

ES6.1



Blaenau Gwent County Borough Council

Local Development Plan

Hearing Session 6: Employment

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Examination 2012

Blaenau Gwent County Borough Council Submission

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SESSION 6 EMPLOYMENT

Introduction

This Statement has been prepared by Blaenau Gwent County Borough Council in order to help facilitate appropriate discussion at the Employment Hearing Session. The Paper provides a response to the questions set by the Planning Inspector (Mr Vincent Maher).

Where the Council does not intend to provide any additional written evidence the Inspector's attention is directed to the relevant part of the Evidence Base, which in the view of the Council addresses the matters raised. The paper will not repeat evidence previously submitted for consideration.

The Council's detailed response to the representations received to employment are contained in the Report of Representations (**SD07b**).

Council Response to Inspector's Questions (questions in bold)

1. What is meant in Objective 9 of the Plan by the phrase "By 2021, 50 hectares of employment land and a range of premises have been delivered"? How might this term "delivered" be interpreted? Is this a precise target? What evidence base underpins this figure?

What is meant in Objective 9 of the Plan by the phrase "By 2021, 50 hectares of employment land and a range of premises have been delivered"? How might this term "delivered" be interpreted?

The term "delivered" in objective 9 means that a range of premises have been built on the 50 ha of allocated employment land. It is accepted that this objective is not clear by its intent and it is suggested to the Inspector that this objective is amended.

What evidence base underpins this figure? Is this a precise target?

The Council's evidence base on how the Council arrived at the 50 ha employment allocation figure is set out in:

- **SD46:** Employment Background Paper (Chapter 8.0 pages 21 – 27)
- **SD77:** Blaenau Gwent County Borough Employment Sites and Premises Study (Chapter 8.0 pages 62 – 70)

The calculations of future employment land were based on two separate assessments. The first was based on a study undertaken by URS based on land requirements and forecast employment change (**SD77**, pages 62-70). The second was based on future aspirations to improve the economic activity rate and reduce unemployment (**SD46**, pages 21-30).

The URS assessment identified that 46.4 hectares of employment land was required and the second assessment based on job requirements identified

that 50 hectares of employment land was required. The Plan therefore allocates 50 hectares of employment land.

It is accepted that the employment land requirement figure is both precise and challenging therefore the Council propose to monitor employment land development through the Monitoring Framework identified at Appendix 2 of the Statement of Focussed Changes (**SD10a**, page 155).

2. What are the implications of pursuing an employment land allocation of this scale in the context of forecast declines in some sectors, especially manufacturing and other Use Class B2 activity? Does the Council acknowledge that some vacant stock may not be developed for employment or other uses during the lifetime of the Plan? What actions are the Council and others taking to improve the take up of employment land within the county borough relative to neighbouring local authority areas?

What are the implications of pursuing an employment land allocation of this scale in the context of forecast declines in some sectors, especially manufacturing and other Use Class B2 activity?

The Blaenau Gwent Regeneration Strategy and Action Plan (**SD124**) recognises the need to diversify the economy and seeks to build on diversification of the local economy by promoting and supporting new areas of opportunity, and developing the strengths of the manufacturing industry. This is to be achieved through specialisation in high-tech manufacturing industries based around key sectors such as electronics and automotive.

Outside manufacturing, there are a number of other key sectors where Blaenau Gwent should focus for maximum impact in the diversification of its economy such as in business services, tourism and leisure, cultural, health and social care and construction (**SD124**).

Notwithstanding this, the Council do not necessarily agree that there is going to be a significant loss in B2 employment land as suggested in the Employment Sites and Premises Study. The dualling of the A465 is expected to generate benefits for the manufacturing sector by improving the cost base and competitiveness of many of the companies located along the Heads of the Valleys corridor.

Recent economic events have reignited the debate on the role of manufacturing in the national economy and the need for some rebalancing to take place. Blaenau Gwent is well placed to capitalise on this renewed interest in the manufacturing sector.

Does the Council acknowledge that some vacant stock may not be developed for employment or other uses during the lifetime of the Plan?

The Council consider that there is not a significant amount of empty stock as evidenced in **SD77** (pages 68-69). The issue of vacant stock is taken into account in the synthesis forecast which identifies future employment floorspace demand.

SD77 identifies that within the industrial (B2) and warehouses (B8) uses 9% of the premises are vacant which is marginally above the 8% accepted industrial vacancy rate. It is accepted that the level of office vacancy is above the optimal amount of office vacancy level, however since the report was published in 2007, some of the new vacant offices have been occupied for example Innova One at Tredegar Business Park has been occupied by Centrica and a vacant office unit on Roseheyworth Business Park has been occupied by Tai Calon.

Policy EMP2 allows the Council to protect the best employment sites (business parks and primary sites) and provide greater flexibility on other sites (secondary sites). Rather than take a blanket approach to protecting all employment uses, the policy will enable the Council to be both flexible and responsive when considering proposals seeking alternative uses on existing employment sites. It will also allow the Council to respond to changing circumstances.

What actions are the Council and others taking to improve the take up of employment land within the county borough relative to neighbouring local authority areas?

The Welsh Government announced in September 2011 that as part of its economic policy agenda it would be introducing Enterprise Zones in Wales and take a bespoke approach to each location based on the skills and workforce history of each area.

The designation of Ebbw Vale as an Enterprise zone is based on four sites adjacent to the Heads of the Valleys road and that are allocated in the Plan (**SD01**). The sites at Tredegar Business Park (EMP1.2), 'The Works' (MU2), Rhyd y Blew (MU1), Bryn Serth (MU1) and Rassau (EMP1.4 and EMP1.5) are designed to house manufacturing companies specialising in the automobile sector.

The Enterprise Zone will assist with the transformation of the local economy in Blaenau Gwent and attract major inward investment focussing on the manufacturing sector. The zone will expand the industrial base and attract major companies to the area with the aim of creating jobs for local people.

The Enterprise Zone designation will offer a combination of measures and funding which will prove attractive to businesses in the form of tax relief, capital grants, super fast broadband and a simplified planning regime.

3. Why is the Council seeking to promote the regeneration of so much employment land when other initiatives (e.g., improved transport accessibility) might improve access to jobs for local people outside of Blaenau Gwent?

The Annual Population Survey (2009) identifies that in Blaenau Gwent, people are less likely to work within their authority of residence. Appendix 1 identifies that only 52% of residents are working in their home authority which, is the second lowest when compared to other local authorities in Wales. It is questionable on sustainability grounds that Blaenau Gwent should look to rely on decreasing this number further.

In addition to this, the people that are being encouraged to return to work are likely to be in low paid jobs, which would not enable them to travel any distance for work. Around 76% of the working age population in the Heads of the Valleys area have the use of a car (2006). This represents a smaller percentage than in the rest of South East Wales and substantially smaller than elsewhere in Wales (**SD59b**, page C4). Also, frequency and cost of public transport is a challenge in Blaenau Gwent. There is a poor evening and no Sunday bus service (**SD01**, page 15).

In addition to this, Blaenau Gwent has attained 'enterprise zone' status for some of its land sites and these areas should comprise the focus of significant regeneration activities accordingly. Finally, given that the area has historically suffered from population migration, the ability to create local employment opportunities on local employment land to assist attempts to mitigate this dynamic is both desirable and pragmatic.

4. What is the logic for the different categories of employment land use (strategic sites, primary and secondary sites and business parks)? What evidence underpins the case for retaining all of these sites for employment? How should the Plan respond to other uses that might complement employment activity (e.g., training)?

What is the logic for the different categories of employment land use (strategic sites, primary and secondary sites and business parks)?

The Council's evidence base for the different categories of employment land is set out in:

- **SD46:** Employment Background Paper (pages 30-35)

To summarise, one issue raised through the pre deposit consultation highlighted that industrial sites in the Unitary Development Plan are vulnerable to alternative development proposals, such as retail and leisure uses. The Local Planning Authority recognises that a significant proportion of employment growth is provided by other activities apart from industry, but it

considers that a range of sites should be reserved exclusively for industrial use.

The purpose of the different categories of employment is to adopt a flexible approach to employment to fulfil the land requirements in terms of B1, B2 and B8 uses as well as facilitate continued economic growth within Blaenau Gwent in a diverse and sustainable fashion. The hierarchy also seeks to protect existing employment land and premises, which are increasingly under pressure to be developed for non employment uses.

The **Strategic Site** category is developed as a result of the Ebbw Vale Sustainable Regeneration Framework (**SD59a**) which identifies Rhyd y Blew as a strategic employment site which should be developed for B1 and B2 uses. This is also identified as one of Welsh Government's strategic sites.

Locating new development within the '**business park**' tier of the employment hierarchy 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.

The sites identified within the **business park** category also take into account adjacent and surrounding land uses such as existing B1 uses being located within close proximity, such as Tredegar Business Park (EMP1.2) and the proximity of schools and residential properties such as land at Rising Sun Industrial Estate (EMP1.3).

The sites categorised as **primary sites** are considered to be the established employment areas in Blaenau Gwent which are characterised by B1, B2 and B8 uses, namely offices, light and general industry.

The **secondary site** category seeks 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.

What evidence underpins the case for retaining all of these sites for employment?

As identified under question 1, the employment land requirement figure has been calculated following two assessment processes set out in the evidence base as:

SD46: Employment Background Paper

SD77: Employment Sites and Premises Study

In addition to this, the Employment Sites and Premises Study (**SD77**) set out recommendations to de-designate employment land allocations or re-designate to other uses (**SD77**, pages 74-75).

The Study suggested that the following sites be de-designated from employment:

Employment Land Allocation Reference in UDP (SD127a)	Site Name	Current Area (ha)	Council Response
E2 (1)	Rassau Extension (West)	33.02	Agree. The Council has not allocated the site in the LDP.
E2 (3)	Crown Avenue (East)	1.15	Agree. The Council has not allocated the site in the LDP.
E2 (6)	Bryn Serth Road	12.55	Disagree. The site has planning permission and therefore is allocated to reflect this permission.
E2 (7)	North of Waun y Pound	9.47	Disagree. The site has planning permission and therefore is allocated to reflect this permission.

How should the Plan respond to other uses that might complement employment activity (e.g., training)?

For all employment land categories listed in policy DM11, an ancillary facility or service to the proposed employment will be permitted. For sites categorised as secondary sites, a commercial service will be permitted. Examples of commercial services as set out in the plan are training facilities, day nurseries, indoor health facilities, vehicle repair and maintenance businesses and other uses that are not considered appropriate in a town centre location.

5. How will criteria (f) and (g) of Policy SP8 be implemented? Is the Council's policy and allocations for employment land use realistic and soundly based?

How will criteria (f) and (g) of Policy SP8 be implemented?

The implementation of criterion (f) of policy SP8 will be through the establishment of the Learning Zone at 'The Works' which is currently under construction and is due to be completed in 2012. The Learning Zone will bring together Coleg Gwent and all sixth forms in a state of the art learning

facility which provides the opportunity to improve educational attainment and vocational skills at every level from basic skills right up to higher education.

The implementation of criterion (g) - local labour market agreements will be through planning obligations. The regeneration of Blaenau Gwent is already providing job opportunities in construction and in hard and soft landscaping. There is an unprecedented programme of development incorporating 'The Works', Ebbw Vale Northern Corridor, town centre developments, school refurbishment and the Welsh housing quality standard / stock transfer and public and private housing programmes. Planning Obligations will be used to secure local employment in the growing construction sector. A planning obligation of this kind is attached to 'The Works' planning permission. The Inspector's attention is directed to **SD128**: Supplementary Planning Guidance on Planning Obligations which includes a section on employment and enterprise (pages 59-60).

Is the Council's policy and allocations for employment land use realistic and soundly based?

It is accepted that the employment land figure is challenging but unless the Council plans to meet this figure the area will continue to decline. Evidence collected through the plan preparation identifies that job prospects are considered of primary importance and in most need of improvement in Blaenau Gwent. Based on this, the Council has taken into account growth in the working age population and the aim to reduce unemployment in identifying future employment requirements (**SD46** pages 25 - 27).

It should also be recognised that the following factors will assist in delivering the 50 ha of employment land:

- The new Convergence Programme of EU funding 2014-2021 which is likely to provide funding for business property development
- The recent designation of Blaenau Gwent as an Enterprise Zone with a combination of measures and funding which will prove attractive to businesses
- The proposed dualling of the A465 Heads of the Valleys Road between Hirwaun and Abergavenny, at a cost of £600million, represents one of the largest public sector infrastructure projects in Wales. It will run through Rassau Industrial Estate and is therefore very close to some of the employment designations.

The employment allocations flow from the spatial strategy in that most development is based in the Ebbw Vale area, with fewer opportunities in the South of the Borough (Lower Ebbw Fach). All employment sites were assessed in accordance with the candidate site methodology (**SD30**) to ensure the most sustainable and developable sites were identified.

There are clear mechanisms for implementation and monitoring set out in the Statement of Focussed Changes (**SD10a** pages 155-158). The monitoring framework assesses the effectiveness of the policies and identifies trigger points to consider a review of the plan.

6. Is there an overlap between criteria (3) and (4) of Policy DM11 and criterion (3) of Policy DM21?

No. It is not considered that there is an overlap between criteria (3) and (4) of Policy DM11 and criterion (3) of Policy DM21. The purpose of Criteria (3) and (4) of Policy DM11 is to set out the primary and secondary site employment land categories and establish what development will be permitted. It is however acknowledged that the reasoned justification of this policy (**SD01**, page 67, paragraph 7.69) refers to primary and secondary sites as, in principle being acceptable locations for waste management facilities.

Policy DM21 criterion (3) provides a cross reference to Policy DM11 and seeks to provide more detail in terms of developing a waste collection or treatment facility.

7. What level of support should the Plan give to the expansion of new sectors such as tourism? How do the various policies in the Plan (for example, Policy SP8 and TM1) give positive land use planning support for the development of the county's tourism offer? Has the Plan neglected any other significant potential employment-generating tourist facilities?

What level of support should the Plan give to the expansion of new sectors such as tourism? How do the various policies in the Plan (for example, Policy SP8 and TM1) give positive land use planning support for the development of the county's tourism offer?

Policy SP8 recognises the need to diversify the economy and one of the identified sectors where Blaenau Gwent should focus for maximum impact is in tourism and leisure (**SD01**, pages 38-40). Criteria (d) and (e) support this through encouraging tourism and leisure initiatives in the town centres and activity tourism in the countryside. It is however recognised that this criteria identifies specific initiatives and does not clearly set out land use planning support for the development of the county's tourism offer. It is suggested to the Inspector that policy SP8 could be strengthened to generally demonstrate positive land use planning support for tourism.

Has the Plan neglected any other significant potential employment-generating tourist facilities?

The Council acknowledges that the Plan does not allocate land for the recent announcement of a potential motor racing circuit in Ebbw Vale. During the deposit plan preparation the motor cross circuit was an idea that was being explored with no firm location being known and a significant amount of uncertainty in terms of funding. Even now, there remains a level of uncertainty with regard to the funding and implementation of the project. Therefore based on these uncertainties and the fact that any allocations made

in the local development plan need to prove deliverability no allocation was made.

The Plan does however show support for a major tourist attraction in criterion (f) of Strategic Policy 1 (SD01, page 25) that would draw large numbers of people to the area and provide a significant number of jobs.

8. How does the Plan help implement national policies (for example, in “Economic Renewal: a new direction” (W17)) to support priority sectors including ICT; energy and the environment; advance materials and manufacturing; creative industries; life sciences; and financial and professional services)?

The Plan implements national policies such as Economic Renewal: A New Direction (**W17**) to support priority sectors including ICT; energy and the environment; advance materials and manufacturing; and financial and professional services through objective 8 of the Plan (**SD01**, page 18). Objective 8 supports employment growth by diversifying the economic base into construction, business services, health and social care, tourism and leisure and environmental industries, whilst supporting the manufacturing sector.

It is acknowledged however that the wording of these sectors is slightly different to that in **W17**, as the sectors listed in the objective is taken from the Blaenau Gwent Regeneration Strategy (**SD124**, pages 33-37) .

It is also recognised that the creative industries and life sciences sectors have not been reflected in the objective. The Council are aware of the economic development section embarking on a life science project therefore it is suggested to the Inspector that the objective be updated to reflect these sectors.

Appendix 1

Table 1: Summary statistics by local authority, 2009

Area of residence	Total number of working residents (000s)	Percentage of residents working in Wales	Percentage of residents working in home authority	Total number working in the authority (000s)	Commuting flows		
					Number commuting out of the authority (000s)	Number commuting into the authority (000s)	Net inflow (000s)
Isle of Anglesey	29.0	96	67	24.3	9.6	5.0	-4.6
Gwynedd	51.7	98	89	59.6	5.8	13.6	7.8
Conwy	47.6	96	76	42.5	11.3	6.2	-5.1
Denbighshire	41.8	90	73	42.7	11.4	12.3	0.9
Flintshire	73.5	71	58	59.1	31.0	16.5	-14.4
Wrexham	64.5	82	73	61.0	17.5	14.1	-3.4
Powys	58.6	88	76	50.3	14.2	5.9	-8.3
Ceredigion	34.3	97	89	36.8	3.7	6.2	2.5
Pembrokeshire	52.1	98	92	51.9	4.1	3.9	-0.1
Carmarthenshire	74.9	96	74	67.5	19.6	12.3	-7.3
Swansea	97.2	97	82	107.6	17.7	28.1	10.4
Neath Port Talbot	54.2	98	59	45.3	22.0	13.2	-8.8
Bridgend	57.3	96	70	54.6	17.2	14.6	-2.7
Vale of Glamorgan	56.7	96	49	40.7	29.0	12.9	-16.1
Rhondda Cynon Taf	94.4	98	61	76.8	36.4	18.8	-17.6
Merthyr Tydfil	22.2	96	64	19.8	8.1	5.7	-2.4
Caerphilly	70.4	97	57	55.5	30.2	15.3	-14.9
Blaenau Gwent	25.6	96	52	18.7	12.3	5.4	-6.9
Torfaen	35.7	94	60	31.5	14.1	9.9	-4.3
Monmouthshire	40.3	82	57	38.2	17.5	15.4	-2.1
Newport	58.6	94	69	67.5	18.4	27.3	9.0
Cardiff	153.3	95	81	202.2	29.9	78.8	48.9
Wales	1,293.9	93	71	1,254.1	86.9	47.1	-39.8

Source: Annual Population Survey

- In 2009, there were 1,293,900 Welsh residents working either in Wales or elsewhere, while the total number of people working within Wales was 1,254,100.
- Wales therefore had a net outflow of 39,800 people (up from 29,400 in 2008). This comprised 86,900 Welsh residents working outside Wales, offset by 47,100 people resident outside Wales coming into Wales to work.
- 93 per cent of all working Welsh residents worked in Wales and a large majority worked within the local authority in which they lived (912,700 or 71 per cent of all working residents). There was wide variation in this pattern by local authority:
 - ◆ In border authorities, a smaller proportion of residents worked in Wales, particularly in Flintshire (71 per cent), Wrexham (82 per cent) and Monmouthshire (82 per cent).
 - ◆ Generally speaking, a higher proportion of people worked within their authority of residence in rural areas - Pembrokeshire (92 per cent), Ceredigion (89 per cent) and Gwynedd (89 per cent) - although the proportion was also higher than average for the city authorities of Swansea (82 per cent) and Cardiff (81 per cent).
 - ◆ People were less likely to work within their authority of residence in The Vale of Glamorgan (49 per cent), Blaenau Gwent (52 per cent), Caerphilly (57 per cent), Monmouthshire (57 per cent), Flintshire (58 per cent), Neath Port Talbot (59 per cent) and Torfaen (60 per cent).