



Bristol Development Framework

Employment Land Study

Final Report
February 2009



PREFACE

The Bristol Employment Land Study (ELS) has two main purposes:

- to identify the city's employment land requirements for the period 2006-2026 based on an analysis of economic forecasts, recent trends and policy aspirations;
- to assess the quality of the city's main employment areas for continued use and identify potential new land to meet future requirements.

In so doing, it will provide the evidence to inform the Bristol Development Framework's Core Strategy. The Core Strategy will set out the council's 20-year strategy for the well being of the local economy. It will identify the amount, type and broad locations of new employment land that should be provided between 2006-2026 to help secure the Bristol Community Strategy's long-term aim of achieving a 'thriving economy'.

A draft ELS report was published for comment in July 2007. A schedule of comments received on the draft and the council's response to them is available to view on the council's website.

The ELS report was approved for publication by the council's Executive Member for Sustainable Development in February 2009.

It should be noted that the ELS report and its Annexes present data and conclusions as of Autumn 2007.

If you have any questions regarding the ELS please contact Strategic and Citywide Policy on 0117 903 6728 or Economic Regeneration on 0117 922 2926.

If you would like this information in a different format, for example Braille, audio tape, large print, computer disc, or community languages, please contact Strategic and Citywide Policy on 0117 903 6725.

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SUMMARY

Introduction

1. Bristol City Council has undertaken an Employment Land Study (ELS) as a part of the Bristol Development Framework (BDF) process. The overriding aim of the ELS is to provide the evidence base for the BDF's Core Strategy Development Plan Document.
2. In particular it will inform the Core Strategy's identification of the scale, type and broad location of new employment floorspace and land needed in the period 2006-2026.
3. The findings of the ELS will also inform the development of the Site Allocations Development Plan Document and regeneration programmes for areas such as South Bristol.
4. The ELS has been undertaken in accordance with the three-stage process outlined in the Government's Employment Land Review guidance note¹. This can be summarised as follows:
 - Stage 1 – Taking stock of the existing situation – reviewing key local economic and employment issues and assessing the future of employment sites identified as having an 'uncertain future' (e.g. because of long-term vacancy) for continued employment use.
 - Stage 2 – Creating a picture of future requirements – analysing economic forecasts, recent trends and local policy aspirations to quantify the amount of industrial and warehousing land and office floorspace required by the city and its key economic sectors in the period 2006 to 2026.
 - Stage 3 – Identifying a "new" portfolio of employment sites – reviewing the city's main employment areas and sites to assess their suitability for continued employment use and identifying potential sites to fill gaps in future supply.
5. The council commissioned Alder King to provide a local market commentary and on-going guidance to ensure the study's methodology and findings were grounded in 'market reality'.
6. Council officers also met with Economic Development and Planning Policy colleagues in the neighbouring unitary authorities (i.e. Bath and North East Somerset, North Somerset and South Gloucestershire Councils) during the course of the study in order to inform the study's consideration of cross-boundary economic and employment issues.

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

Key findings

Stage 1 – Taking stock of the existing situation

Key local employment/economic issues

7. In a national and regional context Bristol's economy has performed well. While employment levels have grown more slowly, output and productivity growth has outperformed national levels. The Bristol unitary authority area has, however, been outperformed by its neighbours where employment and floorspace growth has been on a greater scale. Bristol's share of sub-regional and travel to work area employment is declining.
8. Bristol's strengths in knowledge based sectors and its skills base suggest that the city has potential to grow. That said, serious skills deficits, unemployment and deprivation, especially in the south and centre of Bristol present challenges which future economic growth may help tackle.
9. In recent years the Bristol property market has performed strongly. The city centre office market shows signs of continuing strength. The industrial market is reported as suffering from a shortage of supply.
10. As in other parts of the country, in Bristol the value of land for housing development has generally exceeded that for employment development. This provides an incentive to employment site owners and developers to pursue housing opportunities. Employment sites in the city have been very vulnerable to redevelopment for alternative uses. Given the city's limited land bank, there is a danger that the continued loss of employment land may harm Bristol's capacity for growth in the future.

Appraisal of 'uncertain future' sites

11. In the light of Government guidance recommending that sites which are unlikely to be attractive to the market or do not have the potential to contribute to sustainability goals should be released for other uses, employment sites facing an "uncertain future" were identified and analysed to identify whether it was appropriate to retain them for employment uses in the future.
12. Sites were deemed to face an uncertain future if any of the following applied:
 - The majority of site by size had been vacant for 3 years prior to 2005
 - The site had been subject to a refused or withdrawn planning application for a proposed change to a non-employment based use between 2000-2005
 - The site was undeveloped or cleared.
13. 93 sites met these criteria. There were few geographic concentrations and those that did exist did not in the main cover large expanses of land. The majority of sites were small and under 0.25ha (0.62 acres) in size.

14. Sites were subjected to an assessment of their likely attractiveness to the market and also against sustainability criteria.
15. The majority of sites were deemed to have some potential to attract market interest. 38 were located in deprived or regeneration areas.
16. Given the city's potential for economic growth and the strength of the property market plus their presence in deprived areas, the 'release' of these 'uncertain future' sites for alternative uses is considered inappropriate. The findings of the analysis of these sites will be considered as part of work to develop the Site Allocations Document and regeneration programmes in the city.

Stage 2 – Creating a picture of future requirements

17. Future floorspace and land requirements were quantified using a range of complementary approaches, in line with Government guidance
18. Forecasts prepared by Cambridge Econometrics for use by the Regional Assembly in developing the draft Regional Spatial Strategy were used as a basis for interpreting Bristol's potential for growth up to 2026. They were based on different annual GVA growth scenarios. The highest growth scenario, based on 3.2% growth at the regional level, assumed particularly high growth in knowledge-based industries.
19. Property market analysis suggests continuing demand for office, industrial and warehouse space in the short term. An acute shortage of industrial land has been reported, together with potential latent demand for such space. This potentially equates to a need in the region of 9.7ha.
20. Sectors analysis suggests the strong potential for growth across a range of key sectors including professional services, banking and insurance, creative industries, environmental technologies, wholesale and distribution and ICT and communications. Aerospace and advanced engineering and public administration may also have some potential to grow.
21. Historic trends point to growth at a slower rate than that suggested by the 3.2% forecast. However, the city has real economic strengths and policy aspirations to maintain and develop further a thriving economy. The Regional Spatial Strategy's jobs growth targets are based on the 3.2% forecast and this may be an appropriate level of growth to aim for. This approach is based on Bristol's share of its travel to work area economy remaining the same which is counter to trend. This further emphasises the importance of policy to driving forward Bristol's future growth.
22. Under the 3.2% growth scenario office based employment in the Bristol Unitary Authority area will grow by 24,900 jobs between 2006-2026. For industrial and warehousing employment the figure is 1,700 jobs.

23. Office floorspace and industrial and warehousing land needed to accommodate this jobs growth were then determined using job to floorspace density ratios and plot ratios (to identify consequent land requirements) identified in the Government Employment Land Review guidance and, in the case of the latter, advice on local trends from the study's consultants.
24. An analysis of the Bristol Business Development Survey (BDS) was then carried out to assess how much of this requirement could be met by the amount of new employment floorspace with planning permission for employment development but which had not yet been completed.
25. Finally, these 'pipeline' figures were then subtracted from the growth-based forecast amounts to reach a net requirement. These calculations are set out in the tables below. The office figure also includes 99,392 sq m of new office floorspace featuring in developers plans. The study's consultants have identified these as likely to come forward in planning applications in the next three years.

Table S1 – New office floorspace requirements

Office floorspace	High end of range suggested by 3.2% growth scenario
Total potential floorspace requirement (sq m)	524021
Floorspace in pipeline (sq m)	288466
Outstanding potential requirement (sq m)	235555

Table S2 – New industrial and warehousing land requirements

Industrial and warehousing land	High end of range suggested by 3.2% growth scenario
Total potential land requirement arising from forecast (ha)	23.9
Estimate of potential latent demand (ha)	9.7
Total potential land requirement (ha)	33.6
Land in pipeline (ha)	37.8
Outstanding potential land requirement (ha)	-4.2

26. At face value it would appear that there is adequate land in the pipeline to meet the 33.6 hectare industrial and warehousing land requirement (i.e. the land bank with planning permission at Avonmouth). However, this 33.6 hectares includes 9.7 hectares of potential latent demand for land in areas *other than Avonmouth* caused by a shortage of supply in the rest of the city.
27. In addition, Alder King have commented that much of the land remaining in Avonmouth is being taken-up by a particular type of operation; namely, for

large format distribution premises. They also highlight the role that it can play in supporting the operations of the Port of Bristol.

28. Furthermore, Alder King and other industrial property agents have reported that Avonmouth might not be suitable for all new industrial and warehousing development. This is because some industrial and warehousing operations require significant staff numbers to carry out their operations. Avonmouth has a limited local labour supply. As a consequence, there is a perception that many existing companies in Bristol would prefer the choice of sites in parts of the city ideally closer to their current location and its labour force.
29. Finally, Alder King also argue for an element of choice in the space available for take-up to be provided to allow for some flexibility in the market.
30. These factors flag the potential dangers of an over-reliance on a single location at the expense of providing a balanced citywide portfolio of sites for different types and sizes of industrial and warehousing operations.
31. In the light of property agents' comments the ELS concludes that it may be prudent to provide additional flexibility in the industrial and warehouse market. Consequently it is proposed that an additional 14.8ha – equivalent to the loss of industrial land in areas other than Avonmouth identified by the BDS – is provided in areas of the city other than Avonmouth between 2006-2026 for industrial and warehouse uses. This is in addition to the 9.7 hectares identified as required to meet current un-met demand, making a total requirement for non-Avonmouth located new industrial and warehousing land as 24.5 hectares.
32. The study therefore recommends that the Core Strategy seeks to provide the following requirements between 2006-26:
 - 236,000 sq m of new office floorspace
 - 24.5 ha of new industrial and warehousing land in all areas of the city excepting Avonmouth.

Stage 3 – Identifying a ‘new’ portfolio of employment sites

33. This stage had two main parts:
 - A qualitative review of the city's main employment areas to assess their suitability for continued employment use;
 - The identification of land with potential to meet the 2006-2026 requirements for new employment land identified at Stage 2

Review of city's main employment areas

Review of Principal Industrial and Warehousing Areas

34. The main focus of the Stage 3 review was the 68 'Principal Industrial and Warehousing Areas' (PIWAs) designated in the Bristol Local Plan 1997. They represent the city's core stock of land suitable for industrial and warehousing uses. They cover over 1,160 hectares of land (620 of which are in Avonmouth) and contain approximately 150 industrial/trading estates.
35. The qualitative review used a range of indicators to assess their:
- attractiveness to the market; and
 - contribution to sustainable development and strategic planning/regeneration considerations.
36. This allowed a balanced judgement to be made between what would be a 'market-led' view and a 'planning/sustainable development-led' view of their future.
37. In summary, the results of the review were:
- 60 of the 68 PIWAs continue to perform well regarding their 'market attractiveness' and 'sustainability'. This was evidenced by generally:
 - high occupancy
 - good physical condition of buildings
 - good access to the strategic road network
 - few occasions where adjacent and potentially conflicting residential land uses were identified
 - strong performance against a range of sustainability indicators (except for those PIWAs in Avonmouth)
 - Of the remaining eight PIWAs, five have been developed (or have planning permission) for non-industrial and warehousing uses (e.g. retail, housing, offices etc.). Therefore they are unlikely to contribute to the city's future industrial and warehousing land requirements. Due to severe physical constraints (for example, difficult site access and topography, constrained internal HGV manoeuvrability, long term vacancy and poor physical condition of buildings) continued development plan designation for the remaining three PIWAs is not considered appropriate.
38. The study concludes that 60 of the 68 PIWAs continue to be 'fit for purpose' and should be retained for industrial and warehousing uses. They provide a well-used and strategically important resource of very finite land available in the city for meeting its current and future industrial and warehousing land needs.

Review of non-PIWA industrial and warehousing sites

39. 111 sites not designated as PIWAs in the Local Plan were also surveyed to assess their physical condition and levels of occupancy. The results found generally high levels of occupancy and good to fair physical condition of buildings.
40. Individual, non-Local Plan designated employment sites can make an important contribution to the economic well being of the city. This is by helping to provide an evenly distributed portfolio of industrial and warehousing sites which offer a range of local business development and employment opportunities.
41. This is especially relevant to meeting the long-term aim of the 2006 Bristol Community Strategy to achieve balanced and sustainable communities. The Community Strategy's definition of balanced and sustainable communities emphasises how people should have the choice of being able to access work through no more than a 15 minute walk from their home. It is also important in a city where many industrial and warehousing sites are under pressure from landowners and developers seeking to benefit from the high land value that would result from a change of use to residential.
42. The study concludes that these sites would benefit from additional assessment to identify their value to the local economy.

Review of city centre offices

43. Bristol City Council commissioned Alder King to support staff carrying out the study and as part of this they assessed 338 city centre office sites for their market attractiveness. Utilising their day-to-day working knowledge of the city's office stock they appraised the market attractiveness of each building based on an assessment of its external physical condition and, where known, its internal condition (e.g. it would score better if it had been recently refurbished). Each building was then given a rating from 'Excellent' to 'Poor'.
44. The results of the assessment were:
- 4% of offices were assessed as 'excellent', mainly in the Temple Quay area.
 - 60% were assessed as 'good' and 34% as 'fair'. These were evenly distributed across the city centre.
 - 2% were assessed as 'poor' including sites which were vacant and derelict.
45. An assessment of office vacancy in the city was also undertaken to further inform understanding of the existing supply picture:

- Business Rate Empty Properties data supplied by the council's Local Taxation team identified that, as at December 2006, 14.5% of the city's 1.05 million square metres of office floorspace was vacant.
- Floorspace vacancy in the following city centre wards was: Cabot 18.5%; Lawrence Hill 9.4%; Clifton 10.4%; Clifton East 5.2%; and in Ashley 30.6%

46. Based on this initial review, the city centre's stock of office buildings appears to be generally functioning well in terms of its market attractiveness as evidenced by generally good physical external and internal condition and high occupancy, albeit with significant differences between locations.

47. The study concludes that, for the purposes of the Core Strategy, the city centre will continue to be the main strategic focus for the city's office development as the most sustainable and market-attractive location. However, a more detailed assessment of the city centre office market should be undertaken to inform the Site Allocations Development Plan Document. This is to ensure that future office requirements can be adequately accommodated by safeguarding key sites.

Identifying new sites to be brought forward

New office floorspace

48. The study concludes that an additional 236,000 square metres of office floorspace is required between 2006-2026.

49. The study's consultant, Alder King, estimate that based on current levels of take-up there is a 15-year supply of Grade A office accommodation in the planning pipeline and report the danger of over-supply if permissions are implemented.

50. The study concludes that, given this adequate short and medium-term supply, it is not considered necessary in this ELS to identify sites to meet additional floorspace requirements.

51. Nevertheless, in order to ensure that sufficient sites are available to meet long-term needs it will be important that development in the city centre (the most sustainable location for this office growth) and other parts of the city is carefully planned and managed.

New industrial and warehousing land

52. The study recommends that 24.5 hectares of new industrial and warehousing land in areas of the city other than Avonmouth should be provided in the period 2006-2026.

53. The intensification and recycling of existing industrial and warehousing sites and areas (i.e. PIWAs) is likely to provide a contribution to this

requirement. However, this cannot be easily quantified as it will be based on the decisions of private individuals and organisations and future market conditions.

54. Therefore, an exercise was undertaken to identify potential new sites which could help meet this requirement. Due to the built-up nature of Bristol, as well as development plan designations which presents significant obstacles to development (e.g. green belt, flood risk, open space etc), the ability to allocate new industrial and warehousing land within the city is extremely constrained.
55. Nevertheless, three options were identified as having potential to meet the 24.5 hectare requirement. These are:
- a. an area to the east of Brislington Park and Ride, south of the A4. This approximately 20 hectare site is currently open land which benefits from close proximity to the Brislington Trading Estate and the A4 and Avon Ring Road. It does however fall within the Green Belt and also has a Wildlife Network Site designation within the Local Plan. These both represent significant obstacles to allocation through the Bristol Development Framework. The Green Belt designation, in particular, places severe constraints on new development. The essential purpose of the Green Belt designation, as set out in PPG2 'Green Belts', is for land to remain open. If the council wishes to promote this site for development it will have to demonstrate to the Secretary of State the exceptional circumstances which justify a re-drawing of the Green Belt boundary.
 - b. the current boundary of the PIWA designation at the Novers Hill and Vale Lane Industrial Areas along Hartcliffe Way could potentially be extended over the adjacent open space and horse grazing land to provide approximately 5 hectares of new industrial and warehousing land. However, this area has a number of Local Plan environmental designations (e.g. Open Space, Wildlife Network Site) which also present significant constraints on the appropriateness of industrial and warehousing development.

In addition, regarding the two sites identified above, it cannot be guaranteed that they have the potential to attract all of the different sources of industrial and warehousing demand highlighted at Stage 2.

As part of wider work to drive forward the regeneration of South Bristol sites may be identified which may contribute to the meeting of this requirement.

Recommendations

Core Strategy DPD

56. Government guidance on producing Core Strategies² advises that it should include the local authority's strategy for promoting the well being of the local economy. This should incorporate: “..the identification of the scale of new employment land needed, for what purpose and broad locations within and around settlements”.
57. The ELS recommends that the Core Strategy enables the future delivery of:
- 24.5 hectares of new industrial and warehousing land in areas of the city apart from Avonmouth in the period 2006-2026.
The Core Strategy should consider the potential to meet this requirement through three locational options in South Bristol:
 - a. an area to the east of Brislington Park and Ride to provide approximately 20 hectares
 - b. an extension of the Novers Hill and Vale Lane PIWA boundaries to provide approximately 5 hectares.
 - c. alternative or additional industrial and warehousing locations which may contribute to the regeneration of South Bristol.
 - 236,000 square metres of new office floorspace between 2006-2026.
The Core Strategy should consider promoting the city centre as the main focus for this development. Scope to provide for office development will also be considered as part of efforts to regenerate South Bristol.
58. The ELS recommends that the Core Strategy considers the inclusion of a core policy which identifies 60 of the 68 main industrial and warehousing areas reviewed by the ELS as vital in helping to meet the city's strategic industrial and warehousing needs. This policy should permit the change of use to non-B1c, B2 and B8 uses only in exceptional circumstances as they represent the strategically-important stock of very limited, difficult-to-replace land suitable in the city for industrial and warehousing uses.

Site Allocations DPD (due to commence preparation in 2008)

59. The ELS recommends that 60 of the 68 PIWAs reviewed should be considered for inclusion within the Site Allocations DPD. This is so that they receive statutory development plan designation which protects them for B1c (Light Industrial), B2 (General Industrial) and B8 (Storage and Distribution) Use Class Order uses.
60. The study recommends that a more detailed assessment should be undertaken of the 'market attractiveness' and 'sustainability' of the city's non-PIWA industrial and warehousing sites. This will inform their

² 'Core Strategy Guidance', Planning Advisory Service, December 2006

contribution both to the local economy and to citywide industrial and warehousing needs. It will also inform whether they should be considered in the Site Allocations DPD for statutory development plan designation protecting them for continued industrial and warehousing uses. In order to be practicable, this further assessment should prioritise sites in particular locations; for example, Neighbourhood Renewal Areas, South Bristol and areas with the lowest job/workforce ratio.

61. The study concludes that a more detailed assessment of the city centre office market should be undertaken. This will inform the Site Allocations Document by identifying key sites that should be safeguarded to enable future floorspace requirements to be met. It will also identify the characteristics of buildings suitable for refurbishment and redevelopment. This more detailed review will help ensure the city centre can accommodate much of the strong growth in office-based employment expected to take place in the city in the next 20 years.

Future Employment Land Studies and monitoring

62. The ELS recommends that a comprehensive employment land and premises database is developed and maintained which covers all seven categories for monitoring noted in the Government's guidance on employment land reviews.
63. The ELS recommends that, in accordance with the Government guidance on Employment Land Reviews and draft RSS policy ES3a qualitative review of the city's main employment sites and areas is undertaken every three years.
64. The ELS recommends that consideration should be given to future ELSs being carried out jointly by the West of England authorities. A joint ELS has not been possible on this occasion due to differing Unitary Authority development plan timetables but could be useful to ensure the most resource-efficient approach to covering often closely-connected, cross-boundary employment and economic issues.

1 INTRODUCTION

- 1.1 Bristol City Council has undertaken an Employment Land Study (ELS). This is the report of the study's findings.

Methodology

- 1.2 The ELS has been carried out in accordance with the three-stage approach advocated by the Government's Employment Land Review guidance published in December 2004³. It was undertaken by the council's Economic Regeneration and Strategic and Citywide Policy teams. The council also commissioned Alder King to provide local market expertise and on-going guidance to ensure the study's methodology and findings were grounded in 'market reality'.
- 1.3 Officers also met with a number of key Bristol companies, local commercial property agents and Economic Development and Planning Policy colleagues from the neighbouring authorities during the study to understand key local and cross-boundary economic issues.

Structure of report

- 1.4 This report is structured to follow the recommended three-stage approach.
- 1.5 Section 2 sets the scene for the ELS with a summary of the national, regional and local **policy context**.
- 1.6 Section 3 reports on Stage 1 of the ELS – **Taking stock of the existing situation**. This stage involved reviewing key local economic and employment issues and identifying employment sites with an uncertain future (e.g. because of long-term vacancy) for more detailed analysis.
- 1.7 Section 4 describes Stage 2 of the study – **Creating a picture of future requirements**. This stage analysed economic forecasts, recent trends and local policy aspirations to quantify the amount of industrial and warehousing land and office floorspace required by the city and its key economic sectors in the period to 2026.

³ Employment Land Reviews: Guidance Note, Office of the Deputy Prime Minister, December 2004

- 1.8 Section 5 reports on Stage 3 – **Identifying a “new” portfolio of employment sites**. In this stage, a qualitative review of the city’s main employment areas and sites was undertaken to assess their suitability for continued employment use. These site assessments were undertaken between July 2006 and February 2007. Some further assessments took place later in 2007 in response to comments on the draft ELS report of July 2007.
- 1.9 Section 6 brings together the key findings of Stages 2 and 3 to provide **conclusions** on the study’s results.
- 1.10 Section 7 sets out a number of **recommendations for the Bristol Development Framework**. Once finalised the ELS report will be part of the evidence base used to inform and justify the council’s 20-year employment land strategy as set out in the Bristol Development Framework’s emerging Core Strategy. Section 7 therefore provides recommendations for this strategic planning document.
- 1.11 It also makes recommendations for further evidence gathering required to inform and support the Bristol Development Framework’s Site Allocations Development Plan Document.
- 1.12 A **glossary of terms** used is supplied at the end of the main report. Finally, **Annexes** are provided of the results of the Stage 3 assessment of the city’s main industrial and warehousing areas; a detailed analysis of Bristol’s key economic sectors; and the general market commentary provided by Alder King to inform the study.

2 POLICY CONTEXT – SUMMARY AND ANALYSIS

- 2.1 This section helps to set the scene for the study by highlighting the policy context regarding drivers for economic development and regeneration in Bristol.

Summary of analysis

Cities and economic well being

- 2.2 National policy emphasises strongly the key role that cities will play in helping drive future UK economic growth and to meet the challenges of globalisation⁴. Growth of the knowledge economy is recognised as being vital for success. Cities feature many of the attributes – diverse economies, a critical mass of both organisations and employees and a means for interchange between them – that have driven growth in the past and offer the potential to do so in knowledge based industries in the future. Growth of individual cities will also aid the development of surrounding areas, regions and other cities.

The economic importance of Bristol

- 2.3 Public policy at national and regional level recognises Bristol as a strong performer with key economic strengths and has identified it as one of England's eight core cities. Its strengths in science, research and development have led to it being designated one of the UK's premier Science Cities. The city is recognised as the "economic hub of the South West"⁵ in the draft Regional Spatial Strategy (RSS) of 2006. These policies in effect confirm that Bristol has an important contribution to make to national economic growth.
- 2.4 Sub regional and local policies do likewise. The Bristol Partnership's goal, as set out in the 2006 Community Strategy is "for the Bristol economy to be at the dynamic heart of a City Region which is at or near the top of UK and European premier leagues for both economic performance and quality of life"⁶. The West of England Partnership has a similar aspiration for the sub-regional economy. Government's award of New Growth Point status to the West of England, with the award of £1.25m in 2007/8 to aid delivery, recognises the commitment of local authorities in the West of England area to deliver growth⁷.

⁴ For example, this is emphasised in Devolving decision making: 3 – Meeting the regional economic challenge: The importance of cities to regional growth (HM Treasury/DTI/ODPM March 2006) and Local Government White Paper 2006

⁵ The Draft Regional Spatial Strategy for the South West 2006-2026, Policy SR4

⁶ Bristol's Community Strategy 2006, The Bristol Partnership page 2.5

⁷ New Growth Points – Partnership with Growth with Government, DCLG 2006

- 2.5 The 2006 draft RSS sets a target for over 92,000 new jobs to be created in the Bristol Travel To Work Area between 2006-2026⁸. Recognising the diversity of its economy, the evidence base for the Regional Economic Strategy cites Bristol TTWA's potential to grow in a range of sectors including creative industries, aerospace and advanced engineering, ICT, retail, professional services, biotechnology, environmental technologies, tourism and construction⁹. The city's universities are also identified as giving it great strengths and the Port of Bristol has been identified as having strong potential to grow.

Growth to tackle deprivation

- 2.6 In addition to building on the city's existing business strengths, sustainable economic growth can also help tackle the high levels of socio-economic deprivation faced by residents in parts of the city¹⁰ by providing additional employment opportunities.
- 2.7 National policy support comes in the form of Planning Policy Statement 1 "Delivering Sustainable Development" which emphasises that economic development can deliver environmental and social benefits. The Draft Regional Spatial Strategy also identifies addressing multiple deprivation in Bristol as a priority¹¹. At the local level, a key objective of the Bristol Partnership is to ensure that all people and neighbourhoods in Bristol can contribute to, and benefit from, a thriving economy¹².

South Bristol focus

- 2.8 There is also a strong emphasis within regional and local policy on tackling the particular social and economic problems faced in South Bristol. The RSS makes clear that a "major strategic objective is to revitalise the South Bristol area". The Community Strategy highlights how strategic investment will be centred on three regeneration zones, one of which is South Bristol.

Conclusion

- 2.9 National, regional and local policy all promote sustainable economic development to ensure Bristol optimises its contribution to improving national economic well-being, supporting key local growth sectors and

⁸ It is important to note that the Bristol Travel To Work Area covers the Bristol conurbation and an area larger than that covered by the Bristol City Council unitary authority area boundary alone

⁹ Regional Economic Strategy for South West England: Spatial implications – place matters, South West of England Regional Development Agency, May 2006 page 11

¹⁰ For example, according to the Government's 2004 Indices of Multiple Deprivation, 35 out of Bristol's 252 Super Output Areas (small geographical units containing a resident population of around 1,500 people) are in the most deprived 10% nationally. There are significant concentrations of deprived SOAs in South and Central Bristol.

¹¹ The Draft Regional Spatial Strategy for the South West 2006-2026, page 194

¹² Bristol's Community Strategy 2006, The Bristol Partnership, page 2.5

tackling persistent socio-economic disadvantage, particularly in South Bristol.

- 2.10 As discussed, one of the 2006 Bristol Community Strategy's five long-term aims is to achieve a thriving economy. The Bristol Development Framework, as the land-use delivery arm of the Community Strategy, will seek to ensure that its planning policies and proposals secure this aim by providing an adequate, balanced portfolio of employment land and sites to facilitate continued growth.
- 2.11 The role of the ELS is to provide evidence to inform and justify the council's approach to achieving this important goal.

3 TAKING STOCK OF THE EXISTING SITUATION

Summary

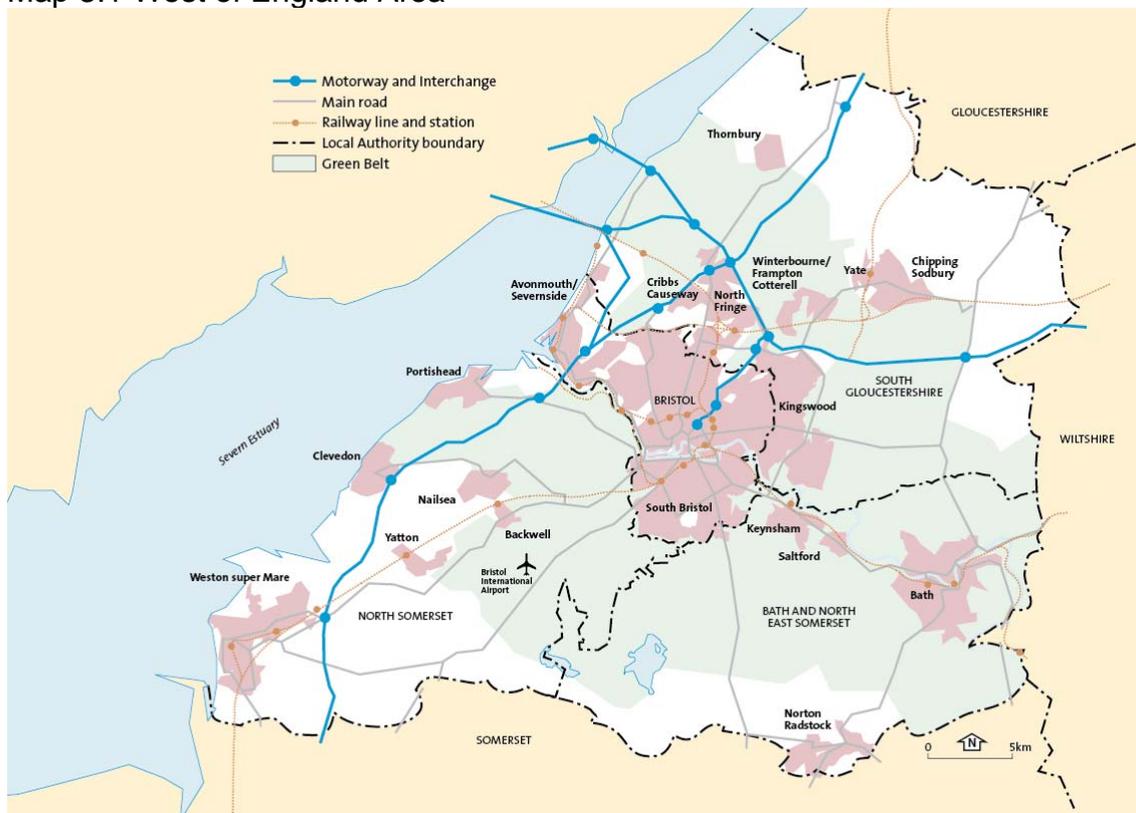
- 3.1 This section reports on work carried out at Stage 1 of the study. In accordance with Government guidance, it had two main objectives:
- To review and understand key local employment and economic facts and issues
 - To identify employment sites with an ‘uncertain future’ (e.g. because of long-term vacancy) and conduct a thorough appraisal of their suitability for employment uses.

Key local economic and employment facts and issues

- 3.2 A number of key employment and economic facts and issues to guide and inform the study were identified at its outset. They also provide context for the remainder of the report.
- 3.3 The city’s industrial and part of its out of town **office** property markets, like the wider economy, transcends Bristol Unitary Authority’s (UA) boundaries. Consequently it is important not to look at Bristol UA in isolation. This report presents an impression of Bristol in a wider sub-regional context where appropriate.

Bristol’s economy in context

Map 3.1 West of England Area



Economic structure

- 3.4 In 2004 over 229,000 people were employed in the Bristol City Council local authority area¹³. This represented 44% of the total number of people employed in the West of England¹⁴. In the same year the City had by a sizeable margin the largest economy measured by workforce size of all the major conurbations in the South West of England, even without taking into account the number of people employed in the part of the Greater Bristol conurbation covered by South Gloucestershire.
- 3.5 The largest sectors in Bristol UA area measured by employment are banking, finance and insurance and public administration, education and health, each employing approximately 30% of the workforce. The number of people working in Bristol broken down by broad industrial sector is highlighted below. Figures are rounded to the nearest 5%.

Table 3.1: breakdown of workforce by sector

Sector	Proportion of people employed in Bristol working in sector, 2005 (%) ¹⁵
Agriculture and fishing	<5
Energy and water	<5
Manufacturing	5
Construction	5
Distribution, hotels and restaurants	20
Transport and communications	5
Banking, finance and insurance	30
Public administration, education and health	30
Other services	5

Recent trends

- 3.6 Bristol UA's workforce grew by approximately 15% in the period 1984-2004. Intensive growth in the late 1980s was interrupted by contraction in the early 1990s, but since then the city has witnessed even higher growth rates, averaging over 3,200 new jobs per year between 1995-2002. There is some evidence to suggest, however, that since 2002 the growth rate has been falling¹⁶.
- 3.7 Bristol UA's employment growth was in line with developments in other Core Cities between 1995-2001, according to Government research. The City's percentage increase was the 3rd highest of the Core Cities,

¹³ ONS Annual Business Inquiry, amended by BCC Economic Development to remove apparent systematic errors

¹⁴ For the purposes of this report the West of England is defined as the area covered by Bath and North East Somerset Council, Bristol City Council, North Somerset Council and South Gloucestershire Council unitary local authorities

¹⁵ Source: ONS Annual Business Inquiry

¹⁶ ONS Census of Employment and ONS Annual Business Inquiry, amended by BCC Economic Regeneration to remove apparent systematic errors

with only Manchester and Liverpool seeing stronger growth¹⁷.

- 3.8 Bristol UA's position within the sub-regional economy has changed in recent years. Its share of the sub-regional workforce has declined. Notably the UA's workforce has grown at the smallest rate of all of the sub-regional areas. The table below highlights for each of the UA areas in the West of England their share of the sub-region's workforce in 1995 and 2004 and give an indication of the scale of their growth over the period 1995-2004.

Table 3.2: Developments in West of England UA economies 1995-2004

	Share of WOE workforce 1995	Share of WOE workforce 2004	Growth of area's workforce 1995-2004
Bath and North East Somerset	17.3%	17.3%	22.8%
City of Bristol	49.6%	44.0%	8.8%
North Somerset	12.6%	13.4%	29.8%
South Gloucestershire	20.5%	25.3%	51.8%

Source: ONS Annual Business Inquiry

- 3.9 Bristol UA's share of Bristol Travel To Work Area employment has also been declining over time. It fell from 65% to 60% over the period 1991-1998. This decline continued between 1998-2004, with the city's share falling to 56%¹⁸.

Sub-regional economic growth

- 3.10 The West of England economy has performed well in recent years and in 2004 employed approximately 511,000 people. Its trends have been broadly similar to those of Bristol, thus reflecting Bristol's dominant role in the West of England's economy.
- 3.11 The West of England enjoyed a high growth period between 1995-2000, seeing increases in its workforce of around 10,000 new jobs per year. Growth has been steady since the early part of the decade and by 2003 was expected to be no more than 3,600 jobs per year.
- 3.12 Falling employment trends are not explained by any significant changes in office, industrial and warehouse based employment with the possible exception of trends in the wholesale and distribution sector. That said, looking at the West of England employment growth rate trend, evidence suggests that the wholesale and distribution sector declined slightly between 1995-2004 but the scale of its decline is smaller than that of the overall growth rate.

¹⁷ "Competitive European Cities: Where do the Core Cities stand?", ODPM January 2004, pages 19 and 20

¹⁸ ONS Annual Business Inquiry and Annual Employment Survey

Output and productivity growth

- 3.13 Bristol's economic output as measured by Gross Value Added increased by 74% between 1995 and 2004 and totalled £9,439 million at the end of that period. Bristol's three neighbouring authorities saw their combined Gross Value Added grow by 91%, a greater margin than in Bristol. However, the city's share of sub-regional output in 2004 – 44% - broadly reflected its share of sub-regional employment. Over 80% of this growth in the surrounding areas and almost 90% in Bristol's case was accounted for by service based industries¹⁹.
- 3.14 Productivity per head, as measured by GVA per capita, has increased in both Bristol and in the city's neighbouring authorities. Bristol's has increased by 73%, from £13,871 in 1995 to £23,962 in 2004. GVA per capita for all of Bristol's neighbouring authorities together was slightly lower than Bristol's in 2004 - £19,821 – but their productivity growth over the period was slightly higher at 80%²⁰.

Growth in a regional and national context

- 3.15 Looked at in a national and regional context, the Bristol economy appears to have performed well. While employment has grown more slowly between 1984-2004, both output and productivity have grown at a faster rate from 1995-2004, the period for which latest statistics are available²¹. Bristol's productivity per head has gone from being 28% higher than the national average in 1995 to 40% in 2004.²² It has the highest productivity rate of all the English core cities. Regionally, it is only bettered by Swindon and, according to ONS statistics, the gap between the two cities is decreasing.²³

Bristol's workforce

- 3.16 Bristol has a highly qualified resident workforce with 33.3% of people of working age holding a degree or equivalent²⁴. This compares favourably with the national average of 26.1%.

¹⁹ Comments on output are based on Headline GVA by NUTS3 area at current basic prices 1995-2004, ONS

²⁰ A degree of caution is required when interpreting these figures. They are based on an area's resident workforce and not the number of people actually employed in an area. They may not present a true reflection of the productivity of people employed in the geographical area to which they relate

²¹ Headline GVA by NUTS3 area at current basic prices 1995-2004, ONS

²² GB employment increased by 25% and SW by 41% between 1984-2004; UK GVA increased by 63% and SW by 70% between 1995-2004; UK GVA per head increased by 58% and SW by 62% between 1995-2004. Figures based on Census of Employment, Annual Business Inquiry and Headline GVA by NUTS3 area at current basic prices 1995-2004, all ONS

²³ Headline GVA by NUTS3 area at current basic prices 1995-2004, ONS

²⁴ ONS Annual Population Survey, Jan-Dec 2005

- 3.17 Despite having a highly skilled workforce, over 13% of the city's resident workforce are described as having no qualifications and there is a significant skills deficit in some parts of the city. A quarter of Bristol's super output areas (SOAs)²⁵ are in the worst 10% nationally for education, skills and training deprivation²⁶. They are particularly concentrated "in the social housing areas in South Bristol"²⁷, especially in Filwood ward.
- 3.18 Unemployment rates are at their highest in Lawrence Hill and Ashley wards in the centre of the city²⁸. Easton's level of unemployment in the workforce is less but still higher than the rate seen in most other wards of the city. In addition, there is also a concentration of unemployment in wards in the south of the city, such as Filwood, Hartcliffe and Whitchurch Park.²⁹

Deprivation in Bristol

- 3.19 Bristol, while having real economic strengths, is also recognised as having pockets of persistent and multiple deprivation. The city has some of the most socially and economically deprived areas in England next to some of the least deprived ones. According to the Government's latest Indices of Multiple Deprivation (2005), 35 out of Bristol's 252 SOAs are in the worst, most deprived 10% nationally. Two – Old Market and the Dings and Easton Road – are in the most deprived 100 SOAs in England. In the South West of England, a quarter of the SOAs in the most deprived 10% are in Bristol.³⁰
- 3.20 The highest levels of deprivation are concentrated in the centre (featuring SOAs in Lawrence Hill, Ashley and Cabot wards) and south of the city (running south from the city centre into SOAs in Southville, Windmill Hill, Filwood, Hartcliffe, Whitchurch Park and Bishopsworth). Isolated deprivation exists in SOAs in Lockleaze, Southmead, Henbury and Kingsweston wards.

Distribution of employment and access to it

Spatial distribution of employment

- 3.21 The map below highlights the distribution of employment across the Bristol conurbation. The largest concentration of employment – 102,000 – is in Central Bristol. Bristol's North Fringe is the next biggest employer, being home to 67,500 jobs. The number of people working

²⁵ Census based geographical areas used for data collection and analysis purposes. They are smaller than local authority wards containing, on average, a population of 1,500 people.

²⁶ Deprivation in Bristol, Bristol City Council 2004 page 20

²⁷ Ibid, page 20

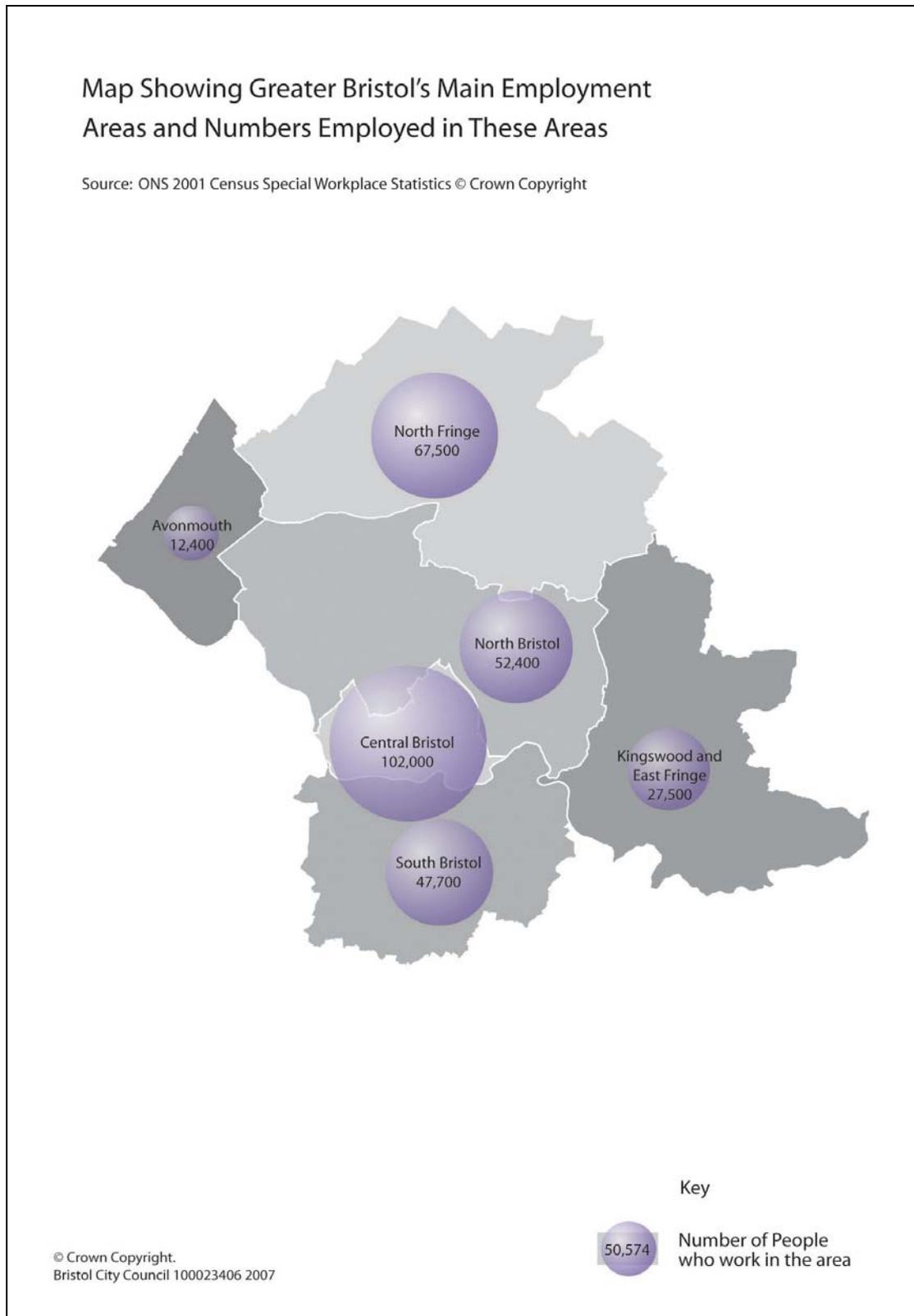
²⁸ Unemployment in Lawrence Hill stood at between 8-9% of the resident workforce as at January 2007; Ashley's unemployment rate sat at between 6-7%

²⁹ Source: Bristol City Council Research and Monitoring Team, 2007. Based on unemployment claimant data from NOMIS as of January 2007

³⁰ Ibid, page 7

in the centre of the city is double that working in either north or south Bristol.

Map 3.2 - Greater Bristol's Main Employment Areas



Local employment opportunities

3.22 Figure 3.1 identifies the ratio of jobs to resident workforce in different parts of the city. The number of jobs exceeds people in the resident workforce by a margin greater than 2:1 in Cabot, Lawrence Hill and Avonmouth wards, all well-established employment areas. In other words, these areas are net importers of labour. Jobs in Clifton and Southmead wards and areas to the south of Cabot ward also exceed their resident workforces but by a smaller margin.

3.23 The opposite is true of other areas in the city. That this applies to South Bristol (with the exception of Bedminster and Southville) is worth noting given the scale of employment land in the area. This may reflect the presence of low-density employment uses.

Figure 3.1 – Jobs to Workforce ratio in Bristol's wards

Ratio of Jobs to Resident Workforce

Source: 2001 Census Standard Tables

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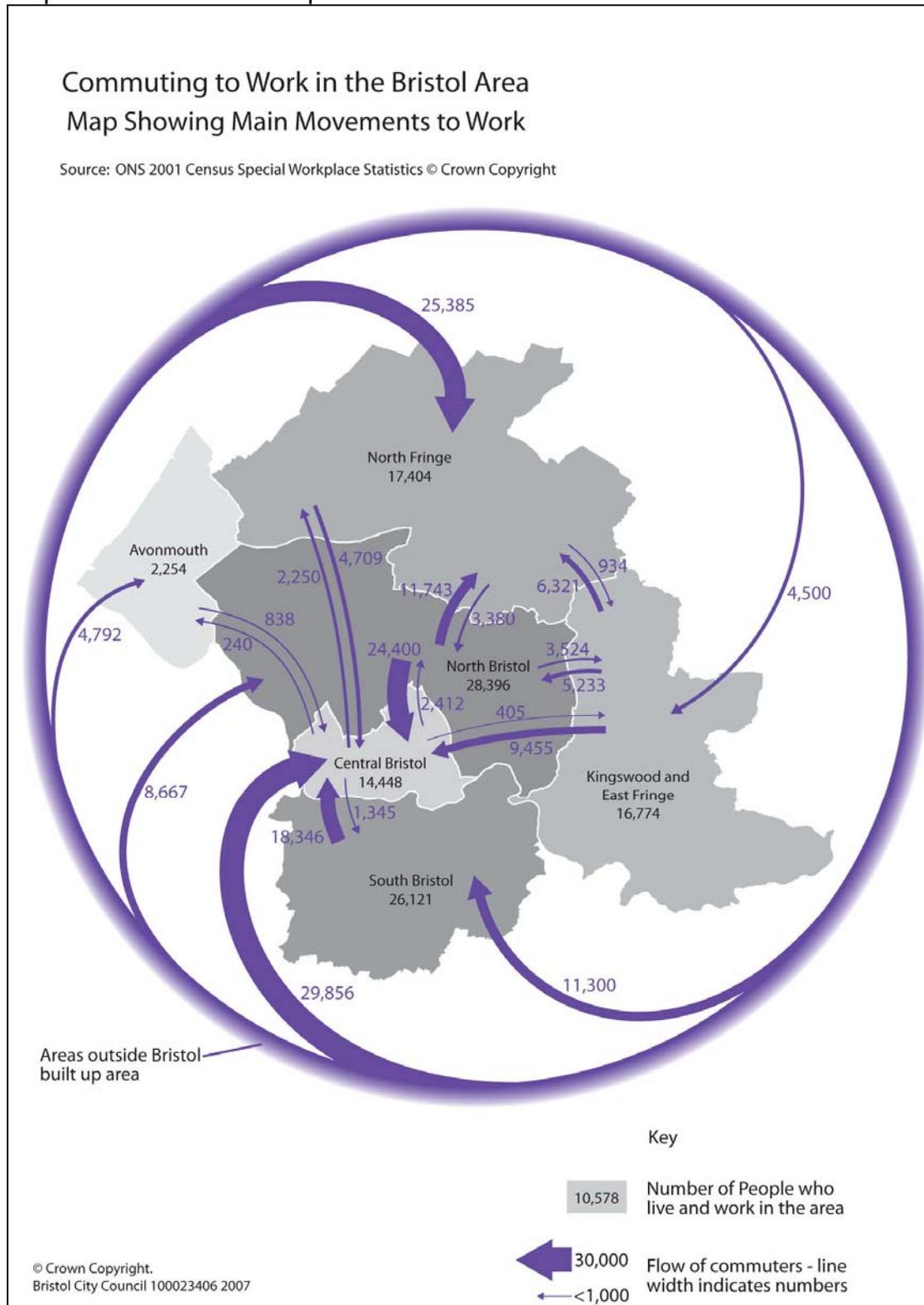
Ref	Ward	Population aged 16- 74	Economically active	Economically inactive	Workplace Population 16-74 (Jobs) [1]	Ratio Workplace Population / Economically active aged 16-74
00HBNM	Ashley	8,589	5,981	2,608	9,047	1.5
00HBNN	Avonmouth	8,499	5,756	2,743	12,393	2.2
00HBNP	Bedminster	7,954	5,664	2,290	6,468	1.1
00HBNQ	Bishopston	9,221	6,607	2,614	3,674	0.6
00HBNR	Bishopsworth	7,841	5,077	2,764	4,061	0.8
00HBNS	Brislington East	8,214	6,005	2,209	5,609	0.9
00HBNT	Brislington West	7,654	5,742	1,912	5,326	0.9
00HBNV	Cabot	8,497	4,903	3,594	54,067	11.0
00HBNW	Clifton	8,683	5,645	3,038	4,891	0.9
00HBNX	Clifton East	8,215	5,321	2,894	5,965	1.1
00HBNY	Cotham	9,382	6,257	3,125	3,722	0.6
00HBNZ	Easton	7,672	5,455	2,217	2,717	0.5
00HBPA	Eastville	8,015	5,653	2,362	2,977	0.5
00HBPB	Filwood	7,685	4,421	3,264	2,589	0.6
00HBPC	Frome Vale	7,597	4,908	2,689	4,672	1.0
00HBPD	Hartcliffe	7,842	4,860	2,982	2,393	0.5
00HBPE	Henbury	6,552	4,163	2,389	1,624	0.4
00HBPF	Hengrove	8,111	5,691	2,420	3,643	0.6
00HBPG	Henleaze	7,420	5,249	2,171	2,938	0.6

00HBPH Hillfields	8,573	5,722	2,851	3,735	0.7
00HBPJ Horfield	8,439	5,465	2,974	6,824	1.2
00HBPK Kingsweston	7,187	4,604	2,583	1,484	0.3
00HBPL Knowle	7,722	5,416	2,306	2,374	0.4
00HBPM Lawrence Hill	7,739	4,495	3,244	28,160	6.3
00HBPN Lockleaze	7,660	4,774	2,886	3,568	0.7
00HBPP Redland	8,324	5,865	2,459	2,828	0.5
00HBPQ St. George East	8,287	6,068	2,219	2,220	0.4
00HBPR St. George West	7,682	5,420	2,262	2,526	0.5
00HBPS Southmead	7,393	4,887	2,506	2,621	0.5
00HBPT Southville	7,661	5,457	2,204	8,056	1.5
00HBPU Stockwood	7,881	5,374	2,507	1,358	0.3
00HBPW Stoke Bishop	7,401	3,852	3,549	1,698	0.4
00HBPX Westbury-on-Trym	6,989	4,789	2,200	3,107	0.6
00HBPY Whitchurch Park	8,000	5,109	2,891	4,076	0.8
00HBPZ Windmill Hill	8,502	6,223	2,279	2,006	0.3

Travel to work patterns and cross-boundary connections

- 3.24 Since the late 1980s and the subsequent creation of some 15,000 jobs in the new North Fringe business parks in South Gloucestershire, the traditional patterns of commuting to Bristol City Centre and local journeys between centres has changed significantly.
- 3.25 An increasingly complex pattern of journey to work has emerged which is illustrated in Map 3.3 below. Map 3.3 also emphasises the strong cross-boundary economic inter-dependencies within Greater Bristol and between Bristol City and South Gloucestershire UA areas (where the North Fringe and Kingswood and East Fringe areas highlighted on the map are located), in particular. At the same time, it highlights strong inflows to both Central Bristol and the North Fringe and the strong pull the conurbation provides to people living outside the area to travel to the city for work.
- 3.26 Evidence suggests that in Central Bristol the number of jobs far outweighs the number of people who live and work in the area. The difference between the two is almost tenfold. This suggests that people are currently prepared to travel beyond their immediate locality to get to work.

Map 3.3 – Travel to work pattern in the Greater Bristol area



Commuting by car

3.27 Evidence suggests that generally the further an area is from the city centre the more likely it is that people will travel to work by car. Concentrations of SOAs where the resident workforce is most likely to travel to work appear in the north western quarter of the Bristol UA

area, parts of St George East and Brislington East wards and other parts of South Bristol including much of Hengrove ward. This may reflect lower employment densities in many of these areas. The west end of Bedminster ward also shows a high propensity to travel to work by car, which may be considered surprising given the scale of employment land in the ward and surrounding area and its proximity to the city centre.

Property market analysis

Floorspace growth and property market developments

- 3.28 Differences in workforce growth across the West of England may be explained by significant changes in office, industrial and warehouse floorspace in the 4 Unitary Authority areas. Floorspace growth was particularly strong in South Gloucestershire, whose total office floorspace grew by 824% between 1985-2000 according to Valuation Office Agency-based statistics. All three neighbouring authorities saw 3 digit percentage growth in their stock of office floorspace – the most intensive use of space per person – over the period whereas Bristol’s increased by only 13%³¹. Bristol also saw its stock of industrial and warehouse floorspace reduce by almost half over the same timescale.³²
- 3.29 In their market commentary (see Annex A4 for more details) Alder King have provided a summary of past trends in the market. They report the growth of the out of town office market from the mid 1980s onwards. This has focused on Bristol’s north fringe and is reflected in the growth of floorspace in South Gloucestershire highlighted in the previous paragraph. Demand there has “eclipsed historical demand in the city centre”³³. The Bristol city centre office market itself was characterised by inactivity in the early 1990s. Demand there started to pick up after 1995/96 although the out of town market remained stronger.
- 3.30 Alder King reports that the Bristol office market³⁴ has performed well since 2000, witnessing “unprecedented levels of activity”. This has resulted in “record levels of take up and reduced levels of supply”. They report that much of the prime and secondary business parks in the north fringe have been developed out. The central Bristol office market has recovered with major new developments at locations such as Temple Quay having or in the process of being built out. At the

³¹ Bath and North East Somerset saw growth of 120% and North Somerset 168%

³² Statistics quoted in “Strategic Employment Sites in the WESP Area – appraisal and action plan – final report”, RPS and Alder King for South West of England Regional Development Agency and West of England Strategic Partnership, June 2003 page 27

³³ Alder King market commentary for Bristol Employment Land Study, March 2007. See Annex A4 for full report

³⁴ Bristol City Council analysis of office take up statistics suggests that the Bristol office market area covers an area slightly bigger than the Bristol conurbation, taking in additional pockets such as Keynsham and Pill. All of Bristol city UA and parts of its 3 neighbouring authorities feature in the area

same time small scale office development has taken place on the periphery of the Greater Bristol area.

- 3.31 They also report that the industrial and warehouse market suffered a downturn in the early 1990s. In addition, a change in working practices at national level led to a decrease in demand for small distribution centres in areas including the West of England. However, industrial and warehouse take up did peak in 2000. This peak was influenced strongly by the take up of four large properties.
- 3.32 Consultants report that industrial land supply in the Greater Bristol area³⁵, with the exception of Avonmouth and Severnside, has been under constant pressure since the late 1990s. Former industrial complexes in built up mixed use areas have come under pressure for change of use. Alder King also argues that office and residential uses have crowded out potential industrial and warehouse developments in the north fringe. Overall, agents report demand for industrial and warehouse space which is not being met by supply.

Pressure on employment sites to be redeveloped for housing

- 3.33 Bristol, as in many other parts of the country, is a city where the value of land for housing development greatly exceeds that for employment development (this excludes parts of the city centre for office development). Bristol Property Agents report that residential land values exceed industrial/warehousing land by 3-4 times. This acts as a significant incentive for individual employment site owners and developers to pursue housing opportunities.
- 3.34 Employment sites in Bristol have been very vulnerable to redevelopment for alternative uses. For example, in the last 10 years there has been an annual average loss of some 4 hectares of Use Class B2 (general industrial) and B8 (storage and distribution) employment premises and land. Given the physical boundary constraints of Bristol (e.g. very limited greenfield development land opportunities, Green Belt restrictions), the continued loss of employment land to alternative uses could harm the future economic potential of Bristol as employment sites are very difficult to replace once lost.

Stage 1 analysis: identifying and assessing employment sites with an 'uncertain future'

- 3.35 The Government's Employment Land Review guidance recommends that, at Stage 1, local authorities undertake a brief preliminary assessment of their designated employment sites portfolio. This is in order to identify areas where there might be a substantial over-supply

³⁵ Bristol City Council analysis of industrial take up statistics suggests that the Bristol industrial property market covers a larger area than the office market and is more in line with the boundaries of the West of England

of sites which are unlikely to meet future market requirements and do not meet sustainable development criteria. If there is evidence of such an over-supply then the guidance recommends that these sites should be identified for early release for alternative, more appropriate land uses.

- 3.36 Based on officers' day-to-day working knowledge of the employment stock across the city and informal discussions with Property Agents, it was considered that there were no areas of substantial over-supply of poor quality and vacant stock³⁶. Anecdotal evidence suggested that, on the contrary, the city's main industrial and trading areas and city centre office market were considered to be 'tight' i.e. operating with relatively low vacancy.³⁷
- 3.37 In addition, given the relatively large scale of Bristol's employment stock (e.g. approx 1,300 hectares of Local Plan-designated industrial land and warehousing land alone), it was not considered appropriate or possible to undertake a preliminary Stage 1 sites appraisal in addition to a detailed Stage 3 assessment.
- 3.38 However, it was recognised that there were a number of individual employment sites and premises spread across the city whose continued future was uncertain. This was due to either long-standing vacancy or having been subject to a recent planning application for a change of use.
- 3.39 The council considered it beneficial to identify these 'uncertain future' sites and its consultants were asked to provide a detailed assessment of the likely future attractiveness of these sites to the market. The sites were also subjected to a sustainability and strategic regeneration assessment (which followed the same methodology as that applied to the Principal Industrial and Warehousing Areas, described in Section 5). The results of this assessment would inform the Bristol Development Framework's Site Allocations Document providing clarity on the sites' current and future employment potential and identifying interventions which might be necessary in order for them to more positively contribute to the city's stock of employment land.
- 3.40 The city's stock of employment sites as of December 2005 has been used to determine sites with uncertain future. The list has been slightly amended over time as, for example, planning permissions have been granted which relate to sites captured by the initial analysis. In such cases sites have been removed from the analysis as planning policy relating to them has been determined recently.

³⁶ Agents report that the situation regarding the city centre office market may be changing, with 1960s/1970s stock proving more difficult to attract tenants.

³⁷ For example, a perceived shortage of industrial land coming to the market was highlighted in "Full cry – Bristol's property market is running out of space, especially for small industrial units", Property Week, 15 September 2006

- 3.41 Sites were deemed to have an uncertain future if either of the following factors applied:
- The majority of floorspace on site had been vacant for 3 years prior to 2005
 - The site had been subject to a refused or withdrawn planning application for a proposed change to a non-employment based use between 2000-2005
 - The site was undeveloped or cleared.

3.42 The criteria was still relevant to 93 sites. 58 of these sites are small and under 0.25ha. Very few large sites were identified. The two largest sites are in Avonmouth ward and cover 113.6ha and 45.1ha respectively. Only five, including the two already mentioned, are above 5ha in size. A breakdown of the sites by size band is provided in the table below.

Table 3.3 – ‘Uncertain future’ sites size

Size of site (ha)	>5	2-5	1-2	0.5-1	0.25-0.5	<0.25
Number of sites	5	3	5	8	12	58

3.43 Few obvious geographic concentrations were apparent, with locations spread evenly across employment areas in the city. Possible exceptions include the major sites at Avonmouth already mentioned and a cluster of sites above 0.25ha in the Fishponds Trading Estate PIWA and Filwood Road/Goodneston Road PIWA plus a clutch of small sites in the South Liberty Lane PIWA. Notably there were several uncertain future sites in parts of Southmead and Filwood wards where few employment sites exist.

3.44 Analysis suggested that a majority of sites had potential to attract some form of market interest for employment uses up to 2016. Only 11 were unlikely to attract any form of interest for employment purposes. They were not located in any clear geographic concentration, although it may be significant that two of the 11 sites are in Southmead, an area which features a low presence of B-use class sites. In addition, the majority of sites identified as being unlikely to attract market interest are located in deprived and/or regeneration areas.

- 3.45 Sustainability appraisals of sites suggested that:
- 12 sites scored the highest grade of public transport accessibility and all but 1 of these was in the city centre’s Cabot and Lawrence Hill wards
 - conversely 13 scored the lowest grade. All of these were in either Bedminster or Avonmouth wards
 - 38 sites were located within SOAs classified as England’s 20% most deprived
 - 20 sites were located in SOAs with less than 1 job per worker in the workforce

- 17 sites were located in areas within the Environment Agency's Flood Zone 3, defined as having a "high probability" of flooding, ignoring the presence of flood defences.
- 3.46 Analysis suggested that the majority of uncertain future sites may have some contribution to make to employment land supply in the future but need to be considered in the light of developing regeneration programmes and the requirements of competing land use needs. Findings of the analysis carried out for the ELS will be used to inform discussion on these topics and the development of the Site Specific Allocations Document.

Conclusions

- 3.47 Bristol UA has a diverse economy which has performed well in recent years. This is especially true in a national and regional context. The city enjoys significant strengths in knowledge-based industries such as banking, finance and insurance and public administration, education and health.
- 3.48 While the city's economy has performed well, this performance has been overshadowed by that of its neighbouring authorities. South Gloucestershire has grown particularly strongly. As well as a large increase in its workforce, it has seen a very large increase in floorspace which in turn has been driven by developments on Bristol's north fringe. Bristol is still the dominant force in the sub-regional economy but its share of sub-regional employment has been falling in recent years.
- 3.49 The city's strengths in knowledge based sectors and its highly skilled workforce give it strong foundations for growth. That said, skills deficits, unemployment and persistent deprivation all occur in parts of the city and especially so in the south and centre. Targeted economic growth will provide an opportunity to tackle these problems while at the same time reduce the propensity for car use and create high quality job opportunities closer to home.
- 3.50 In recent years the Bristol property market has performed strongly. The city centre office market shows signs of continuing strength. The industrial market is reported as suffering from a shortage of supply.
- 3.51 Given the city's potential for economic growth and the strength of the property market plus their presence in deprived areas, the 'release' of these 'uncertain future' sites for alternative uses is considered inappropriate.

4 CREATING A PICTURE OF FUTURE REQUIREMENTS

Summary

- 4.1 This section seeks to quantify future requirements for employment land using a range of complementary approaches. It is intended to meet the requirements of stage 2 of the approach outlined in Government guidance on employment land reviews.
- 4.2 This section attempts to assess future requirements by analysing:
- economic growth forecasts
 - property market commentary on demand
 - potential requirements of key sectors.
- 4.3 After analysing and coming to a view as to the most appropriate scenario to plan for, jobs growth numbers have been translated into floorspace and land requirements. These have been compared with developments in the pipeline to give an outstanding requirement for the period 2006-26.
- 4.4 The section also addresses the potential outcome of another growth scenario, in line with Government guidance.
- 4.5 Analysis is based on:
- Research carried out by Bristol City Council Economic Regeneration
 - Informal discussions with over 20 key companies based in Bristol about their present and future property requirements
 - A property market commentary provided by the study's specialist consultants, Alder King
 - Analysis of take up trends provided by the Bristol Office Agents and Industrial Agents Societies.

Assessing future employment land requirements

a) Projections of economic growth

Cambridge Econometrics based projections of growth

- 4.6 Work carried out by Cambridge Econometrics using their local economic forecasting model to aid the development of the South West's regional spatial and economic strategies³⁸ can be used to help forecast Bristol's future growth. These forecasts have provided the basis for figures quoted in the RSS.

³⁸ These forecasts were provided by Cambridge Econometrics for the South West Regional Assembly

- 4.7 It is important to note that economic forecasting is an inexact science and, consequently, forecasts do not provide a guarantee of future performance. Rather, forecasts provide an indication of how the economy might perform in the future.
- 4.8 Three Cambridge Econometrics forecasts are relevant to this analysis:
- Growth of 2.5% per annum in national GVA applied to the West of England³⁹. This is a trend based forecast.
 - Growth of 2.8% per annum in regional GVA applied to the Bristol Travel To Work Area⁴⁰. This forecast assumes high growth.
 - Growth of 3.2% per annum in regional GVA applied to the Bristol Travel To Work Area. This forecast is based on the 2.8% p.a. regional growth scenario but assumes particularly high growth in knowledge based industries over the forecast period.
- 4.9 A factor has been applied to each forecast to derive a Bristol share of economic growth identified within them. This has been necessary because the Cambridge Econometrics forecasts all cover larger geographical areas than the City of Bristol UA area. The factor applied has been based on the city's current share of the relevant geographic area's economy.
- 4.10 It is important to note that the share has been applied as a constant to each of the forecasts. It does not take account of the City of Bristol's unique growth trends other than how they have been accounted for by Cambridge Econometrics in their forecasts. Consequently it does not reflect the decline in Bristol's share of its Travel To Work Area and the West of England economy. In addition, they are policy neutral in a Bristol sense in that they do not take account of specific City Council policies to stimulate growth in the city.
- 4.11 The Cambridge Econometrics forecasts each feature a different assumption of historic levels of employment. For this reason jobs growth or loss numbers are quoted in this report rather than absolute numbers of people employed when reference is made to each forecast.
- 4.12 The scale of employment growth across the whole economy that is suggested using BCC's analysis of Cambridge Econometrics forecasts is shown below:

³⁹ Comprises the areas covered by the following local authorities: Bath and North East Somerset Council, Bristol City Council, North Somerset Council and South Gloucestershire Council

⁴⁰ Travel To Work Areas (TTWAs) are defined by ONS using Census. They represent geographic areas where at least 75% of the resident economically active population work in the area and 75% of everyone working in the area actually live in the area

Table 4.1: Jobs growth in Bristol economy 2006-2026

Forecast on which assessment is based	Growth in number of jobs (000s)		Jobs growth rate (000 jobs/year)	
	2006-2016	2016-2026	2006-2016	2016-2026
2.5% pa growth in national GVA	17.8	16.2	1.8	1.6
2.8% pa growth in regional GVA	23.7	20.0	2.4	2.0
3.2% pa growth in regional GVA	31.7	22.5	3.2	2.2

b) Demand identified by the property market

Offices

- 4.13 In 2006, the Bristol city centre office market saw take up of 78,500 sq m of space. This total was ahead of the 10-year average of approximately 67,250 sq m. In the same year, the Bristol out of town office market witnessed take up of 25,500 sq m, which the study's consultants describe as being consistent with the 10 year average of approximately 26,800 sq m. Take up has been driven by interest from the professional, Government, financial services and service sectors.
- 4.14 As part of its work to support BCC staff undertaking the study, Alder King provided a commentary on the property market as at March 2007. Consultants report a vibrant market and continued interest arising from the professional and financial sectors. They estimate that in January 2007 approximately 84,000 sq m of office space was available in the Bristol market, of which 70,000 sq m was in the city centre. Much of this space is described as being "poor second hand accommodation of varying quality but generally with an outmoded specification and small floor plates". Consultants report a continued shortage of Grade A specification accommodation in the city centre and out of town office markets. Only 8,900 sq m of Grade A accommodation in the city centre was available in January 2007, against an annual average take up of such space in the region of 20,400 sq m. The out of town picture was much the same, with only 2,800 sq m available against an annual average of 11,500 sq m. That said, the market is responding through speculative developments.
- 4.15 Alder King estimate the existence of a potential 15 year supply in the city centre office market given current levels of take up of new space. They highlight a danger of oversupply in conditions such as present where office values are greater than residential ones. They flag the need to ensure that the planning system works to protect supply.
- 4.16 Good accessibility to public transport is reported as being increasingly important to city centre occupiers, an assertion also borne out in Bristol City Council consultation with local firms. Consultants note how the

prime core of the market has shifted towards Temple Quay and Victoria Street and argue that this trend is likely to continue. That said, demand is expected to be such that the main central and Clifton office areas are likely to remain sustainable, although there may be pressure on the now secondary central office areas for alternative types of development. Areas around Bond Street and St James Barton then along the inner ring road to the end of Baldwin Street are now considered secondary.

- 4.17 Consultants report a strong demand for Grade A accommodation with large floor plates (930-2,790 sq m/10,000 – 30,000 sq ft) driven by modern working practices and the desire for open plan accommodation on one floor. Requirements for environmentally friendly buildings continue to grow. Consultants note that new buildings tend to perform best against such criteria.

Industrial and warehouse

- 4.18 Consultants report that historic annual take up for industrial and warehouse space has been in the range 255,000-275,000 sq m fairly consistently between 1995-2005. Their view is that failing a change in economic circumstances there is no reason to suppose that the current level of take up will not continue as long as a shortage of land does not become so acute as to squeeze occupiers out of the market. They also estimate that there is potential latent demand for up to 10-20% of current annual take up⁴¹.
- 4.19 Analysis of take up statistics covering the period 2002-5⁴² suggest that:
- A significant proportion featured B8 space. B8 was taken up in all of the established industrial and warehousing locations in the city
 - B2 take up was limited in number and individual transactions were spread across the city
 - While there were less in number than B8, transactions featuring B1 were similarly spread across established industrial and warehouse locations. The most significant concentrations were in Avonmouth, Brislington and the South Bristol Business Park.
- 4.20 Consultants report an extensive supply of land at Avonmouth and Severnside. This land is suitable for accommodating developments arising from supply chain consolidation that will require buildings in a range of 150,000-300,000 sq ft (13,950-27,900 sq m) and excellent links with the motorway network. Alder King note that the shortage of industrial and warehouse buildings and land in areas such as Bristol city is acute. They report that this may be acting as a brake on the

⁴¹ This view is based on their perception of the market as at March 2007. Other property agents have informed the City Council of the existence of potential latent demand.

⁴² Take up information was provided to BCC by the Bristol Office and Industrial Agents Societies. Data referred to in this paragraph relates to industrial take up statistics. It is important to note that data on use was not collected during the second half of 2003 so the analysis is based on a partial picture of take up over the period.

economy.

- 4.21 During the consultation process the Bristol Industrial Agents Society (IAS) – of which Alder King is part – concurred with the City Council's view that there was a need to provide additional industrial and warehousing land to meet demand in the city. They also identified a developing need to provide more at Avonmouth, that was driven by the demands of an expanding and developing retail sector and changes in distribution patterns and practices. They noted that the growth of the Port of Bristol was likely to add to this demand.
- 4.22 Alder King report demand for industrial and warehousing land that has the following characteristics:
- Fully serviced
 - Freehold availability
 - Good road accessibility, without danger of conflict with residential areas
 - Either established industrial areas or zoned industrial land which does not offer potential for danger of conflict with residential areas
 - Ability to have secure yards and some limited open storage.
- 4.23 Alder King reports that strategic land – 20ha or more – meeting these characteristics is required in the North East, South East and South West areas of the Greater Bristol property market. Smaller allocations of 2-10ha are needed in locations such as South Bristol, according to Alder King.
- 4.24 Alder King also identifies that additional provision is needed to factor in an element of choice into the market.
- 4.25 Alder King also notes that some form of specific protection may be required to preserve development land for industrial and warehouse uses. These uses may be less attractive to developers than, say, other B1 uses such as office because they will generate lower land values.

c) Likely requirements of key sectors

- 4.26 A number of sectors, deemed important to the local economy, have had their growth potential examined. Sectors have been deemed important because of factors such as their contribution to economic output, the number of people they employ, the profile they have themselves and how they contribute to the city's image and reputation and, finally, their growth potential. City Council staff have also consulted with over 20 key companies in these sectors in the course of this research.
- 4.27 A full report on this analysis, plus any specific property requirements that may arise, are highlighted in Annex A3. The table below presents a summary of the findings.

Table 4.2: Sector growth potential and spatial requirements

Sector	Growth potential	Specific spatial requirements
Aerospace and advanced engineering	Although employment is expected to decline, the West of England and wider SW region has great strengths in this sector. Its development has been identified as an SWERDA priority	Requirements for large industrial premises have been forecast to decline, while the need for research and development and light industrial space is expected to increase
Banking and insurance	Workforce numbers are forecast to remain static. However, Government policy is for the sector to grow nationally and Bristol is identified as a key financial centre nationally	Office space with good access. Take up statistics show propensity to locate in city centre.
Professional services	Workforce numbers are forecast to grow strongly	Grade A office space with good access. Take up statistics show propensity to locate in city centre.
Creative industries	Government research has highlighted strong potential for growth and recognised Bristol's strengths in this sector; its growth has been identified as a priority for Bristol City Council and SWERDA	Wide-ranging and difficult to define. May range from B1 office space for architects to B1c or B2 floorspace for artists using heavy machinery. Need for small workspace has been identified. Take up statistics suggest that much of the office space taken up 2002-5 by this sector was located in the city centre.
Environmental technologies	Government expects value of market to double between 2005-2015; Bristol Environmental Technologies Sector development initiative has been set up to facilitate its continued growth in the Bristol City Region	High quality small and medium sized units which combine office, research and development and light industrial functions. Wave power generation may require large scale B2 space. Demand for waste management sites requiring space for industrial, warehouse or specific uses. In addition, there is potential for other "bad neighbour" or specific occupier uses to require space over the plan period.
ICT and communications	Workforce numbers are forecast to grow; sector	Office space with high bandwidth infrastructure

	development is a SWERDA priority	
Public administration	Workforce is forecast to decrease slightly; Government policy to relocate departments from London may lead to increase in employment in Bristol if city is successful in securing relocations	Office space with good access
Wholesale and distribution	Workforce numbers forecast to grow slightly; consolidation of distribution functions may lead to expansion in areas such as Avonmouth and Severnside	Warehouse space for storage and distribution and secure external service/storage yards. Larger units required at Avonmouth. Specific requirements may occur in areas close to sources of labour.

- 4.28 It is clear from the analysis that growth forecasts and policy drivers suggest that sectors key to the Bristol economy show strong potential for growth in the short to medium term. This is particularly true of knowledge based industries.
- 4.29 Research suggests that high quality office space, particularly in the city centre, will be required for the continuing development of professional services, banking and insurance and ICT and communications.
- 4.30 Warehouse and distribution space will be required to meet the demands of a changing market. While Avonmouth and Severnside may meet the demands of specific occupiers, there is likely to be a need to provide some space close to sources of labour.
- 4.31 Research also suggests that there will be an increasing need for research and development and light industrial space to meet some of the need arising from creative industries, environmental technologies and changes in the aerospace and advanced engineering sector.
- 4.32 Growth of knowledge based sectors may have an important part to play in aiding regeneration in South Bristol, by creating high quality job opportunities.

Determining a future growth path

a) Analysis of growth scenarios

Analysis of economic forecasts

- 4.33 Analysis of ONS data on GVA suggests that at both national and regional level GVA averaged a rate of growth between 1996-2003 that

was significantly higher than that implied in any of the Cambridge Econometrics forecast scenarios⁴³. This suggests that GVA is performing more in line with the higher growth scenarios. However, ONS data also suggests that rates of growth of both national and regional GVA are declining over time. Caution is needed when comparing figures as ONS data is based on a shorter time span than the Cambridge Econometrics forecasts. In the absence of more long term data it is difficult to compare with any degree of confidence Cambridge Econometrics' forecast growth rates with historic trends.

- 4.34 The decline in the national GVA growth rate between 1996-2003 may be partly explained by North Sea oil production which is “on a structural trend decline”⁴⁴. The South West’s relative productivity performance, a key factor in determining GVA, has “within the United Kingdom ... improved over the last decade ... but remains below average”⁴⁵. According to the Universities of the West of England and Bath factors affecting productivity, and consequently GVA, include:
- “relatively low capital/labour ratios
 - weaknesses in both basic and high skills development and use
 - time-distance from key economic hubs”.⁴⁶
- 4.35 A range of independent economic forecasters are forecasting the continued growth of the national economy⁴⁷. HM Treasury forecasts the national economy will grow at 2.75% per year from 2007-2011.⁴⁸ The South West Observatory (SWO) suggests that South West England’s GVA will grow at a rate of 5.9% per annum over the period 2006-2014.⁴⁹ While the growth rates predicted by the Observatory are higher than those underpinning the Cambridge Econometrics forecasts, the Observatory’s forecasts cover a shorter time-frame – 8 years – and does not cover a period long enough to enable a direct comparison.
- 4.36 It is important to note that ONS data suggests that the region’s GVA grew at a faster rate than did the UK’s between 1995-2004. The assumption that this will continue in the future has been used to underpin RES growth policy.

⁴³ Average year on year growth in UK GVA was 5.9%. SW GVA averaged 6.8% growth year on year. Analysis based on ONS data highlighting headline GVA by NUTS3 area at current basic prices 1995-2003.

⁴⁴ Trend growth: new evidence and prospects, HM Treasury, December 2006 page 22

⁴⁵ Regional Economic Strategy for South West England 2006-2015: evidence base, South West of England Regional Development Agency, May 2006 page 19

⁴⁶ Op cit, page 19

⁴⁷ Forecasts for the UK Economy – A comparison of independent forecasts, HM Treasury, January 2007

⁴⁸ Trend growth: new evidence and prospects, HM Treasury, December 2006 page 2. HMT's 2002-based projection for growth for the period 2007-2011 was revised upwards in this paper in the light of increased in-migration to the UK, which is forecast to offset a fall in the working age population caused by the baby boom generation starting to reach retirement age.

⁴⁹ South West Economy Projections –May 2007, South West Business Economy Module

- 4.37 There is sufficient information available to compare workforce growth identified by BCC analysis of the Cambridge Econometrics forecasts with other means of forecasting and historic trends.
- 4.38 Census data suggests that the number of people working in Bristol increased by 2.5% over the period 1981-2001. This percentage growth is much lower than that implied by any of the growth forecasts.
- 4.39 The Census data for the 20 year period between 1981-2001 masks significant differences in workforce growth over the two ten year periods between Censuses. The rate of growth of Bristol's workforce actually declined by 0.004% during 1981-91 but increased by 3.0% between 1991-2001. The Cambridge Econometrics trend based forecast suggests a rate of growth for 2006-16 of 6%. This is double the rate of growth which occurred between 1991-2001 according to Census data. This discrepancy may be explained by the methodology used by Cambridge Econometrics in deriving their forecasts or by workforce growth patterns in the period between 2001, the date of the last Census, and 2006, the start of the period covered by the growth forecasts. Consequently it is important to examine workforce growth trends between 2001-2006.
- 4.40 Data from the ABI can be used to cover some of the gap in time periods between Census and forecast analyses. Although the ABI indicates a drop in the rate of workforce growth in most recent years, a 9 year trend for the Bristol economy covering the period 1995-2004 suggests that the workforce grew at an average rate of 0.7% per annum. This rate falls between those implied by the Cambridge Econometrics-based trend based and lower high growth projections, which suggested average year on year growth of 0.6% and 0.8% respectively. It is important to note, however, that the reliability of ABI data diminishes as the size of geographical area and number of organisations included in the survey sample used to generate it reduces. Consequently a degree of caution must be applied when interpreting and using these figures.
- 4.41 ONS population projections provide further material for comparing the Cambridge Econometrics-based projections⁵⁰. They are based on current trends of indigenous growth and migration continuing and are in effect policy neutral. An average of recent economic activity rates has been applied to ONS projections in order to determine the likely size of Bristol's indigenous workforce⁵¹. This analysis suggests that it will grow by 6.2% over the period 2006-2016 but only grow by 3.0% between 2016-2026.

⁵⁰ Base data for the analysis has been sourced from 2004-based sub-national population projections, Sub-national Population Projections Unit, ONS

⁵¹ Averages used were based on activity rates for Bristol and the West of England between January 2004 and March 2006 highlighted in the ONS Annual Population Survey

- 4.42 There is close similarity between the 6.0% workforce growth rate suggested by the Cambridge Econometrics trend based forecast and 6.23% growth in the indigenous workforce suggested by the ONS projections for the period 2006-16.
- 4.43 That said, there is significant variation between Cambridge Econometrics trend based and ONS based forecasts of workforce growth for 2016-26. The 5.1% growth suggested by the trend based forecast is higher than the 3.0% suggested by the analysis of ONS based forecasts.
- 4.44 Overall, the analysis suggests that there is insufficient information on GVA to compare the growth forecasts with past and future trends. It is worth noting, however, that regional growth forecasts suggest that the South West's GVA growth will outperform the assumptions underpinning the forecasts in the short term. All of the forecasts seem to suggest a rate and scale of growth above historic trends and other projections of future growth.

Comparison with property market performance

- 4.45 Alder King have provided advice on average take up of new office floorspace in Bristol city centre. The Bristol Property Agents Association has provided details on the location of floorspace taken up in both the city centre and out of town office markets. From the information available, it is possible to determine an average of total take up in the Bristol city area. Projecting forward these figures 20 years suggests a level of growth that would fall between the 2.8% and 3.2% levels.⁵²
- 4.46 Information on new industrial and warehouse space is not readily available and consequently a similar exercise for this property type is not possible.

Policy considerations

- 4.47 The 2006 Regional Economic Strategy calls for stakeholders in the region to plan for growth between “2.8% and 3.2% as this reflects the most likely outcomes for the economy over the next 10 years”⁵³. As Section 2 notes, Policy SR4 of the RSS requires provision to be made for “at least 92,000 jobs [in Bristol TTWA] over the plan period”⁵⁴. An increase of 92,000 jobs in the TTWA is the total projected by Cambridge Econometrics' 3.2% scenario.

⁵² 20 years' consumption of Grade A office space in Bristol city centre at a rate equalling the average seen between 1995-2005 would generate demand for 408,000 sq m of net lettable space. A rough estimate suggests that – relying on past take up rates of all office space in Bristol's share of the out of town market alone – a maximum additional 25,500 sq m would be required on top of the city centre total.

⁵³ South West of England Regional Economic Strategy 2006-2015, SWERDA, 2006 page 8

⁵⁴ South West of England Regional Spatial Strategy 2006-2026 page 58

- 4.48 Policies ranging from the national to local level emphasise the importance of Bristol as a core city and the contribution its growth can make to the economy at local, regional, national and even international levels. They all stress development of the knowledge economy as a factor key to success. The 3.2% forecast assumes greatest growth in knowledge based industries.
- 4.49 The RSS notes the importance of developing a strong city centre in Bristol and the role of development in tackling problems of multiple deprivation and driving regeneration. Strategies from regional to local level emphasise the importance of regenerating South Bristol. Success in developing the strengths of the city centre and regenerating deprived areas such as South Bristol may require a high growth strategy and target.
- 4.50 Evidence suggests that historic workforce and GVA growth was proportionately greater than that suggested by the Cambridge Econometrics trend based forecast. Analysis of ONS-based population growth figures forecasts workforce growth in line with the Cambridge Econometrics trend based forecast for 2006-2016. The analysis suggests that the Cambridge Econometrics trend based forecast is robust and well founded. Taken together, historic growth trends and population based forecasts of future growth point towards identification of 2.8% growth as a higher yet realistic and challenging growth target.
- 4.51 That said, SWO projections of GVA growth suggest that, in the short term at least, regional growth will outstrip the growth rates on which the Cambridge Econometrics forecasts are based.
- 4.52 If it remains the case that South West growth continues to outstrip the national rate – and both the RES and RSS plan for it to do so – Government's growth projections would point towards the higher growth forecasts as being more appropriate, at least in the short term.
- 4.53 Alder King have reported the existence of a potential 15 year supply of office space, if current rates of demand for office space in the city centre are to continue. This leaves an extra 5 years worth of supply which will need to be provided to cover the plan period. They have also flagged an acute shortage of industrial and warehousing land in areas other than Avonmouth and Severnside.
- 4.54 The analysis of sectors suggests that there is strong growth potential in knowledge based sectors.
- 4.55 As noted earlier, regional policy points to adopting a 3.2% growth target in order to reflect and deliver RES and RSS objectives. Other factors which suggest this growth rate may be more appropriate include:

- it reflects the Bristol Partnership's aspirations for strong economic growth
- it reflects an emphasis on growth driven by expansion of the knowledge based economy, primarily in office based jobs but also arguably in some forms of advanced industrial and warehousing activity
- it is more likely to provide a critical mass to ensure the viability of knowledge based industry growth in areas other than the city centre, which themselves may be suffering from a shortage of such companies and skills deficits which hamper their economic and social development
- in so doing it will aid the delivery of Balanced and Sustainable Communities as defined by the Bristol Partnership's Community Strategy
- it helps to ensure that supply is not limited unnecessarily
- it assists in factoring in capacity to accommodate any loss of office stock arising from building obsolescence.

4.56 For these reasons use of the 3.2% growth scenario appears most prudent and is used as the principal forecast in the remainder of this report. It is important to bear in mind that Bristol's share of its Travel To Work Area economy and the West of England economy is decreasing. Consequently, this emphasises the importance of policy to driving forward future growth on this scale.

b) Quantifying office, industrial and warehouse requirements

Office requirements

- 4.57 Under the 3.2% growth scenario office based employment in the Bristol UA area will grow by 24,900 jobs.
- 4.58 Office floorspace needed to accommodate this growth has been determined using job to floorspace density ratios identified in ODPM guidance⁵⁵. It presents a range of ratios, which are reflected in the findings. The results of these assessments, which present a picture of requirements for net floorspace, have been converted to gross floorspace requirements to correspond with the measure used by Bristol City Council for monitoring the scale of new developments⁵⁶.
- 4.59 Floorspace requirements have been translated into land requirements using plot ratios for converting floorspace to land quoted in ODPM guidance⁵⁷.

⁵⁵ Employment Land Reviews: Guidance Note, ODPM 2004, page 95 Box D.3

⁵⁶ Net floorspace requirements have been converted to gross by applying an increase of 15% in line with advice in "Employment Densities: A Full Guide", Arup Economics and Planning for English Partnerships and the Regional Development Agencies, July 2001 page 4. This report is referred to in ODPM guidance on employment land reviews.

⁵⁷ Employment Land Reviews: Guidance Note, ODPM 2004, page 101 Box D.7

4.60 Office based jobs growth and floorspace requirements arising from the 3.2% growth forecast are noted in the table below:

Table 4.3: Scale of office growth indicated by 3.2% forecast

Potential jobs growth 2006-2026	24,900
Potential floorspace requirement 2006-2026 (sq m)	512,567 – 524,021

Industrial and warehouse requirements

4.61 Under the 3.2% growth scenario, industrial based employment is expected to fall by 1,300 and warehouse based employment is expected to increase by 3,000.

4.62 Job to floorspace density ratios for each property type that are identified in ODPM guidance have been applied to determine floorspace requirements. This report’s findings reflect the fact that the guidance presents a range of ratios for industrial based employment and a single density ratio for general types of warehouse.⁵⁸

4.63 Floorspace figures have been converted from net to gross using the same methodology as applied to office floorspace.

4.64 Alder King has indicated that market requirements for site characteristics and building footprint to site area ratios (plot ratios) are broadly similar for new industrial and warehouse space.⁵⁹ Consequently industrial and warehouse floorspace requirements have been combined to determine an overall land requirement for this type of property.

4.65 Industrial and warehouse based jobs growth, floorspace and land requirements are noted in the table below:

Table 4.4: Scale of industrial and warehouse growth indicated by 3.2% forecast

Potential industrial jobs growth 2006-2026	-1,300
Potential industrial floorspace requirement 2006-2026 (sq m)	-57,155 to –47,495
Potential warehouse jobs growth 2006-2026	3000
Potential warehouse floorspace requirement 2006-2026 (sq m)	138,345
Potential industrial and warehouse land requirement 2006-2026 (ha)	21.4 to 23.9

⁵⁸ Employment Land Reviews: Guidance Note, ODPM 2004, page 95 Box D.3

⁵⁹ Alder King have highlighted how there is demand for space equal to or greater than 50,000 sq ft with a plot ratio of 0.35 and for space less than it with a plot ratio of 0.40. An average of the proportion of total take up in the Bristol market which consumed space greater than or equal to 50,000 sq ft has been identified for the period 2002-5. The figure for the Greater Bristol market has been applied, rather than the one specific to the BCC area, to reduce the impact of any constraints in land supply on the overall figures. This average – 37% of floorspace consumption occurring in buildings greater than 50,000 sq ft and 63% occurring in smaller sized space – has been applied to derive land requirements.

c) Market balance: matching supply to demand

Developments in the pipeline

- 4.66 Recently published information on planning permissions or commitments for gains or losses of employment floorspace which have yet to be developed out as of 31 March 2006 indicates that there is in the planning pipeline net gains of:
- 189,074 sq m of office floorspace
 - 37.8 hectares of industrial, warehouse and mixed development land.⁶⁰
- 4.67 Analysis of the office permissions and commitments suggests that they are concentrated in central Bristol, particularly around the Redcliffe area. 30,000 sq m of B1 development at Hengrove has also gained approval.
- 4.68 The majority of large industrial and warehouse developments with permissions and commitments are concentrated on 2 sites in Avonmouth.
- 4.69 The net gains of industrial and warehouse space reported for the city overall hide significant gains in Avonmouth (52.09ha) and a net loss other parts of the city in the region of –14.8 ha.
- 4.70 Alder King have also cited a further circa 100,000 sq m of new lettable office floorspace featuring in developers' plans known to the market. These sites have not featured in BCC's assessment of sites in the development pipeline but can be considered as having potential to contribute to it. Further assessment by BCC Economic Regeneration has identified net gains⁶¹ these sites may offer and these are identified below:
- Part of Bristol Arena complex – 20,000 sq m
 - CMG Temple Way – 16,985 sq m
 - St Mary le Port – 20,832 sq m
 - Temple Quay East – 25,000 sq m
 - 111 Victoria Street and 103 Temple Street – 11,305 sq m
 - London County Estates – 5,270 sq m.
- 4.71 It is important to bear in mind that there is no guarantee that the developments featuring in developers' plans (or the planning pipeline, for that matter) will get built. However, they do provide an indication of how much space the market is proposing to supply and where.

⁶⁰ Data obtained from the Bristol City Council Business Development Survey 2006, which is due to be published in April 2007. Mixed development land refers to land featuring a mix of employment uses and predominantly industrial or warehouse based.

⁶¹ Measured in terms of gross rather than net lettable space, in order to be consistent with BCC methodology for identifying floorspace on site

4.72 If the aforementioned sites noted by Alder King are to be fully part of the development pipeline, they may need to be allocated for employment use to protect them from being used to meet demand for other uses.

Identifying outstanding requirements

4.73 A comparison of projected demand generated by the 3.2% growth scenario against developments in the pipeline for office floorspace, **excluding** sites identified by Alder King, is noted below:

Table 4.5: Assessment of office requirements not accounting for sites identified by Alder King

	Low end of range suggested by 3.2% growth scenario	High end of range suggested by 3.2% growth scenario
Total potential floorspace requirement (sq m)	512567	524021
Floorspace in pipeline (sq m)	189074	189074
Outstanding potential requirement (sq m)	323493	334947

4.74 A comparison of projected demand generated by the 3.2% growth scenario against developments in the pipeline for office floorspace, **including** sites identified by Alder King, is noted below:

Table 4.6: Assessment of office requirements accounting for sites identified by Alder King

	Low end of range suggested by 3.2% growth scenario	High end of range suggested by 3.2% growth scenario
Total potential floorspace requirement (sq m)	512567	524021
Floorspace in pipeline (sq m)	288466	288466
Outstanding potential requirement (sq m)	224101	235555

4.75 The quantity of office land required may be significantly influenced by the nature of development. Consequently, potential land use requirements have been derived for indicative purposes only. Derived using a plot ratio to convert floorspace to land requirements of 0.41, highlighted in the Government guidance⁶², 78.9-81.7 ha would be required if the Alder King pipeline was not taken into account and 54.7-57.5 ha would be if it was.

4.76 A similar exercise has been undertaken to compare projected demand generated by the 3.2% growth scenario against developments in the pipeline for industrial and warehouse land.

4.77 The results of the analysis are noted below.

⁶² Employment Land Reviews guidance note, ODPM, December 2004

Table 4.7: Assessment of industrial and warehouse land requirements based on forecast requirements alone

	Low end of range suggested by 3.2% growth scenario	High end of range suggested by 3.2% growth scenario
Total potential land requirement arising from forecast (ha)	21.4	23.9
Estimate of potential latent demand (ha)	9.7	9.7
Total potential land requirement (ha)	31.0	33.6
Land in pipeline (ha)	37.8	37.8
Outstanding potential land requirement (ha)	-6.8	-4.2

- 4.78 Taken on its own this analysis suggests that the city has more than enough industrial and warehousing land to meet supply over the period 2006-2026. Alder King have, however, reported an acute shortage of this type of land. In addition and as mentioned earlier, there is pressure on existing and some allocated stock for redevelopment for other uses.
- 4.79 Alder King has reported potential latent demand in the market place equivalent to 10-20% worth of annual take up. This is estimated to translate into a requirement for 9.7ha of space. Given its substantial land bank, it may be fair to assume that Avonmouth does not meet the requirements of latent demand. Consequently this will need to be found in other parts of the city.
- 4.80 Alder King have also commented that development of a number of strategic sites of 20ha or more and smaller allocations of 2-10ha would be desirable to meet current demand. They also argue that some land is needed to provide an element of choice for the market. Alder King highlight a number of general locations where the market might find development attractive. South Bristol is highlighted as one; this would be in line with Council policy to regenerate this area.
- 4.81 The Strategic Employment Sites study for SWERDA and the West of England Strategic Partnership identified a requirement for 3ha per year to be provided in areas outside of Avonmouth in the Bristol UA area⁶³.
- 4.82 In the light of property agents' comments it may be prudent to provide additional flexibility in the industrial and warehouse market. Consequently it is proposed that an additional 14.8ha – equivalent to the loss of industrial land in areas other than Avonmouth in the planning pipeline – is provided in areas of the city other than Avonmouth between 2006-2026 for industrial and warehouse uses. As

⁶³ Strategic Employment Sites in the WESP area – appraisal and action plan, RPS and Alder King, June 2003 page 47

the property market and forecast based requirements diverge considerably, it will be extremely important to monitor carefully the take up of this type of land over the plan period.

Table 4.8: Assessment of industrial and warehousing land requirements taking account of growth forecasts and property market analysis

	Low end of range suggested by 3.2% growth scenario	High end of range suggested by 3.2% growth scenario
A: Forecast land requirement (ha)	21.4	23.9
B: Estimate of potential latent demand (ha)	9.7	9.7
C: Provision to recoup losses in pipeline (ha)	14.8	14.8
D: Total potential land requirement (ha) (=A+B+C)	45.9	48.4
E: Total potential requirement for land in areas other than Avonmouth (ha) (=B+C)	24.5	24.5

Scenario testing

- 4.83 Historic trends point to a growth rate nearer 2.8% but there is strong policy momentum – for example as demonstrated in the jobs growth targets for the Bristol TTWA in the RSS – for working towards and securing 3.2% growth between 2006-2026. That said, it may be appropriate to consider the possibility of lower growth occurring in order to be aware of the implications of a scenario such as growth occurring which is closer to historic trends. Doing so also provides scope for modelling the implications of 3.2% growth being achieved at the sub-regional and regional level but Bristol’s share of it continuing to decline.
- 4.84 Consequently an assessment of growth outcomes arising from the 2.8% scenario has been carried out using the same methodology as in the office, industrial and warehouse requirements sub-section.
- 4.85 The results of this analysis for office jobs and floorspace requirements are noted below:

Table 4.9: Scale of office growth indicated by 2.8% forecast

Potential jobs growth 2006-2026	22,000
Potential floorspace requirement 2006-2026 (sq m)	452,870 – 462,990

- 4.86 The results of this analysis for industrial and warehouse jobs, floorspace requirements and land requirements are noted below:

Table 4.10: Scale of industrial and warehouse growth indicated by 2.8% forecast

Potential industrial jobs growth 2006-2026	-2,200
Potential industrial floorspace requirement 2006-2026 (sq m)	-96600 to -80500

Potential warehouse jobs growth 2006-2026	2,700
Potential warehouse floorspace requirement 2006-2026 (sq m)	124,545
Potential industrial and warehouse land requirement 2006-2026 (ha)	7.4 to 11.6

4.87 The tables below present the likely floorspace and land requirements arising from 2.8% growth after account is taken of developments in the pipeline.

Table 4.11: Assessment of office requirements accounting for sites identified by Alder King

	Low end of range suggested by 2.8% growth scenario	High end of range suggested by 2.8% growth scenario
Total potential floorspace requirement (sq m)	452870	462990
Floorspace in pipeline (sq m)	288466	288466
Outstanding potential requirement (sq m)	164404	174524

Table 4.12: Assessment of industrial and warehouse land requirements

	Low end of range suggested by 2.8% growth scenario	High end of range suggested by 2.8% growth scenario
A: Forecast land requirement (ha)	7.4	11.6
B: Estimate of potential latent demand (ha)	9.7	9.7
C: Provision to recoup losses in pipeline (ha)	14.8	14.8
D: Total potential land requirement (ha) (=A+B+C)	31.9	36.1
E: Total potential requirement for land in areas other than Avonmouth (ha) (=B+C)	24.5	24.5

Conclusions

4.88 Economic trends and policy all indicate the potential for high levels of economic growth. High growth will present an opportunity to build on existing strengths while at the same time tackle deep-rooted problems of multiple deprivation and skills deficits in the city.

4.89 Much emphasis is placed on the knowledge-based economy making a significant contribution to growth. The analysis of sectors has demonstrated that Bristol has real strengths on which to build. It will be important for Bristol to plan to provide an offer that is especially attractive to growth sectors, particularly as many other cities will have both the policy impetus and desire to attract the same businesses and organisations. The marketplace will be extremely competitive. Spatial planning must facilitate links between business and other drivers of the knowledge economy, such as the universities in the city, while at the same time provide a high quality working and living environment.

- 4.90 Assuming that Bristol's economy grows in line with the 3.2% forecast and provision is made for pent-up demand and that identified by the market, the city's employment requirements between 2006-2026 would be as follows:
- 235,555 sq m of new office floorspace (rounded to 236,000 sq m)
 - 24.5 ha of new industrial and warehouse land in areas other than Avonmouth.
- 4.91 While regional policy emphasis tends towards 3.2% growth, economic performance is difficult to predict. Consequently it will be important to prepare for the possibility of underperformance. In these circumstances intervention may be appropriate to increase economic growth. Alternatively Bristol City Council may decide to alter its plans in order to accommodate lower levels of growth. For example, following the Examination in Public process the RSS may be changed to reflect 2.8% growth. It will be important to monitor performance of the economy and commercial property market, in line with RSS guidance, and build in flexibility to planning policy to accommodate the findings of future analysis.

5 IDENTIFYING A 'NEW' PORTFOLIO OF EMPLOYMENT SITES

Summary

- 5.1 This section reports on Stage 3 of the Study. In this stage, a qualitative review of the city's main employment areas and sites was undertaken. This focussed mainly on the city's main industrial and warehousing areas and was carried out to assess their continued suitability for employment use. This stage also involved identifying new sites with potential to meet the requirement for new employment land identified at Stage 2.

Market commentary

Office market

- 5.2 As mentioned in Section 4, in order to inform this study Alder King provided a commentary on the state of the market in 2007 (provided in full in Annex A4). They report that the office market in the Greater Bristol area has performed well since 2000. This has resulted in "record levels of take up and reduced levels of supply". Much of the prime and secondary business parks in the north fringe have been developed out and the city centre market has grown through developments at Temple Quay and other locations. Speculative development has also taken place on the periphery of the Greater Bristol area.
- 5.3 Consultants estimate that in January 2007 approximately 84,000 sq m of office space was available in the Greater Bristol area. Of that 70,000 sq m was located in the city centre. Much of this is described as "poor second hand accommodation of varying quality but generally with an outmoded specification and small floor plates".
- 5.4 A shortage of Grade A space has been identified. The market is responding, however, and Alder King estimate 15 years worth of potential supply in the pipeline.
- 5.5 Alder King have also noted a shift in the gravitational centre of the city centre office market. Good public transport accessibility is likely to mean that locations near to Temple Meads, Redcliffe, Queens Square and Broad Quay will be attractive in future. Locations along the inner ring road from Bond Street/St James Barton to the end of Baldwin Street may increasingly be seen as secondary.

Industrial/warehousing market

- 5.6 As mentioned in Section 4, the industrial and warehouse market has performed fairly consistently since the mid 1990s. There is an

extensive amount of land available at Avonmouth and Severnside which may be suitable for meeting large-scale requirements arising from supply chain consolidation, but Bristol industrial agents are reporting an increased demand for land in this area. Elsewhere in the Bristol Unitary Authority area there is an acute shortage of available industrial and warehouse land and buildings.

Recent development activity

- 5.7 An analysis of Bristol City Council's Business Development Survey⁶⁴ of employment land has identified that 95% of developments noted as completions were on land defined as or allocated for employment or regeneration in the Bristol Local Plan 1997.
- 5.8 High gains and losses in the office market reflect sustained development activity in the city centre over the past decade. A large proportion of recent developments have been major in scale. The greatest level of development has taken place in Lawrence Hill ward, probably reflecting projects at Temple Quay. Conversely, the most significant losses have taken place in Cabot ward, possibly reflecting property agents' comments about the changing centre of gravity in the office market.
- 5.9 The Business Development Survey also reports low levels of development activity on industrial and warehouse land. In terms of the activity that there has been, the most has been concentrated in Avonmouth and in Bedminster ward. At the other end of the scale, the most significant losses have been in and around the city centre.

Analysis of take up statistics

- 5.10 Analysis of office take up statistics for 2002-5⁶⁵ provided by the Bristol Office Agents Society shows a clear concentration of transactions relating to properties in the city centre area, stretching from Temple Quay over to Park Street and up Whiteladies Road and also including the inner ring road up to Bond Street. A scattering of take up has occurred in other parts of the city. There were a dearth of transactions in the far south and south east of the city.
- 5.11 Analysis of industrial and warehouse take up statistics for 2002-2005⁶⁶ shows B8 space featuring in the greatest number of transactions. Examples of take up of this type of space feature in most of the industrial areas in Bristol, with concentrations in Avonmouth, South Liberty Lane, Brislington and industrial areas in Lawrence Hill ward. Industrial take up featuring B1 space had less transactions and was well spread across the city. B2 space generated the lowest number of

⁶⁴ Bristol Business Development Survey Report 2006, Bristol City Council

⁶⁵ Provided by the Bristol Office Agents Society

⁶⁶ Provided by the Bristol Industrial Agents Society. Data for the second half of 2003 did not feature property type information and consequently this period is excluded from the analysis.

transactions, spread across the centre of the city, Fishponds, Avonmouth, Brislington, Bedminster, Southville and the Central Park Industrial Area. None featured in the southernmost part of the city.

Identifying sites for review

5.12 In accordance with Government guidance on carrying out employment land reviews, the sites identified for review were in the B-Use Classes⁶⁷ as defined in Use Classes Order 1987 (as amended).

5.13 Three main types of employment site/area were reviewed:

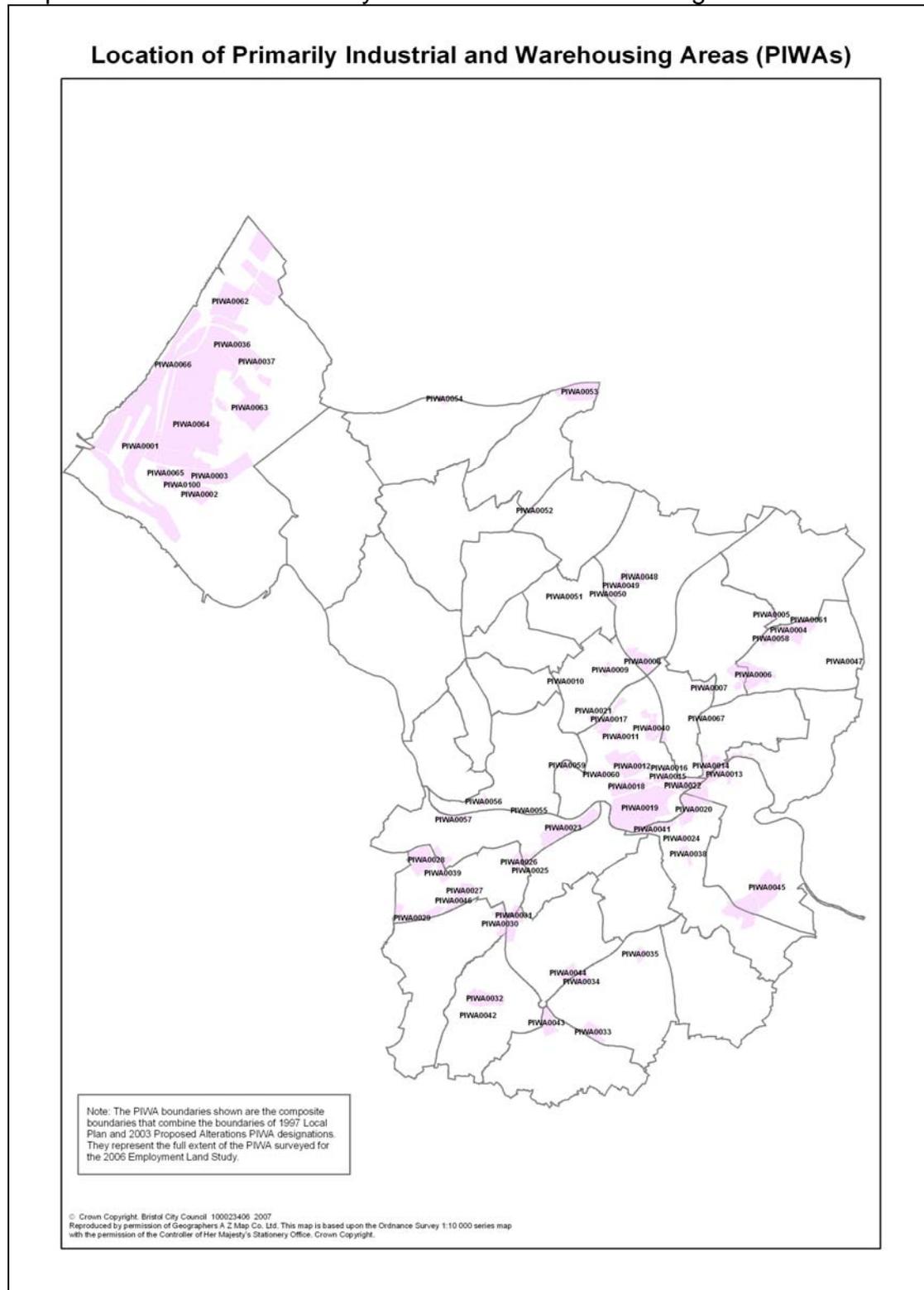
- i) Principal Industrial and Warehousing Areas (PIWAs)
- ii) Non-Local Plan designated industrial and warehousing sites
- iii) City centre office buildings

Review of Principal Industrial and Warehousing Areas (PIWAs)

5.14 PIWAs are the areas designated in the Local Plan 1997 and identified in the First Deposit Proposed Alterations to the Local Plan 2003 as the city's strategically-important stock of industrial and warehousing land. In total, 68 PIWAs were reviewed, covering over 1,160 hectares of land (620 of which are in Avonmouth) and containing approximately 150 industrial/trading estates. The review included five PIWAs which were identified in a 2002 survey carried out to inform the Proposed Alterations to the Local Plan but which did not eventually feature in that document.

⁶⁷ i.e. B1a Offices, B1b Research and development, B1c light industry, B2 General industrial and B8 Storage or distribution.

Map 5.1 – Location of Primarily Industrial and Warehousing Areas



5.15 The review included site visits carried out between July 2006 and February 2007 by officers of the council's Economic Regeneration and Strategic and Citywide Planning Policy teams supported by staff from the council's ELS consultants, Alder King. It also involved desk-based

analysis using Geographic Information Systems and aerial photography carried out between January and May 2007. Some further assessments took place later in 2007 in response to comments on the draft ELS report of July 2007.

- 5.16 The assessment was carried out to assess whether they were still 'fit for purpose' and could contribute to the city's strategic industrial and warehousing land needs. They were the main focus of the Stage 3 review.

Establishing site appraisal criteria

- 5.17 In accordance with the Government guidance on Employment Land Reviews⁶⁸ appraisal criteria was established which assessed each PIWA against a range of indicators for a) its attractiveness to the market and b) its contribution to sustainable development and strategic planning/regeneration considerations.
- 5.18 This allowed a balanced judgement to be made between what would be a 'market-led' view and a 'planning/sustainable development-led' view of the PIWAs future.

Site appraisal criteria - market attractiveness indicators

Indicator 1 - Physical condition

- 5.19 Surveyors graded the physical condition of the buildings within PIWAs using guidance descriptions and photographic examples developed in conjunction with the study's consultants, Alder King. (The descriptions of these gradings is provided in Annex A1.) A grading of either 'Excellent', 'Good', 'Fair' or 'Poor' was given for each site within the PIWA.
- 5.20 The physical condition of buildings was considered a useful indication of market attractiveness in that a concentration of 'poor' condition buildings (i.e. buildings in an advance stage of disrepair, non-wind and water-tight etc) could reasonably indicate a lack of market interest. Similarly, 'excellent' condition buildings (i.e. new or refurbished premises with little or no signs of wear and tear) could also reasonably be a sign of a site or area's market attractiveness as it reflects investor confidence that the building will be occupied once built or refurbished.

Indicator 2 – Levels of occupancy

- 5.21 Site surveyors identified those units in each PIWA which were vacant as evidenced by both a 'To Let/For Sale' sign being visible on the premises and no activity being noted on site.

⁶⁸ Employment Land Reviews: Guidance Note, Office of the Deputy Prime Minister, December 2004, pp 50-52

- 5.22 The level of occupancy in each PIWA was considered to be a valid indicator of its market attractiveness. For example, high rates of vacancy could reasonably reflect market disinterest by an unwillingness to occupy premises within the PIWA.

Indicator 3 - Servicing and circulation

- 5.23 Surveyors were asked to record any problems encountered on site regarding site layout, servicing and internal circulation within the PIWA. Narrow restricted site layouts which lead to difficult access for Heavy Goods Vehicles attempting to service the site can restrict the operational efficiency of, especially, warehousing/distribution operations. This could therefore reduce its attractiveness to the market.

Indicator 4 - Constraining land uses

- 5.24 Aerial photography was employed to note any adjacent residential land uses which could constrain the operation of the PIWA for future use. This was considered to be a useful indication of the PIWAs market attractiveness; for example, many modern industrial and warehouse occupiers favour sites without neighbouring residential dwellings as this has less potential to restrict their round-the-clock operation through disturbance and noise.

Indicator 5 - Access to the strategic road network

- 5.25 Aerial photography and Geographic Information Systems (GIS) were used to identify the ease of access from the PIWA to the strategic road network (i.e. A-Roads and the M32, M5, M4 and M49). This was judged to be a reasonable proxy for market attractiveness as many modern industrial and warehousing users favour good access (i.e. being nearby) to major roads to optimise efficiency of operation through the rapid receipt and delivery of essential goods and products.

Site appraisal criteria – sustainability indicators

Indicator 6 - Public transport accessibility

- 5.26 In March 2007, BCC Transport Planning utilised Accession software to identify the number of economically active people aged 16 to 74 within 30 minutes of each employment site within each PIWA by public transport. The sites were then graded from A-E according to how accessible by public transport they were. Grade A = most accessible; Grade E = least accessible. The grading was as indicated in the table below.

Table 5.1: accessibility grades

Number of economically active people aged 16 to 74 within 30 minutes of each employment site by public transport	Accessibility Grade
120,000-150,000 people	A
90,000-120,000	B
60,000-90,000	C
30,000-60,000	D
0-30,000	E

5.27 This indicator was chosen as it is important for people to have access to workplaces by good public transport services as this reduces private vehicle journeys, pollution, congestion, etc in accordance with Government planning policy⁶⁹.

Indicator 7 – Social development

5.28 The Super Output Area⁷⁰ (SOA) of each employment site within the PIWA was identified using GIS. GIS was then employed to identify when a PIWA contained a site within an SOA which was within either the most 10% or most 20% socially and economically deprived SOAs in England.

5.29 This was considered a useful indication of the PIWAs ‘sustainability’ because it would be beneficial to retain jobs in those Super Output Areas with the higher levels of social and economic deprivation. This is because increased employment opportunities could potentially help to address this deprivation. Bristol contains 35 SOAs which are within the 10% most deprived in England. Retaining employment opportunities in these areas could be particularly beneficial.

Indicator 8 – Jobs/workforce ratio

5.30 The SOA of each site within a PIWA was identified using GIS. The jobs/workforce ratio for each SOA was then identified from the 2001 Census data using GIS.

5.31 This indicator was used as it illustrates a lack of local employment opportunity. Therefore where a low jobs/workforce ratio was recorded (e.g. less than 1 job per resident in the workforce) it would be more beneficial to retain jobs in these PIWAs. Once the ratio of 1 is exceeded (i.e. there was a balance of jobs and economically active residents in an area) then it is less beneficial as the existing excess of jobs over workforce could be exacerbated by the location of further employment in the area. This in turn could lead to pressure for increased inward commuting into the area.

⁶⁹ See especially Planning Policy Statement 1 ‘Delivering Sustainable Development’ and Planning Policy Guidance Note 13 ‘Transport’

⁷⁰ i.e. a geographical unit which is smaller than a ward containing, on average, a resident population of 1,500 people

Indicator 9 – Regeneration policy

- 5.32 GIS was used to identify whether PIWAs were within areas which were the focus of formal social, environmental and economic regeneration activity; namely, the city's seven Neighbourhood Renewal Areas⁷¹ and South Bristol⁷².
- 5.33 This was considered a relevant indicator as it would be beneficial to retain employment opportunities in areas where the need for regeneration has been formally recognised.

Indicator 10 – Environmental constraints

- 5.34 GIS was used to identify those PIWAs where one or more of the following environmental constraints and Local Plan policy designation was present: the Environment Agency's Flood Zone 3⁷³; Site of Special Scientific Interest; Site of Nature Conservation Importance; Local Nature Reserve; Green Belt; Ancient Woodland; Common Land; Scheduled Ancient Monument; Listed Building.
- 5.35 This indicator was used because the continuation (and intensification) of industrial and warehousing activity in PIWAs with these designations could potentially threaten the integrity of the environmental assets within them. Equally, this indicator could reduce the market attractiveness of the PIWA as businesses might be reluctant to invest if there were significant constraints on their operation.

Results of PIWA review

- 5.36 Full results from the review of the 68 PIWAs are provided in Annex A1. In summary, however, the findings of the review were:
- 60 of the 68 PIWAs perform well regarding the 'market attractiveness' and 'sustainability' indicators. This was evidenced by generally:
 - high occupancy (e.g. vacancy rarely above 15% of the total number of units within each PIWA)
 - good physical condition of buildings (i.e. no significant concentrations of poor condition/derelict sites)

⁷¹ These are: NRA1 Easton/Lawrence Hill, NRA2 Hartcliffe and Withywood, NRA3 Knowle

West, NRA4 Lawrence Weston, NRA5 Lockleaze, NRA6 Southmead, NRA7 St Paul's
⁷² i.e. the area to the south of the River Avon within BCC boundaries. Tackling disadvantage in south Bristol is a high priority for Bristol City Council and is recognised by the draft Regional Spatial Strategy which has a "major strategic objective...to revitalise the South Bristol area".

⁷³ The Government's PPS25 'Development and Flood Risk' defines land within Flood Zone 3 as having a 'high' probability of flooding, ignoring the presence of flood defences. It seeks to direct development to areas in Flood Zone 1 (low probability).

- good access to the main road network (i.e. close to A-roads and the M32, M4, M49, M5)
 - few occasions where adjacent residential land uses were identified
 - no significant problems noted with regard to the servicing by (or internal circulation of) Heavy Goods Vehicles to sites within PIWAs
 - good performance against a number of the sustainability indicators (except for those PIWAs in Avonmouth)
- 5 of the 68 PIWAs reviewed had been developed (or had planning permission) for non-industrial and warehousing uses (e.g. retail, housing, offices etc.) so will be unlikely to contribute to the city's future industrial and warehousing land requirements.
 - Due to severe physical constraints (for example, difficult site access and topography, constrained internal HGV manoeuvrability, long term vacancy and poor physical condition of buildings) continued development plan designation for the remaining 3 PIWAs is not considered appropriate. These are set out in Annex A1.

Analysis, interpretation and commentary on PIWA results

Market attractiveness of PIWAs

- 5.37 Analysis of the results indicate that the PIWAs generally perform well against the full range of market attractiveness indicators. High occupancy levels and generally good physical condition of buildings particularly stood out from the analysis of site survey results.
- 5.38 It is acknowledged that many PIWAs were identified as containing a significant number of buildings which were graded as being in 'fair' condition (i.e. showing extensive signs of wear and tear after 10-plus years of use). It is accepted that this could indicate a lack of market unattractiveness through an unwillingness to refurbish buildings.
- 5.39 Equally, however, it could also reflect the fact that many industrial and distribution operations (e.g. waste transfer and heavy industry) place heavy physical demands on buildings through their day to day operation. This can lead to buildings which show signs of wear and tear but which are nevertheless accepted as normal and inevitable by operators and the market. Also, unlike retail operations which seek to attract customers to their premises, it is often not a priority for many industrial and warehousing businesses to have well maintained buildings as they are not directly selling goods to customers on site.
- 5.40 Even when the existence of a significant number of 'fair' condition buildings was noted in PIWAs the fact that they scored well on other market attractiveness indicators (such as high occupancy, good access

to the strategic road network etc.) meant that it was not enough, on its own, to recommend release from its development plan designation.

- 5.41 Similarly, adjacent residential land uses were identified on 23 of the 68 PIWAs reviewed. At face value and taken in isolation this can reasonably be said to reduce their market attractiveness as it presents potential constraints to industrial and warehousing activities which can be noisy and involve round the clock use.
- 5.42 However, analysis of the results reveals that for those PIWAs where adjacent housing was identified, the degree of constraint was often reduced by only part of the PIWA boundary having residential neighbours. Also buffering between land uses by mature tree cover, open space, main roads, rail lines, steep site topography etc. was noted. Ultimately, the fact that high occupancy was generally recorded in PIWAs with adjacent residential land uses indicates that the market itself does not consider them to be prohibitively restrictive.

Sustainability of PIWAs

- 5.43 Analysis of the performance of PIWAs against the sustainability indicators primarily results in most of the sites in Avonmouth performing poorly. This reflects Avonmouth's relatively poor access by public transport, it being within the Environment Agency 'highest risk' Flood Zone 3 and its high job/workforce ratio.
- 5.44 In the rest of the city there were more mixed results. For example, a number of PIWAs were identified as containing sites and areas with a number of Local Plan environmental designations. This meant that continued and further industrial and warehousing activity in the PIWA could potentially compromise these important environmental assets. However, these PIWAs would also be noted as performing well against other sustainability indicators. Thus while Novers Hill Lane (PIWA31) and Pennywell Road (PIWA17) perform badly in terms of being within Flood Zone 3 they also both score highly on social development indicators as they are in Neighbourhood Renewal Areas and contain Super Output Areas which rank in the 20% most socially and economically deprived SOA in England.

Conclusion and recommendation for PIWAs

- 5.45 The use of both 'market attractiveness' and 'sustainability' indicators enabled a balanced judgement to be made of the suitability of PIWAs for continued employment use. The analysis of the results indicates PIWAs in Avonmouth tend to perform well in 'market attractiveness' terms and less well against the sustainability indicators. In the rest of the city, PIWAs perform generally well against both sets of indicators.
- 5.46 The overall conclusion from the review is that 60 of the 68 PIWAs assessed continue to be 'fit for purpose' and should be retained for

industrial and warehousing uses. They provide a well functioning, strategically important and finite resource within the city, vital for meeting its current and future industrial and warehousing needs. Their value is particularly great given Bristol's built up nature and the significant development planning constraints on remaining greenfield sites within its boundaries.

- 5.47 At Avonmouth – previously Bristol's traditional source of new industrial and warehousing land – flood risk constraints effectively rule out the allocation of more land for such uses.
- 5.49 A Flood Risk Assessment for Avonmouth and Severnside was completed in 2007. This confirmed that climate change was likely to increase the already significant level of risk of flooding in the area. It concluded that "land protected from a 1 in a 1000 year return period tidal surge today will be susceptible to flooding from less than a 1 in 2 year tidal flood event in 100 years time".
- 5.50 As a consequence, new development here would be subject to high flood risk, especially from tidal surge events. It would also further increase fluvial flood risk by reducing the area of undeveloped land which could function as flood water storage.
- 5.51 Although it would be inappropriate to add to existing risks by allowing additional development in the Avonmouth industrial area, there would be unacceptable economic consequences if the process of renewal was to be prevented, undermining confidence in its future. Any loss of PIWA land here could not be replaced elsewhere within Bristol. In view of its vital employment role and the key infrastructure located in the Avonmouth area – motorways, rail links, port, power station, etc. – it is essential that regeneration of the existing developed area is sustained.
- 5.52 The maintenance of coastal flood defences is central to maintaining its current role. At present this is supported by the Shoreline Management Plan, which classifies the approach to flood defence at Avonmouth as "hold the line". It remains to be seen whether a forthcoming review of the Shoreline Management Plan and the Government appraisal of Tidal Power options in the Severn provide a similar commitment for the future.
- 5.53 It is acknowledged that the process of renewal within the Avonmouth PIWA must incorporate measures to increase the resilience of new development to flood risk.
- 5.54 In general, the city does not offer significant opportunities either to replace any loss of existing industrial and warehousing land or provide new allocations. Consequently, it is vital that the existing stock of designated industrial and warehousing land is not further reduced. There is a continuing need to resist pressures for the release of viable PIWA land for higher value housing and office uses.

- 5.55 Therefore, it is recommended that 60 of the 68 PIWAs reviewed should be considered for inclusion within the Site Allocations DPD. This is so that they receive statutory development plan designation which protects them for B1c (Light Industrial), B2 (General Industrial) and B8 (Storage and Distribution) Use Class Order uses.
- 5.56 It is also recommended that the Core Strategy includes a core policy which identifies these 60 main industrial and warehousing areas as crucial in helping to meet the city's strategic industrial and warehousing needs. This policy should permit the change of use to non-B1c, B2 and B8 uses only in exceptional circumstances as they represent the strategically important stock of very limited, difficult-to-replace land for industrial and warehousing uses.

Review of non-PIWA industrial and warehousing sites

- 5.57 The focus of this ELS was to inform the Core Strategy by providing information on *strategic* rather than detailed *site-specific* employment matters and requirements. Therefore, it has focussed on quantifying the citywide future employment land requirement and reviewing the city's strategically important industrial and warehousing areas (i.e. PIWAs).
- 5.58 Nevertheless, in order to better understand the existing industrial and warehousing supply picture and inform other policy documents in the Bristol Development Framework, it was considered useful to carry out an initial review of the city's non-PIWA industrial and warehousing sites.
- 5.59 It was not practicable to survey all non-Local Plan designated industrial and warehouse sites in the city. Instead 111 sites were identified for initial review due to their significant size. These sites included both individual industrial and warehousing buildings and groups of buildings. They were distributed across the city.
- 5.60 Site visits were undertaken between January and March 2007. The survey found generally high levels of occupancy and good to fair physical condition of buildings.

Conclusion and recommendation for non-PIWA sites

- 5.61 The ELS has been carried out against a background of a reported shortage of industrial and warehousing land in the city. At the same, industrial and warehousing land is being placed under significant pressure by landowners and developers seeking to benefit from the much higher land values that would arise if planning permission for housing is secured. This is evidenced by the average loss of around 4 hectares of industrial and warehousing land in the city in each of the last ten years.

- 5.62 These non-Local Plan designated sites can be an important economic resource for the city by helping to provide an evenly distributed portfolio of industrial and warehousing sites which offer a range of local business development and employment opportunities. This is especially relevant to meeting the Bristol Community Strategy's long-term aim of achieving balanced and sustainable communities. The Community Strategy's definition of balanced and sustainable communities emphasises how people should have the choice of being able to access work through no more than a 15 minute walk from their home⁷⁴.
- 5.63 It is accepted that many of these sites might not be ideal for modern industrial and warehousing operators. For example, their location within residential areas with difficult access for Heavy Goods Vehicles servicing the site can severely affect the operational efficiency of a business.
- 5.64 On the other hand, they can also provide valuable lower cost industrial accommodation which is suitable for small, start-up or lower value industrial or warehousing uses. This type of accommodation is important for the functioning of both the local and citywide economy as it helps to provide a balanced portfolio of sites which offer a wide range of business development opportunities. They are especially important in Bristol given the lack of land available within the city's administrative boundaries to replace lost industrial and warehousing sites.
- 5.65 In order to inform the detailed Site Allocations Development Plan Document, this study recommends that the initial review is built on so that a more detailed assessment is undertaken of the 'market attractiveness' and 'sustainability' of the city's non-PIWA industrial and warehousing sites. This will help determine their importance both to the economy of the local area and to meeting the city's industrial and warehousing needs in the period 2006-2026. It will also help assess whether they would benefit from statutory development plan designation in the Site Allocations DPD which protects their current industrial and warehousing use.
- 5.66 Given the large number of these sites, it may be necessary to carry out the detailed review initially in particular locations. For example, this could be sites within the city's priority regeneration areas; namely, the

⁷⁴ Bristol's Community Strategy describes a balanced and sustainable community as "one where there is a mix of housing tenure to rent and to buy, and a balanced range of size type and affordability. It should meet the needs of different population groups at different stages of their lifecycles so that no one is forced, through lack of choice, to leave their community to buy a house or flat, to house a family or downsize as they grow older. Where people live should be within walking distance (no more than 15 minutes) of a community hub offering shopping, local services and community facilities in addition to place of work. Jobs, shops, schools, hospitals, leisure and recreational opportunities should be accessible through good and reliable public transport where these are not available locally. They should be well designed, environmentally sustainable, safe and cohesive" (page 3.12)

seven Neighbourhood Renewal Areas and South Bristol. Alternatively, the assessment could focus on those wards with the lowest jobs/workforce ratio. Applying a minimum site size threshold for the identification of sites will also be important to ensure this exercise is practicable.

Review of city centre office buildings

- 5.67 Approximately 350 city centre office buildings were identified for review using Valuation Office Agency (VOA) Business Rate valuation data. This review of city centre stock was carried out in order to better understand the existing office supply picture. It also informed the assessment of the contribution the city centre could make to the city's future strategic requirements for new office floorspace.
- 5.68 The city's main stock of office buildings is within the city centre which covers an area incorporating Cabot and the western parts of Lawrence Hill wards (these two wards contain 67% of the citywide office floorspace total) and Clifton, Clifton East and part of Ashley wards.
- 5.69 Utilising their day-to-day working knowledge of the city's office stock Alder King appraised the market attractiveness of 338 city centre office buildings based on an assessment of its external physical condition and, where known, its internal condition (e.g. it would score better if it had been recently refurbished). Each building was then given a rating from 'Excellent' to 'Poor'.
- 5.70 The results of the assessment were:
- 4% of offices were assessed as 'excellent'. These were noted mainly in Temple Quay area of the city reflecting the recent completion of new Grade A office accommodation there.
 - 60% were assessed as 'good' and 34% as 'fair'. These were evenly distributed across the city centre.
 - 2% were assessed as 'poor' including sites which were vacant and derelict, or under redevelopment.
- 5.71 An assessment of office vacancy in the city was also undertaken to better understand the existing supply picture:
- Business Rate Empty Properties data supplied by the council's Local Taxation team identified that, as of December 2006, 14.5% of the city's 1.05 million square metres of office floorspace was vacant.
 - In Cabot ward floorspace vacancy was at 18.5%; in Lawrence Hill 9.4%; Clifton 10.4%; Clifton East 5.2%; and in Ashley 30.6%

Conclusion and recommendation for city centre office sites

- 5.72 The review of the city centre office stock suggests that it is generally functioning well in terms of its market attractiveness. This was evidenced by generally good physical external and internal condition and high occupancy, albeit with significant differences in vacancy between locations.
- 5.73 In their market commentary Alder King also report that, based on current take-up, there is a potential 15-year supply of Grade A office accommodation in the planning pipeline. This suggests that the city centre will continue to be the focus for meeting the city's strategic requirements for new office floorspace.
- 5.74 An important part of Bristol's future economic well-being is expected to be based on strong growth in office-based employment. It is therefore important that development in the city centre (as the existing and most sustainable location for office development) is properly planned and managed so that sufficient office sites are retained and made available to facilitate this growth.
- 5.75 It is recommended therefore that a city centre office study is undertaken. This will inform the detailed Site Allocations DPD and help to ensure that adequate sites and capacity are maintained in the city centre. The office needs study should make recommendations for the safeguarding of valuable individual sites to meet future floorspace requirements. It should also identify which sites and buildings have attributes which make them suitable candidates for future refurbishment or redevelopment for office uses.

Identifying new sites to be brought forward

Additional industrial and warehousing land

- 5.76 Section 4 of this report identified a requirement for an additional 24.5 hectares of industrial and warehousing land in areas outside Avonmouth to be provided through the Bristol Development Framework in the period 2006-2026. This is to:
- address the current acute shortage of high quality industrial and warehousing land in areas other than Avonmouth
 - address the anticipated future demand for this type of space
 - provide for the future land requirements of some of Bristol's key economic sectors
 - provide some element of choice to a 'tight' market (i.e. operating at high occupancy).
 - provide a balanced portfolio of employment types and sites across the city, avoiding over-reliance on Avonmouth

- reflect the need to provide new employment opportunities as part of efforts to regenerate South Bristol.

- 5.77 It is considered that the intensification and recycling of operations on existing designated industrial and warehousing land (i.e. PIWAs) is likely to make a contribution to delivering this requirement. Continued, strong development plan protection of these areas for industrial and warehousing use can encourage landowner/leaseholder decisions to invest, redevelop/refurbish to provide more up-to-date industrial and warehousing premises and space rather than 'running down' premises in the hope of securing planning permission for alternative uses.
- 5.78 However, the extent of this contribution cannot be guaranteed or quantified as it depends on decisions made by private individuals and organisations.
- 5.79 With this in mind, an exercise was undertaken to identify potential new sites which could help meet this future requirement. This site search exercise was informed by advice from the study's consultants on the site characteristics favoured by modern industrial and warehousing operators (e.g. good access to the strategic road network, proximity to established industrial areas etc.). It involved the use of Geographic Information Systems and aerial photography.
- 5.80 Due to the built-up nature of Bristol, as well as development plan designations which presents significant obstacles to development (e.g. green belt, flood risk etc), the ability to identify new industrial and warehousing land within the city's administrative boundary is extremely constrained.
- 5.81 Nevertheless, three locational options were identified as having potential to meet the 24.5 hectare requirement. These are:
- a) an area to the east of Brislington Park and Ride, south of the A4. This approximately 20 hectare site is currently open land which benefits from close proximity to the Brislington Trading Estate and the A4 and Avon Ring Road. It does however fall within the Green Belt and also has a Wildlife Network Site designation within the Local Plan. These designations will need to be reviewed through the Local Development Framework process and may represent significant obstacles to allocation through the Site Allocations DPD. The Green Belt designation, in particular, places severe constraints on new development. The essential purpose of the Green Belt designation, as set out in PPG2 'Green Belts', is for land to remain open. If the council wishes to promote this site for development it will have to demonstrate to the Secretary of State the exceptional circumstances which justify a re-drawing of the Green Belt boundary.
- b) the current boundary of the PIWA designation at the Novers Hill and Vale Lane Industrial Areas along Hartcliffe Way could potentially be

extended over the adjacent open space and horse grazing land to provide approximately 5 hectares of new industrial and warehousing land. However, this area also has a number of Local Plan environmental designations (e.g. Open Space, Wildlife Network Site) which may present significant constraints on the appropriateness of industrial and warehousing development.

In addition, regarding the two sites identified above, it cannot be guaranteed that they have the potential to attract all of the different sources of industrial and warehousing demand highlighted at Stage 2.

As part of wider work to drive forward the regeneration of South Bristol sites may be identified which may contribute to the meeting of this requirement.

Additional office floorspace

- 5.82 Stage 2 of the study identified a requirement for an additional 235,555 square metres of office floorspace to be provided between 2006-2026. This is to address the anticipated future demand for this type of space, especially from some of Bristol's key economic sectors.
- 5.83 The study's consultants, Alder King, estimate that based on current levels of take-up there is a potential 15-year supply of Grade A office accommodation in the planning pipeline and report the danger of over-supply.
- 5.84 Given this adequate short and medium term supply, it is not considered necessary in this ELS to identify sites to meet additional floorspace requirements. Nevertheless, in order to ensure that sufficient sites are available to meet long-term needs it will be important that development in the city centre (the most sustainable location for this office growth) is carefully planned and managed. To this end, it is recommended that a city centre office needs study is undertaken as described above.

6. CONCLUSIONS

6.1 As described in the preface, the ELS has been carried out to inform the Core Strategy by:

- a) quantifying the amount of new employment land required over the plan period 2006-2026; and
- b) identifying a 'new' portfolio of employment sites by assessing the quality of the city's existing stock for continued use and identifying new sites with potential to meet the economy's future requirements.

6.2 The Core Strategy will use this information to develop a strategy for the well-being of the local economy to 2026.

6.3 The strategy will identify the type, amount and broad locations of new employment land needed to achieve the Bristol Community Strategy's long term aim for a thriving economy. In particular, it will seek to deliver the Bristol Partnership's objective for Bristol to be at the "dynamic heart of a City Region which is at or near the top of UK and European premier leagues for both economic performance and quality of life". The Core Strategy will also address the Bristol Partnership's aim of tackling the persistent social and economic disadvantage faced by many communities across Bristol by enabling the provision of adequate employment opportunities.

New employment land requirements

6.4 With these local policy aims in mind, the ELS has aligned itself to the 3.2% annual growth in GVA forecast to quantify future employment land requirements. While this figure is above historic trends, it is nevertheless considered a reasonable growth forecast as it reflects Bristol Partnership's aims for strong economic performance. In addition, it:

- reflects an emphasis on growth driven by the expansion of the knowledge based economy (where Bristol has many existing strengths), primarily in office based jobs but also arguably in some forms of advanced industrial and warehousing activity
- is more likely to provide a critical mass to ensure the viability of knowledge based industry growth in areas other than the city centre, which themselves may be suffering from a shortage of such companies and skills deficits which hamper their economic and social development
- helps to ensure that an adequate supply of employment land is provided taking account of the current 'tight' market (i.e. employment sites and areas in Bristol are generally operating at high occupancy)
- assists in factoring in capacity to accommodate any exceptional loss of stock arising from office building obsolescence

New office floorspace

- 6.5 Using the 3.2% annual GVA growth scenario, jobs in office based employment in Bristol are expected to grow by 24,900 in the period 2006-2026. Job to floorspace density ratios were applied to determine the floorspace requirements needed to accommodate this jobs growth.
- 6.6 Taking into account both the amount of development with existing planning permission and development identified by the study's consultants as likely to come forward in the next three years, the ELS concludes that 236,000 sq m of additional new office floorspace should be provided between 2006-2026.

New industrial and warehousing land

- 6.7 The expected increase in industrial and warehousing based employment arising from the 3.2% GVA annual growth forecast is 1,700 jobs. After applying job to floorspace ratios, a requirement of 23.9 hectares of industrial and warehousing land was identified to meet this future growth path.
- 6.8 However, the ELS also identified an additional 9.7 hectare requirement to meet potential latent demand for industrial and warehousing land reported by industrial property agents. This is demand for land which is not being taken-up because of an acute current shortage of supply in all areas of the city other than Avonmouth. Site visits to the city's main industrial and warehousing areas supported this perception as they were found to be generally operating at high levels of occupancy with little spare capacity. Therefore the ELS identified a total requirement of 33.6 hectares of new industrial and warehousing land to meet both current and future industrial and warehousing needs.
- 6.9 An analysis of land with planning permission for industrial and warehousing land identified a significant bank of land (circa 52 hectares) in Avonmouth which, on face value, could easily accommodate the 33.6 hectare requirement.
- 6.10 However, the 33.6 hectare figure includes 9.7 hectares of potential latent demand for land in areas other than Avonmouth caused by a shortage of supply in rest of the city. In addition, the ELS considered that it may be prudent to provide further flexibility in the industrial and warehouse market outside of Avonmouth. This was to respond to persuasive comments from Alder King and other industrial agents advising against an over-reliance on Avonmouth because:
- Much of the remaining land with planning permission Avonmouth is being taken up by a particular type of operation; namely, for large format distribution premises. Therefore, they highlight the potential dangers of an over-reliance on a single location at the expense of

providing a balanced citywide portfolio of sites for different types and sizes of industrial and warehousing operations;

- There are concerns that Avonmouth might not be suitable for all new industrial and warehousing development. This is because some industrial and warehousing operations require significant staff numbers to carry out their operations. As Avonmouth has a limited local labour supply, there is a perception that some existing companies in Bristol would prefer the choice of sites in parts of the city ideally closer to their current location and its labour force.

6.11 Consequently the ELS proposes that an additional 14.8ha – equivalent to the loss of industrial land in areas other than Avonmouth identified by the Bristol Business Development Survey – is provided in areas of the city other than Avonmouth between 2006-2026 for industrial and warehouse uses. This is in addition to the 9.7 hectares identified as required to meet existing un-met demand.

6.12 Therefore, the ELS concludes that 24.5 hectares of new non-Avonmouth located industrial and warehousing land should be provided between 2006-2026 to meet current and future needs.

Identifying a 'new' portfolio of employment sites

Review of main employment sites and areas

6.13 A qualitative review of the city's 68 Local Plan-designated 'Principal Industrial and Warehousing Areas' (PIWAs) was undertaken. This review used a range of 'market attractiveness' and 'sustainability' indicators to assess their suitability for continued employment use.

6.14 The ELS concludes that 60 of the 68 PIWAs continue to be 'fit for purpose'. They were found to be functioning well (i.e. very low vacancy) and in good physical condition; few constraining residential land uses were identified and generally good access to the main road network was noted. Similarly, the need for their retention was reinforced by generally good performance against a number of sustainability indicators (e.g. if the PIWA was in a regeneration area or an area with a low jobs to workforce ratio, continued safeguarding of the PIWA would assist in retaining valuable employment opportunities.) This excluded sites in Avonmouth which performed badly against the sustainability indicators.

6.15 Of the remaining eight PIWAs reviewed, five were found to have been developed (or had planning permission) for non-industrial and warehousing uses. Therefore, it was concluded that they will not contribute to the city's current or future industrial needs. Due to severe physical constraints (for example, difficult site access and topography, constrained internal HGV manoeuvrability, long term vacancy and poor physical condition of buildings) continued development plan

designation for the remaining three PIWAs was not considered appropriate.

- 6.16 A review of the physical condition and occupancy of 111 non-Local Plan designated industrial and warehousing sites was also carried out. It was concluded that a more detailed assessment of the market attractiveness and sustainability of the city's non-development plan protected sites should be undertaken. This is because these sites can potentially make a strong contribution to the local economy by providing a range of business development opportunities. They can also be useful in meeting the Community Strategy's aim of securing balanced and sustainable communities by providing local, easily accessible employment opportunities. It was concluded that this further assessment would help inform their importance to the local economy and meeting citywide industrial and warehousing needs. It would also inform whether they would be considered for statutory development plan protection for continued industrial and warehousing uses through the Site Allocations Development Plan Document.
- 6.17 The city centre office market was reviewed with an appraisal of the market attractiveness of 338 office sites and an assessment of vacancy levels. From this initial review, the study concluded that the city centre office market appears to be functioning well in terms of generally high occupancy (albeit with significant local differences) and good physical condition of building stock.

Identifying new land and sites to meet future requirements

- 6.18 As described above, a 24.5 hectare requirement for industrial and warehousing land in areas of the city apart from Avonmouth has been identified. Notwithstanding the difficulties of allocating new sites with the city's administrative boundaries, the ELS concludes that the Bristol Development Framework should seek to respond to this shortage by identifying land suitable for industrial and warehousing land in order to:
- address the current latent and anticipated future demand for this type of space;
 - provide for the future land requirements of some of Bristol's key economic sectors;
 - provide some element of choice to a 'tight' market (i.e. operating at high occupancy)
 - provide a balanced portfolio of employment types and sites across the city, avoiding over-reliance on Avonmouth.
- 6.19 Regarding office floorspace, as described above, the ELS concludes that an additional 236,000 square metres of office floorspace is required between 2006-2026.
- 6.20 The study's consultants, Alder King, estimate that based on current levels of take-up there is a potential 15-year supply of Grade A office

accommodation in the planning pipeline and report the danger of over-supply.

- 6.21 The ELS concludes that, given this adequate short and medium-term supply, it is not considered necessary in this ELS to identify sites to meet additional floorspace requirements. Nevertheless, in order to ensure that sufficient sites are available to meet long-term needs it will be important that development in the city centre (the most sustainable location for this office growth) and other locations in the city is carefully planned and managed.
- 6.22 The following section sets out a number of recommendations to ensure these conclusions are reflected in the planning policy documents of the Bristol Development Framework.

7 RECOMMENDATIONS

Summary

- 7.1 This section sets out the report's recommendations for positively informing the Bristol Development Framework and, in particular, the Core Strategy. It also makes recommendations for additional evidence gathering required to support the Site Allocations document (due to commence preparation in December 2007). Finally, it suggests ways in which the monitoring of the city's employment sites portfolio could be improved.

Core Strategy recommendations

Introduction to Core Strategy

- 7.2 The first development plan document being prepared for the Bristol Development Framework is the Core Strategy. This document will provide the spatial vision for how Bristol will have developed by 2026. In order to deliver this vision it will also set out a spatial strategy for guiding this development.
- 7.3 The latest Government guidance on producing Core Strategies advises that the spatial strategy should include the local authority's strategy for promoting the well-being of the local economy incorporating "...the identification of the scale of new employment land needed, for what purpose and broad locations within and around settlements".
- 7.4 The Site Specific Allocations Development Plan Document will then use this strategic guidance to identify and allocate sites for employment use.

Recommendations

- 7.5 The ELS recommends that the Core Strategy enables the future delivery of:
- 24.5 hectares of new industrial and warehousing land in areas of the city apart from Avonmouth in the period 2006-2026. Three locational options should be considered to meet the 24.5 hectare requirement. These are:
 - a. an area to the east of Brislington Park and Ride, south of the A4. This approximately 20 hectare site is currently open land which benefits from close proximity to the Brislington Trading Estate and the A4 and Avon Ring Road. It does however fall within the Green Belt and also has a Wildlife Network Site designation within the Local Plan.

- b. the current boundary of the PIWA designation at the Novers Hill and Vale Lane Industrial Areas along Hartcliffe Way could potentially be extended over the adjacent open space and horse grazing land to provide approximately 5 hectares of new industrial and warehousing land. However, this area has a number of Local Plan environmental designations (e.g. Open Space, Wildlife Network Site) which also present significant constraints on the appropriateness of industrial and warehousing development.

As part of wider work to drive forward the regeneration of South Bristol, sites may be identified which may contribute to the meeting of this requirement.

- 236,000 square metres of new office floorspace between 2006-2026. The Core Strategy should consider promoting the city centre as the main focus for this development. Scope to attract office development will be considered as part of efforts to drive forward the regeneration of South Bristol.

- 7.6 The ELS recommends that the Core Strategy considers the inclusion of a core policy which identifies 60 of the 68 main industrial and warehousing areas reviewed by the ELS as vital in helping to meet the city's strategic industrial and warehousing needs. This policy should permit the change of use to non-B1c, B2 and B8 uses only in exceptional circumstances as they represent the strategically-important stock of very limited, difficult-to-replace land suitable in the city for industrial and warehousing uses.

Recommendations for Site Allocations DPD

Introduction to Site Allocation DPD

- 7.7 The Site Allocations DPD will be the second main Bristol Development Framework document to be produced. It will use the strategic guidance provided by the Core Strategy (e.g. on the type, the quantity and broad location of where new development should go) to identify and allocate sites for uses which conform to the Core Strategy's approach.

Recommendations

- 7.8 The Site Allocations DPD is programmed to be examined by the Planning Inspectorate in January 2011. It is important that the evidence base for the Site Allocations DPD is up-to-date and robust when it is submitted to the Inspectorate in 2010.
- 7.9 It is recommended that the following additional evidence gathering is undertaken to inform the Site Allocations DPD.

City centre office needs

- 7.10 This report has identified that in the period to 2026 office employment is expected to grow by 24,900. This growth will support the sectors identified as key to the future of the Bristol economy: professional services, ICT and communications, public administration and banking and insurance. It is vital therefore that the city can safeguard suitable existing office floorspace as well as provide adequate new land for office development.
- 7.11 This report has identified that the existing city centre office market is generally buoyant with increasing rental values and low levels of vacancy. A substantial amount of Grade A accommodation is also under construction or in the pipeline. The city centre is likely to continue as the main focus for office development.
- 7.12 However given the importance of the city centre office market to the local and sub-regional economy, it is recommended that a more detailed assessment of the city centre office market is undertaken to inform the detailed Site Allocation DPD. Such a study is recommended by the Government's Planning Policy Statement 6 'Planning for Town Centres' (para. 2.39). Drawing on assessment of need, vacancy and condition identified as part of the ELS, this study should identify sites which should be safeguarded to meet future office floorspace requirements. It should also identify which sites and buildings have attributes which make them suitable candidates for future office refurbishment and redevelopment.

Industrial and warehousing sites and land

- 7.13 The study recommends that 60 of the 68 PIWAs reviewed should be considered for inclusion within the Site Allocations DPD. This is so that they receive statutory development plan designation which protects them for B1c (Light Industrial), B2 (General Industrial) and B8 (Storage and Distribution) Use Class Order uses.
- 7.14 The study recommends the initial review of the city's non-PIWA industrial and warehousing sites is built on so that a more detailed assessment is undertaken of their 'market attractiveness' and 'sustainability'. This will help determine their importance both to the economy of the local area and to meeting the city's industrial and warehousing needs in the period 2006-2026. It will also help assess whether they would benefit from statutory development plan designation in the Site Allocations Document which protects their current industrial and warehousing use. In order for this additional assessment to be practicable it is recommended that it is carried out in prioritised locations; for example, Neighbourhood Renewal Areas,

South Bristol or areas with the lowest job/workforce ratio.

Recommendations for employment land monitoring and future ELS reviews

Introduction

- 7.15 In the Government guidance for Employment Land Review monitoring there are minimum recommendations for employment land monitoring by local authorities. This predominantly relates to employment land supply and demand information.
- 7.16 The minimum requirements are as follows:
1. Employment land and premises database
 2. Employment permissions granted, by type
 3. Employment permissions developed by type, matched to allocated sites
 4. Permissions and development of sites and premises previously in employment use for non-employment uses
 5. Employment land and premises available and recent transactions
 6. Employment premises enquiries (if the authority has an estates or economic development team)
 7. Employer requirements and aspirations (from focus groups, forums or periodic surveys).
- 7.17 The council currently produces an annual Business Development Survey which covers categories 2-4. The Invest West database now in operation by the West of England Partnership monitors the availability of sites (the first part of category 5) and employment premises enquiries (category 6).
- 7.18 An absence of a comprehensive employment land and premises database (Category 1) has presented certain difficulties during the process of undertaking the ELS, for example, in terms of identifying non-PIWA employment sites.

Recommendations

- 7.19 The Government's Planning Policy Statement 1 advises local authorities to adopt a 'plan, monitor and manage' approach to their plan making. This approach requires improved monitoring of plans and their policies so that their effectiveness in achieving stated objectives is better understood and, where they are found to be ineffective, can highlight the need to revise policy.
- 7.19 The council is seeking to deliver the Community Strategy's long-term aims, which include achieving a "thriving economy". It is considered that the council will be better able to achieve this aim if it has a comprehensive, up-to-date understanding of the quality, size and location of its employment stock.

- 7.21 In the spirit of adopting the PPS1 approach and helping to achieve the Community Strategy aim, it is recommended that a comprehensive land and premises database is established which covers all 7 categories noted in the guidance.
- 7.22 To ensure that this new comprehensive database is up-to-date and assists the performance monitoring of the Bristol Development Framework, it is also recommended that the physical condition survey carried out for the ELS is carried out every three years as part of a rolling ELS review. This is supported by draft RSS Policy E3 which demands that sites “should be critically reviewed ... on a three year rolling basis so as to ensure that those allocated continue to meet the requirements of business, and will meet current or longer-term needs for economic development”.
- 7.23 In conclusion, it is imperative that future monitoring, using a comprehensive employment land database, is undertaken on regular ongoing basis to ensure that the information gathered and analysed for this review continues to be meaningful over the life of the Bristol Development Framework.
- 7.24 Finally, the ELS also recommends that consideration should be given to future ELSs being carried out jointly by the West of England authorities, or at least a joint study between Bristol City and South Gloucestershire Councils. A joint ELS has not been possible on this occasion due to differing Unitary Authority development plan timetables but could be useful to ensure the most resource-efficient approach to covering often closely-connected, cross-boundary employment and economic issues.

GLOSSARY OF TERMS AND ABBREVIATIONS

BCC – Bristol City Council

BDF – Bristol Development Framework

Collective name for the Development Plan Documents and Supplementary Planning Documents that make up the planning framework for the city.

Core Strategy

Prime BDF Development Plan Document which sets out the vision and strategy for future development in the city.

DPD - Development Plan Documents

Any part of the BDF that forms part of the statutory development plan (i.e. Core Strategy DPD, Site Allocations DPD, proposals map; does not include SPDs). DPDs are independently examined by the Government's Planning Inspectorate.

GIS – Geographic Information Systems

A collection of computer hardware, software, and geographic data for capturing, managing, analysing, and displaying all forms of geographically referenced information.

GVA – Gross Value Added

The difference between output and intermediate consumption for any given sector/industry. That is, the difference between the value of goods and services produced and the cost of raw materials and other inputs which are used up in their production.

LDS - Local Development Scheme

States what BDF documents will be produced, in what order and by when.

PIWA – Principal Industrial and Warehousing Area

Those areas designated in the Bristol Local Plan 1997 under Policy EC5 as the city's core stock of industrial and warehousing land.

PPS – Planning Policy Statements

Government policy statements on a range of planning topic areas

PPG – Planning Policy Guidance Notes

Government policy statements on the full range of planning topic areas currently being replaced by PPSs

RES – Regional Economic Strategy

The Regional Economic Strategy provides a shared vision for the development of the South West region's economy. It is a key document for all regional partners and especially those involved in economic development, regeneration and promoting enterprise in the region. It is designed to influence and guide what they do.

RSS - Regional Spatial Strategy

Prepared by the Regional Planning Body (South West Regional Assembly).
An overarching strategy for the South West of England setting out the policies in relation to development and activities on land

SPD - Supplementary Planning Document

Provides additional supporting information to BDF policies in matters such as area/site guidance, sustainable design, affordable housing etc. SPDs are not subject to independent examination.

SWRA - South West Regional Assembly

The regional planning body, responsible for production of the RSS. Appointed from elected members and representatives from social, environmental and economic organisations across the region.

West of England

The area covering land administered by the following Unitary Authorities: Bath and North East Somerset Council, Bristol City Council, North Somerset Council and South Gloucestershire Council