BACKGROUND PAPER 7
PAPUR CEFNDIR 7

EMPLOYMENT

DEPOSIT LOCAL DEVELOPMENT PLAN
UP TO 2021

October 2008

CYFLOGAETH

CYNLLUN ADNEUO DATBLYGU LLEOL
HYD AT 2021

Hydref 2008

CAERPHILLY COUNTY BOROUGH
LOCAL DEVELOPMENT PLAN
Up to 2021

BWRDEISTREF SIROL CAERFFILI
CYNLLUN DATBLYGU LLEOL
Hyd at 2021

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1. INTRODUCTION

1.1 This document forms part of a series of topic-based papers aimed at providing background information and evidence on the topic area of employment to support the policies to be included in the Local Development Plan.

1.2 The Local Development Plan will contain policies and proposals to identify land to meet employment needs of the County Borough for the 15-year period up to 2021, as well as protecting existing employment sites where appropriate.

1.3 The economy of the County Borough has experienced major restructuring in recent years, with major changes in the type and size of businesses operating in the area. This Topic Paper seeks to provide the background information on employment trends in the County Borough and forecast future requirements in terms of floorspace and locational requirements for the period 2006 to 2021. In addition, the Topic Paper will look at the current employment land supply in order to identify what employment land is required to meet the needs of a changing economy.

2. RELATIONSHIP TO OTHER STRATEGIES

2.0 The Local Development Plan must have regard to national planning guidance and policy prepared by the Welsh Assembly Government, as well as that regarding other, related areas, at the national, regional and local level.

2.1 Local Policy Context

2.2 Caerphilly County Borough Community Strategy

2.2.1 The Community Strategy aims to improve the quality of life for the population of the County Borough by reviewing the current position, identifying a vision for the future and focusing on how this will be achieved and monitored. It identifies objectives that all organisations and communities need to work towards and will have clear links to the Local Development Plan.

2.2.2 The Community Strategy focuses on four main themes: Living Environment; Regeneration; Education for Life and Health, Social Care and Well-Being. The topic area of Employment directly links to many of the identified objectives for these themes, in particular:

L1 Encourage the development and maintenance of high quality, well designed and efficient, sustainable homes and environments, which can meet all needs.

R10 Generate sustainable, accessible and varied, well-paid employment opportunities locally, to encourage economic prosperity whilst reducing the need to travel.

R12 Ensure mechanisms that enable equal access to training and employment.

R13 Develop and promote business advice and support systems to encourage innovative, sustainable and legitimate business practice including local purchasing initiatives.

R14 Expand and develop the use of ICT across all sectors.

2.3 The Smart Alternative – Caerphilly County Borough's Ten-Year Regeneration Programme

2.3.1 The Smart Alternative is the Regeneration programme for Caerphilly County Borough for the period up to 2013. Its purpose is to demonstrate how proposals will link to national objectives and encourage funding. There are six regeneration objectives identified in the report:

- *Principle 1 – Capitalise on Proximity to Cardiff and Newport*
  The Strategy promotes Caerphilly as a 'smart alternative' to Cardiff and Newport as the County Borough offers lower house prices as well as many opportunities for business, tourism and leisure. The County Borough should

use its proximity to the neighbouring cities to complement their business offer rather than compete with them.

- *Principle 2 – Strengthening the Economy of the Mid Valleys Corridor*
  This objective focuses on the A472 corridor as an area to focus new economic development. Promoting the Corridor's business offer is a key objective and the strategy suggests the improvement of ICT infrastructure is a priority as well as improving transport links in the area. Quality sites and premises in close proximity to the A472 Corridor are required including premises such as office accommodation.

- *Principle 3 – Build a Lifelong Learning Culture*
  Investment in education provision and improving ICT skills are important in providing the business skills required by local businesses.

- *Principle 4 - Diversify and Strengthen the Economy*
  The Regeneration Programme envisages a shift to services and high value added knowledge-based manufacturing. This is to be facilitated through the need to provide a more sophisticated environment in which to do business through the provision of quality sites and premises, business support, enabling innovation and promoting entrepreneurship.

- *Principle 5 – Re-establish town centres as foci of economic activity*
  Another objective is to improve the town centers in the County Borough through the improvement of the public realm, as well as increasing retail provision and the tourism and hospitality sectors.

- *Principle 6 – Community Led Regeneration throughout the County Borough*
  This focuses on raising self-belief and direct action in the deprived areas with the aim of increasing the level of economic activity through increased jobs and employment training opportunities.

2.3.2 The document sets out the justification for the objectives and priorities for implementation to ensure these regeneration objectives are successful. It is acknowledged that private investment-led regeneration will only occur if there is a belief that the County Borough will be prosperous, and the Smart Alternative priorities to promote economic growth are implemented.

2.3.3 It is recognised that there is a strong link between regeneration work and the preparation of development plans, which needs to be maintained.

2.4 National and Regional Policy Context

2.5 Planning Policy Wales

2.5.1 National policy seeks to support economic growth through the promotion of diversification and mixed-use development and the development and exploitation of new technologies. All economic development, in both urban and rural areas, is required to adhere to sustainability principles.

2.5.2 This ethos is in line with the creation of a more flexible pattern of economic development, focused upon an increased emphasis on small and medium sized enterprises (SMEs) that are embedded within the culture and social fabric of distinct communities. Clearly, such an approach requires a greater level of innovation and entrepreneurialism than has existed in Wales in the past.

2.6 Wales Spatial Plan

2.6.1 The objectives set out in *Planning Policy Wales* are echoed by the Wales Spatial Plan, which also focuses on such things as structural diversification. However, it accepts that there are underlying factors that contribute to the creation of a successful economy, namely: the establishment of reliable transport routes; the attraction and retention of a highly skilled, well qualified population and the enhancement of the natural and built environment.

2.6.2 In terms of South East Wales, it is necessary to establish a network of centres based around, and playing a complementary role to, Cardiff, with emphasis being placed upon those considerations mentioned above. Caerphilly already has reasonably good links with Cardiff, due to its close proximity, and needs to build on these. Blackwood, and to a lesser extent Ystrad Mynach, Risca and Newbridge, are also important centres located within the Connections Corridor that can benefit from their location in relation to Cardiff and Newport, whilst maintaining a range of distinctive and locally relevant services and facilities. Bargoed, supported by settlements such as Rhymney, will be a key player within the Heads of the Valleys Plus strategy area, in terms of trying to bridge the gap in social and economic conditions that exists between here and the Connections Corridor further south. Establishing a greater level of connectivity between the Heads of the Valleys settlements across all relevant authorities, and with regionally important centres, particularly Cardiff, is vitally important.

3. THE ECONOMY OF CAERPHILLY COUNTY BOROUGH

3.1 Introduction

3.1.1 The South Wales valleys economy has historically been dominated by the coal mining industry, which peaked in 1920 with a total of 271,500 people employed in the pits of South Wales. There were a total of 29 colliery sites in the valleys that comprise Caerphilly County Borough, providing a major source of employment. The closure of the last pit at Penallta Colliery in 1990 marked the end of an era, but the former colliery sites in the County Borough have provided opportunities for reclamation, and many of these reclaimed sites have now been developed for uses such as industrial estates, providing a new source of employment.

3.1.2 The County Borough has a portfolio of 45 identified industrial estates and business parks of varying sizes ranging in the types and size of business unit ranging from starter units to large warehouses and offices. In addition, there are a number of large sites appropriate to the requirements of large single user manufacturing firms.

3.1.3 Since the 1980s, manufacturing has played an important role in providing employment in the County Borough, although recent years have seen the decline of the manufacturing industry and the diversification of the economy with the growth of a number of sectors. The changing type of employment within the County Borough has major implications for land use planning in terms of the provision of land for employment uses. The decline in manufacturing and increase in sectors such as 'banking, finance and insurance,' which have different locational requirements, will impact on the type of employment sites and premises required in the County Borough and it is therefore vital to consider the changing trends in order to assess employment land requirements.

3.2 Employment Sites Supply and Market Appraisal Study

3.2.1 In 2005, an 'Employment Sites Supply and Market Appraisal Study' was conducted by Atkins Planning Consultancy to review the current availability of land and premises within the County Borough. The aims of the Study were primarily:

- To consider the opportunities to release some older industrial sites for other uses and to strengthen the case to retain others;

- To undertake a market assessment of the suitability of employment sites within the County Borough having regard to the geographical proximity to the M4 corridor in the south of the County Borough and to the Heads of the Valleys (A465) corridor in the north and to the mid Valley growth corridor on the A472;

- To take account of the policy framework in particular the UDP strategy and the aspirations of the Regeneration Programme including the relationship of sites to the public transport network; and

- To assess future needs to inform the preparation of the Local Development Plan (LDP).

3.2.2 The Study has regard to a number of national and regional policy documents including the WDA Property Strategy[1], the Five Counties Regeneration Framework[2] and information from the South East Wales Economic Forum.

3.2.3 The methodology of the Study was based on guidance from the ODPM on Employment Land Reviews[3]. Whilst this advice is specifically targeted towards English local authorities and the preparation of Local Development Frameworks, it serves as best practice advice in the absence of any Wales-specific guidance. The methodology used in this study is considered sufficiently robust to form part of the evidence base for the LDP, and much of the information collected and calculation produced as part of the study have been identified in this topic paper.

3.3 Employment Use Classes

3.3.1 The majority of employment in the County Borough, a total of 57.1% of jobs, are categorised within Use Classes B1, B2 and B8 of the Town and County Planning Use Classes Order 1987 (as amended):

Class B1 Business
Use for all or any of the following purposes:
(a) As an office other than a use within Class A2 (financial and professional services);
(b) For research and development of products or processes; or
(c) For any industrial process.

Class B2 General industrial
Use for the carrying on of an industrial process other than one within Class B1 above.

Class B8 Storage or distribution
Use for storage or as a distribution centre.

3.3.2 This percentage of B-Use class employment in the County Borough is higher than the Welsh average of 45.4%, although the Caerphilly rate has decreased by 0.8% in the period 1993 to 2003, which may be due to the general decline in manufacturing.

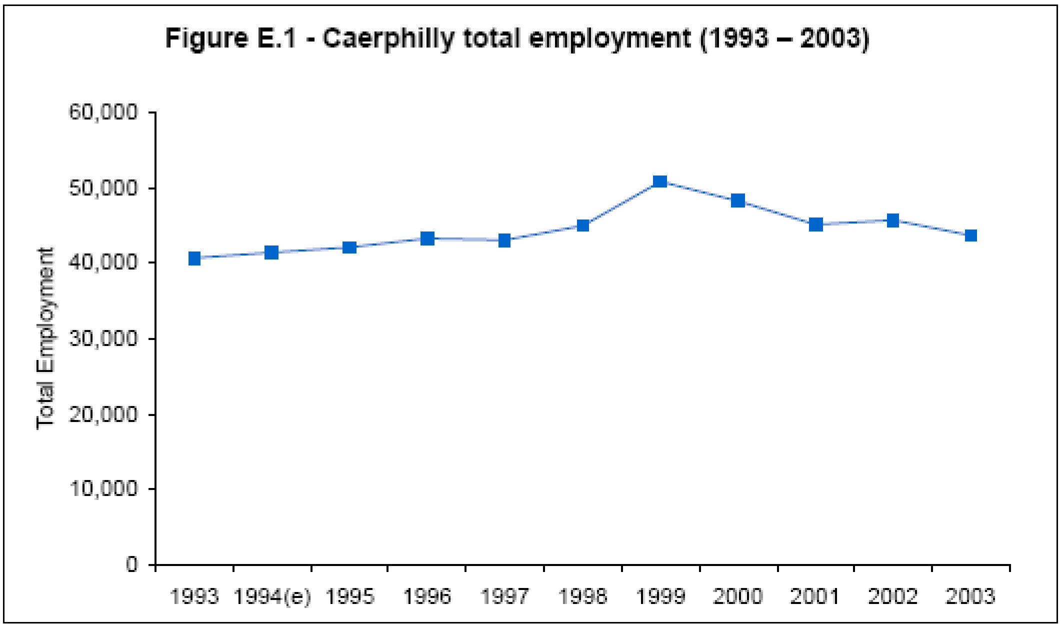
3.3.3 Outside of the B-Use classes there are a number of businesses that are major employers in the County Borough, in particular, the retail sector (use class A1) and Financial and Professional Services (use class A2), which are primarily located within town centre locations. In addition, there are number of employees in businesses that are not included within any use class, known as sui generis. These include the sale of fuel or motor vehicles and the use for a taxi business or hire of motor vehicles. This document will seek to provide background information for all types of employment, including businesses on industrial estates and within town centres.

[1] WDA (2004) WDA Property Strategy for Employment in Wales 2004-2008, WDA, Cardiff
[2] Shared Intelligence (2002) Five Counties Regeneration Framework, Shared Intelligence, South Wales
[3] ODPM (2004) Employment Land Reviews: Guidance Notes, ODPM, London

3.4 Total Employment

3.4.1 In 2003, there were a total of 43,700 jobs provided in Caerphilly County Borough. This was an increase of 3000 since 1993, equating to a 7.3% rise. Over the same period (1993 – 2003) employment in Wales increased by 16.3%. Since 1999, the general trend has been for a small decline in employment, compared to a steady increase in Wales and the UK as a whole in the same period.

Figure 1 – Total Employment in Caerphilly 1993 – 2003



Source: Annual Business Inquiry

3.5 Part-Time and Full-Time Employment

3.5.1 It is evident from Table 1 that the total number of jobs in the County Borough is shared almost equally between males (21,900 jobs) and females (21,800 jobs), although the split between full-time and part-time in relation to the genders is significantly different. A total of 88.6% of males are employed on a full-time basis compared to only 52.8% of females.

3.5.2 Since the 1980s there has been a decline in the number of males in full-time employment, which has been counteracted by a growth in female part-time employment, as women are increasing entering the workplace Since 1997[4], the number of males in full-time employment has decreased by approximately 450 people to 19,400, whereas over the same period, female part-time employment has increased by approximately 1300. Whilst the total number of jobs has therefore increased in the County Borough, it is important to note that the increase has been in relation to female part-time work, which is often low paid and low skilled.

[4] Source: 1997 Annual Census of Employment

Table 1 - Employment by gender and full time status

	Male			Female		
	Full-Time	**Part-Time**	**Total**	**Full-Time**	**Part-Time**	**Total**
Number	19400	2500	21900	11500	10300	21800
%	88.6	11.4	100	52.8	47.2	100

Source: Annual Business Inquiry 2003

3.6 Broad Employment Sectors

3.6.1 Historically, the economy of Caerphilly County Borough reflects that of other South Wales Valleys, with a past reliance on the coal mining industry. The closure of the collieries across the County Borough has resulted in high levels of unemployment and long term limiting illness, particularly in the north of the County Borough. Deep mining no longer contributes to the total employment in Caerphilly, but the closure of the pits have resulted in major environmental impacts as well as economic impacts, with many former colliery sites such as Oakdale and North Celynen undergoing reclamation to provide new land uses such as industrial estates and business parks.

3.6.2 In the last two decades, restructuring has occurred in the local economy reflecting national economic trends. There has been a decline in the manufacturing industry, which has decreased by 18.3% over the period 1993 to 2003. This is due to a number of factors including increased international competition and lower labour costs outside the UK. Manufacturing does still remains a key sector in the County Borough, providing 29.5% of employment, which is a higher proportion than the Welsh or Great Britain average, although it is declining at a faster rate than any sector apart from agriculture and fishing, as shown in Table 2. The trend towards decline is likely to continue, with the manufacturing sector continuing to provide fewer jobs.

Table 2 – Broad Sector Employment 1993-2003

Broad Sector	1993		2003		Annual % Growth	% Change 93 – 03
	No.	%	No.	%		
Agriculture & fishing	193	0.5	22	0.1	-19.5	**-88.6**
Energy & water	543	1.3	502	1.2	-0.8	**-7.6**
Manufacturing	15 752	38.7	12 863	29.5	-2.0	**-18.3**
Construction	1 570	3.9	1 501	3.4	-0.4	**-4.4**
Distribution, hotels & restaurants	6 641	16.3	9 213	21.1	3.3	**38.7**
Transport & communications	1 368	3.4	1 775	4.1	2.6	**29.8**
Banking, finance & insurance	3 124	7.7	4 711	10.8	4.2	**50.8**
Public admin, education & health	9 921	24.4	10 616	24.3	0.7	**7.0**
Other services	1 547	3.8	2 440	5.6	4.7	**57.7**
TOTAL	**40 659**	**100**	**43 643**	**100**	**0.7**	**7.3**

Source: Annual Business Inquiry

3.6.3 In the same period, there has been a major increase in employment in the public administration, education and health, which now accounts for 24.3% of employment. The increase in public administration employment is possibly due to restructuring mechanisms including Local Government reorganisation in 1996 and devolution in 1997. In addition, there has been an increase of 50.8% since 1993 in banking, finance and insurance, which accounts for 10.8% of employment and an increase in distribution, hotels and restaurants (21.1%), which equates to a 38.7% increase.

Table 3 - Employment growth rate 1993-2003 (average annual % pa)

Sector	**Caerphilly**	**Wales**	**Great Britain**
Agriculture & fishing	-19.5	-4.7	-3.7
Energy & water	-0.8	-6.4	-4.8
Manufacturing	-2.0	-1.4	-1.6
Construction	-0.4	2.0	3.1
Distribution, hotels & restaurants	3.3	2.8	3.1
Transport & communications	2.6	1.0	1.7
Banking, finance & insurance	4.2	3.2	4.0
Public admin, education & health	0.7	2.3	2.0
Other services	4.7	2.2	3.4
TOTAL	**0.7**	**1.5**	**2.0**

Source: Annual Business Inquiry

3.6.4 In comparison to the Wales and Great Britain figures for the growth in employment, Caerphilly County Borough's declining industries have contracted at a faster rate, but increases in distribution, hotels and restaurants; transport and communications; banking, finance and insurance and other services have all increased at faster rates than national averages.

3.6.4 The Annual Business Inquiry provides more detailed information on the sub-sectors within each of the broad sectors, which can be used to identify Caerphilly's main employment areas. Table 4 identifies the five key sub-sectors to be retail, which expanded significantly between 1993 and 2003 and now accounts for 11.6% of total employment; health and social work (10.3%), education (9.8%), other business activities (including professional services, management consultancy, renting of vehicles and equipment, software consultancy, repair of office machinery, advertising, industrial cleaning and labour recruitment) (7.4%) and hotel and restaurants (5.2%). The increase in different types of businesses will impact on the types of premises and sites required and this needs to be considered within the LDP.

Table 4 - Sub Sector Employment: Main Sectors in Caerphilly

Sub-sector	1993	2003	% of total	Change ’93-‘03	% Change ’93-‘03
Retail trade, except motor vehicles	3 228	5 071	11.6	1 843	57.1
Health and social work	4 041	4 499	10.3	458	11.3
Education	4 300	4 258	9.8	-42	-1.0
Other business activities	2 111	3 226	7.4	1 115	52.8
Hotels and restaurants	1 434	2 249	5.2	815	56.8
Public admin & defence; social security	1 580	1 860	4.3	280	17.7
Manufacturing of food & beverages	1 436	1 552	3.6	116	8.1
Construction	1 570	1 501	3.4	-69	-4.4
Manufacturing of rubber & plastic products	1 584	1 451	3.3	-133	-8.4
Manufacturing of furniture	1 073	1 146	2.6	73	6.8
Manufacturing of fabricated metal products	1 424	1 099	2.5	-325	-22.8
Land transport; transport via pipelines	845	1 050	2.4	205	24.3
Manufacturing of electrical machinery	478	1,045	2.4	567	118.6
Wholesale trade & commission trade	1 105	1 042	2.4	-63	-5.7
Publishing, printing & reproduction	761	914	2.1	153	20.1
Recreational, cultural & sporting	676	894	2.0	218	32.2
Sewage & refuse disposal, sanitation	98	857	2.0	759	774.5

Source: Annual Business Inquiry

3.6.6 The rise of 57.1% in retail employment can be attributed to a number of major retail developments across the County Borough including Castle Court and Crossways in Caerphilly and Blackwood Retail Park between 1993 and 2003. The level of retail employment is dependent to a certain extent on the Council’s retail strategy, which will be examined in the Retail Topic Paper.

3.6.7 The largest percentage growth in the County Borough has been in Sewage, Refuse Disposal and Sanitation, which has increased by 774.5% over a 10-year period. This can be attributed an increase in private disposals firms particularly in the north of the County Borough and includes activities such as waste collection and decontamination of soils and groundwater, but does not include recycling. The fact that so few people were employed in this industry in 1993 has meant that the industry has had a greater potential to grow. These types of firms have specific locational requirements and are likely to be incompatible with neighbouring uses in some locations. It is important that account is taken of possible sites for 'bad neighbour' uses such as this in order to reflect the growing demand for these types of uses.

3.6.8 There has been a general trend in the County Borough towards increases in higher value manufacturing activities such electrical machinery, despite the general decline in manufacturing, which supports the claim that there has been a decrease in lower value often unskilled or semi skilled work in this sector.

3.7 Business Units

3.7.1 In line with the increase in jobs within the County Borough, there has also been an increase in the total number of business units, which had increased by nearly 64% to 4,132 units between 1993 and 2003. The growth rate in Caerphilly has been slightly higher than the Welsh overall growth, which was 55% in the same period.

Table 5 – Business Units by Broad Sector Employment

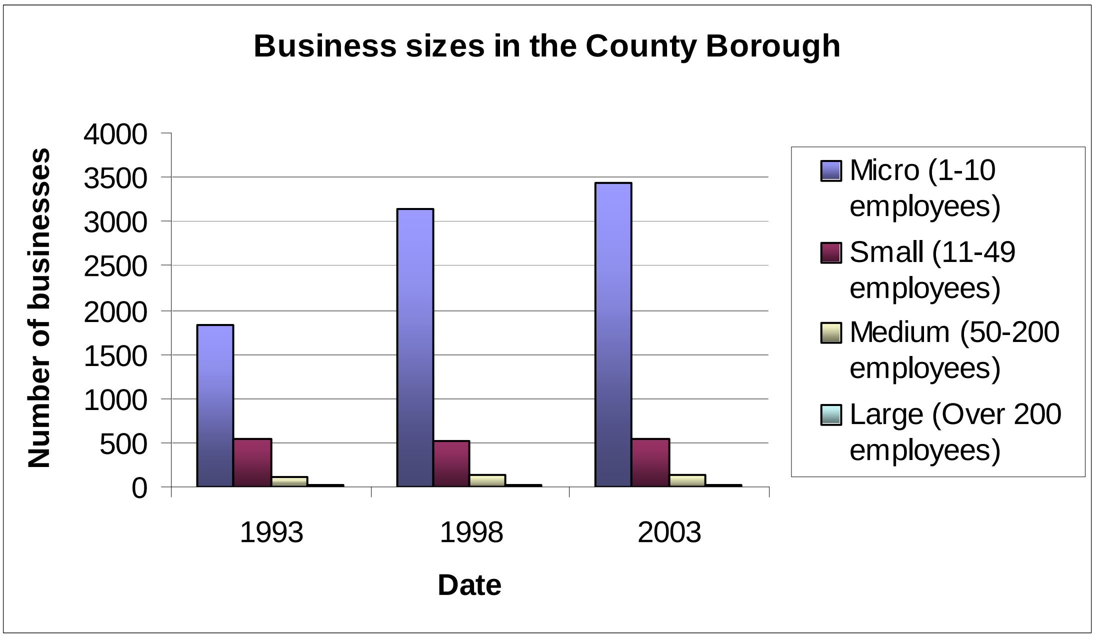
Broad Sector	1993		1998		2003		Annual % Growth	% Change 93 – 03
	No.	%	No.	%	No.	%		
Agriculture & fishing	11	0.4	6	0.2	9	0.2	-2.0	-18.2
Energy & water	16	0.6	19	0.5	13	0.3	-2.1	-18.8
Manufacturing	326	12.9	391	10.2	402	9.7	2.1	23.3
Construction	185	7.3	390	10.2	425	10.3	8.7	129.7
Distribution, hotels & restaurants	843	33.4	1 490	39.0	1 411	34.1	5.3	67.4
Transport & communications	134	5.3	207	5.4	211	5.1	4.6	57.5
Banking, finance & insurance	306	12.1	505	13.2	772	18.7	9.7	152.3
Public admin, education & health	436	17.3	462	12.1	516	12.5	1.7	18.3
Other services	267	10.6	355	9.3	373	9.0	3.4	39.7
TOTAL	2 524	100	3 825	100	4 132	100	5.1	63.7

Source: Annual Business Inquiry

3.7.2 The greatest growth rates have been in the banking, finance and insurance sectors, which are based predominantly in office units. In addition, the construction industry has seen a major growth in the number of business units, which will range in terms of unit size.

3.8 Business Sizes

Figure 2 – Business Size in the County Borough



Source: Annual Business Inquiry

3.8.1 In the period 1993 to 2003, there have been major changes in the size of businesses in the County Borough in terms of the number of people employed. There has been a significant increase in the number of micro businesses operating with between 1 and 10 employees. Despite each firm employing less than 10 people, micro firms now account for 23.5% of all employment within the County Borough.

3.8.2 The majority of micro businesses will be located predominately in office accommodation or small workshop units either on existing industrial estates or business parks or within town centre locations. It is important that the LDP takes account of the trend towards smaller businesses by supporting the specific locational and business unit requirements of such firms.

3.8.3 Whilst the number of micro businesses has increased, the number of small, medium and large firms have remained relatively stable. It is likely that a number of well established firms have retained the same level of employees and where small, medium or large firms have closed, the overall trend has seen their replacement with firms of similar sizes.

3.9 Economic Activity

3.9.1 The economic activity rate is the combined total of those people of working age who are in employment or who are registered as unemployed. As shown in Table 6, a total of 71, 421 people in the County Borough are classed as economically active, equating to 66.7% of the working age population. This rate has decreased slightly since 1991, and still remains slightly lower than the Welsh average but nearly 8% lower than the England and Wales average.

3.9.2 Economic inactivity is high in Caerphilly County Borough due to high levels of the population who are classified as permanently sick or disabled. As a local authority area, Caerphilly is one of the most deprived areas in Wales with 12 super output areas fallings within the 10% most deprived areas in the country and low inactivity rates reinforce this deprivation.

Table 6 - Change in Economic Activity Rates 1991 to 2001

	1991		2001		Annual % growth	% change 1991-2001
	No. economically active	Economic activity rate (%)	No. economically active	Economic activity rate (%)		
Caerphilly	72,290	67.0	71,421	66.7	-0.1	-1.2
Wales	1,233,528	69.8	1,246,587	68.8	0.1	1.1
England & Wales	23,955,558	75.3	24,641,559	74.1	0.3	2.9

Source: 1991 Census and 2001 Census

3.9.3 Economic activity rates for both working age males and females have decreased in Caerphilly County Borough in the period 1991 to 2001. There has been some convergence between male and female economic activity rates in the County Borough in line with national trends, but this decrease in the gap between male and females has not been as pronounced as in all-Wales figures. In Wales, female economic activity rates have increased by 3.3% over the 10-year period reflecting the increase in the number of women entering the workplace, whereas the numbers of females in Caerphilly who are economically active have has decreased by 1.5% over the same period.

Table 7 – Change in Economic Activity for Working Age Population

Male 16-64

	1991	2001	Annual % growth	% change 91- 01
Caerphilly CB	78.1	74.2	-0.33	-3.9
Wales	81.2	75.8	-0.45	-5.4

Female 16-59

	1991	2001	Annual % growth	% change 91- 01
Caerphilly CB	59.6	58.1	-0.13	-1.5
Wales	62.5	65.8	0.28	3.3

Source: 1991 Census and 2001 Census

3.10 Projections for Future Economic Activity Rates

3.10.1 The estimates and projections of economic activity rates are available at United Kingdom level, but are not available at Local Authority level. It is projected that over the period 2005 to 2020, working age male economic activity rates are projected to remain stable at approximately 83.3%. At the same time, female economic activity is projected to increase marginally from 69.9% in 2005 to 73.1% by 2020 as the trend continues for more women to enter the workplace.

Table 8 - Estimates and projections for economic activity rates in the UK

	Men aged 16-64	Women Aged 16-64
2000	84.6	69.2
2005	83.4	69.9
2010	83.2	70.4
2015	83.4	72
2020	83.2	73.1

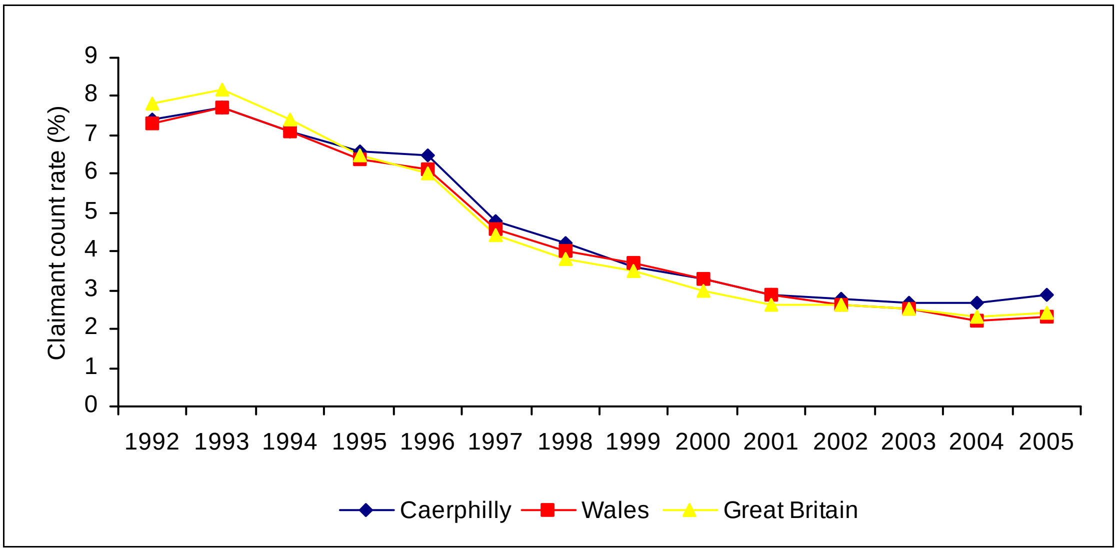
Source: Office for National Statistics

3.10.2 Caerphilly's male and female economic activity rates are lower than the UK average but the past trends for the County Borough have mirrored those of the UK in relation to the convergence between male and female economic activity rates and it is anticipated that such trends will continue.

3.11 Unemployment

3.11.1 Since 1992, there has been a general trend towards a decline in the number of people claiming unemployment benefit both nationally and within Caerphilly County Borough itself. In 2005, unemployment rates in the County Borough have risen slightly, now reaching 2.9%, which was higher than the rates in both Wales (2.3%) and Great Britain as a whole (2.4%).

Figure 3 – Unemployment Claimant Counts



Source: Nomis, 2005

3.11.2 Whilst employment rates are relatively low, it should be recognised that the high numbers of people are not actively seeking work due to permanent illness or disability are not identified as unemployed within this count.

3.12 Commuting Patterns to and from Caerphilly County Borough

3.12.1 Out-commuting rates from Caerphilly County Borough are high, with a total of 29,732 people travelling out of the County Borough to work and only 56% of the population working within the County Borough itself. Given the continuing growth in employment opportunities along the M4 Corridor, which is in close proximity to the County Borough, out-commuting provides a feasible option for many people seeking employment.

3.12.2 Net out commuting rates were over 16,500 in the 2001 census, which has increased by approximately 1,300 since 1991. The increase in out-commuting will have impacts on the requirement for jobs in the County Borough itself and the LDP must take account of the implications of this trend.

Table 9 – Commuting Rates

Number of economically active residents	71,421
Total number of working residents	67,121
% of residents working in Caerphilly	56
Residents commuting out of the authority	29,732
Residents commuting into the authority	13,139
Net out-commuting	16,593

Source: 2001 Census

3.12.3 Good road networks have made high levels of out commuting possible, with linkages to all major locations for employment outside the County Borough. The Rhymney Valley is served by a frequent rail connection to Cardiff, which offers four services an hour between Bargoed and the city, and there are good road connections to the A470, providing access to Cardiff in the south and Merthyr Tydfil in the north. The A467 provides access from the Ebbw Valley to Newport and the A472 provides a link west to east linking the Mid-Valleys corridor with its neighbouring authorities. It should be noted that the road and rail routes into Cardiff, in particular, are heavily congested and the capacity of these routes may be an issue that limits future levels of out-commuting. This will need to be addressed at a regional level.

3.12.4 The proposed re-opening of the Ebbw Valley railway may also be a factor in increasing out-commuting to both Newport and Cardiff during the plan period by offering another regular method of public transport offering links to areas outside of the County Borough.

3.12.5 The majority of out-commuting is to the cities of Cardiff and Newport, although it is clear that there is considerable movement between Valleys authorities. Only one area, Blaenau Gwent, has a greater number of people commuting into Caerphilly than out of the local authority area.

3.12.6 For the Pre-Deposit stage of the LDP, consideration is being given to three possible future levels of population growth, depending on the assumed level of net in-migration for which the Plan should make provision (see Topic Paper No.1 Population & Households). The higher population levels imply that there will be an increase in the numbers of economically active residents in the County Borough in 2021: the number of jobs in Caerphilly would have to increase by these amounts if the level of net out-commuting were not to increase:

Table 10 – Projected Population and Economic Activity

Option	Population 2021	Increase in numbers economically active
Low growth	177,500	1,400
High growth	180,000	2,900

Table 11 – Commuting to and from Caerphilly County Borough

Area	Residents of Caerphilly CB working in	Workers in Caerphilly CB resident in	Net out-commuting
Caerphilly	37,389	37,389	-
Cardiff	10,308	2,228	8,080
Newport	7,527	1,620	5,907
Rhondda Cynon Taff	3,196	2,772	424
Merthyr Tydfil	1,691	1,281	410
Torfaen	1,650	884	766
Blaenau Gwent	1,635	2,066	-431
Monmouthshire	747	529	218
Vale of Glamorgan	715	425	290
Bridgend	468	351	117
Other areas	1,795	983	812
TOTAL	**67,121**	**50,528**	**16,593**

Source: 2001 Census

4. PROJECTED REQUIREMENTS FOR EMPLOYMENT LAND

4.1 Additional Floorspace Requirements

4.1.1 As part of the Employment Sites Supply and Market Appraisal prepared by Atkins consultancy, three key future economic scenarios were identified to take account of differing possible rates of restructuring. These scenarios were:

- Scenario 1 – Limited success: the problems remain
- Scenario 2 – A story of mixed success
- Scenario 3 – A policy success story – Caerphilly revived

4.1.2 On the basis of these three scenarios and information on socio-economic characteristics, a preferred scenario was identified as scenario 3, where the funding on offer and the availability of employment land leads to successful regeneration, particularly in terms of employment. It should be noted that the success of this scenario is dependent on the flexibility of employment land as well as future economic trends, although this is outside the influence of the planning system.

4.1.3 The 'Caerphilly revived' scenario would result in an increase of job opportunities in the County Borough, as well as a decrease in out-commuting, as local job opportunities that meet the skills base of the local population become available. It is anticipated that the decline of low-skill manufacturing would continue, but would be offset by an increase in high value manufacturing. In this scenario, service based sectors would also expand, along with other sectors such as distribution.

4.1.4 Using this preferred scenario, an employment forecast for the period 2004 to 2016 has been derived using information from three techniques:

- Labour Demand Technique - this extrapolates historical trends over the forecast period, providing an estimate of the future growth of the sectors represented in the Caerphilly economy based upon the historical performance of each sector.
- Labour Supply Technique - this relates changes in the working age population to changes in economic activity, unemployment and commuting patterns. The model of the economy limits the growth in employment to the availability of labour within the local area.
- Business Survey - sample used to identify future expansion plans in order to identify quantified demand for future employment land.

4.1.5 These forecasting techniques were used to calculate the potential number of jobs that would be required in the County Borough over a 10-year period. The total number of jobs can then be translated into the floorspace requirements necessary for determining land requirements for the LDP process. Floorspace figures have been calculated using employment density ratios (the amount of floorspace in square metres required per employee), as set out in guidance by English Partnerships[5]. The employment densities used for the main class B sectors in Caerphilly are shown below:

Table 12 – Employment Densities

B-Use Sectors	Employment Densities
Banking, finance & insurance	19
Construction	5
Distribution & wholesale	50
Manufacturing	34
Other services	19
Transport & communications	34

Source: Caerphilly Employment Sites Supply and Market Appraisal (2006)

4.1.6 Table 13 sets out the requirements for additional jobs and floorspace for each of the B-use sectors using the densities identified in Table 12.

[5] English Partnerships (2001) Employment Densities: A Full Guide, English Partnerships, England

Table 13 – Additional Floorspace Requirement

	Labour Demand Technique			Labour Supply Technique		
B-Use Sectors	**Additional jobs**	**Employment densities**	**Additional floor space**	**Additional jobs**	**Employment densities**	**Additional floor space**
Banking, finance & insurance	3 735	19	70 964	3 513	19	66 747
Construction	915	5	4 577	852	5	4 260
Distribution & wholesale	657	50	32 849	590	50	29 499
Manufacturing	-2 031	34	-69 059	-2 316	34	-78 737
Other services	2 038	19	38 723	1 928	19	36 629
Transport & communications	865	34	29 401	795	34	27 043
Jobs created	8 210	-	-	7 678	-	-
Jobs lost	-2 031	-	-	-2 316	-	-
Additional floor space required	-	-	176 514	-	-	164 177
Freed up floor space	-	-	-69 059	-		-78 737

Source: Caerphilly Employment Sites Supply and Market Appraisal (2006)

4.1.7 Both techniques identify a decrease in the amount of jobs required by the manufacturing sector, with projected increases in every other sector. This follows the national trends and historic trends for the County Borough, which has seen the manufacturing sector decline over the past two decades. Using the employment densities identified, these jobs can be translated into estimated floorspace requirements. The labour demand technique identifies a requirement for 176,514 sq m and the labour supply technique indicates 164,177 sq m of floorspace is needed.

Table 14 – B-Use Employment and Floorspace Forecast

B-Use Sectors	Total number of jobs in 2016	Total change in jobs since 2003	Annual % growth in number of jobs	Employment densities	Additional floorspace (sq m)
Banking, finance & insurance	8 224	3 513	4.4	19	66 747
Construction	2 353	852	3.5	5	4 260
Distribution & wholesale	2 483	590	2.1	50	29 499
Manufacturing	10 547	-2 316	-1.5	34	-78 737
Other services	4 085	1 928	5.0	19	36 629
Transport & communications	2 570	795	2.9	34	27 043

TOTAL	**30 262**	**5 362**	**1.5**	-	-
Jobs created	-	7 678	-	-	-
Jobs lost	-	-2 316	-	-	-
Additional floorspace required	-	-	-	-	164 177
Freed up floorspace	-	-	-	-	-78 737

Source: Caerphilly Employment Sites Supply and Market Appraisal (2006)

4.1.8 The projections for class B employment in the period up to 2016 is for continued growth in all sectors with the exception of manufacturing, where low value manufacturing is replaced by high value manufacturing, which may have different requirements in terms of premises. The greatest growth of 4.4% per annum is projected in the banking, finance and insurance industry, with growth also anticipated in relation to construction and distribution and warehousing. These projected figures take into account past changes trends.

Table 15 – Additional Floorspace Requirements by Class B Use

B-use class	Requirement (%)	Floorspace requirement (m^2)	
		Additional	Freed up
Class B1	55	89 310	-11 811
Class B2	22	36 665	-66 926
Class B8	23	38 202	0
TOTAL	100	164 177	-78 737

Source: Caerphilly Employment Sites Supply and Market Appraisal (2006)

4.1.9 It is anticipated that 55% of the identified floorspace requirements will be for B1 office use, which relates directly to the growth sectors identified such as banking, finance and insurance. Factories and warehousing are likely to comprise almost equal proportions of additional floorspace requirements.

4.1.10 Each type of facility is likely to require business units appropriate to the size and nature of the use. In order to review employment land as part of the LDP, it is important that the size of existing premises and their additional floorspace projections are identified. Table 16 shows that the greatest requirement for additional floorspace is for the smallest premises (0-100sq m), which may wish to extend existing premises or relocate.

Table 16 – Additional Floorspace by premises size

Premises size (m^2 of floorspace)	Requirement (%)	Additional floorspace requirement (m^2)
0 – 100	45.0	73 880
101 – 250	20.0	32 835
251 – 500	5.0	8 209
501 – 1 000	12.5	20 522
1 000 – 5 000	10.0	16 418
5 000 +	7.5	12 313
TOTAL	**100**	**164 177**

Source: Caerphilly Employment Sites Supply and Market Appraisal (2006)

4.1.11 These figures are for guidance only as additional floorspace requirements will be dependent on the number and type of premises that become available, as some premises offer more flexibility for adaptation for a range of business sizes.

4.2 Expansion/Consolidation

4.2.1 In a survey conducted as part of the Sites Supply and Market Appraisal, it was identified that approximately 37% of firms were planning to expand in the next 10 years, with a further 16% unsure as to whether they would require additional floorspace. These figures can used to support the overall floorspace requirements.

Table 17 - Proposed Business expansion in the next 10-years

	Yes		No		Don't know		TOTAL	
	No.	**%**	**No.**	**%**	**No.**	**%**	**No.**	**%**
Industry sector								
Manufacturing	7	25.9	13	48.1	7	25.9	27	100
Construction	12	46.2	13	50.0	1	3.8	26	100
Transport, distr. & wholesale	10	27.8	20	55.6	6	16.7	36	100
Banking, finance & insurance	22	46.8	18	38.3	7	14.9	47	100
Other services	5	31.3	7	43.8	4	25.0	16	100
TOTAL	56	36.8	71	46.7	25	16.4	152	100
Size of business								
Small	47	36.2	65	50.0	18	13.8	130	100
Medium	7	46.7	5	33.3	3	20.0	15	100
Large	2	28.6	1	14.3	4	57.1	7	100
TOTAL	56	36.8	71	46.7	25	16.4	152	100

Source: Caerphilly Employment Sites Supply and Market Appraisal (2006)

4.2.2 The survey identified that from the sample chosen, the banking finance and insurance sector was most likely to expand in the future. These figures support the trend identified in Table 13 where the employment growth rate in this sector has increased by 4.2% per annum between 1993 and 2003.

4.2.3 In addition, a number of businesses in the construction sector also anticipate expansion. Whilst the total employment in this industry has contracted slightly between 1993 and 2003, the proposed number of construction jobs would be dependent on other factors such as house-building rates and other developments in the County Borough and surrounding areas.

4.3 Additional Land Requirements

4.3.1 In order to determine the relationship between the additional floorspace required and the total land requirements this would generate, a plot ratio for different class B sub-classes has been produced, which has regard to the additional land that would be required for landscaping, car parking, access roads and other land requirements. The plot ratios identified take into account previous guidance issued by Roger Tym and Partners[6] on plot ratios in the south east of England, although these have been amended to take into account recent building ratios for new build offices and industrial units in the County Borough itself. Offices (B1) are assumed to be two storeys within

[6] Roger Tym & Partners (1997) The Use of Business Space: Employment Densities and Working Practices in the South East, SERPLAN

business parks and higher than two storeys in town centre locations, whereas factories and warehouses are assumed to be one storey.

Table 18 - Additional Employment Land Requirement

B-use class	Plot ratio (floor space: land)	Employment land requirement (m^2)	
		Additional	Freed up
Offices (B1)	0.5	178 620	-23 621
Factories (B2)	0.3	122 217	-223 088
Warehousing (B8)	0.3	127 341	-
TOTAL	-	428 177	-246 709

Source: Caerphilly Employment Sites Supply and Market Appraisal (2006)

4.3.2 The potential floorspace identified in the Sites Supply and Market Appraisal, as shown in Table 18 is based on requirements as identified from a business survey undertaken using a sample of businesses in the County Borough to identify their future expansion and locational requirements. This information, together with the identified plot ratios and property market intelligence, has been used to estimate the potential employment land requirements for each of the B Class sub-sectors.

4.3.3 When the total plot size needed to provide this floorspace taking into account the plot ratios in Table 12, it is evident that 428,177 square metres or **42.8 Ha** of additional land is required for class B uses to meet the needs of existing businesses in the period up to 2016. The majority of additional floorspace requirements is for office use where an additional 17.8 Ha of land is required. This projected increase matches the national trend for an increase in office space due to the increase in high value industries in the County Borough, which require specific premises including offices.

4.3.4 Table 18 also indicates the amount of freed up that may be available as a result of the closure, contraction or relocation of existing firms. It is identified that a total 246,709 square metres may become available, of which 90% is within the factories category (B2). This is due to the changing nature of the economy with a decline in manufacturing and other industries that require factory premises. The amount of freed up space in office use, will be limited in comparison to the large employment land requirements, as only 23,621 sq m will be freed up compared to a requirement of 178,620 sq m.

4.3.5 It is important to recognise that there is not a direct relationship between the land that is freed up and the land that is required and it would therefore be inappropriate to regard the difference between the two as the actual land requirement. Many sites that will be freed up in the future will be for declining industries such as manufacturing, which offer large, often single storey, premises on industrial estates. Such premises are unlikely to be suitable for the premises that are in demand such as offices due to their differing locational requirements. There may be significant time spans between the closure of firms and the redevelopment of sites for alternative uses due to the mismatch between business types and therefore the requirement for land and the freed up supply need to be assessed separately.

4.4 Land Requirements for the Plan Period

4.4.1 The Caerphilly Employment Sites Supply and Market Appraisal encompasses a 10-year period from 2006 to 2016, whereas the plan period of the Local Development Plan covers the period 2006 to 2021.

4.4.2 The Appraisal, however, uses a robust methodology taking into account past and projected trends for class B employment and floorspace requirements as well as business intentions. It is likely that any patterns identified within the 10-year period will continue for the additional 5-year period up to 2021. Using the assumption that the annual land requirement for employment use is 4.28 Ha per annum, the 15-year projection for land required for employment use is **64.2 Ha.** In order to conform to the development plan period, this figure will be used as the estimated land requirement.

Table 19 – Employment Land Requirements for 15-year period

	Ha
10 year employment land requirement	42.8
Annual employment land requirement	4.28
15 Year projection (4.28 Ha x 15 years)	**64.2**

4.5 Offices

4.5.1 Office development in the County Borough has increased in line with Wales and Great Britain growth trends. With the help of Objective 1 funding, the Council has been proactive in promoting the development of offices in several locations including Tredomen Business Park and Plateau 2 at Oakdale Business Park. In addition, there is a growing demand for office development particularly in and around the main town centres in the County Borough – Caerphilly, Blackwood and Bargoed. This has resulted in some speculative office development in Caerphilly, a trend that may increase over the plan period in order to meet the growing demand.

4.5.2 As indicated earlier in Table 4 the biggest growth sub-sector in the period in the period 1993 to 2003 was the retail industry. It is anticipated that this demand may put increasing pressure of land that may be suitable for B use office space in town centres and this possible conflict should be addressed through the relevant policies for employment and town centres in the LDP.

Table 20 - Number of office units

	Availability			
Size (sq.ft.)	**No. of Units**	**% of Total**	**Floorspace (sq.ft.)**	**% of Total**
0 – 5,000	15	65.2	37,975	35.1
5,001 – 10,000	5	21.7	31,912	29.6
10,001 – 20,000	3	13.1	38,166	35.3
20,001 +	0	0	0	0
TOTAL	**23**	**100%**	**108,003**	**100%**

Source: Lambert Smith Hampton (Oct 2005) Commercial Property Market Appraisal

4.5.3 Table 20 indicates the number of offices that were available to be let in the County Borough as identified in a Commercial Property Market Appraisal conducted in October 2005. The majority of office space available is within small units up to 5,000 sq ft in size, where a total of 15 units were available. Whilst a total of 108,003 sq ft of floorspace is available, this is within only 23 units, very few of which are large in size. This offers a limited range of office space for potential investors, despite an identified need for office space particularly in the Caerphilly town centre area.

4.5.4 Using the information for Table 19, the requirement for land for office use can be determined over the 15-year plan period as 26.7 Ha.

Table 21 – Fifteen-year requirement for land for B1 uses

	Ha
10 year requirement for offices	17.8
Annual requirement for offices	1.78
15 Year projection (1.78 Ha x 15 years)	**26.7**

4.5.5 It will be essential to identify a wide portfolio of sites across the County Borough including town centre locations and locations on or in close proximity to existing clusters of office development as well as sites with good road and rail links. As mentioned earlier, some of this need may be addressed by the redevelopment of sites on existing industrial estates and business parks where such sites meet the locational requirements of the office sector.

4.6 Industrial Units

4.6.1 Information is available on the take-up of employment land in the last three-year period as shown in Table 22.

Table 22 – Industrial Unit Take-Up – Number of Units and Floorspace (Sq Ft)

	2003		2004		2005	
Size (sq.ft.)	**Units**	**sq ft**	**Units**	**sq ft**	**Units**	**sq ft**
0 – 5,000	54	105,522	55	94,626	28	59,518
5,001 – 10,000	11	84,612	8	55,974	7	56,269
10,001 – 20,000	5	60,657	1	19,898	6	83,909
20,001 +	10	575,090	8	456,041	13	716,725
TOTAL	**80**	**825,881**	**72**	**626,539**	**54**	**916,421**

Source: Lambert Smith Hampton (Oct 2005) Commercial Property Market Appraisal

4.6.2 It is clear that the greatest demand is for small units of between 0 to 5,000 sq. ft. (0-464 sq. m.), which supports the growing trend for small and micro businesses. There is a small but important demand for the largest types of units over 20,000 sq. ft (1859 sq. m) demanding a total floorspace of between 456,000 and 717,000 sq ft (42,400 sq m to 66,600 sq m).

4.6.3 In particular, take-up rates for small workshop units in the County Borough have been good, with new developments at Woodfieldside and New Tredegar letting well. Given this demand for small workshop units, it will be important to identify relevant sites to meet this demand.

Table 23 - Fifteen-year requirement for land for B2 uses

	Ha
10 year employment land requirement	12.2
Annual employment land requirement	1.22
15 Year projection (1.22 Ha x 15 years)	**18.3**

4.6.4 Table 23 identifies a requirement for 18.3 Ha of land for B2 uses for the 15-year period to 2021. It is anticipated that due to the good take-up of smaller units over the past three years, it will be appropriate to find suitable locations for a large number of workshop units.

4.6.5 It will be necessary to increase these estimates of required employment land if either of the growth options referred to in paragraph 3.12.6 is adopted as the basis for the LDP and if it is assumed that net out-commuting is not to increase. Assuming that the provision of employment outside class B uses is as identified in Chapter 6 below (see paragraph 6.1.1), and that the employment density is 50 jobs/ha, the additional required employment land can be estimated as follows:

Table 24 – Employment land requirement

Option	Additional workforce	No. of jobs required	Employment land (ha)
Low growth	1,400	778	15.6
High growth	2,900	1,612	32.2

5. EXISTING LAND SUPPLY

5.1 Introduction

5.1.1 As part of the Sites Supply and Market Appraisal, an assessment was made of the existing employment sites and sites allocated in the Unitary Development Plan for new employment. In addition, the study looked at potential for class B employment opportunities in the town centres of Caerphilly, Blackwood, Bargoed, Risca-Pontymister, Ystrad Mynach, Newbridge and Rhymney.

5.1.2 Appendix 1 provides a summary of the existing and potential employment sites in the County Borough, along with whether sites are appropriate to meeting forecast needs. The criteria used for the assessments and detailed analysis of each of the sites is explained in the study.

5.2 Employment Land Supply and Vacancy

5.2.1 A total of 130.4 ha. of land remains vacant on allocated employment sites within the County Borough.

Table 25 – Employment Land Vacancy

	Total land (Ha)	Amount of Vacant Land (Ha)	% Vacant Land
Town Centres	113.46	0	0
Industrial Estates/Business Parks	686.27	130.4	19.0
TOTAL	**799.73**	**130.4**	**16.3**

Source: Caerphilly Employment Sites Supply & Market Appraisal (2006) as amended

5.2.2 Taking into account the preferred scenario's potential requirement of **64.2 Ha** in the 15-year period up to 2021, and the potential **130.4 Ha**[7] that is currently vacant, it is apparent that there is an oversupply of land for employment use in the County Borough.

[7] This figure is higher than the figure quoted in the Atkins Study of 121.47 Ha due to changing circumstances on several sites since this study was published.

5.2.3 However, the realistic amount of employment land that is available is only **104.3 ha**, as set out in the table below:

Table 26 - Realistic Land Vacancy

	Ha
Total employment land allocated in UDP	185
Total developed	54.6
Total land available	130.4
Sites no longer suitable	22.1
New sites	4.0
Suitable available employment land	**104.3**

5.2.4 The following UDP employment allocations are deemed unsuitable for continued inclusion as employment land and it is not intended to take them forward within the LDP:

- E1(7) Land at Navigation Colliery, Crumlin – likely to be allocated for housing;
- E1(11) Land north of Newbridge Road, Pontllanfraith;
- E1(16) Land at Pontymister – developed for retail.

5.2.5 It is considered more suitable for the following sites to be protected for B1/B2/B8 uses, rather than as allocations for new development. This is either because they have been developed, or that they constitute undeveloped pockets of otherwise developed employment sites:

- E1(2) Land at New Tredegar;
- E1(5) Land at Penyfan, Croespenmaen;
- Part of E1(6) Land at Croespenmaen;
- E1(8) Land at North Celynen;
- E1(9) Land at New Road, Tiryberth;
- Part of E1(10) Land at Hawtin Park, Gellihaf;
- E1(12) Land at Newbridge Road, Pontllanfraith;
- E1(13) Tredomen;
- Part of E1(14) Land at Dyffryn Business Park, Ystrad Mynach;
- E1(15) Land at Nine Mile Point, Cwmfelinfach – concerns regarding access;
- E1(17) Rogerstone Park, Pontymister;
- E1(18) Land at Pantglas, Bedwas;
- E1(22) Land at Bedwas House, Bedwas.

5.2.6 In addition to the assessment of sites allocated for new employment in the UDP, an assessment was also made of those sites currently used for employment and protected as such under the UDP. The following will not continue to be subject to a protection policy within the LDP, as they are considered more appropriate for alternative uses:

- Part of E1(6) Land at Croespenmaen – likely to be allocated for housing;
- Part of E2(12) Croespenmaen - likely to be allocated for housing;
- E2(20) Chapel Farm, Abercarn - likely to be allocated for housing;
- E2(28) Pontymister - likely to be allocated for retail;
- E2(30) Llanbradach Colliery – site not suitable for employment use given proximity to existing residential development;
- E2(32) Crossways, Caerphilly – currently dominated by retail;
- E2(35) Waterloo, Machen - likely to be allocated for housing.

5.2.7 As an integral part of the LDP process the Council will be assessing sites to determine their suitability for the allocation of land for a range of uses. Through this process those sites that have been identified as providing scope for mixed-use retaining an employment function will be reassessed to determine what their most appropriate use may be.

5.2.8 It should be noted that since the Atkins Study was published in early 2006, there have been several planning applications approved and pending consideration on allocated new employment sites for a range of employment uses. Sites that have been granted planning permission but have not yet been developed have been included in the amount of land that is available.

5.2.9 As part of the LDP preparation process, sites were submitted for consideration by the Council regarding their potential inclusion within the LDP. As a result, it is considered that the following sites are deemed appropriate for inclusion:

E149 Land at Lower Ton-y-Felin Farm, Croespenmaen (2.4 ha.) (as an allocated site, which will form an extension of the Penyfan site at Croespenmaen);
D68 Land to rear of Commercial Street, Risca (as a protected site).

As well as this, a 1.6 ha. parcel of land will be allocated adjoining the eastern side of Penallta Industrial Estate, and the Dwr Cymru Welsh Water offices will be protected for employment use.

5.2.10 Other than the changes listed above, it is deemed appropriate that existing allocations and protections as per the UDP should be carried forward, in order to both provide the amount of land required and to offer a wide portfolio of sites across the County Borough to meet changing employment needs.

6. EMPLOYMENT OUTSIDE OF CLASS B USES

6.0 It is recognised that not all employment in the County Borough is located on protected employment sites due to the variety of employment opportunities in the County Borough, with 55.6% of jobs falling outside of class B uses. The largest sub-sectors for employment are Retail (11.6 % of total employment), Health and Social Work (10.3%) and Education (9.8%). All of these sub-sectors are outside B–Use classes and therefore unlikely to be located on protected employment sites. They do, however, have specific locational requirements, which need to be addressed.

6.1 Retail Employment

6.1.1 As identified in Table 4, retail is the single largest employment sub-sector in the County Borough providing 5071 jobs, with rapid growth in recent years. As a result of retail planning policy, specifically the sequential test, retail units have been primarily restricted to town centre locations. This approach, aimed at improving the vitality and viability of town centres has also ensured that retail employment is focused in town centres and edge of centre retail parks such as Blackwood Retail Park.

6.1.2 Due to the wide range and type of products sold in the retail industry, the number of employees per square metre varies considerably, resulting in considerable variations in the types of unit required for retail use and the number of employees per square metre. It should also be recognised that the retail sector offers many low skilled part-time jobs, many of which are taken by women.

6.1.3 The number of jobs likely to be created and additional floorspace required would be dependent on the LDP Retail Strategy, which will be explained in a forthcoming Retail Topic Paper.

6.2 Health and Social Work

6.2.1 Over the period 1993 to 2003, the health and social work sector has increased by 11.3%. If this trend continues, this is likely to be due to an expansion of existing facilities and offices for health and social work employees. The land use requirements for health and social work facilities will be addressed as part of the Community Facilities Chapter of the Local Development Plan.

6.3 Education

6.3.1 The education sector, which employed 4258 people in 2003, has remained relatively stable in the period 1993 to 2003. Any additional requirements for land for education use may have implications for the number of people employed and the land use requirements of this will be addressed through the Community Facilities chapter of the LDP.

6.4 Home working rates

6.4.1 Caerphilly County Borough was the first local authority in Wales to offer 100% broadband coverage. This has been advantageous for local businesses with current take-up rates standing at approximately 40%, improving Caerphilly's position in a competitive economy.

6.4.2 The excellent broadband coverage offers the opportunity for residents to work at home by providing the necessary infrastructure. The 2001 census identifies 6.5% of those economically active currently work at home, compared to 9.7% in Wales. The definition of home working changed between the 1991 and 2001 so a direct comparison cannot be made, although it is anticipated that this type of employment may continue to increase as telecommunications improvements continue.

6.5 Self-Employment

6.5.1 Self-employment in the County Borough is lower than both the Wales and England and Wales averages at only 8% of the working age population. Whilst this rate is lower than average, self-employment still makes an important contribution to the economy of Caerphilly, and it is important to take into account the locational requirements. It is likely that many people in self-employment work at home, but many will also within micro and small businesses, which require suitable premises and infrastructure.

Table 27 - Percentage of working age population in self employment

	% of working age population in self employment
Caerphilly	8
Wales	12.6
England and Wales	12.4

Source: Census 2001

7. LDP EMPLOYMENT LAND

7.1 Allocated Sites

7.1.1 The data presented thus far, and the projections emanating from it in relation to use class density and employment numbers, has established that 64.2 ha of land is needed to meet the County Borough's employment needs over the plan period (2006-2021). However, 91.5 ha. of suitable, vacant land are currently allocated within the UDP. In addition to the two new allocated sites, this constitutes a total of 95.5 ha. As these sites are regarded as either being required to meet forecast industrial and business development needs, or providing scope for expansion, intensification or regeneration, it is considered appropriate to allocate these sites for employment use within the LDP. They are:

E1(1) Land at Heads of the Valleys, Rhymney (5.2 ha);
E1(3) Ty Du, Nelson (18.8 ha);
E1(4) Oakdale - Plateau 1 (30.2 ha.);
Plateau 2 (7.0 ha);
Plateau 3 (3.4 ha.);
Plateau 4 (4.3 ha.);
South extension, Penyfan (2.4 ha.);
E1(10) Hawtin Park, Gellihaf - northern section (4.5 ha.);
- southern section (8.8 ha.)
E1(14) Dyffryn Business Park, Ystrad Mynach - northern section (4.9 ha.);
- southern section (6.3 ha.);
Penallta extension, Hengoed (1.6 ha.);
E1(21) Land at Caerphilly Business Park (3.6 ha);
E1(19) Land at Trecenydd, Caerphilly (2.2 ha);
E1(20) Land at Western, Caerphilly (1.1 ha).

7.1.2 Based upon trends regarding take-up of industrial land and the growth and decline of individual sectors relative to each other, calculations have been made of how much land each use class will require over the course of the plan period (as highlighted in Section 4), resulting in the following:

B1 – **26.7 ha**;
B2 – **18.3 ha**;
B8 – **19.2 ha**.

7.1.3 In terms of the overall 64.2 ha requirement, this division between use classes amounts to the following in approximate percentage terms:

B1 – 41.5%;
B2 – 28.5%;
B8 – 30%.

7.1.4 Applying these proportions to the 104.3 ha. of employment land to be allocated brings about the following apportionment of land, as divided by use class:

B1 – **43.3 ha**;
B2 – **29.7 ha**;
B8 – **31.3 ha**.

7.1.5 In an ideal situation, the total amount of available employment land would have been divided in accordance with these proportions, which of course are based on the estimated need of various use classes over the course of the plan period. However, this approach is impracticable and constrained by the fact that, as a result of UDP policy, each existing E1 allocation (with the exception of Ty Du) contains a mixture of Class B uses.

7.1.6 That said, although the proportions used have their basis in sound evidence, the numbers emanating from them are amplifications in terms of the actual amount of land required. The most important consideration is that the minimum amount of land needed is allocated to meet the 64.2 ha requirement, and, where possible, is done so in a manner that satisfies the estimated demands of each sector of the economy, and its associated use class.

7.1.7 With this in mind, it is proposed that all sites are laid out in the following hierarchy:

Business parks – solely class B1 use;
Primary sites – B1/B2/B8 use;
Secondary sites – B1/B2/B8 use plus *sui generis* uses, where appropriate.

7.1.8 It is felt that the adoption of a flexible approach to employment such as this will best serve to fulfil the land requirements in terms of B1, B2 and B8 uses as well as facilitate continued economic growth within the County Borough in a diverse and sustainable fashion.

7.1.9 The 'business park' tier of the employment hierarchy represents the highest level. Locating new employment within such locations is likely to be mutually beneficial from the point of view of both new enterprises and existing ones. Allocating this land for B1 use only will enable knowledge-based businesses to gain an increasingly strong foothold within the County Borough, something that is necessary in terms of increasing levels of innovation, bringing about a greater spirit of entrepreneurialism and facilitating the development of key processes such as knowledge transfer.

7.1.10 The following sites will be allocated or protected as 'business parks' (B1 use) within the LDP:

Allocation	**Area (ha.)**	**Settlement**	**UDP Ref.**	**LDP Ref.**
Ty Du	18.8	Nelson	E1(3)	EM1.2
Protections		**Settlement**	**UDP Ref.**	**LDP Ref.**
Dwr Cymru Welsh Water Offices		Nelson	N/A	EM2.7
Tredomen Park		Hengoed	E1(13)	EM2.8

7.1.11 All current employment sites (aside from those listed above) contain a mix of class B uses, where development has taken place. As a result, it would not be conducive to the economic wellbeing of the County Borough to stipulate that the remaining available land contained within these sites be subject to a rigid allocation (e.g. B1 uses only). Indeed, it is sensible to assume that each individual player will seek to geographically position itself where economic conditions are most advantageous, within the confines of the planning policy framework. The continued presence of a land supply that seeks not to differentiate between class B uses provides for a degree of regulatory freedom. Economic considerations need to be respected and accepted in terms of how they shape the physical pattern of the commercial environment, as it is these factors that allow an economy to develop.

7.1.12 With this in mind, the following sites will be allocated or protected as 'primary sites' (B1/B2/B8 use) within the LDP:

Allocations	**Area (ha.)**	**Settlement**	**UDP Ref.**	**LDP Ref.**
Land at Heads of the Valleys	5.2	Rhymney	E1(1)	EM1.1
Oakdale, Plateau 1	30.2	Oakdale	E1(4)	EM1.3
Oakdale, Plateau 2	7.0	Oakdale	E1(4)	EM1.4
Oakdale, Plateau 3	3.4	Oakdale	E1(4)	EM1.5
Oakdale, Plateau 4	4.3	Oakdale	E1(4)	EM1.6
South extension, Penyfan	2.4	Croespenmaen	N/A	EM1.7
Hawtin Park north	4.5	Gellihaf	E1(10)	EM1.8
Hawtin Park south	8.8	Gellihaf	E1(10)	EM1.9
Dyffryn Business Park north	4.9	Ystrad Mynach	E1(14)	EM1.10
Dyffryn Business Park south	6.3	Ystrad Mynach	E1(14)	EM1.11
Land at Caerphilly Bus. Park	3.6	Caerphilly	E1(21)	EM1.13
Protections				
Land at New Tredegar		New Tredegar	E1(2)	EM2.1
Oakdale, Plateau 2		Oakdale	E1(4)	EM2.9
Penyfan		Croespenmaen	E1(5), E2(11)	EM2.10
North Celynen		Newbridge	E1(8), E2(18)	EM2.11
Hawtin Park		Gellihaf	E1(10), E2(10)	EM2.12
Dyffryn Business Park		Ystrad Mynach	E1(14), E2(21)	EM2.13
Pantglas		Bedwas	E1(18), E2(34)	EM2.25
Caerphilly Business Park		Caerphilly	E2(38)	EM2.26

7.1.13 These considerations also apply to the final tier of the employment hierarchy. As well as this, it is desirable to have some sites where permission can be given for appropriate non-class B development. The presence of certain *sui generis* and non-class B uses on such sites can be beneficial to the employment 'offer' of a location, provided that they complement the wellbeing of more traditional employment developments. Indeed, they are capable of making contributions to the local economy in their own right. This includes cafes, gyms, training facilities, day nurseries, commercial vehicle repair and maintenance businesses and taxi companies. The key consideration, however, which should be focused upon within the wording of relevant policies, is that such uses are relatively small-scale and ancillary to those uses for which the site is allocated.

7.1.14 Therefore, the following sites will be allocated or protected as 'secondary sites' (B1/B2/B8 use plus others, where appropriate):

Allocations	Area (ha.)	Settlement	UDP Ref.	LDP Ref.
Penallta extension	1.6	Hengoed	N/A	EM1.12
Land at Trecenydd	2.2	Caerphilly	E1(19)	EM1.14
Land at Western	1.1	Caerphilly	E1(20)	EM1.15
Protections		**Settlement**	**UDP Ref.**	**LDP Ref.**
Heads of the Valleys		Rhymney	E2(1)	EM2.2
Capital Valley		Rhymney	E2(2)	EM2.3
Maerdy		Rhymney	E2(3)	EM2.4
Angel Lane		Aberbargoed	E2(4)	EM2.5
Bowen		Aberbargoed	E2(5)	EM2.6
Croespenmaen		Croespenmaen	E1(6), E2(12)	EM2.14
Britannia		Pengam	E2(6)	EM2.15
St. David's		Pengam	E2(7)	EM2.16
New Road		Tiryberth	E1(9), E2(8)	EM2.17
Penallta		Hengoed	E2(9)	EM2.18
Newbridge Road		Pontllanfraith	E1(12), E2(14)	EM2.19
Tram Road		Pontllanfraith	E2(16)	EM2.20
Switchgear		Pontllanfraith	E2(17)	EM2.21
Penmaen		Penmaen	E2(13)	EM2.22
Woodfieldside		Penmaen	E2(15)	EM2.23
Caerphilly Road		Ystrad Mynach	E2(22)	EM2.24
Prince of Wales		Abercarn	E2(19)	EM2.27
Nine Mile Point		Cwmfelinfach	E1(15), E2(23)	EM2.28
Blackvein		Wattsville	E2(24), E2(25)	EM2.29
Newtown		Crosskeys	E2(26)	EM2.30
Park Road		Risca	E2(27)	EM2.31
Rogerstone Park		Pontymister	E1(17), E2(29)	EM2.32
Bedwas House		Bedwas	E1(22), E2(33)	EM2.33
Pontygwindy Road		Caerphilly	E2(31)	EM2.34
Trecenydd		Caerphilly	E2(36)	EM2.35
Western		Caerphilly	E2(37)	EM2.36

7.2 Waste

7.2.1 All sites deemed suitable for class B2 are, by definition, appropriate as areas of search for the siting of “in-building” waste facilities. However, given the potential proximity of other Class B and sui generis uses within these sites, as well as other uses on neighbouring land, it is necessary to put in place policies that seek to perpetuate the mutual suitability of neighbouring land uses, particularly with regard to residential amenity.