in preparing their evidence base to inform employment land policies. The need for Local Planning Authorities to produce an up-to-date employment land evidence base and the suggested format is outlined in national Planning Practice Guidance (PPG)[2]. The approach to the study reflects the requirements and directions of this guidance.

1.3 The scope of the study includes employment land defined as office and industrial land and businesses, falling under the following use classes:

Offices:

- E(g)(i) Offices; and
- E(g)(ii) Research and Development.

Industrial:

- E(g)(iii) Light industrial;
- B2 General industrial; and
- B8 Storage or distribution

1.4 The study also considers Sui Generis (SG) use class, within land in employment uses, although this is not central to the ELNA and forecasting of demand for SG land is not considered.

1.5 The area of assessment is the whole of the districts of South Oxfordshire and the Vale of White Horse (VOWH). We have surveyed clusters of employment land identified based on:

- South Oxfordshire Employment Land Review (2015);
- South Oxfordshire Employment Land Review Addendum (2017);
- South Oxfordshire Adopted Local Plan 2035 (2020);
- Vale of White Horse Employment Land Review (2013);
- Vale of White Horse Employment Land Review Addendum (2014);
- Vale of White Horse Local Plan 2031 (2016);
- Available Neighbourhood Plans across both districts; and
- CoStar database.

1.6 These clusters are therefore comprised primarily of designated sites, with additional sites identified by AECOM as non-designated sites but with potential to be considered for designation given the proposed or planned use of the site for employment activities.

1.7 All employment land measuring 0.25 hectares (ha) or more has been assessed in this study with sites smaller than this in size, where not within the cluster types listed above, forming part of the total supply identified in land and floorspace for offices and industrial uses. This includes office floorspace within town centres, with these not having been mapped as clusters in themselves.

[1] Department for Levelling Up, Housing and Communities (2023), National Planning Policy Framework.
[2] Ministry for Communities, Housing and Local Government, (2019); Planning Practice Guidance.

Policy and Literature Review

1.8 The NPPF provides overarching guidance on the Government's development aims and describes the Government's vision for building a strong, competitive economy. It emphasises that Local Plans and Employment Needs Assessments should present robust evidence to support clearly defined designations and allocations of land for employment uses. it sets out a series of recommendations which policymakers should follow to help create conditions in which businesses can invest.

1.9 The need for an evidence base to assist in understanding existing business needs, local circumstances and market conditions is also emphasised in the national PPG. The PPG is a web-based resource providing detailed guidance on the implementation of the NPPF which undergoes regular updates. Guidance includes 'Housing and Economic Needs Assessments' which was updated in December 2020 and 'Housing and Economic Land Availability Assessments', which was updated in July 2019.

1.10 At a regional level, the OxLEP Local Industrial Strategy highlights the challenges associated with business floorspace, with challenges identified including flexible laboratory and innovation space as well as Grade A office space. The Strategy also sets out the necessary 'transformation of science and technology parks and creation of new hubs' including the doubling of floorspace at Harwell and Culham science parks.

1.11 At a local level, the Local Plan[3] adopted by South Oxfordshire District Council in 2020 sets out that 'to facilitate the provision of additional office, manufacturing and distribution jobs between 2011 and 2035 a minimum requirement of 39.1 hectares of employment land will be provided.

1.12 Similarly, the Local Plan Part 1[4] adopted by Vale of White Horse District Council in 2016 includes 'Core Policy 6: Meeting Business and Employment Needs' which sets out that '218 hectares of land is identified for future employment development across strategic sites and saved Vale Local Plan 2011 allocations.

Functional Economic Market Area

1.13 The PPG requires local planning authorities (LPAs) to assess development needs in consideration of other LPAs in a relevant functional economic market area (FEMA), to be defined as part of needs assessments. Analysis of South Oxfordshire and Vale of White Horse's travel to work area, housing market area, property market area, and economic governance and partnerships area, indicates that South Oxfordshire and Vale of White Horse are relatively self-contained economically, with some important connections either from an economic governance perspective (administrative boundaries), market characteristics (housing and commercial property markets) and connectivity (travel to work and transport infrastructure).

1.14 Based on the assessment conducted, South Oxfordshire and Vale of White Horse are particularly connected with two other local authority areas:

- Oxford (by virtue of inflow and outflow self-containment, the road and rail network, the housing and property market areas, and economic governance areas)
- West Oxfordshire (by virtue of inflow self-containment, the road network, the housing and property market areas, and economic governance areas)

1.15 On this basis, South Oxfordshire and VOWH are assumed to form a FEMA with Oxford and West Oxfordshire.

Socio-economic Profile

1.16 South Oxfordshire and VOWH are characterised by a high average economic activity rate which is broadly comparable to the FEMA, and slightly higher than the regional and national level, over the ten years preceding 2022. The impact of the COVID-19 pandemic is exhibited in an economic activity rate in South Oxfordshire which is lower than the ten-year average, however Vale of White Horse seems to have strongly recovered in terms of economic activity, as this area now records an economic activity rate that exceeds the ten-year average.

[3] South Oxfordshire District Council, (2020); Local Plan 2011-2035.
[4] Vale of White Horse District Council, (2016); Local Plan 2031 Part 1: Strategic Sites and Policies.

1.17 Of the working age population employed in South Oxfordshire and Vale of White Horse, around a third have roles in professional occupations, with these occupations representing a larger proportion of overall employment than is recorded regionally and nationally. The greatest amount of employment is contributed by the professional, scientific and technical sector in both local authority areas. A notable retention rate is recorded, with a high proportion of the resident population also working within South Oxfordshire and Vale of White Horse.

1.18 A high proportion of residents hold degree-level qualifications, in line with the FEMA, and at a higher rate than recorded regionally and nationally. The strength of the knowledge economy and educational attainment is reflected in earnings, with residents of South Oxfordshire and Vale of White Horse having higher earnings on average than residents of the South East region or England more widely. There is a low incidence of deprivation in both local authority areas, which are ranked amongst the 15 least deprived local authority areas nationally, though pockets of deprivation can be masked within this data.

1.19 Over the period to 2040, the population of South Oxfordshire is expected to grow at a slower rate than wider geographies to 2040, whereas Vale of White Horse is projected to grow at a faster rate than other geographies considered. The greatest proportional growth in both South Oxfordshire and Vale of White Horse is expected in the over 65 age group, suggesting these areas are characterised by an ageing population.

Property Market Profile

1.20 The property market assessment considers the office and industrial property markets in South Oxfordshire and VOWH, set within the context of the wider functional economic market area (FEMA), South East and England.

Office Market Office Market [E(g)(i) and E(g)(ii)]

1.21 The office land and property market in South Oxfordshire and Vale of White Horse accounts for 52.4% of total floorspace across the FEMA. The vast majority of office properties in South Oxfordshire are small, being less than 500 m^2 in size. Conversely, a smaller proportion of office properties in VOWH are less than 500 m^2 in size than is typical of the FEMA and wider region. This is likely driven by the presence of large sites offering substantial office space within the districts, such as Milton Park and Harwell.

1.22 Rental values in South Oxfordshire have been consistently below comparator geographies over the past decade whereas rental values in VOWH have recently exceeded the regional level. This is likely to be driven by the age of stock in the respective districts, with over half of office buildings in South Oxfordshire pre-dating 1950 in terms of their construction or most recent refurbishment whereas in VOWH less than a quarter pre-date 1950 and over a quarter of all buildings were constructed or most recently renovated after 2000.

1.23 Total R&D floorspace across both districts represents a third of the total R&D floorspace across the South East region. Nearly all R&D properties were constructed or most recently renovated since 2010, indicating relatively new building stock for this use type, with the average property size tending to be over 5,000 m^2.

1.24 Vacancy rates have been broadly lower in South Oxfordshire and VOWH than the regional and national rates over the ten years preceding 2023. Rental values for R&D properties in South Oxfordshire are in line with the regional rate, whereas the rental value of properties in VOWH fall below the regional level, though remain higher than the national level.

1.25 Overall, the analysis demonstrates that demand is positive within the office market in South Oxfordshire and VOWH, with vacancy rates consistently lower than across the South East and England. Similarly, net absorption rates have been mostly positive over the past decade across both districts.

Industrial Market [E(g)(iii), B2 and B8]

1.26 The industrial land and property market in South Oxfordshire and Vale of White Horse is dispersed amongst the settlements of South Oxfordshire and VOWH, with some remote properties often located at farms also contributing industrial employment space.

1.27 Two thirds of industrial floorspace is occupied by storage and distribution properties, with general industrial accounting for 26% of floorspace; and light industrial accounting for 8% of floorspace. This

reflects the size profile of the use classes, with storage and distribution properties tending to be over 1,000 m^2 in size, whereas general industrial properties are mostly less than 1,000 m^2 and the majority of light industrial properties less than 500 m^2.

1.28 Market rental values for general industrial and storage and distribution use classes have been consistently lower in South Oxfordshire and VOWH than across the FEMA, suggesting relatively more affordable general industrial and storage and distribution space is located in the districts. Conversely, for light industrial uses, market values in South Oxfordshire have remained consistently higher than the FEMA over the past decade, despite 59% of light industrial properties having been constructed before 1970, compared with 44% across the FEMA. Light industrial values in VOWH have trended below the FEMA over the same period, suggesting that some of the lowest value light industrial properties in the FEMA are located in VOWH.

1.29 The analysis highlights limited spare capacity within the general industrial and light industrial use classes, with an average vacancy rate across both districts of 0.2% and 0.7% respectively. While broadly in line with the FEMA, these vacancy rates are notably lower than regional and national comparators. Conversely, the vacancy rate for storage and distribution, while in line with the FEMA, exceeds regional and national comparators.

1.30 A generally positive picture is evident in terms of net absorption for general industrial and storage and distribution properties, which have exhibited positive trends consistent with positive demand over the past decade. There has however been a notable levelling off over the past 3 years in particular, likely driven by the Covid-19 pandemic.

Employment Land Availability Assessment

1.31 A total of 68 clusters (29 in South Oxfordshire and 39 in VOWH) have been identified in this assessment. Clusters are defined as parcels of employment land within the districts (rather than individual sites). The employment clusters in South Oxfordshire are identified in Table 1-1 and mapped in Figure **1-1**, with the employment clusters in VOWH identified in Table 1-2 and mapped in Figure 1-2.

Table 1-1 Employment Clusters Surveyed in South Oxfordshire

Ref	Name	Location	Designation/Allocation	Reason for survey	Boundary
S1	Culham Science Centre and Culham No1 Site	Culham	Employment Allocation; Strategic Allocation	Previous Employment Land Review (ELR) cluster Local Plan 2020 – 'Policy EMP1'; 'STRAT8'	*South Oxfordshire Local Plan 2020. Appendix 3: Site Allocations.*
S2	Southmead Industrial Estate and Didcot Station Area	Didcot	Employment Allocation	Previous ELR cluster Local Plan 2020 – 'Policy EMP1'	*South Oxfordshire Local Plan 2020. Appendix 3: Site Allocations.*
S3	Rich's Sidings, Didcot	Didcot	Town centre	Previous ELR cluster	*South Oxfordshire Employment Land Review 2015. Figure 2-2: Context Map of Surveyed Employment Clusters in South Oxfordshire*
S4	Hithercroft Industrial Estate	Wallingford	Non-designated	Previous ELR cluster	*South Oxfordshire Employment Land Review 2015. Figure 2-2: Context Map of Surveyed Employment Clusters in South Oxfordshire*
S5	Crowmarsh Industrial Cluster - Howberry Park	Wallingford	Non-designated	Previous ELR cluster	*South Oxfordshire Employment Land Review 2015. Figure 2-2: Context Map of Surveyed Employment Clusters in South Oxfordshire*

Ref	Name	Location	Designation/Allocation	Reason for survey	Boundary
S6	Boundary Business Park, Garsington	Garsington	Employment Allocation	Previous ELR cluster	*South Oxfordshire Employment Land Review 2015. Figure 2-2: Context Map of Surveyed Employment Clusters in South Oxfordshire*
S7	Monument Business Park, Chalgrove	Rural	Town centre	Previous ELR cluster	*South Oxfordshire Employment Land Review 2015. Figure 2-2: Context Map of Surveyed Employment Clusters in South Oxfordshire*
S8	Thame Industrial Cluster	Thame	Non-designated	Previous ELR cluster	*South Oxfordshire Employment Land Review 2015. Figure 2-2: Context Map of Surveyed Employment Clusters in South Oxfordshire*
S9	Watlington Industrial Cluster	Watlington	Town centre	Previous ELR cluster	*South Oxfordshire Employment Land Review 2015. Figure 2-2: Context Map of Surveyed Employment Clusters in South Oxfordshire*
S10	Reading Road Industrial Estate, Henley-on-Thames	Henley-on-Thames	Non-designated	Previous ELR cluster	*South Oxfordshire Employment Land Review 2015. Figure 2-2: Context Map of Surveyed Employment Clusters in South Oxfordshire*
S11	Smith Centre, Henley-on-Thames	Henley-on-Thames	Non-designated	Previous ELR cluster	*South Oxfordshire Employment Land Review 2015. Figure 2-2: Context Map of Surveyed Employment Clusters in South Oxfordshire*
S12	London Road Industrial Estate Wheatley	Rural	Strategic Allocation	Local Plan 2020 – 'Strategic Allocation STRAT7'	*South Oxfordshire Local Plan 2020. Appendix 2: Strategic Allocation Maps.*
S13	Land at Chalgrove Airfield	Rural	Strategic Allocation	Local Plan 2020 – 'Strategic Allocation STRAT10i'	*South Oxfordshire Local Plan 2020. Appendix 2: Strategic Allocation Maps.*
S14	Land at Berinsfield Garden Village	Berinsfield	Strategic Allocation	Local Plan 2020 – 'Strategic Allocation STRAT9'	*South Oxfordshire Local Plan 2020. Appendix 2: Strategic Allocation Maps.*
S15	Oxford Science Park, Grenoble Road	Sandford-on-Thames	Non-designated	AECOM review of CoStar database	AECOM
S16	Oakley Road, Chinnor	Chinnor	Non-designated	AECOM review of CoStar database	AECOM
S17	Rycote Lane Farm	Rural	Non-designated	AECOM review of CoStar database	AECOM
S18	Rycote Lane, M40	Thame	Non-designated	AECOM review of CoStar database	AECOM
S19	Little Baldon	Rural	Non-designated	AECOM review of CoStar database	AECOM
S20	Thames Court	Goring	Non-designated	AECOM review of CoStar database	AECOM
S21	Berinsfield Business Park/Tower Business Park	Berinsfield	Town centre	Previous ELR cluster	*South Oxfordshire Employment Land Review 2015. Figure 2-2: Context Map of Surveyed*

Ref	Name	Location	Designation/Allocation	Reason for survey	Boundary
					Employment Clusters in South Oxfordshire
S22	Slade End Green	Wallingford	Non-designated	Brightwell cum Sotwell Neighbourhood Plan – 'BSC4'	*Brightwell cum Sotwell Neighbourhood Plan 2017. Proposals Policies Maps: Inset Maps.*
S23	Site B (Windles, Groves), Thame	Thame	Allocated Employment Site	Thame Neighbourhood Plan – 'WS11'	*Thame Neighbourhood Plan 2013. Figure 8.5: Land allocated for employment.*
S24	Ayres Yard	Wallingford	Allocated Employment Site	Thame Neighbourhood Plan – 'WS11'	*Thame Neighbourhood Plan 2013. Figure 8.5: Land allocated for employment.*
S25	The Old Coal Yard	Rural	Allocated Employment Site	Thame Neighbourhood Plan – 'WS11'	*Thame Neighbourhood Plan 2013. Figure 8.5: Land allocated for employment.*
S26	Church Farm, allocation	Rural	Allocated Employment Site	Thame Neighbourhood Plan – 'WS11'	*Thame Neighbourhood Plan 2013. Figure 8.5: Land allocated for employment.*
S27	Church Farm, existing	Rural	Non-designated	AECOM review of CoStar database	AECOM
S28	Ward's Farm Industrial Estate, existing	Rural	Non-designated	AECOM review of CoStar database	AECOM
S29	Ward's Farm Industrial Estate, allocation	Rural	Allocated Employment Site	Woodcote Neighbourhood Plan - WNP2-98	Woodcote Neighbourhood Plan 2022. Map 12.xii;

Figure 1-1 Map of Employment Clusters Surveyed in South Oxfordshire

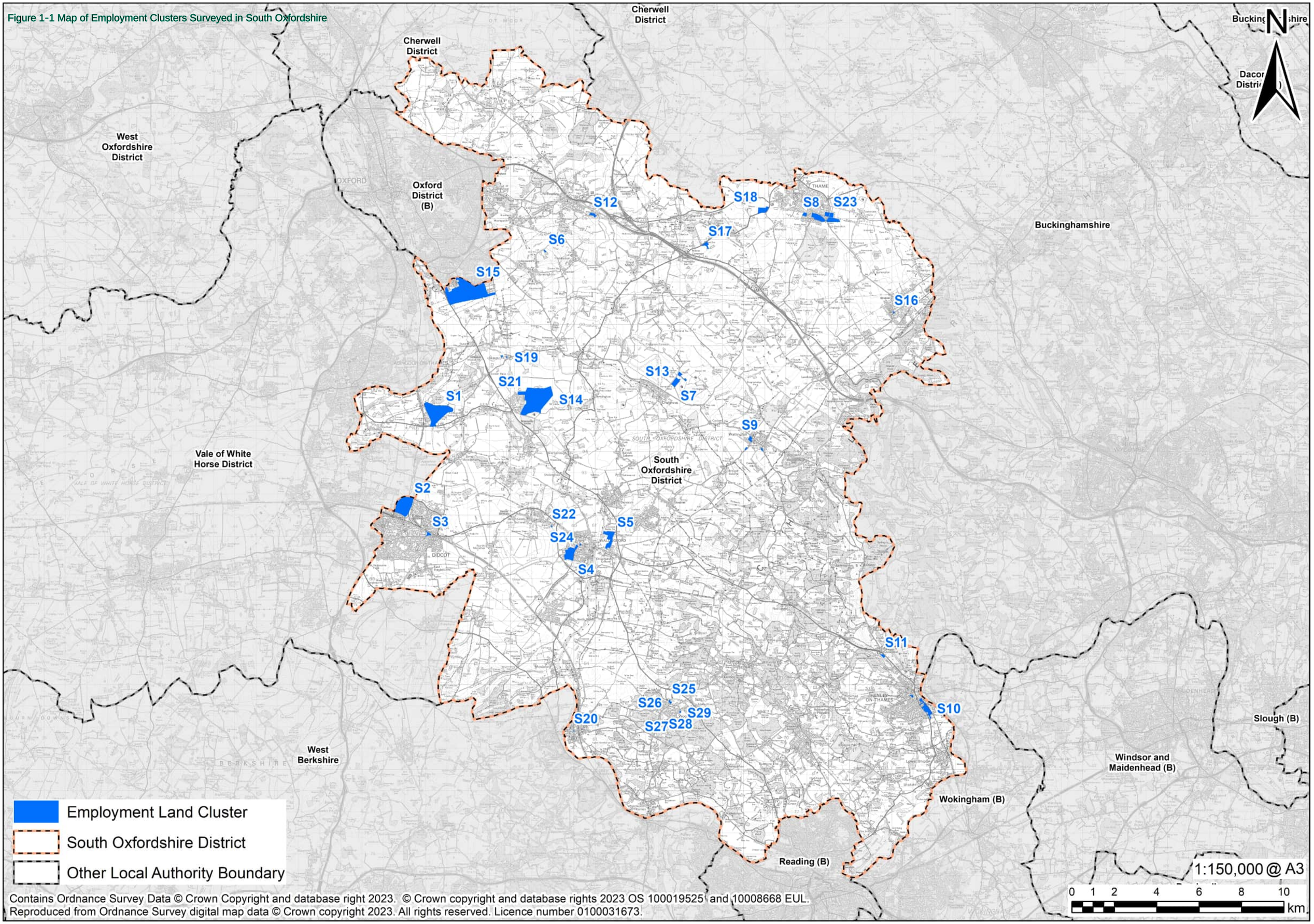


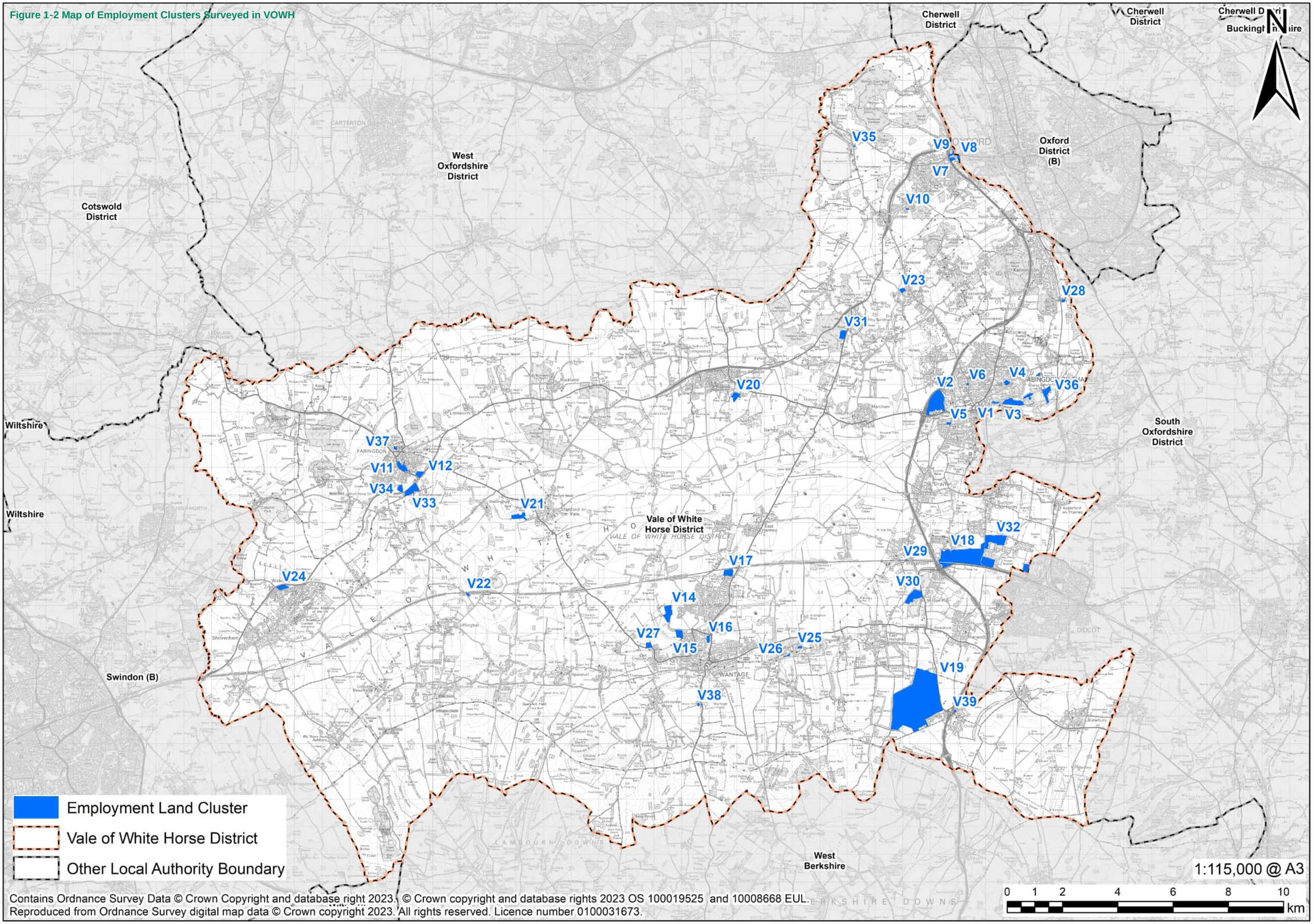
Table 1-2 Employment Clusters Surveyed in VOWH

Ref	Name	Location	Designation/ Allocation	Reason for survey	Boundary
V1	Barton Mill in Audlett Drive, Abingdon	Abingdon	Existing strategic employment site allocation	Local Plan 2016 – 'Existing strategic employment site'	*Vale of White Horse Local Plan 2031 Part 1 Strategic Sites and Policies – Appendix B: Existing Strategic Employment Sites*
V2	Abingdon Business Park at Wyndyke Furlong	Abingdon	Existing strategic employment site allocation	Previous ELR cluster Local Plan 2016 – 'Existing strategic employment site'; 'Other Saved Local Plan 2011 allocation'	*Vale of White Horse Local Plan 2031 Part 1 Strategic Sites and Policies – Appendix B: Existing Strategic Employment Sites*
V3	Abingdon Science Park at Barton Lane	Abingdon	Existing strategic employment site allocation	Previous ELR cluster Local Plan 2016 – 'Existing strategic employment site'; 'Other Saved Local Plan 2011 allocation'	*Vale of White Horse Local Plan 2031 Part 1 Strategic Sites and Policies – Appendix B: Existing Strategic Employment Sites*
V4	Radley Road Industrial Estate	Abingdon	Existing strategic employment site allocation	Previous ELR cluster Local Plan 2016 – 'Existing strategic employment site'	*Vale of White Horse Local Plan 2031 Part 1 Strategic Sites and Policies – Appendix B: Existing Strategic Employment Sites*
V5	Drayton Road Industrial Estate	Abingdon	Existing strategic employment site allocation	Previous ELR cluster Local Plan 2016 – 'Existing strategic employment site'	*Vale of White Horse Local Plan 2031 Part 1 Strategic Sites and Policies – Appendix B: Existing Strategic Employment Sites*
V6	Fitzharris Trading Estate	Abingdon	Existing strategic employment site allocation	Previous ELR cluster Local Plan 2016 – 'Existing strategic employment site'	*Vale of White Horse Local Plan 2031 Part 1 Strategic Sites and Policies – Appendix B: Existing Strategic Employment Sites*
V7	Minns Business Park at North Hinksey	Cumnor	Existing strategic employment site allocation	Previous ELR cluster Local Plan 2016 – 'Existing strategic employment site'	*Vale of White Horse Local Plan 2031 Part 1 Strategic Sites and Policies – Appendix B: Existing Strategic Employment Sites*
V8	Hinksey Business Centre and Industrial Estate	Cumnor	Existing strategic employment site allocation	Previous ELR cluster Local Plan 2016 – 'Existing strategic employment site'	*Vale of White Horse Local Plan 2031 Part 1 Strategic Sites and Policies – Appendix B: Existing Strategic Employment Sites*
V9	Botley - north of West Way	Cumnor	Existing strategic employment site allocation	Previous ELR cluster Local Plan 2016 – 'Existing strategic employment allocation'	*Vale of White Horse Local Plan 2031 Part 1 Strategic Sites and Policies – Appendix B: Existing Strategic Employment Sites*
V10	Cumnor Hill (Chawley Park)	Cumnor	Local Plan 2011 employment allocation	Previous ELR cluster Local Plan 2016 – 'Other Saved Local Plan 2011 allocation'	*Vale of White Horse Employment Land Review 2013*
V11	Faringdon - existing Park Road sites	Faringdon	Non-designated	Previous ELR cluster	*Vale of White Horse Employment Land Review 2013*
V12	Faringdon - land adjacent to A420 '4&20' Site	Faringdon	Existing strategic employment site allocation	Previous ELR cluster Local Plan 2016 – 'Other Saved Local Plan 2011 allocation'	*Vale of White Horse Local Plan 2031 Part 1 Strategic Sites and Policies – Appendix B: Existing Strategic Employment Sites*
V13	Faringdon - north of Pioneer Road	Faringdon	Proposed allocation	Previous ELR cluster	*Vale of White Horse Employment Land Review 2013*

Ref	Name	Location	Designation/ Allocation	Reason for survey	Boundary
V14	Grove Technology Park	Grove	Existing strategic employment site allocation	Previous ELR cluster Local Plan 2016 – 'Existing strategic employment site'; 'Other Saved Local Plan 2011 allocation'	*Vale of White Horse Local Plan 2031 Part 1 Strategic Sites and Policies – Appendix B: Existing Strategic Employment Sites*
V15	Downsview Road, Grove (Crown Technology)	Grove	Existing strategic employment site allocation	Previous ELR cluster Local Plan 2016 – 'Existing strategic employment site'	*Vale of White Horse Local Plan 2031 Part 1 Strategic Sites and Policies – Appendix B: Existing Strategic Employment Sites*
V16	Grove Road, Wantage	Wantage	Existing strategic employment site allocation	Previous ELR cluster Local Plan 2016 – 'Existing strategic employment site'	*Vale of White Horse Local Plan 2031 Part 1 Strategic Sites and Policies – Appendix B: Existing Strategic Employment Sites*
V17	Station Road, Grove (Williams F1)	Wantage	Existing strategic employment site allocation	Previous ELR cluster Local Plan 2016 – 'Existing strategic employment site'	*Vale of White Horse Local Plan 2031 Part 1 Strategic Sites and Policies – Appendix B: Existing Strategic Employment Sites*
V18	Milton Park	Didcot	Existing strategic employment site allocation	Previous ELR cluster Local Plan 2016 – 'Saved Local Plan 2011 allocation'	*Vale of White Horse Local Plan 2031 Part 1 Strategic Sites and Policies – Appendix B: Existing Strategic Employment Sites*
V19	Harwell, Oxford	Harwell	Existing strategic employment site allocation	Previous ELR cluster Local Plan 2016 – 'Saved Local Plan 2011 allocation'	*Vale of White Horse Local Plan 2031 Part 1 Strategic Sites and Policies – Appendix B: Existing Strategic Employment Sites*
V20	Kingston Business Park	Rural	Rural multi user site allocation	Previous ELR cluster Local Plan 2016 – 'Rural multi user site'	*Vale of White Horse Employment Land Review 2013*
V21	Whitehorse Business Park	Stanford in the Vale	Rural multi user site allocation	Previous ELR cluster Local Plan 2016 – 'Rural multi user site'	*Vale of White Horse Employment Land Review 2013*
V22	Uffington Station	Rural	Non-designated	Previous ELR cluster	*Vale of White Horse Employment Land Review 2013*
V23	Wootton Business Park	Wootton	Rural multi user site allocation	Previous ELR cluster Local Plan 2016 – 'Rural multi user site'; 'Other Saved Local Plan 2011 allocation'	*Vale of White Horse Employment Land Review 2013*
V24	Shrivenham Hundred Business Park	Shrivenham Hundred	Rural multi user site allocation	Previous ELR cluster Local Plan 2016 – 'Rural multi user site'	*Vale of White Horse Employment Land Review 2013*
V25	Ardington - The Bakers Yard	Rural	Rural multi user site allocation	Previous ELR cluster Local Plan 2016 – 'Rural multi user site'	*Vale of White Horse Employment Land Review 2013*
V26	Ardington - Home Farm	Rural	Rural multi user site allocation	Previous ELR cluster Local Plan 2016 – 'Rural multi user site'	*Vale of White Horse Employment Land Review 2013*
V27	Challow - W&G	Rural	Rural multi user site allocation	Previous ELR cluster Local Plan 2016 – 'Rural multi user site'	*Vale of White Horse Employment Land Review 2013*

Ref	Name	Location	Designation/ Allocation	Reason for survey	Boundary
V28	Sandford Lane Industrial Estate	Sandford-on-Thames	Rural multi user site allocation	Previous ELR cluster Local Plan 2016 – 'Rural multi user site'	*Vale of White Horse Employment Land Review 2013*
V29	Steventon - Station Yard Industrial Estate	Steventon	Rural multi user site allocation	Previous ELR cluster Local Plan 2016 – 'Rural multi user site'	*Vale of White Horse Employment Land Review 2013*
V30	Milton Hill Business and Technology Centre	Rural	Large campus style site allocation	Previous ELR cluster Local Plan 2016 – 'Large campus style sites'; 'Other Saved Local Plan 2011 allocation'	*Vale of White Horse Employment Land Review 2013*
V31	Tubney Wood - Oxford Instruments	Rural	Large campus style site allocation	Previous ELR cluster Local Plan 2016 – 'Large campus style sites'	*Vale of White Horse Employment Land Review 2013*
V32	Didcot A Power Station	Didcot	Existing strategic employment site allocation	Previous ELR cluster Local Plan 2016 – 'Identified future potential supply'; 'Existing strategic employment site'	*Vale of White Horse Local Plan 2031 Part 1 Strategic Sites and Policies – Appendix B: Existing Strategic Employment Sites*
V33	Faringdon - Wicklesham Quarry	Faringdon	Proposed allocation	Previous ELR cluster	*Vale of White Horse Employment Land Review 2013*
V34	Faringdon - South of Park Road / Roger's Quarry	Faringdon	Mixed use strategic allocation	Previous ELR cluster Local Plan 2016 – 'New mixed use strategic allocation'	*Vale of White Horse Employment Land Review 2013*
V35	Farmoor Court	Rural	Non-designated	AECOM review of CoStar database	AECOM
V36	Radley Lakes cluster	Rural	Non-designated	Radley Neighbourhood Plan	*Radley Neighbourhood Plan 2018. 'Map 6: Radley Lakes, including Surrounding Area'*
V37	Land north west of Gloucester Street car park	Faringdon	Proposed employment land allocation	Faringdon Neighbourhood Plan	*Faringdon Neighbourhood Plan 2016: 'Figure 8: Existing and proposed employment land'*
V38	Manor Farm, Manor Road, Wantage	Rural	Non-designated	Officer identified	South Oxfordshire and Vale of White Horse District Councils
V39	Horticulture House	Harwell	Non-designated	Chilton Neighbourhood Plan	*Chilton Neighbourhood Plan. Figure 4.1: Chilton Employment Sites*

Figure 1-2 Map of Employment Clusters Surveyed in VOWH



1.32 The assessment of existing supply was conducted based on a set of site appraisal criteria (which were agreed with South Oxfordshire and VOWH District Councils in advance) from which detailed analysis was carried out to identify the characteristics of employment land within the district.

1.33 Our survey identified that, outside of the main town centres, office space in South Oxfordshire tends to be provided alongside other industrial uses in business park settings and industrial estates, comprising both spaces ancillary to industrial uses and standalone commercial office use. The larger and higher performing industrial clusters tend to be located in areas with direct or indirect access to the strategic road network/main arterial routes (such as the M40, A418 and A4130) with clusters less well connected to the road network often smaller, offering older/poorer quality buildings, limited formal public realm and access to amenities.

1.34 Employment land in VOWH consists of a small number of large clusters, such as Harwell (V19), Milton Park (V18), Abingdon Business Park (V2) and Didcot A Power Station (V32), contrasted by a variety of small to medium sized business parks and industrial estates and disparate, rural employment sites spread across the District. A number of sites are identified as having land available for development, including Milton Park (V18) and Harwell (V19), two key sites with high growth potential.

1.35 Our assessment concluded that most clusters surveyed are functioning well, have high occupancy rates and support a range of business types. There has been some loss of employment sites to residential accommodation due to the impact of Permitted Development Rights as well as attractive land values for residential development, while the survey also identified evidence of farm diversification activity towards employment land uses in rural areas.

Economic Development Needs Assessment

1.36 The approach to assessing future employment floorspace and land requirements is in line with Planning Practice Guidance on economic needs assessments. The Economic Development Needs Assessment considers three different approaches/scenarios to determine the future land requirements in South Oxfordshire and VOWH:

- Scenario 1 – Labour Demand: using employment forecasts sourced from Oxford Economics, the change in employment in South Oxfordshire and VOWH (by industry) is translated into the associated change in floorspace and land requirements.
- Scenario 2 – Past Take-Up: this scenario considers past net absorption of employment floorspace in South Oxfordshire and VOWH and projects the historical trend over the Plan Period. Future change in floorspace is then converted into future land requirement.
- Scenario 3 – Labour Supply: this scenario uses population forecasts to understand the level of additional workforce that will be available on the labour market. The additional workforce is allocated to industries and translated into associated change in floorspace and land requirements.

1.37 A summary of the findings of each scenario is set out in Table 1-3.

Table 1-3 Summary of Forecast Requirements 2021-2041

	Labour Demand	Past Take-Up	Labour Supply
Employment (Full Time Equivalents)	**7,306**	**12,227**	**455**
Office (E(g)(i))	6,867	9,361	2,259
R&D (E(g)(ii))	1,701	1,099	559
Light Industrial (E(g)(iii))	-482	32	-842
Industrial B2	-708	452	-999
Warehouse (B8)	-72	1,007	-522
Floorspace (m^2)	**109,463**	**249,030**	**-58,562**
Office (E(g)(i))	77,593	105,784	25,519
R&D (E(g)(ii))	85,043	54,951	27,987
Sub-total Office	162,637	160,735	53,506
Light Industrial (E(g)(iii))	-22,631	1,502	-39,578
Industrial B2	-25,482	16,270	-35,955
Warehouse (B8)	-5,061	70,524	-36,535
Sub-total Industrial	-53,174	88,296	-112,068
Land (Ha)	**15.9**	**44.4**	**-17.5**
Office (E(g)(i))	7.8	10.6	2.5
R&D (E(g)(ii))	21.3	13.7	7.0
Sub-total Office	29.1	24.3	9.5
Light Industrial (E(g)(iii))	-5.7	0.4	-9.8
Industrial B2	-6.4	4.1	-9
Warehouse (B8)	-1.1	15.7	-8.1
Sub-total Industrial	-13.2	20.2	-26.9

1.38 For the office use classes, the floorspace requirements forecasted through Scenario 1 (Labour Demand) indicate that there will be significant growth requirements to 2041, equivalent to 20.4% of the current supply of office floorspace in the districts. Office space is anticipated to grow to the end of the Local Plan period due to the districts, in particular VOWH, being host to high-quality office environments and a hub for knowledge intensive uses. As such, growth of 162,637 m^2 over the Joint Local Plan period is considered a feasible projection in light of local market intelligence and development prospects, before pipeline supply is accounted for.

1.39 For industrial use classes, the floorspace requirements forecasted through Scenario 1 (Labour Demand) indicate that there will be a contraction in the supply of industrial floorspace of 53,174 m^2 up to 2041. This contraction is driven by a fall in light industrial, general industrial and warehousing and storage floorspace, however property market intelligence highlights a robust, competitive performance in market rents over the past decade and vacancy rates well below regional and national comparators.

1.40 As such, a contraction in floorspace over the Plan period would represent a considerable divergence from recent activity and there is limited to no evidence to assume that the trajectory of the last decade will reverse such that additional land requirements will be negative to 2041, which is also the case under Scenario 3. The Past Take Up scenario, forecasting an increase of 88,296 m^2 of industrial floorspace over the Plan period, is therefore deemed a more appropriate representation of past performance, local market intelligence and development prospects and is taken forward for industrial uses.

Preferred Scenario

1.41 For the reasons stated above, Scenario 1 (Labour Demand) is considered to provide the most robust projections for office floorspace and Scenario 2 (Past Take-Up) for industrial floorspace requirements over the Joint Local Plan period. Therefore the preferred scenario for assessing the future economic needs in South Oxfordshire and VOWH is a hybrid of both these scenarios, combining Scenario 1 (Labour Demand) for office uses and Scenario 2 (Past Take-Up) for industrial uses.

Comparison Between Supply and Demand

1.42 This section compares the projected future demand for office and industrial floorspace and land between 2021 and 2041, with the existing supply conditions in the districts.

Net Requirement for Office and Industrial Land

1.43 For office floorspace [(E(g)(i) and E(g)(ii))] there is projected to be a (net) requirement of approximately 204,969 m^2 office floorspace in South Oxfordshire and VOWH. This would translate to 36.6 ha of employment land for office uses, 11.6 ha in South Oxfordshire and 25.0 ha in VOWH.

1.44 Over the Local Plan period, the analysis predicts a net requirement of 99,794 m^2 of industrial floorspace [E(g)(iii), B2 and B8] in South Oxfordshire and VOWH. This would translate to 22.7 ha of employment land for industrial uses, 11.6 ha in South Oxfordshire and 11.2 ha in VOWH.

Pipeline

Land Allocated for Development

1.45 A number of employment clusters were identified as having land allocated for development within local plan policy which is yet to come forward, totalling 132.4 ha.

1.46 Significant land is allocated for development at Harwell and Milton Park, and to a lesser extent Southmead Industrial Estate and Didcot Station Area. Much of the land within these clusters is covered by Enterprise Zone status. In order to align with the previous employment land review and consistent with Enterprise Zones' status as a special area, the amount of undeveloped land that sits within the Enterprise Zones is considered as additional to the land requirements.

Vacant Sites

1.47 In addition to the clusters that were identified as having land allocated for development within Local Plan policy, a number of employment clusters were identified as vacant land through the site survey. These included V33 Faringdon - Wicklesham Quarry (12.1ha); V38 Land north west of Gloucester Street car park (1.1ha); S22 Slade End Green (0.3ha); S25 The Old Coal Yard (0.3ha); S27 Church Farm, allocation (0.2ha); and S29 Ward's Farm Industrial Estate, allocation (0.2ha), totalling 14.2 ha. These clusters represent opportunities for the development of additional future supply of employment space.

Planning Pipeline – Employment Sites

1.48 If all approved planning applications concerning office floorspace in South Oxfordshire and VOWH were to come forward for development, 78,496 m^2 of floorspace would be delivered when both gains and losses are considered. Similarly, if all approved planning applications concerning industrial floorspace in South Oxfordshire and VOWH were to come forward for development, supply of industrial floorspace across both districts would increase by 264,434 m^2.

1.49 If implemented, these permissions may serve to reduce overall land requirements. However, there is a possibility that some developments may not come forward at all, or be developed in different quantities by use class than has been consented, for example if amendments to the planning applications are made and as such these have not directly been deducted from the stated net requirements.

1.50 The outcome of the comparison between employment land demand and available supply is set out below in Table 1-4. This indicates that, taking into account pipeline, there is sufficient available undeveloped land to meet supply in both South Oxfordshire and VOWH.

Table 1-4 Summary of Comparison Between Supply and Demand

	South Oxfordshire	VOWH	Total
Demand			
A) Net Office Land	11.6	25.0	36.6
B) Net Industrial Land	11.6	11.2	22.7
C) Total Net Employment Land Requirements [A+B]	**23.1**	**36.2**	**59.3**
D) Existing Local Plan allocated sites within Enterprise Zones (EZ)	*2.7*	*77.0*	*79.7*
E) Total Demand [C+D]	**25.8**	**113.2**	**139.0**
Supply (Available Undeveloped Land)			
F) Existing Local Plan allocated sites (including EZ)	20.0	112.5	132.4
G) NDP Allocations	1.0	13.2	14.2
H) Pipeline (ha)	11.0	62.9	74.0
I) Total Supply (Available Undeveloped Land) [F+G+H]	**32.0**	**188.6**	**220.6**
J) Total Supply – Total Demand [I-E]	**6.2**	**75.4**	**81.6**

Conclusions and Recommendations

Office space (E(g)(i), E(g)(ii) Use Classes)

1.51 Office floorspace in South Oxfordshire, is predominantly located in the main town centres of Henley-on-Thames, Wallingford and Thame. The location of the existing office supply in historically conserved towns is reflected in the size and age profile of the existing stock, which is generally smaller and older than is typical of the FEMA and wider region. Indeed, over half of office buildings in South Oxfordshire pre-date 1950 in terms of their construction or most recent refurbishment.

1.52 Office floorspace located in VOWH accounts for 72.8% of total office stock across the two districts. While key town centres such as Abingdon play a prominent role in the office market, much of the stock in VOWH is located within out-of-town business park/industrial estate settings, such as Milton Park and Harwell. This is again reflected in the size and age profile of office stock in VOWH, which is larger and newer than South Oxfordshire, with over a quarter of all buildings constructed or most recently renovated after 2000.

1.53 Office floorspace is well occupied across both districts, with vacancy rates in South Oxfordshire (1.8%) and VOWH (4.8%), well below the national average of 7.2%.

1.54 The projected demand for office floorspace up to 2041 is for an estimated net additional 204,969 m^2 of floorspace, 64,885 m^2 of which relates to South Oxfordshire and 140,084 m^2 in VOWH (under the preferred scenario). This requirement is due to expected growth in sectors that require office space, which is likely to be driven by a range of social, demographic and wider economic factors.

Industrial space (E(g)(iii), B2, B8 Use Classes)

1.55 The latest published CoStar data shows there is approximately 1,189,564 m^2 of industrial floorspace across South Oxfordshire and VOWH.

1.56 CoStar records 507,992 m^2 of industrial floorspace is located in South Oxfordshire, with industrial floorspace notably more evenly distributed across the two districts. Approximately a third of industrial floorspace in South Oxfordshire is light and general industrial (E(g)(iii) and B2), with the remaining two thirds characterised by warehousing and distribution use (B8). A significant amount of industrial floorspace is located around the main centres of Didcot and Thame, with key clusters including Southmead Industrial Estate and Thame Industrial Cluster.

1.57 The 681,572 m^2 of industrial floorspace in VOWH accounts for 57.3% of the total stock of industrial floorspace across the two districts. Given the prominence of industrial estates within VOWH, a significant amount of industrial floorspace is again linked to Science Vale and the key locations of Milton Park and Harwell.

1.58 The site survey analysis across both districts highlighted that most clusters are generally fit for purpose. Vacancy rates stand at 3.0% in South Oxfordshire, below the national average of 3.2%, while vacancy rates in VOWH exceed the national average at 5.6%.

1.59 The projected demand for industrial floorspace up to 2041 is for an estimated net additional 99,794 m^2 of floorspace, 50,761 m^2 of which sits within South Oxfordshire and 49,033 m^2 in VOWH (under the preferred scenario).

Recommendations

1.60 Based on the analysis and conclusions presented in this report, several recommendations in relation to employment land are presented.

1.61 This is one of several evidence base documents the Councils will be considering that will feed into and inform its Joint Local Plan evidence base. These are AECOM's independent recommendations, and the Councils will subsequently consider these before drafting its own Local Plan policies.

R1 Meeting the additional need for employment land should be achieved through land already allocated for development within local plan policy which is yet to come forward, vacant land within existing clusters and approved applications in the planning pipeline.

R2 In order to meet needs, the Councils should safeguard/resist redevelopment of existing in-use employment land across South Oxfordshire and VOWH.

R3 The Councils should seek to support occupiers and landlords in addressing the retrofitting challenge, either in the context of national directives or in the absence thereof. To do so, the Councils could draw upon local connections with occupiers and landlords and coordinate action to prevent the accumulation of 'stranded assets' across the districts.

R4 The Councils should consider developing an affordable workspace policy which reflects the needs of start-up businesses and the foundational economy.

R5 The Councils should consider supporting flexibility in the rural economy to respond to opportunities to re-use or adapt land and buildings no longer in productive agricultural use.

R6 Monitoring: The Councils should monitor changes of employment land through planning permissions to ensure that sufficient land is available for economic growth over the plan period to 2041. This includes ensuring that the introduction of the Class E does not have an outsized impact on the integrity of employment areas through facilitating the introduction of non-employment uses.

2. Introduction

Study Context

2.1 AECOM was commissioned by South Oxfordshire and Vale of White Horse District Councils in March 2023 to undertake and Employment Land Needs Assessment (ELNA).

2.2 The study sets out a detailed evidence base which forms part of the evidence base to support the Joint Local Plan 2041. Once adopted this will replace the existing adopted plans for each district – the Vale of White Horse Local Plan 2031 (parts 1 and 2) and the South Oxfordshire Local Plan 2035.

2.3 By providing an assessment of the balance of supply and demand in the context of changing employment needs, trends and challenges this study will ensure that the Joint Local Plan contains sufficient land and policy approaches to drive sustainable economic growth across South Oxfordshire and Vale of White Horse.

2.4 Employment land considered by the study is defined as land with business activities falling under office and industrial use classes. These include:

- E(g)(i) Offices;
- E(g)(ii) Research and Development;
- E(g)(iii) Light Industrial;
- B2 General industrial;
- B8 Storage or distribution

Objectives

2.5 The key requirements of the ELNA are set out below:

- Understand the existing situation – Provide a supply-side assessment of the quantity and quality of the districts' current employment land and its suitability to continue to support employment, and establish the existing Functional Economic Market Area (FEMA);
- Assess future needs and gap analysis – Assess the likely future demand for employment space in the districts over the proposed Local Plan period; and compare quantitatively and qualitatively the supply of existing land against forecast future demand; and
- Recommendations and actions – Set out evidence-based recommendations for appropriate employment land policies. This includes an assessment of recommendations for employment land policies, aligning with broader local economic growth objectives.

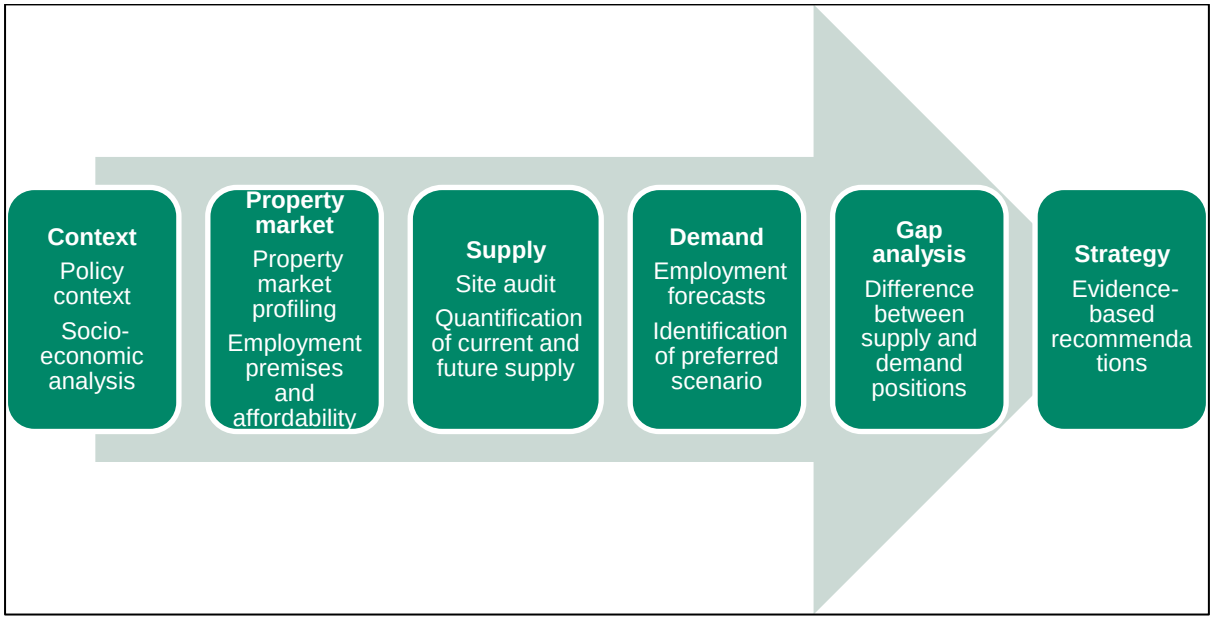
Approach

2.6 The National Planning Policy Framework (NPPF) outlines the principles that Local Planning Authorities should follow in preparing their evidence base to inform employment land policies.

2.7 The need for Local Planning Authorities to produce an up-to-date employment land evidence base and the suggested format is outlined in national Planning Practice Guidance (PPG) published in March 2014. The approach to the study reflects the requirements and directions of this guidance.

2.8 The main research elements of this ELNA are illustrated in Figure 2-1 below. The methodology and tasks at each stage conform to the PPG.

Figure 2-1 Approach to the ELNA



Report Structure

2.9 The remainder of this report is structured as follows:

- Section 3 presents a review of the relevant policy and strategic context including a review of local economic priorities;
- Section 4 defines the Functional Economic Market Area (FEMA) in which South Oxfordshire and Vale of White Horse Districts are located;
- Section 5 provides a comprehensive analysis of socio-economic baseline conditions relevant to the study;
- Section 6 presents a review of the property market indicators in South Oxfordshire and Vale of White Horse. Reference is also made to comparator geographies;
- Section 7 presents the key qualitative and quantitative results of the existing employment land assessment;
- Section 8 is an Economic Demand Needs Assessment and sets out the forecast scenarios used within the study to understand the 'reasonable alternatives' for potential future growth.
- Section 9 contains a quantitative comparison of projected supply and demand for employment floorspace; and
- Section 10 presents overall conclusions and employment land policy recommendations.

3. Policy Context

Introduction

3.1 This section outlines the planning policy and strategic context of relevant to employment land in the study area and wider regional and national area.

National Planning Policy

National Planning Policy Framework 2023

3.2 The National Planning Policy Framework (NPPF) consolidates the Government's economic, environmental and social planning policies for England into a single document and describes how it expects these to be applied. It provides overarching guidance on the Government's development aims. The latest NPPF[5] was most recently updated in December 2023, replacing the previous version from September 2023. The new NPPF incorporates policy proposals previously consulted on in the Housing White Paper and the 'Planning for the Right Homes in the Right Places' consultation.

3.3 At the heart of the NPPF is a presumption in favour of sustainable development, which the Government states should be seen as a common theme running through plan-making and decision-taking. The NPPF describes the Government's vision for building a strong, responsive and competitive economy. The document states that the purpose of the planning system is to contribute to the achievement of sustainable development. The United Kingdom has agreed to pursue the 17 Global Goals for Sustainable Development in the period to 2030. These goals address social progress, economic wellbeing and environmental protection.

3.4 In relation to the economy and employment land, the NPPF states that:

'Planning policies and decisions should help create the conditions in which businesses can invest, expand and adapt. Significant weight should be placed on the need to support economic growth and productivity, taking into account both local business needs and wider opportunities for development. Planning policies should:

- *Set out a clear economic vision and strategy which positively and proactively encourages sustainable economic growth, having regard to Local Industrial Strategies and other local policies for economic development and regeneration;*
- *Set criteria, or identify strategic sites, for local and inward investment to match the strategy and to meet anticipated needs over the plan period;*
- *Seek to address potential barriers to investment, such as inadequate infrastructure, services or housing, or a poor environment; and*
- *Be flexible enough to accommodate needs not anticipated in the plan, allow for new and flexible working practices (such as live-work accommodation), and to enable a rapid response to changes in economic circumstances.' (Paragraph 86).*

Planning Practice Guidance

3.5 In March 2014 the Government published the national Planning Practice Guidance (PPG)[6], a web-based resource in support of the NPPF which undergoes regular updates. Guidance includes 'Housing and Economic Needs Assessments', which was updated in December 2020, and the 'Housing and Economic Land Availability Assessments', which was updated in July 2019.

[5] Department for Levelling Up, Housing and Communities, (2023); National Planning Policy Framework.
[6] Ministry of Housing, Communities and Local Government, (2019); Planning Practice Guidance.

'Housing and Economic Needs Assessments' states that authorities need to prepare an evidence base to understand existing business needs, which will have to reflect local circumstances and market conditions. This includes assessing:

- *'the best fit functional economic market area (FEMA);*
- *the existing stock of land for employment uses within the area;*
- *the recent pattern of employment land supply and loss – for example based on extant planning permissions and planning applications (or losses to permitted development);*
- *evidence of market demand (including the locational and premises requirements of particular types of businesses) – sourced from local data and market intelligence, such as recent surveys of business needs, discussions with developers and property agents and engagement with business and economic forums;*
- *wider market signals relating to economic growth, diversification and innovation; and*
- *any evidence of market failure – such as physical or ownership constraints that prevent the employment site being used effectively.'*

3.6 To provide an understanding of the underlying requirements for office, general business and warehousing sites the PPG emphasises the importance of considering projections (based on past trends) and forecasts (based on future scenarios) and sites which have been developed for specialist economic uses. The PPG recommends that analysing supply and demand concurrently will enable conclusions to be drawn on whether these is a mismatch between quantitative and qualitative supply of and demand for employment sites. This, in turn, enables an understanding of which market segments are over-supplied and those which are undersupplied. By comparing availability of stock with particular requirements it is possible to identify any 'gaps' in local employment land provision.

3.7 'Housing and economic land availability assessment' sets out a general methodology for assessing land availability but focuses primarily on the assessment of housing rather than employment land. With relevance to this Study, the PPG requires local planning authorities to work with other local authorities within the functional economic market area when assessing availability of land. The PPG also requires plan makers to be proactive in identifying as wide a range of sites as possible, including existing sites that could be improved, intensified or changed. The assessment of the suitability of sites for development should be guided by the relevant local development plan, regional, and national policy, as well as market and industry requirements.

The Town and Country Planning (General Permitted Development) (England) Order 2015, as amended

3.8 In 2015, the government introduced permitted development rights (hereafter referred to as 'PDR') allowing certain building and development works to be carried out without the need of the normal planning process[7]. These rights exist under the General Permitted Development (GDPO) order and were introduced to facilitate housing growth to meet targets across England. Permitted development rights were introduced to make it easier for people to extend their home, create new homes in existing buildings such as offices, shops and warehouses or demolish vacant previously classified B1(a), B1(b), B1(c) or C3 space and rebuild as residential.

3.9 The Town and Country Planning (General Permitted Development) (England) (Amendment) (No. 3) Order 2020 came into effect on 31 August 2020. This dealt with PDRs for demolition and rebuilding as residential. Article 4 of the 2020 Order added a new class ZA to the 2015 Order, dealing with demolition of buildings and construction of new dwellinghouses in their place. To fall within the scope of this new PDR, the building to be demolished must have been built before 1 January 1990, be vacant, redundant and free-standing and fall within the B1(a) offices, B1 (b) research and development, B1 (c) industrial processes (light industrial), and free-standing purpose-built residential blocks of flats (C3) use classes on 12 March 2020. This PDR is subject to the prior approval process and the building must have been vacant for at least six months prior to the date of the application for prior approval.

[7] HM Government, (2015); The Town and Country Planning (General Permitted Development) (England) Order 2015, as amended.

3.10 The current Use Classes were last updated on 1 September 2020. Class B now comprises B2 General Industrial and B8 Storage and Distribution, while previously classified B1(a), B1(b) and B1(c) uses are now as follows:

- E(g)(i): Offices to carry out any operational or administrative functions;
- E(g)(ii): Research and development of products or processes; and
- E(g)(iii): Industrial processes.

Regional Planning Policy

OxLEP Industrial Strategy for Oxfordshire (2018)

3.11 Oxfordshire Local Enterprise Partnership (OxLEP) published a Local Industrial Strategy (LIS)[8] in 2018 in which it sets out a vision for Oxfordshire to become a 'top three global innovation ecosystem'. In order to achieve this, four pillars to this vision are specified:

- *'Pillar I: A globally connected and competitive innovation economy;*
- *Pillar II: A powerhouse for commercialising transformative technologies;*
- *Pillar III: A living laboratory solving the UK's Grand Challenge; and*
- *Pillar IV: A skills system creating opportunities at every stage of life'.*

3.12 Specifically, the stated ambitions for economic growth in Oxfordshire to 2040 are to:

- *'Double the Oxfordshire economy to be worth £46bn GVA;*
- *Deliver a minimum of 2% per annum growth in productivity;*
- *Create a minimum of 108,000 net new private sector jobs in Oxfordshire; and*
- *[Contribute] towards the Government's 2.4% R&D target.'*

3.13 The LIS highlights the challenges associated with business floorspace, noting: 'Oxfordshire will also support business growth through addressing the lack of business and innovation space'. The particular challenges identified include flexible laboratory and innovation space as well as Grade A office space.

3.14 The Strategy sets out with respect to the achievement of the ambitions of Pillar II, one of many actions described, the necessary 'transformation of science and technology parks and creation of new hubs' including the doubling of floorspace at Harwell and Culham science parks.

OxLEP Strategic Economic Plan for Oxfordshire (2016)

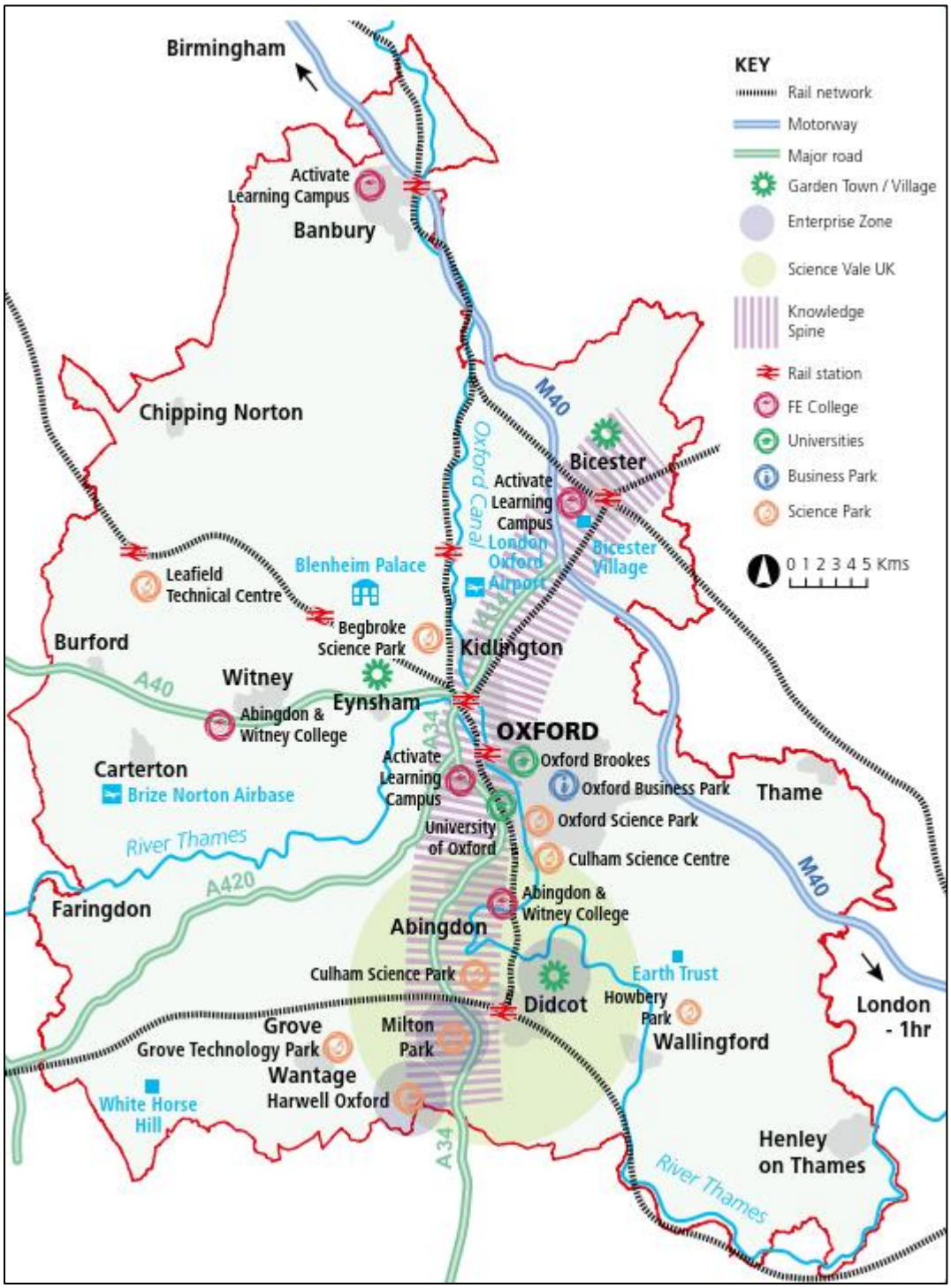
3.15 OxLEP's Strategic Economic Plan sets out a vision for Oxfordshire as a 'vibrant, sustainable, inclusive, world-leading economy, driven by innovation, enterprise and research excellence'.

3.16 The Plan is organised around four programmes in order to achieve the vision, namely: people, place, enterprise, and connectivity. With reference to place, the Plan describes the importance of *'providing a quality environment that supports and sustains growth; and offering the choice of business premises…needed to support sustainable growth'*.

3.17 The Plan also references the Local Plans across Oxfordshire and highlights the scale of growth anticipated, such that there are an additional 85,600 jobs between 2011 and 2031. The main area for employment growth anticipated will be in the central 'knowledge spine' of the Oxfordshire area, as shown in Figure 3-1 below.

[8] OxLEP, (2018); The Oxfordshire Industrial Strategy.

Figure 3-1 Oxfordshire's strategic economic assets



Source: OxLEP, (2016); Strategic Economic Plan for Oxfordshire (Figure 3).

3.18 At the time of writing, OxLEP is undertaking a refresh of its Strategic Economic Plan, establishing the economic priorities for Oxfordshire up to 2033. The Strategic Economic Plan is underpinned by four key objectives:

- *Enable Oxfordshire's businesses to thrive, and encourage pervasive innovation.*
- *Widen access to current opportunities and equip people and places as jobs change over the next decade.*
- *Secure resilient infrastructure for planned growth, consistent with Oxfordshire's commitment to net zero carbon by 2050.*

- *Ensure that Oxfordshire's places are sustainable and inclusive, and that local communities flourish.*

3.19 However, it should be noted that the document has not been formally adopted at the time of writing and South Oxfordshire and Vale of White Horse district councils have no plans to endorse, or formally note the updated Strategic Economic Plan.

Local planning policy

South Oxfordshire Local Plan 2011-2035 (2020)

3.20 The Local Plan[9] adopted by South Oxfordshire District Council in 2020 sets out guiding development strategies and objectives to aid decision-making with regard to planning in the local authority area in the period to 2035.

3.21 Among the strategic objectives stated, 'Objective 3 – Economy' sets out many of relevance to employment land needs, in particular:

- *'OBJ 3.1: Improve employment opportunities and employment land provision, which will provide high quality local jobs to help retain more skilled residents in the local workforce;*
- *OBJ 3.2: Aim to reduce commuting distances by supporting business growth in locations close to existing business areas, transport connections and broadband provision*
- *OBJ 3.3: Ensure economic and housing growth are balanced, to support sustainable journeys to work…'*
- *OBJ 3.5: Create the conditions whereby world-renowned and cutting edge industries choose to locate and grow their businesses here, contributing to a strong and successful economy, in line with the Strategic Plan for Oxfordshire'.*

3.22 'Policy STRAT2' establishes the minimum employment land requirement of 39.1 hectares to be provided between 1 April 2011 and 31 March 2035.

3.23 Additionally, 'Policy EMP1: The Amount and Distribution of New Employment Land' expands on this requirement, setting out that 'to facilitate the provision of additional office, manufacturing and distribution jobs between 2011 and 2035 a minimum requirement of 39.1 hectares of employment land will be provided. Employment land will be provided at the following locations:

Table 3-1 Policy EMP1: The Amount and Distribution of New Employment Land (South Oxfordshire Local Plan 2011-2035)

Location	Site	Net amount of employment supply (ha)
Didcot	Southmead Industrial Estate (Carried forward from Core Strategy)	2.9
	Milton Park (Within Vale of White Horse District) (Carried forward from Core Strategy)	6.5
Henley-on-Thames	Sites to be identified in the Neighbourhood Development Plan (NDP)	1.0
Thame	Sites to be identified in the NDP	3.5
Wallingford	Sites to be identified in the NDP	3.1
	Hithercroft Industrial Estate	1.09
Crowmarsh Gifford	Sites to be identified in the NDP (Likely to be Howbery Park)	0.28
Culham	Redevelopment and intensification of Culham Science Centre and Culham No.1 site with strategic allocation west of Culham Science Centre 10 hectares of existing employment land at Culham No.1 to be retained within the comprehensive development	7.3

[9] South Oxfordshire District Council, (2020); Local Plan 2011-2035.

Location	Site	Net amount of employment supply (ha)
Chalgrove	To be allocated in accordance with STRAT7	5.0
	To be allocated in accordance with EMP9	2.25
Berinsfield	To be allocated in accordance with the regeneration strategy	5.0
Grenoble Road	Extension to Oxford Science Park, to be allocated in accordance with STRAT11	10.0
Total		**47.94**

3.24 Aligned with the delivery of new employment land set out in Policy EMP1, 'Policy EMP2: Range, Size and Mix of Employment Premises' states that 'proposals for employment use will provide a range of sizes and types of premises, including flexible business space to meet current and future requirements. The Council will support proposals for premises suitable for small and medium sized businesses, including start-up / incubator businesses (up to 150 square metres (m^2)) and grown-on space (up to 500 m^2).'

3.25 Furthermore, with respect to existing employment land, 'Policy EMP3: Retention of Employment Land' describes that:

1. *'existing employment land will be retained in order to promote and grow a balanced, sustainable economy and local services. Proposals for the redevelopment or change of use of employment land to non-employment uses will only be permitted if:*
    a) *'The applicants can demonstrate that any employment use is no longer viable; or*
    b) *It is evidenced that there is no market interest in the site following one year of active and effective marketing; or*
    c) *The development would bring about significant improvements to the living condition of nearby residents, or to the environment…'*
2. *In addition to the criteria above, where there is no reasonable prospect of land or premises being used for continued employment use, a mixed use enabling development which incorporates employment space should first be considered.*
3. *Schemes that improve the stock of existing employment land, employment premises, commercial building and the environment of existing employment areas will be supported.'*

3.26 In addition to the policies set out above applicable to the entire local authority area, specific policies describe the approach to employment land in local geographies, namely: 'Policy EMP4: Employment Land in Didcot', 'Policy EMP5: New Employment Land at Henley-on-Thames', 'Policy EMP6: New Employment Land at Thame', 'New Employment Land at Wallingford', 'Policy EMP8: New Employment Land at Crowmarsh Gifford', 'Policy EMP9: New Employment Land at Chalgrove',

Vale of White Horse Local Plan Part 1: Strategic Sites and Policies

3.27 The Local Plan Part 1[10] adopted by Vale of White Horse District Council in 2016 sets out guiding development strategies and objectives to aid decision-making with regard to planning in the local authority area over the period to 2035.

3.28 With regard to the stated key challenge/opportunity of supporting economic prosperity, further detail is given of relevance to employment land needs in terms of 'providing new employment land and supporting science and innovation' by:

- *'Providing sufficient employment land across the Vale to ensure that suitable sites are available to support the projected employment growth of 23,000 jobs up to 2031.*

[10] Vale of White Horse District Council, (2016); Local Plan 2031 Part 1: Strategic Sites and Policies.

- *Maximising the opportunity to nurture science, research and innovation and attract new high value businesses to the Enterprise Zone sites at Harwell Campus and Milton Park so that Science Vale continues to make a major contribution to both the Oxfordshire and UK economy.*
- *Using Local Development Orders (LDOs), such as that at the Milton Park site to speed up delivery on sites, including potentially at Harwell Campus.*
- *Retaining other notable employers and employment locations in the district such as Williams F1 in Grove and Abingdon Science Park.*
- *Supporting the economy of the towns and rural areas in the district and providing a range of employment opportunities close to where people live.*
- *Didcot A Power Station is a site in a prime location on the edge of Didcot and provides a key opportunity for redevelopment for further economic growth and mixed-use development within the Vale.'*

3.29 Of the strategic objectives which comprise the stated spatial vision, noteworthy objectives focused on supporting economic prosperity, are:

- SO5: Support a strong and sustainable economy within the district.
- SO6: Support the continued development of Science Vale as an internationally significant centre for innovation and science based research and business.

3.30 As part of the spatial strategy, 'Core Policy 6: Meeting Business and Employment Needs' sets out that '218 hectares of land is identified for future employment development on the following strategic sites and saved Vale Local Plan 2011 allocations':

Table 3-2 Core Policy 6: Meeting Business and Employment Needs (Vale of White Horse Local Plan Part 1: Strategic Sites and Policies)

Site Name	Sub-area	Type of Site	Available Development Land (Ha)
Milton Park	South East Vale	Saved Local Plan 2011 allocation	28
Harwell Campus		Saved Local Plan 2011 allocation	93 (Enterprise Zone)
			35 (Outwith EZ)
Monks Farm, North Grove		New mixed use strategic allocation	6
Didcot A		Identified future potential supply	29
Milton Hill Business and Technology Park		Other saved Local Plan 2011 allocations	11.2
Grove Technology Park			5.4
South of Park Road, Faringdon	Western Vale	New mixed use strategic allocation	3
Land adjacent to A420 (4&20 site), Faringdon		Other saved Local Plan 2011 allocations	4.2
Land north of Park Road (HCA site), Faringdon			0.2
Abingdon Business Park and Wyndyke Furlong	Abingdon/Oxford Fringe	Other saved Local Plan 2011 allocations	0.7
Abingdon Science Park at Barton Lane			0.7
Cumnor Hill			0.3
Wootton Business Park			1.5
Total			**218**

3.31 Additionally, 'Core Policy 28: New Employment Development on Unallocated Sites' states that 'proposals for new employment development (Use Classes B1, B2 or B8) will be supported on unallocated sites in or on the edge of the built up area of Market Towns, Local Service Centres and Larger and Smaller Villages provided that the benefits are not outweighed by any harmful impacts, taking into account the following:

- *The effect on amenity of nearby residents and occupiers*
- *The provision of safe site access for pedestrians and cyclists and for all types of vehicles likely to visit the sites, and measures to promote the use of sustainable modes of transport where possible; and*
- *The scale, nature and appearance of the employment development and its relationship with the local townscape and/or landscape character'*

3.32 Conversely, with respect to change of use of existing employment land and premises, 'Core Policy 29' states that alternative uses for the strategic employment sites *'will be considered if they provide ancillary supporting services or meet a need identified through the Local Plan 2031 review process, or exceptionally where a reassessment of the district-wide 2013 Employment Land Review demonstrates that these sites are no longer needed over the full plan period. Elsewhere in the District, where there is no reasonable prospect of land or premises being used for continued employment use, a mixed use enabling development which incorporates employment space should first be considered. If a mixed use scheme is not viable, the extent to which the proposed use generates new employment will be considered in determining the relevant planning application.'*

South Oxfordshire District Council and Vale of White Horse District Council SME Business Innovation Strategy (2017)

3.33 The report informing a small and medium enterprise (SME) Business Innovation Strategy (BIS) published by South Oxfordshire District Council and Vale of White Horse District Council highlights the prominence of SMEs in terms of number of businesses and the issues raised by such businesses relating to difficulties in accessing suitable premises at an affordable price. Many SMEs are geographically located in Abingdon, Milton Park, and around the A34 corridor, with additional businesses accommodated at Harwell and Culham sites.

South Oxfordshire District Council Employment Land Review

3.34 The last Employment Land Review pertaining to South Oxfordshire was conducted in 2015. The Review identifies circa. 215,000 m^2 of gross office floorspace and 540,000 m^2 of gross industrial floorspace within the district. With respect to office use land, the Review finds that in 2015 there was expected to be additional demand for approximately 5.6 ha to 6.9 ha to 2031, with a large portion of that additional demand anticipated to be met by growth at Culham Science Centre and unimplemented planning permissions. Similarly, the forecasting exercise undertaken in 2015 found that there was additional demand of approximately 10.5 ha to 17.7 ha of industrial land up to 2031.

South Oxfordshire District Council Employment Land Review Addendum

3.35 An Addendum to the 2015 Employment Land Review for South Oxfordshire was released in 2017. The purpose of the Addendum was to adapt forecasting to assist in the preparation of a Local Plan for the period 2011-2033.

3.36 The Addendum provides employment forecasting for the period 2011-2033 under three different scenarios: baseline change, population-based change, and planned economic growth change. A breakdown of these scenarios with respect to employment floorspace type is provided in Table 3-3 - Table 3-4. It is shown that between 2011 and 2033 an additional circa. 4,000 to 6,200 jobs in B Class employment types (office, manufacturing, and distribution) were expected in South Oxfordshire.

Table 3-3 South Oxfordshire baseline employment change

Use	Number of jobs		Absolute change (2011-2033)
	2011	2033	
Offices (B1a/B1b)	19,969	23,332	3,363
Manufacturing (B1c/B2)	6,648	6,695	47
Distribution (B8)	3,602	4,233	631
Total B Class jobs	**30,218**	**34,261**	**4,042**
Total jobs	65,079	73,467	8,388

Source: Lichfields, (2017); South Oxfordshire Employment Land Review Addendum (Table 2.1).

Table 3-4 South Oxfordshire population-based employment change

Use	Number of jobs		Absolute change (2011-2033)
	2011	2033	
Offices (B1a/B1b)	19,969	23,535	3,566
Manufacturing (B1c/B2)	6,648	6,805	157
Distribution (B8)	3,602	4,352	750
Total B Class jobs	**30,218**	**34,692**	**4,473**
Total jobs	65,079	74,946	8,867

Source: Lichfields, (2017); South Oxfordshire Employment Land Review Addendum (Table 2.2).

Table 3-5 South Oxfordshire planned economic growth employment change

Use	Number of jobs		Absolute change (2011-2033)
	2011	2033	
Offices (B1a/B1b)	19,969	24,781	4,812
Manufacturing (B1c/B2)	6,648	7,129	482
Distribution (B8)	3,602	4,535	933
Total B Class jobs	**30,218**	**36,445**	**6,227**
Total jobs	65,079	77,482	12,403

Source: Lichfields, (2017); South Oxfordshire Employment Land Review Addendum (Table 2.3).

3.37 By applying appropriate jobs densities in line with applicable employment floorspace types, the forecasted employment growth is translated into floorspace requirement for each growth scenario. As a result, the analysis highlights a net B use employment floorspace requirement of circa. 97,000 m^2 to 174,000 m^2 between 2011 and 2033 in South Oxfordshire, as shown in Table 3-6.

Table 3-6 South Oxfordshire net floorspace requirements by scenario

Scenario		Floorspace requirement (m^2)			
		Office (B1a/B1b)	Manufacturing (B1c/B2)	Distribution (B8)	Total
Labour demand	Baseline	46,248	2,237	48,275	96,760
	Alternative population based	49,031	7,427	57,372	113,830
	Planned economic growth	66,165	22,787	71,333	160,285
Labour supply		71,038	28,843	73,204	173,085

Source: Lichfields, (2017); South Oxfordshire Employment Land Review Addendum (Table 2.9).

3.38 These findings translate to a net employment land requirement of between 17.3 ha and 32.6 ha over the plan period between 2011 and 2033. The Addendum recommends that between 19.0 ha and 35.9 ha should be planned for from a planning policy perspective.

4. Functional Economic Market Area

Introduction

4.1 The PPG requires local planning authorities (LPAs) to assess development needs working with other LPAs in the relevant functional economic market area in line with the duty to cooperate. It adds that local communities, partner organisations, Local Enterprise Partnerships, businesses, business representative organisations and Higher Education Institutions, among others, should be involved in the preparation of the evidence base in relation to development needs.

4.2 The PPG states that needs for economic uses should be assessed in relation to the functional economic area whilst identifying and recognising smaller sub-markets with specific features and 'market segments.'

4.3 The PPG advises there is no standard approach to defining a functional economic market but notes in Paragraph 012 that:

'the geography of commercial property markets should be thought of in terms of the requirements of the market in terms of the location of premises, and the spatial factors used in analysing demand and supply, often referred to as the functional economic market area.'

4.4 The PPG adds it is possible to define functional economic market areas by taking account of a number of factors. The factors include:

- *Spatial economic profile;*
- *Travel to work areas;*
- *Commercial property market areas;*
- *Housing market areas;*
- *Consumer market areas;*
- *Transport and infrastructure networks; and*
- *Economic governance and partnerships areas.*

4.5 When it comes to statistical data the PPG suggests a single source for defining Functional Economic Market Areas (FEMAs) – the Office for National Statistics (ONS) Travel-to-Work Areas (TTWAs), which are based on commuting data only. However, the TTWAs ignore administrative boundaries, and are therefore of limited value for Duty to Cooperate discussions.

4.6 The methodology for defining the FEMA is therefore based on commuting data, administrative boundaries and housing and commercial property markets.

4.7 The objective was therefore to identify an area that records the highest self-containment in terms of commuting flows, and which also best fits the administrative boundaries, housing and commercial property markets.

Travel to work area

4.8 The PPG does not prescribe a threshold of self-containment (people who live and work in the same area) to help define the FEMA. AECOM has adopted the ONS's definition of Travel to Work Areas (TTWAs) that states that:

'The current criterion for defining the TTWAs is that generally at least 75% of an area's resident workforce work in the area and at least 75% of the people who work in the area also live in the area… however, for areas with a working population in excess of 25,000, self-containment rates as low as 66.7% are accepted.'

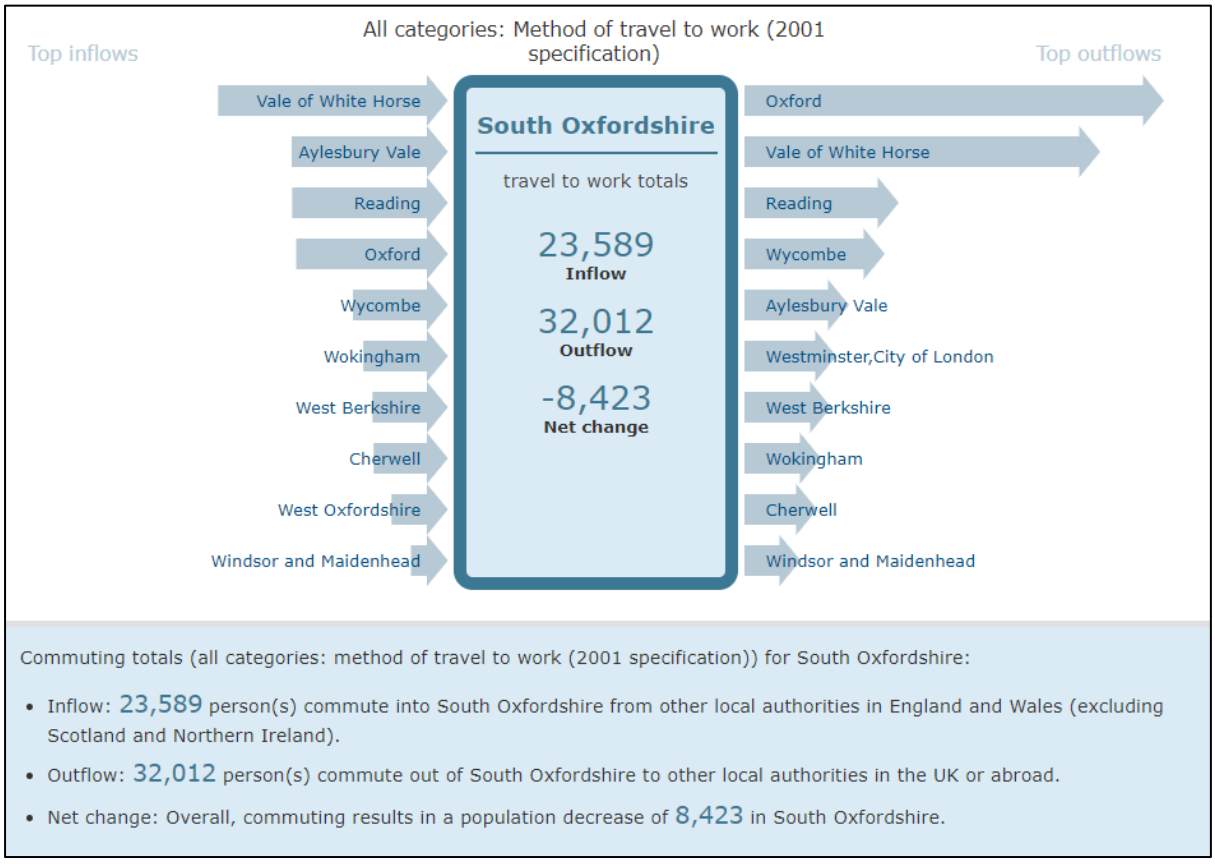
4.9 The lower 66.7% threshold for self-containment for origin and destination commuting is therefore appropriate in the case of South Oxfordshire and Vale of White Horse, which have a working population in excess of 25,000.

4.10 The ONS publishes Origin-Destination data (also known as flow data) as part of the census, which include the travel-to-work patterns of individuals. Census 2021 took place during the coronavirus (COVID-19) pandemic, a period of unparalleled and rapid change; the national lockdown, associated guidance and furlough measures will have affected the origin-destination data. Therefore, using these data for planning and policy purposes is cautioned, with the previous Census (2011) likely to be a truer reflection of travel to work origin and destination, albeit the frequency of journeys is likely to have reduced following the pandemic and the proportion of people travelling to work is currently below pre-pandemic levels[11].

4.11 Figure 4-1 South Oxfordshire: location of usual residence and place of work Figure 4-1 and Figure 4-2 provide a summary of total and top inflows and outflows for South Oxfordshire and Vale of White Horse. The data indicates that 23,589 people commute into South Oxfordshire, from a different local authority area for work, whilst 32,012 commute from South Oxfordshire to another local authority area for work, generating an overall net outflow of 8,423 people. It is shown that 24,697 people commute into Vale of White Horse from a different local authority area, for work, whereas 25,654 people commute from Vale of White Horse to another local authority area, generating a net outflow of 957 people.

4.12 The main flow of workers is across the two local authority areas, and to and from Oxford, West Oxfordshire and Aylesbury Vale, and Reading.

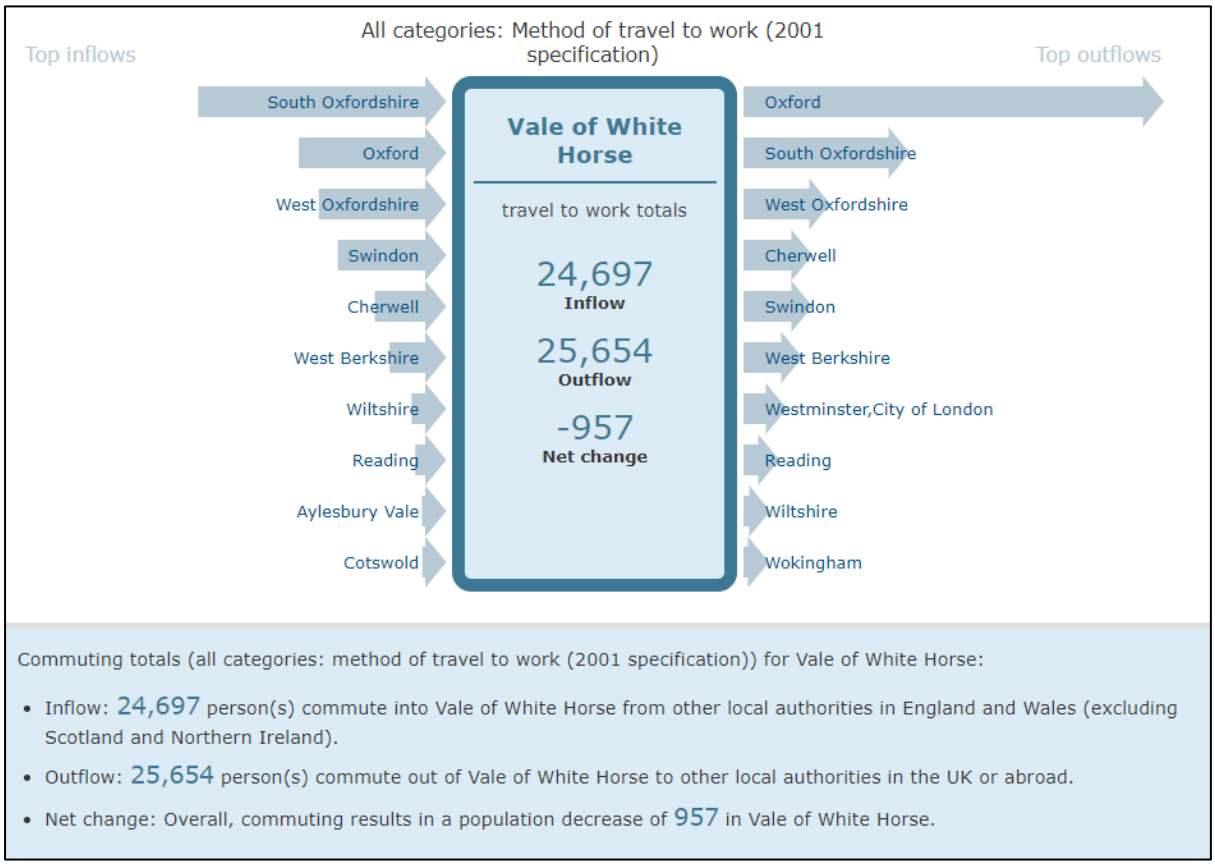
Figure 4-1 South Oxfordshire: location of usual residence and place of work



Source: Office for National Statistics, (2011); Census 2011: Census WU03EW - Location of usual residence and place of work by method of travel to work (MSOA level).

[11] https://www.ft.com/content/c50a4323-c913-440c-8efe-f9d9fd6ea6a6

Figure 4-2 Vale of White Horse: location of usual residence and place of work



Source: Office for National Statistics, (2011); Census 2011: Census WU03EW - Location of usual residence and place of work by method of travel to work (MSOA level).

Inflow self-containment

4.13 Detailed Origin-Destination data indicates that South Oxfordshire and Vale of White Horse together support a working population of 95,994, of which 57,749 live within South Oxfordshire and Vale of White Horse area. This represents a share of 60.2%, which is below the 66.7% threshold of ONS's self-containment definition of travel to work areas. Therefore, South Oxfordshire and Vale of White Horse would not be considered to be self-contained as a travel to work area.

4.14 Detailed Origin-Destination data (inflows) is presented in Table 4-1 for the top ten origins. This data suggests from an inflow perspective, that there is a TTWA (above the 66.7% ONS self-containment definition of TTWAs) comprising South Oxfordshire, Vale of White Horse, Oxford and West Oxfordshire.

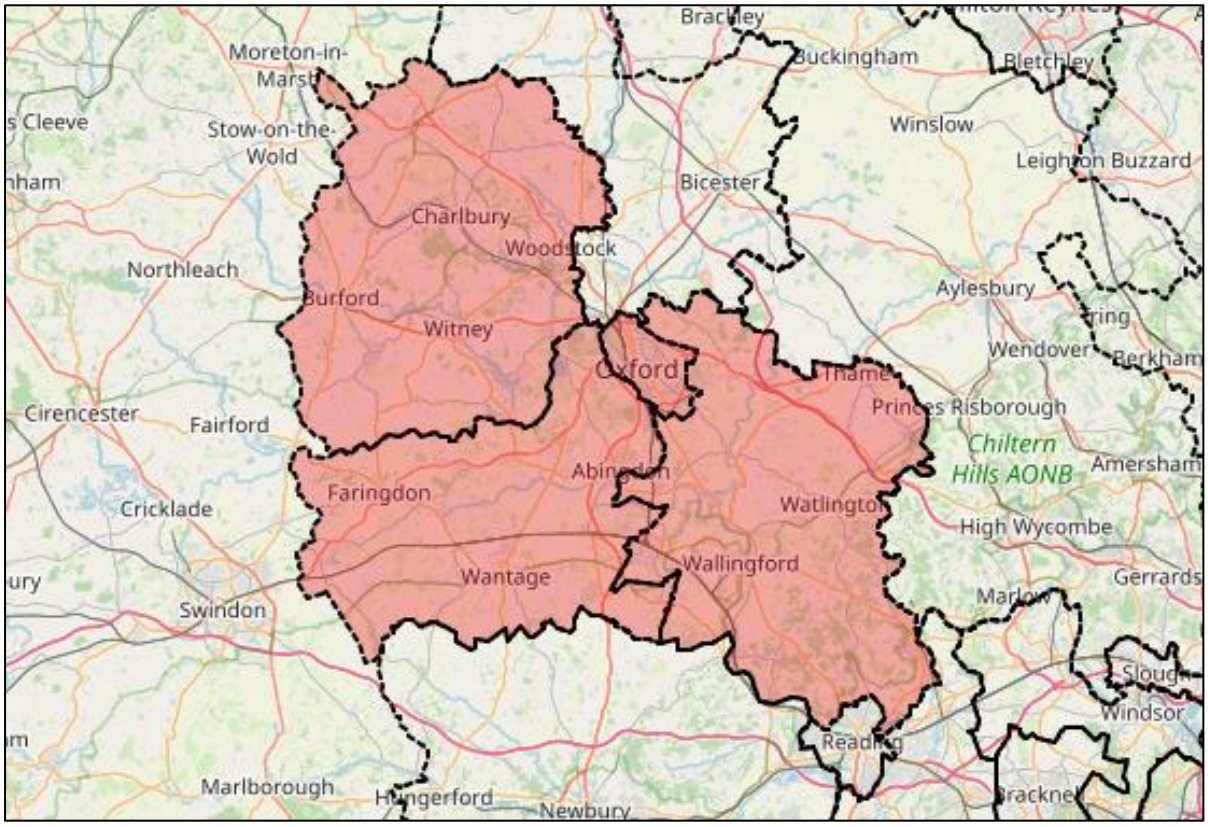
Table 4-1 South Oxfordshire and Vale of White Horse, inflows (2011)

Usual place of work	Residing in South Oxfordshire and Vale of White Horse	Self-containment
South Oxfordshire and Vale of White Horse	57,749	60.2%
Oxford	6,115	66.5%
West Oxfordshire	3,879	70.6%
Reading	3,134	73.8%
Aylesbury Vale	2,964	76.9%
Swindon	2,831	79.9%
Cherwell	2,734	82.7%
West Berkshire	2,362	85.2%

Usual place of work	Residing in South Oxfordshire and Vale of White Horse	Self-containment
Wycombe	1,743	87.0%
Wokingham	1,551	88.6%

Source: Office for National Statistics, (2011); Census 2011: Origin-Destination data.

Figure 4-3 South Oxfordshire and Vale of White Horse inflow self-containment



Source: AECOM

Outflow self-containment

4.15 Detailed Origin-Destination data indicates that South Oxfordshire and Vale of White Horse have a working population (residents aged 16 and over in employment) of 104,849 persons, of which 57,749 work in South Oxfordshire and Vale of White Horse. This represents a share of 56.9% which is below the 66.7% adopted as the ONS threshold definition of TTWAs. Therefore, based on this definition, South Oxfordshire and Vale of White Horse could not be considered to be self-contained as a travel to work area.

4.16 Detailed Origin-Destination data (outflows) is presented in Table 4-2 for the top ten destinations. This data suggests from an outflow perspective, that there is a TTWA (above the 66.7% ONS self-containment definition of TTWAs) comprising South Oxfordshire, Vale of White Horse, and Oxford.

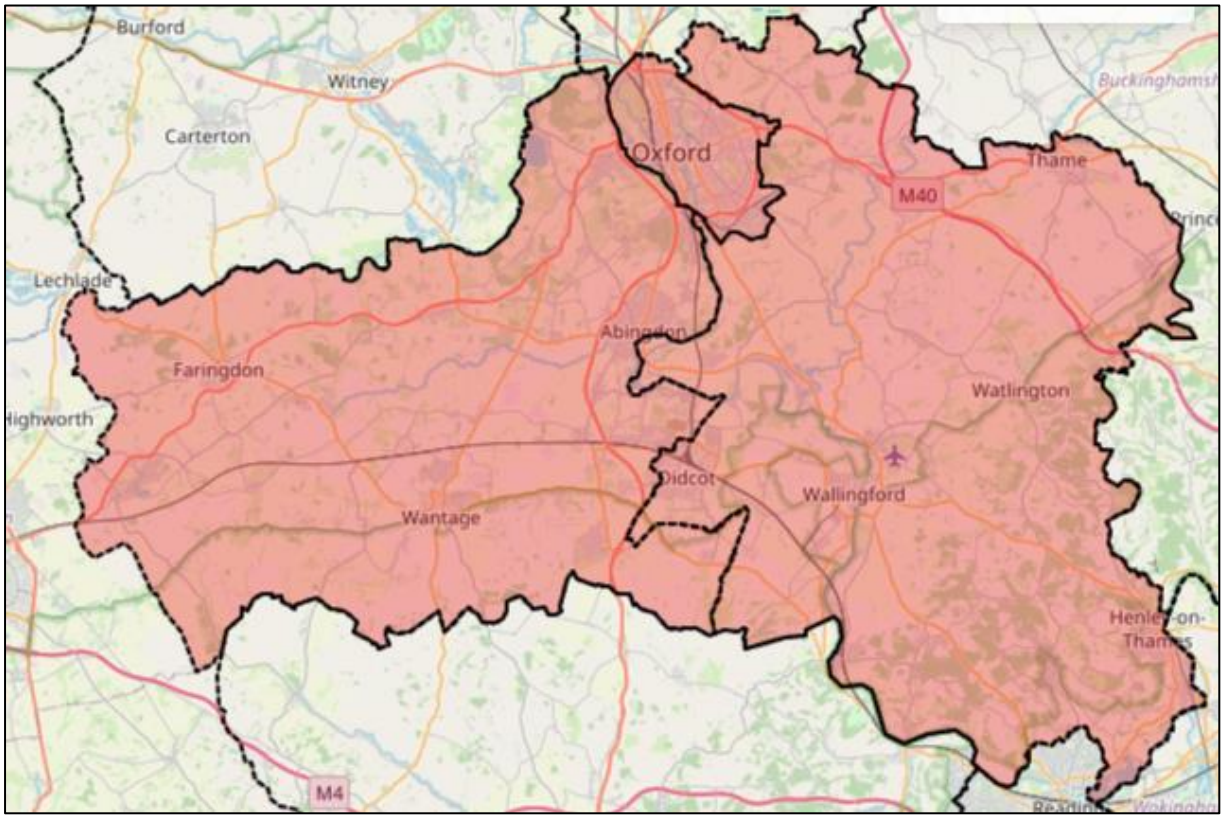
Table 4-2 South Oxfordshire and Vale of White Horse, outflows (2011)

Usual place of work	Residing in South Oxfordshire and Vale of White Horse	Self-containment
SOVOWH	57,749	55.1%
Oxford	18,122	72.4%
Reading	2,969	75.2%
Wycombe	2,429	77.5%
Cherwell	2,380	79.8%
West Oxfordshire	2,368	82.0%

West Berkshire	2,336	84.3%
Westminster, City of London	2,049	86.2%
Aylesbury Vale	1,760	87.9%
Swindon	1,534	89.4%
Wokingham	1,270	90.6%

Source: Office for National Statistics, (2011); Census 2011: Origin-Destination data

Figure 4-4 South Oxfordshire and Vale of White Horse, outflow self-containment



Source: AECOM

Transport networks

4.17 Similarly to the commute to work assessment, an analysis of the transport network is a useful indicator of the potential FEMA for South Oxfordshire and Vale of White Horse. The average commute time can be applied in order to understanding the catchment area (inflow commuting of workforce), as well as the extent of the area of potential employment for local residents (outflow commuting of workforce). This defines the employment market area.

4.18 The average commute time in the UK is 59 minutes per day[12], or 63 minutes by National Rail[13], or the equivalent of circa 30 minutes' journey each way.

4.19 On this basis, the employment market area is defined as the geographical area reachable from South Oxfordshire and Vale of White Horse (from the outer boundaries of the districts for travel by road, and from a train station within South Oxfordshire and Vale of White Horse by rail).

[12] Available at: https://www.safeworkers.co.uk/health-wellbeing/effects-of-long-commutes-to-work/#:~:text=The%20average%20commute%20in%20the,and%20from%20work%20each%20day.
[13] Available at: https://www.statista.com/statistics/300712/average-time-taken-to-travel-to-work-in-the-united-kingdom/

Road

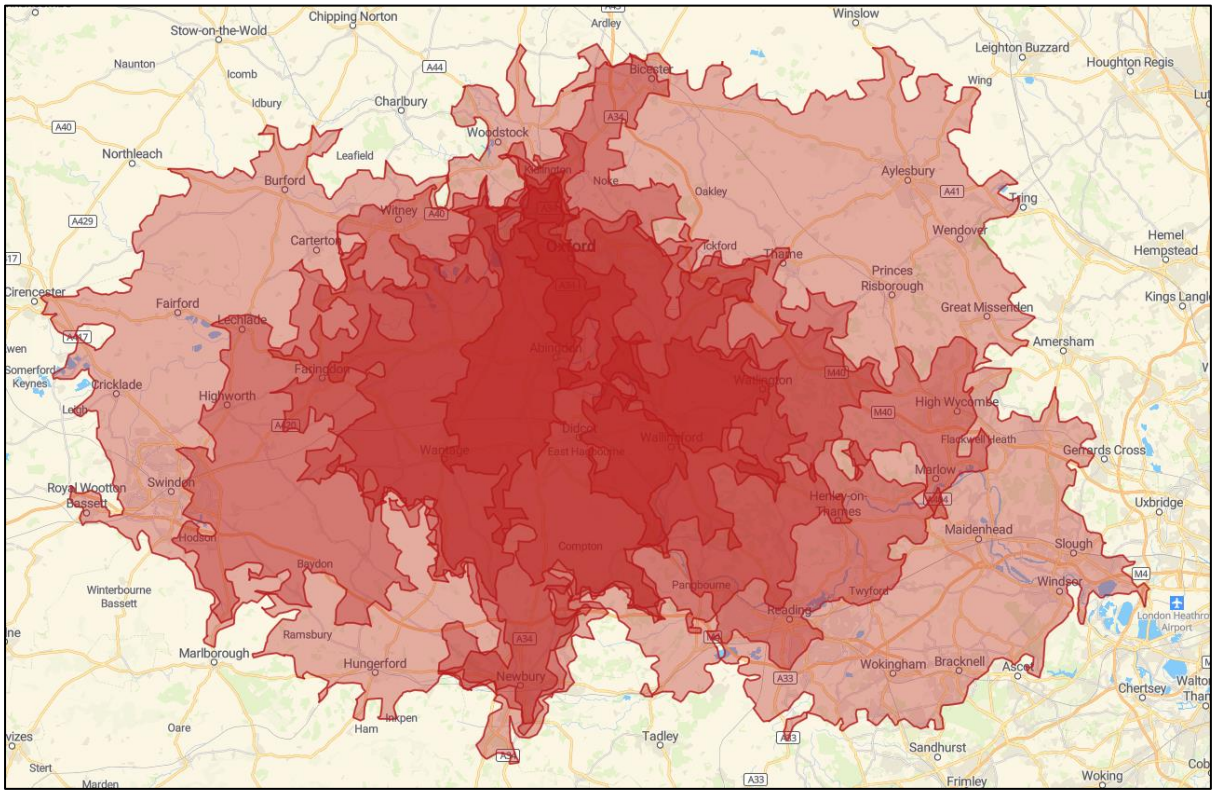
4.20 The South Oxfordshire and Vale of White Horse area is serviced by several strategic roads which provide direct links to major urban centres outside the districts including Oxford, Swindon and Reading. These roads include: the M40, the A34, the A420, the A40, and the A418.

4.21 The districts are also serviced by a wide range of secondary roads which mainly provide connections within the districts or with neighbouring local authority areas.

4.22 Respecting speed regulation, 18 local authorities are reachable by car, within a 30-minute drive, from South Oxfordshire and Vale of White Horse.

4.23 Figure 4-5 illustrates this 30-minute catchment area. This map shows the different areas (red highlights) reachable from different starting points located within South Oxfordshire and Vale of White Horse (blue pins). The darker shades of red indicate the areas reachable from multiple different parts of the two districts within 30-minute drive, whereas the lighter shades of red indicate areas that are only reachable from some parts of the two districts.

Figure 4-5 South Oxfordshire and Vale of White Horse 30-minute by road catchment area

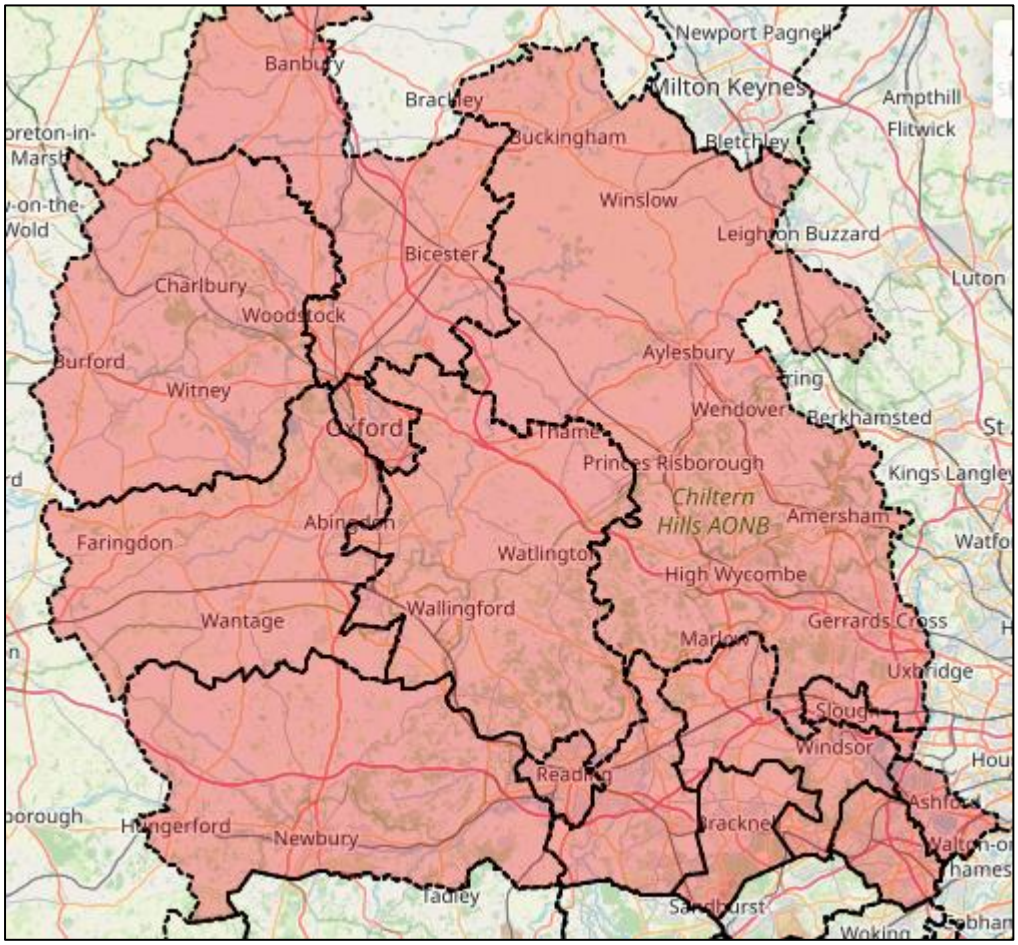


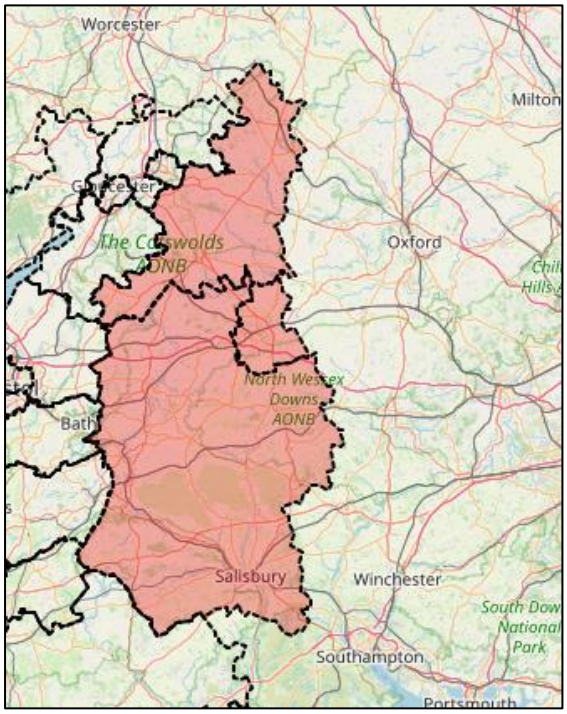
Source: Smappen, How Far Can I Go?[14]

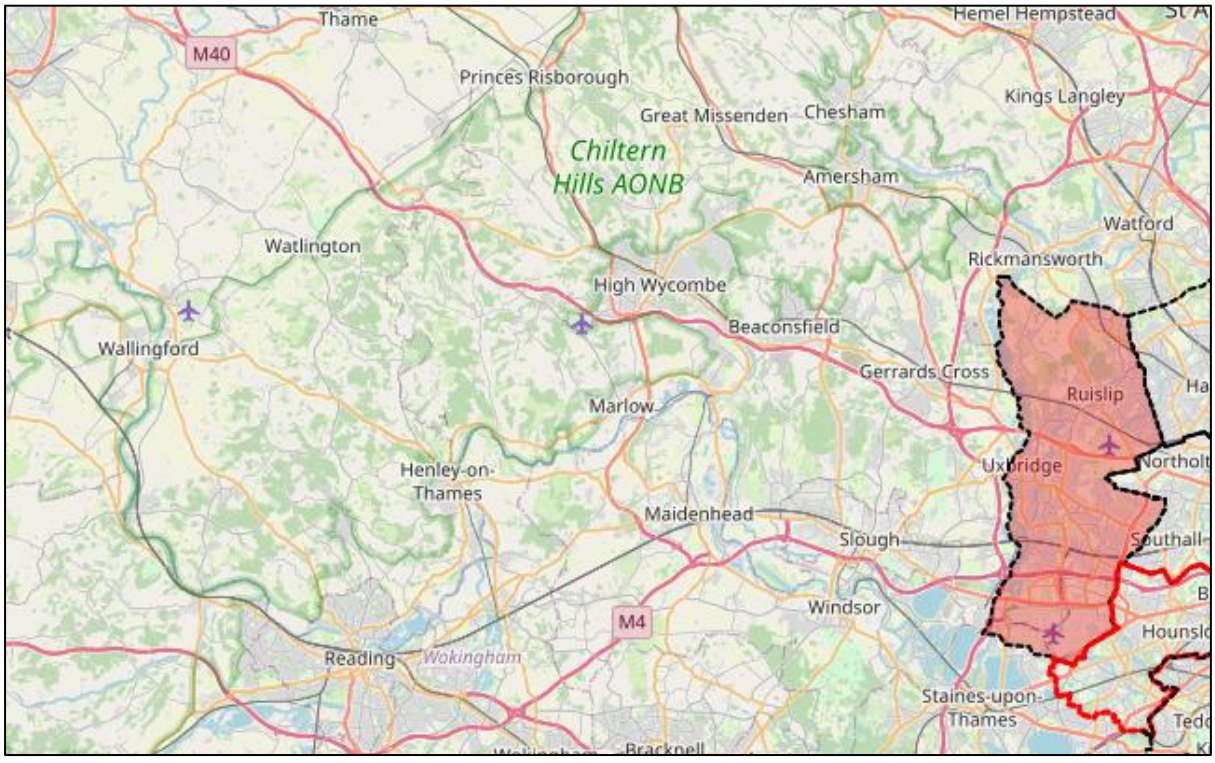
4.24 The 18 local authorities, as shown in Figure 4-6, fall within the South East, South West and London region respectively. These are: Bracknell Forest, Buckinghamshire, Oxford, Reading, Runnymede, Slough, South Oxfordshire, Spelthorne, Vale of White Horse, West Berkshire, West Oxfordshire, Windsor and Maidenhead, Wokingham, Cotswold, Swindon, Wiltshire and Hillingdon.

[14] Smappen, How Far Can I Go? Available at: https://www.smappen.com/app

Figure 4-6 South Oxfordshire and Vale of White Horse 30-minute by road catchment area (by local authorities in South East region)







Rail

4.25 There are two train stations in Vale of White Horse: Radley and Appleford. There are six train stations in South Oxfordshire: Didcot Parkway, Henley on Thames, Goring and Streatley, Cholsey, Culham, and Shiplake.

4.26 Table 4-3 provides a list of stations which can be reached within 30 minutes (by rail) from a station within South Oxfordshire and Vale of White Horse, not including those within the study area.

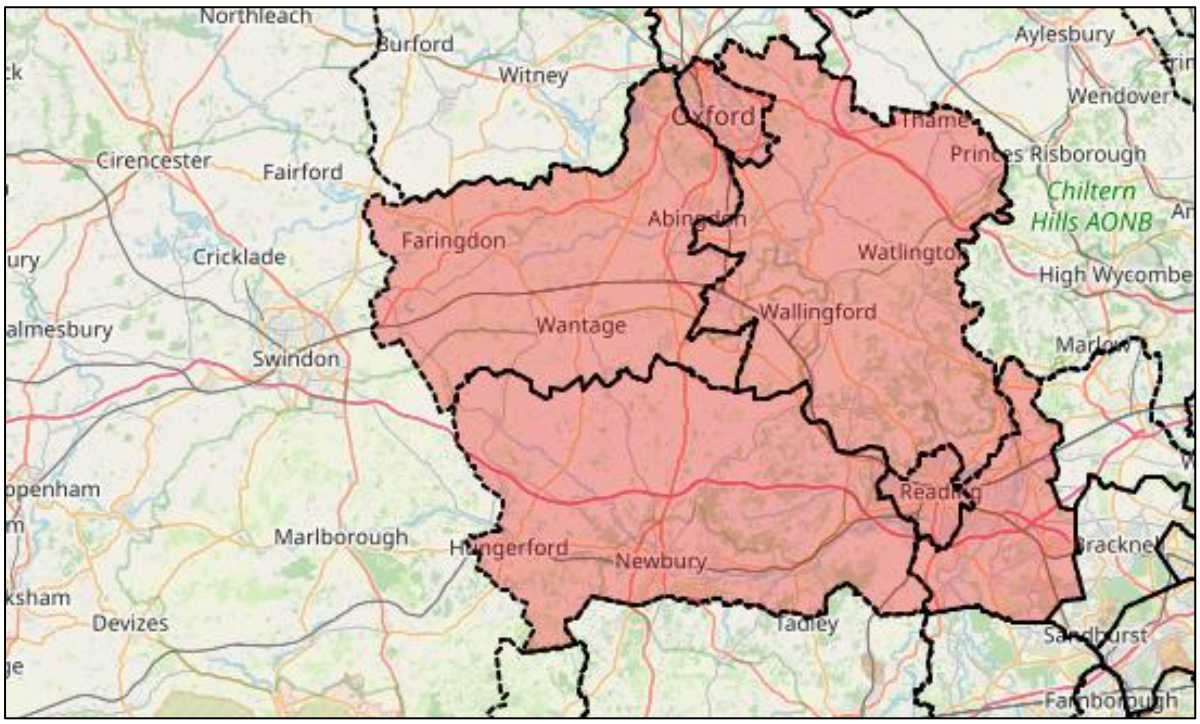
Table 4-3 Railway stations accessible within 30-minute rail journey from railway station in South Oxfordshire and Vale of White Horse

Station	Local authority
Oxford	Oxford
Pangbourne	West Berkshire
Tilehurst	West Berkshire
Reading West	Reading
Reading	Reading
Twyford	Wokingham
Swindon	Swindon
Wargrave	Wokingham

Source: TravelTime.

4.27 Figure 4-7 shows the local authorities that are reachable from South Oxfordshire and Vale of White Horse by rail in 30 minutes or less.

Figure 4-7 South Oxfordshire and Vale of White Horse 30-minute journey time by rail catchment area (by local authority)



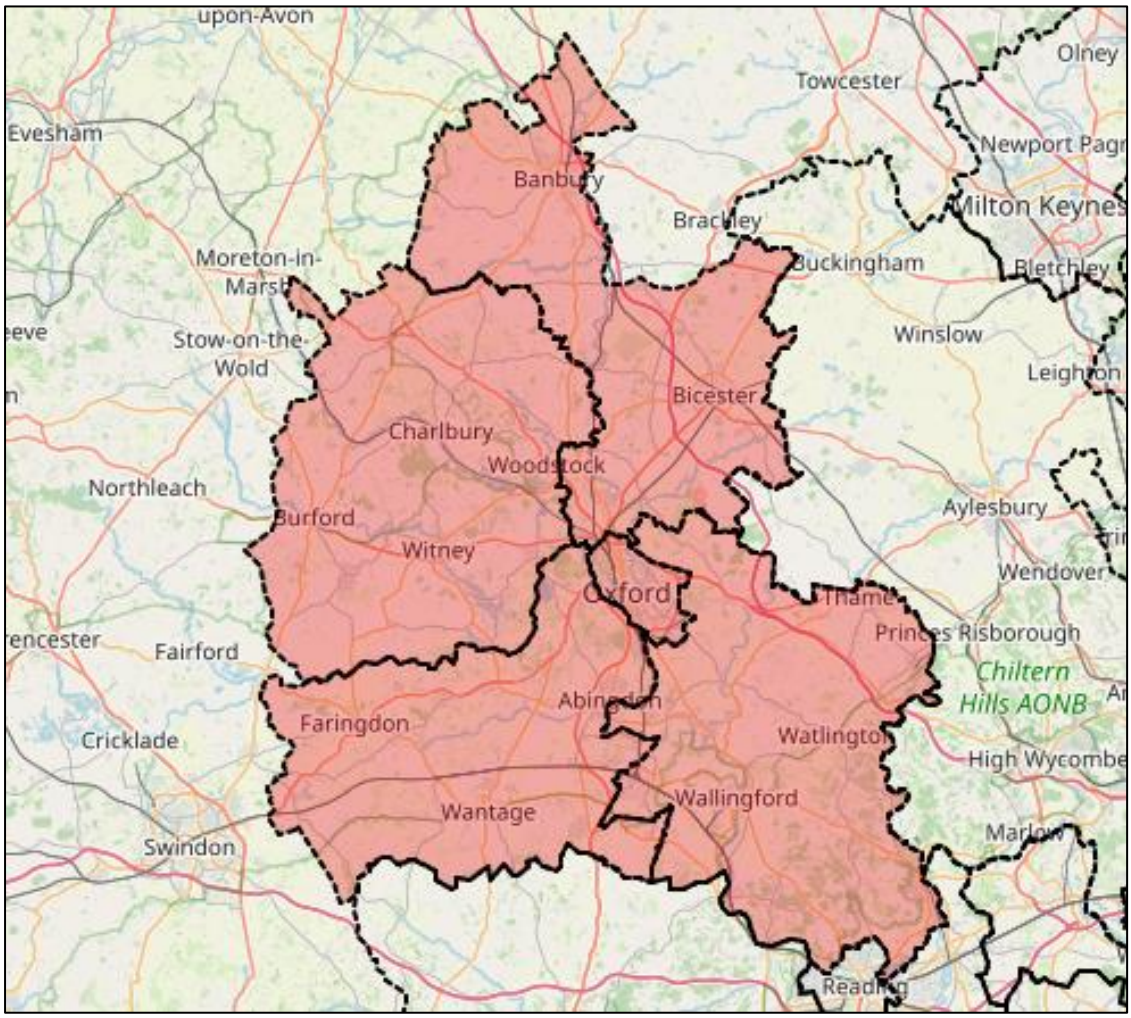
Source: AECOM.

Housing Market Area

4.28 The Oxfordshire Strategic Housing Market Assessment[15], published in 2014, defined housing market areas as reflective of 'the relationships between where people live and work, patterns of movement between homes, and differences in housing costs and trends in these'. As such it identified the Oxfordshire housing market area to comprise the majority of the five local authority areas of Oxfordshire, namely most of: South Oxfordshire, Vale of White Horse, West Oxfordshire, Oxford, and Cherwell.

[15] GL Hearn, (2014); Oxfordshire Strategic Housing Market Assessment.

Figure 4-8 Oxfordshire Strategic Housing Market Area



Source: GL Hearn, (2014); Oxfordshire Strategic Housing Market Assessment.

Commercial property market area

4.29 The FEMA is also influenced by the commercial property market area in which South Oxfordshire and Vale of White Horse sit.

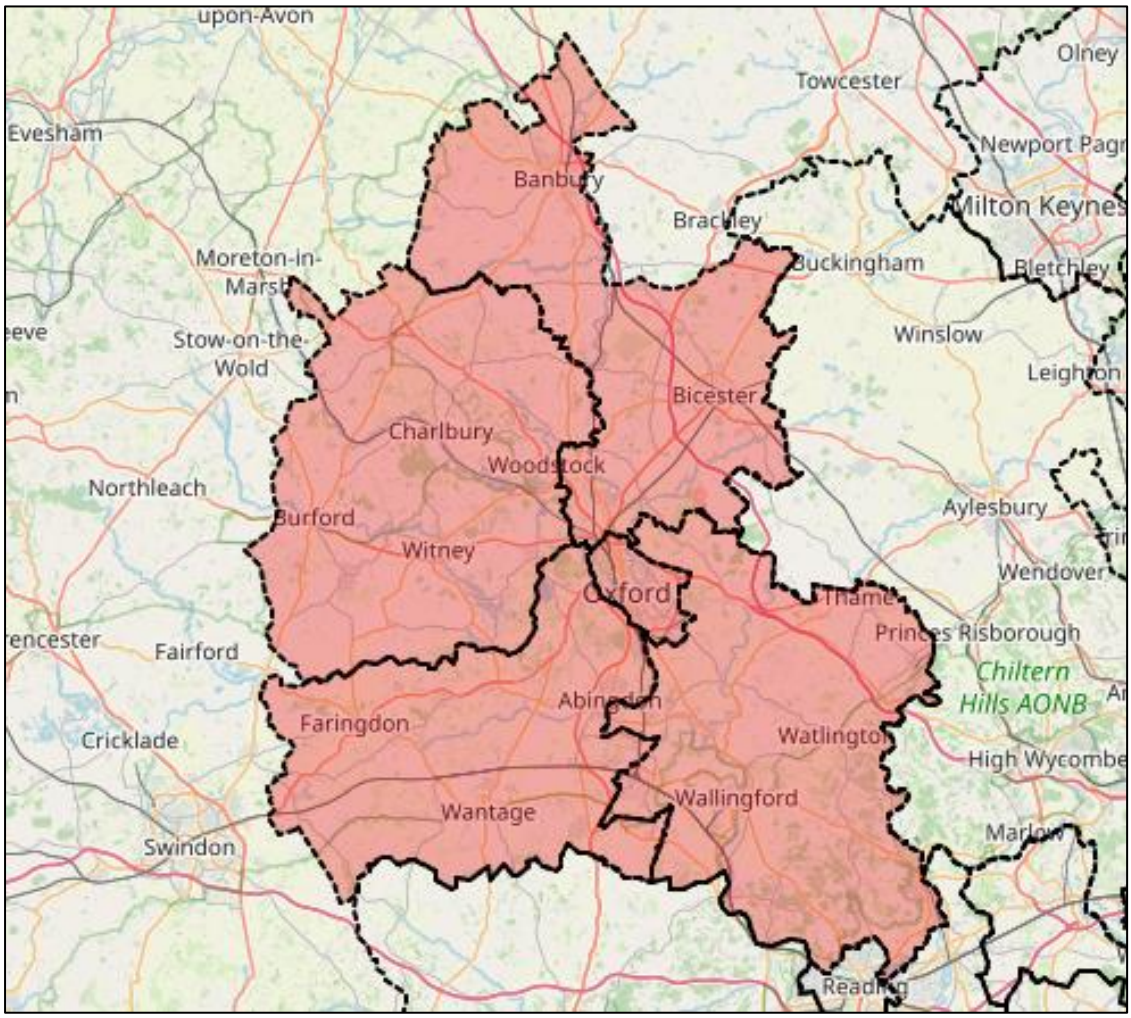
4.30 Commercial property market areas are geographic boundaries that serve to define core areas that are competitive with each other. Markets are defined by buildings presenting similar characteristics and are formed of non-overlapping areas (i.e. a place cannot be part of two property market areas at the same time).

4.31 For the purposes of this ELNA, it is relevant to look at both the office and industrial property markets.

4.32 CoStar, the most comprehensive database of real estate data throughout the UK, is a useful source of information and provides pre-defined office and industrial property market areas for the entire UK. CoStar defined markets have therefore been assumed as part of the analysis.

4.33 Both the industrial and office markets are defined as comprising the local authority areas of Oxfordshire: namely, South Oxfordshire, Vale of White Horse, West Oxfordshire, Oxford (fringe and central areas, aggregating to Oxford local authority area), and Cherwell.

Figure 4-9 Commercial property market

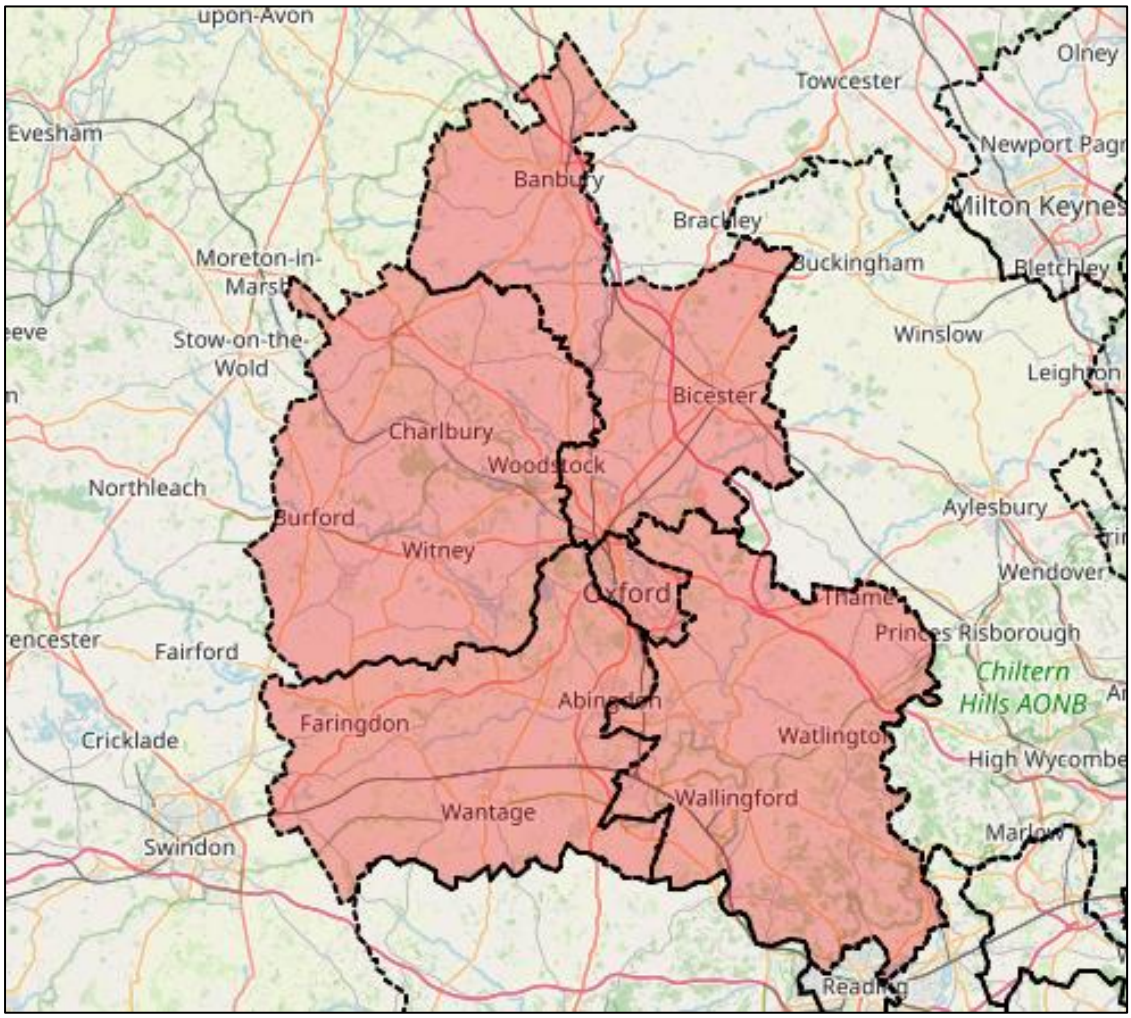


Source: CoStar, (2023).

Economic governance and partnerships area

4.34 South Oxfordshire and Vale of White Horse are within the Oxfordshire Local Enterprise Partnership (OxLEP) area which includes the five local authority areas within Oxfordshire: namely additionally Cherwell, Oxford, and West Oxfordshire. Figure 4-10 shows the geographical boundaries of the OxLEP.

Figure 4-10 Oxfordshire Local Enterprise Partnership area



Source: AECOM.

Summary

4.35 South Oxfordshire and Vale of White Horse are relatively self-contained economically, with some important connections either from an economic governance perspective (administrative boundaries), market characteristics (housing and commercial property markets) and connectivity (travel to work and transport infrastructure).

4.36 Based on the assessment conducted in this section, and as summarised in Table 4-4, it can be reasonably concluded that South Oxfordshire and Vale of White Horse are particularly connected with two other local authority areas:

- Oxford (by virtue of inflow and outflow self-containment, the road and rail network, the housing and property market areas, and economic governance areas)
- West Oxfordshire (by virtue of inflow self-containment, the road network, the housing and property market areas, and economic governance areas)

Table 4-4 Summary of FEMA analysis

Local authority	Inflow self-containment	Outflow self-containment	Road network	Rail network	Housing market area	Property market area	OxLEP/ Oxfordshire County
South Oxfordshire and Vale of White Horse	**X**	**X**	**X**	**X**	**X**	**X**	**X**
Oxford	**X**	**X**	**X**	**X**	**X**	**X**	**X**
West Oxfordshire	**X**		**X**		**X**	**X**	**X**
Cherwell			X		X	X	X
West Berkshire			X	X			
Reading			X	X			
Wokingham			X	X			
Swindon			X	X			
Bracknell Forest			X				
Buckinghamshire			X				
Runnymede			X				
Slough			X				
Spelthorne			X				
Windsor and Maidenhead			X				
Cotswold			X				
Wiltshire			X				
Hillingdon			X				

Source: AECOM.

5. Socio-economic Profile

Introduction

5.1 This section profiles the FEMA (i.e. South Oxfordshire, Vale of White Horse, Oxford, and West Oxfordshire) using key socio-economic indicators. The analysis forms an understanding of the local economic strengths and weaknesses that may impact upon employment land and premises requirements. Key indicators provided include:

- Population, deprivation, earnings and skill and occupational profile of residents;
- Commuter patterns;
- The workplace economy, by business stock, size and demography (start-ups and closures); and
- Workplace employment, including by industry sector.

5.2 To provide a comparative assessment, South Oxfordshire and Vale of White Horse are benchmarked against FEMA, the South East region and national averages.

Population

5.3 The future economic needs of South Oxfordshire and Vale of White Horse will be driven in part by trends in the size of the resident population. Office for National Statistics (ONS) Census data[16,17] shows that South Oxfordshire's population increased by 11.0% between 2011 and 2021 (from 134,257 to 149,085). Vale of White Horse's population increased by 14.8% over the same period (from 120,988 to 138,913). The growth in these areas is slightly greater than that recorded in the FEMA (10.2%), and notably greater than that recorded across the South East region (7.5%) and England and Wales (6.3%).

5.4 The most recent ONS population projections[18] show that the population in South Oxfordshire is expected to increase by 3.5% (to 148,872) between 2023 and 2040. It should be noted that the population anticipated by 2040, based on projections published in 2018, has already been exceeded, according to Census data for 2021. In Vale of White Horse, the population is expected to increase by 12.7% (to 162,287) over the same period. The population growth in these areas to 2040 is anticipated to be greater than that within the FEMA (4.7%), across the South East region (5.2%) and England as a whole (6.3%). This growth is likely to require supporting growth in demand for housing, community facilities, infrastructure and employment land and floorspace over the Local Plan periods in South Oxfordshire and Vale of White Horse.

5.5 Across South Oxfordshire, Vale of White Horse, the FEMA, the South East region, and England, the greatest growth in population by age cohort between 2023 and 2040 is expected to be among those aged over 65 (30.0%, 38.1%, 33.4%, 31.6%, and 32.3% respectively). The working age population (aged 16 to 64) in South Oxfordshire is expected to decrease by 2.5% over the same period, whereas in Vale of White Horse growth of population in this age category is expected to be approximately 7.1%. A smaller magnitude of change in the working age cohort is expected at the wider geographies of the FEMA (-0.8%), South East region (+1.5%) and England (-0.4%).

Deprivation

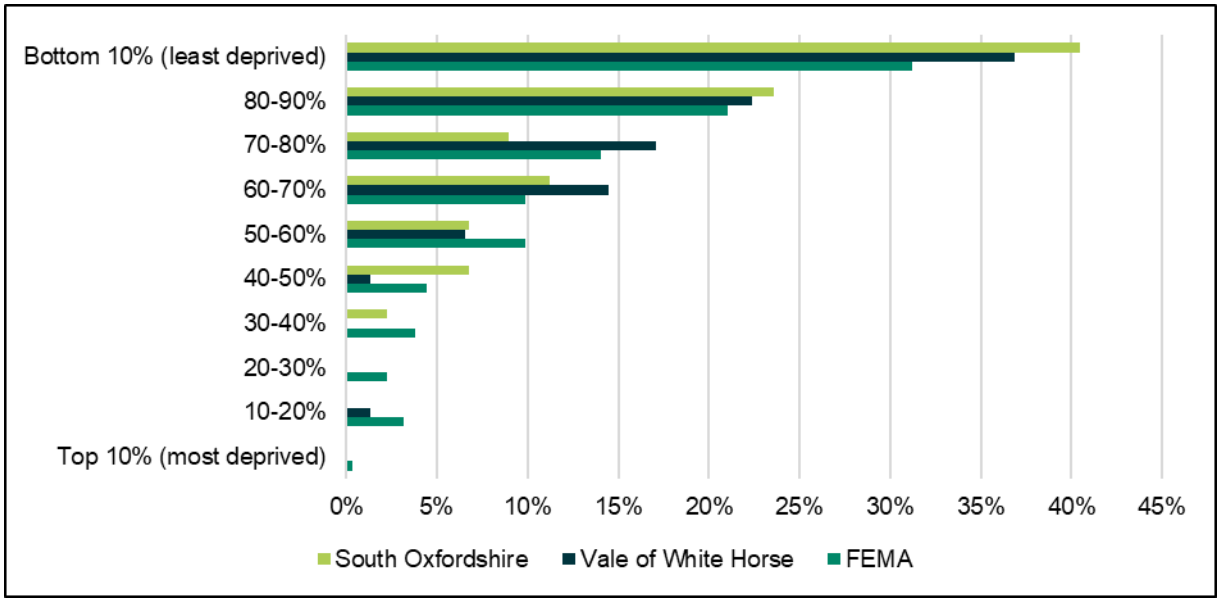
5.6 There is a very low incidence of deprivation within both South Oxfordshire and Vale of White Horse according to English Indices of Deprivation data[19]. Out of 317 local authorities across England, South Oxfordshire is ranked as the 302nd most deprived and Vale of White Horse is 305th, with 1st being the most deprived. These rankings indicate that South Oxfordshire and Vale of White Horse are amongst the least deprived local authorities nationally.

[16] Office for National Statistics, (2011); Census 2011.
[17] Office for National Statistics, (2021); Census 2021.
[18] Office for National Statistics, (2018); Population projections.
[19] Ministry of Housing, Communities and Local Government, (2019); English indices of deprivation.

5.7 Figure 5-1 provides a breakdown of deprivation at the Lower Super Output Area (LSOA)[20] level. It is shown that only one LSOA across both local authority areas is ranked amongst the 30% most deprived LSOAs nationally. Conversely, a high proportion of LSOAs (64% in South Oxfordshire and 59% in Vale of White Horse) are ranked amongst the 20% least deprived LSOAs nationally. A higher proportion of LSOAs in South Oxfordshire and Vale of White Horse are ranked amongst the 20% least deprived LSOAs nationally when compared to the FEMA, which also records relatively low incidence of deprivation.

5.8 However, it is noted that deprivation where experienced may be hidden by the perceived affluence of the districts. Issues with inequality are evident in some wards, including specific issues with health, housing affordability, educational attainment.

Figure 5-1 Index of Multiple Deprivation breakdown by LSOA



Source: Ministry of Housing, Communities and Local Government, (2019); English indices of deprivation.

5.9 The overall index of deprivation set out above is comprised of a number of domains. Every LSOA in England is also ranked nationally in each of these domains, which include employment, income, and education, skills and training. In terms of employment, South Oxfordshire is ranked 312th, and Vale of White Horse is ranked 298th nationally (out of 317 local authority areas in England). In terms of education, skills and training, South Oxfordshire is ranked 271st, and Vale of White Horse is ranked 266th nationally.

Earnings

5.10 Table 5-1 presents the median gross weekly earnings recorded in the Annual Survey of Hours and Earnings[21] in 2022. It shows that the median gross weekly earnings of residents of South Oxfordshire are approximately £753 and in Vale of White Horse are approximately £726, both of which are considerably higher than the regional (£685) and national (£643) rates. The median gross weekly earnings of those working in South Oxfordshire are approximately £697, and in Vale of White Horse are approximately £765. The difference between resident-based[22] and workplace-based earnings suggests that a portion of South Oxfordshire's residents may commute out of the district to access higher-paying jobs elsewhere, whereas the opposite may be true in Vale of White Horse (i.e. a portion of the workforce commutes in to the area to access higher wages). Workplace-based earnings in both South Oxfordshire and Vale of White Horse are higher than recorded across the South East region (£664) and England (£642).

[20] Lower Super Output Areas (LSOAs) are small geographical units with broadly comparable population sizes used for the reporting of statistics at a fine level of spatial granularity.
[21] Office for National Statistics, (2022); Annual Survey of Hours and Earnings – Resident and Workplace Analysis
[22] Earnings by people residing in South Oxfordshire (regardless of where they work).

Table 5-1 Comparative resident and workplace median earnings[23]

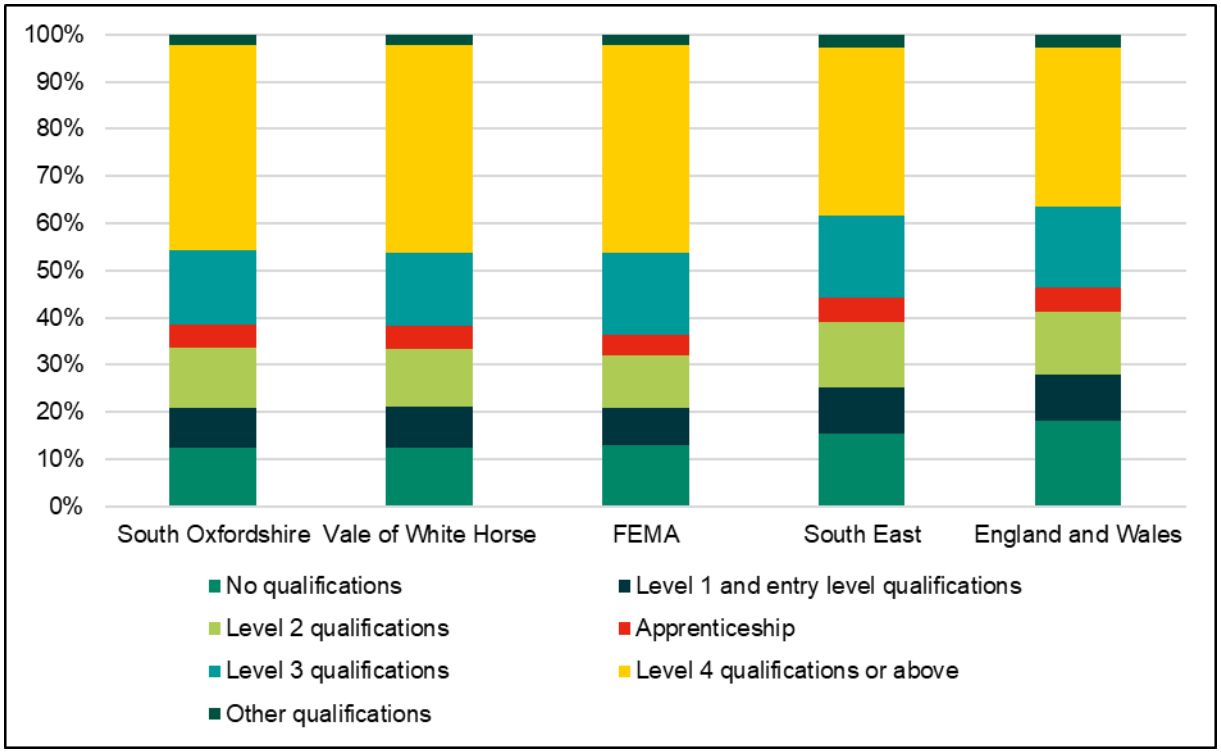
Earnings	South Oxfordshire (£)	Vale of White Horse (£)	South East region (£)	England (£)
Resident-based	753	726	685	643
Workplace-based	697	765	664	642

Source: Office for National Statistics, (2022); Annual Survey of Hours and Earnings – Resident and Workplace Analysis.

Skills and training

5.11 The proportion of South Oxfordshire residents aged 16 and over with a degree level (NVQ4+) qualification is approximately 43.6%, and the equivalent rate recorded in Vale of White Horse is 44.0%. This represents similar proportion to that recorded in the FEMA (43.9%) and a greater proportion of the population who hold degree-level qualifications than is recorded for the South East region (35.8%) and England and Wales (33.8%). A breakdown of educational attainment is shown in Figure 5-2, where it is also evident that a smaller proportion of the population hold no qualifications in South Oxfordshire and Vale of White Horse (12.4% and 12.5% respectively) when compared to the FEMA, South East region and England and Wales (12.8%, 15.4% and 18.2% respectively).

Figure 5-2 Qualification level as a proportion of usual residents aged 16 and over.



Source: Office for National Statistics, (2021); Census 2021.

Occupational profile

5.12 The Annual Population Survey[24] conducted by ONS provides recent economic activity, employment and unemployment statistics for the UK. As of 2022, the economic activity rate of working age residents (aged 16 to 64) in South Oxfordshire was 79.4%, and in Vale of White Horse was 86.7%[25]. The former rate is broadly in line with the South East region (80.7%) and England and Wales (78.6%), whereas the economic activity rate in Vale of White Horse (86.7%) notably exceeds all of these geographies. In line with the wider geographical areas of the FEMA, South East region and England and Wales, the economic activity rate in South Oxfordshire has decreased since the COVID-19 pandemic whereas the rate in Vale

[23] Note: The FEMA is excluded from this analysis due to the lack of data granularity allowing the median earnings to be calculated for this bespoke area.
[24] Office for National Statistics, (2023); Annual Population Survey (January 2022 to December 2022).
[25] By way of contrast, Census (2021) data identified an economic activity rate amongst working age residents (aged 16 to 64) of 82.2% in South Oxfordshire and 82.0% in VOWH

of White Horse has recovered to pre-pandemic levels; in 2019, the economic activity rates were 84.3% in South Oxfordshire and 82.0% in Vale of White Horse.

5.13 To provide a more accurate representation, analysis of the average economic activity rates over the ten years preceding 2021 has been conducted. Between 2012 and 2022, the average recorded economic activity rate in South Oxfordshire was 83.3% and in Vale of White Horse was 82.3%, which in both instances is broadly comparable with the equivalent average rate of 82.5% in the FEMA, although is higher than the 80.6% recorded in the South East region, and 77.9% across England and Wales. Therefore a high proportion of the working age population of South Oxfordshire and Vale of White Horse has been economically active, relative to the wider comparator areas, between 2012 and 2022.

5.14 The employment rate amongst working age residents, as of 2022, is 77.0% in South Oxfordshire and 85.0% in Vale of White Horse. Data for the economic activity rate and employment rate for all geographies is summarised in Table 5-2 below.

Table 5-2 Economic activity and employment (aged 16 to 64)

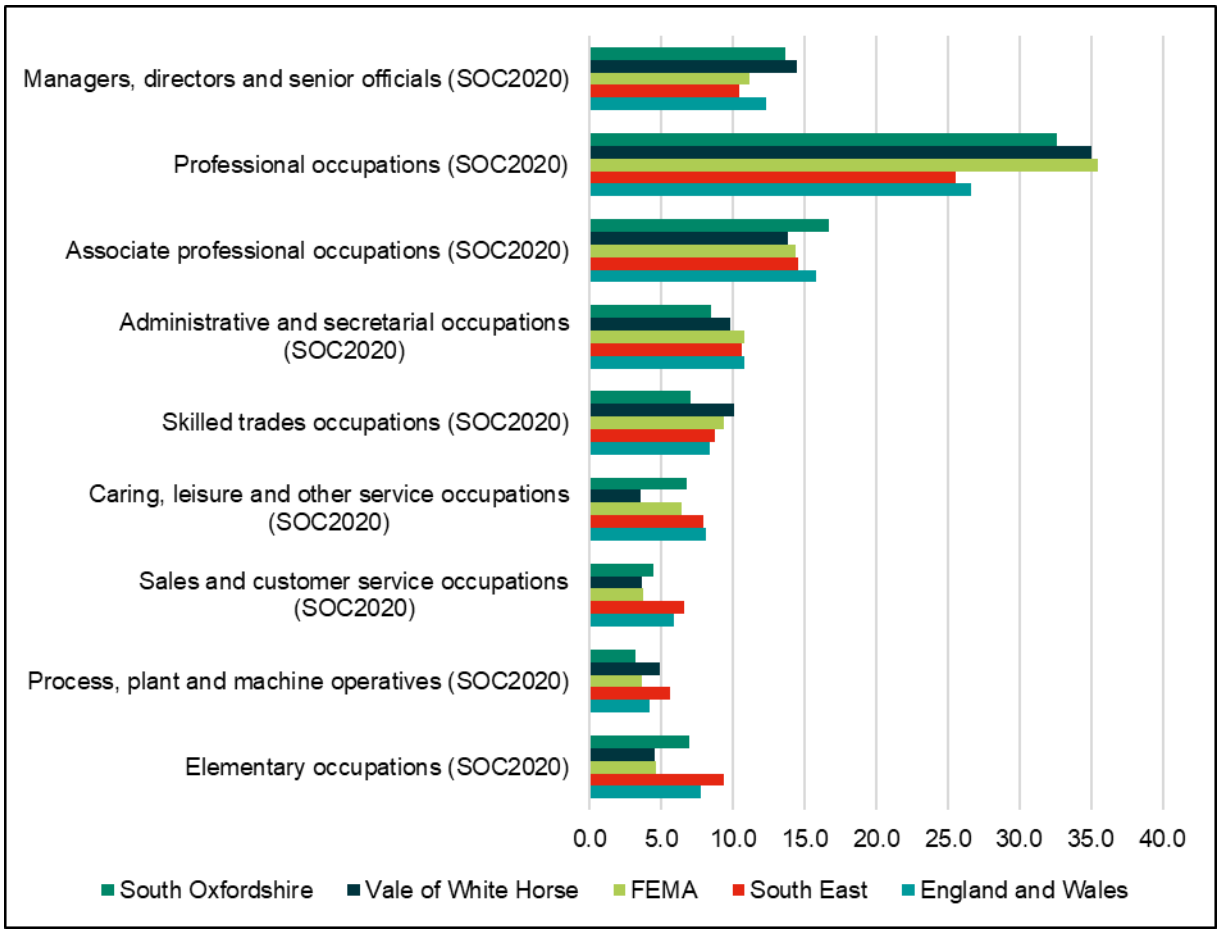
Geography	Economic activity rate, 2022	Average economic activity rate 2012-2022	Employment rate, 2022	Average employment rate (2012-2022)
South Oxfordshire	79.4%	83.3%	77.0%	80.9%
Vale of White Horse	86.7%	82.3%	85.0%	79.9%
FEMA	83.5%	82.5%	81.9%	79.8%
South East	80.7%	80.7%	78.1%	77.3%
England and Wales	78.6%	78.1%	75.7%	74.0%

Source: Office for National Statistics, (2023); Annual Population Survey (January 2022 to December 2022).

5.15 Figure 5-3 sets out the occupational profiles of South Oxfordshire and Vale of White Horse's residents in comparison to the FEMA, South East region and England and Wales[26,27]. It shows that 32.6% in South Oxfordshire, and 35.0% of working age residents in Vale of White Horse are employed in professional occupations, representing the highest proportion of any occupation in both areas, and representing a greater proportion of overall employment than is recorded in wider geographies of the South East region (25.6%) and England and Wales (26.6%), although marginally below that recorded in the FEMA (35.5%). The smallest proportion of employment in South Oxfordshire is contributed by sales and customer service occupations (3.7%), whereas in Vale of White Horse caring, leisure and other service occupations represents the smallest proportion for that area (3.6%).

[26] Office for National Statistics, (2022); Annual Population Survey (January 2021 to December 2021).
[27] Occupational profile data presented is derived from the 2021 dataset because it represents the latest Annual Population Survey data for which a complete dataset is available to facilitate a comparison between all comparator geographies.

Figure 5-3 Occupational profile, by % of jobs in each area



Source: Office for National Statistics, (2022); Annual Population Survey (January 2021 to December 2021).

Travel to work

5.16 The most recent travel to work data is provided by Origin-Destination statistics collated from the 2011 Census[28]. While the total figures for employment may be more than ten years old, the figures shown give a good indication of the proportional magnitude relating to the pattern of movement of residents and workers into and out of the South Oxfordshire and Vale of White Horse local authority areas.

5.17 A high proportion of the resident population of South Oxfordshire also work there (around 41%). Other significant locations of work for residents of South Oxfordshire include Oxford (14%), Vale of White Horse (11%), Reading (5%) and Wycombe (4%).

Table 5-3 Location of workplace for residents of South Oxfordshire

Workplace location	Number of South Oxfordshire residents working in location	Proportion of South Oxfordshire residents working in location (%)
South Oxfordshire	22,358	41%
Oxford	7,369	14%
Vale of White Horse	6,217	11%
Reading	2,514	5%
Wycombe	2,236	4%
Aylesbury Vale	1,586	3%
Westminster, City of London	1,366	3%

[28] The 2021 Census data for Origin-Destination statistics is not available at the time of writing. It is expected that the 2021 Census data will be similar to the Census 2011 data in terms of travel to work area and therefore would not have a significant impact on the findings of this study.

Workplace location	Number of South Oxfordshire residents working in location	Proportion of South Oxfordshire residents working in location (%)
West Berkshire	1,256	2%
Wokingham	1,076	2%
Cherwell	1,014	2%

Source: Office for National Statistics, (2011); Census 2011: Location of usual residence and place of work.

5.18 Likewise, a high proportion of the resident population of Vale of White Horse also work there (around 50%). Other significant locations of work for residents of Vale of White Horse include Oxford (21%), South Oxfordshire (8%) and 4% travel to West Oxfordshire.

Table 5-4 Location of workplace for residents of Vale of White Horse

Workplace location	Number of Vale of White Horse residents working in location	Proportion of Vale of White Horse residents working in location (%)
Vale of White Horse	25,228	50%
Oxford	10,753	21%
South Oxfordshire	3,946	8%
West Oxfordshire	1,852	4%
Cherwell	1,366	3%
Swindon	1,355	3%
West Berkshire	1,080	2%
Westminster, City of London	683	1%
Reading	455	1%
Wiltshire	239	0%

Source: Office for National Statistics, (2011); Census 2011: Location of usual residence and place of work.

5.19 Both local authority areas are overall net exporters of labour. As set out above, 32,012 residents of South Oxfordshire commute to other local authority areas compared to 23,589 residents of other local authority areas commuting to South Oxfordshire. This suggests that there are employment opportunities within the district which draw labour from elsewhere but this is exceeded by the number of people leaving the district for work by circa. 8,500 people. With regard to Vale of White Horse, approximately 24,697 residents commute out of the district for work, compared to 25,654 residents of other local authority areas who commute to Vale of White Horse for work. The net inflow to outflow in Vale of White Horse is more balanced, representing an overall net outflow of 957 workers. There are significant commuter flows between the South Oxfordshire, Vale of White Horse, and Oxford local authority areas.

5.20 Jobs density[29], which is the number of jobs in an area divided by the working age resident population (aged 16 to 64), is estimated to be 0.78 in South Oxfordshire, which is lower than the equivalent rate across the South East region (0.85) and England and Wales more widely (0.86). Conversely, in Vale of White Horse the jobs density exceeds these geographies (0.88), suggesting a greater availability of jobs in this area.

Business stock and scale

5.21 The latest ONS UK Business Counts data[30] indicates that there are 8,100 businesses located in South Oxfordshire, and 6,115 businesses located in Vale of White Horse. Table 5-5 presents the composition of the employment size of South Oxfordshire and Vale of White Horse's businesses. Micro-businesses (defined as companies employing up to nine employees) represent the vast majority of all businesses in South Oxfordshire and Vale of White Horse (90% and 88% respectively), which is broadly in line with the regional rate (90%). In South Oxfordshire, there are a total of 645 small sized businesses (defined as companies employing between 10 and 49 employees), 100 medium sized businesses (defined as

[29] Office for National Statistics, (2021); Jobs density.
[30] Office for National Statistics, (2022); UK Business Counts.

companies employing between 50 and 249 employees), and 25 large businesses (defined as companies employing over 250 employees). In Vale of White Horse, there are 570 small sized businesses, 95 medium sized businesses, and 40 large sized businesses. Table 5-5 shows how this compares in terms of proportions represented by each size band to the FEMA and wider South East region.

Table 5-5 Businesses by employment size

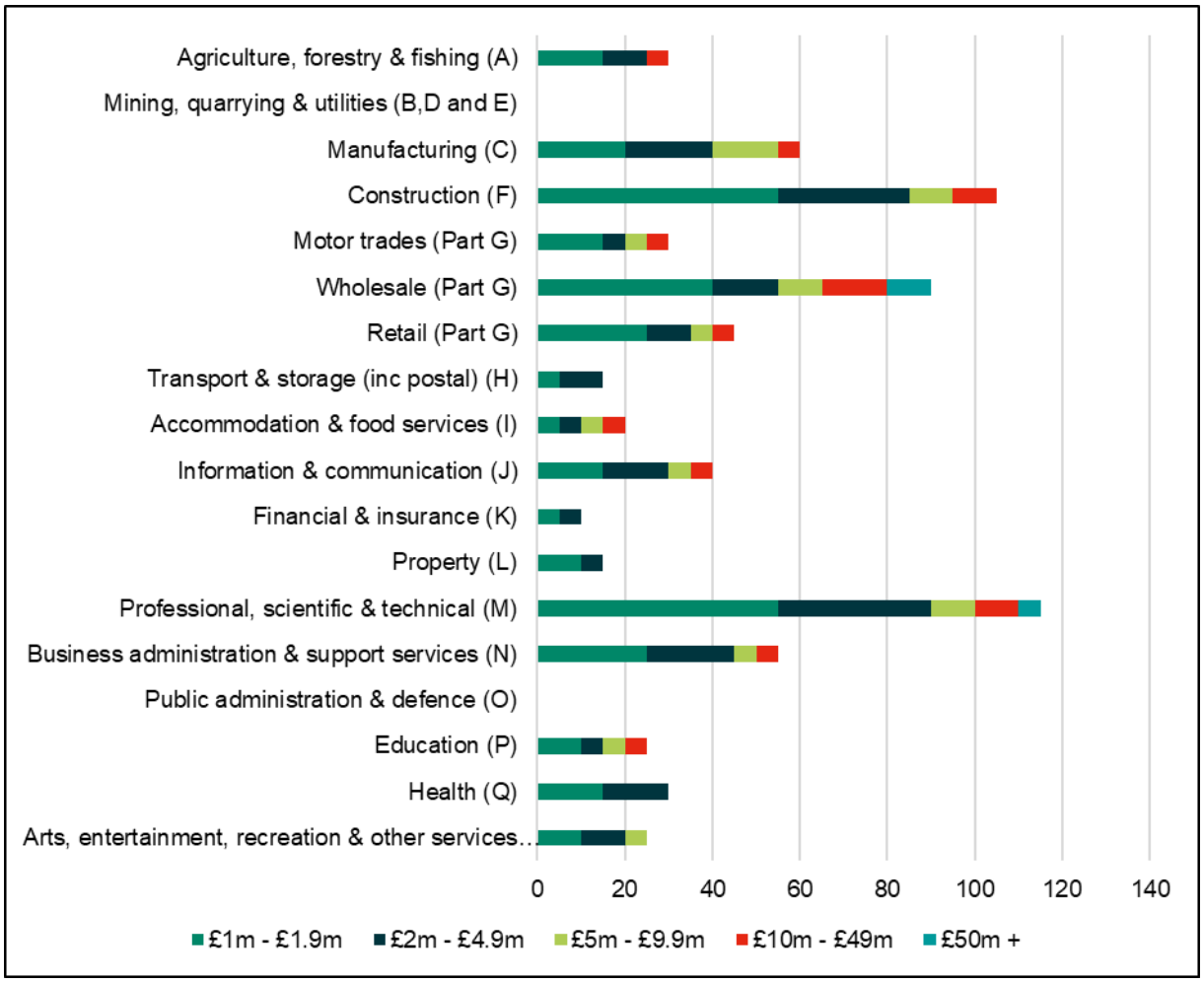
Employment Size	South Oxfordshire		Vale of White Horse		FEMA	South East
	No. of businesses	% of total	No. of businesses	% of total	% of total	% of total
1 to 9 (Micro)	7,325	90%	5,405	88%	89%	90%
10 to 49 (Small)	645	8%	570	9%	9%	8%
50 to 249 (Medium)	100	1%	95	2%	2%	1%
250 + (Large)	25	0%	40	1%	1%	0%
Total	**8,100**	**-**	**6,115**	**-**	**-**	**-**

Source: Office for National Statistics, (2022); UK Business Counts; Local units by industry and employment size band. Note: figures do not always sum due to rounding.

5.22 Of these businesses, the professional, scientific and technical sector represents the largest proportion of total businesses in both South Oxfordshire (1,785 businesses, 22% of total) and Vale of White Horse (1,260 businesses, 21% of total). Similarly, the construction sector represents the second largest proportional share of total businesses in both areas, contributing 1,050 businesses in South Oxfordshire (13% of total) and 825 businesses in Vale of White Horse (13% of total).

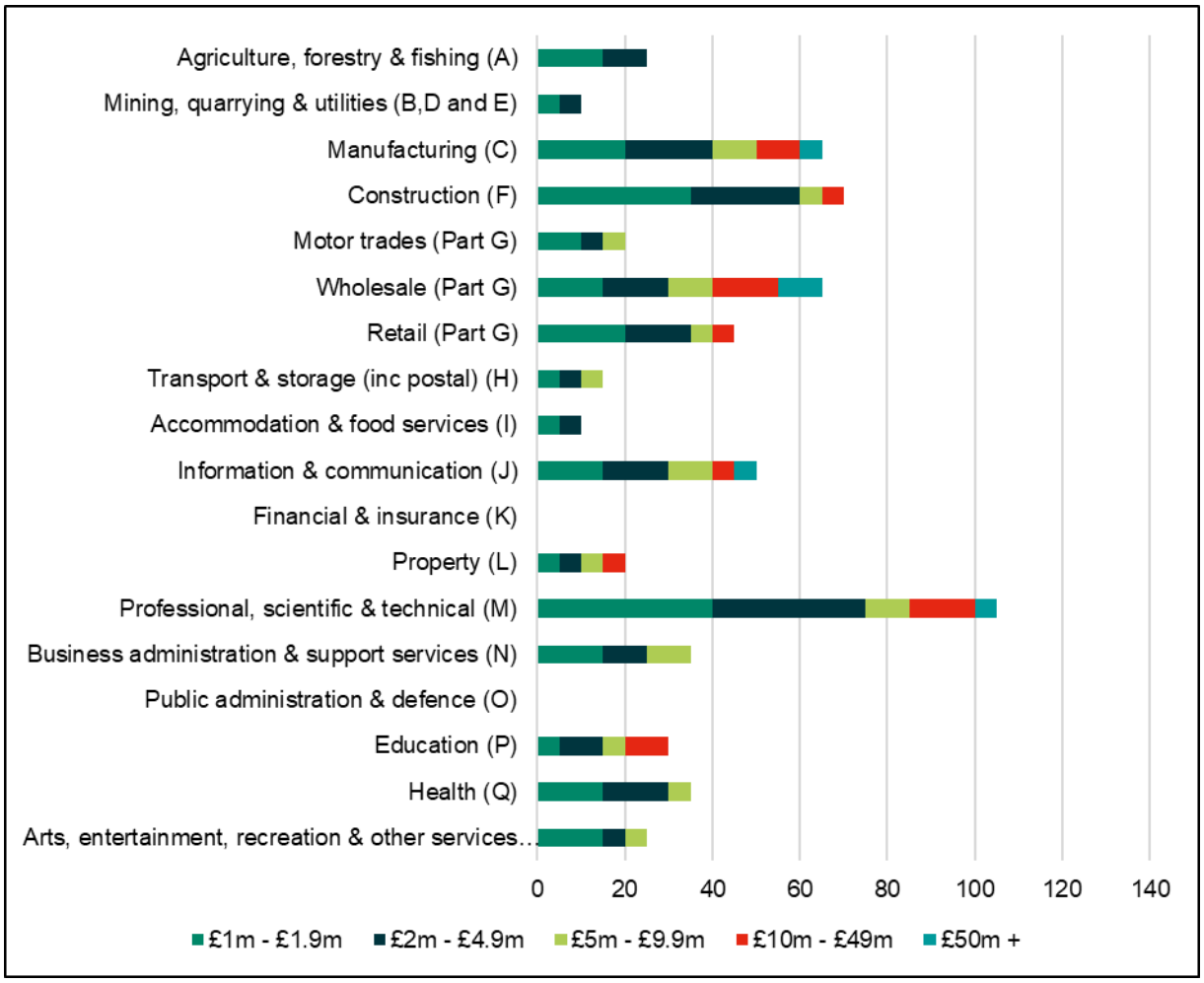
5.23 In terms of economic performance, the highest proportion of turnover revenue generated by businesses in South Oxfordshire is in the £100,000-£199,000 range (32% of businesses), which is equally true of Vale of White Horse (30% of businesses). Figure 5-4 and Figure 5-5 show a breakdown of businesses in South Oxfordshire and Vale of White Horse respectively with regard to businesses which generated over £1 million in 2022. A total of 705 businesses in South Oxfordshire and 625 businesses in Vale of White Horse generated over £1 million in 2022, of which the professional, scientific and technical sector represented the largest contributor in terms of number of businesses in both instances (16% and 17% of businesses respectively). In South Oxfordshire, the construction (15%) and wholesale (13%) sector contributed relatively large proportions of businesses with turnover of over £1 million. In Vale of White Horse, the construction (11%), wholesale (10%), and manufacturing (10%) sectors contributed notable proportions of the total businesses generating such revenue. Across both local authority areas, the only businesses to generate over £50 million in revenue were in the wholesale, information and communication, and professional, scientific and technical sectors.

Figure 5-4 Local businesses by industry with a turnover of over £1 million, South Oxfordshire



Source: Office for National Statistics, (2022); UK Business Counts; Enterprises by industry and turnover size band.

Figure 5-5 Local businesses by industry with a turnover of over £1 million, Vale of White Horse



Source: Office for National Statistics, (2022); UK Business Counts; Enterprises by industry and turnover size band.

Business registrations and de-registrations

5.24 VAT registration and de-registration rates for South Oxfordshire and Vale of White Horse provide an indication of the entrepreneurial characteristics of the local authority areas. The data[31] shown in Table 5-6 below illustrates business demography between 2016 and 2021. Over this time period, in South Oxfordshire and Vale of White Horse, the net business demography has tended towards a more negative outlook, whereby in 2021 more businesses de-registrations than registrations were recorded, although there is likely to be variation in this trend based on industry.

Table 5-6 Business registrations and de-registrations in South Oxfordshire and Vale of White Horse

Year	South Oxfordshire			Vale of White Horse		
	Registrations	De-registrations	Net change	Registrations	De-registrations	Net change
2016	875	670	205	600	445	155
2017	805	780	25	620	545	75
2018	765	640	125	575	540	35
2019	900	770	130	630	515	115
2020	680	745	-65	630	540	90
2021	755	885	-130	645	650	-5

Source: Office for National Statistics, (2022); Business demography, UK.

[31] Office for National Statistics, (2022); Business demography, UK.

Employment sectors

5.25 The Business Register and Employment Survey[32] of 2021 provides a detailed breakdown of the broad industry sectors that workers in South Oxfordshire and Vale of White Horse are employed in. Table 5-7 presents employment by broad industrial group in South Oxfordshire and Vale of White Horse and the comparator areas.

5.26 The sector that contributes the greatest amount of employment in both South Oxfordshire and Vale of White Horse is the professional, scientific and technical sector (19.0% and 20.7% respectively), which represents a far greater proportion of employment by sector than is exhibited in the FEMA (13.2%) and South East region (9.2%).

5.27 It is shown that employment in office-related service sectors (comprising the information and communication, financial and insurance, property, professional, scientific and technical, and business administration and support services sectors) contribute 35.5% and 39.8% in South Oxfordshire and Vale of White Horse respectively, in comparison to 28.8% in the FEMA and 27.9% in the South East region.

5.28 The proportion of employment in industrial sectors (comprising the construction, manufacturing, motor trades, and transport and storage sectors) is marginally higher in South Oxfordshire and Vale of White Horse (17.1% and 16.3% respectively) when compared to the FEMA (14.4%), but below the South East region (18.3%).

Table 5-7 Employment by broad industrial sector in South Oxfordshire, Vale of White Horse and South East region (2021)

Employment sector	South Oxfordshire		Vale of White Horse		FEMA	South East
	Employment (no.)	% of total	Employment (no.)	% of total	% of total	% of total
Agriculture, forestry & fishing	500	0.9%	450	0.7%	0.5%	0.7%
Mining, quarrying & utilities	600	1.0%	1,750	2.6%	1.7%	1.5%
Manufacturing	3,000	5.2%	3,500	5.2%	5.4%	5.8%
Construction	3,500	6.1%	3,500	5.2%	4.1%	5.6%
Motor trades	900	1.6%	1,000	1.5%	1.3%	1.8%
Wholesale	2,500	4.3%	2,250	3.3%	2.6%	3.9%
Retail	5,000	8.7%	5,000	7.4%	8.2%	10.1%
Transport & storage (incl. postal)	2,500	4.3%	3,000	4.4%	3.6%	5.1%
Accommodation & food services	5,000	8.7%	3,500	5.2%	6.8%	7.3%
Information & communication	2,500	4.3%	5,000	7.4%	5.7%	5.5%
Financial & insurance	1,500	2.6%	700	1.0%	1.4%	2.8%
Property	1,000	1.7%	1,250	1.8%	1.6%	1.7%
Professional, scientific & technical	11,000	19.0%	14,000	20.7%	13.2%	9.2%
Business administration & support services	4,500	7.8%	6,000	8.9%	7.0%	8.9%
Public administration & defence	1,250	2.2%	1,750	2.6%	2.3%	3.3%
Education	5,000	8.7%	7,000	10.3%	17.8%	9.6%

[32] Office for National Statistics, (2022); Business Register and Employment Survey 2021.

Employment sector	South Oxfordshire		Vale of White Horse		FEMA	South East
	Employment (no.)	% of total	Employment (no.)	% of total	% of total	% of total
Health	5,000	8.7%	6,000	8.9%	13.2%	13.0%
Arts, entertainment, recreation & other services	2,500	4.3%	2,000	3.0%	3.8%	4.4%

Source: Office for National Statistics, (2022); Business Register and Employment Survey 2021.

5.29 Table 5-8 shows the change in employment in South Oxfordshire and Vale of White Horse between 2016 and 2021 by broad industrial group. In South Oxfordshire, the employment sectors which experienced the largest proportional growth were the public administration and defence (+25%), and financial and insurance sectors (+20%); in absolute terms, the greatest increase in employment was in the health, construction, and accommodation and food services sectors (+500 each). With regard to Vale of White Horse, the largest proportional growth in employment over the same period was recorded in the mining, quarrying and utilities (+75%), public administration and defence (+40%), and transport and storage (+33%) sectors; in absolute terms, the greatest increase in employment was in the professional, scientific and technical (+3,000), business administration and support services (+1,000) and retail sectors (+1,000).

5.30 Conversely, in South Oxfordshire the greatest proportional loss of employment by sector was recorded in the property (-20%), wholesale (-17%), retail (-17%), and information and communication (-17%) sectors; in absolute terms the greatest decline in employment was recorded in the retail (-1,000) and professional, scientific and technical (-1,000) sectors. With regard to Vale of White Horse, the greatest proportional loss in jobs by sector was recorded in the wholesale sector (-36%), along with the property (-17%) and information and communication (-17%) sectors; in absolute terms, the greatest decline was recorded in the wholesale (-1,250) and information and communication (-1,000) sectors.

5.31 Overall, South Oxfordshire recorded a decline of employment of 2,100 (-4%) between 2016 and 2021, whereas Vale of White Horse recorded an increase of 4,400 (+7%) over the same period.

Table 5-8 Change in employment in South Oxfordshire and Vale of White Horse by broad industrial sector (2016-2021)

Employment sector	South Oxfordshire		Vale of White Horse	
	Change (no., 2016-2021)	Change (%, 2016-2021)	Change (no., 2016-2021)	Change (%, 2016-2021)
Agriculture, forestry & fishing	50	11%	50	13%
Mining, quarrying & utilities	100	20%	750	75%
Manufacturing	-500	-14%	0	0%
Construction	500	17%	0	0%
Motor trades	0	0%	0	0%
Wholesale	-500	-17%	-1,250	-36%
Retail	-1,000	-17%	1,000	25%
Transport & storage (incl. postal)	0	0%	750	33%
Accommodation & food services	500	11%	0	0%
Information & communication	-500	-17%	-1,000	-17%
Financial & insurance	250	20%	100	17%
Property	-250	-20%	-250	-17%
Professional, scientific & technical	-1,000	-8%	3,000	27%
Business administration & support services	-500	-10%	1,000	20%

Employment sector	South Oxfordshire		Vale of White Horse	
	Change (no., 2016-2021)	Change (%, 2016-2021)	Change (no., 2016-2021)	Change (%, 2016-2021)
Public administration & defence	250	25%	500	40%
Education	0	0%	0	0%
Health	500	11%	0	0%
Arts, entertainment, recreation & other services	0	0%	-250	-11%
Total	**-2,100**	**-4%**	**4,400**	**7%**

Source: Office for National Statistics, (2022); Business Register and Employment Survey 2021. Office for National Statistics, (2017); Business Register and Employment Survey 2016.

Summary

5.32 This section has provided an analysis of the socio-economic profile of South Oxfordshire and Vale of White Horse, drawing on the latest available data, which has been benchmarked against the wider FEMA, South East region and England/England and Wales geographies where appropriate. This helps provide context when considering the changes to the supply and demand for employment land, which is analysed in the following sections.

5.33 In summary, it is shown that:

- The population of South Oxfordshire and Vale of White Horse have grown at a faster rate than recorded at the FEMA, regional and national geographies.
- The population of South Oxfordshire is expected to grow at a slower rate than wider geographies to 2040, whereas Vale of White Horse is projected to grow at a faster rate than other geographies considered.
- The greatest proportional growth in both South Oxfordshire and Vale of White Horse is expected in the over 65 age group, suggesting these areas are characterised by an ageing population.
- Residents of South Oxfordshire and Vale of White Horse have higher earnings on average than residents of the South East region or England more widely; similarly workplace earnings are higher in South Oxfordshire and Vale of White Horse.
- There is a low incidence of deprivation in both local authority areas, which are ranked amongst the 15 least deprived local authority areas nationally.
- A high proportion of residents hold degree-level qualifications, in line with the FEMA, and at a higher rate than recorded regionally and nationally.
- The local authority areas are characterised by a high average economic activity rate which is broadly comparable to the FEMA, and slightly greater than the regional and national level, over the ten years preceding 2022. The impact of the COVID-19 pandemic is exhibited in an economic activity rate in South Oxfordshire which is lower than the ten-year average, however Vale of White Horse seems to have strongly recovered in terms of economic activity, as this area now records an economic activity rate that exceeds the ten year average.
- There are however high employment rates, both in 2022 and when considering an average of the ten years preceding 2022, in both local authority areas; the employment rates in South Oxfordshire and Vale of White Horse exceed those recorded in the FEMA, and across England and Wales.
- Of the working age population employed in South Oxfordshire and Vale of White Horse, around a third have roles in professional occupations, with these occupations representing a larger proportion of overall employment than is recorded regionally and nationally.
- A notable retention rate is recorded, with a high proportion of the resident populations also working within South Oxfordshire and Vale of White Horse.

- The majority (90% in South Oxfordshire and 88% in Vale of White Horse) of the 14,215 businesses across the two local authority areas are micro in size (1 to 9 employees).
- Around a fifth of all businesses are in the professional, scientific and technical sector.
- In both South Oxfordshire and Vale of White Horse, around a third of all business' record turnover between £100,000 and £199,000 per annum; 1,330 businesses had turnovers of over £1 million. The businesses with the highest turnover tended to be in the manufacturing, wholesale, construction, and professional, scientific, and technical sectors.
- In 2021, there were more business de-registrations that registrations in both local authority areas; there was a net loss in South Oxfordshire of 130 businesses and in Vale of White Horse there was a net loss of 5 businesses, potentially reflecting the impact of the Covid-19 pandemic.
- The greatest amount of employment is contributed by professional, scientific and technical sector in both local authority areas.
- In the five years preceding 2021 in South Oxfordshire approximately 2,100 jobs were lost, the greatest absolute loss of employment was recorded in the retail, and professional, scientific, and technical sector (of 1,000 jobs each). Over the same time period in Vale of White Horse, approximately 4,400 additional jobs were recorded; the greatest absolute growth was recorded in the professional, scientific and technical sector (of 3,000 jobs).

6. Property Market Profile

Introduction

6.1 This section provides a review of property market indicators in South Oxfordshire and Vale of White Horse (VOWH). Reference is also made to comparator geographies, namely the FEMA, the South East region as a whole, and England. This reflects the fact that the commercial property market in South Oxfordshire and VOWH is not self-contained, and instead forms part of a much wider market area encompassing the FEMA, county, and region to some extent, varying somewhat by type of floorspace.

6.2 Data presented in this section is derived from CoStar which represents a comprehensive database of up-to-date property market data. Trends are presented where applicable, otherwise data for 2023 Q1 is shown, being the most recent period for which complete data is available. All data presented reflects that which is available and is subject to gaps and inaccuracies.

6.3 Employment-generating properties comprised of office, light industrial, general industrial, and storage and distribution types are considered, in line with the definition of employment land. The relationship between historic and new planning use classes, their relationship to CoStar primary and secondary property type classification, and nomenclature adopted for this report, are shown in Table 6-1 below. It is recognised that there are other property types which may contribute to employment, but these will not be analysed for the purposes of this evidence base.

Table 6-1 Property type classification

Pre-2021 planning Use Class	New planning Use Class	CoStar primary type	CoStar secondary type
B1a (revoked) – Offices	E(g)(i) – Offices to carry out any operational or administrative function	Office	• All
B1b (revoked) – Research and development (R&D) of products or processes	E(g)(ii) – Research and development of products or processes	Light industrial	• R&D
B1c (revoked) – Industrial Processes	E(g)(iii) – Uses which can be carried out in a residential area without detriment to its amenity: industrial processes	Light industrial	• Light distribution • Light manufacturing • Showroom (light industrial)
		Industrial	• Light industrial
B2 – General industrial (other than E(g))	B2	Industrial	• Food processing • Manufacturing • Service
B8 – Storage and Distribution	B8	Industrial	• Distribution • Warehouse • Refrigeration/Cold storage • Truck terminal • Showroom (industrial)

Source: AECOM.

6.4 This section is divided into two sub-sections covering the office market (E(g)(i)) and (E(g)(ii) and the industrial market, E(g)(iii), B2 and B8.

6.5 This section considers the following property market indicators for each property type:

- Total building stock and floorspace;
- Building stock size;
- Vacancy rate and vacant floorspace;

- Market rent;
- Net absorption;
- Affordability; and
- Recent market activities.

Office Market [E(g)(i) and E(g)(ii)]

6.6 This section presents findings relating to the office property market in South Oxfordshire and VOWH. The majority of office properties are located in the larger settlements of Henley-on-Thames, Wallingford, Thame and Abingdon, with additional clusters at Milton Park and Harwell.

6.7 The property market indicators analysis reports on Office [E(g)(i)] and R&D [E(g)(ii)] properties and floorspace separately based on how it is reported in the CoStar database. A known limitation with the CoStar data is that some premises which are in typical office use may be in R&D use by their current occupier, which occurs primarily for two reasons. Firstly, the significant interoperability between the two sub-use classes such that they can be refitted between uses without planning permission being required means that CoStar is more likely to report the use of the original occupier which is more likely to be for typical office use. Secondly, new speculatively built properties will have been built using planning permission for E (or previously B1) where prospective occupiers could use the space for either use. It is understood that in such instances, CoStar when adding the property details to its database, will have recorded the use as office, this being the most likely use.

6.8 It is recognised that this limitation results in the number/amount of R&D properties and floorspace in South Oxfordshire and VOWH being under-reported in this study. However, the findings are not undermined by this as the flexibility to change use between the two types afforded by the E use class designation, as well as the general interoperability of the space, mean that findings reported for the office market [E(g)(i) and E(g)(ii)] overall, as done here provide an accurate reflection of the market for either sub-use class within the study area on which to base recommendations.

Buildings and Floorspace

6.9 There are 400 office properties in South Oxfordshire and 322 in VOWH. Despite accounting for fewer office properties, over two thirds of the circa. 640,000 square metres (m^2) of total floorspace across both districts is located within VOWH. The South Oxfordshire and VOWH area contributes approximately half of the office properties and floorspace within the FEMA.

6.10 There is one R&D property in South Oxfordshire comprising circa. 3,400 m^2 of floorspace, whereas VOWH hosts 17 such properties comprising a total of circa. 156,000 m^2 of floorspace, reflecting the majority of R&D floorspace available within the FEMA. The R&D floorspace within South Oxfordshire and VOWH represents around a third of the total R&D space in the South East region. Feedback from agents indicated that key sectors which are demanding this space are alternative energy; quantum computing; AI; and life sciences.

Table 6-2 Office [E(g)(i)] and R&D [E(g)(ii)] properties – buildings and floorspace (2023 Q1)

	South Oxfordshire	Vale of White Horse	South Oxfordshire and Vale of White Horse	FEMA	South East	England
Office [E(g)(i)]						
Number of properties	400	322	722	1,312	16,766	93,537
Floorspace (m^2)	213,325	424,927	638,252	1,217,417	16,258,686	111,483,382
R&D [E(g)(ii)]						
Number of properties	1	17	18	18	53	215
Floorspace (m^2)	3,416	156,174	159,591	159,591	470,246	1,403,191

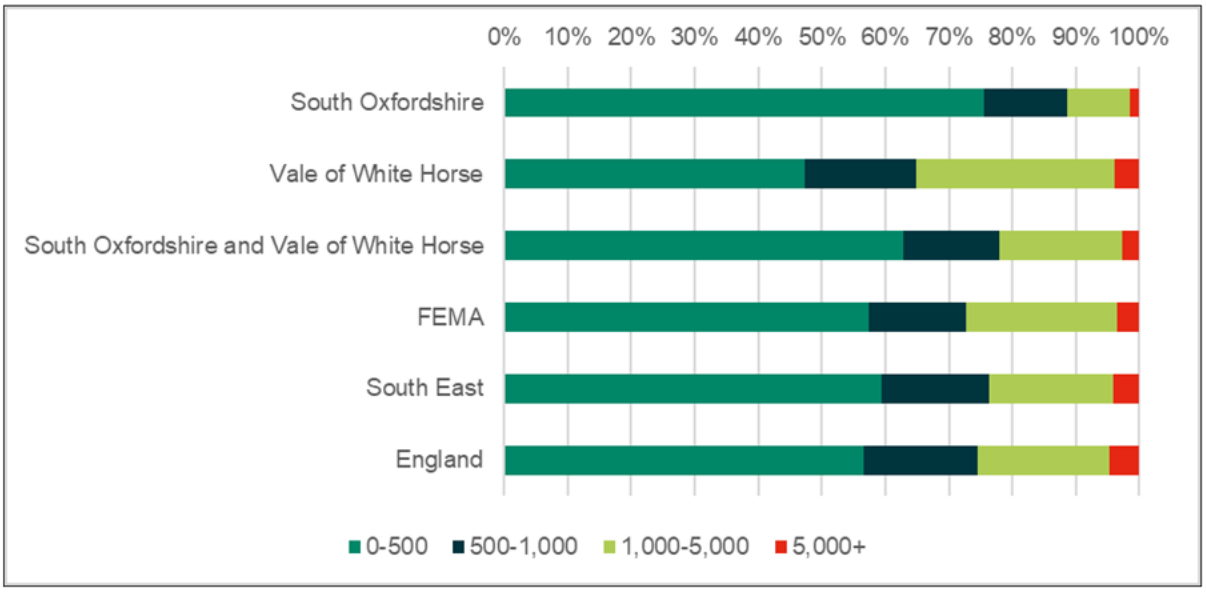
	South Oxfordshire	Vale of White Horse	South Oxfordshire and Vale of White Horse	FEMA	South East	England
Total						
Number of properties	401	339	740	1,330	16,819	93,752
Floorspace (m^2)	216,741	581,101	797,843	1,377,008	16,728,932	112,886,573

Source: CoStar, (2023).

6.11 The vast majority of office properties in South Oxfordshire are less than 500 m^2 in size. Conversely, a smaller proportion of office properties in VOWH are less than 500 m^2 in size than is typical of the FEMA and wider region; accordingly, office properties between 1,000 and 5,000 m^2 in size represent a larger proportion of the office property market than is typical. This is shown in Figure 6-1.

6.12 Conversations with agents reflected that, as a result of the Covid-19 pandemic, there has been demand for smaller office floorplates and lower densities as companies prioritise other types of space such as breakout areas rather than desks to encourage in-person collaboration.

Figure 6-1 Office [E(g)(i)] properties - building stock size (% of buildings)

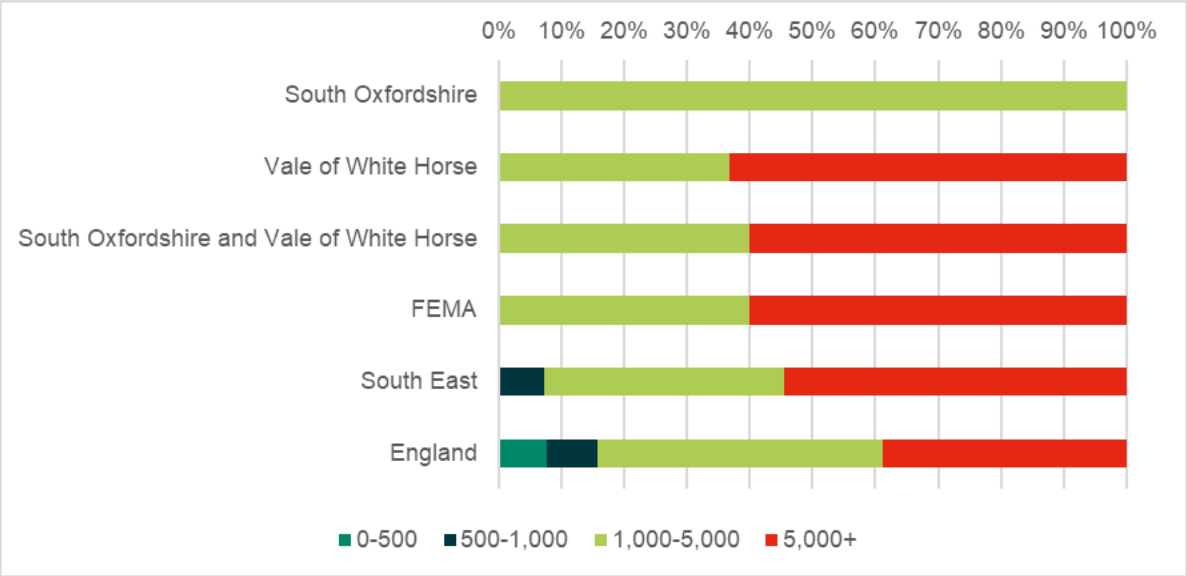


Source: CoStar, (2023).

6.13 R&D properties tend to have large floorspaces, with the majority of R&D properties being over 1,000 m^2 in size in South Oxfordshire and VOWH[33]. When considering R&D properties across the South East region and England more widely large floorspace characteristics are typical, although the wider areas have a greater proportion of smaller R&D properties. This is shown in Figure 6-2.

[33] Note: There is only 1 R&D property in South Oxfordshire

Figure 6-2 R&D properties [E(g)(ii)] - building size (m²)



Source: CoStar, (2023).

Vacancy

6.14 The vacancy rate of office properties in the South Oxfordshire area (1.4%) is presently lower than any of the comparator geographies, reflecting circa. 3,000 m² of vacant floorspace. On the other hand, VOWH records a higher vacancy rate (5.0%) when compared to the FEMA (4.0%), which potentially reflects the larger amount of floorspace available in this area. Nonetheless both districts, when considered alone or in aggregate, record lower vacancy rates than are typical regionally and nationally. Additional details are shown in Table 6-3.

6.15 The vacancy rate for R&D floorspace in South Oxfordshire (27.9%) is considerably higher than is recorded in VOWH (4.4%), although this is potentially skewed by the relatively smaller amount of such floorspace in the former area. The vacant R&D floorspace across South Oxfordshire represents the total amount of vacant floorspace of this use across the FEMA, and approximately half of the vacant floorspace in the South East region.

Table 6-3 Office [E(g)(i)] and R&D [E(g)(ii)] properties – vacancy (2023 Q1)

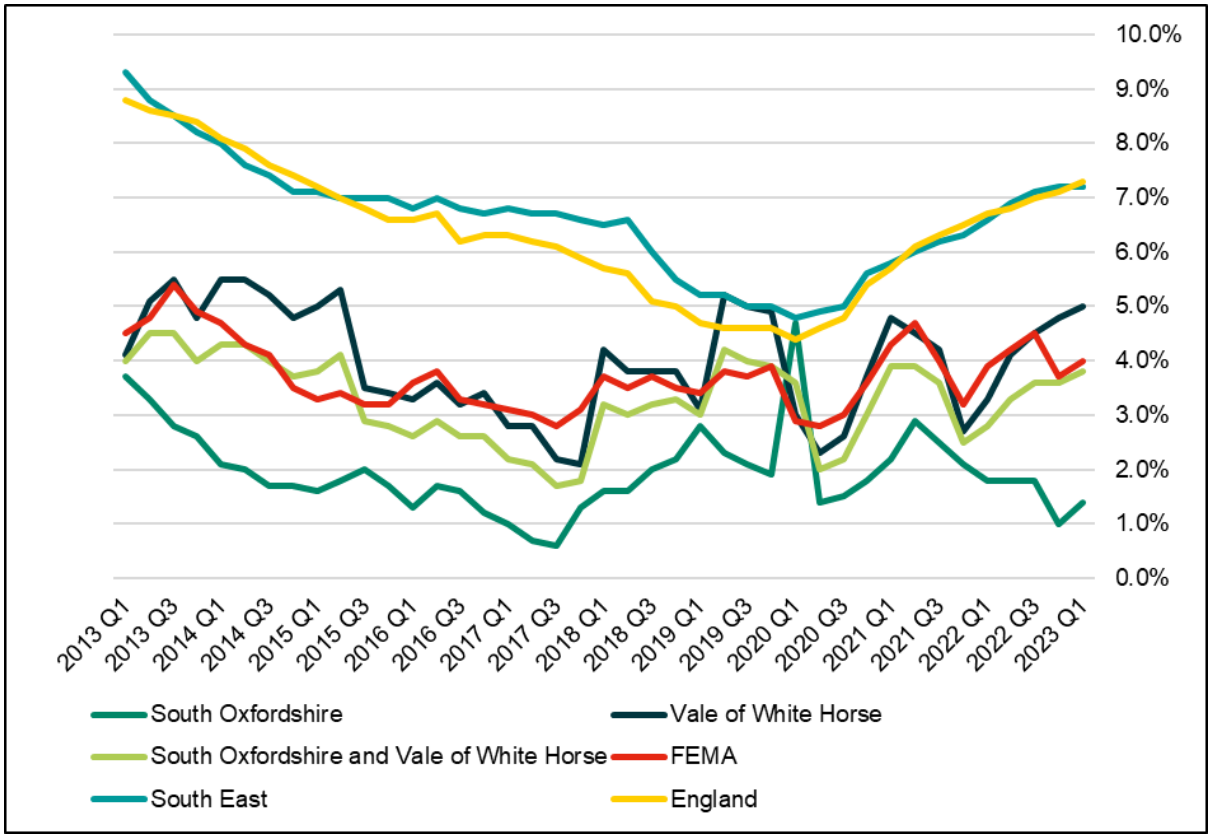
	South Oxfordshire	Vale of White Horse	South Oxfordshire and Vale of White Horse	FEMA	South East	England
Office [E(g)(i)]						
Vacancy rate (%)	1.4%	5.0%	3.8%	4.0%	7.2%	7.3%
Vacant floorspace (m²)	2,966	21,119	24,085	48,372	1,164,884	8,087,149
R&D [E(g)(ii)]						
Vacancy rate (%)	27.9%	4.4%	4.9%	4.9%	3.3%	2.1%
Vacant floorspace (m²)	952	6,913	7,865	7,865	15,392	28,993
Total						
Vacancy rate (%)	1.8%	4.8%	4.0%	4.1%	7.1%	7.2%

	South Oxfordshire	Vale of White Horse	South Oxfordshire and Vale of White Horse	FEMA	South East	England
Vacant floorspace (m^2)	3,918	28,032	31,950	56,237	1,180,276	8,116,142

Source: CoStar, (2023).

6.16 South Oxfordshire has a consistently low vacancy rate with respect to office floorspace over the ten year period between 2013 and 2023; the ten year average vacancy rate is 1.9%. The trend in vacancy rate recorded in VOWH is reflective of the trend recorded across the FEMA, with the ten year average vacancy rate being approximately 4.0%. The vacancy rate in South Oxfordshire and VOWH has remained consistently below the equivalent rate in the South East region and England as a whole.

Figure 6-3 Office [E(g)(i)] properties – vacancy rate (%, 2013 - 2023)

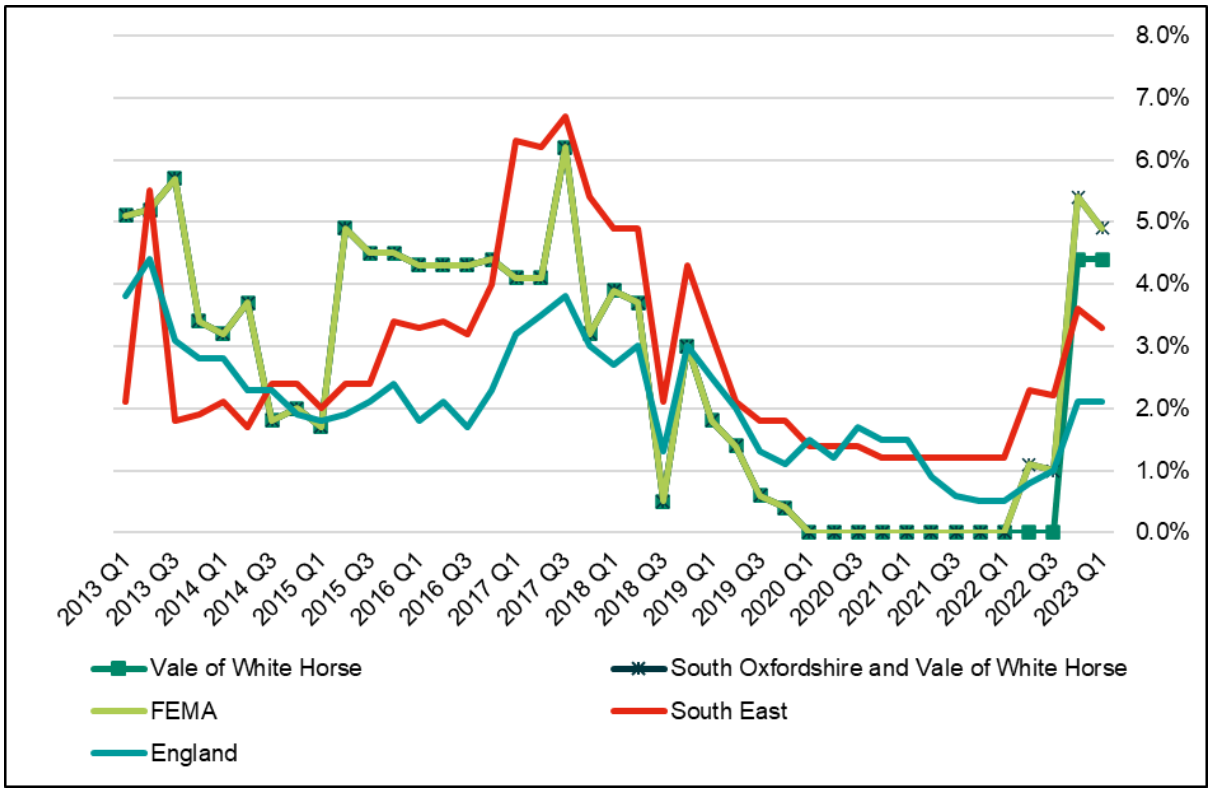


Source: CoStar, (2023).

6.17 The trend in vacancy rate of R&D floorspace over the ten years to 2023 Q1 is shown in Figure 6-4[34]. It demonstrates that between 2020 and 2022, there was virtually no vacant floorspace of this type across VOWH and the FEMA. The amount of vacant floorspace since 2017 in these areas has remained below the equivalent rate for the South East region, with the exception of 2023. The current vacancy rate of R&D floorspace in VOWH (4.4%) is higher than the equivalent ten year average (2.6%), although the ten year average for VOWH is in line with that of the South East region (2.8%) and nationally (2.1%).

[34] The vacancy rate of R&D properties in South Oxfordshire has been excluded from this graph as its high value, which is skewed due to there only being one such property, is considered to be not wholly comparable with other geographies.

Figure 6-4 R&D [E(g)(ii)] – vacancy rate (%, 2013 - 2023)



Source: CoStar, (2023).

Rent

6.18 Office floorspace in South Oxfordshire attracts considerably lower market rent (£195.25/m^2) than office floorspace in VOWH (£247.16/m^2). This reflects the size and age profile of office stock in the respective districts, with over half of office buildings in South Oxfordshire pre-dating 1950 in terms of their construction or most recent refurbishment with buildings of this size tending to be much smaller in size which limits the requirements they can meet in terms of business size. Conversely, the stock of office properties in VOWH is relatively new, whereby over a quarter of all buildings were constructed or most recently renovated after 2000, and less than a quarter pre-date 1950.

6.19 The market rent for office floorspace in VOWH is reflective of the market rent in the FEMA. The rental values in South Oxfordshire are lower than is typical for the South East region, whereas rental values in VOWH exceed the regional rate. Further detail is provided in Table 6-4.

6.20 R&D properties attracted market rental values in South Oxfordshire (£155.86 /m^2) which were in line with those recorded in the South East region (£154.68/m^2). The market rental values achieved in VOWH (£141.55/m^2) were below the regional rate; nonetheless the market rental value in both South Oxfordshire and VOWH exceeded market rental values in 2023 Q1 across England (£133.90/m^2).

Table 6-4 Office [E(g)(i)] and R&D [E(g)(ii)] properties - market rent (2023 Q1)

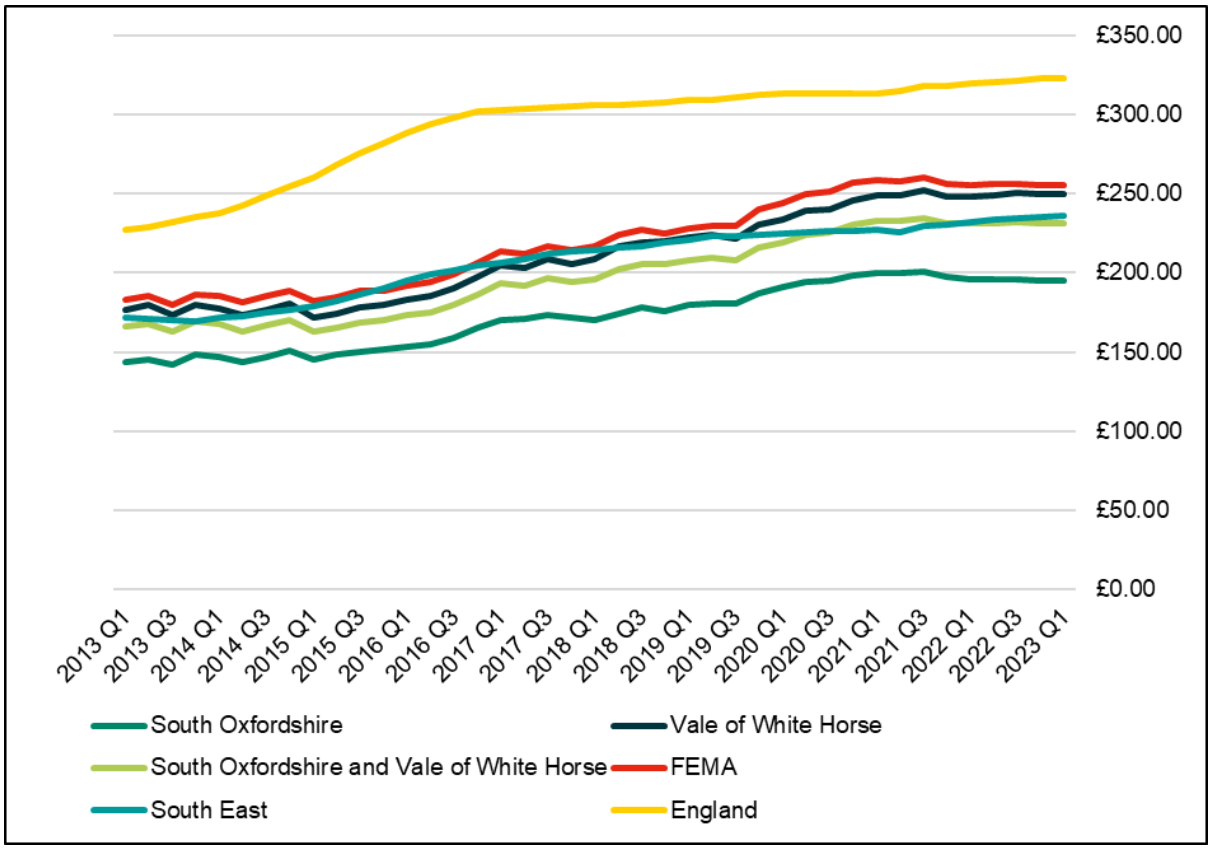
	South Oxfordshire	Vale of White Horse	South Oxfordshire and Vale of White Horse	FEMA	South East	England
Office [E(g)(i)]						
Market rent (£/m^2)	£195.25	£249.78	£231.56	£255.75	£236.04	£322.81
R&D [E(g)(ii)]						
Market rent (£/m^2)	£155.86	£141.55	£141.76	£141.76	£154.68	£133.90

Source: CoStar, (2023).

6.21 The trend in rental values for office properties in the ten year period up to 2023 Q1 is set out in Figure 6-5. It is shown that over this period an increasing trend is exhibited across all geographies. However, except for the South East region as a whole, all geographies exhibit a plateauing of rental values in the two years preceding 2023 Q2, potentially reflecting changing demand as a result of the COVID-19 pandemic. The market rental value of office properties in South Oxfordshire has remained consistently below comparator geographies; indicatively the ten-year average rental value for office properties in South Oxfordshire (£172.26/ m^2) is considerably lower, by approximately £40/m^2, than in VOWH (£211.45/ m^2).

6.22 Market rental values in both South Oxfordshire and VOWH have remained consistently and substantially below the market rental value of office properties across England. This reflects the higher prevalence of (relatively more expensive) prime office property in London.

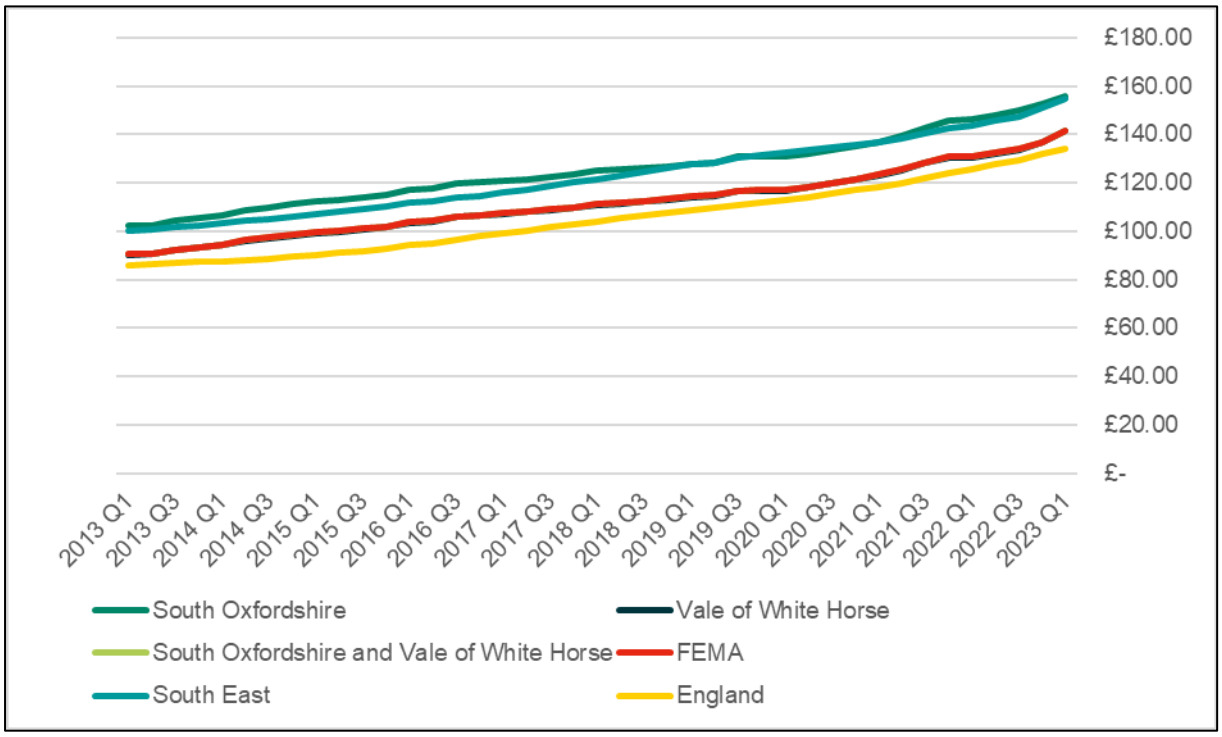
Figure 6-5 Office [E(g)(i)] properties - market rent (£/m^2) (2013 – 2023 Q1)



Source: CoStar, (2023).

6.23 When considering the trend in market rental values for R&D properties in the ten years to 2023, a clear increasing trend is recorded across all geographies. Over this time period, the market rental value of R&D properties in South Oxfordshire has remained consistently in line with the South East region, and consistently higher than VOWH, FEMA, regional and national values. This is shown in Figure 6-6.

Figure 6-6 R&D [E(g)(ii)] - market rent (£/m²)



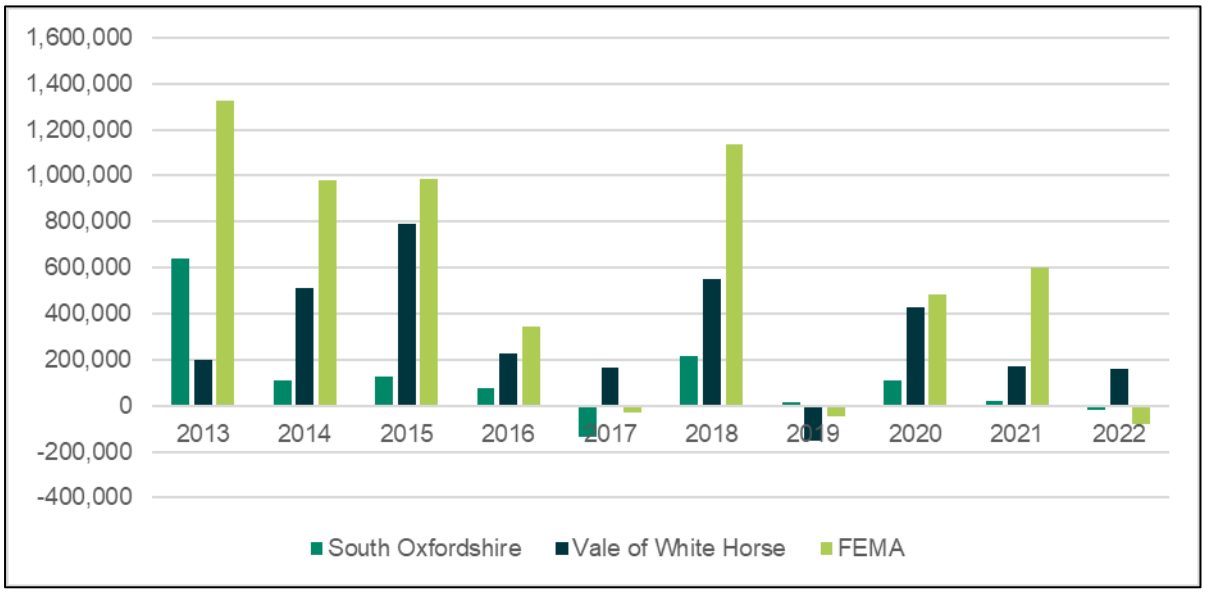
Source: CoStar, (2023).

Net absorption

6.24 Net absorption provides another angle on demand. The measure expresses the change in the overall quantum of occupied floorspace, typically recorded year on year. Positive annual net absorption means that a greater amount of space has been occupied from a given year to the next. Net absorption is not the reverse of vacancy, as vacancy is an expression of the level of non-occupancy against total stock. In office markets where stock may be in decline, for example due to the conversion of offices to residential use, vacancy may reduce but net absorption would be negative.

6.25 Figure 6-7 below presents the net absorption for South Oxfordshire, VOWH, and the FEMA. Net absorption in South Oxfordshire has been mostly positive between 2013 and 2022, which provides evidence of positive demand, with the exception of 2017 and 2022; though recently absorption has been at or near neutral. Similarly, in VOWH demand has also been mostly positive between 2013 and 2022, with the exception of 2019. Overall, the trend in VOWH over the past 3 years is towards neutral net absorption.

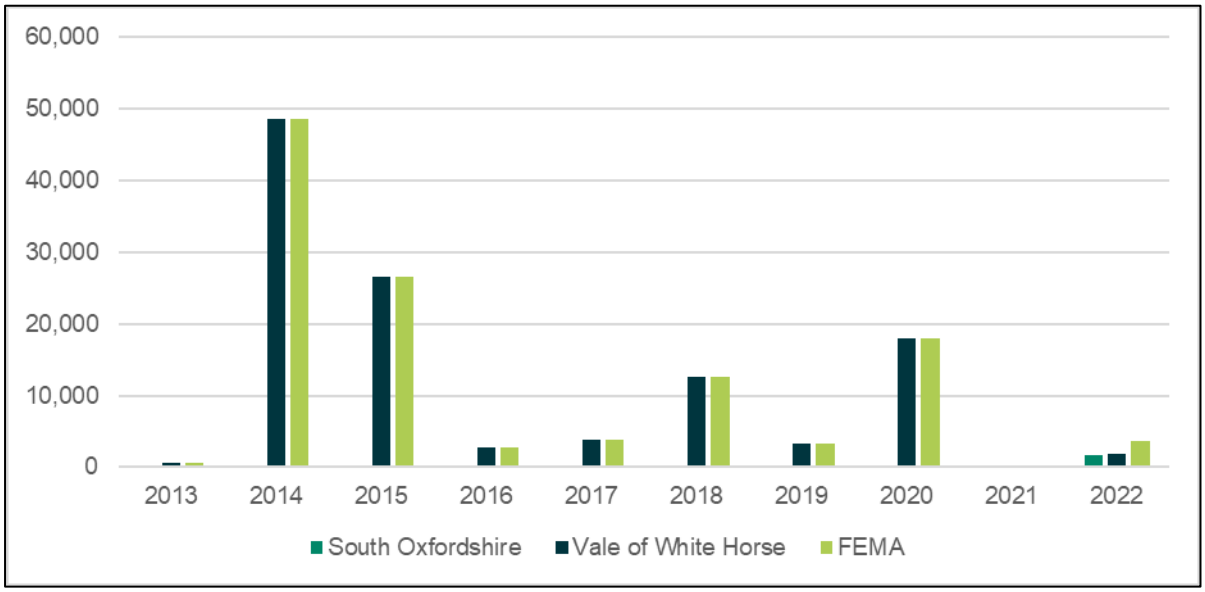
Figure 6-7 Historic net absorption of office [E(g)(i)] floorspace (2013 - 2022, m²)



Source: CoStar, (2023).

6.26 The net absorption of R&D floorspace, where applicable, has been consistently positive in both South Oxfordshire and VOWH over the ten years preceding 2022, indicating positive demand over this period, though net absorption has been relatively muted from 2016 onwards. This is shown in Figure 6-8.

Figure 6-8 Historic net absorption of R&D [E(g)(ii)] floorspace (2013 - 2022, m²)



Source: CoStar, (2023).

Office Market Conclusions

6.27 In summary, with regard to office properties:

- The office market in South Oxfordshire and Vale of White Horse provides circa. 640,000 m² of floorspace, accounting for 52.4% of total floorspace across the FEMA. Office properties are predominantly located in the larger settlements of Henley-on-Thames, Wallingford, Thame and Abingdon.
- The vast majority of office properties in South Oxfordshire are small (less than 500 m² in size). Conversely, a smaller proportion of office properties in VOWH are less than 500 m² in size than is typical of the FEMA and wider region. This is likely driven by the presence of large sites offering substantial office space within the District, such as Milton Park and Harwell.

- Rental values in South Oxfordshire have been consistently below comparator geographies over the past decade whereas rental values in VOWH have recently exceeded the regional level. This is likely to be driven by the age of stock in the respective districts, with over half of office buildings in South Oxfordshire pre-dating 1950 in terms of their construction or most recent refurbishment whereas in VOWH less than a quarter pre-date 1950 and over a quarter of all buildings were constructed or most recently renovated after 2000.
- Overall, the analysis demonstrates a positive performance within the office market in South Oxfordshire and VOWH, with vacancy rates consistently lower than across the South East and England. Similarly, net absorption rates have been mostly positive over the past decade across both districts. However, agents noted that while demand is high in the primary parks/locations (e.g. Milton Park and Harwell) that offer good amenities, are well located and sufficient quality to encourage staff to attend the office, demand for pure office space has softened, though demand remains strong for "lab enabled" office floorspace which caters for high value manufacturing and tech companies.

6.28 In summary, with regard to R&D properties:

- There is one R&D property in South Oxfordshire comprising circa. 3,416 m^2 of floorspace, and 17 R&D properties in VOWH, comprising 156,174 m^2 of floorspace. The total R&D floorspace across both districts represents a third of the total R&D floorspace across the South East region.
- Nearly all R&D properties were constructed or most recently renovated since 2010, indicating relatively new building stock for this use type, with the average property size tending to be over 5,000 m^2.
- Vacancy rates have been broadly lower in South Oxfordshire and VOWH than the regional and national rates over the ten years preceding 2023. The vacant R&D floorspace across both districts represents half of the vacant R&D floorspace in the South East region.
- Rental values for R&D properties in South Oxfordshire are in line with the regional rate, whereas the rental value of properties in VOWH fall below than the regional level, though remain higher than the national level.

6.29 As previously stated, a known limitation with the CoStar data is that some premises which are in typical office use may be in R&D use by their current occupier given the interoperability between the two sub-use classes and that speculatively built R&D properties will have been built using planning permission for E (or previously B1) could be recorded as office space. It is recognised that this limitation results in the number/amount of R&D properties and floorspace in South Oxfordshire and VOWH being under-reported in this study. However, the findings are not undermined by this as the flexibility to change use between the two types afforded by the E use class designation, as well as the general interoperability of the space, mean that findings reported for the office market [E(g)(i) and E(g)(ii)] overall, as done here provide an accurate reflection of the market for either sub-use class within the study area on which to base recommendations.

Industrial market

6.30 This section presents findings relating to the industrial property market in South Oxfordshire and VOWH. Industrial properties, comprising industrial, manufacturing, light industrial, and storage and distribution functions are dispersed amongst the settlements of South Oxfordshire and VOWH, with some remote properties also contributing industrial employment space.

Buildings and Floorspace

6.31 There are 51 light industrial properties in South Oxfordshire, comprising circa. 45,000 m^2 of floorspace, and 32 light industrial properties in VOWH similarly comprising circa. 43,000 m^2 of floorspace. The light industrial floorspace across South Oxfordshire and VOWH represents approximately 54% of the light industrial floorspace in the FEMA. Light industrial uses account for the smallest proportion of floorspace across all industrial use classes.

6.32 South Oxfordshire is home to 113 general industrial properties, accounting for circa. 103,000 m^2 of floorspace, with 98 general industrial properties in VOWH comprising circa. 179,000 m^2 of floorspace. The general industrial floorspace across South Oxfordshire and VOWH represents approximately a quarter of the general industrial floorspace in the FEMA.

6.33 There are 105 storage and distribution properties in South Oxfordshire, comprising circa. 319,000 m^2 of floorspace, and 101 properties in VOWH, comprising circa. 419,000 m^2 of floorspace. Storage and distribution floorspace across South Oxfordshire and VOWH represents approximately 60% of the storage and distribution floorspace in the FEMA. Industrial properties operating storage and distribution functions therefore account for the highest proportion of floorspace across both South Oxfordshire and VOWH.

6.34 Table 6-5 presents a profile of properties and floorspace by industrial building use (light industrial, general industrial, and storage and distribution). It is notable that across all industrial use classes, the average floorspace per property is markedly higher in VOWH compared with South Oxfordshire.

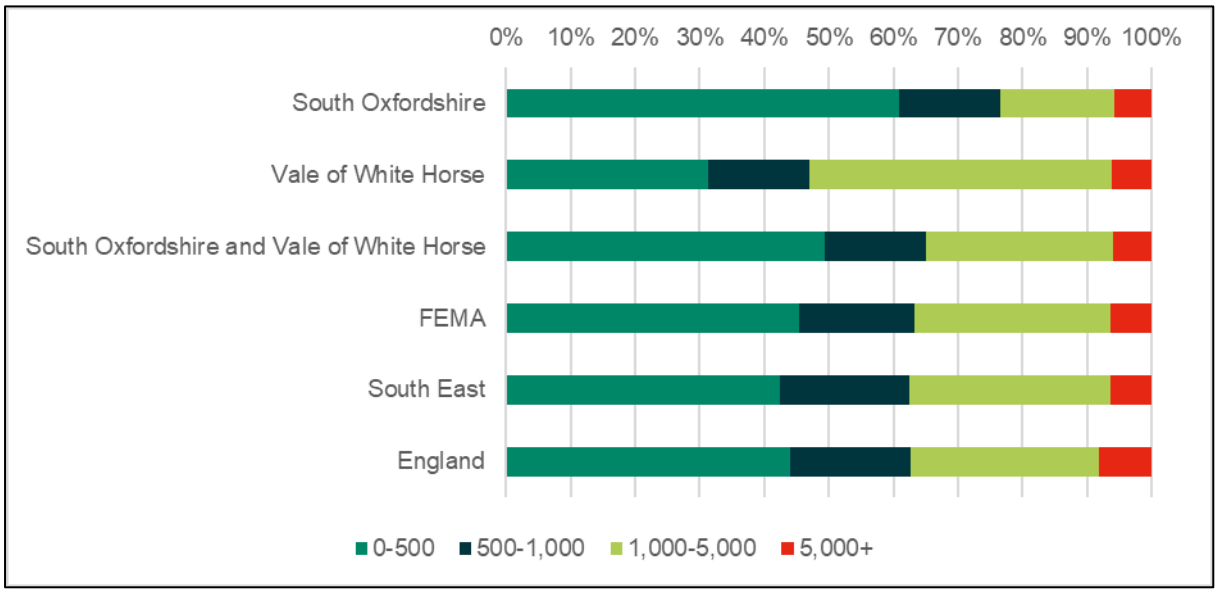
Table 6-5 Industrial properties – buildings and floorspace (2023 Q1)

	South Oxfordshire	Vale of White Horse	South Oxfordshire and Vale of White Horse	FEMA	South East	England
Light industrial [E(g)(iii)]						
Number of properties	51	32	83	144	2,091	13,588
Floorspace (m^2)	45,416	42,713	88,130	162,753	2,627,507	18,951,214
General industrial [B2]						
Number of properties	113	98	211	363	5,371	38,956
Floorspace (m^2)	103,264	179,268	282,532	726,428	5,960,759	60,619,291
Storage and Distribution [B8]						
Number of properties	105	101	206	343	6,548	44,814
Floorspace (m^2)	318,812	419,091	737,903	1,256,598	21,597,990	173,113,153
Total						
Number of properties	269	231	500	850	14,010	97,358
Floorspace (m^2)	467,492	641,072	1,108,565	2,145,779	30,186,256	252,683,658

Source: CoStar, (2023).

6.35 Light industrial properties in South Oxfordshire tend to be relatively small in size, whereby over half of buildings in this use are less than 500 m^2 in terms of floorspace size. Light industrial properties in VOWH tend to be relatively larger in size, whereby less than a third have floorspace less than 500 m^2 in size, compared to 45% in the FEMA, 42% in the South East region, and 44% nationally. Most of the light industrial properties in VOWH are between 1,000 and 5,000 m^2 in size. This is shown in Figure 6-9.

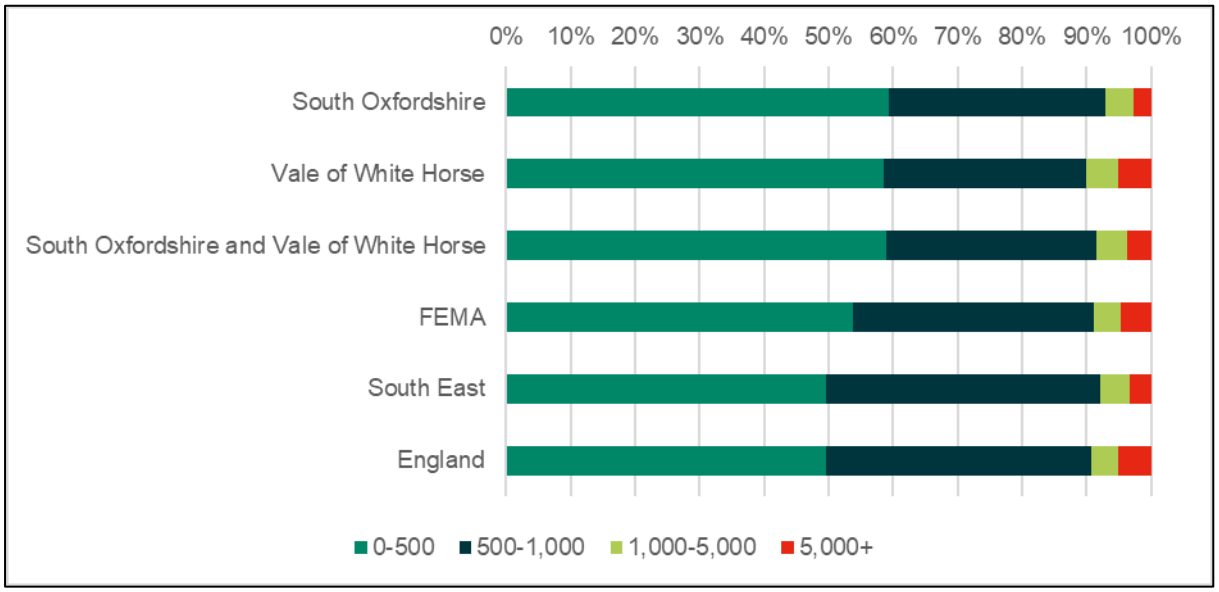
Figure 6-9 Industrial properties – Light industrial [E(g)(iii)] - building size (m²)



Source: CoStar, (2023).

6.36 General industrial properties in South Oxfordshire and VOWH are also typically less than 500 m² in terms of floorspace size, reflecting 59% of properties across both districts. A smaller proportion of general industrial properties in South Oxfordshire and VOWH (41% each) are greater than 500 m² than is recorded in the FEMA (46%), the South East region (50%) and across England (50%). This is shown in Figure 6-10.

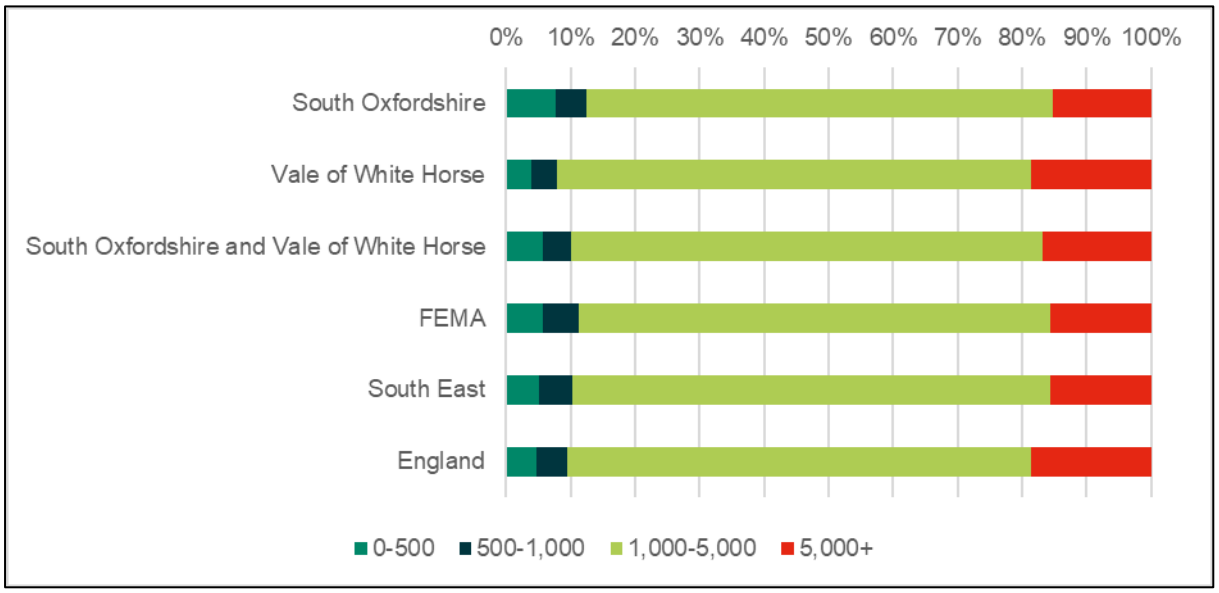
Figure 6-10 Industrial properties – General industrial [B2] - building size (m²)



Source: CoStar, (2023).

6.37 Storage and distribution properties typically have larger floorspaces; in South Oxfordshire the majority of properties (72%) sit within the 1,000 and 5,000 m² size band, with a similar proportion (74%) in VOWH. Storage and distribution properties in VOWH which have floorspaces over 5,000 m² (19%) represent a greater proportion that is typical for the FEMA (16%) and region (16%). This is shown in Figure 6-11.

Figure 6-11 Industrial properties – Storage and Distribution [B8] - building size (m²)



Source: CoStar, (2023).

Vacancy

6.38 Table 6-6 presents a breakdown of industrial floorspace vacancy (in terms of vacancy rate and vacant floorspace) by type (R&D, light industrial, general industrial, and storage and distribution).

6.39 Light industrial floorspace exhibits a low vacancy rate in South Oxfordshire, at approximately 0.4% reflecting circa 190 m² of floorspace. Similarly, in VOWH registers a vacancy rate of 1.0%, reflecting circa 440 m² of floorspace. The vacancy rate of light industrial floorspace in the FEMA is similarly low (0.4%), although the vacancy rate across these geographies is lower than is typical for the South East region (3.1%) and England as a whole (2.3%).

6.40 General industrial floorspace also records a low vacancy rate in South Oxfordshire (0.4% reflecting circa. 380 m²) and in VOWH (0.1% reflecting circa. 170 m²). The vacancy rate of general industrial floorspace in these areas is much lower than the South East region (1.9%) and nationally (2.3%), although relatively low vacancy rates recorded across all geographies indicate that this is a broad trend for this use type.

6.41 There is a higher vacancy rate for storage and distribution floorspace in South Oxfordshire (4.2% reflecting circa. 13,500 m²) and VOWH (8.4% reflecting circa. 35,200 m²) than other industrial uses, both in absolute and proportional terms. The vacancy rate recorded in VOWH (8.4%) is higher than that recorded across all other geographies.

6.42 The vacant storage and distribution floorspace across South Oxfordshire and VOWH represents approximately 60% of the vacant storage and distribution floorspace in the FEMA and 6% of the vacant storage and distribution floorspace South East region.

Table 6-6 Industrial properties – vacancy (2023 Q1, %)

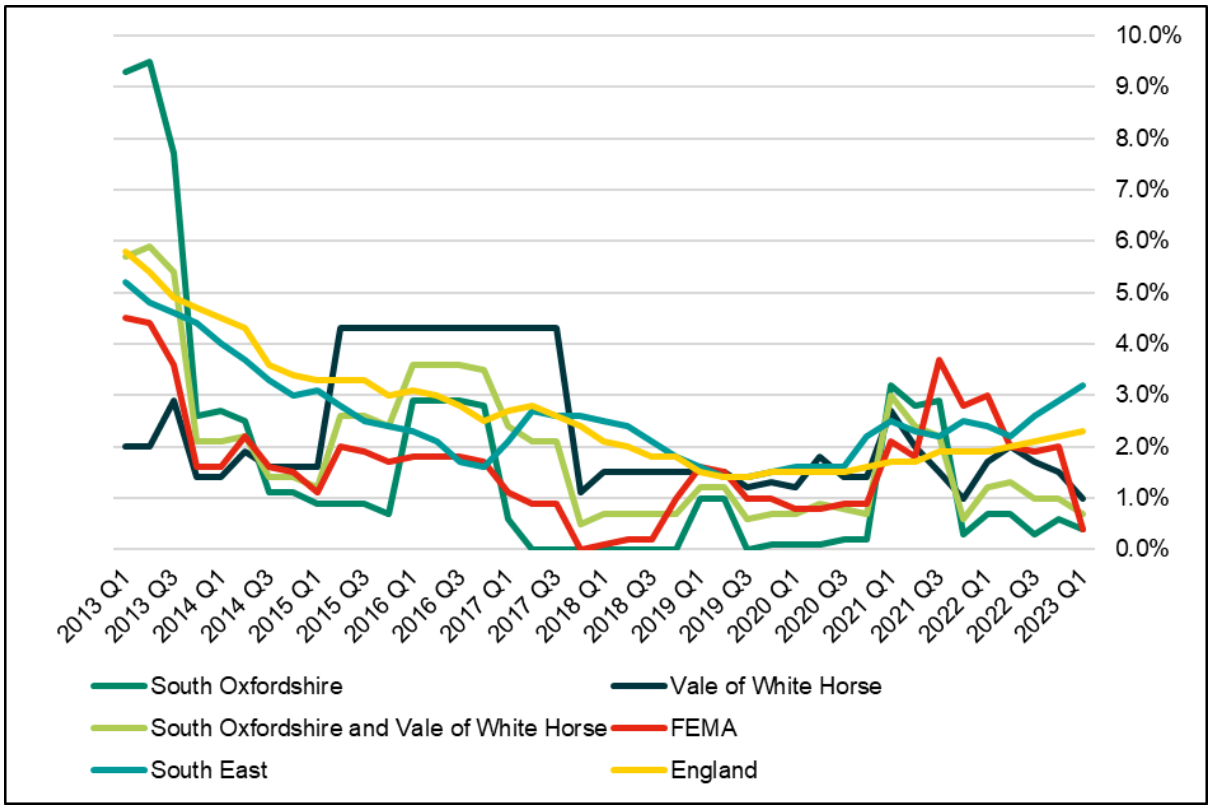
	South Oxfordshire	Vale of White Horse	South Oxfordshire and Vale of White Horse	FEMA	South East	England
Light industrial [E(g)(iii)]						
Vacancy rate (%)	0.4%	1.0%	0.7%	0.4%	3.1%	2.3%
Vacant floorspace (m²)	193	438	631	691	86,552	431,860
General industrial [B2]						

	South Oxfordshire	Vale of White Horse	South Oxfordshire and Vale of White Horse	FEMA	South East	England
Vacancy rate (%)	0.4%	0.1%	0.2%	0.3%	1.9%	2.3%
Vacant floorspace (m^2)	379	174	552	2,177	112,818	1,415,782
Storage and Distribution [B8]						
Vacancy rate (%)	4.2%	8.4%	6.6%	6.8%	4.1%	3.6%
Vacant floorspace (m^2)	13,542	35,174	48,716	85,980	876,334	6,237,252
All industrial						
Vacancy rate (%)	3.0%	5.6%	4.5%	4.1%	3.6%	3.2%
Vacant floorspace (m^2)	14,114	35,786	49,899	88,848	1,075,704	8,084,894

Source: CoStar, (2023).

6.43 When considering the trend in vacancy rate of light industrial use floorspace, the vacancy rate in South Oxfordshire has remained mostly lower than FEMA and regional rate over the ten years preceding 2023 Q1. The current vacancy rate (0.4%) is below the ten-year average vacancy rate (1.6%) for South Oxfordshire. The vacancy rate of light industrial floorspace in VOWH has fluctuated around the regional rate over the same time period; the current vacancy rate (1.0%) is below the ten-year average vacancy rate (2.3%) for VOWH. This is shown in Figure 6-12.

Figure 6-12 Industrial properties – Light industrial [E(g)(iii)] – vacancy rate (%)

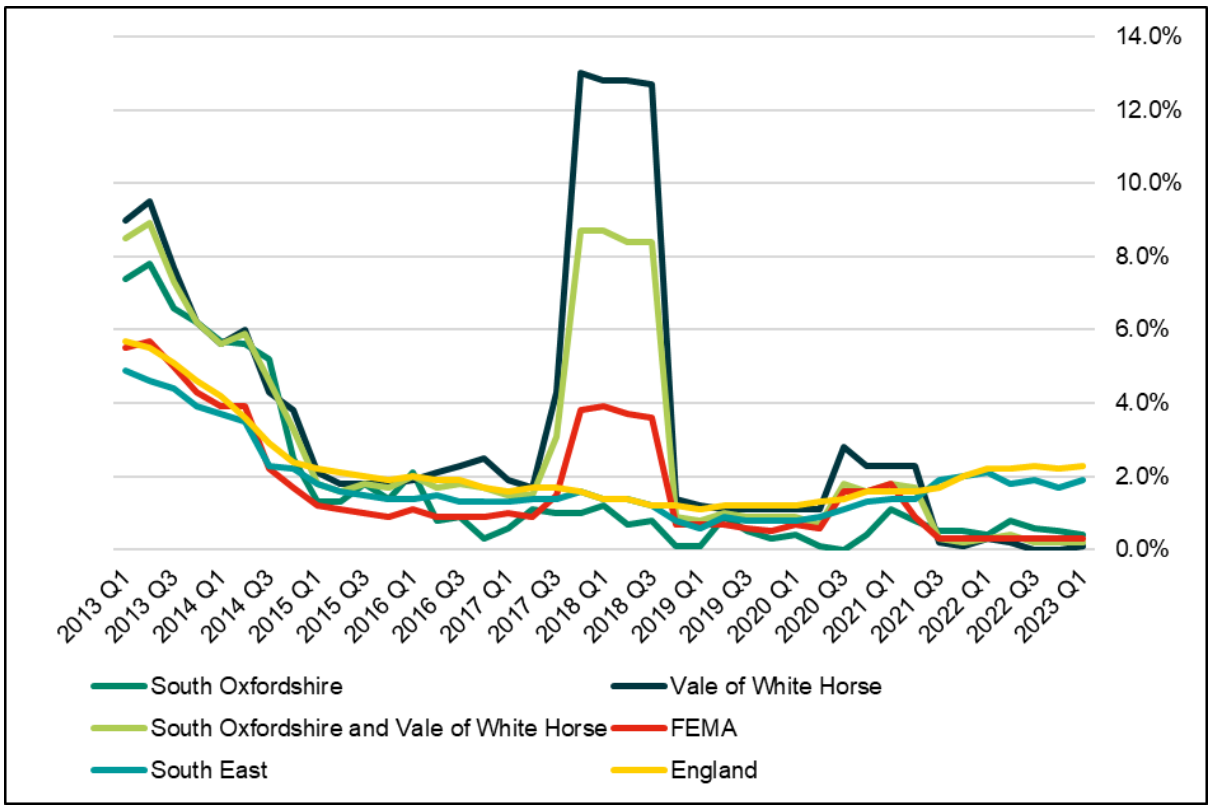


Source: CoStar, (2023).

6.44 Over the ten-year period preceding 2023, the vacancy rate of general industrial properties has been consistently low, particularly since 2015 whereby vacancy rates in South Oxfordshire and VOWH have

remained mostly at or below 2.0%. This is shown in Figure 6-13. An exception to this is the period between 2017 and 2018 when vacant floorspace in VOWH skewed the vacancy rate from its overall trend for a short period. Accordingly, the ten-year average vacancy rate for general industrial properties in South Oxfordshire (1.7%) is broadly in line with that recorded in the South East region (1.8%) and across England as a whole (2.2%), whereas the ten year average vacancy rate for this use in VOWH (3.6%) exceeds that of the wider geographies.

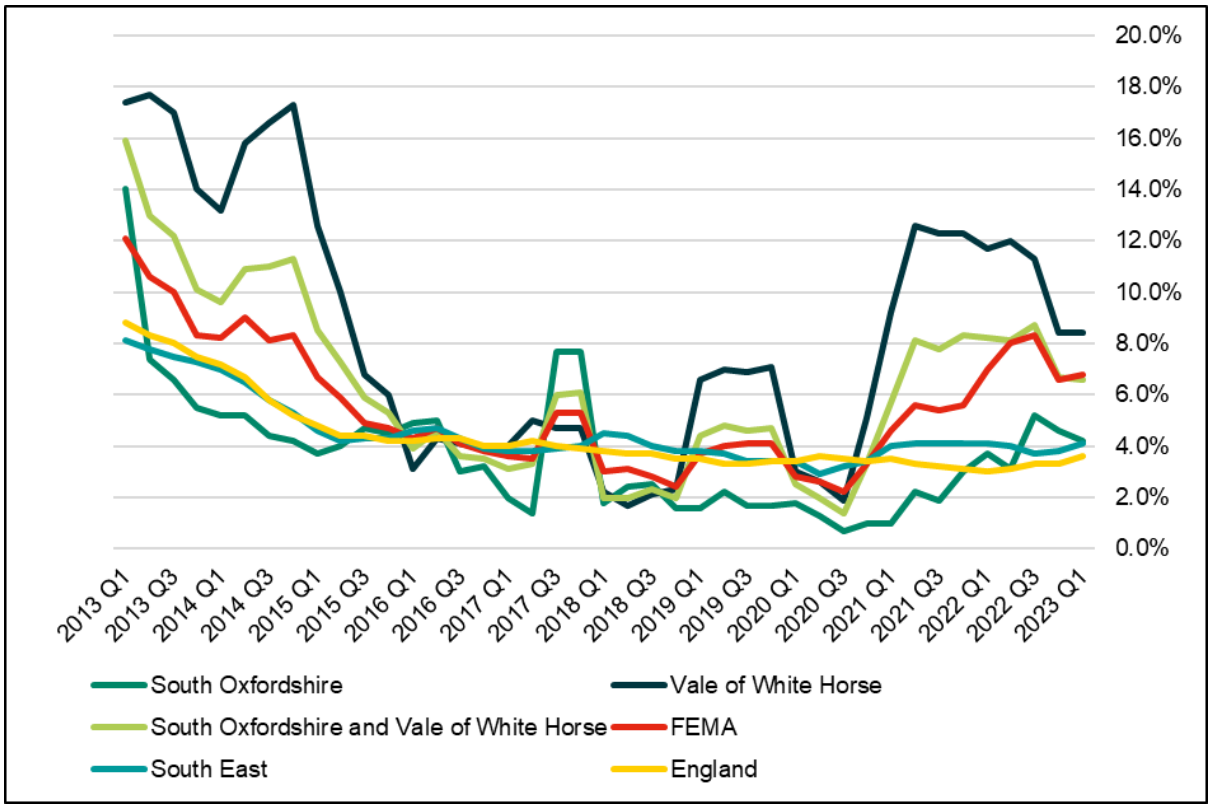
Figure 6-13 Industrial properties – General industrial [B2] - vacancy rate (%)



Source: CoStar, (2023).

6.45 The trend in vacancy rate for storage and distribution properties in South Oxfordshire over the ten-year period to 2023 has shown some variation around the regional and national vacancy rate, although has remained mostly below the wider comparator geographies. This is reflected in the ten-year average vacancy rate for South Oxfordshire (3.7%), which is lower than across all geographies. The vacancy rate for storage and distribution properties in VOWH has, however, on balance remained higher over the same period in relation to comparator geographies. The current vacancy rate for storage and distribution properties in VOWH (8.4%) is in line with the ten year average (8.4%), which is higher than the ten year average vacancy rates recorded in the FEMA (5.5%), the South East region (4.5%), and across England (4.4%).

Figure 6-14 Industrial properties – Storage and Distribution [B8] - vacancy rate (%)



Source: CoStar, (2023).

Rent

6.46 Table 6-7 presents a breakdown of industrial properties' market rent by type (light industrial, general industrial, and storage and distribution).

6.47 As of Q1 2023, light industrial properties attracted an average market rental value of £174.59/m^2 in South Oxfordshire; above the FEMA (£165.23/m^2) and South East region (£126.05/m^2). However, the market rental value for industrial properties in VOWH (£122.39/m^2), while broadly in line with that recorded across the South East region, was notably below the values in South Oxfordshire and across the FEMA.

6.48 General industrial properties attracted lower market rents in both South Oxfordshire (£99.46/m^2) and VOWH (£91.28/m^2) than was typical for the FEMA (£124.65/m^2) and the South East region (£118.73/m^2) in 2023 Q1, however these geographies all exhibited higher market rental values than was typical for England as a whole (£88.05/m^2). This highlights that rental values are relatively higher elsewhere in the FEMA.

6.49 As of Q1 2023, storage and distribution properties attracted higher market rental values in South Oxfordshire (£120.23/m^2) and VOWH (£134.66/m^2) than the recorded market rental value across England (£94.18/m^2). However, only VOWH of the two districts exceeded the rental values in the South East region (£126.58/m^2), and neither area has rental values as high as the FEMA (£151.23/m^2), again reflecting relatively higher rental values elsewhere in the FEMA.

Table 6-7 Industrial properties – rental values (2023 Q1)

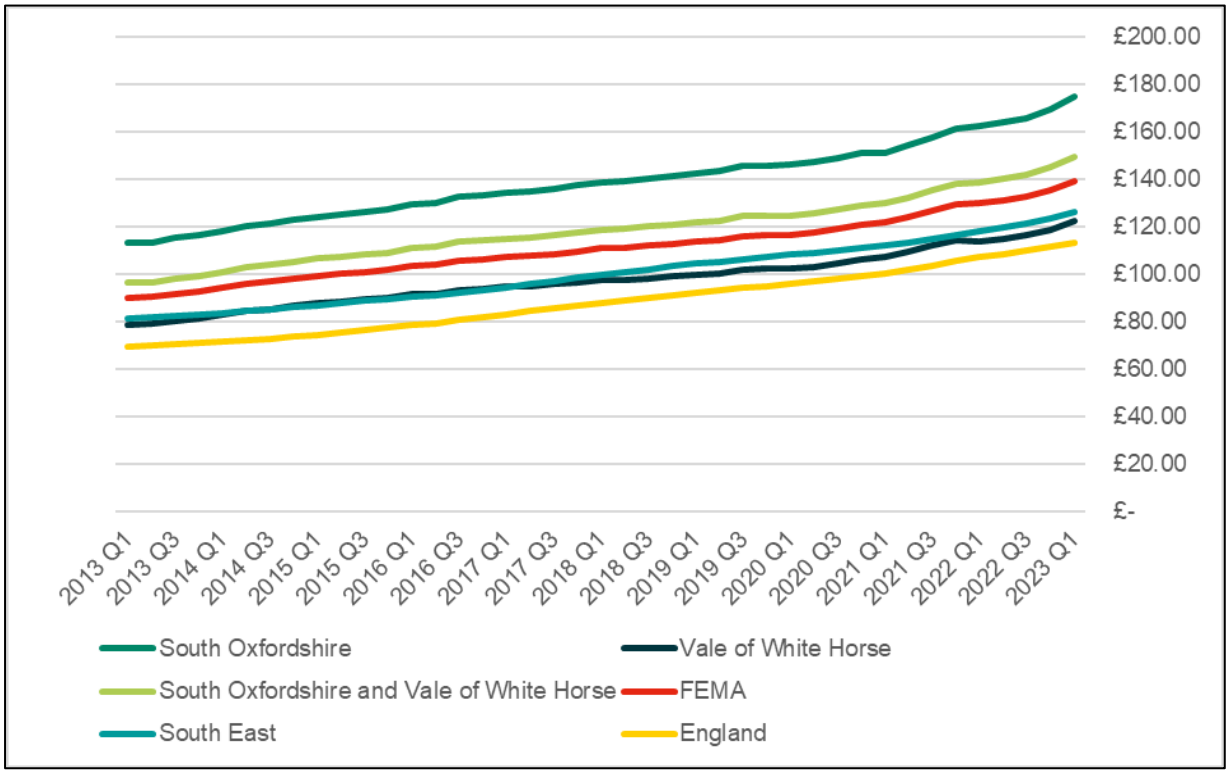
	South Oxfordshire	Vale of White Horse	South Oxfordshire and Vale of White Horse	FEMA	South East	England
Light industrial [E(g)(iii)]						
Market rent (£/m^2)	£174.59	£122.39	£149.30	£165.23	£126.05	£113.02
General industrial [B2]						

	South Oxfordshire	Vale of White Horse	South Oxfordshire and Vale of White Horse	FEMA	South East	England
Market rent (£/m^2)	£99.46	£91.28	£94.29	£124.65	£118.73	£88.05
Storage and Distribution [B8]						
Market rent (£/m^2)	£120.23	£134.66	£128.41	£151.23	£126.58	£94.18

Source: CoStar, (2023).

6.50 An increasing trend in light industrial market rental values is recorded across all geographies over the ten-year period to 2023. The market rental values in South Oxfordshire consistently exceed the recorded values across all other geographies. The market rental values in VOWH for light industrial properties broadly reflect that recorded across the South East region, and have been consistently below values recorded across South Oxfordshire and the FEMA.

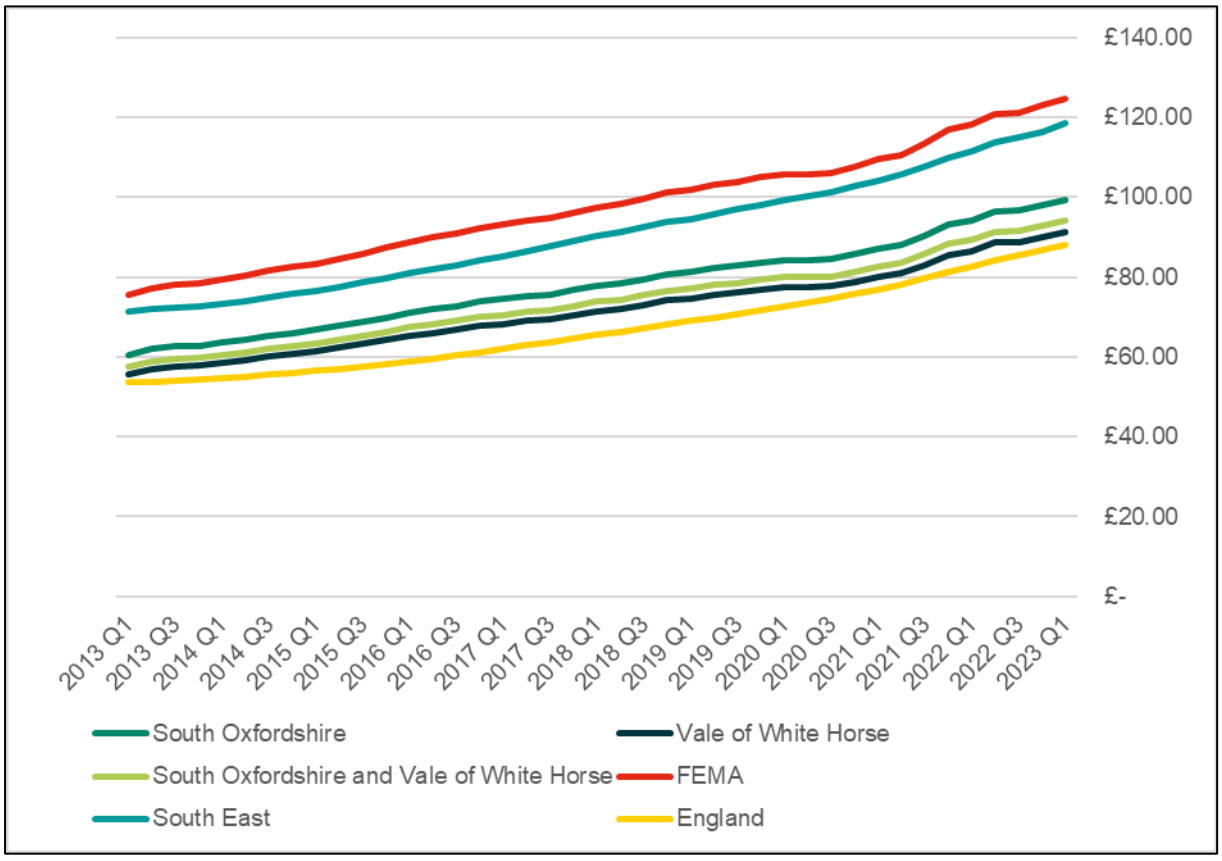
Figure 6-15 Industrial properties – Light industrial [E(g)(iii)] - market rent (£/m^2)



Source: CoStar, (2023).

6.51 An overall increasing trend in general industrial rental values has been recorded across all geographies between 2013 and 2023, as shown in Figure 6-16Figure 6-16. The recorded market rental values in both South Oxfordshire and VOWH have remained consistently below the rental values for the FEMA as a whole, as well as the South East region, despite being consistently above the recorded rental values across England as a whole.

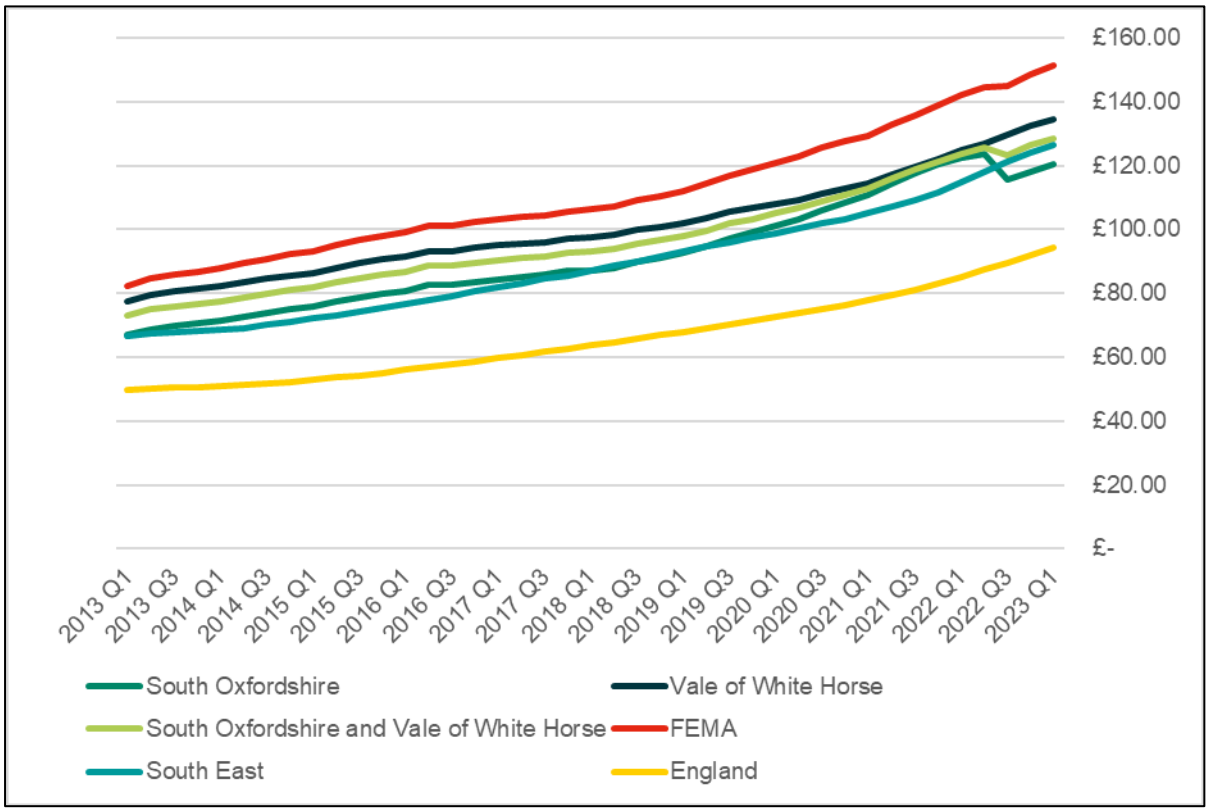
Figure 6-16 Industrial properties – General industrial [B2] - market rent (£/m²)



Source: CoStar, (2023).

6.52 Market rental values for storage and distribution properties have followed an increasing trend over the past decade. Rental values in South Oxfordshire and VOWH have mostly exceeded the regional values, yet lagged those of the FEMA. The market rental value for storage and distribution properties in South Oxfordshire has fallen below the regional level since 2022, as shown in Figure 6-17.

Figure 6-17 Industrial properties – Storage and Distribution [B8] - market rent (£/m²)



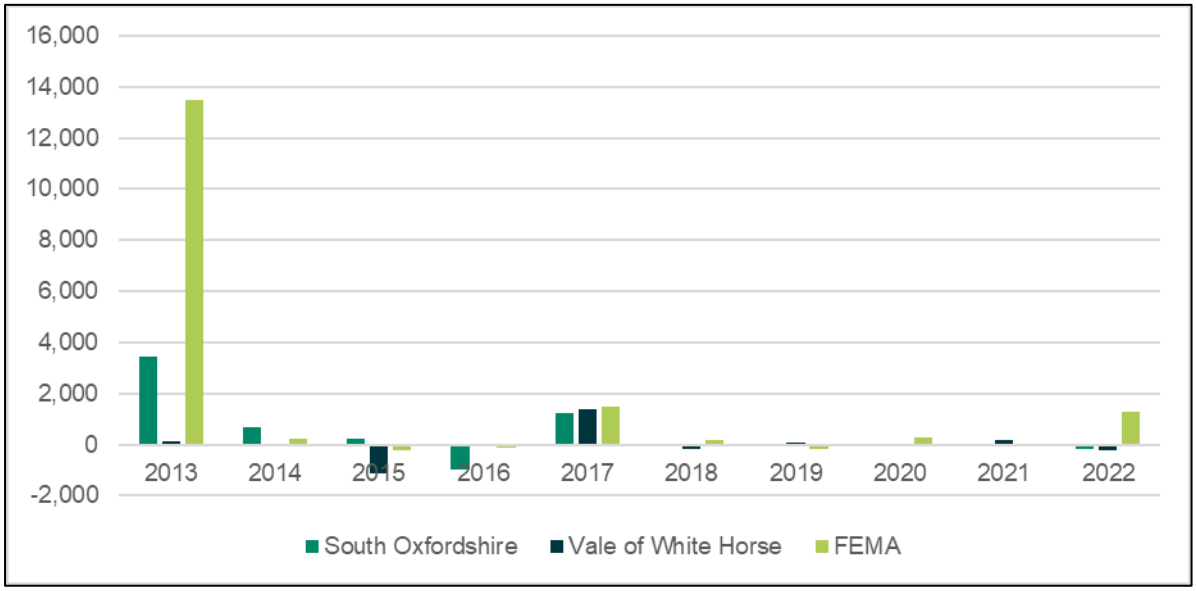
Source: CoStar, (2023).

Net Absorption

6.53 As discussed previously in paragraph 6.24, net absorption provides another angle on demand. Positive annual net absorption means that a greater amount of space has been occupied from a given year to the next.

6.54 With regard to light industrial floorspace, net absorption has been subdued and fluctuated around zero for both South Oxfordshire and VOWH over the ten year period to 2022. This would suggest that, with the notable exception of 2017, and 2013 in South Oxfordshire, demand has been low or negative across both districts.

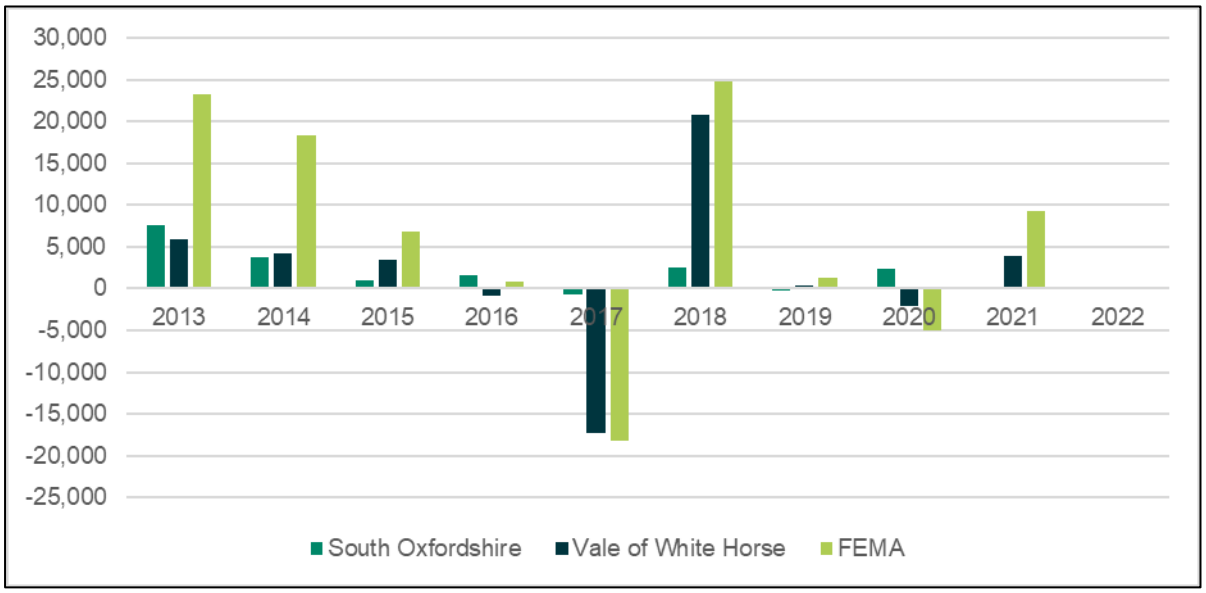
Figure 6-18 Historic net absorption of light industrial [E(g)(iii) floorspace (2013 - 2022, m²)



Source: CoStar, (2023).

6.55 Net absorption of general industrial floorspace has exhibited a variable pattern over the past ten years in VOWH. In 2017 negative net absorption of circa. 17,300 m^2 was followed in 2018 by positive demand of a similar magnitude. With the exception of 2016, 2017 and 2020, demand has been positive or neutral in VOWH. With the exception of 2017, net absorption has been positive or neutral in South Oxfordshire. A neutral demand picture for general industrial floorspace has been evident across both districts since 2019.

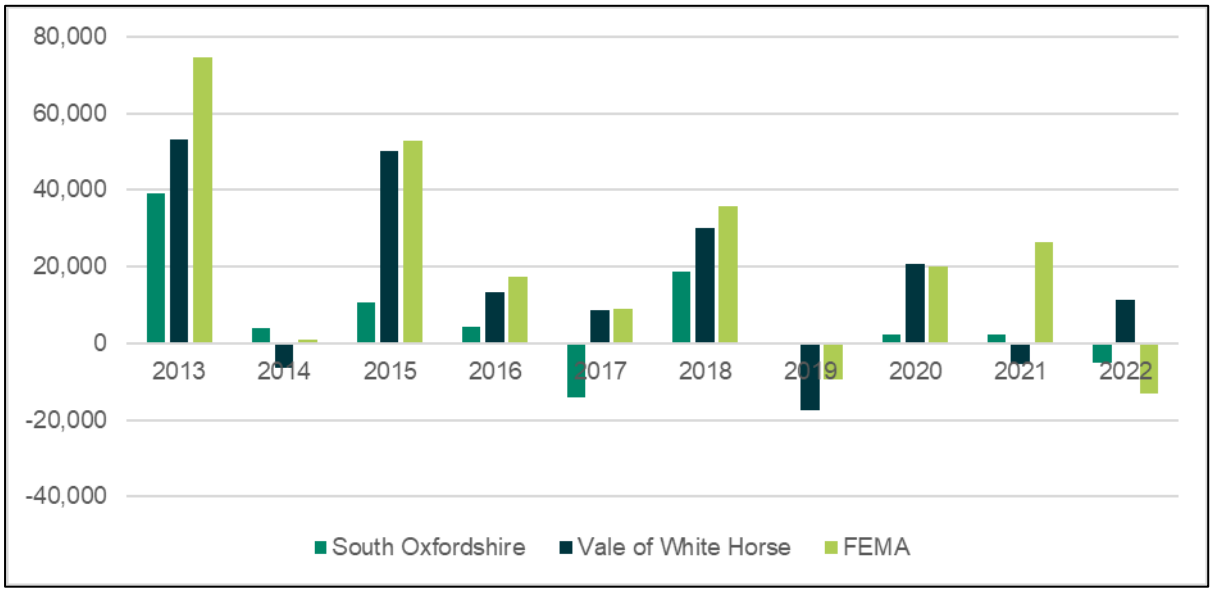
Figure 6-19 Historic net absorption of general industrial [B2] floorspace (2013 - 2022, m^2)



Source: CoStar, (2023).

6.56 Net absorption of storage and distribution floorspace has exhibited a generally positive trend over the past ten years in South Oxfordshire and VOWH. However, net absorption has exhibited a more muted trend from 2019 onwards, indicating a slackening of demand for storage and distribution properties.

Figure 6-20 Historic net absorption of storage and distribution [B8] floorspace (2013 - 2022, m^2)



Source: CoStar, (2023).

Industrial Market Conclusions

6.57 In summary, with regard to industrial properties:

- The industrial market in South Oxfordshire and Vale of White Horse provides circa. 1.3 million m^2 of industrial floorspace accounting for 55% of total floorspace across the FEMA. Industrial properties

are dispersed amongst the settlements of South Oxfordshire and VOWH, with some remote properties also contributing industrial employment space.

- The majority of floorspace is generated by storage and distribution (66.6% of floorspace across 206 properties), with general industrial accounting for 25.5% of floorspace across 211 properties; and light industrial accounting for 7.9% of floorspace across 83 properties. This reflects the size profile of the use classes, with storage and distribution properties tending to be over 1,000 m^2 in size, whereas general industrial properties are mostly less than 1,000 m^2 and the majority of light industrial properties less than 500 m^2 (though VOWH does have a notably higher proportion in the 500-1,000 m^2 size bracket than the comparator areas).
- The evidence demonstrates that market rental values differ across the industrial market. Market rental values for general industrial and storage and distribution use classes have been consistently lower in South Oxfordshire and VOWH than across the FEMA, suggesting relatively more affordable general industrial and storage and distribution space is located in the districts. Conversely, for light industrial uses, market values in South Oxfordshire have remained consistently higher than the FEMA over the past decade, despite 59% of light industrial properties having been constructed before 1970, compared with 44% across the FEMA. Light industrial values in VOWH have trended below the FEMA over the same period, suggesting that some of the lowest value light industrial properties in the FEMA are located in VOWH.
- The analysis highlights limited spare capacity within the general industrial and light industrial use classes, with an average vacancy rate across both districts of 0.2% and 0.7% respectively. While broadly in line with the FEMA, these vacancy rates are notably lower than regional and national comparators. Conversely, the vacancy rate for storage and distribution, while in line with the FEMA, exceed regional and national comparators.
- A generally positive picture is evident in terms of net absorption for general industrial and storage and distribution properties, which have exhibited positive trends consistent with positive demand over the past decade, though there has been a notable levelling off over the past 3 years in particular, likely driven by the Covid-19 pandemic. However, there is limited evidence of positive net absorption of light industrial properties over the past decade which, taken with low vacancy rates, could be consistent with anecdotal evidence regarding the lack of availability of light industrial units and grow-on space constraining growth.

Minimum Energy Efficiency Standards

6.58 In response to the environmental, economic, social and political impetus to limit the damaging consequences of global climate change, both South Oxfordshire District Council[35] and VOWH District Council[36] have declared climate emergencies in order to recognise the importance of reducing carbon emissions. Both Councils have set out targets:

- South Oxfordshire: be a carbon neutral district by 2030;
- VOWH: be a carbon neutral district by 2045, with an aim for a 75 per cent reduction in emissions across the district by 2030.

6.59 The contribution of buildings to greenhouse gas emissions is increasingly recognised. This understanding presents both challenges and opportunities, given the potential for emissions savings to be made. It is estimated that buildings are responsible for between 17% and 31%[37,38] of national emissions, and in Oxfordshire it is estimated that buildings contribute around a third of emissions.

6.60 The energy performance of buildings in the UK is monitored through the Energy Performance Certificate (EPC) system. Non-domestic private rented properties are awarded a certificate rating between A+ (most efficient) and G (least efficient). Properties awarded an A+ rating are considered to achieve Net Zero CO_2.

6.61 In order to drive the decarbonisation of the UK's non-domestic building stock, commitments have been made to encourage the construction of more energy efficient buildings and upgrading/retrofitting existing buildings through the implementation of restrictions on private lettings based on energy performance. Non-domestic buildings must comply with Minimum Energy Efficiency Standards (MEES) in order to

[35] South Oxfordshire District Council, (2022); Climate Action Plan 2022-2024.
[36] Vale of White Horse District Council, (2022); Climate Action Plan 2022-2024.
[37] HM Government, (2021); Net Zero Strategy: Build Back Greener.
[38] This figure includes only emissions from direct energy use in buildings.

lawfully be leased. At the time of writing (September 2023), MEES regulations apply to those non-domestic buildings which have been awarded an EPC rating of F or G, whereby these properties cannot enter into new leases until improvements have been made. A number of exemptions apply[39,40] including that improvements must be 'permissible', 'appropriate' and 'cost effective'[41]. As of 1st April 2023, MEES apply to existing leases, not solely new leases as had been the case previously[42].

6.62 A breakdown of the EPC certificates awarded by use type[43] in South Oxfordshire is shown in Figure 6-21, and for VOWH in Figure 6-22. The following commentary is based on the application of the relative proportion of EPC certificates, as provided by the Department for Levelling Up, Homes and Communities, to the age of building stock information derived from CoStar in order to indicate the energy performance of the building stock of South Oxfordshire and VOWH. This approach allows for the indicative characterisation of the entire building stock of South Oxfordshire and VOWH, given that CoStar represents a robust and comprehensive dataset of building stock. However, this commentary does not take into account the stock of non-domestic buildings which are exempt from MEES regulations; the Government is engaging in further consultation on the development of a robust publicly available 'exemptions database' such that the scale of current and future exemptions can be further understood[44].

6.63 It is shown in Figure 6-21 that in South Oxfordshire, office properties in general have the lowest proportion of certificates which are MEES compliant (i.e. rated E or above). Accordingly, approximately 17% of building certificates are not MEES compliant. If the proportion of certificates is applied to the identified office properties in the property market analysis section, recognising the limitations set out above, it would suggest that around 70 office properties do not meet MEES, possibly reflecting circa. 37,200 m^2 of floorspace. In relation to general industrial properties, approximately 12% of building certificates are not MEES compliant. Applying the same proportion to property market information would suggest that around 14 properties do not meet MEES, or around 13,000 m^2 of floorspace. In relation to storage and distribution use properties, these properties tend to have the lowest proportion of certificates which do not meet MEES (around 7% of certificates). Using the same logic of applying this proportion to the identified buildings suggests that 7 buildings are not MEES compliant, or 21,400 m^2 of floorspace.

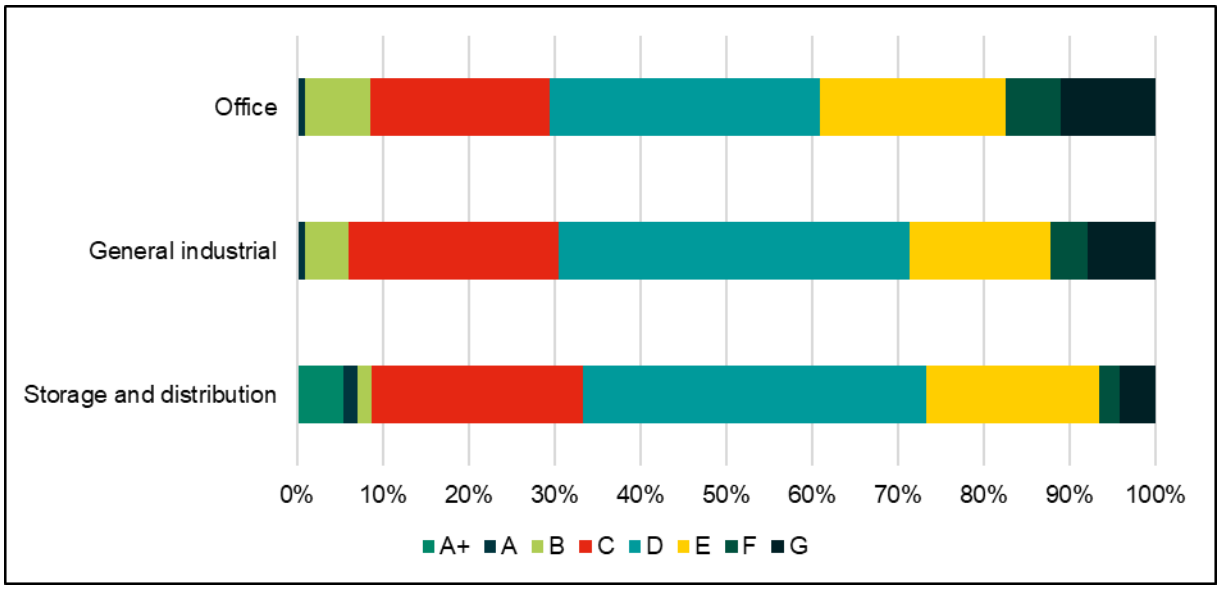
6.64 Figure 6-22 provides the breakdown of EPC certificates by use type for VOWH. It is shown that with regard to office properties, approximately 14% of certificates do not meet MEES. If applied to the property market information identified, this would suggest that around 44 buildings or circa. 58,000 m^2 of floorspace. For general industrial properties, only 5% of certificates do not meet MEES. This would suggest that 5 buildings are not compliant reflecting around 9,300 m^2. It is also shown that 10% of storage and distribution certificates do not meet MEES. This would suggest that 10 properties or 42,000 m^2 is not currently compliant with MEES.

[39] https://www.gov.uk/energy-performance-certificate-commercial-property/exemptions
[40] Additional exemptions to the new regulations are set out by RICS at https://ww3.rics.org/uk/en/journals/property-journal/epc-requirements-commercial-property.html. Exemptions apply to leases less than 6 months or greater than 99 years; to the need to perform upgrading works until a new EPC is triggered; where the costs of works would be greater than the energy saving over seven years; where third-party consent precludes works e.g. planning permission refused where reasonably sought; where works would devalue property by over 5%; where the landlord has recently become one.
[41] RICS, (2018); Minimum Energy Efficiency Standards (MEES): Impact on UK property management and valuation.
[42] https://ww3.rics.org/uk/en/journals/property-journal/epc-requirements-commercial-property.html
[43] It should be noted that the use types employed by DLUHC to categorise buildings do not directly align with those categories applicable to CoStar data presented in the property market analysis section of the report. Data is therefore presented by considering the broad use types shown to comprise buildings categorised by DLUHC as follows:

- Office: 'B1 Office and Workshop Businesses' and 'Office';
- General industrial: 'B2 to B7 General Industrial and Special Industrial Groups'; and
- Storage and distribution: 'B8 Storage or distribution' and 'Warehouse and storage'.

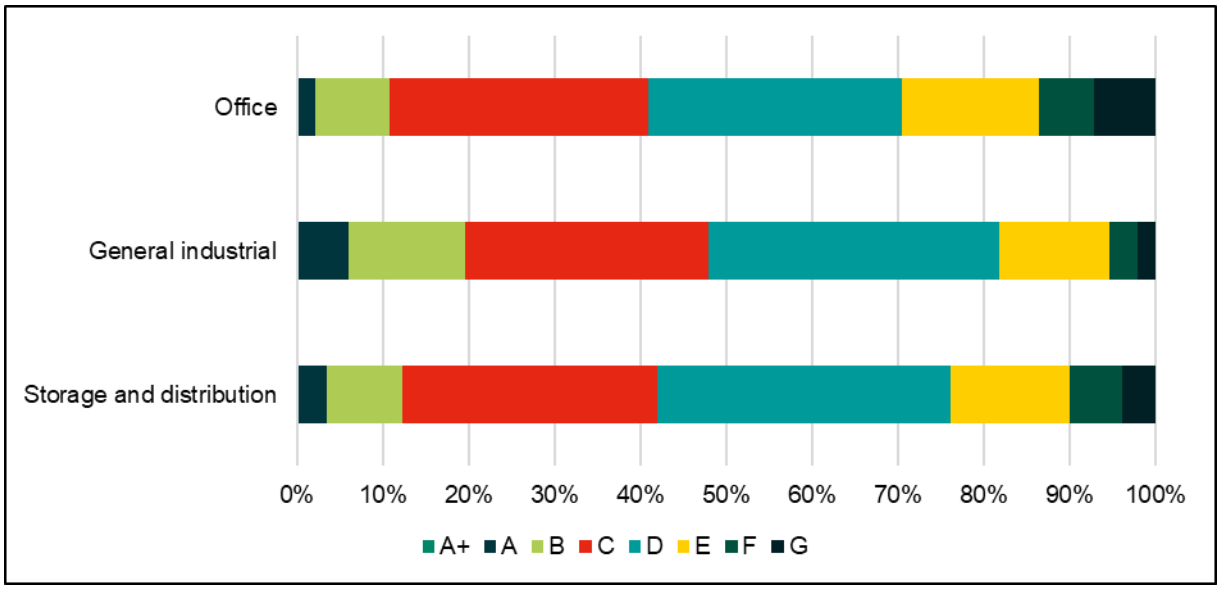
[44] Department for Business, Energy and Industrial Strategy, (2021); The Non-Domestic Private Rented Sector Minimum Energy Efficiency Standards: Implementation of the EPC B Future Target.

Figure 6-21 EPC Certificates in South Oxfordshire by building use type.



Source: Department for Levelling Up, Homes and Communities, (2023); Energy Performance of Buildings Data: England and Wales.

Figure 6-22 EPC Certificates in Vale of White Horse by building use type.



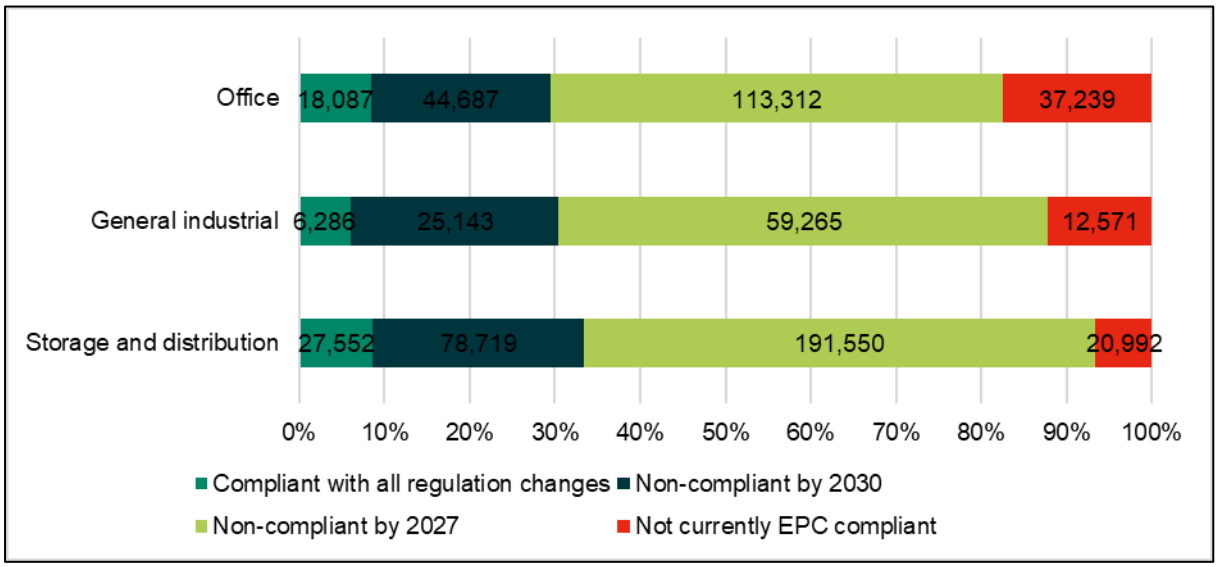
Source: Department for Levelling Up, Homes and Communities, (2023); Energy Performance of Buildings Data: England and Wales.

6.65 It is anticipated that the minimum standard will be sequentially increased such that building efficiency expectations are raised in line with Government ambitions to deliver against its net zero commitments[45], as the minimum EPC rating for non-domestic properties to be leased will be raised to C by 1st April 2027 and to B by April 2030. Figures show the current proportion of certificates that will be non-compliant with MEES in relation to these anticipated dates for the raising of the minimum EPC rating. The proportion has been applied to property market floorspace information to indicate the applicable floorspace in these scenarios. It is clearly evident that the scale of upgrading, retrofitting, and replacing building stock such that it will comply with anticipated MEES is considerable. As set out, current and potential future exemptions may apply, nonetheless the significant proportion of buildings which are likely to not meet the correct standard presents challenges, in terms of implementation, enforcement and compliance.

[45] HM Government, (2020); Energy White Paper: Powering our Net Zero Future.

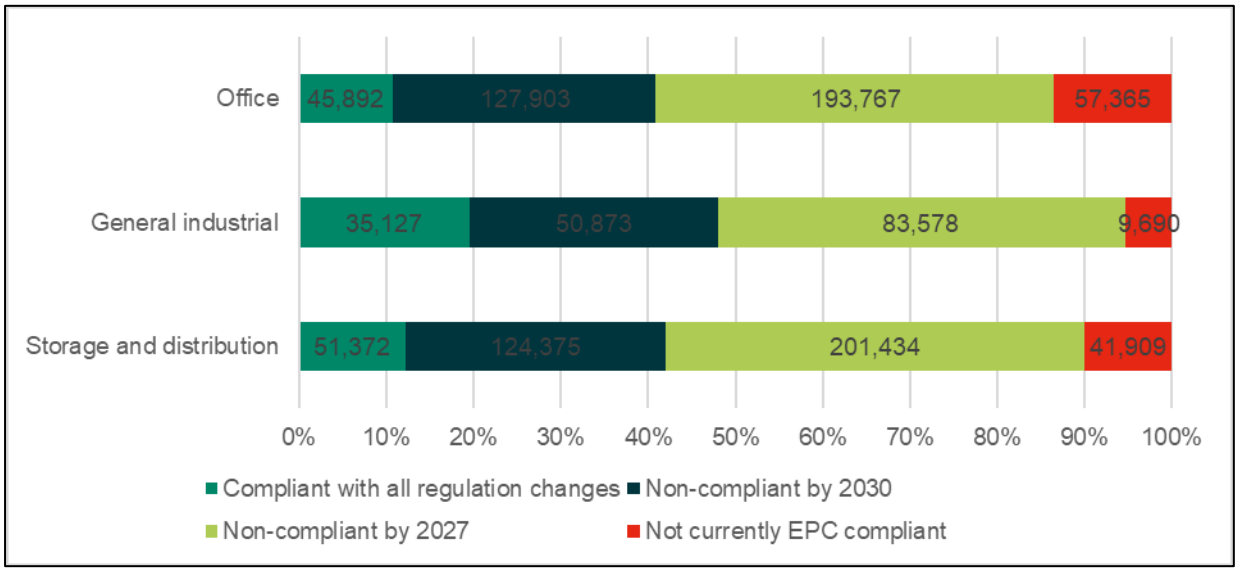
6.66 In 2021, the Department for Business, Energy and Industrial Strategy engaged in consultation on implementation of the EPC B target by 2030[46] which highlighted the significant implementation issues that would need to be addressed. It is recognised nationally that the proportion of non-domestic rented stock within the scope of the regulations would increase from approximately 10% to 85% (1,000,000 buildings across England and Wales). The proportion of the building stock in South Oxfordshire which falls within the scope of tightening regulations to 2030 is therefore greater than the national average across all use types. By contrast in VOWH proportion of the office and storage and distribution building stock is higher than the national average, with the proportion of general industrial stock lower than the national average.

Figure 6-23 MEES compliance of present EPC certificates with anticipated regulation changes, South Oxfordshire (m^2)



Source: *Department for Levelling Up, Homes and Communities, (2023); Energy Performance of Buildings Data: England and Wales.*

Figure 6-24 MEES compliance of present EPC certificates with anticipated regulation changes, Vale of White Horse (m^2)



Source: Department for Levelling Up, Homes and Communities, (2023); Energy Performance of Buildings Data: England and Wales.

6.67 A key challenge that occupiers face is that they are often tenants, i.e. they do not own the buildings that they occupy. Therefore, they require their landlord's buy-in before any retrofitting can take place. This can

[46] Department for Business, Energy and Industrial Strategy, (2021); The Non-Domestic Private Rented Sector Minimum Energy Efficiency Standards: Implementation of the EPC B Future Target.

create another tension as a tenant with only a short-term interest (which is often the case in the UK's leasing model) may not have enough of an incentive to invest sufficiently in green technologies. A landlord may feel similarly disinclined if it has a full roster of tenants and a steady rental stream47.

6.68 This presents a challenge given the trend that the higher the investment cost, the greater the improvement to the building and its EPC rating. This is a challenge that will be present throughout the country, not just in South Oxfordshire and VOWH. However, South Oxfordshire has a large proportion of older office premises across the District, with 51% constructed before 1950, and therefore must find a way to encourage the landlords of these properties to review the opportunities to improve these assets before they become non-compliant with ESG standards. Otherwise, South Oxfordshire could face a situation where it has offices which are 'stranded assets' that are both non-compliant and undesirable to retrofit. This is anticipated to be less of a problem in VOWH, where there is a lower proportion of aged stock, while industrial properties are expected to prove less difficult to retrofit but as shown earlier there is nevertheless a significant portion of stock which does not or will not meet existing and planned minimum energy efficiency standards.

6.69 The Royal Institute of British Architects (RIBA) also recently launched the Retrofit First campaign, which champions the reuse of buildings. The campaign highlights the long-running problem of a 20% levy on refurbishments as opposed to the 0-5% levy on new builds; this also acts as a disincentive for refurbishing instead of building new. RIBA is campaigning to cut this tax to 5% for refurbishments as well to bring some alignment between the two types[48].

6.70 To add to the challenge, there has so far been a lack of central government steer around how commercial premises should tackle the retrofitting issue, which increases the possibility of stranded assets in the future. Expectations on funding and support for retrofits and energy efficiency improvements being unveiled in the Spring 2023 Budget Statement went unmet with no measures proposed. In responses it was suggested that the government could be doing more to 'boost retrofit demand' and create a generation of skilled retrofit workers49. With the next EPC rating compliance milestone for commercial properties set at 2027, uncertainty around what standards will be in place has the potential to cause wider impacts on investments in commercial property generally.

6.71 There is a clear opportunity for the government to work with industry in order to package together skills, training, funding, standards and advice into a national retrofit strategy, as it is currently believed that the UK only has half the skilled workers needed to retrofit all old buildings.

6.72 In addition to national directives, there are steps that South Oxfordshire and the Vale of White Horse District Councils, and other Local Authorities, can take to support occupiers/landlords throughout this process. Councils are uniquely placed to drive forward the retrofitting agenda locally. They can do this through acting on their own stock and utilising their local connections with landlords and occupiers within the districts. Councils face funding constraints that can limit their resource and capacity to lead, however, there are several different roles Councils can play, including:

- Facilitation – acting as convenor to bring a 'coalition' of willing individuals and groups together;
- Marketing and communication – a key, relatively resource-light role, providing trusted information to landlords and occupiers;
- Coordination – acting as the 'lynchpin' in terms of coordinating action;
- Being a trusted partner – local authorities are often more trusted than national government and other stakeholders;
- Supporting the growth of local skills and supply chain – working with the supply chain to promote accreditation and capacity-building; and
- Partnering with the private sector – to facilitate retrofit finance to all occupiers, regardless of tenure[50].

[47] Lewis Silkin, (2022): A case for retro-fitting. Accessed here: https://www.lewissilkin.com/en/insights/a-case-for-retrofitting
[48] AECOM, (2023): The carbon and business case for choosing refurbishment over new build. Accessed here: https://aecom.com/without-limits/article/refurbishment-vs-new-build-the-carbon-and-business-case/
[49] Building, (2023): Spring Budget broadly welcomed but criticised for lack of retrofit progress. Accessed here: https://www.building.co.uk/news/spring-budget-broadly-welcomed-but-criticised-for-lack-of-retrofit-progress/5122302.article
[50] Ashden, (2021): Local authorities can drive a home retrofit revolution. Accessed here: https://ashden.org/news/local-authorities-can-drive-a-home-retrofit-revolution/. The bullets set out in the provided link were targeted more towards residential

Affordable Workspace

6.73 This section provides an overview of the commercial property market in South Oxfordshire and VOWH in the context of affordable workspace. The British Council for Offices (BCO)[51] indicates that the availability of affordable and flexible office space is vital for innovation and growth. It helps generate economic growth and jobs, by supporting entrepreneurs in the early stages of their businesses.

6.74 In purely financial terms, the market rental values of office and industrial floorspace in South Oxfordshire and VOWH have been set out earlier in the section relative to the comparator areas. However, affordability is not only a question of price (rental value) for occupiers, but also of access to the appropriate space, location and required services.

6.75 Consultation with key stakeholders undertaken as part of this ELNA has highlighted affordability challenges experienced by businesses across both districts, and Oxfordshire more widely, whereby smaller businesses in "foundational" sectors are struggling to afford space within the districts, resulting in the potential need to relocate or move to less suitable accommodation (in terms of quality, functionality or location).

6.76 Various local councils have begun to think about affordable workspace and what it means for their areas. For example, in the London Plan, the Greater London Authority defines it as "workspace that is provided at rents maintained below the market rate for a specific social, cultural, or economic development purpose"[52]. However, this is open to interpretation about what councils deem as appropriate to locally specific development and political contexts. At their core, affordable workspace policies are designed to provide financial incentives to small and medium sized businesses to take up employment premises which are otherwise priced out of the property market. These businesses are from a range of sectors, though emphasis is placed on businesses which contribute social value to the local area including from the creative and charity industries.

6.77 The benefits of providing affordable workspace include provision of space for community, social, educational, and creative enterprises; added character to developments; placemaking; and increased engagement and enjoyment of buildings that otherwise may have been unused. This is an emerging and growing area of policy and developers will need to consider how best to work with providers and local authorities so that the spaces are successfully integrated within the overall scheme and meet identified needs, thereby bringing benefits to all parties[53].

6.78 Based on the above, South Oxfordshire and VOWH District Councils could consider the delivery of affordable workspace as part of the policies put forward in the Joint Local Plan. To frame this, recently adopted policies by other areas have been reviewed with an overview provided below, albeit these are typically aimed at office development rather than all employment uses:

- Hackney Council[54] indicates that new major employment or mixed-used development in the Borough's designated employment areas and town centres should provide affordable or low-cost workspace. Developments in the Shoreditch Priority Office Area (POA) should provide at least 10% of the new floorspace (gross) and it should not be at no more than 40% of the locality's market rent in perpetuity, subject to viability. In the remaining POAs, at least 10% of the new floorspace (gross) should be affordable at no more than 60% of the locality's market rent in perpetuity, subject to viability.

  The Local Plan states that only in exceptional circumstances where it can be demonstrated robustly that this is not appropriate in terms of the policies in this Plan, it may be provided off-site. A cash-in-lieu contribution will only be accepted where this would have demonstrable benefits in furthering affordable workspace in the Borough and other policies in the Local Plan.

- Brent Council, in its Affordable Workspace Strategy[55], indicates that in mixed-use developments totalling 3,000 m^2 or more in growth areas, the affordable workspace should total 10% of the total

retrofitting, so the principles deemed relevant have been adapted to apply more broadly to how the Council can interact and collaborate with partners to retrofit commercial premises.

[51] BCO (2021). Affordable Workspace: A Solution, Not A Problem; Briefing note.
[52] Greater London Authority (2021). The London Plan.
[53] Montagu Evans (2020). The Future of Affordable Local Workspace.
[54] Hackney Council, (2020); Local Plan 2033.
[55] Brent Council, (2020); Affordable Workspace Strategy.

floorspace. The applicable discount should not exceed 50% of open market rents. Off-site provision is only allowed in exceptional circumstances and cash in lieu is possible with case made.

In acknowledgement that exceptional circumstances can exist, the Council in its "Affordable Workspace Supplementary Planning Document"[56], sets out a financial contribution in lieu of onsite provision:

- "[50% of market rent/sqft/annum * floor area (GIA) of proposed Affordable Workspace as per policies BE1[57] - 4 (sf)] * [1 / yield]"

- Lambeth Council, in accordance with the draft London Plan policy E3, requires major developments that include B1 floorspace to provide a proportion of affordable workspace in the following locations:
  - In Waterloo and Vauxhall major developments should provide 10% of B1 floorspace at 50% of market rents for a period of 15 years.
  - In Oval, Kennington and Clapham major developments should provide 10% of B1 floorspace at 80% of market rents for a period of 15 years.
  - In the Brixton Creative Enterprise Zone (CEZ) all developments that include B1 floorspace should provide 10% of this as affordable workspace for a period of 25 years.

  Affordable workspace should be provided on-site and be designed to meet a local need. A payment in lieu may be accepted in limited circumstances where it can be demonstrated to the satisfaction of the council that a greater economic impact could be secured through off-site provision.

- In Southwark, the Council requires a proportion of at least 10% of commercial floorspace to be provided as affordable workspace at discounted market rent. If it is not feasible to provide affordable workspace on site, an in-lieu payment will be required for off-site affordable workspace.

6.79 These local authorities allow on-site affordable workspace provision to be mitigated by off-site and cash in lieu payments, where this clearly demonstrates positive economic impacts for the area; however, this tends to be on a 'by exception' basis. Such a policy could nevertheless be used more proactively to cultivate clusters of affordable workspaces by sectoral or geographic relevance.

Changing Office Workspace Requirements

6.80 This sub-section delves into the recent evolution of changing space requirements for office and knowledge work.

6.81 The work-from-home shift is a key driver of the evolving landscape in the UK. The most recent data from the Office for National Statistics[58] highlighted that 47% of workers in the South East of England embrace home (19%) or hybrid (28%) work, reshaping models, and foretelling a lasting change, with 75% anticipating transformed in-person work approaches. By way of comparison, Annual Population Survey data from before the Covid-19 pandemic shows that around 17.6% of working adults reported working from home at some point in the week before the interview.

6.82 The future of office spaces is set to be shaped by intricate dynamics involving employee attendance rates and the broader economic landscape. Recent survey data[59] indicate that office occupancy rates across the UK averaged around 30% during the first half of 2023, compared with pre-pandemic occupancy rates estimated at between 60-80%. Tuesdays, Wednesdays and Thursdays remain the busiest days of the week for people in the office, with the national average office occupancy exceeding 35% at the point of the survey in mid-June 2023 and around double the figure witnessed on Fridays. Faced with this new reality, employers are confronted with strong incentives to strategise ways to entice employees back to the office environment, thus influencing decisions related to office expansion, right-sizing office spaces, and delaying real estate investments.

6.83 The inertia within the office market, characterized by extended leases held by tenants and landlords alike, suggests that a time lag will occur before a decrease in demand for office space is fully evident. This delay provides a window during which office job numbers might increase, employee attendance rates could

[56] Brent Council, (2022); Affordable Workspace Supplementary Planning Document.
[57] The policy indicates – *"10% of employment floorspace within major developments exceeding 3000m^2 employment as affordable workspace".*
[58] ONS Characteristics of homeworkers, Great Britain February 2023
[59] https://return.remitconsulting.com/resource-centre/41-news-release-uk-office-occupancy-rates-plateau

experience a partial recovery, and a pursuit of high-quality office environments may persist, collectively contributing to a relatively gradual and controlled transition for office providers. This temporal overlap also affords occupiers, developers, landlords, and policymakers the opportunity to proactively adapt to these evolving trends. However, it is noteworthy that peripheral locations and areas with limited premium office offerings might experience a more pronounced impact due to the variable nature of the "flight to quality[60]".

6.84 This trend of downsizing of requirements by office occupiers is already driving decisions by businesses to reduce their premises size with impacts on vacancy rates. In turn this may potentially result in new office floorspace being of lower average density than has been typical. At present this may not be translating into smaller buildings being planned as there remains a strong demand for new/ 'grade A' space which complies with MEES and attracts staff, which is not fully met in the market generally. This is fully expected however to translate into lower space requirements per full-time equivalent office job than has been previously the case.

[60] https://www.cbre.co.uk/insights/viewpoints/the-flight-to-quality-quantified

7. Employment Land Availability Assessment

Introduction

7.1 This section provides a summary of the key findings of a detailed site assessment of the characteristics of the supply of employment land in South Oxfordshire and VOWH. The analysis of employment land was conducted via site surveys and desk-based research.

Cluster data and identification

7.2 A total of 68 clusters (29 in South Oxfordshire and 39 in VOWH) have been identified in this assessment via a review of the following sources:

- South Oxfordshire Employment Land Review (2015);
- South Oxfordshire Employment Land Review Addendum (2017);
- South Oxfordshire Adopted Local Plan 2035 (2020);
- Vale of White Horse Employment Land Review (2013);
- Vale of White Horse Employment Land Review Addendum (2014);
- Vale of White Horse Local Plan 2031 (2016);
- Available Neighbourhood Plans across both districts; and
- CoStar database.

7.3 These clusters are therefore comprised primarily of designated sites, with additional undesignated sites identified by AECOM as non-designated sites but with potential to be considered for designation given the proposed use of the site for employment activities.

7.4 The identified clusters, reference assigned by AECOM and location are shown in Table 7-1. It should be noted that there is a supply of office floorspace within town centres, however these have not been mapped as clusters in themselves but are considered in the property market profile in Section 6 and the comparison between supply and demand in Section 9.

7.5 The identified employment land clusters are also represented on maps (see Figure **1-1** and Figure 1-2).

Table 7-1 Identified Employment Land Clusters in South Oxfordshire

Ref	Name	Location	Designation/ Allocation	Reason for survey	Boundary
S1	Culham Science Centre and Culham No1 Site	Culham	Employment Allocation; Strategic Allocation	Previous ELR cluster Local Plan 2020 – 'Policy EMP1'; 'STRAT8'	*South Oxfordshire Local Plan 2020. Appendix 3: Site Allocations.*
S2	Southmead Industrial Estate and Didcot Station Area	Didcot	Employment Allocation	Previous ELR cluster Local Plan 2020 – 'Policy EMP1'	*South Oxfordshire Local Plan 2020. Appendix 3: Site Allocations.*
S3	Rich's Sidings, Didcot	Didcot	Town centre	Previous ELR cluster	*South Oxfordshire Employment Land Review 2015. Figure 2-2: Context Map of Surveyed Employment Clusters in South Oxfordshire*
S4	Hithercroft Industrial Estate	Wallingford	Non-designated	Previous ELR cluster	*South Oxfordshire Employment Land Review 2015. Figure 2-2: Context Map of Surveyed*

Ref	Name	Location	Designation/ Allocation	Reason for survey	Boundary
					Employment Clusters in South Oxfordshire
S5	Crowmarsh Industrial Cluster - Howberry Park	Wallingford	Non-designated	Previous ELR cluster	*South Oxfordshire Employment Land Review 2015. Figure 2-2: Context Map of Surveyed Employment Clusters in South Oxfordshire*
S6	Boundary Business Park, Garsington	Garsington	Employment Allocation	Previous ELR cluster	*South Oxfordshire Employment Land Review 2015. Figure 2-2: Context Map of Surveyed Employment Clusters in South Oxfordshire*
S7	Monument Business Park, Chalgrove	Rural	Town centre	Previous ELR cluster	*South Oxfordshire Employment Land Review 2015. Figure 2-2: Context Map of Surveyed Employment Clusters in South Oxfordshire*
S8	Thame Industrial Cluster	Thame	Non-designated	Previous ELR cluster	*South Oxfordshire Employment Land Review 2015. Figure 2-2: Context Map of Surveyed Employment Clusters in South Oxfordshire*
S9	Watlington Industrial Cluster	Watlington	Town centre	Previous ELR cluster	*South Oxfordshire Employment Land Review 2015. Figure 2-2: Context Map of Surveyed Employment Clusters in South Oxfordshire*
S10	Reading Road Industrial Estate, Henley-on-Thames	Henley-on-Thames	Non-designated	Previous ELR cluster	*South Oxfordshire Employment Land Review 2015. Figure 2-2: Context Map of Surveyed Employment Clusters in South Oxfordshire*
S11	Smith Centre, Henley-on-Thames	Henley-on-Thames	Non-designated	Previous ELR cluster	*South Oxfordshire Employment Land Review 2015. Figure 2-2: Context Map of Surveyed Employment Clusters in South Oxfordshire*
S12	London Road Industrial Estate Wheatley	Rural	Strategic Allocation	Local Plan 2020 – 'Strategic Allocation STRAT7'	*South Oxfordshire Local Plan 2020. Appendix 2: Strategic Allocation Maps.*
S13	Land at Chalgrove Airfield	Rural	Strategic Allocation	Local Plan 2020 – 'Strategic Allocation STRAT10i'	*South Oxfordshire Local Plan 2020. Appendix 2: Strategic Allocation Maps.*
S14	Land at Berinsfield Garden Village	Berinsfield	Strategic Allocation	Local Plan 2020 – 'Strategic Allocation STRAT9'	*South Oxfordshire Local Plan 2020. Appendix 2: Strategic Allocation Maps.*
S15	Oxford Science Park, Grenoble Road	Sandford-on-Thames	Non-designated	AECOM review of CoStar database	AECOM
S16	Oakley Road, Chinnor	Chinnor	Non-designated	AECOM review of CoStar database	AECOM
S17	Rycote Lane Farm	Rural	Non-designated	AECOM review of CoStar database	AECOM
S18	Rycote Lane, M40	Thame	Non-designated	AECOM review of CoStar database	AECOM

Ref	Name	Location	Designation/ Allocation	Reason for survey	Boundary
S19	Little Baldon	Rural	Non-designated	AECOM review of CoStar database	AECOM
S20	Thames Court	Goring	Non-designated	AECOM review of CoStar database	AECOM
S21	Berinsfield Business Park/Tower Business Park	Berinsfield	Town centre	Previous ELR cluster	*South Oxfordshire Employment Land Review 2015. Figure 2-2: Context Map of Surveyed Employment Clusters in South Oxfordshire*
S22	Slade End Green	Wallingford	Non-designated	Brightwell cum Sotwell Neighbourhood Plan – 'BSC4'	*Brightwell cum Sotwell Neighbourhood Plan 2017. Proposals Policies Maps: Inset Maps.*
S23	Site B (Windles, Groves), Thame	Thame	Allocated Employment Site	Thame Neighbourhood Plan – 'WS11'	*Thame Neighbourhood Plan 2013. Figure 8.5: Land allocated for employment.*
S24	Ayres Yard	Wallingford	Allocated Employment Site	Thame Neighbourhood Plan – 'WS11'	*Thame Neighbourhood Plan 2013. Figure 8.5: Land allocated for employment.*
S25	The Old Coal Yard	Rural	Allocated Employment Site	Thame Neighbourhood Plan – 'WS11'	*Thame Neighbourhood Plan 2013. Figure 8.5: Land allocated for employment.*
S26	Church Farm, allocation	Rural	Allocated Employment Site	Thame Neighbourhood Plan – 'WS11'	*Thame Neighbourhood Plan 2013. Figure 8.5: Land allocated for employment.*
S27	Church Farm, existing	Rural	Non-designated	AECOM review of CoStar database	AECOM
S28	Ward's Farm Industrial Estate, existing	Rural	Non-designated	AECOM review of CoStar database	AECOM
S29	Ward's Farm Industrial Estate, allocation	Rural	Allocated Employment Site	Woodcote Neighbourhood Plan - WNP2-98	Woodcote Neighbourhood Plan 2022. Map 12.xii;

Table 7-2 Identified Employment Clusters in VOWH

Ref	Name	Location	Designation/ Allocation	Reason for survey	Boundary
V1	Barton Mill in Audlett Drive, Abingdon	Abingdon	Existing strategic employment site allocation	Local Plan 2016 – 'Existing strategic employment site'	*Vale of White Horse Local Plan 2031 Part 1 Strategic Sites and Policies – Appendix B: Existing Strategic Employment Sites*
V2	Abingdon Business Park at Wyndyke Furlong	Abingdon	Existing strategic employment site allocation	Previous ELR cluster Local Plan 2016 – 'Existing strategic employment site'; 'Other Saved Local Plan 2011 allocation'	*Vale of White Horse Local Plan 2031 Part 1 Strategic Sites and Policies – Appendix B: Existing Strategic Employment Sites*
V3	Abingdon Science Park at Barton Lane	Abingdon	Existing strategic employment site allocation	Previous ELR cluster Local Plan 2016 – 'Existing strategic employment site'; 'Other Saved Local Plan 2011 allocation'	*Vale of White Horse Local Plan 2031 Part 1 Strategic Sites and Policies – Appendix B: Existing Strategic Employment Sites*

Ref	Name	Location	Designation/ Allocation	Reason for survey	Boundary
V4	Radley Road Industrial Estate	Abingdon	Existing strategic employment site allocation	Previous ELR cluster Local Plan 2016 – 'Existing strategic employment site'	*Vale of White Horse Local Plan 2031 Part 1 Strategic Sites and Policies – Appendix B: Existing Strategic Employment Sites*
V5	Drayton Road Industrial Estate	Abingdon	Existing strategic employment site allocation	Previous ELR cluster Local Plan 2016 – 'Existing strategic employment site'	*Vale of White Horse Local Plan 2031 Part 1 Strategic Sites and Policies – Appendix B: Existing Strategic Employment Sites*
V6	Fitzharris Trading Estate	Abingdon	Existing strategic employment site allocation	Previous ELR cluster Local Plan 2016 – 'Existing strategic employment site'	*Vale of White Horse Local Plan 2031 Part 1 Strategic Sites and Policies – Appendix B: Existing Strategic Employment Sites*
V7	Minns Business Park at North Hinksey	Cumnor	Existing strategic employment site allocation	Previous ELR cluster Local Plan 2016 – 'Existing strategic employment site'	*Vale of White Horse Local Plan 2031 Part 1 Strategic Sites and Policies – Appendix B: Existing Strategic Employment Sites*
V8	Hinksey Business Centre and Industrial Estate	Cumnor	Existing strategic employment site allocation	Previous ELR cluster Local Plan 2016 – 'Existing strategic employment site'	*Vale of White Horse Local Plan 2031 Part 1 Strategic Sites and Policies – Appendix B: Existing Strategic Employment Sites*
V9	Botley - north of West Way	Cumnor	Existing strategic employment site allocation	Previous ELR cluster Local Plan 2016 – 'Existing strategic employment allocation'	*Vale of White Horse Local Plan 2031 Part 1 Strategic Sites and Policies – Appendix B: Existing Strategic Employment Sites*
V10	Cumnor Hill (Chawley Park)	Cumnor	Local Plan 2011 employment allocation	Previous ELR cluster Local Plan 2016 – 'Other Saved Local Plan 2011 allocation'	*Vale of White Horse Employment Land Review 2013*
V11	Faringdon - existing Park Road sites	Faringdon	Non-designated	Previous ELR cluster	*Vale of White Horse Employment Land Review 2013*
V12	Faringdon - land adjacent to A420 '4&20' Site	Faringdon	Existing strategic employment site allocation	Previous ELR cluster Local Plan 2016 – 'Other Saved Local Plan 2011 allocation'	*Vale of White Horse Local Plan 2031 Part 1 Strategic Sites and Policies – Appendix B: Existing Strategic Employment Sites*
V13	Faringdon - north of Pioneer Road	Faringdon	Proposed allocation	Previous ELR cluster	*Vale of White Horse Employment Land Review 2013*
V14	Grove Technology Park	Grove	Existing strategic employment site allocation	Previous ELR cluster Local Plan 2016 – 'Existing strategic employment site'; 'Other Saved Local Plan 2011 allocation'	*Vale of White Horse Local Plan 2031 Part 1 Strategic Sites and Policies – Appendix B: Existing Strategic Employment Sites*
V15	Downsview Road, Grove (Crown Technology)	Grove	Existing strategic employment site allocation	Previous ELR cluster Local Plan 2016 – 'Existing strategic employment site'	*Vale of White Horse Local Plan 2031 Part 1 Strategic Sites and Policies – Appendix B: Existing Strategic Employment Sites*
V16	Grove Road, Wantage	Wantage	Existing strategic employment site allocation	Previous ELR cluster Local Plan 2016 – 'Existing strategic employment site'	*Vale of White Horse Local Plan 2031 Part 1 Strategic Sites and Policies – Appendix B: Existing Strategic Employment Sites*
V17	Station Road, Grove (Williams F1)	Wantage	Existing strategic	Previous ELR cluster	*Vale of White Horse Local Plan 2031 Part 1 Strategic Sites and*

Ref	Name	Location	Designation/ Allocation	Reason for survey	Boundary
			employment site allocation	Local Plan 2016 – 'Existing strategic employment site'	*Policies – Appendix B: Existing Strategic Employment Sites*
V18	Milton Park	Didcot	Existing strategic employment site allocation	Previous ELR cluster Local Plan 2016 – 'Saved Local Plan 2011 allocation'	*Vale of White Horse Local Plan 2031 Part 1 Strategic Sites and Policies – Appendix B: Existing Strategic Employment Sites*
V19	Harwell, Oxford	Harwell	Existing strategic employment site allocation	Previous ELR cluster Local Plan 2016 – 'Saved Local Plan 2011 allocation'	*Vale of White Horse Local Plan 2031 Part 1 Strategic Sites and Policies – Appendix B: Existing Strategic Employment Sites*
V20	Kingston Business Park	Rural	Rural multi user site allocation	Previous ELR cluster Local Plan 2016 – 'Rural multi user site'	*Vale of White Horse Employment Land Review 2013*
V21	Whitehorse Business Park	Stanford in the Vale	Rural multi user site allocation	Previous ELR cluster Local Plan 2016 – 'Rural multi user site'	*Vale of White Horse Employment Land Review 2013*
V22	Uffington Station	Rural	Non-designated	Previous ELR cluster	*Vale of White Horse Employment Land Review 2013*
V23	Wootton Business Park	Wootton	Rural multi user site allocation	Previous ELR cluster Local Plan 2016 – 'Rural multi user site'; 'Other Saved Local Plan 2011 allocation'	*Vale of White Horse Employment Land Review 2013*
V24	Shrivenham Hundred Business Park	Shrivenham Hundred	Rural multi user site allocation	Previous ELR cluster Local Plan 2016 – 'Rural multi user site'	*Vale of White Horse Employment Land Review 2013*
V25	Ardington - The Bakers Yard	Rural	Rural multi user site allocation	Previous ELR cluster Local Plan 2016 – 'Rural multi user site'	*Vale of White Horse Employment Land Review 2013*
V26	Ardington - Home Farm	Rural	Rural multi user site allocation	Previous ELR cluster Local Plan 2016 – 'Rural multi user site'	*Vale of White Horse Employment Land Review 2013*
V27	Challow - W&G	Rural	Rural multi user site allocation	Previous ELR cluster Local Plan 2016 – 'Rural multi user site'	*Vale of White Horse Employment Land Review 2013*
V28	Sandford Lane Industrial Estate	Sandford-on-Thames	Rural multi user site allocation	Previous ELR cluster Local Plan 2016 – 'Rural multi user site'	*Vale of White Horse Employment Land Review 2013*
V29	Steventon - Station Yard Industrial Estate	Steventon	Rural multi user site allocation	Previous ELR cluster Local Plan 2016 – 'Rural multi user site'	*Vale of White Horse Employment Land Review 2013*
V30	Milton Hill Business and Technology Centre	Rural	Large campus style site allocation	Previous ELR cluster Local Plan 2016 – 'Large campus style sites'; 'Other Saved	*Vale of White Horse Employment Land Review 2013*

Ref	Name	Location	Designation/ Allocation	Reason for survey	Boundary
				Local Plan 2011 allocation'	
V31	Tubney Wood - Oxford Instruments	Rural	Large campus style site allocation	Previous ELR cluster Local Plan 2016 – 'Large campus style sites'	*Vale of White Horse Employment Land Review 2013*
V32	Didcot A Power Station	Didcot	Existing strategic employment site allocation	Previous ELR cluster Local Plan 2016 – 'Identified future potential supply'; 'Existing strategic employment site'	*Vale of White Horse Local Plan 2031 Part 1 Strategic Sites and Policies – Appendix B: Existing Strategic Employment Sites*
V33	Faringdon - Wicklesham Quarry	Faringdon	Proposed allocation	Previous ELR cluster	*Vale of White Horse Employment Land Review 2013*
V34	Faringdon - South of Park Road / Roger's Quarry	Faringdon	Mixed use strategic allocation	Previous ELR cluster Local Plan 2016 – 'New mixed use strategic allocation'	*Vale of White Horse Employment Land Review 2013*
V35	Farmoor Court	Rural	Non-designated	AECOM review of CoStar database	AECOM
V36	Radley Lakes cluster	Rural	Non-designated	Radley Neighbourhood Plan	*Radley Neighbourhood Plan 2018. 'Map 6: Radley Lakes, including Surrounding Area'*
V37	Land north west of Gloucester Street car park	Faringdon	Proposed employment land allocation	Faringdon Neighbourhood Plan	*Faringdon Neighbourhood Plan 2016: 'Figure 8: Existing and proposed employment land'*
V38	Manor Farm, Manor Road, Wantage	Rural	Non-designated	Officer identified	South Oxfordshire and Vale of White Horse District Councils
V39	Horticulture House	Harwell	Non-designated	Chilton Neighbourhood Plan	*Chilton Neighbourhood Plan. Figure 4.1: Chilton Employment Sites*

Criteria identification

7.6 In order to characterise the function, quality and development potential of each of the employment clusters in South Oxfordshire and VOWH, a series of criteria were developed in order to conduct a detailed assessment. The assessment was conducted based on a set of appraisal criteria (agreed with South Oxfordshire and VOWH District Councils in advance and drawing on PPG and other guidance as well as AECOM's experience of producing Employment Land Studies). The following criteria were assessed:

- Business use/occupier typologies;
- Main employment/land uses;
- Quality of environment and public realm;
- Access to facilities and amenities;
- Negative effects of businesses on neighbouring sensitive uses;
- Physical site constraints;
- Potential for 24-hour working;
- Parking facilities;
- Strategic Road access;

- Strategic access to public transport;
- Access to waterways/wharves;
- Access to railhead;
- Building condition;
- Vacant developable sites;
- Redevelopment of employment cluster for other uses;
- Possibilities for intensification/redevelopment or extension; and
- Availability of affordable workspace

Detailed cluster assessment

7.7 A detailed assessment of each of the criteria set out above was undertaken for each cluster, comprising both desk-based investigation and site surveys conducted on visits which took place in July 2023[61]. Site visits were undertaken in order to confirm and enhance information about the sites. This section presents the overall findings of the site assessments. A Red Amber Green (RAG) rating[62] has been applied to each of the clusters in the following domains:

- Quality of public realm, environment and surroundings;
- Accessibility;
- Building condition (where applicable); and
- Availability of land for development[63]

7.8 Given the large number of clusters identified, their varying characteristics and the rurality of the districts, the analysis is broken down by clusters in proximity to main settlements[64], clusters in proximity to other settlements and rural clusters, as identified by AECOM.

South Oxfordshire

Clusters in proximity to main settlements

7.9 The identified occupier typologies, business types, employment uses and land uses within the identified clusters in proximity to the main settlements of Didcot, Wallingford, Thame and Henley-on-Thames and are shown in Table 7-3.

Table 7-3 Clusters and Uses (Main Settlements)

Ref	Name	Settlement	Size (ha)	Business Use/Occupier Typologies	Employment/Land Uses
S2	Southmead Industrial Estate and Didcot Station Area	Didcot	71.5	Light industrial; general industrial and warehousing & storage	E(g)(iii); B2; B8
S3	Rich's Sidings, Didcot	Didcot	2.9	Light industrial; general industrial; care home	E(g)(iii); B2; B8

[61] Due to access constraints, it was not possible to conduct a thorough site survey for Culham Science Centre, Smith Centre, Land at Chalgrove Airfield and Station Road, Grove (Williams F1). As such, the assessment is informed by desk-based analysis where appropriate.
[62] A RAG (Red-Amber-Green) rating provides a representative overview of performance in each domain, whereby green represents the best performing and red represents the worst performing. Each domain is comprised of some of the assessed criteria set out in paragraph 7.6 above. A grey colouring indicates that a domain is not applicable at that location, or it was not possible to conduct an assessment.
[63] Determined through review of employment land yet to be developed through existing allocations; vacant sites included in Neighbourhood Plans and through the site survey undertaken in July 2023.
[64] As identified by South Oxfordshire District Council and Vale of White Horse District Council

Ref	Name	Settlement	Size (ha)	Business Use/Occupier Typologies	Employment/Land Uses
S4	Hithercroft Industrial Estate	Wallingford	25.3	Light industrial; general industrial and warehousing & storage	E(g)(iii); B2; B8
S5	Crowmarsh Industrial Cluster - Howberry Park	Wallingford	21.9	Office; R&D; light industrial; general industrial; conference centre; F&B	E(g)(i); E(g)(ii); E(g)(iii); B2; B8
S24	Ayres Yard	Wallingford	0.6	Light industrial; general industrial and warehousing & storage	E(g)(iii); B2; B8
S8	Thame Industrial Cluster	Thame	38.0	Light industrial; general industrial and warehousing & storage; police station	E(g)(iii); B2; B8; SG
S18	Rycote Lane, M40	Thame	4.3	Light industrial; general industrial and warehousing & storage	E(g)(iii); B2; B8
S23	Site B (Windles, Groves), Thame	Thame	3.8	General industrial and warehousing & storage	B2; B8
S10	Reading Road Industrial Estate, Henley-on-Thames	Henley-on-Thames	17.1	Office; light industrial; general industrial and warehousing & storage; retail	E(g)(i); E(g)(iii), B2; B8
S11	Smith Centre, Henley-on-Thames	Henley-on-Thames	2.1	Office	E(g)(i)

7.10 The assessed RAG rating in each domain for each cluster is shown in Table 7-4. The RAG rating indicates the performance of the cluster against key criteria, with green indicating a good performance (suitable against the criterion to support employment activities), yellow an average performance and red a poor performance (unsuitable against the criterion to support employment activities). Grey indicates that the criterion is not relevant (e.g. the building condition of properties cannot be assessed when the cluster is undeveloped).

7.11 Overall, employment clusters tend to be accessible, owing to their proximity to the town centre public transport options and adjacency or indirect access to the strategic road network. The public realm, environment and surroundings of established business parks and industrial areas are rated highly, whereas the smaller, less formal industrial estates such as Rich's Sidings and Ayres Yard currently have poorer public realm and building conditions.

7.12 The RAG rating summarises the performance of each cluster against key criteria. The rating is based on a more detailed assessment of each cluster, against detailed criteria.

Table 7-4 RAG Rating by Domain (Key Settlements)

Ref	Name	Public Realm, Environment and Surroundings	Accessibility	Building Condition	Land Available for Development
S2	Southmead Industrial Estate and Didcot Station Area				
S3	Rich's Sidings, Didcot				
S4	Hithercroft Industrial Estate				
S5	Crowmarsh Industrial Cluster - Howberry Park				
S24	Ayres Yard				
S8	Thame Industrial Cluster				
S18	Rycote Lane, M40				
S23	Site B (Windles, Groves), Thame				
S10	Reading Road Industrial Estate, Henley-on-Thames				
S11	Smith Centre, Henley-on-Thames				

Clusters in proximity to other settlements

7.13 The identified occupier typologies, business types, employment uses and land uses within the identified clusters in proximity to the other settlements across the District and are shown in Table 7-5.

Table 7-5 Clusters and Uses (Other Settlements)

Ref	Name	Settlement	Size (ha)	Business Use/Occupier Typologies	Employment/Land Uses
S1	Culham Science Centre and Culham No1 Site	Culham	77.3	Office; R&D; light industrial; general industrial; warehousing & storage	E(g)(i); E(g)(ii); E(g)(iii); B2; B8
S14	Land at Berinsfield Garden Village	Berinsfield	137.7	Greenfield	N/A
S21	Berinsfield Business Park/Tower Business Park	Berinsfield	3.7	General industrial; warehousing & storage	B2; B8
S6	Boundary Business Park, Garsington	Garsington	0.9	Light industrial units; Salon	E(g)(iii)
S9	Watlington Industrial Cluster	Watlington	5.3	Light industrial; general industrial; warehousing & storage	E(g)(iii); B2; B8
S15	Oxford Science Park, Grenoble Road	Sandford-on-Thames	152.5	Office; R&D; light industrial; general industrial	E(g)(i); E(g)(ii); E(g)(iii); B2

Ref	Name	Settlement	Size (ha)	Business Use/Occupier Typologies	Employment/Land Uses
S16	Oakley Road, Chinnor	Chinnor	0.6	Office; Car repair workshop	E(g)(i); B2
S20	Thames Court	Goring	0.4	Office; general industrial	E(g)(i); B2

7.14 The assessed RAG rating in each domain for each cluster is shown in Table 7-6. Excluding Culham Science Centre and Oxford Science Park, which score strongly across most domains, the clusters score more poorly in relation to their accessibility due to their proximity to smaller centres that lack public transport options and adjacency to the strategic road network, and are generally classified as having poorer quality public realm and average quality stock. However, a higher proportion of clusters have land available for development, including Culham Science Centre and Oxford Science Park which are the highest performing clusters based on the criteria under consideration.

Table 7-6 RAG Rating by Domain (Other Settlements)

Ref	Name	Public Realm, Environment and Surroundings	Accessibility	Building Condition	Land Available for Development
S1	Culham Science Centre and Culham No1 Site				
S14	Land at Berinsfield Garden Village				
S21	Berinsfield Business Park/Tower Business Park				
S6	Boundary Business Park, Garsington				
S9	Watlington Industrial Cluster				
S15	Oxford Science Park, Grenoble Road				
S16	Oakley Road, Chinnor				
S20	Thames Court				

Rural Clusters

7.15 The identified occupier typologies, business types, employment uses and land uses within the identified rural clusters are shown in Table 7-7.

Table 7-7 Clusters and Uses (Rural)

Ref	Name	Settlement	Size (ha)	Business Use/Occupier Typologies	Employment/Land Uses
S7	Monument Business Park, Chalgrove	Rural	12.8	Office; general industrial; warehousing & storage	E(g)(i); B2; B8
S12	London Road Industrial Estate Wheatley	Rural	3.5	General industrial; warehousing & storage	B2; B8

Ref	Name	Settlement	Size (ha)	Business Use/Occupier Typologies	Employment/Land Uses
S13	Land at Chalgrove Airfield[65]	Rural	2.3	Defence	
S17	Rycote Lane Farm	Rural	4.6	Light industrial; warehousing & storage; showroom; retail	E(g)(iii); B8
S19	Little Baldon	Rural	0.7	Office; warehousing & storage	E(g)(i); B8
S22	Slade End Green	Rural	6.0	Greenfield	
S25	The Old Coal Yard	Rural	0.3	Brownfield	
S27	Church Farm, allocation	Rural	0.2	Greenfield	
S26	Church Farm, existing	Rural	1.4	Light industrial; general industrial; warehousing & storage; agriculture	E(g)(iii); B2; B8
S28	Ward's Farm Industrial Estate, existing	Rural	0.4	Light industrial; general industrial; warehousing & storage; car repair	E(g)(iii); B2; B8
S29	Ward's Farm Industrial Estate, allocation	Rural	0.2	Greenfield	

7.16 The assessed RAG rating in each domain for each cluster is shown in Table 7-8. Overall, the employment clusters in rural locations tend to score poorly in terms of the quality of the public realm and surroundings; building condition and their accessibility. This reflects feedback from consultees, who noted that, owing to challenges associated with affordability, some industrial businesses had moved to more peripheral locations, such as farm conversions, which offered lower rents, with the standard of accommodation and public realm a necessary compromise.

Table 7-8 RAG Rating by Domain (Rural)

Ref	Name	Public Realm, Environment and Surroundings	Accessibility	Building Condition	Land Available for Development
S7	Monument Business Park, Chalgrove[66]				
S12	London Road Industrial Estate Wheatley				
S13	Land at Chalgrove Airfield				
S17	Rycote Lane Farm				
S19	Little Baldon				
S22	Slade End Green				
S25	The Old Coal Yard				
S27	Church Farm, allocation				

[65] No public access. Assessed as STRAT7- operational use for military purposes.
[66] Note - assessment considered the two portions of the allocation which were publicly accessible i.e. not within Chalgrove Airfield (STRAT7)

Ref	Name	Public Realm, Environment and Surroundings	Accessibility	Building Condition	Land Available for Development
S26	Church Farm, existing				
S28	Ward's Farm Industrial Estate, existing				
S29	Ward's Farm Industrial Estate, allocation				

Vale of White Horse

Clusters in proximity to main settlements

7.17 The identified occupier typologies, business types, employment uses and land uses within the identified clusters in proximity to the main settlements of Abingdon, Faringdon, Wantage and Grove[67] are shown in Table 7-9.

Table 7-9 Clusters and Uses (Main Settlements)

Ref	Name	Settlement	Size (ha)	Business Use/Occupier Typologies	Employment/Land Uses
V1	Barton Mill in Audlett Drive, Abingdon	Abingdon	1.5	Light industrial; general industrial; warehousing & storage; retail; gym	E(g)(iii); B2; B8
V2	Abingdon Business Park at Wyndyke Furlong	Abingdon	37.5	Office; light industrial; general industrial; warehousing & storage	E(g)(i); E(g)(iii); B2; B8
V3	Abingdon Science Park at Barton Lane	Abingdon	11.0	Office; R&D; light industrial; general industrial; warehousing & storage	E(g)(i); E(g)(ii); E(g)(iii); B2; B8
V4	Radley Road Industrial Estate	Abingdon	2.3	Light industrial; general industrial; warehousing & storage; car repair	E(g)(iii); B2; B8
V5	Drayton Road Industrial Estate	Abingdon	1.0	Light industrial; general industrial; warehousing & storage; brewery; retail	E(g)(iii); B2; B8
V6	Fitzharris Trading Estate	Abingdon	0.4	Light industrial; general industrial; warehousing & storage	E(g)(iii); B2; B8
V11	Faringdon - existing Park Road sites	Faringdon	6.6	Light industrial; general industrial; warehousing & storage; showroom; car wash	E(g)(iii); B2; B8

[67] Note, Didcot is also included, as this is a key settlement noted within South Oxfordshire, but the Didcot A Power Station site falls into The VOWH

Ref	Name	Settlement	Size (ha)	Business Use/Occupier Typologies	Employment/Land Uses
V12	Faringdon - land adjacent to A420 '4&20' Site	Faringdon	4.6	Hotel; retail; general industrial; warehousing & storage	B2; B8
V13	Faringdon - north of Pioneer Road	Faringdon	0.9	Greenfield	
V33	Faringdon - Wicklesham Quarry	Faringdon	12.1	Greenfield	
V34	Faringdon - South of Park Road / Roger's Quarry	Faringdon	4.0	Brownfield	
V37	Land north west of Gloucester Street car park	Faringdon	1.1	Greenfield	
V16	Grove Road, Wantage	Wantage	2.45	Office; R&D; general industrial	E(g)(i); B2
V17	Station Road, Grove (Williams F1)	Wantage	7.1	Office; R&D; general industrial	E(g)(i); E(g)(ii); B2
V14	Grove Technology Park	Grove	11.7	Office; R&D; light industrial; general industrial; warehousing & storage	E(g)(i); E(g)(ii); E(g)(iii); B2; B8
V15	Downsview Road, Grove (Crown Technology)	Grove	4.6	Office; general industrial; warehousing & storage	E(g)(i); B2; B8
V32	Didcot A Power Station	Didcot	44.3	General industrial; warehousing & storage	B2; B8

7.18 The assessed RAG rating[68] in each domain for each cluster is shown in Table 7-10Table 7-4. Overall, the public realm, environment and surroundings of new and established business parks and industrial areas are rated highly, with the exception of smaller, less formal industrial estates such as Radley Road Industrial Estate and Fitzharris Trading Estate. Accessibility scores more muted owing to the presence of smaller centres in the District and associated road and public transport infrastructure. In contrast to South Oxfordshire, a high proportion of clusters have land available for development, with a number of greenfield sites in Faringdon and identified area for expansion at Abingdon Business Park and Grove Technology Park.

Table 7-10 RAG Rating by Domain (Main Settlements)

Ref	Name	Public Realm, Environment and Surroundings	Accessibility	Building Condition	Land Available for Development
V1	Barton Mill in Audlett Drive, Abingdon				
V2	Abingdon Business Park at Wyndyke Furlong				
V3	Abingdon Science Park at Barton Lane				

[68] The RAG rating indicates the performance of the cluster against key criteria, with green indicating a good performance (suitable against the criterion to support employment activities), yellow an average performance and red a poor performance (unsuitable against the criterion to support employment activities). Grey indicates that the criterion is not relevant (i.e. the building condition of properties cannot be assessed when the cluster is undeveloped).

Ref	Name	Public Realm, Environment and Surroundings	Accessibility	Building Condition	Land Available for Development
V4	Radley Road Industrial Estate				
V5	Drayton Road Industrial Estate				
V6	Fitzharris Trading Estate				
V11	Faringdon - existing Park Road sites				
V12	Faringdon - land adjacent to A420 '4&20' Site				
V13	Faringdon - north of Pioneer Road				
V33	Faringdon - Wicklesham Quarry				
V34	Faringdon - South of Park Road				
V37	Land north west of Gloucester Street car park				
V16	Grove Road, Wantage				
V17	Station Road, Grove (Williams F1)				
V14	Grove Technology Park				
V15	Downsview Road, Grove (Crown Technology)				
V32	Didcot A Power Station				

Clusters in proximity to other settlements

7.19 The identified occupier typologies, business types, employment uses and land uses within the identified clusters in proximity to the other settlements across the District and are shown in Table 7-11.

Table 7-11 Clusters and Uses (Other Settlements)

Ref	Name	Settlement	Size (ha)	Business Use/Occupier Typologies	Employment/Land Uses
V7	Minns Business Park at North Hinksey	Cumnor	1.6	Office; R&D	E(g)(i); E(g)(ii)
V8	Hinksey Business Centre and Industrial Estate	Cumnor	2.5	Light industrial; general industrial; warehousing & storage; brewery; retail	E(g)(iii); B2; B8
V9	Botley - north of West Way	Cumnor	1.7	Office	E(g)(i)
V10	Cumnor Hill (Chawley Park)	Cumnor	0.5	Office	E(g)(i)
V18	Milton Park	Milton	78.0	Office; R&D; light industrial; general	E(g)(i); E(g)(ii); E(g)(iii); B2; B8

Ref	Name	Settlement	Size (ha)	Business Use/Occupier Typologies	Employment/Land Uses
				industrial; warehousing & storage; retail	
V19	Harwell, Oxford	Harwell	291	Office; R&D; light industrial; general industrial	E(g)(i); E(g)(ii); E(g)(iii); B2
V21	Whitehorse Business Park	Stanford in the Vale	9.2	General industrial; warehousing & storage	B2; B8
V23	Wootton Business Park	Wootton	2.2	Office	E(g)(i)
V24	Shrivenham Hundred Business Park	Shrivenham Hundred	5.4	Office; R&D	E(g)(i); E(g)(ii)
V28	Sandford Lane Industrial Estate	Sandford-on-Thames	1.2	Office; light industrial; general industrial; car repair	E(g)(i); E(g)(iii); B2
V29	Steventon - Station Yard Industrial Estate	Steventon	0.2	Light industrial; community uses	E(g)(iii)
V39	Horticulture House	Harwell	0.7	Office	E(g)(i)

7.20 The assessed RAG rating in each domain for each cluster is shown in Table 7-12. In general, the clusters score reasonably strongly across all domains. The presence of formal public realm is evident across most sites, with planting, landscaping, lighting and good legibility, while access to the road network was also complemented by public transport connectivity and active travel routes at sites such as Milton Park, Harwell and Minns Business Park. Again, building condition was generally assessed to be good, with high proportions of quality stock evident at sites including Milton Park, Chawley Park and Wootton Business Park.

7.21 A lower proportion of clusters had identified land available for development, compared with those in proximity to the key settlements across the District, but available capacity is evident at Milton Park and Harwell, two key sites with high growth potential. Indeed, of the 128ha currently allocated at Harwell, 35ha has currently been delivered, while of the 28ha allocated at Milton Park, 14 ha has been delivered. Much of these clusters is covered by Enterprise Zone status, with approximately 77ha of employment land still to come forward at Harwell allocated within the Enterprise Zone. The Enterprise Zones are in effect provided with state aid incentives in the form of tax breaks and a simplified planning regime means that the normal market mechanism is potentially distorted and demand inflated in these particular locations. This will be an important consideration in the Needs Analysis in Section 9.

Table 7-12 RAG Rating by Domain (Other Settlements)

Ref	Name	Public Realm, Environment and Surroundings	Accessibility	Building Condition	Land Available for Development
V7	Minns Business Park at North Hinksey				
V8	Hinksey Business Centre and Industrial Estate				
V9	Botley - north of West Way				
V10	Cumnor Hill (Chawley Park)				
V18	Milton Park				

Ref	Name	Public Realm, Environment and Surroundings	Accessibility	Building Condition	Land Available for Development
V19	Harwell, Oxford				
V21	Whitehorse Business Park				
V23	Wootton Business Park				
V24	Shrivenham Hundred Business Park				
V28	Sandford Lane Industrial Estate				
V29	Steventon - Station Yard Industrial Estate				
V39	Horticulture House				

Rural Clusters

7.22 The identified occupier typologies, business types, employment uses and land uses within the identified rural clusters are shown in Table 7-13.

Table 7-13 Clusters and Uses (Rural)

Ref	Name	Settlement	Size (ha)	Business Use/Occupier Typologies	Employment/Land Uses
V20	Kingston Business Park	Rural	5.4	Office; light industrial; general industrial; warehousing & storage	E(g)(i); E(g)(iii); B2; B8
V22	Uffington Station	Rural	1.0	Light industrial; general industrial; warehousing & storage	E(g)(iii); B2; B8
V25	Ardington - The Bakers Yard	Rural	0.3	Office; light industrial	E(g)(i); E(g)(iii)
V26	Ardington - Home Farm	Rural	0.5	Office; light industrial; salon	E(g)(i); E(g)(iii)
V27	Challow - W&G	Rural	2.8	Light industrial; general industrial; car repair	E(g)(iii); B2
V30	Milton Hill Business and Technology Centre	Rural	11.2	Office; R&D; general industrial	E(g)(i); E(g)(ii); B2
V31	Tubney Wood - Oxford Instruments	Rural	2.5	Office; general industrial; warehousing & storage	E(g)(i); E(g)(iii); B2; B8
V35	Farmoor Court	Rural	0.4	Office	E(g)(i)
V36	Radley Lakes cluster	Rural	13.3	Light industrial; general industrial; warehousing & storage; car repair	E(g)(iii); B2; B8
V38	Manor Farm, Manor Road, Wantage	Rural	1.1	Office; light industrial; warehousing & storage; school	E(g)(i); E(g)(iii); B8

7.23 The assessed RAG rating in each domain for each cluster is shown in Table 7-14. Overall, the employment clusters in rural locations tend to score more poorly in terms of their accessibility. Furthermore, the condition of buildings and quality of the public realm is also lower, though there are exceptions at Tubney Wood (a sole occupier site) and Farmoor Court. In contrast with South Oxfordshire, limited land was identified as available for development at the rural clusters.

Table 7-14 RAG Rating by Domain (Rural)

Ref	Name	Public Realm, Environment and Surroundings	Accessibility	Building Condition	Land Available for Development
V20	Kingston Business Park				
V22	Uffington Station				
V25	Ardington - The Bakers Yard				
V26	Ardington - Home Farm				
V27	Challow - W&G				
V30	Milton Hill Business and Technology Centre				
V31	Tubney Wood - Oxford Instruments				
V35	Farmoor Court				
V36	Radley Lakes cluster				
V38	Manor Farm, Manor Road, Wantage				

Summary

7.24 AECOM's qualitative survey of existing supply of employment land within South Oxfordshire and VOWH districts comprised a site visit to 68 clusters (29 in South Oxfordshire and 39 in VOWH), combined with elements of desk-based research.

7.25 The assessment of existing supply was conducted based on a set of site appraisal criteria (which were agreed with South Oxfordshire and VOWH District Councils in advance) from which detailed analysis was carried out to identify the typologies of employment land within the district.

South Oxfordshire

7.26 Owing to the largely rural location of many of the significant employment clusters public transport accessibility is limited in the majority of clusters surveyed. The larger and higher performing industrial clusters tend to be located in with direct or indirect access to the strategic road network/main arterial routes (such as the M40, A418 and A4130) with clusters less well connected to the road network often smaller, offering older/poorer quality buildings, limited formal public realm and access to amenities.

7.27 Outside of the main town centres, office space in South Oxfordshire tends to be provided alongside other industrial uses in business park settings and industrial estates, comprising both spaces ancillary to industrial uses and standalone commercial office use. There is evidence of high-quality public realm and stock within Crowmarsh Industrial Cluster - Howberry Park (S7), Smith Centre, Henley-on-Thames (S11) and Oxford Science Park, Grenoble Road (S15). However, new buildings are often interspersed with older stock.

7.28 A number of sites, including higher performing sites such as Crowmarsh Industrial Cluster - Howberry Park (S5), Culham Science Centre and Culham No1 Site (S1) and Oxford Science Park, Grenoble Road (S15) are identified as having land available for development. Furthermore, a number of smaller rural sites are also identified as having land available for development, often linked to the diversification of farming activity. The land identified as available for development is either located within existing employment areas (i.e. part of the site remains undeveloped or brownfield) or is within entirely undeveloped designated sites.

Vale of White Horse

7.29 Our survey identifies that employment land in VOWH consists of a small number of large clusters, such as Harwell (V19), Milton Park (V18), Abingdon Business Park (V2) and Didcot A Power Station (V32),

contrasted by a variety of small to medium sized business parks and industrial estates and disparate, rural employment sites spread across the District.

7.30 The assessment concludes that most clusters in proximity to the main towns and other settlements surveyed are functioning well, have high occupancy rates and support a diverse range of business types. The majority score strongly across multiple domains, with the presence of high-quality clusters such as Milton Park (V19) offering modern floorspace, high quality public realm and supporting infrastructure. However, accessibility scores are muted owing to the presence of smaller centres in the District and associated public transport infrastructure.

7.31 The employment clusters in rural locations tend to score more poorly in terms of their accessibility, the condition of buildings and quality of the public realm, though there are exceptions at Tubney Wood (a sole occupier site) and Farmoor Court, which score strongly across most domains.

7.32 A number of sites are identified as having land available for development, including Milton Park (V18) and Harwell (V19), two key sites with high growth potential, and multiple sites in proximity to the main settlements of Faringdon and Grove. In contrast to South Oxfordshire, there is limited land identified for development at rural clusters, with opportunities tending to be located in proximity to towns and villages across the District.

8. Economic Development Needs Assessment

Introduction

8.1 In understanding the range and portfolio of future employment land and floorspace needs in South Oxfordshire and VOWH it is important to determine the potential nature of employment growth over the Plan period to 2041 to ensure sufficient provision is made and protected within the districts' employment sites. Such an assessment can be termed an Economic Development Needs Assessment.

8.2 This section sets out the forecasting scenarios' that have been considered within the Economic Development Needs Assessment in this Study to understand the 'reasonable alternatives' for potential future growth. It comprises a detailed technical assessment and key outputs, and identifies a 'synthesis' forecast which should form the basis of future planning for employment needs.

8.3 The Economic Development Needs Assessment considers three different approaches/scenarios to a range of future employment growth scenarios:

- Scenario 1 – Labour demand: using employment forecasts sourced from Oxford Economics, the change in employment in South Oxfordshire and VOWH (by industry) is translated into the associated change in floorspace and land requirements.
- Scenario 2 – Past Take-Up: this scenario considers past net absorption of employment floorspace in South Oxfordshire and VOWH and projects the historical trend over the Plan Period. Future change in floorspace is then converted into future land requirement.
- Scenario 3 – Labour supply: this scenario uses population forecasts to understand the level of additional workforce that will be available on the labour market. Additional workforce is allocated to industries and translated into associated change in floorspace and land requirements.

8.4 Employment sectors have been mapped to the current core B and E(g) use classes:

Office uses (former B1a, B1b):

- E(g)(i) Offices;
- E(g)(ii) Research and development;

Industrial uses (former B1c, B2, B8):

- E(g)(iii) Light industrial;
- B2 General industrial;
- B8 Storage or distribution.

8.5 Job numbers for each use class have been calculated, and these have been converted to floorspace requirements by applying appropriate employment density assumptions. To calculate land requirements for industrial uses, plot ratios have been applied to convert floorspace into land (hectares). The employment densities and plot ratios used draw on the HCA Employment Densities Guide 3rd Edition (2015) and the consultants' appreciation of prevailing rates/ratios, and are summarised in Table 8-1 below.

Table 8-1 Employment density and plot ratio assumptions

Use class	HCA Employment Density Guide (2015)	Employment density assumption used (m^2 per full-time equivalent (FTE) job)	Plot Ratio (% of site area)
E(g)(i)	Offices – 8-13 m^2 NIA per FTE job	11.3	100%
E(g)(ii)	R&D space – 40-60 m^2 NIA per FTE job	50	40%

Use class	HCA Employment Density Guide (2015)	Employment density assumption used (m^2 per full-time equivalent (FTE) job)	Plot Ratio (% of site area)
E(g)(iii)	Light industrial – 47 m^2 NIA per FTE job	47	40%
B2	Industrial & Manufacturing – 36 m^2 GIA per FTE job	36	40%
B8	Storage & Distribution – 70-95 m^2 GEA per FTE job	70	45%

8.6 It should be noted that employment ratios can vary significantly depending on location and the exact type of use. The HCA Employment Densities Guide allows for this by providing density ranges against uses. This study has taken a mid-point approach to applying these ranges. The exception to this is for B8 uses where an average density towards the higher end of the HCA Employment Densities Guide has been applied – reflecting the density ascribed to final mile distribution uses (rather than regional or national hubs, which are generally of lower employment density per m^2 of space). This is considered appropriate for South Oxfordshire and the Vale of White Horse, where most storage and distribution uses serve a local or sub-regional market rather than being of a larger scale.

8.7 The model within which the scenarios discussed in this chapter are tested is based on the employment forecasts provided by Oxford Economics (May 2023). As these forecasts are currently only provided up to 2040, a final year of growth (in 2041) has been extrapolated such that the same rate of growth between 2039 and 2040 is repeated between 2040 and 2041.

8.8 The employment land requirement forecast delineates growth into major sectors which, in turn, are aggregated into land use types. This approach provides a land and floorspace requirement for office (E(g)(i)/E(g)(ii)), industrial (E(g)(iii)/B2) and warehousing (B8) activity. Whilst this approach aligns with the guidance provided by the NPPF and PPG and provides a robust basis for planning purposes, it should be recognised that future delivery may not be as neatly categorised.

8.9 The scenarios should thus be treated as broadly indicative. Predicting future economic trends and corresponding employment land requirements is not an exact science. The assessment needs to be based on a series of assumptions, including the future performance of individual business sectors, the proportion of employment in each sector that corresponds to each of the B and E(g) use classes, and the future employment densities and plot ratios for each use class. Furthermore, the future economic performance of the local economy is subject to external factors that are hard to predict in the context of this study, such as political and economic changes at the national and international levels.

8.10 With the above caveat in place, the scenarios presented in this chapter provide an indication of future economic trends and are a useful tool for informing employment land policy. It should also be noted that all figures presented in this chapter have been rounded and therefore may not completely add up.

Scenario 1 – Labour Demand

8.11 According to Oxford Economics' May 2023 employment forecasts, full time equivalent (FTE) employment across all sectors across South Oxfordshire and Vale of White Horse is forecast to increase from 125,755 in 2021 to 141,119 in 2041 an increase of 15,344 approximately 12.2%, as shown in Table 8-2. The biggest growth sectors in terms of absolute number of FTE employment growth include professional, scientific & technical (M), health (Q) and business administration & support services (N).

8.12 The sectors forecast to decline the most in absolute terms include manufacturing (C), mining, quarrying & utilities (B, D and E) and public administration & defence (O).

Table 8-2 Forecast growth or decline by employment category 2021-2041

Employment Sector	FTE change 2021-2041		
	South Oxfordshire	VOWH	Total
Professional, scientific & technical	2,048	4,677	6,735
Health	882	2,025	2,914
Business administration & support services	1,041	1,851	2,871
Construction	525	980	1,487
Information & communication	383	985	1,368
Education	339	712	1,051
Accommodation & food services	519	526	1,043
Arts, entertainment, recreation & other services	547	426	972
Property	68	212	279
Retail	19	53	73
Wholesale	8	25	33
Motor trades	3	11	14
Financial & insurance	-41	-14	-55
Public administration & defence	-154	-58	-211
Transport & storage (inc postal)	-167	-69	-237
Agriculture, forestry & fishing	-131	-108	-239
Mining, quarrying & utilities	-113	-335	-448
Manufacturing	-1,059	-1,246	-2,305
All sectors	**+4,717**	**+10,652**	**+15,344**

8.13 Employment in office and industrial use class sectors made up approximately 50% of all employment in South Oxfordshire and Vale of White Horse in 2021 (62,944 out of a total of 125,775 FTE jobs). Oxford Economics forecasts employment in office and industrial sectors to increase overall by 7,306 FTE jobs over the period 2021-2041, an increase of approximately 11.6%.

Table 8-3 Employment forecasts by use class, 2021-2041 - Demand-based Scenario

Use Class	South Oxfordshire			VOWH			Total		
	2021	2041	Change 2021-41	2021	2041	Change 2021-41	2021	2041	Change 2021-41
E(g)(i)	15,478	17,539	13.3%	19,918	24,722	24.1%	35,395	42,259	19.4%
E(g)(ii)	3,281	3,774	15.0%	4,670	5,878	25.9%	7,951	9,653	21.4%
Total office jobs	**18,759**	**21,313**	**13.8%**	**24,588**	**30,600**	**24.7%**	**43,346**	**50,912**	**20.0%**
E(g)(iii)	2,330	2,050	-12.0%	2,900	2,698	-7.0%	5,230	4,745	-9.3%
B2	2,200	1,860	-15.5%	2,675	2,308	-13.7%	4,875	4,164	-14.6%
B8	4,418	4,316	-2.3%	5,075	5,104	0.6%	9,493	9,417	-0.8%
Total industrial jobs	**8,948**	**8,226**	**-8.1%**	**10,650**	**10,110**	**-5.1%**	**19,598**	**18,326**	**-6.5%**
Total office and industrial jobs	**27,706**	**29,540**	**6.6%**	**35,238**	**40,710**	**15.5%**	**62,944**	**70,238**	**11.6%**

8.14 The greatest increase in absolute terms is forecast to take place in use class office E(g)(i) jobs (+6,867 jobs), followed by research and development E(g)(ii) jobs (+1,701 jobs). Employment in light industrial E(g)(iii), general industrial (B2) and warehousing and storage (B8) jobs is forecast to decrease (-482, -708 and -72 jobs respectively).

8.15 Based on the above employment forecasts and the employment density assumptions summarised in Table 8-1, floorspace requirement forecasts over the period 2021-2041 are presented in Table 8-4 and Table 8-5 below.

Table 8-4 Additional office floorspace need (m^2) – Labour Demand Scenario

Use Class	South Oxfordshire			VOWH			Total		
	2021	2041	Change 2021-41	2021	2041	Change 2021-41	2021	2041	Change 2021-41
E(g)(i)	174,896	198,195	13%	225,068	279,362	24%	399,964	477,527	19%
E(g)(ii)	164,063	188,705	15%	233,500	293,901	26%	397,563	482,671	21%
Total office floorspace	**338,958**	**386,900**	**14.1%**	**458,568**	**573,263**	**25.0%**	**797,526**	**960,198**	**20.4%**

Table 8-5 Additional industrial floorspace need (m^2) – Labour Demand Scenario

Use Class	South Oxfordshire			VOWH			Total		
	2021	2041	Change 2021-41	2021	2041	Change 2021-41	2021	2041	Change 2021-41
E(g)(iii)	109,510	96,368	-12%	136,300	126,811	-7%	245,810	223,009	-9%
B2	79,200	66,943	-15%	96,300	83,075	-14%	175,500	149,889	-15%
B8	309,225	302,139	-2%	355,250	357,275	1%	664,475	659,198	-1%
Total industrial floorspace	**497,935**	**465,450**	**-6.5%**	**587,850**	**567,160**	**-3.5%**	**1,085,785**	**1,032,096**	**-4.9%**

8.16 Overall based on the Oxford Economics Demand-based Scenario, South Oxfordshire and Vale of White Horse are projected to undergo a relatively large change in office floorspace requirements across the two districts over the period 2021-2041 (+162,637 m^2), but a decrease in industrial floorspace (-53,174 m^2 overall).

8.17 Table 8-6 shows the additional floorspace requirements in South Oxfordshire and Vale of White Horse between 2021 and 2041.

Table 8-6 Additional Floorspace Requirements 2021-2041

Use Class	South Oxfordshire	VOWH	Total
E(g)(i)	23,299	54,294	77,593
E(g)(ii)	24,642	60,401	85,043
E(g)(iii)	-13,142	-9,489	-22,631

Use Class	South Oxfordshire	VOWH	Total
B2	-12,257	-13,225	-25,482
B8	-7,086	2,025	-5,061
Total	**15,457**	**94,006**	**109,463**

8.18 Finally, applying relevant plot ratios, floorspace requirements can be converted into land requirements (presented in hectares). The evolution of land requirements in South Oxfordshire and Vale of White Horse to 2041 indicates a requirement for an additional 15.9ha of employment land, as set out in Table 8-7.

Table 8-7 Additional Employment Land Requirements 2021-2041

Use Class	South Oxfordshire	VOWH	Total
E(g)(i)	2.3	5.4	7.8
E(g)(ii)	6.2	15.1	21.3
E(g)(iii)	-3.3	-2.4	-5.7
B2	-3.1	-3.3	-6.4
B8	-1.6	0.5	-1.1
Total	**0.6**	**15.3**	**15.9**

Scenario 2 – Past Take-Up Scenario

8.19 To determine the needs arising from a scenario of change based on 'past take-up', AECOM used data from CoStar on net absorption of employment floorspace by planning use class for South Oxfordshire and VOWH. CoStar provides data from 2009.

8.20 The historical net absorption (annual average), by planning use class, is projected forwards to inform the future demand for employment floorspace. As part of this exercise, several historical periods were considered (past 5 years, past 10 years, past 14 years). It was considered that the past 10-year average was the most robust, as it was not overly impacted by the 2008 financial crisis and was long enough to smooth the impact of Covid-19 (unlike the past 5-year average).

8.21 The average historical annual absorption of employment floorspace was projected forward to 2041 from the 2021 baseline position.

8.22 Table 8-8 provides a summary of the average net absorption of employment floorspace by planning use class over the past 10 years.

Table 8-8 Average Annual Net Absorption of Floorspace (m^2)

	South Oxfordshire	VOWH	Total
Office (E(g)(i))	1,700	3,589	5,289
R&D (E(g)(ii))	79	2,668	2,748
Light Industrial (E(g)(iii))	106	-31	75
Industrial (B2)	411	403	813
Warehouse (B8)	1,396	2,130	3,526

Source: AECOM 2023, based on CoStar

8.23 Under the Past Take-Up scenario, employment in office and industrial sectors is forecast to increase overall by 12,227 FTE jobs over the period 2021-2041, an increase of approximately 19.4%. The greatest increase in absolute terms is forecast to take place in use class office E(g)(i) jobs (+9,361 jobs), followed by research and development E(g)(ii) jobs (+1,099 jobs) and warehousing and storage B8 jobs (+1,007 jobs). Employment in light industrial E(g)(iii) and general industrial (B2) jobs is also forecast to increase by +32 and +452 jobs respectively.

Table 8-9 Additional Jobs 2021-2041

Use Class	South Oxfordshire	VOWH	Total
E(g)(i)	3,009	6,353	9,361
E(g)(ii)	32	1,067	1,099
E(g)(iii)	45	-13	32
B2	228	224	452
B8	399	609	1,007
Total	**3,857**	**8,370**	**12,227**

8.24 Table 8-10 shows the evolution of floorspace requirements between 2021 and 2041. This shows that based on past take-up rates, by 2041 there is a requirement for an additional 249,030 m^2 of employment floorspace across South Oxfordshire and VOWH.

Table 8-10 Additional Floorspace Requirements 2021-2041

Use Class	South Oxfordshire	VOWH	Total
E(g)(i)	33,996	71,788	105,784
E(g)(ii)	1,589	53,362	54,951
E(g)(iii)	2,126	-624	1,502
B2	8,219	8,051	16,270
B8	27,923	42,601	70,524
Total	**73,853**	**175,177**	**249,030**

8.25 Finally, applying relevant plot ratios, floorspace requirements can be converted into land requirements (presented in hectares). Based on this, the evolution of land requirements in South Oxfordshire and Vale of White Horse to 2041 indicates a requirement for 44.4ha of employment land across both districts. This is set out in Table 8-11.

Table 8-11 Additional Employment Land Requirements 2021-2041

Use Class	South Oxfordshire	VOWH	Total
E(g)(i)	3.4	7.2	10.6
E(g)(ii)	0.4	13.3	13.7
E(g)(iii)	0.5	-0.2	0.4
B2	2.1	2.0	4.1
B8	6.2	9.5	15.7
Total	**12.6**	**31.8**	**44.4**

Scenario 3 – Labour Supply

8.26 To forecast labour supply, AECOM used Census 2021 forecasts for people aged 16-64 in both districts (i.e. working-age population). This corresponds with the forecasts being used by ORS as part of their ongoing development of the Local Housing Needs Assessment.

8.27 The population forecast was converted into local labour supply through the following process:

- The working age population (16-64 years old) is taken from the Oxford Economics forecasts and the combination of the two districts was used as the base for the forecast of the local labour supply.
- The working age population is then converted into an economically active population by applying the rate of economic activity within the two districts as reported by the ONS Census 2021. This rate is 82% in both districts.
- The economically active population is converted into local labour supply by applying the rate of self-containment (% of population which remains in the same district for work) observed across the two districts by the ONS Census 2011. This rate is 41.3% in South Oxfordshire and 49.8% in VOWH.

8.28 The conversion from working age population to local labour supply is presented in Table 8-12 for 2021 and 2041.

Table 8-12 Conversion of population to local labour

	South Oxfordshire			VOWH			Total		
	2021	2041	Change	2021	2041	Change	2021	2041	Change
Working age population	91,602	92,086	484	85,390	91,370	5,980	176,992	183,456	6,464
Economically active population	75,261	75,659	398	70,058	74,964	4,906	145,319	150,623	5,304
Local labour supply	31,068	31,232	164	34,875	37,317	2,442	65,943	68,549	2,606

8.29 The local labour supply for South Oxfordshire and Vale of White Horse, from local residents alone, is expected to increase by 2,606 workers between 2021 and 2041. This increase in labour supply is then distributed between the different planning use classes following the growth forecasted by Oxford Economics in terms of labour demand, such that declining industries follow the loss predicted in the forecast and growing industries accommodate all of the additional labour supply accordingly.

8.30 This shows that the fastest growth in employment is expected to be in E(g)(i) jobs with an additional 2,259 FTE jobs expected to be created in South Oxfordshire and Vale of White Horse between 2021 and 2041 (+6.5%). This is followed by employment in E(g)(ii) jobs with an additional 559 FTE jobs (+7.0%). E(g)(iii), B2 and B8 sectors all see a decrease in jobs of -842 FTEs, -999 FTEs and -522 FTEs respectively.

Table 8-13 Additional Jobs 2021-2041

Use Class	South Oxfordshire	VOWH	Total
E(g)(i)	462	1,797	2,259
E(g)(ii)	113	446	559
E(g)(iii)	-421	-421	-842
B2	-475	-524	-999
B8	-271	-251	-522
Total	**-592**	**1,047**	**455**

8.31 Employment by use class is converted into floorspace requirements, applying the same methodology and assumptions as for the Labour Demand scenario.

8.32 Table 8-14 shows the evolution of floorspace requirements between 2021 and 2041. This shows that based on forecast population growth, by 2041 there is a reduction in floorspace requirements of -58,562 m^2 South Oxfordshire and VOWH.

Table 8-14 Additional Floorspace Requirements 2021-2041

Use Class	South Oxfordshire	VOWH	Total
E(g)(i)	5,215	20,304	25,519
E(g)(ii)	5,662	22,325	27,987
E(g)(iii)	-19,794	-19,784	-39,578
B2	-17,089	-18,866	-35,955
B8	-18,957	-17,578	-36,535
Total	**-44,963**	**-13,599**	**-58,562**

8.33 Finally, applying relevant plot ratios, floorspace requirements can be converted into land requirements (presented in hectares). Based on this, the evolution of land requirements in South Oxfordshire and Vale of White Horse to 2041 indicates a reduced requirement of 17.5 ha of employment land across both districts. This is set out in Table 8-15.

Table 8-15 Additional Employment Land Requirements 2021-41

Use Class	South Oxfordshire	VOWH	Total
E(g)(i)	0.5	2.0	2.5
E(g)(ii)	1.4	5.6	7
E(g)(iii)	-4.9	-4.9	-9.8
B2	-4.3	-4.7	-9
B8	-4.2	-3.9	-8.1
Total	**-11.5**	**-6.0**	**-17.5**

Sensitivity Analysis

8.34 Sensitivity testing has been undertaken on the floorspace/land requirement forecasts in order to gauge how demand might change when certain variables are adjusted.

Employment Densities

8.35 To reflect the possible changes to employment space utilisation post-COVID, this sensitivity test adjusts the employment densities informing overall floorspace/land requirements. Namely, the employment density applied to office uses (E(g)(i)) were adjusted downward to account for the potential downsizing of offices since the pandemic due to increased remote working.

8.36 The employment density for E(g)(i) was revised from 11.3 m^2 per FTE to 8 m^2 per FTE, reflecting the low end of the respective scales as per the Employment Density Guide[69].

8.37 The results of the sensitivity tests within each of the 3 scenarios is reflected in Table 8-16.

Table 8-16 Employment Density Sensitivity Test Results

	Demand-Based Scenario		Past Take-Up Scenario		Labour Supply	
	South	Vale	South	Vale	South	Vale
Baseline Employment Densities	0.6	15.3	12.6	31.8	-11.5	-6.0
E(g)(i) employment density reduced to 8 m^2 per FTE	-0.1	13.7	12.6	31.8	-11.6	-6.6

Plot Ratios

8.38 The second sensitivity test undertaken was to adjust the plot ratios for each unit type. The changes are reflected in Table 8-17.

Table 8-17 Plot Ratio Adjustments

Use Class	Baseline Plot Ratio	Lower Plot Ratio	Higher Plot Ratio
Office (E(g)(i)	100% of site area	80% of site area	120% of site area
R&D (E(g)(ii))	40% of site area	30% of site area	50% of site area
Light Industrial (E(g)(iii))	40% of site area	30% of site area	50% of site area
Industrial (B2)	40% of site area	30% of site area	50% of site area
Warehouse (B8)	45% of site area	35% of site area	55% of site area

8.39 The results of the sensitivity test are presented in Table 8-18.

Table 8-18 Plot Ratios Sensitivity Test Results

	Demand-Based Scenario		Past Take-Up Scenario		Labour Supply	
	South	Vale	South	Vale	South	Vale
Baseline	0.6	15.3	12.6	31.8	-11.5	-6.0
Lower Plot Ratios	0.6	19.9	16.2	41.4	-15.2	-7.9
Higher Plot Ratios	0.5	12.4	10.3	25.9	-9.3	-4.8

[69] British Council of Offices research has found that looking into the future, an employment density of 10-12 m^2 per desk is reasonable and aligns with current trends (BCO, 2022. The Future of UK Office Densities). Whereas some have argued that the continued uptake of hybrid working patterns and hotdesking implies an employment density of around 9 m^2 per office worker (CAG Consultants, 2021, London Employment Sites Database 2021).

Conclusion/Summary

8.40 The three scenarios presented above forecast varying requirements for employment land in South Oxfordshire and VOWH. This is summarised in Table 8-19.

Table 8-19 Summary of Forecast Requirements 2021-2041

	Labour Demand	Past Take-Up	Labour Supply
Employment (FTEs)	**7,306**	**12,227**	**455**
Office (E(g)(i))	6,867	9,361	2,259
R&D (E(g)(ii))	1,701	1,099	559
Light Industrial (E(g)(iii))	-482	32	-842
Industrial B2	-708	452	-999
Warehouse (B8)	-72	1,007	-522
Floorspace (m^2)	**109,463**	**249,030**	**-58,562**
Office (E(g)(i))	77,593	105,784	25,519
R&D (E(g)(ii))	85,043	54,951	27,987
Sub-total Office	162,637	160,735	53,506
Light Industrial (E(g)(iii))	-22,631	1,502	-39,578
Industrial B2	-25,482	16,270	-35,955
Warehouse (B8)	-5,061	70,524	-36,535
Sub-total Industrial	-53,174	88,296	-112,068
Land (Ha)	**15.9**	**44.4**	**-17.5**
Office (E(g)(i))	7.8	10.6	2.5
R&D (E(g)(ii))	21.3	13.7	7.0
Sub-total Office	29.1	24.3	9.5
Light Industrial (E(g)(iii))	-5.7	0.4	-9.8
Industrial B2	-6.4	4.1	-9
Warehouse (B8)	-1.1	15.7	-8.1
Sub-total Industrial	-13.2	20.2	-26.9

8.41 For the office use classes, the floorspace requirements forecasted through Scenario 1 (Labour Demand) indicate that there will be significant growth requirements to 2041, equivalent to 20.4% of the current supply of office floorspace in the districts. Office space is anticipated to grow to the end of the Local Plan period due to the districts, in particular VOWH, being host to high-quality office environments and a hub for knowledge intensive uses. As such, growth of 162,637 m^2 over the Joint Local Plan period is considered a feasible projection in light of local market intelligence and development prospects, before pipeline supply is accounted for – see Section 9.

8.42 For industrial use classes, the floorspace requirements forecasted through Scenario 1 (Labour Demand) indicate that there will be a contraction in the supply of industrial floorspace of 53,174 m^2 up to 2041. This contraction is driven by a fall in light industrial, general industrial and warehousing and storage floorspace, however property market intelligence highlights a robust, competitive performance in market rents over the past decade and vacancy rates well below regional and national comparators. Furthermore, considering the past 5 years, which have been impacted by the Covid-19 pandemic, a positive performance is evident in terms of market activity:

- Recent market activity applicable to light industrial properties across the South Oxfordshire and VOWH areas in aggregate exhibits a broadly increasing trend in the number of deals completed. Overall, over this period, 31 deals were completed, comprising circa. 7,400 m^2 of floorspace.
- Recent market activity applicable to general industrial properties shows that in the five years preceding 2023, the amount of floorspace involved in leasing activity has increased. In all, 58 deals were completed, comprising circa. 25,500 m^2 of floorspace.
- Moreover, considering storage and distribution properties, 127 deals were completed, comprising circa. 200,000 m^2 of floorspace over the past 5 years.

8.43 As such, a contraction in floorspace over the Plan period would represent a considerable divergence from recent activity and there is limited to no evidence to assume that the trajectory of the last decade will reverse such that additional land requirements will be negative to 2041, which is also the case under Scenario 3. The Past Take Up scenario, forecasting an increase of 88,296 m^2 of industrial floorspace over the Plan period, is therefore deemed a more appropriate representation of past performance, local market intelligence and development prospects and is taken forward for industrial uses.

8.44 The preferred scenario taken forward is therefore a hybrid of Scenario 1 (Labour Demand) for office uses and Scenario 2 (Past Take Up) for industrial uses. This hybrid scenario forecasts growth of 162,637 m^2 for office space (E(g)(i) and E(g)(ii) uses) and 88,296 m^2 of industrial space (E(g)(i), B2 and B8 uses), as set out in Table 8-20, with the breakdown in space for the two districts also shown.

Table 8-20 Additional Floorspace Requirements 2021-2041

Use Class	South Oxfordshire	VOWH	Total
E(g)(i)	23,299	54,294	77,593
E(g)(ii)	24,642	60,401	85,043
Sub-total Office	*47,942*	*114,695*	*162,637*
E(g)(iii)	2,126	-624	1,502
B2	8,219	8,051	16,270
B8	27,923	42,601	70,524
Sub-total Industrial	*38,268*	*50,028*	*88,296*
Total	86,209	164,723	250,932

8.45 The conversion of floorspace requirements into land requirements, applying relevant plot ratios, indicates a requirement of 49.3 ha of employment land across both districts to 2041, with 17.3ha in South Oxfordshire and 31.8ha in VOWH. This is set out in Table 8-21.

Table 8-21 Additional Employment Land Requirements 2021-41

Use Class	South Oxfordshire	VOWH	Total
E(g)(i)	2.3	5.4	7.8
E(g)(ii)	6.2	15.1	21.3
Sub-total Office	*8.5*	*20.5*	*29.1*
E(g)(iii)	0.5	-0.2	0.4
B2	2.1	2.0	4.1
B8	6.2	9.5	15.7

Use Class	South Oxfordshire	VOWH	Total
Sub-total Industrial	*8.8*	*11.3*	*20.2*
Total	17.3	31.8	49.3

9. Comparison Between Supply and Demand

Introduction

9.1 This section compares the projected future demand for office and industrial floorspace and land between 2021 and 2041, as earlier described in Section 8, with the existing supply conditions in the districts, as earlier described in Section 6 and Section 7. This chapter also analyses the pipelines for development of office and industrial floorspace and land within the districts to inform a position of how supply may change over the planning period, and how that influences the overall supply and demand balance.

9.2 Broadly, supply in excess of demand suggests a demand constrained position; and where demand is in excess of supply, a supply constrained position with the requirement to identify additional floorspace/land for employment use activities and ensure growth is adequately supported.

9.3 It is emphasised that the position presented here reflects the position for the preferred scenario. Further consideration of the balance of supply and demand in terms of quantitative and quality requirements is given in the conclusions and recommendations section.

Office Floorspace and Land

Net requirement for office floorspace and land

9.4 The forecast net requirement for office space (E(g)(i) and E(g)(ii) uses) is set out in Table 9-1. The table identifies all the parameters which are used to inform the supply/demand balance. The existing supply position is informed by CoStar data on supply of office floorspace (in m^2) and vacancy of floorspace (% of total stock available) as of Q1 2023.

9.5 The current supply of available floorspace is factored into the assessment after it is netted off against the optimum frictional vacancy rate (assumed to be 8% for office floorspace). This is because vacant, available employment floorspace could help to meet some of the identified needs.

9.6 Net requirements for office floorspace and land are identified for both districts individually and together.

Table 9-1 Supply/demand balance for office floorspace 2021 to 2041

Parameters	South Oxfordshire	VOWH	Total
	Floorspace (m^2)		
A. Supply of occupied office floorspace	212,823	553,069	765,893
B. Current vacant office floorspace	3,918	28,032	31,950
C. Total stock of office floorspace [A+B]	216,741	581,101	797,843
Forecast			
D. Gross Floorspace demand to 2041 (labour demand scenario)	47,942	114,695	162,637
E. Optimum frictional vacancy at 2041 [8% of A+D][70]	20,861	53,421	74,282
F. Surplus/deficit of vacant floorspace in 2041 [E-B]	16,943	25,389	42,332

[70] An allowance for frictional floorspace has been included in our assessment. To operate efficiently a property market requires a small proportion of total floorspace to be readily available for take-up to allow businesses expanding or contracting to more to suitable premises. This available space is called frictional floorspace, the optimal rate of which we assume to be currently around 8%.

Parameters	South Oxfordshire	VOWH	Total
	Floorspace (m^2)		
G. Gross requirement for office floorspace 2021-2041 [C+D+F]	281,626	721,185	1,002,812
H. Net requirement for office floorspace 2021-2041 [G-C]	64,885	140,084	204,969
Land Requirement (ha)	11.6	25.0	36.6

9.7 This shows that up to 2041 there is a projected (net) requirement for approximately 204,969 m^2 office floorspace in South Oxfordshire and VOWH. This would translate to 36.6 ha of employment land for office uses.

Industrial Floorspace and Land

Net Requirement for Industrial Floorspace and Land

9.8 The forecast net requirement for industrial floorspace and land is set out below in Table 9-2. The table identifies all the parameters which are used to inform the supply/demand balance. The existing supply position is informed by CoStar data. The current supply of available floorspace is factored into the assessment after it is netted off against the optimum frictional vacancy rate (assumed to be 5% for industrial floorspace). This is because vacant, available employment floorspace could help to meet some of the identified needs.

9.9 Floorspace demand and net requirements for industrial space are identified for both districts individually and together.

Table 9-2 Supply/demand balance for industrial floorspace 2021 to 2041

Parameters	South Oxfordshire	VOWH	Total
	Floorspace (m^2)		
A. Supply of occupied industrial floorspace	493,878	645,786	1,139,664
B. Current vacant industrial floorspace	14,114	35,786	49,900
C. Total stock of industrial floorspace [A+B]	507,992	681,572	1,189,564
Forecast			
D. Gross Floorspace demand to 2041 (Past Take Up Scenario)	38,268	50,028	88,296
E. Optimum frictional vacancy at 2041 [5% of A+D] [71]	26,607	34,791	61,398
F. Surplus/deficit of vacant floorspace in 2041 [E-B]	12,493	-995	11,498
G. Gross requirement for industrial floorspace 2021-2041 [C+D+F]	558,753	730,605	1,289,358
H. Net requirement for industrial floorspace 2021-2041 [G-C]	50,761	49,033	99,794
Land Requirement (ha)	11.6	11.2	22.7

9.10 Between 2021 and 2041, the analysis predicts a net requirement of 99,794 m^2 of industrial floorspace. This would translate to 22.7 ha of employment land for industrial uses.

[71] For the districts a suitable frictional industrial floorspace vacancy rate would be 5% which is commonly considered to be an optimal rate for such floorspace.

Pipeline

9.11 As set out in the supply individual cluster assessments in Section 7, a number of existing employment sites across South Oxfordshire and VOWH which represent a potential pipeline for future development. In addition South Oxfordshire and VOWH District Councils' records of consented planning permissions for employment use that have not yet been built out indicate additional potential pipeline supply.

Land Allocated for Development

9.12 The employment clusters identified as having land allocated for development within Local Plan policy where all or a portion of which has yet to be developed for active employment use are listed in Table 9-3.

Table 9-3 Available capacity within Existing Allocations

Cluster	Policy	Amount Allocated (ha)	Remaining amount yet to be developed (ha)
South Oxfordshire			
S1 Culham Science Centre and Culham No1 Site	STRAT8	7.3	2.32
S2 Southmead Industrial Estate and Didcot Station Area	EMP4i / EMP4ii	2.92	2.66
S15 Oxford Science Park, Grenoble Road	STRAT11	10	10
S14 Land at Berinsfield Garden Village	STRAT10i	5	5
Vale of White Horse			
V14 Grove Technology Park	CP6	11.7	5.4
V18 Milton Park	CP6	28	14.05
V19 Harwell	CP6	128	93

9.13 As set out above, significant land is allocated for development at Harwell and Milton Park, and to a lesser extent Southmead Industrial Estate and Didcot Station Area. Much of these clusters are covered by Enterprise Zone status. Monitoring indicates that there is 93ha and 14.05ha of allocated employment land still to be developed across Harwell and Milton Park respectively, with either office or industrial use being possible, while there is 2.66ha of allocated employment land at Southmead Industrial Estate and Didcot Station Area still to come forward for industrial uses. Approximately 77ha of land still to be developed at Harwell sits within the Enterprise Zone and 2.66ha at Southmead Industrial Estate and Didcot Station Area, though the remaining allocations at Milton Park are outside of the Enterprise Zones.

9.14 In order to align with the previous employment land review and consistent with Enterprise Zones' status as a special area, the amount of undeveloped land that sits within the Enterprise Zones is considered as additional to the land requirements identified in Table 9-1 and Table 9-2 which are outside the Enterprise Zone. This is reflective of the fact that EZs are in effect provided with state aid incentives in the form of tax breaks and a simplified planning regime, resulting in the normal market mechanism being distorted and demand inflated in these particular locations. This is set out in Table 9-6.

Vacant Sites

9.15 In addition to the clusters that were identified as having land allocated for development within Local Plan policy, Table 9-4 lists the employment clusters identified as having vacant land through the site survey:

Table 9-4 Vacant Sites identified through the site survey

Cluster	Designation	Source	Vacant Land (ha)
South Oxfordshire			
S22 Slade End Green	Allocated Employment Site (Neighbourhood Plan)	Brightwell cum Sotwell Neighbourhood Plan – 'BCS4A'	0.3
S25 The Old Coal Yard	Allocated Employment Site (Neighbourhood Plan)	Woodcote NDP Policy ES1	0.3
S27 Church Farm, allocation	Allocated Employment Site (Neighbourhood Plan)	Woodcote NDP Policy ES2	0.2
S29 Ward's Farm Industrial Estate, allocation	Allocated Employment Site (Neighbourhood Plan)	Woodcote Neighbourhood Plan Policy ES3	0.2
Vale of White Horse			
V33 Faringdon - Wicklesham Quarry	Allocated Employment Site (Neighbourhood Plan)	Faringdon Neighbourhood Plan – 4.5B	12.1
V38 Land north west of Gloucester Street car park	Allocated Employment Site (Neighbourhood Plan)	Faringdon Neighbourhood Plan – 4.5C	1.1

9.16 The use class of space which could come forward from development of vacant land is unknown but is most likely to be in-keeping with other uses in the employment areas. This suggests that most opportunities would be for provision of more industrial employment floorspace given the locations of the above clusters, though not exclusively and development will be subject to viability.

Planning Pipeline – Employment Sites

9.17 If all approved planning applications concerning office floorspace in South Oxfordshire and VOWH were to come forward for development, 78,496 m^2 of floorspace would be delivered when both gains and losses are considered. Key applications driving this change are Land at former Didcot A Power Station Purchas Road Didcot (P15/V1304/O; currently at Outline Planning stage) and Grove Technology Park (P19/V2126/RM), which is under construction.

9.18 If all approved planning applications concerning industrial floorspace in South Oxfordshire and VOWH were to come forward for development, supply of industrial floorspace across both districts would increase by 264,434 m^2. Much of this growth is driven by land at the former Didcot A Power Station and to the west of Didcot B Power Station, with the Rycote Lane development also a significant driver of industrial floorspace in South Oxfordshire.

Table 9-5 Planning Pipeline – Office and Industrial Floorspace

District	Planning Pipeline (m^2) Office	Planning Pipeline (m^2) Industrial	Total Planning Pipeline (m^2)	Planning Pipeline Land (ha)
South Oxfordshire	14,120	38,426	52,546	11.0
Vale of White Horse	64,376	226,008	290,384	62.9
Total	78,496	264,434	342,930	73.9

9.19 If implemented, these permissions may serve to reduce overall land requirements. However, there is a possibility that some developments may not come forward at all, or be developed in different quantities by use class than has been consented, for example if amendments to the planning applications are made and as such these have not directly been deducted from the stated net requirements.

Conclusion/Summary

9.20 The outcome of the comparison between employment land demand and available supply is set out in Table 9-6. This indicates that, taking into account pipeline, there is sufficient available undeveloped land to meet supply in both South Oxfordshire and VOWH.

Table 9-6 Summary of Demand vs Available Undeveloped Land

	South Oxfordshire	VOWH	Total
Demand			
A) Net Office Land	11.6	25.0	36.6
B) Net Industrial Land	11.6	11.2	22.7
C) Total Net Employment Land Requirements [A+B]	**23.1**	**36.2**	**59.3**
D) Existing Local Plan allocated sites within Enterprise Zones (EZ)	*2.7*	*77.0*	*79.7*
E) Total Demand [C+D]	**25.8**	**113.2**	**139.0**
Supply (Available Undeveloped Land)			
F) Existing Local Plan allocated sites (including EZ)	20.0	112.5	132.4
G) NDP Allocations	1.0	13.2	14.2
H) Pipeline (ha)	11.0	62.9	74.0
I) Total Supply (Available Undeveloped Land) [F+G+H]	**32.0**	**188.6**	**220.6**
J) Total Supply – Total Demand [I-E]	6.2	75.4	81.6

10. Conclusions and recommendations

Introduction

10.1 This section concludes our assessment by reviewing the balance of projected demand and existing supply and, drawing on the findings from preceding chapters, provides options for the policy direction regarding employment land in South Oxfordshire and VOWH.

10.2 The demand analysis above forecasts increased demand for office and industrial floorspace within the districts, predominantly within VOWH, over the Joint Local Plan period to 2041. Given the quantum of land available at allocated sites, additional vacant sites and employment sites in the planning pipeline, this demand is not considered to require the allocation of additional sites in South Oxfordshire and VOWH up to 2041.

10.3 The safeguarding of existing sites to ensure there is a ready supply of premises and that the vacant land and intensification opportunities can potentially be realised is considered important across both districts. However, while it is important to protect employment land, there is also strong evidence of competition for space other than non-employment uses such as housing; employment land policies will therefore need to accommodate the Council's ambitions and objectives in these areas. This will require a flexible approach that considers the merits of each individual site, and which use it is best suited for.

10.4 In practice, the selective protection of employment land and premises is recommended to ensure that the sites that are unlikely to come forward for employment use during the Joint Local Plan period are not left vacant. This approach would ensure that the over protection of sites, which could result in the inefficient use of assets and blight and deter investment, does not occur. Similarly, the under protection of sites, whereby the market intervenes prematurely to short-term demand indicators and adversely impacts the long-term provision of employment land, also does not occur.

10.5 When forming employment land policies, the Council should follow a balanced approach such that the employment activities of all business sizes, from start-ups to large headquarters, are supported and encouraged. The Council should also recognise that demand will vary by type of space and will therefore be geographically varied.

10.6 This is one of several evidence base documents the Council will be considering that will feed into and inform its Joint Local Plan evidence base. These are AECOM's independent recommendations, and the Councils will subsequently consider these before drafting its own Joint Local Plan policies.

Conclusions

Office space (E(g)(i), E(g)(ii) and Sui Generis Office Use Classes)

10.7 The latest published CoStar data shows there is approximately 797,843 m^2 of office space across South Oxfordshire and VOWH, accounting for 57.9% of total office floorspace across the FEMA.

10.8 216,741 m^2 of office floorspace is located in South Oxfordshire, predominantly located in the main town centres of Henley-on-Thames, Wallingford and Thame. The location of the existing office supply in historically conserved towns is reflected in the size and age profile of the existing stock, which is generally smaller and older than is typical of the FEMA and wider region. Indeed, over half of office buildings in South Oxfordshire pre-date 1950 in terms of their construction or most recent refurbishment.

10.9 581,101 m^2 of office floorspace is located in VOWH, accounting for 72.8% of total office stock across the two districts. While key town centres such as Abingdon play a prominent role in the office market, much of the stock in VOWH is located within out-of-town business park/industrial estate settings, such as Milton Park and Harwell. This is again reflected in the size and age profile of office stock in VOWH, which is larger and newer than South Oxfordshire, with over a quarter of all buildings constructed or most recently renovated after 2000.

10.10 Office floorspace is well occupied across both districts, with vacancy rates in South Oxfordshire (1.8%) and VOWH (4.8%), well below the national average of 7.2%.

10.11 The projected demand for office floorspace up to 2041 is for an estimated net additional 204,969 m^2 of floorspace, 64,885 m^2 of which relates to South Oxfordshire and 140,084 m^2 in VOWH (under the preferred scenario). This requirement is due to expected growth in sectors that require office space, which is likely to be driven by a range of social, demographic and wider economic factors.

Industrial space (E(g)(iii), B2, B8 and Sui Generis Industrial Use Classes)

10.12 The latest published CoStar data shows there is approximately 1,189,564 m^2 of industrial floorspace across South Oxfordshire and VOWH.

10.13 507,992 m^2 of industrial floorspace is located in South Oxfordshire, with industrial floorspace notably more evenly distributed across the two districts. Approximately a third of industrial floorspace in South Oxfordshire is light and general industrial (E(g)(iii) and B2), with the remaining two thirds characterised by warehousing and distribution use (B8). A significant amount of industrial floorspace is located around the main centres of Didcot and Thame, with key clusters including Southmead Industrial Estate and Thame Industrial Cluster.

10.14 681,572 m^2 of industrial floorspace is located in VOWH, accounting for 57.3% of the total stock of industrial floorspace across the two districts. Given the prominence of industrial estates within the district, a significant amount of industrial floorspace is again linked to Science Vale and the key locations of Milton Park and Harwell.

10.15 The site survey analysis across both districts highlighted that the majority of clusters are generally fit for purpose. Vacancy rates stand at 3.0% in South Oxfordshire, below the national average of 3.2%, while vacancy rates in VOWH exceed the national average at 5.6%.

10.16 The projected demand for industrial floorspace up to 2041 is for an estimated net additional 99,794 m^2 of floorspace, 50,761 m^2 of which sits within South Oxfordshire and 49,033 m^2 in VOWH (under the preferred scenario).

Recommendations

10.17 Based on the analysis and conclusions presented in previous sections, recommendations in relation to employment land with supporting justifications are set out below.

10.18 This is one of a number of evidence base documents the Councils will be considering that will feed into and inform its Joint Local Plan evidence base. These are AECOM's independent recommendations, and the Councils will subsequently consider these before drafting its own Local Plan policies.

R1 Meeting the additional need for employment land should be achieved through land already allocated for development within local plan policy which is yet to come forward, vacant land within existing clusters and approved applications in the planning pipeline.

Justification

10.19 The projected demand assessment estimates that there is net additional demand for 139 ha of employment land (E(g)(i), E(g)(ii), E(g)(iii), B2 and B8) across South Oxfordshire and VOWH, including existing Local Plan allocated sites within Enterprise Zones, over the Joint Local Plan Period to 2041. 25.8 ha of demand falls with South Oxfordshire and 113.2 ha within VOWH.

10.20 Considering existing Local Plan allocated sites, vacant sites and existing approved permissions within the planning pipeline, the total supply of available undeveloped land exceeds demand by 6.2 ha in South Oxfordshire and 75.4 ha in VOWH, as set out in Table 9-6.

10.21 It should be noted that the total supply of undeveloped land includes 11.0 ha of employment land associated with approved planning permissions in South Oxfordshire and 62.9 ha in VOWH. There is no certainty that all of this development will come forward. While the subtraction of the potential floorspace identified in approved planning permissions from the supply position would not materially impact the demand/supply balance in VOWH, it could compromise the ability of South Oxfordshire to satisfy demand. As such, it is appropriate for the Councils to encourage the completion of remaining permissions and safeguard existing sites where possible, thereby maximising their contribution to local economic development. This is of particular importance given the challenge associated with the conversion of

employment land to residential use through use of Permitted Development rights, highlighted through consultation and the survey exercise.

10.22 While the consultation outlined robust demand for R&D floorspace across the districts – in particular VOWH – there remains uncertainty regarding the future employment demand for office space across the districts. As set out in previous sections, there is likely to be a time lag before any potential decrease in demand for office space is fully evident. As such, it is recommended that a cautionary approach is taken at this stage. This means the land which could potentially become surplus to requirements in the future should be protected for potential employment uses at this stage until further information is gained.

R2 In order to meet needs, the Councils should safeguard/resist redevelopment of existing in-use employment land across South Oxfordshire and VOWH.

Justification

10.23 While recommendation R1 sets out the need for additional land not currently in employment use to accommodate demand across the Joint Local Plan period, it is also important to consider the role of existing in-use employment land in accommodating needs across the districts.

10.24 Employment land in South Oxfordshire and VOWH that was surveyed largely fulfils local needs and provides local employment. Through the field survey and property market assessment the sites were generally judged to be suitable for continued employment use, and registered high levels of occupancy. The NPPG states that Councils should identify a future supply of land which is suitable, available and achievable for economic development uses over the plan period. The vast majority of existing clusters remain the most suitable location for accommodating office and industrial land in South Oxfordshire and VOWH.

10.25 Local Plan policy should set out criteria for determining whether sites could be considered for alternative use. This should be applicable to all well-performing sites to ensure demand continues to be met through the adequate protection of land and premises.

10.26 The majority of designated and non-designated sites listed in Section 7 benefit from a combination of factors which include good access to the strategic road network, building quality and standard of public realm. It is appropriate for the Councils to additionally safeguard these sites where possible and maximise their contribution to local economic development.

R3 The Councils should seek to support occupiers and landlords in addressing the retrofitting challenge, either in the context of national directives or in the absence thereof. To do so, the Councils could draw upon local connections with occupiers and landlords and coordinate action so as to prevent the accumulation of 'stranded assets' across the districts.

Justification

10.27 A key responsibility for the Councils over the Joint Local Plan period will be to remain cognisant of national government policy direction regarding the drive towards net zero and retrofitting requirements. This issue is even more pertinent given the analysis set out in Figure 6-23 and Figure 6-24, which highlights that the proportion of the building stock in South Oxfordshire which falls within the scope of tightening minimum energy efficiency standard is greater than the national average across all use types. By contrast, in VOWH the proportion of the office and storage and distribution building stock is higher than the national average, with the proportion of general industrial stock lower than the national average.

10.28 Over the coming years employment space in South Oxfordshire and VOWH, but primarily office space, will be required to meet energy efficiency standards above those met by the existing stock. This could impact the supply of lettable floorspace across the districts.

10.29 While there has so far been limited government steer into how commercial premises should tackle the retrofitting issue, with findings from the 2021 consultation remaining unpublished, there are steps that the Councils can take to support occupiers and landlords throughout this process. The Councils could seek to drive forward the retrofitting agenda locally by acting on its stock, utilising local connections with occupiers and landlords, all while keeping abreast of national policy on the topic. It is anticipated that the government will release some form of guidance into a retrofitting approach given the national reach of this issue and the Councils should seek to promptly apply this at the local level.

R4 The Councils should consider developing an affordable workspace policy which reflects the needs of start-up businesses and the foundational economy.

Justification

10.30 Consultation with key stakeholders undertaken as part of this ELNA has highlighted affordability challenges experienced by businesses across both districts, and Oxfordshire more widely, whereby smaller businesses in "foundational" sectors are struggling to afford space within the districts, resulting in the potential need to relocate or move to less suitable accommodation (in terms of quality, functionality or location).

10.31 The extent to which workspace is deemed 'affordable' varies considerably based on the type of business which the workspace is provided to accommodate. The ELNA has identified that there are many microbusinesses and SMEs operating within the districts, representing 98% of total businesses in South Oxfordshire and 97% in VOWH. This includes businesses across the foundational economy, such as construction trades, logistics and small-scale consultancies and business services firms operating in the local/sub-regional market which are not yet financially proven. These firms are distributed across the districts and require floorspace that is fit for purpose, with adequate spatial typologies and facilities.

10.32 With regards to the development of an affordable workspace policy and/or strategy, the Councils should refrain from being too formulaic in its approach, such that it is flexible to the nuances of different types of spaces required and is not overly prescriptive in terms of the location of affordable workspace. However, it is noted that high land values might limit the feasibility of development at some clusters (such as V18 Milton Park and V19 Harwell), and that development may be focused within clusters where conditions support the development of affordable workspace (such as S2 Southmead Industrial Estate and Didcot Station Area and S14 Land at Berinsfield Garden Village).

10.33 Overall it is recommended that the Councils explore further the potential requirements and content of policy to guide the delivery of affordable space in the districts. Key considerations within this could include:

- List of activities and occupiers suitable for public support.
- Sites and locations where policy might apply.
- Appropriate typologies of workspace.
- Minimum requirements to ensure that space is operationally and commercially viable to understand whether affordable workspace could be delivered within a new development by a developer (i.e. S106 conditioning the planning application approval to the delivery of an affordable space unit on-site) or off-site delivery and partially financed by a developer through pooled financial contributions.
- Formulas for provision of any off-site financial contributions.
- Rental levels.

R5 Rural economy: The Councils should consider supporting flexibility in the rural economy to respond to opportunities to re-use or adapt land and buildings no longer in productive agricultural use.

Justification

10.34 South Oxfordshire and VOWH are rural districts, each of which have a relatively large agricultural sector which is forecast to decline over the Joint Local Plan period, as set out in Table 8-2.

10.35 Consultation supported the view that the diversification of agricultural uses across the district is already an existing trend, further ratified through the survey exercise and review of applications in the planning pipeline. This includes the provision of employment use floorspace on farms, and other non-employment use activities such as on-site retail/food and beverage as well as leisure operations. The Councils could support agricultural businesses to understand the potential value diversification of land uses could bring in supporting their ongoing viability/sustainability including the sharing of best practice, supporting networking opportunities between agricultural businesses, and where needed supporting infrastructure provision including digital connectivity.

10.36 The rural economy in South Oxfordshire and VOWH could provide significant economic opportunities for local people, and support the efficient use of land for economic development purposes. The Councils should consider this when formulating Local Plan policies to support these objectives, while ensuring the sustainability of the agricultural sector is not compromised.

R6 Monitoring: The Councils should monitor changes of employment land through planning permissions to ensure that sufficient land is available for economic growth over the plan period to 2041. This includes ensuring that the introduction of the Class E does not have an outsized impact on the integrity of employment areas through facilitating the introduction of non-employment uses.

Justification

10.37 It is important that appropriate and sufficient monitoring mechanisms are embedded within the plan-making process to record the change in employment land available for economic growth. The aim of the monitoring of employment land is to ensure that overall an approximate quantum of appropriate employment land supply is retained in the districts to meet the level of projected demand indicated in this study. The monitoring system will help track planning permissions and completions in order to maintain a clear understanding of the market conditions operating in the local area – of particular importance given ongoing uncertainty regarding the demand for office floorspace – and, in particular, changes of use.

10.38 This is to guard against too much employment land being released to higher value uses such as residential through the permitted development rights provision, as this could restrict the economic potential of the districts, or being retained without a clear demand justification. To ensure that employment land is not protected unnecessarily as required by the NPPF, the demand forecasting exercise should be updated regularly. This could be performed every three to five years. However in the periods in between ELNAs the Councils should regularly review how much employment land has been lost. The Annual Monitoring Report is likely to be the most appropriate framework for this monitoring and review exercise.

10.39 The introduction of Class E use type premises means controlling these from switching to other forms of retail, leisure and community use will mostly not be readily possible. Furthermore, it will become more difficult for the Council to monitor these changes over time through conventional planning monitoring data as planning permission is not needed to change the use of these from an employment use to another use.

10.40 Over time, this flexibility could potentially alter the composition of existing employment areas and reduce the supply of existing employment space, particularly in those locations within the district that face pressure from other Class E uses. This flexibility may alter the composition of existing employment areas and reduce the supply of existing employment space, particularly in those locations within the districts that face pressure from other Class E uses, albeit these areas are not considered to be common based on the survey of supply. Nevertheless, there is an opportunity for the emerging Joint Local Plan to clearly reference the protection of office - E(g)(i)/(ii), light industrial – E(g)(iii), industrial – B2 and warehousing – B8 uses by specifying these as appropriate within the emerging policies.

10.41 The greater flexibility presents the potential for on-site facilities such as convenience retail, gyms and other supporting uses as part of industrial estates/office developments to be more readily accommodated. The presence of such use is already evident in the districts at locations such as Milton Park. The Council should also consider how the changes might be used to positively contribute to the future supply of office and light industrial space, such as through vacant retail space being repurposed as light industrial space within Class E provided these are surplus to needs.