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# Bath & North East Somerset Employment Growth and Employment Land Review

## Final Report

Prepared for Bath & North East Somerset Council

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**NOTE TO THE READER: SIGNIFICANT CHANGE IN WIDER POLICY CONTEXT**

The research which informs this report commenced in early 2019. At that time the West of England Joint Spatial Plan (JSP) had been submitted to the Secretary of State for Examination. As a result, it was anticipated that the Bath and North East Somerset (B&NES) Local Plan would be prepared to align to, and support delivery of, the JSP. The research which is set out in this report was to be used to inform the development of the B&NES Local Plan in this context.

During the course of the research programme for this report the Inspectors conducting the examination of the JSP commenced hearing sessions and issued letters to the JSP authorities setting out early findings. These letters contained substantial concerns regarding the soundness of certain aspects of the JSP. As a result of these letters the JSP was formally withdrawn in early 2020. The withdrawal of the JSP has had knock on implications for the preparation of the B&NES Local Plan. The JSP issues have also impacted on the timetable for the publication of this report and its content.

HJA and B&NES Council discussed the most appropriate way forward in January 2020, acknowledging the significant change in context. It was agreed that there was merit in finalising the report.

The main body of this report is predicated on analysis linked to the employment growth ambitions of the JSP. It also discusses proposed site allocations (Strategic Development Locations) which were included within the JSP.

However, in December 2019, HJA submitted further analysis to B&NES Council relating to economic and employment growth scenarios in the absence of the JSP. This was to be used to inform the preparation of the Council's Business and Skills Plan. It was agreed that this work should be appended to this report (Appendix 14). In addition, the data tables from Chapter 4 of the main report have been recalculated on the basis of the preferred scenario as set out in the December 2019 report.

# Table of Contents

1	Introduction .....	1
	Part 1: Employment Growth Research .....	2
2	Baseline & Trend Analysis .....	3
3	Employment Growth Scenarios .....	13
4	Employment Land Requirements .....	17
	Part 2: Employment Land Review .....	27
5	Site Assessment Methodology .....	28
6	Summary of Employment Land Supply .....	29
	Part 3: Analysis and Conclusions .....	37
7	Comparing Supply and Demand .....	38
8	Potential Role of Strategic Development Locations .....	41
9	Conclusions and Recommendations .....	46
	Appendix 1: Sub Area Definitions .....	50
	Appendix 2: Sub Area Profiles .....	52
	Appendix 3: Sector Profiles .....	61
	Appendix 4: Calculating Dynamic Shares .....	96
	Appendix 5: B&NES Employment Scenarios Data Tables .....	100
	Appendix 6: Employment Land Requirements Methodology .....	102
	Appendix 7: Analysis of Historic Floorspace Gains and Losses .....	106
	Appendix 8: List of Stakeholder Workshop Attendees .....	112
	Appendix 9: Detailed Sub Area Future Requirements Tables .....	113
	Appendix 10: Site Assessment Proforma .....	115
	Appendix 11: Commercial Market Review .....	117
	Appendix 12: Site Assessments .....	118
	Appendix 13: Historic and Future Sectoral Employment Scenarios Report (December 2019) .....	119
	Appendix 14: Employment Land Requirement Data Tables Based on December 2019 Mid Level Scenario .....	120

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# 1 Introduction

1.0.1 Hardisty Jones Associates (HJA) and Lambert Smith Hampton (LSH) were appointed by Bath & North East Somerset (B&NES) Council to undertake an Employment Growth and Employment Land Review. This report sets out the results of this research study.

## 1.1 Study Objectives

1.1.1 The primary aim of this study was to provide a robust evidence base to underpin the refresh of the B&NES Economic Development Strategy and Local Plan in terms of:

- Potential employment scenarios for B&NES and the four sub-areas within it;
- The associated requirements for employment land to facilitate these scenarios;
- The current and future supply of employment sites across B&NES and the four sub-areas; and
- Whether there is a good match between the demand and supply evidence and whether there is a requirement for additional employment land.

1.1.2 This study has been undertaken in the context of the West of England Joint Spatial Plan (JSP).

## 1.2 Sub Areas

1.2.1 Throughout this report the Unitary Authority area of B&NES is sub-divided into four sub-areas:

- Bath
- Keynsham
- Somer Valley
- Rural Areas

1.2.2 Definitions and a map illustration for these four sub-areas are set out at Appendix 1.

## 1.3 Report Structure

1.3.1 The remainder of this report is set out in three parts:

Part 1: Employment Growth Research

- Chapter 2: Baseline and Trend Analysis
- Chapter 3: Employment Growth Scenarios
- Chapter 4: Employment Land Requirements

Part 2: Employment Land Review

- Chapter 5: Site Assessment Methodology
- Chapter 6: Summary of Employment Land Supply

Part 3: Analysis and Conclusions

- Chapter 7: Comparing Supply and Demand
- Chapter 8: Potential Role of Strategic Development Locations
- Chapter 9: Conclusions and Recommendations

## Part 1: Employment Growth Research

## 2 Baseline & Trend Analysis

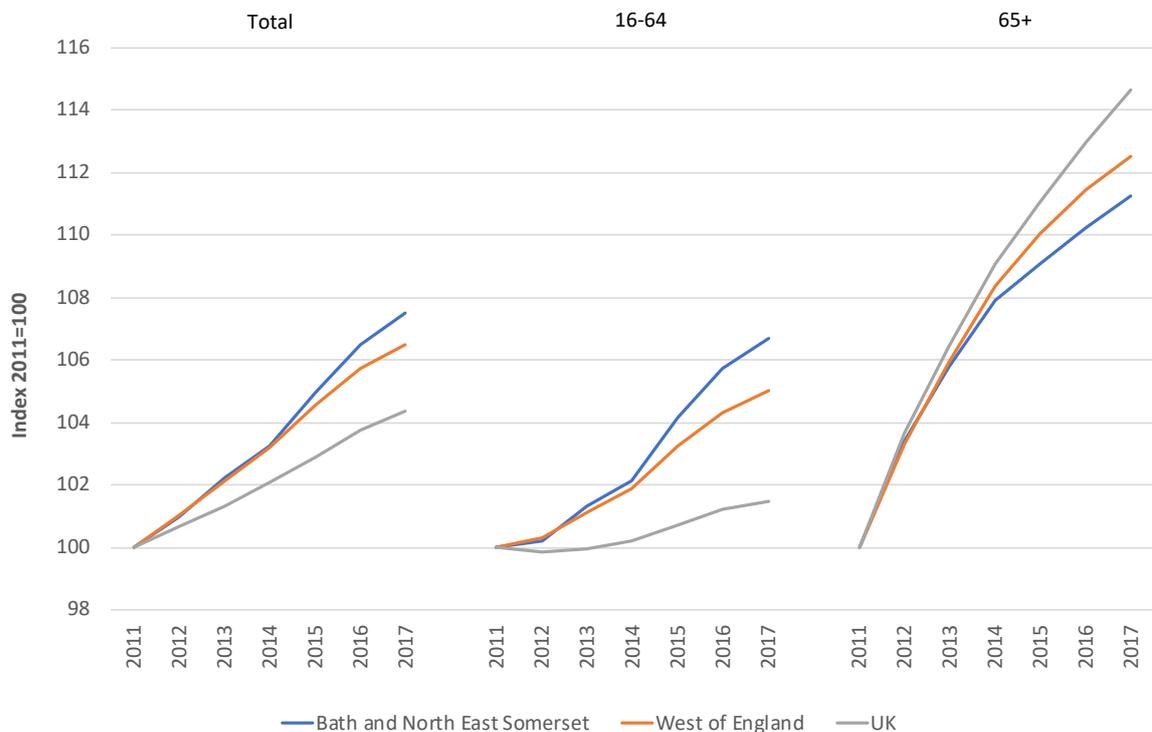
2.0.1 This chapter provides a summary analysis of the B&NES economy, including the four identified sub areas. This is benchmarked against the West of England sub-region and UK data. Analysis is based on official statistics covering labour market, employment and business.

### 2.1 Labour Market

#### Demographics

2.1.1 B&NES is home to around 188,700 persons, equivalent to 17% of the West of England population. The population of B&NES has been rising in recent years. The rate of growth has been marginally higher than the West of England sub-region (accounting for 19% of West of England growth 2011-17) and substantially above that of the UK as a whole. This higher rate of growth has been fuelled by notably strong growth in the population of 16-64 years (a proxy for working age population), with lower relative growth in those aged 65 years and above. This includes growth in the student population.

**Figure 2.1 Population Change 2011-2017**



Source: ONS Population Estimates

2.1.2 Around half of the B&NES population is resident within the Bath City sub area, 23% in the Somer Valley, 18% in the Rural area and 9% in Keynsham. Over recent years the population has grown most rapidly (in relative terms) in Keynsham and Somer Valley, ahead of the B&NES average. Bath City has grown at a very similar rate to the UA average, with the Rural area experiencing the lowest rate of population growth of the four sub areas.

2.1.3 Working age (16-64 years) population growth has been concentrated in the Bath City sub area with 63% of the B&NES total. This equates to 14% of the increase in working age population across the West of England as a whole 2011-17. The Somer Valley and Rural sub areas have experienced

much lower rates of growth in 16-64 years population but higher rates of growth in persons 65 years and above.

**Figure 2.2 Headline Population Data**

	2017 Population		2011-17 Population Change	
	Absolute	% of B&NES	Absolute	% of B&NES
Bath City	95,000	50%	6,550	50%
Keynsham	16,200	9%	1,700	13%
Somer Valley	41,300	23%	3,450	26%
Rural Area	32,250	18%	1,450	11%
<b>B&amp;NES</b>	<b>188,700</b>		<b>13,150</b>	

Source: ONS Population Estimates

### Participation

2.1.4 B&NES had approximately 98,000 economically active residents aged 16-64 in 2018. The economic activity rate in B&NES (82%, 2018) has consistently been above that of the UK, but below the West of England average until 2018. The number of economically activity residents in Bath and North East Somerset has been broadly increasing, in-line with the trend seen across the West of England.

2.1.5 The employment rate of residents aged 16-64 has also been rising in recent years and latest data indicates 80% are in employment. This is above both the West of England (79%) and UK (75%) levels.

2.1.6 Overall the economic activity and employment rate data indicates healthy levels of labour market participation in comparison to benchmark areas.

### Employment Characteristics

2.1.7 Rates of self-employment in B&NES (14% of all 16-64 years residents in employment) are higher than the West of England as a whole but below UK levels. The rate of self-employment has been falling steadily in B&NES over the last five years. This is a marked difference to a broadly flat or rising trend across the benchmark areas. With self-employment falling as share of total employment, the share that are employees has been rising.

2.1.8 The proportion of those in employment that are working part time has been rising. Latest data for 2018 indicates 32% of all 16-64 years residents in employment as working part time. This compares to 27% across the West of England and 25% at the UK level.

### Occupations

2.1.9 In 2018 approximately a quarter of B&NES residents work in Professional Occupations, marginally below the West of England average but well ahead of the UK average. When Managers, Directors and Senior Officials, and Associate Professional and Technical Occupations are included this accounts for just over half (53%) of B&NES employed residents. This is a larger proportion than the West of England (51%) and UK (46%).

### Travel to Work

2.1.10 B&NES overall experiences a net inflow of approximately 5,000 workers based on the 2011 Census. A total of 29,300 workers travel into the UA area for work each day, with approximately 24,000 leaving B&NES to work elsewhere. The top five local authority areas that provide and

receive commuters are: Bristol, South Gloucestershire, Wiltshire, Mendip and North Somerset. B&NES is a net recipient of commuters from all but Bristol<sup>1</sup>.

**Figure 2.3: Commuting patterns for Bath and North East Somerset**

	Inflow to B&NES	Outflow from B&NES	Net Change
Bristol	5,300	8,400	-3,000
South Gloucestershire	5,000	3,900	1,100
Wiltshire	8,300	3,400	4,900
Mendip	4,300	2,900	1,400
North Somerset	1,200	1,200	0
Other	5,200	4,200	1,000
<b>Total</b>	<b>29,300</b>	<b>24,000</b>	<b>5,300</b>

Source: Census, 2011. Figures may not sum due to rounding

- 2.1.11 When looking at travel to work patterns by sub-area it is evident that Keynsham has the greatest proportion of its jobs filled by residents from outside the B&NES area (55%), with South Gloucestershire and Bristol being the main areas of residence for workers after Keynsham itself. This compares with the rural area (46%), Bath City (40%) and Somer Valley (31%). This may indicate the potential for Keynsham to play an important role in meeting the employment needs of a wider geography. At present the inflow and outflow of workers is broadly balanced, with a slight net outflow.
- 2.1.12 Somer Valley is the most self-contained of the four sub-areas with 55% of jobs filled by residents of Somer Valley. The primary location for in-commuting workers is Mendip. This highlights some of the issues relating to transport connectivity which affect Somer Valley raised by attendees at the stakeholder consultation event for this research, with a much more local market area centred functional economy. At present there is a substantial net outflow of workers from Somer Valley.
- 2.1.13 In purely volume terms Bath, as the main employment centre within B&NES has the greatest numbers of in-commuters by some distance. Particularly notable are the significant flows of workers in from Wiltshire and Somer Valley. At present there is a substantial net inflow of workers to Bath for work, highlighting its role as an employment hub.
- 2.1.14 The rural area has a net outflow of workers. Whilst not as pronounced as Somer Valley it is much greater than Keynsham. There are flows into the rural area from all areas, most notably Bath City and Bristol. However, because the rural area borders each of the other sub areas and neighbouring authorities it is not surprising to see a broad range of origins and destinations in the travel to work data. The major outflows of rural area residents are to Bath City and Bristol.

## 2.2 Employment

- 2.2.1 There are a number of different measures of employment in an area. The most comprehensive is that taken from the ONS Jobs Density analysis. In 2017, B&NES accommodated approximately 104,000 jobs (ONS, Jobs Density). According to this measure employment has been rising over the last 10-years, however, the rate of growth in jobs in B&NES has not been as high as across the West of England and UK.

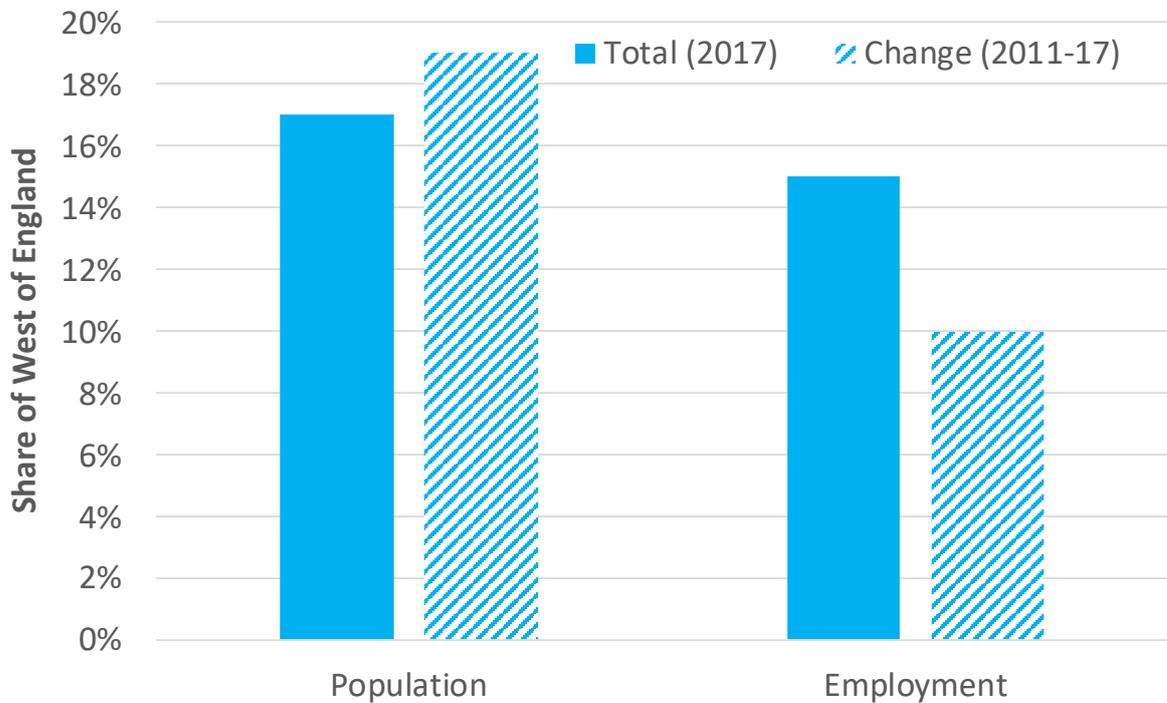
<sup>1</sup> There is a small net balance of in-commuters to B&NES from Swindon and Cheltenham.

2.2.2 In 2017 B&NES accounted for approximately 15% of West of England jobs (cf. 17% of the population). This share has been gradually declining from 16% in 2007. In the 10-year period 2007-17 B&NES accounted for just 10% of West of England employment growth (9,000 of 91,000 additional jobs)<sup>2</sup>. This shows a weakening of the area’s role as an employment location.

2.2.3 Discussion as to why B&NES has failed to capture a share of employment growth aligned to its share of total employment, particularly when population growth has remained strong was a feature of a stakeholder consultation workshop as part of this research. The discussion in the workshop identified two primary issues:

- The failure to bring forward a sufficient supply of employment sites and premises in Bath, in terms of both offices and industrial. This has particularly limited the role of Bath to retain and attract office occupiers with notable losses to Bristol; and
- Issues of transport (and to some extent digital) connectivity meaning parts of B&NES are in a less competitive position to other parts of the West of England as well as parts of Swindon and Wiltshire to the east.

**Figure 2.4 B&NES Share of West of England Population and Employment Stock and Change**



Source: ONS, Population Estimates and Jobs Density

**Sub Area Analysis**

2.2.4 Analysis of employment trends across the four sub-areas is based on the ONS Business Structure Database<sup>3</sup> (BSD). This source is not as exhaustive as (and therefore not consistent with) the Jobs Density measure. The BSD identifies approximately 88,600 jobs across B&NES for 2017 on a like

<sup>2</sup> Comparing 2011-17 B&NES attracted 19% of West of England population growth (22% of working age population) but only 9% of jobs growth.

<sup>3</sup> A full description of the Business Structure Database, and its source database the Inter-Departmental Business Register (IDBR), can be found here: <https://beta.ukdataservice.ac.uk/datacatalogue/studies/study?id=6697>

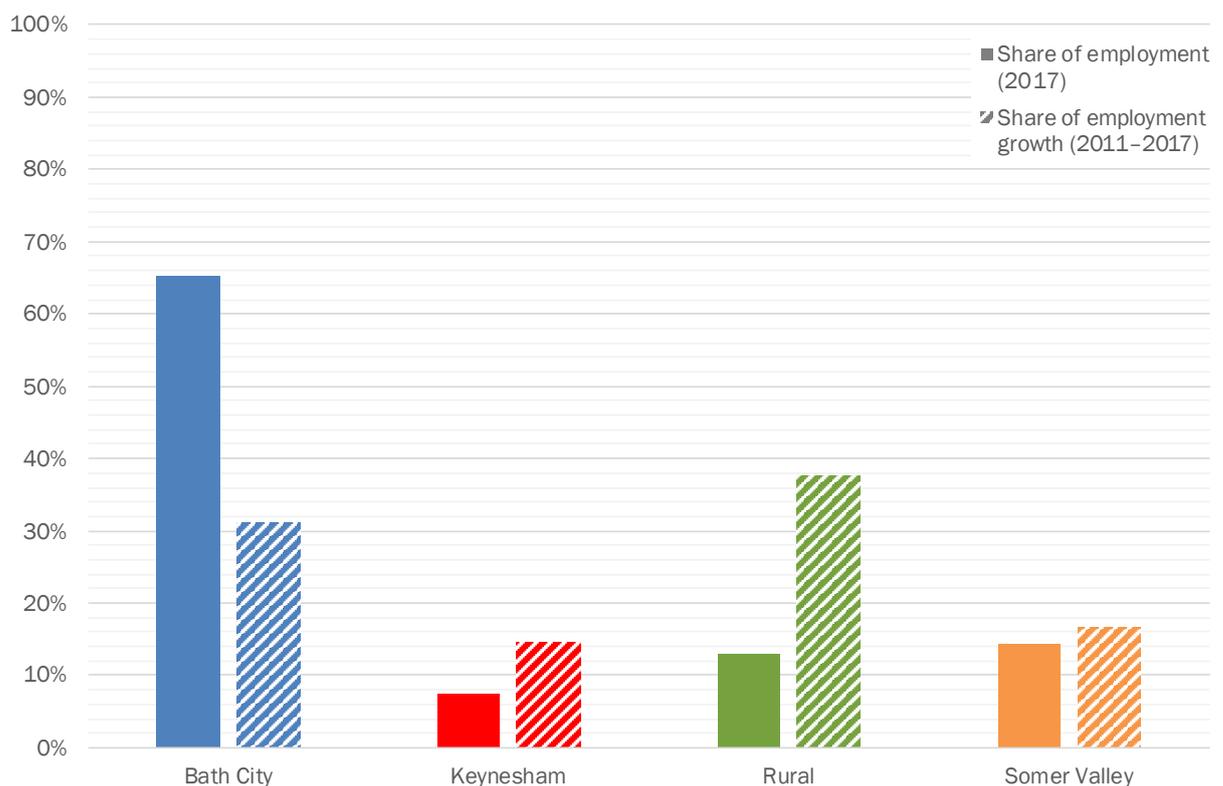
for like basis (approximately 85% of the larger Jobs Density figure)<sup>4</sup>. Data has been made available for the period 2008-2018.

2.2.5 Analysis of the BSD data shows a significant concentration of employment within the Bath City sub-area (65%), 15% is located within Somer Valley area, 13% in the Rural Area, and 7% in Keynsham.

2.2.6 However, the recent pattern of employment change has been markedly different to the historic distribution of employment. In particular, Bath City has, in terms of total employment, seen modest losses since 2008. Bringing the analysis in line with population data, between 2011–2017 the Rural Area (38%), Somer Valley (17%), and Keynsham (15%) have contributed more than their overall shares towards employment growth. Compared to overall employment distribution, Bath has significantly underperformed over the same period. This is illustrated in Figure 2.5.

2.2.7 The relatively poor performance of Bath aligns to the views expressed by stakeholders at the consultation workshop i.e. that a failure to retain and deliver appropriate employment floorspace has led to losses of existing occupiers and a failure to attract new occupiers. The growth in rural areas is believed to be driven by rising homeworking and small businesses within agricultural conversions as well as the development of available sites.

**Figure 2.5 Distribution of Employment by Sub Area, 2011–2017**



Source: ONS

<sup>4</sup> The IDBR uses data for businesses registered for PAYE or VAT. Therefore, a large proportion of 'missing' jobs are likely to be within very small businesses or other organisations that fall outside of the scope of PAYE and VAT.

### ***Bath City***

- 2.2.8 Information & Communication (1.25)<sup>5</sup>, Finance & Insurance (1.23), and Public Administration and Defence (1.23) are the three most concentrated sectors for employment in Bath City relative to Bath and North East Somerset.
- 2.2.9 Recent employment growth in Bath City has been concentrated within Accommodation and Food Services, Professional, Scientific and Technical, Administrative and Support Services and Human Health and Social Work.
- 2.2.10 There has been substantial decline in Public Administration and Defence employment within Bath City, as well as declines in the Education and Wholesale & Retail.

### ***Keynsham***

- 2.2.11 Manufacturing (2.24), Other Services (1.75), Transport and Storage (1.75), and Construction (1.74) are the most concentrated sectors for employment in Keynsham relative to Bath and North East Somerset.
- 2.2.12 Keynsham's absolute employment numbers in Wholesale & Retail, Administrative & Support Services, Public Administration & Defence, and Human Health and Social Work have increased over the period, with Manufacturing and Construction decreasing substantially.

### ***Somer Valley***

- 2.2.13 Manufacturing (3.10), Construction (1.72), and Transport & Storage (1.67) are the most concentrated sectors for employment in Somer Valley relative to Bath and North East Somerset.
- 2.2.14 Somer Valley's absolute employment numbers in Construction, Professional, Scientific & Technical, Administrative & Support Services, and Human Health and Social Work have increased notably over the study period, and there has been growth in other sectors as well.
- 2.2.15 There has been significant employment losses in Manufacturing in Somer Valley.

### ***Rural Area***

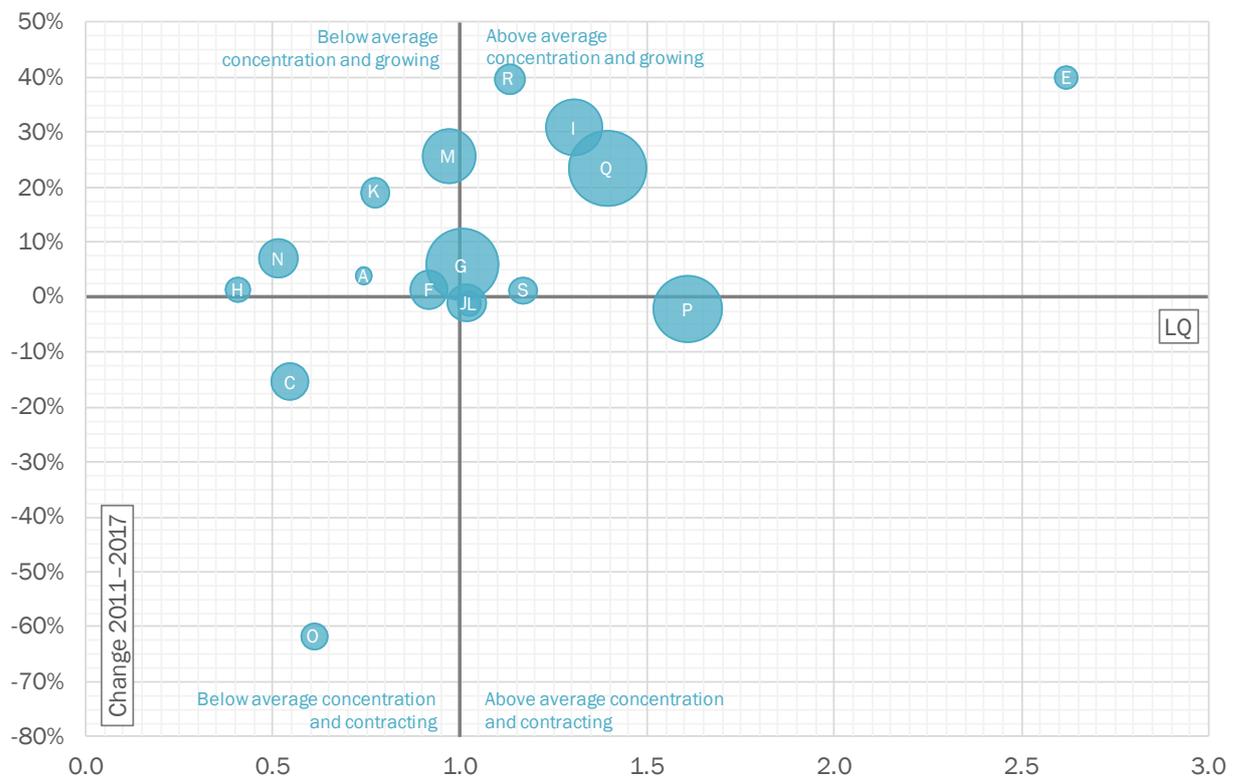
- 2.2.16 Agriculture (6.50), Construction (2.63), Art, Entertainment & Recreation (1.36), and Accommodation and Food Services (1.32) are the most concentrated sectors for employment in the Rural Area relative to Bath and North East Somerset.
- 2.2.17 The Rural Area's absolute employment numbers in Wholesale & Retail, Accommodation & Food Services, Professional, Scientific & Technical, Administrative & Support Services and Education sectors have increased over the study period, with no sectors showing significant losses.
- 2.2.18 Further information in respect of the employment characteristics and trends in each of the sub-areas are set out at Appendix 3 to this report.

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<sup>5</sup> Relative concentrations are stated in terms of location quotients (LQ). An LQ of 1 indicates an identical share of employment in the area of focus relative to the national average. A figure less than 1 suggests an under-representation. A figure of more than 1 shows a relative concentration. The higher or lower the LQ the greater the over or under representation.

## Sector Analysis

**Figure 2.6 Magnitude<sup>6</sup> (2017), concentration<sup>7</sup> (2017), and change<sup>8</sup> (2011–2017) in total B&NES employment by SIC sector<sup>9</sup>**



2.2.19 It is clear that the sectors which have contracted the most between 2011–2017 are Public Administration and Defence and Manufacturing. In particular, Public Administration and Defence experienced heavy employment losses – approximately 3,300 over the period. Bath City accounted for almost all of the losses in this sector, which is likely one of the biggest reasons for its recent weak employment performance.

2.2.20 Accommodation and Food Services, Education, and Human Health and Social Work Activities are well represented in B&NES, both in terms of total employment and concentration. However, these sectors are ‘low value’ and do not represent growth opportunities.

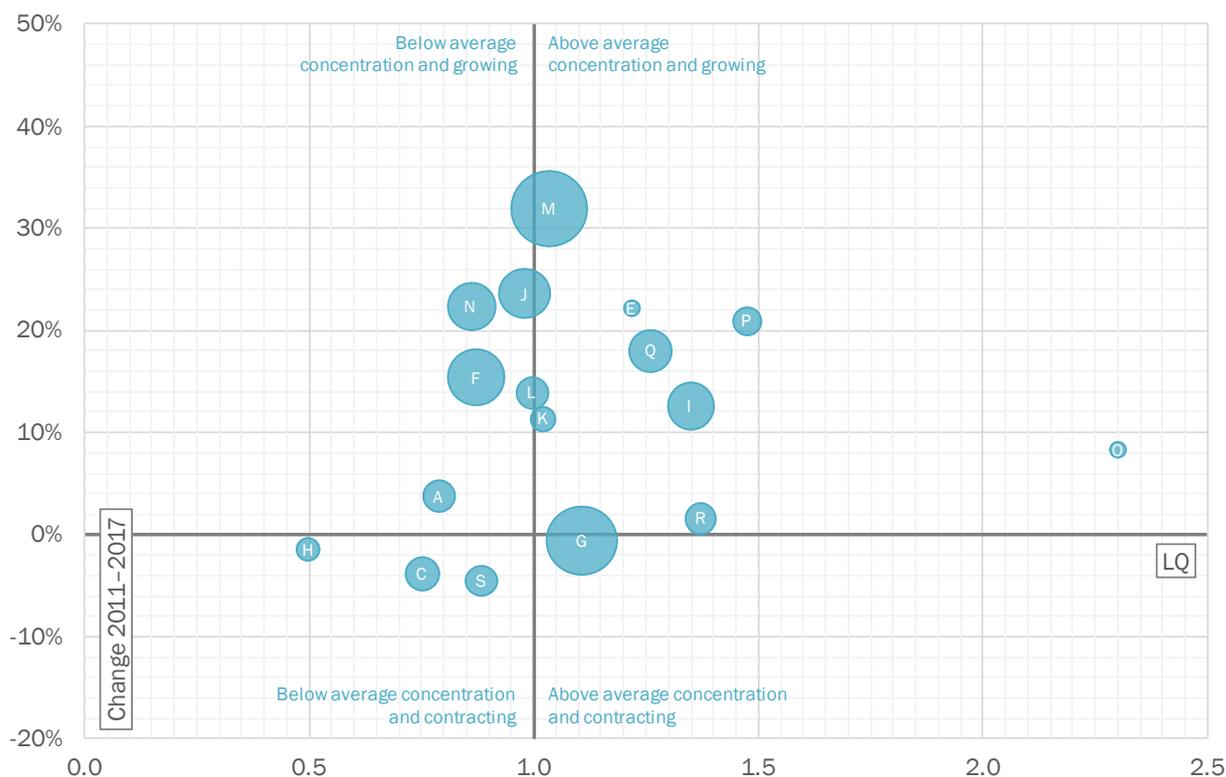
<sup>6</sup> Magnitude i.e. total employment, is represented in Figure 2.6 by the size of a sector’s ‘bubble’

<sup>7</sup> Concentration is represented by Location Quotient (LQ) on the horizontal axis. LQ is a way of quantifying how concentrated a particular sector is in a specific area as compared to the national average. An LQ above 1 indicates an above average concentration, whilst an LQ below 1 indicates a below average concentration. In the LQ analysis included in this chapter, employment for B&NES is derived from the BSD, and employment at the England level is derived from the Business Register and Employment Survey (BRES). The magnitudes involved with the latter data selection negates any small differences between the two datasets.

<sup>8</sup> Change i.e. percentage change in total employment, is represented on the vertical axis.

<sup>9</sup> A: Agriculture Forestry and Fishing; C: Manufacturing; E: Water Supply; Sewerage, Waste Management and Remediation Activities; F: Construction; G: Wholesale and Retail Trade; H: Transportation and Storage; I: Accommodation and Food Services; J: Information and Communication; K: Financial and Insurance Activities; L: Real Estate Activities; M: Professional, Scientific, and Technical Activities; N: Administrative and Support Service Activities; O: Public Administration and Defence; P: Education; Q: Human Health and Social Work Activities; R: Arts, Entertainment, and Recreation; S: Other Service Activities.

**Figure 2.7 Magnitude (2017), concentration (2017), and change (2011–2017) in total B&NES businesses by SIC sector<sup>9</sup>**



- 2.2.21 The stand-out ‘high value’ sector in B&NES is Professional, Scientific, and Technical Activities. It is very well represented in B&NES in terms of total employment and business units, and has seen significant growth between 2011–2017 both in overall employment and the number of business units.
- 2.2.22 The Arts, Entertainment, and Recreation sector has seen growth in total employment between 2011–2017, although business numbers have remained relatively consistent. Whilst contributing relatively smaller numbers of jobs and business units relative to other sectors, the sector exhibits an above average concentration in both variables.
- 2.2.23 There are a few other positive trends emanating from the above analysis. Although overall employment and business unit numbers are relatively low, the Finance and Insurance sector has displayed reasonable growth in both categories between 2011–2017. The Information and Communication and Real Estate sectors have seen strong growth in total business units, despite seeing little to no change in overall employment. Both are around average concentration for both variables.
- 2.2.24 Further information in respect of the employment characteristics and trends in each of the sectors are set out at Appendix 3 to this report.

## 2.3 Business Base

2.3.1 There were 8,210 businesses in B&NES in 2017 (UK Business Counts, ONS).

2.3.2 The B&NES economy is dominated by micro businesses. This is reflective of the business base in England as a whole. B&NES has a slightly higher proportion of SME and large businesses in comparison to the England average. The number of large businesses in B&NES is also very similar to the England average.

**Figure 2.8: Business base by business size, 2017**

Business size	B&NES	England
Micro (0–9 employees)	89%	90%
SME (10–249 employees)	11%	10%
Large (250+ employees)	0.5%	0.4%

Source: UK Business Counts, ONS (Note – figures may not sum due to rounding)

2.3.3 The number of micro and small-medium size enterprises (SME) in B&NES increased between 2011 and 2017 (UK Business Counts, ONS). It is difficult to make an accurate assessment of the change in the number of large businesses in B&NES as ONS figures are rounded to the nearest five.

**Figure 2.9: Change in size band distribution of businesses 2010–2018, B&NES**

Business size	2011	2017
Micro (0–9 employees)	6,290	7,290
SME (10–249 employees)	715	875
Large (250+ employees)	35	40

Source: UK Business Counts, ONS

2.3.4 Overall, B&NES's business base is relatively less active when compared to the picture across England as a whole. The number of enterprises in B&NES increased by 17% between 2011–2017, compared to an increase of 30% in England as a whole (UK Business Counts, ONS).

2.3.5 The number of business start-ups in B&NES has fluctuated over the period 2013–2017, with the current number of start-ups lower than the number at the beginning of the period. This performance is weaker than the overall England economy, which has seen an overall increase in annual business start-ups over the same period.

2.3.6 In terms of business survival, the B&NES economy performs better than the overall England economy, with 54.6% of B&NES businesses started in 2014 surviving four years of operation compared to 49.4% in England.

**Figure 2.9: Survival of newly born businesses by units born in 2014, B&NES**

	1-year survival	2-year survival	3-year survival	4-year survival
B&NES	93.4%	78.7%	64.5%	54.6%
England	92.3%	75.9%	61.4%	49.4%

Source: UK Business Counts, ONS

## 2.4 Summary

- 2.4.1 In 2017, B&NES accommodated approximately 104,000 jobs. According to this measure employment has been rising over the last 10-years, however, the rate of growth in jobs in B&NES has not been as high as across the West of England and UK.
- 2.4.2 Managers, Directors and Senior Officials, and Associate Professional and Technical Occupations account for just over half B&NES residents in employment. This is a larger proportion than the West of England and UK.
- 2.4.3 B&NES experiences a net inflow of workers. The top five local authority areas that provide and receive commuters are: Bristol, South Gloucestershire, Wiltshire, Mendip and North Somerset.
- 2.4.4 In 2017 B&NES accounted for approximately 15% of West of England jobs (cf. 17% of the population). This share has been gradually declining from 16% in 2007. In the 10-year period 2007-17 B&NES accounted for just 10% of West of England employment growth. This shows a weakening of the area's role as an employment location.
- 2.4.5 Analysis of BSD data shows a significant concentration of employment within the Bath City sub-area (65%), whilst 15% is located within Somer Valley area , 13% in the Rural Area, and 7% in Keynsham.
- 2.4.6 Bringing the analysis in line with population data, between 2011–2017 the Rural Area (38%), Somer Valley (17%), and Keynsham (15%) contributed more than their overall shares towards employment growth. Compared to overall employment distribution, Bath has significantly underperformed over the same period.
- 2.4.7 The sectors that have contracted the most between 2011–2017 are Public Administration and Defence and Manufacturing. In particular, Public Administration and Defence experienced heavy employment losses.
- 2.4.8 Accommodation and Food Services, Education, and Human Health and Social Work Activities are well represented in B&NES, both in terms of total employment and concentration.
- 2.4.9 The stand-out 'high value' sector in B&NES is Professional, Scientific, and Technical Activities. It is very well represented in B&NES in terms of total employment and business units, and has seen significant growth between 2011–2017 both in overall employment and the number of business units.
- 2.4.10 Employment levels in B1a/b office uses and B8 warehouse uses have remained largely unchanged over the period 2008–2018, although some small fluctuations have occurred during that time. Meanwhile, employment in B1c/B2 industrial and light industrial uses has significantly decreased.

## 3 Employment Growth Scenarios

This chapter is based on analysis closely linked to the now withdrawn West of England JSP. Some further research on potential economic growth scenarios for B&NES undertaken to inform the Business & Skills Plan was published in December 2019 and is attached as Appendix 14 to this report.

- 3.0.1 This chapter sets out analysis of potential future employment growth scenarios for the B&NES area and its four constituent sub-areas. These scenarios have been informed by a range of existing evidence and research as discussed below.
- 3.0.2 The purpose of these scenarios is to illustrate the potential scale and mix of future employment change in B&NES and the four sub-areas based on currently available evidence. These are to be used to inform policy and strategy development. With all futures analysis there is a large element of uncertainty. The scenarios should therefore not be viewed as precise predictions of what will happen, but as a tool to inform decision making both in terms of setting policy now and monitoring and responding to change in the future.

### 3.1 West of England Joint Spatial Plan (JSP) and Strategic Economic Plan (SEP)

- 3.1.1 The West of England JSP set out a framework within which each Unitary Authority area was to prepare its Local Plan. The JSP established an aspiration to secure 82,500 additional jobs across the sub-region over the period 2016-36. This aligns to the West of England Local Enterprise Partnership's (LEP) Strategic Economic Plan (SEP).
- 3.1.2 The JSP and SEP are underpinned by a set of economic forecasts prepared for the LEP by Oxford Economics. Oxford Economics prepared a number of scenarios at the sub-regional level. The adopted position is based upon the 'Medium High' scenario (2015 forecast release). This includes employment growth (81,600 jobs) well above the baseline position (49,000 jobs). In addition, a 1.1% uplift was applied to the core outputs of Oxford Economics to arrive at the 82,500 jobs figure.
- 3.1.3 The West of England JSP employment growth figure, and the employment forecasts prepared by Oxford Economics for the LEP, have been used as the starting point for developing employment growth scenarios for B&NES. This ensures alignment with the sub-regional position set out in both the JSP and SEP. The JSP does not disaggregate the sub-regional target across Unitary Authority areas.

### 3.2 B&NES Scenarios

- 3.2.1 Three alternative scenarios have been developed to consider the share of West of England growth that might reasonably be located within B&NES.
- 3.2.2 **Scenario 1 - Oxford Economics:** This draws on the econometric forecasts produced for the West of England LEP which underpin the SEP and JSP. As part of the West of England forecasting package sectoral employment forecasts were prepared for each constituent Unitary Authority area. These forecasts, adjusted for the 1.1% uplift, are used as scenario 1.
- 3.2.3 **Scenario 2 - Current Shares:** The second scenario uses the current share of employment within each sector to allocate future West of England growth to B&NES. Data from the Office for National Statistics (ONS) Business Register and Employment Survey (BRES) has been utilised. To address any potential volatility in the data a three-year average, for the period 2015-2017, for the share of

West of England employment in each sector which is located in B&NES has been used. This has then been applied to the West of England forecasts (Oxford Economics Medium High) uplifted by 1.1% to be consistent with the JSP and SEP.

- 3.2.4 **Scenario 3 - Dynamic Shares:** The third scenario uses trend analysis (BRES 2009-2017) to inform an assessment of potential changes to the share of West of England employment growth that B&NES might attract. This seeks to capture the effect of changing patterns of sectoral employment distribution which are clearly evident in the analysis set out in Chapter 2. Appendix 4 to this report sets out the approach to determining these dynamic shares, drawing on ONS BRES data.
- 3.2.5 Table 3.1 sets out the headline results of each of the three scenarios. The key points are summarised below.
- 3.2.6 Across all the scenarios, consistent with the West of England forecasts, there is anticipated employment decline in manufacturing, primary industries, utilities and public administration, defence and social security; although the degree of decline varies. Job growth is forecast to be driven by service sectors, particularly professional, scientific and technical activities; administrative and support service activities; and human health and social work activities. There is also forecast to be strong growth in the construction sector.
- 3.2.7 Scenario 1 – Oxford Economics allocates less than 11% of West of England total jobs growth to the B&NES area. This is below the 15% of sub-regional employment currently located within B&NES. This results from seven of the 11 sectors forecast to experience employment growth being allocated a lower than current share of future sub-regional growth. After applying the 1.1% uplift total forecast employment growth is 8,850 jobs over the period 2016-36.
- 3.2.8 Scenario 2 – Current Shares allocates approximately 15% of West of England total jobs growth to the B&NES area. After applying the 1.1% uplift, total forecast employment growth is 12,250 jobs over the period 2016-36.
- 3.2.9 Scenario 3 – Dynamic Shares allocates 14% of West of England jobs growth to B&NES. This is a modest variation on scenario 2, with two sectors identified with the potential to secure a growing share of sub-regional employment, and five sectors identified to attract a falling share. This reflects the declining share of West of England employment captured by B&NES in the last 10 years. After applying the 1.1% uplift, total forecast employment growth is 11,450 over the period 2016-36.
- 3.2.10 To provide some context, the West of England JSP anticipates 14% of new homes across the sub-region to be located within B&NES.
- 3.2.11 Whilst preparing Scenario 3 the trends that were emerging from the analysis may bring some helpful insights. The manufacturing sector is declining more rapidly in B&NES than the wider West of England sub-region. The accommodation and food service sector is not growing as strongly in B&NES as the wider sub-region. This is a key sector for Bath in particular and whilst employment is not declining it is falling behind other areas. The information and communication sector (which includes much digital and IT activity) has grown in employment terms but at a slower rate than the wider sub-region so B&NES is accounting for a lesser share.
- 3.2.12 Overall the three scenarios identify potential employment growth in the range of 8,800 – 12,300 jobs over the period 2016-36. Full data tables setting out employment by sector for each scenario are set out within Appendix 5.

**Figure 3.1 Employment Scenarios Summary – B&NES 2016-36**

Sector	Scenario 1 – Oxford Economics	Scenario 2 – Current Shares	Scenario 3 – Dynamic Shares
A : Agriculture, forestry and fishing	-150	-100	-100
B : Mining and quarrying	0	0	0
C : Manufacturing	-550	-550	-550
D : Electricity, gas, steam and air conditioning supply	0	0	0
E : Water supply; sewerage, waste management and remediation activities	-100	-150	-150
F : Construction	1,400	1,250	1,250
G : Wholesale and retail trade; repair of motor vehicles and motorcycles	200	1050	1050
H : Transportation and storage	-50	300	-50
I : Accommodation and food service activities	1,050	900	-50
J : Information and communication	1,150	900	600
K : Financial and insurance activities	200	100	400
L : Real estate activities	650	800	800
M : Professional, scientific and technical activities	1,800	3,250	3,250
N : Administrative and support service activities	850	1,050	1,750
O : Public administration and defence; compulsory social security	-250	-200	-400
P : Education	200	200	200
Q : Human health and social work activities	950	1,800	1,800
R : Arts, entertainment and recreation	850	900	900
S : Other service activities	750	750	750
<b>Total</b>	<b>8,850</b>	<b>12,250</b>	<b>11,450</b>

Source: HJA analysis, based on Oxford Economics and ONS BRES. All figures rounded to nearest 50.

### 3.3 Sub Area Scenarios

- 3.3.1 The analysis set out above considers the allocation of West of England employment growth to B&NES as a whole. A further round of analysis is required to consider how this might reasonably be distributed across the four sub-areas within B&NES.
- 3.3.2 Two distribution approaches have been used, similar to those described above.
- 3.3.3 **Distribution A – Current Shares:** this approach uses the current share of employment within each sector to allocate B&NES growth to each sub-area. Data from the Interdepartmental Business Register (IDBR) for the period 2016-2018 has been utilised. To address any potential volatility in the data a three-year average for the share of B&NES employment in each sector within each sub-area has been used. This has then been applied to the three B&NES forecast scenarios.
- 3.3.4 **Distribution B – Dynamic Shares:** this approach uses trend data for the period 2008-18 taken from the IDBR to inform an assessment of potential changes to the share of B&NES employment growth that each sub-area might attract. This identified sectors which were growing more rapidly and attracting a greater share of jobs, as well as those accounting for a decreasing share of

employment. Appendix 4 to this report sets out the detailed approach employed to setting the dynamic shares.

- 3.3.5 With three scenarios at the B&NES level and two distribution approaches across sub-areas there is a total of six distribution options for each sub-area. The outputs in terms of total employment change 2016-36 are summarised in Table 3.2.

**Figure 3.2 Total Forecast Employment Change 2016-36**

Scenario	B&NES	Bath City		Keynsham		Somerset Valley		Rural Area	
		Current	Dynamic	Current	Dynamic	Current	Dynamic	Current	Dynamic
OE	8,850	6,250	5,800	450	500	1,000	1,100	1,150	1,400
Current Shares	12,250	8,500	8,100	800	850	1,450	1,550	1,500	1,750
Dynamic Shares	11,450	7,900	7,500	650	700	1,450	1,550	1,450	1,700

Source: HJA based on Oxford Economics and ONS data. All figures rounded to the nearest 50.

## 4 Employment Land Requirements

This chapter is based on the scenarios set out in Chapter 3 which were closely linked to the now withdrawn West of England JSP. A revised set of data tables in the same format as those in this chapter are included at Appendix 14 to this report. These are based on the December 2019 Mid Level Growth scenario.

- 4.0.1 This chapter considers the sites and premises requirements associated with the employment scenarios set out within the previous chapter.
- 4.0.2 The methodology for estimating future sites and premises requirements is consistent with that used for the West of England JSP Updated Employment Evidence<sup>10</sup>. Appendix 6 to this report sets out additional detail on methodology and the assumptions used.
- 4.0.3 The focus is on the requirement for B Use Class sites and premises.

### 4.1 Employment by Use Class

- 4.1.1 Employment change by sector is converted to Use Class using the conversion matrix set out in Appendix 6. This approach is consistent with the West of England Economic Development Needs Assessment (EDNA)<sup>11</sup>. A headline schedule of Use Classes is set out below for the benefit of those who may be unfamiliar with the terminology.

**Figure 4.1 Use Class Summary**

Use Class	Description
B1a/b	Offices (other than those within A2) and Research and Development premises
B1c/B2	Light Industrial and General Industry
B8	Storage and Distribution
Non-B	All other Uses

- 4.1.2 Figure 4.4 illustrates the employment change by Use Class across the plan period. This is helpful as it indicates the particular activities in which employment is expected to grow significantly. It is clear that office-based activities are set to see the greatest level of growth under every scenario. But the findings also show that significant employment growth is anticipated in Non-B use activities.

**Figure 4.2 Forecast Employment by Use Class Change 2016-36, B&NES Total**

	B1a/b	B1c/B2	B8	Total
OE	4,850	-300	250	4,800
Current Shares	6,550	-350	800	7,000
Dynamic Shares	7,150	-350	600	7,400

Source: HJA. All figures rounded to the nearest 50.

**Figure 4.3 Forecast FTE Employment by Use Class Change 2016-36, B&NES Total**

	B1a/b	B1c/B2	B8	Total
OE	4,150	-250	200	4,100
Current Shares	5,550	-300	700	5,950
Dynamic Shares	6,050	-300	500	6,250

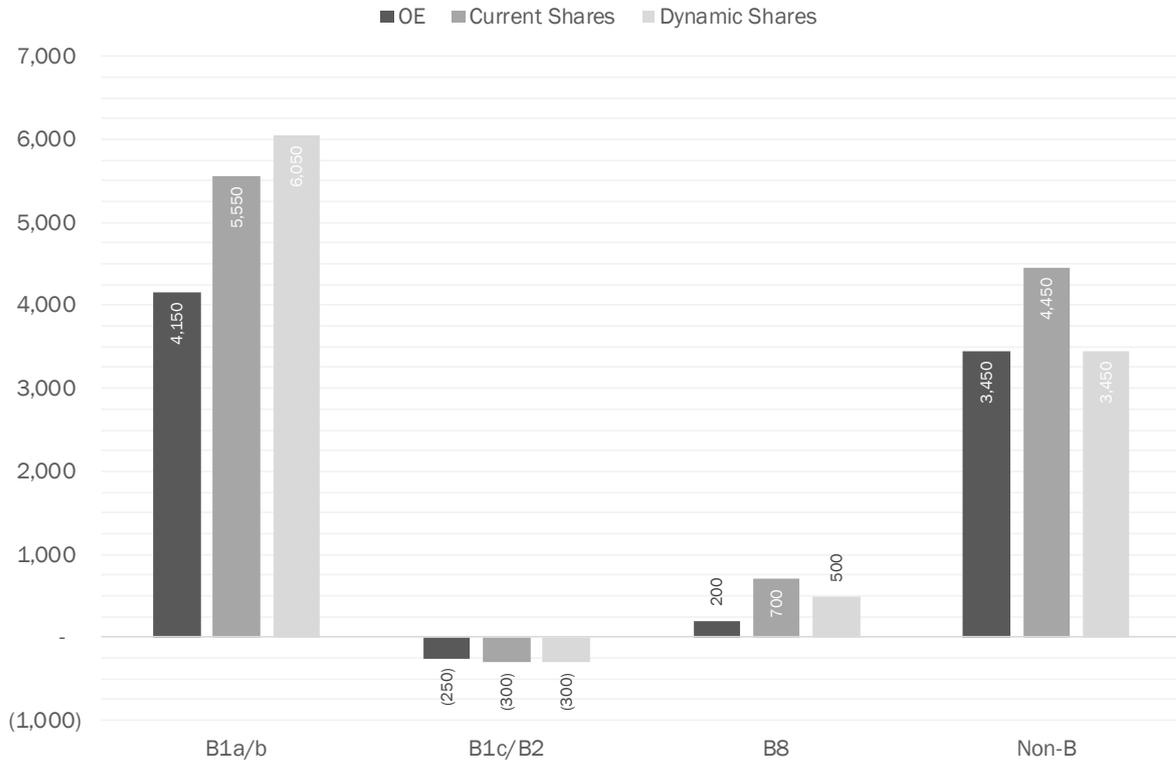
Source: HJA. All figures rounded to the nearest 50.

<sup>10</sup> West of England JSP: Updated Employment Evidence, Final Report WED006, HJA on behalf of Bath & North East Somerset Council, Bristol City Council, North Somerset Council and South Gloucestershire Council (2019)

<sup>11</sup> West of England Economic Development Needs Assessment, Atkins on behalf of West of England Partnership (2016)

4.1.3 The findings forecast between 4,800–7,400 additional jobs in B&NES across all B Use Class activity. Figures for FTE jobs are achieved by applying a total jobs/FTE ratio of 0.85, as per the EDNA. Following this approach, the additional level of jobs equates to between 4,100–6,250 additional FTE jobs. The majority of this change is expected to be attributable to Office based activities. Office based FTE employment is expected to increase by between 4,150–6,050, with small losses in Light Industrial and General Industry employment and small increases in Storage and Distribution employment.

**Figure 4.4 Forecast Employment Change by Use Class 2016–2036, B&NES Total**



Source: HJA. All figures rounded to the nearest 50.

## 4.2 Net Additional Floorspace Requirements

4.2.1 The analysis presented here provides brief headlines of net additional forecasts in office and industrial floorspace changes over the period 2016-2036. All figures are reported as gross external area (GEA). A range of figures are provided based on ‘Current’ and ‘Dynamic’ employment shares applied across all three forecast scenarios.

4.2.2 The analysis assumes a direct link between employment and floorspace required. It is appropriate to caveat this approach with two important points. Firstly, if there is capacity within the existing stock of premises there will be the opportunity to accommodate some employment increases without the need for new space. Secondly, if there are changing working practices the ratio between workers and floorspace could change over time.

4.2.3 With regards to the first point, it is assumed that whilst some occupiers may well be under-utilising their current facilities others may well be operating above capacity. Over the course of the plan period there is an opportunity for adjustment. It is assumed there is no substantial capacity within the existing stock to accommodate future growth. There is also the fact that some stock is unsuitable.

4.2.4 Secondly, with regards to the issue of changing working practices, whilst there has been a trend towards occupation at increasing density within the office sector, there is some evidence that this trend has now levelled off, and therefore should not be expected to change significantly in the future.

4.2.5 The approach adopted is consistent with the evidence provided as part of the West of England JSP.

**B1a/b Offices and Research and Development premises**

4.2.6 Between 4,150–6,050 net additional office-based FTE jobs are estimated within the forecasts. As per the employment density assumptions used in the EDNA, a density of 14 sqm (GEA) per FTE worker has been adopted for office-based activity. On this basis it is estimated that between 57,800–84,900 sqm of net additional office space will be required across B&NES to accommodate the forecast level of employment growth.

**Figure 4.5 Forecast Net Additional Office Floorspace Requirements (Change) 2016-36 (sqm)**

Scenario	B&NES	Bath City		Keynsham		Somer Valley		Rural Area	
		Current	Dynamic	Current	Dynamic	Current	Dynamic	Current	Dynamic
OE	57,800	42,200	40,400	3,000	3,600	5,700	5,500	6,900	8,300
Current Shares	77,800	55,300	53,400	4,800	5,400	8,200	8,000	9,500	11,000
Dynamic Shares	84,900	59,800	57,900	4,900	5,400	9,400	9,100	10,800	12,500

Source: HJA. All figures rounded to the nearest 100.

4.2.7 It is estimated the majority of this floorspace should be allocated to the Bath City sub area. The Keynsham, Somer Valley, and Rural sub areas account for a much smaller proportion of current office based activity, and therefore are allocated a lower share of the net additional floorspace requirement. Adopting the Dynamic shares results in a greater proportion of net additional office floorspace being allocated to the non-Bath City sub areas.

**B1c/B2/B8 Light Industrial, General Industry, and Storage and Distribution**

4.2.8 It estimated the range of FTE employment change will be between –50 and +400. As per the employment density assumptions used in the EDNA, a density of 42 sqm (GEA) per FTE worker has been adopted for B1c/B2 activity, and a density of 70 sqm (GEA) for B8 activity. On this basis it is estimated that between 2,900–35,900 sqm of net additional industrial space will be required across B&NES to accommodate the forecast level of employment growth.

**Figure 4.6 Forecast Net Additional Industrial Floorspace Requirements (Change) 2016-36 (sqm)**

Scenario	B&NES	Bath City		Keynsham		Somer Valley		Rural Area	
		Current	Dynamic	Current	Dynamic	Current	Dynamic	Current	Dynamic
OE	2,900	-700	-900	1,100	1,100	-1,800	-2,600	4,300	5,300
Current Shares	35,900	19,900	19,600	4,700	4,800	3,900	3,100	7,400	8,400
Dynamic Shares	22,600	12,500	12,500	2,800	2,600	1,500	800	5,800	6,700

Source: HJA. All figures rounded to the nearest 100.

4.2.9 It is estimated that much of this floorspace should be allocated to the Bath City sub area. The Keynsham, Somer Valley, and Rural sub areas account for a smaller proportion of current industrial based activity, and therefore are allocated a lower share of the net additional floorspace

requirement. Adopting the Dynamic shares results in a greater proportion of net additional office floorspace being allocated to the Keynsham and Rural sub areas.

### 4.3 Replacement Requirements

- 4.3.1 This element of the analysis deals with the need to ensure the existing economy, and the on-going changes within it, are supported through the provision of sufficient employment stocks.
- 4.3.2 The methodology employed for estimating the level of replacement demand assumes that a proportion of the total existing stock of employment property needs to be replaced each year to ensure the overall stock of premises is sufficient and appropriate to modern needs, in terms of both building quality and site characteristics. This is particularly important for the manufacturing sector where on-going development of industrial premises has been observed, despite a decline in employment in the sector over many years.
- 4.3.3 With Permitted Development Rights (PDR) now in place there is increasing pressure for redevelopment of office stocks to other uses. Later in 2017 this right was extended to light industrial premises. There are also losses of employment property for other reasons, whether occupation by non-employment users (e.g. the growth in leisure occupiers) or redevelopment for non-employment uses. It is important that any potential losses of commercial employment stocks do not hamper the growth of the economy. Energy Performance Certificate (EPC) legislation came into force in 2017 for commercial employment property, which will further drive the need to upgrade premises to ensure they are fit for purpose.
- 4.3.4 As per the West of England JSP Updated Employment Evidence, a replacement requirement equivalent to 1%-2% of stock per annum is assumed. Data on commercial property stocks indicated 210,000 sqm of offices and 577,000 sqm of industrial premises in B&NES at 2016<sup>12</sup>. Commercial stock data is split by office and industrial (including B1c, B2 and B8). This estimate of commercial stocks is used to calculate replacement and upgrading requirements in the future. Figures 4.7 and 4.8 set out the results of the analysis for Office and Industrial activities.

**Figure 4.7 Forecast Office Replacement Requirements (Change) 2016-36 (sqm)**

	B&NES	Bath City	Keynsham	Somer Valley	Rural Area
Low (1%)	42,000	32,500	3,600	3,700	2,200
High (2%)	84,000	65,000	7,200	7,300	4,500

Source: HJA based on VOA data. All figures rounded to the nearest 100.

**Figure 4.8 Forecast Industrial Replacement Requirements (Change) 2016-36 (sqm)**

	B&NES	Bath City	Keynsham	Somer Valley	Rural Area
Low (1%)	115,400	34,300	16,700	46,000	18,400
High (2%)	230,800	68,600	33,400	91,900	36,800

Source: HJA based on VOA data. All figures rounded to the nearest 100.

- 4.3.5 Using fine-grained VOA premises data, current stock was analysed in order to determine the share of existing office and industrial commercial floorspace according to sub area. These sub area

<sup>12</sup> 2016 is the latest available VOA data

shares where then applied to the 2016 VOA floorspace figures for B&NES to determine an appropriate level of annual replacement for each sub area.

- 4.3.6 The approach adopted provides an estimated level of replacement based on existing stock. As a result of changing market trends, it is possible that replacement does not take place in the same area as the loss. For example, losses in Somer Valley may be replaced in Keynsham. Equally, losses from B&NES could be replaced in Chippenham or Avonmouth. The assumptions inherent in this estimation process are therefore intended as a starting position from which further interpretation can take place.
- 4.3.7 HJA has analysed losses of B Use Class floorspace across B&NES over the period 2007-16. This analysis is set out within Appendix 8 to this report. This indicates average annual losses of 1,900sqm of office floorspace and 8,900sqm of industrial floorspace over the analysis period. These figures can be used to help inform where in the range of projected replacement requirements B&NES may be appropriately located.
- 4.3.8 If office floorspace continued to be lost at an equivalent rate this would equate to 38,000sqm over the plan period. This would suggest recent performance positions B&NES towards the lower end of the considered range. It is appropriate to apply further interpretation to assess whether future losses are anticipated to be lesser or greater than recent performance.
- 4.3.9 If industrial floorspace continued to be lost at an equivalent rate this would equate to 178,000sqm over a 20-year period. This is marginally above the mid-point of the identified range. It is appropriate to apply further interpretation to assess whether future losses are anticipated to be lesser or greater than recent performance.

## 4.4 Combined Requirement

- 4.4.1 Figures 4.9 – 4.10 combine the net additional and replacement requirements as identified above. The series of tables consider office and industrial/warehousing requirements separately and a separate data table is provided for each sub-area given the complexity of the scenarios considered.
- 4.4.2 Given that replacement is assumed to take place at an annual rate of between 1%–2%, floorspace and land figures are presented here as a range under each scenario, with 1% representing ‘Low’ replacement and 2% representing ‘High’ replacement.

### Development Density

- 4.4.3 As per the EDNA, a development density of 50% site coverage has been assumed for Office (B1a/b) development, 40% site coverage for Light Industrial and General Industry (B1c/B2), and 50% site coverage for Storage and Distribution. The calculation of land areas for office space is cited as ‘indicative’. City and town centre office development can achieve much higher densities, whilst office development in out of town or more rural locations (including on business parks) may achieve lower densities. Office requirements as measured in square metres are therefore preferable.

### Combined Office Requirement

- 4.4.4 Total office floorspace requirements range from approximately 100,000sqm under the lowest estimate to approximately 170,000sqm under the highest estimate. There is some uncertainty regarding the land requirement to meet this need depending on the densities that can be achieved on city centre sites. On the basis of an indicative average density of 50% the land requirement is estimated at 20 – 34 hectares across the plan period.

- 4.4.5 Taking the floorspace range across all of the above scenarios, this equates to between 10.3%–12.4% of the West of England total for Office floorspace requirements.
- 4.4.6 The office floorspace and land requirements are summarised in Figure 4.9. Equivalent tables for each sub area are set out at Appendix 9.

**Figure 4.9 Forecast Combined Office Floorspace and Land Requirements 2016–36, B&NES Total**

B&NES				
	Low		High	
<b>FLOORSPACE (SQ M)</b>				
OE	99,800	–	141,800	
Current Shares	119,800	–	161,800	
Dynamic Shares	126,900	–	168,900	
<b>LAND (HA) [Indicative]</b>				
OE	20.0	–	28.4	
Current Shares	24.0	–	32.4	
Dynamic Shares	25.4	–	33.8	

Source: HJA based on Oxford Economics data. Floorspace figures rounded to the nearest 100.

#### Combined Industrial and Warehouse Requirement

- 4.4.7 Total industrial and warehousing floorspace requirements range from approximately 120,000sqm under the lowest estimate to approximately 267,000sqm under the highest estimate. The land requirement is estimated at 24 – 53 hectares across the plan period.
- 4.4.8 Taking the floorspace range across all of the above scenarios, this equates to between 8.3%–10.6% of the West of England total for Industrial floorspace requirements.
- 4.4.9 The industrial and warehouse floorspace and land requirements are summarised in Figure 4.10. Equivalent tables for each sub area are set out at Appendix 9.

**Figure 4.10 – Forecast Combined Industrial Floorspace and Land Requirements 2016–36, B&NES Total**

B&NES				
	Low		High	
<b>FLOORSPACE (SQ M)</b>				
OE	118,300	–	233,700	
Current Shares	151,300	–	266,700	
Dynamic Shares	138,000	–	253,400	
<b>LAND (HA)</b>				
OE	23.7	–	46.7	
Current Shares	30.3	–	53.3	
Dynamic Shares	27.6	–	50.7	

Source: HJA. Floorspace figures rounded to the nearest 100.

## 4.5 Cross Checking with Historic Completions

- 4.5.1 Appendix 7 sets out analysis of historic completions (gains, losses and net change) of B Use Class floorspace in B&NES and the four sub-areas over the period 2007-16. This provides useful context for interpreting the scale of future requirements emerging from the preceding analysis.

- 4.5.2 The analysis of future requirements is based on total estimated completions required. Therefore, the comparison is with historic gross (rather than net) completions.
- 4.5.3 Figure 4.11 compares the range of requirements emerging from the multiple scenarios considered for B&NES with historic completions levels. Average annual historic completions are used to project a 20-year comparison to aid comparability with the estimated requirements.
- 4.5.4 Figure 4.11 very clearly illustrates the low levels of historic completions in terms of both office and industrial floorspace across B&NES. For offices, if development levels continue in line with historic trends this will only deliver 28-48% of estimated requirements. For industrial, the situation is even more acute with historic based projections meeting only 10-23% of estimated future requirements.
- 4.5.5 Consultation with stakeholders has clearly indicated that historic levels of development have been below market requirements and have constrained the growth of the B&NES economy. Unless there is a marked improvement in performance this trend is likely to continue.

**Figure 4.11 Forecast Total Requirements 2016-36 (sqm)**

	Office	Industrial
Estimated Requirement	100,000 – 170,000sqm	120,000 – 270,000sqm
Historic Completions Comparator (HCC)	48,000sqm	28,000sqm
HCC as % of Estimated Requirement	28 – 48%	10 – 23%

Source: HJA Analysis

## 4.6 Cross Checking with Stakeholders

4.6.1 A consultation workshop was arranged with stakeholders to test emerging findings. A list of attendees is included at Appendix 8. The discussion included soft testing of the data set out in Figure 4.11 above. The key points emerging from this discussion are summarised below:

- Stakeholders were hesitant about achieving scales of growth outlined, particularly in view of historic completions. On this basis it was suggested that ambition should be towards the lower end of the ranges, with this still being optimistic.
- There is a recognition that there are positive movements in the commercial market that will allow for improved performance in comparison to historic trends, particularly in respect of the regeneration of sites in Bath (North and South Quays) and more favourable market metrics to make development viable in the city office market.
- There remain challenges around delivering industrial in some locations, particularly on brownfield sites because of land owner desires for higher value uses and broader challenges of development viability. There is uncertainty that occupiers are willing to pay the rents required for new build industrial. However, there is a well recognised shortage of industrial space in Bath.
- A lack of supply of sites is believed to have been a factor in limiting historic activity levels. It was noted that businesses are being lost from the area regularly because of a lack of supply.
- Keynsham is recognised as having the potential to play a more prominent role, building on recent success. However, there is some uncertainty as to whether this will be sustained if the position in Bath improves. Recent success may have been underpinned by constrained supply in Bath.
- Transport is seen as a key issue. Keynsham, with rail connectivity and stronger east west road connectivity lying between Bristol and Bath is viewed as an opportunity area. There is more uncertainty around the Somer Valley, but with recognition of the policy ambition to bring about

improved balance between jobs and workers in the area. The importance of good access to the strategic road network, particularly for large industrial and warehouse development is viewed as a challenge for B&NES, unless land is allocated north of Bath towards the M4, which may not be desirable.

- A lot of industrial and logistics demand is being attracted to Chippenham or Swindon to the east and Avonmouth to the west. These locations are able to provide much better access to the strategic road network as well as sites.
- Notwithstanding, stakeholders were of the view that other industrial sites can be successful but they will be primarily attractive to indigenous local companies.

## 4.7 Drawing Conclusions on Future Requirements

4.7.1 The desk-based analysis of future requirements includes two primary components. Firstly, a net additional adjustment to take account of changes in the structure of the economy. This is based on employment forecast scenarios. Secondly, an allowance for replacing losses of floorspace to ensure an ongoing supply of modern, fit for purpose office, industrial and warehouse premises to meet the needs of the B&NES economy.

4.7.2 The results emerging from the desk-based analysis have then been tested against historic data on floorspace completions and losses, as well as via consultation with relevant market stakeholders.

### Office Requirements

4.7.3 All of the considered employment forecast scenarios for B&NES show strong employment growth in office-based activities. This is estimated to require 55,000 – 85,000sqm of additional office space across B&NES between 2016 & 2036 depending on which scenario is adopted.

4.7.4 Replacement requirements are estimated based on 1-2% of stock requiring replacement each year. This leads to an estimated requirement of 42,000 – 84,000sqm of new office floorspace over the plan period. Analysis of historic losses indicated that on the basis of past trends a figure towards the lower end of this range may be appropriate.

4.7.5 The combined requirement is estimated at 100,000-170,000sqm over the plan period for B&NES. Using historic completions as a comparator tool projects only 48,000sqm over the plan period. This provides an indication of the scale of improvement required in office floorspace delivery. To reach the minimum level will require an almost doubling of performance from the 10-year period leading up to 2016.

4.7.6 Stakeholder consultation and commercial market opinion clearly indicates that historic delivery of office floorspace has had a negative effect on the B&NES economy, particularly in Bath City. Failure to deliver office floorspace suitable for modern occupier requirements has led to a failure to both attract and retain office occupiers in the city and has therefore had negative effects on the economic performance of B&NES. The forecast evidence suggests that a failure to improve on past trends will have a similar constraining effect in the future.

4.7.7 On the basis of the evidence, stakeholders were of the view that the lower end of the range was an appropriate basis for planning. The justification for this position included opinions on market sentiment and development viability as well as expectations around rising homeworking. Positioning at the lower end of the range aligns to the historic data in terms of losses. The introduction of an Article 4 Direction to protect office floorspace in Bath should prevent the scale

of floorspace losses increasing above historic rates and further corroborates adopting a position towards the lower end of the range.

- 4.7.8 On the basis of the evidence, B&NES should plan for around 100,000sqm of office completions over the plan period. The amount of land required to deliver this will depend on the nature of development sites. Higher densities can be achieved in city and town centres, particularly in Bath, whereas lower densities will be achieved in business park and other locations.

#### **Industrial and Warehouse Requirements**

- 4.7.9 All of the employment forecast scenarios anticipate slight falls in employment within B1c/B2 industrial activities and small rises in B8 warehousing type activities. This is estimated to require 3,000 – 36,000sqm of additional industrial and warehousing space across B&NES between 2016 and 2036 depending on which scenario is adopted. This will be driven by B8 requirements.
- 4.7.10 Replacement requirements are estimated based on 1-2% of stock requiring replacement each year. This leads to an estimated requirement of 115,000 – 231,000sqm of new industrial and warehouse floorspace over the plan period. Analysis of historic losses indicated that on the basis of past trends a figure towards the middle of this range may be appropriate.
- 4.7.11 The combined requirement is estimated at 120,000-270,000sqm over the plan period for B&NES. Using historic completions as a comparator tool projects only 28,000sqm over the plan period. This provides an indication of the huge scale of improvement required in industrial floorspace delivery. To reach the minimum level will require more than a four-fold improvement of performance from the 10-year period leading up to 2016. To achieve the mid-point, in line with the analysis of historic losses would require an almost seven-fold increase in delivery.
- 4.7.12 Stakeholder consultation agreed that historic delivery has caused problems, with a clear need for industrial space in Bath in particular. However, challenges in the development market including competition from higher value land uses, insufficient rental levels to achieve viable development, and a lack of development sites in and around Bath are hampering efforts to bring forward new floorspace. This suggests very real delivery constraints that will make achieving even the low end of the range challenging let alone the mid-point.
- 4.7.13 Consultees also highlighted competitive pressures from better located areas with better transport infrastructure such as Avonmouth/Sevenside and Swindon and Chippenham. This may suggest modern occupier requirements are driving replacement activity towards these competitor locations outside B&NES, particularly in terms of large scale B8 logistics investments. These competitive effects could justify adopting a future requirement towards the lower end of the forecast range rather than the centre.
- 4.7.14 On the basis of the evidence, B&NES should plan for around 120,000 – 200,000sqm of industrial and warehouse completions over the plan period. This represents figures from the low to mid-point in the identified range. However, it should be recognised there are likely to be substantial challenges in achieving this level of development. This will require in the order of 30-50ha of land.

#### **Sub Area Analysis**

- 4.7.15 Figure 4.12 sets out a summary based on the recommended ranges for both office and industrial and warehousing floorspace. This is shown by sub area, alongside the historic completions comparator for each sub area. This shows stark challenges in respect of industrial and

warehousing delivery in all four sub, areas. Historic performance in terms of office delivery in Keynsham and Somer Valley is encouraging, however, there is a substantial shortfall in Bath City.

- 4.7.16 Bath City is the predominant location for office requirements. This is in line with market and stakeholder expectations as well as the existing distribution of employment. Bath has the potential to offer appropriate access and amenity to office workforces which are critical location drivers for occupiers. Whilst historic completions have clearly been constrained by a lack of deliverable supply, stakeholders are united in anticipating strong demand if the right supply can be brought forward.
- 4.7.17 Office requirements in the other sub-areas recognised as weaker by consultees. Whilst Keynsham has performed well, particularly in terms of the take up of the Somerdale site, this is believed to have been aided by constraints in Bath. Keynsham is believed to be the second strongest market location for offices in B&NES. Demand at Somer Valley and the Rural area is believed to be weaker.
- 4.7.18 Bath and Keynsham are also viewed as the strongest locations for industrial demand. This market perception is in slight contrast to the desk-based assessment which highlights substantial requirements at both the Somer Valley and Rural area. These requirements are primarily driven by the need to deliver upgraded stocks to meet modern occupier requirements. Market sentiment would suggest some of this replacement activity could be redistributed in line with market trends towards locations with better transport infrastructure, including locations outside B&NES such as Avonmouth/Sevenside and Swindon/Chippenham/Wiltshire.
- 4.7.19 The rural area, whilst exhibiting strong employment growth in recent years, including in office related activities has managed to achieve this without substantial new employment floorspace. This may be driven by home-based working. Stakeholders noted the success of some small scale agricultural conversions in meeting business needs in office and light industrial activities.

**Figure 4.12 Summary of Future Requirements (sqm)**

Sub Area	Office	Industrial & Warehousing
<b>Bath City</b>		
Estimated requirement	75,000	34,000 – 56,000
Historic Completions Comparator	27,000	2,000
<b>Keynsham</b>		
Estimated requirement	6,500	18,000 – 30,000
Historic Completions Comparator	11,000	2,000
<b>Somer Valley</b>		
Estimated requirement	9,500	44,000 – 73,000
Historic Completions Comparator	9,000	19,000
<b>Rural Area</b>		
Estimated requirement	9,000	24,000 – 40,000
Historic Completions Comparator	1,000	4,000
<b>B&amp;NES</b>		
Estimated requirement	100,000	120,000 – 200,000
Historic Completions Comparator	48,000	28,000

Source: B&NES Council/HJA

## Part 2: Employment Land Review

## 5 Site Assessment Methodology

5.0.1 This chapter sets out an overview of the method and approach to assessing employment land supply across B&NES and the four constituent sub areas.

### 5.1 Sites for Consideration

5.1.1 A list of sites for review was compiled from a number of sources:

- B&NES Industrial Market Review (November 2015)
- B&NES Office Market Review (October 2015)
- B&NES saved Local Plan (2007) Policies
- B&NES Core Strategy and Placemaking Plan (July 2017)
- West of England Joint Spatial Plan, Publication Document (November 2017)
- West of England JSP: Updated Employment Evidence, Appendix 3: Supply Schedule (January 2019)
- B&NES Draft Housing and Employment Land Availability Assessment [HELAA] (2018)

5.1.2 These sites comprise both existing employment sites and potential opportunity sites. The long list was reviewed in order to remove any duplicates and sites that had been lost from employment use.

5.1.3 A total of 47 sites were identified for assessment.

**Figure 5.1 Distribution of Sites Assessed**

	Existing	Future	Total
Bath City	8	10	18
Keynsham	3	2	5
Somer Valley	6	9	15
Rural Area	4	5	9
B&NES Total	21	25	47

Source: HJA/LSH

### 5.2 Site Assessment Proforma

5.2.1 A site assessment proforma was developed to ensure sites were assessed on a consistent basis. Appendix 10 contains an example proforma including guidance notes for site assessment. This has been designed to capture both qualitative and quantitative data including:

- Basic site details;
- An assessment of the current situation. This has included a scored appraisal in terms of:
  - Access
  - Local Amenities/Public Transport
  - Character of Area and Uses
  - Commercial Market Appeal
  - Age and Suitability of Stock
- An assessment of the future opportunity of the site.

5.2.2 Each site has been assessed by Lambert Smith Hampton.

## 6 Summary of Employment Land Supply

6.0.1 This chapter sets out a summary of the existing and future potential employment land supply in B&NES.

### 6.1 Existing Supply and Recent Trends

6.1.1 The Valuation Office Agency (VOA) provides statistics on the amount of commercial floorspace. Data for 2016 identified 210,000sqm of office floorspace across B&NES and 577,000sqm of industrial and warehouse floorspace.

6.1.2 HJA has accessed a more detailed dataset which allows consideration of floorspace by sub-area<sup>13</sup>. This is dated 2017 and follows a recent update to the VOA database. The data does not therefore correlate perfectly with the 2016 B&NES wide total.

6.1.3 Figure 6.1 sets out the VOA data showing a high concentration of office floorspace within Bath City. Industrial floorspace is distributed across B&NES with the greatest concentration in Somer Valley, followed by Bath City.

**Figure A7.3 Commercial Stocks in B&NES**

	Office (sq m)	Industrial (sq m)
B&NES (VOA, 2016)	210,000	577,000
% of WoE	11%	11%
Bath City (VOA, 2017)	152,200	157,400
% of B&NES	77%	30%
Keynsham (VOA, 2017)	16,800	76,700
% of B&NES	9%	14%
Somer Valley (VOA, 2017)	17,200	210,900
% of B&NES	9%	40%
Rural (VOA, 2017)	10,500	84,400
% of B&NES	5%	16%

Source: HJA based on VOA total floorspace by administrative area (2016) and VOA non domestic rating summary valuations (2017)

6.1.4 Appendix 7 to this report sets out a review of recent historic patterns of employment development across B&NES. This draws on B&NES Council monitoring records. This shows that in the 10-year period leading up to 2016 total losses of B Use Class floorspace were measured at 107,600sqm. This comprises 18,600sqm of office floorspace losses and 87,500sqm of industrial and warehouse floorspace losses.

6.1.5 New floorspace completions over the same period totalled 37,700sqm, comprising 24,200sqm of office floorspace and 13,500sqm of industrial floorspace.

6.1.6 The net loss of B Use Class floorspace is therefore measured at 69,800sqm over the 10-year period. This includes a modest net gain of approximately 5,600sqm of office floorspace and substantial net loss of 75,400sqm of industrial and warehouse floorspace.

<sup>13</sup> HJA has used GIS (Geographical Information Systems) techniques to extract data for each sub-area from the VOA database.

- 6.1.7 Combining the VOA data with B&NES monitoring records suggests around 2.4% increase in office floorspace over the 2006-16 period and a 12% loss of industrial floorspace.
- 6.1.8 Whilst the B&NES Core Strategy anticipated some losses of floorspace the rate of losses is far greater than anticipated<sup>14</sup>. The trend also represents much weaker performance than Bristol and South Gloucestershire over the same period which further illustrates the weakening of B&NES competitive position in the sub-region.

## 6.2 Existing Employment Sites

6.2.1 As noted in the previous chapter, a total of 22 existing employment sites have been identified for review. These are:

**Figure 6.2 Existing Employment Sites Subject to Assessment**

Sub Area	Site Names
Bath City	Brassmill/Locksbrook Victoria Park Business Centre Railway Arches Polamco Pines Way Industrial Estate Travis Perkins Cheltenham Street Wansdyke Business Centre Midford Road (Cross Manufacturing)
Keynsham	Broadmead Lane Ashmead Road/Pixash Lane Somerdale
Somer Valley	Bath Business Park Old Mills Industrial Estate Midsomer Enterprise Park Mill Road Haydon Industrial Estate Westfield Industrial Estate
Rural Area	Cloud Hill Temple Bridge Business Quarter Hallatrow Business Park Farrington Fields Trading Estate

Source: HJA/LSH

- 6.2.2 Figure 6.3 sets out the scoring of existing employment sites subject to assessment. The full site assessments are included at Appendix 13 to this report. Of the 22 sites subject to review:
- Five sites achieved an average score of 4 out of 5 or above.
  - 20 sites achieved an average score of 3 out of 5 or above.
  - Two sites scored less than 3 out of 5.
- 6.2.3 A score of 3 or above has been determined as required for automatic recommendation for retention and protection. A score below 3 has been determined to require a site specific review to identify the most appropriate way forward.

<sup>14</sup> HJA (2018) Research to support options to protect present and future employment sites

**Figure 6.3 Existing Site Assessment Scoring**

Sub Area	Access	Amenity	Character	Commercial	Stock	Avg.
Brassmill/Locksbrook	3	4	3	4	4	3.6
Victoria Park Business Centre	3	5	3	3	3	3.4
Railway Arches	2	5	4	3	1	3.0
Polamco	2	3	3	4	5	3.4
Pines Way Industrial Estate	3	4	3	4	4	3.6
Travis Perkins	3	4	3	4	4	3.6
Cheltenham Street	3	4	3	3	3	3.2
Wansdyke Business Centre	2	5	2	3	3	3.0
Midford Road (Cross Manufacturing)	2	3	2	1	3	2.2
<b>Bath City Average</b>	<b>2.6</b>	<b>4.1</b>	<b>2.9</b>	<b>3.2</b>	<b>3.3</b>	<b>3.2</b>
Broadmead Lane	3	3	4	3	3	3.2
Ashmead Road/Pixash Lane	4	4	5	4	3	4.0
Somerdale	4	5	3	4	5	4.2
<b>Keynsham Average</b>	<b>3.7</b>	<b>4.0</b>	<b>4.0</b>	<b>3.7</b>	<b>3.7</b>	<b>3.8</b>
Bath Business Park	3	3	3	4	5	3.6
Old Mills Industrial Estate	3	2	4	3	3	3.0
Midsomer Enterprise Park	3	4	4	3	2	3.2
Mill Road	3	4	3	3	3	3.2
Haydon Industrial Estate	3	2	2	3	3	2.6
Westfield Industrial Estate	3	4	4	3	4	3.6
<b>Somer Valley Average</b>	<b>3.0</b>	<b>3.2</b>	<b>3.3</b>	<b>3.2</b>	<b>3.3</b>	<b>3.2</b>
Cloud Hill	4	3	3	3	3	4
Temple Bridge Business Quarter	4	3	3	3	3	4
Hallatrow Business Park	4	3	3	3	5	4
Farrington Fields Trading Estate	3	3	3	3	3	3
<b>Rural Area Average</b>	<b>3.8</b>	<b>3.0</b>	<b>3.0</b>	<b>3.0</b>	<b>3.5</b>	<b>3.3</b>
<b>B&amp;NES Total</b>	<b>3.0</b>	<b>3.6</b>	<b>3.2</b>	<b>3.2</b>	<b>3.4</b>	<b>3.3</b>

Source: HJA/LSH

- 6.2.4 The Cross Manufacturing site is a large single user site. Whilst in its current use this should be retained and protected. However, if at any point in the future the current occupier vacates the site there should be consideration of the most appropriate development options.
- 6.2.5 Haydon Industrial Estate is a c3 hectare site located within the Somer Valley. It forms part of the village of Haydon south of Radstock. Comprising approximately 10,000sqm of industrial accommodation of over 31 units of varying sizes and quality. The site scores 3 out of 5 against three of the key criteria, however, it scores below 3 because of limited amenity. This is largely driven by its rural location. The site serves an important local employment role and therefore should be retained and protected.
- 6.2.6 None of the existing sites that have been subject to assessment are recommended for release<sup>15</sup>.

<sup>15</sup> A number of existing sites that have been proposed for regeneration have been assessed as part of the future potential supply review.

6.2.7 The challenges in bringing forward new B Use Class development in B&NES, as evidenced by the analysis of recent trends (see Appendix 7) and the commercial market analysis (see Appendix 11) strengthen the case for retaining all employment sites unless there is very clear evidence to the contrary.

### 6.3 Future Supply

6.3.1 Future supply comprises:

- Completions from 2016 to date
- Extant permissions for B Use Class floorspace
- Existing allocations (without permission)
- Proposed allocations
- Other sites being promoted or under consideration for allocation

6.3.2 Small scale completions and permissions have not been considered separately but are included in the quantitative assessment of potential supply.

6.3.3 Larger permissions, along with existing and proposed allocations as well as additional sites for consideration have been assessed using the same assessment tool as existing sites.

#### Completions 2016-date

6.3.4 A total of 12,900sqm of office floorspace has been completed to date. This figure is dominated by the Somerdale (former Cadbury factory) site which is already fully occupied. Only 600sqm of industrial and warehousing floorspace has been completed. Total completions to date sum to 13,600sqm.

**Figure 6.4 Completions 2016 to Date (sqm)**

Sub Area	Office	Industrial & Warehousing	Total
Bath City	1,550		1,550
Keynsham	10,850		10,850
Somer Valley	450	600	1,050
Rural Area	50		50
<b>Total</b>	<b>12,900</b>	<b>600</b>	<b>13,600</b>

Source: B&NES Council/HJA

#### Permissions

6.3.5 A total of 52,350sqm of floorspace has extant permissions. Office permissions extend to 39,500sqm. This figure is heavily concentrated in Bath City and dominated by two large schemes at South Quays and Sydenham Park<sup>16</sup>, which account for approximately 26,000sqm. Only 600sqm of industrial and warehousing floorspace has been completed.

6.3.6 14,250sqm of industrial and warehouse floorspace has extant permission. This is concentrated in the rural area with more than 3,000sqm at the former Paulton Printing Factory and a range of miscellaneous applications.

<sup>16</sup> Since this report was originally prepared the permission for Sydenham Park comprising 15,348 sqm has lapsed.

**Figure 6.5 Extant Permissions (sqm)**

Sub Area	Office	Industrial & Warehousing	Total
Bath City	34,300 <sup>17</sup>	150	34,450
Keynsham	2,600	350	2,950
Somer Valley	1,750	2,300	4,050
Rural Area	800	11,500	12,300
<b>Total</b>	<b>39,500<sup>17</sup></b>	<b>14,250</b>	<b>53,750</b>

Source: B&NES Council/HJA

### Existing Allocations

- 6.3.7 Existing allocations are drawn from the Core Strategy and Placemaking Plan. In total, the capacity of these allocations is estimated at almost 100,000sqm of floorspace,
- 6.3.8 Office allocations are concentrated in Bath City. The 43,350sqm is distributed across six sites:
- The Bath Press
  - South Bank
  - Bath Quays North (Bath Bankside) & Bath College
  - Manvers Street
  - Walcot Street/Cattlemarket Site
  - Green Park Station West
- 6.3.9 Bath Quays North (now called Bath Bankside) is the most significant of these, accounting for more than 21,000sqm of office floorspace. There are also small allocations at Radstock and Midsomer Norton centres, to be included in wider regeneration plans. The office potential of these schemes is uncertain so the figures quoted are indicative.
- 6.3.10 Industrial allocations are entirely located within the Somer Valley area. This includes 48,000sqm as an extension to the Old Mills Industrial Estate and forms part of the Bristol, Bath and Somer Valley Enterprise Zone and 5,000sqm as an expansion to the Midsomer Enterprise Park at the former sewage works.
- 6.3.11 A further site (land adjoining East Keynsham KE3a) is allocated within the Place Making Plan. This site has been included as part of the proposed Strategic Development Location for North Keynsham so is not specified separately in Figure 6.6.

**Figure 6.6 Existing Allocations (sqm)**

Sub Area	Office	Industrial & Warehousing	Total
Bath City	43,350	-	43,350
Keynsham	-	-	-
Somer Valley	400	53,000	53,400
Rural Area	-	-	-
<b>Total</b>	<b>43,750</b>	<b>53,000</b>	<b>96,750</b>

Source: B&NES Council/LSH/HJA

<sup>17</sup> Since this report was originally prepared the permission for Sydenham Park comprising 15,348 sqm has lapsed.

### Proposed Allocations

- 6.3.12 Two Strategic Development Locations (SDLs) are proposed as part of the West of England Joint Spatial Plan. These will be large mixed use developments. These are proposed at North Keynsham and Whitchurch. There is currently a lack of detail as to the exact scale and nature of employment uses to be incorporated within these two proposals. The following chapter of this report sets out a review of the available information alongside fresh commercial market opinion.
- 6.3.13 The North Keynsham SDL includes the existing allocation KE3a: Land adjoining East Keynsham within the Placemaking Plan. This is anticipated to deliver 30,000sqm on 7.5ha. Figures in the range 12.5 – 18ha have been quoted in other documents for the SDL as a whole. The lower end of this range is used for assessment purposes.
- 6.3.14 The Whitchurch SDL has not had any quantitative estimates for employment attached to it in documentation to date. The level of housing proposed is likely to require much of the land capacity. An indicative estimate based on 3ha of employment uses has been included for initial assessment purposes. This will need to be explored through detailed research.

**Figure 6.7 Proposed Allocations (sqm, indicative)**

Sub Area	Office	Industrial & Warehousing	Total
Bath City	-	-	-
Keynsham	10,000	40,000	50,000
Somer Valley	-	-	-
Rural Area	2,000	10,000	12,000
<b>Total</b>	<b>12,000</b>	<b>50,000</b>	<b>62,000</b>

Source: LSH/HJA

### Other Sites for Consideration

- 6.3.15 A small number of additional sites have been suggested for review (these are primarily sites proposed through consultation on the emerging Local Plan 2016-2036):
- Two sites adjacent to the existing Hallatrow Business Park, comprising up to 19ha (Rural)
  - Land at Peasedown, estimated at up to 36ha (Somer Valley)
  - Land adjacent to Bath Business Park, estimated at up to 36ha (Somer Valley)
  - Land adjacent to Westfield Business Park, estimated at up to 80ha (Somer Valley)
- 6.3.16 These sites are all located within the Somer Valley and Rural areas. Whilst in aggregate they would deliver significant capacity, it is unlikely all these sites would be required in their entirety, particularly given their locational spread.
- 6.3.17 Commercial agents at Lambert Smith Hampton have therefore proposed indicative estimates based on reviewing the potential opportunities and assessing the sites.

**Figure 6.8 Other Sites for Consideration (sqm, indicative)**

Sub Area	Office	Industrial & Warehousing	Total
Bath City	-	-	-
Keynsham	-	-	-
Somer Valley	1,000	12,000	13,000
Rural Area	-	4,000	4,000
<b>Total</b>	<b>1,000</b>	<b>16,000</b>	<b>17,000</b>

Source: LSH/HJA

6.3.18 Figures 6.9 and 6.10 consider the spread of supply by timing. Four timing categories were used in the site assessment process:

- Completed – for schemes where new floorspace has been delivered within the current plan period.
- <5 years – for permissions or other schemes with no substantive constraint to development
- 5-10 years – for schemes with some minor constraints
- 10+ years – for sites with longer term potential or more substantive constraints.

6.3.19 The timing assessment is indicative and will be reliant on landowner intentions and active demand.

6.3.20 The assessment indicates a significant supply available within less than five years due to extant permissions. This applies to both office and industrial market segments. This indicates there is not an over reliance on long term sites facing major constraints. However, the spread by sub area is not even, representing the more general spread of supply, with short term office supply concentrated in Bath and to a lesser extent Keynsham, and short term industrial supply concentrated in the Somer Valley.

**Figure 6.9 Office (B1a/b) supply by timing (sqm, indicative)**

Sub Area	Completed	<5 years	5-10 years	10+ years	Total
Bath City	1,550	63,650	14,000		79,200
Keynsham	10,850	2,600		10,000	23,450
Somer Valley	450	1,800	1,400		3,600
Rural Area	50	800		2,000	2,900
<b>Total</b>	<b>12,100</b>	<b>68,850</b>	<b>15,400</b>	<b>12,000</b>	<b>109,150</b>

Source: LSH/HJA (figures may not sum due to rounding)

**Figure 6.10 Industrial (B1c/B2/B8) supply by timing (sqm, indicative)**

Sub Area	Completed	<5 years	5-10 years	10+ years	Total
Bath City		150			150
Keynsham		350		40,000	40,350
Somer Valley	600	55,300	12,000		67,900
Rural Area		15,500		10,000	25,500
<b>Total</b>	<b>600</b>	<b>71,250</b>	<b>12,000</b>	<b>50,000</b>	<b>133,850</b>

Source: LSH/HJA (figures may not sum due to rounding)

6.3.21 Figure 6.11 collates all of the quantitative data by sub-area. This also sets out a sub-total for committed supply.

**Figure 6.11 Summary of Committed and Potential Supply (sqm)**

Sub Area	Office	Industrial & Warehousing	Total
<b>Bath City</b>			
Completions to date	1,550	-	1,550
Permissions	34,300	150	34,450
Allocations	43,350	-	43,350
<b>Sub Total</b>	<b>79,200</b>	<b>150</b>	<b>79,350</b>
Proposed Allocations	-	-	-
Other Sites for Consideration	-	-	-
<b>Total</b>	<b>79,200</b>	<b>150</b>	<b>79,350</b>
<b>Keynsham</b>			
Completions to date	10,850	-	10,850
Permissions	2,600	350	2,950
Allocations	-	-	-
<b>Sub Total</b>	<b>13,450</b>	<b>350</b>	<b>13,800</b>
Proposed Allocations	10,000	40,000	50,000
Other Sites for Consideration	-	-	-
<b>Total</b>	<b>23,450</b>	<b>40,350</b>	<b>63,800</b>
<b>Somer Valley</b>			
Completions to date	450	600	1,050
Permissions	1,750	2,300	4,050
Allocations	400	53,000	53,400
<b>Sub Total</b>	<b>2,600</b>	<b>55,900</b>	<b>58,500</b>
Proposed Allocations	-	-	-
Other Sites for Consideration	1,000	12,000	13,000
<b>Total</b>	<b>3,600</b>	<b>67,900</b>	<b>71,500</b>
<b>Rural Area</b>			
Completions to date	50		50
Permissions	800	11,500	12,300
Allocations	-	-	-
<b>Sub Total</b>	<b>850</b>	<b>11,500</b>	<b>12,350</b>
Proposed Allocations	2,000	10,000	12,000
Other Sites for Consideration	-	4,000	4,000
<b>Total</b>	<b>2,850</b>	<b>25,500</b>	<b>28,350</b>
<b>B&amp;NES</b>			
Completions to date	12,900	600	13,600
Permissions	39,500	14,250	53,750
Allocations	43,750	53,000	96,750
<b>Sub Total</b>	<b>96,150</b>	<b>67,850</b>	<b>164,000</b>
Proposed Allocations	12,000	50,000	62,000
Other Sites for Consideration	1,000	16,000	17,000
<b>Total</b>	<b>109,150</b>	<b>133,850</b>	<b>242,000</b>

Source: B&NES Council/HJA (Data as at July 2019)

## Part 3: Analysis and Conclusions

## 7 Comparing Supply and Demand

- 7.0.1 Chapter 4 set out the assessment of future requirements. This expressed future requirements as a range for both office and industrial and warehouse market segments. The range of evidence was also used to identify where in this range it was appropriate to target policy ambition. Chapter 6 set out an assessment of future potential supply based on currently identified sites which might contribute towards meeting the identified future requirements.
- 7.0.2 This chapter brings those two sets of findings together to consider whether the current portfolio of supply is sufficient in both quantitative and qualitative terms to meet the identified requirement. This analysis can then be used to help prioritise which sites to allocate or whether there is a need to identify additional sites to meet the identified requirement.
- 7.0.3 Figure 7.1 sets out the assessment of future requirements and the estimate of potential supply.
- 7.0.4 At the B&NES level, in purely quantitative terms there is sufficient office supply to meet anticipated requirements and sufficient industrial and warehousing supply to exceed the minimum of the range. However, there are some notable imbalances when sub-areas data is considered.

**Figure 7.1 Summary of Currently Identified Potential Supply (sqm)**

Sub Area	Office	Industrial & Warehousing
<b>Bath City</b>		
Demand	75,000	34,000 – 56,000
Committed Supply	79,200	150
Potential Supply	-	-
<b>Total</b>	<b>79,200</b>	<b>150</b>
<b>Keynsham</b>		
Demand	6,500	18,000 – 30,000
Committed Supply	13,450	350
Potential Supply	10,000*	40,000*
<b>Total</b>	<b>23,450</b>	<b>40,350</b>
<b>Somer Valley</b>		
Demand	9,500	44,000 – 73,000
Committed Supply	2,600	55,900
Potential Supply	1,000*	12,000*
<b>Total</b>	<b>3,600</b>	<b>67,900</b>
<b>Rural Area</b>		
Demand	9,000	24,000 – 40,000
Committed Supply	850	10,100
Potential Supply	2,000*	14,000*
<b>Total</b>	<b>2,850</b>	<b>24,100</b>
<b>B&amp;NES</b>		
Demand	100,000	120,000 – 200,000
Committed Supply	96,150	66,450
Potential Supply	13,000*	66,000*
<b>Total</b>	<b>109,150</b>	<b>132,450</b>

Source: B&NES Council/HJA

\* includes estimates on potential or proposed allocations. Total capacity is far greater, particularly on sites within the Somer Valley and Rural Area.

## 7.1 Offices

- 7.1.1 Reviewing office supply and demand by sub-area it is clear that whilst the vast majority of demand is within the Bath City area, there is sufficient committed supply to meet this requirement. This is reliant on significant redevelopment and regeneration which has been a focus for many years but is now coming close to reality. Stakeholder views have highlighted the importance of ensuring office supply comes forward in Bath given its critical role for the economic health of B&NES as a whole. This is a key location in terms of providing appropriate amenities and access for workforce which are critical drivers in office location decision making.
- 7.1.2 At Keynsham, committed office supply exceeds anticipated requirements. This is largely driven by the Somerdale site which is already completed and occupied. This scheme has given some indication of office potential at Keynsham, albeit with some benefit from the constrained supply in Bath. Additional office supply at Keynsham may allow for a further strengthening of its office role, which aligns to the policy ambitions of the B&NES Core Strategy and Placemaking Plan in creating the opportunities to reduce out-commuting.
- 7.1.3 Office supply within the Somer Valley is below anticipated requirements. However, additional capacity could be brought forward at proposed or potential allocations. There may also be potential to include additional office supply within regeneration projects at Radstock and Midsomer Norton town centres. There was some nervousness among stakeholders as to whether there is sufficient demand to meet the full estimate of requirements in the Somer Valley. It may be that additional supply at Keynsham offsets the shortfall in Somer Valley.
- 7.1.4 The rural area is projected to experience continued growth in office based activities. In recent history strong growth has been achieved without significant new floorspace development. This suggests homeworking is playing an ever increasing role in this sub-area. The desk based assessment of future requirements may therefore be generous. Notwithstanding, stakeholders indicated potential for small scale employment developments such as agricultural conversions that could deliver floorspace. There is also uncertainty as to the role of the Whitchurch SDL and its potential capacity to deliver office floorspace. This is more of a special case given its location and is considered in more detail in the following chapter. In purely quantitative terms the identified supply in the rural area falls short of the assessed requirement. Again, this could be directed towards Bath and Keynsham if these are to be the primary focus for office development.

## 7.2 Industrial and Warehouse

- 7.2.1 Estimates of future demand for industrial and warehouse space by sub-area are far more evenly distributed than office floorspace. This is driven by the more even distribution of existing stock that will need replacement and upgrading through the plan period. As previously noted, the quoted figures are to some extent indicative, in that market trends are driving much large scale industrial demand towards locations with excellent transport infrastructure and access. This is contributing to some redistribution of activity, particularly around key infrastructure nodes as evidenced by the performance of Avonmouth/Severnside. B&NES is not viewed as an important location for large scale logistics activities. Nevertheless, there continues to be ongoing demand in all areas for premises appropriate to SMEs. Connectivity was identified as the critical factor for industrial occupiers.
- 7.2.2 Bath is projected to have continued demand for industrial premises. Stakeholders consulted as part of this research highlighted the strong demand in this area but very limited supply. There is

almost no future industrial and warehouse supply identified to date. This is a significant challenge, with commercial agents noting the need for many businesses that supply customers in Bath requiring sites in close proximity. The recent trend has been towards losses of industrial sites to alternative uses, and with no new identified supply there are clear risks of an ever diminishing stock that has no means to be replenished. Stakeholders indicated risks that without adequate supply occupiers will not necessarily look for alternatives within B&NES but may move to competitor locations with far stronger transport access such as Avonmouth/Severnside or Swindon/Chippenham/Wiltshire. It was suggested that Chippenham is increasingly viewed as a key employment supply location for Bath. There was a consistent view that there will be ongoing demand and the major constraints are on the supply side. Significant risks around the ability to retain existing occupiers were expressed by agents, with a need to enable current employers to be retained and expand.

- 7.2.3 Future requirements in Keynsham are forecast at 18,000 – 30,000sqm. Whilst committed supply is very limited, there are clear opportunities via the Strategic Development Location (SDL) to bring forward new sites. This includes the already allocated site KE3a at East Keynsham. Depending on the scale of employment uses included within the SDL there is the potential for Keynsham to accommodate some demand that cannot be met at Bath, a view that was supported by industrial agents. However, it is unlikely the entirety of any unmet need at Bath will be retained within B&NES or wish to locate at Keynsham.
- 7.2.4 Future requirements in the Somer Valley are the largest of the sub-areas in B&NES. This is primarily driven by the scale of the existing stock in the area. However, stakeholders noted that lack of transport access and issues around development viability could limit demand. There is already significant committed supply, at a level that falls within the range of requirements. This is heavily concentrated at the Old Mills Industrial Estate (Somer Valley EZ) (Placemaking Plan SSV9). There are a number of additional opportunity sites within the Somer Valley. Their total capacity extends to some 150ha, although LSH assessed realistic opportunity at these sites is estimated at 12,000sqm. In purely quantitative terms all of these sites may not be required (certainly not in their entirety), however, they may add a wider range and choice to the market. Peasedown was identified by agents as the best location within Somer Valley, with the potential to meet unmet needs in Bath.
- 7.2.5 Future industrial and warehouse requirements in the Rural area are anticipated to be in the range of 24,000 – 40,000sqm. Current permissions total some 10,000sqm. An indicative further 14,000sqm at opportunity sites has been identified, however, the exact scale of opportunity is heavily dependent on the final role and function of the Whitchurch SDL (see following chapter for more details) and the potential for additional allocation at Hallatrow. In quantitative terms these sites could contribute to the requirement.

## 7.3 Conclusion

- 7.3.1 Whilst there is a quantitative matching of supply and demand across B&NES as a whole there is a locational disparity. The most acute issues are within the industrial and warehouse market segment. This is primarily fuelled by a critical lack of supply in the Bath City area. Identifying potential opportunities to deliver new industrial floorspace in Bath should be explored. The need to retain and protect existing industrial sites becomes increasingly important.

## 8 Potential Role of Strategic Development Locations

- 8.0.1 Two Strategic Development Locations (SDLs) have been proposed as part of the West of England JSP process. These are located at North Keynsham and Whitchurch.
- 8.0.2 Some analysis and masterplanning has been undertaken for each SDL, however, relatively little employment analysis has been completed. This chapter provides top down analysis based on the employment scenarios, as well as bottom up analysis based on the wider development proposals at the SDLs and cross references with commercial market opinion. These three strands are brought together to provide headline indications of the potential mix of employment uses that should be considered within the SDLs.

### 8.1 North Keynsham

8.1.1 The following key reference documents have been reviewed:

- Strategic Development Location Templates (October 2017)
- North Keynsham Strategic Planning Framework (June 2017)
- Core Strategy and Placemaking Plan – Keynsham (Adopted July 2017)

#### Context

8.1.2 The following is a summary of the key relevant context for development at Keynsham and the proposed SDL:

- Keynsham is located between Bath and Bristol. It has strong east-west links via the A4 and rail connectivity.
- Existing primary employment areas are located to north of the town, namely Broadmead Lane, Ashmead Road and Pixash Lane in close proximity to the A4 Bath Road (Keynsham Bypass).
- To the west on the A4 is Brislington. This forms the eastern edge of Bristol and has a large out of town retail, trading and industrial area. This also includes a park and ride facility for Bristol.
- Brislington is identified in the Draft JSP as location for a residential led SDL. No employment uses are anticipated. This is proposed on the site of the existing park and ride, which is expected to move to the Hicks Gate roundabout, which lies equidistant between Brislington and Keynsham.
- Keynsham centre has benefitted from recent new development of the Civic Centre delivering new office floorspace and other town centre uses. Placemaking Plan allocation KE2b, known as the Riverside and Firestation Site in the town centre has permission for a further 2,500sqm of office development as part of a wider regeneration.
- The employment floorspace element of the Somerdale (former Cadbury factory, Placemaking Plan site KE2a) site has recently completed. This mixed use development includes some 10,900sqm of office floorspace and is fully occupied.
- The B&NES Core Strategy sets out an ambition for 1,600 jobs 2011-29 at Keynsham, primarily through additional office development. This is part of a wider objective to establish Keynsham as a more significant business location.
- The aim is to attract more high value added jobs in order to reduce the pattern of out-commuting, particularly among those working in professional, managers, senior officials and administrators occupational groupings.

- The Placemaking Plan also allocated KE3a Land Adjoining East Keynsham, a site located just to the south of the A4, to include 30,000 sqm (7.5ha) of employment uses.

### **Emerging SDL proposals**

8.1.3 Based on work to date to inform the SDL proposals:

- The broad area of search lies to the north of Keynsham, north of the A4. The site is adjacent to existing industrial/employment areas, in close proximity to the A4 and train station
- The total site area is identified as 150ha with a net developable area of 70ha.
- Emerging proposals are for c1,500 dwellings in total, 1,400 dwellings are anticipated by 2036 plus other community infrastructure uses e.g. primary school, primary care and local centre.
- Proposals also include additional land for waste processing, in addition to existing utilities infrastructure that is located within the site.
- A new marina is proposed within the SDL.
- Existing documentation includes emerging proposals for 14ha (55,000sqm) of employment uses. However, more recent information provided by B&NES Council suggests a figure of 12.5ha<sup>18</sup>. It is understood that this comprises the existing allocation at site KE3a for 7.5ha.
- The phasing/development trajectory for the site is noted as 2028 onwards.

### **Anticipated Keynsham Requirements and Supply**

8.1.4 Chapter 4 of this report considered the scale of future employment land requirements at Keynsham. This identified a requirement for around 6,500sqm of office floorspace and 18,000 – 30,000 of industrial floorspace across the 2016-36 Local Plan period. This requirement is largely driven by existing patterns of development and employment.

8.1.5 In recent years Keynsham has performed well in terms of being a growth location with development coming forward. Stakeholders have indicated that this has been aided by constrained supply in terms of both office and industrial at Bath (and Bristol). However, there is a potential role for Keynsham as a growth area within B&NES given its transport connectivity. However, with development planned at various locations along the A4 corridor there are risks from a transport perspective.

8.1.6 The assessment of committed supply identified existing completions and permissions of 13,450sqm of offices, already in excess of the anticipated requirement. However, industrial commitments are less than 500sqm.

8.1.7 The North Keynsham SDL, including site KE3a is the key location identified to meet outstanding requirements for Keynsham. As a major strategic allocation, it may also play a role in meeting wider requirements for B&NES and the sub-region given its close proximity and strong road and rail links to both Bath and Bristol.

### **Emerging Recommendations for North Keynsham SDL**

8.1.8 There is a clear need for additional capacity at Keynsham, particularly for industrial and warehouse supply. The SDL is well located with good transport access, although linkages to the motorway network are weaker than other locations in the wider West of England sub-region. Keynsham could also play a role meeting industrial requirements displaced from central and south east Bristol as well as existing occupiers being moved from Bath central and Lower Bristol Road areas.

<sup>18</sup> This figure is included in the evidence base for the West of England Joint Spatial Plan.

- 8.1.9 We recommend reviewing, particularly for industrial/warehouse uses, best practice across the country as buildings need to be adaptable to a fast changing market, concentrating on things like shared services and sustainability. These will need to be addressed at development/planning stage.
- 8.1.10 There are office opportunities, particularly in close proximity to the railway station. It will be important to ensure appropriate amenities for staff to attract office occupiers. Demand is anticipated for a variety of sizes and requirements, from stand-alone regional headquarters to serviced offices supplying demand for smaller/start up companies. The success of Somerdale has increased anticipated levels of interest for this location. Thought also needs to be given about how the area is masterplanned, as some uses are not compatible.
- 8.1.11 Current estimates of approximately 12.5ha of employment uses, delivering approximately 50,000sqm of employment floorspace across the SDL are not therefore unrealistic in the long term but are beyond the top end of the estimated ranges within the analysis period to 2036. On the basis of the future requirements analysis for this study the 50,000sqm total could comprise up to 10,000sqm of office uses and up to 40,000sqm of industrial and warehouse uses. It is anticipated that many requirements will be from regional companies that are not necessarily new to B&NES.

## 8.2 Whitchurch

8.2.1 The following key reference documents have been reviewed:

- Strategic Development Location Templates (October 2017)
- Whitchurch Emerging Strategic Planning Framework: Stage 1 Report (November 2018)
- Core Strategy and Placemaking Plan – Keynsham (Adopted July 2017)

### Context

8.2.2 The following is a summary of the key relevant context for development at Whitchurch and the proposed SDL:

- Whitchurch village, is located in the north west of B&NES. The settlement is almost contiguous with the southern edge of Bristol on the A37. There are limited east west connections and links to the motorway network and rail network.
- The area forms part of the Rural sub area of B&NES. However, its location relative to Bristol makes it atypical of many rural areas.
- There are no existing significant employment areas in close proximity to Whitchurch. Surrounding areas are predominantly residential to the north and rural to the south.
- The lack of employment areas in south Bristol has been identified as a policy priority. However, finding suitable sites has been challenging.
- The B&NES Core Strategy and Placemaking Plan included a Whitchurch Strategic Allocation (Policy RA5) however, this is much smaller than the SDL proposed in the JSP, comprising 200 dwellings.

### Emerging SDL Proposals

8.2.3 Based on work to date to inform the SDL proposals:

- The full extent of the area of search for the SDL comprises 120ha of which 68ha has been identified as developable.

- The JSP background documentation identifies a strategic opportunity for 2,500 dwellings, of which 1,600 are expected to be delivered within the JSP period to 2036.
- The Spatial Framework identifies a strategic opportunity for around 1,800 – 2,000 dwellings.
- Existing documentation makes no explicit provision for employment, although it states “to be determined through the local plan process”.
- The Spatial Framework notes that the area is not regarded as a traditional location for commercial or employment led development. However, it states that there could be demand for a small area of commercial led accommodation, benefitting from planned infrastructure upgrades. This anticipates small business units, light industrial and a small foodstore. The vision includes reference to ‘a variety of employment workspaces’
- On the basis of achieving 2,500 dwellings (as per the JSP) at 40dph (dwellings per hectare) there will be a heavy demand on the identified developable area for housing and associated community infrastructure. The potential physical/land capacity remaining for employment uses is likely to be limited. This may improve on the basis of delivering 1,800 – 2,000 dwellings as per the Spatial Framework analysis.
- The development trajectory is suggesting development from 2030 onwards so any employment element will not meet short term needs.

#### **Anticipated Whitchurch Requirements and Supply**

- 8.2.4 The Rural sub-area has an identified requirement for 9,000sqm of office floorspace and 24,000 – 40,000sqm of industrial and warehouse floorspace. However, this is well above historic levels of development activity in the rural area. Low levels of historic completions have not hampered the creation of jobs in the rural area, which has accounted for the largest share of employment growth 2011-17 of any of the sub-areas. This is likely influenced by homeworking.
- 8.2.5 Committed supply equates to less than 1,000sqm of offices and some 10,000sqm of industrial and warehouse permissions. There is therefore a quantitative shortfall. The Whitchurch SDL is one of two opportunity areas considered by this research. The other is at Hallatrow which lies 8-9 miles to the south of Whitchurch.
- 8.2.6 However, it is important to recognise that Whitchurch is atypical of the wider rural area given its proximity to Bristol. There is therefore a potential linkage to broader demand arising from south Bristol. This broader south Bristol area has a substantial population but has struggled to deliver successful employment development, with transport access a key market constraint.

#### **Emerging Recommendations for Whitchurch SDL**

- 8.2.7 There are potential capacity constraints at the Whitchurch SDL that may limit potential for employment uses.
- 8.2.8 Based on analysis of the rural sub-area there is potential unmet need. However, it is not necessarily best met through a substantial single development site at the very edge of the rural area.
- 8.2.9 Given its location on the edge of Bristol, the Whitchurch SDL has the potential to play a role in meeting needs of the south Bristol economy rather than being limited to serving the rural sub-area of B&NES.
- 8.2.10 Transport infrastructure and access is viewed as a significant constraint in terms of commercial market attractiveness. This is a challenge to the south Bristol area as a whole and is a key reason

why other sites have not come forward for employment use despite significant potential workforce in close proximity. The proposed future A37/A4 link road will help.

- 8.2.11 The location is not viewed as attractive to office occupiers at present. In the current market, demand for industrial uses is also viewed as limited, however, over time the area could play a potential role to provide industrial capacity for occupiers displaced from central Bristol. Given the changes identified in St Phillips, both Whitchurch and Keynsham could both benefit.
- 8.2.12 The employment focus should predominantly be on industrial uses. Some small scale office uses could be considered, but it is not currently anticipated that the area will become a substantial office location. Whilst improved transport access will improve attractiveness, the wider sub-region contains a number of locations which are likely to remain preferable to occupiers. On this basis an allocation of up to 5ha could be considered, with the potential to deliver up to 20,000sqm of floorspace. However, this is viewed as an upside estimate on the basis of current market conditions. Changing market sentiment over time would need to be assessed as a result of improved infrastructure and access.

## 9 Conclusions and Recommendations

- 9.0.1 This chapter sets out the conclusions of the research.
- 9.0.2 **Part One** of the report considers the potential for employment growth across B&NES and the implications of this for future employment land requirements.
- 9.0.3 Analysis of historic trends provides clear evidence that **B&NES as a whole, and the Bath City sub-area in particular, has failed to capture the level of employment growth that would be anticipated based on existing levels of activity.** This is in contrast to population growth which has broadly mirrored the existing distribution. The inability to deliver either office or industrial floorspace, particularly in Bath is a clear contributing factor to this. This is supported by stakeholder views indicating strong demand but heavily constrained supply.
- 9.0.4 Looking forward, employment scenarios have been developed aligned to the West of England JSP. Three growth scenarios for B&NES have been considered. These indicate a range of approximately **9,000 – 12,000 net additional jobs across B&NES over the period 2016-36.** These scenarios range from 11%-15% of West of England employment over the same period. The top end of this range aligns to the existing distribution of employment, the lower end of this range is closer to the more recent trend.
- 9.0.5 Two scenarios have been developed to help understand the potential distribution of growth across the four sub-areas of B&NES. These include distribution on the basis of current employment shares as well as an adjusted distribution to take into account recent trends. Under both scenarios there is an expectation that Bath City delivers the vast majority (65%-70%) of B&NES employment growth. This is primarily driven by the sectoral mix of forecast growth and the dominance of Bath in accommodating office based employment. This is also supported by stakeholder expectations of much improved delivery of office floorspace. The analysis allocates only 5%-7% of forecast growth to Keynsham, however, this sub-area has identified potential to play a more significant role in delivering employment growth building on recent successes and its location between Bristol and Bath.
- 9.0.6 Estimates of future employment sites and premises requirements have been assessed on the same basis as the evidence underpinning the West of England JSP. This identifies approximately 4,000 – 5,000 net additional jobs falling outside the B Use Classes. Approximately 5,000 – 7,000 jobs are forecast within office (B1a/b) based uses, a small reduction in employment within industrial (B1c/B2) uses and a small rise in employment within warehousing (B8) uses.
- 9.0.7 The desk based assessment identified future office requirements of approximately 100,000 – 170,000sqm across B&NES during the period 2016-36. This is significantly above the projection based on historic completions over the period 2006-16 of 48,000sqm. It is agreed that historic constraints have limited office floorspace delivery in Bath and therefore suppressed historic completions data. Soft testing with commercial agents indicated that the lower end of the range was a more appropriate basis for planning, given the scale of improvement that is required. This also aligned with testing on the scale of replacement requirements using historic losses as a guide. **B&NES should therefore plan for 100,000sqm of new office floorspace over the plan period.**
- 9.0.8 The desk based assessment identified future industrial and warehousing requirements of 120,000 – 270,000sqm. This is very significantly above the projection based on historic completions over the 2006-16 period of 28,000sqm. This historic comparator highlights the challenges in delivering

industrial floorspace across B&NES. It is agreed that constraints, including land supply in Bath and challenges of development viability have suppressed historic completions and that in the face of net losses of floorspace and strong demand it is vital that additional floorspace is achieved. It was agreed that the upper end of the range would be too ambitious. Using historic losses as a guide to the level of replacement activity suggested **a range of 120,000 – 200,000sqm of industrial floorspace would be appropriate for B&NES over the period 2016-36**. However, it is recognised that delivering floorspace in this range will require a huge increase in delivery and will be very challenging to achieve.

- 9.0.9 **Part Two** of this report considered the supply position.
- 9.0.10 Existing employment sites across B&NES were reviewed. All sites reviewed were performing well. On the basis of both the assessments and the challenges in delivering new employment floorspace in B&NES **it is clearly evident that there is a need to retain and protect all existing employment areas wherever possible**.
- 9.0.11 Future supply has also been assessed. This includes committed supply (comprising completions, permissions and existing allocations) and potential supply (comprising proposed allocations and other sites under consideration or promotion).
- 9.0.12 Committed supply of almost 100,000sqm of offices has been identified. This is largely underpinned by allocations and permissions in Bath City, as well we as the already completed and occupied scheme at Somerdale in Keynsham. Committed industrial and warehouse supply of 66,500sqm has been identified. This is predominantly underpinned by significant allocations within the Somer Valley. No industrial supply of note has been identified at Bath City.
- 9.0.13 Potential supply comprises the two proposed SDLs at North Keynsham and Whitchurch as well as opportunity sites at Hallatrow, Peasedown, Bath Business Park and Westfield Industrial Estate. No potential industrial supply has been identified at Bath City.
- 9.0.14 **Part Three** brings together the demand and supply analysis to consider the alignment and whether there are any potential gaps.
- 9.0.15 **At a B&NES aggregate level there is a good alignment between future supply and identified requirements for both office and industrial market segments. However, there are notable imbalances between sub-areas.**

#### **Bath City**

- 9.0.16 Committed office supply at Bath is broadly equivalent to identified requirements. The key issue will be ensuring committed supply is delivered.
- 9.0.17 There is virtually no industrial and warehouse supply identified in Bath despite clear evidence of requirements. This is a critical issue and makes the protection of existing industrial sites essential. Identifying potential industrial sites to service the Bath market should also be a priority. Market opinion is that whilst Keynsham may be able to meet some of the unmet need from Bath there is a risk that economic activity will be lost to other locations including Avonmouth/Sevenside and Swindon/Chippenham/Wiltshire.
- 9.0.18 Bath is the key economic centre for the B&NES area. There is therefore a need to enable delivery of new floorspace to help maintain and grow its economic role.

### **Keynsham**

- 9.0.19 Office completions in Keynsham have already exceeded anticipated requirements. This is due to the completion of the Somerdale scheme which is fully let. There is potential for additional office demand in Keynsham, particularly if supply is well located, with access to good amenities. Office development within the proposed SDL in close proximity to the railway station is a potential opportunity. The main uncertainty surrounds the strength of market demand when larger supply comes forward in Bath.
- 9.0.20 Whilst committed industrial and warehouse supply in Keynsham is limited, potential supply at the proposed SDL has the potential to meet the identified needs for the area. There is also potential additional capacity to meet some unmet needs at Bath or to benefit from displaced industrial activities within the city of Bristol.
- 9.0.21 Keynsham has performed well in recent years, in part because of constrained supply at Bath. It is well located and there is evidence of opportunity to continue this strong performance, capitalising on its location between Bath and Bristol.
- 9.0.22 Emerging proposals for around 12.5ha of employment uses within the Keynsham SDL appear to be of an appropriate scale in light of the evidence.

### **Somer Valley**

- 9.0.23 There is insufficient office supply to meet identified requirements in the Somer Valley area. However, market opinion suggests office demand may fall below identified requirements. Some additional office capacity could be considered at Bath Business Park.
- 9.0.24 Committed industrial and warehouse supply at Somer Valley falls within the middle of the identified requirements range. This is heavily dependent on the existing allocation at Old Mills Industrial Estate within the Enterprise Zone. Whilst there is substantial additional capacity at opportunity sites such as Peasedown, land adjacent to Bath Business Park and land adjacent to Westfield Industrial Estate it is highly unlikely this will all be required. There is potential to provide additional range and choice in the market through provision at one or more of these sites, most likely through modest extension to one or both of the existing employment areas with expansion potential.
- 9.0.25 Market opinion queried whether the scale of industrial requirements identified at Somer Valley is too optimistic given changing market trends towards locations with better transport access. However, there are existing policy priorities to ensure employment opportunities for the local population which has underpinned the creation of the Enterprise Zone and existing allocations.

### **Rural Area**

- 9.0.26 Strong employment growth in recent history in the Rural area has been achieved with minimal new employment floorspace. There is therefore some uncertainty as to the scale of development required to maintain a healthy economy in this sub-area.
- 9.0.27 Identified office supply is well below identified requirements. However, with homeworking opportunities and appropriate agricultural conversion there is unlikely to be a need for major office allocation. The prime opportunity site is Whitchurch SDL, however, this is identified to have limited attractiveness to office occupiers and is likely to serve the south Bristol market rather than the rural market for B&NES.
- 9.0.28 Committed and potential industrial and warehouse supply in the Rural area is likely to meet the lower end of the identified requirement range. This would include some extension to the Hallatrow

Business Park and industrial provision at the Whitchurch SDL, which may not serve the Rural area market primarily. There may be further opportunities through agricultural conversion.

- 9.0.29 Criteria based policy may be particularly appropriate for the Rural area. This can help to manage demand through responding to opportunity. The area has managed to deliver growth with limited new development in both office and industrial market sectors. There are opportunities to allocate at Hallatrow and at the SDL, however, a criteria based policy allows for appropriate development in other locations to be enabled without needing to identify those other locations. This could include small scale agricultural conversions for either office or light industrial and storage type uses.

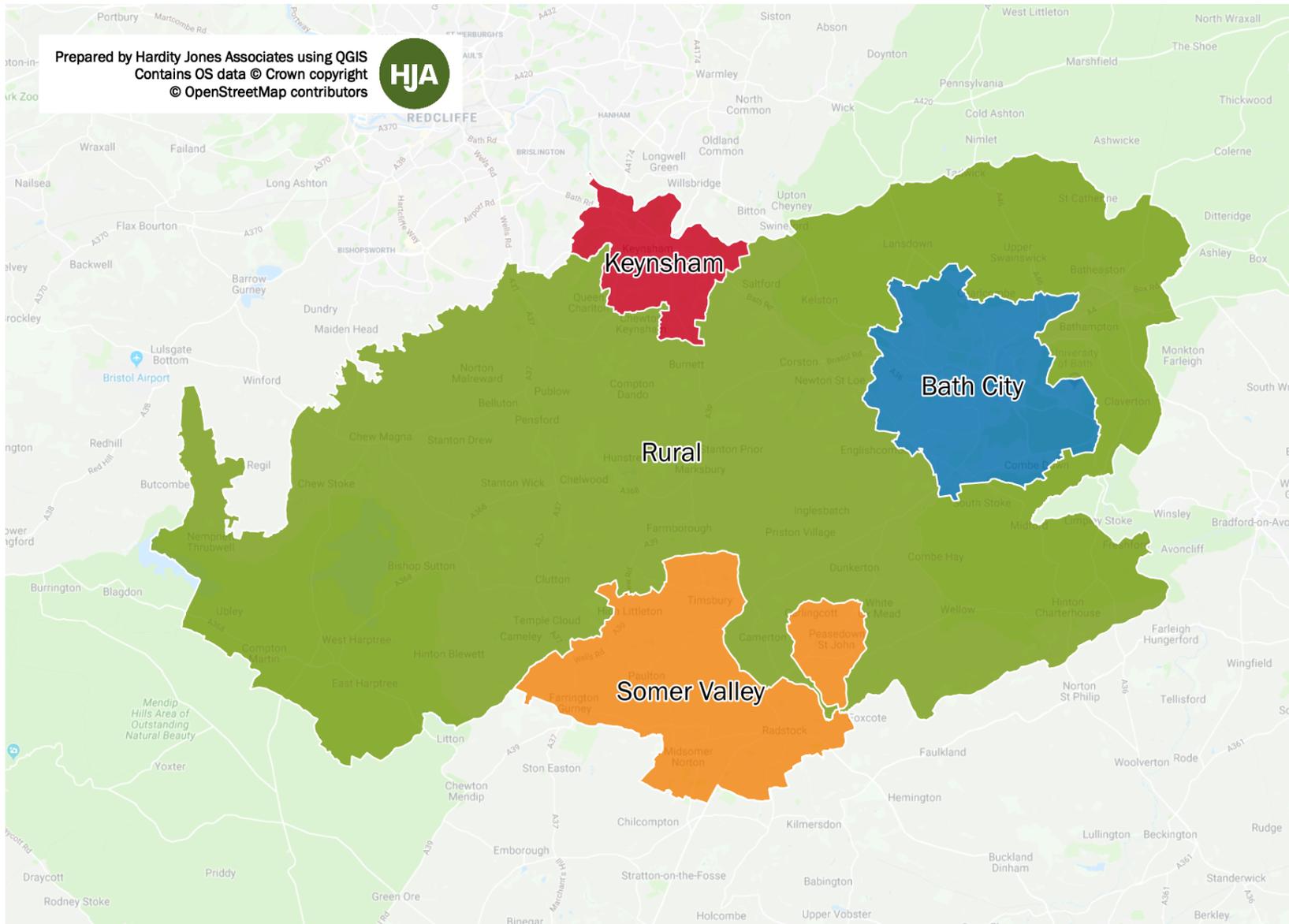
## Appendix 1: Sub Area Definitions

- i. The four sub-areas used for analysis throughout this report are based on the following definitions. A map showing these is included on the following page.

**Table A1.1 Sub Area Definitions**

Ward	Sub-Area Name
Abbey	City
Bathwick	City
Combe Down	City
Kingsmead	City
Lambridge	City
Lansdown	City
Lyncombe	City
Newbridge	City
Odd Down	City
Oldfield	City
Southdown	City
Twerton	City
Walcot	City
Westmoreland	City
Weston	City
Widcombe	City
Keynsham East	Keynsham
Keynsham North	Keynsham
Keynsham South	Keynsham
Bathavon North	Rural
Bathavon South	Rural
Bathavon West	Rural
Chew Valley North	Rural
Chew Valley South	Rural
Clutton	Rural
Farmborough	Rural
Mendip	Rural
Publow and Whitchurch	Rural
Saltford	Rural
High Littleton	Somer Valley
Midsomer Norton North	Somer Valley
Midsomer Norton Redfield	Somer Valley
Paulton	Somer Valley
Peasedown	Somer Valley
Radstock	Somer Valley
Timsbury	Somer Valley
Westfield	Somer Valley

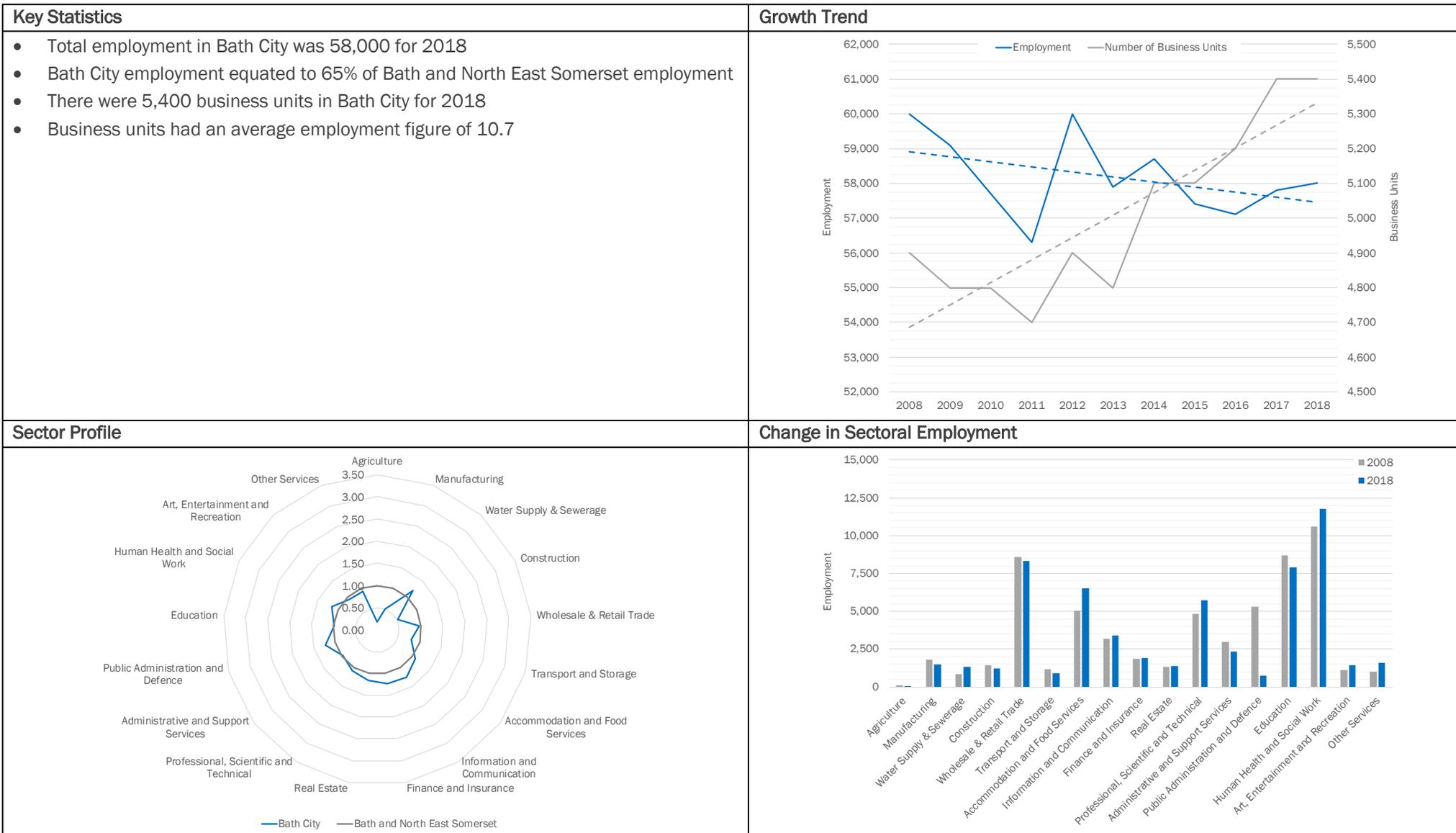
Figure A1.1 Illustration of Sub Areas

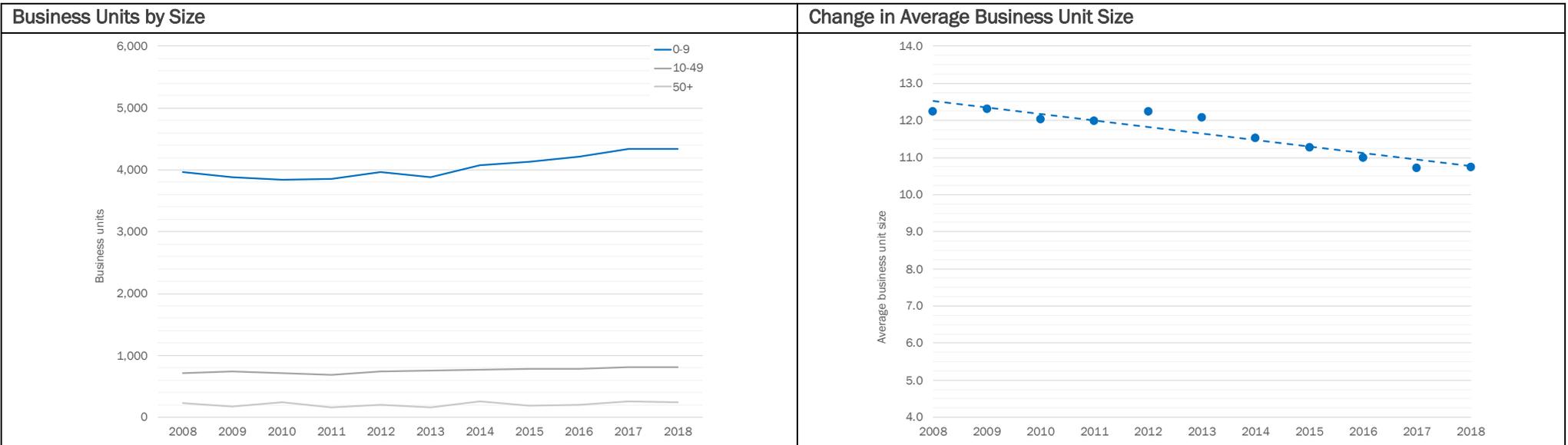


## Appendix 2: Sub Area Profiles

- i. Set out on the following pages are profiles for each of the sub areas.
- ii. These are primarily based upon analysis of the Inter Departmental Business Register (IDBR).

## Sub Area Profile: Bath City





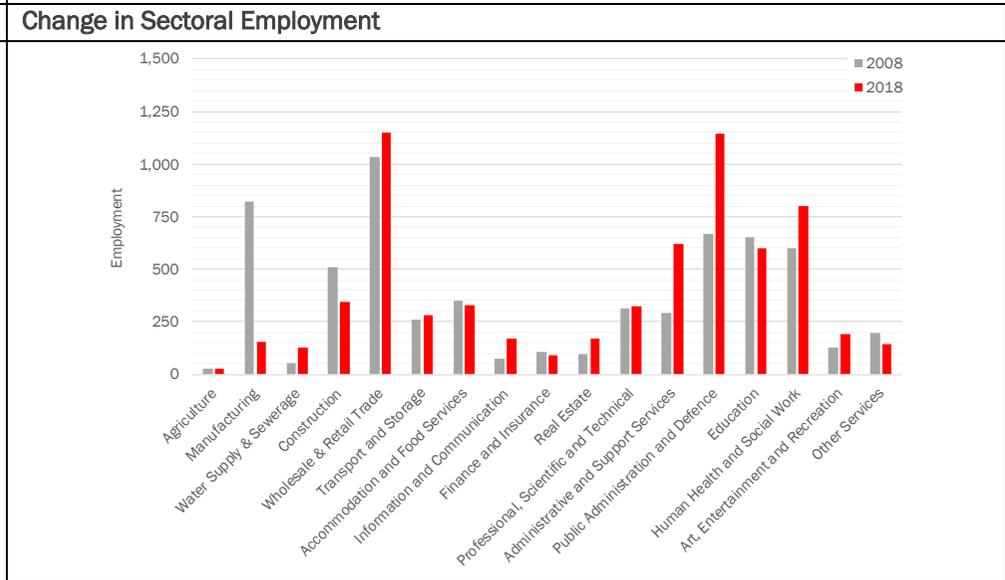
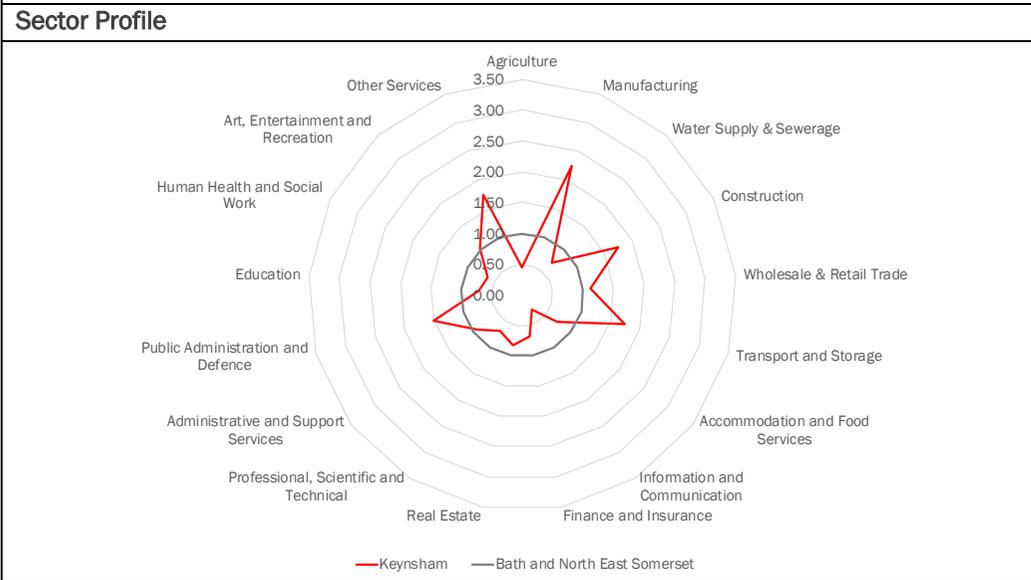
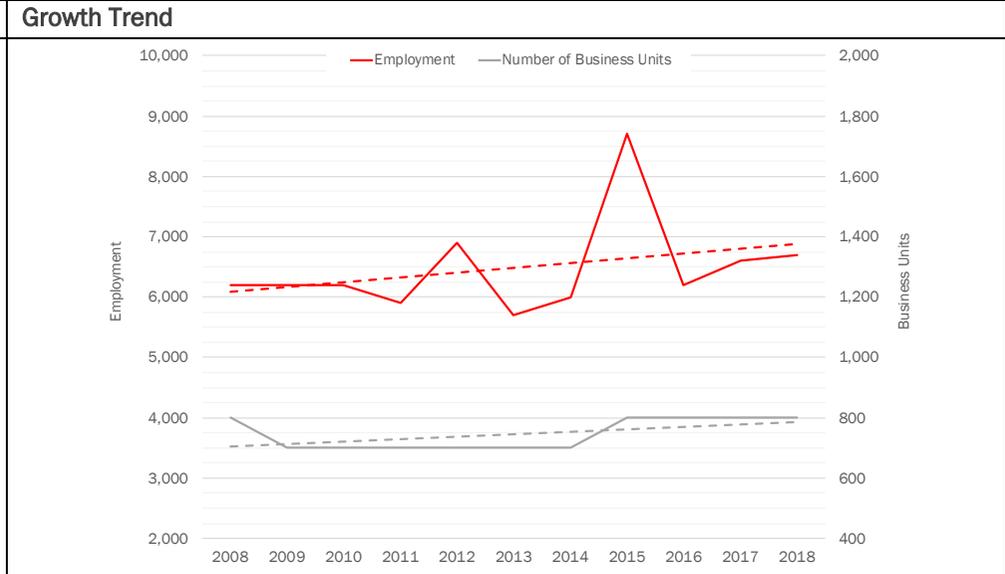
**Commentary**

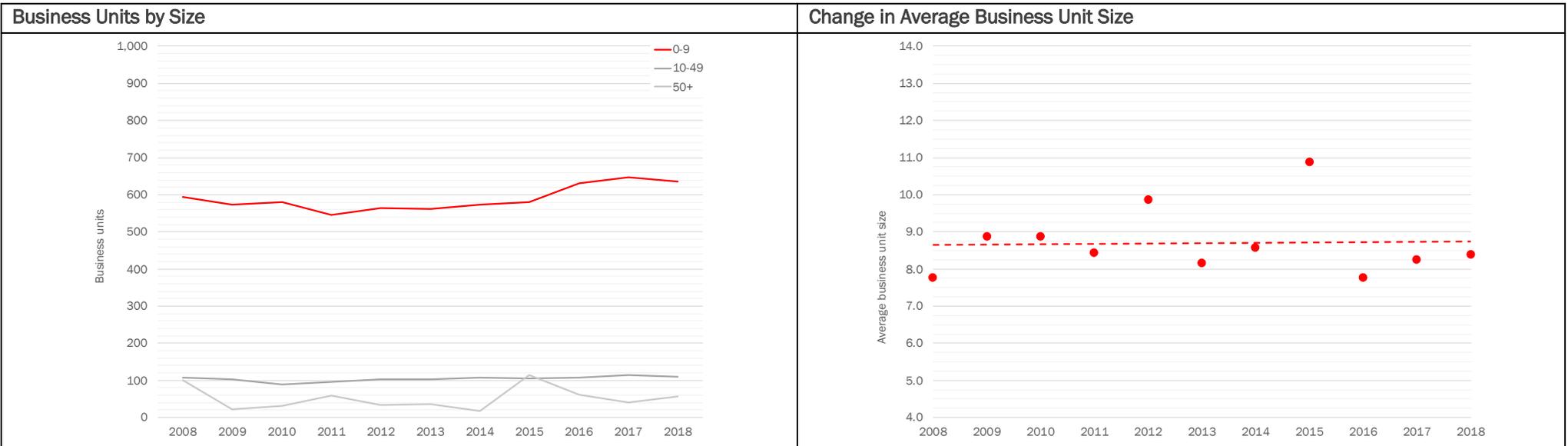
- Employment in Bath City fluctuated since 2008, but has experienced a decline overall.
- However, the number of business units has increased over the study period.
- Information & Communication (1.25), Finance & Insurance (1.23), and Public Administration and Defence (1.23) are the three most concentrated sectors for employment in Bath City relative to Bath and North East Somerset.
- Employment growth has been concentrated within Accommodation and Food Services, Professional, Scientific and Technical, Administrative and Support Services and Human Health and Social Work.
- There has been substantial decline in Public Administration and Defence employment within Bath City, as well as declines in the Education and Wholesale & Retail.
- The average employment per business unit has decreased over the study period.

# Sub Area Profile: Keynsham

### Key Statistics

- Total employment in Keynsham was 6,700 for 2018
- Keynsham employment equated to 7% of Bath and North East Somerset employment
- There were 800 business units in Keynsham for 2018
- Business units had an average employment figure of 8.4





**Commentary**

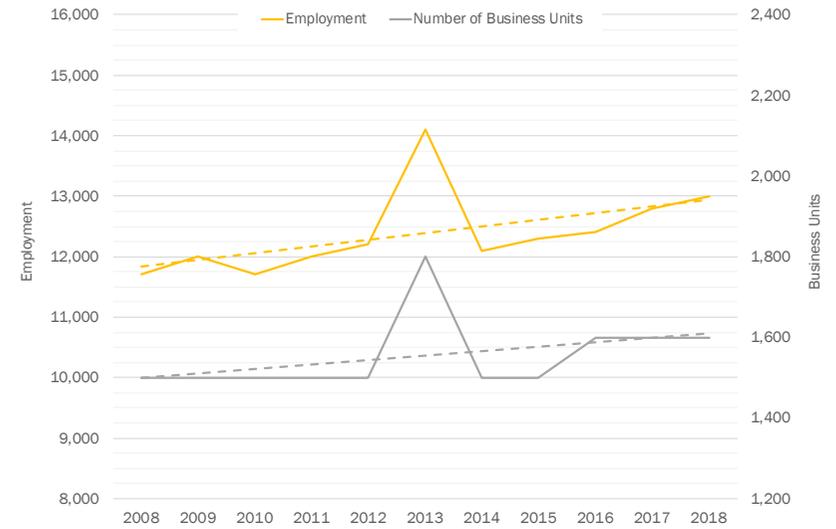
- Employment in Keynsham has fluctuated over the study period, but has largely been increasing gradually.
- The number of business units in Keynsham has seen a small, steady increase over the study period.
- Manufacturing (2.24), Other Services (1.75), Transport and Storage (1.75), and Construction (1.74) are the most concentrated sectors for employment in Keynsham relative to Bath and North East Somerset.
- Absolute employment numbers in Wholesale & Retail, Administrative & Support Services, Public Administration & Defence, and Human Health and Social Work have increased over the period, with Manufacturing and Construction decreasing substantially.
- The average employment per business unit has been varied year-on-year, but on the basis of overall trend has been largely steady.

# Sub Area Profile: Somer Valley

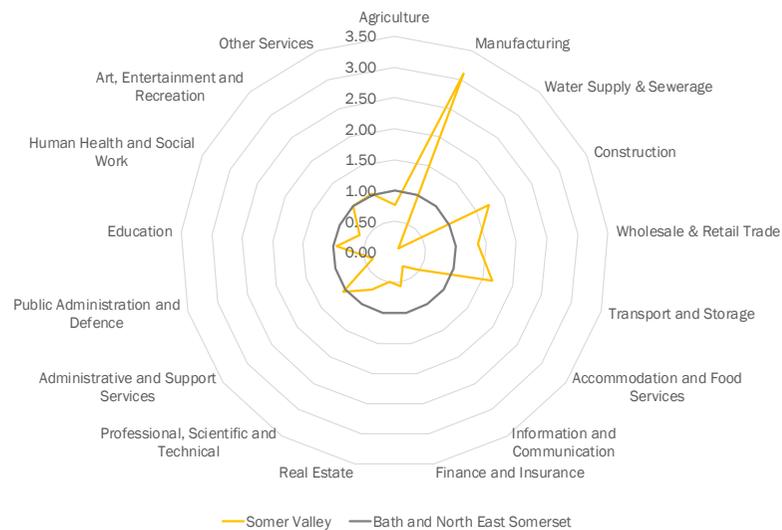
## Key Statistics

- Total employment in Somer Valley was 13,000 for 2018
- Somer Valley employment equated to 15% of Bath and North East Somerset employment
- There were 1,600 business units in Somer Valley for 2018
- Business units had an average employment figure of 8.1

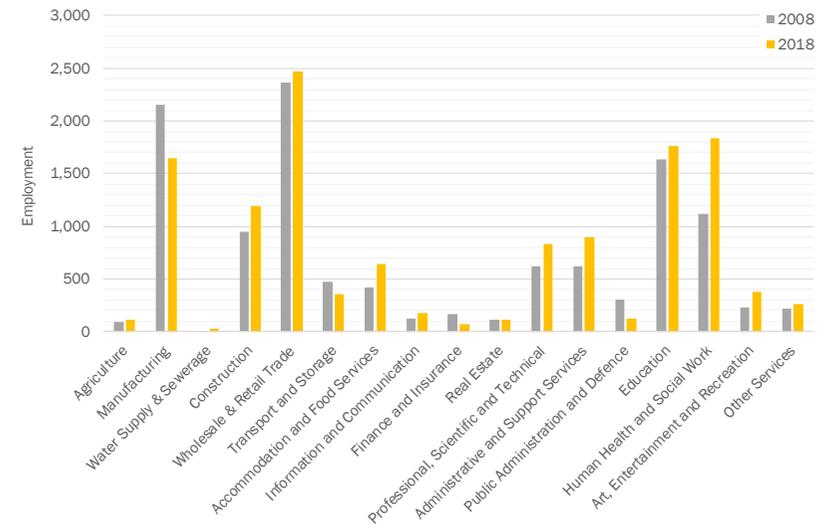
## Growth Trend



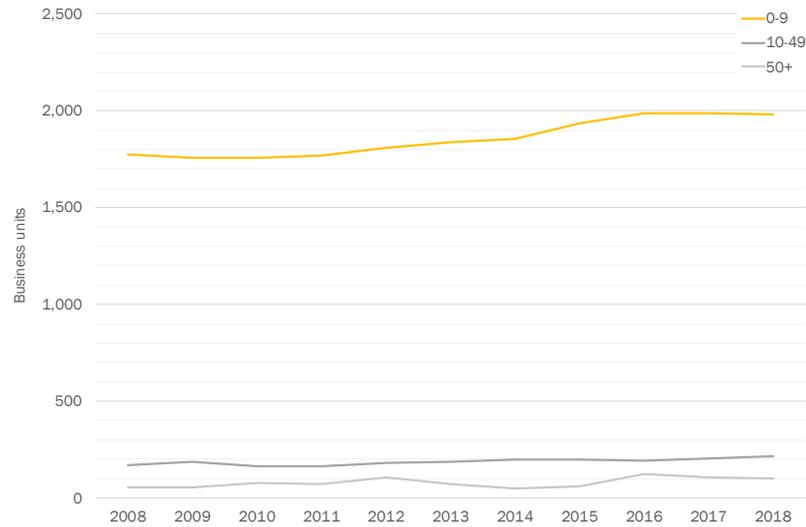
## Sector Profile



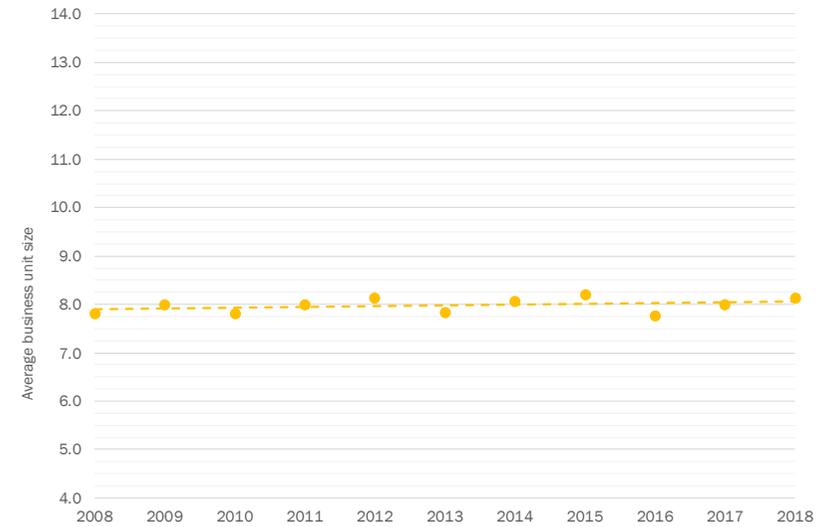
## Change in Sectoral Employment



### Business Units by Size



### Change in Average Business Unit Size



### Commentary

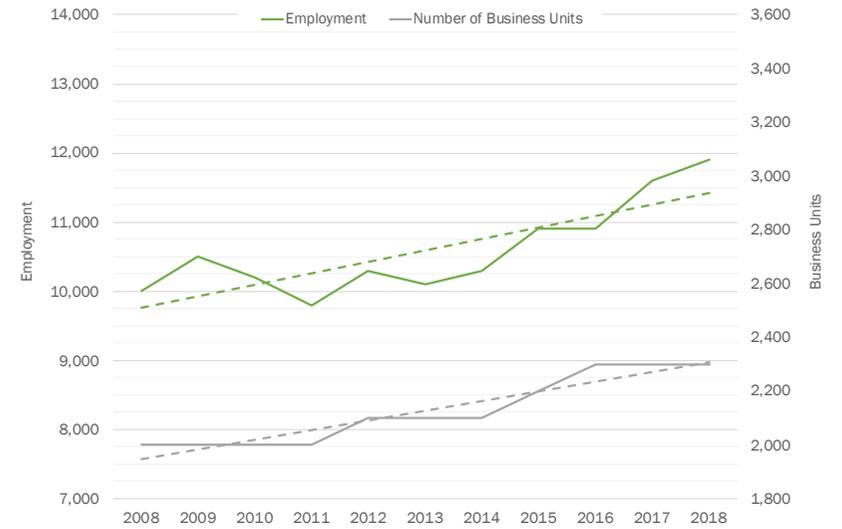
- Employment in Somer Valley has been gradually increasing alongside a gradual increase in the number of business units.
- Manufacturing (3.10), Construction (1.72), and Transport & Storage (1.67) are the most concentrated sectors for employment in Somer Valley relative to Bath and North East Somerset.
- Absolute employment numbers in Construction, Professional, Scientific & Technical, Administrative & Support Services, and Human Health and Social Work have increased notably over the study period, and there has been growth in other sectors as well.
- There has been significant employment losses in Manufacturing.
- The average employment per business unit has been largely stable over the study period.

# Sub Area Profile: Rural Area

## Key Statistics

- Total employment in the Rural Area was 11,900 for 2018
- Rural Area employment equated to 13% of Bath and North East Somerset employment
- There were 2,300 business units in the Rural Area for 2018
- Business units had an average employment figure of 5.2

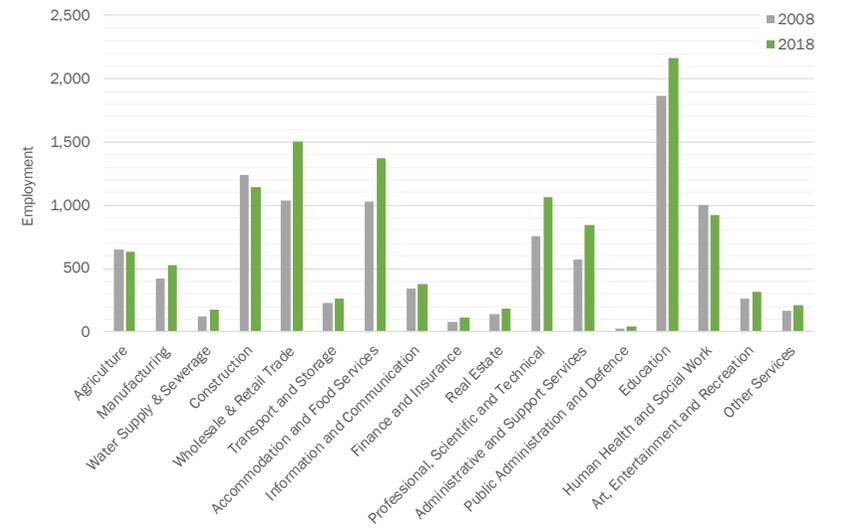
## Growth Trend

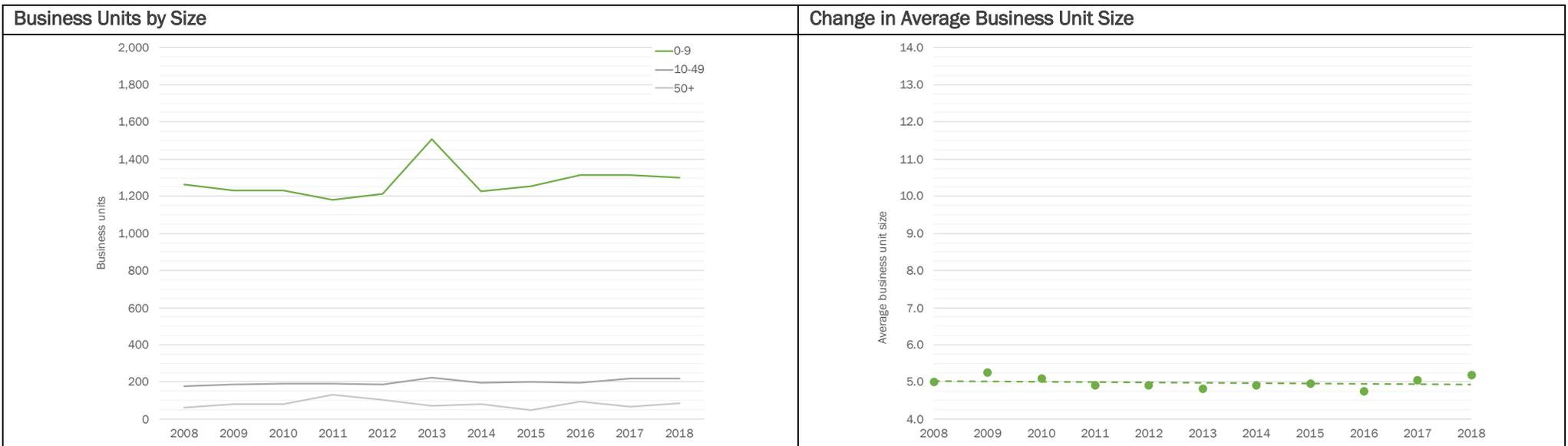


## Sector Profile



## Change in Sectoral Employment





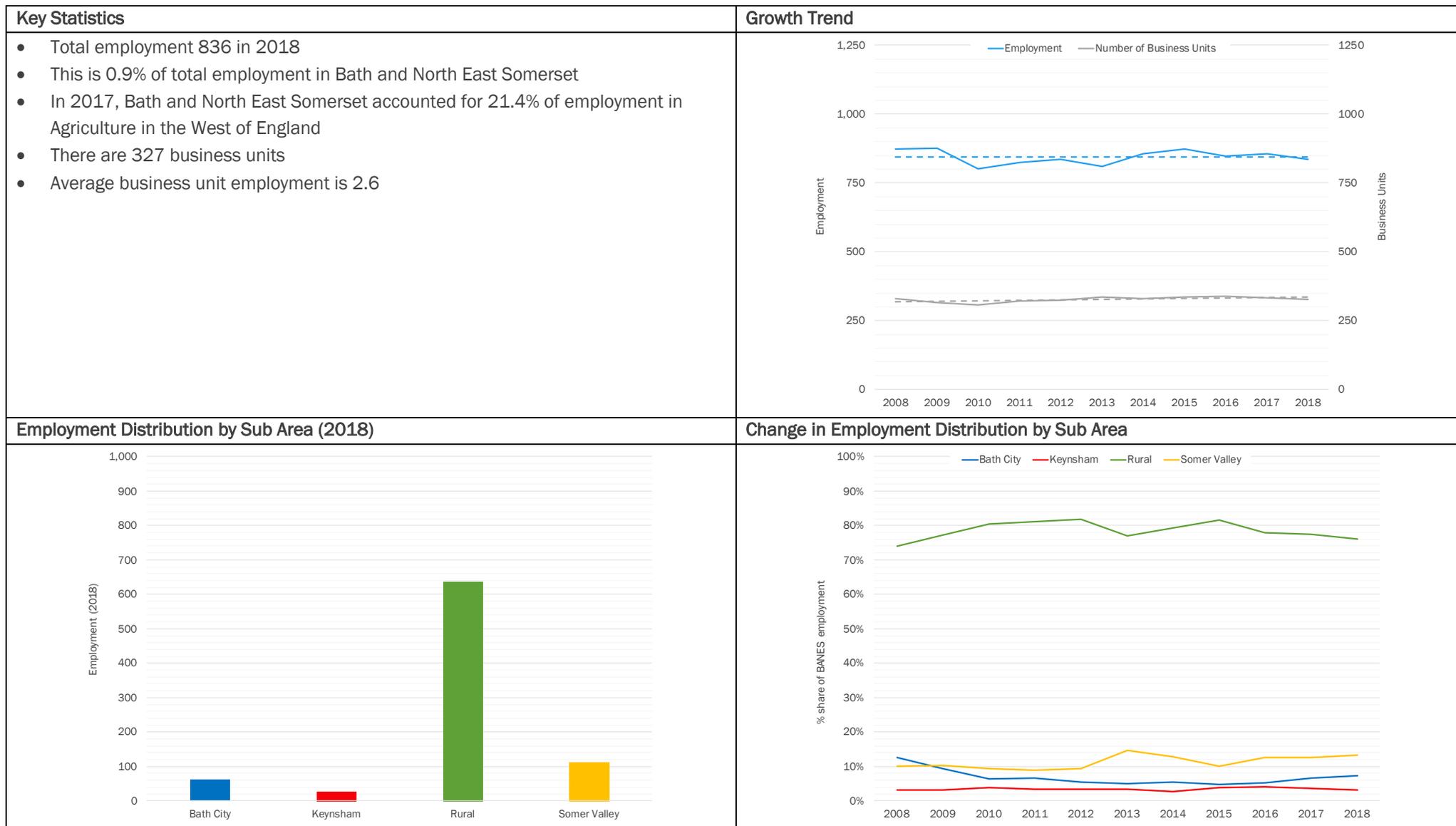
**Commentary**

- Employment in the Rural Area has been increasing alongside the number of business units.
- Agriculture (6.50), Construction (2.63), Art, Entertainment & Recreation (1.36), and Accommodation and Food Services (1.32) are the most concentrated sectors for employment in the Rural Area relative to Bath and North East Somerset.
- Absolute employment numbers in Wholesale & Retail, Accommodation & Food Services, Professional, Scientific & Technical, Administrative & Support Services and Education sectors have increased over the study period, with no sectors showing significant losses.
- The average employment per business unit has been steady year-on-year, but on the basis of overall trend has increased very slightly.

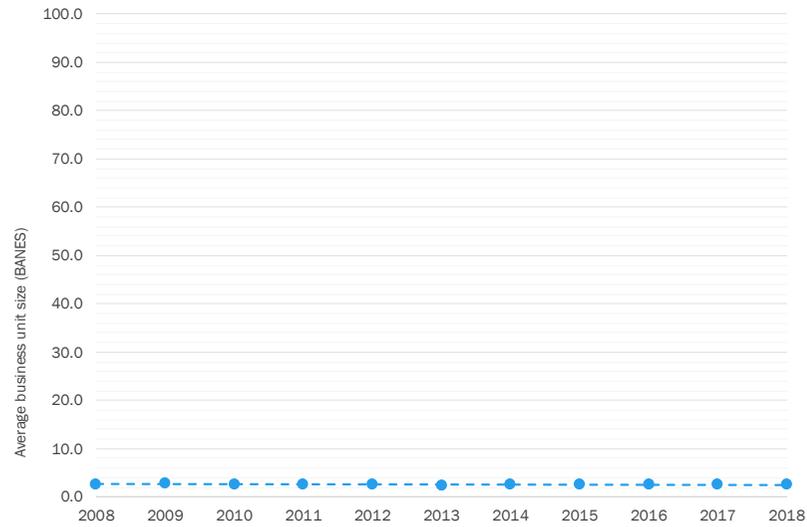
## Appendix 3: Sector Profiles

- i. Set out on the following pages are profiles for each of the sectors of the economy for which robust data is available.
- ii. These are primarily based upon analysis of the Inter Departmental Business Register (IDBR), with the exception of comments on the share of West of England employment accounted for by each sector, which is taken from the Business Register and Employment Survey.

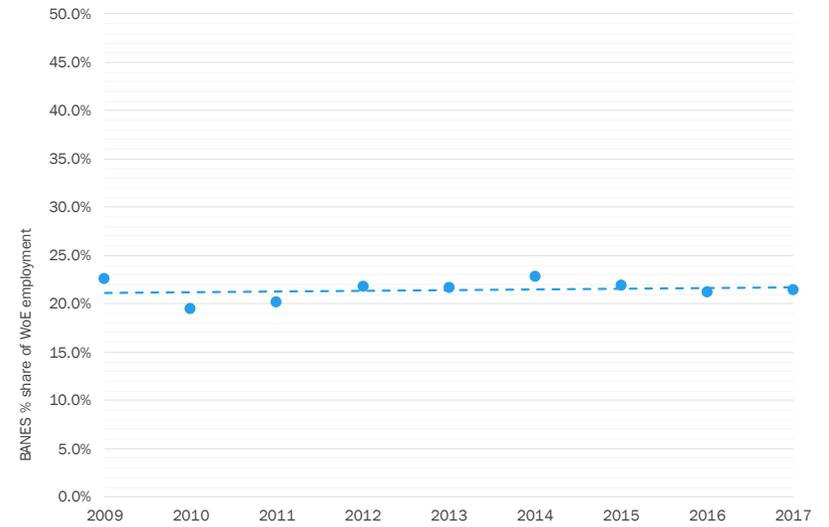
## Sector Profile: Agriculture (Note: Data issues with Agriculture Sector)



**Change in Average Business Unit Size**



**Changing Share of West of England Employment (2009-2017)**



**Commentary**

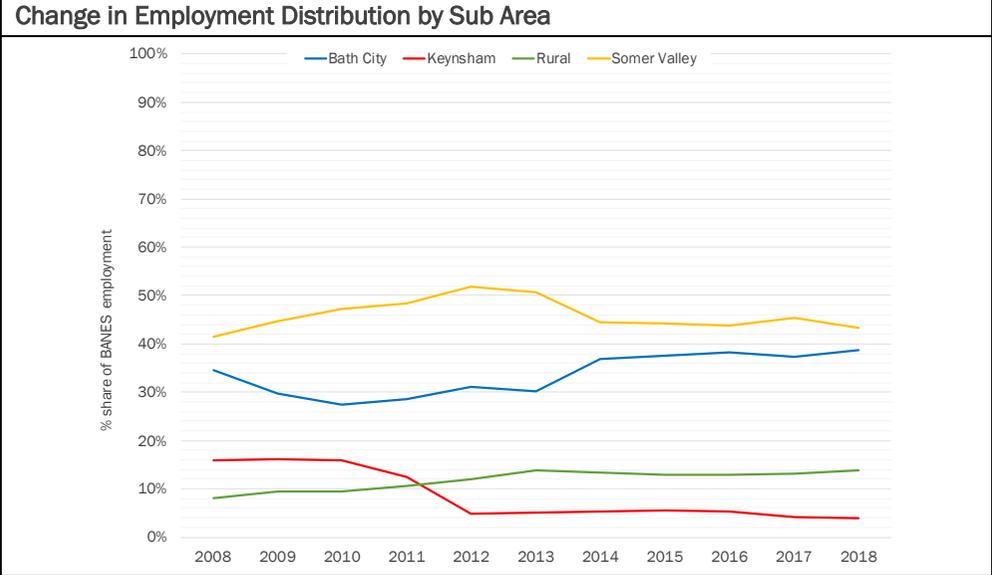
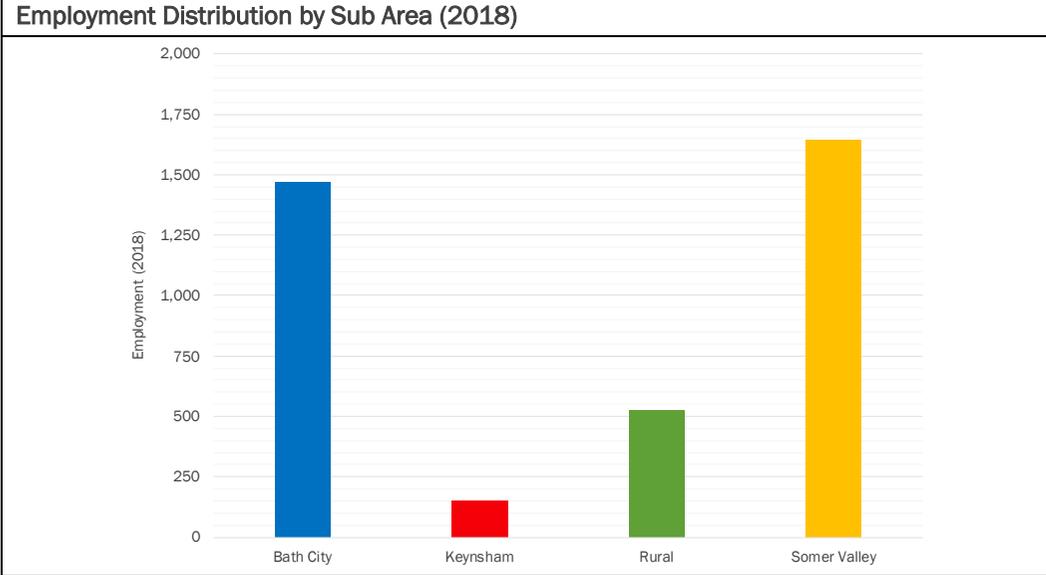
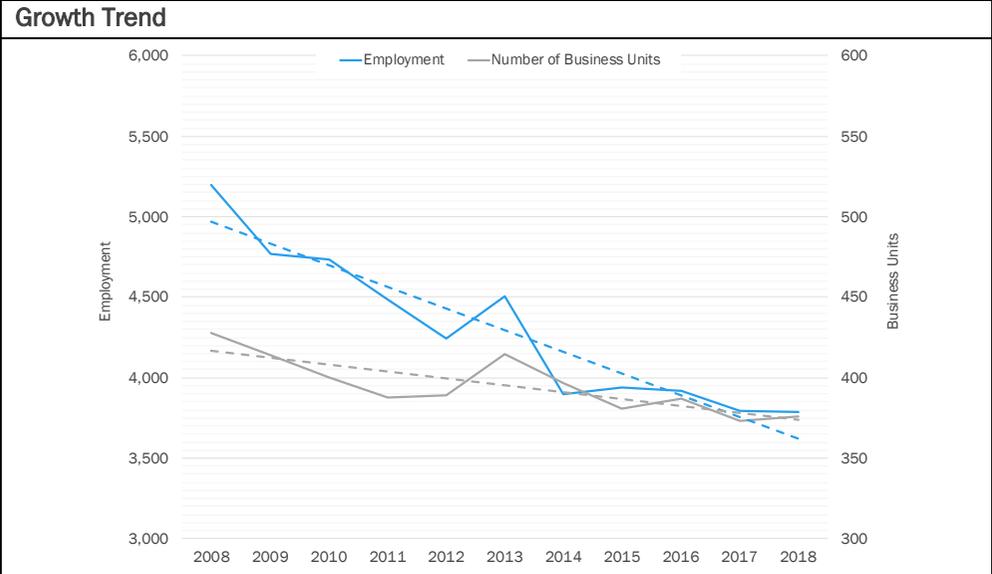
**\*Note that agricultural business data can be difficult to collect so the data should be treated with caution**

- Employment and the number of business units have remained broadly stable between 2008–2018.
- The sector is concentrated in the Rural area. Sub area shares have remained stable over the study period.
- The sector’s share of WoE employment within B&NES has remained stable.

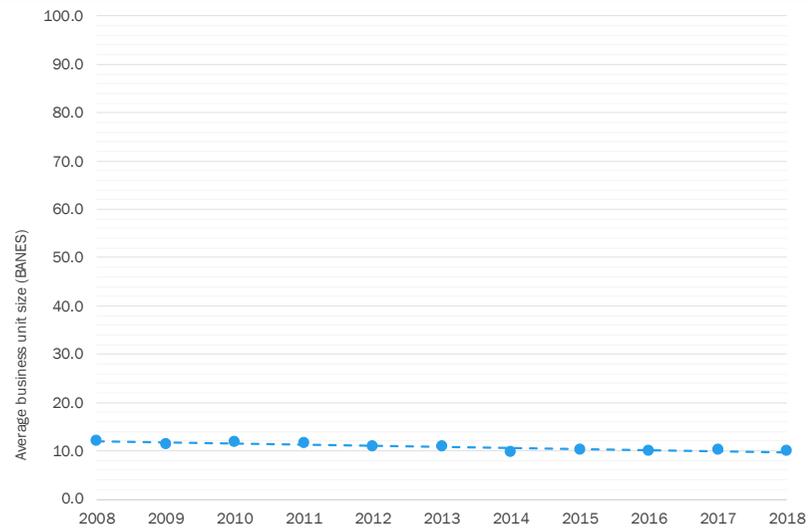
# Sector Profile: Manufacturing

**Key Statistics**

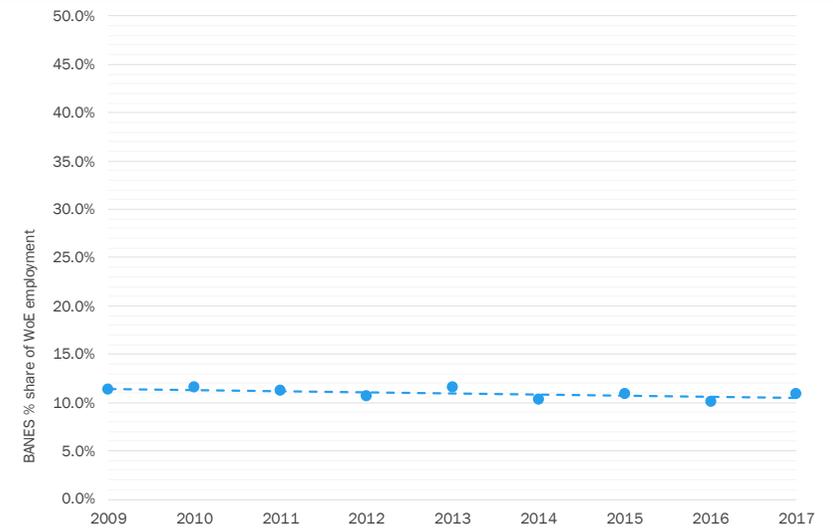
- Total employment 3,800 in 2018
- This is 4.2% of total employment in Bath and North East Somerset
- In 2017, Bath and North East Somerset accounted for 10.8% of employment in Manufacturing in the West of England
- There are 376 business units
- Average business unit employment is 10.1



**Change in Average Business Unit Size**



**Changing Share of West of England Employment (2009-2017)**



**Commentary**

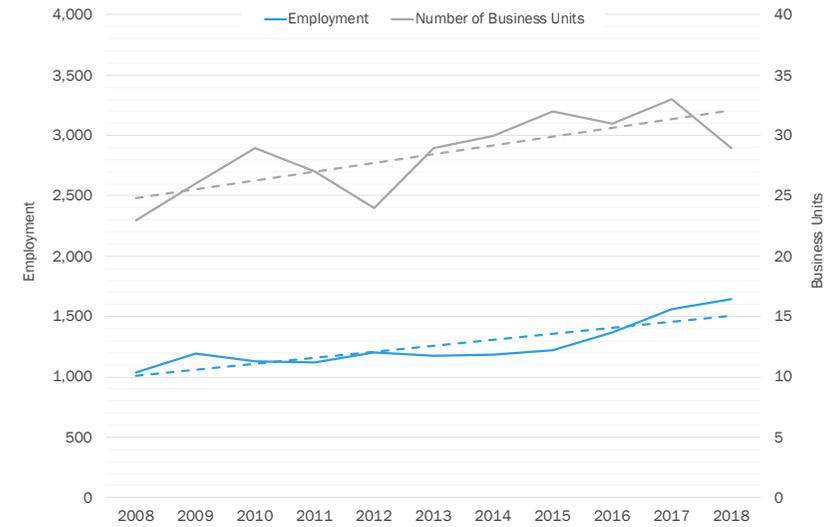
- The Manufacturing sector is shrinking in Bath and North East Somerset with employment and the number of business units declining since 2008.
- The sector has consistently accounted for approximately 10% of Manufacturing employment across the West of England.
- Manufacturing is primarily located in the Bath City and Somer Valley areas of B&NES. Sub area shares have remained stable over the study period.
- Average employment per business unit is slightly declining.

# Sector Profile: Water Supply and Sewerage

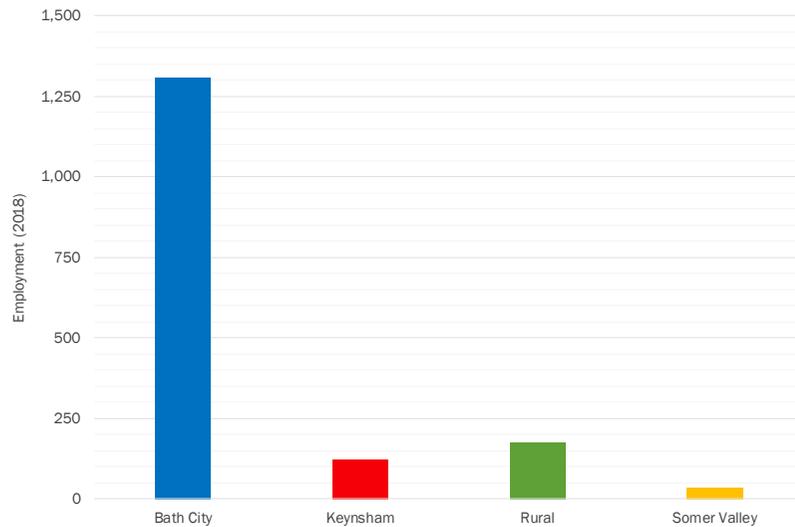
## Key Statistics

- Total employment 1,650 in 2018
- This is 1.8% of total employment in Bath and North East Somerset
- In 2017, Bath and North East Somerset accounted for 31.3% of employment in Water Supply and Sewerage in the West of England
- There are 29 business units
- Average business unit employment is 73.8

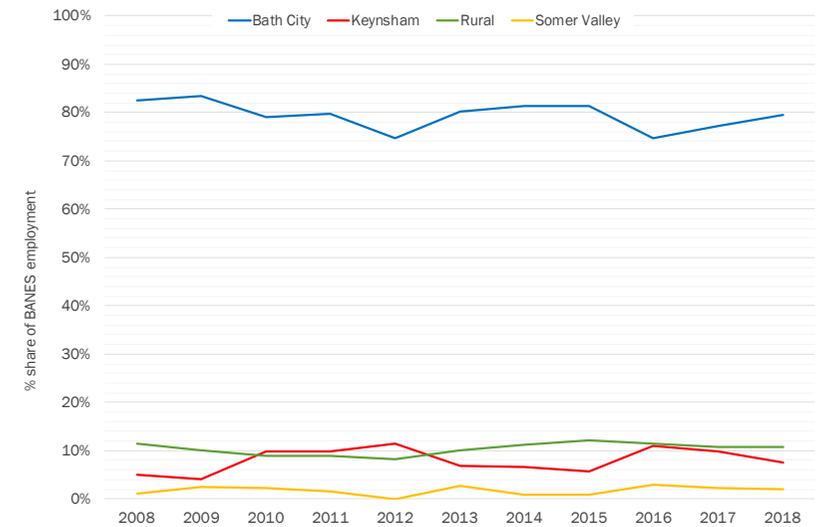
## Growth Trend



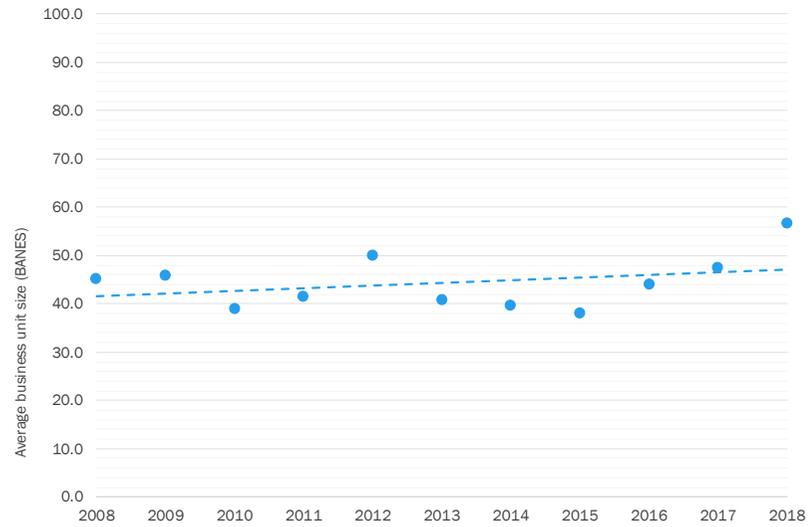
## Employment Distribution by Sub Area (2018)



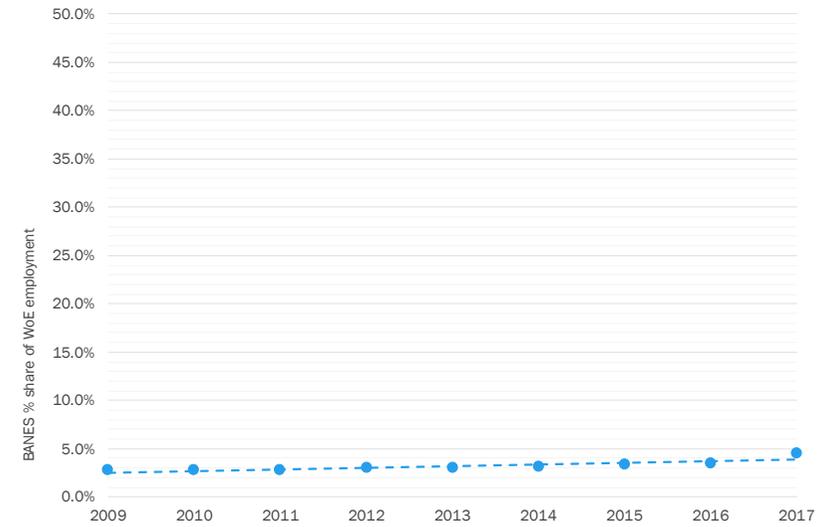
## Change in Employment Distribution by Sub Area



**Change in Average Business Unit Size**



**Changing Share of West of England Employment (2009-2017)**



**Commentary**

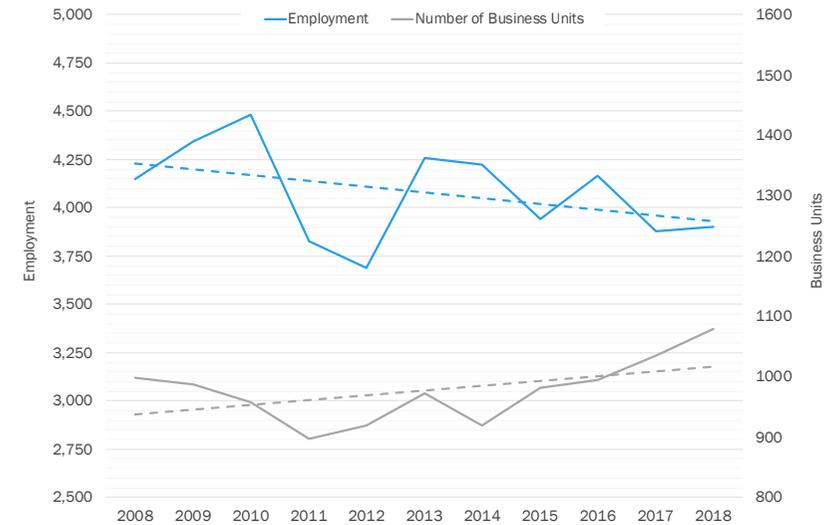
- Employment and the number of business units have been broadly increasing since 2008.
- Employment is concentrated in the Bath City area.
- Average employment per business unit is broadly increasing.
- The sector accounts for a gradually increasing proportion of the West of England total.

# Sector Profile: Construction

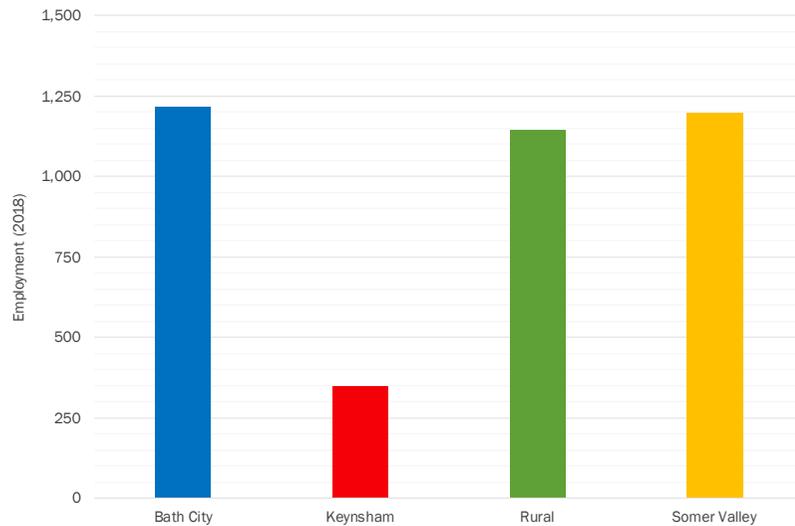
## Key Statistics

- Total employment 3,900 in 2018
- This is 4.4% of total employment in Bath and North East Somerset
- In 2017, Bath and North East Somerset accounted for 12.5% of employment in Construction in the West of England
- There are 1,079 business units
- Average business unit employment is 3.6

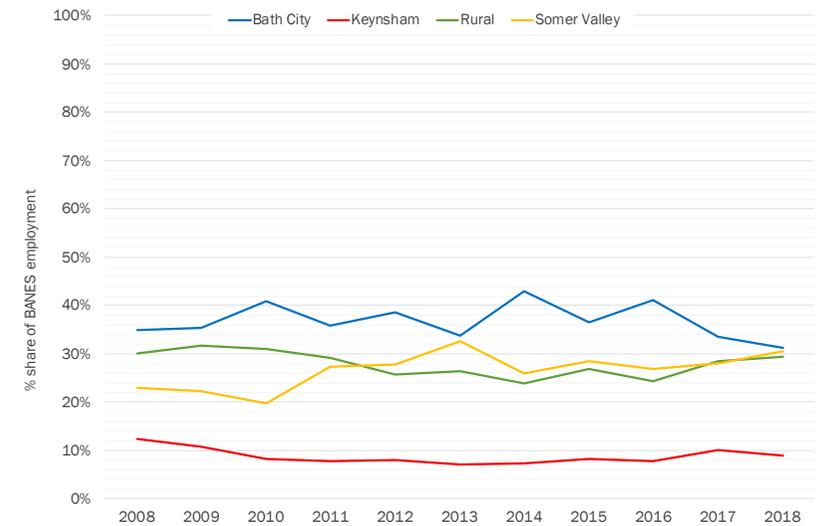
## Growth Trend



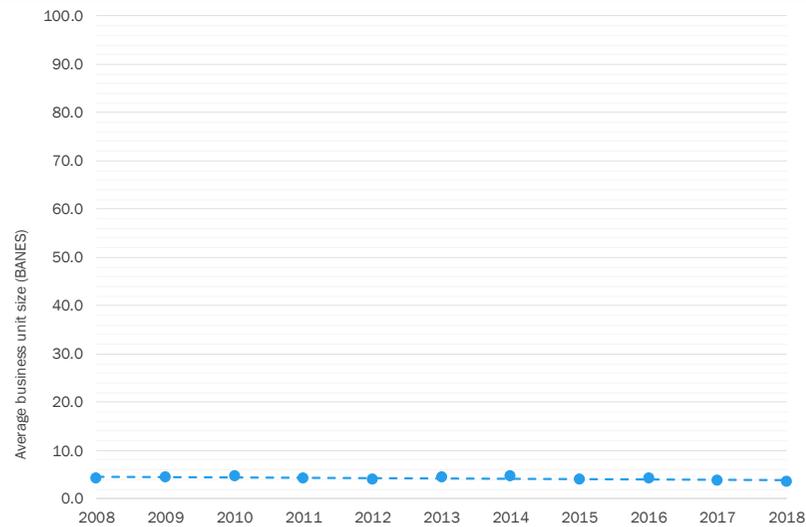
## Employment Distribution by Sub Area (2018)



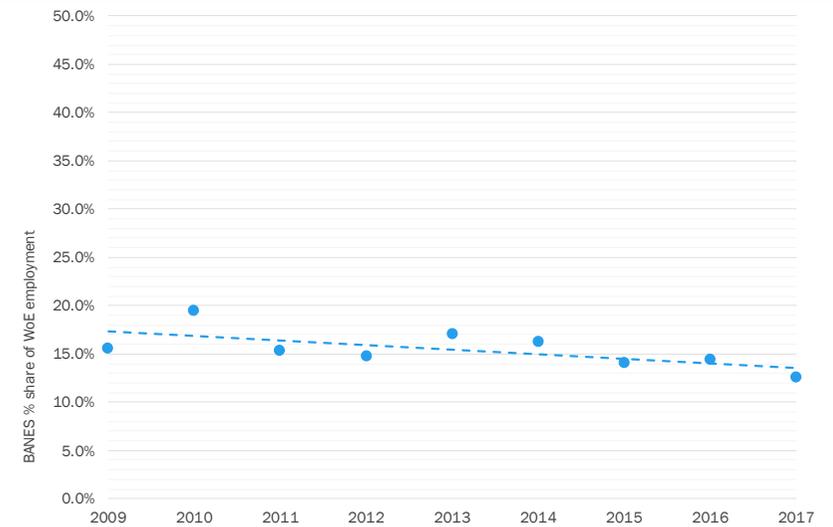
## Change in Employment Distribution by Sub Area



**Change in Average Business Unit Size**



**Changing Share of West of England Employment (2009-2017)**



**Commentary**

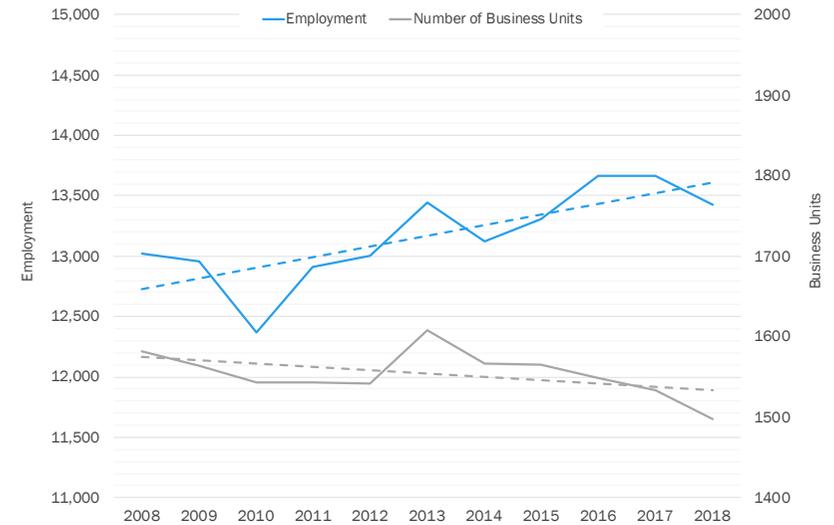
- Employment in the Construction sector is shrinking in Bath and North East Somerset, however the number of business units is increasing.
- Bath and North East Somerset accounts for a shrinking proportion of employment in Construction across the West of England.
- The share of employment in each of the sub-areas has remained broadly similar over the last ten years despite the overall employment decline.
- Average employment per business unit is gradually shrinking.

# Sector Profile: Wholesale & Retail Trade

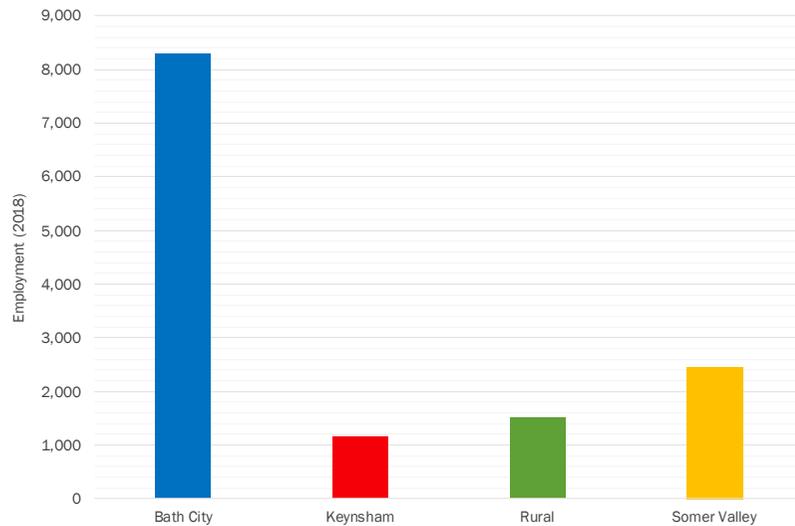
## Key Statistics

- Total employment 13,400 in 2018
- This is 15.0% of total employment in Bath and North East Somerset
- In 2017, Bath and North East Somerset accounted for 16.1% of employment in Wholesale & Retail Trade in the West of England
- There are 1497 business units
- Average business unit employment is 9.0

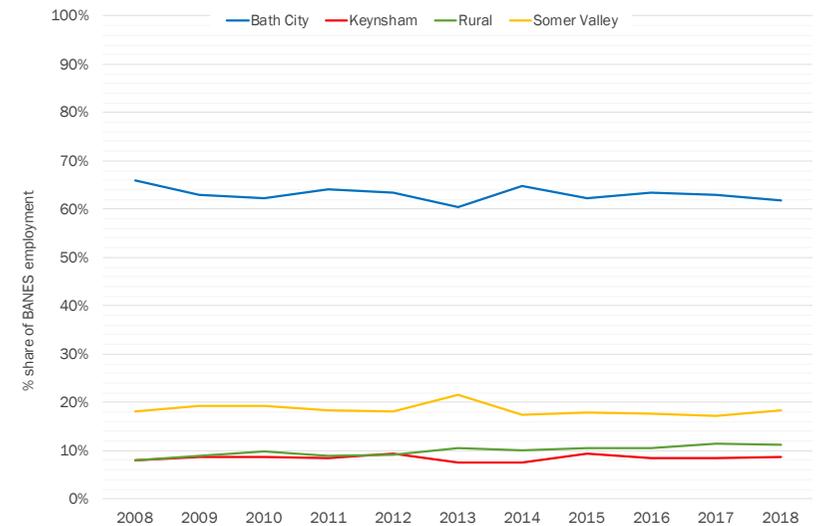
## Growth Trend



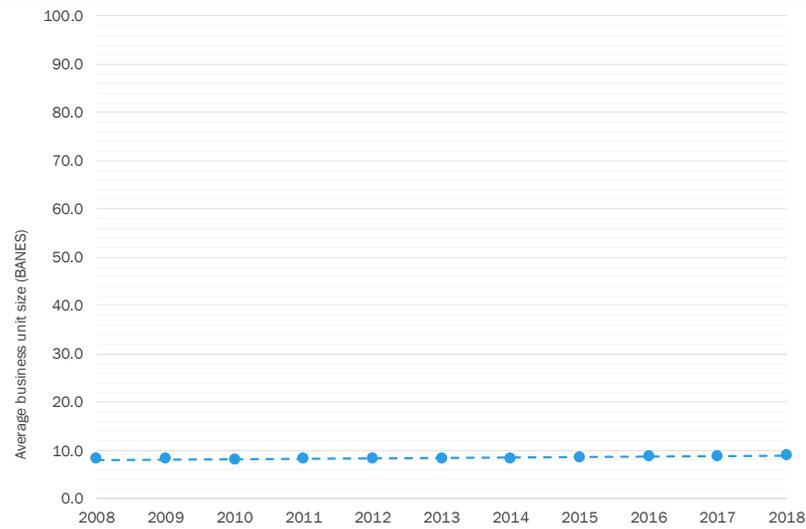
## Employment Distribution by Sub Area (2018)



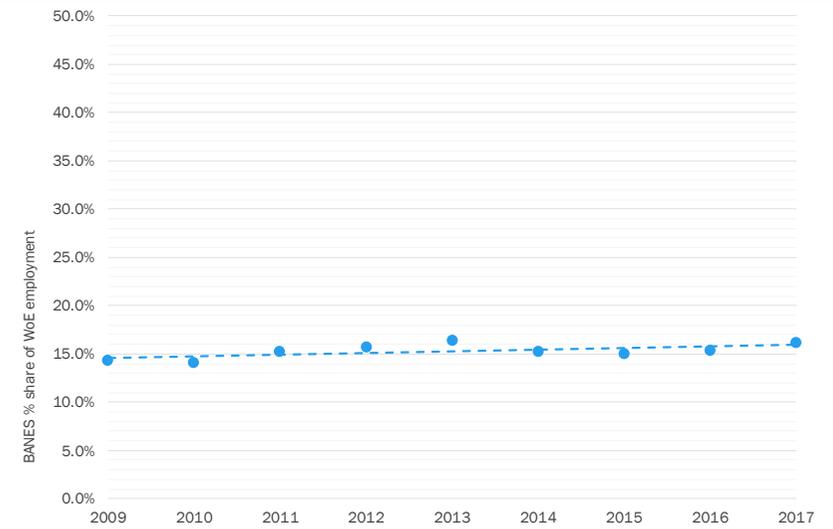
## Change in Employment Distribution by Sub Area



**Change in Average Business Unit Size**



**Changing Share of West of England Employment (2009-2017)**



**Commentary**

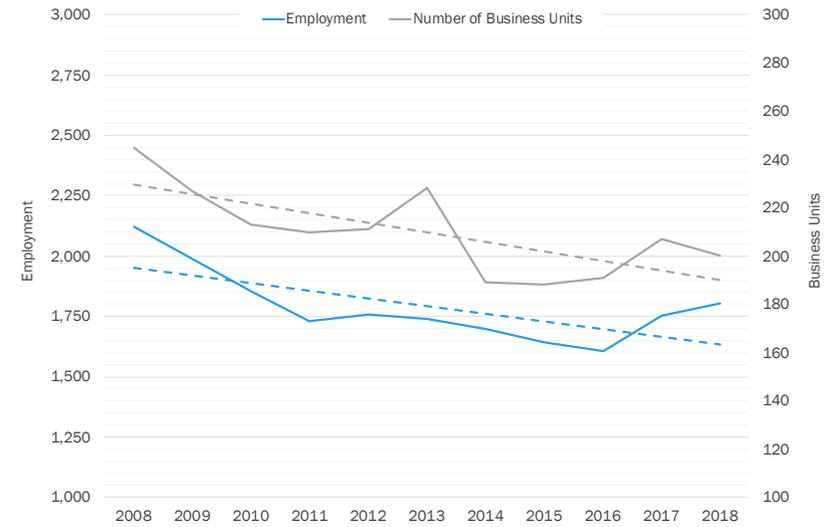
- Employment in the Wholesale & Retail Trade sector has been increasing since 2008, but the number of business units is declining.
- Bath and North East Somerset accounts for an increasing proportion of employment in the sector across the West of England.
- Employment in each of the sub-areas has remained stable with Bath City accounting for almost 60% of employment in the sector.

# Sector Profile: Transport & Storage

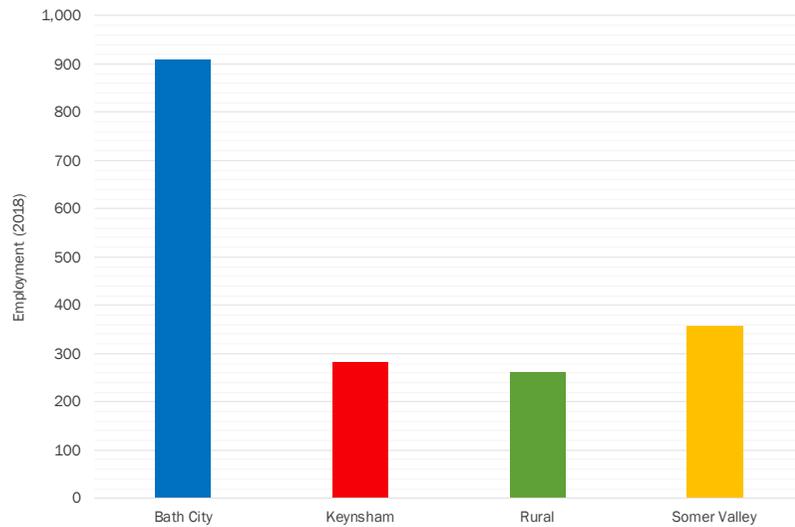
## Key Statistics

- Total employment 1,800 in 2018
- This is 2.0% of total employment in Bath and North East Somerset
- In 2017, Bath and North East Somerset accounted for 6.5% of employment in Transport & Storage the West of England
- There are 200 business units
- Average business unit employment is 9.0

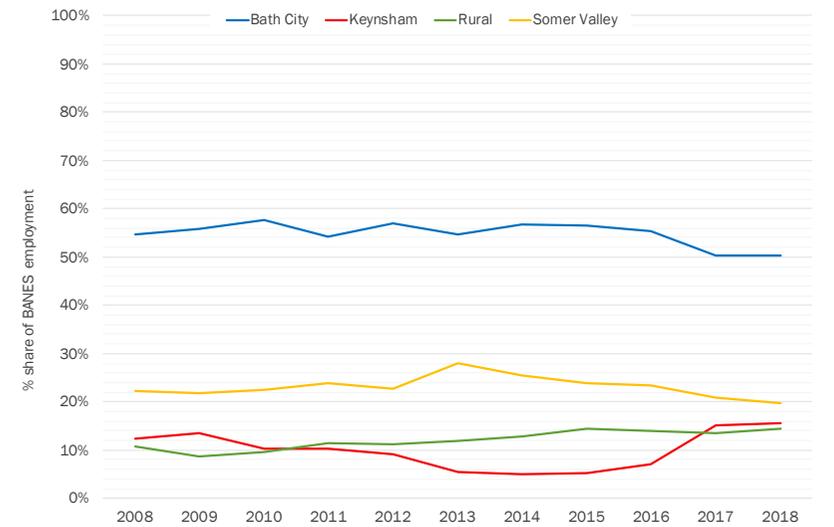
## Growth Trend



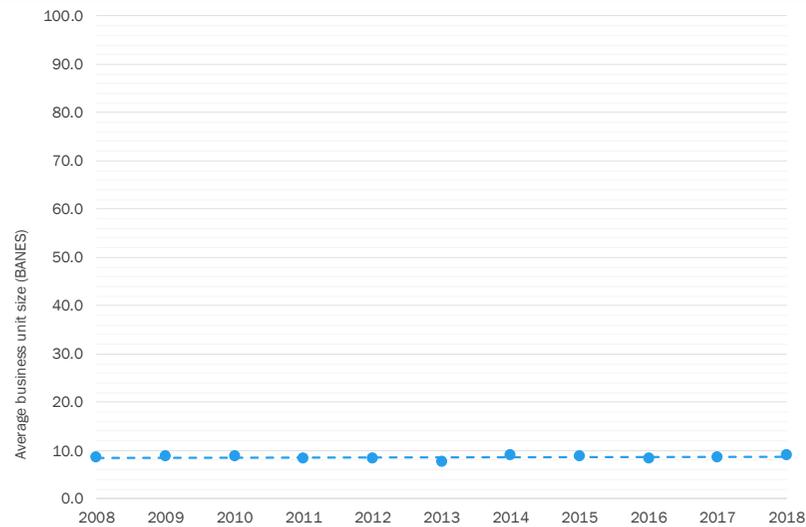
## Employment Distribution by Sub Area (2018)



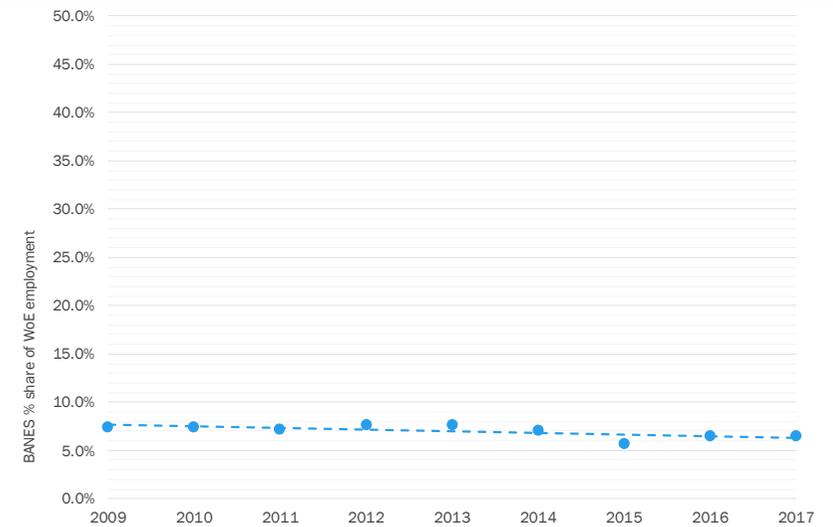
## Change in Employment Distribution by Sub Area



**Change in Average Business Unit Size**



**Changing Share of West of England Employment (2009-2017)**



**Commentary**

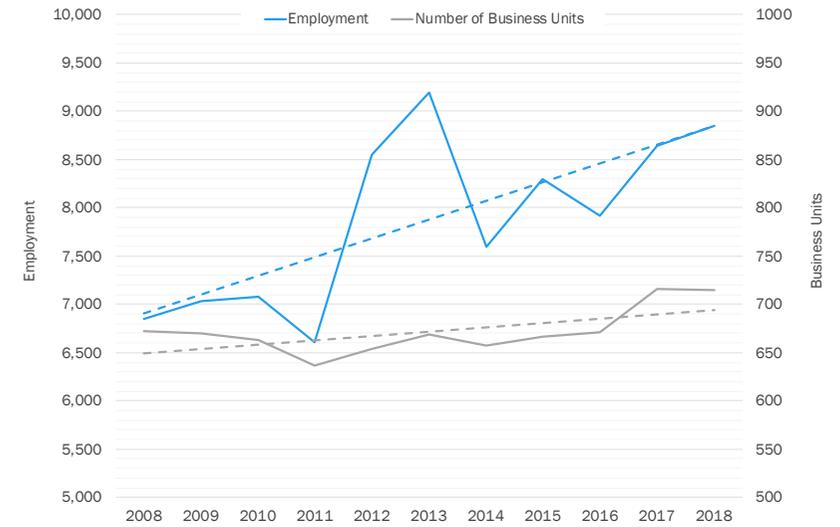
- Employment in the sector has been declining over the last ten years alongside the number of business units.
- Bath City accounts for 50% of employment in the sector but this share has declined over the last ten years.
- Employment per business unit has fluctuated slightly, but has consistently remained low (i.e. below 10).
- Employment in the sector has accounted for a declining share of the West of England total over the last ten years.

# Sector Profile: Accommodation & Food Services

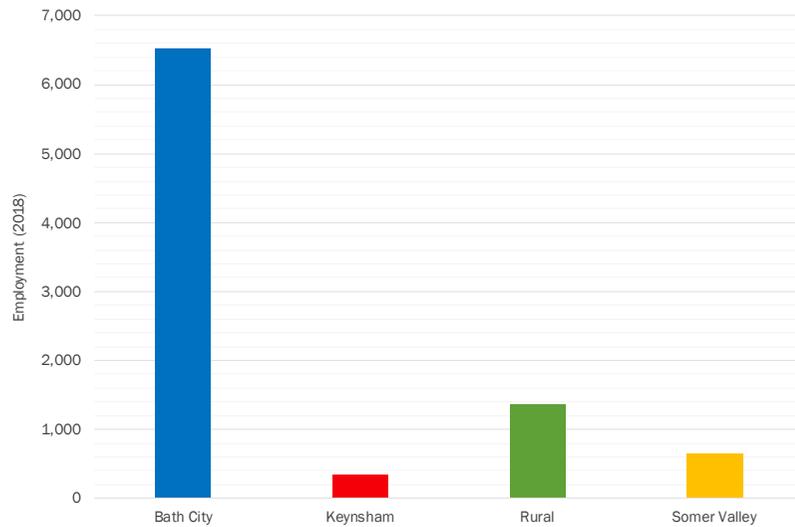
## Key Statistics

- Total employment 8,800 in 2018
- This is 9.9% of total employment in Bath and North East Somerset
- In 2017, Bath and North East Somerset accounted for 19.2% of employment in Accommodation & Food Services in the West of England
- There are 715 business units
- Average business unit employment is 12.4

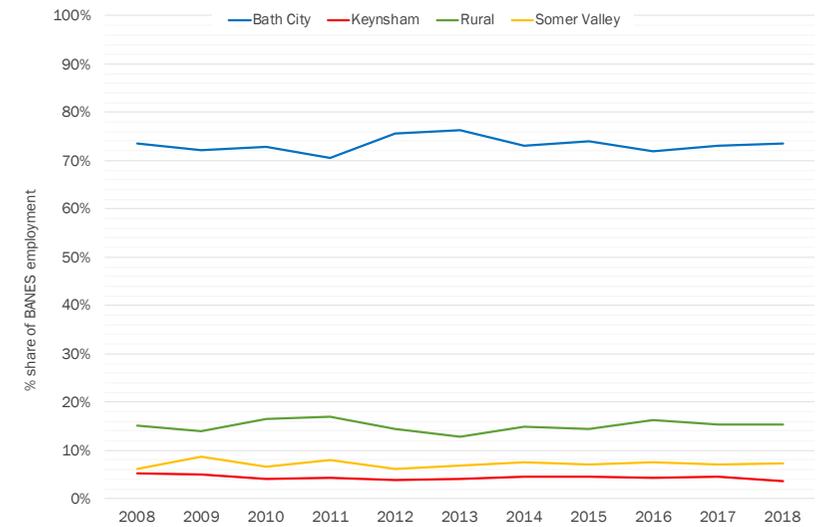
## Growth Trend



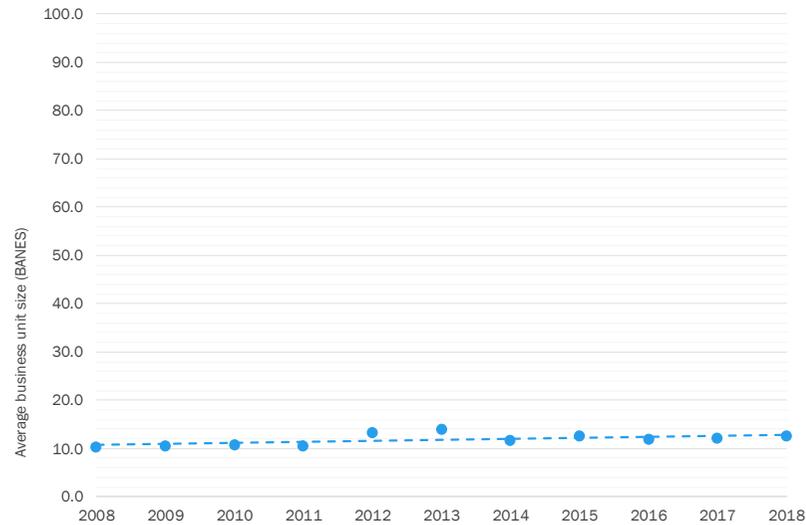
## Employment Distribution by Sub Area (2018)



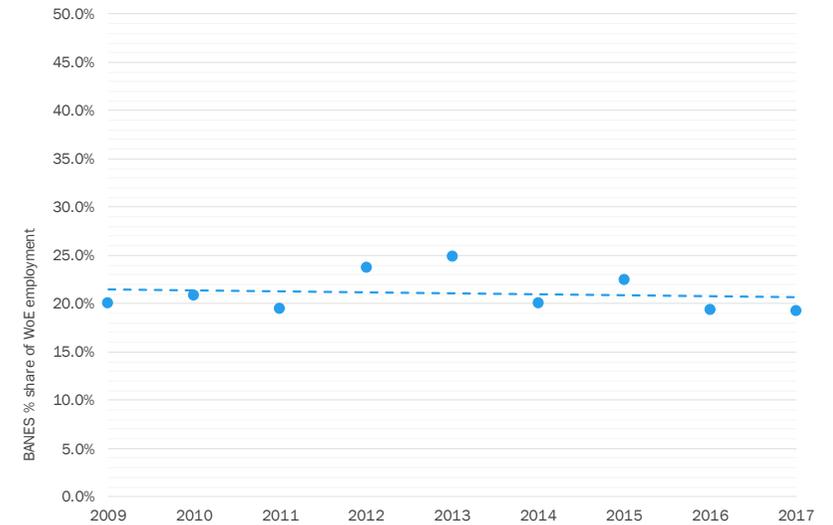
## Change in Employment Distribution by Sub Area



**Change in Average Business Unit Size**



**Changing Share of West of England Employment (2009-2017)**



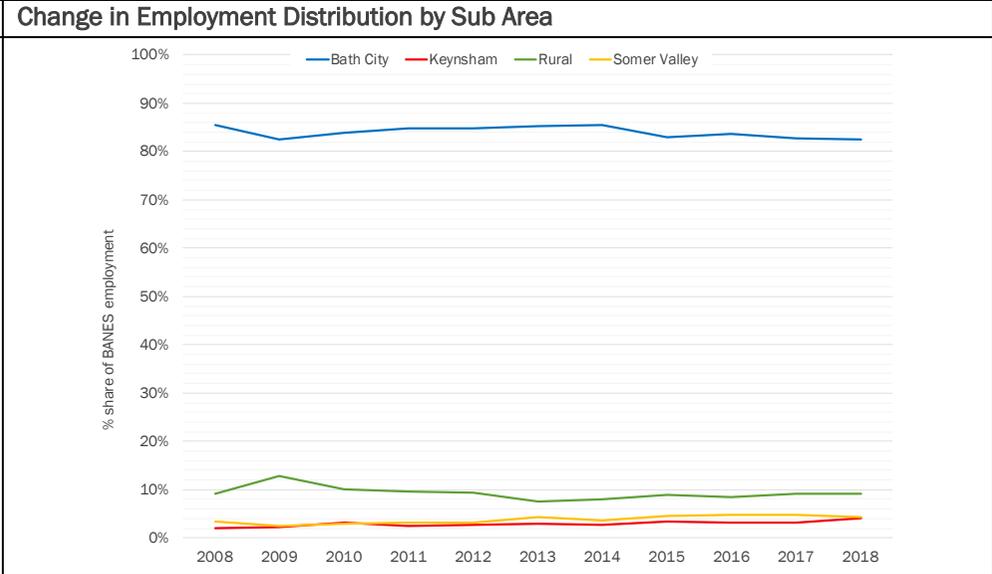
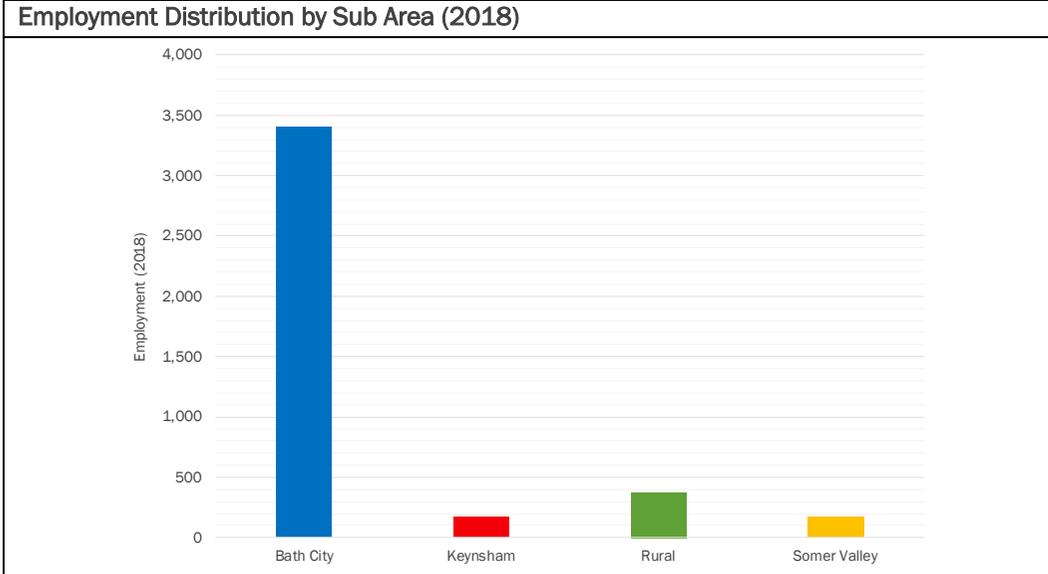
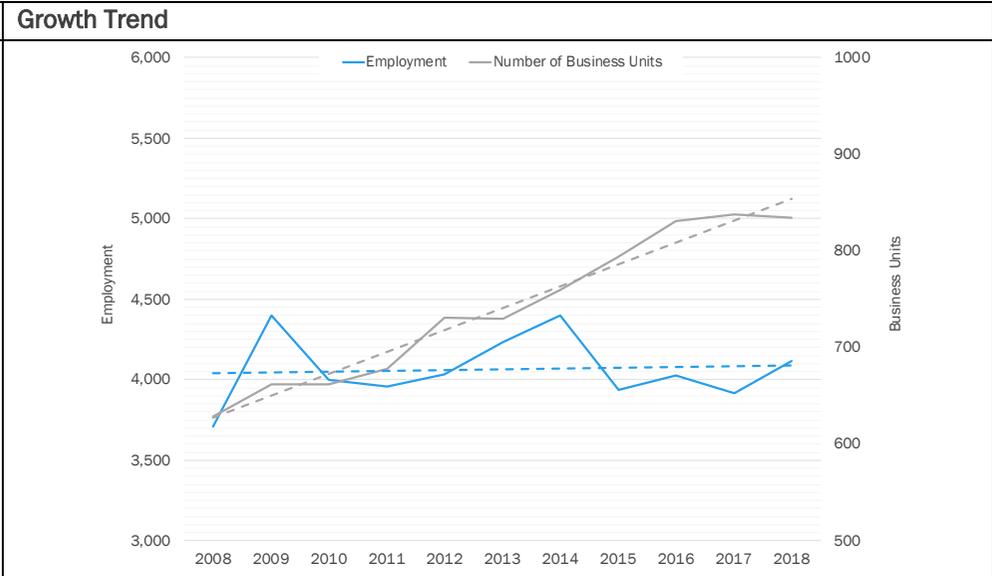
**Commentary**

- Employment in the sector has been slowly increasing over the last few years, with the number of business units also increasing but not at the same rate.
- Bath City accounts for over approximately 70% of the employment in the sector.
- Employment per business unit has increased steadily over the study period.
- Employment in the sector has accounted for a fluctuating amount of WoE employment in Accommodation & Food Services over the past ten years, with the share slightly decreasing overall.

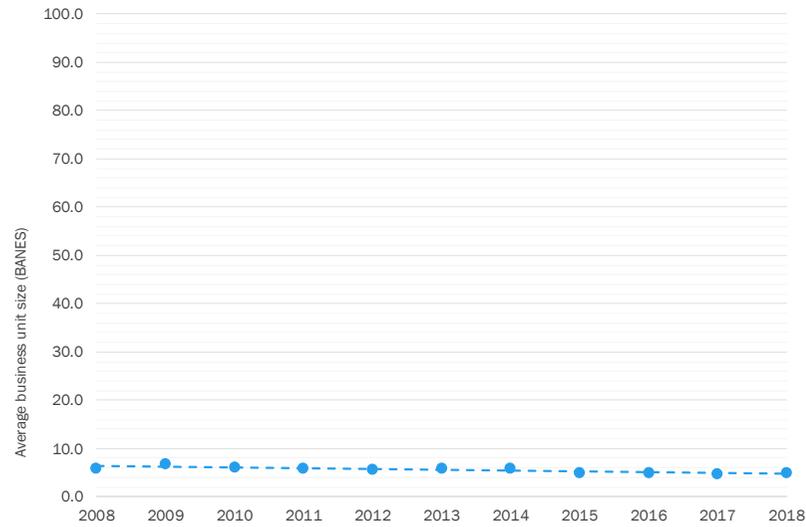
# Sector Profile: Information & Communication

**Key Statistics**

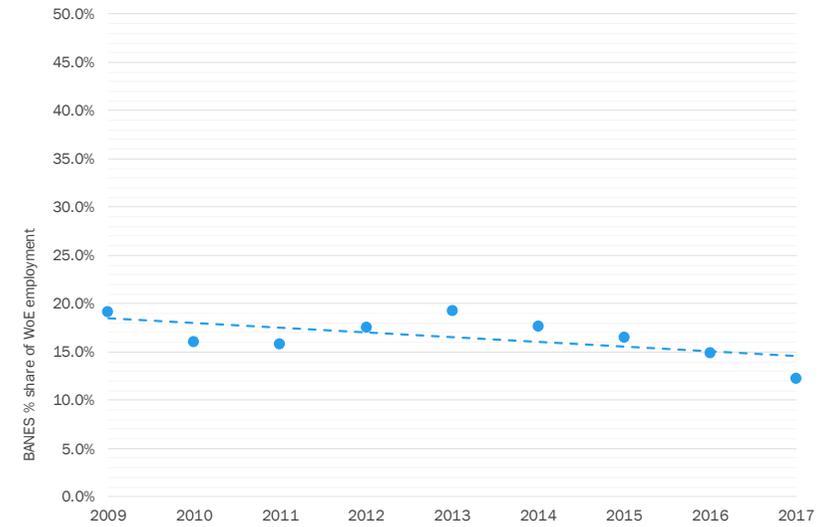
- Total employment 4,100 in 2018
- This is 4.6% of total employment in Bath and North East Somerset
- In 2017, Bath and North East Somerset accounted for 12.2% of employment in the Information and Communication sector in the West of England
- There are 834 business units
- Average business unit employment is 4.9



**Change in Average Business Unit Size**



**Changing Share of West of England Employment (2009-2017)**



**Commentary**

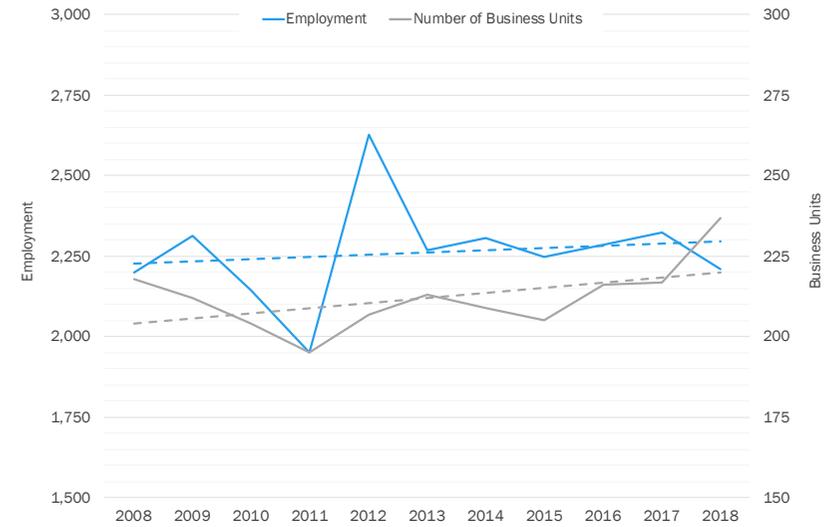
- Employment in the sector saw very little change between 2008 and 2018, with the number of business units increasing.
- Bath City accounts for over 80% of employment in the sector.
- Employment per business unit has been decreasing.
- Employment in the sector has been broadly declining as a proportion of the West of England total.

# Sector Profile: Finance and Insurance

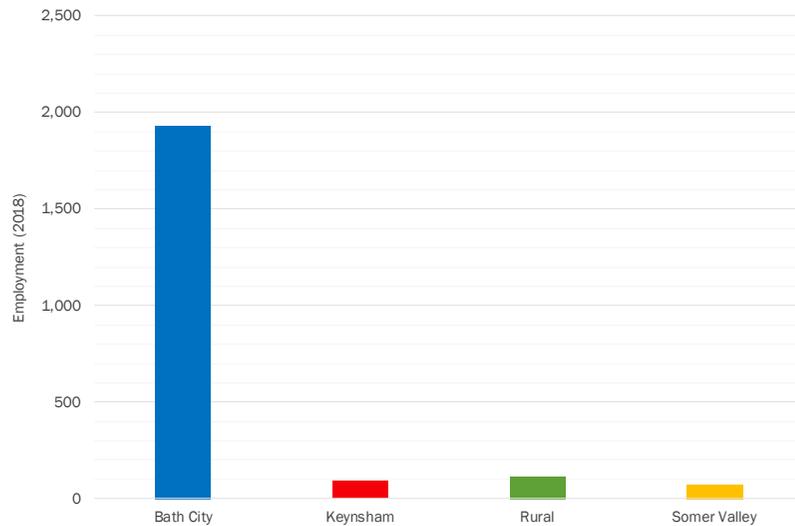
## Key Statistics

- Total employment 2,200 in 2018
- This is 2.5% of total employment in Bath and North East Somerset
- In 2017, Bath and North East Somerset accounted for 7.7% of employment in the Finance and Insurance sector in the West of England
- There are 237 business units
- Average business unit employment is 9.3

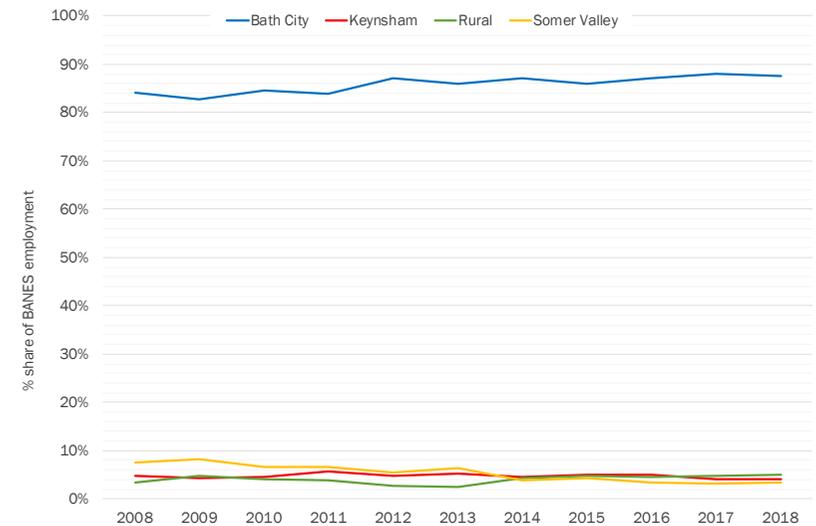
## Growth Trend



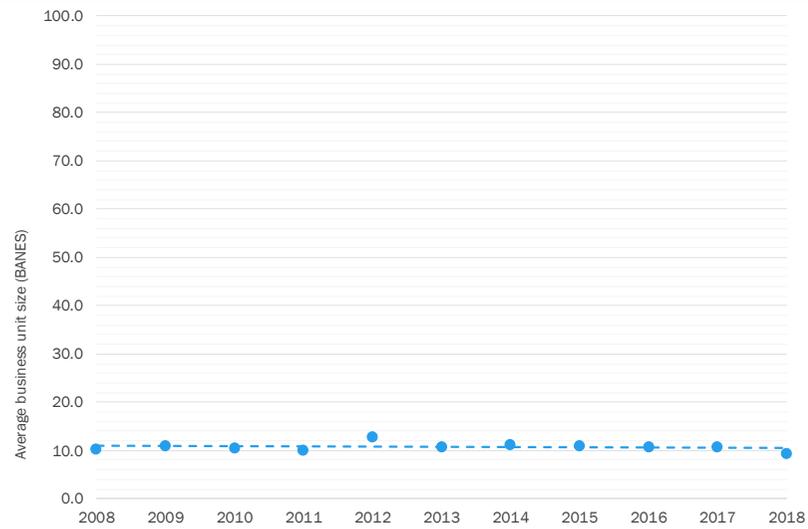
## Employment Distribution by Sub Area (2018)



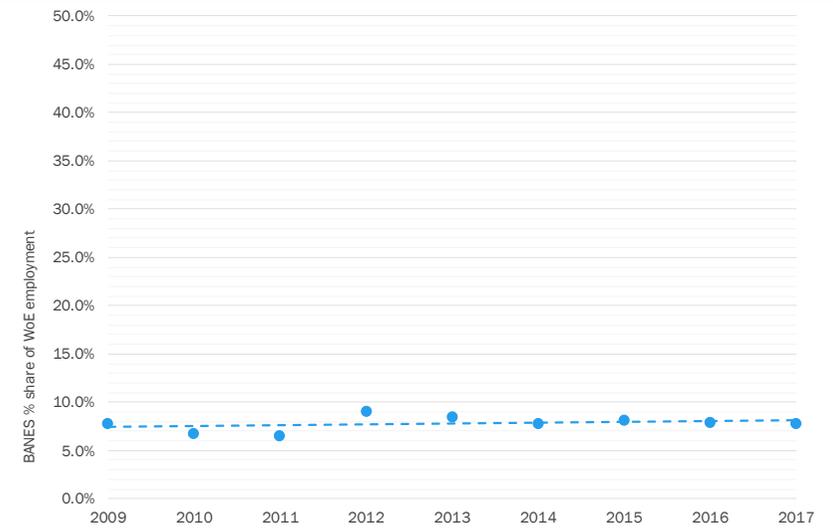
## Change in Employment Distribution by Sub Area



**Change in Average Business Unit Size**



**Changing Share of West of England Employment (2009-2017)**



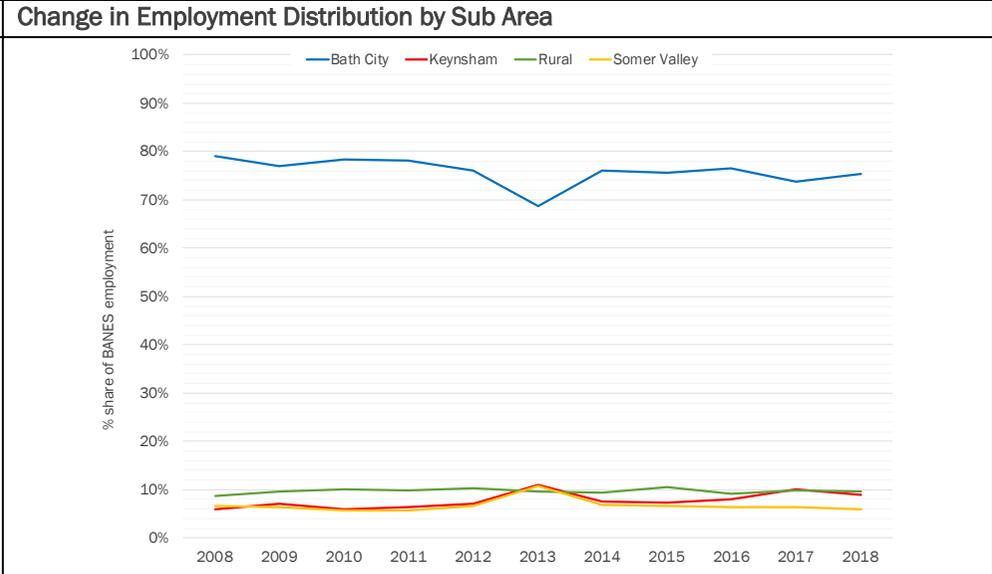
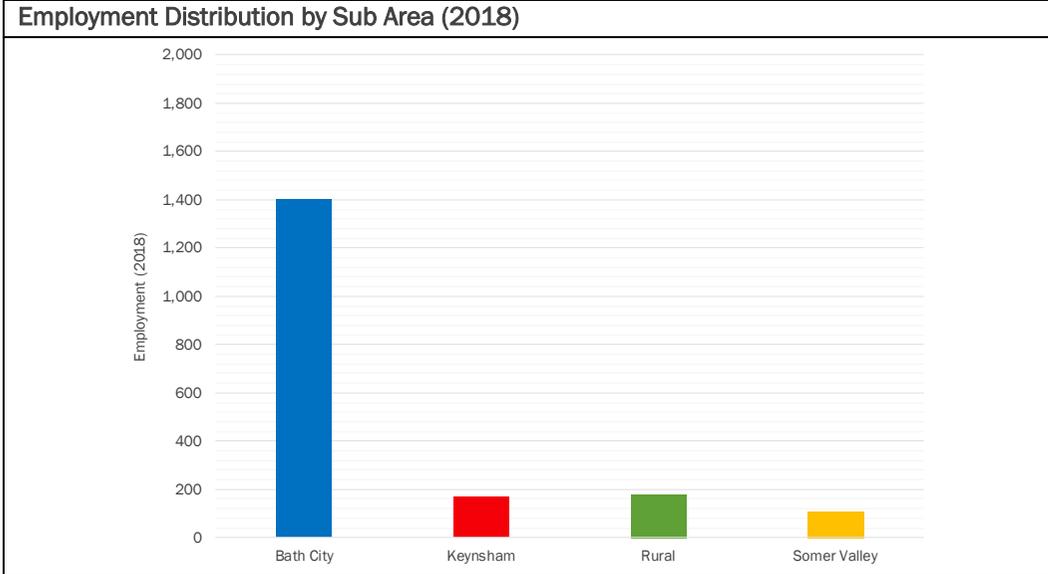
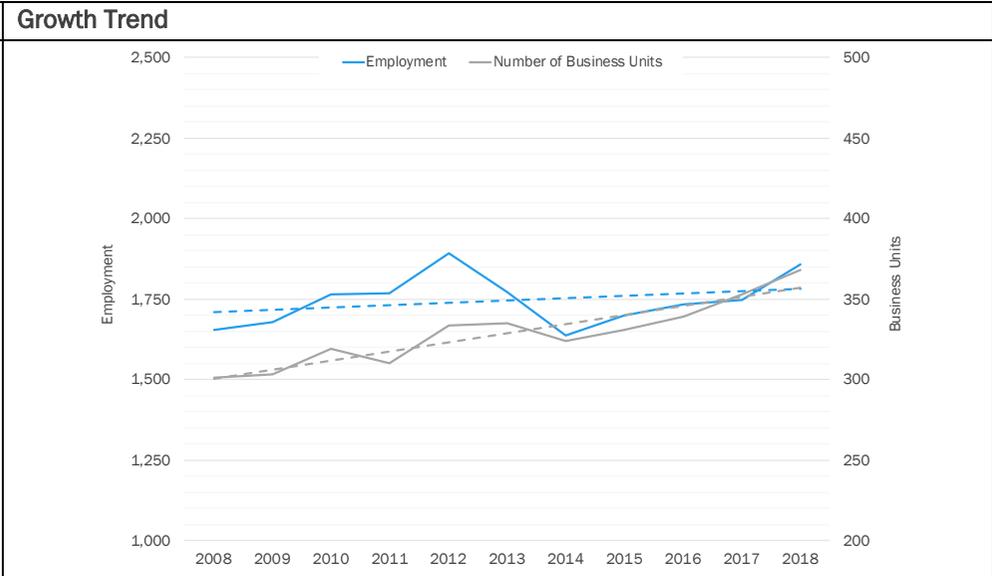
**Commentary**

- Employment and the number of business units in the sector has been gradually increasing.
- Bath City accounts for over 62% of the employment in the sector.
- Employment per business unit has remained largely unchanged.
- Employment in the sector as a proportion of the West of England total has been gradually increasing.

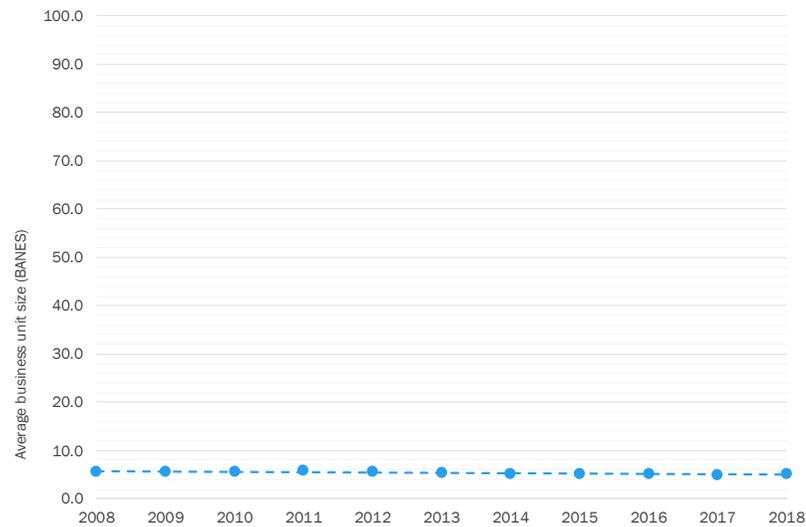
# Sector Profile: Real Estate

**Key Statistics**

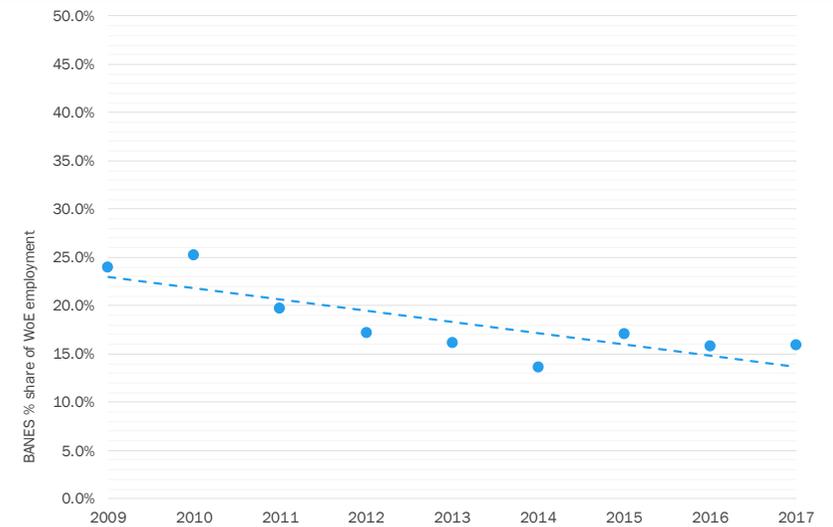
- Total employment 1,850 in 2018
- This is 2.1% of total employment in Bath and North East Somerset
- In 2017, Bath and North East Somerset accounted for 15.9% of employment in Real Estate in the West of England
- There are 368 business units
- Average business unit employment is 5.0



**Change in Average Business Unit Size**



**Changing Share of West of England Employment (2009-2017)**



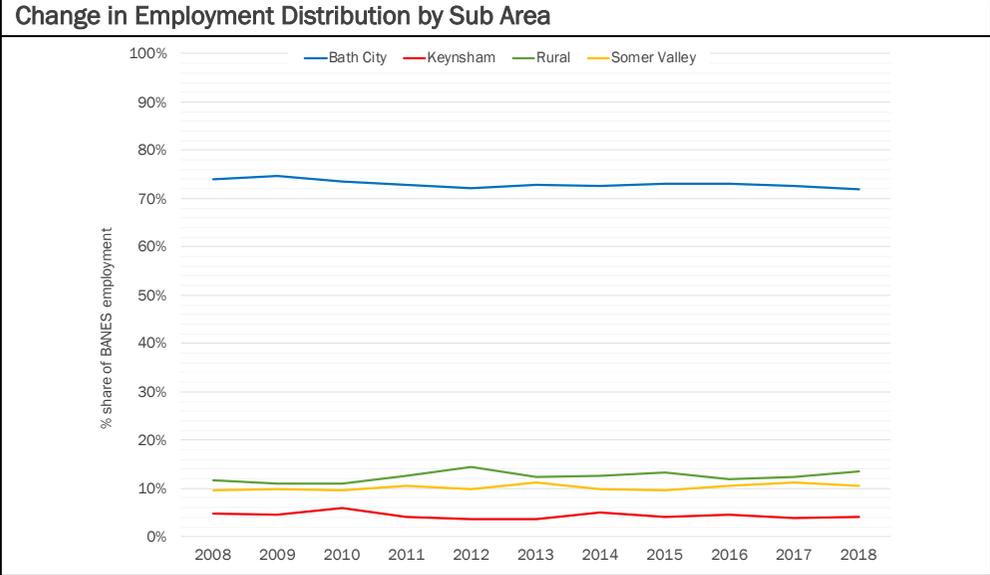
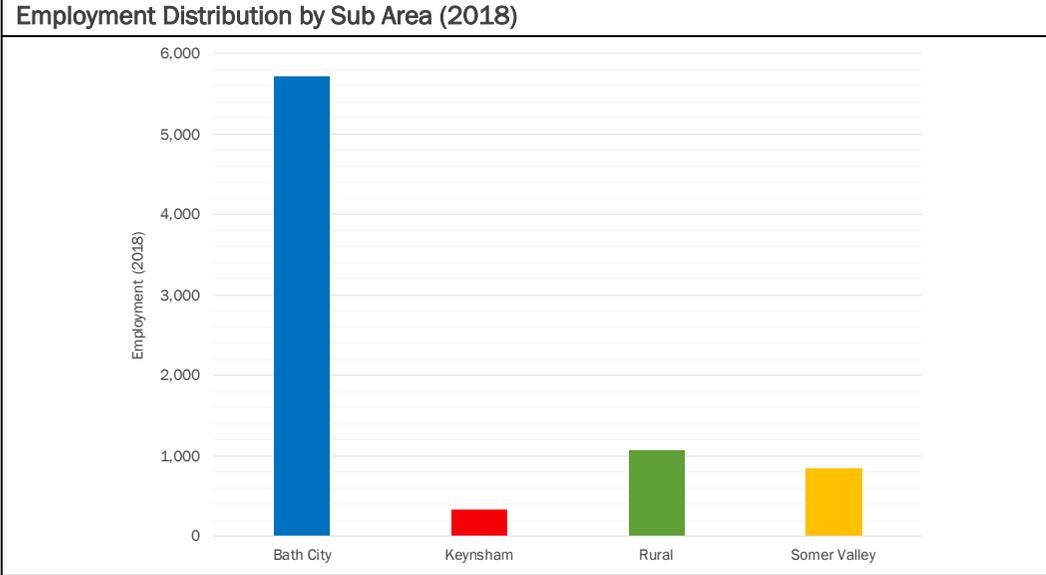
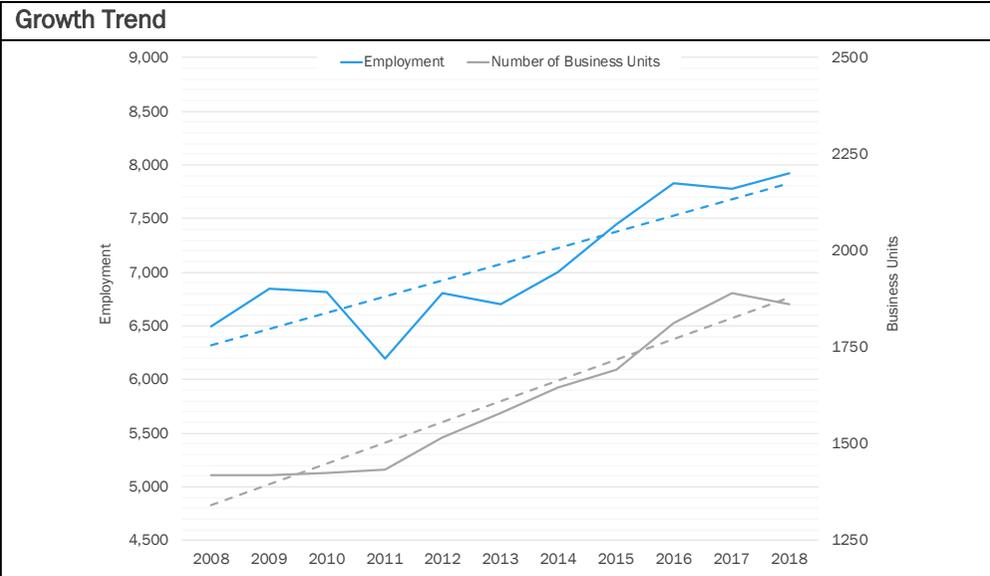
**Commentary**

- Employment and the number of business units have been gradually increasing.
- Bath City accounts for 60% of employment in the sector with the Rural area gradually increasing its share over the past few years.
- Employment per business unit has remained largely unchanged.
- Employment in the sector as a proportion of the West of England total has been decreasing.

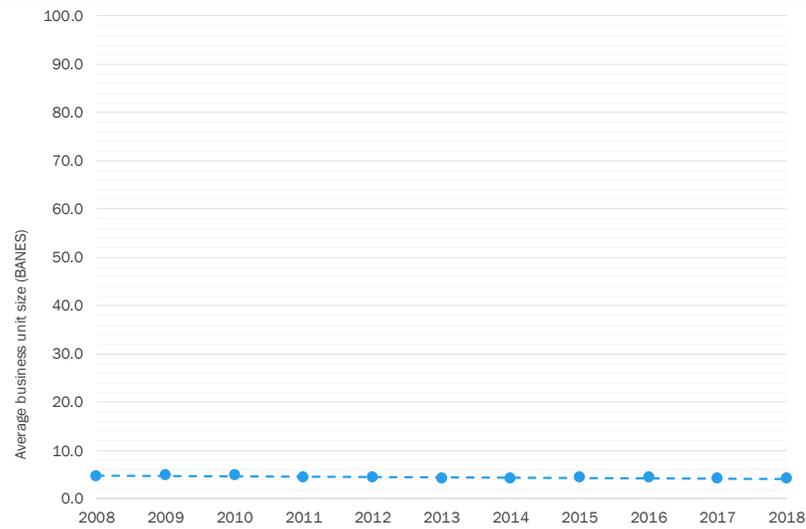
# Sector Profile: Professional, Scientific and Technical

**Key Statistics**

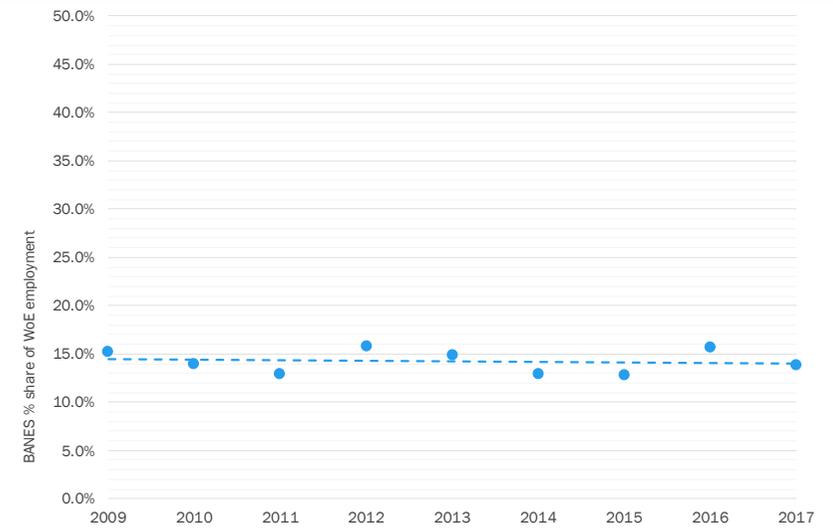
- Total employment 7,950 in 2018
- This is 8.9% of total employment in Bath and North East Somerset
- In 2017, Bath and North East Somerset accounted for 13.9% of employment in the Professional, Technical and Scientific sector in the West of England
- There are 1,863 business units
- Average business unit employment is 4.3



**Change in Average Business Unit Size**



**Changing Share of West of England Employment (2009-2017)**



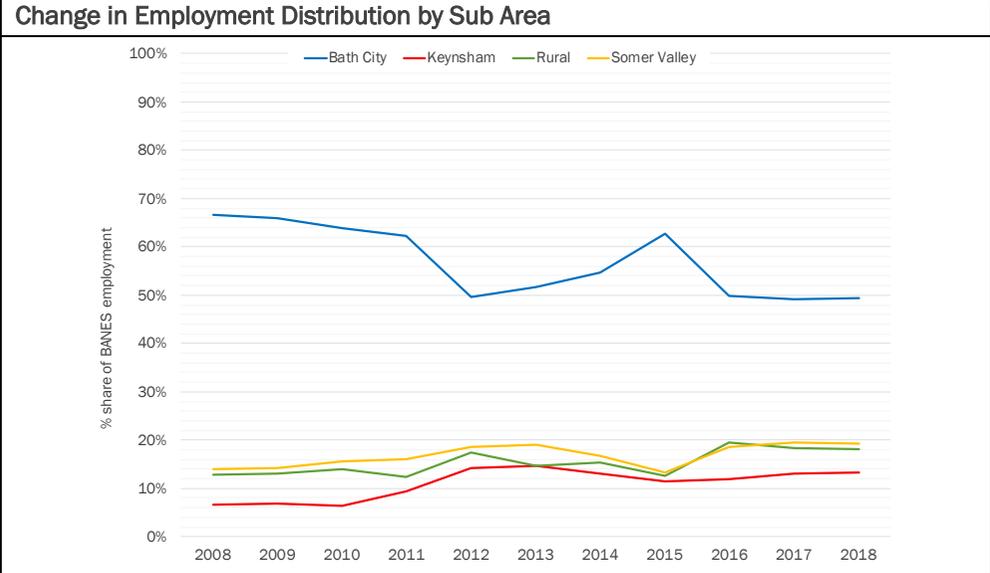
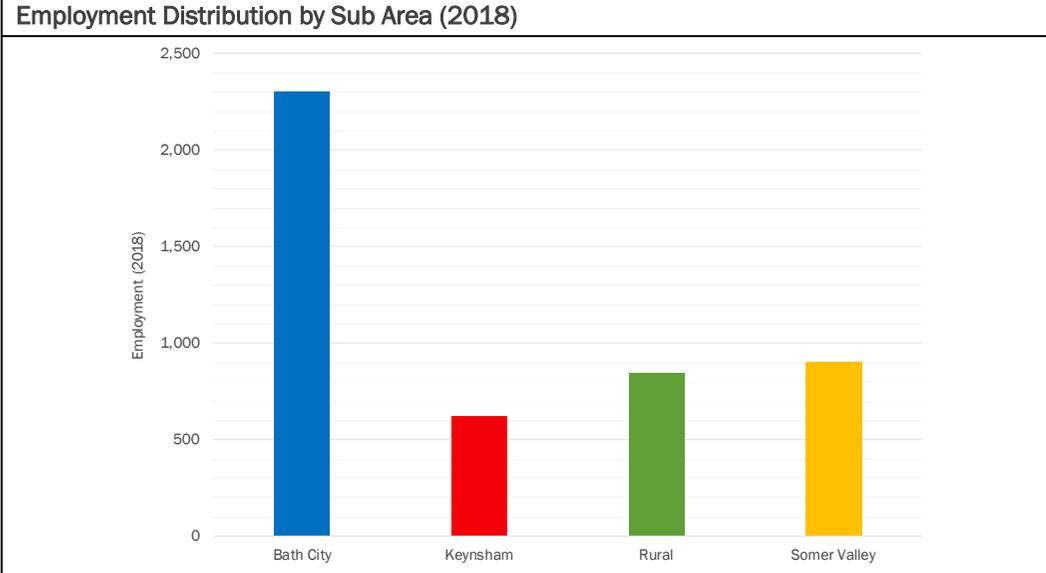
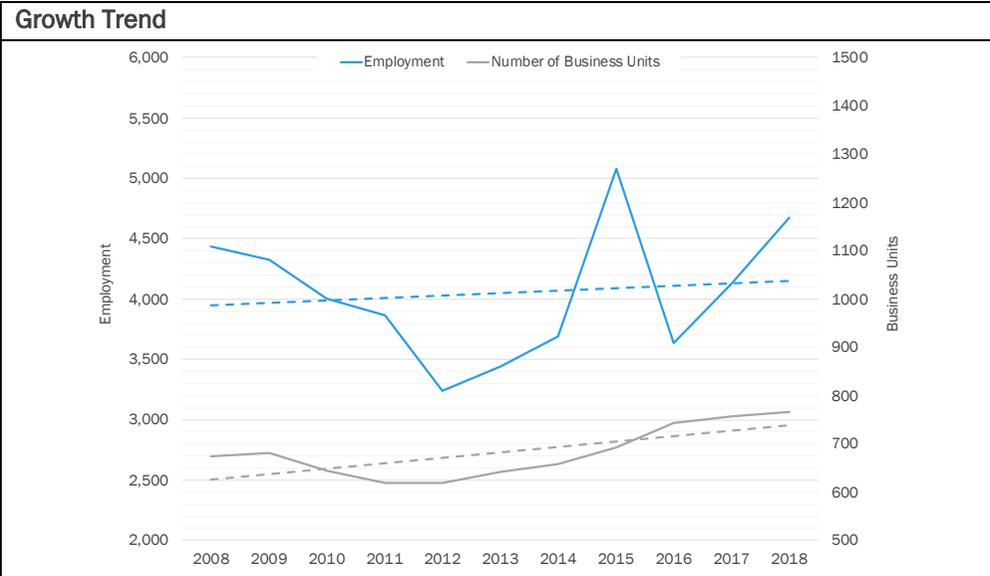
**Commentary**

- Employment and the number of business units in the sector have been increasing.
- Bath City accounts for over 60% of employment in the sector.
- The average employment per unit has decreased very slightly over the study period.
- Employment in the sector as a proportion of the West of England total has been variable, but overall has been gradually decreasing.

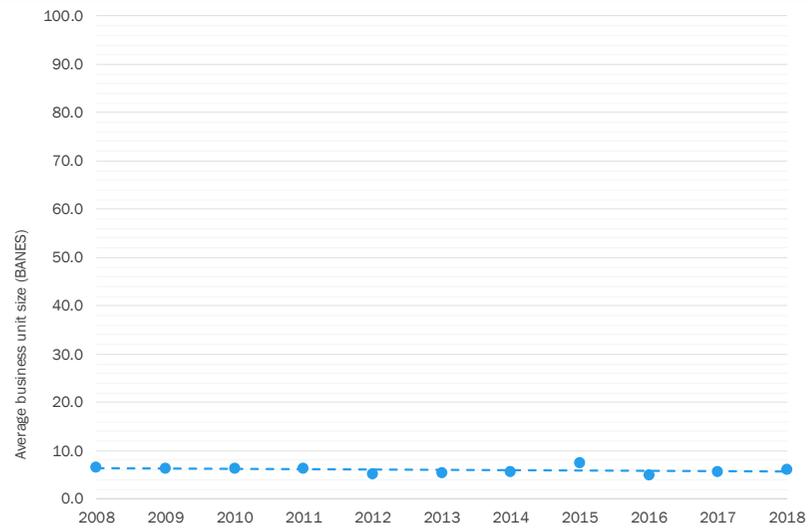
# Sector Profile: Administrative and Support Services

**Key Statistics**

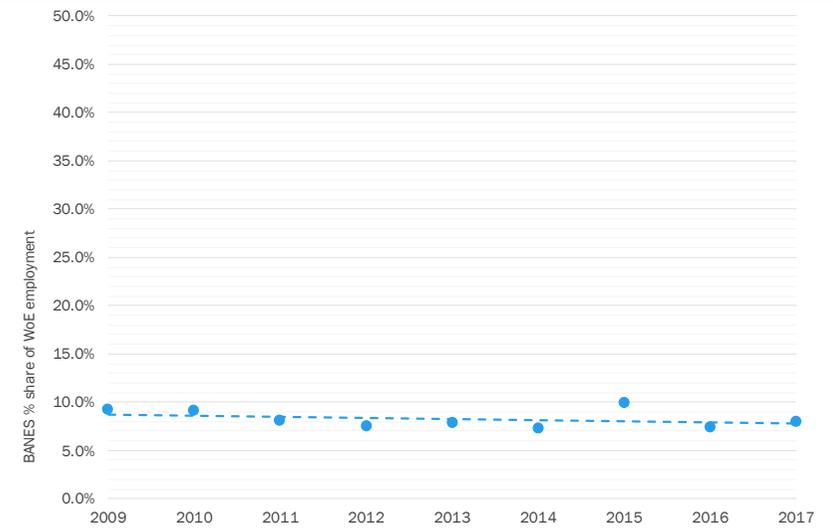
- Total employment 4,650 in 2018
- This is 5.2% of total employment in Bath and North East Somerset
- In 2017, Bath and North East Somerset accounted for 8.0% of employment in the Administrative and Support Services sector in the West of England
- There are 766 business units
- Average business unit employment is 6.1



**Change in Average Business Unit Size**



**Changing Share of West of England Employment (2009-2017)**



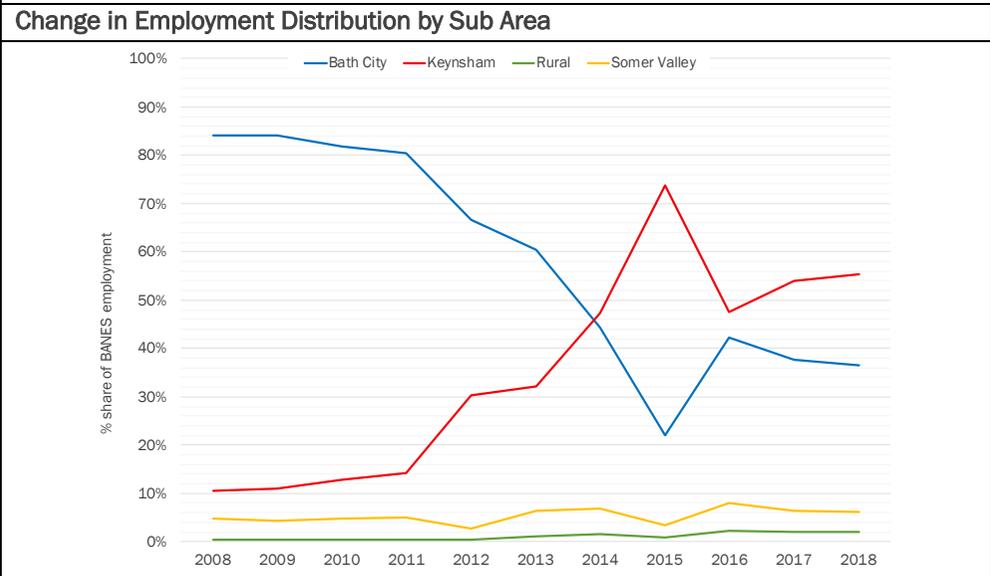
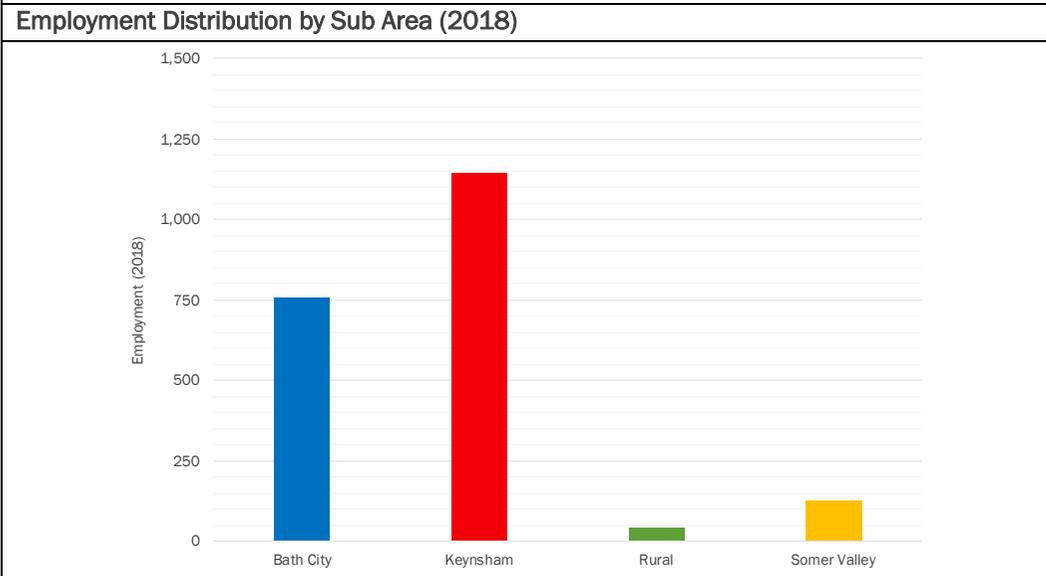
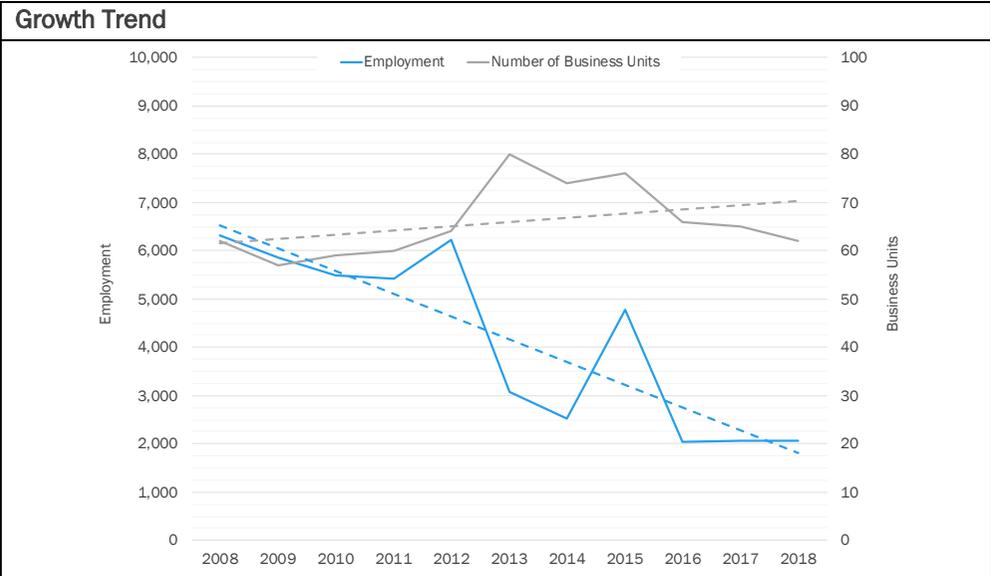
**Commentary**

- Employment and the number of business units have increased slightly over the past ten years.
- Bath City accounts for over 50% of employment in the sector.
- The average employment per unit has fluctuated over the study period, but overall has been decreasing very slightly.
- Employment in the sector as a proportion of the West of England total has been gradually decreasing.

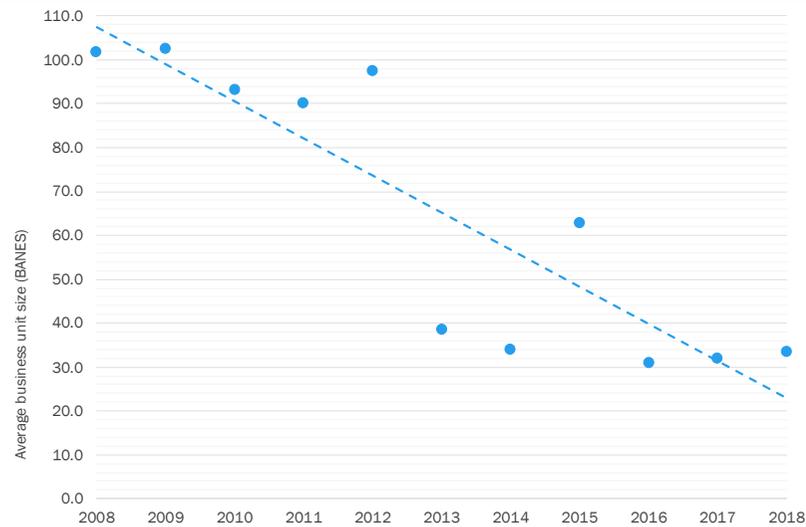
# Sector Profile: Public Administration and Defence

**Key Statistics**

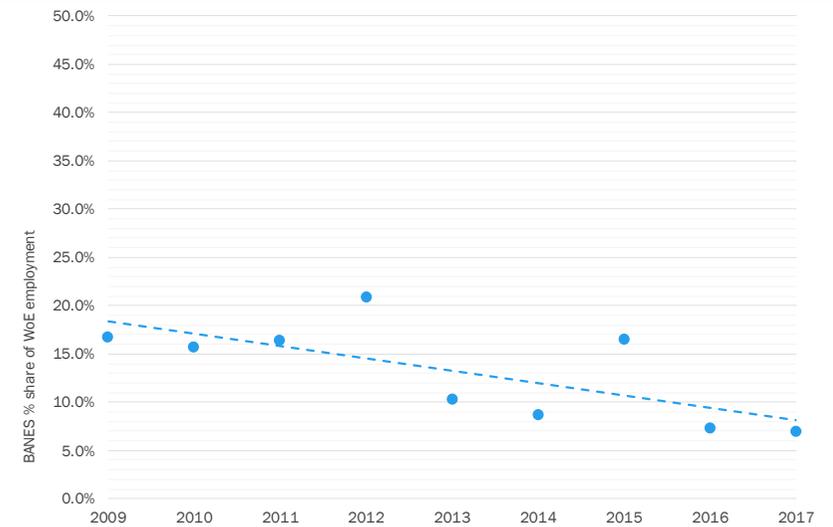
- Total employment 2,050 in 2018
- This is 2.3% of total employment in Bath and North East Somerset
- In 2017, Bath and North East Somerset accounted for 6.9% of employment in Public Administration and Defence in the West of England
- There are 62 business units
- Average business unit employment is 33.4



**Change in Average Business Unit Size**



**Changing Share of West of England Employment (2009-2017)**



**Commentary**

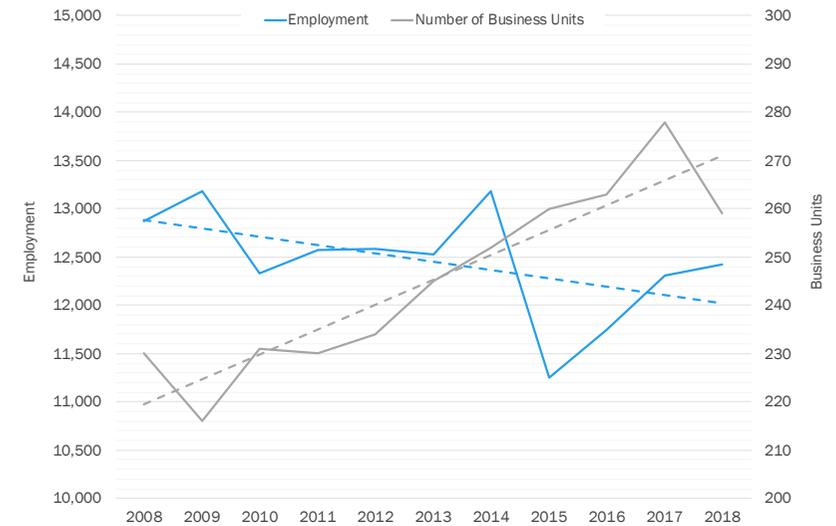
- Employment has been decreasing sharply over the study period, however the number of business units has tended to increase overall.
- Keynsham currently accounts for the majority of employment in the sector. This reflects both an increase in absolute employment in the sector in Keynsham, and a decrease in Bath City.
- The average employment per business unit has decreased significantly over the study period.
- Employment in the sector as a proportion of the West of England total has broadly decreased.

# Sector Profile: Education

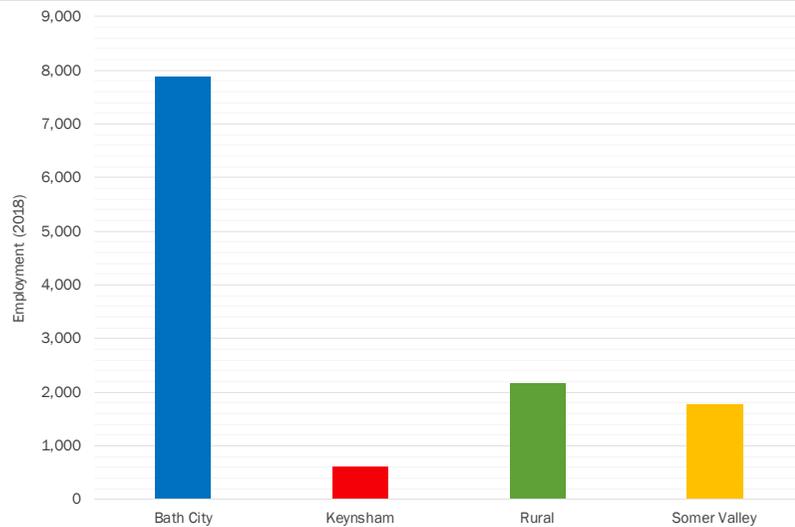
## Key Statistics

- Total employment 12,400 in 2018
- This is 13.9% of total employment in Bath and North East Somerset
- In 2017, Bath and North East Somerset accounted for 22.0% of employment in Education in the West of England
- There are 259 business units
- Average business unit employment is 47.9

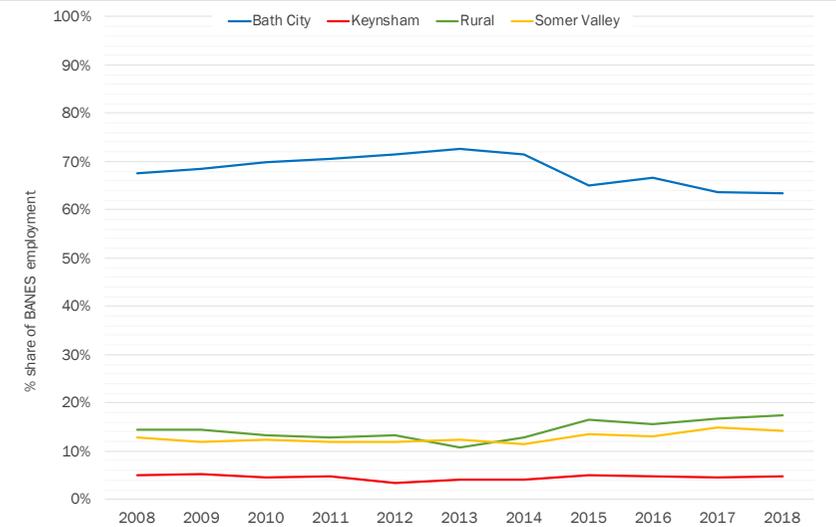
## Growth Trend



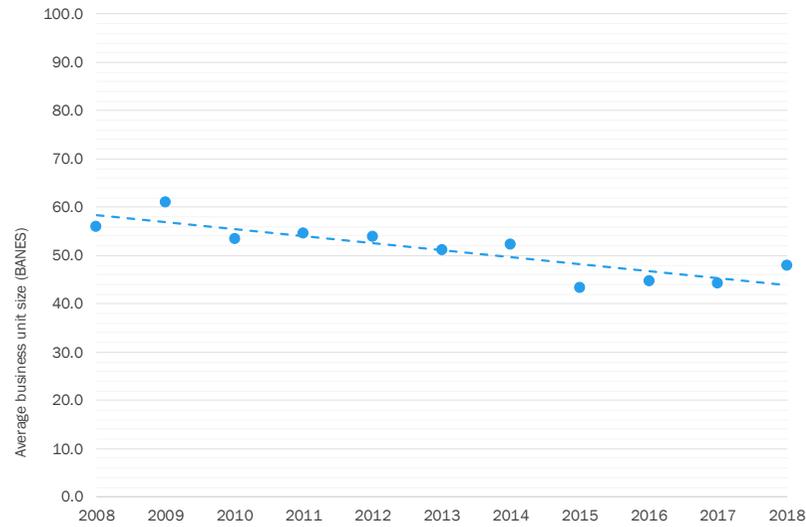
## Employment Distribution by Sub Area (2018)



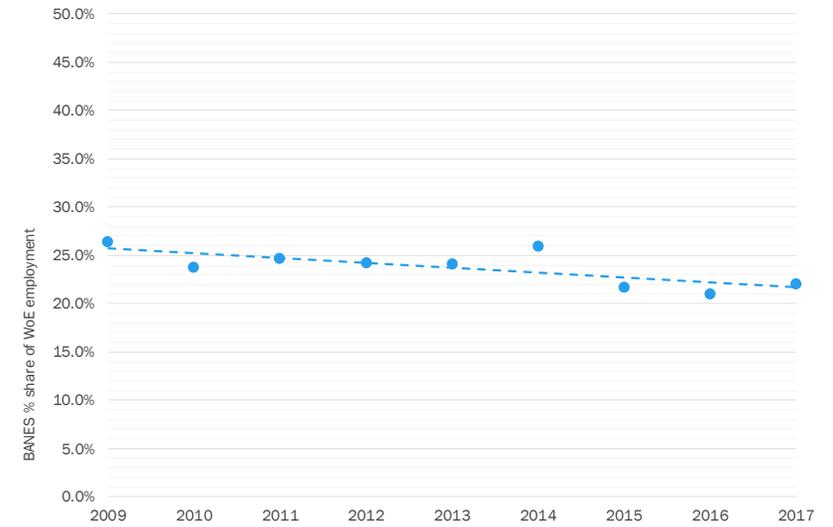
## Change in Employment Distribution by Sub Area



**Change in Average Business Unit Size**



**Changing Share of West of England Employment (2009-2017)**



**Commentary**

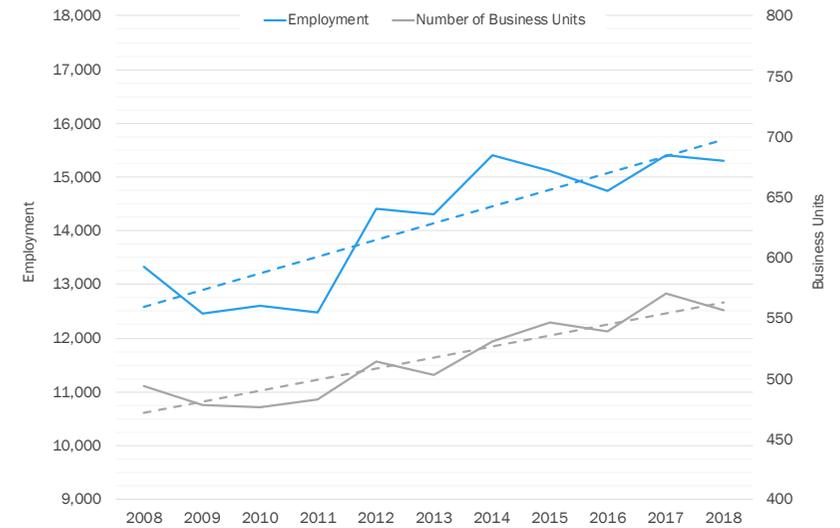
- Employment in the sector has been gradually decreasing, whereas the number of business units has increased.
- Bath City accounts for over 50% of employment in the sector.
- Average employment per business unit has gradually decreased over the study period.
- Employment in the sector as a proportion of the West of England total has been gradually decreasing.

# Sector Profile: Human Health and Social Work

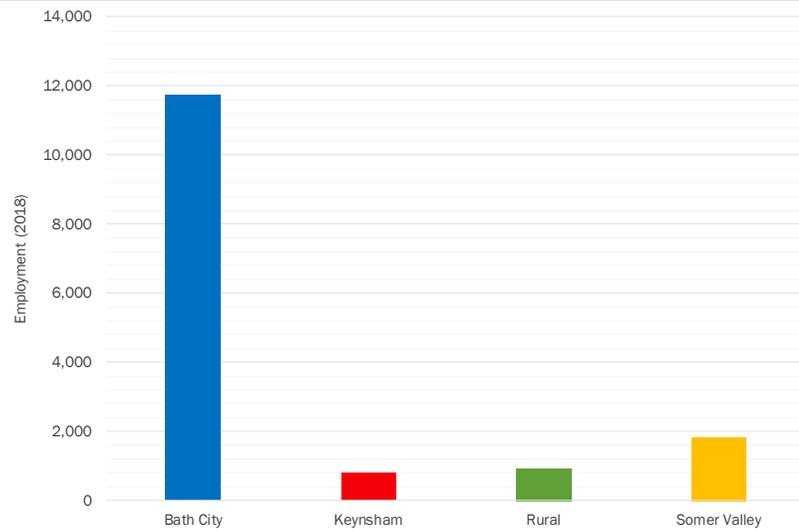
## Key Statistics

- Total employment 15,300 in 2018
- This is 17.1% of total employment in Bath and North East Somerset
- In 2017, Bath and North East Somerset accounted for 19.7% of employment in Human Health and Social Work in the West of England
- There are 556 business units
- Average business unit employment is 27.5

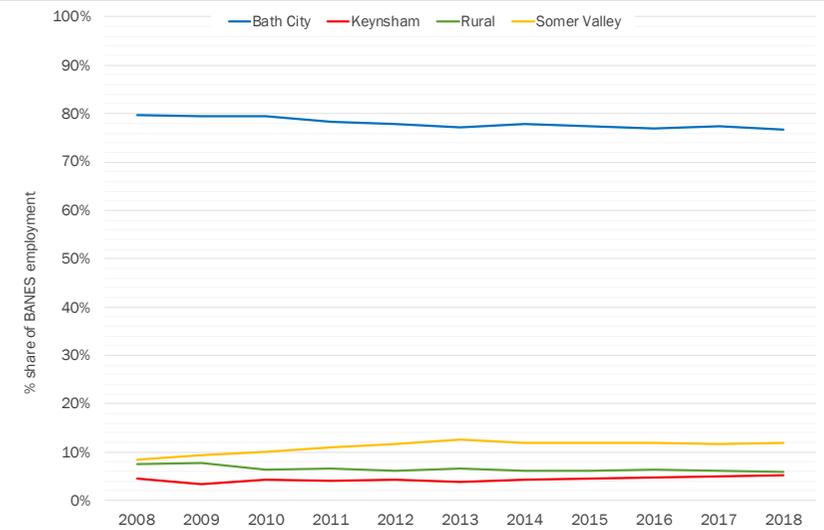
## Growth Trend



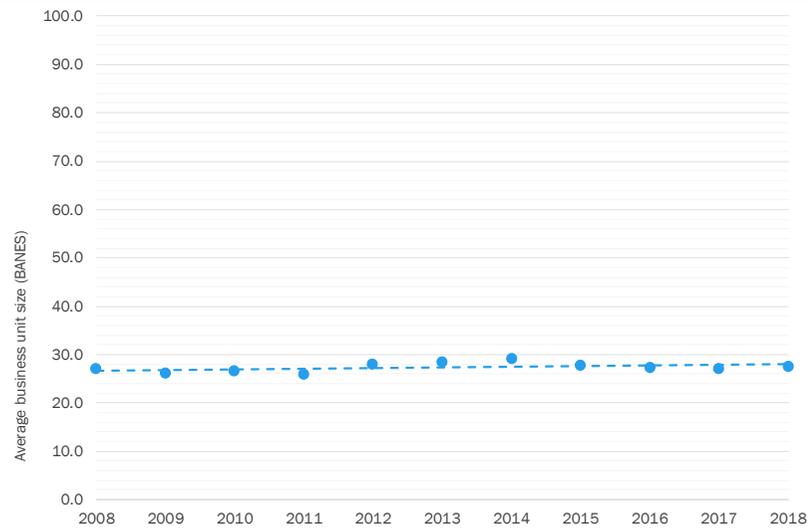
## Employment Distribution by Sub Area (2018)



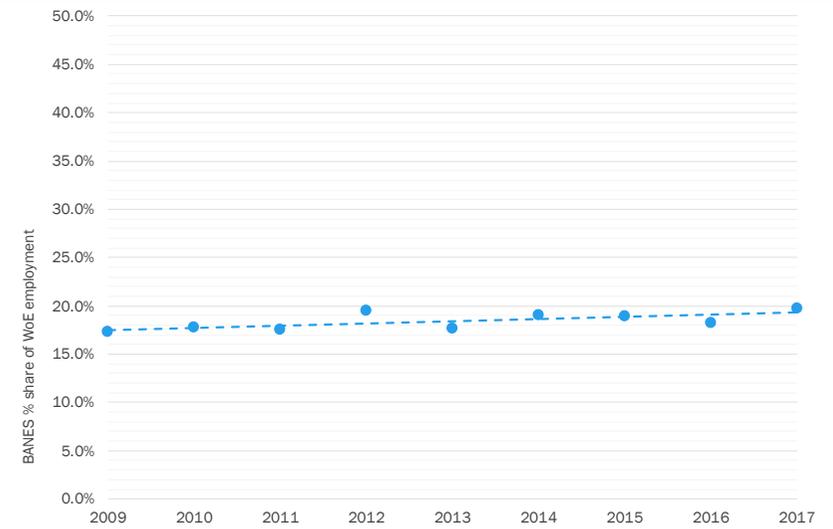
## Change in Employment Distribution by Sub Area



**Change in Average Business Unit Size**



**Changing Share of West of England Employment (2009-2017)**



**Commentary**

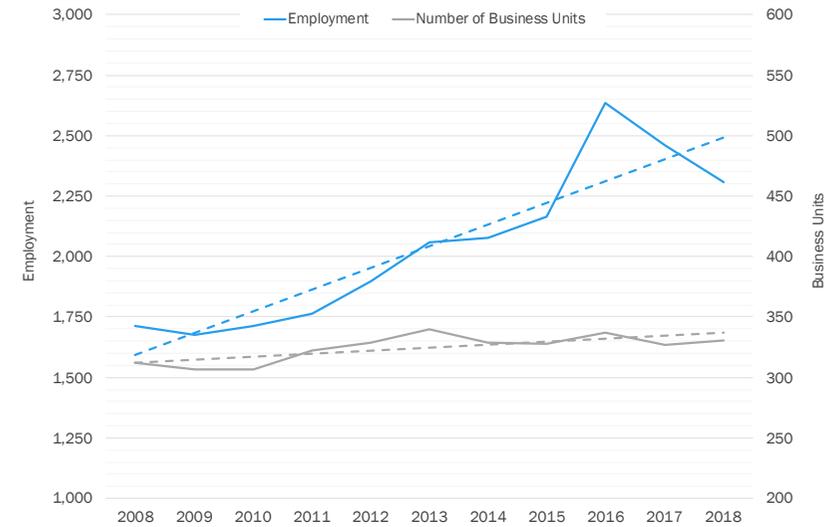
- Employment and the number of business units in the sector have been increasing over the study period.
- The distribution of employment across the sub areas has been broadly stable over the last ten years, with Bath City accounting for the majority of employment.
- Average employment per business unit has slightly increased over the study period.
- Employment in the sector as a proportion of the West of England total has been steadily increasing over the study period.

# Sector Profile: Arts, Entertainment and Recreation

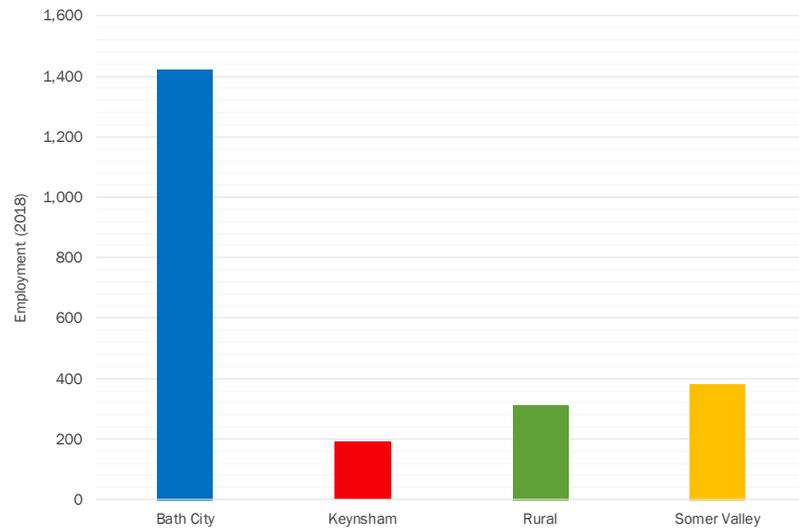
## Key Statistics

- Total employment 2,300 in 2018
- This is 2.6% of total employment in Bath and North East Somerset
- In 2017, Bath and North East Somerset accounted for 20.5% of employment in the Arts, Entertainment and Recreation sector in the West of England
- There are 331 business units
- Average business unit employment is 7.0

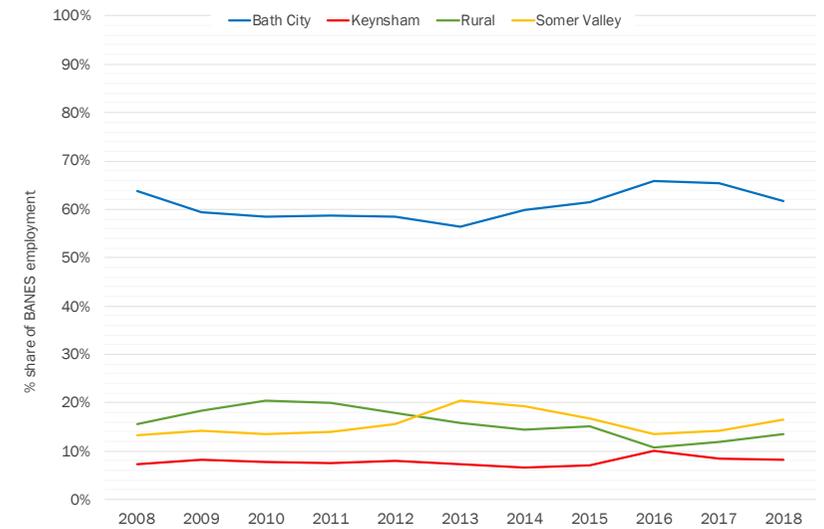
## Growth Trend



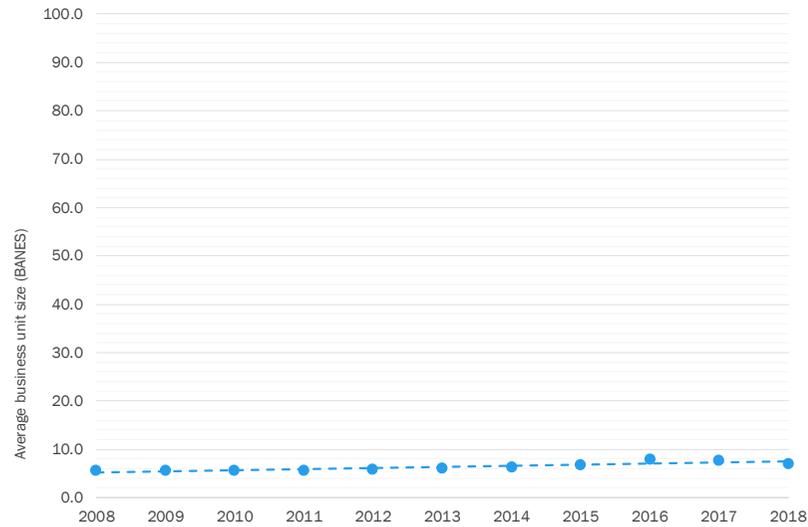
## Employment Distribution by Sub Area (2018)



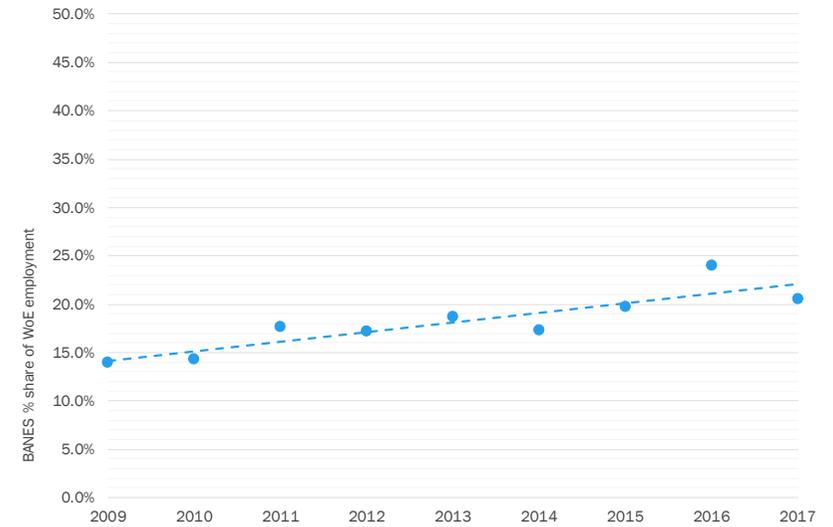
## Change in Employment Distribution by Sub Area



**Change in Average Business Unit Size**



**Changing Share of West of England Employment (2009-2017)**



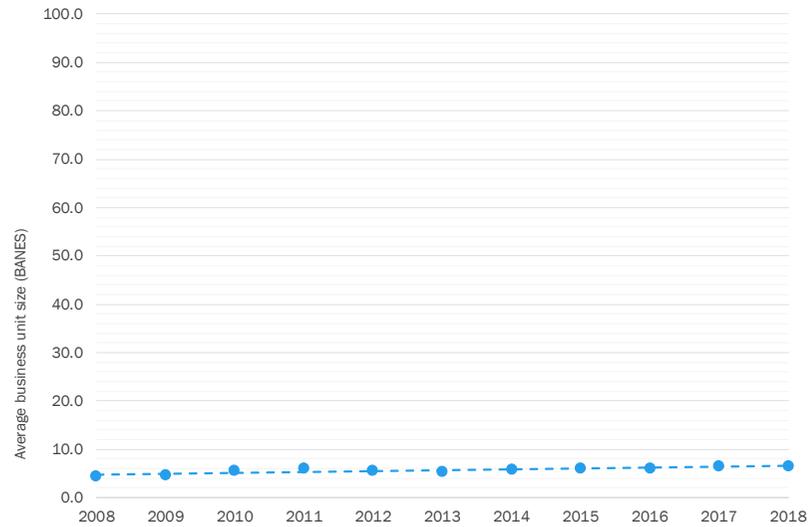
**Commentary**

- Employment in the sector has been increasing sharply. The number of business units has been steadily increasing.
- Bath City accounts for over 60% of employment in the sector.
- Average employment per unit has increased very slightly over the study period.
- Employment in the sector as a proportion of the West of England total has been increasing over the last ten years.

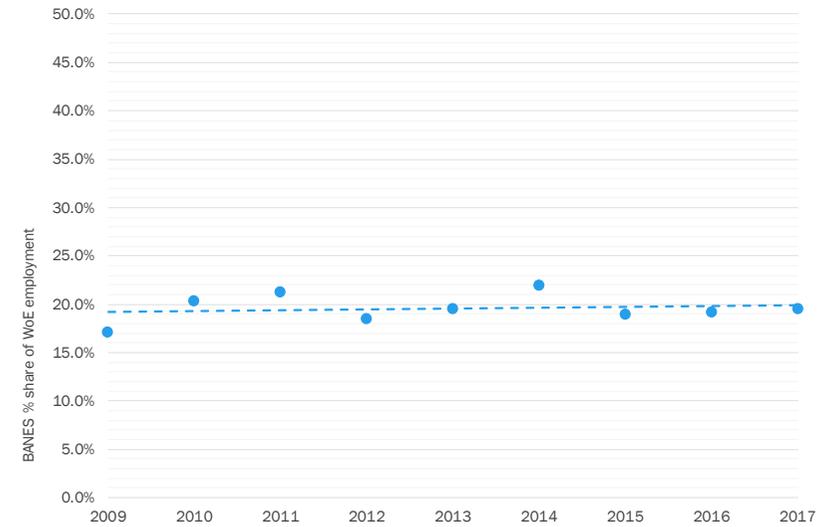
# Sector Profile: Other Services

<p><b>Key Statistics</b></p> <ul style="list-style-type: none"> <li>• Total employment 2,250 in 2018</li> <li>• This is 2.5% of total employment in Bath and North East Somerset</li> <li>• In 2017, Bath and North East Somerset accounted for 19.5% of employment in the Other Services sector in the West of England</li> <li>• There are 347 business units</li> <li>• Average business unit employment is 6.4</li> </ul>	<p><b>Growth Trend</b></p> <table border="1"> <caption>Growth Trend Data (2008-2018)</caption> <thead> <tr> <th>Year</th> <th>Employment</th> <th>Number of Business Units</th> </tr> </thead> <tbody> <tr><td>2008</td><td>1,600</td><td>360</td></tr> <tr><td>2009</td><td>1,700</td><td>360</td></tr> <tr><td>2010</td><td>2,000</td><td>350</td></tr> <tr><td>2011</td><td>2,100</td><td>350</td></tr> <tr><td>2012</td><td>1,950</td><td>360</td></tr> <tr><td>2013</td><td>1,950</td><td>350</td></tr> <tr><td>2014</td><td>2,000</td><td>350</td></tr> <tr><td>2015</td><td>2,100</td><td>350</td></tr> <tr><td>2016</td><td>2,150</td><td>340</td></tr> <tr><td>2017</td><td>2,200</td><td>340</td></tr> <tr><td>2018</td><td>2,250</td><td>350</td></tr> </tbody> </table>	Year	Employment	Number of Business Units	2008	1,600	360	2009	1,700	360	2010	2,000	350	2011	2,100	350	2012	1,950	360	2013	1,950	350	2014	2,000	350	2015	2,100	350	2016	2,150	340	2017	2,200	340	2018	2,250	350																																		
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**Change in Average Business Unit Size**



**Changing Share of West of England Employment (2009-2017)**



**Commentary**

- Employment in the sector has been broadly increasing, with the number of business units gradually decreasing.
- Bath City accounts for the over 50% of employment in the sector.
- Average employment per unit has increased very slightly over the study period.
- Employment in the sector as a proportion of the West of England total has increased very slightly over the study period.

## Appendix 4: Calculating Dynamic Shares

- i. This appendix sets out further details of the approach and assumptions used in determining the employment scenarios for B&NES and the four sub-areas. This is largely focused on the 'dynamic shares' scenarios.

### B&NES Dynamic Shares

- ii. A number of alternative methods were used to develop employment scenarios for B&NES. The Oxford Economics approach utilised existing sectoral employment forecasts. The current shares approach used available employment data to take a static 'snapshot' of the distribution of activity, albeit on the basis of a three-year average to ensure some control for data volatility.
- iii. The limitation of the current shares approach is its inability to capture changes in the share of West of England employment B&NES is capturing. Analysis of employment change over the last 10 years (as set out within chapter 2 of the main report), shows changes to the share of West of England sectoral employment located within B&NES. It is therefore appropriate to consider whether there is sufficient evidence to expect these trends to continue.
- iv. All forms of forecasting have significant amounts of inherent uncertainty. The approach adopted to consider adjusting the shares of employment within B&NES therefore includes significant uncertainty. It is recognised that it is as much art as it is science, and is intended to be illustrative. As set out at chapter 3 of the main report, the entire scenarios approach is illustrative to help shape policy and strategy. With a time horizon to 2036 there is potential for large shifts in the nature of the economy including geo-political context, working practices, location preferences, the use of technology, new products and services, and many other factors.
- v. Whilst the scenarios are indicative, it is appropriate to utilise the available evidence in as robust a fashion as possible. In order to develop assumptions for the dynamic shares scenario the following process was followed:
  - Data from the ONS Business Register and Employment Survey (BRES) was accessed for the period 2009-2017 (latest available data). This was used to calculate the share of West of England employment located within B&NES for the 20 Standard Industrial Classification (SIC) Divisions A-T.
  - Linear regression analysis was used to assess the nature of trends in the shares of employment. This was undertaken for two time periods 2009-2017 and 2013-17 to test both short-term and medium/longer-term trends.
  - In order to make adjustments to the current shares a number of criteria were established:
    - a. For any given sector there had to be a clear direction of travel established (i.e. an increasing or decreasing share of West of England employment) identified through both medium/long-term and short-term trends heading in the same direction.
    - b. If criterion a. was fulfilled the data was subject to manual review to identify whether the strength and consistency of the trend was clear enough for an adjustment to be applied or whether data volatility could easily negate the trend.
    - c. Where criteria a. and b. were both met a scale of adjustment was estimated based on a manual review of the data.
    - d. The 2016 starting share for each sector utilised the same three-year average data as the current shares approach (drawing on 2015-17 BRES data).

- e. The 2036 final share for each sector applied any adjustment factor to the 2016 starting share. Where no adjustment was to be made the 2016 share was retained.
- f. Linear interpolation was used to estimate shares between 2016 and 2036.

vi. Table A4.1 shows the sector by sector data and adjustments.

**Table A4.1 B&NES Level Dynamic Shares Adjustments**

Sector	Short trend	Long trend	Agreed change	Scale of change to B&NES share of WoE employment 2016-36
A : Agriculture, forestry and fishing	Negative	Positive	No change. Failed criterion a.	
B : Mining and quarrying	Negative	Positive	No change. Failed criterion a.	
C : Manufacturing	Negative	Positive	No change. Failed criterion a.	
D : Electricity, gas, steam and air conditioning supply	Negative	Negative	No change. Failed criterion b.	
E : Water supply; sewerage, waste management and remediation activities	Negative	Positive	No change. Failed criterion a.	
F : Construction	Negative	Negative	No change. Failed criterion b.	
G : Wholesale and retail trade; repair of motor vehicles and motorcycles	Positive	Negative	No change. Failed criterion a.	
H : Transportation and storage	Negative	Negative	Declining share	-1.00% points
I : Accommodation and food service activities	Negative	Negative	Declining share	-2.00% points
J : Information and communication	Negative	Negative	Declining share	-1.00% points
K : Financial and insurance activities	Positive	Positive	Growing share	+1.00% points
L : Real estate activities	Negative	Positive	No change. Failed criterion a.	
M : Professional, scientific and technical activities	Positive	Positive	No change. Failed criterion b.	
N : Administrative and support service activities	Positive	Positive	Growing share	+1.00% points
O : Public administration and defence; compulsory social security	Negative	Negative	Declining share	-0.75% points
P : Education	Negative	Positive	No change. Failed criterion a.	
Q : Human health and social work activities	Positive	Negative	No change. Failed criterion a.	
R : Arts, entertainment and recreation	Positive	Negative	No change. Failed criterion a.	
S : Other service activities	Negative	Negative	No change. Failed criterion b.	

## Sub Area Dynamic Shares

- vii. The approach for sub-areas is based on similar principles to those applied to the B&NES wide scenarios outlined above. However, rather than using BRES data, the Inter Departmental Business Register (IDBR) was used as the basis for employment analysis. Data was analysed for the period 2008-2018, with the short-term period 2013-2018 and medium/longer-term 2008-2018 periods being considered.
- viii. In order to ensure all shares summed to the B&NES total an additional criterion was included.
  - a. For any given sector in any given sub-area there had to be a clear direction of travel established (i.e. an increasing or decreasing share of B&NES employment) through both long-term and short-term trends heading in the same direction.
  - b. If criterion a. was fulfilled the data was subject to manual review to identify whether the strength and consistency of the trend was clear enough for an adjustment to be applied or whether data volatility could easily negate the trend.
  - c. Where criteria a. and b. were both met two matrices were devised that identified for each sub-area and sector where there was evidence to suggest an adjustment to future shares should be made, either positive or negative. If for any sector there was not at least one area identified for positive change and one area for negative change identified then the current share was maintained.
  - d. For sectors where both negative and positive change areas were identified a manual adjustment was made – allocating shares from the area(s) identified for negative change to the area(s). The scale of adjustments were modest and in line with the scale and pattern of change in the historic analysis period. The adjusted share was applied at 2036, with linear interpolation used to derive interim shares.
- ix. Table A4.2 shows the adjustments made.

**Table A4.2 Sub Area Level Dynamic Shares Adjustments**

Sector	Bath City	Keynsham	Somer Valley	Rural Area
A : Agriculture, forestry and fishing	No change. Failed criterion a.	No change. Failed criterion b.	No change. Failed criterion a.	No change. Failed criterion a.
C : Manufacturing	Growing share +1.00%	Declining share -1.00%	No change. Failed criterion a.	No change. Failed criterion a.
E : Water supply; sewerage, waste management and remediation activities	No change. Failed criterion b.	Growing share +1.00%	No change. Failed criterion a.	Declining share -1.00%
F : Construction	No change. Failed criterion a.			
G : Wholesale and retail trade; repair of motor vehicles and motorcycles	No change. Failed criterion b.	No change. Failed criterion a.	No change. Failed criterion a.	No change. Failed criterion c.
H : Transportation and storage	Declining share -2.00%	Growing share +1.50%	Declining share -1.00%	Growing share +1.50%
I : Accommodation and food service activities	No change. Failed criterion c.	No change. Failed criterion b.	No change. Failed criterion b.	No change. Failed criterion b.
J : Information and communication	No change. Failed criterion a.	No change. Failed criterion b.	No change. Failed criterion a.	No change. Failed criterion b.
K : Financial and insurance activities	No change. Failed criterion a.	No change. Failed criterion a.	Declining share -1.00%	Growing share +1.00%
L : Real estate activities	No change. Failed criterion a.	Growing share +1.00%	No change. Failed criterion a.	Declining share -1.00%
M : Professional, scientific and technical activities	Declining share -1.00%	No change. Failed criterion b.	No change. Failed criterion a.	Growing share +1.00%
N : Administrative and support service activities	No change. Failed criterion b.	No change. Failed criterion a.	No change. Failed criterion b.	No change. Failed criterion c.
O : Public administration and defence; compulsory social security	Declining share -1.00%	Growing share +1.00%	No change. Failed criterion a.	No change. Failed criterion b.
P : Education	Declining share -2.00%	No change. Failed criterion a.	Growing share +1.00%	Growing share +1.00%
Q : Human health and social work activities	No change. Failed criterion b.	No change. Failed criterion b.	No change. Failed criterion a.	No change. Failed criterion a.
R : Arts, entertainment and recreation	No change. Failed criterion c.	No change. Failed criterion a.	No change. Failed criterion b.	No change. Failed criterion b.
S : Other service activities	No change. Failed criterion a.	Declining share -1.00%	No change. Failed criterion a.	Growing share +1.00%

## Appendix 5: B&NES Employment Scenarios Data Tables

This appendix sets out data tables aligned to the three scenarios set out at Chapter 3 of the main report.

**Figure A5.1 – Employment Scenario 1, Oxford Economics**

Sector	2016	2026	2036	2016–36
A : Agriculture, forestry and fishing	1,100	1,000	950	-150
C : Manufacturing	4,450	4,200	3,900	-550
E : Water supply; sewerage, waste management	1,100	1,000	950	-100
F : Construction	6,600	7,400	8,000	1,400
G : Wholesale and retail trade	13,650	14,000	13,850	200
H : Transportation and storage	1,900	1,900	1,800	-50
I : Accommodation and food service activities	9,300	10,050	10,350	1,050
J : Information and communication	4,850	5,550	6,000	1,150
K : Financial and insurance activities	3,000	3,100	3,200	200
L : Real estate activities	2,550	2,900	3,200	650
M : Professional, scientific and technical activities	8,350	9,450	10,150	1,800
N : Administrative and support service activities	4,750	5,300	5,600	850
O : Public administration and defence	2,450	2,250	2,200	-250
P : Education	14,250	14,350	14,450	200
Q : Human health and social work activities	17,450	18,000	18,400	950
R : Arts, entertainment and recreation	3,050	3,550	3,900	850
S : Other service activities	3,550	4,000	4,300	750
Other	150	100	100	-50
<b>Total</b>	<b>102,450</b>	<b>108,050</b>	<b>111,300</b>	<b>8,850</b>

**Figure A5.2 – Employment Scenario 2, Current Shares**

Sector	2016	2026	2036	2016–36
A : Agriculture, forestry and fishing	800	750	700	-100
C : Manufacturing	4,600	4,300	4,050	-550
E : Water supply; sewerage, waste management	1,150	1,100	1,000	-150
F : Construction	5,400	6,100	6,650	1,250
G : Wholesale and retail trade	13,650	14,400	14,750	1,050
H : Transportation and storage	1,650	1,850	1,950	300
I : Accommodation and food service activities	9,200	9,850	10,100	900
J : Information and communication	4,250	4,800	5,200	900
K : Financial and insurance activities	2,750	2,800	2,850	100
L : Real estate activities	2,500	2,900	3,300	800
M : Professional, scientific and technical activities	9,000	10,750	12,250	3,250
N : Administrative and support service activities	4,600	5,250	5,700	1,050
O : Public administration and defence	2,100	1,950	1,900	-200
P : Education	12,500	12,600	12,700	200
Q : Human health and social work activities	16,750	17,650	18,550	1,800
R : Arts, entertainment and recreation	2,950	3,450	3,850	900
S : Other service activities	3,150	3,550	3,900	750
Other	100	100	50	-50
<b>Total</b>	<b>97,100</b>	<b>104,150</b>	<b>109,400</b>	<b>12,250</b>

**Figure A5.3 – Employment Scenario 3, Dynamic Shares**

Sector	2016	2026	2036	2016–36
A : Agriculture, forestry and fishing	800	800	700	-100
C : Manufacturing	4,600	3,950	4,050	-550
E : Water supply; sewerage, waste management	1,150	1,300	1,000	-150
F : Construction	5,400	6,000	6,650	1,250
G : Wholesale and retail trade	13,650	14,150	14,750	1,050
H : Transportation and storage	1,650	1,700	1,650	-50
I : Accommodation and food service activities	9,200	9,350	9,150	-50
J : Information and communication	4,250	4,650	4,850	600
K : Financial and insurance activities	2,750	2,950	3,150	400
L : Real estate activities	2,500	3,200	3,300	800
M : Professional, scientific and technical activities	9,000	10,500	12,250	3,250
N : Administrative and support service activities	4,600	5,550	6,400	1,750
O : Public administration and defence	2,100	1,850	1,700	-400
P : Education	12,500	13,350	12,700	200
Q : Human health and social work activities	16,750	18,000	18,550	1,800
R : Arts, entertainment and recreation	2,950	3,100	3,850	900
S : Other service activities	3,150	3,550	3,900	750
Other	100	50	50	-50
<b>Total</b>	<b>97,100</b>	<b>104,100</b>	<b>108,600</b>	<b>11,450</b>

## Appendix 6: Employment Land Requirements Methodology

- i. This appendix provides additional detail relating to the methodology employed to calculate future employment sites and premises requirements.

### SIC to Use Class Conversion

- ii. Sectoral employment scenarios are converted to Use Class using the matrix as set out at Figure A6.1 below. This was constructed by Atkins as part of its work preparing the Economic Development Needs Assessment for the West of England JSP. The same matrix has been used for this analysis to ensure consistency.

**Figure A6.1 EDNA SIC Sector to Use Class Conversion Matrix**

Sector	B1a/b	B1c/B2	B8	NON-B
Agriculture, forestry and fishing				100%
Mining and quarrying				100%
Manufacturing	10%	80%	10%	
Electricity, gas, steam and air conditioning supply	20%	20%		60%
Water supply; sewerage, waste management and remediation activities	10%	20%	20%	50%
Construction	10%	10%	20%	60%
Wholesale and retail trade; repair of motor vehicles and motorcycles			40%	60%
Transportation and storage	10%		70%	20%
Accommodation and food service activities				100%
Information and communication	70%			30%
Financial and insurance activities	100%			
Real estate activities	100%			
Professional, scientific and technical activities	100%			
Administrative and support service activities	100%			
Public administration and defence; compulsory social security	70%			30%
Education	10%			90%
Human health and social work activities	10%			90%
Arts, entertainment and recreation	20%			80%
Other service activities	50%			50%

Source: Atkins

### Employment Densities and Site Coverage

- iii. To ensure consistency with the WoE JSP and EDNA, the same assumptions were adopted with regards to employment densities and plot ratios. Figure A6.2 below sets out further details on these assumptions.

**Figure A6.2 Employment density and plot ratio assumptions**

Use Class	Employment density	Plot ratio
B1a/b	14 sq m per FTE	50% of site area
B1c/B2	42 sq m per FTE	40% of site area
B8	70 sq m per FTE	50% of site area

Source: Atkins

### Estimating Replacement Requirements

- iv. An allowance for replacement has been included within the methodology to encapsulate the wider changes in the economy not picked up in the employment projections. Working practices change, new technologies are adopted, and the sites and premises used by firms need to adapt to these new ways of working. The buildings vacated by some businesses may not be suitable for re-occupation by new occupiers. There will also be instances where existing buildings are so dilapidated that they require complete reconstruction and replacement. The introduction of Energy Performance Certification for industrial premises may speed the need for this replacement over the plan period. There are also losses to other uses either through sales and lettings or redevelopment. The introduction of Permitted Development Rights (PDRs) has already impacted on the losses of stocks. Overall, there are a range of factors that underpin the need for some existing employment stocks to be replaced.
- v. Developing a methodology to estimate the scale of replacement activity is not straightforward. As a result, the team at Hardisty Jones Associates, drawing on its experience of working with clients over many years, has developed a methodology which is robust in terms of its underpinning logic and the evidence used to derive assumptions.
- vi. Typically within the property sector, development appraisals on new buildings consider a 25-35 year time horizon. As a result, one might expect that after this period, a building would be ripe for replacement through dilapidation. However, data on the age of commercial employment buildings indicates a very different picture.
- vii. Data from 2004 (no more recent data has been published) for B&NES (shown in the table below) indicates that a notable proportion of the existing stocks were built pre 1940 and around 64% pre 1970. This implies that the useful lifespan of some stocks is considerable and beyond the 35 year development appraisal period. This data is indicative given it is now 14 years out of date, but is used to illustrate the point that much development has a longer economic life than may be imagined at time of construction.

**Figure A7.3 Age of Commercial Stocks in B&NES (2004)**

	% built Pre 1940	% built 1940 - 1970	Total Pre 1970
Retail	55%	21%	76%
Office	45%	15%	60%
Factory	32%	37%	69%
Warehouse	18%	26%	44%
<b>Total</b>	<b>37%</b>	<b>26%</b>	<b>64%</b>

Source: Department for Communities and Local Government archive. Total floorspace by LAD and age, 2004.

- viii. If buildings were replaced every 30 years, one would expect around 3% of all commercial employment property stocks to be replaced each year in order to maintain the stock. Due to the existence of a substantial stock of property aged pre 1970 this assumption is not supported by the evidence and is too strong.
- ix. At the other extreme, if one assumes buildings last 200 years before being replaced, that equates to a 0.5% replacement rate each year. However, this appears to be too low, with numerous examples of buildings requiring replacement through dilapidation or loss to other activities well before they reach 200 years of age. The reality is therefore likely to lie somewhere in between these two extremes, in the region of 1-2%. A figure of 1% equates to the replacement of the total supply of

employment premises every 100 years, although in reality that could include some premises being replaced more often and some premises not being replaced at all. It has been noted to HJA in various locations that whilst Victorian premises were constructed to last for the long term, many more modern construction methods do not last as well. 2% equates to the replacement of the total supply of employment premises every 50 years. The use of a range acknowledges the uncertainty but provides a guide to policy makers. The condition of stock, pressure for change of use, nature of changing working practices and other commercial development and occupier market drivers will influence the level of activity within this range.

- x. Figure A6.4 sets out the total level of office and industrial stocks in B&NES at 2016 as measured by the Valuation Office Agency, set within the wider WoE levels. The equivalent figures at Sub Area level are also set out. These figures have been assessed using the 2017 non domestic rating summary valuations from the VOA. The two sets of VOA figures at the B&NES level differ, but the 2017 data accounts for over 90% of the 2016 figure, and is therefore a highly dependable sample.

**Figure A6.4 Commercial Stocks in B&NES**

	Office (sq m)	Industrial (sq m)
B&NES (VOA, 2016)	210,000	577,000
% of WoE	11%	11%
Bath City (VOA, 2017)	152,200	157,400
% of B&NES	77%	30%
Keynsham (VOA, 2017)	16,800	76,700
% of B&NES	9%	14%
Somer Valley (VOA, 2017)	17,200	210,900
% of B&NES	9%	40%
Rural (VOA, 2017)	10,500	84,400
% of B&NES	5%	16%

Source: HJA based on VOA total floorspace by administrative area (2016) and VOA non domestic rating summary valuations (2017)

- xi. Figure A6.5 sets out the estimated range of replacement requirements based on the total level of office and industrial stocks. This is set against the historic levels of losses as identified from the 10-year time series completions data provided by the UA.

**Figure A7.5 Estimated Future Replacement Requirements Compared to Historic Losses, by Sub Area**

		Share of existing B&NES stock	Low (1%)	High (2%)	10-year Historic Losses
B&NES	Office		42,000	84,000	18,600
	Industrial		115,400	230,800	89,000
Bath City	Office	77%	32,500	65,000	16,400
	Industrial	30%	34,300	68,600	31,300
Keynsham	Office	9%	3,600	7,200	300
	Industrial	14%	16,700	33,400	33,300
Somerset Valley	Office	9%	3,700	7,300	1,000
	Industrial	40%	46,000	91,900	20,200
Rural	Office	5%	2,200	4,500	900
	Industrial	16%	18,400	36,800	4,100

Source: HJA based on VOA data

## Appendix 7: Analysis of Historic Floorspace Gains and Losses

- i. This section provides commentary on analysis of historic time series data for B Use Class completions (gains and losses) across B&NES. This is based on data provided by B&NES Council. Data has been made available for a 10- year period (2006/7–2015/16). For simplicity data is referenced to the end of the period e.g. 2015/16 is stated as 2016.

### Gross Completions

- ii. Total B Use Class completions across B&NES were 37,700 sqm over the 10-year period. This is equivalent to 3,800 sqm per annum. This is equivalent to approximately 3% of the West of England completions total over this period. The lumpy nature of commercial employment property development means there is a very uneven spread over time. Figure A7.1 illustrates total gross completions with the annual average line plotted for comparison. There was a higher level of recorded completions in 2009. This peak was fuelled by both office and industrial development. 2015 saw another peak, which was primarily fuelled by office development.
- Average annual office completions are recorded at 2,400 sqm – equivalent to 6% of West of England office completions.
  - Average annual industrial completions are recorded at 1,400 sqm – equivalent to 2% of West of England industrial completions.

**Figure A7.1 Total Annual B Use Class Gross Completions, B&NES, 2007–2016**

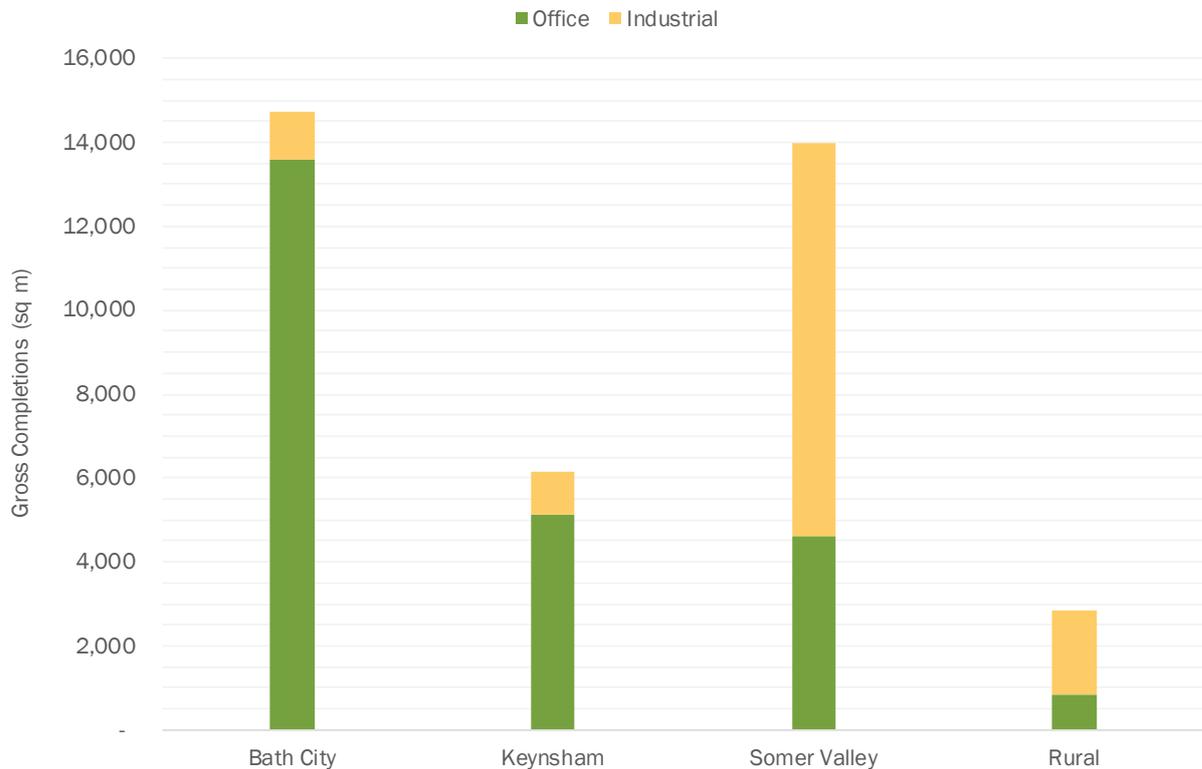


Source: HJA based on UA data

- iii. Gross completions were not evenly distributed across the four Sub Areas. This is illustrated in Figure A7.2.
- Office development was primarily concentrated in Bath City (56%). The remainder was distributed across the Keynsham (23%), Somer Valley (19%), and Rural (3%) Sub Areas.

- Industrial development was largely concentrated in Somer Valley (69%). The remainder was distributed across the Rural (15%), Bath City (8%), and Keynsham (7%) Sub Areas.

**Figure A7.2 Gross Completions by Sub Area, 2007–2016**



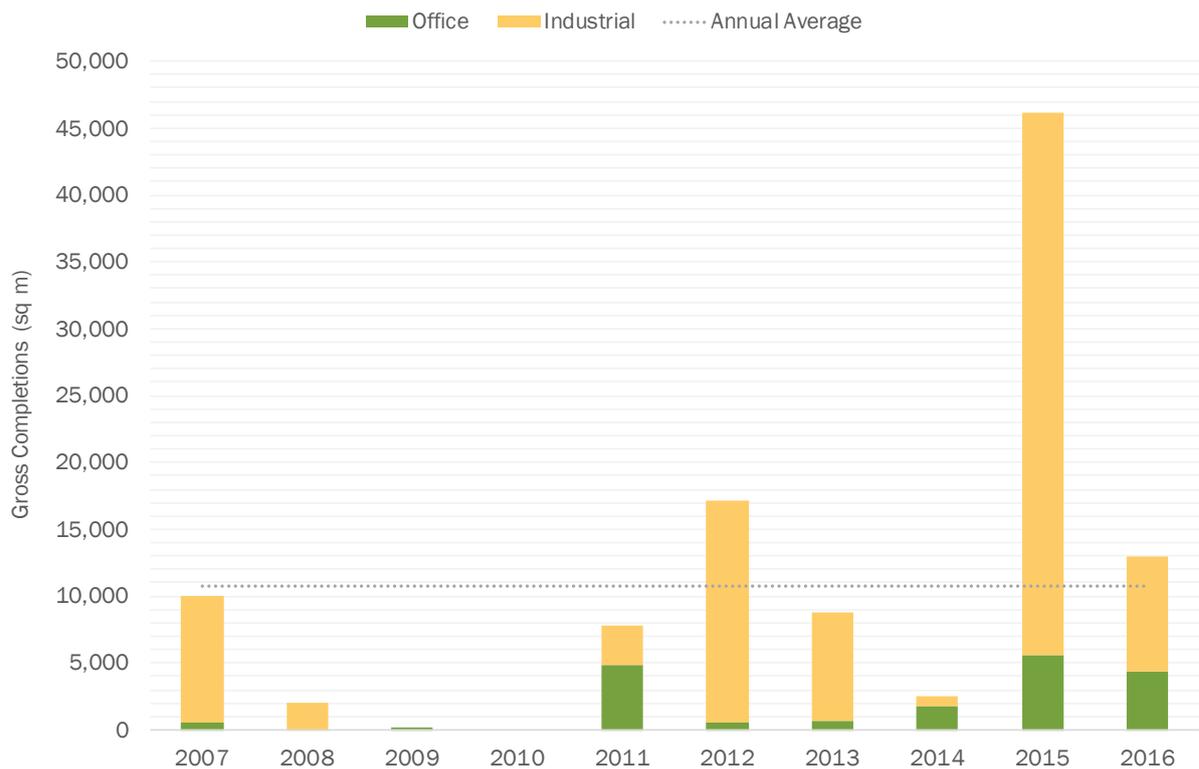
Source: HJA based on UA data

#### Gross Losses

iv. Total B Use Class losses across B&NES were 107,600 sqm over the 10-year period. This is equivalent to 10,800 sqm per annum. This is equivalent to approximately 9% of the West of England losses total over this period. The lumpy nature of commercial employment property activity means there is no linear pattern in keeping with completions data. Figure A7.3 illustrates total gross losses with the annual average line plotted for comparison. There was a very high level of recorded losses in 2010, particularly within the industrial category. Losses of office space were notably higher in 2016 than previous years which is partially caused by Permitted Development Rights taking effect.

- Average annual office losses are recorded at 1,900 sqm – equivalent to 6% of West of England office losses.
- Average annual industrial losses are recorded at 8,900 sqm – equivalent to 12% of West of England industrial completions.

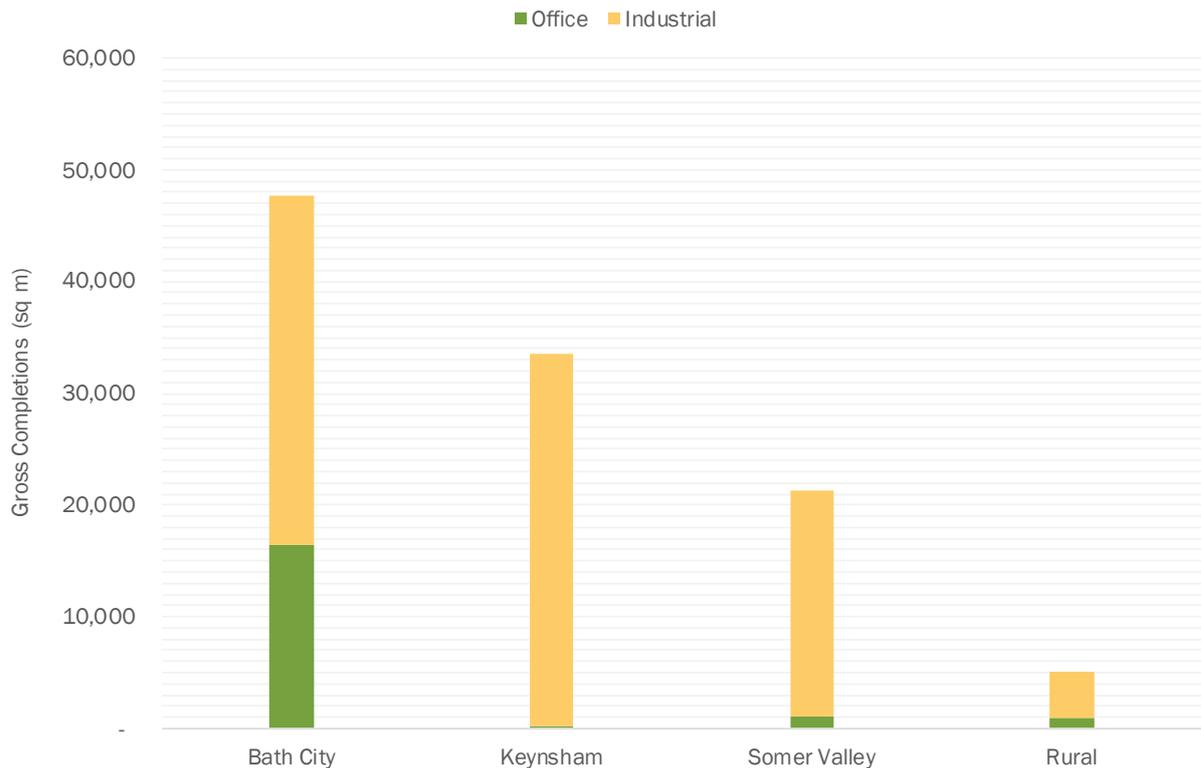
Figure A7.3 Total Annual B Use Class Gross Losses, B&NES, 2007–2016



Source: HJA based on UA data

- v. Figure A7.4 shows gross losses by Sub Area. The most significant losses of office space were in Bath City, reflecting the nature of stock in the area. Industrial losses dominated overall.
- Office losses were primarily concentrated in Bath City (88%). The small amount of remaining losses were distributed across the Somer Valley (6%), Rural (5%), and Keynsham (1%) Sub Areas.
  - Industrial losses were relatively evenly distributed across Keynsham (37%), Bath City (35%), and Somer Valley (23%). The small amount of remaining losses were attributed to the Rural (5%) Sub Area.

**Figure A7.4 Gross Losses by Sub Area, 2007–2016**

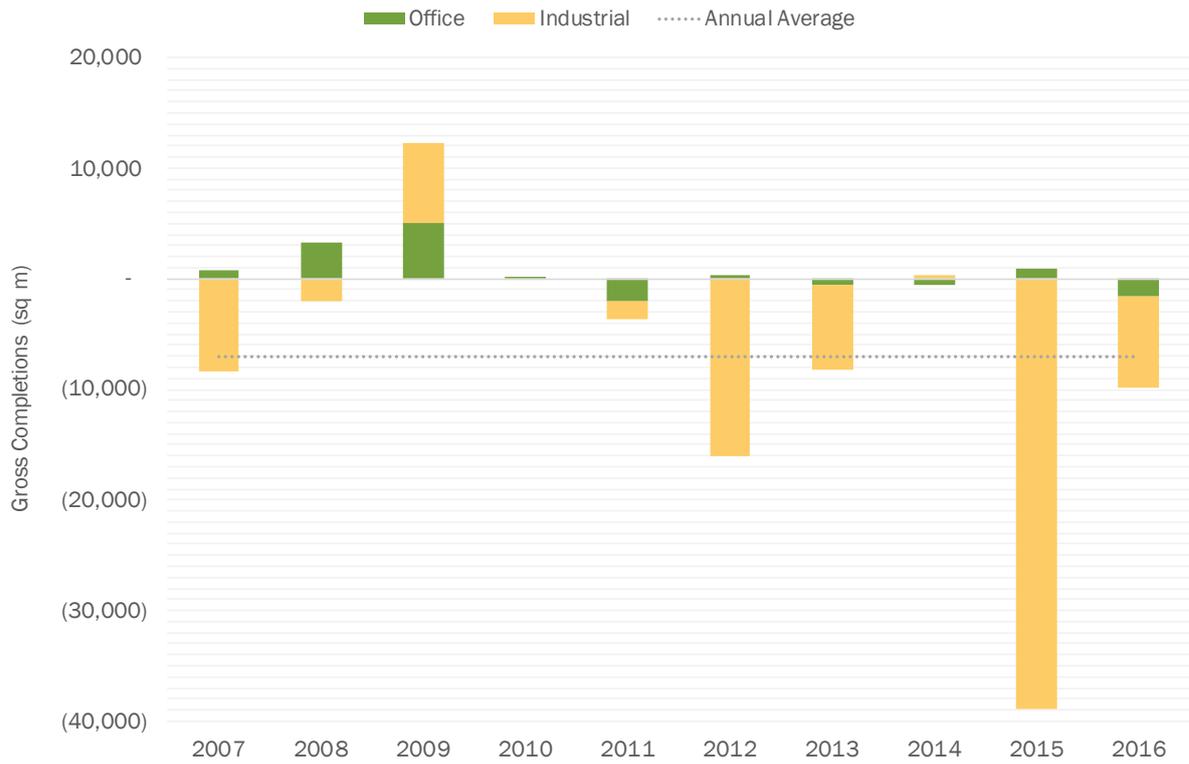


Source: HJA based on UA data

### Net Completions

- vi. The net change in B Use Class across B&NES was -69,800 sqm over the 10-year period. This is equivalent to -7,000 sqm per annum.
- Average annual office net changes are recorded at +600 sqm – equivalent to 5% of West of England office net gains.
  - Average annual industrial net changes are recorded at -7,500 sqm – whereas West of England industrial net changes were recorded as +14,000 sqm per annum.
- vii. This shows the significant masking of gross levels of activity when considering only net changes in the data. The lumpy nature of the commercial development market is also evidenced when looking at the time series of total net completions, with substantial swings between positive and negative. This is illustrated in Figure A7.5. Figure A7.6 shows net completions by area.

**Figure A7.5 Total Annual B Use Class Net Completions, B&NES, 2007–2016**



Source: HJA based on UA data

**Figure A7.6 Net Completions by Sub Area, 2007–2016**



Source: HJA based on UA data

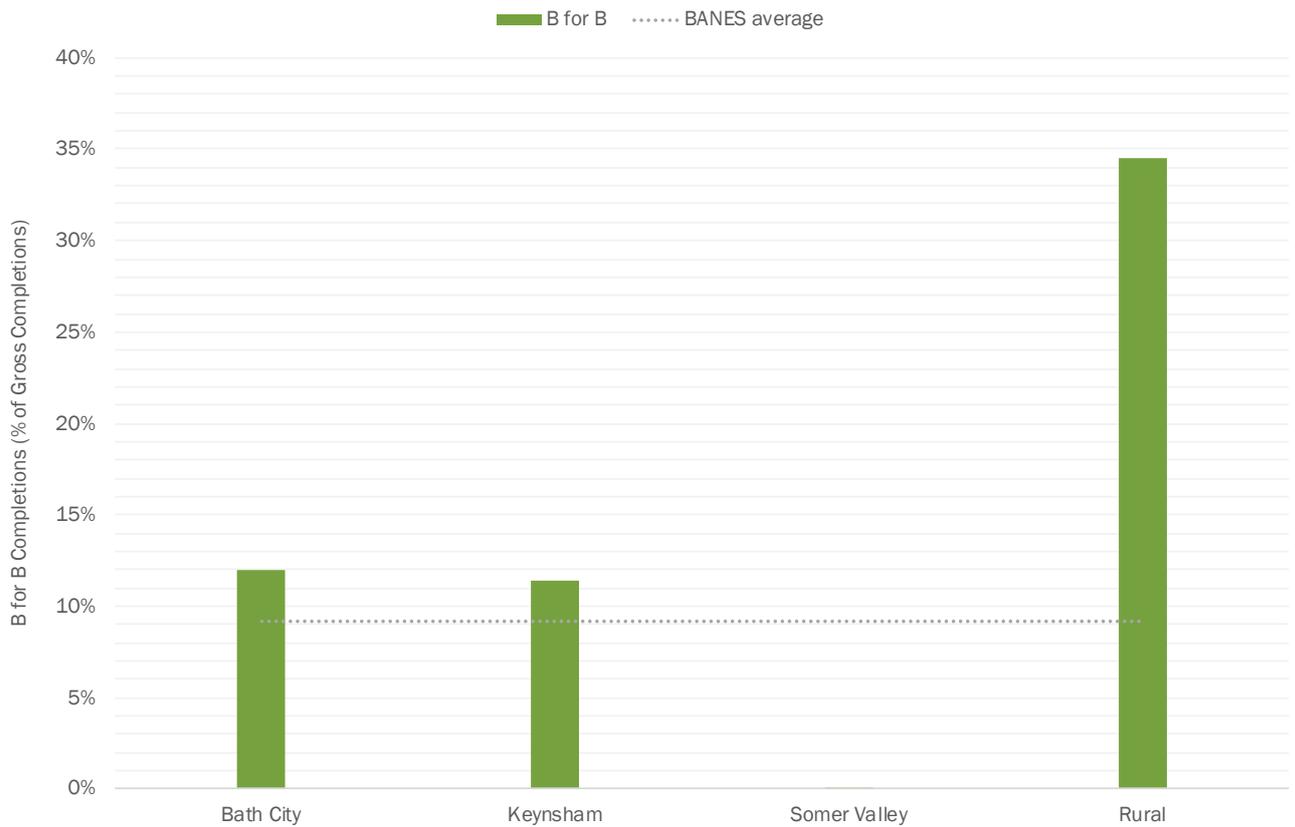
**B for B Replacement**

- viii. Data from the Council allows more detailed consideration of whether new B Use Class completions were delivered on sites that previously included B Use Class floorspace. This is an important dataset,

as it provides an indication of whether new employment floorspace requires new sites to be made available or whether there is on-site replacement activity.

- ix. Across B&NES a total of 3,500 sqm of B Use Class floorspace was delivered on sites that previously accommodated B Use Class floorspace. This represents 9% of the total gross completions across B&NES.
- x. On a Sub Area by Sub Area basis there is substantial variation. In the Rural Sub Area, 34% of gross completions replaced floorspace that was previously classed as B use. This compares to 12% in Bath City, 11% in Keynsham, and ~0% in Somer Valley.

**Figure A7.7 B for B Completions by Sub Area, 2007–2016**



Source: HJA based on UA data

## Appendix 8: List of Stakeholder Workshop Attendees

Thomas Dugay	Alder King
Emma Smith	Alder King
Paul Hobbs	Avison Young
Duncan Kerr	B&NES Business and Skills
Anna Garner	B&NES Business and Skills
Bea Symington	B&NES Business and Skills
Kaoru Jaques	B&NES Planning
Richard Holden	B&NES Project Delivery
Carolyn Smallwood	B&NES Property
Andrea Frow	B&NES Property
Hayley Ponsford	B&NES Property
Molly Williams	Carter Jonas
Colin Scragg	Carter Jonas
Ian Bell	Chambers of Commerce
Sandy Bell	Chambers of Commerce
Alistair Colston	Colston & Colston
David Halewood	Colston & Colston
Holly Smart	Cushman & Wakefield
Seonaid Butler	Cushman & Wakefield
Derek Walker	Derek Walker
Hugh Warren	Derek Walker
Ian Plain	FSB
Stuart Hardisty	Hardisty Jones Associates
Tatjana Humphries	Invest Bristol and Bath
Matt Tudge	Invest Bristol and Bath
Steve Lane	Jones Lang LaSalle
Sarah Hayes	Jones Lang LaSalle
Philippa Paget	Keynsham Properties
Andy Smith	Knight Frank
Peter Musgrove	Lambert Smith Hampton
Roxine Foster	Lambert Smith Hampton

## Appendix 9: Detailed Sub Area Future Requirements Tables

Figure A9.1 Forecast Combined Office Floorspace and Land Requirements 2016–36, Bath City

Bath City						
	Current			Dynamic		
	Low		High	Low		High
<b>FLOORSPACE (SQ M)</b>						
OE	74,700	-	107,200	72,900	-	105,500
Current Shares	87,800	-	120,300	85,900	-	118,400
Dynamic Shares	92,300	-	124,800	90,400	-	122,900
<b>LAND (HA)</b>						
OE	14.9	-	21.4	14.6	-	21.1
Current Shares	17.6	-	24.1	17.2	-	23.7
Dynamic Shares	18.5	-	25.0	18.1	-	24.6

Figure A9.2 Forecast Combined Office Floorspace and Land Requirements 2016–36, Keynsham

Keynsham						
	Current			Dynamic		
	Low		High	Low		High
<b>FLOORSPACE (SQ M)</b>						
OE	6,600	-	10,200	7,200	-	10,700
Current Shares	8,400	-	12,000	8,900	-	12,500
Dynamic Shares	8,500	-	12,000	9,000	-	12,600
<b>LAND (HA)</b>						
OE	1.3	-	2.0	1.4	-	2.1
Current Shares	1.7	-	2.4	1.8	-	2.5
Dynamic Shares	1.7	-	2.4	1.8	-	2.5

Figure A9.3 Forecast Combined Office Floorspace and Land Requirements 2016–36, Somer Valley

Somer Valley						
	Current			Dynamic		
	Low		High	Low		High
<b>FLOORSPACE (SQ M)</b>						
OE	9,400	-	13,100	9,200	-	12,800
Current Shares	11,900	-	15,600	11,700	-	15,400
Dynamic Shares	13,000	-	16,700	12,800	-	16,500
<b>LAND (HA)</b>						
OE	1.9	-	2.6	1.8	-	2.6
Current Shares	2.4	-	3.1	2.3	-	3.1
Dynamic Shares	2.6	-	3.3	2.6	-	3.3

Figure A9.4 Forecast Combined Office Floorspace and Land Requirements 2016–36, Rural

Rural						
	Current			Dynamic		
	Low		High	Low		High
<b>FLOORSPACE (SQ M)</b>						
OE	9,100	-	11,300	10,500	-	12,800
Current Shares	11,700	-	13,900	13,300	-	15,500
Dynamic Shares	13,100	-	15,300	14,700	-	16,900
<b>LAND (HA)</b>						
OE	1.8	-	2.3	2.1	-	2.6
Current Shares	2.3	-	2.8	2.7	-	3.1
Dynamic Shares	2.6	-	3.1	2.9	-	3.4

Figure A9.5 Forecast Combined Industrial Floorspace and Land Requirements 2016–36, Bath City

Bath City						
	Current			Dynamic		
	Low		High	Low		High
<b>FLOORSPACE (SQ M)</b>						
OE	33,600	-	67,900	33,400	-	67,700
Current Shares	54,200	-	88,500	53,900	-	88,200
Dynamic Shares	46,800	-	81,100	46,800	-	81,200
<b>LAND (HA)</b>						
OE	6.7	-	13.6	6.7	-	13.5
Current Shares	10.8	-	17.7	10.8	-	17.6
Dynamic Shares	9.4	-	16.2	9.4	-	16.2

Figure A9.6 Forecast Combined Industrial Floorspace and Land Requirements 2016–36, Keynsham

Keynsham						
	Current			Dynamic		
	Low		High	Low		High
<b>FLOORSPACE (SQ M)</b>						
OE	17,800	-	34,500	17,800	-	34,500
Current Shares	21,500	-	38,200	21,500	-	38,200
Dynamic Shares	19,500	-	36,200	19,300	-	36,000
<b>LAND (HA)</b>						
OE	3.6	-	6.9	3.6	-	6.9
Current Shares	4.3	-	7.6	4.3	-	7.6
Dynamic Shares	3.9	-	7.2	3.9	-	7.2

Figure A9.7 Forecast Combined Industrial Floorspace and Land Requirements 2016–36, Somer Valley

Somer Valley						
	Current			Dynamic		
	Low		High	Low		High
<b>FLOORSPACE (SQ M)</b>						
OE	44,200	-	90,100	43,400	-	89,400
Current Shares	49,900	-	95,900	49,100	-	95,000
Dynamic Shares	47,500	-	93,500	46,800	-	92,800
<b>LAND (HA)</b>						
OE	8.8	-	18.0	8.7	-	17.9
Current Shares	10.0	-	19.2	9.8	-	19.0
Dynamic Shares	9.5	-	18.7	9.4	-	18.6

Figure A9.8 Forecast Combined Industrial Floorspace and Land Requirements 2016–36, Rural

Rural						
	Current			Dynamic		
	Low		High	Low		High
<b>FLOORSPACE (SQ M)</b>						
OE	22,700	-	41,100	23,700	-	42,100
Current Shares	25,800	-	44,200	26,800	-	45,200
Dynamic Shares	24,200	-	42,600	25,100	-	43,500
<b>LAND (HA)</b>						
OE	4.5	-	8.2	4.7	-	8.4
Current Shares	5.2	-	8.8	5.4	-	9.0
Dynamic Shares	4.8	-	8.5	5.0	-	8.7

## Appendix 10: Site Assessment Proforma

<b>Site Details</b>	
Site Name	
Site Reference	
Sub Area	<i>Bath, Keynsham, Somer Valley or Rural Area</i>
Site Size (ha)	
Address	
Site Description	<i>Brief description of the site</i>
<b>Current Situation</b>	
Current On-Site Uses	
Greenfield or Brownfield	
Current Planning Status	<i>None, existing, allocation, permission, proposed/allocation</i>
Quality Grading	<p><i>5 – designed to modern standard, attractive landscaping and environment, very easy manoeuvring, no obstructions, gateway site, visible from major road network</i></p> <p><i>4 – acceptable design, adequate landscaping and environment, easy manoeuvring, no obstructions, visible site, on a main road or prominent site</i></p> <p><i>3 – acceptable design with some limitations, inadequate landscaping, manoeuvring compromised, obstructions, on a main road or prominent estate but tucked away from view</i></p> <p><i>2 – poor design, old standard with limitations, inadequate landscaping, manoeuvring restricted, obstructions, visible on a minor road or estate</i></p> <p><i>1 – historic design and unacceptable layout, no landscaping and manoeuvring severely restricted, obstructions, on a minor road or estate tucked away from view</i></p>
Access	<p><i>5 – adjoining major trunk road or motorway junction, easy access for all vehicles, access to rail, air or sea</i></p> <p><i>4 – close to major road network, easy access for all vehicles</i></p> <p><i>3- reasonable site access for all vehicles, indirect or restricted access to major road network</i></p> <p><i>2 – restricted access ofr HGVs, restricted access to major road networks</i></p> <p><i>1 – restricted access for all commercial vehicles, severlely limited access to major road networks</i></p>
Local Amenities/Public Transport	<p><i>5 – Close to a wide range of employment related services (e.g. shops, leisure/recreation, pubs/restaurants, banks); close to a station, peak time bus route and cycle route, on a pedestrian route. NB: ‘Close’ = within about 10 minutes walk.</i></p> <p><i>4 – Close to a reasonable range of employment related services; close to a station, peak time bus route and cycle route, on a pedestrian route.</i></p> <p><i>3 – Close to a limited range of basic services; close to either a station, bus route or cycle route, on a pedestrian route.</i></p> <p><i>2 – Near to one or two basic services; not near a station, bus route nor cycle route, not on a pedestrian route.</i></p> <p><i>1 - No services in close proximity; not on a pedestrian route, not near a station, bus route nor cycle route</i></p>

Character of Area and Uses	<p>5 – Well established commercial area; compatibility and uniformity of uses.</p> <p>4 – Established commercial area; mainly compatible and uniformity of uses.</p> <p>3 – Mixed commercial area with residential nearby; mainly compatible uses.</p> <p>2 – Mainly residential with few commercial uses; incompatible uses.</p> <p>1 – Mainly residential with very few commercial uses; nonconforming uses.</p>
Commercial Market	<p>5 – Highly regarded; very good market appeal; attracts and achieves prime values.</p> <p>4 – Well regarded; good market appeal; attracts close to prime values.</p> <p>3 – Displays market appeal; day to day churn; attracts secondary value</p> <p>2 – Occupier resistance; limited market appeal; longer void rates; command below secondary value.</p> <p>1 – Virtually no market appeal; occupiers highly reluctant; longest void periods; tertiary values.</p>
Age and Suitability of Stock	<p>5 – Built 2000 onwards; quality as ‘Grade A’ specification to attract national/corporate occupiers; FRI or close to condition. Industrial - 6.5m plus eaves; adequate loading and parking; Offices – open plan accommodation on single floor plates, air conditioning, excellent car parking ratio and fibre optic connectivity.</p> <p>4 – Mainly built 1990’s onwards; modern specification may attract national occupiers; FRI or 75% condition. Industrial - 6m plus eaves; adequate parking and loading; Office – mainly open plan accommodation, air-conditioning, good car parking ratio and broadband connectivity.</p> <p>3 – Mainly built 1980’s onwards; adequate specification, more suitable to local businesses. Industrial - 5m to eaves upwards; adequate loading and parking. Office - mainly open plan accommodation, air-conditioning, adequate car parking ratio and broadband connectivity</p> <p>2 – Built before 1980; inadequate specification compared to modern units, suitable to local businesses and un-neighbourly uses. Industrial - 5m eaves or below; poor loading and parking; Office – cellular offices, minimal parking and basic fitout.</p> <p>1 – Built before 1980; inadequate specification suitable for refurbishment or redevelopment; only attract smaller, local businesses with un-neighbourly uses.</p>
Policy Fit	
<b>Opportunity</b>	
Suitable Uses	Office, industrial, logistics, mixed
Scale of Opportunity	Estimate of land area for development or regeneration/intensification.
Likely Constraints	E.g. Access, flooding, ownership, services/other infrastructure, viability with very brief commentary
Timing	Less than 5 years, 5-10 years, 10 years + (should we just have 5 yrs +?)
Recommendation	<p>Allocate</p> <p>Retain and protect</p> <p>Consider for release</p>

## Appendix 11: Commercial Market Review

### Office

B&NES Offices market is centred around Bath City Centre with the vast majority of supply and demand being within the City Centre area.

Bath has a long standing issue surrounding availability of suitable office accommodation for conversion to residential, under Permitted Development Rights (PDR) which has taken circa 20% out of the City centre market. However, Bath's longer term supply has been helped by developments which are moving forward, most notably, South Quay's, Newark Works and longer term Bankside, which will together provide over 200,000 sq ft of Grade A space to the market.

Further afield demand is centred around smaller and local companies. Successes such as Bath Business Park in Peasedown St John and The Crescent on the outskirts of Bath have taken the demand for edge of Bath occupiers and show little demand for growth.

Areas like Somer Valley and the more rural areas have limited demand from office occupiers apart from very small cottage industries or one/two main companies. This lack of demand is centred around lack of connectivity and there are limited growth opportunities in these areas.

Whitchurch continues to have limited demand and supply, this may change as companies are priced out of Bristol/Bath although the lack of access to a motorway and public transport will make this very long term and difficult.

Keynsham does provide an area for growth with the recent successes at the Chocolate Factory showing that for the right produce Keynsham can attract occupiers from Bath, Bristol and further north. However, again a lack of access to the motorway network does limit the area to regional/local companies.

### Industrial

For quite some time, the Bath industrial market has suffered from an acute lack of availability across all size ranges. At present there are less than fifteen units currently on the market in Bath and North East Somerset, all of which secondhand and nearly all less than 5,000 sq ft. The area noticeably lacks the larger regional distribution market seen in neighbouring cities of Bristol and Swindon this is largely due to its lack of connectivity to the motorway network.

Demand continues to outpace supply, rents have surged by as much as 50% in the last five years, with rents for units under 2,000 sq ft reaching circa £10 psf, this is likely to put a significant amount of strain on their financial stability. By comparison, in a market where there is a healthy amount of industrial space available, rental increases by this extent are much more uncommon and more crucially, there would be opportunities for those companies to contract or expand.

Additionally an increasing amount of industrial space is being lost to higher value uses, in particularly purpose built student accommodation (PBSA) or residential accommodation though PDRs, which is naturally fuelling rents. With rents at record highs and demand showing no signs of slowing, the market conditions are ripe for new industrial development but the constrained land supply and industrial allocations in and around Bath, currently bear few opportunities for such.

## Appendix 12: Site Assessments

See separate volume

## Appendix 13: Historic and Future Sectoral Employment Scenarios Report (December 2019)

See separate volume

## Appendix 14: Employment Land Requirement Data Tables Based on December 2019 Mid Level Scenario

This appendix provides data tables equivalent to those set out in Chapter 4 of the main report. However, they are based on the mid level employment growth scenario set out in the *Historic and Future Sectoral Employment Scenarios (December 2019)* report. This identified potential for employment growth of 12,500 over the period 2018-38 across B&NES.

**Figure A14.1 Forecast Employment by Use Class Change 2018-38, B&NES Total**

	B1a/b	B1c/B2	B8	Total
Alternative Mid Level Scenario	7,450	-950	-250	6,250

Source: HJA. All figures rounded to the nearest 50.

**Figure A14.2 Forecast FTE Employment by Use Class Change 2018-38, B&NES Total**

	B1a/b	B1c/B2	B8	Total
Alternative Mid Level Scenario	6,350	-800	-200	5,350

Source: HJA. All figures rounded to the nearest 50.

**Figure A14.3 Forecast Net Additional Office Floorspace Requirements (Change) 2018-38 (sqm)**

	B&NES	Bath City	Keynsham	Somer Valley	Rural Area
<b>Alternative Mid Level Scenario</b>					
Current Shares	88,900	63,500	4,900	9,500	12,200
Dynamic Shares	88,900	57,600	5,700	11,000	14,600

Source: HJA. All figures rounded to the nearest 100.

**Figure A14.4 Forecast Net Additional Industrial Floorspace Requirements (Change) 2018-38 (sqm)**

	B&NES	Bath City	Keynsham	Somer Valley	Rural Area
<b>Alternative Mid Level Scenario</b>					
Current Shares	-48,600	-24,200	-2,800	-17,500	-4,100
Dynamic Shares	-48,600	-24,700	-3,900	-18,300	-1,800

Source: HJA. All figures rounded to the nearest 100.

**Figure A14.5 Forecast Office Replacement Requirements (Change) 2018-38 (sqm)**

	B&NES	Bath City	Keynsham	Somer Valley	Rural Area
Low (1%)	42,000	32,500	3,600	3,700	2,200
High (2%)	84,000	65,000	7,200	7,300	4,500

Source: HJA based on VOA data. All figures rounded to the nearest 100.

**Figure A14.6 Forecast Industrial Replacement Requirements (Change) 2018-38 (sqm)**

	B&NES	Bath City	Keynsham	Somer Valley	Rural Area
Low (1%)	115,400	34,300	16,700	46,000	18,400
High (2%)	230,800	68,600	33,400	91,900	36,800

Source: HJA based on VOA data. All figures rounded to the nearest 100.

**Figure A14.7 Forecast Combined Office Floorspace and Land Requirements 2018–38, B&NES Total**

B&NES	Floorspace (sq m)		Land (Ha)	
Alternative Mid Level Scenario	131,000	- 173,000	26.2	- 34.6

Source: HJA based on Oxford Economics data. Floorspace figures rounded to the nearest 100.

**Figure A14.8 – Forecast Combined Industrial Floorspace and Land Requirements 2018–38, B&NES Total**

B&NES	Floorspace (sq m)		Land (Ha)	
Alternative Mid Level Scenario	67,000	- 182,000	13.4	- 36.4

Source: HJA. Floorspace figures rounded to the nearest 100.

**Figure A14.9 Forecast Total Requirements 2018-38 (sqm)**

	Office	Industrial
Estimated Requirement	131,000 – 173,000sqm	67,000 – 182,000sqm
Historic Completions Comparator (HCC)	48,000sqm	28,000sqm
HCC as % of Estimated Requirement	28 – 37%	15 – 42%

Source: HJA Analysis

**Figure A14.10 Summary of Future Requirements (sqm)**

Sub Area	Office	Industrial & Warehousing
<b>Bath City</b>		
Estimated requirement	96,000	10,000 – 44,500
Historic Completions Comparator	27,000	2,000
<b>Keynsham</b>		
Estimated requirement	8,500	14,000 – 30,500
Historic Completions Comparator	11,000	2,000
<b>Somer Valley</b>		
Estimated requirement	13,000	28,500 – 74,500
Historic Completions Comparator	9,000	19,000
<b>Rural Area</b>		
Estimated requirement	13,000	14,500 – 32,500
Historic Completions Comparator	1,000	4,000
<b>B&amp;NES</b>		
Estimated requirement	131,000	67,000 – 182,000
Historic Completions Comparator	48,000	28,000

Source: B&NES Council/HJA, rounded to nearest 500.

This analysis indicates an increased requirement for office floorspace as a result of higher levels of office based employment growth. Industrial and warehousing requirements are reduced in comparison to the analysis set out at Chapter 4 as a result of negative employment expectations for both manufacturing and distribution activities within B&NES. Both office and industrial requirements are substantially greater than the historic completions comparator.