



# Employment Land Review Study

Blaenau Gwent

**Executive Summary**

October 2019

## EXECUTIVE SUMMARY

### Introduction

- i. This report provides an Employment Land Review to support the Blaenau Gwent Replacement Local Development Plan (LDP). The study links to, and is informed by, the Regional Employment Study for Torfaen, Blaenau Gwent, Monmouthshire, Caerphilly and Newport. The study updates previous employment land evidence base documents for the County Borough.

### Methodology

- ii. A number of 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 Blaenau Gwent shows modest population declines over the last five years, against growth across Wales/UK. Blaenau Gwent's unemployment rate is high in the national context but below average for the Cardiff Capitol Region (CCR). Blaenau Gwent has issues with educational qualifications, a low proportion of residents are qualified to degree level and a comparatively high proportion of people have no qualifications.
- iv. As of 2017, Blaenau Gwent's economy supported 18,500 jobs. In the last five years, employment has declined by 12 percent, against the growth observed in the City Region and Wales as a whole. That reduction is primarily driven by net losses in health sector employment.
- v. The largest sector in Blaenau Gwent's economy is manufacturing, with 4,000 jobs (21 percent of total jobs), 2.7 times the proportional size of the manufacturing sector in Great Britain. This reflects the fact that while Blaenau Gwent may have lost much of

its traditional industry, it has been successful in attracting new high value manufacturing and production businesses.

- vi. The public sector makes up a considerable share of employment. There is however indication that some creative and high-value service sectors, such as ICT, Finance and Professional Services, which are under-represented in the economy, are growing fast, presenting an opportunity for diversification into a modern, service-based economy.
- vii. In terms of commuting, Blaenau Gwent has a modest level of self-containment, 52 percent. The strongest commuting relationships are with Monmouthshire, Caerphilly and Torfaen. In terms of migration, younger families appear to be leaving the Borough while the over 40s are attracted in.
- viii. Stakeholders were positive about Blaenau Gwent's economic future. In addition to the Welsh Government investment there are strong trends of inward investment, with new companies encouraged into the area by its affordable property, high quality environment and strong strategic transport links. Notwithstanding the comparatively low levels of educational attainment noted above, Blaenau Gwent's workforce is judged to be skilled, particularly in manufacturing sectors, and this further increases the attractiveness of the County Borough to businesses. Blaenau Gwent is also identified as having the second highest business start-up rate in Wales. The high level of start-ups brings demand for smaller industrial units of 0-100 sqm (up to up to 500 sqm in some estimates), although there are also shortages in the 5,000 sqm range to allow larger firms to grow.
- ix. Stakeholders argue that there are significant supply shortages across Blaenau Gwent, particularly for smaller industrial properties and freehold options. Much of the available property is also relatively dated and in need of refurbishment although investment has occurred in some privately-owned schemes. Rental values for general industrial units are typically around £19.40-£26.90/sqm (£1.80 - £2.50/sqft), rising to £32-£43/sqm (£3.00-£4.00/sqft) for refurbished options.
- x. Historically, office demand has been limited to local services utilising small office suites above shops in the town centres and public sector occupiers. The regeneration of the former steel works in Ebbw Vale has, however, stimulated positive market demand for small scale hybrid office/tech space. A number of recent decisions look

set to further stimulate the market, including that by Thales to establish a new Cyber Security Research Centre in Ebbw Vale and ongoing Welsh and Local Government investments in The Works.

- xi. In Blaenau Gwent, the main policy tool for driving forward change is the Ebbw Vale Enterprise Zone. To date, delivery in the Enterprise Zone has been slow. This is felt to reflect the level of site works and infrastructure needed to bring sites forward, rather than a lack of demand. Several key projects are now being progressed and are discussed further in Sections 5.0 and 6.0 of the Main Report.

### **Employment Land Supply and Need**

- xii. The maximum employment land supply, from 13 LDP allocated sites, is 50.0 ha. However, a review of site conditions and owner intentions suggests a realistic supply of 45.81 ha in 12 sites.
- xiii. To assess need, three recognised methods of forecasting have been used, reflecting Welsh Practice Guidance:
- Practice Guidance Method One: Past Building Completions – Utilises all past take up data since 2007, identifying an annual average take-up rate of 1,937.9sqm/year calculated on a 40 percent plot ratio
  - Practice Guidance Method Two: Labour Demand Forecasting (Policy Off) – jobs growth, as identified in Oxford Economic (2019) forecast modelling, consistent with jobs densities and plot ratios defined in Welsh Practice Guidance
  - Practice Guidance Method Two: Labour Demand Forecasting (Policy On) – jobs growth, as identified in Oxford Economic (2019) forecast modelling, but with an allowance for an extra 3,375 jobs based on population projections, the impact of the Enterprise Zone, reducing out commuting, increasing the economic activity rate and reducing the employment rate. Approximately a quarter of the jobs, 800, would be in office sectors and 2,575 in manufacturing. The model again uses jobs densities and plot ratios defined in Welsh Practice Guidance.
- xiv. The outputs from all the models are outlined in Table ES1.

**Table ES1 – Land Forecast Models – Summary**

<b>Model</b>	<b>Land Stock 2019, ha*</b>	<b>Land Need 2018-2033, ha</b>	<b>Flexibility Buffer (five years take-up rate) ha</b>	<b>Land Need Incl. flexibility buffer</b>	<b>Surplus, ha</b>	<b>Assumptions</b>
Practice Guidance Method One: Past Building Completions Minimum Land Target	45.81	B1 Office: - B1/B2 Ind: 5.02 B8: 2.10 Total: 7.12	B1 Office: - B1/B2 Ind: 1.67 B8: 0.75 Total: 2.42	B1 Office: - B1/B2 Ind: 6.69 B8: 2.85 Total: 9.54	36.27	Based on historic (11 years) take-up of 1,937.9 sqm/year at a 40 percent plot ratio
Practice Guidance Method Two: Labour Demand Forecasting (Policy Off)	45.81	<i>Net Change</i> B1: 0.25 B2/B8: (15.86) Total: (15.61)  <i>Growth Only</i> B1: 0.65 B2/B8: 0.39 Total: 1.04	<i>Net Change</i> B1: 0.08 B2/B8: - Total: 0.08  <i>Growth Only</i> B1: 0.22 B2/B8: 0.13 Total: 0.35	<i>Net Change</i> B1: 0.33 B2/B8: (15.86) Total: (15.53)  <i>Growth Only</i> B1: 0.87 B2/B8: 0.52 Total: 1.39	<i>Net Change</i> 61.34  <i>Growth Only</i> 44.42	Policy Off Based on <i>Net Change</i> : Projected employment change across sectors <i>Growth Only</i> : Projected growth sectors
Practice Guidance Method Two: Labour Demand Forecasting (Policy On) Maximum land target	45.81	<i>Net Change</i> B1: 3.45 B2/B8: 27.28 Total: 30.73  <i>Growth Only</i> B1: 3.85 B2/B8: 27.54 Total: 31.39	<i>Net Change</i> B1: 1.15 B2/B8: 9.09 Total: 10.24  <i>Growth Only</i> B1: 1.28 B2/B8: 9.18 Total: 10.46	<i>Net Change</i> B1: 4.60 B2/B8: 36.37 Total: 40.97  <i>Growth Only</i> B1: 5.13 B2/B8: 36.72 Total: 41.85	<i>Net Change</i> 4.84  <i>Growth Only</i> 3.96	Policy On – 3,375 additional jobs Based on <i>Net Change</i> : Projected employment change across sectors <i>Growth Only</i> : Projected growth sectors <i>N.B. if a lower Policy-On jobs growth figure of 1,500 is assumed, solely from the Enterprise Zone, needs become 1.85 ha in net need, 3.05 ha from growth only need. This equates to:</i> <i>Net change: 43.96 ha</i> <i>Growth only: 42.76 ha</i>

Model	Land Stock 2019, ha*	Land Need 2018-2033, ha	Flexibility Buffer (five years take-up rate) ha	Land Need Incl. flexibility buffer	Surplus, ha	Assumptions

Source: Blaenau Gwent CBC/BE Group, 2019

\*Realistic land supply

- xv. 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.
- xvi. Under all land take up models, Blaenau Gwent has enough quantity of land to meet its needs.
- xvii. The policy-off jobs based forecast model suggests the County Borough has a major 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 and a review of the historic trends in employment change and land take up (see Section 7.0) suggest that these forecasts underestimate land needs significantly.
- xviii. In terms of the other two forecasts it is argued that Practice Guidance Method One: Past Building Completions represents the minimum land requirement (9.54 ha) Blaenau Gwent will have if none of the Enterprise Zone programmes were realised and the County Borough's growth remained unchanged from the last decade. Practice Guidance Method Two: Labour Demand Forecasting (Policy On) represents the maximum land requirement (40.97-41.85 ha) generated if all policy on programmes are realised to their fullest extent, with extensive local job generation and growth, particularly in B2/B8 sectors. Actual growth, to 2033, may thus fall between the two.

### Recommendations

- xix. 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:

**Blaenau Gwent County Borough Council use the roll forward of historic take-up as the minimum land target and Labour Demand Forecasting (Policy On) as the maximum land target. In practice, this means that the Council should allocate a land supply of not less than 41-42 ha to meet emerging policy commitments and support the best level of jobs growth forecast. Even under the worst future economic conditions, however, the supply should not be allowed to drop below 9-10 ha to allow the County Borough to maintain its current rate of economic growth.**

- xx. With quantitative land needs of up to 41.85 ha against a supply of 45.81 ha, there is enough land available to meet needs, although the resulting surplus is not large. To meet needs on a strongly pro-growth strategy, Blaenau Gwent requires effectively all the remaining allocated land it has. Thus, it is not recommended that the Council release any of the EMP1 Allocations for other uses, unless viable and deliverable alternative sites are put forward.
- xxi. Recommendations for individual employment sites have been summarised in Table ES2 (Employment Land Recommendations) below.

**Table ES2 – Employment Land Recommendations**

Policy ID.	Name	Allocate in the new LDP?	Recommendations
EMP1.1	Land at Festival Park	Yes Protect as 'Business Park' in the LDP hierarchy.	The site should be retained for employment use. Key infill plot in a high value local employment area, which is attracting market interest. Given the demand for this land, the Council should put in place a plan to allow for its disposal, as soon as possible.
EMP1.2	Land at Tredegar Business Park	Yes Consider allocation as a 'Primary Site' to allow a broader range of B-Class uses on the land, in line with market interest.	The site should be retained for employment purposes. Land represents a logical extension to an existing business park and location is attracting market interest. Also, land supply is more limited in Tredegar compared to Ebbw Vale. Given market interest, it is recommended that acceptable uses here be broadened to B1/B2/B8 and relevant Sui Generis. Larger size of site also means it is better able to support B2/B8 options than many other sites in the Tredegar area.
EMP1.3	Land at Rising Sun Industrial Estate	Yes Protect as 'Business Park' in the LDP hierarchy.	The site should be retained for employment purposes. Although the adjacent school puts some limits on what can be delivered here, the land is still required by the market, representing a defined growth plot for Rising Sun Industrial Estate.
EMP1.4	Rassau Platform A	Yes Protect as 'Primary Site' in the LDP hierarchy.	The site should be retained for employment purposes. Good quality expansion land in a key strategic employment area, attracting market interest. Platforms A and B also represent Blaenau Gwent's main offer of land on the cross Wales Heads of the Valley's route.
EMP1.5	Rassau Platform B	Yes Protect as 'Primary Site' in the LDP hierarchy.	The site should be retained for employment purposes. Good quality expansion land in a key strategic employment area, attracting market interest. Platforms A and B also represent Blaenau Gwent's main offer of land on the cross Wales Heads of the Valley's route. Site would be accessed through neighbouring land - EMP1.4 Rassau Platform A. It is assumed both sites would be brought forward as a linked development scheme.  The site boundary, in the existing LDP, incorporates a sizable area of woodland to the south (5 ha, approx.) included to secure S106 funding for woodland management/improvements as part of any development scheme. This approach

Policy ID.	Name	Allocate in the new LDP?	Recommendations
			should be reviewed in the replacement LDP.
EMP1.6	Land at Waun y Pound	Maybe Protect as 'Primary Site' in the LDP hierarchy, subject to clarification on site conditions.	The site should be retained for employment use. Expansion land to a small, but modern, local industrial estate, accommodating major employers, which has seen some development. Site is attracting market interest, but stakeholders also suggest that historic uses on the site do impact on deliverability. This should be clarified before site is allocated again in the next LDP. Site boundary should be amended to remove developed land.
EMP1.7	Marine Colliery	Maybe Assumed not as current likely development is rail freight use	Review future of site, reflecting the differing requirements noted above. If rail freight for quarry emerges as preferred option, then the location becomes a minerals and waste transport facility rather than land for B1/B2/B8 employment. This change of focus should be reflected in the emerging LDP and the land removed as an ordinary employment allocation.
EMP1.8	Crown Business Park Platform A	Yes Protect as 'Primary Site' in the LDP hierarchy.	The site should be retained for employment use. Site owner is considering B-Class uses to meet both its own needs, and the needs of others. Development of this site thus appears likely.
EMP1.9	Crown Business Park Platform B	Yes Protect as 'Primary Site' in the LDP hierarchy.	The site should be retained for employment purposes. Expansion land in a large local industrial estate, accommodating a number of major employers for the County Borough. The land has, and continues to, receive enquiries for several B-Class uses.
EMP1.10	Land at Roseheyworth Business Park	Yes - Part Protect as 'Primary Site' in the LDP hierarchy.	Protect the remaining land for B-Class uses. The Waste Facility significantly reduces the available B-Class development land, but a useful expansion site remains of 0.71 ha which allows some growth to Roseheyworth Business Park, now a local centre for high tech and high value businesses. Adjust site allocation boundary to allow for Waste Facility and to account for any land which is undevelopable due to flood risk.
MU1	Bryn Serth	Yes Protect as 'Primary Site' in the LDP hierarchy.	The site should be retained for employment. Although in the short term most development here is likely to be for non B-Class uses, the land represents a logical next phase of development for Rhyd y Blew to the north where development is likely in the short term. Completion of Rhyd y Blew would provide a critical mass of B-Class premises in the area and, assuming success here, encourage developers to look south for more development land to continue growth.
MU1	Rhyd y Blew	Yes Protect as 'Strategic Site' in the LDP hierarchy.	The site should be retained for employment purposes. The land has larger than local significance and is a key regeneration investment site for the County Borough. In seeking consent for B-Class uses, Welsh Government have made a commitment to development here and considered speculative delivery.
MU2	'The Works' Business Hub	Yes Protect as 'Business Park' in the LDP hierarchy.	The site should be retained for employment use. Very high value infill plots in a key regeneration area. Plans for B-Class premises are being actively progressed on all the plots, with multiple planning consent's secured along with funding.

*Source: BE Group, 2019*

xxii. Table ES3 provides Area specific recommendations:

**Table ES3 – Existing Employment Area Recommendations**

Policy ID.	Name	Recommendations (Safeguarding Yes/No) Recommended Position in LDP Hierarchy
EMP2.1	Tredegar Business Park	The site should be retained for employment purposes, reflecting the range of high value uses found here. Site is primarily in B1 use, but future growth on EMP1.2 Land at Tredegar Business Park, will likely extend across the B1/B2/B8 use classes, reflecting wider demand. <b>(Yes)</b> Consider allocation as a 'Primary Site' to allow a broader range of B-Class uses on the land, in line with market interest.

Policy ID.	Name	Recommendations (Safeguarding Yes/No) Recommended Position in LDP Hierarchy
EMP2.2	Rassau Industrial Estate	The site should be retained for employment use. Location comprises a well-established strategic scale industrial estate, a key part of the County Borough's offer in the Heads of the Valleys economic corridor and a focus for inward investment. <b>(Yes)</b> Given the focus of this location for major business occupation and its position on the Heads of the Valleys Road, we would recommend this location be designated a 'Strategic Site' in the LDP hierarchy
EMP2.3	Waun y Pound Industrial Estate	The site should be retained for employment use. Well located, mostly local scale site which has seen recent development and is attracting market interest. Constraints may mean that further expansion here is a slow process. Smaller scale premises are increasingly dominated by B8 trade uses, which requires further monitoring. LDP policy could consider splitting the location into separate areas for trade and industrial/warehouse employment to protect the remaining industrial/storage uses as a Primary Site. <b>(Yes – part at least)</b> Protect as 'Primary Site' in the LDP hierarchy, in part at least.
EMP2.4	Festival Park	The majority of the site should be retained for employment use, as a high-quality local employment area including office and business centre options The boundary of the employment site could be amended to exclude the southern area of the site. The area is small and consists of only 5 employment units, a hotel and restaurant which are predominantly non B uses. This area of the site is located within a residential area and is divided from the rest of the industrial estate via the A4046. The larger offices should still be protected though, give the scarcity of such options locally. <b>(Yes – part at least)</b> Protect as 'Primary Site' in the LDP hierarchy, in part at least.
EMP2.5	Tafarnauach Industrial Estate	The site should be retained for a primary employment site. Location also appears to be a good source of further employment land, should it be needed. <b>(Yes)</b> Protect as 'Primary Site' in the LDP hierarchy.
EMP2.6	Crown Business Park	The site should be retained for a primary employment site as a local, but still high value site in the Heads of the Valleys Economic Corridor. <b>(Yes)</b> Protect as 'Primary Site' in the LDP hierarchy.
EMP2.7	Pond Road Workshops	Low value site, but still serving some economic functions. Based on an occupancy rate of around 70 percent the area should be protected, but not to the exclusion of any alternative options which may generate superior economic or community value. If vacancy rates, site conditions decline further, any allocation would need to be reviewed. <b>(Yes)</b> Given site conditions, it is recommended that it be protected as a 'Secondary Site' in the LDP hierarchy.
EMP2.8	Blaenant Industrial Estate	The site should be retained for employment use, reflecting the presence of several key local occupiers for the County Borough. Some Council owned development land is available here, should it be required. <b>(Yes)</b> Protect as 'Primary Site' in the LDP hierarchy.
EMP2.9	Barleyfield Industrial Estate	Consideration should be given to change the site to a secondary employment site which allows an acceptable commercial service as well as B1, B2, and B8. The sub-division of the units has allowed for the creation of very small units. However, such small, affordable units are needed to serve the local market and the high level of local start-ups. The modest vacancy rate suggests that the site is still serving a function and should be protected. <b>(Yes)</b> Given site conditions, it is recommended that it be protected as a 'Secondary Site' in the LDP hierarchy
EMP2.10	Rising Sun Industrial Estate	The site should be retained for employment purposes, reflecting both its offer of micro business space and the presence of several large employers. <b>(Yes)</b> Protect as 'Primary Site' in the LDP hierarchy.
EMP2.11	Cwmthillery Industrial Estate	The site should be retained for a primary employment site, based on the range of occupiers and the reasonable quality of most units. <b>(Yes)</b> Protect as 'Primary Site' in the LDP hierarchy.

Policy ID.	Name	Recommendations (Safeguarding Yes/No) Recommended Position in LDP Hierarchy
EMP2.12	Roseheyworth Business Park	The site should be retained for employment use, reflecting good occupancy rates and the general quality of the stock. <b>(Yes)</b> Protect as 'Primary Site' in the LDP hierarchy.
EMP2.13	Cwm Draw Industrial Estate	Main estate in the north is of reasonable quality, with a mix of occupiers. Would suggest the wider area boundary is too widely drawn, including several disused plots in the south with only limited linkages to the main employment area. Consider removing them from the allocation and allowing some flexibility as to growth in this southern part while protecting a more tightly defined employment area in the north. <b>(Yes – part at least)</b> Protect as 'Secondary Site' in the LDP hierarchy, in part at least.
EMP2.14	Marine Street Industrial Estate	The site should be retained for employment use. Site serves a function, with a 79 percent occupancy rate, but continued monitoring is required to identify further evidence of decline. In the long term, plans for refurbishment and/or redevelopment may need to be considered. <b>(Yes)</b> Protect as 'Secondary Site' in the LDP hierarchy.
EMP2.15	Sirhowy Hill Industrial Estate	Area has value, but for a broader mix of employment generating uses beyond the B-Class. Due to the pressure for alternative uses, it may be more beneficial to not protect the industrial estate and allow the estate to be guided by the market. <b>(No)</b>
EMP2.16	Bridge Street Industrial Estate	The site should be protected for a Key Local Employment Site. Although quality is moderate, the estate is in full use and provides useful micro business space, particularly for car garages which may not be able to afford options elsewhere. <b>(Yes)</b> Protect as 'Secondary Site' in the LDP hierarchy.
EMP2.17	Noble Square Industrial Estate	The site should be retained as a secondary employment site. Contains a small, but well-established group of SMEs. <b>(Yes)</b> Protect as 'Secondary Site' in the LDP hierarchy.
EMP2.18	Blaina Enterprise Centre	Given the mix of uses on the estate, the site should be retained as a secondary employment site. Location continues to serve a purpose accommodating a diverse group of micro firms. <b>(Yes)</b> Protect as 'Secondary Site' in the LDP hierarchy.
EMP2.19	Cwmcraehen Industrial Estate	The boundary of the site will need to be reconsidered in terms of the new gypsy traveller site. However, given the location only has one premises occupier, in non B-Class use, plus approx. three open storage uses/vehicle depots, two with narrow road access, the location is of limited economic value. Given area conditions and neighbouring uses it is unlikely to attract many further new businesses. It is recommended that the area is not allocated in the LDP as a B-Class employment area but left free to accommodate a broader range of uses which could generate economic and community value, appropriate to the location. <b>(No)</b>
EMP2.20	Glandwr Industrial Estate	The site should be retained for employment purposes, reflecting the recent investment here and the generally high quality of its offer of B2/B8 premises. Given the reasonable quality of much of the stock and strong A-Road location, it is recommended that it be considered a Primary rather than Secondary employment site. <b>(Yes)</b> Given site conditions, it is recommended that it be protected as a 'Primary Site' in the LDP hierarchy
EMP2.21	Llanhilleth Industrial Estate	The site should remain as a secondary employment site which allows an acceptable commercial service as well as B1, B2, B8 and SG uses. This reflects the reasonable quality of the location and the fact that it appears well used. <b>(Yes)</b> Protect as 'Secondary Site' in the LDP hierarchy.

Source: BE Group, 2019

- The existing LDP Employment Land/Area Hierarchy is accepted and recommendations on how areas could fall into that hierarchy are provided in Tables ES2-3. Within the Strategic Sites/Business Parks/Primary Sites, non B-Class employment uses should not normally be permitted, unless a clear viability case can be made.
- For the Secondary 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 Employment Sites.
- TAN23 requires that sites should be fit for purpose and this means that they need to be deliverable. To achieve this, it is recommended that the Council and other relevant partners:
  - Have a disposal strategy in place for relevant Council owned land and premises
  - Work proactively with Welsh Government
  - Develop Delivery Strategies for Sites.
- 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 as part of the future Plan reviews, as 2033 is a long time in the future and much will happen before then.

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