

# BANES BUSINESS GROWTH & EMPLOYMENT LAND STUDY



ROGER TYM & PARTNERS  
Planners and Development Economists



Final Report  
March 2009

**ROGER TYM & PARTNERS**

Fairfax House  
15 Fulwood Place  
London  
WC1V 6HU

t (020) 7831 2711  
f (020) 7831 7653  
e london@tymconsult.com  
w [www.tymconsult.com](http://www.tymconsult.com)

*This document is formatted for double-sided printing.*

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Appendix 1 - Economic Sectors and Business Space

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## PART A INTRODUCTION



# 1 THE STUDY

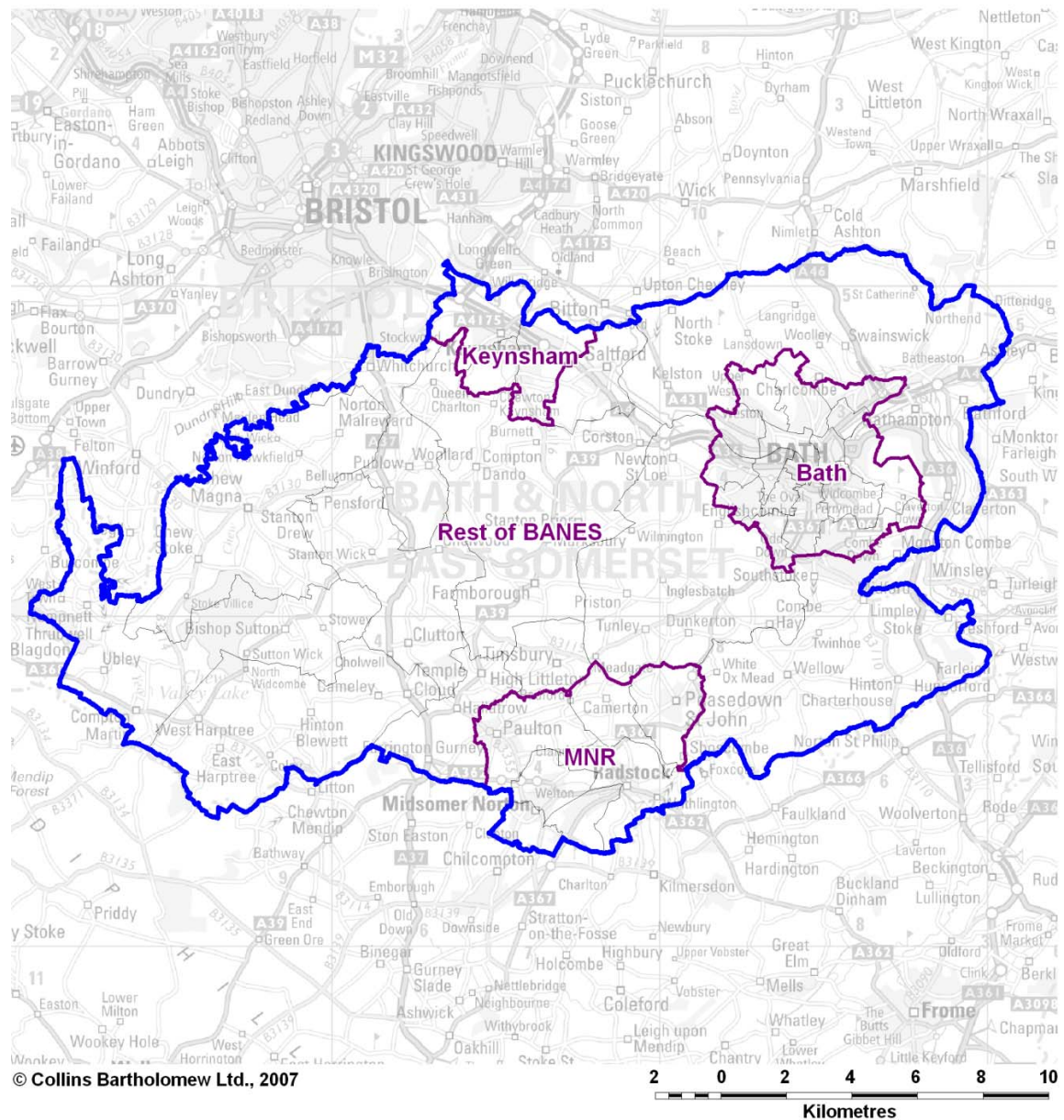
- 1.1 This study was commissioned by Bath and North East Somerset (BANES) Council in August 2007, to help inform policies and decisions that relate to economic development. The study will be part of the evidence base supporting the Council's emerging Local Development Framework (LDF). As well as spatial planning policies, it should inform development and regeneration strategies and investment decisions by the Council and its partners.
- 1.2 The study has three main tasks, as set out in the Council's brief:
- Predict business requirements for economic land uses to 2026;
  - Assess the current supply of land against these requirements, both in terms of quality and quantity;
  - Accordingly propose potential land provision strategies for the District as a whole and its main towns, to show where land should be provided for economic development, and where the Council and its partners should intervene to bring sites forward for development.
- 1.3 The study forms part of an ambitious growth agenda. Locally, the Council in 2005-2006 has produced a framework of Visions, Business Plans and Spatial Frameworks, aiming for major economic and physical regeneration of the District's main urban areas, renewing town centres and attracting new jobs in growing sectors. Regionally the emerging spatial strategy for the South West requires the Bath TTWA to provide for between 16,000 - 20,200 new jobs in the period 2006 - 2026. At the highest level this represents a rate of growth more than double that anticipated in the current B&NES Local Plan. This study aims to show how policies and initiatives relating to employment land can best contribute to local regeneration aspirations and the implications of accommodating the level of growth set out in the RSS
- 1.4 Economic land uses - those uses that create wealth and generate jobs - fall into two broad groups. The 'B uses', traditionally labelled by planners as 'employment', cover Class B of the Use Classes Order, comprising industry, warehousing and offices, plus similar sui generis uses. The remaining, or non-B, economic uses include retail, leisure, education, health and a wide variety of other services. This study covers the whole economy, but its detailed assessment of land requirements is restricted to 'employment uses' (the B class)<sup>1</sup>. This is partly because the land requirements of non-B economic activities, such as retail and tourism, are assessed in different ways, and met through different policies, to the B uses. It is also because the main non-B uses, such as retail and tourism, are being covered by other consultancy studies running in parallel. In Chapter 5, we draw on these other studies and our own research to discuss prospects for the non-B uses and their spatial implications.
- 1.5 Following this Introduction, Part B of the study discusses the economy in general and Part C focuses on the employment (B) land uses.

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<sup>1</sup> The employment land element of the study is an update of the BANES Business Location Requirements Study (2003) produced by Roger Tym & Partners and Cluttons for the Council.

1.6 The study splits BANES District into four local areas: Bath urban area, Keynsham, Midsomer and Norton Radstock (MNR) and the rest of BANES. MNR includes Paulton and Peasedown St John, because these places provide important employment sites which in our view are part of the MNR market. The rest of BANES comprises the District's rural areas and small settlements. The boundaries of the local areas have been agreed with the Council's client team and are shown in the map below.

Figure 1.1 BANES and Local Areas





## 2 POLICY CONTEXT

- 2.1 In this chapter, we first discuss the national and regional policies which BANES Council in planning for employment land is required to conform to. We then turn to the local policies which the Council, needs to reconsider or take account of.

### National Policy

- 2.2 Until December 2007, the core statement of national planning policy was found in Planning Policy Guidance Note (PPG) 4, Industrial and Commercial Development and Small Firms, published in 1992.
- 2.3 Key statements in PPG 4 include:
- 'One of the Government's key aims is to encourage continued economic development in a way which is compatible with its stated environmental objectives.'
  - 'Policies should provide for choice, flexibility and competition.'
  - In allocating land for industry and commerce, planning authorities should be realistic in their assessment of the needs of business. They should aim to ensure that there is sufficient land available which is readily capable of development and well served by infrastructure. They should also ensure that there is a variety of sites available to meet differing needs.'
  - A choice of suitable sites will facilitate competition between developers; this will benefit end-users and stimulate economic activity.'
  - 'The locational demands of businesses are... a key input to the preparation of development plans. Development plan policies must take account of these needs and at the same time seek to achieve wider objectives in the public interest.'
- 2.4 The Planning White Paper, Planning for a Sustainable Future, published in May 2007, promised shortly to replace PPG4 with a new Planning Policy Statement (PPS), part of a reformed planning system that will more positively support economic development. The new PPS 4 was published in December 2007. The Ministerial Foreword states the key objectives of the new guidance:
- 2.5 'This draft Planning Policy Statement aims to provide the tools for regional planning bodies and local planning authorities to plan effectively and proactively for economic growth. As a result of this new policy, regional and local planning bodies will support economic development by ensuring that they understand and take into account what their economies need to remain competitive [and that they are] responsive to the needs of business and factor in the benefits of economic development alongside environmental and social factors.'
- 2.6 Paragraph 9 of PPS 4 states the same objective more succinctly:
- 'The Government wants planning policy to support economic growth.'*

- 2.7 To pursue this objective, the draft says that regional planning bodies and local planning authorities should:
- Use evidence to *plan positively* to meet current business needs and future changes, and in particular:
    - Undertake employment land reviews to assess the supply and demand for employment land;
    - Where possible, carry out these reviews at the same time as housing land assessments, to ensure that competing land uses are considered together;
    - Use a wide evidence base, including market information and economic data;
    - Plan to accommodate and support existing economic sectors, new or emerging sectors, clustering and knowledge-based and high-technology sectors;
    - Locate key distribution networks and freight-generating developments so as to minimise carbon emissions;
    - Aim to locate larger office developments in town centres or edge-of-centre sites, consistent with the sequential approach in PPS 6, except where offices are ancillary to other economic activities located elsewhere;
    - Where appropriate, collaborate with other authorities;
    - Where markets cross administrative boundaries, plan on a sub-regional basis;
  - Recognise *the needs of business*, providing the *flexibility* to cater for varied and unforeseen needs; and in particular:
    - Use criteria-based policies to identify new employment sites and where necessary to safeguard existing employment sites from other uses;
    - Wherever possible avoid designating sites for single or restricted use classes;
    - Cater for start-up and SME accommodation as well as larger units and consider how the authority can deliver development, using interventions such as land assembly;
    - Avoid carrying forward existing allocations; if there is no reasonable prospect of a site being used for economic development during the plan period, it should be actively considered for other uses;
  - Aim for *effective and efficient use of land*, in particular:
    - Use market signals in plan-making and decision-taking: ‘planning authorities should take into account price differentials between land allocated to different use classes, when deciding on the most productive use of land’;
    - Prioritise previously developed land and encourage new uses for vacant and derelict buildings;
    - Take a constructive approach to change of use where there is no likelihood of demonstrable harm;
    - Set maximum parking standards for non-residential development at the local level.
  - Secure a high-quality and sustainable environment, in particular:
    - Seek to ensure economic development is of high quality and inclusive design and addresses climate change and the natural and historic environment

- Take *a positive approach to development control*, in particular:
    - Where proposals do not have the specific support of plan policies, assess them using a range of evidence and consider them favourably unless there is good reason to believe that the economic, social and/or environmental costs of development are likely to outweigh the benefits;
    - Where proposals accord with the plan, they should normally be approved.
    - Ensure that development control decision take full account of the benefits of development;
    - Hold early discussion with developers about major or controversial proposals;
    - When refusing planning applications, set out clear reasons why.
- 2.8 Employment land is also mentioned in Planning Policy Statement (PPS) 3, (November 2006). PPS3 at paragraphs 43-44 generally encourages re-use of previously developed land, and specifically states that local planning authorities should consider:

*'whether sites that are currently allocated for industrial or commercial use could be more appropriately re-allocated for housing development'.*

## The Emerging Regional Spatial Strategy

### *General Policies*

- 2.9 The South West Regional Assembly published the draft Regional Spatial Strategy for the South West in June 2006. The Panel Report of findings and recommendations was published in January 2008 following an Examination in Public held between April and July 2007. Proposed Changes were published by the Secretary of State in July 2008. The final RSS will be adopted in 2009.
- 2.10 The RSS "A Sustainable Future for the South West" sets key objectives and principles that bear on all land uses. The draft RSS proposed that the South West region's total output (GVA) over the plan period 2006 -2016 should grow between 2.8% and 3.2% a year. The proposed changes to the RSS support economic growth in line with the Regional Economic Strategy (RES) which states that the region should be prepared for the continuation of a strong economic growth rate of 3.2% GVA per annum.
- 2.11 A key objective which has major implications for economic land uses is that the region must stabilise and then reduce its carbon footprint. This is to be achieved by a range of measures including:
- 'Minimising the need to travel and securing a shift to use of more sustainable modes of travel by effective planning of future development, better alignment of jobs, homes and services, improved public transport, and a strong demand management regime applied in the region's SSCTs'.*
- 2.12 Section 3 translates these principles into a core spatial strategy which aims to respond to and manage expected high levels of growth in the most effective and sustainable way, by concentrating most new development at key regional and sub-regionally significant centres. These places are the 21 Strategically Significant Cities and Towns (SSCTs), the focal points for economic activity, cultural facilities and a wide range of services fundamental to residents' quality of life and where the requirements of

individual to travel can be catered for by better and more reliable public transport provision. Bath is designated as an SSCT.

- 2.13 In qualitative terms, key messages in the proposed changes to the RSS include:

*‘Critical to achieving a more sustainable region is the continuation of the South West’s relative economic prosperity. As recognised by the RES, “prosperity is measured by wellbeing as well as economic wealth”. Better jobs, investment in human and physical capital, and high levels of innovation all have a part to play in delivering rewarding employment, stronger and more vibrant communities, a better environment and more efficient use of resources.’*

- 2.14 Section 8 of the proposed changes to the RSS, Enhancing Economic Prosperity and Quality of Employment Opportunity, contains policies that have been shaped to enable the vision of the RES to be realised in spatial terms. A key policy objective is to promote a shift from employment-led growth to productivity-led growth by: guiding investment to locations where it will have maximum benefit and reduce the need to travel; ensuring a range of appropriate sites and premises to meet business needs; promoting innovation and the development of the knowledge driven economy and supporting the development of priority business sectors as identified in the Regional Economic Strategy (listed in the next section).

- 2.15 Policies ES2 and ES3 of Section 8 set out the need for a 20 year supply of employment land to be identified in order to support a range of activities and to support a better balance between the location of homes and jobs, and for this supply be critically reviewed on a regular basis. Policy TC1 states that the central areas of the SSCTs are to be the prime location for office development.

### *The West of England and BANES*

- 2.16 The West of England sub-region or Housing Market Area (HMA) exhibits many of the characteristics of a ‘city region’ with Bristol, a key driver of the regional economy, at its centre.
- 2.17 Policy HMA1 sets the level of provision for housing and jobs growth in the West of England. The proposed changes to the RSS require that the sub-region to accommodate an additional 137,950 homes and up to 137,200 jobs.

	Draft RSS	Proposed Changes
Growth of at least	90,500 Homes	137,950 Homes
Growth of about	116,500 - 122,200 Jobs	137,200 Jobs

- 2.18 With regard to BANES the proposed changes to the RSS require that provision be made for 21,300 new homes and 20,200 jobs and 39ha of employment land in the Bath Travel to Work Area<sup>2</sup>. This is an increase of 5,800 homes on the draft RSS and confirms that job creation should reflect growth of 3.2% GVA per annum meaning space would need to be provided for an additional 4200 jobs. The jobs targets in the emerging regional strategy form the basis of the floor space and land demand estimates provided in Chapter 7 below. This study estimates that the land requirement will be less than that suggested in the RSS proposed modifications. The following table shows how the housing requirement of the Draft RSS and propose changes are apportioned throughout the district.

**Table 2.1 Total Dwellings Requirement 2006-2026**

	Draft RSS	S of S Proposed Changes
Within the existing built-up area of Bath	6,000	6,000
An urban extension to the south west of Bath	1,500	2,000
An urban extension to the south east of Bristol	6,000	8000*
At Keynsham	0	3,000
Elsewhere in BANES (Keynsham was included in this figure in draft RSS)	2,000	2,300
<b>Total</b>	<b>15,500</b>	<b>21,300</b>

\* The total size of the proposed SE Bristol urban extension is 9,500 (8,000 within BANES, 1,500 within Bristol).

- 2.19 It is clear that much of the growth in the district will be focused in the Bristol-Bath corridor. Bath is to develop its role as an economic, service, tourism and cultural centre respecting its World Heritage site status, by providing for:
- ‘expansion of the employment, service, retail and cultural roles of the city centre, reusing existing sites and buildings within the urban area, in accordance with Development Policy A of the proposed changes to the RSS.’*
- 2.20 Places outside the SSCT should develop in accordance with Development Policies B and C.
- 2.21 A significant number of dwellings (over half the district total and largely in BANES) are directed to locations in or near to Keynsham. Supporting text in the panel report, though not replicated in the proposed modifications, says that: ‘Keynsham can provide a wide range of community services for the new development and we are confident that it would also be an attractive location for associated employment development. In our opinion the combination of these factors makes Keynsham a sustainable location.’
- 2.22 The proposed south-east Bristol extension is also discussed in the Bristol city’s LDF Core Strategy Issues and Options paper, issued in July 2007. The paper puts forward three growth options for consultation: continue the current pattern of development, extend the city Centre, and focus on growth in South Bristol. None of these specifically

<sup>2</sup> The Travel to Work Area includes Bath, the Midsomer Norton And Radstock area and Frome (Mendip District Council). It excludes Keynsham, which is part of the Bristol TTWA.

mention an urban extension to the south east into BANES, but all the options show part of BANES as an area of search, as described in the RSS.

- 2.23 The document's cross-cutting objective of 'Ambitious, Sustainable Economic Growth' states that employment land should feature in any major place-making opportunity, including future urban extensions. This implies that there may eventually be additional employment land in BANES in an urban extension south east of Bristol, albeit intended to serve the needs of the Bristol, not Bath.

## The Regional Economic Strategy

- 2.24 The current RES for the South West (May 2006) identifies eight priority sectors for specific intervention, which have been selected for one of the following reasons:

*'They are strategically important for the region and would benefit from some targeted assistance;*

*'They are sectors going through major transition and need assistance to meet the challenges of that change;*

*'They are sectors which, though small at the moment, offer real opportunity for future growth in the region.'*

- 2.25 The priority sectors, and the reasons for selecting each, are listed in the box below.

### **Advanced engineering and aerospace**

Very important to the economies of the Bristol area, Gloucestershire, Dorset, Yeovil and Plymouth. There is a critical need to maintain competitive advantage through application of new technologies and highly advanced engineering through the supply chain.

### **Food and drink**

Food and drink is a diverse and largely successful industry. However, agriculture, which is fundamental to rural and small town communities, is going through huge changes. By better integrating the up and down stream processes, value can be added and competitiveness increased throughout the food and drink sector.

### **Creative industries - especially digital media**

A small but growing industry which plays on the natural advantages of the region, it also expresses much of the distinctiveness and creativity that makes the South West an attractive location for investment and relocation.

### **Tourism**

Traditionally important to the region, tourism drives the perception and reputation of the South West and provides employment to many in otherwise marginal economies. There is a pressing need to improve the quality of the offer and to make the industry more productive and more sustainable.

### **Marine**

Given the length of our coastline, it is no surprise that the marine sector has been identified as a priority. Now concentrated on leisure, marine and defence related activities, the most important centres are Falmouth, Plymouth and Poole.

### **Bio-medical and healthcare**

With growing clusters of medical companies linked to university specialisation in Bristol and Plymouth, this sector has enormous potential to grow. It needs to take advantage of the increasing need to deliver healthcare services to an ageing population and the opportunities to develop new healthcare technologies.

### **ICT - especially semi-conductor design and wireless networks**

In the South West, we have the largest cluster of semi-conductor design companies outside the United States, helping to create a large and dynamic sector overall. With emerging expertise in wireless networks, this industry offers real opportunity for growth in a very competitive global market.

### **Environmental technologies**

Building on some excellent companies and research centres, the South West can exploit many of its natural advantages to develop renewable energy and waste technologies - for ourselves and for export.

### **Health and social care, construction, retail and engineering**

... They have a significant impact on the economic success of the region or sub-region and have a high need for skills at level 3... or below.

- 2.26 In terms of geography, the RES is not specific and it is difficult to find in it policies and proposals specifically relevant to BANES. Its supporting document, 'Space Implications - Place Matters', published in May 2006, identifies challenges for Bath which need to be overcome for it to attain the levels of job growth set out in the RSS. As part of the context it noted that: 'Employment in the wider Bath travel to work area actually declined in the period 1991 to 2001 suggesting structural issues with regard to the economy that need to be tackled. Key potential inhibitors to growth include lower wages in Bath than in surrounding urban areas, potential land availability problems and infrastructure issues'.
- 2.27 The document lists the challenges facing BANES as follows:
- Building on the existing concentration of research and development activities so as to create an environment appealing to knowledge-based businesses
  - Retaining 'spin out' businesses from the universities
  - Ensuring that existing skills are maximised
  - Providing opportunities for the development of technical skills
  - Maximising the links between Bath's universities and S-Park, Bristol
  - Delivering sustainable sites and premises for business growth, including leisure and tourism. This will be a particular challenge given the very high quality of the natural and built environment
  - Using innovative approaches for the use of employment land
  - Maximising the role of the city centre and associated development opportunities
  - Facilitating the growth of business services and the hotel/catering/leisure/tourism businesses to maximise World Heritage status
  - Reducing congestion in the city will be critical to supporting the ongoing growth and development of the economy
  - Working in partnership with Bristol and Weston-super-Mare to develop the West of England as a leading city Region.
- 2.28 Rather than identifying any specific initiatives, this is an agenda from which to develop actions and programmes to help Bath to reach its economic potential.
- 2.29 Keynsham and Norton Radstock are described as being strongly linked economically to the major urban settlements. There are no specific challenges listed for them.

## The Local Plan

### *General*

- 2.30 The BANES Local Plan was adopted in October 2007. Its strategic direction was provided by the Joint Replacement Structure Plan for the County of Avon, which will be superseded by the Regional Spatial Strategy once this is finalised. The plan's key objectives for the economy are:

*'L.8 To maintain and enhance Bath's regional, sub-regional and local importance as a centre for business and employment.'*

*L.9 To maintain and enhance opportunities for business and employment in the towns of Keynsham and Norton-Radstock.'*



*L10 To provide for business and industrial development in locations which respond to competitive needs, are readily accessible by a variety of means of transport and which are well related to housing areas.'*

2.31 Section B2 of the Local Plan makes the following contextual points about the local economy:

- 'Within recent years, BANES has experienced a relatively prosperous and buoyant economy
- Unemployment rates are low and there has been considerable demand for commercial space, particularly in Bath
- Over a third of employment is in the public sector but it is not expected that employment in the public sector will grow over the plan period
- It is anticipated that the sectors offering the greatest opportunity for employment growth over the plan period are retail, business and professional services and tourism; together with computing/high technology activity generated through the higher education sector
- Manufacturing employment is likely to continue to decline slowly, with particular implications for MNR.'

2.32 The Local Plan's overarching objective for Bath & North East Somerset is to achieve 'more Balanced Communities'. With regard to employment, this is translated into the following objectives:

- 'A range of opportunities in terms of size and location are available for employment land development;
- Retention and enhancement of opportunities to work locally;
- The economic role of Bath as a major business and employment centre is retained and enhanced;
- Sufficient employment land is available in the MNR area to enable regeneration and in Keynsham to provide greater opportunities for residents to work locally;
- There are sufficient employment opportunities in rural areas to sustain and enhance economic vitality; and
- Land is available and well-located to encourage regeneration.'

### *Employment Land Policies*

2.33 Policy ET.1 of the Local Plan sets targets for employment space, stating that in the period 2001-11 'the Council will seek to achieve':

- A net increase in office floorspace of 24,000 sq m (averaging 2,400 sq m per year), of which 18,000 sq m is to be in Bath, 2,000 sq m in MNR ('Norton Radstock') and none in Keynsham
- A managed net reduction in industrial (B1c, B2, B8) floorspace of 45,500 sq m (averaging 4,550 sq m per year).

2.34 These targets are based on the 2003 Business Location Requirements Study, which forecast employment increasing by 460 jobs per year, about half the growth rate now proposed in the RSS of 1,000 jobs per year.

- 2.35 To increase the sustainability of Keynsham, policy GDS/1/K1 (see para 2.38 below) provides for development at the Somerdale site in Keynsham in addition to the above targets.
- 2.36 Policy ET.2 of the Local Plan deals with office space and deals with the District in two parts:
- Firstly, in a core office employment area in Bath city centre, in which development involving the loss of office space will be resisted, subject to criteria, and development for new office space will be focused primarily on the sites identified for mixed office use in Policy GDS.1
  - Secondly, in the rest of the District, the policy supports office development proposals at GDS1 sites, core employment areas (see below) and town/city centres, provided in all cases that sites are accessible to a range of transport modes. It also resists losses of office space in the core employment areas and town/city centres, subject to criteria.
- 2.37 Policy ET.3 deals with non-office business (B-class) development. It supports such development on GDS1 sites and identifies existing core employment areas across the District in which development proposals will be supported and loss of existing space will be resisted, subject to criteria.
- 2.38 Policy ET.4 deals with B-class development in rural settlements, indicating that such development will be permitted if it is of appropriate scale and quality and correctly located relative to settlements.
- 2.39 Policy GDS.1 describes the sites allocated for development during the plan period. They are a mixture of mixed-use and housing schemes. The main sites with an employment component in Bath are Western Riverside and land at Lower Bristol Road. The main site at Keynsham is Somerdale, where Cadburys have announced the closure of their factory.

### **The Emerging Local Development Framework**

- 2.40 The Council is currently preparing a Local Development Framework (LDF) which will replace the Local Plan, taking its strategic direction from the Regional Spatial Strategy. The first LDF consultation document, the Draft Core Strategy Launch Document, was published in September 2007 and focuses on the issues arising from the draft RSS and the visions for Bath, Keynsham and MNR - which are discussed in the next section.

## **Business Plans**

### ***Bath Business Plan***

- 2.41 In 2005, Bath & North East Somerset Council started to evolve a long-term vision for the enhancement and development of the city of Bath. The vision, intended as a 20-year blueprint, would build on the historic strengths and distinctiveness of Bath to reinvigorate the city, for the benefit of residents and visitors alike.

- 2.42 This vision has been taken forward as a business plan in 2006 by consultants Ernst & Young and Terence O'Rourke. The key theme of the business plan is that Bath is in relative decline and that doing nothing is not an option. As regards the economy, problems identified include:
- A lack of high quality private sector employment and a lack of high quality space with which to house it;
  - Declining visitor numbers;
  - Comparatively low wages, compounding the problems of housing affordability.
- 2.43 In spatial terms, Terence O'Rourke identify areas of opportunity for mixed- use development ('Transition Areas' and 'Intervention Areas'), stretching west along the river from the Southgate Centre past Western Riverside. Development in these areas is proposed to address both the lack of good-quality business space, particularly offices: and the demand for housing. It suggests that some of this new development could replace existing sub-standard offices in Georgian houses, which could return to residential use.
- 2.44 Other economic development opportunities identified include realizing the economic benefits of the two universities for creating high quality jobs in terms of spin-offs and start-ups.
- 2.45 Two other major source of employment, Retail and Tourism, are the subject of separate studies which we have considered and whose findings we have taken into account in our conclusions on business development.

#### *Wider Bath & North East Somerset Business Plan*

- 2.46 Ernst & Young have also produced a business plan for the wider of BANES area, which covers the Bath suburbs, Keynsham, MNR and the rural areas. The document notes that BANES has its major settlements on the periphery with links to areas outside the authority rather than to a central settlement. This is particularly true of Keynsham, with its strong relationship to Bristol, but MNR also has a relationship with Bristol and the market towns to the south, as well as to Bath.
- 2.47 For the Bath suburbs, the business plan suggests a new link to the Bristol southern Ring Road, which would relieve congestion on radial routes and improve access to MNR. Pressures to redevelop employment land for housing will lead for the need for some employment to be relocated: possibilities being Keynsham, MNR and the urban extension to Bath put forward in the draft RSS.
- 2.48 The business plan argues that Keynsham has opportunities to achieve greater self-containment by attracting investment on the basis of its quality of life and accessibility. Improvements to the High Street and its retail offer would increase its attractiveness. The Somerdale site is even more of an opportunity now that Cadbury's are closing (this was not known when Ernst & Young carried out their study).

- 2.49 With regard to Midsomer Norton, Radstock, Peasdown St John and Paulton - which it advises should be treated as a single area - the business plan says the economy should be diversified, away from its overdependence on printing and packaging. Communications should be improved, given that traffic from the area currently has to pass through Bath to reach the M4.
- 2.50 For rural BANES, the business plan generally advocates a policy of restraint.

## Key Points

- 2.51 In planning for economic land uses, BANES should conform to national and regional policies handed down from higher tiers of government.
- 2.52 National policy indicates that planning policy should support economic growth, responding positively and flexibly to market requirements. It also directs that, where sites allocated for employment have no realistic prospects of being taken up, they should be transferred to other uses, especially housing.
- 2.53 In the emerging Regional Spatial Strategy (RSS), key objectives include:
- Concentration of growth into fewer, larger places (the Strategically Significant Cities and Towns (SSCTs)).
  - Fast economic growth : the proposed changes are based on an annual growth rate of 3.2% GVA
  - Rising productivity through knowledge and innovation
  - More sustainable travel through better alignment of jobs and housing, a step change in public transport and concentrating office development in major town/city centres.
- 2.54 In relation to BANES, the emerging RSS proposes
- a. A major role for Bath as sub-regional centre and focus for growth, second only to Bristol in the urban hierarchy
  - b. A substantial urban extension to S.B Bristol the majority of which is within the B&NES boundary
  - c. An increased role for Keynsham as a sustainable location for housing & jobs
- 2.55 At local level, key policy objectives include major growth and renewal in Bath, increased investment in Keynsham to regenerate the town centre and provide more local jobs, and economic diversification in MNR to replace jobs lost in traditional industries. The BANES Local Plan and Business Plans identify existing employment areas to be safeguarded and new development and redevelopment sites for economic land uses. A key task of this study is to review, update and develop these land-use policies.

2.56 The emerging RSS encourages local authorities to plan for economic growth sub-regionally, with local authorities within each Housing Market Area (HMA) working jointly across district boundaries. It puts forward long term targets predicated on maintaining high levels of growth. The current economic downturn and economic forecasts suggest it will be a number of years before GVA growth will return to the levels reflected in the RSS proposals. In addition it is reasonable to expect that the 20 year plan period will cover another economic cycle. This calls into question whether the region including Bath & North East Somerset will be able to achieve an average year on year growth of 3.2%. Locally the “structural” issues affecting the Bath area set out in the RES and the fundamental change that would be required to previous employment growth rates are particular challenges. It is therefore important that actual growth is monitored as part of the long term planning process and targets and policies kept under regular review.



## PART B THE WHOLE ECONOMY





## 3 ECONOMIC PROFILE

### Introduction

- 3.1 In this chapter, we describe the BANES economy, aiming to shed light on four issues:
- The District's potential for employment growth;
  - Its actual and potential performance in terms of valued added (productivity) and competitiveness;
  - The economic well-being of its resident workers;
  - The sustainability of its journeys to work.
- 3.2 These issues follow from the policy objectives discussed in the last chapter. Strategic and local policies aim for ambitious job growth targets, rising productivity, a high level of well-being and more sustainable travel. The analysis below aims to assess the performance of the local economy against these objectives and to identify opportunities for improving that performance.
- 3.3 Below, the analysis is in three parts. The next section looks at the workplace economy, the businesses and jobs located in the District - and the following section at the District's resident workforce. Workplace jobs and resident workforce are different, because many people who live in BANES work elsewhere, and conversely many people who work in BANES live elsewhere. The third part of our analysis considers these journeys to work.
- 3.4 Where data allows, as well as BANES as a whole we consider its four constituent areas. We benchmark these local economies against the nation, the region, the West of England sub-region and individual districts within the sub-region.

### The Workplace Economy

- 3.5 In this section our analysis concentrates on productivity and competitiveness of the Bath and North East Somerset economy. Productivity measures the amount of wealth, or value, the District's workers generate and hence is a key question in assessing the performance of any economy. Furthermore this is particularly relevant to Bath as according to the South West Regional Spatial Strategy it has been identified as an SSCT, and is expected to play a critical role in helping to achieve the regional employment target.
- 3.6 Although there are no direct data available to measure productivity at a local area, we show a number of proxies below, such as employment structure, earnings, knowledge based and entrepreneurship which illustrate how competitive the District economy is.

#### *Employment Structure*

- 3.7 According to the 2005 statistics, the latest data available, there are approximately 82,100 jobs in BANES<sup>3</sup>.

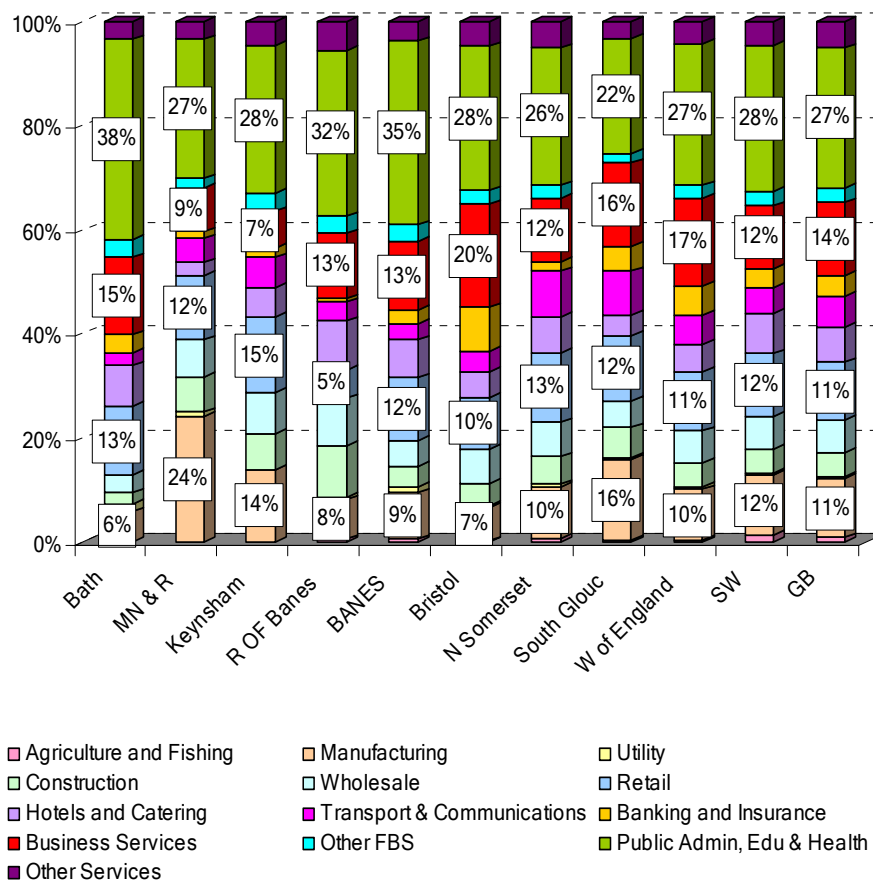
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<sup>3</sup> The Annual Business Inquiry excludes the self-employed.

3.8 In terms of broad economic structure:

- The West of England is much the same as the regional and national average
- BANES' employment structure is similar to the larger benchmark economies except that it has higher proportions of public admin, health and education jobs. This is due to the high proportion of jobs in this sector in the Bath sub area
- In MNR, 24% of jobs are in manufacturing, double the district, national and regional averages.

Figure 3.1 Employment Structure, 2005



Source Annual Business Inquiry 2005

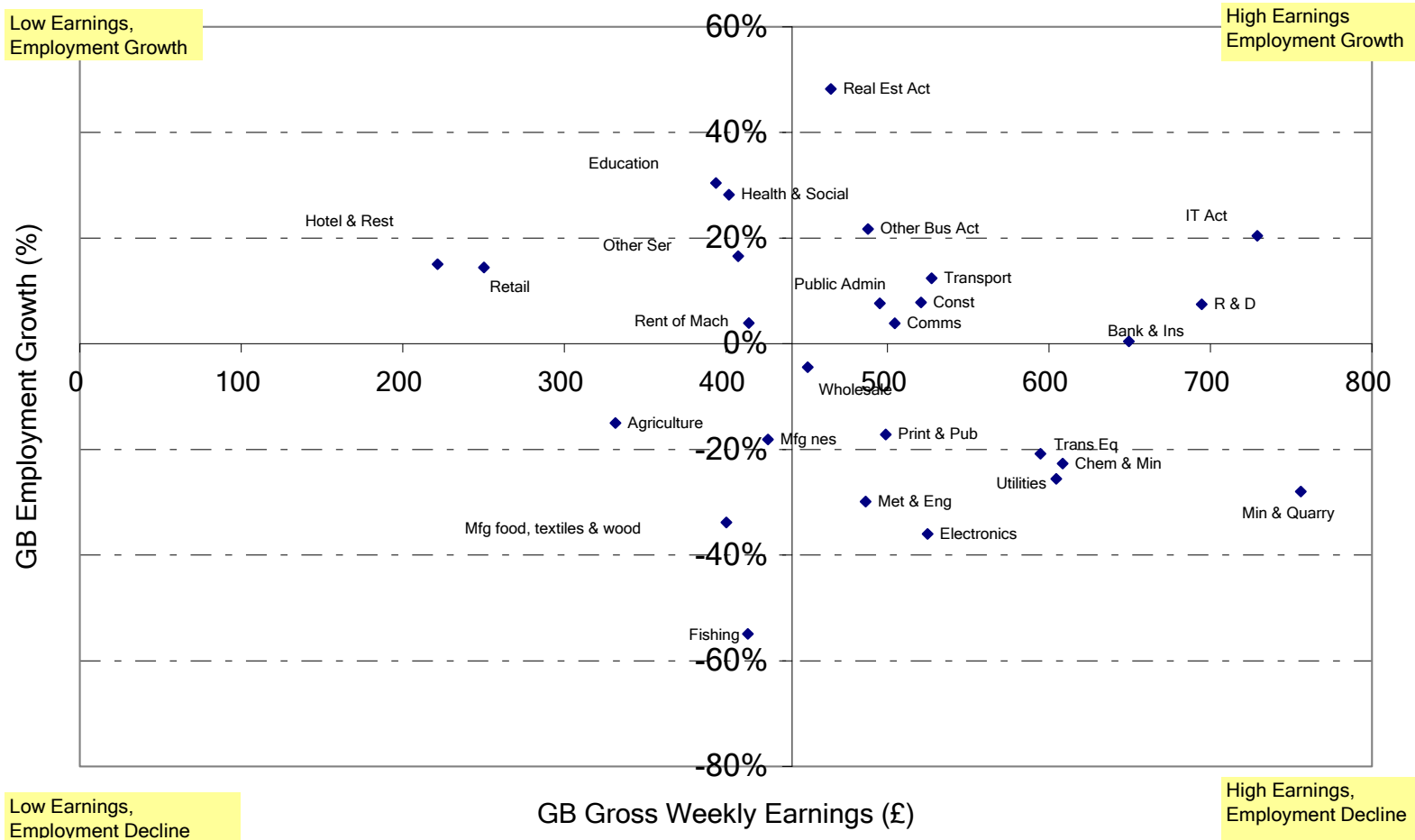
*Growth and Earnings*

3.9 A key question for our study is to see how far BANES' economy is rich in high-growth, high-value economic activities, which can contribute to the strategic objectives discussed earlier. To assess this, we first classify activity sectors according to their national performance in terms of employment growth and earnings and then consider how far the best-performing sectors are represented in BANES.

3.10 Figure 3.2 below plots gross weekly earnings for each sector of the economy (2005) against the sector's recent growth rate (1998-2005). All figures relate to Great Britain. The chart is divided into four quadrants as follows:

- Sectors in the north-east quadrant are both high-value and (historically) growing. The fastest-growing sectors are Real Estate, IT and Other Business Activities (business services). Public Administration, Transport, Construction and Communications show more modest growth but above-average earnings
- In the north-west quadrant are sectors where employment has grown nationally but earnings are below average. The quadrant is filled with consumer services, both private (Retail, Leisure, Other Services) and public (Education, Health)
- Below the horizontal axis are activities that have been losing jobs nationally. As one would expect, most are in the manufacturing and utility sectors. Most of these industries are clustered in the south-east quadrant, indicating above-average earnings. In the south west quadrant there is almost nothing.

Figure 3.2 Earnings and Employment Growth, GB 1998-2005



Source Annual Business Inquiry 1998-2005

- 3.11 Thus, there is some trade-off between growth and high value. Many of the fastest-growing economic sectors are relatively low-value. To achieve fast employment growth in BANES (or indeed anywhere), an emphasis on high-paid office jobs is unlikely to be enough; the District will also need to encourage growth in relatively low-value activities, comprising consumer services, both private and public, which generate much lower earnings.
- 3.12 Table 3.1 to 3.3 below show sectors that are well represented in each of the BANES sub-areas. The table lists activities that have more than 500 employees and in which the location quotient is greater than or equal to 1.3, indicating that the sector's share of the sub area's total is 30% or more above the national average.
- 3.13 In Bath (Table 3.1) with the exception of Renting of Machinery, over represented sectors are high-value, since they are to the right of the vertical axis in Figure 3.2

- 3.14 Figure 3.2. Of these IT Activities has seen rapid employment growth, suggesting that it is a prime opportunity sector for Bath.

**Table 3.1 Location Quotients for Bath, 2005**

Bath	No of Jobs	% Total Employment	% GB	LQ	Quadrant
Renting of Machinery	558	1%	1%	1.7	NW
Utilities	581	1%	0%	3.0	SE
Computing and Related	1,422	3%	2%	1.4	NE
Printing & Publishing	1,663	3%	1%	2.1	SE
Public Admin	7,226	13%	5%	2.4	NE

Source Annual Business Inquiry 2003 - 2005

- 3.15 In Keynsham (Table 3.2), sectors which are well represented are evenly split between each of the four quadrants. There are no obvious opportunity sectors. The first sector listed, Manufacturing of Food, may be ignored since it largely represents the Cadbury's factory, which is shortly to close. There are two sectors showing modest growth: Public Administration and Retail.

**Table 3.2 Location Quotient for Keynsham, 2005**

Keynsham	No of Jobs	% Total Employment	% GB	LQ	Quadrant
Mfg of Food etc	581	9%	2%	4.0	SW
Wholesale	556	9%	6%	1.4	SE
Retail	912	14%	11%	1.3	NW
Public Admin	565	9%	5%	1.7	NE

Source Annual Business Inquiry 2003 -2005

- 3.16 In MNR (Table 3.3) the overrepresented sectors, except for retail, are manufacturing activities, which have been losing jobs.

**Table 3.3 Location Quotient for MNR, 2005**

Midsomer Norton & Radstock	No of Jobs	% Total employment	% GB	LQ	Quadrant
Printing and Publishing	1,199	14%	1%	9.5	SE
Mfg Chemicals and Minerals	679	8%	1%	5.3	SE
Retail	1,525	18%	11%	1.6	NW

Source Annual Business Inquiry 2003 -2005

- 3.17 In contrast, Table 3.4 shows that of the three sectors which are over represented in the Rest of BANES, two (Education and Hotels & Restaurants) are growing but low-value, and the third, Wholesale, is high-value but declining.

**Table 3.4 Location Quotient for Rest of Bath and North East Somerset, 2005**

Rest of BANES	No of Jobs	% Total Employment	% GB	LQ	Quadrant
Wholesale	945	10%	6%	1.7	SE
Hotel and Restaurants	963	11%	7%	1.6	NW
Education	1,774	20%	9%	2.1	NW

Source Annual Business Inquiry 2003 -2005

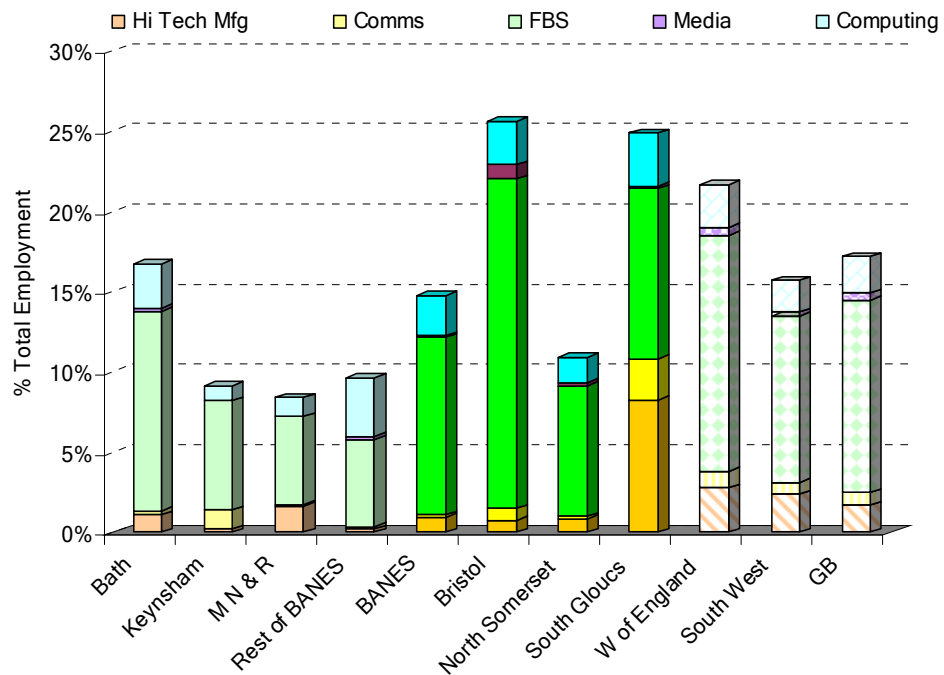
### *Knowledge-Based Employment*

- 3.18 Employment in knowledge-based sectors is recognised as a key driver of growing productivity and competitiveness, as argued for example in the Government White Paper, *Our Competitive Future: Building the Knowledge Economy* (DTI, 1999).

‘In a knowledge-driven economy....the generation and exploitation of knowledge has come to play the predominant part in the creation of wealth. Companies in countries with higher labour costs, such as the UK, therefore have to innovate and adapt continuously to retain their competitive edge.’

- 3.19 The knowledge industries tend to have high and fast-growing productivity and also contribute to higher productivity in the industries they serve, by spreading technical progress and efficient business methods. Therefore the presence of these industries is considered an indicator of an economy’s present and future competitiveness and its potential output growth. But it is not necessarily an indicator of *employment* growth; rising productivity may translate into fewer jobs.

**Figure 3.3 Employment in Knowledge-based Sectors<sup>4</sup>, BANES, 2005**



Source Annual Business Inquiry

3.20 Figure 3.3 shows

- Knowledge based sectors in the West of England account for 22% of total employment, above the regional and national averages of 16% and 17% respectively
- BANES' knowledge employment is similar to the national and regional average but below the West of England average. In comparison to neighbouring districts BANES is much lower than Bristol and South Gloucestershire
- Amongst the BANES sub areas, Bath has a similar proportion to the district, regional and national averages. The other sub areas of BANES have extremely low proportions of knowledge based jobs.

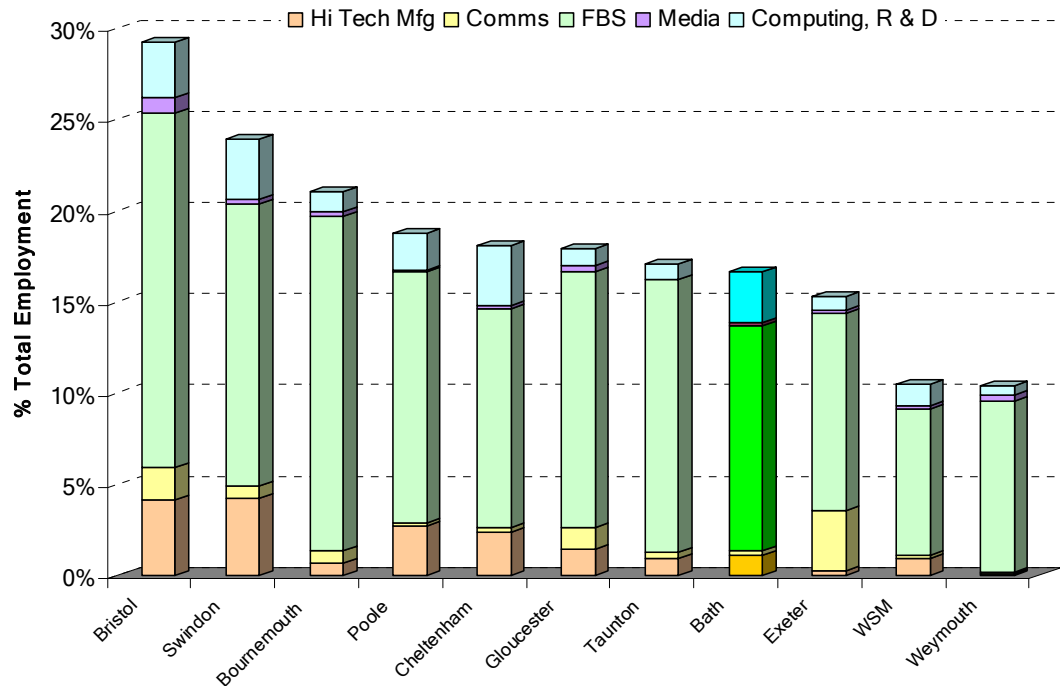
3.21 Figure 3.3 compares knowledge-based employment amongst the SSCTs. Bath's percentage of knowledge based employment is 17%, below all SSCTs except for Exeter, WSM and Weymouth.

3.22 Separating the knowledge based definition into the five sectors, Hi-tech Manufacturing, Financial and Business Services (FBS), Communications, Media and Computing shows that almost everywhere the bulk of knowledge-based jobs are in FBS. The one exception is South Gloucestershire, where much knowledge-based employment is in high-tech manufacturing - specifically aero-space and defence.

<sup>4</sup> This definition of financial business services (FBS) is different from the broader definition shown earlier. This definition includes banking and insurance sectors and only includes a few Other FBS activities - SIC Code 74.1-74.4.



Figure 3.4 Employment in Knowledge based sectors, SSCT's, 2005



Source Annual Business Inquiry

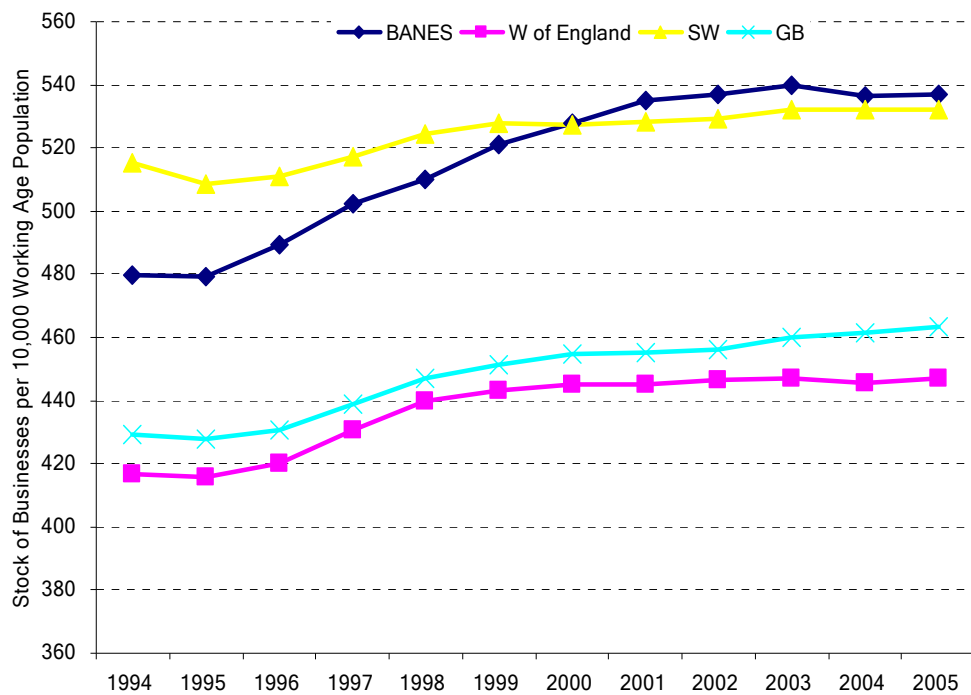
3.23 As mentioned above, the bulk of knowledge-based employment is in FBS activities. Employment in this sector tends to be concentrated in major urban areas. Bath's percentage of FBS employment is 12%, which is below all the SSCTs except for Exeter, Weston Super Mare and Weymouth.

3.24 Of the other knowledge sectors, Bath has a high proportion of employment in Computing and R & D, similar to averages in Bristol, Cheltenham and Swindon. But in Hi-tech Manufacturing the proportion of employment in Bath is much lower than these economies.

### *Entrepreneurship*

3.25 A widely used indicator of entrepreneurship is the number of VAT registered businesses per 10,000 working age population.

**Figure 3.5 VAT Registered Companies per 10,000 Working Age Population, 1994-2005**

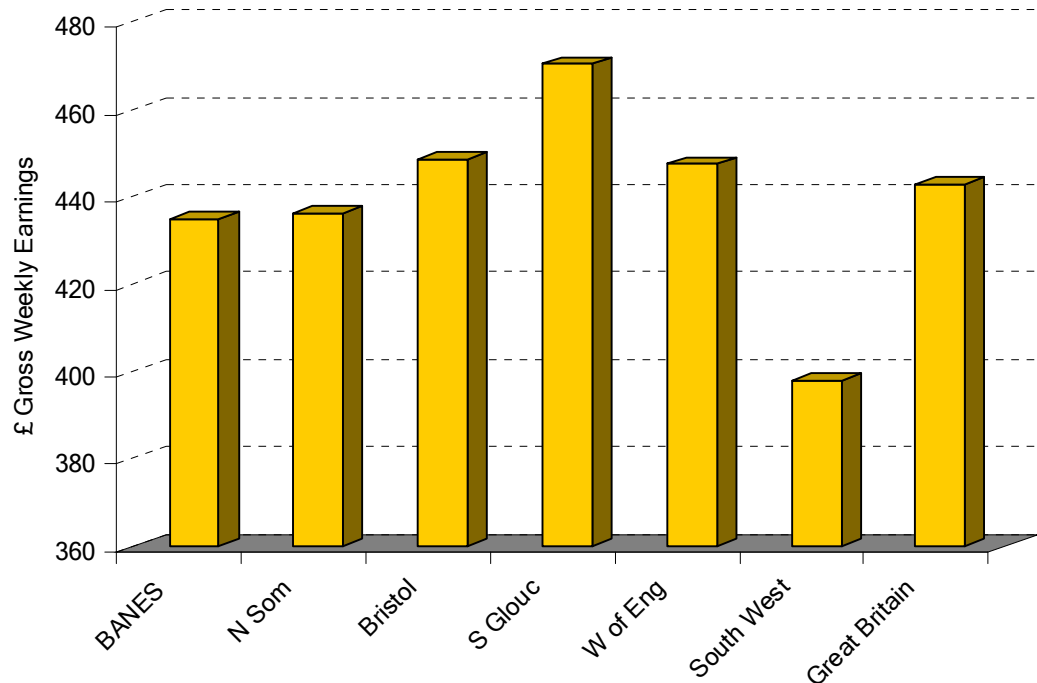


Source VAT Registered Businesses 1994-2005

- 3.26 Figure 3.5 compares the stock of VAT registered businesses per 10,000 working age population in BANES with the larger benchmark economies.
- 3.27 BANES has 540 firms per 10,000 working age population, similar to the regional average and above the West of England and national averages.
- 3.28 Over the 11 year period, the benchmark economies show a similar trend; growth in firms in BANES in the late 90s and early 2000s was above that trend.

## Workplace Earnings

Figure 3.6 Gross Weekly Earnings, 2006



Source Annual Survey of Hours and Earnings

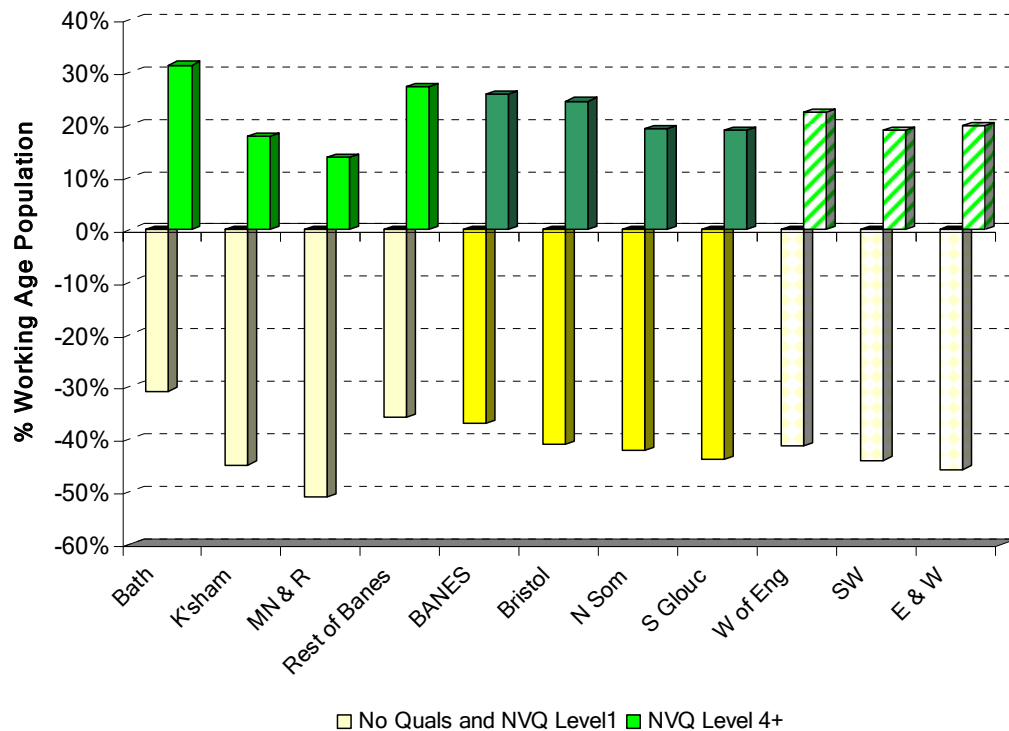
- 3.29 Earnings in the South West, at just under £400 per week, are below the national average of £440. In contrast, the West of England has average earnings of £445, fractionally above the national figure and well above the South West.
- 3.30 In BANES gross weekly earnings are £435, similar to the national average and neighbouring districts in the West of England, except for South Gloucestershire, where weekly earnings are much higher at £468.

## The Residents

- 3.31 Thus far, the economic analysis has focused upon the workplace economy, considering the people who work in the district regardless of where they live. In this section we consider BANES residents from two perspectives
- We assess the well being of residents, in terms of earnings and access to jobs
  - We assess the potential of the workforce and what it can offer employers.

## Skills

Figure 3.7 Residents' Qualifications, 2001



Source Census 2001

3.32 Workforce skills help determine earnings and impact of an area's attractiveness to potential employers. Figure 3.7 compares qualifications of BANES residents with other benchmark areas. The green bars represents the proportion of working age population with the highest qualifications - NVQ 4/5 equivalent to degree level and above. The yellow bars represent the proportion of residents with the lowest qualifications, NVQ level 1 or none.

3.33 Figure 3.7 shows

- In the west of England, residents are better qualified than those in the South West and nationally. 22% of residents in the west of England have an NVQ level 4/5 qualification compared with 20% regionally and nationally. Similarly, 41% of west of England residents have no qualifications or an NVQ level 1, compared with 45% regionally and nationally
- BANES residents are better qualified than all other benchmark economies. 26% of residents have an NVQ Level 4/5 and only 37% of residents have no qualifications or an NVQ level 1.

3.34 This high proportion of skilled residents in BANES is due to the sub areas of Bath and the Rest of BANES. In these two sub areas around 30% of residents, have an NVQ level 4/5 qualification and only a third of residents have no qualifications or an NVQ level 1. In contrast, residents of Keynsham and especially MNR have considerably lower skills.

## Residents' Earnings

Figure 3.8 Gross Weekly Earnings



Source Annual Survey of Hours and Earnings

- 3.35 Residents' earnings, like workplace earnings, in the South West are considerably lower than in Great Britain, and in the West of England slightly above the national figure and considerably above the regional figure.
- 3.36 The West of England districts fall into two groups as regards residents' earnings:
- In BANES and North Somerset, residents' earnings are above those in other districts and above workplace earnings. These are areas with comparatively high-skilled, high-earning residents, and with lower-skilled, lower-paid jobs. On balance, higher-paid residents commute out of these districts to work and/or lower-paid people commute in
  - In Bristol and South Gloucester, the opposite is the case. Residents' earnings are less than those in other districts and less than workplace earnings. On balance, higher-paid jobs in those districts are filled by in-commuters and/or their lower-paid residents commute out to work elsewhere.
- 3.37 No data are available on earnings for local areas within BANES.

## *Unemployment*

**Table 3.5 ILO<sup>5</sup> Unemployment, 2001**

	<b>% U/E</b>
MNR	2.4%
Rest of Banes	2.5%
Keynsham	2.8%
Bath	3.4%
South Gloucestershire	2.5%
Bath & NE Somerset	2.9%
North Somerset	3.1%
Bristol	4.6%
W of England	3.5%
SW	3.8%
England and Wales	5.0%

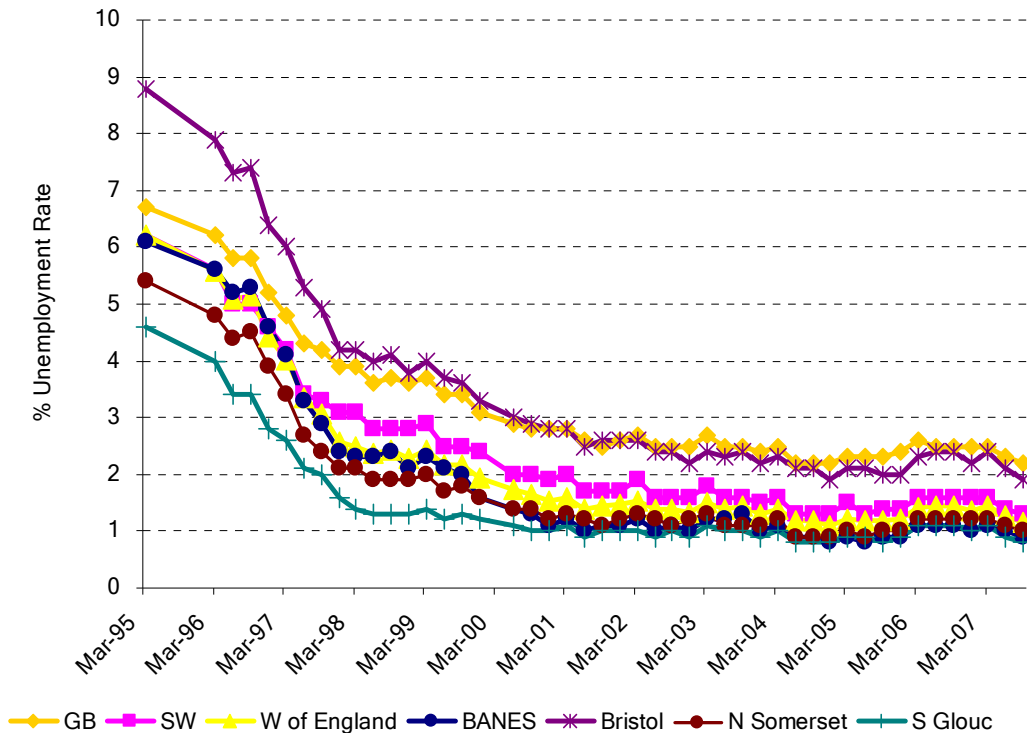
Source Census 2001

- 3.38 At the 2001 Census (Table 3.5 ), the west of England and regional unemployment rate were similar and below the national average. BANES' unemployment rate was below all benchmark economies except for South Gloucestershire. The sub-areas of BANES all showed similar rates of unemployment, around 2.5%, except for Bath, where it was slightly higher at 3.5%.

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<sup>5</sup> Unemployment, based on the International Labour Organisation (ILO) definition is taken from the Census 2001 and measures the numbers of people who say that they are economically active, currently not working and actively seeking work. This is the 'official' definition of unemployment used by the Government. ILO unemployment is also available from the Labour Force Survey more recently than the Census. However, much of the data is statistically unreliable, and so we have not included it here.

Figure 3.9 Claimant Count Unemployment 1995-2007



Source Labour Force Survey 1995-2007

3.39 Figure 3.9 and Table 3.6 use an alternative and a more up to date measure of unemployment, the claimant count. It shows much lower unemployment rates than the ILO, but the same ranking between geographical areas.

Table 3.6 Claimant Count Unemployment in BANES, September 2007

Claimant Count	% of workforce
Bath	1.1
Keynsham	0.7
MNR	0.8
Rest of BANES	0.6
BANES	0.9
SW	1.3
GB	2.2

### Deprivation

3.40 Thus far, to assess the well-being of local residents, we have used measures such as average earnings and total unemployment, which gauge the well-being of the average person in BANES and compare it with other geographical areas. Below, we consider the Index of Deprivation, which is a different kind of measure: it relates to the least advantaged individuals in different areas.

3.41 The Index of Multiple Deprivation consists of eight domains, income, health & disability, employment, education, skills & training, barriers to housing & services,

living environment and crime. To measure the extent of deprivation in BANES we need to compare its ranking with other neighbouring West of England districts.

- 3.42 The table below shows the rank of each local authority area based on the average Index of Deprivation 2007 where 1 is the most deprived and 354 the least. BANES' ranking by national standards is high and better than all neighbouring districts except for South Gloucestershire. The incidence of disadvantage in the District is low by any standards.

**Table 3.7 IMD, BANES and neighbouring districts, 2007**

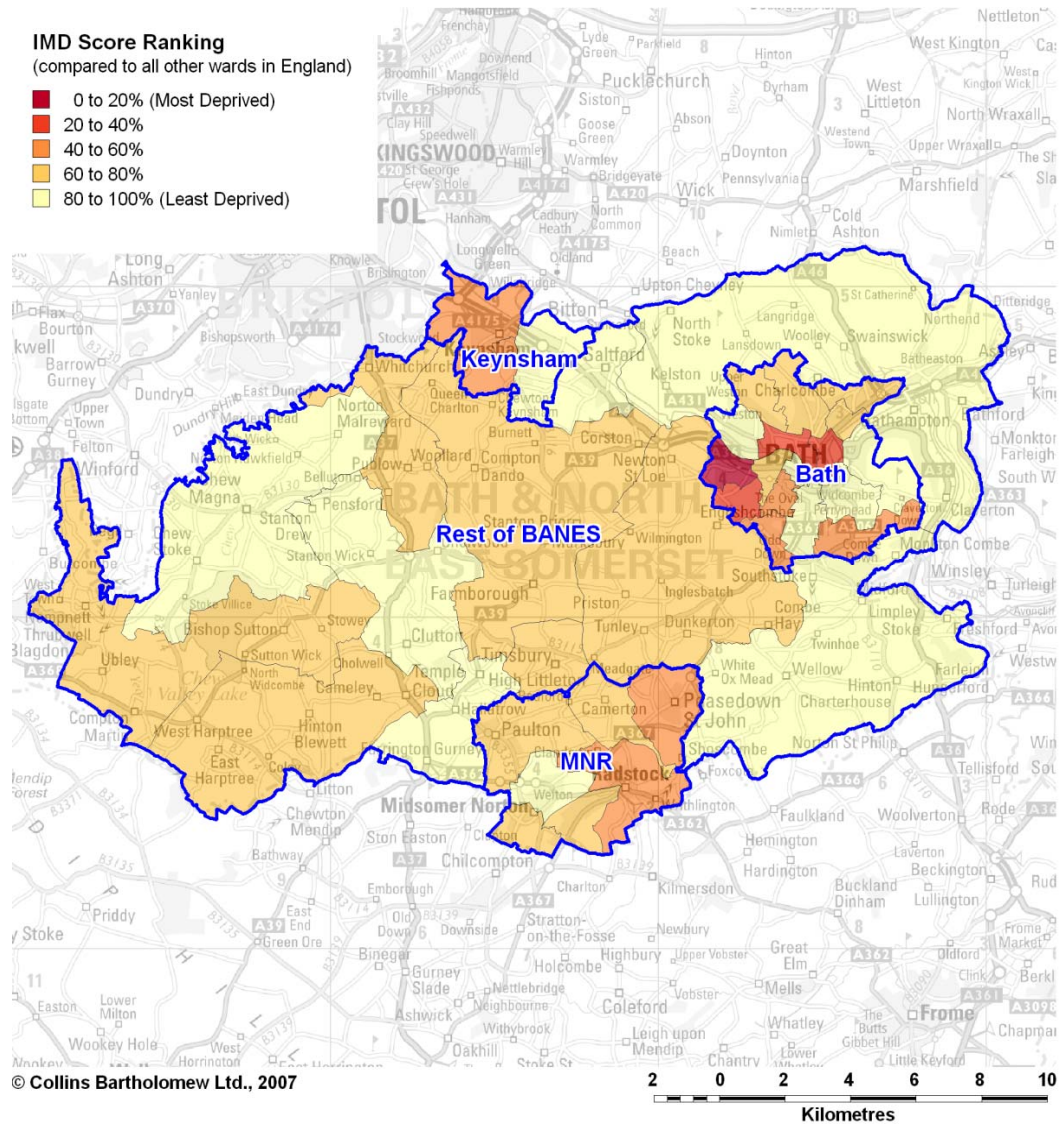
<b>District</b>	<b>Rank of Average Score</b>
Bristol	64
North Somerset	215
<b>BANES</b>	<b>272</b>
South Gloucestershire	308

Source CLG

- 3.43 The map below (Figure 3.10 ) shows the geography of deprivation in BANES. The most deprived areas are in the centre and to the west of Bath city Centre.



Figure 3.10 IMD Map of BANES



### Travel to Work

3.44 In this section we analyse the alignment between resident population and jobs. Our analysis is based on the 2001 Census, which provides the latest data available. We first look at the commuting balance and the self containment level - the proportion of residents that work in an area - at a district level and compare this against neighbouring districts.

**Table 3.8 West of England Travel to Work**

	Working residents			Workplace jobs			Balance	Net Balance of residents %	Self Containment %
	Total	Work in	Work out	Total	Live in	Live Out			
BANES	80,193	56,394	23,799	80,392	56,394	23,998	199	0%	70%
Bristol	177,057	132,008	45,049	215,420	132,008	83,412	38,363	22%	75%
North Somerset	88,733	56,661	32,072	72,519	56,661	15,858	-16,214	-18%	64%
South Glouc	127,755	75,683	52,072	128,099	75,683	52,416	344	0%	59%

Source

ONS

**Table 3.9 Travel to Work in the BANES sub areas**

	Working Residents			Workplace Jobs			Balance	Net Balance % of residents	Self Containment %
	Total	Work In	Work Out	Total	Live In	Live Out			
Bath	39,013	27,807	11,206	51,958	27,807	24,151	12,945	33%	71%
MNR	16,656	7,383	9,273	11,337	7,383	3,954	-5,319	-32%	44%
Keynsham	7,019	2,610	4,409	6,322	2,610	3,712	-697	-10%	37%
Rest of BANES	17,386	5,961	11,425	10,550	5,961	4,589	-6,836	-39%	34%

Source ONS

- 3.45 The commuting balance shows that;
- In BANES, the number of working residents is equal to the number of jobs. This is similar in South Gloucestershire. In Bristol and North Somerset there are imbalances of around 20% of residents either way.
- 3.46 In BANES, 70% of working residents work in the District. This is higher than all other districts except for Bristol.
- 3.47 Looking at the individual sub areas (Table 3.9):
- Bath has a positive balance - there are many more jobs than resident workers - and its self containment is 71%, similar to the district average.
  - The other local areas within BANES show negative balances - there are more resident workers than jobs - and self containment for all three is below 45%, indicating that more than half of each area's resident workers travel outside the area to work.
- 3.48 However, they do not travel very far. Commuting flows from MNR and rural BANES are largely towards Bath and from Keynsham largely towards Bristol. This is highlighted in Table 3.9 below. The average trip to work across the BANES sub-areas is much the same as the national average.

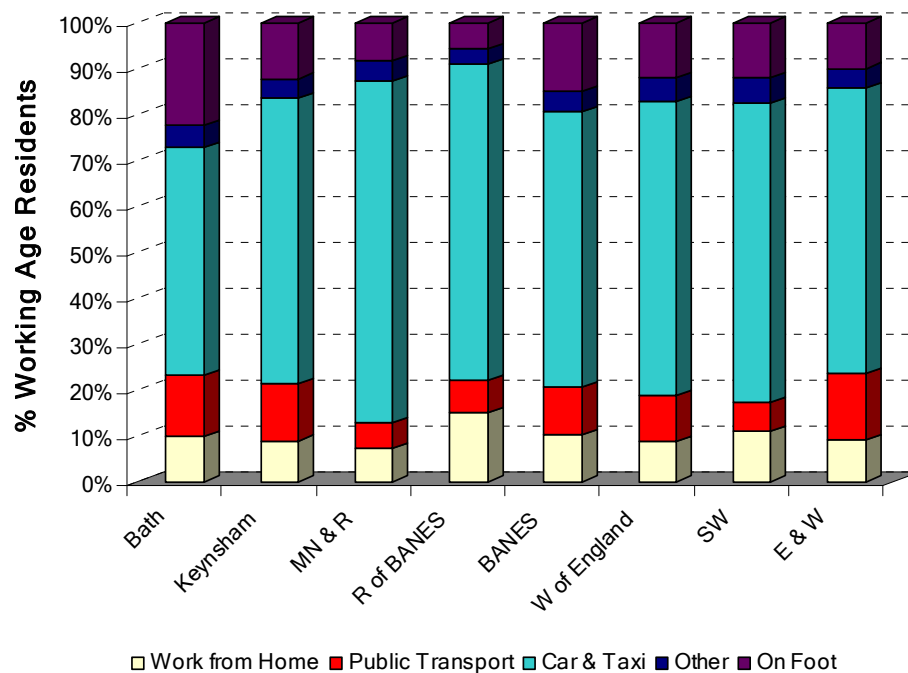
**Table 3.10 Residents' Average Distance Travelled to Work, 2001**

	Km
Bath	7.9
Keynsham	8.2
MNR	9.4
Rest of BANES	9.9
BANES	8.7
W of England	8.1
SW	8.7
England & Wales	9.4

Source Census 2001

- 3.49 Looking at the mode of transport (Fig 3.11 - next page) around 60% nationally travel by car. This proportion is much the same in BANES and the West of England, region and nation. But in Keynsham, MNR and the Rest of BANES this proportion is slightly higher. This is unsurprising, as these areas are rural and may not be well served by public transport. In Bath, only half the workforce to work by car and a quarter of residents go on foot.

Figure 3.11 Mode of Travel, 2001



Source Census 2001

## Key Points

- 3.50 At the beginning of this chapter, we set out four key questions for the economic analysis. Below, we briefly set out the answers that the analysis has provided.

### *Potential for Employment Growth*

- 3.51 The industrial structures of BANES and its constituent parts do not seem rich in those activities with the greatest growth potential. The list of activity sectors which are over-represented locally and have grown nationally in recent years is short. In Bath, the list comprises Computing, the small Renting of Machinery sector and Public Administration - a borderline case, since its growth in recent years has been slow. In Keynsham the list is restricted to Retail and Public Administration, in MNR to Retail and in rural BANES to Hotels & Restaurants and Education. The District's growth prospects would be improved if it attracted more activity in further growth sectors - including the office-based business services (Other Business Activities), which are also a high-value sector, but also lower-value sectors such as Other Services, which covers a wide variety of consumer services.
- 3.52 On the other hand, the statistics on VAT registration suggest that BANES has a highly entrepreneurial economy, which is probably a factor conducive to growth. Employment land policy should support and nurture this entrepreneurship.

### *Actual and Potential Value Added (Productivity)*

- 3.53 Nor does BANES seem rich in high-value industries, based on our analysis of workplace earnings<sup>6</sup>. Of the industries over-represented in Bath, Computing is the best performer in terms of value added as well as growth. Other industries with above-average earnings over-represented in parts of BANES include Utilities, Printing & Publishing, Public Admin and Chemicals & Minerals Manufacture. Most of these are declining sectors nationally, which makes them poor targets. Yet again, the missing sector is business services, which is both high-value and growing, as well as large.
- 3.54 An important advantage of Bath and rural BANES, which the rest of the district does not share, is that its resident workforce is highly skilled. This high-quality labour force is an advantage which should make Bath more attractive to employers in high-value, office-based sectors, especially since Bath at present does not offer enough jobs to match their skills.

### *Residents' Economic Well-Beings*

- 3.55 On average, BANES' resident workforce is economically advantaged, enjoying comparatively high earnings - though probably in Bath and rural BANES more so than Keynsham and MNR - and consistently low unemployment, including in the less advantaged MNR area. Residents' access to jobs also seems good in terms of geography; although everywhere except Bath more the half of resident workers commute to work outside their own settlement or local area, the distances they travel to work are close to national and regional averages. BANES also ranks low in the national table of deprivation.

### *Sustainability*

- 3.56 The location of economic land uses impacts on sustainability through journeys to work: the further people travel, and the more they travel by car, the higher are carbon emissions. For BANES residents, as we have seen, on average the distance travelled to work and the percentage travelling by car are close to national and regional averages, suggesting that the District does not have a particular problem. However, this is a partial analysis. To see how far travel-to-work flows should or can be made more sustainable, one would have to look at the alignment of jobs and housing across the sub-region as a whole, considering in-commuting to BANES as well as out-commuting from it, and the future as well as the present.

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<sup>6</sup> Earnings are used in the analysis as a proxy measure of productivity.



## 4 MARKET RESEARCH

### Introduction

- 4.1 In this section, we take a closer and more qualitative look at selected elements of the BANES economy, aiming to identify opportunities for employment growth and consider how policy could encourage such growth. In discussion with the Council' client group, we chose three areas of the economy for this analysis:
- i) In Bath, the office-based sectors identified in the Business Plans as key opportunities for central Bath, comprising:
    - a. The Financial and Business Services and selected components of it
    - b. Publishing
  - ii) In MNR, the industrial and warehousing activities which still loom large the local economy, and form the bulk of its B-class land uses
  - iii) cross the District, future major, strategic projects in the 'non-B' economic land uses, mostly comprised of consumer and community services such as retail, education and health.
- 4.2 We focus on Bath because it is the District's main centre, with the greatest potential for growth in high-value sectors. We focus on MNR because it is an economy at risk of continuing job losses, which the Council aims to diversify and regenerate. We focus on major projects in the non-B sectors because, as discussed later, they may require specific land allocations, which the Council must build into its spatial policies and investment strategies.

### Opportunity Sectors for Bath

- 4.3 The Business Plan for Bath identifies the four following sectors as areas of opportunity for Bath in the future:
- Financial and Business Services (FBS).
  - Creative industries
  - Computing, and more specifically the software industry
  - Publishing and related sectors.
- 4.4 In terms of land use, the Business Plan opportunity sectors constitute the bulk of the private sector activities that use office space. In terms of the official industrial classification, these sectors overlap. Both Computing and certain creative industries are part of the broad Financial and Business Services sector (Sections J and K of the Standard Industrial Classification).
- 4.5 Below, we consider the Business Plan opportunity sectors in three parts. First and second, we provide sector analyses of the FBS sector, including its creative components, and Publishing. Third, we report the findings of a small business survey in which we interviewed businesses across the office-based private sector.

## *Financial and Business Services*

### *Overview*

- 4.6 Table 4-1 below analyses employment, breaking the FBS sector first into broad industries and then, selectively, into finer-grained categories, to focus on activities which are of particular interest, including the creative industries. For each sector or industry, the table shows:
- National employment change for 1998-2005 - the longest recent period for which consistent data are available<sup>7</sup>
  - The industry's location quotient, which measures how well-represented the industry is in BANES compared to the national economy (as discussed in Chapter 3 above, a location quotient greater than 1 indicates that the industry is over-represented in BANES compared to the national economy)
  - Past employment change in BANES from 1998-2005.
- 4.7 Although the analysis uses statistics for BANES as a whole, in practice the bulk of the District's jobs in these sectors are in Bath, and our qualitative discussion focuses on Bath.
- 4.8 We aim to identify those FBS sectors most likely to provide growth opportunities for BANES, based on three criteria:
- Employment growth nationally from 1998-2005
  - A location quotient in BANES of 1 and above, showing that the sector's share of the District's total employment is at least equal to the national average
  - Employment growth in BANES from 1998-2005.
- 4.9 On this basis, the most promising sectors comprise the following:
- **Activities Auxiliary to Financial Intermediation**  
  
This sector includes fund management, financial advice, asset management and mortgage brokerage. It is larger than the other two financial sectors, Financial Intermediation (which covers banks) and Insurance etc, and unlike these other financial sectors has seen growing employment nationally. Financial Intermediation is well represented in BANES and has grown rapidly there. It consists largely of boutique firms, or the local offices of national businesses. Focus records show the largest having 60 employees. BANES should be an attractive location for firms in this sector more generally, because the sectors largely serves affluent individuals and households, which are well represented in BANES.
  - **Real Estate Activities**  
  
In 2005, BANES had some 1,600 jobs in this sector and growth in seven year period, 1998-2005 was 14%. This largely reflects the area's desirable and expensive housing. However, given the current economic climate, the sector's growth prospects are likely to be poor at least in the short term.

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<sup>7</sup> Unlike the forecasts we present later, these data only count employee jobs and exclude the self-employed.



- Computing and Related Services ('Computing')

Computing has been an extremely fast-growing sector nationally. In BANES, it accounts for around 2,000 jobs, is over-represented against the national average, and in 1998-2005 has grown even faster than the national average. Software Consultancy is by far the largest component of Computing, accounting for two thirds of the industry's employment, but in BANES much of the growth has been in other computing activities.

- Selected components of Other Business Activities ('business services')

Business services is a large and diverse sector. In Table 4.1, we divide it into customised categories. First, we identify separately Industrial Cleaning and Labour Recruitment, to highlight that, despite the official classification, they do not really belong in the FBS sector: Industrial Cleaning relates more closely to lower-level services, and Labour Recruitment covers all the people who are employed through employment agencies, in all sectors of the economy, including health, retail and industry, as well as FBS. Second, and more important, we separate the creative industries - Architecture/Engineering and Advertising - from the remaining business services.

Of these different Business Services categories, we consider that opportunity sectors are:

- Architectural/ Engineering activities

Provides around 2,000 jobs in BANES, has an LQ above 2 and has grown much faster in BANES than nationally.

- Other business services

The remaining activities classified to SIC 74 cover a wide variety of mostly office related activities, including professional and technical services such as solicitors, accountants and many kinds of consultancy. The sector has grown very fast nationally. In BANES it provides close to 4,700 (2005) jobs, its representation is average and it has grown, though not quite as fast as nationally. We have not looked at this sector closely but we think it is a significant opportunity sector, particularly because of the high skills of the resident labour force.

Table 4.1 FBS Sectors in GB & BANES, 1998-2005

Industrial Classification SIC 1992	GB					LQ	BANES			
	1998	2005	Change	% Change	1998		2005	Change	% Change	
65: Financial Intermediation etc	593,256	584,721	-8,535	-1%	0.5	1,066	895	-171	-16%	
66: Insurance and pension funding, etc	231,987	176,690	-55,297	-24%	0.5	176	298	122	69%	
67 : Activities auxilliary to financial intermediation	206,349	281,464	75,115	36%	1.3	284	1,181	897	316%	
70 : Real estate activities	304,467	465,971	161,504	53%	1.1	1,396	1,594	198	14%	
72 : Computing and related activities	374,931	494,363	119,432	32%	1.2	1,299	1,910	611	47%	
722: Software consultancy and supply	220,340	313,724	93,384	42%	1.2	919	1,205	286	31%	
721 and 723-726 (exc 722): Other Computing etc	154,591	180,639	26,048	17%	1.3	380	705	325	86%	
73 : Research and development	95,953	103,005	7,052	7%	0.5	159	147	-12	-8%	
74 : Other business activities	2,568,942	3,221,066	652,124	25%	0.9	6,981	8,927	1,946	28%	
742: Architectural/engineering activities etc	291,572	314,776	23,204	8%	2.1	1,357	2,020	663	49%	
744: Advertising	83,734	79,315	-4,419	-5%	1.6	240	397	157	65%	
745: Lab recruitment	603,793	754,877	151,084	25%	0.6	887	1,382	495	56%	
747 : Industrial cleaning	460,194	440,219	-19,975	-4%	0.3	950	477	-473	-50%	
741,743,746, 748: Other Business Services	1,129,649	1,631,879	502,230	44%	0.9	3,547	4,651	1,104	31%	
<b>TOTAL FBS</b>	<b>4,375,885</b>	<b>5,327,280</b>	<b>951,395</b>	<b>22%</b>	<b>0.9</b>	<b>11,361</b>	<b>14,952</b>	<b>3,591</b>	<b>32%</b>	

Source Annual Business Inquiry 1998 and 2005

- 4.10 According to our criteria, advertising is not among the most promising sectors, because of its small size - it employs less than 400 people in BANES - and because nationally it has been declining.
- 4.11 In the next section, we look more closely and more qualitatively at the creative FBS industries, comprising Computing, Architecture/ Engineering and Advertising.<sup>8</sup>

#### *Computing*

- 4.12 Software Consultancy and Supply, identified as a creative industry, forms the bulk of employment classified to Computing and Related Activities. As the table above shows, Software in BANES has grown by a third since 1998 - albeit somewhat more slowly than the national rate. David Mitchell of Ovum predicted that the industry could double in size between 2006 and 2010. Focus identifies 31 software development businesses in Bath. The largest of these, IPL employs 250. There are two more medium-sized firms, Praxis and Civica, with 150 and 50 employees respectively. The remainder all have fewer than 30 employees.
- 4.13 Computing businesses almost by definition rely more on electronic communications, and less on physical accessibility, than many other sectors. Bath, which offers an attractive environment and an educated and skilled workforce but lesser accessibility than Bristol for example, should be especially attractive for such businesses.
- 4.14 In the short term, industry analysts are predicting continued growth in software consultancy. Plimsoll reports that it is growing at 7.1% this year. In our view, Bath is well placed to share in this growth.

#### *Architectural and Engineering Activities etc*

- 4.15 With over 2,000 employees, Architecture/Engineering is the largest of the creative industries in BANES. As we have seen, it has been growing slowly at national level, but much faster in Bath. This may well be an example of the activities a few large firms in a relatively small market.
- 4.16 Focus lists 25 firms under the headings for consulting and design engineers, with a total listed employment of 706. The largest firm is Buro Happold, with 400 employees, accounting for 20% of the District's Architecture/Engineering total. The next largest firm, SEA, employs 100. None of the other firms listed employ as many as 50.
- 4.17 Focus lists 35 businesses as architects, with a total employment of 320, which should only be taken as indicative<sup>9</sup>. The sector consists largely of small and micro-businesses. Only two firms are listed as employing over 49, putting them in the medium-sized category, the largest, Feilden Clegg Bradley Studios, employing 80. Seven are listed as employing between 10 and 49 and the remaining 26 appear to be micro-businesses.

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<sup>8</sup> DCMS defines the creative industries as 'those industries that are based on individual creativity, skill and talent... [and which] have the potential to create wealth and jobs through developing intellectual property'. See [http://www.culture.gov.uk/what\\_we\\_do/Creative\\_industries/](http://www.culture.gov.uk/what_we_do/Creative_industries/)

<sup>9</sup> Official statistics do not provide separate figures on architects, engineers and other 'technical consultancies'.

### *Advertising*

- 4.18 As the table shows, this is a small, and shrinking, sector nationally. Its rapid growth in Bath may be another example of the effects of one or two comparatively large firms in a small market. Focus lists nine firms. The largest, TRA, has 75 employees and all the others have fewer than 50.

### *Publishing*

- 4.19 Publishing employment in BANES fell by 13% between 1998 and 2005, in line with national trends, although in absolute terms the numbers are small, total loss being 375 jobs. Keynote identifies proximity to a catchment area with writers, journalists and academics as a characteristic of areas where publishing is strong, and this is an across-the-board strength of to Bath as a publishing centre.

Table 4.2 Publishing Sectors in GB & BANES, 1998-2005

	GB				LQ	BANES			
	1998	2005	Change	% Change		1998	2005	Change	% Change
22 : Publishing,printing,repro recorded media	357,400	313,200	-44,200	-12%	2.5	2,832	2,457	-375	-13%
2211 : Publishing of books	32,262	28,227	-4,035	-13%	1.3	65	118	53	82%
2212 : Publishing of newspapers	44,906	41,995	-2,911	-6%	1.3	193	164	-29	-15%
2213 : Publishing of journals and periodicals	54,777	57,433	2,656	5%	4.8	743	852	109	15%
2214 : Publishing of sound recordings	2,207	3,521	1,314	60%	10.4	75	114	39	52%
2215 : Other publishing	15,835	18,655	2,820	18%	2.4	164	142	-22	-13%
222, Rest of Publishing, Printing, Repro recorded media	207,413	163,369	-44,044	-21%	2.1	1,592	1,067	-525	-33%

Source Annual Business Inquiry 1998 and 2005

### *Publishing of Journals and Periodicals*

- 4.20 The largest sub-sector of publishing nationally is SIC 2213, Publishing of Journals and Periodicals. Nationally, this sub-sector accounts for 38% of Publishing jobs and grew by 5% between 1998 and 2006. In BANES, it is proportionally larger, with 72% of publishing employment, and it grew by 15% (109 jobs).
- 4.21 As shown in the table below, there are only three large publishing employers (>249 employees) in Bath. Focus's categorization, while different from the SIC, shows that nearly all the firms, including the large ones, are engaged in the growth activity of magazine publishing. The four largest firms are also engaged in the declining sector of newspaper publishing, but this is now a very small source of employment in Bath, so the scope for large job losses to offset growth in journals and periodicals is limited.

**Table 4.3 - Main employers in publishing sector, Bath**

<b>Occupier</b>	<b>Activity</b>	<b>Employees at location</b>
Future Plc	Newspapers & Magazines, media events, editorial services	400
Magazine Publishers	Newspapers & Magazines	350
The Bath Chronicle	Newspapers & Magazines	300
Peter Thompson	Publishers & Publications & Newspapers	130
Parragon Books Ltd	Publishers & Publications, Books	100
Concept Publishing	Magazines	100
BBC Audio Books	Audio books	85
Merricks Media Ltd	Travel & Property magazines in print and online	75
Mediaclash Ltd	City-based magazines, Customer Publishing, Digital and Development.	60

Source: Focus/RTP

- 4.22 There are good prospects for the continued growth of employment in journal and periodical publishing in BANES, because:
- The sub-sector has been growing nationally
  - It is very diverse, covering both leisure and trade markets
  - It is over-represented in BANES
  - It is has been growing much faster in BANES than nationally.
- 4.23 None of the other sub-sectors within publishing is a significant employer in Bath.

### *Book Publishing*

- 4.24 Book publishing grew by 82%, against the national trend but this was only 53 jobs. Focus shows that there are niche publishers in Bath - examples include travel and children's books. Given Bath's existing strengths as an academic centre and as a

periodical publishing centre, there are reasonable prospects for the survival of book publishing, but it would not be realistic to forecast a large absolute growth in jobs.

#### *Newspapers*

- 4.25 Employment in newspapers declined even faster in Bath than nationally, and employment in the sub-sector is now so small that further falls will not have a significant impact on total employment.

#### *Sound Recordings*

- 4.26 This is also a small sector in Bath. It has grown fast, but rather more slowly than nationally. Again, absolute numbers are small, so a large absolute growth in jobs is unlikely.

#### *Other Publishing*

- 4.27 This covers a wide range of miscellaneous items, including advertising literature, programmes, tickets, business and greetings cards. It has been growing nationally, but declining sharply in Bath - also to a level at which further losses will not impact severely on total employment.

#### *Audio Books*

- 4.28 With regard to audio books, Keynote comment that growth has been slower than expected, but there is opportunity for growth. BBC Audio Books are located in Bath, so the area is well-placed to benefit if this sub-sector does take-off.

#### *On-line Publishing*

- 4.29 Ingenta is an example of a local start-up - 1998 - providing technology and services for the publishing and information industries, in particular for on-line publishing. The combination of Bath's strengths in publishing and software (see above) mean that it is also well-placed to develop in this field.

#### *Emerging B sectors*

- 4.30 The South West Regional Development Agency has identified Environmental Technologies as an emerging sector for the region. The Bath economy, with its strengths in Architectural & Engineering Services and Computing Software Consultancy, together with specialisms at Bath University has the potential to participate in the growth of this sector grouping.

### *The Business Survey*

#### *Introduction*

- 4.31 To assess Bath's prospects of encouraging growth in the office-based sectors, and find out how such growth could be encouraged, we conducted an interview survey of businesses in the sub-region which had recently taken up office space, or were looking for office space, in Bath and closely competing centres, comprising Bristol, Swindon and Chippenham.

4.32 The survey respondents were drawn from the FOCUS database, recent inquiries received by BANES Council and a King Sturge survey of recent office moves. We interviewed 16 businesses in total, of whom six at the time were located in Bath and 10 elsewhere (of which five in Bristol). The respondents were spread across a wide range of activities in the FBS and Publishing sectors. 10 had taken, or were seeking, space for relocation and six for expansion, to open an offshoot of an existing unit. None of the new or relocating units were large: the largest employed 230 people and more than half employed fewer than 50.

#### *Area of Search*

4.33 Of the 16 survey respondents, 15 had their current/previous location or parent establishment in the South West and had only looked or were only looking for premises in a local area, not extending beyond one town or local authority district. These firms chose to stay within the area in order to be accessible staff, customers or both. Only one respondent was a 'distant offshoot', with a parent company outside the South West, who had conducted a wider search. Perhaps typically, the company's area of search was 'the M4 corridor' and as such did not include Bath.

#### *Location Requirements*

4.34 Half (8) of the interviewees considered that a city centre (4), or an established office location, close to similar firms (4), was important. This supports the case for an office quarter, and a range of facilities within it.

4.35 On access there was no clear consensus:

- Motorway/major road access was important to three of the 16 interviewees (two in Bath)
- Closeness to a station or good public transport was important to four (two in Bath)
- Good parking was important to two Bath businesses seeking to move - perhaps part of the reason they were having difficulty finding premises.

4.36 A new or modern building was important to four businesses (all outside Bath), and desirable for two businesses, both of whom were in Bath.

4.37 An attractive/prestigious location was either important or desirable to three businesses, all of whom were in Bath.

4.38 There was little difference between the requirements of Bath and non-Bath interviewees, except where specified above.

4.39 Additional requirements identified and points made were:

- Availability of staff (two non-Bath, one Bath inquirer)
- An environmentally friendly building (one non-Bath)
- Avoid listed buildings - can't modify (Bath mover)
- Need for a single floorplate (Bath mover)
- Good IT connections to adjacent parent business (Bath mover)



### *Views on Bath*

- 4.40 There was only one suggestion from non-Bath businesses to improve Bath as a location: a Bristol solicitor suggested that if other major law firms located there it would increase its attractiveness.
- 4.41 For those respondents now located in Bath, comments centered on two themes: the need for modern office accommodation (a modern business quarter near the station was mentioned); and the need to provide parking and resolve congestion. Some of these comments referred in general terms to resolving access problems, suggesting that public transport and Park & Ride might be part of the solution; but others focused on cars, saying they needed to park at, or close to work ('Park & Ride is not enough').
- 4.42 Apart from congestion and parking, the other main disadvantage of Bath mentioned is high house prices.
- 4.43 Advantages of Bath mentioned are the quality of life and the availability of skilled staff.

### *Conclusions*

- 4.44 The Business Plan identified as growth opportunities for Bath a range of office-based activity sectors including Publishing, creative industries and Financial and Business Services more generally. Based on a closer analysis, we suggest that the most promising sectors in this general category comprise Publishing, Auxiliary Finance (covering financial advisors and the like), Computing, Architecture/Engineering and the large category we call Other Business Services, which covers a variety of professional and technical services.
- 4.45 Our analysis of the opportunity sectors in Bath suggests that publishing may be especially well placed to grow, because the city specialises in those areas of publishing which have the best prospects. In other sectors, we have not found such specialisation.
- 4.46 One feature that all the opportunity sectors do have in common is their size structure. The very large national and global firms, employing more than 250-300 people, are almost unrepresented in Bath (and BANES). Each sector we have consists of one or two medium-sized firms and a tail of small firms. The tails are not very long: the sub-sector with the largest number of firms is architecture with 35.
- 4.47 The consequence is that employment in all these sectors is vulnerable to one or two of the comparatively large firms: downsizing, moving out, or expanding out of Bath, especially if they cannot find the right space.
- 4.48 To avert this risk so far as possible, and encourage both existing businesses and inward investors to locate and grow in Bath, we consider that there are three groups of activities the Council and its partners should undertake. These are set out in the box below.

### **Nurture Larger Firms in Each Priority Sector**

The Council should maintain regular contacts with senior management in the few large and medium-sized firms in each of these sectors. The aim of this would be early identification of problems, such as difficulties finding suitable space; and of opportunities, such as a firm seeking to relocate a subsidiary in Bath. Issues covered would not be confined to property, but could include access and training. If this process identifies problems in finding suitable office space on a systematic basis will it help strengthen the case for creating a modern office quarter in Bath.

### **Encourage Creative and High-tech Start-ups**

At the other end of the spectrum, foster start-ups in order to:

- Encourage an entrepreneurial culture
- Create small firms from which large ones may grow
- Investigate the potential of emerging economic sectors as part of supporting the growth of a creative cluster in Bath
- Retain graduates in Bath.

As an initial step, examine the case for expanding CHIC; and for providing move-on space for companies 'graduating' from it.

### **Promote Inward Investment**

Seek inward investment through marketing campaigns that target the priority sectors and focus on small to medium-size business units, for whom Bath should be particularly attractive, partly due to its existing business base and partly due to ambience and the quality of life.

- 4.49 The business survey tells us something about the sites and buildings that these firms seek. Key requirements are a location in the town centre or otherwise close to similar businesses, modern floorspace and good access- which sometimes means uncongested driving with easy parking, and sometimes public transport perhaps with Park and Ride.
- 4.50 Large units. employing 250 people and upwards, typically may not find the labour and space they need in Bath - though we acknowledge there are businesses on this scale in Bath, and any wanting to come to the city should be welcomed. If the Somerdale site comes forward for offices, we consider that it will be the best opportunity to attract these large units.
- 4.51 If FBS and creative activities are to grow in Bath, a necessary condition is of course a suitable supply of high quality office space. We will discuss in Chapter 6 below how far this supply is forthcoming and what can be done to improve it.

## The Midsomer Norton and Radstock Area (MNR)

### *Introduction*

- 4.52 This section provides a qualitative assessment of opportunities for growth and threats of decline in MNR's industrial economy. We begin with a brief overview of MNR's economy, focusing on the industrial sectors, and continue with a survey of businesses on the area's main industrial estates.

### *The Industrial Sectors*

- 4.53 We noted in the last chapter that the concentration of manufacturing in MNR distinguishes the area from other areas in BANES and beyond. Printing and publishing activities are at the core of the manufacturing sector. The activities with high LQs in the area are: Printing and Publishing (1,200 jobs and a LQ of 9.5), and Manufacturing of Chemicals and Minerals (680 jobs and LQ of 5.3). Employment in the sub-sector Manufacturing of Chemicals and Minerals, which includes manufacturing of printing ink, is also related to the printing/publishing hub.
- 4.54 Five of the 11 business units that employ more than 100 people in MNR have activities related to the printing sector. In these we include companies in packaging activities because packaging is usually defined as one of the market sectors of printing. Companies working in this sector share some products (inks) and services (such as graphic design). Altogether, the 11 largest units employ 2,200 people and account for 25% of total employment in MNR. The five large companies related to the printing sector employ more than 1,000 people in total. Communisis (300 employees) and Continue Forms (150 employees) and SCB Stock Products (100 employees) are in the printing sector. Coates Electrographics specialises in the manufacture of printing inks. Welton Bibby is a large packaging company.
- 4.55 Two of the main employers in the printing sector, Polestar Purnell and Alcan Mardon closed recently with the loss of over 600 jobs. These and earlier job losses are not

reflected in unemployment data. In 2005, the claimant count gave an unemployment rate of 0.5% of the working age population<sup>10</sup>. However, the history of decline in the printing industry nationally, and the continued high concentration of printing and related employment in MNR mean that the local economy is vulnerable to further losses of manufacturing employment.

### *Industrial Estates*

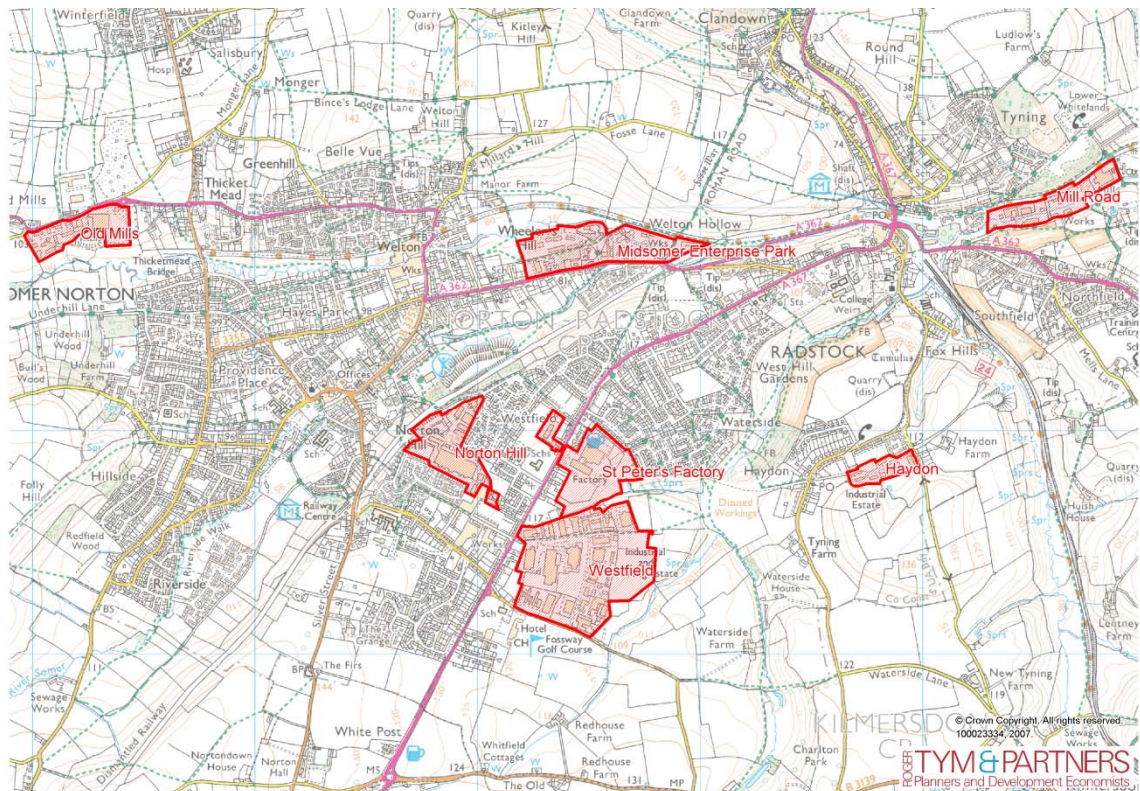
#### *Overview*

- 4.56 To obtain a more detailed picture of the local economy, we surveyed the main industrial estates in MNR: Westfield, Haydon, Old Mills, Midsomer Enterprise Park, Norton Hill and Mill Road.
- 4.57 The survey was in two parts. We first sent a short postal questionnaire to 112 companies on the estates, which asked for basic information and received 27 answers, all from small and medium-sized establishments (the largest respondent employs 55 people). To collect more qualitative information we followed this up with semi-structured face-to-face interviews with 15 of the businesses who had replied to the survey on the Westfield, Haydon and Old Mills estates. First we report our findings across the sub-area, before looking at individual estates.
- 4.58 MNR's industries have a rich diversity. Survey respondents are engaged in activities as varied as making hand-built fishing rods, van hire, manufacture of partitions, supply of stainless steel ropes, pump sale, software and radio technology, and installation and maintenance of air-conditioning. Only four of the 27 respondents are in sectors related to printing. This diversity contrasts with the current reliance of the local economy on printing and points a way to reduce that reliance.
- 4.59 Eight respondents export some of their output. Only seven (25% of the respondents) have an exclusively local market (within 20 miles). The international reach of one third of the companies suggests that a wide range of businesses could locate in the area.
- 4.60 Twenty-six of the companies were located where they had started up, or had moved a short distance, such as from another industrial estate in MNR or from nearby settlements such as Tunley, Hallatrow or Frome. Only one company had relocated from Buckinghamshire, and that was as a result of the move of the owner. Not surprisingly, the main reason given for locating in the area is that owners and/or employees live locally.

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<sup>10</sup> Midsomer Norton and Radstock, Economic Profile, January 2006

Figure 4.1 Industrial estates in MNR



Source: RTP

- 4.61 43% of the respondents indicated that employment has grown over the last three years, 20% that it stayed the same and 15% that it decreased.
- 4.62 25 companies answered a question about recruitment. Among these, nine (36%) mentioned difficulties, of which most related to skilled workers, which tallies with the low skills profile of the local workforce.
- 4.63 19 (67%) of the companies are satisfied with their premises, nine (30%) are not. Factors mentioned as advantages of MNR as a business location include good engineering skills, inherited from the coal mining industry, and the 'printing hub', which provides opportunities for graphic design companies for example, or for small printing/reprography related industries. Virtually the only reason for dissatisfaction is too-small premises, mentioned by five respondents, 20% of the sample. Just two say that their premises are too old and only one is dissatisfied with the transport infrastructure.
- 4.64 Some companies have investigated the option of relocating to Bath Business Park. All of them say that the price of land and premises there is too high.
- 4.65 Below, we look more closely at Westfield, Haydon and Old Mills industrial estates, which are the main employment areas in MNR. The discussion is based on inspection of the estates, in which we noted details of occupancy levels and occupiers, together with survey findings. The number of respondents in each estate is shown below.



**Table 4.4 Profile of MNR business survey questionnaire respondents**

Industrial Estate	Number of companies
Westfield	13
Haydon	6
Mill Road	3
Midsomer Enterprise Park	1
None specified	4

Source RTP

#### *Westfield*

- 4.66 Westfield is the largest industrial estate in MNR. There are few vacant units on the estate. It hosts a wide range of companies, including most of the large and medium sized manufacturing companies in the area, such as Communisis (300 employees), Dickies (200 employees), Herald Electronics (140), and SCB Stock Products (100). Other medium-sized businesses include Westfield Medical Products (70 employees), specialising in the packaging of medical products, Beechcraft (50 employees), specialising in manufacture of plastics, Blisters (50 employees), specialising in packaging, and Software Radio Technology (50 employees), developer and provider of professional wireless digital technology. All other companies are small.
- 4.67 Three of the survey respondents in Westfield have activities related to printing and reprographics, including design services. Other activities include car repairs, sales of trailers, and, as well as a variety of office-based micro-enterprises in the recently opened 'Westfield Business Centre' as varied as accountancy, planning services, and motor sport film screenings.
- 4.68 Most occupiers at Westfield are satisfied with their location. A few commented the A367 provides reasonable access to the South West and the rest of the country without having to face congestion around Bristol or Bath. However, some small companies who serve, or would like to serve, the Bath market are less positive about Westfield, because they feel it is too far from potential customers in the city. The shortage of industrial land in Bath and its high prices means that relocation closer to Bath would be difficult for low-value activities.

#### *Haydon*

- 4.69 There are 26 companies on Haydon Industrial Estate<sup>11</sup>. The largest, DJB Haulage Ltd, is a road haulage company and employs about 25 people. Four companies employ between 10 and 20 people. All other companies employ less than 10 people.
- 4.70 Most businesses on Haydon are small engineering workshops. For example, Haydon Signs manufactures bodies (coachwork) for motor vehicles. Offline Products designs and manufactures printing machinery. Another occupier repairs of machinery and

<sup>11</sup> According to FOCUS database

equipment for industrial bakeries. There are also three companies repairing motor vehicles.

4.71 Vacancies on Haydon are low and the opportunities to expand on the estate are restricted. Our respondents mention the following advantages specific to the estate:

- Proximity to Radstock
- The ability to carry out dirty or noisy activities
- Supply linkages between companies on the estate
- Relatively low property costs.

4.72 The main disadvantages mentioned are the poor condition of the roads, lack of opportunities to buy premises, lack of public transport and lack of road signs indicating the way to the estate.

### *Old Mills*

4.73 Old Mills appears to be more of a business park and retail centre than an industrial estate. Tesco, with 280 employees, is the main employer in the estate. Focus, another retailer employs 55 people. All other companies are SMEs. There are a few small factories but most companies also operate trade counters or provide services for the domestic market. Brunel Metrology Services Ltd (20 employees) specialises in calibration and metrology services. Carpet and Fabric Directs sells carpets for the domestic market. Small businesses operate in sectors such as hairdressing and beauty treatment (Sally Hair and Beauty Supply Ltd), retail of computer consumables for the business and home user (Abascus), development and selling of real estate (Flower and Hayes Ltd).

4.74 Most companies at Old Mills seem to have been located on the estate for a long time. There are few vacancies and seemingly few new occupiers. Flower & Hayes, who developed six units at Old Mills in 2004, have recently built a new development of 11 units at Chilcompton, three miles away, 'to capitalise on the high local demand'.

4.75 One company commented that Old Mills, in contrast to Haydon, is not a good location for noisy industrial activities, like engineering, because of impact on neighbours.

### *Conclusions*

4.76 The economy of MNR is vulnerable because of its relative specialisation in the printing industry. The industry is still losing jobs and there has been no recent major inward investment in the area.

4.77 However, in contrast to this picture of decline, we found on MNRs industrial estates a stock of medium and (mostly) small businesses involved in a wide range of activities, and seemingly dynamic and optimistic. The area's industrial estates have different and complementary roles. Westfield hosts a mix of businesses, including small companies linked to the printing industry; Haydon includes a group of specialised engineering companies; Old Mills is a local service, wholesale and retail estate rather than a manufacturing one. All the estates appear well occupied, suggesting that the supply of space may be tight.

- 4.78 MNR's industrial economy is highly local. Virtually all the businesses we surveyed originate in the immediate locality and it seems that none are likely to move away, partly because space in or closer to Bath - which some of them aspire to - would be too expensive.

If MNR is to retain and create as many industrial jobs as it can, to replace those lost in printing, space must be provided locally for the area's small and medium business. How this may be done will be discussed in part C of this report. This will recommend, among other things, continuing expansion of the existing estates, and use of developer contributions to help provide infrastructure.

## The Non-B Sectors in BANES

- 4.79 As part of our market research, we have investigated forecast needs and current proposals for large strategic projects in the main non-B economic sectors, comprising:
- Higher Education
  - Health
  - Defence
  - Retail
  - Tourism.
- 4.80 As mentioned earlier, these major projects are important for our purposes, because they may require significant land allocations in future. (In contrast, land for smaller, local non-B developments, such as schools, primary health care and local retail, should be provided routinely as part of housing developments).

### *Higher Education*

- 4.81 Bath has two universities, the University of Bath and Bath Spa. We have discussed future prospects with representatives of both.
- 4.82 At the University of Bath, plans for new development should not require any new land allocations, because it is planned to take place on the existing Claverton campus. The purpose of these plans is to improve quality, rather than accommodate a large increase in student and staff numbers.
- 4.83 However, Bath University does hope to expand CHIC, the Carpenter House Innovation Centre, which opened in 2003 in central Bath and provides incubation facilities for start-ups, specialising in digital media and creative industries. The centre has been 80% full on average, suggesting a need for expansion and/or move-on facilities. However, the centre is subsidised from public funds, so any expansion will likely be dependent on the availability of further public funds.
- 4.84 In the longer term, the University of Bath may advocate development of a science park, to provide space for growing high-tech businesses, including those 'graduating' from CHIC. However, there is no defined project at present, although Bath Western Riverside has been mentioned as a possible 'off centre' location.



- 4.85 Bath Spa University has a current requirement for about 9,000 square metres teaching space, to replace a building where the lease ends in 2009. For this, the university is seeking a reasonably central location, although not necessarily at the core of the city centre. As such, it may be interested in the Lower Bristol Road, for example.
- 4.86 Bath Spa is a teaching university. It expects to grow slowly in the future - by perhaps 20 staff per year, but the rate of growth is very dependant on Government policy on HE. As a teaching university it is not interested in possibilities such as a science park. Its students can already make use of CHIC.
- 4.87 Slow growth in the future by both universities will ensure that they remain major employers, and that their students continue to provide an important segment of demand, particularly for the leisure sector, but that their impact this will not change dramatically.

### *Health*

- 4.88 Hospital services in BANES are provided by the Royal United Hospital Bath NHS Trust. This covers a wider area than BANES and employs about 4,500 staff. The RUH itself employs about 3,500 staff. It is unlikely to require significant additional land because it is seeking to rationalize its premises and estate. Indeed the hospital may release land, which would become available for other uses.
- 4.89 Future NHS staffing levels are very difficult to predict because:
- They depend on government funding
  - The current policy of increasing the range of treatments carried out at primary level may result in a high proportion of employment growth taking place in primary care centres. These centres will be located in local centres or residential areas, and thus not require strategic land allocations
  - Following the rapid growth in spending on the NHS in recent years and given the current tight state of the Government's finances, it is likely that growth in NHS staffing will slower than it has been for several years to come.
- 4.90 All this suggests that the NHS is unlikely to require substantial land allocations in BANES the foreseeable future.
- 4.91 A sub-sector of health related activity is "Well Being" which encompasses the growing range of alternative therapies as well as health and leisure related treatments. Bath with it's access to spa water has a long history in this area. The Royal national Hospital for Rheumatic Diseases and, more recently, the Thermae Bath Spa have provided a focus for this activity. Whilst this sector is unlikely to generate any significant development requirements it is an area of emerging economic activity which the Council may wish to explore.

### *Defence*

- 4.92 The MOD is still a large employer in BANES, particularly Bath. In the past its employment has fluctuated around 1,800 jobs. The MOD has three major sites in Bath: Warminster Road, Foxhill and Ensleigh.

- 4.93 Recent MOD press releases have indicated plans to invest further in their site at Abbey Wood North Bristol to consolidate the MOD's acquisition activities. This could include the transfer of up to 2,800 jobs from other locations including Bath by 2012, with land in the city being used for alternative defence agencies, other government departments or sold for re-development.
- 4.94 Alongside these announcements the MOD has submitted its landholdings in Bath as part of a "call for sites" exercise to inform the BANES Council's Strategic Housing Land Availability Assessment and indicated that the land could be available from 2012.
- 4.95 The impact on the economy of the area of a significant withdrawal of MOD jobs to a location elsewhere in the sub-region would be considerably less than if they were moving further afield. A high proportion of BANES residents employed by the MOD should be able to commute to the Abbey Wood. There might however be some reduction in the area's ability to attract high value added supply chain companies who are looking to locate close to defence procurement agencies.
- 4.96 The sites which would be freed up by any relocations - which are all identified in the Local Plan as opportunity sites or sites to be protected for employment use - present an opportunity. In Chapter 5 we consider the broad implications of a withdrawal of MOD jobs on employment forecasts. In the absence of firm proposals from the MOD more detailed assessments will need to be undertaken by BANES Council as part of its efforts to engage with the MOD on a strategic review of its sites in Bath.

### *Retail*

- 4.97 Retail is an important sector in BANES providing nearly 10,000 jobs, or 12% of total employment. The redevelopment of the Southgate Shopping Centre is the largest current development in Bath. Urban Practitioners are preparing the Bath & North East Somerset Retail Strategy, and what follows is derived from that document and discussions with them.
- 4.98 The current stock of retail floorspace in BANES is 121,763 square metres, of which 90,603, 74%, is in Bath itself. Southgate will add a further 37,000 square metres. Cumulative growth to 2026 is forecast to be an additional 64,000 square metres, giving a total area of new space, including Southgate, of 101,000 square metres. This is on a mid-range scenario between retention of market share and high growth. The majority of the growth is forecast to be in Bath: 48% of the growth in convenience space and 63% of the comparison, or 38,600 square metres in total. This growth clearly has potential to compete with B-space employment for space in the city centre. From the space forecast of about 100,000 square metres we estimate that the increase in retail jobs - at a job density of 20 square metres - will be about 5,000 across BANES.

### *Tourism, Leisure and Culture*

- 4.99 'Visitors to Bath', 2005, estimated that tourism supported 8,200 jobs in the district, and brought in about £150 million to the economy. The Destination Management Plan (October 2007), produced by the Tourism Company for the Council and its partners<sup>12</sup>,

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<sup>12</sup> BANES Destination Management Plan, The Tourism Company, Oct 2007

advises that, although BANES has a strong tourism offer, investment is needed to maintain its position. It estimates the following growth between 2007 and 2016:

**Table 4.5 Estimated Tourism Growth**

<b>Measure</b>	<b>2007-2016</b>
Staying visits	+10%
Staying visit spend	+20%
Staying nights	+15%
Day visits	+5%
Day visit spend	+10%

Source: The Tourism Company

- 4.100 There are no robust estimates of the job creation potential of this growth. An initial estimate of 400-500 additional jobs to 2016 might be reasonable.
- 4.101 Much of the growth envisaged in the Destination Management Plan is to be achieved through marketing and management initiatives but will also rely on capital investment to grow the area's accommodation base and create new conference facilities. The report provisionally identifies the need for two additional hotels and a conference / event venue. It is understood the Council will be carrying out a Visitor Accommodation Study to inform and shape that investment. It is not envisaged that any new facilities will require substantial new land but will need to be accommodated within the indicative allocations already made.

### *Conclusions*

- 4.102 The possibility of the transfer of defence jobs from Bath to Abbey Wood will require close engagement of the MOD by the Council. Should jobs be transferred in the future it will be important to ensure that:
- Arrangements are put in place to facilitate improve transport links to Abbey Wood for BANES residents employed by the MOD in Bath; and
  - The most is made of the opportunities created by the release of MOD sites for attracting employment in priority sectors for the local economy.
- 4.103 Major strategic developments are planned or expected in retail, with significant employment implications. These strategic projects include the Southgate Centre currently under construction and further major development, most of which would be in Bath. The Council must ensure that this development is planned and provided for alongside the employment space requirements set out in section 8 below.
- 4.104 Although other requirements are on a smaller scale, they are significant, and sites for them need to be identified and development promoted, given Bath's role as a tourist destination and centre for higher education. They include:
- The two hotels identified in the Destination Management Plan
  - The conference/event venue
  - Bath Spa University's requirement for replacement teaching space

- The possible requirement to expand CHIC and provide move-on space (which links back to our suggested actions for encouraging start-ups).

## 5 EMPLOYMENT FORECASTS

### Introduction

- 5.1 In this chapter, we present the employment forecasts prepared by Cambridge Econometrics (CE) for the draft RSS and estimate their implications for different land uses and different local areas within BANES. The forecasts are derived from the emerging RSS's policy objectives and are used to test the implications of planning for both the 2.8% and 3.2% annual GVA growth projections contained in the draft RSS and the proposed changes. .
- 5.2 The RSS employment forecasts were originally based on TTWAs, but have been recast to provide figures by local authority district, as part of the RSS Employment Provision study carried out by RTP for the Regional Assembly. Roger Tym & Partners have estimated further breakdowns, firstly between the four local areas of BANES and secondly by land use, distinguishing the B uses - factories, warehouses and offices - from other economic land uses.
- 5.3 In order to identify B-space jobs, we use a mapping of economic sectors into land uses which is described in detail at Appendix 1 below. Broadly, we assume that offices (which include R&D) are occupied by financial and business services, parts of public administration and publishing. Industrial space is occupied by manufacturing, sewage and refuse disposal, some parts of construction, and motor repairs and maintenance. Warehousing is occupied by a variety of transport and distribution activities.
- 5.4 The figures presented in this chapter have major limitations. In general, all forecasts are surrounded by uncertainty. In particular:
- In the CE forecasts, the geographical distribution of the South West's total growth across the region is based on past trends. It is not influenced by the expected distribution of the resident population, which consumes local services and provides the workforce to fill local jobs. On the contrary, in the draft RSS planned housing provision, on which future population depends, is drive by the employment targets and forecasts.
  - Forecasts for individual districts are less robust than those for sub-regions (Housing Market Areas), partly for technical reasons (sampling error), but also because many businesses and jobs are footloose within sub-regional market areas, across local authority boundaries. Planning authorities have the power to direct this footloose demand across sub-regions, according to land availability and policy objectives.
  - The distribution of jobs across local areas within any district are even less robust, for similar reasons, and should be considered as first-draft approximations, to be altered by planning policy in the light of local knowledge. This is how our local figures will be used in the demand-supply analysis at Chapter 8 below.
- 5.5 Thus for example, the forecasts of employment change in Keynsham are based on Keynsham's past performance relative to District totals. They take no account of supply-side factors, such as the potential of the Somerdale site to attract office

development, or the option to provide industrial sites in Keynsham that will accommodate overspill demand from Bath. For the B-class land uses, these factors and options will be considered in the demand-supply analysis in Chapter 8 below. As part of that analysis, we will suggest redistributing some of the forecast jobs and space take-up, from Bath to Keynsham, for example.

- 5.6 Ideally, a similar approach should be used for the West of England sub-region, with local authorities working together to resolve boundary issues and guide development and jobs to the best locations. This would be especially helpful to plan effectively for urban extension proposed to the south-east of Bristol.
- 5.7 Below, we first provide employment forecasts for BANES as a whole, and for the non-B sectors discuss them in detail (the B sectors will be considered further in part C of the report, below). We then present forecasts for local areas with BANES, with minimal comment.

## BANES

### *Total Job Growth*

**Table 5.1 BANES job growth 2006 - 2026 (2.8% GVA growth per year)<sup>13</sup>**

BANES Jobs	2006	2016	2026	Change 2006 - 2026	% change
Industrial/Warehousing	14,194	14,312	14,215	21	0%
Office	21,505	25,058	29,260	7,754	36%
Total B-space jobs	35,699	39,370	43,474	7,775	22%
Total non-B jobs	66,401	71,930	75,626	9,225	14%
<b>Total Jobs</b>	<b>102,100</b>	<b>111,300</b>	<b>119,100</b>	<b>17,000</b>	<b>17%</b>

Source: Cambridge Econometrics, RTP

<sup>13</sup> The Cambridge Econometrics forecasts include the self-employed.

**Table 5.2 BANES job growth 2006 - 2026 (3.2% GVA growth per year)**

BANES Jobs	2006	2016	2026	Change 2006- 2026	% Change
Industrial/ Warehousing	14,194	14,483	14,445	252	2%
Office	21,505	25,	30,004	8,499	40%
Total B Space Jobs	35,699	40,069	44,450	8,751	25%
Total Non-B Jobs	66,401	74,031	78,550	12,149	18%
<b>Total Jobs</b>	<b>102,100</b>	<b>114,100</b>	<b>123,000</b>	<b>20,900</b>	<b>20%</b>

Source: Cambridge Econometrics, RTP

- 5.8 Employment across BANES is forecast to increase by 17,000 jobs (the 2.8% growth scenario) or 20,900 (3.2% scenario) over the plan period<sup>14</sup>. In percentage terms, growth is 17% or 20%. Total Non-B jobs account for more than half of that growth. B-space growth is concentrated in office jobs, which increase by 7,800-8500 (36% or 40%). Industrial/warehouse jobs are virtually unchanged in both scenarios.

### *Non-B Job Growth*

**Table 5.3 BANES non-B job growth (2.8% pa GVA growth)**

BANES	2006	2016	2026	Change 2006- 2026	% Change
Agriculture & Extraction	1,000	800	600	-400	-40%
Utilities	400	300	300	-100	-25%
Non B Construction	4,129	4,618	4,752	623	15%
Non B Distribution	12,403	13,580	14,817	2,414	19%
Hotels and Catering	7,200	8,300	9,088	1,888	26%
Non B Transport & Communications	1,322	1,322	1,321	-2	0%
Non B Business Services	2,717	3,420	4,282	1,564	58%
Non B Public Admin	12,316	12,551	12,143	-173	-1%
Education & Health	20,700	22,500	23,469	2,769	13%
Other Services - Miscellaneous	4,214	4,538	4,856	642	15%
<b>Total Non B</b>	<b>66,401</b>	<b>71,930</b>	<b>75,627</b>	<b>9,226</b>	<b>14%</b>
Total B space jobs	35,699	39,370	43,474	7,775	21.78

<sup>14</sup> In the text, numbers are rounded to the nearest hundred.

**Table 5.4 BANES non-B jobs growth (3.2% pa GVA growth)**

BANES	2006	2016	2026	Change 2006- 2026	% Change
Agriculture & Extraction	1,000	800	600	-400	-40%
Utilities	400	300	300	-100	-25%
Non B Construction	4,129	4,905	5,102	973	24%
Non B Distribution	12,403	13,756	15,053	2,650	21%
Hotels and Catering	7,200	8,612	9,588	2,388	33%
Non B Transport & Communications	1,322	1,324	1,321	-2	0%
Non B Business Services	2,717	3,480	4,375	1,657	61%
Non B Public Admin	12,316	13,197	12,927	611	5%
Education & Health	20,700	23,031	24,269	3,569	17%
Other Services - Miscellaneous	4,214	4,625	5,018	804	19%
<b>Total Non B</b>	<b>66,401</b>	<b>74,030</b>	<b>78,551</b>	<b>12,150</b>	<b>18%</b>
Total B Space Jobs	35,699	40,069	44,450	8,751	25%

Source: Cambridge Econometrics, RTP

5.9 The sectors gaining most jobs are as follows:

- Education & Health, already the largest single sector, grows by 2,800 (3,600) jobs
- Retail (the major part of 'Non-B distribution' above), gains 2,400 (2,700).
- Hotels & Catering gains 1,900 (2,400)

5.10 Non-B Public Administration & Defence declines slightly at 2.8% growth (and grows slightly at 3.2% growth). It remains one of the largest sectors in both growth scenarios.

5.11 As noted earlier, the non-B sector includes services which are predominantly consumed by the resident population, rather than other businesses. Many of these services are local, in the sense that they serve limited catchment areas, smaller than the district. Primary health care and primary schools, for example, serve quite small neighbourhoods. One would expect employment in such services to be closely related to the District's population, and indeed in public services such as health and education there are standards which ensure that it is so. For example, the national standard for GPs is 1 per 1,800 population; and for schools there are dwelling -related standards, based on pupil yield, which feed through to education jobs. Ratios have also been estimated for construction, hotels & restaurants, transport and other Services, as shown in the next table.

5.12 Below, we compare the RSS employment forecasts for the major non-B sectors with forecasts derived from national service ratios. We use the Chelmer population forecast based on the housing provision proposed in the emerging RSS. It shows BANES' population growing by 22,300 from 172,421 to 194,680 between 2006 and 2026. In total, the 2.8% RSS forecast exceeds the ratio-based forecast by 2,800.



**Table 5.5 Comparison of Non-B job growth, 2006-26 - GB ratios and RSS forecasts**

Sector	GB Non-B jobs/1,000	Ratio-Based Forecast	RSS Forecast (2.8% growth)	RSS Forecast less Ratio-based Forecast
Construction	12	356	623	267
Non-B distribution (retail)	56	1,663	2,414	751
Hotels & Catering	29	861	1,888	1,027
Transport & Comms.	14	416	-2	-418
Other Business Serv.	10	297	1,564	1,267
Public Admin. & Defence.	9	267	-173	-440
Education & Health	87	2,584	2,769	185
Miscellaneous Services	16	475	642	167
		<b>6,920</b>	<b>9,725</b>	<b>2,805</b>

Source: RTP/Cambridge Econometrics

- 5.13 At the level of individual sectors, however, there are substantial differences between the two forecasts in Retail, Hotels and Catering, and non-B Other Business Services. This suggests that, if the RSS employment targets are to be met, there needs to be employment growth in those elements of the service sector which do not just cater to the local population, but rather serve wider catchments. Where these 'strategic' services grow will depend on the policies and investments of both private and public bodies, rather than being driven by local population. BANES should be well placed to attract such growth, given Bath's history as a retail and service centre, as a tourist destination and as a centre for higher education. The forecasts imply that BANES - and Bath in particular - maintains its position in these sectors.
- 5.14 The main strategic services include:
- Higher Education, where the combination of university planning and the decisions of funding bodies plays a major role
  - Health, where decisions on major capital investments, such as hospitals, relate only indirectly to population growth
  - Defence, a large sector in BANES, where decisions are almost entirely unrelated to population.
  - Leisure and tourism, where decisions on how to enhance Bath's role as a major destination do not depend on local population growth.
  - Retail, where major shopping centres such as Southgate and visitor attractions that include retail do not relate to local population.
- 5.15 Below, we discuss these sectors in turn, referring back to the discussion of major strategic projects in the last chapter. Like the table above, the discussion focuses on the 2.8% GVA scenario.
- 5.16 In Education and Health, in the 2.8% scenario the difference between population-related growth and the RSS forecast only 185 jobs. This appears realistic given that, as we have seen, the universities plan little or no expansion.

- 5.17 In Public Administration and Defence, the RSS employment forecast shows virtually no change, losing fewer than 200 jobs. The ratio-based forecast is similar with a gain of fewer than 300 jobs. These forecasts are consistent with the assumption that the level of employment by the MOD in BANES continues at about its current level. If these jobs were to be transferred elsewhere, as the MOD is now considering, there would be 1,800 fewer jobs than otherwise in the short term. Over the period to 2026 the sites freed up by the MOD represent an opportunity to allow the growth of existing local firms and attract new ones to the area, with the potential to replace the MOD jobs.
- 5.18 With regard to tourism and leisure, the RSS employment forecast shows 1,900 additional jobs in Hotels and Catering, against 900 in the ratio-based forecast. We estimated earlier that current proposals for tourism development may provide 400-500 jobs, filling about half the gap between the two forecasts.
- 5.19 Finally in retail, the RSS forecast, at 2,400 jobs, exceeds the ratio-based forecast by some 800 jobs. The Urban Practitioners retail study discussed earlier, which includes strategic proposals over and above local population growth expects some 100,000 sq m of new retail space to be developed over the plan period, which at a job density of 20 square metres would generate about 5,000 jobs across BANES, 2,600 more than the RSS forecast. This would deliver about half of the non-B growth forecast for BANES, potentially closing the gap between population-based growth and the RSS forecast.
- 5.20 In summary, therefore, it seems that in the non-B sector BANES should be able to meet its RSS growth target from two sources of jobs: the natural impact resulting from population growth, and proposed tourism and retail developments. Our analysis suggests that no other strategic projects are required to meet the target.

## Bath

### *Total Job Growth*

**Table 5.6 Bath job growth 2006 - 2026 (2.8% GVA growth per year)**

Bath Jobs	2006	2016	2026	Change 2006 - 2026	% change
Industrial/Warehousing	6,458	6,691	6,831	373	6%
Office	16,625	19,315	22,461	5,836	35%
<b>Total 'B' space jobs</b>	<b>23,083</b>	<b>26,006</b>	<b>29,292</b>	<b>6,209</b>	<b>27%</b>
Total 'Non-B' jobs	45,995	49,296	51,288	5,293	12%
<b>Total Jobs</b>	<b>69,078</b>	<b>75,302</b>	<b>80,579</b>	<b>11,502</b>	<b>17%</b>

**Table 5.7 Bath job growth 2006 - 2026 (3.2% GVA growth per year)**

Bath Jobs	2006	2016	2026	Change 2006-2026	% Change
Industrial/Warehousing	6,458	6,769	6,938	480	7%
Offices	16,625	19,746	23,061	6,437	39%
<b>Total B Space Jobs</b>	<b>23,083</b>	<b>26,515</b>	<b>29,999</b>	<b>6,917</b>	<b>30%</b>
Total Non-B Jobs	45,995	50,682	53,219	7,224	16%
<b>Total Jobs</b>	<b>69,078</b>	<b>77,197</b>	<b>83,218</b>	<b>14,140</b>	<b>20%</b>

5.21 Bath is forecast to have a faster rate of growth in B jobs than BANES as a whole, the great majority being in offices. This is offset by a slower rate of growth in non-B jobs, albeit from a higher base.

### *Non-B Job Growth*

**Table 5.8 Breakdown of Bath non-B job growth (2.8%)**

Bath	2006	2016	2026	Change 2006-2026	% Change
Agriculture & Extraction	433	344	255	-178	-41%
Utilities	320	238	236	-84	-26%
Non-B Construction	1,554	1,724	1,759	205	13%
Non-B distribution	7,667	8,323	9,005	1,339	17%
Hotels and Catering	5,155	5,892	6,398	1,243	24%
Non-B Transport & Communications	690	684	677	-12	-2%
Non B Business Services	2,045	2,552	3,169	1,124	55%
Non-B Public Admin	11,131	11,247	10,791	-340	-3%
Education & Health	14,440	15,561	16,097	1,657	11%
Other Services - Miscellaneous	2,558	2,731	2,899	340	13%
<b>Total Non-B</b>	<b>45,994</b>	<b>49,296</b>	<b>51,287</b>	<b>5,293</b>	<b>12%</b>

**Table 5.9 Breakdown of Bath non-B job growth (3.2%)**

Bath	2006	2016	2026	Change 2006-2026	% Change
Agriculture & Extraction	433	343	254	-178	-41%
Utilities	320	238	235	-85	-27%
Non-B Construction	1,552	1,825	1,881	329	21%
Non-B distribution	7,656	8,402	9,114	1,458	19%
Hotels and Catering	5,148	6,092	6,724	1,576	31%
Non-B Transport & Communications	689	683	675	-14	-2%
Non B Business Services	2,104	2,666	3,323	1,219	58%
Non-B Public Admin	11,117	11,785	11,445	328	3%
Education & Health	14,421	15,874	16,583	2,162	15%
Other Services - Miscellaneous	2,555	2,775	2,984	429	17%
<b>Total Non-B</b>	<b>45,994</b>	<b>50,681</b>	<b>53,218</b>	<b>7,224</b>	<b>16%</b>

- 5.22 The pattern of non-B growth in Bath is similar to that in BANES as a whole: the largest increases in jobs are in Education & Health, Hotels & Catering, and Retailing.

## Keynsham

**Table 5.10 Keynsham job growth 2006 - 2026 (2.8% GVA growth per year)**

Keynsham Jobs	2006	2016	2026	Change 2006 - 2026	% change 2026
Industrial/Warehousing	2,126	2,026	1,961	-165	-8%
Office	1,377	1,563	1,776	399	29%
<b>Total 'B' space jobs</b>	<b>3,502</b>	<b>3,589</b>	<b>3,737</b>	<b>234</b>	<b>7%</b>
Total 'Non-B' jobs	4,658	5,307	5,782	1,124	24%
<b>Total Jobs</b>	<b>8,160</b>	<b>8,895</b>	<b>9,519</b>	<b>1,359</b>	<b>17%</b>

**Table 5.11 Keynsham job growth 2006 - 2026 (3.2% GVA growth per year)**

Keynsham Jobs	2,006	2,016	2,026	Change 2006-2026	% Change
Industrial/Warehousing	2,126	2,041	1,981	-144	-7%
Office	1,377	1,597	1,822	446	32%
<b>Total B Space</b>	<b>3,502</b>	<b>3,638</b>	<b>3,803</b>	<b>301</b>	<b>9%</b>
Total Non-B Space	4,658	5,481	6,027	1,369	29%
<b>Total Jobs</b>	<b>8,160</b>	<b>9,119</b>	<b>9,831</b>	<b>1,670</b>	<b>20%</b>

- 5.23 Total forecast growth for Keynsham is only 1,360 jobs (1,670 at 3.2%), and the majority of them are non-B jobs.

## MNR

Table 5.12 MNR job growth 2006 - 2026 (2.8% GVA growth per year)

MNR jobs	2006	2016	2026	Change 2006 - 2026	% change 2006 - 2026
Industrial/Warehousing	3,599	3,553	3,395	-203	-6%
Office	1,653	1,930	2,272	619	37%
<b>Total 'B' space jobs</b>	<b>5,251</b>	<b>5,483</b>	<b>5,667</b>	<b>416</b>	<b>8%</b>
Total 'Non-B' jobs	7,921	8,876	9,698	1,777	22%
<b>Total Jobs</b>	<b>13,172</b>	<b>14,359</b>	<b>15,365</b>	<b>2,193</b>	<b>17%</b>

Table 5.13 MNR job growth 2006 - 2026 (3.2% GVA growth per year)

MNR jobs	2006	2016	2026	Change 2006 - 2026	% change
Industrial/Warehousing	3,599	3,587	3,441	-158	-4%
Office	1,653	1,960	2,316	663	40%
<b>Total 'B' space jobs</b>	<b>5,251</b>	<b>5,547</b>	<b>5,757</b>	<b>505</b>	<b>10%</b>
Total 'Non-B' jobs	7,921	9,173	10,112	2,191	28%
<b>Total Jobs</b>	<b>13,172</b>	<b>14,720</b>	<b>15,868</b>	<b>2,696</b>	<b>20%</b>

5.24 The forecast continued fall in industrial jobs in MNR is a legacy of the job losses in large plants in recent years, while the growth in non-B jobs probably reflects the jobs arising from rapid housing growth in recent years.

## Rest of BANES

Table 5.14 Rest of BANES job growth 2006 - 2026 (2.8% GVA growth per year)

Rest of BANES jobs	2006	2016	2026	Change 2006 - 2026	% change 2006 - 2026
Industrial/Warehousing	2,011	2,042	2,028	17	1%
Office	1,851	2,250	2,751	900	49%
<b>Total 'B' space jobs</b>	<b>3,863</b>	<b>4,292</b>	<b>4,779</b>	<b>916</b>	<b>24%</b>
Total 'Non-B' jobs	7,827	8,452	8,858	1,030	13%
<b>Total Jobs</b>	<b>11,690</b>	<b>12,744</b>	<b>13,637</b>	<b>1,946</b>	<b>17%</b>

Table 5.15 Rest of BANES job growth 2006 - 2026 (3.2% GVA growth per year)

Rest of BANES jobs	2006	2016	2026	Change 2006 - 2026	% change
Industrial/Warehousing	2,011	2,086	2,085	74	4%
Office	1,851	2,283	2,805	953	51%
<b>Total 'B' space jobs</b>	<b>3,863</b>	<b>4,369</b>	<b>4,890</b>	<b>1,027</b>	<b>27%</b>
Total 'Non-B' jobs	7,827	8,695	9,193	1,366	17%
<b>Total Jobs</b>	<b>11,690</b>	<b>13,064</b>	<b>14,083</b>	<b>2,393</b>	<b>20%</b>

Source: Cambridge Econometrics, RTP

- 5.25 Forecast job growth in the Rest of BANES is 11.4% of the total for the District. The actual increase will be dependant on individual decisions on conversions of redundant farm buildings and redevelopment of old industrial sites. In the next section we discuss in some detail the contribution that Rest of BANES can make to achieving the overall RSS job targets.

## PART C EMPLOYMENT LAND





## 6 PROPERTY MARKET PROFILE

### Introduction

- 6.1 We now turn from discussion of the BANES economy to the narrower category of industry, warehousing and offices - the B-class or employment land uses. We begin in this chapter with an analysis of land and property markets for these uses in each of the four sub-areas of BANES. For each market, we address two broad questions:
- i) A profile of the demand for business space, to see what kinds of businesses seek space in the area and what they are looking for
  - ii) The balance of demand and supply, to see where demand for space does or may exceed supply, and hence where new employment sites should be identified and existing sites safeguarded.
- 6.2 Market analysis by its nature is limited to the short-to-medium term. It complements the long-term demand-supply analysis in Chapter 8 below, which looks ahead to 2026, in two ways. First, it provides a baseline, or starting point, for that analysis. Second, it adds a qualitative dimension - to see what *kinds* of land and floorspace will be required, in what kinds of locations, whereas the long-term calculations at Chapter 8 only consider *how much* land and floorspace will be required.
- 6.3 The analysis at this stage covers the B-class uses - offices, industry and warehousing. Chapter 4 has discussed growth opportunities and land requirements in other economic land uses.

### The Bath Office Market

#### *Demand and Supply*

- 6.4 The take-up of office accommodation in Bath is led mainly by the city's traditional sectors of financial services, professional practices, defence, education and health, together with publishing/media companies. Short to medium term, the impact of the credit crunch may dent this take-up, but this study takes the medium to long term view, looking beyond short term market fluctuations which otherwise run the risk of driving policy on an ad hoc and piecemeal basis.
- 6.5 It is essential to state that only a small proportion of this annual take-up is by inward investment relocations into Bath. The Bath office market historically has been indigenous, activity being generated as existing local companies expand or contract, moving around the existing floorspace stock.
- 6.6 Potential demand from outside the area is limited by the city's location, some distance from the national motorway network, and by its relatively modest catchment population. In addition, extensive residential development is severely restricted, due to the surrounding Green Belt. The supply of space is also a constraint, as discussed below.

- 6.7 Bath is not perceived as a truly regional office location and has not had a history of attracting significant inward investment by office occupiers. It could be argued that the lack of available development sites has been one reason for this. In terms of market size and geographical reach, it is not comparable to nearby Bristol, the South West's primary commercial city. In reality, Bath remains a small market where, potentially, the demand/supply balance is highly volatile. The office stock is poor in terms of specification as well as quantity. It is particularly acknowledged that there is a shortage of high specification, open plan office accommodation of 185 sq m upwards. This accommodation type is in high demand from occupiers and this shortage is preventing growth from existing Bath based occupiers together with potential relocations.
- 6.8 By way of overview, prime office rent levels are in the region of £20 psf, with average rental values throughout the city ranging between £12.50 psf and £15 psf. At the present time incentives are being factored into new lettings, often by way of an initial rent free period. Alternatively, flexible leases, with frequent tenant break options are being conceded by landlords in order to make properties income producing.
- 6.9 The Bath office market is characterised principally by two distinct categories of accommodation: these are city centre period buildings, cellular in nature, often over many floors, with circa 23 to 70 sq m per floor; and some open-plan accommodation with floor plates of 93 sq m upwards.
- 6.10 In the first category, our opinion is that supply and demand remain in approximate equilibrium, with the accommodation adequately servicing occupiers. More recently the balance has shifted towards over-supply of cellular offices with many office suites remaining unoccupied for a substantial period of time. That aside, the overall stock of period offices is likely to remain relatively stable. There remains underlying pressure for alternative uses, generally residential.
- 6.11 For many occupiers, the period cellular office provides workable accommodation and its location, generally in the city centre, is often seen as desirable, offering easy access to Bath's facilities and proximity to other office users. The acknowledged practice of offering such buildings for letting in whole or part means that, subject to availability at a specific time, there is a range of accommodation sizes available, allowing a range of business needs to be satisfied. Frequent lack of on-site parking for this type of property, often included in the list of desired characteristics by potential occupiers, is a disadvantage, but, being almost universal in Bath, is tolerated in the market as a fact of commercial life. However, this necessarily places a heavy reliance on the availability of 'public' car parking, suggesting that this is an important component of the vitality of this part of the office market.
- 6.12 The second category of accommodation, modern open-plan offices, in our opinion is under-supplied. This type of space attracts a range of occupiers, due to its flexibility and functionality. Probably less than 30% of Bath's offices falls into this category. This stock is dispersed over the city and, although an increased supply has emerged over the last three years, within the city centre this has been piecemeal and achieved by refurbishment of existing properties, rather than new build.

- 6.13 Such refurbishments comprise WestPoint, Chartist House, and 16/18 Queen Square, which have floor plates ranging from 140 sq m to 650 sq m. Interest in these offices was high, thus emphasising the overall demand for this style of accommodation in the city centre. However, the bulk of supply of new office stock is provided out of the city centre, at Bath Business Park (approx 7 miles south of Bath city centre and not a viable alternative to many occupiers) and also at The Crescent, Rush Hill (approx three miles south west of Bath city centre and a secondary, principally residential location). Current schemes comprise the redevelopment of a former garage site on Wellsway to provide about 750 sq m offices (in a better but still not central location) and a proposal to develop about 1,100 sq m speculatively towards the western end of the Lower Bristol Road (also remote from the city centre).
- 6.14 Despite some recent opportunities, availability has obviously constrained take-up, with occupiers having to settle for what they can find during periods of high demand. We do not see demand for the 'right' accommodation as being cost sensitive, so long as price or rent is within a reasonable margin of market levels. Those requiring modern open-plan accommodation have had to compromise and resort to period, cellular accommodation; or alternatively relocate to nearby conurbations, such as Bristol, where such requirements can be comfortably satisfied; or make do with such modern stock as is available in Bath. For larger occupiers this can mean operating from several buildings in the city.
- 6.15 There is the real issue of why unsatisfied demand for modern offices has not translated into significant new development. It is appreciated that new office schemes are being built at Bath Business Park and The Crescent, Rush Hill, but as mentioned earlier, these developments are several miles from the city centre, where demand is at its greatest. Refurbishment of existing buildings has brought new open plan offices to the market, as mentioned previously at Westpoint (formerly Strahan House), Chartist House, and 16/18 Queen Square, but no new build developments have taken place in central locations for over a decade.
- 6.16 We suggest that there are four reasons for this, of which, in our opinion the first and second are the most important:
- iii) The lack of city centre commercial development sites places a huge constraint on providing adequate levels of required office accommodation
  - iv) There is intense competition in Bath from non-B, principally residential, uses for sites which were or are in business use. Moreover, some of these sites are not in preferred office locations. Significantly higher residential land values, underpinned by much stronger and therefore less risky latent demand in the city for houses and speculative housing sites, may colour the enthusiasm of owners to really bring forward or promote office development as the goal of first choice
  - v) In Bath as elsewhere, at least part of the difficulty relates to the mechanics of property development and financing. Office occupiers, especially in the small-to-medium sized categories below 465 sq m, ideally would prefer a range of accommodation always to be readily available at short notice, to satisfy fairly immediate requirements. This would involve the property industry in the risk of

developing buildings which might be slow to let and it is thus unwilling to invest, because it would be economically unattractive, in matching the full range of potential demand on a speculative basis

vi) In Bath, as in many of the smaller local office markets, few occupiers are major blue-chip companies, few may offer institutional quality covenant and many are not in a position to commit to lease terms expected by institutional investors or developers.

6.17 Together, the third and fourth factors explain why the property market generally shows an inbuilt tendency towards a perceived shortage of ready-made, speculative space, certainly in smaller centres where demand may be buoyant but is largely generated by smaller young businesses and at time when economic and property cycles are approaching or at their peak.

#### *The Provision of New Space*

6.18 If Bath is to attract the increase in the number of office jobs required by the RSS targets, a 'one-size fits-all' approach will not work and policies should offer flexibility. Fundamentally, they should acknowledge that market demand for new offices is mainly for modern open-plan accommodation, with suspended flooring and air conditioning in new "core" city centre or edge of centre "office quarters" which locations such as Avon Street, Manvers Street and Bath Western Riverside could provide..

6.19 We envisage core offices being better quality, 'Grade A', space such as the existing building at Royalmead. If parking is constrained on core office sites this will be at variance with market preference but we do not consider it will be fatal. Lack of on-site car parking is common in Bath and improvements in public transport in the city, if they can be delivered, should provide realistic alternatives to city centre public parking. A high quality public realm will be important.

6.20 Sites and buildings should also be offered to accommodate requirements from occupiers for whom proximity to the city centre, and the associated premium price, are less attractive. These requirements could relate to 'Grade B' local covenants or larger volumes of space, in excess of 2,000 sq m. We see different types of location and space as complementing each other. Policy should not be prescriptive, allowing flexibility in response to market demand over the plan period.

6.21 Where such new office sites are provided, these should ideally be grouped so as to provide profile, presence and critical mass. Securing offices in residential schemes, e.g. at Rush Hill, has had a role to play in augmenting supply, but this approach is likely to result in a fragmented stock of new offices. Instead, mechanisms may need to be developed to allow the value generated by residential development to support off-site office development elsewhere in the city.

### *Protection of Existing Offices*

- 6.22 There is strong market pressure to convert historic buildings in Bath, which provide much of the city's office stock, into housing. Policy ET.2 seeks to restrict such loss and to focus new offices in GDS.1 sites and the defined Core Area in mixed use schemes. We assess the workings of the Policy in Chapter 7.
- 6.23 Within the core central area, the existing period stock will continue to have a role and this must be recognised and protected. However, in time the role of this older stock will be to provide a choice for occupiers, not to provide the bedrock stock. Its physical attributes referred to earlier - small floors, multi-let buildings etc. - have generated a flexible market resource which allows occupiers to grow, contract and move with relative ease. A period Georgian building on five floors in Bath will also remain an attractive proposition to some freeholders as an investment; because such stock is finite, and simply because it 'a freehold in Bath': it may have a range of potential uses.
- 6.24 Policy should allow for a shift in the floorspace stock from period properties to modern space, as new offices become available.

### *Tenure*

- 6.25 We view tenure as a secondary consideration to stock availability, as to some extent the tenures offered will follow market demand. Over the last few years we have seen a shift in emphasis towards freeholds, driven by factors such as low interest rates and SIPPS, particularly for building of up to 500 sq m. New stock should be capable of matching this demand, perhaps by providing effective freeholds on a floor-by-floor basis. For larger buildings in excess of 500 sq m market practice suggests that letting is likely to be preferred to outright purchase by occupiers.
- 6.26 If a mix of stock can be achieved within the context of overall supply growth and distinct office quarters, Bath should have a chance of moving away from its reliance on largely indigenous occupiers. It will be able to respond to external enquiries in a way that in the past has been difficult. New, larger, buildings should also have a cascade effect, whereby existing occupiers expand and consolidate into larger bespoke buildings, releasing existing offices in the city, not all of which are period buildings, back into the overall supply.
- 6.27 We expect that releasing supply constraints in this way will enhance confidence in the city as an office location, creating a virtuous circle. Of course, success cannot be guaranteed and inward investment will still be difficult to achieve, because of factors such as housing supply, workforce availability and motorway accessibility, but it should at least give the city an opportunity which it has not hitherto had.

## The out-of-Bath Office Markets

6.28 We have considered the District's 'out of Bath' office market as falling into two categories, namely Keynsham and the rest. The latter which includes MNR, typically consists of small units in scattered locations. Both of these markets take second place to Bath.

### *Keynsham*

6.29 Despite being administratively part of BANES, our perception is that the Keynsham office market is more closely linked to Bristol, and Bristol's role as a regional office location, than it is to Bath. Occupiers looking for offices will not generally include both Bath and Keynsham in the same area of search, since the two locations are not perceived as having a strong functional employment link.

6.30 Recent history of marketing significant volumes of surplus offices in the centre of Keynsham suggest that demand is fundamentally poor, irrespective of price. In part this is due to the negative perception of Keynsham and the indifferent built environment of the town centre. The town offers neither the character and ambience of Bath or the profile of Bristol, although due to the completed A4174 Avon Ring Road, it does have improved communication links with the Greater Bristol area and the national motorway network. Rents are up to £10 psf.

6.31 Outside the town centre, the key potential office site remains Somerdale, offering 'at least' 10 hectares for office development in a high-quality location. Unless the centre of Keynsham is significantly improved an office park, or office quarter within a mixed use development, at Somerdale, specified to an appropriate standard, will be preferred to the centre as an office location.

6.32 Unlike Bath, demand for offices in Keynsham would almost certainly not be indigenous. In our opinion, occupiers of new office accommodation there would tend to be sub-regional, i.e. from within 10 miles, and probably drawn from outside BANES. We see the rest of BANES as being a secondary source of occupiers for Keynsham. The potential for a high-quality business park environment at Somerdale means that it may be capable of attracting regional requirements. Rents, depending upon specification, could be expected to be up to £18 psf.

### *MNR and the Rest of BANES*

6.33 In the District's other urban area, MNR, and in some small rural villages, the office stock is small, typified by small suites serving generally local needs. Few occupiers occupy bespoke premises; most rely instead on conversions, office space above shops or upgraded B1(c) units. Tenure is a mix of leasehold and freehold. The specification of such premises is often fairly basic; occupiers are attracted by rents typically commanding £8 to £10 psf, significantly below Bath values. Specific local enquiries may generate intermittent beacons of demand at higher rents, but we do not see these as a reliable market indicator. We consider the demand/supply balance as bordering on equilibrium for this type of office accommodation. We do not see these offices being under pressure from alternative, non-B uses.

- 6.34 Peasedown St John has seen a significant change over the last few years, with planning consent granted for Bath Business Park, a mixed-use scheme on approximately 10 hectares. The development, undertaken by a Bristol-based development company is incorporating an 'office quarter' of speculatively built modern open plan office accommodation. The office accommodation has attracted enquiries from Bath, due to the lack of supply in the core central area of Bath, even though Bath Business Park is almost 7 miles south of Bath city centre. We understand that much of the interest has been shown by companies currently located in the city centre, who wish to expand in situ, but are left with no other option but search for premises further afield.
- 6.35 There has been little evidence in the last few years of office demand from Bath spilling into MNR, which reflects both the pull of Bath and the perceived low quality of MNR as an office location of District-wide significance. It is very unusual for occupiers searching for accommodation to consider MNR as an alternative for Bath. We consider that this is not primarily a supply issue and we do not expect substantial office development in MNR, even if more land were allocated. Without strong push factors such as financial incentives, the position will not change. The lack of market activity in MNR over the last few years supports this view. Improving the local environment, through initiatives such as Radstock Regeneration, improving connections with Bath, and thus stimulating confidence, should make the limited opportunities in the two town centres less unacceptable to the market.
- 6.36 We expect the majority of office growth in BANES outside of Bath, Keynsham or Peasedown St John to be concentrated in rural areas rather than in Norton Radstock. It is likely to be essentially small-scale, piecemeal and windfall in nature. There are examples within a few miles of Bath, where conversions and developments have provided rural offices, notably Church Farm Business Park at Corston, and The Old Stables at Dyrham (although the latter is just outside the BANES' boundary). Economic viability and planning issues suggest that further development will generally be on the basis of conversion of otherwise redundant buildings. The scope of growth is thus, in our opinion, likely to be limited by selective demand (the concept of the rural office is often overstated and is yet to translate into significant market activity), the low level of appropriate potential stock (buildings capable of conversion to B1(c) and B8 use are not generally economically appropriate for conversion to office use) and competition for residential alternative uses.
- 6.37 However, we do see some scope for relaxation in planning polices across the District to allow for the greatest possible flexibility where conversions are considered and, possibly, to allow for new build adjoining established sites. The wider availability of stock through the District sits comfortably with general sustainability issues.
- 6.38 For major occupiers, the scale of opportunities available in the rural areas is not realistically sufficient for them to be considered a true alternative to Bath.

- 6.39 The essentially local nature of the office market in MNR and the rural areas means that office developments across the District boundary, for example Cathedral Park proposed for Wells and Commerce Park at Frome, are unlikely to compete with BANES. Commerce Park as consented has only a small proportion of office accommodation and development at Cathedral Park is yet to start.

## The Bath Industrial Market

- 6.40 The reduction in the city's manufacturing base is well documented and has stemmed from a number of often inter-related factors:
- Firstly, Bath has poor prospects for attracting inward industrial investment given its relatively poor accessibility to the national motorway network, particularly in contrast to Bristol and Chippenham. It has historically not been perceived as a significant industrial location and has relied upon long established, 'legacy' employers. Therefore, to expect large-scale industrial development on centrally located employment sites would be unrealistic. However, there may be a role for smaller scale new build industrial development within Bath to which we return below
  - Secondly, a few large businesses have closed in recent years. For these occupiers, we would suggest that, whilst the potential for higher alternative land values may be one benefit of closure, there are other drivers, that include macro location and broader economic factors. The local authority may have to accept such losses as a fact of economic life
  - Thirdly, there is evidence in recent years that large businesses have wished to remain or relocate with Bath or BANES but due to the lack of supply have had to relocate to nearby Bristol. Indifferent road communications and labour supply, in a city where there is effectively full employment, may also have been issues
  - Fourthly, there has been pressure to redevelop industrial sites for residential or other alternative uses, coupled with a lack of 'new' allocations - itself a result of physical/environmental constraints in a World Heritage city - and the lower returns available on industrial investment, development and land value compared to that of other uses.
- 6.41 For larger employers, other BANES locations, notably MNR, are unlikely to be viable alternatives to locating in Bath. Indeed, the recent closures of larger indigenous industrial employers in MNR would tend to reinforce the view that this is not seen as a 'major' industrial location.
- 6.42 For smaller industrial employers, Bath is a more attractive location. The city has a strong base of smaller industrial premises (typically 46 - 465 sq m), often occupied by local business with an established Bath workforce, servicing the local residential and office sectors.
- 6.43 At present, given that the last speculative schemes in the central Bath area were The Maltings and Victoria Park Business Centre in the 1980s and the much more recent refurbishment of Locksbrook Court, occupiers make do with second hand



accommodation as opposed to new stock. For some, cost will be an issue. However, others may be prepared to pay high prices or rents, because they need to be close to their local customer base and other businesses. The closure of Riverside Business Park by BANES in 2006 led to strong demand from displaced occupiers seeking to remain in the centre of Bath and aggressive rental bidding for those replacement units that were available.

- 6.44 Further, at Peasdown St John, approximately 7 miles south of Bath city centre, local developers are well underway on a speculative mixed-use scheme that will incorporate up to 17 industrial units, available on a leasehold or freehold basis. This was a greenfield site, although it had been zoned for a long period of time for B1/B2/B8 employment uses. We understand that demand has been strong for a range of unit sizes, from 464 sq m up to 2,787 sq m.
- 6.45 We conclude that there is a shortage of supply within Bath of industrial units of 465 sq m and below, and speculative construction of new build industrial units convenient to the city centre would attract steady take-up. Over the last 20 years, the demand for such units has not translated in to development, because of a physical lack of sites; where sites might have been physically available, the pressure has been for higher-value alternative uses such as housing. There is currently no significant development anticipated in the core industrial areas. Unless policy interventions are developed, there is likely to be further loss of industrial sites in the city.
- 6.46 We consider that the policy response should be to continue to protect the established multi-occupier industrial locations through Policy ET.3: for example those clustered around Locksbrook Road and Brassmill Lane, to provide a ring fenced base of second-hand, functional and relatively inexpensive accommodation. Where possible, some intensification within these sites should be allowed, to maximise the use of the land available.
- 6.47 Secondly, there should continue to be general protection for the city's Small Employment Sites, as discussed in Chapter 7 below.
- 6.48 Thirdly, provision for new industrial developments should be made within Bath. In practice this will probably only be realistic where it can be levered out of new, higher-value development and in appropriate locations. The Bath Urban Extension, on which we comment in Chapter 7 below, should have a role in this; it represents an unusual opportunity for greenfield industrial allocation and offers the possibility of Section 106 or similar cross subsidy to enable market pressures for non industrial use to be tempered. It is acknowledged that industrial development in this area is likely to be 'good quality' B1(c), rather than, say, general industrial.
- 6.49 Fourthly, Keynsham may also have a role as an alternative and overspill location for Bath, quite apart from it being an established indigenous industrial location in its own right. It is also potentially capable of accommodating more general B1c / B2 uses. New industrial development should preferably be in the vicinity of established industrial areas in the town.

- 6.50 The policy approach we have recommended acknowledges and builds on the status quo. It should underpin and protect the existing industrial stock, provide space for relocations within the city and provide for new development in more than one location. This may offer occupiers choice. More importantly, allocating land in a variety of places spreads the risk of the allocations not being implemented.
- 6.51 We do not see the mixed-use allocation at SW Keynsham as being relevant to the Bath industrial market.

## The out-of-Bath Industrial Markets

### *Keynsham*

- 6.52 The major established location at Ashmead Lane/Pixash Lane, Keynsham has remained robust, providing a useful mix of unit sizes and qualities, underpinned by good market demand. For example, at Ashmead Park, a former distribution depot, a development of industrial units was built in response to such demand. Occupiers came from Bristol to the west and Bath to the east, attracted by good road communications with Greater Bristol, the South West and South Wales via the national motorway network and the A4174 Avon Ring Road.
- 6.53 Nonetheless, there is pressure in Keynsham to redevelop brownfield town sites for housing: a recent development on the A4 Bath Road, adjacent to Keynsham Rugby Club, is evidence of this.
- 6.54 Due to Keynsham's location, it attracts a wide mix of occupiers, with widely varying requirements. The area could accommodate further occupiers given a mix of small, medium and large industrial premises. It has potential to take some demand from Bath, and should also attract occupiers from east Bristol.
- 6.55 Vacant industrial units are rare, and when available they receive a high level of demand, evidenced by rental values in the region of £6 to £6.50 psf. The freehold industrial market has also seen a high level of demand in recent years, evidenced by the strong take-up at the former MOD Printworks at Pixash Lane from industrial developers. A paucity of sites has held back further development.
- 6.56 To meet potential medium-to-long-term demand our preference is for extensions to existing industrial estates, where there is critical mass and a track record of units coming forward on an incremental basis. Further development and intensification within existing industrial estates may also be possible.
- 6.57 We have identified Somerdale as the key opportunity site in Keynsham, but we consider that its ambience is such that it should not be developed for general industrial B2 uses, but only B1(c) to complement B1 office in a mixed use development.

### *MNR*

- 6.58 Industrial areas in Radstock and Midsomer Norton have experienced competition from Bath Business Park, which has been looking to secure occupiers from these towns as well as relocations from central Bath.

- 6.59 However, unlike central Bath, in recent history Radstock and Midsomer Norton have seen new industrial development particularly at Westfield Industrial Estate. We are of the opinion that demand in this area comes from local businesses and established local firms and we see this as a continuing pattern.
- 6.60 We do not expect significant inward investment demand, generated by companies new to the area, as such requirements are rare. Nor is it anticipated that demand will come to any significant extent from companies relocating out of Bath. As stated previously, demand for small to medium sized units in Bath is mainly fed by fairly local companies or companies with a historic location in the city. For them, MNR beyond Bath Business Park is generally unacceptable as an alternative location.
- 6.61 The industrial sector in MNR is thus essentially self reliant and has a history of fairly gradual growth around industrial estates in the town. These are locally well known and provide functional accommodation. Local developer-builders have had a key role in some of these. In seeking to grow MNR's industrial base we feel that further growth at established locations is likely to be the most reliable and deliverable means of achieving this, building on established track record, profile and infrastructure.
- 6.62 As an alternative source of new space, it is by no means clear that existing, older, single-employer industrial sites in MNR, typically located cheek by jowl with houses, will act as sites for future industrial development of first choice if they become available. In the event that they do become available, but for uses other than employment, they should at least be required to make an indirect contribution to employment land supply in the District through Section 106 or similar contributions. For example, these could contribute to provision of infrastructure at extensions to existing industrial estates.
- 6.63 However the scope for bolt-on development at existing sites in MNR is likely to become more difficult as those allocated sites are used up; and with the possibility of competition from estates south of the District, such as Commerce Park at Frome and Cathedral Park at Wells, consideration to further greenfield allocations - such as Old Mills, Paulton - should be given.
- 6.64 Adopting a similar approach to that suggested for Bath itself, we see this offering choice and spreading the risk in the event of individual sites not coming forward. However, to achieve development it may not be sufficient to allocate land. The Council should consider funding enabling and infrastructure works from 106 or similar contributions from non-employment developments. To ensure that allocated sites have a realistic prospect of delivering development, the Council should aim to provide serviced plots ready for development. Once the plots are sold, the Council might claw back the money previously spent on infrastructure.

### *Rest of BANES*

- 6.65 Finally, there is the contribution to supply that is, and could be made in the rest of BANES, essentially the rural areas. Piecemeal, often old, industrial sites are to be found in these parts of the District, where the VOA shows there has been a 6% increase in industrial floor space, from 97,000 sq m to 103,000 sq m. The AMR shows an increase of 4,873 sq m over the six years to 2006/7.
- 6.66 These rural units fulfil a useful role, often providing budget accommodation, which should carry an in principle presumption in favour of retention. Indeed, mirroring our observations on new rural offices, these sites could offer more floorspace both through conversion and limited new build if Rural Local Plan Policies were to be selectively relaxed: by allowing a percentage increase to existing estates over and above established floor area, for example.

### **Key Points**

- 6.67 Our property market analysis has identified areas where the supply of employment space falls short of actual and potential demand, so there are opportunities to encourage economic growth by increasing the planned supply of land. These opportunities are:
- Modern, high quality office space in central Bath, in core locations, with sufficient critical mass to form an office quarter. We consider that there is also a secondary market in less central locations
  - Space for small industrial businesses in and around Bath - which, however, will be difficult to provide. Within Bath this can probably only be 'levered-out' of new higher value developments. The proposed Bath Urban Extension also provides an opportunity
  - Industrial/warehouse space in Keynsham, which, because of its relative accessibility, has potential both as a relocation destination for Bath businesses and for businesses from a wider area
  - Smaller-scale industrial/warehouse space in MNR - which, may replace space lost in larger sites rather than net growth, and may require cross-subsidy from public funds or developers' contributions.
- 6.68 These market-based findings help inform the long-term analysis of demand and supply in the next chapter and the resulting policy recommendations.

## 7 EMPLOYMENT SITES

### Introduction

- 7.1 So far this study has examined short-term evidence. Now we look ahead over the 20-year plan period. In this section we examine the supply of land to accommodate 'B-class' employment uses over the next 20 years. We identify the supply for both office and industrial/warehousing uses. There are two sources for this: development sites which the Council has specifically identified under Policy GDS.1, and opportunity sites where change of use would release land for employment use. Offsetting this is land lost to one use when redeveloped for another one: this is a problem specific to Bath where office development will entail loss of industrial/warehouse space, which we have also identified. Both office and industrial sites are under pressure for redevelopment for residential uses, particularly in Bath.
- 7.2 In the context of these losses we have also examined existing employment areas protected by Policy ET.3 to judge which should continue be protected from change of use, and which considered for release to other uses.
- 7.3 This supply analysis (below) focuses on the B uses. It covers quantity, quality and availability (constraints). We will go on to identify the forecast demand, and compare demand and supply in Chapter 8.

### Qualitative Assessment Method

- 7.4 In the sections that follow, we provide quantitative and qualitative assessments of BANES's employment sites and areas. The qualitative assessment is made from a market perspective. It was produced by Cluttons, based on their professional expertise and market experience.
- 7.5 The lists of sites to be audited were provided by BANES. They fall into three categories:
- The 'GDS' sites, which are those identified as general development sites for uses including employment under Policy GDS.1 in the BANES Local Plan
  - Other development sites, which have been identified as having potential for development or redevelopment for employment uses
  - The ET.3 sites, which are existing employment sites where continued employment use is protected by Local Plan Policy ET.3.
- 7.6 The main purpose of the qualitative audit is to assess the market potential, or market potential, of sites. The key question for the assessment is:
- If the site is offered for employment uses, and assuming that the wider market is reasonably in balance, is the site likely to be brought into employment use within the planning period?*

- 7.7 With regard to *existing employment sites*, we are asking whether, in the event of the site falling vacant, it would be likely to be re-occupied for employment, either through re-occupation of existing buildings or redevelopment to provide new buildings. With regard to *development sites*, we are asking about the likelihood of the site being taken up for employment.
- 7.8 Where sites are projected to be lost completely to an employment use we have usually not scored them, on the basis that there will be no space to assess. An example is Bath Quays in the next table, which has not been assessed as an industrial site as all industrial space is projected to be lost. The one exception is Bath Western Riverside, where we considered that there was a strong case for retaining some industrial space.

### *Existing Sites*

- 7.9 For an existing, built-up employment site, market potential depends on two factors: firstly the inherent quality of the site (irrespective of any existing buildings) and secondly the fitness for purpose of any existing buildings. In relation to buildings, the assessment takes account both of characteristics, such as design and layout, and of current condition. In assessing the inherent qualities of sites, we take account of the following criteria:
- i) Accessibility
  - ii) The environment
  - iii) Market evidence.
- 7.10 The last criterion is different from the others. While the first two criteria relate to factors that influence market potential, the third criterion assesses market potential directly. Thus, a site which is well occupied, and where any units that become available re-let quickly, will rate highly.
- 7.11 We score all the criteria on a scale of 1-5 as follows:
- 5 Very good
  - 4 Good
  - 3 Average
  - 2 Poor
  - 1 Very poor.
- 7.12 The assessment scores sites for the three criteria above and concludes with a score for overall market potential. The latter is calibrated as follows:
- Sites rated good or very good (4-5), if offered to the market for employment uses, under any reasonable likely market conditions are likely to be taken up during the plan period
  - Sites rated average (3) may or may not be taken up, depending on market conditions at the time, the availability of competing sites and other circumstances
  - Poor and very poor sites (1-2) are generally unsuitable for employment use, and if offered to the market would be unlikely to be taken up.

- 7.13 For each existing employment area, we provide an initial recommendation on whether:
- The site *should be retained* in employment use;
  - The site, should it come forward for redevelopment, *may be considered for release* to other uses, depending on the overall supply-demand balance and on individual circumstances; or
  - The site, should it come forward for redevelopment, *should be released* for other uses, because in the appraisers opinion it has very little or no relevance to current and foreseeable market requirements.

### *Development Sites*

- 7.14 In assessing the market potential of development sites, we use the same criteria and five-point scoring system as described above, except that there is obviously no assessment of existing buildings; our conclusions are based solely on the inherent quality of sites.
- 7.15 As well as market potential, we take into account BANES's assessment of the availability of the development sites with regard to deliverability, to identify those which are subject to development constraints. There is a three point assessment for availability, depending on the level of constraint:
- Available now
  - Constraints are resolved (the necessary intervention is committed or the market will resolve)
  - Constrained, constraints not yet resolved.
- 7.16 Our qualitative assessment of development sites relates to the use proposed in current planning documents. Sites which are proposed for both office-type (B1) employment development **and** industrial-type (B2/B8) we have assessed for both types of use separately to make clear our assessment of its development for both uses.
- 7.17 We have compared our proposed assessment criteria with those suggested in the 2004 Government Guidance Note on Employment Land Reviews. Our method is consistent with the note.
- 7.18 Detailed assessments of existing and development sites are shown in Appendix 2.

### *Site Assessments*

- 7.19 Our summary assessments of the sites are set out below. They are grouped into the four sub-areas to facilitate the assessment of the supply/demand position of each one. For each area there are two tables: the first for development sites, the second for existing employment sites protected by Polict ET.3.
- 7.20 For development sites the table sets out the following information:
- Name of site or area
  - Estimated gross and net gains in square metres from development / redevelopment, based on BANES's assessment of the sites' capacities. The overall assessment of the site has been based on the gross gain since it is the site's potential to provide new, quality employment space

- Net gain so as to show the overall change in floorspace in the area if the site is developed after losses have been taken into account
  - The score for overall market potential, on the five point criteria set out in para 7.121 above
  - The site's availability rating, as described in 7.15 above
  - Our policy recommendation.
- 7.21 For existing sites we show the area, current main use(s), overall market potential score and recommendation.
- 7.22 All site capacities will be subject to further masterplanning & viability testing by the Local Authority as part of the policy development & planning process and this will need to be monitored to ensure that any implications for the scenarios and proposals set out in sections 8 and 9 of this report are addressed.

### Bath Sites

- 7.23 For Bath office sites only we have used the areas from the supply 'Best Case' (see Section 8 ) as the site assessments are the same for all scenarios.



## Bath Development Sites

**Table 7.1 Bath Development Sites - Summary Assessments**

	Office Summary Assessments				Industrial Summary Assessments			
	Gross	Net	Market potential	Availability	Gross	Net	Market potential	Availability
<b>Allocated Sites</b>								
Bath Western Riverside	41,000	34,300	4	Constrained	3,000	-21,200	4	Constrained
Lower Bristol Road West	30,000	30,000	2	Available		-18,000	4	Available
Sub-total	71,000	64,300			3,000	-39,200		
<b>Opportunity Sites</b>								
Manvers Street	20,000	19,500	5	Constrained		-1,400	N/A	
Avon Street Car and Coach Park	41,000	41,000	4	Constrained				
Kingsmead/GP House	11,000	5,100	5	Available				
Bath Quays	19,000	14,500	4	Constraints resolved		-9,360	N/A	
Bath Press			N/A			-15,000	N/A	
Pavilion, Brougham Hayes	2,600	2,600	4	Constraints resolved				
Sub-total	93,600	82,700				-25,760		
Totals	164,600	147,000			3,000	-64,960		
Good/Average Quality	134,600	117,000			3,000	-64,960		
Of which, available/constraints resolved	30,000	19,600						

Source: BANES, Cluttons, RTP

7.24 We have not included the MOD sites of Foxhill and Warminster Road in Table 7.1 above as any net change in floor space is likely to be small. If freed up by the MOD they will have potential to attract employment uses to replace MOD jobs lost.

7.25 Four points stand out from the Bath development sites assessment:

- The high level of constraints on the availability of good quality office development sites in the short term. In the section below we describe the workings of Policy ET.2, which seeks to defend existing office space against pressures for other uses
- The assessment of the Lower Bristol Road as an industrial site is much more favourable than its assessment for offices, although it is shown as having a net gain of the latter and a loss of the former
- The projected losses of 65,000 square metres of industrial space. We consider below the extent to which an allocation of employment land at the proposed Bath Urban Extension may help offset these losses. In the section on Keynsham we consider how Somerdale may also offset some of these losses
- The quantity of new industrial/warehouse space in Bath to offset the projected losses is negligible.

### *Protecting Existing Office Space: The Working of Policy ET.2*

- 7.26 There is strong market pressure to convert historic buildings in Bath, which provide much of the city's office stock, into housing. Policy ET.2 seeks to restrict such loss and to focus new offices in GDS.1 sites and the defined Core Area in mixed use schemes.
- 7.27 The Local Plan refers to Use Classes B1(a) (Offices not within A2) and B1(B) (Research and Development, Studios, Laboratories and High Technology) premises as being offices. In a practical sense 'office' is arguably broader and can include an interchange with uses such as D1 (Non-residential Institutions) and A2 (Financial and Professional Services) uses. These buildings form a common pool of broadly business stock, where some change between office and quasi-office uses can and does take place, such as the walk in Medical Centre at James Street West. To that extent we feel the present policy definition of offices is too tightly drawn. What should be protected is a pool of general 'business' space, rather than B1(a) and B1(B) space.
- 7.28 The Bath Core Office Employment Area (COEA) covers the traditional period office core around Queen Square and runs south to the River Avon. Thus it includes much of the more modern stock in the city, be it stand alone buildings such as at the south end of Pierrepont Street or modern accommodation above retail redevelopments e.g. Upper Borough Walls.
- 7.29 A smaller area, also defined as part of the COEA, has been allocated to the south of the River Avon on the Lower Bristol Road. This allocation recognises established offices uses, for example either 1970s new-build ('Beazer House') or 1980s conversion (Marples Wharf). Further west is Riverside Court, small offices developed in the 1980s. In between, the COEA could be considered as an 'aspirational' or 'preventive' allocation, designed to underpin and support the Bath Quays vision.
- 7.30 The COEA boundary inevitably, and substantially in places such as the former Southgate Centre, includes non-office uses; conversely fairly central office buildings can be found outside of the COEA: for example small suites in Widcombe Parade or offices in Walcot Street. Other office buildings outside of the COEA are more widely scattered in Bath and many are listed as Small Employment Sites (see para 7.42 onwards).
- 7.31 Since it was introduced, Policy ET.2 has become recognised in the market as a constraint on market-driven development for non-compliant uses. In our own experience it has resulted in buildings remaining in office or part-office use which would otherwise very likely have succumbed to market pressure for alternative, principally residential, use. To that extent and as a restrictive policy, it has been partially successful. Whilst uncomfortable with the degree of inflexibility it brings about, we feel that until new office stock is delivered through the Plan period then the same or a similar policy, ideally in a simplified format and robustly implemented, is likely to be required to prevent the loss of office stock.
- 7.32 However, the success of the policy has only been partial. In both the Bath COEA and 'greater' Bath (i.e. the area of BANES that is not Keynsham, MNR and the Rest of BANES but outside of the Bath COEA) there have demonstrably been office losses, as permitted by the policy caveats. Moreover, the stock that ET.2 has supported has not been the stock in most shortage in the market (see para 6.12) and to that extent its

effect has been principally defensive. It has done nothing to stimulate the construction of new office stock in the COEA for which we feel there is proven demand and which is what Bath needs in order to develop as an office location.

- 7.33 So, new office developments seem to be geographically scattered and, disappointingly - but perhaps not surprisingly given the nature of the city centre and paucity of sites - almost none (and none of any size) are located in the COEA. Of the gains the biggest (5,116 sq m or about 20% of the total) was at Rush Hill ( the former Clarks site, now being marketed as The Crescent). These offices were effectively secured on the back of a residential consent and although they initially proved unattractive in the market - possibly as an untested location with access to the M4 generally involving a journey across Bath - we feel that this site shows how offices can be levered out of mixed use scenarios.
- 7.34 By retaining older, period, stock ET.2 may have helped meet policy targets for growth in office floorspace, but only in a negative sense, by preventing loss of period office buildings rather than encouraging new, and without contributing substantially to Local Plan aspirations to grow the modern office stock base in Bath. This, in our opinion, is where the main thrust of future policy should now be focussed.

*Offsetting Loss of Industrial Floorspace: the Role of the Bath Urban Extension*

- 7.35 In the context of the losses of industrial floorspace shown in Table 7-1 above, the Bath Urban Extension has the ability to delivery the 'biggest hit' of 'industrial' stock by providing land both for businesses relocating from nearer the city centre and to meet RSS targets.
- 7.36 Locationally, the northern end of the area of search, close to the A4, would be preferable for the bulk of any allocation, providing access to Bristol and Keynsham, and on the more important side of the east/west business corridors out of Bath. Access to the M4 would remain less than ideal using transits of Bath via the Upper Bristol and London Roads or via Saltford, the Keynsham by-pass and the Avon ring road. This is a fact of life.
- 7.37 The needs of businesses working principally south of Bath (and this market is more limited) could be catered for if part of the urban extension also included an area around the A367 approach to Bath from Midsomer Norton.
- 7.38 The promotion of 'industrial' as part of a mixed use urban extension in what is currently Green Belt will be sensitive and planning and design will have to be of a high standard. As stated above, we consider that it will be more appropriate as a location of B1 (c) rather than 'general' B2. Even assuming the principle of 'industrial' allocation within the area of search can be accommodated we have some concern that pressures on employment land from alternative uses, currently evident in the existing built up area of Bath, will merely be transferred several miles to the west. Further, available land may not necessarily provide affordable replacement premises from companies presently in Bath (see section on Small Employment Sites below).
- 7.39 Together the issues suggest that securing delivery of affordable land will be essential if an allocation in the Urban Extension is to fulfil an overspill role. Delivery of this will

require both tight planning controls and linking/phasing of development. Overt financial cross-subsidy would be advantageous. The extent to which national accessibility could be improved is doubtful, although this would be highly desirable.

- 7.40 Properly structured, industrial provision should be achievable within the area of search but we do not feel that the Local Authority can afford to regard an allocation in what is still a speculative area of search as a single or indeed the main panacea for 'industrial' land supply. Instead, it should be seen as one of a number of options, all of which should be pursued (Keynsham Urban Extension, Protection of Existing Industrial Sites and further allocations in the MNR area).

### *Existing Bath Employment Sites*

**Table 7.2 Existing Bath Employment Sites - Summary Assessments**

<b>Bath Sites</b>	<b>Area (ha)</b>	<b>Use</b>	<b>Market Potential</b>	<b>Summary recommendation</b>
Brassmill Lane	6.4	Industrial/Offices	4	Continued protection as an employment site
Locksbrook Road	4.4	Industrial/Offices	4	Continued protection as an employment site
Wessex Water	2.7	Offices	3	Continued protection as an employment site
Wansdyke Business Centre	0.3	Industrial/Offices	2	Continue to protect as an employment site
Midford Road	1.1	Industrial/Offices	2	Continue to protect as a small employment site
MOD Endsleigh	9.8	Offices	4	Continued protection as an employment site
<b>Total Area</b>	<b>24.7</b>			

Source BANES, Cluttons, RTP

- 7.41 Because of the pressures on existing employment space in Bath, we recommend continuing protection on all existing employment sites, even where their market potential is not strong. An important element of this is the protection of small sites 'below the radar' of Policy ET.3. This is considered below.

### *Protecting Small Employment Sites in Bath*

- 7.42 In addition to its major industrial locations (which include ET.3 Policy Core Employment Areas at Brassmill Lane, Locksbrook Road and Wansdyke Business Centre), Bath has a range of smaller 'industrial' employment sites and buildings dotted around the city. In the main these were included in the 'Small Employment Sites (SES) in Bath 2002' list. Whilst some of the sites on the list have been lost, (e.g. the former Horstmann Site, Newbridge Road has been redeveloped with housing), the subsequent more extensive 2005 Bath Small Sites Study and the Small Business Survey 2005 provide useful information about a significant part of Bath's industrial base.

- 7.43 SESs are sites of less than 0.4 ha which at the time of the 2005 survey provided employment uses. Setting aside the office buildings in the SES (which we have commented on earlier), it should be noted that the SES contain many sites which are not in pure B use but include related sui generis uses such as the motor trade and, possibly, Class D uses. So, in practice, SES means more than Use Class B1(c), B2 and B8 defined broadly uses. Our comments apply to this broader range of uses.
- 7.44 The superficial impression produced by SESs is of scruffy, small-scale B1(c) and similar sui generis uses, located in former mews buildings tucked in among residential areas. If there is such a stereotype, it is not wholly correct. Whilst smaller scale business premises seem to predominate, the SESs are not a homogeneous group.
- 7.45 Those included in the 2002 survey ranged from former garages, e.g. 22-23 Crescent Lane behind The Circus, to multi-occupied blocks of modern B1(c) units, e.g.: Victoria Business Park, Upper Bristol Road; and to the railway arches on the Lower Bristol Road.
- 7.46 SESs are also scattered across the city. Some are in outlying residential suburbs such as Combe Down, Larkhall and Weston while others (probably the majority) are located alongside the main arterial Upper and Lower Bristol Roads and east-west railway line through Bath.
- 7.47 The findings of the 2005 survey suggested a high level of occupier attachment to their existing locations, due to proximity to customers, with just under two-thirds confident that they could continue to trade effectively from their present site. However, a significant minority (27%) of respondents saw their current sites as a barrier to expansion opportunities. 58% indicated that they could not realistically consider a move to premises outside Bath. Of those who had considered relocating, 82% could not find suitable alternative accommodation.
- 7.48 Since 2002, a core of industrial SESs has remained pretty much intact, despite some losses to alternative uses and continuing pressure for further losses. Some, e.g. Avon Tool Hire and Locksbrook Road, have been subsumed into an ET.3 Core Employment Area (Locksbrook Road) or incorporated in GDS allocations: e.g. Hollis on the Lower Bristol Road opposite Weston Island. In practice others, too, may come to be seen as informally linked with or 'washed over' by GDS/ET.3 allocations because of their proximity to much larger nearby sites with those allocations. We are aware of at least one (Newbridge Auto Centre, 236 Newbridge Road) which has expanded (into the former Post Office adjoining), but the nature of the smaller SESs (established, tight sites and proximity to adjoining development) make expansion unlikely and this is borne out by the survey comments above.

7.49 The inference from the 2005 Survey was that the SESs fulfilled a useful role, for which there was demand from established occupiers. It is our impression that market demand for these sites has remained strong and is likely to remain so. Moreover:

- No genuine alternatives, or very few, have come forward or are likely to come forward. The size of smaller units is such that the scale of accommodation might not easily be replicated on replacement schemes. Where SES have sui generis uses these may not readily be accommodated
- It is not just a question of physical like for like replication if occupiers try to relocate but a question also of price and, where relevant, the leasehold terms of the, often better quality, alternatives. For example, some of the present SESs afford small businesses a flexibility of occupation which is unlikely to be achievable on newly built replacement sites or in established better quality units, even if these were generally available
- We perceive the underlying demand for the services that the smaller SES provides remaining fairly constant, possibly with scope to grow if the population in Bath increases as currently envisaged
- Sustainability favours sites located close to their customer base: e.g. local motor vehicle servicing as against a main dealer outside Bath
- It is arguable that the planning shift of emphasis towards mixed use could make these pockets of B use in non-B, typically residential, areas less unacceptable where the scale of operation is unlikely to lead to bad neighbour issues
- Some of the SESs, such as railway arches, are pretty much incapable of realistic alternative use.

7.50 For these reasons, and from an economic/employment perspective, we are sympathetic to the retention of the SESs and feel there should be a presumption for the protection of such sites (whether identified in the 2002/05 surveys or not) which do not now fall to be considered under umbrella policies such as ET.3 and GDS allocations. Further, for the smaller SESs (threshold perhaps of 47 sq m) it is arguable that their loss should not be considered as part of the 'managed reduction' equation, because the replacement B1(c) space contemplated may not be able to fulfil the same local economic role: that is, if such an existing SES is lost it is unlikely to be replaced.

## Keynsham Sites

**Table 7.3 Keynsham Development Site Summary Assessments**

Keynsham Sites	Office Summary Assessment				Industrial Summary Assessment			
	Gross	Net	Market Potential	Availability	Gross	Net	Market Potential	Availability
<b>Allocated Sites</b>								
Cadbury Somerdale	32,000	32,000	4	Constraints resolved	29,000	29,000	4	Constraints Resolved
South West Keynsham	7,000	7,000	2	Available	4,000	4,000	2	Available
Broadmead Lane			N/A		4,500	4,500	3	Constrained
<b>Opportunity Sites</b>								
The Centre/Town Hall	13,000	7,500	3	Constraints resolved				
Riverside/Temple Street	-2,300	-2,300	N/A					
<b>Totals</b>	<b>49,700</b>	<b>44,200</b>			<b>37,500</b>	<b>37,500</b>		
Good/Average Quality	32,000	32,000			3,000			
Of which, available/constraints resolved	32,000	32,000						

Source BANES, Cluttons, RTP

- 7.51 The key development site in Keynsham, for both office and industrial, is Somerdale<sup>15</sup>. Because of its size it is of wider significance than for Keynsham alone. We are unaware of any other development within the Keynsham area that will add to its current industrial stock. Because of its location, we do not consider that the South West Keynsham site has much potential as an employment site principally because of its location (the wrong side of the town, remote from the A4 and uncertainty over the Avon Ring Road extension). In the light of this de-allocation should be considered, particularly if alternative sites, better located for the Bath/ Keynsham access, can be identified.
- 7.52 As mentioned in Chapter 4, we regard Somerdale as a potential employment site in whole or in part. However, the likely ambience is such that we see those employment uses as primarily office or quasi-office: not going beyond B1(c). As a site for 'standard', B2, industrial accommodation (e.g. mirroring that at Ashmead - see the table below) it is more difficult to see Somerdale having a real role. In these circumstances it is also difficult to see it having a large role in offsetting losses of industrial employment space in Bath by providing space for Bath businesses to move to.

<sup>15</sup> Although technically there is a loss of industrial floorspace at Somerdale with its closure, because of the low current employment density and the opportunity the building offers to generate new employment space, we have shown only a gain from its being brought back into use.

7.53 We believe that office development at Somerdale is likely to be for occupation of floor plates of not less than 232 sq m, preferably capable of being combined to provide large units. Given Keynsham's small indigenous population, and Somerdale's proximity to the Bath-Bristol access and reasonable motorway connections (better than those offered in Bath), employers locating at Somerdale are likely to rely on commuters for much of their staff, and notwithstanding its position on the Bristol-Bath rail/bus links, good on site car parking is likely to be essential.

**Table 7.4 Existing Keynsham Employment Sites - Summary Assessments**

Site	Area (ha)	Use	Market Potential	Recommendation
Keynsham Paper Mill / Ashmead /Pixash	23.8	Industrial	4	Continued protection as an employment site

Source BANES, Cluttons, RTP

7.54 We go on to consider the possibility of extending this complex of sites to meet demand, including that from businesses needing to move out of Bath, in Chapter 8 below.

## MNR Sites

**Table 7.5 MNR Development Site Summary Assessments**

MNR Sites	Office Summary Assessment				Industrial Summary Assessment			
	Gross	Net	Market Potential	Availability	Gross	Net	Market Potential	Availability
<b>Allocated Sites</b>								
St Peters Factory					5,000	5,000	3	Available
Westfield Ind Park					7,200	7,200	4	Available
MSN Enterprise Park					3,000	3,000	3	Available
Old Mills, Paulton	12,000	12,000	2	Constraints resolved	38,000	38,000	4	Constraints Resolved
Radstock Railway Land	370	370	3	Available				
Welton Bag Factory	1,000	1,000	3	Available	1,000	1,000	3	Constraints resolved
Polestar, Paulton	2,400	2,400	4	Available	3,150	-29,850	4	Constraints resolved
Bath Business Park, Peasdown (remainder)					4,500	4,500	5	Available
Welton Hollow					2,800	2,800	3	Constrained
<b>Opportunity Sites</b>								
MSN High Street	7,500	6,000	3	Constrained				
Alcan/Mardon Flexible						-23,000	N/A	
<b>Totals</b>	<b>23,270</b>	<b>21,770</b>			<b>64,650</b>	<b>8,650</b>		
<b>Good/Average Quality</b>	<b>3,770</b>	<b>3,770</b>			<b>61,850</b>	<b>5,850</b>		
Of which, available/constraints resolved	3,770	3,770			61,850	5,850		

Source BANES, Cluttons, RTP

7.55 There is a lack of good quality office sites in MNR, although given our view of the office market in the area we do not see this as a problem. The small net supply of new industrial employment space is of more concern, given that the amount of spare capacity on the existing sites listed below is limited.



**Table 7.6 Existing MNR Employment Sites - Summary Assessments**

Site	Area (ha)	Use	Market potential	Recommendation
Westfield Industrial Estate	25.8	Industrial	4	Continued protection as an employment site
Mill Road, Radstock	7.2	Industrial	2	Continued protection as an employment site
MSN Enterprise Park	12.0	Industrial	4	Continued protection as an employment site
Haydon Industrial Estate	2.7	Industrial	3	Continued protection as an employment site
Norton Hill	7.7	Industrial	4	There would be demand for small units if these could be created through developer contributions as part of a mixed-use redevelopment
Old Mills, Paulton	6.0	Industrial	3	Continued protection as an employment site
Bath Business Park	11.0	Industrial/ Office	5	Continued protection as an employment site
<b>Total</b>	<b>72.4</b>			

Source BANES, Cluttons, RTP

7.56 The extent of predicted losses of industrial land (see Table 7.5 above) underlies our recommendations to protect these sites, and to expand them where possible. Even where sites are of below average quality, if they continue to attract occupiers, and where there is no strong demand for alternative uses, they should continue to receive protection. Consideration should be given to use of developer contributions on sites with large redundant factories to create smaller, more marketable units as part of mixed use development.

## Rest of BANES Sites

7.57 There are no development sites in the Rest of BANES. Existing employment sites are shown in the table below.

**Table 7.7 Existing Rest of BANES Employment Sites - Summary Assessments**

Site	Area (ha)	Use	Market Potential	Recommendation
Hallatrow Business Park	3.2	Industrial	4	Continued protection as an employment site
Farrington Fields	4	Industrial	4	Continued protection as an employment site
CloudHill/ Temple Works	N/K	Industrial	2	Continued protection as an employment site
<b>Total Area</b>	<b>7.2</b>			

Source BANES, Cluttons, RTP

## Key Points

- 7.58 In Bath most potential office sites are of good or average quality and provide scope for a major upgrade in the quantity and quality of office accommodation, which our earlier analysis shows the market will welcome. The one major exception is Lower Bristol Road, whose continued potential as an industrial/warehousing site we discuss in Chapter 8. There is a major problem of availability of office sites, principally arising from the difficulty of relocating existing uses, and intervention will be needed to deliver them. Given the losses of industrial/warehouse space which have taken place and which are in the pipeline, the remaining sites should continue to be strongly defended.
- 7.59 Somerdale is a strategic employment site whose significance goes beyond Keynsham. The existing employment sites in Keynsham should be defended - we discuss the potential for extending them in chapter 8. Because of its location, we do not consider that the SW Keynsham site will be attractive for employment uses.
- 7.60 Given the losses of industrial/warehousing space which have taken place, and which are in the pipeline in MNR and the Rest of BANES, existing employment sites should be defended, and expanded where possible. Where sites are so embedded in housing areas that it is not possible to maintain them in employment use, Section 106 should be used to provide or facilitate new employment space either on the site or on another one - this should apply across BANES as a whole.
- 7.61 Having identified and assessed existing and potential employment sites, we now go on to identify the level of demand for space arising from the growth scenarios and then compare demand and supply to identify scenarios by which it can be met.

## 8 MARKET BALANCE AND STRATEGY OPTIONS, 2006-26

- 8.1 In this chapter, we first forecast the *future requirement (demand)* for industrial, warehouse and office space, based on the employment growth targets in the emerging RSS. We then compare demand with *planned supply* - comprising the land currently identified by the planning system for the changing space requirements of industrial, warehousing and office occupiers. As well as the quantity of land, this comparison covers qualitative factors, based on the market analysis and site assessments in earlier chapters. Finally, we set out and discuss spatial strategies for the Council.
- 8.2 Below, we show demand figures first for the 2.8% GVA scenario, with the figures for the 3.2% growth scenario in brackets.

### The Demand for Employment Space

#### Overview

- 8.3 Employment change is the main driver of the demand for employment land. Therefore to forecast demand for employment land, we start from the RSS employment forecasts discussed at Chapter 5 above. We translate this future employment change into floorspace and land, using assumed employment densities (built floorspace per head) to arrive at forecast market demand for space. To translate these employment forecasts into demand for space we use the standard employment densities based on a 1997 study by Roger Tym & Partners for SERPLAN<sup>16</sup>:
- Offices: 18 sq m per worker;
  - Industrial/ Warehousing: 35 sq m per worker;
- 8.4 These densities are based on a large and statistically rigorous study and are quoted in good practice guidance by Arup for English Partnerships and the ODPM Guidance Note on Employment Land Reviews. A recent study by DTZ PIEDA for SEERA<sup>17</sup> suggests that they are still valid.
- 8.5 Table 8.1 and Table 8.2 below shows forecast floorspace change by land use required to match the total employment changes set out in the tables in Chapter 5. The growth of 7,754 in office jobs generates a requirement for 138,800 sq m of net new office space across BANES, while the negligible change in industrial employment generates a requirement for a mere 650 sq m of net new industrial space.
- 8.6 To translate floorspace into land we use plot ratios of 80% (8,000 sq m per hectare) for offices (on the basis that they will be at least two storeys high) and 40% for industry and warehousing. This is only a broad approximation, especially for offices. Multi-storey offices in town and city centres can potentially achieve even higher plot ratios.

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<sup>16</sup> Roger Tym & Partners for SERPLAN, The Use of Business Space: Employment Densities and Working Practices in South East England, 1997.

<sup>17</sup> The DTZ PIEDA (2004) study for SEERA found similar densities in Berkshire (18.9 sq m net for B1 and an average of 31.2 sq m for B2 and B8).

Because of this approximation the analysis of supply-demand balance is based on floor-space rather than land area and we recommend that the Council use floorspace as it's main measure in ongoing monitoring and policy review.

**Table 8.1 Forecast Demand for Land and Floorspace in BANES, 2006 - 2026 (2.8% GVA growth per year)**

<b>Net Floorspace Change</b>	<b>Bath</b>	<b>Keynsham</b>	<b>MNR</b>	<b>Rest of BANES</b>	<b>Total</b>
Office	105,053	7,183	11,143	16,196	139,576
Industry & Warehouse	13,039	-5,764	-7,119	579	734
<b>Total B Space</b>	<b>118,092</b>	<b>1,419</b>	<b>4,024</b>	<b>16,775</b>	<b>140,310</b>
<b>Net Change in land area hectares</b>					
Office	13	1	1	2	17
Industry & Warehousing	3	-1	-2	0	0
<b>Total B Space</b>	<b>16</b>	<b>-1</b>	<b>0</b>	<b>2</b>	<b>18</b>

Source RTP

**Table 8.2 Forecast Demand for Land and Floorspace in BANES, 2006 - 2026 (3.2% GVA growth per year)**

<b>Net Floorspace Change</b>	<b>Bath</b>	<b>Keynsham</b>	<b>MNR</b>	<b>Rest of BANES</b>	<b>Total</b>
Office	115,859	8,022	11,942	17,158	152,981
Industry & Warehouse	16,801	-5,054	-5,530	2,591	8,808
<b>Total B Space</b>	<b>132,660</b>	<b>2,968</b>	<b>6,412</b>	<b>19,749</b>	<b>161,789</b>
<b>Net Change in land area hectares</b>					
Office	14	1	1	2	19
Industry & Warehousing	4	-1	-1	1	2
<b>Total B Space</b>	<b>19</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>21</b>

- 8.7 In the demand-supply comparisons below, we have used the Council's own estimates of the capacities of the development sites ( which will be subject to further testing & review - see para 7.337 ) which reflect these factors.

## Bath

### *Bath Offices*

#### *Demand and Supply*

- 8.8 The forecast demand in Bath is for a net additional 105,100<sup>18</sup> (115,900) of office space, to accommodate 5,800 (6,400) net new jobs. Against this, in the 'best-case' scenario in which all the land supply currently identified and proposed comes forward in the plan period and is developed for offices, total floorspace supply is 170,150 sq m, giving a notional oversupply of 65,100 (54,250) sq m.

<sup>18</sup> Figures in the text are rounded.

**Table 8.3 Bath Office Space Supply-Demand Balance, Best Case**

	Gross Gains	Gross Losses	Net Change GVA 2.8%	Net Change GVA 3.2%
Forecast Demand 2006-2026			105,053	115,859
<b>Outstanding Permissions</b>	<b>16,859</b>		<b>16,859</b>	
Bath Western Riverside East	41,000	-2,000	39,000	
Bath Western Riverside Upper Bristol Road		-1,700	-1,700	
Bath Western Riverside West		-3,000	-3,000	
Lower Bristol Road	30,000		30,000	
<b>Allocations</b>	<b>71,000</b>	<b>-6,700</b>	<b>64,300</b>	
Manvers Street	20,000	-500	19,500	
Avon Street	41,000		41,000	
Bath Quays	12,500	-4,500	8,000	
Renault/ Travis Perkins	6,500		6,500	
Kinsmead	7,800	-5,900	1,900	
Green Park House	3,200		3,200	
Pavilion Brougham Hayes	2,600		2,600	
<b>Potential Sites</b>	<b>93,600</b>	<b>-10,900</b>	<b>82,700</b>	
<b>Surplus Vacant Stock</b>	<b>6,291</b>		<b>6,291</b>	
<b>Total Supply</b>	<b>187,750</b>	<b>-17,600</b>	<b>170,150</b>	
<b>Over (Under) Supply</b>			<b>65,096</b>	<b>54,291</b>

8.9 This best-case analysis, however, is misleading in many ways. To begin with, not all the land identified for employment is of good quality. In particular, Lower Bristol Road, with an estimated office development capacity of 30,000 sq m, is rated as poor quality (see Chapter 7), which means that in our opinion it is unlikely to be attractive for office development (we do consider that it has potential as an industrial employment site). In addition over the plan period the Council will need to take into account :

- The loss of office space: The annual Monitoring Report produced by the Planning Authority indicates that over the last 6 years losses have averaged 2000sqm per annum and moving forward the Council will want to manage the replacement of the City's poor quality office block.
- An allowance for an element of choice. Several of the sites identified for office development form part of wider mixed use developments and have development constraints: The Council will need to monitor progress with the delivery of new employment space and flexibility and choice will be essential elements of a strategic approach
- The need to accommodate a range of "non - B" uses covering retail, leisure, tourism and culture.

*Office Growth Scenarios*

- 8.10 Our analysis of the property market, market research and surveys all confirm the need to create an office quarter or quarters in Bath to meet the demand for office space arising from the growth targets. Market research also confirms the need for space for competing uses, especially retail - where there may be a requirement for 15,000 sq m over the plan period- but also leisure and cultural. We have used the element of choice over the extent to which office sites also provide for these competing uses to generate two options, A and B.
- 8.11 Option A is office-centred and makes use of the city centre office sites entirely for office uses to create a tightly-knit office quarter. It does not include any office space on BWR.
- 8.12 Option B introduces two elements of choice:
- By reducing the office content of two key sites (Manvers Street and Avon Street) by 16,000 sq m in total it frees up space for mixed uses on those sites to create a quarter that includes bars, restaurants and retail as well as offices.
  - By including 41,000 sq m of office space on BWR (East) it provides for an additional element of choice in Bath's office offer for those preferring better access and competitive rents on an edge of city centre location.

8.13 Table 8.4 and Table 8.5 below show the two options.

**Table 8.4 Bath Office Space Supply-Demand Balance, Option A - Office Centred**

	Gross Gains	Gross Losses	Net Change 2.8% GVA	Net Change 3.2% GVA
Forecast Demand 2006-2026			105,053	115,859
<b>Outstanding Permissions</b>	<b>16,859</b>		<b>16,859</b>	
Bath Western Riverside East		-2,000	-2,000	
Bath Western Riverside Upper Bristol Road		-1,700	-1,700	
Bath Western Riverside West Lower Bristol Road		-3,000	-3,000	
<b>Allocations</b>		<b>-6,700</b>	<b>-6,700</b>	
Manvers Street	20,000	-500	19,500	
Avon Street	41,000		41,000	
Bath Quays	12,500	-4,500	8,000	
Renault/ Travis Perkins	6,500		6,500	
Kinsmead	7,800	-5,900	1,900	
Green Park House	3,200		3,200	
Pavilion Brougham Hayes	2,600		2,600	
<b>Potential Sites</b>	<b>93,600</b>	<b>-10,900</b>	<b>82,700</b>	
<b>Surplus Vacant Stock</b>	<b>6,291</b>		<b>6,291</b>	
<b>Total Supply</b>	<b>116,750</b>	<b>-17,600</b>	<b>99,150</b>	
<b>Over (Under) Supply</b>			<b>-5,904</b>	<b>-16,709</b>

**Table 8.5 Bath Office Space Supply-Demand Balance, Option B - Mixed Uses**

	Gross Gains	Gross Losses	Net Change 2.8% GVA	Net Change 3.2% GVA
Forecast Demand 2006-2026			105,053	115,859
<b>Outstanding Permissions</b>	<b>16,859</b>		<b>16,859</b>	
Bath Western Riverside East	41,000	-2,000	39,000	
Bath Western Riverside Upper Bristol Road		-1,700	-1,700	
Bath Western Riverside West Lower Bristol Road		-3,000	-3,000	
<b>Allocations</b>	<b>41,000</b>	<b>-6,700</b>	<b>34,300</b>	
Manvers Street	15,000	-500	14,500	
Avon Street	30,000		30,000	
Bath Quays	12,500	-4,500	8,000	
Renault/ Travis Perkins	6,500		6,500	
Kinsmead	7,800	-5,900	1,900	
Green Park House	3,200		3,200	
Pavilion Brougham Hayes	2,600		2,600	
<b>Potential Sites</b>	<b>77,600</b>	<b>-10,900</b>	<b>66,700</b>	
<b>Surplus Vacant Stock</b>	<b>6,291</b>		<b>6,291</b>	
<b>Total Supply</b>	<b>141,750</b>	<b>-17,600</b>	<b>124,150</b>	
<b>Over (Under) Supply</b>			<b>19,096</b>	<b>8,291</b>

- 8.14 Option A shows a marginal **undersupply** of space of 6,000 sq m on the 2.8% growth scenario, which over a twenty year period is close to balance. On the 3.2% scenario, the undersupply is 17,000 sq m - not large over the plan period, but suggesting that the 3.2% scenario would require some development on BWR during the plan period if additional sites could not be identified.
- 8.15 However, Option A has major drawbacks. Firstly, it uses each site to its maximum capacity for office development, leaving no room for other land uses such as leisure, culture and retail. This may not provide the vibrant urban environment that would make the most of Bath's special character. Secondly, because it provides just enough new space to meet the forecast net requirement, Option A makes no room for modern development to replace any of Bath's poor-quality office stock. As we have seen, much of this stock consists of converted Georgian houses, which for many occupiers are not fit for purpose, and detract from Bath's attractions as an office centre. Thirdly, it provides no flexibility or choice for potential occupiers as demand and supply are so close.



- 8.16 Option B shows an oversupply of space of 19,000 sq m on the 2.8% scenario and of 8,250 sq m on the 3.2% scenario. As with option A the “oversupply” at 3.2% is close to balance over the plan period leaving little or no scope for accommodating future losses of office space or providing any element of choice. At 2.8% the flexibility provided by the “oversupply” is more significant, providing some scope to replace low quality office space in the city, but still not large over the plan period limiting the Councils ability to adapt to ongoing changes in development priorities.
- 8.17 Summing up, under the 2.8% scenario, Option A provides almost enough office space to meet Bath’s needs but does not address the need to accommodate competing uses or allow for future losses of office space, choice and flexibility. Option B has the benefit of creating a more lively office quarter with an element of mixed use whilst providing a degree of “over supply” that could assist in facilitating improvements to the quality of the City’s office stock. However the notional oversupply in option B is marginal over a 20 year period, especially at a growth rate of 3.2%, given the pressure to provide for competing uses, particularly retail, that have been identified in Chapter 4.

#### *Implementation*

- 8.18 With both options a major problem is that nearly all the city centre and edge of centre sites preferred by occupiers and proposed for offices are affected by unresolved development constraints. Of the good-quality sites, only Bath Quays and Kingsmead/Green Park House are available for development (in the sense that either there are no development constraints or constraints are being resolved). This available supply - 12,400 sq m in total - of course falls far short of the forecast requirement to 2026. For the short term, however, it will provide valuable development opportunities, which should be brought forward as soon as possible. In terms of net floorspace gains Kingsmead makes a limited contribution, but it still has an important role to play, because the redevelopment of the existing office space there will provide much-needed modern stock, and the rate at which it is taken up will be an indication of market demand in Bath to encourage further development.
- 8.19 To create a programme to supply office space through the plan period the current uses at Manvers Street and Avon Street need to be relocated, followed by the most problematic site: BWR (East), where existing occupiers, particularly Homebase, could restrict the ability to deliver sufficient office space along with other commercial uses.
- 8.20 Planning to make all these sites available needs to be undertaken now if there is to be a stream of space coming to the market over the plan period. Without a pro-active approach by the Council and its partners we cannot see these sites coming forward in the short and medium term. In the case of BWR (East) the involvement of SWERDA may be required.
- 8.21 Progress with implementation and delivery will require ongoing monitoring. The losses identified in table 8.4 and 8.5 above average less than 1000sqm per year against the Planning Annual Monitoring Report which shows double this annual rate of loss over the last 6 years. The local authority will need to monitor losses closely as well as progress on bringing proposed office sites forward. If a shortfall against targets is identified action will need to be taken to identify additional sites and/or development

capacity. Over the period to 2026 two possible sources of additional land for offices may be the MOD's sites and the Bath Urban Extension. These sites could have the potential to replace losses from the city's office stock but should not be regarded, in the first instance, as providing alternative locations to the city centre and edge of centre sites preferred by occupiers.

8.22 Developer contributions will need to be sought on losses to help fund replacement.

### *Bath Industrials*

8.23 For industrial and warehouse space, the RSS forecast shows demand for of 13,000 (16,800) sq m of net additional space. This is an insignificant change. In effect, the forecast says that, to meet demand, the city's floorspace stock would have to remain unchanged in the next 20 years. The rapid loss of space that has occurred in recent years would have to stop.

8.24 In contrast, on the supply side planning commitments and proposals are for continuing large losses of industrial space. Outstanding allocations for redevelopment of industrial sites, including Bath Western Riverside and the Lower Bristol Road, imply the loss of 42,000 sq m. A further 26,000 sq m would be lost at potential development sites, including Bath Press and Bath Quays. In the 'best case' in which all these commitments and proposals are implemented, but there are no windfall losses elsewhere supply falls short of demand by 85,000 (89,000) sq m. Industry and warehousing are pushed out and priced out of Bath on a considerable scale.

**Table 8.6 Bath Industrial Space Supply-Demand Balance**

	Gross Gains	Gross Losses	Net Change 2.8% GVA	Net Change 3.2% GVA
Forecast Demand 2006-2026			13,039	16,801
<b>Outstanding Permissions</b>	<b>557</b>		<b>557</b>	
Bath Western Riverside	3,000	-24,200	-21,200	
Land at Lower Bristol Road		-18,000	-18,000	
<b>Allocations</b>	<b>3,000</b>	<b>-42,200</b>	<b>-39,200</b>	
Manvers Street		-1,400	-1,400	
Bath Quays		-9,360	-9,360	
Bath Press		-15,000	-15,000	
<b>Potential Sites</b>		<b>-25,760</b>	<b>-25,760</b>	
<b>Surplus Vacant Stock</b>		<b>-7,996</b>	<b>-7,996</b>	
<b>Total Supply</b>	<b>3,557</b>	<b>-75,956</b>	<b>-72,399</b>	
<b>Over (Under) Supply</b>			<b>-85,437</b>	<b>-89,200</b>

8.25 In small part, this deficit is reduced if, as already advised, the Lower Bristol Road site is largely retained for industry rather than redeveloped for offices. As we have indicated, this is not considered to be an attractive location for offices and it could make a more valuable contribution to the local economy if it is retained in industrial use, and hopefully improved/redeveloped to provide modern units. If this option is pursued the

undersupply is reduced by 18,000 sq m, to 67,000 (71,000) sq m - still a large shortfall against forecast demand. A shortfall on this scale will require 17 (18) hectares of new industrial land to be identified, at a standard plot ratio of 40% - this is on the assumption that there are no windfall losses in future, despite the commercial pressures to release industrial land for housing.

- 8.26 The AMR shows losses over the past six years running at about 2,600 sq m per year. The losses in the table above, less 18,000 sq m retained at LBR total about 58,000 sq metres, an average annual loss over 20 years, of about 2,900 sq m per year. It is clear from this analysis that, if demand is to be met, the Council should rigorously protect all those existing industrial sites which are still suitable and viable for this use. Of the sites we have assessed, nearly all still meet this criterion. But it is likely that many further sites, which are not specifically named in Policy ET3 and are not covered by our assessment, do not meet it. Even if the safeguarding policy is applied successfully, therefore, we expect that there will be windfall losses. The local authority will need to carefully monitor these, so that estimated land requirements can be adjusted to provide for replacement of these losses. Again, developer contributions will need to be sought on losses to help fund replacement.
- 8.27 We would propose that the remaining shortfall of industrial land be met from the following sources:
- Pursuing any opportunities that may arise for intensification at the remaining major industrial sites, Locksbrook and Brassmill;
  - Providing land for industrial development at the proposed Bath Urban extension, so far as possible to be located close to the A4 in order to provide the best possible sites. An alternative, or additional, location, depending on the siting and configuration of the extension, is on the A367 approach to Bath from MNR
  - Provision of additional industrial land at Keynsham to which more footloose Bath industrial businesses could relocate
  - On a more modest scale, an extension to Bath Business Park at Peasedown St John.
- 8.28 This list is not sequential: we consider that all these options must be pursued.

## Keynsham

### *Offices*

- 8.29 The supply-demand balance for office space in Keynsham is set out in the table below. In what follows we have not taken the employment land implications of the SE Bristol Urban Extension into account as in employment terms it will be part of Bristol. We discuss this urban extension further in the next chapter.

**Table 8.7 Keynsham Office Supply-Demand Balance**

	<b>Gross Gains</b>	<b>Gross Losses</b>	<b>Net Change 2.8% GVA</b>	<b>Net Change 3.2% GVA</b>
Forecast Demand 2006-2026			7,183	8,022
<b>Outstanding Permissions</b>	<b>1,798</b>		<b>1,798</b>	
Cadbury Somerdale	32,000		32,000	
SW Keynsham	7,000		7,000	
<b>Allocations</b>	<b>39,000</b>		<b>39,000</b>	
Central Town Hall	13,000	-5,500	7,500	
Riverside Temple Street		-2,300	-2,300	
<b>Potential Sites</b>	<b>13,000</b>	<b>-7,800</b>	<b>5,200</b>	
<b>Surplus Vacant Stock</b>	<b>21</b>		<b>21</b>	
<b>Total Supply</b>	<b>53,819</b>	<b>-7,800</b>	<b>46,019</b>	
<b>Over (Under) Supply</b>			<b>38,836</b>	<b>37,997</b>

Source RTP

- 8.30 Table 8.7 shows very little forecast demand for office space in Keynsham, at 7,200 (8,000) sq m and a considerable potential oversupply: a combination largely of 32,000 sq m at Somerdale and 13,000 at the Town Hall. Because we do not consider that the South West Keynsham site is attractive for employment purposes we consider that the oversupply is 7,000 sq m less than that shown in the table above, and is therefore: 32,000 (31,000) sq m.
- 8.31 We do not consider that this oversupply accurately reflects the position in Keynsham over the next 20 years. The area is one of great change and market potential to provide employment for an expanded town and a wider area. The RSS “proposed changes” include an additional 3,000 dwellings at Keynsham. If its role as a centre were to grow, some of the non-B jobs forecast for the ‘Rest of BANES’ may actually be located in Keynsham.
- 8.32 Keynsham already has better road connectivity than most of the rest of BANES because of its access to the Bristol Ring Road, and if that road is extended further to the west the connectivity will improve. There is a potential to improve the rail service to Bath and Bristol.
- 8.33 The key office site is Somerdale. We consider that any proposals for office development in the town centre should follow on from Somerdale, as they would not be competitive with it. The only exception might be if the Council itself were to take office space at the Town Hall. We also do not consider that the SW Keynsham site would be in demand for offices because of its location. Demand for offices at Somerdale would be largely from elsewhere in BANES and from outside BANES’s boundary, and would also be likely to attract employees from a wider area.

- 8.34 Development of offices at Keynsham would provide sustainable quality jobs for the new residents and would aid regeneration of the town centre.
- 8.35 We therefore recommend that Somerdale should be allocated to mixed-use development including offices. We consider that office development in the town centre should be pursued after Somerdale, when the former site has established Keynsham as an office location.

### *Industrial*

- 8.36 The supply-demand balance for industrial and warehousing at Keynsham is as follows.

**Table 8.8 Keynsham Industrial Supply-Demand Balance**

	Gross Gains	Gross Losses	Net Change 2.8% GVA	Net Change 3.2% GVA
Forecast Demand 2006-2026			-5,764	-5,054
<b>Outstanding Permissions</b>	<b>240</b>		<b>240</b>	
Cadbury Somerdale <sup>19</sup>	29,000		29,000	
SW Keynsham	4,000		4,000	
Broadmead Lane	4,500		4,500	
<b>Allocations</b>	<b>37,500</b>		<b>37,500</b>	
<b>Potential Sites</b>				
<b>Surplus Vacant Stock</b>		<b>-8,083</b>	<b>-8,083</b>	
<b>Total Supply</b>	<b>37,740</b>	<b>-8,083</b>	<b>29,657</b>	
<b>Over (Under) Supply</b>			<b>35,421</b>	<b>34,711</b>

Source RTP

- 8.37 Again, there is an apparent large potential oversupply of industrial space, and as with the apparent office oversupply, we consider that this is misleading. The table above shows a decline in demand for industrial space of 5,800 (5,100) sq m, giving an oversupply of 35,400 (34,800) sq m. Because we do not consider that the South West Keynsham site is attractive for employment because of its location the apparent oversupply is 4,000 sq m less than that shown above: 31,400 (30,800) sq m.
- 8.38 We have described Keynsham's growth prospects and good communications above. Market evidence shows that there is a demand for industrial premises in Keynsham as a result of its good location. It is in a position to take overspill from both Bath and Bristol - indeed we consider that one reason for industrial development at Keynsham is that it could provide a location for some foot-loose displaced industry from Bath.

<sup>19</sup> Although technically there is a loss of industrial floorspace at Somerdale with its closure, because of the low current employment density and the opportunity the building offers, we have shown only a gain from its being brought back into use.

- 8.39 The main element of the good quality space identified at Keynsham is at Somerdale. However, given the nature of the site and the mixed-use proposals for it we consider that it should be reserved for 'high-end' B1 industrial uses only. We consider that there is therefore a need for more general industrial provision. We do not consider that SW Keynsham is attractive because of its location, and the proposals for Broadmead Lane are small-scale and focussed on waste management.
- 8.40 We therefore recommend that, as well as high end B1c development at Somerdale, there should be general industrial provision, either adjoining any urban extension, and/or as an extension to the existing Ashmead Lane/Pixash Lane employment area.

## MNR

### Offices

- 8.41 Table 8.9 below shows the office demand-supply position for MNR.

**Table 8.9 MNR Office Supply-Demand Balance**

	Gross Gains	Gross Losses	Net Change 2.8% GVA	Net Change 3.2% GVA
Forecast Demand 2006-2026			11,143	11,942
<b>Outstanding Permissions</b>	<b>5,100</b>		<b>5,100</b>	
Old Mills Paulton	12,000		12,000	
Radstock Railway Land	370		370	
Welton Bag Factory	1,000		1,000	
Polestar Paulton	2,400		2,400	
<b>Allocations</b>	<b>15,770</b>		<b>15,770</b>	
MSN High Street	7,500	-1,500	6,000	
<b>Potential Sites</b>	<b>7,500</b>	<b>-1,500</b>	<b>6,000</b>	
<b>Surplus Vacant Stock</b>	<b>2,677</b>		<b>2,677</b>	
<b>Total Supply</b>	<b>31,047</b>	<b>-1,500</b>	<b>29,547</b>	
<b>Over (Under) Supply</b>			<b>18,403</b>	<b>17,605</b>

Source RTP

- 8.42 The table above shows a potential oversupply of office space of 18,400 (17,600) sq m.
- 8.43 Our view is that the office market in MNR is for local services, and that significant office growth is unlikely here because of its location (the one possible exception is Bath Business Park, the best location in the area to attract businesses relocating from Bath). The main components of office oversupply shown above are:
- 5,100 sq m of outstanding permissions,
  - 12,000 sq m at Old Mills, Paulton
  - 6,000 sq m at MSN High Street

We do not think that Old Mills is a good office site as it is not well-sited to meet local needs and because MNR is not attractive to inward office occupiers. MSN High Street is well-located for local demand. On this basis we put forward an alternative over-supply scenario without Old Mills. Removing this 12,000 square metre allocation reduces the oversupply to 6,400 (5,600) sq m.

- 8.44 In order to be able to react should the position change over the next twenty years we recommend careful monitoring. If Old Mills is developed as an industrial site (see below) it should be possible to bring forward some of it for offices if demand develops.
- 8.45 To strengthen the local economy consideration should be given to improving communications; and measures to regenerate the local centres should be continued.

### *Industrial*

- 8.46 Table 8.10 below shows the industrial demand-supply position for MNR.

**Table 8.10 MNR Industrial Supply-Demand Balance**

	Gross Gains	Gross Losses	Net Change 2.8% GVA	Net Change 3.2 % GVA
Forecast Demand 2006-2026			-7,119	-5,530
<b>Outstanding Permissions</b>	<b>6,000</b>		<b>6,000</b>	
St Peter's Factory	5,000		5,000	
Westfield Industrial Park	7,200		7,200	
MSN Enterprise Park	3,000		3,000	
Old Mills Paulton	38,000		38,000	
Welton Bag Factory	1,000		1,000	
Polestar Paulton	3,150	-33,000	-29,850	
Bath Business Park (Remainder)	4,500		4,500	
Welton Hollow	2,800		2,800	
<b>Allocations</b>	<b>64,650</b>	<b>-33,000</b>	<b>31,650</b>	
Alcan/ Mardon Flexible		-23,000	-23,000	
<b>Potential Sites</b>		<b>-23,000</b>	<b>-23,000</b>	
<b>Surplus Vacant Stock</b>		<b>-9,234</b>	<b>-9,234</b>	
<b>Total Supply</b>	<b>70,650</b>	<b>-65,234</b>	<b>5,416</b>	
<b>Over (Under) Supply</b>			<b>12,535</b>	<b>10,946</b>

Source RTP

- 8.47 There is a small oversupply of industrial space, but we consider that the forecast decline in demand is a consequence of the employment losses at large sites in recent years which have largely run their course; and that the continuing decline may therefore be overstated. Our market survey suggested that there is a thriving culture of small-scale indigenous industry and the steady growth of industrial estates such as

Westfield bears this out. If access to the area can be improved it may be possible to complement this indigenous growth with some inward investment.

8.48 In order to foster this continued growth, which is an important component of the regeneration of the area, it is important that there is a margin of sites available for new and growing businesses. We consider that the best approach is one providing a range of opportunities for growth by pursuing:

- Incremental extensions of existing successful estates such as Westfield, Midsomer Norton Enterprise Park and Bath Business Park
- Development of Old Mills, Paulton as greenfield industrial site. Because of the small-scale of current businesses in the area we consider that developers are unlikely to wish to develop completely new estates without public support, and we recommend that losses of employment space older industrial space to other uses should be a source of developer contributions towards bringing forward both incremental extensions and new sites.

## Rest of BANES

### Office

8.49 Table 8.11 below shows the office demand-supply position for the rest of BANES.

**Table 8.11 Office Supply-Demand Balance, rest of BANES**

	Gross Gains	Gross Losses	Net Change 2.8% GVA	Net Change 3.2% GVA
Forecast Demand 2006-2026			16,196	17,158
<b>Outstanding Permissions</b>	<b>3,525</b>		<b>3,525</b>	
<b>Allocations</b>				
<b>Potential Sites</b>				
<b>Surplus Vacant Stock</b>	<b>1,671</b>		<b>1,671</b>	
<b>Total Supply</b>	<b>5,196</b>		<b>5,196</b>	
<b>Over (Under) Supply</b>			<b>-11,000</b>	<b>-11,962</b>

Source RTP

8.50 There is a small undersupply of office space of 11,000 (12,000) sq m in the Rest of BANES against forecast demand. However, forecast demand is based on historical take-up and this is as much a response to supply as a specific demand for offices in a rural location. As stated in Chapter 6, provision is likely to be small, piecemeal and from windfalls. It will be limited by the potential redundant agricultural stock available for conversion and competitive demand for housing. There are examples of successful rural office developments in BANES and further conversions should be supported in order to make a contribution to overall demand from occupiers who do not require a town centre location, or who prefer a rural one.



### *Industrial*

8.51 Table 8.12 below shows the industrial demand-supply position for the rest of BANES.

**Table 8.12 Industrial Supply-Demand Balance, rest of BANES**

	Gross Gains	Gross Losses	Net Change 2.8% GVA	Net Change 3.2% GVA
Forecast Demand 2006-2026			579	2,591
<b>Outstanding Permissions</b>	<b>1,125</b>	<b>-130</b>	<b>995</b>	
<b>Allocations</b>				
<b>Potential Sites</b>				
<b>Surplus Vacant Stock</b>		<b>-3,428</b>	<b>-3,428</b>	
<b>Total Supply</b>	<b>1,125</b>	<b>-3,558</b>	<b>-2,433</b>	
<b>Over (Under) Supply</b>			<b>-3,012</b>	<b>-5,024</b>

Source RTP

8.52 Forecast demand is very low, and is matched by a limited supply to show a small undersupply. Similar considerations apply as with offices in the Rest of BANES, and the policy restrictions on conversion of redundant agricultural to industrial uses are even stronger than for offices. Most demand for industrial space is likely to be met in MNR and at Keynsham, if additional employment land is allocated at the latter. Again, we consider that existing sites meet a market demand and that where there are opportunities for extensions or conversions of redundant agricultural buildings for industry these should be supported.

### **Key Points**

8.53 Table 8.13 below sets out the over and undersupply position each sub-area and for the two growth scenarios after taking into account our suggested revisions to the allocations, such as retaining LBR in industrial use.

**Table 8.13 Summary Supply-Demand Balance, BANES Sub-areas**

Over/undersupply	Office		Industrial	
Sub-Area	2.8%	3.2%	2.8%	3.2%
Bath Option A	-6,000	-17,000	-67,000	-71,000
Bath Option B	19,000	8,250	-67,000	-71,000
Keynsham	32,000	31,000	31,400	30,800
MNR	6,400	5,600	12,535	10,900
Rest of BANES	-11,000	-12,000	-3,012	-5,021

Source RTP

### *Bath Offices*

8.54 Although the identified sites, in numerical terms, provide sufficient space to meet forecast demand under Option B, the level of oversupply, especially under the 3.2% growth scenario, is marginal and provides little or no flexibility to accommodate variations in losses or any element of choice. In addition few of the sites are currently available and delays in securing the release of constrained sites will compromise the ability to deliver the jobs growth targets in the plan period. The local authority will have to take a lead in dealing with constraints to ensure that sites are brought forward over the course of the plan period.. The local authority will need to carefully monitor progress on both:

- Bringing forward sites that are currently constrained
- Windfall losses of office space.

8.55 Where constraints and/or losses threaten an undersupply of office space the authority should take action to bring forward additional sites in order to create additional office space and/or to allow a range of uses in the city centre alongside new office development. Over the period to 2026 these may include current MOD sites and the Bath Urban Extension, which are not prime locations but could provide space for businesses not requiring a city centre location..

### *Bath Industrial*

8.56 Even with continued protection of ET.3 and SESs there will be a heavy loss of industrial space in Bath from identified sites alone - much of it to enable the office gains. The scale of loss of space cannot be solved within Bath itself, although where there is scope for developer obligations to provide new space this should be used. All the options we have identified will need to be pursued: intensification (if possible), the Urban Extension, more space at Keynsham and Bath Business Park.

### *Keynsham*

8.57 Keynsham has the potential to make a more significant contribution to the provision of both office and industrial space given it's strategic location. The major opportunity site is Somerdale, but given the site's potential for mixed use development we consider that any employment element on the site should be B1 rather than B2. There is demand for additional 'B2' space, which should be provided either as an extension to

the existing employment area or in association with the new housing proposed in the draft RSS.

### *MNR*

- 8.58 As explained in Chapter 6, we do not consider that MNR has potential as an office location, apart from meeting locally-generated need. Nearly all growth in industry is also locally generated, and we do not see a major change in this in the short / medium term. We consider that the surplus of industrial space should be used to facilitate the continued growth of indigenous industry, to ensure that there is always choice for local firms seeking to expand and for start-ups, and to provide the potential longer term to attract relocating companies.

### *Rest of BANES*

- 8.59 The apparent shortfall in space reflects past growth and the fact that new development arises from windfalls rather than allocations. We consider that there is demand for rural office and that the rural parts of BANES have a contribution to make to towards meeting job growth targets. The need for further industrial space can be met in MNR or Keynsham.



## PART D CONCLUSIONS



## 9 CONCLUSIONS

### Overview

- 9.1 In this section we pull together our findings from the study to answer the requirements of the brief which are essentially to identify the implications for the B&NES area in addressing the job growth scenarios set out in the draft RSS and the proposed changes. So far we have identified:
- Which economic activities will generate the jobs, and where will they be located?
  - How much land is required to house this growth?
  - Where will this land be, and what is needed to bring it forward?
- 9.2 But we start with the job targets as these are the foundation on which our recommendations are based.

### Employment Growth and Land Provision Targets

- 9.3 The RSS targets are based on TTWAs, which, as we have seen, bear no relation to BANES's administrative boundaries. Ideally the job targets would be agreed on a sub-regional basis, but, since this is not currently possible, we recommend that the Council discuss with the Government Office how job growth in Keynsham could count against the target for Bath TTWA (rather than the target for Bristol, in whose TTWA it lies), and to help offset losses, particularly of industrial jobs, in Bath. To make this possible we have carried out our analysis on the basis of employment growth figures for BANES commissioned by the South West Regional Assembly.
- 9.4 In relation to the employment (B-class) land uses, the Council should adopt District-wide targets for net floorspace change based on the demand forecasts in the previous chapter. To adopt targets for individual local areas within BANES would probably be too rigidly prescriptive, given that the forecast distribution of jobs and space between areas is only a first-draft approximation, to be flexed in the planning process as discussed below.

### Policies for the Whole Economy

- 9.5 Before allocating sites for particular land uses, the Council needs to form a broad view of the future of its local economies, identifying the key opportunities for growth and renewal. We would suggest the following.
- 9.6 Bath above all is a major service centre. Its major opportunities lie in providing services to large numbers of visitors as well as its own residents. Its major assets are the quality of life and the skills of its workforce - which at present it does not match with enough high-level employment opportunities. With regard to the traditional employment uses, Bath's main growth opportunities lie in the high-value office sectors, including creative industries. But to meet its growth targets and maintain its advantages the city must also make room for retail, leisure, culture and tourism, and these different uses should be mixed to provide a rich and interesting environment.

- 9.7 Keynsham due its location and accessibility, and possible housing growth, has potential to attract new jobs both in the traditional employment sectors and in the non-B services such as retail. The Council should take advantage of this potential, using the values created by retail development to regenerate the town centre. It should provide industrial/warehouse sites to support indigenous growth, to accommodate overspill from Bath, and to attract demand from the wider south of Bristol market. Finally it should create a major opportunity for high-quality office development at Somerdale, targeting footloose demand from larger occupiers, for whom Bath may not be the right location.
- 9.8 MNR in our view has limited potential to attract large-scale office development or inward investment in any sector, and may continue to lose jobs in industrial closures and contraction. Its main employment opportunities lie in local consumer services and in its diverse and dynamic stock of industrial businesses. Policy should aim to provide space for these businesses and also to improve the transport infrastructure.
- 9.9 Finally in rural BANES, policy for economic land uses should be as flexible as is compatible with amenity and other policies of the plan, to allow development that meets local service needs and provides local jobs in line with the limited growth forecasts.

## Employment Land Policies

### *Overview*

- 9.10 In Chapter 8 we estimated the balance of demand and supply for the B land uses for the different geographic areas in B&NES. We now bring together these areas to consider a BANES-wide approach.

### *Offices*

- 9.11 Taking a BANES-wide view our analysis suggests that there are significant constraints affecting the delivery of the 103,000 (116,000) square meters of new office floor space required by the sub-area forecast for Bath. However the potential for employment growth at Keynsham, and in particular Somerdale, provides the opportunity to aim for rather less growth of office space in Bath itself allowing more scope for non “B” activities helping the city to maintain its character and role as a retail, visitor and cultural centre.
- 9.12 This approach also offers more choice in the short to medium term by providing floor space while the constraints on bringing forward opportunity sites in Bath are addressed.
- 9.13 Whatever strategy is followed the local authority will still need to closely monitor gains and losses of office space as there is a limited element of choice and flexibility. In addition the jobs created will not necessary be the same jobs as those that would be created by a Bath centred approach. This “dispersed” option should therefore be balanced with the requirement to ensure that the employment space needs of key growth sectors, which largely focus on the city, are met.



### *Industry*

- 9.14 There are two key points regarding the provision of industrial floorspace:
- The overall forecast increase required across BANES over the plan period is small: 734 (8,808) square metres.
  - The need to provide significant areas of industrial floorspace arises from two sources:
    - The forecast loss of industrial space in Bath, which must be replaced to prevent job losses
    - The regeneration-driven requirement to provide jobs in MNR. Since we consider that there is no office market beyond local need, these jobs will be industrial.
- 9.15 As described earlier in the report, we see Keynsham as the key opportunity area for industrial as well as office provision, with Somerdale and new employment areas associated with the proposals for new housing helping to offset the loss of space in Bath and broaden the towns employment base. MNR will also make some contribution although the focus here will be more on replacing local losses of floor space and increasing local employment opportunities. Policy should also aim to maintain a range of accommodation in Bath to provide for local services, and we have already discussed the importance of defending existing sites.
- 9.16 We now go on to discuss in general terms the policies required to assist in implementing the B&NES wide approach we have set out above..

### *Existing sites*

- 9.17 Overall our recommendations are to protect existing employment sites, with limited provisos set out below.

### *Offices*

- 9.18 Existing offices in Bath are protected by policy ET.2, which we have recommended be firmly maintained until careful monitoring shows that sufficient space is being provided elsewhere to allow some relaxation. In line with our recommendation on a BANES-wide approach above, we recommend that the monitoring against which ET.2 is judged is cross-BANES: provided new office space is being provided and taken up we do not see that there should be Bath-specific targets.

### *Industry*

- 9.19 There is a specific need to retain as much industrial space in Bath as possible to maintain existing jobs and provide for local services. We have recommended that sites designated under ET.3 should be rigorously defended, as should SESs. Where they cannot be, planning gain should be used to facilitate alternative provision.
- 9.20 ET.3 applies to industrial sites across the District, and we have recommended that the policy be applied across the District, with planning gain being used to facilitate alternative provision where sites cannot be kept in employment use.

- 9.21 In the specific circumstances of MNR we recommend extensions to existing successful industrial estates where appropriate to ensure that there is always a margin for local businesses wishing to expand.

### *New Sites*

#### *Offices*

- 9.22 We have already recommended:

- Bringing forward GDS and opportunity sites in Bath. In practice we consider that the constraints on availability mean that bringing forward all the sites will have to be pursued, rather than a phased approach
- Somerdale in Keynsham should be brought forward as soon as possible
- A limited number of sites in MNR should be brought forward to meet local need.

#### *Industry*

- 9.23 In order to offset losses in Bath and provide for the limited industrial job growth forecast by Cambridge Econometrics we have made a series of recommendations for the provision of additional space:

- Provision of industrial employment space in the proposed Bath Urban Extension
- Industrial provision at Somerdale, albeit more likely to be high end B1(c) rather than B2
- Additional industrial sites at Keynsham, either as extensions of the existing industrial estates or associated with the new housing identified in the proposed changes to the RSS
- In order to offer choice and ensure a continuing supply of land in MNR the GDS site at Old Mills, Paulton be brought forward for development together with the incremental expansion of existing industrial estates.

#### *Other Policies*

- 9.24 There is demand for rural offices, albeit on a relatively small scale and satisfied through windfall developments rather than formal planning allocations and to help the overall office target we have recommended flexibility in the application of policy regarding conversion of redundant agricultural buildings and extensions to sites.

## **The Bristol Urban Extension**

- 9.25 In this study we have not been able to recommend an appropriate employment land role for the SE Bristol urban extension (area of Search 1B).
- 9.26 A sub-regional approach is needed in the West of England to develop a strategy for bringing forward land in urban extensions for employment development. It will be necessary to consider the effect of various options on the SSCTs and outlying Policy B towns.
- 9.27 Functionally the SE Bristol urban extension will be part of the Bristol TTWA. Administratively the urban extension will mostly be in BANES. It will be necessary for

both LPAs and relevant stakeholders to consider the strategic employment role of this urban extension. Key questions are:

- How can the provision of employment land in the SE Bristol urban extension contribute to Bristol's economic development strategy, notably its regeneration objectives for the south of the city?
- Should the SE Bristol urban extension provide employment land for the needs of BANES, and if so how much and for what?
- What relationship might the SE Bristol urban extension form with Keynsham? What type of travel to work flows should be encouraged?

9.28 Bath and North East Somerset must discuss the strategic implications of a number of options before settling on a preferred approach. There is a danger that an incoherent strategy for employment land provision will emerge across the West of England if the urban extensions to Bristol are considered in isolation from each other. Joint working is required in line with paras 4.0.8 and 4.0.9 of the proposed changes to the RSS.



## APPENDIX 1

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### Economic Sectors and Business Space



<b>Industrial Sectors</b>	<b>SIC (2003)</b>	<b>Activities</b>
Manufacturing	15.11-37.20 (ex publishing, 22.11-22.15)	<ul style="list-style-type: none"> <li>Includes all manufacturing, including recycling, but excludes publishing)</li> </ul>
Some Construction	45.3-45.4	<ul style="list-style-type: none"> <li>Electricians</li> <li>Plumbing</li> <li>Other building installation</li> <li>Plastering</li> <li>Joinery installation</li> <li>Floor and wall covering</li> </ul>
Motor Vehicle Activities	50.20, 50.40	<ul style="list-style-type: none"> <li>Maintenance and repair of motor vehicles</li> <li><del>Sale, maintenance and repair of motor</del></li> </ul>
Sewage and Refuse Disposal	90.00	<ul style="list-style-type: none"> <li>Sewage and refuse disposal,</li> <li><del>Construction of buildings</del></li> </ul>
Labour Recruitment and Provision of Personnel (part) <sup>20</sup>	74.5	<ul style="list-style-type: none"> <li>Labour recruitment and provision of personnel</li> </ul>
<b>Warehousing Sectors</b>	<b>SIC (2003)</b>	<b>Activities</b>
Wholesale	51.11-51.70	<ul style="list-style-type: none"> <li>Wholesale on a fee contract basis</li> <li>Wholesale of goods</li> </ul>
Freight Transport by Road	60.24	
Cargo Handling	63.11	
Storage and Warehousing	63.12	
Other Supporting Land Transport Activities	63.21	
Post and Courier Activities	64.11-64.12	
Packaging Activities	74.82	<ul style="list-style-type: none"> <li>Packaging activities</li> </ul>
Labour Recruitment and Provision of Personnel (part)	74.5	
<b>Office Sectors (including R&amp;D)</b>	<b>SIC (2003)</b>	<b>Activities</b>

<sup>20</sup> Labour Recruitment and Provision of Personnel covers all the workers employed through agencies. These workers operate in a wide range of activities throughout the economy. Therefore, we allocate them to industrial, warehouse, office and non-B sectors in proportion to their shares in Crawley's total employment.

Some Other Business Activities	74.60, 74.85, 74.86, 74.87 74.1, 74.2, 74.3, 74.4	<ul style="list-style-type: none"> <li>▪ Investigation and security activities</li> <li>▪ Secretarial and translation activities</li> <li>▪ Call centre activities</li> <li>▪ Other business activities nec</li> <li>▪ Accounting/bookkeeping activities etc</li> <li>▪ Architectural/engineering activities etc</li> </ul>
<b>Office Sectors (continued)</b>	91.11, 91.12, 91.20,	<ul style="list-style-type: none"> <li>▪ Activities: business/employers orgs</li> </ul>
Some Social and Personal Service Activities	91.32, 91.33, 92.11, 92.12, 91.20, 91.32, 91.33, 92.11, 92.12, 92.20, 92.40	<ul style="list-style-type: none"> <li>▪ Activities of professional orgs</li> <li>▪ Activities of trade unions</li> <li>▪ Activities of political orgs</li> <li>▪ Activities other membership orgs</li> <li>▪ Motion picture and video production</li> <li>▪ Motion picture and video distribution</li> <li>▪ Radio and television activities</li> <li>▪ News agency activities</li> </ul>
Administration of the State	75.1, 75.3	<ul style="list-style-type: none"> <li>▪ Administration of the State and the economic and social policy of the community</li> <li>▪ Compulsory social services activities</li> </ul>
Publishing	22.1	
Financial intermediation	65, 66, 67	<ul style="list-style-type: none"> <li>▪ Financial intermediation, except insurance and pension funding</li> <li>▪ Insurance and pension funding, except compulsory social security</li> <li>▪ Activities auxiliary to financial intermediation</li> </ul>
Real Estate and Business activities	70, 72, 73	<ul style="list-style-type: none"> <li>▪ Real estate activities</li> <li>▪ Computer and related activities</li> <li>▪ Research and development</li> </ul>
Labour Recruitment and Provision of Personnel (part)	74.5	



## APPENDIX 2

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### Site Assessments



GDS SITES - APPRAISAL FOR INDUSTRIAL USES

SITE	FACTS			MARKETABILITY - CRITERIA						MARKETABILITY - OVERALL ASSESSMENT			AVAILABILITY/CONSTRAINTS		POLICY RECOMMENDATION - Industrial		
	Site area ha	Planning Status	Proposal Description	Estimated Gross +ve B-space		any more facts?	Accessibility Score	Comment	Environment Score	Comment	Market Evidence Score	Comment	Score	Comment		Assessment	Comment
				Office gain sq m	Industrial gain sq m												
<b>Source of Data</b>	BANES	<b>Cluttons from BANES data</b>	<b>Cluttons from BANES data</b>	BANES	BANES	<b>Cluttons</b>	<b>Cluttons</b>	<b>Cluttons</b>	<b>Cluttons</b>	<b>Cluttons</b>	<b>Cluttons</b>	<b>Cluttons</b>	<b>Cluttons</b>	<b>Cluttons</b>	BANES	BANES	<b>Cluttons</b>
Bath Western Riverside	35.2	Outline planning application provisionally approved by BANES. Now with Secretary of state for final decision.	To include offices, residential, primary school, convenience shops, student housing.	35000	3000	Floor area are largely subjective at the present time as plan for site seems to change frequently.	4 - good	Access from Upper Bristol Road, one of main arterial routes in and out of Bath, however, additional infrastructure will need to be put in place.	3 - average	The site is constrained by the river and surrounding residential accommodation, thus limiting any future expansion.	5 - excellent	Crest Nicholson have submitted planning application.	4 - good	City centre development site that has the potential to provide large scale employment uses.	Constraint, not resolved yet	Requires relocation of sainsbury foodstore & homebase + provision of highway improvements and LRT route potential first phase 10,000sqm 2010-2012 remainder 2012 onwards	Good employment site and should be accommodating some form of industrial/warehouse use with any proposed scheme, given its accessibility.
Land at Lower Bristol Road	7.05	Numerous planning applications and detailed discussion on going on specific elements of this GDS.	A least 3ha of land for business uses within B1/B2/B8, or its less, suitable alternative provision made. About 50 dwellings during plan period. Small scale local needs shopping.	30000	0	Detailed discussion on going with Lid in relation to the Herman Miller site Detailed discussions on going a potential 30,000 sq ft Bulky Goods unit. Unite have recently purchase land for additional student accommodation.	4 - good	Site situated adjacent to the Lower Bristol Road, with good road access to main highways and surrounding conurbations within BANES. Good public transport connections and on the Bath to Bristol Cycle route.	3 - average	The site is constrained by the River Avon to the North and by the A4 Highway to the South. Surrounding uses include, B1/B2/B8, residential and student accommodation.	4 - good	Land has recently been sold and numerous potential deals are being progressed. The market consider this to be a prime development site, but not necessarily for B1 office use. ICP B1 office site, has had planning for several years, but as yet still remain undeveloped and owners are not willing to spec build.	4 - good	An area that offers a good development opportunity. However, B1 offices may not be developers preferred use.	Available now	Land being assembled at the western part of this site. Application anticipated soon. Mix of uses unknown - opportunity to include office provision under policy GDS1B12	Good industrial/warehousing site, but not in high demand from potential office occupiers. B1 offices should not be extensive on this site.
Somerdale, Keynsham (Cadbury's site)	11(?)	Site is currently a GDS and although Cadbury's have announced closure by 2010, it is residential, some way from master plan status.	As stated in the Local Plan to include a minimum of 10ha for employment use, and to include large scale residential.	32000	29000	Only half of the overall site will be suitable to development due to flood plain. Numerous developers considering a purchase.	3 - average	Access is via Keynsham High Street or Bitton Road, both of which have high traffic levels at present. Highways are also reasonably adequate to cope with a vast increase in traffic levels that would occur in light of future development of the site Good location situated in close proximity to the Avon Ring Road and A4 Bath Road.	3 - average	The site is largely surrounded by a mix of green belt and residential. The river that runs close to the site adds further restrictions. It is well documented that the north/north-east section of the site (sports fields) suffers from large scale flooding in period of heavy rain fall.	5 - excellent	Numerous developers looking at the site for a possible acquisition to develop a mixed use scheme.	4 - good	Mixed development site in a good location. Would draw occupiers from BANES and Bristol due to good position in the surrounding infrastructure.	Constraints are resolved (the necessary intervention is committed or the market will resolve)	Off-site highway works to realign road and provide new site access improved access to station residential first phase start 20010 office first phase 5000sqm start 2011 remainder employment 2012 onwards	Good industrial site, its redevelopment for B-uses will meet market needs.
SW Keynsham	20.2	As stated in the Local Plan to include a mixed use development of 700 residential dwellings. At least 1.5ha of land for business uses (B1), including replacement of existing workshops.		7000	4000		2 - poor	Access is via residential estate, with small roads. However, local plan does refer to improvement of access to mitigate impact on surrounding road network. Public transport links are poor to this site.	2 - poor	Surrounding uses are predominately residential to the north, with open green field to the south.	2 - poor	Unaware of any occupiers looking to relocate to this site.	2 - poor	Keynsham is well located for access to Bath and Bristol, but this site offers difficult access. If road commutations were enhanced then the site would probably be of interest to B1 occupiers.	Available now	New access onto charlton road employment space 2010 / 11	Poor industrial site, development not should be pursued.
Broadmead Lane	1	Local Plan states to include development for waste management services		0	4500		3 - average	Access from the main A4 highway is good, but Broadmead Lane itself is very narrow and is restricted by a low bridge.	3 - average	Surrounding uses include a small industrial site to the north, rural land to the east and west and commercial uses to the south.	4 - good	Demand for industrial uses in the vicinity (Broadmead Lane, Pixash Lane and Ashmead Lane) is good, highlighted by the lack of available units.	3 - average	Keynsham is well located for access to Bath and Bristol. This site has good accessibility, yet but an enhancement of Broadmead Lane itse would be beneficial	Constraint, not resolved yet	Remediation of contamination & new access under railway first phases waste management facility employment post 2014	An average industrial site, although with enhanced road access the site would be in higher demand.
St Peter's Factory/Jewson's	10.1	Local Plan states mixed use development of residential and business uses within class B1 B2 or B8.		0	5000		3 - average	The site has reasonable access, and is close to Midsummer norton and Radstock. Good links with South of Bath urban areas, but poor links to major highways and national motorway network.	3 - average	Surrounding uses are predominately residential and industrial employment (Westfield Industrial Estate).	4 - good	It is understood that developers have been extremely interested in this site and scheme drawings have been prepared. Any development would have good level of interest from locally based businesses.	3 - average	Any development is likely to consist mainly industrial uses with a very limited amount of B1 office uses. That said, the adjacent industrial estate seems to be fully let, so demand in the area for these uses.	Available now	Resolution of masterplan for whole site provision of employment space 2010 - 2012	Average industrial site, with an appropriate amount of B-use allocation.
West of M Norton E/P	0.84	No planning application.	Local Plan states development for employment uses.	0	3000		3 - average	Site is situated on the edge of Midsomer Enterprise Park, which is located on Radstock Road. Reasonable road connections to South of Bath conurbation, but poor access to main highways and national motorway network.	4 - good	Surrounding uses are predominately industrial, with a scattering of residential. There are large open areas to the west and north of the subject site. Good opportunity for further expansion for employment uses.	1 - very poor	Unaware of any interested in this site from either an developer or occupier basis.	3 - average	Strong level of demand expected from local occupiers once development completed.	Available now	Consented site no constraints	Average industrial site, B-use allocation adequate for market requirements.
Welton Bag Factory	5.72	Unaware of any planning application.	Mixed use scheme for residential and business uses, B1/B2/B8.	1000	1000		3 - average	Situated adjacent to Stone's Cross, access to is reasonable to other conurbations South of Bath, but poor access to major highways and the national motorway network.	3 - average	Surrounding uses are predominately residential.	2 - poor	Unaware of any serious interest in this site or planning applications/detailed discussion have taken place.	3 - average	Interest is likely to be generated from local businesses looking to expand. Unlikely to have relocations from further a field.	Available now	Comprehensive plan for rationalisation of GDS site employment space 2011	Average industrial site, B-use allocation should meet market requirements.
Polestar Paulton	13	Planning application submitted earlier this year.	Mixed use to include offices, retail and residential.	2,400	3,150	Planning application submitted 27/07/07. Decision still pending a section 106 agreement.	2 - poor	Accessed from the A39, via the B3355, the nearest major highway is the A37 linking Bristol with Yeovil.	4 - good	Surrounding open land to the west and south with residential and highway to east.	5 - excellent	Planning application submitted, decision final quarter 2007.	4 - good	Rural location that would have interest from local business mainly, due to poor road communications.	Available now	Agreement to masterplan for whole site Employment space to come forward linked to residential completions 2010 onwards	Good industrial site, B-use allocation may be in excess of market requirements.
The Old Mills, Paulton	13.5	Unaware of any planning applications	Development for business use within uses B1/B2/B8	12,000	38,000		3 - average	In close proximity to the A362, providing reasonable links to surrounding conurbations and links to major highways. Poor direct links with national motorway network.	3 - average	Surrounding uses are predominately employment and residential uses.	3 - average	Unaware of any serious interest from occupiers at the present time.	4 - good	Old Mills is an established employment use area. Vacancy rates are historically low and therefore we would envisage a reasonable level demand from local businesses.	Constraints are resolved (the necessary intervention is committed or the market will resolve)	Masterplan for phasing & delivery planning gain Off site highway and utility works and on site re-routing of overhead power lines delivery 2011 onwards	Good industrial site, over supply of offices proposed

BANES EMPLOYMENT LAND STUDY SITE APPRAISAL MATRIX

EXISTING ET3 SITES - APPRAISAL

SITE	FACTS		MARKETABILITY - CRITERIA				MARKETABILITY - OVERALL				FURTHER COMMENTS		POLICY RECOMMENDATION		
	Site Area (t Cluttons)	Any current proposals eg shift to housing Cluttons from BANES data	any more facts? Cluttons	Accessibility Score	Comment	Environment Score	Comment	Building Stock quality & condition Score	Comment	Market Evidence Score	Comment	Score	Comment	E.g. potential for redevelopment/ intensification Cluttons	Cluttons
Brasemill Lane	6.4	Industrial/ Office	Full protection under policy ET3	4	The Brassmill Lane area is in close proximity to the Upper Bristol Road, providing good road links to Central Bath and East Bristol. Also adjacent to the Bath/Bristol cycle network.	2	The area is bounded by a residential accommodation to the North with the River Avon directly adjacent to the south. Little opportunity for any expansion of this area.	3	The area has a mix of industrial and office accommodation of which offer average specifications.	5	Very little space, if any, available within this site area. Whenever a light industrial unit becomes available, it is occupied relatively swiftly, due to the undersupply in the Bath area.	4	An important site for the the Bath Central area, sitting alongside Locksbrook Road, as the predominant industrial area in Bath.	The potential for expansion is limited due to the surrounding environment. The potential exists for expansion of the surrounding residential accommodation if the ET3 Policy were ever to lapse. However the lack of industrial space in Bath would require the policy to remain in place. There are elements of the Brasemill Lane that can be intensified to create additional accommodation.	Employment space should be protected.
Locksbrook Road	4.4	Industrial/ Office	Full protection under policy ET3	4	The Locksbrook area is in close proximity to the Upper Bristol Road, providing good road links to Central Bath and East Bristol. Also adjacent to the Bath/Bristol cycle network.	2	The area is bounded by a residential accommodation to the North with the River Avon directly adjacent to the south. Little opportunity for any expansion of this area.	3	The area has a mix of industrial and office accommodation of which offer average specifications.	5	Very little space, if any, available within this site area. Whenever a light industrial unit becomes available, it is occupied relatively swiftly, due to the undersupply in the Bath area.	4	An important site for the the Bath Central area, sitting alongside Brasemill Lane, as the predominate industrial area in Bath.	The potential for expansion is limited due to the surrounding residential accommodation if the ET3 Policy were ever to lapse. However, the lack of industrial space in Bath would require the policy to remain in place. In light of the adjacent circa 6 acres of land, the availability exists for expansion or increased intensification of the site.	Employment space should be protected.
Wessex Water Site	2.7	Offices	Full protection under policy ET3	3	The Wessex Water site is situated on the southern side of Bath close to Brassknocker Hill. Access to surrounding BANES conurbations is reasonable although access to major highways, such as A4 and motorway network can be difficult at peak traffic hours.	3	The site is situated in an mixed use area, with residential, schools, medical uses all within close proximity. Directly adjacent to the site is an open field of circa 6 acres.	4	The accommodation is relatively modern and therefore provides good quality space.	1	The property is current occupied in whole by Wessex Water.	3	Although the property provides good quality accommodation it does not provide easy accessibility in regards to good road communications in a wider BANES context, nor good public transport links.	Consider redevelopment of the site for an improved configuration of existing uses	The premises should continue to be protected under ET3 Policy.
Wansdyke B/C	0.3	Industrial/ Offices	Full protection under policy ET3	2	The site has a poor level of access, situated with a high density residential suburb of Bath, that incorporates numerous one-way road systems.	2	The surrounding area is bounded by residential accommodation.	1	Very poor level of building stock, with poor specification levels.	2	Space available on flexible lease terms.	2	Although vacancy rates are relatively low, this is largely due to the flexible terms available and the lack of alternatives in central Bath.	Consider redevelopment of the site for an improved configuration of existing uses	While possibly not of sufficient significance to be included the ET3 allocation, should be covered by the presumption that small employment sites (SESs) should be retained in employment use.
Midford Road	1.1	Industrial/ Offices	Full protection under policy ET3	4	The site has good road links as it is in close proximity to the A367 Wells Road, which links central Bath with South Bath and further afield. There are also good public transport links to the City Centre and other conurbations in BANES.	2	Although the site has reasonably good accessibility, it is in a largely residential area. A residential development has recently taken place directly opposite on the St Martins Hospital campus.	3	The current building stock on this site is reasonable for its nature of use.	2	There are existing and to be developed opportunities in a south Bath location, with evidence of market occupier interest. However the property is current occupied by one user.	2	If this site were to be made available to the open market numerous commercial owner occupiers would be interested. However suffice to say that the residential developers would be extremely keen to acquire this site and would be in a position to offer higher values given the greater land values attributable to residential uses.	The potential for expansion is limited and constrained by Midford Road and the surrounding residential accommodation. The site use could be intensified by way of a new modern development utilising the site more effectively.	While possibly not of sufficient significance to be included the ET3 allocation, should be covered by the presumption that small employment sites (SESs) should be retained in employment use.
MOD Enselgh	9.8	Offices	Full protection under policy ET3	4	The site is located in Lansdown on the north side of Bath, adjacent to Lansdown Road, which provides access to the national motorway network. However the property is situated close to the BANES/South Glos boundary and therefore not easily accessible from other parts of BANES.	3	The site is in an area of predominantly residential uses, although there are open fields and sports fields in close proximity. Its worth noting that the property is also positioned on the edge of Chalcombe Valley/Lansdown Hill to the north.	3	The existing stock provides reasonable office accommodation given its age and nature of use. However this would not be particularly desirable to the open market.	4	Numerous occupiers are currently looking to occupy either leasehold or freehold B1 opportunities in a north Bath location. Should this site become available, a developer is likely to purchase and develop with a short to medium term.	4	The site would be of interest to commercial developers as it is one of very few sites that would provide a commercial development site north of Bath.	The site is largely under utilised in regards to its configuration. Buildings are predominately single storey and a new development could create a far higher amount of B1 accommodation within the confines of this site.	Due to the lack of supply in the north Bath area, it is considered essential that this site gains continued protection under ET3 Policy.
Keynsham Paper Mill / Ashmead / Ptash	23.8	Industrial	Full protection under policy ET3	4	The site is located adjacent to the main A4 highway, which links Bath with Bristol and thus is well located for access to other conurbations within BANES. Good public transport links run close to the site and Pixash Lane and Ashmead Road run directly through it servicing the units.	2	Although the relevant sites are relatively large, the predominant uses in close proximity are of a residential nature. The site is bounded by the busy A4 highway to the south and the main Bristol/Bath railway line directly adjacent to the north.	4	The properties vary in quality throughout the site, although ultimately the site provides a mix of accommodation that is attractive to the market in the small to medium size category.	5	Very few vacant industrial units within these areas, due to its good location, between Bath and Bristol and also due to the overall lack of supply in surroundings areas.	4	Lack of availability highlights that this area is in high demand from industrial occupiers.	The potential for expansion is limited due to the constraints of the railway line and the A4 highway. However, the site could be intensified to create additional floor space and additional units within the site currently protect by the ET3 policy.	Due to the demand for space in this area it is essential to continue with the protection of the ET3 Policy and seriously consider intensification of the site.
Westfield Industrial Estate	25.8	Industrial	Full protection under policy ET3	3	The site has good road links with surrounding areas and is well located for the BANES region. However, poor road links with major highways servicing Bath and Bristol and the national motorway network.	3	The site is located in the Norton and Radstock area, and has residential to the west and open fields to east and south, with a scattering of residential to the north.	4	The site provides a variety of accommodation in the small, medium and large range industrial units, providing secure yard areas in some instances and demised car parking.	5	Upon inspection, no vacant units were evident and therefore we assume that the product on offer is acceptable to the open market.	4	The site and accommodation is essential for the surrounding area. It provides good accommodation, in a range of sizes which seems to meet the needs and demands of industrial occupiers in the Norton Radstock area.	The potential for expansion exists, due to the surrounding open land. Given the high occupancy rates there could be a strong argument that additional development should take place.	Due to the high occupancy rates the ET3 Policy should remain in operation for this site and serious consideration be given to the development of surrounding land for additional B1 industrial accommodation.
Mill Road, Radstock	7.2	Industrial	Full protection under policy ET3	2	The site has relatively poor access, situated in the bottom of a valley of two hillsides. The surrounding uses are predominantly residential, with some open fields to the north and the south.	2	The site is situated in a predominantly residential area, although there are open fields/hillsides directly to the north and south of the site area.	2	Building stock is mainly low quality, with a range sizes.	2	A reasonable level of take up mainly from local small business occupiers	2	A reasonable site that services a local need, with a relatively poor standard of stock.	The potential for expansion is limited due to the surrounding hill sides. The site could be intensified although the Willow Brook that runs through the site will offer further constraints.	The ET3 Policy protection should remain in place.
Midsomer Enterprise Park	12.0	Industrial	Full protection under policy ET3	4	The site has good accessibility from the adjacent main road which provides a link between Midsomer Norton and Radstock.	4	The surrounding environment is a mix of residential uses and open land, with a series of 'brooks' running through the site.	4	A varied mix of accommodation makes up the building stock which seems to adequately service the local occupier needs. The buildings vary in condition and size and thus offer a diverse range to the market.	4	There are very few vacant units on the site and take up is reasonable high.	4	A good industrial site that provides important B1 supply for the local area.	The potential for expansion exists, due to the surrounding open land areas.	The ET3 Policy protection should remain in place, with serious consideration given to further expansion of the area.
Haydon Industrial Estate	2.7	Industrial	Full protection under policy ET3	3	The site has reasonable accessibility, situated south of Radstock centre, in close proximity to the main A367 highway which links to other conurbations within BANES.	3	The site is situated in a rural location, although there are a some residential properties situated north/north west of the site. South of the site is open fields.	2	A poor level of building stock in terms of quantity and condition of the units.	4	A reasonable level of take up mainly from local small business occupiers	3	A site that serves as an overflow industrial estate when compared with Midsomer Enterprise Park. Also houses 'bad neighbour uses' not welcome elsewhere?	The surrounding open land does give the facility for expansion, although only southwards, due to the nearby residential uses.	ET3 policy should remain in place.
Norton Hill (Alcan Packaging and Coates links)	7.7	Industrial	Full protection under policy ET3	3	The site has good road links with surrounding areas and is well located for the BANES region. However, poor road links with major highways servicing Bath and Bristol and the national motorway network.	3	The area is bounded predominately by residential accommodation.	4	The current site is occupied largely by Alcan Packaging, with modern warehouse/industrial facilities. The stock is therefore of good quality and should it become available, it would meet the needs of market requirements.	4	Majority of the site is occupied by Alcan Packaging and as a result there is little if any space available to the market. Take up in the area of similar accommodation is high and with vacancy rates relatively low.	4	If the site were available to the market on the basis of its current configuration, it may prove unattractive to the market due to its size. A redevelopment to create smaller unit sizes would help generate interest from the open market.	The potential for expansion is limited due to the surrounding environment. The potential exists for expansion of the surrounding residential accommodation if the ET3 Policy were ever to lapse.	Due to the supply of similar accommodation in this area and the surrounding residential environment, future consideration should be given to a mixed-use scheme, incorporating a reasonable level of residential accommodation paying for new, smaller units.
Old Mills, Paulton	6.0	Industrial	Full protection under policy ET3	3	The site has good road links with surrounding areas and is well located for the BANES region. However, poor road links with major highways servicing Bath and Bristol and the national motorway network.	3	The surrounding environments I predominantly rural although there are a commercial B1 unit to the south east of the premises. There are a scattering of residential properties to the west of the site.	3	The site provides a variety of accommodation in the small, medium and large range industrial units, providing secure yard areas in some instances and demised car parking.	4	The estate has a high occupancy level and is popular with local business. Void periods are relatively low.	3	Old Mills provides a local business with small business units, ideal for start-up ventures and the like. Access is reasonable to the surrounding area.	Expansion of the site could be achieved in light of surrounding open land. The site is utilised well on its existing configuration.	The ET3 Policy should remain in place.
Hallatrow Business Park	3.2	Industrial	Full protection under policy ET3	4	The site is well located on the A37 highway, which links Bristol with Yeovil. Access is via the estate road, via Wells Road, directly to the north.	4	The surrounding environment consists mainly of open land, with the village of Hallatrow situated east of the subject site, but in close proximity.	4	The site provides two large industrial/warehouse with demised car parking and yard areas.	4	The two units are fully let to Book Barn.	4	This site provides large warehouse accommodation in an area of poor supply. It also has good road links with BANES and other nearby counties.	The possibility of expansion exists and should be explored given the large area of surrounding open land.	The existing site should remain protected under ET3 Policy and serious consideration given to its expansion to provide additional units.
Farrington Fields	4.0	Industrial	Full protection under policy ET3	3	The site is reasonably well situated on the main road out of Paulton, on its northern side and is accessed via demised estate road.	3	The surrounding environment provides predominantly open land/fields, although there is a scattering of residential properties in close proximity in a south westerly direction. The actual site is small in comparison to other estate in the BANES area.	4	The existing stock provides several good quality modern industrial units, in a variety of sizes.	4	The estate has a high occupancy level and is popular with local business. Void periods are relatively low.	4	The site, although small, does provide good quality industrial space in a reasonable location, with good access.	The surrounding open land does give the facility for expansion, on the eastern and western boundaries.	The site should retain ET3 protection.
Cloud Hill / Trident Works, Temple Cloud	?	Industrial	Full protection under policy ET3	1	Access to the site is extremely poor, via small lanes.	2	The surrounding area is does not allow any easy expansion, due to hillsides and gradient restrictions. There is a mix of open fields and a scattering of residential and employment uses in the area.	1	The site(s) provide a poor quality of stock, both in terms of quantity and quality.	3	The site is occupied by a variety of uses and seems to attract occupiers, even given it poor standard of space and the access problems.	2	A reasonable poor site, which may struggle find occupiers should the units become vacant.	The possibility of expansion is hampered by the surrounding hillside.	The site should retain ET3 protection, as it appears to meet a local demand.
Bath Business Park, Peasedown St John	11.0	Industrial/ Offices	Full protection under policy ET3	4	Site accessibility is good, as it is located on the main A367 Wells Road. The developers have also installed new infrastructure throughout the site.	4	The site itself is currently a mix of open field/development land, with surrounding land consisting of open fields. The high density residential development of Peasedown St John is located direct opposite the site in a north/north westerly direction.	5	The building stock available is all new build modern units, of a high specification, consisting of offices and industrial units.	5	Units have been available either freehold or leasehold for several months. Take up of these has increased in recent weeks and we understand that numerous local occupiers are considering taking space in light of the lack of alternatives. However, guide prices on a freehold basis are high when compared to other new build schemes in neighbouring counties.	5	A site that is easily accessible and provides modern B1 accommodation. Occupiers wanting modern space are almost forced to pay the high prices due to the lack of alternatives.	Expansion space exists within the current site. There is also further open land surrounding the site that could provide additional expansion space in the future.	The site should retain ET3 protection.

OTHER DEVELOPMENT SITES - OFFICE Appraisal only

SITE	FACTS			MARKETABILITY - CRITERIA						MARKETABILITY - OVERALL		AVAILABILITY/CONSTRAINTS		POLICY RECOMMENDATION - Office	
	Site area ha	Estimated Gross +ve office floorspace change	Any current proposals	any more facts?	Accessibility Score	Comment	Environment Score	Comment	Market Evidence Score	Comment	Score	Comment	Assessment	Comment	E.g. potential for redevelopment/ intensification
Source of Data	BANES	BANES	Cluttons from BANES	Cluttons	Cluttons					Cluttons	Cluttons	Cluttons	BANES	BANES	Cluttons
Manvers Street (Car Park/Police Station/PO)	1.33	20,000			4	The site is located in the city centre, on Manvers Street, which links North Parade with Bath Spa Railway station and Bus Station (the latter being redeveloped at present). Accessibility is therefore good, particularly in relation to public transport links. There are also several car parking facilities in close proximity, in addition to the Manvers Street Car Park.	4	Due to the sites location, it is in close proximity to the Railway Station and Bus Station. The main retailing area of Union St and Milson Street are both within close proximity. The Southgate shopping area is only 200 yards from the site, and is currently being extensively redeveloped. As with most city centre sites, development is constrained by surrounding buildings on all boundaries.	4	Numerous developers have indicated that they would like to undertake a redevelopment of the site to provide modern B1 space.	4	<b>This site provides an excellent opportunity for BANES to release to a developer</b>	<i>Constraint, not yet resolved</i>	Relocation of police station & post office sorting office / retention of existing public car parking and off site highway works onwards delivery 2012	<b>The site has potential for redevelopment. Given the interest developers are already showing in this site, new B1 office space could be provided in the medium term</b>
Avon Street Car Park and Coach Park	1.47	41,000			4	The site is situated in a central location, and is thus easily accessible by way of public transport and private transport.	4	The site is constrained by the River Avon, the existing road network that surrounds the site and by existing buildings in the vicinity.	4	Developers have indicated that they would be willing to develop this site given the opportunity.	4	<b>The site provides a good opportunity to provide additional B1 spaces within a city centre location.</b>	<i>Constraint, not yet resolved</i>	Relocation of coach park / replacement public car parking / off site highway works delivery 2010 - 15 quantity of office space dependant on parking requirements	<b>The site provides a good opportunity for B1 office development in central Bath.</b>
Kingsmead House / Green Park House	1.96	11,000			4	The site is easily accessible due to its central location. It is well positioned for public transport links. Numerous public car parking facilities are situated in close proximity.	3	The site is situated on the busy cross-road junction of James Street West and Green Park. The modern cinema complex is adjacent to the site, which also provides numerous A3 units.	5	We understand that this building/site has recently been purchased by a developer.	5	<b>In light of the previous section.</b>	<i>Available now</i>	Vacation & redevelopment of existing office block delivery 2010 / 11	<b>The site provides a good opportunity for B1 office development in central Bath.</b>
Bath Quays/Renault/Travis Perkins	2.24	19,000			4	The site is situated adjacent to the Lower Bristol Road and the River Avon, in close proximity to Avon Street Car Park site. The site has good accessibility due to its location adjacent to one of Bath's main commuter routes. The Bus Station and Railway Station are both within close proximity.	3	The site is hugley constrained by the River Avon and the Lower Bristol Road. To the west of the site lies the B1 office complex of Riverside Business Park and directly opposite a mix of office buildings and residential uses.	4	Terms agreed between BANES and Dyson to create a Design and Innovation College. Transaction is pending approval from the Environment Agency due to flooding concerns.	4	<b>All the constraints are an issue, the site is in a central position within Bath, on a busy and prominent highway. Should this site be made available to the open market, there would be a great deal of interest from developers.</b>	<i>Constraints are resolved (the necessary intervention is committedor the market will resolve)</i>	Resolution of flooding and highway issues & production of overall plan for site possible use for education purposes. delivery 2010 - 13	<b>The site provides a good opportunity for B1 office development in a central Bath location.</b>
Pavilion, Brougham Hayes		2,600	<b>A planning application has been submitted by a local property developer for circa 24,000 sq ft of modern open plan office accommodation.</b>		4	The site has good accessibility due to its central location. There are good public transport links serving the wider area. However, public car parking in the area is limited and the Railway and Bus Station are not within close proximity.	3	The site is situated on a busy traffic light controlled junction of Brougham Hayes and the Lower Bristol Road. The Holiday Express is situated adjacent to the site.	5	A commercial property developer recently submitted a planning application for a development consisting of circa 24,000 sq ft.	4	<b>The site provides a good opportunity for B1 development</b>			<b>The site provides a good opportunity to supply additional B1 office accommodation on a site with good accessibility within a relatively central Bath location.</b>
Keynsham Centre/Town Hall		7,500	<b>We are unaware of any current proposals.</b>		4	The site has good accessibility with good access from Bristol and Bath. Good public transport communications, with extensive Bus and Rail services.	3	The site is Keynsham Town Centre and has surrounding uses that include commercial and residential.	2	There is a lack of interest in Keynsham Town Centre from office occupiers.	3	<b>The site has the opportunity of providing modern B1 office space, although this would need to be as part of a wider modernisation strategy of the Town Centre.</b>	<i>Constraints are resolved (the necessary intervention is committedor the market will resolve)</i>	vacant possession of retail units & demolition of existing buildings total amount of office dependant on council requirements delivery 2010 / 11	<b>The site provides the opportunity of B1 accommodation with a Town Centre location. However any development should be considered closely alongside any plans to redevelop Somerdale. A redevelopment of both sites is likely to provide over supply of offices for the area.</b>
MSN High Street		6,000	<b>We are unaware of any current proposals.</b>		3	The site has reasonable accessibility via road networks and is well served by bus communication. However there is no railway station in the vicinity.	3	The site is surrounded by residential and commercial uses.	2	This site is not in high demand from office occupiers, but may be due to its age, appearance and characteristics.	3	<b>The site has the opportunity of providing modern open office accommodation that would meet the needs of the local businesses.</b>	<i>Constraint, not yet resolved</i>	land assembly & masterplan for mixed use scheme 2011 onwards	<b>Potential for redevelopment to meet the needs of local businesses.</b>