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

EB20: Employment Land Review

October 2022

CAERPHILLY
COUNTY BOROUGH COUNCIL
CYNGOR BWRDEISTREF SIROL
CAERFFILI

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.

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EXECUTIVE SUMMARY

Introduction

i. This report provides an Employment Land Review to support the Caerphilly Second Replacement Local Development Plan (LDP). It builds upon and, in the Caerphilly context, partly updates the Regional (larger than local) Employment Study, completed by BE Group and Per Consulting for Torfaen, Blaenau Gwent, Monmouthshire, Caerphilly and Newport Councils over 2019-2020. It also more directly updates the Employment Sites Supply and Market Appraisal, completed by BE Group, for the Council, in 2014.

Methodology

ii. Several research methods have been used, including site visits and interviews with property market stakeholders such as developers, investors and their agents. Major employers in the County Borough have been individually consulted, as have key public-sector agencies. Finally, the land supply has been assessed against forecast data to understand future land need. The methodology follows Welsh Government '*Practice Guidance – Building an Economic Development Evidence Base to Support a Local Development Plan'* on employment land reviews and accounts for other Welsh Government Policy, including TAN 23 and Planning Policy Wales.

Findings

iii. The socio-economic profile of Caerphilly shows that the population, as of 2020, stood at 181,731 residents, the third largest in the Cardiff Capital Region. 62.0 percent of the population was of working age, above the Welsh average (61.2 percent) but below the Cardiff Capital Region (62.9 percent) average. Of the 110 Lower Super Output Areas of Caerphilly, 11 were ranked in the top 10 percent most deprived in Wales, with the most deprived focused in Caerphilly town.

iv. As of 2019, Caerphilly's economy supported 58,000 jobs. Over the period 2015-2019, the number of individuals in employment in Caerphilly grew by 500, equivalent to a 0.87 percent increase. The growth was driven by growth in sectors such as Accommodation and food services and Health which each grew by 1,000 workers over 2015-2019.

v. The largest sector in Caerphilly's economy is manufacturing, with 12,000 jobs (20.7

percent of total employment), almost two times the proportional size of the manufacturing sector in Wales. This reflects the fact that while Caerphilly may have lost much of its traditional industry, it has been successful in attracting new high value manufacturing and production businesses to locations such as Oakdale. In recent years the sector has been very stable with little gain or loss in either businesses or jobs.

vi. Some other recent trends in local employment conclude that:

- Transportation, which employed 2,250 in 2019, is not a particularly large sector in Caerphilly but does seem to be strongly growing one. Over 2015-2019 it gained 250 jobs and 100 businesses
- The Construction sector saw an increase in the number of businesses by a significant 130 over 2015-2019. However, the number of jobs in the sector did not increase. This would suggest that new firms entering the market employ few workers and are micro in size
- The local office economy grew well over 2015-2019, notably ICT, which gained 300 jobs, a doubling of local employment since 2015, and 45 businesses. Only the Professional, scientific and technical sector saw a loss in both jobs and businesses over this period.

vii. During the Covid-19 Pandemic, the number of residents claiming unemployment benefits in Caerphilly rose rapidly and remained well above pre-pandemic averages as of June 2021. However, Caerphilly consistently saw a lower rate of claimant growth than both the Cardiff Capital Region and Wales in the 15-month period assessed. As of February 2021, 1,470 individuals were furloughed in the Accommodation and food services sector, 18.0 percent of all those furloughed at the time. The Manufacturing and Wholesale and retail trade sectors were also significantly impacted, with 17.3 and 17.2 percent of all those furloughed belonging to these sectors, respectively.

viii. Industrial transactions and the comments of property market stakeholders in Caerphilly indicate a strong demand for small-mid sized industrial units, of 0-500 sqm and 1,001-5,000 sqm. The Welsh Government note that while inward investment in the Cardiff Capital Region has focused on B8 logistics, which are taking up a lot of the available large B2/B8 space, the Government still receives regular manufacturing enquiries, notably for units of around 10,000 sqm, in many advanced manufacturing sectors. A smaller number of much larger enquiries, in the 40,000-60,000 sqm range,

have been received in connection with next generation automotive including OEM and battery manufacturers.

ix. There are shortages of industrial premises, of all sizes in Caerphilly, against these needs, notably of small starter units.

x. In respect of the Office Market in Caerphilly, this is largely driven as support of associated industrial operations with a generally local influence rather than the area being recognised as a strong regional office market in its own right. There is very localised demand in the main towns and service hubs typically catered for by small spaces above shops and serviced schemes. Larger properties can struggle to let especially with the market remaining sensitive in post-Covid economy.

xi. From consulting with multiple businesses in Caerphilly, it is clear that most businesses have suffered from the Covid-19 Pandemic, with redundancies and decline in revenue reported. Brexit has also increased operating/trading costs and paperwork for most firms spoken with. Recruitment also appears to be a growing problem in Caerphilly, for people with a range of skills, notably HGV drivers. A shortage of large, industrial options in Caerphilly has also been raised.

Employment Land Supply and Need

xii. Analysis of the 14 allocated EM1 employment sites suggests a realistically available supply of 45 ha in nine outstanding sites, as of autumn 2021. However, market evidence suggests that 42.7 percent of the currently available supply could be taken up by 2026 and 84.9 percent before the end of the decade, leaving only 6.80 ha for the final years of the LDP period.

xiii. To assess need, three recognised methods of forecasting have been used, reflecting Welsh Practice Guidance:

- Practice Guidance Method One: Past Building Completions – Three scenarios were created using different aspects of the identified available take-up data for the period 2000-2021:
  - Scenario One: EM1 Sites Take Up 2010-2021 Only – 1.06 ha/year average annual take up
  - Scenario Two: EM1 Sites Take Up 2010-2021 Plus Pre 2010 Data – 1.40 ha/year average annual take up
  - Scenario Three: All Available Data (200-2010) – 1.98 ha/year average annual take up.

- Practice Guidance Method Two: Labour Demand Forecasting (Policy Off) – jobs growth, as identified in Oxford Economics (2021) forecast modelling, consistent with jobs densities and plot ratios defined in Welsh Practice Guidance.

xiv. The outputs from all the models are outlined in Table ES1. The figures allow for a minimum five-year flexibility buffer to allow for choice and potential change in needs during the LDP period as well as providing some accounting for further possible losses in the supply.

xv. The outstanding supply of employment land, allocated in the LDP, meets the baseline objectively assessed need (OAN) under these forecast models.

xvi. The jobs based forecast model suggests the County Borough has an oversupply of employment land. This indicates that all the current land supply may be surplus to requirements based on this quantitative assessment. However, the market assessment, comparison of projected past jobs losses in the manufacturing sector against the recent stability in that sector and reviewing the historic trends in employment change and land take up, suggest that these forecasts underestimate land needs significantly.

xvii. Thus, evidence favours Practice Guidance Method One: Past Building Completions. Of the three Scenarios provided within Method One, Scenario Three: All Available Data provides the most comprehensive picture of the development which has taken place in Caerphilly, both on identified development sites and within existing industrial estates/business parks, since 2000. Scenario Three identifies needs of 39.60 ha to 2035.

Table ES1 – Land Forecast Models – Summary

Model	Scenario	Land Stock 2021, ha	Land Need 2020-2035, ha	Flexibility Buffer (five years take-up rate) ha	Land Need Incl. flexibility buffer	Surplus (Shortfall), ha	Assumptions
Practice Guidance Method One: Past Building Completions	Scenario One: EM1 Sites Take Up 2010-2021 Only	45.00	15.90	5.30	21.20	23.80	Based on historic (11 years) take-up on the LDP EM1 Development Sites only
	Scenario Two: EM1 Sites Take Up 2010-2021 Plus Pre 2010 Data	45.00	21.00	7.00	28.00	17.00	Based on historic (21 years) take-up on the LDP EM1 Development Sites and historic 2000-2009 Completions records
	Scenario Three: All Available Data	**45.00**	**29.70**	**9.90**	**39.60**	**5.40**	**Based on historic (21 years) take-up on the LDP EM1 Development Sites, historic 2000-2009 Completions records and available completions data on the EM2 Developed Employment Areas**
Practice Guidance Method Two: Labour Demand Forecasting	-	45.00	*Net Change* B1: 5.00 B2/B8: -57.44 Total: -52.44 *Growth Only* B1: 5.83 B2/B8: 1.73 Total: 7.56	*Net Change* B1: 1.65 B2/B8: N/A Total: 1.65 *Growth Only* B1: 1.95 B2/B8: 0.60 Total: 2.55	*Net Change* B1: 6.65 B2/B8: -57.44 Total: -50.79 *Growth Only* B1: 7.78 B2/B8: 2.33 Total: 10.11	*Net Change* 95.79 *Growth Only* 34.89	Based on *Net Change:* Projected employment change across sectors *Growth Only:* Projected growth sectors

Source: Caerphilly CBC/BE Group, 2021

xviii. A further model, Resident Workforce (Demand from New Labour, Method Two B) has been produced which indicates the maximum additional employment land need from four Scenarios of working age population growth provided by the Council:

- Scenario A: 2018 -based Welsh Government Projections – 2,868 *less* working age people projected
- Scenario I: Long Term Housebuilding Rates – 1,944 more working age people projected
- Scenario J: Cardiff Capital Region Growth in Working Age Population – 4,126 more working age people projected
- Scenario H: Continuation of the Adopted LDP – 7,668 more working age people projected.

xix. These four Scenarios of Population Change, produce the following land needs:

- Scenario A: Total net need = -12.37 ha
- Scenario I: Total net need = 8.38 ha
- Scenario J: Total net need = 17.79 ha
- Scenario H: Total net need = 33.09 ha.

xx. It is important to note that these represent the maximum employment land requirement specifically from these population growth Scenarios and are not a forecast of OAN for the whole Caerphilly economy.

Recommendations

xxi. This report has had full regard to the requirements of TAN 23 and Planning Policy Wales to encourage and deliver growth through the planning system. The key recommendation is:

That the Council should use Practice Guidance Method One: Past Building Completions as the main method of assessing needs, specifically, Method One, Scenario Three: All Available Data. This suggests that the County Borough's employment land requirements are 39.60 ha to 2035 (inclusive of a five-year buffer).

xxii. Other recommendations are that:

- To meet this need, nine EM1 Employment Sites totalling 45 ha should be protected for B-Class uses in the Second Replacement LDP (see Table 32 of the Main Report, pages 123-124)

- 36 Employment Areas have been reviewed and 35 should be protected for B-Class uses in the Second Replacement LDP (see Table 33 of the Main Report, pages 124-128)
- Within the Major Employment Sites, non B-Class employment uses should not normally be permitted, unless a clear viability case can be made.
- For the Secondary/Key Local/Neighbourhood Employment Sites, a more flexible approach could be taken to help facilitate a broad range of economic development. In some cases, a more intensive mixed-use development could provide greater benefit to the local community than if the site was retained solely in employment use. Subordinate complementary or supporting uses could be permitted where a vitality and viability case can be made.
- Employment development outside the identified Employment Areas contributes to local employment activity and jobs. Any consideration of future non-employment changes of use, in such locations, should be addressed in the same way as land in Secondary-Neighbourhood Employment Sites
- It is extremely likely that a high proportion of the employment land currently available in Caerphilly will be taken up within 5-10 years. This Study has identified four main opportunity sites, up to 22.50 ha of additional employment land, plus other options, which could be allocated through an LDP Review process later in the 2020's if justified through an updated evidence base at that time
- The Council should work with neighbouring authorities on issues in which interests will overlap.
- Review and monitor the employment land and premises position and undertake this study again in conjunction with the LDP review cycle.

1.0 INTRODUCTION

1.1 This report provides an Employment Land Review to support the Caerphilly Second Replacement Local Development Plan (LDP). It has been carried out on behalf of Caerphilly County Borough Council (the Council).

1.2 It builds upon and, in the Caerphilly context, partly updates the Regional (larger than local) Employment Study, completed by BE Group and Per Consulting for Torfaen, Blaenau Gwent, Monmouthshire, Caerphilly and Newport Councils over 2019-2020. It also more directly updates the Employment Sites Supply and Market Appraisal, completed by BE Group, for the Council, in 2014.

1.3 This new Caerphilly Employment Land Review will consider contemporary macro-economic issues such as the Covid-19 Pandemic and Brexit and their impact on the local economy. It will specifically meet the scope and requirements set out in the Study Brief, to:

- *"Undertake a property market assessment, including identifying where demand and opportunities exist for development, where existing employment land is no longer in demand, and establish property market profiles for offices, industry and warehousing*
- *Undertake an audit of employment sites, including preparation of a quantitative site inventory, qualitative site appraisals and recommendations*
- *Calculate future land requirements based on past build rates and labour demand forecasting. Alternative scenarios should be used, factoring in population and household projections, and the future land requirements identified in the Larger than Local Study should be taken into account*
- *Provide policy options and recommendations, including in terms of the monitoring framework*."

1.4 BE Group, economic development and property consultants, compiled this report during August-October 2021, supported by Per Consulting providing advice on the local property market. It reflects Welsh Government guidance contained within *'Building an Economic Development Evidence Base to Support a Local Development Plan'* (2015) and '*Technical Advice Note 23: Economic Development (2014)*'.

1.5 It should be noted that this study was completed during the Covid-19 Pandemic. This

may influence the views of some stakeholders regarding future demand for land and property, although BE Group/Per Consulting have encouraged all parties to think long term, beyond the lockdown and the short-term economic impacts resulting from it. Where possible, research has considered what the longer-term impacts of the Covid-19 Pandemic might be on the local demand for land and property.

Methodology

1.6 Research methods used include e-meeting and telephone interviews with property market stakeholders such as developers, investors and their agents, reflecting the latest guidance on social distancing in the Covid-19 pandemic. Consultations were undertaken with a range of major private sector employers. Desktop analysis of national, sub-regional and local reports and strategies has also been undertaken.

1.7 The suitability, deliverability and viability of sites for B-Class use development have been reviewed. This land supply has been assessed against forecasts of land need – based on past take up of land and forecast employment growth. This is then developed into a series of economic development recommendations that cover not just land, but also premises.

1.8 Appendix 1 contains a list of all consultees.

Welsh Employment Land Review Guidance

1.9 This study reflects Welsh Government guidance on how Local Authorities should approach employment land reviews, namely *'Practice Guidance – Building an Economic Development Evidence Base to Support a Local Development Plan'*. The employment land review process takes the form of a four-stage methodology under the following headings:

- **Stage 1: Property Market Assessment –** An analysis of demand in terms of specific market sectors, property requirements and geographical areas, focusing on the current situation and prospects for the LDP over its life cycle.
- **Stage 2: Audit of Employment Sites –** The quantitative inventory and qualitative appraisal of local land supplies, including existing committed, allocated and potential employment sites and existing stock. This will feed directly into the review's conclusions on whether any further land should be identified for employment and whether any existing or committed employment sites should be transferred to other uses.
- **Stage 3: Future Land Requirements –** Establishing the LDP's employment

land requirement using recognised forecast methods, primarily:

- *"Method 1 – Past Building Completions. Method 1 uses the average annual completions rate for B1, B2, and B8 employment land for a previous period in order to project future requirements over the life of the LDP.*
- *Method 2 – Labour Demand Forecasting. Method 2 involves acquiring employment growth forecast data for relevant Standard Industrial Classification activity sectors, assigning sectors to B-use classes and then converting jobs to floorspace."*

- **Stage 4: Policy Options and Recommendations –** Identifying policy options and recommendations, based on review findings.

1.10 Table 1 shows how the Employment Land Review aligns with this Guidance. The link between the report and the Planning Practice methodology is not always clear cut, with different sections overlapping, indeed certain steps overlap.

Table 1 – Employment Land Reviews – Practice Guidance

Stage 1: Property Market Assessment	
Step 1: Identify where demand and opportunities exist for development. Step 2: Identify where existing employment land is no longer in demand. Step 3: Establish property market profiles for offices, industry and warehousing.	Covered in Sections: 3.0 Socio-Economic Profile 4.0 Property Market Assessment 5.0 Stakeholder Consultations *Demand assessment and market profiling, including consultations with local businesses regarding their land/property needs.*
Stage 2: Audit of Employment Sites	
Step 1: Preparation of a quantitative site inventory Step 2: Preparation of qualitative site appraisals Step 3: Recommendations	6.0 Employment Land Assessment *Quantitative and qualitative site assessments*
Stage 3: Calculating Future Land Requirements	
Method 1 – Past Building Method 2 – Labour Demand Forecasting	7.0 Future Land Requirements Review *Review of completed Economic Development Evidence Base, allowing for updated LDP position.*
Stage 4: Assessment Review	
Step 1: Policy Options Step 2: Policy Recommendations Step 3: Monitoring and Recording	8.0 Conclusions 9.0 Recommendations *Final reporting, including conclusions and policy/practice recommendations.*

Source: BE Group, 2021

2.0 STRATEGIC CONTEXT

Introduction

2.1 This section focuses on Welsh Government, sub regional and local reports and strategies that have a relevance to the allocation of employment land and premises. An understanding of the strategies and reports contained in this study is needed to show strategic alignment and a holistic approach to promote sustainable development. The recommendations follow the general principles set by this strategic policy framework.

National

Planning Policy Wales, 11th Edition, Welsh Government (2021)

2.2 Planning Policy Wales (PPW) 11th Edition sets out the land-use planning policies of the Welsh Government. It is supplemented by a series of Technical Advice Notes (TANs) which are discussed below. Together with several circulars and policy clarification letters, PPW and the TANs comprise the national planning policy for Wales. National planning policy, alongside Future Wales (discussed below) should be considered in the preparation of LDPs.

2.3 Chapter 5 '*Productive and Enterprising Places'* of PPW 11 sets out national policies for economic development. For planning purposes, the Welsh Government defines economic development as *"the development of land and buildings for activities that generate sustainable long term prosperity, jobs and incomes…" "Economic land uses include the traditional employment land uses (offices, research and development, industry and warehousing), as well as uses such as retail, tourism, and public services."*

2.4 The document states the importance of the planning system supporting economic growth and ensuring that there is sufficient land to meet the needs of the employment market at both a strategic and local level. *"Development plans should identify employment* land *requirements, allocate an appropriate mix of sites to meet need and provide a framework for the protection of existing employment sites of strategic and local importance."*

2.5 "*Wherever possible, planning authorities should encourage and support developments which* generate *economic prosperity and regeneration. Sites identified*

for employment use in a development *plan should be protected from inappropriate development. "*

2.6 Plans and decisions need to be based on an up to date and locally/sub-regionally specific evidence base which demonstrates the *"suitability of the existing employment land supply as well as future provision in relation to the locational and development requirements of business."* That evidence base should include an Employment Land Review (ELR).

2.7 "*Planning authorities should work with each other and with relevant economic fora in order to prepare an ELR. The review should include an assessment of anticipated employment change and land use together with estimates of land provision for employment* uses *showing net change in land/ floorspace. This should be calculated for offices, industrial and warehouse uses separately. This evidence should help inform an economic vision for the area. Employment Land Reviews should be kept up to date and relevant to prevailing market conditions and the needs of the development plan."*

2.8 Local Authorities should work together to identify strategic employment sites at a regional scale for which sites best serve the area as a whole. These sites should have '*unique selling points and provide a differentiated offer across the region'* and therefore it is not necessary to designate strategic employment sites within every local authority. These sites should be protected from alternative non-employment uses.

2.9 In addition, local planning authorities should steer economic development to the most appropriate locations, including provision of strategic scale sites, by:

- Coordinating development with infrastructure provision
- Supporting national, regional and local economic policies/strategies
- Aligning jobs and services with housing (where possible) to reduce the need for travel, especially by car
- Promote the re-use of previously developed vacant and underused land
- Delivering 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
- 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.

2.10 Innovative business and technology clusters may also be important to the economic growth of a local authority area as businesses benefit from shared facilities, infrastructure, skilled and qualified labourers, common supply chains and links to higher education. Development plan policies need to identify potential networks and cluster areas, and set policies for the creation of the transport, environmental and telecommunications infrastructure needed to support such networks. Planning authorities should also look favourably on any renewable and low carbon energy generation proposals designed to serve clusters.

2.11 New business creation is essential to sustain and improve rural economies, particularly as recent events such as the climate emergency, coronavirus pandemic and exiting the European Union all bring economic and social uncertainty. Rural areas will need to be able to respond flexibly to these issues to ensure future success. *"Many commercial and light manufacturing activities can be located in rural areas without causing unacceptable disturbance or other adverse effects. Micro and small enterprises have a vital role to play in the rural economy and contribute to both local and national competitiveness and prosperity*."

Technical Advice Notes – Welsh Government

2.12 These guidance notes and statements are intended to assist local authority policy makers in the preparation of LDPs. Of relevance to this study is TAN 23: Economic Development.

TAN 23: Economic Development (2014)

2.13 This TAN provides guidance on planning for economic development at a strategic level, identifying and assessing the economic benefits of development proposals and establishing an evidence base to support the economic development policies of LDPs.

2.14 Echoing PPW, the TAN advises that local planning authorities should aim to provide the land that the market requires (unless there are good reasons to the contrary). *"Local planning authorities should recognise market signals and have regard to the need to guide economic development to the most appropriate locations, rather than prevent or discourage such development."*

2.15 However, there may also be instances when planning authorities do not provide the land the market demands, in the places where the market demands it. Proposed developments or site allocations may be resisted because they would have unacceptable environmental impacts, divert demand from town centres or would go against agreed spatial strategies. In these circumstances planning authorities should look for alternative sites which offer the same, or very similar, advantages.

2.16 A sequential test should also be applied to economic development proposals or possible employment land allocations. First preference should be given to sites within the boundaries of settlements (including planned new settlements and urban extensions), then edge-of-settlement sites and finally land in the open countryside. Land may be identified in less preferable locations if the resulting benefits (i.e. jobs accommodated, alternatives, special merit) *"outweigh any adverse impacts of the development."*

2.17 Local authorities are encouraged to work jointly in sub-regional groups to prepare joint economy evidence bases, including an analysis of the sub-regional commercial and industrial property market. Such sub-regional strategies should also focus on identifying strategic sites of national and regional importance.

2.18 Where a planning authority is assessing a site allocation or planning application that could cause social or environmental harm, there are three issues which need to be considered:

- *"Alternatives: if the land is not made available (the site is not allocated, or the application is refused), is it likely that the equivalent demand could be met on a site where development would cause less harm, and if so where?*
- *…Jobs accommodated: how many direct jobs will be based at the site?*
- *…Special merit: would the development make any special contribution to policy objectives?"*

2.19 An example of a development of 'special merit' could be a greenfield development that could attract high-value, high-skill businesses that would not be interested in a lower-quality urban environment.

2.20 In rural areas, development may be acceptable in countryside locations if it makes communities more sustainable (encouraging people to work close to home), meets the expansion needs of an existing local business or an existing business cluster.

2.21 In producing LDPs, local planning authorities should:

- Develop a broad vision for the Plan which *"must be consistent and coherent so that the economic, social and environmental considerations support each other"*
- Set land provision targets which meet the market demand for land. Local authorities should work together to steer development to sustainable locations.

2.22 In terms of forecasting future growth, the TAN, echoing Planning Policy Wales, advocates "*a broad assessment of anticipated employment change by broad sector and land use".* Specifically, this will require *"the preparation of possible future economic scenarios with plans developed in a way which ensures they are robust across* the *more likely scenarios and contain the flexibilities necessary to adjust to changing circumstances. The starting point for scenarios would normally be past trends at a regional level. Such scenarios could be adjusted to reflect different policy or demographic assumptions."*

2.23 The TAN accepts that such forecast modelling can often be imprecise – *"Models of future economic scenarios are surrounded by a large margin of uncertainty, and often more so for individual authorities than for larger areas. Modelling may be most successful when based on functional economic areas such as travel to work areas and housing market areas."*

2.24 Where projected local authority growth differs markedly from that expected for the wider region, *"the authority should provide an evidence-based justification for these differences, much as they would have to in respect of population projections for their area."* Predicted employment figures should usually be expressed as a range of scenarios to reflect different economic outcomes and policy options. Ultimately

however, *"the level of growth envisaged must be realistic, able to withstand scrutiny and be consistent with the other aspirations of the plan including population and housing projections."*

2.25 Finally, the TAN highlights that existing employment sites should only be released for other uses if:

- *"They have poor prospects of being re-occupied for their previous use*
- *And/or the particular market that the site is part of is oversupplied*
- *And/or the existing employment use has unacceptable adverse impacts on amenity or the environment*
- *And the proposed redevelopment does not compromise unduly neighbouring employment sites that are to be retained*
- *Or other priorities, such as housing need, override more narrowly focused economic considerations."*

Future Wales: The National Plan 2040, Welsh Government (2021)

2.26 This document replaces the Wales Spatial Plan and acts as the national development framework, guiding development and where investment should be in Wales to 2040. This framework will be built on by Strategic Development Plans at a regional level and LDP's at a local authority level, to identify the location of new development and infrastructure. This document supports and helps deliver the aims of the Economic Action Plan.

2.27 The prosperity of the country has been altered by the Covid-19 Pandemic and therefore working patterns in terms of location and hours may change. Future Wales supports the provision of infrastructure to support these changing work patterns. Additionally, there is no 'one size fits all' approach to strengthening, diversifying and increasing the resilience of the Welsh economy meaning support must be given to new and existing businesses of all sizes.

2.28 11 Outcomes were created as overarching ambitions for Wales for the next 20 years which will link all policies together and describe "*A Wales where people live:*

1. *And work in connected, inclusive and healthy places*
2. *In vibrant rural places with access to homes, jobs and services*
3. *In distinctive regions that tackle health and socio-economic inequality*
4. *In places with a thriving Welsh language*

5. *And work in towns/ cities which are a focus and springboard for sustainable growth*
6. *In places where prosperity, innovation and culture are promoted*
7. *In places where travel is sustainable*
8. *In places with world-class digital infrastructure*
9. *In places that sustainably manage their natural resources and reduce pollution*
10. *In places with biodiverse resilient and connected ecosystems*
11. *In places which are decarbonised and climate-resilient."*

2.29 Policy 1 states key areas for development with an aim to focus large scale growth on the urban areas, allowing productive agricultural land to be protected as development pressures are channelled away from the countryside.

2.30 Policy 6, 'Town Centre First' states that *"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."*

2.31 The Framework is then split geographically with Caerphilly falling into the South East sub-region and the Valleys area. The Valleys area is identified as a priority area for the Welsh Government and should be a priority for the Strategic Development Plan. *"It has seen significant investment in the A465, benefitted from EU funding programmes and in the future, it will be better connected as a result of the South Wales Metro."*

2.32 Housing, economic growth, digital and transport connectivity infrastructure should be co-ordinated and planned on the basis of the whole region, particularly through a new Strategic Development Plan for the South East. Clear decisions should be made on the scale and location of growth through the preparation of a Strategic Development Plan to ensure that all parts of the region are working together to achieve the region's goals. Such a plan should focus on the movement of people across the region and support an integrated approach to strategic land-use and transport planning. *"Key locational decisions, including for employment centres, strategic housing growth and services, should focus on the most sustainable and accessible locations, address*

congestion, reduce car-based commuting and improve air quality. The region should consider its connections with the Mid Wales and South West regions and the West of England region."

2.33 Policy 33 identifies Cardiff, Newport and the Valleys as a 'National Growth Area'. *"Strategic and Local Development Plans should recognise the National Growth Area as the focus for strategic economic and housing growth; essential services and facilities; advanced manufacturing; transport and digital infrastructure." "The Welsh Government supports co-ordinated regeneration and investment in the Valleys area to improve well-being, increase prosperity and address social inequalities."*

2.34 "*The planning system, through Strategic and Local Development Plans and the decisions it takes, will have a major role to play in shaping the places that support and strengthen the regional economy*." "*The Strategic Development Plan should be informed by the Cardiff Capital Region City Deal and should ensure that key locational decisions on housing and employment sites, key services and essential infrastructure are planned to support and benefit from the investment and projects across the region. The Strategic Development Plan should also consider how traditional and new economic sectors can be supported and be open to exploring the role of both existing and new types of employment areas. It should also recognise opportunities for the development of economic clusters, where businesses choose to locate in close proximity for mutual benefit, and whether there is a need for further infrastructure investment to support this."*

Economic Resilience & Reconstruction Mission, Welsh Government (2021)

2.35 This document has been developed in the context of dealing with the dual impact of the Covid-19 Pandemic and Brexit and is an evolution of the Welsh Government Economic Action Plan. This document builds upon '*Prosperity for All: The Economic Action Plan*' and takes forward the priorities from '*Coronavirus Reconstruction: Challenges and Priorities*'.

2.36 The vision is to create a '*well-being economy which drives prosperity, is environmentally sound, and helps everyone realise their potential*'. In order to achieve this vision, one of three outcomes is to create a Prosperous Economy. This can be achieved through the support of the Foundational Economy and a diverse range of businesses with good productivity levels and skilled workforces.

2.37 Five beacons have been created for delivery of medium-long term recovery from

Covid-19, building upon policies which have been adapted to meet the challenges of the pandemic. They are:

- Strengthening the Foundational Economy
- Covid Commitment to protecting and enabling skills and employment
- Accelerating adaption for recovery and future prosperity
- Magnetising investment in a green recovery
- Fortifying the pursuit of social value.

2.38 Town Centres can no longer rely on just retail to thrive and therefore, as part of the 'Transforming Towns' agenda, new economic opportunities and employment must be brought back to Town Centres. This links to the 'Town Centre First' policy (Policy 6) of the Future Wales Strategy, noted above. This should be as part of a wider offering of leisure, learning, local services and cultural activities. It is a long-term ambition for Welsh Government for 30 percent of Welsh workers to be working flexibility and remotely. Additionally, there is the opportunity to re-purpose Town Centre buildings to create regional co-working hubs, deconcentrating and relocating the workforce back into Town Centre locations when required.

2.39 The Covid-19 Pandemic threatens to reverse progress made in Wales over the last decade of reducing unemployment economic inactivity. Welsh Government aims to support and prepare workforce for immediate and long-term challenges (as set out in '*Coronavirus Reconstruction: Challenges and Priorities*' and reviewed below). Support to be provided for employers/ businesses includes:

- New recruitment support and incentives for apprenticeships
- Training support to upskill workers
- Support the recruitment and retention of disabled people
- Support for workplace well-being/ safe working environments.

Covid-19 Reconstruction: Challenges and Priorities, Welsh Government (2020)

2.40 This document aims to provide the key challenges and priorities for Wales for reconstruction following the Covid-19 Pandemic. With relation to the employment market the Welsh Government aims to:

- '*Reduce unemployment… provide opportunities for people to develop their skills and to acquire new ones*

- *Step up investment in our local town centres to help built resilient communities… providing better access to open space, the creation of remote working hubs, and making sure our public services are more accessible*
- *Focus on the foundational economy and support the growth and independence of Welsh headquartered businesses in order to build the resilience of the Welsh economy in the face of Coronavirus and the end of the EU Transition Period*'.

2.41 Part 1 of the programme is entitled 'Moving Towards Reconstruction' and describes several programmes and pots of money which have been assigned to different projects in order to create a more prosperous Wales including:

- A firm priority - £40 million fund to offer advice and help those over 16 to find work, increase their skills/ qualifications and employability, or start a business
- A £2.4 billion support package, including the Economic Resilience Fund, an emergency support package for small businesses of £200 million and £350 million of non-domestic rates relief
- Setting a target of 30 percent of the country's entire workforce to work from home in the future, to help reduce pollution and congestion.

2.42 Part 2 focuses on the 'Future of Wales'. Government asked for individuals, activists, charities and representative bodies to suggest ideas for how to reconstruct a better Wales. The responses split into six categories – Society, Economy, Environment, Health, Political engagement and Digital technology. The importance of supporting people to remain in work or secure employment was a key issue raised, along with supporting Welsh businesses through developing the Welsh brand and bringing sectors together into hubs. There were also calls for efforts to ensure the economy in Wales is based on renewable energy supplies.

2.43 Additionally, remote working arrangements were discussed in order to lead to locally focussed regeneration schemes and provide employment opportunities in emerging sectors. This could encourage more skilled young workers to remain in Wales.

2.44 Part 3 of the plan focusses on addressing the bullet points mentioned above in the short term, whilst the longer-term change (Part 4) includes a range of issues such as 'exploring *a financing partnership with local authorities which could extend our capacity to invest together and stimulate employment*'.

Cardiff Capital Region

Priority Sectors – CCR

2.45 CCR prioritises five sectors for employment and skills support, which largely overlap with some of the sectors prioritised by the Welsh Government:

- Advanced Materials and Manufacturing
- Construction
- Financial, Legal & Professional Services
- ICT/Digital - including creative industries
- Human Foundational Economy.

Cardiff Capital Region City Deal

2.46 The CCR secured a £1.2 billion City Deal with the UK and Welsh Governments. A key priority for investment will be the delivery of the South East Wales Metro, including the Valley Lines Electrification programme. CCR Region has established the CCR Transport Authority (CCRTA) to co-ordinate transport planning and investment within the region, in partnership with the Welsh Government.

2.47 An Economic Growth Partnership has been established to commission an Economic Growth Plan for the next twenty-year period. A Regional Business Council has also been established to engage with all businesses and articulate their needs. As part of the City Deal, £37.9 million are invested to support the development of a compound semiconductor industry cluster in South East Wales.

2.48 Over its lifetime, the City Deal is expected to deliver up to 25,000 new jobs, leverage an additional £4 billion of private sector investment and deliver a five percent uplift in Gross Value Added (GVA). In February 2018, three development strategies were agreed by the CCR cabinet to support the strategic themes of housing, skills, and digital connectivity within CCR and drive the City Deal forward.

2.49 The City Deal is also supported by a five-year strategic business plan, which sets out the required actions and outcomes to achieve CCR's long-term objectives, including details of how the Wider Investment Fund can be used in the next five years to act as a catalyst to drive the actions forward.

Cardiff Capital Region Industrial and Economic Plan

2.50 The Regional Economic Growth Partnership was established to advise on the

implementation of the Cardiff Capital Region City Deal's Wider Investment funds. This Industrial and Economic Plan sets out an ambitious and long-term plan to boost productivity and accelerate economic and inclusive growth in the region by making the Cardiff Capital Region a highly investable proposition, backing businesses to create good and sustainable jobs through targeted investments in skills, priority industries, infrastructure and innovation.

2.51 An investment and intervention framework has been established to contain three designated and interconnected investment priorities linked by common focus on securing a coherent, competitive, sustainable and fair regional economy. The three designated investment priorities (Innovation, Infrastructure, and Challenge) will support the delivery of the plan and will be established in partnership with the investor community to drive forwards the economic ambitions and priorities within the region.

2.52 The Innovation investments will focus on opportunities where there is demonstrable competitive strength, leveraging significant other investments which will provide direct returns to the fund. The Infrastructure investments will focus mainly on infrastructure projects where the public sector creates the conditions for private sector success and civic benefits. Finally, the Challenge investments will seek to attract the best solutions for specific challenges faced by the region. The ultimate aim of the investments will be improving the business environment within the CCR, creating rich ecosystems that stretch and support the development of key sectors in the economy.

2.53 The Industrial and Economic Plan also outlines its plans to enhance existing and develop new educational provisions where required to drive the priorities of our businesses in the region, ensuring that the region has a highly-skilled, motivated and forward-thinking workforce with a significant supply of critical skills to enable businesses to flourish over the next decade.

2.54 The importance of connectivity, both digital and physical, is also emphasised. Reliable infrastructure that connects the region, both within and wider afield, to boost productivity and prosperity, is deemed critical.

Cardiff Capital Region Industrial and Economic Plan and Covid-19 Addendum

2.55 Cardiff Capital Region Industrial and Economic Plan and Covid-19 Addendum sets out 10 priorities to reflect the regional post Covid-19 reality:

1. *"Helping CCR businesses navigate the funding support packages available and surfacing gaps in provision*
2. *Building a strong evidence base to enable ongoing assessment of Regional Economic Health*
3. *Reviewing all current City Deal initiatives to ensure they align with CCR economic and social imperatives in a post Covid world*
4. *Ensuring entrepreneurs and start ups get the support they need*
5. *Establishing a new 'Rebuilding Local Economies Challenge Programme' to capitalise on the levels of business innovation and ingenuity seen throughout the crisis period*
6. *Developing new, targeted funding interventions and new investment application support mechanisms*
7. *Supporting key businesses in the CCR priority clusters to increase their resilience and capacity for growth through increased flexibility on lending/ investments*
8. *Increasing our overall competitiveness and wealth creation as a region through improving the financial performance of our medium sized businesses*
9. *Accelerating the development of our Med-tech Cluster through encouraging and supporting investment opportunities in Med-tech innovation*
10. *Expediting the creation of resilient industrial clusters with thriving regional eco systems."*

CCR City Deal Strategic Business Plan Wider Investment Fund (2019)

2.56 In compliance with the Joint Working Agreement the five-year City Deal Strategic Business Plan:

- *"Sets out our current understanding of what is required to achieve the Cardiff Capital Regions long- term objectives*
- *Details required actions and outcomes, only some of which will benefit from Wider Investment funding*
- *Includes details of how the Wider Investment Fund will be used, over the next five years, to act as a catalyst to drive these actions forward*
- *Forms the basis of a more detailed regional strategic economic growth plan and strategy."*

2.57 The City Deal Funding will act as a catalyst to drive economic momentum by leveraging of wider investments, accelerating the process of change, attracting

interest and generating enthusiasm and taking advantage of the entrepreneurial talents that abound in the region.

2.58 The Business Plan identifies four strategic themes they feel can make a real improvement to the well-being of people in the region and, in doing so, support regional objectives, well-being goals and the twin goals, in the Welsh Government's 'Prosperity for All: economic action plan', of growing the economy and reducing inequality. The four themes are as follows:

- Skills and Employment – This will involve addressing skill gaps and shortages, developing higher level skills to futureproof the workforce, increasing the number and range of apprenticeships, developing a regional employability plan to get more people into work and many more interventions
- Innovation – "*Innovation underpins the development and application of ideas and technologies that yield better or new goods and services for the marketplace. Innovation is directly linked to raising productivity. Relative to other regional and international economies, productivity is unacceptably low in the Cardiff Capital Region."* The Business Plan aims to create an environment that fosters entrepreneurial spirit and the creation of new commercial knowledge by bringing entrepreneurs, government, universities, colleges, funders and corporate entities together and adding in new capability
- Connecting the Region – To enable effective connectivity of all types in the Cardiff Capital Region, improvements to both the digital and transport infrastructure must be made. £734 million has been committed to the Metro as part of the City Deal. will make a significant contribution to improving transport connectivity, unlocking development sites, employment and housing, providing access to training and employment opportunities, access to leisure and tourism and wider cultural development. The Business Plan also sets out several strategic goals set out to make the Cardiff Capital Region a 'Smart Region', allowing future generations to be fully integrated into a global network
- Regeneration and Infrastructure – With good quality development sites in short supply and a limited availability of ready to occupy premises of all sizes, the City Deal outlines a 'Strategic Sites Plan'. This plan looks to improve the provision of employment sites, emphasise the refurbishment of existing stock and support specific infrastructure projects to encourage clusters of like-minded industries to emerge and develop, nurturing them as centres of excellence.

The A465 Heads of the Valleys Corridor Cardiff Capital Region (2021)

2.59 This report provides a market assessment of the existing employment sites and buildings in the A465 'Heads of the Valleys' corridor in the Cardiff City Region, with recommendations for future priority property interventions. As part of the market assessment, a review of the employment sites in the study area was undertaken. This, using information provided by the local authorities, identifies 12 sites in Caerphilly, totalling 69.6 ha.

2.60 The report also identifies a lack of "shovel ready" employment sites in the study area and generally poorer quality employment floorspace. It is recommended that a limited number of new sites are introduced to present a balanced portfolio of sites suitable to a broader range of users. The current sites do not offer a balanced portfolio with gaps in the supply of strategic, large employment sites. There is also a lack of business and science parks suitable for higher value businesses. Town Centre offices, logistics parks and local industrial estates are also identified as being in short supply.

Local

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

2.61 The LDP sets out detailed policies and specific proposals for the development and use of land in Caerphilly.

2.62 The LDP Development Strategy is based on three broad areas:

- The Heads of the Valleys Regeneration Area (HOVRA)
- The Northern Connections Corridor (NCC)
- The Southern Connections Corridor (SCC).

2.63 No new employment sites are identified in the HOVRA or the SCC. Instead, the emphasis is on the redevelopment and regeneration of existing allocated sites to make them more attractive to inward investors. Approximately five percent and eight percent of land identified for employment purposes is located in the HOVRA and SCC, respectively.

2.64 The LDP continues to target new employment growth to the NCC. In this context the success of Oakdale Business Park is critical in terms of ensuring economic prosperity for residents of the County Borough, as well as offering much needed employment opportunities to residents in the HOVRA. 86 percent of employment

allocations are within the NCC.

2.65 The economic aim of the LDP seeks *"to increase the economic prosperity of the people and communities of the County Borough through the provision of land for employment opportunities, supported by appropriate housing and ancillary facilities."* Key relevant objectives to meet this aim include the need to:

- *"Capitalise on Caerphilly's strategic position further developing its role as a commercial and employment centre in the heart of the Valleys City Region with strong links to the Heads of the Valleys area and as the smart alternative for locating development to Cardiff and Newport*
- *Provide and protect a diverse portfolio of employment land for a variety of employment uses, focusing in particular on higher value employment opportunities and sites to meet local need, including waste management facilities."*

2.66 The Strategy Policies contained within Section A of the LDP provides the strategic policy framework to deliver the Development Strategy of the plan. The following Strategy Policies are of particular relevance to this study:

- Policy SP1 (Proposals in the HOVRA) serves to: promote the north of the County Borough as a tourist, employment and residential area; provide appropriate forms of growth; and address existing problems of deprivation in order to sustain and develop communities along the underlying principles of sustainable development
- Policy SP2 (Development Proposals in the NCC) promotes sustainable development that: focuses development on brownfield and greenfield sites that have regard for social and economic functions of the area; and, also looks to capitalise on the economic opportunities offered by Oakdale/Penyfan Plateau
- Policy SP3 (Development Proposals in the SCC) promotes sustainable development that uses previously developed land within settlement limits and has regard to the social and economic function of the area
- Policy SP9 (Waste Management) designates all allocated and protected class B2 industrial sites as potentially suitable locations for new in-building waste management facilities, which provides substantial choice in meeting the estimated land requirement of up to 10.4 ha
- Policy SP16 (Managing Employment Growth) makes provision for the

development of 101.9 ha of employment land in the County Borough between 2006 and 2021. This requirement will be met principally through the development of Business Parks, Primary Industrial Estates and Secondary Industrial Estates

- Policy SP17 (Promoting Commercial Development) makes provision for the development of 29.3 ha of commercial sites, and identifies five principal town centre boundaries, two primary retail areas, three commercial opportunity areas and two retail warehouse parks, in order to enhance the commercial sector in terms of service provision and employment.

2.67 Within the LDP, 14 undeveloped sites are allocated for future employment development (Policy EM1), and a further 36 functioning employment sites are protected for B1, B2, B8 Uses (Policy EM2). Table 2 details the undeveloped employment land allocations, which provide some 101.9 ha of additional B1, B2, B8 land in the County Borough. Table 3 outlines the protected employment areas, which total 485.15 ha. Both the EM1 Employment Allocations and the EM2 Employment Sites Protection are reviewed in detail in Section 6.0.

2.68 As Table 3 shows, the EM2 Sites are divided into primary and secondary sites. Designated primary sites currently house a mixture of Use Classes, and as such they, along with proposals for the development of vacant land, are considered appropriate for B1, B2, B8 uses. Designated secondary sites are considered suitable for sui generis uses in addition to B-class options. Sui generis uses can play an important role in the County Borough, as long as they complement and support neighbouring uses, rather than act in competition or be of detriment to them.

Table 2 – Sites Allocated for Employment Use in the LDP by Policy EM1

Site Ref	Site Name	Settlement	Size (ha)	Type of Employment Site	Brownfield/ Greenfield
Heads of the Valleys Regeneration Area					
EM1.1	Heads of the Valleys	Rhymney	5.2	Primary	Brownfield
Northern Connections Corridor					
EM1.2	Ty Du	Nelson	18.8	Business Park	Greenfield
EM1.3	Plateau 1	Oakdale	30.2	Primary	Brownfield
EM1.4	Plateau 2	Oakdale	7.0	Primary	Brownfield
EM1.5	Plateau 3	Oakdale	3.4	Primary	Brownfield
EM1.6	Plateau 4	Oakdale	4.3	Primary	Brownfield

Site Ref	Site Name	Settlement	Size (ha)	Type of Employment Site	Brownfield/ Greenfield
EM1.7	Hawtin Park North	Gellihaf	4.5	Primary	Brownfield
EM1.8	Hawtin Park South	Gellihaf	8.8	Primary	Greenfield
EM1.9	Dyffryn Business Park north	Ystrad Mynach	4.9	Primary	Greenfield
EM1.10	Dyffryn Business Park south	Ystrad Mynach	6.3	Primary	Greenfield
EM1.11	Penallta Extension	Hengoed	1.6	Secondary	Brownfield
Southern Connections Corridor					
EM1.12	Land at Caerphilly Business Park	Caerphilly	3.6	Primary	Brownfield
EM1.13	Land at Trecenydd	Caerphilly	2.2	Secondary	Brownfield
EM1.14	Land at Western	Caerphilly	1.1	Secondary	Greenfield (now developed)

Source: Caerphilly County Borough Council, 2010

Table 3 – Existing Employment Areas Protected within the LDP by Policy EM2

Site Ref	Site Name	Settlement	Size (ha)	Type of Employment Site
Heads of the Valleys Regeneration Area				
EM2.1	Land at New Tredegar	New Tredegar	1.2	Primary
EM2.2	Heads of the Valleys	Rhymney	20.41	Secondary
EM2.3	Capital Valley	Rhymney	14.48	Secondary
EM2.4	Maerdy	Rhymney	12.52	Secondary
EM2.5	Angel Lane	Aberbargoed	3.09	Secondary
EM2.6	Bowen	Aberbargoed	11.02	Secondary
Northern Connections Corridor				
EM2.7	Dwr Cymru/Welsh Water	Nelson	3.60	Business Park
EM2.8	Tredomen Park	Ystrad Mynach	7.21	Business Park
EM2.9	Plateau 2	Oakdale	13.04	Primary
EM2.10	Penyfan	Croespenmaen	73.01	Primary
EM2.11	North Celynen (south)	Newbridge	9.13	Primary
EM2.12	Hawtin Park	Gellihaf	22.82	Primary
EM2.13	Dyffryn Business Park	Ystrad Mynach	29.37	Primary
EM2.14	North Celynen (north)	Newbridge	4.17	Secondary
EM2.15	Croespenmaen	Croespenmaen	6.53	Secondary
EM2.16	Britannia	Pengam	2.88	Secondary

Site Ref	Site Name	Settlement	Size (ha)	Type of Employment Site
EM2.17	St David's	Pengam	5.16	Secondary
EM2.18	New Road	Tiryberth	7.14	Secondary
EM2.19	Penallta	Hengoed	23.87	Secondary
EM2.20	Newbridge Road	Pontllanfraith	12.75	Secondary
EM2.21	Tram Road	Pontllanfraith	2.49	Secondary
EM2.22	Switchgear	Pontllanfraith	10.06	Secondary
EM2.23	Penmaen	Penmaen	5.95	Secondary
EM2.24	Woodfieldside	Penmaen	1.94	Secondary
Southern Connections Corridor				
EM2.25	Pantglas	Bedwas	31.83	Primary
EM2.26	Caerphilly Business Park	Caerphilly	11.53	Primary
EM2.27	Prince of Wales	Abercarn	23.27	Secondary
EM2.28	Nine Mile Point	Cwmfelinfach	15.73	Secondary
EM2.29	Blackvein	Wattsville	7.42	Secondary
EM2.30	Newtown	Crosskeys	8.33	Secondary
EM2.31	Park Road	Risca	0.65	Secondary
EM2.32	Rogerstone Park	Pontymister	12.35	Secondary
EM2.33	Bedwas House	Bedwas	29.93	Secondary
EM2.34	Pontygwindy Road	Caerphilly	16.82	Secondary
EM2.35	Trecenydd	Caerphilly	8.01	Secondary
EM2.36	Western	Caerphilly	15.44	Secondary

Source: Caerphilly County Borough Council, 2010

2.69 Development proposals on identified industrial estates are subject to restrictions as outlined in Policy CW13 Use Class Restrictions – Business and Industry which states: "*Development proposals on industrial estates will be subject to the following restrictions:*

"A *On sites allocated or identified as Business Parks, development will only be permitted if it is:*

i within use class B1

ii to provide an ancillary facility or service to the primary employment use.

B On sites allocated or identified as Primary Sites, development will only be permitted if it is:

i within use classes B1, B2 or B8

ii an appropriate sui generis use

iii to provide an ancillary facility or service to the primary employment use.

C On sites allocated or identified as Secondary Sites, development will only be permitted if it is:

i within use classes B1, B2 or B8

ii an appropriate sui generis use

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

iv an acceptable commercial service unrelated to class B uses."

Caerphilly Strategic Valley Hub Placemaking Plan 2019 – 2035 (2020)

2.70 The purpose of this placemaking plan is to provide an integrated framework for the strategic redevelopment of Caerphilly Town Centre. A series of strategic transport projects were identified and will be progressed in accord with the Welsh Transport Appraisal Guidance.

2.71 The former Ness Tar site is identified as a key mixed use development site comprising residential and commercial use for the Town. There is also the option to provide new link road to link Ness Tar to the Caerphilly Business Park Distributor Road. However, detailed redevelopment proposals are not provided. These would be developed through a bespoke development layout when an opportunity for redevelopment arises.

2.72 Other relevant options include a new HQ Building in the Railway Station Car Park and the potential for mixed use development on Pentrebane Street providing apartments and work space. Elsewhere on Pentrebane Street, the Plan recommends support for the redevelopment and conversion of upper floors to provide apartments and flexible/start up workspace. Where required, this could include the merging of properties to create larger more adaptable units.

Regional Employment Study - Blaenau Gwent, Caerphilly, Monmouthshire, Newport and Torfaen (2020)

2.73 This Regional (Larger Than Local) Employment Study was prepared by BE Group and Per Consulting on behalf of five local authorities – Blaenau Gwent, Caerphilly, Monmouthshire, Newport and Torfaen Councils. Amongst other things forecasts of employment land needs have been prepared, including scenario testing, up to 2040. These forecasts will inform the replacement LDP process for the individual local

authority areas.

2.74 This study's preferred method for calculating employment land demand was based on previous employment land take up. This approach calculated a demand across the Larger Than Local Area (LTLA) between 2018 and 2040 of 275.4 ha, including a five-year buffer. 70.4 ha of the projected demand was for Caerphilly.

2.75 The realistic employment land supply across the LTLA was estimated to be approximately 329.12 ha, of which Caerphilly represents 50.0 ha including an identified strategic supply of 24.2 ha at Oakdale. This suggests that Caerphilly does not have an adequate amount of employment land to meet the projected need to 2040. However, it is recognised that the forecast growth for Caerphilly would be partly met elsewhere in the LTLA. Newport, with the largest employment land capacity, is likely to be the primary candidate for such a transfer. Areas of search for new employment land could usefully focus on the Heads of the Valleys Road, although it is recognised the M4 Corridor remains a desirable location for businesses.

2.76 Reflecting a larger than local approach, in which the calculated demand could be met in neighbouring local authority areas within the LTLA, a revised breakdown was prepared, which rebalanced the distribution of demand, reflecting market conditions (e.g., impacts of congestion along the M4) and availability of land. This breakdown provides an indication of the potential mix of employment uses within the LTLA and should not be interpreted as a prescriptive mix of uses.

Table 4 – Indicative Breakdown of Employment Requirements by B-class Floorspace (revised demand profile, inc. buffer) to 2040

Area	Area (ha)*	B1 (sqm)	B2/B8 (sqm)	Total (sqm)
Blaenau Gwent	35.0	7,000	133,000	140,000
Caerphilly	***70.4***	***22,500***	***259,100***	***281,600***
Monmouthshire	60.0	19,200	220,800	240,000
Newport	75.0	60,000	240,000	300,000
Torfaen	35.0	19,600	120,400	140,000
Total LTLA	**275.4**	**128,300**	**973,300**	**1,101,600**

Source: BE Group analysis of site information
** Assumes plot ratio of 4000 sqm per hectare for all unit types. This is a reasonable average across the area but there will be significant variation from site to site depending on permissible densities, site constraints, etc.*

Caerphilly Employment Sites Supply and Market Appraisal Study (2014)

2.77 Completed by BE Group, this study assessed the supply and demand for employment in Caerphilly to 2021 to reflect the Adopted LDP and provided longer-

term forecasts to 2031 to inform planning beyond the Adopted LDP.

2.78 Of the 102.45 ha of employment land identified in the Adopted LDP, it was assessed that the realistic available supply of this land was some 63.81 ha as of 2014. Assessed against forecast needs to 2031 of up to 28.39 ha, it was considered that as of 2014 there was a surplus supply of employment land in Caerphilly to cover the forecast period.

2.79 Other key recommendations were:

- *"That a large proportion of the employment land supply in the Northern Connections Corridor is likely to be taken up in the short or medium term, while the land supply in the Southern Connections Corridor is limited. Thus, notwithstanding the present land surplus, it is still recommended that the Council identify additional employment sites in these locations, which could be made available later in the plan period*
- *In searching for additional employment opportunities, the Council should seek to identify additional strategic site(s), which could ultimately succeed the Four Plateaus of Oakdale Business Park as they are taken up. The identification of additional B1 office land would also be desirable reflecting the fact that there are few existing options for meeting the projected growth in service sectors."*

Caerphilly County Borough Council's Regeneration Strategy (2018 – 2023) – A Foundation for Success (2018)

2.80 A Foundation for Success provides a framework for the future regeneration of Caerphilly County Borough. It seeks to ensure that the maximum regeneration impact is realised from any major development projects and programmes, making certain that individual proposals are developed in a way that they contribute to the effective regeneration effort and benefit of the County Borough.

2.81 The report identifies four strategic themes to make Caerphilly County Borough a more prosperous, resilient, healthier, more equal place: Supporting People, Supporting Business, Supporting Quality of Life and Connecting People and Places.

2.82 One of the objectives (SB4) for Supporting Businesses is to have key sites and infrastructure for employment opportunities. It is important that economic development is guided to suitable locations in the County Borough. To achieve this a

responsive planning environment that ensures that there is an appropriate range and mix of good quality, well located employment sites available for business to develop and expand, is required. Opportunities to create better and more competitive business locations, that respond to the requirements of business and fill identified gaps in land supply within Caerphilly, need to be pursued through the identification of new sites for employment use throughout the County Borough.

2.83 It is also important to recognise the redundancy of poor-quality employment sites and premises and to encourage the recycling/redevelopment of less suitable older stock to make way for premises better suited to meet modern requirements. To achieve the above objective, certain actions have been identified:

- *Identification of new land for employment through the planning system, particularly within the South of the county borough where supply is limited, and demand is high.*
- *"Identify new sites that are potentially of regional significance that could benefit from investment via City Deal (e.g., Oakdale Business Park, Capital Valley, Rhymney, Caerphilly Business Park/Ness Tar, Heads of the Valleys);*
- *Encourage the reconfiguration and redevelopment of existing employment sites to provide modern, energy efficient units to replace some of the older larger units that are underutilised or vacant.*
- *Identify mechanisms and potential funding sources for unlocking existing employment sites and making them more attractive to investors and new businesses within the county borough.*
- *Maximise the economic investment in employment sites either through employment (number of jobs created) or supply chain opportunities or both.*
- *Ensure easy and affordable access to digital networks, including broadband to support everyday business needs.*
- *Maintain the diversity of uses on employment sites within the county borough.*
- *Identify employment opportunities around metro hubs to encourage modal shift and to reduce the high level of out commuting for work."*

2.84 The importance of building upon existing, prominent economic sectors within the County Borough, and the region, and encouraging new participants within these sectors to offer higher value-added outcomes is also emphasised (SB2). Finally, improving the rate of emergence of new indigenous businesses within the County Borough (SB3) is highlighted an as a key objective to support business.

Caerphilly Basin Masterplan (2018)

2.85 This Masterplan sets out the future development and regeneration opportunities proposed for the Caerphilly Town Centre within the context of the wider Caerphilly Basin. It seeks to build on the existing strengths of Caerphilly to ensure that the Town enhances its role as a retail, tourist and employment centre, supported by new housing development in sustainable places.

2.86 Caerphilly Business Park, Western, Trecenydd, Pontygwindy, Bedwas House and Pantglas Industrial Estates will continue to be protected for employment use. There are opportunities however to rationalise and redevelop areas within these estates to provide modern units and maximise their use. This will support job creation in a range of industries and provide the potential to increase skills including in those areas where there are identified skills gaps.

2.87 The Masterplan also identifies additional land for employment in and around the Metro hub at Caerphilly Station and at Aber Station. It is envisaged this land will provide new commercial and office development that meet the needs of modern businesses. The creation of jobs in close proximity to the Town Centre will have economic benefits for businesses within the town and importantly will provide employment for people living within the area. Specific actions for the various business parks and sites are addressed in more detail in the Masterplan and summarised in Table 5.

Table 5 – Caerphilly Basin Masterplan – Relevant Proposals Summary

Area	Proposals
A - 3 Ton Y Felin Road and Castle Street Triangle	Redevelopment of units and a car park at a key junction to create a high quality landmark building as part of the gateway to the town centre and castle, developing approx. 2,700 sqm of retail/office space.
A - 4 Cardiff Road (Blocks between Clive Street and Park Lane)	Short term improvement to the visual appearance of the buildings through tailored façade treatment. Long term redevelopment of the whole block for a mix use development comprising small to medium sized retail units, A3, offices and residential. Developing approx. 5,000 sqm of mixed use space.
E - 2 Expansion of Caerphilly Business Park	Expansion of the Welsh ICE facility through the acquisition and refurbishment or redevelopment of vacant and under-utilised units on the site to create a regional centre of excellence. There is also the potential to incorporate redevelopment of the former Ness Tar site as part of the development of a sustainable live-work complex. The expansion would be further supported by the provision of a new Metro Halt to serve the Business Park and the reinstatement of the former Machen Line which would provide direct access to the site from the east through Newport
E - 3 Ness Tar and Pesci's Scrap Yard	The site affords the opportunity for the development of a sustainable settlement, based on its close proximity to the Caerphilly Interchange and Caerphilly Business Park, and should be redeveloped for a mixed-use scheme comprising a range of dwelling types and tenures, together with offices/starter units and leisure/health uses. As part of any redevelopment proposal the opportunity to incorporate live/ work units and/or start-up

Area	Proposals
	units on part of site should be actively pursued; there is also the potential to deliver an innovative, sustainable, car-free mixed use development. The site also offers the potential to relocate the town's leisure centre to a location more accessible by public transport, which would serve not only the deprived communities in the Caerphilly Basin but also within easy access of the deprived Heads of the Valleys. An appropriate corridor of land should be safeguarded within the site to allow for the delivery of a South Eastern bypass for Caerphilly.
F - 1 Llanbradach Park and Ride Creation of a new park and ride at Llanbradach, linked to a relocated station.	Proposed development of 7,2 ha of employment land including 2.9 ha, to deliver 8,700 sqm of new employment space.
G - 1 Ty Cenydd (former UWHA building)	Re-develop/re-use the site to generate 913 sqm of office space.
G - 3 Trecenydd Business Park	There is an undeveloped strip of land within the centre of the site, which could be developed. Small, flexible terraces of B1 units offering accommodation from 50 sqm would be the most attractive here as they would benefit from low business rates and running costs and would serve a local market. Also, to investigate the potential for a new light rail halt adjacent to the Business Park if light rail is pursued along this stretch of line under the Metro initiative. Explore opportunities to expand the park and ride adjacent.
H - 4 Key Development Opportunities within Existing Settlements – Bedwas Colliery	Mixed use development includes the potential for offices. Also 3 ha of employment land released in close proximity to Graig y Rhacca.

Source: CCBC, 2018

Heads of the Valley Regeneration Area Masterplan (2020)

2.88 This Masterplan sets out the future development and regeneration opportunities proposed for the Heads of the Valleys. It seeks to facilitate significant change in order to enhance the role of communities, enabling them to diversify, allowing industries to rise and demographics to alter for the better.

2.89 The Masterplan sets out a vision for the area stating that *"The Heads of the Valleys will capitalise upon the major public investment in the A465 and its strategic location along this corridor, complementing and strengthening employment opportunities and creating an exciting, vibrant place where businesses will want to locate and where people will choose to live and work."*

2.90 The vision provided by the Masterplan is supported by a series of strategic objectives, the first of which emphasises the importance of Complementing and integrate with nearby initiatives such as the Ebbw Vale Enterprise Zone (EZ) in order to develop a strategic employment function for Rhymney, establishing it as a gateway

to the Valleys. Individual descriptions and expected outputs from the above strategic objective for Capital Valley, The Lawns Industrial Estate and The Heads of the Valleys Industrial Estate, along with several other relevant projects, are discussed further in the Masterplan document, with proposals summarised in Table 6.

Table 6 – Heads of the Valley Regeneration Area Masterplan – Relevant Proposals Summary

Area	Proposals
A - 1 Capital Valley	Capital Valley is an existing industrial estate, comprising older, low quality industrial and warehouse accommodation. Land in the south is in use for open storage while there 23 are multiple derelict/demolished buildings in the north. Much of it is within TAN 15 flood zone C2. There is concern that the existing stock is not fit for purpose in places, specifically that there is a shortage of smaller, modern units suitable for new business start-ups. Redevelopment of the site to tailor it (at least in part) to the needs of specific sectors, complemented by investment in the development of a range of particular skill sets, would allow such businesses to take advantage of an appropriately trained and upskilled workforce. Key sectors that could be targeted are manufacturing (potentially advanced manufacturing in relation to automotive), processing, energy and institutional potentially involving mixed-use schemes including housing or commercial uses.
A - 2 The Lawns Industrial Estate	There is a strong and ever increasing demand for expansion and enhancement of the estate for light industrial, high quality 'starter units'. As well as potential, additional opportunities for expansion of the estate in the future, the Council aims to bring into beneficial economic use a parcel of prime underutilised land (approx. 0.65 ha in size) adjacent to the existing estate to significantly expand the site's employment offer. This will result in the design and construction of new high quality light industrial factory units and associated infrastructure, to be delivered in 2020
A - 3 Heads of the Valleys Industrial Estate	Located off the A469 and divided into two parts, the northern part of the estate together with a portion of the southern part is protected for employment use in the LDP. The remainder is allocated for new employment development. The site's extremely good transport links in relation to the A465, as well as the availability of undeveloped land, enhance its status as a candidate for the location of life science facilities and for business conferencing provision to serve the wider A465 corridor
C - 1 Land around Rhymney Station	There is potential for part of this land to be redeveloped as a multifunctional business hub, offering business units, live-work space and a commercial element including meeting facilities. In conjunction with the increased journey frequency brought about by Metro, this would allow the station and its immediate environs to maximise the economic advantage offered by increased connectivity to external markets, as well as to create a multi-purpose focal point in close proximity to Rhymney town centre and to additional, new business premises at The Lawns
D - 2 Business Quarter and Bargoed High Street	The Metro has the potential to expand Bargoed's sphere of influence within a regional context. The rail and bus stations are situated at the northern end of the town centre and can therefore act as a linkage with this area. The integration of these elements provides an opportunity for redevelopment of this part of the town centre and the attraction of additional, non-retail uses such as service 44 Business Quarter and Bargoed Station KEY Snooker Hall Emporium Building Bargoed Station Car Park Bargoed Station 1 - 9 & 42 - 48 High Street for retail or offices, possibly incorporating housing as mixed-use development, diversifying the town centre's role and increasing the viability of existing retail and service uses.
E- 3 Winding House, New Tredegar	The Winding House in New Tredegar was developed on land formerly occupied by Elliot Colliery and offers extensive exhibition space, a gallery, and catering and office/ meeting facilities. The 5 to 9 Club has been successful in terms of offering assistance to new start-ups, whilst future activity seeks to build on this by using part of the facility for developing local business activity. In addition, office space will be utilised on a

Area	Proposals
	temporary basis by Dwr Cymru Welsh Water when they roll out infrastructure improvement to the HOVRA. Building on the success of the 5 to 9 Club and Welsh ICE in Caerphilly, the Council aspires to utilise some of this space to allow new businesses to innovate and grow, based on a culture of knowledge sharing and collaboration Whilst utilisation of office space within the facility will increase the supply of business space available locally, it will also help to broaden its base as a valuable community asset, serving as a hub from which the local community can build social and business related networks.

Source: CCBC, 2020

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Ystrad Mynach Masterplan (2019)

2.91 This Masterplan sets out the future development and regeneration opportunities proposed for Ystrad Mynach and the wider area. It seeks to build on the existing strengths of Ystrad Mynach to ensure that the area enhances its role as a business, employment, service, retail and sporting centre.

2.92 The Masterplan sets out a vision for the area which is as stated: *"To develop and enhance Ystrad Mynach as a significant business, service and employment area and as a Strategic Economic Hub within the Cardiff Capital Region. It will be a thriving business, retail, leisure and tourism destination … and a vibrant place where businesses will want to locate, develop and grow and where people will desire to live, work and visit."*

2.93 Two strategic objectives related to employment are highlighted in the Masterplan. The first is to provide the conditions to strengthen business growth and capitalise on employment opportunities. This includes Identifying opportunities to support businesses and organisations within the local economy to expand and provide a range of jobs and build capacity to enhance the local foundational economy.

2.94 The second objective is to modernise and develop Ystrad Mynach into a thriving business and commercial centre, exploiting the presence of major services and facilities located in Ystrad Mynach and build on its position as the County Borough's administrative centre.

2.95 In the Masterplan development strategy sets out the employment aims for the area. It recommends that employment sites in the Masterplan area allocated in the Adopted Local Development Plan should continue to be protected. The Masterplan seeks to build on the area as a Business District. It seeks to allocate additional land for

employment at Tredomen to allow for expansion of the successful prestige business park, and to maximise employment opportunities at new and existing Metro hubs at Nelson, Tredomen and Ystrad Mynach.

2.96 There is also opportunity to maximise the full development potential of the lower part of Ystrad Mynach by the redevelopment of units on Caerphilly Road Industrial Estate. New fit for purpose units will create business and employment opportunities in this prominent location at the southern gateway to the town.

2.97 The Masterplan framework and indicative outcomes for specific relevant locations/business parks is discussed in greater detail in the Masterplan report and summarised in Table 7.

Table 7 – Ystrad Mynach Masterplan – Relevant Proposals Summary

Area	Proposals
A-1 Tredomen Business Park	Tredomen Business Park is located directly adjacent to the Cwmbargoed rail line between Ystrad Mynach and Dowlais Top which could be reinstated to a passenger line as part of the Metro and which has been highlighted as an area that would benefit from a dedicated Metro halt. There is an opportunity to expand on the success of the business park by developing privately owned agricultural land to the north west for employment use. A future phase on land on the edge of the settlement boundary, of 4.3 ha, should be considered through review of the LDP
A - 2 Ty Du, Nelson	Can provide 3.8 ha of employment land and 200 homes.
A - 3 Dyffryn Business Park	Opportunities exist to refocus attention on the current infrastructure on the estate to create an attractive environment for further investment. There are two areas of undeveloped land within the estate which could accommodate either expansion by an existing employer or cater for a new large employer.

Source: CCBC, 2019

3.0 SOCIO-ECONOMIC PROFILE

Introduction

3.1 This section brings together several data sources including Census, Business Register and Employment Survey (BRES) and ONS data to create a profile of the employment market of Caerphilly. It helps to consider the size of the economy, dominant business sectors and what types of businesses are present within the County Borough. Where possible, data has been compared to the nine other local authorities in the Cardiff Capital Region – Blaenau Gwent, Bridgend, Cardiff, Merthyr Tydfil, Monmouthshire, Newport, Rhondda Cynon Taff (RCT), Torfaen and Vale of Glamorgan.

3.2 Statistics which illustrate the impacts of the Covid-19 Pandemic on the County Borough since March 2020 are particularly featured.

Demographic Assessment

3.3 According to ONS Population Estimates, Caerphilly had a total of 181,731 residents in 2020, with Table 8 providing a comparison to neighbouring authorities in the Cardiff Capital Region. Caerphilly had the third largest population in the sub-region, after Cardiff and RCT, and accounted for 5.7 percent of the Welsh total. The proportion of the population of working age, 16-64 years old, in Caerphilly was 62.0 percent, below the average in the Cardiff Capital Region and only slightly above the Welsh national average.

Table 8 – Total Population (2020)

Area	Total Population	Population aged 16-64	Proportion of 16-64 year olds
Blaenau Gwent	70,020	43,637	62.3%
Bridgend	147,539	91,186	61.8%
Caerphilly	**181,731**	**112,583**	**62.0%**
Cardiff	369,202	248,400	67.3%
Merthyr Tydfil	60,424	37,453	62.0%
Monmouthshire	95,164	55,629	58.5%
Newport	156,447	97,743	62.5%
Rhondda Cynon Taff	241,873	150,231	62.1%
Torfaen	94,832	57,751	60.9%
Vale of Glamorgan	135,295	81,540	60.3%
Wales	*3,169,586*	*1,938,266*	*61.2%*

Source: ONS Population Estimates, 2021

3.5 The Welsh Indices of Multiple Deprivation were updated in 2019, and of the 110 LSOA's of Caerphilly, 11 were ranked in the top 10 percent most deprived in Wales. Four of these LSOA's were located in the town of Caerphilly, with the LSOA St. James 3 (Lansbury Park) ranked as the third most deprived LSOA in the whole of Wales. However, 69 (or 63 percent) of the LSOA's in Caerphilly County Borough were in the top 50 percent least deprived LSOA's in Wales. The diversity in the socio-economic characteristics throughout Caerphilly will in turn have had a significant impact on how the impacts of the Covid-19 Pandemic were felt in each different area. Areas of high deprivation, home to low income workers, will likely have seen many workers furloughed, particularly those in low-paid sectors such as the retail/ hospitality industries. Additionally, people in areas of high deprivation are also likely to have a greater range of health issues and low educational attainment, both factors which may have been impacted on by the Pandemic and intermittent school closures.

Employment Growth

3.6 BRES data provides details on the number of jobs within differing industry sector within a local authority area. It is noted that these figures, from 2019, are based on the economy pre-pandemic, with changes likely to have occurred in the last two years.

Table 9 – Economic Activity, 2019

	Employment Structure			
	Caerphilly		Cardiff Capital Region	Wales
	Number	Percent	Percent	Percent
1: Agriculture, forestry and fishing	500	0.9	0.9	3.2
2: Mining, quarrying and utilities	200	0.3	0.1	0.2
3: Manufacturing	12,000	20.7	10.5	10.7
4: Electricity, gas, steam and air conditioning	25	0.0	0.8	0.6
5: Water supply, sewerage and waste management	1,250	2.2	1.0	1.0
6: Construction	2,500	4.3	4.8	4.9
7: Wholesale and retail trade	9,000	15.5	15.2	15.2
8: Transportation and storage	2,250	3.9	3.4	3.3
9: Accommodation and food services	3,500	6.0	7.6	9.2

10: Information and communication	600	1.0	2.7	2.1
11: Financial and insurance	900	1.6	3.3	2.4
12: Property	450	0.8	1.6	1.4
13: Professional, scientific and technical	3,000	5.2	5.6	5.0
14: Business administration and support services	4,000	6.9	7.0	6.3
15: Public administration and defence	3,000	5.2	7.6	7.2
16: Education	5,000	8.6	8.8	8.6
17: Health	8,000	13.8	14.7	15.1
18: Arts, entertainment and recreation	900	1.6	2.1	2.0
19: Other Services	900	1.6	1.7	1.6
Total	**58,000**	**100.0**	**100.0**	**100.0**

Source: BRES, 2021

3.7 The figures in Table 9 show that the Manufacturing sector accounted for the largest number of employees within Caerphilly, 12,000 or 20.7 percent of the total number in employment in the County Borough (58,000). The Manufacturing sector accounted for a significantly higher percentage than the average for Wales, indicating the strength of the sector locally.

3.8 Wholesale and retail trade employed the second highest number of people, 9,000. This equated to 15.5 percent of the total, just above the regional and national average. Again, it is noted that this is pre the Covid-19 Pandemic which is likely to have reduced retail employment. The Health sector is the only other sector within Caerphilly which accounted for more than 10.0 percent of those in employment, 13.8 percent (8,000 employees). It is noted that the majority of the jobs within these two sectors are likely based within hospitals/other medical facilities or retail space and not in B-class premises.

3.9 Private sectors which are typically found within offices comprise:

- Information and communication
- Financial and Insurance
- Professional, scientific and technical
- Business Administration and support services.

3.10 These sectors accounted for a combined total of 14.7 percent, 8,500 employees, in primarily office-based sectors, compared with 15.8 percent for Wales. Welsh averages will be skewed by Cardiff however, a long-established centre for the office economy.

3.11 In Caerphilly, the Business Administration and support services sector dominated with 4,000 (6.9 percent) employed in 2019. Both the Professional, scientific and technical and Business administration and support services sectors accounted for a larger share of employment than seen in Wales. All four office-based sectors had a smaller share than seen in the Cardiff Capital Region, but again this will reflect the impact of Cardiff.

3.12 ICT has a comparatively modest role locally, accounting for 1 percent of local employment, or 600 jobs, against wider averages of 2.1-2.7 percent

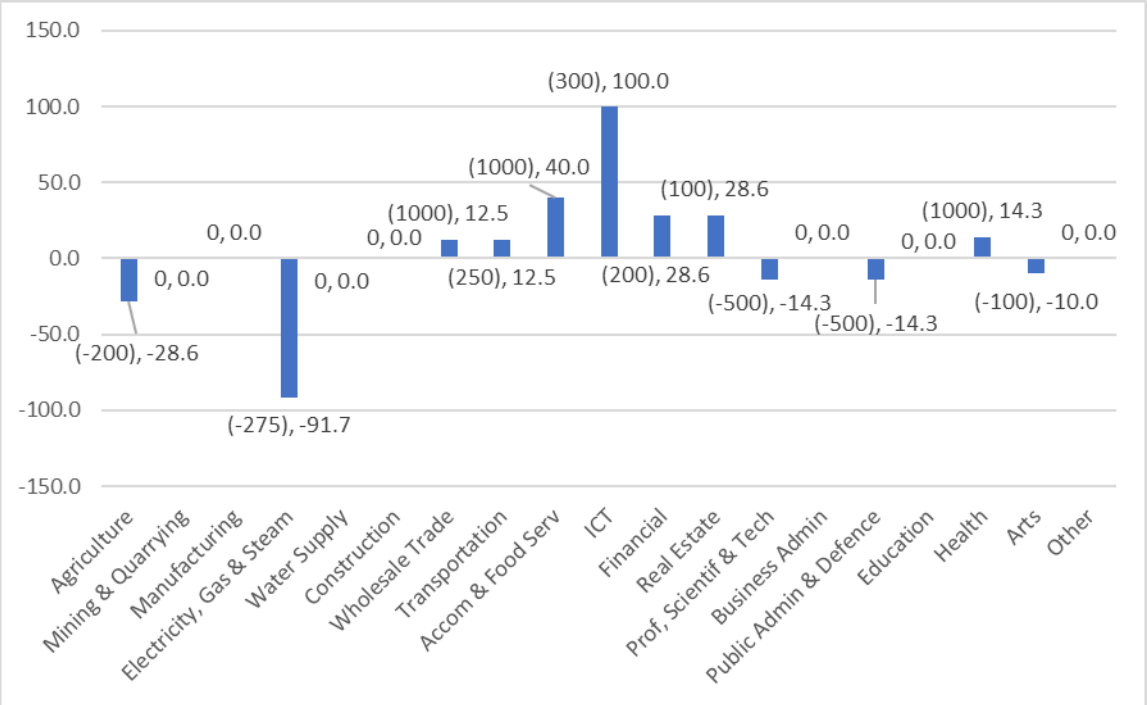
3.13 Several other sectors had a comparatively weak role within the County Borough including Mining and quarrying, the Electricity sector, Agriculture, forestry and fishing and the Property sector which all accounted for less than one percent of local employment.

Growth and Decline of Sectors, Employees, 2015-2019

3.14 As of 2019 within Caerphilly, there were a total of 58,000 jobs split between 18 different sectors. Overall, between 2015-2019, the total number of jobs increased by 500, or 1.2 percent. Figure 1 breaks down the change in the number of jobs by sector.

3.15 Three sectors all saw an increase in jobs by 1,000 between 2015-2019 – Accommodation and food services, ICT and the Health sector. However, the increase in the local ICT sector which, as noted above is quite small in Caerphilly, was most dramatic, a doubling of employment in five years. This extra employment seems to have come from a range of tech-based SMEs that have been starting and expanding in the County Borough in recent years, including Big Lemon, Data Root Solutions, and X4 Software, which are all based at Caerphilly Business Park. The Accommodation and food services sector also saw strong growth of 40 percent over 2015-2019, a rate of jobs growth unlikely to have continued in 2020/21 given constraints on retail and hot food trade over the Covid-19 Pandemic.

Figure 1 – Change in Employment by Sector, 2015-2019*



Source: BRES, 2021

**Number in brackets is number of businesses which were gained/lost*

3.16 Five of the 18 sectors saw a decline in employment between 2015-2019. The largest decrease was seen in both the Public administration and defence sector and the Professional, scientific and technical sector, with both losing 500 jobs each. This was equivalent to 14.3 percent decline in employment for both sectors. Electricity, gas and stream saw a 91.7 percent decline in the number of employees in the sector, the most by any sector and equivalent to 275 jobs. It is not possible to link any of these losses to the actions of any specific company or organisation, although they do broadly reflect trends across Wales.

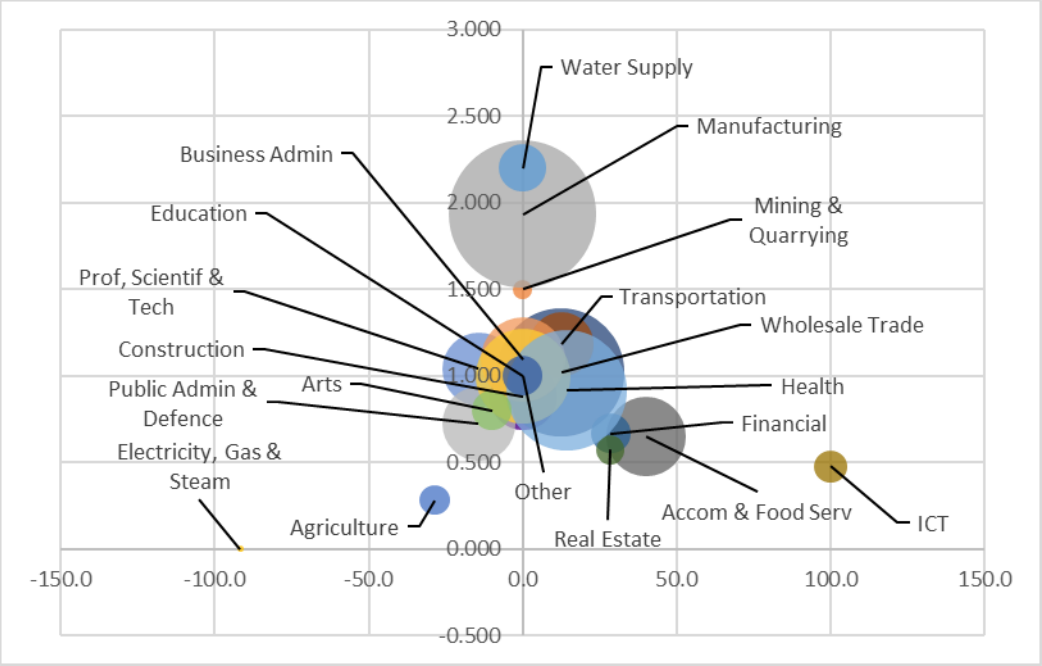
3.17 Somewhat surprisingly no change in manufacturing employment recorded over 2015-2019, this is in contrast to trends elsewhere in England and Wales, where at least some reductions in manufacturing employment are usually recorded.

Location Quotients

3.18 Location Quotients (LQ) are a measure of an area's specialisms within the local economy. Figure 2 displays these along with both the size of the sector in 2019 (size

of the bubble) and its growth through employment numbers over the time period of 2015-2019.

Figure 2 – Location Quotients vs Employment vs Growth, 2015-2019



Source: BE Group analysis of BRES, 2021

3.19 Location Quotients are displayed on the vertical axis (y axis), describing the proportion of employment within a sector in Caerphilly relative to Wales in 2019. It is a measure of an area's specialisms i.e., if a certain sector is more prevalent in the area than in the country as a whole. A score of 1.00 shows a sector performing at the same level as seen in Wales, as is seen for both the Education and Other sectors. Each sector is also represented by different sized bubbles, which indicates the size of the sector's employment in 2019.

3.20 The sectors situated at the top of the diagram (i.e., at the top of the vertical axis) show the sectors which have a high degree of localised specialisation, compared to Wales. The Manufacturing sector represents a much larger proportion of employment than seen in Wales, which is demonstrated by a location quotient of 1.935, significantly larger than any other sector in Caerphilly, aside from the Water Supply sector, which has a location quotient of 2.200.

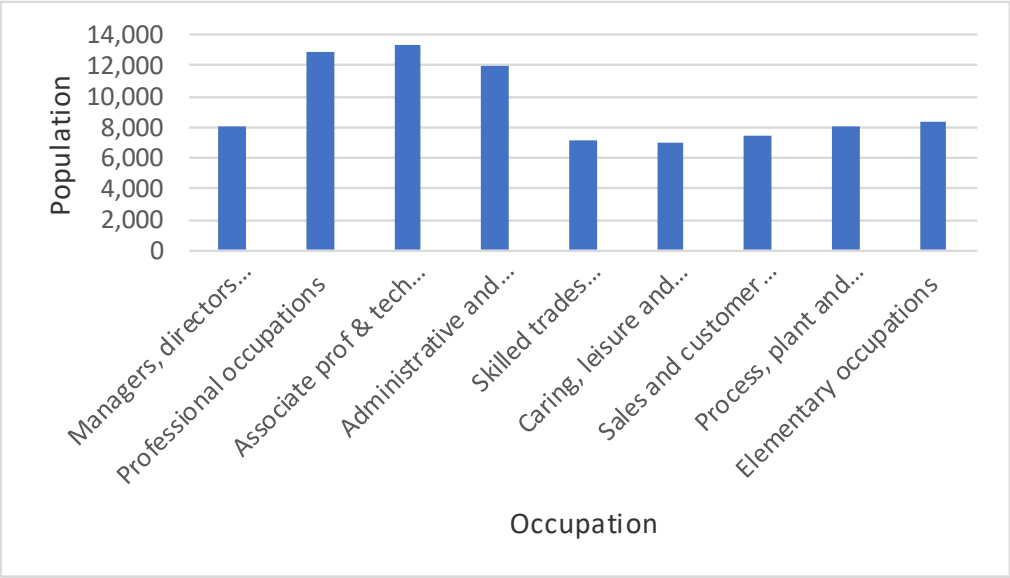
3.21 Conversely, the Agriculture sector in Caerphilly represents a share of employment close to four times smaller than seen in Wales, with a location quotient of 0.281. Only

the Electricity, gas and steam sector has a lower location quotient, as it does not contribute to the Caerphilly economy significantly, resulting in a location quotient of 0.00.

Employment by Occupation

3.22 Figure 3 below shows the split of employment by occupation of residents in Caerphilly from December 2019 – December 2020. Residents in Associate professional and technical occupations accounted for 15.7 percent of the workforce, the highest amount within Caerphilly. Those in Professional occupations accounted for 15.1 percent, the second highest amount. Aside from Administrative and secretarial occupations (14.1 percent), all other occupations have less than a ten percent share of the workforce, with the lowest share being in Caring, leisure and other service occupations (8.2 percent).

Figure 3 – Employment by Occupation, December 2019-December 2020



Source: Annual Population Survey, 2021

Number and Size of Businesses

3.23 ONS data identifies that as of 2020 there were 4,165 VAT registered businesses operating in Caerphilly.

3.24 89.4 percent of businesses in Wales employed less than ten people (micro businesses), and 98.3 percent of businesses were classified as small (up to 49 employees). The County Borough broadly follows the Welsh national pattern but with

a slightly more pronounced proportion of small firms employing 10-49 people and slightly fewer micro firms. Table 10 shows that 88.2 percent of businesses in Caerphilly employed less than ten people, while all those registered as small businesses totalled 97.7 percent. On the larger side, 25 local businesses were identified as having more than 250 employees in the County Borough in 2020.

Table 10 – UK Business Counts, 2020

Enterprises	Caerphilly		Cardiff Capital Region		Wales	
	Number	Percent	Number	Percent	Number	Percent
Micro (0-9)	*3,675*	88.2	*38,475*	88.5	*94,600*	89.4
Small (10-49)	*395*	9.5	*4,065*	9.4	*9,460*	8.9
Medium (50-249)	*75*	1.8	*740*	1.7	*1,470*	1.4
Large (250+)	*25*	0.6	*190*	0.4	*325*	0.3
Total	***4,165***	**100.0**	***43,465***	**100.0**	***105,855***	**100.0**

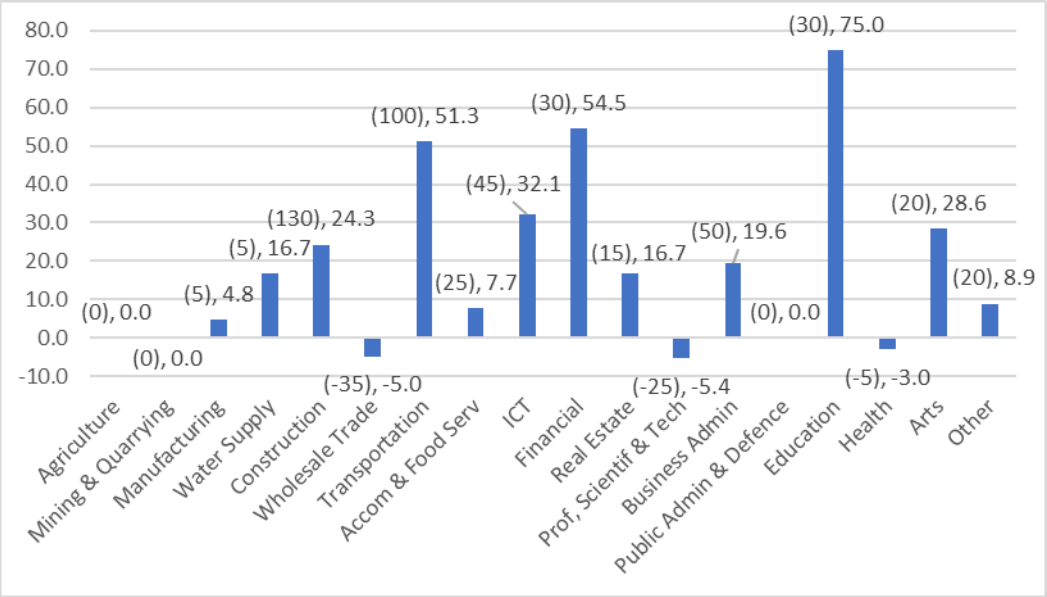
Source: ONS, 2020

Business Change by Sector

3.25 In Caerphilly, the total number of registered businesses increased from 3,760 to 4,165 over 2015-2020. Most notably, 130 new businesses were registered in the Construction sector, the largest growth in any sector and a proportionate increase of nearly a quarter on 2015. Three sectors saw growth of more than 50 percent in businesses over 2015-2020 – the Education sector (75.0 percent), the Financial sector (54.5 percent) and the Transportation sector (51.3 percent).

3.26 Only three of the 18 sectors saw a decline in the number of businesses over 2015-2020 – the Wholesale and retail trade, Professional, scientific and technical and the Health sectors. Positively, all three sectors lost only 3-5.4 percent of their business stock. The largest number of businesses were lost in the Wholesale and retail trade sector, which lost 35 businesses, equivalent to five percent of the sector. This is a surprising level of loss given that the sector gained 250 jobs over the same period. Combined, these two figures suggest that employment growth in the wholesale/retail sector was in established employers rather than in new business start-up.

Figure 4 – Business Count by Sector, 2015-2020



Source: Business Counts, 2021

**Number in brackets is number of businesses which were gained/lost*

3.27 The office-based sectors saw a combined net increase of businesses by 100, with the Business administration sector accounting for half of this. The ICT sector also saw a significant increase in the number of businesses between 2015-2020, growing by 45 which can be combined with the growth in jobs noted above to again suggest that Caerphilly is gaining SME businesses in the ICT sector.

3.28 The Professional, scientific and technical sector is the only office-based sector which declined in size, losing 25 businesses. This can be combined with a loss of some 500 jobs, noted above, to suggest a declining sector overall.

3.29 As noted above, there was no recorded change in manufacturing employment over 2015-2019 and the sector only gained five businesses over 2015-2020. Thus, the local manufacturing sector has been surprisingly stable in recent years.

3.30 Electricity, gas and steam lost 250 jobs since 2015 jobs but gained five businesses, a surprising change. However, the very small scale of the sector locally makes data and rounding errors likely.

3.31 Some additional points worth noting include:

- Transportation grew both in terms of jobs (250) and businesses (100) and looks to be a strong, growing sector in Caerphilly

- The Health sector has gained 1,000 jobs whilst losing five businesses. This would suggest that existing firms within the health sector are expanding their workforces, but Caerphilly is not seeing growth in the number of health businesses
- The Financial sector gained an additional 30 businesses, equivalent to 50 percent growth, whilst also employing a further 200 employees, again a growth sector in the Caerphilly economy
- The Agriculture sector lost 200 employees whilst the number of businesses remained constant. This would suggest that businesses are having to reduce their workforces, which could indicate a struggling sector
- The Construction sector saw an increase in the number of businesses by a significant 130. However, the number of jobs in the sector did not increase. This would suggest that new firms entering the market employ few workers and are micro in size
- The Accommodation and food services sector grew both in terms of jobs (1,000) and businesses (25). Such growth is unlikely have been maintained in the 2020-2021 Lockdowns associated with the Covid-19 Pandemic.

Covid-19 Pandemic

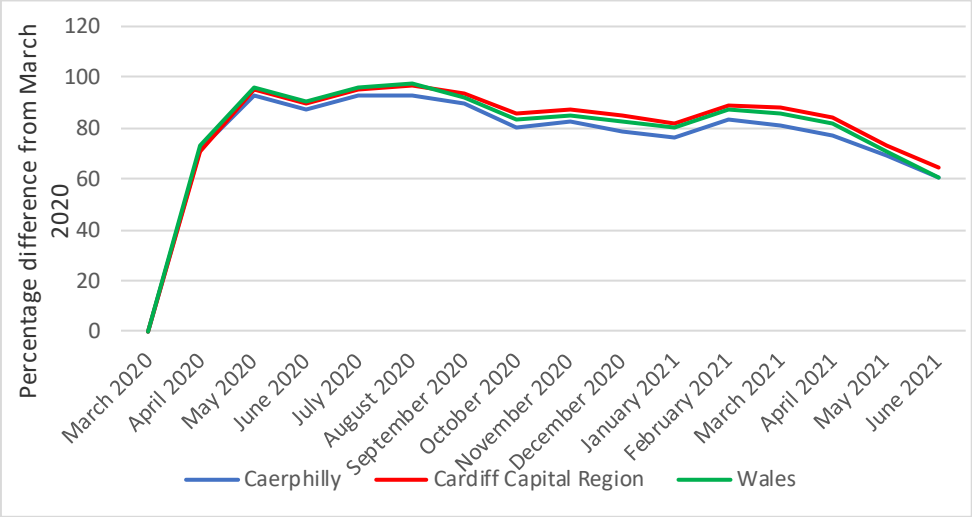
3.32 Covid-19 is still an ongoing situation and therefore much of the actual, near-term impacts have yet to be fully realised and the economic data (which has a lag time) has yet to fully emerge. Some evidence has been gathered to show potential impacts upon Caerphilly and the wider areas in relation to the number of people claiming out of work benefits, and those who have been furloughed.

3.33 Figure 5 below shows the percentage change in the number of claimants between March 2020 – June 2021.

3.34 The number of claimants rose rapidly at the onset of the Covid-19 Pandemic increasing by 92.8 percent from March 2020 – May 2020 in Caerphilly, increasing from 3,630 to 7,000. The number of claimants peaked in Caerphilly in July 2020 (7,005 claimants), where cases were 93.0 percent higher than the number of claimants in March 2020. Between July 2020 – January 2021 the number of claimants steadily declined to 6,405 claimants until February 2021 (6,655 cases), when cases of Covid-19 started to rise once more and the second lockdown was

enforced. Claimants as of June 2021 were at their lowest since March 2020 but were still up by 60.5 percent (5,825 claimants).

Figure 5 – Claimant Count Change from March 2020 by Location

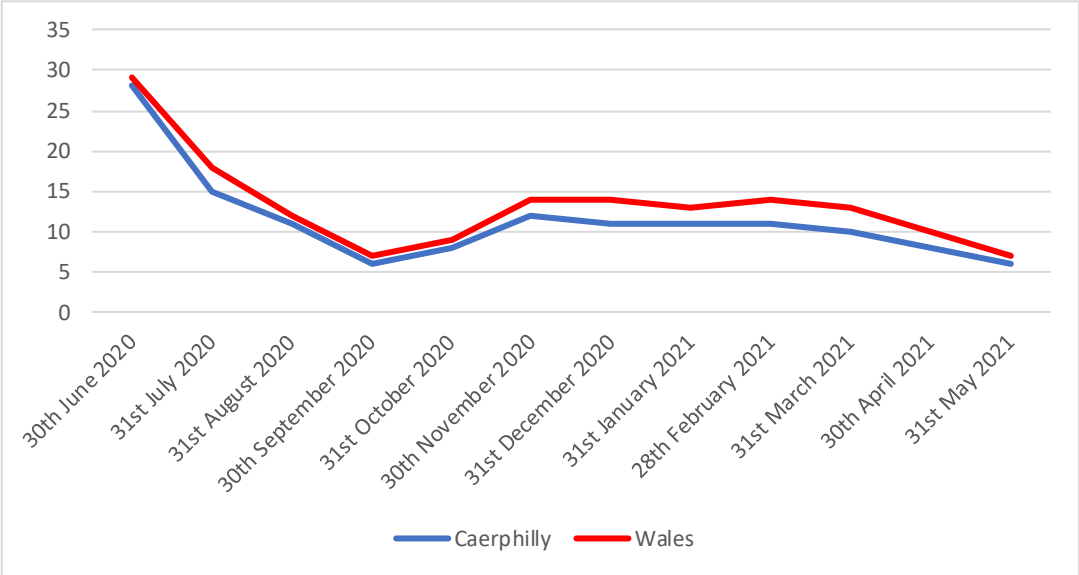


Source: Office of National Statistics, 2021

3.35 However, Caerphilly consistently saw a lower rate of growth in claimants than the average in the Cardiff Capital Region and across Wales throughout the 15-month period.

3.36 The Coronavirus Job Retention Scheme (furlough scheme) has protected some jobs during the lockdowns, including in Caerphilly. Unemployment would be higher if not for the scheme, therefore the number and proportion of claimants would be higher.

Figure 6 – Total Furlough Take Up Rate in Caerphilly, 2020-2021



Source: Office of National Statistics, 2021

3.37 Her Majesty's Revenue and Customs (HMRC) data (illustrated in Figure 6) on the take up rate of the furlough scheme among eligible employees shows that as of 30th June 2020, when data first started being recorded, the take up rate of the furlough scheme was at its highest for both Caerphilly (28 percent) and Wales (29 percent). The take up rate fell in both Caerphilly (to 7 percent) and Wales (to 8 percent) between 30th June 2020 – 30th September 2020. From September 2020 – 30th November 2020 the take up rate started to rise, before levelling out until 28th February 2021. From 31st March onwards, the take up rate has fallen consistently in both Caerphilly and Wales to six and seven percent, respectively. Caerphilly's take up rate was consistently lower than the Welsh average, suggesting that the County Borough's economy faired better than most throughout the Covid-19 crisis.

3.38 Data from 28th February 2021 suggests that in Caerphilly the Accommodation and food services sector was worst hit by the Covid-19 pandemic, with 1,470 individuals furloughed / 18.0 percent of all those furloughed at the time belonging to this sector. The Manufacturing and Wholesale and retail trade sectors were also significantly impacted, with 17.3 and 17.2 percent of all those furloughed belonging to these sectors, respectively. This is to be expected, with the many employees in both these sectors unable to perform their work from home during lockdowns. No other sector was responsible for more than ten percent of those furloughed.

3.39 Therefore, the socio-economic data suggests that Caerphilly has been significantly impacted by the lockdowns, but somewhat less so than the rest of Wales as a whole.

Commuting Patterns

3.40 The latest data available for statistics on commuting in Wales are seen in Table 11 below. 2019 data has been used as the 2020 data does not reflect standard commuting patterns, with workers being forced to work from home during the Lockdowns for the Covid-19 Pandemics. 2021 statistics, which might reflect the 'new normal' re. the proportion of people voluntarily working from home, are not yet available.

3.41 In 2019 data shows that 71.5 percent of Caerphilly's resident population was also employed in the County Borough, at least before the Covid 19 Pandemic began. This was the fourth highest rate of retention of labour in the Cardiff Capital Region, behind

Blaenau Gwent, Vale of Glamorgan, RCT and Bridgend. It was noticeably higher than in Merthyr Tydfil, Newport and Monmouthshire.

Table 11 – Commuting, 2019

Area	Out-Commuters (No.)	In-Commuters (No.)	Live and Work in Area (No.)	Percentage who Live and Work in area as a Percentage of the Total Employed, percent
Bridgend	22,700	14,300	40,700	74.0
Vale of Glamorgan	31,600	9,800	28,200	74.2
Cardiff	31,700	98,500	150,700	60.5
Rhondda Cynon Taf	49,900	18,400	51,400	73.6
Caerphilly	**40,600**	**17,500**	**44,000**	**71.5**
Blaenau Gwent	16,700	4,900	14,900	75.3
Torfaen	19,500	14,000	22,400	61.5
Monmouthshire	17,700	18,900	25,900	57.8
Newport	27,900	33,800	45,300	57.3
Merthyr Tydfil	11,800	10,300	13,500	56.7

Source: Welsh Government, 2021

3.42 The main worker destinations of Caerphilly residents were:

- Cardiff – 15,400 workers
- Newport – 8,600
- RCT – 3,900
- Torfaen – 2,700
- Monmouthshire – 1,900
- Blaenau Gwent – 1,600.

3.43 2,600 commuted further, into South West England.

3.44 In terms of in-commuting, the main importer of labour into Caerphilly was RCT at 5,100 workers, followed by Blaenau Gwent (3,300) and Cardiff (2,800 workers). In total, 17,500 commuters came into Caerphilly for work, whilst 40,600 out-commuted, giving a net negative flow of 23,100 workers out of the County Borough.

Earnings

3.45 Table 12 shows that the earnings of the residents in Caerphilly, when measured by place of work, was third lowest in the Cardiff Capital Region, behind Bridgend and

Vale of Glamorgan. Weekly pay by place of work in Caerphilly earnings were significantly less than the Welsh average.

3.46 When measuring the gross median weekly pay by place of residence, Caerphilly's average of £535.10 was the fourth lowest, behind Blaenau Gwent, Merthyr Tydfil and Bridgend.

Table 12 – Average Weekly Earnings, 2020

Area	Gross Median Weekly Pay, £ (Analysis by place of work)	Gross Median Weekly Pay, £ (Analysis by place of residence)
Bridgend	464.10	526.90
Vale of Glamorgan	499.40	555.10
Cardiff	551.40	543.60
Rhondda Cynon Taf	521.20	535.80
Caerphilly	**503.40**	**535.10**
Blaenau Gwent	518.10	454.20
Torfaen	572.7	545.80
Monmouthshire	574.9	642.90
Newport	550.1	564.60
Merthyr Tydfil	534.0	519.90
Wales	537.80	541.70

Source: Nomis, 2021

Summary

3.47 As of 2020, Caerphilly had a population of 181,731, with 62.0 percent of working age, average within the Cardiff Capital Region. The Welsh Indices of Deprivation ranks 11 LSOA's in Caerphilly within the top 10 percent most deprived in Wales, with four of these located within Caerphilly town. The LSOA St. James 3 (Lansbury Park) ranked as the third most deprived LSOA in the whole of Wales. However, 69 (or 63 percent) of the LSOA's in Caerphilly County Borough were in the top 50 percent least deprived LSOA's in Wales.

3.48 BRES data from 2019 is based on the economy pre-pandemic and so whilst analysed, it is understood that the economy and certain sectors are likely to have changed significantly over the last two years. As of 2019, the Manufacturing sector accounted for the largest number of employees within Caerphilly, 12,000 or 20.7 percent of the total number in employment in the County Borough. This figure was

significantly higher than the equivalent in Wales, and with a LQ of 1.935, was almost twice the size of the sector within GB. Wholesale and retail trade and Health both employed more than 10.0 percent of those in employment but will not require much B-class floorspace.

3.49 Private sectors which are typically found within offices comprise:

- Information and communication
- Financial and Insurance
- Professional, scientific and technical
- Business Administration and support services.

3.50 These sectors accounted for a combined total of 14.7 percent, 8,500 employees, in primarily office-based sectors, compared with 15.8 percent for Wales. Welsh averages will be skewed by Cardiff however, a long-established centre for the office economy.

3.51 From 2015-2019, the total number of jobs within Caerphilly increased by 500 to 58,000 in 2019. For office sectors, ICT grew strongly gaining 300 jobs, a doubling of local employment since 2015, and 45 businesses. This suggests that Caerphilly has gained a number of SMEs in this sector, in recent years, although it still remains a comparatively small part of Caerphilly's economy. Most of the remaining office sectors also increased; however, the Professional, scientific and technical sector lost some 500 employees.

3.52 Transportation and financial services are both growth sectors that gained both jobs and businesses over 2015-2019. The Manufacturing sector has however seen only negligible change in jobs or business numbers.

3.53 The highest number of employees within Caerphilly can be found within Associate professional and technical occupations, accounting for 15.7 percent of the workforce. High level Professional occupations account for 15.1 percent of the workforce.

3.54 4,165 businesses were registered in Caerphilly as of 2020, with 88.2 percent employing less than 10 people, and 97.7 percent classified as small (up to 49 employees). Only 25 businesses were identified as having more than 250 employees.

3.55 In Caerphilly, total business count reached 4,165 in 2020, a growth of 405 since 2015.

3.56 Whilst the full effects of the pandemic are yet to be fully realised, ONS data shows people claiming out of work benefits nearly doubled from March to July 2020. Claimants as of June 2021 were at their lowest since March 2020 but were still up by 60.5 percent

3.57 The numbers of those furloughed in Caerphilly was 28 percent of all those eligible in June 2020 but decreased to 11 percent by December 2020. Jobs being furloughed were largely found within the Accommodation and food services, Manufacturing and Wholesale and retail trade sectors.

3.58 As of 2019, 71.5 percent of Caerphilly's resident population in employment also work in the County Borough. This is an average level of retention in the Cardiff Capital Region, but noticeably higher than in Merthyr Tydfil, Newport and Monmouthshire. Caerphilly is a net exporter of labour, with particular outflows to Cardiff and Newport. In terms of in-commuting, the main importer of labour into Caerphilly was RCT at 5,100 workers.

3.59 Median weekly earnings by place of work in Caerphilly in 2020 was £503.40, the third lowest in the Cardiff Capital Region, behind Bridgend and Vale of Glamorgan. By place of residence, median weekly earnings were of £535.10, average in the Capital Region. In both cases, Caerphilly wage rates were below Welsh averages.

4.0 PROPERTY MARKET ASSESSMENT

Introduction

4.1 This Section provides an overview of the commercial property market for Caerphilly to inform the Employment Land Review and future demand for employment space. It first provides some brief comments on the economic context and market drivers, with points on the Welsh/Sub-regional markets which will impact on the local demand for land and premises. The local market is assessed through a quantitative review of the local supply of vacant premises alongside up to date market intelligence derived from consultations with a range of public sector stakeholders, businesses, developers, scheme managers and property agents, and past transactions.

Economic Context

4.2 The national economy has been through a series of tumultuous changes in recent years. First there were signs of recovery from the global financial crisis of 2008 before commercial confidence was unsettled again following the decision to leave the EU in 2016. Whilst a trade deal was finalised between the EU and UK by December 2020, the global economy was again in crisis due to the impact of the Covid-19 Pandemic.

4.3 With three economic lockdowns during 2020 and everyone encouraged to work from home, where possible, the UK economy shrunk nearly 10 percent in terms of GDP output overall for the year – the largest decline of the G7 global economies. This was at least an improvement on the 35 percent contraction in GDP in the second quarter of 2020 after the first Lockdown.

4.4 More recently, economic recovery has been stronger than expected despite the ongoing challenges with disruption in EU trade activities and wider issues with labour shortages. The latest GDP output for the UK shows growth of 0.4 percent in August 2021 and is now just 0.8 percent below its pre-Covid Pandemic level in February 2020. There are also a record number of job vacancies recorded in the UK with over 1.1 million reported in July-September 2021 and with particular growth in accommodation and food services. This is despite the closure of the Government's Job Retention Scheme (JRS) or furlough at the end of September, which it was feared would spark a surge in redundancies.

4.5 Employment in Wales has also increased, rising to 74.2 percent of over 16's by the end of August 2021, although still lower than the UK rate of 75.3 percent. This is

despite a huge take-up of the JRS furlough scheme in Wales which peaked at around 225,000 people in July 2020 and was down to 46,000 in August 2021.

4.6 Most commentators are taking an optimistic stance on the UK's economic recovery. The Office of Budgetary Responsibility, for example, expects the UK economy to have grown by 6.5 percent over 2021. However, in the short term the impact of escalating energy prices and consequential inflation growth is likely to curtail some of this optimism. Already the Bank of England is anticipating inflation to rise above 4 percent in winter 2021, the highest level in a decade, but also that it should fall slowly back to the Government's 2 percent target by the end of 2022.

Property Market Context – UK and Welsh Trends

4.7 Across the UK the industrial and logistics property market has seen record levels of demand at a time when the Pandemic has had more negative impacts on other market sectors.

4.8 According to research by specialist agents Lambert Smith Hampton, industrial and logistics property take up was over 20 percent higher in 2020 than the typical five-year average, topping out at 5.55 million sqm for the year. Amazon alone accounted for 20 percent of this national take-up activity including three separate deals of over 186,000 sqm each. However, whilst sources reported that this demand was spread relatively evenly across the UK, take-up in Wales was around 26 percent below average during 2020. This was argued to reflect a lack of available, high-quality stock to meet regional demand.

4.9 In 2021 however, the latest report from Knight Frank is showing more recent take-up across Wales to be 160 percent above the same period Q2 in 2020, with a reported 67,000 sqm secured. With yet further deals in the pipeline, including the reported sale of the 93,000 sqm Quinn Radiators unit in Newport and lettings agreed on St Modwen's speculative developments of 10,000 sqm and 3,000 sqm prompting further investment to follow, 2021 is looking more promising across the Welsh industrial market. Indeed, most local agents report unprecedented levels of enquiries and demand, especially for small industrial units across the region and no indication of contraction due to the Covid-19 Pandemic.

4.10 In terms of the UK Office Market, this clearly stalled during the early stages of the Covid Pandemic with the switch to homeworking. However, general signs are that the sector is beginning to bounce back, especially for very high-quality, well-located

office premises. SME's have been keenest to return to the office, seeking the interaction of face to face working, whilst the larger firms have been managing the return to work at a slower pace; given the diversity of employment activity and different needs of staff. Whilst the Pandemic undoubtedly accelerated the adoption of more flexible working practices for many people, the general mood is now probably split 50/50 between back to the office and home-working or hybrid approaches in the future. This is despite Welsh Government's ambition to encourage 30 percent homeworking across Wales to help preserve some of the sustainability benefits seen during the Pandemic with reduced travel to work patterns.

4.11 Cardiff, of course, dominates the Wales office market but still saw take-up fall to 28,000 sqm in 2020 – 39 percent below the ten-year average of around 46,000 sqm/year. Even the reduced 2020 rate was only achieved by the pre-let agreement with Legal and General on the major 11,200 sqm development at Central Square. Outside of Cardiff. The 12,300 sqm office development at Nantgarw near Treforest was also completed in October 2020 for the Department of Work and Pensions. This will accommodate 1,700 staff from across South Wales.

4.12 Other commercial property markets were more badly affected by the national lockdowns across the UK including retail, hospitality, and leisure. Whilst much of this is focussed on town centre markets, there are also consequences for wider employment land and potential opportunities perhaps to consider repurposing poor performing retail parks into more mixed-use activity including local distribution in response to the growth of e-commerce.

Welsh Government Inward Investment

4.13 In discussion, Welsh Government Officers note that logistics has taken up much of the supply of larger B2/B8 units in the Cardiff Capital Region, over the last 18 months. However, the Welsh Government still receive regular manufacturing requirements, notably for units of around 10,000 sqm, in many advanced manufacturing sectors, from modular build manufacturing in construction through to next generation automotive enquiries e.g., electric vehicles. This is leading to a shortfall of supply against demand for B2 uses. Across the sub-region there is a very limited supply of buildings of this size and scope for locations that can offer relative proximity to the M4 to be able to satisfy location requirements.

4.14 Additionally, Welsh Government have noted the following additional trends with Inward Investment enquiries:

- A smaller number of much larger enquiries, in the 40,000-60,000 sqm range, have been received in connection with next generation automotive including OEM and battery manufacturers
- Receive a steady flow of enquiries for datacentres looking for 7,500-20,000 sqm properties, albeit with above average power requirements. Proximity to existing networks also a key factor
- Have also received a significant number of life science enquiries over the last 18 months across all facets of the sector. These typically require hybrid properties of around 1,000 sqm, with lab space and clean room facilities.

Property Deals

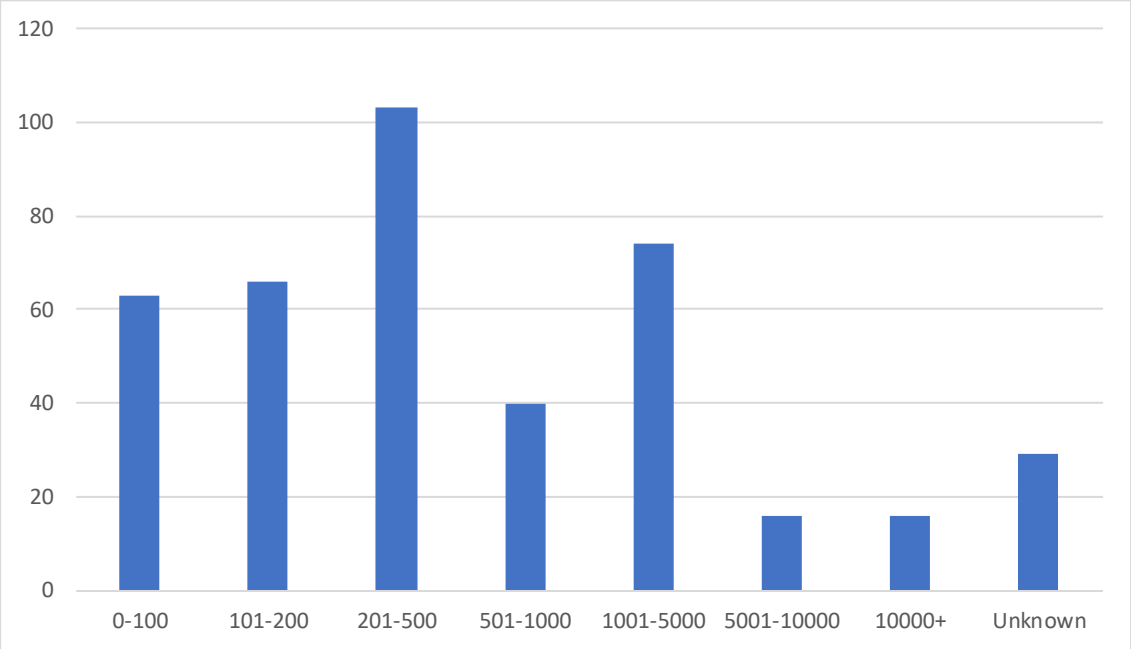
4.15 Transactional information has been sourced from Radius Data Exchange property database for industrial units and offices, which have been sold or let in Caerphilly in the last ten years. Then analysis has been done specifically on data from 2020-2021, reflecting the impact of the Covid-19 Pandemic. Transactional data provides evidence of trends, popular locations, along with prime rents which have been achieved in the area.

Industrial Transactions

4.16 Over the last ten years 407 industrial deals have been recorded within Caerphilly, of which a total of 595,728 sqm of floorspace has been transacted. A breakdown by size band can be seen in Figure 7 below, whilst a full breakdown by size band and year can be found in Appendix 2. On average over the last ten years, 41 deals were completed each year of around 5,960 sqm/ year.

4.17 Properties of 201-500 sqm represented the highest number of deals, accounting for just over a quarter of the total during the time frame. This was followed by 74 deals of 1,001-5,000 sqm, indicating good demand for small-midsized units. Units in these size bands accounted for 43.5 percent of all transactions. There was also a reasonable number of deals in the smallest size bands, with 129 transactions taking place for units under 200 sqm.

Figure 7 – Industrial Transactions by Size, 2011-2021



Source: Data Radius Exchange, 2021

4.18 2017 saw the highest number of deals occur within a single year, 70, 17.2 percent of the total for the decade. 2016 was the only other year which saw more than 50 deals occur during a single year, with 56 deals, accounting for 13.8 percent of all transactions.

4.19 2012 was the year in which the largest amount of floorspace was transacted during a single year of 95,083 sqm. This was due to four deals occurring for premises over 10,000 sqm, accounting for over half of the floorspace transacted that year. These premises were located at Newbridge Road Industrial Estate, Prince of Wales Industrial Estate and Bedwas House Industrial Estate.

4.20 Since the start of 2020 there have been 26 transactions completed accounting for 25,747 sqm, 20 within 2020 and six in 2021 so far, a clear reduction on the ten year average of around 31 deals/year, much less the 2012 peak of 70. The floorspace transacted is also down on the year-on-year average of around 53,000 sqm/year. The recent transaction levels are below rates recorded over the recessionary years 2011-2013 when an average of 35 deals/year for 82,000 sqm/year of floorspace were recorded. Clearly the industrial market has slowed noticeably over the period of the Covid-19 Pandemic, but by no means stopped. Big deals are still taking place, notably the letting of Unit 6, Hawtin Park, Blackwood, of 9,926 sqm in 2021 to

Hawker Siddeley Switchgear. Given demand levels reported there is no reason to assume market levels will not recover well in 2022.

Rents

4.21 The highest rent achieved over the time frame was £21.15/ sqft (£228/sqm) for Unit 8, Bedwas House Industrial Estate. Whilst being an industrial unit, the space also operates as a trade counter use and therefore can demand a higher rent.

4.22 Of the 327 units let over the last ten years, 239 (73.1 percent) stated an achieved rent. These rents give a guide to the quality of the premises let, based on the following assumptions:

- <£2.50/ sqft (£27.00/ sqm) – Poor Quality; 39 deals at this rate recorded
- £2.50-5.00/ sqft (£27.00-54.00/ sqm) – Average Quality; 101 deals at this rate recorded
- > £5.00/sqft (£54.00/ sqm) – Good Quality; 99 deals at this rate recorded.

4.23 The majority of units let, 101, were let for between £2.50-5.00/ sqft (£27.00-54.00/ sqm), meaning 42.3 percent of lettings which stated an achieved rental figure were of average quality. Additionally, combined with units of a good quality, these two categories account for 83.7 percent of lettings. 39 lettings were deemed to be of poor quality. This suggests recent market activity and demand has been focused on average/ good quality units and limited take up of budget quality space, at least according to open market lettings.

Sales

4.24 A total of 81 sales of industrial units were completed over the last ten years, 19.9 percent of the total number of transactions and totalling 220,450 sqm of industrial floorspace. These sales accounted for 37.0 percent of total floorspace transacted. The largest amount of floorspace to transact since the start of 2011 occurred at Unit 6, Hawtin Park, a 18,580 sqm property, for £4.7 million (£2.18/sqft or £23.50/ sqm).

Investment Sales

4.25 27 investment sales have been recorded over the last ten years, with only 22 stating size information. The largest recorded floorspace saw 23,167 sqm for Hawtin Park, Blackwood in 2011 for £2,500,000. The biggest investment sale occurred for Units 3

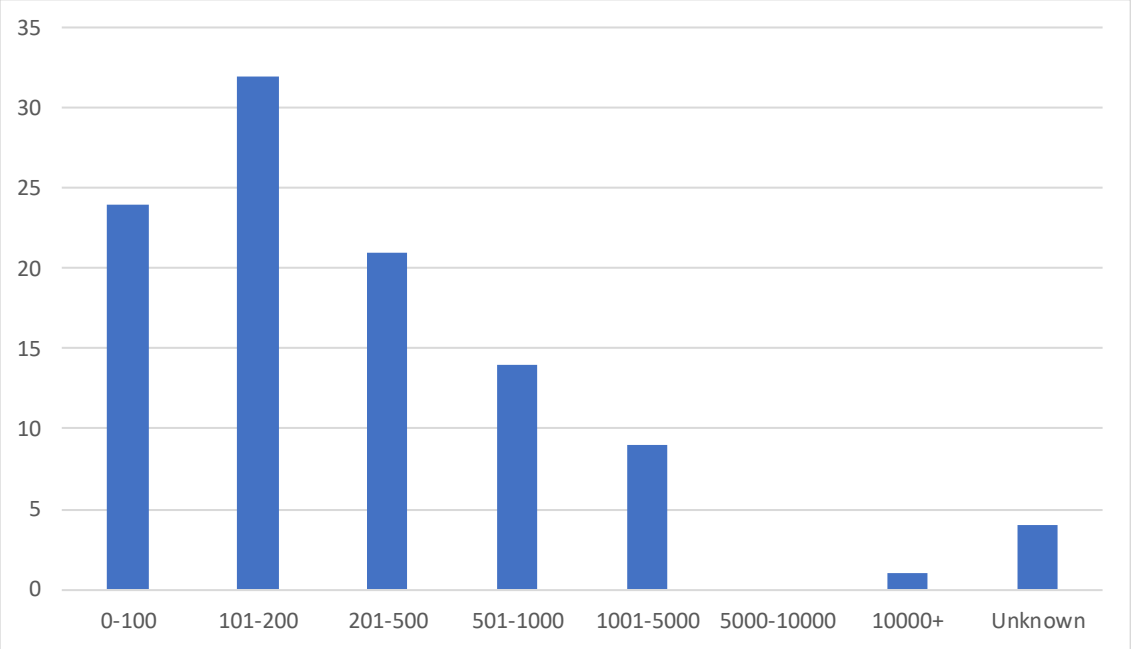
And 3a, Blackwood Business Park, Blackwood, a 12,378 sqm property, achieving £7,563,000.

Office Transactions

4.26 Within the last ten years in Caerphilly,105 office deals have transacted totalling 70,347 sqm of office floorspace. On average over the last ten years, ten deals have completed each year of around 7,035 sqm/ year.

4.27 Figure 8 shows a breakdown by size band, unsurprisingly with units of a small size being most popular. Units under 500 sqm accounted for 73.3 percent of transactions. In particular, units of 101-200 sqm accounted for 30.5 percent of all transactions, the strongest size band over the past ten years.

Figure 8 – Office Transactions by Size, 2011-2021



Source: Radius Data Exchange, 2021

4.28 Both 2015 and 2017 saw the highest number of deals complete, 17, each accounting for 16.2 percent of the total. Since the start of 2020, only three deals have transacted, accounting for 2.9 percent of deals within the last ten years. Again, it seems that the Covid-19 Pandemic and particularly Lockdowns which have encouraged office workers to work from home, have had an impact on local market activity. However, Caerphilly's office market has always been small when compared to the industrial/warehouse market.

4.29 2015 was also the year in which the highest amount of floorspace transacted during a single year, 39,741 sqm, 56.5 percent of the ten year total. The vast majority of this floorspace was transacted in a single deal of 32,014 sqm, the lease of Unit 2, Dyffryn Business Park, Withey Dyffryn Court to Expo Logistics International Limited.

Rents

4.30 Of the 105 office deals to complete in the last ten years, 91 (86.7 percent) were leasehold transactions. The prime rent of the last ten years was for 1,790 sqm at Bryn House, Caerphilly Business Park. The office achieved a rent of £20.60/ sqft (£221.74/ sqm) in 2012 when let to Ramsdens Chartered Surveyors.

4.31 Of the 91 offices which let, 65 (71.4 percent) stated an achieved rent. Again, rent can be used to assess the quality of the premises being transacted. In this case the assumptions are:

- <£10.00/ sqft (£107.00/ sqm) – Poor Quality; 41 deals at this rate recorded.
- £10.00-15.00/ sqft (£107.00-161.00/ sqm) – Average Quality; 17 deals at this rate recorded
- > £15.00/sqft (£161.00/ sqm) – Good Quality; 7 deals at this rate recorded.

4.32 The recent Caerphilly office market has seen 41 deals achieve rents less than £10.00/ sqft, 63.1 percent of premises with pricing information. 17 (26.2 percent) premises were deemed to be of average quality and only seven (10.8 percent) premises were deemed to be of good quality. This is not a complete view of the office market but a reflection of availability and supply in the Caerphilly office market, and the quality of premises available. This could mean businesses are being forced to take lower quality/ budget space due to lack of supply or a need for budget options.

Sales

4.33 14 offices were sold in the last ten years in Caerphilly, 13.3 percent of the total number of transactions. These deals comprised 6,282 sqm of office floorspace, with two of the deals with no recorded size data. The largest floorspace to transact during the time period was the sale of Units 1 & 2, Enterprise House, Hengoed, 1,928 sqm in size, in 2015. Van Court, Caerphilly Business Park sold for £2,340,000 in 2018, the largest transaction in the ten year period.

Investment Sales

4.34 Additionally, 12 investment sales completed over the time frame, the largest being Bryn & Brecon House, Caerphilly Business Park, of 3,859 sqm. This office building sold in December 2020 to Hastingwood Securities Ltd, achieving £4,590,000.

Property Supply

4.35 A schedule of vacant floorspace being market in Caerphilly, as of August 2021, has been compiled from property websites such as EGi Property Link and commercial property agents' websites. This will only represent a portion of the true vacancy rate as there will be floorspace not being marketed yet vacant, including poorer quality floorspace and space being marketed informally without engaging agents.

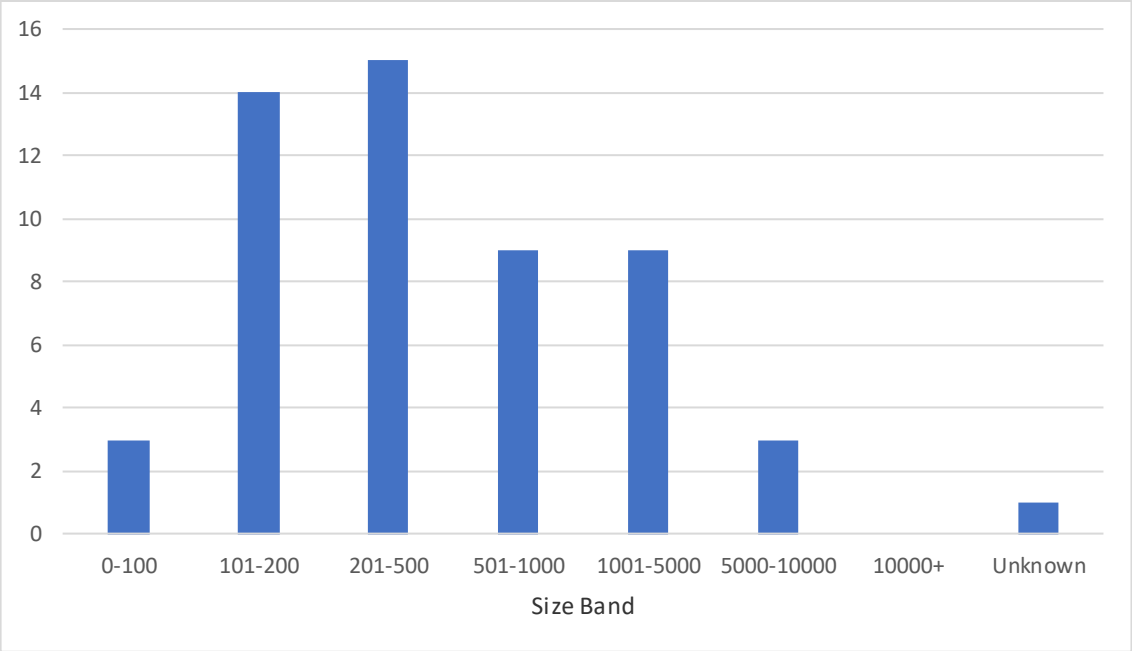
Industrial Supply

4.36 Within Caerphilly a total of 58,536 sqm of industrial floorspace was being marketed, comprised of 54 individual premises. From property transactions data above, the average take-up per year over the last five years has been 5,960 sqm/ year, meaning there is almost ten years supply of recorded vacant industrial floorspace within Caerphilly in total, if not by size bracket required.

4.37 As Figure 9 shows, the supply of marketed properties was varied, with the largest amount of vacant property sized between 201-500 sqm. This supply reflects the transactional trend of the majority of properties let/ sold in Caerphilly being in the mid-market size. Units of 201-500 sqm comprise 27.8 percent of units being marketed and have accounted for over a quarter of transactions in the last ten years.

4.38 Whilst there were only three marketed options of 0-100 sqm, there was a reasonable mix of marketed premises in all other size bands, able to cater for a variety of requirements. There was however, only one unit being marketed of 5,000 sqm+ which could meet larger property requirements and attract inward investment from outside of the County Borough.

Figure 9 – Marketed Property, Industrial



Source: Data Radius Exchange, Various Commercial Agent Websites, 2021

4.39 96.3 percent of units on the market were available to let, with the remaining 3.7 percent split between being available for either lease/sale or sale. This would indicate a lack of freehold opportunities on the current market. Whilst rents are not given for all properties, the property with the highest quoting rent was Unit 10, Pontymister Industrial Estate, which achieved £12.01/ sqft (£129.28/ sqm). This was for a very small unit of 31 sqm, the average quoting rent for all available property was around £4/sqft (£43/sqm).

4.40 The largest individual premises being marketed to lease were two units at Premier Buildings, Pantglas Farm Industrial Estate, both of which were 9,197 sqm in size. These units were being marketed for £4/sqft (£43/sqm). The Former Kerndale Premises, Morgan Works, 1,055 sqm in size, was the largest premises listed, with an asking price of £150,000.

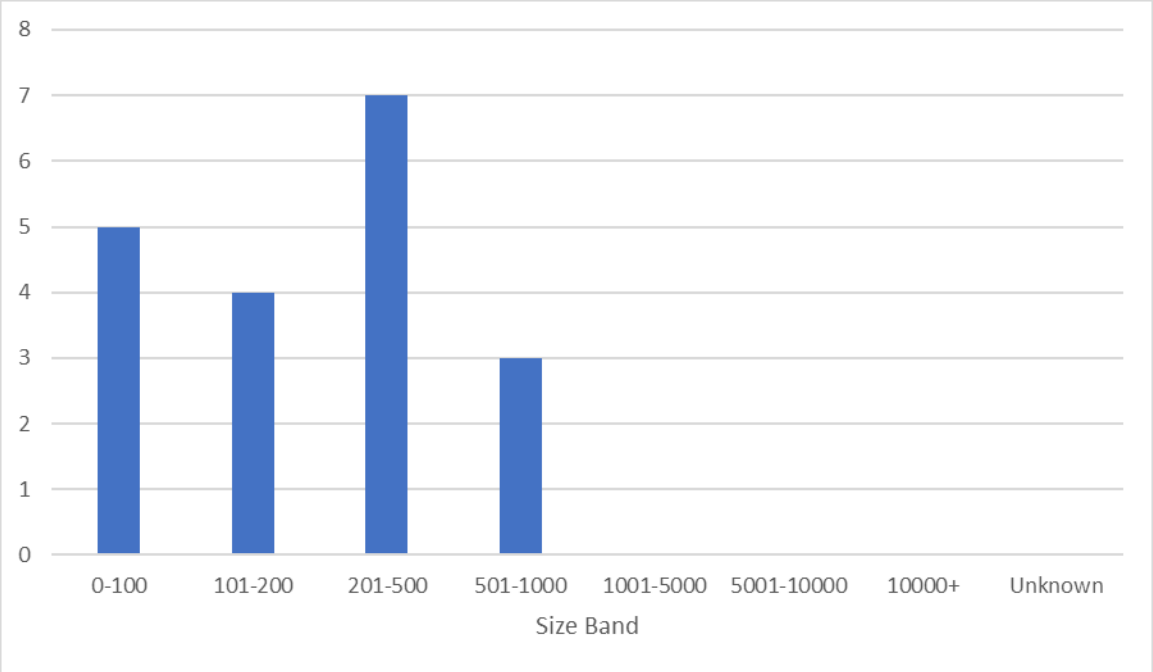
Office Supply

4.41 19 vacant offices were being marketed in Caerphilly as of August 2021. These vacancies totalled 5,317 sqm. According to property transaction data, the average take-up of office space is 7,035 sqm/year. This equates to under a years' worth of supply currently available in Caerphilly. However, the ten year average may not reflect current trends as the Covid-19 Pandemic has drastically altered business

requirements for office space, with larger numbers of office workers working from home or with reduced space requirements generally.

4.42 Unsurprisingly the largest amount of marketed office space was found within the small size bands, and in particular units of 201-500 sqm, accounting for 36.8 percent of the marketed total. Overall, units of sub 500 sqm accounted for 84.2 percent of all vacancies. This is in line with demand seen from transactional data, with 77.3 percent of transactions in the last ten years also being for sub 500 sqm offices.

Figure 10 – Marketed Property, Office



Source: Data Radius Exchange, Various Commercial Agent Websites, 2021

4.43 All of the marketed offices were to let only. There is thus a very limited offer of freehold premises, of all types, in Caerphilly.

4.44 Britannia House, Caerphilly Business Park was quoting the highest rents within Caerphilly of £14.36/ sqft (£154.57/ sqm). This is for a modern, two storey, office building. Average quoting rents were £6-8/sqft (£65-86/sqm).

4.45 The largest office space on the market was Cherry Tree House, Oakdale Business Park, Blackwood listed as 929 sqm. The two-storey building was available as a whole or on a floor-by-floor basis and being marketed for £7.50/ sqft (£80.73/ sqm). This building comprised 17.5 percent of the office floorspace total.

Stakeholder Analysis – Property Market and Public Sector Stakeholders

4.46 The above analysis of the property data pertaining to Caerphilly has been supported by consultations with commercial property agents active in the County Borough alongside Welsh and local government personnel with relevant experience in areas such as inward investment. Stakeholders were asked about activity levels in Caerphilly, key market sectors, spatial differences and the key employment nodes. Feedback is summarised in the tables below and represents the views of those stakeholders rather than those of the Council or BE Group. Information provided has been combined and anonymised, where required to protect confidentiality.

4.47 The Caerphilly market is largely viewed as a local, rather than national, destination with strong demand from existing business outgrowing or upgrading their accommodation. Local commercial agents report demand is more focused on B2 Industrial use rather than B8 logistics, other than the very local, last-mile delivery. Demand is also greatest for relatively small industrial units under 500 sqm, especially where these fall under the single-occupier business rate threshold. Indeed, the additional cost of Business Rates on occupiers appears to constrain demand for mid-sized units and only picks up again from 1,500-2,000 sqm size with occupiers making do with smaller space until essential to grow. In terms of sub-areas, Nelson and the Mid-Valleys area are the most popular, although this is unsurprising as this is where most of the County Borough's premises are found.

4.48 At the strategic scale, public and private stakeholders receive regular major requirements of 7,000-10,000 sqm, from major manufacturers looking for sites close to M4 across the Capital Region. These are a mixture of inward investors and established local firms looking to grow, some with Welsh Government Funding

4.49 The strength of local industrial demand is demonstrated by how quickly the Welsh Government's speculative development at Ty Du has let off plan, prior to scheme completion. Comprising some 1,400 sqm across 12 units of around 120 sqm each, on average, almost all units were under offer within a month of marketing. With a high quality and energy efficient design, the units have achieved rents around £7/sqft (£75/sqm) with lease terms typically over 5 years and with 3-year break clauses agreed.

4.50 The scale of interest shown at Ty Du could have delivered three-times the level of floorspace provided at the site. Welsh Government will now more likely work in partnership with private developers to facilitate further development here, rather than

fully fund further speculative property in the area, having demonstrated local market confidence.

4.51 The success of such a scheme, however, highlights the vital importance to have good quality property available for occupiers who are often working on short timescales to respond to operational demand or will be spurred on (especially the smaller scale operators) by physically seeing the potential for their business growth. At present, outside of the exceptional schemes such as Ty Du, which are being delivered, there is little space available to meet needs. The Councils own space, for example, is 95 percent occupied at this time.

4.52 The Caerphilly industrial market has long benefitted from a positive land supply, although the County Borough has been slow to complete the service infrastructure to open up those sites and has generally lacked capacity to deliver speculative floorspace for occupiers. However, the availability of land in Caerphilly, and lack of space elsewhere in the Capital Region, has allowed the County Borough to gain some key inward investment. For example, land availability was a critical factor in the relocation and expansion of IG Doors into Caerphilly, with the firm taking 10 ha at Oakdale. The remaining site here (Plateau One) urgently needs completion of infrastructure to open further development potential and capitalise on local success. Beyond this, there are growing concerns among local commercial agents that Caerphilly will also soon be short of available employment land.

4.53 In respect of the Office Market in Caerphilly, this is largely driven as support of associated industrial operations with a generally local influence rather than the area being recognised as a strong regional office market in its own right. There is very localised demand in the main towns and service hubs typically catered for by small spaces above shops and serviced schemes.

4.54 Demand is for small suites of around 40 sqm from SMEs. Schemes have seen some tenants leave to work at home during the Covid-19 Pandemic. However, this has been offset with some micro firms leaving Cardiff for peripheral locations.

4.55 Larger properties can struggle to let especially with the market remaining sensitive in post-Covid economy. However, Caerphilly Business Park with reasonable access to the Town Centre has proved a popular location with a mixture of office and hybrid – technology/office/industrial space provided.

4.56 Connectivity via the train station could prove attractive as a destination location in the town centre particularly in terms of flexible / hub space provision and attracting home workers or those seeking more flexibility to work nearer to home. Indeed, fully serviced, small suites accommodation has been successful in the innovation centre in Ystrad Mynach although this isn't that well connected by rail services.

4.57 The market rental tone across Caerphilly is highlighted in Table 13 below. For simplicity, the figures are only presented in terms of £ per sqft. This is based on current quoting rental values for available property in each area. Rental differences reflect both the quality of different floorspace and general location/accessibility to the main road network. It can be noted that the Heads of the Valleys area currently has the lowest rents, at least for industrial.

Table 13 - Current Market Rents (2021) - £ per Sqft

	Office	Serviced	Industrial
Caerphilly Town Centre – The Visit Centre	15.45		
De Clare House Pontywgindy Ind Estate	13.50		
Caerphilly Business Park – The Octagon	10.00		
Cherry Tree House, Oakdale Bus Park	7.50		
Blackwood Town Centre	3.90		
Britannia House Caerphilly Bus Park		22.00	
Innovation Centre – Ystrad Mynach		19.00	
TY Du – new build Nelson			6.90
Bedwas House Industrial Estate			6.33
Western Industrial Estate			4.64
Varlin Industrial Estate			4.25
Abercarn Industrial Estate			4.20
Pontygwindy Estate			3.50
Dyffryn Industrial Estate			3.50
Heads of the Valleys Ind Est Rhymney			3.50

Source: PER Consulting Research, 2021

4.58 Research by Sutton Consulting (July 2021) into future demand potential arising from completion of the A465 Heads of the Valleys Road improvements, highlights potential opportunities for the Rhymney area of Caerphilly to link into the strategic road corridor. This would require significant public sector investment and delivery support. Whether a new employment site in this location would be as competitive as the more established destinations around Merthyr and Ebbw Vale remains to be seen, however. Certainly, local market demand has been more muted in the northern half of the County Borough than the stronger mid- and south County areas around Blackwood/Oakdale and Caerphilly corridor, which benefit from stronger labour market access and connectivity to the M4.

4.59 There is also a burgeoning problem across Wales with much of the historic industrial space likely to fail the Energy Performance standards. From April 2023 EPC ratings will apply to all existing leases making it unlawful to continue to let a property below E rating. This changes to B Rating from 2030. This will inevitably put pressure on existing landlords to improve the energy efficiency of property, but this will be constrained in how much they can pass on the costs of this to tenants in rental charge increases. Additionally, while the cost burden rests initially with the landlord, the energy savings are a much longer-term benefit to the occupier. In current circumstances too, with rapidly escalating energy prices, the prospect of small savings from energy efficiency may not be that obvious to tenants and thus not be a big advantage while marketing properties to occupiers.

Business Consultations

4.60 Consultations have been carried out with a series of major employers in Caerphilly. Any views given within these consultations are the views of the individual at the organisation and may not be representative of the organisation as a whole, nor are they the views of the Council, Welsh/UK Governments or consultants, BE Group.

4.61 All businesses contacted have felt the effects of the Covid-19 Pandemic in some way. The vast majority of firms were forced to furlough a proportion of staff members at the start of the first national lockdown. However, most started to reintroduce staff members into the office/workplace once safety precautions were put in place. Business performance in this period varied depending on the sector each business resided in. Firms with a connection to the medical sector or in distribution benefitted from the pandemic, with greater demand for goods/services. However, firms associated with the hospitality, leisure, aviation and retail sectors have struggled.

4.62 Brexit has also caused issues for the majority of firms we spoke with in Caerphilly. An increase in paperwork, supplies now attracting duties, increased transportation costs and a lack of clarity over what paperwork is required at the border have all been raised as issues faced over the last few years.

4.63 Firms within the manufacturing sector have had difficulties recruiting engineers for the apprenticeship schemes they offer. The lack of applicants is believed to be partly due to the lower wages offered to apprentices, compared to even those at basic service sector jobs. Additionally, firms have reported a shortage of technical / highly skilled labour in the area. Overall, firms are suggesting that recruitment of staff is

becoming increasingly difficult in the County Borough. Many of the businesses put this down to a greater number of vacancies, providing prospective employees with greater choice.

4.64 Most firms are either dealing with or anticipate having to deal with issues as a result of the shortage of HGV drivers in the UK at present. Businesses are finding it increasingly difficult to source HGV drivers and are being charged more by drivers to fulfil delivery services. Additionally, some businesses have reported delays in both receiving supplies and having their goods delivered to customers.

4.65 There is evidence of firms looking to expand within Caerphilly. However, the firms we have spoken with have reported a lack of large industrial options to allow movement into, or within, the County Borough. As a result, many firms are not actively pursuing the local growth plans they might otherwise have undertaken in the short term. The only firm actively pursuing expansion in Caerphilly is one with an existing planning permission for the development of an additional warehouse and a storage facility.

Community/Town Councils

4.66 All the community and town councils in the County Borough have been contacted. Only Caerphilly Town Council provided a response, stating that: *"The Town Council covers the central part of Caerphilly town, including the town centre and is largely urban in character although the southern part to the boundary with Cardiff City includes Caerphilly Mountain. There are a number of well-established industrial estates and business parks and the Town Council would wish to see these are retained, enhanced where appropriate, to maintain the diverse range of employment within the town. There has been some pressure for older smaller sites with previous industrial or commercial use to be redeveloped for residential uses. Continuation of this trend could limit future commercial opportunities. There is concern about the changes affecting retailing and the long term impact this will have on the town centre. Conversion of upper floors into flats while beneficial in bringing underused space into beneficial use often results in poor amenities such as lack of parking and bin storage and this has a detrimental effect on the environmental quality and attractiveness of the town centre. On a specific site issue there has been ongoing discussions over many years concerning the redevelopment of the Tar Plant. It is felt the site should be utilised for new employment uses as there are few other opportunities."*

Summary

4.67 Industrial and logistics property take up was over 20 percent higher in 2020 than the typical five-year average, topping out at 5.55 million sqm for the year. However, whilst sources reported that this demand was spread relatively evenly across the UK, take-up in Wales was around 26 percent below average during 2020. This was argued to reflect a lack of available, high-quality stock to meet regional demand.

4.68 In 2021 however, the latest report from Knight Frank is showing more recent take-up across Wales to be 160 percent above the same period Q2 in 2020, with a reported 67,000 sqm secured. Indeed, most local agents report unprecedented levels of enquiries and demand, especially for small industrial units across the region and no indication of contraction due to the Covid Pandemic.

4.69 In terms of the UK Office Market, this clearly stalled during the early stages of the Covid Pandemic with the switch to homeworking. However, general signs are that the sector is beginning to bounce back, especially for very high-quality, well-located office premises.

4.70 Cardiff, of course, dominates the Wales/South East Wales office market but still saw take-up fall to 28,000 sqm in 2020 – 39 percent below the ten-year average of around 46,000 sqm/year. Outside of Cardiff, the 12,300 sqm office development at Nantgarw near Treforest was also completed in October 2020 for the Department of Work and Pensions. This will accommodate 1,700 staff from across South Wales.

4.71 Over the last ten years 407 industrial deals have been recorded within Caerphilly, of which a total of 595,728 sqm of floorspace has been transacted. Properties of 201-500 sqm represented the highest number of deals, accounting for just over a quarter of the total during the time frame.

4.72 Since the start of 2020 there have been 26 transactions completed accounting for 25,747 sqm, 20 within 2020 and six in 2021 so far, a clear reduction on the ten year average of around 31 deals/year, much less the 2012 peak of 70. Clearly the industrial market has slowed noticeably over the period of the Covid-19 Pandemic, but by no means stopped. Big deals are still taking place, notably the letting of Unit 6, Hawtin Park, Blackwood, of 9,926 sqm in 2021 to Hawker Siddeley Switchgear. Given demand levels reported there is no reason to assume market levels will not recover well in 2022.

4.73 The highest rent achieved over the time frame was £21.15/ sqft (£228/sqm) for Unit 8, Bedwas House Industrial Estate. Whilst being an industrial unit, the space also operates as a trade counter use and therefore can demand a higher rent.

4.74 Within the last ten years in Caerphilly, 105 office deals have transacted totalling 70,347 sqm of office floorspace. Unsurprisingly, units of a small size are most popular. Units under 500 sqm accounted for 73.3 percent of transactions. In particular, units of 101-200 sqm accounted for 30.5 percent of all transactions, the strongest size band over the past ten years.

4.75 Since the start of 2020, only three deals have transacted, accounting for 2.9 percent of deals within the last ten years. Again, it seems that the Covid-19 Pandemic and particularly Lockdowns which have encouraged office workers to work from home, have had an impact on local market activity. However, Caerphilly's office market has always been small when compared to the industrial/warehouse market.

4.76 As of August 2021, within Caerphilly, a total of 58,536 sqm of industrial floorspace was being marketed, comprised of 54 individual premises. From property transactions data above, the average take-up per year over the last five years has been 5,960 sqm/ year, meaning there is almost ten years supply of recorded vacant industrial floorspace within Caerphilly in total, if not by size bracket required.

4.77 The supply of marketed properties has varied, with the largest amount of vacant property sized between 201-500 sqm. This supply reflects the transactional trend of the majority of properties let/ sold in Caerphilly being in the mid-market size. Units of 201-500 sqm comprise 27.8 percent of units being marketed and have accounted for over a quarter of transactions in the last ten years. There was only one unit being marketed of 5,000 sqm+ which could meet larger property requirements and attract inward investment from outside of the County Borough.

4.78 19 vacant offices were being marketed in Caerphilly as of August 2021. These vacancies totalled 5,317 sqm. The average take-up of office space is 7,035 sqm/year. This equates to under a years' worth of supply currently available in Caerphilly. However, the ten year average may not reflect current trends as the Covid-19 pandemic has drastically altered business requirements for office space, with larger numbers of office workers working from home or with reduced space requirements generally.

4.79 Unsurprisingly the largest amount of marketed office space was found within the small size bands, and in particular units of 201-500 sqm accounting for 36.8 percent of the marketed total. Overall, units of sub 500 sqm accounted for 84.2 percent of all

vacancies. This is in line with demand seen from transactional data, with 77.3 percent of transactions in the last ten years also being for sub 500 sqm offices.

4.80 Britannia House, Caerphilly Business Park was quoting the highest rents within Caerphilly of £14.36/ sqft (£154.57/ sqm). This is for a modern, two storey, office building. Average quoting rents were £6-8/sqft (£65-86/sqm).

4.81 From consultations with property market stakeholders, it is evident that the Caerphilly industrial market is largely viewed as a local, rather than national, destination with strong demand from existing business outgrowing or upgrading their accommodation. Local commercial agents report demand is more focused on B2 Industrial use rather than B8 logistics, other than the very local, last-mile delivery.

4.82 Demand is greatest for relatively small industrial units under 500 sqm, especially where these fall under the single-occupier business rate threshold. At the strategic scale, public and private stakeholders receive regular major requirements of 7,000-10,000 sqm, from major manufacturers looking for sites close to M4 across the Capital Region.

4.83 The Caerphilly industrial market has long benefitted from a positive land supply, although the County Borough has been slow to complete the service infrastructure to open up those sites and has generally lacked capacity to deliver speculative floorspace for occupiers. However, the availability of land in Caerphilly, and lack of space elsewhere in the Capital Region, has allowed the County Borough to gain some key inward investment.

4.84 In respect of the Office Market in Caerphilly, this is largely driven as support of associated industrial operations with a generally local influence rather than the area being recognised as a strong regional office market in its own right. There is very localised demand in the main towns and service hubs typically catered for by small spaces above shops and serviced schemes.

4.85 Demand is for small suites of around 40 sqm from SMEs. Schemes have seen some tenants leave to work at home during the Covid-19 Pandemic. However, this has been offset with some micro firms leaving Cardiff for peripheral locations.

4.86 Larger properties can struggle to let especially with the market remaining sensitive in post-Covid economy. However, Caerphilly Business Park, with reasonable access to

the Town Centre, has proved a popular location with a mixture of office and hybrid – technology/office/industrial space provided.

4.87 From consulting with multiple businesses in Caerphilly, it is clear that all businesses have been affected by the Covid-19 Pandemic in some way or another. The vast majority of businesses have suffered, with redundancies and a decline in revenue reported. Brexit has also increased supply/trade costs and paperwork for most firms spoken with. Recruitment also appears to be a growing problem in Caerphilly, with a greater number of vacancies in the area. The shortage of HGV drivers, a national issue, is causing delays in the delivery of goods and supplies and increasing the cost to use HGV services. A shortage of large, industrial options in Caerphilly has also been raised.

4.88 Caerphilly Town Council wish to see a strong offer of good industrial estates and business park*s* protected from changes of use, and enhanced, to maintain the diverse range of employment within the town.

5.0 EMPLOYMENT LAND ASSESSMENT

Introduction

5.1 This section looks at the portfolio of potential employment land in the County Borough, not only how much there is, but also its quality, type, suitability and availability. Caerphilly needs a balanced portfolio of land to accommodate a sustainable, growing economy that can respond to dynamic market conditions, changing business needs and working practices. Having initially established how much land there is, the second task is to consider how much is needed in the future (to 2035), which is picked up in the forecasting section later in the report.

5.2 In order to assist economic recovery from the effects of Covid-19, it is even more important that businesses are able to easily establish, expand or relocate premises within Caerphilly. Therefore, ensuring that there is adequate provision of appropriately located, deliverable and attractive employment sites and premises in the County Borough is vital. However, Welsh Government guidance states that sites must not be merely carried forward within a new Local Development Plan and must be reassessed for their ongoing potential for employment uses. This chapter undertakes that assessment of the employment land supply.

Land Supply

5.3 The starting point for the supply side assessment is the Caerphilly LDP, which allocated 14 sites for future employment development under Policy EM1. Table 14 details these employment land allocations, which total 101.9 ha.

Table 14 – Sites Allocated for Employment Use in the LDP by Policy EM1

Site Ref	Site Name	Settlement	Size, ha	Type of Employment Site	Brownfield/ Greenfield
Heads of the Valleys Regeneration Area					
EM1.1	Heads of the Valleys	Rhymney	5.2	Primary	Brownfield
Northern Connections Corridor					
EM1.2	Ty Du	Nelson	18.8	Business Park	Greenfield
EM1.3	Plateau 1	Oakdale	30.2	Primary	Brownfield
EM1.4	Plateau 2	Oakdale	7.0	Primary	Brownfield
EM1.5	Plateau 3	Oakdale	3.4	Primary	Brownfield
EM1.6	Plateau 4	Oakdale	4.3	Primary	Brownfield

Site Ref	Site Name	Settlement	Size, ha	Type of Employment Site	Brownfield/ Greenfield
EM1.7	Hawtin Park North	Gellihaf	4.5	Primary	Brownfield
EM1.8	Hawtin Park South	Gellihaf	8.8	Primary	Greenfield
EM1.9	Dyffryn Business Park north	Ystrad Mynach	4.9	Primary	Greenfield
EM1.10	Dyffryn Business Park south	Ystrad Mynach	6.3	Primary	Greenfield
EM1.11	Penallta Extension	Hengoed	1.6	Secondary	Brownfield
Southern Connections Corridor					
EM1.12	Land at Caerphilly Business Park	Caerphilly	3.6	Primary	Brownfield
EM1.13	Land at Trecenydd	Caerphilly	2.2	Secondary	Brownfield
EM1.14	Land at Western	Caerphilly	1.1	Secondary	Greenfield (now developed)

Source: Caerphilly County Borough Council, 2010

5.4 The findings of the 2010 LDP are discussed further in Section 2.0.

5.5 In the 2014 Employment Sites Supply and Market Appraisal the above sites, with some amendments to site sizes, were analysed to give a baseline supply to 102.45 ha.

5.6 Since 2014, several sites have been fully developed for employment uses or have been lost to alternative uses, primarily housing. These are:

- EM1.5: Plateau 3, Oakdale (3.4 ha) – Developed as a secondary school (Islwyn High School)
- EM1.8: Hawtin Park South (8.8 ha) – Under development for housing
- EM1.11: Penallta Extension (1.6 ha) – Developed for housing
- EM1.14: Land at Western (1.1 ha) – Developed for industrial uses before 2014.

5.7 These sites are not considered further here, giving a revised baseline supply of 87.00 ha, again with some size adjustments to other sites. The remaining land supply is analysed below.

Supply Analysis

5.8 Table 15 analyses Caerphilly's remaining supply, outlining the size, nature and location of each site, providing comments on its status and recommendations on its future delivery. It also identified the realistically available amount of employment land in each site. The Table summarises Site Proformas provided at Appendix 3.

5.9 The analysis reflects Welsh Government Guidance: *'Practice Guidance – Building an Economic Development Evidence Base to Support a Local Development Plan'*. It also reflects site assessment practice currently being implemented in South Wales and outlined in '*Employment Paper for SEWSPG: A Common Methodology for Undertaking Audits of Employment Sites as Part of an Employment Land Review in South East Wales*' (Report of the Pathfinder Group, 2017).

5.10 Of the baseline supply of 87.0 ha, the following comments can be made:

- 22.50 ha in five other sites have been developed for B-Class uses since 2014
- Proposals at EM 1.2: Ty Du, Nelson would see 3.80 ha developed for B-Class uses, with some development recently completed, and the remaining land developed for a housing led scheme, a loss of 15 ha
- EM 1.7: Hawtin Park North is held for the exclusive use of the owner occupier SEDA, with a consent for development expected to be developed in the next few years. This land is within the curtilage of SEDA's existing facility and could not be made available to meet wider business needs. 4.50 ha is excluded from the realistic supply to allow for this. Similar claims could be made for EM 1.10: Dyffryn Business Park which is within the curtilage of Centerprise International. However, Centerprise is not implementing its development consent here, at present, and the land could still be made available to meet other business needs, although providing another access to the site, separate from Centerprise's could be difficult.

Table 15 – Employment Land Analysis

Site Ref.	Name	Location	Site Description	Constraints	Intended Development (If Any)	Site Size, ha - Baseline	Site Size, ha – Realistically Available for B1/B2/B8 Use	Should the site be safeguarded or identified for employment uses?
EM 1.1	Heads of the Valleys, Rhymney	Heads of the Valley Industrial Estate, Rhymney, Tredegar NP22 5RL	Two vacant parcels of an otherwise developed industrial estate. Located on A469, A465 less than a mile to the north.	Multiple ownerships Site uneven in places Trees and hedgerows on site In a Secondary Coal Resource Area In a Coal Mining Development Referral Area In a Standing Advice Area	The Council is in negotiations to purchase the land from private owners, minus the access road, with a view to progressing a development of industrial/light industrial units. Any development would be subject to securing relevant public funding.	5.20	5.20	Yes
EM 1.2	Ty Du, Nelson	Mafon Rd, Caerphilly, Nelson, Treharris CF46 6PE	Large, greenfield site on the edge of Nelson. Located on A472, close to A470.	Footpaths cross the site Trees on site Various watercourses cross the site Farm tracks and accesses cross the site Some land in use as informal playing pitches In a Standing Advice Area	The site is Welsh Government owned. It has Outline planning permission (07/0872/OUT) for B1 uses. The permission proposes a prestige business park including diversion of haul route, formation of building plots, roads and drainage infrastructure, footpath diversions and other associated preparatory works. In 2017, an Outline consent for a mixed housing and B1 employment scheme was granted (16/0373/OUT) but not progressed. Since then, there have been several infrastructure consents: 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). Overall, access roads into the site are now completed. The plateau has secured public sector and EU funds for a mixed- use development of 200 homes and 3.8 ha of employment land. The next phase of the Ty Du development will focus on the site's "Commercial Area" and develop 1 ha as 12 light industrial units of 105-338 sqm (plus space for additional property as a phase II consented under 19/0572/RM). This scheme was marketed, off plan, as Whitbeam Court with units to let on three year basis. The development, a joint venture between Welsh Government and the County Borough Council was recently completed. Further phases of	18.80	3.80	Yes

Site Ref.	Name	Location	Site Description	Constraints	Intended Development (If Any)	Site Size, ha - Baseline	Site Size, ha – Realistically Available for B1/B2/B8 Use	Should the site be safeguarded or identified for employment uses?
					development are being planned.			
EM 1.3	Plateau 1, Oakdale	Business Park, Lon Gellideg, Oakdale, Blackwood NP12 4AE	Reclaimed former colliery site, one of four plateaux which combine to form the largest employment allocation in the County Borough. Located on Sirhowy Enterprise Way, linking it to Mid Valleys conurbation.	Oakdale Business Park has been reclaimed and prepared for development In a Standing Advice Area Coal Mining Development Referral Areas adjacent	Some 15 ha has been purchased and developed for a single large unit for IG Doors. The Welsh Government is looking to purchase the remaining land from the Council to lead development here, although this is subject to negotiations with IG Doors which has some right to control over development on neighbouring land due to a restrictive covenant in the ownership titles. Assuming a purchase can be successfully concluded, Welsh Government has £3 million to invest in servicing the site. Welsh Government note that they have received some interest in the site from larger firms, both locally based and inward investors, looking for facilities of up to 10,000 sqm.	30.20	15.20	Yes
EM 1.4	Plateau 2, Oakdale	Bryn Brithdir, Oakdale, Blackwood NP12 4AA	Reclaimed former colliery site, one of four plateaux which combine to form the largest employment allocation in the County Borough. Located on Sirhowy Enterprise Way, linking it to Mid Valleys conurbation.	Oakdale Business Park has been reclaimed and prepared for development However, the adjacent secure General Dynamics plant may place some limits on development here In a Standing Advice Area Partly in a Coal Mining Development Referral Area	Remaining portion of a larger (20.23 ha) site, land to the north has been developed for high quality industrial units. Road access available to the edge of the site. Historic Consents: 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). The company that was to occupy the above consented space will not now be developing here. The Council now has an in principle agreement to sell half the site an established South Wales developer that proposes to develop the land for starter industrial units as a purely private sector venture. For the remaining land the Council is working with a Registered Social Landlord who is interested in developing a factory for producing prefabricated housing units. Financing for this project	7.00	7.00	Yes

Site Ref.	Name	Location	Site Description	Constraints	Intended Development (If Any)	Site Size, ha - Baseline	Site Size, ha – Realistically Available for B1/B2/B8 Use	Should the site be safeguarded or identified for employment uses?
					has still to be secured, however, and delivery of this is likely to be over a 3-4 year timeframe			
EM 1.6	Plateau 4, Oakdale	Foxes Lane, Oakdale, Blackwood NP12 4AB	Reclaimed former colliery site, one of four plateaux which combine to form the largest employment allocation in the County Borough. Located on Sirhowy Enterprise Way, linking it to Mid Valleys conurbation.	Oakdale Business Park has been reclaimed and prepared for development In a Standing Advice Area Trees onsite	Remaining portion of a larger site, land to the south has been developed for three high quality office pavilions totalling 3,252 sqm. Road access available to the edge of the site. To develop the remaining land, the Council has interest from a business currently based in Caerphilly town to relocate here and purchase land for an owner occupied development. The Council would look to develop the remaining land for starter industrial units. Groundwork investigations are being undertaken to determine the investment needs for infrastructure and any funding that would need to be applied for from Welsh Government to open up the site. It is expected that a sale of the land to the business, as a first step of delivery can commence within 18 months - 2 years.	4.30	2.00	Yes
EM 1.7	Hawtin Park North, Gellihaf	Hawtin Pk, Blackwood NP12 2EU	Greenfield site immediately to the north of existing industrial land.	Trees and hedgerows on site In a Standing Advice Area Partly in a Coal Mining Development Referral Area	Land to be held for the future expansion of the SEDA facility. In 2019 Consent 18/1073/FULL to erect a Class B8 (Storage and Distribution) facility of 19,290 sqm, access, landscape and associated works, for SEDA, was granted. SEDA are planning on implementing this planning permission for an additional warehouse storage facility on 3 ha. However, this is a long term project and development isn't likely to take place in the next year or so. Access is through the existing secure SEDA site so the land could not easily be developed to meet the needs of other firms (unless a separate access was provided to the A4049).	4.50	0.0	No
EM 1.9	Dyffryn Business Park North, Ystrad Mynach	Dyffryn Business Park, 2 Hazel Cl, Ystrad Mynach, Hengoed CF82 7UB	Expansion Land surrounding an existing developed B8 unit for Mail Solutions, with an access road off the A5 in	Trees and hedgerows on site Water courses cross the south of the site In a Standing Advice Area	Multiple planning consents have been secured and implemented for industrial/light industrial space across the bulk of the site south of Alder Avenue: 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)	4.90	0.80	Yes

Site Ref.	Name	Location	Site Description	Constraints	Intended Development (If Any)	Site Size, ha - Baseline	Site Size, ha – Realistically Available for B1/B2/B8 Use	Should the site be safeguarded or identified for employment uses?
			place. The land is at the foot of a hill to the west and sloping and uneven in places.		15/1175/FULL (B1/B2/B8), granted 2017 (developed). Overall, 4.1 ha of land has been taken up here since 2014 delivering some 2,500 sqm of new premises. The remainder comprises two small plots either side of the entrance road to Dyffryn Business Park, fronting the A469.			
EM 1.10	Dyffryn Business Park South, Ystrad Mynach	Alder Ave, Ystrad Mynach, Hengoed CF82 7TW	Undeveloped site immediately to the south of existing industrial land.	Public right of way crosses the site Easement, for sewage piping, passes across the site Multiple other Conveyances pass across the site Trees and hedgerows on site Bounded by the Rhymney River to the south and west. In a flood risk area (C1) In a Standing Advice Area	The land is presently held for the future expansion of Centerprise International (landowner) which has a large modern unit to the north. App. 18/1030/FULL, consented in 2019, sought to erect extension to increase the existing Centerprise unit by some 2,300 sqm to 11,997 sqm, taking up 3.19 ha of land. This has not been implemented to date, however and it is unclear if it will be. Access is through the existing secure Centerprise International site so the land could not easily be developed to meet the needs of other firms (the land is bounded by the Rhymney River to the south and west and by the A469 dual carriageway to the east).	6.30	6.30	Maybe
EM 1.12	Land at Caerphilly Business Park	Caerphilly Business Park, Van Rd, Caerphilly CF83 3ED	Western part of otherwise occupied industrial land.	Trees onsite Public footpath crosses the site (providing access back to Van Road) Partly in a Coal Mining Development Referral Area In a Standing Advice Area	The site is owned by the County Borough Council. Full planning permission (07/1518/FULL) for a 1,100 sqm sustainable office building with ancillary car parking and cycling facilities (Phase 5B) was granted in 2008 and since developed as an office for DS Smith. 1.26 ha of land in the north east of the site is let to the Welsh Institute of Civil Engineers (ICE) - This land is proposed by ICE for seven starter light industrial units. Delivery was paused in 2020 during the Covid-19 Pandemic but is now expected to proceed quickly. On the remaining land, the Council is looking to build comparable light industrial units. This would be financed through a Levelling Up Fund bid. Monies for this will not become available till 2024.	3.60	3.00	Yes
EM 1.13	Land at Trecenydd,	Trecenydd Business	Undeveloped part of otherwise	Trees onsite Electricity substation in north east	A Change of Use (13/0740/COU) for a commercial vehicle hire was granted in 2013. Some 0.50 ha of	2.20	1.70	Yes

Site Ref.	Name	Location	Site Description	Constraints	Intended Development (If Any)	Site Size, ha - Baseline	Site Size, ha – Realistically Available for B1/B2/B8 Use	Should the site be safeguarded or identified for employment uses?
	Caerphilly	Park, Caerphilly CF83 2RZ	occupied industrial land.	of site Level changes across the site Housing adjacent In a Standing Advice Area Small part of the south of the site is in a Coal Mining Development Referral Area	the site is now in use for vehicle parking by Dawsonrentals vans, the remainder is vacant. No identified development plans.			
					Totals	**87.00**	**45.00**	

Source: CBC/BE Group, 2021

5.11 Together the above deductions reduce the supply by 42.0 ha to **45.0 ha.** Table 16 provides a summary of the realistically available employment land in Caerphilly.

Table 16 – Caerphilly Land Supply

Site Ref.	Name	Site Size, ha – Realistically Available for B1/B2/B8 Use
EM 1.1	Heads of the Valleys, Rhymney	5.20
EM 1.2	Ty Du, Nelson	3.80
EM 1.3	Plateau 1, Oakdale	15.20
EM 1.4	Plateau 2, Oakdale	7.00
EM 1.6	Plateau 4, Oakdale	2.00
EM 1.9	Dyffryn Business Park North, Ystrad Mynach	0.80
EM 1.10	Dyffryn Business Park South, Ystrad Mynach	6.30
EM 1.12	Land at Caerphilly Business Park	3.00
EM 1.13	Land at Trecenydd, Caerphilly	1.70
Total		**45.00**

Source: BE Group, 2021

5.12 Of that Realistic Supply, over half, 24.2 ha, is found at Oakdale in the Northern Connections Corridor. Overall, 78 percent of the supply, 35.1 ha in six sites, falls into the Northern Connections Corridor. Caerphilly only has one site in the Heads of the Valleys Area (5.20 ha) and two small sites in the Southern Connections Corridor, totalling 4.70 ha.

Site Grading

5.13 All sites have been graded using a standard scoring system (see Appendix 4) which reflects existing Welsh Government Guidance and current practice elsewhere in Wales (see Table 17). Each site is scored out of 15, made up of three individual measures, each scored out of five – Accessibility, Environmental Factors and Market Attractiveness.

Table 17 – Sites Scoring

Candidate Site ID.	Name	Site Size, ha – Realistically Available for B1/B2/B8 Use	Total Score, Max 15
EM 1.2	Ty Du, Nelson	3.80	14
EM 1.3	Plateau 1, Oakdale	15.20	14

Candidate Site ID.	Name	Site Size, ha – Realistically Available for B1/B2/B8 Use	Total Score, Max 15
EM 1.4	Plateau 2, Oakdale	7.00	14
EM 1.12	Land at Caerphilly Business Park	3.00	14
EM 1.1	Heads of the Valleys, Rhymney	5.20	13
EM 1.6	Plateau 4, Oakdale	2.00	13
EM 1.9	Dyffryn Business Park North, Ystrad Mynach	0.80	13
EM 1.13	Land at Trecenydd, Caerphilly	1.70	11
EM 1.10	Dyffryn Business Park South, Ystrad Mynach	6.30	7
Total		**45.00**	**-**

Source: BE Group, 2021

5.14 EM1.2: Ty Du, Nelson and the main Plateaus at Oakdale score highest reflecting their accessibility within the County Borough, lack of constraints and ongoing delivery.

5.15 EM1.10: Dyffryn Business Park South, Ystrad Mynach scores most poorly. This reflects the more limited site access and backland position of the land, which lacks an independent access from Centerprise and the more limited development prospects generally.

Caerphilly's Long Term Supply

5.16 This Report identifies a realistic employment land supply of 45 ha as of summer 2021. However, it is important to note that a high proportion of that supply is expected to be taken up early in the Local Plan period, within approx. five years, specifically:

- EM 1.1: Heads of the Valleys, Rhymney (5.20 ha) – Proposed for an industrial development under public sector leadership, subject to funding
- EM 1.4: Plateau 2, Oakdale (7.00 ha) – Discussions ongoing for a mixed development to accommodate a single company and the sale of land to an active regional developer. 3-4 year timeframe for delivery estimated
- EM 1.6: Plateau 4, Oakdale (2.00 ha) – Plans for or a mixed development to accommodate a single company and a development of light industrial units. 18 month - 2 year timeframe for delivery estimated
- EM 1.12: Land at Caerphilly Business Park (3 ha) – 1.26 ha of land in the north east is proposed for light industrial units, which are expected to be

delivered in the short term. Further light industrial space is proposed on the remaining land, subject to a funding bid post 2024.

5.17 Assuming all the above are delivered in the manner described, and to schedule, 19.2 ha or 42.7 percent of the supply could be taken up by 2026. Fairly rapid take up of the 3.8 ha remaining at EM 1.2: Ty Du, Nelson is also likely given the strength of demand, ongoing delivery and public sector leadership over delivery.

5.18 EM 1.3: Plateau 1, Oakdale (15.20 ha) has more issues to overcome to delivery, but under Welsh Government leadership development could proceed rapidly, particularly if it attracts interest from one or more large business occupiers. Thus, in an extreme case, 38.2 ha or 84.9 percent of the realistic supply could have been taken up by the end of the 2020s.

Employment Areas

5.19 In this sub-section an assessment of Caerphilly's 36 main Employment Areas is made in order to provide guidance as to their continued viability and options for growth/redevelopment. These 36 sites are split between the three main sub-areas of the County Borough – Heads of the Valleys, Northern Connections Corridor and Southern Connections Corridor.

5.20 Again, the assessment process used reflects that set out in 'Employment Paper for SEWSPG: A Common Methodology for Undertaking Audits of Employment Sites as Part of an Employment Land Review in South East Wales' (Report of the Pathfinder Group, 2017). However, to provide consistency with the 2014 Study the A to E Grading of Employment Areas used in that study is also repeated here and updated, where required. That Grading is based on a number of factors – critical mass, accessibility, physical and environmental quality and market demand. The Gradings are described in Table 18.

5.21 The Grading links same standard scoring system as per the Employment Sites (see Appendix 4, but with an allowance for internal conditions (reflecting the fact that these locations contain developed property), as well as external factors. Each site is scored out of 30, made up of six individual measures, each scored out of five – Accessibility, Building and Site Quality and Characteristics (Overall Building Quality and Overall Site Quality), Environmental Factors (internal and external), Market Attractiveness.

Table 18 – Grades A to E Definitions

Grade	Approx. Scoring	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			

Source: BE Group 2021

5.22 Detailed proforma analyses are provided at Appendices 6-8 The analysis is summarised in Table 19, below.

5.23 Overall, there is some 486.47 ha of developed land in, or with potential for, B1/B2/B8 uses in Caerphilly County Borough. Just over half of this, 248.12 ha, is in the Northern Connections Corridor. By far the largest single Employment area is EM2.10: Penyfan, Croespenmaen at 73.01 ha or 15.0 percent of Caerphilly's developed employment land. Four other Areas are around 30 ha in size, all the rest are less than 25 ha in size and 47 percent (17) are less than 10 ha in size.

5.24 Caerphilly's identified Employment Areas contain some 1.12 million sqm of occupied B1, B2, B8 floorspace, with another 14,536 sqm in 'other' employment uses, an overall floorspace total of 818,659 sqm. There were some 30 vacant properties in the Employment Areas, based on a high level analysis of openly marketed properties in the County Borough, compiled from property websites such as EGi Property Link and commercial property agents' websites (see also the supply analysis completed in paras 4.35-4.45, Section 4.0).

Table 19 – Existing Employment Area – Assessment Summaries

Site Ref.	Location	Description	Size, ha	Floorspace, Sqm					Total Vacant Units	Site Vacancy Rate (%)	Vacant Parcels of Land on Existing Site	Site Scoring, Max 30	Site Grading, A-E	Protect in the Next LDP? (Yes/No/ Maybe)
				B1 Office	B1 Other	B2 Industrial	B8 Warehousing	Other Uses						
Heads of the Valleys Regeneration Area														
EM 2.1	White Rose Way, New Tredegar	Small modern industrial estate, offering a range of terraced workshop units, in four rows, prominently located on the valley side adjacent to Elliot's Town.	1.25	0	0	1,062.3	00	0	0	0 (0 of 20)	-	22	C	Yes
EM 2.2	Heads of the Valleys, Rhymney	Established industrial estate, located off the A469 and divided into two sections by an area of greenspace and a watercourse. The northern section comprises some 17 mid-sized industrial premises, occupied by a range of larger businesses. The southern section comprises a row of 10 industrial units, a large manufacturing property and two further units. There are two plots suitable for expansion of the site in the south west corner/ south of the southern area, although the parcels of land is not within the site boundary.	14.32	0	1,514,9	37,580.58	0	0	4	13.3 (4 of 30)	Employment Site EM 1.1: Two vacant parcels of an otherwise developed industrial estate. Located on A469, A465 less than a mile to the north. 5.20 ha total.	23	B/C	Yes
EM 2.3	Capital Valley, Rhymney	Area of older, low quality industrial and warehouse accommodation. Land in the south is in use for storage while there are multiple derelict/demolished buildings and debris in the north.	14.84	0	0	21,996.95	0	0	1	9.09 (1 of 11)	Most of the Area is underused, with large parcels of land in the north which are fully vacant and land in the centre and south used for aggregate or vehicle storage.8.24 ha approx..	12	D/E	Maybe
EM 2.4	Maerdy, Rhymney	Mixed industrial area comprising two older factory complexes and several underused/derelict historical industrial premises in the north and a modern facility for Williams Medical in the south.	12.52	0	0	10,192.2	8,241.1	0	0	0 (0 of 6)	The small group of derelict older industrial units, between Oakridge Direct/Divani Mail Order and Visqueen, offers a modest redevelopment opportunity. 0.39 ha	21	C	Yes
EM 2.5	Angel Lane, Aberbargoed	Mixed use industrial site at the edge of a residential area. Units in northern area are dated and larger. Southern area contains five smaller units, from which a variety of local occupiers operate from.	3.09	332.87	0	7,614.52	0	0	0	0 (0 of 7)	-	20	B/C	Yes
EM 2.6	Bowen, Aberbargoed	Established local industrial estate, comprising a large factory complex to the north (adjacent to housing), a range of modern industrial units to the south and a business centre on the main road frontage.	11.02	759.15	9,012.47	16,255.89		2,180.1	0	0 (0 of 87)	-	24	B/C	Yes
Sub-Total			***57.04***	***1092.02***	***9,012.47***	***94,702.44***	***8241.1***	***2,180.10***	***5***					
Northern Connections Corridor														
EM 2.7	Welsh Water (Dwr Cymru), Nelson	Large office complex (and associated infrastructure) for Welsh Water and an adjacent facilities for Morrisons Water Services in the south west of the site.	3.60	5,684.69	0	0	0	0	0	0 (0 of 8)	-	21	C	Maybe
EM 2.8	Tredomen Park, Ystrad Mynach	Prestige office/business park complex, comprising a modern, multi-storey office complex for the Council, and three high quality business centres within a steeply sloping valley.	7.21	19,302.47	0	0	0	0	0	0 (0 of 59)	Land to the south west and west was allocated for employment in the First Replacement LDP (Site E1.8). Land comprises undeveloped greenfield land around a Council Car Park. The land is prominently located on the A472 with access through the existing Park. 4.30 ha	30	A	Yes

Site Ref.	Location	Description	Size, ha	Floorspace, Sqm					Total Vacant Units	Site Vacancy Rate (%)	Vacant Parcels of Land on Existing Site	Site Scoring, Max 30	Site Grading, A-E	Protect in the Next LDP? (Yes/No/ Maybe)
				B1 Office	B1 Other	B2 Industrial	B8 Warehousing	Other Uses						
EM 2.9	Plateau 2, Oakdale	Former colliery Plateau partially developed (in the north) for high quality industrial units (including two larger manufacturing facilities), with further development land in the south.	13.04	6,311.49	6,514.2	10,754.64	0	0	0	0 (0 of 17)	EM 1.4: Plateau 2, Oakdale. Reclaimed former colliery site, one of four plateaux which combine to form the largest employment allocation in the County Borough. Located on Sirhowy Enterprise Way, linking it to Mid Valleys conurbation. 7.00 ha	28	A	Yes
EM 2.10	Penyfan, Croespenmaen	Very large, established industrial estate, located on the edge of the Oakdale plateaus. It comprises small and mid-sized industrial accommodation in the south and facilities for larger occupiers in the north.	73.01	833.1	35,984.01	74,211.49	0	69.67	0	0 (0 of 90)	Development in the north and west of the area is at a comparatively low density and large development plots remain between the units. These include several hectares of land west of Parkway (south of Abingdon Flooring) and a large plot east of Parkway, between Thermo Fisher and Unisem.	26	B	Yes
EM 2.11	South Celynen, Newbridge	Large research and development facility for General Dynamics and Axom (Edge UK), prominently located off the A467 and bounded by the Ebbw River to the east.	9.13	0	0	27,703.72	0	0	0	0 (0 of 1)	-	26	B	Yes
EM 2.12	Hawtin Park, Gellihaf	A group of larger industrial and logistics properties, including accommodation for major international employers, centrally located within the main settlement areas of the NCC	29.82	0	0	85,201.33	8,511.3	0	0	0 (0 of 18)	EM 1.7: Hawtin Park North, Gellihaf. Greenfield site immediately to the north of existing industrial land. Held for the expansion of SEDA. 4.50 ha	25	B	Yes
EM 2.13	Dyffryn Business Park, Ystrad Mynach	Major established industrial estate, prominently located off the A469 south of Ystrad Mynach. One of the County Borough's largest employment areas it comprises two schemes of moderate quality workshop units along with accommodation for a number of larger businesses.	29.37	315.1	14,429.64	47,356.75	14,001.42	2,032.19	6	6 (6 of 98)	EM 1.9: Dyffryn Business Park North, Ystrad Mynach Site immediately to the north of existing industrial land. 0.80 ha EM 1.10: Dyffryn Business Park South, Ystrad Mynach Undeveloped site immediately to the south of existing industrial land. 6.30 ha	25	B	Yes
EM 2.14	North Celynen, Newbridge	A (poorly used/closed) visitor car park and woodland associated with the research and development facility for Axiom Manufacturing Services to the south (South Celynen).	4.17	0	0	0	0	0	0	0 (0 of 0)	Potentially the whole site. 4.17 ha	14	D/E	No
EM 2.15	Croespenmaen	Two adjacent production facilities for A. Schulman and Unilever, accessed by narrow rural roads in a edge of settlement location.	6.53	0	0	19,778.31	0	0	0	0 (0 of 2)	-	18	C/D	Yes
EM 2.16	Brittania, Pengam	Local industrial estate, comprising 34 terraced, moderate quality industrial units (some in trade use) prominently located off the A4049 Pengam Road.	2.88	0	0	4,062.56	0	314.92	0	0 (0 of 49)	-	21	C	Yes
EM 2.17	St. Davids, Pengam	Industrial estate, comprising industrial premises (some in Council ownership) in a mix of sizes and age ranges. Modern units developed to the north of the entry road contains established occupants such as Tool Station, Greggs and Screwfix.	5.16	0	0	12,655.85	0	67.3	0	0 (0 of 47)	-	24	C	Yes
EM 2.18	New Road, Tiryberth	Established industrial estate, comprising older, budget quality industrial space in the north (plus one Council-owned office building) and a large, more modern complex for Norgine in the south.	7.14	638.9	0	24,915.53	0	0	0	0 (0 of 11)	-	24	C	Yes

Site Ref.	Location	Description	Size, ha	Floorspace, Sqm					Total Vacant Units	Site Vacancy Rate (%)	Vacant Parcels of Land on Existing Site	Site Scoring, Max 30	Site Grading, A-E	Protect in the Next LDP? (Yes/No/ Maybe)
				B1 Office	B1 Other	B2 Industrial	B8 Warehousing	Other Uses						
EM 2.19	Penallta, Hengoed	Large established industrial estate, providing moderate quality workshop and industrial units to a range of (mostly) local businesses and serving a large catchment area in the west of the NCC.	23.87	332.1	0	52,513.63	18,541.51	0	0	0 (o of 50)	The south west of the industrial estate (bounded by South Road, East Road and West Road) is largely in use for open storage and a range of low quality industrial units. In the long term this may represent a redevelopment opportunity to deliver new B1/B2/B8 space, without further extending the estate	24	B/C	Yes
EM 2.20	Newbridge Road, Pontllanfraith	Group of larger industrial and warehouse units, including one sub-divided logistics complex (Parc Ferryman) partly under an overpass of the A4048.	12.75	698.6	0	3,615.85	15,071.48	1,617.82	0	0 (0 of 30)	One frontage plot remains, to the west of the access road. West of the Sainsburys PFS. 0.87 ha	24	B/C	Yes
EM 2.21	Tram Road, Pontllanfraith	Small, linear, budget quality industrial estate including a cement depot General Waters and others.	2.49	0	0	4,517.03	498.5	110.2	0	0 (0 of 7)	-	17	C/D	Yes
EM 2.22	Switchgear, Pontllanfraith	Large manufacturing facility for Hawker Siddeley Switchgear, located in a backland site off Newport Road, with an additional builders merchant to the south, under an overpass for the A472.	10.06	828.45	0	27,067.4	0	63.27	0	0 (0 of 3)	-	21	B/C	Yes
EM 2.23	Penmaen	Established, mid-sized, moderate quality industrial estate, comprising some 40 workshop properties (some in council ownership), located close to a main road junction.	5.95	61.7	3,171.77	1,924.81	301.39	58.65	0	0 (0 of 40)	-	21	C	Yes
EM 2.24	Woodfieldside, Penmaen	Good quality, modern business park in a converted quarry location. Scheme comprises eight multi-let office/workshop properties and two rows of, recently completed, terraced workshops.	1.94	1,773.1	2,007.3	0	0	0	0	0 (0 of 50)	-	25	B	Yes
Sub-Total			***248.12***	***36,779.70***	***62,106.92***	***396278.9***	***56925.6***	***4334.02***	***6***					
Southern Connections Corridor														
EM 2.25	Pantglas, Bedwas	Large, established industrial estate, providing primarily larger industrial premises to a range of mid-sized local businesses. Includes a number of modern B2 units on the frontage.	31.83	1,042.82	9,887.48	68,724.89	1,424	621.45	6	8 (6 of 75)	Cleared development plot south of the Nuaire unit. The site has consent for 16 industrial units totalling 2,432 sqm (20/0657/FULL). 1.58 ha	21	B/C	Yes
EM 2.26	Caerphilly Business Park, Caerphilly	Modern, high quality business park (a flagship location for Caerphilly), comprising a mix of office (including serviced office) and light industrial accommodation in an edge of settlement location. Parking overflows on to exterior streets.	11.53	10,241.71	9,781.91	2,654.7	0	378.8	?	? (? of 108)	EM 1.12: Land at Caerphilly Business Park. Western part of otherwise occupied industrial land. 3.00 ha	28	A	Yes
EM 2.27	Prince of Wales, Abercarn	Large, dispersed industrial estate in an edge of settlement location, divided by the Ebbw River. The estate accommodates a range of larger businesses in the south and smaller businesses, including some trade occupiers, in the north.	23.27	0	4,819.7	28,238.5	5,225.25	1,036.55	6	12.8 (6 of 47)	-	23	B/C	Yes

Site Ref.	Location	Description	Size, ha	Floorspace, Sqm					Total Vacant Units	Site Vacancy Rate (%)	Vacant Parcels of Land on Existing Site	Site Scoring, Max 30	Site Grading, A-E	Protect in the Next LDP? (Yes/No/ Maybe)
				B1 Office	B1 Other	B2 Industrial	B8 Warehousing	Other Uses						
EM 2.28	Nine Mile Point, Cwmfelinfach	Established, moderate quality industrial estate, in an edge of settlement location at the foot of the Sirhowy Valley.	15.73	0	1,434	40,667.69	0	1,081.34	0	0 (0 of 22)	Development plot at the junction Greenmeadow Road and Heol Tir Ton. Previous consents for a Solid Recovered Fuel (SRF)/Refuse Derived Fuel (RDF) production facility and industrial units here, that have now lapsed. 1.07 ha	23	C	Yes
EM 2.29	Blackvein, Wattsville	A large, linear Capital Coated Steel plant and several adjoining industrial units prominently located at a main road junction adjacent to the Wattsville settlement area.	7.42	0	0	21,724.31	0	0	0	0 (0 of 5)	-	23	B/C	Yes
EM 3.30	Newtown, Crosskeys	A dispersed group of larger industrial and logistics units, surrounding a residential neighbourhood. Includes a row of three Council-owned industrial units (Waunfaur). The unit along the southern border of the site is derelict with windows smashed. Area of land in the west is being redveloped into industrial units.	8.33	0	1,329.46	3,881.3	14,861.9	0	0	0 (0 of 11)	The western most plot, former Blue Box Building, Newtown Industrial Estate appears largely unused apart from some open storage of waste products. 1.66 ha	17	C/D	Yes
EM 2.31	Park Road, Risca	Small row of seven workshop units within the Risca residential area, accessed via narrow residential streets.	0.65	0	555.11	0	0	0	0	0 (0 of 7)	-	19	C/D	Yes
EM 2.32	Rogerstone Park, Pontymister	Large modern, secure logistics complex, occupied by R F Brookes, within a larger industrial estate, the bulk of which is in the Newport Local Authority Area.	12.35	0	0	23,552.62	0	0	0	0 (0 of 2)	-	25	B	Yes
EM 2.33	Bedwas House, Bedwas	Large established industrial estate, including premises for larger employers, workshops and several modern units in trade use, prominently located close to the A468/Bedwas Road junction.	29.93	2,538.59	68,872.52	13,289.37	6,383	2,115.2	1	0.7 (1 of 152)	-	23	B/C	Yes
EM 2.34	Pontygwindy Road, Caerphilly	Dense, established industrial estate at the northern edge of the Caerphilly settlement area, prominently located at the A469/A468 junction.	16.82	8,876.53	7,168.92	32,605.05	1,196	63.2	4	5.2 (4 of 77)	One undeveloped site exists in the south west of the industrial estate, north of Lewis Drive and accessible from Sir Alfred Owen Way. However, the land is thickly wooded, with a footpath passing through west of the site. It is also close to the housing of Lewis Drive and so may not ultimately be developable. 0.51 ha	25	B	Yes
EM 2.35	Trecenydd, Caerphilly	Mid-sized, urban industrial estate comprising a row of moderate quality industrial units and a brownfield development site, built on former railway land.	8.01	0	0	24,033.24	945.9	2,725.4	0	0 (0 of 36)	EM 1.13: Land at Trecenydd, Caerphilly. Expansion land for small urban industrial estate. 2.23 ha	22	C	Yes
EM 2.36	Western, Caerphilly	Mid-sized, urban industrial estate comprising a number of larger industrial and warehouse units, two smaller workshop schemes and a business centre.	15.44	3,716.76	31,123.82	6,011.73	0	0	2	2.6 (4 of 77)	-	23	C	Yes
Sub Total			**181.31**	**26,416.41**	**134,972.92**	**265,383.40**	**30,036**	**8,021.94**	**19**					

Site Ref.	Location	Description	Size, ha	Floorspace, Sqm					Total Vacant Units	Site Vacancy Rate (%)	Vacant Parcels of Land on Existing Site	Site Scoring, Max 30	Site Grading, A-E	Protect in the Next LDP? (Yes/No/ Maybe)
				B1 Office	B1 Other	B2 Industrial	B8 Warehousing	Other Uses						
Total			**486.47**	**64,288.13**	**206,092.3**	**756,364.74**	**95,202.75**	**14,536.06**	**30**					

Source: Caerphilly CBC/BE Group, 2021

5.25 All but eight of the 36 Areas (22.2 percent) are fully occupied, with EM2.2: Heads of the Valleys, Rhymney having the lowest occupancy rate at 86.7 percent. The other Areas have occupancy rates of more than 90 percent.

5.26 Occupancy rates of 90-100 percent can be considered high, giving little choice to businesses, while rates of 70 percent or less suggest excess capacity in the stock, possibly coupled with issues of quality in the supply. All but one of the Employment Areas thus have a high occupancy rate allowing for the natural churn over of businesses expanding/contacting and relocating within the County Borough.

5.27 The developed floorspace is dominated by B2 uses, which account for two thirds of all stock, or 67.4 percent of all stock in B-Class uses. 11.3 percent of this, 85,201 sqm, is in EM2.12: Hawtin Park, Gellihaf, including several of the County Borough's large manufacturing employers.

5.28 Only around 5.7 percent of the stock is offices, focused on EM 2.8: Tredomen Park, Ystrad Mynach and EM 2.26: Caerphilly Business Park, Caerphilly. B1 light industrial units account for around 18.3 percent of the stock, focused on EM 2.10: Bedwas House, Bedwas and EM 2.33: Penyfan, Croespenmaen. 8.4/8.5 percent is in B8 use, focused on EM 2.19: Penallta, Hengoed, EM 2.20: Newbridge Road, Pontllanfraith and EM 3.30: Newtown, Crosskeys.

5.29 Only 1.28 percent of the total stock is in non B-Class uses. However, 44.4 percent of the Areas, 16 out of 36, contain some non B-Class stock indicating the reasonable role such uses (gyms, motor trade, hot food outlets, etc.) have in the local economy.

5.30 Vacant parcels of land were reviewed in each existing Employment Area, for their redevelopment potential and several infill plots identified although most of the good quality and accessible land is already identified as Employment Sites and discussed above.

5.31 In Table 20, the 36 Employment Areas are grouped into categories, as set out in the SEWSPG Methodology, to reflect their quality and importance for Caerphilly and the Capital Region.

Table 20 – Employment Area Hierarchy

Type	Typical Characteristics	Typical Importance	Employment Areas
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 Authority-wide importance	EM2.8 - Tredomen Park EM 2.9 - Plateau 2, Oakdale EM 2.10 – Penyfan, Croespenmaen EM 2.11 - South Celynen 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 Local Authority-wide Importance	EM 2.2 - Heads of the Valleys EM 2.3 - Capital Valley EM 2.5 - Angel Lane EM 2.6 – Bowen EM 2.7- Welsh Water (Dwr Cymru) 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-local Authority Employment Sites	EM 2.4 – Maerdy EM 2.14 - North Celynen 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	Typical Characteristics	Typical Importance	Employment Areas
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 – Brittania EM 2.21 - Tram Road EM 2.31 - Park Road

Source: BE Group, 2021

Summary

5.32 This assessment of the employment land supply in Caerphilly has revealed that there is 45 ha of realistically available land within the County Borough as of summer 2021. This reflects:

- 22.50 ha of development since 2014
- The assumption that only 3.80 ha will be developed for B-Class uses at EM1.2: Ty Du, Nelson, reflecting established plans
- That EM1.7: Hawtin Park North will be held for the exclusive use of the owner occupier SEDA.

5.33 Looking forward it is important to note that 19.2-38.2 ha, 42-85 percent, of the remaining realistic supply could be taken up in the next 5-10 years, leaving little to meet business needs in the remaining LDP period to 2035.

5.34 A review of Caerphilly's 36 identified Employment Areas indicates that most are established industrial areas, with property offers focused on B2 stock. There is good mix of locally and sub-regionally focused Employment Areas, all of which are well occupied, offering limited space for business growth or inward investment.

6.0 FUTURE LAND REQUIREMENTS REVIEW

Introduction

6.1 The Welsh Planning Practice Guidance Note 'Building an Economic Development Evidence Base to Support a Local Development Plan' states that the assessment of future land needs should be determined by looking at both past trends and future forecasting methods, and highlights that these should include historic land take-up and future employment and population change. Neither approach provides a definitive answer, but they provide influences to be understood. Trends and forecasts must also reflect market signals and they are considered in the context of the market overview undertaken as part of this study.

6.2 The two models are:

- Practice Guidance Method 1: Past Building Completions
  This reviews the actual take-up of employment land and premises in the County Borough over time.
- Practice Guidance Method 2: Labour Demand Forecasting
  This relies on the econometric forecasts which use a model that projects the likely jobs growth in different industry sectors. The jobs figures are then translated to land using a formula based on jobs to floorspace density, which in turn can be translated into the projected land need. This scenario uses as its base updated economic forecasts (August 2021), produced by Oxford Economics for Caerphilly County Borough. This latest forecast accounts for recent macro-economic changes, particularly the implications of Brexit as they are presently understood and the projected long term impacts of the Covid-19 Pandemic on the local economy. Appendix 5 includes a note provided by Oxford Economics on the assumptions they use for their 2021 forecasts and how these key macro-economic trends are accounted for.
  Resident Workforce Forecast: A variation on Method 2, this uses the same method of forecasting as the Labour based method but takes forecast changes in the working population i.e., labour supply, rather than jobs – labour demand. It uses, as its base, four scenarios of population change which, at the time of writing are preferred measures of growth/decline in Caerphilly:
  - Scenario A: 2018 -based Welsh Government Projections
  - Scenario I: Long Term Housebuilding Rates

- Scenario J: Cardiff Capital Region Growth in Working Age Population
- Scenario H: Continuation of the Adopted LDP.

6.3 These forecasts have several limitations. They are based on national and regional trends with some local adjustments for some industry sectors, which means, at a local level economic activity is not always accurately represented. Also, merely translating jobs to land needs will not always reflect local property trends. Sensitivity testing against actual land take-up is undertaken to assess how the two trends in the County Borough of Caerphilly are related.

6.4 The econometric forecasts are useful in that they analyse each industry sector and, in conjunction with other market data, the forecasts can identify where sectors may be growing, or shrinking which in turn can inform land and property needs.

6.5 It should be noted that these are 'policy-off' scenarios in that they do not account for any strategic policy initiatives. At present there are no major policy programmes, such as Enterprise Zones, in Caerphilly, with clearly defined jobs growth targets which could inform a 'policy-on' scenario.

Practice Guidance Method One: Past Building Completions

6.6 Take up data is available for the period 2000-2021, apart from 2006 (i.e., 20 years), from a variety of sources. This is set out in Table 21. The data sources are:

- Data for 2000-2005 and 2007-2009 was taken from South East Wales Economic Forum (SEWEF) reports, which were used in the 2014 Employment Sites Supply and Market Appraisal. It is important to note that these studies predate the current LDP and did not necessarily review all of the employment sites and areas subsequently adopted under LDP Policies EM1 and EM2. Thus, real take up over the 2000-2005 and 2007-2009 periods may have been slightly higher than indicated
- The Council has provided take up data for the EM1 Sites for the 11 years since those sites were adopted within the LDP, also identifying where EM1 land has been lost to non B-Class uses
- Planning consents for the EM2 developed employment areas were also provided, by the Council, for the years 2014-2015 and 2017-2021. BE Group has identified where those consents have been completed through visual inspection, although the exact year of completion can only be estimated. This was done to give the broadest picture of the level of B1, B2, B8 development

in Caerphilly, in recent years.

Table 21 – Caerphilly Employment Land Take Up, By Year, Hectares

	EM1 Sites	EM2 Sites	Total	Comments
2000-2005	12.00		12.00	Source: SEWEF Draft Further Analysis of Land Survey Data (2007). Data used in the Employment Sites Supply and Market Appraisal (2014)
2006	-	-	-	No available data
2007-2009	4.30		4.30	Source: SEWEF Employment Land Assessment (2009). Data used in the Employment Sites Supply and Market Appraisal (2014)
2010-2012	4.10	-	4.1	
2012-2013	0.0	-	0.0	
2013-2014	3.7	3.12	6.82	
2014-2015	0.0	2.29	2.29	
2015-2016	12.90	-	12.9	Net of 1.60 ha lost to housing at EM1.11: Penallta Extension
2016-2017	-3.40	1.93	-1.47	EM1.5: Plateau 3, Oakdale – 3.40 ha lost for a school development
2017-2018	2.70	0.78	3.48	
2018-2019	-8.80	2.11	-6.69	EM1.8: Hawtin Park South – 8.80 ha of land lost to housing.
2019-2020	0.50	1.46	1.96	
2020-2021	0.0	0.0	0.0	
Total	**11.7 (28.0 with pre-2010 data)**	**11.69**	**39.69**	
Average Annual Take Up Rates	**1.06 (1.40 with pre-2010 data)**	**1.67**	**1.98**	

Source: Caerphilly CBC and BE Group, 2021

6.7 Using these take-up rates and applying them to the period 2020-2035 (15 years) allows three forecast scenarios of Past Completions to be made (see Table 22).

Table 22 – Past Building Completions Forecast

Forecast Scenarios	Annual Average Employment Completions, ha	2020-2035 Land Requirement, ha
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

Source: BE Group, Caerphilly CBC, 2020

6.8 Broadly, Scenario One is based on the most accurate and consistent data sources while Scenario Three provides the broadest picture possible of the real rate of B-Class development in Caerphilly County Borough.

6.9 The County Borough should also have a minimum buffer of five years supply to reflect a choice of sites by size, quality and location and to provide a continuum of supply beyond the end of the 2035 period. This also makes some allowance for the loss of employment land to non B-Class uses over the period. Based on the historic take-up trend this would generate a further land need of 5.30-9.90 ha, i.e.

- Scenario One: EM1 Sites Take Up 2010-2021 Only: 1.06 ha x 5 years = 5.30 ha
- Scenario Two: EM1 Sites Take Up 2010-2021 Plus Pre 2010 Data: 1.40 ha x 5 years = 7.00 ha
- Scenario Three: All Available Data: 1.98 ha x 5 years = 9.90 ha.

6.10 Added to the 2020-2035 need figure, this increases the requirements to:

- Scenario One: EM1 Sites Take Up 2010-2021 Only: 15.90 ha + 5.30 ha = **21.20 ha**
- Scenario Two: EM1 Sites Take Up 2010-2021 Plus Pre 2010 Data: 21.00 + 7.00 ha = **28.00 ha**
- Scenario Three: All Available Data: 29.70 ha + 9.90 ha = **39.60 ha.**

Practice Guidance Method Two A: Labour Demand Forecasting

6.11 This scenario uses as its base the Oxford Economics forecast modelling. The forecasts project employment change over 2020-2035 and include annual employment figures for the County Borough from 1991. The forecasts can be used to calculate the future need, and the past jobs change can be used to calculate the assumed land need over that period for comparison with the historic take-up over the same period.

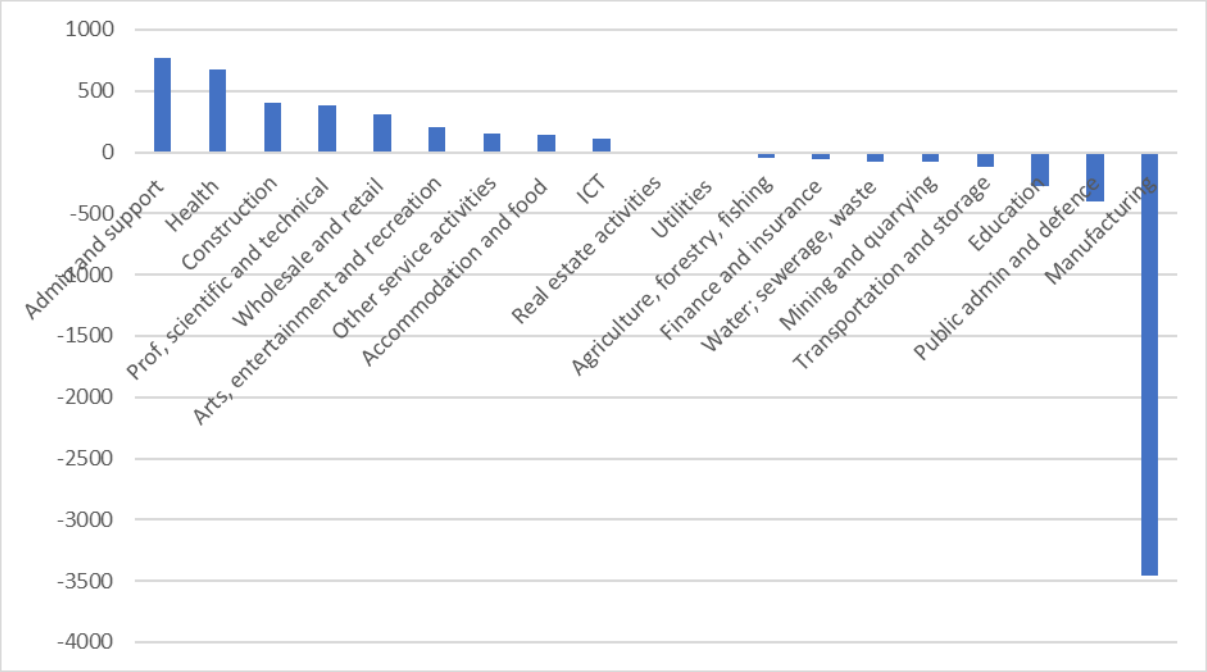
6.12 Over the 2020-2035 period, Caerphilly is projected to lose 1,355 jobs, a 2.0 percent decline, from 66,579 in 2020 to 65,224 in 2035. Forecasting suggests a good economic recovery from the 2020/21 Covid-19 Pandemic with employment in the County Borough gaining some 1,600 jobs between 2021 and 2022, focused in retail and accommodation and food sectors. Local employment is forecast to peak in 2025 at 68,900 and then decline gradually over the following decade.

6.13 It is worth noting that Oxford Forecasting, procured for the 2019 Larger than Local Study indicated that, for Caerphilly, local employment would reduce by 3.8 percent over 2020-2035. Thus this 2021 based Oxford Forecasting is not more pessimistic than 2019 forecasting which predates the Covid-19 Pandemic and the 2020 Brexit Trade deal.

6.14 As Figure 11 shows, the projected decline in employment in the 2021 Forecast is strongly driven by the loss of jobs in the manufacturing sector, forecast at 3,452 jobs less by 2035. The 2019 Forecasting for the Larger than Local Study projected a similarly large decrease in manufacturing employment. However, as was noted in Section 3.0, manufacturing employed 12,000 locally in 2019, or 20.7 percent of all employment in the County Borough. Thus, even with a reduction of 3,452 jobs to 2035, manufacturing will remain a major part of Caerphilly's economy.

6.15 In terms of net employment growth, some of those high-value service sectors that have experienced recent growth (see Section 3.0) are expected to continue growing, with business administration and support forecast to increase by around 779 jobs. Construction is projected to gain a more modest 398 and professional, scientific and technical services, 380.

Figure 11 – Forecast Proportional Change in Employment, 2020-35



Source: Oxford Economics, 2021

6.16 This section now deals with the calculation of future needs using this data.

6.17 The forecasts break down employment to the level of 18 industry sectors (Table 23) although not all are relevant to this Employment Land Review, particularly agriculture, forestry and fishing.

6.18 Using the Oxford Economics forecasts, BE Group have forecast employment floorspace and employment land requirements for Caerphilly County Borough. Reflecting Welsh Practice Guidance, the methodology of calculating this requirement is as follows:

- Identify which industry sectors are likely to take up employment land, including the proportion of that sector's employment on B-class employment land (Table 23)
- Adopt appropriate employment densities to convert employment numbers to floorspace demand (see Table 24)
- Adopt a plot ratio to convert floorspace to employment land demand (see Table 24).

Table 23– Labour Demand Forecast, 2020-2035

Broad Sector Groupings	Jobs, Split by Sector 2020-2035	Land Use	Weighting	Jobs, Split by Sector 2020-2035	*Jobs, by use, which Do Not Require B-Class Premises. 2020-2035*
Non B-Class Uses					
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***
B1 Mostly Office Uses					
Administrative and support service	773	B1	1	773	-
Information and Communication	115	B1	1	115	-
Professional, scientific and technical activities	380	B1	1	380	-
Real estate activities	7	B1	1	7	-
Financial and	-57	B1	1	-57	-

Insurance Activities					
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**	**-**	**-**	**1,251**	***115***
B2/B8 Uses					
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**	**-**	**-**	**-3,429**	***173***

Source: BE Group and Oxford Economics, 2021

Table 24 – Floorspace and Land Requirement Forecasts

Offices (B1)	**Based on 1,251 additional workers, sqm**	**Plot Ratio at 40 percent Coverage, ha**
12 sqm per worker	15,012	3.75
16 sqm per worker	20,016	5.00
20 sqm per worker	25,020	6.26
Industrial (B2/B8)	**Based on 3,429 *less* workers, sqm**	**Plot Ratio at 40 percent Coverage, ha**
50 sqm per worker	-171,450	-42.86
67 sqm per worker	-229,743	-57.44
85 sqm per worker	-291,465	-72.87

Source: BE Group, 2021

6.19 The land need figures are based on a plot ratio of 40 percent.

6.20 A 40 percent plot ratio would, as noted in Welsh Practice Guidance, be standard for development on modern industrial estates and business parks, with other land used for car parking, landscaping, open storage and the 40 metre turning circle HGVs require. A higher, normally up to 80 percent, plot ratio would normally be applied only to town or city centre schemes, mostly multi-storey offices. It is expected that most new space in Caerphilly will be provided in extensions to industrial estates/business parks, at traditional densities.

6.21 For each use, offices (B1) and industrial (B2/B8), three employment density levels (the amount of floorspace required for each job) are considered. Comments on these density options are provided:

Offices

- 12 sqm per worker – Would be applicable to a quite high-density service sector operation such as a call centre or town centre financial services office. Such facilities are relatively rare in Caerphilly, where most B1 office activity occurs with lower density industrial estates/business parks
- 16 sqm per worker – A mid-level density level, this is identified in Welsh Practice Guidance (para 6.5.1, page 39) as a current average floorspace/worker rate for office uses in Wales. It reflects a mix of town centre and business park density levels.
- 20 sqm per worker – A comparably low employment density, reflective of more specialist facilities such as design studios, co-working and maker spaces. These have a limited presence in Caerphilly.

Industrial

- 50 sqm per worker – This high density relates to B1 light industrial uses, which are found throughout the employment areas of Caerphilly, but does not allow for larger B2/B8 options.
- 67 sqm per worker – A mid-level density level, this is identified in Welsh Practice Guidance (para 6.5.1, page 39) as a current average floorspace/worker rate for industrial/warehouse uses in Wales. It allows for a mix of high-density light industrial and mid-density B2/B8 uses.
- 85 sqm per worker – This low-density level would be most applicable to the largest B8 logistics facilities and National and Regional Distribution Centres. In the Cardiff Capital Region these are mostly found along the M4 Corridor.

6.22 Based on the above, the recommended land needs for Model Two are thus:

- B1 Offices – 1,251 additional jobs at 16 sqm per worker and a 40 percent plot ratio = 5.00 ha
- B2/B8 Industrial – 3,429 *less* jobs at 67 sqm per worker and a 40 percent plot ratio = -57.44 ha
- Total net need = **-52.44 ha**

6.23 The above model suggests that Caerphilly requires no employment land to 2035 and, indeed, could reuse some industrial land for other uses.

6.24 However, in terms of B1/B2/B8 land, if the loss of manufacturing jobs is discounted and only sectors predicted to gain jobs are considered (1,457 extra B1 jobs, 103 extra B2/B8 jobs) the need becomes:

- B1 Offices – 1,457 additional jobs at 16 sqm per worker and a 40 percent plot ratio = 5.83 ha
- B2/B8 Industrial – 103 extra jobs at 67 sqm per worker and a 40 percent plot ratio = 1.73 ha
- Total net need = **7.56 ha.**

Comparing Methods One and Two

6.25 In reality, the change in employment numbers shown in Method Two does not translate exactly to land provision in the way shown. There are several factors that will influence the land requirement and it is necessary to understand the market signals to predict a more accurate employment land requirement. These factors include:

- While forecasting suggests net declines in B2/B8 jobs locally, the market assessment completed in this Study suggests that demand is overwhelmingly for industrial and warehouse space, while office requirements are modest
- The low jobs growth forecast for Model Two is largely driven by the forecast loss of manufacturing jobs, 3,452 jobs less by 2035. This forecast decline reflects a disaggregation of UK/Welsh trends and does not account for local factors which may contradict wider trends. As was noted in Section 3.0 manufacturing remains a major element of Caerphilly's economy and stakeholders indicate a healthy demand for industrial premises in a range of sizes
- Will the decline in jobs lead to the release of land? Experience suggests that even where businesses are contracting, they will continue to hold onto sites in anticipation of future improvements. Also, where jobs are being lost to automation, those new automated processes will still require land on which to operate
- Land take-up/property needs can be for different reasons such as modernisation or geographic relocation, or land banking for future needs.
- The impacts of the Covid-19 Pandemic on the office sector which appear to include increased split office and home working for workers and lower density working environments

- Expansion may also be within existing premises or on expansion land not accounted for in land allocations.

6.26 To test how closely jobs change translates to land take-up, historic trends have been compared. Using the same methodology, the land needs based on employment change has been calculated for the period 2000-2021 and compared to the actual land take-up during that period (see Tables 25 and 26).

Table 25 – Employment Land Take-Up/Employment Change Comparison

Broad Sector Groupings	Difference (jobs) 2000 - 2021	Land Use	Weighting	Jobs, Split by Sector 2020-2035	*Jobs, by use, which Do Not Require B-Class Premises. 2020-2035*
Non B-Class Uses					
Agriculture, Forestry and Fishing	295	Non B	-	-	*295*
Mining and Quarrying	68	Non B	-	-	*68*
Wholesale and retail trade	1162	Non B	-	-	*1162*
Accommodation and Food Services	201	Non B	-	-	*201*
Arts, entertainment and recreation	-332	Non B	-	-	*-332*
Total	**1,394**				***1,394***
B1 Mostly Office Uses					
Administrative and support service	1,363	B1	1	1,363	-
Information and Communication	342	B1	1	342	-
Professional, scientific and technical activities	2,554	B1	1	2,554	-
Real estate activities	343	B1	1	343	-
Financial and Insurance Activities	180	B1	1	180	-
Public Administration	1,433	B1	0.22	315	*1,118*
Health	3,060	B1	0.22	673	*2,387*
Education	1,221	B1	0.22	269	*952*
Other service activities	17	B1	0.22	4	*13*
Total	**10,513**	**-**	**-**	**6,043**	***4,470***
B2/B8 Uses					
Manufacturing	-3,352	B2	1	-3,352	-
Utilities	790	B2	0.26	205	*585*
Construction	-1,555	B2	0.26	-404	*-1,151*
Transport and Storage	1,042	B8	0.48	500	*542*
Total	**-3,075**	**-**	**-**	**-3,051**	***-24***

Source: BE Group, 2021 and Oxford Economics, 2021

Table 26 – Floorspace and Land Requirement Forecasts

Offices (B1)	**Based on 6,043 additional workers, sqm**	**Plot Ratio at 40 percent Coverage, ha**
16 sqm per worker	96,688	24.17
Industrial (B2/B8)	**Based on 3,051 *less* workers, sqm**	**Plot Ratio at 40 percent Coverage, ha**
67 sqm per worker	-204,417	-51.85
Net Needs	**-112,769**	**-27.68**
Take Up 2000-2021	-	*28.00 (39.69 with EM2 Completions)*

Source: BE Group, 2021

6.27 The trend shows that net jobs growth is not an accurate method of calculating land. Forecasting suggests that over 2000-2021 Caerphilly should have gained 24.17 ha of B1 office land but lost 51.85 ha of B2/B8 land, a substantial net loss of B-Class land. In reality, 28-40 ha of completions were recorded, the vast majority being for industrial and warehousing premises. **This calculation reinforces the view that historic take-up is the most appropriate method.**

Practice Guidance Method Two B: Resident Workforce Forecast

6.28 As part of the Second Replacement LDP development process, the Council has identified four preferred scenarios for projecting population growth in Caerphilly:

- Scenario A: 2018 -based Welsh Government Projections
- Scenario I: Long Term Housebuilding Rates
- Scenario J: Cardiff Capital Region Growth in Working Age Population
- Scenario H: Continuation of the Adopted LDP.

6.29 Table 27 summarises the outputs of those four Scenarios.

Table 27 – Caerphilly Population Growth Scenarios 2020-2035

A: 2018 based Welsh Government Projections			
	2020	*2035*	*Change in Population*
0-15	33,490	30,817	-2,673
16-66	116,571	113,703	**-2,868**
67+	31,678	39,100	7,422
Total	181,739	183,620	1,881
I: Long Term Housebuilding Rates			
	2020	*2035*	*Change in Population*
0-15	33,489	31,475	-2,014

16-66	116,564	118,508	**1,944**
67+	31,677	39,739	8,062
Total	181,731	189,721	7,990
J: CCR Growth in Working Age Population			
	2020	*2035*	*Change in Population*
0-15	33,489	31,740	-1,749
16-66	116,564	120,690	**4,126**
67+	31,677	39,985	8,308
Total	181,731	192,416	10,685
H: Continuation of the Adopted LDP			
	2020	*2035*	*Change in Population*
0-15	33,489	32,171	-1,318
16-66	116,564	124,232	**7,668**
67+	31,677	40,386	8,709
Total	181,731	196,789	15,058

Source: CCBC, 2021

6.30 The four Scenarios suggest that the local working age population, aged 16-66 will see change ranging from a decrease of 2,868 people to a gain of 7,668 over 2020-2035. Caerphilly Council have used a working age population age range 16-66 within its evidence base rather than 16-64, as the state pension age at the end of the projection period will be 67

6.31 It is possible to apply a similar methodology used for Model Two to the Resident Workforce growth figures. To do this the additional/reduced working age population needs to be split by business sector. This is done by applying the same proportional split of sectors as the Oxford Economics jobs forecast for the end of the Plan Period, 2035. This reflects our best estimate of what the economy of Caerphilly might look like in 2035. The Model Two method can then be applied to identify the floorspace and land need generated by this working age population growth or decline. The Tables for these calculations can be found in Appendix 9.

6.32 In this Model the floorspace and employment land needs generated by the full additional working age population growth/decline are measured. In practice, only a portion of that new working age population will be economically active/in employment, and some will commute out of the County Borough to work. However, it is a policy priority of the Council to ensure as much of the working age population is employed as possible and that as much labour is retained locally as possible. This

Model shows the highest premises/land requirement that would be generated from high employment/high labour retention levels. It should thus be treated as a maximum requirement.

6.33 The land needed to fully support those four population growth Scenarios is:

Scenario A: 2018 -based Welsh Government Projections

6.34 2,868 *less* working age people would generate a need of:

- B1 Offices – 743 less workers at 16 sqm per worker and a 40 percent plot ratio = -2.97 ha
- B2/B8 Industrial – 561 less workers at 67 sqm per worker and a 40 percent plot ratio = -9.40 ha
- Total net need = **-12.37 ha.**

Scenario I: Long Term Housebuilding Rates

6.35 1,944 more working age people would generate a need of:

- B1 Offices – 503 additional workers at 16 sqm per worker and a 40 percent plot ratio = 2.01 ha
- B2/B8 Industrial – 380 additional workers at 67 sqm per worker and a 40 percent plot ratio 6.37 ha
- Total net need = **8.38 ha.**

Scenario J: Cardiff Capital Region Growth in Working Age Population

6.36 4,126 more working age people would generate a need of:

- B1 Offices – 1,066 additional workers at 16 sqm per worker and a 40 percent plot ratio = 4.26 ha
- B2/B8 Industrial – 808 additional workers at 67 sqm per worker and a 40 percent plot ratio 13.53 ha
- Total net need = **17.79 ha.**

Scenario H: Continuation of the Adopted LDP

6.37 7,668 more working age people would generate a need of:

- B1 Offices – 1,982 additional workers at 16 sqm per worker and a 40 percent plot ratio = 7.93 ha
- B2/B8 Industrial – 1,502 additional workers at 67 sqm per worker and a 40 percent plot ratio 25.16 ha
- Total net need = **33.09 ha.**

6.38 **It is important to note that this represents the maximum employment land requirement specifically from these population growth Scenarios and is not a forecast of OAN for the whole Caerphilly economy. However, it does illustrate the maximum economic impacts of the projected working age population growth rates of -2,868 to +7,668, to 2035.**

6.39 It is not advisable to combine the outputs from Practice Guidance Method Two B: Resident Workforce Forecast with Practice Guidance Method Two A: Labour Demand Forecasting to gain a 'whole economy' forecast model as this would combine two differing, incompatible models. Method Two A measures the 'demand' for jobs in Caerphilly and Method Two B the maximum 'supply' of new workers which ideally need to be accommodated in the County Borough's economy. Additionally, the Oxford Forecasting, upon which Method Two A is based, already makes an allowance for population growth, derived from 2018-based population projections, so comparing the two gives some duplication of requirements.

Summary

6.40 The two alternative forecast options have been produced and considered for the period of 2020-2035, reflecting Welsh Government Practice Guidance. The calculations for each are summarised in Table 28 and need is compared to the County Borough's currently allocated LDP employment land supply, likely to be available over the medium-long term, identified in Section 6.0, of 45.00 ha.

6.41 The figures allow for a minimum five-year buffer to allow for choice and potential change in needs during the period as well as providing some accounting for further possible losses in the supply.

6.42 As can be seen from Table 28, the County Borough does have enough land to meet projected growth under these scenarios.

6.43 If employment-based forecasts are taken (Method Two A), then the quantitative surplus is 34.89-95.79 ha. From the market assessment, strength of the manufacturing economy, the specialist nature of the local manufacturing base, and reviewing the historic trends in employment change and land take up, this approach suggests that employment land needs are underestimated. When a comparison of past employment change over the period 2000-2021 is made, actual land take-up is

very different, with far less B1 office take up and far more industrial and warehouse take up than is forecast by Oxford Economics.

6.44 A further model, Resident Workforce (Demand from New Labour, Method Two B) has been produced which indicates the maximum additional employment land need from four Scenarios of working age population growth provided by the Council:

- Scenario A: 2018 -based Welsh Government Projections – 2,868 *less* working age people projected
- Scenario I: Long Term Housebuilding Rates – 1,944 more working age people projected
- Scenario J: Cardiff Capital Region Growth in Working Age Population – 4,126 more working age people projected
- Scenario H: Continuation of the Adopted LDP – 7,668 more working age people projected.

Table 28 – Land Forecast Models – Summary

Model	Scenario	Land Stock 2021, ha	Land Need 2020-2035, ha	Flexibility Buffer (five years take-up rate) ha	Land Need Incl. flexibility buffer	Surplus (Shortfall), ha	Assumptions
Practice Guidance Method One: Past Building Completions	Scenario One: EM1 Sites Take Up 2010-2021 Only	45.00	15.90	5.30	21.20	23.80	Based on historic (11 years) take-up on the LDP EM1 Development Sites only
	Scenario Two: EM1 Sites Take Up 2010-2021 Plus Pre 2010 Data	45.00	21.00	7.00	28.00	17.00	Based on historic (21 years) take-up on the LDP EM1 Development Sites and historic 2000-2009 Completions records
	Scenario Three: All Available Data	45.00	29.70	9.90	39.60	5.40	Based on historic (21 years) take-up on the LDP EM1 Development Sites, historic 2000-2009 Completions records and available completions data on the EM2 Developed Employment Areas
Practice Guidance Method Two: Labour Demand Forecasting	-	45.00	*Net Change* B1: 5.00 B2/B8: -57.44 Total: -52.44 *Growth Only* B1: 5.83 B2/B8: 1.73 Total: 7.56	*Net Change* B1: 1.65 B2/B8: N/A Total: 1.65 *Growth Only* B1: 1.95 B2/B8: 0.60 Total: 2.55	*Net Change* B1: 6.65 B2/B8: -57.44 Total: -50.79 *Growth Only* B1: 7.78 B2/B8: 2.33 Total: 10.11	*Net Change* 95.79 *Growth Only* 34.89	Based on *Net Change:* Projected employment change across sectors *Growth Only:* Projected growth sectors

Source: Caerphilly CBC/BE Group, 2021

6.45 Method Two B converts the additional/less working age population into an additional land requirement. In this case the whole additional/less working age population is converted to illustrate the maximum land required to give all the extra working age people an opportunity to work locally. In practice, some of the extra working age population will be economically inactive or will commute out of the County Borough to work.

6.46 Method Two B, gives the following outputs:

- Scenario A: Total net need = -12.37 ha
- Scenario I: Total net need = 8.38 ha
- Scenario J: Total net need = 17.79 ha
- Scenario H: Total net need = 33.09 ha.

6.47 However, this represents the maximum employment land requirement specifically from this extra working age population and is not a forecast of OAN for the whole Caerphilly economy. It is not possible to compare Methods Two A and Two B to gain a whole economy forecast given the differences in the approaches. Also, the fact that Method Two A, through the Oxford Forecasting, already makes an allowance for projected population change would lead to some duplication of needs.

6.48 In conclusion, it is considered that the most appropriate forecast is Practice Guidance Method One: Past Building Completions. Of the three Scenarios provided within Method One, Scenario Three: All Available Data provides the most comprehensive picture of the development which has taken place in Caerphilly, both on identified development sites and within existing industrial estates/business parks, since 2000. Scenario Three identifies needs of 39.60 ha to 2035, and a surplus, against the remaining allocated LDP supply of 5.40 ha

7.0 CONCLUSIONS

Introduction

7.1 This study has included a wide-ranging look at the factors affecting the County Borough of Caerphilly's economy, with particular reference to those that are likely to affect the future need for land and property within the County Borough. This section draws together the main issues that will need to be addressed as a preliminary to the more detailed recommendations set out in Section 8.0.

7.2 The study has been undertaken in line with Welsh Government guidance, including Planning Policy Wales, TAN 23 and reflecting 'Practice Guidance – Building an Economic Development Evidence Base to Support a Local Development Plan'. It updates the LDP evidence base, on matters of B-Class land need and supply.

Economic Profile

7.3 The socio-economic profile of Caerphilly shows that the population, as of 2020, stood at 181,731 residents, the third largest in the Cardiff Capital Region. 62.0 percent of the population was of working age, above the Welsh average (61.2 percent) but below the Cardiff Capital Region (62.9 percent) average.

7.4 The Welsh Indices of Multiple Deprivation were updated in 2019, and of the 110 LSOA's of Caerphilly, 11 were ranked in the top 10 percent most deprived in Wales. Four of these LSOA's were located in the town of Caerphilly, with the LSOA St. James 3 (Lansbury Park) ranked as the third most deprived LSOA in the whole of Wales. However, 69 (or 63 percent) of the LSOA's in Caerphilly County Borough were in the top 50 percent least deprived LSOA's in Wales.

7.5 As of 2019, Caerphilly's economy supported 58,000 jobs. Over the last five years, the number of individuals in employment in Caerphilly grew by 500, equivalent to a 0.87 percent increase. The growth was driven by growth in sectors such as Accommodation and food services and Health which each grew by 1,000 workers between 2015-2019.

7.6 The largest sector in Caerphilly's economy is manufacturing, with 12,000 jobs (20.7 percent of total employment), almost two times the proportional size of the manufacturing sector in Wales. This reflects the fact that while Caerphilly may have lost much of its traditional industry, it has been successful in attracting new high

value manufacturing and production businesses to locations such as Oakdale. In recent years the sector has been very stable with little gain or loss in either businesses or jobs.

7.7 Transportation, which employed 2,250 in 2019, is not a particularly large sector in Caerphilly but does seem to be strongly a growing one. Over 2015-2019 it gained 250 jobs and 100 businesses.

7.8 The Construction sector saw an increase in the number of businesses by a significant 130 over 2015-2019. However, the number of jobs in the sector did not increase. This would suggest that new firms entering the market employ few workers and are micro in size

7.9 Wholesale and retail trade is the second largest sector in the economy (9,000 jobs, 15.5 percent of total employment) and had grown in size between 2015-2019. However, in light of the Covid-19 Pandemic, employment growth in the retail sector is unlikely to have continued into 2020-2021.

7.10 For office sectors, ICT grew strongly gaining 300 jobs, a doubling of local employment since 2015, and 45 businesses. This suggests that Caerphilly has gained a number of SMEs in this sector, in recent years, although it still remains a comparatively small part of Caerphilly's economy, accounting for only 1 percent of employment. Most of the remaining office sectors also increased. In particular, the Financial sector gained an additional 30 businesses, equivalent to 50 percent growth, whilst also employing a further 200 employees, again a growth sector in the Caerphilly economy.

7.11 The Professional, scientific and technical sector is the only office-based sector which declined in size, losing 25 businesses over 2015-2019. This can be combined with a loss of some 500 jobs, over the same period, to suggest a declining sector overall.

7.12 Four other sectors saw a decline in employment between 2015-2019. The largest decrease was seen in both the Public administration and defence sector, which alongside the Professional, scientific and technical sector, lost 500 jobs each.

7.13 As of 2020 there were 4,165 VAT registered businesses operating in Caerphilly.88.2 percent of firms are micro in size, lower than the Cardiff Capital Region (88.5

percent) and the Welsh (89.4 percent) averages. Additionally, firms employing 250+ workers accounted for 0.6 percent of businesses in Caerphilly in 2020, compared to 0.4 percent in the Cardiff Capital Region and just 0.3 percent in Wales. In Caerphilly, the total number of registered businesses increased from 3,760 to 4,165 over 2015-2020.

7.14 The number of claimants rose rapidly at the onset of the Covid-19 Pandemic increasing by 92.8 percent from March 2020 – May 2020 in Caerphilly, from 3,630 to 7,000. The number of claimants peaked in Caerphilly in July 2020 (7,005 claimants), where cases were 93.0 percent higher than the number of claimants in March 2020. Claimants as of June 2021 were at their lowest since March 2020 but were still up by 60.5 percent (5,825 claimants). Caerphilly consistently saw a lower rate of claimant growth than both the Cardiff Capital Region and Wales in the 15-month period assessed.

7.15 The Coronavirus Job Retention Scheme (furlough scheme) has protected some jobs during the lockdowns, including in Caerphilly. Her Majesty's Revenue and Customs (HMRC) data on the take up rate of the furlough scheme among eligible employees shows that as of 30th June 2020, when data first started being recorded, the take up rate of the furlough scheme was at its highest for both Caerphilly (28 percent) and Wales (29 percent). The take up rate fell in both Caerphilly (to 7 percent) and Wales (to 8 percent) between 30th June 2020 – 30th September 2020. From September 2020 – 30th November 2020 the take up rate started to rise, before levelling out on 28th February 2021.

7.16 Data from 28th February 2021 suggests that in Caerphilly the Accommodation and food services sector was worst hit by the Covid-19 Pandemic, with 1,470 individuals furloughed. 18.0 percent of all those furloughed at the time belonged to this sector. The Manufacturing and Wholesale and retail trade sectors were also significantly impacted, with 17.3 and 17.2 percent of all those furloughed belonging to these sectors, respectively.

7.17 In 2019 data shows that 71.5 percent of Caerphilly's resident population was also employed in the County Borough, at least before the Covid-19 Pandemic began. This was the fourth highest rate of retention of labour in the Cardiff Capital Region, behind Blaenau Gwent, Vale of Glamorgan, RCT and Bridgend.

7.18 The main worker destinations of Caerphilly residents were Cardiff (15,400 out commuters), Newport (8,600) and RCT (3,900). In terms of in-commuting, the main importer of labour into Caerphilly was RCT at 5,100 workers, followed by Blaenau Gwent (3,300) and Cardiff (2,800 workers). In total, 17,500 commuters came into Caerphilly for work, whilst 40,600 out-commuted, giving a net negative flow of 23,100 workers out of the County Borough.

Property Market Assessment

7.19 The national economy has been through a series of tumultuous changes in recent years. First there were signs of recovery from the global financial crisis of 2008 before commercial confidence was unsettled again following the decision to leave the EU in 2016. Whilst a trade deal was finalised between the EU and UK by December 2020, the global economy was again in crisis due to the impact of the Covid-19 Pandemic. With three economic lockdowns during 2020 and everyone encouraged to work from home, where possible, the UK economy shrunk nearly 10 percent in terms of GDP output overall for the year – the largest decline of the G7 global economies. This was at least an improvement on the 35 percent contraction in GDP in the second quarter of 2020 after the first Lockdown.

7.20 More recently, economic recovery has been stronger than expected despite the ongoing challenges with disruption in EU trade activities and wider issues with labour shortages. The latest GDP output for the UK shows growth of 0.4 percent in August 2021 and is now just 0.8 percent below its pre-Covid Pandemic level in February 2020. There are also a record number of job vacancies recorded in the UK with over 1.1 million reported in July-September 2021, with particular growth in accommodation and food services.

Industrial Market

7.21 Industrial transactions in Caerphilly indicate a strong demand for small-mid sized industrial units, with the most transactions occurring for units between 201-500 sqm in size, followed by units of 1,001-5,000 sqm. This was reemphasised in conversation with local property agents who confirmed that demand is greatest for relatively small industrial units under 500 sqm, especially where these fall under the single-occupier business rate threshold. Indeed, the additional cost of Business Rates on occupiers appears to constrain demand for mid-sized units and demand only picks up again from 1,500-2,000 sqm size with occupiers making do with smaller space until essential to grow.

7.22 The Welsh Government note that while inward investment in the Cardiff Capital Region more generally has focused on B8 logistics recently, which are taking up a lot of the available large B2/B8 space, the Government still receives regular manufacturing requirements, notably for units of around 10,000 sqm, in many advanced manufacturing sectors, from modular build manufacturing in construction through to next generation automotive enquiries e.g., electric vehicles. A smaller number of much larger enquiries, in the 40,000-60,000 sqm range, have been received in connection with next generation automotive including OEM and battery manufacturers

7.23 The prime rent achieved for an industrial premises over the last ten years occurred for Unit 8, Bedwas House Industrial Estate, £21.15/ sqft (£228/sqm). Whilst being an industrial unit, the space also operates as a trade counter use and therefore can demand a higher rent. Overall, 41.4 percent of industrial units achieved over £5.00/sqft (£54.00/ sqm). This would suggest that existing stock in Caerphilly is of a good quality. 83.7 percent of all transactions with rental data were of an average or good quality.

7.24 There is a shortage of multi-let start up units in Caerphilly, indicated by just three units currently being marketed under 100 sqm in size. The Welsh Government's speculative development at Ty Du demonstrates this - 12 units of around 120 sqm each, on average, were under offer within a month of marketing. The scale of interest shown at Ty Du could have delivered three-times the level of floorspace provided at the site. The units achieved rents around £7/sqft (£75/sqm) with lease terms typically over 5 years.

7.25 As of August 2021, a total of 58,536 sqm of industrial floorspace was being marketed, comprised of 54 individual premises. The majority of vacant units were between 100-500 sqm in size, 53.7 percent of the total.

Warehouse Market

7.26 Nationally the logistics market is very strong, driven by a growing e-economy and B8 uses dominating inward investment into the Cardiff Capital Region. Locally, the Caerphilly market is largely viewed as a local, rather than national, destination with strong demand from existing business outgrowing or upgrading their accommodation. Local commercial agents report demand is more focused on B2 Industrial use rather than B8 logistics, other than the very local, last-mile delivery. This is reflected in the

transaction data from the last ten years, with industrial/warehouse units upwards of 5,000 sqm accounting for only 7.9 percent of all deals.

Office Market

7.27 In respect of the Office Market in Caerphilly, this is largely driven as support of associated industrial operations with a generally local influence rather than the area being recognised as a strong regional office market in its own right. There is very localised demand in the main towns and service hubs typically catered for by small spaces above shops and serviced schemes.

7.28 Larger properties can struggle to let especially with the market remaining sensitive in post-Covid economy. However, Caerphilly Business Park with reasonable access to the Caerphilly Town Centre has proved a popular location with a mixture of office and hybrid – technology/office/industrial space provided. Caerphilly Business Park has achieved rents upwards of £10/sqft (£108/sqm) consistently over the last ten years.

7.29 In terms of inward investment to the Capital Region, the Welsh Government receive a steady flow of enquiries for datacentres looking for 7,500-20,000 sqm properties, albeit with above average power requirements. Proximity to existing networks also a key factor. It has also received a significant number of life science enquiries over the last 18 months across all facets of the sector. These typically require hybrid properties of around 1,000 sqm, with lab space and clean room facilities.

7.30 Of the 105 office deals to complete in the last ten years, 91 (86.7 percent) were leasehold transactions. Additionally, all vacant units were available for leasehold, not freehold. This would suggest that there is a shortage of freehold office options in Caerphilly. There were more units of 201-500 sqm available than any other size band (36.8 percent). No units were being marketed larger than 1,000 sqm as of August 2021.

Stakeholder Consultations

7.31 From consulting with multiple businesses in Caerphilly, it is clear that all businesses have been affected by the Covid-19 Pandemic in some way or another. Most businesses have suffered, with redundancies and decline in revenue reported. Brexit has also increased cost and paperwork for most firms spoken with. Recruitment also appears to be a growing problem in Caerphilly, with a greater number of vacancies in the area reducing the number of applicants. The shortage of HGV drivers is causing

delays in the delivery of goods and supplies and increasing the cost to use HGV services. A shortage of large, industrial options in Caerphilly has also been raised.

7.32 Caerphilly Town Council wish to see a strong offer of good industrial estates and business parks protected from changes of use, and enhanced, to maintain the diverse range of employment within the town.

Existing Employment Areas

7.33 The County Borough's existing 36 Identified Employment Areas have been appraised and graded following the methodology set out in 'Employment Paper for SEWSPG: A Common Methodology for Undertaking Audits of Employment Sites as Part of an Employment Land Review in South East Wales' (Report of the Pathfinder Group, 2017). The results of that Grading can be found in Table 29.

Table 29 – Employment Area Hierarchy

Type	Typical Characteristics	Typical Importance	Employment Areas
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 Authority-wide importance	EM2.8 - Tredomen Park EM 2.9 - Plateau 2, Oakdale EM 2.10 – Penyfan, Croespenmaen EM 2.11 - South Celynen 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 Local Authority-wide Importance	EM 2.2 - Heads of the Valleys EM 2.3 - Capital Valley EM 2.5 - Angel Lane EM 2.6 – Bowen EM 2.7- Welsh Water (Dwr Cymru) 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

Type	Typical Characteristics	Typical Importance	Employment Areas
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-local Authority Employment Sites	EM 2.4 – Maerdy EM 2.14 - North Celynen 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
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 – Brittania EM 2.21 - Tram Road EM 2.31 - Park Road

Source: BE Group, 2021

7.34 It is assumed that future growth will be focused around the 23 Employment Areas identified as being 'Major' or 'Secondary' Employment Sites. The Secondary and Key Local Employment Sites represent the County Borough's supply of B1/B2/B8 premises for meeting local needs. They should be protected for that use.

7.35 Caerphilly's identified Employment Areas contain some 1.12 million sqm of occupied B1, B2, B8 floorspace, with another 14,536 sqm in 'other' employment uses, an overall floorspace total of 818,659 sqm. There were some 30 vacant properties in the Employment Areas. All but eight of the 36 Areas (22.2 percent) are fully occupied, with EM2.2: Heads of the Valleys, Rhymney having the lowest occupancy rate at 86.7 percent. The other Areas have occupancy rates of more than 90 percent.

7.36 Occupancy rates of 90-100 percent can be considered high, giving little choice to businesses while rates of 70 percent or less suggest excess capacity in the stock, possibly coupled with issues of quality in the supply. All but one of the Employment Areas thus have a high occupancy rate allowing for the natural churn over of businesses expanding/contacting and relocating within the County Borough.

7.37 The developed floorspace is dominated by B2 uses, which account for two thirds of all stock, or 67.4 percent of all stock in B-Class uses. 11.3 percent of this, 85,201

sqm, is in EM2.12: Hawtin Park, Gellihaf, including several of the County Borough's large manufacturing employers.

7.38 Only around 5.7 percent of the stock is offices, focused on EM 2.8: Tredomen Park, Ystrad Mynach and EM 2.26: Caerphilly Business Park, Caerphilly. B1 light industrial units account for around 18.3 percent of the stock, focused on EM 2.10: Bedwas House, Bedwas and EM 2.33: Penyfan, Croespenmaen. 8.4/8.5 percent is in B8 use, focused on EM 2.19: Penallta, Hengoed, EM 2.20: Newbridge Road, Pontllanfraith and EM 3.30: Newtown, Crosskeys.

7.39 Only 1.28 percent of the total stock is in non B-Class uses. However, 44.4 percent of the Areas, 16 out of 36, contain some non B-Class stock indicating the reasonable role such uses (gyms, motor trade, hot food outlets, etc.) have in the local economy.

7.40 To provide consistency with the 2014 Study, the 36 Employment Areas were also graded A-E, as in 2014, reflecting the scoring each site secured from agreed criteria (see Section 5.0). Table 30 shows which Employment Areas fall under which grade and provides broad policy actions resulting from that grade.

Table 30 - Employment Area Grading

Grade	Approx. Scoring	Definition	Employment Areas	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	EM 2.8 – Tredomen Park, Ystrad Mynach EM 2.9 – Plateau 2, Oakdale EM 2.26 – Caerphilly Business Park, Caerphilly	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.	EM 2.10 – Penyfan, Croespenmaen EM 2.11 – South Celynen, Newbridge EM 2.12 – Hawtin Park, Gellihaf EM 2.13 – Dyffryn Business Park, Ystrad Mynach EM 2.24 – Woodfieldside, Penmaen EM 2.32 – Rogerstone Park, Pontymister EM 2.34 – Pontywindy Road, Caerphilly	Protect strongly Support and expand
B/C	20-24	Key employment sites with an influence	EM 2.1 - White Rose Way, New Tredegar	Protect

Grade	Approx. Scoring	Definition	Employment Areas	Action
C		over the whole local authority area, but primarily geared towards local businesses and B1 light industrial, B2 and B8 uses.	EM 2.2 – Heads of the Valleys, Rhymney EM 2.4 – Maerdy, Rhymney EM 2.5 – Angel Lane, Aberbargoed EM 2.6 – Bowen, Aberbargoed EM 2.7 – Welsh Water, Nelson EM 2.16 – Brittania, Pengam EM 2.17 – St David's, Pengam EM 2.18 – New Road, Tirybirth EM 2.19 – Penallta, Hengoed EM 2.20 – Newbridge Road, Pontllanfraith EM 2.22 – Switchgear, Pontllanfraith EM 2.23 – Penmaen EM 2.25 – Pantglas, Bedwas EM 2.27 – Prince of Wales, Abercarn EM 2.28 – Nine Mile Point, Cwmfelinfach EM 2.29 – Blackvein, Wattsville EM 2.33 – Bedwas House, Bedwas EM 2.35 – Trecenydd, Caerphilly EM 2.36 – Western, Caerphilly	Support
C/D D	15-19	Lower quality locations in residential areas suffering from poor accessibility and massing.	EM 2.15 – Croespenmaen EM 2.21 – Tram Road, Pontllanfraith EM 2.30 – Newtown, Crosskeys EM 2.31 – Park Road, Risca	Continue to protect/review through the LDP
D/E E	Less than 15	Very poor quality areas. Widespread vacancy and dereliction in poor environments.	EM 2.3 – Capital Valley, Rhymney EM 2.14 – North Celynen, Newbridge	Promote alternative uses if possible

Source: BE Group, 2021

Future Land Requirements

7.41 The Welsh Planning Practice Guidance Note 'Building an Economic Development Evidence Base to Support a Local Development Plan' states that the assessment of future land needs should be determined by looking at both past trends and future forecasting methods, and highlights that these should include historic land take-up and future employment and population change. Neither approach provides a definitive answer, but they provide influences to be understood. Trends and forecasts must also reflect market signals and they are considered in the context of the market overview undertaken as part of this study.

7.42 A further model, Resident Workforce (Demand from New Labour, Method Two B) has been produced which indicates the maximum additional employment land need from four Scenarios of working age population growth provided by the Council:

- Scenario A: 2018 -based Welsh Government Projections – 2,868 *less* working age people projected
- Scenario I: Long Term Housebuilding Rates – 1,944 more working age people projected
- Scenario J: Cardiff Capital Region Growth in Working Age Population – 4,126 more working age people projected
- Scenario H: Continuation of the Adopted LDP – 7,668 more working age people projected.

7.43 Take up data is available for the period 2000-2021, apart from 2006 (i.e., 20 years), from a variety of sources. Pre 2010 data is sourced from several historic South East Wales Economic Forum reports, post 2010 data from the Council directly and split between completions on the EM1 Sites allocated in the LDP and completions in the EM2 developed Employment Areas. Using this data, taking averages of the annual take up recorded within them and applying them to the period 2020-2035 (15 years) allows three forecast scenarios of Past Completions to be made (see Table 31).

Table 31 – Past Building Completions Forecast

Forecast Scenarios	Annual Average Employment Completions, ha	2020-2035 Land Requirement, ha
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

Source: BE Group, Caerphilly CBC, 2020

7.44 Broadly, Scenario One is based on the most accurate and consistent data sources while Scenario Three provides the broadest picture possible of the real rate of B-Class development in Caerphilly County Borough.

7.45 The County Borough should also have a minimum buffer of five years supply to reflect a choice of sites by size, quality and location and to provide a continuum of supply beyond the end of the 2035 period. This also makes some allowance for the loss of employment land to non B-Class uses over the period. Based on the historic take-up trend this would generate a further land need of 5.30-9.90 ha, i.e.

- Scenario One: EM1 Sites Take Up 2010-2021 Only: 1.06 ha x 5 years = 5.30 ha
- Scenario Two: EM1 Sites Take Up 2010-2021 Plus Pre 2010 Data: 1.40 ha x

5 years = 7.00 ha

- Scenario Three: All Available Data: 1.98 ha x 5 years = 9.90 ha.

7.46 Added to the 2020-2035 need figure, this increases the requirements to:

- Scenario One: EM1 Sites Take Up 2010-2021 Only: 15.90 ha + 5.30 ha = **21.20 ha**
- Scenario Two: EM1 Sites Take Up 2010-2021 Plus Pre 2010 Data: 21.00 + 7.00 ha = **28.00 ha**
- Scenario Three: All Available Data: 29.70 ha + 9.90 ha = **39.60 ha.**

7.47 The Net Change employment-based forecast (Method Two A), suggests the following in terms of future employment land provision to 2035:

- B1 Offices – 1,251 additional jobs at 16 sqm per worker and a 40 percent plot ratio = 5.00 ha
- B2/B8 Industrial – 3,429 *less* jobs at 67 sqm per worker and a 40 percent plot ratio = -57.44 ha
- Total net need = **-52.44 ha**

7.48 This assumes mid-range employment density levels, reflecting Welsh Planning Practice Guidance and again a 40 percent plot ratio.

7.49 The four Scenarios of Population Change, produce the following land needs under Demand from New Labour (Method Two B):

Scenario A: 2018 -based Welsh Government Projections

7.50 2,868 *less* working age people would generate a need of:

- B1 Offices – 743 less workers at 16 sqm per worker and a 40 percent plot ratio = -2.97 ha
- B2/B8 Industrial – 561 less workers at 67 sqm per worker and a 40 percent plot ratio = -9.40 ha
- Total net need = **-12.37 ha.**

Scenario I: Long Term Housebuilding Rates

7.51 1,944 more working age people would generate a need of:

- B1 Offices – 503 additional workers at 16 sqm per worker and a 40 percent plot ratio = 2.01 ha

- B2/B8 Industrial – 380 additional workers at 67 sqm per worker and a 40 percent plot ratio 6.37 ha
- Total net need = **8.38 ha.**

Scenario J: Cardiff Capital Region Growth in Working Age Population

7.52 4,126 more working age people would generate a need of:

- B1 Offices – 1,066 additional workers at 16 sqm per worker and a 40 percent plot ratio = 4.26 ha
- B2/B8 Industrial – 808 additional workers at 67 sqm per worker and a 40 percent plot ratio 13.53 ha
- Total net need = **17.79 ha.**

Scenario H: Continuation of the Adopted LDP

7.53 7,668 more working age people would generate a need of:

- B1 Offices – 1,982 additional workers at 16 sqm per worker and a 40 percent plot ratio = 7.93 ha
- B2/B8 Industrial – 1,502 additional workers at 67 sqm per worker and a 40 percent plot ratio 25.16 ha
- Total net need = **33.09 ha.**

7.54 It is important to note that these represent the maximum employment land requirement specifically from these population growth Scenarios and are not a forecast of OAN for the whole Caerphilly economy. However, it does illustrate the maximum economic impacts of the projected working age population growth rates of -2,868 to +7,668, to 2035.

7.55 However, these employment methods of forecasting make no allowance for real world market and occupier conditions. E.g., that land take-up/property needs can be for different reasons which have nothing to do with jobs growth such as modernisation or geographic relocation or that expansion may also be within existing premises or on expansion land not accounted for in land allocations. Experience also suggests that even where businesses are contracting in terms of the numbers they employ, they will continue to hold onto land in anticipation of future improvements. Also, where jobs are being lost to automation, those new automated processes will still require land on which to operate, and improved productivity could lead to additional need.

7.56 It is therefore considered that the employment-based land requirements' calculations can represent a false position. To test how closely jobs change translates to land take-up, historic trends have been compared. Using the same methodology, the land needs based on employment change has been calculated for the period 2000-2021 and compared to the actual land take-up during that period (see Table 32).

Table 32 – Floorspace and Land Requirement Forecasts

Offices (B1)	**Based on 6,043 additional workers, sqm**	**Plot Ratio at 40 percent Coverage, ha**
16 sqm per worker	96,688	24.17
Industrial (B2/B8)	**Based on 3,051 *less* workers, sqm**	**Plot Ratio at 40 percent Coverage, ha**
67 sqm per worker	-204,417	-51.85
Net Needs	**-112,769**	**-27.68**
Take Up 2000-2021	-	*28.00 (39.69 with EM2 Completions)*

Source: BE Group, 2021

7.57 The trend shows that net jobs growth is not an accurate method of calculating land. Forecasting suggests that over 2000-2021 Caerphilly should have gained 24.17 ha of B1 office land but lost 51.85 ha of B2/B8 land, a substantial net loss of B-Class land. In reality, 28-40 ha of completions were recorded, the vast majority being for industrial and warehousing premises. **This calculation reinforces the view that historic take-up is the most appropriate method.**

7.58 A summary of the various forecast scenarios is set out in Table 33. They relate to the period 2020-2035.

7.59 The variation in the outcome figures demonstrates the uncertainty of forecasting. While all models show that Caerphilly has a surplus of land, against quantitative needs, that oversupply ranges from 5.40 ha to 23.80 ha. However, from the market assessment and reviewing the historic trends in employment change and land take up, the conclusion is that Practice Guidance Method Two: Labour Demand Forecasting underestimates land needs significantly.

Table 33 – Land Forecast Models – Summary

Model	Scenario	Land Stock 2021, ha	Land Need 2020-2035, ha	Flexibility Buffer (five years take-up rate) ha	Land Need Incl. flexibility buffer	Surplus (Shortfall), ha	Assumptions
Practice Guidance Method One: Past Building Completions	Scenario One: EM1 Sites Take Up 2010-2021 Only	45.00	15.90	5.30	21.20	23.80	Based on historic (11 years) take-up on the LDP EM1 Development Sites only
	Scenario Two: EM1 Sites Take Up 2010-2021 Plus Pre 2010 Data	45.00	21.00	7.00	28.00	17.00	Based on historic (21 years) take-up on the LDP EM1 Development Sites and historic 2000-2009 Completions records
	Scenario Three: All Available Data	45.00	29.70	9.90	39.60	5.40	Based on historic (21 years) take-up on the LDP EM1 Development Sites, historic 2000-2009 Completions records and available completions data on the EM2 Developed Employment Areas
Practice Guidance Method Two: Labour Demand Forecasting	-	45.00	*Net Change* B1: 5.00 B2/B8: -57.44 Total: -52.44 *Growth Only* B1: 5.83 B2/B8: 1.73 Total: 7.56	*Net Change* B1: 1.65 B2/B8: N/A Total: 1.65 *Growth Only* B1: 1.95 B2/B8: 0.60 Total: 2.55	*Net Change* B1: 6.65 B2/B8: -57.44 Total: -50.79 *Growth Only* B1: 7.78 B2/B8: 2.33 Total: 10.11	*Net Change* 95.79 *Growth Only* 34.89	Based on *Net Change:* Projected employment change across sectors *Growth Only:* Projected growth sectors

Source: Caerphilly CBC/BE Group, 2021

7.60 In conclusion, it is considered that the most appropriate forecast is Practice Guidance Method One: Past Building Completions. Of the three Scenarios provided within Method One, Scenario Three: All Available Data provides the most comprehensive picture of the development which has taken place in Caerphilly, both on identified development sites and within existing industrial estates/business parks, since 2000. Scenario Three identifies needs of 39.60 ha to 2035, and a surplus, against the remaining allocated LDP supply of 5.40 ha.

Employment Land Supply

7.61 In terms of land supply, an analysis of the EM1 Sites undertaken in Section 5.0 indicates that 45 ha remains available to meet needs at the time of writing. However, a high proportion of that residual supply is expected to be taken up early in the Local Plan period, within approx. five years, specifically:

- EM 1.1: Heads of the Valleys, Rhymney (5.20 ha) – Proposed for an industrial development under public sector leadership, subject to funding
- EM 1.4: Plateau 2, Oakdale (7.00 ha) – Discussions ongoing for a mixed development to accommodate a single company and the sale of land to an active regional developer. 3-4 year timeframe for delivery estimated
- EM 1.6: Plateau 4, Oakdale (2.00 ha) – Plans for or a mixed development to accommodate a single company and a development of light industrial units. 18 month - 2 year timeframe for delivery estimated
- EM 1.12: Land at Caerphilly Business Park (3 ha) – 1.26 ha of land in the north east is proposed for light industrial units, which are expected to be delivered in the short term. Further light industrial space is proposed on the remaining land, subject to a funding bid post 2024.

7.62 Assuming all the above are delivered in the manner described, and to schedule, 19.2 ha or 42.7 percent of the supply could be taken up by 2026. Fairly rapid take up of the 3.8 ha remaining at EM 1.2: Ty Du, Nelson is also likely given the strength of demand, ongoing delivery and public sector leadership over delivery.

7.63 EM 1.3: Plateau 1, Oakdale (15.20 ha) has more issues to overcome to delivery, but under Welsh Government leadership development could proceed rapidly, particularly if it attracts interest from one or more large business occupiers. Thus, in an extreme

case, 38.2 ha or 84.9 percent of the realistic supply could have been taken up by the end of the 2020s, leaving only 6.80 ha.

8.0 RECOMMENDATIONS

Introduction

8.1 This section sets out the recommendations arising from the Employment Land Review. The recommendations in this report have had full regard to the requirements of Welsh planning policy to encourage and deliver growth through the planning system.

Employment Land Need

Recommendation 1 – Future Employment Land Need

8.2 The remaining supply of LDP allocated land, 45 ha will meet overall needs to 2035 under all the scenarios put forward in this study. This includes Practice Guidance Method One: Past Building Completions which uses take up rates of 1.98ha/year, and identifies quantitative needs of 39.60 ha over 2020-2035, inclusive of a five-year flexibility buffer.

8.3 Practice Guidance Method Two: Labour Demand Forecasting, suggests land needs of -50.79 ha to 2035 using the 'Net Change' scenario and 10.11 ha using the 'Growth Only' scenario. However, BE Group does not recommend use of the economic forecasts as the basis for defining employment land need. This is because the forecasts represent the absolute minimum amount of land required to accommodate the activities of different industry sectors. Other issues include:

- That within sectors expected to decline (particularly manufacturing) there will still be businesses that will grow and expand
- That reductions in job levels will not necessarily lead to equivalent reductions in floorspace need. For example, a manufacturing business may replace labour with automated processes which are more efficient, but which take up an equivalent amount of floorspace in the factory. Surplus space may also be held for B8 storage and the more complex supply chain logistics of modern industry is increasing rather than decreasing floorspace needs
- That there will be local market churn
- That there will be a need to maintain a choice of supply by size, type, location and quality of sites and premises for businesses at differing levels of their maturity

- That there should be a continuing forward supply to accommodate site development beyond 2035
- The level and nature of the existing employment land supply.

8.4 **It is recommended that Caerphilly County Borough Council use the roll forward of historic take-up as the main measure of the Caerphilly's future land needs for the period up to 2035 (see Table 34). This indicates a quantitative need of 39.60 ha over 2020-2035. The figure is inclusive of a five-year flexibility buffer of 9.90 ha. Caerphilly has 45 ha of realistically available land, sufficient to meet this need.**

Table 34 – Land Forecast Models – Summary

Model	Scenario	Land Stock 2021, ha	Land Need 2020-2035, ha	Flexibility Buffer (five years take-up rate) ha	Land Need Incl. flexibility buffer	Surplus (Shortfall), ha	Assumptions
Practice Guidance Method One: Past Building Completions	Scenario One: EM1 Sites Take Up 2010-2021 Only	45.00	15.90	5.30	21.20	23.80	Based on historic (11 years) take-up on the LDP EM1 Development Sites only
	Scenario Two: EM1 Sites Take Up 2010-2021 Plus Pre 2010 Data	45.00	21.00	7.00	28.00	17.00	Based on historic (21 years) take-up on the LDP EM1 Development Sites and historic 2000-2009 Completions records
	Scenario Three: All Available Data	**45.00**	**29.70**	**9.90**	**39.60**	**5.40**	**Based on historic (21 years) take-up on the LDP EM1 Development Sites, historic 2000-2009 Completions records and available completions data on the EM2 Developed Employment Areas**
Practice Guidance Method Two: Labour Demand Forecasting	-	45.00	*Net Change* B1: 5.00 B2/B8: -57.44 Total: -52.44 *Growth Only* B1: 5.83 B2/B8: 1.73 Total: 7.56	*Net Change* B1: 1.65 B2/B8: N/A Total: 1.65 *Growth Only* B1: 1.95 B2/B8: 0.60 Total: 2.55	*Net Change* B1: 6.65 B2/B8: -57.44 Total: -50.79 *Growth Only* B1: 7.78 B2/B8: 2.33 Total: 10.11	*Net Change* 95.79 *Growth Only* 34.89	Based on *Net Change:* Projected employment change across sectors *Growth Only:* Projected growth sectors

Source: Caerphilly CBC/BE Group, 2021

Recommendation 2 – Employment Land Provision and Protection

8.5 This Study has identified that, as of summer/autumn Caerphilly has a total of 45.0 ha of realistically developable employment land across nine sites which were allocated under policy EM1 of the existing LDP. As noted above, evidence suggests that Caerphilly needs to most of this current EM1 land supply to meet needs. With this in mind, Table 35 provides recommendations on the remaining employment sites in Caerphilly, particularly considering sites which should be protected for B-Class uses as a priority in the Replacement LDP.

Table 35 – Employment Land Recommendations

Policy ID.	Name	Realistic Land Supply, ha	Protect for B-Class use the in the new LDP?	Recommendations
EM 1.1	Heads of the Valleys, Rhymney	5.20	Yes	Good quality development land, the only allocation in the Heads of the Valleys area. Plans for development are being progressed, albeit still subject to finance, with a good chance of delivery under Council leadership. The Council should continue to protect EM1.1 in the Second Replacement LDP for B-Class uses.
EM 1.2	Ty Du, Nelson	3.80	Yes	Key site for Caerphilly, with site infrastructure, delivery partners and funding in place and a first phase of development, which has proved very popular, recently completed. Reflecting this good demand, further phases of light industrial units are likely in the short-medium term. The Council should continue to protect EM1.1 in the Second Replacement LDP for B-Class uses. However, current plans would only see 3.80 ha provided for B-Class uses, likely mostly B1 but possibly also B2 and B8 uses, in a mixed-use site, and this also needs to be recognised in LDP Policy.
EM 1.3	Plateau 1, Oakdale	15.20	Yes	Large employment site, one of only a couple of sites in Caerphilly large enough to meet the needs of larger businesses and allow inward investment into the County Borough. The land is under public sector ownership with a 'way forward' to delivery evident. The Council should continue to protect EM1.3 in the Second Replacement LDP for B-Class uses.
EM 1.4	Plateau 2, Oakdale	7.00	Yes	Large, good quality employment site in the key Oakdale area, there is established interest here from both a developer and one large businesses, which the Council as landowner is progressing towards land sales and developments for B-Class uses. The Council should continue to protect EM1.4 in the Second Replacement LDP for B-Class uses.
EM 1.6	Plateau 4, Oakdale	2.00	Yes	Good quality employment land in the key Oakdale area, with established interest from one major businesses and plans for the development of smaller industrial units, with delivery progressing under mixed Council and private sector leadership. Development may still be subject to securing public finance, but overall the chances of delivery here in the short-medium term are good. The Council should continue to protect EM1.6 in the Second Replacement LDP for B-Class uses.
EM 1.7	Hawtin Park North, Gellihaf	0.0	No	Good quality land. However, as this land is within the curtilage of an existing business, and that business does have plans to use it for its own needs, it forms part of an Employment Area rather being defined employment development land. Thus, the Council should not protect EM1.7 in the Second Replacement LDP as employment development land rather include it in the Hawtin Park Employment Area.
EM 1.9	Dyffryn Business Park North, Ystrad Mynach	0.80	Yes	Small but prominent frontage sites to an established industrial estate which has seen considerable recent growth and which could suit a range of uses which would enhance the wider estate. The Council should continue to protect EM1.9 in the Second Replacement LDP for B-Class uses.
EM 1.10	Dyffryn Business Park South, Ystrad	6.30	Maybe	Site is in the backlands, to rear of unit and is most likely to be developed as expansion land for that unit. However, it could be developed for other uses if a separate access could be provided onto the A469. The A469 is a dual carriageway at that point and close to an existing roundabout so this would be

Policy ID.	Name	Realistic Land Supply, ha	Protect for B-Class use the in the new LDP?	Recommendations
	Mynach			challenging and costly but not impossible. On this basis EM 1.10 should continue to be protected in the next LDP although the Council should explore in more detail if Centerprise International has any plans for the land and if not if it can be viably made available to other occupiers and developers.
EM 1.12	Land at Caerphilly Business Park	3.00	Yes	Good quality employment land on the edge of Caerphilly. There are active plans for development here, albeit largely unfunded at this time. The Council should continue to protect EM1.12 in the Second Replacement LDP for B-Class uses.
EM 1.13	Land at Trecenydd, Caerphilly	1.70	Yes	Small but useful employment site. In use for vehicle parking at present but with longer term prospects for development, improving the B-Class offer of Caerphilly town. The Council should continue to protect EM1.13 in the Second Replacement LDP for B-Class uses.
Total		**45.00**		

Source: BE Group, 2021

8.6 Since 2014, several sites have been fully developed for employment uses or have been lost to alternative uses, primarily housing. **It is recommended these not be allocated in the second Replacement LDP.** These sites are:

- EM1.5: Plateau 3, Oakdale (3.4 ha) – Developed as a secondary school (Islwyn High School)
- EM1.8: Hawtin Park South (8.8 ha) – Under development for housing
- EM1.11: Penallta Extension (1.6 ha) – Developed for housing
- EM1.14: Land at Western (1.1 ha) – Developed for industrial uses before 2014.

Recommendation 3 – Employment Areas to be Retained

8.7 The 36 identified Employment Areas of the County Borough have been reviewed, and Table 36 provides Area specific recommendations, this includes recommendations as to whether locations should be safeguarded or not, for B-Class uses, in the next LDP. Levels of LDP protection to be applied to each category of Employment Area are considered further in Recommendation 4.

Table 36 – Existing Employment Area Recommendations

Name	Size, ha	Recommendations (Safeguarding Yes/No/Maybe) Recommended Area Categorisation based on SEWSPG Categories
EM 2.1 – Land at New Tredegar	1.25	Good quality modern industrial estate, fully let and providing accommodation to a range of local businesses. It is the only employment area in New Tredegar and should be protected accordingly. **(Yes)** **Neighbourhood Employment Sites**

Name	Size, ha	Recommendations (Safeguarding Yes/No/Maybe) Recommended Area Categorisation based on SEWSPG Categories
EM 2.2 - Heads of the Valleys, Rhymney	14.32	Established industrial estate offering space to a range of established businesses, including key Caerphilly employers such as Richards and Appleby. Land to the south offers (long term) opportunities. In terms of the scale and quality of the available properties, the range of occupiers and the options for growth, this is the most significant employment area in the HOVRA and should be protected accordingly. **(Yes)** **Secondary Employment Site**
EM 2.3 - Capital Valley, Rhymney	14.84	Grading reflects the current reality on the ground, i.e. that the area is of poor quality, under used and (in the north) largely derelict. However, the owner is actively seeking to redevelop the area and make land available to new business occupiers. Of all of Caerphilly's Employment areas, Capital Valley is most in need of regeneration and the owners aspirations for change should (subject to other planning considerations) be supported. **(Maybe)** **Key Local Employment Site**
EM 2.4 - Maerdy, Rhymney	12.52	Although built quality varies considerably across the area, the bulk of the area remains in active use by a number of the County Borough's major employers. The Employment Area should be protected accordingly. Proposals to remodel, redevelop and improve properties here (whilst retaining the land in B1, B2, B8 use) should be supported. **(Yes)** **Key Local Employment Site**
EM 2.5 – Angel Lane, Aberbargoed	3.09	Premises for a large local employer, land and premises should be protected for B2 use. Proposals for the remodelling/refurbishment of the premises, to meet the changing business needs of that employer should (subject to other planning considerations) be supported. **(Yes)** **Secondary Employment Site**
EM 2.6 – Bowen, Aberbargoed	11.02	Established and successful local industrial estate, largely fully let, and offering a diverse range of business accommodation (including new build industrial units). The whole area should be protected for B1/B2/B8 uses, with strong emphasis on St Margeret's Park Business Centre which is a key source of incubation space (particularly small offices) in HOVRA. **(Yes)** **Secondary Employment Site**
EM 2.7 - Welsh Water (Dwr Cymru), Nelson	3.6	Facilities for a utilities provider and adjacent depot. It is understood Welsh Water intend to vacate their office soon. If this occurs, it may prove difficult to re-let this older office, which is fitted out for a specialist use and on a narrow road/in an edge of settlement position, to other office based businesses. It is likely that at least a partial redevelopment will be sought on the site, probably for non B-Class uses. Without its main occupier, the economic value of this small, peripheral Employment Area is modest and applications for change should be considered on their merits. If the site remains in full use, it should be protected in the LDP. **(Maybe)** **Secondary Employment Site**
EM 2.8 - Tredomen Park, Ystrad Mynach	7.21	Along with Oakdale Business Park and Caerphilly Business Park, Tredomen Park is one of the flagship employment locations of Caerphilly. The grading reflects both the obvious high quality of the buildings and the success of the three business centres. Tredomen Park should therefore receive the highest level of LDP protection. Although there are no obvious opportunities to extend the business space provision (without the loss of car parking) any opportunities for growth here that do emerge should be seriously considered. **(Yes)** **Secondary Employment Site**
EM 2.9 – Plateau 2, Oakdale	13.04	Along with Tredomen Park and Caerphilly Business Park, Oakdale Business Park is one of the flagship employment locations of Caerphilly. Grading reflects the high quality of buildings developed so far and the range of national and international businesses, which have been attracted to this location. Oakdale Business Park should therefore receive the highest level of LDP protection. Site EM1.4 is being progressed for a mixed business development which should be included in the wider allocation, when complete. **(Yes)** **Major Employment Site**

Name	Size, ha	Recommendations (Safeguarding Yes/No/Maybe) Recommended Area Categorisation based on SEWSPG Categories
EM 2.10 – Penyfan, Croespenmaen	73.01	The largest single industrial estate in Caerphilly County Borough, Penyfan provides a good mix of (mostly) industrial accommodation ranging from small business workshops to facilities for larger national/international firms. This industrial estate, combined with neighbouring Oakdale Business Park makes Oakdale a key economic centre for Caerphilly and Penyfan needs to be strongly protected, alongside the higher profile Oakdale Plateaus. Expansion land exists within Penyfan, which could be opened up for development. This would complement the nearby Oakdale Plateaus by meeting the requirements of smaller and mid-sized businesses, that could not be easily accommodated at Oakdale Business Park. **(Yes)** **Major Employment Site**
EM 2.11 - South Celynen, Newbridge	9.13	Land in South Celynen is in use as a major research and development facility, of national significance. It is therefore an asset of high economic importance for Caerphilly that needs to be protected. **(Yes)** **Major Employment Site**
EM 2.12 – Hawtin Park, Gellihaf	29.82	A historic centre for major manufacturing and logistics businesses, centrally located in the NCC. At least one of those is seeking growth locally. The Area should be protected in the Second Replacement LDP. **(Yes)** **Major Employment Site**
EM 2.13 - Dyffryn Business Park, Ystrad Mynach	29.37	One of the largest industrial estates in the county borough offering a good mix of B1(c) workshop accommodation and larger B2/B8 space. The site has a high occupancy rate and has expanded in the north. Dyffryn Business Park should therefore receive a strong degree of protection in the LDP. **(Yes)** **Major Employment Site**
EM 2.14 - North Celynen, Newbridge	4.17	North Celynen is unused and land north of the car park is wooded and may not be developable. Unless Axiom Manufacturing Services express a strong need for this land, it is recommended that the woodland be de-allocated as employment use through the review of the plan. **(No)** **Key Local Employment Sites**
EM 2.15 - Croespenmaen	6.53	Active production facilities for two large local employers, which need to be protected. Land to the west also contains some seven industrial units (and two trade premises) that are not currently recognised in the LDP. It is recommended that these units be allocated for employment use in the LDP, either as part of EM2.15 or as a new employment area. **(Yes)** **Secondary Employment Site**
EM 2.16 – Brittania, Pengam	2.88	Established local industrial estate, with a reasonably good occupancy rate. The estate is successfully meeting the needs of local micro and small businesses and should continue to be protected for this purpose. **(Yes)** **Neighbourhood Employment Site**
EM 2.17 – St. Davids, Pengam	5.16	Established, fully occupied, local industrial estate. The estate is successfully meeting the needs of local micro and small businesses as well as established, national firms, albeit many in trade uses, and should continue to be protected for this purpose. **(Yes)** **Key Local Employment Site**
EM 2.18 - New Road, Tiryberth	7.14	Established, local industrial estate. Provides (mostly) older premises to a range of small and mid-sized businesses, including international operator Norgine. The area therefore needs to be protected for B1/B2/B8 uses. **(Yes)** **Key Local Employment Site**
EM 2.19 - Penallta, Hengoed	23.87	Large industrial estate, serving a wide catchment in the NCC. The area should be protected in the LDP. Land in the south west comprises a range of low quality uses which could benefit from investment and, in the long term, provides a redevelopment option. However, the area is in multiple ownership so land assembly would be challenging. **(Yes)** **Secondary Employment Site**

Name	Size, ha	Recommendations (Safeguarding Yes/No/Maybe) Recommended Area Categorisation based on SEWSPG Categories
EM 2.20 - Newbridge Road, Pontllanfraith	12.75	Established industrial estate home to a key local source of mid-sized industrial units and logistics accommodation. The area therefore needs to be protected for B1/B2/B8 uses. The area has options for expansion and the further development of employment uses, subject to other planning considerations, should be supported. **(Yes)** **Secondary Employment Site**
EM 2.21 - Tram Road, Pontllanfraith	2.49	Although the overall quality of this area is poor, it continues to perform an economic function, providing land and premises for a number of 'bad neighbour' uses which may struggle to find appropriate accommodation elsewhere. The area should continue to be protected for B1/B2/B8 uses in the LDP. **(Yes)** **Neighbourhood Employment Site**
EM 2.22 - Switchgear, Pontllanfraith	10.06	It is understood Hawker Siddeley Switchgear intends to move from Pontllanfraith to the former British Airways interior seats assembly factory at Blackwood. Future plans for Hawker's existing 12,978 sqm unit, which is owned by Highgate Trustee 2 Ltd, are not known. However, the property is of reasonable quality and could be usefully marketed to other large local firms or to inward investors. Regular inward investment requirements, for B2 properties of around 10,000 sqm in the Capital Region, are recorded by Welsh Government. Even without Hawker Siddeley Switchgear the Area remains a valuable resource for the County Borough and should be strongly protected in the LDP. Area categorisation is as a Secondary Employment Site, reflecting uncertainty over the future occupation of the buildings. **(Yes)** **Secondary Employment Site**
EM 2.23 - Penmaen	5.95	A moderate quality industrial estate. Although some units could benefit from refurbishment, all land and property appear to be in use and the area should remain protected for B1/B2/B8 uses in the LDP. **(Yes)** **Key Local Employment Site**
EM 2.24 – Woodfieldside, Penmaen	1.94	A modern, good quality business park. The workshops are a recent investment and are a key source of modern, good quality workshop space in the NCC. The offices are presently dominated by public sector occupiers but still remain a key source of good quality, self-contained office units which, with the exception of Caerphilly Business Park, are not found elsewhere in the County Borough. The area should therefore be afforded a strong degree of protection in the LDP. **(Yes)** **Key Local Employment Site**
EM 2.25 – Pantglas, Bedwas	31.83	Large established industrial estate, which continues to accommodate a range of established local businesses. There is evidence of recent development here and further opportunities for growth, within the existing estate boundary. The area should therefore continue to be protected for B1/B2/B8 uses in the LDP. **(Yes)** **Secondary Employment Site**
EM 2.26 - Caerphilly Business Park, Caerphilly	14.32	High quality office and light industrial park, a key source of modern accommodation, particularly larger office units and smaller serviced suites, in the SCC. The Business Park has scope for further growth, delivering mid-sized and larger office properties, which could meet the need of established firms. Both the existing employment area and the adjacent employment land should receive a high degree of protection in the LDP. **(Yes)** **Secondary Employment Site**
EM 2.27 – Prince of Wales, Abercarn	23.27	Large established industrial estate, which accommodates both large national/international businesses and a range of smaller local firms. The estate appears well integrated into the Abercarn settlement with (modest) opportunities for growth within the existing area boundary. The area should therefore continue to be protected for B1/B2/B8 uses in the LDP. **(Yes)** **Secondary Employment Site**
EM 2.28 - Nine Mile Point, Cwmfelinfach	15.73	Established industrial estate, located in a comparatively rural part of eastern Caerphilly County Borough. The existing property offer appears to be performing well, while development opportunity sites are being developed, for industrial use. The area should therefore continue to be protected for B1/B2/B8 uses in the LDP. **(Yes)** **Key Local Employment Site**

Name	Size, ha	Recommendations (Safeguarding Yes/No/Maybe) Recommended Area Categorisation based on SEWSPG Categories
EM 2.29 - Blackvein, Wattsville	7.42	With the units in active use, the site should be retained for B2/B8 employment use in the LDP. **(Yes)** **Secondary Employment Site**
EM 2.30 – Newtown, Crosskeys	8.33	Secondary industrial area on an edge of settlement location. However, the area remains in active use, housing a number of local firms, including several mid-sized employers. The area should therefore continue to be protected for B1/B2/B8 uses in the LDP. **(Yes)** **Key Local Employment Site**
EM 2.31 – Park Road, Risca	0.65	Small, predominantly council-owned workshop scheme. Although Park Road is poorly located within the Risca settlement area, with constrained access (particularly for HGVs), it remains fully occupied by local businesses and (unless occupancy levels change significantly) should continue to be protected by the LDP. **(Yes)** **Neighbourhood Employment Site**
EM 2.32 - Rogerstone Park, Pontymister	12.35	Large modern facility, accommodating a key employer for the County Borough. Rogerstone Park is an important gateway site into Caerphilly County Borough from Newport. Also, as the unit can only be accessed through the rest of Rogerstone Park, this land could not be easily separated from the wider industrial estate for a separate redevelopment. The area should therefore be protected in the LDP. **(Yes)** **Secondary Employment Site**
EM 2.33 – Bedwas House	29.93	Large established local industrial estate, accommodating both large national employers and a wide range of smaller businesses. The area should therefore be protected in the LDP. Several units are now in trade use. Further trade uses (such as car showrooms, tyre and exhaust centres, or trade counters) may be permitted subject (amongst other planning considerations) to an assessment of this likely impact on the surrounding local transport network. However, the general emphasis should be on encouraging trade businesses to locate to the nearby Gallagher Retail Park, which is better suited to accommodating their needs. **(Yes)** **Secondary Employment Site**
EM 2.34 – Pontywindy Road, Caerphilly	16.82	Large established local industrial estate, accommodating both large national employers and a wide range of smaller businesses. The area should therefore be protected in the LDP. There is one (possible) expansion option in the south west, but generally the estate has reached its capacity. **(Yes)** **Secondary Employment Site**
EM 2.35 – Trecenydd, Caerphilly	8.01	Mid-sized industrial estate, centrally located within Caerphilly Town. Units are of reasonable quality, with a good occupancy rate and (modest) plans for further growth. The area should therefore be protected in the LDP. **(Yes)** **Key Local Employment Site**
EM 2.36 – Western, Caerphilly	15.44	Mid-sized industrial estate, centrally located within Caerphilly Town. The estate offers a good source of serviced business incubation and grow-on space (including office, workshop and storage options) in the SCC. The area should therefore be protected in the LDP. **(Yes)** **Secondary Employment Site**

Source: BE Group, 2021

Recommendation 4 – Employment Area Protection

8.8 Policy EM2 of the adopted LDP protects 36 employment areas. **As Table 36 shows, this Study recommends that all but one of them, EM 2.14 - North Celynen, Newbridge, continue to be protected in the Replacement LDP.** In terms of more detailed protection the following additional comments are made.

Major Employment Sites (Mostly Graded A-B)

8.9 Generally, we would suggest that the highest policy protections be given to the eight identified Major Employment Sites. Non - B Class uses should not normally be allowed in Major Employment Sites but may be more acceptable in Secondary-Key/Neighbourhood Sites if an applicant can demonstrate exceptional circumstances. Retail uses should not generally be supported on any Employment Areas but should be particularly avoided in Major Employment Sites, where conflicts with industrial and logistics operations might result and trade could be drawn away from the County Borough's existing retail centres.

Secondary/Key Local/Neighbourhood Sites

8.10 For the Employment Areas categorised Secondary down to Neighbourhood Sites, a more flexible approach could be taken to help facilitate a broad range of economic development, which is vital for the future sustainability and development of the local area's economy. In some cases, the size, location and characteristics of a site may mean that a conversion or development for non-B Class uses could provide greater benefit to the local community, in terms of addressing local needs, than if the site/property was retained solely in B1/B2/B8 employment use.

8.11 Other uses which could be appropriate, in mainly B-Class locations would include:

- Gyms – A useful service for a modern industrial estate to have and an attraction for businesses and workers to the location. Gyms can occupy underused industrial/warehouse/office space, without fundamentally altering buildings to the point where they could never be brought back into B1/B2/B8 operation.
- Nurseries/Children's Play Facilities – Again a useful service for a modern industrial estate to have, which can be accommodated in many types of office building, without fundamentally altering buildings to the point where they could never be brought back into B1/B2/B8 operation.
- Training Centres – There are a diverse range of training facilities run by both businesses and higher/further education institutions, which combine D1 training activities with B-Class operations. Flexibility is desirable to allow facilities which promote local skill development to find the space the need in, or close to, Employment Areas
- Places of Worship – Many faith groups struggle to find the community space they need in town and local centres and will consider flexible industrial/office

space. Again, this is a low impact use which can occupy B-Class accommodation without significant structural alterations and allow underused space to meet community needs. Places of Worship, alongside Gyms, can also ensure there is footfall and activity in Employment areas, outside of business hours. Other community uses would need to be judged on their individual merits, space needs, traffic generation and impacts on the operations of nearby businesses

- Petrol Filling Stations (PFS) – PFS can be a useful addition to an Employment Area, providing a useful local retail service while a forecourt shop will also meet the food needs of workers. A PFS will take up a modest frontage site to an Employment Area and can co-exist with adjoining industrial uses with limited impacts
- A3 Hot Food – A modest hot food offer, proportionate to the size of the Employment Area, is again a useful service for an industrial estate/business park to provide to its workers and a way to enhance the attractiveness of a location. Some café, fast food and pub/restaurant chains will particularly want locations which allow them to serve business markets associated with large Employment Areas. As with most of the uses here, the cumulative impact of multiple A3 proposals needs to be considered, to ensure A3 uses do not crowd out B-Class uses or create alternative hot food hubs to local town centres. The A3 offer here should be primarily concerned with supporting the employment uses.
- Hotels – Budget hotel chains such as Travelodge cater strongly for business travellers and will seek affordable locations which link to large business parks and industrial estates
- Some Trade/Motor Trade Uses – In practice, many Employment Areas already accommodate some trade uses which are increasingly common in smaller B8 units and can meet a diverse range of community and business needs. Trade uses can occupy smaller industrial estates and lower grade industrial/uses units which may struggle to attract modern manufacturing/warehouse uses. Care should be taken, however, to ensure that trade uses do not crowd out industrial and warehouse operators who are also competing for scarce floorspace. Ideally, trade uses should not account for more than a quarter of uses on large industrial estates.

8.12 Applications for such uses should be treated on their individual merits, including consideration of the sustainability and transport implications of out of centre developments. Non-B Class development should, however, be avoided on Major Employment Sites.

8.13 Where non-B Class uses are proposed for, or within, Secondary/Key Local/Neighbourhood Sites then the County Borough Council should require the applicants to demonstrate that:

- The site/premises are no longer suitable or reasonably capable of being redeveloped for employment purposes, and
- The site/premises have been proactively marketed for employment purposes for a reasonable period (e.g. a minimum of 12-18 months) at a reasonable market rate (i.e. rent or capital value) as supported through a documented formal marketing strategy and campaign, or
- There will be a significant community benefit which outweighs the impact of losing the employment site/premises.

8.14 Where Employment Areas are at, or near to, capacity, as is true for most of Caerphilly's Employment Areas, then this provides evidence that their remains strong demand for B-Class premises. Applicants will have to provide correspondingly stronger evidence that their premises cannot meet any such demand.

8.15 Appendix 10: Developer Marketing Standards, sets out a template for assessing the evidence that premises or sites have been appropriately marketed without success. Whilst these are primarily directed at B Use Class situations, they are equally applicable to other property types e.g., public houses, community facilities, etc.

Other Employment Locations

8.16 It is suggested that in terms of protecting employment properties that do not sit within Employment Areas, e.g., in the town centres, the redevelopment of employment land and premises for non B-Class employment uses be allowed in the following circumstances:

- The present (or previous, if vacant or derelict) use causes significant harm to the character or amenities of the surrounding area, and it is demonstrated that no other appropriate viable alternative B1/B2/B8 employment uses could be attracted to the site, or

- Mixed-use redevelopment would provide important community and/or regeneration benefits with no significant loss of jobs, potential jobs, and the proposed mix of uses accords with other planning policies.

8.17 This advice is offered without consideration of other planning, traffic/highways issues, etc. which might render some uses or mixed-use developments inappropriate on particular employment areas. It is clearly for Caerphilly County Borough Council to judge proposals on their merits taking account of these factors.

Recommendation 5 – Meeting Long Term Land Needs

8.18 As was noted above, Caerphilly does have enough land, 45 ha, to meet its needs to 2035 under the preferred forecast scenarios. However, market evidence suggests that 42.7 percent of the currently available supply could be taken up by 2026 and 84.9 percent before the end of the decade, leaving only 6.80 ha for the final years of the LDP. Thus, while there is not an immediate need for additional employment land allocations, a need is likely to emerge in subsequent LDP reviews, well before 2035.

Recommendation 6 – Future Reviews

8.19 Paragraph 7.10 of the Welsh Government Practice Guidance – Building an Economic Development Evidence Base to Support a Local Development Plan, states that: "*Reviews of the whole evidence base, both larger than local and local studies, will most likely reflect the 4 year development plan cycle; however, an earlier review might be considered if certain employment land related targets are not being achieved and are identified through the LDP Annual Monitoring Report.*"

8.20 Locally, this report has shown how market conditions in Caerphilly County Borough are evolving, with a shortage of particularly industrial premises, good inward investment prospects for B2/B8 uses and an office market which is still reconfiguring following the Covid-19 Pandemic. In particular, as noted in Recommendation 5, there is a good chance a very large proportion of the 2021 Caerphilly employment land supply will be taken up in the first half of the LDP period. **In view of these factors, it is recommended the County Borough should continue to review its employment land portfolio as part of plan review stages, approx. every 4 years, or where there are significant local changes identified as part of Plan monitoring.**

Recommendation 7 – Maintain Awareness of External Influences

8.21 Welsh planning policy highlights the importance of joint working and 'more than local' planning, to understand the interconnectedness of local authority areas.

8.22 Future Wales: The National Plan 2040, Welsh Government (2021) replaces the Wales Spatial Plan and acts as the national development framework, guiding development and where investment should be in Wales to 2040. This framework will be built on by Strategic Development Plans at a regional level and LDP's at a local authority level, to identify the location of new development and infrastructure.

8.23 The Framework is split geographically with Caerphilly falling into the South East sub-region and the Valleys area. The Valleys area is identified as a priority area for the Welsh Government and should be a priority for the Strategic Development Plan. *"It has seen significant investment in the A465, benefitted from EU funding programmes and in the future, it will be better connected as a result of the South Wales Metro."*

8.24 The framework details that housing, economic growth, digital and transport connectivity infrastructure should be co-ordinated and planned on the basis of the whole region, particularly through a new Strategic Development Plan for the South East. **Clear decisions should be made on the scale and location of growth through the preparation of a Strategic Development Plan to ensure that all parts of the region are working together to achieve the region's goals.**

APPENDIX 1

LIST OF CONSULTEES

Appendix 1 – List of Consultees

A Schulman
Biotage
Caerphilly County Borough Council
Caerphilly Town Council
Cardiff City Council
Chevler
Cooke and Arkwright
Fletcher Morgan
GE Aviation
Hutchings and Thomas
Procter Brothers
Savills
SEDA
Sutton Consulting
Welsh Government (multiple departments)

APPENDIX 2

TRANSACTIONS 2011 to 2021

Appendix 2 – Industrial Transactions

		0-100	101-200	201-500	501-1,000	1,001-5,000	5,000-10,000	10,000+	Unknown	Total
	Floorspace	~	280	848	~	1,455	9,926	~	0	12,510
2021	No. of properties	~	2	2	~	1	1	~	0	6
	Floorspace	336	426	2,257	1,076	3,431	5,710	~	0	13,237
2020	No. of properties	5	3	7	2	2	1	~	0	20
	Floorspace	492	1,194	1,742	3,310	5,671	7,572	~	0	19,981
2019	No. of properties	9	8	5	5	2	1	~	1	31
	Floorspace	249	413	4,586	3,043	8,777	9,848	25,908	0	52,825
2018	No. of properties	3	3	12	5	3	1	2	4	33
	Floorspace	598	1,663	8,901	2,741	16,564	17,828	44,024	0	92,319
2017	No. of properties	9	11	25	4	8	3	4	6	70
	Floorspace	348	1,134	3,056	5,046	21,263	17,810	41,097	0	89,754
2016	No. of properties	8	8	11	7	8	3	3	8	56
	Floorspace	612	1,108	2,621	1,403	17,540	5,769	10,019	0	39,073
2015	No. of properties	7	7	8	2	6	1	1	3	35
	Floorspace	398	1,204	6,402	4,189	17,854	~	~	0	30,047
2014	No. of properties	8	9	18	5	7	~	~	3	50
	Floorspace	444	899	3,015	3,236	39,240	16,494	12,039	0	75,368
2013	No. of properties	9	6	9	5	12	2	1	3	47
	Floorspace	284	991	1,088	1,629	26,933	15,366	48,794	0	95,083
2012	No. of properties	4	7	4	3	8	2	4	0	32
	Floorspace	27	379	726	1,062	53,562	9,755	10,020	0	75,531
2011	No. of properties	1	2	2	2	17	1	1	1	27
	Floorspace	3,788	9,692	35,243	26,735	212,292	116,076	191,901	0	595,728
Total	No. of properties	63	66	103	40	74	16	16	29	407

Source: EGi, 2021

Appendix 2 - Office Transactions

		0-100	101-200	201-500	501-1,000	1,001-5,000	5,001-10,000	10,000+	Unknown	Total
	Floorspace	~	~	~	~	~	~	~	0	0
2021	No. of properties	~	~	~	~	~	~	~	0	0
	Floorspace	33	~	446	~	1811	~	~	0	2289
2020	No. of properties	1	~	1	~	1	~	~	0	3
	Floorspace	169	398	760	504	1140	~	~	0	2970
2019	No. of properties	2	3	2	1	1	~	~	0	9
	Floorspace	353	886	431	1518	1813	~	~	0	5002
2018	No. of properties	4	6	1	2	1	~	~	2	16
	Floorspace	268	1186	510	1946	~	~	~	0	3911
2017	No. of properties	4	8	2	3	~	~	~	0	17
	Floorspace	357	364	851	686	~	~	~	0	2258
2016	No. of properties	5	3	3	1	~	~	~	1	13
	Floorspace	477	683	~	533	6034	~	32014	0	39741
2015	No. of properties	6	5	~	1	3	~	1	1	17
	Floorspace	~	~	1148	2325	1790	~	~	0	5263
2014	No. of properties	~	~	3	3	1	~	~	0	7
	Floorspace	~	551	1358	560	1522	~	~	0	3992
2013	No. of properties	~	4	4	1	1	~	~	0	10
	Floorspace	90	137	1637	1572	1108	~	~	0	4544
2012	No. of properties	1	1	5	2	1	~	~	0	10
	Floorspace	94	281	~	~	~	~	~	0	375
2011	No. of properties	1	2	~	~	~	~	~	0	3
	Floorspace	1841	4487	7142	9646	15217	0	32014	0	70347
Total	No. of properties	24	32	21	14	9	0	1	4	105

Source: EGi, 2021

APPENDIX 3

EMPLOYMENT SITE PROFORMAS

Included as a separate document

APPENDIX 4

Regional Site Scoring Criteria

Appendix 4 – Regional Site Scoring Criteria to Accompany Proformas

Criteria	*Issues to Consider*	*1 – Poor*	*5 – Excellent*
Accessibility	Links to major roads (A465/A467/A468/A469/A472/A4048/A4049) local and strategic access; public transport and pedestrian cycle access; internal circulation and parking.	Over five miles away from major junctions or dual carriageways. Difficult, narrow access via residential streets/roads; sloping/bending access; congested roads and difficult site junctions. No pavements for pedestrians and lack of cycle lanes; inadequate crossing facilities. The site is remote with poor and infrequent transport links; 1 bus or train service per hour or less to a limited range of destinations. Lack of parking on site or nearby.	On major junctions and/or dual carriageways. Easy access via good quality, uncongested roads with good quality junctions. Wide pavements and cycle lanes around the site which are safe and convenient. Close to railway stations and bus stops with frequent services running to a number of areas. Ample parking on site (where applicable).
Environmental Factors	Internal and external environment of the site (e.g. noise, smell, dirt/dust, general pollution etc).	Dirty site upon which activities are (or were) noisy and omit significant odours and dust/dirt. The site is (or was) polluting quite badly. The site impact (or previously impacted) upon adjoining occupiers; surrounding uses are highly sensitive/detrimentally impacted by activities on site. Poor quality external areas; poorly maintained with a poor design/layout.	Very clean and tidy site free from particular environmental problems (i.e. quiet, clean, odourless). The site does not (or did not) produce any significant pollutants. Surrounding uses are compatible with and not detrimentally affected by activities on site. Very high quality public areas/good

Criteria	Issues to Consider	1 – Poor	5 – Excellent
			quality design/landscaping and well maintained.
Market Attractiveness	Feasibility of site remaining for employment, local market evidence, improvement prospects, special opportunities and overall image of site.	Low profile, poor quality appearance, attracts lower end uses. High level of vacancy and difficult to let. Constraints on development and low levels of market activity. Unattractive poor quality image of the area. Would not have a realistic prospect of remaining for employment should the site become vacant or be required for an alternative use.	High profile, high quality appearance, low levels of vacancy (<10%). Units are rarely available and witness a quick turnover when vacated. The site witnesses new investment. Attractive and high quality area. Would have a very real prospect of being retained for employment purposes for the foreseeable future.

APPENDIX 5

OXFORD FORECAST ASSUMPTIONS

Included as a separate document

APPENDICIES 6-8

EMPLOYMENT AREA PROFORMAS

Included as a separate documents

APPENDIX 9

PRACTICE GUIDANCE METHOD TWO B, RESIDENT WORKFORCE CALCULATIONS

Appendix 9 – Practice Guidance Method Two B: Resident Workforce Forecast Calculations

Scenario A: 2018 -based Welsh Government Projections

Table A1.1 – Employment Land Take-Up/Employment Change Comparison

Broad Sector Groupings	Proportion of the Jobs within that Sector, Percent*	Jobs, Split by Sector 2020-2035	Land Use	Weighting	Jobs, by use, which Require B-Class Premises. 2020-2035	*Jobs, by use, which Do Not Require B-Class Premises. 2020-2035*
Non B-Class Uses						
Agriculture, Forestry and Fishing	0.7	-19	Non B	-	-	*-19*
Mining and Quarrying	0.2	-4	Non B	-	-	*-4*
Wholesale and retail trade	14.6	-419	Non B	-	-	*-419*
Accommodation and Food Services	6.0	-173	Non B	-	-	*-173*
Arts, entertainment and recreation	2.3	-67	Non B	-	-	*-67*
Total	**23.8**	**-682**			-	***-682***
B1 Mostly Office Uses						
Administrative and support service	8.3	-239	B1	1	-239	-
Information and Communication	1.3	-37	B1	1	-37	-
Professional, scientific and technical activities	7.9	-225	B1	1	-225	-
Real estate activities	0.9	-27	B1	1	-27	-
Financial and Insurance Activities	1.4	-39	B1	1	-39	-
Public Administration	4.2	-121	B1	0.22	-27	*-94*
Health	8.1	-231	B1	0.22	-51	*-180*
Education	13.1	-375	B1	0.22	-83	*-292*
Other service activities	2.4	-69	B1	0.22	-15	*-54*
Total	**47.6**	**-1,363**	**-**	**-**	**-743**	***-620***
B2/B8 Uses						
Manufacturing	15.3	-437	B2	1	-437	-
Utilities	2.1	-59	B2	0.26	-15	*-44*
Construction	7.5	-214	B2	0.26	-56	*-158*
Transport and Storage	3.9	-111	B8	0.48	-53	*-58*
Total	**28.7**	**-821**	**-**	**-**	**-561**	***-260***

Source: Caerphilly CBC/BE Group, 2020 and Oxford Economics, 2021
**The proportion of total jobs each sector of the economy will occupy in 2035 according to Oxford Economics Forecasting.*

Table A1.2 – Floorspace and Land Requirement Forecasts

Offices (B1)	**Based on 743 *less* workers, sqm**	**Plot Ratio at 40 percent Coverage, ha**
16 sqm per worker	-11,888	-2.97
Industrial (B2/B8)	**Based on 561 *less* workers, sqm**	**Plot Ratio at 40 percent Coverage, ha**
67 sqm per worker	-37,587	-9.40

Source: Caerphilly CBC/BE Group, 2021

Scenario I: Long Term Housebuilding Rates

Table A1.3 – Employment Land Take-Up/Employment Change Comparison

Broad Sector Groupings	Proportion of the Jobs within that Sector, Percent*	Jobs, Split by Sector 2020-2035	Land Use	Weighting	Jobs, by use, which Require B-Class Premises. 2020-2035	*Jobs, by use which Do Not Require B-Class Premises. 2020-2035*
Non B-Class Uses						
Agriculture, Forestry and Fishing	0.7	13	Non B	-	-	*13*
Mining and Quarrying	0.2	3	Non B	-	-	*3*
Wholesale and retail trade	14.6	284	Non B	-	-	*284*
Accommodation and Food Services	6.0	117	Non B	-	-	*117*
Arts, entertainment and recreation	2.3	45	Non B	-	-	*45*
Total	**23.8**	**462**				***462***
B1 Mostly Office Uses						
Administrative and support service	8.3	162	B1	1	162	-
Information and Communication	1.3	25	B1	1	25	-
Professional, scientific and technical activities	7.9	153	B1	1	153	-
Real estate activities	0.9	18	B1	1	18	-
Financial and Insurance Activities	1.4	26	B1	1	26	-
Public Administration	4.2	82	B1	0.22	18	*64*
Health	8.1	157	B1	0.22	35	*122*
Education	13.1	254	B1	0.22	56	*198*
Other service activities	2.4	47	B1	0.22	10	*37*
Total	**47.6**	**924**	**-**	**-**	**503**	***421***
B2/B8 Uses						
Manufacturing	15.3	296	B2	1	296	-
Utilities	2.1	40	B2	0.26	10	*30*
Construction	7.5	145	B2	0.26	38	*107*
Transport and Storage	3.9	75	B8	0.48	36	*39*
Total	**28.7**	**556**	**-**	**-**	**380**	***176***

Source: Caerphilly CBC/BE Group, 2020 and Oxford Economics, 2021
**The proportion of total jobs each sector of the economy will occupy in 2035 according to Oxford Economics Forecasting.*

Table A1.4 – Floorspace and Land Requirement Forecasts

Offices (B1)	**Based on 503 additional workers, sqm**	**Plot Ratio at 40 percent Coverage, ha**
16 sqm per worker	8,048	2.01
Industrial (B2/B8)	**Based on 380 additional workers, sqm**	**Plot Ratio at 40 percent Coverage, ha**
67 sqm per worker	25,460	6.37

Source: Caerphilly CBC/BE Group, 2021

Scenario J: Cardiff Capital Region Growth in Working Age Population

Table A1.5 – Employment Land Take-Up/Employment Change Comparison

Broad Sector Groupings	Proportion of the Jobs within that Sector, Percent*	Jobs, Split by Sector 2020-2035	Land Use	Weighting	Jobs, by use, which Require B-Class Premises. 2020-2035	*Jobs, by use which Do Not Require B-Class Premises. 2020-2035*
Non B-Class Uses						
Agriculture, Forestry and Fishing	0.7	28	Non B	-	-	28
Mining and Quarrying	0.2	6	Non B	-	-	6
Wholesale and retail trade	14.6	603	Non B	-	-	603
Accommodation and Food Services	6.0	249	Non B	-	-	249
Arts, entertainment and recreation	2.3	96	Non B	-	-	96
Total	***23.8***	***982***				***982***
B1 Mostly Office Uses						
Administrative and support service	8.3	343	B1	1	343	-
Information and Communication	1.3	53	B1	1	53	-
Professional, scientific and technical activities	7.9	324	B1	1	324	-
Real estate activities	0.9	38	B1	1	38	-
Financial and Insurance Activities	1.4	56	B1	1	56	-
Public Administration	4.2	174	B1	0.22	38	*136*
Health	8.1	333	B1	0.22	73	*260*
Education	13.1	539	B1	0.22	119	*420*
Other service activities	2.4	100	B1	0.22	22	*78*
Total	**47.6**	**1,960**	**-**	**-**	**1,066**	***894***
B2/B8 Uses						
Manufacturing	15.3	629	B2	1	629	-
Utilities	2.1	86	B2	0.26	22	*64*
Construction	7.5	308	B2	0.26	80	*228*
Transport and Storage	3.9	160	B8	0.48	77	*83*
Total	**28.7**	**1,183**	**-**	**-**	**808**	***375***

Source: Caerphilly CBC/BE Group, 2020 and Oxford Economics, 2021
**The proportion of total jobs each sector of the economy will occupy in 2035 according to Oxford Economics Forecasting.*

Table A1.6 – Floorspace and Land Requirement Forecasts

Offices (B1)	**Based on 1,066 additional workers, sqm**	**Plot Ratio at 40 percent Coverage, ha**
16 sqm per worker	17,056	4.26
Industrial (B2/B8)	**Based on 808 additional workers, sqm**	**Plot Ratio at 40 percent Coverage, ha**
67 sqm per worker	54,136	13.53

Source: Caerphilly CBC/BE Group, 2021

Scenario H: Continuation of the Adopted LDP.

Table A1.7 – Employment Land Take-Up/Employment Change Comparison

Broad Sector Groupings	Proportion of the Jobs within that Sector, Percent*	Jobs, Split by Sector 2020-2035	Land Use	Weighting	Jobs, by use, which Require B-Class Premises. 2020-2035	*Jobs, by use which Do Not Require B-Class Premises. 2020-2035*
Non B-Class Uses						
Agriculture, Forestry and Fishing	0.7	52	Non B	-	-	*52*
Mining and Quarrying	0.2	12	Non B	-	-	*12*
Wholesale and retail trade	14.6	1,121	Non B	-	-	*1,121*
Accommodation and Food Services	6.0	463	Non B	-	-	*463*
Arts, entertainment and recreation	2.3	178	Non B	-	-	*178*
Total	***23.8***	**1,826**				***1,826***
B1 Mostly Office Uses						
Administrative and support service	8.3	638	B1	1	638	-
Information and Communication	1.3	99	B1	1	99	-
Professional, scientific and technical activities	7.9	602	B1	1	602	-
Real estate activities	0.9	71	B1	1	71	-
Financial and Insurance Activities	1.4	104	B1	1	104	-
Public Administration	4.2	324	B1	0.22	71	*253*
Health	8.1	619	B1	0.22	136	*483*
Education	13.1	1,001	B1	0.22	220	*781*
Other service activities	2.4	186	B1	0.22	41	*145*
Total	**47.6**	**3,644**	**-**	**-**	**1,982**	***1,661***
B2/B8 Uses						
Manufacturing	15.3	1,169	B2	1	1,169	-
Utilities	2.1	158	B2	0.26	41	*117*
Construction	7.5	573	B2	0.26	149	*424*
Transport and Storage	3.9	298	B8	0.48	143	*155*
Total	**28.7**	**2,198**	**-**	**-**	**1,502**	***696***

Source: Caerphilly CBC/BE Group, 2020 and Oxford Economics, 2021
**The proportion of total jobs each sector of the economy will occupy in 2035 according to Oxford Economics Forecasting.*

Table A1.8 – Floorspace and Land Requirement Forecasts

Offices (B1)	**Based on 1,982 additional workers, sqm**	**Plot Ratio at 40 percent Coverage, ha**
16 sqm per worker	31,712	7.93
Industrial (B2/B8)	**Based on 1,502 additional workers, sqm**	**Plot Ratio at 40 percent Coverage, ha**
67 sqm per worker	100,634	25.16

Source: Caerphilly CBC/BE Group, 2021

APPENDIX 10

DEVELOPER MARKETING STANDARDS

Appendix 10 – Developer Marketing Standards

A10.1 Where a sites or premises' owner is applying to a Local Authority for change of use from employment to an alternative use, they have to prove there is a lack of demand for that site or premises.

A10.2 This table itemises the various marketing tools that should typically be used to market the interest.

A10.3 Should these tools fail to identify potential purchasers or occupiers then it may be considered that there is a lack of employment demand for the site or premises in question.

Marketing Tool	Premises	Site, 0-2 ha	Site, 2+ ha*
On-site Marketing Board in prominent position	✓	✓	✓
Local Property Agent	✓	✓	✓
Regional Property Agent (joint or sole)	✓		✓
Liaise with Caerphilly County Borough Council/Welsh Government	✓	✓	✓
Produce Marketing Particulars (in hard copy/PDF)	✓	✓	✓
Targeted mailing to Local/Sub-Regional Property Agents (Internet)	✓	✓	✓
Targeted mailing to Local/Sub-Regional Property Developers/Investors (Internet)	✓	✓	✓
Targeted mailing to UK Property Agents/Developer/Investors (Internet/postal)			✓

Marketing Tool	Premises	Site, 0-2 ha	Site, 2+ ha*
Targeted mailing to selected potential occupiers (large local companies) (Postal)	✓	✓	✓
Advertise in Local/Sub-Regional Business Press		✓	✓
Advertise in UK Property Press			✓
Website	✓	✓	✓
Internet Mailing to Targeted Business Sectors (e-shot type mailing)	✓	✓	✓
Marketing Period, months	12-18	18	18-24

Source: BE Group, 2021