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Herefordshire County
Employment Land Study 2012

December 2012

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1 Introduction

Introduction

1.1 Drivers Jonas Deloitte (trading name of Deloitte LLP) has been previously appointed by Herefordshire Council, firstly in 2007 and then in 2010, to prepare an employment land study for the County up to period 2031, having regard to the Regional Spatial Strategy (RSS) Phase 2 Review options for the County, along with the need for the diversification of the Herefordshire economy.

1.2 This report provides an update of the 2010 version of the employment land study with particular regard to the following:

Update of Planning Policy Context

- Extension of the period covered by the study up to 2031 so consistent with the Council's revised end date to its emerging Core Strategy;
- Consideration of the implications of changes to national and regional planning policy, notably publication of the National Planning Policy Framework in March 2012 and further confirmation of the Government's intention to abolish Regional Spatial Strategies;
- Establishment of the Marches Local Enterprise Partnership and the Rotherwas Enterprise Zone;
- Consideration of local planning policy and evidence base documents published / updated since the 2010 Study including the Preferred Options and Revised Preferred Option versions of the Core Strategy.

Qualitative Assessment Review

- Qualitative assessment of a number of additional sites which include (potential) employment sites at: Bromyard, Leominster and Hereford; and
- A review of previous qualitative assessment work to identify any significant changes to the classification and timing of availability of employment land opportunities previously recorded.

Quantitative Assessment Review

- A review of the quantitative assessment figures to update current vacancy rates, completion rates and any significant changes in employment land supply to that previously reported.

Assessment of Market Demand and Need

- Update of market performance and demand through review of updated vacancy, transactions information and employment completion rates; and

Forecasts

- Update and extend period of employment land forecasts to 2031, using updated Cambridge Econometrics base forecasts to also allow for recessionary impacts to be analysed for key employment uses / sectors

Recommendations

- Provide revised conclusions and recommendations in line with the above-mentioned areas of update, including how the study appropriately responds to the requirements of the NPPF; and
- Provide a high level 'critique' of the emerging Core Strategy (including the revised preferred options) in terms of the economic vision for Herefordshire and its main towns and other areas.

Purpose and Scope of the Study

1.3 The Study has been commissioned to inform the Council's Local Development Framework (LDF) and will form part of the evidence base and rationale for allocations and policy formation in the Core Strategy and other Development Plan Documents.

1.4 The overall aim of the study, can be summarised as:

> "To consider the economic opportunities and threats to Herefordshire as a whole, and also the specific issues regarding Hereford city, the individual market towns and the wider rural area, in helping to maximise the economic opportunities of the county".

Stages and Outputs of the Study

1.5 The Study has been carried out in accordance with the following three-stage process for employment land reviews as detailed in the ODPM's 'Employment Land Reviews Guidance Note' dated December 2004 (the Guidance Note).

- Stage 1: Existing employment and land situation;
- Stage 2: Future employment and land scenarios; and
- Stage 3: Employment land requirements, advice on strategic locations and policy recommendations.

1.6 Further details on the approach to the study are set out in the following section of the report. For completeness, this report also incorporates all relevant details from the previous 2010 study to provide for a comprehensive, standalone, update.

2 Overview of Key Tasks and Approach

Task 1: Sub Division of the Study Area

2.1 As a starting point, the overall study area has been divided into different sub-areas as shown in **Table 2.1**. This table also shows a 'best fit' of study sub areas using Office of National Statistics ('ONS') middle layer super output area boundaries. A plan illustrating the broad extent of the study sub areas is included at **Appendix 1** (see separate Appendices document).

Table 2.1: Overview of Study Sub Areas

Sub Area	Commentary	Herefordshire ONS Middle Layer Super Output Area
County Town	Hereford City and its immediate hinterland (identified as a growth point in the RSS)	001, 002, 003, 004, 006, 007, 020, 021
Eastern Corridor	The rural eastern part of the study area, also including the market towns of Bromyard, Ledbury and Ross on Wye	005, 009, 018, 019, 022, 023,
Rural Heartland	The rural northern, western and southern parts of the study area, also including the market towns of Kington and Leominster	008, 010, 011, 012, 013, 014, 015, 016, 017

2.2 The sub areas have been devised in consultation with the Council and are identified to enable a more geographically focussed analysis associated with subsequent relevant work tasks.

2.3 In addition to the above sub areas, we have also examined existing employment land supply in the A49 Corridor and also each of the five market towns, albeit that these overlap or are contained within the main sub areas defined above.

2.4 In terms of sub area analysis, where possible, boundaries identified on the plan in Appendix 1 have been applied although for a limited number of information sources concerning existing building stock, including that derived from the ONS, middle layer super output area (and ward) boundaries have needed to be used. This will not however impact on the overall study outputs or the validity of conclusions.

Task 2: Planning and Economic Policy Review

2.5 For a study of this nature, it is important to have a full understanding of the aims, objectives and requirements of relevant planning and economic policy applying at a national, regional and local level. **Table 2.2** summarises the key planning and economic policy documents reviewed.

Table 2.2: Key Planning and Economic Policy Documents

Policy Level	Document to be Reviewed
National	• The National Planning Policy Framework (27th March 2012)
Regional	• RSS11: *Regional Spatial Strategy for the West Midlands* (2004) • *Connecting to Success*: Draft West Midlands Regional Economic Strategy (2007) • West Midlands Regional Employment Land Study (2010)
Local	• Herefordshire Unitary Development Plan (2007) • Economic Development Strategy for Herefordshire 2011-2016 • Herefordshire Core Strategy • Herefordshire Sustainable Communities Strategy (2010)

2.6 Following the Secretary of State's decision on 6 July 2010 to revoke Regional Spatial Strategies, reference to the draft RSS has been removed although, for the time being, the adopted RSS still forms part of the statutory Development Plan.

2.7 Housing growth targets for the purposes of this study are 16,500 (2011-2031) as set out in the Revised Preferred Option document (October 2011). This has been reduced from the figure of 18,000 which was being progressed previously. It is understood that Herefordshire Council considers this reduced target to be realistic and deliverable for Herefordshire. The Core Strategy is being prepared to reflect this lower housing target.

Task 3: Quantitative Assessment of Employment Land and Premises

2.8 The study quantifies the level and distribution of existing floorspace and proposed future land and floorspace across the Herefordshire Council area and its constituent sub areas. Supply is quantified by planning use class (B1, B2 and B8 uses) and also by employment sectors [office (B1a), manufacturing (B1b&c / B2) and warehouse / distribution (B8)].

Quantitative Assessment of Existing Floorspace and Premises

2.9 The most reliable figures for existing floorspace provision at the sub-local authority level have traditionally been business rates statistics provided by the Office for National Statistics (ONS) in collaboration with the Valuation Office. Readily available aggregated figures below the district (i.e. local authority) level are however no longer published and for the purposes of this update, we have relied on previously published information to provide an indication of the level of floorspace by main employment sector within the different sub-areas across the County.

2.10 The data identifies the total number and floorspace of 'hereditaments' (a piece of real, inheritable or taxable property on which rates may be charged and which is defined in law) by the main employment sector as described above.

2.11 The data does not distinguish between vacant and occupied space, rather an amalgamated figure for total floorspace is identified. Details on vacant premises, and hence vacancy rates for each study sub area and an assessment of the nature and quality of available premises, have been primarily obtained from the Council's Commercial Property Register. This Register is maintained and updated quarterly by the Council and provides information from a range of sources including industrial and commercial agents and local and national press advertisements and web sites. It also includes details of Herefordshire Council's own available sites and premises. We have also carried out our own investigations on vacant premises to clarify details to ensure, for example, that the double-counting of premises is avoided as far as possible.

Quantitative Assessment of Potential Future Land and Floorspace

2.12 The assessment of current employment land supply has focussed mainly on the following:

- ***Employment Allocations*** – Sites without planning permission which are allocated for B1, B2 and B8 uses in the adopted Herefordshire UDP (notably sites identified under Policies E1, E2 and E3). Also included are other relevant allocations with the potential to accommodate new employment floorspace (sites allocated under Policy E5).
- ***Employment Commitments*** – Committed sites (i.e. those under construction or with extant planning permission) for B1, B2 or B8 uses at the time of survey.

2.13 Information relating to quantitative land supply has been obtained from details collected by the Council together with our own assessment of available land and premises, updating information included in the previous update of the employment land study.

Task 4: Qualitative Assessment of Employment Land and Premises

2.14 The Council has identified a number of sites / employment areas which have been subject to specific qualitative assessment (i.e. site appraisal).

2.15 Information used to inform the completion of qualitative site assessments has been obtained from a range of sources including:

- Site visits;
- Information supplied by the Council and, discussions with Council Officers and others as necessary; and
- Reviews of reports, site briefs and other published data sources.

2.16 For the qualitative assessment of sites, we have applied appraisal criteria covering the following key matters:

- Market (Commercial) Attractiveness;
- Sustainable Environmental Development; and
- Strategic Planning, Economic and Regeneration Factors.

2.17 The detailed qualitative assessment applied in this Study, which has been prepared with regards to best practice and also the sustainability matrix / process applied by the Council for its LDF, is included at **Appendix 2** (see separate Appendices document).

2.18 Our assessment of commercial factors has included a general consideration of the likely attractiveness of developed sites for employment re-use and redevelopment. This particular element of the study has been based on our site visits only and has not included any detailed or specific analysis in terms of building survey or financial viability assessment for example.

2.19 Each site has been 'scored' separately in terms of its overall performance against market, sustainability and strategic policy criteria. In accordance with good practice, the scoring system used is relatively simplistic in approach. For example, it does not seek to weight scores. It is therefore important to consider scores in conjunction with associated qualitative assessment commentary which summarises the key negative and positive factors identified.

2.20 A single amalgamated score for each site is not recorded as it is important to separate out market, sustainability and strategic planning factors. For example, although an unconstrained Greenfield site may be attractive to potential occupiers (and hence score well against certain commercial criteria), this score is unlikely to be replicated when assessed against sustainable development / environmental resource considerations.

2.21 Based on the qualitative assessment exercise, those sites and areas assessed have been ranked in terms of their importance and role in the local employment hierarchy. We have utilised the following rankings to categorise the overall qualitative performance of different sites:

a) ***'Best'***: High quality, relatively unconstrained sites suitable for local or incoming larger clients with a national / regional choice of locations.

b) ***'Good'***: Sites which may be subject to some constraints but with potential to be suitable for inward investors and / or locally-based businesses.

c) ***'Moderate'***: Sites which score poorly against one or more qualitative factors but which (could) perform a role in the employment hierarchy, including for local businesses.

d) ***'Poor'***: Generally poor quality sites with significant constraints and often in inappropriate locations.

e) ***'Owner-Specific'***: Allocations which are not likely to be available on the open market. In accordance with good practice, allocations which are only available for a specific occupier are excluded from available employment land totals until sites gain planning permission.

Task 5: Quantitative Forecasts of Employment Land Requirements

Labour Market Forecasts

2.24 Labour market forecasts are based on an assessment of all aspects of the Herefordshire economy and not just on those aspects directly relevant to B1, B2 and B8 employment land use. This approach ensures that the employment land forecasts are consistent with a realistic assessment of how the Herefordshire labour market and economy are expected to develop over the study period to 2031.

2.25 Forecasts for Herefordshire have been produced using a bespoke, small area forecasting model that is driven by the national and regional forecasts produced by Cambridge Econometrics and which produces forecasts consistent with these regional and national forecasts. As appropriate, other relevant forecast information has been drawn upon (for example, population forecasts prepared by ONS).

2.26 In order to ensure that the employment land requirement forecasts are based on a comprehensive understanding of the economy of Herefordshire, its constituent labour markets and how these are likely to develop over the forecast period, a base position and annual forecasts through to 2031 have been produced for all of the following for Herefordshire:

- Population by age and gender;
- Activity rates by age and gender;
- In- and out-commuting;
- Self-employment by division;
- Employees in employment by sector;
- Economically active full-time students;
- Unemployment; and
- GVA.

2.27 In this way, employment land forecasts are able to be based on consistent and realistic assessments of the way in which the Herefordshire economy is expected to develop in the context of both national and regional forecasts as well as in the context of local factors.

2.28 In producing the forecasts, particular attention has been given to anticipated changes in the structure of employment and self-employment, as these will have the greatest impact on the level of demand for employment land and property. At the same time, consideration has been given to anticipated changes in labour productivity, particularly in relation to manufacturing, as this could impact on future employment land requirements such that forecasts based on employment levels alone might be misleading.

Employment Land and Premises Projections

2.29 There are essentially three sources of information on employment densities that can be used to translate employment and self-employment forecasts into land and floorspace requirements. These are the standards reproduced in the ODPM Guidance Note, densities derived from Valuation Office figures and densities derived from a survey of local businesses.

2.30 Experience from undertaking employment land studies elsewhere is that there can be significant differences between the densities reproduced in the Guidance Note and those obtained locally. In accordance with best practice, locally derived density figures are used where possible.

2.31 Local densities have been derived for each of the use categories by dividing the Valuation Office floorspace in that use category, adjusted for voids, by the total employment in the sectors that are typically located in buildings with that use category permission. Multiplying the result by forecasts of future employment in the relevant sectors and possibly adjusting for productivity growth impacts, then gives a forecast of minimum future floorspace requirements, by use category.

2.32 A survey has been undertaken of local businesses in activities such as manufacturing, construction, warehousing and distribution, transport and communications and business services (see subsequent paragraphs). An output of this survey is information from the individual businesses on their employment and their floorspace occupied, thereby providing an alternative source of local employment density information.

2.33 Various floorspace requirement forecasts have been translated into employment land forecasts by applying appropriate plot ratios. As plot ratio figures are not available from the Valuation Office, we have made use of information obtained from the survey of local businesses or from other local information. The information so derived is compared with the plot ratio figures in the Guidance Note.

2.34 Dividing the floorspace requirement forecasts by the relevant plot ratio estimates generates forecasts of employment land requirements. These have been produced for each year to 2031, by use category.

2.35 It has to be emphasised that the employment floorspace and employment land requirements generated by this method are the absolute minima needed to accommodate the level of economic activity forecast. In reality, a much larger amount of land will need to be made available to allow for losses of existing employment sites to other uses during the plan period as well as to ensure a sufficient choice of available sites and locations over the period up to 2031.

Alternate Forecasts Based on Different Growth Scenarios

2.36 The impact of different economic scenarios on the amount of employment land needed has been undertaken to provide a range of growth options as appropriate. Alternative forecasts have also been considered using different population forecasts and levels of housing growth.

Projecting Forward Past Completion Rates

2.43 As an alternative means of quantifying likely future employment land requirements, the study also assess the scale of past completion rates across Herefordshire and projects these forward to 2031.

Task 6: Employer Survey

2.22 In order to inform the forecasts and gain a further insight into current business issues a survey of over 200 businesses was undertaken across Herefordshire. The aim being to survey a representative sample of relevant businesses in Hereford, in each of the market towns and, where appropriate, in their rural hinterlands. In addition the aim was to interview all of the largest employers within the relevant sectors, not least because their requirements are likely to significantly influence the overall employment land requirement.

2.23 The survey was based on a bespoke questionnaire, deployed to obtain the following information:

- Ownership / control of businesses and where strategic decisions taken;
- Location and premises characteristics;
- Tenure of premises;
- Activities undertaken on site;
- Number of employees;
- Change in employment over recent years and anticipated;
- Floor space occupied and over how many floors;
- Site area occupied;
- Whether first site, additional site, relocation and if so, from where;
- Suitability of current premises / site;
- If planning to expand / contract and premises / site implications;
- Alternative locations considered / would consider; and
- Perceptions of premises / site shortages in the area.

Task 7: Review of Market Trends and Demand

2.24 The overview of market trends and demand has been based on a number approaches and information sources, which are summarised below. The overview has been undertaken by study area/sub areas and by broad employment sector including office, manufacturing and warehousing.

Historic Trends

2.25 Analysis of the Council's annual monitoring information has been undertaken to provide details of past annual completion rates for the period 2004/05 – 2010/11.

2.26 The Council's monitoring information is recorded at the Herefordshire level and aggregated as a whole. As such, it is difficult from the available information to interrogate it further in terms of trends in relation to the location or type (i.e. sector) within which past completions fall. Information does however provide an overall picture of historic completion rates over time.

Employment Land and Premises Supply Information

2.27 The outputs of Tasks 3 and 4 provide a comprehensive assessment of the available supply of land and vacant premises sub-divided between the:

- Main study sub areas (i.e. County Town, Eastern Corridor and Rural Heartland, including specific rural settlements); and
- Main employment sectors (office, industrial and warehousing), as well as having regard to the suitability of sites for other employment-generating uses.

2.28 Details of employment land supply distinguish between UDP employment allocations (without planning permission) and also land and sites with permission for employment development. In relation to vacant premises, details have been obtained from the Council's vacant property register and supplemented by our own interrogation and investigations.

Outputs from the Employer Survey

2.29 The employer survey provides a useful indicator of potential local occupier demand / contraction over the short term in particular although it is recognised that the survey is now a number of years old. This source of information can reveal details which would not be obtained from other sources such as commercial agents, including in relation to location and tenure preferences and requirements of existing businesses in the area.

Other Sources of Information

2.30 Discussions with key stakeholders are a useful input into this aspect of the study. This includes telephone conversations with local agents and the review of associated web sites, to gain a further insight into specific developments and market issues and demand more widely. We have also consulted with the Council's Economic Development Officer and others as appropriate.

2.31 We have also reviewed existing studies and data sources not already mentioned above, including FOCUS, EGi and details from the Valuation Office Agency.

Task 8: Conclusions and Recommendations

2.32 Building on and analysing the outputs of previous work tasks undertaken, this final task seeks to draw together the results obtained to provide a comprehensive overview of employment land requirements and advise on strategic locations and policy recommendations.

2.33 In particular, under this task, conclusions and recommendations are provided in relation to the following key items:

- An assessment of current quantitative employment land supply versus forecast land requirements and past completion rates for Herefordshire;
- An assessment of the quantitative, qualitative and spatial aspects of employment land supply and vacant premises for Herefordshire and by study sub area / main rural settlements, including in relation to the economic vision set out in the emerging Core Strategy;
- Identification of sites to be recommended for retention as allocations for employment land in the emerging Local Development Framework (LDF) documents;
- Identification of sites (and associated actions) where specific issues need to be addressed to enhance their qualitative performance and hence, contribution to the employment portfolio;
- Identification of sites which could be released from the employment portfolio;
- The level of protection to be given to different sites relative to their performance in the employment hierarchy and other policy responses, such as in relation to employment in rural areas, market towns and Hereford City; and
- Identify any 'gaps' in the employment portfolio in quantitative and qualitative terms which may need to be addressed in the emerging LDF and define in broad terms, the strategic location for new allocations for employment development should they be required.

3 Policy Context

Introduction

3.1 The chapter provides an overview of planning, economic and other policy and strategy documents of relevance to the employment land study. Consideration is given to a wide range of strategies prevailing at the national, regional, sub-regional and Council-wide level to provide a comprehensive picture of the main policies influencing this study. Regional guidance is only referenced where of relevance to the identification of growth figures for the Core Strategy. All other regional references have been removed from consideration within this study.

National Planning Guidance

The National Planning Policy Framework

3.2 Employment policy is set out at national level in the National Planning Policy Framework (NPPF) which was published on 27th March 2012. The NPPF replaces a large amount of previous guidance, including Planning Policy Statement 1 (Delivering Sustainable Development), Planning Policy Statement 4 (Planning for Sustainable Economic growth), Planning Policy Statement 7 (Sustainable Development in Rural Areas) and Planning Policy Guidance 13 (Transport).

3.3 The NPPF includes a presumption in favour of sustainable development which states that development that accords with the development plan should be approved without delay. In instances where the development plan is absent, silent or out of date it highlights that permission should be granted unless the proposal would have a significant adverse impact.

3.4 Much therefore hangs on the definition of "Sustainable" in this context and how it will, in practice, be interpreted. Clearly, the meaning will include plan compliance but the NPPF is much more emphatic than previous national Planning Policy Statements, in that plans should plan to meet all the needs identified locally. Paragraph 17, for example, which sets out the core planning principles of the new system, stresses that, "Every effort should be made objectively to identify and meet the housing, business and other development needs of an area and respond positively to wider opportunities for growth."

3.5 The NPPF contains a section entitled 'Building a strong, competitive economy' which emphasises the Government's commitment to securing economic growth in order to create jobs and prosperity. It also highlights that the planning system should operate to encourage and not act as an impediment to growth. Paragraph 21 emphasises that businesses should not be over-burdened by the combined requirements of planning policy expectations and local authorities through plan making should recognise and seek to address barriers to investment. This paragraph sets out the following bullet points which Local Authorities should address when drawing up a Local Plan. Local Planning authorities should:

- set out a clear economic vision and strategy for their area which positively and proactively encourages sustainable economic growth;
- set criteria, or identify strategic sites, for local and inward investment to match the strategy and to meet anticipated needs over the plan period;
- support existing business sectors, taking account of whether they are expanding or contracting and, where possible, identify and plan for new or emerging sectors likely to locate in their area. Policies should be flexible enough to accommodate needs not anticipated in the plan and to allow a rapid response to changes in economic circumstances;
- plan positively for the location, promotion and expansion of clusters or networks of knowledge driven, creative or high technology industries;
- identify priority areas for economic regeneration, infrastructure provision and environmental enhancement; and
- facilitate flexible working practices such as the integration of residential and commercial uses within the same unit.

3.6 The NPPF also emphasises that planning policies should avoid the long term protection of sites allocated for employment use where there is no reasonable prospect of the site being used for that purpose. Applications for other uses on such land should be treated on their own merits having regard to market signals and the relative need for different land uses to support sustainable communities.

3.7 The NPFF contains a section entitled 'Ensuring the vitality of town centres' which states that planning policies should be positive, promote competitive town centre environments and set out policies for the management and growth of town centres over the plan period.

3.8 A sequential approach is retained in the NPPF meaning that this test will be applied to planning applications for Town Centre uses outside of an existing centre and not in accordance with an up to date Development Plan. Town Centre uses are defined as retail, leisure, entertainment facilities, offices, arts, culture and tourism development. Offices are included within this scope of this employment land study.

3.9 Paragraph 28 of the NPPF supports economic growth in rural areas in order to create jobs and prosperity by taking a positive approach to sustainable new development. The paragraph states that Local Plans should:

- support the sustainable growth and expansion of all types of business and enterprise in rural areas;
- promote the development and diversification of agricultural and other land-based rural businesses;
- support sustainable rural tourism and leisure developments that benefit businesses in rural areas, communities and visitors, and which respect the character of the countryside; and
- promote the retention and development of local services and community facilities in villages.

3.10 The NPPF promotes sustainable transport with paragraph 34 highlighting that developments that generate significant movement should be located where the need to travel would be minimised and the use of sustainable transport modes can be maximised. Emphasis is also placed on the need provide a balance of land uses in an area so people are encouraged to minimise journey lengths for shopping, employment, leisure, education and other activities.

3.11 The Plan-making chapter of the NPPF highlights that each local planning authority should ensure that the Local plan is based on adequate, up-to-date and relevant evidence about the economic, social and environmental characteristics and prospects for the area. Further detailed guidance is provided about the need for local planning authorities to understand business needs within the economic markets operating in and across their area. To achieve this local authorities should:

- work together with county and neighbouring authorities and with Local Enterprise Partnerships to prepare and maintain a robust evidence base to understand both existing business needs and likely changes in the market; and
- work closely with the business community to understand their changing needs and identify and address barriers to investment, including a lack of housing, infrastructure or viability.

3.12 The NPPF states that this evidence base should be used to assess:

- the needs for land or floorspace for economic development, including both the quantitative and qualitative needs for all foreseeable types of economic activity over the plan period, including for retail and leisure development;
- the existing and future supply of land available for economic development and its sufficiency and suitability to meet the identified needs. Reviews of land available for economic development should be undertaken at the same time as, or combined with, Strategic Housing Land Availability Assessments and should include a reappraisal of the suitability of previously allocated land;
- the role and function of town centres and the relationship between them, including any trends in the performance of centres;
- the capacity of existing centres to accommodate new town centre development;
- locations of deprivation which may benefit from planned remedial action; and
- the needs of the food production industry and any barriers to investment that planning can resolve.

Employment Land Reviews Guidance Note (2004)

3.13 This guidance note was prepared by Environmental Resources Management on behalf of the ODPM (now DCLG). Although this guidance predates PPS 4, it is still the most up-to-date guidance on the completion of employment land reviews.

3.14 The primary purpose of this guide is to provide planning authorities with effective tools with which to assess the demand for and supply of land for employment. In particular, sites allocated for employment need to reflect the changing requirements of businesses and local economies. This guide seeks to help those in the planning system to assess the suitability of sites for employment development, safeguard the best sites in the face of competition from other higher value uses and help identify those which are no longer suitable for employment uses.

3.15 The document contains advice on how to approach undertaking employment land reviews, how the reviews should relate to and inform the Development Plan and sets out the following three stage approach to undertaking such reviews:

- Stage 1 – Take stock of the existing situation, including an assessment of 'fitness for purpose' of existing allocated employment sites;
- Stage 2 – Compile a picture of future requirements by using a variety of means (i.e. economic forecasting, considering recent trends and/or assessing local property markets) to assess the scale and nature of likely demand for employment land and available supply in quantitative terms; and
- Stage 3 - Identify a 'new' portfolio of sites by undertaking a more detailed review of site supply and quality. Identification and designation of new employment sites should also take place to create a balanced local employment land portfolio.

3.16 Paragraph 2.25 of the guide identifies that employment land reviews should focus on those employment land uses or premises which fall within 'B' Planning Use Class:

- Offices, both in town centres and elsewhere, including those for public administration;
- Light and general industrial;
- Wholesale and freight distribution; and

- High technology premises, including research, business and science parks.

3.17 Our approach to this study takes account of relevant advice contained in this guidance note building it into our existing methodologies. It is acknowledged that this guidance note does not form a definitive statement of government policy; however it nevertheless provides the most up to date information on approaches to undertaking an employment land review.

Regional Policy

Status of Regional Spatial Strategies

3.18 On 6th July 2010, the revocation of Regional Spatial Strategies was announced with immediate effect further to s79(6) of the Local Democracy, Economic Development and Construction Act 2009.

3.19 The 6th July revocation was then the subject of a challenge. In November 2010, the High Court ruled that the coalition Government had acted unlawfully in unilaterally revoking the system of regional spatial strategies. Mr Justice Sales supported two grounds of the challenge, including one that contended that the environmental effects of removing regional spatial strategies should be considered, in line with European law. The effect of the ruling is twofold:

- The 6th July revocation decision has been quashed and as a consequence, the Regional Spatial Strategy as it stood on 5th July 2010 forms an ongoing part of the Development Plan;
- However, the Government's commitment to revoke Regional Spatial Strategies as announced on 27th May 2010 remained, was consolidated into Section 89 (3) of the Localism Bill, and passed into law as the Localism Act on 15th November 2011.

3.20 In light of the above, the adopted West Midlands RSS is still, for the time being, part of the statutory Development Plan and it may therefore continue to be appropriate to have some degree of regard to the Strategy and its supporting evidence base until it is finally abolished / replaced by adopted Local Plans in all the Local Planning Authorities whose area it covered.

Delivering Advantage: The West Midlands Economic Strategy and Action Plan 2004 - 2010

3.21 Delivering Advantage sets out a Vision that by 2010:

> 'The West Midlands is recognised as a world-class region in which to invest, work, learn, visit and live and the most successful in creating wealth to benefit all of its people"

3.22 By 2010 it is anticipated that the region will have a truly diverse and dynamic business base. Key priorities in achieving the vision are enterprise, manufacturing, skills, transport and economic inclusion. To create conditions for growth sites must be made available to meet the needs of business or reused for other purposes.

3.23 Four pillars underpin the strategy and action plan, these are:

- Developing a diverse and dynamic business base;
- Promoting a learning and skilful region;
- Creating the conditions for growth; and
- Regenerating communities.

3.24 Four themes link into the pillars, these are:

- Improving the image a marketing the region;

- Creating and intelligence base for policy;
- Engaging with UK partners; and
- Engaging with European partners.

3.25 Three key delivery mechanisms are regeneration zones, business clusters and high technology corridors. Parts of Herefordshire are covered by the rural regeneration zone.

Connecting to Success, Consultation Draft, West Midlands Regional Economic Strategy 2007

3.26 The Economic Strategy was launched on 10 December 2007. The strategy sets an ambitious vision for the West Midlands:

'To be a global centre where people and businesses choose to connect'

3.27 In order to enhance and maintain the West Midlands as a location in which people and businesses choose to invest, work, learn, live and visit the region must become more prosperous, but economic growth must also be supported by overall improvements in the quality of life. The headline focus of the strategy is closing the gap in performance of the West Midlands and that of the UK as a whole.

3.28 The strategy identifies that there is significant variation in terms of economic output (GVA) per head of population. Some areas, such as Birmingham, Solihull and Coventry, exceed UK average GVA per capita, while others, such as Herefordshire and Shropshire, are significantly below average.

3.29 The Strategy focuses on three main components of the economy – Business, Place and People in order to provide a powerful voice for the region. Strategic objectives are as follows:

- Seizing market opportunities;
- Improving competitiveness;
- Harnessing knowledge;
- Increasing Birmingham's competitiveness;
- Improving infrastructure;
- Sustainable communities;
- Sustainable living;
- Raising ambitions and aspirations;
- Achieving full potential and opportunities for all; and
- Powerful voice for the West Midlands.

3.30 Spatial interventions are primarily focused on the Regeneration Zones, knowledge assets (including high technology corridors) and Birmingham as the main economic drivers in the economy. The Strategy also focuses more limited resources on market towns and locations facing economic change or responding to opportunity.

Rural Renaissance: AWM's Rural Framework, 2005

3.31 Rural Renaissance sets out Advantage West Midlands integrated approach to rural development. It sets out the strategy for implementing the West Midlands Economic Strategy (WMES) in the rural West Midlands. In implementing the Vision for the Regional Economic Strategy rural activity should seek to 'achieve sustainable development in the rural West Midlands by improving access to opportunity and the number and quality of jobs available within sustainable rural communities'. In order to achieve this the following two principles have been adopted:

- Focus regeneration on need and economic development on opportunity. Wherever possible these are brought together to the benefit of those rural parts of the region whose economic performance most lags behind the rest of the region;
- Foster the development of key rural employment sectors/ clusters whilst encouraging rural enterprise to modernise, diversity and collaborate to meet the challenges of the 21st century global economy'

3.32 Under the WMES, the activities for the rural area are as follows:

- Fostering and supporting rural business growth;
- Identifying and supporting rural skills and development;
- Developing a modern rural infrastructure and environmental conditions;
- Regenerating sustainable, well-supported rural communities;
- Championing rural West Midlands.

Rural Regeneration Zone Implementation Plan 2007-2010

3.33 Nearly all of Herefordshire (except for Hereford itself) is within the Rural Regeneration Zone. This is the only rural area in the country that has been designated by its Regional Development Agency as a key area for investment alongside the region's most deprived urban areas. The Vision is that

'By 2020, the Rural Regeneration Zone will be a connected rural area with a strong economy, a healthy environment and a rich quality of life for all'.

3.34 A key strategic objective for the plan period is to develop a strong, diverse and sustainable rural economy. The challenge for the Zone is to invest in activity that supports the diversification of the economy towards higher waged, knowledge intensive employment whilst continuing to develop the more robust aspects of the existing economies of Food and Farming, Tourism and Creative Industries.

Local Policy

Herefordshire Unitary Development Plan (2007)

3.35 The Herefordshire Unitary Development Plan (UDP) was adopted in March 2007. The Vision for the UDP comprises three interlocking elements:

- create fair and thriving communities, which will be inclusive for all, allowing equal and full access to opportunities and services;
- properly protect and enhance the environment through sustainable development;
- build a strong, competitive and innovative economy with a balanced mix of business, jobs and homes.

3.36 Central to the UDP Vision is progression towards more sustainable forms of development appropriate to Herefordshire. The UDP seeks a balance that can both allow and promote appropriate kinds of sustainable activity and development in places that are best suited. An important function of the Plan is to provide a framework for residential and economic development to meet social needs in a manner that is properly balanced with environmental factors.

3.37 Policy P12 explains that the UDP will seek to strengthen and diversify the County's employment base by the identification of opportunities for new economic development which are energy efficient in terms of their overall location and transport requirements. It will give priority to the development of economic activities that are appropriate to the County's character geographical orientation and indigenous resources. The plan adopts a sequential approach to the selection of locations for development. Hereford itself is the natural focus for the County and offers a wide range of employment, leisure, education and community uses. Hereford is identified as the focus for development in the sub-region within the Regional Spatial Strategy. Hereford accordingly has been taken as the most sustainable location for the majority of new development. Plan proposals emphasise the reuse of previously developed land with only limited use of greenfield land. Away from Hereford the amount of development being directed to the market towns of Leominster, Ross-on-Wye, Ledbury, Bromyard and Kington varies according to local factors. Away from the County's principal urban areas, development (mainly housing) will be directed to selected rural settlements.

3.38 The policies in the employment chapter of the Plan aim to:

- ensure a better balance of employment opportunities in communities throughout the County;
- enable the provision of suitable land and premises to meet the identified and anticipated needs of both indigenous growth, including the expansion of existing business and start ups and inward investment; and
- positively support the diversification of employment opportunities within the rural areas.

3.39 Policy S4 states that the diversification and regeneration of the County's economic base will be provided for by:

- Making provision for 100 hectares of land for Class B employment development in the County. This provision includes land allocation in a range of locations throughout the County and existing planning permissions. In addition to the larger scale allocations, policies will permit suitable employment development in the rural areas which are consistent in scale with their location, in order to help ensure balanced communities and to secure rural regeneration;
- Ensuring a suitable portfolio of land is identified in terms of choice of sites, size, quality, location and Use Class to meet differing needs, and that sufficient land is available which is readily capable of development and well served by existing infrastructure or capable of being served; and
- Building strong, competitive and innovative economy with a balanced mix of businesses, jobs and homes through which the local economy can flourish.

3.40 Policy E8 sets out Design Standards for employment sites. Proposals for employment purposes should provide adequate infrastructure and the protection of the amenity of surrounding land uses particularly residential uses. A number of design responses are identified including orientating buildings and operations sensitively, providing appropriate environmental protection, and incorporating pedestrian and cycle links.

3.41 The development of greenfield land for employment will not be permitted unless there is a lack of suitable development opportunities within the boundaries of existing urban areas or on previously developed sites; or where there is an established need for the development of agricultural land (Policy E15).

Core Strategy

3.42 The Core Strategy is progressing to the pre-submission stage following consultation on a Revised Preferred Option in October 2011. The Revised Preferred Option version covers a few specific elements of the overall strategy therefore parts of the previous version of the Core Strategy (Preferred Options - issued autumn 2010) are still the most up to date emerging policy. This section therefore outlines relevant details from the Revised Preferred Option version and the Preferred Options version.

Revised Preferred Option

3.43 The main changes proposed by the revised preferred option are:

a) Rebasing the plan to cover a period 2011-2031;

b) Revising the Housing target from 18,000 to 16,500 dwellings for the plan period (2011-2031);

c) Retaining the essence of focussing on Hereford but with a reduction in the amount of housing distributed to the city of around 2,000 dwellings;

d) Distribution of growth for the market towns remains similar; and

e) Increasing distribution of housing to rural areas by 800 units.

Hereford

3.44 With regard to Hereford specifically, the strategy seeks to retain the focus on this settlement but with a reduction of circa 2,000 dwellings. As a result of this revision there are a number of detailed changes proposed. With regard to employment land at Hereford in particular it is outlined that:

> Given the reduction of housing at Hereford a corresponding and specific reduction in employment land is proposed.

3.45 On this basis it is proposed in the document, that the Holmer East location, which would have provided 5 hectares of employment land, is to be removed from the Core Strategy as a Strategic site. The site has been selected as it is known to have contamination issue and through the Plan process no further evidence has emerged to clarify the extent of the contamination and the consequent measures that could be undertaken to ensure that the land is suitable and viable to deliver employment development.

3.46 In respect of the Rotherwas Enterprise Zone, which was announced in August 2011 after the principles of the Revised Preferred Option were approved by Cabinet in July, it is acknowledged in the documentation that there are potential implications for employment land and/or infrastructure requirements. In terms of infrastructure specifically additional transport links, including a river crossing, to improve accessibility to support economic growth may be required. It is outlined that the implications of the Enterprise Zone status for Rotherwas will be considered further as the plan is progressed.

Distribution Elsewhere

3.47 It is outlined that the Revised Preferred Option continues to focus a significant amount of the housing growth outside of Hereford at the five market towns. It is further stated:

> The strategy for the market towns proposes a range of approaches reflecting local requirements, constraints and opportunities, although all recognise the need to maintain the service centre role of each of the towns. The decision to focus the largest single allocation of new homes to Leominster has been based on the recognition of its location on the A49 corridor, its public transport links and the transport benefits of the proposed development in the form of a southern link road.

3.48 In respect of Leominster specifically and the level of employment provision required over the plan period, it is outlined:

In addition, the extended plan period has resulted in a reconsideration of the need for additional employment land in the town. With current available employment land likely to be fully developed before the end of the plan period it is proposed that the strategic proposals for Leominster incorporate 5ha of new employment land.

Employment Land Requirements

3.49 It is detailed in the Revised Preferred Strategy documentation that in the context of the reduced housing target it is also necessary to consider whether the employment land targets should also be amended. In this regard its is stated:

The main basis for the employment land requirement in the Preferred Option was a calculation based upon previous employment land completion rates. The employment land targets of the Preferred Option remains a reasonable approach, although there are specific changes to employment land provision at Hereford to reflect the reduction in the strategic housing target for the city and at Leominster to recognise the need for additional employment land as part of the strategic proposals by the end of the plan period.

Preferred Option

3.50 In the Preferred Option version of the core Strategy it is outlined that sustainable communities need economic growth to ensure they are active and thriving. The importance of a strong and diverse economy in terms of local job creation and thus in creating more sustainable travel to work patterns is emphasised. A strategy for Hertfordshire economy is detailed within Policy EC.1, where it is stated:

Herefordshire's economy will be developed and diversified; supporting enterprise and seeking to deliver sustainable economic growth and prosperous communities. In particular:

1. The role of Hereford City as the main business, service and visitor centre for the county will be maintained and enhanced through the expansion of the city centre as part of wider city regeneration;

2. The regeneration of the wider economy of the county's market towns, in order to support their viability as key service centres for the rural areas, will be prioritised by ensuring that they remain the focus for appropriate levels of new development;

3. The continuing development of traditional sectors of the economy, such as food and drink and including manufacturing, which represent a strength of the county's economic activity, will be encouraged;

4. Support will be given to initiatives and new development that relate to the diversification of the business base within the county, including the provision of knowledge intensive industries, green technologies and renewable energy;

5. Innovative changes in agriculture will be supported, where they assist in maintaining the viability of farming and other supporting rural businesses and where they will not have an irreversible adverse impact on the countryside;

6. Support will be given to the development of countywide sustainable transport and faster and more accessible ICT/Broadband infrastructure, in order to facilitate the generation and diversification of employment opportunities; and to improve accessibility to education and training opportunities;

7. A range of appropriate employment sites will be provided across the county, reflecting local needs and market demand; and the county's highest quality employment land will be protected from alternative uses.

8. Home-based business will be encouraged, through the development of business hubs, live-work schemes and through the adaptive design of residential development.

9. Support will be given for educational developments throughout the county, to include the provision of higher education and skills development.

10. Rural businesses will be supported, taking into account local demand, the ability to retain and grow employment opportunities and opportunities to reuse existing buildings and sites.

11. Support will be given to the delivery of high quality, sustainable tourism, cultural and leisure developments, which are aimed at diversifying the local economy, benefiting local communities and visitors, and are sensitive to Herefordshire's natural and built environment qualities and heritage assets.

3.51 Policy E.1 is concerned with maintaining an adequate supply of employment provision and focuses on protecting existing employment sites which are classified as 'Best' or 'Good' and allowing the release of sites classified as 'Moderate' or 'Poor' where the specific criteria are satisfied. These criteria include:

1. the proposal would result in a net improvement in amenity;

2. the proposal would not result in a piecemeal loss of employment land where there is potential for a more comprehensive scheme;

3. the loss would not impact on the range of supply in a specific geographical area;

4. an assessment has been carried out to confirm the viability of the development proposal;

5. the need for alternative uses is greater than the need for the retention of employment land;

6. proof of active marketing is provided to allow the full consideration of any specific demand.

3.52 It is further stated in the policy that an indicative rolling 5-year reservoir of 37ha of available employment land will be maintained.

3.53 Policy E.2 is concerned with the strategic approach to employment land provision. It is outlined that Hereford and the Market Towns will be the focus for the majority of new employment land provision. In addition to the strategic allocations proposed and to ensure a range of locations, types and sizes of employment land and premises are provided the policy specifies that:

1. more efficient use will be made of existing sites and premises to accommodate new employment growth;

2. high priority will be given to the reuse of suitable brownfield sites within the urban areas;

3. the integration of new employment opportunities will be encouraged in mixed-use developments;

4. smaller employment sites will be permitted to meet local needs and encourage new business development. This should include the provision of smaller sites within the smaller rural settlements, in addition to Hereford and the Market Towns; with some flexibility for

employment generating non-B use classes and community facilities where operational compatibility of uses can be achieved;

5. new employment growth will be located in areas where it is well supported by existing infrastructure.

3.54 In terms of individual settlements the table below summarises the proposed employment land provision in the Preferred Option documentation with additional commentary where changes in provision have been proposed as the preparation of the Core Strategy has advanced.

Table 3.1: Breakdown of Employment provision by settlement

Settlement	Preferred Option – Proposed Employment Provision	Revised Preferred Option - Proposed change/s in Revised Preferred Strategy
Hereford	• 5 hectares - Holmer East • 10 hectares – Three Elms • Continue to enable provision at Rotherwas	• 5 hectares at Holmer East no longer proposed
Bromyard	• 5 hectares – Linton Trading Estate	
Ledbury	• 12 hectares – Land between Little Marcle Road and Ross Road	
Ross-on-Wye	• 10 hectares – Model Farm (As a continuation of the UDP allocation which was not developed over the plan period)	
Leominster	• No specific provision outlined	• 5 hectares as part of strategic proposals / urban extension to Leominster

3.55 Since the Revised Preferred Core Strategy was published the Council has taken the decision take some additional actions in relation to Bromyard which will be outlined in the next version of the Core Strategy. Due to the circumstances surrounding the allocated land south of Linton Trading Estate site replacement provision (an alternative site) is required. Land West of Panniers Lane is under consideration.

Enterprising County – Economic Development Strategy for Herefordshire 2011-2016

3.56 The purpose of the strategy is to set out a route and overall direction for the County so that it can foster economic vitality. The strategy focuses on achieving growth through the private sector, with new jobs and investment made by businesses.

3.57 The aim of the strategy is to build on what is currently known about Herefordshire to build an ambitious future and to make the most of the county's unique qualities. The vision is to increase the economic wealth of the county through the growth of business. This is to be achieved by:

- Sustaining business survival and growth;
- Increasing wage levels, range and quality of jobs;
- Having a skilled population to meet future work needs;

- Developing the county's built infrastructure so enterprise can flourish.

3.58 A number of projects, which comprise of infrastructure and development initiatives, are outlined in the Strategy document. It is stated that these will be completed or progressed significantly over the period of the strategy (by 2016). The projects identified are:

1) Enterprise Zone – development of employment land at Rotherwas to form an enterprise zone focusing on defence and knowledge sectors, creating added benefit for companies who locate in the area.
2) Broadband – investment in technology infrastructure for the county to have 100% access to broadband revolutionising how businesses operate and how public services are delivered.
3) Employment Land – create a network of quality employment land sites across the county where businesses have opportunity to relocate and expand.
4) Hereford Relief Road – invest in the road infrastructure to relieve Hereford and make movement through the county easier for businesses, visitors and residents.
5) Hereford City Centre – as the urban centre of the county creating a more vibrant city with additional retail, housing and leisure.
6) Construction Skills Academy – ensure the best skills are locally available to meet the potential of investment projects, specifically regarding the city centre development.
7) Employment and Skills – to run programmes that support people into employment, with a specific concentration on South Wye and Leominster areas.
8) Apprenticeship Campaign - enabling work based training to generate long term skills.
9) HE Centre – to create a facility for people to access higher education that provides a gateway to learning otherwise not available in the county.
10) Identity – create a strong brand identity for Herefordshire that reflects the county's enterprising spirit and visitor appeal

3.59 These projects are expected to impact the county as a whole, creating economic benefits for the rural areas, market towns and Hereford.

Herefordshire Sustainable Community Strategy, 2010, Herefordshire Partnership

3.60 The Community Strategy for Herefordshire sets out a Vision for 2020 as a place 'where people, organisations and businesses working together within an outstanding natural environment to bring about sustainable prosperity and well-being for all'.

3.61 Economic Development and Enterprise is a key theme for the strategy. In improving business and employment opportunities the strategy outlines the following key outcomes:

- More and better paid employment;
- A more adaptable and higher skilled workforce; and
- Reduced traffic congestion through access to better integrated transport provision.

3.62 The strategy provides an overview of how Herefordshire is performing and next steps to continue improvements. The detail of these two aspects of the report are set out respectively:

How are we doing?

- The state of the economy has increased unemployment and personal debt in Herefordshire.
- We are working to attract new investment and businesses to the county to create more jobs.
- Although wages have gone up, Herefordshire wages are still less than in other parts of the Midlands.
- Income levels are very low in some parts of Leominster and Hereford.
- The numbers of people of working age 16-64 is declining.
- Lots of skilled people move to Herefordshire to set up businesses and work.
- We are looking for funding to create a university in Herefordshire.

- Broadband services in rural areas are poor.

We will be working towards:

- Helping to support existing businesses and jobs.
- Supporting better paid and more interesting jobs.
- Having a high quality workforce who can learn new skills when needed.
- Less traffic, better public transport, and more people walking and cycling to work.
- Better broadband services.
- More land available for building high quality business premises.
- Encouraging businesses to think about the environment.
- Promoting Herefordshire as a good place for business.

4 Employment Land and Premises – Quantitative Assessment of Supply

Introduction

4.1 The property profile, in terms of amount and broad distribution across Herefordshire and its constituent sub-areas, has been assessed through a quantitative analysis of existing employment floorspace and proposed future land by B1, B2 and B8 use classes and also by main employment sectors (office, manufacturing and, warehousing and distribution).

4.2 In order to provide an overall quantitative picture of supply, the following two main aspects have been considered:

- The amount and distribution of the existing stock of employment floorspace, distinguishing between vacant and occupied space; and
- The amount and distribution of employment land supply and associated potential new floorspace.

4.3 Further details and commentary on the main characteristics of quantitative supply are set out below and also in the conclusions chapter.

Existing Stock of Employment Premises

Total Existing Employment Floorspace

4.4 The most reliable figures for existing floorspace provision at the Herefordshire level are provided by the Valuation Office Agency (VOA). The data identifies the total number and floorspace of hereditaments by main sector, notably office and industrial (which includes manufacturing and warehousing).

4.5 Hereditaments are defined as 'a piece of real, inheritable or taxable property on which rates may be charged and which is defined in law'. In the majority of cases, a hereditament corresponds to an extent of contiguous or adjacent space appropriate for a single business occupier. Most hereditaments relate to groups of buildings, single buildings or premises within buildings. Large office or mixed-use commercial or industrial buildings will, if shared between several tenants or owners, consist of several hereditaments. These hereditaments may occupy some floors, part of a floor or space in, adjacent to, or associated with the building. For example a flower stall or newspaper kiosk in an office building can constitute a separate hereditament. Conversely a single large hereditament may comprise many distinct buildings, for example a large factory complex on a single site.

4.6 Thus, while the data reflects precisely the number of hereditaments at a certain time, this number may not be the same as the number of buildings or institutions that might be arrived at by another observer collecting information on the same building stock but for a different purpose. By and large the difference will be small, but for certain types of premises it can be more pronounced.

4.7 Table 4.1 provides a breakdown of employment hereditaments and floorspace by sector and at sub-area level (using April 2008 data).

Table 4.1: Breakdown of VOA Data by Sector and Sub-Area (Number of Hereditaments and Floorspace)

Sub Area	Office [B1(a)]	Manufacturing [B1(b&c) and B2]	Warehousing and Distribution (B8)
County Town	421 (89,000 sqm)	297 (283,000 sqm)	332 (117,000 sqm)
Eastern Corridor	244 (31,000 sqm)	379 (208,500 sqm)	248 (127,000 sqm)
Rural Heartland	127 (23,000 sqm)	609 (368,000 sqm)	350 (188,000 sqm)
Total (2008)	**792 (143,000 sqm)**	**1,285 (859,000 sqm)**	**930 (492,000 sqm)**
		2,215 (1,351,000 sqm)	
Total (2012)	**960 (134,000 sqm)**	**2,240 (1,360,000 sqm)**	

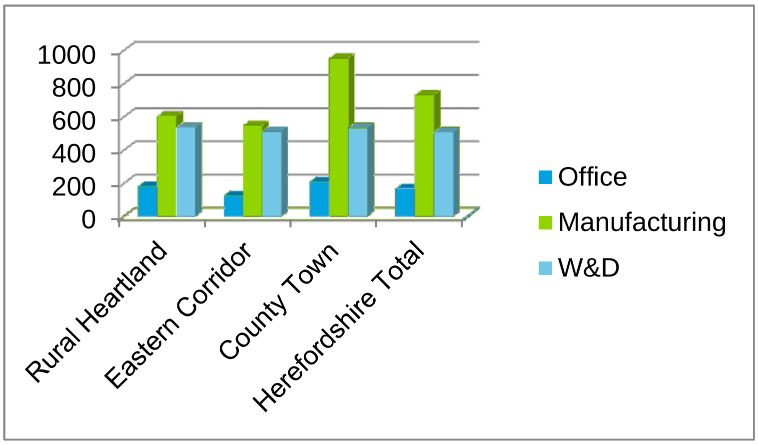
Source: [www.statistics.gov.uk/neighbourhood and www.voa.gov.uk](www.statistics.gov.uk/neighbourhood)

4.8 Readily available aggregated figures below the district (i.e. local authority) level are no longer specifically published by the VOA or by ONS. 2012 VOA figures are available although these are only published at the district level and the data is also not directly comparable to previous figures due to the way in which it is collected and analysed / aggregated. For example, published VOA local authority level figures now amalgamate manufacturing and warehousing data into a single 'industrial' classification.

4.9 In very broad terms however, the 2012 VOA figures suggest an overall (modest) increase in floorspace and numbers of hereditaments in the 'industrial' classification. For offices, the number of hereditaments has increased but the total office floorspace for Herefordshire as a whole has fallen slightly when compared to 2008 figures.

4.10 Figure 4.1 illustrates the average hereditament size (based on 2008 information). Although there will clearly be variation in unit sizes and sizes may have altered since the date of the information, this analysis does never-the-less provide a broad picture of the average scale of premises across different sectors and sub areas.

Figure 4.1: Average Hereditament Size (sq. m.) by Sector and Sub-Area



Vacant Premises

4.11 Aggregated information from the VOA / ONS at the Herefordshire / sub-Herefordshire level does not distinguish between vacant and occupied space. Set out in Tables 4.2a, 4.2b, 4.3a and 4.3b is an overview of vacant premises by study area sub-area and sector, focusing on industrial / warehouse and office premises. Details on available premises have been obtained from the Council's Commercial property Register (dated August 2012 – October 2012). This register is maintained and updated quarterly by the Council and provides details from a range of sources. It provides a reasonably up to date and comprehensive picture of currently available commercial property in the area.

4.12 We have also carried out our own investigations on vacant premises to clarify details obtained from the Council's Property Register to, for example, ensure that the double-counting of premises is avoided as far as possible.

4.13 Tables 4.2a and 4.2b show the amount of floorspace and units available for office use for the County as a whole and broken down by sub-area and size band.

Table 4.2a: Vacant Office Premises – Floorspace

Sub Area	Size Bands in sq.m.						Total
	A 0 – 100	B 101 – 500	C 501 – 1000	D 1001 – 2000	E 2001 – 5000	F 5001+	
County Town	1,459	3,502	580	1,858	0	0	**7,399**
Eastern Corridor	831	2,222	0	0	0	0	**3,052**
Rural Heartland	639	1,203	0	0	0	0	**1,842**
Herefordshire Total	**2,929**	**6,927**	**580**	**1,858**	**0**	**0**	**12,293**

➢ Source: Herefordshire Council Commercial property Register (Aug 2012 – Oct 2012) & review of agent's particulars

Table 4.2b: Vacant Office Premises – Number of Units

Sub Area	Size Bands in sq.m.						Total
	A 0 – 100	B 101 – 500	C 501 – 1000	D 1001 – 2000	E 2001 – 5000	F 5001+	
County Town	34	18	1	1	0	0	**54**
Eastern Corridor	16	9	0	0	0	0	**25**
Rural Heartland	12	4	0	0	0	0	**16**
Herefordshire Total	**62**	**31**	**1**	**1**	**0**	**0**	**95**

➢ Source: Herefordshire Council Commercial property Register (Aug 2012 – Oct 2012) & review of agent's particulars

4.14 In respect of available office space in Herefordshire as a whole the majority (57%) of vacant premises are located within the County Town sub-area and are predominantly focused (97%) in the smaller size band (A and B – Under 500 sq.m). In total there is 12,293 sq. m of office space available across the county. Within the County Town sub area, again, the majority of available premises and floorspace are in the smaller size bands (A and B - less than 500 sq.m). There are two units in the higher size (C and D) bands providing 2,483 sq.m of floorspace in total.

4.15 Tables 4.3a and 4.3b show the amount of floorspace and units available for office use for the County as a whole and broken down by sub-area and size band.

Table 4.3a: Vacant Industrial & Warehousing Premises – Floorspace

Sub Area	Size Bands in sq.m. (numbers of vacant properties shown in brackets)						Total
	A	B	C	D	E	F	
	0 – 100	101 – 500	501 – 1000	1001 – 2000	2001 – 5000	5001+	
County Town	272	7,663	7,989	6,761	11,734	23,805	**58,224**
Eastern Corridor	860	5,078	5,860	0	0	60,168	**71,966**
Rural Heartland	440	3,770	673	6,166	0	0	**11,049**
Herefordshire Total	**1,571**	**17,702**	**14,522**	**11,736**	**11,734**	**83,973**	**141,239**

➢ Source: Herefordshire Council Commercial property Register (Aug 2012 – Oct 2012) & review of agent's particulars

Table 4.3b: Vacant Industrial & Warehousing Premises – Number of Units

Sub Area	Size Bands in sq.m. (numbers of vacant properties shown in brackets)						Total
	A	B	C	D	E	F	
	0 – 100	101 – 500	501 – 1000	1001 – 2000	2001 – 5000	5001+	
County Town	5	26	12	5	5	3	**56**
Eastern Corridor	14	12	9	0	0	6	**41**
Rural Heartland	5	19	1	4	0	0	**29**
Herefordshire Total	**24**	**57**	**22**	**9**	**5**	**9**	**126**

➢ Source: Herefordshire Council Commercial property Register (Aug 2012 – Oct 2012) & review of agent's particulars

4.16 There is a good amount of industrial and warehouse space currently available across the County as a whole (141,239 sq. m) and within the County Town sub-area (58,224 sq. m) specifically. The size of available premises covers all size bands, which demonstrates choice in the market. Available provision is concentrated in smaller units under 500 sq. m, with 81 of the 126 units available falling within this size range. The larger units available are spread across the sub-areas however the County Town, as expected, has the bulk of the larger units available, followed by the Eastern Corridor. The Rural Heartland sub-area has a reasonable amount (4 units between 1,000 and 2,000 sq. m) of medium sized premises available.

4.17 It is also of interest to analyse current vacancies against previous vacancy information to provide an indication of recessionary impacts on levels of occupancy. The following tables (Table 4.4 and 4.5) provide a comparison of current vacancy levels against those which existed in early 2008 and mid 2010 (as recorded in previous versions of this employment land study and primarily based on details included in the Council's Commercial Property Register at that time).

Table 4.4: Change in Office Vacancy (2008 – 2012)

Sub Area	Total Vacant Floorspace in sq. m. (total number of vacant properties)		
	Early 2008	Mid 2010	Mid 2012
County Town	4,661 (29)	7,748 (38)	7,399 (54)
Eastern Corridor	3,882 (23)	5,057 (34)	3,052 (25)
Rural Heartland	3,152 (24)	1,437 (14)	1,842 (16)
Herefordshire Total	**11,695 (76)**	**14,242 (86)**	**12,293 (95)**

4.18 Looking at the headline figures for office premises it is clear that the across the county as a whole the number of available premises has increased by 19 units since 2008 and is up 9 units from the last study in 2010. However, in terms of the floorspace available it can be seen that it was higher in 2010 than in both 2008 (by 2,547 sq. m) and 2012 (by 1,949 sq. m). Focussing on the sub-areas it is apparent that:

- In the County Town - The number of units available has continually risen since 2008. There are 25 more units available than in 2008 and 16 units more than in 2010. In terms of available floorspace more was available in 2010 than in 2008 and in 2012. However, there is only marginally (349 sq. m) less floorspace available at the time of this study than at the time of the previous one. Interestingly, there is 2,738 sq. m more floorspace available in 2012 than in 2008.

- In the Eastern Corridor – The number of available units is lower (by 9 units) in 2012 than in 2010 and is up by 2 units since 2008. In respect of floorspace, the amount available in 2012 is lower than in either of the previous years assessed – there is 2,005 sq. m less floorspace available in 2012 than there was in 2010.

- In the Rural Heartland – The number of units available has fallen since 2008 and was at its lowest in 2010. There are 8 available units less in 2012 than in 2008. With regard to floorspace this has also fallen since 2008 and was again at its lowest in 2010. There is 1,310 sq. m less floorspace available in 2012 than in 2008.

Table 4.5: Change in Industrial and Warehousing Vacancy (2008 – 2012)

Sub Area	Total Vacant Floorspace in sq. m. (total number of vacant properties)		
	Early 2008	Mid 2010	Mid 2012
County Town	35,496 (45)	69,219 (75)	58,224 (56)
Eastern Corridor	22,632 (49)	41,339 (67)	71,966 (41)
Rural Heartland	28,596 (50)	30,357 (47)	11,049 (29)
Herefordshire Total	**86,724 (144)**	**140,985 (189)**	**141,239 (126)**

4.19 For the County overall the figures for industrial and warehouse premises show that the number of available premises has decreased by 18 units since 2008 and is down 63 units from the last study in 2010. In respect of the floorspace available it can be seen that it is at its highest in 2012 compared to the two previous assessment years. The level of available floorspace in 2012 is 54,515 sq. m higher than in 2008, which is considerable, and is only marginally (254 sq. m) higher than in 2010. Looking at the sub-areas it is apparent that:

- In the County Town area - The number of available units is lower (by 19 units) in 2012 than in 2010 and is up by 11 units since 2008. In terms of available floorspace more was available in 2010 than in 2008 and 2012. There is 10,995 sq. m less of floorspace available at the time of this study than at the time of the previous one. Interestingly, there is 22,728 sq. m more floorspace available in 2012 than in 2008.

- In the Eastern Corridor – The number of available units is lower in 2012 than both the previous assessment years - 26 units less than in 2010 and 8 units less than in 2008. In respect of floorspace, the amount available in 2012 is higher than in either of the previous years assessed – there is 30,567 sq. m more floorspace available in 2012 than there was in 2010 and 49,334 sq. m more than in 2008.

- In the Rural Heartland – The number of units available has fallen since 2008 and is at its lowest in 2012. There are 21 available units less in 2012 than in 2008. With regard to floorspace this has also fallen since 2008 and is again at its lowest in 2012. There is 17,547 sq. m less floorspace available in 2012 than in 2008 and 19,308 sq. m less than in 2010.

Employment Land Supply

4.20 The assessment of existing employment land supply focuses on the following:

- **Employment Allocations** – Sites without planning permission which are allocated for B1, B2 and B8 uses in the adopted Herefordshire UDP (notably sites identified under Policies E1, E2 and E3). Also included are other relevant allocations with the potential to accommodate new employment floorspace (sites allocated under Policy E5).
- **Employment Commitments** – Committed sites (i.e. those under construction or with extant planning permission) for B1, B2 or B8 uses at the time of survey.

4.21 Information relating to quantitative land supply has been obtained from details collected by the Council together with our own assessment of available land and premises, updating information included in the previous employment land study. Our assessment seeks to provide an assessment of land supply and potential new employment floorspace by main planning use class / employment sector and study sub area. By taking this approach, a more in-depth analysis can be provided than by, for example, simply looking at sites in isolation. It should be noted that due to the nature and scope of this update, some interim updating has needed to be applied, albeit that the figures included in this report have been discussed and agreed with the Council as an appropriate assessment of the current employment land supply position.

4.22 The general approach applied to define (potential) sector apportionments and floorspace capacities for individual sites is as follows:

Allocations

- Obtaining site areas and other information from the Council (and measuring land areas where accurate / up to date information is not available);
- Use of Development Plan information, discussions with the local planning authority, information from agents, past completions and qualitative assessment site visits to define the percentage apportionment of different employment uses for particular sites.
- To derive potential floorspace quanta, application of the following average gross floorspace densities per hectare, based on information contained in Appendix D of the Employment Land Reviews Good Practice Note of December 2004:
    - Offices: 4,000 sq m / ha
    - Industrial: 4,000 sq m / ha
    - Warehouse:5,000 sq m / ha

Commitments

- Information collected by the Council to inform its annual monitoring returns; and
- Where floorspace information is not recorded (such as in the case of certain outline planning permissions), a similar approach to that used for allocations has been used (note – where other information is not available and for sites which have not been qualitatively assessed as part of this study, an equal split between permitted uses is normally applied as a guide).

4.23 It should be recognised that employment monitoring information is not absolute. For example an employment allocation identified for B1, B2 and B8 uses may come forward for only one of these uses. Similarly, development may come forward at a higher or lower density than assumed as part of this review.

4.24 Whilst the limitations are acknowledged, the overall approach to the assessment does provide a good picture of employment land supply. This includes the identification of likely available land and associated floorspace capacity for different employment uses/sectors to be derived from existing local plan allocations and employment commitments.

4.25 **Table 4.6** illustrates the planning use classes attributed to ONS Classifications. The assignment of use classes as shown in the table is considered to be reasonably accurate by the Department of Communities and Local Government (DCLG) and ONS.

Table 4.6: Office of National Statistics Classes v Planning Use Classes

ONS Classification	Planning Use Class
Office	A2 and B1(a)
Manufacturing	B1(b), B1(c) and B2
Warehousing / Distribution	B8

4.26 In assessing potential floorspace, it is important to distinguish between B1 office (Class B1a) and B1 R&D and light industry (Classes B1b and c). Understanding this breakdown ensures a more robust approach to the assessment. Sub-dividing B1 uses enables a better comparison with information on existing stock and premises extracted from the databases used by the ONS (and VOA) and is also more consistent with forecasting and market classifications used in subsequent stages of this Employment Land Review.

Employment Allocations and Commitments

4.27 **Tables 4.7 to 4.9** provide a quantitative assessment by sub-area of the size and (an estimate of) the potential floorspace capacity of:

- Local Plan employment allocations; and
- Employment commitments (within and outside of Local Plan allocations), including commitments not yet started and also those under construction.

4.28 The quantitative assessment of employment land supply in this chapter does not consider the potential contribution able to be made by other sites not currently recorded as part the Council's employment land supply, such as new sites being considered through the emerging Core Strategy. Relevant other sites are however assessed in qualitative terms in the following chapter of this report and their potential contribution to supply also assessed as part of our conclusions and recommendations.

4.29 We are aware that a number of employment sites within Herefordshire have historically been lost to other uses, notably housing. For the purposes of this study, existing potential losses (i.e. those employment sites with planning permission for non-employment uses such as housing) have not been explicitly considered. This is because the Council's current monitoring information reveals that only a relatively small number and scale of extant permissions exist which would lead to the loss of existing employment land and premises.

Employment Allocations

Table 4.7: Adopted UDP Employment Allocations (without Planning Permission)

Sub Area Site	Available Area (hectares)	Floorspace Capacity Estimate in square metres [Site area estimate (in hectares) shown in brackets]				
		B1 (a)	B1 (b & c)	B2	B8	Total B Class
County Town						
Rotherwas Industrial Estate (Phase 3 - Northern Magazines)	31	24000 (6)	40000 (10)	40000 (10)	25000 (5)	129000 (31)
Rotherwas Industrial Estate - Land between Beacon Road and the Straight Mile	0.68	1400 (0.35)	1320 (0.33)	0 (0)	0 (0)	2720 (0.68)

Sub Area Site	Available Area (hectares)	Floorspace Capacity Estimate in square metres [Site area estimate (in hectares) shown in brackets]				
		B1 (a)	B1 (b & c)	B2	B8	Total B Class
Rotherwas Industrial Estate - Land east of Gatehouse Road	1.25	1000 (0.25)	2000 (0.5)	0 (0)	2500 (0.5)	5500 (1.25)
Rotherwas Industrial Estate - Vacant land south of Chapel Road (adjacent to recycling centre)	0.51	0 (0)	800 (0.2)	800 (0.2)	550 (0.11)	2150 (0.51)
Land at Three Elms Trading Estate	0.2	0 (0)	400 (0.1)	0 (0)	500 (0.1)	900 (0.2)
Vacant plot within Holmer Road, Hereford	0.81	1080 (0.27)	0 (0)	1080 (0.27)	1080 (0.27)	3240 (0.81)
County Town Total	**34.45**	**27480 [6.87]**	**44520 [11.13]**	**41880 [10.47]**	**29630 [5.98]**	**143510 [34.45]**
Eastern Corridor						
New Mills, Ledbury	0.63	640 (0.16)	640 (0.16)	0 (0)	1240 (0.31)	2520 (0.63)
Land within Lower Road Trading Estate	2.4	0 (0)	3200 (0.8)	3200 (0.8)	4200 (0.8)	10600 (2.4)
Land East of Whitestone Business Park, Withington	1.02	400 (0.1)	400 (0.1)	1640 (0.41)	1640 (0.41)	4080 (1.02)
Land at Linton Trading Estate	0.36	0 (0)	0 (0)	1300 (0.36)	0 (0)	1300 (0.36)
South of Linton Trading Estate, Bromyard (excluding waste centre and existing lake area)	3	0 (0)	4000 (1)	4000 (1)	5000 (1)	13000 (3)
Land north of Railway Viaduct, Ledbury (Part without Planning Permission)	10.68	4080 (1.02)	4080 (1.02)	17080 (4.27)	17080 (4.27)	42720 (10.68)
Land north of the A40, Model Farm	10	24000 (6)	6000 (1.5)	6000 (1.5)	4000 (1)	40000 (10)
Land at Ashburton Industrial Estate	0.35	0 (0)	440 (0.1)	200 (0.1)	760 (0.15)	1400 (0.35)
Land north of PFS, Oveross	0.86	2500 (0.7)	0 (0)	0 (0)	1000 (0.16)	3500 (0.86)
Land at Bromyard Trading Estate	0.35	0	400 (0.1)	400 (0.1)	500 (0.15)	1300 (0.35)
Eastern Corridor Total	**29.65**	**31620 (7.98)**	**19160 (4.78)**	**33820 (8.54)**	**35820 (8.35)**	**120420 (29.65)**
Rural Heartland						
East of Silurian Close, Southern Avenue, Leominster	0.61	600 (0.15)	1840 (0.46)	0 (0)	0 (0)	2440 (0.61)

Sub Area Site	Available Area (hectares)	Floorspace Capacity Estimate in square metres [Site area estimate (in hectares) shown in brackets]				
		B1 (a)	B1 (b & c)	B2	B8	Total B Class
South of Southern Avenue, Leominster	0.74	560 (0.14)	800 (0.2)	800 (0.2)	800 (0.2)	2960 (0.74)
Land at Southern Avenue, Leominster (various sites)	0.7	0 (0)	1000 (0.2)	2000 (0.5)	0 (0)	3000 (0.7)
Land at Hatton Gardens	0.2	0 (0)	0 (0)	800 (0.2)	0 (0)	800 (0.2)
North of Zwick, Southern Avenue, Leominster	0.17	80 (0.02)	200 (0.05)	200 (0.05)	200 (0.05)	680 (0.17)
Gooses Foot Industrial Estate, Kingstone	1.05	0 (0)	2000 (0.5)	2200 (0.55)	0 (0)	4200 (1.05)
Madley Airfield	2.7	1350 (0.35)	1350 (0.35)	4000 (1)	5000 (1)	11700 (2.7)
Land at Moreton-on-Lugg Depot (Moreton Business Park)	7.25	9000 (2.25)	10000 (2.5)	0 (0)	10000 (2.5)	29000 (7.25)
Tram Inn, Allensmore	0.7	280 (0.07)	2520 (0.63)	0 (0)	0 (0)	2800 (0.7)
Rural Heartland Total	**14.12**	**11870 (2.98)**	**19710 (4.89)**	**10000 (2.5)**	**16000 (3.75)**	**57580 (14.12)**
Herefordshire Total	**78.22**	**70970 (17.83)**	**83390 (20.8)**	**85700 (21.51)**	**81450 (18.08)**	**321510 (78.22)**

Note – the table excludes 1.39 hectares at Dales in Leominster, which is classified as 'owner specific'. In line with best practice, until owner specific sites obtain planning permission, they are not counted as contributing to employment land supply.

Employment Commitments

4.30 Employment commitments, which can be located within and outside of employment allocations, can also be defined as employment 'gains'. They comprise of:

- Sites with planning permission for employment use where development has not started; and
- Sites with planning permission under construction as recorded in the Council's most recent (2012) monitoring information.

Table 4.8: Employment Commitments (not started)

Sub Area Site	Available Area (hectares)	Floorspace Capacity Estimate in square metres [Site area estimate (in hectares) shown in brackets]				
		B1 (a)	B1 (b & c)	B2	B8	Total B Class
County Town						
St Pauls Church, Church Road, Hereford	0.1	36 (0.1)	0	0	0	36 (0.1)

Sub Area Site	Available Area (hectares)	Floorspace Capacity Estimate in square metres [Site area estimate (in hectares) shown in brackets]				
		B1 (a)	B1 (b & c)	B2	B8	Total B Class
Legion Way, Hereford	0.22	0	0	470 (0.22)	0	470 (0.22)
1 Staniers Way, Hereford	1.07	0 (0)	0 (0)	5062 (1.07)	0 (0)	5062 (1.07)
57-59 Blue School Street, Hereford	0.19	110 (0.19)	0 (0)	0 (0)	0 (0)	110 (0.19)
11 Premier Business Park, Faraday Road, Hereford	0.1	0 (0)	130 (0.1)	0 (0)	0 (0)	130 (0.1)
92 - 94 Belmont Road, Hereford	0.12	335 (0.12)	0 (0)	0 (0)	0 (0)	335 (0.12)
John Davidson (Pipes) Ltd, Gatehouse Road, Rotherwas Industrial Estate, Hereford	0.59	0 (0)	0 (0)	0 (0)	200 (0.59)	200 (0.59)
Rotherwas Industrial Estate, Rotherwas, Hereford (Phase 1, Plot 1)	0.68	800 (0.2)	800 (0.2)	800 (0.2)	400 (0.08)	2800 (0.68)
Rotherwas Industrial Estate, Rotherwas, Hereford (Phase 1, Plots 3,4 and 5)	4.27	5120 (1.28)	5120 (1.28)	5120 (1.28)	2150 (1.28)	17510 (4.27)
Rotherwas Industrial Estate, Rotherwas, Hereford (Phase 1, Plot 7)	0.91	1080 (0.27)	1080 (0.27)	1080 (0.27)	500 (0.1)	3740 (0.91)
Rotherwas Industrial Estate, Rotherwas, Hereford (Phase 1, Plot 9)	1.35	1600 (0.4)	1600 (0.4)	1600 (0.4)	750 (0.4)	5550 (1.35)
Rotherwas Industrial Estate, Rotherwas, Hereford (Phase 2)	5.68	6750 (1.7)	6750 (1.7)	6750 (1.7)	2500 (0.58)	22750 (5.68)
Proposed HGV Test Centre, Burcott Road, Rotherwas, Hereford	1.99	0 (0)	0 (0)	442 (1.99)	0	442 (1.99)
County Town Total	**17.27**	**15831**	**15480**	**21324**	**6500**	**59135 (17.27)**
Eastern Corridor						
Amcor Flexibles, Lower Road Industrial Estate, Ledbury	1.48	144 (0.18)	1908 (1.3)	0 (0)	0 (0)	2052 (1.48)
10 Court Farm Business Park, Bishops Frome	0.11	66 (0.11)	0 (0)	0 (0)	0 (0)	66 (0.11)
Kilforge Farm, Bolstone, Herefordshire, HR2 6NE	0.11	0 (0)	1089 (0.11)	0 (0)	0 (0)	1089 (0.11)
Wells Farm, Tanhouse Lane, Cradley	1.09	0 (0)	1225 (1.09)	0 (0)	0 (0)	1225 (1.09)

Sub Area Site	Available Area (hectares)	Floorspace Capacity Estimate in square metres [Site area estimate (in hectares) shown in brackets]				
		B1 (a)	B1 (b & c)	B2	B8	Total B Class
Beacon Farm, Eastnor Castle Estate, Eastnor, Ledbury	0.15	20 (0.02)	130 (0.13)	0 (0)	0 (0)	150 (0.15)
The Old Village Hall, Shuckhall,	0.1	0 (0)	164 (0.1)	0 (0)	0 (0)	164 (0.1)
Whitchurch South Service, Station, A40 Southbound, Whitchurch, Ross On Wye	0.33	330 (0.33)	0 (0)	0 (0)	0 (0)	330 (0.33)
Land north of Railway Viaduct, Ledbury (Part with Planning Permission)	1.52	0 (0)	5295 (1.52)	0 (0)	0 (0)	5295 (1.52)
Withington Court, Withington	0.65	0 (0)	389 (0.65)	0 (0)	0 (0)	389 (0.65)
Eastern Corridor Total	**5.54**	**560 (0.64)**	**9111 (4.9)**	**0 (0)**	**0 (0)**	**10760 (4.02)**
Rural Heartland						
Unit 2b, Hatton Gardens Industrial Estate, Kington	0.06	0 (0)	0 (0)	0 (0)	245 (0.06)	245 (0.06)
Meadex Rubber Mouldings Ltd, Tanyard Lane, Ross On Wye	0.16	14 (0.16)	0 (0)	0 (0)	0 (0)	14 (0.16)
The Wharf Industrial Estate, Eardisley	0.42	0 (0)	193	0 (0)	0 (0)	193 (0.42)
Unit 1, Longmeadow Industrial, Ewyas	0.1	13 (0.1)	0 (0)	0 (0)	0 (0)	13 (0.1)
Longmead, Elms Green, Leominster	0.4	0 (0)	0 (0)	1200	0 (0)	1200 (0.4)
26 West Street, Leominster	0.38	0 (0)	65 (0.38)	0 (0)	0 (0)	65 (0.38)
6, 7 & 8, Brierley Way, Leominster	0.1	0 (0)	202 (0.1)	0 (0)	0 (0)	202 (0.1)
Postbox Cottage, Longtown	0.1	0 (0)	336	0 (0)	0 (0)	336 (0.1)
Sugwas Farm, Stretton Sugwas	0.1	0 (0)	892 (0.1)	0 (0)	0 (0)	892 (0.1)
Unit C, Moreton Business Park, Morton on Lugg	0.13	0 (0)	930	0 (0)	0 (0)	930 (0.13)
Kraft Food UK Confectionery Production Ltd, Marlbrook, Leominster	0.08	0 (0)	0 (0)	300 (0.08)	0 (0)	300 (0.08)

Sub Area Site	Available Area (hectares)	Floorspace Capacity Estimate in square metres [Site area estimate (in hectares) shown in brackets]				
		B1 (a)	B1 (b & c)	B2	B8	Total B Class
Wormbridge Court, Wormbridge	0.1	0 (0)	0 (0)	967 (0.1)	0 (0)	967 (0.1)
Leominster Enterprise Park (Plot 4)	0.26	0 (0)	400 (0.1)	200 (0.06)	500 (0.1)	1100 (0.26)
Leominster Enterprise Park (Plot 6)	0.41	400 (0.1)	440 (0.11)	400 (0.1)	500 (0.1)	1740 (0.41)
Leominster Enterprise Park (Plot 7)	1.66	1600 (0.4)	1750 (0.46)	1600 (0.4)	2000 (0.4)	6950 (1.66)
Leominster Enterprise Park (Plot 14a)	0.77	800 (0.2)	800 (0.2)	680 (0.17)	1000 (0.2)	3280 (0.77)
Leominster Enterprise Park (Plots 15 & 16)	0.78	800 (0.2)	800 (0.2)	720 (0.18)	1000 (0.2)	3320 (0.78)
Leominster Enterprise Park (Plots 17-19, 21, 22)	1.42	1600 (0.4)	1600 (0.4)	1200 (0.3)	1600 (0.32)	6000 (1.42)
Leominster Enterprise Park (Plots 23-26)	1.74	2000 (0.5)	2000 (0.5)	960 (0.24)	2500 (0.5)	7460 (1.74)
Rural Heartland Total	**9.17**	**7227 (2.06)**	**10408 (3.2)**	**8227 (2.03)**	**9345 (1.88)**	**35207 (9.17)**
Herefordshire Total	**30.46**	**23618 (6.96)**	**34999 (14.04)**	**30640 (7.17)**	**15845 (3.81)**	**105102 (31.98)**

Table 4.9: Employment Commitments (under construction)

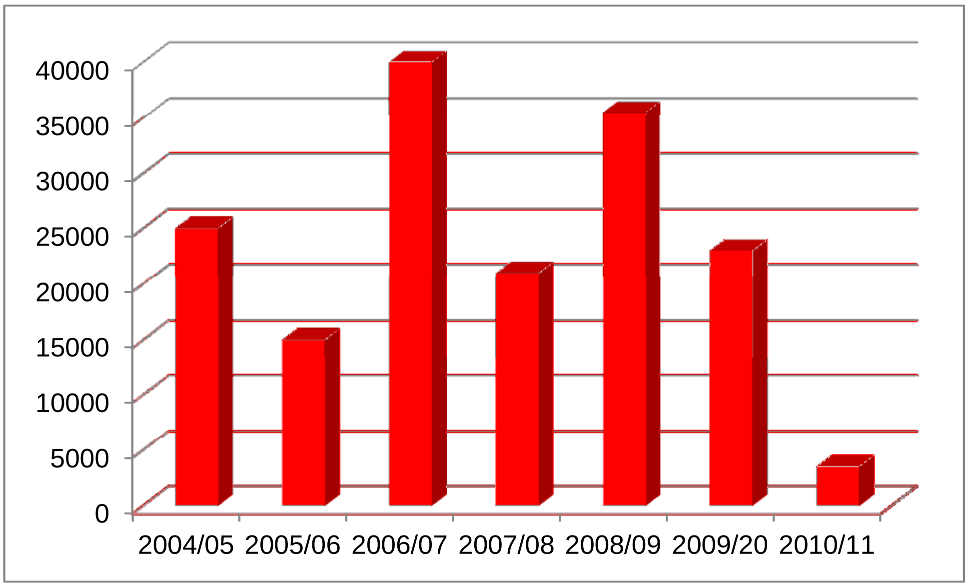
Sub Area Site	Available Area (hectares)	Floorspace Capacity Estimate in square metres [Site area estimate (in hectares) shown in brackets]				
		B1 (a)	B1 (b & c)	B2	B8	Total B Class
County Town						
Land Off Fir Tree Lane, Rotherwas Industrial Estate	0.44	0 (0)	0 (0)	165 (0.44)	0 (0)	165 (0.44)
Land adjacent to Ramsden Court, Ramsden Road, Rotherwas	0.3	0 (0)	0 (0)	443 (0.15)	443 (0.15)	886 (0.3)
County Town Total	**0.74**	**0 (0)**	**0 (0)**	**608 (0.59)**	**443 (0.15)**	**1051 (0.74)**
Eastern Corridor						
Agrimec (Ledbury) Ltd, Bromyard Road, Ledbury	0.15	0 (0)	139 (0.15)	0 (0)	0 (0)	139 (0.15)
Orchard Business Park, Bromyard Road, Ledbury	1.47	20 (0.27)	0 (0)	480 (0.6)	560 (0.6)	1260 (1.47)
Gold Hill Farm, Eastnor Ledbury	1.5	545 (0.4)	965 (0.9)	0 (0)	210 (0.2)	1720 (1.5)

Sub Area Site	Available Area (hectares)	Floorspace Capacity Estimate in square metres [Site area estimate (in hectares) shown in brackets]				
		B1 (a)	B1 (b & c)	B2	B8	Total B Class
White House Field Shelter, Eastnor, Ledbury	0.1	0 (0)	33 (0.1)	0 (0)	0 (0)	33 (0.1)
Drakewell, Stoke Lacy	0.45	221 (0.45)	0 (0)	0 (0)	0 (0)	221 (0.45)
Park Farm, Upper Sapey	0.06	0 (0)	0 (0)	0 (0)	90 (0.06)	90 (0.06)
Eastern Corridor Total	**3.73**	**986 (1.12)**	**1137 (1.15)**	**480 (0.6)**	**860 (0.86)**	**3463 (3.73)**
Rural Heartland						
Plot 20 Arrow Close, Leominster Enterprise Park	0.34	0 (0)	450 (0.34)	0 (0)	0 (0)	450 (0.34)
5 Southern Avenue, Leominster	1.66	193 (0.16)	0 (0)	1000 (1.5)	0 (0)	1193 (1.66)
Plot 14B, Leominster Business Park, Leominster	0.03	311 (0.03)	0 (0)	0 (0)	0 (0)	311 (0.03)
Rural Heartland Total	**2.03**	**504 (0.19)**	**450 (0.34)**	**1000 (1.5)**	**0 (0)**	**1954 (2.03)**
Herefordshire Total	**6.5**	**1490 (1.31)**	**1587 (1.49)**	**2088 (2.69)**	**1303 (1.01)**	**6486 (6.5)**

Employment Completions

4.31 The level of gross annual employment completions across Herefordshire as a whole from 2004/05 to 2010/11 is illustrated in **Figure 4.3**.

Figure 4.3: Annual Employment Completion Rates (sq. m. of floorspace) in Herefordshire for the Period 2004/05 – 2010/11



➢ Source: Herefordshire Local Development Framework Monitoring Report for Period 2010/2011 (March 2012)

4.32 The above figure indicates a fluctuating level of new employment floorspace developed each year, with this peaking in 2006/07 at 39,500 sq. m. (circa 25 hectares of land, of approximately half of which was in the warehousing and distribution sector). Completions were also comparatively high in 2008/09 (circa 34,000 sq. m. of floorspace / 12 hectares of land, 82% of which was in the Rural Regeneration Zone i.e. outside of Hereford City). The overall trend in levels of completions is downwards over the period from 2004/05 with the 2010/11 monitoring year experiencing a particularly low level of new employment development. The Council's Monitoring report identifies that only 3,550 sq. m. of new employment development was completed during 2010/11.

5 Employment Land and Premises – Qualitative Assessment of Supply

Approach

5.1 In addition to a quantitative assessment of supply, it is important to undertake a qualitative review of sites. The purpose of undertaking such an assessment is to rigorously and systematically appraise Unitary Development Plan land allocations and commitments and other sites identified by the Council in terms of market attractiveness, environmental sustainability and strategic planning /economic considerations.

5.2 Regard has been given to good practice in setting the appraisal criteria. The main criteria used to assess sites are listed below. A comprehensive list of criteria, including associated detailed indicators, is reproduced at **Appendix 2** (see separate Appendices document).

Table 5.1: Qualitative Assessment Appraisal Criteria

Factor	Appraisal Criteria	Description
Market Attractiveness	Quality of wider environment	Quality of the existing portfolio, internal and external environment / Quality of external environment / Amenity Impacts / Adjoining land uses / Road frontage visibility / Availability of local facilities
	Accessibility	Ease of access to strategic highway / Quality of local road access / Quality of Site Access
	Market Conditions/Perception of Demand	Availability / marketing and enquiry interest
	Ownership	Ownership/Owner aspirations
	Site Development Constraints	Environmental constraints /physical site features / Ground conditions and contamination / Flood risk
Environmental Sustainability **Strategic Planning**	Prudent use of natural resources Accessibility to Non Car Transport Modes	Sequential Location / Land classification / Ease of access to public transport / Ease of walking and cycling
	Effective protection and enhancement of the Environment	Potential to enhance environmental quality without impacting on the sensitivity of environmental resources
	Regeneration and Economic Development	Ability to deliver specific regeneration objectives /Local Economic Objectives

5.3 Results have been derived from:

- Site visits (undertaken initially in 2008 and updated assessments of selected sites during 2010 and 2012);
- Information supplied by the Council, and discussions with Council Officers and others; and
- Review of reports and other available information sources such as recent aerial photographs.

5.4 Detailed qualitative assessment results, together with individual site plans, are recorded for each site on pro-forma sheets which are included in separate technical appendices at **Appendix 3** (see separate Appendices document).

Site Scoring and Ranking

5.5 The completion of a rigorous and systematic qualitative appraisal allows the assessed sites to be scored against relevant criteria.

5.6 We have provided rating scores for each of the sites assessed. The rating score system applied is outlined in **Table 5.2** below:

Table 5.2: Qualitative Assessment – Rating Score System

Description	Rating Score
Poor	1
Moderate	2
Good	3
Best	4

5.7 Sites are scored against each of the main factors included in Table 5.1 on the previous page. Separate totals are recorded against commercial (market attractiveness), sustainability and strategic planning considerations, based on an assessment against the more detailed criteria underlying the main qualitative factors.

5.8 As noted in Chapter 2, based on our understanding of the nature of the employment land market and types of employment sites within Herefordshire, the employment land / sites which have been specifically assessed are broadly sub-divided into the following categories:

a) ***'Best'***: High quality relatively unconstrained sites suitable for local or large incoming clients with a national / regional choice of locations.

b) *'**Good'***: Sites which may be subject to some constraints but with potential to be suitable for inward investors and / or locally-based businesses.

c) ***'Moderate'****:* Sites which score poorly against one or more qualitative factors but which (could) perform a role in the employment hierarchy, including for local businesses.

d) ***'Poor'***: Generally poor quality sites with significant constraints and often in inappropriate locations. These could have potential for (partial) de-allocation or release to other forms of development.

e) ***'Owner-Specific'***: Allocations which are not likely to be available on the open market. In accordance with good practice, allocations which are only available for a specific occupier are excluded from available employment land totals until sites gain planning permission.

5.9 The categories enable a qualitative overview of the land portfolio available to be provided against which future land requirements can be assessed.

Overview of Employment Allocations, Main Commitments and Other Large Sites

5.10 **Table 5.3** and the site commentary which follows explains the qualitative assessment of the allocated employment sites, main commitment sites, and other larger sites outside of these two categories. In this context 'allocated' means allocated under relevant UDP employment policies.

5.11 In particular, tables identify the 'scores' identified against the broad appraisal criteria, together with their classification (i.e. ranking) in terms of their current role in the employment hierarchy.

Table 5.3: Qualitative Assessment Scores and Ranking – Allocations, Main Commitment, and Other Large Sites

Sub Area	Site	Market Attractiveness	Strategic Planning and Sustainability	Classification
County Town Sites	42. Legion Way	1	3	Moderate
	48. Rotherwas Industrial Estate (Enterprise Zone) -Hereford	3	3	Best / Good / Moderate
	59. Westfields Trading Estate - Hereford	3	3	Good
	53. Three Elms Trading Estate - Hereford	2	3	Good
	60 a. Holmer Trading Estate - Hereford	1	2	Poor
	60 b. Holmer Trading Estate – Hereford	3	2	Good
	54. Beech Business Park	2	2	Moderate
	47. Holmer Road – Hereford	2	3	Moderate
Eastern Corridor Sites	15. Lower Road Trading Estate	3	2	Good
	10. Linton Trading Estate	2	2	Moderate
	10b. Land South of Linton Trading Estate	1	2	Poor
	13. Land North of Railway Viaduct (without planning permission)	3	2	Poor
	13a. Land North of Railway Viaduct (with planning permission)	4	2	Good
	21. Land North of Petrol Filling Station, Oveross	3	2	Good
	23. Land North of A40, Model Farm	3	3	Good
	Land at Little Marcle Road, Ledbury	3	2	Moderate
	Land West of Panniers Lane, Bromyard	3	2	Moderate
	22. Ashburton Industrial Estate	3	3	Good
	11. Court Farm Business Park	3	2	Good
	26. Alton Road	3	2	Good
	9. Porthouse	3	3	Good
	44. Whitestone Business Park	3	2	Good
	56. Land East of Whitestone Business Park	3	2	Good
	13b Bromyard Road	3	2	Good
Rural Heartlands Sites	36. Tram Inn, Allensmore	2	2	Moderate
	34./35. Gooses Foot Industrial Estate	2	2	Moderate
	6. Leominster Enterprise Park	4	3	Best
	Land South of Leominster Enterprise Park	3	3	Good
	72. Hergest Camp	2	2	Moderate
	40. Moreton-on-Lugg Depot	3	2	Good
	38. Madley Airfield	2	2	Moderate
	70. Hatton Gardens	3	2	Good
	32. Westwood Industrial Estate	2	2	Moderate
	Shobdon Sites	Kingspan (68) 3 65 – 3 67, 66, 67b - 1	2	68 and 65 – Moderate All Others - Poor
	5 Southern Avenue	3	3	Good

County Town

Hereford

Rotherwas Industrial Estate, Hereford (Site 48)

5.12 The Rotherwas industrial estate is over 120 hectares in size and has over 125 companies operating within it. A former war time munitions factory, it has since the 1970s been subject to piecemeal development. The entire site is covered by policy E5 in the UDP as safeguarded employment land and buildings. However, a number of specific sites within the estate are allocated as E1 sites for new B1, B2 and B8 development.

5.13 Available development land within the estate can be divided into the following four main phases or areas:

- Phase 1: Various plots within the estate, predominantly fronting 'The Straight Mile' (Holme Lacy Road);
- Phase 2: The Southern Magazines site, accessed from an extension to a local estate road (Haugh Road);
- Phase 3: The Northern Magazines site, accessed via a new link road from Vincent Carey Road;
- Phase 4: The Chapel Road area.

5.14 The Rotherwas Industrial Estate was formally awarded Enterprise Zone (EZ) status on 17th August 2011. The site was nominated by the Marches Local Enterprise Partnership (LEP) with an aspiration to develop part of the site into a centre of excellence for the defence and security sector with additional employment hubs focused on advanced technologies, environmental technologies and food and drink technologies. The Marches LEP anticipates that the scheme will become a catalyst for enhanced economic growth throughout the Marches through the creation of highly skilled jobs and encouragement of overseas investment into the area.

5.15 A draft Local Development Order for the EZ was issued for public consultation during February and March 2012. The final stage of the process will be to submit the LDO to the Secretary of State for consideration. Once confirmed, the LDO will introduce a simplified planning process which will in effect grant conditional planning permission for B class employment development within the EZ. The aim of the Order (along with the financial and other incentives available to businesses in the EZ) is to accelerate economic growth through attracting new businesses and also encouraging the sustainable growth of existing companies.

5.16 Historically parts of the EZ site (and adjoining land) were subject to flood risk and a comprehensive flood attenuation scheme has been designed in partnership with the Environment Agency and is now in place.

5.17 A parcel of land to the south west of the Southern Magazines forms part of the EZ, however it was not an employment allocation in the UDP. It is anticipated that this will be developed for employment uses over the Core Strategy plan period.

Commercial (Market Attractiveness)

5.18 Overall, the site is likely to be highly attractive to prospective occupiers and developers being a large partially developed employment area with range of size buildings of good quality in the main estate with good circulation and servicing. The site is well connected to a major road network. There are relatively few vacancies when considered in the context of the large scale of the Estate, so clearly interest in the site is high.

5.19 Land within Phases 1 and 2 has (outline) planning permission and is now available for development, offering a range of plot sizes and with new road infrastructure recently to serve new development within the Phase 2 Southern Magazines site. The Northern Magazines site is considered to be a medium term proposition requiring the provision of infrastructure and addressing existing environmental site constraints such as ground contamination (given the former munitions factory use) and ecology (including the potential for great crested newts and bats). The Chapel Road area is seen as a long term opportunity, with an aspiration to redevelop existing 'Romney Huts' and other existing buildings of poorer quality.

Environmental Sustainability and Strategic Planning

5.20 This site scores well in environmental and planning terms being within an existing urban area and predominantly brownfield. There are a number of bus routes operating within the site and also many pedestrian footpaths. Planning permission has also been granted for the development of a new cycle/footway that will create a direct link from the EZ to the north of Hereford (Bartonsham) via a new bridge over the River Wye. It is expected to be completed in 2013. The significant scale of the site, which is the County's main strategic employment site, means that it already makes a significant contribution to the local economy. The site also offers significant opportunities for further growth and expansion, and allied to its Enterprise Zone status, has the potential to contribute substantially to the delivery of local (and wider) regeneration and economic strategies.

Role within Employment Hierarchy

5.21 Key vacant parts of the estate are classified as 'Best', 'Good' and also 'Moderate'. This classification relates as follows:

- The area by the straight mile and the Southern Magazines area is classified as 'Best';
- The area to the north of the straight mile (Northern Magazines) to be developed as a medium term proposition, is classified as 'Good' but will increase to 'Best' following planned completion of infrastructure and removal of environmental constraints; and
- Moderate – Romney Huts area to the north east of the Estate

Westfields Trading Estate, Hereford (Site 59)

5.22 This 25 ha site is highly developed as an employment estate. The site and buildings are well maintained although in general buildings are not modern. Occupiers on the site range from those in small units such as Tudors Garden Products to large scale operations including Sun Valley Foods. Circulation and parking in the site is good. The site adjoins other similar uses and residential development.

5.23 Within the site there is an area of vacant land known as 'Faraday Road', located at the eastern end of the Westfield Trading Estate and around 1.74ha in size. It is a previously developed site where buildings appear to have been demolished. This plot is highly visible from outside the Estate and also has very good road frontage. Although allocated for employment development, planning permission has been granted for a residential care home on this land and as such, it is excluded from current employment land supply.

Commercial (Market Attractiveness)

5.24 Overall, the site scores reasonably well in market attractiveness terms. Although visibility is often limited to local roads, the A49 is less than 1 km away from the site. Site access is good with wide and relatively uncongested nearby roads.

5.25 The trading estate appears highly popular with no evidence of significant vacancies observed during the site visits. The site is allocated for employment and although it appears to be without significant environmental constraints the site is at risk from flooding in some parts. However, since the Yazor Brook Flood Alleviation Scheme has become operational, the risk of flooding in this location has been reduced.

Environmental Sustainability and Strategic Planning

5.26 The site is on the edge of Hereford urban centre with reasonable public transport access and footpaths into and around the site. This site's current contribution towards employment, which comprises a mix of uses, including offices, is reasonably significant.

Role within Employment Hierarchy

5.27 This site is classified as 'Good'.

Three ElmsTrading Estate, Hereford (Site 53)

5.28 This site is covered by Hereford UDP (2007) Policy E5 as safeguarded employment land. The total site is just under 3 ha in size and has safeguarded open space/ allotment allocation on two sides (UDP Policy RST4). Buildings are not new and are of variable levels of quality and condition. Parking is somewhat problematic on site and road surfacing is poor. The majority of the site is already developed and the only area of currently vacant land is located within the centre of the site, adjacent to a recently constructed operating centre for Western Power Distribution. The site has been acquired by the Homes and Communities Agency (formerly owned by Advantage West Midlands). The HCA has delegated the daily management of the estate to the Council.

Commercial (Market attractiveness)

5.29 The site scores moderately in terms of market attractiveness. The site does not have highly visible road frontage or visibility and units on site are of average quality. The site does not appear to be exposed to unreasonable levels of noise, dust, smell or other amenity factors or contamination. However, there is some flood risk along the northern and southern edges. Surrounding roads are relatively wide and as such, problems associated with access to the site are likely to be limited.

Environmental Sustainability and Strategic Planning

5.30 This previously developed site scores well in sustainability terms being located within the boundaries of Hereford City and less than a five minute walk to a public transport route. There are some pavements around and leading into the site. Cycle paths and footpaths run right at the end of the estate access. The site already contributes to local economic objectives and some limited further contribution could be made though the delivery of further development.

Role within the Employment Hierarchy

5.31 The site is classified as 'Good'.

Holmer Trading Estate (a), Hereford (Site 60)

5.32 This site is currently 4ha in size and comprises mainly small units such as a taxi office and an auto repairs centre. Buildings in this area of a moderate to poor quality and there are several very poorly maintained areas which are currently used for parking or storage. Current occupiers include a taxi office, a furniture store and several automotive related small businesses.

5.33 The site has been granted planning permission for 1.82 hectares of B1, B2 and B8 employment uses although delivery of the permission is uncertain.

Commercial (Market attractiveness)

5.34 The current business image of the site is currently poor as is access into the site with restricted visibility and narrow roads which could cause a problem for larger vehicles. The site is in some places very poorly maintained. The site is outside of any identified flood risk zone.

Environmental Sustainability and Strategic Planning

5.35 As a previously developed site on the edge of an urban area the site scores moderately against environmental sustainability criteria. There are currently no footpaths or cycle links to the site and an hourly public transport route is between five and ten minutes walk away. The redevelopment of the site could improve significantly townscape quality in this area, although it is not highly visible from any road frontage.

Role within the Employment Hierarchy

5.36 The site is classified as ‘Poor’.

Holmer Trading Estate (b), Hereford (Site 60)

5.37 This site adjoins Holmer Trading Estate (a) but has its own access from a major ‘A’ road. The site is just over 3.62 in size and is occupied by one very large unit and two smaller ones. Buildings in this area are of an average quality and condition. Maintenance in this area is much better than in the western part of the site.

Commercial (Market attractiveness)

5.38 This site achieves a much better market attractiveness score than its neighbour (60. Holmer Trading Estate [a]) with better maintained buildings and public areas. Located immediately adjacent (and accessed from) to a major ‘A’ road, surrounding roads are wide and relatively uncongested. Parking in this area is, however, problematic and takes up a substantial proportion of the site. A limited number of industrial units are currently being marketed as being available. The site is located outside of any identified flood risk zone.

Environmental Sustainability and Strategic Planning

5.39 As a previously developed site on the edge of an urban area the site scores well against certain environmental sustainability criteria. There are however no footpaths or cycle links to the site and an hourly public transport route is between five and ten minutes walk away. The existing occupiers make a contribution to local economic objectives but the potential increase its current level of contribution is limited.

Role within the Employment Hierarchy

5.40 The site is classified as ‘Good’.

Holmer Road, Hereford (Site 47)

5.41 This site is nearly 16 ha in size and is predominately industrial with some development opportunities within it. The largest occupier is Joseph Ash Galvanising Works which occupies a number of large units and an open storage area. In addition there are a number of small units on the site and an area of residential dwellings.

Commercial (Market attractiveness)

5.42 This site achieves a moderate market attractiveness score. It is protected employment land under policy E5 and buildings and external areas are of a moderate quality. There is an area of scrubland within the site which could have development potential.

5.43 Roads are relatively wide and any congestion is likely to be limited to peak periods. Potentially sensitive neighbours include houses within the site itself and there could be some issues of amenity with the noise from the works. The southern part of the site is in an area of high risk of flooding, however, the rest of the site is outside of any flood risk category area.

Environmental Sustainability and Strategic Planning

5.44 The site achieves a good score for planning and sustainability being previously developed in nature, within a city centre, and less than a five minute walk from a good public transport route. Continuous footpaths or cycleway to or within the site was however absent.

Role within the Employment Hierarchy

5.45 This site is classified as 'Moderate'.

Eastern Corridor Sites

Bromyard

Linton Trading Estate, Bromyard (Site10)

5.46 This 3 ha protected employment site (Policy E5) is in a relatively rural location. The site fronts the A44 and is accessed from it. Adjoining land uses include open countryside and a household waste recycling centre and a Gypsy site, also allocated for employment.

5.47 At the site's entrance is a relatively modern two-storey office building, a good quality refurbishment of an older single-storey brick building and also an area of undeveloped land. By comparison, however, within the rear part of the estate away from the main road frontage, the maintenance and quality of buildings and their environs, including road surfacing, decreases. This part of the estate includes a number of moderate quality single-storey employment buildings and an area used for coach storage. A small area of land is recorded as being available (without planning permission)

Commercial (Market Attractiveness)

5.48 The site frontage has high visibility to the A44. There appears to be a reasonable level of car parking provision, located most notably near to the entrance of the site. The site is not identified as being at risk of flooding. The steep gradient upwards away from the A44 could represent a constraint. The surface of this road is very poor.

5.49 The overall commercial attractiveness score for the site is negatively affected by the adjacent waste recycling centre, which requires access through the trading estate. This arrangement will likely impact on the quality and nature of uses able to be attracted to the rear part of the site in particular, including redevelopment proposals or the ability to promote more effective site usage. Relocation of the waste recycling centre would likely enhance commercial attractiveness to certain occupiers. This adjacent site is also allocated for employment therefore its redevelopment could contribute to the attractiveness of the Linton Trading Estate.

Environmental Sustainability and Strategic Planning

5.50 Despite being 'brownfield', the site only scores moderately in environmental sustainability terms being located outside of an urban area with limited access to services, public transport, cycle paths and footpaths. Further development / redevelopment the site has the potential to improve its contribution to townscape quality and delivery of economic objectives.

Role within the Employment Hierarchy

5.51 This site is classified as 'Moderate'.

South of Linton Trading Estate, Bromyard (Site 10 b)

5.52 The site extends to approximately 5.6 hectares and is situated in a rural location adjacent to the Linton Trading Estate. Access to the site is through the existing estate (via a steep poor surfaced road) and also from a separate access from a rural lane to the south.

5.53 The site is allocated under policy E3 in the UDP for employment uses for B1, B2 and B8 uses. The site remains allocated and uncommitted.

5.54 Much of the site was formerly used for clay extraction associated brick and tile manufacturing, which has significant contamination across the site. Part of the site lying immediately to the south and west of the adjoining Linton Trading Estate is currently used as a household waste recycling centre / for the storage of scrap. The site also includes a large pool which is identified as a Local Geological Site (LGS) because it contains an important geological feature which is of significant paleontological interest. Part of the site is a gypsy site which is accessed via the lane to the south of the site. The UDP identifies that this gypsy site is to be relocated southwards to an area adjacent to the lane however plans are being advanced to upgrade the existing site instead. Although a reduced figure of 3ha is included in the existing employment land supply, due to the constraints identified (LGS and contamination) the entirety of the site is effectively undevelopable and does not in reality contribute to the supply of available employment land.

Commercial (Market Attractiveness)

5.55 This site scores poorly in market attractiveness terms. It does not benefit from a main road frontage. There is also expected to be significant ground condition and remediation issues associated with the current waste recycling and former clay pit/brick and tile manufacturing use. The site is not identified as being at risk of flooding.

5.56 The feasibility of the deliverability of this site may be problematic, expensive and would likely require substantial time to achieve. The gypsy site is to be retained and upgraded, surveys would need to be undertaken to identify and resolve ground remediation issues and an improved access through the trading estate would most likely need to be created. Overall, the site is not considered to be developable.

Environmental Sustainability and Strategic Planning

5.57 The site does not score highly in environmental sustainability terms being located outside of an urban area with limited access to services, public transport, cycle paths and footpaths. Bromyard is approximately 1km away from the site. Sustainability could be increased with the introduction of a

Green Travel Plan and Sustainability Plan to support significant (re)development proposals in particular.

Role within the Employment Hierarchy

5.58 This site is classified as ‘Poor’.

Land West of Panniers Lane, Bromyard

5.59 This site comprises of two agricultural fields, currently used for grazing, on the south western edge of Bromyard. The site is split in two by Pencombe Lane. The northern part of the site is adjacent to Worcester Road (A44) and is contained. The southern part of the site is adjacent to Panniers Lane and is open in nature with long distance views to the west. There are some existing business premises on the opposite side of Panniers Lane opposite the southern quarter of site. The site has the capacity to deliver a substantial amount of new employment provision in Bromyard.

Commercial (Market Attractiveness)

5.60 The site score well in terms of commercial/market attractiveness considerations. Its provides a quality external environment, it has reasonable accessibility and road frontage visibility, amenity impacts are low and adjoining land uses are not restrictive, access is of an appropriate quality, the site is unlikely to be significantly constrained by environmental constraints/abnormal development requirements, contamination is unlikely, and the site has no flood risk. However, ownership details and owner aspirations are unknown.

Environmental Sustainability and Strategic Planning

5.61 The site scores less well in terms of planning and sustainability as it is a greenfield site in current agricultural operation and sequentially the site is completely outside of a defined urban area, development of the site would detract from the existing environmental quality._However, an hourly bus service is accessible with 5 minutes walk, there are some footpaths and cycle links but provision is limited and not continuous, and the sites development could contribute towards local economic strategies.

Role within the Employment Hierarchy

5.62 This site is classified as ‘Moderate’.

Porthouse, Bromyard (Site 9)

5.63 This site is nearly 9 ha in size and is very mixed in terms of quality. There are two accesses to the site, one from the east, and one from the west. The site includes Three Mills Trading Estate and the modern Porthouse Business Centre. Building qualities are variable with some new high quality units and some areas of poor quality (particularly at the site's eastern edge). There is an open area of hardstanding on the north western part of the site (close to a residential allocation). The site is safeguarded as employment land under UDP policy E5.

Commercial (Market Attractiveness)

5.64 Overall the site scores reasonably well in market attractiveness terms. Despite a few pockets of the site which are of poorer quality the site generally has quite a high quality business image. Newer units include a large Royal Mail complex. The site is moderately maintained and does not appear to be exposed to significant negative amenity factors or physical constraints. The site has some visibility to local roads and is less than 1 kilometre from a major arterial route. There is an area flood risk (category 1 or 2) in the north eastern part of the site.

Environmental Sustainability and Strategic Planning

5.65 The site achieves a good score against environmental sustainability and strategic planning criteria. The site has footpaths throughout and is within an urban area but located outside of a centre. The townscape quality of the site is generally adequate but some tidying up of buildings particularly at the sites edges could improve it further.

Role within the Employment Hierarchy

5.66 The site is classified as 'Good'.

Ledbury

Lower Road Trading Estate, Ledbury (Site 15)

5.67 This trading estate in Ledbury is over 13 hectares in size, 10 hectares of which is covered by Hereford UDP Policy E5 as protected employment land. The remaining is allocated under Policy E3 for B1, B2 and B8 uses and is split between two roughly equally sized sites. Part of this site (circa 2.4 hectares) is undeveloped.

Commercial (Market Attractiveness)

5.68 This site achieves a good score in commercial attractiveness terms. Buildings are generally older, but maintenance appears adequate and there is very good circulation and parking within the site. The site has a number potential opportunity plots for development within it. The site does not appear to be exposed to unreasonable amenity factors and the site has no 'bad' neighbouring uses, although there is some residential nearby which could limit certain forms of employment. The site is very close to the A417 roundabout. A small section of the site fronts this 'A' road but the rest has only local road frontage. Surrounding roads are relatively wide and any congestion is likely to be limited to peak times. There were no significant vacancies at the time of survey, although a number of industrial type premises are currently being marketed as available.

5.69 There is some flood risk on site. The western tip of the site is in flood risk category 3a/3b and the western edge is in a medium flood risk area. The remaining site is outside of any identified flood risk zone. Flood risks on site are unlikely to be an absolute barrier to employment development. The proposed configuration of buildings in any proposals on vacant plots could likely be designed to alleviate potential for flooding.

Environmental Sustainability and Strategic Planning

5.70 The majority of the site if classified as previously developed land and although it is located out of a centre it is still within an urban area. The site is more than a ten minute walk to a public transport route and although there are no cycle links there are footpaths to and within the site. The site has some potential to contribute to local regeneration and policy objectives for the local area as it has areas for potential development within it.

Role within the Employment Hierarchy

5.71 This site is classified as 'Good'.

Land North of Railway Viaduct, Ledbury (Site 13 and 13a)

5.72 This site in Ledbury comprises of two separate parcels of land which in total extend to circa 12.2 hectares. The parcel of land (Site 13) adjacent to the railway viaduct extends to circa 10.68 hectares whilst the other part (Site 13a), a triangular piece of land situated to the north of Site 13 adjacent to Bromyard Road, extends to circa 1.52 hectares.

5.73 The entire site is greenfield and is allocated under UDP Policy E3 for B1, B2 and B8 uses. The site is adjacent to existing employment, open countryside and also a Grade II listed structure (railway viaduct). Site 13 has no road frontage and no obvious immediate point of access. Site 13a is has planning permission in place for employment use (B1 Office).

Commercial (Market Attractiveness)

Site 13

5.74 The site score reasonably well in respect of commercial considerations on the basis it is; located in an attractive environment, near to existing employment uses, within 2km of a major arterial route, has surrounding roads of an appropriate size, unlikely to be significantly constrained by environmental constraints/abnormal development requirements (albeit the listed railway viaduct does impose some restrictions), contamination is unlikely and site its not a high risk of flooding. However, ownership details and owner aspirations are unknown, and access issues are likely to restrict interest and create problems with securing the development of the site.

5.75 In particular access would either need to be taken through existing employment premises to the east, across agricultural land to the north or underneath the viaduct. Specifically, accessing the site through the viaduct arches would likely be problematic given its listed status and would be expensive and also be likely to incur ongoing maintenance liability issues. In addition to this there are capacity issues with the Bromyard Road and Hereford Road junction that would need to be addressed by way of junction improvements if a scheme was brought forward.

Site 13a

5.76 The site score well in terms of commercial/market attractiveness considerations. Its provides a quality external environment, it has reasonable accessibility, amenity impacts are low and adjoining land uses are not restrictive, access is easily achievable and surrounding roads are of an appropriate size, the site is unlikely to be significantly constrained by environmental constraints/abnormal development requirements, contamination is unlikely, and the site has no flood risk. In addition to this the site has planning permission for employment development. The site's market attractiveness score is restricted however due to the fact it has limited road frontage visibility to a local road only and is not situated within a kilometre of a major arterial route.

Environmental Sustainability and Strategic Planning

Site 13 and Site 13a

5.77 The sites score less well in terms of strategic planning and sustainability as they are; greenfield sites in agricultural operation, completely outside of a defined urban area, there are no existing footpaths and cycle links, an hourly bus service and Ledbury railway station are between 5 and 10 minutes walk, the development of the site would detract from the existing environmental quality, and its use for employment would have a neutral impact on local regeneration strategies. However, on the plus side the sites would contribute to achieving local economic objectives for the area.

Role within the Employment Hierarchy

5.78 The two parts of the site are classified as follows:

- 13 (part without planning permission) - ‘Poor’ – Due to the severity of access restrictions present, which been given significant weight in this instance.
- 13a (part with planning permission) – ‘Good’

Land at Little Marcle Farm, Ledbury

5.79 The site extends to circa 12.5 hectares and comprises of agricultural fields and sports playing pitches. There are no existing buildings on site. The site is close to the A449 and A438.

Commercial (Market Attractiveness)

5.80 Overall the site scores well in terms of commercial/market attractiveness considerations. Its provides a quality external environment, it has reasonable accessibility and road frontage visibility, amenity impacts are low and adjoining land uses are not restrictive, access is of an appropriate quality, the owners are supportive of employment use, the site is unlikely to be significantly constrained by environmental constraints/abnormal development requirements, and contamination is unlikely. The site is however exposed to risk of flooding.

Environmental Sustainability and Strategic Planning

5.81 The site scores less well in terms of environmental sustainability and strategic planning considerations because it is completely outside of a defined urban area, it is predominantly greenfield, and development of the site would detract from the existing environmental quality. However, in terms of positive factors the site is within five minutes walk of an hourly bus service, there are some footpaths and cycle links but provision is limited and not continuous and the employment use of the site could contribute towards achievement of local economic objectives. There is scope for accessibility to be improved and environmental quality impacts to be minimised through detailed master planning and identifying suitable mitigation.

Role within the Employment Hierarchy

5.82 This site is classified as ‘Moderate’.

Bromyard Road Trading Estate, Ledbury (Site 13b)

5.83 Located adjacent to site 13 (Land North of Railway Viaduct) this is a large site with several different entrances and many different occupiers. There are large areas of hard standing and storage on the site and most buildings are of reasonable quality and maintenance although there are areas of poor maintenance. Approximately 0.35 hectares of land is currently recorded as available for development.

Commercial (Market Attractiveness)

5.84 This site achieves a good score in market attractiveness terms being a large and established site protected under Policy E5 for existing employment. The site is located in an area of countryside and less than 1 kilometre away from a major arterial route with surrounding roads being of an adequate width and with no apparent congestion issues. The European Hall site, located within the heart of the estate and providing circa 19,000 sq m (200,000 sq ft) of warehouse and office space over a site of 2.9 hectares (7.2 acres, was previously marketed for sale as a single complex.

Environmental Sustainability and Strategic Planning

5.85 The site achieves a good score in terms of environmental sustainability and strategic planning. It is previously developed in nature but outside of any urban area. A train station is 0.5km from the site but there are no footpath or cycle links to the site. The site is already making a significant economic contribution locally.

Role within the Employment Hierarchy

5.86 The site is classified as 'Good'.

Ross-on-Wye

Land North of A40, Model Farm, Ross-on-Wye (Site 23)

5.87 This large site (over 10 ha) is currently an operating farm and agricultural land but is allocated under policy E3 in the UDP for B1, B2 and B8 uses. The site is an area of open countryside but within the settlement boundary of Ross-on-Wye as identified on the UDP proposals map.

5.88 The Model Farm Supplementary Planning Guidance was adopted on 29 October 2008 and is a material consideration in the determination of any future planning applications on the site. The principal development objective identified for the site is the creation of a pathfinder employment development, assisting the growth of the local economy. There will be a preference for the development of innovative knowledge based industries on this site. A comprehensive, mix of high quality employment uses is envisaged for this site.

5.89 Outline planning permission for a 10 hectare development of B1 (office), B2 and B8 previously existed on this site (now expired). It is understood that the scheme previously approved for the site is now being reconsidered.

Commercial (Market Attractiveness)

5.90 This site is likely to have good market attractiveness being flat, greenfield (therefore with no contamination issues) and large in size. The site has some frontage to the A40 and is easily accessible form the motorway. There are no apparent visibility, access or congestion issues. Flooding is not a problem on this site as it is outside of any identified flood risk zone. The sites location in the open countryside may be attractive to some employment occupiers. A green buffer to the west of the site is protected through the UDP. Natural features of environmental value on site include the Alton Court Aquifer, mature hedgerows and a series of water features. Measures would need to be taken to protect the environmental assets on the site in conjunction with any development.

Environmental Sustainability and Strategic Planning

5.91 The site scores less well in terms of planning and sustainability as it is a greenfield site in current agricultural operation. The site is also outside of a defined urban area with no footpaths or cycle links to the site. Development of this greenfield site could detract from the current environmental quality which is that of attractive open countryside. The site is however, less than a five minute walk to an hourly public transport route. In addition, given its size it has a good ability to deliver local economic objectives.

Role within the Employment Hierarchy

5.92 This site is classified as 'Good'.

Ashburton Industrial Estate, Ross-on-Wye (Site 22)

5.93 This site of over 11 ha consists of a mix of uses and quality of buildings. Whilst the majority of the site is well maintained with high quality buildings there is an area near to the waste recycling centre and Morrison's which is poor quality with a number of vacancies. The site falls under UDP Policy E5 for safeguarded employment land. Around 0.35 hectares is available for employment development on this site.

Commercial (Market Attractiveness)

5.94 The site achieves a good market attractiveness score. Buildings and external areas are of varying quality. The area of hard standing used as coach parking near to Morrison's is particularly poor. Currently there is one particularly attractive converted old building on site. There do not appear to be any apparent access issues with good 'A' road accessibility and relatively wide surrounding roads with no apparent congestion issues. During previous site visits a modest level of vacancies within the estate were observed, including units at the Brunel workshops and Beaver Centre. Flood risk and access could however constrain development.

Environmental Sustainability and Strategic Planning

5.95 The site achieves a good score in terms of strategic planning and environmental sustainability. The site is located on the edge of Ross on Wye with quite good public transport connections. The site is brownfield and although not continuous, there are footpaths throughout the majority of the site. The site already makes an economic contribution to the local area, with some limited scope to further enhance this position though the delivery of remaining vacant land.

Role within the Employment Hierarchy

5.96 Overall this site is classified as 'Good', although certain parts of the site are of lower quality.

Alton Road, Ross-on-Wye (Site 26)

5.97 This medium size site is protected employment land under policy E5 in the UDP. The site contains a mixture of ages and qualities of employment buildings with a portion of the western part of the site adjacent to the Alton Business Park development which is advertising new office and industrial units.

Commercial (Market Attractiveness)

5.98 The site scores quite well in market attractiveness terms being a reasonable quality employment area, and the area to the west being redeveloped for apparently high quality employment. Adjoining uses include other employment area uses and some residential uses. The site has visibility to a local road and is less than 1 kilometre from the M50. Surrounding road infrastructure appears adequate and there are no apparent contamination features or flooding issues.

Environmental Sustainability and Strategic Planning

5.99 The site scores moderately under the heading of planning/sustainability. The site is out of centre but within an urban area and is brownfield. However, there are no cycle / footpath links in the site and an hourly public transport route is a five to ten minute walk from the site.

Role within the Employment Hierarchy

5.100 This site is classified as ‘Good’.

Whitestone

Whitestone Business Park, Whitestone (Site 44)

5.101 This is a moderately sized (just over 4.5 ha) business park in a relatively rural location which is protected as employment land under Policy E5 in the Herefordshire UDP. The site is adjacent to site 56 (Land East of Whitestone Business Park) which provides circa 1 hectare of available employment land.

Commercial (Market Attractiveness)

5.102 This site achieves a reasonable commercial score demonstrated by recent construction / completions. Buildings are not all modern but are well maintained. There is good parking and circulation and well maintained public areas. The roads on the approach to this site are quite narrow which could be problematic for some larger vehicles. The site has some visibility to only a local road but is less than a kilometre away for a major arterial route. The site is unlikely to have any physically constraining features and the site is outside of any identified flood risk zone. No obvious / significant vacancies currently exist within the Park.

Environmental Sustainability and Strategic Planning

5.103 This site scores quite relatively poorly in this category being completely outside of any defined urban area and more than a ten minute walk from a public transport route. There are no existing footpaths or cycle links into the site. The ability to further contribute to local regeneration and/or economic strategies for the area is limited.

Role within Employment Hierarchy

5.104 The site is classified as ‘Good’.

Land East of Whitestone Business Park, Whitestone (Site 56)

5.105 This site is adjacent to the already established Whitestone Business Park and is allocated under policy E3 in the Herefordshire UDP to provide for the extension of Whitestone Park. It is intended that this allocation will form the final phase of employment development at this location.

5.106 It appears site access will be restricted to that provided from the business park to the west as the site has no road frontage of its own.

Commercial (Market Attractiveness)

5.107 The site scores well in market attractiveness primarily due to its location next to an established business park which will make it attractive to potential developers and occupiers. The site appears to be free from amenity impacts, contamination, flooding and obvious site development constraints but does not contain any site roads or other site infrastructure. The sites lack of road frontage does also slightly reduce its score in this category.

Environmental Sustainability and Strategic Planning

5.108 The site scores relatively poorly in environmental sustainability terms. This is because the available land is greenfield and is completely outside of a defined urban area. Access to the site via non car modes (public transport, cycle paths and footpaths) is very limited. The site is located in an area of affluence in terms of multiple deprivation and economic activity. The site does however, have good potential to deliver local economic objectives.

Role within Employment Hierarchy

5.109 The site is classified as 'Good'.

Oveross

Land North of Petrol Filling Station, Oveross (Site 21)

5.110 This site is allocated in the UDP under Policy E3 (other employment land) for B1, B2 and B8 uses. The site was originally brought forward in the South Herefordshire Local Plan in 1988 in conjunction with the Somerfield distribution depot and cattle market. The site is currently partly scrub land and partly used as a car park for the adjacent 'Labels' commercial unit. There is a very significant change in levels between the car park and the rest of the site and also from the main road to the site. Approximately 0.86 is identified as being available for new development.

Commercial (Market Attractiveness)

5.111 The site is likely to be reasonably attractive to potential developers given that it is on the edge of an existing employment area and is located immediately adjacent to a major 'A' road (although the site is not visible from the road due to the change in levels) and the M50 is within easy accessibility. The site is free from obvious site development constraints or flooding, however the change in levels could be problematic.

Environmental Sustainability and Strategic Planning

5.112 This site scores moderately in this category. The site is on the edge of Ross-on-Wye. There are no existing cycle or footpaths to the site. The site is a five to ten minute walk from an hourly public transport route. The site has some opportunity to deliver strategic and economic benefits and could also improve a site which is currently visually poor.

Role within the Employment Hierarchy

5.113 This site is classified as 'Good'.

Bishop's Frome

Court Farm Business Park, Bishop's Frome (Site 11)

5.114 This small site (circa 1.5 ha) is unallocated and within an area liable to flood. Buildings on the site are of a good standard providing a mix of B1 and B2 uses in small units. The site is adjacent to a sewage works.

Commercial (Market Attractiveness)

5.115 The site is generally attractive in commercial terms with units of reasonable to good quality and a number of new units which are higher quality. The site is within relatively easy access of a major arterial route (2 kilometres). Local roads are not congested but in places are quite narrow. Risk of flooding is the major issue which may limit the attractiveness of the site although it appears that flood defences have been implemented to mitigate this risk.

Environmental Sustainability and Strategic Planning

5.116 The site achieves a moderate score in this category. The site is already developed to an overall good standard and appears to be making a good local economic contribution with limited vacant units on site. However, the site has limited accessibility via public transport or by footpath or cycle route.

Role within the Employment Hierarchy

5.117 This site is classified as 'Good'.

Rural Heartland Sites

Leominster

6. Leominster Enterprise Park

5.118 This is a large site over 15 ha which is currently under development being brought forward as 26 separate development plots. New units already on site are of a high quality. The site is allocated in the UDP under policy E3 for B1, B2 and B8 uses. The site is adjacent to the Southern Avenue employment area.

5.119 There are a number of plots which are still available on the site, totalling just over 7 hectares. It is understood however that agents report strong interest from a major occupier which if secured, would result in the development of the majority of this currently available land.

Commercial (Market Attractiveness)

5.120 This site scores highly in market attractiveness terms. The newly constructed internal road network is high quality as is access to the surrounding road network which is wide, without congestion and well connected. The site has a high quality business image. The site is near to other good quality employment uses. The only potential notable environmental constraint is a small area in the northern part of the site which is subject to a medium flood risk.

Environmental Sustainability and Strategic Planning

5.121 The site achieves a good score for environmental sustainability and strategic planning being located outside of an existing centre but within an urban area. An hourly public transport service operates within a comfortable walking distance of the site and there are reasonable cycle paths and footpaths into the site. The development of available land at the site will make a valuable contribution to local regeneration and economic strategies for the area.

Role within the Employment Hierarchy

5.122 This site is classified as 'Best'.

Land South of Leominster Enterprise Park

5.123 A new employment site of approximately 8 hectares is being promoted as part of a larger residential urban extension to the south of Leominster, together with the potential to create a new link road to the south of the town. The proposed employment site is positioned on the opposite side of the road forming the current southern boundary to the Leominster Enterprise Park and adjacent to Hereford Road.

5.124 The site is gently undulating and currently in agricultural use. It is bounded to the north and west by relatively dense tree and hedge planting, which currently limits its visibility from surrounding roads.

Commercial (Market Attractiveness)

5.125 This site achieves an overall good score in market attractiveness terms and is adjacent to as yet undeveloped land within the successful Leominster Enterprise Park. The site is greenfield and is likely to be free from significant environmental and physical constraints. Its position, together with the dense screening around certain site boundaries, does however limit its visibility and prominence, although the provision of a new link road (and development of adjacent plots within the existing Enterprise Park) would significantly enhance this position.

Environmental Sustainability and Strategic Planning

5.126 This site achieves an overall reasonable score for environmental sustainability and strategic planning. Its greenfield nature and location on the edge of the urban area reduces its environmental score although an hourly public transport service operates within a reasonable walking distance of the site and there are footpaths adjacent to the site. The development of this land would however make a valuable contribution to local regeneration and economic strategies for the area as well as potentially support the more balanced development of any urban extension to the south of Leominster (should this be progressed).

Role within the Employment Hierarchy

5.127 This site is classified as 'Good'. Subject to the provision of new necessary site infrastructure, the site has potential to be elevated to 'Best', similar in classification to the adjacent existing Leominster Enterprise Park.

5. Southern Avenue, Leominster

5.128 This established employment area is over 33 ha in size and is generally occupied by B2 and B8 uses, although a small portion of the site has been lost previously to residential development. Occupiers on the site include Peugeot, Royal Mail, and a variety of other occupiers.

Commercial (Market Attractiveness)

5.129 This site achieves a good score in market attractiveness terms. Buildings in this employment area are generally of a good quality. Buildings vary in age but are generally well maintained. A range of building sizes are provided. The site is adjacent to the new Leominster Enterprise Park. This site has good connections to the strategic road network. Only a limited number of small areas of land remain undeveloped within this site. Some flood risk exists on this site.

Environmental Sustainability and Strategic Planning

5.130 The site is on the edge of Leominster and within walking distance of the train station. There are also some footpaths running though the site. Opportunities to further enhance the sites contribution to local economic objectives are limited, although the site's current role in this regard is significant. For these reasons the site achieves a good score for environmental sustainability and strategic planning.

Role within the Employment Hierarchy

5.131 This site is classified as 'Good'

Allensmore

Tram Inn, Allensmore (Site 36)

5.132 This small site (under 1 ha) is allocated under policy E3 in the UDP (other employment land allocation). Flooding is flagged up as a significant issue for this rural site and any development would need to address this through a flood risk assessment. Currently the site is a predominantly greenfield agricultural site, the only structure on site is a 'Dutch barn' type storage shed. The site is adjacent to a railway line and level crossing. Nearby uses include a pub, a nursery, a poultry farm, a garden centre and open countryside.

Commercial (Market Attractiveness)

5.133 The site scores moderately in commercial attractiveness terms. The site is small and will be subject to noise from the adjoining train line. The site has frontage to a local road which is not overly narrow or congested. The site has no obvious constraining features apart from flooding (the site is in a high flood risk category).

Environmental Sustainability and Strategic Planning

5.134 This greenfield site scores relatively poorly in environmental terms. It is located outside of an urban area and despite its location next to a railway line is relatively inaccessible by public transport. There are no footpath or cycle links to the site.

Role within the Employment Hierarchy

5.135 This site is classified as 'Moderate'.

Kingstone

34./35. Gooses Foot Industrial Estate, Kingstone

5.136 This site comprises both a developed and undeveloped area. The developed area is not protected under Policy E5. The undeveloped area is allocated under policy E3 (other employment land allocations). The UDP states that employment opportunities in this area are predominantly agricultural and this allocation is an attempt to diversify the economy in this area, particularly given Kingstone's identification as a main village.

5.137 Developed units on the site are generally older and of moderate quality although here are some new units on site. Circulation and parking appears to be problematic. Adjacent uses are open countryside and a poultry farm.

5.138 The undeveloped parts of the site have no road frontages of their own and would need to be accessed though the existing estate.

Commercial (Market Attractiveness)

5.139 This site achieves a moderate score in market attractiveness terms. Local roads are not congested or overly narrow but access to the undeveloped parts of the site may be an issue. There are no other obvious physically constraining features and the site is outside of any identified flood risk area. The site is more than 2 km away from any major arterial route or motorway. A small number of industrial type units are currently being marketed as available.

Environmental Sustainability and Strategic Planning

5.140 The site achieves a moderate score in terms of sustainability and planning. The site is less than a ten minute walk from an hourly public transport route but has limited footpath provision and no cycle path provision. The site is outside of an urban area. A mixture of brownfield and greenfield land, the redevelopment/ development of certain parts of the site could increase its townscape character. The development of available land at the site has an ability to increase its contribution to local economic objectives.

Role within the Employment Hierarchy

5.141 This site is classified as 'Moderate'.

Bredward

72. Hergest Camp, Bredward

5.142 Hergest Camp is just over 12 ha and is generally a poor quality site with poor quality units and surfacing. At the time of previous study updates, a number of units were not occupied or only partially occupied. However, there are also a number of new units. The site is protected under Policy E5 for employment and buildings. Around the site is a small area of residential, a poultry farm and open countryside.

Commercial (Market Attractiveness)

5.143 This site achieves a moderate market attractiveness score. The site is currently, for the most part, not visually attractive although the new units are high quality and will enhance the site. The site fronts a local road. However, there could be issues in terms of access for larger vehicles as surrounding roads are generally narrow. This is a relatively large site, free from obvious physical constraints. There is only a flood risk in the northern part of the site.

Environmental Sustainability and Strategic Planning

5.144 A moderate score is awarded for environmental sustainability and strategic planning. This site is predominantly previously developed but is completely outside of a defined urban area and is more than a ten minute walk from a public transport route and there are no footpaths or cycle links. The redevelopment of the poorer parts of the site does present an opportunity to enhance townscape quality and enhance the site's contribution to the local economic strategies for the area.

Role within the Employment Hierarchy

5.145 This site is classified as 'Moderate'.

Madley

38. Madley Airfield, Madley

5.146 This is a relatively large (over 12 ha) safeguarded employment site under Hereford UDP (2007) Policy E5. The site is quite scarcely developed with room for expansion. There are a number of large units on site of average quality and condition such as the one occupied by AW Engineering. Units vary in age. The site is surrounded by open countryside. Approximately 2.7 hectares is identified as being potentially available for new development.

Commercial (Market Attractiveness)

5.147 The site scores moderately in commercial terms. It has limited visibility to a local road and is more than two kilometres away from any major arterial route. The width of surrounding roads could cause issues for HGVs in terms of access. However, the site is relatively large in size with no apparent evidence of physically constraining features. There are some mid-sized vacant industrial / warehouse type units being marketed as available. Buildings and external areas are adequately maintained. The site is also outside of any identified flood risk area.

Environmental Sustainability and Strategic Planning

5.148 This site achieves a moderate score for environmental sustainability and strategic planning, being located completely outside of a defined urban area and more than a ten minute walk to an hourly public transport route with no existing footpaths or cycle links to the site. The site has the potential to increase its current contribution to townscape quality if improvements were made to the buildings fronting the local road which are currently quite poor. The intensification of the site would have some ability to contribute to local economic objectives.

Role within the Employment Hierarchy

5.149 The site is classified as 'Moderate'.

Moreton-on-Lugg

40. Moreton Business Park, Moreton-on-Lugg

5.150 This is a large former MoD depot site adjacent to the A49 and a railway line and comprises various developed land and buildings and open land. The site has seen some recent development and planning permission exists for the provision of a further unit. The site has capacity to accommodate further development with large undeveloped areas within the site potentially available for new development.

5.151 The northern part of the site currently has a Certificate of Lawful Use for (and is being used for) mineral extraction. The central and southern sections comprise a mixture of modern and very old units as well as large undeveloped areas, a number of which are safeguarded for their biodiversity and landscape character. Attractive modern units include the new Denco office building. There are a number of plots which would be suited to B1/ B2 and B8 uses. An established use for storage has been recognised through a Certificate of Lawful use

5.152 The UDP confirms the suitability of land at Moreton-on-Lugg depot for B1 and B8 purposes in the central and southern sectors. Here proposals for other employment uses or on other areas of open land should not unduly erode areas of landscape value or prejudice the future development of the site as a whole. In the northern sector, the reuse of existing buildings for B1 and B8 uses is also confirmed as suitable.

5.153 It is understood that the owners have recently prepared a master plan for the site. This illustrates around 7.25 hectares of land for new development within the confines of the existing UDP allocation but also identifies additional land beyond the UDP allocation boundary.

Commercial (Market Attractiveness)

5.154 The site is likely to be attractive in market terms as modern development on the site is high quality, including the impressive new entrance into the site from the A49. The site has scope for development and also redevelopment. However, the market attractiveness score is constrained by the fact the there are a number of environmental constraints associated with the site (albeit that these areas predominantly lie outside of the land identified in the master plan prepared by the owners).

5.155 A safeguarded minerals reserve site within part of this site and areas safeguarded for their biodiversity and landscape character (special areas of conservation) combine to limit the amount of land within this 60 hectare site actually available for development. Schemes for the site would need to pay close attention to the landscape setting of the site.

5.156 In addition the northern and southern areas of the site are subject to flooding according to the Environment Agency. Previously it was reported that there were access constraints which could limit the amount of additional development able to take but it is understood that this issue has now been resolved with agreement with the Highways Agency to allowing additional traffic to use the site entrance onto the A49 (T).

Environmental Sustainability and Strategic Planning

5.157 The site scores moderately well in environmental and planning terms. Although it is outside a defined urban area and there are no existing footpaths of cycle links into the site the site is less than a ten minute to walk to an hourly public transport route and there are rail possibilities with the railway line being adjacent to the site. The UDP states that proposals which make use of the existing rail connexion for rail freight purposes will be encouraged. The site has significant potential to contribute to local economic objectives in the area.

Role within Employment Hierarchy

5.158 The site is classified as ‘Good’. However, with the inclusion of additional land at the site this could elevate the ranking to ‘Best’, providing a strategic employment opportunity to the north of the City.

Kington

70. Hatton Gardens, Kington

5.159 This site contains a mix of uses including a St John’s Ambulance Head Quarters, an auto care centre, vets, a drycleaners and some residential units. Hatton Gardens Industrial Estate comprises several new units. The quality of buildings on site is generally good. In some areas road/ parking surfacing would benefit from improvement.

Commercial (Market Attractiveness)

5.160 This site is split between two sites in very close proximity to each other. The smaller of the two sites contains new units of good quality. The larger site contains a wide variety of uses, ages and building types. Most buildings are of a good quality. The site is affected by flood risk. Access into the site is reasonable with local roads being relatively wide and major roads being less than a kilometre away. In some areas the site fronts local roads and in some parts it has some ‘A road’ visibility. Only one unit is currently being marketed as available at the site.

Environmental Sustainability and Strategic Planning

5.161 The site is on the edge of the market town of Kington. The site is more than a ten minute walk to an hourly public transport route and although there are some footpaths to and within the site there are areas where this is not continuous. Overall the site is awarded a moderate score for environmental sustainability and strategic planning.

Role within the Employment Hierarchy

5.162 This site is classified as ‘Good’.

Other Sites

5.163 For all other sites **Table 5.4** provides scores and commentary. The proforma and associated site plan for each site is provided in **Appendix 3** (see separate Appendices document).

Table 5.4 Overview of Qualitative Assessment – All Other Sites

Sub Area	Site	Market Attractiveness Score	Strategic Planning and Sustainability Score	Classification	Market Attractiveness Comments	Environmental Sustainability & Strategic Planning Comments	Other General Comments
County Town Sites	41. Lugg View Industrial Estate, Moreton on Lugg	3	1	Good	Small well maintained site with new units. The site is not visible from any road frontage and is 1 – 2 kilometres from a major arterial route. Site is in a flood risk area.	Rural brownfield site which is not well connected to public transport or foot and cycle paths. Site appears to already be functioning at its full capacity.	-
	43. Special Metals, Hereford	2	2	Moderate	Buildings are not attractive but are purpose built. Reuse opportunities could be limited if current occupiers decide to leave. The site has high visibility to an 'A' road.	Brownfield site within an urban area and less than five minutes to a public transport route.	Large works operated by Special Metals. Safeguarded Policy E5 land.
	45. Burcott Road, Hereford	2	3	Moderate	Some buildings are in poor condition others of adequate quality. Some marketing present on site.	Site is less than a five minute walk to a good public transport route. There are no footpaths/ cycle links to the site.	Very mixed site adjacent to other employment uses and a railway line.
	46. Churchward Trading Estate, Hereford	2	4	Good	Small fairly modern units and highly visible from a local road.	Site has poor relationship with the road which could be improved with maintenance. Site is within Hereford centre and close to the train station with good pedestrian links.	Small site in predominately residential area adjacent to the railway. Site is adjacent to ESG Master plan area but on the other side of the railway line.
	49. Barrs Court, Hereford	2	4	Good	Buildings are not modern but are well maintained. Parking and circulation is congested. Site has no road frontage.	Located with Hereford City, the site is immediately adjacent to the Station. Within an area of good economic activity but ranked as multiply deprived.	2 ha site close to the station unsuitable for HGVs but well maintained. The site is within the ESG Master plan area and will be taken out of the employment land pool with the redevelopment of the ESG area.
	50. Bulmers, Hereford	2	3	Good	The Bulmers site comprises of not modern but well maintained purpose built buildings and open storage. Surrounding land uses are other employment and residential.	Site is on the edge of Hereford and has footpaths to it and is less than a five minute walk to an hourly public transport route.	Over 10 ha site much of which is operating as a brewery. Some flood risk on the site. Council office occupies one building on this site.
	51. Plough Lane, Herefordshire	2	3	Good	Some new buildings on this site are of very high quality, others are older and poor quality. Relatively wide local roads and no obvious physical constraints or flooding issues.	Site is on the edge of Hereford with footpaths to it and is less than a five minute walk to an hourly public transport route. Some areas of the site could be improved to bring them up to the standard of other areas.	Mixed quality building stock. Overall adequately maintained site.
	52. Sun Valley, Hereford	2	2	Moderate	External storage areas are quite untidy but the large office building appears well maintained. Adjacent to existing employment. Flooding issues on some parts of the site	Brownfield site is within Hereford city with pedestrian footpaths and within a ten minute walk of a regular public transport route.	Sun Valley poultry site with large external storage area and large office building.
	55. Aydon Industrial Park, Hereford	2	2	Moderate	Less than 1 ha site. Buildings and external areas are not modern but well maintained and there is adequate provision of parking and circulation. High visibility to an 'A' road.	Well located site in Hereford within an average to affluent area with high economic activity.	-

Sub Area	Site	Market Attractiveness Score	Strategic Planning and Sustainability Score	Classification	Market Attractiveness Comments	Environmental Sustainability & Strategic Planning Comments	Other General Comments
	57. Rockfield Road, Hereford	2	3	Moderate	Site runs along the railway line and has mixture of building ages and qualities. The condition of public areas is good. Narrow local road at points (one vehicle width only).	Located within Hereford centre less than a five minute walk to public transport.	Buildings in the south of the site require maintenance or redevelopment.
	58. Foley Trading Estate, Hereford	1	3	Poor	Buildings generally of a moderate quality. Widths of surrounding roads could create issues for larger vehicles. Medium flood risk.	Brownfield site is on the edge of the city centre and within less than five minutes walk of an hourly public transport route. There are some footpaths and cycle links to the site although provision is not continuous. The site is surrounded by residential.	Site is accessed via residential streets and there is poor strategic access. Some units in need of maintenance.
Eastern Corridor Sites	8. Station Trading Estate, Bromyard	3	2	Good	Varying sizes, types and quality of units on site. Site is generally adequate but has areas of poor maintenance. The site is sloping and has limited visibility to an A road but high visibility to a local road.	Located on the edge of Bromyard. The site is a five to ten minute walk from public transport and is in an area of relative affluence and high economic activity. The front of the site would benefit from townscape improvements	Mixed site comprising a timber yard, bus depot, and offices. Flood issues in parts of the site.
	12. Colwall Industrial Estate, Colwall Stone	3	2	Good	Small modern units which appear well maintained with adequate parking provision. The site has no road visibility and is more than 2 kilometres away from a motorway or major arterial route.	This site has poor public transport connections although it does have some pedestrian footpath links into the site. The site is completely outside of a defined urban area.	Good use of long narrow site adjacent to the railway which appears to be operating well.
	14. Homend Trading Estate, Ledbury	3	4	Good	Existing B1 and B2 uses. Modern units with adequate parking. Access is very steep.	Within Ledbury itself, adjacent to train station.	Already fully developed small site not visible from the road. Potential access issue.
	18.Universal Beverages, Ledbury	3	1	Moderate	Average size site with older building stock which is well maintained.	Remote site with poor public transport connections.	A substantial amount of new development has taken place at this site since it was acquired by Universal Beverages Limited.
	19. Hereford Road, Ledbury	1	2	Poor	Poor quality buildings with very congested parking and circulation in largely residential area.	Edge of urban centre site less than five minutes walk from a public transport route.	Building supplies unit and small units accessed separately which appear to be in partial use. Access into this site is severely constrained.
	16. Bankside Industrial Estate, Ledbury	2	2	Moderate	Average quality site with some marketing signs. Congested parking arrangements.	Brownfield site located out of a centre but within an urban area more than a ten minute walk from a public transport route.	Small Policy E5 site. Small portion of the site has been developed for residential. Mix of modern and older small units.
	24. Haigh Industrial Estate, Ross on Wye	3	2	Good	Buildings on one half of the site are of average quality, on other half of the site buildings have been / are being refurbished to a high quality.	Brownfield site outside of a centre but within an urban area. Five to ten minute walk from a good public transport route but there are no footpaths or cycle links to the site.	-

Sub Area	Site	Market Attractiveness Score	Strategic Planning and Sustainability Score	Classification	Market Attractiveness Comments	Environmental Sustainability & Strategic Planning Comments	Other General Comments
	25. Chase Industrial Estate, Ross on Wye				Mix of buildings on this small site, majority of which are reasonable quality and condition. At the rear are new Royal Mail buildings, at the front is a working men's club.		Chase Industrial Estate sits in the middle of Haigh Industrial estate, and Wolf Business Park lies adjacent.
	27. Wolf Business Park, Ross on Wye				Located in an area of other employment uses, buildings on this site are of a moderate condition and there is adequate parking and circulation provision. Site is within easily accessible to the M50.		
	28. Somerfield's Site, Netherton Road, Ross on Wye	3	3	Good	Distribution unit with adequate parking in an area of other employment uses. No road frontage visibility. Countryside policy constraints.	Reasonable footpath and cycle links to the site. Site is on the edge of Ross on Wye and within easy walk of public transport.	Large single distribution unit for Somerfield (supermarket). Change in levels designed into the site.
	75. Stoneyhills Industrial Estate, Whitchurch	3	3	Good	Good quality small industrial estate which has mature screening to the borders and well kept internal landscaping. Good access to the strategic highway network.	Outside of the defined settlement boundary of Whitchurch and separated from the village by the A40. Despite the rural location and limited accessibility to sustainable transport options, the site performs well in terms of providing accommodation for high-tech rural businesses and in turn local employment opportunities.	Good quality site with very good access to the strategic highway network.
	76. Ashvale, Cradley	3	2	Good	Small rural industrial estate which has grown from the conversion of agricultural premises to B1b/c uses and now provides a number of additional modern small scale business units for high-tech manufacturing.	Fully occupied and provides affordable accommodation for emerging, high quality enterprises. The site is not attractive to B1a or B8 uses given the rural location but performs very well for bespoke manufacturing services.	The site provides affordable accommodation in a rural area and is consequently well used.
	77. Woodend Lane Business Park, Stoke Lacy	3	2	Good	The quality of units on the site is good and they are fully occupied. The site is developed in the majority with a small raised area of grass to the north east end which could potentially be used for expansion.	The site is located within a village which has no defined settlement boundary and very few local amenities. However, despite the rural location and limited accessibility to sustainable transport options, the site performs a function of providing accommodation for rural businesses and in turn local employment opportunities which require low-cost premises.	The site is developed in the majority with a small raised area of grass to the north east end which could potentially be used for expansion. However, the grassed area slopes steeply up from the main developed portion of the site and would require significant engineering works to utilise it for further built development.
Rural Heartland Sites	1. Paytoe Industrial Estate, Leintwardine	2	2	Moderate	Local road access is quite limited due to widths of roads. Risk of flooding on this site.	Site is not easily accessible by non car modes of transport.	Moderate quality modern employment units on a small site.

Sub Area	Site	Market Attractiveness Score	Strategic Planning and Sustainability Score	Classification	Market Attractiveness Comments	Environmental Sustainability & Strategic Planning Comments	Other General Comments
	2. Brimfield Business Park, Brimfield	3	1	Moderate	Relatively attractive site. Site is very close to 'A' road but accessed from a local road.	Rural site which is not accessible by non car transport modes.	Small site with new/ refurbished units.
	3. Cobnash Industrial Estate, Kingsland	3	2	Good	High quality new units. Road surfacing is poor. Site only has local road visibility but is less than 1 kilometre from a major arterial route.	Site is already developed to a high standard. Site is in a rural location.	No flood or abnormal development constraints are apparent.
	4. Dales, Leominster	-	-	Owner Specific	-	-	High quality units off A road with good parking, access and circulation. Owned and occupied by Dales.
	7. Longmoor Industrial Estate, Kingsland	2	2	Moderate	Site is split in two – eastern part of the site has larger better quality units than the western part which has a number of poor quality hangars. Near to 'A' road but does not have frontage to it.	The site is brownfield and on the edge of Kingsland village. It is poorly connected by non-car modes of transport.	Mixed site of moderate quality.
	30. Longmeadow Industrial Estate, Ewyas Harold	3	2	Good	Modern well maintained small industrial estate comprising small units and good parking and circulation areas. Surrounding uses are open countryside and residential.	Within the settlement boundary of Ewyas Harold. Poorly connected sites in public transport terms. Site is in relatively affluent area with good economic activity.	Small but high quality site. Site is within a flood risk area.
	31. Pontrilas Depot, Pontrilas	2	2	Moderate	Reasonable quality buildings. Site has frontage to an 'A' road and a local road. Two accesses on to site.	Brownfield site not within an urban area more than a ten minute walk from an hourly public transport route.	Small depot development with post office. Palisade fence surrounds the site.
	33. Pontrilas Timber Yard, Pontrilas	2	2	Moderate	Timber yard is relatively well maintained and has some attractive buildings on site as well as some which are only adequate. Noise and dust are generated on this site from current use.	Rural brownfield site within a neighbourhood ranked average to deprived but within an area of good economic activity. Poorly connected for non car modes of transport.	Large timber yard in very active use.
	37. Dene Industrial Site, Kingstone	1	2	Moderate	Half of the site has moderate quality modern units. The remainder has poor quality and condition units and also poor access. Adjacent to Madley Airfield but not accessible from it.	Rurally located brownfield site less than a ten minute walk to public transport. The redevelopment of the site would improve the existing townscape quality of the site.	Small site with moderate to poor quality units which also forms part of Madley Airfield site. Site has redevelopment potential.
	61. Newport Street, Cusop	2	2	Moderate	Many of the new units on site are vacant but are being marketed. Quality of buildings on site is mixed. Site includes two timber yards. Good road frontage. Surrounding roads relatively wide.	On the edge of Cusop which is a large village with local amenities. Not well accessed by public transport or public footpaths/ cycle paths. Frontage to the road could be improved.	Site is almost three separate areas 1) Pet centre and timber yard, 2) Timber yard and buildings merchants, 3) new units with wholesalers and joinery. Coop in the middle of the site is excluded.
	62. Forest Fencing, Eardisley	3	1	Moderate	Buildings and external areas of this timber yard are well maintained and relatively attractive. The site has no road frontage but is in close proximity to an A road. High risk of flooding on this site.	The site is more than a ten minute walk to an hourly public transport route and there are no cycle or footpaths to the site. The site is completely outside a defined urban area.	Moderate size (4.5 ha) timber and sales yard well maintained.

Sub Area	Site	Market Attractiveness Score	Strategic Planning and Sustainability Score	Classification	Market Attractiveness Comments	Environmental Sustainability & Strategic Planning Comments	Other General Comments
	63. The Wharf Eardisley	2	2	Moderate	Disjointed site with generally modern buildings, surfacing and parking provision. The site has high visibility to an A road. Vacancy levels appear high. Flood risk on site.	The site is more than a ten minute walk to an hourly public transport route and there are no cycle or footpaths to the site. The site is PDL but outside a defined urban area.	Mixed site which doesn't appear fully used.
	64. Whitehill Park Industrial Estate, Weobley	3	2	Good	Site is generally well maintained and buildings are of a good quality, except for poor quality old hangar close to the entrance of the industrial estate.	Redevelopment of the hangar could improve the townscape quality of the site particularly given its prominent location at the entrance. This is a rural site with poor non car mode connections. In an area ranked as average to deprived for multiple deprivation.	Abattoir and adjacent industrial estate. Parking arrangements are ad hoc.
	69. Burgoyne's, Lyonshall	3	2	Good	Overall moderate quality buildings with some new units and some poor hangars. Maintenance is good. Steep slope into the site.	Brownfield site which is not well connected by public transport, footpaths or cycleways and is outside the urban area.	Appears to be operating well.
	71. The Old Foundry, Kington	3	2	Good	High quality attractive refurbished site with a number of uses. Good road visibility frontage at A44 roundabout.	Within an area ranked average to deprived for deprivation on the edge of Kington. Not well connected by public transport or footpaths/ cycle links.	Good quality well maintained regenerated old foundry. Site already developed to high standard and fully operational
	73. Cadbury, Marlbrook	-	-	Owner Specific	-	-	Dated industrial site occupied by Cadbury in high occupation and operation. Only possibility for expansion is owner specific.
	74. Old Forge Industrial Estate, Peterchurch	3	2	Good	Small site with modern well maintained employment uses. Good parking and adequate circulation. Good visibility to a local road and surrounding roads relatively wide.	An already good quality employment site but is not well connected in public transport terms. There are some footpaths to the site but provision is not continuous. The site is within a neighbourhood ranked average to deprived for multiple deprivation.	Quite isolated site in a rural area and over 2 km away from motorway or major arterial route.

6 Forecasts of Employment Land Requirements

Introduction

6.1 The following details the methodology employed in forecasting Herefordshire County's employment land requirements through to 2031.

6.2 The methodology is the same as that used in our original report and in the subsequent update and is based around forecasting all aspects of the local labour market, within the context of anticipated international, national and regional economic developments, and then translating the resultant local labour demand into floorspace and land requirements.

6.3 The major changes that have occurred since our initial report and the production of the national forecasts that underpinned it are the crisis in the financial markets and the subsequent recessions in many developed countries, including the UK, which saw a double-dip recession from which it has yet to recover.

6.4 These events have not only impacted on growth and employment levels but have also introduced an element of structural change, with manufacturing finding the UK a more attractive location than previously.

6.5 Even so, there remains a great deal of uncertainty within the world economy, such that producing forecasts is even more difficult than usual. That said, the difficulty relates more to the timing of events than to the nature and direction of the events themselves. Accordingly, the changes in demand for employment land derived from the forecasts should be viewed as correct in terms of direction of change but potentially wrong in terms of the timescale over which the change will take place. This is particularly true of current and near year forecasts, with the longer term forecasts expected to be more accurate as the national economy gets back to its natural growth rate.

6.6 Underlying the short-term uncertainty is the continuing financial crisis within the Euro-zone, which is impacting on the real economy through reduced effective demand as governments cut back on their expenditure, unemployment remains high and businesses are either reluctant to invest or face a shortage of available capital. As the Euro-zone is a major destination for UK exports so its crisis is impacting on demand for UK products and services. It is also impacting on demand for exports from developing countries such as Brazil, Russia, India, China and South Africa and thereby reducing growth rates in those countries, which, in turn, is reducing their demand for UK produced goods and services.

6.7 Wage demands within the developing/other countries, and in particular China, mean that such countries are losing an element of their previous price competitiveness and are halting the trend of increasingly sourcing manufacturing from such countries. This is helping re-establish the UK as a manufacturing economy with products out-sourced overseas now being sourced once more from the UK.

6.8 Nevertheless, the recessions and slowdowns in growth rates evident across most of the world's economies are combining with the UK government's austerity measures to reduce UK demand and are impacting directly on both regional and sub-regional economies, including that of Herefordshire. This is reflected in reduced employment opportunities within Herefordshire, which are reflected in the model and in the forecasts.

6.9 There is, however, evidence that self-employment is increasing within the UK as unemployed former employees and new labour market entrants seek to generate an income by using their skills to create businesses. Inevitably, many of these businesses will either fail or fall short of expectations but others will thrive and potentially become significant employers.

6.10 At the centre of the forecasts is a small area forecasting model specified by reference to local population, employment and other available data. This model is, in turn, driven by the labour market and output forecasts for the UK and for the West Midlands region produced by the Cambridge Econometrics national and regional forecasting models.

6.11 All forecasting models are extremely data hungry. Unfortunately, much of the data that would ideally be needed in order to specify a full economic model of the Herefordshire economy is not available. As such, there is inevitably a degree of estimation involved in producing forecasts of the county's floorspace and employment land requirements. Despite this, the forecasts presented in this report are considered to be robust and to represent the best available assessment of future employment floorspace and land requirements over the forecast period.

6.12 The following details the way in which the model operates and explains how the various inputs into it have been devised. In this way, it provides detail of how the forecasts have been generated.

The Model

Population

6.13 The starting point for the model is the demographic structure of the current and future population of Herefordshire.

6.14 Rather than relying on trend forecasts produced by the model itself, use is generally made of forecasts generated either by the local authority itself or by the Office for National Statistics.

6.15 In this particular case, two different sets of population forecasts were primarily used. These were:

- population projections sourced from the Office for National Statistics; and
- population projections produced by Herefordshire Council.

6.16 The population projections from the Office for National Statistics ("the ONS forecasts") were based on 2010 population estimates and ran through to 2035. The population projections from Herefordshire Council (the "Council forecasts") were produced by G L Hearn and ran through to 2031. These were also based on 2010 population estimates.

6.17 Both sets of projections show the population of Herefordshire growing over the forecast period to 2031. The rates of growth are, however, different, such that different 2031 population estimates and structures result. The lower of these estimates is the 205,700 persons produced by the Council forecasts, with the ONS forecasts indicating a population of 213,500 by 2031.

6.18 Both sets of projections are consistent with the 2001 Population Census results, which showed Herefordshire as then having a population of around 174,900. Recently released results from the 2011 Population Census show the county as having a resident population of 183,500 in March 2011. This compares with the 2011 mid-year estimate of 183,300 contained within the Council forecasts and with the 184,200 contained within the ONS forecasts.

6.19 Both sets of population projections used were made by age and by gender, Disaggregation by age and by gender is important, as the population figures are used, by the model, to generate numbers of economically active persons within the population and hence the resident labour-force.

Economic Activity Rates

6.20 Translating the resident population figures into workforce estimates requires assumptions to be made about current and future economic activity rates.

6.21 The economic activity rates used in the model are specified by reference to age and gender, such that changes in the demographic structure of the area generate changes in the number economically active.

6.22 The model assumes that no individual aged under 16 is economically active. It also assumes that economic activity can and does continue after state pension age, but with the proportion of those economically active beyond state pension age declining with age.

6.23 The actual economic activity rates used were derived from the 1991 and 2001 Population Censuses and were then projected forward in line with the identified trends but subject to moderation by forecast national trends. The resultant forecasts show very modest growth in overall male economic activity rates over the forecast period and a much stronger rate of increase in female economic activity rates.

6.24 Outside of the general economic trends, activity rates are assumed to increase in response to a tightening labour market. As such, the model assumes that as the economy grows and demand for labour increases, so the proportion of the population that is economically active rises.

6.25 The model does not assume, however, that labour supply and labour demand equate to each other. Rather, it forecasts labour supply and labour demand independently and only increases the supply of labour, through the above mentioned increase in activity rates, should the labour market start to overheat.

6.26 Even so, the increase in activity rates is not set so as to restore balance to the labour market. Rather, the rate of increase is determined independently, and only allows for a relatively modest increase in activity rates, year on year.

6.27 In this way and as with the real economy, imbalances in the labour market lead to unemployment or to a change in commuting patterns or to a change in the proportion of the economically active population that has more than one job.

6.28 In practice, the model shows the economic activity rate, (total number economically active expressed as a percentage of the population of normal working age), as generally following an upward trend over the forecast period. This is, in part, due to a rising level of economic activity amongst females and, in part, due to an increase in the number of people electing to work beyond state pension age.

6.29 It also reflects the introduction of a rising state pension age for women and for men as well as the introduction of legislation removing default retirement ages such that men and women now have a right to continue in employment beyond the normal state pension age, subject to their job continuing and subject to their being able to perform their tasks satisfactorily.

6.30 The effect of these changes is expected to be an increase in the economically active population of Herefordshire as more individuals choose to work beyond their state pension age and individuals are forced to work longer before they become eligible for the state pension.

6.31 The precise impact of the changes in retirement legislation and the state pension age will not be known for some time. Compounding the uncertainty is a general move away from defined benefit and final salary pension schemes to defined contribution and average salary pension schemes the effect of which is expected to be lower pension payments and may mean individuals generally having to work longer than hitherto before they can afford to retire.

Employees in Employment

6.32 The base data used in forecasting the number of employees in employment in Herefordshire is sourced from the Annual Business Register and Employment Survey ("BRES"). This employer sourced information provides an estimate of the number of employees in employment whose jobs are based within Herefordshire.

6.33 The information from BRES is accessed as a number of data series together running from 1991 through to 2010. The data is drawn down from NOMIS at a four digit industry level. The fact that the data comes in different series reflects definitional changes that have taken place over the period, in turn reflecting changes in the industrial structure of the UK economy and a need to conform to EU reporting definitions.

6.34 The first stage in the forecasting process is to examine the data in order to identify and, where necessary, correct any miscoding or other obvious data errors. This exercise also facilitates a degree of familiarisation with the structure of the local economy.

6.35 Information on the agricultural sector is frequently lacking for some years. Where necessary, trend analysis is used to fill in the gaps.

6.36 For forecasting purposes, the employment data is aggregated into 32 different industrial sectors. These are the industrial sectors used by Cambridge Econometrics in reporting their regional and associated national forecasts. The aggregation process automatically removes some of the data series inconsistencies. Estimation and allocation techniques are used to remove the remainder.

6.37 Aggregation also has the benefit that it hides many of the sensitive data entries contained within the raw data and thereby facilitates publication.

Self Employment

6.38 Although information on self-employment is available from the Labour Force Survey, (LFS), it is notoriously unreliable at a small area level. This is due to the relatively small numbers that are sampled by the LFS.

6.39 In order to overcome this problem, information from the 1991 and 2001 Population Censuses is used to estimate the proportion of the Herefordshire resident population that is self-employed.

6.40 Specifically, the Population Census information is used to determine the ratio of self-employment to employees in employment by gender and by industrial division.

6.41 The assumption is then made that each ratio will either remain constant over the forecast period or, if significantly different from the relevant national ratio, will move marginally, year on year, towards the relevant national ratio. The consequence of the assumptions is that as employment in a particular sector rises or falls, so self-employment in that sector also tends to rise or fall.

Employment Projections

6.42 The employment projections for Herefordshire are substantially driven by the forecasts for the West Midlands, produced by Cambridge Econometrics.

6.43 This does not mean that the Herefordshire economy is assumed to be a microcosm of the West Midlands regional economy. Rather, the model assumes that the overall performance of the Herefordshire economy is determined by a combination of:

- local factors within each industrial sector;
- the overall industrial structure; and
- regional, national and international factors.

6.44 Of these, local factors are determined by reference to the historic performance of the local sector, relative to the regional sector, and by reference to time trends. As such, the model allows a local sector to behave differently from the same sector, both regionally and nationally.

6.45 As the model forecasts at an industry level, it explicitly recognises that the Herefordshire economy has a different structure from that of the West Midlands and that this will, irrespective of other factors, produce different growth rates for the county's economy from those of the wider West Midlands and the UK.

6.46 Regional, national and international factors are taken on board through using the Cambridge Econometrics model to drive the local forecasting model. Effectively, the local model allocates employment within the West Midlands region between Herefordshire and the rest of the region.

6.47 This allocation is performed at a 32 industry level and, as indicated above, takes account of factors local to Herefordshire and its environs in the allocation.

6.48 As the model produces forecasts for employees in employment, so, and as described above, it produces forecasts for self-employment.

6.49 All of the forecasts are reviewed in order to determine that they look reasonable and are consistent with known events such as major factory closure, expansion or inward investment events. In practice, little manual adjustment is ever warranted.

Commuting

6.50 In producing a comprehensive picture of the Herefordshire labour market, the model needs to take account of the extent to which jobs within Herefordshire are taken by people who are resident outside of the county in places such as Wales, the Forest of Dean, Malvern Hills and South Shropshire. Equally, it needs to take account of the extent to which Herefordshire residents hold down jobs outside of the county, for example, in Malvern Hills, Worcester, the Forest of Dean, South Shropshire, Gloucester, Tewkesbury and Wales.

6.51 This requirement arises because the population and labour force forecasts are residence based and the employment forecasts are place of employment based.

6.52 Normally, up to date information on in- and out-commuting is very difficult to obtain, such that net commuting has to be estimated, through the model, for a given year when all other elements of the labour market are known. Specifically, the level of net in- or out-commuting is derived as the balancing factor such that:

Resident labour force less:	Resident unemployed	= net commuting
	Self-employment	
	Jobs based in the District	
	Residents on schemes etc	

Source: WM Enterprise Consultants

6.53 If the net commuting figure is a negative, it means that there is a net outflow of residents into employment outside the county. If the net commuting figure is positive, the county is a net importer of labour.

6.54 In the case of Herefordshire, analysis of the 2001 Population Census figures shows that 12,600 of the county's resident workforce worked outside of the county and that 8,600 of the jobs in the county were taken by individuals who did not live in the county.

6.55 As such, Herefordshire is a net exporter of labour, with an approximate net 4,000 residents having employment outside of the county in 2001.

6.56 The forecasting model does not assume that net commuting remains unchanged over time. Rather, the model looks at the relative performances of the county labour market and the labour market in the rest of the West Midlands region and assumes that net out-commuting increases if demand for labour in the rest of the West Midlands grows at a faster rate than the demand for labour in Herefordshire, and vice versa.

Students

6.57 Whilst full-time students are not treated as being economically active, a number do have part-time paid employment in retail outlets, bars and the like. The number of such individuals has been growing over recent years as a consequence of the overall increase in student numbers, changes to the way in which HE students are financially supported and a growth in the number of part-time employment opportunities.

6.58 This means that it is not appropriate to ignore the role of students in the labour market in places like Herefordshire, particularly as the 2001 Population Census results indicate that over 2,400 of the full-time students are resident in Herefordshire, at that time, were economically active.

6.59 The assumption within the model is that the ratio of full-time students with part-time jobs to the resident population aged 16-24 remains a constant.

6.60 This leads to the number of full-time students with part-time jobs declining through to 2024 under the ONS population projections but then following an upward trend over the balance of the forecast period. Under the Council population forecasts, the number of full-time students with part-time jobs follows a downward trend through to 2022 before rising over the balance of the forecast period.

Double Jobs

6.61 One feature of the labour market over recent years has been a growth in the number of people that have more than one job. Typically, people with more than one job have one full-time job and one part-time job, rather than a portfolio of part-time jobs.[1]

6.62 The model works on the assumption that the incidence of individuals with more than one job will grow or reduce in line with the overall availability of jobs within the economy. This may, in practice, be an underestimate of the number of double jobs as individuals in employment develop hobbies or other activities into home based self-employment as a way of generating additional income.

6.63 Balancing the Herefordshire labour market for 2001 requires there to be 1,500 people with more than one job, assuming that no individual has more than two jobs. This amounts to 1 in every 58 of the county's resident working population having more than one job.

6.64 The proportion of people with more than one job is somewhat lower than the national figure of 1 in every 35. It may be that the rural nature of Herefordshire means that there is limited opportunity for individuals to have more than one job.

6.65 Since double jobs are treated as the balancing factor in arriving at a picture of the Herefordshire labour market in 2001, any data errors will accumulate within this element. This approach is taken in order to make the report and its findings more readily read and understood, but nevertheless, means that the double job estimate needs to be treated with considerable caution.

[1] M Simic and S Sethi, People with Second Jobs, Labour Market Trends, May 2003.

Unemployment / On Schemes

6.66 The model mirrors the labour market in that it treats unemployment as a residual.

6.67 In this context, unemployment is the difference between the resident labour force in Herefordshire and those who are either employed or self-employed, irrespective of whether the employment or self-employment is based in the county.

Value Added

6.68 In the absence of information on value added specific to Herefordshire, the model assumes that value added per person employed in Herefordshire is the same, in each sector, as is value added per person employed in that sector in the West Midlands region.

6.69 Equally, the model assumes that labour productivity gains within each sector in the West Midlands will be mirrored in Herefordshire. As such, any overall differential performance between Herefordshire and the West Midlands is solely the result of differences in the two areas' industrial structures.

Employment Land Requirement

6.70 The model amalgamates the employment and self-employment projections into broad headings of: manufacturing, construction, retail in-town, retail out of town, hotels and catering, transport and communications, finance and business services, public administration and defence, education and health, and other services.

6.71 Standard square metres per employed person figures are then applied for each of the broad headings in order to produce the floorspace required to accommodate the stated number of people.

6.72 Finally, employment density estimates are applied to the floorspace requirements in order to arrive at estimates of the employment land requirement for each of the broad headings.

6.73 Appropriate amalgamations of headings are then used in order to arrive at the employment land requirements for each category.

6.74 In practice, the floorspace and land requirements for retailing, for hotels and catering and for education and health were not calculated for Herefordshire, as these are outside the scope of this particular employment land study.

6.75 In addition, various assumptions are made, either implicitly or explicitly, in order to compensate for known unknowns. For example, it is known that a number of construction businesses do not have formal business premises and are operated from the owners' homes. The precise number is unknown. In order to allow for this, the assumption is made that all self-employed builders operate from home and that all building firms covered by BRES have formal business premises.

6.76 More than one set of floorspace and employment land requirement figures were calculated. Specifically, one set was produced using the standard floorspace and density levels specified in the ODPM guidance[2], one set was produced using specific Herefordshire county Valuation Office derived figures and one set was produced based on the findings from a survey of over 200 local employers carried out as part of the previous employment land study.

6.77 Whilst these different sets of floorspace and land requirements were generated, the figures presented in the following section of this report are primarily based on local findings rather than on the ODPM standards.

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[2] Employment Land Reviews Guidance Notes, ODPM, 2004

6.78 This approach has been adopted because it better reflects the current employment and site densities in the county, which are, themselves, considered to be better indicators of future densities than any other measure, including national standards.

6.79 The main reasons for this are twofold. Firstly, those manufacturing and warehouse and distribution activities already operating in the county are likely to constitute the occupiers of most of the manufacturing, warehouse and distribution floorspace in the future. Many will continue to occupy the same buildings on the same sites. As such, current floorspace and site densities will dominate future manufacturing, warehouse and distribution floorspace and site densities and thereby determine the character of manufacturing, warehouse and distribution in the area.

6.80 Secondly, new office developments are likely to be relatively low level and not town centre tower blocks. This means that floorspace and site densities within new developments will replicate those within existing developments rather than deviate from them.

6.81 The use of local figures is a recommendation within the ODPM guidelines.

Findings of the Forecasting Model

Introduction

6.82 The following details the principal outputs derived from the small area forecasting model specified for Herefordshire.

Population

6.83 At the time of the 1991 Population Census, the total population of Herefordshire was 160,600. By 2001, this number had grown to around 174,900. Most recently and as stated above, the 2011 Population Census results show the resident population of Herefordshire in March 2011 to have been 183,500.

6.84 The forecasts produced by ONS anticipate the population of Herefordshire rising from an estimated 2010 total of 182,800 to reach 190,700 by 2015, 198,500 by 2020, 206,000 by 2025 and 213,500 by 2031.

6.85 Figures from Herefordshire Council suggest a slower rate of population growth, with the population of the county expected to reach 187,300 by 2015 and to reach 206,000 by 2025, The Herefordshire Council projection for 2031, at 205,700, is over 3.6% lower than the ONS projection for that year.

6.86 Given the way that the forecasting model works, these different population assumptions have limited direct impact on the demand for employment land. Nevertheless, they do facilitate scenario testing as do other assumptions covered in the scenario section of this chapter. Equally, if there are insufficient employment opportunities to sustain the forecast growth in population, then that level of population growth may not occur as individuals and households either move out of the county in search of employment elsewhere or do not move into the county.

Demographic Structure

6.87 Whilst the overall size of the population has implications both for the level of demand for housing land and for the level of demand for local services, it is the structure of the population that is of more concern in terms of the demand and need for employment land.

6.88 This is because the age structure and gender of the population largely determine the size and structure of the resident labour force.

6.89 The following table, (Table 6.1), compares the structure of the Herefordshire county population at 2015 under the two different forecasts.

Table 6.1: Comparison of Population Projections for Herefordshire County by Age and Gender, 2015

	ONS			Herefordshire Council		
Age	Male ('000)	Female ('000)	Total ('000)	Male ('000)	Female ('000)	Total ('000)
0-15	15.9	15.3	31.2	15.5	14.8	30.4
16 to normal retirement age*	56.4	55.2	111.6	55.3	53.9	109.2
Over normal retirement age*	21.6	26.3	47.9	21.4	26.4	47.8
Total population	93.9	49.90	190.7	92.2	95.1	187.3

➢ *Sources: ONS, Herefordshire Council, WM Enterprise Consultants*

➢ * Normal retirement age reflects changes in the state pension age, with females attaining state pension age between 62 and 63 and males at age 65.

6.90 The main differences between the two forecasts are ones of overall population size, with the ONS forecasts predicting a higher population than is Herefordshire Council. The age and gender ratios within the different population totals are broadly the same, although lower populations tend to have a higher proportion of older persons within the population.

6.91 Table 6.2 provides information on the forecast population structure in 2025 under the different forecasts, with Table 6.3 providing the same information but for 2031.

Table 6.2: Comparison of Population Projections for Herefordshire County by Age and Gender, 2025

	ONS			Herefordshire Council		
Age	Male ('000)	Female ('000)	Total ('000)	Male ('000)	Female ('000)	Total ('000)
0-15	17.3	16.6	33.9	16.1	15.4	31.5
16 to normal retirement age*	59.1	58.7	117.8	55.5	46.6	102.1
Over normal retirement age*	25.4	28.9	54.3	26.5	38.5	65.0
Total population	101.8	54.55	206.0	98.1	100.5	198.6

➢ *Sources: ONS, Herefordshire Council, WM Enterprise Consultants*

* Normal retirement age is taken as 66 for both males and females

Table 6.3: Comparison of Population Projections for Herefordshire County by Age and Gender, 2031

	ONS			Herefordshire Council		
Age	Male ('000)	Female ('000)	Total ('000)	Male ('000)	Female ('000)	Total ('000)
0-15	17.1	16.6	33.7	16.2	15.4	31.7
16 to normal retirement age*	59.3	58.9	118.2	55.2	46.1	101.3
Over normal retirement age*	28.9	32.7	61.6	30.1	42.6	72.7
Total population	105.3	108.2	213.5	101.6	104.1	205.7

➢ *Sources: ONS, Herefordshire Council, WM Enterprise Consultants*

* Normal retirement age is taken as 66 for both males and females

6.92 The differences shown in the above numbers have implications for the overall size of the labour force, with different segments of the population having different propensities to participate in the labour market.

Activity Rates

Table 6.4: Herefordshire Activity Rate 2001 and for Selected Years

Gender / Age	2001 % (Actual)	2010 %	2015 %	2020 %	2025 %	2031 %
Male						
0-15	0.0	0.0	0.0	0.0	0.0	0.0
16-24	73.7	72.1	71.3	70.5	69.6	68.6
25-34	93.3	92.0	91.5	91.1	90.7	90.2
35-44	93.1	92.3	91.9	91.5	91.1	90.6
45-59	86.5	88.0	88.4	88.5	88.9	89.6
60-64	57.6	64.4	66.5	68.4	70.5	73.0
65+	14.4	17.2	17.6	16.6	17.4	17.8
Total*	88.7	89.6	91.2	91.7	92.6	94.0
Female						
0-15	0.0	0.0	0.0	0.0	0.0	0.0
16-24	67.9	67.1	66.9	66.6	66.3	66.0
25-34	75.0	77.1	78.0	78.6	79.5	80.5
35-44	78.0	78.5	78.7	78.7	78.9	79.5
45-59	71.8	76.6	78.5	80.1	82.0	84.6
60-64	29.7	34.2	40.7	47.3	53.9	61.8
65 +	7.1	9.0	9.7	9.5	10.5	11.1
Total*	71.9	73.8	77.9	80.0	82.3	85.4

Source: Derived from Population Census Figures; W M Enterprise Consultants

* Total economically active (including those over state pension age) expressed as a percentage of the population of normal working age.

6.93 The activity rates used in the model were derived from Population Census results, by age group and by gender. These were then projected forward to reflect activity rate trends within different age and gender groups. In addition, adjustment was made to allow for an increase in economic activity rates amongst those age groups whose members must wait longer before becoming eligible for the state pension. This has the effect of significantly increasing female activity rates between 2010 and 2015. Irrespective, overall activity rates are forecast to follow an upward trend over the forecast period.

6.94 The activity rates were applied to both sets of population forecasts in order to arrive at two sets of Herefordshire county labour force projections.

6.95 Overall, the figures indicate an overall increase in male participation rates in the labour market from just over 89.6% in 2010 to reach 94.0% in 2031. Acting to reduce the expressed rate is an increase in the total number of males of working age from 2020 resulting from the increased state pension qualification age to 66.

Size of the Workforce

6.96 Applying the activity rates to the population projections provides forecasts for the expected size and composition of the resident workforce of Herefordshire.

6.97 Whilst the model produces estimates of the composition of the workforce by age and by gender, this level of detail is not directly relevant to this particular piece of work as the labour demand forecasts treat labour as a homogeneous commodity. Accordingly, the underlying composition of the workforce is not presented in the figures below.

Table 6.5: Herefordshire Workforce – Selected Years – Under The Two Different Population Forecasts

Forecast	2010	2012	2015	2020	2025	2031
ONS	91.3	92.8	95.6	97.8	100.7	103.3
Herefordshire Council	91.3	92.0	93.5	94.5	97.4	99.3
Mean	91.3	92.4	94.6	96.2	99.1	101.3

Source: WM Enterprise Consultants

6.98 Overall, both sets of projections see the resident workforce of Herefordshire growing over the forecast period. The ONS based forecasts show the higher rate of growth, (13.1% 2010 to 2031), with the Herefordshire Council the lower rate, (8.7%). The forecasts lie within 2% of their arithmetic mean, which is within an acceptable margin of error given that the forecasts effectively cover a 21 year period.

6.99 There is nevertheless a degree of uncertainty over the size of the growth in the workforce with changes in the state pension age, abolition of compulsory retirement, and changes to employer pension schemes and returns, all expected to increase participation rates amongst those of working age both nationally and within Herefordshire but with the magnitude of the participation rate increases largely unknown.

Labour Demand

6.100 The Herefordshire economy is more dependent upon agriculture and manufacturing than are the economies of either the West Midlands or the UK. A consequence of this is that there is less emphasis in Herefordshire on service sector activity than there is the West Midlands and the UK. This is shown in the following table.

Table 6.6: Comparative Employment Structures, 2010

	Herefordshire %	West Midlands %	UK %
Primary	7.7	2.1	1.7
Manufacturing	13.5	11.0	8.2
Construction	5.4	**7.1**	6.9
Utilities	1.2	1.0	1.0
Services	72.3	78.7	82.2
Total	100.0	100.0	100.0

➢ *Sources: Cambridge Econometrics, NOMIS; WM Enterprise Consultants*

6.101 Within the service industries, Herefordshire is over-represented in distribution and in transport and storage relative to both the West Midlands and the UK. It is, however, underrepresented in hotels and catering, retailing, financial services and other business services. The following figure, (Table 6.7), provides more detail.

Table 6.7: Comparative Service Sector Employment

	Herefordshire %	West Midlands %	UK %
Retailing	9.3	12.2	11.7
Distribution	16.3	7.9	6.7
Hotels & Catering	4.7	6.5	7.4
Transport & Storage	9.7	5.9	5.7
Financial Services	1.9	3.8	4.4
Other Business Services	15.1	23.3	24.4
Public Administration, Education & Health	37.2	34.5	33.1
Other Services	5.9	5.9	6.5
Total	100.0	100.0	100.0

➢ *Sources: Cambridge Econometrics; Nomis*

6.102 The forecasts through to 2031 indicate that Herefordshire will substantially retain the overall structure of its economy, although it will become marginally more dependent upon the service sector as a source of employment. This is not surprising given the increased service sector demand that will be generated by a growing population. Nevertheless, agriculture and manufacturing will continue to be significant sources of employment. This is shown in the following figure, (Table 6.8).

Table 6.8: Forecast Relative Shares of Employment in 2031

	Herefordshire %	West Midlands %	UK %
Primary	7.4	1.3	1.1
Manufacturing	12.6	10.6	6.6
Construction	5.2	6.9	7.8
Utilities	1.5	1.3	1.0
Services	73.4	80.0	83.4
Total	100.0	100.0	100.0

Sources: WM Enterprise Consultants; Cambridge Econometrics

6.103 The service sector's share of gross value added in Herefordshire is expected to decline marginally over the earlier years of the forecast before growing once more. In contrast, manufacturing is expected to increase its relative contribution to Herefordshire GVA, a factor that underpins a growth in the importance of Herefordshire to the West Midland region's total GVA.

6.104 Within the Herefordshire service sector, it is the business services sector that is expected to be the major source of new job opportunities, followed by retailing and accommodation and catering. Together, these will account for 63% of all new jobs over the forecast period. Following a period of job losses, including as a result of privatisation, the education and health sector is expected to show employment gain over the latter years of the forecast as it responds to the needs of a growing, and in the case of health, ageing population.

Commuting

6.105 Herefordshire is a net exporter of labour, primarily to its adjoining counties and districts. Analysis of the 2001 Population Census results showed that, in 2001, 14.6% of the Herefordshire resident workforce worked outside of the county and that 10.3% of county jobs were taken by people living outside of Herefordshire. In aggregate, net out-commuting amounted to nearly 4,000 people.

6.106 Net out commuting is expected to continue to be a feature of the Herefordshire economy over the forecast period.

6.107 The extent to which net out-commuting is likely to change is dependent upon the rate of growth in the population of Herefordshire relative to the rate of growth in local employment opportunities and the rate of growth in employment opportunities within commuting distance of Herefordshire. Supporting net out-commuting is the fact that Herefordshire is an attractive place in which to live.

6.108 The expectation under both sets of population projections is that net out-commuting has risen above its 2001 level but that it has fallen marginally over recent years as the economy has moved into recession. Longer term, net out-commuting is expected to rise once more and is expected by 2031 to be higher than at its pre-recession peak.

Double Job Adjustment

6.109 The forecasts indicate that the number of Herefordshire jobs that are taken by individuals who have another job will decline over the next year but will then start to rise once more as the economy recovers from recession and the overall number of job opportunities increases. Overall, the number of jobs in the county taken by individuals who have another job is expected to be less than 2%.

6.110 Nevertheless and as mentioned above, some caution needs to be exercised in relation to the double job figures. This is because the model methodology means that historic data inaccuracies can lead to these numbers being overstated and to any overstatement being perpetuated over the forecast period.

Labour Market Summary

6.111 The following provides summaries of the Herefordshire labour market based on the Herefordshire Council population projections and on the ONS population projections.

Table 6.9: Herefordshire Labour Market Projections Based on Herefordshire Council Population Projections

	2001	2010	2015	2020	2025	2031
	('000)	('000)	('000)	('000)	('000)	('000)
Total population	174.9	182.8	187.3	192.6	198.6	204.7
of which: of normal working age	102.3	104.7	109.2	109.8	112.7	112.3
over normal retirement age	38.9	47.1	47.8	51.7	54.3	60.7
Labour force (all ages)	86.2	91.3	93.5	94.5	97.4	99.3
Plus net in commuting	(4.0)	(5.0)	(5.0)	(5.1)	(5.3)	(5.5)
Less double job adjustment	3.0	3.0	1.5	1.5	1.6	1.6
Less jobs taken by students	2.4	2.8	2.6	2.4	2.4	2.5
Unemployment	3.4	4.2	4.6	3.2	3.0	1.5

➢ *Sources: Herefordshire Council; WM Enterprise Consultants*

Table 6.10: Herefordshire Labour Market Projections Based on ONS Population Projections

	2001	2010	2015	2020	2025	2031
	('000)	('000)	('000)	('000)	('000)	('000)
Total population	174.9	182.8	190.7	198.5	206.0	213.5
of which: of normal working age	102.3	104.6	111.6	114.0	117.8	118.2
over normal retirement age	38.9	47.1	47.9	51.7	54.3	61.6
Labour force (all ages)	86.2	91.3	95.6	97.8	100.7	103.3
Plus net in commuting	(4.0)	(5.0)	(5.0)	(5.1)	(5.3)	(5.5)
Less double job adjustment	3.0	1.5	1.6	1.6	1.7	1.7
Less jobs taken by students	2.4	3.2	3.2	2.9	2.9	3.2
Unemployment	3.4	4.7	7.3	7.2	6.9	6.2

➢ *Source: ONS; WM Enterprise Consultants*

6.112 The principal differences between these two labour market scenarios can be summarised as follows:

- Whilst both sets of projections see the total population of Herefordshire increasing over the forecast period, there are differences in the magnitude of the increases. The smaller increase is shown by the Council projections, with the larger increase shown by the ONS projections. Overall, the 2031 population projection totals lie within ± 2.1% of their combined mean.
- Allied to the different population projections is a difference in the projected labour force of 4,000, (4.0%), by 2031). It is the ONS population projections that generate the higher labour force projection, and the Council forecasts that produce the lower labour force projection. This result is despite both forecasts using the same activity rate assumptions and arises because of the different age and gender structures contained within the two different sets of population projections as well as the different forecast overall population levels.
- Under both scenarios, net out-commuting is assumed to rise over the forecast period. In practice, the net out-commuting rate will need to increase above its current forecast level if

unemployment is to remain at an acceptable level under the ONS population projections. If net out-commuting doesn't rise and unemployment consequently falls, there is a likelihood that the ONS forecast population growth will not take place.

- Irrespective and whilst it is impossible to draw firm conclusions about gross commuting levels, the expectation is that these may grow rather than decline.
- The number of Herefordshire residents with more than one job is expected to reduce below its 2001 level as jobs continue to be relatively hard to find. As the labour market tightens in later years, so the incidence of double jobs is expected to start to increase once more but to remain below its 2001 level.
- Unemployment is expected to rise in the short-term as the number of job opportunities fails to keep pace with the growth in the population and in the labour force. Reductions in unemployment over subsequent years are the result of an increase in net out-commuting as well as growth in employment opportunities within Herefordshire County.
- High unemployment may lead to some individuals who would otherwise be or become economically active withdrawing from the labour market and thereby reducing the headline unemployment levels.

6.113 Ultimately, the expectation under both scenarios is that Herefordshire will see rising unemployment in the short to medium term as labour supply increases at a faster rate than employment opportunities. Longer term and despite the effects of higher state pension ages on economic activity, growth in labour demand will start to outstrip growth in labour supply, in part due to a growth in employment opportunities outside of the county.

Employment Land Requirement

6.114 The mechanism used to translate employment into an employment land requirement is firstly to multiply the number of employed persons, (employees in employment plus self-employed), by an assumed number of square metres per employee. The resultant number is then divided by an assumed plot development ratio in order to arrive at a total site requirement.

6.115 Whist the ODPM's Employment Land Reviews Guidance Note provides national standards for use in this type of work, there is also recognition in the Guidance Note of the appropriateness of using local figures, where these are available. The salient figures from the Guidance Note are set out in the table below.

Table 6.11: Standard Square Metres Per Employee and Site Density by Activity

	Square Metres Per Employed Person		Site Density
Activity	Gross Internal Area	Gross External Area	Site Density
Industry			
General	34.0	35.0}	0.35 to 0.45
Small Business	32.0	33.0}	
High tech / R & D	29.0	30.0}	0.25 to 0.40
Science Park	32.0	33.0}	
Warehousing & Distribution			
General Warehousing	50.0	50.0}	0.40 to 0.60
Large Scale & High Bay	80.0	80.0}	
Office			
General	19.0	20.5	0.41 to 2.00
Headquarters	22.0	23.0	
Serviced Business Centre	20.0	21.0	
City of London	20.0	21.0	

	Square Metres Per Employed Person		Site Density
Business Park	16.0	17.0	
Call Centre	12.8	13.0	
Retail			
Town / City Centre	20.0	24.0	
Restaurants	13.0	13.0	
Food Superstores	19.0	23.0	
Other Superstores / Retail Warehousing	90.0	93.0	

Source: Planning: Employment Land Reviews – Guidance Note, ODPM, December 2004

6.116 As mentioned above, the ODPM guidance recognises that the standards will not apply in all areas and therefore recommends that local information be used, where possible.

6.117 Accordingly, three different sources of employment density information were considered. The first was from the national guidelines, as issued by the ODPM, (i.e. the numbers cited in the above figure). The second was from local information derived from Valuation Office floorspace statistics for Herefordshire for 2006 and the sectoral employment estimates for Herefordshire. The third source was the findings from a telephone survey of 215 businesses operating from premises in Herefordshire. This survey was conducted in 2008 and, inter alia, sought information on numbers employed, floorspace occupied and the total site area.

6.118 The densities derived from Valuation Office floorspace statistics were calculated by taking the Valuation Office gross internal floorspace by use category, deducting the vacant floorspace and then dividing the result by the number of persons employed in Herefordshire in industries using premises within the relevant use category.

6.119 For example, the manufacturing floorspace per person was derived from the VO figure of 953,000 square metres of industrial floorspace less the 61,885 square metres of vacant industrial floorspace, giving total industrial floorspace in use of 891,115 square metres. Dividing this by the estimated 12,804 employees and self-employed engaged in manufacturing in Herefordshire in 2006, gave a gross internal square metres per person figure of 69.6.

6.120 The survey-derived figures were generated by asking each respondent business for details of both the number of employees that were based at its premises and also the square metres of floorspace occupied. The resultant numbers were then weighted and aggregated by major activity, (e.g. manufacturing, distribution), before dividing the resultant floorspace by the number of persons employed to arrive at a square metres per person figure. The survey covered only those industries and sectors relevant to the study.

6.121 Given the nature of economic activity in Herefordshire and given the aims of this study, not all of the ODPM employment category density rates are directly relevant. For example, Herefordshire has extremely little call centre activity. Equally, for example, retailing is outside the scope of this study.

6.122 As such, the following table, (Table 6.12), which contains the employment density figures used in calculating the building space required to accommodate Herefordshire's employment, only covers those activities relevant to Herefordshire and to this study.

Table 6.12: Comparison of Employment Density Figures
(Square Metres Per Person)

Activity		ODPM (Gross Internal) Sq m	Herefordshire Derived Sq m	Herefordshire Survey (1) Sq m
Industry	- General	34.0}	69.6	66.4
	- Small business	32.0}		
Warehouse & Distribution	- General	50.0}	63.7	{53.2
	- Large scale & high bay	80.0}		{68.4
Construction		-	29.4	27.5
Offices	- General	19.0	14.5	23.4

(1) Based on findings from a telephone survey of 215 Herefordshire Businesses.

6.123 The VO derived figures in the above table show the average manufacturing floorspace per employee as very close to the figure revealed by the survey but to be significantly higher than the ODPM average.

6.124 Figures for square metres per person in warehouses in the survey are in line with the ODPM average figures for general warehousing but slightly lower for high bay and large-scale warehouses. The VOA derived figure sits comfortably within the ranges produced by the survey and the ranges published in the ODPM guidance.

6.125 The survey figure for office space per person, at 23.4 square metres, is higher than the ODPM standard for general offices. The VOA derived figure is, however, significantly below both of these.

6.126 Also included in the survey were a number of construction businesses. These had, on average, 27.5 square metres of floorspace per employee. This figure is in line with a weighted average figure for offices and warehouse and distribution derived from the Valuation Office figures. There is no equivalent figure produced by the ODPM.

6.127 The derived figure, at 29.4 square metres, is based on a weighted average of office space (40%) and warehousing (60%) but discounted by 33% to allow for those self-employed who work from home and have no formal business premises. In practice, the construction industry requirement is allocated between office and warehouse and distribution uses and does not appear as a separate requirement in the following table.

Current Floorspace Requirement

6.128 Applying the figures for square metres per employee to the 2010 employment estimate produces the following range of estimates for the amount of built space required in Herefordshire to house its various business activities.

Table 6.13: Built Accommodation Requirement, (Gross Internal Floorspace), Under Different Employment Density Assumptions

Activity	ODPM ('000 sq m)	Survey ('000 sq m)	Derived ('000 sq m)
Industrial	392.9	772.9	757.4
Warehouse & Distribution	367.8	391.3	468.6
General Office	202.0	468.6	154.1

Source: WM Enterprise Consultants

6.129 From Table 1.13, it is apparent that the floorspace requirements derived from the ODPM figures produce a lower requirement than is produced by either of the other two methodologies, other than in the case of general office space, where the VOA derived figures produce the lowest requirement. The survey derived figures produce the highest requirement, other than for warehouse and distribution, where the VOA derived requirement is the greatest.

6.130 One further point in relation to Table 6.13 is that the figures in the table only provide sufficient gross internal floorspace to accommodate the current level of activity. As such, there is no allowance for spare capacity linked to frictional or other elements of the market, including the need to secure a balanced portfolio of land and premises linked to providing adequate choice within the market place. Equally, there is no allowance for walls, plant rooms and outbuildings.

Employment Land Requirement

6.131 Translating floorspace requirements into employment land requirements necessitates the adoption of appropriate factors to translate internal floorspace into gross external floorspace. It also requires the adoption of appropriate site development density assumptions.

6.132 The factors used in translating internal floorspace into gross external floorspace were a 5% increase for manufacturing, 5% for warehousing and 15-20% for offices. These figures are based on industry standards, including as presented in the 2001 Arup Economics Study for English Partnerships.

6.133 Two sets of site development density figures are available. These are the ones provided by ODPM and the ones available from the survey of 215 Herefordshire businesses. The following table compares the numbers from these two sources.

Table 6.14: Site Density Figures

	ODPM	Survey
Industry	0.4	0.64
Warehousing	0.5	0.85
Transport		0.72
Construction		0.73
Offices	3.6	0.88

➢

6.134 From Table 6.14, it is apparent that the site density of industry, warehousing and distribution in Herefordshire, as revealed by the survey, is higher than the national average. This reflects the relatively long established nature of the county's facilities.

6.135 The site density for offices is, however, considerably lower in Herefordshire than that indicated by the ODPM figure. This is due to Herefordshire's offices being located either on low density businesses parks or in towns and cities where high density, multi-storey office blocks are conspicuous by their absence.

6.136 Applying the various site density ratios to the calculated square metres required to accommodate existing economic activity in Herefordshire provides an estimate of the total employment land requirement. This is detailed in Table 6.15.

Table 6.15: Employment Land Requirement (Hectares)

	ODPM		Survey		Derived	
	ODPM	Survey	ODPM	Survey	ODPM	Survey
Industry	101.1	63.2	202.9	126.8	198.8	124.3
Warehousing & Distribution (1)	103.7	56.5	92.1	69.6	125.5	69.0
Offices	6.1	24.8	8.1	33.2	5.0	20.6

(1) These figures include an estimate for construction.

6.137 The above figures indicate that reliance on ODPM standards for offices would seriously underestimate the current actual employment land requirement in Herefordshire to accommodate its office based activities.

6.138 Reliance on the ODPM standards for manufacturing would also seriously underestimate the current requirement to accommodate Herefordshire's manufacturing activity. If, however, the lower employment densities for manufacturing associated with the ODP guidance are applied, it is apparent that more land than currently in use would be needed to accommodate the current level of activity. The same conclusion applies to warehousing and distribution.

Employment Floorspace and Land Forecasts

6.139 The following figure, Table 6.16, shows the current, (2010), estimated floorspace occupied in Herefordshire by different use categories, together with the forecast floorspace requirement for selected years through to 2031. The forecasts are based on local employment densities as revealed by the survey.

Table 6.16: Employment Floorspace Requirement ('000 square metres)

	2010	2015	2020	2025	2031
Industrial	811.5	860.0	858.1	856.2	847.3
Warehouse &Distribution	538.6	589.3	597.2	603.8	612.4
General Office	292.3	299.5	319.9	337.8	359.6

Source: WM Enterprise Consultants

6.140 The figures in Table 6.16 are in accordance with the normal convention used by property agents and developers in reporting floorspace. As such, they represent gross internal areas for industrial and warehouse premises and the net internal areas for offices. This means that the floorspace figures are not directly comparable between different uses and need to be variously adjusted in order to raise them to a common gross external area basis for use in calculating land requirements.

6.141 Also, in using the floorspace figures in Table 6.16, it is important to recognise that these do not include any allowance for vacant premises and do not allow for the provision of a balanced portfolio providing choice. As such, they are the absolute minima needed merely to accommodate current and forecast activity.

6.142 Table 6.17 sets out the anticipated employment land requirement for Herefordshire through to 2031 based on current employment densities and land development densities in the county. In producing these figures, the manufacturing, warehouse and distribution gross internal floorspace shown in Table 6.17 has been increased by 5% and the office floorspace by 17.5% in order to raise them to gross external area, before applying appropriate current local site densities.

Table 6.17: Employment Land Requirements Local Site Densities (Hectares)

	2010	2015	2020	2025	2031
	(ha)	(ha)	(ha)	(ha)	(ha)
Industrial	126.8	134.4	134.1	133.8	132.4
W&D	69.6	76.1	77.2	78.1	79.3
General Office	33.2	34.0	36.3	38.4	40.9

➢ *Source: WM Enterprise Consultants*

6.143 Table 6.18 provides the same information as Table 6.17 but on the assumption that site densities for industrial and for warehousing and distribution premises are at the ODPM guidance levels. This shows a requirement for more land in both the base position and over subsequent years.

Table 6.18: Employment Land Requirements ODPM Site Densities (Hectares)

	2010	2015	2020	2025	2031
	(ha)	(ha)	(ha)	(ha)	(ha)
Industrial	202.9	215.0	214.5	214.0	211.8
W&D	214.3	136.1	137.6	139.1	141.0
General Office	33.2	34.0	36.3	38.4	40.9

➢ *Source: WM Enterprise Consultants*

6.144 Table 6.19 illustrates the change in floorspace requirement over the period based on the information in Tables 6.17 and 6.18 and suggests an increase of between 25.2 and 36.7 hectares of land in employment use above the level occupied as at 2010 in order to accommodate the anticipated maximum requirements of each of the three categories.

Table 6.19: Change in Employment Land Requirements over the Study Period 2010 - 2031

Assumptions	Office	Industrial	Warehousing & Distribution
Table 1.17	+7.7 ha	+7.8 ha	+9.7 ha
Table 1.18	+7.7 ha	+12.3 ha	+16.7 ha
Mean	+7.7 ha	+10.1ha	+13.2 ha

6.145 From the above, there are expected to be increases in the requirement for office, warehouse and distribution and industrial space. Whilst the detailed figures indicate that the industrial land requirement will reduce after 2023, if forecast labour productivity changes are taken into account, then the 2031 requirement could remain unchanged from its forecast 2021 to 2023 peak, or potentially be even higher, depending upon the form that the labour productivity increases takes.

6.146 As with the figures in Table 6.16, the figures in Table 6.17, Table 6.18 and Table 6.19 represent the absolute minima needed to accommodate existing and future activities, with no allowance for vacancies or the need for a balanced land portfolio. In reality, a much larger amount of land will need to be made available to allow for losses of existing employment sites to other uses during the plan period as well as to ensure a balanced portfolio of employment land in terms of sufficient choice of available sites and locations over the period up to 2030. Through the use economic forecasting techniques, it is difficult to precisely define an exact amount or target for future employment land and it is therefore also important to have regard to other approaches to guide future employment land provision, including projecting forward past completion rates and market analysis.

Alternative Approach

6.147 A report produced by Consulting Inplace Limited in 2010 revisited the original Employment Land Study produced in 2008, making use of forecasts produced by Oxford Economics rather than by Cambridge Econometrics and applying different assumptions in terms of employment densities and plot ratios from those used in the 2008 report. In addition, the 2010 report included public administration workers in the persons to be housed in office accommodation.

6.148 The 2010 report also sought to disaggregate the land use categories so as to produce separate forecasts for demand for each of B1 (a), B1 (b), B1(c), B2 and B8.

6.149 In the interests of completeness and in order to present an alternative to the forecasts in Tables 6.17 to 6.19, the following presents the results from the running of the model but using the assumptions embodied in the Consulting Inplace report.

6.150 The following table (Table 6.20) compares the 2009 base position presented in the Consulting Inplace report with the 2009 base position resulting from inputting the Consulting Inplace assumptions into the WME

Consultant's model and then disaggregating the findings between the various use classes shown in the Consulting Inplace report.

Table 6.20: Comparison of 2009 Base Positions (Hectares, excluding churn)

Land use class	Consulting Inplace	WME Consultants
Manufacturing (B2)	211.0	210.0
Light Industry (B1(c))	9.5	10.5
R&D B1(b)	23.2	23.5
Warehousing & Distribution (B8)	94.5	90.0
Offices (B1(a))	20.2	20.4
Total	358.4	354.4

Source: Consulting Inplace; WME Consultants

6.151 From the above, it is apparent that feeding the Consulting Inplace assumptions into the WME Consultants model produces a similar result to that produced in the 2010 Consulting Inplace report.

6.152 Projecting the WME Consultants model forward to 2026 shows that despite the common assumptions, the overall demand for employment land is greater under the WME Consultants projections. The difference is the result of different forecast employment levels and structures.

Table 6.21: Comparison of 2026 Employment Land Needs (Hectares, excluding churn)

Land use class	Consulting Inplace	WME Consultants
Manufacturing	170.9	202.0
Light Industry	7.8	7.1
R&D	32.6	24.3
Warehousing & Distribution	104.8	92.1
Offices	24.6	20.2
Total	340.6	345.8

Source: Consulting Inplace; WME Consultants

6.153 Whilst the forecast overall employment land requirement is little different (1.5%), the requirement is differently spread, with the WME Consultants model seeing greater demand for B2 manufacturing at the expense particularly of B8 warehousing and distribution, B1(b) R&D and B1(a) offices, with the latter particularly adversely affecting by declining demand from the public sector.

6.154 The Consulting Inplace report had an end year of 2026, but the WME Consultants model runs through to 2031 (and beyond). Accordingly, it is possible to contrast the 2031 requirements under the Consulting Inplace assumptions with those used to in the previous sections of this report and, in particular, those underpinning the figures in Table 6.17. Even so, the total of 252.6 in Table 6.17 is lower than the 268.2 total in Table 6.22. This is due to the Consulting Inplace assumptions including public administration employment as a driver of employment land requirements. The detailed findings are set out in the following table.

Table 6.22: Comparison of 2031 Employment Land Needs Under Different Assumptions (Hectares, excluding churn)

Land use class	Consulting Inplace Assumptions	WME Consultants Assumptions	Difference
Manufacturing	200.0	131.9	-68.1
Light Industry	7.2	9.3	+2.1
R&D	25.4	33.0	+7.6
Warehousing & Distribution	93.8	39.7	-54.1
Offices	20.9	54.5	+33.6
Total	347.3	268.2	-79.1

Source: WME Consultants

6.155 Comparing the requirement in 2031 under the Consulting Inplace assumptions with those in Table 6.18, where ODPM site densities are used for manufacturing and for warehousing and distribution gives a closer outcome. This is because the major driver of the difference between the standard WME Consultants forecasts and those produced by Consulting Inplace is the site density assumptions.

Population and Employment Land

6.156 One of the main differences evident in the forecasts is the different population projections, with ONS forecasting a higher Herefordshire resident population in 2031 than does Herefordshire County Council.

6.157 Whilst population changes are not treated as an endogenous element within the forecasting model, there is nevertheless an implicit assumption that increased population levels generate increased employment. The link is not, however, explicit and is not made such as household consumption does not have a significant direct impact on the sectors that the employment land study specifically considers and whilst it does have an indirect impact, there is insufficient information available to determine the extent of that impact.

6.158 Nevertheless, it is possible to estimate the quantity of additional employment land that would be needed to support a given increase in the size of Herefordshire's resident population, on the assumption that the structures of the additional population and employment were in line with their respective current structures.

6.159 On this basis, it is estimated that an additional 8 hectares of employment land will be needed to meet the employment needs of an additional 5,000 county residents. This quantity excludes any requirement linked to health, education, retailing and other personal services.

Projecting Forward Past Completion Rates

6.160 An alternative approach to forecasting likely future requirements is to look at past completion rates and to project these rates forward, to help to inform an employment land requirement figure.

6.161 Based on information included in the Council's annual monitoring report, Over the 7 year period 2004/05 – 2010/11, total completions equalled circa 160,000 sq. m. of floorspace. This equates to an average completion rate of 22,850 sqm per annum.

6.162 The Council's recent monitoring reports only collect floorspace information on employment completions. In order to provide a broad guide on average annual completions in terms of employment land developed, an appropriate average density figure needs to be applied. Using a density figure of 4,000 sq. m. of floorspace for every hectare developed, this provides an average completion rate of 5.7 hectares per annum. Projecting this figure forward over a 19 year period to 2031 provides for a total of 108 hectares. If a higher density figure of 5,000 sq.m. of floorspace per hectare is assumed, this would equate to a total of 87 hectares over the same period to 2031.

6.163 It should be noted that the completion rates used are understood to be gross average completion rates. The average annual net change in employment land will likely be less when also considering losses to other uses and developments involving the redevelopment of employment premises to other employment uses for example.

6.164 Accepting the above caveats however, the employment land requirements obtained using the approach delivers significantly different (i.e. higher) results than using the small area forecasting model, which is based on modelling future change in the economy rather than projecting forward past take up rates of employment land.

6.165 This underlines the need to apply the outputs of the small area forecasting model as an absolute minimum land requirement and that in reality, a much larger amount of land will be required to ensure continuing economic development and an adequate portfolio of sites, particularly if past (gross) development rates are to continue in the future.

7 Findings from the Employer Survey

Introduction

7.1 The following details the findings from a survey of 215 businesses operating in Herefordshire; 53 were undertaken in Hereford, 18 in Bromyard, 9 in Kington, 18 in Ledbury, 33 in Leominster, 32 in Ross on Wye, 38 in the Rural Heartland and 14 in the Eastern Corridor. The businesses variously operated in the manufacturing, construction, wholesale, distribution and business and financial services sectors.

7.2 The survey was conducted by telephone, with respondent businesses asked to complete a proforma questionnaire focusing on their current and future employment land requirements within the county. Other questions sought to gain an insight into the dynamics of the local business sector and an understanding of perceptions of Herefordshire as a place in which to do business. In addition the opportunity was used to gain an insight into perceptions of employment land and premises availability within the area.

7.3 The survey took place in April and May 2008, with those selected for interview drawn from a stratified database of eligible businesses. Those selected for interview were chosen so as to give as representative a sample as possible across the county and within sectors.

Overview

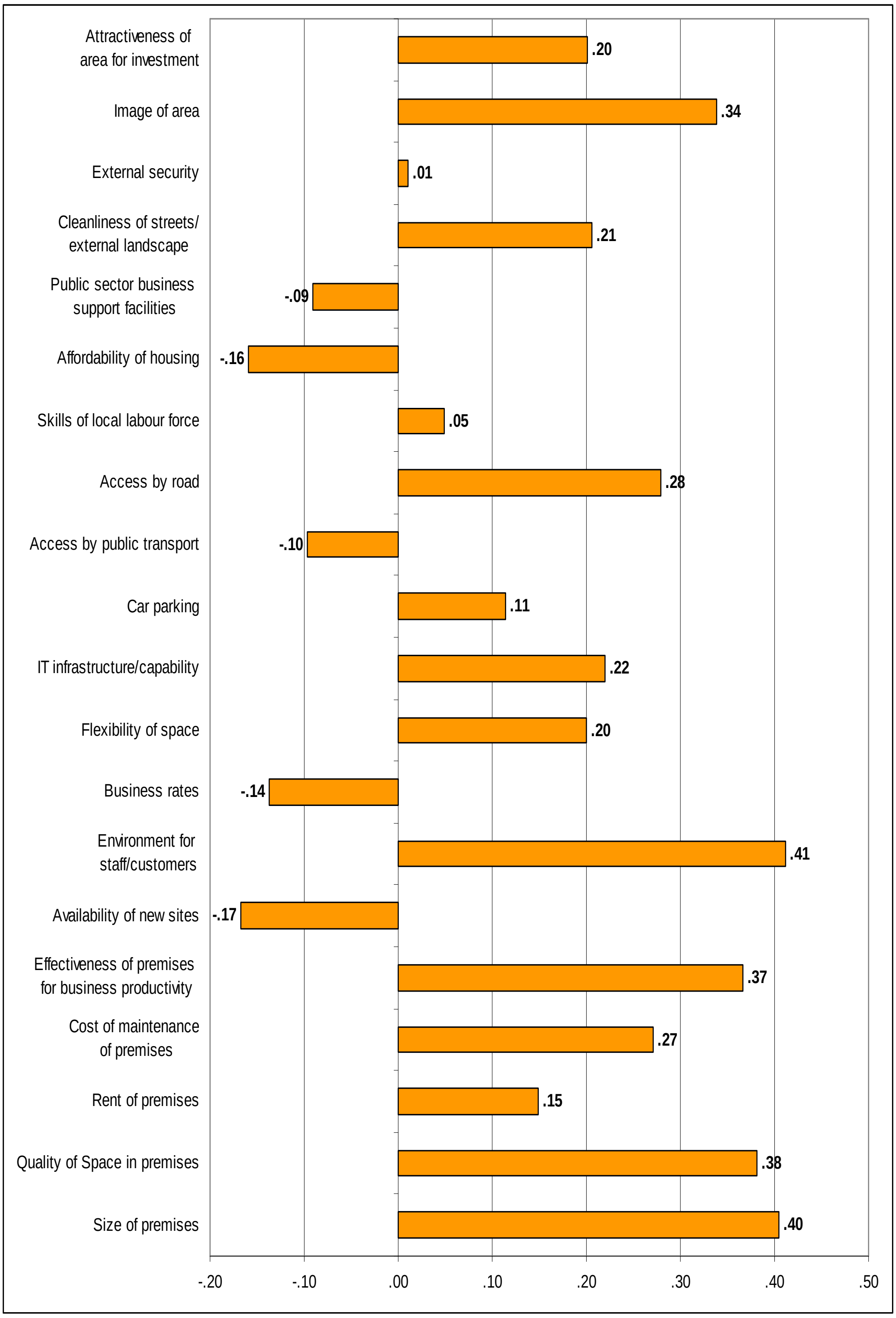
7.4 Companies who responded to the survey had a total of 4,202 employees, the equivalent of 6% of all employees in employment in Herefordshire. As indicated above, not all sectors were included in the survey. Taking this into account lifts the percentage coverage of the workforce to 10%.

7.5 44.7% of the employees of the businesses surveyed lived in the locality of their businesses, whilst 85.5% of employees surveyed live within the county.

7.6 Survey respondents were asked to rate various aspects of operating a business in Herefordshire, using a weighting of +2 for very good +1 for good, -1 for poor and -2 for very poor. The results show how highly businesses rate various aspects of their current premises and locality. As the figures include people who were neutral, anything over zero shows that a particular aspect is rated highly enough to cut through respondent apathy.

7.7 The main findings are presented in **Figure 7.1** overleaf, with bars to the left of the axis indicating perceived problem areas and those to the right indicating positive aspects of trading within Herefordshire. The length of each bar indicates the relative strength of opinion.

Figure 7.1: Positive and Negative Aspects of Operating in Herefordshire



Source: Consulting Inplace

7.8 As is evident from **Figure 7.1**, the primary concerns of businesses in Herefordshire are the availability of new business sites, the affordability of housing and business rates. These negative aspects are broadly comparable with other similar studies that have recently been conducted. The level of business rates and affordability of housing in particular are commonly cited as negative aspects of operating a business.

7.9 The main problems identified by surveyed businesses were market pressures (21.8%), rising costs of running the business (16.8%) and existing site constraints (7.3%). This is again consistent with findings from other recent surveys we have conducted.

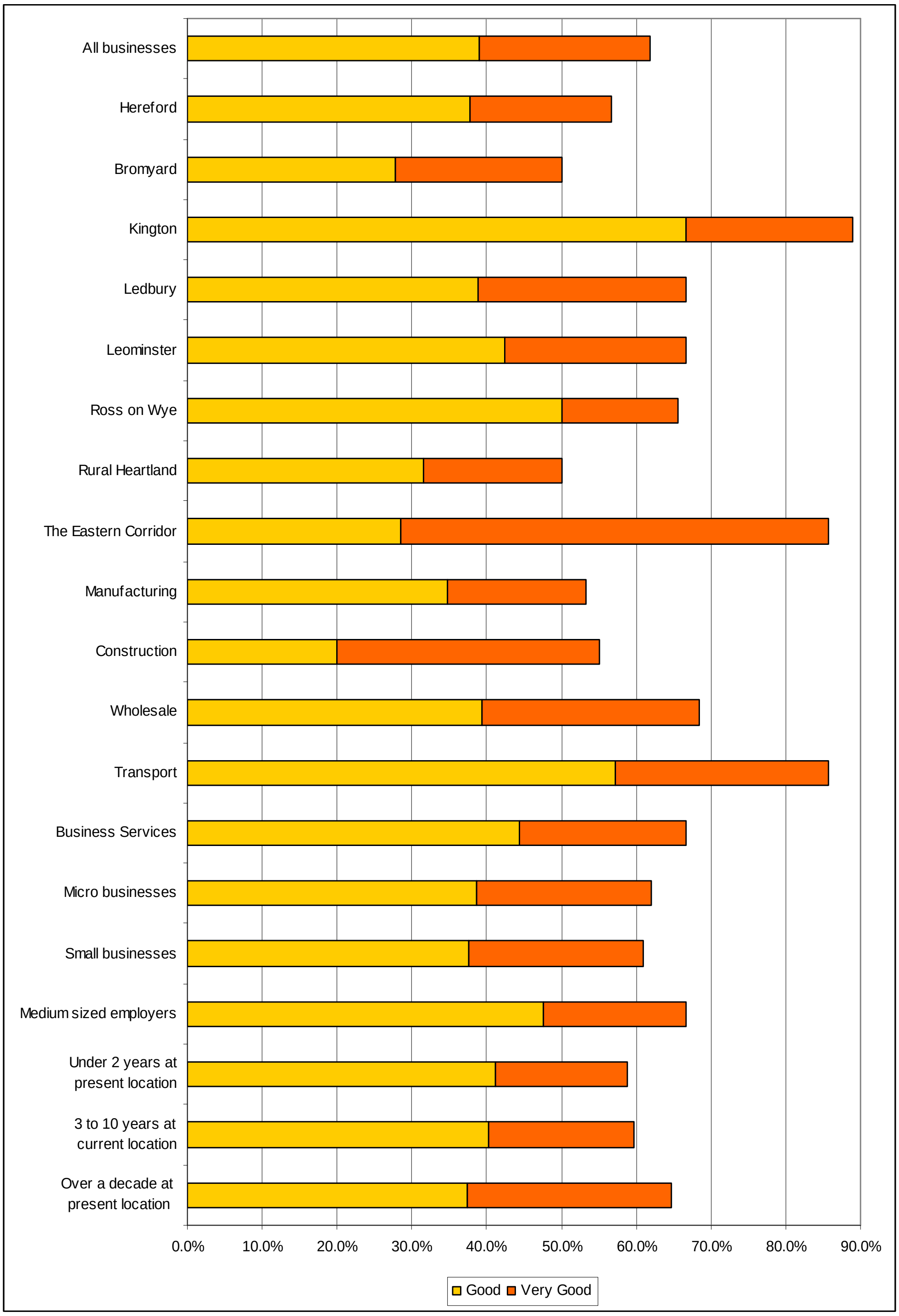
7.10 Market pressures were most commonly cited by transport businesses (42.9%), manufacturing firms (27.2%) and business services (33.3%). The rising cost of running the business was most frequently stated by wholesale (26.3%) and manufacturing (26.1%).

7.11 63.6% of the survey respondents rated Herefordshire as either a good or very good place from which to do business (**Figure 7.2**). 24.4% felt it was average and only 12 % thought it was either poor or very poor. Satisfaction levels were highest in Kington (88.9%) and the Eastern Corridor (85.7%). The areas with the lowest level of satisfaction were Bromyard (50%) the Rural Heartland (50%) and Hereford (56.6%).

7.12 These findings are comparable with those from other recent surveys conducted by Consulting Inplace as part of employment land studies elsewhere.

7.13 Transport (85.7%) and wholesale (68.4%) businesses rated the district highest in terms of being good or very good places in which to do business, whilst manufacturing was rated lowest (53.5%).

Figure 7.2: Percentage of Surveyed Businesses Rating Herefordshire as a Very Good or Good Business Location, By Business Attribute



Source: Consulting Inplace

7.14 **Table 7.1(a and b)** provides a summary of the businesses surveyed in each of the eight sub-areas and in Herefordshire as a whole. It shows the average number of square metres of floorspace per employee, average site density and the split of usage of the surveyed premises.

Table 7.1a: Site Density of Surveyed Activity within Herefordshire

Area	m^2 per person	Site Density
Hereford	90.7	0.36
Bromyard	103.8	0.06
Kington	32.9	0.64
Ledbury	150.1	0.28
Leominster	146.6	0.43
Ross on Wye	200.1	0.58
Rural Heartland	233.5	0.26
The Eastern Corridor	117	0.34
Total	155.2	0.29

Table 7.1b: Distribution of Surveyed Activity within Herefordshire

Area	Approximate proportions of floorspace (%)					
	Office	**Sales**	**Warehousing**	**R&D**	**Industrial**	**Other**
Hereford	22.49	1.55	28.38	1.99	39.85	5.74
Bromyard	22.64	1.04	31.72	4.64	39.13	0.83
Kington	21.23	2.48	17.50	0	47.26	11.52
Ledbury	15.79	9.35	20.38	0	51.53	2.94
Leominster	20.12	2.53	23.63	0	36.36	17.37
Ross on Wye	18.02	0.23	17.66	0	63.41	0.68
Rural Heartland	24.80	0.40	19.60	0	54.12	1.08
The Eastern Corridor	54.75	2.52	22.54	0	11.04	9.16
Total	21.15	1.87	22.44	0.69	48.89	4.96

7.15 Table 7.1 indicates the mix of businesses surveyed across Herefordshire. Industrial uses (48.9%) is the most common throughout the county, whilst warehousing (22.4%) and office space (21.2%) account for much of the remaining space. The proportion of industrial floorspace is highest in Ross on Wye and the Rural Heartland (54.1%). In contrast the Eastern Corridor has a predominance of office space (54.5%), which is significantly higher than the other areas. The proportion of warehousing space is broadly consistent across the eight areas, accounting for between 17.5% and 28.4% of floorspace.

7.16 Kington has the lowest metre squared per person and the highest site density. This is due to the nature of the 9 surveyed businesses. There are a number of offices and retail units and small scale manufacturers including conservatory and joinery manufacturers. These businesses employ a high number of employees relative to their floorspace reflecting that certain of the work is undertaken on Customer's sites. The Eastern Corridor has a low site density and relatively large area per person. The low site density is due to a number of large warehousing firms and less pressure for office space. This also explains why the metre squared per person is high considering over 50% of the space is for office use. The more rural nature of the area means space is not at a premium and businesses can afford to have larger units.

7.17 **Table 7.2** shows the net short-term floorspace requirements by type and by the eight individual areas, again based on the results of those businesses responding to the survey.

Table 7.2: Short-Term Floorspace Requirements by Proposed Activity (m2)

Area	Sub-letting	Office	Retail	Warehousing	R & D	Industrial	Other
Hereford	.0	19972.6	373.3	18097.1	.0	24887.1	375.0
Bromyard	.0	574.6	.0	6895.2	.0	4524.2	.0
Kington	.0	404.6	.0	.0	.0	3641.4	.0
Ledbury	99.0	120.0	.0	198.0	.0	9603.0	.0
Leominster	144.0	5128.4	120.0	3746.1	.0	15555.5	.0
Ross on Wye	0	1265.5	203.9	510.0	.0	41790.6	.0
Rural Heartland	.0	4039.0	.0	6750.0	9486.0	16867.0	.0
The Eastern Corridor	.0	700.0	.0	1440.0	.0	.0	120.0
Total	243.0	32204.7	697.2	37636.4	9486.0	116868.8	495.0

7.18 Analysis of the short-term premises needs of the surveyed businesses in each area shows that the greatest demand across Herefordshire is for industrial space (116,868.8m^2). The area with the greatest requirement for industrial space is Ross on Wye (41,790.6m^2). Other areas of demand are in Hereford (24,887.1m^2), Leominster (15,555.5m^2) and the Rural Heartland (16,867m^2).

7.19 Office and warehousing space requirements are also significant. The greatest demand for both of these is Hereford, 19,972.6m^2 and 18,097.1m^2 respectively. The Eastern Corridor has very little floorspace requirements compared to the rest of the county.

7.20 The following provides a more detailed analysis of the survey findings by sectoral activity.

Manufacturing

Survey Sample

7.21 A total of 92 manufacturing companies, with a total of 2,848 employees were interviewed as part of this survey; 18 businesses were in Hereford employing 961 people, 7 in Bromyard employing 138 people, 4 in Kington employing 53 people, 7 in Ledbury employing 351 people, 16 in Leominster employing 313 people, 13 in Ross on Wye employing 331, 22 in the Rural Heartland employing 649 people and 5 in the Eastern Corridor employing 52 people.

7.22 83.7% of manufacturing organisations were independent companies, 13% were branches or subsidiaries of a larger group and the remainder were either a head office site or other category.

7.23 The main industrial sectors represented by the survey were machinery and equipment manufacture (22.8%), rubber manufacturing (15.2%), wood manufacturing (14.1%) and food manufacturing (10.9%). These sectors were most prominent in the Rural Heartland and Hereford, save for food manufacturing which was prominent in Ross on Wye.

Workforce

7.24 In total, 94.17% of the employees of the businesses surveyed were employed full-time and 5.83% were employed part-time. The variation in full-time employment ranged from 83.4% in Leominster to 98.1% in Hereford. The maximum number of employees on site across all businesses, at any one time, was 77.4% of the total number employed. This suggests that there are a number of manufacturing firms that use shift work. In Hereford the maximum number of employees on site was 60% of the total number employed, which again suggests there is a significant degree of shift work.

7.25 Of the businesses surveyed 45% of the manufacturing workforce was drawn from the local community and an additional 40% from elsewhere in the county. The remaining 15% came from outside of Herefordshire.

Site Characteristics

7.26 Manufacturing firms accounted for 215,218m^2 of floorspace, 65% of the total surveyed across all business types.

7.27 Overall, 43.5% of the surveyed manufacturing businesses held the freehold of their sites, with 51.4% holding it under lease. 3.3% held a licence with the remaining having other arrangements such as a mixture of leased land but with an owned building.

7.28 32.6% of businesses surveyed described their premises as budget, whilst 60% described them as mid-range. The remainder described their premises as prestigious, which is typical of other areas where WM Enterprise has undertaken business surveys.

7.29 47.8% of all manufacturing businesses had been trading from their current premises for more than 10 years, and a further 20.7% had been trading for between 6 and 10 years. Only 13% had been trading at their current location for less than 2 years. This suggests that there is relatively little movement of businesses within the Herefordshire manufacturing sector.

7.30 This view is reinforced by the fact that 47.8% of the surveyed manufacturing businesses have always been located at their current premises. A further 37% of businesses relocated from elsewhere within the county. Of the businesses that relocated from within and outside the county, 60% have been there over 6 years and only 15% have relocated in the last 2 years. Supporting the statement that there are currently low rates of business relocation in Herefordshire's manufacturing sector.

7.31 Of the businesses that have relocated, 61% considered other locations within Herefordshire, whilst 38% did not consider any alternatives. This suggests that the manufacturing businesses surveyed considered Herefordshire to be a suitable and attractive location. Reasons given for relocation included proximity to where owner/staff live, the proximity to customers, quality of environment and access to motorway network.

7.32 84.8% of manufacturing businesses surveyed considered their current premises to be suited to their needs, which is comparable to the 85.1% satisfaction rate for all businesses. The most dissatisfied types of manufacturing businesses were machinery and equipment manufacturing, rubber products and wood manufacturing.

7.33 The manufacturers whose premises did not suit their current needs accounted for 19.5% of the total manufacturing floorspace surveyed. Those that considered their premises unsuited to their current needs predominantly stated that their premises were too small with a lack of space for expansion.

7.34 18.7% of firms reported market pressures as being the main problem facing manufacturers. The economic slowdown was identified as a major contributory factor to this. Rising costs of running the business was also cited by 17.6% of firms.

7.35 In addition 7.7% of firms felt that infrastructure problems affected their business, whilst existing site constraints was also identified by 6.6% of manufacturing firms.

7.36 Site density indicators can be seen in Table 7.3 below. Variations in site density appear to be based on the type of industrial premises and use of the site rather than geographical factors when compared with the use of floorspace for different activities.

7.37 Site densities are highest in the Rural Heartland. This indicates that sites have more built areas than other districts. The metre squared per person demonstrates that the manufacturers have relatively few employees. Ross on Wye has the largest area per employee, which is due to the presence of some large manufacturers that employ relatively few people.

7.38 Kington and the Eastern Corridor have comparatively low levels of floorspace per employee. This is due to the micro and small manufacturers that operate in the area and are relatively labour intensive. Of the remaining areas there is no significant difference between levels of business density and floorspace per person.

Table 7.3: Site Density Indicators for Manufacturing Premises

Area	M^2 per person (floorspace)		Site Density
	Total Employment	**Max. Number on Site**	
Hereford	59.74	99.16	0.35
Bromyard	95.38	121.87	0.21
Kington	27.00	27.00	0.45
Ledbury	58.82	58.82	0.28
Leominster	81.34	124.19	0.51
Ross on Wye	147.75	165.22	0.47
Rural Heartland	71.19	87.67	0.67
The Eastern Corridor	38.48	47.64	0.24
Total	**75.57**	**97.69**	**0.40**

7.39 As Table 7.4 indicates, overall 64.7% of the floorspace was, predictably, used for industrial activities, with the majority of the remainder used for warehousing (18.2%) and office space (13.9%).

Table 7.4: Percentage of Floorspace within Surveyed Manufacturing Businesses Used For Different Activities

	Office	Retail	Warehousing	R&D	Industrial	Other
Hereford	16.65	0.00	30.33	1.57	48.37	3.08
Bromyard	17.49	0.00	31.67	4.83	46.01	0.00
Kington	15.48	0.00	18.21	0.00	66.31	0.00
Ledbury	13.40	10.17	4.77	0.00	67.30	4.36
Leominster	13.30	0.40	20.46	0.00	65.84	0.00
Ross on Wye	8.00	0.10	5.95	0.00	85.53	0.41
Rural Heartland	13.63	0.39	17.13	0.00	68.36	0.48
Eastern Corridor	69.92	1.12	10.00	0.00	0.00	0.71
Total	13.87	1.14	18.15	0.71	64.69	1.44

7.40 Very little space was devoted to R&D; indeed only two manufacturing businesses had any dedicated R&D space. A firm in Hereford had 15% of their floorspace dedicated to R&D, whilst a firm in Bromyard had allocated 15% of their floorspace to R&D activities. This does not mean that none of the other businesses undertake R&D. Rather, it is being conducted in areas not exclusively given over to R&D.

Growth Plans

7.41 45.7% of the manufacturing businesses surveyed were expecting to see their businesses grow in the short-term with only 1.1% anticipating a decline. In terms of employment, 39.1% of surveyed firms anticipated an increase in staff; however 58.7% expected staff levels to remain the same. This indicates that business growth will not be matched by a proportional increase in staff and suggests that growth can be achieved through increased turnover and improved efficiency without the need to dramatically increase staff levels. This is to be expected with manufacturing firms where improved production methods generally equate to technological advances and rationalisation of labour.

7.42 30.4% of the surveyed manufacturers expected to expand their premises in the short-term. Of the firms expecting to expand their business, 85.7% identified that the size of their premises would need to increase to accommodate the expansion of the business.

7.43 The manufacturing firms that were expecting to require more floorspace were expecting to add a net 56.4% to the total floorspace surveyed. This results in an additional 55,205m^2 of floorspace for the manufacturing firms surveyed.

7.44 Two large companies, one based in Hereford and the other in Leominster, accounted for 66.2% of this expected increase. Hereford accounted for 46.5% of the expected increase in floorspace of the firms surveyed. Ross on Wye accounted for 8% of the increase and Leominster for 6.9%. Bromyard accounted for 13% of the increase however this was due to one firm anticipating a significant increase in floorspace requirements.

7.45 69.4% of the additional floorspace is required to facilitate more efficient production and is to be used for manufacturing. 13.1% of the space would be used for offices, 11.2% for warehousing and it is encouraging to note that 6.2% would be used for R&D. The remainder would be used for sub-letting.

7.46 57.6% of the manufacturing companies surveyed felt that their building would be suitable for these changes, and an additional 12% felt it would be suitable with modifications. 30.4% of surveyed firms did not consider their building to be suitable for the anticipated change.

7.47 Of those that felt their building would not be suitable, 51.3% felt there would be suitable alternative premises in Herefordshire. 35.9% believed there would not be suitable premises and the remainder did not know.

7.48 Of those that said there were no suitable premises in Herefordshire, the most popular reasons given for this was the size and quality of premises and a lack of alternative accommodation.

7.49 77.2% of surveyed manufacturing companies expected a longer-term increase in turnover, with 52.1% expecting an annual turnover increase of over 20% and an additional 18.3% anticipating turnover to increase by 10 - 20% each year. 16.3% expected it to stay the same and only 3.3% anticipated a decrease. The remainder did not know.

7.50 A smaller proportion expected employment growth in the longer-term (62%). Of these, all expected a growth in turnover and the type of jobs required was predominantly process plant and machine operatives (40.3%) followed by skilled manual workers (27.4%) and administration staff (21%).

7.51 Of those companies which were able to comment on their building requirements in the longer-term, 56.8% felt that their current premises would not meet their longer-term aims. 27% felt that their premises could either as it stood or with modifications, the remainder were unable to say.

Construction

Survey Sample

7.52 A total of 21 companies operating in the construction sector within Herefordshire were surveyed, employing a total of 282 people. 5 of these were based in Hereford employing 90 people, 2 based in Bromyard employing 4 people, 1 based in Ledbury employing 1 person, 5 in Leominster employing 68 people, 3 in

Ross on Wye employing 11 people and 5 in the Rural Heartland employing 108 people. No construction firms were surveyed in Kington or the Eastern Corridor.

7.53 90.5% of the companies surveyed were independent companies whilst the remaining 9.5% were a branch or subsidiary of a larger company.

Workforce

7.54 46.6% of the workforce live within 3 miles of where they work and 42.3% live elsewhere within Herefordshire. The remaining 11.1% live outside of the county.

7.55 96.8% of the workforce was employed on a full-time basis with the remaining 3.2% working part-time. Up to 79.7% of employed staff could be on the premises at any one time. This figure is due to some of the larger construction companies in the Rural Heartland and Leominster that operate shifts.

Site Characteristics

7.56 71.5% of surveyed construction businesses own the freehold of their premises, whilst the remaining 28.5% occupy the premises under lease.

7.57 61.9% of premises were described as being predominantly mixed use and 23.8% were described as residential. This high proportion for residential reflects the number of small businesses surveyed employing only one or two people, particularly those surveyed in Bromyard and Ross on Wye. The other stated premises were production factory (4.8%) and offices (9.5%).

7.58 55% of construction firms described their premises as being mid-range, 20% as budget and 10% as prestigious. The remaining 15% listed their premises as other and described them as houses and therefore chose not to classify them.

Table 7.5: Site Density Indicators for Construction Premises

Area	M2 per person		Site Density
	Total Employment	**Max. Number on Site**	
Hereford	10.62	31.87	0.95
Bromyard	138.75	138.75	0.24
Kington	-	-	-
Ledbury	6.00	6.00	0.03
Leominster	32.85	45.59	0.18
Ross on Wye	36.36	36.36	0.15
Rural Heartland	93.62	124.83	0.44
The Eastern Corridor	-	-	-
Total	78.71	98.11	0.29

7.59 The amount of floorspace per person varies markedly between different areas as indicated by Figure 7.5. The floorspace per person was lowest in Hereford at 31.87m^2, which reflects the fact that Hereford is the most populated city in Herefordshire and space costs relatively more. Bromyard and the Rural Heartland both have high metre squared per person ratios. In Bromyard of the two surveyed firms one is located in a factory and the other is residential based, which explains the low density. In the Rural Heartland the majority are in mixed use facilities. In the more rural areas the cost of premises is generally lower, which combined with the increased availability of space explains the larger metre squared per person.

7.60 Ledbury has a very high density against metres squared per person yet a very low site density. Only one construction firm from Ledbury was surveyed which was based at mixed use premises. This business is a one person firm occupying a small part of a much larger site.

7.61 The construction industry is different from other sectors as the majority of time is spent on other people's properties. This explains why several of the metres squared per person figures are low and there is small difference between floorspace per person and maximum number on site for most areas.

Table 7.6: Percentage of Floorspace in Surveyed Construction Firms Used for Stated Activity

	Office	Retail	Warehousing	R&D	Industrial	Other
Hereford	43.88	0.00	11.56	0.00	43.81	0.75
Bromyard	8.16	31.70	11.49	0.00	48.65	0.00
Kington	-	-	-	-	-	-
Ledbury	10.00	0.00	0.00	0.00	0.00	90.00
Leominster	12.50	0.54	1.07	0.00	83.03	2.86
Ross on Wye	28.75	0.00	2.20	0.00	0.00	68.75
Rural Heartland	81.48	0.00	11.59	0.00	6.92	0.00
Eastern Corridor	-	-	-	-	-	-
Total	63.80	1.32	9.68	0.00	22.74	2.46

7.62 Table 7.6 shows the floorspace allocated to different activities in the sector and provides some explanation for the floorspace per person figures. 63.8% of floorspace is used for offices and therefore indicates that the construction sector premises in Herefordshire are primarily administrative sites for their companies. The percentage of floorspace dedicated to industrial uses is 22.74%, which is quite high and explains the low metre squared per person figures reported. This can be explained by a number of firms, particularly the larger ones that are classified as being within the construction sector but undertake a range of activities, including trade sales for building materials and the supplying and servicing of equipment to the sector.

7.63 Of the construction firms surveyed, 38.1% had been operating at their current address for more than 10 years and 28.6% had been there between 6 and 10 years. 9.5% had been at their current location for less than a year and the remaining 23.8% had been at their current address for between 1 and 6 years.

7.64 Overall, 42.9% of the businesses surveyed had always operated from their current location. These were distributed throughout Herefordshire and by different premises types. 28.6% had previously been located elsewhere in the county whilst the remainder had been located outside of Herefordshire.

7.65 Of the businesses that had relocated, several included moving house and thus the business moving with it. The other most common response was moving to a larger site.

7.66 The most popular reason for the surveyed firms' present location was due to the proximity to where they lived (50%). This is unsurprising given that many operate from home. The cost of premises and the size of premises were also cited by 25% of firms as one of the main reasons why they were located at their current address. Only 15% identified proximity to customers as a main reason, however this is not unexpected since they will predominantly be travelling to customers, rather than the other way round.

7.67 75% of respondents felt their premises were suited to their current needs. For the 25% of businesses that did not think their premises suited their needs, the primary reason was a lack of space currently.

7.68 Encouragingly, a quarter of businesses stated that they had no problems that were currently affecting their business. The remaining three quarters identified cash flow constraints, market pressure and rising costs as the main barriers.

7.69 Overall the construction businesses surveyed consider Herefordshire to be a good (23.8%) or a very good (33.3%) place from which to do business. Only 19% cited it as poor, with nobody regarding it as very poor.

Growth Plans

7.70 In the short-term only 25% of surveyed businesses planned to grow the business in the next year or so and the other 75% were intending to remain the same size. No businesses expected to decrease, which is positive for the sector.

7.71 This is complemented by an expected increase in employment by 26.3%, whilst 68.4% of businesses expected to keep employment the same. 5.3% of businesses did expect to reduce the number of employees.

7.72 Only four businesses surveyed anticipated the size of their premises needing to change in the short term and these were larger firms employing over 25 people. They all planned to expand the business and anticipated that the premises would need to expand to accommodate this change. Between them these businesses anticipate that they will require an additional 51.8% more floorspace than they currently have.

7.73 Of those businesses that required more space, 61.9% was required for industrial use. This reflects the fact that it is larger businesses such as servicing construction equipment that are intending to expand, rather than smaller home-base businesses. 16.9% of the increased floorspace was to be office space and 12.3% would be for warehousing. This demonstrates that firms require more space to store materials and complete their administrative tasks, whilst much of the work takes place off site.

7.74 Only 2 of the businesses anticipating the size of their premises changing felt their current premises were not appropriate, citing a current lack of space to pursue expansion plans.

7.75 Over the medium to long term 11 of the construction businesses surveyed expected their turnover to increase, 7 anticipated their turnover to remain the same, 1 thought it would decrease and 2 did not answer the question. 77.7% of those anticipating growth expected turnover to increase by upwards of 10%. Only 9 businesses expected to see employment grow in the long-term and of these 77.7% of firms expected it to grow at a rate of 10-20%. Unsurprisingly the highest demand for labour was for skilled manual workers.

7.76 4 businesses anticipated the size of their premises growing in the longer term. Two of these had also anticipated an increase in the size of their premises in the short-term. These businesses anticipated moving to new premises or expanding their current buildings.

Wholesale

Survey Sample

7.77 38 companies involved in wholesale activities and employing a total of 394 people were interviewed as part of this survey. In Hereford 17 businesses were interviewed employing a total of 121 people, 4 in Bromyard employing 16 people, 2 in Ledbury employing 6 people, 4 in Leominster employing 105 people, 5 in Ross on Wye employing 42 people, 4 in the Rural Heartland employing 96 people and 2 in the Eastern Corridor employing 8 people. No wholesale businesses in Kington were surveyed.

7.78 73.2% of the companies were independent organisations, whilst 7.9% were Head Offices and the remaining 18.4% were branches or subsidiaries of a larger organisation.

Workforce

7.79 Within the surveyed businesses, 77.7% of employees worked full-time whilst 22.3% worked part-time.

7.80 Examination of the residence of employees reveals that 43.9% live within 3 miles of their workplace, 48.5% live elsewhere in the county and 7.6% live outside of Herefordshire. The maximum number of staff on site was 91.1% of the total number of staff employed. The number of staff on site compared to the maximum employment only differed for the larger firms who had the resources to employ people in shifts.

Site Characteristics

7.81 Of the surveyed wholesale businesses, 60.5% occupied their premises under a lease, 31.6% held the freehold and 2.6% were under licence. The remaining did not know. There is very little difference between freehold or leasehold premises with respect to the size or premises or indeed the floorspace per employee which is 140m^2 for freehold and 149m^2 for leasehold.

Table 7.7: Site Density Indicators for Wholesale Premises

Area	M2 per person		Site Density
	Total Employment	**Max. Number on Site**	
Hereford	70.20	86.67	0.58
Bromyard	25.63	24.12	0.002
Kington	-	-	-
Ledbury	174.17	174.17	0.55
Leominster	213.33	213.33	0.52
Ross on Wye	405.93	448.66	0.996
Rural Heartland	36.61	36.61	0.03
The Eastern Corridor	35	40	1
Total	135.01	128.18	0.13

7.82 Table 7.7 shows the average site density for all wholesale companies sampled is 0.13, however this is heavily skewed by Bromyard and the Rural Heartland. The site density for both these areas is very low because of the presence of some very large mixed use sites, which include wholesaling in addition to yards and storage. For instance one surveyed business is a wholesale plant grower with a very large site area for growing the plants. If the outlying cases are removed the total site density is 0.64. This is above the ODPM's 0.5 guidance for site density for uses of this type.

7.83 The number of square metres per employee varies considerably between areas. The low figures for the Eastern Corridor, Rural Heartland and Bromyard can be explained by the presence of small companies operating with a relatively high number of employees. In contrast Ross on Wye and Leominster have large scale wholesalers operating across large areas.

Table 7.8: Percentage of Floorspace in Surveyed Wholesale Businesses Used for Stated Activity

	Office	Retail	Warehousing	R&D	Industrial	Other
Hereford	35.40	13.74	27.05	0.00	20.84	2.97
Bromyard	2.68	0.00	24.15	0.00	72.68	0.49
Kington	-	-	-	-	-	-
Ledbury	23.44	74.64	1.91	0.00	0.00	0.00
Leominster	25.38	4.04	30.40	0.00	0.00	40.18
Ross on Wye	30.03	0.82	69.15	0.00	0.00	0.00
Rural Heartland	8.80	2.36	2.28	0.00	86.57	0.00
Eastern Corridor	5.71	22.86	71.43	0.00	0.00	0.00
Total	27.06	5.90	40.03	0.00	9.61	17.40

7.84 As demonstrated by Table 7.8, overall, 40% of the available floorspace of surveyed wholesale companies was devoted to warehousing. The relatively high proportion of office space (27.06%) is due to some businesses in Hereford, Ledbury, Leominster and Ross on Wye operating from mixed use sites which have office units. 17.4% of the floorspace is categorised as other, this has been skewed by 40.2% listed in Leominster, which is due to a large auction hall.

7.85 Ledbury only has 1.9% of floorspace identified as warehousing, compared to 74.6% retail. Only 2 wholesale businesses in Ledbury were sampled, one of which was predominantly retail.

7.86 The very high percentage of floorspace dedicated to industrial uses in Bromyard (72.7%) and the Rural Heartland (86.6%) is due to two large mixed use sites that include servicing and repair functions.

7.87 63.2% of the surveyed businesses described their premises as mid-range, 26.3% as budget and 5.3% described them as prestigious. The remaining 5.2% either did not know or did not answer that question.

7.88 50% of the surveyed wholesale businesses have been at their current address for more than 10 years and a further 21.1% have been there between 6 and 10 years. However 10% of the surveyed firms have been at their current premises for less than a year, with the remaining 18.5% trading at their current location for between 1 and 5 years.

7.89 58.8% of the businesses that had been at their current location had always been based there. Of the firms that had been there less than a year, 50% started the company at their present location, whilst the other 50% had moved from elsewhere within the county. In total 44.7% of the wholesale businesses surveyed had always been at their present location whilst 38.6% had relocated from elsewhere within Herefordshire.

7.90 94.7% of respondents felt their current premises were suited to their needs, leaving only 5.3% who did not think their building was appropriate to their current needs. This is a relatively high suitability rating compared to business surveys WM Enterprise has completed elsewhere.

7.91 The key problems facing the surveyed wholesale businesses are the rising costs of running the business (18.4%), cash flow constraints, market pressures and lack of available parking all of which were identified by 7.9% of businesses. 23.2% of businesses stated that they had no problems.

7.92 70.2% of firms regarded Herefordshire as either a good or very good place from which to do business. A further 21.6% rated it as average and only 8.1% rated Herefordshire as a poor place from which to do business and none gave a rating of very poor.

7.93 In response to what could be improved in Herefordshire to assist businesses, the most frequently cited was improving the road infrastructure.

Growth Plans

7.94 In the short-term 51.4% of the surveyed wholesale businesses had plans to expand the business, with a further 45.9% intending to see no change. Only 2.7% of businesses were anticipating reducing their turnover, whilst a greater proportion was expecting their staffing levels to decrease (5.3%). Only 39.5% planned to increase their staffing levels, lower than the 45.9% intending to grow the business. This suggests that growth will be achieved through increased sales and efficiency gains without a matched increase in staff.

7.95 Only 26.3% of surveyed firms thought the size of their premises would need to change to accommodate their growth plans. If the outlying response of one large firm requiring more industrial space is removed, the surveyed businesses that need to change the size of their premises require double the floorspace of their current accommodation.

7.96 Of the wholesale businesses that required additional space, 66.6% did not think their current buildings were suitable for the change. This was because there was currently a lack of space to expand on their present sites. The majority of these businesses would prefer to remain in Herefordshire and cited the quality of the environment and proximity to staff as reasons for this.

7.97 In the longer-term 75.7% of businesses anticipated their turnover to increase, of which 62.5% expected it to increase by over 10% annually. Only 2.7% were expecting a decrease in the longer-term and the remaining 21.6% did not expect to see a change.

7.98 In comparison only 44.7% expected their staff level to increase, with 50% expecting it to remain constant. However of those that expected an increase in staff, 70.6% anticipated a year on year increase of over 10%. The increased staff would predominantly be in sales and customer services (36.8%) and administration (36.8%).

7.99 Only 34.2% of businesses anticipated the size of their premises changing in the longer term; however 64.7% of those did not feel their building was suitable for these longer term changes and half of these were not sure if there are suitable buildings in Herefordshire to meet their longer term requirements, whilst 40% thought that there were.

Transport and Distribution

Survey Sample

7.100 14 businesses engaged in transport and distribution activities were surveyed. Together, these companies employed a total of 217 people. 4 businesses were based in Hereford employing 30 people, 2 in Bromyard employing 5 people, 3 in Ledbury employing 106 people, 2 in Ross on Wye employing 49 people, 1 in the Rural Heartland employing 11 people and 2 in the Eastern Corridor employing 16 people. No transport and distribution businesses were surveyed from Kington or Leominster. All the businesses were independent companies.

Workforce

7.101 65% of the total workforce live within 3 miles of their workplace, 30.2% live elsewhere in the county and 4.8% live outside of Herefordshire.

7.102 Employment in the transport and distribution sector is predominantly full-time, accounting for 92.6% of the total workforce. The maximum number of staff on site at any one time was 90.3% of the total employed. This implies that the businesses surveyed have a relatively low level of shift work.

Site Characteristics

7.103 64.3% of the surveyed businesses operate from freehold premises and the remaining 35.7% are in leasehold premises. 23.1% of the businesses were classified as distribution depots, 15.4% as factory and production facilities, whilst the majority described themselves as mixed use (46.2%). The high proportion of mixed use sites is reflected by the number of smaller companies in the survey.

7.104 42.9% of the premises were budget, whilst 57.1% of premises were described as mid-range. No businesses considered their site to be prestigious.

7.105 78.6% of the surveyed businesses had been at their current location for over 10 years and none of the surveyed firms had been at their present location for less than 3 years.

7.106 This suggests that the transport and distribution sector is not particularly dynamic or growing in Herefordshire. This is supported by the fact that 57.1% of firms have always been at their present location, 35.7% moved from elsewhere within the county and the surveyed location was an additional site for 7.1% of firms. None of the surveyed firms had moved in from outside the county.

7.107 Site density indicators are shown in Table 7.9. There is considerable variation between areas for all the indicators. However a total site density of 0.42 is comparable with surveys that we have conducted elsewhere.

7.108 The very low floorspace per person in the Eastern Corridor is due to the small sample size and small nature of these companies and does not necessarily represent the wider population in the area. The floorspace per person is low in Ledbury due to 2 firms that employ a relatively high number of staff; however the site density is low because the firms are based on a mixed use site with additional activities.

Table 7.9: Site Density Indicators for Transport and Distribution Premises

Area	M2 per person		Site Density
	Total Employment	**Max. Number on Site**	
Hereford	107.8	107.8	0.23
Bromyard	220	220	1
Kington	-	-	-
Ledbury	81.19	95.62	0.25
Leominster	-	-	-
Ross on Wye	251.51	273.87	0.99
Rural Heartland	318.18	318.18	0.5
The Eastern Corridor	40.63	43.33	0.76
Total	135.55	150.07	0.42

7.109 Table 7.10 indicates how the available floorspace was allocated between different uses. The majority of floorspace was allocated to industrial uses (44.3%) with the bulk of the remainder used for warehousing

(34.8%). The high industrial percentage is because of two firms, one each in Ledbury and Ross on Wye. These firms process their goods before distributing them.

7.110 The very high percentage of floorspace listed as other in Hereford is space for vehicle storage, and loading including loading bays.

Table 7.10: Percentage of Floorspace in Surveyed Transport and Distribution Businesses Used for Stated Activity

	Office	Retail	Warehousing	R&D	Industrial	Other
Hereford	1.35	0.00	27.97	0.00	0.00	70.69
Bromyard	5.45	0.00	94.55	0.00	0.00	0.00
Kington	-	-	-	-	-	-
Ledbury	15.88	0.00	61.16	0.00	22.96	0.00
Leominster	-	-	-	-	-	-
Ross on Wye	10.13	0.00	0.13	0.00	89.74	0.00
Rural Heartland	25.00	0.00	75.00	0.00	0.00	0.00
Eastern Corridor	42.31	0.00	57.69	0.00	0.00	0.00
Total	13.15	0.00	34.76	0.00	44.32	7.77

7.111 Only 2 of the surveyed transport and distribution businesses did not think their premises were suited to their current needs and they both cited a lack of space as the primary reason.

7.112 28.6% of the surveyed businesses stated that they had no problems currently facing their business. For those that did have a problem, the most common problem was market pressures (42.9%), whilst road traffic was also identified by 14.3% of businesses.

7.113 The transport and distribution businesses surveyed considered Herefordshire to be either a good or very good place to work. Only one business rated it as poor and one other business rated it just average, the remaining businesses all responded positively.

7.114 The negative perceptions of Herefordshire centred on transport and congestion issues and a lack of car parking facilities.

Growth Plans

7.115 In the short term, 10 businesses expected their turnover to remain the same and only 3 anticipated an increase in their turnover, whilst 1 expected it to decrease. The anticipated changes to employment reflected turnover change. All firms who predicted an increase in turnover expected an increase in staff and one firm was expecting to increase staff levels despite no change in turnover.

7.116 The 3 firms that anticipated growing also stated that their premises would require change to accommodate the growth. Between these firms they anticipated requiring an additional 161.5% of floorspace. This is dominated by two medium sized firms in particular that have large storage requirements.

7.117 This is reflected in that 75% of the additional space would be used for warehousing whilst the remaining 25% would be used as office space.

7.118 2 of the businesses did not consider their current buildings suitable for this change, citing a lack of space to expand as the primary reason.

7.119 Over the next 10 years 50% of the respondents expected their turnover to increase at an average rate of 10 to 20% per annum. 35.7% expected it to remain the same whilst 14.3% anticipated their turnover to decrease.

7.120 The change in employment exactly matched the anticipated change in turnover, all the firms who expected turnover to rise also expected turnover to increase again by 10 to 20% per year.

7.121 The majority of the jobs were anticipated to be in elementary positions (44.4%) whilst administrative staff (20%) and process and plant machine operatives are also expected to increase.

7.122 The same 3 firms that anticipated requiring a change in their premises in the short-term also expect to see a change in their premises in the longer-term. Again 2 of the firms would need to move premises to realise those changes.

Financial Intermediation, Real Estate and Other Business Services Activities

Survey Sample

7.123 A total of 50 businesses in this sector were surveyed employing a total of 461 people. 5 of these businesses were residential, 1 each in Hereford, Ledbury, Leominster, Ross on Wye and the Eastern Corridor. These have been excluded from the analysis where appropriate.

7.124 The 45 non-residential businesses employed a total of 449. 8 of these businesses were in Hereford employing a total 94 people, 3 were in Bromyard employing 35 people, 5 were in Kington employing 57 people, 4 in Ledbury employing 19 people, 7 were in Leominster employing 81 people, 8 were in Ross on Wye employing 68 people, 6 were in the Rural Heartland employing 86 people and 4 were in the Eastern Corridor employing 9 people.

7.125 75.6% of the surveyed businesses were independent companies, 17.8% were branches or subsidiaries of larger organisations. One business surveyed was a Head Office site and 1 was a public sector organisation.

Workforce

7.126 31.6% of the workforce lives within 3 miles of their workplace, whilst the majority (60.6%) lived within the county. The remaining 7.8% commuted from outside of Herefordshire. Office workers are traditionally most likely to travel longer distances to work and this is reflected in Herefordshire compared to the findings from the other sectors.

7.127 77.5% of staff covered by the survey were full-time employees and 22.5% worked part-time. 91.5% of staff worked on the premises at any one time. This can be explained by the relatively high proportion of part-time staff, with perhaps 2 to 3 part-time staff accounting for 1 full-time position.

Site Characteristics

7.128 If residential properties are excluded 44.4% of surveyed businesses owned the freehold to their premises whilst the remaining 53.3% occupied the premises under lease.

Table 7.11: Site Density Indicators for Business Services Premises

Area	M² per person		Site Density
	Total Employment	**Max. Number on Site**	
Hereford	52.56	59.98	0.39
Bromyard	48.66	53.22	0.68
Kington	36.11	38.83	0.90
Ledbury	22.50	22.50	0.69
Leominster	24.99	45.63	0.12
Ross on Wye	68.58	70.63	0.90
Rural Heartland	22.65	54.11	0.08
The Eastern Corridor	46.18	46.18	0.72
Total	40.44	49.06	0.28

Source: WM Enterprise Consultants

7.129 Table 7.11 demonstrates that the floorspace per person is broadly consistent across the 8 areas. The floorspace per person is smaller in comparison to the other sectors and reflects the nature of the sector. The site density figures vary to a much greater extent than floorspace per person. The particularly low figure for the Rural Heartland and that of Leominster has been skewed by office units operating within very large undeveloped sites.

Table 7.12: Percentage of Floorspace in Surveyed Business Services Firms Used for Stated Activity

	Office	Retail	Warehousing	R&D	Industrial	Other
Hereford	76.17	0.00	12.06	11.77	0.00	0.00
Bromyard	83.11	0.00	0.00	8.81	0.00	8.09
Kington	25.23	4.21	17.01	0.00	34.01	19.53
Ledbury	98.14	0.00	1.86	0.00	0.00	0.00
Leominster	69.13	0.00	13.72	0.00	17.15	0.00
Ross on Wye	98.02	0.00	0.02	0.00	0.00	1.95
Rural Heartland	23.92	0.00	51.33	0.00	0.00	24.74
Eastern Corridor	37.99	0.00	0.00	0.00	0.00	62.01
Total	76.53	2.07	4.02	4.02	5.69	7.67

7.130 Overall, 76.5% of the available floorspace within this sector provides office accommodation. The proportion of remaining uses reflects the mixed use nature of many of the sites, whereby office space accounts for only part of the available floorspace. The activities listed as other include large data centres, survey rooms and performance areas including an art studio.

7.131 Also excluding residential properties, 73.4% of buildings were considered to be mid range by their occupants. 13.3% of respondents considered their premises to be budget, whilst the remaining 13.3% considered them to be prestigious.

7.132 Including residential based businesses, 32% of surveyed businesses had been operating at their current location for more than 10 years and a further 12% had been operating for between 6 and 10 years at their current location. 14% of businesses have only been at their present location for less than 1 year and 10% for between 1 to 2 years. The remaining 32% had been at their current address for between 3 and 5 years. Since nearly a quarter of firms have been at their present address for less than 2 years it suggests that the sector is relatively dynamic and able and willing to move to alternative premises when necessary.

7.133 Of the businesses that have been operating less than one year, 42.8% relocated from elsewhere within the county, 28.6% relocated from outside Herefordshire and 28.6% had always been at their present address.

7.134 Overall, 46% of all the businesses surveyed had always been at their present address. 40% of businesses had relocated from elsewhere in Hereford and 12% had relocated from outside of the county. For the remaining 2% of firms the surveyed location was an additional site to the main business.

7.135 Relocations were predominantly attributed to requiring more space, however other commonly cited reasons included moving to smarter and more secure offices, lower costs, better location for customers and for the residential based businesses, moving house.

7.136 For 46.7% of all businesses surveyed proximity to where key staff lived was the major factor in selecting a location. The two other most common reasons behind firms location was the proximity to suppliers (33.3%) and quality of the environment (26.7%).

7.137 Excluding the residential based businesses only 7 thought that their premises were not suited to their current needs. Of those, 5 cited a lack of space as the reason for this whilst the other 2 considered their premises to be too old and in poor condition.

7.138 33.3% of surveyed firms did not consider having any major problems facing their business. Of the businesses with problems the main issue was that of market pressure, which was mentioned by 26% of the businesses surveyed.

7.139 Overall business service firms rated Herefordshire as a good location in which to do business. 71.1% of firms rated Herefordshire as a good or very good place to do business. Only 2.2% rated Herefordshire as poor and no respondents felt it was very poor. The remaining 26.7% thought it was average.

Growth Plans

7.140 Of the all the businesses surveyed 35.4% expected their turnover to increase in the next year, whilst the majority (64.6%) anticipated their turnover to remain the same. None of them expected their turnover to decrease.

7.141 Of the firms expecting their turnover to increase, 52.9% expected the number of staff to increase. 35.3% expected employment to remain the same and 11.8% actually expected employment levels to decrease. This suggests that nearly half of the firms expect to be able to increase turnover with their current staff complement.

7.142 3 of the firms that expected their turnover to remain constant were expecting to increase their staffing levels, whilst the remainder expected to keep employment levels the same.

7.143 85.6% of the surveyed firms did not expect to have an increased requirement for floorspace and 2 firms anticipated requiring less space than currently. Only 16.3% of businesses believe the size of their premises requires change, which is a reflection of the nature of the office based sector.

7.144 52.9% of this additional space was required for office use whilst the remaining 47.1% was required for warehousing. This high figure for warehousing is due to a couple of respondents that operate more than one business, which has skewed the data. If these are removed the total requirement is for office space.

7.145 60.4% of all businesses including those operating from residential premises consider their current building suitable for any changes in the business that may occur. A further 8.3% believe their building is suitable provided it is modified. These changes centred on renovating and modernising the building.

7.146 29.2% did not consider their current building to be appropriate for the anticipated changes to the business and the primary reason was a lack of space to expand.

7.147 Of the businesses who said that their current premises were not suitable, 57.1% thought that there were appropriate buildings within Herefordshire to meet their demands. 28.6% did not think there were suitable buildings in the county. The reasons given were predominantly transport issues, lack of access to motorways and the railway network was cited by 40% of firms as the main reason why there were no suitable buildings in Herefordshire.

7.148 Respondents were also asked what changes to turnover and employment they expected in the next ten years. 75% expected their turnover to increase, and of these 53% anticipated it to rise by 20% annually. 22.9% thought that their turnover would remain constant whilst 2.1% foresaw a small decrease in annual turnover.

7.149 In regard to employment change, 56.2% anticipated employing more staff, whilst the remaining 43.8% expected employment levels to remain constant. The main types of jobs in which increases would occur are administration (38.5%), technical level (23.1%) and professional level (9.2%).

7.150 77.6% of respondents did not foresee requiring a change in the size of their premises in the long-term, 2.2% thought there would be a decrease and 14.3% expected the size of their premises to increase. 6.1% did not know what their requirements would be. These responses reflect that the sector is predominantly about delivering intangible services that do not need to be physically stored.

7.151 All but 1 of the respondents felt there was capacity within Herefordshire to meet their longer term needs. The businesses surveyed anticipated meeting their long term building needs by renovating existing workspace, converting buildings, modernisation and moving to alternative premises.

8 Review of Market Trends and Demand

Introduction

8.1 The following paragraphs provide an overview of market trends and demand, providing commentary on supply and demand for the main sectors within the three study sub areas and associated main settlements.

8.2 Market commentary and the vacancy information contained in this section is predominantly based upon the information within the Council's Commercial Property Register dated August - October 2012 and also conversations with commercial agents. However, this information will change over time, and to remain accurate would need continual updating. The vacancy rates and quantitative information therefore produces a snapshot of the picture at that point in time.

8.3 A notable effect of the contracting economy, which has become even more pronounced since our initial assessment of vacant premises in 2008, has been the decrease in the number of transactions, as occupiers hold back from making any financial decisions until the economy settles and some confidence returns to consumers. Our initial conversations with agents during 2008 pointed to a continued demand for freehold properties with vacant possession for owner-occupation. This owner-occupier market, where it does not rely on debt finance, still continues to perform relatively well even in the current difficult market conditions.

County Town

General Market Overview

8.4 The sub area of County Town comprises the main urban area of Hereford, the primary settlement of the county. Geographically it is located in the centre of Herefordshire county; the principal arterial routes stemming from Hereford being the A49 running north to south and the A438 running east to west.

8.5 Hereford is the prime location for business within the study area, and attracts a mix of international, national and regional covenants.

Industrial and Warehousing Property

Supply

8.6 In terms of vacant industrial and warehouse premises 58,020 sq. m is currently available in total. This available supply is made up of 54 units of various sizes from under 100 sq. m to unit of 5000 sq. m and above. This shows that there is choice to potential occupiers and that a variety of user requirements could be satisfied.

8.7 Rotherwas Industrial Estate is the largest estate in this sub area and the county as a whole extending to 125 hectares (300 acres). It is situated to the south-east of Hereford and is bisected by the B4399. The estate provides a mix of unit sizes and types with good circulation, ranging from starter units of a few hundred square feet to headquarter style premises.

8.8 Aside from Rotherwas, the remainder of industrial property supply is located in smaller pockets, primarily to the north of Hereford. In particular, the Sun Valley Foods site and Westfields Business Park are comparatively large. Occupancy rates at Westfields are normally high with few vacant premises available. This reflects the location in the north of Hereford, which benefits from good road access, and the good range of units provided in terms of their quality and size.

8.9 In terms of speculative new build industrial and warehouse units and land to be brought forward for development, the vast majority of supply lies within the Rotherwas estate, which is to be released for sale by Herefordshire Council and various landowners under a structured framework for release. The first phase will comprise of a variety of sizes of serviced plots for owner-occupier accommodation along the Straight Mile area. A further proportion is also likely to be available over the short to medium term at the North Magazines site at Rotherwas. This will effectively serve as both a land bank that could be released when the market demands, or as a site for opportunistic or specialist developments.

8.10 The view of agents on supply is mixed. Some agents consider that the supply is sufficient to meet current demand. Other agents however suggest that supply is restricted.

Demand

8.11 The industrial and warehousing market in Hereford can be described as being split into two camps; north of the river and south of the river.

8.12 North of the river there is relatively good demand for industrial and warehouse type units, particularly small units up to 300 sq. m (c3,000 sq. ft), of a fair quality and with good access. Through our discussions with agents we have been informed that there is a demand for trade counter type premises north of the river and this is considered to be an emerging market.

8.13 South of the river demand is more limited at present with limited deals mentioned by agents. Rotherwas Industrial Estate has been designated as the only Enterprise Zone within the Marches Local Enterprise Partnership area. This designation brings a range of potential incentives to incoming businesses together with a proposed simplified planning regime to encourage development. Together with the continued delivery of infrastructure improvements, this will likely enhance demand in the estate and also bring additional land to the market. There is however a view from certain local agents as to how successful these incentives will be in attracting certain forms of development and occupier, such as those businesses requiring more strategically connected locations. For example, it has been suggested that those companies wishing to transport goods regionally or indeed nationally would choose to locate further south, for example at Ross on Wye, for ease of motorway access. In addition to that the low potential rental returns (yield) is also expected to limit interest in investment and the development of premises in the first place.

8.14 Across the Herford sub-area overall, discussions with agents indicate that there is limited demand in the current market. Specifically, demand for larger premises (above 2,000 sq. m) and warehouse/distribution type premises is especially limited.

8.15 Overall agents have indicated that there is limited demand for industrial and warehouse premises, particularly larger premises and warehouse/distribution type premises, within the Hereford sub-area. Agents consider that improvements to transport connections need to be made to improve attractiveness to prospective tenants. A southern by-pass was highlighted as being an infrastructure project that would be particularly beneficial.

Offices

Supply

8.16 As the primary urban area in Herefordshire, Hereford is the largest office location in the study area although the office market is still fairly limited. There is a range of supply available, although the office stock comprises primarily of small suites, conversions of former dwellings and a limited number of larger purpose built office premises. The majority of stock is situated within and around the city centre and there is a general absence of campus-style office premises.

8.17 In terms of available office premises, in total there is 7,399 sq. m currently available. This available supply is made up of 54 premises that are within the small to medium size bracket, ranging from under 100 sq. m to premises of up to 2,000 sq. m. There are no available premises providing space above 2,000 sq. m. This shows that whilst there are a reasonable number of available premises, the supply of available larger premises is non existent.

8.18 The vast majority of available office supply in Hereford is within premises of less than 500 sq m (52 of the 54 available premises are within this size range). Much of the space in Hereford is available by suite or individual offices, reflecting both the physical attributes of properties (e.g. cellular or multi-floor buildings) and also reflecting how landlords believe a property will most readily let, given the perceived demand.

8.19 Agents consider that there is a good supply of office premises providing for a variety of user requirements in terms of quality. However, it was highlighted that business park style accommodation supply was extremely limited.

Demand

8.20 The employer survey identified the County Town area as being the main focus for additional office requirements from local firms in Herefordshire. Agents have advised that there is limited demand for office accommodation and the market is flat. The majority of demand reported by local agents is for small office premises (c1,000 sq ft).

8.21 Demand above this level is limited with very few deals being reported. Demand is also generally from existing companies within Hereford and not from new companies outside of Herefordshire. Agents have advised that the office market is the one that has suffered the most during the recent recession/economic downturn.

Eastern Corridor

General Market Overview

8.22 The Eastern Corridor sub area comprises the rural area in the east of Herefordshire and the towns of Ross on Wye, Bromyard and Ledbury.

8.23 Ross on Wye in particular and Ledbury to an extent, benefit from being located close to the M50 motorway, which provides good access to the wider strategic highway network. Birmingham, Gloucester and Bristol are all easily accessible from the M50 via the M5. This means these towns are less isolated than towns to the west of Hereford.

8.24 Employment land provision primarily centres around the three main towns of the Eastern Corridor. Ross on Wye has the largest concentration of industrial estates, a reflection of its superior transport connections in relation to the other towns. Ledbury has a good balance of employment land provision which is primarily focused on the industrial and warehouse sector. There is some office provision however the town does not function as key office location. Bromyard provides for small to medium size business requirements however its location and size means that it is not a sought after location for larger office occupiers or distribution firms.

Industrial and Warehousing Property

Supply

8.25 In overall vacancy terms there is 71,966 sq. m of industrial and warehouse space currently on the market, which is accommodated in 41 premises. This is the highest amount of available floorspace of all of the three sub areas. A major contributor to this level of provision comes from the Gateway50 premises at Overross Industrial Estates (Ross-on-Wye), which provides 23,572 sq. m of floorspace. Additionally, there is the Venaglass works site at Lydbrook (an out-dated industrial site in poor condition) which provides circa 29,000 sq. m of floorspace. Taking these two premises out of the supply leaves circa 19,000 sq. m of available space.

8.26 At Ross-on-Wye, the Ashburton Industrial Estate, Haigh Industrial Estate and Alton Road Industrial Estate are all situated in close proximity to each other on the east side of the town. There are none with large amounts of vacancies. They all benefit from good access to the M50 motorway and the wider national road network. Looking specifically at the Alton Road Industrial Estate in Ross on Wye, of the 10 new build and refurbished units at Alton Road Business Park, good interest has been received for these good quality units in an accessible location. Only two available units have been recorded at this location within this study.

8.27 To the north of Bromyard, prominently situated off the B4214 to Tenbury; the Porthouse and Three Mills Industrial Estates are the main employment centres in Bromyard. Main employers on the estates are automotive component manufacturers Polytec Holden and manufacturers of agricultural spraying equipment Micron Sprayers Ltd. At Linton Trading Estate there is additional allocated employment land, some with outstanding planning permission for employment development.

8.28 Ledbury has two principle employment areas based at Bromyard Road Industrial Estate and the recently extended Lower Road Trading Estates. Ledbury benefits from good access to the motorway network being 3 miles from Junction 2 of the M50 and its links to the M5. Key employers in the area are A.B.E., Rexam High Performance Flexibles, Sequani, Stuart Houghton, Galebreaker and John Dickinson. Discussions with a local agent have indicated that supply is meeting demand and that there is a good selection of premises in terms of their size and quality.

8.29 A number of the more rural villages such as Ashvale and Whitchurch have small existing estates which provide moderate to good quality premises at affordable rental levels. The estates are generally fully occupied and foster high-tech enterprises which in time will likely outgrow their existing premises and require larger premises in the order of 1,000 – 5,000 sq. ft.

Demand

8.30 Enquiries made with local agents indicate there is good demand for industrial and warehouse premises in the Eastern Corridor area considering the current economic climate. This is particularly the case at Ross-on-Wye and Ledbury where accessibility to the strategic highway network is at its best.

8.31 In respect of Ledbury specifically we have been informed that interest is being shown in future development opportunities and that existing companies are expanding and choosing to relocate to sites and premises at Ledbury.

Offices

Supply

8.32 Office use is not particularly established in this sub-area, with the majority of supply being small suites located in converted buildings, either in the town centres or in more rural locations. None of the main towns function as key office locations that would attract larger occupiers therefore provision is focused towards smaller locally based businesses.

8.33 With certain exceptions, such as Alton Road in Ross-on-Wye, there are not many larger purpose-built new office premises in the area, reflecting the generally low level of demand for this size space. There is also Wyastone Business Park, which is located just off the A40 in a rural business park location, offering both traditional and serviced office and industrial accommodation.

8.34 In terms of available premises there is 3,052 sq. m of space currently on the market and this is spread across 25 premises. All of the space currently available is within premises offering up to 500 sq. m of floorspace. This reflects the position that there is generally a small size of accommodation on offer.

Demand

8.35 Demand for offices in the Eastern Corridor area is reasonably steady, albeit at a low level, with no discernible upwards or downwards trend. Take-up of office space is generally from local firms. There is limited interest in larger units across the eastern corridor sub-area. Agents have reported a lower activity level over recent times as a result of the downturn of the economy.

8.36 The town centres of Ross on Wye and Ledbury are the larger towns in the area and naturally this is where the bulk of occupier demand lies. These towns benefit from good road access, and those premises being located in the heart of the town centres will attract greater interest, the nature of the local businesses often relying on ease of access.

Rural Heartland

General Market Overview

8.37 The Rural Heartland sub-area includes the rural northern, western and southern parts of Herefordshire, including the settlements of Kington, Eardisley, Leominster and Cusop. Access to this part of the county is often more restricted than the other sub areas, with A and B roads linking the market towns and villages. The area is generally characterised by agricultural land and open countryside rather than significant employment use. The property that is available is often small scale and occupied by local businesses.

8.38 Leominster is the dominant settlement in the sub-area with the largest concentration of business. Located here are a number of plastic, clothing and steel fabrication businesses with key occupiers including Skymark Packaging, Frank H Dale Ltd, E Walters Clothing and bpi stretchfilms.

Industrial and Warehousing Property

Supply

8.39 Southern Avenue Industrial Estate and Leominster Enterprise Park comprise the largest concentration of industry in north Herefordshire. They are located towards the south of Leominster adjacent to the A49. Together these estates offer almost 19 hectares of employment land, the vast majority of which is found at the Leominster Enterprise Park. There is a variety of industrial accommodation available on these two estates, including at the Marches Trade Park at Leominster Enterprise Park. Marches Trade Park is a recent development of five terraced industrial units.

8.40 Moreton Business Park (approximately 6 km) north of Hereford provides a range of employment provision and there are proposals being advanced for the expansion of the site. Businesses that have been attracted there are national and international firms, with Denco Air Conditioning locating moving their headquarters to this site.

8.41 In respect of available premises across the Rural sub area, there is 11,253 sq. m of floorspace currently on the market and is accommodated within 31 premises. Over half of the available floorspace is within premises of under 500 sq. m in size. All of the available floorspace is within premises no greater than 2,000 sq. m. Specifically, there is currently a number of units, providing a total of 460 sq. m, available at Leominster Enterprise Park.

8.42 Overall there is a reasonable supply of industrial and warehouse provision albeit it is focused within small to medium sized units. It is not considered that there is an oversupply within the sub-area and the levels of available premises is a result of current economic conditions.

Demand

8.43 Demand for industrial accommodation in the Rural Heartland sub-area is primarily concentrated on Leominster, the largest settlement in the sub-area.

8.44 Leominster's size and more central location within the county means that agents report a demand for slightly larger units. Flexible space is catered for at the Marches Trade Park on Leominster Enterprise Park by providing terraced units which can be conjoined to form larger units if required. Flexibility is key to attracting occupiers who are reluctant to sign up for long term commitments, preferring informal licence type arrangements or short term leases with break options. The agents report that interest has been fairly steady. Following the refurbishment of the Northern Lights Business Park there has been an increase in interest generally at Leominster however this is often for quasi-retail, trade-counter type uses.

8.45 In the more remote rural areas, such as Kington, the size of premises demanded is generally small (up to 140 sq. m / 1,500 sq. ft) and taken up by small local business.

Office

Supply

8.46 Total vacant office accommodation in the Rural Heartland sub area amounts to 1,832 sq. m. All available premises are in the smallest size bands and are no larger than 450 sq. m (4,844 sq. ft). The majority of available premises are within or close to Leominster.

8.47 There is a handful of office premises in Leominster town centre currently available and the majority are small suites in converted premises above retail use. The lack of supply mirrors the demand for office use in Leominster town centre and the rural area as a whole.

8.48 The Northern Lights Business Park at Leominster (part of the Southern Avenue Estate) provides a total of 2,244 sq. m (24,157 sq. ft) of refurbished accommodation. The business park benefits from good access from the A49 and being located fairly close to the train station. There are a couple of units currently available within the business park, providing 660 sq. m of office floorspace.

Demand

8.49 There is not a notable office market in the Rural Heartland sub-area. The types of businesses requiring premises are generally local professional services firms in the town centres. Generally, Leominster, Kington and the wider rural area does not have a strong office market and demand can be quite unpredictable and slow.

9 Conclusions and Recommendations

Introduction

9.1 This Chapter of the report sets out a summary of key findings and recommendations. In particular, it provides a summary of:

- Employment land requirements based on the outputs of forecast modelling and an analysis of past completion rates;
- An overview of the key aims, objectives and policies concerned with relevant planning and economic policy prevailing at different levels;
- A summary of market trends and demand across the study sub areas and an overview of the key findings of the employer survey; and
- Key conclusions in relation to the quantitative and qualitative supply of employment land and premises across the study area.

9.2 The Chapter then goes on to make a number of recommendations, paying particular attention to:

A: Addressing Obstacles to the Development of Employment Sites

B: The level of protection to be given to the different sites specifically assessed as part of this study in terms of their role within the employment hierarchy;

C: The County Town

D: Rural Settlements;

E: Local Planning Policy and Other Responses; and

F: Future Monitoring.

Forecast Employment Land Requirements

Small Area Forecasting Model

9.3 The use of a small area forecasting model illustrates an increase of between 25.2 and 36.7 hectares of land in employment use above the level occupied as at 2010 in order to accommodate the anticipated minimum requirements of each of the three categories (office, manufacturing and warehousing).

9.4 It should ne noted that this level of increase represents the absolute minima needed to accommodate existing and future activities. In reality, a much larger amount of land will need to be made available to allow for vacancies, churn, losses of existing employment sites to other uses during the plan period as well as to ensure a balanced portfolio of employment land in terms of sufficient choice of available sites and locations over the plan period. Through the use economic forecasting techniques, it is difficult to precisely define an exact amount or target for future employment land and it is therefore also important to have regard to other approaches to guide future employment land provision, including projecting forward past completion rates and market analysis.

Projecting Forward Past Completion Rates

9.5 An alternative approach to forecasting likely future requirements is to look at past completion rates and to project these rates forward, to help to inform an employment land requirement figure.

9.6 Based on information included in the Council's annual monitoring report, over the 7 year period 2004/05 – 2010/11, the average annual completion rate was 22,850 sq.m. per annum. In order to translate this into an estimate of employment land developed, an appropriate average density figure needs to be applied. Using a density figure of 4,000 sq. m. of floorspace for every hectare developed, this creates an average completion rate of 5.7 hectares per annum. Projecting this figure forward over the period to 2031 provides for a total of 108 hectares. If a higher density figure of 5,000 sq.m. of floorspace per hectare is assumed, this would equate to a total of 87 hectares over the same period to 2031.

9.7 It should be noted that the completion rates used are understood to be gross average completion rates. The average annual net change in employment land will likely be less when also considering losses to other uses and developments involving the redevelopment of employment premises to other employment uses for example.

9.8 Accepting the above caveats however, the employment land requirements obtained using the approach delivers significantly different (i.e. higher) results than using the small area forecasting model, which is based on modelling future change in the economy rather than projecting forward past take up rates of employment land.

9.9 This underlines the need to apply the outputs of the small area forecasting model as an absolute minimum land requirement and that in reality, a much larger amount of land will be required to ensure continuing economic development and an adequate portfolio of sites, particularly if past (gross) development rates are to continue in the future.

9.10 The emerging Core Strategy has an overall target of 148 ha of available employment land over the plan period, which includes a rolling five year reservoir of 37 ha of available land. Based on the output of projecting past completion rates, the overall target of 148 ha outlined in the emerging Core Strategy would provide a robust level of supply and would enable a wide range and choice of employment sites across the county to be provided throughout the plan period.

Planning Policies and Strategies

National Level and Regional

9.11 At the National and Regional level, a number of key economic and planning strategy objectives can be summarised as follows:

- Presumption in favour of sustainable development and that the planning system should operate to encourage economic growth in order to create jobs and prosperity;
- Maximise the use of Brownfield land and promote economy in use of land, including through the restoration of derelict and neglected land and buildings;
- Ensure that developments that generate significant levels of traffic are located where the need to travel would be minimised and the use of sustainable transport modes maximised. For offices, this includes adopting a sequential 'town centre first' approach;
- Support the sustainable growth and expansion of all types of business and enterprise in rural areas; and
- Plan positively and support the needs of existing business sectors, including the promotion and expansion of clusters or networks of knowledge driven, creative or high technology industries.

Sub Regional and Local Level

9.12 The following table summarises the main spatial priorities and objectives for key areas at the sub-regional and local level:

Table 9.1: Summary of the main sub-regional and local Spatial Priorities and Objectives

Area	Summary of Priority
Rural Regeneration Zone / cross cutting across Herefordshire	• Innovative changes in agriculture will be supported, where they assist in maintaining the viability of farming and other supporting rural businesses and where they will not have an irreversible adverse impact on the countryside; • Rural businesses will be supported, taking into account local demand, the ability to retain and grow employment opportunities and opportunities to reuse existing buildings and sites • Linking opportunity and need and developing a strong, diverse and sustainable rural economy; • Continuing development of traditional sectors of the economy, such as food and drink and including manufacturing, whilst encouraging the diversification of the business base within the county, including the provision of knowledge intensive industries, green technologies and renewable energy; • Sustainable development; and • Raise rates of entrepreneurship and new firm formation;
Hereford City	• The role of Hereford City as the main business, service and visitor centre for the county will be maintained and enhanced through the expansion of the city centre as part of wider city regeneration;; • development of employment land at Rotherwas to form an enterprise zone focussing on defence and knowledge sectors, creating added benefit for companies who locate in the area • Reuse of previous developed land; • Regenerate Hereford City to create a better environment for existing businesses and raising the rates of company formations; and • Attraction of knowledge and technology industries.
Key Market Towns of Leominster, Ross-on-Wye, Ledbury, Bromyard and Kington	• The regeneration of the wider economy of the county's market towns, in order to support their viability as key service centres for the rural areas, will be prioritised by ensuring that they remain the focus for appropriate levels of new development.

Overview of Market Trends and Demand

County Town

9.13 Hereford is the primary settlement for business within the county, attracting a range of national and international companies in addition to regional and locally based firms.

Demand: Industrial and Warehousing Property

9.14 The industrial and warehousing market in Hereford can be described as being split into two camps; north of the river and south of the river.

9.15 At present north of the river there is relatively good demand for industrial and warehouse type units, particularly small units up to 300 sq. m (c3,000 sq. ft), of a fair quality and with good access. Research indicates that demand is strongest north of the city at present and trade counter premises are a specific type of unit in demand.

9.16 South of the river demand is more limited at present although the designation of Rotherwas Industrial Estate as an Enterprise Zone should lead to increased demand, particularly when the general economic climate has improved. The delivery of specific infrastructure projects to the south of the city has the potential to improve the attractiveness of the area to companies further.

9.17 Across the Herford sub-area overall, discussions with agents indicate that there is limited demand in the current market. Specifically, demand for larger premises (above 2,000 sq. m) and warehouse/distribution type premises is especially limited.

Demand: Offices

9.18 The business survey showed that the County Town is the main focus for additional office requirements from local firms in Herefordshire. Agents have advised that there is limited demand for office accommodation and the market is flat. The majority of demand reported by local agents is for small office premises (c1,000 sq ft). Demand above this level is limited with very few deals reported.

9.19 Demand is also generally from existing companies within Hereford and not from new companies outside of the County. Agents have advised that the office market is the one that has suffered the most during the recent recession/economic downturn.

Eastern Corridor

9.20 The Eastern Corridor sub area comprises the rural area in the east of Herefordshire and the main settlement of Ross on Wye, Bromyard and Ledbury. Ross on Wye, and Ledbury to an extent, are more attractive to larger (regional, national and international) companies due to their proximity to the M50 motorway and accessibility to the wider highway network. Bromyard is not as well connected as its southern counterparts and functions as a more locally focused employment market catering for small to medium sized businesses.

Demand: Industrial and Warehousing Property

9.21 Our enquiries with local agents indicate that despite the poor economic climate there is good demand for industrial and warehouse premises in the Eastern Corridor area. This is particularly the case at Ross-on-Wye and Ledbury where accessibility to the strategic highway network is at its best. With regard to

Ledbury specifically, demand is apparent with interest is being shown in future development opportunities and existing companies expanding and remaining at Ledbury.

Demand: Offices

9.22 Demand for offices in the Eastern Corridor area is low and steady. Take-up of office space is generally from local firms. There is limited interest in larger units across the eastern corridor sub-area. Agents have reported a lower activity level over recent times as a result of the downturn of the economy.

9.23 The town centres of Ross on Wye and Ledbury are the larger towns in the area and naturally this is where the bulk of occupier demand is focused. These towns benefit from good road access and premises located in the heart of the town centres often attract the greatest interest due to local businesses focusing on ease of access.

Rural Heartland

9.24 The Rural Heartland sub-area includes the rural northern, western and southern parts of Herefordshire, including the settlements of Kington, Eardisley, Leominster and Cusop. Access to this part of the county is generally more restricted than the other sub areas. The area is characterised by agricultural land and open countryside rather than significant employment use. Property that is available is often small scale and occupied by smaller local businesses.

9.25 Leominster is the dominant settlement in the sub-area with the largest concentration of business. Located here are a number of plastic, clothing and steel fabrication businesses with key occupiers including Skymark Packaging, Frank H Dale Ltd, E Walters Clothing and bpi stretchfilms.

Demand: Industrial and Warehousing Property

9.26 Demand for industrial accommodation in the Rural Heartland sub-area is primarily concentrated on Leominster, the largest settlement in the sub-area. Leominster's more central location and size means that there is demand for larger units. The agents report that interest has been fairly steady recently. Demand is however often for quasi-retail, trade-counter type uses. In the wider more rural areas and the more remote settlements, such as Kington, the size of premises demanded is generally small (up to 140 sq. m / 1,500 sq. ft).

Demand: Offices

9.27 There is not a notable office market in the Rural Heartland sub-area. The types of businesses requiring premises are generally local professional services firms in the town centres. The refurbishment of the Northern Lights Business Park at Leominster increased occupier interest and is well utilised with only a couple of vacant units. Overall, Leominster and the wider rural heartland do not have a strong office market and demand is unpredictable and slow.

Conclusions from the Employer Survey

9.28 The main conclusions that can be drawn from the findings of the employer survey are as follows:

- Herefordshire is generally viewed positively as a place in which to do business, 64% of all respondents rated it as either a good or very good place to work. The main drivers of this are the size, effectiveness and quality of premises, the image of the area and the environment for staff and customers.
- The main disadvantages of Herefordshire for businesses is the (perceived) lack of availability of new sites, the availability of affordable housing, accessibility by public transport and business rates. Business rates are a common complaint in this type of survey and therefore should not be taken as a problem exclusive to Herefordshire.

- Businesses operating across all sectors have tended to relocate from within Herefordshire rather than from outside the county. The key decision-making factors behind choosing a location were proximity to where staff and owners live, proximity to customers, ease of access to motorway network and quality of environment.
- In the short-term 41% of businesses plan to expand the business, 34% expect to increase staff numbers and 25% of businesses will require increased floorspace to meet these requirements. 88% of all businesses surveyed would like to remain in Herefordshire; although 31% did not feel that there were currently suitable buildings to meet their requirements. However 42% did think that there were suitable buildings whilst the remaining 27% were unsure.
- Site densities vary considerably between areas and sectors and frequently within these categories. Site densities are highest in warehousing and wholesale uses and in some instances above ODPM guidelines. This is supported by the fact that a common problem cited by businesses was a lack of space to expand at their current location.
- Nearly half of the surveyed floorspace is used for industrial uses, which suggests that there is a large manufacturing sector in Herefordshire. Office space and warehousing space each accounted for just over 20% of the total floorspace surveyed.
- In the short-term, there is the requirement for a net increase in floorspace in Herefordshire of 60% according to the survey findings. The greatest requirement is for industrial space with additional space also required for warehousing and office, especially in the County Town.
- In the longer-term, 74% of all businesses surveyed expected their turnover to increase and 57% expected to increase their employment. 28% of the businesses foresee a change in the size of their premises as a consequence of their expected growth.
- 58% of businesses believe there is currently capacity in Herefordshire to meet their longer-term requirements. Only 16% stated that they did not think there was currently the capacity in Herefordshire and just over a quarter did not know. Businesses cited a lack of choice, locations and suitable sized land as the key reasons why they felt Herefordshire did not currently have the capacity to fulfil their longer term requirements.

Overview of Supply

9.29 For the assessment of employment land supply, and also elsewhere in this study, the study area has been divided into sub areas for the purposes of analysis. As a broad guide, **Table 9.2** illustrates the general subdivision applied by way of identifying the 'best-fit' to associated ONS output areas.

Table 9.2: Overview of Study Sub Areas

Sub Area	Commentary	Herefordshire ONS Middle Layer Super Output Area
County Town	Hereford City and its immediate hinterland (identified as a growth point in the RSS)	001, 002, 003, 004, 006, 007, 020, 021
Eastern Corridor	The rural eastern part of the study area, also including the market towns of Bromyard, Ledbury and Ross on Wye	005, 009, 018, 019, 022, 023,
Rural Heartland	The rural northern, western and southern parts of the study area, also including the market towns of Kington and Leominster	008, 010, 011, 012, 013, 014, 015, 016, 017

9.30 The following paragraphs provide a quantitative analysis of supply of employment land and premises in Herefordshire and its identified sub areas. Information is presented in tabulated form and is accompanied with associated summary commentary. The main supply components included in these subsequent tables is explained in **Table 9.3**.

Table 9.3: Quantitative Supply Tables – Explanation of Components

Supply Component	Description	Report Reference
Employment Allocations	Sites without planning permission which are allocated for B Class employment development in the adopted Herefordshire UDP	Chapter 4 (Table 4.7)
Commitments (not started)	UDP employment allocations and other sites with extant planning permission for B1, B2 and B8 uses which has not yet started	Chapter 4 (Table 4.8)
Commitments (under construction)	UDP employment allocations and other sites with extant planning permission for B1, B2 and B8 uses which was under construction at the time of survey	Chapter 4 (Table 4.9)

Herefordshire Area

Existing Stock

9.31 Based on ONS information, existing B class employment floorspace across Herefordshire as a whole totals 1,360,000 sq m. The most significant sector in terms of existing floorspace is manufacturing, which accounts for almost 60% total floorspace in Herefordshire. In contrast, approximately only around 10% of existing floorspace is identified as offices, with the remaining 30% being warehousing and distribution. A similar trend is also evident when considering average hereditament size, with offices offering a small average of 104 sq m whereas the average size for manufacturing is 669 sq m (reflecting of the presence of a number of large manufacturing businesses in Herefordshire which increase the average hereditament size in this sector).

9.32 In relation to vacant premises, the study has revealed approximately 153,500 sq. m of currently available space which, based on ONS (VOA) hereditament information, represents an almost 10% vacancy rate. This is comparable to the level of vacancy reported in the previous employment land review update of 2010. This current relatively high vacancy can, in large part, likely be explained by the current economic downturn. In terms of the split of currently vacant premises, this is very much skewed towards manufacturing and warehousing premises.

Employment Land Supply

9.33 Within Herefordshire as a whole, we estimate that there is circa 117 hectares of employment land either allocated (without planning permission) or committed (including allocations / other sites with planning permission for employment development not started and also those under construction at the time of survey). This figure decreases to circa 110 hectares when sites under construction are excluded.

9.34 The majority of total supply (78 hectares - approximately 66%) is allocated in the UDP without planning permission. This includes vacant sites without permission specifically allocated for employment development under UDP policies E1, E2 and E3 and also vacant uncommitted plots within employment areas safeguarded under Policy E5. The largest sites contributing to this figure include land at Rotherwas Industrial Estate / Enterprise Zone (Phase 3 land), Moreton-on-Lugg Depot (Morton Business Park), land north of Railway Viaduct (Ledbury) and land north of Model Farm (Ross-on-Wye).

9.35 Committed sites (not started and under construction) provide approximately 38.5 hectares of employment land supply. Key contributors to this element of supply mainly include land with planning permission (but not yet started) at Rotherwas Enterprise Zone (Phases 1 and 2) and also remaining plots at Leominster Enterprise Park.

Table 9.4: Herefordshire Area: Supply Overview (Hectares)

Supply Component	Office (B1a)	Manu. (B1b,c & B2)	Warehousing (B8)	Total
Employment Allocations	17.83	42.31	18.08	**78.22**
Commitments (n/s)	6.96	21.21	3.81	**31.98**
Commitments (u/c)	1.31	4.18	1.01	**6.5**
Owner Specific Sites	0	1.39	0	**1.39**
Total Supply (excl OS Sites)	**26.1**	**69.09**	**22.9**	**116.7**

County Town Sub Area

Existing Stock

9.36 The County Town sub area contains approximately 39% of Herefordshire's existing floorspace. Whilst office space is still the smallest sector, the total number of hereditaments and level of floorspace and, proportion of offices to other employment sectors, is more significant than in other sub areas. The average hereditament size for manufacturing is the largest of all sub areas, being almost 1,000 sq m.

9.37 In terms of vacant industrial and warehousing premises, 58,020 sq m is available. The majority of available premises in this sector are focussed in units of < 1,000 sq m, with a particular concentration in the 101 – 500 sq m size band, although vacancies exist across all size bands.

9.38 There is a total of 7,399 sq m of office space available. Much of the office space available in Hereford (52 out of the 54 premises identified) is small (under 500 sq. m), and available by suite or individual offices, reflecting both the physical attributes of properties (e.g. cellular or multi-floor buildings) and also reflecting how landlords believe a property will most readily let.

Employment Land Supply

9.39 The County town sub area contains circa 52 hectares (approximately 44%) of Herefordshire's employment land supply. The majority of supply in the County Town is made up of allocated sites without planning permission, by far the most significant contributor of which is land at Rotherwas Industrial Estate / Enterprise Zone (Phase 3). As with Herefordshire as a whole, the majority of land supply is highlighted as being most suitable / likely to come forward for development in the manufacturing and warehousing sectors.

Table 9.5: County Town Sub Area: Supply Overview (Hectares)

Supply Component	Office (B1a)	Manu. (B1b,c & B2)	Warehousing (B8)	Total
Employment Allocations	6.87	21.6	5.98	**34.45**
Commitments (n/s)	4.26	11.08	1.93	**17.27**
Commitments (u/c)	0	0.59	0.15	**0.74**
Owner Specific Sites	0	0	0	**0**
Total Supply (excl OS Sites)	**11.13**	**33.27**	**8.06**	**52.46**

Eastern Corridor Sub Area

Existing Stock

9.40 The Eastern Corridor sub area contains approximately 25% of Herefordshire's existing floorspace. This equates to a total existing built stock of 366,000 sq m, of which industrial property amounts to 208,000 sq m or almost 60% of total floorspace.

9.41 Approximately 75,000 sq m of floorspace was found to be vacant, of which almost 72,000 sq m relates to industrial and warehousing space. Industrial and warehousing property to let or for sale in the sub area ranges significantly. Most vacant industrial premises are less than 1,000 sq. m although there are also a number of very large properties which contribute significantly to the total amount of currently available floorspace.

Employment Land Supply

9.42 The Eastern Corridor sub area contains circa 39 hectares of employment land which equates to approximately 33% of the total supply. The majority of supply is made up of employment allocations without permission (almost 30 hectares) with main such sites including land north of Model Farm and land north of the railway viaduct at Ledbury.

9.43 Within the Eastern Corridor sub area, the majority of currently identified supply is within Ledbury, notably at land north of Railway Viaduct, Bromyard Road Trading Estate and Lower Road Trading Estate. Ross on Wye also has a reasonable supply of land, which most notably includes Model Farm, which formerly had outline planning permission for 10 hectares of employment development. Supply in Bromyard is more limited in comparison, most of which is located outside of the settlement itself at Linton Trading Estate and at land south of the Trading Estate.

Table 9.6: Eastern Corridor Sub Area: Supply Overview (Hectares)

Supply Component	Office (B1a)	Manu. (B1b,c & B2)	Warehousing (B8)	Total
Employment Allocations	7.98	13.32	8.35	**29.65**
Commitments (n/s)	0.64	4.9	0	**5.54**
Commitments (u/c)	1.12	1.75	0.86	**3.73**
Owner Specific Sites	0	0	0	**0**
Total Supply (excl OS Sites)	**9.74**	**19.97**	**9.21**	**38.92**

Rural Heartland Sub Area

Existing Stock

9.44 The Rural Heartland sub area contains approximately 39% of Herefordshire's existing floorspace. This sub area includes a total existing built stock of 579,000 sq. m. As with the Eastern Corridor sub area, industrial property dominates the Rural Heartland, equating to 64% of total existing floorspace.

9.45 Approximately 12,891 sq. m of vacant floorspace has been identified in this sub area. Across the sub area, vacant industrial and warehousing premises are all less than 2,000 sq. m and there is a total of 31 premises. Available office premises are limited in this sub area, both in terms of overall number (16 premises) and also size of premises (all under 500 sq. m). The majority (12 premises) are under the 100 sq. m.

Employment Land Supply

9.46 As with the existing stock, the Rural Heartland sub area makes the smallest contribution of the three sub areas in terms of employment land supply, providing 26.71 hectares or 22.5% of total supply. The majority of supply (14 hectares) is found within allocated employment sites without planning permission, including most notably Morton-on-Lugg Depot (Morton Business Park). Approximately 9 hectares of land is committed for employment development in this sub area (and not started), and this is predominantly located at Leominster Enterprise Park.

9.47 The remainder of land supply in the sub area is sporadically distributed including land at Gooses Foot Industrial Estate (Kingstone), Tram Inn (Allensmore), Hergest Camp (Arrow Court), Hatton Gardens (Kington) and Madley Airfield. This sub area also includes the only 'Owner Specific' sites identified through the survey, notably expansion land to the north of the existing Dales operations (Leominster) and the Cadbury Site (Leominster).

Table 9.7: Rural Heartland Sub Area: Supply Overview

Supply Component	Office (B1a)	Manu. (B1b,c & B2)	Warehousing (B8)	Total
Employment Allocations	2.98	7.39	3.75	**14.12**
Commitments (n/s)	2.06	5.23	1.88	**9.17**
Commitments (u/c)	0.19	1.84	0	**2.03**
Owner Specific Sites	0	1.39	0	**1.39**
Total Supply (excl OS Sites)	**5.23**	**15.85**	**5.63**	**26.71**

Qualitative Analysis of Supply

Study Sub Areas – Distribution and Qualitative Nature of Supply

9.48 The following tables and associated commentary seeks to provide a picture of the distribution and qualitative nature of supply within the three study sub areas arising from the main available sites, including an overview of the classification (i.e. ranking) and assessment of availability of key the commitments and allocations.

County Town Sub Area

9.49 The County Town sub area includes available employment land at Rotherwas Industrial Estate, and as such the main phases / areas in the Estate have been split according to when it is envisaged they will be available for development. All ‘best’ or ‘good’ employment opportunities available in the immediate / short term in the sub area are located at Rotherwas Industrial Estate. Other ‘good’ opportunities at Three Elms Trading Estate and Holmer Trading Estate have been identified as having medium term availability. With the exception of a small area of land at Holmer Road, the majority of ‘moderate’ land supply in the County Town sub area is also considered most likely to come forward in the medium term, notably land within the ‘Northern Magazines’ area of Rotherwas Industrial Estate.

Table 9.8: County Town - Distribution and Nature of Employment Land Supply by Main Sites

Site	Total Area Available for Development (Ha)	Possible Use Classes	Classification	Availability
Rotherwas Industrial Estate / EZ (Phases 1 and 2)	12.89	B1, B2, B8	Best	Immediate / short
Rotherwas Industrial Estate / EZ (small sites without pp)	2.44	B1, B2, B8	Good	Immediate / short
Rotherwas Industrial Estate / EZ (Phase 3)	31 ha	B1, B2, B8	Moderate	Medium
Three Elms Trading Estate	0.20	B1, B8	Good	Medium
Holmer Road, Hereford	0.81	B1, B2, B8	Moderate	Immediate / short
Other Commitments	5.12	Various		

Table 9.9: County Town – General Overview of Distribution and Qualitative Nature of Employment Land Supply

Classification	Availability	Area Available for Development (Hectares)
Best	Immediate – Short	12.89
	Medium	0
	Long	0
Good	Immediate – Short	2.44
	Medium	0.2
	Long	0
Moderate	Immediate – Short	0.81
	Medium	31
	Long	0
Poor	Immediate – Short	0
	Medium	0
	Long	0

Eastern Corridor Sub Area

9.50 There are no 'best' sites within the Eastern Corridor sub area. The majority of sites within the Eastern Corridor sub area are ranked as 'good' sites and are considered to be available in the immediate to short term and medium term. These largely comprise of sites within the main towns of Ledbury, Bromyard and Ross on Wye, Lower Road Trading Estate in Ledbury, and Ashburton Industrial Estate in Ross on Wye. The only sites classified as 'poor' or 'moderate' in the sub area are land north of the railway viaduct (part without planning permission) in Ledbury (which has access constraints) and land at / allocated south of Linton Trading Estate (which is likely to be contaminated and is constrained by existing / adjoining uses). These sites are predominantly identified as being only available in the longer term. In the case of land south of Linton Trading Estate this site is not considered to be developable.

Table 9.10: Eastern Corridor - Distribution and Nature of Employment Land Supply by Main Sites

Site	Total Area Available for Development (Ha)	Possible Use Classes	Classification	Availability
Lower Road Trading Estate (LED), Ledbury	2.4	B1, B2, B8	Good	Immediate / short
East of Whitestone Business Park	1.02	B1, B2, B8	Good	Medium
South of Linton Trading Estate, Bromyard	3	B1, B2, B8	Poor	Not developable
Land north of Railway Viaduct, Ledbury (without planning permission)	10.68	B1, B2, B8	Poor	Long
Land north of Railway Viaduct, Ledbury (with planning permission)	1.52	B1	Good	Immediate / short
Ashburton Industrial Estate, Ross on Wye	0.35	B1c, B2, B8	Good	Immediate / short
Linton Trading Estate, Bromyard	0.36	B1, B2	Moderate	Immediate / short
Bromyard Road Trading Estate	0.35	B1, B2, B8	Good	Immediate / short

Site	Total Area Available for Development (Ha)	Possible Use Classes	Classification	Availability
Model Farm, Ross on Wye	10	B1, B2, B8	Good	Medium
Land north of PFS, Ross on Wye	0.86	B1, B8	Good	Immediate / short
Commitments outside of ELR survey sites	7.75	Various		

Table 9.11: Eastern Corridor – General Overview of Distribution and Qualitative Nature of Employment Land Supply

Classification	Availability	Area Available for Development (Hectares)			
		Bromyard	Ledbury	Ross on Wye	Elsewhere in sub area
Best	Immediate – Short	0	0	0	0
	Medium	0	0	0	0
	Long	0	0	0	0
Good	Immediate – Short	0	3.92	1.21	0.35
	Medium	0	0	10	1.02
	Long	0	0	0	0
Moderate	Immediate – Short	0.36	0	0	0
	Medium	0	0	0	0
	Long	0	10.68	0	0
Poor	Immediate – Short	0	0	0	0
	Medium	0	0	0	0
	Long	0	0	0	0
	Undevelopable	3	0	0	0

Rural Heartland

9.51 The only site classified as ‘best’ in this sub area is Leominster Enterprise Park where a number of plots have extant planning permission. With the exception of Morton-on-Lugg Depot (Morton Business Park), the remaining sites in the Rural Heartland sub area are made up of relatively small allocations and commitments. Most are also located in Leominster and outside of the urban areas. Within Leominster, these are classified as good and available in the immediate to short and the medium term, for example available plots at Southern Avenue.

9.52 Elsewhere in the sub area the majority of available employment land is considered to be good and available in the immediate to short term, made up almost largely of land at Morton-on-Lugg Depot (Morton Business Park). Apart from this site, available land (outside of Leominster) tends to be of moderate quality, with sites including Gooses Foot Industrial Estate, Tram Inn, and Madley Airfield.

Table 9.12: Rural Heartland - Distribution and Nature of Employment Land Supply by Main Sites

Site	Total Area Available for Development (Ha)	Possible Use Classes	Classification	Availability
Leominster Enterprise Park	7.04	B1, B2, B8	Best	Immediate / short
Morton on Lugg Depot (WRA)	7.25	B1, B2, B8	Good	Immediate / short
Gooses Foot Industrial Estate, Kingstone (WRA)	1.05	B1c/B2	Moderate	Immediate / short
Tram Inn, Allensmore (WRA)	0.7	B1, B2	Moderate	Medium
Madley Airfield, Kingstone (WRA)	2.7	B1, B2, B8	Moderate	Immediate / short
Hatton Gardens, Kington (KING)	0.2	B1c/B2	Good	Immediate / short
Southern Avenue, Leominster (LEO)	3.88	B1, B2, B8	Good	Immediate / short
Commitments outside of ELR survey sites	2.5	Various		

Table 9.13: Rural Heartland - Overview of Distribution and Qualitative Nature of Employment Land Supply

Classification	Availability	Area Available for Development (Hectares)		
		Kington	Leominster	Elsewhere in sub area
Best	Immediate – Short	0	7.04	0
	Medium	0	0	0
	Long	0	0	0
Good	Immediate – Short	0.2	3.88	7.25
	Medium	0	0	0
	Long	0	0	0
Moderate	Immediate – Short	0	0	3.75
	Medium	0	0	0.7
	Long	0	0	0
Poor	Immediate – Short	0	0	0
	Medium	0	0	0
	Long	0	0	0

A49 Corridor

9.53 In terms of existing and vacant stock, we have not specifically sought to assess the A49 corridor as a separate sub area because it is already covered by the above sub areas. This being said, it is useful to understand the level and nature of supply (in terms of main allocations and commitments) within this area. **Table 9.14** lists those sites subject to qualitative assessment as part of our study identified as being located in the A49 Corridor.

9.54 The A49 runs though the study area in a north/south direction providing a main route through the market towns of Leominster and Moreton-on-Lugg as well as through Hereford city centre itself. Within Hereford city it forms the western boundary of the Edgar Street Grid regeneration area.

9.55 Sites in the A49 Corridor vary in size, ranging from the Aydon Industrial Park site which is less than a hectare in size, to the very substantial Rotherwas Industrial Estate, which is home to around 125 businesses and employs circa 2,500 people. The Corridor area encompasses sites in Hereford City Centre, Ross on Wye, Leominster, Marlbrook and Moreton-on-Lugg. Sites in the Corridor generally benefit in terms of connectivity due to their proximity to this main arterial route.

Table 9.14: Employment Sites in the A49 Corridor

Site Number	Site Name	Classification
5	Southern Avenue, Leominster	Good
6	Leominster Enterprise Park, Leominster	Best
23	Land North of A40, Model Farm, Ross on Wye	Good
24	Haigh Industrial Estate, Ross on Wye	Good
25	Chase Industrial Estate, Ross on Wye	Good
26	Alton Road Industrial Estate, Ross on Wye	Good
27	Wolf Business Park, Ross on Wye	Good
28	Somerfields Site, Ross on Wye	Good
40	Moreton-on-Lugg Depot (Morton Business Park)	Good
41	Lugg View Industrial Estate, Moreton-on-Lugg	Good
42	Legion Way, Hereford	Moderate
43	Special Metals, Hereford	Moderate
45	Burcott Road, Hereford	Moderate
46	Churchward Trading Estate, Hereford	Good
47	Holmer Road, Hereford	Moderate
48	Rotherwas Industrial Estate / EZ, Hereford	Best, Good, Moderate
49	Barrs Court Trading Estate, Hereford	Good
50	Bulmers, Hereford	Good
51	Plough Lane, Hereford	Good
52	Sun Valley, Hereford	Moderate
53	Three Elms Trading Estate, Hereford	Good
54	Beech Business Park, Hereford	Moderate
55	Aydon Industrial Park, Hereford	Moderate
57	Rockfield Road, Hereford	Moderate
58	Foley Trading Estate, Hereford	Moderate
59	Westfields Trading Estate, Hereford	Good
73	Cadbury, Marlbrook	Owner Specific

9.56 ‘Best’ employment land is considered available in the immediate to short term along the A49 corridor, at Leominster Enterprise Park and Rotherwas Industrial Estate / Enterprise Zone. In terms of land classified as ‘good’ sites that are considered available in the immediate to short term include land at Morton-on-Lugg

Depot (Morton Business Park) and Southern Avenue. In the medium term, key employment land opportunities include land located in the 'Northern Magazines' area of Rotherwas Industrial Estate and, at Model Farm (land north of the A40).

Conclusions and Recommendations

Headline Conclusions and Recommendations

9.57 The overarching headline conclusions in relation to future requirements and the supply of employment land are:

- Overall, there is good quantity of existing employment land supply within Herefordshire when compared against forecast minimum requirements using employment forecasting techniques. The supply of land appears skewed towards manufacturing / industrial type uses which as a sector is predicted to decline in the amount of land it occupies over the study period. More limited opportunities appear to exist for office uses.
- Projecting past completion rates forward provides an alternative picture. Using this approach suggests a much more modest over-supply in employment land (ranging from between 8.7 and 29.7 hectares) for Herefordshire over the period to 2031. This over-supply could decrease by circa 10 hectares should an option be pursued which seeks to locate proposals for waste management facilities on identified employment land, which could lead to a potential slight undersupply and a need identify additional land to offset any loss.
- In both quantitative and qualitative terms, supply is not evenly distributed across the different sub areas and the towns / different locations within them. Supply in certain parts of the Study area would benefit from increases in the quality and quantity of employment land opportunities.

9.58 Based on these headline conclusions, key recommendations relate to:

- Retaining existing UDP allocations, commitments and established employment sites ranked as Best or Good through the Development Plan process. There is likely justification however to release the poorest performing sites from the employment portfolio (i.e. those ranked as 'Poor');
- Enhancing the supply of land and opportunities for new employment development (including offices in appropriate central locations), and addressing existing quantitative under-supply together with the spatial and qualitative deficiencies in supply within certain parts of Herefordshire; and
- Consideration of a range of potential measures to enhance the current contribution of certain sites to the employment portfolio.

Recommendations

9.59 Our recommendations relate in particular to:

A: Addressing Obstacles to the Development of Employment Sites

B: The level of protection to be given to the different sites specifically assessed as part of this study in terms of their role within the employment hierarchy;

C: The County Town

D: Rural Settlements;

E: Local Planning Policy and Other Responses; and

F: Future Monitoring.

A: Addressing Obstacles to the Development of Employment Sites

9.60 Through this study, certain issues and obstacles have been identified which, in one way or another, could constrain the deliverability of sites within the area's employment land portfolio. The extent to which these issues affect different sites will vary from case to case.

9.61 As a generic guide however, **Table 9.15** summarises some of the main issues identified through the study, together with a summary of possible actions which are also expanded upon / listed elsewhere in this Chapter.

Table 9.15: Overview of Issues and Suggested Responses

Issue	General Response
Availability of sites for expanding local businesses / smaller development opportunities	Use of policy approaches, including: a. AAPs, SPDs and Master plans on larger sites to seek to ensure range of available plots and premises, including for small and expanding businesses;
Site Constraints where these exist (such as flood risk, access etc)	b. Provision for additional employment opportunities in those parts of Herefordshire where supply of land and premises is currently restricted. This should also include development plan policies and proposals to promote employment opportunities in and around appropriate settlements outside of the County Town; and c. Influence through Economic Development and related strategies and promoting the intervention by the Marches Local Economic Partnership (LEP) and others as required.
Potential for pressure for non-employment use such as residential	Inclusion of policies in the development plan to prevent the inappropriate erosion of better-performing sites to other non-employment (generating) uses.
Certain poor quality sites and buildings which make a limited contribution to the local employment portfolio	a. Promotion of mixed use (re)development where this is a viable and effective means of enhancing a site's qualitative contribution to local townscape and employment land supply; b. For the poorest quality employment sites, consider (re)development to alternative uses and relocation of any displaced occupiers if necessary; and c. Application of a criteria-based plan policy / possible associated SPD to guide decisions concerning the release of employment sites, including individual premises outside of employment allocations and established employment estates / areas.
Sustainability and environmental consideration	a. Preparation of a Sustainability Plans and Green Travel Plans to guide future development on larger sites; and b. Preparing AAPs, SPDs and Master plans (refreshing previous planning briefs as necessary) to guide and promote development and address sustainability and (site-specific) environmental issues.

B: Maintaining a Portfolio of Sites

9.62 The sites considered as part of this review have been ranked according to their importance and function in the employment land hierarchy. Site classifications and associated recommendations for each type of classification are summarised in the following table and expanded upon in subsequent paragraphs.

9.63 As a starting point and unless other site-specific recommendations indicate otherwise, Best, Good and Moderate sites should be retained for employment use. The release of such land and sites for other forms of development through the development management process should be carefully assessed. We would recommend the use of the following hierarchy of employment policies to assess and control such development.

Table 9.16: Site Classification and Recommendations

Classification	Recommendation
Best (B)	Protect for B Class employment use
Good (G)	Protect for B Class employment use
Moderate (M)	Normally protect for B Class employment use – apply criteria-based policy to consider other employment-generating (and also non-employment generating uses) through the development management process
Poor (P)	Potential for release to other forms of development

Best and Good Sites

9.64 Sites ranked as 'Best' and 'Good' should be retained as they are considered valuable employment sites / areas which should be protected against loss and the gradual erosion through the encroachment of alternative non-employment uses. Their loss to other uses should only be allowed in exceptional circumstances, where it can be clearly demonstrated that continued / new employment is not viable or that a lack of demand it can be robustly proven. The sites defined as being Best and Good are listed in **Tables 9.17 and 9.18**.

9.65 In relation to waste management facilities, these could appropriately be located in whole, or in part, depending on the type of waste management strategy pursued, on any suitable employment site. Suitable sites will comprise of those which are predominately industrial in character and also where it would not have an unacceptable impact on local amenity (e.g. compatibility with neighbouring land uses) or on the local supply of land for industrial type uses.

Table 9.17: 'Best' Sites

	Site
County Town	48. Rotherwas Industrial Estate / Enterprise Zone (Part – Area by the Straight Mile and the at the Southern Magazines), Hereford
Eastern Corridor	-
Rural Heartland	6. Leominster Enterprise Park, Leominster

Table 9.18: 'Good' Sites

	Site
County Town	48. Rotherwas Industrial Estate / Enterprise Zone (Part – Land north of Straight mile to be developed), Hereford
	59. Westfields Trading Estate, Hereford
	53. Three Elms Trading Estate, Hereford
	41. Lugg View, Moreton-on-Lugg
	46. Churchward Trading Estate, Hereford
	49. Barrs Court, Hereford
	50. Bulmers, Hereford
	51. Plough Lane, Hereford
	60. Holmer Road Trading Estate (b), Hereford
Eastern Corridor	15. Lower Road Trading Estate, Ledbury
	44. Whitestone Business Park, Whitestone
	56. Land East of Whitestone Business Park, Whitestone
	21. Land north of Petrol Filling Station, Oveross
	23. Land north of A40 Model Farm, Ross-on-Wye
	22. Ashburton Industrial Estate, Ross-on-Wye
	11. Court Farm Business Park, Bishop's Frome
	26. Alton Road, Ross-on-Wye
	9. Porthouse, Bromyard
	8. Station Trading Estate, Bromyard
	12. Colwall Industrial State, Colwall Stone
	14. Homend Trading Estate, Ledbury
	28. Somerfield's Site, Ross-on-Wye
	13a. Land north of the Railway Viaduct, Ledbury (part with planning permission)
	13b. Bromyard Road, Ledbury
	25. Chase Industrial Estate, Ross-on-Wye
	27. Wolf Business Park, Ross-on-Wye,

	Site
	75. Stoneyhills Industrial Estate, Whitchurch
	76. Ashvale, Cradley
	77. Woodend Lane Business Park, Stoke Lacy
	24. Haigh Industrial Estate, Ross-on-Wye
	70. Hatton Gardens, Kington
Rural Heartland	5. Southern Avenue, Leominster
	3. Cobnash Industrial Estate, Kingsland
	30. Longmeadow Industrial Estate, Ewyas Harold
	40. Moreton-on-Lugg Depot, Moreton-on-Lugg
	64. Whitehill Park Industrial Estate, Weobley
	69. Burgoynes, Lyonshall
	71. The Old Foundry, Kington
	74.Old Forge Industrial Estate, Peterchurch

Moderate Sites

9.66 Those sites identified as 'Moderate' are generally of reasonable quality but may be constrained in some way limiting their full current availability or market attractiveness. Certain 'Moderate' sites may be of interest mainly to local occupiers only.

9.67 As a general policy approach to be reflected in the Core Strategy (and unless an alternate recommendation is relation to specific 'Moderate' quality sites is listed under sub-sections C and D below), we would recommend that proposals for non B class employment uses (such as trade counter uses, vehicle sales and repairs etc) which may come forward on employment sites through the development management process should only be permitted where the following criteria can be met. It will be necessary to monitor and manage the release of these sites for other uses to ensure that an overall quantitative and qualitative shortage of sites and premises does not occur:

* There would not be an unacceptable adverse impact on the quality and quantity of employment land supply when assessed against requirements and the scale and nature of supply and demand within the area; or
* There would be a net improvement in amenity in terms of the removal of a non-conforming use from within a residential area which creates unacceptable environmental or traffic problems and where recycling to an alternative use would offer amenity benefits. For sites in existing employment use, consideration should also be given to the ability to relocate existing occupiers where this is necessary.

9.68 In assessing quantitative and qualitative issues, regard should be had to available land and premises in the local area and it will therefore be important to monitor take up and losses using this study as a base position. Regard should also be had to ensuring that the loss of premises would not unacceptably compromise the ability to accommodate smaller scale requirements – as identified through our analysis of market demand, employment requirements are often for small – medium scale development. Thus, in assessing qualitative impacts on employment supply, it will be important to assess the realistic potential of premises / sites to accommodate such development when assessing proposals for their release to other uses.

9.69 Should proposals not be able to robustly demonstrate that they are capable of meeting the above criteria (in the case of best and good sites it would anticipated that it would be highly unlikely that proposals for non employment use would not be able to satisfy to above criteria), then proposals will only be acceptable where the following criteria can be satisfied:

* Lack of market demand – to including details of active marketing - to allow the full consideration of specific demand, details should be sought on marketing including duration, method and price, particularly in relation to premises. As part of this assessment, consideration should be given to the appropriateness for subdivision of premises; and
* Lack of viability for employment development – details of redevelopment costs to justify that employment development is not viable in the first instance, and if a wholly employment scheme is not a viable form of development, whether mixed-use development (including an appropriate element of employment) is a feasible and desirable means of overcoming viability constraints.

9.70 In assessing details of active marketing, it will be important to ensure that this has been done for an appropriate period and in a robust way. The precise period of marketing will be influenced by prevailing market conditions at the time but a minimum period of 12 – 24 months would normally be appropriate. Marketing should be carried out by an established commercial property agent and should include on-site boards, adverts in relevant publications, mail shots (national property publications and / or local press) and inclusion on Herefordshire Council on-line property search facility. The extent of marketing required will vary from site to site depending on its size and type.

9.71 Proposals should also demonstrate that the site is being marketed at a reasonable price comparable to other similar sites and premises in the locality. Flexibility in marketing should also be demonstrated; for example, offering sites / premises on a freehold or leasehold basis and promoting opportunities for smaller requirements through sub-division.

9.72 In determining the viability for employment, a development appraisal should accompany proposals to clearly demonstrate why redevelopment for employment purposes is not commercially viable, identifying the abnormal and other costs which would prevent an appropriate employment scheme coming forward.

9.73 A list of the 'Moderate' sites identified through this study is included in **Table 9.19**.

Table 9.19: 'Moderate' Sites

	Site
County Town	42. Legion Way, Hereford
	48. Rotherwas Industrial Estate / Enterprise Zone (Part – Romney Huts area), Hereford
	60. Holmer Road Trading Estate (a), Hereford
	54. Beech Business Park, Hereford
	47. Holmer Road, Hereford
	43. Special Metals, Hereford
	45. Burcott Road, Hereford
	52. Sun Valley, Hereford
	55. Aydon Industrial Park, Hereford
	57. Rockfield Road, Hereford
	58. Foley Trading Estate, Hereford

Eastern Corridor	10. Linton Trading Estate, Bromyard
	18. Universal Beverages, Ledbury
	16. Bankside Industrial Estate, Ledbury
Rural Heartland	36. Tram Inn, Allensmore
	34. /35. Gooses Foot Industrial Estate, Kingstone
	72. Hergest Camp, Bredward
	32. Westwood Industrial Estate, Ewyas Harold
	68. Shobdon (Kingspan)
	65. Shobdon (Airfield Site)
	1. Paytoe Industrial Estate, Leinterwardine
	2. Brimfield Business Park, Brimfield
	7. Longmoor Industrial Estate, Kingsland
	31. Pontrilas Depot, Pontrilas
	33. Pontrilas Timber Yard, Pontrilas
	37. Dene Industrial Estate, Kingstone
	38. Madley Airfield, Madley
	61. Newport Street, Cusop
	62. Forest Fencing, Eardisley
	63. The Wharf, Eardisley

Poor Sites

9.74 Sites classed as 'Poor' generally perform poorly under the qualitative assessment, but can provide certain functions in the employment hierarchy such as through the supply of lower grade employment land and accommodation for secondary occupiers. Such sites (as listed in **Table 9.20**) are identified as having potential for release from the employment portfolio.

Table 9.20: 'Poor' Sites

	Site
County Town	60a. Holmer Trading Estate (a), Hereford
Eastern Corridor	10. b Land south of Linton Trading Estate, Bromyard
	19. Hereford Road, Ledbury
	13. Land north of Railway Viaduct, Ledbury (part without planning permission)
Rural Heartland	67. Shobdon (Invicta Works site)
	67b. Shobdon (Woods Insulation site)
	66. Shobdon (Premier Group)

Owner Specific Sites

9.75 The study area contains 2 owner-specific sites, both located in the rural heartland area and identified in **Table 9.21** below. Subject to confirmation from the site owners that these areas are still required to accommodate future growth and expansion, we would recommend that these sites are carried forward into the Core Strategy.

Table 9.21: 'Owner Specific' Sites

	Site
County Town	-
Eastern Corridor	-
Rural Heartland	4. Dales Leominster
	73. Cadbury, Marlbrook

Other Sites

9.76 As part this further update of the Council's employment land study, a number of potential additional sites have been qualitatively assessed. These sites, which are located on the edges of Bromyard, Ledbury and Leominster, are currently under consideration as possible additional employment sites as part of the Council's emerging Core Strategy.

Table 9.22: Other Sites

	Site	Classification	Availability
County Town	-	-	-
Eastern Corridor	Land at Little Marcle Road, Ledbury	Moderate	Medium
	Land West of Panniers Lane, Bromyard	Moderate	Medium
Rural Heartland	Land south of Leominster Enterprise Park	Good	Medium

C. County Town Sub Area (Hereford City)

9.77 Rotherwas Industrial Estate, which was awarded Enterprise Zone status in August 2011, is the most significant strategic employment opportunity in this sub area and securing its future phased delivery will be of key importance to the economic growth of the City and Herefordshire more generally. Critical to fully unlocking this opportunity is the need to deliver key infrastructure and to overcome environmental and physical constraints in respect of the 'Phase 3' land in particular. The Council (and the Enterprise Zone Board once formally constituted) should continue existing work with the Marches Local Enterprise Partnership and other key stakeholders to ensure the full delivery of the Enterprise Zone.

9.78 Outside of the Rotherwas Industrial Estate, more centrally located employment opportunities in the County Town sub area assessed as part of this study are limited in number and in certain cases, quality. In light of this position, we would recommend that:

- Appropriate employment opportunities, including for office uses, be incorporated into the comprehensive regeneration proposals for the Edgar Street Grid Area; and
- The promotion of other employment opportunities in the urban area more generally to provide a greater variety of choice and location. This could include:
    - The extension of existing sites within the urban area (e.g. Three Elms Industrial Estate, particularly to support any strategic housing growth in this location);
    - The identification of additional or extended sites outside or on the edge of Hereford (such as Moreton Business Park) capable of accommodating a range of employment uses to meet future employment needs more widely; and
    - Other measures such as proactive policies to promote office development within appropriate central locations.

D: Market Towns of the County

9.79 Providing additional opportunities for sustainable employment serving the market towns of Herefordshire will be important in order to promote a vibrant economy as a whole.

9.80 To address this issue, we would recommend the inclusion of a suite of policies in the Core Strategy to maintain and enhance opportunities for appropriate employment development within and on the edge of larger settlements as well as within rural areas more generally (also see 'E' below).

9.81 As summarised in **Table 9.23**, the identification of specific additional sites at certain larger settlements (where the current level employment land supply within and in the vicinity of the settlement is particularly restricted in terms overall amount and number / quality of opportunities) could also be considered through the Plan.

Table 9.23: Employment Recommendations for Larger Settlements in the Rural Area

Settlement	Commentary / Recommendations
Bromyard	Currently there is no available land supply within the settlement and there are significant qualitative constraints affecting the contribution of other available land in the vicinity of Bromyard, namely land south of Linton Trading Estate. Consideration should be given to the removal of land south of Linton Trading Estate from the employment portfolio as it is highly unlikely to be delivered. **Given the constrained supply position, together with the current aspiration through the Core Strategy to provide circa 500 additional dwellings in Bromyard, consideration should be given to the provision of additional employment opportunities within / well related to Bromyard**
Ledbury	Reasonable available land supply within the settlement. However, the majority of land north of the Railway Viaduct is constrained in terms of access. If retained, further investigation should be undertaken to fully assess viability for employment use. Depending on the outcome of this work, it may be appropriate to promote a mixed use development as a means of generating sufficient values to overcome current delivery constraints. **Given the constrained supply position, together with the current aspiration through the Core Strategy to provide circa 800 additional dwellings in Ledbury, consideration should be given to the provision of additional employment opportunities within / well related to Ledbury**
Ross on Wye	Reasonable available land supply within and on the edge of the settlement, including the 10 hectares site at Model Farm. **Focus on the delivery of Model Farm over the Core Strategy period, also ensuring (other) opportunities for smaller-scale requirements.**
Kington	Limited available land supply within the settlement. **Consider identifying additional appropriate small-scale employment opportunities well related to the settlement.**
Leominster	Generally a good level of available land supply serving the settlement, including land at Leominster Enterprise Park and Southern Avenue. It is understood however that there is strong interest in the majority of the remaining vacant plots at Leominster Enterprise Park and if taken up, this would significantly reduce overall supply in the area. **Given the potential for the development of remaining land at Leominster Enterprise Park in the early part of the plan period, together with the current aspiration through the Core Strategy to provide circa 2,300 dwellings, consideration should be given to the provision of a strategic additional employment opportunity of between 5 to 10 hectares.**

E: Local Planning Policy and Other Responses

Planning Policy Responses

9.82 We would recommend that a hierarchical policy approach towards the protection and promotion of the employment portfolio, as summarised in **Table 9.24**, be considered for inclusion within the LDF:

Table 9.24: Suggested LDF Employment Policy Hierarchy

Issue	Policy Response
'Best' Sites	Identify 'Best' new employment opportunities and existing sites, protect for B class employment uses, set out site-specific development requirements where relevant. If industrial in nature, may be appropriate for waste management facilities.
'Good' Sites	Identify 'Good' new employment opportunities and existing sites, protect for B-class employment use, set out site-specific development requirements where relevant. If industrial in nature, may be appropriate for waste management facilities.
'Moderate' Sites	Identify 'Moderate' sites and opportunities. Adopt a criteria-based policy to assess non-B class uses which may come forward through the development control process. Also apply criteria generically to proposals which would result in the loss of premises not specifically assessed as part of this study, such as important local employment providers in rural areas. If industrial in nature, may be appropriate for waste management facilities.
'Poor' Sites	Identify 'Poor' sites as those which can be released from the employment hierarchy (possibly actively promote for other forms of development including mixed use development through the LDF). May be appropriate for waste management facilities.
General approaches to promote new employment in urban and rural areas	General policy to promote small-scale sustainable employment opportunities in and on the edge of the Hereford City area and other larger settlements (notably in those sub areas where supply is currently restricted).
	a. General policy to promote / guide new employment development / expansion within urban areas; b. General policy to promote / guide expansion of existing employment uses in rural areas, including new local / small scale employment opportunities within and on the edge of Service Centres and Hubs, and Local centres; c. Promotion of rural diversification and the re-use of rural buildings for employment generating uses in the first instance; d. Enhance currently available opportunities for new office development in central urban areas, particularly Hereford City. e. Enhance supply of employment land in certain Market Towns, namely Bromyard, Ledbury and Leominster.

Planning Documents

9.83 For major sites and those with complex or numerous issues to be considered (such as Rotherwas Industrial Estate or other larger opportunities which may be promoted through the development plan process), it will often be appropriate to prepare site Master Plans, Supplementary Planning Documents or Area Action Plans to guide future development. These can be a useful tool, particularly in terms of setting out clearly the main requirements and other considerations associated with particular development opportunities.

9.84 They should be based on a thorough understanding of commercial considerations and market realism to ensure that the optimum form and mix of development can be delivered. This understanding will require the input of commercial development surveyors. It will also be important to ensure that sites are promoted to accommodate a wide range of size requirements, including new start-ups and SME's, to accommodate demand.

Use of Other Planning Powers

9.85 Other powers such as the designation of Simplified Planning Zones and the making of Local Development Orders and Compulsory Purchase Orders could also be explored to assist in the delivery of specific sites where such actions are deemed necessary. The LDO being pursued at the Rotherwas Enterprise Zone will likely be highly beneficial in assisting in the delivery of new development in this location.

F: Monitoring

9.86 In order to maintain a robust basis for assessing proposals and keeping employment policies up to date, it is important that the Council monitors and keeps under regular review the following:

- Employment land supply, including commitments outside of identified local plan sites. Monitoring of site area and floorspace information should be carried out. Where possible B1 classes should be split between offices (B1a) and, research and development and light industrial sites (B1b and B1c) to allow for detailed monitoring of land take up and trend analysis. This allows for a more robust approach in terms of the assessment of land supply in the context of planning use class and importantly market sectors. Consideration should also be given to monitoring the take up / loss of wider employment-generating uses beyond specific B Classes.
- Where possible business relocations and expansions into and out of the District (through planning applications).
- Details of vacant land and premises, not only for monitoring purposes but also as an economic development tool to promote and market available opportunities in the County.

9.87 Implementation of monitoring recommendations will be important in order to properly assess proposals impacting on employment land supply (i.e. application of the above-mentioned assessment policy criteria). The Council already carries out reasonably extensive annual employment land monitoring and we would recommend that this process continues and that consideration be given to collecting additional details as suggested above to further enhance the usefulness of information collected.