

Wiltshire Employment Land Review

Final Report

Prepared for Wiltshire Council

May 2018

Contents

Executive Summary	i
1 Introduction	1
2 The Wiltshire Economy	9
3 Employment Land and Property Demand.....	24
4 Employment Land and Property Market	32
5 Employment Sites in Wiltshire	39
6 Balance Between Demand and Supply of Employment Sites	57
7 Conclusions and Policy Implications	62

Appendix 1: Planning Policies

Appendix 2: Policy Review

Appendix 3: Data Baseline Review

Appendix 4: Stakeholder Consultation Key Messages

Appendix 5: Forecast Demand for Employment Land

Appendix 6: Wiltshire Employment Land and Property Market

Appendix 7: Employment Sites in Wiltshire

Appendix 8: Employment Site Viability in Wiltshire

Appendix 9: Completed Employment Sites Pro-formas

Job Number:	17 06 03
Version Number:	4.3
Approved by:	Gareth Jones
Date:	31 May 2018

Executive Summary

This is the latest Employment Land Review (ELR) for Wiltshire. It sets out an assessment of the future demand for B Use Class employment land in Wiltshire, a review of the supply of sites, and assesses the fit between the two. The ELR then makes recommendations on practical and policy interventions needed to ensure that there is a sufficient supply of sites in Wiltshire over the period to 2036. This is an important part of the evidence base for the refresh of the Local Plan Core Strategy, which is currently underway.

1 The economy of Wiltshire

The economy of Wiltshire is robust, diversified and growing. However, it has experienced below-average economic growth since 1997, and has productivity levels below the UK level. Limitations in the supply of sites and property may have contributed to this below-average growth. The economic performance of Wiltshire is influenced by the sector mix and largely rural nature of the county. Wiltshire contains the city of Salisbury and is in close proximity to Swindon and Bath. The county has 16 urban areas - 15 towns and one city - referred to as Built up Areas or BUAs in this study, but is largely rural, including Salisbury Plain. Wiltshire has a few globally competitive sectors and businesses e.g. Dyson at Malmesbury, ICT/Digital Security activities at Corsham clustered around the UK Joint Forces Cyber Command, Life Sciences at Porton Down, and Aerospace at Boscombe Down. There is a significant MoD presence in the county.

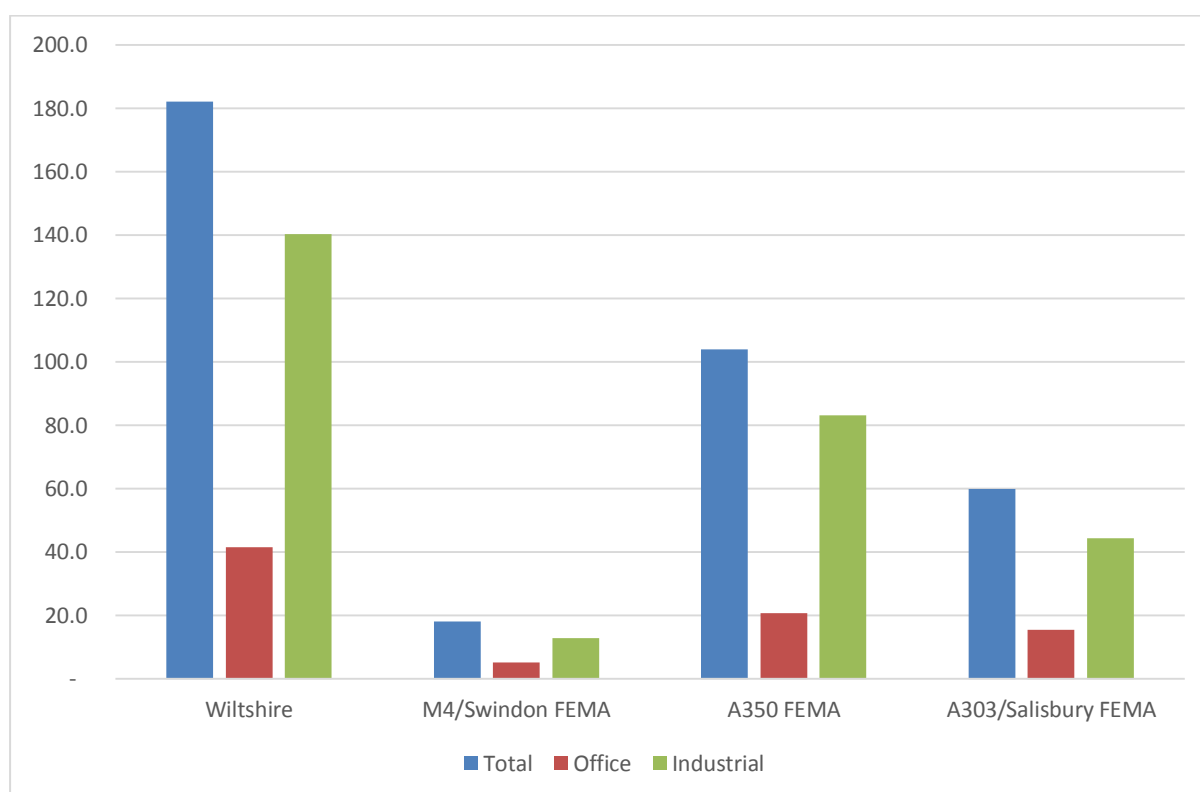
There are three distinct Functional Economic Market Areas (FEMAs) in Wiltshire – the Wiltshire part of a larger M4/Swindon FEMA, an A350 FEMA and an A303/Salisbury FEMA.

Key sectors identified as having future growth potential are set out in documents such as the Strategic Economic Plan for Swindon & Wiltshire, Swindon & Wiltshire Local Economic Assessment, and the Wiltshire Core Strategy. These sectors, for which there are aspirations for growth, include: Advanced Engineering & Manufacturing, Business Services, Life Sciences or Biosciences, Health, Environmental Technologies, Food & Drink, ICT, Creative Industries, Agriculture & Land Based Industries, and Tourism. Ongoing growth will generate a future need for employment land, along with the need for replacement sites and premises, to maintain the health of the existing economy.

2 Demand for employment land in Wiltshire

Employment growth forecasts were prepared for an analysis of the FEMAs in Swindon and Wiltshire, undertaken in 2016. There have been no significant changes to the economy or economic growth prospects of Wiltshire since then (including no further clarity about the impact of Brexit), so these employment growth forecasts have been used for this ELR. This also ensures that there is consistency throughout the evidence base for the Local Plan. The demand for employment land has been calculated on the basis of forecast growth in employment, plus the need for the replacement of premises that are no longer fit for purpose, plus allowances for churn and choice in the local employment property market. Overall demand for employment land in Wiltshire and each of the FEMAs can be seen in the figure below.

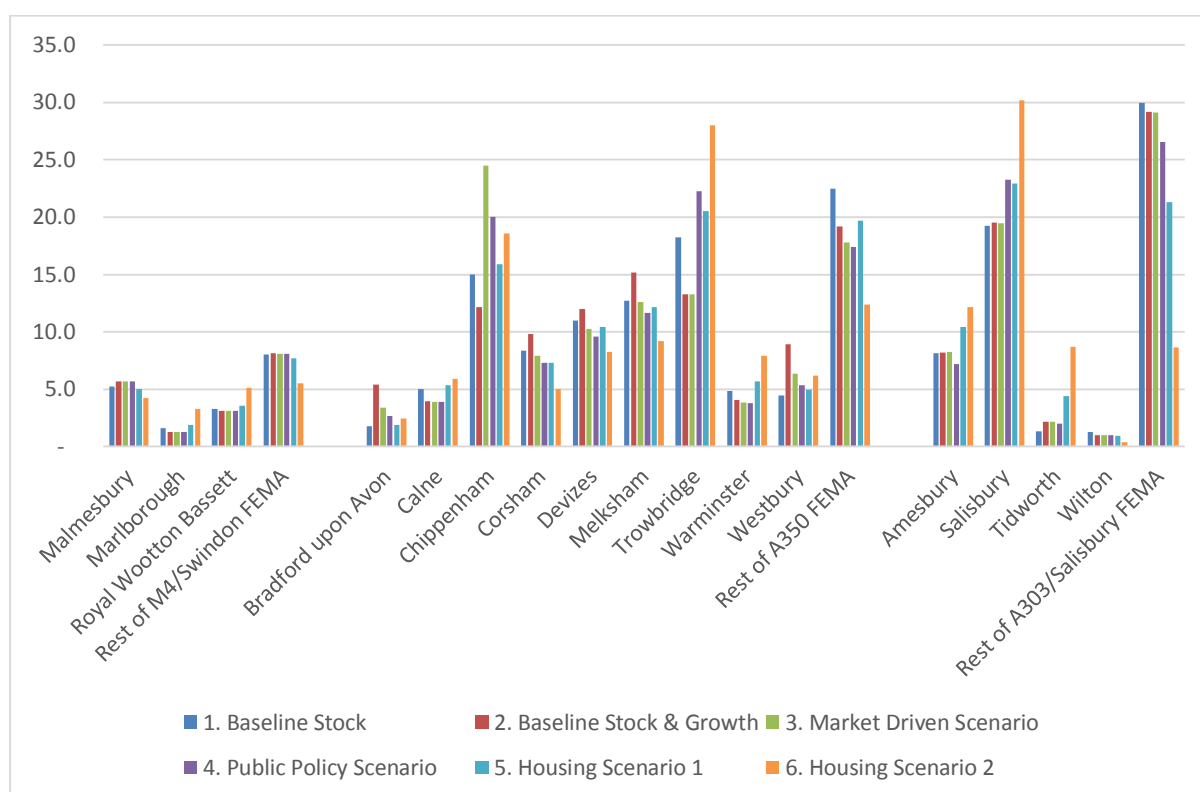
Figure 0.1: Demand for Employment Land Over 20 Years (2016-2036) (Ha)



This has also been broken down to BUA and rural area level, so that the potential distribution of demand can be considered. Six different demand scenarios at the BUA level are considered, which are discussed in more detail in Chapter 3 of the ELR. In short, they are:

- Scenario 1 – **Baseline Stock** – Allocation of future demand across each of the BUAs and rural areas according to the distribution of current levels (i.e. baseline stock) of employment
- Scenario 2 – **Baseline Stock and Growth** - Similar to Scenario 1, starting with the already agreed level of demand for Wiltshire, but that portion of future demand determined by change (or growth) in employment is allocated across the BUAs and rural areas according to recent employment change in each BUA and rural area
- Scenario 3 – **Market Driven** - Building on Scenario 2, with some adjustments to take account of market-led factors
- Scenario 4 – **Public Policy** - Building on Scenario 2, but adjustments are made to take account of public policy drivers of the distribution of employment
- Scenario 5 – **Housing 1** - Distributes some future demand according to the current distribution of employment, and some future demand according to the planned location of future housing growth
- Scenario 6 – **Housing 2** - All future demand is distributed within each FEMA on the same percentage distribution as the distribution of planned future housing growth

Figure 0.2: Potential Distribution of Demand Across BUAs and Rural Areas (2016-2036) (Ha)



3 The employment land and property market in Wiltshire

In 2017, there is 3.6 million sq m of existing B Use Class space in Wiltshire, according to the Valuation Office Agency (VOA). Of this, 44% is logistics/warehousing space, 42% is industrial space and 14% is office space. The A350 FEMA has the largest amount of industrial space (67% of the Wiltshire total), warehousing/logistics space (61%), and office space (62%). The A303/Salisbury FEMA has the second largest amount of each use class, and the M4/Swindon (Wiltshire) FEMA the least.

The office and industrial property markets in Wiltshire have been resilient despite the uncertainty of Brexit and the 2017 General Election. Property agents' view is that there is a dearth of industrial property supply in areas of high demand in the county, and a significant demand for industrial and logistics space, and as a consequence, rents have risen by 15% to 20% during the last five years, driven up by an excess of demand over supply. There is also anecdotal evidence that sale prices have increased. Further detail on the property market is set out in Appendix 6.

4 Employment sites in Wiltshire

Wiltshire Council has carried out a review of 147 existing and potential future employment sites. The 147 sites were selected for assessment by Wiltshire Council officers. These sites are either identified as principal employment areas/larger employment sites (i.e. those over 0.5 Ha), Core Strategy allocations, or saved local plan allocations. A small number of un-allocated sites were also assessed as part of the review. These were identified in some of the areas where Wiltshire Council may want

to consider additional employment allocations. These unallocated sites will require further investigation alongside other alternatives that might be being promoted. It was also necessary to include un-allocated sites in this Review in order to test the site appraisal methodology developed by the consultant team.

As well as collecting factual data on each site, the review has included an assessment of the quality of sites against a number of factors: strategic location and accessibility; internal environment and site layout; local amenities and public transport; the character of the area and adjoining uses; and the age of suitability of the stock. Most of the sites scored average or better against these quality criteria.

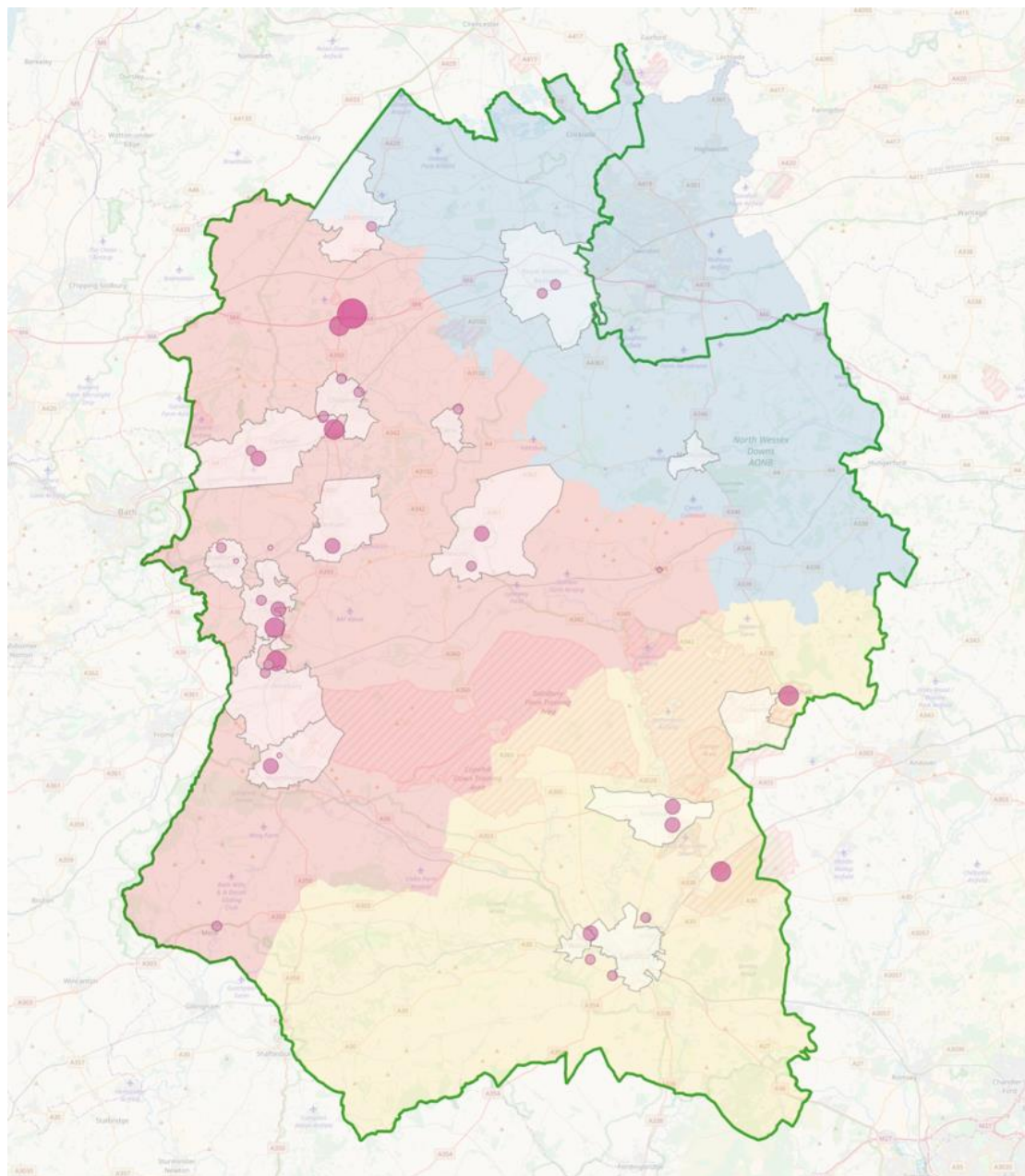
Of these 147 sites, 42 have some potential to deliver new employment land. These sites are located throughout Wiltshire, as shown in Figure 0.4, below. 37 of the sites are existing sites or employment allocations, and five are not allocated. There are risks to the non-delivery of a number of these sites. The main indicators of risk of non-delivery are legal or ownership problems, a history of unimplemented planning consents, and infrastructure constraints, both on and off the sites. These risks have been combined into a single score for low, medium or high delivery risk. The risk assessment is discussed in more detail in section 5.3.1.

Figure 0.4 below sets out a summary of the total potential supply of employment land on the 42 sites, and in each of the three FEMAs. This shows that the A350 FEMA has the largest amount of potentially available land, and that there is very little available land in the M4/Swindon (Wiltshire) FEMA¹. Over half of the available land is at medium risk of non-delivery.

At this stage not all employment sites in Wiltshire have been reviewed. Wiltshire Council will continue to review sites, and those that have not been included yet are no less important than those that have been. This is discussed in more detail in Chapter 5.

¹ The broad distribution of future demand for workspace is similar to the current distribution of the stock of workspace i.e. highest in the A350 highest, then A303/Salisbury FEMA, and lowest in the M4/Swindon FEMA (Wiltshire)

Figure 0.3: Location of Sites with Potential Development Land



Scale 1:600,000

Expansion Sites

- 50.0+ ha
- 10.0 - 50.0 ha
- 5.0 - 10.0 ha
- 1.0 - 5.0 ha
- 0 - 0.25 ha
- BUA Boundaries
- M4/Swindon FEMA (Best Fit)
- A350 FEMA (Best Fit)
- A303/Salisbury FEMA (Best Fit)
- Wiltshire Boundary

Prepared by Hardisty Jones Associates using QGIS
Contains OS data © Crown copyright
© OpenStreetMap contributors



Figure 0.4: Available Employment Land

	Total potential supply that is existing or allocated (Ha)	Existing, allocated and low delivery risk (Ha)	Existing, allocated and medium delivery risk (Ha)
Wiltshire	172	80	86
M4/Swindon FEMA (Wiltshire)	10	1	9
A350 FEMA	109	45	62
A303/Salisbury FEMA	52	33	15

Source: HJA and BBP Regeneration analysis of data provided by Wiltshire Council and BBP Regeneration. Figures may not sum due to rounding. N.b. Supply at sites at high risk of non-delivery is not shown separately in this table, but is included in the first column

The previous ELR carried out in 2011 identified a number of site that were thought to be ready and available for development, but few of these have actually been brought forward for development in the intervening years. A significant amount of the current supply has been assessed as ‘medium’ risk of non-delivery, as seen in Figure 0.4 above. The reasons for this are site specific. There are a number of sites with a history of unimplemented planning permissions or which have previously been allocated and which have not been brought forward. Reasons for this include:

- Some allocations form part of a mixed-use development alongside residential uses, and developers are cautious about promoting employment activities, preferring to concentrate on residential development
- There does not appear to be a sufficient financial incentive to promote employment development, or planning controls which are firm enough to require it
- Whilst there is evidence of occupier demand, there is a market failure occurring which is deterring new employment development. In all but the strongest market areas there is a gap funding requirement, and generally development finance is difficult to obtain
- There is anecdotal evidence that some landowners are unwilling to undertake employment development, as they have a long-term aspiration to promote residential development on the site

Wiltshire Council should consider how best to engage with site owners and developers to ensure that medium risk employment sites are delivered, thus optimising the delivery of sites over the Local Plan period. Areas for intervention are discussed below, and in more detail Chapter 7.

5 Fit between demand and supply

The fit between forecast demand and supply has been considered at the Wiltshire level. When unallocated sites and sites at high risk of non-delivery are removed from the supply, then it is clear that the level of current supply is below the top of the range of forecast demand over the Local Plan period.

Figure 0.5: Fit of Total Supply and Demand in Wiltshire 2016-2036

Total demand (office and industrial)	157 Ha – 182 Ha
Allocated, existing and medium or low delivery risk	166 Ha

There is an excess of supply over demand, irrespective of risk, during the first five years of the local plan period (2016 to 2036). However, it will be important to ensure that there is a range of site types and sizes available throughout the plan period to meet a variety of demand throughout the county.

In the M4/Swindon (Wiltshire) FEMA, demand for employment land exceeds supply over the whole plan period (2016 to 2036) and during the first five years. There is potential for more land to be allocated at Marlborough, and at Malmesbury, where there is little supply, to capture growth in proximity to Dyson.

In the A350 FEMA, the potential supply (excluding sites that are un-allocated or at high risk of non-delivery) is just above the range of potential demand scenarios. The market is interested in Chippenham, and there is scope for more land to be allocated here, as well as at Melksham and Corsham.

In the A303/Salisbury FEMA, there is sufficient land to meet demand during the first five years of the Local Plan period, but not enough land to meet the forecast demand over the whole 20-year plan period. There is potential for more allocations in the Salisbury area to enable growth here, but sites have not yet been identified. Porton Down and Boscombe Down are both potentially high-value exceptional sites, due to activities of national importance that take place here, although the specialist nature of these activities means that the demand for these sites will come from very specific sectors.

6 Conclusions and policy implications

The total potential supply of sites across Wiltshire (excluding unallocated and sites at high risk of non-delivery) is within the forecast demand range over the Local Plan period from 2016 to 2036, but below the top of this range. It will be important for Wiltshire Council to allocate and support the delivery of a portfolio of sites across Wiltshire, and across each FEMA, to meet forecast demand, and allow for flexibility and choice i.e. a range of sites of varying sizes, across a range of locations. There is forecast demand for new offices, and if the Council wants to promote new office development in and around town centres then more sites around town centres will need to be allocated, as there are very few at present.

There is potential for new employment land allocations at Marlborough, Malmesbury, Chippenham, Melksham, Corsham, and Salisbury, because there is forecast demand but insufficient supply in these areas.

Some of the potential employment sites that have been considered as part of this ELR could help to meet strategic regional and national requirements for sites, rather than purely meeting locally derived demand. In particular, there are two un-allocated proposals for development adjacent to Junction 17 of the M4 in the north of Wiltshire². Sites at Porton Down and Boscombe Down serve very particular nationally significant needs, so could also be considered as high-value exceptional sites.

In some cases, currently allocated employment sites have not been developed due to deliverability and viability issues. This is discussed in more detail in section 5.4. These constraints need to be considered on a site-by-site basis, and the potential for public sector intervention should be considered. There may be barriers to delivery which can be addressed through public intervention. This may involve direct intervention by Wiltshire Council, or the Council may be able to lobby other public sector organisations or funds to help overcome barriers.

Potential areas for intervention or lobbying (which are discussed in more detail in Chapter 7) could include:

Policy and development measures

- Policy and development management measures in combination to strongly support employment allocations. Changes of use (to non employment uses) should be firmly resisted unless there is 'compelling' evidence that a site is not suitable or needed for employment uses
- Development management decisions should support the principles of sustainable development and in the case of mixed use developments provide trigger points (e.g. no more than 'x' homes to be occupied prior to 'y' sq m of employment space having been completed), milestones and require implementation plans to enable employment allocations to be brought forward
- Development briefs and masterplans should be evidenced by local employment studies which consider the type and amount of employment provision, and how it will be funded and delivered, ensuring that the quantity and type of employment uses is appropriately provided for, and issues such as separation of access and buffer zones are reflected in plans
- Regular ongoing monitoring of sites should take place, especially those that are at medium and high risk of non-delivery

Corporate interventions

² In relation to the Chippenham Gateway site at Junction 17, the Wiltshire Council Strategic Planning Committee in February 2018 resolved: To delegate authority to the Head of Development Management to grant outline planning permission, subject to the signing of a S106 agreement within 6 months of the date of the resolution of this Committee to address the following requirements: Contributions to Identified highways works; Travel Plan including Shuttle Bus Service provisions; Traffic Regulation Order Contributions; Local Labour Agreement

- Wiltshire Council could work with site promoters to help overcome abnormal costs or ownership barriers to development, if necessary through the use of CPO powers
- The Council could engage with other stakeholders, e.g. the Local Enterprise Partnership, to secure funding
- The Council could consider a programme of development, directly, by establishing a development vehicle, and/or as a joint venture with a private sector partner, to deliver employment space for start-ups and growing businesses. Such a vehicle could be granted step-in rights where there is a failure to deliver employment space

1 Introduction

This document sets out the Employment Land Review (ELR) undertaken for Wiltshire Council in 2017.

1.1 Background

The latest Wiltshire Local Plan core strategy was adopted in 2015³. The key messages from this plan are summarised in Appendix 2. A first five-year review of this plan is due in 2020, and work on this has started. This ELR will help to inform and shape the five-year review of the Local Plan.

A previous Employment Land Review was prepared in 2011⁴, which is summarised in Appendix 2. This report was prepared in the aftermath of the 2008 recession, and the main findings at the time were that there was sufficient land to meet forecast demand for employment land, with some new allocations. However, much of the land identified as being suitable and available for development in this previous ELR has not been developed, despite it being identified as suitable for development. This latest review presents an updated and in-depth analysis of the change that has taken place since then, and the current state of demand for employment land and the supply of employment land in Wiltshire.

A Functional Economic Market Area Assessment (FEMAA) for Swindon and Wiltshire was completed in early 2017⁵. This study defined three functional economic market areas (FEMAs) in Swindon and Wiltshire (i.e. M4/Swindon FEMA; A350 FEMA; and A303/Salisbury FEMA), and considered the forecast employment growth and need for employment land to accommodate this in each FEMA. To ensure consistency in the Local Plan evidence base, these forecast requirements have been used for this ELR. For this current ELR, only the Wiltshire part of the M4/Swindon FEMA has been considered (which is hereafter referred to in this report as the M4/Swindon (Wiltshire) FEMA). The FEMAA was developed alongside the Strategic Housing Market Assessment (SHMA) for Swindon and Wiltshire, and there is consistency between the two. A separate ELR has been carried out by Swindon Borough Council, which covers the rest of the Swindon/M4 FEMA.

1.2 Employment land guidance

National Planning Policy is set out in two main documents/sources:

- The National Planning Policy Framework, 2012⁶, hereafter referred to as the NPPF
- Planning Practice Guidance⁷, hereafter PPG, which is a live website and continually updated

These are discussed in more detail at Appendix 1, and the salient messages are summarised below.

The NPPF sets out the Government's planning policies for England, and how these are expected to be applied at the local level. It has a clear emphasis on achieving *sustainable development*. The

³ Wiltshire Council (2015) Wiltshire Local Development Framework: Wiltshire Core Strategy

⁴ Roger Tym & Partners (2011) Wiltshire Workspace and Employment Land Review: Final Report

⁵ Hardisty Jones Associates (2017) Swindon and Wiltshire Functional Economic Market Area Assessment

⁶ National Planning Policy Framework (March 2012) Department for Communities and Local Government

⁷ <http://planningguidance.planningportal.gov.uk/blog/guidance/>

NPPF sets out three dimensions to sustainable development, which need to be delivered in balance because they are mutually dependent: the economic role, the social role and the environmental role.

NPPF (paragraph 21) states that local authorities should:

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

NPPF (paragraph 22) states: *Planning policies should avoid the long term protection of sites allocated for employment use where there is no reasonable prospect of a site being used for that purpose. Land allocations should be regularly reviewed.* Of note is the consideration of ‘no reasonable prospect’ of a site being developed for its allocated purpose. This is discussed in more detail at section 7.2.3 of this report.

Section 3 of the NPPF is about *supporting a prosperous rural economy*. It states that to promote a strong rural economy, local and neighbourhood plans should support the sustainable growth and expansion of all types of business and enterprise in rural areas, both through conversion of existing buildings and well-designed new buildings.

At paragraph 161 the NPPF states that local planning authorities should develop an evidence base to assess the needs for land or floorspace for economic development, including both the quantitative and qualitative needs for all foreseeable types of economic activity over the plan period. The evidence base should consider *the existing and future supply of land available for economic development and its sufficiency and suitability to meet the identified needs*.

PPG suggests the need for an economic needs analysis to *identify the future quantity of land or floorspace required for economic development uses including both the quantitative and qualitative needs for new development; and provide a breakdown of that analysis in terms of quality and location, and to provide an indication of gaps in current land supply*.

This ELR is compliant with all of the guidance referenced above and discussed in more detail at Appendix 1.

A consultation is currently underway on revisions to the NPPF⁸(an addendum will be added to this Review once the NPPF consultation is completed). Of particular note are the proposed policies on building a strong and competitive economy⁹ (p.22), including:

- *Planning policies and decisions should help create the conditions in which businesses can invest, expand and adapt. Significant weight should be placed on the need to support economic growth and productivity, taking into account both local business needs and wider opportunities for development*
- *Planning policies should:*
 - *set out a clear economic vision and strategy which positively and proactively encourages sustainable economic growth ...*
 - *set criteria, or identify strategic sites, for local and inward investment to match the strategy and to meet anticipated needs over the plan period (including making provision for clusters or networks of knowledge driven, creative or high technology industries)*

Planning policies should also support a prosperous rural economy, noting that (p.23):

- *Planning policies and decisions should recognise that sites to meet local business and community needs in rural areas may have to be found outside existing settlements, and in locations that are not well served by public transport.*

1.3 Objectives of the Employment Land Review

The objectives of this ELR are summarised in the figure below.

Figure 1.1: Objectives

Objective	
A robust and fully transparent employment land, workspace and infrastructure evidence base, that is fully compliant with the requirements of the National Planning Policy Framework and associated Planning Practice Guidance	The Employment Land Review (ELR) meets this objective
A review of the 2011 Roger Tym and Partners Wiltshire Workspace and Employment Land Study	This is reviewed in Appendix 2 and summarised in Chapter 1
To provide evidence on Wiltshire's current and future business economy (market demand)	This is summarised in Chapter 3 of the ELR, and set out in detail in Appendix 5
Undertake a review/appraisal of the employment land analysis completed by Wiltshire Council officers	This is summarised in Chapter 4 of the ELR, and set out in detail in Appendices 7 and 9
Contact land owners (and/or their appropriate agents) of the strategic sites to determine their appetite for the development of sites in their ownership, identifying any impediments and/or blockages in the development process	This has been completed, is summarised in Chapter 4 of the ELR, and in Appendix 7
Assess the viability of securing the development of the county's key employment sites, balanced against market demand, estimated land value and the likely	This has been completed, is summarised in Chapter 4 of the ELR, and discussed in more detail in Appendices 8

⁸ <https://www.gov.uk/government/consultations/draft-revised-national-planning-policy-framework>

⁹ MHCLG (2018) National Planning Policy Framework: Draft Text for Consultation

Objective	
cost of bringing sites forward for development, or understand why key employment sites cannot be delivered viably, and consider what can be done about this	
Recommend the mechanisms that will be needed to deliver these sites	This has been completed, is summarised in Chapters 4 and 6 of the ELR
An updated assessment of the current demand for and current supply of employment sites and premises in Wiltshire's principle settlements, market towns and local service centres	This assessment draws on the information set out in Chapters 3 and 4, and is set out in Chapter 5 of the ELR
The production of an employment land demand report aimed at identifying employment land and workspace demand, including trends/future projections of demand	This is summarised in Chapter 3 of the ELR, and set out in detail in Appendix 5
The production of a robust and evidence based report that provides clear guidance and recommendations to assist with defending strategically important land employment allocations at planning inquiries and appeal hearings	The ELR and its appendices provide the evidence base needed for this purpose. The matching of demand and supply is considered in Chapter 5, and the conclusions and policy implications from this are set out in Chapter 6
Identification of demand and reviewing forecasts for particular employment sectors in particular locations	This is summarised in Chapter 3 of the ELR, and set out in detail in Appendix 5
Assess how Wiltshire is presently perceived as an inward investment location, and how this perception could be improved. Why are inward investment projects not coming to Wiltshire – is it because of market attractiveness, or site and viability constraints?	This is summarised in Chapter 3 of the ELR, and set out in detail in Appendix 4
Highlight where any current employment sites are no longer suitable and could be released for an alternative use	This has been completed, is summarised in Chapter 4 of the ELR, and discussed in Appendix 7. However, it should be noted that no sites have been identified for de-allocation
To advise whether industries/industry clusters should be concentrated in certain locations and whether the needs of all businesses (large, medium and small) are met	This is summarised in Chapter 3 of the ELR, and set out in detail in Appendices 3 and 4
Advice on how a five-year employment land supply could be achieved for five years from 2017 – 2022 and then for each rolling five-year period thereafter up to 2036	The matching of demand and supply over the first five years of the Local Plan period is considered in Chapter 5 of the ELR
Within the report, sections/elements which can be updated on an annual basis in order to keep the Employment Land and Workspace Review relevant and robust	The ELR meets this objective
Support for identifying sites where alternative uses could be considered	This has been completed by Wiltshire Council

1.4 Methodology

The methodology that has been followed is summarised below. Some more methodological detail is set out in the chapters and appendices on demand and supply.

1.4.1 Project initiation

The ELR process started with a project initiation meeting to agree the requirements and methodology to be used, including all technical details about consultees, sites and other variables. A project initiation document was produced and used as a key project management tool.

1.4.2 Background, baseline and context

An update review of all background, baseline and contextual information has been carried out. This included the update of all socio-economic data, and review of new documents and strategies. The findings of this review are summarised in Chapter 2, and set out in detail at Appendix 3.

1.4.3 Demand analysis

This Review has identified the drivers and constraints of economic growth in Wiltshire from the background data review, and also from a series of consultations with relevant stakeholders – which are set out in detail at Appendix 4. The future economic vision for Wiltshire has been identified from existing documents and strategies (including the current local plan, economic development plans and strategies, the SEP for Swindon & Wiltshire and others), and the understanding of the economic vision has been shaped by discussion with Wiltshire Council and other stakeholders.

This Review has looked at economic growth forecasts for Wiltshire. In the work on the FEMAA and the SHMA, a rigorous review of a number of economic growth forecasts in 2016 was carried out. To ensure consistency in the Local Plan evidence base, the same set of forecasts to inform this ELR have been used.

The perceptions of Wiltshire as a location for inward investment have been considered. This has been delivered through a combination of consultations with stakeholders within Wiltshire, and some that work outside Wiltshire, including staff from the Department of International Trade, and property agents active both within and outside of Wiltshire.

Having assessed the expected growth in the local economy and the potential for inward investment, the Review has calculated the future scale of employment land needed to accommodate this, as well as ongoing replacement demand. The consultant team have a well-established method for doing this, that has been used in a number of employment land reviews, and which has been tested in a number of examinations. The method combines quantitative analysis with intelligence gathered from consultations, and is PPG compliant. The Review has assessed the level of demand across Wiltshire's principal settlements, market towns, local service centres and rural areas.

The findings of this stage of the work were discussed with Wiltshire Council in a workshop. At the end of this stage a robust and well evidenced assessment of the scale and type of employment land required to meet Wiltshire's economic growth potential has been produced.

1.4.4 Review of supply

The consultant team commenced this stage by helping to prepare the pro-forma used by Wiltshire Council officers to carry out a review of 147 employment sites in the county, covering a mix of developed and undeveloped sites. The 147 sites were selected for assessment by Wiltshire Council officers. These sites were selected as they are either identified as principal employment areas/larger employment sites (i.e. those over 0.5 Ha), Core Strategy and Chippenham Site Allocation Plan allocations, or saved local plan allocations. A small number of un-allocated sites were also assessed as part of the review. These were identified in some of the areas where Wiltshire Council may want to consider additional employment allocations. These unallocated sites will require further investigation alongside other alternatives that might be being promoted. It was also necessary to include un-allocated sites in this review in order to test the site appraisal methodology developed by the consultant team.

Having carried out this initial stage, the Review has provided a quantitative assessment (estimates of land and floorspace) and a qualitative assessment (suitability in terms of availability, and likelihood of future development) of the portfolio of sites and advised where land is not suitable for employment uses and where alternative uses may be considered. Some 42 sites with potential for employment development have been identified from the long-list. 37 of these are current employment sites or allocations. A workshop was conducted with Wiltshire Council, to identify the strategically important sites that warrant further investigation. The consultant team has looked in detail at 11 key employment sites in Wiltshire. The 11 sites were selected because:

- They are the larger sites which will be required to deliver a substantial volume of employment land over the plan period and therefore have a wider role in supporting the sustainable development of settlements and achieving the objectives in the Wiltshire Core Strategy, and Strategic Economic Plan
- They are sites where the Council would like a greater understanding of viability and any potential development constraints

The consultant team has visited and investigated each of these key sites, looking at the opportunities and constraints of each site; the viability of development, including the type of development that is best suited to that site; and the opportunity to release some sites for other forms of development if they cannot contribute to the employment land supply. Where possible, landowners and site promoters have been contacted to understand their desire to bring the sites forward for employment purposes; and also to understand the investments that will be needed to deliver the site (e.g. local or strategic infrastructure). The Review has considered what actions the public sector can take to help to facilitate site delivery through areas such as local plan delivery, support for site assembly, and infrastructure investment.

The Review has helped to identify a five-year supply of employment land. The Report will help to inform the annual review of the Brownfield Register, by identifying sites where alternative uses could be considered

1.4.5 Comparing supply and demand

The Review has drawn together the assessment of the demand for employment land and the supply of employment land, and considered how well they fit. Using previous experience, including that of

place-based development, the Review has looked at the qualitative aspects of how well they fit (i.e. in terms of the suitability of the sites for the expected type of demand) as well as the purely quantitative fit.

1.4.6 Recommendations for the future

The consultant team has brought together the findings of the review, to set some recommendations. This includes an assessment of the expected economic growth potential in the Wiltshire economy, the sites that can help to accommodate this, and the interventions that are needed. A further five potential future sites have been investigated further.

The recommendations, and the report that supports these, will help to shape the Local Plan, its examination, and any future inquiries or appeals.

1.5 Rest of this report

Chapter 2 looks at the recent growth in, and current state of the Wiltshire economy. This provides an understanding of the recent drivers of growth, and sets the scene for the forecast growth in the local economy.

Chapter 3 sets out the analysis of the forecast demand for employment land and premises in Wiltshire over the Local Plan period to 2036.

Chapter 4 provides an overview of the market for employment sites and premises in Wiltshire.

Chapter 5 sets out the analysis of the supply of employment land in Wiltshire at present, and what is known about the future potential supply.

Chapter 6 compares the forecast future demand for employment land, and the information on site supply. This sets out areas of potential over-supply and under-supply. This analysis has been carried out for the Local Plan period to 2036, and for the first five years.

Chapter 7 sets out the conclusions and policy recommendations that emerge from the ELR.

The appendices to this ELR include:

Appendix 1 sets out the planning policy background

Appendix 2 sets out the policy and strategy review that complements the baseline data review

Appendix 3 sets out the baseline data review

Appendix 4 sets out the key messages from the stakeholder consultations

Appendix 5 presents the full analysis of the forecast demand for employment land in Wiltshire. This provides more detail on the analysis in Chapter 3

Appendix 6 presents the analysis of the employment land and property market in Wiltshire

Appendix 7 sets out the analysis of the supply of sites in Wiltshire.

Appendix 8 shows the analysis of employment site viability in Wiltshire

Appendix 9 shows the completed employment sites pro-formas

2 The Wiltshire Economy

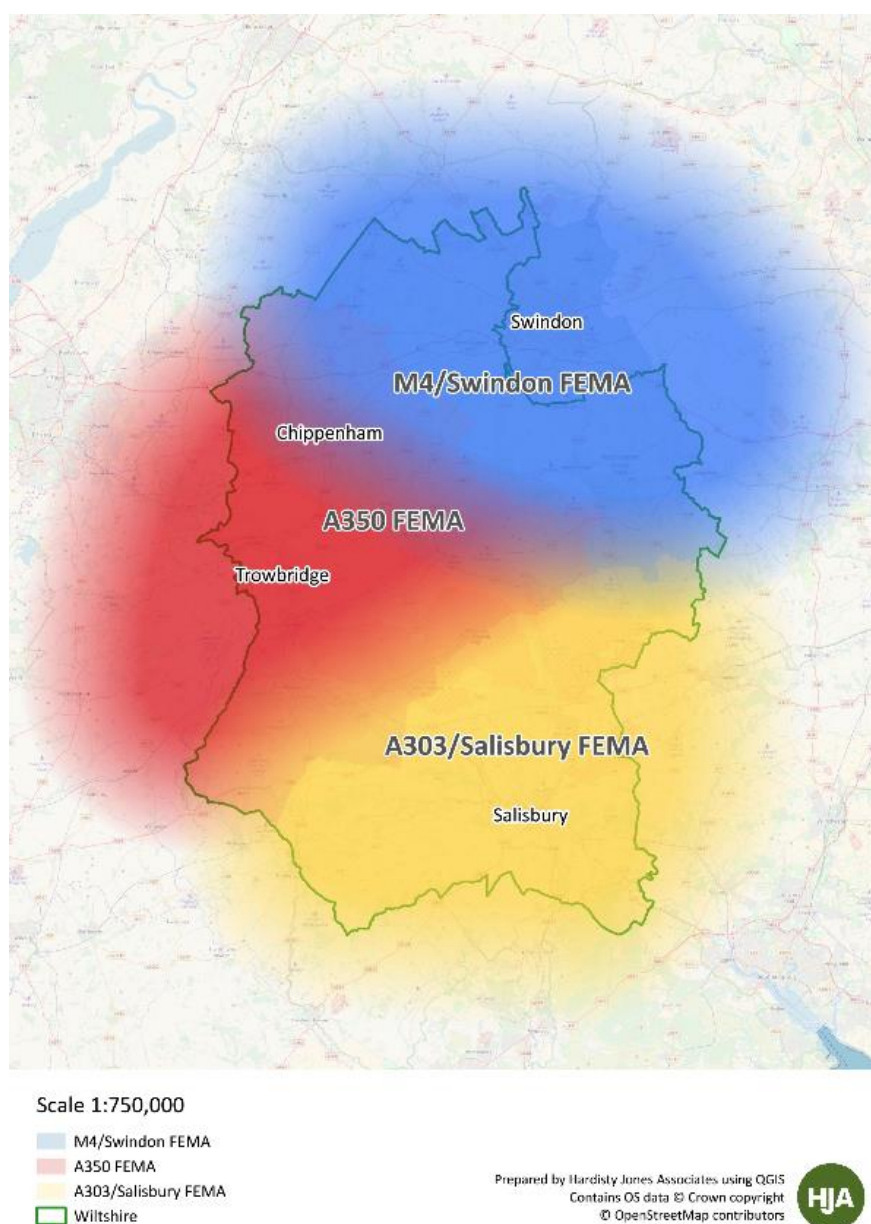
This chapter sets out an overview of the economy of Wiltshire, setting out the drivers of future growth and demand for employment land and premises.

2.1 The economic geography of Wiltshire

2.1.1 Functional Economic Market Areas

As mentioned above, a detailed piece of work has been carried out to identify the Functional Economic Market Areas (FEMAs) in Swindon and Wiltshire⁵. FEMA boundaries are ‘fuzzy’ by nature, and overlap in places. These FEMAs can be seen in the figure below.

Figure 2.1: Functional Economic Market Areas in Swindon and Wiltshire



For the purposes of data analysis, hard boundaries have been applied to the FEMAs. These are discussed in more detail below. With the hard boundaries, Malmesbury spans the boundary between the M4/Swindon (Wiltshire) and A350 FEMAs. For the purposes of employment land analysis, Malmesbury has been considered as being wholly in the M4/Swindon (Wiltshire) FEMA, as it functions strongly as a part of this FEMA, and its main employment sites are in this FEMA. Sites at M4 Junction 17, although located adjacent to the M4 motorway, are also located within the hard boundary of the A350, but could serve demand from this or the M4/Swindon (Wiltshire) FEMA.

2.1.2 Built Up Areas and Rural Areas

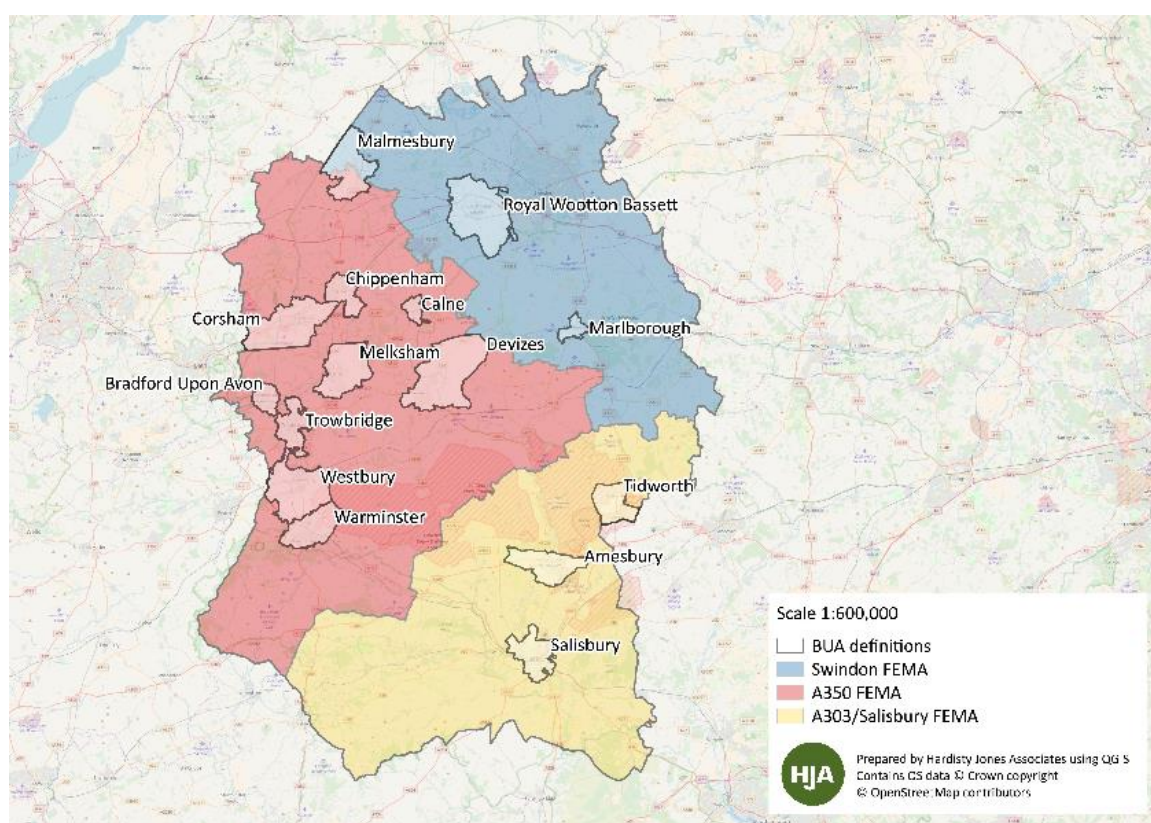
According to the Wiltshire Core Strategy, there are three principal settlements and 13 market towns. These urban areas are referred to in this study as Built Up Areas (or BUAs). In addition, the Review has divided the rural rest of Wiltshire into three parts: the rest of the M4/Swindon (Wiltshire) FEMA outside the BUAs; the rest of the A350 FEMA outside the BUAs; and the rest of the A303/Salisbury FEMA outside the BUAs. For this ELR, the Review has carried out some analysis of demand and supply at the BUA and rural areas level. However, it is not appropriate to try and match supply and demand at the BUA level because:

- Markets operate at FEMA level, not BUA level, so it is not an appropriate geographical level for analysis
- Some data is not reliable for small geographical areas¹⁰, so robustness is not guaranteed

The map below shows the hard boundaries for the three FEMAs, the BUAs, and the rural rest of each FEMA.

¹⁰ Some ONS data is collected from a sample of respondents each year. Small sample sizes mean that some data is not reliable for very small geographical areas

Figure 2.2: Functional Economic Market Areas and Built Up Areas in Wiltshire



2.2 Economic overview

2.2.1 Population

Wiltshire had a population of just under 490,000 in 2016. Population growth between the Censuses of 2001 and 2011 was 8.8%, and has grown in all the BUAs in Wiltshire except Wilton, where it has declined. More recent population estimates suggest that the population in Wiltshire has grown 2.4% in the period from 2012 to 2016, in line with the UK average. The proportion of the population that is of working age has decreased between 2012 and 2016 by 0.4%, which is opposite to the national trend of growth.

2.2.2 Employment

The total number of people employed in Wiltshire in 2015 was just under 200,000¹¹. The economic activity rate¹² has been increasing in Wiltshire since 2011. The local figure of 84.5% is above the UK figure of 77.8%. Of those who are inactive, the number of people not looking for a job has been falling since 2008 and, at 66.8% in 2017, is below that of the South West and the UK.

¹¹ Data on employment has been collected from the ONS Business Register and Employment Survey (BRES). However, at least one problem has been identified with this data. The BRES figure for employment in Warminster includes a significant number of jobs that are not located in Warminster, but have been recorded here. Following discussion with ONS to identify the jobs that are not actually located in Warminster, these have been removed, and this and all other relevant figures adjusted to take account of this

¹² This is the total number of people aged 16-64 classified as in employment or unemployed as a proportion of the entire working age population

Unemployment has followed the downward trend seen across the UK and has fallen from 6.9% in 2013 to 3.9% in 2017. Job density¹³ in Wiltshire has been increasing in recent years and at 0.86, has caught up with the rest of the South West region.

Absolute data for employment shows an increase in total employment across all FEMAs. However, the A303/Salisbury FEMA has only increased employment by 0.9% in the period 2010-2015. Wilton saw the biggest percentage decrease in total employment of -34%, and is one of only three BUAs to see a decrease in employment¹⁴.

2.2.3 Business Base

In 2015 the number of active businesses in Wiltshire was just over 21,000. In keeping with the national average, micro-businesses make up 90% of all businesses in Wiltshire. Business birth rates in the area have risen year-on-year to 2,600 in 2015, but are still currently lower than regional and national average rates. Business survival as a proportion of businesses started in 2010 is approximately 45%, which is higher than the UK figure of 41%.

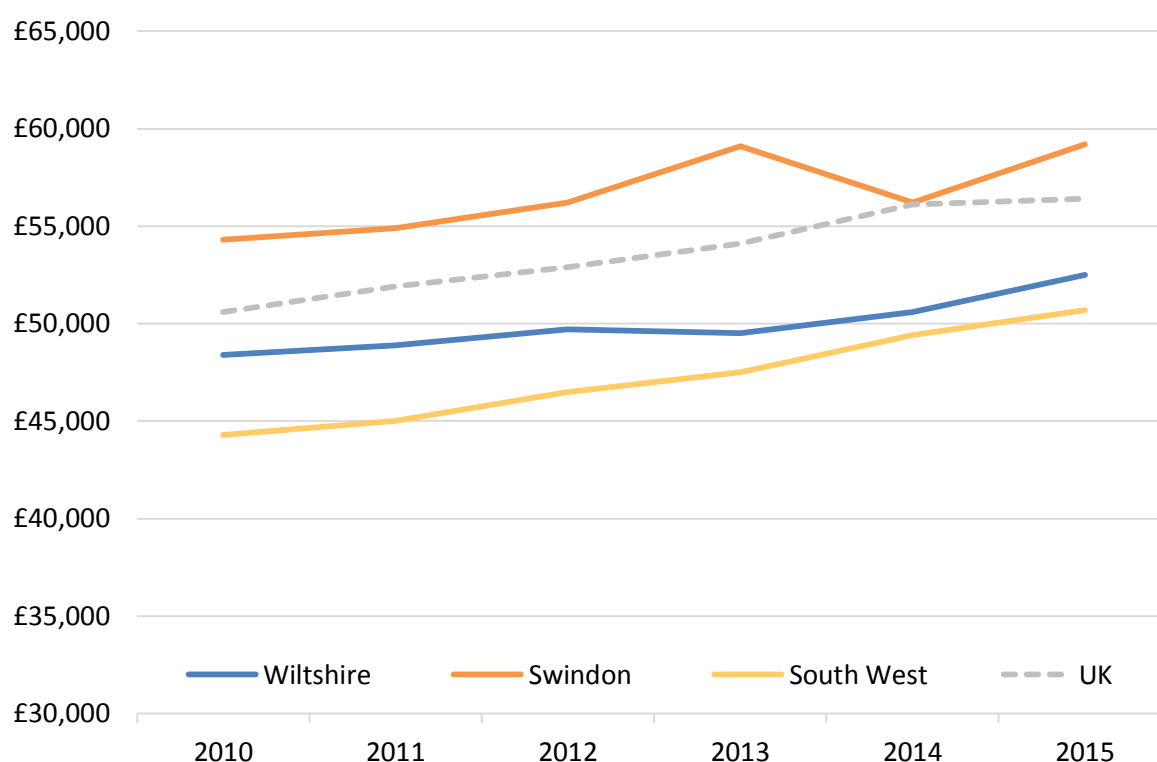
2.2.4 Productivity

Total Gross Value Added (GVA) for Wiltshire in 2015 was £10.6 billion, and this figure has been steadily increasing over the last few years. When indexed to 1997 figures, GVA in Wiltshire remains constantly below that of the South West and UK. Wiltshire GVA per job and per hour worked has been steadily increasing since 2013. GVA per head has grown from £19,800 in 2010 to £21,900 in 2015 but still remains below the UK average which has also been growing during this period. Similarly, the growth in GVA per job from £48,400 to £52,500 in Wiltshire over the same period has been below the UK figures.

¹³ Job density is the total number of jobs filled as a proportion of the working age population

¹⁴ Anecdotal evidence suggests that this is due to the closure and redevelopment of the Erskine Barracks site

Figure 2.3: GVA per Job (2010-2015)



Source: Business Register and Employment Survey and UK Gross Value Added, ONS

2.2.5 Housing affordability

Homes in Wiltshire are relatively expensive compared to UK average but are in line with the South West average. The ratio of lower quartile house price to median resident earnings in 2016 in Wiltshire is 9.0, compared to 7.6 in the UK¹⁵. Wiltshire has historically had a higher ratio than England and Wales, in line with the South West. This may be related to the fact that 35% of the housing stock in Wiltshire is detached housing, compared to 23% in the UK as a whole.

2.3 Sector strengths and weaknesses

Sectors with a Location Quotient¹⁶ (LQ) greater than 1.0 in Wiltshire (i.e. with a greater concentration of employment than the national average) include: Mining & Quarrying, Manufacturing, Construction, Wholesale & Retail, Accommodation & Food Services, Financial & Insurance, Real Estate, Professional & Technical, and Public Administration & Defence. Agriculture and Transport & Storage have the lowest relative concentration of employment in Wiltshire.

2.3.1 M4/Swindon (Wiltshire) FEMA

Approximately 20% of the total jobs in the M4/Swindon (Wiltshire) FEMA are in Wholesale & Retail and this sector is better represented in the area than the UK average. The Professional and Business

¹⁵ ONS Ratio of house price to residence-based earnings (lower quartile and median), 2016

¹⁶ A Location Quotient (LQ) is calculated by dividing the percentage of the total workforce in a local area employed in a particular sector by the percentage of the national workforce employed in that sector. An LQ of less than 1.0 shows an under-concentration of employment in that sector, and an LQ greater than 1.0 shows an over-concentration of employment compared to the national average

Services sectors combined account for another 20% of jobs in the M4/Swindon (Wiltshire) FEMA, and are also strong sectors in the area. The Financial & Insurance sector and Public Administration & Defence are relatively small sectors within this FEMA.

2.3.2 A350 FEMA

This FEMA provides the largest amount of total jobs of the three FEMA's in Wiltshire (112,000 jobs). Manufacturing, Public Administration & Defence and Financial & Insurance services are the strongest sectors in the FEMA with Manufacturing providing the second highest number of jobs. Primary Industries and Transport & Storage are relatively small sectors within this FEMA.

2.3.3 A303/Salisbury FEMA

Professional Services, Real Estate and Human Health & Social Work are strongly represented in this FEMA with Professional Services and Human Health & Social Work providing close to 30% of total jobs in the area. Wholesale & Retail Trade also provides a large number of total jobs within the FEMA but is not a relatively strong sector.

2.3.4 Built up Areas

Most BUAs have employment spread over a number of sectors, but some have particularly notable concentrations of employment (i.e. an LQ of 3.0 or more) including:

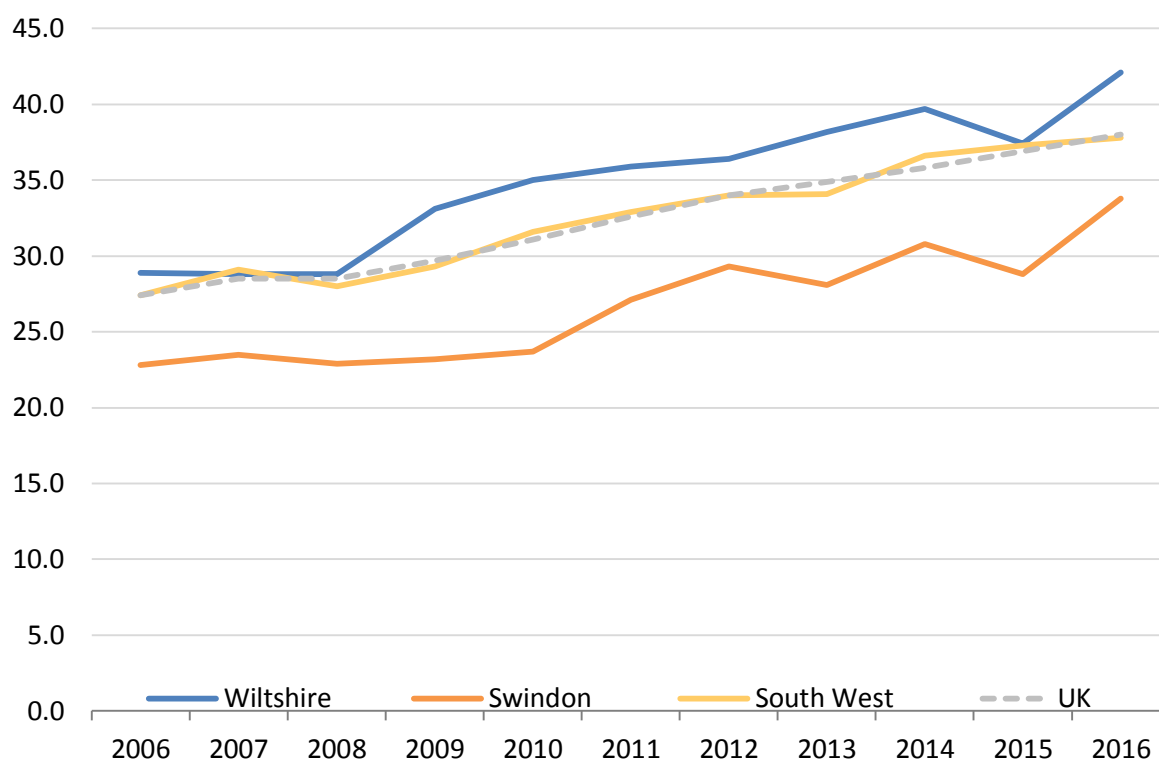
- Professional Services in Amesbury
- Accommodation & Food Services in Bradford on Avon
- Public Administration & Defence in Chippenham and Trowbridge
- Real Estate in Corsham, Tidworth and Wilton
- Manufacturing in Melksham

More detail on future aspirations and potential growth sectors is set out in sections 2.8 and 2.9, later in this chapter.

2.4 Skills

Wiltshire has a well-qualified population at all levels, with numbers above those for Swindon, the South West and UK. Skills data is available for residents rather than for those who work in Wiltshire. There is a concern however, that attainment of NVQ4+ is falling among the younger residents in the area. There has been a steady growth in all levels over the past 10 years.

Figure 2.4: Proportion of residents aged 16-64 who hold a qualification at the level of NVQ4+ (2012-2016)



Source: Annual Population Survey, ONS

There is forecast future growth in the demand for workers qualified to NVQ4. Swindon & Wiltshire LEP has predicted a requirement for 106,000 workers qualified to at least NVQ4 across the LEP area by 2022¹⁷. The LEP goes on to state that certain areas of Wiltshire have low numbers of graduate residents, and the Annual Population Survey suggests that young people in Wiltshire are less likely to be qualified to NVQ4+ than nationally. Residents' earnings are higher than workplace earnings in Wiltshire, suggesting that people commuting out of the county have higher paid jobs than those that work in Wiltshire.

2.5 Principal towns and market towns

An overview of the current state of the economy of the principal towns and market towns in Wiltshire is set out in detail in Appendix 3, and is summarised in the table below.

Figure 2.5: Principal Towns and Market Towns

Amesbury	The total number of jobs in the town has increased slightly since 2009. There is a high concentration of jobs in Professional Services, and Accommodation & Food Services. This reflects potential in life sciences and defence, as indicated in the background documents for the Joint Spatial Framework (JSF) that is being prepared for Swindon and Wiltshire. The 160-acre Solstice Park has been developed rapidly
----------	---

¹⁷ Swindon & Wiltshire LEP (2016) Swindon and Wiltshire Needs Analysis for the Post 16 Area Review

	with only a few plots remaining: an indication of buoyant demand for well-connected employment sites with infrastructure in place. Recent developments there include the T J Morris (Home Bargains) Southern Distribution Centre (1 million sq ft), a new HQ facility for The Tintometer, Holiday Inn Stonehenge and a number of food outlets. Wiltshire Council is working with local partners including the MoD and QinetiQ on plans for the future development of Boscombe Down, Amesbury. This development will help to boost the local economy and provide exciting opportunities for major inward investment into the county that will enhance job and career prospects in key employment sectors including aerospace and defence technologies.
Bradford upon Avon	The total number of jobs jumped significantly in 2014-15, having previously stagnated. There is a high concentration of jobs in Accommodation & Food Services, as reflected in the JSF. 2017 saw the construction of a new HQ and production facility for R&D-led automotive business Anthony Best Dynamics as part of the Kingston Farm mixed-use development.
Calne	Total employment has stagnated since 2009. There is a high concentration of Manufacturing jobs. Deceuninck has reopened its 110,000 sq ft warehouse facility at Porte Marsh Industrial Estate to support production growth at its Stanier Road factory.
Chippenham	Total jobs are up slightly since 2009. There is a high concentration of Public Administration & Defence jobs. Recent investments include ongoing expansion by Good Energy at Monkton Park, a new purpose built HQ for Woods/Valldata on the last undeveloped site on the Bumpers Farm Estate, Expolink's move to a larger building at Greenways, Wincanton's occupancy of the former Herman Miller facility, and Wavin Group's major factory and stockyard expansion. There is virtually full occupancy of sites/premises, and businesses report a shortage of availability.
Corsham	Total employment has stagnated since 2009. There is a high concentration of employment in the Real Estate, and Information & Communication sectors. ICT presence is reflected in the JSF. Corsham Science Park continues to grow with Bath ASU completing a new purpose built manufacturing and R&D facility, two further buildings have been completed, and a third phase of flexible business units is planned to meet expected market demand. Ark Data Centres have continued to expand their large scale data facilities at Spring Park.
Devizes	Total employment has steadily declined since 2009. There is a high concentration of employment in the Public Administration & Defence, Manufacturing, and Construction sectors. The potential for the Manufacturing sector also highlighted in the JSF. Recent larger investments at Hopton Road Trading Estate have included a new-build second production facility for MSA Latchways, Cross Manufacturing taking a second production building, and ongoing production expansion at Haydens Bakeries.
Malmesbury	Total jobs are up significantly since 2009. Wholesale & Retail and Business Services are the most highly concentrated sectors. The dominance of Dyson in the local economy is not apparent from the data, although the JSF highlights its significance. There is ongoing major investment by Dyson at its global RDD campus in the town, supporting a doubling of the workforce, including the new Dyson Academy, and through the acquisition of Hullavington Airfield in order to develop a second campus, for battery and new energy vehicle development.
Marlborough	Total employment has grown very slightly since 2009. There is a high concentration of jobs in the Education sector. This is reflected in the JSF profile. Marlborough Business Park is practically fully let/sold, and workspace and land shortages have

	been identified.
Melksham	Total jobs have grown steadily since 2009. There is a high concentration of jobs in Manufacturing. The business profile in the JSF reflects the strength of the Manufacturing sector. Recent major investments at Bowerhill include the consolidation of Herman Miller's UK manufacturing into at its 170,000 sq ft purpose-built Portal Mill facility, and further warehousing/office expansion by Gompels Healthcare; and developments at Hampton Park West including the JLR dealership and hotel and food outlets. Wiltshire Air Ambulance are also constructing and equipping their new airbase located to the south of Hampton Business Park.
Royal Wootton Bassett	Total employment has stagnated since 2009. No sector stands out as having a particularly high concentration. The small employment base is reflected in the JSF profile. Occupancy at Interface Park remains strong; there has been much MoD property investment at Lyneham to support its training facilities there.
Salisbury	Total employment has stagnated since 2009. There is an above-average concentration of jobs in Wholesale & Retail, and Finance & Insurance. However, the sector profile is very diverse overall, with Finance & insurance highlighted in the JSF as the most prominent sector. Several larger city centre businesses have no capacity in their current workspace to expand, which is having a knock on impact on business operations. Investments have included Nicholas & Harris' expansion at Churchfields, and High Post Trading Estate is again fully occupied. DSTL continues to invest at Porton, and Phase One of Porton Science Park is complete with strong occupancy; with further aerospace investment planned for Boscombe Down.
Tidworth (not including Ludgershall)	Total jobs growth has moved slightly upwards since 2009. There is a high concentration of jobs in the Real Estate, Accommodation & Food, and Public Administration & Defence sectors. The JSF also highlights the economy's reliance on MoD employment. MoD related property investment has been comprehensive, supporting Project Allenby/Connaught and the relocation of up to 4,000 service personnel into the garrison area. The existing units nearby in Ludgershall at Castledown Business Park enjoy strong occupancy.
Trowbridge	Total employment has steadily declined since 2009. There is a high concentration of jobs in Public Administration & Defence. A lack of employment development is highlighted in the JSF profile. Recent investments include the St Stephen's Place leisure/food/retail developments, the new HQ offices for Hitachi CVS, and Apetito's programme at Canal Road. White Horse Business Park is again nearing full occupancy, with only one undeveloped plot.
Warminster	Total employment has stagnated since 2009. There is a noticeable concentration of jobs in Education, Health & Social Work, and Manufacturing. Planning permission to deliver several new business starter and industrial units was granted on Warminster Business Park last year, which would see the creation of over 40,000 sq ft of new B use space in the town
Westbury	Total employment has stagnated since 2009. There is a high concentration of jobs in Transportation & Storage, and noticeable concentrations in Manufacturing and Construction. Welton Bibby & Baron have invested significantly at their WWTE site following relocation to the area. There has been significant investment into Hawke Ridge Business Park, located next to the A350 between Westbury and Trowbridge.
Wilton	Total employment has dropped significantly since 2009. There is a high concentration of jobs in Real Estate, and 'Other' sectors, although due to the small scale employment base this should not be given too much emphasis.

2.6 Commuting and self-containment

Wiltshire has large flows of commuters into and out of the county, with an overall net outflow of commuters. The majority of movement is to and from Swindon and Bath & North-East Somerset. 56% of people travel to work by car, 13% by foot and 5% by public transport. Self-containment in Wiltshire is 63%, compared to 74% in Swindon.

Figure 2.6: Commuting Flows (2011)

Commuting in to Wiltshire from		Commuting out of Wiltshire to	
Swindon	7,200	Swindon	10,600
Bath & North-East Somerset	3,400	Bath & North-East Somerset	8,300
Mendip	3,100	Test Valley	5,400
Test Valley	2,500	South Gloucestershire	3,200
North Dorset	1,900	Bristol, City of	2,800
New Forest	1,600	West Berkshire	2,200
South Gloucestershire	1,600	Cotswold	2,000
Bristol, City of	1,500	Mendip	1,800
Cotswold	1,400	Westminster, City of London	1,600
Southampton	900	North Dorset	1,100

Source: Census 2011

Figure 2.7: Net Commuting in Wiltshire (2011)

	Commute in	Commute Out	Net
Wiltshire	38,900	55,600	-16,700

Source: Census 2011

2.7 Inward investment track-record and potential

2.7.1 Inward investment inquiries

Data on recent inward investment inquiries (between 2012 and 2017), including plans to expand by existing inward investors, has been provided by Wiltshire Council. Over this period, some 50 inquiries have been logged, i.e. a rate of ten per year. The inquiries have come from businesses in a range of sectors, including: Aerospace, Agritech, Business Services, Construction, Financial Services, Food & Drink, ICT, Life Sciences, Logistics, Manufacturing, Media, Renewables, and Research & Development.

Of the 50 opportunities, 31 are new to Wiltshire, 18 are not new investors to Wiltshire, and one is not known. Twenty-four of the 50 are known to be foreign direct investors (FDI). FDI leads have come from a range of countries, including Brazil, France, Germany, Hong Kong, Italy, Japan, South Korea and the USA.

Searches have been for sites throughout Wiltshire. Of the 50 inquiries over the five-year period:

- Fifteen have been completed
- Twenty-one remain active, at various stages of search or build, with three in site negotiation or build

- Ten have been lost
- One has been abandoned
- One is ongoing, and one is postponed

This data suggests that there is a steady stream of investment interest in Wiltshire from a range of source countries, with 15 completed projects.

2.7.2 Inward investment potential

A number of key messages on inward investment have been collected from the stakeholder consultations carried out to inform this ELR. Wiltshire is attractive to inward investors – particularly the towns and more accessible locations. However, a promotional strategy is needed to attract businesses into Wiltshire from other locations.

People are attracted to Wiltshire, as employees and employers, by the high quality of life. However, quality of life is not a sufficient differentiator to attract high quality inward investment to Wiltshire, as many other places also have high quality of life.

The Department for International Trade (DIT) approach to attracting new inward investment is ‘UK First’ i.e. attracting the investment to the UK, then identifying the best five locations within the UK for any potential foreign investments. A place must have the infrastructure and skills in place to make it genuinely attractive before DIT will put it on a shortlist to share with foreign investors. Site or property availability alone is not sufficient.

Globally competitive sectors identified by DIT in the local area are:

- Life sciences/medical research at Porton Down, with a science park being developed adjacent to the existing facilities
- Swindon as a back-office location for financial services, which is more attractive with the electrification of the mainline rail link to London. Chippenham could also be an attractive location, although it has less profile than Swindon

Some inward investors will start out with a small sales office and then grow their presence gradually. Therefore, small managed workspaces will help to attract initial inward investment activity in the longer term.

2.7.3 Wiltshire Council’s role in inward investment and strategic employers

Wiltshire Council’s economic development service engages with many of the county’s most strategically important businesses, providing support to safeguard jobs and attract new employment. According to a review of the top 100 businesses that are account managed by the Council, around half of these businesses have made investments in their site during the last five years, or plan to expand or move within the county in the next few years.

Most job growth comes from existing companies rather than new inward investment. Of 37 recent major investments in the county by strategically important businesses, only two were new inward investments. Many of the county’s strategic businesses want to expand within their local area to retain skilled staff. The availability or deliverability of suitable sites and premises has been identified as a potential concern by those strategically important businesses that are looking to move in the

near future, including a lack of choice in local markets. If sites are not available within Wiltshire, existing businesses may look elsewhere to expand their businesses. Having sites that are available, with planning consent, and deliverable, will make Wiltshire a more attractive location for development.

Strengths reported by Wiltshire's strategically important businesses include:

- Connectivity, including the M4, A350, A303 and mainline rail
- Sectoral presence, including Life Sciences, Defence and IT/Digital
- Quality of life, enabling good staff retention
- Access to military leavers

Challenges faced by businesses, include:

- Difficulties recruiting graduates
- Difficulty recruiting high skilled staff
- Availability and deliverability of sites, particularly workspace that meets their needs

2.8 Potential for cluster development

A cluster is more than just co-located businesses, but involves strong relationships between them and the infrastructure to enable the businesses to thrive. A cluster includes businesses and institutions in more than one sector, where there are supply-chain linkages between them. The widely accepted definition of a cluster, defined by Michael Porter¹⁸, is:

*Clusters are geographic concentrations of interconnected companies and institutions in a particular field. Clusters encompass an array of linked industries and other entities important to competition. They include, for example, suppliers of specialised inputs such as components, machinery, and services, and providers of specialised infrastructure. Clusters also often extend downstream to channels and customers and laterally to manufacturers of complementary products and to companies in industries related by skills, technologies, or common inputs. Finally, many clusters include governmental and other institutions—such as universities, standards-setting agencies, think tanks, vocational training providers, and trade associations—that provide specialised training, education, information, research, and technical support.*¹⁹

The potential for genuine cluster development (in terms of Porter clusters) is limited, but Wiltshire has some areas of potential global competitive advantage, which are likely to see future growth:

- Health/life sciences at Porton Down, which has been identified as Wiltshire's only globally significant area of activity by DIT
- Advanced manufacturing, including Dyson at Malmesbury
- Aerospace opportunities at Boscombe Down

¹⁸ Michael Porter is a well renowned business academic, whose work on business clusters shaped global policy making in this area

¹⁹ Porter, M (1998) Cluster and the New Economics of Competition in Harvard Business Review (<https://hbr.org/1998/11/clusters-and-the-new-economics-of-competition>)

- ICT and digital security at Corsham, which is the location of the UK Joint Forces Cyber Command

2.9 Policy drivers for future economic growth

There are a number of policy drivers of economic growth, at the Wiltshire level, and at the Swindon & Wiltshire level. These are discussed in more detail at Appendix 2, and the key policies and messages from these are discussed below.

Wiltshire Council adopted its latest **Core Strategy** in 2015. Planning for an additional 27,500 jobs and meeting the needs of businesses are central to this strategy. Supporting start-ups, attracting new inward investment, and helping existing businesses to meet their growth potential are supported through policies in the Core Strategy. The Plan identifies new land for employment growth, allows the redevelopment of outdated premises, safeguards existing employment sites, and aims to overcome infrastructure constraints.

A number of key sectors are identified in the Core Strategy, including: Advanced Engineering & Manufacturing, Business Services, Biosciences, Environmental Technologies, Food & Drink, ICT and Creative Industries, Agriculture & Land Based Industries, and Tourism.

The **Swindon and Wiltshire Local Economic Assessment** was commissioned by SWLEP in 2016. This provides a broad and detailed overview of the state of the Swindon and Wiltshire economies. The LEA concludes by stating that diversity of the LEP area and its resilience are strengths. Other key strengths that are identified include:

- A fast-growing population
- A number of international businesses and clusters, including Dyson and the Life Sciences cluster. Advanced Manufacturing and Land Based Industries are also highlighted
- A world class heritage and visitor attraction
- Plans for army re-basing, which will bring army personnel and their families to Wiltshire, adding to the workforce (4,000 service personnel and some 3,000 family members)

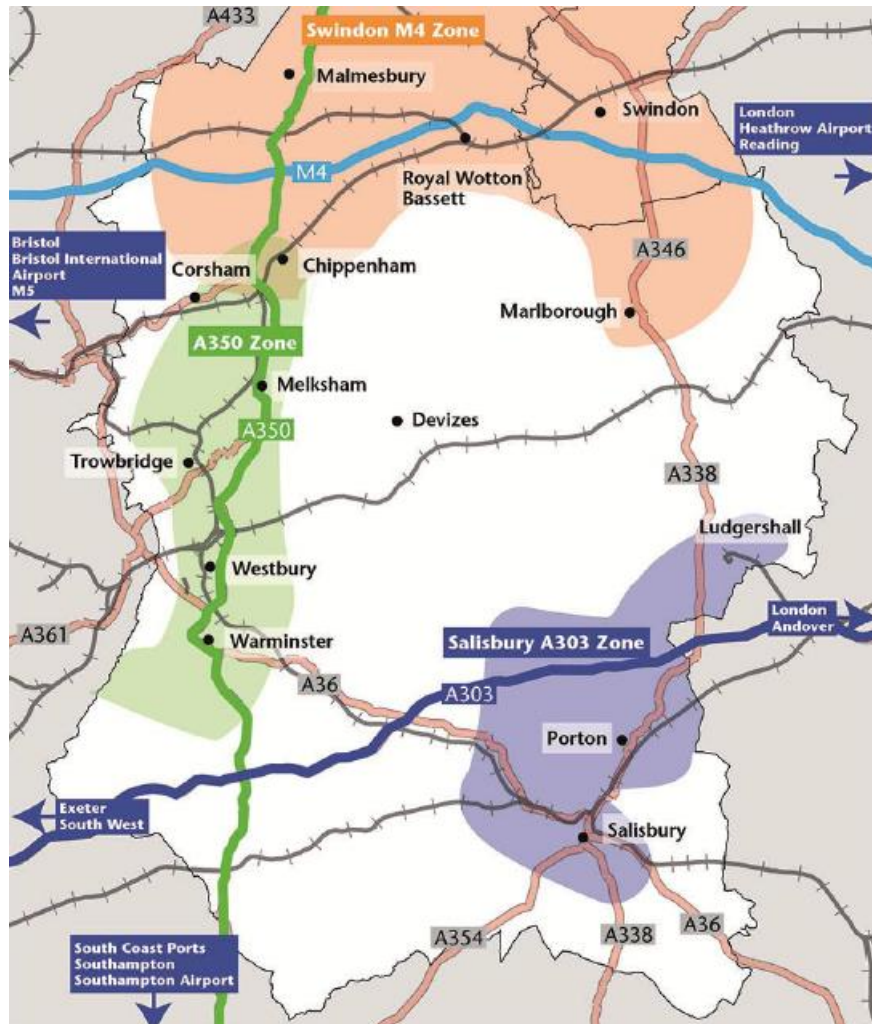
The **Strategic Economic Plan** (SEP) for Swindon and Wiltshire was published by Swindon & Wiltshire LEP in 2016. This sets out the growth ambition for the LEP area. There are five strategic growth objectives set out in the Plan, namely:

- An appropriately skilled and competitive workforce
- A well connected, reliable and resilient transport network
- Excellent digital connectivity
- Infrastructure investments to deliver planned growth and regenerate town and city centres
- Support to improve the competitiveness of small and medium sized enterprises

A number of key sectors for future growth are identified in the SEP: Health & Life Sciences, Advanced Engineering & High Value Manufacturing, Financial & Professional Services, Digital & ICT, and Land-Based Industries. There is also a 'watch list' of other sectors that are likely to contribute to future growth, including: Tourism & Leisure, Adult Health & Social Care, Low Carbon Economy, and Construction.

The SEP identifies three growth zones, including: Swindon/M4, A350, and Salisbury/A303. These are smaller than the FEMAs mentioned above, and tend to cover the core parts of each FEMA. Strategic objectives are set out for each of the growth zones. A map of the growth zones can be seen in the figure below.

Figure 2.8: Swindon & Wiltshire SEP Growth Zones



Swindon & Wiltshire LEP has prepared a **response to the Government's proposals for an Industrial Strategy**. The Industrial Strategy proposals are set out in Appendix 2, and the key messages set out in this local response include:

- The importance of Advanced Manufacturing and Engineering, with Swindon and Wiltshire playing a role in a much larger corridor, from Cambridge to Cardiff. The lack of a university is highlighted as a barrier to growth in the area
- The need for investment in infrastructure such as: the development of Network Rail land; improving rail capacity; investing in the regeneration of Salisbury; improving north-south infrastructure across the county; and more investment in broadband

The **Ministry of Defence published a review of its estate**, A Better Defence Estate, in 2016. This sets out plans to release 91 sites across the UK. Four of these sites will be disposed of by the army and RAF within Wiltshire. At the same time, the Government is expected to spend £1 billion to develop military infrastructure around Salisbury Plain, to support forces coming back from Germany

2.10 Implications for employment land and premises demand

Wiltshire is a large and diverse county. There are 16 towns or BUAs, spread across the county, with the rest of the county being rural. Wiltshire has a diverse and generally buoyant economy, a growing population, high levels of economic activity, and low unemployment. This will generate demand for employment land to accommodate future growth, including a range of sites of different sizes throughout the county.

However, the proportion of the population that is of working age is falling, and economic growth and productivity are below the national average. There is in and out-commuting, particularly to the adjoining local authority areas of Swindon and Bath & North East Somerset, and overall net out-commuting. There is inward investment interest in Wiltshire, but a lot of growth in the larger businesses is coming from expansions by existing investors rather than new inward investment. Encouraging higher productivity economic activity, which is often delivered through inward investment, will be important to the future prosperity of Wiltshire. Ensuring a range of suitable sites will be important to achieving this.

The most globally competitive areas of the local economy are Life Sciences at Porton Down, Advanced Manufacturing at Malmesbury (Dyson) and Boscombe Down (aerospace), and ICT & Digital at Corsham, home of the UK Joint Forces Cyber Command. The Local Plan and Strategic Economic Plan are encouraging growth and increased productivity through the growth of these and other key sectors. Maintaining economic prosperity and accommodating growth in the economy will require a supply of good quality sites and premises throughout Wiltshire. Whilst there are already site allocations at Porton Down and Boscombe Down, it will be important to ensure suitable allocations at Malmesbury and Corsham to capture all growth potential.

As well as these globally significant sectors, the SEP sets out a number of target sectors for future growth, including Health & Life Sciences, Advanced Engineering & High Value Manufacturing, Financial & Professional Services, Digital & ICT, and Land-Based Industries, and a 'watch list' of sectors that will contribute to future growth, which includes: Tourism & Leisure, Adult Health & Social Care, Low Carbon Economy, and Construction. A wide range of sites of different sizes, to accommodate future growth in these sectors will be required.

3 Employment Land and Property Demand

This chapter presents a summary of a more detailed analysis of the forecast demand for employment land and property that is set out in Appendix 5. The purpose of this chapter is to identify the forecast level of demand for employment sites over the Local Plan period from 2016 to 2036.

3.1 Demand for employment land and property at the FEMA level

The baseline employment forecasts used for this demand analysis are sourced from Cambridge Econometrics and Oxford Economics, and were produced in 2015/2016. They have been moderated using local evidence and consultations, to produce a hybrid scenario. A detailed methodology for how and why this has been done is set out in Appendix 5, and previous work on the Functional Economic Market Areas⁵. Chapter 2 of this ELR has considered the latest socio-economic data on the state of the Wiltshire economy and its recent growth, and this has been complemented with new consultations with a range of local stakeholders. This review process has not identified any significant reasons to consider updating the employment growth forecasts. Wiltshire Council has agreed to use these forecasts, to ensure consistency with other parts of the Local Plan evidence base. Although the process of Brexit is ongoing, there is no clarity at this point about how this might affect future economic growth in Wiltshire.

The employment growth forecasts are consistent with housing growth forecasts undertaken for the Strategic Housing Market Areas Assessment (SHMAA), as the two pieces of analysis have been developed together. This means that the analysis of forecast job growth and housing growth are in alignment.

3.1.1 Demand over the Local Plan period

The demand for employment land that has been derived from the employment growth forecasts is shown in summary in the figures below, for the whole of Wiltshire, and for each of the FEMAs. Of note is that the demand for office space is presented as a range of values. The growth in employment has been forecast, and this has been converted into the amount of floorspace required. This is then converted into site size. However, the site size required for office development will vary, depending on the location and density of development (i.e. one, two or three storeys). It has been assumed that town centre offices will be developed at 100% site density, whereas out-of-town offices will be developed at 40% density. These figures provide the range for offices that can be seen below.

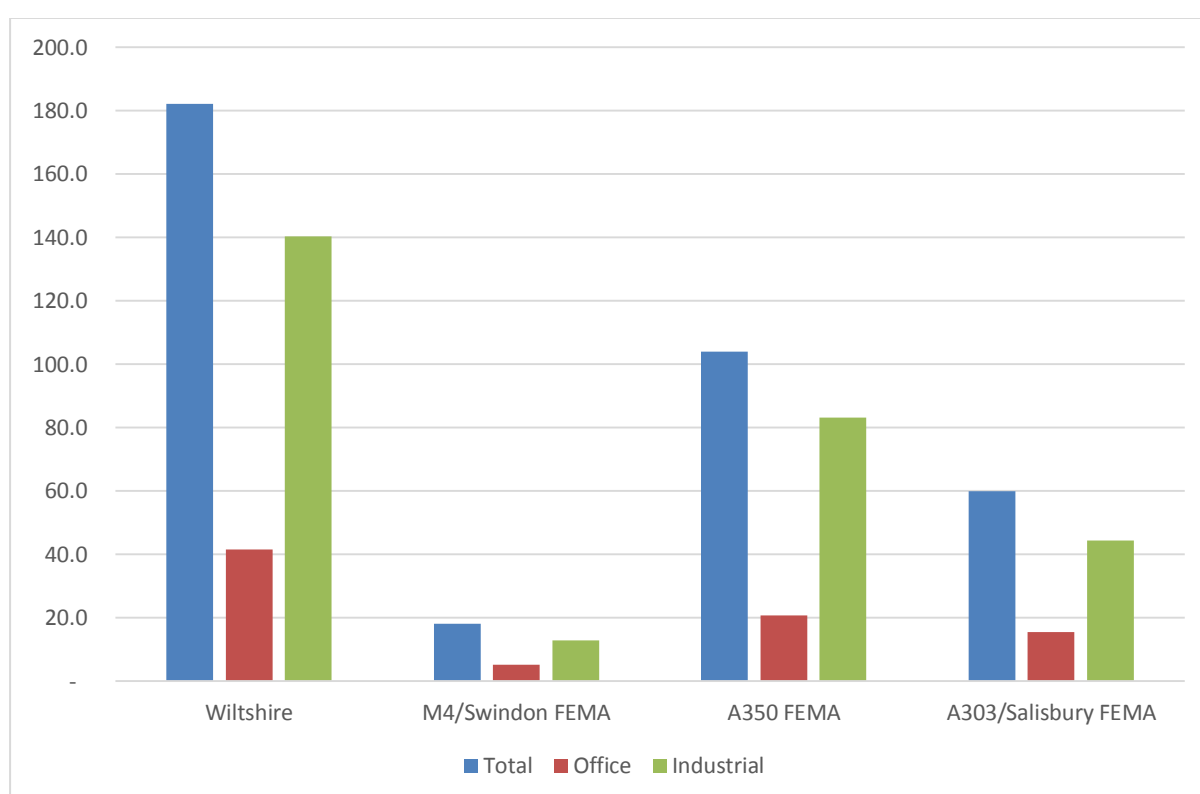
Figure 3.1: Demand for Employment Land Over 20 Years (2016-2036)

	Total demand (Ha)	Office demand (Ha)	Industrial demand (Ha)
Wiltshire	157 - 182	17 - 42	140
M4/Swindon (Wiltshire) FEMA	15 - 18	2 - 5	13
A350 FEMA	91 - 104	8 - 21	83
A303/Salisbury FEMA	51 - 60	6 - 16	44

N.b. Figures may not sum exactly due to rounding

These figures can be seen in the chart below. The chart shows the upper end of the range of demand for office space.

Figure 3.2: Wiltshire and FEMA Demand for Employment Land, 2016-2036 (Ha)



3.1.2 Demand over the first five years

Wiltshire Council is interested in assessing whether there is sufficient employment land available to meet demand during the first five years of the Local Plan period. The demand for employment land during the first five years of the Local Plan period has been calculated, and the results of this analysis can be seen in the figure below.

Figure 3.3: Demand for Employment Land Over 5 Years (2016-2021)

	Total demand (Ha)	Office demand (Ha)	Industrial demand (Ha)
Wiltshire	52 - 61	6 - 15	46
M4/Swindon FEMA (Wiltshire)	4 - 6	0 - 2	4
A350 FEMA	32 - 36	2 - 6	30
A303/Salisbury FEMA	15 - 20	3 - 8	12

N.b. Figures may not sum exactly due to rounding

3.2 Internal distribution of demand within Wiltshire

A number of scenarios have been developed, to consider how the demand could be distributed within each of the FEMA's in Wiltshire. These scenarios are indicative of the possible distribution of demand for new employment sites and premises, and are intended to inform discussions with Wiltshire Council about the development of the ELR. These scenarios are not recommendations on the future distribution of demand for employment sites and premises. Demand is market led and flexible within a FEMA. It is reasonable to match forecast demand and supply at the FEMA level, including allowances for choice and flexibility, but this would not be robust at the BUA level. However, there should be a reasonable distribution of supply throughout each FEMA, as demand is also distributed throughout the FEMA.

Six scenarios to indicate the possible distribution of demand have been considered:

Scenario 1 (Baseline Stock): Future demand is allocated across each of the BUAs and rural areas according to the distribution of current levels of employment (i.e. baseline stock of employment) in each of these areas. This approach to the distribution of future demand is simple, and reflects the current distribution of employment and economic activity within each FEMA. However, under this scenario future demand follows the same pattern as current activity, so it does not take account of any changes in the drivers of demand.

Scenario 2 (Baseline Stock & Growth): Similar to Scenario 1, starting with the already agreed level of demand for Wiltshire, but:

- That portion of future demand determined by replacement is allocated according to the current level of employment in each BUA and rural area (i.e. similar to Scenario 1)²⁰
- That portion of future demand determined by change or growth in employment is allocated across the BUAs and rural areas according to recent employment change in each BUA and rural area, over the period from 2010 to 2015

The distribution of future demand under this scenario is more sophisticated than in Scenario 1. This means that places which are attractive and have attracted recent growth will continue to see more demand in the future. However, this scenario does not allow for any constraints on the supply of

²⁰ Some of the future demand for employment land is generated by the need to replace existing premises which are no longer fit-for-purpose. Some of this replacement demand will be delivered on existing employment sites, but some of it will require new sites, as new premises need to be in place before businesses can vacate their current sites. Some of the vacated sites will be re-used as employment sites, and some may be re-used for other activities

sites and premises in the recent past which may have limited the level of growth that has taken place in each BUA and rural area.

Scenario 3 (Market Driven Scenario): Building on Scenario 2, with some adjustments to take account of any market-led factors identified during the consultation phase of the research, which affect the internal distribution of future demand within Wiltshire, i.e. the market desire to see more development in Chippenham. Market sentiment has been identified from consultations with property agents active throughout Wiltshire, and more future demand has been allocated to the locations that these agents identified, i.e. Chippenham²¹. The net total level of demand within each FEMA remains the same, although the distribution within the FEMA may be different, according to any market signals.

Scenario 4 (Public Policy Scenario): Building on Scenario 2, but manual adjustments are made to take account of public policy drivers of the distribution of employment i.e. the settlement hierarchy agreed for the Wiltshire Local Plan and the Strategic Economic Plan for Swindon and Wiltshire. In this case, more demand is located in the principal towns of Chippenham, Salisbury and Trowbridge²².

Scenario 5 (Housing 1): This scenario distributes some future demand according to the current distribution of employment, and some future demand according to the planned location of future housing growth (2006 -2026) in the current Wiltshire Core Strategy:

- Building on Scenario 2, that portion of future demand determined by replacement is allocated according to the current level of employment in each BUA and rural area (i.e. the same as in Scenario 1)
- That proportion of demand that is determined by future growth is allocated according to the location of planned future housing growth within each FEMA

Scenario 6 (Housing 2): This is more straightforward than Scenario 5. All future demand is distributed within each FEMA on the same percentage distribution as the distribution of projected future housing growth based on the Council's current strategy.

The distribution of demand across the BUAs and rural areas under the six scenarios can be seen in the figure below²³. Full figures and a breakdown of demand for office and industrial space by BUA and rural area can be seen at Appendix 5.

²¹ Under this scenario, 50% of the demand driven by future growth in the A350 FEMA has been allocated to Chippenham

²² Under this scenario, one-third of the demand driven growth in the relevant FEMAs has been allocated to each of Chippenham, Salisbury and Trowbridge

²³ N.b. Wilton is considered separately to Salisbury as it is defined as a separate BUA by Wiltshire Council, although it is adjacent to Salisbury

Figure 3.4: Potential Distribution of Demand Across BUAs and Rural Areas (Ha)

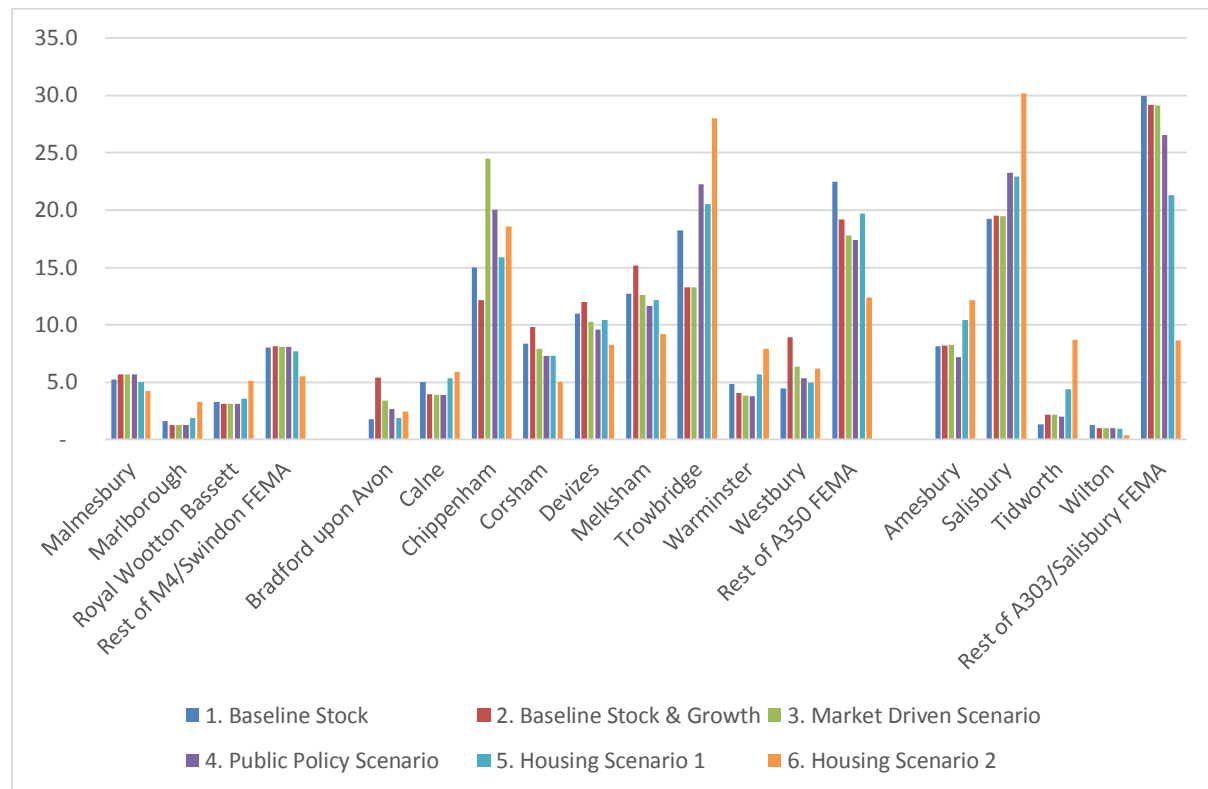


Figure 3.5: Potential Distribution of Demand Across M4/Swindon (Wiltshire) FEMA

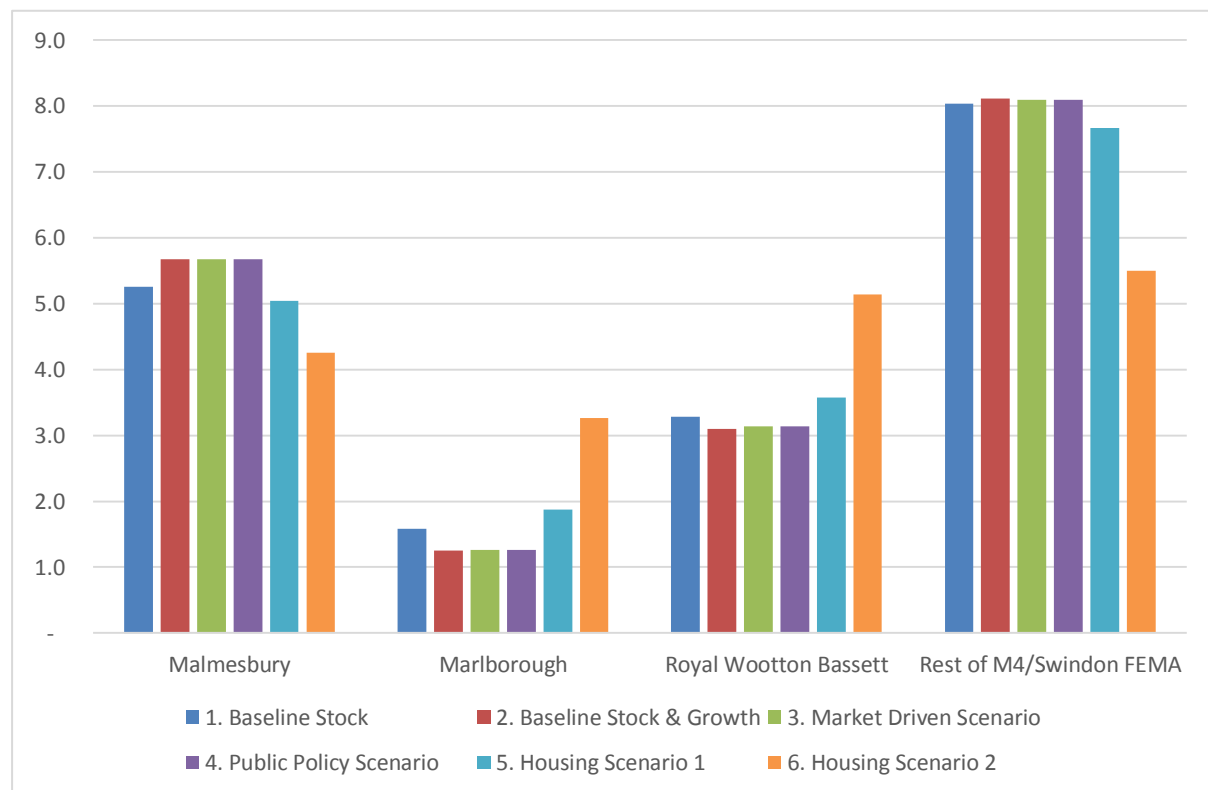


Figure 3.6: Potential Distribution of Demand Across A350 FEMA

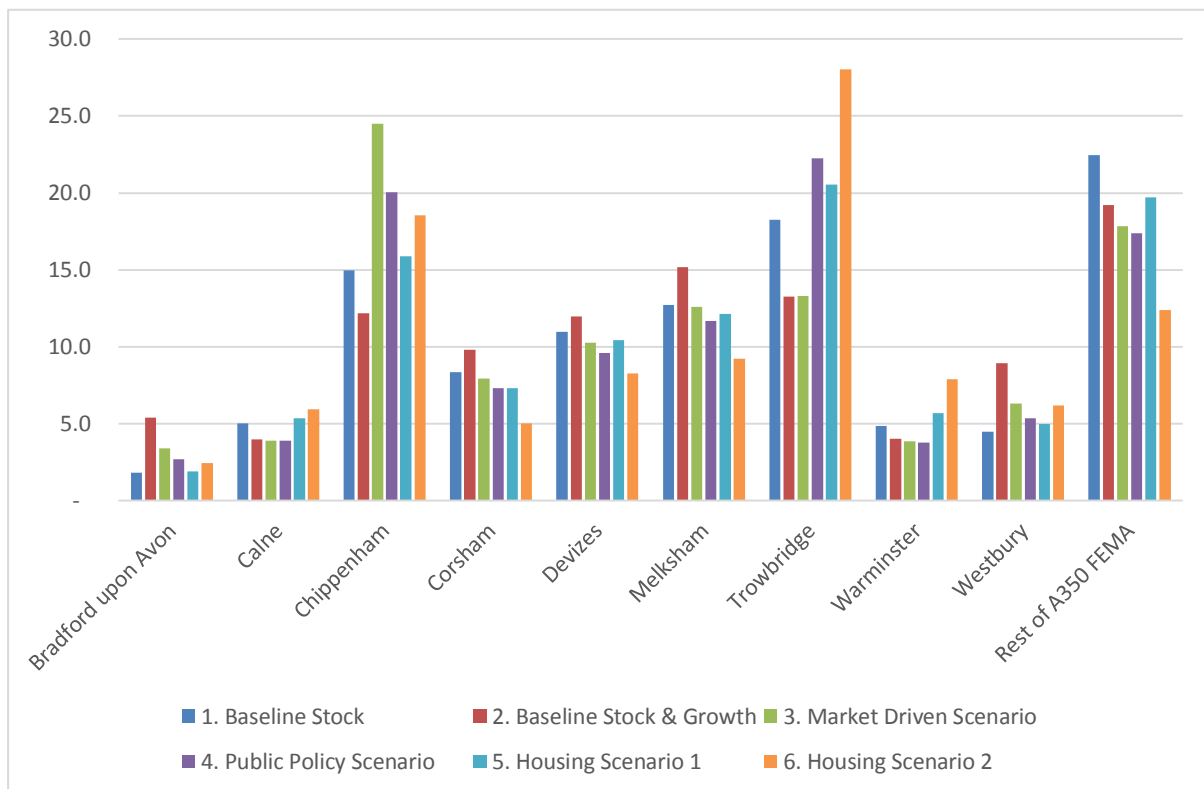
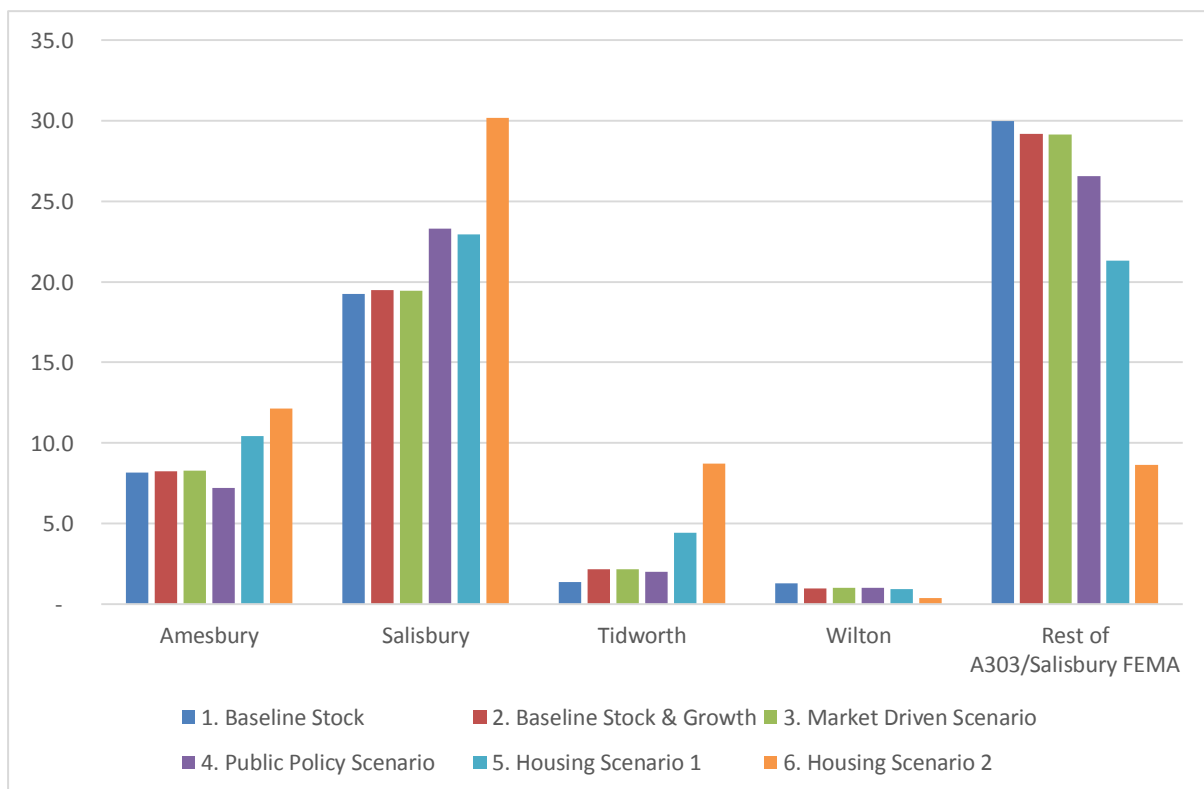


Figure 3.7: Potential Distribution of Demand Across A303/Salisbury FEMA



3.2.1 Key messages

Scenario 2 (Baseline Stock & Growth), which takes account of where recent growth has been taking place, suggests more demand in the urban areas and less in the rural areas, particularly in the A350 and A303/Salisbury FEMAs.

There is a significant variation of demand in Chippenham according to different scenarios. In particular this is because Scenario 3 (Market Driven) and Scenario 4 (Public Policy) drive more growth to Chippenham (and commensurately less growth into other BUAs and the rural part of the A350 FEMA). The constrained availability of sites and premises in Chippenham in the past may have limited historic employment growth here, which affects those scenarios which rely on historic employment growth, most notably Scenario 2.

There is a significant variation of demand in Trowbridge. The difference between Scenario 1 (Baseline Stock) and Scenario 2 (Baseline Stock & Growth) is significant, as a consequence of relatively low levels of growth in recent years. This may be due to a lack of suitable sites and premises to accommodate economic growth potential. Scenario 4 drives more growth into Trowbridge, which is one of the county's principal towns. Scenario 6 sees Trowbridge as the location of most demand in the A350 FEMA, reflecting the location of proposed new housing development.

Salisbury is the location of more demand under Scenario 4 than in other scenarios, as more demand is allocated to the principal settlements under this scenario. It is also the location of significantly more growth under Scenarios 5 and 6, where all future demand within the FEMA is allocated according to the proposed location of new homes. This suggests that public policy aspirations, including future housing growth, is for higher levels of growth here than has been seen in the recent past.

The rural parts of each of the FEMAs could see significant demand in the future, as a significant amount of current employment is located in these areas, and a portion of future demand is allocated according to the need for replacement of existing stock. Overall, the rural areas see the lowest demand for employment under Scenario 6, in which future demand for employment land is distributed according to the proposed location of future housing developments, which tends to be towards the urban areas.

In particular, the rural part of the A303/Salisbury FEMA is the location for a significant amount of future demand as there is significant current employment here in sites such as Porton Down and Boscombe Down, and most of the scenarios are influenced by employment growth. However, forecast demand is significantly lower under Scenario 6, which is housing driven.

In general, Scenario 6, which is based entirely on the proposed future location of housing developments, sees least development in the rural parts of Wiltshire, and most in the towns, particularly Trowbridge and Salisbury reflecting the policy drive to direct housing growth to the more sustainable locations with greatest access to services and facilities.

None of these scenarios are suggestions or recommendations about the future allocation of sites within each FEMA in Wiltshire. These scenarios are intended to indicate how demand might be spread across the FEMAs, and inform future policy-making and activity undertaken by Wiltshire

Council. Whilst there is variation between all of the scenarios, it is notable that the housing-led scenarios often show a different distribution of demand than those scenarios that are based on employment forecasts.

4 Employment Land and Property Market

The purpose of this chapter is to set out a review of the state of the employment land and property market in Wiltshire. This chapter provides a summary of the more detailed review that is set out at Appendix 6.

4.1 National and regional property markets

Nationally, both office and industrial markets across the UK have been resilient despite the ongoing uncertainties surrounding Brexit and the unexpected General Election of 2017, with an overall increase in uptake in the first half of 2017²⁴. However, there is still uncertainty over the future performance of these markets given ongoing national political uncertainty, especially over Brexit. Agents in the South West of England report robust occupational demand, with particular demand in the region as a whole from technology, media and telecommunications (TMT), logistics and public sector occupiers. Whilst these are not occupiers sectors which are typically in high demand in Wiltshire, some overspill is likely to appear as a result of tightening supply in the major regional markets.

4.1.1 Office market trends

The overall vacancy rate in the big six regional cities (including Bristol) fell slightly over the half year, from 6.8% to 6.3% - the lowest since 2002. Grade A vacancy is below 3% in all major regional cities, and is critically low in Bristol where it stands at 0.2% (overall vacancy here is around 3%, the lowest of any major regional market). Bristol only saw 107,500 sq ft delivered in 2016 and 149,000 sq ft in 2017.

4.1.2 Industrial trends

UK take-up of units over 100,000 sq ft exceeded 30 million sq ft in 2016, 14% above 2015 levels, as demand continued to outstrip supply for the third year in a row. The growth in e-commerce continues to generate unprecedented levels of demand for logistics space, with retail now accounting for 57% of all big sheds take-up.²⁵

Nationally, speculative development is expected to fall by 65% in 2017, mainly due to difficulties raising finance, resulting in less choice for potential occupiers, perversely at a time when occupier demand is strong. The lack of accessible land in high population areas already presents challenges to finding suitable facilities for last-mile deliveries. In many cases Design & Build is the only way to guarantee the right product

The industrial market is forecast to perform better than the other major property sectors in 2017, with annualised rental growth of 2.5% expected in the next five years. The positive outlook for the sector, in terms of value growth, is fuelled by a shortage of quality product and strong demand, with the latter supported by rising online retail sales and an export-friendly exchange rate. However, this demand combined with the lack of speculative development taking place has the potential to

²⁴ CBRE National Office Market Outlook H1 2017; Lambert Smith Hampton Office Market Pulse; Alder King Market Monitor (July 2017)

²⁵ Colliers International (2017) UK Industrial & Logistics Market Barometer

constrain economic growth if it is not addressed through supply side measures (see later sections of this report which discuss interventions).

The typical time for units to be let from practical completion is around six months. Vacancy rates in the South West are down to 4.9% (from 14.2% in 2009)²⁵, but unfortunately no comparable data is available for Wiltshire.

4.1.3 Regional Trends and Pipeline

Regional specialists Alder King report that across the South West as a whole, developers have been cautious about speculative office development, though Aurora at Finzels Reach in Bristol is due for practical completion in Q2 2018 and will comprise 95,000 sq ft (8,800 sq m) of office space. There are also office refurbishments underway at Cathedral Square, Programme and Temple Point in Bristol while in Bath new office schemes at Roseberry Place, Strata and South Quays have received planning consent. Some of this is speculative development and some is pre-let, but data is not available to distinguish between the two.

There are also a number of new-build industrial schemes underway in the surrounding area such as Access 18 and Rockhaven in Avonmouth, Horizon 38 in Filton with further schemes planned at Vertex Park, Emersons Green and Belvedere Court, Weston super Mare. In Swindon, speculative development at Symmetry Park of a 212,000 sq ft (19,700 sq m) industrial/warehouse building is underway. Alder King also report that Mooreland Estates has submitted a detailed planning application for Trinity Park in Swindon.

The industry is reporting a severe shortage of big sheds on the western M4, with only 200,000 sq ft (18,600 sq m) at the WA248 building in Bristol available in the region as of November 2017. The ending of tolls on the Severn Bridge from the end of 2018 is expected to make South Wales a more attractive location for logistics warehousing. This presents a market opportunity for Wiltshire, the central position of which would give any big shed development, for example on sites with good motorway access at M4 Junction 17, an advantage with its access to both London, the West and Wales.

Within Wiltshire itself, Hawke Ridge Business Park a 15.3 ha site to the north west of Westbury has planning consent for 250,000 sq ft (23,200 sq m) of smaller industrial space and is being brought forward by HPH Commercial Property. A Detailed Planning Application was submitted in March 2017 for a small business unit scheme providing 53,500 sq ft of commercial space. The scheme, to be called Kestrel Court, will include 20 units ranging in size from 1,500 sq ft (140 sq m) to 5,500 sq ft (510 sq m). There will also be parking for 99 vehicles, secure parking for 20 bicycles and electric vehicle charging points.

Overall, there is a shortage of readily developable employment sites in areas of strong demand, which is a constraining factor on economic development.

4.2 Current supply of employment space in Wiltshire

In analysing stock, reference has been made to Valuation Office Agency (VOA) data which records the size of business premises for taxation purposes. The VOA does not use planning use classes but rather a more descriptive record of the use of property. For the purposes of this analysis, the VOA's

recorded uses have been grouped into three categories – Industrial which covers B1c, B2 and ancillary uses; Logistics and Warehouse which covers B8 and ancillary uses; and Office which covers B1a and B1b uses. There are limitations to this dataset but it helps to provide a broad view of the uses of commercial floorspace within the county.

In 2017, Wiltshire had 3.6 million sq m of existing B Use Class employment space, comprising industrial, logistics/warehousing and offices. Industrial and logistics account for the largest amount of space. There has been significant growth in logistics/warehousing over the period from 2008 to 2017, with a decline in the stock of industrial and office space over the same period. Detailed figures can be seen in the figure below.

Figure 4.1: Existing B Use Class Employment Space

	Total stock (sq m)	% of total stock	Change 2008 to 2017
Industrial	1,520,000	42	-3%
Logistics/warehousing	1,553,000	44	+37%
Offices	490,000	14	-8%
Total	3,563,000	100	+10%

Source: BBP Regeneration analysis of VOA data

4.2.1 Industrial employment space

The largest amount of industrial employment space (over two-thirds of the Wiltshire total), is located in the A350 FEMA. The BUAs with the largest amounts are Melksham (13%), Trowbridge (9%), Devizes (8%) and Chippenham (7%).

Figure 4.2: Industrial Employment Space

	Space (sq m)	% of total stock	% of number of properties
M4/Swindon (Wiltshire) FEMA	234,000	15	16
A350 FEMA	1,012,000	67	59
A303/Salisbury FEMA	274,000	18	16
Total	1,520,000	100	100

Source: BBP Regeneration analysis of VOA data

Some 50% of all properties are less than or equal to 150 sq m in size. However, these account for only 7% of all industrial space in Wiltshire. Less than 1% of all properties are 10,000 sq m or more, but they account for 30% of all space.

4.2.2 Warehouse and logistics space

Over 60% of all warehouse and logistics space in Wiltshire is located in the A350 FEMA. Hawke Ridge accounts for 21% of total industrial availability within the A350 FEMA. However, the greatest local concentration in any BUA is in Royal Wootton Bassett (6%), followed by three BUAs in the A350 FEMA - Chippenham (6%), Melksham (6%) and Westbury (6%).

Figure 4.3: Warehousing and Logistics Employment Space

	Space (sq m)	% of total stock	% of number of properties
M4/Swindon (Wiltshire) FEMA	236,000	15	18
A350 FEMA	947,000	61	57
A303/Salisbury FEMA	370,000	24	25
Total	1,553,000	100	100

Source: BBP Regeneration analysis of VOA data

Some 45% of all properties are 150 sq m or less, but they only account for 4% of all space in Wiltshire. Less than 1% of all properties are greater than 10,000 sq m, but they account for 26% of all space.

4.2.3 Office space

As with other categories of employment space, the A350 FEMA has the largest amount of office space – 62%. However, Salisbury is the BUA with the largest amount of office stock (16%), followed by three in the A350 FEMA - Trowbridge (15%), Corsham (12%) and Chippenham (11%).

Figure 4.4: Office Employment Space

	Space (sq m)	% of total stock	% of number of properties
M4/Swindon (Wiltshire) FEMA	66,000	13	21
A350 FEMA	302,000	62	53
A303/Salisbury FEMA	122,000	25	25
Total	490,000	100	100

Source: BBP Regeneration analysis of VOA data

42% of properties are 50 sq m or smaller, but only account for 6% of total space. More than a third of properties (35%) are 1,000 sq m or larger, and they account for 35% of the total stock.

4.2.4 Development rates and completions

Council data on development completions across Wiltshire shows that around 353,000 sq m of new commercial space (B Use Class) was completed in the last five years (2012-2017). This level of completion is almost one-third of the amount of proposed/permitted development over the period, indicating a slower build out rate. The A350 FEMA saw the largest amount of completed employment space. However, it also experienced the highest level of commercial floorspace loss. While the A303/Salisbury FEMA had a similar amount of new commercial development over the period, there was notably less loss of employment space.

4.3 State of the market

The office and industrial property markets in Wiltshire have been resilient despite the uncertainty of Brexit and the 2017 General Election. Agents' view is that there is a dearth of industrial property supply across Wiltshire, and a significant demand for industrial and logistics space, and as a consequence, rents have risen by 15% to 20% during the last five years.

Consultations with property agents active in Wiltshire find that:

- There is a very limited supply of readily available sites and suitable premises available in Wiltshire
- There is a lack of affordable sites for development
- There is a lack of unconstrained employment land
- There is a significant problem of housebuilders controlling the supply of employment land, and being reticent about releasing this for employment development
- Site owners are often holding out for residential 'hope value'
- Employment land is being lost to residential development, on the basis of insufficient demand for employment land – although it is questionable whether this is actually the case
- South Wiltshire lacks a campus business park
- Most demand is in the north of the county, at the top of the A350, and M4
- The Local Plan has allocated a number of mixed-use sites that are not suitable for many employment uses
- The planning system is one of the biggest barriers to the development of employment premises. The process is convoluted and expensive

4.3.1 M4/Swindon (Wiltshire) FEMA

Around 1% of the total industrial and warehousing stock, i.e. around 4,000 sq m, is currently available in the marketplace²⁶. Take-up has been 1,260 sq m per year in recent years, so there is around three years' worth of take-up in the market. Asking rent is £73 per sq m. Although there is no strict definition, a vacancy rate of 5% to 10% is considered to be healthy, to allow for churn and choice in the property market. A low level of vacant space can constrain economic growth in a local area.

Around 11% of the office stock, i.e. 7,300 sq m, is currently available in the market. Recent take-up has been 2,800 sq m per year, so there is around three years' worth of take-up currently available (although the historic take-up rate may have been constrained by the lack of availability of suitable space in the past). Asking rent is £127 per sq m.

²⁶ It is worth noting that the vacancy rate and the availability rate are different measures. **Vacant space** is defined as space that is not currently occupied by a tenant, regardless of any lease obligation that may be on the space. Vacant space could be space that is either available or not available. For example, sublease space that is currently being paid for by a tenant but not occupied by that tenant, would be considered vacant space. Vacant space is also only counted in existing or already built buildings. Under construction or proposed space is excluded from the vacancy calculation. **Available space** is defined as the total amount of space that is currently being marketed as available for lease in a given time period. It includes any space that is available, regardless of whether the space is vacant, occupied, available for sublease, or available at a future date, although it excludes space available in proposed buildings.

4.3.2 A350 FEMA

Some 10% of the industrial and warehousing stock, i.e. 188,000 sq m, is currently available in the market. Historic take-up has been around 18,000 sq m per year, so there is more than 10 years' worth of take-up available. This is a significant amount of available space, both in absolute and relative terms, at a FEMA level. The asking rent is £66 per sq m, which is less than in the M4/Swindon (Wiltshire) FEMA. However, anecdotal evidence suggests that there is insufficient supply in some places, especially in Chippenham.

There is 9,500 sq m of office space available, which is around 3% of the total stock. Take-up in recent years has been 4,400 sq m per year, so this is equivalent to around two years' worth of take-up. Asking rent is £127 per sq m, the same as in the M4/Swindon (Wiltshire) FEMA.

4.3.3 A303/Salisbury FEMA

There is 19,500 sq m of industrial space available in this FEMA, which is 3% of the total stock. Average take-up in recent years has been 8,200 sq m per year, so this is equivalent to more than two years' worth of take-up. Asking rent is £67 per sq m, which is only just above that in the A350 FEMA.

There is 15,300 sq m of office space available in this FEMA, which is the highest amount in the three FEMAs (although a large office block in Salisbury has recently been sold, so this figure may come down). Take-up in recent years has been 3,400 sq m per year, so this is more than four years' worth of take-up. Asking rental is £113 per sq m, which is less than in the other two FEMAs.

4.3.4 Summary

The availability of industrial and office space, which is discussed above, is summarised in the figure below.

Figure 4.5: Availability of Industrial and Office Space

	Industrial space available (sq m)	% of total industrial stock	Office space available (sq m)	% of total office stock
Wiltshire	211,000	7	32,100	7
M4/Swindon (Wiltshire) FEMA	3,900	1	7,300	11
A350 FEMA	188,000	10	9,500	3
A303/Salisbury FEMA	19,500	3	15,300	13

Source: BBP Regeneration analysis of CoStar and VOA data

4.4 Impact of Permitted Development Rights

Following the recent Government changes to Permitted Development Rights order, there has been an influx of deals and applications for residential use conversions, according to EGi data. Wiltshire has received a number of PDR applications, some of which for high profile office blocks on some of Wiltshire's best quality employment sites, including:

- The Pavilions, Winsor Road, Trowbridge – vacant office building conversion to provide 104 new residential units

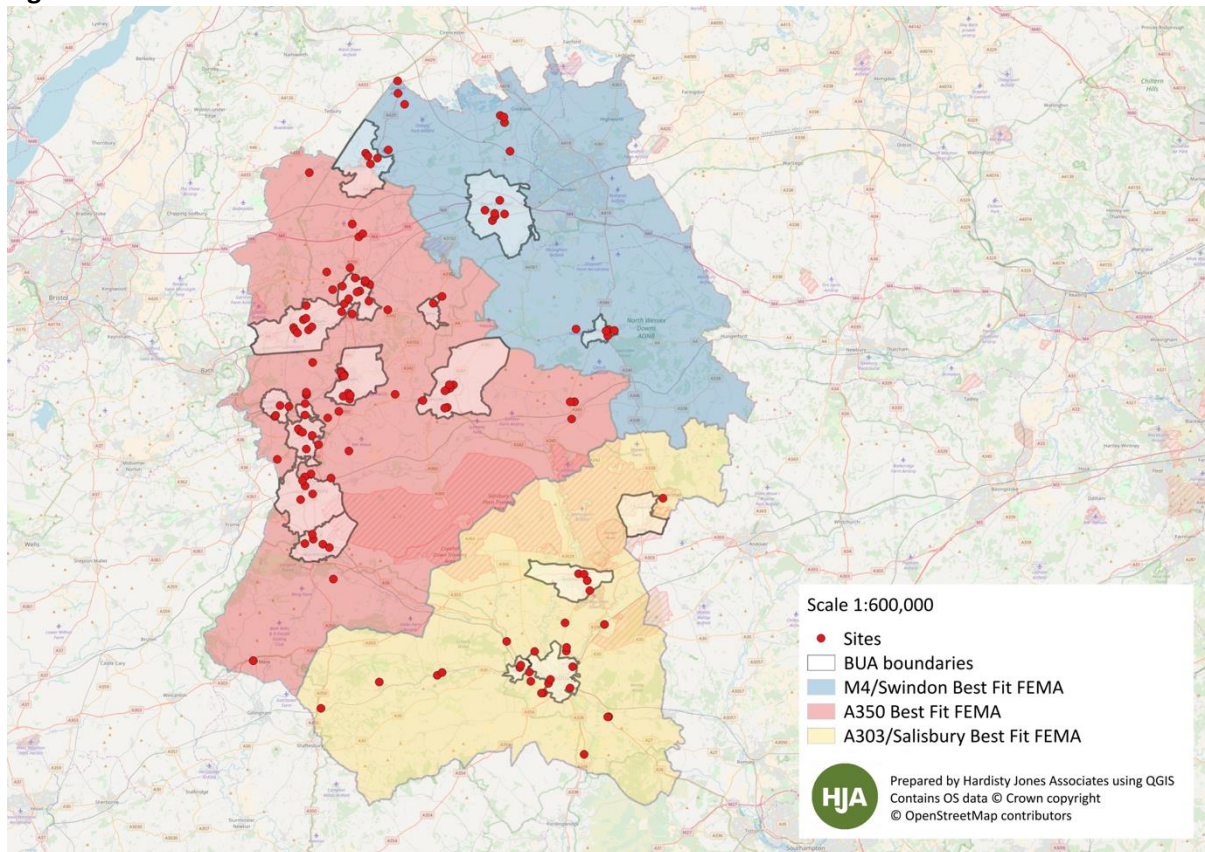
- Methuen Park, Chippenham – office building (c. 4,900 sq m) currently occupied by the logistics operator Wincanton PLC

PDR applications could potentially damage the vitality of business parks in Wiltshire through the creation of an undesirable mix of on-site uses. To support economic growth it is essential that high quality, strategic employment sites and their occupiers are protected against alternative uses that could impact on the vitality of the site.

5 Employment Sites in Wiltshire

Research undertaken by Wiltshire Council to inform this Employment Land Review has identified and reviewed 147 actual and potential employment sites in the county. The location of these sites can be seen in the figure below.

Figure 5.1: Location of All Sites Reviewed



5.1 Identifying sites for inclusion in the Employment Land Review

The 147 sites were selected for assessment by Wiltshire Council officers. These sites were selected as they are either identified as principal employment areas/larger employment sites (those over 0.5 Ha), Core Strategy allocations, or saved local plan allocations. A small number of un-allocated sites were also included in the assessment as part of the Review. These were identified in some of the areas where Wiltshire Council may want to consider additional employment allocations. These unallocated sites will require further investigation alongside other alternatives that might be being promoted. It was also necessary to include un-allocated sites in this Review in order to test the site appraisal methodology developed by the consultant team.

Even though 147 sites were visited, there are still many more in the County that weren't visited (e.g. secure MOD sites, farm sites, smaller business parks located within towns, and small rural sites). Sites that were not visited and assessed as part of this process should not be considered less important than those that were. Wiltshire Council should continue to visit other sites and carry out

appraisals, to continue to build up a comprehensive picture of as many employment sites in Wiltshire as possible.

5.1.1 Call for sites

The Council operates an ongoing Call for Sites - landowners and agents can send details of land at any time. It receives details of around 20 to 30 sites per year through this approach. However, if the Council is producing a development plan that allocates land, it may take a pro-active approach and do a mail-out or produce other promotional material for a Call for Sites. For the Housing Site Allocations Plan it did this as part of the Plan scoping exercise in April 2014, and this generated a significant number of submissions.

5.2 Quality of sites

Each of the 147 sites were assessed against a number of criteria:

- Strategic location and accessibility
- Internal environment and site layout
- Local amenities and public transport
- Character of the area and neighbouring layout
- Age and suitability of stock

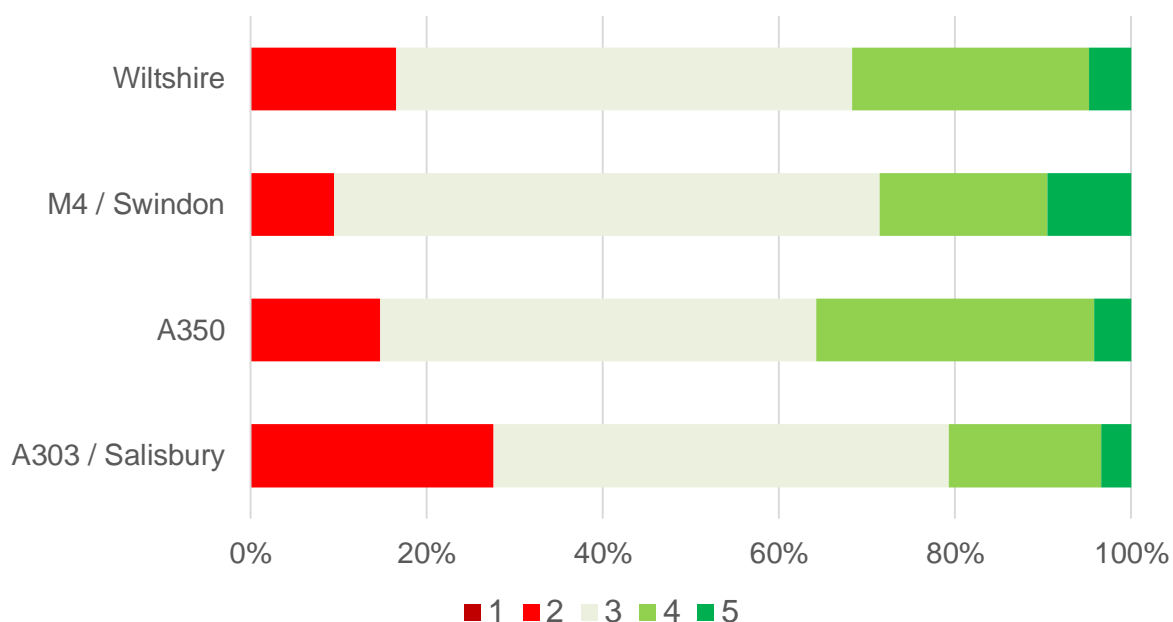
Each site was scored from 1 to 5 against each of these criteria, where 5 = high, 4 = above average, 3 = average, 2 = below average, and 1 = low. Full details of the criteria and the explanation of each score can be found at Appendix 7.

Some of the sites are not yet in employment use, so cannot be scored against all of the criteria (e.g. internal environment and site layout). For this reason, fewer sites are scored against some of the criteria.

5.2.1 Strategic location and accessibility

All 147 sites were scored against this criterion. The majority of sites were scored as average and above, with fewer than 17% of sites scoring below average. An average score was given to a site with 'reasonable site access for all vehicles, and indirect or restricted access to the major road network.'

Figure 5.2: Strategic Location and Accessibility

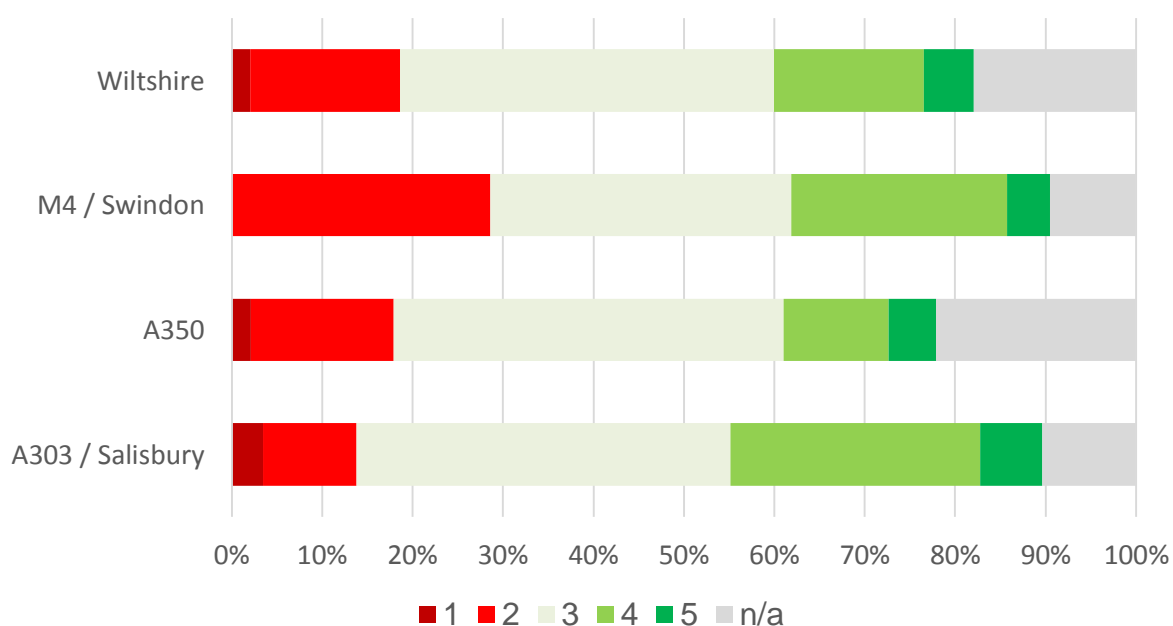


Source: BBP Regeneration analysis of site reviews carried out by Wiltshire Council

5.2.2 Internal environment and site layout

118 of the sites were scored against this criterion (as some of the 147 sites are not yet developed, so do not have a site layout). 77% of the sites that were scored were average and above. An average score was given for a site with 'acceptable design with some limitations, inadequate landscaping, manoeuvring compromised, obstructions, on a main road or prominent estate but tucked away from view.'

Figure 5.3: Internal Environment and Site Layout

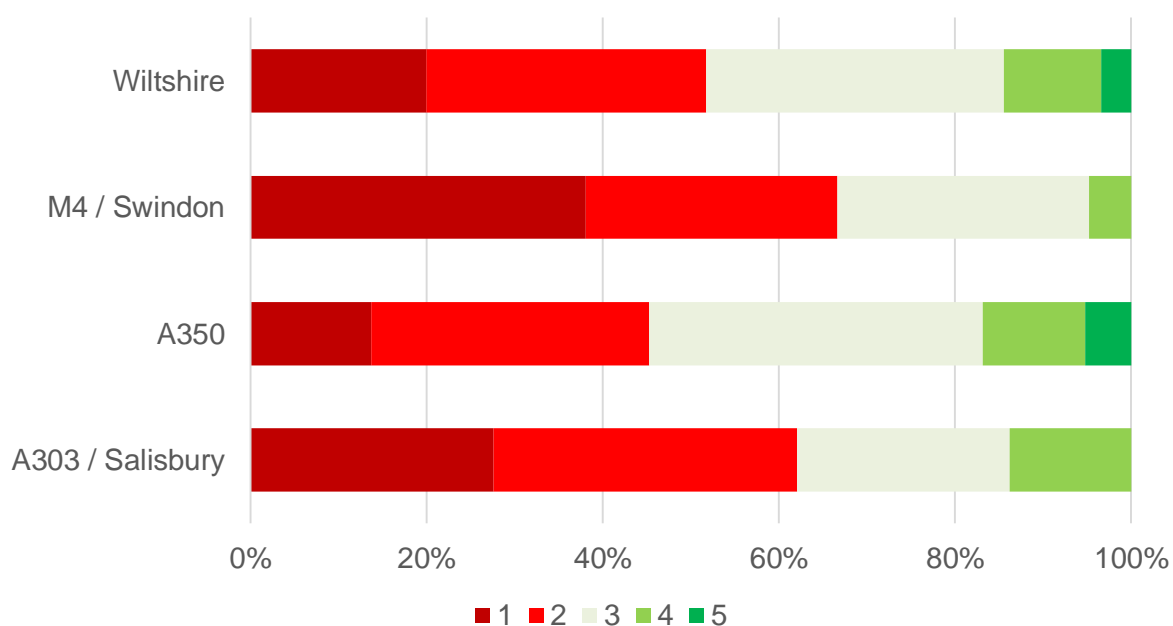


Source: BBP Regeneration analysis of site reviews carried out by Wiltshire Council

5.2.3 Local amenities and public transport

Over half of all sites (52%) scored below average for access to local amenities and public transport. An average score was given for a site that is 'close to a limited range of basic services, close to a station, peak time bus route, cycle route and on a pedestrian route.'

Figure 5.4: Local Amenities and Public Transport

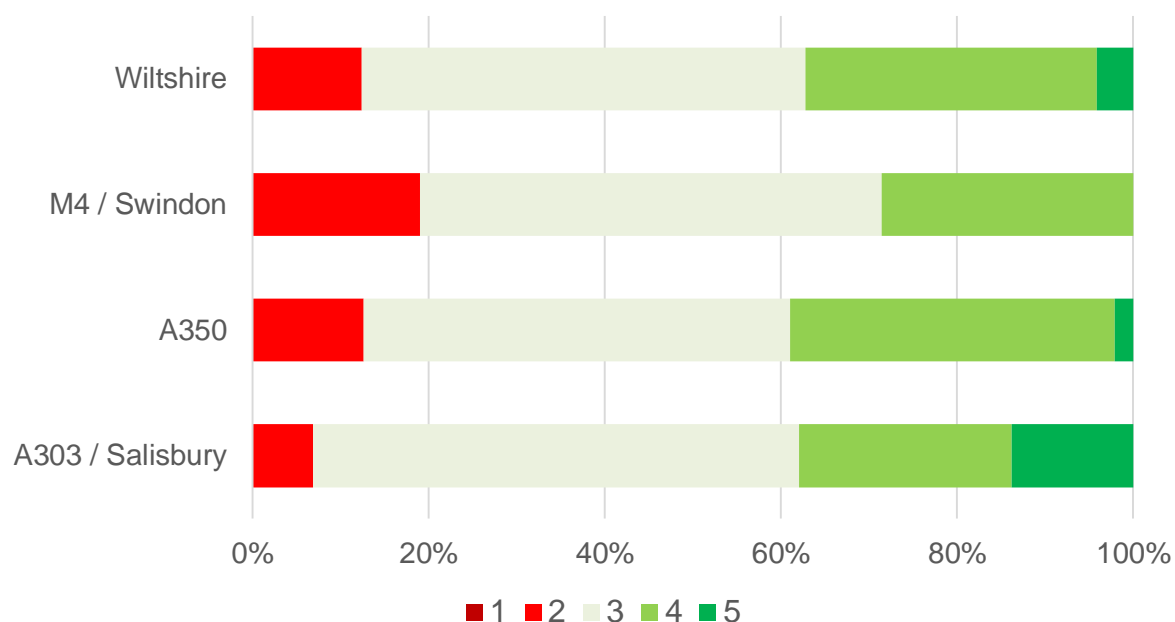


Source: BBP Regeneration analysis of site reviews carried out by Wiltshire Council

5.2.4 Character of area and adjoining uses

All 147 sites were scored against this criterion. The majority of sites (88%) scored average and above for the character of the area and adjoining uses. An average score was given to a site which is a 'mixed commercial area with residential nearby, with mainly compatible uses.'

Figure 5.5: Character of the Areas and Adjoining Uses

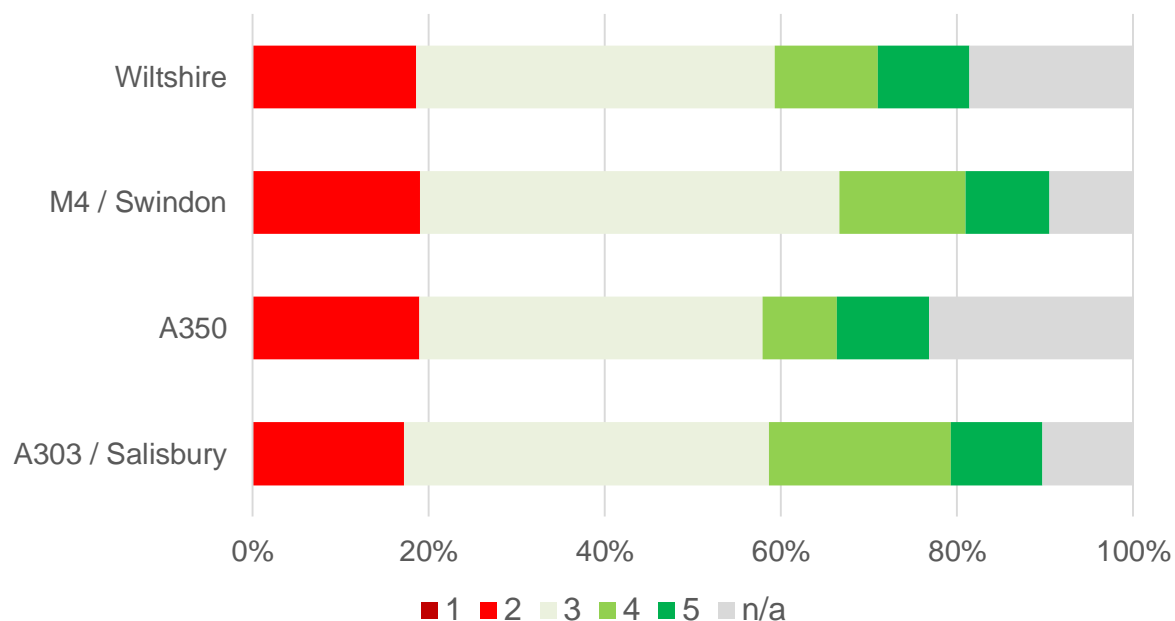


Source: BBP Regeneration analysis of site reviews carried out by Wiltshire Council

5.2.5 Age and suitability of stock

116 of the 147 sites were scored against this criterion (as some of the sites assessed are still greenfield, so not all were scored against this criterion, which is why 116 out of 147 is shown). 81% of all sites scored average and above for this criterion. An average score was given to a site with premises 'mainly built 1980s onwards, adequate specification, more suitable to local businesses. Industrial eaves to 5m upwards, adequate loading and parking. Office accommodation mainly open plan, air-conditioning, adequate car parking ratio and broadband connectivity.'

Figure 5.6: Age and Suitability of Stock



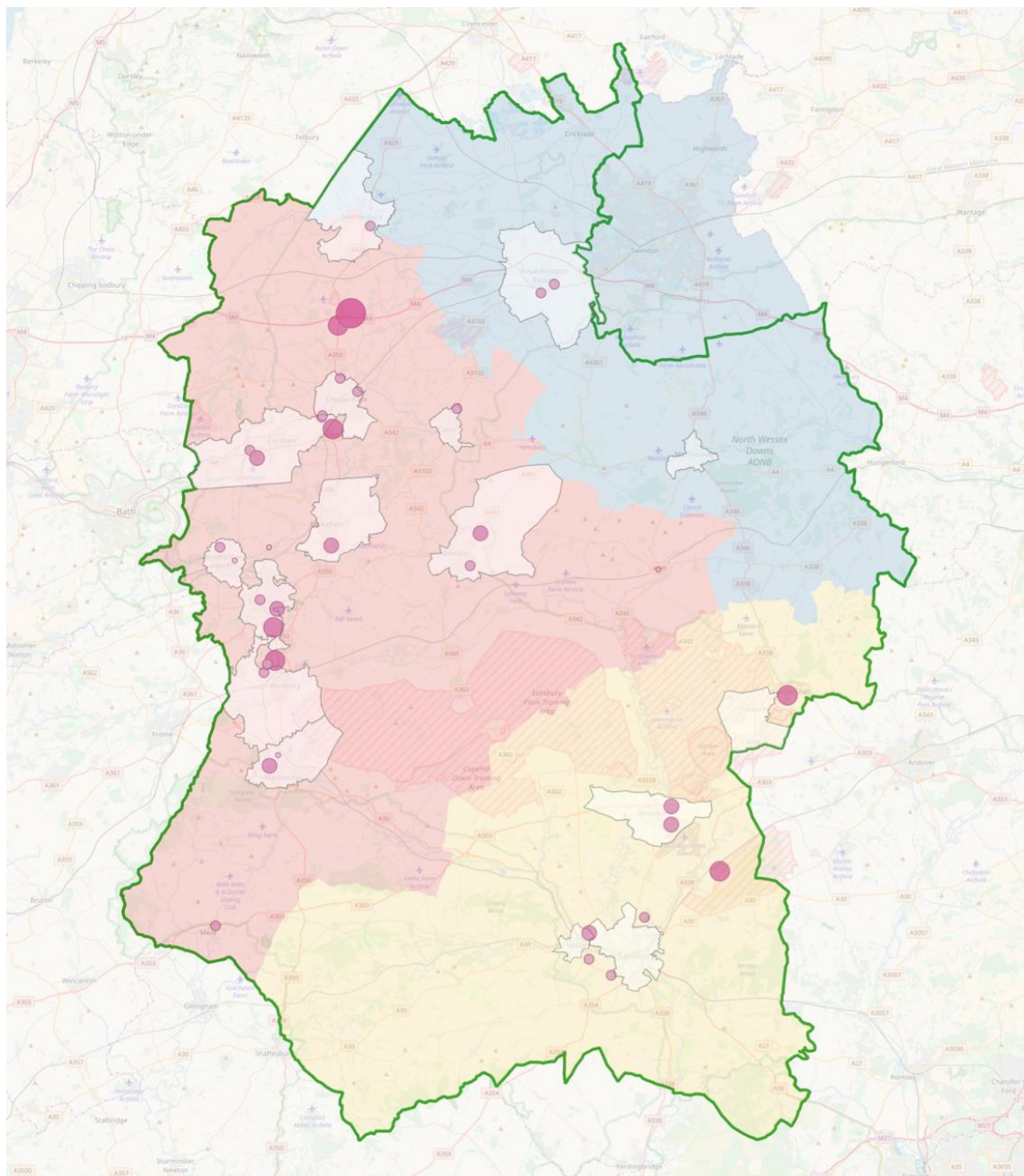
Source: BBP Regeneration analysis of site reviews carried out by Wiltshire Council

5.3 Sites with development potential

The review of the long-list of 147 sites undertaken by Wiltshire Council has identified 42 sites with potential for future employment development. Of these, 37 are existing and allocated, and five are not. The location of these can be seen in the figure below.

Each of these sites has been appraised by Wiltshire Council, and 16 of the sites have been considered in detail by BBP Regeneration (part of the consultant team).

Figure 5.7: Location of Sites with Potential Development Land



Scale 1:600,000

Expansion Sites

- 50.0+ ha
- 10.0 - 50.0 ha
- 5.0 - 10.0 ha
- 1.0 - 5.0 ha
- 0 - 0.25 ha
- BUA Boundaries
- M4/Swindon FEMA (Best Fit)
- A350 FEMA (Best Fit)
- A303/Salisbury FEMA (Best Fit)
- Wiltshire Boundary

Prepared by Hardisty Jones Associates using QGIS
Contains OS data © Crown copyright
© OpenStreetMap contributors



Even though these sites have been identified as potentially being available, there are still a number of risks around their deliverability. According to DCLG guidance on the assessment of housing and economic land availability:

In response to this guidance, the deliverability risk associated with each site has been assessed. The process by which this has been done this is summarised in the figure below.

```
graph TD; Q1[Are there any legal or ownership problems?] -- No --> Q2[Is the site allocated?]; Q1 -- Yes --> R3[Deliverability Risk - High]; Q2 -- Yes --> Q3[Does the site have a background of unimplemented planning consents or has been allocated and not brought forward?]; Q2 -- No --> Q4[Is there a reasonable prospect that any required on or off site infrastructure can be delivered?]; Q3 -- Yes --> Q5[Is there a reasonable prospect that any required on or off site infrastructure can be delivered?]; Q3 -- No --> Q6[Is there a reasonable prospect that any required on or off site infrastructure can be delivered?]; Q4 -- Yes --> R2[Deliverability Risk - Medium]; Q4 -- No --> R3; Q5 -- Yes --> R2; Q5 -- No --> R3; Q6 -- Yes --> R1[Deliverability Risk - Low]; Q6 -- No --> R3;
```

The flowchart illustrates the Deliverability Risk Assessment process, starting with the question "Are there any legal or ownership problems?". If "No", it proceeds to "Is the site allocated?". If "Yes", it leads to "Deliverability Risk - High". From "Is the site allocated?", if "Yes", it asks "Does the site have a background of unimplemented planning consents or has been allocated and not brought forward?". If "Yes", it asks "Is there a reasonable prospect that any required on or off site infrastructure can be delivered?". If "No", it also asks "Is there a reasonable prospect that any required on or off site infrastructure can be delivered?". If "Yes", it leads to "Deliverability Risk - Low". If "No", it leads to "Deliverability Risk - High". If "Is the site allocated?" is "No", it asks "Is there a reasonable prospect that any required on or off site infrastructure can be delivered?". If "Yes", it leads to "Deliverability Risk - Medium". If "No", it leads to "Deliverability Risk - High".

5.3.2 Available employment sites

The total amount of land available in the 37 sites is summarised in the figure below, which includes information on how much of the supply is low or medium delivery risk. More information on the total supply, and data on each of the sites can be seen in Appendix 7.

Figure 5.9: Available Employment Sites

	Total potential supply that is existing or allocated (Ha)	Existing, allocated and low delivery risk (Ha)	Existing, allocated and medium delivery risk (Ha)
Wiltshire	172	80	86
M4/Swindon (Wiltshire) FEMA	10	1	9
A350 FEMA	109	45	62
A303/Salisbury FEMA	52	33	15

Source: HJA and BBP Regeneration analysis of data provided by Wiltshire Council and BBP Regeneration. Figures may not sum due to rounding. N.b. Supply at sites at high risk of non-delivery is not shown separately in this table, but is included in the first column

A current call for sites is open (November 2017), which could lead to the identification of further potential employment sites.

5.3.3 Five-year employment land supply

Wiltshire Council wants to understand the five-year supply of employment land, in order that the five-year supply and demand can be compared, in a similar way to the five-year supply of housing land. The analysis of the five-year supply of employment land is set out in the figure below.

Over 60% of the existing and allocated supply is available in the next five years across the whole of Wiltshire. The five-year availability is similar in the A350 FEMA and A303/Salisbury FEMA, but is less in the M4/Swindon (Wiltshire) FEMA (although this FEMA has a significantly smaller amount of land available).

Figure 5.10: Employment Land Supply: 5 Years

	Total potential supply that is existing or allocated (Ha)	Existing, allocated and low delivery risk (Ha)	Existing, allocated and medium delivery risk (Ha)
Wiltshire	111	80	30
M4/Swindon (Wiltshire) FEMA	1	1	0
A350 FEMA	69	45	23
A303/Salisbury FEMA	40	33	7

Source: HJA and BBP Regeneration analysis of data provided by Wiltshire Council and BBP Regeneration. Figures may not sum due to rounding. N.b. Supply at sites at high risk of non-delivery is not shown separately in this table, but is included in the first column

5.4 Detailed reviews of selected sites

Wiltshire Council requested that more detailed reviews of 16 sites with development potential were carried out, in particular to understand any barriers to delivery and consider how these might be overcome. These sites have been selected as sites which can make a significant contribution to the future delivery of employment land, and are strategic in the sense that they have a wider role supporting the sustainable development of settlements and achieving the objectives of the Wiltshire Core Strategy. They are a sub-set of the 42 sites discussed above, but are not intended to be representative of all development sites. The summary of the site reviews for those which are existing sites and allocations can be seen in the figure below, and they can be seen in detail at Appendix 7.

Figure 5.11: Summary of Reviews of Selected Existing Sites and Allocations

Site	Summary
Ashton Park, Trowbridge	<p>Forms part of a residential-led mixed-use development to the east of Trowbridge. Current proposal is for 15 Ha of employment space. An outline planning application has been submitted. A substantial link road is needed to access the site.</p> <p>Wiltshire Council should consider the policy and development management levers that it has to encourage the delivery of employment on the site.</p> <p>Wiltshire Council should consider working with the developer to encourage employment development on the site, including the potential for: planning conditions to ensure that employment uses are brought forward; support with marketing; and lobbying others (including the Swindon and Wiltshire Local Enterprise Partnership) to secure support and resources for this development.</p> <p>The Council may also want to consider the potential for direct involvement in the development (e.g. through the delivery of a TEN (The Enterprise Network) enterprise centre or TEN light industrial business park) in order to deliver an initial phase of development, to help unlock additional and follow-on employment growth. Further information on potential interventions to support site delivery can be found in Chapter 7.</p>

Site	Summary
Boscombe Down Airfield, Amesbury	<p>Currently a military aircraft testing site operated by the MoD. Qinetiq also occupies the site. 7 Ha of employment land is available to the north of the site. Boeing is planning to construct an aircraft maintenance facility here. A site masterplan is being prepared.</p> <p>A new access road is required to access the site, which will require some public funding. Wiltshire Council is already engaged with DIO and Qinetiq on the masterplanning. Further support could include: helping to prepare a development brief; ensuring a supportive planning policy; support with marketing; identifying the economic benefits of the development; and lobbying others to secure support and resources for this development.</p>
Fugglestone Red, Salisbury	<p>This will form part of a new residential-led community, delivering 8 Ha of employment land. The site has outline planning permission. The development of a new site access and site infrastructure will be required.</p> <p>Wiltshire Council should consider the policy and development management levers that it has to encourage the delivery of employment on the site.</p> <p>Wiltshire Council should consider working with the developer to encourage employment development on the site, including the potential for: support with marketing; and lobbying others (including the Swindon and Wiltshire Local Enterprise Partnership) to secure support and resources for this development.</p> <p>The Council may also want to consider the potential for direct involvement in the development (e.g. through the delivery of an TEN enterprise centre or TEN light industrial business park) in order to deliver an initial phase of development to help unlock additional and follow-on employment growth. Further information on potential interventions to support site delivery can be found in Chapter 7.</p>
Hill Corner, Chippenham	<p>This is an employment site as part of a residential-led development, with 2.5 Ha of employment space. Outline planning permission is in place, although there is no apparent marketing of the site.</p> <p>Wiltshire Council should consider the policy and development management levers that it has to encourage the delivery of employment on the site.</p> <p>Wiltshire Council should consider working with the developer to encourage employment development on the site, including the potential for: support with marketing; and lobbying others (including the Swindon and Wiltshire Local Enterprise Partnership) to secure support and resources for this development.</p> <p>The Council may also want to consider the potential for direct involvement in the development (e.g. through the delivery of a TEN enterprise centre or TEN light industrial business park) in order to deliver an initial phase of development to help unlock additional and follow-on employment growth. Further information on potential interventions to support site delivery can be found in Chapter 7.</p>
Horton Road, Devizes	<p>This is a greenfield site of 8 Ha adjacent to the Hopton Park Industrial Estate. It has been marketed as a single plot, which has attracted little interest, although</p>

Site	Summary
	<p>there is interest in smaller parcels of land if the main infrastructure can be delivered. This is allocated as an employment site.</p> <p>Wiltshire Council should consider the policy and development management levers that it has to encourage the delivery of employment on the site.</p> <p>Wiltshire Council should consider working with the developer to encourage employment development on the site, including the potential for: planning conditions to ensure that employment uses are brought forward; support with marketing; and lobbying others (including the Swindon and Wiltshire Local Enterprise Partnership) to secure support and resources for this development.</p> <p>The Council may also want to consider the potential for direct involvement in the development (e.g. through the delivery of a TEN enterprise centre or TEN light industrial business park) in order to deliver an initial phase of development to help unlock additional and follow-on employment growth. Further information on potential interventions to support site delivery can be found in Chapter 7.</p>
Methuen Park, Chippenham	<p>This is a prominent site in an important business location. The site is about 1.3 Ha of a 9 Ha employment site, with the rest of the site having been built-out. Although allocated for employment, applications have been submitted for change of use to residential, which have been refused.</p> <p>Wiltshire Council should consider all steps to retain this site for employment use, because it is one of Wiltshire's highest quality business parks, and is therefore of considerable importance to the local economy. Inappropriate development on this business park (such as residential) could harm the vitality of the employment site and its occupiers.</p> <p>Wiltshire Council should engage with the site owners to offer support to develop the site for employment uses.</p> <p>The Council may also want to consider the potential for direct involvement in the development (e.g. through the delivery of a TEN enterprise centre or TEN light industrial business park).</p>
Porton Science Park, near Salisbury	<p>Phase 1 of the Science Park has now been completed. Outline planning permission is in place for an additional 10 Ha of employment development. This is an important site for the Life Sciences sector.</p> <p>Wiltshire Council and the SWLEP will need to be engaged in the development of this specialist site. This will include support for surveys, studies, remediation of contamination, lobbying for funding, investment in some development, marketing, and business development.</p>
Sarum Point, Salisbury	<p>This is a greenfield site with outline planning permission for a mixed-use development, including just under 3 Ha of employment land. The owner is cautious about developing employment uses that will be 'bad neighbours' to housing, but there is some limited demand for compatible development such as offices.</p>

Site	Summary
	<p>Wiltshire Council should consider the policy and development management levers that it has to encourage the delivery of employment on the site; engage with the landowner to find out what support they might need; and consider the potential for direct involvement in the development e.g. through the delivery of an enterprise centre</p>
<p>Showell Farm, Chippenham</p>	<p>Currently a greenfield site, with scope for around 18 Ha of employment land. There is outline planning permission in place for employment development.</p> <p>Wiltshire Council should consider the policy and development management levers that it has to encourage the delivery of employment on the site.</p> <p>Wiltshire Council should consider working with the developer to encourage employment development on the site, including the potential for: support with marketing; and lobbying others (including the Swindon and Wiltshire Local Enterprise Partnership) to secure support and resources for this development.</p> <p>The Council may also want to consider the potential for direct involvement in the development (e.g. through the delivery of a TEN enterprise centre or TEN light industrial business park) in order to deliver an initial phase of development to help unlock additional and follow-on employment growth. Further information on potential interventions to support site delivery can be found in Chapter 7.</p>
<p>South Trowbridge Business Park, Trowbridge</p>	<p>This is a proposed new business park that forms part of a residential-led mixed-use scheme. There is 10 Ha of employment land.</p> <p>Wiltshire Council should consider the policy and development management levers that it has to encourage the delivery of employment on the site.</p> <p>Wiltshire Council should consider working with the developer to encourage employment development on the site, including the potential for: support with marketing; and lobbying others (including the Swindon and Wiltshire Local Enterprise Partnership) to secure support and resources for this development.</p> <p>The Council may also want to consider the potential for direct involvement in the development (e.g. through the delivery of a TEN enterprise centre or TEN light industrial business park) in order to deliver an initial phase of development to help unlock additional and follow-on employment growth. Further information on potential interventions to support site delivery can be found in Chapter 7.</p>
<p>West Warminster Urban Extension, Warminster</p>	<p>This is a greenfield site, including employment land as part of an urban extension. The site is allocated for 6 Ha of employment land.</p> <p>Wiltshire Council should consider the policy and development management levers that it has to encourage the delivery of employment on the site.</p> <p>Wiltshire Council should consider working with the developer to encourage employment development on the site, including the potential for: planning conditions to ensure that employment uses are brought forward; support with marketing; and lobbying others (including the Swindon and Wiltshire Local Enterprise Partnership) to secure support and resources for this development.</p>

Site	Summary
	The Council may also want to consider the potential for direct involvement in the development (e.g. through the delivery of a TEN enterprise centre or TEN light industrial business park) in order to deliver an initial phase of development to help unlock additional and follow-on employment growth. Further information on potential interventions to support site delivery can be found in Chapter 7.

5.5 Viability of site development

NPPF guidance states that pursuing sustainable development requires careful attention to viability and costs in plan-making and decision-taking. High-level financial viability from a commercial property developer's perspective, based on an assessment of typologies of development in the different market areas, has been considered by BBP Regeneration, and the approach taken and results of the analysis are presented in Appendix 8. The findings are that the viability of development, in all but the highest value and best located areas, is very challenging. In most areas the cost of the land and construction plus associated fees is in excess of market value of the completed development. Even where there is sufficient margin and demonstrable evidence of occupier demand, it is difficult for developers to raise finance for speculative development on a large scale. These findings are consistent with those in the previous Employment Land Review.

The headlines messages from this viability assessment are:

- Office development is generally only viable on a pre-let basis in strong locations with good infrastructure and services provision, such as Chippenham and Salisbury
- Speculative office development is generally not viable across the county. There will however be exceptions due to local circumstances, for example where a developer or contractor is willing to accept a lower rate of return
- Pre-let industrial development is generally only viable on greenfield land
- The supply of speculative industrial and warehousing accommodation is likely to be severely restricted because of problems with private sector viability, resulting in an owner-occupier driven market
- Development may be undertaken by owner occupiers directly where there is a wider investment case for doing so, which may give rise to some new development across the county
- It is important to exercise considerable caution when considering the viability, and to consider the potential for owner-occupier demand where viability of a certain site is being cited as justification for change of use
- Notwithstanding questions over the viability of development, it is important to recognise the need to deliver employment allocations and to find ways to address viability issues where they arise. See Chapter 7 of this report, which sets out suggestions on potential areas of intervention

Later in this chapter the potential for public sector interventions is discussed to help to improve the viability of potential development sites. Largely this will involve addressing any abnormal costs or restrictions to site development. On some sites, mixed-use allocations may be suitable, and higher

land values on part of the site can cross-subsidise lower land values elsewhere, improving overall viability.

Corporate interventions to improve viability could include: the local authority undertaking direct works to improve infrastructure or access; provision of equity or grant funding to support infrastructure development; land acquisition to enable development, either by negotiation or Compulsory Purchase; working with the Local Enterprise Partnership to identify funding solutions; or development either directly or through a joint venture or partnership e.g. of an enterprise centre or grow-on space.

Some employment development is not undertaken as landowners hold out for change of use to an alternative use e.g. residential development which supports a higher land value. By rigorously defending employment land allocations it may be possible to discourage this, and encourage employment development to be delivered. The Review discusses below the principle that any evidence for change of use of an employment site should disregard higher land values that might be generated by alternative, but non policy-compliant, land uses.

5.6 Barriers to delivery

It can be seen from the analysis above that a significant amount of the supply has been assessed as 'medium' risk. It is important to understand firstly, why this is the case and secondly what needs to be done to mitigate these risks. Success or otherwise in doing so is likely to have a material impact on ensuring a suitable supply of land and premises to meet the county's needs.

The reasons that many of the sites are assessed as medium risk vary, but there is a common circumstance that delivery is at risk despite there being no obvious land ownership impediments or significant infrastructure constraints. In these cases, a significant amount of the employment allocations form part of mixed-use developments promoted by housebuilders, and there is a history of unimplemented planning permissions or of an allocation not being brought forward. There appear to be a number of reasons for this:

- On some sites promoted by housebuilders, an employment allocation forms part of a mixed-use development alongside residential uses. Developers have shown caution about promoting employment activities stating concerns that they may be 'bad neighbour' uses to housing, although master planning has been central to major strategic allocations to avoid this, and therefore it should not be an impediment
- Several stakeholders consulted for this project have suggested that housebuilders are making limited efforts to attract employment development to these sites, with a long-term view of trying to change the use to residential
- There does not appear to be sufficient financial incentive to promote employment development
- There is insufficient planning control to firmly encourage the delivery of serviced employment land. There is not a sufficient 'carrot' or 'stick'.
- Financial viability is a key factor, as the analysis in Appendix 8 demonstrates. In all but the strongest market areas there is a gap funding requirement, and generally development finance is difficult to obtain.

Whilst there is evidence of occupier demand, there is a market failure occurring, which is deterring new employment development. As a result, there is very little activity by developers building speculative office or industrial/warehouse premises across the county. One feature notable in Wiltshire is that most mixed-use strategic sites are owned or controlled by volume house builders. Land values for residential uses are higher than for employment uses leading to some site promoters appearing to play a long game, seeking to evidence lack of market demand, with a view to securing a change of use.

The consequences of this lack of development activity are potentially damaging for the county's economy. Anecdotal evidence from a number of sources highlights cases where a lack of supply has led to locally grown companies moving elsewhere due to a lack of suitable expansion space, and inward investors being deterred for the same reason. It should be emphasised that this problem is not unique to Wiltshire and is experienced in a number of areas in the UK where the supply of employment land and premises is not keeping pace with the demand, and the land supply is also under pressure for housing development. The quote below from Inspire (Wessex Chambers) highlights the above concerns:

There is an increase in businesses struggling to find suitable premises in which to expand, and consequently an increase in businesses looking for premises outside of the county. We understand the challenges around available employment land, planning and the developers coupled with the pressure on the need to build residential housing to meet the needs of the community, However this remains a serious barrier to growth for numerous businesses and presents a risk to the continued prosperity of the County and the availability of good employment opportunities. Some employers feel they will have no choice but to relocate to find suitable premises and the skills they need.

To support economic growth it is also essential that high quality, strategic employment sites and their occupiers are protected against alternative uses that could impact on the vitality of the site.

Measures can be taken to mitigate these risks. A tool kit might include the following elements.

5.6.1 Policy and development management measures

Policy and development management measures in combination should strongly support employment allocations. Changes of use should be firmly resisted unless there is 'compelling' evidence that a site is not suitable or needed for employment uses. In this context 'compelling' evidence that a site is not suitable or needed for employment uses would need to include:

- A detailed property market report prepared by a reputable commercial property agency detailing the marketing activities sustained over a period of time - probably a minimum of five years – including the responses/enquiries received, terms quoted, feedback from potential occupiers, and a commentary on potential demand from owner-occupiers. The marketing report should include:
 - Evidence of marketing material, including adverts on e.g. CoStar, and Estates Gazette
 - Listed responses/enquiries received and feedback detailing why the site in question was not suitable for businesses requirements/employment use
 - Evidence of a visible for sale or letting board on the land or property throughout the period of marketing
 - Quoting terms/details on leasehold and freehold purchase options, reflecting market conditions.

- Details of a marketing strategy including how it has been refreshed regularly to adapt to changing market conditions, opportunities, and constraints
- Details of any ownership, infrastructure or other barriers which make the site undeliverable for employment uses
- Evidence to demonstrate that the removal of an allocated site would not leave a shortfall or lack of choice in the amount of allocated employment land as identified in this Employment Land Review.
- Evidence that there is no long-term requirement for the site to remain in employment uses (including for example, the impact of removal of the site on local supply, detailed evidence on site viability, evidence that a range of B Uses and other policy compliant employment generating uses have been explored for the site, and an analysis of take-up data)

For the avoidance of doubt, any financial viability considerations should disregard higher land values which may be generated by alternative non policy-compliant land uses, and in the case of mixed-use development schemes should take account of the potential for higher land value uses to cross-subsidise employment land uses, if these are lower.

In order to assist in delivering mixed-use development, new development-management approaches based on well researched masterplans and possibly more flexible outline planning permissions will need to be explored. Development management decisions should support the principles of sustainable development and provide trigger points (e.g. no more than 'x' homes to be occupied prior to 'y' sq m of employment space having been completed²⁷), milestones and require implementation plans to enable employment allocations to be brought forward.

Development briefs and masterplans should be evidenced by local employment studies ensuring that the quantity and type of employment uses is appropriately provided for, and issues such as separation of access and buffer zones are reflected in plans.

²⁷ An example of a Section 106 agreement for a mixed-use development in London states that the site owner shall: (1) complete the Affordable Business Space to be provided in Phase 1 prior to occupation of 80% of the Market Dwellings in Phase 1; (2) complete the whole of the Affordable Business Space prior to occupation of 60% of the Market Dwellings in Phase 3; and (3) not occupy more than the relevant number of Dwellings referred to in para. 1.4(a) and 1.4(b) until the relevant Affordable Business Space has been Completed and made available for occupation. It also states that: the Owner shall market the Affordable Business Space in accordance with the ABS Terms as approved by the Council for a period of not less than 12 months, and shall use All Reasonable Endeavours to let the ABS on the ABS terms as approved by the Council. If at any time after the end of a period of 12 months following commencement of marketing of the Affordable Business Space, all or any ... shall remain unlet, then the Owner may serve notice on the Council ... requesting that it be discharged from its obligation to provide such Affordable Business Space. The Owner shall accompany such notice pursuant to para. 1.6 with: (a) appropriate evidence demonstrating that it has used All Reasonable Endeavours to let the Affordable Business Space to SMEs on the ABS terms approved... such as evidence of the following: i. the steps taken to market and let Affordable Business Space in question and details of which entities have carried out such marketing; ii. how potential occupiers were identified and targeted and the attempts made to market the ABS to those potential occupiers; and iii. the dates between which marketing of the ABS was carried out.

5.6.2 Corporate interventions

Interventions should be targeted at addressing the supply side market failures:

- Working with site promoters to help overcome infrastructure or ownership barriers to development. This might take the form of direct works; equity or grant funding of landowners to overcome infrastructure deficits; or land acquisitions where there are ownership barriers, through negotiations or compulsory purchases should it prove necessary
- Identifying any funding gaps; understanding the reasons for these gaps; and seeking to address them where possible
- Engaging with other stakeholders, e.g. the Local Enterprise Partnership, to secure funding
- Considering a programme of development, directly or as a joint venture with a private sector partner, to deliver employment space for start-ups and growing businesses. This might be in the form of enterprise centres and grow-on space of industrial/warehousing uses. Wiltshire Council is already doing this at Fitz Gilbert Court, Ludgershall, and all units are let at present. Other local authorities are actively considering interventionist measures to address this problem. Finance might be raised through borrowings repaid through uplift in business rates revenues, an approach being considered in a number of Enterprise Zones in England.

5.7 Assessing further sites

Any sites that need to be assessed in future should be assessed on the same basis as those assessed above. A methodology is set out in Appendix 7, and in summary comprises three stages:

- Stage 1: Identification of further sites
- Stage 2: Information gathering on the site
- Stage 3: Assessment of the site

5.7.1 Identifying further sites

This is an ongoing process, with ongoing calls for sites to inform the Local Plan preparation. Considering several sites together allows for some comparative assessment.

5.7.2 Information gathering

Completed pro-formas are included in Appendix 9, to ensure that consistent data is collected on all sites.

5.7.3 Assessment

Sites will ideally score average or above on the quality indicators that are considered, and have a low or medium risk of non-delivery. Understanding the risks will help to identify potential for Wiltshire Council or other bodies to support the landowner or developer with the delivery of the site.

5.7.4 High value exceptional sites

Some sites may be identified which are not needed to meet locally derived demand, but they may be able to meet regional or national requirements. These sites are discussed in more detail at section 7.2.2.

6 Balance Between Demand and Supply of Employment Sites

In this chapter, the balance between supply and demand for employment land is considered, over the 20-year Local Plan period, and over an initial five-year period. Demand is assessed at the FEMA level, as this is the functional level at which markets operate. Demand needs to be satisfied within a FEMA. Whilst indicative scenarios have been modelled to show how the demand might be distributed across the BUAs and rural areas, it is not appropriate to try and quantitatively match demand and supply at the BUA level. However, it is helpful to consider the spread of demand across each FEMA, and the spread of supply, to identify whether there are any major discrepancies between the two.

6.1 Demand and supply in Wiltshire

Firstly, the balance of demand and supply across the whole of Wiltshire is considered. When considering those sites which are extensions to existing employment sites or which are already allocated, the potential supply of 17 Ha is within the demand range suggested over the 20 years to 2036. When those sites for which there is a high risk of non-delivery are excluded, the potential supply falls to 166 Ha, which is below the bottom of the demand range. Of these sites, 80 Ha are low risk of non-delivery, and 85 Ha are medium risk of non-delivery.

Figure 6.1: Fit of Total Supply and Demand in Wiltshire 2016-2036

Total demand (office and industrial)	157 Ha – 182 Ha
Allocated and existing sites at medium or low risk of non- delivery	166 Ha

6.1.1 Demand and supply for office and industrial sites

The total demand figure can be broken down into the demand for offices (Use Class B1a) and the demand for industrial (Use Classes B1b, B1c, B2 and B8). There is demand for between 17 Ha and 42 Ha of sites for offices and 140 Ha of sites for industrial occupiers in Wiltshire.

The suitability of sites for offices, industrial or a mix of both has been assessed by Wiltshire Council and BBP. Many of the sites are suitable for both, with some more suitable for one or the other. At the county level, there is up to 150 Ha of existing and allocated sites available for office use (comprising those that are suitable only for offices, and those that are suitable for both), and 153 Ha of existing and allocated available for industrial use (comprising those that are suitable only for industrial and those that are suitable for both). It is clear that there is sufficient flexibility in the employment site supply to meet the forecast demand for offices, although there could be a shortfall of land for industrial development if all of the office demand is realised.

Figure 6.2: Fit of Total Supply and Demand for Office and Industrial Sites in Wiltshire 2016-2036

	Offices	Industrial
Total demand	17 Ha – 42 Ha	140 Ha
Total potential supply	150 Ha	153Ha

Wiltshire Council's policy preference is for more new offices to be delivered in or around town centres (which is also the NPPF position), but there is a very limited supply of potential sites in town centres. Wiltshire Council should consider allocating more sites in or around town centres.

6.1.2 Demand and supply in urban and rural parts of Wiltshire

The analysis in Chapter 4 indicates that a significant part of the demand for new employment sites could be outside the BUAs, based on the principle of meeting replacement-driven demand in the places where it is already located. It is important to note that the BUA boundaries are not an exact match for urban boundaries, so the two should not be considered as equivalent.

Wiltshire Council will need to make a policy decision about whether to try and accommodate all relevant replacement driven demand in rural parts of the county, or whether to consider new allocations within and close to the BUAs.

6.1.3 Demand and supply in Wiltshire in first five years

Wiltshire Council is keen to understand whether there is a five-year supply of available employment land in the county. The figure below shows the analysis of demand for and supply of employment land in Wiltshire within the first five years of the Local Plan period. Total demand is for up to 61 Ha of employment land within the first five years. When those sites which have a high risk of non-delivery are excluded, the potential supply is 110 Ha. Of these sites, 80 Ha have a low level of risk of non-delivery, and 30 Ha have a medium level of risk of non-delivery. However, it will be important to ensure that there is a range of supply of sites, of different sizes, in a range of locations, to meet a range of different demand, in line with the National Planning Policy Framework (NPPF), which states that *sufficient land of the right type [should be] available in the right places and at the right time to support growth and innovation* (para. 7).

Whilst there is an apparent excess of supply over the first five years, this is not the case over the 20 years of the plan, as discussed above. It would be inappropriate to consider other uses on employment sites within the first five years of the plan period, as this will leave a shortfall later in the plan period.

Figure 6.3: Fit of Total Supply and Demand in Wiltshire: First Five Years

Total demand (office and industrial)	52 Ha – 61 Ha
Total existing and allocated supply	111 Ha
Allocated, existing and medium and low delivery risk	110 Ha

Having considered the match of demand and supply at the whole Wiltshire level, the match in each of the FEMAs is then considered.

6.2 Demand and supply in the M4/Swindon (Wiltshire) FEMA

6.2.1 Local Plan period

During the Local Plan period to 2036, there is likely to be an under-supply of sites to meet demand, of between 5 Ha and 8 Ha. Further sites will need to be allocated in order for supply to meet demand within this FEMA.

Figure 6.4: Fit of Supply and Demand in the M4/Swindon (Wiltshire) FEMA 2016-2036

Total demand (office and industrial)	15 Ha – 18 Ha
Total existing and allocated supply	10 Ha
Allocated, existing and medium and low delivery risk	10 Ha

6.2.2 Distribution of demand and supply within the FEMA

The indicative demand scenarios suggesting potential distributions across the BUAs and rural areas show that the largest amount of demand is in the rural part of the FEMA, with Malmesbury having the greatest demand of any of the BUAs, followed by Royal Wootton Bassett and then Marlborough. When a housing driven scenario is considered (Scenario 6), then Royal Wootton Bassett sees a higher level of demand than the other BUAs in this FEMA. Site availability is limited, with two sites in Royal Wootton Bassett, one site in Malmesbury and none in Marlborough.

As well as needing more supply at the FEMA level, there is a case for a better distribution of supply across the FEMA.

6.2.3 First five years

Within the first five years of the Local Plan period, there is an under-supply of up to 4 Ha of employment land in this FEMA.

Figure 6.5: Fit of Supply and Demand in M4/Swindon (Wiltshire) FEMA: First Five Years

Total demand (office and industrial)	5 Ha
Total existing and allocated supply	1 Ha
Allocated, existing and medium and low delivery risk	1 Ha

6.3 Demand and supply in the A350 FEMA

6.3.1 Local Plan period

When only existing and allocated sites are considered, the potential supply is 109 Ha, which just above the top of the demand range (from 91 Ha to 104 Ha). When sites which have a high risk of non-delivery are excluded, the potential supply comes down to 107Ha, and remains near the top of the range of demand.

Figure 6.6: Fit of Total Supply and Demand in the A350 FEMA 2016-2036

Total demand (office and industrial)	91 Ha - 104 Ha
Total existing and allocated supply	109 Ha
Allocated, existing and medium and low delivery risk	107 Ha

6.3.2 Distribution of demand and supply within the FEMA

The indicative demand scenarios suggesting potential distributions across the BUAs and rural areas show that the greatest level of demand is likely to be in Chippenham, Trowbridge and the rural part of the FEMA. Under the Market Driven Scenario and Public Policy Scenario for distributing growth, there is greater demand in Chippenham. The Public Policy Scenario for distributing growth suggests significant growth in Trowbridge, as does the purely housing driven Scenario (Scenario 6). Whilst there are potential sites in both Chippenham and Trowbridge, there is a case for further allocations here to ensure that there is a choice of sites for occupiers.

Although the precise matching of demand and supply at the BUA level is not advocated, the demand and supply in Wiltshire's principal towns is considered, of which Chippenham and Trowbridge are located in the A350 FEMA. Over the Local Plan period, there is demand for between 12 Ha and 25 Ha of employment land in Chippenham, and there is a current supply of 29 Ha in the Chippenham BUA. In Trowbridge, the demand for employment land is up to 28 Ha over the Local Plan period, and the supply only just meets this, with 15 Ha available in the first five years of the plan period, and 33 Ha available over the whole Plan period. Therefore, there is potential need for new site allocations at Trowbridge.

6.3.3 First five years

Total potential supply is significantly in excess of the first five-year demand in the A350 FEMA. Total demand in the first five years is for up to 36 Ha of employment land, and the total availability on existing sites and allocations is 69 Ha, falling to 68 Ha when sites at high risk of non-delivery are excluded, but still well beyond the level of demand.

Figure 6.7: Fit of Supply and Demand in A350 FEMA: First Five Years

Total demand (office and industrial)	32 Ha – 36 Ha
Total existing and allocated supply	69 Ha
Allocated, existing and medium and low delivery risk	68 Ha

6.4 Demand and supply in the A303/Salisbury FEMA

6.4.1 Local Plan period

Within this FEMA, the total level of supply, at 52 Ha is at the bottom of the range of total demand (which is 51 Ha to 60 Ha), falling to 48 Ha when sites at high risk of non-delivery are excluded, so there is a need for further allocations of sites to meet the level of demand.

Figure 6.8: Fit of Supply and Demand in the A303/Salisbury FEMA 2016-2036

Total demand (office and industrial)	51 Ha – 60 Ha
Total existing and allocated supply	52 Ha
Allocated, existing and medium and low delivery risk	48 Ha

6.4.2 Distribution of demand and supply within the FEMA

The indicative demand scenarios suggesting potential distributions across the BUAs and rural areas show that the greatest level of demand is in the rural part of the FEMA, with Salisbury having the greatest level of demand for any BUA. There is demand in Salisbury for up to 30 Ha of employment land over the Local Plan period. More demand is allocated to Salisbury in the Baseline Stock Scenario because there is already a significant amount of employment located here, and more is allocated here under the Public Policy Scenario, because Salisbury is one of three principal towns in the county. There are a number of smaller sites and allocations around the edges of Salisbury, but none in the town. There is around 18 Ha of supply in the Salisbury BUA, of which 7 Ha is available in the first five years of the Local Plan period. Therefore, there is a potential need for more site allocations in and around Salisbury to accommodate the forecast level of growth.

Demand is particularly high in the rural part of this FEMA because there is significant employment at the Porton Down site. There is a significant allocation at Porton Down, to accommodate planned future growth. Demand in the rural part of the FEMA is significantly lower under Scenario 6, in which all future demand is allocated on the basis of the proposed locations for new housing.

6.4.3 First five years

Within this FEMA, the total supply that is allocated and likely to be available in the first five years is above the range of forecast demand.

Figure 6.9: Fit of Supply and Demand in A303/Salisbury FEMA: First Five Years

Total demand (office and industrial)	15 Ha – 20 Ha
Total existing and allocated supply	40 Ha
Allocated, existing and medium and low delivery risk	40 Ha

7 Conclusions and Policy Implications

7.1 Balance of demand and supply

7.1.1 Wiltshire

The total amount of land available at employment sites that are either allocated or extensions to existing employment sites, and which is at low and medium risk of non-delivery (166 Ha), is at the bottom of the range of demand in Wiltshire over the 20 year Local Plan period (157 Ha to 182 Ha). When un-allocated sites and high delivery risk sites are included, then the total supply (273 Ha) is significantly in excess of the level of demand. Therefore, it is not necessary to allocate all potential sites in Wiltshire in order to satisfy the local demand for employment land over the Local Plan period. Significant over-allocation could affect the deliverability of some of the currently allocated sites.

However, evidence shows that many sites which were previously allocated and reviewed in the 2011 ELR have not been delivered, and this latest ELR presents strong anecdotal evidence that there is a lack of suitable and available sites and premises to meet the demand in Wiltshire. The consultants' analysis of the current supply of employment sites shows that around half of the available supply is at medium risk of non-delivery. Therefore, a simple quantitative analysis of the balance of supply and demand is not enough, and this needs to be supplemented with evidence from the local property market. This means ongoing evidence gathering, and monitoring of the range and quality of supply, and the balance between supply and demand.

7.1.2 Functional Economic Market Areas

In the Wiltshire part of the M4/Swindon (Wiltshire) FEMA, forecast demand is greater than supply over the whole Local Plan period, and in the first five-year period of the plan. New site allocations will be needed to accommodate the level of demand that is forecast, with a particular shortfall in Marlborough, and a likely shortfall in Malmesbury.

In the A350 FEMA, there is a potential match of site supply and forecast demand across the plan period. In the first five years of the plan period, there is an excess of supply over demand. New allocations should be considered in Chippenham, to meet both market demand and public policy aspirations, and in Melksham, (where the highest forecast demand scenario is more than double the currently available supply), Trowbridge, and Corsham.

In the A303/Salisbury FEMA, the total potential supply is below the range of forecast demand figures when high risk sites are excluded, so there is a likely shortfall of supply, and a need for new allocations. This is the case for the whole Local Plan period, but not during the first five years of this period. Further allocations should be considered in proximity to Salisbury, which is one of the county's three principal settlements. Solstice Park has been a successful employment location over the last 15 years, and so new allocations could be considered close to here.

7.2 A suitable supply of sites

As mentioned above, the National Planning Policy Framework (NPPF) states that *sufficient land of the right type* [should be] *available in the right places and at the right time to support growth and*

innovation (para. 7). Although headline figures show that there is a sufficient supply of sites in Wiltshire to meet the forecast demand, it is clear that when the risk of non-delivery is taken in to account, there is a need for further allocations across Wiltshire. The availability of sites across the county and within each of the FEMAs needs to be closely monitored, and new allocations made when it is clear that the supply is insufficient to meet demand across the Local Plan period, and within each five-year period. The Council aims to ensure that there is a constant five-year supply of employment sites available.

It will be important for Wiltshire Council to allocate and support the delivery of a portfolio of sites and premises across Wiltshire, and across each FEMA, to meet forecast demand and allow for flexibility and choice. If the Council wants to promote new office development in and around town centres, then more sites in and around town centres will need to be allocated, as there are very few at present. The portfolio of sites and premises should accommodate the requirements of start-ups, early stage businesses, SMEs and larger businesses for office, industrial and warehouse use. The delivery of speculative development should be actively promoted to meet the requirements of businesses whose timescales are short. Fully serviced ready-to-develop sites should also be actively promoted for businesses which are seeking bespoke accommodation.

7.2.1 Need for new allocations

There is an immediate need for new allocations in the Wiltshire part of the M4/Swindon (Wiltshire) FEMA. Within the current five-year period there is a forecast under-supply of around 4 Ha of employment land in this FEMA. Over the full Local Plan period there is a forecast shortfall of up to 8 Ha. Marlborough currently does not have any employment land available. Allocation of a site to allow for replacement and growth here would be helpful. There is only one site available in Malmesbury, giving little choice for new development, including interest from Dyson suppliers, so further allocations here would be helpful for accommodating future growth.

In the A350 FEMA there is sufficient availability of sites to meet overall demand during the first five-year period of the plan. However, over the full Local Plan period, demand and supply are finely balanced, so new allocations may be needed. There are strong drivers of growth in Chippenham in particular, which is attractive to the market and is a principal town in the Local Plan, so existing sites should be protected and new allocations considered here. There is also a strong case for new allocations in Melksham, Trowbridge, and Corsham.

In the A303/Salisbury FEMA there is likely to be a shortfall of supply to meet forecast demand over the whole Local Plan period, although not during the first five years of this period. New allocations should be considered in and around Salisbury, which is a principal town in the Local Plan. If proposals to move businesses out of the Churchfields industrial area to allow residential development are pursued, then additional employment land allocations will be needed in and around Salisbury to accommodate these businesses.

Maintaining the current level of supply of employment land, and making some further targeted allocations is important to the economic future of Wiltshire. If a significant number of existing sites are lost to other uses, then further allocations will be needed to enable the county's continued economic growth.

There is potentially strong demand for new employment sites in rural areas, largely for the replacement of premises that are no longer fit-for-purpose, and also to accommodate some employment growth. There are currently few allocated sites in the more deeply rural parts of Wiltshire. The Council needs to consider whether to allocate new sites in rural Wiltshire, or whether to prepare a criteria-based policy that would enable rural sites to be developed for employment if they meet the necessary standards.

A few unallocated sites were assessed as part of this Employment Land Review, and details of these assessments are included below and in the appendices. These sites were identified in areas that Wiltshire Council may want to consider additional allocations and will require further investigation alongside other alternatives that might be being promoted. It was also necessary to include unallocated sites in this Review in order to test the site appraisal methodology developed by the consultants.

Figure 7.1: Summary of Reviews of Selected Unallocated Sites

Site	Summary
Chippenham Gateway, M4 J17 ²⁸	<p>This is a large greenfield site located immediately off J17 of the M4. It has potential for approximately 30 Ha of development. The site is not allocated for employment development. There is reported interest from occupiers in the logistics sector. The site is claimed to be commercially viable, so no public support is needed to bring it forward.</p> <p>At the 28 February 2018 Wiltshire Council Strategic Planning Committee, the Committee resolved to delegate authority to the Head of Development Management to grant outline planning permission.</p> <p>For further guidance on high value exceptional sites, see section 7.2.2 below.</p>
Golf Course Land, Melksham	<p>This site is located next to the Bowerhill Industrial Estate. Wiltshire Council is the main landowner. The site can accommodate approximately 5 Ha of employment land. The site is not being marketed, but the Council has had discussions with potential occupiers.</p> <p>The site is not allocated for employment, and has no planning status. The Council should consider preparing a development brief.</p> <p>The Council should consider whether all or part of this site should be allocated in the review of the Local Plan. It would appear to be a suitable scale and location but requires further investigation alongside other alternatives that might be being promoted.</p>
Sands Quarry,	This is a brownfield site of just under 10 Ha. It is not allocated for employment development, and is not being marketed, but is identified as a potential

²⁸ In relation to the Chippenham Gateway site at Junction 17, the Wiltshire Council Strategic Planning Committee in February 2018 resolved: To delegate authority to the Head of Development Management to grant outline planning permission, subject to the signing of a S106 agreement within 6 months of the date of the resolution of this Committee to address the following requirements: Contributions to Identified highways works; Travel Plan including Shuttle Bus Service provisions; Traffic Regulation Order Contributions; Local Labour Agreement. The Committee decision was made after data collection and analysis was completed for this Review and is not therefore included in the supply figures.

Site	Summary
Corsham	<p>employment site in the Corsham Area Framework.</p> <p>Potential engagement by Wiltshire Council could involve: working with the developers to help overcome infrastructure and remediation cost barriers; formulate planning policy support for the development of the site for employment; identifying the economic benefits of the site to help prioritise Council resources and lobby others to support development on the site</p> <p>The Council should consider whether all or part of this site should be allocated in the review of the Local Plan. It would appear to be a suitable scale and location but requires further investigation alongside other alternatives that might be being promoted.</p>
South of Pewsham Way, Chippenham	<p>This is an undeveloped farm site of around 100 Ha, with just over 10 Ha of potential employment land. The site has no planning status, and no recent planning applications.</p> <p>The majority of the site is in Wiltshire Council ownership. The Council should consider whether all or part of this site should be allocated in the review of the Local Plan. It would appear to be a suitable scale and location but requires further investigation alongside other alternatives that might be being promoted.</p>
Stanton Park, M4 J17	<p>This is a large greenfield site immediately to the north-east of J17 of the M4. It is approximately 50 Ha. It has no planning status and is not currently being advertised for development.</p> <p>The developer believes that the site is commercially viable. Wiltshire Council could engage with the developer to ensure maximum economic benefit is gained from the site.</p> <p>The Council should consider whether all or part of this site should be allocated in the review of the Local Plan. It would appear to be a suitable scale and location but requires further investigation alongside other alternatives that might be being promoted.</p> <p>For further guidance on high-value exceptional sites, see section 7.2.2 below.</p>

7.2.2 High value exceptional sites

As discussed above, the supply of employment sites in Wiltshire will broadly accommodate the county's forecast demand, although there will be a need for some further allocations in certain places, and the situation should be monitored to ensure that there is ongoing supply available. Two potential sites at M4 Junction 17 have been suggested for development, and so considered as part of this Employment Land Review. However, it is not necessary to allocate these sites to meet the forecast demand in Wiltshire. Given the size of the two sites – a combined 77 Ha – their allocation would lead to a significant excess of supply over demand, which could affect the deliverability of other employment sites in Wiltshire. Although able to accommodate large units, and well located for motorway access, the sites are not adjacent to any reasonably sized towns. Most of the existing supply is in close proximity to BUAs, to maximise sustainability through proximity to workforce.

Despite there being little case for these large sites to meet locally derived demand within Wiltshire, they may be appropriate for and attractive to businesses in strategically important sectors searching for sites at the regional or national level, or for strategically important activities which cannot be located anywhere else in the county.

These sites could be considered for development if any high value, exceptional proposals in target growth sectors are seeking sites in the county. The sites could accommodate high value inward investment that would not otherwise come to Wiltshire. The target growth sectors identified in the Wiltshire Core Strategy and the Swindon & Wiltshire Strategic Economic Plan include: Advanced Manufacturing, Business Services, Biosciences, Digital Security, Environmental Technologies, Food & Drink, Health, ICT, and Life Sciences. They could also accommodate growth in the key areas, or grand challenges, identified in the UK Industrial Strategy (currently a White Paper) i.e. Artificial Intelligence & Data, Clean Growth, Mobility, Ageing, R&D, electric vehicles, life sciences, and construction.

In the case of high value exceptional opportunities, Wiltshire Council could consider development on these sites if they:

- Accommodate high value, exceptional economic activities that would be lost to the region or country if they did not locate here
- Accommodate high value, exceptional economic activities that cannot locate anywhere else in Wiltshire e.g. because of the site size requirement or building floorplate requirement that cannot be met elsewhere in Wiltshire
- Create high skilled, high wage jobs that can be filled by Wiltshire residents
- Attract prime advanced manufacturers or other businesses that cannot locate elsewhere in Wiltshire, who will create supply chain opportunities throughout the Wiltshire economy
- Attract suppliers to existing strategically important businesses (e.g. Dyson), who cannot locate elsewhere in Wiltshire

These sites should not be competing with other sites in Wiltshire for occupiers who could be accommodated elsewhere in the county. These sites should not create any significant adverse effects (such as major traffic congestion) that have negative consequences for other employment sites in Wiltshire, or for the economy of the county as a whole.

Wiltshire Council could extend Local Plan Core Policy 34 to cover the sites at Junction 17, where any proposal brings significant additional contribution to the value of the Wiltshire economy, that cannot be accommodated on any other sites in the county.

In the south of the county, Porton Down and Boscombe Down may also be considered as high value exceptional sites, because of the specialist and high-quality nature of activities that already take place on these sites, and the potential to create more specialist, high quality employment here. They are likely to attract regionally and nationally significant employment that would not consider locating elsewhere in Wiltshire. These sites are different to the Junction 17 sites, but their potential for development should be considered using similar criteria to those listed above.

7.2.3 De-allocation of sites

There is no immediate quantitative need for the de-allocation of any employment sites in Wiltshire. However, if some sites cannot be viably developed during the Local Plan period, then they may distort the view of the supply of employment sites, and the calculation of fit between supply and forecast demand. In this case, their de-allocation as employment sites, and allocation for other uses should be considered. Sites that have been identified as having a higher risk of delivery will need further assessment by Wiltshire Council to decide whether they need to be de-allocated.

If there is no reasonable prospect of delivering a proposal within the plan period then it should be deleted or amended through the formal Local Plan review process. Developers will need to demonstrate there are material considerations that set aside the policies and proposals of the development plan if they are seeking to use a site allocation for different uses to those set out. They will need to show:

- ‘Compelling’ evidence that a site is not suitable or needed for employment uses – see section 5.6.1, above.
- Constraints on their development that would limit their development potential for employment uses

7.3 Public sector intervention

In some cases, currently allocated employment sites have not been developed due to deliverability and viability issues. It is necessary to look at the reasons for this on a site-by-site basis, and to consider whether there are barriers to delivery which can be addressed through public intervention. This may involve direct intervention by Wiltshire Council, or the Council may be able to lobby other public sector organisations or funds to help overcome barriers.

The findings of this report are that there are supply side issues which if not addressed will act as a constraint on economic development in Wiltshire. There is therefore a case to be considered for a significant programme of activity targeting:

- Improved road access to sites
- Improved delivery of utilities to sites (e.g. electricity, gas, water, sewage, broadband)
- Purchase of part or all of a site to enable development to take place
- Establishing a ‘development vehicle’ to address market failures and with step in rights where there is failure to deliver employment allocations
- A programme of direct development by a development vehicle to provide enabling infrastructure and speculative employment accommodation (e.g. enterprise centres targeting start up/early stage businesses and grow on space)

Such a programme could be undertaken ‘directly’ by the Council or through a joint venture arrangement with a private sector development partner. It may be able to access grant or loan funding through the LEP and other sources and uplifts in Business Rates may be considered as a means of repayment. It is recommended that a business case is developed to explore the options, estimate the benefits, funding requirements, funding sources and mechanisms to deliver such a programme.

7.4 Policy and delivery implications

There are a number of policy and delivery implications from this Employment Land Review, that can be addressed by Wiltshire Council. These are discussed below.

Employment Land Review

- Data gathering on the demand for, and especially the supply of employment land should be an ongoing process. This latest ELR provides a snapshot of supply at a moment in time. This is likely to change, and Wiltshire Council should continue to carry out assessments of employment sites, to build up a more comprehensive picture of supply in the county.
- Wiltshire Council should regularly review this document, updating the supply assessment on an annual basis, and updating the demand assessment at least once every five years
- For key sites that have already been assessed, Wiltshire Council should monitor their risk of non-delivery, focusing particularly on those which are at medium risk of non-delivery

Allocation of sites and change of use

- All good quality existing employment sites should be maintained for employment use
- Change of use from employment to any other use should only be considered if there are good reasons for doing so, and the site is making insufficient contribution to the Wiltshire economy. See section 5.6.1 above
- New employment site allocations will be needed to ensure that there is a sufficient supply of employment land to meet forecast demand over the Local Plan period, and during any rolling five-year period during this
- In particular, allocations should be sought at Marlborough, Malmesbury, Chippenham, Melksham, Corsham, Trowbridge and Salisbury
- A method for considering new sites is discussed at section 5.7 and in Appendix 7
- There are few potential or allocated sites in the more deeply rural parts of Wiltshire, but there is likely to be demand here. It is not necessarily appropriate to allocate particular sites, but a set of criteria should be considered, and any proposals for development can be considered against these, for example based around suitability, demand and need for local communities to achieve a balance of homes and jobs. The Local Plan Core Strategy Policies 1 and 34 provide a structure for supporting new development in towns, villages and the rural parts of Wiltshire. Local Community and Neighbourhood Plans should also be taken into consideration

Range of premises

- There is a need to maintain a supply of suitable space for small businesses, to enable new starts and growing businesses. As already mentioned above, the portfolio of sites and premises should accommodate the requirements of start-ups, early stage, SMEs and larger companies for office, industrial and warehouse use. Start-up and early stage businesses will require smaller premises, that are affordable, and which are let on flexible terms, so that they can move to larger premises in a timely manner as they grow. Larger and more established businesses generally need less flexibility in their occupancy terms. The provision of speculative accommodation should be actively promoted to meet the requirements of businesses whose timescales are short. Fully serviced, ready-to-develop sites should also be actively promoted for businesses which are seeking bespoke accommodation.

High value exceptional sites

- There are two opportunities for the development of 80 Ha of employment land at Junction 17 of the M4 motorway. Sites of this scale are not needed to meet locally derived demand, but they may be able to satisfy regionally or nationally significant requirements. A set of criteria should be developed, against which development proposals for these sites should be considered, based on section 7.2.2, above. Principles for the development of these sites should be that they support development that cannot be located anywhere else in Wiltshire; that they make a significant contribution to the local economy through employment and/or supply chain relationships; and that they do not compete with or adversely impact on the deliverability of other employment sites in Wiltshire
- Sites at Porton Down and Boscombe Down could also be considered as strategic sites. They too should be focused on accommodating occupiers in nationally significant sectors (such as life sciences and advanced engineering) that cannot be located elsewhere in Wiltshire, make a significant contribution to the local economy, and do not compete with, or adversely affect the deliverability of other sites in Wiltshire