Bristol City Council

Local Plan Review

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Employment Land Topic Paper

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Employment Land Provision and Strategy

Executive Summary

i. This topic paper identifies a future requirement for office and industrial/warehouse space in Bristol over the next plan period, taking into account forecasts of economic growth and an extensive evidence base examining issues relating to demand and supply. It has been produced to provide context to and explain the rationale for employment land policies in the draft Bristol local plan. It also notes measures that can be taken by Bristol City Council to complement the delivery of local plan objectives to ensure that sufficient supply comes forward to meet the city's future economic needs.

ii. A number of economic forecasts have been developed for the council, all of which point to growth in the economy both in terms of jobs and economic output. They reflect a range of scenarios, reflecting different patterns of growth in economic sectors, and the analysis takes account of projected population growth. They forecast that the number of jobs in the Bristol economy will increase by between 31,000 to 53,000 over the period 2023-43. Between 6,100 to 16,000 of these will require the provision of new, additional office and industrial/warehouse space.[1]

iii. Anticipated growth in jobs has been converted into likely floorspace requirements and compared to the latest pipeline of developments with planning permission to determine the level of outstanding need for space that the local plan will need to provide for.

Table A: Forecast need compared to supply inferred from planning pipeline

	Range (sq m Gross External Area [GEA])
Office and research and development space	
Forecast need	102,000 to 237,000
Supply already with planning permission	162,534
Outstanding requirement	Nil to 74,466
Industrial and warehousing space	
Forecast need	-16,000 to 48,000
Supply already with planning permission	-40,024
Outstanding requirement	24,024 to 88,024

iv. The council is aware of an extensive potential supply of office development, not included in the latest planning pipeline, that could deliver several hundred thousand square metres of space in the city centre and at Temple Quarter. Plans for some schemes are at a very early stage, and there is a risk overall to delivery of these spaces from a variety of factors including changing property values, developer intentions and economic conditions.

[1] The forecasts cited cover a period beyond the proposed life of the local plan, i.e., they run to 2043 whereas the plan covers up to 2040. Meeting demand identified in the forecasts is likely to point to provision over and above that required over the plan period.

It is appropriate to set a target over and above the existing planning pipeline to enable future supply needs to be met, provide some additional capacity to deal with replacement needs and provide a benchmark to monitor supply, as outlined in the table below.

Table B: Office demand/supply balance after additional supply considered

	Range (sq m GEA)
Outstanding requirement after planning pipeline applied	Nil to 74,466
Potential additional supply with indicative quantum based on capacity offered by a number of sites where potential has been identified	172,692
Demand/supply balance after additional supply taken into account	98,026 to 233,226

v. It is therefore appropriate for the office floorspace target to be set at 164,000 sq m gross internal area, or 173,000 sq m gross external area.

vi. For industrial and warehousing space, the comparison of forecasts against planning pipeline points to an undersupply that the new local plan needs to respond to. 60 hectares of new industrial land is proposed for allocation at Avonmouth. The evidence base also points to shortage of space in urban Bristol, limiting opportunities for redevelopment. Policy needs to encourage efficient use of land, so a plot ratio (proportion of floorspace compared to overall site area) of 0.6 will be supported to encourage more intensive development.

vii. Analysis has been undertaken of the potential to develop industrial floorspace on key sites over the next 5 years, as demonstrated in the table below.

Table C: Potential net uplift in industrial and warehouse space over the next 5 years (sq m GEA)

	Weighted net potential floorspace uplift at low development density	Weighted net potential floorspace uplift at high development density
Allocated sites subject to a planning decision but not in the 2022 planning pipeline	103,903	
Allocated sites not subject to a planning decision	42,162	63,243
Sites on IDAs with potential for redevelopment	9,257	21,709
Total	155,322	188,855

viii. After account is taken of factors that may lead to lower plot ratios being applied in Avonmouth, such as to deal with environmental constraints on site, it is appropriate for the

industrial and warehouse target to be set at 164,000 sq m gross external area. Its impact against potential undersupply is noted below.

Table D: Industrial and warehouse demand/supply balance after additional supply considered

	Range (sq m GEA)
Outstanding requirement after planning pipeline applied	24,024 to 88,024
Potential additional supply	164,000
Demand/supply balance after additional supply taken into account	75,976 to 139,976

ix. Both targets create some additional capacity over and above jobs growth-driven targets to accommodate potential need for replacement space arising from building obsolescence, as well as provide additional choice to the market and room for further growth.

x. Potential employment space capacity in regeneration areas as outlined in the Development Strategy chapter of the local plan will be confirmed through masterplanning exercises called for in emerging local plan policy. The topic paper provides analysis of existing business baselines and compares locational attributes to evidence on potential fit with sectoral needs. It suggests that each features attributes suited to a range of economic sectors and employment uses, including industrial and warehousing.

1. Introduction

1.1 This topic paper summarises and draws together key findings from the evidence base that Bristol City Council has gathered to inform its strategy in the Bristol Local Plan Review for the provision of employment land and space over the next plan period. It also notes measures that may be taken by Bristol City Council to encourage the provision of a supply of land that meets the future needs of the city's economy.

1.2 For clarification this report covers employment land and space in the context of land and premises for offices, flexible workspace, industry and distribution as covered by the use classes E(g)(i)-(iii) [office, research and development, light industry], B2 [general industrial] and B8 [storage and distribution]. The use classes E(g)(i)-(iii) reflect the former use classes B1a (office), B1b (research and development), B1c (light industrial) prior to the introduction of the Class E use class in 2020.

1.3 This topic paper has been informed principally by the following documents:

- Bristol Employment Land Study (November 2019), produced by JLL for Bristol City Council (referred to in this paper as the ELS)
- Bristol One City Economic Renewal and Recovery Strategy (2020)
- West of England Employment Land Spatial Needs Assessment (2021)[2], produced by Atkins for the West of England Combined Authority (WECA) (referred to in this paper as the ELSNA)
- Bristol Business Development Survey (BDS) 2022, produced by Bristol City Council
- Bristol Employment Land Review update (June 2023), produced by JLL for Bristol City Council
- St Philips Marsh business audit and future employment scenarios – working report (June 2023), produced by PRD for Homes England on behalf of the Temple Quarter Joint Delivery Team
- Bristol Employment Sites and Premises Evidence (November 2023), produced by Hardisty Jones Associates (HJA) and Lambert Smith Hampton (LSH) for Bristol City Council
- Development frameworks and briefs (endorsed and emerging) for Temple Quarter and St Philips Marsh, Whitehouse Street, Mead Street and Frome Gateway, developed by Bristol City Council.

1.4 In line with Government planning practice guidance on identifying economic need,[3] we have sought to prepare a robust evidence base to underpin the employment land strategy. The council has gathered and considered evidence on a range of factors identified in the guidance including:

[2] Updated in 2023 to deal with arithmetical errors

[3] Housing and economic needs assessment - GOV.UK (www.gov.uk)

- Recent pattern of employment land supply and loss
- Evidence of market demand
- Wider market signals
- Evidence of market failure
- Forecasts of economic, sectoral and employment growth and associated employment floorspace requirements
- The needs of specific sectors, including logistics.

1.5 Consultation with the business community on future requirements has been undertaken principally through the preparation of the West of England ELSNA, Bristol ELS and the Bristol Employment Land Review update, as well as through consultation on the emerging local plan.

1.6 The evidence gathered has acknowledged that the Bristol City Council administrative area is part of a Functional Economic Market Area (FEMA) covering the wider West of England, thus also including Bath and North East Somerset, North Somerset and South Gloucestershire.[4] An objective of the analysis has been to reflect Bristol's role and impact on the FEMA, whilst informing actions that the council has scope to control or influence directly. This analysis may also inform any actions identified subsequently that may need to be picked up as part of our duty to co-operate with neighbouring authorities to help ensure an adequate supply of employment land is provided across the FEMA.

1.7 The paper includes sections covering:

- An overview of emerging Bristol Local Plan policy
- ELSNA and ELS – summary of findings
- Current market conditions and issues
- Demand for employment space
- Supply of employment space
- Achieving demand/supply balance and progressing Bristol's supply of employment space.

[4] See reference to determination of FEMA coverage in West of England ELSNA, Atkins for WECA (June 2021), Section 1.4

2. Overview of emerging Bristol Local Plan policy relating to employment land

2.1 The emerging local plan policy promotes development of new employment space at several key locations in Bristol:

- Bristol city centre
- Temple Quarter and St Philips Marsh
- Avonmouth Enterprise Area and Bristol Port
- Town, district and local centres
- Regeneration areas
- Areas previously used for employment purposes which are subject to proposals for a change of use
- Industry and distribution areas and areas dedicated to maritime industries in the city centre.

2.2 Office developments will be appropriate at:

- Bristol City Centre, including Temple Quarter
- Locations in St Philips Marsh
- Town and district centres and sites on the edge of these
- AGRs
- Areas identified as suitable for office development in other policies.

2.3 38 areas are proposed to be protected as industry and distribution and maritime industry areas. New development for those uses which makes efficient use of land will be encouraged. Certain other complementary uses, such as training facilities or childcare spaces, will be supported in these areas.

2.4 The continued use of land at Avonmouth industrial area and Bristol port for industrial, distribution, energy and port related uses is supported through its own specific policy. This policy includes the allocation of 60 hectares of greenfield land adjacent to the industrial area for industrial and distribution uses.

2.5 A further hectare of land at Vale Lane, South Bristol, is proposed for allocation for industrial and distribution uses.

2.6 A number of locations are identified as regeneration areas, sometimes described as Areas of Growth and Regeneration (AGRs), where mixed use development will be supported. Some of these areas are currently industrial in character. It is proposed that employment space will be provided as part of redevelopment, for uses such as office and other workspaces.

2.7 Proposals for the redevelopment of sites most recently in employment use will be required to include provision of new workspace as part of mixed use developments. Workspace provision will be expected to have regard to the employment intensity of the

most recent use, whilst also being proportionate to the scale of the proposals and location of the site.

2.8 The emerging local plan also includes a number of site-specific development allocations which call for the provision of some employment space, noting use in general terms but not defining the quantum of type of space that should come forward.

2.9 A policy on affordable workspace is also proposed, to provide such space to support social, cultural or economic development purposes. A supplementary planning document will be prepared to give further guidance on how this policy will apply, including the areas to be covered by it.

2.10 Major development proposals featuring 10 or more residential units or more than 1,000 sq m of non-residential floorspace will have to be accompanied by an employment and skills plan, which must set out measures that will be taken to encourage inclusive employment and delivery of social value through and following development.

3. ELSNA and ELS – Summary of findings

3.1 This section summarises findings pertinent to Bristol's current employment land position contained in previously commissioned studies: the West of England ELSNA (Atkins for WECA, 2021)[5] and the Bristol ELS (JLL for Bristol City Council, 2019).

West of England Employment Land Spatial Needs Assessment

3.1.1 Atkins were commissioned by WECA in early 2020 to produce an assessment of employment land needs in the sub-region, to inform the development of employment land policies in the West of England Spatial Development Strategy (SDS) and the local plans of the area's constituent authorities. Atkins issued their final report in June 2021, subsequently revised in 2023 to deal with a small number of arithmetical errors.

3.1.2 In 2022 WECA decided not to progress with the West of England SDS. The ELSNA has remained available, however, for the unitary authorities to use in development of their employment land evidence bases.

3.1.3 The ELSNA provided a forecast of economic growth, analysis of potential land supply and identified outstanding land requirements for key economic sectors and each unitary authority by use class. It offered a detailed analysis of qualitative issues such as locational attributes best suited to particular property types and economic sector needs. It also drew heavily on stakeholder engagement with representatives of key sectors to identify issues around demand and supply. The report concluded with recommendations for future employment land policy.

3.1.4 The economic growth forecasts on which the ELSNA relied were commissioned in Summer 2020, when the impact of Covid-19 was yet to become clear. New, more up-to-date forecasts for use in this report have been commissioned by Bristol City Council from Hardisty Jones Associates.[6] That said, the ELSNA included much qualitative evidence and analysis drawn from direct contact with the market, including intelligence on sectoral spatial requirements, which still provides a valuable additional resource over and above the forecasts alone. The supply analysis in the ELSNA was based on planning commitments and other information on site availability provided to Atkins in Summer 2020. The ELSNA position on supply is now dated, and the current detailed position for Bristol is outlined in the supply chapter.

[5] Updated in 2023 to deal with arithmetical errors

[6] WECA and Bristol's 3 neighbouring unitary authorities have jointly commissioned forecasts with Bristol City Council, so that all are working off the same forecasts when developing local plans and strategies.

3.1.5 In specific regard to Bristol, the ELSNA:

- Identified that Bristol's planning pipeline of approved permissions for new office, industrial and warehouse space would not be sufficient to meet the city's future needs for such space and that more would need to be found
- Noted that the approach proposed for the new AGRs represented a proactive response to balancing housing need with delivering new employment space, but that the potential for loss of industrial and warehouse space in them had not been quantified. It recommended that Bristol introduce floorspace and jobs targets for these areas to prevent significant loss of this type of space, whilst noting that a degree of flexibility would need to be maintained to respond to changing market dynamics and demand
- Welcomed the allocation of new industrial land proposed in the emerging local plan. The ELSNA emphasised the importance of providing industrial land for this use in parts of the city in addition to Avonmouth, citing the inability of some businesses based in the urban core to move there for operational or workforce reasons. They also noted Avonmouth's suitability for large scale industrial and distribution activity
- Noted that the bulk of new office development proposals in Bristol were concentrated in or near to the Temple Quarter Enterprise Zone, suggesting that demand which could not be satisfied there may need to be redirected to other locations within the West of England. There was potential for an increase in demand for office space based on a hub and spoke model, with spokes in out of centre areas including suburban locations within cities.
- Noted a shortage of space for the creative and digital and R&D sectors in Bristol, and a shortfall in space for last mile logistics firms in areas such as St Philips Marsh and Brislington.

3.1.6 The ELSNA concluded by identifying a number of actions for the West of England authorities, namely to:

- Protect existing employment stock, implementing effective protection policies focusing on key locations, sites and premises which are suitable and viable for modern business and industrial occupiers
- Identify additional land supply through, for example, floorspace targets for Bristol's AGRs
- Maximise the use of existing stock, by – for example – including policies aimed at intensification and replacement of stock through redevelopment, refurbishment and intensifying the scale of development on site
- Enable the meeting of emerging premises requirements for key sectors identified as having potential to grow but which may be constrained by lack of supply going forward such as transport and logistics, professional services and health and life sciences

- Prioritise locational principles in the provision of employment space, such as ensuring access to affordable public transport
- Ensure flexibility in policy development, enabling adjustments in response to changing market circumstances
- Monitor supply and demand on an ongoing basis, including regular engagement with the business community.

Bristol Employment Land Study

3.2.1 JLL were commissioned by Bristol City Council to produce an ELS to aid the development of the Bristol local plan and reported in November 2019. Their study considered the demand and supply situation for office, industrial and warehouse space in play at the time of drafting, as well as forecasts of economic growth and emerging planning policy, and made recommendations to the Council on actions it should take to ensure an adequate supply of employment space in the city in future years. It is worth noting that this study reported prior to the arrival of Covid-19.

3.2.2 Key observations in the ELS included:

- Industrial
  - Most notable demand for industrial and warehouse space in the city was coming from occupiers seeking small units (up to 20,000 sq ft) and last mile logistics operators
  - Industrial and warehouse space was in short supply compared to levels of demand. There was potential for this to be exacerbated by lifting of protection for industrial and warehousing uses from a number of locations
  - JLL welcomed proposed new allocations of industrial and warehousing land but felt that they would not provide enough to alleviate market pressure. Floorspace targets in, for example, the AGRs, could help to ensure that the necessary space was provided
  - Intensification could usefully provide part of the city's response to meeting future industrial and warehousing space needs, but public sector intervention would most likely be required to prove the concept and stimulate the market to deliver.
- Office
  - An area within 15 mins walk of Temple Meads Station was proving attractive for office occupiers, offering both good amenity and accessibility for businesses and their staff. Areas south and east of Temple Meads may see interest in the future given emerging planning policies for mixed use development there
  - A trend amongst occupiers for securing accommodation on flexible terms was likely to continue
  - Bristol enjoyed a healthy pipeline of proposed office development, but it was possible that actual supply could turn out to be somewhat less because in

some instances development for alternative uses may prove more attractive to developers and investors.

3.2.3 JLL's recommendations on future action by Bristol City Council included:

- Identifying floorspace and use targets for employment space in the city and AGRs
- Allocate new employment sites that are additional to those proposed in the emerging local plan
- Develop masterplans for the development of the AGRs that feature clear targets for the provision of employment space
- A range of actions to proactively stimulate supply of space including considering the use of Council owned land, partnership working with public sector partners, strategic land acquisition, direct delivery of space, upgrades of infrastructure in key employment locations and utilising public funding.

4. Current market conditions and issues

4.1 JLL were commissioned by the Council in Spring 2023 to provide an update on the employment space market and reported in June. Their update addressed three matters:

- To identify any factors arising since the publication of the ELSNA and ELS that could affect the findings of those documents
- To review industrial intensification precedents and consider their applicability to Bristol
- To consider the potential of certain classes of industrial and warehouse sites to contribute additional workspace over the next 5 years.

4.2 The findings of their analysis of the first two topics are summarised in this section; their analysis of supply is considered in section 6.

4.3 As part of their analysis they were asked to report on a number of matters to inform the council's understanding of the state of the market, namely:

- Any significant changes within geographic markets identified in the ELS since it reported
- Any relevant impacts of Covid on demand and supply, current and emerging
- Any known changes to sectoral demand
- The market impact of recent economic trends
- Any new property-related impediments to growth across the Bristol economy.

4.4 In respect of the office market JLL found:

- Demand for space remained strong in the city centre, with out of town markets being somewhat weaker. The post-Covid period had seen an increased return by occupiers and their staff to the office, and amenities and good accessibility offered by the city centre were proving attractive. Rents had increased, but despite this city centre vacancy levels were very low at 3.9% at the end of 2022, with new build Grade A vacancy running at 0.6%
- Changes were taking place in the nature of space sought. Occupiers were tending to look for less floorspace but were looking for it to be of better quality, featuring amongst several factors better environmental performance and facilities and amenity for staff. These requirements were arising amongst occupiers looking for smaller spaces as well as from large corporates
- Bristol had a shortage of office accommodation available on flexible terms and there were instances where the city had lost out to competitor locations for blue chip investment because of this. This type of space was being increasingly sought by the market
- The supply of secondary space in the market could be impacted by future energy performance requirements, which to be met would require capital investment and could increase service charges. Future supply would in part depend on

property owners' and developers' appetite and ability to invest, the affordability of higher cost for occupiers and consequent viability overall

- Whilst a number of new, Grade A high quality office schemes were nearing completion, higher interest rates and inflation had led to a fall in office investor confidence and activity
- A number of schemes brought forward in Bristol featured co-location of office space with other uses in the same buildings. JLL reported sensitivity on the part of developers to the potential for conflict between uses, which could dampen appetite for such schemes.

4.5 In respect of the industrial and warehouse market JLL found:

- A significant imbalance existed between supply and demand, particularly in markets outside of Avonmouth, driven by strong demand and limited supply
- Covid-19 had generated demand; combined with limited supply rents have been pushed up. JLL reported very strong competition for space, leading for any that was available to be occupied quickly which in turn limited the availability of sites for new industrial and warehouse development to deal with the outstanding demand
- Businesses were struggling to secure long term certainty on leases because in several instances, for example in St Philips Marsh, landlords were exploring the potential to redevelop their sites for alternative uses
- Pressure on supply was also arising from take up of space by non- or quasi-industrial uses
- Companies were staying in their existing space, often when it was no longer fit for purpose, because no alternatives were available generally or at a rent they could afford
- These factors were combining to stymie growth
- New schemes have come forward on existing sites which have delivered densification and an increased amount of industrial space
- High build costs and inflation had the potential to impact negatively on development plans generally, and there was a reticence nationally around both development and take up of units of 50,000 sq. ft plus
- Challenges also existed around grid capacity and ensuring sufficient electrical supply, and in making space energy efficient.

4.6 JLL's report considered densification and intensification precedents for industrial and warehousing space, both in Bristol and other locations nationally. This included examples where traditional forms of development were delivered but in greater intensity on a site than was previously the case, as well as co-located space within or adjacent to buildings featuring other uses (most predominantly residential) and multi-storey industrial buildings.

4.7 They reported that “intensification has typically occurred where existing employment sites have been occupied by inefficient schemes/buildings, which have become vacant or available for redevelopment. Redevelopment proposals have then comprised more efficiently designed schemes which result in an increased site coverage and net uplift in accommodation being provided”.[7]

4.8 Two schemes were being brought forward in South Bristol on this basis, one by Bristol City Council at Whitchurch Enterprise Park and the other by the private sector in Brislington. Floorspace as a proportion of overall site area (defined as the “plot ratio”) increased significantly in both, the former increasing from 34% (a plot ratio of 0.34) to 57% (a plot ratio of 0.57). The Brislington scheme saw an increase from a plot ratio of 0.29 to one of 0.48. JLL noted that this type of development could be encouraged in Bristol through providing strong policy protection for industrial and warehousing uses.

4.9 Whilst delivering an uplift in overall employment space, these developments were “changing the typology of … industrial space available in the market”[8] , by swapping medium sized industrial premises for an increased number of smaller ones, which itself was creating pressure in the market by reducing the availability of medium and larger format spaces.

4.10 JLL’s analysis of examples overall pointed to the need to consider several factors when bringing forward multi-storey and co-location schemes:

- The design of space needed to work for commercial users
- In co-locations with other uses, consideration had to be given to how to minimise the scope for conflict that would affect enjoyment and operation of space by all users
- Viability, which could prove challenging given denser schemes typically featured higher build costs. Co-locating uses whilst mitigating scope for conflict added additional cost too. Higher value uses could be used to mitigate cost and improve viability
- Occupier appetite. JLL questioned the level of appetite for this type of development in Bristol at this time
- Investor appetite. JLL noted that the market for this type of space was only just emerging, with examples currently concentrated in London, and were of the view that public sector intervention would be required for such development to come forward in Bristol.

[7] Bristol employment land review update, JLL November 2023, pg 38

[8] Bristol employment land review update, JLL November 2023, pg 38

5. Demand for employment space

Introduction

5.1 Several reports have been commissioned to inform Bristol City Council's understanding of the future need for employment floorspace and land in the city going forward.

5.2 Both Hardisty Jones Associates and Lambert Smith Hampton's (LSH) Bristol Employment Sites and Premises Evidence and Atkins' West of England ELSNA include a quantitative analysis of growth and likely future demand, utilising and interpreting economic forecasts by external organisations. Both also consider qualitative factors affecting demand, drawing particularly on sectoral trends and needs seen nationally and locally and, in the case of the ELSNA, on detailed engagement with market stakeholders. JLL's Bristol employment land review of June 2023 reports on issues currently at play in demand for employment space in Bristol, identified through their own engagement with the market and consultation with key stakeholders such as the Bristol Property Agents Association, Business West and Invest Bristol and Bath.[9]

5.3 This chapter summarises this analysis, drawing out key findings around the level of demand and issues associated with future market need.

Hardisty Jones Associates analysis

5.1.1 HJA were commissioned in June 2023 by local authorities in the West of England to review and recommend employment land requirements for the period 2023-43. West of England authorities were of the view that it would be beneficial to receive more recent forecasts, given the time that had passed since the ELSNA had reported. In addition, all viewed it as helpful to "[agree] a shared set of economic scenarios"[10] across the sub-region. Doing so would enable the authorities to have the same underpinning view of growth potential across the FEMA. The Council received HJA's initial report in July, with it being finalised in November.

5.1.2 The forecasts from HJA cover a period beyond the proposed life of the local plan, i.e., they run to 2043 whereas the local plan runs up to 2040. In circumstances where the forecasts point to growth, the meeting of demand identified by them will lead to provision over and above that required over the plan period.

5.1.3 As part of this exercise HJA have analysed and interpreted economic growth forecasts for the UK, West of England and constituent local authorities produced by Cambridge Econometrics (CE) and Oxford Economics (OE) covering the period 2023-2043. These have been used to identify different scenarios of jobs growth across the Bristol

[9] Invest Bristol and Bath (IBB), part of WECA, acts on behalf of WECA and the West of England unitary authorities to promote and support inward investment into the sub-region.

[10] HJA employment sites and premises evidence, version 3 page 1.

economy and within economic sectors, taking into account different patterns of economic and sectoral growth, historic growth levels and forecast future population growth.

5.1.4 CE and OE's forecasts are each based on different methodologies and as such provide 2 different baseline scenarios. Both project growth in jobs and GVA but at different levels, as highlighted in the table below.

Table 1: Future growth in the Bristol economy identified within the CE and OE forecasts

	Forecast employment growth 2023-43	Forecast annual rate of growth in employment 2023-43[11]	Forecast annual rate of growth in Gross Value Added 2023-43[12]
CE baseline scenario	+31,200	+0.4%	+1.3%
OE baseline scenario	+53,300	+0.7%	+1.8%

5.1.5 HJA have compared historic levels of jobs growth in Bristol implicit in the CE and OE forecasts with ONS data covering the period 2001-21. Both CE and OE have assumed a level of jobs growth over this period slightly higher than actual growth identified by the ONS, as highlighted in the table below, and have based their forecasts of future growth on this. All 3 datasets reflect that the rate of jobs growth over the period 2013-21 was significantly higher than the preceding part of the period.

Table 2: Historic jobs growth in the Bristol economy

	Jobs growth in Bristol economy 2001-21
CE baseline scenario	+58,100
OE baseline scenario	+62,000
ONS jobs density analysis	+56,000

5.1.6 Considering the CE and OE economy-wide forecasts for Bristol:

- Both forecast future growth in employment over the period 2023-43, which will occur at a slower rate than it has done historically, but reflect different compositions of sectoral growth as a result of their differing methodologies
- Gross Value Added is forecast by both to grow over the plan period also, but its rate of growth is expected to be significantly higher than that of employment, thus suggesting that growth in productivity will drive GVA uplift
- Both OE's forecasts of future rates of growth in jobs and GVA point to Bristol outpacing both the West of England and the UK, whereas CE's forecast has the

[11] Reflecting Compound Annual Growth Rate

[12] Reflecting Compound Annual Growth Rate; Gross Value Added is a measure of overall economic output of an economy

city performing more in line with expectations at both regional and national level.

5.1.7 HJA have also considered the jobs growth implications of population growth, drawing on evidence from ORS regarding potential demographic growth deriving from work undertaken to identify housing need. Population growth suggested by ORS' work is higher than that implicitly assumed within both the CE and OE forecasts, but HJA analysis suggests that the 53,000 jobs required to achieve labour market balance is broadly in line with the overall jobs requirement suggested by the OE forecast.

5.1.8 HJA have then produced a further scenario which considers how 53,000 jobs could be met through a different pattern of sectoral growth from that suggested by the OE scenario. The growth patterns in the CE forecast have been used as a base but with jobs numbers uplifted to achieve a higher growth level.

5.1.9 This exercise has produced three scenarios which HJA have then used to model future employment floorspace requirements.

Table 3: Historic change in jobs and future jobs growth scenarios

Historic jobs growth 2001-21 identified by ONS	Future jobs growth 2023-43: CE baseline scenario	Future jobs growth 2023-43: OE baseline scenario	Future jobs growth 2023-43: labour market balance (uplift of CE baseline)
56,000	31,000	53,000	53,000

5.1.10 The range of scenarios provided by HJA reflect:

- Different sectoral growth compositions
- Higher and lower growth scenarios
- Needs arising from population growth
- Complementarity with historic growth levels.

5.1.11 HJA has then applied to all 3 scenarios a methodology to identify likely employment growth against planning use classes for the entire economy. The table below notes employment growth forecast in each scenario for the entire economy and for – within that – employment growth specifically relevant to office, industrial and warehouse space.

Table 4: Total employment growth and employment-use related jobs growth[13]

	CE baseline scenario	OE baseline scenario	Labour market balance/CE baseline uplift scenario
Total employment growth in Bristol 2023-2043	31,000	53,000	53,000
Employment growth in "employment" use space in Bristol 2023-2043	6,100	16,000	12,000

5.1.12 Employment growth split by employment use sub-class is noted in the table below.

Table 5: Employment growth by use class[14]

Use Class	**Description**	**CE scenario**	**OE scenario**	**Labour market balance/CE baseline uplift scenario**
E (g) (i)	Offices	6400	15000	11000
E (g) (ii)	Research and development	500	1000	810
Offices and R&D		**6900**	**16000**	**11810**
E (g) (iii)	Light industrial	50	10	100
B2	General industrial	-1200	-3100	-1000
Industrial		**-1150**	**-3090**	**-900**
B8	**Storage and distribution**	**390**	**2300**	**770**

5.1.13 All 3 scenarios point to substantial growth in office-based employment and some related to storage and distribution space. All 3 also project a decline in industrial employment.

5.1.14 HJA have then applied standard approaches to convert jobs numbers to full time equivalents and identify net additional floorspace requirements for each employment use sub-class. These requirements are noted below.

[13] HJA, pages 17 and 19

[14] HJA, figure 3.3 (extract)

Table 6: Net additional employment floorspace demand by Use Class (2023-2043) (sq m GEA)[15]

Use class	Description	CE scenario	OE scenario	Labour market balance/CE baseline uplift scenario
E (g) (i)	Offices	75000	180000	131000
E (g) (ii)	Research and development	28000	56000	44000
Offices and R&D		**102000**	**237000**	**175000**
E (g) (iii)	Light industrial	1900	-130	4200
B2	General industrial	-44000	-115000	-39600
Industrial		**-42000**	**-115000**	**-35000**
B8	**Storage and distribution**	**26000**	**163000**	**52000**

Replacement demand

5.2.1 HJA have then developed their assessment of requirements further to take account of additional factors. A rate of annual replacement of space has been applied to deal with building obsolescence. An addition is made to provide for flexibility in supply, providing space for businesses to move and have additional choice of spaces. Finally, a factor has been applied to take account of potential reuse of sites, based on historic patterns of development.

5.2.2 This leads to significantly revised requirements across the range of growth scenarios between 2023-2043:

- Office: the potential net requirement increases to a range between 488,000 sq m to 600,000 sq m
- Industrial: the potential net requirement shifts from pointing to a loss to instead identifying a requirement for space ranging from 121,000 sq m to 167,000 sq m, in turn requiring 30 ha to 42 ha of land
- Warehousing: the potential net requirement increases to a range between 810,000 sq m to 950,000 sq m, with an implied associated land requirement of 162 ha to 189 ha.

5.2.3 HJA have noted that recent historic development rates for office, industrial and warehouse space in Bristol would be insufficient to deliver the requirements they have identified over a 20 year plan period.

[15] HJA, figure 3.3

5.2.4 Atkins' West of England ELSNA also included projections of economic growth based on economic forecasts, an assessment of replacement demand and need reported by sector and market stakeholders.

5.2.5 The economic forecasts used in the ELSNA were commissioned from Oxford Economics in the summer of 2020, when the long term impacts of Covid-19 on the economy were very uncertain. The passage of time, with these forecasts now being 3 years old, and a developing understanding of both Covid impacts and the post-Covid environment, has led the West of England unitary authorities to commission an updated assessment of employment land requirements from HJA.

5.2.6 Nevertheless, it is useful to note that the base OE scenario adopted by Atkins for application in the ELSNA assumed economic growth in both the West of England and Bristol between 2019-2040, totalling 61,550 and 41,900 jobs respectively. Atkins interpreted Bristol's forecast growth as translating into a requirement for growth in all property types – office, industrial and warehouse – prior to replacement demand being considered.

5.2.7 The ELSNA assumed a significantly lower requirement for replacement space in Bristol when compared to that suggested by HJA. Atkins assessed stock in the West of England to have a low rate of obsolescence and, in addition, its figures for Bristol were influenced in part by its industrial and warehouse stock having – at the time the report was written – a lower incidence of low energy performance certificate rating compared to that in its neighbours. The requirement for replacement stock in Bristol was identified as follows:

Table 7: ELSNA-identified replacement requirement by use[16]

	Replacement requirement 2020-2040 (sq m)
Office	167,000
Industrial and warehouse	200,500

5.2.8 Atkins noted in the ELSNA that instances of replacement demand could be satisfied through new employment space development occurring on existing employment sites. If existing employment sites were lost to other uses when employment space became obsolete then replacement demand would generate an additional need on top of the economic forecast derived requirements. Loss was most likely to occur when: sites were not protected for employment use; when not viable because of locational or other factors; and if supporting intervention was required to maintain attractiveness. The ELSNA encouraged maximising provision for replacement demand in situ, through reuse of existing employment sites.[17] It noted that "[r]eplacement demand [needed] to be approached with caution as the ability to re-generate and build on existing sites to meet these needs [could] dramatically reduce any estimated shortfalls".[18]

[16] ELSNA, table 6-18 (extract)

[17] ELSNA, page 11

[18] ELSNA, page 142

Sectors analysis

5.3.1 As part of their review of employment space requirements in Bristol, HJA have identified what the CE and OE forecasts suggest for jobs growth or decline in economic sectors. The results of this analysis are summarised in the table below. Where both forecasts suggest the same direction of change (gain or loss) and one or more of them suggest that the change will involve more than 1000 jobs, they have been assumed to be significant in scale. Significant change involving a gain has been highlighted in green; losses have been highlighted in red.

Table 8: Forecast change employment in economic sectors 2023-2043[19]

	CE forecast	OE forecast
Primary industries	-3	-50
Manufacturing	-1700	-4300
Utilities	+170	-680
Construction	+4500	+3900
Motor trade	+410	+580
Wholesale trade	-110	+970
Retail trade	+8	+1300
Transport and storage	-240	+450
Accommodation and food services	+5430	+2700
Information and communication	+1300	+2000
Financial and insurance activities	-560	-510
Real estate activities	+50	+750
Professional, scientific and technical activities	+7100	+16100
Administrative and support service activities	+4600	+11300
Public administration and defence	-1100	-1600
Education	+2300	+2400
Human health and social work activities	+7700	+14200
Arts, entertainment and recreation	+1200	+2800
Other service activities	+90	+900

5.3.2 There is consensus amongst the forecasts as to strong growth being likely in a number of sectors, especially professional and a number of service-based industries and decline likely in the more traditional sector of manufacturing. Significant increases are also

[19] HJA, figure 2.5, pages 8-13

forecast in sectors that may not directly require office, industrial or warehouse space, such as human health and social work activities and arts, entertainment and recreation.

5.3.3 For the ELSNA, Atkins considered sectoral growth in detail with their starting point being the June 2020 Oxford Economics jobs growth forecast for the period 2019-2040. As discussed earlier this forecast is now viewed as somewhat dated, and Atkins' definition of sectors may differ slightly from HJA's.

5.3.4 Atkins too identified significant growth to be likely in the professional services and health and life sciences and decline likely to occur in the manufacturing sector. Atkins' work also identified separately trends in a number of sectors of the Bristol economy not singled out by HJA in their analysis of jobs growth:

- Small industrial services, noting likely employment growth
- A decline in employment in the circular economy and low carbon sector, noting at the same time difficulty in defining the sector effectively given available statistical information
- A small decline in the creative and digital sector.

Qualitative analysis

5.4.1 HJA and LSH assessment of requirements also provides a brief commentary on sectors' needs. JLL's report included observations in a number of cases by themselves as a company and from Invest Bristol and Bath.

5.4.2 In the ELSNA Atkins went on to refine their assessment of sectoral need by considering external drivers of change and likely future property needs identified by representatives of the sectors themselves. This assessment was rich in analysis. Whilst the ELSNA economic forecasts have been superseded, the qualitative issues it highlighted may still be pertinent. In several instances there is commonality across the 3 analyses. For the purposes of this paper it has been felt appropriate to include Atkins' qualitative observations on sectors also.

5.4.3 **Aerospace and advanced engineering (plus broader manufacturing in the case of the ELSNA):** both Atkins and HJA/LSH identify a likely need for more space moving forward. The latter notes that investment in infrastructure to support productivity improvements may have driven previous demand for new space, inferring that this is a pattern that may continue. This is supported by Atkins' qualitative research suggesting that the sector may need more space. Both also noted an increasing interest from the sector in flexible office space within the city centre, as employees look for good accessibility and available amenities.

5.4.4 **Creative and digital:** both Atkins and HJA/LSH forecast future demand for space from this sector, noting the broad range of property types used by it including office space, studios, workshops and space for storage. Both noted the importance of collaboration to the sector and space being available to facilitate it, plus a strong role for flexible workspace both in character and terms of lease. Atkins cited potential to attract demand out of London in a post-Covid-19 environment and also possible demand for neighbourhood workspace hubs, but noted a view from market stakeholders that there was a shortage of space for small creative businesses and start ups in central Bristol. HJA/LSH's more recent

analysis did not reconfirm this assertion, but noted that some occupiers of cheaper space may end up being excluded from the market if energy performance requirements led to less space being available or becoming more expensive.

5.4.5 **Professional services:** both analyses suggested jobs growth in this sector, but changing working patterns may lead organisations to require less space to meet their needs than historically would have been the case. High quality space would continue to be a feature of requirements, with HJA/LSH noting demand for Grade A office floorspace and Atkins citing market interest most likely to be in city centre and edge of centre locations, with the possibility of a fit with neighbourhood working hubs. There was likely to be increased demand for space to be available on flexible terms. JLL and Invest Bristol and Bath have both noted that demand from blue chip firms has been lost because the city is not currently providing flexible space sufficiently – Deutsche Bank and Goldman Sachs have both chosen to locate elsewhere. The ELSNA specifically identified professional services as one where the West of England unitary authorities should proactively seek to plan provision for.

5.4.6 **Low carbon, clean tech and energy & circular economy**: HJA/LSH and Atkins appear to have approached this broadly defined sector from different perspectives of sector activity. HJA/LSH's is the more all encompassing, noting that the sector offers potential for significant growth and that a range of property requirements are likely. These will range from offices in city and edge of centre locations to lab space on the edge or out of town and heavy industrial activity at Avonmouth. Atkins have tended to focus more at the heavy and dirty use end of the sector, but note the potential for locating reuse and repair facilities in vacant shops in centres and a need for industrial and warehousing space.

5.4.7 **Health and life sciences:** both analyses suggest future growth in this sector. They note that occupiers typically wish to locate near to universities, science parks and hospitals and tend to cluster. More research and development and laboratory space is likely to be required going forward. JLL and Invest Bristol and Bath both noted investment by the sector in the city in recent times and continued market interest. The ELSNA again noted this sector as one where the WOE local authorities should proactively seek to plan provision for.

5.4.8 **Food and drink:** HJA/LSH note that opportunity may arise to expand the sector locally. Atkins' qualitative research suggested that market stakeholders had identified a need for industrial clusters to support food production and innovation, integrated with distribution and potentially health and life sciences.

5.4.9 **Transport and storage:** both analyses note strong demand from this sector. Requirements and local attributes vary. Large occupiers tend to require large footprint sites with good access to the primary road network. Increased demand is likely for last mile logistics and distribution space in urban locations to enable quick distribution to housing areas. HJA/LSH report that smaller occupiers face the challenge of finding space in urban locations as a result of similar pressures to that identified by JLL in their market update, namely high levels of demand for industrial space generally and limited supply. Again, the ELSNA noted this sector as one where the WOE local authorities should proactively seek to plan provision for.

5.4.10 **Housing and construction:** Atkins notes that this sector is a key employer and important for the achievement of a number of policy objectives, including delivery of new

housing and critical infrastructure. Companies in this sector will require builders' yards and office space going forward.

5.4.11 **Small industrial services:** here Atkins report that whilst little change is expected in employment numbers, this sector will continue to require tertiary and lower value industrial spaces in urban Bristol as well as the periphery of the city.

Bristol One City Economic Recovery and Renewal Strategy

5.5.1 The Bristol One City Economic Recovery and Renewal Strategy was published in 2020. It identified the city's priorities for future economic growth in the light of Covid-19.

5.5.2 The Strategy notes that Bristol is well placed to support an innovation-led recovery in the West of England. Attracting investment from new and existing businesses in the city will be important. It identifies a number of sectors in which growth should be supported. Specifically, it calls for:

- Growing jobs and investment in the green economy, including green/eco innovation, through for example supporting the development of local supply chains for low carbon and sustainable goods and services
- Accelerating investment in energy, digital and transport infrastructure networks
- Developing the reach of the creative and media production sector
- Promoting digital innovation in areas such as cyber security and advanced manufacturing
- Supporting growth in the health technology sector
- Help the city's professional services sector to capture export opportunities.

5.5.3 The Strategy notes the importance of linking skills pathways to sectors which are undergoing transformation. The shift to net zero – which the city is committed to achieving by 2030 – is likely to generate new opportunities which are likely to arise in activities such as construction, energy efficiency, renewable energy, building retrofit, digital design and project management.

5.5.4 The importance of flexible workspace to the health of the economy is recognised in the Strategy and it calls for increased provision of space to support business start ups and scale ups. Reduced demand for retail space may create new opportunities for employment space – both for permanent and meanwhile uses – that can help maintain vibrancy in the city centre and local centres.

5.5.5 The Strategy notes that sectoral growth opportunities need to be aligned to development sites, such as in Temple Quarter and Western Harbour. It calls for the creation of an area based economic strategy for Avonmouth to support development in line with the locational advantages it offers the logistics, green manufacturing, energy and waste sectors. A detailed focus on South Bristol is called for also.

5.5.6 The council's emerging vision for Efficient, Smart, Sustainable Industrial Areas (ESSIAs) may provide a steer for the future renewal of urban industrial estates in the city. The concept, unfunded currently but developed in response to a call for proposals for

funding by WECA, would aim to deliver an improvement programme for key industrial areas – publicly or privately owned – by focusing on 3 main interventions:

- Extending “full fibre to the premises” and the adoption of 5G and smart technologies for optimisation of building and facilities management
- Encouraging and enabling redevelopment of stock and new build to higher standards of energy and resource efficiency, including waste management and circularity
- Enabling ultra low carbon mobility of people and goods in and around industrial areas by provision of public EV charging and biogas or hydrogen refuelling stations for HGV and commercial vehicles.

6. Supply of employment space

6.1 This section considers the potential future supply of employment space in Bristol between 2023-2043. It summarises the latest pipeline of developments with planning permission, intelligence on city centre sites and a market assessment of the potential for new industrial development over the next 5 years provided by JLL. It also reviews regeneration areas, as outlined in the Development Strategy chapter of the emerging local plan, including Temple Quarter and St Philips Marsh and other groups of sites to which policy to encourage development of employment space will apply.

Planning pipeline

6.1.1 The most recently published Bristol BDS contains information on planning permissions for the gain and/or loss of office, industrial and warehouse space in the city not yet implemented as of 31 March 2022.[20] The pipeline provides an indication of existing development commitments. The net position by use class and planning monitoring areas within Bristol is noted in the table below.

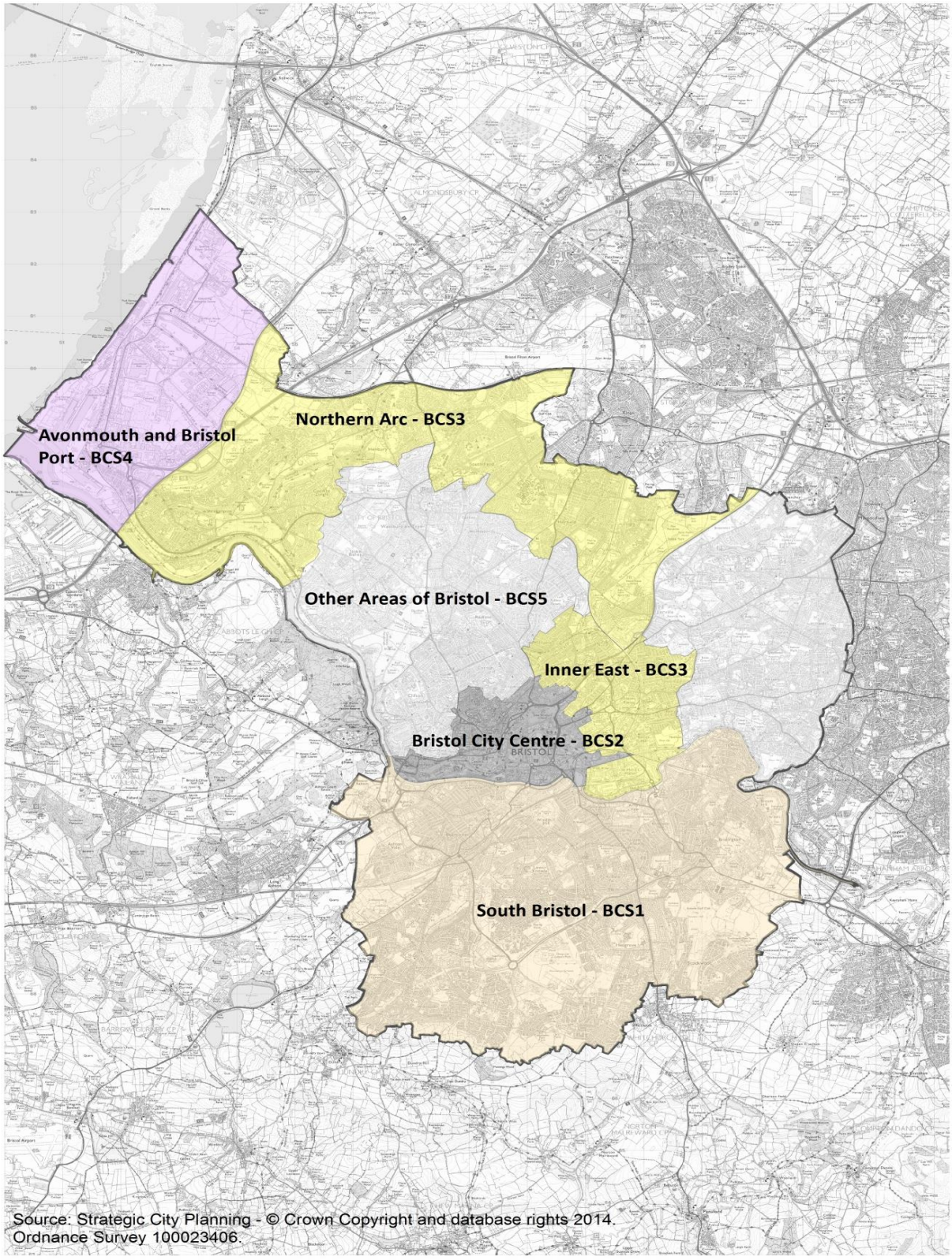
[20] Bristol Business Development Survey Report covering the period 1 April 2021 to 31 March 2022, Bristol City Council 2023

Table 9: Development commitments as of 31 March 2022 under construction or not yet started (sq m GIA)

Use Class	Avonmouth	City Centre	Inner East	Northern Arc	Other areas	South Bristol	Total
Offices – E(g)(i)	0	149,249	777	-578	-3,451	6,898	152,895
R&D – E(g)(ii)	0	1,350	162	0	0	0	1,512
Light Industry – E(g)(iii)	0	-742	162	791	943	2,595	3,749
General Industry – B2	23,846	-574	-1,007	0	-29,142	-2,425	-9,302
Storage and distribution – B8	50,078	-1230	-2,212	-54,394	0	500	-7,258
Mixed or flexible B Use Classes	1102	0	5,470	0	0	908	7,480
Sui Generis industrial	528	-608	-1,277	1,892	258	-31,013	-30,220
Offices and research and development – E(g)(i) and E(g)(ii) - overall position							**154,407**
Industrial and warehouse – E(g)(iii) B2, B8, Mixed, Sui Generis							**-35,551**

6.1.2 The areas covered by the planning monitoring areas are shown in the map below.

Figure 1: Map showing Local Plan Core Strategy monitoring areas



6.1.3 The BDS report notes that the pipeline suggests:

- A significant net gain of office space, 92% of which was located in the city centre. The pipeline included commitments for new development (a gross gain) of 190,000 sq m, again with the bulk of proposals – 95% – featuring city centre sites. It also observed that a significant slowdown in permitted development rights approvals for conversion from office to residential that first occurred in 2020/21 had continued into 2021/22
- A net loss of industrial and warehousing space despite net floorspace gains in Avonmouth. Construction of new industrial space in the urban part of the city was underway, for example with development coming forward at Whitchurch Enterprise Park in Hengrove.

6.1.4 The BDS report also contains historical analysis of development trends covering the period 2006 to 2022, noting that:

- Since 2012 gross new office development has averaged 12,000 sq m per annum. The bulk of this development has been located in the city centre, and 11% in South Bristol. Over the 2006-2022 period more office space has been lost than gained, primarily to permitted development rights
- The period saw a net gain of 167,000 sq m industrial and warehousing space. 83% of all development has been at Avonmouth, with the majority of space being developed for storage and distribution. In parts of the city outside Avonmouth losses have been three times the amount of new industrial floorspace built. 80% of those losses occurred in South Bristol, the city centre and Inner East.

Market advice on industrial development potential over the next 5 years

6.2.1 As part of their Spring 2023 commission to produce a property market update, JLL were asked to identify the potential for new industrial development on 3 classes of sites over the next 5 years, namely on:

- The new site allocations in the emerging Bristol local plan. At the time of their assessment 2 urban sites – at Glenfrome Road and Western Drive – were also proposed for inclusion
- Sites protected for industrial and warehousing uses in current Bristol local plan policy (through Principal Industrial and Warehousing Area status) but which are not proposed for featuring in the emerging local plan as industrial and distribution areas or regeneration areas
- Areas identified as Industry and Distribution Areas in the emerging local plan.

6.2.2 A development timeframe of 5 years was chosen as it reflected a reasonable period in which to have confidence as to how current factors that could affect development may

play out. A longer timeframe would feed greater uncertainty as to development potential into the forecast. Bristol City Council was also keen to have a good understanding of development potential, and factors contributing to it, to be able to respond effectively to signals already being received from the market about a shortage of supply.

6.2.3 Factors considered against each area included:

- The quality of existing stock, assuming that stock in good quality would be unlikely to prompt interest in redevelopment
- Ownership. Multiple ownerships would make redevelopment more challenging
- Site coverage, assuming that low density development could offer opportunities for intensification
- Market appetite amongst developers and investors for redevelopment for continued industrial use
- Market appetite amongst developers and investors for redevelopment for alternative uses.

6.2.4 Following a detailed, thorough analysis of sites in the 10 areas currently identified as PIWAs but no longer likely to be subject to specific protection for industrial use or AGR designation, JLL came to the view that it was unlikely that this class of site would contribute a net increase in employment floorspace within the next 5 years, as without protection for some form of employment use the market may have greater appetite for alternative uses. That said, their report notes that one site within this classification, at Whitchurch Enterprise Park, has come forward for new industrial development. Bristol City Council is the developer.

6.2.5 A small number of sites with permission or a planning decision and which did not feature in the latest BDS (planning pipeline) were identified, that are appropriate to consider in analysis of long term supply potential. Development at Marsh Road/Winterstoke in Ashton would lead to the loss of 3911 sq m of industrial space; a request for a screening opinion for the development of the Castle Court site in Brislington would lead to the loss of some industrial land also, although commercial space was also proposed and quanta was not cited. Both sites are PIWAs not featuring in the emerging local plan as IDAs or in AGRs. JLL also noted that an intensification scheme in the Brislington IDA by Glenmore was not in the pipeline but would deliver a net uplift of 1309 sq m. Based on the quanta information available, these developments would give rise to an adjustment to the overall planning pipeline of -2602 sq m.

6.2.6 JLL did identify significant potential for an uplift of industrial space on a number of other sites. Those included:

- Sites proposed for allocation in the emerging local plan for industrial uses. Some of these have already been subject to some form of decision on future development but which do not feature in the planning pipeline – namely land at Kings Weston Lane and Packgate Road, both in Avonmouth
- Sites also proposed for allocation but have not been subject to some form of decision on future development through the planning process

- A number of sites within areas identified for designation as Industry and Warehousing Areas.

6.2.7 After discounting a proportion of each site for roadways, landscaping and other external requirements, JLL considered the potential development capacity of these sites assuming different densities of development. Development was modelled to account for large format buildings, assuming that they would account for 40% of the remaining site area, and for more intensively developed space, suited to small units for example, accounting for 60% of the land available. They then identified the potential net uplift in industrial floorspace for each of these scenarios after existing floorspace on site had been taken into account and discounted from the gross figure. Finally they applied a risk factor according to likelihood of development coming forward within next 5 years, based on their findings of development potential, to identify a weighted assumption of the amount of floorspace that may be developed.

6.2.8 The analysis undertaken by JLL points to a possible net uplift in industrial and warehousing space of between 155,322 – 188,855 sqm over the next 5 years, as highlighted in the table below.

Table 10: Potential net uplift in industrial and warehousing over the next 5 years

	Weighted net uplift of industrial/warehouse floorspace – low density development (sq m)	Weighted net uplift of industrial/warehouse floorspace – high density development (sq m)
Allocated sites subject to a planning decision	103903	
Allocated sites not subject to a planning decision	42162	63243
Sites on IDAs with potential for redevelopment within the next 5 years	9257	21709
Total	155,322	188,855

6.2.9 JLL also highlight weaknesses in this possible provision. No city centre sites have credible certainty of delivery over next 5 years, indeed the majority have a high risk of not coming forward primarily because they are currently occupied. They argue that taken as a whole and with weighted risk taken into account, the potential supply that they have identified – equivalent to 0.5-0.6 years' worth of industrial take up[21] – will be insufficient to deal with the demand supply imbalance they report as being present in the market.

6.2.10 It is worth noting the unweighted development capacity that JLL identified for allocated sites not featuring a planning decision for development and IDAs with potential for redevelopment within the next 5 years. This suggests that between 95627 – 168967 sq m of industrial and warehousing space could come forward, as opposed to the weighted potential of 51419 – 84951 sq m. Should a means be found to mitigate the challenges to

[21] Based on average annual take up of industrial space over the period 2016-2022 identified by JLL using statistics provided by the Bristol Industrial Agents Society. "Take up" reflects the amount of floorspace featuring in property transactions over a given period.

development that JLL have identified, it may be reasonable to assume that a greater level of development may be achievable on some sites. It is important to note also, however, that different factors will be at play on each site – it should not be assumed that this total level of development potential could be reached.

6.2.11 The Council has also used JLL's analysis as a basis for exploring different scenarios of industrial intensification, to inform policies on plot ratios. A further scenario was identified drawing on JLL's identification of scale of development potential and risk weightings. It also applied the following assumptions:

- Avonmouth schemes with planning permission come forward as permitted
- Remaining Avonmouth sites identified come forward at a plot ratio of 0.4 reflecting recent development history pointing to lower densities in Avonmouth schemes
- Sites outside Avonmouth come forward with a plot ratio of 0.55, responding to constrained availability of space in the urban part of the city.

6.2.12 This scenario would result in the delivery of 164,337 sq m of industrial space, as noted in the table below.

Table 11: Potential development scenario with plot ratio dependent on area

	Floorspace uplift (sq m GEA)
New allocations in Avonmouth featuring planning permission but not included in planning pipeline	103,903
New allocations in Avonmouth not featuring planning permission	41838
Intensification potential in urban IDAs over next 5 years	18596
Total uplift	164,337

Office development and supply

6.3.1 The Council is aware of several schemes not featuring in the planning pipeline, but which have the capacity to add significantly to the city's pipeline of office space. All are located in the city centre.

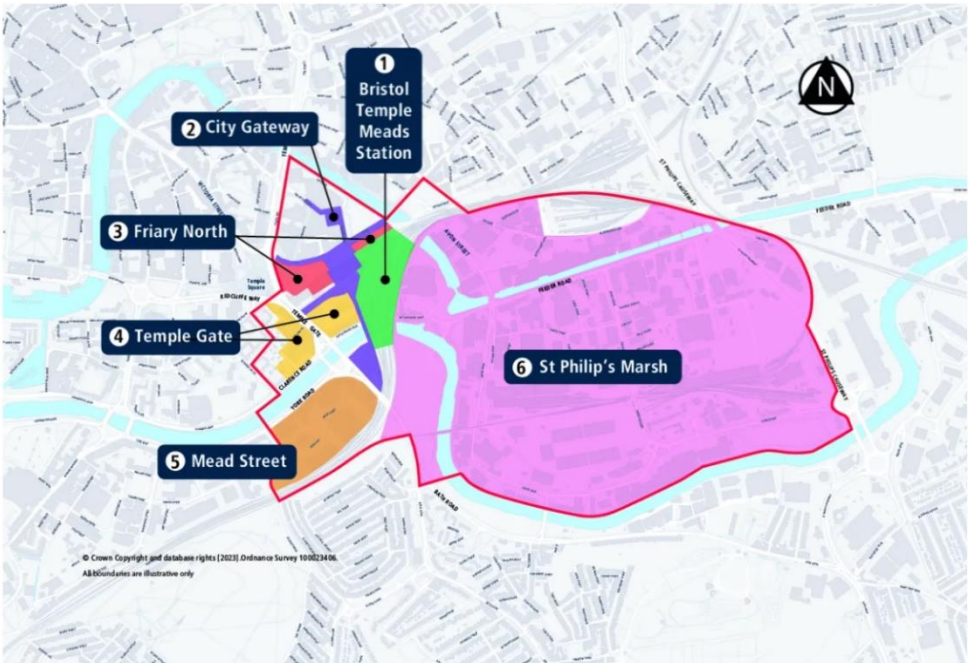
6.3.2 The gain of office space at St Mary le Port will deliver 33264 sq m of high quality office space and is being actively marketed for pre-let.

6.3.3 A number of developers are preparing proposals for mixed use developments within the city centre that will feature a strong element of office. Discussions are confidential as proposals are still emerging; therefore the sites cannot be quoted. These have the potential to deliver a further 50,000 sq m of office space; as plans are at an early stage there must be an element of uncertainty about whether this quantum will be delivered. There are other sites where an element of office is expected to feature in plans, but for which no quanta is available.

6.3.4 In the light of the ELSNA observation that the bulk of Bristol's future office development sites were located in the Temple Quarter area, it is important to note that St Mary le Port and the sites referred to above are not located there but are instead further to the north and west. Supply is not located in Temple Quarter alone.

Temple Quarter and St Philips Marsh

6.4.1 The Temple Quarter and St Philips Marsh regeneration programme is one of the UK's largest, transforming 130 hectares of land around and to the east of Temple Meads railway station into a series of thriving, well connected mixed-use communities over 25 years. The bulk of delivery is expected to have occurred by the early 2040s.



6.4.2 The regeneration programme was given significant momentum in 2022 with the award of £95m for phase 1 with a focus on delivery of new entrances to Temple Meads Station, land assembly and masterplanning to unlock the comprehensive regeneration of the area. This funding has also facilitated the creation of a joint delivery team, providing an umbrella for resource from the key public sector stakeholders in the project – Bristol City Council, WECA, Homes England and Network Rail – to take forward and facilitate the comprehensive regeneration. The joint delivery team is in the early stages of procuring a strategic development partner to take forward the regeneration, and a masterplanning exercise is being commissioned to steer the regeneration of the St Philips Marsh area, with the underpinning planning policy foundation for it to be provided via the Bristol Local Plan.

6.4.3 A number of developments have been identified in planning permissions, applications and other sources which have potential to include a substantial amount of office space and which could come forward in the early stages of the regeneration programme:

- Temple Square: 32830 sq m in 3 buildings[22]
- Silverthorne Lane: 23543 sq m as part of major mixed use development[23]
- Temple Island: 16723 sq m in 2 office blocks.[24]

6.4.4 Mixed use development has also been applied for at the former Drive Vauxhall and Kawasaki sites on Avon Street for the University of Bristol to bring forward 84971 sq m of space which will include academic, business and food and beverage uses.[25]

6.4.5 Permission has also been granted for mixed use development at the former Bart Spices site on Mead Street, which will deliver 650 sq m of Class E space.[26]

6.4.6 A further site in public ownership near to Temple Meads Station has been included in proposals to Government as part of the bid for Phase 1 funding, which initial desk based analysis has suggested would deliver 7048 sq m of office space as part of a wider scheme. Proposals for this scheme are at a very early stage and their delivery would be subject to a number of factors including securing planning permission.

6.4.7 Should all of these schemes come forward, they would deliver 80144 sq m of office space plus 85441 sq m of mixed use space which may include a significant office component.

St Philips Marsh

6.5.1 The Temple Quarter joint delivery team appointed PRD economic consultants to review and report on the existing employment base in St Philips Marsh and to consider

[22] From Bristol City Council planning application reference number 16/06842/LA

[23] From Bristol City Council planning application reference number 19/03867/P

[24] Based on assumption of 180,000 sq ft coming forward, cited in bid for funding of enabling works submitted to WECA for consideration October 2020

[25] From Bristol City Council planning application reference number 21/02141/P, with recent development subtracted from overall total

[26] From Bristol City Council planning application reference number 21/06878/F

potential economic and employment growth scenarios for the area, to inform the Bristol Local Plan and future masterplanning of the area.

6.5.2 PRD found 170 businesses located in the area, employing circa 4,400 people in 140,000 sq m of floorspace. The area was primarily industrial, dominated by workspace and workshop uses and wholesale and motor trades being the two biggest users of space. Arts, creative and hospitality uses were also present, albeit on a limited scale. A survey of businesses carried out by PRD in late 2022 identified both the intention of some firms to leave the area but also an appetite amongst the business base to grow – over two thirds hoped to increase the number of people they employed.

6.5.3 PRD's analysis also identified the density of development – the amount of floorspace as a proportion of overall land occupied by businesses and infrastructure – to be low compared with industry standards at 23%. Government guidance on densities from 2015 points to standard densities of 35-40% for industry and warehousing;[27] in their property market update analysis of future citywide development potential JLL have applied ratios of 40-60%, to accommodate for both large format and small unit-style development. PRD have noted that LB Brent has included a 0.65 plot ratio requirement for industrial developments in its local plan, and that elsewhere in London – at Park Royal – development has come forward featuring the same 0.65 plot ratio. Much analysis has been undertaken and policy developed to support more intensive industrial development in London, which faces strong competing pressures between housing, employment and other land uses within constrained land supply, leading to high density ratios.

6.5.4 The emerging Bristol local plan proposes comprehensive regeneration providing a mix of uses in St Philips Marsh, complementary to that proposed in the Temple Quarter and St Philips Marsh development framework approved by Bristol City Council Cabinet in 2022 following extensive consultation. Employment space to be provided is to include more manufacturing and maker uses in the north east quadrant with the area to the north west, adjacent to the University of Bristol's newly emerging Temple Quarter Enterprise Campus complementing it by featuring some element of office and flexible workspace in a new "innovation district". The innovation district could include a variety of employment spaces with accommodation for start ups, SMEs and larger businesses working in sectors such as science and technology, advanced engineering, green economy and creative and digital businesses.

6.5.5 Desk based analysis by PRD has explored working broadly within these parameters, assuming a significant increase in density that would be complementary both to major mixed use inner city development and the aspirations for the regeneration of the St Philips Marsh area, exploring the potential to create new supply within a smaller land take. PRD's work has identified a number of scenarios for the redevelopment of industrial space that offers scope to accommodate reprovision for existing occupiers. They have also identified potential to provide for additional space on top of this, which could accommodate growth from existing occupiers and provide for businesses based in other parts of the urban area of the city looking for new or additional space.

[27] Employment density guide – 3rd edition, Homes and Communities Agency November 2015

6.5.6 One such scenario suggests capacity for 110,000 sq m of standalone space for industrial and warehouse occupiers whose operations are not suitable for co-location with residential because of the potential for conflict between uses. This scale of redevelopment would be based on plot ratios of between 0.5 and 0.65, the latter of which exceeds recent density ratios for industrial development in the city but which reflects densities achieved in new development in outer London, such as at Park Royal referred to earlier.

6.5.7 This approach assumes that a further 180,000 sq m of commercial floorspace would be provided elsewhere in the regeneration area, in offices and other workspaces together with supporting retail and leisure uses. The scenario assumes that some industrial uses not provided for in the 110,000sq m of standalone space will be located with or near to residential uses, and that suitable mitigations would be put in place to minimise potential for conflict between uses.

6.5.8 A masterplanning exercise which will steer the comprehensive regeneration of St Philips Marsh and confirm capacities for a range of uses – such as housing and infrastructure needs as well as employment – has begun. The intention is that the masterplan will be adopted as a supplementary planning document to underpin the emerging Local Plan. PRD's analysis provides an useful first indication at this stage about development potential that is helpful in informing the overall citywide position on employment growth.

Mead Street

6.6.1 A development brief for the Mead Street area, which also features in the Temple Quarter and St Philips Marsh regeneration area, was approved by Bristol City Council's Cabinet in 2022.

6.6.2 This set the vision and development parameters for the regeneration and mixed-use development of this primarily industrial and warehousing area, with future employment space provision to meet the following requirements:

- No net loss of jobs – with a minimum of 510 full time equivalent jobs to be accommodated through new development and an aspiration for growth beyond this
- 9,000 sq m of employment space to be provided as a minimum, with aspirations for office and light industrial workspace to come forward
- Developers are to liaise with the Council on the future uses and potential occupiers for space.

6.6.3 Since Cabinet's approval of the development brief and as referred to earlier, planning permission has been secured for the redevelopment of the former Bart Spices site to include provision of 650 sq m of Class E space in small units which may include office uses, as part of wider mixed use development.

Regeneration areas with bespoke employment land strategies

Central Bedminster- Whitehouse Street and Bedminster Green

6.7.1 A development framework for the Whitehouse Street area of Bedminster, featuring requirements for the provision of employment space, was endorsed by Bristol City Council Cabinet in March 2023. The area is currently primarily industrial and warehousing in character. The development framework outlines a vision for mixed use development, with substantial provision of employment space. Bristol City Council is working with 2 private developer partners, each with their own landownerships in the area, to implement the framework.

6.7.2 The framework calls for:

- There to be no net loss of employment resulting from the regeneration of the area, equivalent to at least 400 full time equivalent jobs
- The provision of between 13,500 to 15,000 sq m employment space
- The consideration of potential for Bristol City Council-owned land to be brought forward to deliver 6,000-8,000 sq m of industrial space
- The retention of businesses whose operations are not incompatible with mixed use development of the area, wherever possible and desired by those businesses.

6.7.3 The framework identifies the area as likely to be attractive to a number of sectors including ICT, digital, media, professional and business services, creative, maker/artisan, small scale food and drink manufacturing and advanced engineering. Spatial typologies suiting those are identified as maker space, small industrial space, small offices, creative studios and managed workspace.

6.7.4 Encouragement is given to the use of formats that consider some form of co-location of uses, be it through for example commercial uses on ground floors with residential above or part of the same building or adjacent to each other. The Bristol City Council site identified for industrial use is to be considered for multi-storey development that can accommodate multiple occupiers in small sized units.

6.7.5 Permission has been granted for a number of phases in the neighbouring Bedminster Green residential-led development, sitting in the central part of the regeneration area. The scheme at St Catherines Place proposes the provision of 815 sq m of commercial space; the one at Plot 3 Dalby Avenue and Whitehouse Lane proposes 628 sq m of flexible workspace.

Frome Gateway

6.8.1 A development framework is being prepared for the Frome Gateway area and as part of that a scenario for the provision of employment space has been developed. Public consultation on the emerging framework had very recently begun at the time of writing (October 2023), with it to be submitted to Bristol City Council Cabinet for endorsement later.

6.8.2 The Frome Gateway area is predominantly industrial and warehousing in character, with a broad mix of occupiers including distribution, manufacturing, motor trade, office and leisure and community uses. The area, located on the edge of the city centre, features multiple ownerships.

6.8.3 The emerging strategy for Frome Gateway features ambition for:

- Achieving through new development the provision of the level of existing jobs as a minimum, but with an aspiration for growth
- A densified economy accommodating a more diverse mix of industrial, workspace and maker focused activities
- Retention of local business where possible alongside growth in local enterprise with new businesses taking root locally.

6.8.4 This points to the following targets:

- A minimum of 1000 jobs to be provided
- 22,000 sq m of non-residential space to be included in the overall development
- Non-residential space to include:
  - 9,000 sq m of office and workspace
  - 6,000 sq m of industrial
  - 2,000 sq m of maker floorspace.

6.8.5 The potential for a logistics hub to be developed in the northern part of the Frome Gateway area is being explored by the council.

Other regeneration areas

6.9.1 The emerging Bristol Local Plan features a number of regeneration areas where thinking on development potential is at a much earlier stage. Generally, these areas will see mixed use development featuring new homes and employment space, which may include uses such as office, flexible workspace and – in some instances – comparison of areas against ELSNA typologies suggests industrial and warehousing may also be appropriate. The exception to this is Central Southmead, where there is principally a housing focus. In addition, the area covered by the Western Harbour regeneration area (Policy DS4) features heritage buildings and significant infrastructure that will have a major influence on the area's future regeneration potential.

6.9.2 Emerging local plan policy will require that future development in the regeneration areas will be steered by masterplans and/or development frameworks.

6.9.3 Employment floorspace and economic baselines in the remaining regeneration areas have been analysed by the Council to inform future masterplanning exercises. Factors considered include floorspace levels by planning use class, jobs numbers, locational attributes and sectoral compatibility (drawing on guidance on fit between locational attributes, property types and sectoral growth potential provided in sections 5 and 6 of the ELSNA). The findings of this analysis are summarised below.

6.9.4 Central Fishponds regeneration area:



Description of existing employment space provision:

The northern half of the area includes a wide range of local centre high street retail and food service businesses. Channons Hill retail park includes big box retail and leisure uses, and planning history suggests that it has seen reinvestment over the last 10 years. Motor trade retail and repair clusters feature at Stoke View industrial park and Parnall Road industrial area. The land to the south of the railway path includes the main industrial area. The large mid-20th century style industrial units accommodating a large-scale printing works form the central core of this area, although the site has been permitted for residential development and the current occupier is understood to be in the process of moving site. There are other significant manufacturers in similar units. There are also trade counter units and motor trade retail and service. Pressure exists for alternative development on some large sites and interest in residential; a shift of use on some sites to those less likely to conflict with residential has been seen.

Estimated number of jobs in area (source: IDBR): 1200

Estimated number of business units in area (source: IDBR): 100

Estimated B-use class floorspace in area (source: BCC business rates data/VOA):

- Office 6,000 sq m GEA
- Light industrial 10,000 sq m GEA
- General industrial 14,000 sq m GEA
- Warehouse 17,000 sq m GEA

Figures exclude Graphic Packaging, already subject to a planning approval for change of use

Qualitative assessment of future potential for employment space:

Opportunity for uses fitting a town centre and non-conflicting e.g., offices, maker/creative. Industrial area to north is relatively self-contained with underused land nearby, offering potential for additional space. Locational attributes suggest area is suited to needs of professional services, creative and digital, start up and microfirms, logistics (last mile), service based industrial and food enterprise (small scale manufacturing). Potential fit with BCC economic strategy priorities of business start up and scale up space, digital innovation (possibly supporting advanced manufacturing), and support for motor trade uses. Fit also with ELSNA identified priorities such as creative industries, transport and logistics, and potential market for small industrial uses from local occupiers/construction/low carbon.

6.9.5 Lawrence Hill regeneration area:



Description of existing employment space provision:

Commercial activity is distributed widely across the area. The Lawrence Hill local shopping centre includes high street chains and a large number of independent business particularly in food service, financial and real estate activities. There is a small cluster of workshops in the north of the area around Brick Kiln Court. Motor trade repair is distributed across the area. A bus depot, ambulance station and Government offices are also located in the area, next to arterial routes. Residential creep has occurred in the area, most prominently in the southern part.

Estimated number of jobs in area (source: IDBR/BCC): 2,000

Estimated number of business units in area (source: IDBR): 150

Estimated B-use class floorspace in area (source: BCC business rates data/VOA):

- Office 9,000 sq m GEA
- Light industrial 15,000 sq m GEA
- General industrial 2,000 sq m GEA
- Warehouse 36,000 sq m GEA

Qualitative assessment of future potential for employment space:

Area core features Lawrence Hill local centre and St George town centre. Proximity to Lawrence Hill rail station may offer potential for edge of centre office development; given proximity to A420 and the spine road industrial areas offer potential for continued industrial uses. Locational attributes suggest area is suited to needs of professional services, creative and digital, start up and micro firms, service based industrial, last mile logistics and food enterprise. Potential fit with BCC economic strategy priorities of business start up and scale up, creative industries, professional services, space to support healthcare/social work and VCSE, green/low carbon and motor trade uses. Fit also with ELSNA identified priorities such as a potential market for small industrial uses from local occupiers/construction/low carbon/food enterprise.

6.9.6 Lockleaze regeneration area:



Description of existing employment space provision:

Lockleaze local centre is located to the north in the AGR, and small flexible workspace units have been developed there. Industrial is located to the south - whilst change has occurred in proximity to the old Muller Road depot site, sites off Petherbridge Way still function effectively as industrial space. Businesses requiring larger format space tend to be clustered toward the south near Muller Road.

Estimated number of jobs in area (source: IDBR): 400

Estimated number of business units in area (source: IDBR): 70

Estimated B-use class floorspace in area (source: BCC business rates data/VOA):

- Office 200 sq m GEA
- Light industrial 2,000 sq m GEA
- General industrial nil sq m GEA
- Warehouse 6,000 sq m GEA

Qualitative assessment of future potential for employment space:

Land off Petherbridge Way may offer potential for industrial intensification, and the electricity depot site off Romney Avenue may have potential for employment uses going forward. Locational attributes of the area fit with BCC economic strategy priorities of creative, digital, low carbon, business start up and scale up, motor trades. Proximity to city centre and residential also offers fit with ELSNA identified priorities such as transport and logistics, housing and construction, food enterprise and small industrial occupiers.

Analysis informed by sector/property typology/locational attribute tables in ELSNA.

6.9.7 Central Bedminster regeneration area (excluding areas already covered by development frameworks):



Description of existing employment space provision:

The Bedminster local retail centre follows the main A370 road alignment. It includes a typical selection of local high street chains and independent businesses. In the South west part of the area these is a grouping of construction industry trade counter and motor trade warehouses, housed in medium to larger sized units. There are a cluster of motor trade units in properties of fair condition on Whitehouse Lane. Cameron Balloons' manufacturing facility is based on St John's Street.

Estimated number of jobs in area (source: IDBR): 2500

Estimated number of business units in area (source: IDBR): 310

Estimated B-use class floorspace in area (source: BCC business rates data/VOA):

- Office 8,000 sq m GEA
- Light industrial 13,000 sq m GEA
- General industrial 9,000 sq m GEA
- Warehouse 7,000 sq m GEA

Qualitative assessment of future potential for employment space:

Recent developments and proposals for new space have shown strong demand for residential uses, with employment space tending to be provided as part of mixed use development overall. The area's locational attributes point to it being attractive going forward for sectors such as creative (including businesses needing workshop space), service based industrial uses, last mile logistics and food enterprise. The area also demonstrates a fit with BCC economic strategy priorities such as digital, media production and motor trade.

Analysis informed by sector/property typology/locational attribute tables in ELSNA.

6.9.8 Brislington regeneration area:



Description of existing employment space provision:

The western half of the defined area includes predominantly retail and food service businesses of the Brislington Hill local centre shopping area. The eastern half, particularly the A4 frontage, includes motor trade both retail and service. The Brislington Retail Park features big box retail with occupancy levels close to capacity/churn. The Flowers Hill area is mix of motor trade retail, service and big box retail. There are also some smaller specialist retail warehouses. Some former offices have undergone permitted development to become residential. The strip to the north of the A4 in the eastern half of the area includes motor trade and DIY retail plus a relatively recent cluster of fast food drive through at the eastern end.

Estimated number of jobs in area (source: IDBR): 1000

Estimated number of business units in area (source: IDBR): 70

Estimated B-use class floorspace in area (source: BCC business rates data/VOA):

- Office 9,000 sq m GEA
- Light industrial 3,000 sq m GEA
- General industrial 1,000 sq m GEA
- Warehouse 26,000 sq m GEA

Qualitative assessment of future potential for employment space:

Industrial and warehouse space is concentrated at the SE corner of the AGR and on northern side of Bath Road at eastern end of the AGR; close proximity to the A4 and A4174 Avon Ring Road offers good access and these locations are well suited to continued industrial and warehouse use. Locational attributes suggest a fit with logistics, service based industrial (including motor trades), food enterprise, circular economy/low carbon and creative and digital (given proximity to The Bottle Yard Studios). The area also has potential to meet needs of the BCC economic strategy priority of advanced manufacturing, and the housing and construction sector identified as having growth potential by the ELSNA.

Analysis informed by sector/property typology/locational attribute tables in ELSNA.

6.9.9 Analysis of a number of areas has identified that given existing uses, sector growth potential and use of the ELSNA site attractiveness typology there may be some potential for industrial intensification in Central Fishponds, Lawrence Hill, Lockleaze, Central Bedminster and Brislington.

6.9.10 The analysis provided above may provide an initial baseline for further assessments when it is decided to progress with masterplans for each area. Experience with masterplanning and development framework work to date suggests that direct engagement with and surveying of local businesses will be required in addition to analysis of economic, employment and property data to develop a robust enough understanding to inform frameworks. This will need to address employment levels and floorspace quanta, uses, their aspirations and potential fit within the regeneration of an area.

Other emerging policies

Development allocations

6.10.1 Specific site allocations have been identified for a significant number of sites across the city, a number of which call for business or other employment uses to be provided. The nature of development on each will be determined by individual site characteristics, landowner aspirations and market conditions. Given the variability of factors at play across this stock of space, an assessment as to the likely quanta of employment space to be provided over the plan period has not been carried out. That said, they do have the potential to make a valuable contribution to supply.

Mixed use development on former employment sites

6.10.2 Similar to the sites covered by individual site allocations policy, there is a further classification of site that has the potential to add to the city's stock. This policy will require sites formerly in employment use but proposed for mixed use development to feature an element of employment space proportionate to what was there previously. It is worth noting that this policy is likely to apply to redevelopment proposed on sites currently identified as Principle Industrial and Warehousing Areas (PIWAs)[28] but which will not be protected or identified for employment use through the new Industry and Distribution Areas and regeneration area policies. Again, given the variability of factors at play in determining whether or not these sites come forward over the plan a forecast of the quantum of employment space that could be secured has not been developed.

[28] Areas protected for industrial and warehousing uses in the current local plan.

7. Achieving demand/supply balance: progressing Bristol's supply of employment space

7.1 The Cambridge Econometrics and Oxford Economics forecasts commissioned and developed further by HJA provide an up to date forecast of Bristol's future economic growth over the period 2023-2043, being produced in Summer 2023 and reflecting very recent growth trends. Two of the three also reflect a level of employment growth similar to that which is forecast to arise from population growth. Given these factors and that they are based on different methodologies with different input assumptions, taken together it seems reasonable to treat them as providing a range of potential growth scenarios to plan for. In addition they provide a range of maximum growth scenarios for different property types, i.e., office and industrial/warehouse.

7.2 This analysis has assumed that the Oxford Economics forecast of growth outlined in the West of England ELSNA have been superseded by the more recent analysis commissioned and carried out by HJA.

7.3 The findings of the HJA forecasts are summarised in the table below.

Table 12: Net additional employment floorspace demand by Use Class (2023-2043) (sq m GEA)

	CE baseline forecast	OE baseline forecast	Labour market balance/CE baseline uplift scenario
Office and R&D	102000	237000	175000
Industrial and warehousing	-16000	48000	17000

7.4 These forecasts have been compared against commitments in the current planning pipeline and initial demand/supply balance scenarios for both uses are noted in the table below.

Table 13: Demand/supply balance- forecasts compared to planning pipeline sq m GEA[29]

	CE baseline forecast	OE baseline forecast	Labour market balance/CE baseline uplift scenario
A: Office and R&D requirement 2023-2043	102000	237000	175000
B: Office and R&D development in planning pipeline as of 31 March 2022 (adjusted by 5% to reflect GEA)	162534		
C: Demand/supply balance – office and R&D (=B-A)	+60534	-74466	-12466
D: Industrial and warehousing requirement	-16000	48000	17000
E: Industrial and warehousing development in planning pipeline as of 31 March 2022 (adjusted by 5% to reflect GEA), amended to take account of further net loss of 2602 sq m identified by JLL	-40024		
F: Demand/supply balance – industrial and warehousing (=E-F)	-24024[30]	-88024	-57024

7.5 Initial comparison of the forecasts against the pipeline suggests an undersupply of industrial and warehousing space going forward, ranging from 24,024 sq m to 88,024 sq m. Despite Cambridge Econometrics forecasting a decline in the need for industrial and warehousing space, the decline was exceeded by the pipeline loss thus pointing to a need to provide the difference between the two so that accommodation for existing jobs continues

[29] Note: balances marked with + indicate oversupply after pipeline is taken into account; those marked with – indicate an undersupply and outstanding requirement over and above the pipeline supply.

[30] Noted as outstanding requirement for reasons identified in paragraph below.

to be provided. This points to a need to provide for industrial and warehouse space over and above planning commitments alone.

7.6 The position is less clear cut for office, with the scenarios ranging from an undersupply of 74,466 sqm to an oversupply of 60,534 sqm.

7.8 Both the ELSNA and HJA analyses have provided figures for replacement demand i.e., the need for new floorspace to be provided to deal with building obsolescence. The methodologies applied in each are different. Essentially the ELSNA approach is based on building stock as of 2004, energy performance ratings across the city's stock of employment space and assumes relatively intensive forms of development to replace stock lost. The HJA approach is based on more current data on building stock, a review of recent patterns of development and building replacement in situ and a presumption regarding providing additional supply for spare capacity in the market to allow for business moves and site redevelopment.

7.9 The scale of difference in replacement requirements between the two approaches is significant – especially when it is taken into consideration that stock has declined in the period between the production of the two – and is summarised below:

- The range of replacement space required for office is identified by Atkins as being 167,000 sq m over the period 2019-2040, whereas HJA identify a need for 600,000 sq m between 2023-2043
- The range for industrial and warehouse is identified by Atkins as being 200,500 sq m over the period 2019-2040, whereas HJA identify a need for 1,117,000 sq m between 2023-2043.

7.10 HJA estimate that the replacement demand requirement they identify would require up to an additional 231 hectares of land to be provided over the plan period. This would add significant pressure onto the city's land supply.

7.11 Atkins note that the identification of a replacement demand requirement needs to be approached with caution, as reuse of existing sites can significantly alter the level of future need. Such reuse can be encouraged through supportive planning policy.

7.12 Intensification of existing uses on site – such as through increasing jobs/floorspace densities to accommodate jobs based on other sites – can also play a part in reducing the need for replacement space.

7.13 It is reasonable to assume that for a variety of factors some space may need to be replaced during the plan period to maintain employment levels and meet new business needs. Given the range of potential requirements and variables at play in each scenario are very broad, it may be more appropriate to take an approach to replacement demand based on principles rather than quanta arising from the ELSNA and HJA scenarios. Therefore the approach in the local plan seeks to:

- Encourage the reuse of sites and, especially in the case of industrial, intensification of use through supportive planning policy
- Include in requirements for the provision of employment space contained in the local plan an element over and above that required by jobs growth alone to

provide additional capacity, when it is known that development potential exists over and above that level

- Regularly monitor the need for and supply of replacement space through analysis of planning applications and permissions data and engagement with the market, to inform any actions by the Council to encourage future supply through – for example – Article 4 directions, masterplans for regeneration areas, its own landownership and economic development activity to connect demand with supply and identify any potential funding sources that may encourage or enable development.

Office supply

7.1.1 As noted above, the demand/supply balance for office and R&D space after taking account the forecasts cited by HJA and planning commitments presents a mixed picture, ranging from a shortfall of 74,466 sq m to an oversupply of 60,534 sq m.

7.1.2 Analysis suggests that a substantial amount of additional supply could come forward over and above planning commitments, as summarised below.

Table 14: Potential additional office supply (sq m GIA)

St Mary le Port development	33,264
Other city centre sites where quantum has been identified	50,000
Temple Quarter sites	80,794[31]
Potential additional supply total	164,058

7.1.3 Should the potential supply noted above come forward, this would leave the demand/supply balance against each forecast being positive as shown in the table below.

[31] Includes 650 sq m of Class E space at Mead Street.

Table 15: Office demand/supply balance after additional sites are taken into account (sq m GEA)

	CE baseline forecast	OE baseline forecast	Labour market balance/CE baseline uplift scenario
Demand/supply balance after planning commitments considered	+60,534	-74,666	-12,466
Potential additional supply (adjusted to convert from GIA to GEA)	+172,692		
Demand/supply balance after accounting for additional sites proposed for development	+233,226	+98,026	+160,226

7.1.4 Further potential to add to office supply exists through mixed use development proposed in Temple Quarter at the University of Bristol's scheme on Avon Street. Further potential is likely to arise in Mead Street, St Philips Marsh, Whitehouse Street, Bedminster Green and Frome Gateway, as well as regeneration areas where masterplans will need to be developed. Additional supply may also come from sites subject to development allocations and redevelopment of former employment sites policies. It is also noteworthy that permitted redevelopment of office space to other uses seems to have slackened off in recent years, although it may be too early to confirm this as a long term trend and will need monitoring.

7.1.5 Consequently, it is reasonable to assume that Bristol has potential to enjoy a healthy supply of office space over the plan period, substantially over and above the net requirement after forecasts and planning commitments are taken into account. This can provide some capacity to respond to any replacement demand requirements. It is important to note, however, that the bulk of sites for which quanta is identified are located in the city centre.

7.1.6 Evidence on demand and supply has highlighted risks and issues in relation to the office market:

- There is and will be an ongoing risk to development from external factors. Currently build costs and high inflation are affecting developers' and investors' appetite for new development. Over the plan period aspirations and values may change, with alternative uses becoming more attractive.

- The market is reporting a shortage of secondary office space, which may be exacerbated by energy performance requirements if landowners cannot access capital needed to upgrade space or investment is unviable.
- There is a lack of flexible office space supply in the city.
- Evidence suggests that demand and supply are currently concentrated on the city centre, taking advantage of amenities and connectivity there, with demand for new neighbourhood work hubs not coming through in the evidence.

Response to risks and issues

7.2.1 The scale of known development interest demonstrated by the pipeline and other schemes that the council is aware of suggest strong market interest in taking forward office space, which may support the unlocking of other sites to supply secondary space. The market is holding off from development currently; risks to development of individual sites over the longer term may also arise through, for example, variations in patterns of demand or values to be gained from alternative uses.

7.2.2 It is appropriate for the council to set targets for provision of office space, and to monitor progress against delivery of these and the implementation of the existing planning pipeline.

7.2.3 The local plan includes a target for the provision of 164,000 sq m GIA of new additional office and research and development floorspace over and above the existing planning pipeline to:

- Respond to forecast employment growth
- Provide additional capacity for growth above that indicated by forecast
- Provide for replacement demand, as well as flexibility and choice in the market.

7.2.4 This target is not tied to the supply of a definitive list of sites. It has been informed by a quantum relating to a number of sites where proposals have been progressed, taken as only an indication of potential supply. The scale of the informal office pipeline is significant and new space could come forward on a broad range of sites, including existing office sites.

7.2.5 Provision of office and flexible workspace in locations outside the city centre is promoted through policies on regeneration areas. The masterplanning of those areas will need to consider the amenity and connectivity that employers and their staff will find attractive in order for this aspiration to be met fully. Development of office and flexible workspace will also be supported by policies on local centres.

7.2.6 Demand for and supply of office space will be monitored over the plan period, featuring regular contact with the business community and property agents as well as reviews of planning data. As part of this attention will be paid to provision out of the city centre, to monitor any emerging need for space in these locations given the ELSNA's noting of possible potential.

7.2.7 Article 4 directions have been cited by both JLL and Atkins as a potential tool to help ensure adequate supply. None are proposed at this stage, but any need for them can be informed by monitoring.

7.2.8 Other actions to be explored by the council will include:

- Helping developers and landowners to meet energy performance requirements, through alerting them to sources of funding support and other assistance if available. The potential of the City Leap initiative to assist in this will be explored.
- Monitoring of demand and supply of flexible workspace, as the lack of its availability has been highlighted in the evidence as a weakness in supply that is leading to the city losing out on potential employment opportunities. BCC Economic Development will explore the possibility of the Bristol City Council estate being used to provide such space with Property colleagues, and a business case for it put together if sites can be found that identifies and secures potential sources of funding. BCC Economic Development will explore issues further with the market to identify logjams and potential solutions, including public sector funding if appropriate.

Industrial supply

7.3.1 As noted earlier, comparison of the forecasts against commitments suggests an undersupply of industrial and warehousing space going forward, ranging from 24,024 sqm to 88,024 sqm.

7.3.2 Analysis has been undertaken to identify potential for additional development of industrial and warehousing space that could come forward over the next 5 years. The findings are noted below.

Table 16: Potential net uplift in industrial and warehouse space over the next 5 years (sq m GEA)

	Weighted net potential floorspace uplift at low development density	Weighted net potential floorspace uplift at high development density
Allocated sites subject to a planning decision but not in the 2022 planning pipeline	103,903	
Allocated sites not subject to a planning decision	42,162	63,243
Sites on IDAs with potential for redevelopment	9,257	21,709
Total	155,322	188,855

7.3.3 The potential 5 year supply identified can be seen to well outweigh the remaining demand/supply balance requirement for industrial and warehouse, shifting it to a worst case position of oversupply against demand generated by employment growth alone being in the region of 67,298 sq m. This is on the basis that the most conservative scenario (this highest requirement for space scenario driven by the HJA commissioned forecasts compared to net uplift associated with low density development) will be delivered.

7.3.4 That said, it is important to note that in relation to their analysis JLL noted:

- A high risk of some schemes not coming forward
- The highest risk related to sites outside of Avonmouth
- The five year supply, in their opinion, would not be enough to deal with current imbalance in the market.

7.3.5 Emerging analysis also suggests that the regeneration of St Philips Marsh may offer potential to provide additional industrial and warehousing capacity over and above that required to re-provide for existing occupiers in the regeneration area. Any additional capacity needs to be confirmed- or otherwise- via the masterplanning exercise soon to be undertaken in St Philips Marsh.

7.3.6 Significant risks and issues have been identified in relation to industrial and warehousing space provision generally:

- There is an imbalance in demand and supply, with strong demand but very limited supply of land that is leading to rents increasing and in some instances affecting affordability
- Lack of supply is most significant in the urban part of Bristol i.e., outside Avonmouth
- The lack of supply is impeding new development and economic growth. Businesses have reported remaining in space that does not meet their needs because of a lack of affordable alternatives
- The perception of a change of use being forthcoming in regeneration areas is affecting their continued use for industrial and warehousing purposes
- More dense industrial development has come forward on existing industrial sites, but it has been argued that it is not the overall solution to the urban part of the city's supply constraints, and new spatial typologies will most likely need some form of public support to embed them in Bristol
- HJA have identified a significant requirement for industrial and warehousing space to meet replacement demand plus the need for flexibility and choice.

Response to risks and issues

7.4.1 Lack of supply has been mentioned by several sources referred to in the JLL report, as well as by the consultants themselves, and its leading to impeding new development and growth is a concern.

7.4.2 60 hectares of new allocations at Avonmouth are proposed in the emerging local plan.

7.4.3 1 hectare of land is proposed for allocation in the urban part of the city- at Vale Lane- in South Bristol- for industrial and distribution uses. Allocations which were proposed earlier in the process of developing the local plan– at Glenfrome Road and Western Drive– are no longer to be progressed. The former has been developed out for industrial use already; the latter is being considered for use as a travellers' site.

7.4.4 A net additional industrial and warehouse floorspace target of 164,000 sq m GEA has been identified for the city overall, which is based broadly on JLL's work to identify 5 years' worth of future supply subject to adjustments to account for lower plot ratios at Avonmouth and higher densities in urban parts of the city. Similar to the target for office floorspace, the target for industrial and warehouse space is not tied to the supply of a definitive list of sites but is rather reflective of a potential capacity, which will:

- Respond to forecast employment growth
- Provide additional capacity for growth above that indicated by the forecast
- Provide for replacement demand, as well as flexibility and choice in the market.

7.4.5 A new Industry and Distribution Area policy and designation is proposed to provide clarity around the protection of industrial and warehousing land.

7.4.6 Findings from this analysis will be used to inform the St Philips Marsh masterplan, and scope explored for it to re-provide for existing industrial and warehousing uses requiring standalone space free of conflict from residential and other uses, where possible.

7.4.7 Competing pressures on land in the city point to ensuring that it is used as efficiently as possible. The IDAs will provide a focused, unfettered supply of land for industrial and warehousing uses and to that end some other uses previously seen as acceptable in areas protected for industrial use – such as for leisure - should no longer be allowed. It may be possible to redirect these to PIWAs being released from any form of protection.

7.4.8 Increases in densities have been proved to be possible in the Bristol market, with schemes in Whitchurch and Brislington seeing significant uplifts in plot ratios. To encourage densification policy will encourage new industrial and warehousing developments to feature a plot ratio of 0.6 (with a total floorspace on site equal to 60% of the overall site area), whilst providing some flexibility to take account of varying site conditions and typologies for different formats of buildings and occupier requirements.

7.4.9 Clarifying expectations around the scale of provision of industrial and warehousing/distribution space through the masterplanning of regeneration area believed to show continued strong attributes for such uses should provide the market with additional certainty around supply and site potential. This should mitigate the risk of displacement which in turn would generate further demand and business uncertainty.

7.4.10 Given the pressures on the market, monitoring of demand and supply will be carried out on a regular basis. All property types within industrial and warehousing should be covered, but specific attention will be paid to provision of light industrial given the flexibility within Class E for change of use both within the use class and through permitted development rights. Article 4 directions to control the scale of loss may need to be considered if a market imbalance becomes evident.[32]

7.4.11 Other actions to be explored by the council will include:

- BCC Economic Development will work with colleagues in Planning and Regeneration to identify sites which could deliver a net uplift in industrial and

[32] More detail on Article 4 directions can be found at When is permission required? - GOV.UK (www.gov.uk)

warehouse uses and consider developing a business case to bring them forward. JLL's high level review of development potential will be utilised as part of this exercise[33]

- The role of the Efficient, Smart and Sustainable Industrial Areas concept and potential funding sources for its implementation will be explored further. The scope for adding potential for densification as a core objective will also be considered.
- Exploring the role of new formats of industrial developments in increasing site densities and public intervention to stimulate the market. Proposals for multi storey industrial development in the Whitehouse Street regeneration area have already been published and potential for this and other forms of intensification such as co-location will be examined in the regeneration areas, St Philips Marsh and across the BCC estate. Discussions can be had with partner agencies, such as WECA and Homes England, around potential funding of such schemes. The interest of the private sector will also continue to be gauged, to keep the extent of public sector intervention required to the level needed to deal with market failure.

Regeneration areas

7.5.1 The emerging local plan identifies several regeneration areas. All bar one – Central Southmead – feature an aspiration for development of employment space.

7.5.2 Bristol City Council Cabinet has already endorsed a development framework for the Whitehouse Street area and a development brief for Mead Street (part of Temple Quarter); consultation on a similar document for the Frome Gateway area is now underway.

7.5.3 The approach taken in both these documents is underpinned by the principle that there will be no net loss of jobs resulting from regeneration. The number of jobs to be accommodated in employment space has been stated explicitly as targets for delivery. Each area has been subject to a masterplanning process which has sought to identify capacity to accommodate existing businesses who wish to remain in the area.

[33] Bristol employment land review June 2023, JLL Appendix 5

7.5.4 Analysis has identified the following scale of jobs and floorspace in the regeneration areas:

Table 17: Existing jobs and floorspace in the regeneration areas

	Estimated jobs	Office floorspace (sq m GEA)	Light industrial floorspace (sq m GEA)	General industrial floorspace (sq m GEA)	Warehouse floorspace (sq m GEA)
Central Fishponds	1200	6000	10000	14000	17000
Lawrence Hill	2000	9000	15000	2000	36000
Lockleaze	400	200	2000	nil	6000
Central Bedminster (remaining part)	2500	8000	13000	9000	7000
Brislington	1000	9000	3000	1000	26000

7.5.5 Atkins in the ELSNA, JLL in their ELS and property market update and market feedback have all raised concerns regarding the risk of loss of industrial and warehousing space in regeneration areas and the consequent potential to add pressure to an already existing demand/supply imbalance.

7.5.6 That said, the appropriateness of flexibility in regeneration areas policy was noted in the ELSNA. Needs and objectives for each area need to be balanced against prevailing market conditions, opportunities and housing requirements. In the regeneration areas it is anticipated that a broad range of employment generating uses may come forward, with masterplanning steering the scale and location of future development.

7.5.7 Analysis of the remaining regeneration areas by the Council suggests each features attributes suited to a range of economic sectors and employment uses, including industrial and warehousing. This will be used to help provide a baseline for and to inform future masterplanning work. Any displacement may be dealt with through planning for the provision of employment space over and above that required to accommodate employment growth outlined in the HJA forecasts.

7.5.8 The policies for regeneration areas in the local plan publication version anticipate the preparation of frameworks and masterplans to which development proposals will be expected to conform. In advance of frameworks and masterplans being in place any development proposals would be considered having regard to the policy for each regeneration area and the policies for employment space provision in the city overall set out in the local plan.

7.5.9 The overall impact of regeneration areas policy will be monitored as they come forward and emerging understanding – including consideration of the city's overall progress

towards meeting its targets for the provision of employment space – used to inform the shape of emerging masterplans.

Needs of economic sectors

7.6.1 Analysis of a broad range of economic sectors in Bristol pointed to a number of them having spatial requirements that require a response through planning policy and/or actions more economic development and/or property focused.

7.6.2 The table below outlines these sectors, the needs identified and potential actions by BCC to assist them.

Table 18: Sector need and response

Sector	Response through planning or other BCC activity
Low carbon, including clean tech, energy and circular economy	• High growth potential across a broad range of activities, interrelationships with other economic sectors and need for a variety of property types including specialist facilities, industrial space and office. • Provision for additional office and industrial space in the local plan, including new allocations at Avonmouth, should help meet the needs of the sector. • The Economic Renewal and Recovery Strategy's proposal for an Avonmouth Economic Strategy could spell out further the scale of opportunity there. • Proposals for decarbonisation cluster at Avonmouth could be progressed to see if public sector funding can be secured to support such a development. • Evidence suggests a potential demand for facilities at a local, community level e.g., local repair shops – demand should be clarified by BCC Economic Development working with other BCC services and stakeholders, and potential for it to be accommodated in local centres and regeneration areas can be explored. • Monitor ongoing needs of sector, responding to any shortfalls and pressures proactively through liaison by BCC Economic Development with developers, private landowners, BCC Property and any other party that can provide a property solution.
Creative and digital	• This sector has broad ranging property needs, again including office, workspace, media production and storage space. The ELSNA notes the industry reporting a shortage of small workspaces in Bristol city centre. Evidence is also pointing to a shortage of flexible workspace, often desired by the sector.

	• Secondary office space has a valuable role to play in meeting demand, as has provision of light industrial. Demand and supply of both property types will be monitored on an ongoing basis. • Potential to deliver flexible workspace via the BCC property portfolio can be explored, and BCC will liaise with the developer community to identify potential supply solutions. • Masterplanning of the regeneration areas can explore the potential to provide accommodation for this sector, informed by an up to date understanding of demand. Analysis of those areas suggests that several have the potential to be attractive to the sector. • Monitor the ongoing needs of the sector, responding to any shortfalls and pressures proactively through liaison by BCC Economic Development with developers, private landowners, BCC Property and any other party that can provide a property solution.
Professional services	• The ELSNA calls for specific action to meet the needs of this sector, but analysis points to there being a significant amount of development in the pipeline. • The sector's need for high quality office space can be responded to through the potential pipeline of office developments identified, reinforced by targets for the development of office space in the local plan. • Secondary space has a valuable role to play in meeting demand. Demand and supply needs to be monitored on an ongoing basis. • Potential to deliver flexible workspace via the BCC property portfolio will be explored, and BCC will liaise with the developer community to identify potential supply solutions. • Masterplanning of the regeneration areas can explore the potential to provide accommodation for this sector, including for administrative and support services, in areas identified as local centres and informed by an up to date understanding of demand. • Given the priority given to the sector in the ELSNA however, the supply of space to this sector will be monitored closely as part of wider monitoring of office supply. • The sector was identified in the Economic Recovery and Renewal Strategy as offering potential for exports. BCC Economic Development needs to engage with the sector on an ongoing basis to support this and work

	with it to identify solutions to any associated property needs.
Health and life sciences	• This sector has been identified in the ELSNA as needing active support from local authorities to find space. • This sector has a need for research and development and laboratory space, ideally located near to a university. • The "innovation district" concept cited in relation to St Philips Marsh offers a strong fit and will be explored further as part of masterplanning work for that area, to identify capacity there. • BCC Economic Development to work with Planning and Regeneration colleagues to explore the potential of the BCC estate to provide any potential development options. • BCC Economic Development to liaise with the University of Bristol and UWE on enquiries and development options on an ongoing basis, including in relation to the "innovation district" concept. • BCC Economic Development to raise the profile of the opportunity to stimulate developer interest.
Transport and storage	• This sector has been identified specifically in the ELSNA for targeted action to provide supply, pointing to the need for an active response to its requirements. • Demand has been reported for a variety of formats, large and small and from strategic locations on the national highways network to local spaces, although a recent downturn in demand for and supply of 50,000 sq ft plus floorplates nationally has been reported. There is a need for last mile logistics space near to residential neighbourhoods. • Local plan policy will allocate land for distribution , while encouraging new development and intensification on existing employment land, can encourage additional space to be provided. • The BCC property portfolio will be examined to identify any potential development opportunities. • The proposal for a logistics hub at Frome Gateway will be pursued further. • Masterplanning of the regeneration areas can explore the potential to provide accommodation for this sector, informed by an up to date understanding of demand. • The ongoing needs of the sector will be monitored, to aid responses to any shortfalls and pressures

	proactively through liaison by BCC Economic Development with developers, private landowners, BCC Property and any other party that can provide a property solution.
Housing and construction	• This sector is expected to grow and may have a need for space to support production of modular housing types, builders yards and office space. • Local plan policy to allocate land for industrial, while encouraging new development and intensification on existing employment land, can encourage additional space to be provided. • Measures to promote provision of flexible workspace can support the sector. • The BCC property portfolio will be examined to identify any potential development opportunities. Masterplanning of the regeneration areas can explore the potential to provide accommodation for this sector. • The potential of locations in BCC ownership and/or in regeneration areas (including St Philips Marsh) identified for development to provide space on a temporary basis to meet short term requirements should be considered. • Monitor the ongoing needs of the sector, responding to any shortfalls and pressures proactively through liaison by BCC Economic Development with developers, private landowners, BCC Property and any other party that can provide a property solution.
Manufacturing	• Evidence suggests that new space may be needed to support productivity improvements. • Local plan policy to allocate land for industrial, while encouraging new development and intensification on existing employment land, can encourage additional space to be provided. • Monitor the ongoing needs of the sector, responding to any shortfalls and pressures proactively through liaison by BCC Economic Development with developers, private landowners, BCC Property and any other party that can provide a property solution.
Food production	• Although not easily distinguished in the economic evidence base, growth may result from Bristol's status as a Gold Sustainable Food City, Bristol's low carbon agenda and analyses of AGRs subject to their own

	employment strategies have identified potential for food production activities. • Local plan policy to allocate land for industrial, while encouraging new development and intensification on existing employment land, can encourage additional space to be provided. • Masterplanning of the regeneration areas can explore the potential to provide accommodation for this sector where appropriate. • Monitor the ongoing needs of the sector, responding to any shortfalls and pressures proactively through liaison by BCC Economic Development with developers, private landowners, BCC Property and any other party that can provide a property solution.
Small industrial services	• A continued need for space for small industrial services, including the motor trade, has been identified. • Local plan policy to allocate land for industrial, while encouraging new development and intensification on existing employment land, can encourage additional space to be provided. • Reprovision of industrial space in St Philips Marsh, where there is a need to introduce a broader mis of uses, could contribute to supply. • Identification of a B2 requirement on regeneration areas would have the potential to provide supply going forward. • Monitor ongoing needs of sector, responding to any shortfalls and pressures proactively through liaison by BCC Economic Development with developers, private landowners, BCC Property and any other party that can provide a property solution.

Specific property needs

7.7.1 Flexible workspace has already been mentioned in the context of office space. The concept – with space on flexible terms – plus other arrangements such as managed workspace, co-location space and maker space are all likely to have a role to play in providing for future economic need – across a range of uses including light industrial and for sector specific space such as for life sciences or creative industries.

7.7.2 BCC Economic Development, working with other council services including Property and Regeneration, should monitor occupier requirements. The council will need to liaise with developers and operators to identify opportunities for development of this type of

space, and to match up occupier opportunities to them. Consideration needs to be given to the role the BCC estate can play in providing such space, should opportunities arise.

7.7.3 Provision of this space in Bristol should be monitored going forward, identifying the effectiveness of co-location in Bristol and best practice here and elsewhere. The intelligence gathered can then be reflected in planning requirements applicable to proposals for development on individual sites.

7.7.4 The Bristol economic renewal strategy notes the potential for new opportunities to provide workspace that may result as areas transition through, for example, reduced demand for retail space. The strategy also notes the potential for meanwhile uses. It will be important for BCC Economic Development to monitor these and match to occupier and developer interest where possible, and where meanwhile space provision is acceptable in planning terms.

7.7.5 The Bristol economic renewal strategy identified a priority to support the development of space for business start ups and scale ups. Proposals for the development of regeneration areas such as Frome Gateway note the important role that economic sectors can play in bringing vibrancy and character, as well as employment, to an area. A common aspiration for regeneration of those areas has been to enable existing businesses to remain in these areas wherever possible. That said, market rents required to make new development viable may make them unaffordable for these types of businesses. The draft local plan proposes an affordable workspace policy which has the potential to support all or some of these objectives.

Other employment space policies

7.8.1 The impact of two further policies aimed at driving the development of employment space need to be monitored to inform effectiveness and any actions that the council may need to take to ensure they have a positive impact.

7.8.2 Proposals for the redevelopment of sites most recently in employment use will be required to include provision of new workspace as part of mixed use developments.

7.8.3 The application of the requirement for some workspace that has regard to the employment intensity of the previous use on former employment sites will need to be considered on a case-by-case basis. This policy will be highly relevant to sites currently in Principal Industrial and Warehousing Areas that will not be classified as an Industry and Distribution Area or included in a regeneration area, but will apply to some other employment sites too. Given the uncertainty around what sites may come forward, this analysis has not made a projection of what new employment space may be developed nor the possible scale of loss.

7.8.4 Monitoring should be undertaken going forward to identify the impact of the policy. Given that former PIWAs not subject to IDA or regeneration area status could be picked up by this and the market is reporting potential pressure could arise from their loss, a baseline for measuring impact against this type of site is noted in the table below.

Table 19: Floorspace on PIWAs not subject to IDA or AGR status- citywide stock.[34]

B1a and B1b Office	418 sq m GEA
B1c Light industrial	21,120 sq m GEA
B2 General industrial	17,835 sq m GEA
B8 Warehouse and distribution	58,341 sq m GEA

7.8.5 The site allocations in the emerging local plan provide policy on future development that is tailored to the circumstances of each individual site, with uses identified in general terms including those relating to employment space. The policies do not include target quanta. The potential scale of employment space provision will vary on a site-by-site basis, with the capacity of each site determined by the broad policy steer plus ownership aspirations and market conditions over the plan period. Similarly to the policy on employment uses on former employment sites coming forward for mixed use development, no assumptions have been made on the contribution of this class of site to citywide supply. Instead it is recommended to monitor the impact of policy on provision of jobs and types/uses of space against the current baseline.

Other monitoring activity

7.8.6 In keeping with the Bristol economic renewal strategy's reference to development of an Avonmouth economic strategy and also a focus on South Bristol, it will be appropriate for all of the monitoring referred to in this chapter to be undertaken to enable analysis of demand for and development/supply of employment space in these areas.

[34] BCC interpretation of VOA data using jobs/floorspace densities