AGENDA ITEM 7

West of England Partnership
Planning, Housing and Communities Board
18th March

Requirements for industrial land in the wider Bristol area

Purpose

1. To assess the scale and distribution of the requirement for industrial land in the wider Bristol area

2. To assess the current supply of industrial development land in the wider Bristol area and its potential to meet requirements; and,

3. To identify shortfalls in the current supply of industrial development land in the wider Bristol area arising over the period ahead to 2026.

BACKGROUND

4. There are only a few industrial development sites available in the wider Bristol area beyond Avonmouth and Severnside. At Avonmouth and especially Severnside, sites are allocated for industrial development. However, development prospects are constrained by flood risk, environmental designations and perhaps, transport.

5. Emerging Core Strategies give considerable weight to safeguarding existing allocated employment sites. Opportunities for enhancing the role of several existing employment areas in meeting future development requirements are highlighted. However, only a small amount of new land for industrial uses is proposed.

6. As part of the Single Conversation with the development industry, property agents have expressed strong concerns about the future availability of land for industrial uses in the Bristol area.

SYNOPSIS

7. The following report reviews recent trends in industrial completions in the wider Bristol area. The implications of these trends for requirements for new industrial sites are set out and compared with the potential supply of sites represented by existing allocations and Draft Core Strategy proposals. A shortfall of at least 60ha is identified as potentially arising by 2026.

Requirements for industrial development land

8. Draft RSS proposes that some 352ha of land for employment development should be provided in the wider Bristol area for the period between 2006 and 2026.

9. This provision appears modest when compared with past development trends- at least 480ha of new industrial development was undertaken in the wider Bristol area between 1989 and 2009. About 85% of this development was accounted for by

Avonmouth, Severnside, Royal Portbury and other, mainly greenfield locations close to the motorways of North Bristol.

10. The paragraphs below provide further details about these trends and suggest that a significant amount of new industrial land is needed beyond existing allocations and proposals, perhaps in excess of 60ha over the period ahead to 2026.

Avonmouth, Severnside and Royal Portbury

11. Some 280ha of industrial development was undertaken between 1989 and 2009 at Avonmouth, Severnside and Royal Portbury. This represents about 60% of the total arising across the wider Bristol area over these years. It is accounted for mainly by large-scale developments associated with the port, distribution, energy and to a lesser extent, manufacturing industries. These developments have been attracted by a combination of the availability of large level industrial sites, good access to motorways, port and rail facilities, and suitability for 'bad neighbour' developments.

12. The demand for industrial sites at Avonmouth and Severnside has accelerated over recent years. Since 2001, industrial development completions in the area have averaged some 18ha per annum.
This high pace of development is likely to be sustained at least for some years. Several large retailers are reported to be considering development options at Avonmouth and Severnside for establishing large regional distribution centres, similar to the recent Tesco Distribution Centre at Severnside (25ha) and coming forward for Asda (17ha) at Avonmouth.

13. Pressures for energy generating plant and waste management facilities, partly in response to national and European government directives, are also likely to lead to further substantial development at Avonmouth and Severnside.

14. The recent Airbus investment at Severnside illustrates the potential for manufacturing development with the scale likely to be much influenced by the availability of alternative development opportunities elsewhere in the wider area.

15. Further pressures for port related development are anticipated with the scale dependent on the success of the port in securing more trade and in particular, securing new port facilities at Avonmouth.

16. It is not possible to be precise about the potential scale of the future requirement for further industrial development at Avonmouth and Severnside. The evidence provided by recent completions and levels of development interest however, indicates that it is very likely to be considerable.

Remainder of the wider Bristol area

17. Over 200ha of new industrial development was undertaken in the wider Bristol area between 1989 and 2009 comprising some 120 ha on 'new', mainly Greenfield sites and more than 80ha through the re-development of existing sites.

18. The industrial development completed on new industrial sites comprised the following:

- some 85ha within South Gloucestershire accounted for by warehousing and to a lesser extent, general and light industrial development including provision for high tech businesses;[1]

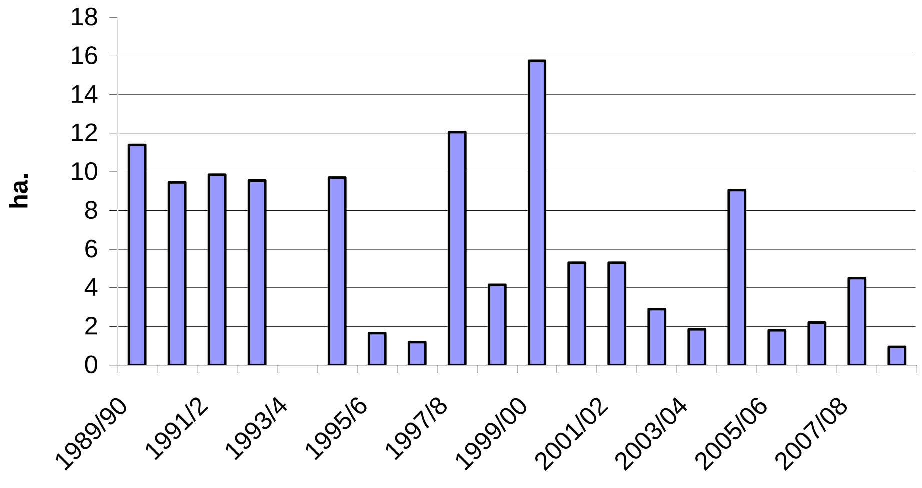
- some 21ha in the Clevedon and Portishead areas, again at locations close to the motorway and accounted for mainly by small and medium sized general industrial and warehousing with the Clevedon area accounting for about 11ha, mainly at the Kenn 5/20 Business Park; and,

- some 14ha within Bristol with the redevelopment of existing industrial sites accounting for a further 40ha; small and medium scale industrial units account for much of this development.

19. These trends in requirements for new industrial development sites are likely to continue in broad terms over the future. They reflect changes in the sectoral make-up of the industrial economy, in particular the growth of distribution related businesses, and the automation of industrial processes. These changes are leading in turn to a general need for larger sites that provide good access by large HGVs to the strategic road network, unconstrained by proximity to residential areas.

20. Pressures for residential development within urban areas and the high values underlying such development are also boosting requirements for new industrial sites. As a result, many traditional urban industrial sites are being lost, further encouraging a shift of industrial development to new, less constrained locations on the urban edge.

Industrial development on 'new sites' in the wider Bristol area (excluding Avonmouth, Severnside and Royal Portbury)
Annual completions 1989-2009



Source: UA Employment land availability surveys.

[1] Key developments include Emerald Park at Emersons Green, the Aztec West and Almondsbury business parks that include a substantial amount of manufacturing and 'r & d', the North Bristol Distribution Park, Hewlett Packard at Wallscourt Farm, and the Post Office Sorting Centre at Filton.

21. It is considered therefore that past trends in new industrial development completions, as described above, provide a realistic guide to trends arising over the future. It is assumed therefore that between 2006 and 2026:
    - new industrial development at Avonmouth and Severnside could account for between 200 and 250ha; and that,
    - industrial development on ‘new sites’ in the wider Bristol area will account for some 120ha.

Opportunities to meet requirements for new industrial development

Avonmouth, Severnside and Royal Portbury

22. About 87ha are available for development for industrial uses at Avonmouth. About 50ha or nearly 60% of this land is already the subject of firm development proposals leaving only about 37ha still available and not the subject of firm development proposals. The recent pace of development at Avonmouth could lead to the take-up of this land over the next few years.

23. At Severnside, in excess of 300ha covered by the ICI permission remain undeveloped. Only a small part of this area is currently being marketed.

24. All parts of the area are exposed to significant flood risk. Further development therefore, will need to address this risk, as well as environmental designations and the potential need for major transport investment in the medium or longer term. The full resolution of these constraints is likely to require major public investment and the agreement of a development strategy for the area.

The wider Bristol area beyond Avonmouth, Severnside and Royal Portbury

25. Only a few new sites are currently identified or proposed for industrial development in the wider Bristol area. They include:
    - Bristol- 2.6ha at Hengrove Park and 10ha proposed at Novers Hill (Draft Core Strategy);
    - North Somerset- 35ha allocated for employment uses at Clevedon, Kenn and Portishead; assume 5ha developed for industrial uses;
    - Filton Northfield - 14ha of employment land are allocated; assume 7ha developed for industrial uses;
    - Emersons Green Science Park- 25ha allocated for science based businesses and support facilities; assume 10ha for industrial uses;
    - Emersons Green East- 20ha with potential to support science park extension; assume 10ha for industrial use;
    - Yate- 9ha proposed at North Yate (Draft Core Strategy); assume 4.5ha for industrial uses.

26. These sites together with several smaller ‘new’ sites identified for industrial development may provide about 52ha for industrial development.

CONCLUSIONS-

Requirements for additional, new industrial sites in the wider Bristol area (excluding Avonmouth, Severnside and Royal Portbury)

27. Based on recent trends, it is assumed that the requirement for new sites for industrial development arising between 2006 and 2026 will approximate to 120ha. Currently identified and proposed ‘new’ sites, together with completions between 2006 and 2009 (8ha), represent the potential to support 60ha of industrial development. These assumptions suggest therefore, the potential for a shortfall of 60ha of new industrial land to arise by 2026.

28. Raising the contribution of existing industrial areas to meeting future development requirements could reduce the need for development on new, probably greenfield sites. Past trends in industrial completions, as well as showing the take-up of about 120ha of new industrial land between 1989 and 2009, also show the take-up of more than 80ha arising from the redevelopment of existing sites.

29. Prospects for securing 80ha or more of new industrial development through the redevelopment of existing sites are uncertain. Currently identified industrial redevelopment sites are small scale, apart from the former Rolls Royce East Works site where recently 10ha were proposed for new industrial development.

30. Draft Core Strategies give support to reinforcing and enhancing the role of several existing outworn industrial estates where vacancy levels are high. This priority should raise the contribution of some existing industrial areas to meeting future industrial development requirements. It may reduce the contribution required of new Greenfield sites to meeting future industrial development requirements.

31. In reality, prospects for delivering significantly higher levels of industrial activity in existing industrial areas and thereby reducing the need for new industrial sites are constrained by a range of factors. These include the following:
    - the locational preferences of new industrial development as described above, in particular the requirement generally for larger sites and good HGV access to the strategic road network as a result of the changing sectoral structure of the industrial economy;
    - the potential displacement of existing traditional industrial activities and jobs currently benefiting local communities by the redevelopment of existing industrial areas ; and,
    - the potential to secure higher levels of new industrial development in future compared with recent years.

32. Levels of industrial completions have been tailing-off over recent years (see diagram below para.17) Shortages of attractive development sites across the area will have contributed significantly to this tailing-off in demand. Easing supply constraints therefore, is likely to lead to additional industrial development.

33. Greater concern about flood risk and a more limited supply of land coming forward at Avonmouth and Severnside could lead to the same outcome by encouraging a higher proportion of industrial requirements to look elsewhere in the wider Bristol area.

34. Recognition also needs to be given to the wide range of uses outside the industrial use categories frequently accommodated on industrial sites. These include transport depots, builders-yards, car showrooms as well as a range of ancillary uses. An additional allowance therefore, needs to be made for such uses in considering future industrial land requirements.

35. For the all the reasons listed above, the estimate of a potential shortfall of 60ha in the supply of new industrial sites in the wider Bristol area beyond Avonmouth and Severnside could be seen as representing a conservative estimate.

RECOMMENDATION

36. Members are invited to consider the report and offer views.

Author: **Tim Lansley, West of England Partnership**
Tel: 0117 9036866
Email: Tim.lansley@westofengland.org