



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

EB15: Retail and Commercial Centres
Evidence Paper

October 2026



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Retail and Commercial Centres
Evidence Base Paper

Introduction

This background paper will look at retail and commercial centres in the county borough, considering not only past trends and present conditions but also future challenges and opportunities.

The Welsh Government says ‘retail and commercial centres are hubs of social and economic activity and the focal point for a diverse range of services which support the needs of local communities’.

It operates a ‘“town centres first” policy in relation to the location of new retail and commercial centre development’. This means ‘significant new commercial, retail, education, health, leisure and public service facilities must be located within town and city centres’.

Ordinary housing is not a ‘retail and commercial centre’ use, but upper-floor flats are compatible with a retail and commercial centre because they create ‘footfall’ and preserve the overall character or ‘feel’.

The current LDP (adopted in November 2010) identifies five ‘principal town centres’: Bargoed, Blackwood, Caerphilly, Risca/Pontymister, and Ystrad Mynach.

It also identifies two ‘retail warehouse parks’: Blackwood Gate and Gallagher Retail Park (Caerphilly).

Within their town centres, Blackwood and Caerphilly have ‘primary retail areas’ that receive additional protection through policies.

The current LDP mentions four ‘local centres’ (Bedwas, Nelson, Newbridge and Rhymney) in its settlement hierarchy, but it doesn’t explicitly identify them as retail and commercial centres.

This paper will summarise the policy framework for retail and commercial centres. Then it will set out the recent history of the borough’s centres, covering such factors as vacancy rates, yearly footfall and the predominance (or otherwise) of shopping. It will also summarise a report that discusses recent trends, estimates land requirements and makes policy recommendations.

This paper will conclude that:

- the 2nd Replacement Local Development Plan (2RLDP) should add four 'local centres' to the hierarchy of retail and commercial centres
- the 2RLDP should promote 'retail and commercial centre' uses in general rather than shopping in particular
- the 2RLDP need not allocate any land for commercial uses

Finally, this paper will present five draft policies on retail and commercial centres. The first sets out the hierarchy of centres, and the second and third are about development in those centres. The fourth covers retail and/or commercial development outside the hierarchy, while the fifth allocates land for Caerffili Town 2035 regeneration projects.

Summary of policies on, and initiatives that might affect, retail and commercial centres

National

Planning Policy Wales (Edition 12, February 2024)

Planning Policy Wales (PPW) sets out to ‘create sustainable places which are attractive, sociable, accessible, active, secure, welcoming, healthy and friendly’ (paragraph 2.3). This aim overlaps with a desire to ‘reduce reliance on travel by private car, and the adverse impacts of motorised transport on the environment and people’s health, by prioritising and increasing active travel and public transport’ (p.45).

Retail and commercial centres, as well as being ‘hubs of social and economic activity’ and the ‘focal point for [community] services’, are ‘highly accessible to different modes of transport and are the most sustainable locations for new development’ (paragraph 4.3.1).

A planning authority should ‘establish through [its] development plan a clear strategy for retail development, supported by policies, to achieve vibrant, attractive and viable retail and commercial centres’ (paragraph 4.3.5).

Retailing should ‘underpin retail and commercial centres’, but it is ‘only one of the factors which contribute towards their vibrancy’ (paragraph 4.3.30).

A planning authority should ‘establish a hierarchy of retail and commercial centres’ that ‘[distinguishes] between higher-order [larger] centres and lower-order [smaller] centres’ (paragraphs 4.3.10 and 4.3.12).

The ‘town centres first’ policy involves a ‘sequential approach’ that directs retail and commercial uses to the highest-possible level of a hierarchy (paragraphs 4.3.18-24).

However, a planning authority should be ‘flexible in its approach’, keeping in mind that the ‘nature of a proposed use is likely to determine what type of centre is most appropriate as a starting point for the sequential [test]’ (paragraph 4.3.21).

In times of economic difficulty a planning authority should ‘consider how non-A1 uses’ – including pubs, restaurants, theatres and music venues – ‘may play a greater role to increasing diversity and reducing vacancy levels’ (paragraphs 4.3.36 and 4.3.43).

Retail needs tests attempt to measure unmet demand for shops (paragraphs 4.3.13-17). The need may be ‘qualitative’, which is about the number of shops or the amount of floor space, or ‘qualitative’, which is about types of shops and their effect on travel patterns and the character of a place, among other things. This policy supports the ‘town centres first’ policy by ‘[reinforcing] the role of centres, and other allocated sites, as the best location for most retail, leisure, and commercial activities’ (paragraph 4,3,14).

Retail developments outside designated retail and commercial centres, and which are not located on an allocated site, can affect the viability and vibrancy of a centre (paragraph 4.3.25). To protect defined retail and commercial centres, national policy requires every large retail proposal (gross floor space of at least 2,500 square metres) to satisfy a retail impact assessment. Planning authorities may ask for impact assessments when considering smaller proposals too (paragraph 4.3.27).

Future Wales: The National Plan 2040 (published in February 2021)

Policy 2: Shaping Urban Growth and Regeneration – Strategic Placemaking

The growth and regeneration of towns and cities should positively contribute towards building sustainable places that support active and healthy lives, with urban neighbourhoods that are compact and walkable, organised around mixed-use centres and public transport, and integrated with green infrastructure.

The supporting text (‘Mix of uses’) says:

To create activity throughout the day and enable people to walk and cycle, rather than being reliant on travelling by car, places should have a rich mix of residential, commercial and community uses within close proximity to each other. Urban growth and regeneration should integrate different uses within neighbourhoods.

Policy 6: Town Centre First

Significant new commercial, retail, education, health, leisure and public service facilities must be located within town and city centres. They should have good access by public transport to and from the whole town or city and, where appropriate, the wider

region. A sequential approach must be used to inform the identification of the best location for these developments and they should be identified in Strategic and Local Development Plans.

The supporting text says:

The principle of 'Town Centre First' is well established in planning policy in relation to retail developments. However, good planning can help us re-think the future of town and city centres, which are moving away from their traditional retail roles. The impact of COVID-19 on the retail sector is a further driver towards making our town centres multi-functional places.

And:

Commercial, retail, education, health, leisure and public service facilities should be located within town and city centres. This policy applies to developments of a significant scale, which can broadly be defined as where the facility will serve a town, city or region-wide catchment. It is for planning authorities to determine whether a development is considered to be of a significant scale. Planning Policy Wales sets out further requirements under 'Town Centre First' for retail developments.

And:

Planning authorities are encouraged to take a similar approach for smaller developments. It is important for local facilities and homes to be integrated within walkable, mixed-use neighbourhoods, particularly in or adjacent to local centres in accordance with policy 2 [Shaping Urban Growth and Regeneration – Strategic Placemaking].

Travelling in Wales

This section (pp.84-88) says that the country's 'reliance on travelling by car' limits the 'opportunity for physical activity and social contact to be built into people's everyday lives', '[exacerbates] air and noise pollution, particularly along major routes and at busy destinations', and has an 'adverse impact on people's health and well-being, contributing to life-limiting illnesses associated with physical inactivity, loneliness and isolation. It says, too, that road transport is a 'major cause of air and noise pollution and it accounts for the vast majority of greenhouse gas emissions produced from the transport sector' (p.85).

Technical Advice Note (TAN) 4: Retail and Commercial Development (November 2016)

This document sets out three objectives for retail and commercial centres (p.3):

- Promote viable urban and rural retail and commercial centres as the most sustainable locations to live, work, shop, socialise and conduct business
- Sustain and enhance retail and commercial centres' vibrancy, viability and attractiveness
- Improving access to, and within, retail and commercial centres by all modes of transport, especially walking, cycling and public transport

TAN 4 also explains how to define retail and commercial centres and how to apply the need test and the sequential test to retail proposals. It provides more detail about the content of retail impact assessments too, covering such issues as consumer choice, investment plans, travel patterns and environmental impact.

Building Better Places: The Planning System Delivering Resilient and Brighter Futures Recovery (July 2020)

This document considers how the planning system might help Wales to recover from the Covid-19 pandemic.

Regional

Cardiff Capital Region (CCR)

According to the CCR website, the CCR City Deal 'represents the joint commitments made by the ten local authorities of the Cardiff Capital Region, the UK Government and the Welsh Government to unlock £1.2bn of collective investment'. It is 'designed to build on the region's sectoral strengths, its high skill base and three successful universities and accelerate economic growth and productivity through a series of considered targeted investments in skills, infrastructure, innovation-led scalable projects and priority industry sectors and businesses'.

Transport is a 'priority sector' because an 'efficient and effective transport system helps increase the number of people wanting to live, work and spend leisure time in Wales, which in turn builds strong and vibrant local economies'.

South Wales Metro

According to the Transport for Wales website, the South Wales Metro will be an ‘integrated network of bus, rail and active travel (walking and cycling) that will improve connectivity and make sustainable travel easier across South Wales’.

Local

Caerphilly County Borough Local Development Plan up to 2021 (Adopted November 2010)

Policy SP4: Settlement Strategy

This policy sets out the following hierarchy of settlements:

Principal Towns:

- Bargoed (HOVRA)
- Blackwood (NCC)
- Ystrad Mynach (NCC)
- Caerphilly (SCC)
- Risca/Pontymister (SCC)

Local Centres:

- Rhymney (HOVRA)
- Nelson (NCC)
- Newbridge (NCC)
- Bedwas (SCC)

Residential Settlements:

- All other villages within defined settlement boundaries

Policy SP17: Promoting Commercial Development

This policy identifies five principal town centres:

- Bargoed
- Blackwood
- Ystrad Mynach
- Caerphilly
- Risca/Pontymister

Two primary retail areas:

- High Street, Blackwood
- Castle Court, Caerphilly

And two retail warehouse parks:

- Blackwood Gate Retail Warehouse Park
- Gallagher Retail Warehouse Park

Policy CW14: Use Class Restrictions – Retail:

- In principal town centres, proposals to convert ground-floor shops into other uses must meet certain conditions.
- In primary retail areas, proposals to convert ground-floor shops into flats are prohibited.
- In primary retail areas, proposals to convert ground-floor shops into Class A uses must meet a condition.

Policy CW16: Locational Constraints – Retailing:

- Outside the principal town centres, proposals for new shops or additional floor space in shops must meet certain conditions.
- Note: The LDP's Local Centres and Residential Settlements are *not* town centres for the purposes of policy CW16 or Planning Policy Wales. They are relevant to the hierarchy of *settlements* only.

Masterplans

The council's regeneration masterplans set out to protect town centres by encouraging a greater mix of uses in them. The masterplans cover the following areas:

- Caerphilly Basin
- Greater Blackwood
- Heads of the Valleys Regeneration Area
- Lower Ebbw and Sirhowy Valley
- Ystrad Mynach

Town-centre placemaking plans

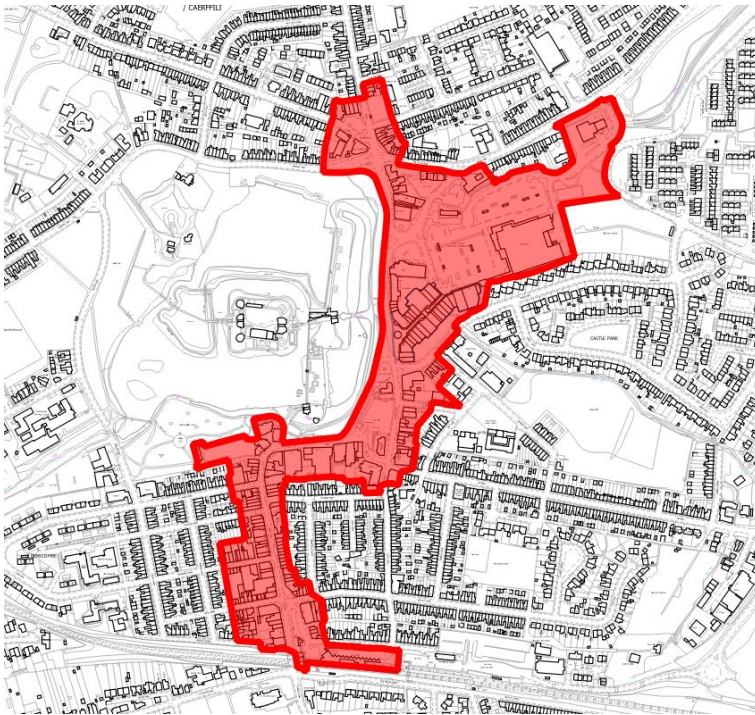
Developed with support from Welsh Government, placemaking plans set out to revitalise the high streets, support local businesses and enhance public spaces. The Council held community workshops to shape the plans and ensure the vision reflects local priorities and aspirations. The placemaking plans will help to secure external funding and guide regeneration efforts.

- Bargoed Placemaking Plan (approved in June 2025)
- Blackwood Placemaking Plan (approved in June 2025)
- Caerphilly Town 2035 Placemaking Plan (ongoing project)

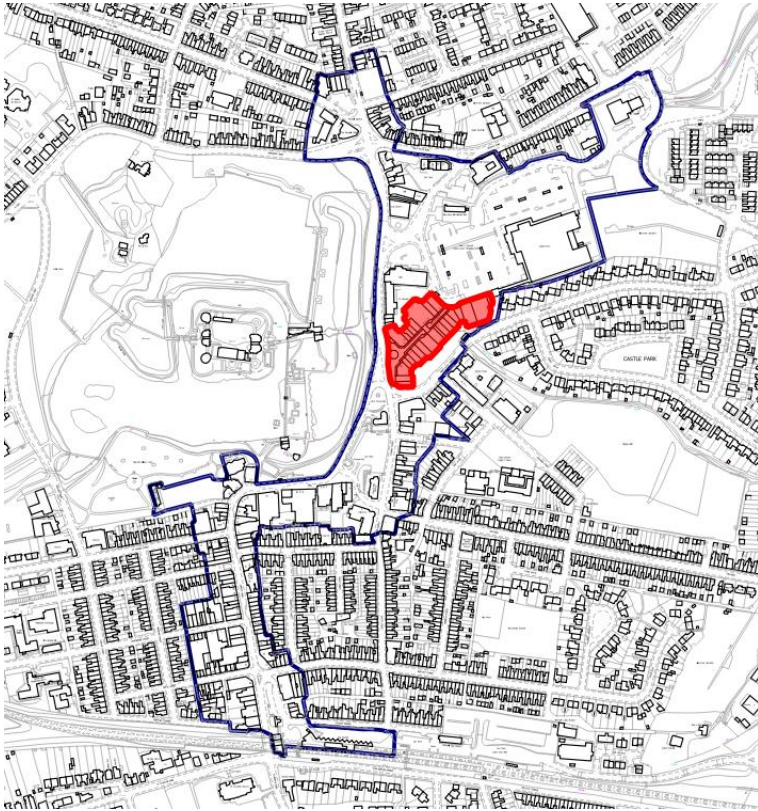
Recent history and current situation

Boundaries of principal town centres in current LDP:

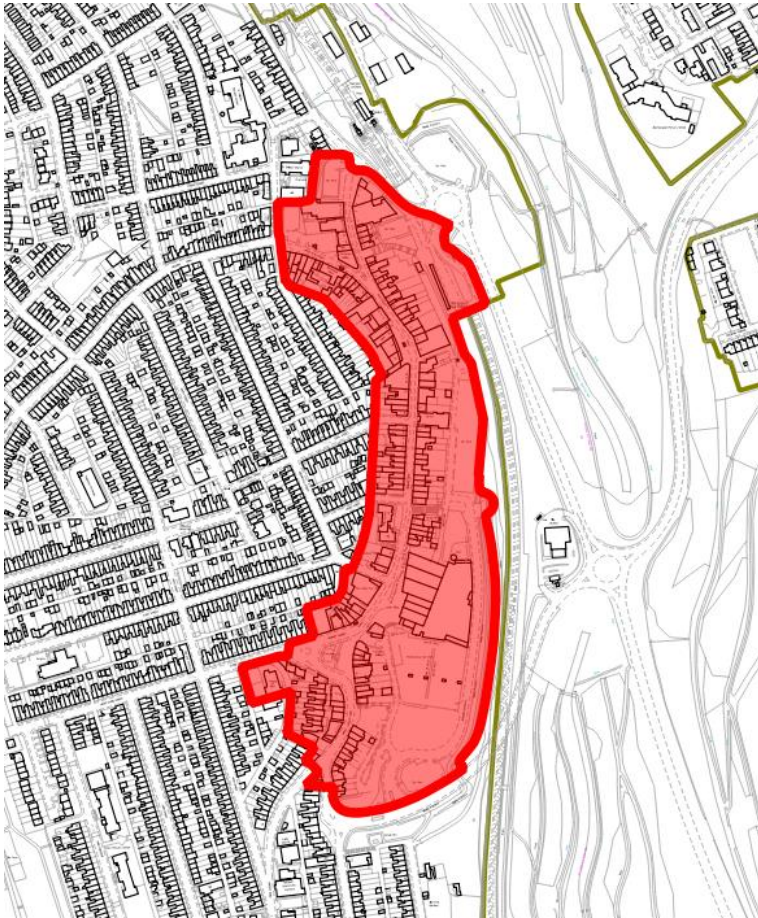
Map of Caerphilly Principal Town Centre



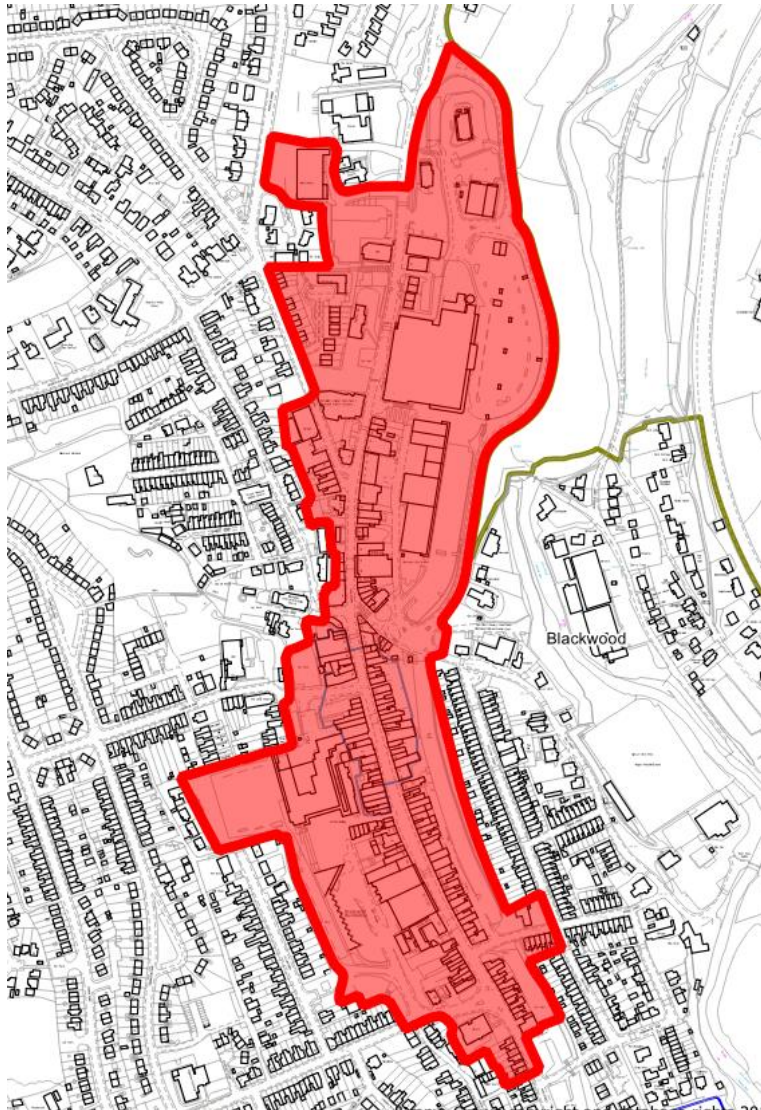
Map of Caerphilly's Primary Retail Area



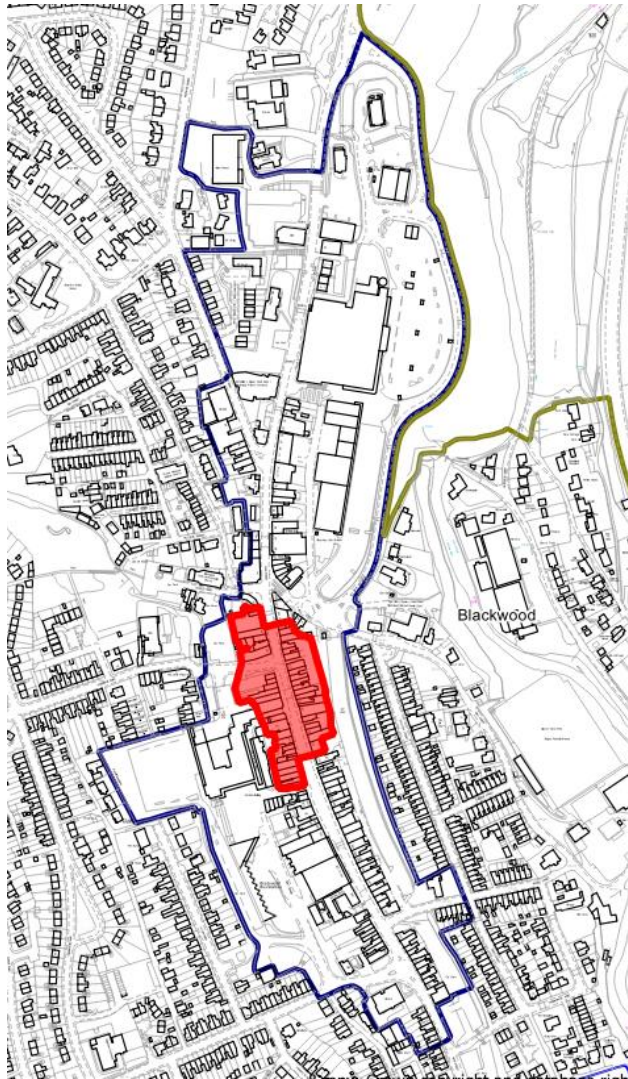
Map of Bargoed Principal Town Centre



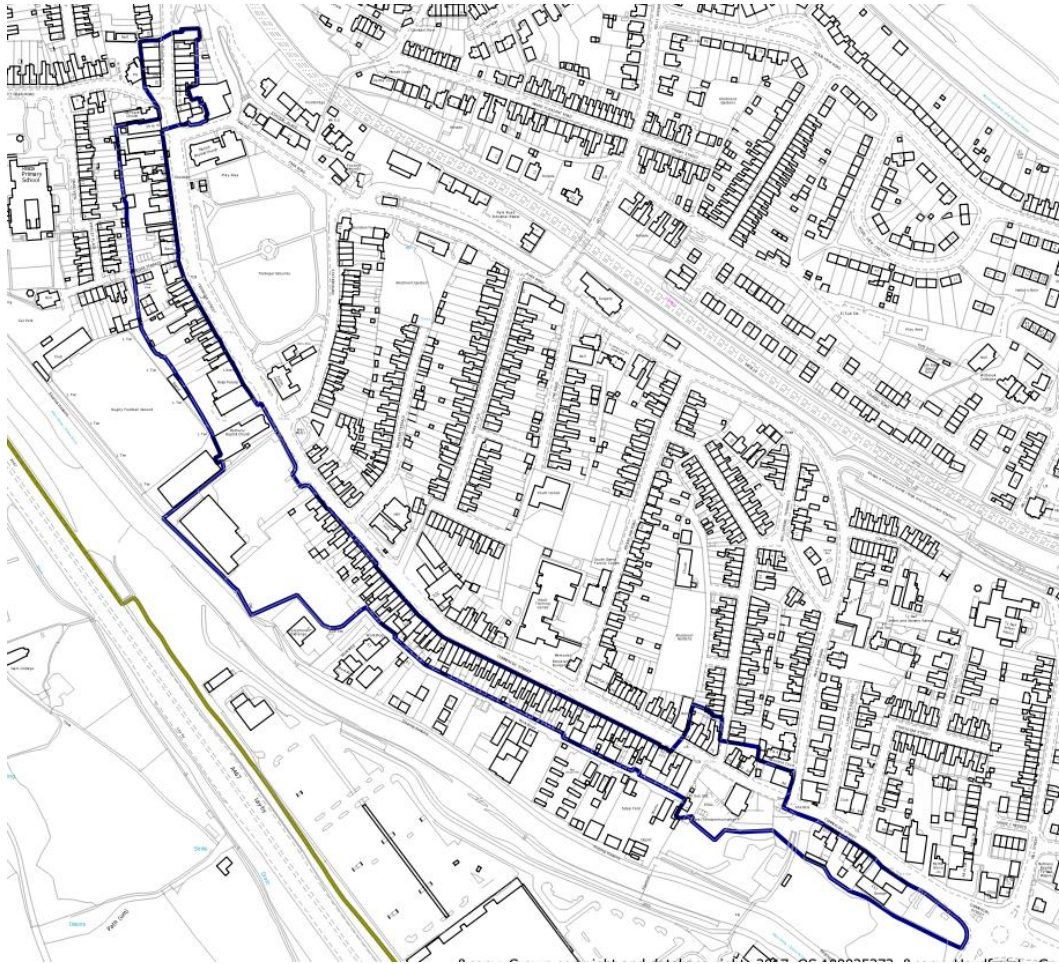
Map of Blackwood Principal Town Centre



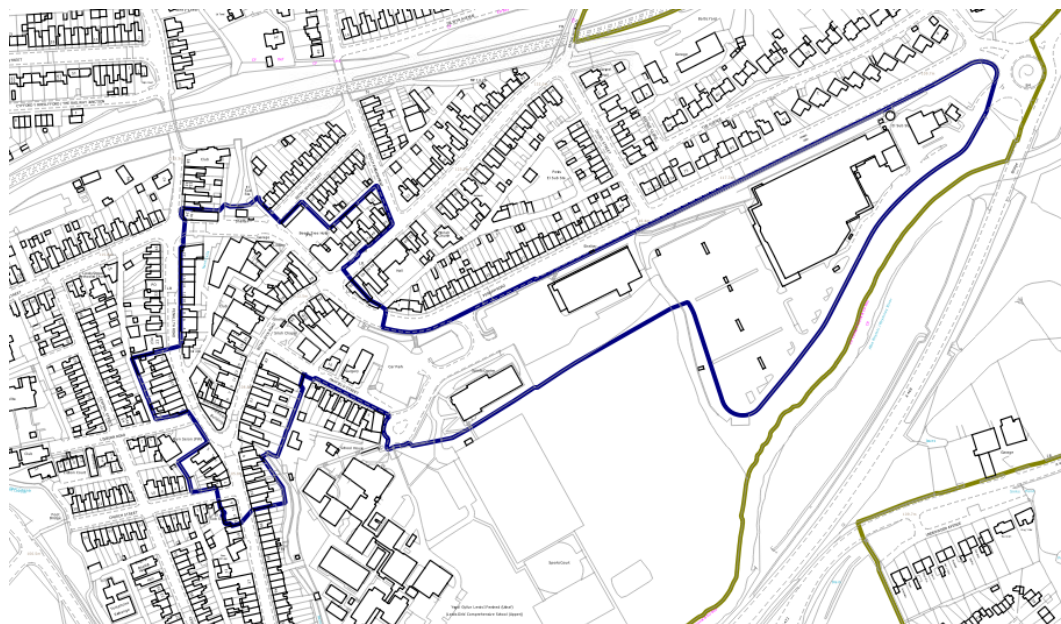
Map of Blackwood's Primary Retail Area



Map of Risca & Pontymister Principal Town Centre



Map of Ystrad Mynach Principal Town Centre

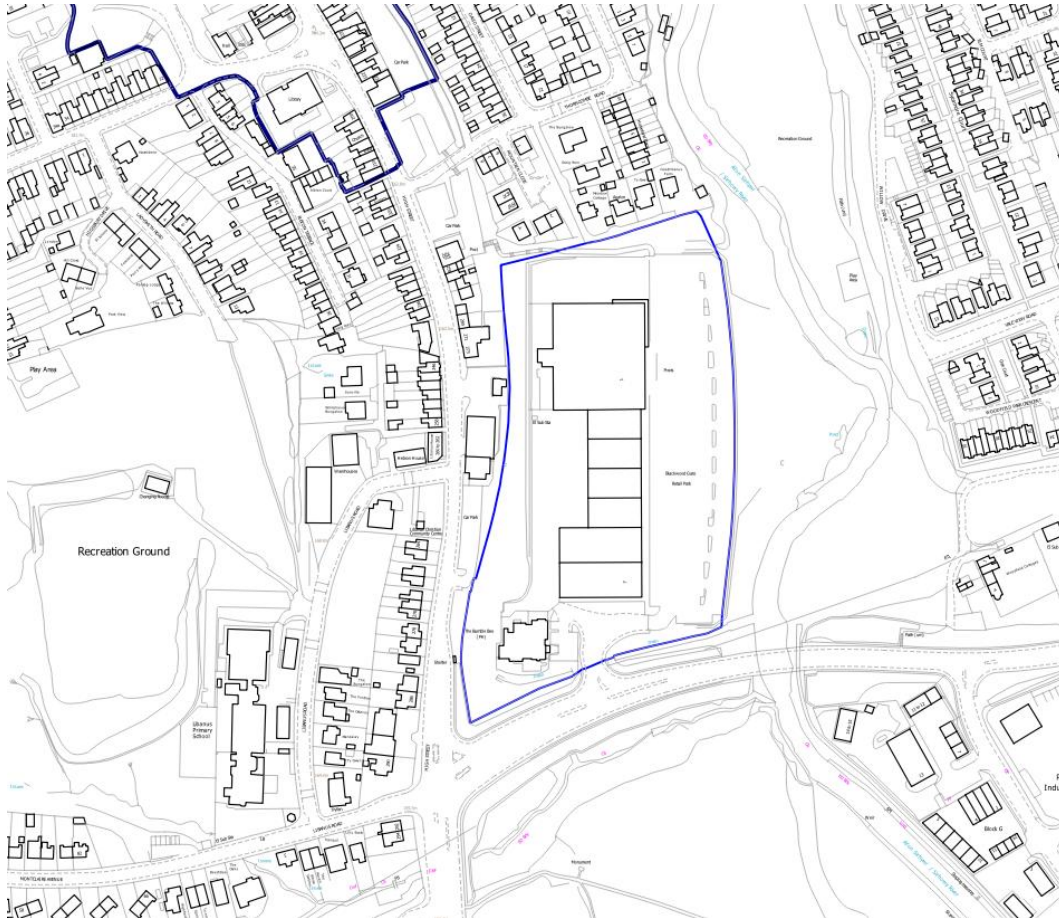


Boundaries of Retail Warehouse Parks in current LDP:

Map of Gallagher Retail Park, Caerphilly (Retail Warehouse Park)



Map of Blackwood Gate Retail Park, Blackwood (Retail Warehouse Park)



Retail Background Paper for Replacement LDP (May 2015)

This paper recommended the Replacement LDP, which was withdrawn before it could be adopted, should have 'primary retail areas' in Caerphilly (Castle Court) and Blackwood (High Street) as well as a borough-wide hierarchy of retail centres. It also recommended Gallagher's Retail Warehouse Park be allowed a greater number of 'commercial leisure and employment opportunities' in a bid to 'curb the continual loss of comparison expenditure from the county borough'.

Number of units in the LDP's principal town centres:

The table below shows the number of units in the LDP's principal town centres (including primary retail areas).

Bargoed	Blackwood	Caerphilly	Risca & Pontymister	Ystrad Mynach
147	215	266	104	89

The table below shows each centre's number of units as a percentage of the largest centre's (Caerphilly's) number of units.

	Bargoed	Blackwood	Caerphilly	Risca & Pontymister	Ystrad Mynach
No. of units as percentage of largest centre's no. of units	55	81	100	39	33

Assessed in numerical terms, the centres appear to fall into two levels:

1. Bargoed, Blackwood and Caerphilly;
2. Risca & Pontymister and Ystrad Mynach.

However, footfall data for five town centres (see the table below) paints a different picture.

Yearly footfall in Bargoed, Blackwood and Caerphilly since 2011:

Since 2011 the council has recorded footfall in the Principal Town Centres of Bargoed, Blackwood and Caerphilly. The data is shown in the table below.

	2011	2012	2013	2014	2015	2016	2017	2018
Bargoed	976,024	696,849	713,947	896,141	577,425	786,311	662,542	527,564
Blackwood	1,871,038	1,929,539	1,796,399	1,687,684	1,074,556	1,515,353	1,359,511	1,663,789
Caerphilly	2,057,351	1,916,044	1,438,887	1,621,338	1,564,901	1,474,290	1,235,555	1,294,075

	2019	2020	2021	2022	2023	2024
Bargoed	537,616	356,008	399,699	457,734	461,861	283,709
Blackwood	1,635,391	954,308	1,079,194	1,295,358	1,275,287	1,080,338
Caerphilly	1,220,362	759,313	849,837	1,053,252	1,057,973	968,238

The table below shows the decline in footfall between 2011 and 2024 as a percentage.

Principal town centre	Decline in footfall between 2011 and 2024 (%)
Bargoed	71
Blackwood	42
Caerphilly	53

Each of the centres now attracts fewer visitors than it did in the early 2010s.

Yearly footfall in Bargoed, Blackwood, Caerphilly, Newbridge, Risca/Pontymister and Ystrad Mynach since 2019:

Since 2019 the council has monitored footfall in Newbridge (even though its centre lacks a definite boundary in the LDP), Risca/Pontymister and Ystrad Mynach as well as in Bargoed, Blackwood and Caerphilly.

Between January 2019 and December 2024 footfall decreased in Bargoed (-47%), Blackwood (-34 %), Caerphilly (-21%), Newbridge (-65%) and Ystrad Mynach (-12%). It increased in Risca/Pontymister (1%) only.

In short, when you combine the two data sources, you can see footfall has declined in every monitored centre but Risca/Pontymister.

The table below ranks the five town centres by yearly footfall since 2019.

	Bargoed	Blackwood	Caerphilly	Newbridge	Risca/Pontymister	Ystrad Mynach
2019	5	1	2	3	6	4
2020	5	1	2	4	6	3
2021	4	1	2	5	6	3
2022	4	1	2	5	6	3
2023	4	1	2	6	5	3
2024	5	1	2	6	4	3
2025	5	1	2	6	4	3

Even though it is a principal town centre, Bargoed has twice ranked below Newbridge, a local centre in the LDP's settlement hierarchy, since 2019. Also, it has ranked below Ystrad Mynach every year despite having more units.

Ystrad Mynach has fewer units than the other principal town centres have, but it has had the third-highest footfall for five years in a row.

This evidence suggests a town centre should take its place in a hierarchy according to both its size and its footfall ranking.

Vacancy rates (%) in principal town centres:

The table below shows yearly vacancy rates in the five principal town centres since 2012.

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Bargoed	15.9	14.2	18.9	22.5	20.6	21.5	20.8	22.9	23.6	26.4	24.5	24.5	22.4

Blackwood	9.3	8.5	9.6	13.8	12.4	11.2	8.3	11.3	13.7	13.5	13.2	13.1	13.1
Caerphilly	16.0	12.7	7.8	9.0	9.0	9.0	10.0	7.2	6.8	9.9	9.9	6.7	11
Risca/Pontymister	9.2	11.1	9.1	9.3	11.1	12.0	8.8	8.0	9.4	14.7	12.4	7.6	10.6
Ystrad Mynach	12.9	7.9	7.9	10.3	7.8	7.8	10.1	14.6	12.5	9.9	3.4	2.2	2.2

In Bargoed, Blackwood and Risca/Pontymister, vacancy rates were higher in 2024 than in 2012 (and in 2018, just before the Covid-related shutdowns), but the opposite is true in Caerphilly and Ystrad Mynach. Ystrad Mynach is now the ‘healthiest’ of the current LDP’s principal town centres.

Shops as a percentage of all units in principal town centres:

The table below shows shops as a percentage of all units in principal town centres.

Town	2014	2019	2020	2021	2022	2023	2024	% change since 2014
Bargoed	43.5	41.0	39.9	33.4	36.7	36.7	39	-10.3
Blackwood	46.7	48.0	45.9	43.4	43.5	44.4	41	-12.2
Caerphilly (including Castle View)	49.1	47.0	44.6	40.7	43.3	41.6	42	-14.5
Risca/Pontymister	45.8	44.2	39.5	38.1	41.9	42.3	39	-14.8
Ystrad Mynach	45.5	43.5	46.2	47.2	48.3	48.3	47	+3.3

Every year since 2014, shops have occupied less than half of all units in each principal town centre. This evidence suggests shops are not the ‘lifeblood’ of town centres.

Summary:

- Footfall in three principal town centres is much lower now than in the early 2010s.
- Between 2019 and 2024 footfall increased (slightly) in Risca/Pontymister but decreased in Bargoed, Blackwood, Caerphilly, Newbridge and Ystrad Mynach.
- Less than half of all units in every principal town centre are used as shops.
- In numerical terms, shops have become less important in most principal town centres since 2014.

- Between 2012 and 2024 vacancy rates went down in some centres but went up in others.

The picture, though mixed, does not suggest that shops are, or will be, the 'lifeblood' of town centres. The current 'principal town centres' have not, overall, become any more 'vibrant and viable' under an LDP that favours shopping over other town-centre uses.

Summary of latest evidence

The main source of evidence is a report titled Caerphilly Retail Capacity Study (CRCS) – Final Report (Lichfields on behalf of Caerphilly Council, 3, August 2022). The report set out to:

- Analyse key trends in retailing and town-centre activity
- Summarise current policies on retail and town centres
- Compare the borough's town and retail centres with those elsewhere in the UK and in south-east Wales
- Assess the quantitative need for convenience and comparison goods
- Assess the qualitative need for new retail floorspace
- Assess the potential for other town centre uses (commercial leisure, food-and-drink businesses, public services)
- Discuss floor-space projections, the hierarchy of centres and town-centre boundaries
- Recommend policies on the 'sequential approach' and additional town centre uses
- Provide evidence for the LDP examination process and for development-management decisions

It is a comprehensive document with a lot of information about shopping in the county borough. In summary, however, it assesses the current situation in these ways:

- A household telephone survey to quantify existing shopping and leisure patterns (the study area, which included parts of neighbouring authorities, was divided into six zones to reflect the primary catchment areas of the main destinations within the county borough)
- A 'health check' of six retail and commercial centres and an audit of some smaller centres
- Analysis of population and expenditure forecasts to identify current capacity and to estimate future requirements
- Analysis of turnover densities (the amount of turnover generated for every unit of retail floor space, usually measured in square metres or square feet)
- Assessment of the potential to direct leisure, entertainment and cultural uses to the defined centres (as a way of protecting the 'vitality' of those centres against changes in shopping habits)

The report identified the following trends in Britain:

- 'The food and beverage, leisure and non-retail service sectors have been successful in occupying space no longer attractive to retail tenants.'
- 'Many believe the most recent decline [in town-centre occupancy rates] is structural rather than cyclical and a more flexible approach to town centre uses is required.'
- 'The move towards vibrant mixed use town centres has been recognised by Welsh Government in the latest version of PPW, Building Better Places and the recent temporary changes to permitted development rights (with the potential for these to become permanent in the future).'
- 'The UK vacancy rate is now over 14% and may increase further due to the impact of Brexit and the Covid-19 crisis, and therefore a cautious approach to future growth is required.'
- 'Shopping behaviour will continue to change, and the high street must respond. All centres will need to focus on their advantages over other forms of multi-channel shopping, for example using the internet as an extended shop window, click and collect facilities and providing a combined retail and leisure experience for those looking for a "day out" or "evening out".'

The report made the following observations about the borough's town centres:

- The borough has a 'well-established network of centres that currently serve their respective areas. Caerphilly and Blackwood Principal Town Centres are similar in size and are the only centres with the potential to cater for a borough-wide catchment area.'
- 'The average shop vacancy rate in the County Borough is 12.8%, which is lower than the UK average (14.7%).' (Bargoed has the highest vacancy rate; Ystrad Mynach, the lowest.)
- 'The centres have a good mix of retail and service uses, but all centres except Caerphilly and Blackwood have a lower proportion of comparison goods retail units than the County Borough averages, and all centres have a lower proportion of comparison goods retail units compared to the national averages.'
- 'All centres in the Borough have a reasonable proportion of convenience goods retail and a high proportion of non-retail services, but a low proportion of pubs/bars.'
- 'The provision of restaurants and bars serving the evening economy is strongest in the Caerphilly and Blackwood. There is potential to improve the evening and night-time economy related to food/beverage uses in centres across the County Borough.'
- 'The proportion of hot food takeaways is higher than the UK average across the County Borough. The highest proportion of hot food takeaways is located within Nelson (15%) and the lowest is located within Caerphilly (6.4%).'
- The 2RLDP should include a hierarchy of town centres.

The report made the following observations about 'expenditure retention':

- 'The household survey results suggest a high level (over 83%) of expenditure retention within the Study Area for convenience goods shopping.'
- 'The retention of comparison goods expenditure is much lower (under 53% in the Study Area) due to the draw of larger centres outside the County Borough, primarily in Cardiff, Merthyr Tydfil and Newport.'
- 'The retention of food/beverage expenditure is similar to comparison goods shopping at just under 54% with high expenditure outflow to Cardiff, Merthyr Tydfil and Newport.'
- 'The lowest levels of comparison goods expenditure retention (highest leakage or outflow) is from Zone 6 in the north of the County Borough, where leakage to Merthyr Tydfil is high. Leakage to Cardiff is relatively high across all zones (10% to 30%), with the highest proportional leakage from the southern area of the County Borough.'
- 'The results suggest good levels of expenditure retention for lower order comparison goods, such as DIY/hardware, health/beauty and books/stationery, but lower levels of retention for higher order goods, such as clothes and furniture.'

The report said the following about 'accommodating growth and change':

Convenience goods

'In overall terms there is no capacity for additional convenience goods floorspace for the foreseeable future. However, there are locational variations across the County Borough.'

'Residents across the County Borough have good access to a range and choice of food stores. The most obvious [area] of deficiency in food store provision is the rural area in the north of the Borough (Zone 6). Rhymney only has a small Premier convenience store. However, residents in this area have access to large food stores in Merthyr Tydfil, Tredegar and Ebbw Vale. Furthermore, the population in Zone 6 is dispersed over a wide area. The settlements in Zone 6 are probably too small to sustain a large food store.'

Comparison goods

'[There] is likely to be an over-supply of comparison goods retail floorspace up to 2035.'

Mix of uses

‘Diversification will be key to the long-term vitality and viability of town centres...The importance of a mix of retail and other town centre activity has increased in recent years and town centres increasingly need to compete with on-line shopping. Town centres need a better mix of uses that extend activity throughout the daytime and into the evenings as is acknowledged by PPW.’

‘[The] potential for new commercial leisure and cultural uses provides an opportunity to enhance the evening and night-time economy within the main centres in the County Borough. The development strategy should be flexible to respond to emerging opportunities for new leisure, entertainment and tourist related facilities.’

Evidence suggests that the demand for food-and-beverage floor space may exceed the supply by 2,135 square metres before 2035.

‘There appears to be qualitative potential to improve evening economy related food/beverage uses.’

It is possible that the demand for commercial-leisure floor space may exceed the supply by up to 2,900 square metres before 2035.

‘The development strategy should be flexible to respond to emerging opportunities for new leisure, entertainment and tourist related facilities.’

Future allocations and development

‘The baseline floorspace projections suggest there is no need to identify development site allocations to accommodate new floorspace. In many cases there is a negative floorspace projection which may lead to an increase in vacant shop units. The requirement for new food/beverage uses could be accommodated in vacant shop units.’

‘Not all vacant shop units will be suitable for conversion to leisure/cultural uses, therefore new development may be required to accommodate new uses.’

The report said the following about impact assessments and sequential tests:

‘[Pragmatism] will be required where there is a development proposal that clearly needs to be located outside the town centre. The social and economic benefits of a proposal should not be dismissed just because there is a lack of sites in and on the edge of town

centres and in some circumstances the use will not be appropriate in that location. In instances such as this it will be important to ensure that the sites are able to be reached via sustainable modes of transport including walking and cycling. For the smaller centres it will be important to balance the overall benefits of the proposal being located outside of the town centre.'

The report includes the following summary of its policy implications:

1. There is no need to allocate large sites for new retail floorspace due to the low growth projections. The requirement for new food/beverage uses could be accommodated in vacant shop units. The requirement for new food/beverage uses could be accommodated in vacant shop units.
2. The introduction of a three- or four-tiered hierarchy:
 - Caerphilly, Blackwood and Bargoed
 - Ystrad Mynach, Risca/Pontymister and Newbridge
 - Bedwas, Rhymney and Nelson
 - (Optional) Retail Warehouse Parks (Blackwood Gate and Gallagher).
3. As the retail areas within the designated Local Centres are well established, it may be appropriate to formalise their boundaries within the replacement Local Development Plan.
4. There may be scope to exclude a cluster of vacant units towards the periphery of the southern boundary of Caerphilly Principal Town Centre (off Cardiff Road) and the northern boundary of Bargoed Principal Town Centre (Hanbury Road and High Street) from the existing centre boundaries.'
5. Potential amendments to policy CW14 to allow more flexibility in terms of the uses that may be acceptable in the designated centres, moving towards a criterion-based policy based on the impact on the vitality and viability of the centres.
6. Amendments to Policy CW16 for consistency with national planning policy [namely, the removal of an apparent embargo on all out-of-centre retail stores over 1,000 square metres, regardless of whether the retail impact, need and sequential tests have been met].

CCBC summary:

- Traditional shopping centres need to become ‘vibrant mixed-use retail/commercial centres’.
- It should be possible to improve the evening and night-time economies in the county borough’s town centres.
- The county borough has no capacity for additional convenience-goods floor space.
- The county borough may not need new comparison-goods floor space before 2035.
- ‘Diversification will be key to the long-term vitality and viability of town centres’.
- The demand for food-and-beverage floor space may exceed the supply by 2,135 square metres before 2035.
- The council does not need to allocate large sites for new retail floor space.
- Vacant shops could accommodate new food/beverage businesses.
- Recommendation: The 2RLDP should have a three or four-tiered hierarchy of town centres.
- Recommendation: The 2RLDP should have more flexible policies on land uses in town centres.

Caerffili Town 2035

Caerffili 2035 is a long-term regeneration and placemaking plan aimed at transforming Caerphilly Principal Town Centre through major investment in public spaces, transport, tourism, housing, and the local economy. It includes the flagship projects of:

- Land Next to Cardiff Road - includes a potential boutique-style hotel development and proposed leisure quarter that will maximise the benefit of views over the castle. The site is intended to strengthen the town's visitor offer by providing high-quality accommodation and complementary ground-floor retail space, supporting wider regeneration and tourism growth.
- Pentrebane Street - involves the redevelopment of part of Pentrebane Street to deliver around 72 new apartments and ground-floor commercial space. The scheme aims to regenerate a key part of the town centre by replacing the former indoor market buildings with a modern mixed-use development that strengthens the town's residential offer and enhances commercial activity.
- The Caerphilly Transport Interchange - involves redeveloping the existing bus and rail stations into a single, modern, integrated transport hub that seamlessly connects rail, bus, taxi, walking and cycling routes, providing improved accessibility, passenger facilities, and increased capacity. This new interchange is intended to act as a landmark gateway to the town, enhancing connectivity, boosting the visitor experience, and catalysing further investment linked to major projects such as the redevelopment of Caerphilly Castle.

A 2RLDP policy will allocate these three sites for regeneration projects.

Analysis, conclusion and proposed policies

Analysis and conclusion:

It is difficult to draw conclusions from the performance of town centres since 2012. On the one hand, footfall has gone down in most centres, and in every principal town centre less than half of all units are shops. On the other hand, vacancy rates have gone down in some centres, and many residents still choose to do certain types of shopping *within* the borough.

This somewhat mixed picture may be due to the sheer number of factors that affect retail and commercial centres. The LDP is one of those factors, of course, but in recent years others have included the Covid-19 pandemic, changes in business rates, competition from online businesses, and the cost and availability of land, buildings and labour. It is all but impossible to measure the relative importance of these factors.

At any rate, judging from empirical evidence and professional forecasts, the council should no longer treat shopping as a 'special' use. In line with national policy, the 2RLDP should set out broad, conditional support for *all* uses likely to make retail and commercial centres busy and prosperous both during the day and (within sensible limits) in the evening.

If shopping is no more important than any other town-centre use, the 2RLDP does not need 'primary retail areas' within its defined centres. To create them would only restrict the supply of land and raise a barrier before business activity. If it has a hierarchy of centres, the 2RLDP will comply with national policy on retail impact assessments (see paragraphs 4.3.25-29 of PPW). What matters, after all, is how an out-of-centre retail proposal might affect *overall activity* in a retail and commercial centre.

Proposed hierarchy of retail and commercial centres

A 'retail and commercial centre' is an area with a defined boundary and, very often, a mix of compatible land uses. Most centres will have uninterrupted boundaries, but some newly defined centres will have two or three areas divided by less compatible land uses. Either way, somebody should be able to tell when they're in a retail and commercial centre. The busy streets, along with the buildings' 'open for business' façades, should send them a clear message. Also, no retail and commercial centre should be so large as to discourage walking or wheeling.

The council has looked at settlements across the county borough, counting retail/commercial/complementary units and judging whether they form coherent centres. It has also kept in mind the analysis of settlements that shaped the 2RLDP's spatial strategy. Instead of using the CRCS hierarchy, it proposes to use the following hierarchy for the 2RLDP:

- Principal town centres: Bargoed, Blackwood, Caerphilly, Risca & Pontymister, Ystrad Mynach.
- Local centres: Bedwas, Nelson, Newbridge, Rhymney.

The table below shows the number of units in each centre. Most of the units have retail, commercial or 'complementary' uses, but some houses or flats remain where excluding them would have made a boundary awkward or confusing.

Name of centre	Type of centre	Number of units in proposed centre (after suggested changes to LDP boundary, where relevant)
Bargoed	Principal town centre	140-150
Ystrad Mynach	Principal town centre	90-100
Blackwood	Principal town centre	210-220
Risca & Pontymister	Principal town centre	100-150
Caerphilly	Principal town centre	255-265
Rhymney	Local centre	23
Nelson	Local centre	33
Newbridge	Local centre	70
Bedwas	Local centre	25

Notes on principal town centres:

After being enlarged in the way shown below (see map), Risca & Pontymister's town centre belongs in the top tier of the hierarchy.

Ystrad Mynach has fewer units than the other principal town centres have (after the expansion of Risca & Pontymister), but it is in the top tier of the hierarchy because, out of five monitored centres, it has had the third-highest footfall for five years in a row.

Notes on local centres:

Bedwas, Nelson and Rhymney are similar in size and nature, and each has 20 or more ground-floor retail, commercial or complementary uses (accurate at the time of writing). Newbridge may stand out for having almost as many units as Ystrad Mynach, a principal town centre, but it's also had the lowest footfall of the monitored centres for several years in a row. Between 2022 and 2024, footfall counters recorded 986,754 visitors to Newbridge, while in the same period Ystrad Mynach had 1,830,040 visitors. Each town has a railway station and a secondary school near its centre, so this evidence suggests Newbridge has the smaller 'catchment area'. This also tallies with the settlement hierarchy and the analysis that shaped it (see below). For these reasons, Newbridge seems better suited to the 'local' tier than to the 'principal' tier.

Several other villages could have coherent retail and commercial centres, but it makes sense to follow the top two tiers of the settlement hierarchy because those are the most suitable for growth. Beyond the principal town centres and the local centres, both the council and developers would find it difficult to say whether one village or neighbourhood was 'sequentially preferable' to another.

It is debatable, too, whether out-of-town shopping centres (including former retail warehouse parks (RWPs)) should be above or below smaller-than-local centres in a hierarchy. The former suit those that require lots of floor space, while the latter suit those that want regular custom from local people. Broadly speaking, an RWP is more likely to affect trade in a town or local centre, but whether it should, for that reason, be below a neighbourhood centre in a retail/commercial hierarchy is a matter of opinion.

It seems better to make all places outside the PTCs and the local centres equal in the eyes of the sequential approach. This approach will strike a balance between thoroughness and simplicity. The council will use national policy, with its three tests (impact, need and sequential), to assess proposals for retail/commercial/complementary uses outside the hierarchy.

Town-centres hierarchy compared with settlement hierarchy:

The 2RLDP's settlement hierarchy will have five tiers:

1. Principal Settlements Suitable for Growth
2. Settlements Suitable for Growth
3. Residential Settlements
4. Rural Settlements

The table below shows the tiers each town centre occupies in the two hierarchies (commercial and settlement).

Town centre	Tier of town-centres hierarchy	Tier of settlement hierarchy
Bargoed	Principal town centre	1
Ystrad Mynach	Principal town centre	1
Blackwood	Principal town centre	1
Risca & Pontymister	Principal town centre	1
Caerphilly	Principal town centre	1
Rhymney	Local centre	2
Nelson	Local centre	2
Newbridge	Local centre	2
Bedwas	Local centre	2

The principal town centres occupy the top tier of the settlement hierarchy, and the local centres occupy the second tier. The two hierarchies needn't be identical, but the council wouldn't want one hierarchy to be very different from the other. Broadly speaking, the results of the town-centres analysis tally with, and draw support from, those of the settlement analysis.

Proposed boundaries of town centres

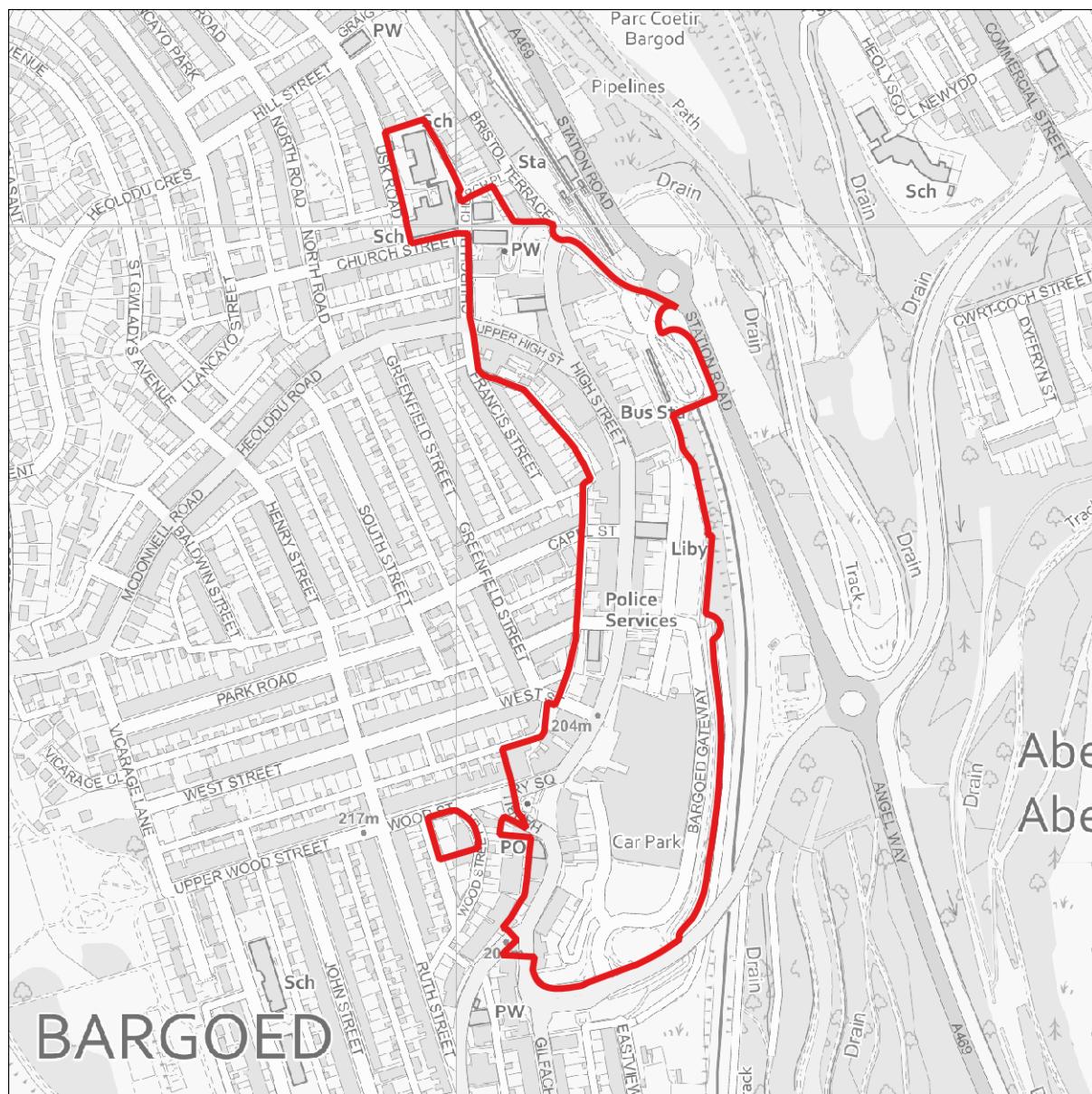
Principal town centres

Bargoed

Proposed changes:

South-west corner: Exclude houses but keep the funeral directors' building;

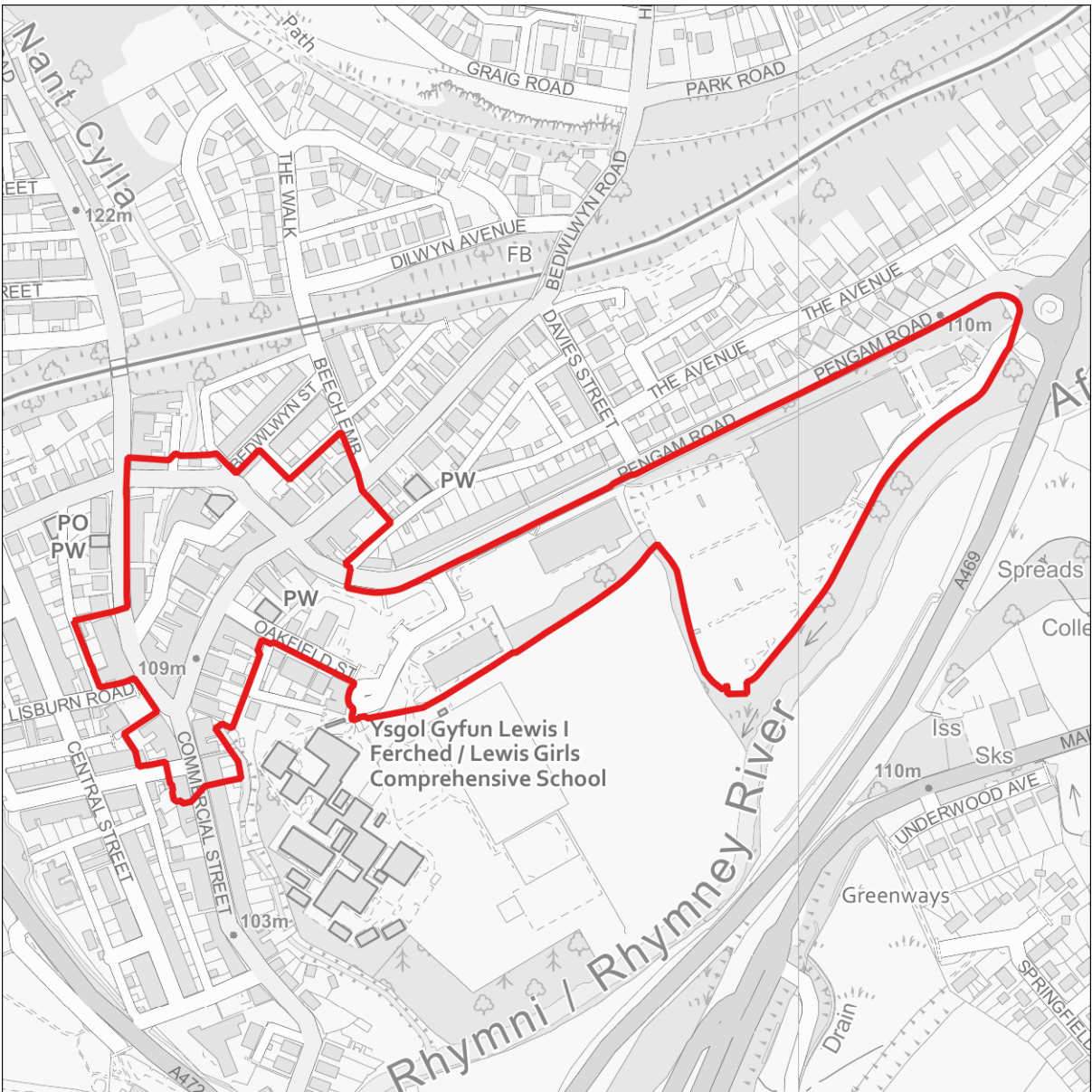
Northern part: Include church buildings and school (both land uses are compatible with a town centre).



Ystrad Mynach

Proposed changes:

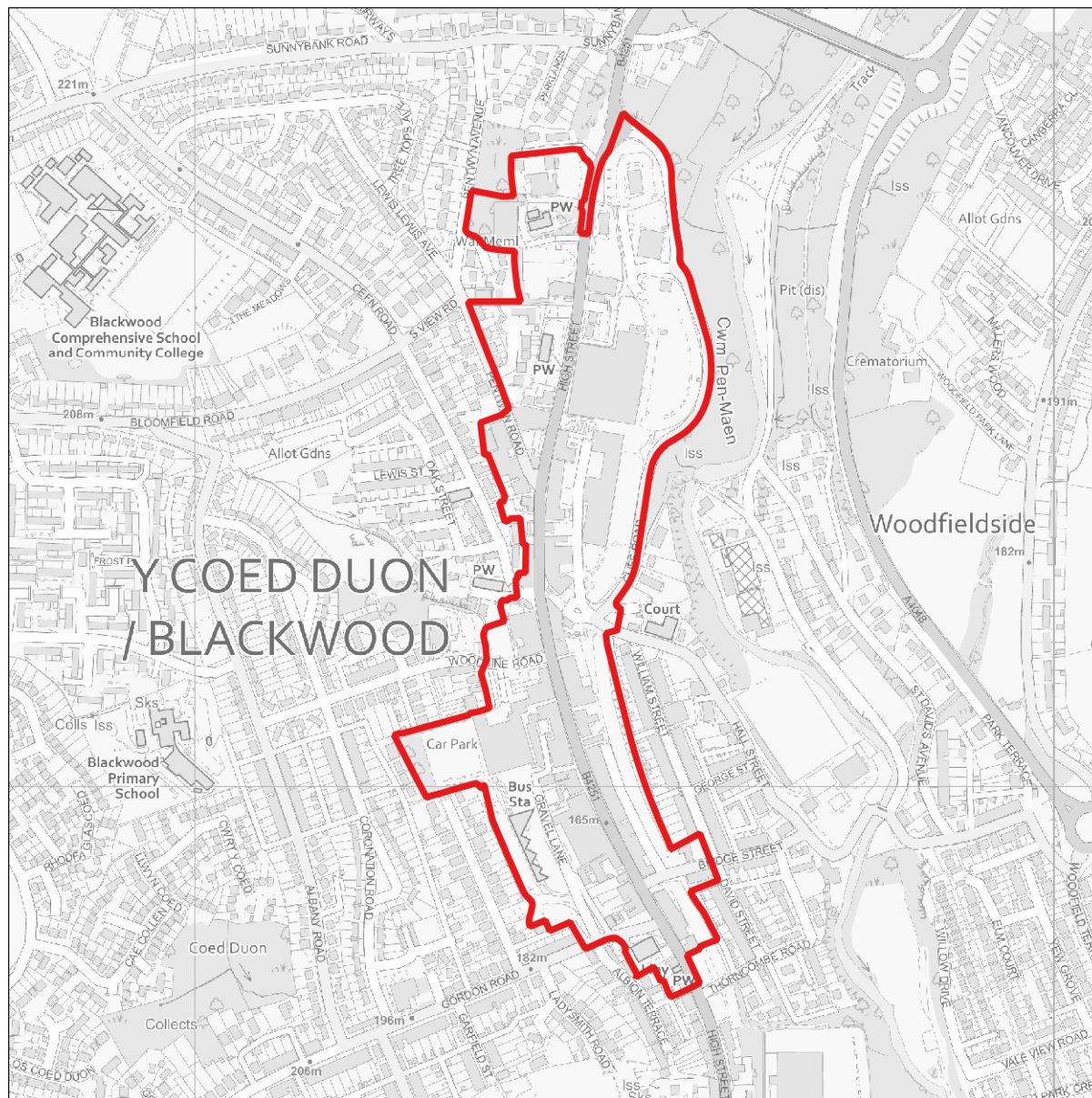
South-east side of Bedwlwyn Road between junctions with Pengam Road and Beech Embankment: Include businesses.



Blackwood

Proposed changes:

North-west corner: Include the church and the equipment-hire centre near the main road. (As a D1 use, the church is already compatible with a town centre, and, if economic conditions should change, the equipment-hire centre might one day be used for a purpose more compatible with a town centre.)



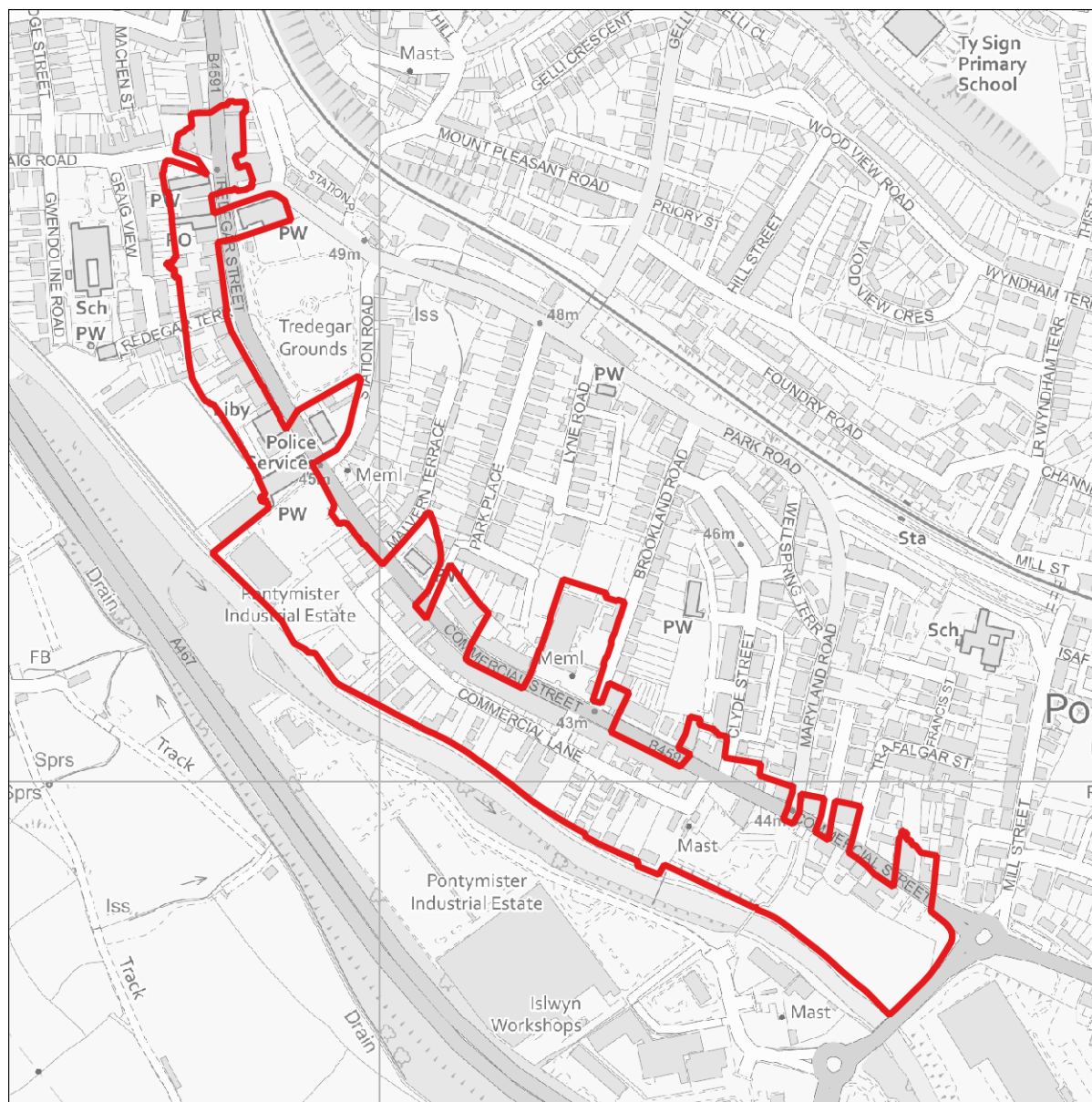
Risca & Pontymister

Proposed changes:

The adopted LDP's town-centre boundary excludes several units occupied by businesses, community organisations or public services. For the 2RLDP, an expanded centre should include pubs, restaurants, churches, a working-men's club, a vehicle-repair garage, the police station, a funeral home, the Brookland Adult Training Centre, the industrial units and the caravan park behind the main street.

Many of these land uses are compatible with the town centre now, but others may be less at home among shops and restaurants. Economic conditions may change, however, and the sites involved, if used in a different way, could help to make the town centre busy and prosperous.

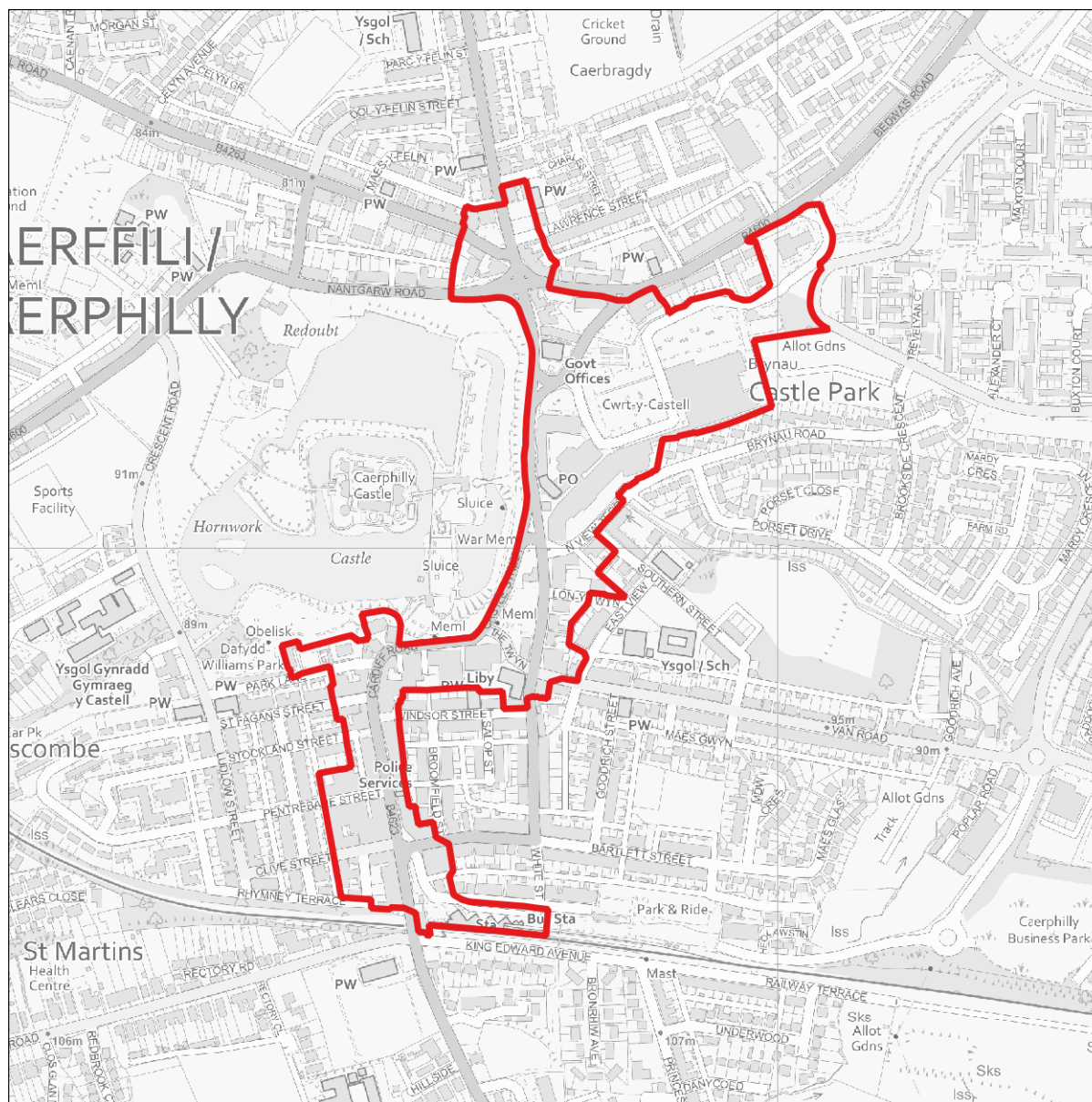
The proposed changes would add 50-60 address points to the town centre, making it comparable to the other principal town centres.



Caerphilly

Proposed changes:

Corner of Van Road and East View: Include veterinary practice (which, as a D1 use, is compatible with a town centre) and its car park.

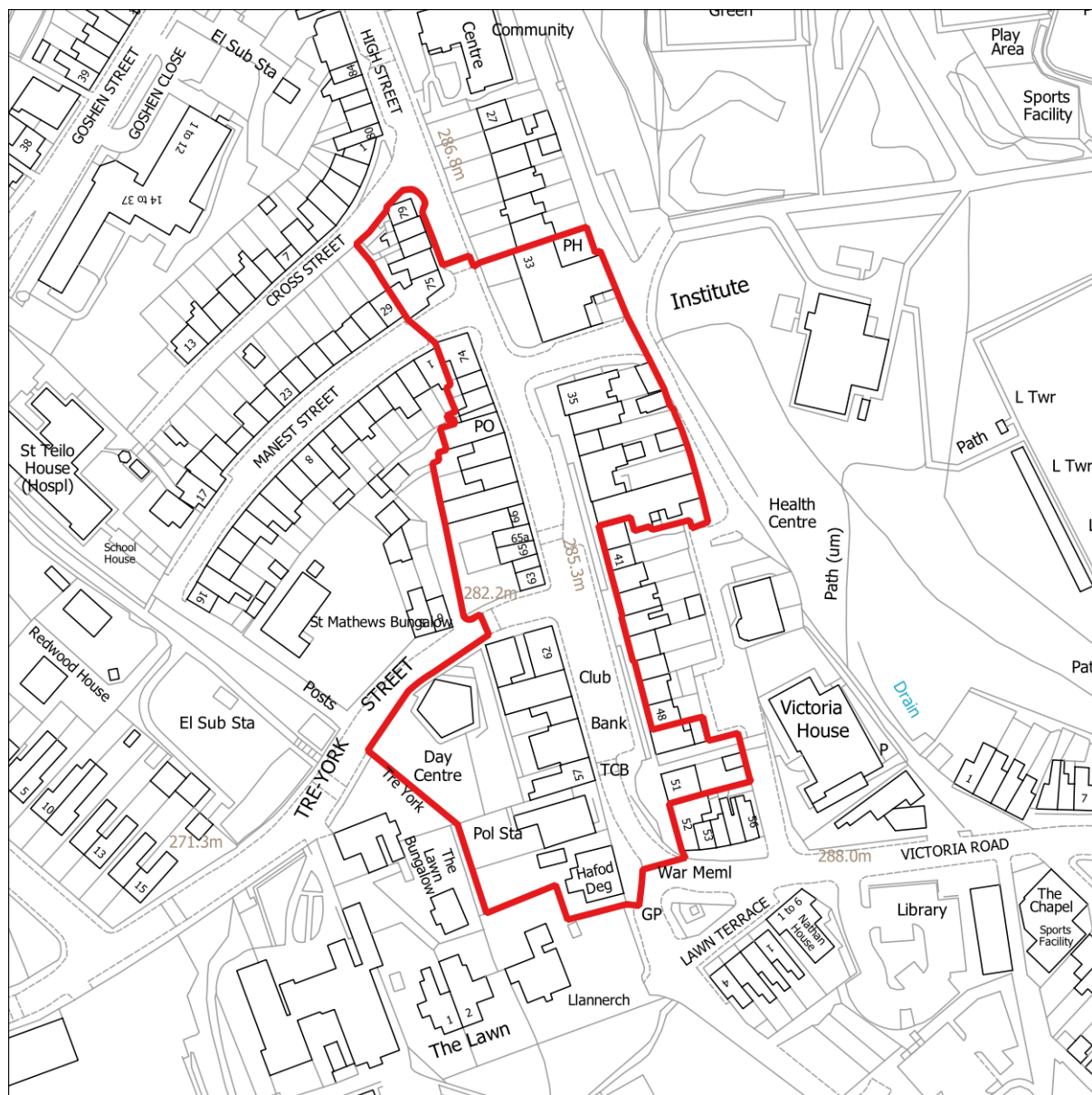


Local centres

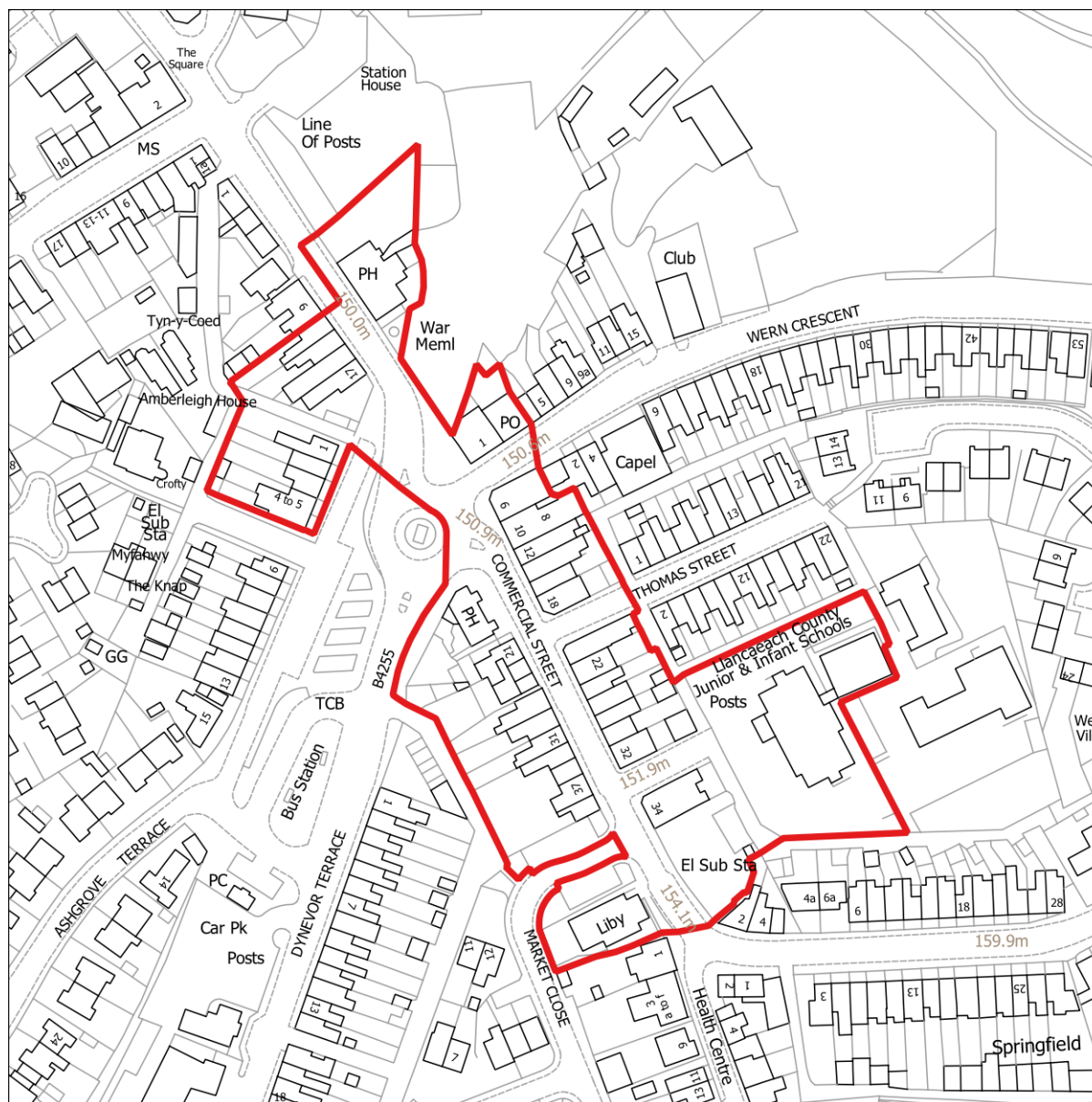
Loose definition:

- Local centre in the 2RLDP settlement hierarchy
- Serves an area larger than a neighbourhood (but maybe not an entire settlement)
- May have more than one part but is coherent anyway (not patchy or scattered)
- Has the look and 'feel' of a traditional centre

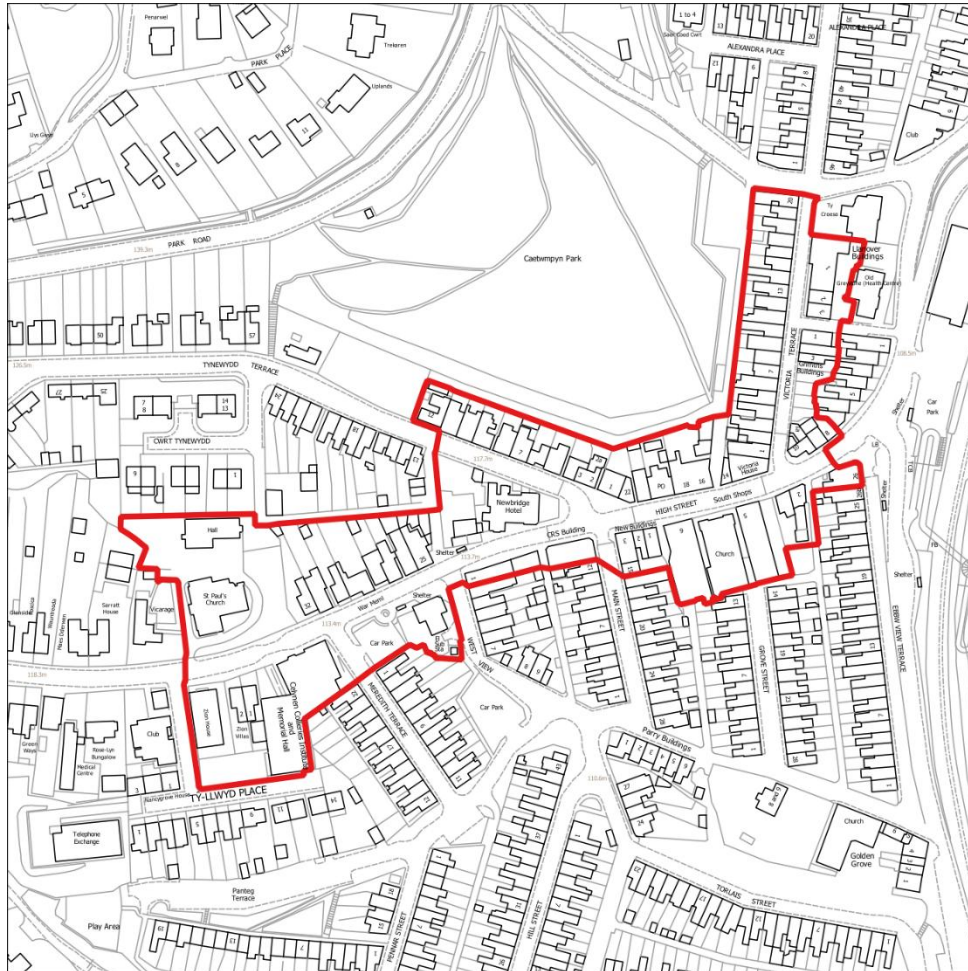
Rhymney



Nelson

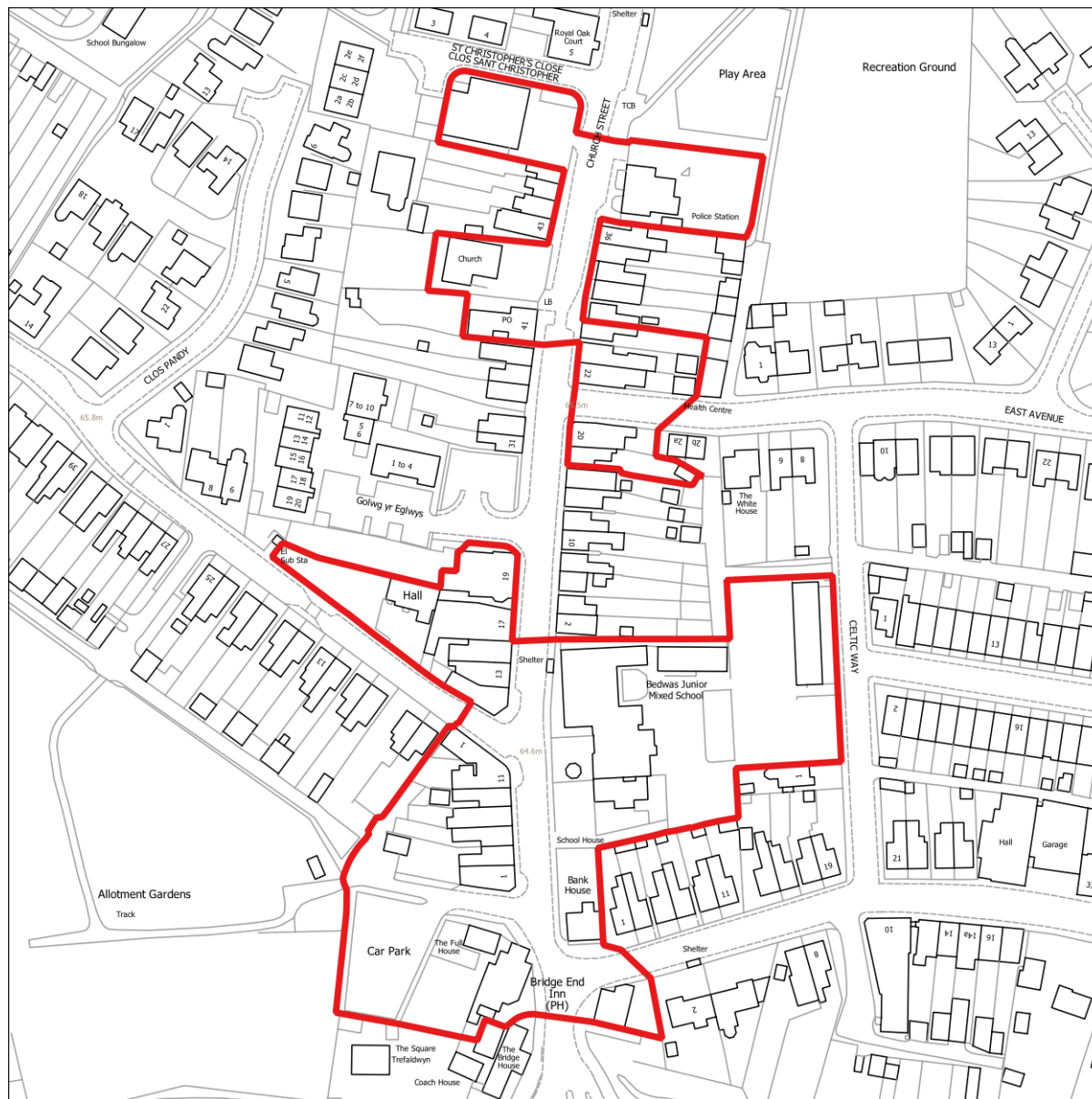


Newbridge



Bedwas

Bedwas Junior School is included because it is next to the main road and because it provides a public service compatible with a town centre (at least twice a day, it helps to make the area busy and sociable). The houses and flats between the two parts of the centre are excluded because they seem unlikely to have commercial functions in the future.



Allocations

The 2RLDP need not allocate land for town-centre uses. The consultants' forecast suggests empty shops and speculative property development will meet the demand for floor space.

Proposed 2RLDP policies

The following policies are consistent with national policy but do not repeat its content. They create a hierarchy of retail and commercial centres and protect the commercial character of defined centres. They also identify regeneration opportunities in Caerphilly town centre and describe the circumstances in which A1 (shops), A2 (financial and professional services) and A3 uses (food and drink) may be acceptable outside the defined centres. In these ways, they follow Welsh Government's 'town centres first' approach and the three tests (need, impact and sequential) that support it.

SP11: Retail and Commercial Centre Hierarchy

The following hierarchy is identified for the retail and commercial centres in the County Borough:

- A Principal Town Centres:**
 - Bargoed;
 - Ystrad Mynach;
 - Blackwood;
 - Risca & Pontymister;
 - Caerphilly.
- B Local Centres:**
 - Rhymney;
 - Nelson;
 - Newbridge;
 - Bedwas.

Proposals for such retail, commercial or community-oriented uses as may be considered acceptable in town and local centres should adhere to this hierarchy as the basis for the application of a sequential approach to the location of development. New development within these centres should accord with the hierarchy.

The diversification of town centres is important if they are to survive changing shopping habits, encourage additional footfall, improve dwell time and increase tourism and retail activity. This is vital to ensure that these centres flourish and meet the needs of residents into the future.

Attractive, thriving and vibrant town centres help to create jobs for local people, they retain spend within the County Borough and attract visitor spend. They are essential to build a strong and sustainable local economy. Development proposals that follow the hierarchy will help to stimulate economic and social activity, reinforcing sustainable settlement patterns.

National policy and Future Wales operate a 'Town Centre First' policy, which requires authorities to adopt a sequential approach to the selection of sites in development plans and in the assessment of planning applications for retail and other, complementary uses. First preference should be to locate new development within a centre defined in the hierarchy set out for retail and commercial use, followed by edge-of-centre sites. Only then should consideration be given to sites located elsewhere, provided they are accessible by a choice of public and private modes of travel.

The sequential approach applies to retail and all complementary uses to retail and commercial centres, although some community-oriented uses may have specific accessibility requirements which mean they need to be located close to the communities they serve. The nature of a proposed use is likely to determine what type of centre (i.e. higher or lower order) is most appropriate as a starting point for the application of the sequential approach. Proposals will be subject to an assessment of need where appropriate, in accordance with national policy.

RC1: Retail and Commercial Centres

The Plan identifies the following Centres:

- RC1.1 Bargoed Principal Town Centre**
- RC1.2 Ystrad Mynach Principal Town Centre**
- RC1.3 Blackwood Principal Town Centre**
- RC1.4 Risca & Pontymister Principal Town Centre**
- RC1.5 Caerphilly Principal Town Centre**
- RC1.6 Rhymney Local Centre**
- RC1.7 Nelson Local Centre**
- RC1.8 Newbridge Local Centre**
- RC1.9 Bedwas Local Centre**

The defined boundaries of these centres are shown on the Proposals Map and in Appendix 4.

Town Centres will be accessible for all and prioritise sustainable transport; they will be well served by Active Travel infrastructure and public transport that connects to surrounding settlements.

RC2: Development in Retail and Commercial Centres

Proposals that enhance the vitality, viability and attractiveness of retail and commercial centres will be supported.

Proposals involving the change of use at ground floor level from A1 (retail) will be permitted where the proposal would:

- **Support the vitality and viability of the centre;**
- **Be compatible with surrounding land uses and the commercial character of the centre;**
- **Not result in adverse amenity impacts; and**
- **Provide an active frontage.**

Residential and other complementary town centre uses above ground floor level will be supported, provided they do not result in unacceptable impacts on the operation of ground floor uses or the amenity of existing and/or proposed occupants.

Development proposals that comply with this policy should help to make the town centres busy and prosperous throughout the day and in the evening. Also, an increase in economic activity should create jobs and wealth, perhaps helping to raise local living standards.

Development proposals will apply the Placemaking Principles set out in Section 7, ensuring that Town Centres are attractive, safe and welcoming.

RC3: Out of Town Retailing

Existing out of town retail areas have been identified at the following locations:

- RC3.1 Gallagher Retail Park, Caerphilly;**
- RC3.2 Blackwood Gate Retail Park;**
- RC3.3 Castle View Retail Park**

Proposals for class A1, A2 or A3 uses on new sites or existing out of town locations, including changes of use, extensions, the merger or subdivision of existing units or amendments to existing planning conditions relating to the sale of goods will only be permitted where either:

- It can be demonstrated that there is an additional need for the proposal which cannot be provided within an existing retail and commercial centre; and**
- The proposal would not either individually, or cumulatively with other recent or proposed consented developments, have an unacceptable impact on the trade, turnover, vitality and viability of the retail and commercial centres.**

Or:

- The proposal would serve local needs in a neighbourhood or settlement outside of the retail and commercial centre hierarchy.**

The County Borough's retail and commercial centre hierarchy is set out in Policy SP11 above and comprises five principal town centres and four local centres. It excludes any edge-of-centre or out-of-town locations, to which this policy directly applies. Proposals for new retail and commercial developments in such locations will be controlled in accordance with national policy, to support existing, established centres.

Policy RC3 sets out the criteria by which proposals for new retail and commercial development in edge and out of town locations will be assessed in line with national policy. The policy applies to all proposals that create additional floor space for retail, financial

and professional services and food and drink uses. It also applies to all applications, including changes of use, extensions, the subdivision/merger of existing units, mezzanine floors and variations to relevant planning conditions, with the aim of the policy being to preserve and enhance the vitality, viability and attractiveness of existing principal town and local centres.

Proposals for new retail or commercial development outside of the centres contained within the hierarchy will need to demonstrate that they have satisfied the sequential test referred to in national planning policy. Developers will need to demonstrate that all potential town centre options have been thoroughly assessed using the sequential approach before edge and out of centre sites are considered for key town centre uses. This approach requires developers and retailers to be flexible and innovative about the format, design and scale of the proposed development and the amount of car parking provided, tailoring these to fit local circumstances.

It is recognised that small-scale proposals, such as a small shop serving a local neighbourhood, will not be detrimental to the vitality and viability of centres. Such proposals will be supported under the policy as they will help sustain communities and reduce the need for residents to travel to other areas and settlements for basic amenities.

RC4: Caerffili Town 2035

Land is allocated for the following regeneration opportunities:

RC4.1 Land next to Cardiff Road (opposite Caerphilly Castle) - mix of commercial uses and housing;

RC4.2 Pentrebane Street – mix of commercial uses and housing;

RC4.3 Caerphilly Transport Interchange - railway station, bus station and supporting infrastructure.

The allocations are part of a wider regeneration programme for Caerphilly – Caerffili 2035. Caerffili 2035 is a long-term regeneration and placemaking plan aimed at transforming Caerphilly Principal Town Centre through major investment in public spaces, transport, tourism, housing, and the local economy. It includes the flagship projects of:

- Land Next to Cardiff Road - includes a potential hotel development and proposed leisure quarter that will maximise the benefit of views over the castle. The site is intended to strengthen the town's visitor offer by providing high-quality accommodation and complementary ground-floor retail space, supporting wider regeneration and tourism growth.

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- The Caerphilly Transport Interchange - involves redeveloping the existing bus and rail stations into a single, modern, integrated transport hub that seamlessly connects rail, bus, taxi, walking and cycling routes, providing improved accessibility, passenger facilities, and increased capacity. This new interchange is intended to act as a landmark gateway to the town, enhancing connectivity, boosting the visitor experience, and catalysing further investment linked to major projects such as the redevelopment of Caerphilly Castle.

Next steps

The Council will continue update its evidence base and provide an update to this paper following Deposit Plan public consultation, in readiness for submission for examination.

Appendices

1: Caerphilly Retail Capacity Study – Final Report (Lichfields on behalf of Caerphilly Council, 3, August 2022)