

Bristol City Council's response to Inspectors' matters, issues and questions

Matter 3: Employment Land Provision

This statement sets out the council's response to the Inspectors' matters, issues and questions regarding employment land provision matters.

Council's introduction

The Inspectors' questions are shown below in ***bold italics*** with a border, following any preamble to the question also in ***bold italics***. The council's responses are shown in normal typeface below the Inspector's questions.

Responses to Inspectors' questions

Issue 3.1: Whether the office, industry and distribution requirements are positively prepared, justified and consistent with national policy (Policy E2).

TPC003¹ summarises the Council's approach to identifying the office and industry and warehousing requirements set out in Policy E2. The responses to PQ96-98 seek to provide additional information on how the requirements were established.

The response to PQ96 sets out the anticipated sources of supply. For offices this indicates a supply of 190,682 sqm of commitments (2021-22) and an additional 164,058 sqm of space coming forward on existing sites or new sites (this would total around 355,000 sqm of floorspace). For industry and warehousing, the information indicates that there is 124,692 sqm of commitments (2021-22), 103,903 sqm already permitted at Avonmouth, development potential of 41,838 sqm at Avonmouth and unpermitted development and 18,596 sqm in uplift in provision in designated areas (this would total around 290,000 sqm of floorspace).

The response to PQ98 states that the requirements set out in Policy E3 are additional to existing commitments.

Need for additional office, industry and distribution floorspace

Q3.1: Is the requirement of 164,000 sqm net additional office floorspace over the plan period to 2040 positively prepared, justified and consistent with national policy? Is the requirement based on a robust and up-to-date assessment of both quantitative and qualitative need?

Council's response

1. The approach in the local plan is based on as robust and up-to-date assessment of quantitative and qualitative need as possible. Employment land studies were prepared by JLL in 2019 (EVEE03) and Atkins in 2021 (EVEE01) to aid local plan development. In 2023, more up-to-date evidence on demand, supply and market conditions was commissioned from JLL (EVEE02). At the same time new economic growth forecasts were commissioned from Hardisty Jones Associates and Lambert Smith Hampton (EVEE04), which provided jobs growth numbers, floorspace

¹ TPC003 – Employment Land Topic Paper (November 2023)

requirements and a quantitative and qualitative review of sector need. The 2023 analyses were used to challenge, test and confirm the findings of the earlier documents. Our assessment of market need has also been informed by the most recent evidence available from Bristol City Council planning application records and market facing analysis of occupation and need in areas of growth and regeneration such as St Philips Marsh, Mead Street, Whitehouse Street and Frome Gateway which were undertaken between 2022-23.

2. The requirement for 164,000 sq m net additional office floorspace is based on:

- Jobs growth forecasts suggesting a net additional floorspace requirement ranging between 102,000 to 237,000 sq m
- After the quantum of office development identified in the most recent published planning pipeline is subtracted from the jobs growth requirement, this leaves an outstanding requirement ranging from an undersupply of 74,466 sq m to an oversupply of 60,534 sqm
- The council was aware of proposals to develop office space on other sites not included in the planning pipeline, which could contribute a further 164,000 sq m of office space. In addition to these, the council is aware of a number of major mixed use schemes which could deliver some office space to add to that total
- Market evidence identified a number of issues that the plan should respond to, including: uncertainty around developments coming forward, for reasons such as high build costs, high inflation, higher borrowing costs and developer appetite for office development diminishing in favour of alternative uses; viability challenges in relation to meeting environmental performance requirements; a shortage of secondary office space; and unmet demand for flexible office space
- Drawing from the quantum of office development identified from developers' proposals but not featuring in the planning pipeline, to reflect a reasonable market grounded approach, the office target seeks to address the issues arising in the market evidence whilst: responding to forecast employment growth; providing additional capacity over and above the forecast; and providing for replacement demand, flexibility and choice
- Regular monitoring, to be supplemented by ongoing engagement with the business community, will be undertaken to ensure the council is live to issues emerging and can identify the need for pre-emptive action such as Article 4 directions to maintain a healthy supply of space
- The council has sought to take this approach to demonstrably respond to government planning guidance that calls on planning authorities to consider: recent patterns of employment land supply and loss; evidence of market demand; wider market signals; evidence of market failure; business/jobs/floorspace forecasts; and the needs of specific sectors.

Q3.2: Is the requirement for 164,000 sqm of net additional industry and distribution floorspace over the plan period to 2040 positively prepared, justified and consistent with national policy? Is the requirement based on a robust and up-to-date assessment of quantitative and qualitative need?

Council's response

3. The approach in the local plan is based on as robust and up-to-date assessment of quantitative and qualitative need as possible. Employment land studies were prepared by JLL in 2019 (EVEE03) and Atkins in 2021 (EVEE01) to aid local plan development. In 2023, more up-to-date evidence on demand, supply and market conditions was commissioned from JLL (EVEE02). At the same time new economic growth forecasts were commissioned from Hardisty Jones Associates and Lambert Smith Hampton (EVEE04), which provided jobs growth numbers, floorspace requirements and a quantitative and qualitative review of sector need. The 2023 analyses were used to challenge, test and confirm the findings of the earlier documents. Our assessment of market need has also been informed by the most recent evidence available from Bristol City Council planning application records and market facing analysis of occupation and need in areas of growth and regeneration such as St Philips Marsh, Mead Street, Whitehouse Street and Frome Gateway which were undertaken between 2022-23.

4. The requirement for 164,000 sq m net additional industrial floorspace is based on:

- An acknowledgement of a lack of supply being cited by several sources in the gathering of the evidence base, and a concern around its impeding new development and growth
- Jobs growth forecasts presenting a mixed picture, with one scenario pointing to the need for 16,000 sq m less of space, with another suggesting a requirement for 48,000 sq m of new space
- A loss of 40,024 sq m suggested by planning commitments noted in the planning pipeline and JLL evidence
- Taken together the jobs growth forecasts and planning pipeline point to an overall requirement for net additional industrial and warehousing floorspace in the range 24,024 sq m to 88,024 sq m. This is after acknowledging that the loss suggested by the planning pipeline is greater than that suggested by the lower growth forecast, and that some provision will be required to make up the difference to avoid an undersupply of industrial space affecting existing levels of employment
- 164,337 sq m of net additional industrial and warehousing space having been identified as having potential to be developed over the next 5 years. This is based on analysis carried out by JLL on behalf of the council, added to by the council itself. JLL identified potential development sites, their overall capacity and applied a weighted discount to reflect factors such as developer appetite to ultimately derive a possible quantum of development for each. The Council then developed this methodology further to take account of plot ratios seen in recent developments at Avonmouth and, at the higher end of the range provided by JLL, a slightly reduced intensity of development for sites in the urban core (using a 0.55 plot ratio instead of JLL's 0.6)
- It is anticipated that this level of floorspace will be supplied through: the allocation of 60 hectares of industrial land at Avonmouth and 1 hectare at

Vale Lane in the urban core of the city; protecting land for industrial and warehousing uses at locations in the urban core of the city by creating Industry and Distribution Areas and Maritime Industry Areas; planning policy encouraging intensified use of sites to deliver industrial uses, encouraging development to achieve a plot ratio of 0.6 where possible and appropriate; and the potential provision of industrial space in areas of growth and regeneration and other former employment sites proposed for mixed-use development

5. This approach will be underpinned by regular monitoring on a citywide basis. Specific attention will be paid to provision of light industrial given the flexibility within Use 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 be considered if a market imbalance becomes evident.

6. Outside of the ambit of the local plan, but in response to the evidence we will also explore what measures the council can take to encourage the bringing forward of the potential development sites identified by JLL and any other sites in the council's property portfolio and examine the potential to encourage industrial intensification through typologies new to Bristol, such as multi-storey industrial or co-location with other uses.

7. The council has sought to take this approach to demonstrably respond to the national government planning practice guidance on Housing and economic needs assessments that calls on planning authorities to consider: recent patterns of employment land supply and loss; evidence of market demand; wider market signals; evidence of market failure; business/jobs/floorspace forecasts; and the needs of specific sectors.

Q3.3: The allocations, including those for a mix of uses, do not include specific requirements for the delivery of employment floorspace. On this basis, would the Plan be effective in ensuring floorspace needs will be met?

Council's response

8. Policy E2 ('Economic Development Land Strategy') sets out the overall strategy for economic development land and includes figures for office and industry and distribution floorspace.

9. JLL's market based evidence for the council pointed to there being a stronger likelihood of industrial space coming forward on land allocated for such use. The 164,000 sq m capacity identified by JLL and the council's work is derived from sites covered by such a policy, applying via the Avonmouth employment land allocation and, in the urban core of the city, industry and distribution areas. Each have a focus on the provision of industrial and warehouse space. This approach is also supported by an emphasis in the policy towards densification of industrial development, encouraging a plot ratio of 0.6 where possible and appropriate. The city's overall capacity may exceed this figure and go beyond just the sites on which this total is founded; the JLL/council capacity figure is based on a 5 year time horizon and quantum subject to a discount reflecting weighting against the risk of not coming forward.

10. The office development target is based on development proposals covering a broad range of maturity, ranging from early developer thinking through to granted

planning permissions. All but 650 sq m of the total proposed features in sites located in the city centre, where the bulk of office development has come forward in recent years (78% between 2006-2022). Given this level of development interest it may be reasonable to assume that this pattern will continue. Additional policies – such as those promoting development in regeneration areas, mixed use development of former employment sites, site allocations policy and those supporting the vitality of town and district centres – may support the development of office space in other locations in the city.

11. The draft plan proposes a number of regeneration areas where policy includes an aspiration for employment space. Analysis of those areas carried out by the Council suggests that they all feature attributes suited to a range of economic sectors and employment uses, including industrial and warehousing. It is anticipated that a broad range of employment generating uses may come forward, with masterplanning steering the scale and location of future development. The plan requires for frameworks and masterplans to be developed for each to which development proposals will be expected to conform. In advance of these documents 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.

12. Additional opportunities to broaden the supply base further beyond that implied above will be provided through the application of policy requiring the provision of employment space on former employment sites subject to proposals for mixed use development, and also through individual site allocations where employment is identified as an appropriate use.

13. Regular monitoring of employment land supply and demand will be undertaken. This will consider locational, economic sector and property typology matters as well as progress towards meeting overall floorspace targets. This will draw on both planning data and market intelligence.

Q3.4: Further to the above, how much office floorspace is anticipated to come forward on sites allocated under Policy DA1?

Council's response

14. Site allocations provide policy on future development tailored to the circumstances of each individual site, with uses identified in general terms. 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. No assumptions have been made on the contribution of this class of site to citywide supply.

Q3.5: Other than the allocations under Policy E4, is any additional industry or warehousing floorspace expected to come forward on allocations set out under Policy DA1?

Council's response

15. The Bristol Local Plan Development Allocation BSA1305 ('Land to the north-west of Vale Lane') has been identified as appropriate for industry and warehousing- this

site is listed in Policy DA1: Proposed development allocations and it is a retained site allocation from the Site Allocations and Development Management Policies Local Plan (DPD002).

16. A number of sites have also been identified within Policy DA1 as having potential for flexible workspace or workspace, but none have been specifically identified as having potential for industry and warehousing.

17. Policy DA1 states that the sites will be developed for the uses identified and in accordance with the accompanying development considerations and with all other relevant development plan policies. The site allocations are set out in the Annex to the local plan. The Annex provides details of the proposed development allocations listed under Policy DA1 and also includes those site allocations retained from the Site Allocations and Development Management Development Policies Local Plan (DPD002), and the Bristol Central Area Plan (DPD003). Policy DA1 proposes that the sites listed will be developed for the uses identified in the Annex and in accordance with the development considerations which accompany each site and with all other relevant development plan policies.

Q3.6: Further to the above, and the response to PQ96, how much office floorspace do the Council expect to be delivered during the plan period (including unimplemented commitments)?

Council's response

18. Up to 164,000 sq m of net additional office floorspace, on top of existing commitments in the planning pipeline also coming forward. Those commitments include a gain of 190,682 sq m of new office development and a loss of 36,275 sq m of existing floorspace, producing a net gain of 154,407 sq m.

Q3.7: Further to the above, and the response to PQ96, how much industry and warehousing floorspace do the Council expect to be delivered during the plan period (including unimplemented commitments)?

Council's response

19. Up to 164,000 sq m of net additional industry and warehousing floorspace, on top of existing commitments in the planning pipeline also coming forward. Those commitments include a gain of 124,692 sq m of new development and a loss of 160,243 sq m of existing floorspace, producing a net loss of 35,551 sq m.