

WELSH GOVERNMENT

Examination Hearing Statement

**NEWPORT
Local Development Plan Examination**

Hearing Session 7:

Employment

Thursday 10th April 2014

(Session 7): Employment

1. Employment strategy and identified land requirement (SP17,SP18).

What evidence demonstrates that the level and type of employment growth anticipated and planned for is credible and grounded in realistic expectations as to changes in the area’s employment structure over the Plan period?

The Welsh Government is supportive of the LDP strategy, particularly maximising economic opportunities by promoting brownfield regeneration sites to provide land for an increase of 7,332 jobs over the Plan period. However, we do have concerns regarding the scale of provision and deliverability.

The employment land supply in Newport exceeds past take-up rates of 11ha per annum for 2000-2009 with a projected increase to 21.6ha per annum. Paragraph 7.37 of the Employment Land Review (ELR) criticises this past take-up figure as it was attributable to a one-off inward investment. More recent figures from 2006-2012, suggest a past-take up of 4ha per annum, which is more akin to the employment land requirement of 35ha. The local authority should clarify why they have allocated employment and regeneration sites totalling in excess of the maximum delivery rate for Newport up to 2026.

The table below identifies employment land supply totalling 297.85ha, which excludes Policies EM3 and EM4. With provision 263ha above identified need, the authority should clarify that land values will not be affected to deliver on the strategy and that past trends are not replicated, as 80% of EM1 allocations alone “are inherited from the UDP, which in turn inherited many of them from earlier plans” (ELR, page 11). From allocations in the table below, the authority should explain which sites have been rolled forward, why they haven’t been developed and the change in market demand to warrant their inclusion:

Policy EM1	Size (ha)	Policy EM2	Size (ha)
Duffryn	37 ha	Llanwern Steelworks - East	33 ha
Queensway Meadows	22 ha	Llanwern Tipping Area	95 ha
Celtic Springs	6 ha	Phoenix Park	2 ha
Solutia	35 ha	Old Town Dock	32.75 ha
Gwent Europark	16 ha	Riverfront	0.3 ha
Chartist Drive	2 ha	Godfrey Road	2 ha
		Crindu	10 ha
		Whitehead Works	2 ha
		Cardiff Road	1.3 ha

		Novelis	1.5 ha
Total	118 ha	Total	179.85 ha

What evidence shows that the identified new employment land provision in the Plan adequately aligns with the forecast of 7,400 additional jobs over the LDP period, in terms of amount, type and location? How do the various EM allocations fit with the overall employment growth forecast? Which allocations correspond to the identified minimum new employment land requirement of 35ha?

Paragraphs 5.43 – 5.45 of the ELR, acknowledges that to support the delivery of 7,400 jobs over the plan period, 35ha of land for class B-space uses is required. The local authority should clarify the number of additional jobs created from the significant overprovision of employment land and how this will align with the objective to minimise the need for travel, especially if the strategic development areas at Duffryn and Queensway Meadows are developed.

Table 5.3 of the ELR identifies a 19.3% decline in industrial jobs, which is above the SW Wales and UK average. On this basis, the local authority should clarify why 67% of EM1 sites have been allocated for B2 uses. Whilst there is a predicted growth in the number of office and warehousing jobs, the ELR evidences a significant over-supply of office accommodation relative to demand within the city centre. It would be useful if the authority could evidence the need for B1 uses in the “ample supply of regeneration sites” in addition to the new B1 allocations in Policy EM1.

The ELR acknowledges that Policy EM2 lists former employment sites either in the process of being brought back into employment use or regenerated and subsequently, these sites will not add new land to Newport’s existing stock. Whilst the Welsh Government acknowledges that the ‘churn’ of employment sites may not add to supply, we refer to the evidence that many sites have been inherited from the UDP and have remained vacant for lengthy periods of time resulting in the stagnation of development rather than ‘churn’. It would be useful if the authority could clarify the vacancy period of such sites and explain why the majority of the 35ha requirement has not been met on the regeneration sites.

2. EM1 Employment land allocations – scale of supply, constraints, deliverability.

Does the amount and location of new employment land allocated under EM1 adequately align with the identified minimum new employment land requirement of 35ha?

It is unclear why the Council have sought to allocate 118ha of employment land on greenfield sites under Policy EM1. The Welsh Government acknowledges that in the longer term greenfield sites may prove more attractive to the market and consider that a range and choice of sites is necessary to provide options for the market. However, it is unclear why the

majority of employment land has not been met on regeneration sites given the Authorities brownfield strategy? If this is not the case, the authority should clarify the need to more than treble the basic requirement on greenfield sites?

The evidence is unclear on the justification for allocating two large scale strategic development sites at Duffryn and East of Queensway Meadows. The authority should clarify the market demand for such sites, especially as the neighbouring authority in Torfaen has a regional employment site, and evidence that all sites can come forward collectively.

In the justification text for allocations at Duffryn, East of Queensway Meadows and Solutia, there is a requirement for the developer to provide sufficient information to enable a Habitat Regulation Assessment (HRA) to be carried out. As part of the plan preparation process, the SA/SEA and HRA should have identified the implications from development and judged these to be acceptable. Natural Resource Wales (NRW) also had the opportunity to submit representations on the allocations, and as such the justification text should be omitted, provided that proposals do comply with the SEA and HRA regulations.

Does the Council's proposed Focussed Change arising from a correction concerning the identified safeguarding route for the M4 relief route undermine the adequacy of the employment land allocations in the Plan?

No comment

Does each EM1 allocation have a clear and adequate supporting rationale? What evidence demonstrates that each allocation is demonstrably deliverable? Does the Plan need to be clearer as regards those sites designated for single large user projects of at least 10ha (EM1(i), EM1(ii))?

Chapter 8 of the ELR justifies the inclusion of each employment land allocation in Policy EM1. However, the rationale for allocating two regional employment sites totalling 60ha for single large user projects is unclear, given that evidenced enquiries for very large manufacturing units appear extremely rare, particularly on the western side of Newport. The local authority should justify the allocations at Duffryn and East of Queensway Meadows and evidence market demand.

Paragraph 2.62 of the LDP identifies the need for suitable warehousing land to meet requirements in advance of industrial land disposals. However, only the constrained site at Solutia is allocated for B8 uses to meet short term need (2011-2016) and the local authority should clarify this provision is appropriate. It is unclear why the site at Duffryn is not allocated for B8 uses when paragraph 8.16 of the ELR recognises this is the most appropriate use on-site. The local authority should explain the apparent tension between the evidence base and LDP policy.

With a decline in industrial employment over the Plan period, it is unclear why 67% of EM1 sites have been allocated for B2 uses. With such a high land take, the local authority should clarify the market demand for each site up to 2026. Paragraph 4.5.2 of TAN 23 recognises the ‘harm’ caused by vacant employment sites and the potential of frustrating development for other land uses.

Is EM1(iv) (Solutia, 45ha) demonstrably deliverable, given uncertainties concerning land release, potential site development constraints and viability? Can this land be relied upon as part of the allocated employment land supply?

As part of the authority’s Focussed Changes, the allocation at Solutia has been reduced in size to 35ha to account for the M4 safeguarding corridor.

Chapter 8 of the ELR identifies the site as constrained. The land is owned by Solutia and will be used for their expansion, and where necessary, any adjoining operators will have to show synergy with the plant. Parcels of land may also be contaminated with landfill and wind turbines on part of the site may limit development potential. The local authority should demonstrate deliverability and market demand for the site, especially as any new owner would have to be accepted by the existing user.

Is the allocation of EM1(iii) Celtic Springs as a major B1 business use allocation consistent with the Plan’s economic and employment strategy? What evidence indicates that this allocation is unsound, and that change to an EM2 regeneration site allocation supporting mixed uses is required?

No comment

3. EM2 Regeneration sites – rationale, scale of supply, constraints, deliverability

Does policy EM2 identify sufficiently clearly the amount and location of land actually allocated for employment use within each allocation? What is the actual amount allocated on each site and the total of additional employment land allocated by EM2?

The total amount of employment provision allocated on mixed-use regeneration sites within Policy EM2 is unclear. As illustrated in our tabled response to Question 1, the combined size of the sites is almost 243.75ha with employment provision accounting for a substantial 179.85ha. To aid clarity, the local authority should amend Policy EM2 to reflect the employment provision on each allocation.

As referred to in our response to Question 1, it would be useful if the local authority could clarify the vacancy period of each brownfield site to establish if the employment allocations totalling 179.85ha are existing stock or additional supply. Given that “virtually all the LDP sites are inherited from the UDP, which in turn inherited many of them from earlier plans” (ELR) there is little

evidence of 'churn' in the market and the authority should clarify why the majority of the employment land requirement has not been met on these sites.

What is the rationale for each of the employment land allocations listed under policy EM2 - does each have a clear purpose and justification in relation to the Plan's economic and employment strategy?

The Welsh Government supports the Plan's brownfield led strategy which focuses on regenerating previously developed land for employment and other mixed-uses in the urban area. However, with provision above maximum need in Policy EM2 alone, we seek assurance that the Plan clearly aligns with the evidence base and that there will be no dilution of the strategy from the significant over supply of employment land.

What evidence supports the inclusion of 1.2ha of employment land at the Monmouthshire Bank Sidings site (EM2(ix)) as part of the wider residential-led redevelopment of the site? Is this allocation realistic and deliverable? Does it properly reflect the present planning position? Is it consistent with allocation H1(14) (11.3ha)?

The development of Cardiff Road for "possible" (LDP, page 83) employment purposes is subject to a Unilateral Undertaking following the implementation of allocation H1 (14). It is unclear from the Council's Delivery and Implementation Paper on the date permission was granted for the housing site; January 2010 or January 2011, either way, the Council has acknowledged that developers are on-site and it is apparent that the two year marketing strategy promoting the land for employment purposes has now passed. The authority should clarify if a commercial developer was identified to proceed with B1 employment development and if not, the future planning use, including B8 or Health Trust, should be clearly evidenced and stipulated in the Plan.

What evidence supports the inclusion of 1.5ha of employment land at the former Alcan/Novelis site (EM2(x)) as part of the wider residential-led redevelopment of the site? Is this allocation realistic and deliverable? Is it consistent with allocation H1(54) (40ha)?

Within Policy EM2, the 40ha site is identified as a residential led mixed-use regeneration scheme, with 1.5ha allocated for employment. The ELR recommends that delivery of a significant employment allocation is unviable and that new employment space is required to meet local need as part of a large housing development. The local authority should clarify why the proposed B-Class use does not align with recommendations in the ELR to forgo any new office provision in favour of small industrial/workshop units to meet a greater market demand?

What evidence demonstrates that each of the EM2 allocations are sufficiently free of constraints to development, and realistically, viably deliverable within the Plan period?

In addition to the potential loss of 1.5ha of employment land at Cardiff Road, the local authority should demonstrate deliverability of a further 97ha of employment land within the Plan period - 95ha at Llanwern Former Tipping Area and 2ha at Godfrey Road.

Llanwern Former Tipping Area has been described in the ELR as a very long term development opportunity. With viability a major issue and no realistic market prospect of the site being delivered for employment purposes in the short term, the local authority should justify its allocation and evidence market demand for the sites delivery within the Plan period. Given the site's brownfield status and its proximity to the M4, employment generating uses would be supported in accordance with the Plan's strategy, even without the need to allocate for B-Class uses.

Table 2.2 in the ELR, identifies the allocated employment site at Godfrey Road as a viable car park serving Newport train station, which is unlikely to be developed. The local authority should evidence its delivery over the Plan period.

To what extent do the allocations under EM2 (when added to allocations under EM1) result in an overprovision of employment land relative to identified need? Does this overprovision dilute the strategy, so jeopardising its delivery and undermining the Plan's soundness?

As tabled in our response to Question 1, when employment allocations in Policies EM1 and EM2 are combined to total 297.85ha, this will result in a provision far in excess of the 35ha requirement. As a maximum, the ELR recommends the Plan should make provision for 171ha of new employment land based on past take-up rates averaging 11.4ha per annum. However, the ELR also criticises this figure, as it was attributable to a one-off inward investment by the former LG plant. More recent figures from 2006-2012, suggest a take-up rate of 4ha per annum, which is more akin to the minimum requirement of 35ha over the Plan period.

To consider if the regeneration sites form part of Newport's existing stock, the local authority should clarify the vacancy period of each site to evidence 'churn' within the existing supply. Given that many of the allocations have been rolled forward from previous Plans, it is unclear why Newport's employment requirement has not been met on the regeneration sites and subsequently, the Council should explain the need to more than treble the requirement on greenfield sites in Policy EM1.

Overall, the Welsh Government seeks assurances that a provision far in excess of the 35ha requirement will not dilute the strategy, especially in light of market constraints and issues surrounding deliverability. The authority should clarify that oversupplying the market to such an extent will not have negative implications for land values or hinder appropriate development from coming forward, thereby jeopardising growth aspirations to assist in the delivery of new homes.

4. Policies EM3, EM4 – rationale and clarity

What is the rationale and intention of policy EM3 (Newport Docks) – does the policy wording adequately express this? Does it involve the allocation of additional land within the docks area, or safeguarding existing employment land and promoting its more effective use for employment purposes? Is the stated land area (ie excluding water areas) of 206ha accurate?

Chapter 8 of the ELR recommends a separate policy for Newport Docks given the additional policy control that is required of an operational port. However, it should not be the intention of Policy EM3 to allocate an additional 206ha of employment land, but to safeguard any surplus operational land to meet Newport's economic development objectives for employment generating B-Class uses. The requirement for Policy EM3 is unclear and the local authority should explain their rationale for omitting Newport Docks as a safeguarded site in Policy EM4.

Does the Plan (para 6.27 and elsewhere, eg paras 6.8 and 6.11) accurately and adequately reflect the currently-established position concerning the possible future M4 relief route?

No comment

What is the purpose and intent of policy EM4? Is it intended to safeguard against loss of existing employment land except where certain conditions are met? Does the policy provide sufficient clarity as to which land is subject to this policy, and what tests must be satisfied (ie how the stated criteria will be applied)? Is the policy based on a robust assessment of existing employment land and its suitability to contribute to employment land provision going forward? Can the policy operate effectively in advance of the intended SPG?

As part of the ELR, an assessment was undertaken of existing employment stock with a recommendation that all thirteen sites listed in Table 6.3 be retained for employment use and protected by Policy EM4. The safeguarded sites should be listed in the relevant policy and in accordance with paragraph 2.2.4 of LDP Wales, should also be defined on the proposals map.

It is considered that without a new Employment Land SPG, and as currently written, the implementation of Policy EM4 will be difficult and ineffective. However, the criteria that will need to be applied to the Policy should not be decanted to SPG, but written in a clear and concise manner within the policy text. The local authority should clarify the need for an SPG if guidance on marketing, along with a list of prestigious employment sites and a clear definition of the 'employment level' expected from the alternative use, are all stipulated in Policy EM4.
