



Caerphilly County Borough Council

Employment Land Availability Study

February 2017

1 INTRODUCTION

The purpose of this paper is to:

- Assess the results of the 2016 Employment Survey for sites allocated (EM1) and protected (EM2) for employment use within the adopted Caerphilly County Borough Local Development Plan up to 2021 (LDP);
- Highlight any changes in relation to the findings of the 2016 and 2012 Surveys and the 2014 Caerphilly Sites Supply and Market Appraisal;
- Analyse any changes that have occurred, and their significance;
- Determine the degree to which the employment policies contained within the adopted LDP are proving effective;
- Consider the current position in relation to the County Borough's role within the Cardiff Capital Region, and the implications of this for existing/potential new employment sites within the County Borough going forward.

1.1 Policy Context

National

The Planning & Compulsory Purchase Act 2004 requires a local planning authority to keep under review all matters that are expected to affect the development of its area.

In this context Planning Policy Wales requires local planning authorities to maintain and continually develop an up to-date relevant and proportionate evidence base concerning the economic, environmental and social characteristics of its area to inform the preparation, monitoring and review of its LDP.

Technical Advice Note 23 provides advice on the national planning policy on economic development. For planning purposes, the Welsh Government defines economic development as development of land and buildings for activities that generate wealth, 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.

The aim is to ensure that the growth of output and employment in Wales as a whole is not constrained by a shortage of land for economic uses. Local planning authorities should aim to facilitate the provision of sufficient land required by the market, except where there are good reasons to the contrary.

Planning Policy Wales recognises that effective planning for the economy requires local planning authorities to work strategically and co-operatively steering development and investment to the most efficient and most sustainable locations, regardless of which local authority area they are in. It is essential that local planning authorities identify and make adequate provision for their role in the regional and sub-regional economies of Wales.

Regional Context

Cardiff Capital Region City Deal

The City Deal is a programme agreed to by the UK Government, Welsh Government and the ten local authorities that comprise the Cardiff Capital Region, which aims to invest £1.2

billion into the regional economy between now and 2036. Whilst much of this funding will be invested into the South East Wales Metro project, funds will also be made available for the purposes of achieving wider economic benefits. Targets associated with the programme include the creation of 25,000 new jobs by 2036 and the leveraging of £4 billion worth of private sector investment in the regional economy.

In June 2016, the Cardiff Capital Region Programme Board agreed to establish the Growth and Competitiveness Commission (the Commission) in order to advise how best to generate gross value added (GVA) growth and to make recommendations based on the challenges and opportunities that face the region in terms of its economy.

The evidence review for the region indicates that the area suffers from low value employment and an over reliance on the public sector, and is characterised by low levels of economic output and productivity. Ten areas of specialism have been identified within the region (Source: University of South Wales) where focused action could support growth and deliver more jobs and increased economic activity. These are:

- Automotive;
- Aerospace;
- Non-traditional finance;
- Insurance;
- Pharmaceuticals;
- Medical equipment;
- Energy-related manufacturing;
- Recycling;
- ICT hardware;
- ICT software.

A series of recommendations have been set out by the Commission in terms of its approach and the implementation of City Deal:

- Capital Region economic objectives:
 1. Keep population growth with the average for UK core cities;
 2. Increase productivity to at least 90% of the UK average;
 3. Raise average hourly earnings to 95% of the UK figure;
 4. Focus on improving access to job opportunities and skills development in the most deprived areas;
 5. Raise employment rates in all areas to the current regional average;
 6. Increase percentage of adults with qualifications;
 7. City Deal investment should achieve neutrality in CO2 emissions;
 8. Reduce percentage of people living in households of material deprivation;
- Economic strategy: agree a long-term strategy that supports a competitive, economically inclusive region, playing to the strengths of each constituent part;
- City Deal investment principles: projects should be of a significant scale; have a positive impact on GVA on jobs; align with proposed Metro investment and have an impact beyond the local authority area whilst not displacing activity;
- Growth sectors and specialisation: seek to build upon existing strengths and opportunities and encourage emerging high value added and high employment sectors;

- Supporting business investment: co-ordinate business support functions to ensure that the region is investment-ready;
- Skills and employability: invest in developing skills of the present and future workforce;
- Poverty: improve transport links between areas of high deprivation and opportunity; and ensure that those living in areas of high deprivation are able to access opportunities to upskill and relevant public services that will support their transition;
- Strategic spatial development: the region should develop a spatial perspective to complement its economic strategy, setting out a clear timetable for the introduction of a strategic development plan that should define the roles of regional and sub-regional centres and Valleys and rural towns;
- Investing in energy: the region should consider the opportunities afforded by its energy assets and seek to reduce the leakage of income from the area linked to its natural assets;
- Metro and placemaking: build upon the opportunities emerging from the development of the Metro to improve the quality of places, through detailed planning of station and terminus areas and considering the scope to use better connectivity;
- Housing and economic regeneration: develop a Cardiff Capital Region housing Plan, to be integrated with the SDP, whose objectives are to build enough homes to keep up with population growth and to ensure that they are built with appropriate infrastructure links and deliver on community / placemaking objectives;
- Promoting the Capital Region: the identity of the region is not yet well-established or communicated, and requires a single point of leadership and co-ordination on city-region promotion in contested markets;
- Organising the Capital Region: the CCR Cabinet should integrate appropriate strategic activities in economic and spatial development, transport, and skills and employment within a single framework of authority and reporting, and avoid fragmented initiatives.

1.2 South East Wales Baseline Economic Analysis (AECOM, 2015)

The region as a whole is, by Welsh standards, significant, as it generates just under half of all national GVA. Cardiff is, not surprisingly, the dominant location, in terms of GVA and competitiveness and it contains over a quarter of both the region's jobs and businesses. Caerphilly, in common with the other Gwent Valleys authorities, is one of the poorer performing areas of South East Wales in terms of skill levels and competitiveness.

11.7% of all jobs within South East Wales are located within the County Borough, indicating that its importance at a regional level is not insignificant. Almost four fifths of the region's businesses are micro businesses, with the proportion for Caerphilly being consistent with that. In terms of business sectors, there is a high degree of commonality across the region in terms of the presence of certain sectors, although there is some local distinctiveness. Food and rubber and plastics manufacturing is particularly strong in Caerphilly, although there is some overlap here with adjacent authorities (Blaenau Gwent, Merthyr and Rhondda Cynon Taf). Notably, Caerphilly (along with Cardiff) has the most diverse economic base of

any authority in the region, with just over half of the County Borough's jobs in the ten largest sectors.

Local Context

Caerphilly Delivers

The economic vision for Caerphilly is currently identified in the Single Integrated Plan, which will be replaced in due course by the Caerphilly Well-being Plan. The Local Development Plan provides the spatial expression of the Single Integrated Plan and sets policies that contribute to meeting the national well-being goals and local Well-being objectives.

“Our long-term vision for Caerphilly is for sustainable communities, supported by actions that enhance the quality of life for all. This means people who:

- Are healthy, fulfilled and feel safe.
- Are well qualified and skilled within a vibrant economy.
- Live, work or visit in a greener living environment.” (Vision: Caerphilly Delivers)

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

The Caerphilly County Borough Local Development Plan (LDP) was adopted in November 2010. Within it, 101.9 hectares of employment land is allocated for future employment development at 14 sites (Policy EM1 refers). The 2016 Annual Monitoring Report indicated that 78 hectares of land remain available for development. A further 36 existing sites are protected for various combinations of employment uses (Policy EM2 refers).

New development proposals on industrial estates are subject to restrictions that are set out clearly in Policy CW13 Use Class Restrictions - Business and Industry, which implements and reinforces the employment hierarchy.

The 2012 Employment Land Availability Study (ELAS) was undertaken just prior to the examination into the LDP and therefore provides a good baseline for analysis to understand the impact that the LDP policies are having. In addition, the 2014 Caerphilly Sites Supply and Market Appraisal assessed each site on factors such as occupancy rates, mix of prevailing uses, building quality and accessibility. This work is also relevant to the assessment undertaken for the 2016 Study.

The 2016 Employment Land Availability Study (2016 ELAS) was undertaken during the autumn of 2016. The methodology for this assessment is outlined in Section 2.

The LDP makes provision for a range of employment sites across the County Borough, including business parks, primary employment sites and secondary employment sites. The 2014 study re-assessed each of the allocated sites in terms of their continued suitability for employment use and classification in terms of the implementation of the LDP strategy. Importantly, sites were also assessed in terms of the likely contribution they could make towards the creation of a viable and sustainable pattern of development in that area.

LDP Strategy Areas

The Development Strategy that underpins the LDP divides the county borough into three distinct strategy areas as follows:

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

In the Heads of the Valleys Regeneration Area (HOVRA), the Local Centre at Rhymney and the Principal Town of Bargoed are identified as key settlements. No new employment sites are allocated in the HOVRA, instead the emphasis is on the redevelopment and regeneration of existing allocated sites to make them more attractive. The existing supply of employment land, coupled with development opportunities for complementary uses, such as healthcare and further education provide for a sustainable approach to economic growth to serve the north of the County Borough.

The LDP targets new employment growth to the Northern Connections Corridor (NCC). 86% of employment allocations are within this strategy area which also comprises two Principal Towns, namely Blackwood and Ystrad Mynach, the Local Centres of Newbridge and Nelson and a series of smaller settlements. This part of the County Borough enjoys good cross-valley transport links and is relatively well interconnected.

Oakdale Business Park and Ty Du, Nelson are the two most significant employment sites within the NCC. They benefit from good transport links with the rest of the County Borough and beyond, thereby allowing them to have a wider focus in terms of employment provision than that of their immediate locality or strategy area. The categorisation of Ty Du as a business park allocation and the Oakdale plateaux as primary employment sites will enable the development of high quality B1 class office-based and light industrial industries, in line with the strategic aim of 'up-skilling' the local population.

The Southern Connections Corridor (SCC) is served by the Principal Towns of Caerphilly and Risca as well as the Local Centre of Bedwas. The emphasis in the SCC is on the redevelopment and regeneration of existing allocated sites to make them attractive and on the redevelopment of brownfield sites within settlement limits.

A number of existing employment sites in Caerphilly and Bedwas will account for the employment needs of the local population, including those settlements elsewhere in the SCC such as Senghenydd, Abertridwr and Llanbradach. In the south-eastern corner of the County Borough, Risca lies within Newport City's sphere of influence. It is envisaged that employment opportunities there will complement those within Risca itself, as well as those to the north at Wattsville, Cwmfelinfach, Crosskeys and Abercarn.

2 EMPLOYMENT LAND SURVEY

2.1 Methodology

The 2016 survey focused on allocated land for employment identified in the LDP. In this respect Policy EM1 Employment Allocations of the LDP allocates sites for development that fall within B1, B2 and B8 use classes. Policy EM2 Employment Sites Protection protects sites that are currently in employment use where it is desirable to maintain that use. Not all employment sites in the county borough are afforded protection by Policy EM2.

Each site is mapped for survey purposes, a process which incorporates the use of Unique Property Reference Numbers (UPRNs) in order to accurately pinpoint the existence and location of each individual unit. Industrial estates, due to their layout and accessibility restrictions, are inherently difficult to survey comprehensively and the use of this system aids the process, at least in terms of making surveyors aware of units that are concealed from view from the ground.

In addition to collecting information regarding the occupancy and use class (if any) of units, the nature of the activity being undertaken was also categorised by economic sector, thereby providing a view of those locations where certain types of economic activity might be particularly prevalent or concentrated. This is useful in order to ascertain where clusters may exist, or where there is potential for this to develop in future.

3 FINDINGS & ANALYSIS

Allocated (EM1) Employment Sites

3.1 Take-Up of Land

The following table highlights those sites allocated for employment use (EM1 sites) within the LDP:

Table 1: Sites allocated for employment use

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

A total of 25.7 ha of EM1 land has been developed to date, with 76.2ha remaining as of 2017. Extant, unimplemented full planning permissions total 29.3 ha, although not all for class B or alternative employment-related uses. The situation on a site-by-site basis is set out in the following table:

Table 2: Current status of EM1 sites

Site	Area (ha)	Description of Site	Current Status	Area (ha) remaining
EM1.1	5.2	Heads of the Valleys, Rhymney - two vacant parcels of an otherwise developed industrial estate. Located on A469, A465 less than a mile to the north.	15/0092/FULL (refurbishment and development of adjoining land), granted 2015 (not developed).	5.2

EM1.2	18.8	Ty Du, Nelson – large, greenfield site on the edge of Nelson. Located on A472, close to A470.	07/0872/OUT (B1), granted 2008 (not developed, lapsed). 16/0373/OUT (housing/B1), pending.	18.8
EM1.3	30.2	Plateau 1, Oakdale Business Park. Reclaimed former colliery site, one of four plateaux which combine to form the largest employment allocation in the County Borough. Located on Sirhowy Enterprise Way, linking it to Mid Valleys conurbation.	11/0552/FULL (wind turbines), granted 2011 (developed); 15/0065/FULL (IG Doors), granted 2015 (developed).	15.2
EM1.4	7.0	Plateau 2, Oakdale Business Park. As for EM1.3	12/0649/FULL (demonstration track and media centre building), granted 2013 (not developed).	7.0
EM1.5	3.4	Plateau 3, Oakdale Business Park. As for EM1.3	14/0814/LA (new secondary school), granted 2015 (developed).	0
EM1.6	4.3	Plateau 4, Oakdale Business Park. As for EM1.4	07/0835/LA (B1), granted 2007 (developed).	1.7
EM1.7	4.5	Hawtin Park North, Gellihaf. Greenfield site immediately to the north of existing industrial land.	Undeveloped. No extant consent.	4.5
EM1.8	8.8	Hawtin Park South, Gellihaf. Greenfield site immediately to the south of existing industrial land.	08/0752/OUT (housing/commercial), granted 2014 (not developed). 14/0802/OUT (housing), awaiting signing of S.106 (not developed).	8.8
EM1.9	4.9	Dyffryn Business Park North, Ystrad Mynach. Site immediately to the north of existing industrial land.	09/0365/FULL (B1/B2/B8), granted 2013 (developed). 13/0778/FULL (B1/B2/B8), granted 2015 (developed). 15/0064/FULL (B1/B2/B8), granted 2015 (developed).	3.3
EM1.10	6.3	Dyffryn Business Park South, Ystrad Mynach. Undeveloped site immediately to the south of existing industrial land.	Undeveloped. No extant consent.	6.3
EM1.11	1.6	Penallta Extension, Hengoed. Intended as an extension of Penallta Industrial Estate.	15/0675/FULL (housing), granted 2016 (implemented, not completed).	0
EM1.12	3.6	Caerphilly Business Park. Western part of otherwise	07/1518/FULL (B1), granted 2008 (developed).	3.2

		occupied industrial land.		
EM1.13	2.2	Trecenydd, Caerphilly. Central, undeveloped part of otherwise occupied industrial land.	Undeveloped. No extant consent.	2.2
EM1.14	1.1	Western, Caerphilly. Last undeveloped part of otherwise occupied industrial land, at the base date of the LDP.	Built out (B1/B2/B8) prior to adoption of LDP.	0

3.2 Use Class and Vacancy Rates

The following table for use class and vacancy rates for the EM1 sites collectively is presented in the table below:

Table 3: Use class and vacancy rates for EM1 sites

Use Class	Floorspace (sq m)	%	No of Units	%
B1	4,832	11.7	31	41.9
B2	24,650	59.8	12	16.2
B8	32	0.1	1	1.4
D1	8,921	21.7	2	2.7
SG	32	0.1	1	1.4
Vacant	2,721	6.6	27	36.5
TOTAL	41,188	100	74	100

Across the County Borough, just over a third of all units located on allocated EM1 sites are currently vacant. These are located at Dyffryn Business Park (North) and Western Industrial Estate. These units are relatively small and account for only 6.6% of the total floorspace. The remaining four allocated EM1 sites comprising development are all fully occupied.

With regard to vacancies, the units located on Dyffryn Business Park (North) have only been developed recently (2016) and there is a realistic expectation that these units will be occupied in the short term, especially given their modern condition. The units at Western, which are small and suitable for start-up businesses and SMEs, were also developed in the relatively recent past (shortly before the adoption of the LDP in 2010). The occupancy rate on this estate is over 70% and it is considered that these vacant units will attract occupants. The nature of the businesses that are likely to utilise them however, being small and often young, means that a high turnover rate is to be expected on sites such as this.

The EM1 sites surveyed are generally dominated by B1 and B2 uses, which collectively account for just over 70% of floorspace and almost 60% of units. This indicates that Policy CW13 (Use Class Restrictions - Business and Industry), which implements and reinforces the employment hierarchy is proving successful in respect of EM1 sites.

3.3 Economic Sectors

Table 4 provides a breakdown of businesses located on allocated EM1 sites by sector and provides an indication of which sectors are predominant in terms of floorspace and unit numbers.

Table 4: Economic sectors on EM1 sites, expressed by floorspace and numbers of units

Sector	Floorspace sq m	% Occupied Floorspace	No of Units	% Occupied Units
Food, drink & tobacco	769	2.0	1	2.1
Textiles	982	2.6	1	2.1
Non-metallic mineral products	120	0.3	1	2.1
Other manufacturing & repair	223	0.6	3	6.4
Water, sewerage & waste	652	1.7	1	2.1
Construction	19,895	51.7	6	12.8
Wholesale trade	34	0.1	1	2.1
Retail trade	235	0.6	3	6.4
Land transport	98	0.3	1	2.1
Food & beverage services	962	2.5	1	2.1
Architectural & engineering services	51	0.1	1	2.1
Other professional services	927	2.4	10	21.3
Business support services	3514	9.1	10	21.3
Education	8800	22.9	1	2.1
Health	492	1.3	3	6.4
Residential & social	511	1.3	1	2.1
Arts	102	0.3	1	2.1
Other services	100	0.3	1	2.1
TOTAL	38,467	100	47	100

Construction-related activities (construction of buildings and civil engineering) account for over half of occupied floorspace, though only 12.8% of occupied units. This is largely due to the contribution that the IG Doors development at Oakdale makes to this sector. The only other sector of note in terms of floorspace is education, which comprises just over 20% of the occupied floorspace as a result of the development of the new Islwyn High School on Oakdale Plateau 3.

In terms of numbers of units, 'other professional services' (research and development, scientific and technical activities) and 'business support services' are prominent, both accounting for over a fifth of occupied units on allocated EM1 sites.

This indicates that Policy CW13 (Use Class Restrictions – Business and Industry) has had some success in terms of ensuring that where development has taken place on EM1 land, it has largely been restricted to class B1/B2 uses.

However, it should be recognised that the level of development on EM1 sites has been relatively low during the plan period. Therefore consideration needs to be given to the need to achieve an appropriate balance between increasing the take-up rate of employment land (possibly via a relaxation of the policy framework) and the need to provide for a good mix of uses that benefits the local economy as a whole, in order to provide sustainable and good quality job opportunities.

Protected (EM2) Employment Sites

In addition to land allocated for future employment development (Policy EM1), a significant number of sites exist within the County Borough that already possess functioning employment uses. Such sites are allocated as EM2 sites within the LDP and are protected from development outside of those uses classes set out in Policy CW13 (Use Class Restrictions - Business and Industry) (generally B1, B2 and B8 or suitable sui generis uses). Table 5 highlights the sites protected for employment use within the LDP:

Table 5: EM2 sites protected for employment use

Site Ref	Site Name	Size (Ha)	Type
Heads of the Valleys Regeneration Area			
EM2.1	Land at 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, Pentwyn Road	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, 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, Newbridge	4.17	Secondary
EM2.15	Croespenmaen	6.53	Secondary
EM2.16	Britannia, Pengam	2.88	Secondary
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	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	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	Pontywindy Road, Caerphilly	16.82	Secondary
EM2.35	Trecenydd, Caerphilly	8.01	Secondary
EM2.36	Western, Caerphilly	15.44	Secondary

	Total land protected on EM2 sites	485.15	
--	--	---------------	--

3.4 Use Class and Vacancy Rates

Table 6 provides an indication of the businesses present on protected estates broken down by use class and indicates the vacancy rates by floorspace and unit..

Table 6: Use class and vacancy rates on protected EM2 employment sites

Use Class	Floorspace (sq m)	%	No of Units	%
A1	11,178	0.9	28	2.1
A2	162	0.0	3	0.2
A3	961	0.1	11	0.8
B1	211,540	16.6	375	27.8
B2	573,985	45.1	430	31.9
B8	167,838	13.2	182	13.5
C3	180	0.0	6	0.4
D1	5,706	0.4	15	1.1
D2	8,372	0.7	24	1.8
SG	111,169	8.7	81	6.0
Vacant	182,350	14.3	195	14.4
TOTAL	1,273,441	100	1,350	100

The portfolio of EM2 sites across the County Borough as a whole is performing well with regard to occupancy, with a vacancy rate of 14.3% in terms of floorspace and 14.4% of unit number. Non-class B uses account for a very small proportion of the uses accommodated on protected employment sites, with sui generis uses (the largest non-class B category) being under 10% in terms of both floorspace and unit number. Use classes A and D both account for around 3% of units, although a smaller proportion in terms of floorspace.

Class B uses account for around three quarters of both units and floorspace, B2 being the most prevalent. The percentage gap between B2 and B1 is larger for floorspace than for unit number, suggesting that, on the whole, B2 uses occupy larger units than their B1 counterparts, something which is probably to be expected given the types of activity covered by these two subclasses.

3.5 Council-Managed Estates

Eleven EM2 sites contain stock that is either wholly or partially owned and operated by the Council. Generally speaking, these units are small, making them suitable for start-up indigenous businesses. In terms of the Council-managed stock, full occupancy has been achieved with the exception of EM2.9 (Oakdale Plateau 2).

The following table provides an indication of the level of demand for Council-managed premises, as determined by waiting lists:

Table 7: Council-managed stock and waiting lists

Site	No. of Units	No. on Waiting List	Oldest Entry
New Tredegar Business Park	20	20	January 2013
Tredomen Park, Ystrad Mynach	60	0	N/A
Plateau 2, Oakdale Business Park	13	0	N/A
Dyffryn Business Park, Ystrad Mynach	33	24	January 2013
St. David's Business Park, Pengam	15	24	February 2013
Tram Road, Pontllanfraith	5	1	February 2013
Penmaen Ind. Est., Pontllanfraith	51	44	January 2012
Woodfieldside Business Park, Pontllanfraith	25	6	May 2015
Caerphilly Business Park	34	28	May 2014
Newtown, Crosskeys	2	0	N/A
Park Road, Risca	5	4	February 2012

Six of the above sites have a waiting list that is approaching, or exceeds, the number of Council-managed units on that site as a whole. This, along with the high levels of occupancy on these sites, suggests that a considerable level of demand exists for units of this nature. It is unclear as to whether this is due to the quality and type of the units themselves or whether additional factors, such as Council (rather than private) rents and the opportunity to possibly access additional Council services that may be beneficial, have contributed to this.

There are other, private sector-led EM2 sites which are not operating at full capacity in terms of their occupancy rates. A worthwhile exercise would be to look at those sites and determine whether the vacant stock is fit for purpose in terms of accommodating some of those potential tenants who are presently awaiting units on the above sites. This would involve liaising with the potential tenants in order to ascertain their requirements, as well as undertaking a detailed assessment of existing stock in order to determine whether it is suitable to meet their needs. Potential options for the remodelling or redevelopment of sites, or parts thereof, should be explored with the owners.

Comparison with 2012 Position

In 2012, the County Borough-wide vacancy rate for EM2 sites was 21.7% compared to 14.4% in 2016, therefore a 7.3 % decrease in vacancy has been achieved since this time. In terms of use class, there has been very little change. Class B uses account for almost 86% of occupied units, the same as 2012.

3.6 Economic Sectors

The following table sets out those economic sectors represented on EM2 sites across the County Borough. The prevalence of each is expressed in terms of units and floorspace, both as a percentage of the occupied total.

Table 8: Economic sectors on EM2 sites, expressed by floorspace and number of units

Sector	Floorspace sq m	% Occupied Floorspace	Units	% Occupied Units
Agriculture, forestry & fishing	89	0	1	0.1
Food, drink & tobacco	67,869	6.2	15	1.3
Textiles	6,066	0.6	18	1.6
Wood & paper	60,545	5.5	24	2.1
Printing & recording	10,534	1	13	1.1
Chemicals	2,937	0.3	5	0.4
Pharmaceuticals	12,292	1.1	8	0.7
Non-metallic mineral products	95,253	8.7	55	4.8
Metals & metal products	83,065	7.6	45	3.9
Electronics	37,024	3.4	9	0.8
Electrical equipment	1,106	0.1	5	0.4
Machinery	47,343	4.3	22	1.9
Motor vehicles	420	0	3	0.3
Other transport equipment	1,335	0.1	2	0.2
Other manufacturing & repair	140,382	12.9	110	9.6
Electricity & gas	1,637	0.2	4	0.3
Water, sewerage & waste	50,964	4.7	31	2.7
Construction	73,227	6.7	97	8.5
Motor vehicles trade	104,195	9.6	92	8
Wholesale trade	31,403	2.9	51	4.5
Retail trade	22,564	2.1	50	4.4
Land transport	33,540	3.1	34	3
Air transport	22,621	2.1	2	0.2
Warehousing & postal	53,466	4.9	60	5.2
Accommodation	316	0	4	0.3
Food & beverage services	2,584	0.2	24	2.1
Media	600	0.1	13	1.1
IT services	6,996	0.6	29	2.5
Financial & insurance	2,300	0.2	6	0.5
Real estate	990	0.1	5	0.4
Legal & accounting	7,011	0.6	20	1.7
Head offices & management consultancies	801	0.1	10	0.9
Architectural & engineering services	12,141	1.1	9	0.8
Other professional services	9,802	0.9	39	3.4
Business support services	21,575	2	84	7.3
Public administration & defence	39,266	3.6	51	4.5
Education	4,857	0.4	14	1.2
Health	1,709	0.2	10	0.9
Residential & social	2,207	0.2	15	1.3
Arts	1,088	0.1	6	0.5
Recreational services	8,195	0.8	21	1.8
Other services	8,596	0.8	30	2.6
TOTAL	1,090,911	100	1,146	100

The economic base of the County Borough is extremely diverse with over 40 different sectors represented on EM2 sites. No one sector is particularly dominant, with the most prominent ('other manufacturing and repair') accounting for 12.9% of floorspace and 9.6% of units. However, there are an additional six sectors which account for more than 5% of occupied floorspace, and another three that occupy at least 5% of occupied units.

In order to establish how each of the strategy areas is performing in terms of existing employment sites an analysis follows of the EM2 sites by strategy area.

Heads of the Valleys Regeneration Area

3.7 Use Class and Vacancy Rates

The Heads of the Valleys Regeneration Area (HOVRA) contains six protected EM2 sites, of which, one namely EM2.1 Land at New Tredegar is a Primary Site, whilst the remainder are classified as Secondary Sites.

Table 9: Use class and vacancy rates on protected EM2 sites (HOVRA)

Use Class	Floorspace (sq m)	%	No of Units	%
A1	243	0.1	2	1.2
A3	213	0.1	2	1.2
B1	26,016	12.8	33	19.5
B2	43,989	21.6	44	26
B8	13,337	6.6	42	24.9
D1	387	0.2	1	0.6
D2	1,029	0.5	1	0.6
SG	77,582	38.1	21	12.4
Vac	40,740	20	23	13.6
TOTAL	203,536	100	169	100

Class B uses are the most prevalent (spread relatively evenly between B1, B2 and B8), accounting for approximately 70% of units although only 40% of floorspace. This suggests that class B activities in the Heads of the Valleys occupy premises that are smaller than average. Both sui generis uses and vacant units account for a not insignificant proportion of total units although the equivalent floorspace figure for each category is higher. This indicates the opposite i.e. sui generis and vacant units are larger than the average unit size for the Heads of the Valleys. The average unit size here is 1,200 sq m. It can therefore be assumed that units smaller than this have a greater likelihood of being occupied by class B uses than larger ones, which are more likely to be vacant or in an alternative use. This could also indicate that demand for smaller units is generally higher by business undertaking class B operations, although such uses are by no means restricted to smaller units.

The Employment Sites Supply and Market Appraisal (2014) undertook an assessment of building quality which remains accurate, and determined that the physical state of each site in the Heads of the Valleys and its stock, with the exception of EM2.1 New Tredegar, was “average” or “poor”. Although it did not recommend making any of them available for alternative uses, the quality of this stock is a likely contributory factor to the substantial vacancy rates on EM2.2 Heads of the Valleys and EM2.3 Capital Valley. Serious consideration needs to be given therefore to a potential remodelling and redevelopment of these important employment sites.

Comparison with 2012 Position

There has been a marked improvement for the Heads of the Valleys as a whole, vacancy rates having fallen from 39% in 2012 to around 14% in 2016. This appears to be as the

result of significant increases in occupancy at sites such as Bowen, in particular. This increase has amounted to a 14% increase in class B occupied-units (up from 56% to 70%) and a marked uplift in sui generis units from 3% in 2012 to 12.4% in 2016.

3.8 Economic Sectors

Table 10: Economic sectors on EM2 sites (HOVRA), expressed by floorspace and number of units

Sector	Floorspace sq m	% Occupied Floorspace	No of Units	% Occupied Units
Food, drink & tobacco	184	0.1	2	1.4
Textiles	623	0.4	3	2.1
Wood & paper	11,596	7.1	2	1.4
Non-metallic internal products	2,402	1.5	7	4.8
Metals & metal products	1,334	0.8	3	2.1
Machinery	469	0.3	1	0.7
Other manufacturing & repair	32,986	20.3	21	14.4
Water, sewerage & waste	22,984	14.1	8	5.5
Construction	4,096	2.5	11	7.5
Motor vehicles trade	54,304	33.4	16	11
Wholesale trade	343	0.2	1	0.7
Retail trade	1,090	0.7	5	3.4
Warehousing & postal	3,322	2	21	14.4
Food & beverage services	397	0.2	5	3.4
Head offices & management consultancies	211	0.1	4	2.7
Architectural & engineering services	11,136	6.8	3	2.1
Other professional services	97	0.1	1	0.7
Business support services	7,886	4.8	22	15.1
Public administration & defence	4,351	2.7	1	0.7
Education	387	0.2	1	0.7
Health	746	0.5	3	2.1
Arts	540	0.3	3	2.1
Recreational services	1,029	0.6	1	0.7
Other services	283	0.2	1	0.7
TOTAL	162,796	100	146	100

'Business support services', 'other manufacturing and repair' and 'warehousing and postal' constitute the three most prevalent sectors in terms of occupied units, between them accounting for over 40%. 'Motor vehicles trade' (which also includes repair) is also significant in these terms and is the most prominent sector as regards occupied floorspace, accounting for over 25%. This is largely due to the existence of some expansive operations of this nature at Capital Valley, and to a large degree explains the significance of sui generis uses in the Heads of the Valleys.

Aside of 'business support services', there is little in the way of tertiary or support-orientated activities in this part of the County Borough, although there are instances of high-end manufacturing such as Williams Medical at Maerdy Industrial Estate. EM2.1 (New Tredgar) is arguably the area's most successful estate and is the most modern and in the best physical condition. Furthermore, it accommodates small units that are suitable for SMEs and firms operating within a wholly local sphere of influence. It has a 100% occupancy rate

and a lengthy waiting list, indicating that demand exists to justify an expansion in supply of units of this nature within the HOVRA.

Northern Connections Corridor

3.9 Use Class and Vacancy Rates

The Northern Connections Corridor (NCC) contains 18 EM2 sites: two business parks, as relevant to the auspices of Policy CW13; five primary sites; and 11 secondary sites.

Table 11: Use class and vacancy rates on EM2 sites (NCC)

Use Class	Floorspace (sq m)	%	No of Units	%
A1	1,427	0.2	11	2
A2	162	0	3	0.5
A3	335	0.1	4	0.7
B1	130,545	22.8	163	29.6
B2	284,341	49.6	162	29.5
B8	60,158	10.5	77	14
D1	2,233	0.4	5	0.9
D2	1,808	0.3	10	1.8
SG	18,677	3.3	37	6.7
Vac	73,665	12.8	78	14.2
TOTAL	573,351	100	550	100

Class B uses account for over 70% of occupied units and 81% of floorspace, with the proportion of vacant units being similar to that in the HOVRA. Sui generis uses are considerably less prominent than in the north of the County Borough.

EM2 sites in the NCC are generally performing well, with vacancy rates below 20% on all but four sites, namely Penyfan, Hawtin Park, Newbridge Road and Switchgear. The physical quality varies, with several sites being regarded as physically average and some, such as Tram Road, as poor. However, the Sites Supply and Market Appraisal work concluded that sites of a lower quality should be retained for employment use as they continued to accommodate certain uses that could not be sustainably located elsewhere. On sites such as Hawtin Park which contain several vacant units and a significant amount of vacant floorspace, there is the opportunity for redevelopment or reconfiguration in order to potentially better meet the needs of remaining firms, and to attract new ones.

Units in B2 occupation account for half of the floorspace in the NCC, yet under a third in terms of unit number. This is accounted for by the presence of large business units at sites such as Penyfan (Sterilin, Braces), Hawtin Park (Seda, Nordam) and Croespenmaen (Schulman, Unilever) which are significantly larger than the NCC average.

Comparison with 2012 Position

Changes since 2012 have been negligible. Vacancy rates have fallen but by less than 1%, there has been a 2% decrease in units in class B occupation from 75% in 2012 and Sui Generis has not changed. There have been small increases in both class A and class D-occupied units.

3.10 Economic Sectors

Table 12: Economic sectors on EM2 sites (NCC), expressed by floorspace and number of units

Sector	Floorspace sq m	% Occupied Floorspace	No of Units	% Occupied Units
Food, drink & tobacco	16,690	3.3	5	1.1
Textiles	3,841	0.8	9	1.9
Wood & paper	23,817	4.8	15	3.2
Printing & recording	6,769	1.4	6	1.3
Chemicals	290	0.1	1	0.2
Pharmaceuticals	12,292	2.5	8	1.7
Non-metallic internal products	53,261	10.7	24	5.1
Metals & metal products	33,944	6.8	16	3.4
Electronics	30,078	6	6	1.3
Electrical equipment	1,010	0.2	4	0.8
Machinery	24,756	5	9	1.9
Motor vehicles	329	0.1	2	0.4
Other transport equipment	89	0	1	0.2
Other manufacturing & repair	87,509	17.5	55	11.6
Electricity & gas	104	0	1	0.2
Water, sewerage & waste	22,843	4.6	14	3
Construction	34,347	6.9	21	4.4
Motor vehicles trade	19,697	3.9	38	8
Wholesale trade	13,005	2.6	17	3.6
Retail trade	3,211	0.6	19	4
Land transport	17,482	3.5	14	3
Air transport	22,621	4.5	2	0.4
Warehousing & postal	17,569	3.5	27	5.7
Accommodation	146	0	2	0.4
Food & beverage services	1,077	0.2	8	1.7
Media	373	0.1	9	1.9
IT services	5,406	1.1	10	2.1
Financial & insurance	599	0.1	4	0.8
Legal & accounting	284	0.1	5	1.1
Architectural & engineering services	459	0.1	4	0.8
Other professional services	3,940	0.8	18	3.8
Business support services	5,830	1.2	25	5.3
Public administration & defence	30,170	6	39	8.2
Education	1,703	0.3	6	1.3
Residential & social	1,320	0.3	9	1.9
Arts	339	0.1	2	0.4
Recreational services	1,274	0.3	7	1.5
Other services	1,212	0.2	11	2.3
TOTAL	499,686	100	473	100

Sites in the NCC are not dominated by any particular sectors. One sector, 'other manufacturing and repair', accounts for approximately 11% of occupied units, with an additional five sectors occupying between 5% and 10% of units and a further eight sectors accounting for at least 3%.

In terms of floorspace, the two most prevalent occupants, 'other manufacturing and repair' and 'non-metallic internal products', account for approximately 10% of floorspace and each occupies a higher proportion than their respective percentage for units occupied. This indicates that these two sectors are accommodated in larger than average premises.

Having regard for the fact that the vacancy rate for EM2 sites in this strategy area is not high, it is fair to conclude that the employment sites in the NCC are performing well.

Southern Connections Corridor

3.11 Use Class and Vacancy Rates

The Southern Connections Corridor (SCC) contains 12 EM2 sites: two primary sites; and 10 secondary sites.

Table 13: Use class and vacancy rates on EM2 sites (SCC)

Use Class	Floorspace (sq m)	%	No of Units	%
A1	9,508	1.9	15	2.4
A3	413	0.1	5	0.8
B1	54,979	11.1	179	28.4
B2	245,655	49.5	224	35.5
B8	94,343	19	63	10
C3	180	0	6	1
D1	3,086	0.6	9	1.4
D2	5,535	1.1	13	2.1
SG	14,910	3	23	3.6
Vac	67,945	13.7	94	14.9
TOTAL	496,554	100	631	100

The pattern of uses matches very closely that of the NCC, with class B uses accounting for approximately 74% of units. B2 uses account for half of all floorspace in the SCC, indicating that these activities are accommodated in larger than average premises. B1 uses, although making up almost 30% of units, constitute only 11% of floorspace, suggesting the existence of a significant proportion of compact stock being used for office-related activities and light industry.

Prince of Wales (29.4% of units), Pontygwindy Industrial Estate (20.9%) and Trecenydd Industrial Estate (23.5%) are the only EM2 sites in the SCC with a cause for concern in terms of their vacancy rates. However, these are all medium to large sites of reasonable quality in sustainable locations, with the majority of units still in occupation for class B purposes. It is therefore considered that these sites continue to make a valuable contribution in terms of accommodating local businesses, and their place within the portfolio of employment land is therefore justified.

Comparison with 2012 Position

Vacancy rates have fluctuated significantly on some sites within the SCC since 2012. Pantglas has increased its occupancy rate by over 20% since that time and Prince of Wales has lost 13% of its occupants, for instance. However, the sum total of this is that occupancy rates overall have increased by 9% across the SCC. Units in class B occupation have increased from 60% to 74%. Sui generis has decreased from 9% to 3%, while class A units have increased by 2% from 1% to 3%.

3.12 Economic Sectors

Table 14: Economic sectors on EM2 sites (SCC), expressed by floorspace and number of units

Sector	Floorspace sq m	% Occupied Floorspace	No of Units	% Occupied Units
Agriculture, forestry & fishing	89	0	1	0.2
Food, drink & tobacco	50,995	11.9	8	1.5
Textiles	1,602	0.4	6	1.1
Wood & paper	25,132	5.9	7	1.3
Printing & recording	3,765	0.9	7	1.3
Chemicals	2,647	0.6	4	0.8
Non-metallic mineral products	39,590	9.2	24	4.5
Metals & metal products	47,787	11.2	25	4.7
Electronics	6,946	1.6	3	0.6
Electrical equipment	96	0	1	0.2
Machinery	22,118	5.2	12	2.3
Motor vehicles	91	0	1	0.2
Other transport equipment	1,246	0.3	1	0.2
Other manufacturing & repair	19,887	4.6	37	7
Electricity & gas	1,533	0.4	3	0.6
Water, sewerage & waste	5,137	1.2	9	1.7
Construction	34,784	8.1	65	12.2
Motor vehicles trade	30,194	7	38	7.2
Wholesale trade	18,055	4.2	33	6.2
Retail trade	18,263	4.3	26	4.9
Land transport	16,058	3.7	20	3.8
Warehousing & postal	32,575	7.6	14	2.6
Accommodation	170	0	2	0.4
Food & beverage services	1,110	0.3	11	2.1
Media	227	0.1	4	0.8
IT services	1,590	0.4	19	3.6
Financial & insurance	1,701	0.4	2	0.4
Real estate	990	0.2	5	0.9
Legal & accounting	6,727	1.6	15	2.8
Head offices & management consultancies	590	0.1	6	1.1
Architectural & engineering services	546	0.1	2	0.4
Other professional services	5,765	1.3	20	3.8
Business support services	7,859	1.8	37	7
Public administration & defence	4,745	1.1	11	2.1
Education	2,767	0.6	7	1.3
Health	963	0.2	7	1.3
Residential & social	887	0.2	6	1.1
Arts	209	0	1	0.2
Recreational services	5,892	1.4	13	2.4
Other services	7,101	1.7	18	3.4
TOTAL	428,429	100	531	100

In terms of units, 'construction' is the most prevalent sector, accounting for 12.2% of the occupied total, thanks in large part to Bedwas House Industrial Estate which accommodates 21 units. An additional ten sectors each have more than 3% of the occupied total number of units, with four of those ('motor vehicles trade', 'other manufacturing', 'business support services' and 'wholesale trade') each accounting for more than 5%.

In terms of floorspace, ‘metals and metal products’ and ‘food, drink and tobacco’ are the only sectors accounting for more than 10% of the occupied total. Again, however, floorspace is shared out among sectors in a very diverse fashion, with six other sectors accounting for over 5% each.

Business Parks, Primary Sites and Secondary Sites

The Council’s current approach to the development of employment land is set out in Policy CW13 (Use Class Restrictions – Business and Industry) of the LDP, which categorises each site as being either a business park, primary site or secondary site, with business parks having the most restrictions placed upon them in terms of permissible uses, and secondary sites the least. The following uses are permitted in each category:

- Business parks: class B1 uses; and facilities or services ancillary to the primary employment use;
- Primary sites: B2 and B8 uses and appropriate sui generis uses, in addition to those permissible on business parks;
- Secondary sites: acceptable commercial services unrelated to class B uses, in addition to those permissible on primary sites.

Each of these three categories of sites will be assessed in terms of the pattern of use classes and occupancy rates of each. This will serve to indicate how effective this policy has been in terms of directing particular uses to sites within specified categories.

3.13 Business Parks

Table 15: Use class and vacancy rates on business parks

Use Class	Floorspace (sq m)	%	Units	%
A2	162	2.9	3	4.8
B1	5,107	91.6	54	87.1
Vac	306	5.5	5	8.1
TOTAL	5,575	100	62	100

Although only two sites fall within the business park category, it is clear that the policy is proving effective in terms of restricting activity to B1 uses.

3.14 Primary Sites

Table 16: Use class and vacancy rates on Primary Sites

Use Class	Floorspace (sq m)	%	Units	%
A1	3,268	0.7	7	1.7
A3	311	0.1	3	0.7
B1	80,490	16.3	102	25.1
B2	262,553	53.3	150	36.9
B8	50,968	10.4	39	9.6
C3	180	0	6	1.5
D1	2,251	0.5	5	1.2
D2	827	0.2	5	1.2
SG	10,929	2.2	18	4.4
Vac	80,628	16.4	71	17.5
TOTAL	492,405	100	406	100

Class B uses account for over 70% in terms of both floorspace and units on primary sites, thereby indicating that CW13 is proving successful. Other uses account for a combined total of less than 10% of occupied space, although sui generis uses occupy over 4% of units.

3.15 Secondary Sites

Table 17: Use class and vacancy rates on Secondary Sites

Use Class	Floorspace (sq m)	%	Units	%
A1	7,910	1	21	2
A3	650	0.1	8	0.8
B1	125,943	16.2	375	36.1
B2	311,432	40.2	280	27
B8	116,870	15.1	143	13.8
D1	3,455	0.4	10	1
D2	7,545	1	19	1.8
SG	100,240	12.9	63	6.1
Vac	101,416	13.1	119	11.5
TOTAL	775,461	100	1,038	100

The situation for secondary sites follows the pattern established for primary sites. Class B uses still dominate with over 70% of units being within these categories. Although the vacancy rate is lower than for the primary sites (which could be due to the relatively relaxed policy stance on secondary sites), the additional occupation is largely in the form of a 5% increase in class B uses. The increased class A and D occupation, which might have been expected due to the allowance of 'additional commercial services', is negligible, although there has been nearly a 2% uplift in sui generis activities since 2012.

4 CONCLUSIONS

4.1 Local Policy

In terms of the policy framework that currently exists, Policy CW13 has proved effective in terms of restricting sites to that pattern of uses that it seeks to maintain. However, there is no practical difference between primary and secondary sites in terms of the mix of uses that

currently exists. Going forward, therefore, retaining primary and secondary sites as distinct categories within the employment hierarchy would appear unnecessary. Sites that are suitable for, and contain, a limited degree of non-class B use can be addressed as a single category, one which complements the B1-led business parks.

4.2 County Borough-Wide

Although there has been some variance since 2012 with regard to particular strategy areas, on a County Borough-wide level, there has been little change. Class B uses have held steady at just over 70% of units on allocated EM2 employment sites, although there has been an increase in occupancy rates.

Issues that may exist do so on a localised basis, rather than regarding the portfolio of employment land as a whole. Vacancy rates are at least 20% on the following 11 sites:

- EM2.3 Capital Valley, Rhymney (20 units, 12 (60%) vacant);
- EM2.10 Penyfan, Croespenmaen (85 units, 22 (25.9%) vacant);
- EM2.12 Hawtin Park, Pontllanfraith (17 units, 10 (58.8%) vacant);
- EM2.20 Newbridge Road, Pontllanfraith (15 units, 3 (20%) vacant);
- EM2.22 Switchgear, Pontllanfraith (7 units, 3 (42.9%) vacant);
- EM2.27 Prince of Wales, Abercarn (51 units, 15 (29.4%) vacant);
- EM2.28 Nine Mile Point, Cwmfelinfach (17 units, 4 (23.5%) vacant);
- EM2.29 Blackvein, Crosskeys (8 units, 3 (37.5%) vacant);
- EM2.31 Park Road, Risca (6 units, 3 (50%) vacant);
- EM2.34 Pontygyndy, Caerphilly (91 units, 19 (20.9%) vacant);
- EM2.35 Trecenydd, Caerphilly (34 units, 8 (23.5%) vacant).

The 2014 Employment Sites Supply and Market Appraisal however did not recommend that alternative uses be considered for these sites for a variety of reasons. Of the smaller sites, some (such as Switchgear) primarily exist in order to accommodate an important local employer, but also incorporate additional, smaller units whose occupancy status will give a skewed picture in terms of the economic health of the site as a whole. Others, such as Blackvein, accommodate a mix of potential 'bad neighbour' and distribution-orientated uses that may be less suitable on a more prominent site yet which benefit from immediate proximity to the strategic highway network. There is therefore a need to retain sites such as this one while the operations it supports remain.

Of the larger sites, these are sites of good to average quality, some of which contain low density development in parts (such as Penyfan) which could present opportunities for remodelling if vacancy rates persist. Others have little to no underused land, but are characterised by building stock which is dated in parts. Redevelopment of this stock in order to cater for the demands of the business community should be considered, whilst bearing in mind that vacancy rates, even on these sites, are not alarmingly high. Prior to any investment being made in remodelling it should be established that the accessibility and attractiveness of sites is the underlying reason for their vacancy, rather than there being no demand for units within the area.

4.3 Heads of the Valleys

The City Deal programme will present opportunities. From the point of view of employment, the Rhymney Renaissance programme that is being developed seeks to redevelop the town's cluster of four industrial estates as a single site of strategic importance for the Heads of the Valleys region, involving an expansion of Welsh Innovation Centre for Enterprise (ICE) operations (currently based at Caerphilly business park) and integrating it with the improved connectivity arising from the South East Wales Metro project.

The 'larger than local' emphasis of Technical Advice Note (TAN) 23 (Economic Development) is also an important consideration. The Heads of the Valleys encompasses settlements from a number of adjacent authorities which are interdependent on each other in a social and economic sense, and therefore the employment offer that exists in Merthyr and Blaenau Gwent, in particular, will have a large bearing on the approach adopted with regard to settlements such as Rhymney in relation to economic development, especially considering Welsh Government's desire to improve intraregional connectivity through its commitment to the South East Wales Metro concept.

4.4 Northern Connections Corridor

The Northern Connections Corridor is well served for employment land and only four of its 18 EM2 sites (listed above) have a vacancy rate of at least 20%. In terms of new employment land, it contains the four Oakdale Business Park plateaux and the site at Ty Du, Nelson. However, of the 44.9 ha at Oakdale, 21 ha have already been developed and implementation of the permission regarding Plateau 2 would leave only half of Plateau 1 and the northern end of Plateau 4 as undeveloped. A planning application has been submitted for a mixed-use scheme at Ty Du and take up of this site would exhaust the supply of land available in this part of the County Borough still further.

An extension to Tredomen Business Park was considered as part of the review of the LDP. The existing site benefits from good transport links and its location is a place of strategic importance, and such a proposal to allow for the expansion of this successful, B1-led site should be explored. City Deal funding should be pursued to provide the necessary servicing and infrastructure to extend the site and facilitate the phased development of small, managed office units, suitable for new start ups.

4.5 Southern Connections Corridor

The Southern Connections Corridor can be divided into two distinct parts: Caerphilly Basin; and Lower Islwyn, and will be considered as such here. New employment land in this strategy area is in short supply and, for this reason, additional sites were considered as part of the review of the LDP.

Caerphilly Basin's employment offer is dominated by the two large sites at Bedwas: Bedwas House; and Pantglas. These are performing well with good occupancy rates, as are both the EM2 parts of Western Industrial Estate and Caerphilly Business Park. Trecenydd and Pontygwindy are performing slightly less well. However, Pontygwindy is a large site of which over three quarters remains occupied. Trecenydd contains a strip of EM1 land which has

not attracted any demand over the plan period and incorporating this into the EM2 land around it would be logical. Instead, the potential of redeveloping the site as a whole could be explored, whilst being conscious that the site is limited to its present extent by adjacent, neighbouring uses.

As with the Heads of the Valleys, it is anticipated that City Deal will present opportunities for Caerphilly Basin, particularly in terms of improving Caerphilly town's connectivity with Cardiff and the wider region. This clearly has direct implications on the level of accessibility of existing employment sites as well as potential new ones, but can also be used as a mechanism for unlocking specific development sites. For example, the expansion of Welsh ICE, currently located on Caerphilly Business Park, which could act as a catalyst for the development of vacant land on the site as well as redevelopment of some of the remainder. In conjunction with this, the unlocking of the adjacent Thomas Ness tar plant provides an opportunity to create a sustainable, accessible environment for the location of existing firms as well as new start ups.

Lower Islwyn contains six EM2 sites, all of which are small except for Prince of Wales. Of these six, four (including Prince of Wales) have vacancy rates over 20%, including Park Road, the only site located within the Principle Town of Risca (though Rogerstone Park lies at its edge, on the boundary with Newport). Although there are few sites within Lower Islwyn and only one of any size, it is important to consider the location of this area as regards its regional context. To a degree, the northern part is within the sphere of influence of Blackwood and Crumlin, and therefore sites such as Oakdale Business Park have the potential to be of benefit. However, the whole area, particularly Risca and settlements at the southern end of the Ebbw valley, lie within Newport's economic catchment and therefore its strategic role, set at the regional level, will be important to consider in terms of shaping the County Borough's approach to employment here.

4.6 Anchor Companies

Welsh Government has identified a series of anchor companies, which are those deemed to be global or international organisations and which have either a Welsh headquarters or a significant corporate presence in Wales. Welsh Government is committed to building strategic relationships with these firms in order to improve understanding of how the public and private sectors can work together. These companies are set out below, with the ones that maintain a presence in Caerphilly County Borough being highlighted in bold:

Anchor Companies

Admiral Group Plc
Airbus Operations Ltd
Airbus Defence and Space UK
Biomet UK Ltd
Boom Cymru TV Ltd
Boparan Holdings Ltd
British Airways Engineering South Wales
British Telecommunications (BT) Plc
Celsa Manufacturing (UK) Ltd
Centrica

CGI
Control Techniques Drives Ltd
Dawnus Group
Deloitte
Dŵr Cymru Welsh Water
Ford Motor Company Ltd
GE Aircraft Engine Services Ltd
GE Healthcare
General Dynamics UK
Harris Pye Engineering
HSBC Holdings Plc
IR Newport Ltd
IQE Plc
JCB
Legal & General Assurance Society Ltd
Lloyds Banking Group
Meritor Heavy Vehicle Braking Systems
Moneysupermarket.com Group Plc
Norgine Ltd
Nuaire Ltd
Ortho Clinical Diagnostics (OCD)
Packaging Coordinators Inc
Penn Pharmaceutical Services Ltd
Pinewood Studios Wales
Principality Building Society Ltd
Qioptiq Ltd
Redrow Plc
RBS
Royal Bank of Scotland
RWE
SSE Plc
Sharp Manufacturing Company
Siemens Healthcare Diagnostics Products Ltd
SIMEC/Liberty House
Sony UK Technology Centre
SPTS Technologies Ltd
Tata Steel Europe
Tinopolis Plc
Toyota Motor Manufacturing (UK) Ltd
UPM-Kymmene (UK) Ltd
UPM Shotton
Valero
Wales and West Utilities Ltd
Western Power Distribution (South Wales) Plc
Zodiac Seats (UK) Ltd

Dwr Cymru Welsh Water

Dwr Cymru's registered office is based in Nelson and is the subject of an EM2 designation in the LDP.

General Dynamics UK

General Dynamics is a US-based company with a presence at Oakdale Business Park (EM1.4). The company is a prime contractor and complex systems generator working in conjunction with government and the private sector, and the Oakdale site incorporates a media centre as well as a testing facility.

Norgine Ltd

Norgine is a Dutch-headquartered specialist pharmaceutical company with a large unit at New Road, Tiryberth (EM2.18). The purpose of the firm's Welsh operation is twofold: manufacturing and R&D, thereby contributing to the existence of a diverse and high quality employment offer within the County Borough.

Nuaire Ltd

Nuaire is a designer and manufacturer of domestic and commercial ventilation products which are available in over 40 countries. Its headquarters are located at Western Industrial Estate, Caerphilly, but it maintains sites elsewhere around the UK and since 2015 has been part of the larger Polypipe Group.

4.7 Moving Forward

Potential new sites need to be considered but, in the first instance, the issue of employment land needs to be examined at the regional level, especially with regard to strategic sites i.e. their purpose; and their locations with regard to their intended contribution to regional economic wellbeing.

Planning Policy Wales recognises that effective planning for the economy requires local planning authorities to work strategically and co-operatively steering development and investment to the most efficient and most sustainable locations, regardless of which local authority area they are in. It is essential that local planning authorities in The Cardiff Capital Region identify and make adequate provision for their role in the regional economy of South East Wales and nationally.

Further work is required across the region in order to establish a sound evidence base with regards to employment land. This requires the ten South East Wales LPAs to agree a common methodology for the surveying of employment land which can provide an accurate portrayal of the regional situation, and those locations where opportunities or weaknesses may exist in terms of particular economic sectors. This will provide a necessary foundation for any preparatory work on a strategic development plan for the region in terms of employment. The findings of this work will need to be considered alongside factors such as City Deal, the South East Wales Metro and national planning policy more widely when undertaking the process of regional policy formulation and determining the general policy direction in the next round of LDPs as part of a wider, regional approach to economic development.

Key findings and recommendations emanating from the 2016 ELAS are as follows:

- The primary/secondary distinction contained within Policy CW13 has had no practical effect, with sites in both categories accommodating a mix of class B1/B2/B8 uses. The future policy approach should reflect, and take account of, this;
- The supply of EM1 land is being steadily taken up, and the majority of EM2 sites across the County Borough are performing well in terms of occupancy, representing a wide variety of economic sectors. However, there is an issue regarding the quality and suitability of stock in some locations, and the remodelling or redevelopment of some sites in order to address this should be considered, where opportunities exist, particularly through initiatives such as City Deal;
- The Council should engage as fully as possible with the existing business community within the County Borough, particularly recognising the importance placed by Welsh

Government on those anchor companies that are currently located here, in order to establish the type of sites that are required going forward, both in terms of their location and premises. This is not only important in terms of identifying new sites, but also as regards addressing the issue of long-term vacancies on existing sites, where they exist to a significant degree on particular ones;

- A common methodology needs to be agreed for the surveying of employment land across the region, in order to establish an evidence base for South East Wales which will serve as a foundation for a strategic approach to employment, including the identification of strategic sites and those economic sectors that each part of the region should focus its efforts on supporting.