HARDISTY • JONES

Bath & North East Somerset Future Economic Needs Assessment Update

Addendum

Bath & North East Somerset Council

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1 Introduction

1.1 Hardisty Jones has been instructed by Bath & North East Somerset (B&NES) Council to provide an addendum to the *Bath and North East Somerset Future Economic Needs Assessment Update*, published in May 2025. This was itself an update to the *Bath and North East Somerset Future Economic Needs Assessment* (FENA).

1.2 The 2025 FENA Update – following from the 2024 FENA before it – considered the future requirement for employment sites and premises based on a balanced labour market, such that B&NES could accommodate enough jobs to meet the needs of its resident workforce without altering existing commuting patterns in-to and out-from B&NES[1].

1.3 The 2025 Update was prepared primarily in response to the substantial change in the level of housing provision required under the updated standard method for assessing housing need. In turn, the change in the estimated housing need directly led to an increase in the estimated resident population, which in turn led to a higher resident workforce estimate.

1.4 The update therefore considered the potential workforce implications of higher housing provision in B&NES, and the resulting implications of this for employment land provision within the Emerging Local Plan.

1.5 During preparations for the Emerging Local Plan, the level of housing provision has been reduced compared to that which informed the 2025 FENA Update. Therefore, this addendum considers the potential workforce implications of the level of housing provision being proposed within the Emerging Local Plan, and the implications of this for employment land provision.

1.6 This report should be considered an addendum to the May 2025 FENA Update. The same methodology has been applied here as for the 2024 FENA and the May 2025 FENA Update, with underlying assumptions remaining unchanged (with the exception of population projections prepared via the Local Housing Needs Assessment (LHNA) – see further detail below).

1.7 Results are provided for the Emerging Local Plan period (2025–2043).

[1] Whilst commuting choices cannot be controlled, insufficient provision for employment growth will create the conditions for higher levels of out commuting as residents look for employment outside the authority boundaries. Equally, over provision of employment space could create the potential for increased levels of in commuting from other areas. If provision is substantially misaligned this could have impacts on neighbouring authority areas, either through drawing workforce away from other areas towards B&NES, or creating an abundance of workers flowing into neighbouring areas that may not be provided for adequately through other Local Plans

Alignment with the LHNA

1.8 The most substantial change in underlying assumptions within the FENA workstream relates to population projections prepared via the LHNA, which have been utilised as an input throughout the FENA preparation.

1.9 The scenario under which population growth has been assessed within the LHNA has changed during this stage of evidence preparation.

1.10 The 2025 FENA Update was prepared using a LHNA scenario which assumed 100% new household formation from within the existing household population (referred to as 'Scenario B' within the LHNA workstream).

1.11 This Addendum has been prepared in parallel with an update to the LHNA, which adapts the previous approach to population projections to consider a scenario that assumes 50% new household formation from within the existing household population. The latest LHNA analysis therefore sits between the two scenarios presented in previous iterations of the LHNA workstream i.e. Scenario A which assumes 0% new household formation from within the existing household population, and Scenario B which assumes 100% household formation.

2 Aligning Jobs and Homes

2.1 This chapter considers the workforce implications arising from the change to the number of homes to be planned for in B&NES within the Emerging Local Plan. Analysis sets out the number of jobs required to produce a balanced labour market. This is referred to as the Labour Market Balance (LMB) scenario.

2.2 Analysis to establish the demographic implications of the B&NES housing need figures has been undertaken by ORS. This provides an estimate of the economically active population in B&NES during the Emerging Local Plan period.

2.3 The assumptions underpinning the LMB scenario presented in the 2024 FENA have been applied to the population estimate. These include adjustments for changing economic activity rates, unemployment, double jobbing, and commuting.

2.4 This analysis generates an estimate of approximately 22,000 additional jobs required within B&NES to balance with the labour market implications of delivering an average of 1,222 homes per annum over the 18-year Emerging Local Plan period[2].

2.5 Table 2.1 sets out the jobs requirement assessed within this analysis, compared to historic performance and the labour market scenarios reported in the 2024 FENA and the 2025 FENA Update.

Table 2.1: Comparison of 2026 Addendum LMB scenario with previous results

Scenario	2025-2043
Historic change projection (ONS 20 year trend)[3]	14,000–22,000
Historic change projection (ONS 10 year trend)[4]	10,000–27,000
2024 FENA - Oxford Economics (OE)	13,000
2024 FENA – Cambridge Econometrics (CE)	13,000
2024 FENA – LMB	13,000
2025 Update – LMB	25,000
2026 Addendum – LMB	**22,000**

[2] This is an average figure as a stepped housing requirement will be taken forward.
[3] 20-year projection based on 20-year historic change measured between 2000/03–2020/23. Multiple years were selected to account for variability in official data. Source: ONS Total Jobs (Jobs Density).
[4] 20-year projection based on 10-year historic change measured between 2010/03–2020/23. Multiple years were selected to account for variability in official data. Source: ONS Total Jobs (Jobs Density).

3 Illustrative Employment Scenarios

3.1 This chapter considers potential scenarios for how the B&NES economy could change to meet the level of employment growth required to deliver labour market balance based on the results set out in Table 2.1 above.

3.2 The approach remains unchanged from that set out in Chapter 3 of the 2025 FENA Update. The illustrative growth scenarios, achieved by manual adjustment of the original baseline economic forecasts, are set out in Table 3.1 below. For comparison, these results can be viewed alongside the results set out in Table 3.1 of the 2025 FENA Update. Illustrative sub area scenario inputs are set out in Appendix 1, which should be treated as indicative.

Table 3.1: Illustrative employment scenarios (2026 Addendum LMB Scenario) – sectoral change (2025–2043), B&NES

Sector	OE based	CE based
Primary industries (agri., forestry, mining etc)	-	-
Manufacturing	(550)	-
Utilities	-	150
Construction	3,000	3,000
Motor trade	150	100
Wholesale trade	200	150
Retail Trade	750	800
Transportation and storage	(500)	50
Accommodation and food services	1,700	4,000
Information and communication	500	1,500
Financial and insurance activities	150	-
Real estate activities	450	250
Professional, scientific and technical activities	4,000	3,000
Administrative and support service activities	2,500	2,050
Public administration and defence	-	-
Education	1,500	1,500
Human health and social work activities	6,000	4,000
Arts, entertainment and recreation	1,500	1,250
Other service activities	650	200
TOTAL	**22,000**	**22,000**

4 Employment Sites and Premises Requirements

4.1 This chapter considers the employment sites and premises requirements associated with the illustrative employment scenarios set out in Table 3.1 above.

4.2 The revised illustrative employment scenarios have been used as an input to the same sites and premises analysis presented within the 2024 FENA and the 2025 FENA Update. As such, the methodology remains consistent, providing comparability with previously reported estimates.

4.3 The updated employment sites and premises requirements based on the latest housing provision within Emerging Local Plan are set out in Table 4.1 below. For comparison, these results can be viewed alongside the results set out in Table 4.6 of the 2025 FENA Update.

4.4 These results suggest an overall requirement during the Emerging Local Plan period of:

- **Offices**: 94,000–96,000 sq m
- **Industrial**: 15.7–18.5 ha
- **Warehousing and logistics**: 14.6 ha

Table 4.1: B&NES employment sites and premises requirements – 2026 Addendum LMB Scenario (2025–2043)

Years	Unit	Offices OE-based	Offices CE-based	Industrial OE-based	Industrial CE-based	W&L OE-based	W&L CE-based
2025–2030	sq m	**32,000**	**27,000**	18,000	20,000	23,000	21,000
	ha	3.9	3.3	**4.4**	**5.1**	**4.6**	**4.3**
2030–2035	sq m	**26,000**	**26,000**	17,000	21,000	20,000	21,000
	ha	3.2	3.2	**4.3**	**5.1**	**3.9**	**4.2**
2035–2040	sq m	**25,000**	**26,000**	18,000	21,000	20,000	20,000
	ha	3.2	3.3	**4.4**	**5.1**	**3.9**	**3.9**
2040–2043	sq m	**14,000**	**16,000**	11,000	12,000	10,000	11,000
	ha	1.7	2.0	**2.6**	**3.1**	**2.1**	**2.2**
2025–2043	**sq m**	**96,000**	**94,000**	63,000	74,000	73,000	73,000
	ha	**12.0**	**11.8**	**15.7**	**18.5**	**14.6**	**14.6**

Note 1: some figures may not sum due to rounding

Note 2: For offices, requirements are best reported in terms of floorspace for planning purposes, as varying development densities generated by different types of office developments can create large ranges.

4.5 As per paragraph 3.32 of the 2024 FENA, employment forecasts for B&NES have been disaggregated across the four sub-areas on a sector-by-sector basis. This has been done using the average share of employment in each sector (over the period 2015 to 2021) as a fixed assumption to allocate employment forecasts to each sub-area. These results have been analysed as per the B&NES results to assess sites and premises requirements for each sub-area.

4.6 The updated employment sites and premises requirements for each of the sub-areas considered within the 2024 FENA and 2025 FENA Update are provided in Table 4.2 below. For comparison, these results can be viewed alongside the results set out in Table 4.7 of the 2025 FENA Update.

Table 4.2: Sub-area employment sites and premises requirements – 2026 Addendum LMB Scenario (2025–2043), sub areas

	Bath OE-based	Bath CE-based	Keyn. OE-based	Keyn. OE-based	Somer OE-based	Somer CE-based	Rural OE-based	Rural CE-based
Offices								
Net Floorspace Requirement (sq m)	70,000	69,000	12,000	11,000	6,000	6,000	9,000	8,000
Land requirement (ha, indicative)	8.7	8.6	1.5	1.4	0.8	0.7	1.1	1.0
Industrial								
Net Floorspace Requirement (sq m)	12,000	17,000	7,000	8,000	11,000	15,000	32,000	34,000
Land requirement (ha)	3.1	4.2	1.8	2.0	2.8	3.9	8.0	8.4
Warehousing & Logistics								
Net Floorspace Requirement (sq m)	23,000	24,000	16,000	16,000	15,000	15,000	19,000	18,000
Land requirement (ha)	4.6	4.7	3.3	3.3	3.0	2.9	3.8	3.7

Note: Bath = Bath City, Keyn. = Keynsham, Somer = Somer Valley, Rural = Rural Areas.

Note: some figures may not sum due to rounding.

5 Conclusions

5.1 This report provides an addendum to the 2025 FENA Update following a reduction to the planned housing provision within the Emerging Local Plan.

5.2 Based on the latest housing provision target, to maintain a balanced labour market within B&NES there will be a need for an estimated 22,000 additional jobs to be created over the period 2025–2043. Approximately 14,000 of these jobs are estimated to be located in the Bath sub area, with the remainder evenly spread across the other three sub areas.

5.3 This level of growth, over an 18-year period, is comparable to the upper estimate of historic growth based on a 20-year trend analysis, and falls within the estimate of historic growth based on a 10-year trend analysis (see Table 2.1 for further information). It remains a substantial uplift to the level of jobs growth indicated by baseline economic forecasts from both OE and CE. However, the level of growth assessed is slightly lower than the LMB Scenario developed for the 2025 FENA Update, which was based on housing provision at the level of the standard method for assessing housing need.

5.4 On a comparable basis with the 2025 FENA Update, this addendum indicates a requirement for around 6,000–13,000 less office floorspace, and around 2 ha less industrial and warehousing/logistics land (over the entire period 2025–2043).

5.5 The Bath City sub area has seen the largest reduction in requirements (driven mainly via reductions to office and industrial requirements). Based on the approach set out at paragraph 4.5, Bath City accounts for 66% of employment in B&NES. As a result, the reductions in the illustrative employment scenarios set out in Table 3.1 (compared to Table 3.1 of the 2025 FENA Update) have a greater effect, proportionately, on Bath City's future employment estimates. The same implication carries through to the assessment of sites and premises requirements.

5.6 The overall reduction in employment sites and premises requirements across B&NES – resulting from a reduction to the level of planned housing provision – should not detract from the key message that the re-assessed levels of requirements remain well above historic delivery (see Table 3.15 in the 2024 FENA). As such, the need to retain existing employment sites, and deliver upgrading of premises wherever possible remains of critical importance (i.e. the detailed case set out in Chapter 8 of the 2024 FENA still applies).

Appendix 1. Illustrative Employment Scenarios (2026 Addendum LMB Scenario) – Sector Change (2025–43), Sub Areas

Sector *Note: figures are indicative*	Bath OE-based	Bath CE-based	Keyn. OE-based	Keyn. OE-based	Somer OE-based	Somer CE-based	Rural OE-based	Rural CE-based
Primary industries (agri., forestry, mining etc)	-	-	-	-	-	-	-	-
Manufacturing	*(220)*	-	*(30)*	-	*(220)*	-	*(70)*	-
Utilities	-	*110*	-	*30*	-	*10*	-	-
Construction	*950*	*950*	*470*	*470*	*700*	*700*	*880*	*880*
Motor trade	*60*	*40*	*20*	*20*	*30*	*20*	*40*	*20*
Wholesale trade	*70*	*50*	*20*	*20*	*50*	*40*	*60*	*50*
Retail Trade	*540*	*580*	*70*	*70*	*90*	*100*	*50*	*50*
Transportation and storage	*(260)*	*30*	*(90)*	*10*	*(90)*	*10*	*(60)*	*10*
Accommodation and food services	*1,200*	*2,900*	*120*	*280*	*110*	*260*	*240*	*560*
Information and communication	*410*	*1,200*	*30*	*100*	*20*	*60*	*40*	*110*
Financial and insurance activities	*130*	-	*10*	-	-	-	-	-
Real estate activities	*350*	*190*	*50*	*30*	*20*	*10*	*30*	*20*
Professional, scientific and technical activities	*2,800*	*2,100*	*430*	*330*	*390*	*290*	*410*	*310*
Administrative and support service activities	*1,300*	*1,000*	*410*	*340*	*430*	*350*	*390*	*320*
Public administration and defence	-	-	-	-	-	-	-	-
Education	*1,000*	*1,000*	*170*	*170*	*190*	*190*	*140*	*140*
Human health and social work activities	*4,600*	*3,000*	*400*	*260*	*700*	*470*	*340*	*230*
Arts, entertainment and recreation	*1,000*	*850*	*140*	*120*	*210*	*180*	*130*	*110*
Other service activities	*470*	*140*	*60*	*20*	*60*	*20*	*60*	*20*
TOTAL	***14,300***	***14,200***	***2,300***	***2,300***	***2,700***	***2,700***	***2,700***	***2,800***

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