

Drivers Jonas Deloitte.

Herefordshire Employment Land Study Update September 2010

Document Number: 18594558_1 Version: 1

Date: September 2010

Amended by: RB/MVW

Principal changes: Update 2010

Contents

- 1 Introduction..... 1**
 - Introduction 1
 - Purpose and Scope of the Study..... 2
 - Stages and Outputs of the Study..... 2

- 2 Overview of Key Tasks and Approach..... 4**
 - Task 1: Sub Division of the Study Area 4
 - Task 2: Planning and Economic Policy Review 4
 - Task 3: Quantitative Assessment of Employment Land and Premises..... 5
 - Task 4: Qualitative Assessment of Employment Land and Premises..... 6
 - Task 5: Quantitative Forecasts of Employment Land Requirements 8
 - Task 6: Employer Survey..... 8
 - Task 7: Review of Market Trends and Demand 9
 - Task 8: Conclusions and Recommendations 10

- 3 Policy Context..... 11**
 - Introduction 11
 - National Planning Policy Guidance 11
 - Regional Policy..... 14
 - Local Policy..... 16

- 4 Employment Land and Premises – Quantitative Assessment of Supply 22**
 - Introduction 22
 - Existing Stock of Employment Premises..... 22
 - Employment Land Supply..... 26
 - Employment Allocations and Commitments..... 27
 - Employment Completions..... 33

- 5 Employment Land and Premises – Qualitative Assessment of Supply 35**
 - Approach 35
 - Overview of Employment Allocations, Main Commitments and Other Large Sites..... 36
 - County Town..... 38

Eastern Corridor Sites	42
Rural Heartland Sites.....	50
Other Sites.....	55
6 Forecasts of Employment Land Requirements.....	61
Widening Employment Land Forecasts.....	61
Employment Forecasts	62
Translating Employment Forecasts into Employment Land Forecasts	63
Baseline Scenario in More Detail	66
Scenarios.....	67
Labour Supply.....	69
Comparisons Between Scenarios	70
Comparison Against Previous Employment land Forecasts	71
Conclusions	72
7 Findings from the Employer Survey	73
Introduction.....	73
Overview.....	73
Manufacturing.....	78
Construction.....	82
Wholesale.....	85
Transport And Distribution.....	87
Financial Intermediation, Real Estate And Other Business Services Activities	90
8 Review of Market Trends and Demand	94
Introduction.....	94
County Town.....	94
Eastern Corridor	96
Rural Heartland.....	98
9 Conclusions and Recommendations.....	100
Introduction.....	100
Forecast Employment Land Requirements	100
Planning Policies and Strategies	102
Overview of Market Trends and Demand.....	103
Conclusions from the Employer Survey	105
Overview of Supply.....	106
Qualitative Analysis of Supply	110
Conclusions and Recommendations.....	115

Appendices

1. Study Sub Area Plan
2. Qualitative Site Assessment Criteria
3. Schedule of Vacant Premises
4. Completed Site Assessment Pro-formas
5. Key Sites – Supply Overview
6. Employment Forecasting – Technical Annexe

1 Introduction

Introduction

- 1.1 Drivers Jonas Deloitte (formerly Drivers Jonas LLP) was initially appointed by Herefordshire Council in September 2007 to prepare an employment land study for the County. This was prepared in three stages and a final draft of the study was produced in October 2009 and provided a comprehensive report on employment land requirements for the period up to 2026, 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 October 2009 employment land study with particular regard to the following:

Update of Planning Policy Context

- § Consideration and analysis of Planning Policy Statement 4: Planning for Sustainable Economic Growth (CLG December 2009);
- § Consideration and analysis of the Herefordshire Core Strategy 'Shaping Our Place 2026' – preferred strategy and further options document;
- § Reconsideration of the study findings in light of the Secretary of State revoking Regional Spatial Strategies with immediate effect from 6 July 2010; and
- § Consideration of recently completed Local Development Framework evidence base documents and implications for the assessment work of the employment land study e.g. Strategic Flood Risk Assessment, Waste Management Plan etc.

Qualitative Assessment Review

- § Qualitative assessment of four additional rural sites which include employment sites at: Ashvale, Cradley; Stonyhills Industrial Estate, Whitchurch; Woodend Business Park, Stoke Lacy; and Court Farm Business Park, Bishops Frome; and
- § A review of previous qualitative assessment work to identify any 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.

Analysis of the Rural Economy

- § gathered through updating of the market sections of the report and updating of the quantitative and qualitative assessment work.

Assessment of Market Demand and Need

- § Update of market performance through review of updated vacancy, transactions information and employment completion rates; and
- § Provide further information on demand in the rural areas, also reflecting the defined hierarchy or rural centres.

Forecasts

- § Update of the population forecasts to allow assessment of current recessionary impacts to be analysed. In addition, re-running of the forecast data to allow analysis of wider employment generating uses in line with the approach in Planning Policy Statement 4;
- § Specific update tasks for the forecast modelling have included:
 - Gathering 4 digit ABI data to construct employment profiles between 1998 and 2008;
 - Updating the main sectoral forecasts using Oxford Local Area forecasts;
 - Sense checking of the forecasts following switch from Cambridge Econometrics to Oxford Econometrics;
 - Performing a shift-share analysis on order to forecast disaggregated sectors locally (e.g. small sectors wider than B Class) based on national structural factors;
 - Gathering and applying appropriate site density ratios for the new uses;
 - Generating employment land forecasts; and
 - Sense check against supply side forecasts.

Recommendations

- § Assessing the policy scenarios set out within the 'Shaping Our Place 2026' document to review compatibility with the outputs of the updated Employment Land Study.

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, as defined by the Council, 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 is set out in the following section of the report. For completeness, this report also incorporates all relevant details from the previous 2009 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**.

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** below 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	PPS1: <i>Delivering Sustainable Development (2005)</i>
	PPS3: <i>Housing (2006)</i>
	PPS4: <i>Planning for Sustainable Economic Growth (2009)</i>
	PPG13: <i>Transport (2001)</i>
Regional	<i>Delivering Advantage: The West Midlands Economic Strategy and Action Plan (2004)</i>
	<i>Connecting to Success: West Midlands Regional Economic Strategy (2007)</i>
	<i>Rural Renaissance: Advantage West Midlands' Rural Framework (2005)</i>
	Rural Regeneration Zone Implementation Plan 2007 - 2010
Local	Herefordshire Unitary Development Plan (2007)
	Herefordshire Economic Development Strategy (2007)
	Herefordshire Core Strategy <i>Shaping Our Place 2026</i> (2010)
	Herefordshire Sustainable Communities Strategy (2010)

- 2.6 Following the Secretary of State's decision on 6 July 2010 to revoke all Regional Spatial Strategies, the regional policy position as previously set out in October 2009 version of the employment land study, has been removed. However, the Regional Economic Strategy has not been revoked and is therefore still a consideration in reviewing employment land requirements and objectives for the purposes of this updated study.
- 2.7 Housing growth targets for the purposes of this study are to remain at 18,000 new homes during the period 2006-2026 as previously set out in the West Midlands Regional Spatial Strategy Phase Two Revision Report of the Panel: September 2009. It is understood that Herefordshire Council considers the target to be realistic and deliverable for Hereford and therefore the Core Strategy is continuing to be prepared on this basis.

Task 3: Quantitative Assessment of Employment Land and Premises

- 2.8 In order to provide an overall quantitative picture of supply, this report examines the following:
- § 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.
- 2.9 For each aspect, we have quantified the level and distribution of existing floorspace and proposed future land and floorspace across the Herefordshire Council area and its constituent sub areas. Supply has been 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

- 2.10 The most reliable figures for existing floorspace provision at the sub-local authority level are business rates statistics provided by the Office for National Statistics (ONS) in collaboration with the Valuation Office.
- 2.11 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. This data has been analysed by sub-area within the Herefordshire area, albeit that 'best fit' ONS output areas need to be applied.
- 2.12 Although ONS data does provide a vacancy rate for the main employment sectors for Herefordshire as a whole, sub-local authority area level ONS floorspace data does not however distinguish between vacant and occupied space, rather an amalgamated figure for total floorspace is identified.
- 2.13 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 therefore 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.
- 2.14 We have also carried out our own investigations on vacant premises to clarify details in the register to ensure, for example, that the double-counting of premises is avoided as far as possible.

Quantitative Assessment of Potential Future Land and Floorspace

- 2.15 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 and those allocations which also provide opportunity for economic generating uses as described by PPS4.
 - § *Employment Commitments* – Sites under construction at the time of survey or with extant planning permission for B1, B2 or B8 uses and those which also provide opportunity for economic generating uses as described by PPS4.
- 2.16 In addition, where information has been made available, the study also considers employment 'losses'. These can be defined as sites with planning permission which would result in the loss of an existing employment use / building or the loss / reduction of an identified employment allocation to alternative non-B Class / economic generating form of development.
- 2.17 Quantitative land supply information has been obtained from the returns to the Regional Employment Land Survey (RELS) provided by the Council (as at mid 2008). This information has also been interrogated and expanded upon as necessary to provide a more detailed assessment of land supply and potential new employment floorspace by main planning use class / employment sector. Further details on our approach to the quantitative assessment of supply is included at Chapter 4.

Task 4: Qualitative Assessment of Employment Land and Premises

- 2.18 The Council has identified approximately 85 sites / employment areas which have been subject to specific qualitative assessment (i.e. site appraisal).
- 2.19 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.
- 2.20 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.
- 2.21 The detailed qualitative assessment applied in this Study, which has been prepared with regards to best practice and also the sustainability matrix / process already adopted by the Council for its LDF, is included at **Appendix 2**.
- 2.22 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.
- 2.23 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.
- 2.24 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.
- 2.25 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 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

- 2.26 The starting point for forecasting work is to assess and categorise local forecasts for Herefordshire produced by Oxford Economics to match our typology of employment and land uses, encompassing B1(a), B1(b), B1(c), B2 and B8 types. This has been done using information from the Annual Business Inquiry as well as the business survey conducted in the 2008 as part of the initial employment land review.
- 2.27 The next step is to translate our employment forecasts into employment land requirements. The mechanism for doing so is to apply employment densities and plot ratios to reach hectares of employment land required for each land use category. The source information used includes ODPM guidance, Valuation Office derived estimates and information from the business survey in 2008. A mixture of these sources of information has been used in generating the most feasible position which best describes the relationship between employment and land use requirements.
- 2.28 In order to better understand the sensitivity of the forecasts and assess the implications of feasible future positions, two further scenarios have been considered with reference to the economic development strategy and in consultation with appropriate council officers, assessing development of environmental and sustainable technologies and the food and drink sector.
- 2.29 As an independent 'realism' check, constraints to the scenarios from the supply side of the labour market are assessed including the assessment of demographic trends, economic activity rates, unemployment rates and commuting patterns.
- 2.30 This information is then drawn together to present the total expected employment land required to satisfy the expected growth in the economy up until 2026, and compared with the estimates presented as part of the previous employment land review; assessing the effect of the recession on employment land allocation.

Task 6: Employer Survey

- 2.31 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.
- 2.32 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

- 2.33 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

- 2.34 As part of the previous study, analysis of the Council's annual monitoring information was undertaken to provide details of past annual completion rates for the period 1986/87 to 2006/07. For this update report annual monitoring information up to 2008/2009 has been obtained and analysed in conjunction with discussions with the economic development team in advance of the 2009/2010 monitoring data being finalised and released.
- 2.35 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

- 2.36 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.
- 2.37 Details of employment land supply distinguish between UDP employment allocations (without planning permission) and also land and sites with permission for employment development, 'Losses' are also recorded which are sites with planning permission which would result in the loss of existing employment land or floorspace.
- 2.38 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

- 2.39 The employer survey provides a useful indicator of potential local occupier demand / contraction over the short term in particular. 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

- 2.40 Discussions with key stakeholders is 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.
- 2.41 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

- 2.42 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.
- 2.43 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 policy scenarios set out within the 'Shaping Our Place 2026';
 - § 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;
 - § 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; and
 - § Recommendations in relation to future monitoring of employment land.

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 Policy Guidance

PPS1: Delivering Sustainable Development (2005)

- 3.2 The purpose of this statement is to set out the overarching planning policies for the delivery of sustainable and inclusive patterns of development through the planning system. Paragraph 5 of the PPS states that the main objectives of the planning system are:
- § Making suitable land available for development in line with economic, social, and environmental objectives to improve people's quality of life;
 - § Contributing to sustainable economic development;
 - § Protecting and enhancing the natural and historic environment, the quality and character of the countryside, and existing communities;
 - § Ensuring high quality development through good and inclusive design, and the efficient use of resources; and
 - § Ensuring that development supports existing communities and contributes to the creation of safe, sustainable, liveable and mixed communities with good access to jobs and key services for all members of the community.
- 3.3 In line with the Government's commitment to promoting a strong, stable and productive economy, planning authorities should provide for improved productivity, choice and competition ensuring suitable locations are available for industrial, commercial and other developments, whilst recognising that economies are subject to change.

PPS3: Housing (2006)

- 3.4 PPS3 aims to ensure local planning authorities provide sufficient developable land with planning permission to meet housing need and demand and to improve affordability. They must take account of market information and develop policies which can deliver. The priority for development should be previously developed land, in particular vacant and derelict sites and buildings. Regional and local planning authorities are expected to set Brownfield targets. There must be effective and efficient use of land and there is a strong emphasis on achieving high quality housing, especially design quality.

- 3.5 In terms of the effective use of land and targets for the re-use of land that has been previously developed, guidance notes (in paragraph 44) that:

“In developing their previously-developed land strategies, Local Planning Authorities should consider a range of incentives or interventions that could help to ensure that previously-developed land is developed in line with the trajectory/ies.” This process should include, amongst other things: “Considering whether sites that are currently allocated for industrial or commercial use could be more appropriately re-allocated for housing development.”

- 3.6 On 9 June 2010 Greg Clark MP, The Government's Minister for Decentralisation, made a Ministerial Statement announcing the reissue of PPS3 with the following amendments from that date:
- § the definition of previously developed land in Annex B now excludes private residential gardens; and,
 - § the national indicative minimum density of 30 dwellings per hectare is deleted from paragraph 47.
- 3.7 The change to the minimum density requirement may result in lower densities being delivered on housing sites which could in turn result in a more land being required to deliver the housing growth targets being pursued through the Core Strategy. It is not for this study to advise on the likely future density for delivery of housing in Herefordshire, as the Council will determine appropriate local density figures and in turn review the implications of this for housing delivery. If there is a significant reduction in the local density figures for housing delivery then this could potentially result in upwards pressure on the release of employment sites to housing development.

PPS 4: Planning for Sustainable Economic Development, December 2009

- 3.8 PPS 4 sets out the Government's planning policy in relation to sustainable economic development. It defines 'economic development' as including development within the B Use Classes, public and community uses, main town centre uses and, other forms of development (excluding housing) that provide employment, generate wealth or, produce an economic output or product.
- 3.9 Policy EC1 of PPS 4 is concerned with using evidence to plan positively. At the local level, the policy states that the Plan's evidence base should, inter alia:

Assess the existing and future supply of land available for economic development, ensuring that existing site allocations for economic development are reassessed against the policies in this PPS, particularly if they are for single or restricted uses. Where possible, any reviews of land available for economic development should be undertaken at the same time as, or combined with, strategic housing land availability assessments.

- 3.10 Policy EC2 considers planning for sustainable economic growth. Criteria h to k identify measures to be implemented at the local level and can be summarised as to:
- § Where necessary to safeguard land from other uses, identify a range of sites to facilitate a broad range of economic development, including mixed use. Existing site allocations should however not simply be carried forward without evidence of need and a reasonable prospect of their take up within the plan period;
 - § Encourage new uses for vacant buildings, including historic buildings;
 - § Consider how sites for different businesses can be delivered (e.g. compulsory purchase, area action plans, simplified planning zones and local development orders); and
 - § Facilitate new working practices such as live / work.

- 3.11 Policy EC6 of PPS 4 is concerned with planning for economic development in rural areas. This seeks to focus most new development in or on the edge of existing settlements, particularly local service centres, where employment, housing, services and other facilities can be provided close together. The policy also supports the conversion and re-use of appropriately located and constructed existing buildings in the countryside for economic development and, appropriate farm diversification for business purposes.

PPG13: Transport (2001)

- 3.12 The key objective set out in this guidance is to promote accessibility to jobs, shopping, leisure facilities, and services by public transport, walking and cycling. Local authorities are advised to consider this when preparing local development plans and assessing planning applications.
- 3.13 Paragraph 21 outlines that local authorities should review their development plan allocations and should allocate or re-allocate sites which are (or will be) highly accessible by public transport, for travel intensive uses (including offices). Conversely, less travel intensive uses should be located where public transport is less effective.
- 3.14 Paragraph 32 states that “local authorities should adopt a positive, plan-led approach to identifying preferred areas and sites for B1 uses which are (or will be) as far as possible highly accessible by public transport, walking, and cycling”.
- 3.15 Paragraph 30 states that development involving large amounts of employment should be located in city, town and district centres and near to major public transport interchanges.
- 3.16 Paragraph 44 concerns development within rural areas and states that:

“In determining the appropriate strategy for employment in rural areas, it is important to consider the scale, impact and likely catchment of developments. Local authorities will need to weigh up policy concerns but in general terms, the larger the number of staff employed on site the greater the need to ensure that development is accessible by public transport, walking and cycling. Depending on the nature of use, this may mean locating larger employment uses in or next to a designated local service centre. Employment uses which are regional or sub-regional in scale should be located where they accord with regional planning guidance and where they offer a realistic choice of access by a range of transport modes”.

Employment Land Reviews Guidance Note, ODPM (2004)

- 3.17 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.
- 3.18 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.
- 3.19 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.
- 3.20 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.
- 3.21 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

- 3.22 The Secretary of State issued a letter on 6 July 2010 confirming immediate revocation of Regional Spatial Strategies and with an identified intention to abolish the RSS system as part of the Government’s proposed Decentralisation and Localism Bill.
- 3.23 In light of this position, this report has considered the regional economic strategy position only and supporting evidence to this. However, the previously emerging housing growth figures for Herefordshire are of relevance to the outputs of this study. It is understood that it is the Council’s intention to progress preparation of the Core Strategy based on the emerging growth targets (and underlying evidence base) set out in the RSS.
- 3.24 The level of housing growth being pursued is a key driver in setting local employment land requirements to be delivered through the Core Strategy (Strategic Sites) and through the Site Allocations Development Plan Document (Non-Strategic Sites). The Core Strategy will also set the spatial planning approach to the location and delivery of employment land the policy considerations for the protection of employment sites from development for alternative uses.

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

- 3.25 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”

- 3.26 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.

- 3.27 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.
- 3.28 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.
- 3.29 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

- 3.30 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’

- 3.31 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.
- 3.32 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.
- 3.33 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.
- 3.34 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

- 3.35 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, diversify and collaborate to meet the challenges of the 21st century global economy'
- 3.36 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

- 3.37 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'.

- 3.38 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)

- 3.39 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.
- 3.40 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.

- 3.41 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.
- 3.42 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.
- 3.43 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.
- 3.44 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.
- 3.45 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).

Herefordshire Local Development Framework and Local Development Scheme, Herefordshire District Council (2007)

- 3.46 Policies in the recently adopted Unitary Development Plan will be saved for a period of 3 years and gradually replaced by the Local Development Framework as relevant documents are prepared. The Local Development Scheme (LDS) sets out a timetable of Local Development Documents (LDDs) to be produced over the next three years of the Local Development Framework programme.
- 3.47 Work has commenced on the Core Strategy, the Hereford Area Plan and the Market Towns and Rural Areas Plan Development Plan Documents with adoption expected in 2011, 2013 and 2013 respectively. The Statement of Community Involvement and a number of Supplementary Planning Documents have already been adopted.

Core Strategy Shaping Our Place 2026 (January 2010)

- 3.48 The Place Shaping Paper Consultation considers a preferred strategy and further options for the emerging Core Strategy. It also forms the first stage (the main Issues) of the two, more area-specific plans that Herefordshire Council are producing – The ‘Hereford Area Plan’ and the ‘Market Towns and Rural Areas Plan’.
- 3.49 The economic prosperity objectives of the preferred strategy are as follows:
- § To provide more local, better paid job opportunities to limit out commuting and strengthen the economy by attracting higher value-added, knowledge based industries and cutting-edge environmental technologies to new/existing employment land and enabling existing businesses to grow and diversify, facilitated by the universal provision of a high bandwidth broadband service;
 - § To strengthen Hereford's role as a sub-regional focus for the county, through city centre expansion as part of wider city regeneration and through the provision of a balanced package of transport measures including park and ride, bus priority schemes and a relief road including a second river crossing;
 - § To improve the economic viability of the market towns, villages and their rural hinterlands by facilitating employment generation and diversification, improving delivery and access to services (including affordable housing and improved ICT) and realising the value of the environment as an economic asset.
 - § To develop Herefordshire as a destination for quality leisure visits and sustainable tourism by enabling the provision of new, as well as enhancement of existing tourism infrastructure in appropriate locations.
- 3.50 The overarching preferred strategy is as follows:
- § To focus approximately half of all new homes (including affordable) with associated employment, retail, leisure, education and cultural development as well as new transport and green infrastructure in and around the main urban area of Hereford to support its regeneration and status as a growth point.
 - § To focus the majority of remaining development at the market towns of Leominster, Ledbury, Ross-on-Wye, Bromyard and Kington (with Leominster taking the greatest amount) to support their status as service centres to their rural hinterlands and to support rural regeneration including employment creation / diversification, delivery of and access to services (including affordable housing), realising the environment as an economic asset and reducing the need to travel.
 - § To pursue targeted regeneration and possible modest extensions (including homes and jobs) at Rural Service Centres and Hubs to meet rural housing needs (including affordable, employments and community needs and to reduce the need to travel.
 - § At Local Centres to allow small scale development to meet rural housing (including affordable) and employment needs and support local community services.

- § Elsewhere, development will be limited to rural exception housing needs (agricultural, forestry, farm diversification, replacements, conversions or rural affordable housing only) and diversification of farms or rural businesses of an appropriate scale to protect the countryside for its own sake and address climate change.
- § Where possible, to pursue a sequential approach to development utilising brownfield land and buildings before greenfield land.
- § To manage the release of housing and employment land to ensure delivery to meet targets and co-ordination with infrastructure provision.

3.51 The preferred strategy has utilised the findings of the 2009 Employment Land Study to identify the following considerations in respect of employment land requirements:

The regional plan panel report recommends that there is a need to have a rolling reservoir of 37ha of readily available employment land for a 5 year period. The panel also recommend that a 10 year supply of land should also be identified (i.e. 74ha) and that the indicative requirement for Herefordshire for the Plan period (2006-2026) should be 148ha (37x4).

The Employment Land Study reports that overall there is good quantity of existing employment land supply within Herefordshire as a whole (112ha) when compared against forecast minimum requirements using small area forecasting techniques. However, projecting past completion rates forward provides a different picture of requirements with a modest surplus in employment land supply for Herefordshire. This forecast was undertaken prior to the panel report increasing the indicative target to 148ha. The Study stresses the need to apply 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. Therefore, in county-wide terms and taking into account employment land completions over the past 3 years since 2006 (45.5ha), the indicative requirement for the remaining period would drop to 102.5ha. As there is around 112ha of employment land currently with planning permission or allocated in the county there could be an argument for no further additional strategic allocations. However, the policy directions as set out in Section 7 may result in a loss of some poor/moderate employment land and as there is need for an adequate and balanced portfolio of sites, and the total regional plan figure remains indicative only, it is felt prudent to make specific strategic allocations in Hereford and some of the market towns. Those at Ledbury and Bromyard are broadly replacements for existing sites and again follow recommendations of the Employment Land Study.

The above employment requirements will be achieved by using strategic allocations in the Core Strategy and other policies to:

- § Safeguard existing better quality employment land,
- § Focus most new provision in Hereford (in association with urban extensions) and market towns in tandem with housing growth,
- § Promote live/work units,
- § Promote employment uses in rural areas, including enabling appropriate economic diversification proposals in recognition of the county's designation as a Rural Regeneration Zone in the regional plan, and
- § Monitor and review supply through the Annual Monitoring Report.

3.52 In respect of planning for waste and providing suitable land for waste management facilities, the preferred strategy includes:

- § Identify broad locations for an identified range of waste management facilities.
- § Encourage sustainable waste management development which supports the Waste Hierarchy. This will ensure that waste reduction, re-use, recycling and composting are prioritised, encourage the use of emerging technology and will help to tackle climate change.

- § Support proposals to meet adopted waste recovery targets for specified waste streams including agricultural, municipal commercial and industrial wastes. This may include at least 2 hectares to accommodate municipal recycling and composting and at least 8-10 hectares for commercial and industrial waste. In addition, the use of integrated waste management plans will be encouraged as part of new strategic developments.
- § Allow for the preparation of a specific waste Development Plan Document if changes in circumstances justify one during the Core Strategy plan period.

Herefordshire Economic Development Strategy 2005-2025, The Herefordshire Partnership (2006)

3.53 The Strategy aims to raise Herefordshire's profile as a county with:

- § Well connected and inclusive communities;
- § Adaptable and skilled workforce;
- § Workplace and resident income comparing favourably with the regional average;
- § Balanced and diversified business base;
- § Genuine commitment to sustainable development to reinforce a unique quality of life; and
- § Stakeholders and agencies working together across a common agenda to deliver joint priorities.

3.54 The Strategy identifies four key weaknesses that Herefordshire needs to address:

- § Productivity – Herefordshire's GVA is lower than the regional and national average. Increasing its GVA would attract and develop higher value services and would also be likely to reduce dependency on the manufacturing and agricultural sectors;
- § Entrepreneurship – New rates of new firm formation has been poor in Herefordshire;
- § Knowledge & Technology – Knowledge and technology are key drivers of economic growth. Additionally, knowledge rich locations are more productive, innovative and can draw higher value investment. A key constraint which is likely to hinder the realisation of this challenge is the capacity constraint of small businesses which are likely to experience greater difficulty in adapting to new technologies.
- § Skills – This weakness identifies that higher skilled workers are required to operate advanced technology and production techniques. The workforce in Herefordshire is also less qualified than the national average and the adjoining counties.

3.55 In order to meet the above four challenges, five key themes are identified within the strategy to assist in addressing the identified weakness points:

- § Theme 1 Sustainable Development – Build upon the efforts to carry out sustainable development through sustainable land management, local sourcing, renewable energies, environmental economy and education, and training.
- § Theme 2 Business and Enterprise – Raise the rate of new company formation and provide a better environment for existing businesses by measures including: rural enterprise, lobbying for better links to technology (Central Technology Belt), regenerating Hereford City, carrying out farm diversification, developing a social enterprise.
- § Theme 3 Skills and Workforce development – Six priority actions are identified to assist in developing skills in the workforce including National Employer Training programmes and developing a Lifelong Learning Network.
- § Theme 4 Communications and Infrastructure – Bringing forward employment land and improving access and movement of goods is considered to be critical to achieve objectives set out under this theme. In addition, the following actions have been identified: twin track approach of bringing forward industrial sites and premises, promoting the proliferation of ICT infrastructure, developing virtual business centres and undertaking road infrastructure and transport improvements.
- § Theme 5 Inclusion and community involvement – Measures include identifying and developing social enterprise models to supply services into rural and peripheral communities; introducing initiatives to strengthen voluntary activity with a focus on engaging young people.

Herefordshire Sustainable Community Strategy, 2010, Herefordshire Partnership

- 3.56 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’.
- 3.57 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.
- 3.58 The strategy provides an overview of how Hereford 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 As noted in Chapter 2, the property profile, in terms of amount and broad distribution across Herefordshire and its constituent defined sub areas, has been assessed through a quantitative analysis of existing employment floorspace and proposed future land and associated potential floorspace by B1, B2 and B8 use classes and also by main employment sectors (office, manufacturing and, warehousing and distribution).
- 4.2 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 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 sub-Herefordshire level are provided by the Office for National Statistics (ONS).
- 4.5 The data identifies the total number and floorspace of hereditaments by sector, notably office, factory (manufacturing) and warehouse & distribution. Data can be analysed by the defined sub-areas, albeit that 'best fit' ONS output areas need to be applied.
- 4.6 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 on a single site.

4.7 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 considerable.

4.8 **Table 4.1** provides a breakdown of current employment hereditaments and floorspace by sector and at sub-area level (April 2008 data). **Figure 4.1** illustrates the average hereditament size. Although there will clearly be variation in unit sizes across different sectors and sub areas, this analysis does provide a very broad picture of the general scale of premises.

Table 4.1: Breakdown of ONS Data by Sector and Sub-Area (No. of Hereditaments and Floorspace)

Sub Area	Office A2 and B1 (a)	Manufacturing/ Industrial B1 (b), B1 (c) and B2	Warehouse or distribution B8
County Town	421 (89,000 sq m)	297 (283,000 sq m)	332 (177,000 sq m)
Eastern Corridor	244 (31,000 sq m)	379 (208,000 sq m)	248 (127,000 sq m)
Rural Heartland	127 (23,000 sq m)	609 (368,000 sq m)	350 (188,000 sq m)
Herefordshire Total	792 (143,000 sq m)	1,285 (859,000 sq m)	930 (492,000 sq m)

Source: National Statistics web site

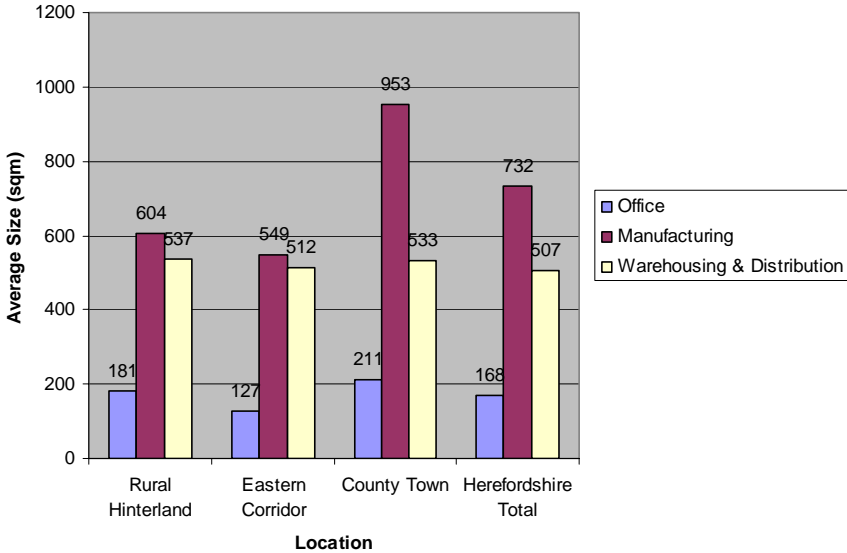


Figure 4.1: Average Hereditament Size by Sector and Sub-Area

Derived from National Statistics web site

Vacant Premises

4.9 Sub-Herefordshire level ONS floorspace data does not distinguish between vacant and occupied space, rather an amalgamated figure for total floorspace is identified.

4.10 Set out in **Tables 4.2** and **4.3** below is an overview of vacant premises by study area sub-area and sector, focussing on Industrial / warehouse and office premises. Details on available premises have primarily been obtained from the Council's Commercial Property Register (dated May 2010 – July 2010). 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.

4.11 We have also carried out our own investigations on vacant premises to clarify details in the register to, for example, ensure that the double-counting of premises is avoided. More detailed schedules of vacant premises are reproduced at **Appendix 3**.

Table 4.2: Vacant Office Premises

Sub Area	Size Bands in m ² (numbers of vacant properties shown in brackets)						Total
	0 100	101 500	501 1000	1001 2000	2001 5000	5001+	
County Town	1007 (19)	3771 (18)	-	2983 (2)	-	-	7761 (39)
Eastern Corridor	748 (22)	1989 (11)	1442 (2)	2073 (2)	-	-	6252 (37)
Rural Heartland	528 (10)	909 (4)	-	-	-	-	1437 (14)
Herefordshire Total	2283 (51)	6669 (33)	1442 (2)	5056 (4)	-	-	15450 (90)

Source: Herefordshire Council Commercial Property Register (May 2010 – July 2010) & review of agents particulars

Table 4.3: Vacant Industrial & Warehousing Premises

Sub Area	Size Bands in m ² (numbers of vacant properties shown in brackets)						Total
	0 100	101 500	501 1000	1001 2000	2001 5000	5001+	
County Town	634 (10)	10915 (39)	8638 (12)	8736 (5)	17287 (6)	23009 (3)	69219 (75)
Eastern Corridor	569 (10)	9226 (37)	9093 (13)	6147 (4)	8189 (3)	8185 (1)	41409 (68)
Rural Heartland	358 (5)	7052 (33)	1821 (3)	3069 (2)	12487 (3)	5570 (1)	30357 (47)
Herefordshire Total	1560 (25)	27194 (109)	19552 (28)	17952 (11)	37963 (12)	36764 (5)	140985 (190)

Source: Herefordshire Council Commercial Property Register (May 2010 – July 2010) & review of agents particulars

4.12 With regards to current office vacancies, these are predominantly focussed in the smaller size bands, notably less than 100 sq m and, between 101 and 500 sq m. The majority of currently available office space is found within the County Town sub area, which is to be expected given that this sub area also includes over half of the Herefordshire's existing office floorspace (see Table 4.1).

4.13 Industrial and warehousing vacancies make up over 90% of the area's currently available employment stock. This is evenly split between the County Town and Eastern Corridor areas (at circa 70,000 sq m of available space in each sub area), with a lower level of vacant floorspace (and units) within the Rural Heartland area. Supply is most often provided in units of below 1,000 sq m although there are also a number of larger vacancies in excess of 1,000 sq m across all sub areas.

4.14 It is useful 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 **Table 4.5**) provide a comparison of current vacancy levels against those which existed in early 2008 (based on

information included in Tables 4.2 and 4.3 and an analysis of available premises recorded in the Council's Commercial Property Register for the period February 2008 to April 2008).

Table 4.4: Change in Office Vacancy (Early 2008 to Mid 2010)

Sub Area	Early 2008	Mid 2010	Change Over Period
	Total Vacant Floorspace m ² (number of vacant properties)	Total Vacant Floorspace m ² (number of vacant properties)	Actual Change in m ² (percentage change)
County Town	4661 (29)	7761 (39)	3100 (+67%)
Eastern Corridor	3882 (23)	6252 (37)	2370 (+61%)
Rural Heartland	3152 (24)	1437 (14)	-1715 (-54%)
Herefordshire Total	11695 (76)	15450 (90)	3755 (+32%)

Table 4.5: Change in Industrial and Warehouse Vacancy (Early 2008 to Mid 2010)

Sub Area	Early 2008	Mid 2010	Change Over Period
	Total Vacant Floorspace m ² (number of vacant properties)	Total Vacant Floorspace m ² (number of vacant properties)	Actual Change in m ² (percentage change)
County Town	35496 (45)	69219 (75)	33723 (+95%)
Eastern Corridor	22632 (49)	41409 (68)	18777 (+83%)
Rural Heartland	28596 (50)	30357 (47)	1761 (+6%)
Herefordshire Total	86724 (144)	140985 (190)	54261 (+63%)

- 4.15 Change in available office space has increased by 32% since 2008. Increases have been more pronounced in the County Town and Eastern Corridor sub-areas but vacancies are currently lower in the Rural Heartland area than in mid 2008. Increase in vacancies has been more significant in vacant industrial / warehousing stock, with an almost doubling of available marketed space since 2008 in the County Town area. Change within the Eastern Corridor sub area has also been relatively substantial. A large contributor to this increase in the Eastern Corridor is from large levels of space being marketed at the European Hall site at Bromyard Road Trading Estate in Ledbury.
- 4.16 Looking further back in time, **Figure 4.2** illustrates the broad annual percentage vacancy rate of employment premises across the Herefordshire Council area as a whole over the period 1998/99 to 2004/05, compared against the regional and national average. The Office of National Statistics does not have broad annual a percentage vacancy rates for employment after 2005.

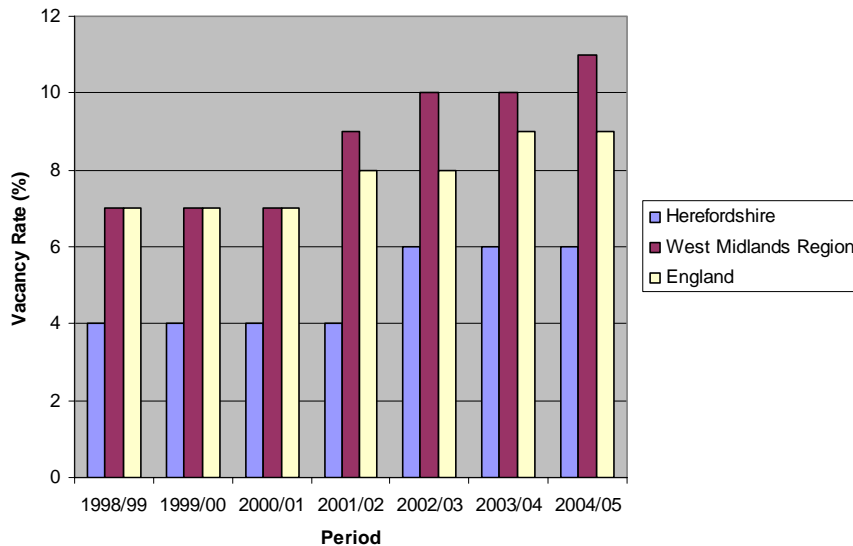


Figure 4.2: Change in Vacancy Over Period 1998/99 to 2004/05

Source: National Statistics web site

- 4.17 Over the period reported in Figure 4.2, the vacancy trend in Herefordshire has followed the regional and national trend albeit the vacancy rate in Herefordshire is less than for the West Midlands and England. In comparison to the West Midlands, vacancy rates in the study area are considerably less.
- 4.18 According to data obtained from the National Statistics database, during the 2001 – 2005 period the vacancy rate for Herefordshire was constant at 6%. The level of current vacancy revealed in **Tables 4.2 and 4.3** suggests a total of approximately 156,435 sq m, which is equivalent to a 10.5% vacancy rate. Although the data sets are different which makes a direct comparison problematic, this elevated figure could, in large part, be explained by the current economic downturn.

Employment Land Supply

- 4.19 The assessment of existing 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 or E3). Also included are other relevant allocations with potential to accommodate new employment development where appropriate (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 and existing employment uses with extant permission for other forms of development at the time of survey.
- 4.20 Quantitative land supply information has been obtained from returns to the Regional Employment Land Survey provided by the Council. This information has been interrogated and expanded upon as necessary to provide a more detailed assessment of land supply and potential new employment floorspace by main planning use class / employment sector (see **Tables 4.7 to 4.11**). This approach provides a more in depth analysis than just looking at site areas in isolation for example. It should be noted that, due to the timing of the study, employment land supply figures as at mid 2008 have been utilised as a base point for assessing the quantitative supply position although some interim updating has also been applied through discussions with Council Officers to gain a more up to date position.
- 4.21 The general approach applied to define (potential) floorspace capacities is as follows:

Allocations

- § Obtaining site areas and other details from RELS.

- § 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 quantum, 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
- § Any 'owner specific' sites without planning permission are separated from those which are available for development 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 such sites gain planning permission.

Commitments

- § Interrogation of RELS to extract site area, floorspace and use class information recorded for extant commitments.
 - § 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, we normally apply an equal split between permitted uses as a proxy guide).
- 4.22 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 just one of these uses. Similarly, development may come forward at a higher or lower density than assumed as part of this review.
- 4.23 In spite of acknowledged limitations, the overall approach to the assessment does provide a good guide to 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.
- 4.24 **Table 4.6** below illustrates the planning use classes attributed to the 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

- 4.25 In assessing potential floorspace, it is important to distinguish between B1 office and B1 light industry. 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 administrative databases used by the ONS and is also consistent with forecasting and market classifications which will be used in subsequent stages of this Employment Land Study.

Employment Allocations and Commitments

- 4.26 **Tables 4.7 to 4.11** below provide a quantitative assessment by sub-area of the size and (an estimate of) the potential floorspace capacity of:

- § Employment and other relevant allocations without planning permission; and

§ Employment commitments (within and outside of UDP allocations).

4.27 As well as considering additions to employment land supply arising from new development (employment gains), the study also considers employment losses (i.e. reductions in employment floorspace arising from planning permissions for other uses) to provide a picture of net supply.

Employment Allocations

Table 4.7: UDP Employment Allocations (without Planning Permission)

Site (ELR Site Reference No.)	Available Area (hectares)	Floorspace Capacity Estimate in square metres [Site area estimate (in hectares) shown in brackets]					Total B Class
		B1 Office	B1 Ind	B2	B8		
County Town							
ROTH 2 Land off Campwood Road	1.04	0 [0]	2,080 [0.52]	2,080 [0.52]	0 [0]	4,160 [1.04]	
ROTH 3 Land north of Holme Lacy Road C	0.56	400 [0.1]	400 [0.1]	400 [0.1]	1,040 [0.26]	2,240 [0.56]	
ROTH 7 Land east of Coldnose Road A	0.56	0 [0]	2,240 [0.56]	0 [0]	0 [0]	2,240 [0.56]	
ROTH 20 Land north of Holme Lacy Road A	0.56	1,360 [0.34]	880 [0.22]	0 [0]	0 [0]	2,240 [0.56]	
ROTH 28 West of Coldnose Road	0.62	600 [0.15]	600 [0.15]	600 [0.15]	680 [0.17]	2,480 [0.62]	
ROTH 32 Twyford Road North A	0.2	240 [0.06]	320 [0.08]	0 [0]	240 [0.06]	800 [0.2]	
ROTH 48 Land north of Holme Lacy Road B	1.85	4,440 [1.11]	1,480 [0.37]	1,480 [0.37]	0 [0]	7,400 [1.85]	
ROTH 49 Land east of Coldnose Road B	0.75	0 [0]	1,480 [0.37]	1,520 [0.38]	0 [0]	3,000 [0.75]	
ROTH 1, 46 & 47 Northern Magazines A (48)	8.28	0 [0]	14,904 [3.726]	14,904 [3.726]	3,320 [0.83]	33,128 [8.28]	
ROTH 21 South of Sewage Works (48)	0.69	0 [0]	1,380 [0.345]	1,380 [0.345]	0 [0]	2,760 [0.69]	
ROTH 22 Fir Tree Lane (48)	7.8	0 [0]	10,000 [2.5]	10,000 [2.5]	11,200 [2.8]	31,200 [7.8]	
ROTH 29 Fordshill Road (48)	3.15	3,000 [0.75]	3,200 [0.8]	3,200 [0.8]	3,200 [0.8]	12,600 [3.15]	
ROTH 9 & 19 Southern Magazines West (48)	5.68	0 [0]	11,360 [2.84]	5,680 [1.42]	5,680 [1.42]	22,720 [5.68]	
ROTH 4 Chapel Road (48)	1.09	2,600 [0.65]	1,760 [0.44]	0 [0]	0 [0]	4,360 [1.09]	
ROTH 15 Gatehouse Road (48)	0.35	0 [0]	800 [0.2]	600 [0.15]	0 [0]	1,400 [0.35]	
East of Gatehouse Road (48)	1.40	0 [0]	2,800 [0.70]	2,800 [0.70]	0 [0]	5,600 [1.40]	
Gatehouse Road (48)	0.35	0 [0]	800 [0.2]	600 [0.15]	0 [0]	1,400 [0.35]	
Roth 23 Thorn Lighting	0.49	1,176 [0.294]	784 [0.196]	0 [0]	0 [0]	1,960 [0.49]	
HERE 30 Faraday Road, Westfields Trading Estate	1.74	0 [0]	3,480 [0.87]	0 [0]	3,480 [0.87]	6,960 [1.74]	
Vacant plot within Holmer Road, Hereford (47)	0.81	1,080 [0.27]	0 [0]	1,080 [0.27]	1,080 [0.27]	3,240 [0.81]	
County Town Total	35.88	14,896 [3.724]	59,948 [14.987]	45,724 [11.431]	29,920 [7.48]	150,488 [37.622]	

Site (ELR Site Reference No.)	Available Area (hectares)	Floorspace Capacity Estimate in square metres [Site area estimate (in hectares) shown in brackets]					Total B Class
		B1 Office	B1 Ind	B2	B8		
Eastern Corridor							
LED 4 – Area 17 and 18A, New Mills, Ledbury (15)	0.63	640 [0.16]	640 [0.16]	0 [0]	1,240 [0.31]	2,520 [0.63]	
LED 1 – within Lower Road Trading Estate, Ledbury (15)	0.95	0 [0]	1,160 [0.29]	1,160 [0.29]	1,480 [0.37]	3,800 [0.95]	
LED 19 – within Lower Road Trading Estate, Ledbury (15)	0.39	0 [0]	480 [0.12]	480 [0.12]	600 [0.15]	1,560 [0.39]	
WRA 47 - Land east of Whitestone Business Park, Withington (56)	1.02	400 [0.1]	400 [0.1]	1,640 [0.41]	1,640 [0.41]	4,080 [1.02]	
BROM 6 - South of Linton Trading Estate, Bromyard (10b)	5.2	2,080 [0.52]	6,240 [1.56]	6,240 [1.56]	6,240 [1.56]	20,800 [5.2]	
LED 5 – within land north of Railway Viaduct, Ledbury (13)	5.5	2000 [0.5]	2000 [0.5]	8,800 [2.2]	9,200 [2.3]	22,000 [5.5]	
LED 12 – within land north of Railway Viaduct, Ledbury (13)	5.18	2,080 [0.52]	2,080 [0.52]	8,280 [2.07]	8,280 [2.07]	20,720 [5.18]	
LED 13 – within land north of Railway Viaduct, Ledbury (13)	1.59	640 [0.16]	640 [0.16]	2,560 [0.64]	2520 [0.63]	6,360 [1.59]	
Eastern Corridor Total	20.46	7,840 [1.96]	13,640 [3.41]	29,160 [7.29]	31,200 [7.8]	81,840 [20.46]	
Rural Heartland							
LEOM 6 - Leominster Enterprise Park (6)	9.4	4400 [1.1]	12,800 [3.2]	8,800 [2.2]	11,600 [2.9]	37,600 [9.4]	
WRA 22 - Gooses Foot Industrial Estate, Kingstone (34/35)	2.1	0 [0]	4,200 [1.05]	4,200 [1.05]	0 [0]	8,400 [2.1]	
WRA 21 Madley Airfield (38)	1.7	680 [0.17]	680 [0.17]	2720 [0.68]	2720 [0.68]	6,800 [1.7]	
WRA 24, 49 & 50 – within Moreton-on-Lugg Depot (40)	12.09	12,090 [3.0225]	12,090 [3.0225]	0 [0]	24,180 [6.045]	48,360 [12.09]	
WRA 26 - Tram Inn, Allensmore (36)	0.7	280 [0.07]	2,520 [0.63]	0 [0]	0 [0]	2,800 [0.7]	
LEOM 5 East of Silurian Close, Southern Avenue (5)	0.61	600 [0.15]	1,840 [0.46]	0 [0]	0 [0]	2,440 [0.61]	
LEOM 4 South of Southern Avenue, Leominster (5)	0.74	560 [0.14]	800 [0.2]	800 [0.2]	800 [0.2]	2,960 [0.74]	
LEOM 1 North of Zwick, Southern Avenue, Leominster (5)	0.17	80 [0.02]	200 [0.05]	200 [0.05]	200 [0.05]	680 [0.17]	
Rural Heartland Total	27.513	18,690 [4.6725]	35,130 [8.7825]	16,720 [4.18]	39500 [9.875]	110,040 [27.51]	
Herefordshire Total	85.593	41,426 [10.356]	108,718 [27.179]	91,604 [22.901]	100,620 [25.155]	342,368 [85.592]	

* The RELS figure available area has been changed from 14.87 ha to 12 ha to reflect the area currently occupied by office space at the entrance to the site.

Note – table includes uncommitted vacant sites includes within sites allocated for employment under Policies E1, E2, E3 and E5 of the adopted Herefordshire UDP.

Table 4.8: Policy E5 Allocated Owner Specific Sites (without Planning Permission)

Site (ELR Site Reference No.)	Available Area (hectares)	Floorspace Capacity Estimate in square metres [Site area estimate (in hectares) shown in brackets]				
		B1 Office	B1 Ind	B2	B8	Total B Class
County Town						
None	0	0 [0]	0 [0]	0 [0]	0 [0]	0 [0]
Eastern Corridor						
None	0	0 [0]	0 [0]	0 [0]	0 [0]	0 [0]
Rural Heartland						
Dales, Leominster (4)	1.39	0 [0]	0 [0]	5,560 [1.39]	0 [0]	5,560 [1.39]
Herefordshire Total	1.39	0 [0]	0 [0]	5,560 [1.39]	0 [0]	5,560 [1.39]

Employment Commitments

4.28 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 RELS.

4.29 In addition, there is also a need to look at employment 'losses'. These can be defined as sites with planning permission which would result in the loss of an existing employment use / building or the loss / reduction of an identified employment allocation to alternative non-B Class form of development. The consideration of losses will assist in establishing the net change of employment land. In certain circumstances, tables within the employment land study may record two entries for one site where, for example, planning permission exists for the redevelopment of an existing employment use to another form of employment development.

Table 4.9: Commitments within UDP Employment Allocations

(ELR Site Reference No.)	Available Area (hectares)	Floorspace Capacity Estimate in square metres [Site area estimate (in hectares) shown in brackets]				
		B1 Office	B1 Ind	B2	B8	Total B Class
County Town						
(no ref) Unit 13, Thorn Business Park, Rotherwas Industrial Estate (48)	0.016	12 [0.003]	0 [0]	51.2 [0.0128]	0 [0]	63.2 [0.016]
(no ref) Unit 16, Thorn Business Park, Rotherwas Industrial Estate (48)	0.56	0 [0]	0 [0]	2,240 [0.56]	0 [0]	2,240 [0.56]
(no ref) Land adjacent to Ramsden Court, Ramsden Road, Rotherwas Industrial Estate (48)	0.3	0 [0]	0 [0]	816 [0.204]	384 [0.096]	1200 [0.3]
HERE 27 Three Elms Trading Estate, Hereford (53)	0.70	400 [0.1]	800 [0.2]	400 [0.1]	1,200 [0.3]	2,800 [0.70]
Holmer Road Trading Estate	1.827	2235 [0.5587]	0	2537 [0.6342]	2537 [0.6342]	7309 [1.827]
Here 56 Unit 11C, Holmer Road, Hereford	0.06	0[0]	0[0]	0[0]	240 [0.06]	240 [0.06]
Holmer Trading Estate, Hereford	0.1	0 [0]	0 [0]	400 [0.1]	0	400 [0.1]
County Town Total	3.563	2647 [0.66175]	800 [0.2]	6444 [1.6110]	4361 [1.090]	14,252 [3.563]

(ELR Site Reference No.)	Available Area (hectares)	Floorspace Capacity Estimate in square metres [Site area estimate (in hectares) shown in brackets]					Total B Class
		B1 Office	B1 Ind	B2	B8		
		7		5			
Eastern Corridor							
LED 25 within Lower Road Industrial Estate (15)	1.48	0 [0]	0 [0]	5,920 [1.48]	0 [0]	5,920 [1.48]	
LED 20 Area 17, New Mills Trading Estate, within Lower Road Trading Estate, Ledbury (15)	0.28	520 [0.13]	0 [0]	0 [0]	600 [0.15]	1120 [0.28]	
BROM 10 South of Linton Trading Estate, Bromyard (10b)	0.37	0 [0]	0 [0]	1,480 [0.37]	0 [0]	1,480 [0.37]	
(no ref) Land north of the A40, Model Farm (23)	10	24,000 [6]	0 [0]	12,000 [3]	4,000 [1]	40,000 [10]	
(no ref) Land north of petrol filling station, Oveross (21)	0.24	0 [0]	0 [0]	0 [0]	960 [0.24]	960 [0.24]	
(no ref) BP Northbound, Land north of petrol filling station	0.74	2,960 [0.74]	0 [0]	0 [0]	0 [0]	2,960 [0.74]	
ROSS 17 Ashburton Industrial Estate (22)	0.09	0 [0]	0 [0]	0 [0]	360 [0.09]	360 [0.09]	
ROSS 21 Ashburton Industrial Estate (22)	0.21	0 [0]	440 [0.11]	0 [0]	400 [0.1]	840 [0.21]	
ROSS 13 Ashburton Industrial Estate (22)	0.05	0 [0]	0 [0]	200 [0.05]	0 [0]	200 [0.05]	
BROM 7	0.28	0	0	0.28 [1120]	0	1120 [0.28]	
BROM 8 Linton Trading Estate (10)	0.08	80 [0.02]	0 [0]	240 [0.06]	0 [0]	320 [0.08]	
LED 11 The Chalet, Bromyard Road Trading Estate (13b)	0.94	1,252 [0.031]	0 [0]	1,252 [0.031]	1,252 [0.031]	3,760 [0.94]	
LED 23 Watson Petroleum ,Bromyard Road Trading Estate (13b)	1.02	0 [0]	0 [0]	4,080 [1.02]	0 [0]	4,080 [1.02]	
LED 28 European Hall, Bromyard Road Trading Estate (13b)	0.216	0 [0]	0 [0]	0 [0]	864 [0.216]	864 [0.216]	
WRA 84 Land adjacent Whitestone Business Park (44)	0.25	500 [0.125]	0 [0]	0 [0]	500 [0.125]	1000 [0.25]	
WRA 19 Unit 11, Whitestone Business Park (44)	0.16	0 [0]	0 [0]	640 [0.16]	0 [0]	640 [0.16]	
Led 27 Sequani, Bromyard Road Trading Estate (13b)	0.014	55 [0.014]	0 [0]	0 [0]	0 [0]	55 [0.014]	
(no ref) Agrimec, Bromyard Road Trading Estate (13b)	0.016	8 [0.002]	0 [0]	56 [0.014]	0 [0]	64 [0.016]	
Eastern Corridor Total	16.436	29,379 [7.344]	440 [0.11]	26,988 [6.747]	8936 [2.234]	65743 [16.435]	
Rural Heartland							
LEOM 29, Plot 14b, Leominster Enterprise Park, Leominster (6)	0.8	1,600 [0.4]	0 [0]	0 [0]	1,600 [0.4]	3,200 [0.8]	
Other – Plot 15, Leominster Enterprise Park, Leominster (6)	0.48	1920 [0.48]	0 [0]	0 [0]	0 [0]	1920 [0.48]	
Other – Plot 5 Leominster Enterprise Park, Leominster (6)	0.327	440 [0.11]	0 [0]	868 [0.217]	0 [0]	1308 [0.327]	
Other- Plot 11 Leominster Enterprise Park, Leominster (6)	0.36	200 [0.05]	0 [0]	200 [0.05]	1040 [0.26]	1440 [0.36]	
Other- Plot 8 Leominster Enterprise Park, Leominster (6)	0.39	480 [0.12]	0 [0]	1080 [0.27]	0 [0]	1560 [0.39]	

(ELR Site Reference No.)	Available Area (hectares)	Floorspace Capacity Estimate in square metres [Site area estimate (in hectares) shown in brackets]					Total B Class
		B1 Office	B1 Ind	B2	B8		
Other – Unit A Leominster Enterprise Park, Leominster (6)	0.36	720 [0.18]	0 [0]	0 [0]	720 [0.18]	1440 [0.36]	
(no ref) Evans Easyspace Leominster Enterprise Park, Leominster (6)	0.68	640 [0.16]	0 [0]	1040 [0.26]	1040 [0.26]	2720 [0.68]	
Other – Unit 13 Leominster Enterprise Park, Leominster (6)	0.86	3,440 [0.86]	0 [0]	0 [0]	0 [0]	3,440 [0.86]	
KING 9 Hergest Camp (72)	0.07	40 [0.01]	0 [0]	240 [0.06]	0 [0]	280 [0.07]	
KING 4 Hatton Gardens (70)	0.2	0 [0]	0 [0]	800 [0.2]	0 [0]	800 [0.2]	
LEOM 14 Southern Avenue (5)	0.11	0 [0]	0 [0]	440 [0.11]	0 [0]	440 [0.11]	
LEOM 35 Southern Avenue (5)	0.46	0 [0]	0 [0]	1,840 [0.46]	0 [0]	1,840 [0.46]	
LEOM 23 Southern Avenue (5)	0.13	0 [0]	520 [0.13]	0 [0]	0 [0]	520 [0.13]	
WRA 42 Madley Airfield, Madley (38)	1.04	0 [0]	2,080 [0.52]	0 [0]	2,080 [0.52]	4,160 [1.04]	
LEOM 38 Plot 5, Brunel Road, Leominster Enterprise Park	0.327	0 [0]	1308 [0.327]	0 [0]	0 [0]	1308 [0.327]	
WRA 76 PEP Developments, Gooses Foot Industrial Estate (34/35)	0.7	0 [0]	0 [0]	2,800 [0.7]	0 [0]	2,800 [0.7]	
Rural Heartland Total	7.294	9,480 [2.37]	3,908 [0.977]	9,308 [2.327]	6,480 [1.62]	29,176 [7.294]	
Herefordshire Total	27.293	41,506 [10.376]	5,148 [1.287]	42,740 [10.685]	19,777 [4.9442]	109,171 [27.293]	

Table 4.10: Commitments Outside of UDP Employment Allocations (Sites Allocated Under Policy E1, E2 and E3)

(ELR Site Reference No.)	Available Area (hectares)	Floorspace Capacity Estimate in square metres [Site area estimate (in hectares) shown in brackets]					Total B Class
		B1 Office	B1 Ind	B2	B8		
County Town							
<i>Commitments outside of ELR Survey Sites (includes 19 small sites)</i>	3.198	2,676 [0.669]	5,068 [1.267]	2612 [0.653]	2,612 [0.609]	2436 [3.198]	
County Town Total	3.198	2,676 [0.669]	5,068 [1.267]	2612 [0.653]	2,612 [0.609]	2436 [3.198]	
Eastern Corridor							
<i>Commitments outside of ELR Survey Sites (includes 6 small sites)</i>	1.9765	124 [0.031]	4278 [1.0695]	2280 [0.57]	1224 [0.306]	7906 [1.9765]	
<i>Commitments within ELR Survey Sites (Includes 1 small site)</i>	0.03	60 [0.015]	0 [0]	60 [0.015]	0 [0]	120 [0.03]	
Eastern Corridor Total	2.0065	184 [0.046]	4,278 [1.0695]	2,340 [0.585]	1,222 [0.306]	8,026 [2.0065]	
Rural Heartland							
<i>Commitments outside of ELR Survey Sites (includes 1 small site)</i>	0.0098	13.04 [0.0032]	13.04 [0.0032]	13.04 [0.0032]	0 [0]	39.12 [0.0098]	

(ELR Site Reference No.)	Available Area (hectares)	Floorspace Capacity Estimate in square metres [Site area estimate (in hectares) shown in brackets]					Total B Class
		B1 Office	B1 Ind	B2	B8		
<i>Rural Heartland Total</i>	0.0098	13.04 [0.0032]	13.04 [0.0032]	13.04 [0.0032]	0 [0]	39.12 [0.0098]	
Herefordshire Total	5.2143	2,873 [0.7183]	9,359 [2.3398]	4,965 [1.2416]	3,660 [0.915]	20,857 [5.2143]	

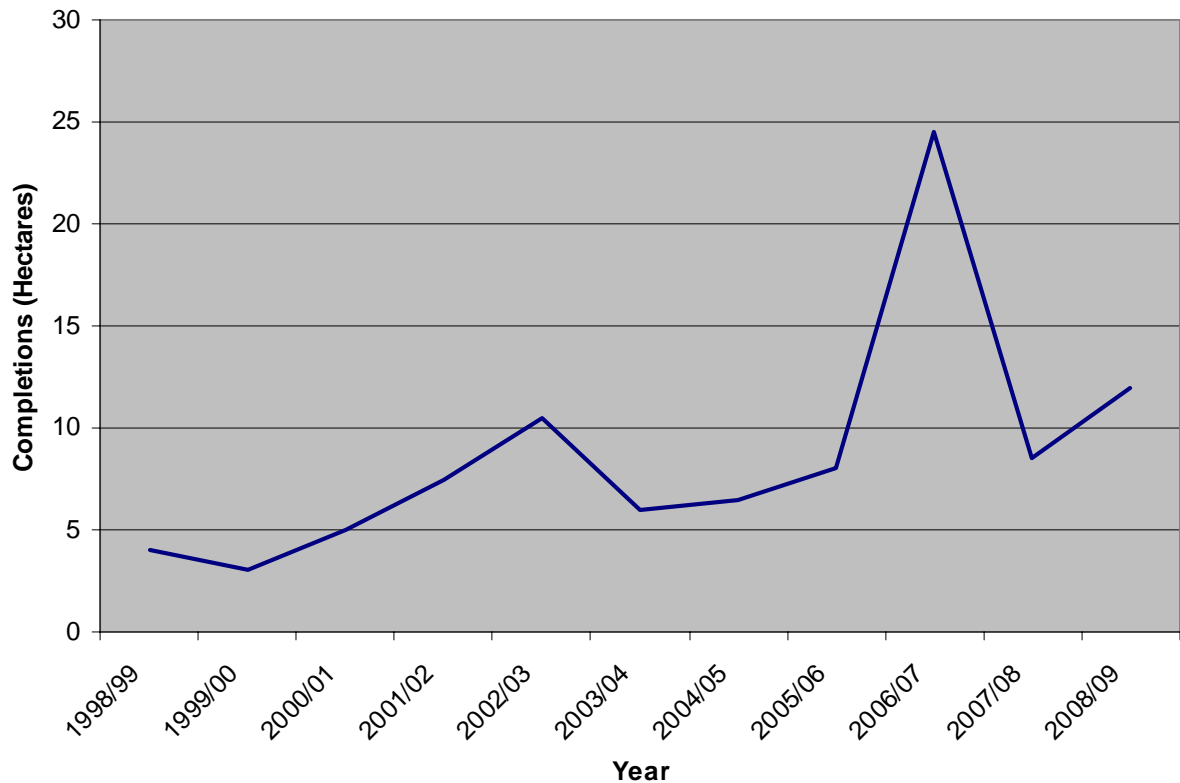
Table 4.11: Pending Losses of Employment Land and Floorspace

(ELR Site Reference No.)	Available Area (hectares)	Floorspace Capacity Estimate in square metres [Site area estimate (in hectares) shown in brackets]					Total B Class
		B1 Office	B1 Ind	B2	B8		
County Town							
HERE 43 Berrows House	0.14 – loss to residential	280 [0.07]	280 [0.07]	0 [0]	0 [0]	560 [0.14]	
HERE 33 Widemarsh Street	0.08 – loss to retail	160 [0.04]	160 [0.04]	0 [0]	0 [0]	320 [0.08]	
HERE 18 Legion Way	0.52 – loss to retail	520 [0.13]	520 [0.13]	520 [0.13]	520 [0.13]	2,080 [0.52]	
HERE 30 Faraday Road site, Westfields Trading Estate	1.74 – loss to care home	0 [0]	3,480 [0.87]	0 [0]	3,480 [0.87]	6,960 [1.74]	
HERE 34 Unit 4, Hereford Trade Park	0.09 – loss to retail	0 [0]	360 [0.09]	0 [0]	0 [0]	360 [0.09]	
Holmer Trading Estate, Hereford (ELR ref 60a)	4 – part loss to residential	2,235 [1]	0 [0]	2,537 [2]	2,537 [1]	7,309 [4]	
<i>County Town Total</i>	<i>6.57</i>	<i>3,195</i> <i>[1.24]</i>	<i>4,800</i> <i>[1.2]</i>	<i>3,057</i> <i>[2.13]</i>	<i>6,537</i> <i>[2]</i>	<i>17,589</i> <i>[6.57]</i>	
Eastern Corridor							
None	0	0 [0]	0 [0]	0 [0]	0 [0]	0 [0]	
<i>Eastern Corridor Total</i>	<i>0</i>	<i>0 [0]</i>	<i>0 [0]</i>	<i>0 [0]</i>	<i>0 [0]</i>	<i>0 [0]</i>	
Rural Heartland							
LEOM 3 Southern Avenue, Leominster (5) – loss now completed	1.79 – loss to residential	2,400 [0.6]	0 [0]	2,400 [0.6]	2,360 [0.59]	7,120 [1.79]	
<i>Rural Heartland total</i>	<i>1.79</i>	<i>2,400</i> <i>[0.6]</i>	<i>0 [0]</i>	<i>2,400</i> <i>[0.6]</i>	<i>2,360</i> <i>[0.59]</i>	<i>7,160</i> <i>[1.79]</i>	
Herefordshire Total	8.36	5,595 [1.84]	4,800 [1.2]	5,457 [2.73]	8,897 [2.59]	26,480 [8.36]	

Employment Completions

- 4.30 The level of gross annual employment completions across Herefordshire as a whole from 1998/99 to 2008/09 is illustrated in **Figure 4.3** overleaf.

Figure 4.3: Annual Employment Land Completion Rates Within Herefordshire for the Period 1998/99 to 2008/09



Source: Herefordshire Council Annual Monitoring Report 2008/09.

- 4.31 Over the previous 11 year period (as defined in Figure 4.3), the annual average completion figure has been 8.7 hectares ha per annum. Employment completions during the 2006/07 were particularly significant at almost 25 hectares. Completions in that year provided 39,500 sq m of employment floorspace, approximately half of which was in the warehousing and distribution sector. During 2008/09 period, the completion rate was around 12 hectares (82% of which was in the Rural Regeneration Zone i.e. outside of Hereford City). Although this completion rate is less than the extraordinary level achieved in 2006/07, the 2008/09 figure still greater than the annual average.

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**.

Table 5.1: Qualitative Assessment Appraisal Criteria

Factor	Appraisal Criteria	Description
Market Attractiveness	Accessibility to Motorway/ Strategic Road Network	Ease of access to the motorway/ strategic road network
	Business Image	Availability/ marketing/ adjoining land uses/ road frontage visibility
	Site Development Constraints	Environmental/ contamination/ flood risk/ access/ ownership/ pressure for alternative uses
Strategic Planning and Sustainability	Accessibility to Non Car Transport Modes	Ease of access to public transport interchange (bus and rail)
	Enhancement of the Environment	Land type and potential to enhance the environment quality
	Sequential Location	Regional city, town centre, urban area, out of urban area
	Potential to Address Area of Deprivation	Location within an area of high/low economic activity/ affluent or deprived ward

- 5.3 Results have been derived from:

- § Site visits (undertaken in February and March 2008);
- § Information supplied by the Council, and discussions with Council Officers and others; and
- § Review of reports and other available information sources.

- 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 4**.

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:
- 'Best'**: High quality relatively unconstrained sites suitable for local or incoming clients with a national / regional choice of locations.
 - 'Good'**: Sites which may be subject to some constraints but with potential to be suitable for inward investors and / or locally-based businesses.
 - '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.
 - '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.
 - '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	3	3	Best/ Good/ Moderate
	59. Westfields Trading Estate	3	3	Good
	53. Three Elms Trading Estate	2	3	Good
	60 a. Holmer Trading Estate	1	2	Poor (Good)
	60 b. Holmer Trading Estate	3	2	Good
	54. Beech Business Park	2	2	Moderate
	47. Holmer Road	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	2	1	Poor / Moderate
	21. Land North of Petrol Filling Station, Oveross	3	2	Good
	23. Land North of A40, Model Farm	3	3	Good
	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
	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

48. Rotherwas Industrial Estate

- 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. However, the UDP states that the resolution of site development constraints will be linked to their release, including flooding, access, archaeology, contamination and biodiversity; however the opening of the Rotherwas Access Road has now removed strategic access constraints to this site and the other constraints, notably flooding, are now being addressed.
- 5.13 The whole site is situated within the Rural Regeneration Zone and the South Wye Partnership area.
- 5.14 The Rotherwas Futures Report was published in 2006 and explains that despite being the largest single industrial estate in Herefordshire, the estates position south of the Wye and with relatively poor access, impacts on property values, particularly land values. Physical constraints on the site are principally: areas prone to flooding; ground conditions as a former munitions factory; ecology (including the presence of great crested newts and lesser horse shoe bats); and variable building quality (with a cluster of poor quality buildings on the eastern part of the sites representing former Romney Huts). However, the report states that none of these constraints are insurmountable. Key components of the preferred option are:
- § Reservation of a 'corridor' for the possible extension of the access road northwards;
 - § Inclusion of a special wildlife corridor along the former railway corridor and adjacent Reynard Close;
 - § Phase 1 of development consisting of a series of plots the majority of which are on the Straight Mile to create a high quality frontage and entrance to the site;
 - § Phase 2 - accessed from an extension to a local estate road to accommodate an area of structural landscaping and habitat creation. Two former bunkers would be retained as bat roosting units and the others would be removed;
 - § Phase 3 - accessed via a new link road from Vincent Carey Road;
 - § Phase 4 long term aspiration to redevelop some existing buildings of poorer quality.
- 5.15 A flood defence strategy is in the process of being completed for the site and the Council is looking at bringing forward three key areas:
- § The area by the 'straight mile' to be brought forward as the most immediate priority in 2009;
 - § 'Southern Magazines site' to be brought forward (i.e. made available) in 2010 with the provision of new infrastructure; and
 - § The area to north of the straight mile ('Northern Magazines') to be developed as a longer term proposition (dependant on the delivery of road and addressing other infrastructure requirements and constraints).

Commercial (Market Attractiveness)

- 5.16 The site is likely to be highly attractive to prospective occupiers and developers being a large 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 and this has been further enhanced by the opening of the access road. 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.

- 5.17 There are significant environmental development constraints on the site, particularly flooding. However, a flood defence strategy for the area is being prepared in consultation with the Environment Agency and it is understood that an agreed position has been reached. The 'straight mile' and 'southern magazines' areas are likely to be more attractive to potential developers and benefit from better access. The third proposed phase of development is in the area north of the straight mile (Northern Magazines land). Access and flooding constraints currently reduce the attractiveness of this part of the Estate and there may also be potential biodiversity and contamination issues in this area. A new access road for the Northern Magazines area is however planned for 2011 (planning permission has been secured for the road and negotiations are taking place with the land owner) and flooding issues are being addressed in the flood defence strategy to assist in bringing forward this land.

Environmental Sustainability and Strategic Planning

- 5.18 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 sites and also many pedestrian footpaths. There are proposals for a new cycle route between the Estate and Bartonsham including a river crossing (as outlined in the UDP). The site is with an already affluent area and already makes a significant contribution to the local economy but has the potential to contribute more to local regeneration and economic strategies.

Role within Employment Hierarchy

- 5.19 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 is classified as 'Best';
 - § The Southern Magazines area is classified as 'Good' and will elevate to 'Best' pending delivery of infrastructure planned for 2010.
 - § The area to the north of the straight mile (Northern Magazines) to be developed as a medium term proposition, is classified as 'moderate' but will increase to 'Good / Best' following planned provision of infrastructure and removal of flood and other constraints.

59. Westfields Trading Estate

- 5.20 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.
- 5.21 Within the site there is currently two vacant / underutilised areas with potential for new development / intensification of use. One area, of approximately 1.5 hectares, is within the centre of the estate and is currently used for parking and external storage. This area is likely to be owner specific and hence, only available at this time for future expansion / intensification by the occupier.
- 5.22 The other area, known as 'Faraday Road', is at the eastern end of the Westfield Trading Estate and is 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 recently been granted for a residential care home on this land and as such, it is excluded from current employment land supply.

Commercial (Market Attractiveness)

- 5.23 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.
- 5.24 The trading estate appears highly popular with no evidence of significant vacancies observed during the site visit. 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.

Environmental Sustainability and Strategic Planning

- 5.25 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

- 5.26 This site is classified as 'Good'.

53. Three Elms Trading Estate

- 5.27 This site is covered by Hereford UDP (2007) Policy E5 as safeguarded employment land. The 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. There is a large development opportunity area within the site. Advantage West Midlands own this site. 0.7ha of the site is currently committed for employment development, which would also provide certain access / infrastructure improvements, although implementation of this permission is now uncertain and as such, is classified as a medium term (rather than an immediate / short term) opportunity.

Commercial (Market attractiveness)

- 5.28 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

- 5.29 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 further contribution could be made through the delivery of further development.

Role within the Employment Hierarchy

- 5.30 The site is classified as 'Good'.

60. Holmer Trading Estate (a)

- 5.31 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.

- 5.32 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)

- 5.33 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. Although there are vacant buildings on this site, it is understood that they are generally not being actively marketed due to the possible future redevelopment of the site. The site is also outside of any identified flood risk zone.
- 5.34 Due to the recent planning permission for this site, it is envisaged that the market attractiveness of the site will be improved with redevelopment should this take place.

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.
- 5.36 Due to the planning permission for this site, it is envisaged that the environmental sustainability and strategic planning of the site will be improved with redevelopment should this take place.

Role within the Employment Hierarchy

- 5.37 Although the site is currently be classed as poor, should the planning permission be implemented, the site score would be elevated to 'Good' due to the envisaged qualitative improvements to employment provision that redevelopment would bring to the site.

60. Holmer Trading Estate (b)

- 5.38 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)

- 5.39 This site achieves a 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

- 5.40 As a previously developed site on the edge of an urban area the site scores moderately against environmental sustainability criteria. There are no footpaths or cycle links to the site and an hourly

public transport route is between five and ten minutes walk away. The site is in an area of relative affluence.

Role within the Employment Hierarchy

5.41 The site is classified as 'Good'.

47. Holmer Road, Hereford

5.42 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.

5.43 0.1 hectares is committed for employment development on this site, leaving 0.81 available but not committed.

Commercial (Market attractiveness)

5.44 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.

5.45 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

5.46 The site achieves a good score for planning and sustainability being brownfield 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

5.47 This site is classified as 'Moderate'.

Eastern Corridor Sites

15. Lower Road Trading Estate, Ledbury

5.48 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. Occupiers on site include Travis Perkins timber yard, an MOT centre and Moss Engineering. Part of this site is committed for employment development either with planning permission where development has not commenced or where development is under construction (as at mid 2008).

Commercial (Market Attractiveness)

5.49 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.

- 5.50 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

- 5.51 The site is more than 50% brownfield 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 and is within an area ranked average to deprived for multiple deprivation.

Role within the Employment Hierarchy

- 5.52 This site is classified as 'Good'.

10 Linton Trading Estate, Bromyard

- 5.53 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.
- 5.54 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 number of vacant industrial units within the estate are currently being marketed as available.
- 5.55 As at mid 2008, just under half a hectare on this site was committed for employment. This related to two permissions, one for B2 and one for B1 office and B2.

Commercial (Market Attractiveness)

- 5.56 The site appears generally well occupied with no obvious significant vacancies and 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.
- 5.57 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. 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

- 5.58 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. Although the site is located within an area of existing good economic activity and low deprivation, through 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

- 5.59 This site is classified as 'Moderate'.

10 b South of Linton Trading Estate

- 5.60 The site is approximately 5.6 hectares and is situated in a rural location adjacent to the Linton Trading Estate. Access to the site is through the estate (via a steep poor surfaced road) and also from a separate access from a rural lane to the south.
- 5.61 The site is allocated under policy E3 in the UDP for employment uses for B1, B2 and B8 uses. The majority of the site remains allocated and uncommitted.
- 5.62 Much of the site was formerly used for clay extraction. 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 pond and 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.

Commercial (Market Attractiveness)

- 5.63 This site scores poorly in market attractiveness terms. It does not benefit from a main road frontage. There may also be significant ground condition / other restoration and remediation issues associated with the current waste recycling and former clay pit use. The site is not identified as being at risk of flooding.
- 5.64 The feasibility of the deliverability of this site may be problematic, expensive and would likely require substantial time to achieve. The waste recycling centre and the gypsy site would need to be relocated. Surveys would need to be undertaken to identify and resolve ground remediation issues. An improved access through the trading estate would most likely need to be created. Alternative land in the vicinity of the trading estate could be considered as a more viable option.

Environmental Sustainability and Strategic Planning

- 5.65 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

- 5.66 This site is classified as 'Poor'.

13. Land North of Railway Viaduct, Ledbury

- 5.67 This site in Ledbury comprises two greenfield areas both allocated under UDP Policy E3 for B1, B2 and B8 uses. The sites are adjacent to existing employment and open countryside. Whilst the smaller, northern, triangular shaped area has a road frontage to a B road, the larger area has no road frontage and no obvious point of access. This larger area is also adjacent to a Grade II listed viaduct.

Commercial (Market Attractiveness)

- 5.68 Although located near to existing (larger) employment and being free from contamination of flooding issues this site is not likely to be attractive for employment development due to access issues. In particular access would need to be created through the viaduct which would likely be problematic given its listed status. This in turn would be expensive and also be likely to incur ongoing maintenance liability issues.

Environmental Sustainability and Strategic Planning

- 5.69 These greenfield sites score poorly in environmental sustainability and strategic planning terms being located outside an urban area with no bus or cycle links, although the site is less than a ten minute walk to an hourly public transport route. If the sites were developed sustainability could be increased with the introduction of a Green Travel Plan and Sustainability Plan.

Role within the Employment Hierarchy

- 5.70 The larger site is classified as 'Poor' primarily because of access issues. The smaller triangular shaped northern site is classified as 'Moderate'.

21. Land North of Petrol Filling Station, Oveross

- 5.71 This site is just over 1 ha in size and 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. As at mid 2008, two planning permission existed on this site, one for 0.24 hectares of B8 uses and one for 0.74 of B1 office use.

Commercial (Market Attractiveness)

- 5.72 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. At the time of the site visit there were no signs of marketing activity on the site.

Environmental Sustainability and Strategic Planning

- 5.73 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 to this area but is already ranked amongst the most affluent. Its development could improve a site which is currently visually poor.

Role within the Employment Hierarchy

5.74 This site is classified as 'Good'.

23. Land North of A40, Model Farm

5.75 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. Outline planning permission for a 10 hectare development of B1 (office), B2 and B8 currently exists on this site. An application has also subsequently been submitted to provide the detail of site infrastructure, drainage and landscaping.

5.76 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.

Commercial (Market Attractiveness)

5.77 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 from 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 site's 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

5.78 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

5.79 This site is classified as 'Good'.

22. Ashburton Industrial Estate

5.80 This site of over 11 ha consists of a mix of uses and quality of buildings. Occupiers include Travis Perkins and Network Q car sales. 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. This area is currently used as coach storage and is part of a flood alleviation programme. It is understood that the impacts of the flood alleviation scheme are currently unknown. The site falls under UDP Policy E5 for safeguarded employment land. Just over 2.1 hectares is committed for employment development on this site.

Commercial (Market Attractiveness)

- 5.81 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 now used as a garden retail operation. 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. There is a modest level of vacancies within the estate, including units at the Brunel workshops and Beaver Centre.
- 5.82 That part of the site in the flood risk alleviation area is of lower quality. Flooding is clearly a substantially constraining feature in this area of the site. In addition access is poor.

Environmental Sustainability and Strategic Planning

- 5.83 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 a significant economic contribution to the local area. With some scope to further enhance this position through the delivery of vacant plots.

Role within the Employment Hierarchy

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

11. Court Farm Business Park

- 5.85 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.
- 5.86 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)

- 5.87 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. Four small industrial / warehouse units within the Business Park are currently being marketed. 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

- 5.88 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

- 5.89 This site is classified as 'Good'.

26. Alton Road

- 5.90 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)

- 5.91 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

- 5.92 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

- 5.93 This site is classified as 'Good'.

9. Porthouse Bromyard

- 5.94 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. A planning permission for 1.99 hectares of B2 development exists on this site.

Commercial (Market Attractiveness)

- 5.95 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. New 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. Vacancies appear limited although units 2 and 3 of the Porthouse Business Centre are currently being marketed as available.

Environmental Sustainability and Strategic Planning

- 5.96 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

- 5.97 The site is classified as 'Good'.

44. Whitestone Business Park

- 5.98 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).

Commercial (Market Attractiveness)

- 5.99 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

- 5.100 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 as the site is already developed to a high quality and is located in a ward of high economic activity and ranked average to affluent in multiple deprivation terms.

Role within Employment Hierarchy

- 5.101 The site is classified as 'Good'.

56. Land East of Whitestone Business Park

- 5.102 This 2.9 hectare 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.
- 5.103 The site is currently an undeveloped greenfield site with some storage on part of the site for crates and JCBs. 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)

- 5.104 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. There was no marketing on site at the time of the site visit.

Environmental Sustainability and Strategic Planning

- 5.105 The site scores relatively poorly in environmental sustainability terms. This is because the site 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

5.106 The site is classified as 'Good'.

13b. Bromyard Road Trading Estate, Ledbury

5.107 Located adjacent to site 13 (Land North of Railway Viaduct) this is a large site with several different entrances and many different occupiers including an aviation company office, Watson Fuels and Wye Fruits. 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.

Commercial (Market Attractiveness)

5.108 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), is currently being marketed for sale as a single complex.

Environmental Sustainability and Strategic Planning

5.109 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

5.110 The site is classified as 'Good'

Rural Heartland Sites

36. Tram Inn, Allensmore

5.111 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 and nearby uses include a pub, a nursery, a poultry farm, a garden centre and open countryside.

Commercial (Market Attractiveness)

5.112 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. There was no signs of marketing on this site. The site had no obvious constraining features apart from flooding. The site is in a high flood risk category.

Environmental Sustainability and Strategic Planning

5.113 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. The site has some ability to address deprivation given that it is within an area ranked average to deprived for multiple deprivation.

Role within the Employment Hierarchy

5.114 This site is classified as 'Moderate'.

34./35. Gooses Foot Industrial Estate

5.115 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.

5.116 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.

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

Commercial (Market Attractiveness)

5.118 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

5.119 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 site is within a neighbourhood ranked as average to deprived therefore it has the ability to increase its contribution to local economic objectives.

Role within the Employment Hierarchy

5.120 This site is classified as 'Moderate'.

6. Leominster Enterprise Park

5.121 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.

5.122 As at mid 2008, extant planning permission existed on 4.8 hectares of the site leaving just over 11.8 hectares allocated but without permission.

Commercial (Market Attractiveness)

5.123 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 environmental constraint is a small area in the northern part of the site which is subject to a medium flood risk. The site includes some vacant units, including at the Marches Trade Park and within the Rural Enterprise Centre.

Environmental Sustainability and Strategic Planning

5.124 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 site is within a neighbourhood ranked average to deprived for multiple deprivation and therefore its development will make a contribution to local regeneration and economic strategies for the area.

Role within the Employment Hierarchy

5.125 This site is classified as 'Best'.

72. Hergest Camp

5.126 Hergest Camp is just over 12 ha and is generally a poor quality site with poor quality units and surfacing. A number of units are 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)

5.127 This site achieves a moderate market attractiveness score. The site is currently, for the most part, 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

5.128 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.

This Role within the Employment Hierarchy

5.129 This site is classified as 'Moderate'.

38. Madley Airfield

5.130 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. As at mid 2008, just over 1 ha of this site had planning permission for employment development. This leaves 1.7 ha available but not committed.

Commercial (Market Attractiveness)

- 5.131 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

- 5.132 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

- 5.133 The site is classified as 'Moderate'.

40. Moreton-on-Lugg Depot (Morton Business Park)

- 5.134 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. Part of the site has been very recently developed for office uses. The site can be broken down into three broad areas and is considered as such in the 2007 UDP.
- 5.135 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
- 5.136 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.

Commercial (Market Attractiveness)

- 5.137 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 there are a number of environmental constraints associated with the site.
- 5.138 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.

- 5.139 In addition the northern and southern areas of the site are subject to flooding according to the Environment Agency. It is also understood that there are access constraints which could limit the amount of additional development able to take place without improvement to existing visibility splays to the junction with the A49 (which in turn requires the use of land in a third party ownership).

Environmental Sustainability and Strategic Planning

- 5.140 The site scores moderately well in environmental and planning terms. Although it is outside a defined urban area and there are no existing footpaths or cycle links into the site the site is less than a ten minute 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 is not within an economically or employment deprived area but has significant potential to contribute to local economic objectives in the area.

Role within Employment Hierarchy

- 5.141 The site is classified as 'Good' although it is understood that the resolution of access constraints will likely be required to accommodate additional (significant) levels of further development.

70. Hatton Gardens

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

Commercial (Market Attractiveness)

- 5.143 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

- 5.144 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.

This Role within the Employment Hierarchy

- 5.145 This site is classified as 'Good'

5. Southern Avenue Leominster

- 5.146 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 to residential development. Occupiers on the site

include Peugeot, Royal Mail, a housing association offices, a tyres and exhaust centre, Pascoe's pet foods, Leominster accident repair centre and Wills Engineering.

Commercial (Market Attractiveness)

5.147 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 one area of scrub land remains undeveloped within this site. There was evidence of marketing on site and vacancy levels appeared very low at the time of the site visit, with the most notable vacancy being a two bay warehouse of circa 45,000 sq ft (4,180 sq m). Some flood risks exist on this site.

Environmental Sustainability and Strategic Planning

5.148 The site is on the edge of Leominster and within walking distance of the train station. There are also some footpaths running through the site although opportunities to further enhance the sites contribution to local economic objectives are limited, 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.

This Role within the Employment Hierarchy

5.149 This site is classified as 'Good'.

Other Sites

5.150 For all other sites **Table 5.4** provides scores and commentary.

Table 5.4 Overview of Qualitative Assessment – All Other Sites

Sub Area		Market Attractiveness Score	Strategic Planning and Sustainability Score	Classification	Market Attractiveness Comments		General Comments
County Town Sites	41. Lugg View Industrial Estate	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.	Site adjoins the railway line and is near to a level crossing. Advantage West Midlands is marketing this site.
	43. Special Metals	2	2	Moderate	Buildings are not attractive but are purpose built. Reuse opportunities could be limited if current occupiers decide to leave. Site has high visibility to an 'A' road.	Brownfield site within an urban area and less than five minutes to a public transport route. No cycle or footpath provision. Located in an area of high economic activity and affluence.	Large works operated by Special Metals. Safeguarded Policy E5 land.
	45. Burcott Road	2	3	Moderate	Some buildings are in poor condition others of adequate quality. Some marketing present on site.	Site is an area ranked as deprived for multiple deprivation and 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	2	4	Good	Small fairly modern units the majority of which are occupied. Site is 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 the to the railway. Site is adjacent to ESG Masterplan area but on the other side of the railway line.
	49. Barrs Court	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 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 fully occupied and well maintained. The site is within the ESG Masterplan area and will be taken out of the employment land pool with the redevelopment of the ESG area.
	50. Bulmers	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	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	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.

Sub Area		Market Attractiveness Score	Strategic Planning and Sustainability Score	Classification	Market Attractiveness Comments		General Comments
	55. Aydon Industrial Park	2	2	Moderate	Less than 1 ha site fully occupied. 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 on within Hereford within an average to affluent area with high economic activity.	Older buildings but well maintained occupied by Hereford Times, Citroen garage and Kia motors.
	57. Rockfield Road	2	3	Moderate	Site runs along the railway line and has mixture of building ages and qualities. Condition of public areas are good. Narrow local road at points (one vehicle 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. There are a number of vacancies.
	58. Foley Trading Estate	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 marketing signs on site. Some units in need of maintenance. The site has a number of vacancies
Eastern Corridor Sites	8. Station Trading Estate	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. Some marketing on site.	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	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	3	4	Good	Existing B1 and B2 uses some vacancies. 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. Jam Factory	3	1	Moderate	Average size site with older building stock which is well maintained.	Remote site with poor public transport connections.	Robertson's preserves site. Site is being sold to a brewery who may have aspirations for expansion.
	19. Hereford Road	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	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.

Sub Area	Market Attractiveness Score	Strategic Planning and Sustainability Score	Classification	Market Attractiveness Comments	General Comments
24. Haigh Industrial Estate				Buildings on one half of the site are of average quality, on other half of the site buildings are being refurbished to a high quality.	Southern part of Haigh Industrial Estate includes vacant industrial units are being re-clad and roof heights altered. Demolition of some parts to enable parking/ loading bays.
25. Chase Industrial Estate	3	2	Good	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.	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.
27. Wolf Business Park				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.	Chase Industrial Estate sits in the middle of Haigh Industrial state, Wolf Business Park lies adjacent
28. Somerfield's Site, Netherton Road	3	3	Good	Distribution unit with adequate parking in an area of other employment uses. No road frontage visibility. Policy constraints - AONB.	Reasonable footpath and cycle links to the site. Site is on the edge of Ross on Wye and within easy walk of public transport.
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.
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.
77. Woodend Lane Business Park, Stoke Lacy	3	2	Good	The quality of units on the site are good and 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 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.

Sub Area	Market Attractiveness Score	Strategic Planning and Sustainability Score	Classification	Market Attractiveness Comments		General Comments	
Rural Heartland Sites	1. Paytoe Industrial Estate	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. Within an area of moderate to high deprivation.	Moderate quality modern employment units on a small site with relatively high vacancy levels.
	2. Brimfield Business Park	3	1	Moderate	Relatively attractive site. Potential to develop one vacant area of the 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	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.	Brownfield site in area of good economic activity and affluence. Site is already developed to a high standard. Site is in a rural location.	AWM PXP site with small new units. 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	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	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 high quality PXP site. Site is within a flood risk area.
	31. Pontrilas Depot	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	2	2	Moderate	Timber yard is relatively well maintained and has some attractive buildings on site as well 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	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 (some vacant) with wholesalers ad joinery. Coop in the middle of the site is excluded.	

Sub Area		Market Attractiveness Score	Strategic Planning and Sustainability Score	Classification	Market Attractiveness Comments		General Comments	
62. Forest Fencing		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 and in a neighbourhood ranked as average to deprived for multiple deprivation.	Moderate size (4.5 ha) timber and sales yard well maintained.
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 PDL but outside a defined urban area.	Mixed site which doesn't appear well used. Occupiers include residential, car repairs and an equestrian goods centre.
64. Whitehill Park Industrial Estate		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		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		3	2	Good	Small site with modern well maintained employment uses. AWM marketing on site. 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

Widening Employment Land Forecasts

- 6.1 Planning policy statement 4 (PPS4) widens the scope for employment land reviews to consider wider sectors and land uses. While the guidance provides the justification for this wider assessment, it is not prescriptive. **Figure 6.1** outlines the sectors being considered in the forecasts and the land use classes these relate to.

Figure 6.1: Sectoral Scope of Employment Land Forecasts

Planning Use Class	Sector
B1(a) Office	Business Services
	Financial Services
	Public Administration
	Commercial / general office use
B1(b) R&D	Creative industries
	Medical technologies
	Environmental Technologies
	Other research based business sectors
B1 (c) - Light Industry	High tech manufacturing
	Other light industrial processes
B2 - Manufacturing	General manufacturing
B8 - W&D	Logistics and Wholesale Distribution
	Waste and recycling
	Car repair, MOT stations and showrooms
Non B Class Employment	Scrap yards

Source: Drivers Jonas Deloitte, 2010

- 6.2 We have segmented employment projections from Oxford Economics, using information from the Annual Business Inquiry (ONS) and from the business survey conducted as part of the employment

land review in 2008, details of which follow in further sections of this report. Our approach is detailed in the **technical annexe (Appendix 6)**. The omissions from the list above are environmental technologies (which are not currently recognised in ONS SIC codes) and medical technologies which has virtually no employment within it according to the Annual Business Inquiry in 2008.

Employment Forecasts

- 6.3 Our approach to forecasting the employment land requirements is to examine employment forecasts by sector, and translate these into employment land requirements based on employment and site densities.
- 6.4 Our work is driven by forecasts produced by Oxford Economics in February 2010. These forecasts consider the effect of retrenchment in the public sector and take account of the recession. Figure 6.2 below summarises the forecasts as split by our sectoral definitions. Unfortunately, the forecasts are not available up until 2026 from Oxford Economics. We therefore extrapolate to 2026 using the annualised trend between 2012 and 2022 for employment in each sector. An update to these forecasts should be available in August 2010.

Figure 6.2: Total Employment in Herefordshire (2006–2026)

Land use type	2006	2009	2016	2022	2026
B1(a) - Office	16,697	16,928	18,294	19,476	20,620
B1(b) - R&D	2,504	2,518	2,965	3,247	3,528
B1 (c) - Light Industry	1,237	1,146	1,077	990	944
B2 - Manufacturing	12,795	11,994	10,923	10,169	9,715
B8 - Warehousing & Distribution	6,811	6,122	6,410	6,606	6,786
Non B	2,718	2,604	2,826	2,988	3,126
Other	51,757	53,179	53,256	54,414	55,126
Total Employment	94,518	94,491	95,752	97,890	99,845

Source: Consulting Inplace, 2010 based on Oxford Economics data

- 6.5 Our forecasts suggest that employment overall in the county will increase between 2009 and 2016 by 1,261 and by 2,137 between 2016 and 2022. Our extrapolations to 2026 shows a slightly lower rate of employment growth of 1,955 additional jobs to 99,845.
- 6.6 A key feature of this scenario is that manufacturing employment falls between 2006 and 2009 and since there is long term downwards pressure on such employment at the regional and national levels, Oxford predict that this local pattern will continue over the longer term. The total slips from 11,994 in 2009 to 10,923 in 2016 and falling under 10,000 after our extrapolation of the trend in 2026.
- 6.7 While B8 employment fell alongside manufacturing between 2006 and 2009, we do not expect this trend to persist and predict that the sector will grow, albeit marginally to 6,786 by 2026. This however does not surpass the 2006 level of employment in the sector.

- 6.8 Office employment does not mirror the trends in manufacturing and warehousing & distribution, in so far as it should see growth across all periods. This growth peaks between 2009 and 2016 at 46 per cent to rates of our 36 and 32 per cent by 2026.
- 6.9 With relatively flat employment growth between 2006 and 2009, the R&D sector sees an additional 1,010 jobs up until 2022. Meanwhile, similar to broad manufacturing, light industry declines over the forecast period losing around 200 jobs, a decline of around 18 per cent.

Translating Employment Forecasts into Employment Land Forecasts

- 6.10 Looking at the implications of these employment forecasts in terms of land requirements, we use three separate sources of information to quantify the relationship between employment and land needs:
- § Benchmarks as contained in an employment land review guidance note released by the **ODPM** in 2004¹
 - § Derived employment densities by use of Valuation Office Agency and Oxford Economics data
 - § Derived from the business survey conducted in 2008 as part of the Employment Land Review.
- 6.11 We also refer back to arguments presented as part of the 2008 Employment land review regarding employment and plot densities.

Methodology

- 6.12 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 of floor space per employee. The resultant number is then divided by an assumed plot ratio in order to arrive at a total site requirement.

For example, if there are 2,000 persons (employees plus self-employed) in manufacturing and each is assumed to have, on average, 35 square metres of floor space, then the requirement is for a net 75,000 square metres of floor space. Allowing 5% for walls, etc., this translated into 78,750 square metres of building. This is termed the gross floor space.

If we suppose that most of the floor space is on a single level but that 20% of the space is given over to offices, which are on mezzanine first floors, then the area occupied by the buildings on the ground will be 80% of 78,750 square metres or 63,000 square metres.

If the buildings occupy 60% of the various manufacturing sites, with the balance of the area given over to parking, loading areas etc., then the site area needed for manufacturing will be 63,000 square metres divided by 0.6 (the plot ratio) equals 105,000 square metres or 10.5 hectares of employment land. This is the minimum hectareage needed to accommodate the manufacturing activity, in this hypothetical example.

Translation of the gross floor space into the employment land requirement is normally done as a single calculation with the ratio of the gross floor space to the amount of employment land referred to as the site density. In this theoretical example, the site density is 78,750 divided by 10.5 hectares, equals 0.75.

- 6.13 The salient figures from the ODPM's *Employment Land Reviews Guidance Note* are set out in the figure overleaf.

¹ Office of the Deputy Prime Minister, *Employment Land Reviews: Guidance Note*, 2004.

Figure 6.3: Standard Square Metres per Person and Site Density by Activity

Industry	Square Metres per Employed Person		Site Density
	Gross Internal Area	Gross External Area	
General	34	35	0.35 to 0.45
Small Business	32	33	
High tech / R & D	29	30	0.25 to 0.40
Science Park	32	33	
Warehousing & Distribution			
General Warehousing	50	50	0.40 to 0.60
Large Scale & High Bay	80	80	
Office			
General	19	21	0.41 to 2.00
Headquarters	22	23	
Serviced Business Centre	20	21	
City of London	20	21	
Business Park	16	17	
Call Centre	13	13	

Source: Arup 2001 Study quoted in *Planning: Employment Land Reviews Guidance Note, ODPM, December 2004*. An alternative 2004 DTZ study gave very similar figures

Alternative Employment Densities and Plot (Site) Densities

- 6.14 The ODPM guidance recognises that the national standards will not apply in all areas and therefore recommends that local information be used, where possible. We have therefore developed an alternative set of employment density estimates using Valuation Office (VOA) data for floor space and Oxford Economics data for employment. We can also produce a second set of alternative numbers from the business survey conducted in 2008 (assuming that the relationship remains the same in the absence of further local information).
- 6.15 The VOA data are available only for broad employment categories, though these do correspond to B1, B2 and B8 definitions. We are however unable to estimate for R&D and light manufacturing.

Figure 6.4: VOA-based Employment Densities for Herefordshire in 2008

Type	Sq m 000s	Employment 000s	Employment density
Factories	938	13.4	70.4
Warehouse	506	6.3	77.2
Offices	166	17.3	10.5

Source: Commercial and Industrial Floorspace and Rateable Value Statistics (2005 Revaluation), 2008, CLG; and Oxford Economics

- 6.16 Further to the VOA method of generating employment densities, we can utilise the business survey conducted as part of the 2008 ELR to provide local information on employment and site densities.
- 6.17 As indicated above, translating floor space requirements into employment land requirements necessitates the adoption of appropriate factors to translate internal floor space into gross external floor space. It also requires the adoption of appropriate site development density assumptions.

- 6.18 For the ODPM based and survey estimates, the gross internal and gross external areas are taken from the Guidance and shown in Figure 6.4 above. In the case of the VOA based estimates, the factors used in translating internal floor space into gross external floor space are a 5% increase for manufacturing, 5% for warehousing and 15-20% for offices (we use the midpoint of this range). These are based on industry standards, including the 2001 Arup Economics Study for English Partnerships.
- 6.19 The below figure presents our estimates of the relationship between employment and land requirements. In many instances there were elements of missing information, so the following assumptions were made:

- § VOA derived estimates of Research & development and light manufacturing employment density was not available so ODPM benchmarks were assumed
- § Our 2008 survey did not cover R&D land use specifically so we assume ODPM benchmarks in the absence in further information
- § For ODPM employment densities were there is a range of estimates, we assume the mid-point of those ranges
- § Plot ratios were not available in the ODPM guidance for light manufacturing so we assume manufacturing ratios apply

Figure 6.5: Employment Densities and Plot Ratios

Land use category	Employment Density						Plot Ratio	
	ODPM		VOA		Survey		ODPM	Survey
	GIA	GEA	GIA	GEA	GIA	GEA		
Office	19	20.5	9	11	23.4	27.5	1.205	0.88
R&D	29	30	29	30	30	30	0.325	0.325
Light Industry	32	33	32	33	33	33	0.4	0.64
Manufacturing	34	35	67	70	66.4	69.7	0.4	0.64
Warehousing & Distribution	50	50	74	77	53.2	55.9	0.5	0.85

Source: English Partnerships, VOA, Oxford Economics and WM Enterprise

- 6.20 Overall, our locally derived information shows that ODPM benchmarks underestimate employment densities in manufacturing and warehousing and distribution. Survey derived employment densities for Office employment are higher than both the ODPM benchmarks and VOA derived information. It is appropriate therefore to use local information for this factor, and since the VOA method is more robust we opt for this source of employment densities. Again, our local evidence for the county shows a higher manufacturing employment density than ODPM benchmarks so we propose to use VOA ratios.
- 6.21 Looking at the plot ratios we can see that in the survey, estimates for Manufacturing and Warehousing & Distribution are higher while the site density for offices are lower than the benchmarks. The latter is probably due to a number of Herefordshire offices being located in rural areas, with relatively few high density office blocks present in the County. Meanwhile, the inference has to be that local employment land relationships need to be used when producing forecasts of Herefordshire’s future employment land requirements other than there may be a need to reflect national site density standards for manufacturing and for warehousing and distribution in order to ensure adequate provision of employment land to enable businesses to align themselves with modern standards and thereby

remain competitive. We therefore employ the ODPM benchmark plot ratios for manufacturing and warehousing & distribution.

6.22 The following figure presents baseline total land requirements using each of the methods outlined above as well as our preferred position, as discussed in the corresponding text.

Figure 6.6: Comparison of Employment Land Requirements in Herefordshire Using Different Translation Methods (Hectares, excluding churn)

Land use class	ODPM		VOA		Survey		Inplace	
	Growth	2009	Growth	2009	Growth	2009	Growth	2009
Office	6.3	28.8	4.4	20.2	11.5	52.9	4.4	20.2
R&D	9.3	23.2	9.3	23.2	9.3	23.2	9.3	23.2
Light Industry	-1.7	9.5	-1.0	5.9	-1.0	5.9	-1.7	9.5
Manufacturing	-19.9	105.0	-25.1	131.8	-24.8	130.7	-40.1	211.0
Warehousing & Distribution	6.6	61.2	6.0	55.6	4.4	40.2	10.2	94.5
Total		227.7		236.8		252.9		358.4

Source: Consulting Inplace calculations based on Oxford Economics, VOA, ODPM and WM Enterprise information
 Note: growth is measured in Hectares between 2009 and 2026

6.23 Our position (final two columns of Figure 6.6) shows a more realistic picture of manufacturing and warehousing & distribution land, which the other methods underestimate. Meanwhile, we take a conservative view on office requirements which is justified given our knowledge of the County. Forecasts and analysis presented consequently in this report refer to the Inplace position on the relationship between employment forecasts and land use requirements and most closely fits with the 2008 study.

Baseline Scenario in More Detail

6.24 In this section we further present our baseline scenario, based on the baseline Oxford Economics employment forecasts using the position on employment densities and plot ratios developed above.

6.25 We now present estimates of the total amount of employment land required to house the predicted level of employment in the economy. Total needs were 358 hectares in 2009 which will decrease by 17 hectares to 341ha in 2026. This decline is largely driven by the manufacturing land use category which declines from its current position of 211ha to 171ha by 2026. R&D requires around 23ha presently which is set to increase by around 10 hectares in 2026. Alongside manufacturing, light industry is set to see a decrease in land use requirements over time while warehousing & distribution will require around 105ha by 2026.

Figure 6.7: Total Employment Land Requirements in Herefordshire (Hectares)



B1(a) - Office	20.2	21.8	24.6
B1(b) - R&D	23.2	27.4	32.6
B1 (c) - Light Industry	9.5	8.9	7.8
B2 - Manufacturing	211.0	192.1	170.9
B8 - Warehousing & Distribution	94.5	99.0	104.8
Total	358.4	349.2	340.6

Source: Consulting Inplace based on Oxford Economics, ODPM, VOA and WM Enterprise data

6.26 When employment is rising there is a need for spare land capacity, to allow the market to function efficiently. The size that this buffer stock needs to be depends partly on the rate of 'churn' and of new enquiries, and partly on the diversity of supply and demand and hence the ease of matching the two. Our assumption is that this 'churn' demand is between 5 and 10 per cent of the stock of existing land, measured at the end of the forecasting period.² For simplicity we have taken an average of 7 ½ per cent, implying a per annum churn factor of 0.47 per cent. Comparator studies use a churn factor of 0.65 per cent pa³, which when applied to our study would imply total churn of over 10 per cent. So we therefore think it reasonable to assume market churn as 7 ½ per cent.

6.27 We factor this into the following table which shows growth of employment land between periods. The inclusion of churn mean that land by 2026 needs to increase by 6.3ha for Office employment, 12ha for R&D and 18ha for Warehousing & Distribution. There are no additional requirements for manufacturing and light industrial land over the periods, but churn calculations suggest that 13ha and 1ha of employment land is required to allow sufficient choice in the market.

Figure 6.8: Herefordshire Baseline Employment Land Growth (2009-2026)

	2009 2016	2016 2022	2022-2026	Land Needs	Market Churn	Land needs plus churn
B1(a) - Office	1.6	1.4	1.4	4.4	1.8	6.3
B1(b) - R&D	4.1	2.6	2.6	9.3	2.4	11.8
B1(c) - Light Industry	-0.6	-0.7	-0.4	-1.7	0.6	-1.1
B2 - Manufacturing	-18.8	-13.3	-8.0	-40.1	12.8	-27.3
B8 - Warehousing & Distribution	4.4	3.0	2.8	10.2	7.9	18.1

Source: Consulting Inplace 2010 based on Oxford Economics forecasts 2010

Scenarios

6.28 Based on the Herefordshire Economic Development Strategy 2005 we estimate employment land needs under different feasible scenarios. The economic development strategy, covering the period from 2005 to 2020, among other policies seeks to promote creative industries, environmental and

² Please see technical annexe for source data details

³ South Worcestershire Employment Land Review, GVA Grimley, 2008

sustainable technology, food and drink, tourism, diversification of agriculture and development of the health and care sector. In consultation with Herefordshire County Council, we focused the scenarios upon the most feasible areas which we judged to be development of the environmental and sustainable technology and food and drink manufacturing. The growth of these sectors have the greatest implications for land use based on the likely types of employment they will generate. Sectors such as creative industries are likely to have a high volume of self employment and home working and therefore growth in this industry will not have as significant an impact on land use requirements. Tourism falls beyond the scope of this study in the main as does health and care.

Scenario 1 - Environmental and Sustainable Technologies

- 6.29 The first scenario forecasts the implications of the development of an environmental and sustainable technology sector, in line with the Economic Development Strategy. We consider that this scenario involves an increase in employment within both research & development and manufacturing land uses. Within the R&D employment land use, we assume 20 new jobs a year (from 2011) and 20% growth in new jobs (2012 – 2016) declining to 10% growth in new jobs from 2017. After an initial period of inward investment and consequent high growth in employment, we would expect the rate of employment growth to fall while still above the local average for the land use class (circa 2 per cent). Within manufacturing, we assume an additional 35 jobs plus 10 per cent growth in new jobs across the period. These assumptions mean an increase of around 2,500 jobs by 2026. This represents very strong growth in the sector, but is in line with the Council’s ambitions for the sector, as set out in the Economic Development Strategy.
- 6.30 Under this scenario, the implication is that the land requirement for Research & Development increases by around 10 hectares, from 11.8 ha to 21.6ha in 2026. Manufacturing remains in negative territory in terms of land use requirements regardless of the growth in the sector, but it is likely that there would be a significant requirement to invest in employment sites to ensure the attraction of inward investment.

Figure 6.9: Scenario 1 employment land growth (Hectares)

	2009 2016	2016 2022	2022-2026	Land Needs	Market Churn	Land needs plus churn
B1(a) - Office	1.6	1.4	1.4	4.4	1.8	6.3
B1(b) - R&D	6.5	5.9	6.1	18.5	3.1	21.6
B1(c) - Light Industry	-0.6	-0.7	-0.4	-1.7	0.6	-1.1
B2 - Manufacturing	-14.1	-4.9	1.0	-18.0	14.5	-3.5
B8 - Warehousing & Distribution	4.4	3.0	2.8	10.2	7.9	18.1

Source: Consulting Inplace 2010 based on Oxford Economics forecasts 2010.

Scenario 2 – Food and Drink

- 6.31 The second scenario reflects the county building upon its strengths in agriculture and food and drink manufacturing. Food and drink is a priority sector in the strategy, but there is a lack of detail as to the shape of this sectoral development. We have interpreted this as growth in food and drink manufacturing for the purposes of this study. We assume that the expansion in employment occurs within manufacturing alone and constitutes an increase of 50 new jobs a year from 2011 & 25% growth in these new jobs year on year. We do however assume that this growth declines over time as the sector matures from 25% to 5% in 2026. Given that the current level of employment in the sector is

2,500 (which is due to decline to 1,500) in 2026 – while this represents strong growth in the sector it remains a feasible scenario albeit optimistic.

Figure 6.10: Scenario 2 Employment Land Growth (Hectares)

	2009 2016	2016 2022	2022-2026	Land Needs	Market Churn	Land needs plus churn
B1(a) - Office	1.6	1.4	1.4	4.4	1.8	6.3
B1(b) - R&D	4.1	2.6	2.6	9.3	2.4	11.8
B1(c) - Light Industry	-0.4	-0.4	-0.2	-1.0	0.4	-0.7
B2 - Manufacturing	-5.6	4.3	1.4	0.1	9.9	10.0
B8 - Warehousing & Distribution	4.4	3.0	2.8	10.2	7.9	18.1

Source: Consulting Inplace 2010 based on Oxford Economics forecasts 2010.

Labour Supply

- 6.32 As a sense check of our scenarios we examine labour supply. This explores whether the local economy is likely to be able to sustain such increased employment, and the extent to which underlying economic conditions would be required to change for the scenarios to become a reality.
- 6.33 The two scenarios require net additional employment of 2,253 (scenario 1) and 2,291 (scenario 2) by 2026. In order for scenario 1 to occur it is likely that significant improvements in higher level skills would be required as development of environmental technologies will likely be research and development focused. We therefore assess the implications of an increase in net commuting (20% of additional employment) and an increase in net migration (30% of additional employment). With the remainder of employment generated within the stock of inactive persons and unemployed, this implies a drop in the unemployment rate from 1.9% to 1.3% in 2026.
- 6.34 On balance, this does not seem entirely feasible given the already low rate compared to current levels and above average resident employment rates (versus the regional average of 73%). Additional employment within the sector is likely therefore to have to be generated through net migration as well as increased commuting, which is dependent on improving transport links into the county.
- 6.35 Assumptions about the sources of employment for scenario 2 are driven by the potential skill needs and nature of food and drink manufacturing. It is likely that the majority of additional employment will be generated from reductions in inactivity and unemployment. We assume that these reductions account for 70% of the additional requirements for the scenario. This implies a further reduction in the unemployment rate to 1.2% by 2026 and moving individuals into economic activity.

Figure 6.11: Labour Supply Implications

	2006	2009	2026		
			Baseline	Scenario 1	Scenario 2
Working age population	105,765	105,387	107,558	108,685	108,246

	2006	2009	2026		
Total Employment	94,518	94,491	99,845	102,099	102,137
Employment: residents	81,508	79,236	87,213	88,339	88,817
Inactive	21,908	22,391	18,354	17,791	17,453
Unemployment rate	2.60%	4.10%	1.85%	1.31%	1.20%
Unemployment level	2,750	4,321	1,991	1,428	1,303
Net inward Commuters	5,507	8,533	8,258	8,708	8,716
Net migration	719	774	637	1,313	866

Source: Consulting Inplace based on Oxford Economics 2010

- 6.36 Overall, it appears that the already high level of commuting means that there are already constraints upon the local labour market. This implies that land needs for the county should be toward the lower end of the scale.

Comparisons Between Scenarios

- 6.37 Comparison between our scenarios is shown in the below figure. The baseline scenario implicates total additional growth in employment land of 24 hectares with 25 hectares required for churn. The greatest growth is found within the Warehousing & Distribution land use category which requires 10 hectares for growth and 7 hectares for churn by 2026. R&D also grows strongly needing around an additional 9 hectares with 2 hectares for churn by 2026. No additional land is required for manufacturing or light industry (this is forecast to decline over the period so for the purposes of identifying future requirements, a nil level of land need is assumed although an element of positive churn is added for choice in the sector).
- 6.38 In scenario 1, environmental and sustainable technologies, R&D requirements grow to 19ha and 3ha for churn by 2026. In addition, extra land for churn is required in Manufacturing.
- 6.39 In scenario 2, manufacturing requirements reach positive territory requiring around 10 hectares in total including churn. The below summary presents this information for the baseline and each of the scenarios we consider.

Figure 6.12: Growth in land needs for Herefordshire including churn (2009-2026): Comparison between Scenarios (Hectares)

	Baseline		Scenario 1 Environmental & Sustainable Tech		Scenario 2 Food & Drink	
	Growth	Churn	Growth	Churn	Growth	Churn
B1(a) - Office	4.4	1.8	4.4	1.8	4.4	1.8

	Baseline		Scenario 1 Environmental & Sustainable Tech		Scenario 2 Food & Drink	
B1(b) - R&D	9.3	2.4	18.5	3.1	9.3	2.4
B1(c) - Light Industry	0	0.6	0	0.6	0	0.4
B2 - Manufacturing	0	12.8	0	14.5	0.1	9.9
B8 - Warehousing & Distribution	10.2	7.9	10.2	7.9	10.2	7.9
Total	23.9	25.5	33.1	27.9	24	22.4

Source: Consulting Inplace, 2010 and Oxford Economics 2010

- 6.40 Our supply side analysis shows that there are significant constraints to developing clusters as detailed by our two scenarios - environmental and sustainable technology and food and drink. This is due to the already high level of commuting and high employment rate. We therefore think it is appropriate to take the Oxford Baseline forecast as the central forecast. This implies that an additional 49 hectares of employment land would be required to maintain the projected growth in the economy, consisting of 6 hectares for office, 12 hectares for research and development, and 18 hectares for warehousing and distribution.
- 6.41 This however does not take into full consideration the implications of higher public expenditure cuts, and so employment land needs may lessen once the impact of the cuts takes effect. In this regard, Herefordshire doesn't have as great a dependence on the public sector as other local authorities in the West Midlands⁴, so may be less affected in terms of knock on effects to employment within other sectors.

Comparison Against Previous Employment land Forecasts

- 6.42 Between 2007 and 2009, DJD and Consulting Inplace⁵ conducted an employment land review for Herefordshire. Forecasts to inform the initial review were undertaken in 2008. This section seeks to compare the two sets of forecasts produced as part of the previous employment land review as well as through this study.
- 6.43 As the 2008 forecasts were produced in a pre-recessionary environment and with the recent recession being the most severe since the great depression of the 1930s, we would expect there to be large differences compared to the emerging picture today. But further to these fundamental changes in the economy, changes in requirements and methodological considerations introduce additional differences in the forecasts. This employment land review includes a more detailed disaggregation of sectors into appropriate land use classes than the previous study. This means that certain land use types, see increases in employment while other see reductions. Further to this, the previous forecasts involved manipulation of regional Cambridge Econometrics forecasts to a local area level using information from the Annual Business Inquiry, Census and Annual Population Survey. This time around we are using Oxford Economics forecasts at local area level, and so clearly there will be differences in the relationships and furthermore these differences will be exacerbated further along the forecast period. This multitude of factors means it is difficult to clearly untangle the differences in the overall land requirements.

⁴ The proportion of health, education and other public sector employment was 21% in Herefordshire compared to 26% on average in the West Midlands. Source: Oxford Economics, 2010.

⁵ Study conducted under the trading name WM Enterprise. In 2010, Consulting Inplace acquired the economic and social policy consultancy division of WM Enterprise

6.44 Looking at Figure 6.13, we can immediately see an impact on the demand for employment land. In 2009, the revised figures reduce the total employment land requirement by 44 hectares. While the differences in the methodology, specifically in the sectoral scope between employment land reviews, will contribute to this decrease but it is likely that the effects of the recession are filtering through into this requirement. Meanwhile, our updated analysis predicts that the total requirement in employment land does not decrease as much as the previous study.

6.45 In terms of office land, our updated study shows a reduced overall requirement for office land down from 36 hectares to 20 hectares in 2009. While much of this will be due in part to the difference in composition of the two sectors, a lot is likely to be down to the effect of the recession and in particular the decline in the public sector.

6.46 The re-categorisation also has implications for Warehousing & Distribution land requirements which fall from 165 hectares to 95 hectares for 2009 in the updated ELR. The widened scope of the ELR means that some of the employment has been shifted from this sector into the office category, but there is certainly a recessionary effect alongside this technical consideration. Meanwhile, the employment land requirements for Manufacturing are larger in our post recession ELR than the 2008 version, we are unable to untangle the reasons behind this shift although reassuringly the employment land requirements by 2026 are nearly identical at around 170 hectares.

Figure 6.13: Comparison of Total Employment Land Requirements

	Pre-recession ELR			Post-recession ELR		
	2009	2016	2026	2009	2016	2026
B1(a) - Office	36	38	42	20	22	25
B1(b) - R&D	-	-	-	23	27	33
B1 (c) - Light Industry	-	-	-	9	9	8
B2 - Manufacturing	202	192	172	211	192	171
B8 - Warehousing & Distribution	164	164	167	95	99	105
Total	402	394	381	358	349	341

Source: Consulting Inplace 2010 & WM Enterprise 2008

Conclusions

6.47 We have produced quantitative forecasts of employment land requirements based on a labour demand approach. Two scenarios were tested and verified against a labour supply analysis.

6.48 Overall, the overall scale of additional employment land required to not constrain projected economic activity has been affected by the recession but not as severely as one would have imagined. Additional employment land is required for R&D, office, and warehousing & distribution and compared to the previous study, the total levels required vary because of our difference in methodologies. In particular, the project growth in R&D employment land means that careful consideration needs to be given to facilities and infrastructure available for knowledge and R&D intensive employment.

7 Findings from the Employer Survey

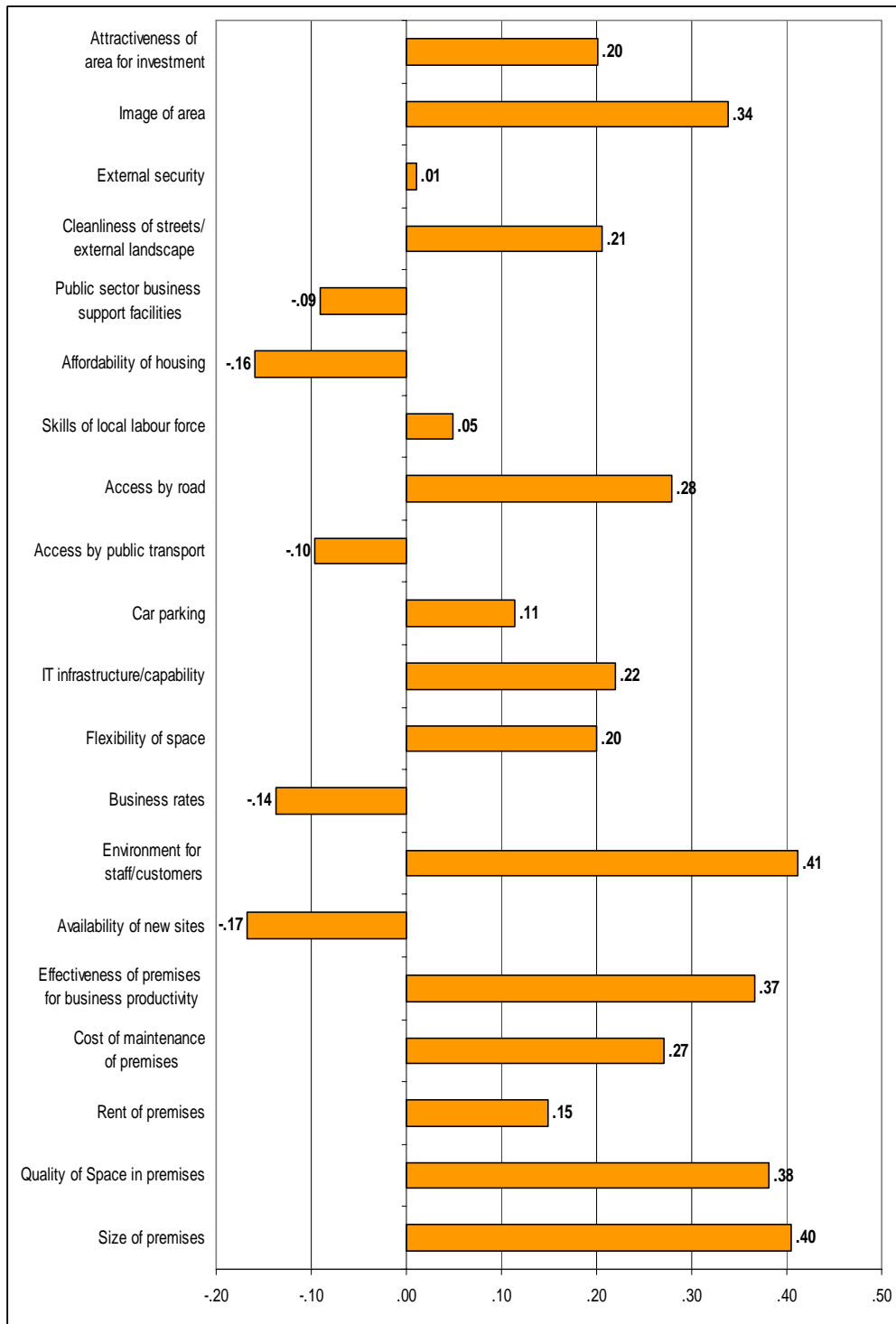
Introduction

- 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.

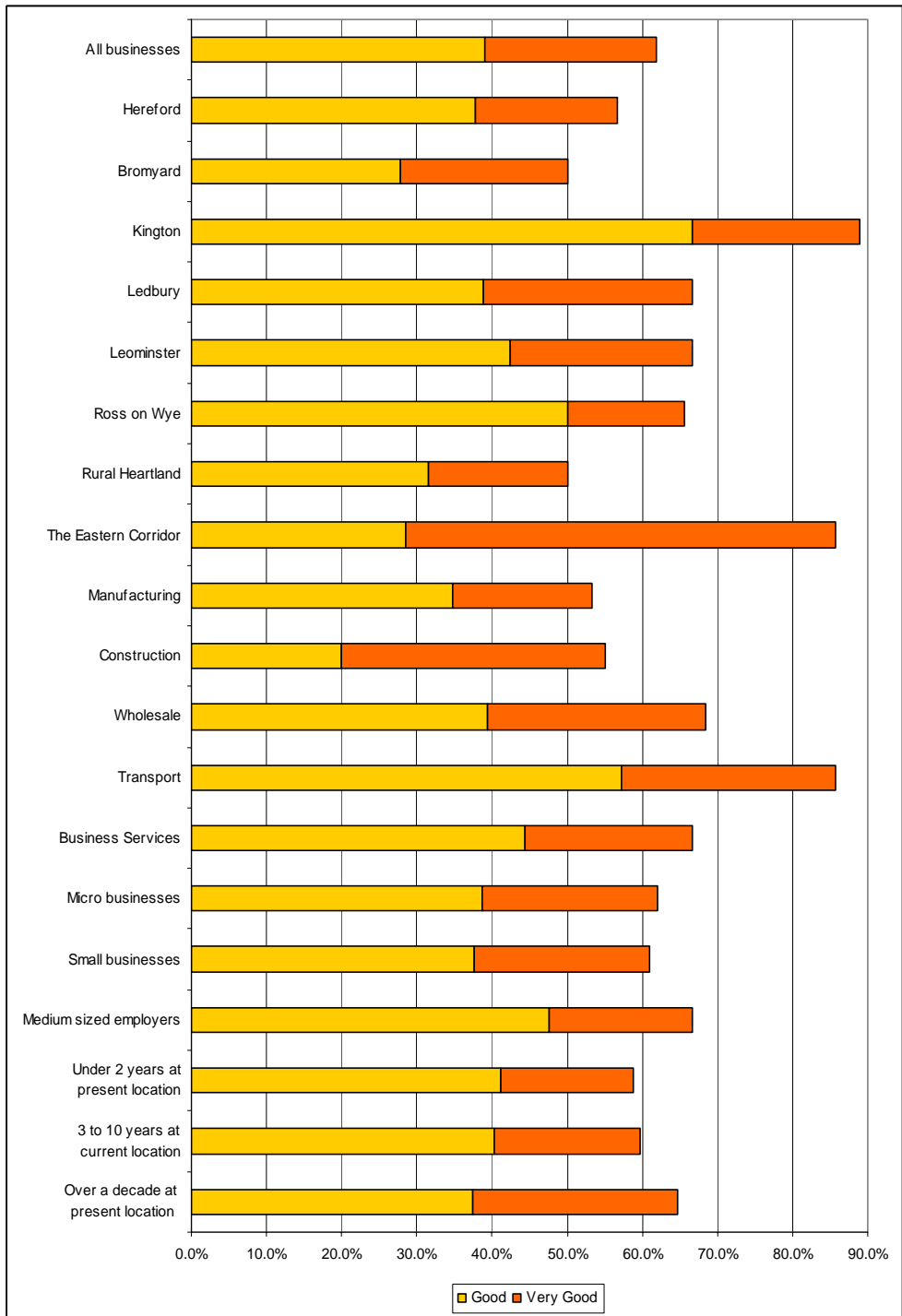
Figure 7.1: Positive and Negative Aspects of Operating in Herefordshire



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 (116,868.8m²). The area with the greatest requirement for industrial space is Ross on Wye (41,790.6m²). Other areas of demand are in Hereford (24,887.1m²), Leominster (15,555.5m²) and the Rural Heartland (16,867m²).
- 7.19 Office and warehousing space requirements are also significant. The greatest demand for both of these is Hereford, 19,972.6m² and 18,097.1m² 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 215,218m² 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 55,205m² of additional 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 7.8. The floorspace per person was lowest in Hereford at 31.87m², 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 metre 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 metre squared per person are low and the 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 cashflow 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 of premises or indeed the floorspace per employee which is 140m² for freehold and 149m² 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 rising cost of running the business (18.4%), cashflow 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	M ² 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

Area	M ² per person		Site Density
	Total Employment	Max. Number on Site	
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 May – July 2010 and also conversations with commercial agents. Needless to say, this information will change over time, and to remain accurate would need constant 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, 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 these worsening market conditions.

County Town

General Market Overview

- 8.4 The sub area of County Town comprises the main urban area of Hereford, the primary town of the county. Geographically it is located in the centre of Herefordshire county; the principal arterial routes stemming from the town 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, 69,219 sq m is currently available in total, in comparison to a total built stock of 460,000 sq m (15% vacancy). Rotherwas Industrial Estate is the largest estate in this sub area, and the county as a whole, extending to 125 hectares (300 acres), situated to the south-east of Hereford bisected by the B4399. The Estate provides a mix of units sizes and types with good circulation, ranging from starter units of a few hundred square feet to

headquarters style premises. There are a number of plastics, rubber and engineering companies based on the Estate. Some of the largest employers include Opella, Technical Rubber Products, Rexam Plastics, KGD, Arctic Circle and LuK.

- 8.7 Provision of recent and planned infrastructure improvements (through recent and planned Public Sector investment), including new access road and removal of flood constraints through the ongoing delivery of a flood strategy for the estate will further enhance the demand in the estate and also bring additional land to the market. Improvements to the quality of road communications is an important consideration. For example, it has been suggested that those companies wishing to transport goods south would choose to locate further south, for example at Ross on Wye, for ease of motorway access.
- 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, but occupancy rates at Westfields are normally high with few vacant premises available. This reflects the location in the north of Hereford with better road access and a range of quality of units and unit sizes.
- 8.9 In terms of speculative new build industrial units and land to be brought forward for development, the vast majority of supply lies within Rotherwas which is to be released for sale by Herefordshire Council and various landowners under a structured framework for release, with the first phase comprising of a variety of sizes of serviced plots for owner-occupier accommodation along the Straight Mile area.
- 8.10 Current Herefordshire Council policy is to offer these plots for sale on 125 year leasehold terms. Further land will be released by a private landlord, but it is likely that these will be for sale on freehold terms. A further proportion is also likely to be available over the longer term at the North Magazines site; this will effectively serve as both a landbank that could be released when the market demands, or as a site for opportunistic or specialist developments, either option would be subject to funding for the road infrastructure being secured.

Demand

- 8.11 The industrial market in Hereford can be said to be split into two camps; north of the river and south of the river. North of the river there is good demand for small units up to 300 sq m (c3,000 sq ft), for fair quality units with good access. The demand for freehold property is very strong however not reflected in the supply, where freehold property with vacant possession is scarce. An example of this demand was the purchase of the circa 30,000 sq ft Building 439, Twyford Road at Rotherwas by The Helping Hand Co Ltd for £625,000, some way below the asking price of £760,000.

Offices

Supply

- 8.12 As the primary city in Herefordshire, Hereford is the largest office location in the study area although the office market is still fairly limited. The vacancy rate stands at approximately 9% in terms of total floorspace. Office stock comprises primarily small suites, conversions of former dwellings and a limited number of purpose built office premises. The majority of stock is situated within the town centre, concentrating around the northern part of town around Widemarsh Street.
- 8.13 The vast majority of available office supply in Hereford is within space of less than 500 sq m. Only two offices in excess of this size are currently available in Hereford. Prime rents have recently reached the £145 per sq m (£13.50 per sq ft) mark.

- 8.14 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.

Demand

- 8.15 The business survey has identified the County Town area as being the main focus for additional office requirements from local firms in Hereford. This is evidenced by an analysis of recent office deals which identifies that all but one of those reported in the County were located in Hereford itself. The majority of demand is reported by local agents to stem from small, local professional services firms including solicitors and accountants, looking for space up to 200 – 300 sq m (c2,500 sq ft) and again this is reflected in recent transactions. Parking is an issue, limited town centre parking means spaces can achieve £500-£600 per annum.
- 8.16 None of the space is speculative new build, demonstrating an active churn of small local tenants but no large requirements that could be accommodated in new premises.

Eastern Corridor

General Market Overview

- 8.17 The Eastern Corridor sub area comprises the rural area in the east of Herefordshire and the towns of Ross on Wye, Bromyard and Ledbury. Ross on Wye in particular benefits from being located close to the M50 motorway, giving access to Birmingham city centre within 1 hour drive time and being less isolated than towns to the west of Hereford.
- 8.18 Employment land primarily centres around these 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.

Industrial and Warehousing Property

Supply

- 8.19 In the Eastern Corridor sub-area, existing built stock of industrial property amounts to 335,000 sq m in 627 hereditaments (ONS). This provides an average of 534 sq m per unit. In overall vacancy terms in the sub area 41,409 sq m of industrial space was found to be vacant, equating to a 12% vacancy rate. A major contributor to this level of vacancy comes from the European Hall site in the heart of Bromyard Road Trading Estate in Ledbury (comprising almost 20,000 sq m of warehouse and office space arranged over six main buildings and being marketed for sale as a single complex at £6,000,000).
- 8.20 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 Ross on Wye, none with large amounts of vacancies. They all benefit from good access to the M50 motorway and the national road network as well as south Wales and the south west.
- 8.21 Key companies in the area include Haigh Engineering, ABT Products, and MANN. The Somerfield distribution site, operated by Wincanton, closed during 2007 following a reorganisation of its supply operations.

- 8.22 Turning to 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.
- 8.23 To the north of Bromyard, prominently situated off the B4214 to Tenbury; the Porthouse Farm and Three Mills Industrial Estates are the main employment centres in Bromyard. There is currently around 2 hectares (4 acres) of committed employment land available for development at Porthouse Farm. Main employers on the estates are automotive component manufacturers Polytec Holden and manufacturers of agricultural spraying equipment Micron Sprayers Ltd. At Linton Trading Estate and South of Linton Trading Estate there is a further 6 ha (14.8 acres) of allocated employment land, or land with outstanding planning permission for employment development.
- 8.24 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 Rexam High Performance Flexibles, Sequani, Stuart Houghton, and John Dickinson.

Demand

- 8.25 Enquiries of local agents concur that there is good demand for units less than 300 sq m (c3,000 sq ft) in the Eastern Corridor area, however anything larger will take longer to let waiting for the right occupier, particularly if access is not good.
- 8.26 Occupiers are generally a mix of trade premises (tyres and auto-related services, plumbing and building supplies etc) together with small manufacturers. 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 Sqft.
- 8.27 Demand has been good but unfulfilled for small industrial units on a freehold vacant possession basis, as buyers continue to wish to purchase on the basis of non-debt backed equity for personal pension funds.

Offices

Supply

- 8.28 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. In terms of the overall vacancy rate for the sub-area, approximately 20% of the total stock is vacant.
- 8.29 Over half of currently available office supply is in space of less than 100 sq m. Of the 38 office units currently available in the Eastern Corridor sub area, the four largest available buildings in the sub area comprise over 70% of the total vacant office accommodation, reflecting the position of a generally small size of accommodation on offer.
- 8.30 Wyastone Business Park is located just off the A40 in a rural business park location, offering both traditional and serviced office and industrial accommodation.

Demand

- 8.31 Demand for offices in the Eastern Corridor area is reasonably steady, albeit at a low level, with no discernible upwards or downwards trend, and take-up is generally from local firms.

- 8.32 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 public access.
- 8.33 There are few enquiries for buildings upwards of 185 sq m (2,000 sq ft), so larger vacant premises could be on the market for some time, unless they are subdivided to form smaller units. Recent transactions on lettings have been of first floor offices above shops not purpose-built premises. 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.
- 8.34 Agents have reported a lower activity level over recent times as a result of the downturn of the economy and occupiers waiting to see what transpires in the economy before committing to space.

Rural Heartland

General Market Overview

- 8.35 The Rural Heartland sub-area includes the rural northern, western and southern parts of Herefordshire, including the conurbations of Kington and Leominster. 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 and little opportunity for overtaking slow moving vehicles.
- 8.36 The area is generally characterised by agricultural land and open countryside rather than significant employment use. Generally the property that is available is small scale, occupied by local businesses. Leominster is the dominant conurbation in the sub-area with the largest concentration of business, and 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

- 8.37 The total amount of industrial stock in this sub-area is 579,000 sq m. Of this approximately 30,357 sq m is currently vacant, amounting to 5.2% of total industrial floorspace. The majority of available space is within the 100 – 500 sq m size band although larger premises are also available, the most significant being a 60,000 sq ft warehouse building at Moreton Business Park, with an asking rent of £2.25 per sq ft, which forms part of an older building.
- 8.38 Businesses that have been attracted to Moreton Business Park are national and international firms, with Denco Air Conditioning locating their headquarters here.
- 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 vacant employment land, the vast majority of which is found at the Leominster Enterprise Park.
- 8.40 There is a variety of industrial accommodation available on these two estates, with including at the Marches Trade Park at Leominster Enterprise Park. The largest vacant unit in Leominster is Unit 2, Southern Avenue at 44,999 sq ft.

Demand

- 8.41 Demand for industrial accommodation in the Rural Heartland sub-area is primarily concentrated on Leominster, the largest conurbation in the sub-area.
- 8.42 Within Leominster, the slightly more central location means that agents report a demand for slightly larger units, but averaging only about 185 sq m (2,000 sq ft), being often difficult to let anything larger. Again, freehold property is in high demand, exacerbated by the lack of supply. Flexible space is catered for at Marches Trade Park on Leominster Enterprise Park by providing terraced units which can be conjoined to form larger units if required.
- 8.43 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.
- 8.44 Marches Trade Park, Leominster Enterprise Park is a new build development of five terraced industrial unit of 180 sq m (1,937 sq ft). A number of these have sold freehold, with a second phase identified offering a mirror image of the first phase. The agents report that interest has been fairly steady, with more interest being expressed in the freehold rather than leasehold interest.
- 8.45 The Northern Lights Business Park at Clinton Road, Leominster (part of the Southern Avenue Estate) represents a total of 2,244 sq m (24,157 sq ft) of refurbished accommodation. There has been an increase in interest following the refurbishment, however the bulk of interest expressed has been from quasi-retail, trade-counter type uses which has met resistance from the planning authority. The units range from 205 sq m (2,206 sq ft) to 705 sq m (7,586 sq ft) benefitting from good access from the A49 and being located fairly close to the train station. A number of units are currently available within the Business Park, ranging from 232 sq m (2,500 sq ft) to 441 sq m (4,750 sq ft).
- 8.46 In the more rural areas such as Kington, the maximum space demanded is generally in the region of 93 sq m to 140 sq m (1,000-1,500 sq ft) and there is a reported lack of freehold vacant possession stock of this size which increases the demand for this type of product.

Office

Supply

- 8.47 Total vacant office accommodation in the Rural Heartland sub area amounts to 1,437 sq m from a total stock of 23,000 sq m (6.2% vacancy).
- 8.48 There are few 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.

Demand

- 8.49 There is not a notable office market in the Rural Heartland sub-area. Again, the types of businesses requiring premises are generally local professional services firms in the town centres and independent trade-type users located in the Business Parks. Generally Leominster does not have a strong office market and demand can be quite unpredictable and slow.
- 8.50 The take up of offices at the new build Burnside Court has traditionally been slow. Take-up is unpredictable with few noticeable trends apart from the requirement for smaller premises either freehold or on flexible lease terms. Here, rents achieved are in the region of £102 per sq m (£9.50 per sq ft) from a quoting price of £118 per sq m (£11 per sq ft). Capital values achieved are £1,500 per sq m (c£140 per sq ft).

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
The level of protection to be given to the different sites
- B: 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 **Table 9.1** sets out a base forecast, which utilises forecasts produced by Oxford Econometrics in February 2010, which also consider the effect of retrenchment in the public sector and take account of the recession. The table also includes an allowance for 'churn'.

Table 9.1: Change in Employment Land Requirements by Sector for Herefordshire (2009 – 2026)

	Land Needs	Market Churn	Land needs plus churn
B1(a) - Office	4.4	1.8	6.3
B1(b) - R&D	9.3	2.4	11.8
B1(c) - Light Industry	0	0.6	-1.1
B2 - Manufacturing	0	12.8	-27.3
B8 - Warehousing & Distribution	10.2	7.9	18.1
Total Change	23.9	25.5	49.4

- 9.4 The forecasts represent the amount of additional land required to be occupied by the sector's activities, together with an allowance for an element of churn. The figures are stated with no reference to the level and nature of existing employment land supply.
- 9.5 The headline conclusion is that the forecasts identify a requirement for just over 49 hectares of employment land to accommodate predicted growth in economic activity to 2026. In essence however, the forecasts represent a minimum amount of land needed to accommodate the sectors' activities (but with some allowance for churn, such as loss of existing businesses to other uses). Forecasts should be viewed as minimum requirements because the figures do not fully recognise the associated need for there to be a wide selection of type and location of land opportunities to offer sufficient potential to attract new business start ups, expansion, relocation and inward investment. Additionally, increases in population arising from greater levels of growth than have been considered through the forecasting model would also lead to a rise in future employment requirements.
- 9.6 Although manufacturing as a sector is forecast to decline over the period in terms of the space and land it occupies, this does not mean that new manufacturing activity will not take place. Manufacturing will still remain an important part of the economy and as such, it will continue to be necessary to plan positively and identify adequate and appropriate new opportunities for this sector.

Projecting Forward Past Completion Rates

- 9.7 An alternative means of looking at future take up of employment land is through projecting forward past completion rates. As identified in Chapter 4 of this Report, for Herefordshire the average completion rate for employment development is approximately 8.7 hectares per annum. Projecting this forward to 2026 would result in a figure of 139 hectares. If excluding the very high level of completion achieved in 2006/07, the average annual completion rate would decrease to approximately 7.2 hectares per annum (and projecting this forward to 2026 would provide a total completion figure of 114 hectares).
- 9.8 Although this is a gross completion rate for new employment development (and when taking into account losses of employment land and premises the net completion rate will be less), it is clear that future employment land requirements derived through projecting forward past completion rates delivers significantly different (i.e. higher) results than when using the forecasting model.
- 9.9 This underlines the need to apply the outputs of the 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. It also illustrates the difficulty in providing an exact figure for future employment land requirements and that it will be important to undertake periodic reviews of the quality and quantity of the employment portfolio.

Planning Policies and Strategies

National and Regional Level

- 9.10 At the national and regional level, a number of key economic and planning strategy objectives can be identified and summarised as follows:

National and Regional Economic Development Objectives

- § Promotion of a strong, stable and productive economy with improved productivity, choice and competition;
- § Ensuring suitable locations are available for industrial, commercial and other development, whilst also ensuring economies are adaptable to change;
- § Developing Major Urban Areas in such a way that they can meet their own economic needs through diversifying and modernising the Region's economy, whilst ensuring that opportunities for growth are linked to meeting needs in reducing social exclusion;
- § Rural renaissance - identifying rural areas where there is a need for employment and economic regeneration and permitting economic development in different locations, including future expansion of business premises, to facilitate healthy and diverse economic activity in rural areas;
- § Supporting existing businesses and also attracting appropriate new economic activity, particularly higher value businesses such as advanced manufacturing / engineering and knowledge based industries.

National Planning Policy Objectives

- § Where necessary safeguard employment land from other uses, identify a range of sites to facilitate a broad range of economic development, including mixed use. Existing site allocations should however not simply be carried forward without evidence of need and a reasonable prospect of their take up within the plan period;
- § Maximise the use of previously developed land (PDL) and promote economy in use of land, including through the restoration of derelict and neglected land and buildings. Promote the modernisation and diversification of older manufacturing industry and their premises;
- § Adopt a sequential approach to meeting development needs to reduce the need to travel, particularly for uses which generate travel demand. For offices, this includes directing development within or adjoining main city, town or district centres and near to public transport interchanges in urban areas;
- § Plan for warehousing and distribution uses to avoid the unnecessary movement of goods by road, also taking into account of the need for proximity of labour supply, access by road, rail and ports / airports and for sites to be of a sufficient scale to allow for flexible development and expansion;
- § Encourage new uses for vacant buildings, including historic buildings;
- § Consider how sites for different businesses can be delivered (e.g. compulsory purchase, area action plans, simplified planning zones and local development orders); and
- § Facilitate new working practices such as live / work.

Sub Regional and Local Level

9.11 The following table summarises the main spatial priorities and objectives for key areas at the sub-regional and local level:

Area	Summary of Priority
Rural Regeneration Zone	<ul style="list-style-type: none"> • Linking opportunity and need and developing a strong, diverse and sustainable rural economy; • Diversification of the economy towards higher wage, knowledge intensive employment whilst continuing to develop existing economies such as food, farming and tourism; • Better links to technology (Central Technology Belt); • Sustainable development; • Raise rates of entrepreneurship and new firm formation; and • Outside of market towns, rural service centres and hubs and local centres, development will be limited to diversification of farms and rural businesses of an appropriate scale to protect the countryside for its own sake and address climate change
Hereford as a Growth Point	<ul style="list-style-type: none"> • Hereford will act as a focus for development in the sub-region, most new employment is directed to Hereford, particularly office development which attracts many people; • 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	<ul style="list-style-type: none"> • Improve the economic viability of the market towns, villages and their rural hinterlands by facilitating employment generation and diversification, improving delivery and access to services (including affordable housing and improved ICT) and realising the value of the environment as an economic asset; • A sustainable balance is sought between housing and employment growth whilst protecting the environment. in market towns and larger villages; and • These five market towns play a key role in support the growth and expansion of indigenous firms, as well as the attraction of new businesses.

Overview of Market Trends and Demand

County Town

9.12 Hereford is the prime location for business within the study area, and attracts a mix of international, national and regional covenants.

Demand: Industrial and Warehousing Property

9.13 The industrial market in Hereford can be said to be split into two camps; north of the river and south of the river. North of the river there is good demand for small units up to 300 sq m (c3,000 sq ft), for fair quality units with good access. The demand for freehold property is very strong however not reflected in the supply, where freehold property with vacant possession is scarce.

Demand: Offices

9.14 The business survey has identified the County Town area as being the main focus for additional office requirements from local firms in Hereford. The majority of demand is reported by local agents to stem from small, local professional services firms including solicitors and accountants, looking for space up

to 200 – 300 sq m (c2,500 sq ft). Parking is an issue, limited town centre parking means spaces can achieve £500-£600 per annum.

- 9.15 None of the space is speculative new build, demonstrating an active churn of small local tenants but no large requirements that could be accommodated in new premises.

Eastern Corridor

- 9.16 The Eastern Corridor sub area comprises the rural area in the east of Herefordshire and the towns of Ross on Wye, Bromyard and Ledbury. Ross on Wye in particular benefits from being located close to the M50 motorway, giving access to Birmingham city centre within 1 hour drive time and being less isolated than towns to the west of Hereford.

Demand: Industrial and Warehousing Property

- 9.17 Enquiries of local agents concur that there is good demand for units less than 300 sq m (c3,000 sq ft) in the Eastern Corridor area, however anything larger will take longer to let waiting for the right occupier, particularly if access is not good.
- 9.18 Occupiers are generally a mix of trade premises (tyres and auto-related services, plumbing and building supplies etc) together with small manufacturers. 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 Sqft.
- 9.19 Demand has been good but unfulfilled for small industrial units on a freehold vacant possession basis, as buyers continue to wish to purchase on the basis of non-debt backed equity for personal pension funds.

Demand: Offices

- 9.20 Demand for offices in the Eastern Corridor area is reasonably steady, albeit at a low level, with no discernible upwards or downwards trend, and take-up is generally from local firms.
- 9.21 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 public access.
- 9.22 There are few enquiries for buildings upwards of 185 sq m (2,000 sq ft), so larger vacant premises could be on the market for some time, unless they are subdivided to form smaller units. Recent transactions on lettings have been of first floor offices above shops not purpose-built premises. 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.
- 9.23 Agents have reported a lower activity level over recent times as a result of the downturn of the economy and occupiers waiting to see what transpires in the economy before committing to space.

Rural Heartland

- 9.24 The Rural Heartland sub-area includes the rural northern, western and southern parts of Herefordshire, including the conurbations of Kington and Leominster. 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 and little opportunity for overtaking slow moving vehicles.

Demand: Industrial and Warehousing Property

- 9.25 Demand for industrial accommodation in the Rural Heartland sub-area is primarily concentrated on Leominster, the largest conurbation in the sub-area.
- 9.26 Within Leominster, the slightly more central location means that agents report a demand for slightly larger units, but averaging only about 185 sq m (2,000 sq ft), being often difficult to let anything larger. Freehold property is in high demand, exacerbated by the lack of supply. Flexible space is catered for at Marches Trade Park on Leominster Enterprise Park by providing terraced units which can be conjoined to form larger units if required.
- 9.27 In the more rural areas such as Kington, the maximum space demanded is generally in the region of 93 sq m to 140 sq m (1,000-1,500 sq ft) and there is a reported lack of freehold vacant possession stock of this size which increases the demand for this type of product.

Demand: Offices

- 9.28 There is not a notable office market in the Rural Heartland sub-area. Again, the types of businesses requiring premises are generally local professional services firms in the town centres and independent trade-type users located in the Business Parks. Generally Leominster does not have a strong office market and demand can be quite unpredictable and slow.

Conclusions from the Employer Survey

- 9.29 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

9.30 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

9.31 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)
Local Plan Commitments	UDP employment allocations with extant planning permission or with development under construction at the time of the study for B1, B2 and B8 uses	Chapter 4 (Table 4.9)
Other Commitments	Land and buildings outside of employment allocations with extant planning permission or with development under construction at the time of the study for B1, B2 and B8 uses	Chapter 4 (Table 4.10)
Pending Losses	Land allocated for B Class employment use but with planning permission or with development under construction for alternative forms of development; or extant planning permissions or development under construction at the time of the study which would result in the loss of an existing employment use or premises	Chapter 4 (Table 4.11)
Commitments (Net)	UDP and Other Commitment (Gains) minus Pending Losses	-

Supply Component	Description	Report Reference
Owner Specific Sites	Sites identified for use by an existing occupier (for future expansion for example). In accordance with good practice, such sites should not be counted towards employment land supply until planning permission has been received.	Chapter 4 (Table 4.8)

Herefordshire Area

Existing Stock

- 9.32 Based on ONS information, existing B class employment floorspace across Herefordshire as a whole totals 1,494,000 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 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).
- 9.33 In relation to vacant premises, the study has revealed approximately 156,435 sq m of currently available space which, based on ONS (VOA) hereditament information, represents a 10% vacancy rate. This current higher vacancy rate (which is greater than that reported by the ONS for 2005 and through our own analysis of vacancies in early 2008) 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

- 9.34 It should be noted that employment land supply information included in this Study is primarily based on our detailed analysis of supply information as at mid 2008, albeit that some partial updating has been carried out to reflect certain key changes, such as the loss of the Faraday Road site at Westfields Trading Estate. As such, the supply position will have altered since this time (for example, a number of employment completions have occurred since 2008) and we would recommend that the up to date position is accurately reflected in monitoring carried out as part of the Council's employment land monitoring report.
- 9.35 Within Herefordshire as a whole, we estimate that there is approximately 119 hectares of employment land either allocated or committed. This figure decreases to 110 hectares when also taking into account pending losses of employment land supply.
- 9.36 The majority of total supply (approximately 77%) 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, Moreton-on-Lugg Depot (Morton Business Park), land north of Railway Viaduct (Ledbury) and Leominster Enterprise Park.
- 9.37 Committed sites provide approximately 24 hectares of (net) employment land supply. The bulk of committed sites are found within allocated employment sites.

Table 9.4: Herefordshire Area: Supply Overview (Hectares)

Supply Component	Office (B1a)	Manu. (B1b,c & B2)	Warehousing (B8)	Total
Employment Allocations	10.36	50.08	25.16	85.59
Local Plan Commitments (Gains)	10.38	11.97	4.94	27.29
Other Commitments (Gains)	0.72	3.58	0.92	5.21
Pending / Recent Losses	-1.84	-3.93	-2.59	-8.36
Commitments (Net)	9.25	11.62	3.27	24.15
Owner Specific Sites	0	1.39	0	1.39
Total Supply (excl OS Sites)	20.05	61.70	28.42	110.18

County Town Sub Area

Existing Stock

- 9.38 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.
- 9.39 In terms of vacant industrial and warehousing premises, 69,219 sq m is available, in comparison to a total built stock of 549,000 sq m (12.6%). The vast majority of available premises in this sector is 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. There is a total of 7,761 sq m of office space available, which equates to 9% of total office stock in the sub area.
- 9.40 Much of the office 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.

Employment Land Supply

- 9.41 The County town sub area contains almost 38 hectares (approximately 35%) of the district's employment land. Hereford City is a Growth Point within the district. 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. 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	3.72	26.42	7.48	37.62
Local Plan Commitments (Gains)	0.66	1.81	1.09	3.56
Other Commitments (Gains)	0.67	1.92	0.61	3.20
Pending Losses	-1.24	-3.33	-2	-6.57
Commitments (Net)	0.09	0.40	-0.30	0.19
Owner Specific Sites	0	0	0	0
Total Supply (excl OS Sites)	3.81	26.82	7.18	37.81

Eastern Corridor Sub Area

Existing Stock

- 9.42 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.
- 9.43 Approximately 41,409 sq m of floorspace was found to be vacant which is approximately 11% of total stock. Currently available 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. This said, this sub area also includes a number of substantial vacant premises, notably units at the European Hall site at Bromyard Road Trading Estate in Ledbury.

Employment Land Supply

- 9.44 The Eastern Corridor sub area contains 39 hectares of employment land which equates to approximately 35% of the total supply. The supply is split fairly evenly between allocated employment sites without planning permission and commitments. At approximately 10 hectares, this sub area has the largest amount of land committed for office development of any sub area, focussed mainly on allocated committed sites. The most significant office commitments include sites at Ross on Wye (notably land north of the A40 and Model Farm).
- 9.45 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 has 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	1.96	10.7	7.8	20.46
Local Plan Commitments (Gains)	7.34	6.86	2.23	16.43
Other Commitments (Gains)	0.05	1.66	0.31	2.01
Pending Losses	0	0	0	0
Commitments (Net)	7.39	8.51	2.54	18.44
Owner Specific Sites	0	0	0	0
Total Supply (excl OS Sites)	9.35	19.21	10.34	38.90

Rural Heartland Sub Area

Existing Stock

- 9.46 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 predominates the Rural Heartland, equating to 64% of total existing floorspace.

9.47 Approximately 43,600 sq m of vacant floorspace is identified in this sub area, which equates to around 7.5% of total floorspace in the sub area. Across the sub area, vacant industrial and warehousing premises are generally less than 500sq m although some notable exceptions exist. Available office premises are limited in this sub area, both in terms of overall number and also size of premises. No available office premises in excess of 500 sq m are identified in this sub area.

Employment Land Supply

9.48 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 around 33 hectares or 29% of total supply. The majority of supply (27.5 hectares) is found within allocated employment sites without planning permission, including most notably land at Leominster Enterprise Park and Morton-on-Lugg Depot (Morton Business Park). Approximately 5.5 hectares of land is committed for employment development in this sub area, with only a very small proportion of this component of supply identified as being outside of allocated sites.

9.49 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	4.67	12.96	9.88	27.51
Local Plan Commitments (Gains)	2.37	3.30	1.62	7.29
Other Commitments (Gains)	0.003	0.007	0	0.01
Pending Losses	-0.6	-0.6	-0.59	-1.79
Commitments (Net)	1.77	2.71	1.03	5.51
Owner Specific Sites	0	1.39	0	1.39
Total Supply (excl OS Sites)	6.45	15.67	10.91	33.02

Qualitative Analysis of Supply

Study Sub Areas – Distribution and Qualitative Nature of Supply

9.50 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

9.51 The County Town sub area includes available employment land at Rotherwas Industrial Estate, and as such the three 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	35.95	B1, B2, B8	Best (10.35 ha) Good (5.68 ha) Moderate (19.92ha)	Immediate / short (16.03 ha) Medium (19.92 ha)
Three Elms Trading Estate	0.70	B1, B2	Good	Medium
Holmer Trading Estate*	1.82	B1/B2/B8	Good	Medium
Holmer Road, Hereford	0.81	B1, B2, B8	Moderate	Immediate / short
Commitments outside of ELR survey sites (includes 19 small sites)	3.198		Various	

* Existing site ranked as 'poor' but figure in Table 9.8 represents estimate of available land / classification arising by virtue of recent planning permission for redevelopment of the site granted on appeal in September 2009.

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	10.35
	Medium	0
	Long	0
Good	Immediate – Short	5.68
	Medium	1.82
	Long	0
Moderate	Immediate – Short	0.81
	Medium	16.77
	Long	3.15
Poor	Immediate – Short	0
	Medium	0
	Long	0

Eastern Corridor Sub Area

- 9.52 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. A number of small sites are classified as 'moderate' and available in the immediate to short term, including land within Linton Trading Estate outside of Bromyard, and the northern triangle site at the land north of the railway viaduct in Ledbury. The only sites classified as 'poor' or 'poor to moderate' in the sub area are land north of the railway viaduct in Ledbury and, land allocated south of Linton Trading Estate (which is likely to be contaminated and is constrained by existing / adjoining uses). Both sites are identified as being only available in the longer term.

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)	3.28	B1, B2, B8	Good	Immediate / short
East of Whitestone Business Park	1.02	B1, B2, B8	Good	Medium
Whitestone Business Park	0.41	B1, B2, B8	Good	Immediate / short
South of Linton Trading Estate, Bromyard	5.57	B1, B2, B8	Poor	Medium (0.37 ha) Long (5.2 ha)
Land north of Railway Viaduct, Ledbury	12.27	B1, B2, B8	Poor / Moderate (10.68 ha) Moderate (1.59 ha)	Immediate / short (1.59 ha) Long (10.68 ha)
Ashburton Industrial Estate, Ross on Wye	0.35	B1c, B2, B8	Good	Immediate / short
Linton Trading Estate, Bromyard	0.28	B1, B2	Moderate	Immediate / short
Bromyard Road Trading Estate	2.206	B1, B2, B8	Good	Immediate / short
Model Farm, Ross on Wye	10	B1, B2, B8	Good	Medium
Land north of PFS, Ross on Wye	0.98	B1, B8	Good	Immediate / short
Commitments outside of ELR survey sites	3.2		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	5.49	1.33	0.41
	Medium	0	0	10	1.02
	Long	0	0	0	0
Moderate	Immediate – Short	0	1.59	0	0.28
	Medium	0	0	0	0
	Long	0	0	0	0
Poor/Moderate	Immediate – Short	0	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	0.37
	Long	0	0	0	5.2

Rural Heartland

- 9.53 The only site classified as ‘best’ in this sub area is Leominster Enterprise Park where a number of plots have outstanding planning permissions or were under construction (as at mid 2008). With the exception of Morton-on-Lugg Depot (Morton Business Park), the remaining sites in the Rural Heartland sub area are made up of 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.
- 9.54 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 exclusively of land at Morton-on-Lugg Depot (Morton Business Park) although it is understood that an existing highways visibility constraint needs to be overcome to enable (significant) levels of new development to take place at the 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, Hergest Camp 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	13.40	B1, B2, B8	Best	Immediate / short
Morton on Lugg Depot (WRA)	12.09	B1, B2, B8	Good	Immediate / short
Gooses Foot Industrial Estate, Kingstone (WRA)	2.1	B1c/B2	Moderate	Immediate / short
Tram Inn, Allensmore (WRA)	0.7	B1, B2	Moderate	Medium
Hergest Camp, Kington (KING)	0.07	B1, B2	Moderate	Medium
Madley Airfield, Kingstone (WRA)	2.74	B1, B2, B8	Moderate	Immediate / short
Hatton Gardens, Kington (KING)	0.2	B1c/B2	Good	Immediate / short
Southern Avenue, Leominster (LEO)	2.55	B1, B2, B8	Good	Immediate / short (1.027ha) Medium (1.52 ha)
Commitments outside of ELR survey sites	0.01		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	13.40	0
	Medium	0	0	0
	Long	0	0	0
Good	Immediate – Short	0.2	1.03	12.09
	Medium	0	1.52	0
	Long	0	0	0
Moderate	Immediate – Short	0	0	4.84
	Medium	0	0	0.77
	Long	0	0	0
Poor	Immediate – Short	0	0	0
	Medium	0	0	0
	Long	0	0	0

A49 Corridor

- 9.55 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.
- 9.56 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.
- 9.57 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, Hereford	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 Trading Estate, 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	OS

9.58 'Best' employment land is considered available in the immediate to short term along the A49 corridor, at Leominster Enterprise Park and Rotherwas Industrial Estate. 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

9.59 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 as a whole 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 a different picture of requirements. Using this approach would suggest a modest under-supply in employment land for Herefordshire over the period to 2026 (ranging from between 4 and 29 hectares). This under-supply could increase by circa 10 hectares should an option be pursued which seeks to locate proposals for waste management facilities on identified employment land;
- § 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.

9.60 Based on these key 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 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

9.61 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

9.62 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.

9.63 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	<p>Use of policy approaches, including:</p> <p>a. AAPs, SPDs and Masterplans on larger sites to seek to ensure range of available plots and premises, including for small and expanding businesses;</p> <p>b. Provision for additional employment opportunities in those parts of Herefordshire where supply of land and premises is currently restricted. This should also include LDF policies and proposals to promote employment opportunities in and around appropriate settlements outside of the County Town; and</p>
Site Constraints where these exist (such as flood risk, access etc)	<p>c. Influence through Economic Development and related strategies and promoting the intervention by AWM / future Local Economic Partnerships (LEPs) as required.</p>
Potential for pressure for non-employment use such as residential	<p>Inclusion of policies in the LDF to prevent the inappropriate erosion of better-performing sites to other non-employment (generating) uses.</p>
Certain poor quality sites and buildings which make a limited contribution to the local employment portfolio	<p>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;</p> <p>b. For the poorest quality employment sites, consider (re)development to alternative uses and relocation of any displaced occupiers if necessary; and</p> <p>c. Application of a criteria-based LDF 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.</p>
Sustainability and environmental consideration	<p>a. Preparation of a Sustainability Plans and Green Travel Plans to guide future development on larger sites; and</p> <p>b. Preparing AAPs, SPDs and Masterplans (refreshing previous planning briefs as necessary) to guide and promote development and address sustainability and (site-specific) environmental issues.</p>

B: Maintaining a Portfolio of Sites

9.64 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.

9.65 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 control 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 control process
Poor (P)	Potential for release to other forms of development

Best and Good Sites

- 9.66 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. The sites defined as being Best and Good are listed in **Tables 9.17 and 9.18**.
- 9.67 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 (Part)
Eastern Corridor	-
Rural Heartland	6. Leominster Enterprise Park

Table 9.18: ‘Good’ Sites

	Site
County Town	48. Rotherwas Industrial Estate (Part)
	59. Westfields Trading Estate
	53. Three Elms Trading Estate
	41. Lugg View
	46. Churchward Trading Estate
	49. Barrs Court
	50. Bulmers
	51. Plough Lane
Eastern Corridor	60. Holmer Road Trading Estate (b)
	15. Lower Road Trading Estate
	44. Whitestone Business Park
	56. Land East of Whitestone Business Park

	Site
	21. Land North of Petrol Filling Station
	23. Land North of A40 Model Farm
	22. Ashburton Industrial Estate
	11. Court Farm Business Park
	26. Alton Road
	9. Porthouse
	8. Station Trading Estate
	12. Colwall Industrial State
	14. Homend Trading Estate
	28. Somerfield's Site
	13b. Bromyard Road Ledbury
	25. Chase Industrial Estate
	27. Wolf Industrial Estate
	75. Stoneyhills Industrial Estate, Whitchurch
	76. Ashvale, Cradley
	77. Woodend Lane Business Park, Stoke Lacy
	24. Haigh Industrial Estate
	70. Hatton Gardens
	5. Southern Avenue
	3. Cobnash Industrial Estate
Rural Heartland	30. Longmeadow Industrial Estate
	40. Moreton-on-Lugg Depot
	64. Whitehill Park Industrial Estate
	69. Burgoynes, Lyonshall
	71. The Old Foundry
	74. Old Forge Industrial Estate

Moderate Sites

9.68 Those sites identified as 'Moderate' are generally of reasonable quality but may be constrained limiting their full current availability or market attractiveness. Certain 'Moderate' sites may be of interest mainly to local occupiers only. As a general policy approach to be reflected in the LDF (and unless an alternate recommendation in 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 generating uses (such as trade counter uses, vehicle sales and repairs etc) which may come forward on 'Moderate' sites through the development control process (and also on individual employment sites and premises not examined as part of this study) should 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 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. 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.

§ The ability to accommodate smaller scale requirements in the locality would not be unacceptably compromised – 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.

§ There would be a net improvement in amenity – most relevant for ‘non-conforming’ uses close to residential areas which create 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.

9.69 For other uses such as housing, we would recommend that the following additional criteria are also applied:

§ 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.

§ Viability of employment development – details of redevelopment costs to justify that employment development is not viable in the first instance, and if a pure 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.

9.71 The precise period of marketing will be influenced by prevailing market conditions at the time but a minimum period of 12 months would normally be appropriate. Marketing should be carried out by an established commercial property agent and should include on-site boards, adverts in the relevant publications (national property publications and / or local press) and inclusion on the vacant property register. The extent of marketing required will vary from site to site depending on its size and type.

9.72 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.

9.73 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. A list of the ‘Moderate’ sites identified through this study are included in **Table 9.19** below.

Table 9.19: ‘Moderate’ Sites

	Site
County Town	42. Legion Way
	48. Rotherwas Industrial Estate (Part)
	60. Holmer Road Trading Estate (a)
	54. Beech Business Park
	47. Holmer Road
	43. Special Metals
	45. Burcott Road

	Site
Eastern Corridor	52. Sun Valley
	55. Aydon Industrial Park
	57. Rockfield Road
	58. Foley Trading Estate
	10. Linton Trading Estate
	13. Land North of Railway Viaduct
	18. Jam Factory
	16. Bankside Industrial Estate
Rural Heartland	36. Tram Inn
	34. 35 Gooses Foot Industrial Estate
	72. Hergest Camp
	32. Westwood Industrial Estate
	68. Shobdon (Kingspan)
	65. Shobdon
	1. Paytoe Industrial Estate
	2. Brimfield Business Park
	7. Longmoor Industrial Estate
	31. Pontrilas Depot
	33. Pontrilas Timber Yard
	37. Dene Industrial Estate
	38. Madley Airfield
	61. Newport Street, Cusop
	62. Forest Fencing
63. The Wharf	

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. Holmer Trading Estate (a) is excluded from this table as a result of recent planning permission granted on appeal for the redevelopment of the site for residential, employment and retail purposes.

Table 9.20: 'Poor' Sites

	Site
County Town	-
Eastern Corridor	10. b Land South of Linton Trading Estate
	13. Land North of Railway Viaduct (part)
	19. Hereford Road
al Heartland	67. Shobdon

Site
67b. Shobdon
66. Shobdon

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 LDF.

Table 9.21: 'Owner Specific' Sites

	Site
County Town	-
Eastern Corridor	-
Rural Heartland	4. Dales Leominster 73. Cadbury, Marlbrook

C. County Town Sub Area (Hereford City)

9.76 Rotherwas Industrial Estate 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 physical constraints, notably flood risk, which currently affects the availability of certain vacant development land at the estate. The Council should continue existing work with AWM, land owners, the Environment Agency and others to overcome current constraints.

9.77 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. This could include:
 - The extension of existing sites (e.g. Three Elms);
 - The identification of additional sites capable of accommodating a range of employment uses, which could include new employment opportunities identified as part of proposed urban extensions; and
 - Other measures such as proactive policies to promote office development within appropriate central locations.

D: Market Towns of the County

9.78 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.

- 9.79 To address this issue, we would recommend the inclusion of a suite of policies in the LDF 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).
- 9.80 As summarised in **Table 9.22** below, 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 LDF.

Table 9.22: Employment Recommendations for Larger Settlements in the Rural Area

Settlement	Recommendations
Bromyard	No available land supply within the settlement and significant qualitative constraints affecting the contribution of other available land in the vicinity of Bromyard, namely land south of Linton Trading Estate. Consider the removal of land south of Linton Trading Estate from the employment portfolio unless it can be demonstrated that the site has a realistic opportunity of being delivered. If it cannot be delivered an alternative replacement site could be considered to provide a new employment allocation(s) to address the current absence of any available employment land (short – long term) within Bromyard itself and to reflect proposals for strategic housing growth being promoted through the Core Strategy .
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 current qualitative supply position and to reflect proposals for strategic housing growth being promoted through the Core Strategy, consider the identification of a new employment allocation(s).
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 existing opportunities over the LDF period, including ensuring opportunities for smaller-scale of requirements.
Kington	Limited available land supply within the settlement. Consider identifying additional appropriate small-scale employment opportunities well related to the settlement.
Leominster	Good level of available land supply serving the settlement, including land at Leominster Enterprise Park and Southern Avenue. Focus on the delivery of existing opportunities over the LDF period, including ensuring opportunities for smaller-scale of requirements.

E: Local Planning Policy and Other Responses

Planning Policy Responses

- 9.81 We would recommend that a hierarchical policy approach towards the protection and promotion of the employment portfolio, as summarised in **Table 9.23** below, be considered for inclusion within the LDF:

Table 9.23: 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	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).

Issue	Policy Response
employment in urban and rural areas	<p>a. General policy to promote / guide new employment development / expansion within urban areas;</p> <p>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;</p> <p>c. Promotion of rural diversification and the re-use of rural buildings for employment generating uses in the first instance;</p> <p>d. Enhance currently available opportunities for new office development in central urban areas, particularly Hereford City.</p> <p>e. Enhance supply of employment land in certain Market Towns, namely Bromyard and Ledbury.</p>

Supplementary Planning Documents

- 9.82 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 LDF 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.
- 9.83 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

- 9.84 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.

F: Monitoring

- 9.85 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 as promoted through PPS4 (see method section for guidance on suggested split and approach).
 - § 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.
- 9.86 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.

Important notice

This document is confidential and prepared solely for your information. Therefore you should not, without our prior written consent, refer to or use our name or this document for any other purpose, disclose them or refer to them in any prospectus or other document, or make them available or communicate them to any other party. No other party is entitled to rely on our document for any purpose whatsoever and thus we accept no liability to any other party who is shown or gains access to this document.

Deloitte LLP is a limited liability partnership registered in England and Wales with registered number OC303675 and its registered office at 2 New Street Square, London EC4A 3BZ, United Kingdom.

Drivers Jonas Deloitte is a trading name of Deloitte LLP, which is the United Kingdom member firm of Deloitte Touche Tohmatsu ('DTT'), a Swiss Verein, whose member firms are legally separate and independent entities. Please see www.deloitte.co.uk/about for a detailed description of the legal structure of DTT and its member firms.

Member of Deloitte Touche Tohmatsu