



Economic Development Needs Assessment

South Worcestershire

Addendum Statement

October 2024

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1.0 INTRODUCTION

- 1.1 This document is an Addendum to the South Worcestershire Economic Development Needs Assessment (EDNA) (March 2022). It has been prepared by BE Group on behalf of Malvern Hills District, Worcester City and Wychavon District Councils as part of the evidence base for the South Worcestershire Development Plan (SWDP) Review, including evidence presented in the Examination in Public. BE Group also prepared the EDNA.
- 1.2 The purpose of this Addendum statement is to consider the implications of updated information relevant to employment land. This information includes updates on the available supply of employment land in the area and cleansed and updated employment land monitoring data.
- 1.3 This statement is to be read in conjunction with the original EDNA. It provides some updated tables from the EDNA and in these cases, the table number of the matching table in the EDNA is noted in brackets. The forecasting for employment land and floorspace contained within this Addendum statement adopts the same preferred methodology as in the EDNA, namely based on past take up (completions) of employment land in South Worcestershire. It is considered that this methodology remains sound and robust for assessing employment land in South Worcestershire.

2.0 EMPLOYMENT LAND

2.1 The Councils have provided BE Group with updated details of the employment land supply across South Worcestershire. This is provided in the table below, which is a full list of the sites presented in the EDNA, with amendments identified. The amendments include updated information on the level of available land, adjustments to account for developments or planning permissions, or other further site information. The data is correct up to 31 March 2023.

Table A1 – Employment Land Allocations proposed in the SWDP Review (EDNA Table 6)

Policy Reference	Site	Available Employment Land (ha)	Site area gross (ha)	Adjustment and Reasoning
Malvern Hills				
CFS0082sc	Land off B4208 between Hill View Area and Willow End Business Park, Malvern	4.91	4.91	Previous EDNA referred to the site area relating to CFS0082 (ruled out) rather than CFS0082sc.
CFS0084	Land off B4208 between disused railway track and Willow End Business Park Hanley Castle	2.1	2.1	No change. Full planning permission granted but not complete by 31/3/2023
CFS0117	Park Farm, Blackmore Park Road, Malvern	6.3	14.05	Reduction in net area to account for green infrastructure
CFS0141b	Land adjoining Blackmore Park, Malvern	5.52	5.52	No change
CFS0487	Land at Bluebell Farm, Earls Croome	5.60	6.64	Change in gross area from 6.63 to align with SWDPR
CFS0696	Land to the north of Digaway, Ryall	1.88	1.88	No change
CFS1019asc	Land to the west of Worcester Road, Open Barn Farm, Kempsey	2	2	Policy reference number change
CFS1097a	Land at Mayfield Road, Malvern	7.97	9.71	No change
CFS1212a	Plot 1 at Severn House, Bromyard Road, Crown East	0.47	0.47	No change. 0.108 ha approved for E(g) uses but not complete by 31/3/2023
CFS1212b	Plot 2 at Severn House, Bromyard Road, Crown East	2.98	2.98	No change
SWDP54	Blackmore Park, Malvern	5.06	5.06	Expired permission. Gross area now fully available.
Worcester				
CFS0587sc	Land at Blackpole Road, Worcester	8.12	8.12	No change
CFS1164	Land at the junction of Berkeley Way and Parsonage Way	1.84	1.84	Has a permission for employment uses for full site.
CFS0703	Worcester Woods Business Park, Newtown Road	0	9.16	Reduced to 0 ha as allocated for a secondary school.
Wychavon				
CFS0061a	Hartlebury Trading Estate, Crown Lane, Hartlebury	1.57	1.57	No change

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Malvern Hills District Council, Worcester City Council and Wychavon District Council

Policy Reference	Site	Available Employment Land (ha)	Site area gross (ha)	Adjustment and Reasoning
CFS0061b	Hartlebury Trading Estate, Crown Lane, Hartlebury	0.17	0.17	No change
CFS0061c	Hartlebury Trading Estate, Crown Lane, Hartlebury	0.31	0.31	No change
CFS0061d	Hartlebury Trading Estate, Crown Lane, Hartlebury	0.65	0.65	No change
CFS0099	Land off Evesham Road, North of the Twyford Roundabout, Evesham	3.61	3.61	No change
CFS0102	South of Keytec East, Business Park, Pershore	0.97	0.97	Full planning permission for 2 industrial units. Yet to be built
CFS0103	Keytec East Business Park, Pershore	0.73	0.73	No change
CFS0142	Parcel A - Land adjacent Broadway Road, Wickhamford, Evesham	N/A	N/A	Removed – site is within CFS0990sc
CFS0143	Parcel B - Land adjacent Broadway Road, Wickhamford, Evesham	N/A	N/A	Removed – site is within CFS0990sc
CFS0990sc	Parcel C - Land adjacent Broadway Road, Wickhamford, Evesham	12.21	12.21	Adjusted gross and net areas to include CFS0142 & CFS0143
CFS0400sc	Eatons Farm, Church Lane, Tibberton	9.54	9.54	No change
CFS0559	Land north of Drakes Broughton Business Park, Worcester Road, Drakes Broughton	2.31	2.31	No change
CFS0680	Land off Sawmills Walk/Briar Close Business Park, Evesham	0.87	0.87	No change
CFS0775	Snodsbury Farmhouse, Bow Wood Lane, Upton Snodsbury	1.71	1.71	Adjusted net area
CFS0891	Land south of Vale Park, Evesham	0.75	4.74	Most of site is now built out, with only small parcel remaining
CFS0925	Two Shires Park, Weston Road, Honeybourne	13.95	31.27	No change
SWDP NEW 63 (CFS0498)	Former Pipes Support Site, Salwarpe Road, Droitwich Spa	1.54	1.54	No change
SWDP 49/3	Stonebridge Cross Business Park, Hampton Lovett	10	10	No change
SWDP 51/3	Vale Industrial Park, Evesham	34	34	Permissions across 2 of the 3 parcels that make up this site, which are: 20/02385/OUT outline permission for 7.35 ha for employment uses, yet to be developed. W/16/02006/OU outline permission for mix of uses including employment, hotel, restaurant, takeaway (4.58 ha)
Total Malvern Hills District		44.79		
Total Worcester City		9.96		
Total Wychavon District		94.89		
Malvern Hills – Sites with Commitments		2.208		
Worcester – Sites with Commitments		1.84		
Wychavon – Sites with Commitments		12.90		

Sources: SWDP Review; Councils' inputs, annual monitoring, BE Group analysis, 2022-24

2.2 The following table provides an update of the mixed-use allocations within South Worcestershire that have an employment land component.

Table A2 – Mixed Use allocation sites proposed in the SWDP Review (EDNA Table 7)

Site Reference	Site	Uses	Available Employment Land (ha)	Site area gross (ha)	Adjustment and Reasoning
Malvern Hills					
SWDP53B	Malvern Technology Centre (QinetiQ), St Andrews Road, WR14 3PS	Mixed use development including E(g) employment land	0.0	10.6	The site is currently in employment use and therefore unlikely to result in net new employment land.
SWDP56	Development at North East Malvern	Mixed use urban extension	10	56.7	No change
Worcester					
CFS0933 CFS1076	Land at Navigation Road, Diglis, Worcester	Residential and Employment/ Commercial	0	14.27	No change
SWDP 43aa	Lowesmoor Wharf, Worcester	Commercial and residential	0	1.14	No change
SWDP44/4	Shrub Hill	Approx. 750 dwellings. Plus, other mixed use/ commercial development	unknown	19.72	No change
SWDP 44/5	Blockhouse / Carden Street Opportunity Zone, Worcester	Opportunity Zone	0	3.9	No change
SWDP 44/6	Cathedral Quarter and Sidbury Opportunity Zone, Worcester	Opportunity Zone, Cultural facilities	0	1.91	No change
SWDP 44/8	St Clement's Gate Learning Quarter	Learning quarter	n/a	n/a	No change
Wychavon					
CFS0709	No 72 High Street/Swan Lane, Evesham		0	0.58	No change
CFS0991	Riverside Shopping Centre, Evesham		0	1.45	No change
CFS1208	Land off Kennel Lane, Broadway		1.09	2.25	Gross area adjusted
SWDP 59/19	Land adjacent to Station Road, Broadway	Residential, Medical Centre	0	9.5	No change
Total Malvern Hills District			10		
Total Worcester City			0		
Total Wychavon District			1.09		
Malven Hills – Sites with Commitments			0		
Worcester – Sites with Commitments			0		
Wychavon – Sites with Commitments			0		

Sources: SWDP Review; Councils' inputs, annual monitoring, BE Group analysis, 2022-24

2.3 The following table provides an update of the strategic reallocation sites proposed within the SWDP Review, focusing on the employment land component.

Table A3 – Strategic Reallocation Sites Proposed in the SWDP Review (EDNA Table 8)

Site Reference	Site	Uses	Available Employment Land (ha)	Site area gross (ha)	Adjustment and Reasoning
Malvern Hills					
SWDP45/1 (Wider Worcester Area – SWDP (2016)) Malvern Hills Section ¹	Broomhall Community and Norton Barracks Community (Worcester South Urban Extension)	Mixed use including employment land and dwellings.	8.5	247.1	No change
SWDP45/2 (Wider Worcester Area – SWDP (2016)) Malvern Hills)	Temple Laugherne (Worcester West Urban Extension)	Mixed use including employment land and dwellings.	5	138.8	No change
Worcester					
N/A					
Wychavon					
SWDP45/1 (Wider Worcester Area – SWDP (2016)) Wychavon Section ¹	Broomhall Community and Norton Barracks Community (Worcester South Urban Extension)	Mixed use including employment land and dwellings.	11.5	247.1	No change
SWDP 45/6 (Wider Worcester Area – SWDP (2016)) Wychavon)	Worcester Six Business Park (South Phase)	Employment Land	16	20.32	14.04 ha has outline planning permission for employment uses (E(g), B2, B8). Currently awaiting reserve matters decisions.
SWDP 3/3	Worcester Technology Park (Phase 1) (North Phase)	Employment Land	12.17	50.57	7.715 ha has outline planning permission for employment uses.
Total Malvern Hills District			13.5		
Total Worcester City			0		
Total Wychavon District			39.67		
Malven Hills – Sites with Commitments			0		
Worcester – Sites with Commitments			0		
Wychavon – Sites with Commitments			21.76		

Sources: SWDP Review; Councils' inputs, annual monitoring, BE Group analysis, 2022-24

¹ SWDP 45/1 covers all three South Worcestershire local authorities. The 20ha of employment land has been split between Malvern Hills and Wychavon. No land within the reallocation was located in Worcester City.

2.4 From the above tables, the following provides a summary of the net available land employment land areas, including employment allocations, mixed-use allocations and strategic sites as of 31st March 2023.

Table A4 – Net Areas for Proposed Employment Land Allocations (EDNA Table 10)

Local Authority	Employment Allocations (ha)	Mixed-Use Allocations (employment component, ha)	Strategic Reallocation Sites (ha)	New Strategic Sites (ha)	Total (ha)
Malvern Hills	44.79	10	13.5	5	73.29
Worcester City	9.96	0	0	0	9.96
Wychavon	94.89	1.09	39.67	70	205.65
South Worcestershire	149.64	11.09	52.17	75	288.90

Sources: SWDP Review; Councils' inputs, annual monitoring, BE Group analysis, 2022-24

2.5 This represents a slight decrease from the overall land supply recorded in the EDNA report, which was 290.70 ha across South Worcestershire. This change is due to; updated information on available land, adjustments to account for developments, new or expired planning permissions, or, other further site information.

3.0 OBJECTIVELY ASSESSED NEEDS

Overview of Demand

3.1 A full assessment of demand was undertaken as part of the EDNA work in 2022, including reviewing the demand for different employment types (office, manufacturing, warehousing), geographic differences, unit size demands, trends at the time and obstacles to growth. This comprised primary and secondary research including site inspections, consultations with local commercial agents and developers, analysis of occupancy/vacancy data, analysis of commercial transactions over the previous decade, sectoral analysis, socio-economic analysis, review of current and recent planning applications and an analysis of the take-up of employment land throughout South Worcestershire.

3.2 The key findings of the EDNA demand analysis in March 2022 were that:

- The socio-economic analysis identified manufacturing as a large and significant employment sector in South Worcestershire (particularly in Wychavon), with the proportion of employment significantly above national averages. Specialist manufacturing areas that exhibited high employment proportions included manufacture of machinery and equipment, electrical equipment, computer, electronic and optical products, basic metals and rubber and plastic products.
- Overall the industrial market performed significantly better than the office market over the past decade. The industrial market has seen declining vacancy levels and good transaction volumes across a wide range of unit sizes. By contrast the office market was continuing to experience significant impacts from the pandemic restrictions, which caused businesses to reevaluate their office space needs. As such, vacancy rates had increased and there was little developer interest in further office schemes.
- There was significant evidence that industrial transactions have been hampered by the lack of available premises. As a result of very low vacancy rates, warehousing take-up in the most recent years has not been in line with national trends, despite strategic locational advantages and requirements in the market for larger premises.
- When new industrial and warehousing developments had come available to the market, the interest and take-up of these units had been strong.

- 3.3 While a full assessment of demand has not been re-undertaken in 2024 as part of this addendum work, an overview analysis of the demand has been completed. This has included reviewing vacancy and take-up trends, consultations with commercial agents and Heads of Economic Development departments at all three South Worcestershire Councils, a review of recent developments, and consideration of economic and infrastructural nuances between the three local authority areas.
- 3.4 Overall, the national economy and confidence have undergone changes since the EDNA report (March 2022). In 2022, businesses were still adjusting to the post-pandemic restrictions environment and substantial numbers of office workers were still primarily working from home. Inflation was increasing but still far from the peaks of the second half of 2022 and early 2023, with the full price and wage implications of increasing energy costs yet to be felt. In 2024, the headline inflation rate has moderated substantially to more typical rates (c. 2%), though the economy remains sluggish. A ‘new normal’ workplace balance has established, with hybrid working still commonplace for office workers but more emphasis on in-office working, led especially by larger organisations. The election of a new government in the summer of 2024 provides an opportunity for significant policy changes, though in terms of land planning, this is likely to be focused on land for housing in the near term.
- 3.5 In terms of the South Worcestershire commercial property sector, it continues to be the case that the market is largely driven by the industrial sector, with conditions for the office market being softer than industrial, though with a more positive outlook than in 2022. The South Worcestershire industrial market has seen some new developments, including continued growth at Worcester 6 and establishment of Indurent Park, Broomhall. However, overall there are still limited choices for good quality units throughout South Worcestershire. The office market remains soft, though commercial agents report an upturn in interest for small office units.
- 3.6 Significant evidence suggests that the industrial market is being hampered by the lack of premises and attractive development sites. Vacancy rates remain low and where new stock has come forward, take-up has been very rapid. Past growth of employment land has correlated to availability of developable sites, with Wychavon achieving higher growth than the other two local authority areas, with more choice of sites in Wychavon.

3.7 Consultations with a sample of commercial agents active in the area has revealed the following:

- The industrial and warehousing market has been very strong, though this has moderated recently, though still remains robust.
- Some new industrial stock has come online (e.g. Broomhall) though generally stock remains limited, especially good quality stock.
- When new stock becomes available, it is taken up very quickly, particularly those in good locations.
- There appears to be a shortage of future supply once current vacancies are taken up.
- The biggest issue for industrial premises is the limited amount of land designated for employment.
- Viability is a significant challenge for office developments.
- The main shortage of industrial premises is for small to medium units. In particular, small units (e.g. <1,000 sqm) are in short supply throughout South Worcestershire.
- While vacancy rate for industrial has increased a bit over the last year, this is due to more supply coming to the market and this will be taken up quickly. There is still demand for further premises.
- Lack of demand for office space is still a concern.
- The City Centre does not have any good quality office space and has not seen office development in decades. This makes it hard to know what actual interest in City Centre would be if good quality space is available.
- Out-of-town office schemes generally perform better than City Centre stock, but interest overall is muted.
- Employment schemes, especially smaller schemes, can face viability challenges, particularly compared to residential schemes. Therefore, it is important that there are a number of sites with a clear employment designation to keep land values low enough to allow for development of commercial units.

3.8 While there is some commonality in the employment market throughout South Worcestershire, such as the overall need for further small industrial units, there are some differences between the local authority areas. In **Malvern Hills**, the interest is for sites closer to Worcester and the M5 as well as some indigenous occupier interest. This local interest has been hampered by a significant lack of built premises available

to the market, particularly of a moderate or high quality. Employment land in Malvern Hills has often been linked with residential sites, with the landholders focusing on bringing forward the housing elements, with the employment land not coming forward. There is a need for a wider range of employment sites in Malvern Hills, including a choice of sites not linked with housing sites that can be brought forward independently of housing. The Broomhall scheme, within Malvern Hills District but forming an extension of the Worcester settlement area, has seen strong take-up and is achieving good values.

3.9 **Worcester City** has been hampered by a lack of developable land for several years, given its tight boundaries. Therefore, it is reliant on Malvern Hills and Wychavon for part of its employment land requirements, which has been recognised by the local authorities and is a driver behind the cooperation in planning. Industrial development relies on infill and regeneration of older stock, with the Shrub Hill area a current focus for regeneration. Built industrial stock in the north and east of the urban area are key economic nodes for Worcestershire and include significant manufacturing and distribution occupiers. The City Centre has not seen new office development for many years. While Worcester has been the traditional focus for office occupiers in South Worcestershire, this is mainly through out-of-centre office parks. Overall recent office interest has been muted and there continues to be a lack of interest in City Centre office development.

3.10 **Wychavon** has had the largest supply of available land in recent years, which has resulted in higher development rates than in Malvern Hills and Worcester. Wychavon has been led by the industrial sector, both manufacturing and warehousing growth being important in the district. Worcester 6, near to the M5 and Vale Industrial Park at Evesham have seen recent development. However, the readily developable sites have largely been taken up and several remaining sites are more difficult to bring forward. This includes the Strategic Reallocation Sites, which are likely to be longer term opportunities and require infrastructure development to come forward. Land and rent values have increased recently, reflecting this increasing tightness in the market.

3.11 Importantly, a lack of choice for good quality industrial premises and development sites across South Worcestershire over a number of years now is limiting take-up of industrial units. The deliverability of sites is a significant issue in South Worcestershire, which has delayed or limited development of employment units. Furthermore, a lack of

prime stock in the City Centre has narrowed the market in attracting office occupiers. This should be taken into account when assessing employment land need over the forecast period.

Forecasts of Need

- 3.12 This section relooks at the objectively assessed need for employment land for South Worcestershire, which was originally assessed in Chapter 7.0 of the EDNA. The EDNA analysis looked at the employment land required from a historic land take-up perspective and an employment forecast basis.
- 3.13 In 2023 the Councils undertook a data cleansing and consistency exercise for the employment land monitoring data, which is one of the key inputs to the historic land take-up approach. This has included revisiting completions, specifically the land areas assigned to each completion and type of employment land provided.
- 3.14 In the EDNA, employment land take up was used as the preferred method forecast basis for South Worcestershire and the recommended basis upon which to plan for employment land. This remains the preferred method, with the updated information. The employment forecast approach has not been revised and updated.
- 3.15 The table below is an update of Table 14 in the EDNA, including more up-to-date data and revisions to reflect the change in employment land monitoring method. The land areas collected are gross land areas. Net land areas have also been supplied to BE Group by the Councils and assessed as part of this analysis.

Table A5 - Employment Land Completions 2011-2023 (EDNA Table 14)

Completions 2011 to 2023 (gross hectares)															Total
Hectares	Years	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2011-2023
Malvern Hills															
Gross	Gain	1.29	0.26	1.01	3.98	2.53	4.04	16.15	0	0	7.26	4.01	5.32	6.77	52.62
	Loss	0	0.01	0.01	0.70	0.24	2.62	0.59	0	1.06	2.06	4.12	0.47	3.67	15.55
Worcester City															
Gross	Gain	0	0.3	0.4	0	3.42	0.12	1.61	1.5	0	6.79	6.47	0.31	0	20.92
	Loss	0	8.74	15.19	2	1.86	0	0	0	8.5	0.95	4	2.37	0	43.61
Wychavon															
Gross	Gain	29.58	13.22	10.13	14.71	8.41	12.00	19.06	0.05	0.20	56.19	25.50	18.72	99.50	307.27
	Loss	2.62	2.97	2.33	6.86	1.09	3.41	11.08	0	0.12	9.58	3.23	8.76	94.10	146.15
Wider Worcester Area (Wychavon)															
Gross	Gain	0	0	0	0	0	0	0	0	0	67.39	27	27	0	121.39
	Loss	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Wider Worcester Area (Malvern Hills)															
Gross	Gain	0	0	0	0	0	0	0	0	0	0	0	38.4	0	38.4
	Loss	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Sources: Councils completions data to 31 March 2023

- 3.16 Completion gains data include new developments, change of uses to employment uses, extensions and redevelopments. The Councils provided gross (full land site) and net (building footprint only) information to BE Group, with the gross data provided in the table above. Gross data is generally appropriate for considerations of employment land demand, as the considerations of external areas (e.g. car parks, access, landscaping) need to be accounted for within land planning. However, for extensions of existing buildings, the net building extension footprint area has been taken for the land consumed by the completion, rather than the gross land area, which already is developed for the original building and external areas. As such, the forecasts below have adopted total land completions based on the gross land areas for most completions and net land areas for extensions, and thus the averages used are comprised of a hybrid analysis of completions.
- 3.17 From the data above, it is noted that Worcester City has recorded more employment area losses than gains, whereas Malvern Hills and Wychavon have both recorded more gains since 2011 than losses. As such, this analysis will consider Worcester separately to Malvern Hills and Wychavon.
- 3.18 While direct comparisons with the completions data used in the EDNA is not possible due to the revisions/cleansing of the data, it is noted that in comparison to the earlier EDNA work, the revised completions information includes a higher level of recorded losses of land for Malvern Hills and Wychavon. For example, the recorded losses for Malvern Hills have increased from 8% of gains in the earlier data to 36% and for Wychavon the losses have increased from 6% to 38% of gains in the recorded information. Therefore, this analysis has considered the losses more fully than the earlier work.
- 3.19 Furthermore, the earlier completions data was based on 2006-21 period, whereas the updated information is available for 2011-23. It is noted that the earlier years (i.e. 2006-11) generally recorded a lower level of completions than in the latter years, which has affected the average take-up rates, and it is considered that the more recent years are more representative of the commercial landscape across South Worcestershire.
- 3.20 The average net (gains less losses) of employment land completions in **Malvern Hills** and **Wychavon** Districts, including the Wider Worcester Areas, is provided in the table below.

Table A6 – Average Annual Completions (Net) Take-up 2011-23 (EDNA Table 15)

Area	Total Gains	Total Losses	2011-23 Net Average (ha/yr)
Malvern Hills (including WWA)	48.89	15.49	2.57
Wychavon (including WWA)	165.79	52.88	8.69

Sources: Malvern Hills and Wychavon District Councils data up to 31st March 2023

- 3.21 Similar to the previous EDNA work, Wychavon has seen the highest level of completions compared to the other local authority areas and thus its average annual take-up level is significantly higher than the other areas. It would be expected that this would continue (assuming land is available to accommodate this growth) as the market continues to take advantage of the locational characteristics of Wychavon.
- 3.22 Adopting these average net take-up rates for employment land over the forecast period 2021-2041 provides an estimate of overall land requirements. The table below provides the land requirements based on these past net land take-up averages for Malvern Hills and Wychavon Districts. The Wider Worcester Area is not being taken forward as a separate area for forecasting (see para 7.18 of the EDNA) and thus the past averages are apportioned to Wychavon and Malvern Hills. Also provided in the table is an estimate of floorspace growth on that land, calculated at an average density of 3,900 sqm/ha, which is in line with industry averages and was the level adopted in the EDNA. In reality over the full South Worcestershire area there would be a significant range of development densities, depending on site characteristics, end uses, car-parking needs, lorry needs, outdoor storage, buffer areas and developer preferences. However, this average density provides a reasonable indication of overall floorspace yield that could be expected on this employment land.
- 3.23 In the EDNA it was commented that the 2019/20 figure was an outlier and thus was discounted to a significant degree when considering the average rate upon which to forecast the employment land requirement for Wychavon (see paras. 7.13-7.17). It is not considered that any discounting of outlier figures is required for the revised figures for any of the South Worcestershire areas.

Table A7 – Forecast Employment Land Take-up 2021-41 (EDNA Table 16)

Area	Change 2021-41 (ha)	Floorspace Growth 2021-41 (sqm)
Malvern Hills @ 2.57ha/yr*	51.4	200,500
Wychavon @ 8.69 ha/yr*	173.8	677,800
Total	225.2	877,300

Source: BE Group, 2024

* including WWA reallocation of past take up rate

3.24 It is prudent to allow for a level of flexibility in the forecasts to account for unforeseen changes in demand and to ensure that there is choice of sites, even towards the latter stages of the forecasting period. The EDNA adopted a buffer for this flexibility equivalent to five years of take-up of land (25% uplift) and this has been continued for the updated forecasts for Malvern Hills and Wychavon Districts as growing areas. The table below summarises the forecasts for these two areas, incorporating this buffer.

Table A8 – Forecast Employment Land Take-up 2021-41, including Buffer (EDNA Table 18)

Area	Change 2021-41 (ha)	Floorspace Growth 2021-41 (sqm)
Malvern Hills	64.3	250,800
Wychavon	217.3	847,500
Total	281.6	1,098,300

Source: BE Group, 2024

3.25 The **Worcester City** area has been assessed separately. The recorded losses of employment land in Worcester City since 2011 (43.61 ha) have been larger than the employment land gains over the same period (20.92 ha). This is due to the regeneration of near-city-centre industrial areas for other purposes (primarily residential) in recent years. On an average completions per year basis, this equates to a net change perspective of -1.75 ha/year. If this is taken forward over the forecast period, this would result in a net change of -35.0 ha over the 2021-41 period.

3.26 However, planning on the basis of a net loss of employment land for Worcester would not encourage economic growth or provide current or prospective businesses with

opportunities to acquire new premises. While it is recognised that land availability in the City is very tight, it is necessary for planning of employment growth to have an understanding of the potential land requirements over the forecast period. It is expected that employment land losses would continue throughout the forecast period as further land is regenerated. However, the understanding of the employment land take-up for Worcester, notwithstanding these potential losses, is of more importance.

3.27 Therefore, it is considered that for Worcester the employment land gains should be the basis of the forecasts for employment land. This was 20.92 ha between 2011-2023 or 1.61 ha/year. On this basis, there would be a forecast land requirement of 32.2 ha, equating to about 125,600 sqm of employment floorspace.

3.28 Given the limited availability of land and limited options to make further land available, it may be the provision of this land would need to be provided outside of the Worcester City boundary in nearby lands within Malvern Hills and Wychavon (see later in this document). It is important to understand the scale of need, even if it cannot be provided within the city boundary.

3.29 For the other local authority areas, a buffer allowance was added to the base forecast to allow for a degree of flexibility. However, this was added on the net forecast basis. The Worcester forecast, based on the gains only forecast, is inherently more positive. Furthermore, given that losses have been more than gains in recent years, it is considered that adding a buffer allowance on top of the forecasts for Worcester would be excessive for this area.

3.30 Therefore, in summary, the forecast for South Worcestershire is provided in the table below.

Table A9 – Forecast Employment Land Take-up 2021-41, including Buffer (EDNA Table 18)

Area	Change 2021-41 (ha)	Floorspace Growth 2021-41 (sqm)
Malvern Hills	64.3	250,800
Worcester	32.2	125,600
Wychavon	217.3	847,500
Total	313.8	1,223,900

Source: BE Group, 2024

3.31 The table below provides an estimate of the floorspace breakdown within each local authority area to 2041. Using the same approach as in the EDNA, this has considered recent market interest and past mix of employment land floorspace where available (see Appendix 9 of the EDNA). In practice, the mix of employment types is likely to change over the forecast period and individual units may be used for more than one type of employment use as occupiers change (e.g. change from B2 general industrial to B8 warehousing). This mix should be seen as a guide for planning, rather than prescriptive or target amounts. This assumes the same density of development for each employment type at 3,900 sqm/ha. If higher employment densities are achieved (e.g. more intensive office development through multiple storey development) then the plot ratio would increase (i.e. higher sqm/ha figure), which would reduce land demand for a given floorspace provision.

Table A10 – Net Employment Floorspace Projections 2021-2041 by B-Class Use (EDNA Table 20)

Scenario	Projection of Floorspace requirement (2021-2041), sqm			Projection of Land requirement (2021-2041), ha			Total
	E(g)	B2	B8	E(g)	B2	B8	
Excluding Five-year Buffer							
Malvern Hills	60,200	94,200	46,100	15.4	24.2	11.8	51.4
Worcester	37,700	50,200	37,700	9.7	12.9	9.7	32.2
Wychavon	67,800	271,100	338,900	17.4	69.5	86.9	173.8
South Worcestershire	165,700	415,500	422,700	42.5	106.5	108.4	257.4
Including Five-year Buffer							
Malvern Hills	87,800	117,900	45,100	22.5	30.2	11.6	64.3
Worcester	37,700	50,200	37,700	9.7	12.9	9.7	32.2
Wychavon	84,800	339,000	423,800	21.7	86.9	108.7	217.3
South Worcestershire	210,300	507,100	506,600	53.9	130.0	129.9	313.8

Source: BE Group, 2024

3.32 Overall, the following points are noted in comparing the above analysis to the EDNA (March 2022) analysis.

- The similar approach has been used, focusing on completions data as the basis for forecasts to 2041.

- Given the increased proportion of employment losses recorded in South Worcestershire, a net land take-up basis was applied.
- The overall calculated requirement for employment land to 2041 is reduced from 350.5 ha to 313.8 ha (including buffer).
- The Worcester employment land requirement was assessed separately due to the net negative average completions figure. It was considered that a negative forecast for Worcester would not allow for any growth and limit economic performance and as such a gains only approach was used.

3.33 Paragraphs 7.45 to 7.50 of the EDNA compare the veracity of the forecasts using the two models – past take-up and jobs forecasts. The reasoning for selecting the past take-up approach for the EDNA was that it better accounted for the very large range in recorded completions. While this substantial variation is not as apparent in the latest data, the past take-up approach still represents a robust method and being higher than the employment land requirement using the jobs forecasts (99.9 ha), provides more flexibility to account for uncertainty over the forecast period than the jobs forecast method.

3.34 Therefore, the **revised recommended requirement for employment land in South Worcestershire between 2021 and 2041 is 313.8 ha.**

3.35 Compared to supply at March 2023, which was 279.73 ha (including employment allocations, mixed-use allocations and strategic sites), there is further need for employment land, which can come through commitments and being brought forward through the SWDP review process.

4.0 IMPLICATIONS FOR CONCLUSIONS WITHIN THE EDNA

- 4.1 The EDNA’s conclusions and recommendations are provided in Chapter 8.0 of that report, and the supply and demand elements have been reassessed below given the further analysis and revised forecasts above.
- 4.2 Paragraphs 8.2 to 8.9 of the EDNA assessed the supply and demand balance of employment land in South Worcestershire, which saw a modest surplus of 11.95 ha of available employment land compared to forecast demand. However, this was not uniform across South Worcestershire, with a supply deficit in Worcester and surpluses in Wychavon and Malvern Hills (see Table 26).
- 4.3 The following table reviews this supply and demand balance for the three local authorities with the updated information as of March 2023.

**Table A11 – Supply vs Demand for Employment Land (including five-year buffer)
(EDNA Table 26)**

Area	Available Supply - SWDP Review proposed allocations	Total Commitment Gains (at 31/03/2023)	Available Supply - Monitoring commitments (at 31/03/2023) less those proposed allocations within the SWDPR (net)	Total Available Supply (31/03/2023)	Land Demand 2021-41	Completions 2021-23 (net)	Surplus/ Deficit
	A	B	C	D=A+C	E	F	D-E+F
Malvern Hills	73.29	13.38	11.17 ²	84.46	64.3	7.31	+27.47
Worcester City	9.96	2.47	0.63 ³	10.59	32.2	-2.06	-23.67
Wychavon	205.65	43.36	8.70 ⁴	214.35	217.3	12.07	+9.12
South Worcestershire	288.90	59.01	20.50	309.40	313.8	17.32⁵	+12.92

Source: BE Group, 2024

- 4.4 Overall, in comparison to current land supply and commitments as at March 2023, there is a small surplus of supply compared to requirements to 2041 across South

² Commitments, less 2.21 ha for permissions already accounted for in employment allocations CFS0084 and CFS1212a

³ Commitments, less 1.84 ha for permission already accounted for in employment allocations CFS1164

⁴ Commitments, less 26.94 ha for permissions already accounted for in employment allocations SWDP51/3 (7.35 and 4.58 ha) and CFS0102 (0.97 ha) and strategic reallocations SWDP45/6 (14.04 ha) and SWDP 3/3 (7.72 ha)

⁵ Completions include gains and losses. As per para 3.16, the completions are a hybrid of gross land areas for new developments and net (building footprint) areas for extensions.

Worcestershire. However, this is not uniform and is a deficit in Worcester and surpluses in Wychavon and Malvern Hills.

- 4.5 As there are significant cross-boundary business and employment land relationships in South Worcestershire, it would be appropriate to provide for some of the land supply in neighbouring areas as appropriate. Therefore, for example the provision of some of Worcester’s demand being provided in Malvern Hills would be an appropriate outcome.
- 4.6 Overall, it would be appropriate to review actual take-up through the planning period to track land availability in comparison to supply. Furthermore, it would be appropriate for the councils to take a position in the SWDP process to provide further employment land to provide an additional level of flexibility in the employment land supply, to cater for uncertainties over the forecast period.