

# Executive Committee

Abbey and Central Wards

6th January 2010

## LOCAL DEVELOPMENT FRAMEWORK - OFFICE NEEDS ASSESSMENT

(Report of the Acting Head of Planning and Building Control)

### 1. Summary of Proposals

The report seeks the endorsement of the Office Needs Assessment which has been jointly produced by Officers of the Council and GVA Grimley. The study forms part of the evidence base of the Core Strategy Development Plan Document (DPD).

### 2. Recommendations

The Committee is asked to **RECOMMEND** that

**the Office Needs Assessment as attached in Appendix A to the report, be endorsed as part of the Council's Local Development Framework Evidence Base.**

### 3. Financial, Legal, Policy, Risk and Climate Change/Carbon Management Implications

#### Financial

- 3.1 This assessment was funded from existing Economic Development Unit budgets. In order to ensure the cost associated with completing this study remained in budget it was necessary for Officers of the Council to carry out elements of the study.

#### Legal

- 3.2 The Office Needs Assessment forms part of the Core Strategy evidence base. Redditch Borough Council is required, under the Planning and Compulsory Purchase Act 2004, to produce a Core Strategy DPD. Without a credible and robust evidence base to draw upon the production of a Core Strategy is at risk of being found 'unsound'. The Office Needs Assessment helps to inform policies in the Core Strategy.

#### Policy

- 3.3 The Office Needs Assessment will feed into the continuing preparation of the Core Strategy. The Core Strategy will replace many policies within the Borough of Redditch Local Plan No.3. It will be the first Development Plan Document (DPD) to be produced as

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part of Redditch Borough Council's Local Development Framework (LDF) and forms part of the development plan for the area.

### Risk

- 3.4 The Core Strategy requires a credible and robust evidence base to formulate appropriate policies. Without the evidence base to rely on, the delivery of the Core Strategy would be at risk. There are policies in the Core Strategy that rely upon the Office Needs Assessment evidence, therefore not adopting the Office Needs Assessment could put at risk the achievement of a credible Core Strategy.

### Climate Change/Carbon Management

- 3.5 During the preparation of the Office Needs Assessment, consideration has been given to environmental sustainability. Related policies in the Core Strategy are all subject to Sustainability Appraisal.

### Report

#### **4. Background**

- 4.1 In order to plan for the future of Redditch Borough up to 2026, Officers have been formulating a robust and credible evidence base. The Office Needs Assessment (Appendix A) forms part of this evidence base. Components of the Office Needs Assessment were completed in house, however due to the specialist nature of some of the tasks required to complete an Office Needs Assessment it was necessary for Consultants to be commissioned.
- 4.2 The West Midlands Regional Spatial Strategy sets a requirement for Redditch Borough Council to plan for the construction of 45,000sq.m of office floorspace for the period 2006 – 2026 in the town centre and peripheral zone. Officers are aware that there are constraints on supply of land within the town centre therefore it was felt necessary to test this figure in terms of:
- a) whether the 45,000 sqm is appropriate i.e. is there demand for this much floorspace;
  - b) Is there an adequate supply of land in the town centre to cater for this level of development.

#### **5. Key Issues**

- 5.1 The Office Needs Assessment has been jointly prepared by Redditch Borough Council Officers and GVA Grimley in association

with GHK Consulting. The Assessment follows on from the Employment Land Review (this was presented to Executive Committee on 2nd March 2009) and examines in more detail, the need for offices within the town centre and reviews potential development sites to accommodate the identified requirements within the boundary of the Town Centre and Peripheral Zone (As illustrated in Appendix B).

- 5.2 In undertaking the Office Needs Assessment there were four key stages:
- a) Survey of Existing Occupiers (a phone survey was undertaken with a sample of office occupiers);
  - b) Assessment of Floorspace in Redditch town centre (this focused on the amount and type of office provision in the town centre and peripheral zone. The section also analysed any potential pipeline developments and past lettings/sales in the town centre and peripheral zone);
  - c) Property Market Review (this section analysed the office property market within the town centre);
  - d) Need for Additional Floorspace (this section reviewed the previous section and assessed the need for additional office floorspace in the town centre and peripheral zone).
- 5.3 The key issues arising from these sections are:
- a) The town centre is an attractive location for the Office market with:
    - i) Affordable rental levels
    - ii) Flexible Accommodation
    - iii) Location accessible to main transport routes
  - b) Since January 2000 to March 2009 there has been a gradual increase of office lettings – the average take up being around 3, 800 sq.m per annum, the freehold sales market is more limited;
  - c) Despite this, vacancy levels are at their highest in over a decade (currently 19% of the total stock);
  - d) Achieving the WMRSS target of 45, 000sq.m is challenging given the limited amount demand for such a high level of office floorspace in the town centre and peripheral zone;
  - e) The Town Centre and Peripheral zone can only accommodate half of this requirement;

- f) A revised office target of 30, 000 sq.m over the Plan period is recommended;
  - g) The study identifies some potential sites which can accommodate around 22, 000 sq m, this means an additional 2.3ha would need to be identified outside the town centre/peripheral zone in order to achieve the 30, 000 sq m requirement;
  - h) In order to attract a wider office market which has not traditionally wanted to locate in the Borough, the marketing of the town centre is fundamental to its success.
  - i) Regional and sub regional public sector organisations should be a focus for the Council when identifying potential occupiers of office accommodation in the town centre.
  - j) A wider range of 'office products' are required, i.e. new, modern office buildings with flexible space capable of accommodating medium to large businesses is required.
  - k) Support from Economic Development will be required in order to ensure a holistic approach is taken towards identifying the types of sectors that should be focused upon in the town centre.
  - l) In order to achieve the challenging office requirement policy will need to set precedence over competing uses such as residential and leisure in the town centre.
- 5.4 The implications of the Office Needs Assessment on the Core Strategy would be that greater emphasis should be given to need of office requirements over housing requirements in the town centre.
- 5.5 The draft report was presented to Planning Advisory Panel where the item was discussed at length. There were a number of key points arising from this discussion which Members and Officers considered necessary to reflect in this Committee Report. These points are set out below:
- a) What is an Office? – In relation to this study an Office is defined as a B1 use class and includes the following office based sectors:
    - a. Construction;
    - b. Retailing;
    - c. Professional Services;
    - d. Insurance, Banking, Finance;
    - e. Computing services;
    - f. Other business services;
    - g. Public Administration and Defence;
    - h. Health and Social work;

- i. Transport and Communications
  - j. Education
  - k. Other Services
- b) How many employees typically occupy a sq.m of office floorspace?  
The answer to this is twofold. For professional services a density standard of 19-29 sq.m/per worker is applied, for the various other types of office occupiers a standard of 34 sq.m/per worker is applied.
- c) Both Pool Place and Grove Street are identified as potential sites to meet Office Needs over the medium to long term. At present these sites are currently retail parks. Although the purpose of the Office Needs Assessment is not to develop schemes for future sites (it purely identifies the potential sites), it is necessary to consider ideas on how to deliver a potential office use on these sites. It was suggested at the PAP (30/11/09) that Officers consider this as part of the future LDF production, and specifically whether a comprehensive out of town retail offer may be more appropriate for the Borough than what is currently offered. Officers agreed that this could be an appropriate way forward given the need to identify sufficient sites for Offices in the town centre and peripheral zone and Officers will consider this issue as part of the wider LDF production.

### 6. Other Implications

- Asset Management - The Council's Land and Property holdings are affected by the contents of this report no differently than any other land and property holdings.
- Community Safety - None
- Human Resources - None
- Social Exclusion - None
- Environmental / Sustainability - None

### 7. Lessons Learnt

Not applicable.

### 8. Background Papers

West Midlands Regional Spatial Strategy Preferred Option

Panel Report

**9. Consultation**

There have been informal consultations with some stakeholders, landowners and also with relevant Borough Council Officers.

**10. Author of Report**

The author of this report is Ashley Baldwin (Planning Assistant), who can be contacted on extension 3376 (ashley.baldwin@redditchbc.gov.uk) for more information.

**11. Appendices**

Appendix A – Office Needs Assessment

Appendix B – Town Centre and Peripheral Zone