

24/00145/FULMAJ Full planning application for the construction of 2 employment units for flexible uses within Class E (light industrial), B2 and/or B8 of the Use Classes Order (including ancillary office provision) with associated enabling works, access from Hoad Way, parking and landscaping.

Dear Emma,

Thank you for consulting Economic Development.

I have reviewed the Employment Land statement and the Economic Benefits Summary Statements produced by Turley Economics on behalf of CP Logistics UK Reading Propco Ltd. After reviewing these documents, the application has a compelling case for facility positive economic benefits for the district.

Economic Benefits

The proposed development aims to create approximately 9,600 sq m of flexible employment space for logistics operators in three use classes: Class E, B2, and/or B8.

During the construction phase, an investment of £9.75 million over 1.25 years is anticipated to generate around 45 full-time equivalent (FTE) construction jobs. After accounting for additional economic factors, the construction phase is expected to support a total of 45 net additional FTE jobs in the South East, with an estimated 20 of these jobs benefiting West Berkshire. This phase will also contribute approximately £6.5 million in Gross Value Added (GVA) to the South East economy, with £5.5 million of this concentrated in West Berkshire.

Once operational, the development is projected to support 150 FTE jobs on-site, creating 100 direct net additional FTE jobs and 50 indirect and induced jobs in the South East, including 70 jobs for West Berkshire residents. The operational phase is estimated to generate £11.8 million in annual GVA for the South East economy, with £9.0 million benefiting West Berkshire.

The development's expected GVA impact on the district's economy is rather considerable, totalling £14.5 million. In comparison, the transport and storage industry (SIC H) contributed £156 million (GVA current price) to the West Berkshire economy in 2021. The development's expected operating phase will contribute £9.0 million to the local economy, with the transport and storage industries accounting for the majority of the GVA contribution.

As a result, the development will boost the industry's GVA by around 5.8%. Note that the 2021 figure is from the most recent ONS report on regional industry GVA; as such, the GVA of the industry has likely increased since 2021, meaning the percentage increase in GVA generated by the proposal is likely less than estimated.

Additionally, the development will result in an estimated annual uplift of £500,000 in business rate payments, of which £250,000 will be retained by West Berkshire Council, thereby aiding local public services. Overall, the project promises significant

long-term economic benefits, including job creation, enhanced productivity, and increased business rate revenue for the local and regional economies.

Location and employment land

The proposed development of approximately 9,600 sq m of flexible employment space in Theale is supported by the updated employment space demand outlined in the Employment Land Review Update (February 2024).

Recent evidence from the Employment Land Review Update (ELR) highlights a significant residual requirement for industrial and warehousing space, with a gross demand of 167,548 sq m for the period 2022–2041. The proposed 9,600 sq m development in Theale would account for 5.73% of the district's total demand and would make up 9.26% of the total net floorspace requirements over the ELR period. This development would make a considerable contribution to meeting this demand and would help address the identified shortage of suitable employment sites impacting the transport and storage industry within the district.

The Employment Land Review Update states:

“The Submission Plan identified a need for 91,109 sq m GIA over the 2022-39 period. This was on the basis of the past trends approach to calculating economic need. Rolling the period forward two years on the same basis increases the need for industrial floorspace in rounded terms to 104,000 sq m GIA or 26 ha over the 2022-41 plan period.”

Table 2: West Berkshire industrial requirement (past trend based)

	2022 Addendum Requirement 2022-39		2024 Update Requirement 2022-41	
	Total Industrial	p.a.	Total Industrial	p.a.
a Floorspace change (GIA sq m)	106,862	6,286	119,434	6,286
b Stock vacancy adjustment (sq m GIA)	44,097		44,097	
c Industrial planning permission losses	4,017		4,017	
d Gross demand (sq m GIA) [a+b+c]	154,976	9,116	167,548	8,818
e Total supply (sq m GIA)	63,867		63,867	
f Requirement (sq m GIA) [d-f]	91,109		103,681	
g Requirement (hectare) [f @40% plot ratio]	22.8	1.3	25.9	1.4

Source: Tables 2.3 and 5.4 West Berkshire ELR Addendum, Dec 2022

Note all data and floorspace estimates are Gross Internal Area (GIA).

Figure 1 : Sourced from the Employment land review update.

This shortage of employment land has had a substantial impact on the transport and storage industry, which is vital for the region's economic prosperity. The proposed development addresses this shortfall by providing much-needed space for logistics

operators, thereby enhancing the region's capacity to attract and retain businesses in this sector. The flexible nature of the proposed employment space ensures the site can be adapted to multiple markets and uses when needed, further supporting sustainable economic growth in line with the Council's emerging Local Plan and the ELR's recommendations.

In summary, the proposed development in Theale would make a positive addition to West Berkshire's employment land portfolio. It addresses the current and future demands identified in the ELR and mitigates the impact of employment land shortages on the transport and storage industries. This development is justified by the updated ELR and is also essential for maintaining the economic growth and competitiveness of the district and the wider region.

Location and Type of Business Development

While the development would help address the shortfall in industrial and storage space identified previously, I would question whether this site is the ideal location for this type of floorspace.

Policy CS9: Location and Type of Business Development outlines the local planning policy for managing the scale, type, intensification, and location of business development within the district. With regards to Theale, where the site is located, the policy states the following:

“Managing the scale, type, and intensification of business development:

5.63 Intensification of office development will be looked upon favourably especially within existing centres and edge of centre locations in Newbury and Theale where demand for office space is high, provided the scale and intensity is not out of proportion with the character of the surrounding areas.”

The site of the proposed development is located on the edge of the centre of Theale High Street, on the opposite site of the road to Arlington Business Park, which is one of the district's premium business parks. Given the site's proximity to Arlington Business Park, it would be a logical area for expansion and intensification of office space within the district, as office space on this site would benefit from the clustering effects generated by the proximity of other office floorspace and would be in keeping with the surrounding area.

Comparatively, the logistics and industrial floorspace that have been proposed by the developer would be a much more intense use for the site and could be seen as out of keeping with the surrounding area due to the site's proximity to residential, office, and small business units located on the edge of Theale High Street.

The ELR update also shows that West Berkshire has a requirement for a further 60,383 sq m of office floorspace over the ELR's lifetime. As such, it could be argued that the site would be much more suitable for supplying additional office space for the district, as office space would be more in keeping with the surrounding area and Policy CS9.

Sustainable development

As part of the Economic Development Team's commitment to supporting the delivery of the Environmental Strategy's green infrastructure targets, as highlighted in the [Economic Development Strategy](#), we aim to achieve this by promoting the provision of EV charging points on new developments and supporting developments located within a sustainable distance of pre-existing public transport links, cycle paths, and walkways.

The proposed development is located a 13-minute walk or a 5-minute cycle from Theale station, which links the site to Reading, Newbury, and the surrounding region. Additionally, the site is located a 3-minute walk from brewery court bus stop, which offers further public transport links to the site via the jet black 1 and the sky blue 15 buses.

Additionally, the site includes the provision of secure cycle storage areas and electric vehicle charging points; 10% of car spaces will have electrical charging points and. This on-site infrastructure will offer employees and site visitors adequate sustainable travel alternatives.

As such, the application is in keeping with the Economic Development Team's commitments to promoting sustainable growth and green infrastructure.

Conclusion

After taking into consideration the economic benefits to employment, GVA, addressing the shortfall in employment space, the sustainable location of the site, and increased expenditure generated within the district. The Economic Development Team would like to offer our support for the proposal, as we believe these benefits outweigh the issues raised in the location and type of business development section.

Kind regards,

Daniel Phelan
Research Assistant