



Caerphilly County Borough  
2nd Replacement  
Local Development Plan 2020-2035

## **EB14 Employment Background Evidence Paper**

*October 2022*



Mae'r ddogfen hon ar gael yn Gymraeg, ac mewn  
ieithoedd a fformatau eraill ar gais.

This document is available in Welsh, and in other  
languages and formats on request.

# Introduction

One of the main functions of a Local Development Plan (LDP) is to ensure that there is sufficient land available in the County Borough to provide for all of the services required by current and future residents. This includes the allocation of sufficient land for business purposes, in order to ensure the development of a healthy and diverse local economy.

This Employment Background Paper is one of a number of background documents prepared as part of the evidence base to support the 2nd Replacement Local Development Plan up to 2035 (2RLDP). It will consider the current policy context in respect of economic development, as well as assessing current and historical demographic trends, and will set out a property market assessment within the context of the County Borough's socio-economic profile and identified growth/declining sectors; an audit/assessment of employment sites; and a calculation of future land requirements. On the basis of these considerations, it will offer policy recommendations in respect of the 2RLDP. This document refers to the County Borough in a regional, sub-regional and local context. For the avoidance of doubt, all references to "Caerphilly" relate to the County Borough as a whole, unless otherwise specified.

The 2RLDP will form the local tier of the statutory development plan, against which applications for planning permission must be determined. It must be in general conformity with Future Wales, which forms the national tier, and the Strategic Development Plan (SDP) for South East Wales which will form the regional tier upon its adoption. The 2RLDP must also have regard to national planning policy, particularly Planning Policy Wales and the accompanying technical advice notes, as well as policy, guidance and complementary strategies relating to national, regional and local level land use matters.

## Policy Context

### National Policy Context

#### Planning Policy Wales, Ed. 11 (PPW)

PPW sets out the land-use planning policies of the Welsh Government. National policy should be taken into account in LDP preparation.

Chapter 5 of PPW sets out the Productive and Enterprising Places theme, which seeks to ensure places promote economic, social, environmental and cultural well-being by providing well-connected employment and sustainable economic development.

PPW requires local planning authorities (LPAs) to support the provision of sufficient employment (class B) land to meet the needs of the market at both the strategic and

local level. Development plans should identify employment land requirements, allocate an appropriate mix of sites to meet the needs of new and existing businesses and provide a framework for the protection of existing sites of strategic and local importance. Developments which generate economic prosperity should, in general, be supported.

LPAs should be aware of the needs of their region, as well as their own, and should work together with stakeholders to identify the most appropriate land for development.

LPAs should aim to:

Co-ordinate development with all forms of infrastructure provision such as transport and utilities;

Support national, regional and local economic policies and strategies;

Align jobs and services with housing and sustainable transport infrastructure, to reduce the need for travel, and dependency on the car;

Promote the re-use of previously developed, vacant and underused land;

Deliver physical regeneration and employment opportunities to disadvantaged communities;

Control and manage the release of unwanted employment sites to other uses;

Propose specific locations for locally and strategically important industries which are detrimental to amenity and may be a source of pollution; and

Identify protection zones around land and premises that hold hazardous substances and protect the ability of existing businesses to operate or expand by preventing the incremental development of vulnerable uses in the locality.

Development plans and development management decisions should be based on up-to-date local and sub-regional evidence, which should demonstrate the suitability of the existing employment land supply as well as future provision in relation to the locational and development requirements of businesses.

LPAs should work with each other and with relevant economic fora to prepare employment land reviews (ELRs). These should include assessments of anticipated employment change and land use together with estimates of land provision for employment uses showing the net change in land/floorspace. These calculations should be made for office, industrial and warehouse use separately and should help inform the economic vision for the area.

## Future Wales: The National Plan 2040

Within the context of economic development, Future Wales:

Supports a low-carbon economy and the decarbonisation of industry;

Supports the sustainable location of economic land uses;

Supports the growth of innovation, research and development;

Supports the development of advanced manufacturing;

Recognises the importance of key future sectors such as advanced engineering, renewable technologies, artificial intelligence, transport, automation and digital innovation;

Supports the foundational economy;

Supports infrastructure development including transport, energy and digital communications.

A National Growth Area is established for Cardiff, Newport and the Valleys to serve as the main focus of economic and housing growth, essential services and facilities, advanced manufacturing and transport and digital infrastructure in the South East region. In the Valleys, co-ordinated regeneration and investment are supported to improve well-being, increase prosperity and address social inequality.

Economic growth should positively contribute to building sustainable places through the application of strategic placemaking principles, including: creating a mix of uses; building places at a walkable scale; supporting public transport and integrating green infrastructure.

## Development Plans Manual, Ed. 3

While there is not always a direct correlation between jobs and homes, housing and economic growth need to be considered collectively when assessing growth levels and developing a sustainable strategy, the aim being to achieve a balance thereby reducing the need for out-commuting. The scale of economic growth will be strongly influenced by the available labour force, skills, net migration levels, commuting patterns, housing provision and infrastructure. The regional/sub-regional context should be considered.

A range of demand and supply factors should be taken into account when assessing the unconstrained need, as well as policy considerations that could increase or reduce it. Several of these are taken into account in the ELR process which will strongly influence the economic baseline.

LPAs must have a robust economic evidence base underpinning the LDP. The LDP must contain an economic vision, a broad assessment of expected employment change by sector and land use, include quantitative targets for class B use (land and jobs) as well as allocate and safeguard those sites necessary to deliver the economic vision embedded in the plan.

As well as the economic vision and the policy framework and site allocations that seek to fulfil the employment land requirement, existing class B employment sites should be safeguarded for that purpose where appropriate. LDPs should also include criteria-based policies to control a specific range of alternative uses on employment sites.

## Technical Advice Note 23: Economic Development

A number of high-level planning objectives must be taken into account in relation to economic development:

### Planning and the market

It is essential that the planning system gives weight to the economic benefits associated with new development;

The planning system should aim to provide the land the market requires, unless there are good reasons otherwise;

The planning system should work to correct or mitigate market failure, which can result in market forces undermining environmental or social objectives;

Development should be guided so that it benefits disadvantaged communities, concentrates people-intensive activities in town centres and aligns jobs with housing and infrastructure.

### Planning considerations

LPAs should recognise market signals and have regard to the need to guide development to the most appropriate locations;

Where proposals would have unacceptable environmental impacts, divert demand from town centres or go against agreed spatial strategies, LPAs are encouraged to look for alternative sites;

LPAs should apply the principle of the sequential test (within settlement; edge of settlement; out of settlement) when identifying land for economic development in development plans, though land may be identified in less preferable locations if the benefits outweigh any adverse impacts.

### Larger than local

LPAs are encouraged to work together in regional groups to prepare collective, regional evidence bases for economic development. These should include analyses of regional, commercial and industrial property markets; modelling of future economic scenarios based upon an extrapolation of past trends and consideration of current assets; and focusing on identifying strategic sites of national and regional importance. They should also provide agreed land provision targets for class B uses, showing how development is to be distributed across local authority areas in LDPs.

### Economic vision

The economic vision should be consistent with other aspects of the LDP, such as housing and infrastructure; with other complementary local authority strategies; and also with the economic visions of neighbouring authorities. In developing the vision, LPAs should assess current and future business requirements, considering potential new inward investment opportunities and new start-ups, as well as established firms.

They should search for opportunities to create better and more competitive business locations, responding to business requirements and filling any gaps in supply.

#### Economic scenarios

The LDP requires a broad assessment of anticipated employment change by broad sector and land use. This requires the preparation of possible future economic scenarios developed in a robust manner and containing the flexibility necessary to adjust to changing circumstances. The starting point for these would normally be past trends at a regional level, with adjustments being made to reflect different policy or demographic assumptions.

#### Employment land provision

LDP employment land targets should ensure that the demand for land is met, so that economic growth is not constrained. However, demand for land is footloose and does not have to be met in particular local authority areas. LPAs should work together to steer development to the most sustainable location.

Land provision targets may be higher than anticipated demand, to allow for the chance that assessments are too low and for flexibility. However, persistent oversupply may cause allocated employment sites to remain vacant for long periods, frustrating the development of alternative uses. LPAs should balance these adverse effects against the economic benefit of identifying employment land.

Some areas have large, historical allocations in sustainable locations which are already supported by infrastructure but not in demand for other uses. There may be a reasonable chance of such sites generating economic benefits and it may be advisable to retain them, unless and until they are needed for alternative uses. However, where sites identified for employment have no reasonable prospect of being used/re-used, there is an expectation that they should be deallocated.

#### Existing employment sites

Existing employment sites should only be released for alternative uses if one or more of the following apply:

They have poor prospects of being reoccupied;

The particular market concerning the site is oversupplied;

The existing employment use has unacceptable adverse amenity/environmental impacts;

The proposed use does not compromise neighbouring employment sites that are to be retained;

Other priorities, such as housing need, override more narrowly-focused economic considerations;

Land of equal or better quality is available elsewhere (even if in another local authority area).

## Criteria-based policies

In order to incorporate flexibility or deal with proposals on sites which are not specifically allocated, LDPs should include criteria-based policies outlining how a LPA would respond to unexpected proposals.

## Practice Guidance – Building an Economic Development Evidence Base to Support a Local Development Plan

The practice guidance builds on what is contained within PPW and TAN 23 with regard to the evidence base that is required to support a LDP, particularly in terms of the larger than local (LTL) and ELR processes. The main steps in preparing a LTL evidence base are:

A discussion of relevant national and regional policy, including a summary for each constituent local authority area, and a regional overview setting out common themes and areas of difference;

An overview of the existing, regional property markets, including commentary on the 'health' of each local area and what the future issues are likely to be in terms of demand for, and supply of, land;

Identification of B1, B2 and B8 profiles across the LTL area – comparing the property market reports with the class B profiles can help locate sector-specific demand by identifying mismatches between likely future demand and current supply;

An overview of local authority site inventories and appraisals, providing totals for existing, committed and potential sites by local authority to form a picture of the current situation – the appraisal of existing and proposed strategic sites will be prepared at this level;

Presentation of LTL employment land projections and/or supply and demand forecasts, beginning with LTL totals and then considering how these are distributed. Distribution should have a strong emphasis on flexibility, realism and the ability to meet demand, both in terms of a LPA's ability to find sites, and on the ability and willingness of the market to deliver them;

Recommendations – advice regarding the area's future direction in terms of the provision of employment sites (including strategic sites), where they should be, what markets should be targeted and how such sites can be brought forward. Recommendations should be made for each local authority.

The main steps involved in the preparation of a local evidence base are:

A consideration of the policy context – the national, regional and local policies that a LPA should have regard to, how these influence the whole economy as well as employment land, and a summary of the existing development plan's employment land policies including an assessment of their success; and



The ELR, which includes:

A property market assessment – identifying where demand and opportunities exist for development, where existing employment land is no longer in demand, and establishing property market profiles for offices, industry and warehousing;

An audit of employment sites, involving preparation of a quantitative site inventory, qualitative site appraisals and recommendations on a site-by-site basis;

Future land requirements, as calculated using a method such as past building completions or labour demand forecasting. Whilst these are not the only approaches, they are the most commonly used. LPAs should ensure they justify which model is used, although a dual approach is recommended where sufficient data is available i.e. using forecasting models in conjunction with past completions to allow alternative outcomes to be compared;

Policy options and recommendations – the identification of two or three broad policy options for employment land as a result of combining the demand-supply analysis with the qualitative site appraisals from earlier stages, although the ELR may recommend a definite policy stance rather than alternative options; policy recommendations regarding land provision, site-specific policies in relation to allocated and safeguarded sites and criteria-based policies; and arrangements for monitoring and review.

## Regional Policy Context

### Cardiff Capital Region Future Growth and Migration Assessment (2024)

In order to ensure that LDPs across the Cardiff Capital Region are being developed within a regional context with regard to the promotion and enhancement of its major economic and population centres and the National Growth Area set out in Future Wales, Turley, SQW and Edge Analytics were appointed by the South East Wales Planning Officers Society (SEWPOS) and the South East Wales Strategic Planning Group (SEWSPG) to undertake a regional assessment of future economic growth and migration. This work required an assessment of the following:

How each LPA could contribute towards increasing the number of jobs across the region by 2040;

How the increase in jobs corresponds with projected growth in the population of individual LPAs and the CCR;

The migration assumptions underpinning the proposed level of population/jobs growth;

The potential implications of the spatial distribution of jobs and people on travel patterns;

How the projected growth in population and jobs aligns with Future Wales 2040 and recently adopted or emerging LDP strategies.

The outputs of this study are intended to sit alongside and complement the individual evidence-based studies developed by the component authorities, rather than replace or supersede them. The methodological approach adopted broadly followed those comparable processes used at local authority level to assess growth potential and the relationship between the important drivers of demographic change and job generation, and included the use of baseline econometric forecasts and demographic modelling.

To inform an assessment of the potential for economic growth, the study considered recent historical performance in conjunction with the baseline forecasts. Across the CCR, 4,250 new jobs per annum were created during the 1999-2019 period, somewhat higher than the average baseline forecast of 2,500 per annum up to 2040. However, taking account of evidence of regional and local investments and strategies and historical trend and forecast data at the local level realises a higher potential jobs forecast of 4,727 per annum for the 2022-2040 period.

Consideration of a series of demographic past-trend and employment-led scenarios has identified that a continuation of population growth based on either short or long-term historic trends would support the CCR to achieve a level of job growth suggested by the baseline forecast to 2040. However, a stronger level of population growth would potentially be required to support the higher level of jobs growth identified through the study.

Under the baseline forecast, all LPAs would experience an increase in employment (except Blaenau Gwent) – 66 per annum in Caerphilly's case. However, under the higher level jobs growth scenario, this would increase to 238 per annum, taking into account the ten-year historic trend, regional investment and evidence of investor demand. In spatial terms, the scenario anticipates that the proportionate distribution of jobs will be broadly similar to the present situation. While the CCR is expected to remain a net exporter of labour, existing commuting patterns would, in broad terms, be expected to be sustained, with flows continuing in the direction of Cardiff and Newport.

Policy considerations have not been factored in beyond the identification or targeting of economic investment or evidence of demand. At a local authority level, the higher level of potential job growth identified aligns comparatively closely with the cumulative job growth levels which are referenced within emerging development plans. Modelling undertaken by Edge Analytics similarly suggests that a slightly lower level of population growth than that identified within LDP evidence bases would support the full range of potential jobs growth identified in this study.

## Larger than Local Regional Employment Study (2019)

A LTL study was undertaken in 2019 for the five Gwent LPAs – Blaenau Gwent, Caerphilly, Monmouthshire, Newport and Torfaen – by BE Group, in accordance with the Welsh Government practice guidance. The principal findings in respect of Caerphilly are set out below:

### Local economy

Economic activity levels (75.3%) are slightly below those of Wales (76.7%) and the Cardiff Capital Region (CCR) (77.2%);

Local job supply is outstripped by demand for all occupational groups and in all sectors. This is evident in the level of self-containment – only 48% of Caerphilly residents work within the local authority area which has 54,000 jobs – the second highest number in the sub-region but still insufficient to meet resident demand;

Manufacturing employment (the County Borough's most prominent sector) declined between by 4% between 2012 and 2017. This is forecast to continue, contributing to an overall employment decline of 6% (3,850 jobs) between 2018 and 2040;

In terms of growth sectors, levels of growth for the County Borough are forecast to underperform when compared against Wales and the UK - for example, a 7% increase in professional services in Caerphilly compared to 19% for Wales and 29% for the UK.

### Property profile

Regionally, demand for office space is limited, with the exception of Newport. Market demand elsewhere is locally-based and small scale;

Strong demand for serviced offices, as evidenced by Tredomen Park, and potential for small-scale work hubs within town centres and close to public transport infrastructure;

Demand for industrial premises remained steady during 2017/18, with most demand for 20-50,000 sq ft premises. The limited availability of development-ready sites remains an issue;

Limited logistics development in South Wales in recent years, despite the UK-wide upsurge. The market remains cautious in light of the M4 relief road decision, but there may be potential for the A465 to take advantage of this and market itself as an alternative;

Of the five LPAs, Caerphilly was the subject of the most property transactions during the previous decade, which may be due to any combination of supply and demand factors. While the bulk of transactions across Gwent has been for smaller units, mid-sized industrial/warehouse units are a key market;

According to Valuation Office Agency (VOA) data, while Caerphilly has the largest supply of existing industrial floorspace, it has the highest occupancy rate and is

marketing the second-lowest amount of available space, indicating a high-demand market.

#### Existing employment land

Across the five LPAs, a total of 329.1 ha remain available for class B development, 50 ha of which are in Caerphilly;

Nine sites (220.1 ha) across the LTL sub-region, plus Llanfrechfa Grange in Torfaen, are recommended as strategic sites. These include Oakdale Business Park (the only strategic employment site in Caerphilly).

#### Employment land requirement

For the period 2018-40, a strategic land requirement of 275.4 ha (including a five-year buffer) is recommended for the LTL sub-region, of which Caerphilly's apportionment would be 70.4 ha. This amounts to a land requirement for the plan period (2020-35, again including a buffer) of 52.1 ha.

## Local Policy Context

### Caerphilly Employment Land Review (2021)

BE Group was also commissioned to undertake the ELR, which serves as the most significant part of the evidence base at the local level. This work sought to complement the LTL study, as well as review the previous position set out in the most recently undertaken (2014) ELR. While the LTL predated the Covid-19 pandemic, this work was able to take account of it, in respect of the effect on forecasting and any potential impact that it may have in the future. The main findings are set out below:

#### Local economy

Caerphilly's local economy supported 58,000 jobs in 2019, a 0.87% increase since 2015 due to growth in sectors such as health, and accommodation and food services. The largest sector remains manufacturing with 12,000 jobs (20.7% of total employment – almost twice the figure for Wales as a whole). Between 2015 and 2019, the position has remained stable;

During the same period, there were increases in terms of the number of jobs and businesses in the transportation (250 jobs and 100 businesses) and ICT sectors (300 jobs and 45 businesses), albeit from low bases. While the construction sector saw an increase of 130 businesses, there was no change in the number of jobs;

While the level of benefit claims rose significantly during the Covid-19 pandemic, particularly as a result of the manufacturing and warehousing sectors, the rate of claimant growth in Caerphilly was consistently lower than for the CCR and for Wales as a whole.

## Property profile

Industrial transactions indicate a strong demand for small to mid-sized industrial units (0-500 and 1,001-5,000 sq m). A shortage of industrial premises, notably for smaller units, exists in the County Borough;

Demand for office space in the County Borough is largely dependent on associated industrial operations with a local influence. Very localised demand exists in town centres and service hubs typically catered for by space above shops and serviced schemes. Larger properties can struggle to let, especially in the sensitive, post-Covid economy, with Brexit also having a negative impact in terms of increased operating and trading costs and paperwork.

## Existing employment land

As of autumn 2021, Caerphilly has a realistic supply of 45 ha across nine sites. However, market evidence suggest that a significant proportion of this could be taken up in the early and middle parts of the plan period (42.7% by 2026; 84.9% by 2030), leaving only 6.8 ha for the remainder.

## Employment land requirement

A land requirement of 39.6 ha (including a five-year buffer) is identified for the plan period. In order to meet this, the allocation of those nine sites is recommended, totalling 45 ha;

An assessment of the 36 employment sites protected for class B use in the adopted LDP (policy EM2) has been undertaken. Of these, 35 are recommended for continued protection;

Safeguarded employment sites have been categorised as either 'major', 'secondary', 'key local' or 'neighbourhood' employment sites. It is recommended that major employment sites are restricted to class B uses, while a more flexible approach is desirable elsewhere.

## Employment Land Availability Survey (2020)

The Employment Land Availability Survey (ELAS) is undertaken every two years in order to establish up-to-date information regarding those sites allocated and protected for employment use (policies EM1 and EM2) in the County Borough's adopted LDP. This includes:

Use class and occupancy rates;

Site condition and unit types;

Economic sectors.

The findings of the survey will be referred to more fully later in this report, but the main points include:

Allocated (EM1) sites

Take-up of EM1 land had reached 37.4 ha (out of a total of 101.9) by 2020, 23.6 ha of which were for class B use (since then, a further 1 ha of class B development is nearing completion at Ty Du, Nelson);

Over 70% of floorspace is in class B use, with 3% vacant. 13.8% of units are vacant, though there has been an increase in the total number of units since 2018;

Construction and education are sectors of note in terms of floorspace (47.9% and 21.5% respectively), while other professional and business support services are the predominant sectors in terms of unit numbers, accounting for 28.4% between them.

#### Protected (EM2) sites

Over 70% of floorspace, and over 60% of units, are in class B use. There has been a slight reduction in vacancies since 2018. While the presence of other use classes is negligible in floorspace terms, A1 uses account for almost 5% of units;

Other manufacturing and repair is the only significant sector in terms of floorspace. Several sectors account for at least 5% in terms of floorspace and unit numbers.

## Socio-Economic Position of the County Borough

The socio-economic profile of the County Borough is covered in detail in the ELR, duplication of which here would be unnecessary. Nevertheless, presenting a summary of this position is useful in order to provide context for the assessment of sites and the recommendations regarding land supply and associated policy to be taken forward within the 2RLDP. In addition, this section will supplement the findings of the ELR with those of the 2020 ELAS work, in order to add further detail.

### Demographic Profile

As of 2020, the County Borough's population was just over 181,000 people according to ONS estimates, 62% of which was of working age (16-64), therefore sitting in between the 62.9% for the CCR and the 61.2% for Wales as a whole. Data from the 2021 Census indicates a population of 175,900, 62.6% of which is aged 15-64.

According to the 2019 Welsh Indices for Multiple Deprivation (WIMD), 11 of the County Borough's 110 lower super output areas (LSOAs) were ranked in the top 10% most deprived in Wales. By contrast, 69 (or 63%) were in the less deprived 50%, thereby indicating a significant degree of local variation in terms of deprivation.

### Employment

The following table sets out the number of jobs within Caerphilly by standard industrial classification, as of 2020 (this is an update of the 2019 position included in the ELR):

Sector	Jobs	%	Wales %	GB %
Mining and quarrying	175	0.3	0.2	0.2
Manufacturing	11,000	20.4	11.2	7.9
Electricity, gas, steam and air conditioning supply	20	0.0	0.6	0.5
Water supply; sewerage, waste management and remediation activities	1,500	2.8	1.0	0.7
Construction	3,000	5.6	5.5	4.8
Wholesale and retail trade; repair of motor vehicles and motorcycles	7,000	13.0	13.4	14.9
Transportation and storage	1,750	3.2	3.7	5.1
Accommodation and food service activities	3,000	5.6	8.5	7.2
Information and communication	600	1.1	2.2	4.5
Financial and insurance activities	600	1.1	2.3	3.5
Real estate activities	500	0.9	1.5	1.8
Professional, scientific and technical activities	3,000	5.6	5.5	8.7
Administrative and support service activities	5,000	9.3	7.3	8.8
Public administration and defence; compulsory social security	3,000	5.6	8.1	4.6
Education	5,000	9.3	9.2	9.0
Human health and social work activities	7,000	13.0	15.9	13.6
Arts, entertainment and recreation	900	1.7	2.3	2.2
Other service activities	800	1.5	1.6	1.9
Total	54,000	100	100	100

Table:1 Employment in the County Borough, 2020 (Source: ONS BRES)

Manufacturing is the dominant sector with 11,000 jobs – 20.4% of the total, nearly twice as much as for Wales as a whole. Wholesale & retail trade; and health activities are the only others that account for at least 10% of jobs, and are in line with corresponding Wales and GB figures. While these latter two categories are unlikely to have significant requirements for class B premises, with the exception of wholesale trade that may impact on B8 floorspace, the continued prevalence of manufacturing is likely to have a strong bearing on the need for B1 and B2 premises.

Between 2019 and 2020, there was a net reduction of 3,500 jobs – 58,000 to 54,000 (the 2019 figures include jobs in farm-based agriculture which are excluded from the 2020 data) – affecting sectors such as manufacturing; wholesale & retail trade; and accommodation & food services. This may, therefore, reflect the impact of the Covid-19 pandemic, though it is not possible to say definitively at this stage. However, between 2015 and 2020, the number of jobs has increased by around 500 from 53,350 to 53,845. This has involved changes in the following sectors:

Sector	2015		2020		Change	
	Jobs	%	Jobs	%	Jobs	%
Mining and quarrying	200	0.4	175	0.3	-25	-0.1
Manufacturing	12,000	22.2	11,000	20.4	-1,000	-1.8
Electricity, gas, steam and air conditioning supply	300	0.6	20	0.0	-280	-0.6
Water supply; sewerage, waste management and remediation activities	1,250	2.3	1,500	2.8	250	0.5
Construction	2,250	4.2	3,000	5.6	750	1.4
Accommodation and food service activities	2,500	4.6	3,000	5.6	500	1.0
Information and communication	300	0.6	600	1.1	300	0.5
Financial and insurance activities	700	1.3	600	1.1	-100	-0.2
Real estate activities	300	0.6	500	0.9	200	0.3
Professional, scientific and technical activities	3,500	6.5	3,000	5.6	-500	-0.9
Administrative and support service activities	4,000	7.4	5,000	9.3	1,000	1.9
Public administration and defence; compulsory social security	3,500	6.5	3,000	5.6	-500	-0.9
Arts, entertainment and recreation	1,000	1.9	900	1.7	-100	-0.2

Table:2 Employment change by sector, 2015-2020 (Source: ONS BRES)

While none of these appear hugely significant in percentage terms over a five-year period, reductions in the manufacturing; professional, scientific & technical; and public administration sectors have been most prominent. Conversely, these have been offset by increases in the administrative & support; construction; and accommodation & food sectors, as well as smaller levels of growth in water, sewerage & waste; information & communication; and real estate – albeit from smaller bases in these sectors. Notwithstanding these changes, each of these sectors correspond to some degree with a demand for class B premises – particularly B1 in the case of administration and support; or information and communication for example. However, it is difficult to assess the effect of the Covid-19 pandemic on particular sectors locally at this stage. It is possible that this may



influence the 2021 data (which was not available at the time of writing) or that for subsequent years, but this will be dependent on any long-term alterations to working practices that may be introduced as a result.

## Businesses

The following table sets out the number of business by size for 2021 (again, an update of the data contained within the ELR):

Business Type	Caerphilly	%	Wales	%
Micro (0-9 employees)	3,675	87.9	95,995	89.6
Small (10-49 employees)	400	9.6	9,305	8.7
Medium (50-249 employees)	80	1.9	1,470	1.4
Large (250+)	25	0.6	315	0.3
Total	4,180	100	107,085	100

Table:3 Number of businesses by size, 2021 (Source: ONS)

While the County Borough's position in terms of business size is very similar to that of Wales as a whole, it is slightly under-represented in terms of micro businesses, though these still make up the vast majority of the total. By contrast, it has slightly higher proportions of small, medium and large businesses. Since 2016, the total number of businesses operating within the County Borough has increased by 325 – an 8.4% increase. Wales, by comparison, has experienced a proportionally smaller increase of 7,225 (6.7%).

The following table sets out the number of businesses by standard industrial classification:

Sector	Caerphilly	%	Wales	%
Agriculture, forestry and fishing	125	3.0	13,675	12.8
Mining and quarrying	5	0.1	70	0.1
Manufacturing	335	8.0	6,150	5.7
Electricity, gas, steam and air conditioning supply	5	0.1	210	0.2
Water supply; sewerage, waste management and remediation activities	30	0.7	400	0.4
Construction	670	16.0	13,835	12.9
Wholesale and retail trade; repair of motor vehicles and motorcycles	670	16.0	15,415	14.4
Transportation and storage	320	7.7	5,870	5.5

Sector	Caerphilly	%	Wales	%
Accommodation and food service activities	365	8.7	9,195	8.6
Information and communication	175	4.2	4,485	4.2
Financial and insurance activities	65	1.6	1,785	1.7
Real estate activities	100	2.4	3,050	2.8
Professional, scientific and technical activities	425	10.2	11,720	10.9
Administrative and support service activities	310	7.4	8,075	7.5
Public administration and defence; compulsory social security	15	0.4	545	0.5
Education	65	1.6	1,380	1.3
Human health and social work activities	170	4.1	4,320	4.0
Arts, entertainment and recreation	85	2.0	2,365	2.2
Other service activities	240	5.7	4,545	4.2
Total	4,180	100	107,085	100

Table:4 Number of businesses by standard industrial classification, 2021  
(Source: ONS)

Construction; and wholesale & retail trade are the most prominent sectors in terms of the number of businesses in the County Borough, each accounting for 16% of the total. Only 8% of businesses are in manufacturing, suggesting these firms tend to be larger than average, due to the proportion of the workforce operating within this sector. While the proportion of most categories is similar in the County Borough as for Wales as a whole, Caerphilly's share of those aforementioned sectors is higher, as well as transportation and storage. However, the agriculture, forestry & fishing sector constitutes a much smaller proportion than is the case nationally.

As mentioned above, the number of businesses operating within the County Borough increased by 325 between 2016 and 2021. This has involved changes in the following sectors:

Sector	2016		2021		Change	
	Firms	%	Firms	%	Firms	%
Agriculture, forestry and fishing	135	3.5	125	3.0	-10	-0.5
Electricity, gas, steam and air conditioning supply	0	0.0	5	0.1	5	0.1
Construction	570	14.8	670	16.0	100	1.2

Sector	2016		2021		Change	
	Firms	%	Firms	%	Firms	%
Wholesale and retail trade; repair of motor vehicles and motorcycles	695	18.0	670	16.0	-15	-2.0
Transportation and storage	205	5.3	320	7.7	-115	-2.4
Accommodation and food service activities	325	8.4	365	8.7	40	0.3
Information and communication	145	3.8	175	4.2	30	0.4
Financial and insurance activities	60	1.6	65	1.6	5	0.0
Real estate activities	90	2.3	100	2.4	10	0.1
Professional, scientific and technical activities	475	12.3	425	10.2	-50	-2.1
Administrative and support service activities	265	6.9	310	7.4	45	0.5
Education	45	1.2	65	1.6	20	0.4
Human health and social work activities	165	4.3	170	4.1	5	-0.2
Arts, entertainment and recreation	70	1.8	85	2.0	15	0.2
Other service activities	230	6.0	240	5.7	10	-0.3

Table:5 Business change by sector, 2016-2021 (Source: ONS)

While the above table may appear counter-intuitive, it is important to note that an increase in the number of businesses in a particular sector may not necessarily translate to a proportionate increase, due to a change in the total number of businesses as a whole between 2016 and 2021. Although a number of sectors experienced small increases, construction is notable for an increase of 100. Conversely, there has been a reduction in the number of transportation & storage businesses. Whilst this is intriguing in the context of supply chain issues arising from Brexit and the Covid-19 pandemic, it does not necessarily amount to a reduction in floorspace in terms of this particular sector.

## Employment Sites in the County Borough

Through the ELAS process, sectoral monitoring has been undertaken on the basis of Cambridge Econometrics' economic classifications, which are based on SIC codes. Sectoral information for EM1 sites is presented in the table below (sectors accounting for at least 5% in terms of total floorspace or number of units are shown):

Sector	Occupied Floorspace (sq m)	%	Occupied Units	%
Construction	19,817	47.9	4	4.9

Sector	Occupied Floorspace (sq m)	%	Occupied Units	%
Education	8,899	21.5	2	2.5
Business support services	3,324	8.0	12	14.8
Other professional services	1,082	2.6	11	13.6
Electricity and gas	1,072	2.6	8	9.9
Motor vehicles trade	1,066	2.6	5	6.2

Table:6 Allocated employment sites, economic sectors

Construction; and education are the only sectors of note in terms of floorspace, as was the case in 2018, due to the contribution of IG Doors and Islwyn High School (both at Oakdale) respectively.

In terms of units, other professional; and business support services are the predominant sectors, accounting for 28.4% between them – in 2018, the corresponding figure was 33.4%. There continues to be considerable diversity, with 28 sectors being accommodated to some degree.

Sectoral information is presented for the EM2 sites in the table below (again, sectors accounting for at least 5% in terms of total floorspace or number of units are shown):

Sector	Occupied Floorspace (sq m)	%	Occupied Units	%
Other manufacturing and repair	253,486	22.1	153	11.5
Warehousing and postal	101,144	8.8	69	5.2
Non-metallic internal products	92,368	8.1	42	3.2
Construction	87,272	7.6	106	8.0
Food, drink and tobacco	78,028	6.8	33	2.5
Motor vehicles trade	48,851	4.3	107	8.1
Business support services	24,192	2.1	79	5.9
Retail trade	18,914	1.6	67	5.0

Table:7 Protected employment sites, economic sectors

Other manufacturing & repair is the only significant sector in terms of floorspace with 22.1%, although another four sectors account for over 5%, which mirrors the 2018 position. Three additional sectors each account for at least 5% of the number of units (motor vehicles trade; business support; and retail), bearing out the not insignificant presence of sui generis and class A1 uses highlighted in the previous table. As with the EM1 sites, there is considerable diversity, with 39 sectors being accommodated to some degree.

## Commuting

2019 commuting data appears to have been refined since preparation of the ELR and is presented in the table below. It shows that 68.8% of Caerphilly's workforce (i.e. the total number of people working in the County Borough) was also resident within it. This is fifth out of the ten CCR local authorities, behind Vale of Glamorgan, Bridgend, Blaenau Gwent and Rhondda Cynon Taf.

Local Authority	Out commuters	In commuters	Live and work within	% Workforce resident within
Bridgend	22,700	15,700	43,500	73.5
Vale of Glamorgan	31,600	10,700	30,000	73.7
Cardiff	31,700	98,600	161,700	62.1
Rhondda Cynon Taf	49,900	18,600	53,200	74.1
Caerphilly	40,600	18,200	40,200	68.8
Blaenau Gwent	16,700	4,900	13,300	73.1
Torfaen	19,500	14,100	21,300	60.2
Monmouthshire	17,700	18,900	26,700	58.6
Newport	27,900	35,300	42,800	54.8
Merthyr Tydfil	11,800	10,600	14,600	57.9

Table:8 Commuting levels, 2019 (Source: Welsh Government)

However, this figure does not, by itself, highlight the level of out-commuting, relative to the level of in-commuting. From the data in the table above, it can be seen that only Cardiff and Monmouthshire are, on the basis of 2019 data, net importers of labour. Despite performing relatively well in terms of labour retention, Caerphilly has the second highest level of out-commuting in the region in absolute terms behind Rhondda Cynon Taf, the main destinations being Cardiff (15,400) and Newport (8,600).

## Property Market in the County Borough

The situation regarding the commercial property market within the County Borough has been set out in both the ELR and, from a sub-regional perspective, within the LTL study. This section will supplement the findings of these exercises with those of the 2020 ELAS work.

## National Trends

Despite the Covid-19 pandemic having negative trends on several economic sectors, the industrial and logistics property markets continued to experience high levels of demand. Research by commercial agents suggests UK take-up was over 20% higher in 2020 than the typical five-year average. While take-up in Wales was 26% below average, this is considered to be due to low availability of good quality stock. In 2021, data showed Welsh take-up to be 160% above the corresponding period in 2020. Locally, most agents report unprecedented levels of enquiries and demand, especially for small industrial units across the region and no indication of contraction.

Anecdotally, Welsh Government has identified the following trends with respect to inward investment enquiries:

Requests are regularly received for manufacturing floorspace, particularly for units of 10,000 sqm, in sectors including modular construction and next-generation automotive;

Enquiries regarding 7,500-20,000 premises with above average power capability and good proximity to existing networks (for datacentre use);

Enquiries regarding all facets of the life-science sector, requiring hybrid premises of 1,000 sqm.

## Local Property Market

### Transactions

Since 2011, 407 transactions involving industrial premises were conducted in Caerphilly, involving 595,728 sqm. Small premises of 201-500 sqm represented the highest number, accounting for just over a quarter of the total. This averaged 40 transactions per year over the period 2011-2020 with a peak of 70 in 2012. While transactions had slowed in 2020 (26) and 2021 (six at the time of completion of the ELR), demand clearly remained – this is likely to be as a result of a lack of available premises being marketed, as well as the Covid-19 pandemic.

In terms of office transactions, 105 were undertaken in the same time period, involving 70,347 sqm. The 101-200 sqm category was the most prominent, accounting for 30.5% of the total number of transactions.

### Use-Class and Occupancy

The following information is drawn from the 2020 ELAS which, in previous surveys, had utilised desktop analysis as well as site visits in order to monitor occupancy rates and other information 'on the ground'. In 2020 however, site visits were replaced with business rates records, due to the Covid-19 pandemic, and the inherent difficulties associated with obtaining accurate information from physical surveys, particularly regarding occupancy and business type. Floorspace data is taken from simple GIS measurements which, while crude, provide a useful indication

of significant changes in floorspace from survey to survey. Information regarding occupancy rates differs from that presented in the ELR, which is based on an overview of marketed properties from commercial agents' records.

Use class and occupancy rates for the EM1 sites are presented in the table below:

Use Class	Floorspace (sq m)	%	Units	%
B2 (General Industrial)	25,215	59.1	15	16.0
D1 (Non-Residential Institutions)	8,936	21.0	3	3.2
B1 (Business)	5,041	11.8	47	50.0
Vacant	1,288	3.0	13	13.8
SG (Sui Generis)	1,130	2.6	6	6.4
A1 (Retail)	646	1.5	5	5.3
A2 (Financial & Professional Services)	386	0.9	5	5.3
Total	42,642	100	94	100

Table:9 Allocated employment sites, use class and occupancy

Over 70% of floorspace is in class B use (66% in terms of unit numbers) with just 3% vacant. However, in terms of unit numbers, 13.8% are vacant, as accounted for by some smaller units at Plateau 4, Oakdale Business Park and Dyffryn Business Park (North). However, this is not a significant change from 2018, when 72.7% of floorspace was in class B use (69.2% in terms of unit numbers) and 2.2% vacant (15.4% of units). While the change in total floorspace has been negligible (42,331 sq m to 42,642), the number of units has increased from 78 to 94, suggesting more subdivision of larger premises, though it is possible that this could have been missed in earlier surveys due to the limitations of physical site visits.

Use class and occupancy rates for the EM2 sites are presented in the table below:

Use Class	Floorspace (sq m)	%	Units	%
B2 (General Industrial)	535,277	41.8	316	21.0
B1 (Business)	234,642	18.3	478	31.8
B8 (Storage or Distribution)	173,511	13.5	144	9.6
SG (Sui Generis)	153,544	12.0	176	11.7
Vacant	135,188	10.5	170	11.3
A1 (Retail)	14,875	1.2	73	4.9
Unknown	13,284	1.0	60	4.0
D2 (Assembly & Leisure)	11,430	0.9	33	2.2

Use Class	Floorspace (sq m)	%	Units	%
D1 (Non-Residential Institutions)	7,393	0.6	29	1.9
A2 (Financial & Professional Services)	1,405	0.1	5	0.3
A3 (Food and Drink)	1,087	0.1	14	0.9
C3 (Dwellings)	180	0.0	6	0.4
Total	1,281,816	100	1,504	100

Table:10 Protected employment sites, use class and occupancy

As with the EM1 sites, over 70% of floorspace, and over 60% of units, are in class B use, similar to the 2018 position (69.1% floorspace, 65.1% units). Vacancy rates are slightly above 10% which represents a decrease since 2018 (13.6% floorspace, 12.3% units). Although the presence of other use classes is negligible in floorspace terms, A1 uses account for almost 5% of units, suggesting a not insignificant number of small retail operations. Those in the 'unknown' category are generally sole operators or micro businesses, the nature of whose activities could not be determined.

#### Demand

Discussions with stakeholders undertaken through the ELR indicate that the local industrial market is viewed as a locally-focused destination, with strong demand from existing businesses seeking to upgrade or move to larger accommodation. Agents report that demand is more focused on B2 uses rather than B8, with the exception of the very local, last-mile delivery sector. However, the LTL study specifically mentions the potential offered by the A465 dualling with regard to logistics, in terms of providing an alternative to the M4 as well as direct access to the Midlands.

Demand is greatest for small units under 500 sqm, particularly where they fall under the single-occupier business rate threshold. However, regionally, enquiries regarding the availability of 7,000-10,000 sqm are often received from manufacturers requiring good access to the M4. The availability of land in the County Borough, relative to other local authorities within the region, has enabled it to benefit from inward investment. However, there has been an issue of capacity in terms of the completion of infrastructure in relation to sites, and the delivery of speculative development.

The office market locally is generally locally-focused, and largely supports associated industrial operations. Consequently, demand is localised in comparison to regional centres and confined to serviced schemes and spaces above shops in town centres. Demand is for suites of around 40 sqm with larger schemes struggling to let due to the sensitivity of the post-Covid economy, although Caerphilly Business Park, with good accessibility and a mix of office and industrial space, has proved popular.



# Employment Land Supply and Future Land Requirements

This section will set out the position in respect of the County Borough's existing employment land supply within the context of the future land requirement identified in the ELR and any additional considerations relevant to the take-up of (currently) allocated employment sites in the early part of the (2RLDP) plan period. It will also consider how this requirement may be met in terms of particular sites, having regard to these factors as well as the possible implications of the 2RLDP preferred strategy on the scale and location of development.

## Future Land Requirement

Again, it is not proposed that this report need duplicate the detailed explanation contained in the ELR with regard to the calculation of the employment land requirement. However, a summary of the various models employed will be set out, showing how the requirement was ultimately determined.

Two methods were used as suggested by Welsh Government practice guidance:

Past building completions, which reviews employment land take-up over time; and

Labour demand forecasting, which relies on econometric forecasts to project likely jobs growth in different sectors. A variation on this, the resident workforce forecast, was also used, which looks at projected changes in the working population i.e. labour supply rather than labour demand (jobs).

### Past Building Completions

Take-up data from the year 2000 onwards was used in relation to allocated and protected sites. From this, the average annual rate of completion could be determined and used to extrapolate an employment land requirement for several scenarios over the course of the 2RLDP plan period, as set out in the following table:

<b>Forecast Scenarios</b>	<b>Annual Average Employment Completions (Ha)</b>	<b>2020-2035 Land Requirement (Ha)</b>
Scenario One: EM1 Sites Take Up 2010-2021 Only	1.06	15.90
Scenario Two: EM1 Sites Take Up 2010-2021 Plus Pre 2010 Data	1.40	21.00
Scenario Three: All Available Data	1.98	29.70

Table:11 Past building completions forecast

Scenario one is based on the most accurate and consistent data sources (as reported in the AMR since adoption of the LDP) while scenario three provides the broadest picture of class B development within the County Borough. The addition of

a five-year buffer for the reasons of flexibility and choice, and to make some allowance for the loss of class B land over the plan period, would increase the requirement for each scenario as follows:

Scenario 1:  $15.90 + (1.06 \times 5) = 21.20$  ha;

Scenario 2:  $21.00 + (1.40 \times 5) = 28.00$  ha;

Scenario 3:  $29.70 + (1.98 \times 5) = 39.60$  ha.

### Labour Demand Forecasting

This method utilises Oxford Economics forecast modelling, which includes employment figures since 1991 and projects employment change over the course of the 2RLDP plan period as a basis for calculating future employment land need.

While a good recovery from the pandemic is expected, local employment is expected to peak in 2025 at 68,900 and decline thereafter to 65,224 in 2035 – a net decrease of 1,355 from the 2020 figure of 66,579. While this represents a 2% reduction, it is less pessimistic than the 3.8% decrease forecast in the LTL study, which preceded both the Brexit trade deal and the Covid-19 pandemic.

While some sectors are forecast to grow between 2020 and 2035, the overall reduction is expected to be driven by a decline in manufacturing employment of 3,452. The following table highlights the forecast employment change by standard industrial classification, the weighting (i.e. the proportion of those jobs that relate to class B use) and the number of jobs that are expected to be accommodated within class B premises:

Sector	Job Nos. +/- 2020-2035	Land Use	Weighting	Class B Jobs 2020-2035	Non-Class B Jobs 2020-2035
<b>Non B-Class Uses</b>					
Agriculture, Forestry and Fishing	-45	Non B	-	-	-45
Mining and Quarrying	-82	Non B	-	-	-82
Wholesale and retail trade	311	Non B	-	-	311
Accommodation and Food Services	144	Non B	-	-	144
Arts, entertainment and recreation	207	Non B	-	-	207
Total	535			-	535
<b>B1 Mostly Office Uses</b>					
Administrative and support service	773	B1	1	773	-
Information and Communication	115	B1	1	115	-

Sector	Job Nos. +/- 2020-2035	Land Use	Weighting	Class B Jobs 2020-2035	Non-Class B Jobs 2020-2035
Professional, scientific and technical activities	380	B1	1	380	-
Real estate activities	7	B1	1	7	-
Financial and Insurance Activities	-57	B1	1	-57	-
Public Administration	-403	B1	0.22	-89	-314
Health	679	B1	0.22	149	530
Education	-278	B1	0.22	-61	-217
Other service activities	150	B1	0.22	33	117
Total	1,366	-	-	<b>1,251</b>	115
<b>B2/B8 Uses</b>					
Manufacturing	-3,452	B2	1	-3,452	-
Utilities	-77	B2	0.26	-20	-57
Construction	398	B2	0.26	103	295
Transport and Storage	-125	B8	0.48	-60	-65
Total	-3,256	-	-	<b>-3,429</b>	173

Table:12 Labour demand forecast 2020-2035 (Source: Oxford Economics/BE Group)

Employment densities of 16 sqm per worker are applied for B1 use, and 67 sqm per worker for B2/B8. Welsh Government identifies each of these as the average for their respective uses in Wales, representing a mix of high and low densities (town centre and business park uses for B1, light industrial and warehouse uses for B2/B8). A 40% plot ratio (an expression of the amount of floorspace relative to the site area) is then also applied, which is regarded as standard for modern industrial development. On this basis, the employment land need is 52.44 ha, comprising the following elements:

B1 uses – 1,251 jobs at 16 sqm per worker, applying a 40% plot ratio = 5.00 ha;

B2/B8 uses – 3,429 fewer jobs at 67 sqm per worker, applying a 40% plot ratio = -57.44 ha.

However, if those sectors forecast to decline are discounted and only those predicted to gain jobs are considered, the need becomes 7.56 ha (this is considered in the Population and Housing Background Paper and referred to as scenario K – Oxford Economics employment forecast scenario):

B1 uses – 1,457 jobs at 16 sqm per worker, applying a 40% plot ratio = 5.83 ha;

B2/B8 uses – 103 jobs at 67 sqm per worker, applying a 40% plot ratio = 1.73 ha.

However, a number of other factors need to be considered that forecasting does not take into account. While forecasting suggests a decline in the number of B2/B8 and, specifically, manufacturing jobs locally, the assessment of the local market indicates that demand is overwhelmingly for industrial space and that manufacturing remains the dominant element of the local economy. Also, experience suggests that economic contraction does not necessarily equate to land being vacated, as firms hold onto sites/premises in anticipation of market improvements in the future. Even where automation is involved, such processes still require sites on which to operate. In terms of B1 uses, lower density working environments may be increasingly realised due to split office/homeworking practices becoming more commonplace since the Covid-19 pandemic.

Forecasting suggests that, between 2000 and 2021, the County Borough should have gained 24.17 ha of B1 land but lost 51.85 ha of B2/B8. In reality, 28-40 ha (depending on whether completions on EM2 sites are taken into account) were taken up over this period, demonstrating the inherent weaknesses that the forecasting approach possesses, relative to the past take-up method.

#### Resident Workforce Forecast

Overall, the Council identified twelve population and household scenarios for consideration for the 2RLDP. These were reduced to four options that were considered in relation to the development of the 2RLDP Preferred Strategy (this process is set out in the Evidence Paper PS2 – Pre-Deposit Engagement). The population elements of each of these are set out in the following table (these projections are covered in detail in the Population and Housing Background Paper):

<b>A: 2018 based Welsh Government Projections</b>			
	<i>2020</i>	<i>2035</i>	<i>Change in Population</i>
0-15	33,490	30,817	-2,673
16-66 (working age)	116,571	113,703	<b>-2,868</b>
67+	31,678	39,100	7,422
Total	181,739	183,620	1,881
<b>I: Long Term Housebuilding Rates</b>			
	<i>2020</i>	<i>2035</i>	<i>Change in Population</i>
0-15	33,489	31,475	-2,014
16-66 (working age)	116,564	118,508	<b>1,944</b>
67+	31,677	39,739	8,062
Total	181,731	189,721	7,990

<b>J: CCR Growth in Working Age Population</b>			
	<i>2020</i>	<i>2035</i>	<i>Change in Population</i>
0-15	33,489	31,740	-1,749
16-66 (working age)	116,564	120,690	<b>4,126</b>
67+	31,677	39,985	8,308
Total	181,731	192,416	10,685
<b>H: Continuation of the Adopted LDP</b>			
	<i>2020</i>	<i>2035</i>	<i>Change in Population</i>
0-15	33,489	32,171	-1,318
16-66 (working age)	116,564	124,232	<b>7,668</b>
67+	31,677	40,386	8,709
Total	181,731	196,789	15,058

Table:13 Population and household scenarios

By splitting the increased/decreased working age population for each scenario by business sector (using the same proportions as the labour demand forecast), the same formula can be used to estimate the change in the number of jobs. While only a proportion of the working age population will be economically active, this estimate is to be taken as a maximum figure (though assumptions regarding economic activity rates and commuting levels are incorporated into the Oxford Economics sectoral forecasts, on which this estimate is based):

A: 2018-based Welsh Government projections

B1 uses – 743 fewer jobs at 16 sqm per worker, applying a 40% plot ratio = -2.97 ha;

B2/B8 uses – 561 fewer jobs at 67 sqm per worker, applying a 40% plot ratio = -9.40 ha;

Total net need = -12.37 ha.

I: Long-term housebuilding rates

B1 uses – 503 jobs at 16 sqm per worker, applying a 40% plot ratio = 2.01 ha;

B2/B8 uses – 380 jobs at 67 sqm per worker, applying a 40% plot ratio = 6.37 ha;

Total net need = 8.38 ha.

J: CCR growth in working age population

B1 uses – 1,066 jobs at 16 sqm per worker, applying a 40% plot ratio = 4.26 ha;

B2/B8 uses – 808 jobs at 67 sqm per worker, applying a 40% plot ratio = 13.53 ha;

Total net need = 17.79 ha.

H: Continuation of the adopted LDP

B1 uses – 1,982 jobs at 16 sqm per worker, applying a 40% plot ratio = 7.93 ha;

B2/B8 uses – 1,502 jobs at 67 sqm per worker, applying a 40% plot ratio = 25.16 ha;

Total net need = 33.09 ha.

Scenario J represents the uplift in working age population required to meet the CCR City Deal's target of 25,000 new jobs across the region. Following engagement with members and internal/external stakeholders, it is recommended to be used as the growth option for the 2RLDP, and to inform the Preferred Strategy. The figure of 17.79 ha illustrates the maximum economic impact of the projected increase in the working age population, rather than a forecast for the whole economy. However, as this method measures labour supply, it is not advisable to combine it with the labour demand forecasting method as this is an incompatible model. In addition, the latter method already takes account of population change through the 2018-based projections.

As set out in Evidence Base Paper PS4 - Population and Housing Growth Options, the Office of Budgetary Responsibility (OBR) projections forecast that 3,876 jobs would be required to meet the increase in working age population set out in scenario J. However, using the same calculation as above, this would result in an additional 1,766 class B jobs and a land requirement of 16.78 ha, slightly lower than the previous scenario J calculation which, again, projects the maximum economic impact (1,874 class B jobs from a potential total of 4,126). It is important to note that the 3,876 additional jobs represent an increase of 258 per annum, which is broadly in line with the 238 per annum forecast by the CCR Future Growth and Migration Assessment under the higher level jobs growth scenario. As that report explains, however, while the latter figure is reasonable, it is not an upper limit, and does not take account of the full range of evidence potentially available at the local level.

In conclusion, the most appropriate forecast is considered to be the past building completions method, as it is based on a comprehensive picture of the development that has taken place in the County Borough since 2000. It avoids some of the weaknesses inherent to labour demand forecasting with respect to business-specific decisions regarding the development and retention of employment land, and provides an indication of the level of local demand. Therefore, the employment land requirement for the 2RLDP is taken to be 39.6 ha as determined by scenario 3 of the past building completions method, given that it represents a broad picture of class B development on both allocated and protected sites. This figure is provisional, bearing in mind the need to consider additional factors regarding land supply.

## Jobs Target

The Development Plans Manual is clear that relying on past building completions is not sufficient on its own in terms of quantifying future land requirements, and that additional evidence is required to identify the scale of new jobs, vis-à-vis the provision of new housing. A jobs target is also required.

Scenario J (highlighted above) would result in an increase in the County Borough's working age population of 4,126 (3.5%), sufficient to help deliver the CCR's objective of an additional 25,000 jobs across the region. As the calculation in 5.13 shows, this would result in an estimated 1,874 additional class B jobs. OBR figures project a need for 3,876 jobs in order to meet the increase in working age population set out in scenario J, which translates to 1,766 class B jobs. Another CCR objective is to increase the regional employment rate from 70.5 to 73.8%. However, assumptions regarding economic activity rates and commuting levels are incorporated into the Oxford Economics sectoral forecasts on which this estimate is based, and therefore taking account of this could result in double counting. As a mid-point between the two scenario J projections, 1,800 jobs is therefore regarded as the most appropriate jobs target within the context of those scenarios considered, although it will not directly correspond with the 39.6 ha provisional land requirement, which has not been determined within the context of its relationship to scenario J.

## Land Supply

14 sites are allocated for class B use in the adopted LDP, representing a total of 101.9 ha:

Site Ref	Site Name	Size (Ha)	Type
EM 1.1	Heads of the Valleys, Rhymney	5.2	Primary
EM 1.2	Ty Du, Nelson	18.8	Business Park
EM 1.3	Plateau 1, Oakdale	30.2	Primary
EM 1.4	Plateau 2, Oakdale	7.0	Primary
EM 1.5	Plateau 3, Oakdale	3.4	Primary
EM 1.6	Plateau 4, Oakdale	4.3	Primary
EM 1.7	Hawtin Park North, Gellihaf	4.5	Primary
EM 1.8	Hawtin Park South, Gellihaf	8.8	Primary
EM 1.9	Dyffryn Business Park North, Ystrad Mynach	4.9	Primary
EM 1.10	Dyffryn Business Park South, Ystrad Mynach	6.3	Primary
EM 1.11	Penallta Extension, Hengoed	1.6	Secondary
EM 1.12	Land at Caerphilly Business Park	3.6	Primary
EM 1.13	Land at Trecenydd	2.2	Secondary
EM 1.14	Land at Western	1.1	Secondary

Table:14 Allocated employment sites

The take up of allocated EM1 land is set out in the table below:

Site	Area (ha)	Description of Site	Current Status	Area (ha) remaining
EM1.1	5.2	Heads of the Valleys, Rhymney - two vacant parcels of an otherwise developed industrial estate. Located on A469, A465 less than a mile to the north.	15/0092/FULL (refurbishment and development of adjoining land), granted 2015 (not developed).	5.2
EM1.2	18.8	Ty Du, Nelson – large, greenfield site on the edge of Nelson. Located on A472, close to A470.	07/0872/OUT (B1), granted 2008 (not developed, lapsed).  16/0373/OUT (housing/B1), granted 2017 (not developed);  17/0655/RM (Construct Phase 1 Infrastructure Works associated with Outline Planning Consent 16/0373/OUT (Reserved matters application regarding access, diversion of haul route, drainage, public open space and landscaping), granted 2017 (being implemented);  19/0572/RM (Seek approval of reserved matters relating to Phase 1 development of commercial area to comprise 5 buildings of up to 13 number B1 employment units, under outline planning consent 16/0373/OUT), granted 2019 (being developed, nearing completion)	17.8
EM1.3	30.2	Plateau 1, Oakdale Business Park. Reclaimed former colliery site, one of four plateaux which combine to form the largest employment allocation in the County Borough. Located on	11/0552/FULL (wind turbines), granted 2011 (developed);  15/0065/FULL (IG Doors), granted 2015 (developed).	15.2



Site	Area (ha)	Description of Site	Current Status	Area (ha) remaining
		Sirhowy Enterprise Way, linking it to Mid Valleys conurbation.		
EM1.4	7.0	Plateau 2, Oakdale Business Park. As for EM1.3	12/0649/FULL (demonstration track and media centre building), granted 2013 (not developed);  18/1058/FULL (Erection of a new Research and Development Facility, including R&D test laboratories, office space and warehousing), granted 2019 (not developed but anticipated – 2.3 ha).	7.0
EM1.5	3.4	Plateau 3, Oakdale Business Park. As for EM1.3	14/0814/LA (new secondary school), granted 2015 (developed).	0
EM1.6	4.3	Plateau 4, Oakdale Business Park. As for EM1.4	07/0835/LA (B1), granted 2007 (developed).	2.0
EM1.7	4.5	Hawtin Park North, Gellihaf. Greenfield site immediately to the north of existing industrial land.	18/1073/FULL (Erect a Class B8 (Storage and Distribution) facility, access, landscape and associated works), granted 2019 (not developed but anticipated – 3 ha)	4.5
EM1.8	8.8	Hawtin Park South, Gellihaf. Greenfield site immediately to the south of existing industrial land.	08/0752/OUT (housing/commercial), granted 2014 (not developed);  14/0802/OUT (housing), granted 2016;  17/0142/RM (housing), granted 2017 (being developed);	0

Site	Area (ha)	Description of Site	Current Status	Area (ha) remaining
			17/0143/RM (housing), granted 2017 (being developed)	
EM1.9	4.9	Dyffryn Business Park North, Ystrad Mynach. Site immediately to the north of existing industrial land.	09/0365/FULL (B1/B2/B8), granted 2013 (developed). 13/0778/FULL (B1/B2/B8), granted 2015 (developed). 15/0064/FULL (B1/B2/B8), granted 2015 (developed). 15/1175/FULL (B1/B2/B8), granted 2017 (developed).	0.8
EM1.10	6.3	Dyffryn Business Park South, Ystrad Mynach. Undeveloped site immediately to the south of existing industrial land.	18/1030/FULL (Erect extension to increase the existing approved scheme comprising B1, B2 and B8 uses, to suit the operational needs and future growth potential of business support, manufacturing, assembly and distribution facilities), granted 2019 (not developed)	6.3
EM1.11	1.6	Penallta Extension, Hengoed. Intended as an extension of Penallta Industrial Estate.	15/0675/FULL (housing), granted 2016 (developed).	0
EM1.12	3.6	Caerphilly Business Park. Western part of otherwise occupied industrial land.	07/1518/FULL (B1), granted 2008 (developed).	3.0
EM1.13	2.2	Trecenydd, Caerphilly. Central, undeveloped part of otherwise occupied industrial land.	13/0740/COU (commercial vehicle hire), granted 2013 (implemented).	1.7
EM1.14	1.1	Western, Caerphilly. Last undeveloped part of otherwise occupied industrial land, at the base date of the LDP.	Built out (B1/B2/B8) prior to adoption of LDP.	0

Table:15 Allocated employment sites, take-up

By 2021, take-up of EM1 land totalled 38.4 ha (out of 101.9 ha), of which 24.6 ha was for class B use. This modest scale of development can be attributed to the prohibitive costs of infrastructure provision in relation to some sites, which clearly has an effect in terms of viability and deliverability, despite their location in relation to centres of population and highway infrastructure.

The remaining land constitutes the realistically available land supply (a site-by-site analysis is set out in the ELR), with the following exceptions:

Only 3.8 ha of EM1.2 (Ty Du) will be for class B use as part of the mixed-use development for which permission has been granted. This element is included in the available supply (minus the smaller area granted by 19/0572/RM which is accounted for in the total of taken-up land);

EM1.7 (Hawtin Park North) has the benefit of planning permission for a B8 storage facility, which the present occupant of the site is intending to implement over the longer term. Access to this site is via the occupant's existing land and cannot easily be developed to meet the needs of other firms. Consequently, it is regarded as expansion land for the purposes of the existing occupant, rather than part of the available supply;

EM1.10 (Dyffryn Business Park South) also has the benefit of planning permission for class B use, again to extend the operations of the occupant of the adjacent unit. As with EM1.7, access to this site is via the occupant's land and cannot easily be developed to meet the needs of other firms. Consequently, it is also regarded as expansion land.

As a result, the realistic available supply constitutes a total of 37.7 ha on eight sites, as shown in the table below (the Ty Du development was incomplete at the time the ELR was prepared, therefore this updates the position set out in that document). Over half of this (24.2 ha) is concentrated at Oakdale Business Park, with 27.8 ha being located within the Mid Valleys part of the County Borough in the A472 corridor. By contrast, the Heads of the Valleys and Caerphilly Basin each have a much more modest supply, with 5.2 ha and 4.7 ha respectively.

Site Name	Settlement	Land Available (Ha)
Heads of the Valleys Industrial Estate	Rhymney	5.2
Ty Du	Nelson	2.8
Plateau 1, Oakdale Business Park	Oakdale	15.2
Plateau 2, Oakdale Business Park	Oakdale	7.0
Plateau 4, Oakdale Business Park	Oakdale	2.0
Dyffryn Business Park North	Ystrad Mynach	0.8
Land at Caerphilly Business Park	Caerphilly	3.0
Land at Trecenydd Industrial Estate	Caerphilly	1.7

Table:16 Available land supply

While not part of the genuinely available land supply, Hawtin Park North and Dyffryn Business Park South should continue to be allocated for class B use as they serve as expansion land for their respective operators and, therefore, have value in

employment terms. However, they should not be counted as contributing to the employment land requirement.

While the 37.7 ha is almost sufficient in terms of meeting the employment land requirement of 39.6 ha identified by the ELR, there are a number of factors that need to be taken into consideration:

The implications of the 2RLDP Preferred Strategy, and those strategic options that underpin it;

The heavy reliance on three sites within a single location (Plateaux 1, 2 and 4, Oakdale Business Park);

The potential take-up of land early in the plan period.

## 2RLDP Strategy Options

Six potential options were developed in terms of the 2RLDP strategy:

Continuation of the adopted LDP – balancing housing and economic growth through the promotion of resource-efficient settlement patterns;

Heads of the Valleys focus – promoting housing and economic growth in the north of the County Borough to maximise the benefits of A465 dualling and Metro investment;

Strategic site – allocation of a mixed-use site in Maesycwmmmer (up to 2,700 dwellings) with additional housing and employment in the Mid Valleys and Lower Ebbw and Sirhowy Valleys areas;

Metro investment focus – locating new development within a 20 minute cycling distance of key public transport nodes;

Town centre focus – locating new development within a 20 minute cycling distance of town and local centres;

Caerphilly Basin focus – promoting housing and economic growth in the Caerphilly Basin.

Following engagement with members and stakeholders, it was proposed that a hybrid of the strategic site, Metro investment and town centre-focused options should form the 2RLDP Preferred Strategy. Whilst each option emphasises different elements of the contributory options, assessing the available land supply in terms of its proximity to key public transport nodes and town and local centres provides an indication of its degree of adherence to the strategy overall:

<b>Site Name</b>	<b>Walking Distance, Town Centre</b>	<b>Cycling Distance, Town Centre</b>	<b>Walking Distance, Public Transport Node</b>	<b>Cycling Distance, Public Transport Node</b>
Heads of the Valleys Industrial Estate	Most over 20 mins	Most 20 mins, part 10 mins	Most over 20 mins	Most 20 mins, part 10 mins

Site Name	Walking Distance, Town Centre	Cycling Distance, Town Centre	Walking Distance, Public Transport Node	Cycling Distance, Public Transport Node
Ty Du	10-20 mins	5-10 mins	Over 20 mins	20 mins
Plateau 1, Oakdale Business Park	Over 20 mins	Part over 20 mins	Over 20 mins	Part over 20 mins
Plateau 2, Oakdale Business Park	Over 20 mins	20 mins	Over 20 mins	20 mins
Plateau 4, Oakdale Business Park	Over 20 mins	20 mins	Over 20 mins	Most over 20 mins
Dyffryn Business Park North	Part over 20 mins	10 mins	Over 20 mins	10 mins
Land at Caerphilly Business Park	10-15 mins	5-10 mins	10-15 mins	10 mins
Land at Trecenydd Industrial Estate	20 mins	10 mins	5-10 mins	5 mins

Table:17 Available land supply, walking and cycling distances (Source: TfW)

No site is entirely more than 20 minutes from either a town or local centre or a public transport node by means of cycling. Caerphilly Business Park and Trecenydd Industrial Estate are most accessible due to their proximity to Caerphilly town centre and the town's railway stations. However, five of the six remaining sites are, at least in part, more than 20 minutes from a town centre by walking, and all six more than 20 minutes from a public transport node by the same means. While there is some degree of accessibility between Heads of the Valleys Industrial Estate and Rhymney; Ty Du and Nelson; and Dyffryn North and Ystrad Mynach in terms of both their town centres and associated public transport capability, Oakdale fares particularly poorly when assessed against current arrangements, although the potential to locate new housing development within walking/cycling distance of the Business Park would realise sustainability benefits. Whilst the 2RLDP clearly presents an opportunity for public transport infrastructure to be addressed in conjunction with complementary initiatives, especially by way of a strategic approach that regards Metro investment as one of its main pillars, this illustrates the need for the portfolio of employment land identified in, and promoted by, the 2RLDP to operate as part of an interconnected pattern of mutually accessible uses.

## Potential Take-Up

At the present time, it is understood that the potential take-up of land in the near future will likely be concerned with the following sites:

Heads of terms are being progressed in respect of the sale of half of the remaining land at EM1.4 (Plateau 2, Oakdale Business Park) to a developer, which will involve the delivery of starter units. A completion date is not yet known, and is dependent on design and feasibility work. The Council is working with a RSL in respect of the remainder of the site, regarding the development of a factory to produce pre-fabricated housing. Finance is still to be secured, and delivery is anticipated over a three to four-year timeframe;

Heads of terms are being progressed in respect of the sale of the remaining land at EM1.6 (Plateau 4, Oakdale Business Park) for the development of a new food manufacturing facility. Completion is anticipated in 2023;

Delivery of the northern part of EM1.12 (Caerphilly Business Park) for starter units is anticipated. The Council is looking to develop the southern part in for a new wellbeing centre with the help of Levelling Up Fund (LUF) assistance. Completion of this element is anticipated in 2024, should the LUF bid be successful.

While the situation regarding each of these sites is subject to change, this does provide an indication of progress. Assuming that parts of the remaining land at Plateau 2 (3.5 ha) and Caerphilly Business Park (1.3 ha) will come forward imminently, as well as the remainder of Plateau 4 (2 ha), the available land supply will be reduced by a further 6.8 ha, leaving 30.9 ha. Development of any of these sites from this point on falls within the 2RLDP plan period and is therefore accounted for by the 39.6 ha requirement. Additionally, should take-up reach 6.8 ha by 2024, this would be within the per annum rate of development allowed for by the 39.6 ha requirement, were it to be averaged over the course of the plan period. However, should the remainder of these sites also come forward within that time, which is dependent on financing and the outcome of funding bids but entirely plausible, this would amount to 12 ha, thereby reducing the available quantity of land for the remaining 11 years of the plan period to 27.6 ha – below the 2.64 ha per annum for which the 39.6 ha requirement makes provision. Increasing the quantity of allocated land to 41 ha would make allowance for this prospect, and provide 29 ha of land for development between 2025 and 2035.

In addition to those mentioned above, the situation regarding the following sites is also pertinent:

The Council is in negotiations with the landowner to purchase the undeveloped sections of EM1.1 (Heads of the Valleys Industrial Estate), with a view to undertaking light industrial development. This scheme would be subject to public funding being secured;

Negotiations are ongoing regarding the purchase of the remaining part of EM1.3 (Plateau 1, Oakdale Business Park) by Welsh Government, with a view to implementing necessary infrastructure. It is understood that this site has been the subject of intense interest from firms requiring premises up to 10,000 sqm.

Based on present information the ELR gives 2026 as the year by which all of these sites, as well as the remainder of EM1.4 (Ty Du, Nelson), could be developed, having regard to existing demand, ongoing delivery and effective public sector

intervention. Collectively, these three sites account for 23 ha, plus the 12 above – a total of 35 ha. This would represent a rate of development of 5.83 ha per annum, well in excess of the annual average provided for by the provisional requirement of 39.6 ha. Increasing the requirement to 58.8 ha would be required to fully take account of this.

However, such a significant increase could only be justified were these allocations to be delivered in their entirety early in the plan period. Even then, as well as globally-influenced prevailing economic conditions, industrial development at the local scale is affected by a number of other factors, including sectoral makeup, the nature of those sectors, the scale of existing (and likely future) operators, the condition and availability of sites and premises and the degree to which public sector intervention is able to assist in bringing schemes forward. Therefore, it is notoriously difficult to predict, with often a small number of (possibly major) schemes punctuating periods of otherwise minimal activity. For this reason, it would be unwise to suggest that a sustained pattern of industrial development could persist for the best part of an entire plan period to the extent that a significant amount of additional land were needed beyond the provisional requirement, irrespective of how successful its early years may prove to be. This is especially so when the plan already seeks to base its level of provision on a more optimistic outlook than that suggested by the labour demand forecasting approach, which relies solely on mid to long-term projections of economic sectoral change and fails to take account of past rates of development.

## Location of Sites

As noted previously, the available supply is not evenly distributed across the County Borough, with Oakdale Business Park accounting for 24.2 ha of the 37.7 ha. Therefore, while the provision of some additional land (over and above that included within the presently available supply) to address the possibility of a high rate of take-up early in the plan period may be justifiable, the same is true in order to achieve a greater geographical balance, while ensuring that such sites meet the potential locational requirements of the 2RLDP Preferred Strategy in respect of town centre and public transport accessibility.

To this end, a number of additional sites have been assessed to ascertain their potential as employment land:

Gwaun Gledyr Isaf Farm, Caerphilly;

Land at Rudry Road, Caerphilly;

Land at Van Road, Caerphilly;

Land at Ness Tar, Caerphilly;

Land at Llanbradach;

Maesycwmmmer Strategic Site;

Land at Tredomen, Ystrad Mynach;

Land at The Lawns, Rhymney.

These assessments are set out in the ELR, with a recommendation that: Gwaun Gledyr Isaf Farm; land at Llanbradach; the Maesycwmmer Strategic Site; land at Tredomen; and land at The Lawns be given further consideration with respect to meeting long-term need. Additional comments in respect of these are set out below, as well as for land at Van Road:

#### Gwaun Gledyr Isaf Farm

The site is prominently located in respect of highways infrastructure, being adjacent to the A468 and 5km from the M4 via the A470, and in relation to the GE Aviation plant and Treforest Industrial Estate across the boundary in Rhondda Cynon Taf. However, there are significant constraints. The site lies adjacent to a site of importance for nature conservation (SINC) and site of special scientific interest (SSSI) and its loss would have a detrimental impact on the hydrology of these designations as well as existing habitats within the site, which are of 'principal importance' under the Environment (Wales) Act 2016. In addition, there would be a need for a new vehicular access, provision of which could have a significant effect on the functionality of the nearby Penrhos Roundabout and therefore prove impracticable. Although the site is within 20 minutes of Caerphilly Station and 10 minutes of Aber Station by bicycle, it is divorced from the existing settlement of Caerphilly and its respective services and facilities by the A468, and not easily accessible by means of public transport or Active Travel in practical terms.

The site is located just across the County Borough boundary from Treforest Industrial Estate in Rhondda Cynon Taf, a large (83 ha) site of regional importance which has the benefit of a local development order, thereby removing formal planning controls and providing additional flexibility to businesses in terms of redevelopment options. It is considered that the opportunities afforded by this measure, at this location, will be advantageous to the western part of Caerphilly Basin.

#### Land at Llanbradach

The site has been identified as the location of the Llanbradach park and ride development being formulated through the South Wales Metro (and Metro Plus) initiative, with a desire for the remaining land to be redeveloped for employment/commercial use in order to create a commercial 'hub', taking advantage of the site's public transport accessibility. Work undertaken by Sutton Consulting has recommended the provision of B1 hybrid units (incorporating a two-storey 'enterprise centre' with office and collaborative workspace); industrial starter units; and trade counter/ancillary services provision. While the site is not within a 20 minute walking distance of an established centre, it clearly adheres to the ethos of infrastructural accessibility that will form a key consideration of the preferred strategy. However, feasibility work is ongoing in relation to the park and ride development itself, and at this stage the amount of land that will be made available for complementary uses is not known. Therefore, while it would be beneficial for LDP policy to make explicit its desire for employment/commercial use alongside the



park and ride, this cannot currently be quantified and the site cannot, at this stage, be included within the employment land supply.

#### Maesycwmmmer Strategic Site

The site was proposed as a strategic, mixed-use allocation in the previous replacement (withdrawn) LDP, comprising a potential 2,400 dwellings, community and commercial uses and a new A472-A469 link road. While the site would be residential-led, a development of this scale could allow for the possibility of some class B provision. While, from a placemaking perspective, the incorporation of additional uses would be advantageous, the extent to which this is feasible is likely to be limited from a viability perspective. In addition, while the provision of additional B2 space may be attractive, this could raise a potential issue in masterplanning and design terms given the likely proximity of housing. It is considered that sufficient provision would be made for B1 uses through the proposed allocation of additional land at Tredomen, as well as currently allocated sites. In accessibility terms, the eastern part of the site is within 20 minutes cycling time of both Blackwood town centre and Ystrad Mynach, Hengoed and Pengam stations.

#### Land at Tredomen

The site was proposed as an employment allocation in the previous replacement (withdrawn) LDP and would form a logical extension to the Tredomen Park estate (EM 2.8) which is designated as a business park for B1 use. Tredomen Park is advantageously located in terms of its ability to take advantage of its optimal location in regional terms. Development has been for B1 use only, and the site has been particularly successful since its inception, being characterised by consistently high occupancy rates. It has been submitted as a candidate site for employment use – while the feasibility of any proposed access arrangement needs to be assessed, it is considered to represent a logical allocation. In terms of the 20 minute walking distance, the site is partly accessible from Ystrad Mynach town centre and wholly within reach of Ystrad Mynach station. It is also within 10 minutes cycling time of both of these.

#### Land at The Lawns

The whole site is allocated for community facilities/commercial use in the adopted LDP. Development of 15 small business units is nearing completion on the southern part of the site, in order to satisfy latent demand, while the northern part of the site has been partially developed for the Rhymney Integrated Health and Social Care Centre. Although the southern end and the central area (containing the civic amenity site) formed a proposed employment allocation in the previous replacement (withdrawn) plan, this would have required the relocation of the civic amenity site in order to make additional land available. This is not something that the Council is considering at the present time.

#### Land at Van Road

This greenfield site adjoins Van Road to the north east of Caerphilly Business Park, and lies within a SLA designation as set out in the adopted LDP. It has been

submitted as a candidate site for housing. While assessment in these terms is ongoing, various constraints have been identified including: potential contamination (due to the former presence of Van Road Quarry); ecological constraints including the need for habitat retention and the existence of an adjacent SINCC; its partial location within a zone of influence of an area of significant flood risk concern (beyond those identified in the Flood Map for Planning); potential impact on listed buildings and the historic landscape; and the need for new access arrangements.

The site to which these constraints relate is large – 18.7 ha. While there is a paucity of available land in Caerphilly Basin for employment use, it is considered that such a site would be overly extensive, especially given the acknowledged position that any additional allocation of land over and above those sites constituting the currently available supply would represent a surplus, when considered against the provisional employment land requirement. Nonetheless, it is also accepted that some additional land needs to be found for the reasons previously set out i.e. the implications of the Preferred Strategy; the heavy reliance on three sites within a single location (Plateaux 1, 2 and 4, Oakdale Business Park); and the potential take-up of land early in the plan period.

The southernmost part of the site constitutes a single parcel of 2.6 ha, and is located immediately adjacent to Van Road and directly opposite the eastern extent of Caerphilly Business Park. Ecological constraints would be reduced in comparison to the larger area of land, and it would be possible to provide a sufficient buffer in order to protect the nearby historic landscape. However, assessment of contamination, flood risk and highways and access arrangements is still required, with regard to development of this smaller site for employment use.

While the Van Road land would constitute a new site, it clearly has a strong relationship in locational terms to Caerphilly Business Park. It is reasonably small scale and would lend itself to the development of smaller premises, thereby helping to meet demand. In terms of accessibility, the site is partly within a 20 minute walking distance of Caerphilly town centre and Caerphilly station, and 10 minutes from the same locations by bicycle.

## Safeguarded Employment Sites

In addition to land allocated for new employment development, 36 existing sites are identified for class B use in the adopted LDP:

Site Ref	Site Name	Size (Ha)	Type
EM 2.1	Land at New Tredegar (New Tredegar Business Park)	1.3	Primary
EM 2.2	Heads of the Valleys, Rhymney	14.3	Secondary
EM 2.3	Capital Valley, Rhymney	14.8	Secondary
EM 2.4	Maerdy, Rhymney	12.5	Secondary

Site Ref	Site Name	Size (Ha)	Type
EM 2.5	Angel Lane, Aberbargoed	3.1	Secondary
EM 2.6	Bowen, Aberbargoed	11	Secondary
EM 2.7	Dwr Cymru Welsh Water Offices, Nelson	3.6	Business Park
EM 2.8	Tredomen Park, Ystrad Mynach	7.2	Business Park
EM 2.9	Plateau 2, Oakdale	13	Primary
EM 2.10	Penyfan, Croespenmaen	73	Primary
EM 2.11	North Celynen (south), Newbridge	9.1	Primary
EM 2.12	Hawtin Park, Gellihaf	29.8	Primary
EM 2.13	Dyffryn Business Park, Ystrad Mynach	29.4	Primary
EM 2.14	North Celynen (north), Newbridge	4.2	Secondary
EM 2.15	Croespenmaen	6.5	Secondary
EM 2.16	Britannia, Pengam	2.9	Secondary
EM 2.17	St. David's, Pengam	5.2	Secondary
EM 2.18	New Road, Tiryberth (Tiryberth Ind Est)	7.1	Secondary
EM 2.19	Penallta, Hengoed	23.9	Secondary
EM 2.20	Newbridge Road, Pontllanfraith	12.8	Secondary
EM 2.21	Tram Road, Pontllanfraith	2.5	Secondary
EM 2.22	Switchgear, Pontllanfraith (Blackwood Business Park)	10.1	Secondary
EM 2.23	Penmaen Industrial Estate	6	Secondary
EM 2.24	Woodfieldside, Pontllanfraith	1.9	Secondary
EM 2.25	Pantglas, Bedwas	31.8	Primary
EM 2.26	Caerphilly Business Park	11.5	Primary
EM 2.27	Prince of Wales, Abercarn	23.3	Secondary
EM 2.28	Nine Mile Point, Cwmfelinfach	15.7	Secondary
EM 2.29	Blackvein, Wattsville	7.4	Secondary
EM 2.30	Newtown, Crosskeys	8.3	Secondary
EM 2.31	Park Road, Risca	0.7	Secondary
EM 2.32	Rogerstone Park, Pontymister	12.4	Secondary
EM 2.33	Bedwas House, Bedwas	29.9	Secondary
EM 2.34	Pontywindy Road, Caerphilly	16.8	Secondary
EM 2.35	Trecenydd, Caerphilly	8	Secondary
EM 2.36	Western, Caerphilly	15.4	Secondary

Table:18 Protected employment sites

In reality, some of these sites form the developed portions of larger employment areas, the remainders of which may form allocations under policy EM1. Others may accommodate small pockets of undeveloped land that do not warrant allocation, and are considered part of the discrete site covered by policy EM2. Nevertheless, each site is intended to function as an existing, operational estate, as reflected by the protection afforded to it by the LDP policy framework.

Each site was subject to an assessment and grading/scoring process which is set out in the ELR. This is based on several characteristics, namely accessibility; building and site quality; internal and external environment; and market

attractiveness. The grading corresponds to the assessment process developed by the SEWSPG Pathfinder group in 2017, for the purposes of implementing a common methodology regarding the audit of employment sites in South East Wales. The grading/scoring rubric, and the grades and scores given to each site, are set out in the following tables (detailed assessments for each site are set out in ELR appendices 6-8):

Grade	Score	Definition	Action
A	28-30	High quality, prestigious, flagship business areas due to their scale, location and setting. Capable of competing for investment in the regional market place. These are prime sites for marketing to a cross section of users including new inward investors. They can also meet the needs of image-conscious, aspirational companies already in the local authority area	Protect strongly Support and expand
B	25-27	Good employment sites due to their scale, location and setting. Capable of competing for investment in the sub-regional market place. These are prime sites for marketing to a cross section of users, B1, B2 and B8, including some new inward investors.	Protect strongly Support and expand
B/C	20-24	Key employment sites with an influence over the whole local authority area, but primarily geared towards local businesses and B1 light industrial, B2 and B8 uses.	Protect Support
C			
C/D	15-19	Lower quality locations in residential areas suffering from poor accessibility and massing.	Continue to protect/review through the LDP
D			
D/E	Less than 15	Very poor quality areas. Widespread vacancy and dereliction in poor environments.	Promote alternative uses if possible
E			

Table:19 Grading and scoring methodology

Site Ref	Site Name	Grade	Score
EM 2.1	Land at New Tredegar (New Tredegar Business Park)	C	22
EM 2.2	Heads of the Valleys, Rhymney	B/C	23
EM 2.3	Capital Valley, Rhymney	D/E	12
EM 2.4	Maerdy, Rhymney	C	21
EM 2.5	Angel Lane, Aberbargoed	B/C	20
EM 2.6	Bowen, Aberbargoed	B/C	24
EM 2.7	Dwr Cymru Welsh Water Offices, Nelson	C	21
EM 2.8	Tredomen Park, Ystrad Mynach	A	30
EM 2.9	Plateau 2, Oakdale	A	28
EM 2.10	Penyfan, Croespenmaen	B	26
EM 2.11	North Celyn (south), Newbridge	B	26
EM 2.12	Hawtin Park, Gellihaf	B	25
EM 2.13	Dyffryn Business Park, Ystrad Mynach	B	25
EM 2.14	North Celyn (north), Newbridge	D/E	14

Site Ref	Site Name	Grade	Score
EM 2.15	Croespenmaen	C/D	18
EM 2.16	Britannia, Pengam	C	21
EM 2.17	St. David's, Pengam	C	24
EM 2.18	New Road, Tiryberth (Tiryberth Ind Est)	C	24
EM 2.19	Penallta, Hengoed	B/C	24
EM 2.20	Newbridge Road, Pontllanfraith	B/C	24
EM 2.21	Tram Road, Pontllanfraith	C/D	17
EM 2.22	Switchgear, Pontllanfraith (Blackwood Business Park)	B/C	21
EM 2.23	Penmaen Industrial Estate	C	21
EM 2.24	Woodfieldside, Pontllanfraith	B	25
EM 2.25	Pantglas, Bedwas	B/C	21
EM 2.26	Caerphilly Business Park	A	28
EM 2.27	Prince of Wales, Abercarn	B/C	23
EM 2.28	Nine Mile Point, Cwmfelinfach	C	23
EM 2.29	Blackvein, Wattsville	B/C	23
EM 2.30	Newtown, Crosskeys	C/D	17
EM 2.31	Park Road, Risca	C/D	19
EM 2.32	Rogerstone Park, Pontymister	B	25
EM 2.33	Bedwas House, Bedwas	B/C	23
EM 2.34	Pontygwindy Road, Caerphilly	B	25
EM 2.35	Trecenydd, Caerphilly	C	22
EM 2.36	Western, Caerphilly	C	23

Table:20 Grading and scoring of protected employment sites

As previously noted, data presented in the ELR on occupancy rates is based on an overview of marketed properties, while in the ELAS, it is based on business rates records. According to the ELR, all but eight of the 36 areas are fully occupied, with EM 2.2 (Heads of the Valleys) having the lowest occupancy rate at 86.7%. The remaining sites have occupancy rates of over 90%. Rates of 70% or less suggest excess capacity, possibly with issues of quality of supply.

The most recent ELAS counts 12 sites with a vacancy rate of at least 10%. These are:

EM 2.3 Capital Valley, Rhymney – 59.1% vacant (13 of 22 units);

EM 2.4 Maerdy, Rhymney – 16.7% vacant (one of six units);

EM 2.10 Penyfan, Croespenmaen – 21.6% vacant (19 of 88 units);

EM 2.12 Hawtin Park, Gellihaf – 20% vacant (two of 10 units);

EM 2.22 Switchgear, Pontllanfraith – 28.6% vacant (two of seven units);

EM 2.24 Woodfieldside, Penmaen – 12% vacant (three of 25 units);

EM 2.26 Caerphilly Business Park – 15.2% vacant (27 of 178 units);

EM 2.27 Prince of Wales, Abercarn – 17.7% vacant (11 of 62 units);

EM 2.30 Newtown, Crosskeys – 38.5% vacant (five of 13 units);

EM 2.32 Rogerstone Park, Pontymister – 50% vacant (one of two units);

EM 2.33 Bedwas House, Bedwas – 11.7% vacant (20 of 171 units);

EM 2.34 Pontywindy Road, Caerphilly – 16.3% vacant (16 of 98 units).

Of these, six sites have a vacancy rate of at least 20%. Hawtin Park and Penyfan are both graded as 'B' and are established sites accommodating prominent firms in good-to-average premises. Rogerstone Park is primarily concerned with food manufacture/processing, the one vacant unit accounting for less than 6% of the total floorspace.

The Switchgear site consists of a small number of units accommodated in three buildings, the largest of which is likely to become vacant due to the relocation of its tenant. However, the site remains a potentially valuable resource as evidenced by the number of enquiries for premises in the 10,000 sqm range recorded by Welsh Government. Newtown remains a suitable site for lower-end users such as storage, warehousing, some repair and maintenance operations. While there are some vacancies, and stock is of an average quality, interest has been expressed in developing the western parcel for B8 use.

Capital Valley has the highest vacancy rate and scores poorly, due to the low quality of the existing stock and external conditions and the proliferation of vacant areas within the site. Whilst, at present, it is unlikely to be attractive to the market generally, the site does benefit from certain strategic advantages, including its proximity to the A465 and A469, as well as the presence of a railhead linking it to the Rhymney Valley Line. The Council has been involved in discussions with the site owner for some time regarding potential development options, and it is therefore considered appropriate to continue to protect it for class B use.

The ELR recommends the retention of all EM2 sites as protected employment land, with the exception of EM 2.14 (the northern part of North Celynen). This site is located immediately north of the car park serving the adjacent site (EM 2.11) and is wooded. While outline permission for housing was granted in 2017, no interest has been expressed in its development for class B use during the lifetime of the adopted LDP (including by the occupant of EM 2.11). Therefore, it is not proposed that it should continue to be safeguarded.

The Dwr Cymru Welsh Water site in Nelson (EM2.7) was recommended for continued protection in the ELR on the proviso that it retain its current purpose. However, the occupant has made clear its intention to vacate the site and seek redevelopment for alternative uses. As the current premises are tailored to the needs of that occupant, and given the site's peripheral location, it is unlikely to be suitable for continued class B use and it is therefore proposed that it should not continue to be safeguarded.

The development of B1 units at EM 1.2 (Ty Du, Nelson) is nearing completion and it is proposed that this element of the site be safeguarded.

## Economic Vision

The 2RLDP is required to incorporate an economic vision which should include a broad assessment of anticipated employment change by sector and land use, and should be underpinned by evidence. It should be consistent with other aspects of the LDP such as housing and infrastructure, with other, complementary local authority strategies and also with other economic visions of neighbouring authorities.

### Cardiff Capital Region City Deal

The CCR City Deal is a £1.2b investment fund, representing a joint commitment by UK, Welsh and local governments, for the purposes of accelerating economic growth and productivity. While much of this investment is focused on delivery of the Metro (below), there are a small number of key targets:

Deliver 25,000 new jobs across the region;

Generate an additional £4b of private sector investment; and

Increase GVA by 5%.

### South Wales Metro

The South Wales Metro initiative will have a significant influence on the 2RLDP in terms of its strategic direction, providing a more integrated public transport network as well as faster and more frequent services. Its objectives include:

Delivering a high-quality and economically sustainable public transport network;

Improving connectivity, enabling the region to function as a single, coherent entity;

Improving accessibility to public transport within town and city centres;

Provide comparable journey times across public and private transport modes;

Cater for increasing demand for public transport;

Reduce environmental impact;

Encourage Active Travel and social inclusion initiatives.

### Caerphilly County Borough Regeneration Strategy

In terms of complementary strategies, the Council's regeneration strategy, A Foundation for Success, was approved in 2018. Its objectives are based on four, main themes, as follows:

Supporting People:

Increase employability and pathways into work;

Increase skill and attainment levels;  
Reduce worklessness;  
Improve physical and emotional health;  
Improve resilience through development of the foundational economy;  
Reduce the number of people in disadvantaged communities by tackling inequality

#### Supporting Business:

Build a more resilient and diversified economy;  
Support economic growth, innovation and enterprise;  
Create an environment that nurtures business;  
Enhance competitiveness;  
Boost business support;  
Identify key business investment sites;  
Improve the links between business and education/training providers

#### Supporting Quality of Life:

Manage natural heritage, whilst accommodating sustainable development;  
Improve access to culture, leisure and the arts;  
Provide opportunities for physical improvement and investment;  
Exploit the County Borough's tourism potential;  
Diversify, and increase the delivery of, housing stock;  
Improve the quality of existing housing stock;  
Develop a unique and complementary role for each principal town

#### Connecting People and Places:

Identify and promote major highway projects;  
Promote public transport integration and connectivity;  
Promote placemaking around key transport nodes;  
Promote rail improvements;  
Seek to reduce out-commuting and journey distances;



## Promote digital connectivity

However, the strategic vision for the regeneration of the County Borough has since been affected by two significant events – Brexit and the Covid-19 pandemic – the significant economic impact of which continues to persist. In response, the regeneration strategy was formally supplemented in December 2021 by A Foundation for Success - Delivering Prosperity after Covid, which highlighted the need for new employment sites to be identified as a key priority.

As highlighted elsewhere in this report, the plan preparation process has taken account of these regional programmes – the Metro concept will be incorporated as a key influence of the preferred strategy, particularly with regard to the accessibility of sites in terms of both public transport nodes and town centres. In addition, the 25,000 regional jobs target has been utilised in the consideration of the population and housing projection scenarios and forms the basis of scenario J, which is the basis of the 2RLDP Preferred Strategy.

According to the Oxford Economic forecasts used for the ELR, manufacturing employment is forecast to decline significantly over the course of the plan period, whilst relatively small increases are expected in sectors such as administrative and support services; ICT; and professional, scientific and technical. While, in net terms, employment is forecast to decline, it is not considered that, in overall terms, this forecast represents a sustainable approach, realising a population decline of 8,806 (Population and Housing Background Paper – scenario K). Instead, scenario J, which is the basis for the Preferred Strategy, is based on a desire to fulfil those regional aspirations set out by the CCR City Deal and the Metro programme, which gives rise to the jobs target of 1,800 (5.17 and 5.18). However, the most appropriate forecast in terms of the determination of the employment land requirement is considered to be the past building completions method, as it is based on a comprehensive picture of the development that has taken place in the County Borough since 2000. It avoids some of the weaknesses inherent to labour demand forecasting with respect to business-specific decisions regarding the development and retention of employment land, and provides an indication of the level of local demand. Therefore, the jobs target and the land requirement will not relate to each other directly. This is explained in section 5 (5.14-17).

Providing support to business in tangible terms is only one element of the Council's regeneration strategy. While the other themes may relate to areas wholly or partially outside the remit of this report or, indeed, the plan, they clearly relate to the concept of local, economic well-being and are, therefore, relevant, to the degree that they are able to help establish the scope within which the 2RLDP's economic policies and proposals seek to operate. In addition to those set out later in this report, this could assist with the process of policy formulation in related areas such as commercial and retail development within town centres, and other, complementary uses. The following economic vision is therefore proposed:

Caerphilly County Borough will develop its historic manufacturing base to become a natural choice within the Cardiff Capital Region for a diverse, mutually inclusive and resilient mix of businesses, social enterprises and locally-orientated entrepreneurs, through the following means:

Optimising its location within the Cardiff Capital Region through the improvement of public transport connectivity at the regional, local and community levels, while recognising the importance in business terms of existing highway links;

Enhancing the flexibility and choices available to businesses through the provision and safeguarding of appropriately-located, deliverable sites;

Ensuring the provision of sites for complementary uses, including housing and town centre-related development, through their allocation in the 2RLDP.

## Policy Framework

### Employment Land Provision

More than one forecasting method has been used to inform the employment land requirement for the 2RLDP – past building completions and labour demand forecast as well as a variation on the latter, resident workforce forecast, which is based on the strategic options that have been considered for the Preferred Strategy.

Manufacturing remains the County Borough's most prominent sector and is forecast to remain so, although a decline in the number of people employed within it is expected over the course of the plan period. Despite the reduction in the number of jobs in the local economy overall between 2019 and 2020, there was a slight uptick between 2015 and 2020, thanks to a growth in sectors such as administration and business support and construction. There was also an increase in the number of businesses, with wholesale and retail trade and construction being the most prominent overall, while manufacturing remains dominant in terms of class B floorspace. The County Borough is reasonably successful in terms of retention of labour, with 68.8% of its residents also working within it (fifth out of the 10 regional local authorities), although it has the second highest level of out-commuting in the region in absolute terms behind Rhondda Cynon Taf.

Over 70% of EM2 floorspace in the County Borough is in class B use, with vacancy rates being slightly over 10%. Discussions with stakeholders undertaken through the ELR indicate that the local industrial market is viewed as a locally-focused destination, with strong demand from existing businesses seeking to upgrade or move to larger accommodation. Agents report that demand is more focused on B2 uses, with Welsh Government receiving regular requests for manufacturing floorspace.

Demand is greatest for small units under 500 sqm, particularly where they fall under the single-occupier business rate threshold. However, regionally, enquiries regarding the availability of 7,000-10,000 sqm units are often received. The County Borough's office market is generally locally-focused, and largely supports associated industrial operations. Consequently, demand is localised in comparison to regional centres and confined to serviced schemes and spaces above shops in town centres. Demand is for suites of around 40 sqm with larger schemes struggling to let due to the sensitivity of the post-Covid economy.

The labour demand forecast identified an employment land need of either -52.44 ha or 7.56 ha on the basis of expected levels of growth and decline in specific sectors, depending on whether those sectors forecast to decline are discounted or not (set out in para. 5.5-5.8). The resident workforce forecast identified a figure of 17.79 ha as being the maximum economic impact of the projected increase in the working age population which would be realised through scenario J (CCR growth in working age population), which is the base projection for the 2RLDP.

Scenario J would result in an increase in the County Borough's working age population of 4,126 (3.5%), sufficient to help deliver the CCR's objective of an additional 25,000 jobs across the region. As para. 5.13 shows, this would result in an estimated 1,874 additional class B jobs. A jobs target of 1,800 is regarded as appropriate within the context of those scenarios considered. However, it will not directly correspond with the 2RLDP employment land requirement.

The most appropriate forecast is considered to be the past building completions method, as it is based on a comprehensive picture of the development that has taken place in the County Borough since 2000. It avoids some of the weaknesses inherent to labour demand forecasting with respect to business-specific decisions regarding the development and retention of employment land, and provides an indication of the level of local demand. Therefore, the base employment land requirement for the 2RLDP is provisionally taken to be 39.6 ha as determined by scenario 3 of the past building completions method, given that it represents a broad picture of class B development on both allocated and protected sites, pending any consideration of additional factors regarding land supply. This scale of development experienced over the course of the period of the adopted LDP can be attributed to the prohibitive costs of infrastructure provision in relation to some sites, which clearly has an effect in terms of viability and deliverability, despite their location in relation to centres of population and highway infrastructure.

The realistically available supply constitutes a total of 37.7 ha on eight sites. While this is almost sufficient to meet the employment land requirement of 39.6 ha identified by the ELR, the heavy reliance on three sites within a single location (Oakdale Business Park) and the potential take-up of land early in the plan period are relevant considerations.

To this end, it is considered that the allocation of a limited amount of additional supply would be appropriate to provide capacity and flexibility throughout the plan period. The choice of these sites reflects the need to provide more balance in terms of the portfolio of land, and to comply with the potential strategic objectives of town

centre and public transport accessibility. Therefore, it is proposed that a total of 44.5 ha over ten sites should be allocated in the 2RLDP (as set out in the following table):

Site Name	Settlement	Land Available (Ha)
Heads of the Valleys Industrial Estate	Rhymney	5.2
Land at Ty Du	Nelson	2.8
Tredomen Extension	Ystrad Mynach	4.2
Plateau 1, Oakdale Business Park	Oakdale	15.2
Plateau 2, Oakdale Business Park	Oakdale	7.0
Plateau 4, Oakdale Business Park	Oakdale	2.0
Dyffryn Business Park North	Ystrad Mynach	0.8
Land at Van Road	Caerphilly	2.6
Land at Caerphilly Business Park	Caerphilly	3.0
Land at Trecenydd Industrial Estate	Caerphilly	1.7

Table:21 Proposed land supply

Two additional sites, Hawtin Park North and Dyffryn Business Park South, should continue to be allocated for class B use as they serve as expansion land for their respective operators and, therefore, have value in employment terms. In addition, land at Llanbradach should also be allocated for mixed-use commercial/employment development in conjunction with the park and ride proposals. However, these sites should not be counted as contributing to the employment land requirement for the 2RLDP.

#### Safeguarded Employment Sites

It is proposed that 34 of the 36 sites presently safeguarded for class B use in the adopted LDP should continue to be protected, along with the part of EM 1.2 (Ty Du, Nelson) nearing completion. However, EM 2.7 (Dwr Cymru Welsh Water, Nelson) and EM 2.14 (North Celynen north) should no longer be safeguarded.

In accordance with the SEWSPG methodology, sites safeguarded in the adopted LDP have been categorised into four, broad groups, in order to reflect their importance. These generally correspond with the grading given to each site (the major employment sites are confined to 'A' and some 'B' sites, for instance), but have otherwise been determined on the basis of a qualitative judgement following the assessment process:

Type	Characteristics	Importance	Sites
Major Employment Site	Typified by large areas of land capable of accommodating a variety of uses. Sites are predominantly key development areas of a sufficient scale and location attracting individuals and investment from a wide catchment area, whilst affording access to regional/sub-regional markets. Sites are typically occupied by large renowned companies who are features of the national/international markets.	Sites of larger than local importance	EM2.8 - Tredomen Park EM 2.9 - Plateau 2, Oakdale EM 2.10 – Penyfan, Croespenmaen EM 2.11 - North Celynen (south) EM 2.12 - Hawtin Park EM 2.13 - Dyffryn BP EM 2.26 - Caerphilly BP
Secondary Employment Sites	Sites typically have a variety of employment uses and tend to draw individuals and investment from within the local authority area. There may be a small presence of national companies within these estates however established larger local businesses tend to predominate.	Sites of LA-wide Importance	EM 2.2 - Heads of the Valleys EM 2.3 - Capital Valley EM 2.5 - Angel Lane EM 2.6 – Bowen EM 2.15 – Croespenmaen EM 2.19 – Penallta EM 2.20 - Newbridge Road EM 2.22 – Switchgear EM 2.25 – Pantglas EM 2.27 - Prince of Wales EM 2.29 – Blackvein EM 2.32 - Rogerstone Park EM 2.33 - Bedwas House EM 2.34 - Pontygwindy Road EM 2.36 - Western
Key Local Employment Sites	Sites of significance in the local context, offering important local employment opportunities. Sites are typified by a local SME/start-up presence and will usually have the space to allow such businesses to grow and expand in the short-medium term.	Sub-LA Sites	EM 2.4 – Maerdy EM 2.17 - St. Davids EM 2.18 - New Road EM 2.23 – Penmaen EM 2.24 – Woodfieldside EM 2.28 - Nine Mile Point EM 2.30 – Newtown EM 2.35 - Trecenydd

Type	Characteristics	Importance	Sites
Neighbourhood Employment Sites	Such sites provide employment opportunities for members of the surrounding communities. These sites are typically small in scale and contain a small number of businesses. Such businesses tend to serve the immediate area and do not have a wide catchment. This definition extends to include small rural employment sites.		EM 2.1 - White Rose Way EM 2.16 – Britannia EM 2.21 - Tram Road EM 2.31 - Park Road

Table:22 Protected employment sites by category

The ELR recommends that the highest level of policy protection should be afforded to the major employment sites. Such sites should be restricted to class B uses only, while a more flexible approach could be taken as regards the other categories.

## Site Categorisations and Permissible Uses

In the adopted LDP, both allocated and protected sites are grouped into three categories: business parks; primary sites; and secondary sites (the status of each site with regard to these categories is set out in tables 14 and 18). The accompanying policy regards the following uses as being acceptable in principle:

Business parks – B1 uses; and facilities/services ancillary to the primary employment use;

Primary sites – B1/B2/B8 uses; appropriate sui generis uses; and facilities/services ancillary to the primary employment use;

Secondary sites – those uses deemed acceptable on primary sites; and acceptable commercial services unrelated to class B uses.

This approach is designed to protect those sites most conducive to high quality, B1 uses by virtue of their location (predominantly within the context of transport infrastructure) and prevailing pattern of existing occupiers, whilst allowing some flexibility for complementary, non-class B uses on appropriate sites i.e. those sites that are small or locally orientated or where either a mix of class B uses, or a mix of class B and additional, commercial operations, already exists. This approach also makes some allowance, albeit in a non-quantified fashion, for uses for which no identifiable provision exists elsewhere, or where alternative locations may not be ideally suitable e.g. fitness centres, day nurseries, vehicle maintenance operations.

Appropriate sui generis uses should be considered acceptable in principle. While there is no exhaustive list of such uses, this will permit a reasoned judgement to be made at planning application stage in terms of the desirability of particular uses on particular sites, and will depend on the scale and nature of such uses vis-à-vis the

prevailing character of a site as a whole, its primary employment function and the surrounding mix of uses. Therefore, while what constitutes an “appropriate” sui generis use will differ from location to location, it is considered that such uses, by virtue of their commercial nature, can contribute to the economic vitality of sites.

Similarly, the Development Plans Manual regards ancillary services and facilities as being capable of supporting the wider role and function of allocated and safeguarded sites. Whilst such uses should not undermine the integrity of employment sites, plan policies should allow for them. The following tables set out the breakdown of land use for each category of site in the County Borough, as derived from the 2020 ELAS:

Use Class	Floorspace (sqm)	%	Units	%
B1 (Business)	5169	94.2	54	90.0
Vacant	234	4.3	4	6.7
SG (Sui Generis)	82	1.5	2	3.3

Table:23 Use class, business parks

Use Class	Floorspace (sqm)	%	Units	%
B2 (General Industry)	292210	55.4	126	24.2
B1 (Business)	109805	20.8	182	34.9
B8 (Storage or Distribution)	42920	8.1	35	6.7
Vacant	39303	7.5	69	13.2
SG (Sui Generis)	21668	4.1	49	9.4
D1 (Non-Residential Institutions)	10771	2.0	11	2.1
Unknown	4722	0.9	20	3.8
A1 (Shops)	3990	0.8	14	2.7
D2 (Assembly & Leisure)	1234	0.2	5	1.0
A2 (Financial & Professional)	443	0.1	2	0.4
C3 (Dwellings)	180	0.0	6	1.2
A3 (Food & Drink)	158	0.0	2	0.4

Table:24 Use class, primary sites

Use Class	Floorspace (sqm)	%	Units	%
B2 (General Industry)	268282	33.9	205	20.2
SG (Sui Generis)	132924	16.8	131	12.9
B8 (Storage or Distribution)	130591	16.5	109	10.7

Use Class	Floorspace (sqm)	%	Units	%
B1 (Business)	124709	15.8	289	28.4
Vacant	96939	12.2	110	10.8
A1 (Shops)	11530	1.5	64	6.3
D2 (Assembly & Leisure)	10196	1.3	28	2.8
Unknown	8562	1.1	40	3.9
D1 (Non-Residential Institutions)	5558	0.7	21	2.1
A2 (Financial & Professional)	1348	0.2	8	0.8
A3 (Food & Drink)	929	0.1	12	1.2

Table:25 Use class, secondary sites

While there are relatively few business park sites and a correspondingly low level of development, the vast majority of it has been for B1 uses, in line with LDP policy, though there is a small element of sui generis provision. There is also a general difference in terms of the makeup of primary and secondary sites. Primary sites have a higher proportion of class B uses (65.8% of units compared to 59.3% on secondary sites), while sui generis are more prevalent on secondary sites (12.9% compared to 9.4% on primary sites). There are twice as many other commercial (class A and D) uses on secondary sites as primary ones (13.2% to 6.6%). Although the ELAS process has been refined over time, with the ability to employ techniques that recognise occurrences such as the subdivision of units, it appears that this divergence has increased during the plan period of the adopted LDP. For instance, in the 2012 survey, 3% of units on primary sites were in class A/D use compared to 4% on secondary sites. Therefore, it appears as though the current situation 'on the ground' is reflective of the LDP policy framework. However, it needs to be borne in mind that the number of units whose uses are 'unknown' (just under 4% for both primary and secondary sites) is potentially significant in this regard. Vacancy rates are slightly lower on secondary sites (10.8% compared to 13.2%) which perhaps illustrates the greater degree of flexibility permitted. However, this is not a concern for either category, indicating that some degree of policy restraint with respect to primary sites has not harmed their ability to function in the manner intended.

## Allocated Sites

Of the eight presently allocated sites forming the available supply, all are categorised as primary sites, with the exception of EM 1.2 (Ty Du, Nelson) and EM 1.13 (Land at Trecenydd, Caerphilly) which are in the business park and secondary site categories respectively. Of those sites where development has taken place, or those forming undeveloped parcels of otherwise functioning estates, none has a significant proportion of class A or D uses, with the exception of Trecenydd Industrial Estate, with 20% of units (in the safeguarded (EM2) element) in either class A or D. The Ty Du site is being proactively implemented through a public-sector led scheme, in



order to satisfy latent demand, with the development that has taken place thus far being for B1 use. The remainder of the employment element of the site is likely to be developed in the same vein, in keeping with the current planning permission and policy framework and in order to take advantage of the site's optimal location in regional terms. It is therefore considered that the current categorisation should remain in place, with respect to these sites.

It is recommended that Hawtin Park North and Dyffryn Business Park South should continue to be allocated for class B use as they serve as expansion land for their respective operators, without being counted as part of the employment land supply. Having regard to adjacent operations and the most recently-granted planning permissions, it is considered appropriate to also categorise them as primary sites.

Tredomen Park (EM 2.8) is advantageously located in terms of its ability to take advantage of its optimal location in regional terms. It is predominantly in B1 use, and the site has been particularly successful since its inception, being characterised by consistently high occupancy rates. It is therefore considered that the site's business park designation should also be applied to the proposed extension of this site.

Both the allocated and safeguarded sections of Caerphilly Business Park are designated as primary sites. While the proposed allocation of land at Van Road constitutes a new site, it clearly has a strong relationship in locational terms to this existing estate and, therefore, the allowance of the same range of class B uses would appear logical. However, its reasonably small scale lends itself to B1 development in the form of smaller premises. This would not be at odds with a significant proportion of Caerphilly Business Park's present occupants, who are engaged in B1 uses.

## Safeguarded Sites

The ELR recommends that those within the 'major employment sites' category (table 21) should be reserved for class B uses only (EM 2.8-13, EM 2.26). With the exception of EM 2.8 (Tredomen Park, Ystrad Mynach) which is in the business park category, all of these are currently primary sites. While the remainder have been categorised as either secondary, key local or neighbourhood sites, a more flexible approach is collectively advocated for these categories, with some non-class B uses being considered acceptable. This is generally consistent with the current approach – of the present business park and primary sites, only EM 2.25 (Pantglas, Bedwas) is not recommended for inclusion within the 'major employment sites' category on account of its ELR assessment.

While this takes account of prevailing conditions with respect to each site 'on the ground', it also seeks to reflect the site assessment process, and the grading given to each site. Those identified within the 'major' category are typically characterised by the presence of larger, national or international firms, and their possession of strategic advantages due to their scale and location which are likely to prove attractive to investors. Indeed, the number of units in classes A/D or sui generis use is under 10% on each of these sites, with the exceptions of EM 2.10 (Penyfan,

Croespenmaen) and EM 2.13 (Dyffryn Business Park), where the proportions of sui generis uses are 14.8% and 13.3% respectively. By contrast, EM 2.8 (Tredomen Park) has no class A/D uses, and only 1.7% of its units are in sui generis use with the remainder of its occupied stock being B1. This is presently a business park designation, and it therefore seems appropriate to continue to distinguish those sites that are presently dominated by B1 use from those where B2/B8 uses are present.

Tredomen Park is advantageously located in terms of its ability to take advantage of its optimal location in regional terms. It is predominantly in B1 use, and the site has been particularly successful since its inception, being characterised by consistently high occupancy rates. It is therefore considered that the site's business park designation should be retained. For the same reason, that part of Ty Du which has been developed for B1 use should be also be given this designation.

In terms of the remaining safeguarded sites (other than those whose current safeguarding is not recommended for retention), the categorisation set out in the ELR is considered appropriate. Those identified as 'major employment sites' should be regarded as primary sites, and those subject to other categorisations should be safeguarded as secondary sites, for the purposes of policy.

It is considered appropriate to continue to allow some flexibility through the policy framework for complementary, non-class B uses, where these would not be detrimental to the overall employment function of sites. Therefore, it is proposed that secondary sites continue to regard some commercial services as being acceptable in principle, subject to the satisfaction of certain conditions. Again, it is not proposed that an exhaustive list of uses be drawn up to accompany this policy, but that proposals should be judged on their merits. However, guidance will be provided in the supporting text in terms of the range of uses likely to be acceptable in principle. The Manual advises that LDPs should include a criteria-based policy to control non-class B uses, and the ELR recommends that such proposals be required to demonstrate the following:

Sites/premises are no longer suitable or reasonably capable of being utilised for employment (class B) purposes; and

Sites/premises have been proactively marketed for class B use for a reasonable period at a reasonable market rate as supported through a documented, formal marketing strategy and campaign; or

The proposal would have a significant community benefit which outweighs the impact of the site/premises being utilised for an alternative use.

In demonstrating the above, a proposal would be required to provide evidence of the site/premises being marketed by a recognised commercial agent operating locally and/or nationally. The length of the marketing period vis-à-vis the quality of the site/premises and the length of time for which a unit has been vacant are clearly important considerations. However, each proposal should be assessed on its merits

and it is therefore appropriate to include these elements within the policy's supporting text, rather than imposing blanket, quantitative requirements.

## Waste

All sites allocated and protected for B2 use in the adopted LDP are considered as being potentially suitable for new in-building waste management facilities. National policy and the Development Plans Manual continue to regard this approach as being acceptable in principle, though flood risk concerns need to be taken into account for specific types of waste processing.

A number of proposed allocated and safeguarded sites lie partly within flood zones 2 and 3 (both rivers; and surface water and small watercourses) as set out in the new Flood Map for Planning. The revised TAN 15, due to come into effect in 2023, regards general industrial development, as well as renewable energy generation, as being "less vulnerable" and, therefore, justifiable in zone 2 subject to the application of the TAN 15 justification test, and potentially zone 3, though the test is more stringent. However, uses involving an attendant risk to the public and the water environment should the site be inundated are considered "highly vulnerable" and are not acceptable in zone 3. Although the TAN does not set out an exhaustive list of uses, it is considered appropriate to exclude the possibility of waste management facilities dealing with either hazardous or food waste from sites, or areas of sites, within zone 3. This will be reflected in the proposed policy framework in respect of waste which will be dealt with in the background paper for that topic, including addressing the need for suitable and appropriate sites and the potential use of a criteria-based policy.

## Recommendations

The following policies are recommended for inclusion within the 2RLDP:

### Managing Employment Growth

Provision is made for the development of 44.5 ha of land for class B use, between 2020 and 2035. This will be met through the development of a range of sites, categorised as follows:

Business parks;

Primary employment sites;

Secondary employment sites

### Use Class Restrictions – Business and Industry

Proposals will be subject to the following restrictions:

On sites identified as business parks, proposals will only be permitted if they are:

Within use class B1; or

An appropriate sui generis use; or

To provide an ancillary facility or service to the primary employment use

On sites identified as primary employment sites, proposals will only be permitted if they are:

Within use classes B1, B2 or B8; or

An appropriate sui generis use; or

To provide an ancillary facility or service to the primary employment use

On sites identified as secondary employment sites, proposals will only be permitted if they are:

Within use classes B1, B2 or B8; or

An appropriate sui generis use; or

To provide an ancillary facility or service to the primary employment use; or

An acceptable commercial service unrelated to any class B use

## Secondary Employment Sites – Acceptable Commercial Services

Proposals for acceptable commercial services on secondary employment sites shall be required to demonstrate the following:

That the proposal would have a significant community benefit which would outweigh the impact of the site or premises in question, or part thereof, being utilised for an alternative use; or

That the site or premises in question, or part thereof, is no longer suitable or reasonably capable of being utilised for employment (class B) purposes, and has been proactively marketed for class B use for a reasonable period at a reasonable market rate as supported through a documented, formal marketing strategy and campaign

## Employment Allocations

The following sites are allocated for class B use, in accordance with their respective designations as set out in policy xx:

Site Ref	Site Name	Settlement	Size (Ha)	Type
E1.1	Heads of the Valleys Industrial Estate	Rhymney	5.2	Primary site
E1.2	Land at Ty Du	Nelson	2.8	Business park
E1.3	Tredomen Extension	Ystrad Mynach	4.2	Business park
E1.4	Plateau 1, Oakdale Business Park	Oakdale	15.2	Primary site
E1.5	Plateau 2, Oakdale Business Park	Oakdale	7.0	Primary site
E1.6	Plateau 4, Oakdale Business Park	Oakdale	2.0	Primary site
E1.7	Dyffryn Business Park North	Ystrad Mynach	0.8	Primary site
E1.8	Land at Van Road	Caerphilly	2.6	Business park
E1.9	Land at Caerphilly Business Park	Caerphilly	3.0	Primary site
E1.10	Land at Trecenydd Industrial Estate	Caerphilly	1.7	Secondary site
<i>Additional sites not counting towards the employment land supply</i>				
E1.11	Hawtin Park North	Gellihaf	4.5	Primary site
E1.12	Dyffryn Business Park South	Ystrad Mynach	6.3	Primary site

Table:26 Sites proposed for allocation

## Safeguarded Sites

The following sites are safeguarded for class B use, in accordance with their respective designations as set out in policy xx:

Site Ref	Site Name	Settlement	Size (Ha)	Type
EM 2.1	New Tredegar Business Park	New Tredegar	1.3	Primary
EM 2.2	Heads of the Valleys Ind Est	Rhymney	14.3	Secondary
EM 2.3	Capital Valley Ind Est	Rhymney	14.8	Secondary
EM 2.4	Maerdy Ind Est	Rhymney	12.5	Secondary
EM 2.5	Angel Lane Ind Est	Aberbargoed	3.1	Secondary
EM 2.6	Bowen Industrial Estate	Aberbargoed	11	Secondary
EM 2.7	Ty Du	Nelson	1.0	Business Park
EM 2.8	Tredomen Park	Ystrad Mynach	7.2	Business Park
EM 2.9	Plateau 2, Oakdale Business Park	Oakdale	13	Primary
EM 2.10	Penyfan Industrial Estate	Croespenmaen	73	Primary
EM 2.11	North Celyn (south)	Newbridge	9.1	Primary
EM 2.12	Hawtin Park	Gellihaf	29.8	Primary
EM 2.13	Dyffryn Business Park	Ystrad Mynach	29.4	Primary
EM 2.14	Croespenmaen Industrial Estate	Croespenmaen	6.5	Secondary
EM 2.15	Britannia Industrial Estate	Pengam	2.9	Secondary
EM 2.16	St. David's Industrial Estate	Pengam	5.2	Secondary

Site Ref	Site Name	Settlement	Size (Ha)	Type
EM 2.17	Tiryberth Industrial Estate	Tiryberth	7.1	Secondary
EM 2.18	Penallta Industrial Estate	Hengoed	23.9	Secondary
EM 2.19	Newbridge Road Ind Est	Pontllanfraith	12.8	Secondary
EM 2.20	Tram Road Industrial Estate	Pontllanfraith	2.5	Secondary
EM 2.21	Blackwood Business Park	Pontllanfraith	10.1	Secondary
EM 2.22	Penmaen Industrial Estate	Pontllanfraith	6	Secondary
EM 2.23	Woodfieldside Business Park	Pontllanfraith	1.9	Secondary
EM 2.24	Pantglas Industrial Estate	Bedwas	31.8	Primary
EM 2.25	Caerphilly Business Park	Caerphilly	11.5	Primary
EM 2.26	Prince of Wales Ind Est	Abercarn	23.3	Secondary
EM 2.27	Nine Mile Point Ind Est	Cwmfelinfach	15.7	Secondary
EM 2.28	Blackvein Ind Est (north and south)	Wattsville	7.4	Secondary
EM 2.29	Newtown Industrial Estate	Crosskeys	8.3	Secondary
EM 2.30	Park Road Industrial Estate	Risca	0.7	Secondary
EM 2.31	Rogerstone Park	Pontymister	12.4	Secondary
EM 2.32	Bedwas House Ind Est	Bedwas	29.9	Secondary
EM 2.33	Pontygwindy Industrial Estate	Caerphilly	16.8	Secondary
EM 2.34	Trecenydd Industrial Estate	Caerphilly	8	Secondary
EM 2.35	Western Industrial Estate	Caerphilly	15.4	Secondary

Table:27 Sites proposed for safeguarding

## Llanbradach Park and Ride

xx ha of land are made available at Llanbradach park and ride for the following uses:

B1/B2/B8; and

Ancillary facilities or services to the primary employment use.