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Planning Design Economics

RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

EMPLOYMENT LAND REVIEW

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1.0 INTRODUCTION

1.1 Nathaniel Lichfield and Partners have been appointed by Rhondda Cynon Taf County Borough Council to undertake an employment land study to inform its emerging Local Development Plan (LDP) which will cover the period from 2006 to 2021. The study is intended to assist the County Borough Council in its consideration of the existing economic position within the area; in making decisions on the amount of land that is required to deliver its economic aspirations; and in assessing the need to allocate new land or release existing land to achieve a balanced portfolio of sites.

1.2 Specific requirements of the study are to:

a) Review the current economic context of Rhondda Cynon Taf;

b) Analyse the existing employment stock within Rhondda Cynon Taf and consider its role, fitness for purpose and its contribution to the local economy;

c) Review existing sites and premises and identify any that are surplus to requirement, unsuitable or unlikely to continue in employment use;

d) Review the key economic sectors in Rhondda Cynon Taf and consider the likely future changes within each of these sectors over the LDP period;

e) Assess the likely future employment land requirements for Rhondda Cynon Taf;

f) Identify suitable sites that might be allocated for future employment developmen; and

g) Review the economic function and position of other local authority areas in South East Wales.

1.3 The approach of the study follows the guidance on undertaking employment land reviews[1] which was published in England by the (then) Office of the Deputy Prime Minister (ODPM) (now the Department for Communities and Local Government – DCLG). As there is no analogous guidance for Wales, the advice set out within the ODPM document is entirely relevant to this context.

[1] *Employment Land Reviews Guidance Note*, ODPM, December 2004.

1.4 The study focuses upon the employment land needs for the group of B Use Classes, i.e. B1 (business), B2 (industry) and B8 (warehousing/distribution)[2]. This approach follows the advice contained within the ODPM guidance and the traditional definition of 'employment land'. It is acknowledged that other land uses have a considerable capacity for employment generation and that they can make an important contribution to the local economy of any particular area. However, the employment requirements for such functions are calculated in a different way to that of B Class uses. The need for and the implications of such other land uses have been considered by other work undertaken on behalf of the County Borough Council such as the retail study and forthcoming leisure study.

1.5 Requirements for both employment land and floorspace are considered in the employment land study and references to 'employment space' are intended to refer to each of these elements. The term 'industrial space' in this report includes both manufacturing and distribution space.

1.6 The methodological approach to this study is set out in Figure 1.1. This shows the overall process by which employment needs have been assessed and how they will feed into the LDP process. Some of these stages were undertaken by the County Borough Council and its other advisors prior to the commencement of this study.

1.7 An important input into the employment land review process is consultation with key stakeholders. The findings of recent consultation set out in the *Economic Development Prospects and Employment Land Implications* report, undertaken by Arad Consulting were made available to the project team by Rhondda Cynon Taf County Borough Council and have been incorporated into out analysis.

1.8 The review of the existing employment land portfolio was carried out by Council Officers under the guidance of the NLP project team. Senior Officers at Rhondda Cynon Taf County Borough Council reviewed the conclusions in respect of each of the sites and the scores attributed to each site in order to ensure consistency.

1.9 In addition, a review of recent trends in the local property market and demand for different types of employment space was undertaken, based upon a review of existing

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[2] The Use Classes (Amendment) Order 2005 defines employment land and premises as follows:
B1 (a) Offices, not A2 (financial and professional services)
(b) Research and development, studio, laboratories, high tech
(c) Light industry
B2 General Industry

studies and published statistics relating to levels of development, business enquiries, business activity rates and vacancy levels. This process helped to inform our assessment of the need for additional land for business purposes which also relied upon employment forecasts, which were prepared for this study by Experian Business Strategies Limited (EBSL).

1.10 The study draws upon a wide range of existing documents including previous employment land studies, property market information, local and regional strategy documents, relevant planning policy documents and published economic statistics. Documents which have been used in the preparation of this study are detailed in the References section of the Appendices.

1.11 The study considers potential future employment locations and makes recommendations on the sites that should be considered by Rhondda Cynon Taf County Borough Council for allocation for employment purposes as part of the LDP process. It is recognised that these recommendations are preliminary as the decision of which sites to allocate for employment and other purposes and which to de-allocate from employment purposes will depend upon a wide range of issues relating to traffic, landscape, ecology and the need for other forms of development. These matters fall beyond the scope of this study but will guide the on-going plan making process by Rhondda Cynon Taf County Borough Council.

1.12 The report is structured as follows:

a) An overview of current economic conditions and recent trends in the County Borough and adjoining areas that may affect the need for employment space (Chapter 2);

b) An assessment of the current stock of employment space in Rhondda Cynon Taf and recent trends in development activity (Chapter 3);

c) A review of the Rhondda Cynon Taf property market, particularly demand and supply for different types of employment space and any gaps in provision (Chapter 4);

d) A review of the adjoining local authority areas in South East Wales – Blaenau Gwent, Bridgend, Caerphilly, Cardiff, Merthyr Tydfil, Monmouthshire, Newport, Torfaen and Vale of Glamorgan (Chapter 5);

B8 Storage and Distribution: wholesale warehouses, distribution centres, repositories

e) A review of existing employment sites in the County Borough in terms of their quality and adequacy to meet future needs and their scope for release or redevelopment (Chapter 6);

f) A review of undeveloped and redundant sites in the County Borough in terms of their quality and adequacy to meet future needs (Chapter 7);

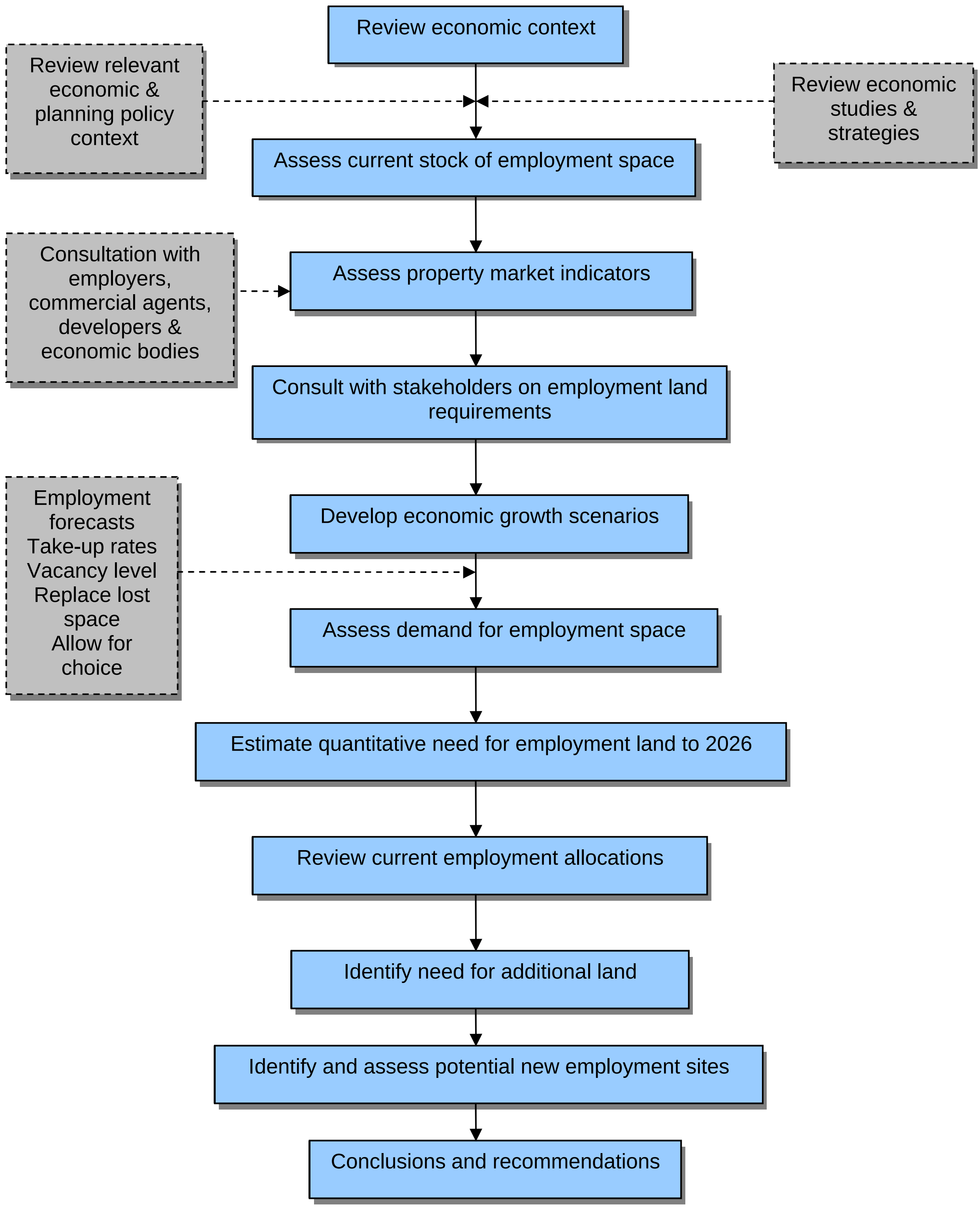
g) A consideration of the potential future economic role of the County Borough and specific sectors which have potential for growth (Chapter 8);

h) An assessment of the future need for employment space in Rhondda Cynon Taf (Chapter 9);

i) A review of possible locations for future employment development – including any sites that should be released for other forms of development (Chapter 10); and

j) Conclusions and recommendations (Chapter 11).

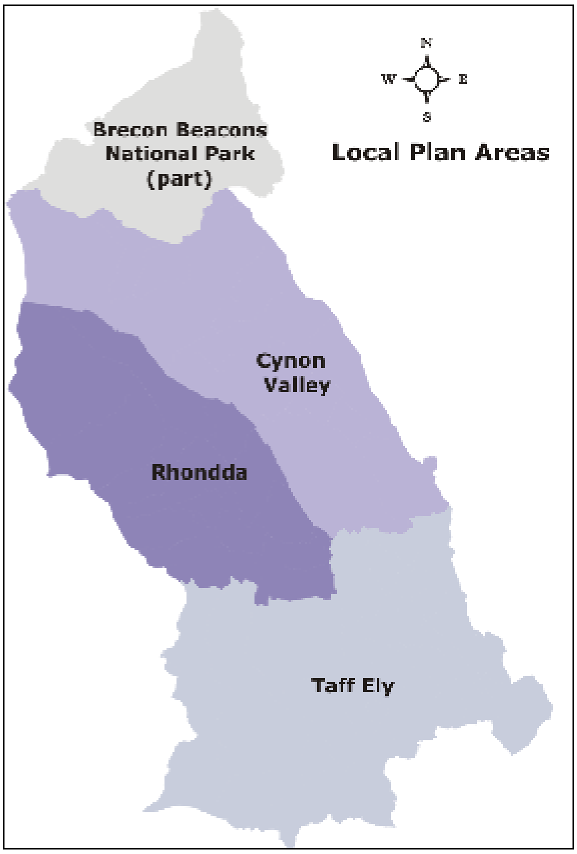
Figure 1.1: Rhondda Cynon Taf Employment Land Study Methodology



2.0 ECONOMIC PROFILE OF RHONDDA CYNON TAF

2.1 This chapter provides an economic profile of Rhondda Cynon Taf and considers the recent performance of its economy relative to that of Wales. Recognising the substantial variations in the economic well-being of the different parts of the County Borough, it also considers the relative economic performance of different parts of the authority area. This analysis is undertaken on a parliamentary constituency basis. The three constituencies that make up Rhondda Cynon Taf – Cynon Valley, Rhondda and Pontypridd – broadly reflect the three areas of Cynon Valley, Rhondda and Taff Ely. However, despite being located within Rhondda Cynon Taf, Llanharan is actually within the adjoining Ogmore constituency which is within Bridgend Borough (rather than the Pontypridd constituency in Rhondda Cynon Taf). It is therefore excluded from the constituency analysis although it is not considered that the Llanharan area is so substantially different to the Pontypridd constituency that its exclusion would obscure the true economic picture within the southern part of the County Borough.

Figure 2.1: The Local Plan Areas within Rhondda Cynon Taf



Source: www.rctcbc.gov.uk

2.2 The analysis examines a range of indicators relating to employment, economic activity and the labour market. It concludes with an analysis of the main strengths, weaknesses and opportunities within the County Borough.

Overview of Rhondda Cynon Taf

2.3 Rhondda Cynon Taf County Borough covers an area of 424 sq km and it is bordered by other Local Authorities in all directions:

a) Cardiff lies to the south east;

b) The Vale of Glamorgan lies to the south;

c) Bridgend lies to the south west;

d) Neath Port Talbot lies to the west;

e) Powys lies to the north;

f) Merthyr Tydfil lies to the north east; and

g) Caerphilly lies to the east.

2.4 Rhondda Cynon Taf comprises three valleys – the Rhondda Valley, the Cynon Valley and Taff Ely – which are all distinct in terms of their geography and economic profile. Part of the Cynon Valley lies within the Brecon Beacons National Park, which has delegated authority from Rhondda Cynon Taf (and the other County Boroughs within which it lies) for planning and other administrative matters. In addition to its important connections with the Brecon Beacons National Park, Rhondda Cynon Taf is also very strongly related to the other adjoining authority areas – particularly Cardiff to the south. The Taff Ely area of Rhondda Cynon Taff is viewed as forming part of an enlarged 'north Cardiff'. This, together with its accessibility via the M4 has resulted in it being considerably more prosperous than the more remote northern part of the County Borough.

2.5 The differences that exist across the County Borough necessitate a carefully considered response by the County Borough Council. A 'one size fits all' approach across the County Borough would not be appropriate to meeting the varied and considerable challenges that exist. This has been recognised by the Council and, in seeking to promote sustainable regeneration for the County Borough as a whole, the

LDP Preferred Strategy adopts a different development strategy for the northern and southern strategy areas.

2.6 The focus in the northern area is on the development of sustainable communities and halting the process of depopulation and decline whilst, in the southern area, the focus is on sustainable growth that is beneficial to the County Borough as a whole.

2.7 The challenge for the County Borough Council is to adapt to the changes facing its economy and the disparities that exist between its three Local Plan areas. In spite of these differences within the County Borough, the emerging Wales Spatial Plan (2008) identifies Rhondda Cynon Taf as a whole as forming part of *"the connecting strip between city growth and major concentrations of deprivation in the Heads of the Valleys".* This reflects its strategically important location and the potential for economic growth throughout the County Borough.

2.8 The County Borough comprises three principal towns and eight key settlements. These are recognised by the Council's LDP Preferred Strategy as important in providing services and facilities to local residents and in accommodating population and economic growth in the future. The Preferred Strategy states that where possible, development will be focused within the principal towns and key settlements in order to support their role as places for social and economic activity and to promote sustainable development patterns within the County Borough.

Figure 2.2: Identified principal towns and key settlements in the Rhondda Cynon Taf County Borough (Preferred Strategy)

Principal towns	Pontypridd	Southern Strategic Area
	Llantrisant	Southern Strategic Area
	Aberdare	Northern Strategic Area
Key settlements	Tonypandy	Northern Strategic Area
	Tonyrefail	Southern Strategic Area
	Llanharan	Southern Strategic Area
	Treorchy	Northern Strategic Area

[redacted]	Mountain Ash	Northern Strategic Area
	Porth	Northern Strategic Area
	Ferndale	Northern Strategic Area
	Hirwaun	Northern Strategic Area

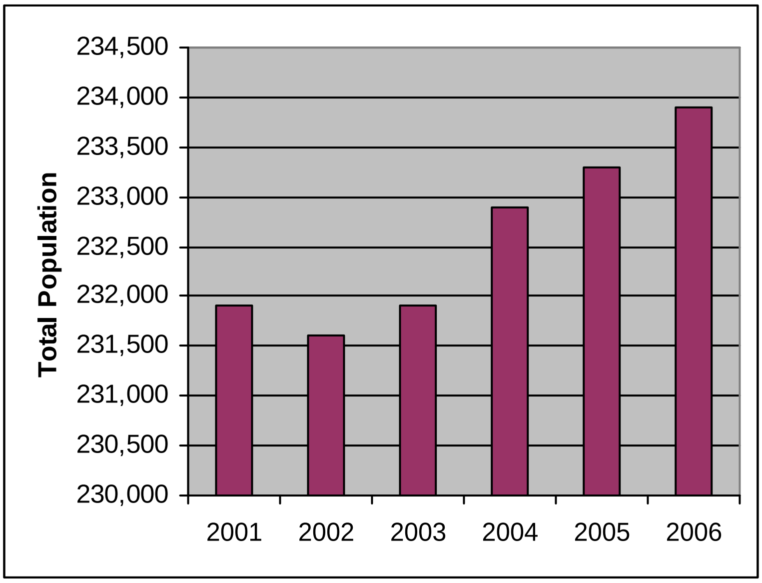
Source: Rhondda Cynon Taf County Borough Council LDP Preferred Strategy

2.9 The Council's aspiration is to create multifunctional sustainable settlements. This means settlements that adequately meet the various needs of the local communities that they serve. In particular, they should provide a range of facilities, including shops and services as well as leisure and employment opportunities. In offering this balance of land uses and facilities, the need to travel will be reduced and investment will be retained within individual centres at a level that reflects their role and status within the overall settlement hierarchy. This aspiration underlines the Council's commitment to sustainable development.

Population

2.10 Rhondda Cynon Taf currently has a population of 233,900. The population has generally increased on a year by year basis, except between 2001 and 2002 when it decreased slightly. Between 2001 and 2006, the population rose by 0.86%.

Figure 2.3: Total Population in RCT 2001-2006



Source: ONS, 2007

2.11 Over the longer term between 1991 and 2006 the population of Wales increased by 3.2% between 1991 and 2006, whilst the population in Rhondda Cynon Taf actually fell by 0.03% (Source Nomis, 2007).

2.12 The latest local authority population estimates show that the total population of Rhondda Cynon Taf is projected to increase by 20,900 (9%) by mid-2031; this is below the 14.1% average population growth that is expected across all Welsh local authorities. Over the LDP period between 2006 and 2021, the total population in Rhondda Cynon Taf is expected to rise by 14,200 (6.1%) to 248,100.

2.13 According to the 2006 mid-year population estimates, a slightly higher proportion of Rhondda Cynon Taf's population is of working age when than that of Wales (0.9% more). However, this level is slightly below the average figure for Great Britain as a whole (1.3% less).

Figure 2.4: Working Age Population 2006

	RCT	Wales	Great Britain
Working Age Population	61.3%	60.4%	62.6%

Source: ONS, 2007 – midyear population estimates

2.14 Between 2006 and 2021, the number of people of working age in Rhondda Cynon Taf is expected to rise by 4.9% to 150,400. This increase is slightly below the overall rate of population growth in Rhondda Cynon Taf over the LDP period, such that by 2021, the working age population as a proportion of total population is expected to have fallen to 60.6%.

2.15 Although the economic activity level in Rhondda Cynon Taf's is below that of Wales generally, there are noticeable variations within the County Borough. Cynon Valley and Rhondda have a substantially lower proportion of economically active people when compared to the Welsh average – the level of economic activity in the Rhondda Valley being 5% below the Welsh average – whilst Pontypridd has an above average level of economic activity.

Figure 2.5: Economic Activity

	Economically active %	In employment %	Employees %	Self employed %
Cynon Valley	72.4	76.1	62.3	12.5
Pontypridd	77.5	75.7	61	14.4
Rhondda	69.8	68.9	57.3	10.7
RCT	72.7	73	60.1	12.1
Wales	75.2	74.2	61	12.5

Source: Nomis, 2008

2.16 In March 2008, 2.4% of residents in Rhondda Cynon Taf claimed the Job-seekers Allowance (JSA) – the same as the Welsh average. However, this overall figure again obscures the considerable differences that exist within the County Borough. Rhondda, which has the lowest portion of economically active people, also has the highest JSA claimant rate (3.1%) whilst Pontypridd which has the highest level of economically active people, has the lowest JSA claimant rate at just 1.8%. At 2.7%, the proportion of residents in Cynon Valley that are seeking JSA is only slightly higher than the Borough and national averages.

Current Economic Conditions

2.17 Gross Domestic Product (GDP) and Gross Value Added (GVA) are both indicators of economic performance. GVA data, which is beginning to replace GDP as the primary indicator of economic wealth, is defined as the difference between the value of goods and services produced and the cost of raw materials and other inputs which are used up in production. By contrast, GDP represents the total market value of all final goods and services provided.

2.18 Figure 2.6 shows that GDP and GVA are both substantially lower in Rhondda Cynon Taf than they are in Great Britain.

Figure 2.6: Comparison of GDP with GVA, 2000

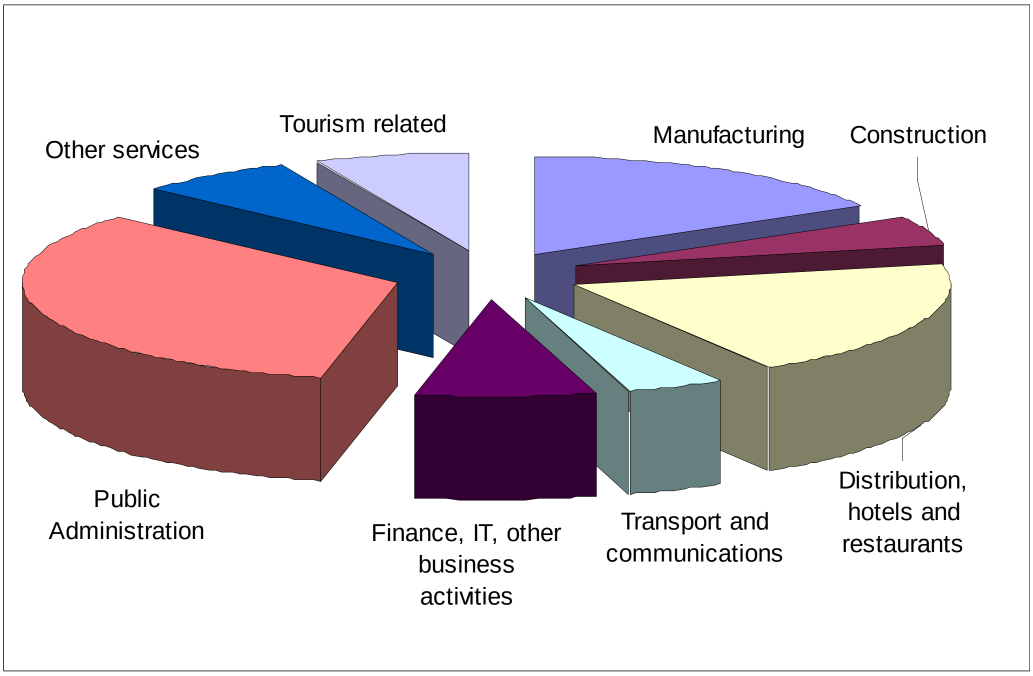
	GDP per capita	GVA per capita
Great Britain	16,303	14,030
Rhondda Cynon Taff	10,973	9,312

Source: Review of the RCT Economic Regeneration Strategy

2.19 Over recent years, employment growth in Rhondda Cynon Taf has been increasing at a higher rate than in Wales generally. Whilst the number of economically active people in Wales grew by 2.9% between March 1999 and June 2007, there was an increase of 5.5% in Rhondda Cynon Taf over the same period. However, growth in employment has been different in the three constituency areas: Pontypridd experienced the highest rate of growth at 7.8%, whilst Rhondda has also grown by 5.2% – above the Welsh average but slightly below the average for Rhondda Cynon Taf. By contrast, growth within Cynon Valley over this period was much more limited with an employment increase of just 0.5% over the 8 year period.

2.20 Figure 2.7 shows the distribution of employment within Rhondda Cynon Taf. It illustrates the extent to which the County Borough's employment structure is dominated by three key sectors – public administration, distribution, hotels and restaurants and manufacturing – which provide 74% of the jobs available in the County Borough. Figures 2.8 shows the extent to which the concentration upon these three sectors is also evident at the constituency level.

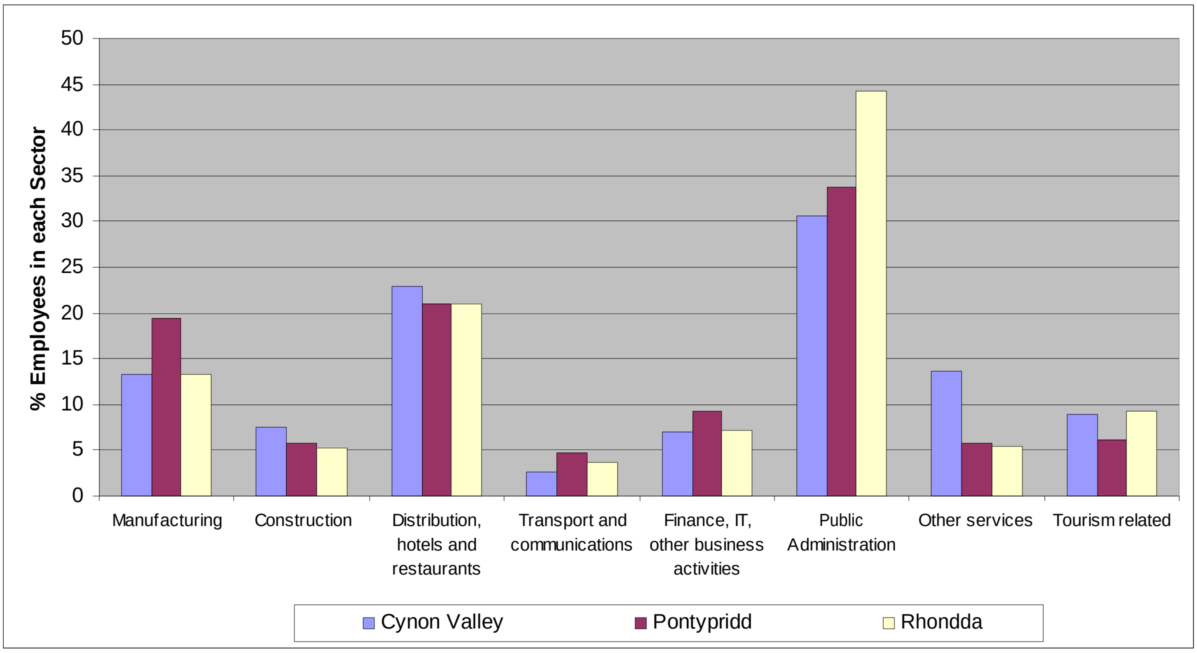
Figure 2.7: Distribution of Employees in RCT by Sector, 2006



Source: NOMIS, 2008

Note: Tourism related includes hotels, camping sites etc, restaurants, bars, activities of travel agencies etc, library, archives, museums etc, sporting activities and other recreational activities.

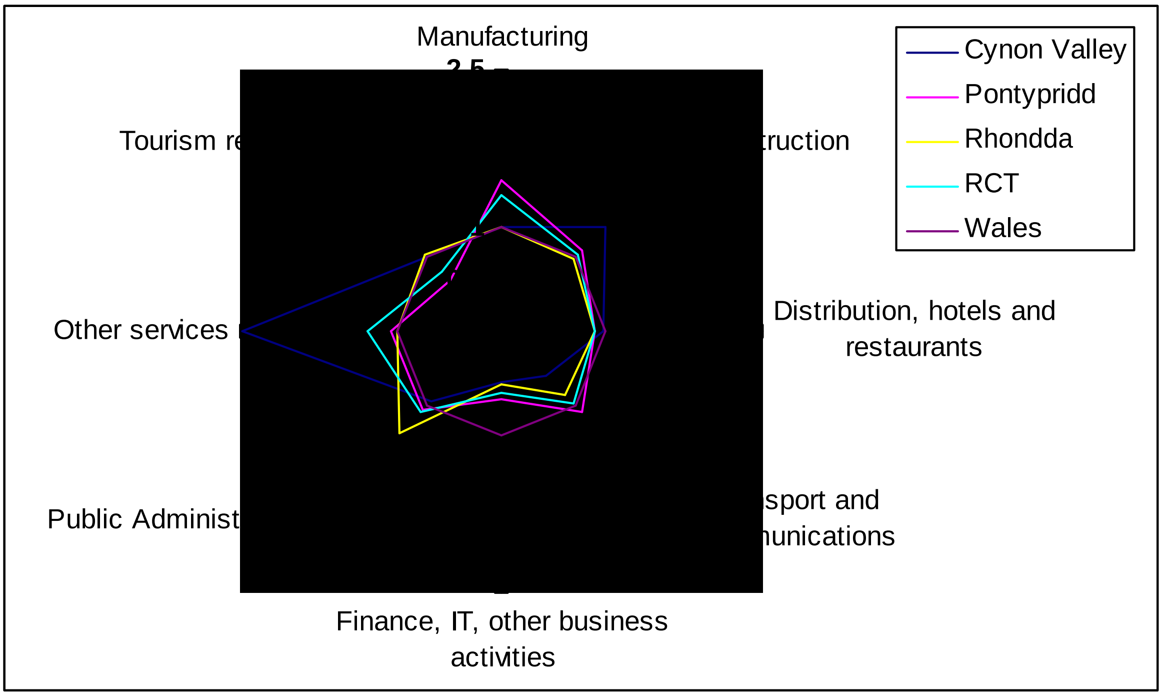
Figures 2.8: Distribution of Employees in Parliamentary Constituencies by Sector, 2006



Source: NOMIS, 2008

2.21 The relative concentration of a particular economic sector in an area, compared to the national average can be shown by comparing location quotients (LQ). Figure 2.9 below sets out the LQ scores for the Parliamentary Constituency, Unitary Authority and National Levels.

Figure 2.9: Location Quotients



Source: Nomis, 2008

2.22 The radar chart demonstrates the importance of eight different economic sectors in Cynon Valley, Pontypridd, Rhondda and Rhondda Cynon Taf in relation to their role in the Welsh economy. The LQ of each sector in Wales is shown to be 1. An LQ above 1 for each individual constituency or the County Borough as a whole would indicate a relative concentration of a particular economic sector (above the Welsh average), whilst an LQ of less than 1 would indicate a local shortfall of a particular sector, compared with the Welsh average.

2.23 The LQ analysis highlights the following points:

a) The most apparent over concentration of a particular sector exists within ‘other services’ (which include personal and physical services, recreation, cultural and sporting activities, membership organisations and sewage and refuse disposal) in Cynon Valley. Whilst it appears that the ‘other services’ category is important to Rhondda Cynon Taf as a whole, this is a function of its particular concentration within Cynon Valley.

b) Cynon Valley also has a high concentration of jobs in the construction industry. In other parts of the County Borough, the concentration of construction jobs is more in line within the national average.

c) There is a high concentration of manufacturing within the Pontypridd constituency and this also appears to have distorted its importance within the whole of the County Borough. The levels of manufacturing within Cynon Valley and Rhondda are almost equal to the national level. This is due to the traditional nature of manufacturing in Cynon Valley and Rhondda and the level of decline in this sector since 2000. As a result of national and international economic trends, including the movement of operations towards lower cost centres in the Far East and elsewhere, the manufacturing sector is expected to decline in the future although it is not expected that it will disappear altogether. The high concentration of manufacturing activities in the Pontypridd area tends to be focused upon higher technology sectors rather than upon the traditional heavy manufacturing sector. Operators within this sector tend to be attracted by its accessibility and by the quality of premises and staff, as well as by its links to Cardiff and other key centres.

d) The public administration sector is also strong within the County Borough, with a particular concentration within Rhondda. The Cynon Valley has the lowest concentration of public administration jobs in the County Borough. Although a large number of people are employed in this sector in Rhondda Cynon Taf, the fact that the LQ figure does not indicate a particularly high relative concentration reflects the fact that this is an important sector and a major employer within Wales generally.

e) The northern parts of Rhondda Cynon Taf enjoy good links with and a close relationship to the Brecon Beacons. This is reflected in Rhondda and Cynon Valley having an average concentration of the tourism sector. However, there are fewer tourist opportunities at the south of the County Borough and this limited role within the Pontypridd constituency means that the tourism LQ for the County Borough as a whole is only average.

f) Whilst the concentration of the distribution, hotels and restaurants sector is marginally lower than the national average in Rhondda and Pontypridd, the level within Cynon Valley is in line with the national average.

g) The finance, IT and other business activities sector is substantially less significant in Rhondda Cynon Taf than it is in Wales generally.

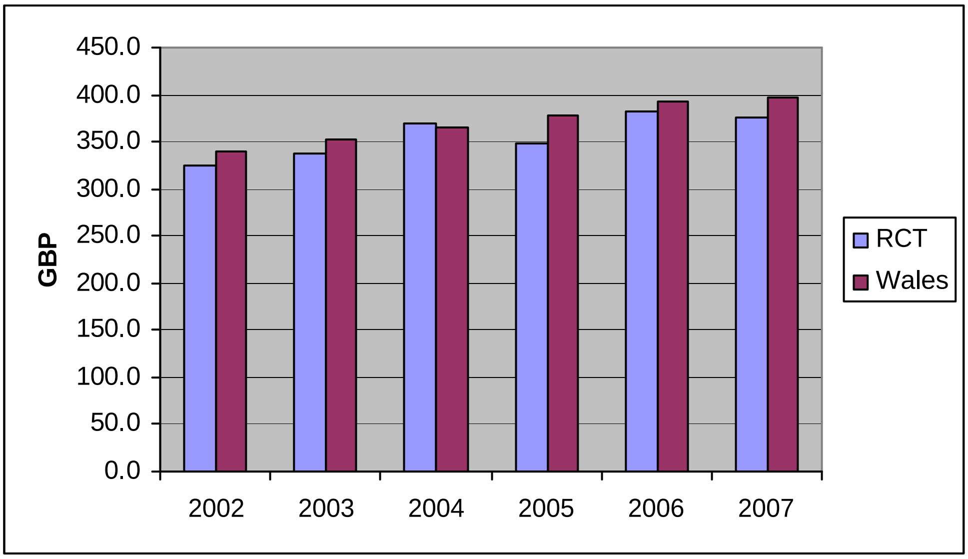
h) Transport and communications are substantially less important in both Rhondda and Cynon Valley, than in Rhondda Cynon Taf and Wales. The Pontypridd constituency conversely has a higher than average concentration due to its location, good accessibility and proximity to the M4.

2.24 Overall, it can be seen that there are both over and under concentrations of particular sectors within each constituency and the whole of the County Borough. Whilst the scale of concentration in each individual sector is relatively even in Rhondda and Pontypridd, Cynon Valley appears to be more anomalous than the other areas with more extreme levels of over provision and under provision within the particular sectors.

Income Levels

2.25 People living in Rhondda Cynon Taf have generally earned between £10 and £30 per week less than the Welsh average wage since 2002. Wage levels in Wales rose at an average rate of 3.7% each year between 2002 and 2006 before growth slowed to only 1.1% in 2007. By contrast, however, wage levels within Rhondda Cynon Taf have fluctuated rather more with annual increases of over 9% experienced in 2003 and 2006, followed on both occasions by a fall in employment levels (5.6% fall in 2004 and 1.3% fall in 2007).

Figure 2.10: Average Weekly Wage by Place of Residence (Gross)



Source: NOMIS 2008

Qualifications

2.26 Figure 2.11 compares the qualifications of those of working age population in the three constituencies, Rhondda Cynon Taf and Wales. Overall, the County Borough does not perform well in terms of qualifications, being below the national average in each category. Of particular concern is the fact that at 22.9%, the level of people with no qualifications is significantly higher than the national average.

2.27 However, this overall figure obscures the disparities within the County Borough. The Pontypridd constituency performs well, with NVQ3 and 4 levels exceeding the Welsh average and the proportion of the working age population with NVQ1 and 2 and other qualifications being broadly similar to the average for Wales. This reflects the fact that the University of Glamorgan is located within Pontypridd and a number of higher value added companies which employ better qualified workers operate from within the area. At 15.3% the level of people with no qualifications is lower than the national average.

2.28 By contrast, however, the Cynon Valley and Rhondda constituencies are both below the national average for all NVQ levels. Both areas have an above average number of people without qualifications.

2.29 These educational disparities further define the disparities within the County Borough in respect of the economic structure and key employment sectors. The relative concentration of the finance and IT sectors in the southern part of the County Borough is supported by and helps to explain the relative concentration of people with higher qualifications.

Figure 2.11 Qualifications

	Cynon Valley	Pontypridd	Rhondda	RCT	Wales
NVQ4 and above*	17.2	26.3	17.5	20.3	24.3
NVQ3 and above**	33.3	45.8	35.3	38.2	42.8
NVQ2 and above***	56.7	62.5	53.8	57.3	62.9
NVQ1 and above****	74.3	75.9	70.2	72.8	76.7
Other qualifications*****	8.2	8.8	7	8.2	7
No qualifications******	17.5	15.3	22.9	19	16.2

(figures expressed as % of total working age population)

Source: NOMIS 2008

NVQ4 and above*	*e.g. HND, Degree and Higher Degree level qualifications or equivalent*
NVQ3 and above**	*e.g. 2 or more A levels, advanced GNVQ, NVQ 3, 2 or more higher or advanced higher national qualifications (Scotland) or equivalent*
NVQ2 and above***	*e.g. 5 or more GCSEs at grades A-C, intermediate GNVQ, NVQ 2, intermediate 2 national qualification (Scotland) or equivalent*
NVQ1 and above****	*e.g. fewer than 5 GCSEs at grades A-C, foundation GNVQ, NVQ 1, intermediate 1 national qualification (Scotland) or equivalent*
Other Qualifications*****	*includes foreign qualifications and some professional qualifications*
No Qualifications******	*No formal qualifications held*

Deprivation Indicators

2.30 The Welsh Index of Multiple Deprivation 2005 (WIMD 2005) is a measure of multiple deprivation for lower level super output areas. The model of multiple deprivation which underpins the WIMD 2005 is based on the idea of distinct dimensions of deprivation which can be recognised and measured separately. People may be counted as being deprived in one or more of the domains, depending on the number of types of deprivation that they experience. The overall WIMD 2005 is conceptualised as a weighted area level aggregation of these specific dimensions of deprivation.

2.31 The WIMD 2005 contains seven domains of deprivation – income, employment, health, education, skills and training and housing. There are 1,896 lower level super output areas in Wales, each of which is marked in relation to each of the seven areas and then ranked overall in terms of deprivation. A rank of 1 indicates that the area is most deprived according to the measure whilst a rank of 1,896 would indicate that the area is the least deprived.

2.32 The results of the WIMD highlight widespread deprivation within Rhondda Cynon Taf, with 9 of the top 50 most deprived SOAs located in the County Borough:

a) Trealaw 2 (Rhondda - ranked 2)

b) Penrhiwceiber 1 (Cynon Valley - ranked 4)

c) Pen-y-waun 2 (Cynon Valley - ranked 19)

d) Tylorstown 1 (Rhondda - ranked 22)

e) Rhydfelen Central / Llan 2 (Pontypridd - ranked 30)

f) Abercynon 2 (Cynon Valley - ranked 39)

g) Glyncoch (Pontypridd - ranked 43)

h) Cwmbach 2 (Cynon Valley - ranked 44)

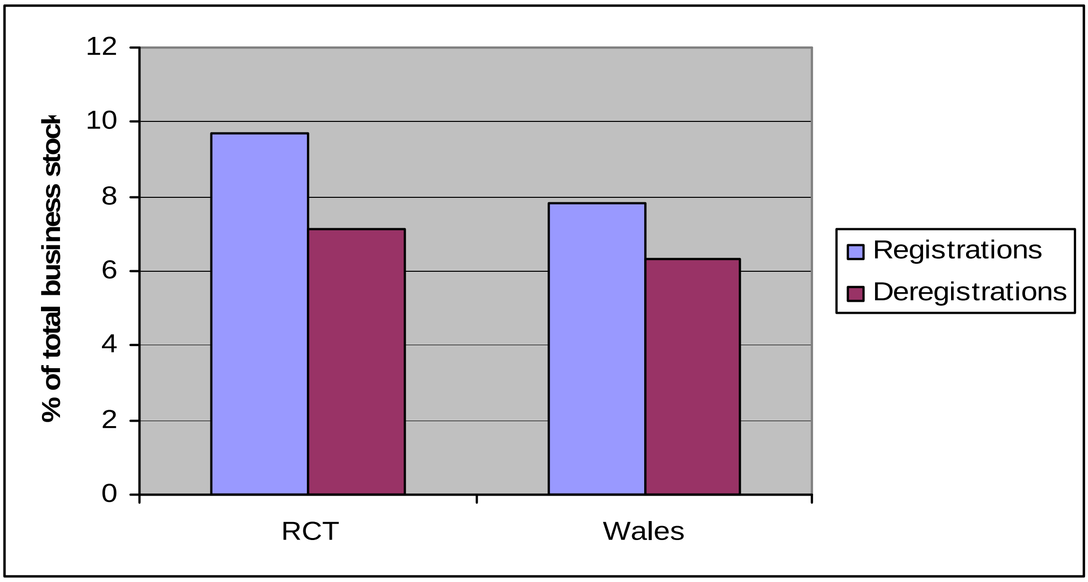
i) Maerdy 2 (Rhondda - ranked 48)

2.33 By contrast, there are no areas within Rhondda Cynon Taf in the top 50 least deprived, reflecting the below average performance of the County Borough in many areas.

VAT Registered Businesses

2.34 VAT registration is a useful proxy for economic health, with high rates of new registration indicating favourable business conditions. It provides an insight into the level of entrepreneurship and the health of the local business community. Figure 2.12 sets out the level of VAT registrations and deregistrations Rhondda Cynon Taf and Wales in 2006 as a percentage of business stock. This is recognised by NOMIS as the best official guide to the pattern of business start-ups and closures, indicating the entrepreneurship levels and economic health. However, this approach does not record the very smallest businesses which operate below the threshold for VAT registration. In 2006, this threshold stood at £61,000.

Figure 2.12: Change in Business Stock 2000-2006



Source: NOMIS, 2008

2.35 The level of both registrations and deregistrations in Rhondda Cynon Taf as a proportion of the existing business stock is above that of Wales, indicating a comparatively higher level of entrepreneurship within the County Borough. This is an important characteristic which should be promoted as a basis by which the future economic well-being of the area might be promoted. The level of registrations is 2.6% above the level of deregistrations, indicating that the business stock is growing at a rate that is higher than for Wales as a whole.

2.36 Since 2000, the business stock in Rhondda Cynon Taf has grown. The most significant growth has occurred since 2004, with only modest growth prior to this. Figure 2.13 sets out the increase in VAT registered businesses per year in Rhondda Cynon Taf between 1997 and 2006 whilst Figure 2.14 provides a comparison with the UK and Wales by showing the percentage change in business stock per year.

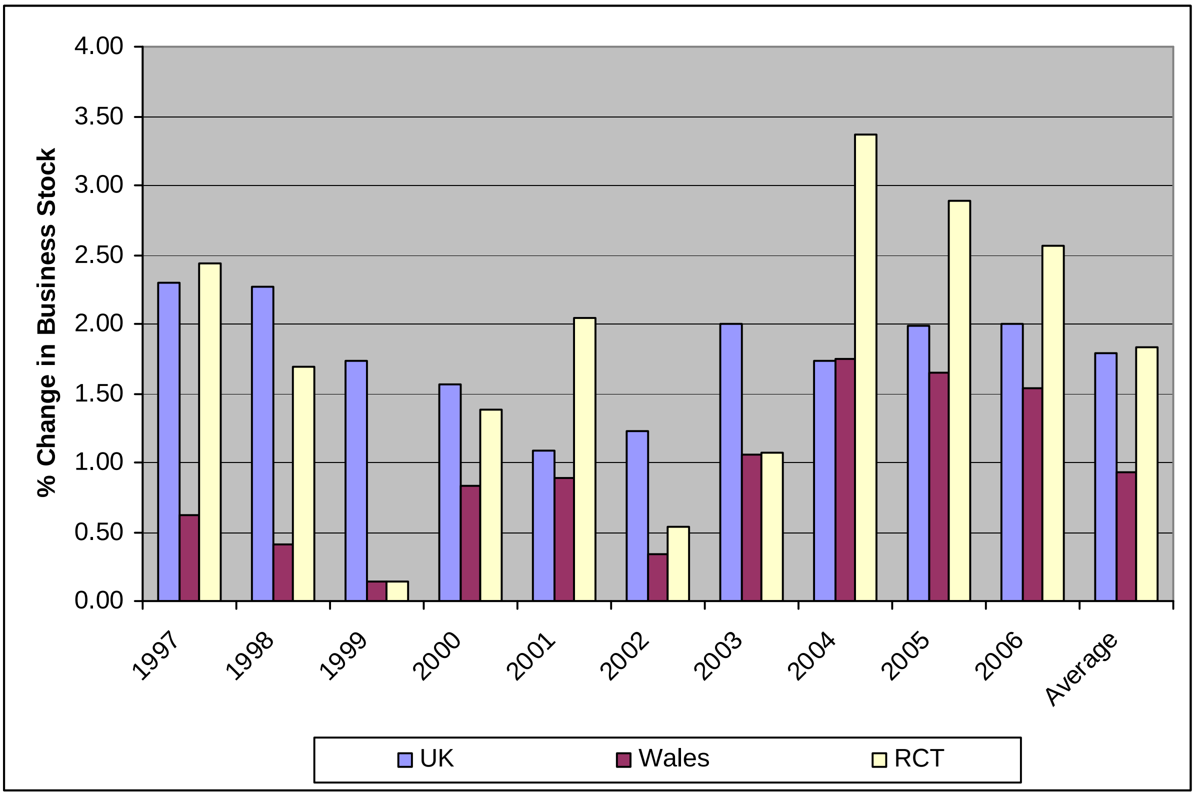
2.37 The average level of annual change in the business stock in Rhondda Cynon Taf over this 10 year period is marginally about that of the UK (1.84% compared to 1.79%) and substantially above the Welsh average of 0.93%. This provides clear evidence of an expanding business stock, a trend that will have implications for employment land requirements and also for the enhancement of levels of prosperity and economic wel-being within the County Borough.

Figure 2.13: VAT Registration Increase in Rhondda Cynon Taf per year

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Increase in VAT registered businesses	85	60	5	50	75	20	40	130	115	105

Source: NOMIS, 2008

Figure 2.14: Net Change in Business Stock per year



Source: NOMIS, 2008

Commuting Patterns

2.38 Three groups of economically active people can be identified within any local are

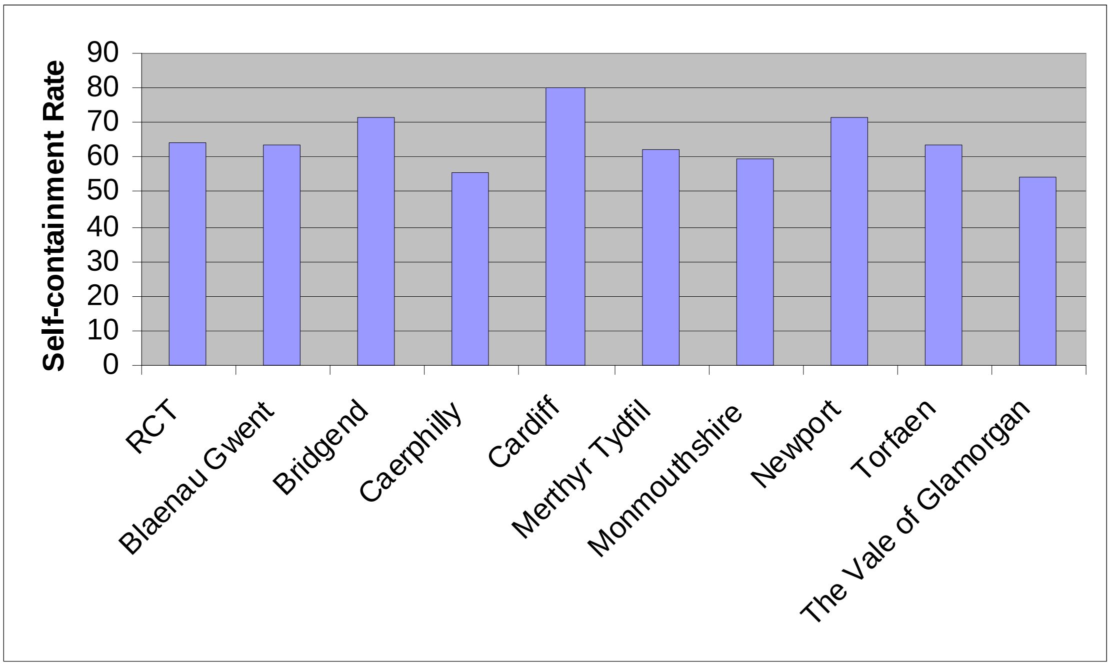
a) those that live and work in the defined area;

b) those that live in the area but work elsewhere; and

c) those that work in the area but live elsewhere.

2.39 The proportion of the resident labour force that both live and work in an area is illustrated by the self-containment rate. Areas with a high level of employment relative to residents tend to have higher self containment rates. A higher figure therefore supports the notion that job opportunities within a particular area are sufficient to meet the needs of the local residents.

Figure 2.15: Self-containment Rates



Source: 2001 Census

2.40 As can be seen from Figure 2.15 Cardiff, Newport and Bridgend have the highest self-containment rates, reflecting the fact that they are predominantly urban areas with a high level of economic opportunities. Based on the 2005 National Statistics Annual Population Survey, Rhondda Cynon Taf has nearly 17,000 people travelling in for work purposes. However, some 34,600 people commute out of the County Borough to work elsewhere with over 16% of the working population going to Cardiff.

2.41 Rhondda Cynon Taf's self containment level is broadly similar to that of Blaneau Gwent, Merthyr Tydfil and Torfaen. Whilst it highlights the potential for improvement through the development of a greater range of employment opportunities within the County Borough, a self-containment figure of more than 60% is not considered to be unreasonable, given the strong relationship between Rhondda Cynon Taf and Cardiff.

2.42 Due to the pressure for housing within Cardiff, a very large number of people that work in Cardiff live in the surrounding areas, including in Rhondda Cynon Taf. This is a phenomenon that is recognised by all local authorities within South East Wales and by the Welsh Assembly Government. Given the considerable economic importance of Cardiff and its influence across South East Wales, this trend is not one that should necessarily be resisted. However, in addition to supporting the role and prosperity of Cardiff, work should also be undertaken to seek to promote the economic well-being of the valley authority areas, including Rhondda Cynon Taf so that a greater level of local job opportunities might be made available.

Conclusion

2.43 Figure 2.16 highlights the key strengths and weaknesses within the economic profile of Rhondda Cynon Taf. These represent the basis for the future enhancement of the local economy by building upon existing strengths. Seizing emerging opportunities and addressing current weaknesses and potential threats.

Figure 2.16: SWOT Analysis for RCT's Economic Profile

Strengths	Weaknesses
a. Strategic location	a. Low weekly pay
b. Growing business stock	b. Low GDP / GVA
c. Enterprise levels	c. Low standard of education in Cynon Valley and Rhondda
d. Strength of key sectors	d. High levels of deprivation

	e. High levels of out commuting f. Parts of district not in strategic position g. Over reliance a particular sectors h. Decline in manufacturing sector
Opportunities	**Threats**
a. Development of office based sectors through promotion as strategic location b. Connect and develop the northern part of the district c. Enhance skills and qualification levels d. Attract new economic activities into County Borough	a. Continued downturn in the manufacturing sector b. Downturn in the construction sector c. Reliance upon a more limited number of economic sectors d. Competition from surrounding centres e. Failure to provide sufficient (or appropriate) employment land

3.0 CURRENT SUPPLY OF EMPLOYMENT LAND

3.1 This chapter assesses the current stock of employment land in Rhondda Cynon Taf as well as the amount of land that is committed of is being developed in the short term. It considers the amount of employment land and the quality of built employment floorspace, broken down by broad types of employment uses. It also examines the amount of employment land that has been lost to other uses.

3.2 The current stock of employment space within Rhondda Cynon Taf was assessed from the following sources:

a) Floorpsace in individual premises held in the Valuation Office Agency (VOA) 2006 business valuation records;

b) Commercial floorspace for local districts provided by DCLG;

c) Rhondda Cynon Taf Employment Land Requirement Topic Paper – January 2007;

d) Further Analysis of Land Survey Data – Harmers Ltd, July 2007;

e) Rhondda Cynon Taf Economic Development Prospects and Employment Land Implications – Arid Consulting in association with Rubicon Regeneration, undated;

f) Rhondda Cynon Taf Employment Land Availability Schedule 2008; and

g) Data on the loss of employment land that was provided by Rhondda Cynon Taf County Borough Council, based upon an analysis of planning records.

Existing Stock of Employment Floorspace

3.3 Data on the stock of commercial and industrial property within local authority areas is provided by the DCLG and the Valuation Office Agency (VOA). The VOA revalues commercial and industrial property every five years to set business rate values in line with an assessment of the current commercial and industrial rental market. The statistics used in this assessment are based on the 2005 VOA revaluation.

Supply of Employment Floorpsace in South East Wales

3.4 Figures 3.1 and 3.2 below show the number and the total floorspace of B class employment premises in Rhondda Cynon Taf and the adjoining local authority areas in South East Wales by the main categories of offices, factories and warehouses.

Figure 3.1: Number of Employment Premises in Rhondda Cynon Taf and adjoining local authority areas

Local Authority Area	Offices*	Factories	Warehouses	TOTAL
Rhondda Cynon Taf	895	1,026	779	2,700
Blaenau Gwent	226	463	202	891
Bridgend	521	784	408	1,713
Caerphilly	475	1,007	493	1,975
Cardiff	3,143	1,078	1,369	5,590
Merthyr Tydfil	195	265	173	633
Monmouthshire	521	348	369	1,238
Newport	867	680	484	2,031
Torfaen	367	677	290	1,334
Vale of Glamorgan	511	460	380	1,351
TOTAL	**7,721**	**6,788**	**4,947**	**19,456**

Source: DCLG/VOA, April 2007. Based on 2005 data

** Offices includes commercial and other offices*

Note that these figures differ to the VOA figures for RCT specifically due to the two sources using different bases

Figure 3.2: Class B Employment Floorspace in Rhondda Cynon Taf and adjoining local authority areas

Local Authority Area	Offices* ('000sqm)	Factories ('000sqm)	Warehouses ('000sqm)	TOTAL ('000sqm)
Rhondda Cynon Taf	208	1,211	421	1,840
Blaenau Gwent	43	450	102	595
Bridgend	122	936	250	1,308
Caerphilly	145	1,008	312	1,465
Cardiff	1,047	963	841	2,851
Merthyr Tydfil	68	322	82	472
Monmouthshire	64	436	434	934

Newport	237	1,193	364	1,794
Torfaen	121	753	154	1,028
Vale of Glamorgan	80	378	227	685
TOTAL	**2,135**	**7,650**	**3,187**	**12,972**

Source: DCLG/VOA, April 2007. Based on 2005 data

** Offices includes commercial and other offices*

Note that these figures differ to the VOA figures for RCT specifically due to the two sources using different bases

3.5 Rhondda Cynon Taff has the second highest number of business premises after Cardiff. However Cardiff has a substantially greater number of office units (3.5 times as many) and warehouses (1.75 times as many) than Rhondda Cynon Taf, albeit a broadly similar number of factory units.

3.6 In comparison to other local authority areas in South East Wales,

a) the number of offices in Rhondda Cynon Taf is similar to Newport but substantially higher than all other local authority areas (1.7 times as many office units as in Bridgend and Monmouthshire)

b) the number of factories in Rhondda Cynon Taf is similar to Caerphilly but substantially higher than all other local authority areas (25% higher than Bridgend); and

c) the number of warehouses in Rhondda Cynon Taf is substantially higher than all other local authority areas in South East Wales (1.5 times as many warehouses as in Caerphilly and Newport)

3.7 These trends highlight the strength of Rhondda Cynon Taf as a business location which, despite its considerable diversity, has a closer similarity to the southern, urban authority areas rather than the more rural or valley areas. For example, the number of units and total amount of business floorspace is greater in Rhondda Cynon Taf than in the northern valley areas of Blaenau Gwent and Merthyr Tydfil, the southern valley areas of Caerphilly and Torfean and the rural areas of Monmouthshire and the Vale of Glamorgan. The figures also demonstrate a particularly strong position in relation to Newport and Bridgend.

3.8 The total supply of employment space in Rhondda Cynon Taf is a strength and demonstrates a positive position which should be further encouraged and supported in the future.

3.9 However, these trends are not reflected in the average size of each unit in Rhondda Cynon Taf which tends to be relatively limited. Figure 3.3 shows that compared to the other local authority areas in South East Wales,

a) The average size of offices in Rhondda Cynon Taf is ranked 7th out of the 10 areas and is less than 85% of the average size of all offices in South East Wales;

b) The average sizes of warehouses in Rhondda Cynon Taf is ranked 8th out of the 10 areas and is similarly less than 85% of the average size of all warehouses in South East Wales; and

c) The average size of factories in Rhondda Cynon Taf is ranked 6th out of the 10 areas although factories in Rhondda Cynon Taf are, on average, slightly larger (5%) than the average for South East Wales.

Figure 3.3: Average Size of Class B Employment Units in Rhondda Cynon Taf and adjoining local authority areas

Local Authority Area	Offices* (sqm)	Factories (sqm)	Warehouses (sqm)	TOTAL (sqm)
Rhondda Cynon Taf	232.4	1180.3	540.4	681.5
Blaenau Gwent	190.3	971.9	505.0	667.8
Bridgend	234.2	1193.9	612.7	763.6
Caerphilly	305.3	1001.0	632.9	741.8
Cardiff	333.1	893.3	614.3	510.0
Merthyr Tydfil	348.7	1215.1	474.0	745.7
Monmouthshire	122.8	1252.9	1176.2	754.4
Newport	273.4	1754.4	752.1	883.3
Torfaen	329.7	1112.3	531.0	770.6
Vale of Glamorgan	156.6	821.7	597.4	507.0
TOTAL	**276.5**	**1127.0**	**644.2**	**666.7**

Source: DCLG/VOA, April 2007. Based on 2005 data

** Offices includes commercial and other offices*

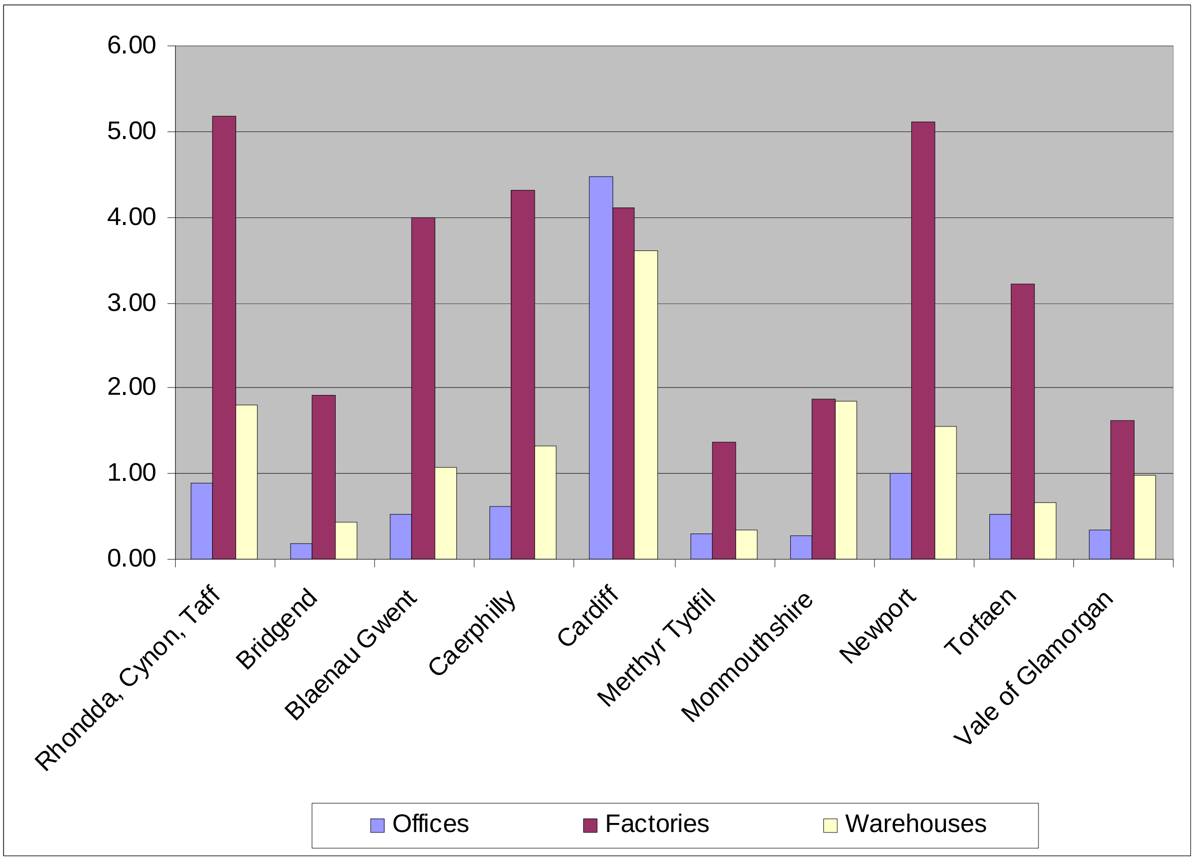
Note that these figures differ to the VOA figures for RCT specifically due to the two sources using different bases

3.10 In spite of the relatively modest average size of units in Rhondda Cynon Taf, the total amount of warehouseing and factory floorspace is substantially above the average for South East Wales. The total amount of office floorspace in Rhondda Cynon Taf is slightly below average.

3.11 The 10 local authority areas in South East Wales vary considerably in size. Rhondda Cynon Taf is the second largest local authority area after Cardiff (population 305,000). Figure 3.4 provides a clear basis for comparison by considering the supply of business space in terms of the relative size of each local authority area. This shows that Rhondda Cynon Taf is particularly well supplied with factory space with a greater amount of space per head of population than in any other local authority area in South East Wales.

3.12 Whilst Rhondda Cynon Taf is not quite so well provided for in terms of office and warehousing provision, it nonetheless has a greater amount of office floorspace per head of population than all other local authority areas except for the main urban and commercial centres of Cardiff and Newport and a greater amount of warehousing floorspace per head of population than in all local authority areas except for Cardiff and Monmouthshire which benefits from a large relative provision as a result of its low population and strategic location close to the English border, the Severn River crossing and the national motorway network.

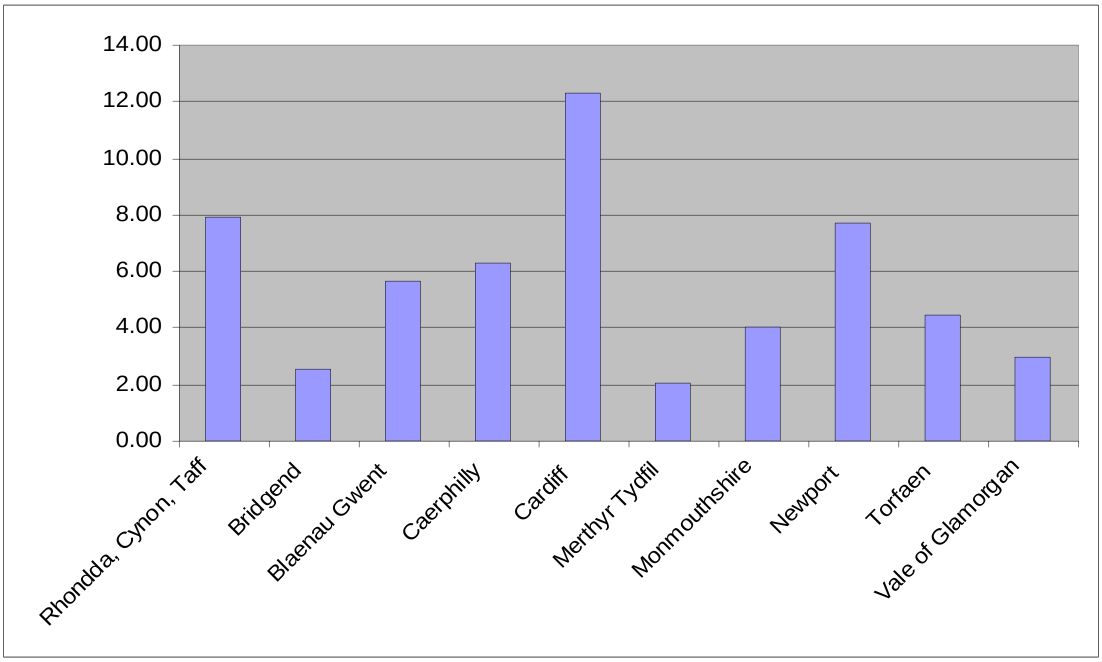
Figure 3.4: Employment space ('000sqm) per 1,000 residents in surrounding local authority areas in South East Wales



Source: DCLG/VOA, April 2007 & NLP Analysis

3.13 Figure 3.5 shows that the relative total supply of employment space within Rhondda Cynon Taf is second only to Cardiff and is slightly above Newport. Given the importance of ensuring an adequate supply of employment land and premises to the enhancement of economic well-being within a local area, this is an important characteristics that might help to increase the County Borough's attractiveness as a business location – both for inward investors and for existing occupiers that are looking to expand or relocate.

Figure 3.5: Employment space ('000sqm) per 1,000 residents in surrounding local authority areas in South East Wales



Source: DCLG/VOA, April 2007 & NLP Analysis

3.14 Whilst these figures indicate a positive position in respect of the overall supply of employment space within Rhondda Cynon Taf, they do obscure a fundamental difference in the level of supply – and the economic well-being – of the northern and southern parts of the County Borough. In seeking to deliver a more sustainable and viable economy within the County Borough and in seeking to provide the basis for regeneration throughout Rhondda Cynon Taf, it will be important to recognise and to address the geographical inequalities that presently exist.

Employment Provision in Rhondda Cynon Taf

3.15 Figure 3.6 provides a more detailed breakdown of employment space within Rhondda Cynon Taf based upon the Valuation Office Agency (VOA) 2006 business valuation records. It illustrates the spread of different types of employment premises across the County Borough.

Figure 3.6: Breakdown of Employment Space in Rhondda Cynon Taf, 2006

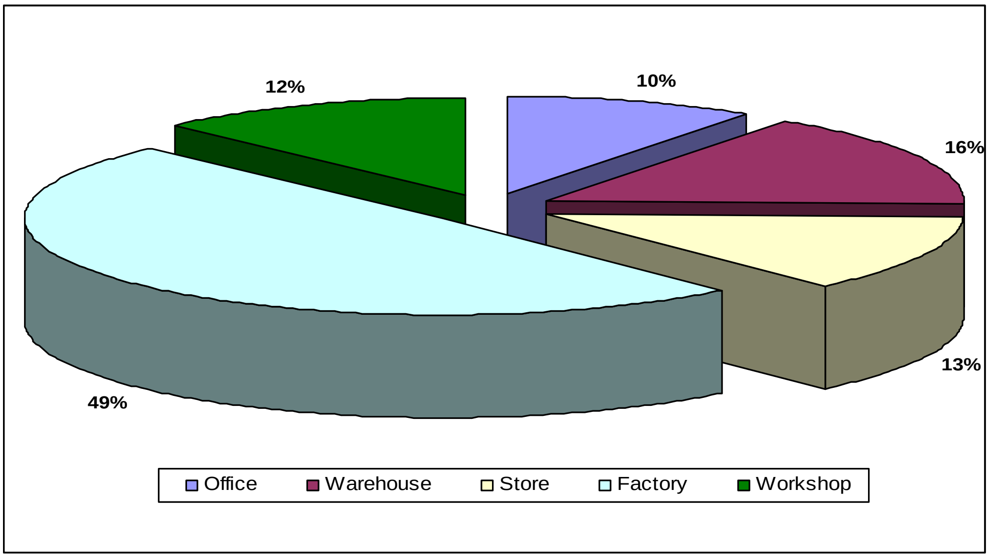
Business Unit	No. Units	Total Space (sqm)	Average Unit Size (sqm)
Offices	1,043	255,144	244.63
Workshops/Vehicle Repair/Garages	998	316,564	317.2
Factories	367	1,278,169	3,482.75
Warehouses	304	408,817	1344.79
Storage Land and Premises	704	329,413	467.92
Total	3,416	2,588,107	5,857.29

Source: VOA, 2006.

Note that these figures differ to the VOA figures for RCT specifically due to the two sources using different bases

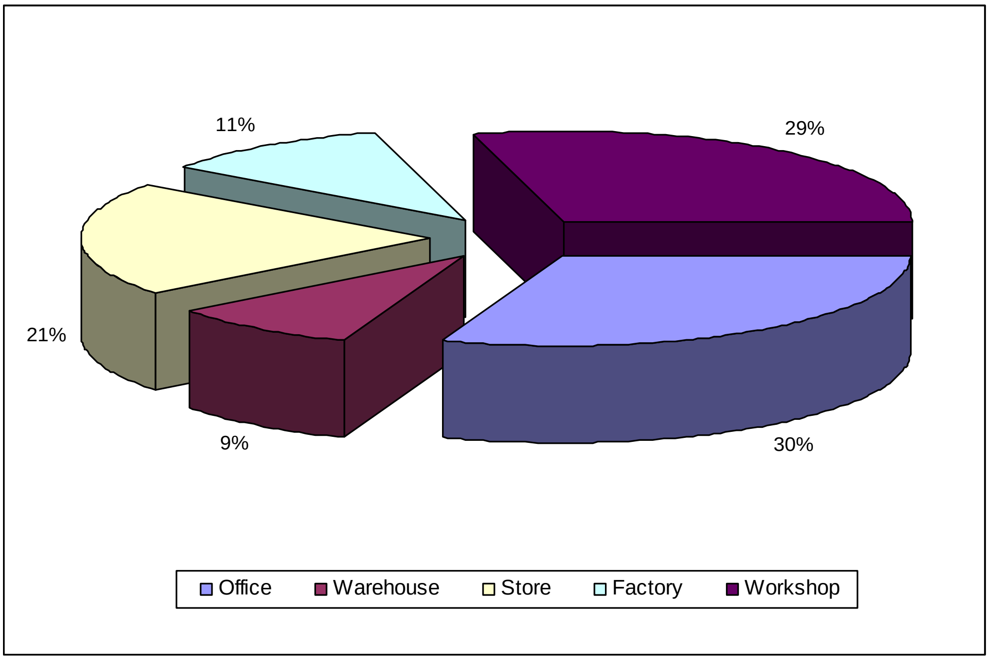
3.16 These figures highlight the significance of offices in the overall business stock in terms of the number of units but it’s comparatively lesser significance as a component of total employment floorspace. Offices account for over 30% of all business units but for only 10% of employment floorspace within Rhondda Cynon Taf. By contrast, factories account for only 11% of business units but almost 50% of all employment space. This is a very important characteristic which highlights that despite the clear evidence of recent (and on-going) decline, the manufacturing sector remains particularly important within Rhondda Cynon Taf.

Figure 3.7: Employment Space in Rhondda Cynon Taf by Size



Source: VOA, 2006

Figure 3.8: Employment Space in Rhondda Cynon Taf by Number of Units



Source: VOA, 2006

Size of Units

3.17 Figure 3.9 provides a detailed breakdown of employment space in Rhondda Cynon Taf by different size bands. This shows that there is a reasonable spread of premises across all size bands – particularly those up to 5,000sqm – albeit that there is a particularly high concentration of smaller units that are less than 500sqm in size. Over 75% of employment units are less than 500sqm in size and 33% are less than 100sqm in size. Particularly noticeable is the large proportion of small offices – almost 90% of offices are less than 500sqm and over half are less than 100sqm. By contrast, 54% of warehouses and only 26% of factory units are below 500sqm in size whilst 7% of warehouses and 4% of factories are less than 100sqm.

3.18 In terms of the very largest units, 20% of factories extend to more than 5,000sqm compared to 5.5% of warehouses and only 0.4% of office units.

Figure 3.9: Breakdown of Employment Floorspace by Size of Units

Size	Offices	Workshops/Vehicle Repair/Garages	Factories	Warehouses	Storage Land and Premises	Total	% Stock
Under 50sqm	350	84	2	5	106	547	16.01
50-100sqm	219	204	14	17	146	600	17.56
100-500sqm	351	573	81	144	308	1,457	42.65
500-1,000sqm	78	70	52	55	57	312	9.13
1,000-5,000sqm	41	66	147	66	79	399	11.68
Over 5,000sqm	4	1	71	17	8	101	2.96
TOTAL	**1,043**	**998**	**367**	**304**	**704**	**3,416**	**99.99**

Source: VOA, 2006

Note that these figures differ to the VOA figures for RCT specifically due to the two sources using different bases

3.19 Figure 3.10 highlights the extent to which Rhondda Cynon Taf is dominated by small companies. On the basis that companies that employ a smaller number of people may be more likely to require less land, the current portfolio of premises is well suited towards the needs of these organisations. However, there is a concern regarding the ability of the existing portfolio to accommodate the needs of expanding businesses or to attract larger companies (either through indigenous growth or inward investment).

Figure 3.10: Workplaces in Rhondda Cynon Taf by Employment Size, 2001

	Number of employees			
	1-10 (%)	11-49 (%)	50-199 (%)	200+ (%)
Manufacturing	58	22	16	4
Construction	97	3	0	0
Distribution, hotels and restaurants	86	12	1	0
Transport and communications	87	8	4	0
Banking, finance and insurance	87	13	1	0
Pubic admin, education and health	42	45	10	2
Total	79	16	4	1

Source: Economic Development Prospects and Employment Land Implications Report, Arad Consulting

Geographical Distribution of Employment Provision

3.20 The supply of employment space is not evenly distributed throughout Rhondda Cynon Taf. Figure 3.11 shows the amount of employment floorspace in the different parts of the County Borough. 60% of total employment space is located in the Cardiff, Pontyclun and Pontypridd areas. By contrast, only 19% of employment space is located in the Ferndale, Pentre, Porth, Tonypandy and Treorchy area and a similar amount is located in the Mountain Ash and Aberdare area.

3.21 Similar characteristics exist in respect of individual land uses – 59% and 59% respectively of office and factory space is located in the Cardiff, Pontyclun and Pontypridd areas, compared to 19% and 24% respectively in Aberdare and Mountain

Ash and 23% and 17% respectively in the Ferndale, Pentre, Porth, Tonypandy and Treorchy area. Almost three quarters (74%) of warehousing floorspace is located in the Cardiff, Pontyclun and Pontypridd areas compared to 17% in the Ferndale, Pentre, Porth, Tonypandy and Treorchy area and just 9% in Aberdare and Mountain Ash.

3.22 Despite its location at the north of the County Borough, the Aberdare area has a relatively large amount of employment floorspace – it is ranked third in terms of total provision after Pontyclun and Pontypridd. This high level of provision is partly a function of its size of the area but it also reflects the large number of factory units that are present in this northern part of Rhondda Cynon Taf. Although this might provide a useful basis for the long term enhancement of the economy in this part of the County Borough, although the anticipated level of decline in the manufacturing sector upon this area does create particular concern about the future economic well-being of this part of the County Borough and the potential implications in terms of the need for the regeneration and reuse of vacant premises.

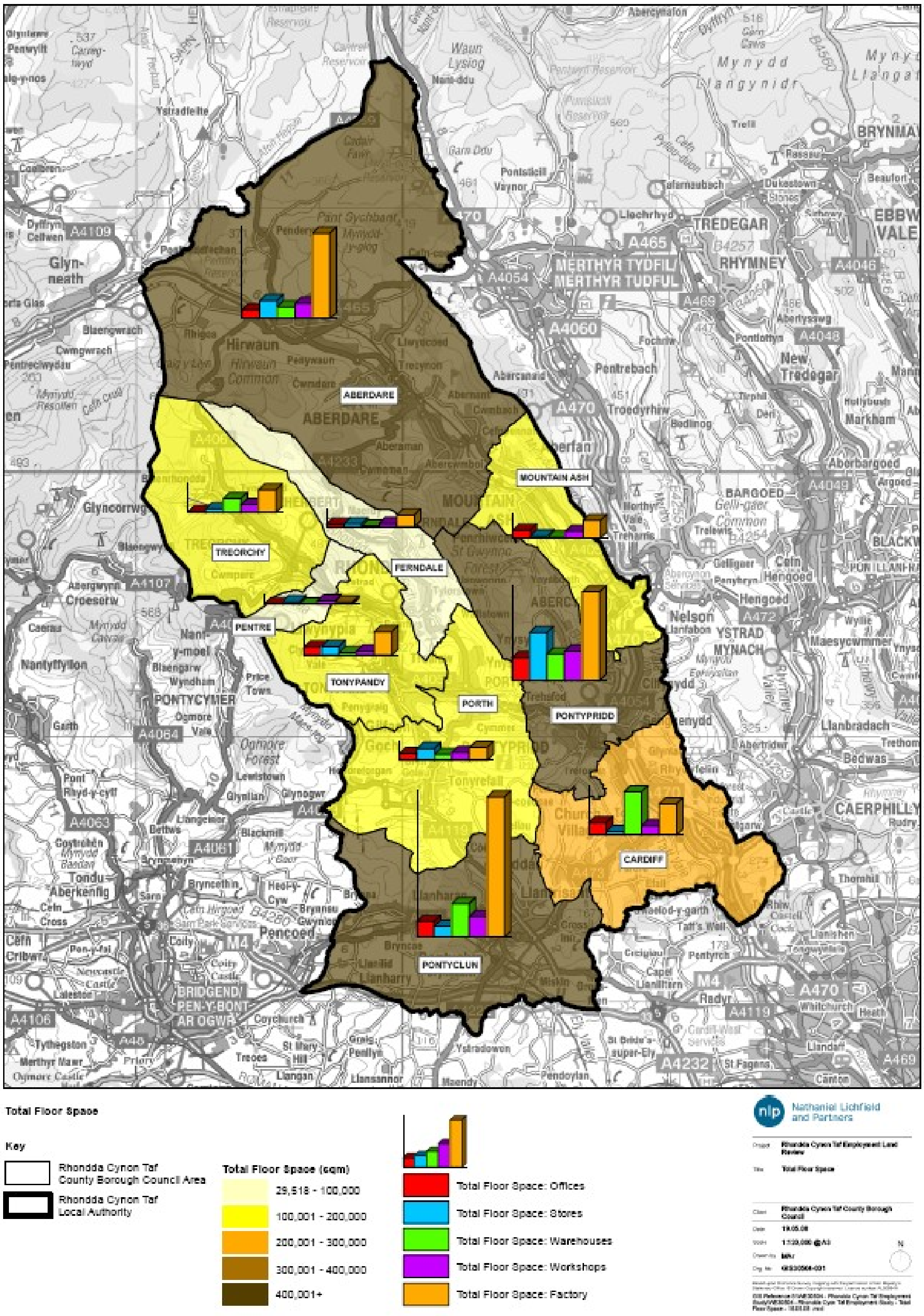
Figure 3.11: Supply of employment floorspace within Rhondda Cynon Taf

	Offices (sqm)	Stores (sqm)	Warehouses (sqm)	Workshops (sqm)	Factory (sqm)	Total (sqm)
Aberdare	25,489	53,070	34,476	44,766	250,770	408,571
Cardiff	36,253	10,630	126,700	26,858	90,898	291,339
Ferndale	8,117	8,881	2,144	9,581	34,651	63,374
Mountain Ash	23,384	6,240	2,800	19,966	52,095	104,484
Pentre	2,472	7,757	1,565	10,620	7,104	29,518
Pontyclun	46,105	31,341	98,057	59,719	410,684	645,906
Pontypridd	66,571	140,086	77,080	86,075	259,174	628,987
Porth	20,488	34,956	17,642	24,003	37,977	135,067
Tonypandy	23,552	25,394	7,275	12,011	68,441	136,673
Treorchy	2,714	11,059	41,077	22,964	66,376	144,191
	255,144	**329,414**	**408,817**	**316,565**	**1,278,169**	**2,588,108**

Source: VOA, 2006

Note that these figures differ to the VOA figures for RCT specifically due to the two sources using different bases

Figure 3.12: Supply of employment floorspace within Rhondda Cynon Taf



Source: VOA, 2006/NLP

Existing Employment Land Provision

3.23 Having considered the current context in Rhondda Cynon Taf in terms of the supply of business premises, this section reviews its current employment land provision. It is based upon the information that has made available to the study team by the County Borough Council.

3.24 The *Further Analysis of Land Survey Data* which was prepared by Harmers Ltd in 2007 considers the changes in the availability of employment land in the South East Wales Region by local authority area over the period from 2000 to 2005. In 2000, a total of 1,479ha employment land was available across South East Wales – an average of 148ha per local authority area. At 186ha, the supply in Rhondda Cynon Taff was 25% above average.

3.25 By 2005, the total amount of available employment land in South East Wales had fallen to 1,389ha. Interestingly, Rhondda Cynon Taf was the only local authority to experience an increase in the amount of employment land that was available – a 48% increase from 186ha to 276ha. This is a dramatic increase which resulted in Rhondda Cynon Taf's supply of employment land being almost double the regional average.

3.26 Set against this trend, the average size of the available sites in Rhondda Cynon Taf also doubled in size. In 2000, the 186ha of available land was distributed between 74 sites (average 2.5ha) but by 2006, the 276ha available land was provided on just 53 sites (average 5.2ha). The granting of a windfall planning permission for employment development at the 45ha former Llanilid Opencast mining site and the 33ha Sony Technology Park made a substantial contribution to the increase in available land within Rhondda Cynon Taf.

3.27 The development plans in Rhondda Cynon Taf provide for a total of 280ha employment land over a 15 year period. This is distributed across the County Borough as follows:

Figure 3.13: Distribution of Allocated Employment Land in Rhondda Cynon Taf CBC, 2005

Area	Plan Provision (ha)
Taff Ely	170
Cynon Valley	95
Rhondda Valley	15
TOTAL	**280**

Source: Further Analysis of Land Survey Data, Harmers, 2007

3.28 The County Borough Council's latest Land Availability Schedule shows the current position as of January 2008. This demonstrates that there is a total of 180ha allocated employment land within the County Borough, distributed as follows:

Figure 3.14: Distribution of Allocated Employment Land in Rhondda Cynon Taf CBC, 2008

Area	Plan Provision (ha)
Taff Ely	126.2
Cynon Valley	46.41
Rhondda Valley	7.97
TOTAL	**180.58**

Source: Rhondda Cynon Taf Employment Land Availability Schedule 2008

Level of Development, 2000-2005

3.29 Over the period between 2000 and 2005, a total of 253.44ha employment land was developed in the Region, an average of 25.3ha per local authority area. At 27.42ha, the level of employment development in Rhondda Cynon Taf was marginally above average. Rhondda Cynon Taf's share of all development in employment locations (including Sui Generis and other employment generating uses, but excluding housing) is slightly greater, signifying a particularly high level of sui generis development (5.75ha of the regional total of 27.57ha). The amount of employment development in Rhondda Cynon Taff was exceeded by only three other authorities:

Figure 3.15: Development Levels in RCT, Bridgend, Cardiff and Newport, 2000-2006

Local Authority Area	Developed land, 2000-2006 (ha)		
	B1, B2, B8 Uses	Sui Generis and Other	TOTAL
Newport	89.46	0	89.46
Cardiff	44.02	5.25	49.27
Bridgend	32.35	1.05	33.4
Rhondda Cynon Taf	27.42	5.75	33.17

Source: Further Analysis of Land Survey Data, Harmers, 2007

3.30 The three local authorities that have experienced a greater level of development than Rhondda Cynon Taf represent the key urban centres in South East Wales and area all located immediately on the M4 motorway. As such, they benefit from particularly good strategic access and the local economies in each area is well established. Whilst the southern parts of Rhondda Cynon Taf benefit from very good strategic access, much of the County Borough is less easily accessible. In spite of this, the key message from this evidence is that there is an interest in the delivery of employment development within Rhondda Cynon Taf. Given the availability of potential employment land in neighbouring authority areas, this is particularly encouraging. The position in other authority areas is reviewed in Chapter 5.

3.31 This total Plan provision equates to an annual supply of 18.7ha – substantially above past trends. Between 2000 and 2005, 33.17ha employment land was developed in Rhondda Cynon Taf (including 5.75ha sui generis) – an average of 5.5ha per annum. This development comprised the following uses:

Figure 3.15: Composition of Employment Land Developed in RCT between 2000 and 2005

Predominant Use	Area (ha)
B1	16.21
B2	3.1
B8	6.29
Mixed Use	1.82

Sui Generis and Other	5.75

Source: Further Analysis of Land Survey Data, Harmers, 2007

3.32 The Sui Generis and Other uses include:

Figure 3.16: Composition of Sui Generis Land Developed in RCT between 2000 and 2005

Predominant Use	Area (ha)
Sui Generis	1.16
- waste collection and recycling	*0.66*
- car sales	*0.23*
- car park	*0.27*
B1 and Sui Generis	2.75
- Fund It Find It	*0.75*
- Office and recycling facility	*2.0*
A2 – job centre	0.05
D1 – assembly room	1.79

Source: Further Analysis of Land Survey Data, Harmers, 2007

3.33 All of these uses are those which can reasonably be expected within employment locations and which would not be likely to undermine the viability of the area or its contribution to the well-being of the local economy.

Loss of Employment Space

3.34 Figure 3.17 below provides a broad overview of change in the supply of B class employment space since 2000 in Rhondda Cynon Taf and the surrounding South Wales authority areas. It shows that Rhondda Cynon Taf has lost a considerable amount of floorspace over the period from 2000 to 2007. The County Borough has lost 84,000sqm employment floorspace, compared to the regional average of 32,200sqm. It has also lost significantly more office (60,000sqm) and factory space (131,000sqm) than the regional average (4,700sqm and 75,100sqm respectively). However, these substantial losses have been partially off-set by a large (and above-average) increase in warehousing provision (107,000sqm compared to the regional average of 47,600sqm).

3.35 In spite of these considerable losses, it is noteworthy that Cardiff and Newport – the two largest commercial centres within South East Wales – also experienced a substantial loss of employment space over this period. Evidence of a large loss is therefore not necessarily indicative of economic difficulties in the local area.

Figure 3.17: Change in Employment Floorspace in South East Wales, 2000-2007

Local Authority Area	Offices* ('000sqm)	Factories ('000sqm)	Warehouses ('000sqm)	TOTAL ('000sqm)
Rhondda Cynon Taf	-60	-131	107	-84
Blaenau Gwent	8	-223	14	-201
Bridgend	-23	-28	86	35
Caerphilly	40	-70	26	-4
Cardiff	-25	-209	103	-131
Merthyr Tydfil	11	-10	-2	-1
Monmouthshire	1	31	128	160
Newport	24	-126	-14	-116
Torfaen	17	-78	11	-50
Vale of Glamorgan	-40	93	17	70
TOTAL	**-47**	**-751**	**476**	**-322**

Source: DCLG/VOA, 2000/2007

** Offices includes commercial and other offices*

3.36 Not only is the scale of the loss of employment lead a matter of concern, but the failure in monitoring also uses important questions relating to the delivery of the council's economic development strategy. In sealing to enhance the economics well-being of the county Borough, it is recommended that a more reliable approach to monitoring should be adopted.

3.37 Information provided by the development control team at Rhondda Cynon Taf County Borough Council has provided further insight into the scale of employment land losses over the period from the start of 2004 to the end of 2007. According to the Council's records, a total of 80 planning applications approved over this four year resulted in the loss of employment space. Due to the Council's recording systems, it is not possible to quantify the scale of the loss of employment land or space in each case although a floorspace or land figure is available for 34 of the 80 applications. The developments that were permitted by these planning permissions resulted in the loss of 20ha of employment land and a further 5,000sqm of employment floorspace. It is understood that the 46 permitted schemes for which no land or floorspace figures are available were small scale proposals that were not reported to committee. Although these might have cumulatively resulted in a moderate loss of employment space, it is reasonable to assume that they were each relatively limited in scale.

3.38 It is noted that these figures are substantially below the DCLG/VOA figures set out above. the possible reasons for this area three-fold:

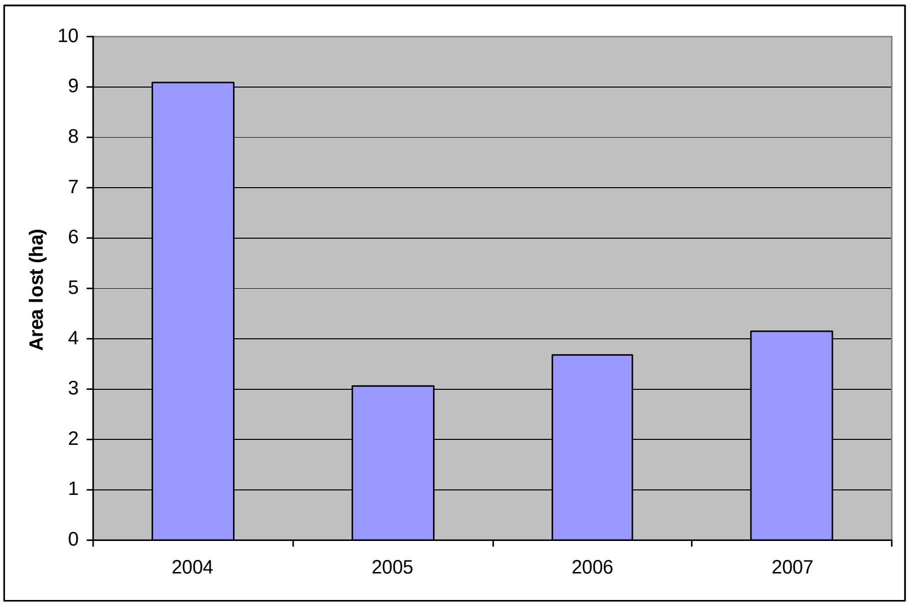
a) The DCLG/VOA figures cover a longer period, 2000 – 2007 rather than 2004 – 2007;

b) The DCLG/VOA figures include all losses; and

c) The DCLG/VOA figures record the level of floorspace that has been lost (and not the amount of land). In cases where a particular site has been redeveloped, the DCLG/VOA analysis would therefore have recorded the floorspace of the premises that had been lost rather than the specific site area.

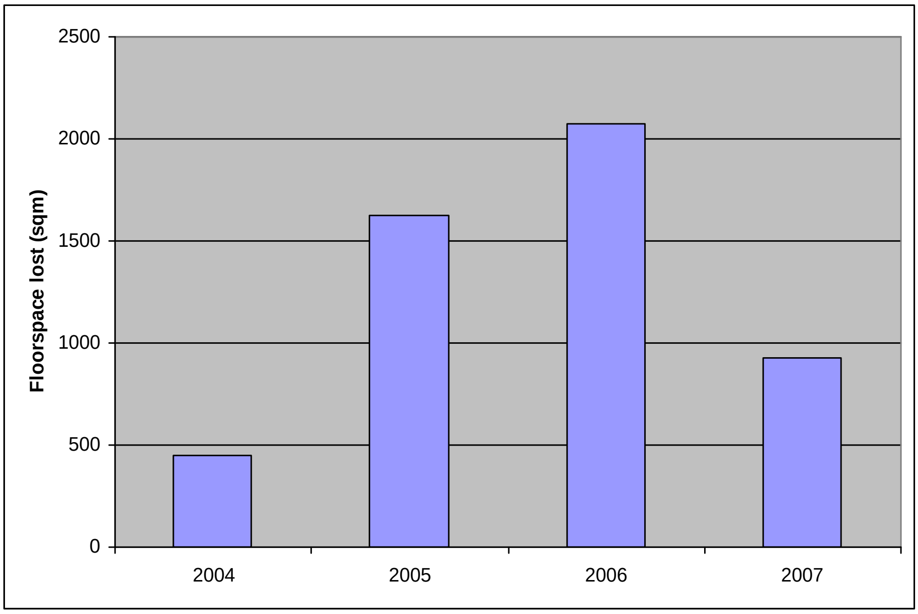
3.39 As shown in Figures 3.18 and 3.19 below, the annual level of loss of employment land and floorspace has fluctuated over the past four years, albeit that in 2004 there was a considerably higher amount of land lost. This was, however, off-set by a smaller loss of employment floorspace. Given the limited number of permissions that were granted in each year (11 in 2004, 9 in 2005, 7 in 2006 and 7 in 2007), these figures would have been subject to distortion by individual (large scale) proposals.

Figure 3.18: Loss of Employment Land in Rhondda Cynon Taf, 2004-2007



Source: Rhondda Cynon Taf County Borough Council, 2008

Figure 3.19: Loss of Employment Floorspace in Rhondda Cynon Taf, 2004-2007



Source: Rhondda Cynon Taf County Borough Council, 2008

3.40 In considering these losses, it is important not only to consider the total amount of floorspace or land that has been lost from employment to other uses but also to review the character and nature of the sites that have been lost. The Council's records demonstrate that that in a number of cases, the land that was redeveloped for non-employment purposes had either been vacant for a considerable period of time and was in a poor physical condition. In a smaller number of cases, the alternative use was shown to provide grater local community or environmental benefits than the previous employment use. In these cases, the release of employment land for other purposes would appear to be reasonable and it will be important that an appropriate policy basis is established to provide for the efficient use of land in the longer term. However, this should be balanced against the importance of protecting and retaining sufficient land and premises to ensure that the economic well-being of the County Borough can be maintained and enhanced.

Conclusion

3.41 In considering the current stock of employment space within Rhondda Cynon Taf, this chapter has shown that the County Borough is well provided for space, particularly when compared to adjoining South Wales authority areas. It has shown that Rhondda Cynon Taf actually has a greater level of similarities with the more prosperous urban centres to the south rather than with the surrounding rural and valley areas. This important characteristic means that it is well placed to benefit from future growth.

3.42 The existing stock of employment space has been supplemented by a high level of recent development. However, this has not been sufficient to result in the implementation of the substantial level of allocations and consideration should therefore be given to the extent to which it is appropriate to maintain such a large level of employment land allocations or whether this is in the best interest of efficiency and sustainability.

3.43 In considering the suitability of the existing employment land provision to meet future requirements, regard should be given to the distribution of space and the nature of provision in terms of its size, quality and accessibility. A quantitative provision of employment space would, by itself be insufficient to ensure the achievement of the County Borough’s economic development aspirations and careful consideration should therefore be given to the need to address and overcome any existing shortages.

4.0 THE RHONDDA CYNON TAF PROPERTY MARKET

4.1 This chapter considers the current property market in Rhondda Cynon Taf and the factors that affects it. It draws upon the following published reports:

a) Further Analysis of Land Survey Data – Harmers Ltd, July 2007;

b) Rhondda Cynon Taf Economic Development Prospects and Employment Land Implications – Arid Consulting in association with Rubicon Regeneration, undated; and

c) Rhondda Cynon Taf Employment Land Availability Schedule 2008.

General

4.2 Rhondda Cynon Taf is a large and varied County Borough. It is broadly linear in shape and extends from the northern fringes of Cardiff in the south to the edge of the Brecon Beacons in the north. The M4 motorway crosses part of the County Borough and this, together with the strong economic role of Cardiff, is very important in defining the economic context and the property market within the southern part of the County Borough.

4.3 The Economic Development Prospects and Employment Land Implications report states that many businesses – particularly office-based and knowledge-based businesses – want to locate in Cardiff. This attraction is driven by the supply of labour as well as the availability of property. Given its relationship with Cardiff – it is described as forming part of Northern Cardiff – and its very good accessibility, the southern part of Rhondda Cynon Taf has benefitted from high levels of business growth. The presence of the University of Glamorgan and a range of high profile businesses also serve to promote the economic attractiveness and well-being of this part of the County Borough.

4.4 The Economic Development Prospects and Employment Land Implications report recognises scale of the disparities that exist between the northern and southern areas of Rhondda Cynon Taf. It cites Rhondda Cynon Taf Business Support as stating that businesses are primarily interested in the location and quality of property rather than its price. The implication of this is that it will not necessarily be possible to rely upon lower rental levels to attract investment into the northern parts of the County Borough which are less easily accessible and less attractive to operators and investors.

4.5 In contrast to the relatively prosperous southern part of the County Borough, the northern areas suffer from greater economic difficulties. These are augmented by a number of structural issues such as the distance of this area from Cardiff and the other main economic centres along the M4; limited accessibility (albeit that the A470) and improvements to the A465 are helping to address this issue to a degree); and the topography of the local area. The Cynon Valley is reported as being more accessible than the Rhondda Valley and some developments – such as Navigation Park – have proven to be attractive employment locations.

4.6 Whilst the improvement of the A465 will help to enhance accessibility in the northern part of the County Borough, the Economic Development Prospects and Employment Land Implications report casts doubt on the likelihood that this will translate to a significant increase in demand for employment land and premises in the short term. In the longer term, the report noted uncertainty regarding the prospects for the northern parts of the County Borough. Some consultees were reported to have expressed doubt over the likely impact of infrastructure developments upon the local economic well-being, whilst others expressed confidence that this, together with development strategies such as *'Heads we Win'* would represent an important vehicle for long term enhancement.

Office Market

4.7 The office market in Rhondda Cynon Taf is becoming increasingly significant as a result of changing employment patterns which have resulted in the service sector now taking a greater role within the local economy. In particular, sectors such as banking and finance, transport and communications and public administration have become increasingly prominent. Whilst not all of these sectors will have employment land requirements (the transport and communications sector, for example, includes non-employment land elements) and the banking and finance sector within Rhondda Cynon Taf has grown from a very small base (thereby limiting its overall impact in terms of the demand for office space), this shift is likely to continue to be made manifest in terms of changing land requirements.

4.8 As set out above, the role of Cardiff as a major centre of commercial activity and the main local and regional attraction for office based and knowledge based businesses has significant implications for the southern part of Rhondda Cynon Taf. Indeed, one third of all office space within Rhondda Cynon Taf is located within the postcode areas of CF15 (Taffs Well) and CF72 (Talbot Green and Llanharan) at the far south of the County Borough. The average space of office units in these areas is 320sqm – one third larger than the average for the County Borough as a whole and many of these premises are of a relatively high standard and suited to meeting modes, operational requirements.

4.9 The supply of and demand for office space towards the north of Rhondda Cynon Taf is considerably lower although this is not to say that the demand for office space is solely concentrated into the extreme south of the County Borough. Navigation Park, for example, is viewed as a popular and an attractive employment destination, albeit that this is primarily due to its location immediately alongside the A470 and the quality of the business premises that are available in this location. The success of Navigation Park has also been fundamentally influenced by the decision of a number of public sector bodies to operate from this location.

4.10 The Economic Development Prospects and Employment Land Implications report states that the peak demand for office space is for high quality smaller units of less than 50sqm with good IT and broadband connections. This market requirement for smaller units is reflected in the nature of the businesses that operate within the County Borough and the existing supply of premises. However, rather than just meeting a quantitative demand in terms of the number of premises and unit size, careful consideration should be given to ensuring that the premises that are available for investors are of an adequate quality to ensure that their needs are met.

4.11 Whilst the market demand is presently for smaller office units, focusing solely upon this provision might serve to undermine the attractiveness of Rhondda Cynon Taf to potential inward investors. The availability of larger and more flexible floorspace units within accessible locations will be important in helping to enhance the role of Rhondda Cynon Taf as part of the wider Cardiff business area and will be important in encouraging expanding businesses to stay within the County Borough.

Industrial Land / Premises

4.12 Rhondda Cynon Taf's traditional industrial heritage has shaped the historic demand for industrial units. As detailed in Chapter 3 and reflecting the average size of individual units, factories account for 50% of the total employment space (but only 11% of business units).

4.13 The sharp decline in industrial sectors in Rhondda Cynon Taf, which has reflected macro-economic trends on a global basis, has resulted in a change in requirements and the level of commercial interest in premises. This represents a fundamental challenge, not only for Rhondda Cynon Taf but also for Wales and for much of the UK as a whole.

4.14 Although the overall trend within Rhondda Cynon Taf has been one of a loss of employment space, some individual industrial sectors have experienced growth. In particular, smaller and more specialist manufacturing and high-tech manufacturing sectors have expanded in recent years. However, these growing sub-sectors have tended to be dominated by smaller companies, resulting in a shift away from traditional large scale manufacturing plant towards smaller units. Demand is reported to be particularly high for units of less than 500sqm and particularly for workshop units of less than 100sqm. Although only 26% of existing factory units are less than 500sqm in size (4.3% are less than 100sqm), over 86% of workshops and garages are less than 500sqm and almost 30% are less than 100sqm in size. This overall level of supply across the two sectors (factories and workshops) demonstrates that the existing supply of premises is achieving the requirement for smaller premises. However, whilst the size of units might be appropriate, it is also important to ensure that the available employment space is of an acceptable quality so that it might be sufficiently attractive to potential occupiers and that the facilities are provided in locations that reflect market demands.

4.15 In addition, there is also a particularly strong demand for purpose built premises to suit the specific needs of individual companies. This creates both a need for new land to be made available to meet the current and expected future needs as well as a requirement to consider the potential future use of surplus employment premises. These are two important factors that will be important in ensuring the sustainable future use of land within the County Borough and in contributing towards its economic well-being.

Enquiries and investment

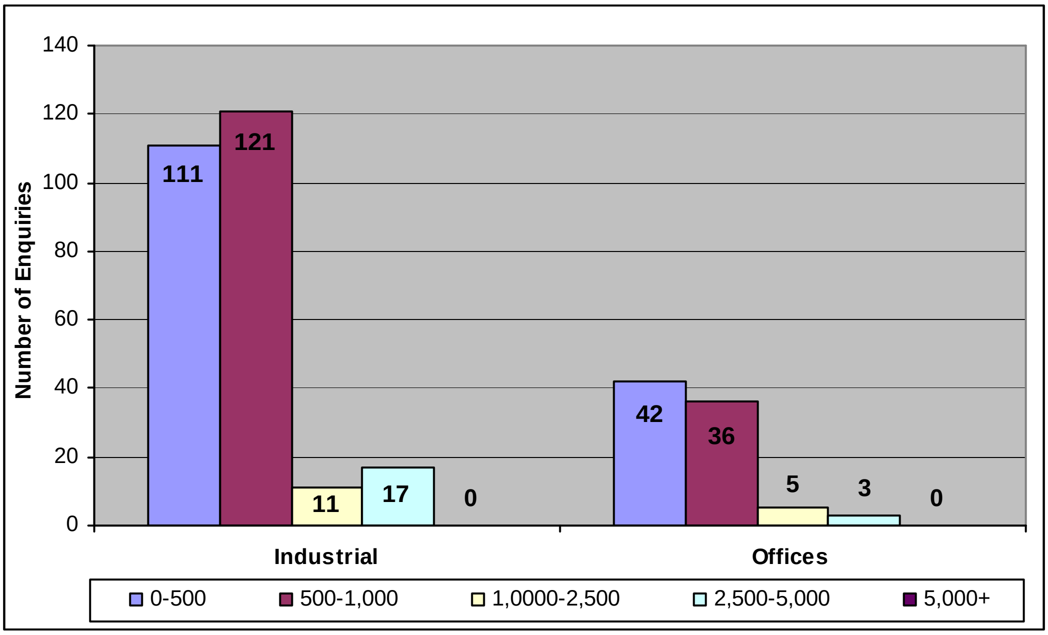
4.16 The Economic Development Prospects and Employment Land Implications report recognises that a wide range of businesses continue to invest in Rhondda Cynon Taf, including a number of manufacturing businesses. The Economic Regeneration Strategy that was undertaken for the County Borough Council notes that inward investment has tended to have focused upon the southern parts of the County Borough. This view accords with the evidence set out elsewhere in this chapter regarding the comparative well-being of the southern part of the County Borough. The Rhondda and Cynon Valleys have both experienced considerably lower levels of investment.

4.17 Whilst the establishment of new businesses by inward investors is an important contributor to the economic well-being of a local area, it is not the only component of business growth. In many areas, the development and growth of existing firms can be as important – if not more important – than the involvement of outside companies. This might involve additional investment by existing inward investors or the development of indigenous companies. The Economic Development Prospects and Employment Land Implications report states that between 2004/5 and 2005/6, approximately 100 new jobs were created in Rhondda Cynon Taf by new inward investment projects, compared with some 500 jobs that were created by the expansion of existing businesses.

4.18 The relative importance of the growth of existing businesses can also be demonstrated from an analysis of the capital expenditure in Rhondda Cynon Taf in the same 2004/5 to 2005/6 period. Over this period, 4 new businesses (i.e. inward investors) £1.6m in the local economy, compared to 12 expanding businesses which invested almost £30m in the local economy.

4.19 Figure 4.1 below highlights the number of enquiries for office and industrial property in Rhondda Cynon Taf between April 2005 and March 2006. It shows that whilst there was a reasonably large number of enquiries, these were focused particularly on smaller premises of up to 1,000sqm. Interestingly, in the context of an apparent shift from industrial sectors towards office-based sectors, there were three times as many enquiries relating to industrial property as relating to office premises over this period.

Figure 4.1: Business Enquiries in Rhondda Cynon Taf



Source: SEWEF – cited in The Economic Development Prospects and Employment Land Implications report

4.20 Interest in Rhondda Cynon Taf can be attributed to the quality of available business premises, the proximity of Cardiff and the M4 and the availability of EU Structural Funds. Whilst these might also be important in encouraging the establishment and retention of locally based businesses, interest from local firms might be related to personal reasons such as a desire to remain within the local area. A better understanding of the reasons for business establishment and expansion by inward investors and local companies will be important in ensuring that new opportunities might be fully exploited and the economic potential of Rhondda Cynon Taf might be maximised.

5.0 REVIEW OF SURROUNDING CENTRES

5.1 An understanding of the economic profile and the future prospects of Rhondda Cynon Taf in terms of growth and investment can be informed by a review of its relationships with other Local Authority areas in South East Wales. This will inform an appreciation of the relative position of the County Borough and its economic well-being in relation to that of other Local Authority areas. It will also provide a basis by which the relationships and inter-dependencies between Rhondda Cynon Taf and the surrounding local authority areas might be more fully understood: whether it is supported or hindered by the more prosperous areas to the south – particularly Cardiff – and whether other areas are competing for potential investment opportunities.

5.2 This review of surrounding centres considers the following Local Authority areas:

a) Blaenau Gwent

b) Bridgend

c) Caerphilly

d) Cardiff

e) Merthyr Tydfil

f) Monmouthshire

g) Newport

h) Torfaen

i) Vale of Glamorgan

5.3 It provides an overview of the economic profile and the main strengths and constraints and the key growth prospects of each area. In addition to showing the extent to which the different areas compliment and compete with Rhondda Cynon Taf, this analysis sets out the ways in which all of the authority areas contribute to the South East Wales economy.

Overview

5.4 The ten Local Authority areas in South East Wales vary considerably in terms of their physical and population size and in respect of their economic composition:

Figure 5.1: Key Population and Economic Variables

	Population	Area (sq km)	Population Density ('000/km²)	Reliance on Manufacturing (% of employment)
Wales	2,965,900	20,732	143	13.4
Blaenau Gwent	69,300	109	636	28
Bridgend	132,600	251	528	16.9
Caerphilly	171,300	278	616	23.3
Cardiff	317,500	139	2284	5.4
Merthyr Tydfil	55,500	111	500	17.9
Monmouthshire	87,900	849	100	11.7
Newport	140,100	190	737	13.8
Rhondda Cynon Taf	233,900	424	552	17.6
Torfaen	91,000	126	722	19.6
Vale of Glamorgan	123,300	331	373	10.4
	4,388,300	1422400		

Source: Nomis, 2006

5.5 Cardiff is one of the smallest local authority areas but has the largest population and its population density is more than three times that of Newport, the second most densely populated area. By contrast, at 849 sq km, Monmouthshire is larger than the five smallest authorities combined but its population density is only 4.4% of the level of Cardiff.

5.6 Rhondda Cynon Taff has the second largest population of the ten South East Wales local authorities and accounts for 7.8% of the Welsh population and more than 16% of the South East Wales population. By contrast, Cardiff accounts for 11% of the Welsh population and 22% of the population of South East Wales. However, given its considerable size, Rhondda Cynon Taf is only the sixth most densely populated local authority area in South East Wales. Even so, its population density is almost four times that of the Welsh average.

5.7 This substantial difference in geographical and demographic terms is reflected in economic differences. The reliance upon the manufacturing sector for employment varies from 5.4% of all people in employment in Cardiff to 28% in Blaenau Gwent. By way of comparison, the figure for Rhondda Cynon Taf is 17.6%, greater than the Welsh average of 13.4% less than six other local authority areas in South East Wales.

5.8 The implications of these trends in terms of the existing provision of employment land across South East Wales have been considered in detail in Chapter 3.

5.9 In addition to substantial variations in the supply of employment space and the level and type of economic activity, there is also a considerable variation in the value of employment space – both between different types of spaces (office rental values range from £10 / sqft to £20 / sqft, whilst industrial values range from only £2.75 / sqft to £6.00 / sqft) and also between different locations.

5.10 Cardiff is the most costly location for offices and industrial units of all sizes, whilst Blaenau Gwent is the least expensive by a considerable margin. The value of industrial premises in Rhondda Cynon Taf is slightly below average, whilst the value of office units is slightly above average.

Figure 5.2: Typical Rental Values for Good Quality Office Space

	Small < 2k sq ft	Medium 2-5k sq ft	Large over 5k sq ft
Blaenau Gwent	£10.00	n/a	n/a
Bridgend	£14.50	£14.50	£13.50
Caerphilly	£14.00	£13.50	£13.50
Cardiff	£15.00-£20.00	£15.00-£20.00	£15.00-£20.00
Merthyr Tydfil	£12.50	£12.50	£12.50
Monmouthshire	£11.50	n/a	n/a
Newport	£14.00-£15.50	£14.00-£15.50	£14.00-£15.50
Rhondda Cynon Taf	£13.50-£14.50	n/a	n/a
Vale of Glamorgan	£13.50-£14.50	n/a	n/a
Torfaen	£10.00	n/a	n/a

Source: Cooke and Arkwright, 2008

Figure 5.3: Typical Rental Values for Good Quality Industrial / Warehouses

	Small < 5k sq ft	Medium 5k-20ksq ft	Large over 20k sq ft
Blaenau Gwent	£4.00	£3.25	£2.75
Bridgend	£5.00	£4.24	£3.50
Caerphilly	£5.00	£4.25	£3.50
Cardiff	£6.00	£4.75	£4.25
Merthyr Tydfil	£4.75	£4.00	£3.25
Monmouthshire	£4.50	£4.00	£3.25
Newport	£5.00	£4.50	£3.50
Rhondda, Cynon, Taf	£4.50	£3.75	£3.25
Vale of Glamorgan	£5.50	£4.50	£4.00
Torfaen	£5.00	£4.50	£3.75

Source: Cooke and Arkwright, 2008

5.11 Many of the County Borough in South East Wales receive funding from the European Union, as they are part of the 'West Wales and the Valleys' area. Until recently, the funding was received from the Objective 1 programme although this has now been replaced by the Convergence Funding scheme. This type of funding is received by areas where the Gross Domestic Product (GDP) is less than 75% of the European average and its purpose is to speed up economic development. The Convergence programmes for West Wales and the Valleys comprise funding from two separate European Structural Funds:

a) the European Regional Development Fund (ERDF), which will be used to invest in the knowledge economy, with a focus on regenerating the most deprived areas, tackling climate change and improving transport, and

b) the European Social Fund (ESF), which will be used to tackle economic inactivity, increase skills and employment.

Blaenau Gwent

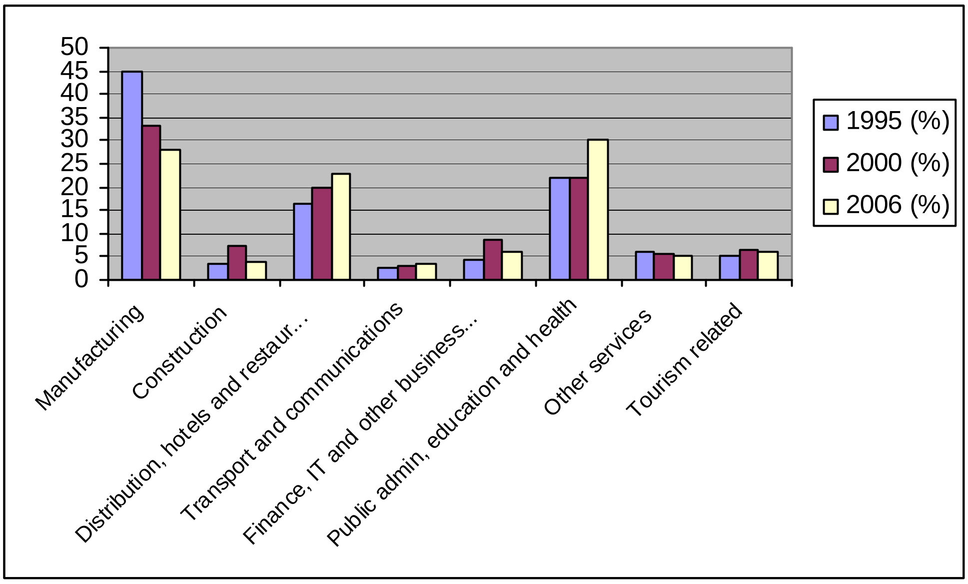
5.12 Blaenau Gwent is located north west of Merthyr Tydfil and has a population of 69,300. It has a low proportion of economically active people at 71.4% - 3.7% lower than the Welsh national average, whilst the unemployment rate is 7.7% - significantly higher than the Welsh average but lower than in the past. The level of unemployment peaked in 1998/1999 at 11.5%, with a drop in level in the first part of 2000. This is potentially due to the Objective 1 programme which commenced in 2000 and specifically sought to tackle employment related issues.

5.13 This high level of unemployment is in part attributable to the decline of industry within the area. Blaenau Gwent is traditionally a coal mining and steel working region and the closure of the last steel works in Ebbw Vale in 2002, after the closure of the coal mines in the 1980s has represented a major challenge to the area. Whilst some new industries have been introduced into the area, including the manufacturing of nylons, textiles and electronics, however, these have been unable to sustain the same level of employment. As a result of this and other factors, the County Borough has the lowest level of average GDP and receives the highest level of European Funding our of all of the South East Wales authorities.

5.14 As shown in Figure 5.4, Blaenau Gwent has the greatest level of dependency upon manufacturing jobs in the whole of South East Wales (28%) although this sector has decreased by 16.7% since 1995, when it provided 44.7% of all jobs in the area.

5.15 Whilst the area does have a strong public administration, education and health sector, this is not quite as pronounced as other areas in Wales and at 30.3%, is lower than the Wales average of 32.2% (NOMIS, 2008). However, this sector has seen a greater level of growth since 1995 than any other sector in Blaneau Gwent. The only other sector to have enjoyed any significant growth is distribution, hotels and restaurants. All other sectors have either decreased or fluctuated at a very low level.

Figure 5.4: Changes in Employment in Blaenau Gwent



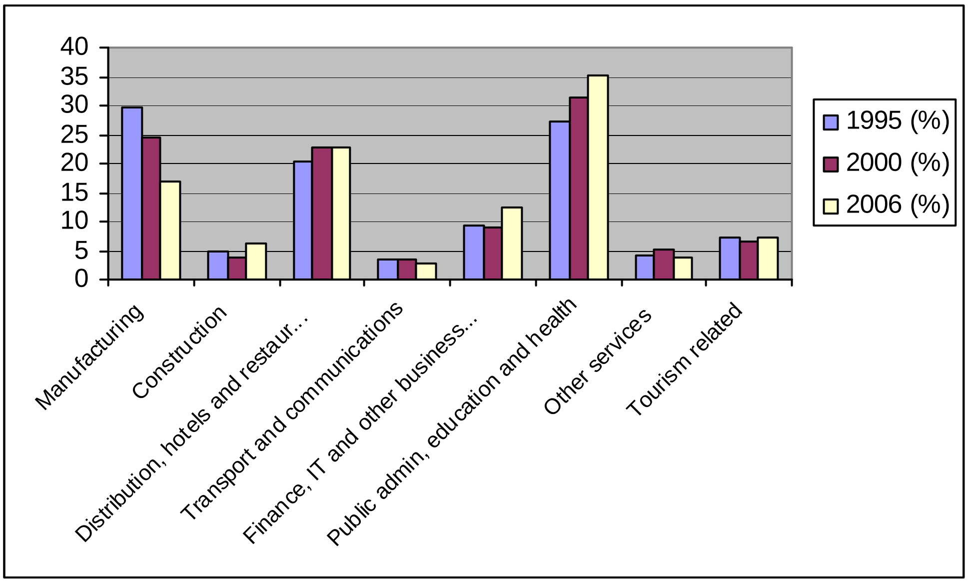
Source: NOMIS, 2008

Bridgend

5.16 Bridgend lies immediately adjacent to the south west of Rhondda Cynon Taf and is situated along the M4 motorway. It extends approximately 20km west to east and incorpodates the Llynfi Garw and Ogmore valleys. Bridgend has a population of 132,600 people and also receives Convergence funding from the European Union in order to tackle social and economic issues to help reduce deprivation in the area.

5.17 Bridgend has attracted some of the largest capital investment projects in Wales in recent years, including Sony Manufacturing UK and Ford's engine plant. However, despite this high profile investment, Bridgend's strong manufacturing sector has experienced considerable decline in recent years. The number of people employed in the manufacturing sector declined by 12.8% between 1995 and 2006 (Nomis, 2008), and now only 16.9% of local jobs are in this sector.

Figure 5.5: Changes in Employment in Bridgend



Source: NOMIS, 2008

5.18 Bridgend also has a large number of jobs contained within distribution, hotels and restaurants. There have been fluctuations in the number of people employed in the sector, with a peak of 25% in 2001 and 2002. In 2006 22.6% of people were employed in this sector, a 1.9% increase on the 1995 level of 20.7%.

5.19 A key area of growth has been public administration, education and health. The employment level in this sector increased from 27% in 1995 to over 35% in 2006, by which time its level of representation in Bridgend was greater than the Welsh average.

5.20 There are large industrial estates at Bridgend and Waterton (formerly Waterton Admirality) which accommodate a variety of small scale and multi-national companies, many of which are involved in the manufacturing sector. The biggest single employer (outside of the public sector) in the area is the Ford engine plant.

5.21 Given its location close to Bridgend, the proposed closure of RAF St Athan will is likely to have an impact upon the local economy in Bridgend. However, the proposed Defense Training Academy and associated development will represent a very important new facility that will be beneficial to South East Wales as a whole and will create new jobs that will offset many of the loses. As such, it is therefore expected to be beneficial to the local economy in Bridgend.

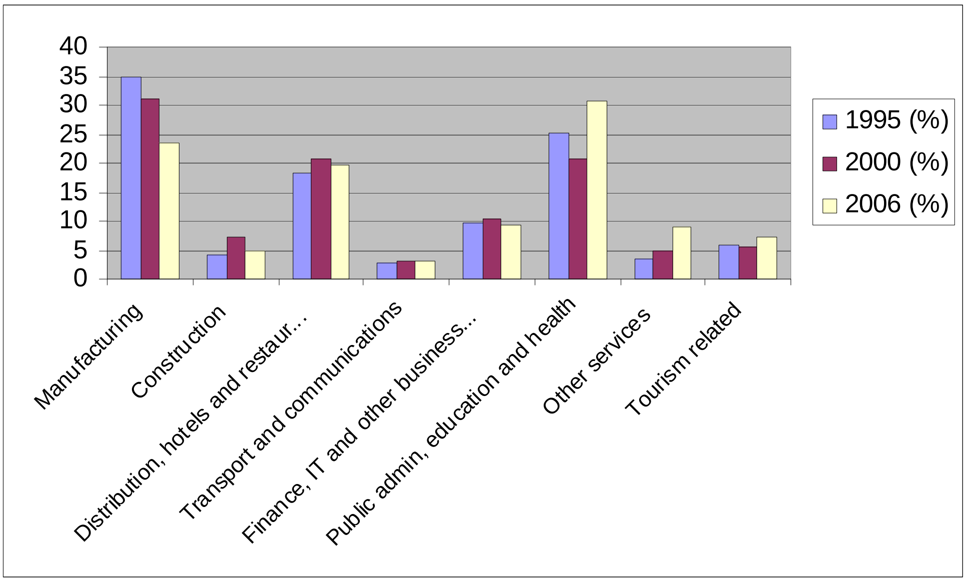
5.22 Bridgend, like Wales in general, suffers from a lack of high-wage service jobs. However, there have been some notable successes. IT Consultancy Group Logica opened an office in Bridgend (which has since been expanded) and several companies have moved to new office complexes on the outskirts of Bridgend. German retailer Lidl has also set up its Welsh headquarters and distribution site at Waterton. Zoobiotic, a medicinal maggot therapy company also has a facility close to Bridgend town centre. Also, since 1983, dart board producer Winmau has based its global headquarters in Bridgend.

Caerphilly

5.23 In geographical terms, Caerphilly shares a number of characteristics with Rhondda Cynon Taf. It is well located immediately north of the M4 and east of the A470 and extends to more than 12 miles north to south. The southern parts of Caerphilly are very well connected to Cardiff whilst the northern parts are not and are better related to the Heads of the Valleys Road (A465). In addition, although Carephilly is main town within the County Borough, it is not the only key town, and neither is it the main urban area. Rather, as with Rhondda Cynon Taf, Caerphilly comprises a network of smaller settlements.

5.24 The County Borough has a population of 171,300 (ONS), of which 71.2% are economically active. This is below the Welsh average of 75.5%. In the past, the area was associated to a large extent with coal mining and had 27 mines at its peak. This form of mining has now completely disappeared with the last mine closing in 1990. This has led to widespread economic and social deprivation and Caerphilly now receives Convergence funding from the European Union.

Figure 5.6: Changes in Employment in Caerphilly



Source: NOMIS, 2008

5.25 Manufacturing is one of the main sources of employment in the County, although this has decreased dramatically from 34.7% in 1995 to 23.3% in 2006. However, the level of employment in this sector remains substantially about the average levels of Wales (13.4%) and Great Britain (10.9%). This means that it will remain vulnerable to future shifts in the level of manufacturing activity. Following the decline in manufacturing, the largest employment sector in Caerphilly is public administration, education and health; this accounts for 30.7% of jobs.

5.26 The district is divided into two parliamentary constituencies and (as in Rhondda Cynon Taf) there is a clear distinction between the two areas. Whilst these constituencies are not divided strictly between north and south, the Caerphilly constituency is much better related to Cardiff and the M4 than the Islwyn constituency. However, this does not mean that it is necessarily more prosperous. Whilst 75.8% of the working age population in Islwyn are economically active, only 68.2% of those in Caerphilly are. There are also differences in the level of employment across the different sectors. Whilst both Islwyn and Caerphilly have declining manufacturing sectors, the rate at which the decline is taking place is more pronounced in Caerphilly (over 12%) than Islwyn (less than 10%).

5.27 Whilst not the main tourist destination in South East Wales, Caerphilly has a role to play in the industry, with attractions such as Caerphilly Castle and five county parks.

This sector therefore employs 7.4% of all economically active people across the County Borough.

5.28 Caerphilly has the second highest rate of out commuting after Rhondda Cynon Taf. However, given that less people commute into the County Borough than into Rhondda Cynon Taf, it has the lowest self-containment rate in South East Wales.

Cardiff

5.29 Lying immediately south of Rhondda Cynon Taf, Cardiff is the Capital City of Wales and the economic hub of the region. It has a population of 317,500 (ONS 2006), which is expected to grow by 24.2% to 395,000 by 2031. Cardiff is strategically located on the M4 motorway, is close to Cardiff International Airport (8 kilometres) and has a port on the Severn Estuary. The GVA Grimley report *'Transport Friendly Towns'* ranked Cardiff as one of the top three cities in the UK for transport provision in terms of the demand / supply pattern, only being beaten by two cities in northern England – Sheffield and Leeds (London was excluded from the study).

5.30 Cardiff has a large proportion of working age people – 65.4% compared to the Wales average of 60.4% (*Source: NOMIS 2008*). However, it also has a low proportion of economically active people (72.7%) in comparison to the Welsh average but at a similar level to Rhondda Cynon Taf. Unemployment in Cardiff is 6.5% - slightly above the level in Rhondda Cynon Taf (6.3%) and substantially above the Welsh average (5.6%).

5.31 Cardiff is home to a highly skilled workforce with 32.3% of the working age population qualified to NVQ level 4 in 2006 (NOMIS 2008). This is substantially higher than the Welsh average of 24.3%. The presence of two universities within the city – Cardiff University and the University of Wales Institute Cardiff (UWIC) – is likely one of the contributing factors to this higher level of education. In addition, Cardiff's role as a major commercial centre, the seat of government in Wales and an important cultural centre also account for its very skilled workforce.

5.32 In recent years, Cardiff has experienced the largest percentage increase in total employment out of all of the UK Core Cities (over 1998 to 2004, Cardiff Economic Strategy (CES), page 6). It now compares favourably with its UK benchmark cities on the majority of indicator variables, including employment rates and qualification levels.

However, despite this, it is recognised that Cardiff *“still has a long way to go”* (CES, page 7) when compared with its European counterparts.

5.33 Cardiff is currently identified in the CES as a “First Division” city. The document envisages that by 2012, it should reach the “UK Premiership” and by 2020 it should have become an “Internationally Competitive” city. This growth is to be brought about by a range of physical regeneration projects which will provide a development platform for the city’s competitiveness. It will also require further enhancement in its economic profile.

5.34 The CES sets out a number of priorities which need to be addressed in order to position Cardiff as an internationally competitive capital by 2020. This will necessitate the encouragement and attraction of existing businesses as well as inward investors and indigenous growth through a number of approaches and mechanisms, including the provision of an appropriate supply of land to serve the requirements of emerging key sectors:

> *“A reputation as a successful “business city” relies on the availability of suitable employment land…”* (page 25).

5.35 Another priority set out in the CES is to develop the role of Cardiff as a driver of the south east Wales economy. This is supported by the Welsh Spatial Plan Update (2008), which identifies Cardiff as being at the centre of a strong regional economy. Such an approach is supported by research by Cambridge Econometrics (Economic Forecasts for Cardiff, 2006), which forecasts a growth of 29,100 jobs in South East Wales between 2006 and 2016. Of these, 14,700 are to be in Cardiff, which represents over 50% of the total for the region.

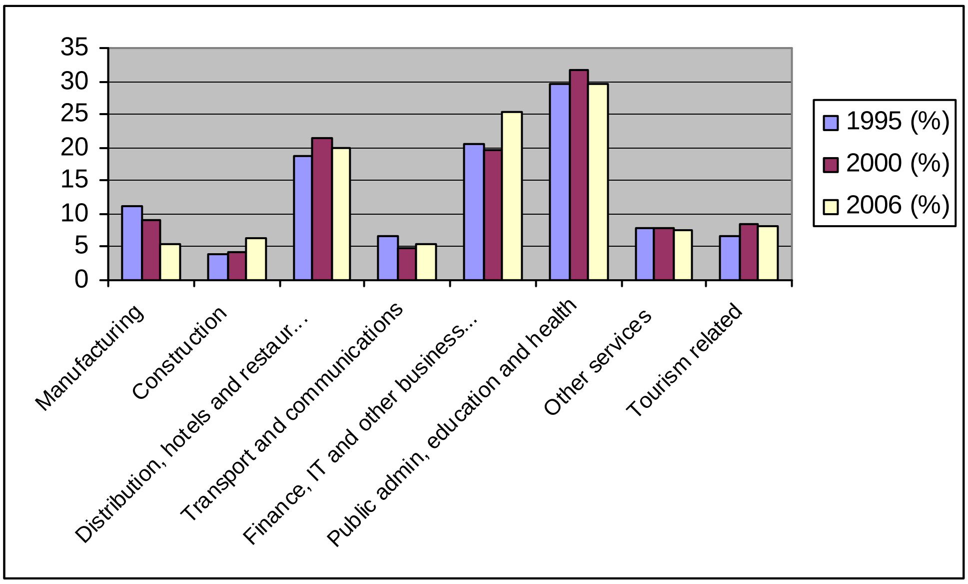
5.36 This forecast employment growth emphasises Cardiff’s emerging role as the economic powerhouse of the south east Wales region and the country as a whole, putting it on a par with other cities on the M4 corridor. Furthermore, it will support the vision for growth set out in the CES. However, it will require consideration of the specific needs of individual business sectors and sub-sectors.

5.37 In terms of office and industrial space, Cardiff outperforms all the other County Boroughs in South East Wales in terms of rental values, having a higher per square foot value in every category. This reflects the leading role of Cardiff in both Wales and as an emerging city of importance at an international level (*Cardiff Economic Development Strategy, 2007*). In terms of office space, none of the other County

Boroughs come close to obtaining the same rental values as Cardiff, with many them only having a market in small offices. Cardiff also outperforms the other County Boroughs in terms of industrial rental values, although in this case the variations are less pronounced. There is less of a demand for industrial and warehouse units in Cardiff because these types of premises tend not to require a high profile location such as Cardiff. However, they do require good strategic access and Cardiff is well placed to accommodate this particular requirement.

5.38 Cardiff has a strong and diverse economy, with particular strengths in public administration, education and health, banking, IT and finance and distribution, hotels and restaurants. It has a comparatively low proportion of manufacturing jobs and, whilst this sector is decreasing both in the area and in Wales generally, this will mean that it will not be as badly affected by the downturn. Public administration, education and health is stronger across South East Wales than the rest of the UK (*South East Wales Economic Development Framework, 2005)* and this is reflected in the major employers in Cardiff. The biggest employer in the County is Cardiff Council, which employs over 15,000 people. Cardiff and Vale NHS Trust and Cardiff University are also major employers, employing between 5,000 and 10,000 people (Source: Cardiff Council, June 2007).

Figure 5.7: Changes in Employment in Cardiff



Source: NOMIS, 2008

5.39 The majority of economic sectors in Cardiff have been relatively stable since 1995 in terms of the level of people employed, however some sectors have declined and some have grown. Manufacturing has seen the largest decline and, although the number of jobs that have been lost is less than in other parts of Wales, the decline has been significant in further reducing the local importance of this sector which now accounts for only 5% of jobs in Cardiff.

5.40 Over the same period, the Finance, IT and other business activities sector has substantially such that it now accounts for 25% jobs and represents the second most important sector (in terms of employment levels) after public administration, education and health.

5.41 Cardiff has become one of the main bases for contact centres in the UK and boasts several major employers in this area - Legal & General, Admiral Insurance, HBOS, Zurich, ING Direct, The AA, Principality Building Society, 118118, British Gas, Brains, SWALEC Energy and BT. Contact centers are sources of large scale employment, particularly those for national and multinational companies, however these types of ‘call centre’ jobs tend to be less skilled than other forms of office based employment.

5.42 There are also more skilled office jobs based in Cardiff, for example several financial companies have their credit scoring departments in the Capital. Whilst this is not the only city in the UK where such activities take place, it is the only place in Wales where they do. Multinational accounting companies such as KPMG and Deloitte and Touche have bases in the city, as do numerous legal practices, such as Eversheds.

5.43 Cardiff is home to the Welsh media and it is the UK's largest film, TV & multimedia sector outside London with BBC Wales, S4C and ITV Wales all having studios in the city. Retail also plays a strong role in the city's employment, with it being listed as being the 5th best place to shop in the UK according to recent surveys and it is likely that that Cardiff’s role as a shopping destination will increase with the opening of the St David’s 2 shopping centre (*Cardiff’s Economic Development Strategy, 2007*). In addition to St David’s 2, the area is undergoing several other regeneration projects, one of which is the International Sports Village at Cardiff Bay.

5.44 As Cardiff is the central hub of economic activity and the city with the largest level of jobs in South East Wales, and indeed Wales, there is inevitably a high demand for property in the city.

5.45 As set out in the Cardiff Business and Industrial Landbank Monitoring Report 2007 (CBILMR), 62.1ha of employment land is available in the city (July 2007) (comprising land with planning consent and land allocated in the Local Plan). The Further Analysis of Land Survey Data Report, undertaken by Harmers in 2007 report calculated that 44.02ha Class B1, B2 and B8 development took place in Cardiff between 2000 and 2005 – an average of 8.8ha a year. In addition, an average of 1.05ha land was developed each year for sui generis uses whilst 8.4ha was lost each year to other uses. Therefore, the current availability represents seven years supply at the average development rate.

5.46 Of the total landbank, the majority is only available for B2 and B8 uses, with B1 uses restricted to 12.5ha on 11 sites. Based upon the past take-up of B1 development, the B1 employment land bank would only provide for six years supply and offers very limited scope for flexibility of choice.

5.47 In spatial terms, the existing business and industrial land provision is predominantly concentrated in the southern area of the city (Cardiff Bay / Wentloog), with a number of smaller sites located around the town centre/ Bay and at Cardiff Gate at J30 of the M4. Outside of these areas, there is little employment land available. Indeed, Cardiff Gate and Cardiff Business Park are the only sites outside of the Bay or Wentloog areas which contribute to current business park take-up.

5.48 It is recognised that a number of key sites have been developed in recent years within the city centre and Bay area (including Callaghan Square and Fusion Point) and edge of centre sites (including Capital Business Park). However, although Cardiff is performing "relatively well" as a business city, the CES identifies are a number of underlying issues which could undermine the goal of it becoming an international business location:

a) A lack of Grade A office accommodation;
b) A lack of a diversified range of available employment land and commercial premises;
c) The loss of a number of key strategic employment sites to competing uses; and
d) The absence of an International Business Park.

5.49 In order to address these concerns, employment land must be made available which is appropriate in its quality, size and location to the needs of indigenous and incoming businesses. However, it is evident that Cardiff's current employment portfolio is not capable of meeting these requirements either in quantitative terms or in respect of the particular locational and functional requirements of individual economic sectors.

5.50 The establishment of an exemplar International Business Park has been identified as an important policy aspiration for both Cardiff Council and the Welsh Assembly Government and is considered to represent an important basis by which the knowledge economy in Cardiff and Wales generally might be further developed. The International Business Park would be expected to provide appropriate quality business accommodation within an attractive in order to enable Cardiff and Wales to compete to attract such investment at a UK, European and International level.

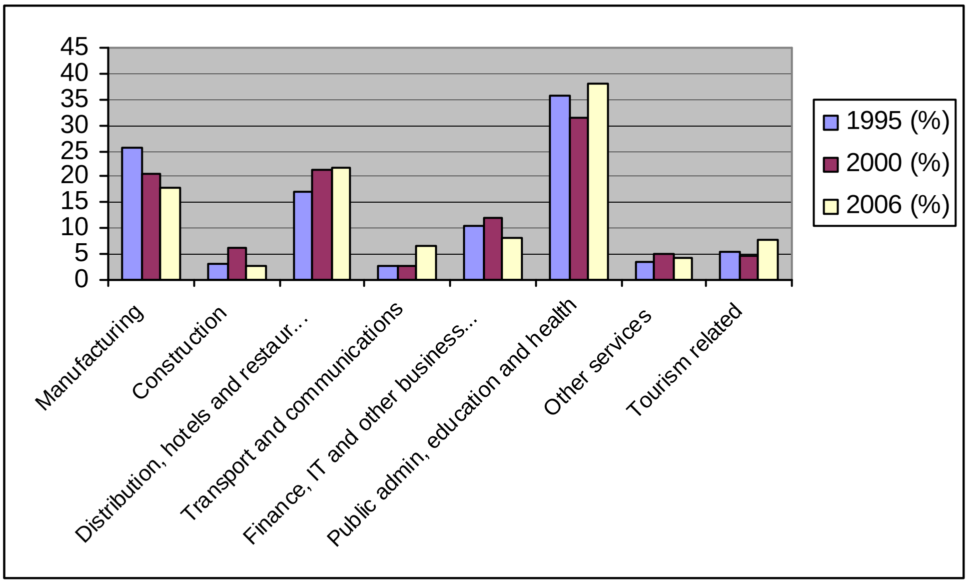
5.51 Cardiff Council is considering potential sites for the development of the International Business Park. This is likely to have implications upon Rhondda Cynon Taf. The attraction of investment into the area should be welcomed as this may provide opportunities for investment within Rhondda Cynon Taf, especially if the International Business Park is located at the north of Cardiff. However, conversely, it might result in some higher profile businesses that might otherwise have located within Rhondda Cynon Taf seeking to invest within the International Business Park in order to enjoy the prestige and high profile that this location is likely to offer. Rhondda Cynon Taf County Borough Council should seek to identify and encourage the opportunities that might arise from this important new development.

Merthyr Tydfil

5.52 Merthyr Tydfil has a population of 55,500 (ONS mid-year estimate, 2006). The County Borough enjoys a strategic location in the Heads of the Valleys and benefits from good accessibility being located at the intersection of the A470(T) and A465(T) strategic transport corridors in the north. It is also close to the intersection of the A470(T) and A472 strategic transport corridors in the south.

5.53 The area has experienced considerable structural economic change over the last 25 years (Merthyr Tydfil LDP Preferred Strategy, April 2007), due to the decline of industry and is now eligible for Convergence funding from the European Union. Most of the electoral divisions in the County Borough are in the 20% most deprived in Wales. Levels of deprivation are higher than in Wales for income and education and very much higher for health and employment (Merthyr Tydfil LDP Preferred Strategy, April 2007). Unemployment in the County Borough peaked at 10.3% in 2000 and although it began to gradually fall after this time, it began to rise again in 2005 and currently stands at 7.5%.

Figure 5.8: Changes in Employment in Merthyr Tydfil



Source: NOMIS, 2008

5.54 Although there are no major growth sectors in Merthyr Tydfil, the public administration, education and health sector has fluctuated (but generally increased) since 1995, albeit that it has increased in scale overall. There were also fluctuations in the tourism and construction sectors. There was a 7.7% decrease in the number employee jobs in manufacturing albeit that this sector still accounted for 17.9% of jobs within the County Borough in 2006. The most substantial growth has been in the distribution, hotels and restaurants (Nomis, 2008).

5.55 Farming has become much less prominent in the local economy with farmers being encouraged to diversify where necessary and appropriate. However, leisure and recreational uses centred on the countryside have become more widespread, as has heritage related tourism (Merthyr Tydfil LDP Preferred Strategy, April 2007).

5.56 The LDP Preferred Strategy identifies three distinct areas within the County Borough – the northern sector, which consists primarily of the Merthyr Tydfil Basin and the mid valley communities and the southern sector, which consist of quite narrow and steeply sided river valleys (the Taff Fawr and Taff Bargoed). Whilst the northern part of the County Borough comprises many separate and distinct communities, there is considerable interdependence between these communities. All suburban areas are in close proximity to the central core which, itself, has a reasonable range of services within a compact area. Positive opportunities exist for integrating new development with existing settlement patterns helping to ensure that homes, jobs, recreation and cultural activities are readily accessible and potentially more viable. Whilst there is limited development interest around the area, planning permission was recently granted for the residential redevelopment of the Dowlais Ironworks to provide 450 new dwellings.

5.57 In the mid and south of the County Borough, further development remains difficult not only because of topography and access issues but also because remaining sites are situated on the valley floor and, consequently, are most likely to be located on the river flood plain. The linear nature of the built environment means there is also less scope for successful integration of land uses and a potential for creating ribbon development.

Monmouthshire

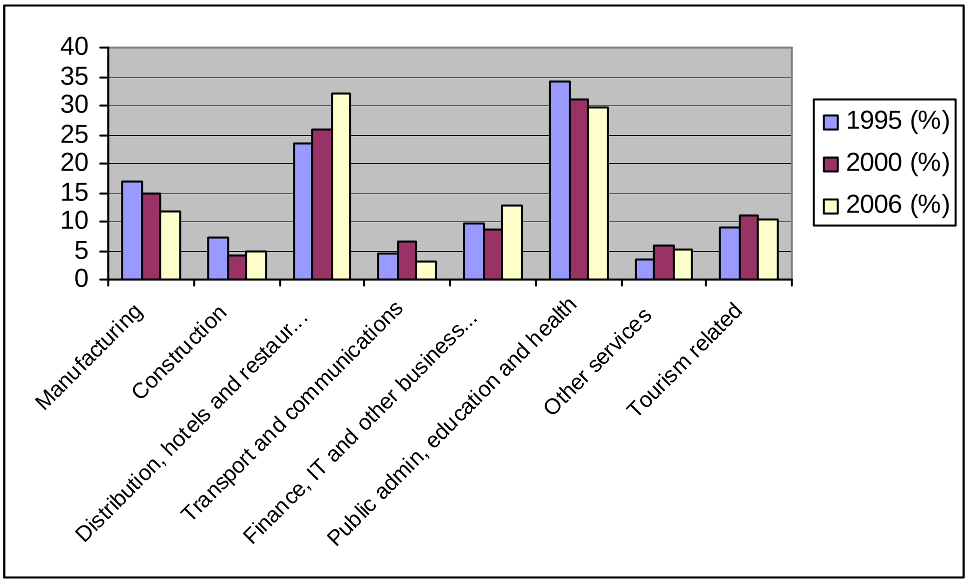
5.58 Monmouthshire is a primarily rural County covering 88,000 hectares, with a population of 87,900 (ONS mid-year estimate, 2006). Over half the population live in rural locations. The market towns of Abergavenny, Chepstow and Monmouth are the main focus for shopping and employment, with the towns of Caldicot, Magor / Undy and Rogiet situated within the southern Severnside area.

5.59 The Brecon Beacons National Park is on the northern edge of the County, with the Wye Valley Area of Outstanding Natural Beauty, Usk Valley and Severn Estuary all designated within the County Borough.

5.60 There is a high level of economic activity in Monmouthshire – at 80.1% it is significantly above the Welsh average of 75.1%. The unemployment rate (3.5%) is lower than the Welsh average (5.5%).

5.61 Whilst Monmouthshire is seen as affluent, some traditional rural poverty still persists, as some communities remain economically isolated. Around 92% of Monmouthshire's businesses are classed as micro enterprises, i.e. employing 10 or less people.

Figure 5.9: Changes in Employment in Monmouthshire



Source: NOMIS, 2008

5.62 32.1% of the County Borough's population are employed in distribution, hotels and restaurants (ONS, 2006). This sector has seen the most significant growth since 1995, when it accounted for only 23.3% of local jobs. The second largest sector of employment with Monmouthshire is public administration, education and health, although this has decreased in significance since 1995, when it accounted for 34.3% of employment in the area. Similar to the other areas across Wales, the manufacturing sector has seen the most significant decrease: 17% of people were employed in this sector in 1995 compared to only 11.7% in 2006 – slightly belw the Welsh average.

Newport

5.63 Situated between Cardiff and Bristol along the M4, Newport is located in a strategic position. However, it is also subject to increased competition due to the close proximity of these two settlements. This is evident as Cardiff and Bristol have higher levels of accessibility – with ports and airports. They are also bigger commercial and shopping centres than Newport, drawing people from a wider catchment area.

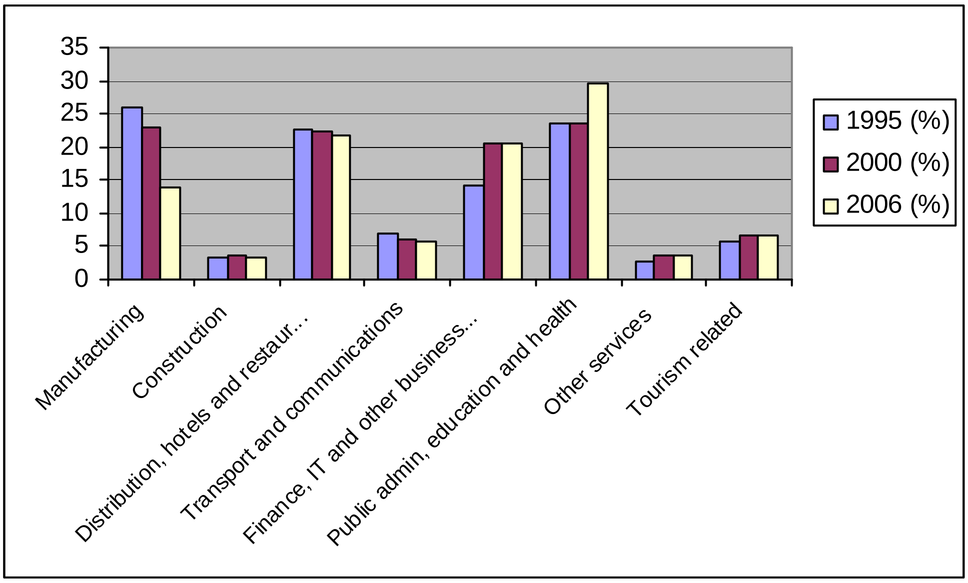
5.64 Newport does not share a boundary with Rhondda Cynon Taf, but instead lies to the east of Cardiff. It is the third largest city in Wales after Cardiff and Swansea, with a population of 140,100 (*ONS Mid-year estimate 2006*).

5.65 At 78.4%, Newport has a high proportion of economically active people however the level of unemployment is also higher than the Welsh average at 6%. The economic activity rate has remained largely constant since 1999, with minor fluctuations – the most extreme high was in 2000-2001 with 81.7% of people economically active and the lowest level was in 2005 at 73%. In contrast, the unemployment rate steadily decreased between 1996 and 2004, after which time it began to rise again and peaked at 6.6% in 2006.

5.66 The city has traditionally been a manufacturing city and port, but now the major employers are the banking, finance and insurance and public sectors. Major employers include the Patent Office, the Office for National Statistics, HM Prison Service, EADS (European Aeronautic Defence and Space Company), HSBC, Lloyds TSB and Wales and West Utilities (*Source: Newport Labour Supply, DTZ, 2007*).

5.67 The 1980s and 1990s saw a major influx of Foreign Direct Investment (FDI) into Newport and this was the major engine for economic growth and falling unemployment during this period. Electronics manufacturing saw the most significant growth, but there were also significant levels of investment in the hotel sector and financial services. Although this inward investment has continued in more recent years, it has slowed down, with many mobile manufacturing operations being attracted to lower cost locations in Eastern Europe and the Far East (*Source: Newport City Council Economic Development Strategy 2003-2008*).

Figure 5.9: Changes in Employment in Newport



Source: NOMIS, 2008

5.68 The declining trend in the manufacturing sector in Newport has been similar to that seen across Wales and Great Britain. However, this downturn has been more severe that that seen elsewhere in the UK, decreasing from 25% of jobs in 1995 to 14% in 2006. Newport has been particularly dependant on metal manufacturing in the past and has faced significant difficulties as a result of the decline in this sector and the closure of key installations, such as the Corus site at Llanwern. Whilst the banking, finance and insurance sector has increased since 1995, the level employed in this sector in 2006 was the same as the 1998 peak, due to fluctuations. The public administration, health and education sector also increased between 1995 and 2006, from 23.6% to 29.7%, however the level of employment in this sector saw minor fluctuations during this time.

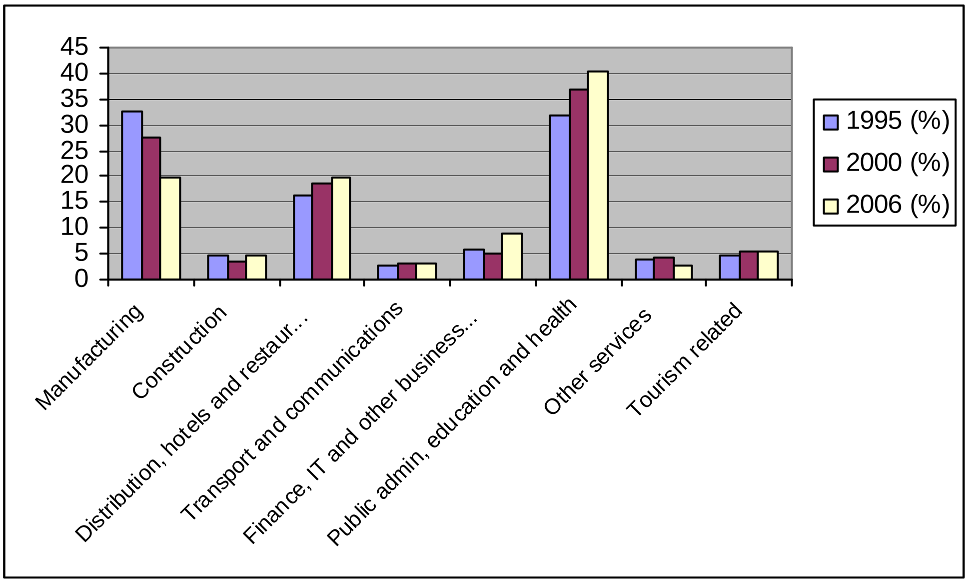
Torfaen

5.69 Torfaen is located north of the M4 corridor, between Monmouthshire and Blaenau Gwent. Areas in the north of the County Borough, such as Blaenavon, grew during the industrial revolution in the eighteenth and nineteenth centuries, due to the presence of coal and iron deposits at workable levels. The growth of the settlements in the north continued through to the very early twentieth century. Since then the settlements have suffered from significant out-migration, following the decline in the coal and iron industries.

5.70 The south of the County Borough remained largely undeveloped until the designation of the Cwmbran New Town in 1949. Since the early 1950's Cwmbran has been the focus of large-scale development and consequently has had a significant in-migration rate. The high rates of development in Cwmbran were maintained until the mid-1990s, and despite a relative fall from the peak periods of the new town expansion, pressure for development has continued in the area since due to Cwmbran's proximity to the M4 corridor.

5.71 Torfaen was an Objective 1 region and is therefore eligible for Convergence funding from the EU. At 73.7%, the level of people who are economically active is marginally below the Wales average, however, the unemployment rate is higher at 6.2%.

Figure 5.10: Changes in Employment in Torfaen



Source: NOMIS, 2008

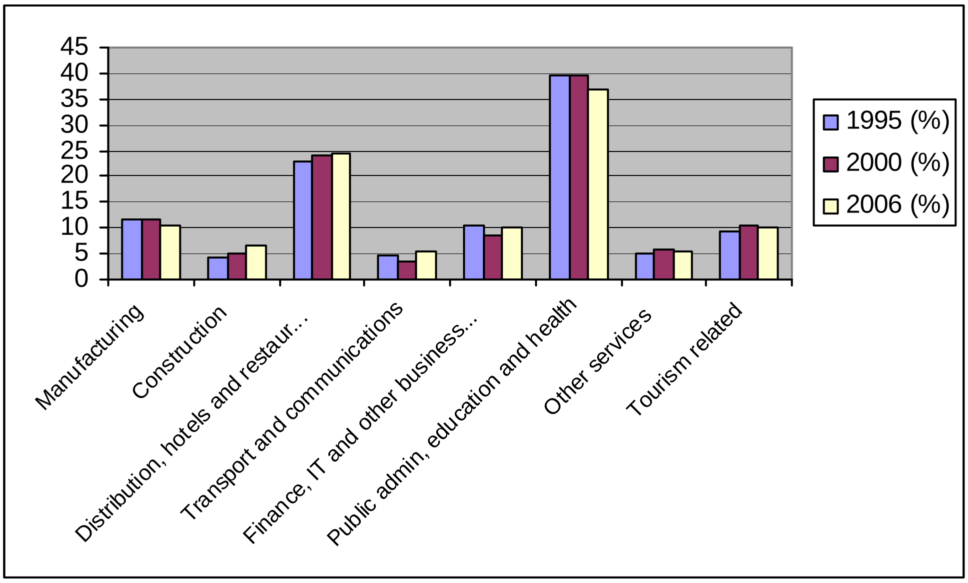
5.72 Public administration, education and health is the strongest employment sector within Torfaen and accounted for 40.4% of all employee jobs in this sector in 2006 (Nomis, 2008).

5.73 Due to its industrial heritage, manufacturing still provides a large number of employee jobs within the region. At 19.6%, the number of jobs provided in this sector is 6.2% above the Welsh average.

Vale of Glamorgan

5.74 Situated west of Cardiff and south west of Rhondda Cynon Taf, the Vale of Glamorgan has a population of 123,300 (ONS mid-year estimate 2006). The area has a low unemployment rate in comparison to Wales, being 4.5% compared to Wales 5.3% (Nomis, 2007). However, at 54.05%, the Vale of Glamorgan has the lowest self containment rate in South East Wales. This reflects the fact that there are limited employment opportunities within the County Borough, when compared to the surrounding areas and people travel to the surrounding cities and towns, especially Cardiff, for employment.

Figure 5.11: Changes in Employment in The Vale of Glamorgan



Source: NOMIS, 2008

5.75 Unlike many other areas in South East Wales, the Vale of Glamorgan has not been dependent upon manufacturing in the past and has not seen the same decline as other areas. 11.6% of people within the Vale of Glamorgan were employed in manufacturing in 1995 and, whilst this fluctuated in the interim, only 10.4% of people were employed in the sector in 2006.

5.76 In January 2007 the Ministry of Defence announced that RAF St Athan in the Vale of Glamorgan would be the location of a new £14billion Defence Training Academy. In addition to this, and Aerospace Centre of Excellence will be developed by the Welsh Assembly Government on the site of the former RAF station. This proposal is one of the largest single investment projects in Wales, providing a major boost to both the local community and the whole of Wales along the M4 corridor (Vale of Glamorgan Draft Preferred Strategy, December 2007). The implication of this has been that St Athan has been identified by the Wales Spatial Plan as a Strategic Development Opportunity and the Vale of Glamorgan Draft Preferred Strategy as a Key Settlement. Its future development is likely to be important for the economic well-being of the Vale of Glamorgan and South Wales more generally.

5.77 The Vale of Glamorgan has limited inward investment and the larger settlements are located some distance from the motorway network. As a result its property market tends to be insular. The market is predominantly industrial in character, with demand largely for small start up units and grow on space for locally based companies. Whilst there is a market for office development, this is currently relatively small and the majority of demand is for space less than 100 square metres corridor (Vale of Glamorgan Draft Preferred Strategy, December 2007).

6.0 QUALITATIVE ASSESSMENT OF EXISTING EMPLOYMENT SITES

6.1 This chapter assesses the characteristics and quality of the existing and active employment sites in Rhondda Cynon Taf. Any vacant sites (whether unimplemented allocations or derelict sites) are reviewed separately in Chapter 7.

6.2 Each site was assessed against a range of criteria relating to location, sustainable development, environmental and marketability factors and were scored on a scale of 1 (very poor) to 5 (very good). These scores were added together to give an overall score for each site.

6.3 The factors and examples of the site characteristics which would merit scores of 1 and 5 are set out in appendix 2. The scores awarded to each site under each category were reviewed by senior Council Officers to ensure that a consistent approach was undertaken and that the final scored could be relied upon as a robust indicator of the quality of existing employment sites within the County Borough.

6.4 This chapter is based upon an analysis of sites that was undertaken by the County Borough Council. The assessment of each site relied upon the criteria set out in appendix 2, which were prepared by NLP, based upon the ODPM Good Practice Guide. A member if the NLP study team explained the criteria to the Council team prior to the commencement of the site visits.

Findings

6.5 A total of 111 existing or vacant employment sites were assessed. These sites extended to a total of 632.78 hectares of employment land. The sites included were identified through a desk-top study using the three adopted Local Plan Proposals Maps, Planweb (Ordnance Survey base map and aerial photography) and local knowledge. This evidence was been gathered by the client team, who also undertook the site visits and site assessments for each location.

6.6 In accordance with the Employment Land Reviews Guidance Note and for reasons of practicality, the sites that were assessed have been mostly limited to 'significant' employment sites. Retail sites were not considered and neither were small, individual, isolated B1/B2/B8 premises located in residential areas or in the countryside. However, whilst some of the smaller individual businesses in the County Borough were generally not included their role is not to be understated, as cumulatively such businesses are a significant source of employment space and form an important part of the market in the area. Similarly, extensive employment areas have been subdivided along major physical features such as spine roads and rivers in order to reveal any variations in character.

6.7 Based upon their scoring against sustainable development criteria, the existing and vacant employment sites were ranked in terms of their quality as employment sites. The purpose of these rankings is to indicate the better performing sites relative to others in Rhondda Cynon Taf. The sites have been classified as follows:

d) very good (70 or above),

e) good (60-69),

f) average (50-59) and

g) poor (49 or below).

6.8 The groupings have been based on an overall view of the sites in the context of the County Borough. The scoring did not highlight any distinction about what should be considered very good, good, average or poor and so logical judgements have been made in respect of the scoring boundaries for each category, i.e. the good and the average categories both have a range of 10 points. As demonstrated below, commonalities can be seen between sites in each category. The sites categorised as very good tended to have a high level of access to both the strategic and the local road networks and are in an attractive location. By contrast, the poor sites tend to be remote and distant from the strategic and local road network, in areas with low investment.

6.9 Figure 6.1 below sets out details of each of the sites that were reviewed, ranked in order of their overall quality.

Figure 6.1: Ranking of Existing Employment Sites

Ref.	Location	Type	Area (ha)	Score	
TP19	Treforest I E - Main Avenue	B1/B2/B8	35.30	80	Very Good
TP20	Parc Nantgarw including Cefn Coed	B1/B2/B8/ Leisure/A3	39.95	79	
TP16	Melin Corrwg office park, Cardiff Road	B1	0.39	78	
C36	Navigation Park, B4275	B1	5.1	77	
TL11	Ely Meadow / Gwaun Elai	B1/B2	17.63	75	
TP13	Dr William Price B P	B1	0.60	75	
TL19	L'Oreal plant & warehouse	B1/B2	20.9	74	
TT4	Parc Eirin - WAG area including Ensinger	B1/B2	18.5	74	
TL29	Talbot Green B P	B1/B2	2.6	72	
TL33	Innovation House, Bridgend Road	B1	0.78	71	
C37	Ty Trevithick & adjoining land to S, A4054	B1	2.2	70	
TP18	Treforest I E - W bank	B1/B2/B8	41.45	70	
TP8	Town Centre offices area (Gelliwastad Road)	A1/A2/B1	2.84	70	
TP21	GEAES works, Nantgarw Hill	B2	14.99	69	Good
C39	SPS Gooden Sanken building, A4054	B2	2.89	67	
TL6	Llantrisant B P - E of Royal Mint	B2/B8	33.3	67	
TL8	Llantrisant B P - W of Royal Mint	B1/B2	15.9	67	
TP15	Alexon factory, Cardiff Road	B2	2.97	67	
C2	Hirwaun I E - Main Av & Fourth Av	B1/C1	19.4	66	
C33	Cwm Cynon B P South	B1/B2/B8	8.4	66	
TL12	Cowbridge Rd (opp Leekes)	B1/B2	2.58	66	
TL9	Llantrisant B P - SE of Royal Mint	B2	6.6	66	
TP23	Glan-y-llyn I E	A1/B1	1.3	66	
TL10	Llantrisant B P - SW of Royal Mint	B2	10.9	65	
TL14	Cowbridge Rd (Staedtler factory)	B1/B2	3.2	65	
TL20	Lanelay I E (Spar)	B1/B2	7.5	65	
TL25	Coedcae Lane I E including Green Park	B1/B2	9.3	65	
TP14	Gellihirion I E including HRP	B1/B2/B8	9.13	65	
C19	Town Centre office area, High Street / Green Street	B1	2.3	64	
C26	Aberaman Park I E units 15 to 39 W of spine road	B1/B2/B8	3.6	63	
R22	Llwyncelyn IE	B1	3.7	63	
TL7	Llantrisant B P - Royal Mint	B1/B2	11.9	63	
C1	Hirwaun I E - E of 5th Av / S of A465	B1	6.1	62	
C30	Cardiff Road including Navigation Yard	C2	0.9	61	
C32	Cwm Cynon B P North	B1/B2	7.4	61	
TP11	Albion I E	B1/B2/B8	2.8	61	
TP17	Upper Boat Industrial Estate, Off Cardiff Road	B1/B2/B8/ A1	0.83	61	
TP24	Moy Road I E	B8	9.14	61	
TP5	Gas Road / Taff Vale Site, Taff Street	B1	1.83	61	
C11	Welsh Hills Bakery site, Tramway	B1	0.3	60	
C8	E of A4061 / S of Hirwaun I E	B2	1.4	60	

TL22	E side, Coedcae Lane	B1/B2	3.8	60	
TP10	Glyntaff Sidings, Pentrebach Road	B2/B8	1.39	60	
C4	Hirwaun I E - N of A465 / S of 5th Av	B1	11.7	59	Average
C5	Hirwaun I E - N of 5th Av buildings	B1	5.4	59	
R15	The Pavilions	B1	1.1	59	
TL31	Junction Industrial Centre	B1/B2	2.0	59	
C25	Aberaman Park I E units 1 to 14 E of spine road	B1/B2/B8	7.1	58	
C3	Hirwaun I E - 14th, 16th & 17th Av	B1/B2	21.6	58	
R32	Ynyshir [Lady Lewis] I E	B2	2.0	58	
R17	Ely Industrial Estate,	B1/B2/B8	1.9	57	
R30	Peacocks	B1	2.3	57	
TP25	Garth Works	B1/B2	3.6	57	
TP3	Maritime Industrial Estate	B1/B2	4.7	57	
TT2	Parc Eirin - NE of A4093	B1/B2	7.3	57	
C13	Prysmia factory, Llwydcoed Road	B1/B2/B8	11.4	56	
C15A	Robertstown Industrial Estate (Furniture Store Only)	B1/B2/B8	2.3	56	
C28	Aberaman Park I E units 40 to 42 etc mostly E of spine road	B1/B2/B8	20.0	56	
TL21	The Beeches I E, Coedcae Lane	B1/B2	0.54	56	
TL24	Cambrian I E	B1/B2	1.7	56	
C29	Celtic Energy offices & land NE & SW of Heol Ty Aberaman	B1/B2/B8	4.3	55	
R23	Former Fenner Factory	B2	3.3	55	
R7	Treorchy I E	B1/B2/B8	3.9	55	
TL23	Woodlands Workshop Centre	B1/B2	0.6	55	
TP22	Cardiff Road	B8/A1	1.3	55	
TT10	Dinas Isaf (W)	B1/B2	2.1	55	
C20	Cwmbach I E, Canal Road (Cwmbach New Road)	B1/B2/B8	4.9	54	
C21	Canal Road south of roundabout	B1/B2/B8	2.7	54	
C27	Aberaman Enterprise Park units 1 to 29	B1/B2/B8	1.3	54	
R8	Factory, Old Griffin Field, Windsor Street	B1	0.5	54	
TL2	Clariant Laboratories	B1	3.2	54	
TL30	Ely Valley I E, Ash Grove / Llwyn Onn	B1/B2	1.1	54	
C9	Bryngelli I E, Meadow Lane	B1/B2	2.7	53	
R27	Oaklands BP	B1	2.2	53	
R12	Tonypandy enterprise centre & factories	B1/B2/B8	2.2	52	
R20	Bus Depot, Porth	B2/Sui generis	2.2	52	
R26	Highfield IE	B1	2.4	52	
R11	Factories, Salem Terrace	B1/B2	1.5	51	
R14	Cambrian Industrial Park,	B1/B2/B8/ D2	3.9	51	
R19	Dinas Enterprise Centre	B1/B2/B8/ A1	1.5	51	
C34	AB Electronics Factory, A4059	B2	4.2	50	
R3	Treherbert I E	B1/B2	3.7	50	
R31	Standard I E, Ynyshir Road	B1	1.7	50	
R5	Abergorki I E	B1/B2/B8/ D1	8.5	50	

TL1	Western Power & Distribution depot, Station Terrace	B2/B8	2.9	50	
TL27	W side, Coedcae Lane	B1/B2	2.26	50	
C14	Aberdare Business Park, Wellington Street	A1/B1/B2	3.3	49	
R29	Pauletts Workshop & Yard, Aberllechau Road	B2	0.9	49	
TT6	Boot Hill	B1/B2	5.8	49	
C16	Cambrian Lampworks area	B1/D1	0.4	48	
C24	Gasworks Road I E	B1	1.3	48	
C35	Pontcynon I E	B2/B8	4.3	48	
R18	Council Depot, Dinas	B2/Sui generis	1.4	48	
R4	Ynyswen I E	B1/B2	2.9	48	
TL3	Newtown I E	B2	2.5	48	
TP7	Ashgrove, Upper Church Street	B1	0.19	48	
TT9	Dinas Isaf (E) including Ty Elai	B1/B2	6.9	47	
TP26	Timber yard	B8/Sui generis	1.7	46	Poor
R9	Gelli I E	B2	5.2	45	
TL16	Mwyndy Cross Industries	B1/B2	7.7	45	
TT8	Gelligron I E, Waunrhydd Road	B1/B2	0.9	45	
R21	Rheola Industrial Estate,	B2	0.6	44	
TP1	Hetty, Hopkinstown	B1/B2	1.87	44	
TP27	Rockwood	A1/B1	0.5	44	
R24	Maerdy Road IE	B1/B2	4.0	43	
TL32	Bryncae I E, Bridgend Road	B1/B2	1.53	42	
R16	Penygraig Industrial Estate, Dinas Road	B1/B2	1.4	41	
TP2	Barry Sidings, Hopkinstown	A1/Sui generis	0.4	39	
R13	Gilmour Street	B1/B2	0.5	35	
TT7	Padfield Court, Gilfach Road	B1/B2	5.4	33	
C40	Old Parish Road	B2	1.5	29	

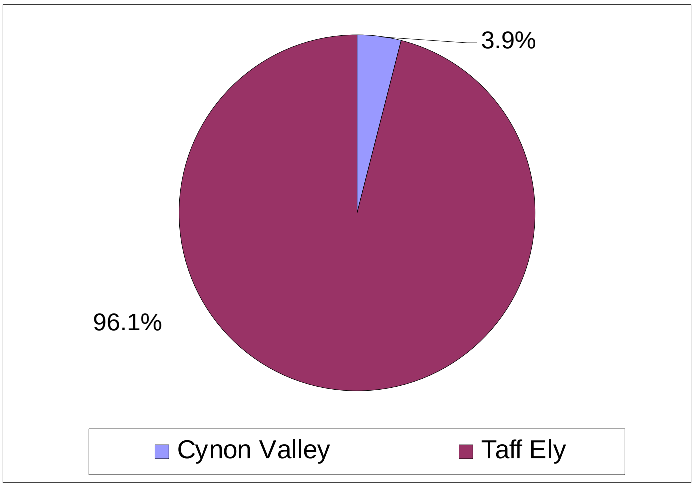
Source: Rhondda Cynon Taf CBC, May 2008

Note: Large sites have been taken to be those above 2 hectares. Whilst a site below 2 hectares could still employ a large number of people, it is considered that these sites are not 'large' within the context of RCT, where there is a high level of much larger employment sites.

Overview of Existing / Vacant Sites

6.10 **'Very Good'** sites mainly have access to strategic and high quality local roads which benefits from low levels of congestion. They are generally located in areas which have a high level of market attractiveness with very few vacancies and have a high quality appearance, illustrating that there is a greater demand for high quality employment space. Of the 188.24 hectares classed as 'Very Good', 180.94 hectares across 11 sites were in the Taff Ely area of the County Borough, whilst the remaining land (7.3 hectares across 2 sites) was in the Cynon Valley. None of the land classed as 'Very Good' by the Council lies within the Rhondda Valley. It is likely that the distance from the main road arteries is one of the contributing factors to the lack of any very good space. Employment space in the Rhondda Valley is generally of a lower quality than employment space available elsewhere in the County Borough. This serves to reduce the market attractiveness of the area to developers and operators. A vicious cycle may thereby be established which would result in a lack of new investment or development – and hence, a lack of improvement in the quality of supply or the attractiveness of this area.

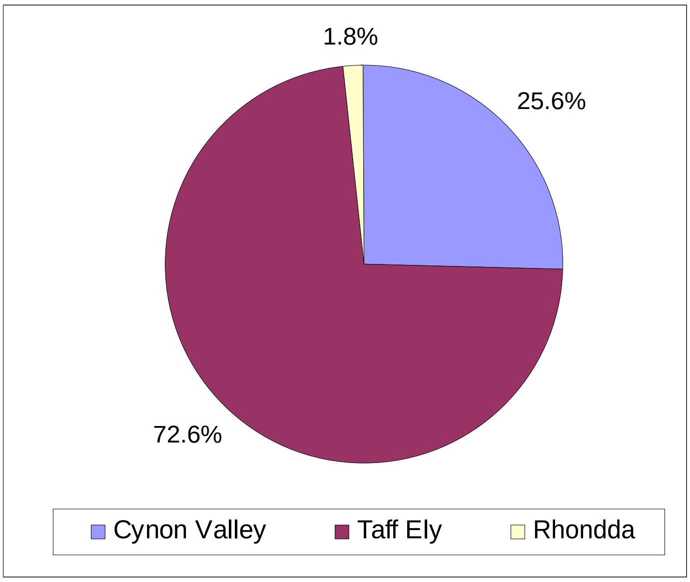
Figure 6.2: Percentage of 'Very Good' Employment Land in Each Area



6.11 All of the 'Very Good' sites are of a high environmental standard with low levels of noise, smell and dirt. The sites are generally clean and tidy. The adjoining land uses are generally compatible and therefore do not restrict activities on the site. Whilst the majority of the sites classed as 'Very Good' have a high level of public transport provision, being close to a railway station or bus stops, whilst several were less wells served by public transport. The majority of 'Very Good' sites are relatively large; all were above 2 hectares in size whilst one site extended to more than 40 hectares. Out of the 13 sites the average size is 26.24 hectares.

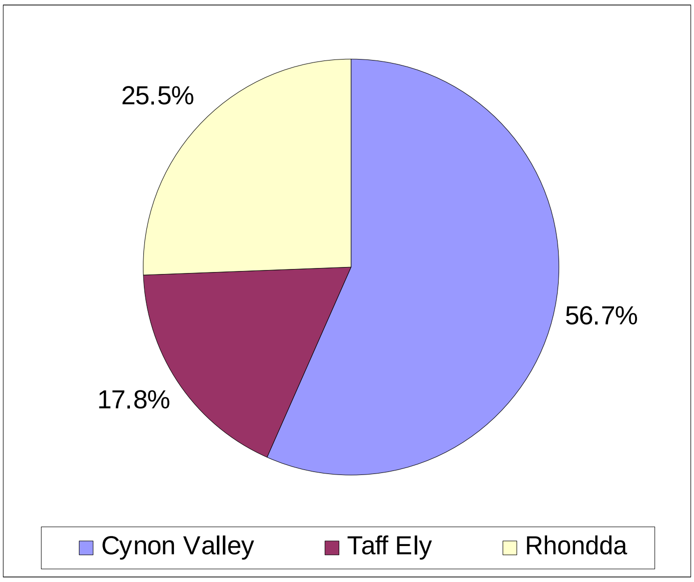
6.12 **'Good'** sites generally benefit from having a high-quality image, which are attractive to the market and are located in areas with high levels of investment. However, many of them suffer from poor public transport provision. Sites classed as 'Good' were generally located within Taff Ely (149.36 hectares / 18 sites) and Cynon Valley (52.69 hectares / 10 sites). Only 3.7 hectares of good quality land is within Rhondda Valley and this consists of a single site. The 'Good sites are generally above 2 hectares and several exceeded this by a substantial amount. The average size of 'good' sites is 7.4 hectares and the largest site extends to 33.3 hectares.

Figure 6.3: Percentage of 'Good' Employment Land in Each Area



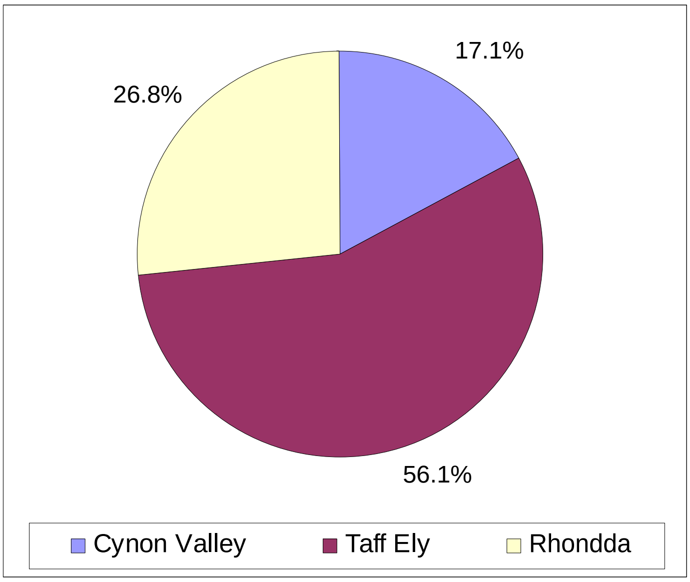
6.13 The employment sites which have been identified as being of **'Average'** quality are generally mixed in terms of their accessibility. Whilst several of them have good access to the strategic, only half have good access to the local road network. A limited number of sites benefit from good access to both local and strategic routes. 'Average' sites also tend to have poor public transport provision, but many have good environmental quality with low levels of noise, smell and dirt. Whilst the majority of land classed as 'Average' is within Cynon Valley (99.6 hectares, although this only accounted for 13 sites) there were also 44.8 hectares in Rhondda Valley (17 sites) and 31.3 hectares in Taff Ely (13 sites). 30 of the 40 'Average' sites were above 2 hectares. Whilst the largest site was 21.6 hectares, the average size was much smaller at 4.08 hectares.

Figure 6.5: Percentage of ‘Average’ Employment Land in Each Area



6.14 Those sites classed as **‘Poor’** tended to have a poor quality appearance, are difficult to let and are located in areas with a low level of market activity. Many of the sites in this category also rate poorly in terms of environmental factors (noise, smell and dirt), reflecting the high level of industrial units. Whilst there are some larger sites in this category, the majority are small, with many sites being less than one hectare. Parking and servicing provision for the sites is generally poor, as is the quality of the buildings themselves, whilst the amenity of the adjoining uses tended to rate from average to poor. The majority of the ‘Poor’ land was located within Taff Ely (35.39 hectares / 12 sites), however there were also substantial amounts in Rhondda (16.9 hectares / 8 sites) and Cynon Valley (10.8 hectares / 5 sites). Only 10 of the 25 ‘Poor’ sites were above 2 hectares. It is likely that the majority of ‘poor’ employment land lies within Taff Ely as this area has the highest provision of employment land overall.

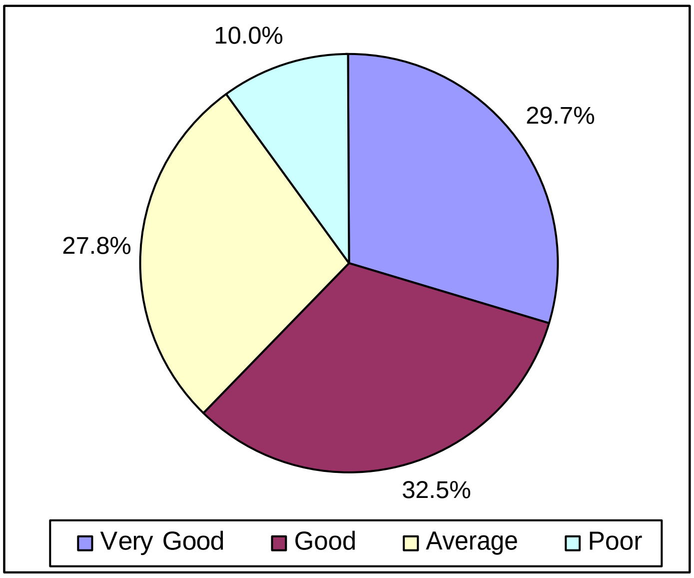
Figure 6.6: Percentage of 'Poor' Employment Land in Each Area



Conclusion

6.15 This assessment has provided a thorough analysis of the significant employment sites across Rhondda Cynon Taf. The assessment identified 13 existing employment sites of very good quality (188.24 hectares in total), 30 of good quality (205.75 hectares in total), 43 of average quality (175.7 hectares in total) and 25 of poor quality (63.09 hectares in total). This indicates that 86 of the current employment sites in Rhondda Cynon Taf are of average quality or better, with 12% of sites ranked as very good. Whilst 23% of the employment sites studied were found to be of poor quality, these sites only accounted for 63.09 hectares, i.e. 10%, of the existing employment land studied.

Figure 6.7: Quality of Employment Land in Rhondda Cynon Taf



6.16 Despite good levels of access from the M4 motorway and also has the A470 and A465 running through it, not all areas are easily accessible from these roads. This can be seen in the notable differences between the location of the very good employment land and the poor employment. It is clear that the Taff Ely part of the County Borough has an advantage due to its location, with many of the large industrial estates being located in this area, for example Treforest Industrial Estate, Parc Nantgarw and Navigation Park.

6.17 A common weakness of many existing employment sites within Rhondda Cynon Taf relates to the quality of public transport connections. In order to enhance the sustainability of employment opportunities within the County Borough, it will be important to consider the ways in which this matter might be addressed – either by direct investment from the County Borough Council or through developer contributions.

6.18 The survey revealed a variety of space across Rhondda Cynon Taf with a mixture of high quality offices in central locations, as well business parks and large industrial estates of a high standard. Much of the poorer land was made up of small industrial estates and premises. However, whilst not all the sites were of a high standard, only two of the 111 were vacant. This indicates that these poorer quality sites have a function within Rhondda Cynon Taf, due to lower costs and its ability to serve a specific employment funtion, and suggests that they should not be released for other uses. Poor quality employment space plays an important role in the local economy as it tends to be cheap and serves a specific purpose and is ideal for certain uses.

7.0 QUALATATIVE ASSESSMENT OF UNDEVELOPED / REDUNDANT SITES

7.1 Following on from Chapter 6, this chapter examines the quality of the undeveloped and the redundant sites in Rhondda Cynon Taf. This chapter is based upon an analysis of sites that was undertaken by the County Borough Council. The assessment of each site relied upon the criteria set out below which were prepared by NLP based upon the ODPM Good Practice Guide. A member of the NLP study team explained the criteria to the Council team prior to the commencement of the site visits. It is not possible to assess these sites under the same criteria as those in the previous chapter because they are either not yet developed or do not have an existing use. For these reasons internal circulation, parking, servicing, space around buildings, noise / smell / dust and the quality of buildings are not assessed by the Council team.

7.2 The scores awarded to each site under each category were reviewed by senior Council Officers to ensure that a consistent approach was taken and that the final scores could be relied upon as a robust indicator of the quality of existing employment sites within the County Borough.

7.3 The criteria for site assessment is set out in Appendix 3.

Findings

7.4 A total of 38 undeveloped and redundant sites, totalling 232.33 hectares, were assessed using the above criteria. All sites were identified by Council Officers using the same desk based research outlined in Chapter 6.

7.5 Only the significant sites have been assessed and where sites are significant, they have been subdivided to expose variations in character. Undeveloped / redundant sites have been classed as very good (35 and above), good (30-34), average (25-29) and poor (24 and below). The groupings have been based on an overall view of the sites in the context of the County Borough. The differences between each category are discrete and there is no clear distinction between the scores given by Rhondda Cynon Taf County Borough Council. Logical judgements have been made with regards scoring boundaries for each category, i.e. the good and the average categories both have a range of 5 points. As the vacant sites were not assessed by as many criteria as the existing sites / premises, their scores have been generally lower and hence the scoring boundaries are smaller.

7.6 Figure 7.1 below sets out details of each of the sites that were reviewed, ranked in order of their overall quality.

Figure 7.1: Ranking of Undeveloped / Redundant Employment Sites

Ref.	Location	Type	Area (ha)	Score	
TL36	Sony B P extension special employment allocation	B1	34.1	43	Very Good
TP6	Co-Operative Store site, Church St / Mill St	B1	0.21	40	
C17	Site of Former Memorial Hall, Seymour Street	B1	0.05	38	
C38	Land at Cynon Terrace (Travellers Rest), A4054	B1/B8	0.8	38	
TP4	Millfield, Mill Street	B1	0.66	38	
TL17	Mwyndy NW special employment allocation	B1	6.17	36	
C18	Duke Street	B1	0.1	35	
TL28	Garth B P	B1/B2	7.2	35	
TL13	Cowbridge Rd (Purolite site)	B1/B2	3.9	35	
TP9	Brown Lenox	B2	2.48	34	Good
TL34	Llanilid Opencast special employment allocation	B1	52.3	34	
TL35	Iron Ore Mine	B1	8.3	34	
TT1	Coed Ely	B1/B2	20.04	34	
C6	Hirwaun I E - N of 5th Av land	B1/B2	6.0	33	
TL15	Cowbridge Rd (rear of Purolite / Staedtler)	B1/B2	3.3	32	
C7	Hirwaun I E - grassland	B1/B2/B8	16.8	31	
TT3	Parc Eirin - S of A4093	B1/B2	2.59	30	
TT5	Parc Eirin - W of Griffin	B1/B2	10.1	30	
TL26	Hepworth Industrial Park, Coedcae Lane	B1/B2	9.2	30	
R6	Caemawr I E	B1/B2	3.6	28	Average
TT11	Dinas Isaf (W)	B1/B2	3.5	28	
C31	Cwm Cynon North	B2	3.9	28	
C12	Mayhew Chicken Factory site, Harriet Street, Gelli Isaf	B1	3.0	27	
R10	Council Yard, Trafalgar Street	B2	1.4	26	
TL18	Miskin Manor Park	B1	1.3	26	
C15B	Robertstown Industrial Estate (all of site excluding furniture store)	B1/B2/B8	4.5	25	
C23	Part of Phurnacite lands, Bronallt Terrace	B1/B2/B8	8.7	23	Poor
R1	Tydraw Reclamation Scheme	B1	4.3	23	
TL4	Cwm Colliery development plateau	B2	7.0	23	
TP12	N of Albion I E	B1/B2	0.43	23	
C10	Nidum site, Manchester Place	B1	0.4	23	

R2	Stelco Hardy site	B1/B2	2.1	22	
C22	Part of Phurnacite lands, Canal Road	B1/B2/B8	6.9	22	
R25	Ferndale IE (Chubb)	B2	4.0	21	
R28	Pontygwaith IE	B1/B8	2.1	20	
TL5	Cwm Coking Works (CPL site)	B2	19.4	19	

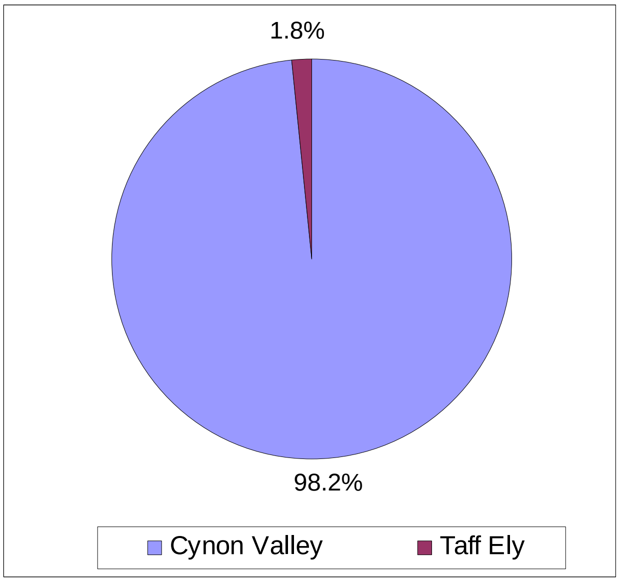
Source: Rhondda Cynon Taf CBC, May 2008

Note: Large sites have been taken to be those above 2 hectares. Whilst a site below 2 hectares could still employ a large number of people, it is considered that these sites are not 'large' within the context of RCT, where there is a high proportion of much larger employment sites.

Overview of Undeveloped and Redundant Sites

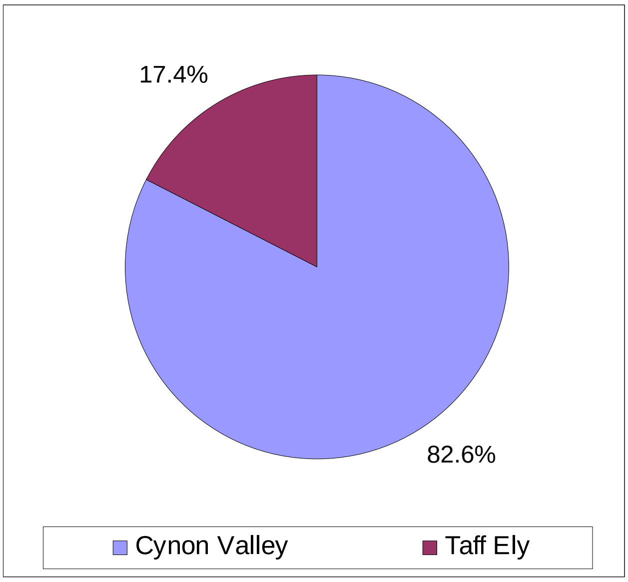
7.7 The majority of sites classed as **'Very Good'** are located within Taff Ely (totalling 52.24 hectares across 6 sites), with only two sites located in Cynon Valley (0.95 hectares over 3 sites) and no sites located in Rhondda Valley. This shows a similar pattern to the existing sites, however the undeveloped sites tend to be smaller, with only 4 of the 9 sites in this group being over 2 hectares. The average site size is 11.82 hectares, although this figure is skewered by a single large allocation – the Sony B P extension which, at 34.1 hectares, is 26.9 hectares larger than the next biggest site in the group. As the majority of the sites are within Taff Ely, they generally have good strategic access, although only about half the sites have good local access. The sites in this category tend to have a good image and are attractive to the market, this is also illustrated by the fact that there is generally a high level of investment in the areas which they are located, as well as a low vacancy level.

Figure 7.3: Percentage of 'Very Good' Employment Land in Each Area



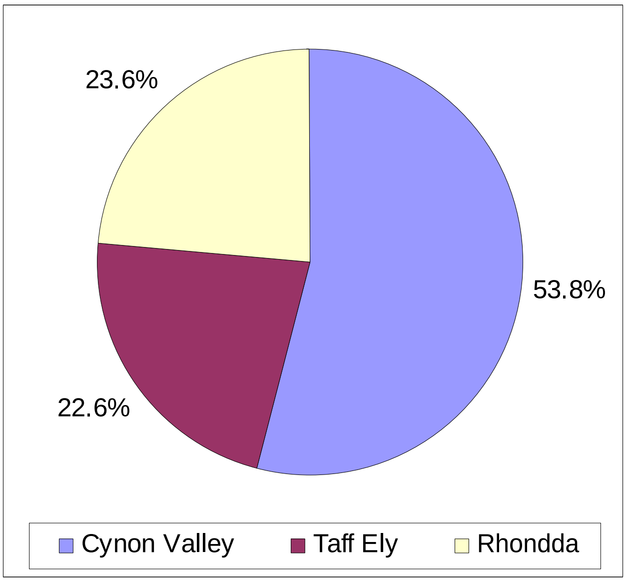
7.8 All of the 10 sites classed as **'Good'** are over 2 hectares. All of these sites are either located in Taff Ely (108.31 hectares over 8 sites) or Cynon Valley (22.8 hectares over 2 sites). Again, there are no sites in this category in Rhondda. The largest allocation regarded as 'good' is the 52.3 hectares LLanilid open cast special employment allocation. This is substantially larger than the average size for this category (13.1ha). Most of the sites have reasonable strategic access, although the local access to the sites ranges from quite good to poor. It is not considered that the surrounding land uses will adversely affect the potential for future development on the sites. These sites tend to be in attractive areas, where units are rarely available and have average success at attracting new investment.

Figure 7.4: Percentage of 'Good' Employment Land in Each Area



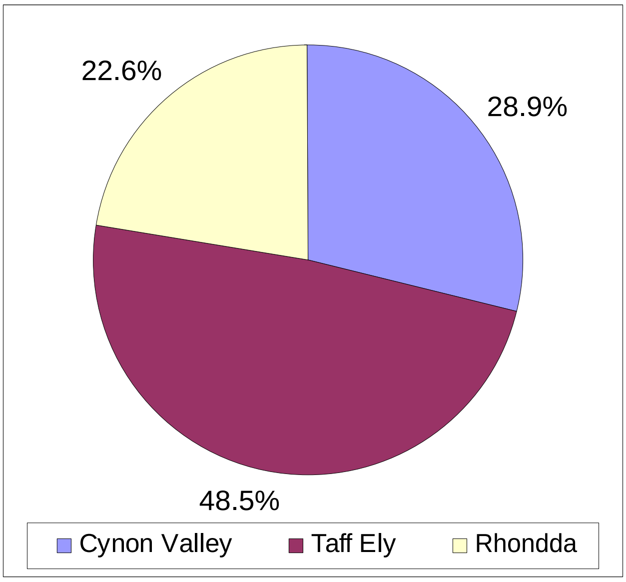
7.9 The '**Average'** sites are located in all parts of RCT, with 11.4 hectares across 3 sites in Cynon Valley, 5.0 hectares across 2 sites in Rhondda Valley and 4.8 hectares across 2 sites in Taff Ely. These sites have generally scored in the lower to mid range for each category, so they are average in all respects. They will provide industrial space, within some office / warehousing. 5 out of 7 of these sites are large (above 2 hectares). The largest site size is 4.5 hectares, whilst the average site size is 3 hectares. This illustrates that there are no major discrepancies across the group in terms of site size.

Figure 7.5: Percentage of 'Average' Employment Land in Each Area



7.10 The majority of land classed as **poor** is located within Taff Ely (26.83 hectares / 3 sites), however there were also substantial amounts in both Cynon Valley (16.0 hectares / 3 sites) and Rhondda Valley (12.5 hectares / 4 sites). Only 2 out of the 10 sites in the category are below 2 hectares. It is worth noting that the majority of poor quality land in Taff Ely is made up of a single allocation – the 19.4 hectares Cwm Coking works. This allocation only scored 19, being classed the worst site overall by the Council.

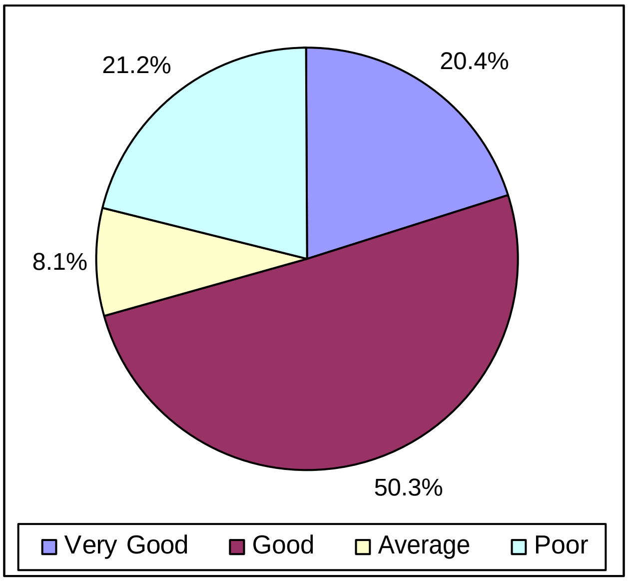
Figure 7.6: Percentage of 'Poor' Employment Land in Each Area



Conclusion

7.11 This assessment has provided a detailed picture of the allocated / redundant sites across Rhondda Cynon Taf. It has identified 'Very good' sites (totalling 53.19 hectares), 10 'Good' sites (totalling 131.11 hectares), 7 'Average' sites (totalling 21.2 hectares) and 10 poor sites (totalling 55.33 hectares). This indicates that 26 out of 36 of these sites are of average quality or above, with 35% of sites ranked as 'Very good'.

Figure 7.7: Quality of Employment Land in Rhondda Cynon Taf



7.12 Overall, there are 260.83 hectares of allocated / undeveloped employment land in Rhondda Cynon Taf. Whilst it can be said that the existing 'poor' employment land has a valuable role within the County Borough, it is uncertain as to whether the undeveloped land of lesser quality is as valuable. This is because land needs to be attractive to the market in order for it to be developed and these sites suffer from a number of structural problems that might undermine their delivery. Furthermore, the fact that high quality employment allocations have not been developed to date suggests that even this space is not entirely attractive to the market, perhaps in areas where there is an isolated oversupply. Therefore, it is recommended that some land of all types should be considered for release for alternative uses if there is found to be an oversupply of employment land in Rhondda Cynon Taf.

8.0 RHONDDA CYNON TAF'S FUTURE POTENTIAL FOR ECONOMIC GROWTH

8.1 Before assessing future employment land needs in Rhondda Cynon Taf, its potential future economic role needs to be considered. This will reflect its economic strengths and weaknesses and the property market factors identified earlier, as well as economic aims for the area and the region.

Economic Outlook – Policy Aspirations

8.2 The future economic role of Rhondda Cynon Taf – and the employment land requirements for the County Borough – needs to be understood in the context of the policy aspirations for its enhancement. These are briefly set out below.

Wales: A Vibrant Economy (WAVE) (November 2005)

8.3 WAVE describes the Assembly Government's general approach to improving the Welsh economy. Its vision is for a vibrant economy which benefits from strong and sustainable economic growth and which provides opportunities for all.

8.4 The document recognises that some progress has already been made with increasing employment levels and significant increases in wage levels and a stronger level of economic growth than in many other European countries. In spite of these positive signs of progress, concern is expressed about the extent to which this growth can be sustained, particularly against increasing pressure from international competitors such as India and China.

The Wales Spatial Plan (2008)

8.5 Rhondda Cynon Taf is included within the South East – The Capital Network'. Recognising its diversity, the document splits this area into three separate zones:

a) 'Heads of the Valleys Plus' (north),

b) 'Connections Corridor' (central) and

c) The 'City Coastal Corridor' (south).

8.6 Distinct approaches are recommended for each zone.

8.7 Rhondda Cynon Taf falls within the Heads of the Valleys Plus and the Connections Corridor areas. The Wales Spatial Plan defines these areas accordingly:

> ***‘Heads of the Valleys Plus:*** *An area comprising the Upper Valleys of South East Wales facing some of the greatest economic and social change challenges created by economic restructuring of the late 20th century*
>
> ***Connections Corridor:*** *An area of Mid Valleys and rural South East Wales increasingly under pressure for economic and housing development spilling out of the cities. Whilst still facing challenges with areas of deprivation, improvements in this area highlight its crucial role as the connecting strip between city growth and major concentrations of deprivation in the Heads of the Valleys.’*

8.8 In addition, a very small part of the far south of Rhondda Cynon Taf falls within the City and Coast Belt:

> ***City and Coast:*** *An area including the two main cities of Cardiff and Newport as well as smaller distinct communities offering a high quality of life located in rural, coastal locations.’*

8.9 The Wales Spatial Plan acknowledges that South East Wales faces considerable challenges in addressing the high rates of economic inactivity that exists in deprived areas and in equipping its population with the skills they will need to contribute effectively to the future of the area. Central to its vision and in seeking to overcome these issues, the Wales Spatial Plan seeks to develop higher value services by focusing upon the knowledge economy, the creative industries, and environmental sectors.

8.10 The Wales Spatial Plan recognised that major private sector employment growth is likely to e mainly in the south of the Capital region and that this will be complemented by public sector strategic interventions in the mid and upper valleys. It sets out an intention to develop an international business park in South East Wales as a strategic employment priority. This is expected to be very important in helping to enhance the overall economy of South East Wales and in helping to attract high profile business investment.

8.11 14 hub settlements are identified within the South East region as being critical to the success of the city-region. Three of these (Aberdare, Llantrisant and Pontypridd) are located within Rhondda Cynon Taf. These centres are expected to act as service and employment centres for the surrounding areas and are to be promoted as the key locations for growth.

8.12 Three Strategic Opportunity Areas – developments linked to the dualling of the Heads of the Valleys road (A465), the area around Llantrisant and North West Cardiff, and development in the Vale of Glamorgan linked to the proposed St Athan military training academy – are identified by the Wales Spatial Plan as having the potential to deliver regional benefits. It is anticipated that the A465 and the Llantrisant/North West Cardiff projects will have direct implications upon Rhondda Cynon Taf.

South East Wales Economic Forum's 'Enter the Dragon Economy' (2005)

8.13 This documents sets out a 10 year economic development strategy for South East Wales. Its vision for this area is that of *'a region on the way to becoming one of the most prosperous in Europe, and providing opportunities for every individual, enterprise and community to share in that prosperity'*.

8.14 The approach to achieving that Vision is reflected in five principles:

*a) '**Coherence**: we have built a coherent framework out of the many policies and initiatives that are already in place across the region, and we have provided new ideas to fill any gaps in the overall structure.*

*b) **Balance**: we have sought to develop a balanced strategy that works to the benefit of all parts of the region and to the full range of different enterprises, individuals and communities within South East Wales.*

*c) **Strategic**: our focus is on policies and initiatives that will have impacts that are both widespread and long-term.*

*d) **Sustainability**: we have concentrated on policies and initiatives that will produce sustainable improvements in the performance of the region and the opportunities that it offers, rather than quick fixes or partial solutions.*

*e) **Evidence-led**: we have based our analysis and recommendations on the best evidence available, regarding both the particular nature of the South East Wales region, and the lessons of experience elsewhere.'*

8.15 The document highlights the particular need to improve the connectivity of the Valleys with the facilities of the lowlands/plain and to provide easier access to employment opportunities. It also refers to the need to maintain an appropriate supply of property for employment in South East Wales but accepts that many existing premises are presently not capable of satisfying market requirements in quantitative or qualitative terms. In seeking to provide an appropriate portfolio of land for development in the future, consideration should be given to the likely changes in the economy. Business services, tourism and higher added value engineering and manufacturing are identified as most likely to expand and to play an increasingly significant role within the regional economy. The relative importance of these sectors will, however, vary across the region and across Rhondda Cynon Taf County Borough itself.

Turning Heads… A Strategy for the Heads of the Valleys 2020 (June 2006)

8.16 This document provides an update on the Welsh Assembly Government's most recent vision for the Heads of the Valleys and highlights key challenges facing the Heads of the Valleys area. The strategic goals for the area are identified as:

a) 'The Heads of the Valleys will be viewed as a nationally competitive business and investment location, where the majority of residents are in work and making a positive contribution to the Welsh economy.

b) There will be an accessible and better integrated transport system, with strong North-South and cross-Valleys connections.

c) Individuals will be able to achieve their full potential – moving up the ladder of opportunity regardless of the point at which they enter.

d) They will have access to a more diverse range of business and employment opportunities, with social enterprises and the voluntary sector playing an important role.

e) There will be much higher levels of innovation and entrepreneurship than at present, and

f) Essential support services such as affordable and convenient childcare will be more readily available.'

8.17 In order to achieve these goals, the Strategic Programmes within the document are intended to connect people with work; promote joined-up solutions for business; and create a greater range of opportunities for businesses and individuals.

Summary of Economic Outlook

8.18 The achievement of these various objectives will depend upon the implementation of a series of initiatives relating to business engagement, training, business support, the facilitation of partnership working and the encouragement of innovation – matters that all fall beyond the scope of this study. However, the identification of an appropriate amount of well located and good quality space that meets the needs of key and growth sectors is recognised in many of these documents and will be central to realising the important objectives set out in the various economic strategies.

8.19 In considering the amount, quality and possible locations of the land that is required, it is necessary to understand the particular sectors that are likely to shape the economy in the future. These will tend to have different land requirements which must be satisfied if the aspirations for growth are to be achieved in Rhondda Cynon Taf. Before outlining the amount of employment land that is required in Rhondda Cynon Taf and the possible locations for new employment land in chapters 9 and 10 respectively, the next section considers the potential for growth within a number of key sectors and the extent to which this is likely to influence space requirements.

Key Business Sectors and Potential Growth Sectors

8.20 The local economy in Rhondda Cynon Taf is broad with a relatively strong representation in a number of individual sectors. Whilst some sectors are considerably more significant than others, it is noteworthy that of the 30 employment sectors contained in the Experian forecasts, 19 sectors employed more than 1,000 people and a further 5 sectors employ between 500 and 1,000 people each in 2006. However, there is a question regarding the extent to which this diversity will continue in the future. The local economy in Rhondda Cynon Taf has experienced considerable change in recent years and this is expected to continue in the future. By 2021, 18 sectors will employ more than 1,000 people and only 2 are expected to employ between 500 and 1,000 people. Whilst this is a relatively modest change, it does signify an increasing concentration within the local economy which, in the future, will be based upon a more limited number of sectors. The implications of an increasingly specialised economy may include an increased vulnerability to competition and to economic change within individual sectors.

8.21 In this section, we consider the relative prospects for future progress and change within a number of important economic sectors. In so doing, we demonstrate the extent to which the local economy within Rhondda Cynon Taf will increasingly move away from its traditional roots and towards a service sector base. This is by no means a trend that is unique to Rhondda Cynon Taf, but rather is evident across South Wales and the UK more generally.

8.22 Forecasts of employment growth in Rhondda Cynon Taf have been prepared by Experian Business Strategies Limited (EBSL) specifically for this study. This shows the changing levels of employment in 30 different economic sectors over a 44 year period from 1982 to 2026. These relate to the UK Standard Industrial Classification (SIC) code groups (UK SIC, 1992), as detailed in **Appendix 1**.

8.23 Whilst this chapter focuses upon future employment forecasts, a detailed break-down of past changes in employment levels in each of the main sectors is important in helping to paint a more detailed picture of change within the local economy and to provide a context upon which future policies and proposals must be established.

8.24 At the outset, it is important to recognise that employment forecasts tend to be more reliable at the national and regional scale than at the local economy level. However, they do have considerable value and merit in indicating the broad scale and direction of growth in different economic sectors over the longer term.

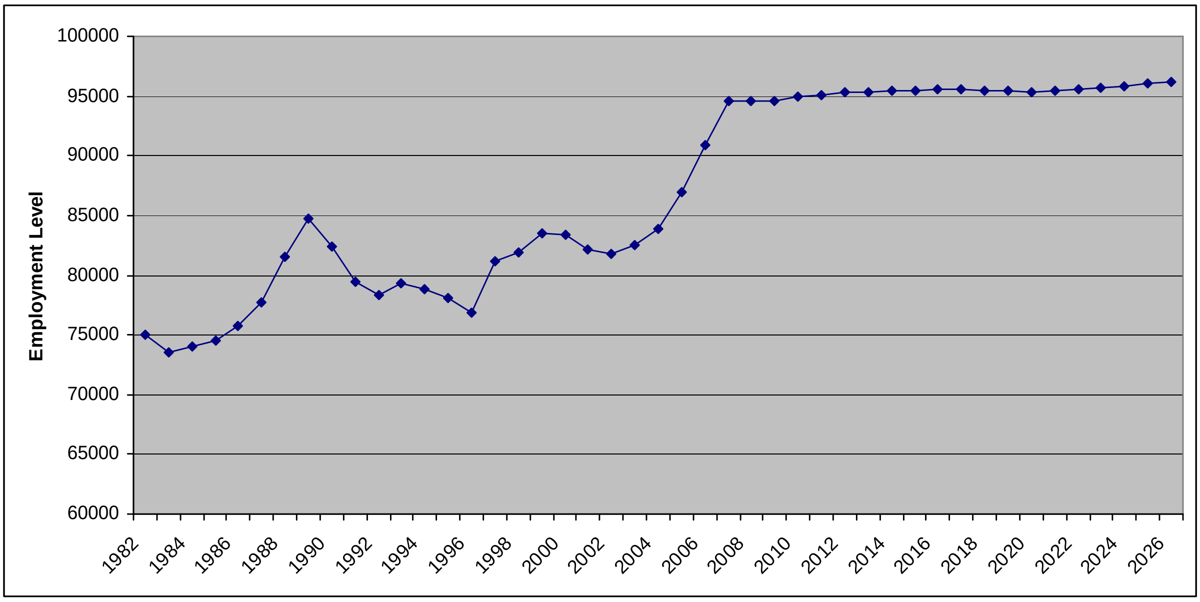
8.25 By way of context, population within Rhondda Cynon Taf is expected to increase by 6.1% from 233,900 to 248,100 between 2006 and 2021. By comparison, employment levels within Rhondda Cynon Taf are forecast to increase by only 5.02% over this period. However, this increase will be particularly focused on the early part of the period. The annual rate of increase between 2006 and 2021 (0.33%) is substantially the annual rate of increase of 2.7% which characterised the period between 2002 and 2006.

8.26 Historically, the increase in employment change within Rhondda Cynon Taf has fluctuated. Between 1982 and 1990, employment levels within the County Borough area increased by 7,300 (9.7% - 1.2% per annum), but growth then slowed down considerably during the 1990s, with only an additional 970 jobs being created between 1990 and 2000 (1.18% - 0.12% per annum). The weak performance during the 1990's was due to the recession and is demonstrated by the substantial reduction in employment levels between 1990 and 1996. Almost 5,500 jobs were lost over this period, albeit that this was off-set by relatively strong performance towards the end of the decade (an 8.4% increase in employment levels between 1996 and 2000, equivalent to 2.1% per annum).

8.27 When set against past trends, the very low levels of forecast employment growth within Rhondda Cynon Taf are concerning, being substantially lower than recent years and only slightly above the 1990s levels. The slower rate of forecast growth will be an important consideration for policymakers and its implications in respect of employment land requirements and other measures to help enhance the economy must be carefully reviewed in order to ensure the delivery of the County Borough's aspirations for a sustainable economy and a diverse range of job opportunities.

8.28 However, despite the low rate of future growth, it is important to bear in mind that the trend for employment within Rhondda Cynon Taf is upwards. Following a period of rapid expansion between 2002 and 2007, the County Borough now has the highest employment level in its recent history and this is expected to continue so that by 2021, the employment level will be almost 30% higher than the level in 1982 and 16% higher than the level in 2001.

Figure 8.1: Employment Growth in Rhondda Cynon Taf, 1982-2026



Source: Experian Business Strategies Limited, 2008

8.29 The limited overall level of employment growth over the LDP period from 2006 to 2021 and over the longer period to 2026 serves to obscure the substantial change within different sectors. Figure 8.2 provides an overview of the employment change in different employment categories within Rhondda Cynon Taf over this period and sets out an average rate of change per annum as a basis for comparison. It clearly shows an anticipated reduction in the rate of growth towards the end of the period.

Figure 8.2: Employment Change in Rhondda Cynon Taf, 2006-2021 and 2021-2026

	Number of Jobs	
	2006-2021	2021-2026
Office (B1)	1,477	101
Manufacturing (B1c/B2)	-3,668	-1,310
Distribution (B8)	299	78
Total B Class Jobs	**-1,892**	**-1,131**
Other jobs	6,454	1,954
TOTAL JOBS	**4,562**	**823**

Source: EBSL/NLP, 2008

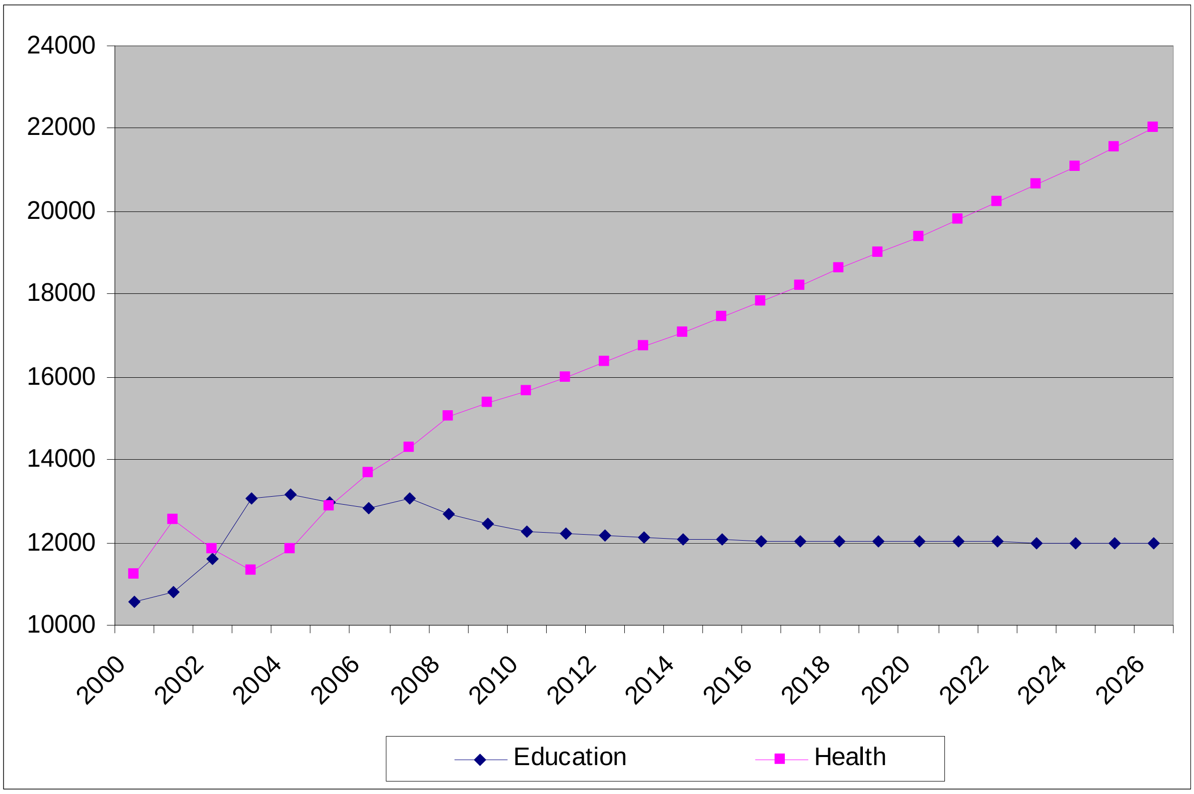
Growth in non-B Class sectors

8.30 Figure 8.2 shows the extent to which the future employment growth will be overwhelmingly based upon ‘other’ jobs – i.e. those that do not fall within the traditional B class employment categories, for example, agriculture, retail, hospitality, leisure, education and health. This trend is not isolated to Rhondda Cynon Taf and neither is it an emerging trend, although it is evident that the relative proportion of employment in non-B class sectors is rising considerably in Rhondda Cynon Taf. In 1982, 58% of jobs in Rhondda Cynon Taf were in non-B class sectors. This figure had risen to 61% by 2006 and is forecast to rise further to 65% by 2021 and 66.5% by 2026. This changing figure is a function both of growth in non-B class sectors as well as a contraction in traditional employment sectors – especially manufacturing. A 60:40 split of non-B class jobs to B class jobs is typical within the national economy and as such, whilst the past and current figures for Rhondda Cynon Taf reflect the national average, the future trend is for a disproportionately high reliance upon non-B class activities within the local economy.

8.31 One important characteristic of the economic profile within Rhondda Cynon Taf is the extent to which employment is dominated by a number of sectors that do not have employment land requirements. **Health** and **education** are, and are expected to remain, the two largest economic sectors within the County Borough. Whilst employment in the education sector fell from a peak of 13,160 employees in 2004 to 12,810 in 2006 and is forecast to continue to fall to 12,000 employees in 2021, the health sector will rise substantially from 13,685 employees in 2006 to 19,800 employees in 2021. Indeed, it is anticipated that in 2021, 21% of all employees in Rhondda Cynon Taf will be employed in the health sector alone, whilst more than 33% of employees will work in the health and education sectors.

8.32 Although some employees within each of these sectors will be employed within the private sector, the majority will be employed by the public sector. As such, forecast changes in employment levels will not be directly influenced by macro-economic trends. In the light of this, and given the present economic uncertainty, it is possible that the relative importance of these sectors might rise above the forecast levels by 2021. However, conversely, as a public sector activity, the level of employment growth in these sectors will be directly influenced by public sector spending plans. In the event that alternative expenditure priorities are identified by the Government in the future, it is possible that this high level of forecast growth might not be realised.

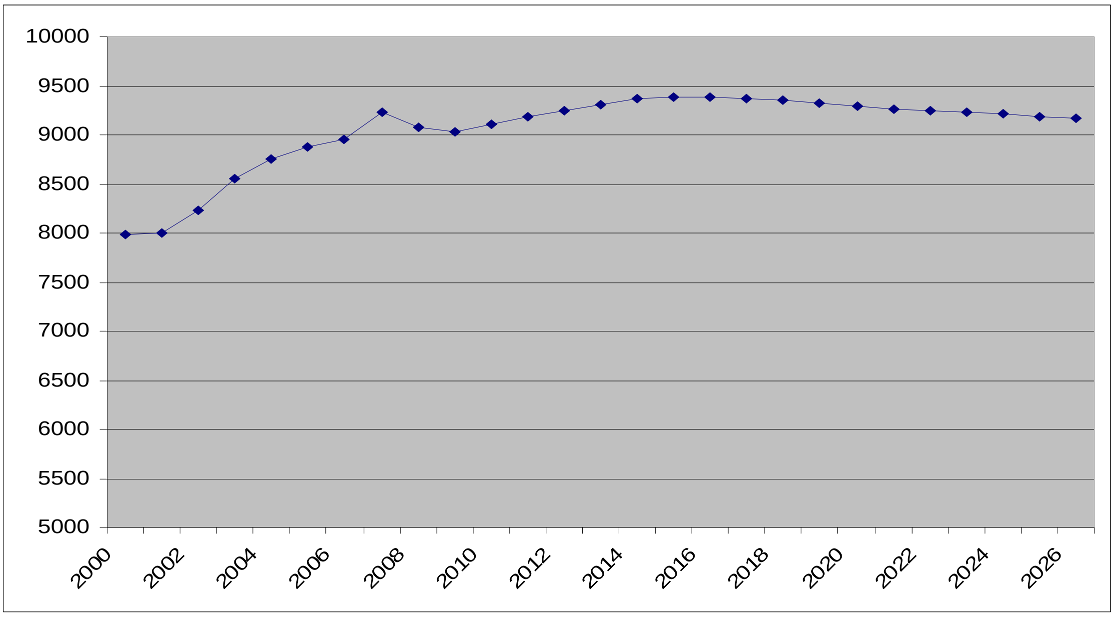
Figure 8.3: Employment Change in the health and education sectors in Rhondda Cynon Taf



Source: Experian Business Strategies (NLP analysis)

8.33 **Retailing** is another key sector within the County Borough. It is forecast to increase by 3.4% to 9,200 between 2006 and 2021 by which time it is expected to account for 9.5% of all employees within Rhondda Cynon Taf.

Figure 8.4: Employment Change in the retailing sector in Rhondda Cynon Taf



Source: Experian Business Strategies (NLP analysis)

8.34 **Construction** represents the fourth most important sector in Rhondda Cynon Taf in terms of employment levels. Whilst this is predominantly viewed as a non-B Class sector, some elements of construction are categorised as industrial. These include:

a) Plumbing;

b) Other building installation;

c) Plastering;

d) Joinery installation;

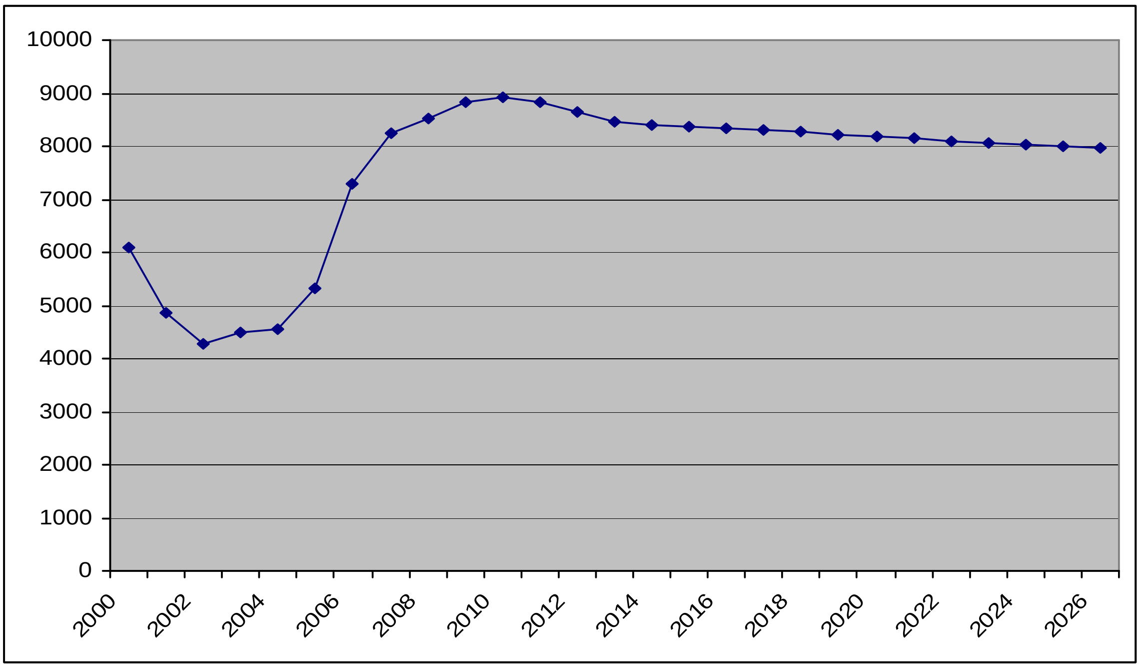
e) Floor and wall covering;

f) Painting and glazing; and

g) Other building completion.

8.35 The significance of this sector is expected to fluctuate slightly, although it is forecast to enjoy an overall growth of 11.8% between 2001 and 2021, peaking at 8,820 jobs in 2011 before experiencing a decline of 7.7% thereafter. This sector is dependant upon the strength of the property sector and so it may be particularly affected by macro-economic trends and the overall health of the economy.

Figure 8.5: Employment Change in the construction sector in Rhondda Cynon Taf



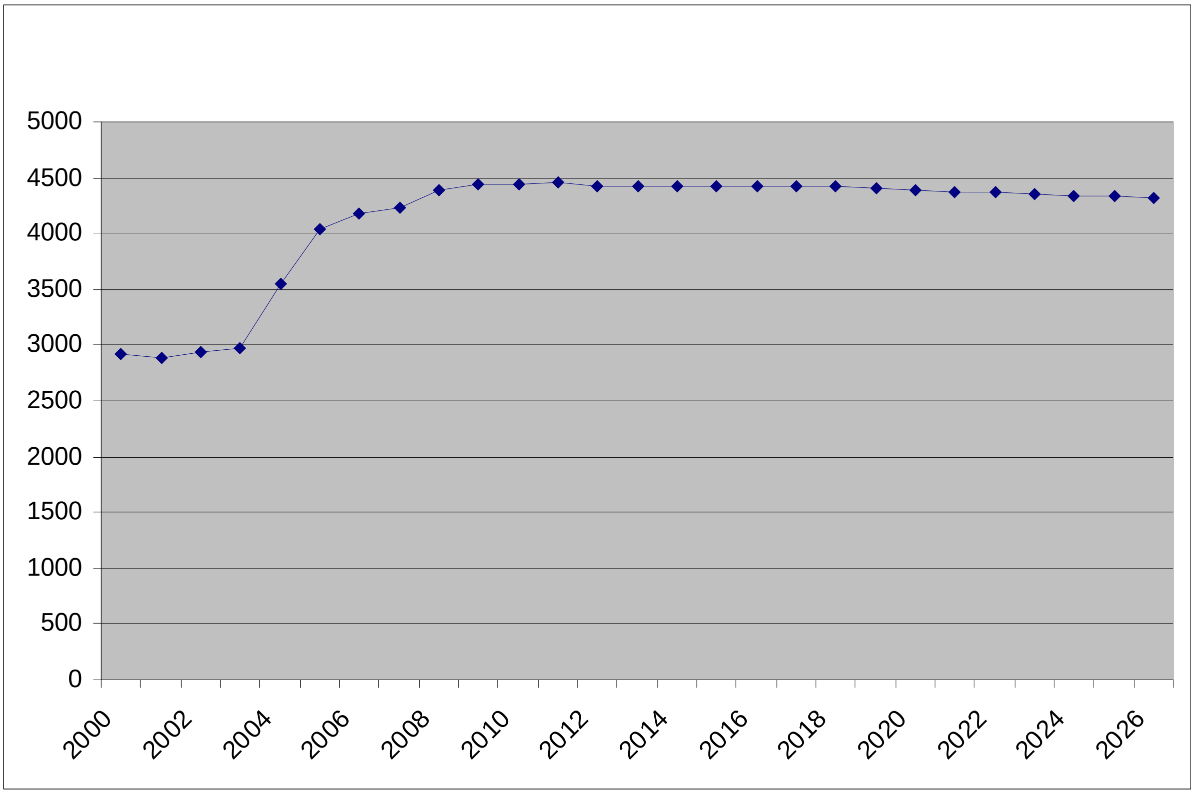
Source: Experian Business Strategies (NLP analysis)

8.36 The **hotels and catering** sector has been traditionally under-represented in Rhondda Cynon Taf when compared with the average employment levels for Wales and Great Britain as a whole. However, the Review of the Economic Regeneration Strategy for Rhondda Cynon Taf notes that the local relative importance of this sector has started to rise. In 2000, the location quotient value for the hotels and restaurants sector in Rhondda Cynon Taf was 0.48 compared to Great Britain and 0.49 compared to Wales. By 2004, this figure had risen to 0.79 and 0.78 respectively.

8.37 Whilst the hotels and catering sector expanded by 42% between 2000 and 2006, it is expected to grow by only 4.4% between 2006 and 2021. At the end of this period, the 4,370 hotel and catering jobs are expected to account for 4.6% of the total employment within Rhondda Cynon Taf. This sector is very much dependant upon the tourism industry and a greater level of growth might be achieved if the Rhondda

Cynon Taf tourism strategy – which seeks to build upon the natural environment, heritage and the history and culture of the area – is implemented and if its aspirations for the County Borough are realised.

Figure 8.6: Employment Change in the hotels and catering sector in Rhondda Cynon Taf



Source: Experian Business Strategies (NLP analysis)

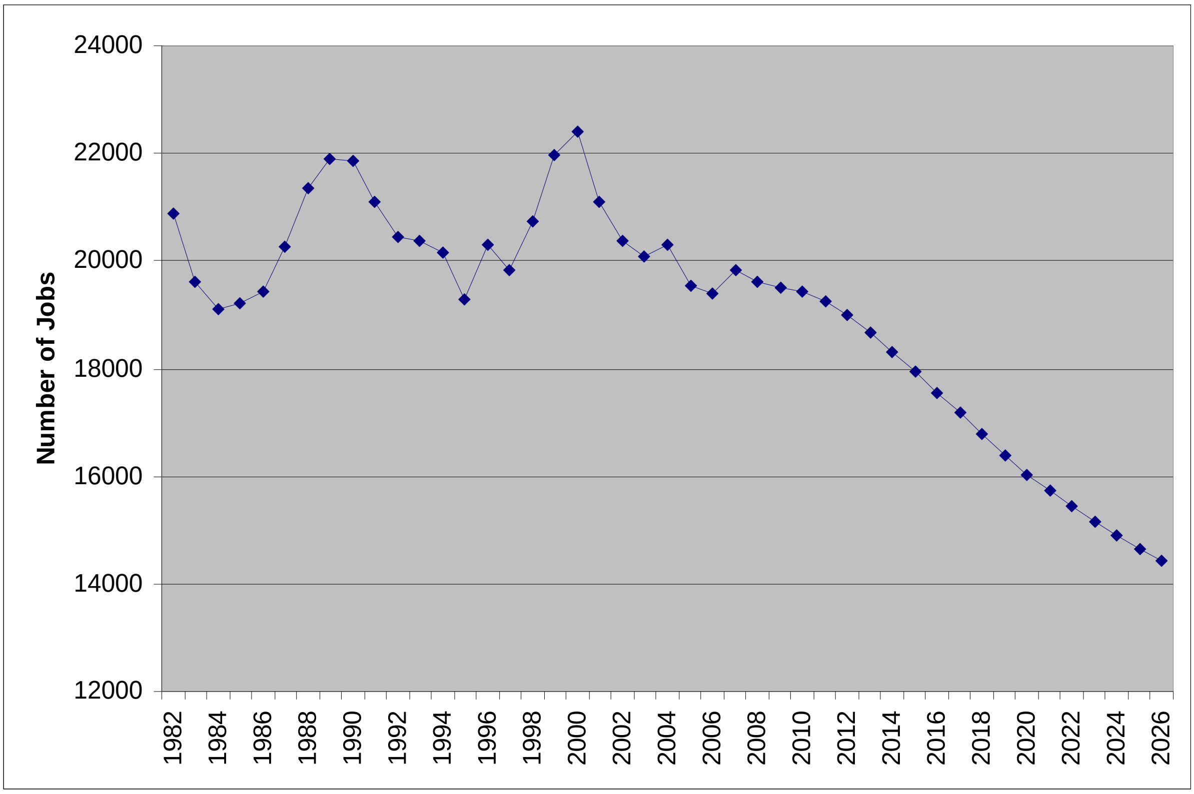
8.38 By 2021, over 56% of jobs within the County Borough will be in these five sectors whilst non-B Class sectors will account for 65% of jobs in Rhondda Cynon Taf. This shows that whilst it is of undoubted importance to provide an appropriate level of employment land, the availability of land for B Class activities does not influence all employment sectors and therefore does not shape the overall vitality of the local economy. An economic development strategy for the County Borough should therefore seek to adopt a more integrated approach which focuses upon all activities, including those that do not generate a specific employment land requirement.

Manufacturing Sectors

8.39 Within the traditional B Class employment categories, the most dramatic and significant change over the period from 2006 to 2021 is forecast to be the decline in the manufacturing sector. During the 1980s and 1990s, employment levels in the manufacturing industry in Rhondda Cynon Taf fluctuated between 19,000 and 22,000 although the overall trend over this period was upwards with a particularly rapid level of growth between 1995 and 2000 – a 16% increase to a peak of 22,400. Since 2000, there has been a dramatic and sustained decline – a reduction of 13.4% between 2000 and 2006. This trend is anticipated to continue with a forecast decline of 19% of manufacturing employment between 2006 and 2021 by when Rhondda Cynon Taf will have only 70% as many manufacturing jobs as in 2000. By that time, the manufacturing sectors will employ substantially fewer people than the health sector and only marginally more than the education sector.

8.40 This trend can be largely attributed to the loss of the ‘heavier’ types of manufacturing that have historically dominated the local economy and the scale of changes within the global economy which have resulted in the transfer of operations to many lower cost centres around the world. It also highlights Rhondda Cynon Taf’s failure to attract particularly large levels of newer high-tech sectors. Whilst this trend is common to Wales and the UK generally, and although it is not expected that manufacturing will disappear from Rhondda Cynon Taf altogether, it is of considerable local concern in terms of the loss of economic activity, the scale of the job losses and also in terms of the employment land implications that might arise from this level of change. All of these matters should be carefully considered.

Figure 8.7: Employment change in the manufacturing industry, 1982-2026



Source: Experian Business Strategies Limited, 2008

8.41 The manufacturing sector is, however, diverse and incorporates a number of individual sub-sectors. Whilst the rate of change does vary, one important common trend is that all manufacturing sub-sectors except for the metals and the 'other manufacturing' sectors are forecast to employ fewer people in 2021 than they did in 2006. We consider the implications of a number of sub-sectors and the forecast levels of change below.

8.42 The **machinery and equipment** sub-sector represents a traditional specialism within Rhondda Cynon Taf. The Review of the Rhondda Cynon Taf Economic Regeneration Strategy reports that, despite fluctuations in employment levels in the manufacture of machinery and equipment in recent years, the proportion of local workers employed in this sector has consistently remained above the average figures for Wales and Great Britain. In terms of the future employment prospects for this sub-sector, however, a substantial contraction is anticipated. In 2006, 1,370 people were employed in the manufacture of machinery and equipment in Rhondda Cynon Taf – 7.1% of all manufacturing employees. It is expected that, by 2021, this figure would have fallen over 75% to only 320 employees. In quantitative terms, this sector is expected to experience the second largest loss within the County Borough (after rubber and plastics) – equivalent to 28.7% of the total number of manufacturing jobs that are to be lost over this period. In the context of a rapidly decreasing manufacturing sector, it is expected that this sector will account for 2% of all manufacturing jobs in 2021 and just 0.33% of total employment in the County Borough.

8.43 The Review of the Rhondda Cynon Taf Economic Regeneration Strategy reports that the **rubber and plastics** sub-sector grew in the late 1990s and early 2000s to a position of above average importance compared to Wales and Great Britain. In 2004, over three times as many people per head of working population were employed within the rubber and plastics manufacturing sector in Rhondda Cynon Taf than throughout Wales as a whole and over five times as many people as compared to Great Britain as a while. Despite this importance, the rubber and plastics sub-sector is expected to experience a substantial fall in employment levels over the period to 2021 – from 2,295 in 2006 to 1,040 in 2021. This decline – which in quantitative terms is the largest of all the manufacturing sub-sectors and amounts to 34.2% of all jobs that are to be lost from the manufacturing sector over this period – reflects national trends although, due to its very high starting base, it is expected that the sub-sector will remain disproportionately important in Rhondda Cynon Taf, compared to Wales and Great Britain. By 2021, it is still expected to account for 6.6% of manufacturing jobs in Rhondda Cynon Taf.

8.44 The manufacture of **chemicals and chemical products** in Rhondda Cynon Taf remained reflectively steady between 1998 and 2004 and, at a time of national decline (caused by international competition, in particular from the Far East), the proportion of the local workforce that was employed within this sub-sector was about twice that employed on a Welsh or a national basis. Although this sector has performed well in the past when compared to the national average, forecasts indicate a dramatic contraction over the period from 935 jobs in 2006 to 530 jobs in 2021 when the sector will account for only 3.4% of manufacturing jobs within the County Borough.

8.45 By contrast, the relative local importance of the **transport equipment** sub-sector and is likely to increase from 7.2% to 8.2% (as a percentage of all manufacturing jobs in Rhondda Cynon Taf) between 2006 and 2021, even though there will again be a modest reduction in the number of jobs from 1,390 to 1,280. Although this sub-sector has remained proportionally more important in Rhondda Cynon Taf than in Great

Britain, its relative importance within Wales has declined in recent years. However, this is likely to be due more to the increasing importance of other parts of Wales for the manufacture of transport equipment – for example, some 5,000 people are employed by Airbus at Broughton and the A380 plant also supports many jobs in over 150 Welsh supplier companies – rather than to the declining role of this sub-sector locally. In quantitative terms, the number of jobs that are expected to be lost from this sector amounts to only 3% of the number of manufacturing jobs lost across the County Borough.

8.46 In 2006, the manufacture of **electrical and optical equipment** accounted for 14.6% of manufacturing employment and 3.1% of total employment within Rhondda Cynon Taf. It is forecast that over 500 jobs will be lost from this sector by 2021 – the fourth biggest sub-sectoral loss in quantitative terms (after rubber and plastics, machinery equipment, and textiles and clothing). However, given its scale within the County Borough, together with the general decline in the manufacturing industry within Rhondda Cynon Taf, this substantial loss of jobs is not expected to affect the relative prominence of this sector which, by 2021 is expected to account for 14.8% of all manufacturing jobs within the County Borough – i.e. slightly more than in 2006.

8.47 Two manufacturing sub-sectors – the manufacture of **metals** and **'other' manufacturing** – are expected to expand in terms of employment levels over the period to 2021. The metals sector includes the manufacture of basic metals as well as the manufacture of fabricated metal products such as metal structures, tanks, locks, tools and cutlery. In 2006, it employed 1,220 people and accounted for 6.3% of all manufacturing jobs. However, in the light of its projected increase of 300 jobs and the wider decline of the manufacturing sector within Rhondda Cynon Taf, its forecast 1,520 jobs in 2021 is expected to account for almost 10% of all manufacturing employment, making it the third most important manufacturing sub-sector, after electrical and optical equipment and 'other' manufacturing.

8.48 The **'other' manufacturing** sector includes the following activities:

a) Manufacture of furniture;

b) Manufacture of musical goods;

c) Manufacture of sports goods;

d) Manufacture of professional and arcade games and toys;

e) Manufacture of jewellery and related items; and

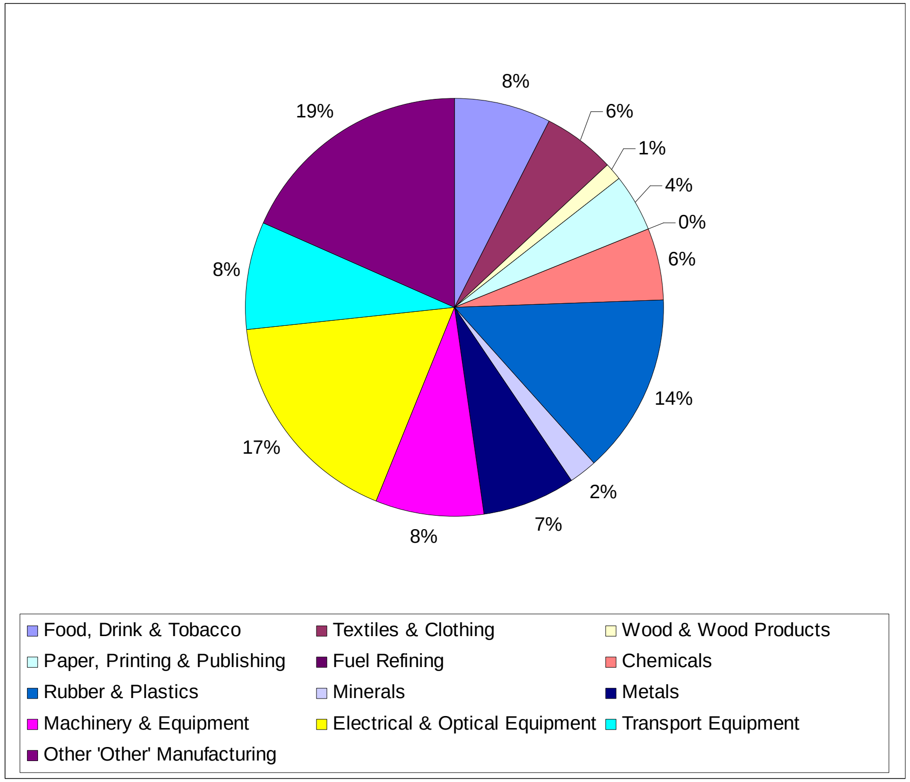
f) Recycling of non-metal waste and scrap.

8.49 It is an important sub-sector within Rhondda Cynon Taf which employed 3,030 people in 2006 and was the largest manufacturing sector in employment terms. In the future, it is forecast that this sub-sector will experience an increase of almost 300 jobs. In the context of a wider-scale decline in the manufacturing sector, it is forecast to become the most important sub-sector, employing 3,310 people – 21% of all manufacturing employees. It is expected that recycling will represent an increasingly significant component of this activity.

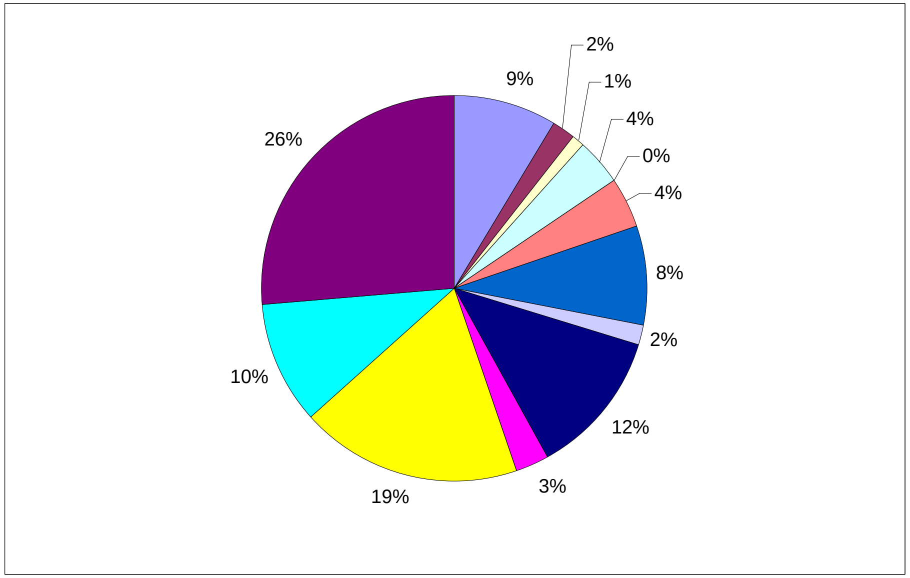
8.50 We summarise below the relative importance of each of the sub-categories within the manufacturing sector in Figure 8.8 below which shows the extent to which their relative importance in terms of employment requirements is likely to change between 2006 and 2021.

Figure 8.8: Changes in relative significance of manufacturing sub-sectors in Rhondda Cynon Taf

2006



2021



Source: Experian Business Strategies (NLP analysis)

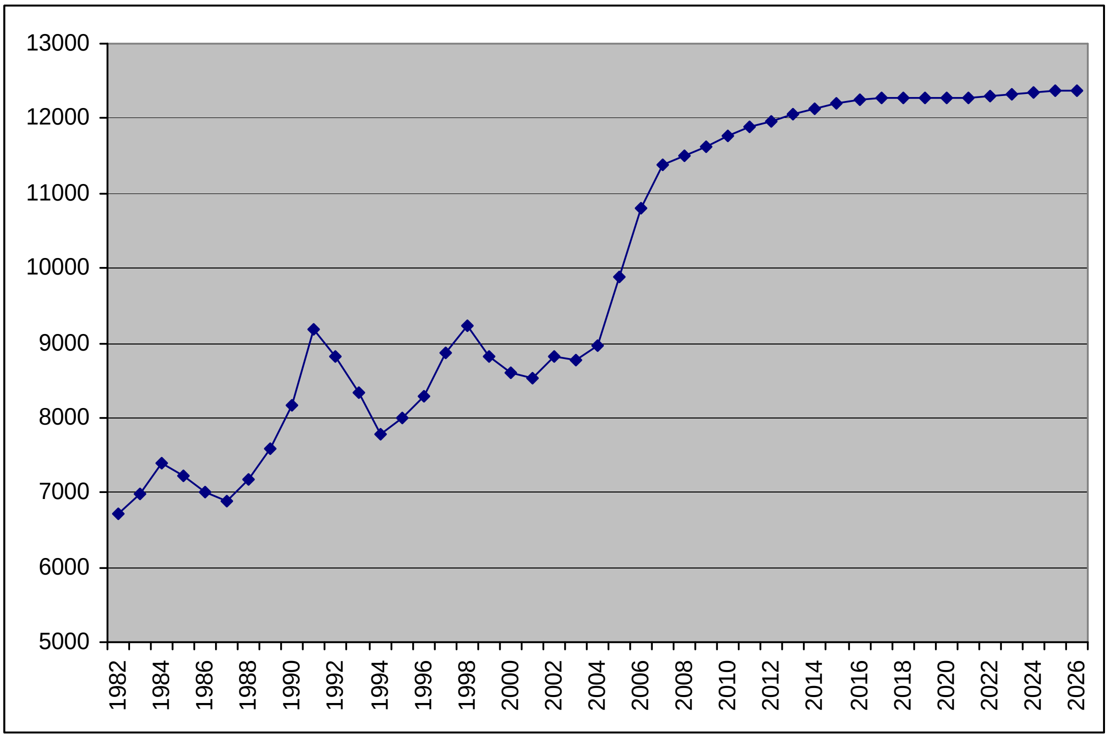
NB: Figure 8.8 only displays the relative significance of those sectors which are wholly contained within the manufacturing sector. It does not display the relative importance of construction of motor vehicle activities, only part of which are categorised as an industrial sector. For note on construction, please see paragraphs 8.32 and 8.33.

Office based service sector

8.51 In terms of the future level of job growth within the B-use classes over the 15 years from 2006 to 2021, office-based activities are forecast to perform most strongly. Office-based employment is expected to increase by 43% between 2000 and 2021. As a result, the office-based sector will employ 37% of all B-class workers in 2021, compared to 30% in 2006 and 24% in 2000. However, in considering employment changes within the office-based sector, it is important to note that future growth is now expected to slow down. Between 2000 and 2006, there was a 25.6% increase in office-based employment within the County Borough, compared to a forecast increase of 13.7% between 2006 and 2021. This change will have implications upon future employment land requirements.

8.52 In the past there have been three notable peaks and troughs in employment, followed by a rapid phase of growth between 2004 and 2007. Compared to changes in the B1 employment sector over the past 25 years, the future trends represent a considerably lower level of growth.

Figure 8.9 Employment change in the office-based sectors, 1982-2026



Source: Experian Business Strategies Limited, 2008

8.53 The increased importance of the non-B class service sector activities within Rhonda Cynon Taf has already been highlighted. However, there has also been an increased dominance of office-based service sectors, i.e. those which contribute towards the employment land requirement. In particular, the **banking and insurance** and **business services** sectors have become increasingly significant within the County Borough and are expected to expand further in the future.

8.54 The Review of the Rhondda Cynon Taf Economic Regeneration Strategy notes that employment in the financial and business services sector (which is broadly analogous to banking and insurance) has been growing steadily since 2000 but that its relative importance in the local area has remained substantially below its concentration within the Welsh and British economy. This is demonstrated by evidence for a location quotient for financial and business services in Rhondda Cynon Taf of 0.37 in 2000 compared to the Great Britain average and 0.64 compared to the Welsh average. By 2004, these figures had changed only a very small amount to 0.37 and 0.62 respectively. This shows that local growth in this sector has mirrored the national average and has been slightly below the Welsh average.

8.55 Over the period from 2006 to 2021, employment in the banking and insurance sector is expected to rise by almost 14% from 1,440 to 1,630. However, when set against the relatively small base from which this sector has grown and the significant forecast increase in office based sectors generally (13.7% between 2006 and 2021), the implication of this expansion is that the banking and insurance sector is forecast to maintain its relative (limited) position in respect of office based employment (13.3%).

8.56 The business services sector includes a wide range of activities including:

a) Computer and related activities (software and hardware consultancy, maintenance and repair);

b) Legal, accountancy, business and management consultancy services;

c) Architectural, engineering and related consultancy; and

d) Market research, public opinion polling and advertising.

8.57 The Review of the Rhondda Cynon Taf Economic Regeneration Strategy considers computing and related activities and notes that employment in this sector of the economy remains relatively low within the County Borough with location quotients having remained relatively static between 2000 and 2004 (2000: 0.2 against GB average and 0.6 against Welsh average; 2004: 0.17 against GB average and 0.5 against Welsh average).

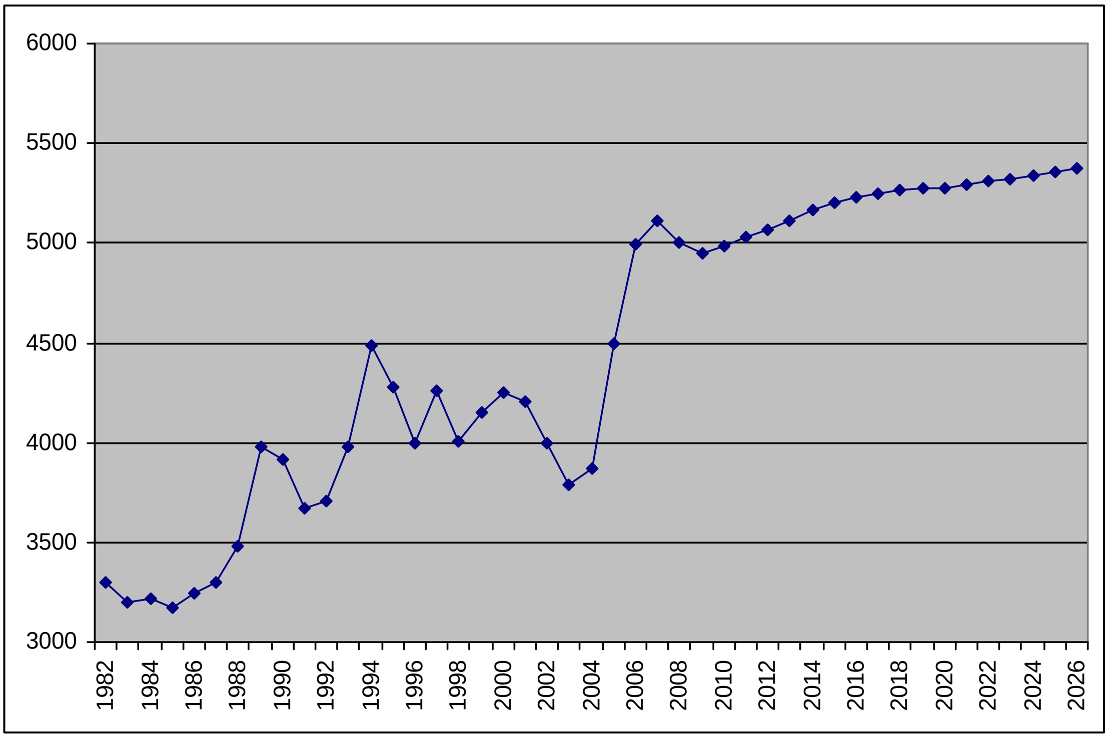
8.58 Over the period to 2021, growth in the broader business services sector is expected to be above the average level for office-based activities. It is expected that over 1,100 new jobs will be created in this sector by 2021, amounting to a 20% growth to 6,850 and resulting in its accounting for more than 56% of office-based jobs and over 7% of all jobs within the County Borough in 2021.

Warehousing

8.59 Employment in the warehousing sector is also expected to rise but at a much lower rate than in the past – a 17.5% increase from 4,250 in 2000 to 4,990 in 2006 and a forecast 5.9% increase to 5,290 in 2021. This sector is expected to remain the least significant of the B class categories (in employment terms) within Rhondda Cynon Taf.

8.60 As with the office based sectors, growth in warehousing is expected to continue at a considerably lower level.

Figure 8.10 Employment change in the warehousing industry, 1982-2026



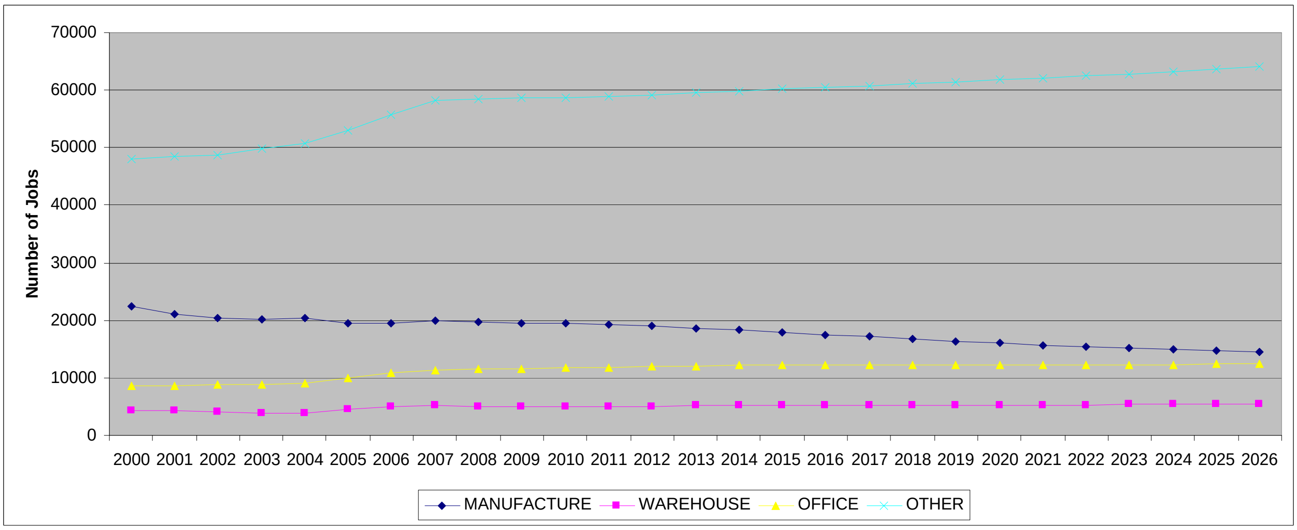
Source: Experian Business Strategies Limited, 2008

Conclusion

8.61 The rate of employment growth in the office and warehousing sectors will be less than that which has been experienced in the past. Whilst the graphs suggest that the level of growth will be more stable than has been the case in the past (i.e. with fewer fluctuations), it is important to bear in mind that this reflects an average trend and is unlikely to be precisely replicated in practice. However, it is significant that, despite the lower level of growth, these sectors are nonetheless expected to expand, such that the number of people employed in each of these sectors in 2021 will be more than at any time in the recent past.

8.62 Figures 8.11 and 8.12 summarise the forecast changes in employment in Rhondda Cynon Taf between 2000 and 2026. Figure 8.11 highlights the extent to which employment growth generally is expected to level off over the next two decades whilst also highlighting the dominance of the non-B Class sectors as a focus for employment within the County Borough.

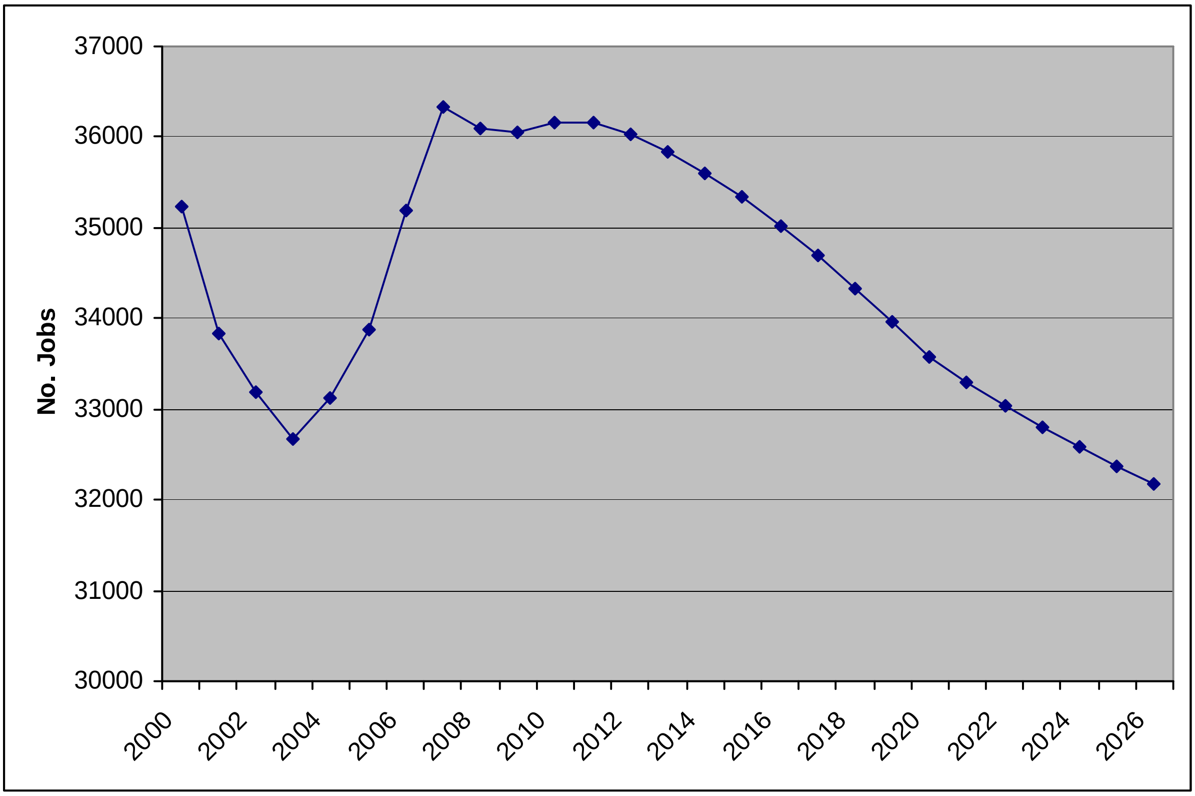
Figure 8.11: Future Employment Change in Rhondda Cynon Taf, 2000-2026



Source: Experian Business Strategies Limited, 2008

8.63 Figure 8.12 illustrates the forecast level of change in B Class employment. Set against the relatively modest rates of growth within the office and warehousing sectors, this further highlights the implications of the dramatic decline in manufacturing employment.

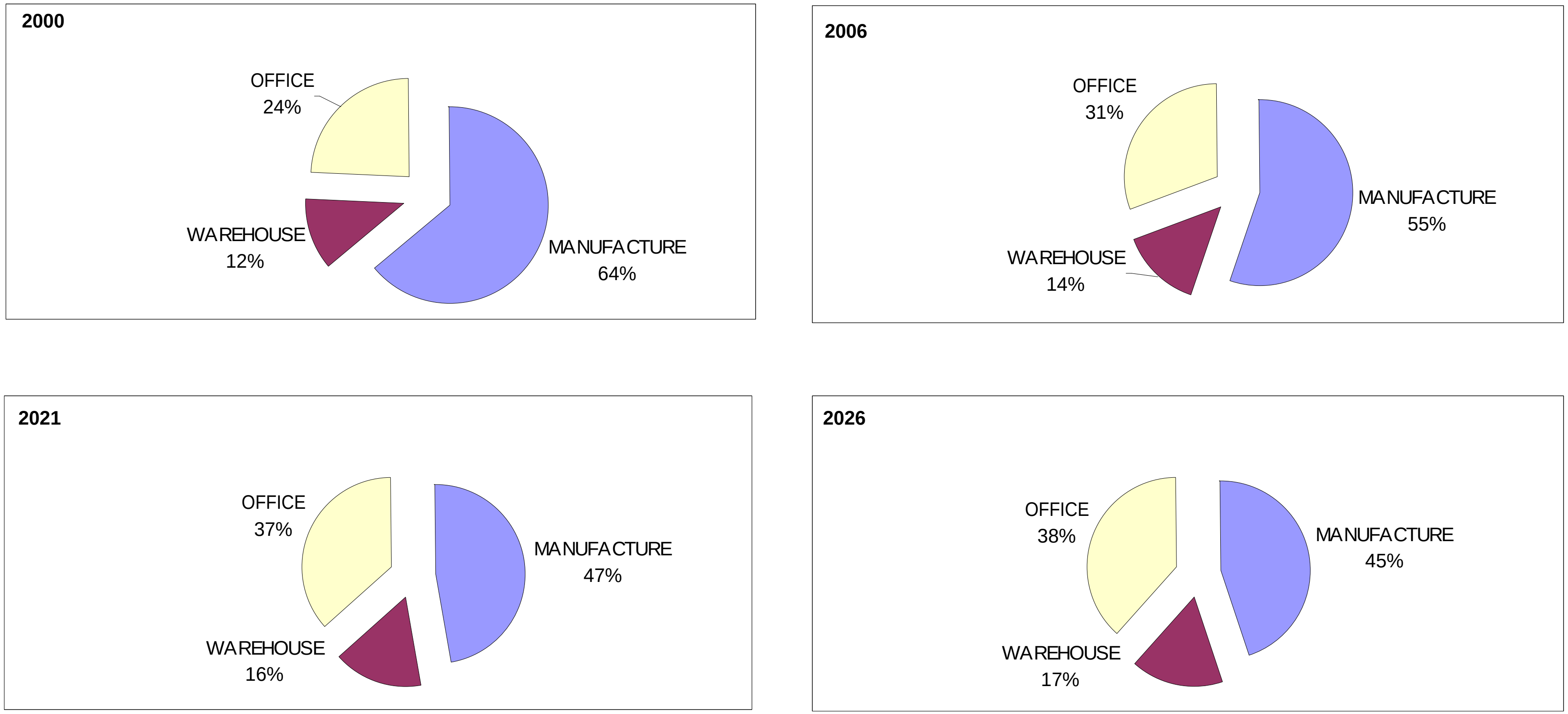
Figure 8.12: Future B Class Employment Change in Rhondda Cynon Taf, 2000-2026



Source: Experian Business Strategies Limited, 2008

8.64 The changing relative importance of different sectors is set out in Figure 8.13 below. In 2000, 64% of B class jobs in Rhondda Cynon Taf were in the manufacturing sector. This fell to 55% by 2006 and is expected to decline further to 47% by 2021 and 45% by 2026. By contrast, the relative importance of Class B1 office based sectors in terms of employment levels is expected to increase from 24% in 2000 and 30% in 2006 to 37% by 2021 and 38.5% in 2026. The role of the warehousing sector within the local economy is not expected to change so dramatically, rising from 12% of B class employment in 2000 and 14% in 2006 to 16% in 2021.

Figure 8.13: Relative Employment Levels in Manufacture, Office and Warehousing Sectors



Source: Experian Business Strategies Limited, 2008

Employment Change in Rhondda Cynon Taf compared to National Average

8.65 By way of a conclusion to this chapter, the performance of Rhondda Cynon Taf can helpfully be compared to that of the national economy. The HM Treasury document, *Forecasts for the UK economy – A comparison of independent forecasts* (May 2008) sets out medium-term economic forecasts to 2012. This document shows that the national economy will continue to grow at an average rate of 2.24% per annum between 2008 and 2012 but indicates that claimant unemployment levels are expected to rise from 840,000 in 2008 to 1 million in 2011, before reducing slightly to 960,000 in 2012.

8.66 The annual *Forecasts for the UK economy – A comparison of independent forecasts* document sets out a wide range of different forecasts of employment growth within the UK taken over the three months prior to publication. This comparison can be used to compare national employment growth with that in Rhondda Cynon Taf over the three year period from 2007 to 2009 in order to illustrate the extent to which local economic performance has reflected that of the national economy:

Figure 8.14: Comparison of national employment growth forecast with Rhondda Cynon Taf employment forecasts

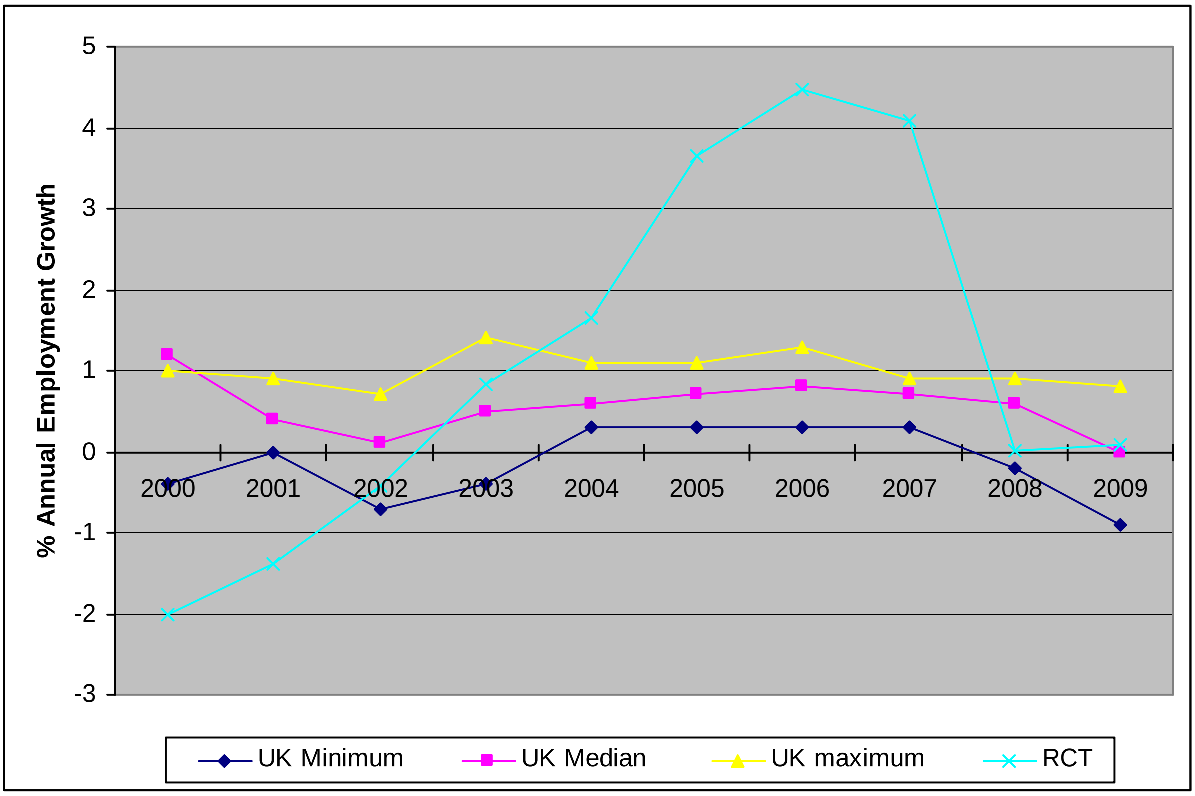
	United Kingdom		Rhondda Cynon Taf
	Range of forecasts	Median forecast	
2000	-0.4-1.2	0.5	-2.0
2001	0.0-0.9	0.4	-1.38
2002	-0.7 - 0.7	0.1	-0.42
2003	-0.4 - 1.4	0.5	0.83
2004	0.3 - 1.1	0.6	1.65
2005	0.3 - 1.1	0.7	3.66
2006	0.3 - 1.3	0.8	4.47
2007	0.3 - 0.9	0.7	4.08

2008	-0.2 - 0.9	0.6	0.01
2009	-0.9 - 0.8	0.0	0.09

Sources: HM Treasury Forecasts for the UK economy – A comparison of independent forecasts
2000 forecast from December 2000 Document
2001 forecast from December 2001 Document
2002 forecast from December 2002 Document
2003 forecast from December 2003 Document
2004 forecast from December 2004 Document
2005 forecast from December 2004 Document
2006 forecast from December 2006 Document
2007 forecast from December 2007 Document
2008/9 forecasts from May 2008 Document
Experian Business Strategies Limited, 2008

8.67 This is clearly only one indicator of economic performance and it should be noted that the national growth forecasts tend to be subject to adjustment on a quarterly basis. As would be expected, the local trend within Rhondda Cynon Taf has been more pronounced that that which has characterised the national economy. This is due to the difference in employment levels at the local scale compared to the national level and the fact that a local economy might therefore be more vulnerable to the impacts of specific events and therefore prone to relatively larger levels of change than the national economy. An annual increase or decrease of 1,000 jobs, for example, would have a much more significant relative impact upon the local than the national economy. Despite the different levels of employment growth of the various special scales, this evidence highlights the extent to which the pattern of change in growth rates has followed a similar pattern – rising to a peak in 2006 before falling again. The forecasts also show a reduction in the scale of future growth – a trend that is clearly evident in Rhondda Cynon Taf and which is similarly indicated on a national level through increased levels of unemployment between 2008 and 2012.

Figure 8.15: Comparison of national employment growth forecast with Rhondda Cynon Taf employment forecasts



Sources: HM Treasury Forecasts for the UK economy – A comparison of independent forecasts
Experian Business Strategies Limited, 2008

9.0 FUTURE NEED FOR EMPLOYMENT SPACE

9.1 Drawing upon the forecasts of growth within particular employment sectors set out in Chapter 8, this chapter assesses the amount of employment space that is likely to be required in Rhondda Cynon Taf over the LDP period to 2021. It also considers the types of space required.

9.2 To estimate the broad scale and type of further employment land that will be required in the future, a number of different indicators and factors have been considered. These two key factors that are commonly used in the assessment of future employment requirements are forecasts of employment growth and past trends of employment take-up. Other indicators can confirm the estimations derived from such approaches or may point towards a need to adjust them. Some of these factors may pull in different directions and so a balance must be drawn between them.

Employment Based Space Requirements

9.3 An understanding of the future employment requirements for each broad employment category is of considerable interest in seeking to understand the nature and scale of changes within the local economy. However, a full appreciation of the implications of these trends must be based upon the translation of job forecasts to land requirements in the manner detailed in the ODPM Employment Land Review Guidance Note.

9.4 In seeking to translate the employment target into employment land requirements, a number of matters should be taken into consideration, as follows:

a) The number of office, industrial and warehousing (B Class) jobs and those that do not generate an 'employment land' requirement such as agriculture, mining, construction, hospitality, retailing, leisure, health and education. As has been indicated, only a proportion of the total number of new jobs will be in sectors that generate a specific employment land requirement. This means that a considerable level of employment growth and economic activity can be achieved without any employment land implications.

b) Even in B Class sectors, additional jobs do not necessarily equate to a need for additional employment land. In many cases, additional staff can be accommodated within existing premises.

c) Within an existing business location, there may be the potential for new infill buildings that will satisfy an employment land demand but without having any impact upon the strategic land requirement.

d) Different business sectors will have very different employment land requirements. For example, the amount of land required for an office development will differ greatly to the amount of land required for a strategic logistics centre, even though they both might employ the same number of people.

e) Similarly, the amount of land required for a particular economic activity will vary according to location. For example, the density and land requirement of town centre offices will differ to that of an out-of-centre business park location.

f) The reuse of vacant land and premises may contribute towards a reduction in the amount of new employment land that may be required, albeit that a certain level of vacancy (typically about 10%) is necessary to ensure the efficient or effective operation of the market.

g) The loss of employment land in a particular sector may not necessarily result in the release of land. Job losses might arise as a result of the automation of a particular process or changes in the economic well-being of a company. This would not necessarily result in less land being required or, therefore, in the release of surplus premises of land.

9.5 The employment forecasts set out in Chapter 8 can be converted to gross additional employment space requirements using typical ratios of jobs to floorspace for the different B Class uses. We have applied a set of ratios that have been prepared by NLP drawing upon various sources including published studies, operators' reports and information obtained directly by operators. These ratios have been widely used by NLP elsewhere and have been found to be robust and reliable.

9.6 For this purpose, we have taken a ratio of 1 job per 35sqm of manufacturing sector activities. For distribution, we have taken a ratio of 1 job per 50sqm for general warehousing. No allowance has been made for larger-scale strategic distribution (1 job per 80sqm) as we consider that the distribution market in Rhondda Cynon Taf is more centrally focused upon smaller scale units rather than larger, strategic facilities. The main requirements for B1 office space is likely to focus on smaller-scale provision rather than headquarters type facilities. Accordingly, we have adopted a general office ratio of 1 job per 20sqm.

9.7 An average plot ratio of 0.4 is used so that a 1ha site would be able to accommodate 4,000sqm employment floorspace. We consider that this represents a reliable benchmark figure that is applicable to all of the employment types within the County Borough.

9.8 It has additionally been assumed that 10% of new Class B1 and B8 employment jobs will be capable of being accommodated within existing occupied premises or as spaceless growth. This is considered to be a conservative estimate of the number of jobs that might be accommodated through spaceless growth. However, as this factor is often overlooked by assessments of employment land requirement, it is considered that it provides the basis for a greater level of realism in the assessment of future employment land requirements in Rhondda Cynon Taf and that it will therefore contribute towards a more reliable and robust forecast of employment land needs.

9.9 Conversely, we recognise that automation and other savings will mean that the loss of manufacturing jobs may not necessarily result in an equivalent loss of employment land. Despite a reduction in workforce numbers, many manufacturing businesses will maintain operations from their existing premises and would not necessarily seek to release part of their site (something which might require a fundamental review of operations and redevelopment of premises). The release of land might only arise as a result of the closure of existing manufacturing businesses. The forecasting information that is available cannot identify the number of manufacturing companies that are expected to close within Rhondda Cynon Taf over the next 20 years and the number that will consolidate their operations but remain open.

9.10 This leads to a further challenge in respect of seeking to release existing employment land as a result of forecasts of changing job numbers. At this stage, it is not possible to know for sure which companies will contract or close and therefore, which premises would become surplus to requirements. Even if it was possible to forecast this, it would not be commercially prudent to publicise such information as this would serve to undermine confidence in the particular company that was identified for closure, thereby establishing a self-fulfilling prophecy.

9.11 Given the uncertainties and complexities that are associated with the identification of any future factory closures and the resultant availability of employment land, an appropriate policy approach should be adopted which accepts the changing economic realities of the local area and provides for the continued efficient use of land. In so doing, recognition should be given to the fact that the land which may become surplus over the LDP period might differ in characteristics to that which is required to accommodate emerging or expanding economic sectors. However, the policy position should not allow for the immediate release of land upon the closure of a particular operation, an approach that would reduce its potential retention for employment purposes through the relocation of other (existing or new) operators into the site. Given the level of pressure that exists for the release of employment sites for other land uses, an insufficiently strong policy approach in respect of sites that become vacant as a result of the business failure might actually create an element of market volatility and contribute to economic change. For example, such a scenario might arise if the economic benefits of closure and the sale of land for alternative uses were to exceed the benefits of continued operation.

9.12 Taking each of these considerations into account, Figure 9.1 sets out the anticipated employment floorspace and land requirements in Rhondda Cynon Taf between 2006 and 2026.

Figure 9.1: Gross Employment Floorspace Requirements in Rhondda Cynon Taf between 2006 and 2021

Use Class	Job Change	Less Spaceless Growth*	Floorspace Density (sqm/job)	Floorspace Requirement (sqm)	Plot Ratio (sqm/ha)	Land Requirement (ha)
B1	1477	1,330	20	26,600	4,000	6.65
B2	*-3,668*		*35*	*-128,380*	*4,000*	*-32.1*
B8	299	270	50	13,500	4,000	3.375

Source: EBSL/NLP, 2008

** see paragraph 9.8 – allowance of 10% for B1 and B8*

9.13 We have included the land implications of the change in B2 employment to show the theoretical scale of loss in the event that all of the jobs lost were to have specific employment land implications. However, for the reasons set out above, we do not consider that this would be the case and we therefore do not consider that it would be appropriate or prudent to seek to release over 32ha of existing active employment land for alternative uses (or no use). In addition to erroneously assuming that any loss of jobs would translate to a potential release of employment land, such a course of action would also serve to undermine the potential for any growth within this sector and would significantly undermine confidence within the manufacturing sector within Rhondda Cynon Taf. Rather, we consider that the existing operational manufacturing sites should all be retained as it is not known at this time which sites might become available for release within the LDP period.

9.14 In addition, a limited provision should be made for manufacturing-related development based upon the likelihood that some new manufacturing sectors – metals and other manufacturing – will expand resulting in an additional 600 manufacturing jobs. Given that the specific locational and premises requirements of these sectors may fit within the existing supply of premises, we have adopted an allowance of 25% for spaceless growth. The amount of land that would be expected to be required to accommodate this number of new jobs is set out below:

Figure 9.2: Gross B2 Floorspace Requirements in Rhondda Cynon Taf between 2006 and 2021

Job Change	Less Spaceless Growth*	Floorspace Density (sqm/job)	Floorspace Requirement (sqm)	Plot Ratio (sqm/ha)	Land Requirement (ha)
600	450	35	15,750	4,000	3.9

Source: EBSL/NLP, 2008

9.15 The suggested employment land requirements are modest and may require adjustment to reflect policy aspirations. However, this reflects the slow but steady level of employment growth that is forecast within these sectors over the next two decades. Within this context of limited additional requirements, the key consideration must be upon ensuring that the most suitable sites are identified for development in the right areas – essentially balancing the supply of land against the demand for it.

Safety Margin

9.16 For planning purposes, it is normal and prudent to provide a fairly generous additional allowance on top of this additional estimate of land needs based on employment growth:

a) To provide a margin for error given the uncertainties in the forecasting process;

b) To allow developers and occupiers a reasonable choice of sites;

c) To enable normal market movement with relocations and turnover of firms;

d) To give some flexibility while old premises are redeveloped and new premises are coming forward;

e) To allow for some limited release of existing employment sites to other uses (included the use of employment land for 'ancillary' (non-B Class functions). Given the extent to which non-B category sectors are expected to contribute to the local economy in Rhondda Cynon Taf and the resultant pressure for land to be made available for non-B class uses this may become a particularly significant consideration;

f) To cope with factors such as some allocated sites not coming forward; and

g) To allow for the implementation of policy objectives relating to the growth of particular economic sectors.

9.17 In many employment studies, it has been common to add an allowance of up to 50% above the estimated land need figure to provide this safety margin. Other approaches have considered an allowance of several years of past average take-up to allow for delays in sites coming forwards.

9.18 Given the substantial difference between past levels of employment growth and the future (reduced) rate of change, it is not considered that the application of past employment land take-up would provide an accurate reflection of future needs. As set out below, 27.42ha land was developed for Class B1, B2 and B8 purposes between 2000 and 2005. If this level of development was to continue until 2026, an additional 82.5ha would be required. This is considered to be substantially greater than the level that is actually required to meet future requirements.

9.19 We consider that the most appropriate approach to the calculation of a safety margin would be to add an additional percentage of the estimated land needs. In the light of the very limited employment land requirements that have been shown as being required, we consider that there is a strong requirement for a high safety margin to allow for an adequate level of site flexibility and choice. We have therefore adopted a 50% allowance above forecast requirements.

9.20 In the light of this, the gross land requirements, based upon our analysis of the Experian forecast model alone is:

Figure 9.3: Future land requirements in Rhondda Cynon Taf, 2006-2021

B1	B2	B8	TOTAL
10 ha	6 ha	5 ha	21 ha

Source: EBSL/NLP, 2008

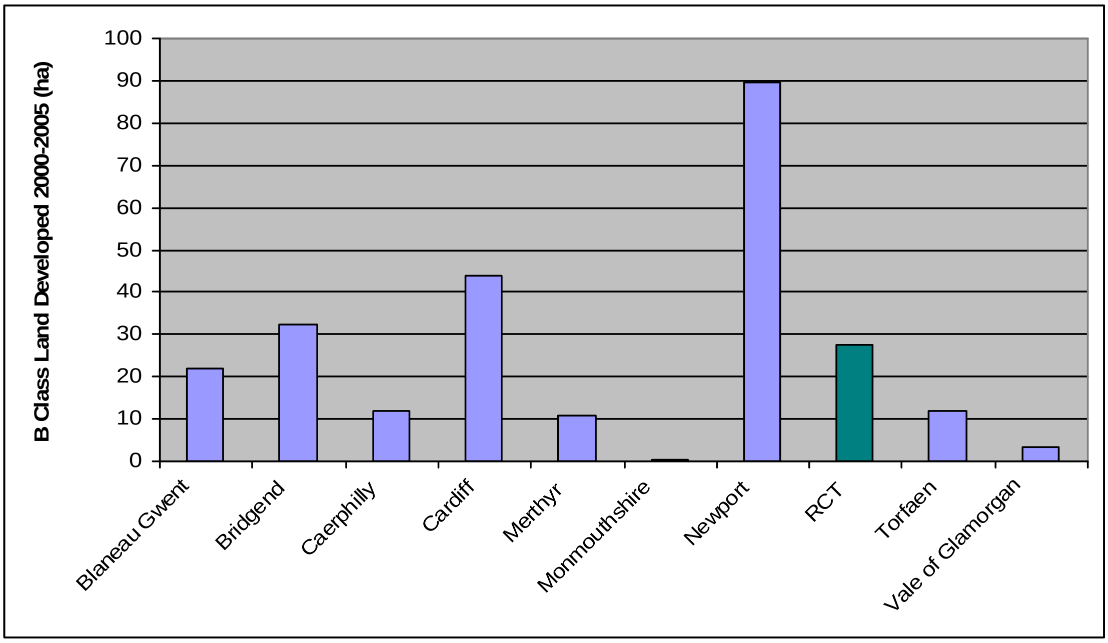
9.21 We have, however, taken past trends into account in setting out the amount of employment land that is likely to be required by 2026.

Assessment of Past Trends

9.22 The Analysis of Land Survey Data, undertaken by Harmers in July 2007 shows the level of employment land development in each of the local authority areas in South East Wales between 2000 and 2005. This shows that a total of 27.42ha land was developed for B Class purposes in Rhondda Cynon Taf. A further 5.75ha land was developed for sui generis purposes. The level of development in Rhondda Cynon Taf equates to an average of 5.5ha per annum plus 1.15ha sui generis land.

9.23 Figure 9.4 sets out the level of employment development in Rhondda Cynon Taf between 2000 and 2005 in comparison to that of the adjoining local authority areas.

Figure 9.4: Development of B Class land in South East Wales



Source: Further Analysis of Land Survey Dat a, Harmers, 2007

9.24 If this level of development were replicated over the 15 years from 2006 to 2021, it would result in an employment land requirement of 82.5ha. This is a very large employment land requirement that is considered to be substantially in excess of the level that is likely to be required, bearing in mind the reduced forecast rate of future employment growth.

9.25 The land requirements for Rhondda Cynon Taf derived from the EBSL economic forecasts can be adjusted to take account for past levels of development. Between 2000 and 2005, 27.42ha was developed – almost 2.5 times more than the amount shown by Experian forecasts to be required.

9.26 The period between 2000 and 2005 represented a time of fluctuation in employment levels. Total employment in Rhondda Cynon Taf increased by more than 3,600 but B Class employment fell by almost 900. The scale of the B Class losses were very much off-set by a significant increase in the number of B1 class jobs.

Figure 9.5: Employment Change and Employment Land Development in Rhondda Cynon Taf, 2000-2005

	Employment Numbers	Employment Land Development (ha)
Office (B1)	1,268	18.03*
Manufacturing (B1c/B2)	-2,865	3.10
Distribution (B8)	239	6.29
Total B Class Jobs	**-1,358**	**27.42**
Other jobs	4,974	
TOTAL JOBS	**3,616**	

Source: EBSL/NLP, 2008 / Harmers, 2007

* *B1 employment land development figure comprises 16.21ha B1 and 1.82ha mixed use*

9.27 At a time of substantial numbers of job losses from the manufacturing sector, it is noteworthy that some manufacturing development did take place. This reflects that economic reality that an overall decline in any particular sector may obscure growth in individual sub-sectors – a trend that is likely to continue in the future.

9.28 A comparison of actual development rates between 2000 and 2005 against the forecast growth levels for the same period can be used as a basis for the adjustment of the 2006-2021 forecasts. The purpose of this is to combine the recent economic performance of Rhondda Cynon Taf compared to employment forecasts with the reality of anticipated slow-down in growth rates.

9.29 Our analysis has therefore appraised the relationship between the level of actual employment land development and the EBSL-based projections of land requirements over the period from 2000 to 2005. We have assumed that the multiplier that applied for each category of employment land over this period (i.e. the relationship between the forecast and actual land requirement) would also apply in the future and we have therefore applied these factors to the projected future land requirement as set out in Figure 9.1.

9.30 The expected land requirements arising from this analysis are set out in Figure 9.6 below.

Figure 9.6: Future land requirements in Rhondda Cynon Taf, 2006-2021

B1	B2	B8	TOTAL
21 ha	4 ha	8 ha	33 ha

Source: EBSL/NLP, 2008

Other Indicators

9.31 **Levels of new business registrations** provide an indication of the number of new firms starting-up or expanding in the County Borough. Information on business registrations and deregistrations is based upon VAT records which are recognised as providing a useful proxy for economic health and offers an insight into the level of entrepreneurship within the business community. The business patterns illustrated by VAT records will influence the amount and type of employment space reqired in the future. Over the 10 years period from 1997 to 2006, registrations of businesses in Rhondda Cynon Taf above the threshold for VAT averaged 370 per annum, whilst an average of 300 closed each year over this period. This equates to an overall increase of 685 VAT registered businesses – an annual net gain of 68 businesses per annum. This growth in business stock has generated a demand for business space. If this level of entrepreneurial activity can be maintained in the future, then it will continue to have implications upon land and space requirements.

9.32 Whilst there has been some activity in Rhondda Cynon Taf by **inward investors** in recent years, most of the growth in the economy has resulted from the expansion of companies that are already represented within the County Borough. Between 2004/5 and 2005/6, approximately 100 new jobs were created in Rhondda Cynon Taf by new inward investment projects, compared with some 500 jobs that were created by the expansion of existing businesses. Over this same period, 4 inward investors invested £1.6m in the local economy, compared to 12 expanding businesses which invested almost £30m in the local economy.

9.33 Office **rental values** in Rhondda Cynon Taf (£13.50-£14.50/sqft) are level with those in Bridgend, Caerphilly and the Vale of Glamorgan but, unsurprisingly, are less than in Cardiff (£15-£20/sqft) and Newport (£14-£15.50/sqft). By contrast, industrial rental values in Rhondda Cynon Taf (£3.25-£4.50/sqft) are amongst the lowest in South East Wales, with only Blaenau Gwent having lower rental values (£2.75-£4.00/sqft). The highest industrial rental values are in Cardiff (£4.25-£6/sqft). Low values would normally be viewed as indicative of a weak market position which may be a factor of the quality or availability of suitable premises or factors relating to the image and well-being of the local economy and market.

9.34 **Vacancy levels** and floorspace availability provide another indicator of the balance between current supply and demand for employment space. A typical vacancy level in a normal market would be 10%. This would allow for movement and expansion of firms and a choice of locations from which they might operate.

9.35 Other factors which could moderate future levels of employment space needed include the growing trend to relocate certain business operations to lower-cost locations overseas, often referred to as **"off-shoring"**. The industries with the highest propensity for this have typically included communications, banking and finance, and some business services, but with indirect effects on other sectors of the economy. At the same time, industrial firms are tending to move manufacturing operations to lower cost countries while maintaining UK distribution functions. Some recent studies suggest that while this trend may be slowing for business services, it may continue for lower-technology manufacturing. Whilst it is difficult to quantify the extent to which this factor will affect employment land requirements with any certainty, it is evident that it is likely to reduce employment land needs in the longer term.

9.36 Another factor is the ability to achieve economic growth without corresponding increases in demand for employment space or labour, known as **"smart" growth**. This could reflect increased automation, labour productivity improvements, working from home, or more overtime working by current staff. Again, it is difficult to quantify the extent of this effect and recent studies have not shown any major changes in employment/space ratios so far. However, over time, a shift from industrial to higher density office based jobs should reduce land needs. This consideration is different to that of additional growth being accommodated within existing premises due to an existing surplus of space within offices, for which an allowance has been made.

9.37 At the same time, **competition from other regional centres** will be an important consideration. The strengths of and the supply of land within surrounding centres, compared to that of Rhondda Cynon Taf may have an effect upon the future level of investment within the County Borough unless additional provision of potential sites can be made.

Planning Requirement for Employment Land

9.38 The approaches to the assessment of employment land set out above each have some limitations.

9.39 Whilst a review of past trends can be valuable in providing a broad indication of economic performance, it cannot be assumed that what has happened in the past will necessarily be replicated in the future. For example, historically low levels of take-up may indicate structural difficulties that could suggest that future development rates may also be limited. However, they might alternatively have been caused by policy constraints or a particular set of economic circumstances which may not longer exist. Whilst past take-up rates can be useful, they are based upon supply constraints and will not fully reflect changing policy and supply considerations such as competing development sites and the investment attractions of regional competitors and increasing overseas competition.

9.40 In addition to a limited supply of land suitable for employment purposes, environmental constraints could similarly limit employment growth although this would not be highlighted by past take-up rates.

9.41 Employment forecasts are based upon assumptions which may not be achieved in practice in the future and may therefore not always entirely reflect the reality of local circumstances. The employment land requirements that are derived from job forecasts are sensitive to assumptions regarding the density of development. Whilst the assumptions that are used to inform the analysis of forecast data are themselves based upon reliable (and well tested) evidence, they do not take account of differences in local circumstances.

9.42 Similarly the forecasts of employment land requirements also do not provide any indication of the amount of land that is likely to be required for those non B-class uses that are often found on employment sites such as waste recycling depots or car dealerships. In Rhondda Cynon Taf, 5.75ha land was developed for Sui Generis purposes between 2000 and 2005. However, it can be difficult to reliably estimate the scale of such provision which will vary from location to location and may not necessarily even be located on employment sites.

9.43 Another key characteristic of employment forecasts is that they are policy neutral. They are based upon a range of assumptions about the direction of growth. However, these cannot be expected to take account of specific policies that seek to deliver particular levels of growth or to target individual sectors.

9.44 The policy neutrality of job forecasts is a particularly important consideration in Rhondda Cynon Taf. Set against a legacy of heavy industrial decline, the objectives of policymakers at all levels has more recently been to extend prosperity throughout the South East Wales region, so that it is not just limited to the City Coastal Zone. It is recognised that encouraging the expansion of growth into the Valleys area will be central to the achievement of the aspiration for South East Wales to become one of the most prosperous regions in Europe. In the Valley areas, this will require a new economic direction to be identified and pursued. The defined objectives include those of strengthening the local economy and delivering a business environment which contributes towards a strong and diverse economy; with quality, well paid jobs and which has the capacity to address problems of economic inactivity.

9.45 These aspirations for economic development will have implications upon the allocation and development of land for employment purposes and thereby point towards the need to make an appropriate further adjustment to the EBSL derived employment land forecasts (as has been done in Figure 9.6) in order to ensure that sufficient land can be made available for the achievement of the policy aspirations.

The Balance of Employment Land

9.46 Drawing the above considerations together, it is evident that provision should be made for more employment land in Rhondda Cynon Taf than is suggested by the EBSL forecasts. Whilst a reasonable provision of land is required to meet future needs, it is anticipated that future development rates will be less than past trends. The amount of land that is presently allocated and the amount that the County Borough Council has previously indicated as being required over the next 15 years (the Council's Employment Land Requirement Topic Paper set out a requirement of 225ha over the 15 year LDP period) is also substantially above that which is expected to be required in the future.

9.47 In this context, a balance must be drawn. Failure to provide sufficient land for employment development could jeopardise the economic well-being of the County Borough. If potential operators are unable to identify suitable sites for their purposes they would be likely to invest elsewhere and similarly, if existing operators cannot find suitable land to meet their expansion requirements within the County Borough, they may relocate elsewhere in South East Wales (or beyond). In both cases, the result would be a loss of jobs or potential job opportunities and an undermining of the economic well-being of the County Borough.

9.48 The implications of an over-supply of employment land tend to be a function of scale. The inclusion of a safety margin to allow for an element of choice and flexibility within the market effectively provides for the over-allocation of land. If not all of the allocated land comes forward within the Plan period, then it can be reviewed and, if appropriate, retained for allocation within a future LDP.

9.49 However, in many areas – including Rhondda Cynon Taf – a substantial oversupply of land must be reviewed and excess land should potentially be released. There is a danger that allocating considerably more land than is likely to be required will disrupt the effective operation of the market and undermining the efficient use of land:

a) A considerable over-allocation of land would serve to create a false impression about the economic well-being of an area and the likelihood of land coming forward for development. This may confuse the market by affecting land values and undermining confidence in the local economy when only a small proportion of allocated land is actually likely to be delivered.

b) At the same time, the retention of very large amounts of land that is not required for employment development would tie up land that might be suitably used for other forms of development. The result of this might be pressure for the release of less suitable land for housing, retail, leisure and other purposes. Such an approach would not be in the best interests of sustainable development.

9.50 The key to success in Rhondda Cynon Taf will be an identification of the right balance between the demands of business, the need to improve the attractiveness of the County Borough – an particularly the northern areas – and the need to promote sustainable growth.

Employment Land Requirement in Rhondda Cynon Taf

9.51 There is a need for land to be made available for future employment development in Rhondda Cynon Taf but the level of future growth will be less than that which has occurred in the past and will not require the retention of the existing (substantial) portfolio of sites.

9.52 Whilst the adjustment of the EBSL figures can provide a basis for a greater level of realism to be factored into the analysis, based upon what has happened in the past, it does not take account of the policy aspirations for an enhancement and strengthening of the local economy and the role of Rhondda Cynon Taf within South East Wales. The achievement of this objective will require an appropriate provision of additional land to be made. In the light of the policy aspirations for continued economic development within Rhondda Cynon Taf, we consider that it would be appropriate to apply a safety margin to the adjusted Experian-based employment land forecast (as set out in Figure 9.6). This would provide an appropriate and transparent basis for this effective over-allocation of land to contribute towards the achievement of the important policy objectives.

9.53 This equates to a total requirement of 50 ha employment land, as summarised below

Figure 9.7: Future land requirements in Rhondda Cynon Taf, 2006-2021

B1	B2	B8	TOTAL
32 ha	6 ha	12 ha	50 ha

Source: EBSL/NLP, 2008

9.54 Careful consideration should be given to the appropriate distribution of the employment land requirement and particular regard should be given to the ways in which its distribution might contribute towards the continued expansion of the southern part of the County Borough as well as the regeneration of the northern area.

9.55 The provision of some land for manufacturing development is intended to reflect the reality that, whilst there is to be an overall reduction in manufacturing employment within the County Borough, some sub-sectors are likely to expand and an appropriate provision of land should be made to accommodate such growth. A failure to do so would potentially harm the achievement of the economic growth aspirations for the County Borough.

9.56 In order to maximise economic growth in Rhondda Cynon Taf, the County Borough Council should seek to exceed the job forecasts identified in this report where possible. In order to enable this and to ensure that it would not result in any shortfall in employment land, there would be regular monitoring of the number of jobs created and employment land taken up over the LDP period.

Non-B Class Land

9.57 The job forecast figures show that a very large proportion of employment growth is expected to come forward in non-B Class sectors. Whilst the assessment of the amount or location of land that is required to serve these sectors falls beyond the scope of this report, it is nonetheless very important to ensure that the LDP considers the implications of growth and makes adequate provision for health, education, retail, leisure and social facilities.

9.58 A balance must be struck in the provision of facilities for different purposes and the general position should be that non-B class uses should not be encouraged in B Class business locations unless it would specifically be intended to serve the employment function. For example, the provision of child care facilities, training or hospitality facilities within employment locations can be important in helping to improve the offer within the estate and hence, its attractiveness. In this context, a small loss of employment land might be off-set by the benefits that could be achieved in respect of the creation of a more vibrant location. In considering any proposals for such ‘ancillary’ uses, careful regard should be given to the potential implications of development in terms of the amount of land they would require, the benefits that they would offer and the extent to which the encouragement of any such uses might create a precedent for the provision of other non-B Class functions in employment locations to the overall detriment of the local economy.

9.59 In many areas, a range of sui generis uses are regarded as acceptable within employment estates. Trade counters, car dealerships and waste/recycling facilities are often located in employment estates and are often able to operate alongside B Class functions without detriment to local amenity or to the wider economy. Although it is difficult to reliably forecast the amount of land that would be required for appropriate sui generis functions in employment areas, it is considered that the safety margin will be sufficient to provide for these needs. In determining planning applications for such uses, the County Borough Council should pay regard to the scale of the proposed operation in terms of the amount of land that is required, the number of jobs that are proposed and the potential economic impact (positive or negative) upon the local area. Location specific considerations relating to traffic, amenity and environmental considerations should also be assessed. In some cases, such uses would not be appropriate within an employment location and planning permission should be refused.

Conclusion

9.60 The employment forecasts that have been prepared by Experian Business Strategies shows that, whilst there is to be an overall increase in the number of jobs within Rhondda Cynon Taf between 2006 and 2021, a large proportion of this growth will be related to non-B Class sectors. Growth in the office (B1) and distribution (B8) sectors are to be significantly off-set by a substantial decline in manufacturing (B2) employment. However, as has been demonstrated, the overall decline in manufacturing is expected to obscure the expansion of some individual sectors.

9.61 Drawing upon the employment forecasts, and understanding of the past level of employment development and the aspirations for regeneration and economic growth within Rhondda Cynon Taf, we consider that 50 ha should be provided for the future employment development over the period between 2006 and 2021.

9.62 Although the delivery of sufficient land will be important to the economic wellbeing of Rhondda Cynon Taf, the achievement of the economic aspirations for the Country Borough will not rest upon quantitative provision alone. It is important that the most appropriate land is identified for development, drawing upon the aspirations for regeneration and growth throughout the area and based upon an appreciation of market and operator requirements. The next chapter considers the potential locations for future employment development in Rhondda Cynon Taf. However, in recommending potential development opportunities, it is accepted that further analysis will be required in respect of traffic and transportation issues, landscape, ecology and the need for alternative forms of development. Such considerations will be important in informing the allocations contained within the LDP.

9.63 We have recommended that 50 ha land should be made available for employment development. This figure should not, however, be viewed as a maximum that should not be exceeded. Rhondda Cynon Taf County Borough Council should adopt an aspirational approach to economic development and should employ a range of strategies to support business growth. These should include

a) Training opportunities;

b) Providing any additional support to encourage greater levels of employment activity and operator interest;

c) Business support to encourage entrepreneurship, inward investment and the expansion of existing companies;

d) Encourage the role of the voluntary sector in helping to encourage greater levels of economic activity;

e) The improvement of connections with other authorities in South East Wales to encourage a regional approach to economic development;

f) Regeneration;

g) The establishment of necessary infrastructure to facilitate development; and

h) The encouragement of Rhondda Cynon Taf as a nationally competitive business and investment location.

9.64 The implication of these approaches might be that additional land might be required for employment development. This should be carefully monitored by the County Borough Council and, if necessary, provisions should be made to allow for the identification of additional land for development. In the event that additional land is required, it will mean that growth forecasts have been exceeded and the economic development strategies have been successful in achieving their aims. In such circumstances, consideration should be given as to how the increased level of growth might be maintained.

10.0 FUTURE EMPLOYMENT LAND

10.1 Having set out the amount of employment land that is required in Rhondda Cynon Taf over the period from 2006 to 2021, this chapter examines the potential locations in which growth might be accommodated. Chapter 9 shows that the amount of land that is required to serve the future employment requirements is substantially less than the amount that is presently available in the form of unimplemented allocations. This means that some land will need to be released for other purposes.

10.2 In seeking to identify and allocate sufficient land to serve the County Borough's future employment requirements, it will be important to ensure that the sustainability aspirations are met in respect of matters such as location, access, surrounding uses, the sensitivity of the local area, the availability of labour and services, suitability for development, and the attractiveness of sites to the local market. Further consideration should also be given to the need to make appropriate provision for land for possible employment development across the County Borough.

10.3 The substantial economic variations that exist between the Northern and Southern parts of the County Borough have been recognised elsewhere in this report and also in the Council's LDP Preferred Strategy Document which adopts a different development strategy for either area. The focus within the northern area is upon the development of sustainable communities and halting the process of depopulation and decline whilst the focus within the southern area is upon sustainable growth that is beneficial to the County Borough as a whole. Both of these development strategies will have implications upon the level and location of new employment development within and across Rhondda Cynon Taf.

10.4 The employment market is strongest in the southern part of Rhondda Cynon Taf – an area that benefits from excellent strategic connections and which is widely viewed as forming part of 'north Cardiff'. It will therefore be important to make sufficient provision of land for high quality employment premises that attract inward investors and facilitate the expansion of those companies that are already represented within the area. Growth in this area would be important in helping to stimulate the local economy of Rhondda Cynon Taf as a whole.

10.5 However, a strategy that seeks to focus growth solely within the southern area would be unlikely to deliver the regeneration objectives for the County Borough as a whole.

It would similarly do nothing to address the depopulation and decline within the northern area and neither would it deliver the balanced and sustainable communities that are sought by the County Borough Council and the Welsh Assembly Government. The achievement of these objectives will require a number of specific policy approaches, including the provision and maintenance of a balance of different land uses including housing and employment. Set against a legacy of decline within a range of employment sectors in the northern sub-area including mining and manufacturing, efforts should now be made to encourage employment growth within this area. If successful, this would enhance the profile and economic well-being of the northern part of the County Borough whilst also helping to increase levels of economic activity, investment and prosperity in this area. Assuming that such growth could be delivered in conjunction with appropriate and adequate training opportunities and business support initiatives, it would have the capacity to help reduce the current level of depopulation and decline in the northern parts of Rhondda Cynon Taf and thereby deliver the basis for more sustainable forms of development in the longer term.

10.6 A balanced approach must therefore be adopted with an adequate supply of land for employment purposes being delivered within the different parts of the County Borough.

10.7 The future economic well-being of Rhondda Cynon Taf is not solely reliant upon the allocation of land. Large amounts of land have been allocated for employment purposes in the past but remain unimplemented. The key challenge is to ensure that progress might be made beyond the allocation of land and that such sites might be implemented and active employment uses might be provided on site. In reviewing the existing allocations and in considering whether particular sites are likely to come forward in the future, regard should be given to the reasons for their non-implementation in the past and whether this has been due to a substantial over-supply of land or due to structural problems with individual sites relating, for example, to their location, accessibility, scale, development constraints (such as flood risk, topography, landscape issues or ecological sensitivity) or market attractiveness.

10.8 Allocating too much land for employment development represents an inefficient use of land and would serve to limit the potential for other forms of potential development coming forward. By implication, this might result in a pressure to release other, less suitable land for development and might therefore undermine the sustainability of the development strategy for the County Borough. In addition, the over-allocation of land for employment development might result in pressure to release the surplus land for other forms of development. This might have the effect of weakening the Council's position on the protection and delivery of employment land and thereby undermine its economic development strategy.

10.9 In the context of a more realistic approach to the allocation of land, it will be particularly important to ensure that all of the land that is identified for development has the capacity to come forward. Whilst the safety margin that has been factored into our analysis does provide for the non-implementation of some sites, it is nevertheless important to ensure that all of the sites that are identified for development have the capacity to be implemented. Any sites with particular structural weaknesses or constraints should not be allocated for development.

Review of Potential Development Sites

10.10 Chapter 9 considers the amount of employment land that is required in Rhondda Cynon Taf over the period from 2006 to 2021. Chapter 7 provides details of a total of 38 undeveloped and redundant sites which collectively extend to a total of 232.33 ha. This is substantially beyond the amount of land that is required to serve the County Borough and so consideration must be given regarding the sites that are most likely to come forward for future development and that are therefore most appropriate for retention.

10.11 Given the current substantial oversupply of employment land within Rhondda Cynon Taf, it is likely that some reasonable sites will not be carried forward into future allocations. In this context, careful consideration should be given to the need to protect the most appropriate, viable and deliverable sites for employment purposes.

10.12 The final decision regarding which sites to allocate for employment purposes should draw upon a detailed assessment of a range of considerations relating to traffic impact, landscape and ecology issues, and the need for alternative land uses, particularly housing.

10.13 In this section, we set out recommendations on those sites that we consider worthy of more detailed consideration regarding their potential retention as employment allocations. This analysis and the political decision-making process might result in some of the sites that we recommend not being retained as employment allocations.

Our approach in putting forward more sites than are necessarily required is designed to ensure that a sufficient supply of the most suitable land can be achieved to the long term benefit of the local economy in Rhondda Cynon Taf and the delivery of the County Borough Council's aspirations for sustainable development and growth.

Class B1 Development

10.14 Over the period from 2006 to 2021, 32 ha land is required for Class B1 development. Taking account of the level of development that has occurred between 2006 and 2008, an additional 18.2ha is required over the period to 2021.

10.15 Table 7.2 shows that 30 sites, totalling 222.65ha have been allocated for Class B1 purposes. Of this total,

a) 12 sites, totalling 110.89ha were allocated for Class B1 development alone;

b) 12 sites, totalling 71.96ha were allocated for Class B1 and B2 development;

c) 2 sites, totalling 2.9ha were allocated for Class B1 and B8 development; and

d) 4 sites, totalling 36.9ha were allocated for Class B1, B2 and B8 development.

10.16 The amount of land that has been allocated for Class B1 purposes is very much more than is required to serve the period to 2021. Indeed, the requirement to 2021 represents approximately 5% of all current allocations and less than 20% of existing B1 allocations. However, from the County Borough Council's analysis of the existing sites, we consider that a large amount of the allocated land is not appropriate for future development and would be unlikely to deliver any employment opportunities.

10.17 Particular constraints relate to strategic and local accessibility and the image, quality and attractiveness of the locations which would not be conducive to attracting employment development. In some cases, the sensitivity of individual sites and the surrounding area is such that they would not appear to be particularly well suited to development. In addition, we would be concerned that the scale, location and layout of some sites would reduce the potential to deliver the mix of employment uses that have been proposed in the previous allocations.

10.18 The existing allocated land varies considerably in terms of their location, accessibility, quality and potential for development. Having reviewed each of the sites, we consider that the following sites have some capacity for Class B1 development and should be the subject of more detailed analysis and consideration by the County Borough Council:

Ref.	Location	Area (ha)	Use Class
TL36	Sony B P extension special employment allocation	34.1	B1
TP6	Co-Operative Store site, Church St / Mill St, Pontypridd	0.21	B1
TP4	Millfield, Mill Street, Pontypridd	0.66	B1
TL17	Mwyndy NW special employment allocation	6.17	B1
TL34	Llanilid Opencast special employment allocation	52.3	B1
TT1	Coed Ely	20.04	B1/B2
C7	Hirwaun I E - grassland	16.8	B1/B2/B8

10.19 These sites extent to considerably more than the 32 ha that is required over the LDP period but it not recommended and neither is it expected that all sites would be allocated for Class B1 purposes in full. Development has already started at the Sony B P extension special employment allocation and, in appraising future development options, regard should be given to the amount of land that remains undeveloped and the extent to which additional growth in this location would be attractive to the market or deliverable. It is similarly recommended that the amount of land that is to be allocated for Class B1 development at Llanilid should be reviewed, based upon an understanding of the amount of development that has taken place in this location to date and the potential for the continued development of the film studios project in this location. Regard should also be given to the potential for and the deliverability of a large amount of Class B1 development in this location, close to the Sony B P extension special employment allocation site, and the implications of concentrating all of the Class B1 development in a small area at the south of the County Borough.

10.20 It is recommended that site TT1 should be considered for mixed use development comprising Use Classes B1 and B2 and that site C7 should be considered for Class B1, B2 and B8 development. As such, not all of these sites will be available for office development. Indeed, given their scale, it is not expected that either site would necessarily be allocated (or developed) in full by 2021.

10.21 The sites that are recommended for further consideration are distributed across the County Borough, including a large site at Hirwaun and two sites in Pontypridd town centre. There is, however, a relative concentration of sites in the south of the County Borough with recommended sites in Pencoed, Pontyclun and Llanharan. In considering which sites should be allocated, the deliverability of development in each of these areas should be appraised and the amount of land that is to be allocated should be adjusted accordingly. We do not consider that it would necessarily be appropriate to allocate several sites in the south of the County Borough that are in close proximity to one another. Such an approach would raise possible concerns about the deliverability of the land and would also fail to encourage or support the enhancement of the economic profile of the northern parts of Rhondda Cynon Taf. However, it is nevertheless important to recognise that the southern part of the County Borough remains the most economically active and vibrant and allocations in this area would therefore have the greatest prospect of being implemented. This balance of market delivery against Council aspirations for a balanced distribution of development and regeneration in the northern parts of the County Borough will require careful consideration and may necessitate direct public sector intervention, support and investment.

Class B2 Development

10.22 Over the period from 2006 to 2021, 6 ha land is required for Class B2 development. Taking account of the level of development that has occurred between 2006 and 2008, an additional 6.5ha is required over the period to 2021. As set out in Chapter 6, a number of manufacturing sub-sectors are expected to expand within Rhondda Cynon Taf over the LDP period, even within the context of a broader scale decline in the manufacturing sector. Chapter 7 demonstrates that even though the downsizing of manufacturing operations within Rhondda Cynon Taf is likely to result in the release of some land, it is nevertheless appropriate to provide for additional Class B2 development. This will be important in helping to attract and stimulate those sectors that are likely to expand.

10.23 Table 7.2 shows that 22 sites, totalling 147.04ha have been allocated for Class B8 purposes. Of this total,

a) 6 sites, totalling 38.18ha were allocated for Class B2 development alone;

b) 12 sites, totalling 71.96ha were allocated for Class B1 and B2 development; and

c) 4 sites, totalling 36.9ha were allocated for Class B1, B2 and B8 development;

10.24 The amount of land that has been allocated for Class B2 purposes is very much more than is required to serve the period to 2021. Indeed, the requirement to 2021 represents approximately 4% of the current allocations.

10.25 The existing allocated land varies considerably in terms of their location, accessibility, quality and potential for development. Having reviewed each of the sites, we consider that the following sites have some capacity for Class B2 development and should be the subject of more detailed analysis and consideration by the County Borough Council:

Ref.	Location	Area (ha)	Use Class
TL28	Garth B P, Talbot Green	7.2	B2
TP9	Brown Lenox, Pontypridd	2.48	B2
TT1	Coed Ely, Tonyrefail	20.04	B1/B2
C7	Hirwaun I E - grassland	16.8	B1/B2/B8
TL26	Hepworth Industrial Park, Coedcae Lane, Talbot Green	9.2	B2

10.26 It is recommended that only part of site C7 should be considered for Class B2 purposes; this site is also recommended for consideration for mixed use development, also comprising Class B1 and B8 uses. It is also recommended that only part of site TL26 should be considered for Class B2 purposes as part of the site is presently under construction for employment purposes. As such, not all of the 9.2ha site area is available for allocation or future development.

10.27 We recommend that site TT1 should be considered for mixed use development comprising Class B1 and B2 uses. Given the considerable size of this site it has the capacity to accommodate both types of activity alongside one another. In assessing the sites and reaching conclusions regarding the sites that are to be allocated for development, the potential relationship between different types of activity on the site should be reviewed.

10.28 In addition, it is recommended the either site TL28 or TL26 should be allocated for development. It is not considered that both sites should be allocated for Class B2 development as this would result in a very large amount of development being concentrated into a small part of the County Borough. It is not considered that this would contribute towards the delivery of the aspirations for balanced and sustainable development within Rhondda Cynon Taf.

10.29 The recommended consideration sites are well distributed throughout the County Borough and are all considered to have a reasonable prospect of coming forwards for development. They all benefit from good local and strategic accessibility and are reasonable well located in respect of existing public transport services. In addition, the image of each area is considered to be reasonably good and none of the sites are constrained by adjoining development (due to its sensitivity or its bad neighbour characteristics). The implications of this is that we believe that all five sites could be relatively attractive to the market and, given their freedom from constraints, have the capacity to come forward for development purposes. We would, however, stress that it is not recommended or considered likely that all of the sites will come forward for Class B2 development.

10.30 By contrast, the other sites that have been previously allocated for Class B2 purposes are not considered to have a particular likelihood of coming forwards for development in the future. The sites suffer from a variety of constraints relating to the sensitivity of the sites or their surrounding areas; problems relating to strategic and local accessibility; and the image, quality and attractiveness of the locations which would not be conducive to attracting employment development. Given the need for only a small amount of land for Class B2 purposes, it is not considered necessary to compromise by allocating inferior land which has a reduced prospect of delivery.

Class B8 Development

10.31 Over the period from 2006 to 2021, 12 ha land is required for Class B8 development. Taking account of the level of development that has occurred between 2006 and 2008, an additional 9.1ha is required over the period to 2021.

10.32 Table 7.2 shows that 6 sites, totalling 39.8ha have been allocated for Class B8 purposes. None of these sites were allocated for warehousing/distribution alone – four sites were allocated for B1/B2/B8 purposes and two sites were allocated for B1/B8 purposes.

10.33 Of the previously allocated sites, it is considered that only two are worthy of detailed consideration for future retention. The other four sites suffer from a number of specific constraints relating to their strategic location (C38); their capacity to accommodate an adequate level of distribution activity, due to their scale, shape and other development constraints (C23, C22, R28).

10.34 The two sites that we consider should be given further consideration are

Reference	Location	Size (ha)	Use Class
C15	Robertstown Industrial Estate	4.5	B8
C7	Hirwaun I E - grassland	16.8	B1/B2/B8

10.35 Both of these sites benefit from relatively good strategic and local access and it is not considered that development in either location would have a detrimental impact upon the amenity of adjoining uses. Whilst Aberdare is a Principle Settlement, Hirwaun is a Key Settlement and has been identified as an important strategic location for future growth.

10.36 Whilst we consider that either of these sites would have the capacity to come forward for employment development, we would be concerned about a scenario whereby all of the County Borough’s Class B8 requirement is concentrated into two allocation sites in such close proximity (within 5 miles) of one another. We therefore recommend that either part of site C7 (approximately 5ha) or site C15 would be allocated and that the additional allocation should come from an existing B2 allocation.

10.37 The characteristics of the sites for industrial purposes (i.e. Class B2/B8) are broadly interchangeable such that there might be scope for an area of land that was previously allocated for Class B2 purposes to serve a Class B8 role in the future.

10.38 Having reviewed the B2 sites in detail, we recommend that Rhondda Cynon Taf County Borough Council should give consideration to the allocation of either of the following two sites:

Reference	Location	Size (ha)	Use Class
TL13	Cowbridge Road (Purolite Site)	3.9	B8
TT1	Coed Ely, Tonyrefail	20.04	B1/B2/B8

10.39 Both sites benefit from reasonable strategic access although local access into the Purolite Site is presently poor. In addition, both sites enjoy a good image, have attracted a reasonable level of investment in the past and neither are constrained by activities on adjoining sites. In the light of this, it is considered that both sites have the capacity to come forward for warehousing and distribution uses, thereby providing the basis for a more balanced distribution of activity across the County Borough.

10.40 As has been detailed above, we recommend that site TT1 should be promoted for mixed use development, comprising Class B1, B2 and B8 uses. It would therefore not all be available for warehousing and distribution purposes.

Conclusion

10.41 Any proposed allocations for employment purposes would need to be based upon a detailed assessment of a range of factors including traffic capacity, development constraints, the costs and feasibility of infrastructure requirements and the environmental cost and sustainability of such locations.

10.42 Without prejudicing that process, we consider that the most appropriate locations for future growths would appear to be at the following locations:

Figure 10.3: Potential Employment Development Locations

Reference	Location	Size (ha)	Use Class
TL36	Sony B P extension special employment allocation	34.1	B1
TP6	Co-Operative Store site, Church St / Mill St	0.21	B1

TP4	Millfield, Mill Street	0.66	B1
TL17	Mwyndy NW special employment allocation	6.17	B1
TL34	Llanilid Opencast special employment allocation	52.3	B1
TL28	Garth B P, Talbot Green	7.2	B2
TP9	Brown Lenox, Pontypridd	2.48	B2
TL26	Hepworth Industrial Park, Coedcae Lane, Talbot Green	9.2	B2
C15	Robertstown Industrial Estate	4.5	B8
TL13	Cowbridge Road (Purolite Site)	3.9	B8
TT1	Coed Ely, Tonyrefail	20.04	B1/B2/B8
C7	Hirwaun I E - grassland	16.8	B1/B2/B8

10.43 At 157.56ha, the total amount of development land offered by these sites is substantially in excess of the state requirement to 2021. It is not intended that all of these sites should be allocated for employment development. We have set out a series of options and alternative scenarios which are intended to deliver a balanced supply of employment land. In some cases, we have advised that only one site should be allocated in a particular area whilst in other cases, it would be appropriate to allocate only part of a site for future employment development. This balanced approach is designed to guide development to the most appropriate locations and to enhance its potential contribution to the economic well-being of the County Borough.

10.44 In identifying an oversupply of land, we have therefore sought to provide a basis by which the County Borough Council might proceed towards its best consideration of the most suitable sites for future growth, drawing upon other assessments of matters relating to infrastructure, access, landscape and ecological issues, and competing pressures for development.

10.45 In addition, we would advise that the following matters should be taken into account in considering which sites should be allocated for development:

a) The location of the sites and the importance of achieving a balanced portfolio of land and avoiding an over-concentration of employment allocations in a particular area as this might serve to undermine the deliverability of development;

b) The level of development that should be provided on each site; and

c) The potential for a mix of uses to be provided on a particular site.

10.46 Although not all of the sites set out above would be required to meet the development requirements in Rhondda Cynon Taf to 2021, we would re-emphasise that the employment land target should be viewed as a target which might appropriately be exceeded if the Council's various strategies designed to attract new economic activity into the County Borough are successful and the level of development exceeds the forecasts. On this basis, consideration might be given to the identification of additional land within some of the broad areas recommended for further assessment as reserve sites. These sites should only be permitted to come forward in the event that the other allocation sites are developed and pressure for additional expansion land becomes evident before the end of the Plan period. They might then be considered for further assessment for inclusion within a subsequent Local Development Plan.

10.47 We consider that strategy set out above provides the basis for the identification and allocation of sufficient land to meet the future requirements in Rhondda Cynon Taf. Although considerably less land is recommended for future allocation than has been allocated in the past, we consider that the sites discussed in this chapter are of a high quality and that they have a reasonable prospect of delivery. It is this, rather than the historically high levels of land allocations, that will be particularly important in seeking to ensure that the basis for employment development and economic growth can be established in the future.

11.0 CONCLUSION

11.1 This study has been commissioned by Rhondda Cynon Taf County Borough Council to inform its forthcoming LDP which will cover the period from 2006 to 2021. It is intended to assist the County Borough Council in its consideration of the existing economic position within the area; in making decisions about the amount of land that is required to deliver its economic aspirations; and in assessing the need to allocate new land or release existing land to achieve a balanced portfolio of sites.

Context

11.2 Rhondda Cynon Taf is a large and diverse authority area which extends from the northern suburbs of Cardiff to the southern part of the Brecon Beacons. Clear variations exist in the northern and southern parts of the County Borough and the LDP Preferred Strategy has sought to provide a basis by which the whole area might benefit from economic growth. The focus for the northern area is on the development of sustainable communities and halting the process of depopulation and decline whilst, in the southern area, the focus is on sustainable growth that is beneficial to the County Borough as a whole.

11.3 The scale of the challenge that faces the County Borough Council in seeking to deliver growth throughout the area – and the need for an approach that responds to the complexities that are associated with diversity – can be best understood through a comparison of the three Parliamentary constituencies that form Rhondda Cynon Taf.

11.4 Economic activity, income levels, qualification levels and the distribution of key economic sectors each vary considerably throughout the County Borough, with the Pontypridd constituency, which broadly relates to the Taff Ely area, consistently showing signs of above-average levels of prosperity and activity. This has been largely associated with the accessibility of this part of the County Borough and its relationship with Cardiff, both of which have helped to encourage greater levels of investment and have thereby contributed towards the establishment of virtuous cycles of further growth. By contrast, other parts of the County Borough – in particular the Rhondda Valley – are characterised by lower levels of economic activity, prosperity, investment and growth. Such areas are considerably less accessible and have suffered from the challenges of industrial decline following the closure of coal mines and associated heavy industry.

11.5 Within the County Borough as a whole, public administration is the dominant economic sector, accounting for 37% of all jobs. The distribution, hotels and restaurants sector is also particularly important, accounting for 21% of jobs in the County Borough and, despite a high level of recent decline, the manufacturing sector remains important and continues to account for 18% jobs in the County Borough.

11.6 Despite evidence of economic difficulties, the total supply of employment space in Rhondda Cynon Taf is an important strength and demonstrates a positive position which should be further encouraged and supported in the future. The relative total supply of employment space in Rhondda Cynon Taf (defined as space per 1,000 residents) is second only to Cardiff and is higher than all of the other local authorities in South East Wales. The relative level of factory space in Rhondda Cynon Taf is the highest in South East Wales.

11.7 Although Rhondda Cynon Taf enjoys a high overall provision of employment floorspace, the individual units are generally small. Over 75% of employment units are less than 500 sqm in size and 33% are less than 100 sqm. This tends to reflect the character of businesses in Rhondda Cynon Taf – many of which are similarly small in scale – 79% of companies employ less than 10 people whilst 95% of companies in Rhondda Cynon Taf employ less than 49 people.

11.8 Perhaps unsurprisingly given the economic profile of the County Borough, a very large proportion of business space is located at the south of Rhondda Cynon Taf. Although this clearly reflects the demand for development and for space, it does create concerns regarding the extent to which regeneration and economic growth aspirations can be realised towards the north of the County Borough. This is a matter of considerable importance that must be given careful consideration by the Council as it seeks to implement its development strategy.

11.9 Set against a high level of existing employment provision, the development plans in Rhondda Cynon Taf provide for a very high amount of land for potential development – 280ha, of which 170ha is in Taff Ely, 95ha is in the Cynon Valley and 15ha is in the Rhondda Valley. This is considerably more than is likely to be required. Much of this land has been allocated for a considerable period of time and many of these sites are unlikely to come forward for development.

11.10 Between 2000 and 2005, 27.42ha land was developed in Rhondda Cynon Taf for employment purposes, in addition to 5.25ha land for sui generis purposes. This is marginally above average for South East Wales and, although it is unlikely to be maintained in the future, it does demonstrate an on-going interest in the County Borough, which is likely to be important in helping to secure the long term viability of the County Borough and the achievement of the Council's economic development aspirations.

Employment Sites and Locations

11.11 A total of 149 sites were assessed by Council Officers, comprising 111 existing or vacant employment sites and 38 undeveloped and redundant sites. These relate to the most significant employment sites rather than to all sites. Although smaller sites were not included in our assessment, their role should not be underestimated as they cumulatively make an important contribution to the overall quantum of employment land and to the local economy.

11.12 13 existing sites and 9 undeveloped sites were found to be of a very good quality whilst 30 existing and 10 undeveloped sites were found to be of a good quality. This represents 38% of existing sites and 50% of undeveloped sites being viewed as either good or very good.

11.13 The best sites were generally found to be larger and with good strategic and local access. They also tend to be located in areas of high market demand and suffer from fewer constraints. By contrast, the worse sites (25 existing and 10 undeveloped sites) tended to be smaller, in less attractive and less accessible locations and tend to suffer from a greater level and severity of constraints.

11.14 The geographical distribution of land of different quality was found to be very clear with 96.1% of existing very good sites and 98.2% of undeveloped very good sites being located in Taff Ely. There are no very good sites in the Rhondda Valley; only 1.8% of existing good sites and no undeveloped good are located in the Rhondda Valley. This is a matter of concern as it is likely to have a significant bearing upon the delivery of the Council's economic development and regeneration strategies as it will limit the attractiveness of the area for investment and development. In the context of the current market focus upon development at the south of Rhondda Cynon Taf, the provision of a more balanced approach to development represents a clear challenge and will depend (amongst other things) upon the availability of an appropriate supply of land and premises that are of an appropriate quality.

Future Employment Requirements

11.15 The key economic aspirations in Rhondda Cynon Taf relate to the promotion of a more vibrant, active and sustainable economy. The achievement of this aspiration will depend upon the implementation of a series of initiatives relating to business engagement, training, business support, the facilitation of partnership working and the encouragement of innovation. In addition, it will also rely upon the identification of an appropriate level of well located, good quality employment space that meets the needs of key and growth sectors.

11.16 An understanding of the future employment land requirements for Rhondda Cynon Taf must be set against a consideration of the key economic sectors that are likely to shape the local economy in the future. These sectors have different land requirements – and some have no employment land requirements – and will influence the level and distribution of future growth.

11.17 A number of changes in the economic profile of Rhondda Cynon Taf are anticipated over the LDP period to 2021.

a) Manufacturing sectors are expected to decline significantly over the LDP period, particularly due to the loss of heavier forms of industry that have traditionally dominated the local economy.

b) However, despite an overall decline in the level of manufacturing in Rhondda Cynon Taf, the manufacturing of metals and ‘other’ manufacturing are expected to experience an increase in employment levels to 2021.

c) Office based activities are forecast to experience a particularly strong growth over the LDP period. The banking and insurance and business services sectors are expected to increase in significance and to fuel the increasing demand for B1 office floorspace.

d) Warehousing sectors are also forecast to expand, although at a much lower rate than in the past.

e) The most rapid level of forecast growth is in non-B class sectors. Health and education are forecast to remain the two largest employment sectors within the County Borough, with a particularly rapid level of growth in the health sector.

11.18 Estimates of employment growth in Rhondda Cynon Taf to 2026 were undertaken by Experian Business Strategies Limited. An overview of the forecast level of change in the key economic sectors are set out below:

Figure 11.1: Forecast Employment Change in Rhondda Cynon Taf, 2006-2021

	No. Jobs	
	2006-2021	2021-2026
Office (B1)	1,477	101
Manufacturing (B1c/B2)	-3,668	-1,310
Distribution (B8)	299	78
Total B Class Jobs	**-1,892**	**-1,131**
Other Jobs	6,454	1,954
TOTAL JOBS	**4,562**	**823**

Source: EBSL/NLP, 2008

11.19 In translating these figures to a recommended employment land figure, we took account of the following considerations:

a) The need for a safety margin to provide for an element of flexibility and choice in the market and to ensure that the potential non-delivery of employment land would not prejudice the future economic well-being of the County Borough;

b) An appreciation that only a proportion of the total number of new jobs to be created would generate a specific employment land requirement (due to the scale of non-B Class job growth and the importance of spaceless growth as a component of expansion);

c) Variations in employment land requirements and ploy ratios and densities between different sectors and locations.

11.20 The forecast figures were also set against other indicators and factors including:

a) The regeneration and economic enhancement aspirations for Rhondda Cynon Taf;

b) Past take-up rates (and in particular, the relationship between actual take-up rates and past forecast levels);

c) Levels of new business registrations;

d) Levels of inward investment; and

e) Rental values

11.21 Drawing upon these considerations, our analysis has showed that the gross land requirement to 2021 is 50 ha:

Figure 11.2: Forecast Employment Land Requirement in Rhondda Cynon Taf, 2006-2021

B1	B2	B8	TOTAL
32 ha	6 ha	12 ha	50 ha

Source: EBSL/NLP, 2008

11.22 This requirement equates to 3.3 ha per annum over the LDP period – half of the total 6.65 ha employment land that was developed each year between 2000 and 2005 and substantially less even than the 5.5 ha land that was developed for B Class purposes each year between 2000 and 2005.

11.23 This decline is consistent with the economic forecasts provided by Experian Business Strategies.

11.24 The employment requirement to 2021 also represents a small proportion of the existing (unimplemented) employment allocations. A balanced approach is required whereby sufficient provision is made to meet the future employment land requirements but without unnecessarily over-allocating land that might be expected to remain undeveloped and unoccupied.

11.25 In the context of a realistic approach to the allocation of land – i.e. whereby sufficient provision is made for development but land is not unnecessarily retained for employment purposes – it is particularly important to ensure that all of the land that is identified for development has a good prospect of coming forward. Any sites with particular structural weaknesses or constraints should not be considered for allocation.

11.26 Our analysis has considered the potential growth locations within Rhondda Cynon Taf. However, these can only be preliminary recommendations at this stage and will be subject to further detailed analysis, for example relating to traffic, landscape, ecology and the need for other forms of development prior to their formal allocation.

11.27 Recognising that this additional work will inevitably result in some sites being considered unsuitable or otherwise inappropriate for development, we have identified more land than is required for consideration:

Figure 11.3: Potential Employment Development Locations

Reference	Location	Size (ha)	Use Class
TL36	Sony B P extension special employment allocation	34.1	B1
TP6	Co-Operative Store site, Church St / Mill St	0.21	B1
TP4	Millfield, Mill Street	0.66	B1
TL17	Mwyndy NW special employment allocation	6.17	B1
TL34	Llanilid Opencast special employment allocation	52.3	B1
TL28	Garth B P, Talbot Green	7.2	B2
TP9	Brown Lenox, Pontypridd	2.48	B2
TL26	Hepworth Industrial Park, Coedcae Lane, Talbot Green	9.2	B2
C15	Robertstown Industrial Estate	4.5	B8
TL13	Cowbridge Road (Purolite Site)	3.9	B8
TT1	Coed Ely, Tonyrefail	20.04	B1/B2/B8
C7	Hirwaun I E - grassland	16.8	B1/B2/B8

11.28 We consider that strategy set out above provides the basis for the identification and allocation of sufficient land to meet the future requirements in Rhondda Cynon Taf. Although considerably less land is recommended for future allocation than has been allocated in the past, the sites set out above are of a high quality and that they have a reasonable prospect of delivery. It is this, rather than the historically high levels of land allocations, that will be particularly important in seeking to ensure that the basis for employment development and economic growth can be established in the future.

Delivering Growth

11.29 Rhondda Cynon Taf has ambitious aspirations for continued economic growth and regeneration of those areas that presently suffer from greater levels of deprivation. The allocation of an appropriate amount of land in suitable locations throughout the County Borough will be important in helping to achieve the growth that is being sought. However, the allocation of land would not necessarily be sufficient to ensure that growth can be realised. In addition, a series of policy initiatives will need to be considered and potential challenges will need to be overcome.

Distribution of Growth

11.30 An important objective for Rhondda Cynon Taf is to spread prosperity and investment throughout the area and not to concentrate it within the Taff Ely area. Whilst this is a reasonable and an entirely understandable objective, its achievement will be influenced by the reality of market factors. Growth to date in Taff Ely has reflected the fact that this is the most attractive location for business growth. It is unlikely that the allocation of land in the northern parts of the County Borough would necessarily be sufficient to encourage investment and growth. This does not mean that all investment should be directed to the south or that allocations should be solely focused upon the southern part of the County Borough. Such an approach would clearly not comply with the Council’s development aspirations and would result in a greater level of inequality between the different parts of the County Borough. Rather, strategies should be put into place to encourage the take-up of investment land to the north. This might include measures to attract further public sector investment in order to stimulate growth in particular locations or the investment in business capacity-building or the improvement of the image and profile of individual areas.

11.31 In seeking to deliver growth, an aspirational approach should be centrally imbued within the Council's corporate activities and a range of strategies and approaches should be adopted to support growth, including:

a) Training opportunities;

b) Providing any additional support to encourage greater levels of employment activity and operator interest;

c) Business support to encourage entrepreneurship, inward investment and the expansion of existing companies;

d) Encourage the role of the voluntary sector in helping to encourage greater levels of economic activity;

e) The improvement of connections with other authorities in South East Wales to encourage a regional approach to economic development;

f) Regeneration;

g) The establishment of necessary infrastructure to facilitate development; and

h) The encouragement of Rhondda Cynon Taf as a nationally competitive business and investment location – a cultural and image shift towards a preferred location for business activity and investment.

11.32 These strategies can be categorised into those that help to enhance the image of the County Borough; those that relate to the capacity of the local population and business community; and those relating to physical issues such as infrastructure, land and premises. All three area should be considered together and it is important that one individual group of strategies does not become subservient to the others. For example, the quality of the physical environment and infrastructure links and the ability of workers and businesses will not be sufficient to encourage investment if the image of the area remains poor. A balanced strategic approach is therefore central and Rhondda Cynon Taf County Borough Council should consider very carefully how different initiatives and policies will impact upon one another.

Relationship with the Surrounding Area

11.33 In addition to looking to the growth within the County Borough, careful consideration should be given to the relationship with the surrounding areas. Competition between neighbouring local authority areas for investment represents a potential constraint on growth and efforts should be made to position Rhondda Cynon Taf as a preferred location for development. This will include the implementation of the initiatives detailed above as well as the allocation of high quality, well located, deliverable and developable land.

11.34 Rhondda Cynon Taf's most economically important neighbouring authority is Cardiff. This is undoubtedly the economic powerhouse of South Wales and has enjoyed very considerable levels of investment and growth in recent years. It is expected that this will continue in the future – Cardiff Council has established a clear strategy for economy enhancement which is intended to help it achieve the status of an Internationally Competitive city by 2020. Specific developments such as the proposed International Business Park are intended to facilitate this growth. The possible implications of this development on Rhondda Cynon Taf are unknown but may include the potential for spin-off development and business activity in Rhondda Cynon Taf or, conversely, a reduced demand for employment space in Rhondda Cynon Taf due to preference for investment in the new Business Park. Subject to the availability of sufficient land of an appropriate quality and measures to encourage investment and develop capacity, we consider that the former (more positive) trend would be the most likely.

11.35 The relationship between Cardiff and Rhondda Cynon Taf is complex. The southern parts of Rhondda Cynon Taf are viewed as forming the wider 'north Cardiff' area have therefore benefitted from the prosperity of Cardiff. However, the proximity of such a prominent and important economic centre is likely to have resulted in some potential investment being diverted away from Rhondda Cynon Taf, to its economic detriment. In addition, the balance between jobs and affordable housing in Cardiff and Rhondda Cynon Taf has affected commuting patterns and has resulted in some communities being viewed largely as dormitory settlements. It is expected that a high level of out-commuting will continue in future and this should not necessarily be resisted. The challenge, however, is to ensure that the opportunities that arise from the proximity of Cardiff can be maximised and that the viability of local communities might be enhanced and levels of inactivity reduced.

Maximising Growth

11.36 The ambition for economic growth must relate to all sectors within the economy and not solely to those within B Class categories. Much of the forecast growth in Rhondda Cynon Taf is expected to come forward within non-B Class sectors and this should be encouraged. Rather than focusing upon the employment capacity of 'employment land' sectors, a broader and more pragmatic approach is required in the future which considers the implications of all jobs in all sectors upon the well-being of the local economy.

11.37 Sustainable economic growth is not something that should be restricted or constrained and, in the event that high levels of growth are achieved and more than 50 ha of employment land is required, this should be encouraged by the County Borough Council through an early review of the LDP or the interim release of additional land for development.

11.38 Central to this process will be a clear approach to the monitoring of employment development in Rhondda Cynon Taf. Regular and reliable monitoring will help to show areas of success and areas of potential concern and will enable the County Borough Council to identify and respond to any issues as soon as they arise, thereby maximising the prospect for achieving its aspirations for sustainable economic growth.

12.0 APPENDIX 1: EBSL ECONOMIC SECTORS BY SIC CATEGORY

Experian Sector	SIC Category/code
Agriculture, Forestry & Fishing	01 Agriculture and Hunting 02 Forestry and Logging Services 05 Forestry and Fish Hatcheries
Oil & Gas Extraction	11 Extract Crude Petroleum and Gas
Other Mining	10 Mining of Coal 13 Mining of Metal Ores 14 Other Mining and Quarrying
Food, Drink & Tobacco	15 Manufacture of Food and Beverages 16 Manufacture of Tobacco Products
Textiles & Clothing	17 Manufacture of Textiles 18 Manufacture of Wearing Apparel 19 Tanning and Dressing Of Leather
Wood & Wood Products	20 Manufacture of Wood and Products of Wood
Paper, Printing & Publishing	21 Manufacture of Pulp Paper and Paper Products 22 Publishing and Printing
Fuel Refining	23 Manufacture of Coke and Refined Petroleum
Chemicals	24 Manufacture of Chemicals and Chemical Products
Rubber & Plastics	25 Manufacture of Rubber and Plastic Products
Minerals	26 Manufacture of Other Non-Metallic Mineral
Metals	27 Manufacture of Basic Metals 28 Manufacture of Fabricated Metal Products
Machinery & Equipment	29 Manufacture of Machinery and Equipment
Electrical & Optical Equipment	30 Manufacture of Office Machines and Computer 31 Manufacture of Electrical Machinery 32 Manufacture of Television and Line Telephone 33 Manufacture of Medical and Optical Instruments

Transport Equipment	34 Manufacture of Motor Vehicles and Trailers 35 Manufacture Of Other Transport Equipment
Other 'Other' Manufacturing	36 Manufacture of Furniture and Manufacturing N.E.C 37 Recycling
Gas, Electricity & Water	40 Electricity Gas Steam and Hot 41 Collect and Distribute Water
Construction	45 Construction
Wholesaling	50 Sale and Maintenance of Motor Vehicle 51 Wholesalers Trade and Commission
Retailing	52 Retail Trade
Hotels & Catering	55 Hotels and Restaurants
Transport	60 Land Transport 61 Water Transport 62 Air Transport 63 Supporting and Auxiliary Transport
Communications	64 Post and Telecommunications
Banking & Insurance	65 Financial Intermediation 66 Insurance and Pension Funding 67 Activities Auxiliary to Finance
Business Services	72 Computer and Related Activities 74 Other Business Activity
Other F&Bs	70 Real Estate Activities 71 Renting Machinery and Equipment 73 Research and Development
Public Admin. & Defence	75 Public Administration
Education	80 Education
Health	85 Health and Social Work
Other 'Other' Services	90 Sewage and Refuse Disposal 91 Activities Membership Organisations

	92 Recreational Cultural and Sport 93 Other Service Activities 95 Private Households 99 Extra Territorial Organisations and Bodies

Source: Experian Business Strategies Limited

13.0 APPENDIX 2: CRITERIA FOR EXISTING / ALLOCATED SITE ASSESSMENTS

Criteria	Issues to consider	Assessment Scorings	
		1 (Very Poor)	5 (Very Good)
Strategic access	Links to M4 and A470/A465	Over 5 miles from motorway junction or dual carriageway.	On junction of motorway or dual carriageway.
Local access	Quality of adjoining road network; access into site; level of congestion	Difficult / narrow road access via residential (etc) roads; sloping / bending access roads; difficult site junction; congested roads.	Easy local access via free moving, good quality roads; generally limited levels of congestion and unconstrained junctions.
Access by public transport	Distance from railway station and bus stops; number of routes served; frequency of services	Remote site with poor and infrequent public transport access; 1 bus service per hour or less with limited number/range of destinations.	Close to railway station and bus stops offering a frequent public transport connections to a number of areas.
Access by bicycle/ on foot	Ease of safe and convenient access for pedestrians and cyclists	No pavements or cycle lanes; inadequate crossing facilities. Unsafe and inconvenient access links to site.	Wide pavements and cycle lane around site. Easy, safe and convenient access to the site.
Internal circulation	Ease of movement within the site	Difficult / narrow roadways; poor visibility; congestion; inadequate turning area/ layout necessitating awkward manoeuvring.	Wide / easily accessible roadways with limited congestion; good visibility; separate entrance and egress / generous turning area.
Car/ lorry parking/ cycle parking/ disabled spaces	Level of parking on site for different vehicles. Perception of ease of finding parking space	No parking available on site for any vehicles.	Ample, safe parking on site for cars, service vehicles and bicycles; adequate provision of spaces for disabled people.
Servicing	Ease of access and movement for service vehicles. Servicing arrangements for individual units.	No provision on site for service vehicles.	Ample provision for service vehicles on site; easily accessed with generous space for manoeuvre.
State of the external areas and public realm	Quality of areas around buildings – include all hard and soft landscaped areas. Design? Quality? Layout? Condition? Maintenance?	Poor quality external areas; poorly maintained; poor layout / design.	Very high quality public areas/ good quality design; well maintained.
Space around the building(s)	Scope for physical	Absolutely no space around building(s) for expansion.	Large quantities of space available for expansion in all

Criteria	Issues to consider	Assessment Scorings	
		1 (Very Poor)	5 (Very Good)
	expansion of the building. Is the expansion space presently in use (e.g. for car parking or storage of materials)		directions.
Noise Smell Dirt	Extent of environmental problems on site	Dirty site upon which activities are noisy and emit significant odours.	Very clean and tidy site, free from any particular environmental problems (i.e. quiet, clean and odourless).
Quality of buildings	Quality and condition of employment buildings. Extent to which the buildings are fit for their current purposes	Poor quality building(s). Unattractive and in a poor state of repair. Has a detrimental impact upon the surrounding area.	Very high quality and attractive building(s). Well maintained and makes a positive contribution to the wider area.
Amenity of adjacent occupiers	Extent to which adjacent land uses could be viewed as complementing or conflicting with the employment use. Impact of neighbouring use on employment site or sensitivity of neighbouring use from employment activities.	Surrounding uses are highly sensitive / detrimentally impacted by activities on site.	Surrounding uses are compatible with and not detrimentally affected by activities on site.
Local facilities for workforce	Availability of facilities to serve the requirements of employees within easy walking distance from the site.	No facilities for workforce within 300m of site.	A wide variety of local facilities available within short walking distance of the site, including shops / cafes / banks.
Quality of local community	Proximity of community from site. Characteristics of community and availability of community facilities to serve their needs	Poor quality local community with poor facilities.	Very high quality local community with good local facilities.
Image of area	Nature of surrounding	Unattractive, poor quality surrounding area.	Attractive and very high quality part of town.

Criteria	Issues to consider	Assessment Scorings	
		1 (Very Poor)	5 (Very Good)
	area; quality of environment and land uses		
Market attractiveness	Vacancy level, turnover of premises, ease of letting, level of market activity	Low profile, poor quality appearance, attracts lower end uses, high level of vacancies, difficult to let, constraints on development, low level of market activity.	High profile / high quality appearance, low level of vacancies (<10%), units rarely available, quick turnover, new investment.

Other matters to consider and record (but not to score)	• Current use • Potential for alternative uses • Age of buildings • Planning factors (brownfield/greenfield, allocated site, sequential nature of location) • Candidate site status?

14.0 APPENDIX 3: TABLE 7.1: CRITERIA FOR UNDEVELOPED / VACANT SITE ASSESSMENTS

Criteria	Issues to consider	Assessment Scorings	
		1 (Very Poor)	5 (Very Good)
Strategic access	Links to M4 and A470/A465	Over 5 miles from motorway junction or dual carriageway.	On junction of motorway or dual carriageway.
Local access	Quality of adjoining road network; access into site; level of congestion	Difficult / narrow road access via residential (etc) roads; sloping / bending access roads; difficult site junction; congested roads.	Easy local access via free moving, good quality roads; generally limited levels of congestion and unconstrained junctions.
Access by public transport	Distance from railway station and bus stops; number of routes served; frequency of services	Remote site with poor and infrequent public transport access; 1 bus service per hour or less with limited number/range of destinations.	Close to railway station and bus stops offering a frequent public transport connections to a number of areas.
Access by bicycle/ on foot	Ease of safe and convenient access for pedestrians and cyclists	No pavements or cycle lanes; inadequate crossing facilities. Unsafe and inconvenient access links to site.	Wide pavements and cycle lane around site. Easy, safe and convenient access to the site.
State of the external areas and public realm	Quality of areas around buildings – include all hard and soft landscaped areas. Design? Quality? Layout? Condition? Maintenance?	Poor quality external areas; poorly maintained; poor layout / design.	Very high quality public areas/ good quality design; well maintained.
Amenity of adjacent occupiers	Extent to which adjacent land uses could be viewed as complementing or conflicting with the employment use. Impact of neighbouring use on employment site or sensitivity of neighbouring use from employment activities.	Surrounding uses are highly sensitive / detrimentally impacted by activities on site.	Surrounding uses are compatible with and not detrimentally affected by activities on site.
Local facilities for workforce	Availability of facilities to serve the requirements of employees within easy	No facilities for workforce within 300m of site.	A wide variety of local facilities available within short walking distance of the site, including shops / cafes / banks.

Criteria	Issues to consider	Assessment Scorings	
		1 (Very Poor)	5 (Very Good)
	walking distance from the site.		
Quality of local community	Proximity of community from site. Characteristics of community and availability of community facilities to serve their needs	Poor quality local community with poor facilities.	Very high quality local community with good local facilities.
Image of area	Nature of surrounding area; quality of environment and land uses	Unattractive, poor quality surrounding area.	Attractive and very high quality part of town.
Market attractiveness	Vacancy level, turnover of premises, ease of letting, level of market activity	Low profile, poor quality appearance, attracts lower end uses, high level of vacancies, difficult to let, constraints on development, low level of market activity.	High profile / high quality appearance, low level of vacancies (<10%), units rarely available, quick turnover, new investment.