

# Newport City Council **Employment Land Review** Final Report



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# 1 INTRODUCTION

## Background to Study

- 1.1 This report presents the findings of a study assessing economic growth and employment land within Newport. It was undertaken by Roger Tym & Partners, part of Peter Brett with help from Asbri Planning.
- 1.2 The overall purpose of the study is to help guide employment land policies and site allocations within planning documents and other strategic documents appropriate to Newport and ensure that employment land supply in the City is sufficient to meet the current and future needs of business. Its primary purpose is to inform the Revised Deposit Plan.
- 1.3 As we note elsewhere in this report a key objection to the Deposit Plan was that the proposed land allocations were un-evidenced. There was a concern that too much land was being promoted and that the plan was carrying forward environmentally constrained sites without sufficient justification.
- 1.4 So this report seeks to provide additional market based justification for the proposed new land supply while also seeking to reduce any potential oversupply by removing the most significant environmental conflicts, broadly in line with the sustainability appraisal.
- 1.5 One important limitation of this study is that we cannot make recommendations for sites to be lost from the employment land supply through a plan led approach. Normally, in line with advice in Planning Policy Wales an ELR would identify the areas weakest employment sites and recommend the Plan considers releasing them from the stock and seek an alternative use. By identifying planned losses and promoting a supply of new sites the study the ELR would seek to broadly 'balance' the supply of land.
- 1.6 But in this case the study was commissioned when the Council was proposing to make only 'focused changes' and as the introduction of such a policy was not considered acceptable. This is because such introducing such an approach would bring sites into new spatial policies which have not been tested through the plan process so far, nor been subject to sustainability appraisal.
- 1.7 The Council is now proposing to revert to a new 'second deposit' stage. However to keep as much conformity with the original deposit as possible the Council proposes to retain the operation of the 'criteria' driven release policy to control the loss of sites. With this in mind we recommend a minor change to this policy (EM3 in the Deposit Plan) and also a new SPG to help guide both potential applicants and also decision makers.

## Methodology

- 1.8 The table below outlines the key stages, tasks and outputs to our approach to the study.

**Table 1.1 Method of Approach**

Stage	Tasks	Key Outputs
Inception	<ul style="list-style-type: none"> <li>▪ Inception meeting and briefing</li> <li>▪ Information review</li> <li>▪ Agreed method</li> </ul>	<ul style="list-style-type: none"> <li>▪ Inception Note</li> </ul>
Assessing demand for employment land	<ul style="list-style-type: none"> <li>▪ Review of secondary socio-economic and property market data</li> <li>▪ Consulted with local agents, key businesses and developers</li> <li>▪ Commissioned and reviewed employment forecasts Newport</li> <li>▪ Established employment land requirements to support employment growth</li> <li>▪ Tested findings with stakeholders and property market agents</li> </ul>	<ul style="list-style-type: none"> <li>▪ Socio-economic profile</li> <li>▪ Property market profile</li> <li>▪ Sectoral employment demand forecasts through scenario testing</li> </ul>
Identifying new portfolio of sites	<ul style="list-style-type: none"> <li>▪ Reviewed demand for land against the local supply</li> <li>▪ Assessed existing sites and Deposit Plan site allocations,</li> <li>▪ Consulted with local agents, key businesses and developers</li> <li>▪ Tested land assessments findings with stakeholders</li> </ul>	<ul style="list-style-type: none"> <li>▪ Broad Assessment of Supply</li> <li>▪ Recommendations on future allocations</li> </ul>
Reporting	<ul style="list-style-type: none"> <li>▪ Interim Report</li> <li>▪ Revised Final report</li> </ul>	<ul style="list-style-type: none"> <li>▪ Final report</li> </ul>

## Report Structure

1.9 The report structure covers the following sections:

- **Chapter 2** summarises the strategic context for the study at both the national and local levels;
- **Chapter 3** analyses the present condition of the local economy and workforce, establishing the baseline for future change;
- **Chapter 4** provides an overview of current market conditions for employment space in Newport and the wider area, to understand short term need and demand for employment space;
- **Chapters 5 and 6** respectively review employment projections/employment space requirements and an indication of the housing levels required for supporting economic growth over the plan period;
- **Chapter 7** draws together the findings of the study and presents recommendations for consideration by the Council in the development of their Local Development Plan

**NOTE: All site numbering and references relate to the Deposit Plan. These may be revised in the emerging Second Deposit Plan.**

## 2 POLICY CONTEXT

### Strategic policies

- 2.1 In this section we briefly review the national and regional policies which Newport Council should take into account in planning for employment land. Of the documents we consider, only one, Planning Policy Wales, contains formal planning policy. The other documents are economic development strategies, which may say little about planning directly but do have important implications for planning.

### National policy

- 2.2 Two Welsh Government documents bear directly on planning for employment land uses. Economic Renewal: A New Direction (July 2010) sets out the Welsh Government's broad strategy for economic development. Chapter 7 of Planning Policy Wales (PPW) (November 2012) provides national planning policy for economic land uses, which in its recent update was extensively revised to align it more closely with A New Direction and '*ensure that the planning system facilitates economic renewal in Wales more effectively*'.

- 2.3 Economic Renewal: A New Direction aimed for '*new ways to lead Wales out of recession*'. It set out strategic priorities which include investing in infrastructure, encouraging higher skills and more innovation and focussing business support on five high-value, knowledge-based priority sectors – comprising ICT, energy and environment, advanced materials and manufacturing, creative industries, life sciences and financial and professional services. Another priority was '*Making Wales a more attractive place to do business*', which was introduced as follows:

*'We need to develop the conditions which not only allow, but actively help, people and businesses to flourish sustainably – by making the most of our assets and by getting the balance right between environmental, social and economic objectives. Wales is a great place to live, work, visit and invest – but it can be even better.'*

- 2.4 As part of this determination to make Wales more business-friendly, A New Direction promised a review of national planning policy to examine how the planning system could help deliver economic renewal in Wales. The outcome of that review is the updated PPW Chapter 7, Economic Development. Key points in that document include:

*'Planning policies should aim to ensure that the growth of output and employment in Wales as a whole is not constrained by a shortage of land for economic uses. Local planning authorities should aim to facilitate the provision of sufficient land as required by the market, except where there are good reasons to the contrary.'*

*'Local planning authorities are required to ensure that the economic benefits associated with a proposed development are understood and these are given equal consideration with social and environmental issues in the decision-making process, and should recognise that there will be occasions when the economic benefits will outweigh social and environmental considerations.'*

- 2.5 PPW Chapter 7 also says that development plans should, among other things:

- *'Be underpinned by an up-to-date and appropriate evidence base to support policy choices and land allocations for economic development;*
- *Using this evidence base, as far as is practicable set out an economic vision for the area, including a broad assessment of anticipated employment change by broad sector and land use;*
- *Provide targets on land provision for the employment uses (Classes B1-B8), showing net change in land / floorspace for offices and industry / warehousing separately, and protect these sites from inappropriate development;*
- *Include policies relating to future development on existing employment sites to protect them from inappropriate development:*
  - *To encourage the regeneration and re-use of sites which are still suitable and needed for employment;*
  - *To control and manage the release of unwanted employment sites to other uses;*
- *Seek to provide the right amount of land and qualitative mix of sites to meet the market demand for economic land uses;*
- *Seek to promote and facilitate development that will deliver physical regeneration;*
- *In safeguarding existing sites and providing new sites, prioritise sites that deliver appropriate job and training opportunities to disadvantaged communities...*
- *Include criteria-based policies to deal with development not specifically allocated in the development plan and to help respond to unexpected change'.*

2.6 In discussing Newport's emerging plan, we shall refer back to these requirements. But first we need to look at regional policies that impact on Newport's employment land planning.

### **Regional policy**

2.7 In line with national planning policy, discussed above, Newport's employment land policy should respond both to immediate market opportunities and to a longer-term vision of the area's economic potential. What do earlier policy documents tell us about those opportunities and that vision, both for Newport and its wider region?

2.8 In chronological order, the first relevant document is the Property Strategy for Employment in Wales 2004-08, produced by the former Welsh Development Agency (WDA). The document was intended as the first stage in developing 'a focused framework to prioritise development of employment sites and premises and WDA's resources' but was never finalised. Based on a comprehensive analysis of property markets across Wales, it summarised property requirements as follows.

**Table 2.1 Summary of proposed network for Wales**

Premier Business Park	1 – focused on M4/capital of Wales
Business Park	3 on M4 Corridor, 2/3 on A55 Corridor and 1 other (Mid-Wales)
Strategic Sites	– concentrated on large centres of population with proximity to the primary road network
Strategic Mixed use Sites	- to complement the business parks and strategic sites network
Special Category Sites	1 – but with other sites having ‘key’ sector roles
City/Town Centre Office Sites	Extensive network based on the main centres of population and existing critical mass, supplemented by smaller-scale opportunities
Industrial Estates/Local Sites	50-70 – to serve essentially sub-regional and local markets

Source: Welsh Development Agency

- 2.9 This market analysis relates to a bygone era, given that the Property Strategy was probably written in late 2003 or early 2004 (it is undated). But one aspect of it remains of interest: it identified Newport for large-scale prestige developments, including ‘Business Parks’ (as part of the M4 corridor) ‘Strategic Sites’ (as a large centre of population close to a primary road) and ‘City / Town Centre Office Sites’ (as a main centre of population).
- 2.10 This vision of Newport and its wider region as the right place for high-quality development is a common theme across policy documents. Thus, the Wales Spatial Plan (updated 2008) identified the town as a Primary Key Settlement, second only to Cardiff in the urban hierarchy, and it said:
- ‘Newport’s regeneration will strengthen its strategic role as the economic gateway to Wales... High value developments should be a dominant feature of Cardiff and Newport’s projected employment growth with quality of development befitting a regional capital area.’*
- 2.11 However, the WSP noted that the vision had not proved easy to deliver in practice:
- ‘There has been much success in restructuring the economy of South East Wales, but the challenge is to continue that process and enable all to share in prosperity. The area needs to develop a stronger presence in higher value services and the knowledge economy, and to seize opportunities to create jobs in tourism, creative industries, renewable energy, recycling and waste.’*
- 2.12 There were similar messages in Enter the Dragon Economy, a 10-year economic strategy produced by the South East Wales Economic Forum (SEWEF) in 2005. The main theme of the strategy was that the regional economy should restructure towards high-value, knowledge-based, innovative activities, largely by attracting international investment. Thus, elements of the strategy’s vision included:
- *‘Within 10 years, South East Wales will have seen the emergence or transformation of a limited number of key sectors, featuring innovative firms generating sustained profits growth for investment...’*
  - *‘Key sectors of the future will include business services, tourism (already important in the region.) and manufacturing, but involving higher value-added than at present. But’*

*the industrial structure will have evolved, not through a process of “picking winners” but through one in which “the winners have picked South East Wales”...*

- *In 10 years’ time, South East Wales will be regarded as a new addition to the list of European regions that are particularly fertile places in which to locate or grow an innovative business.*
- *The region’s universities and research establishments will act as magnets for research talent to move into the region.’*

- 2.13 In 2010, half-way through the 10-year strategy, SEWEF undertook a review of Enter the Dragon Economy, to take account of the global economic crisis. The review concludes that in 2010, although South East Wales continues to be Wales' best performing region, it is far from achieving the vision set out in 2005:

*‘In 2010, there are few signs that the region has progressed towards [the original vision] – indeed, on a number of prosperity measures, South East Wales has fallen back from its 2005 position.’*

- 2.14 Looking ahead to the next five years, the 2010 review says that the key themes of the 2005 strategy remain broadly valid. But on some issues the review does mark a change of direction. One of these issues is the emphasis on high-value, knowledge-based sectors. The document observes that the Welsh Government has launched a new economic strategy – A New Direction, which we discussed earlier – and that the priority sectors identified in that strategy ‘*mirror those selected by almost every other UK region*’. It adds:

*‘... the WAG emphasis on expanding these sectors with their strong growth potential is to be welcomed, but it is equally important to recognise that other sectors... will also continue to be important vehicles for growth and will therefore remain central to SEWEF’s own action plan. The 70% of businesses outside the six sectors (which include food, leisure, construction, transport) continue to have real value, employ real people and fulfil a real need. Moreover, the number of company closures/job losses throughout the Welsh economy during the recession has already exceeded the UK average, which cannot continue if the objective of making SE Wales one of the most prosperous regions in Europe is to be achieved. Neglecting the needs of businesses outside the six-sector definition could result in further losses.’*

- 2.15 On a related issue, the role of international inward investment, the 2010 review is more sceptical than the original strategy:

*‘Large multinational investments are increasingly facing east, not west. South East Wales’ focus needs to be on smaller inward investment projects (through Capital Wales), building support clusters (inward investors and indigenous growth), and new projects with existing large employers.’*

## Local policy

### **The Unitary Development Plan 1996-2011**

- 2.16 The current development plan for Newport is the Unitary Development Plan (UDP) 1996-2011, adopted in May 2006. Although it is time-expired, the UDP remains in force until it is

replaced by a new plan. Policy SP15 of the UDP made provision for 200 hectares of additional employment land for the period 1996-2011. This figure was based on the average of two alternative calculations of need, derived respectively from the projected growth of the workforce and the past take-up of employment land. The former calculation in effect assumed that, in net terms, all of Newport's employment growth over the period would be in industrial or warehouse space.

- 2.17 To meet this estimated need, the UDP identified two categories of sites:
- Major employment land allocations (Policy ED1)
  - Urban regeneration sites (Policy ED2).
- 2.18 The employment allocations at Policy ED1 provided land new to employment use, comprising six sites. The plan noted that these allocations totalled 239 hectares – more than the total requirement of 200 ha set out at Policy SP15 – and most of the land allocated had already been identified in earlier plans and strategies. The bulk of the land is at five greenfield sites, of which the largest are Tatton Park & East of Queensway Meadow (88 ha) and Traston Road / Nash Road (Solutia) (52 ha). Two of the sites, Duffryn and Tatton Park, which are mostly in Sites of Special Scientific Interests (SSSIs), were reserved for large-scale projects of 20 ha or more whose national economic benefits outweigh their environmental impacts.
- 2.19 The sixth allocation at Policy ED1 is Newport Docks, where the plan expected that some parcels would come forward for employment uses. The UDP gave the total area of these plots as 30.5 ha.
- 2.20 The urban regeneration sites at Policy ED2 were existing or former employment sites which were to be redeveloped for a mixture of uses, including some employment but generally dominated by housing, retail and leisure. The plan left it to future development briefs and masterplans to determine how much land at these sites was to be developed for employment. As shown in the UDP the regeneration sites total 327 ha, though this total is not especially meaningful, because the areas provided in some cases relate to the whole site and in other cases to the sections that might for employment. By far the largest of them is Llanwern Steelworks (240 ha), which was proposed for residential use in the west of the site and employment use in the east.
- 2.21 Table 2.2 below lists the sites identified for employment in the UDP and shows their current situation at 2012, a year after the end of the plan period.

**Table 2.2 UDP and LDP employment sites**

Site	UDP 2006 Ha Uses/criteria	POSITION AT 2012 Land developed since 2006, ha	Of which for employment, ha	Comment	DEPOSIT LDP 2012 Policy	Ha
<b>ODP Policy ED1 - New employment sites</b>						
i) Duffryn	22.0 Large-scale projects of at least 20 ha, national economic benefits outweigh environmental impacts	0.0	0.0	Part of larger development area which had been developed over a number of years. The Welsh Government have sought to market the site and have produced a masterplan (not publicly available). There is current interest but no legal commitment.	EM1 i)	78.0
ii) Tatton Farm and East of Queensway Meadows (East of Queensway Meadows South of Glan Llyn)	88.0 As above.	0.0	0.0	Not actively marketed. Some interest for waste to energy plant.	EM1 ii)	142.0
iii) Cleppa Park (Celtic Springs)	10.9 B1	5.0	5.0	Half of the UDP allocation has been developed as an extension to an existing business park. A section at the center of the allocation remains to be developed.	EM1 iii)	6.0
iv) Traston Road / Nash Road (Solutia)	52.0 B1,B2,B8	Wind turbines on part of site	0.0	The site is owned by the Solutia chemical company and adjacent to the company's existing plant. It was originally intended for Solutia expansion or related activities. Solutia now only requires a small part for an extension. It is seeking expressions of interest for the bulk of the site, though not actively marketing it, and would consider any use that does not conflict with the adjacent plant.	EM1 iv)	52.0
v) Newport Docks	30.5 B1,B2,B8	Not known	Not known	Various parcels within the Docks were identified for development in the UDP. The Docks should not be counted as part of the mainstream employment land supply.	EM1 v)	204.0
vi) Gwent Europark	35.6 B8	19.0	19.0	The allocation was part of a larger distribution park. The north-east section is yet to be developed.	EM vi)	16.0
<b>Total ED1 sites</b>	<b>239.0</b>	<b>24.0</b>	<b>24.0</b>			<b>498.0</b>
<b>UDP Policy ED2 - regeneration sites</b>						
i) Old Town Dock/George Street	10.6 B1, other commercial, leisure, residential	5.0	1.0	Some of the site has been developed for a garage / car showroom. The remainder is likely to come forward for residential. Little new employment development is expected, c 0.5 ha.	EM2 v)	27.0
ii) Town Reach	2.8 Institutional and commercial/leisure	1.5	0.0	Development to date has been for leisure and a campus. Most of the remainder is required for extension to the campus. 0.3 ha remains for B1 development on car park site.	EM2 vii)	1.3
iii) Rodney Parade	3.7 Residential/commercial/leisure	1.0	0.0	Most of the site is now developed or committed for residential uses.	Not identified	
iv) Crindau	16.0 B1, commercial, retail,leisure, residential	5.0	0.0	Part of the site has been developed for retail. The remainder is likely to be developed for employment and / or retail. It is probably unsuitable for housing due to flood risk.	EM2 ix)	10.0
v) Godfrey Road	1.5 Business/commercial	0.0	0.0	The site is a car park serving the station. It is now viable as a car park, due to improved access to the station, and is unlikely to be developed.	EM2 viii)	2.0
vi) Llanwern Steelworks	240.0 Business, commercial, distribution, leisure, residential and community	1.0	0.0	The UDP proposed residential uses at western end of the site and employment in the east, to provide a buffer to the remaining steelworks. Reclamation works are currently in progress.	EM2i), EM2 ii)	245.0
vii) Whitehead Works / Monmouthshire Bank Sidings	42.0 Residential, B1, B8, Health Trust	2.0	0.0	At Whitehead Works 2 ha is now in use as hospital car parking and the formerly vacant steelworks is now partly re-occupied. Monmouthshire Bank Sidings has permission for housing and 1.3 ha employment.	EM2 x) and xi)	22.3
(vii) Former Pirelli Works	10.5 B1,B2, Residential and ancillary	2.0	1.5	Approximately 6 hectares have permission for residential.	EM2 iv)	307.6
<b>Total ED2 sites</b>	<b>327.1</b>	<b>17.5</b>	<b>2.5</b>			<b>615.1</b>
<b>LDP employment sites not in UDP</b>						
Port Road, Maesglas				Existing employment site, designated in order to restrict retail uses.	EM1 vii)	10.0
Land Off Chartist Drive				Residual land adjacent to vacant DIY store.	EM1 viii)	2.0
Llanwern former tipping area				Currently in use for low-grade waste / construction, previously waste allocation WD2.	EM2 iii)	122.0
<b>Total LDP sites not in UDP</b>						<b>134.0</b>

Source: Newport Unitary Development Plan 1996-2011; Newport Council; PBA Roger Tym

- Of the 239 ha identified for new employment development (policy ED1):
  - Just 24 hectares, one tenth of the allocated land, has been developed. All of this development is in extensions to existing employment areas, at the distribution site Gwent Europark and the office park Celtic Springs.
  - The remaining three greenfield allocations remain undeveloped. Only one of them, Duffryn Park, is being actively marketed.
- At the regeneration sites (Policy ED2):
  - Just 2.5 ha has been developed for employment uses.
  - The largest regeneration site, Llanwern Steelworks, is currently undergoing reclamation works.
  - At other regeneration sites, 17.5 ha have been developed for other uses, often residential, and the indications are that little of the remaining land will come forward for employment.

### **The Local Development Plan 2011-26**

- 2.22 The First Deposit Plan, was published in April 2012. Policy SP17 of the plan says that provision will be made for approximately 165 hectares of employment land over the plan period 2011-26, equal to 11 ha per year.
- 2.23 The supporting text notes that this land requirement takes account of three factors: projections of workplace employment by sector, projections of the resident workforce and past take-up of employment land. But it goes on to say that employment projections have been given the least weight in the calculation because they are not sufficiently robust, and that workforce projections show no significant change. Thus in practice the employment land requirement is based on carrying forward past take-up of around 11 ha per year from the period 2000-2009. The text notes that this past take-up occurred predominantly before 2006; indeed, as we show at paragraph 2.21 above, take-up since 2006 has been far lower. The text goes on to say that the annual rate take-up of 11 ha per year *'may therefore be seen as a realistic level to plan for over the long term, although take-up is likely to remain suppressed in the short term while the national and international economies come out of recession'*.
- 2.24 Like the UDP, the LDP identifies employment land in two policies. Policy EM1 makes new employment allocations and Policy EM2 allocates regeneration sites, where existing employment space is to be redeveloped, generally for mixed uses. These sites are listed at Table 2.2 above. As the table shows, they comprise the same sites as identified in the UDP, plus three additional sites totalling 134 ha, of which the largest by far is the former Llawern tipping area, previously allocated for waste (122 ha). The supporting evidence base paper ranks all employment sites into four quality categories - Prestige, Good Industrial, Local Industrial and Central.
- 2.25 Although the employment allocations at Policy EM1 comprise the same sites as the earlier ED1 allocations in the UDP, the total site area of these allocations has almost doubled, from 239 ha in the UDP to 498 ha in the LDP. We understand that the allocated area has not actually expanded, and the apparent increase is due to inconsistent measurement. In

particular, the Duffryn allocation has increased from 22 ha in the UDP to 78 ha in the LDP, and the Queensway Meadows allocation from 88 to 142 ha, although proposals maps show the same land areas. At Newport Docks, the land area has increased from 30.5 ha to 204 ha, possibly because the UDP number refers to specific plots and the LDP number to the whole Docks estate, or because the larger figure includes areas of water.

- 2.26 Policy EM3 of the LDP, Alternative Uses of Employment Land, safeguards employment sites against competing uses. The policy covers both existing employment sites and sites identified for future employment use. It advises that proposals of alternative uses of employment sites will be assessed against three criteria:
- i *'The likely employment level of the alternative proposal*
  - ii *The remaining supply of employment land, particularly resisting the loss of prestigious land which has good access to transport links;*
  - iii *The availability of other land or buildings for the proposed alternative use'*
- 2.27 The Welsh Government, in a letter dated 25<sup>th</sup> May 2012, made a Category A objection to the Deposit LDP, under Soundness Tests C2 and CE. The objection relates to *'Fundamental issues that are considered to present a significant degree of risk for the authority if not addressed prior to submission stage, and may have implications for the plan's strategy'*. Key parts of the letter are quoted at Appendix three. It raises two main issues:
- The plan appears to identify too much land for employment – more than 685 ha, against an estimated requirement of 165 for the plan period.
  - Too little of this land appears to be deliverable in practice. In particular, the four largest allocations are variously constrained by the proposed M4 relief road, environmental designations and flooding.
- 2.28 As noted earlier, the Council intends to address these issues through a new Second Deposit Plan, and the main purpose of the present report is to advise on these changes. Unlike the original Deposit plan, these changes will be published after the latest edition of Planning Policy Wales and are required to comply with that latest version of national policy, including the updated Chapter 7: Economic Development. The implications of this are discussed in the concluding section below.

## Conclusions

### *Planned supply and market demand*

- 2.29 National policies that bear on planning for employment land include the economic development strategy Economic Renewal: A New Direction and the updated Planning Policy Wales Chapter 7, which aims to translate aspects of that strategy into land-use planning policy. In both these documents, a central principle is that Wales, and specifically Welsh planning, should be more economy-friendly and more responsive to market demand. The requirements that development plans should meet, as set out in Chapter 7 and partially quoted at paragraph 2.5 above, incorporate this principle. Most of these requirements are already satisfied by the Deposit plan. But a few of them are not, and should be addressed in the new version of the plan. Specifically:

- As part of its economic vision, the plan should include *‘a broad assessment of anticipated employment change by broad sector and land use’*.

As we have seen, the Deposit plan does not forecast employment (‘workplace jobs’) in Newport, on the grounds that economic forecasts are not sufficiently robust. It does refer to projections of the resident workforce, but these projections relate to workers who live in Newport rather than jobs located in Newport (i.e. workers who work in Newport). The resident workforce is quite different from workplace employment, because many people live in one local authority and work in another.

- The plan should *‘provide targets on land provision for the employment uses (Classes B1-B8), showing net change in land / floorspace for offices and industry / warehousing separately’*.

The plan’s employment land requirement is based on gross change – the amount of land developed for employment uses. It does not consider net change, which is the amount developed for employment less the existing employment land lost to other uses. Any revised targets provided as part of the new plan need to show net change, either instead of or as well as gross change. It also needs to distinguish between offices and industry / warehousing.

- The plan should *‘seek to provide the right amount of land and qualitative mix of sites’* to meet demand.

In terms of quantity, the land provision target of 165 ha over 15 years is based on a view of future demand, estimated from past take-up. But, as we have seen, the land allocated in the plan is far in excess of this target, and the Welsh Government has objected to the LDP on the grounds that it provides too much employment land. As regards the qualitative mix of sites, it may be questioned how closely the LDP’s employment allocations fit market requirements, given that most of them have already been allocated and vacant for many years: as we have seen, virtually all the LDP sites are inherited from the UDP, which in turn inherited many of them from earlier plans, and in the UDP plan period just 10% of employment allocations were taken up. This low take-up may be due to qualitative mismatch (the wrong land), or simply to over-provision (too much land), or a mixture of the two.

2.30 In the revised LDP, both the quantity and the quality of land allocated for employment must be based on robust evidence of likely market demand over the plan period. It is one of this study’s main tasks to produce this evidence, answering the Welsh Government’s objection that the plan provides too much land and too little of that land is deliverable.

2.31 As part of this task, the revised plan must clarify the exact site areas of developable land identified for employment, distinguishing net gains (additional employment land) from churn (redevelopment of existing employment land).

### ***Priority sectors and prestige development***

2.32 Another strategic theme, which runs through both national and regional policy documents, relates to priority sectors and prestige development. The WDA’s Property Strategy (2004) and the original South East Wales economic development strategy (2005) shared with many earlier documents a vision in which the country’s future economic growth would be

driven by high-value, knowledge-based industries, often imported into Wales through international inward investment; hence planning must focus on providing the high-quality, prestige sites that these businesses need; and Newport and its region were the favoured locations for such sites.

- 2.33 This vision has clearly been a major influence on the UDP's and LDP's site allocations, with their emphasis on premium-quality greenfield sites targeting high-value occupiers including international inward investors. It has also informed policy EM3 of the LDP, in its intention to *'particularly resist the loss of prestigious [employment] land'*.
- 2.34 But the vision has proved difficult to deliver in practice. The Wales Spatial Plan, updated in 2008, already noted that economic restructuring still had a long way to go. In 2010, the review of the South East Wales economic strategy noted that economic growth had been disappointing, the high-value sectors priorities by the strategy were also targeted by every other region of the UK, and other economic sectors deserved more attention.
- 2.35 The low take-up of Newport's land allocations is another indication that demand from high-value sectors and inward investors was overestimated in the past. This is partly because of the recession which has dampened national demand but also too many authorities and plans were collectively making too much provision for key growth sectors. So in reconsidering its employment land policies, the Council should be realistic about the potential of these prestige sectors, and it should ensure that lower-profile economic activities also get the land they need.

## 3 THE ECONOMY

- 3.1 The main purpose of this chapter is briefly to consider how Newport's economy is performing, and hence what problems of deficiencies employment land policy should help address. It also looks for evidence on sectors or kinds of business that are likely to generate economic growth and demand for employment space. The plan needs to ensure that the planned employment land supply provides the sites these businesses need, in terms of qualitative mix as well as quantity.
- 3.2 The evidence on this has already been extensively analysed, in the Baseline Conditions Report that supported the Economic Development Strategy and in the Newport LDP Employment Context Paper . Here, we do not repeat this analysis, but simply summarise some of the relevant key conclusions under relevant headings.
- 3.3 The following description of the economic situation in Newport is primarily based on previous analysis set out in the 'Baseline Conditions Report 2011' (AECOM, February 2011) and built upon in Newport City Council's (NCC) 'Newport Economic Development Strategy 2011-2015' (EDS) and the 'Newport Local Development Plan 2011-2016 Employment Context Plan' (AECOM, March 2011). Data and analysis has been updated where applicable.

### Newport's Economy

#### *Structural Change & Recession*

- 3.4 Through much of the twentieth century Newport was an historic port and major steel producing and manufacturing town. However, AECOM's findings show that since the year 2000 Newport has been through multiple large and rapid economic declines and recoveries. This fluctuation in the economy is in part symptomatic of the significant structural change which has taken place in Newport.
- 3.5 This change has been away from manufacturing and towards the service sector which is now the main economic driver. The AECOM's findings show that the economy has shifted from a manufacturing services ratio of 30:70 in 2000 to a ratio of 20:80 by 2009 and with over 50% of services now in the public sector.
- 3.6 Whilst the city recovered from major losses following the closure of Llanwern Steel works in 2002 with a period of strong employment growth, there were more than 5,000 jobs lost from the Newport economy in the latter half of the last decade (2006-2009) as the global economic recession took effect. By 2011, only part of this loss has been recovered.

#### *Recent Economic Drivers*

- 3.7 Despite the employment decline, Newport now has a much more diverse economy than it did in 2000. In particular, AECOM's findings show that four major employment sectors have been relatively resilient over the last decade , which are:
- Health & Social Work;
  - Education;
  - Public Administration; and

- Transport & Communication.

- 3.8 These sectors absorbed some of the labour surplus created by the decline in manufacturing.
- 3.9 Of these four sectors, the growth in Public Administration has been strongest. In 2009 they accounted for 41% of total employment in Newport, which is an increase from 29% in 2000.
- 3.10 The single largest employment sector in Newport in 2009 was in Wholesale & Retail followed by Health & Social Work. In addition, the Tourism & Leisure sector has performed reasonably well through the economic recession, which was no doubt supported by the hosting of the 2010 Ryder Cup.

### **Predicted Future Trends**

- 3.11 The following future trends, predicted for the economy of Newport, have been taken from the Newport LDP 2011-2026 Employment Context Paper and are based on the analysis undertaken of the local economy and current national and global economic trends.
- 3.12 This noted that, in general, Manufacturing is likely to continue to decline.
- 3.13 The strong growth in Public Administration and Education are not expected to be prominent drivers of employment in future years because of Government spending cuts, and if anything, with Public administration being such a large sector, there is a risk of future job losses associated with it. However, the reduction in public sector activity might be mirrored by an increase in private sector activity in the same service areas, which could result in a neutral change as public sector workers shift to the private sector without necessarily changing the type of activity that they do. The Newport EDS is therefore supportive of encouraging more private sector activity within the economy.
- 3.14 Given the growing, but ageing population in Newport, it is likely that Health & Social work sector activities are likely to remain strong.
- 3.15 Financial & Real Estate and Wholesale & Retail will be integral to future employment growth in Newport. However the speed of growth is predicted to be slow, in line with population expansion in and surrounding Newport City.
- 3.16 Transport & Communication is expected to grow due to Newport's locational advantage with good road and rail connectivity, relatively flat, and in some locations, cheap land.
- 3.17 In line with recent past trends, the Tourism & Leisure will remain important to attract new business growth and investment.

### **SWOT Analysis of the Newport Economy**

- 3.18 The EDS identifies the following SWOT analysis for the economy of Newport, which is worthy of reiterating here:

#### **Strengths**

- Location and connectivity
- Varied economic base
- Significant regeneration achieved

- Land supply and modern business space
- Good technical skills/labour force
- Credibility in major events and quality facilities available

#### *Weaknesses*

- Poor city centre image and offer
- Exposure to public-sector service employment leaves it vulnerable to public sector spending cuts and risks continued economic contraction.
- Academic skill/economic indicators
- Land constrained - services/flood risks

#### *Opportunities*

- Enhancement of the city centre
- New City University Campus opened in early 2011
- Technical excellence in manufacturing
- Severnside catchment (1.5m people within 45 minute drive) - cost advantages for businesses locating in Newport compared with Cardiff & Bristol
- Back-office business services - reduced costs
- Add-on businesses functions to existing manufacturing - businesses consolidation
- Local/regional logistics - internet delivery growth
- M4 congestion further west

#### *Threats*

- M4 congestion generally
- Severn Tolls into Wales
- Improving competition nationally (UK)
- Continued squeeze between Bristol and Cardiff
- Priorities for Valleys and the West - further European funding.



## 4 THE PROPERTY MARKET

### Introduction

- 4.1 The purpose of this chapter is to assess aspects of the potential demand for employment land, focusing on qualitative aspects and on the short to medium term. In particular, we aim to find out:
- Where occupier demand is coming from
  - What kinds of development are in demand and viable
  - Hence where will be the opportunities for B-class development and hence the demand for land? i.e. for what kinds of sites in what places?
  - Conversely, what kinds of sites, in what places, are over-supplied and should be considered for release to other uses?
- 4.2 This analysis complements the forecast-based analysis below, which have a longer time horizon but tell us little or nothing about qualitative aspects.
- 4.3 Importantly for the Deposit Plan it helps us better understand who may want the large amount of land being promoted in the plan and how much (or little) could realistically be taken up.
- 4.4 This chapter considers first the Industrial market followed by the office market . Warehouses are considered alongside industrial property because in the main they accommodate similar sites and even often similar buildings.
- 4.5 As a 'health' warning before proceeding to the detail the UK property market has been in a deep recession now for a number of years, dating back to at least the credit crunch. So the picture we outline often presents a pessimistic market view of Newport but this is also true in many other parts of England and Wales.
- 4.6 We *could* try to present a much more optimistic picture of future demand. But such a story would lack credibility and not reflect what agents report. As we discuss above such a story could not be supported by the facts and many old land allocations remain undeveloped, even after being serviced at public expense. But more importantly painting an overly optimistic view of new development potential could be harmful, lulling the Council into a false sense of security in that any losses of viable space for the existing stock could easily be replaced on the new land allocations. The analysis would suggest this is not the case until the market recovers.

### The Industrial Market

- 4.7 The coastal belt of South East Wales is regarded to be the primary business location within the region. Newport's proximity to the M4 Motorway corridor, the main east-west route in the southern part of the UK, provides access to the Severn Bridge and major centres of Cardiff and Bristol and the national UK motorway network. A direct dual carriageway links Newport to the M50 and on to the M5 and West Midlands. These locational advantages have led to the establishment of a number of industrial parks over the years which provide

a range of premises to cater for a variety of occupier requirements. New and established industrial estates include the following:

- Leeway Industrial Estate - East of Newport with excellent links via the Southern Distributor Road, to Junctions 24 and 28 of the M4 motorway. Comprises a mix of industrial/warehouse and trade counter uses with a number of motor dealerships and light industrial uses. Occupiers include Skoda/Ford and Newport Mazda, Carlsberg, Sintec, Tellermate and Storage Giant at Leeway Industrial Estate.
- Maesglas Industrial Estate, located on Docks Way, south west of Newport city centre. Communications via Junction 28 of the M4 motorway and the Docks Way Distributor Road provide access to the centre of Newport and the A48 Southern Distributor Road. Businesses located here include Parcellforce Worldwide, Screwfix, B&Q, ATS and Autoglass.
- The Wern Industrial Estate, Rogerstone - 2 miles north east of J28 of the M4. Occupiers include Freight Movement Limited and an Executive Coach Training company.
- Reevesland Industrial Estate, Langland Way, just off the A48 Southern Distributor Road across the River. Companies include Marlin Industries (drums and barrel manufacturers) and FC Brown (Steel Equipment Ltd.) office furniture and equipment suppliers.
- Queensway Meadows - 200 acre modern industrial estate located 2.5 miles from Junction 24 off the M4 motorway. Major occupiers include Palletline and Industrial Automation & Control (IAC) Ltd, Halo Foods, Tomoe Valve, British Care Auctions and Carlsberg-Tetley. Estuary Court is a brand new development on the Queensway Meadows Estate providing a range of new workshop, retail and warehouse units.
- Imperial Park - 350 acre site best known as the former LG Electronics site located on the western edge of Newport in close proximity to Junction 28 of the M4. Developed in 1997 the park provides flexible, modern, high quality small production and large manufacturing and warehousing operations with some offices. Opportunities exist for further development. Major companies include Blyweert Beaufort, Gocompare.com, Next Generation Data, Europe's, Quinn Radiators, Smiths News. The Welsh Assembly, Lloyds TSB and Home Office are located close by.
- Phoenix Park, approximately 2 miles to the south east of the city centre, was constructed in 2008 and comprises 45, purpose built industrial units with roller shutter access, providing a total of 3,994.7 sq m (43,000 sq ft) of workshop space capable of accommodating a wide variety of commercial uses. The park is owned by Newport & Gwent Enterprise.
- Council property at Stephenson Street in the city centre caters for start-up businesses, providing incubator units.

4.8 New units are planned at Celtic Business Park at the Llanwern steelworks site which is considered a major opportunity for the Eastern expansion of the city. The East Newport Development Framework sets out proposals for the area which is expected to deliver up to 4,000 new homes, employment, parks and lakes. St Modwen Properties plc, have acquired the site which has planning consent for B1, B2 and B8 uses. We understand that the

employment elements are 33.3ha; only a fraction of the several hundred hectares identified in the previous development plan.

## **Demand**

### *Annual take-up*

- 4.9 A paper published by Alder King in 2012 highlights the following with respect to the demand for industrial accommodation during 2011:
- Demand has remained consistent over the last two years [2011/10]
  - The majority of transactions fell into the sub 929 sq.m. (10,000 sq.ft.) category and there was a decrease in the number of freehold transactions.
  - The two most significant industrial transactions were SPTS's purchase of their production facility on Ringland Way of approximately 9,476.1 sq.m. (102,000 sq.ft.) and the letting of 12,332.8 sq.m (132,750 sq.ft.) to Blyweert Beaufort.
- 4.10 There is evidence of a proportion of demand for accommodation within Newport from manufacturing companies. For example, SPTS Technologies Limited is a Manufacturer of etch, deposition and thermal processing systems for production and R&D applications in the photonics, MEMS, power, wireless and advanced packaging markets. Blyweert Beaufort Aluminium supplies Aluminium systems for the production of commercial and residential doors, windows, screening etc. Local agents consider that the majority of demand emanates from B8 storage and distribution firms with one local agent citing approximately 25% of enquiries generated from manufacturing companies.
- 4.11 The property database, CoStar Focus, provides a record of both freehold and leasehold transactions. A review for the previous 5 years provides an indication of the quantum of industrial and warehousing floorspace which has been taken up within Newport which is summarised below.

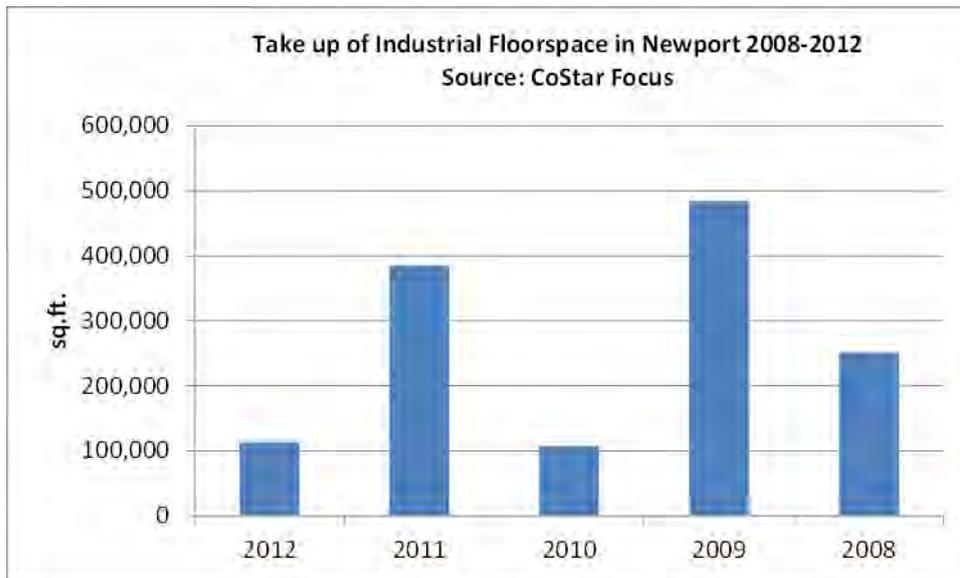
**Table 4.1**

Date	Area (sq.m)	Area (sq.ft.)	No. of Industrial Transactions	Comments
2012	10,494	112,967	22	The largest letting was a general industrial unit extending to 3,251 sq.m. (35,000 sq.ft.) at Maesglas Industrial Estate to an undisclosed tenant.
2011	35,781	385,137	39	Two significant lettings to Blyweert Beaufort and SPST Technologies of 12,333 sq.m. (132,750 sq.ft.) and 9,476 sq.m., (102,000 sq.ft.), respectively at Imperial Park and Ringland Way.

Date	Area (sq.m)	Area (sq.ft.)	No. of Industrial Transactions	Comments
2010	9,987	107,512	28	Fox (Moving and Storage) purchased a 1,608 sq.m. (17,309 sq.ft.) industrial unit at Leeway Industrial estate which represented the largest single transaction during 2010.
2009	44,990	484,226	35	Owens (Road Services) took a 10 year lease with respect to 90,000 sq.ft. industrial unit at Reevesland Industrial Estate from Threadneedle Property Unit Trust which represents the largest single property transaction.
2008	23,344	251,271	39	Hasbro UK took a 5 year lease with respect to 85,000 sq.ft. at Reevesland Industrial Estate with an option to break in year 3.
Source: CoStar Focus				

- 4.12 The recorded transactions provided by Focus indicate that take-up has fluctuated over the past 5 years, peaking in 2009 with total take up of industrial/warehousing floorspace of approximately 44,990 sq.m. (484,226 sq.ft.). Take up of 36,000 sq.m (385,000 sq.ft). of floorspace in 2011 was boosted by two major lettings to Blyweert Beaufort and SPS Technologies, which accounted for approximately 61% of the total take up for that year.
- 4.13 Based on the information recorded by Costar Focus, the total quantum of industrial floorspace take up for the past 5 years within Newport has been approximately 124,596 sq.m. (1,341,113 sq.ft.). This equates to an average annual take-up level of 24,919 sq.m. (268,235 sq.ft.).

**Figure 4.1 Take up of Industrial Floorspace in Newport**



Source: Costar Focus

- 4.14 Although there appear to have been fewer overall transactions during 2012, the quantum of floorspace take up is broadly in line with take up levels in 2010, at just over 10,400 square metres (112,000 sq.ft). with 22 recorded transactions. During 2012, 86% of transactions were for units under 1,000 square metres (roughly 10,000 sq.ft). The majority of deals however, (approximately 64%) were below 500 square metres. Of the total transactions in 2012, just two were freehold sales.
- 4.15 The majority of transactions during 2012 comprised second hand accommodation, with the exception of three modern units ranging from 600-1,000 sq.ft. let by Newport & Gwent Enterprise at Phoenix Park. Approximately 50% of transactions took longer than 12 months to secure whilst just under a third (32%) had been on the market in excess of two and a half years including the modern units at Phoenix Park.
- 4.16 A wide range of companies have taken up accommodation in recent years. The types of sectors generating enquiries include the waste and energy and recycling sectors in addition to new businesses seeking flexible, start-up units. However, the take-up of accommodation is considered to be associated largely with churn within the local market, as opposed to inward investment.
- 4.17 These findings were borne out via discussions with local commercial agents who confirmed that whilst there is demand for units across a broad spectrum of units sizes, the majority of enquiries have tended to be for leasehold units of up to 5,000 sq.ft. The majority of units available within Newport fall below 5,000 sq.ft and may be generating many of these enquiries as well as meeting this demand.
- 4.18 In terms of specification, the majority of enquiries are for good quality accommodation, although, quality will often be compromised, when judged against cost and budget. In order to let, space does not have to be 'good quality' and there is market appetite for lower grade space for the more budget conscious.

- 4.19 Looking to the future this local scale demand, for smaller units (both B2 & B8) is likely to continue. A large amount of this demand is driven by local needs, to service the local population or for local entrepreneurs forming new firms.
- 4.20 Occupiers are seeking flexible units and in terms of building specification there is little difference between B2 from B8 space with occupiers demanding good access, high eaves heights and ample circulation space.
- 4.21 Flexible accommodation with an ability to combine or sub-divide units is advantageous. In addition, agents highlight the following with respect to the configuration of units to meet modern requirements:
- Convenient locations with relatively easy access close to motorway networks.
  - Office component (c. 5% or 10%)
  - 6-8m to the eaves, to meet the requirements of modern business
  - Dedicated car parking and loading areas
  - Flexible space which can be adapted to meet changing needs over time
  - Flexible lease terms including attractive inducements
- 4.22 A large amount of this local demand can be accommodated on the existing employment sites through regeneration and renewal or simply through market churn. Not all this demand needs new space such as that promoted in policy EM1 or the large regeneration proposals in policy EM2.
- 4.23 However agents report some new land is advantageous because it is more difficult to deliver higher quality space on the existing estates. Access the M4 is also better from some of the potential greenfield sites in the Deposit Plan than the large established estates. Also as we note elsewhere new land, especially where it has been serviced by previous government grants, is likely to be more viable.

#### *Demand for Large Units*

- 4.24 One demand side problem agents highlight for Newport is the limited demand for very large sized units. In the past land and property has been made available for large enquiries including very large strategic warehouses and also manufacturing units. But take-up has been slow.
- 4.25 In the very large warehouse market, which has been driving land take-up elsewhere in the UK Newport has provided Gwent Europark. This is located off junction 23, and is marketed as the premier (large-scale) distribution park for Wales and the South West with over 1.8 million sq.ft. of buildings either built or committed out of a total consent of 2.6 million sq.ft. Local agents consider Europark to be about the best that Newport could reasonably offer.
- 4.26 But the site has been marketed since 1995 and although has succeeded in attracting some large scale users including Tesco (650,000 sq.ft.) and Wilkinson (850,000 sq.ft.) it is still not built out nearly 20 years on. Any future development is likely to be design and build with no market appetite to provide speculative space.

- 4.27 On the west side of Newport the market has also seen slow takeup of large units (warehousing or manufacturing). The most noticeable development has been Imperial Park but here Unit IP4, a very large unit in excess of 270,000 sq.ft. continues to remain vacant.
- 4.28 There is pressure to subdivide other large units to better meet market demand. Unit IP3 which extended to over 100,000 sq.ft. has been sub-divided into smaller units with 52,000 sq.ft. of the unit now remaining.
- 4.29 Agents report that the reason for this slow market is two fold. For manufacturing units very large enquiries are very rare and there is lots of competing supply in South Wales. For warehouses Newport is disadvantaged by the Severn tolls which means operators are unwilling to serve English markets from Newport. Instead for large warehouses it is more cost efficient for them to serve Newport and South Wales from Avon where they can also, from the same warehouse service Bristol and the South West of England.

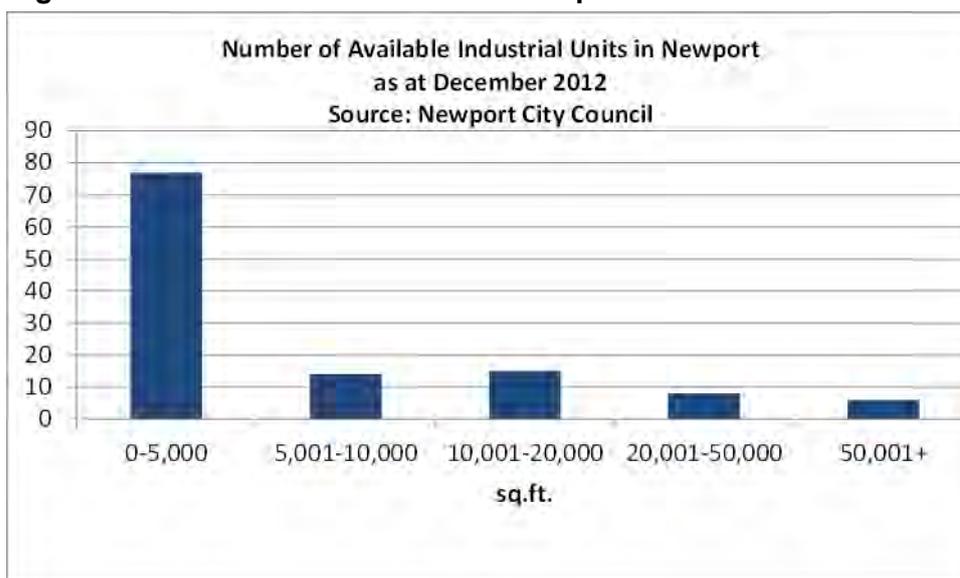
*Demand for Medium Sized units (<50,000 sq ft)*

- 4.30 Despite being cautious about large scale warehouse demand agents stress the importance of Newport as a gateway to firms seeking to service the more local South East Welsh market; including Cardiff. As a result of increased internet sales, local agents advise that there is growing demand from a new type of warehouse operator who focuses on delivery to homes and workplaces as opposed to brick and mortar stores. This is in contrast to the traditional style of distribution which flows through National Distribution Centres through large Regional Centres to retail outlets and as noted above favours Avon.
- 4.31 Anecdotally, local agents identify growing demand for medium sized warehouses ranging from 30,000-50,000 sq.ft., located in close proximity to main areas of population. Alder King give a slightly different threshold but state that there are a "significant number of enquiries in the 20,000-40,000 sq.ft. category" but limited stock available.
- 4.32 Agents also suggest this demand will need new sites because occupiers will require a much higher standard of access to the motorway than available from the established estates. Also greenfield sites with good motorway access are likely to prove more viable than constrained brownfield sites as they offer greater flexibility in terms of scheme configuration. Older accommodation is not likely to prove attractive as it cannot be easily converted and does not tend to meet the high specification sought, in terms of access, parking and flexibility.
- 4.33 Developers wish to avoid complex and costly development issues often associated with previously developed land such as contamination, which would adversely impact upon the timing of developments, costs and viability.
- 4.34 With respect to this sector, locations to the west side of the town are likely to prove more attractive due to accessibility and operators' requirements seeking to reduce the need to repeatedly transit through any areas prone to congestion when servicing wider South Wales i.e. the M4 'bottleneck' through Newport. This therefore suggests that such development maybe attractive in locations such as Duffryn.

## Supply

- 4.35 The Alder King Report highlights the following with respect to the supply of industrial floorspace within Newport in 2011:
- The supply of accommodation rose slightly with a number of leasehold properties having been on the market for over 2 years;
  - There was approximately 40,000 sq.m. (430,571 sq.ft.) of accommodation available at Imperial Park and 4,650 sq.m. (50,054 sq.ft.) in Rogerstone.
  - Approximately 30,000 sq.m. (322,928 sq.ft.) was available across five buildings located in the Spytty area on the east side of Newport.
- 4.36 Newport City Council's Commercial Property Register provides an approximation of the available industrial accommodation within Newport. The register lists 120 units, which combined provide over 129,716 sq.m. (1.4 m sq.ft.) of available industrial accommodation. A quarter of the vacant accommodation is located in two modern buildings i.e. IP3 and IP4 Imperial Park which comprise 105,200 sq.ft. and 278,100 sq.ft., respectively.
- 4.37 Based on the average annual take up rates estimated above (i.e. 24,919 sq.m. (268,235 sq.ft.) per annum) and approximate vacant floorspace, there is an estimated 5.2 years of stock remaining. However, if the two large units at Imperial Park are discounted there is approximately 3.8 years of stock remaining.
- 4.38 Costar Focus also provides an alternative and reliable source of information with respect to the available industrial stock currently being marketed within Newport. The total amount of floorspace recorded is (136,651 sq.m) 1,470,948 sq.ft. CoStar Focus now indicates that a proportion of IP3 has been let and there is currently 52,000 sq.ft. remaining. On this basis there is approximately 5.5 years worth of supply of industrial floorspace (including the units available at IP3 and IP4) and 4.3 years of supply, if IP3 and IP4 are discounted.

**Figure 4.2 Available Vacant Units in Newport**



Source: NCC

- 4.39 An alternative measure of a healthy market is to estimate the vacancy rate. The Valuation Office record a stock of 1.2m square metres of industrial and warehousing space in Newport (2012) so around 11-12% of the built stock is currently vacant depending on which source of vacant space is used.
- 4.40 This analysis would suggest that the market is not grossly oversupplied with existing stock. However vacancy rates and years supply are higher than ideal. An 8% vacancy rate and 3 years supply would reflect a more balanced market. But given the recession the ideal is unlikely to be achievable.

*A lack of quality?*

- 4.41 Although the amount of vacant space on the market is reasonable, the supply is dominated by secondary stock with limited new offer. Agents report there is little or no new supply to offer tenants; especially smaller units which make up the bulk of the Newport market.
- 4.42 At the smaller end of the market, with respect to the modern units developed at Estuary Court, Queensway Meadows Industrial Estate local agents advise that these have let out reasonably well. In terms of recent lettings, in April 2012 Thrifty Car Hire took a 1,400 sq.ft. (130 sq.m.) unit at a rental of £6.42 per sq.ft. per annum (£69.1 per sq.m.) on a 10 year lease with a tenant option to break in year 5. A number of medium sized units have also been let with Splash Engineering taking a 4,522 sq.ft. unit from St Modwen on a 5 year lease in May. The agreed terms are confidential. An undisclosed tenant also took 6,529 sq.ft. industrial/warehouse unit at Queensway Meadows following 1,145 days on the market. The lease terms are undisclosed however, the quoted rental level was £3.95 per sq.ft.
- 4.43 However there is a major problem in promoting new, higher quality product in Newport. Although 'quality' is in demand the delivery of this space is, of any size profile in Newport, largely unviable.
- 4.44 Currently, headline rental levels within Newport are considered to be approximately £4.00 per sq.ft., although larger deals are as little as £2.00 - £2.50 per sq.ft. for prime or good secondary accommodation. 6-9 month rent free incentives are generally offered regardless of lease term. Distribution operators bid on 3 yearly contracts and therefore tend to take 3 year lease terms as standard or, alternatively, 5 year leases with a break at year 3.
- 4.45 Rental levels within Newport contrast with Cardiff and Bristol where headline rents are in the region of £5.00 per sq.ft. and £7.50 per sq.ft, respectively.

**Table 4.2 Headline Rents for Newport and Comparators**

City	Industrial Headline Rent
Newport	£4.00
Bristol	£7.50
Cardiff	£5.00
Swansea	£4.20

Source: Alder King 2013 Market Monitor

- 4.46 In the current market, the end values currently achievable within Newport are insufficient to support new development. With build costs in the region of £45.00 per sq.ft. and headline rents in the region of £4.00 per sq.ft, development does not stack up financially as a viable proposition.
- 4.47 Local agents consider that rental levels will need to increase to at least c. £5.50 per sq.ft. in order for development to prove marginally viable, subject to specific site conditions. A review of headline rents over the past six years indicates that headline rental levels have not exceeded the peak of £5.00 per sq.ft. in 2008.

**Table 4.3 Headline Rents for Newport**

Year	Headline Rent
2007	£4.50
2008	£5.00
2009	£4.50
2010	£4.50
2011	£4.00
2012	£4.00

Source: Alder King 2013 Market Monitor

- 4.48 At the moment there is no evidence of rental growth in Newport. The large supply of secondary stock, which is inexpensive compared to new and reasonably fit for purpose limits the opportunity for rental growth in a subdued market.
- 4.49 There will always be demand for some, small scale new property because a very limited number of tenants will pay the premium. But in general the only way agents can see any significant quality of new space being delivered in the short term is either as part of larger mixed use schemes, where development can be internally subsidised. Or with grant assistance. A single large user enquiry, who can design and build a new large unit (or units) cannot be totally discounted but this is much less likely than in the past. Otherwise

most development will have to wait until the market recovers which is likely to be many years from today.

### **Conclusion: Market Balance**

- 4.50 We estimate that there is approximately between 5.2 and 5.5 years worth of available supply of industrial accommodation within Newport, however, this comprises predominantly second hand accommodation with few modern units available.
- 4.51 However at least in the short term this broadly matches demand, few occupiers are willing to pay for new quality space and more willing to compromise quality for costs.
- 4.52 In the longer term we would expect occupier demand to move more towards modern industrial space, as tenants endeavour to reduce running costs. But in common with most markets in the UK the delivery of new space is challenging and largely unviable at the moment. There is limited evidence that this will change in the short term. When faced with paying a viable price for new space verses inexpensive secondary space many occupiers will compromise and take the inexpensive secondary space.
- 4.53 So at least in the short term most enquires will continue to be accommodated within the existing stock of sites and property. The short to medium term reliance on the existing stock of property to meet the needs of local firms should give the Council a strong rationale for protecting the existing stock of sites.
- 4.54 In the longer term greenfield sites are likely to prove more attractive to the market and more capable of meeting the market desire for a better quality of product. This is especially the case for those with good motorway access and potentially able to meet the demand for new industrial and warehousing. In this regard Newport is well placed with new large sites available should the market require them. No agents report a pressing need for new, additional land to be released to meet future market demand.
- 4.55 The potential for Newport to become a hub with respect to attracting medium sized warehousing firms servicing the local South East Welsh Market including Cardiff has been highlighted. Newport is well positioned to seek to cater for this sector due to its close proximity to local populations and good communications, serving the South Wales area.

### **The Office Market**

- 4.56 Newport office market sector comprises of predominantly second hand office accommodation situated both within the city centre and established business park locations. Modern, Grade A office accommodation is in limited supply.
- 4.57 Modern office locations include Langstone Business Village (Nelson House and Wye House), Imperial Park development by Curzon (Imperial Courtyard) and Celtic Springs Business Park, (Phoenix House, CS3000, CS5000, CS6000). Celtic Springs was initially developed by AWG Property Ltd and Broadhall. Later phases have been developed by Midas Developments. The Park provides a range of modern units, offering flexible space and headquarter buildings. Occupiers include office products dealer, Integra. Modern units are currently available at quoting rentals of £14.50 per sq.ft.

- 4.58 A host of business and leisure facilities operate from Celtic Springs and Cleppa Park, providing a range of facilities including the Express by Holiday Inn, restaurant and public house. Celtic Springs is located off Junction 28 of the M4, approximately 10 miles east of Cardiff and provides a number of contemporary and high quality campus office buildings offering prestigious accommodation aimed at local and regional companies. The park has attracted several call centre operations. Companies include the Quinn Group, Midas and the Secretary of State for Justice, Virgin Media, HSBC, defence business EADS, Wales & West Utilities and HM Prison Service.
- 4.59 Wales and West Utilities who located to the third phase of development (CS2000) reportedly located to the park following an extensive search along the M4 corridor, M5 and M32. The park was chosen due to its convenient location and for financial reasons.
- 4.60 There are also a number of serviced office providers within Newport offering new and modern suites on flexible licences for example Enterprise Way Serviced offices offers units from 360- 1,200 sq.ft. on short licences. Merlin House and Galahad House at Langstone Business Park provide stylish serviced office accommodation in suites ranging accommodate from 2 - 100 workstations within a new serviced office complex.
- 4.61 Newport City Centre is undergoing a programme of regeneration which has attracted significant investment. Nexus House provides 48,000 sq.ft. of Grade A accommodation in a prime location within the Old Town Docks area of the city which we understand is now let. The quoted rental is £16.00 per sq.ft.
- 4.62 A key strength of Newport as a location for business is not only its strategic location but its relatively large labour pool. A population of 857,000 people are within a 30 minute drive-time of Newport which provide a readily accessible highly skilled workforce and a greater labour pool than Cardiff or Bristol.

### ***Demand***

- 4.63 In terms of levels of take-up, a paper published by Alder King in 2012 highlights the following with respect to the demand for office accommodation during 2011:
- Take up increased by 80% on the previous year
  - The largest single transaction was the sale of the 28,000 sq.ft. (2,601 sq.m.) Station building to the Council
  - Admiral Insurance and Go Compare were the highest profile enquiries in the market. Together they accounted for over 100,000 sq.ft. (929 sq.m.).
- 4.64 The property database, CoStar Focus, provides a record of both freehold and leasehold transactions. A review for the previous 5 years provides an indication of the quantum of industrial and warehousing floorspace which has been taken up within Newport which is summarised below.

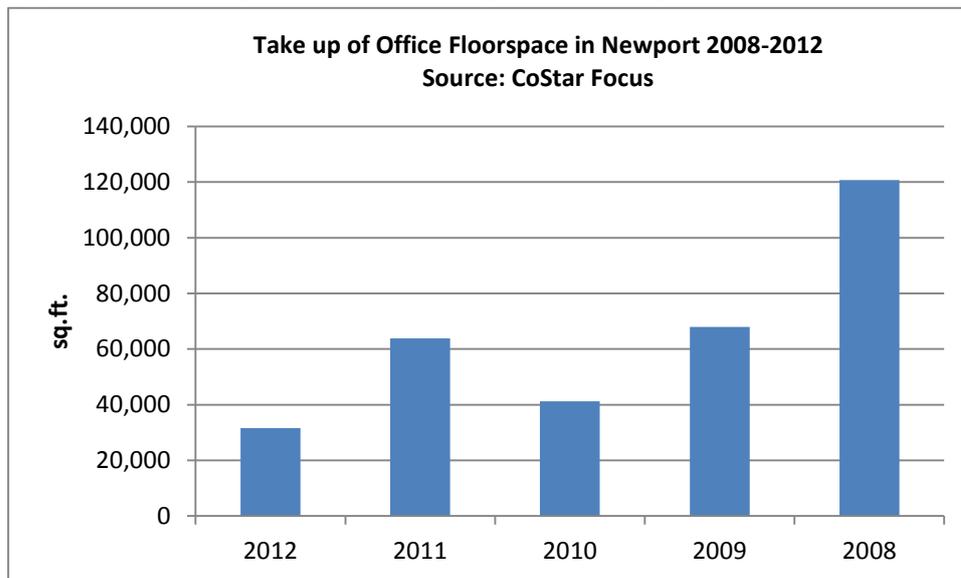
**Table 4.4 Take-up**

Date	Area (sq.m)	Area (sq.ft.)	No. of Office Transactions	Comments
2012	2,938	31,620	7	The largest letting was to an undisclosed client at Hexagon House, Cleppa Park of 25,736 sq.ft. Quote rent was £12.00 per sq.ft.
2011	5,930	63,821	19	Largest single transaction to Newport City Council at the Station Building of c. 28,492 sq.ft.
2010	3,826	41,191	14	Largest single letting of 15,415 sq.ft. at Usk House Lower Dale Street to DCLG on a 10 year lease at an achieved rent of £14.25 psf
2009	6,314	67,956	13	The single largest letting was at Nexus House of 24,264 sq.ft. for a 15 year lease term to Newport City Homes at an achieved rent of £16.00 psf.
2008	11,213	120,696	25	Includes a letting 44,000 sq.ft. at Dumfries House, Usk Way and 27,999 sq.ft. at Langstone Business Park on a 16 year lease at an achieved rent of £14.25 per sq.ft. with a break option at year 4.

Source: CoStar Focus

- 4.65 The recorded transactions provided by Focus indicate that take-up has fluctuated over the past 5 years. Take up was highest in 2008, in terms of both the number of transactions and the quantum of floorspace. The largest letting during the five year period was 44,000 sq.ft. letting at Dumfries House in 2008. 2012 has witnessed a number of office transactions, with the largest letting to an undisclosed client at Hexagon House, Cleppa Park comprising 25,736 sq.ft. Worthy of note is the letting to Newport City Council at the former railway station site which was a consolidation of the Council's public facing activities relocating over 300 staff into the city centre. The building opened in January 2012 and the rent achieved was £12.50 per sq.ft.

**Figure 4.3 Take up of Office Floorspace in Newport**



Source: CoStar Focus

- 4.66 More recently, Go Compare has since taken a unit at Imperial Park whilst Admiral Insurance have located to a 77,000 sq.ft. purpose built office development, the Cambrian Centre, developed by Scarborough Properties, within the city centre. The latter was a consolidation of its two offices, previously located at the Langstone Business Park in Newport. Alder King report that the Passport Office has taken over 20,000 sq.ft. of accommodation within Nexus House and Capita Symonds have taken temporary space at Q2, Imperial Way.
- 4.67 A closer analysis of the unit sizes let during 2012 highlights that the majority (71%) of transactions were units under a 1,000 sq.ft.
- 4.68 These findings were borne out via discussions with local commercial agents who confirmed that demand appears to be strongest for small office units under a 1,000 sq.ft. The majority of available space within Newport is below 1,000 sq.ft and therefore is generating enquiries. In terms of specification, the majority of enquiries are for decent quality accommodation, although this does not necessarily mean Grade A.
- 4.69 Local agents report that both the in-town and out-of-town office market sector within Newport is currently flat, with evidence of very few transactions. Local agents cite that they have been marketing 40,000 sq.ft. of Grade B accommodation within the town centre which has generated very little interest. The quoted rent is £7.00 per sq.ft. and there are likely to be tenant incentives offered. Out-of-town stock is also taking a considerable time to let with 1,600 sq.ft. of accommodation available at Langstone Business Park remaining vacant for over 5 years. A number of larger office developments have been sub-divided providing small office suites to attract tenants for example, Nelson House and Imperial House, Imperial Park.
- 4.70 Costar Focus indicates that the majority of transactions over the five year period comprised of predominantly second hand accommodation, which is reflective of the supply of stock

within the market with very little Grade A accommodation available. In terms of take up rates, during 2012, all but one of the offices took in excess of 2 years to let.

- 4.71 Based on the information recorded by Costar Focus, the total quantum of office floorspace take up for the past 5 years within Newport has been approximately 30,219 sq.m. (325,284 sq.ft.) which equates to an average annual take-up level of 6,044 sq.m. (65,057 sq.ft.).
- 4.72 Headline office rental levels have fluctuated over recent years, with significant incentives offered in order to secure lettings. In terms of headline rents, £16.00 per sq.ft. quoted at Nexus House in the city is considered to be the highest quoted rent in Newport. In both 2007 and 2008, city centre headline rents were £14.25 per sq.ft. . Following a peak in 2009/10 headline rents have returned to c. £16.00 per sq.ft., although lettings at this level are considered difficult to achieve with significant incentives offered to entice tenants.

**Table 4.5 Office Market Rents**

Year	Headline Rent In town office	Headline Rent Out of town office
2007	£14.25	£15.00
2008	£14.25	£15.00
2009	£16.00	£15.00
2010	£16.00	£15.00
2011	£15.00	£13.00
2012	£16.00	£13.00

Source: Alder King 2013 Market Monitor

- 4.73 Looking to the future local agents are optimistic that Newport can significantly grow its office market. Demand for offices within Newport is predominantly local in nature whilst Cardiff is considered a better business location and address. Local agents consider that in general businesses choosing to locate within Newport are doing so for a specific reason, for example, access to labour or existing employees; proximity to client base or the cheaper average rents offered, relative to other locations. But in an improved global market Newport, with its new housing growth could be an attractive location for office development.
- 4.74 However as with the industrial market the short term will continue to be challenging and rental growth is needed to make development viable. The general consensus is that for out of town development rents will need to reach c. £15.00 per sq.ft. in order for development to prove viable, subject to specific site conditions. Newport out of town rents do not exceed £13 at the moment.
- 4.75 In the longer term, in an improved global market, Newport is expected to have a cost advantage over its competing locations. Bristol is already much more expensive than Newport and in an improved market a cost differential between Cardiff and Newport would be expected.

**Table 4.6 Headline office Rents**

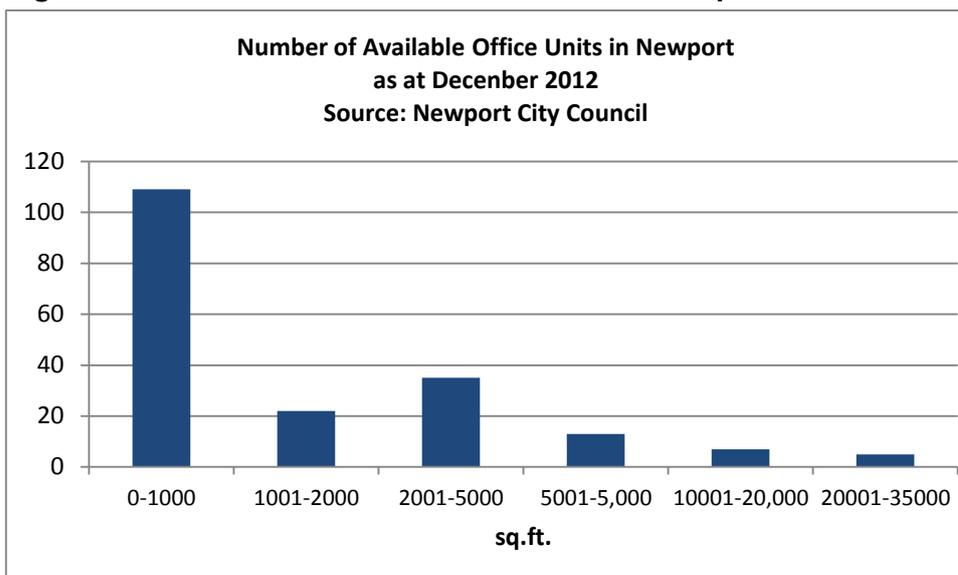
City	Headline Rent In town office	Headline Rent Out of town office
Newport	£16.00	£13.00
Bristol	£27.50	£21.50
Cardiff	£22.00	£13.00
Swansea	£14.50	£10.75

Source: Alder King 2013 Market Monitor

## Supply

- 4.76 The Alder King Report highlights the following with respect to the supply of industrial floorspace within Newport in 2011:
- Available stock continued to increase with the increase comprising mainly Grade B stock in secondary locations.
  - There is a shortage of Grade A space even with continued availability at Nexus House in the city centre and CS300 at Celtic Springs.
  - It is hoped that the new developments by Scarborough Properties at Cambrian Centre, and Queensberry at Friars Walk and Midas (Central Point) will encourage inward investment.
- 4.77 We are aware that the remaining space within Nexus House (i.e. 23,868 sq.ft) has recently been let to the Passport Office on confidential terms. The quoted rental was £16.00 per sq.ft. Newport City Homes occupy the remainder.
- 4.78 Newport City Council's Commercial Property Register provides an approximation of the available office accommodation within Newport. The register lists 191 offices, which combined provide over 445,266 sq.m. (487,260 sq.ft.) of available office accommodation.
- 4.79 Based on the average annual take up rates estimated above (i.e. 6,044 sq.m, 65,057 sq.ft) per annum) and approximate vacant floorspace, there is an estimated 7.5 years of office stock remaining.
- 4.80 Costar Focus also provides an alternative and reliable source of information with respect to the available office stock currently being marketed within Newport. The total amount of floorspace recorded is (42,836 sq.m) 584,098 sq.ft. On this basis there is approximately just under 9 years worth of supply remaining.

**Figure 4.4 Number of Available Office Units in Newport**



Source:NCC

4.81 The majority of the office stock available within Newport (87%) comprises units below 5,000 sq.ft. with the majority (57%) of total floorspace below 1,000 sq.ft. Units ranging from 2,001-5,000 sq.ft. account for approximately 18% of total available stock and units over 5,000 sq.ft., 14% of available stock. Approximately 3% of available accommodation ranges between 20,001 to 35,000 sq.ft. with the largest units located at Nexus House and CS3000 at Celtic Springs Business Park (35,000 sq.ft.). However, we understand that Nexus House has recently been let to the Passport Office.

**Conclusion: Market Balance**

- 4.82 We estimate that there is between 7.5 and 9 years worth of supply of available office accommodation within Newport. There is currently an over-supply of second hand accommodation relative to demand, with a significant proportion located within the city centre.
- 4.83 As part of an overall strategy for the city centre, focused on the office market, consideration may be given to the rationalisation of secondary accommodation within the city and potential conversion to alternative uses. In particular units located over retail uses which are no longer DDA compliant, and for which there is no evidence of demand, could be converted to alternative uses such as residential in line with current planning policy guidelines.
- 4.84 Conversely, modern Grade A office accommodation is in limited supply with no new development underway. This polarisation of the office market with a reduced supply of Grade A space and over-supply of poor quality accommodation is not unique to Newport and is being experienced across the region.
- 4.85 As with the Industrial market there is no shortage of development sites the plan needs to address. In the town centre agents report an ample supply of development sites, within the regeneration sites in the plan but also windfall opportunities a normal market would be expected to pick up without the need for additional positive land allocations. For greenfield sites they welcome a flexible approach with the market best able to respond by providing offices, industrial or warehousing dependent on market conditions. M4 related sites will remain attractive and it is vital that Newport is able to offer both town centre and Motorway related supply in the future.
- 4.86 In the short to medium term, no new office development is likely to occur until rental levels increase significantly and confidence increases and more than likely on a pre-let, pre-sales basis. It is likely that the lack of Grade A office supply will begin to drive rental growth prospects which would in turn make new development more viable.
- 4.87 One positive attribute for Newport is that over 10,000 new homes are planned. For office occupiers seeking a growing supply of labour this could be attractive.

**Office, Industrial and Warehousing Summary**

4.88 Our analysis and consultations do not paint an optimistic picture of Newport's short term demand for land and property.

- 4.89 There have been some successes, including Admiral Insurance for example but the most concerning message is that in the main new development, for offices and industrial space remains unviable. New industrial space was only viable at the height of the property boom immediately before the credit crunch. This will limit the markets' ability to take-up any new land allocations or deliver significant amounts of new space through regeneration.
- 4.90 This is not a position unique to Newport, development is unviable in most market areas across Wales.
- 4.91 However on the positive side the local industrial and warehousing market is driving local demand, especially for smaller units. Vacancy rates are not too high as to be chronically unhealthy and many occupiers are compromising their desire for high quality new space with the availability of inexpensive secondary space. Importantly local firms do not need to look outside Newport to find suitable property.
- 4.92 In the medium term agents are much more optimistic. Newport is in a strong position to capture a new generation of smaller than strategic warehouses designed to service Newport, Cardiff and the rest of South East Wales. In an improved market local industrial and warehouse operators may be more willing to pay for quality property instead of compromising on the older estates. There is always the chance that Newport will capture a single large user - these enquiries still exist but fewer than in the past and much more difficult to land given limited public sector funding.
- 4.93 For offices Newport lacks the critical mass to take on major office destinations such as Bristol or Cardiff. Most demand for larger property is driven by the public sector with the private sector favouring Cardiff. Most local demand is for small units. However agents are optimistic that with a growing population Newport will be able to offer potential investors a supply of labour and new homes. With very limited grade A space on the market any renewed market interest will drive rental growth and hopefully make development more viable. At the moment out of town rents for Cardiff and Newport are similar but in the longer term agents expect Newport to gain a cost advantage.
- 4.94 To capture a share of any improved property market, industrial, warehouse or office consultations suggest a supply of new, accessible greenfield sites is needed. This is simply because greenfield sites are more flexible in what type and configuration of space they can offer and also less likely to be constrained by abnormal remediation and contamination costs.



## 5 EMPLOYMENT GROWTH AND SPACE REQUIREMENTS

### Introduction

- 5.1 This chapter considers future employment changes in Newport using employment forecasts. In reviewing the forecasts, we also identify the type and amount of employment floorspace and land required to meet this demand and accommodate the projected growth.
- 5.2 The analysis in this chapter focuses on quantifying employment change over a 15 year planning horizon, from 2011 to 2026, in line with the end year of Newport's Local Development Plan (LDP).
- 5.3 We treat 2011 as our base year because this will include the latest actual employee data using official figures, and therefore provides a robust starting point for employment data. Anything beyond 2011 is a forecast and would therefore be less certain.
- 5.4 It is important to note that all calculations refer to net change in the forecast period beyond 2011. The net change in employment is used as the basis for assessing the requirement for additional employment space. Net change in employment (the stock of jobs) is the difference between jobs lost and jobs gained. The corresponding net change in employment land is the difference between sites brought forward, mostly from new development, and sites lost (for example, where industrial sites are cleared and redeveloped for housing and other uses).
- 5.5 This approach assumes that any existing employment land can be re-used for employment uses, so net change is the key issue, and we rely on employment forecasts to identify this.

### Relationship to other evidence of demand

- 5.6 A similar approach, along with others was also considered in the Council's previous evidence (the 2011 Employment Land Background Paper). While this paper provided a projected employment growth forecasts, and demographic projections, there was little detailed analysis of the employment forecasts, or weight given to this, to provide a reasonable estimate of future land requirements. Instead, the paper sought to plan for employment land supply based on a continuing past take-up trend.
- 5.7 This paper estimated the demand to therefore be an additional 11 hectares per annum. However, the problem with this estimate is that it is likely to have overstated the net requirement on which the council should be planning its employment land allocations. That is because take up figures rarely account for any losses (for example, demolitions have not required planning permission and therefore are not always recorded), and in some sectors like manufacturing, which also require the largest land area, there will have been significant losses in the space which has been demolished, left vacant or re-used for other uses. These losses need to be subtracted from the land that has been otherwise taken up for manufacturing purposes.
- 5.8 The reason for recommended 11 hectares of additional land is not clearly explained in the 2011 Employment Land Background Paper, and we expect that it might be that the study took a common approach of over providing land as an acceptable response to the

challenging economic circumstances and the promotion of constrained sites, such as those covered by SSSI designations. As noted by the report it is certainly the case that too little land will inevitably constrain the economy but also promoting too much will result in unnecessary promotion of land best suited to an alternative use (including green end uses), and possibly oversupplying the market with the inevitable impact of reducing values to a level which hinders development (i.e. it renders development of fit for purpose new sites to be unviable since developers will consider the surrounding market prices).

- 5.9 One reason for reviewing this assessment of the demand is that the continued promotion of the environmentally constrained land has been challenged through the plan representations, which may shift the policy balance. But also technically, and with updated evidence, the use of a past take-up method is not always a sound basis on which to project future (net) requirements and plan for employment land accordingly.
- 5.10 We reach this conclusion for two main reasons. Firstly although past take up was the highest of the forecasting methods considered it cannot justify all the land being promoted in the plan. So even if we were to rely on it there is still a very large gap between the estimate of demand and the land being promoted.
- 5.11 Secondly the past take-up approach relies on the past being broadly similar to the future. We know (with hindsight) that the future is very unlikely to be similar to the past period. Even recovering from the recession huge changes in public funding means that the scale of incentives formally used to attract investment into Newport are no longer available. Also a detailed analysis of the past take-up data shows that it is very heavily skewed by data recorded for a single year which corresponds to the development of the former LG plant. Excluding development not attributed to the LG plant the floor space analysis reported in the background paper (Table 10) shows that B2 & B8 floorspace fell sharply.
- 5.12 Given the circumstances surrounding the former LG plant it would not appear robust to project forward this site in any analysis of past take-up and then provide further land as was promoted in the deposit plan.
- 5.13 The analysis of past take-up is likely to represent a very optimistic view of the maximum amount of land needed in the new plan. It is important the Council acknowledges that it includes an allowance for an additional one off windfall, LG type, development and also that if developed is likely to be at the expensive of larger amount of the existing stock which to keep the market broadly in balance would need to be released.
- 5.14 So here we re-visit the method of estimating future requirements based on employment land growth.

### **Employment Growth Forecast**

- 5.15 The forecasting model used to inform our understanding of future space needs is the Experian Economics Regional Planning Service (hereafter referred to as EE) based on their latest (Autumn 2012) model results<sup>1</sup>. This model is largely top down reflecting macro

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<sup>1</sup> The release date for these results was October 2012.

changes consistent with EE's June 2012 macroeconomic forecast at the UK and regional level by sector, and then allocating this growth at the local/unitary authority level (i.e. counties, boroughs and districts).

- 5.16 In broad terms, the historical performance of local (unitary authority) economies is interpreted in terms of their share of the Wales economy of which they are a part. The forecasts include 38 economic sectors, and equations are produced for output and employment in each sector of the economy that explain the observable relationship between these variables at the local and regional level. Experian make use of local employment data, drawn from the Annual Business Inquiry and BRES along with surveys such as the Annual Population Survey.
- 5.17 Population projections are a key driver in EE's employment forecasts. These are used by EE to help determine hours worked in a location by industry, which feed into productivity and sector output, and then employment in all its forms. Generally speaking, an extra population attracts extra jobs and, most importantly, where there is an under provision of local labour, there is a greater risk of business investment relocating elsewhere. The population numbers which feed into the EE projections have been informed by the ONS 2008-based projections (with re-classification of working age category to reflect future changes in the retirement age), which was also used by the Welsh Government to inform the WG 2008-based population projections.
- 5.18 No forecasts are ever certain, and while the technical approach used here is robust (including inputs relating to the Government population projections), they can fail to pick up significant local demand factors relating to specific sector investments, and supply factors like land availability and infrastructure investments, which are considered later on in this report. But to sense the direction of change as a variation to what has been happening (i.e. the recent past) in Table 5.1 we compare the annual rate of past and projected employment growth. To provide a benchmark, we also consider the same forecasts for the SE Wales sub-region<sup>2</sup> (as defined by the SE Wales Economic Forum) and nationally (i.e. UK).
- 5.19 These figures show the annual rate of change in job numbers are much greater in the forward years, from 2011, than in the past years. Currently, the UK and many local economies are experiencing their longest and deepest recession of the post-war era, and may have resulted in some overall loss of economic capacity. But EE's forecasts are much more positive about growth than would normally be expected based on past performance. This is particularly the case in Newport, which turns growth from a negative to a positive change. Despite this significant turnaround, Newport's rate of growth in the future is below that projected for SE Wales and the UK.

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<sup>2</sup> Includes Gwent (Blaenau Gwent, Caerphilly, Monmouthshire, Newport, Torfaen); Mid-Glamorgan (Bridgend, Merthyr Tydfil, Rhondda, Cynon, Taff) and South Glamorgan (Cardiff, The Vale of Glamorgan).

**Table 5.1 Employment Growth, Past and Future**

	Total Change (#)		Annual Rate of Change	
	1997-2011	2011-2026	1997-2011	2011-2026
Newport	-4,670	7,394	-0.44%	0.60%
SE Wales	57,190	78,693	0.66%	0.72%
UK	2,718,000	3,773,700	0.70%	0.76%

Source: Experian Economics Autumn 2012.

### Employment Projection Results

- 5.20 Table 5.2 provides a summary of the EE forecasts by sector. It is important to note that while the following figures for each sector are shown in detail, they should be treated with a degree of caution as they are very sensitive to local factors and subject to a range of uncertainty. They should only be considered as an indication of the likely scale of long term growth rather than specific and certain numbers.
- 5.21 Table 5.2 shows that between 2011 and 2026, employment numbers in Newport are projected to grow by some 7,400 jobs, which is a 9% increase on current (2011) levels.

**Table 5.2 Experian Economics Employment Forecasts for Newport (with adjustments)**

(Thousands)	Total		Change 2011-26	
	2011	2026	No.	%
Agriculture, Forestry & Fishing	700	510	-190	-27.1%
Extraction & Mining	40	40	0	0.0%
Food, Drink & Tobacco (manufacture of)	1,920	1,890	-30	-1.6%
Textiles & Clothing (manufacture of)	20	10	-10	-50.0%
Wood & Paper (manufacture of)	240	140	-100	-41.7%
Printing and Recorded Media (manufacture of)	60	60	0	0.0%
Fuel Refining	10	5	-5	-45.5%
Chemicals (manufacture of)	460	250	-210	-45.7%
Pharmaceuticals (manufacture of)	4	2	-2	-44.7%
Non-Metallic Products (manufacture of)	320	280	-40	-12.5%
Metal Products (manufacture of)	2,860	2,290	-570	-19.9%
Computer & Electronic Products (manufacture of)	1,740	1,170	-570	-32.8%
Machinery & Equipment (manufacture of)	160	90	-70	-43.8%
Transport Equipment (manufacture of)	60	60	0	0.0%
Other Manufacturing	1,040	930	-110	-10.6%
Utilities	650	830	180	27.7%
Construction of Buildings	1,330	1,230	-100	-7.5%
Civil Engineering	270	280	10	3.7%
Specialised Construction Activities	2,260	2,150	-110	-4.9%
Wholesale	3,970	4,270	300	7.6%
Retail	9,350	10,550	1,200	12.8%
Land Transport, Storage & Post	3,170	3,760	590	18.6%
Air & Water Transport	4	4	0	0.0%
Accommodation & Food Services	4,870	6,040	1,170	24.0%

(Thousands)	Total		Change 2011-26	
	2011	2026	No.	%
Recreation	1,650	1,750	100	6.1%
Media Activities	500	640	140	28.0%
Telecoms	1,700	1,650	-50	-2.9%
Computing & Information Services	490	700	210	42.9%
Finance	3,310	4,900	1,590	48.0%
Insurance & Pensions	360	510	150	41.7%
Real Estate	1,260	1,530	270	21.4%
Professional Services	2,930	3,940	1,010	34.5%
Administrative & Supportive Services	5,150	6,840	1,690	32.8%
Other Private Services	1,570	1,860	290	18.5%
Public Administration & Defence	6,270	5,260	-1,010	-16.1%
Education	5,950	6,690	740	12.4%
Health	9,050	9,660	610	6.7%
Residential Care & Social Work	3,490	3,810	320	9.2%
<b>Total</b>	<b>79,187</b>	<b>86,581</b>	<b>7,394</b>	<b>9.3%</b>

Source: Experian Economics Autumn 2012.

- 5.22 The employment growth is primarily driven by 'Administrative & Supportive Services', 'Finance', and 'Professional Services', which will relate to local business performance and future inward investment. There is also strong growth in 'Retail', and tourism in the form of 'Accommodation & Food Services', "Education", "Health", and 'Residential Care & Social Work', reflecting demographic changes such as a population growth as well as a shift towards an aging population.
- 5.23 Employment declines are also projected mostly in the manufacturing sectors. This is less than in the past, but the overall decline in the projected manufacturing jobs is significant, with a projected sum loss of 1,700 jobs. The jobs in 'Public Administration & Defence' sector are also projected to significantly decline.
- 5.24 Generally, manufacturing sectors are still seen to be declining, in line with past trends, although at a lower rate, while 'Public Administration & Defence' is also projected to fall by a quarter, which is similar to Newport's projections. There is thus a shift from sectors most likely to require significant operational space to sectors with smaller workplaces like offices.

## **Employment Space Requirements**

### *Converting Employment into Land Use Sectors*

- 5.25 Using these EE growth forecasts, this section considers the type of land use requirements to support these employment projections. We define jobs into two land use sector types:
- "B-space" sectors - which are jobs normally occupying offices, industrial and warehousing space that will require what is typically referred to as 'employment land', as defined as B-class uses in the Use Classes Order, and sometimes known as 'business space' or 'B-space'.
  - "Non B-space" sector - jobs such as in waste handling, retail, education and health, which are not normally dependent on designated employment land, but require their own specialist sites and premises and are controlled separately in the planning

process, and are normally dependent on housing and population growth and/or known requirements like hospital space expansions.

- 5.26 We translate jobs by sector into jobs by type of space, using the sector-to-space mapping described in Appendix 5. This comparison of industrial sectors and types of space is not perfect; hence our definitions of workplace jobs and space are approximations, but they are based on detailed analysis and a standard "best practice" approach. This provides the best possible estimations for B-space employment through a process which has developed these through a series of employment space studies.

#### *Newport Employment Sector Requirements*

- 5.27 As shown in Table 5.3, under the EE forecasts projections the B-space sector jobs grow by 8.1% which is less than average for non B-space sectors. However, this is a common pattern in both the SE Wales sub-region and nationally.

**Table 5.3 B-space and Non B-space Employment Change, 2011-2026**

	Newport		SE Wales	UK
	No.	%	%	%
Industrial jobs	-1,716	-19.3%	-14.6%	-16.6%
Warehousing jobs	790	8.7%	12.5%	12.3%
Office jobs	4,290	18.2%	14.8%	18.1%
B-space jobs	3,364	8.1%	8.2%	11.5%
Non B-space jobs	4,030	10.7%	14.6%	12.7%
All jobs	7,394	9.3%	11.4%	12.0%

Source: RTP calculations based on data from Experian Economics Autumn 2012.

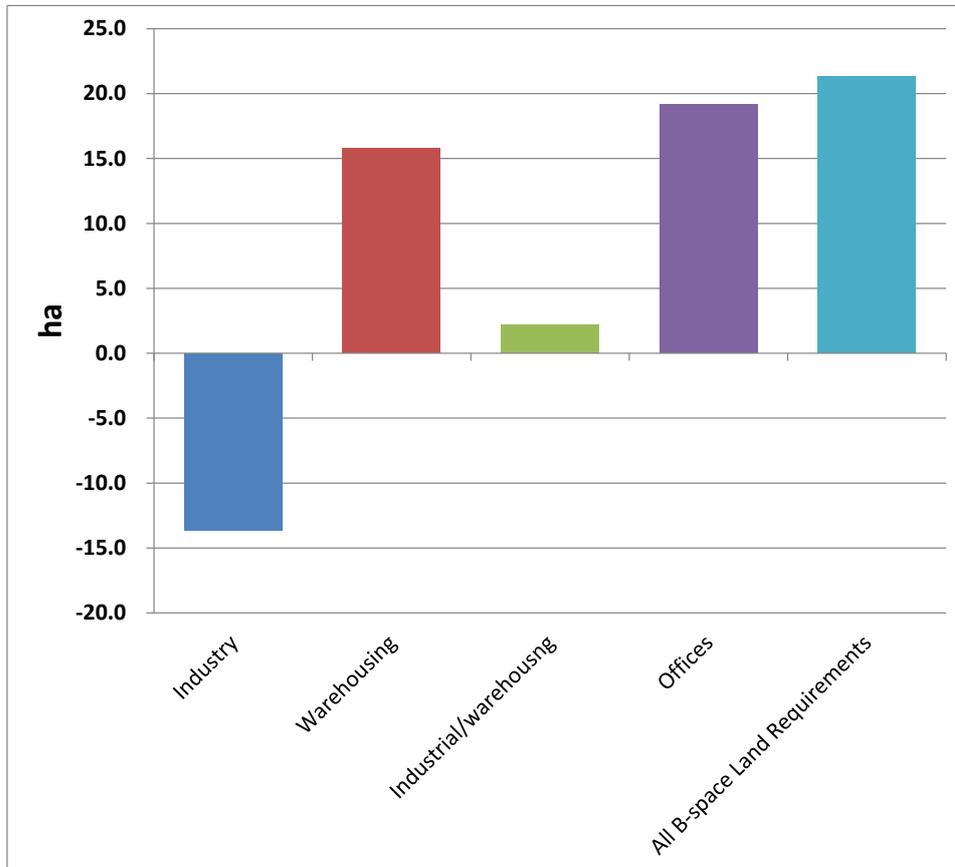
- 5.28 B-space employment in Newport is very strong in the office based sectors, growing at a rate above the rest of SE Wales, and similar to the UK average, with some 4,300 net additional jobs. This reflects Newport's City status, which is likely to attract office activities more than other locations in SE Wales, with the exception of Cardiff. It might be expected that the share of office growth would be stronger in Newport than the UK as a whole because of this status; however the influence and potential competition from Cardiff might be expected to dampen the expectation, as reflected in these figures.
- 5.29 Warehousing increases modestly by nearly 800 jobs, which is close to the overall average job growth. But this growth is less than the norm for both SE Wales and the UK, which given the supply side advantages including Newport's strategic infrastructure links and proximity to Cardiff, this might seem on the low side.
- 5.30 Reflecting the projected decline in manufacturing jobs, the Industrial jobs in Newport are project to decline by 1,700 jobs, which is nearly a fifth of the jobs in this activity in 2011. Surprisingly, this is more significant than the declines forecast across SE Wales and the UK, which would imply that Newport has a weaker industrial sector base or is a weaker industrial location. However, Newport has many comparative advantages for the warehousing sector (as identified in the site assessments) with good road, rail and port links, plus cheap, flat land.

- 5.31 Non B-space type jobs account for nearly all half (48%) of all jobs in Newport, and Table 5.3 shows that the non B-space sectors will also account for the larger share of jobs growth in the economic growth projections. In the forecasts, there would be an additional 4,000 jobs in these sectors which reflect the expansion of service led activities.

### ***Employment Space Requirements***

- 5.32 In Figure 5.4 the projected B-space employment figures in Newport have been converted into B-space space requirements using standard B-space conversion ratios identified in Appendix 1.
- 5.33 The land areas referred to here are net additional figures, representing the difference between space gained, mostly from new development, and space lost (for example, where industrial sites are cleared and redeveloped for other uses).
- 5.34 This shows that the EE employment forecasts would imply there to be an overall net requirement for an additional 21.5 ha of B-space land between 2011 and 2026. This includes a net additional provision of B1 (office) floorspace equal to 19 ha, or 77,000 sqm over the plan period.
- 5.35 The industrial floorspace requirement is expected to fall by around 8 ha, which is equivalent to a floorspace loss of about 32,000 sqm. In contrast, warehousing requirements grow by an additional 16 ha (63,000 sqm).
- 5.36 Theoretically, it is sensible to merge industrial (which is production) and warehousing (which is distribution) land into one category called "industrial/warehousing" since production and distribution can generally operate in the same type of buildings and location, and furthermore, subject to size limitations, space can be transferred between production and distribution without planning permission. But it might be necessary to forward plan for warehousing expansion since, in practice, some demand for warehousing land is very likely to occur before disposal of unwanted industrial land.
- 5.37 On this basis there would be a need to plan for a net additional 2 ha (8,500 sqm) of industrial/warehousing land. But to avoid hindering demand coming forward for warehousing space, there should be sufficient suitable warehousing space to meet this demand in advance of any land releases through projected decline in industry.

**Figure 5.1 Newport B-space Requirements, 2011-2026**



NB: figures may not sum exactly due to rounding.

Source: RTP calculations based on data from Experian Economics Autumn 2012.

- 5.38 We only consider the requirements for B-space uses, because for the myriad of non B-space use types there are no suitable space standards to convert jobs to space. However, we do touch upon non B-space uses in terms of the types of space which might need to be found to accommodate this growth.
- 5.39 Most of the employment growth in Retail, Accommodation & Food space should be accommodated in the A land use classes covering shops, hotels and restaurants. The projected increase of around 2,400 jobs in these sectors provides an indication on future space requirements. In terms of accommodating these jobs by allocating space, then to capture maximum spending and to complement existing retail services, it would be sensible if additional space is identified either close to population settlements or within the city centre.
- 5.40 To meet the growth of 740 education jobs, then space will need to be found. This will include new schools close to housing developments and/or expansions of existing university and/or small learning spaces. Planning for such facilities should come from the local education service provider and through planners in their negotiation on housing developments.

- 5.41 The projected growth of some 930 jobs in Health & Social Care represents mainly growth in hospitals and residential care institutions (mainly in the D1 sector). It will be important to plan and respond to the need for new sites and premises across the city in order to support service delivery and administrative/ support services within the sector, and to maximise the economic value of this sector. Planning for such facilities should come from the local health trust and service deliverers, subject to normal planning considerations. However, we do expect that there will be demand for some additional space either within existing sites or on new sites. Such institutions could locate anywhere, although there is likely to be some benefit in having easy access to facilities and families.
- 5.42 Space estimates for other non B-space activities do not normally include sectors like Agriculture, Construction, Defence (military activities), Utilities and Telecommunications, and some of the Miscellaneous Services, because they are likely to fall under Sui Generis land use classes. Given the relatively small employment growth in such sectors as a proportion of all jobs, it would not be appropriate to set targets against which to plan over time, but rather to consider each case or permissions on its merits when brought forward by the market. This will particular be the case in some of these sectors like utilities, where there are a large businesses (e.g. West Utilities), whose unilateral decisions to expand or relocate can have a significant change on the sector. It should also be necessary to reflect on what the Regional Waste Plan stipulates in planning for future waste handling facilities, because although this type of use is considered Sui Generis, it can be allocated to B2 use land.

## Conclusion

- 5.43 In this chapter we have considered the current employment forecasts for Newport based on Experian Economics forecasts. Based on these forecasts, Newport's economy should be expected to grow by an additional 7,400 jobs over the LDP planning period from 2011 to 2026.
- 5.44 In terms of planning for space to support delivery of these jobs, the forecasts suggest that Newport requires a minimum of 21.5 hectares of net additional employment land specifically for B-space uses, which includes 19 ha (77,000 sqm) for offices and an additional 2.2 ha for industrial/warehousing uses by the end of the plan period.
- 5.45 However this simple calculation assumes that all the former industrial land can be re-used to accommodate the growing warehouse sectors. The market evidence suggests warehouses need new land with better access than much of the existing portfolio. So if we assume the growing warehouse market is unlikely to take former industrial land the amount of land required increases to 35 ha.
- 5.46 But for the development plan a major limitation of using the forecast to control the maximum amount of new land is provided is that it assumes no further losses from the existing stock of sites. This is clearly unrealistic given that over the life of the plan windfall sites will be offered for redevelopment and reusing them for employment may not be viable or desirable. It also makes no allowance for a new, quality, supply of new land (for any use) to replace and upgrade Newport's stock of sites which for reasons of viability may only be delivered on new sites without high remediation costs.

- 5.47 However this does not mean that the estimate of 21.5ha (or 35ha) is unhelpful. For Newport it is a very useful guiding benchmark.
- 5.48 What it tells us is that if more land is taken up than the forecasts suggest either job growth is exceeding the forecast or this take-up is at the expense of the existing sites. I.e. firms are moving from older sites to newer sites and their former sites are not being re-occupied by new firms. In this case the Council can afford, and may need, to loose existing stock to alternative uses.
- 5.49 Finally it is important to note that the employment projections shown in this chapter remain largely trend based and they do not embody any policy inputs. Such interventions like targeted labour force levels based on population increases through housing supply in Newport, or economic development interventions to attract demand, such as the relocation of government offices to Newport or additional demand spilling over from Cardiff, are likely to have a bearing on the future performance of the Newport economy, and therefore some flexibility in planning for future employment land should be allowed in planning for these unknowns.
- 5.50 We discuss how much new land to provide in more detail in the next chapter, weighing up the pros and cons of providing too much or too little land.

## 6 NEWPORTS STOCK OF SITES

**NOTE: All site numbering and references relate to the Deposit Plan. These may be revised in the emerging Second Deposit Plan**

### Introduction

- 6.1 This chapter summarises the results of appraisals of employment sites in Newport. The appraisals were undertaken by Asbri Planning with help from PBA. .
- 6.2 Sites assessed are in three categories, relating to the policies of the Newport Local Development Plan Deposit (April 2012):
- Sites listed under Policy EM1 - Employment Land Allocations
  - Sites listed under Policy EM2 - Regeneration Sites
  - Sites in employment use and protected by Policy EM3 - Alternative uses of employment land
- 6.3 The objective of the site appraisals is to consider the quality and viability of existing sites and allocations to determine whether they meet the demand for land identified. In considering the allocation of employment land it is important that requirements should be focused on where demand is expected to be strongest, and also for supporting the delivery of planning objectives to delivering stronger, more resilient communities (by reducing unemployment), and by managing future development to ensure that communities have an appropriate balance of jobs (based on job densities).

### Methodology

- 6.4 All the sites were visited and assessed considering environmental quality/constraints, access, commercial attractiveness and deliverability criteria. Finally, we made a policy recommendation for each site.
- 6.5 The full assessments are shown in Appendix 2. Below we discuss the main findings for each category of site.

### EM1 – Employment Allocations

- 6.6 There are eight employment allocations totalling approximately 510 hectares. Most of these have good access, though several have environmental constraints. Demand is varied. Our recommendations, which we carry forward into our policy conclusions, are discussed in Chapter 8.
- 6.7 Site sizes are as per the Deposit Plan.

**Table 6.1 Employment Allocations**

Site Assessment Ref. No.	Site Name	Area (ha)	Comment
EM1 (i)	Duffryn	78	A reduction of the site area is required to address the conflict with environmental interests. We therefore recommend reducing the site to the land north of

Site Assessment Ref. No.	Site Name	Area (ha)	Comment
			Percoed Reen, beyond which the character of the Gwent Levels is more pronounced. When implementing the allocation some consideration should also be given to protecting the amenity of the existing residential uses to the east.
EM1 (ii)	East of Queensway	142	De-allocate the eastern sections of the site that fall within the SSSI as it is likely to be surplus to quantitative employment land requirements during the Plan period. This will reduce the developable area from approximately 142 ha to 34 ha.
EM1 (iii)	Celtic Springs	6	Vacant land located within an established high quality business park. Retain as an employment allocation.
EM1 (iv)	Solutia	52	A large plot of undeveloped flat land to the rear of the Solutia, a chemical processing facility. Solutia state that 45 ha of the site could be developed. This site should be reserved for chemical or similar uses that are likely to have synergy with the Solutia operation.
EM1 (v)	Newport Docks	204	Dockland area including large bodies of water – North and South Docks and Alexandra Dock. The site is an existing employment site and therefore should not be included as a new employment allocation. Remove from EM1 and include as existing employment site subject to separate Policy.
EM1 (vi)	Gwent Europark	16	Greenfield extension to the existing Gwent Europark employment site. The site is a good location with a proven track record in attracting distribution businesses. Outline permission is already in place for the development of the land for employment uses. Allocate for employment Ecological/habitat mitigation will be required.
EM1 (vii)	Port Road, Maesglas	10	Older industrial units to north of Port Road. Three large units are occupied by retail uses. The site is an existing employment site and therefore should not be included as a new employment allocation. Remove from EM1 and include as existing employment site subject to separate Policy.
EM1 (viii)	Land off Chartist Drive	2	Retain allocation. Viability may be linked to the future of adjoining vacant site.
<b>Total</b>		<b>510 ha</b>	

## EM2 – Regeneration Sites

- 6.8 There are 12 regeneration sites allocated totalling approximate 456 hectares.
- 6.9 As we discussed in the property market review viability (or a lack of) is the main concern with the regeneration sites as proposed.

- 6.10 By far the largest regeneration area is Glan Llyn, the former steelworks in the eastern part of the City. Glan Llyn comprises three sites and around 355 hectares. The main site is already under construction for an urban extension. This will predominantly be residential – it will include a district centre in which there may be potential for some small scale office use but in our view it does not represent a key employment site and so should be removed from the EM2 allocation.
- 6.11 The adjoining site to the east, however, has planning permission for a business park and in our view demand will be reasonable at this location due to the good access. So this site should be retained. As a cleared site, delivered alongside the new residential development it is one of Newport’s most deliverable sites. We understand from owners’ representations the employment elements of the site are 39.5 ha and the site size needs updating.
- 6.12 The land to the South of Queensway is more problematic. Parts of the site is currently in use and we conclude that this is a long term regeneration option only.
- 6.13 We recommend acknowledging that majority of the former Novelis site will be developed for residential, with only a very small employment element. Novelis is a constrained site (contamination and flood risk) which therefore needs to be developed for a high value use (ie residential) in order to be viable. There has been some interest in residential development of the site already.
- 6.14 We recommend carrying forward three further allocations; EM2 (v) – Old Town Dock/George EM2 (iv) - Phoenix Park, EM2 (vii) – Riverfront, EM2 (viii) – Godfrey Road. These are good quality employment sites, although the latter is in use as car parking for the station and any redevelopment would need to incorporate a parking element. The site area of EM2 (v) has been extended to include Penmaen Wharf which is now in the same ownership as the rest of the site and represents a single regeneration opportunity.
- 6.15 EM2 (x) – Whitehead Works is a large regeneration site allocated for mixed use. 2ha of the site should be retained for employment, likely to specialist medical/research related employment uses linked to the presence of the hospital. EM2 (xi) – Cardiff Road, part of a larger area of former railway sidings extending to Maesglas industrial estate to south. This should be retained as an allocation, suitable for B1 uses along the Cardiff Road frontage.
- 6.16 Our recommendations, summarised in the table below.

**Table 6.2 Regeneration Sites**

Site Assessment Ref. No.	Site Name	Area (ha)	Comment
EM2 (i)	Glan Llyn, Llanwern	193	The site will be developed for housing. Although some small scale office development could be delivered within the proposed local centre it is recommended that the employment land allocation is removed from this site
EM2 (ii)	Llanwern Former Steelworks (Glan Llyn East)	51	Good, well located site. Allocate for employment uses. However only 33ha is proposed in the masterplan plus the park and ride.
EM2 (iii)	Llanwern Former Tipping	122	Delivery of the site for alternative employment uses is unlikely to be until the

Site Assessment Ref. No.	Site Name	Area (ha)	Comment
			latter periods of the Plan period or beyond
EM2 (iv)	Phoenix Works	2	Retain.
EM2 (v)	Old Town Dock / George Street / Penmaen Wharf	32.75	Emphasis on residential forms of redevelopment to reflect demand in central part of site currently marketed. Representations have been made to extend the former plan area to Penmaen Wharf. Land is in single ownership so as part of a large comprehensive scheme this extension is supported.
EM2 (vi)	Lower Dock Street	0.2	Remove due to small scale of site.
EM2 (vii)	River Front	1.3	Retain as EM2 allocation (we understand that only 0.3ha remains).
EM2 (viii)	Godfrey Road	2	Retain under EM2 allocation.
EM2 (ix)	Crindau	10	Retain as EM2 allocation.
EM2 (x)	Whitehead Works	21	No change – retain with approximately 2ha for employment.
EM2 (xi)	Cardiff Road	1.3	Retention of employment land in Policy EM2 with 1.3ha of B1 uses along Cardiff Road frontage as per Unilateral Undertaking.
EM2 (xii)	Novelis	37	Remove most of the land as an employment site under EM2 (leaving 1.5ha)
<b>Total</b>		<b>456 ha</b>	

### Sites protected by Policy EM3 – Alternative Uses of Employment Land

- 6.17 These are sites which are in employment use but do not have any allocation in the plan. They are protected by Policy EM3 Alternative Uses of Employment Land which requires applications for alternative uses of existing employment sites must meet a number of criteria.
- 6.18 These sites have never been assessed before and are not currently marked on the development plan. As discussed above introducing a new geographic policy to control these sites would be a major policy change from the original Deposit Plan. However this assessment has informed our opinion, as also shared with the property market chapter, that in the main the sites are performing reasonably well.
- 6.19 Our analysis does not suggest major changes are needed from the approach taken in the deposit plan which controls redevelopment through the EM3 Criteria based policy. The market review suggests that at least until the market improves almost all enquiries for employment space will need to be accommodated on the existing estates and often through the re-use of the existing buildings. Also across Newport the levels of industrial and warehousing vacancy is not problematic and there is no justification for the development plan to seek large scale releases of the stock.
- 6.20 There are 13 significant sites. Of course there will be many small employment uses scattered across.

6.21 The sites assessed are predominantly in industrial use. They cover a range of unit sizes, from small starter units to big sheds/distribution uses. They also range in quality; some of the sites have good access and a high quality environment whilst others do not and are primarily occupied by smaller local businesses. However, both serve a purpose. Stephenson Street Industrial Estate provides space for “dirty” industries including waste and aggregate uses. All the employment sites assessed are well occupied and we recommend that all be retained in employment use, and therefore continue to be protected by Policy EM3.

**Table 6.3 Sites Protected by Policy EM3**

Site Assessment Ref. No.	Site Name	Area (ha)	Comment
6	Celtic Springs/Cleppa Park	25	Good access, well occupied, high demand – retain in employment use.
9	Maesglas/Mendalgeif Industrial Estate	Unknown	Good access, little vacancy – retain in employment use.
11	Herbert Road	2.8	Well occupied industrial estate – poor access but attractive for low value users and serves an important local purpose. Retain in employment use.
12	Rogerstone Business Park	9.1	Occupied by industrial units and a supermarket. Good access, high quality environment and no vacancies. Retain in employment use.
13	Tregwilym Industrial Estate	7.4	Reasonable access and well occupied – retain in employment use.
14	Wern Industrial Estate	7.4	Reasonable access and well occupied – there are a few vacancies which are actively being marketed. Retain in employment use.
16	Star Trading Estate	6.6	Low value industrial units with poor access – but attractive to local businesses and appears fully occupied. Retain in employment use.
18	West Industrial Estate	5.4	Low value industrial units with poor access – but attractive to local businesses and appears fully occupied. Retain in employment use.
None	Langstone Business Village	Unknown	Good access, attractive location although fairly high vacancy – retain in employment use.
None	Reevesland Industrial Estate	Unknown	Large estate favoured by sheds/distribution occupiers. Good access and very low vacancy. Retain in employment use.
None	Queensway Meadows	Unknown	Medium sized units with some leisure uses. Good access and few vacancies – retain in employment use.
None	Stephenson Street Industrial Estate	Unknown	Includes some waste/aggregate uses. Good access and little vacancy. Retain in employment use with some scope for intensification.
None	Leeway Industrial Estate	Unknown	Popular with self storage and trade counter/car sales. Good access and few vacancies. Retain in employment use.
<b>Total</b>		<b>Unknown</b>	

## **Conclusion**

- 6.22 In considering the allocation of employment land it is important that requirements should be focused on where demand is expected to be strongest, and also for supporting the delivery of planning objectives to delivering stronger, more resilient communities (by reducing unemployment), and by managing future development to ensure that communities have an appropriate balance of jobs (based on job densities).

### *EM1 Employment Allocations*

- 6.23 There are currently 8 sites allocated under Policy EM1, comprising approximately 510 hectares. This policy relates to new allocations and so we recommend that two of the sites are de-allocated because they are already in use.
- 6.24 We also recommend de-allocating parts of two other sites because they are constrained (by SSSIs).
- 6.25 The remainder of the land should be carried forward.

### *EM2 Regeneration Sites*

- 6.26 There are currently 12 sites allocated under Policy EM2, comprising approximately 456 hectares. Some of these sites, however, only have pockets of land suitable for redevelopment, and therefore we recommend that they are de-allocated or reduced in size. Others have planning permission for (or are more suitable for) other uses such as housing.
- 6.27 We estimate that the employment elements of the remaining EM2 sites covers at most 213 hectares. The majority of this is a Llanwern Former Tipping Area and this is very much a long term opportunity. The remaining sites, with the exception of Glan Lynn are small and likely to proceed as mixed use.

### *Sites Protected by Policy EM3 Alternative Uses of Employment Land*

- 6.28 We have assessed the existing 12 large employment sites. They cover a range of unit sizes and quality, but all are well occupied and we recommend that all be retained in employment use, and therefore continue to be protected by Policy EM3.

## 7 MOVING TOWARDS A BALANCED PORTFOLIO OF SITES

- 7.1 The above analysis would suggest that the requirement for new additional land for employment uses in Newport is modest. This is not a new finding but confirmed by the Council's previous evidence including previous forecasts commissioned for the Council and an analysis of past take-up once LG is removed from the analysis.
- 7.2 However there is a clear discord between this analysis and the amount of new land being promoted through the policies in the Deposit Plan. This is mainly though policy EM1 but also EM2 where redevelopment sites have been cleared.
- 7.3 This discord has been noted by those making representations to the plan and most noticeably the Welsh Government.
- 7.4 In summary the core of the WG concerns relate to the [un-evidenced] scale of seemingly new land being promoted by the plan but also the qualitative mix of this supply. This qualitative concern relates to both the soundness of rolling over old allocations into the new plan but also the need to balance other, mainly environmental, considerations in the new plan which suggests environmentally sensitive sites are being promoted with no economic rationale.
- 7.5 There is also the related issue that much of the land is constrained by a 'national economic benefit clause' and a 10ha minimum development site area. This is not evidenced.
- 7.6 We have some sympathy with the WG analysis but the issue of how much new land is being promoted is complicated by the current wording of policy EM1 and the sites grouped under this policy. In reality much less new land is being promoted in the plan than an initial view would suggest.

### How much new land is actually available for development in the deposit plan?

- 7.7 PPW Chapter 7 requires local authorities to "provide targets on **land provision** for the employment uses (Classes B1-B8), showing net change in land/floorspace for offices and industry/warehousing separately, and protect these sites from inappropriate development"
- 7.8 However not all the land in EM1 is net additional to the Newport land supply with a large amount being recycled brownfield land. Further not all the land is available to the 'normal' market. This is either because of the detailed criteria which limits the market sector the site can be used for or known ownership issues. So not all land should count towards a general land provision target.

#### *Newport Docks*

- 7.9 The largest EM1 site is 204 ha allocation at Newport Docks. The Plan seeks to secure the future of the Docks and allow the operator to diversify their property portfolio to better meet market demand for land in Newport.

7.10 However very little of this would be new land which could count towards a PPW 'land provision target'. Any development is more likely to be considered redevelopment of the dock estate and so not net additional land.

7.11 Further the 204 ha includes the undevelopable water within the estate. So is a gross exaggeration of the realistic land supply available, even for redevelopment.

*Sites Constrained by the National Significance Criteria*

7.12 Excluding the Port most of the land supply promoted in EM1 is designated for single large user projects of 'national significance' at least 10ha at a time. In total the plan provides for 220 ha of this 'caveated land' on two sites (Duffryn & Queensway Meadows).

7.13 Together these two sites could, as a maximum, accommodate 22 such projects or roughly 1.5 'national' schemes' each year. This is obviously an over simplification because a single very large user could take much more than 10ha in one go.

*Sites constrained by known ownership aspirations*

7.14 Aside from the two main 'national' sites the only two large new land allocations are at Solutia and the remaining parcel of land at Europark.

7.15 We understand from Solutia that the land in their control will (ideally) only be released to operators who can demonstrate synergies with the existing Solutia operation. These are likely to be similar chemical related industries to Solutia. Some land will also be used for their own expansion. The supply cannot be considered 'normal supply' and Solutia will only release land if it is in their interest and does compromise their existing facility.

7.16 The remaining parcel of land at Europark is likely only to be available as a new large warehouse unit and so also not available to the 'normal' market demand.

*SSSI and M4 Safeguarded land*

7.17 A further complication is that some of the EM1 land is difficult to develop because it covers SSSI designated land. If Newport was constrained, with limited land available there may be a rationale for promoting such land as a 'last resort' and as part of the balancing of social, economic and environmental considerations suggested in PPW Chapter 7. But there is a recognition that the deposit plan promotes more land than could realistically be taken up in the plan period. So there is no rationale for continuing to promote such sensitive land.

7.18 Related to this is the inclusion as allocated employment sites land which is subject to M4 safeguarding. There is no rationale for including such land as allocated employment sites.

*Unconstrained EM1 Land*

7.19 Of all the several hundred hectares of land in EM1 only two small sites are new sites which are constrained by policy or ownership as discussed above.

- Chartist Drive – 2ha
- Celtic Springs – 6ha (B1 only)

7.20 Port Road (10ha) is not new land but instead redevelopment of a former retail estate. It maybe considered new employment land although benefiting from a former retail use may not be viable for a lower value employment use.

7.21 So more detailed analysis suggests that as drafted EM1 provides very little new land which is deliverable and unconstrained by policy, environmental considerations or M4 safeguarded land. There is certainly very little supply which would be available to the 'normal' market (non national demand or not related to Solutia or the Docks).

### **What about the EM2 Supply?**

- 7.22 In estimating the 685ha of new land the WG include the EM1 sites (discussed above) and also the large supply of EM2 land.
- 7.23 The policy rationale for the EM2 Supply is that it covers regeneration sites where a significant amount of new employment space is likely. As with Newport Docks this is not net additional land to Newport but the regeneration and renewal of older stock which has fallen out of its former use. So it is debatable whether it should count towards a PPW land target.
- 7.24 Setting aside the question of how much may be 'net additional' as we noted in the review of the property market there is an overarching concern that the redevelopment of former employment sites (mostly EM2) for new employment use is largely unviable. The only exceptions are where sites are so large and there is enough value in the alternative uses that a new employment use can be efficiently cross-subsidised.
- 7.25 Even where there is value in the proposed redevelopment mix the Council needs to consider the benefit of forcing a new employment use onto an expensive to remediate site, which may not be in the best market location compared to the alternatives.
- 7.26 Realistically our assessment of the EM2 sites shows that only Glan Llyn will deliver a significant amount of new employment space although this will be much less than the deposit plan assumed. The residential elements of the allocation (194 ha) will only deliver incidental employment space within the new local centre. The EM2 (ii) allocation was formally 51 hectares and promoted for B1, B2 and B8 uses. However we understand that this was over counted and following representations the Council have agreed that the employment allocation is smaller at only 39.5ha (including land set aside for a park and ride).
- 7.27 Most of the other sites are residential led mixed use with limited employment potential (e.g. Novelis) or redevelopment of existing sites (e.g. Crindau).

### **How much new land is too much new land?**

- 7.28 PPW requires the plan to:  
*"provide targets on land provision for the employment uses (Classes B1-B8), showing net change in land/floorspace for offices and industry/warehousing separately, and protect these sites from inappropriate development"*
- 7.29 It is important to note that the net target, which we have estimated at between 22ha and 35 ha over the plan period, is not automatically the same as the land provision target.
- 7.30 As we discussed above it is important when developing a land target to understand how much net additional land the plans needs to provide on order to manage the loss of existing sites.

- 7.31 If Newport succeeds in delivering a very large amount of new land, in excess of the net change figure, this could have consequences.
- 7.32 Either many more jobs have been delivered than the forecasts suggested, which could be a positive outcome although may have implications for the demand for new homes or commuting. Or firms are re-locating from the older sites to higher quality new sites. This again could be positive but means the Council will need to release those former sites to alternative uses to secure the efficient use of land.
- 7.33 A full ELR, prepared earlier in the plan process would be able to mitigate some of these consequences by proactively de-allocating additional sites and promoting alternative uses (note most of Newports regeneration sites have already been lost from the employment land supply so cannot fulfil this function). But in this case, such a change would mark a considerable change in approach from the previous draft plan and the the criteria driven policy will have to perform this function. In our recommendations we suggest a new SPG to help with this process.
- 7.34 Turning to the gross demand for new land in the plan. Oversupplying land compared to expected 'net' market demand is a legitimate and accepted planning strategy. PPW encourages planners to make land allocations to meet the market demand for sites. So in addition to the net figure an allowance should be made for 'churn' and 'market choice'.
- 7.35 The forecasts show growing demand for new office and warehousing land and this is confirmed by the market evidence although much more strongly for warehouses. The market evidence also suggests some of this growth will need new sites because not all the former industrial sites will be suitable for the growing office and warehouse sectors. The quality of product in demand, especially for warehousing, requires more accessible sites and ideally greenfield plots.
- 7.36 It is also not certain that the older stock of warehousing, or even industrial property, will continue to meet business needs with agents reporting occupiers increasingly compromise because of the lack of better quality stock.
- 7.37 Previous work for Newport estimated gross takeup of land was averaging 11.4ha per annum. As a criticism of this number most of this takeup was in only a few years and was accounted for by the former LG plant. It also covered a period of economic growth we now know, with hindsight, should not be used as a model benchmark for the future. It is very likely to be a maximum delivery rate for Newport in the future, and includes an allowance for optimistic one off inward investment.
- 7.38 As a maximum this suggests that the plan should make provision for at most 171 ha of new land over 15 years (11.4 x 15). With the warning that if this is taken up, but not matched by higher job growth than the forecast suggests the Council should be prepared to apply its criteria release policy (EM3 in the Deposit Plan) very loosely and release existing stock for alternative uses.
- 7.39 An added justification to providing more land than the forecast suggests is to analyse the dis-benefits of providing 171ha of new land, even though this may be very optimistic in todays market.

- 7.40 The main risk of promoting too much land for employment use is that land is introduced to the development plan and promoted for employment purposes when it may better be used for an alternative use. This alternative use maybe housing but could equally be green end and especially where the land is environmentally sensitive.
- 7.41 The key to answering the question of how much land should be provided in Newport rests on the testing the Deposit Plan draft allocations against the rational set out in PPW. So for each of the sites promoted through the development plan we have tested the harm of continuing to promote them against the risk that oversupply will either lead to un-necessary territorial competition or result in land being promoted which could be better used for an alternative use.
- 7.42 A further, practical, consideration is that much of the new land has been serviced at public expense and is being actively marketed by the WG for inward investment. This is most obviously the case at Duffryn but also at part of the land east of Queensway Meadows. Given the previous investment it would not appear logical to de-allocate these sites.
- 7.43 So the analysis suggests Newport should amend the Deposit Plan to provide a maximum new land allocation of around 171 ha. This land should not include sites most at risk of conflicting with other policies and most noticeably where the Sustainability Appraisal was concerned about conflicts. This is because there is no economic rational or justification for land allocations grossly in excess of this figure. The take-up of this land needs careful monitoring because if successful, and not supported by higher than forecast levels of job growth



## 8 CONCLUSIONS AND RECOMMENDATIONS

- 8.1 In this chapter we outline the recommended changes to the Deposit Plan policies.
- 8.2 In line with our analysis above we have sought to clarify the structure of the plan policies to clearly separate new development land, additional to the Newport land supply from the regeneration sites which are redevelopment of existing employment areas. This is in line with new PPW which requires Councils to measure the *net* additional land supply promoted in their plans.
- 8.3 We have also sought to reduce the amount of land promoted in the plan reflecting the WG concerns that the amount of land in the Deposit Plan was excessive. As a maximum we are aiming for 171 ha of new land so a significant reduction on that formerly suggested in the Deposit Plan.
- 8.4 We reduce the quantity of land promoted in several ways:
- Removed land where there is clear conflict in the plan between the key environmentally sensitive land supply (SSSI) and potentially excessive new employment land allocations.
  - Through new market evidence and consultations re-assessed the employment land yield from some of the complicated mixed use redevelopment schemes
  - Recognise that ownership constraints may limit market appeal for the development of some sites (e.g. Solutia)
  - More explicitly recognise the primary role of the Newport Docks as a key transport and logistics asset rather than a 'normal' employment site
  - Updating site areas to correct for some potential errors in the Deposit Plan, following representations (e.g EM2 (ii)).
  - We have removed land we believe is subject to M4 Safeguarding. Until such a time as this constraint is removed these sites are not deliverable sites. If the safeguarding is removed they may become deliverable but given the oversupply of land in the plan at the moment they are unlikely to be needed in the life of this plan.
- 8.5 We have also sought to increase the deliverable land supply by removing policy criteria which constrained some key development land by suggesting that it could only be developed for 'national' scale projects. The operation of this criterion is challenging and we see no reason in policy to potentially refuse non nationally significant, but large scale demand from these sites if there is market demand. We noted that in the deposit plan almost all Newport's new greenfield land allocations were constrained in this way and with the exception of EM2 (ii) in the east of Newport there was no land available for new non national demand. The west of the City is where consultations suggest there is growing demand for new (non strategic) warehousing.
- 8.6 We also recommend a new Criterion is added to the former EM3 policy to help control the loss of established buildings and sites in line with new PPW Chapter 7.
- 8.7 A key caveat to all our recommendations is that *if* the new M4 is confirmed the Council will need to re-appraise its whole employment land strategy. At the moment it is difficult to

formulate even a 'what if' scenario because of the huge uncertainties surrounding not only the route but also the number and location of key junctions. The location of potential new junctions will either open up new sites, or potentially bypass them effectively serialising them in favour of more accessible sites.

### **Amended EM1 – New Land Allocations in Newport. (168 Ha in total, was 510ha)**

- 8.8 We suggest Policy EM1 is amended so that it only includes new, net additional, employment land to Newport.
- 8.9 We suggest removing the 'nationally significant' criteria because it is not justified in PPW and less likely to be needed given that the most sensitive SSSI land has been removed. We also have a market demand rationale for opening up the main new sites for 'normal' demand because without these sites there is very limited new development land available in Newport.
- 8.10 Our property market analysis suggests that while very little development is viable in Newport (or the wider market area) the easier to deliver greenfield sites, already serviced at public sector expense are the most likely to become viable before more expensive longer term regeneration sites.
- 8.11 So the policy rationale for these allocations is:
- "To secure a supply of new, deliverable, development land to allow Newport to respond flexibility to the future needs of business. Also to provide a reservoir of new land to offset any unforeseen losses to the Newport stock of sites through the operation of Policy EM4.*
- 8.12 The main sites allocated under the new EM1 policy are:
- EM1 (i) Duffryn – 65ha (former 78ha)*
- 8.13 This allocation is Newport's largest new land allocation. It is suitable for a wide range of potential employment uses including new large scale projects and potential inward investment opportunities. As such it should be safeguarded to accommodate larger development, exceeding 10ha which cannot easily be accommodated on Newport's existing stock of employment sites.
- 8.14 Some of the of the SSSI land should be removed from the allocation leaving Percoed Reen as the new site boundary. This means that part of the SSSI will still be within the proposed employment area but most of this is already occupied by the waste water plant and the National Grid sub station.
- 8.15 We understand from the WG that a boundary drawn along the Reen excudes the most sensitive part of the SSSI and additional supporting evidence is being prepared to demonstrate this. .
- 8.16 The site is most likely to be developed for warehousing or industrial but policy should not limit the scope of uses to exclude new offices if this is what the market demands.

*EM1 (ii) East of Queensway Meadows 34ha (formally 142 ha)*

- 8.17 The site is a logical extension to the large industrial areas in this part of Newport and also the Solutia expansion site.
- 8.18 However very large parcels of land, formally proposed in the Deposit Plan are covered by SSSI designations. The quantitative analysis shows such a large new land allocation is unlikely to be needed and very unlikely to be needed for nationally significant projects.
- 8.19 Given the environmental conflicts the site area should be redrawn to remove the SSSI land and also M4 safeguarded land. However the land to the west, in the ownership of Welsh Government has been partly serviced and is not SSSI. So we suggest this land is allocated without any nationally significant criteria applying.

*EM1 (iii) Celtic Springs 6ha*

- 8.20 This remains as in the Deposit Plan with no changes necessary. It forms part of Newport's B1 office supply.

*EM1 (iv) Solutia 45ha (formally 52ha, M4 safeguarding removed and also small buffer to the North)*

- 8.21 The Solutia site is well connected to the Southern Distributor Road and forms a logical expansion to the existing industrial estates in the area and most noticeably to Solutias own works.
- 8.22 Most, although not all of the site is within the ownership of Solutia who consider the site a long term and strategic asset to complement their established operation. The ideal development is one which has synergies with their existing Solutia operation although other employment generating development is acceptable in principle.
- 8.23 Not all of the land marked may be deliverable. Discussions with Solutia has indicated that parcels maybe contaminated with landfill and wind turbines on part of the site may limit development potential.
- 8.24 Also Solutia's own aspirations will limit its market appeal to the wider market and as such it can be considered a constrained site.

*EM1 (vi) Europark 16ha*

- 8.25 This remains as in the Deposit plan with no changes necessary. Although this is within a SSSI the remaining area is part of the wider Europark development which has already been mostly built out. The land also benefits from Planning Petition.

*EM1 (vii) Chartist Drive 2ha*

- 8.26 This remains as in the Deposit plan with no changes necessary

**Amended EM2 – Major Identified Regeneration Sites in Newport (191ha in total, was 456ha)**

- 8.27 Newport has a reservoir of former employment sites currently being regenerated. These are either in the process of being brought back into an employment use or sites where we may expect the site to be regenerated over the life of the plan.

- 8.28 The regeneration of these sites will not add new land to Newports stock of sites although if successful will allow the delivery of new property which better matches market demand.
- 8.29 As with the EM1 sites some land parcels are constrained by SSSI or M4 safeguarding and we remove this land.
- 8.30 We suggest deleting a number of the sites formally promoted in the Deposit Plan because further evidence suggests that they are unlikely to deliver a significant quality of replacement space.
- 8.31 So the policy rationale for these allocations is:  
*“To guide the redevelopment and renewal of Newport’s major identified employment land regeneration sites. Through regeneration these sites are expected to replace (or where market conditions allow) intensify their employment generating capacity. In general no net loss of employment land is expected on these sites”*
- 8.32 The main sites allocated under EM2 are:  
*EM2 (ii) Glan Llyn Llanwern Former Steelworks 39.5 ha (formally 51ha)*
- 8.33 This is a cleared and marketed major development site which has been developed as part of the comprehensive Glan Lynn masterplan area. Consultees view the site as a next phase of Europark, benefiting from the new dual carriageway which will offset the fact the site is slightly further from the M4. Or as simply new, good quality, general employment land supply which can be delivered to meet market demands at the time.
- 8.34 We see no changes necessary to the plan wording although the site area has been reduced to exclude the Park and Ride elements of the Masterplan Area.  
*EM2 (iii) Llanwern Former Tipping Area South of Queensway 122 ha*
- 8.35 This site is being promoted by the landowners for a new employment use and part is currently in use. It is our opinion, and as expressed by a number of the consultees this is a very long term development opportunity. Viability will be a major issue and there is no realistic market prospect that the site will be delivered for new employment in the short term.
- 8.36 However the owners are supportive of their draft allocation in the deposit plan. As a brownfield site, well connected to the M4 we see no reason why even without an allocation a new employment generating use would not be supported using other policies of the plan or PPW in general. It is also the case that the new access road south of the steelworks will improve accessibility and longer term market potential.
- 8.37 So we suggest retaining the allocation as drafted, with minor amendments to remove land subject to SSSI or M4 Safeguarding.  
*EM2 (iv) Phoenix Park 2 ha*
- 8.38 This site benefits from Planning Permission and as such we suggest retaining it as a EM2 Site as in the Deposit Plan.

*EM2 (vii) River Front 0.3 ha (was 1.3ha)*

- 8.39 Only the northern land parcel was being promoted in the deposit plan for employment use, the, the southern parcel for employment. So the site area has been amended accordingly.

*EM2 (viii) Godfrey Road 2ha*

- 8.40 This is a highly accessible site, adjacent to the Newport station and if redeveloped could add valuable high quality office stock. Consultations have suggested that when market conditions improve the development of sites such as this will be vital if Newport is to improve its qualitative offer.

*EM2 (ix) Crindau 10ha*

- 8.41 The Council has an ambition to regenerate this part of urban Newport. Because of flooding constraints we understand a residential led scheme is not an option and redevelopment for a new employment use is preferred.
- 8.42 This change could be controlled through the criteria based policy (New EM4). This policy seeks to re-provide new employment space on former sites where possible. But in this case, given the previous plan led efforts to regenerate the site the Council feels a EM2 allocation better reflects their pro-active vision for the area.

*EM2 (x) Whitehead Works – 2ha (was 21ha)*

- 8.43 Only 2ha of the redevelopment site is expected to be used for a new employment use. Site area has been amended accordingly although we understand that the full 21ha site will still be shown on the plan maps because the policy controls both the employment elements and new homes.

*EM2 (xi) Cardiff Road 1.3ha*

- 8.44 Benefits from an extant Planning permission. Retain as per deposit plan.

*EM2 (xii) Novelis – 1.5ha (was 37ha)*

- 8.45 The deposit plan included all the land covered by the former plant as a EM2 site. However we understand that the applicants have demonstrated that the delivery of a new, significant, employment allocation is not viable. Our evidence would support this conclusion, at least in the short term.
- 8.46 If the Council continues to promote the site as an employment led regeneration site they run the risk of sterilising the site until such a time as market conditions make development more viable. However even before this point we would expect the greenfield and readily serviced land such as Duffryn to be developed first so there is no quantitative rationale to seek the retention of this site as opposed to new land actively being promoted by landowners.
- 8.47 But as part of a large housing development we would expect some new employment space to be provided to meet local, non-strategic needs. It is tempting to promote new small office space because this most compatible with residential mixed use. But our market analysis shows that small industrial units are in greater market demand and there is very limited supply because on its own this type of space is not viable at the moment. So on

balance forgoing any new office provision in favour of small industrial/workshop units would appear to be a better option. Consultations suggest that 1.5ha would be needed to make such a small development worthwhile. As with Whitehead works the full site area, 37ha will continue to be shown on the plan maps.

- 8.48 We understand that the plan map will continue to show the full extent of the site as a regeneration site but our recommendation that the Council assumes that as little as 1.5ha of (re)developed for employment use.

### **New EM3 – Newport Docks**

- 8.49 As discussed above Newport Docks is considered as a EM1 site in the deposit plan. Considering our new logic, where EM1 controls only new land the Docks does not fit this rationale.
- 8.50 Also unlike the EM2 policies the future of the land needs to be balanced with both the economic, employment land objectives of Newport but also the needs of the functional port.
- 8.51 Any surplus operational land, turned to an alternative employment generating use needs to satisfy additional criteria we would not expect EM2 sites to meet. This includes mineral policies but also national (and local) port policies.
- 8.52 With this clear distinction between Newport’s wider land supply and the future of the docks we think it sensible to consider the Docks as a separate policy.
- 8.53 Doing so would not introduce additional policy burdens from those already identified in the Deposit Plan. But simplify the logic of land allocated under EM1 and EM2 and also more clearly allow the plan to highlight to unique nature of this land which means it may, in practice, be subject to additional policy control.
- 8.54 So the policy rationale can be summarised as:
- “There is likely to be a surplus of land within Newport Docks which could better meet Newports economic development objectives if brought into an alternative, productive, employment generating use (within Use Class B1, B2 or B8). The Council will support such development where it can be demonstrated that the development does not hinder the operational use of the port or other local (or national) policies controlling the demand or need for operational port land”.*

### **New EM4 – Alternative Uses of Employment Land**

- 8.55 Policy EM3 of the deposit plan is largely fit for purpose, as a criteria driven policy to control the loss of employment sites.
- 8.56 However there are some additional amendments which would help bring the policy better into line with new PPW Chapter 7 and provide added guidance for the Council and any potential applicant.
- 8.57 Most noticeably para 7.5.1 of PPW encourages plans to promote the re-use of sites which are still suitable and needed for employment. Also to control and manage the release of unwanted employment sites to other uses.

- 8.58 Ideally the Deposit Plan would have been supported by a robust assessment of Newport's existing stock, with a view to prioritising key sites for retention and highlighting the less important sites which could be classed as 'unwanted'. This would make the operation of PPW Chapter 7 criteria easier. It would also help the Council guard against potential oversupply of new land by making robust assumptions about how much of the stock can be lost over the life of the plan.
- 8.59 Although we have assessed the existing stock of land in Newport as part of this work introducing new spatial policies which would protect some sites more strongly than others is a major change in approach from the Deposit Plan.
- 8.60 But to support the implementation of PPW Chapter 7, through the former EM3 policy, we suggest an additional criterion should be added seeking basic viability and marketing evidence to support any application to release sites.
- 8.61 Applicants should demonstrate that their property has been marketed for a reasonable period of time and that the asking rent is in line with the market. .
- 8.62 Also if a change of use is sought applicants should demonstrate that redevelopment for a new employment generating use is not viable.
- 8.63 So a new criterion should be added along the lines of:

*"Proposals for an alternative use of land currently in employment use should be supported with information demonstrating that the site and property has been marketed for a new employment use and that an on-going employment use is no longer viable."*

### **A New SPG – Guiding development on Newport's existing employment sites**

- 8.64 To help operate policy EM4 and its new criterion we suggest that the Council commits to a new Employment Land SPG. The purpose of this document would be to help further define the role of Newports existing stock of employment land and outline the level of evidence the Council may expect to support applications in the employment areas.
- 8.65 This would include how much evidence of marketing maybe expected because this may vary between sites. For example we would expect that a maximum of 12 months would be adequate in many areas and potentially less for Newports poorest estates. But for 'prestigious sites' a longer period may be appropriate.
- 8.66 It would not introduce additional policy control, over and above the former EM3 (new EM4) policy but provide landowners with a greater certainty over which sites and types of property the Council considers 'prestigious' or in market demand.

### **Monitoring**

- 8.67 To better monitor the successful implementation of the policies we suggest some changes to the monitoring targets and triggers as set out.
- 8.68 Firstly to monitor policy EM1 and ensure a flexible supply of new land in Newport we suggest that the Councils target is to secure a supply of allocated or permitted sites for employment use of 171ha over the life of the plan. This would include the net additional

EM1 sites and also any other land with planning permission for employment uses (so including EM2 sites, the Docks and also any other windfall developments). .

- 8.69 The trigger should be where the supply falls to below 5 years or 57ha; so allowing time for the Council to identify new land through a plan led approach.
- 8.70 We would also suggest that the Council monitors the stock of jobs in Newport. The plans objective is the meet the needs of the people of Newport (and the wider region). The best measure of this is to ensure the local economy supplies jobs. In line with PPW these could be in any economic sector and not only B class jobs.
- 8.71 As a target the Council should use national statistics (BRES) to monitor the stock of jobs – 7,400 jobs and 10,350 new houses.
- 8.72 As a trigger the Council should ensure that the local economy does not lose jobs.
- 8.73 Because data is imperfect and varies for year to year we suggest that the Council take a 3 year average.
- 8.74 This data should also be used to help inform the site release policy. As we discussed above, if a large supply of new land is successfully delivered but not accompanied by higher than forecast job growth it may suggest that there is a growing surplus of older sites suitable for re-use.
- 8.75 As good practice the Council should also regularly monitor market indicators and particularly market rents. It should regularly form a view as to what is a viable rent to encourage new development. This is especially important because if new development remains unviable then the Council may have to take a more aggressive approach to releasing older property and also securing new as part of mixed use redevelopment schemes.



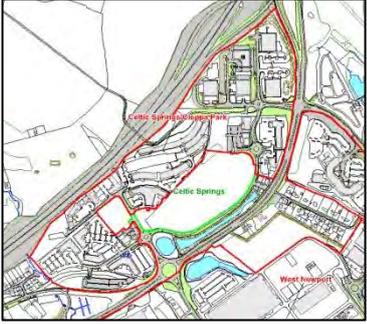
## **APPENDIX 1**

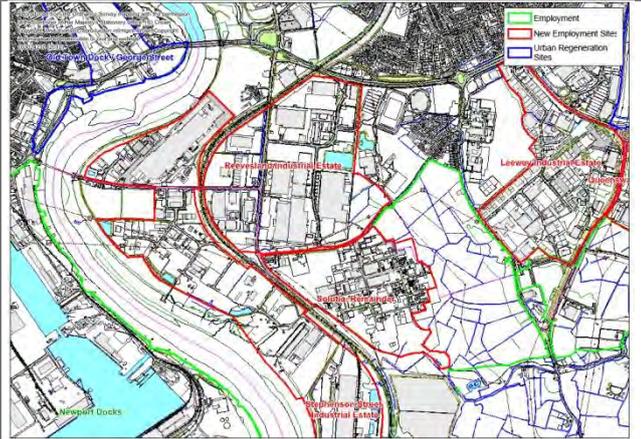
### Site Assessments

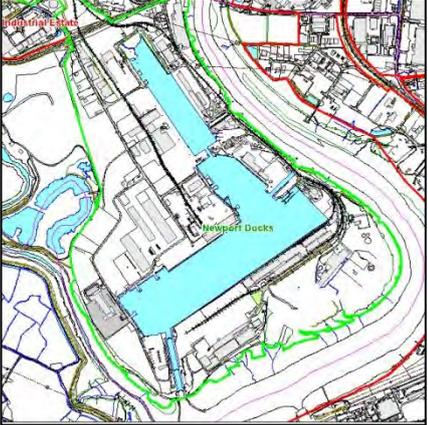


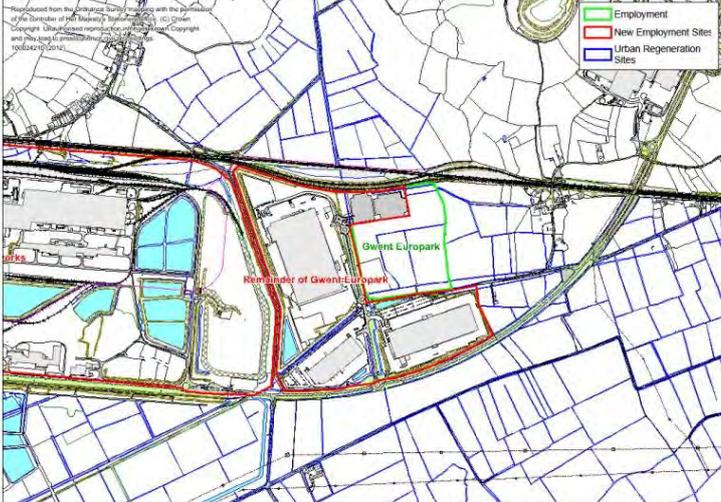
Site reference	EM1 (i)	Location	Duffryn
	Size	78h	
			
Site description/Surrounding uses	Land to south of former LG development, now occupied by Quinn Radiators to west of Celtic Way.		
LDP issues	Allocated as EM1 (i) in the LDP for 'Large Scale Projects of at least 10 hectares'.		
Environmental quality/Constraints	Large part of area within Wentloog Levels SSSI and Landscape of Outstanding Historic Interest.		
Accessibility/Strategic access	Site contained to south-west by partially constructed dual carriageway access road. Good access to A48 and M4 Junction 28.		
Ownership/Planning history	Welsh Government. Originally planned in conjunction with proposed Duffryn Distributor Road which would link with the existing Southern Distributor Road, This, along with the main railway line would contain a large mixed use expansion area.		
Demand	No demand. In terms of quantitative need the site is not required at all, but as it is serviced there is a possibility of take up during the Plan period.		
Availability	Site serviced – with road access in place and a large electricity sub station. The need to retain the reens allows for various thresholds of units to be considered, as at Gwent Europark and Queensway Meadows.		
Vacancy levels (existing estates)	Units vacated by LG occupied.		
Viability	WG Estates state that there is current interest for a large proportion of the site but that the enquiry is confidential.		
Policy recommendation	A reduction of the site area is required to address the conflict with environmental interests. Consideration has been given to removing the allocation within the SSSI but in view of the serviced nature of the site and the presence of the large sub station, a degree of environmental impact has already occurred. We therefore recommend reducing the site to the land north of Percoed Reen, beyond which the character of the Gwent Levels is more pronounced. Some consideration should also be given to a buffer between the site and existing residential uses to the east.		

Site reference	EM1 (ii)	Location	East of Queensway Meadows
	<p>Size</p> <p>142</p>		
<p>Site description/Surrounding uses</p>	<p>A large plot of flat land to the south and east of Queensway Industrial Estate. The land is largely undeveloped, apart from one plot which has a modern B1/2 unit on it. The rest of the site comprises fields and scrub land, which is crossed by a network of reens. The eastern section has SSSI status.</p> <p>A gypsy camp has been established on one of the service routes into the site.</p> <p>The development of the site would form an extension to the existing employment sites in the area (Leeway and Queensway Industrial Estates), which are largely built out for a mix of distribution and trade counter uses.</p>		
<p>LDP issues</p>	<p>Allocated as Policy EM1 (ii) for large scale projects of at least 10 ha provided that the national economic benefits outweigh the environmental impacts; the development is compatible with surrounding uses and that there are no suitable alternative sites.</p>		
<p>Environmental quality/Constraints</p>	<p>The eastern part of the site is within the Nash and Goldcliff SSSI, an extensive lowland wet grassland. A Habitats Regulation Assessment would be required before development can take place and runnels will need to be retained wherever possible. The site is within TAN 15 Zone C1 and will therefore require assessment and protection</p>		
<p>Accessibility/Strategic access</p>	<p>The site is well-connected to the Southern Distributor Road and is situated close to the proposed route of the M4 Relief Road.</p> <p>The western sections of the land already have service roads in place from Meadows Road.</p>		
<p>Ownership/Planning history</p>	<p>The site is owned by the Welsh Assembly Government. It was submitted to the Council through the Candidate Sites process.</p>		
<p>Demand</p>	<p>The neighbouring industrial estates are close to fully built out and have few vacant units. The area is particularly favoured by distribution businesses which benefit from good access to the M4 and the port. The development of the M4 Relief Road will improve the attractiveness of the site further.</p>		
<p>Vacancy levels (existing estates)</p>	<p>The site is not developed. Surrounding industrial estates are largely built out and have low vacancy levels.</p>		
<p>Viability</p>	<p>The main costs associated with the opening up of the land will be associated with drainage and access. Runnels will need to be retained wherever possible.</p>		
<p>Policy recommendation</p>	<p>De-allocate the eastern sections of the site that fall within the SSSI as it is likely to be surplus to quantitative employment land requirements during the Plan period and other sites are better positioned and are outside environmental designations. This will reduce the developable area from approximately 142 ha to 30 ha.</p>		

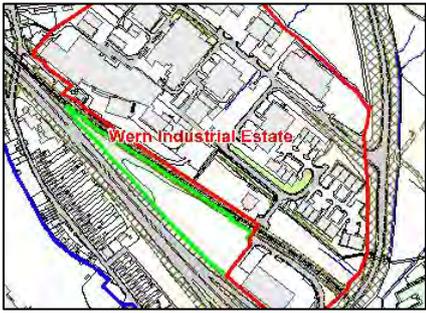
Site reference	EM1 (iii)	Location	Celtic Springs
		Size	6.1ha
			
Site description/Surrounding uses	Vacant land located within an established high quality business park located south of the M4 and north of the A48. The site is surrounded predominantly by employment land uses including the built out Celtic Springs and Imperial Park to the south of the A48. There are small pockets of with residential development such as Nanty Moor Close located to the south west. Occupiers of existing Celtic Springs Business Park include Ministry of Justice, Wales and West Utilities and EADS.		
LDP issues	Allocated for employment land under allocation EM1 (iii) in the LDP.		
Environmental quality/Constraints	The site does not have any constraints. It is located within the Celtic Springs Business Park which is a high quality location with modern offices and well landscaped with a good road network.		
Accessibility/Strategic access	The site is strategically located off the A48 which leads to the M4 at junction 28 are 1.2km to the north.		
Ownership/Planning history	The site is owned AWG properties and Robert Hitchins.		
Demand	The existing Celtic Springs Business Park is well occupied by national and local businesses and the public sector. There is one obviously vacant unit, 28 West, which is being marketed by Knight Frank and Savills. West One is a 3,250 sqm grade A office space owned by AWG properties and Robert Hitchins and has been vacant for approximately 5 years (since it was built). West 28 has attracted previous interest from the public sector but this interest dwindled following the down turn of the market. Enquiries indicate the size of the offices have made it difficult to market it to smaller companies and the internal layout of the building it difficult to modify for smaller uses.		
Vacancy levels (existing estates)	The business park is well occupied but has a large vacant unit (28 West) which has received limited interest in recent years.		
Availability	The site is located within the existing Celtic Springs Business Park and it is well serviced by a high quality existing road network which links to the M4 1.2km to the north.		
Viability	The built out offices at Celtic Springs Business Park are largely successful attracting national and local businesses and the public sector. The land allocated under EM1 (iii) will be attractive in the shorter term in terms of quantitative and qualitative need.		
Policy recommendation	No change recommended, retain as employment allocation.		

Site reference	EM1 (iv)	Location	Solutia Remainder
	Size	52.5	
Site description/Surrounding uses	<p>A large plot of undeveloped flat land to the rear of the Solutia, a chemical processing facility. Solutia state that 30 ha of the site could be developed. The site is currently made up of fields which are crossed by a network of reens.</p> <p>The development of the site would form an extension to the existing employment sites in the area (Leeway and Reevesland Industrial Estates), which are largely built out for a mix of distribution, heavy industry, aggregates and trade counter uses.</p>		
LDP issues	Allocated as site EM1 (iv) for B1, B2, B8 and leisure uses.		
Environmental quality/Constraints	<p>As far as possible, the reens should be protected as part of the development of the site. A Habitats Regulation Assessment would also be required. Otter and other species surveys will be required. The site borders a SSSI. The site is within TAN 15 Zone C1 and will therefore require assessment and protection</p>		
Accessibility/Strategic access	<p>The site is well-connected to the Southern Distributor Road and is situated close to the proposed route of the M4 Relief Road.</p> <p>Access to the site via the existing industrial estate infrastructure should be achievable from Nash Road and Traston Road.</p>		
Ownership/Planning history	<p>The site is owned by Solutia. The land was submitted to the Council through the candidate sites process. The representation highlights that Solutia would wish retain most of the north eastern field to act as a buffer between the residents of Traston Road and the proposed site for development. Solutia have also stated that any occupiers of the site should be prepared to be located within their secure area. Potential occupiers should therefore have some synergy with the Solutia operation.</p>		
Demand	<p>Solutia consider that there is demand for the site from occupiers that have some synergy with their operation. This may include provision for 'dirty neighbour' type activities.</p>		
Vacancy levels (existing estates)	<p>The site is not developed. Surrounding industrial estates are largely built out and have low vacancy levels.</p>		
Viability	<p>The main costs associated with the opening up of the land will be associated with drainage and access. Runnels will need to be retained wherever possible. Buffer strips should be observed at the north and south of the site in order to protect the residential areas and the proposed route of the M4 relief road corridor from development. Buffer strips may also need to be observed along the routes of nitrogen, oxygen and hydrogen pipelines that supply the Solutia site.</p>		
Policy recommendation	<p>This site should be reserved for chemical or similar uses that are likely to have synergy with the Solutia operation.</p>		

Site reference	EM1 (v)	Location	Newport Docks
		Size	204 h 
Site description/Surrounding uses	Dockland area including large bodies of water – North and South Docks and Alexandra Dock. Bounded by River Usk estuary to the east and Docks Way landfill site, as well as River Ebbw to the west. Gated access off Docks Way to north with extensive timber storage areas (Monmouthshire Timber), on both sides of Docks Way.		
LDP issues	Allocated as site EM1 (v). Significant area allocated for B1, B2 and B8 uses but restricted access. The landowners also enjoy permitted development rights associated with shipping activities. PPW (Chapter 8) advises that local authorities should promote the use of ports and inland waterways by the protection of provision of access to them and by the retention or provision of appropriate wharf, dock, harbour and rail transfer facilities.		
Environmental quality/Constraints	Roads on both sides serving quay areas and areas of indoor and outdoor storage. Large areas of coal stocks in south. Only relatively small pockets of undeveloped/unutilised land. Generally poor environmental quality.		
Accessibility/Strategic access	Access to A48, Docks Way. Also railhead. Sea access via South Lock.		
Ownership/Planning history	In control of Associated British Ports (ABP). Previous proposals for a biomass plant involving importation of timber, subject to EIA, resisted by the Council.		
Demand	Future demand for ABP to determine. Demand for port land is likely to increase.		
Availability	Port infrastructure is in place to serve related uses.		
Vacancy levels (existing estates)	As most areas operational, difficult to determine whether undeveloped areas are vacant.		
Viability	Will continue to be of interest for specific forms of port-related development.		
Policy recommendation	The site is an existing employment site and therefore should not be included as a new employment allocation. Remove from EM1 and include as existing employment site subject to separate Policy in line with PPW Chapter 8.		

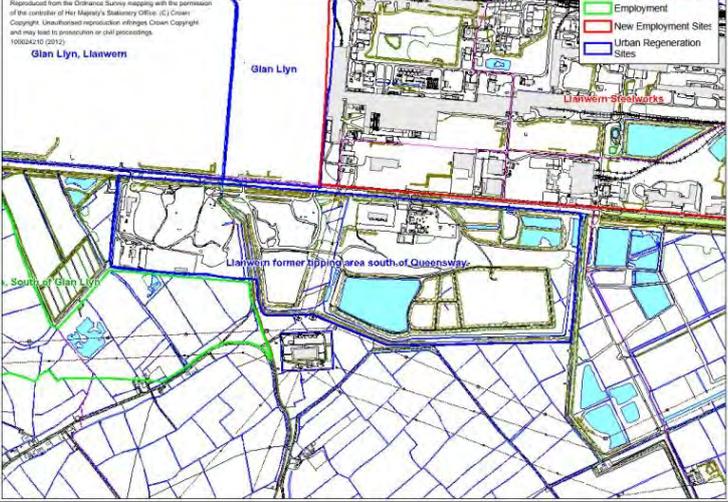
Site reference	EM1 (vi)	Location	Gwent Europark (Remainder)
		Size 	16.1ha
Site description/Surrounding uses		Greenfield extension to the existing Gwent Europark employment site. The land is located on the eastern fringe of the Newport LA area and has good access to the M4. Additional land is allocated within the Monmouthshire Council planning area. The adjoining existing employment site has been built out for Tesco and Wilkinsons distribution centres.	
LDP issues		The site is allocated as EM1 (vi) in the Deposit Local Plan	
Environmental quality/Constraints		The land is within an SSSI. As such, EIA Regulations will need to be complied with and mitigation measures implemented within the development.	
Accessibility/Strategic access		Very good access to the M4 and a rail link will be created within the St.Modwen development at Celtic Business Park/Glan Llyn	
Ownership/Planning history		The land is owned by Gwent Europark Ltd and AWG Developments. Outline permission is granted for the development of the site.	
Demand		The land is well connected to the M4. It is therefore highly attractive to distribution businesses.	
Vacancy levels (existing estates)		The Europark site is occupied by Tesco and Wilkinsons. There are no vacant units. The available plots within the 'remainder' are being marketed	
Viability		There are few constraints to development. The site is flat and access roads are already in place. However, ecological/habitat mitigation will be required.	
Policy recommendation		The site is in a good location with a proven track record in attracting distribution businesses. Outline permission is already in place for the development of the land for employment uses. Allocate for employment	

Site reference	EM1 (vii)	Location	Port Road, Maesglas
		Size	10ha
		 	
Site description/Surrounding uses		Port Road, Maesglas	
LDP issues		Allocated as Major Employment Land Allocation under Policy EM1 (vii) to 'retain and encourage the focus on employment uses at this location'.	
Environmental quality/Constraints		Older industrial units to north of Port Road, off which there is a single access. Lies between more recent employment units to the south and Mon Bank Sidings proposed residential development to the north, beyond disused railway line. Generally poorer quality environment compared with adjacent employment area and retail uses to south.	
Accessibility/Strategic access		Good access along Port Road to Southern Distributor Road (400 metres to west).	
Ownership/Planning history		Multiple ownerships. Planning applications to allow removal of restrictions on retail sales resisted (11/0051 – Unit 2)	
Demand		3 large units occupied by retail - bulky goods (Carpentright) and discount non-food (Byology and Poundstretcher) retailers. Also speciality outlets (Calor Gas) as well as car repairs and HGV test centre. Otherwise mix of B2 and B8 – Seddon Atkinson.	
Availability		Serviced and in accessible location.	
Vacancy levels (existing estates)		1 large vacant unit (former Carpet Superstore).	
Viability		Only attractive for lower end users but serves a purpose.	
Policy recommendation		It is not appropriate for an EM1 allocation purely to protect the site from further retail proposals. As the wider recommendation involves the EM1 allocations referring only to new land allocations we recommend that this site be removed. Alternative uses should be considered under an extended Policy EM3. Supplementary planning guidance should also be considered.	

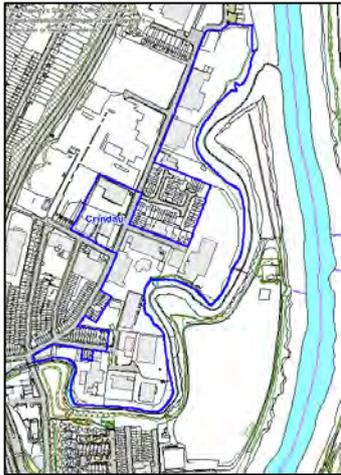
Site reference	EM1 (viii)	Location	Chartist Drive, Rogerstone
		Size	2ha
			
Site description/Surrounding uses	The site lies close to the A467/B4591 junction, between the Ebbw railway line and the A467. It is accessed via a redundant Focus DIY store which lies adjacent. Access to store extends along frontage to site boundary.		
LDP issues	Allocated as EM1 (viii) for B1, B2 and B8 uses.		
Environmental quality/Constraints	Noise issues from railway and road. Otherwise no apparent constraints.		
Accessibility/Strategic access	Access direct to A467 via grade separated junction to east		
Ownership/Planning history	Newbridge Construction own the land. Originally considered suitable for bulky goods retail as an extension of adjacent retail use.		
Demand	Despite marketing, no interest from retailers for re-occupation of adjacent vacant store. Various enquiries regarding the possibility of a residential scheme but would need to be considered comprehensively with the adjoining site.		
Availability	Access available with no site constraints.		
Vacancy levels (existing estates)	Adjacent, former Focus DIY store has been vacant for over 5 years.		
Viability	Development viability for employment uses may be linked to future of adjacent land, which is visible from road network. The site itself is not widely visible to the rear. Similarly it is isolated from the adjacent Wern Industrial Estate by the railway.		
Policy recommendation	Retain allocation.		

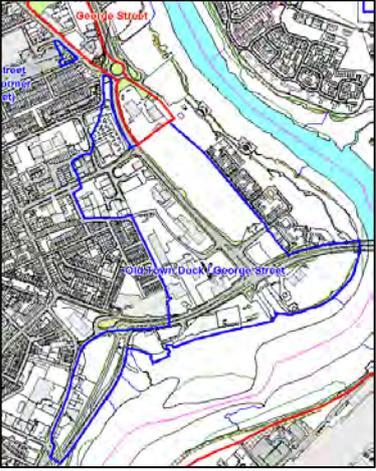
Site reference	EM2 (i)	Location	Glan Llyn, Llanwern
		Size 	193ha
Site description/Surrounding uses		Very large brownfield site to the east of Newport. The site was previously the site of Llanwern Steelworks. St.Modwen were granted planning permission (06/0471) in 2006 to redevelop the site predominantly for housing and associated uses. Persimmon and Charles Church have already started work on the construction of housing at the western end of the site and the Southern Distributor Road is nearing completion.	
LDP issues		The site is allocated under Policy EM2 (i) of the Local Plan.	
Environmental quality/Constraints		The land was previously a steel works. Contamination issues will be dealt with as part of the redevelopment of the site.	
Accessibility/Strategic access		Access to the A48 Southern Distributor Road (to the west) and the M4 (to the east) will be via the upgraded Queen's Way.	
Ownership/Planning history		The site is in the ownership of St.Modwen, who have planning consent to redevelop the site for a mixed use urban extension. St.Modwen state that some small scale office development could be developed within the new district centre.	
Demand		The land is very accessible from the M4 and will therefore be very attractive to distribution businesses. The attractiveness of the area for distribution uses is already proven by the presence of the Tesco and Wilkinsons distribution units at Europark.	
Vacancy levels (existing estates)		N/A	
Viability		The site will be developed predominantly for housing. A significant quantum of housing is required to generate enough of a return to make the redevelopment of the site and the upgrading of Queen's Way viable. Whilst the area is attractive to distribution businesses it is not suitable to include such uses within a housing development.	
Policy recommendation		The site will be developed for housing. Although some small scale office development could be delivered within the proposed local centre it is recommended that the employment land allocation is removed from this site	

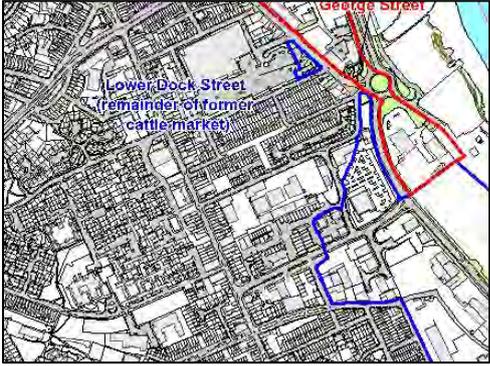
Site reference	EM2 (ii)	Location	Glan Llyn (East)
		Size 	51
Site description/Surrounding uses		Large brownfield site to the east of Newport, between the Glan Llyn urban extension and the existing Corus facility. The site was previously part of the steelworks and has now been cleared.	
LDP issues		The site is allocated under Policy EM2 (ii) of the Local Plan.	
Environmental quality/Constraints		The land was previously a steel works. Contamination issues will be dealt with as part of the redevelopment of the site.	
Accessibility/Strategic access		Access to the A48 Southern Distributor Road (to the west) and the M4 (to the east) will be via the upgraded Queen's Way. The delivery of the M4 Relief Road will further add to the attractiveness of this site. A rail freight link is proposed in each of the masterplan options that St.Modwen has developed for the site.	
Ownership/Planning history		The site is in the ownership of St.Modwen, who have planning permission to redevelop the site for a business park (B1, B2 and B8 uses). The site could provide up to 139,000 sqm of space.	
Demand		The land is very accessible from the M4 and with a rail freight link will be very attractive to distribution businesses. The attractiveness of the area for distribution uses is already proven by the presence of the Tesco and Wilkinsons distribution units at Europark. The site is being marketed by St.Modwen as Celtic Business Park.	
Vacancy levels (existing estates)		N/A	
Viability		The site is deliverable as part of the wider mixed use urban extension. St.Modwen can develop bespoke buildings on a pre-let or pre-sale basis. The land will be available for design and build options following the completion of the new road in 2013. The site will be serviced as and when an occupier is secured.	
Policy recommendation		Good, well located site. Allocate for employment uses.	

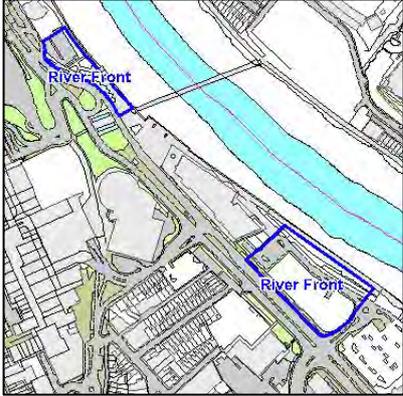
Site reference	EM2 (iii)	Location	Llanwern Former Tipping Area
		Size	122 ha
Site description/Surrounding uses	<p>Large brownfield site to the east of Newport, to the south of Queensway. It was previously used as a storage area for waste associated with the steel works. The land is located on the opposite side of Queen's Way to Celtic Business Park and the Glan Llyn urban extension. Much of the site is already in employment use, with occupiers including BOC.</p>		
LDP issues	<p>The site is allocated under Policy EM2 (ii) of the Local Plan. Part of the site is allocated under Policy W1 for a regional scale waste management facility.</p>		
Environmental quality/Constraints	<p>The land was previously a steel works. Contamination issues will be dealt with as part of the redevelopment of the site. The site borders a SSSI. The site is within TAN 15 Zone C1 and will therefore require assessment and protection.</p>		
Accessibility/Strategic access	<p>Access to the A48 Southern Distributor Road (to the west) and the M4 (to the east) will be via the upgraded Queen's Way and, potentially, the M4 Relief Road. A new railway link will also be developed at the site for freight access.</p>		
Ownership/Planning history	<p>The site is within the ownership of Corus/TATA and was submitted as a candidate site. St.Modwen has an option on the land and may consider bringing it forward as an extension to Celtic Business Park. Veolia has recently been refused permission for an energy from waste facility (planning ref 11/1303) on the site because the proposal failed Habitats Directive tests and was considered to jeopardise the future delivery of housing development at Glan Llyn. An appeal decision is pending.</p>		
Demand	<p>The land is very accessible from the M4 and will benefit from the development of a rail freight link to the north of the site. The attractiveness of the area for distribution uses is already proven by the presence of the Tesco and Wilkinsons distribution units at Europark. The land may also be suitable for a waste facility and/or associated activities at the eastern end of the site.</p>		
Vacancy levels (existing estates)	N/A		
Viability	<p>The site is expensive to deliver because it is contaminated and will require extensive ground treatment. The area is however attractive to distribution businesses in particular and could act as a suitable extension to Celtic Business Park and Europark. Part of the site may need to be discounted as it is within an area identified for the M4 Relief Road.</p>		
Policy recommendation	<p>Retain – but delivery of the site for alternative employment uses is unlikely to be until the latter periods of the Plan period or beyond.</p>		

Site reference	EM2 (iv)	Location	Phoenix Works
	Size 2ha		
Site description/Surrounding uses	<p>A vacant site located south of the railway line and north of the access route into the adjacent industrial estate to the east. The estate to the east is a small site accommodated with recently developed starter industrial units. Immediately west is a Newport City Council depot. South of the site lies vacant land (proposed housing site H4) and the edge of the residential development along Walsall Street. Further afield is predominantly residential development.</p>		
LDP issues	<p>Allocated as a regeneration site and allocated in the Local Plan as EM2 (iv).</p>		
Environmental quality/Constraints	<p>The site is within a TAN 15 C1 flood zone. The site bounded by the railway to the north. Poor landscape qualities and in a predominantly residential location.</p>		
Accessibility/Strategic access	<p>Access to the site is poor. It is achieved via the existing access route to the industrial units to the east of the site which is located at the northern end of Walsall Street. The access can be reached via Walsall Street, Dudley Street and Telford Street all of which are narrow residential streets off the north of Corporation Road. The site is not well related to strategic highway network including the M4.</p>		
Ownership/Planning history	<p>The site is owned by the Welsh Government.</p>		
Demand	<p>The site has been vacant for approximately ten years and remains undeveloped. There is a recently developed industrial estate to the east which accommodates starter industrial units. The uptake of these units has been slow and it is considered the demand for such units have been met and there is no further demand in this area.</p>		
Vacancy levels (existing estates)	<p>The site is currently vacant.</p>		
Viability	<p>Given the access constraints through a residential area the site would only be suitable for local scale employment. However the site to the east accommodates recently developed starter units that are not fully occupied and uptake for these units has been relatively slow. The site benefits from planning permission.</p>		
Policy recommendation	<p>Retain as EM2 allocation.</p>		

Site reference	EM2 (ix)	Location	Crindau
		Size	10ha
			
Site description/Surrounding uses	Crindau – area of mixed residential uses, including traditional terraced housing and older industrial premises (former Lovells sweet factory), along with pockets of recent redevelopment schemes, including residential (The Turnstiles), and retail (Sainsbury superstore). Vacant premises on the Albany Industrial Estate (1830 sq m) and along Crindau Pill. Large Network rail depot and Waterside Court directly south of the M4 Motorway.		
LDP issues	Allocated under EM2 (ix) for B1, commercial, leisure and residential uses. Previous proposals were linked to a canal basin development at Crindau Pill. Currently 10 hectares identified for B1, Commercial, Leisure and Residential uses. Flood risk is a major constraint affecting residential proposals.		
Environmental quality/Constraints	A number of ‘bad neighbour’ activities – car repairs, scrap metal etc occupy premises in close proximity to residential uses. There are also derelict, former industrial units off Adelaide Street which are visible from Lyne Road and across Shaftesbury Park.		
Accessibility/Strategic access	The new access to the Sainsbury store has provided a direct access to the strategic road network and in doing so may have improved local conditions, particularly at lower end of Albany Street which previously accommodated all the traffic flows associated with the area..		
Ownership/Planning history	Multiple ownerships. Apart from recent Sainsbury Store (former gas works site), most recent employment related development was Waterside Court in the early 1990s.		
Demand	The large vacant unit at Albany Street has been to-let for over two years without much interest. Smaller units, including those occupying parts of the former Lovells factory, are mainly occupied.		
Vacancy levels (existing estates)	Former RJ Mason and Brunel Steel sites present a large area of vacant space.		
Viability	The area performs a function with older industrial premises dating from the early 20 <sup>th</sup> Century remaining in partial use. Newer vacant industrial units are at a lower level from the A4042 Link Road and not visible. This is perceived as a negative factor by Savills, the agents involved. However, the Sainsbury development will act as a catalyst for further initiatives when the current economic climate improves.		
Policy recommendation	Retain as EM2 allocation.		

Site reference	EM2 (v)	Location	Old Town Dock
		Size	27ha
			
Site description/Surrounding uses		Includes vacant land between Usk Way and East Dock Road and south of the A48 – Southern Distributor road, as well as existing employment land at Portland Street and extending to Mill Parade.	
LDP issues		Allocated under EM2 (v). Forms extensive regeneration area between traditional 'docklands' residential area of Pillgwenlly and River Usk.	
Environmental quality/Constraints		Extensive residential development has taken place in recent years along the Usk riverfront corridor.	
Accessibility/Strategic access		Strategic route corridor – A48/SDR passes east-west through site, also good connections to City Centre to north.	
Ownership/Planning history		Large area of vacant land – 5.37 hectares, in central part of the site is jointly owned by Newport CC and Newport Unlimited and currently being marketed.	
Demand		Expressions of interest from two developers – mainly residential proposals with some local needs retailing.	
Vacancy levels (existing estates)		Areas around Baltic Oil/Stephens Oil semi-vacant. Elsewhere Usk Way Car Centre and extensive storage of caravans. Vacant land at Mill Parade and former Handiland store. Existing Inductotherm/HWT use. South of A48 listed Maltings building deteriorating.	
Viability		To north off Lower Dock Street, recent developments of Admiral Offices and Passport Office combined with earlier Magistrates Court, indicate that the location is attractive for B1. Usk Way Car Centre previously subject to mixed use scheme but not progressed.	
Policy recommendation		No change. Emphasis on residential forms of redevelopment to reflect demand in central part of site currently marketed, with retention of approx. 6.5 h of employment land to west of Usk Way and south of A48.	

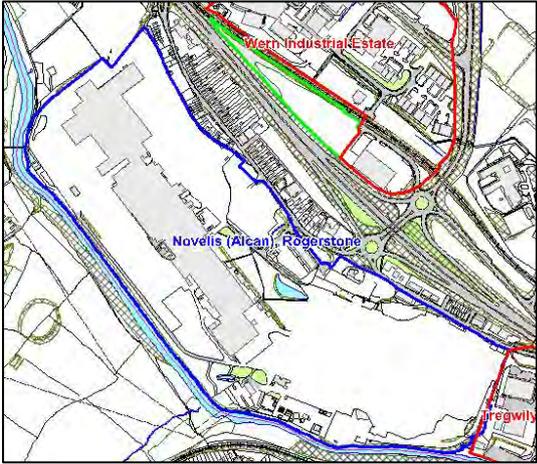
Site reference	EM2 (vi)	Location	Lower Dock Street
		Size	0.2ha
			
Site description/Surrounding uses	Part of car park area associated with Asda store to west. New office development, including Probation Office/Magistrates Court on opposite side of Docks Way.		
LDP issues	Remaining section of former Cattle Market site. Allocated under EM2 (vi). Development must be complementary to the character of the Lower Dock Street Conservation Area and a high standard of design required.		
Environmental quality/Constraints	Within Lower Dock Street Conservation Area.		
Accessibility/Strategic access	Direct access on to Usk Way with A48 some 750 metres to the south.		
Ownership/Planning history	Planning permission for hotel on part of site.		
Demand	Take up of land for offices on opposite side of Docks Way reasonably good but vacant floorspace in recently developed scheme.		
Vacancy levels (existing estates)			
Viability	Study has demonstrated need for office accommodation well related to City Centre.		
Policy recommendation	Remove from EM2 due to small scale of site.		

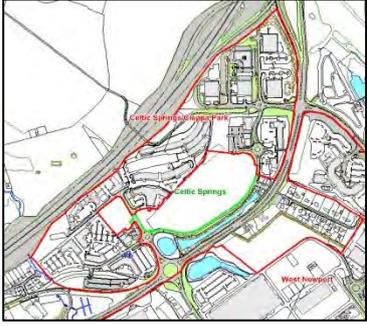
Site reference	EM2 (vii)	Location	Usk Riverfront Sites
		Size	0.3ha
			
Site description/Surrounding uses		Two riverfront sites to east of Newport City Centre between the A4042/ Kingsway route corridor and the River Usk (Town Reach).	
LDP issues		Identified as a regeneration site under Policy EM2 (vii) – River Front – 0.3 hectares for institutional, commercial and leisure uses.	
Environmental quality/Constraints		Urban location but adjacent to River Usk SAC.	
Accessibility/Strategic access		Reasonable access to M4 to north, and SDR to south.	
Ownership/Planning history		Southernmost site adjacent to new University of Wales, Newport City Campus opened in January 2011. Business Plan being prepared for a Creative Enterprise Centre. Blaenavon wharf site currently occupied by temporary car parking uses.	
Demand		New campus development, together with recent schemes (new footbridge and theatre development) will increase potential demand.	
Vacancy levels (existing estates)			
Viability		Market attractiveness will increase in conjunction with other initiatives in the area.	
Policy recommendation		Retain as an EM2 allocation.	

Site reference	EM2 (viii)	Location	Godfrey Road
		Size	2 ha
			
Site description/Surrounding uses	Level site with access ramp onto Godfrey Road. New railway station buildings adjacent offering improved access to passenger facilities . Mostly occupied by surface car parking serving the station with retained, former railway sheds occupied by GallifordTry Rail. Mixture of residential and commercial uses in vicinity.		
LDP issues	Allocated as a regeneration site under Policy EM2 (viii) for business and commercial uses.		
Environmental quality/Constraints	Existing railway and sidings along eastern boundary with City Centre beyond.		
Accessibility/Strategic access	Access along B4591 – Queensway via railway bridge to A4042 Kingsway. M4 Motorway some 1.5 kilometres to north.		
Ownership/Planning history	Network Rail – recent planning history linked to reprofiled station arrangements.		
Demand	Could satisfy some of the demand identified for edge of City Centre office development.		
Vacancy levels (existing estates)	In use for car parking/workshop uses.		
Viability	Redevelopment proposals would need to retain significant amount of parking and station access arrangements. Potential for multi level mix of uses but car parking use is viable in its own right.		
Policy recommendation	Retain as EM2 allocation. Supplementary Planning Guidance should be considered to guide development.		

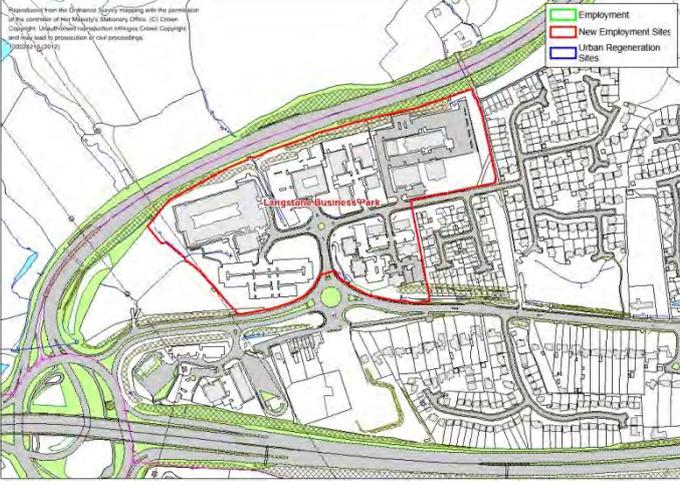
Site reference	EM2 (x)	Location	Whitehead Works
		Size	21ha
		 	
Site description/Surrounding uses		<p>The site lies to the west of Mendalgeif Road, and east of Monmouthshire Bank Sidings, south of Cardiff Road. Much of the site has been cleared for parking provision to serve the Royal Gwent Hospital (290 spaces) on an area leased from the Welsh Government by Aneurin Bevan Health Board. Large retained buildings in the western part of the site and accessed via Docks Way, remain occupied for warehousing/storage. Also vacant car dealership in north-eastern part of site along the Cardiff Road frontage.</p>	
LDP issues		<p>Subject to Housing land allocation – H51 for residential development (18.7ha) as well as Regeneration Site EM2 (x) 21ha for residential, B1, B8 and Health Trust uses.</p>	
Environmental quality/Constraints		<p>Flood risk an issue – requires hydraulic modelling.</p>	
Accessibility/Strategic access		<p>Access to main urban routes – Cardiff Road and Docks Way.</p>	
Ownership/Planning history		<p>Acquired by Welsh Government, principally for health uses in conjunction with future options for expansion or replacement of the Royal Gwent Hospital.</p>	
Demand		<p>Existing uses may reflect demand for warehousing and storage uses in the area. The existing buildings would not, however, sit well with a housing led scheme. As the site to the west is being developed for over 500 dwellings, pressure to redevelop may not exist in the immediate future.</p>	
Vacancy levels (existing estates)			
Viability		<p>May be opportunities to promote specialist medical/research related employment uses linked to presence of hospital and future health related schemes. Also access to A48 and proximity to town centre may accommodate demand for central area office accommodation.</p>	
Policy recommendation		<p>No change – retain with approximately 2ha for employment.</p>	

Site reference	39	Location	Cardiff Road/Mon Bank Sidings
		Size	1.3ha
			
Site description/Surrounding uses	Area fronting A48 Cardiff Road. Part of larger area of former railway sidings extending to Maesglas industrial estate to south.		
LDP issues	Subject to allocation for residential, B1, B8 and Health Trust uses under Policy EM2 (xi). The remainder of the site to the south (11.3 ha) subject to planning permission for 545 dwellings – identified as a housing commitment under Policy H1 (14). 1.26 retained for B1, B8 and Health Trust uses under Policy EM2 (xi) which also relates to proposals on the neighbouring Whitehead site to the east.		
Environmental quality/Constraints	On a key route corridor with Conservation Area – Belle Vue Park, to the north. Site has the potential for high quality mixed use 'urban village'.		
Accessibility/Strategic access	Direct access to Cardiff Road but change in levels due to presence of old railway cutting to be addressed.		
Ownership/Planning history	Network Rail, now in process of being acquired by Redrow Homes. Original application for residential on whole of site resisted by the Council and subject to an Appeal. A unilateral undertaking was submitted which agreed to the retention of the 1.26 hectares of employment land.		
Demand	Would meet potential demand identified relating to office uses in central locations of the city. City Centre approximately 1.2 kilometres to the east.		
Vacancy levels (existing estates)			
Viability	Given central location and firm house builder commitment to development of the wider site, an accessed, serviced site at an accessible location will be viable.		
Policy recommendation	Retention of employment land in Policy EM2 with 1.3ha of B1 uses along Cardiff Road frontage as per Unilateral Undertaking.		

Site reference	EM2 (xii)	Location	Novelis Site, Rogerstone
		Size	37ha
			
Site description/Surrounding uses		Former aluminium works, bounded by River Ebbw to west and south, recreation areas to north, and residential and employment uses to east.	
LDP issues		The site is allocated as a Regeneration Site – EM2 (xii) for B1, Commercial, Leisure, Residential and Community Uses.	
Environmental quality/Constraints		Although cleared (with office block retained), voids have significant levels of contamination (gas and groundwater monitoring and treatment ongoing). Most of site also affected by flood risk (only protected up to 1 in 500 year event).	
Accessibility/Strategic access		Good access onto A467 via grade separated junction.	
Ownership/Planning history		Site acquired from Novelis by Walters Group, early 2012.	
Demand		Several expressions of interest when site marketed, but for housing led schemes.	
Vacancy levels (existing estates)			
Viability		Only a high value scheme will be viable in view of site constraints. A planning application has been submitted for a residential scheme which suggests that flooding and contamination issues will not prevent residential development on parts of the site which could otherwise put more emphasis on employment.	
Policy recommendation		Retain 1.4ha under EM2.	

Site reference	6	Location	Celtic Springs/Cleppa Park
	Size 25ha		
Site description/Surrounding uses	<p>Established high quality business park located south of the M4 and north of the A48. The site is surrounded predominantly by employment land uses with Imperial Park to the south of the A48. There are small pockets of with residential development such as Nanty Moor Close located to the south west. Occupiers of the site include Ministry of Justice, Wales and West Utilities and EADS. The site is also occupied by Celtic Springs Clinic and St. John's-on-the-hill nursery.</p>		
LDP issues	<p>Existing employment site and unallocated in the LDP.</p>		
Environmental quality/Constraints	<p>The site does not have any constraints. Celtic Springs is a high quality business park with modern offices and well landscaped with a good road network.</p>		
Accessibility/Strategic access	<p>The site is strategically located off the A48 which leads to the M4 at junction 28 are 1.2km to the north.</p>		
Ownership/Planning history	<p>The ownership of the site is unknown but likely to be in multiple-ownership.</p>		
Demand	<p>The site is well occupied by national and local businesses and the public sector. There is one obviously vacant unit, 28 West, which is being marketed by Knight Frank and Savills. West One is a 35,000 square foot grade A office space owned by AWG properties and Robert Hitchins and has been vacant for approximately 5 years (since it was built). West 28 has attracted previous interest from the public sector but this interest dwindled following the down turn of the market. Enquiries indicate the size of the offices have made it difficult to market it to smaller companies and the internal layout of the building it difficult to modify for smaller uses. The site also has a vacant land development opportunity which is allocated EM1 (iii).</p>		
Vacancy levels (existing estates)	<p>The business park is well occupied but has a large vacant unit (28 West) and a land development opportunity that have not yet been occupied and have had limited interest in recent years.</p>		
Viability	<p>The site is attractive to national and local businesses and the public sector.</p>		
Policy recommendation	<p>No change recommended, retain as employment use.</p>		

Site reference	11	Location	Herbert Road
		Size	2.8 Ha
			
Site description/Surrounding uses	Existing employment site characterised by built industrial units of varying size and associated yards. The site is bounded by the River Usk to the west, railway line to the east, vacant land to the north (which is allocated for housing in the UDP) and employment uses to south. Further afield, to the south is predominantly in residential use.		
LDP issues	Existing employment site and partially allocated in the LDP for housing.		
Environmental quality/Constraints	The site is located within a TAN15 C1 flood zone. The site is well occupied with no obvious vacancies. The site is well established but is generally low in quality and the uptake of units is by small local businesses. The site is predominantly in non-conforming uses adjacent to a housing allocation to the north and established residential dwellings to the south.		
Accessibility/Strategic access	Access can only be achieved off Herbert Road via the Tuner Street/Herbert Road junction. The access is generally quite poor and through a predominantly residential area.		
Ownership/Planning history	Site in the ownership of Mr. Sheehan.		
Demand	Confined to local uses and well occupied by local businesses.		
Vacancy levels (existing estates)	No obvious vacancies.		
Viability	Attractive for low value users but serves an important local purpose.		
Policy recommendation	No change recommended, retain for employment use.		

Site reference	Location	Langstone Business Village
	Size	N/A
Site description/Surrounding uses		
LDP issues	<p>A modern office park located to the north of junction 24 of the M4. The site is bordered by residential uses and is contained within the road network. The site is fully built out with B1 and hotel/conference uses. Occupiers include Total Mortgage Solutions, Parrys, Henry Howard Finance, RDP Lawyers, PCF and NFU Mutual.</p>	
Environmental quality/Constraints	The estate and units are modern and well landscaped/maintained	
Accessibility/Strategic access	Accessibility to the site is very good from junction 24 of the M4	
Ownership/Planning history	<p>Permission for B1 and leisure uses was granted in 1989 (planning application ref 1/17298). Speculative office developments occurred prior to the economic downturn. Residential uses have encroached on the employment land more recently</p>	
Demand	With direct links to the M4, the site is an attractive location for office users.	
Vacancy levels (existing estates)	<p>Vacancy levels are relatively high. Nelson House, Teme House and Wye House are to let. There are no remaining development plots</p>	
Viability	The site is fully built out. There is no room for expansion.	
Policy recommendation	Retain for employment uses.	

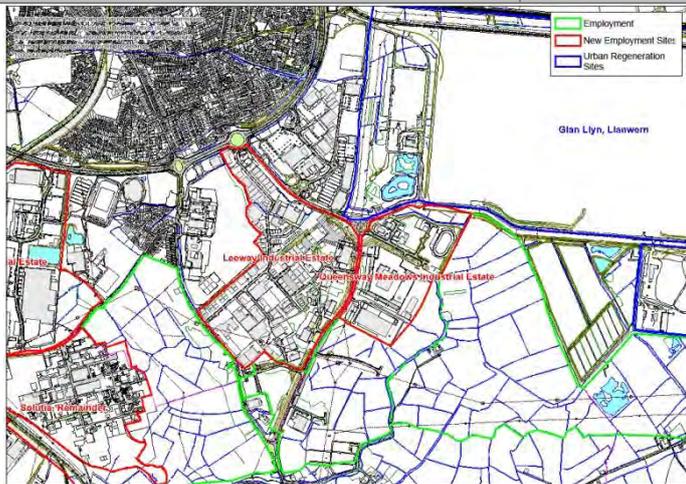
Site reference

Location

Leeway Industrial Estate

Size

N/A



Site description/Surrounding uses

Leeway Industrial Estate is a well-established employment estate on the eastern edge of Newport. It is accessed directly from the A48. The estate is bordered by Queensway Industrial Estate and educational facilities. The estate has been fully developed with a range of small to medium sized modern B1/B8 units. The site is favoured for self-storage and trade counter/car sales uses.

LDP issues

An extension to the estate is proposed (East of Queensway Meadows and Solutia Remainder)

Environmental quality/Constraints

The estate and units are in good condition.

Accessibility/Strategic access

Accessibility to the A48 and M4 is very good.

Ownership/Planning history

Mixed private ownership

Demand

The site is a very popular location for trade counter uses in particular

Vacancy levels (existing estates)

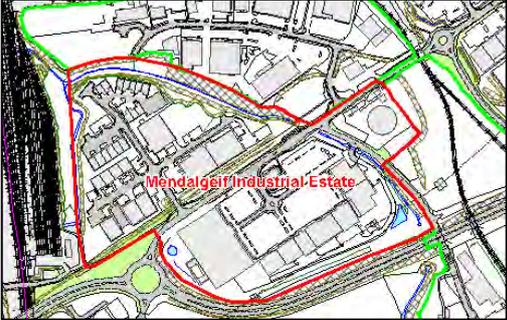
There are few vacant units and no available development plots

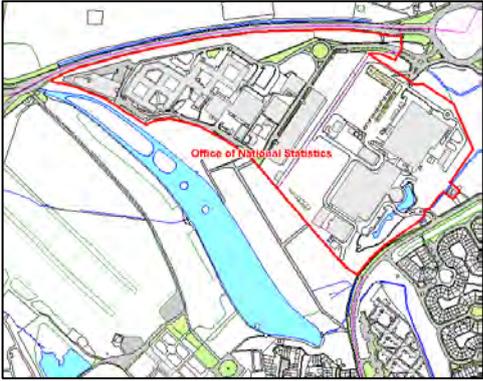
Viability

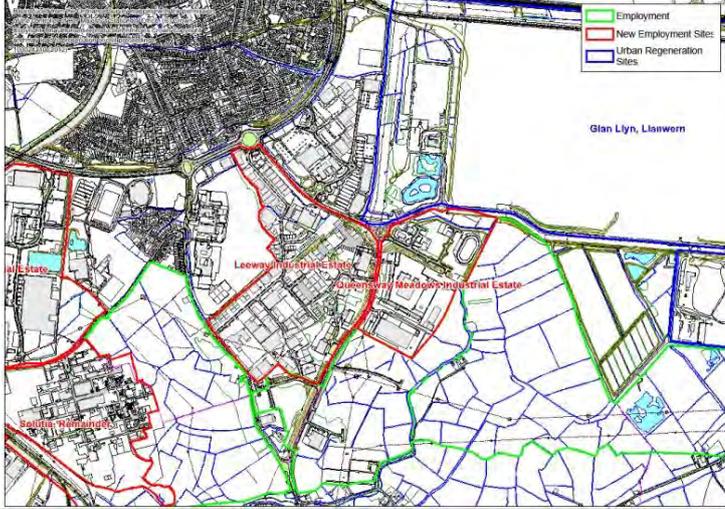
The site is already a popular business location.

Policy recommendation

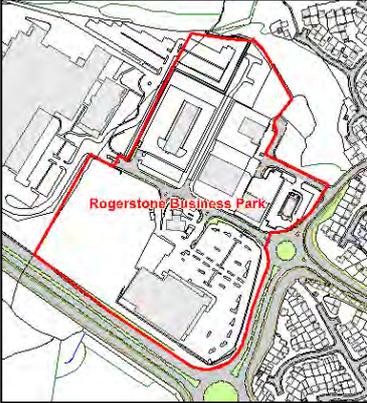
Retain for employment purposes

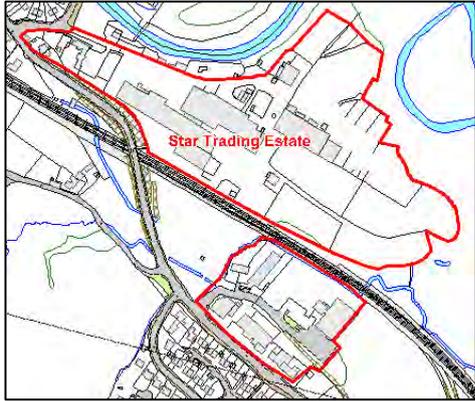
Site reference	9	Location	Maesglas/Mendalgeif Industrial Est (Greenwich Rd)
	Size		
	Site description/Surrounding uses	Existing employment area to west of EM1 (vii) – Port Road. Bounded to west by Maesglas Reen and main railway line.	
LDP issues			
Environmental quality/Constraints	Good environment with well maintained landscaping and mature trees.		
Accessibility/Strategic access	Close to Southern Distributor Road Roundabout at Docks Way.		
Ownership/Planning history	Arundel House Estates. Some retail uses but appropriate on employment site, eg Screwfix. Large occupier – Bodycote.		
Demand	Provides a range of units in an accessible location. Appears to be little pressure for alternative uses. Large retail development on opposite side of Docks Way.		
Vacancy levels (existing estates)	Only Units 12 and 19 vacant at time of survey.		
Viability	Viable Employment Site		
Policy recommendation	No change – retain in employment use.		

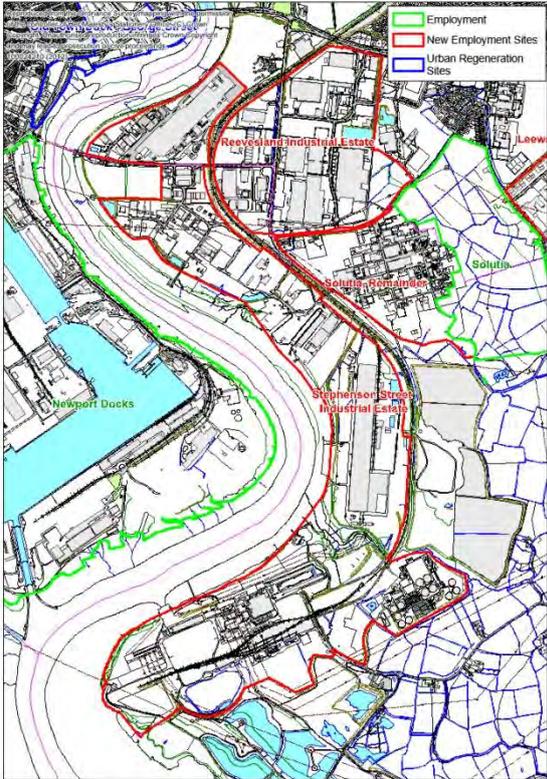
Site reference	8	Location	Office of National Statistics
	<p>Size</p> <p>18.2</p>		
<p>Site description/Surrounding uses</p>	<p>A modern office park accommodating the Office of National Statistics is located east of junction 28 of the M4 immediately south of the Southern Distributor Road (A48). The south east of the site is flanked by Duffryn Drive which separated the site from the residential settlement of Duffryn. To the south west of site is Tredegar House and associated grounds/gardens. Immediately to the north east is the roundabout junction that links the A48, B4237 and the B4239. The site has two occupiers The Office of National Statistics on the western portion of the site and a factory unit on the eastern portion occupied by International Rectifier.</p>		
<p>LDP issues</p>	<p>Existing employment site and unallocated in the LDP.</p>		
<p>Environmental quality/Constraints</p>	<p>The site is within a TAN 15 C1 flood zone. The site has a high quality environment with the benefit of views across Tredegar Park to the south. The offices are modern and well maintained and offer high quality office space. The factory unit is also is well maintained.</p>		
<p>Accessibility/Strategic access</p>	<p>The strategically located at Junction 28 of the M4 with good links to the surrounding road network.</p>		
<p>Ownership/Planning history</p>	<p>The site is in multiple-ownership. A known owner is the Welsh Government.</p>		
<p>Demand</p>	<p>National and international company demand.</p>		
<p>Vacancy levels (existing estates)</p>	<p>The site does not have any vacancies and offers high quality office space and a large factory unit in a strategic location near the M4 and benefitting from views across Tredegar Park.</p>		
<p>Viability</p>	<p>The site is fully occupied.</p>		
<p>Policy recommendation</p>	<p>No change recommended, retain for employment uses.</p>		

Site reference	Location	Queensway Meadows
	Size	N/A
Site description/Surrounding uses		
LDP issues	Existing employment site located to the east of the River Usk and adjoining Leeway Industrial Estate and the Glan Lynn urban extension. The estate is built out with a range of modern medium sized shutter units. Occupiers include Halo Foods and Motorpoint. There are some leisure uses on site	
Environmental quality/Constraints	The estate and its units are generally tidy and well kept. There are no environmental designations on the site. The site borders a SSSI.	
Accessibility/Strategic access	Access to the M4 is very good via the A48 and will be improved further by the upgrading of Queen's Way and the construction of the M4 Relief Road to the south	
Ownership/Planning history	The land is in a mix of ownerships. Recent activity has included the construction of 13 small units (planning ref 08/0575) and the consent for the demolition of the speedway stadium (12/0375)	
Demand	The site is popular with local businesses.	
Vacancy levels (existing estates)	There are few vacant units and no available development plots. The demolition of the speedway stadium will open up land.	
Viability	The site is already a successful business location	
Policy recommendation	Retain for employment uses	

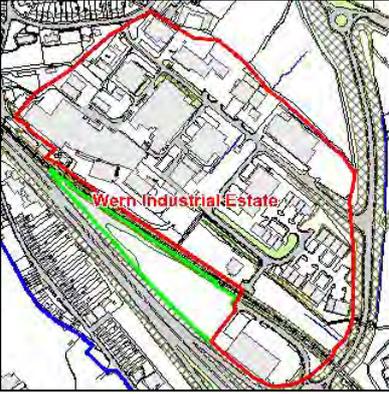
Site reference		Location	Reevesland Industrial Estate
		Size	N/A
Site description/Surrounding uses			
LDP issues		<p>Large existing industrial estate to the east of the Usk Estuary. The site is located close to Stephenson Road, Leeway and Queensway Industrial Estates. The estate is particularly favoured as a large shed/distribution location. Occupiers include Marlin Industries, Bisley Office Furniture and Hasbro distribution centres, the Euro Foods Group, Noel Fitzpatrick engineering and Jojo Maman Bebe. There are some bulky retail/trade counter uses at the entrance to the site (adjoining Spytty Road).</p>	
Environmental quality/Constraints		<p>The estate is relatively clean and the units are generally modern and in good condition. There are no environmental designations in place</p>	
Accessibility/Strategic access		<p>The local road network is considered to be good. The site offers good access onto the M4 via the A48</p>	
Ownership/Planning history		<p>Mixed private ownership. Large areas are controlled by TATA/Corus.</p>	
Demand		<p>The location has proved to be very popular with distribution and engineering businesses</p>	
Vacancy levels (existing estates)		<p>Vacancy level are very low. There is one large vacant B1c/B2 premises located on the Spytty Road junction and one vacant development plot.</p>	
Viability		<p>The site already meets B2/B8 occupier needs. There is little room for expansion</p>	
Policy recommendation		<p>Retain as employment land</p>	

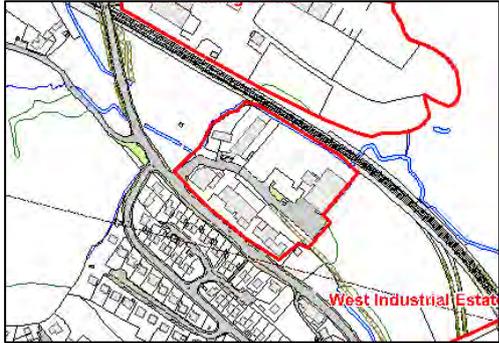
Site reference	12	Location	Rogerstone Business Park
	Size 9.1ha		
Site description/Surrounding uses	<p>Existing business park occupied by large industrial units and a supermarket (Morrisons). It is located north east of the A467 and lies adjacent to the boundaries between Newport Council City and Caerphilly County Borough Council. It is adjacent to Meadowland Drive to the south east. The north eastern boundary is enclosed by a thick tree buffer and the north western boundary is flanked by Rogerstone Park (which is within Caerphilly CBC). Further afield to the north and east is predominantly residential use.</p>		
LDP issues	<p>Existing employment site and unallocated in the LDP.</p>		
Environmental quality/Constraints	<p>The site has no known constraints. It is well established with a good quality environment and attractive surrounding views. The units accommodated on site are maintained and relatively modern.</p>		
Accessibility/Strategic access	<p>The site is strategically located off the A467. The site is located off the western arm of Meadowlands Drive/Rivermead Way roundabout junction. This junction also provides access to the A467 roundabout junction to the south. The A467 leads to the A4072 to the south which links to the M4 at junction 28 approximately 4.82km.</p>		
Ownership/Planning history	<p>The site is in multiple-ownership. The undeveloped land parcel to the rear of the Morrisons Store is owned by Morrisons.</p>		
Demand	<p>The site is well occupied by national and local companies and there are no vacant units. There is a development land opportunity to the rear of Morrisons that has been available for around 2 years and actively marketed by Rees Richards. Enquiries have confirmed there has been interest in the site mainly from local businesses to develop the site for a number of small units. There has also been interest in part of the site by Marstons for a family pub/restaurant development.</p>		
Vacancy levels (existing estates)	<p>Land to the north west of the Morrison store is vacant and represents a development opportunity. It is being marketed by Rees Richards and enquiries have confirmed there has been interest in the site mainly from local businesses but also in part of the site from Marstons for a family pub/restaurant development.</p>		
Viability	<p>The site is attractive to multi-national companies and the built units at the site are fully occupied. There is a land development opportunity to the north west of the Morrison store which has attracted much interest since being marketed.</p>		
Policy recommendation	<p>No change recommended, retain for employment uses.</p>		

Site reference	16	Location	Star Trading Estate
		Size	6.6ha
			
Site description/Surrounding uses	Established employment use located off the east of the B4236 (Ponthir Road). The estate is enclosed by woodland north east and north west and residential dwellings to the west. The south of the site was enclosed by the railway line.		
LDP issues	Existing employment site and unallocated in the LDP.		
Environmental quality/Constraints	The site is within a TAN 15 C2 flood zone. The estate has low value industrial units characterised largely by dated warehouses, industrial units and yards. The site is set at a lower level than the access road and largely concealed from wider views outside of the site. Views from the site are also constricted by the topography of the site and the surrounding woodland to the north west and north east.		
Accessibility/Strategic access	Access to the site is poor off the B4235 which leads to the A4042 in Cwmbran to the centre of Caerleon to the south. The highway network in close proximity to the estate to the south serves the historic town of Caerleon and not particularly suitable for heavy duty vehicular traffic.		
Ownership/Planning history	The site is owned by Stedmans.		
Demand	Confined to small scale industrial uses occupied by local businesses. There is also an industrial unit to the north west of the site that is occupied by a children's nursery.		
Vacancy levels (existing estates)	The site does not have any obvious vacancies/no units are marketed.		
Viability	The site is attractive to local businesses and currently appears to be fully occupied.		
Policy recommendation	No change recommended, retain as an employment use.		

Site reference	Location	Stephenson Street Industrial Estate
	Size	N/A
Site description/Surrounding uses	 <p>Large employment estate on east side of the River Usk estuary. The site is predominantly utilised for employment uses apart from some playing fields. Occupiers include a very large Cogent/Tata Steel plant and Enersys Power at the top end of the site and more waste disposal and aggregates activities at the bottom end of the site. The northern sides of the site are bordered by a new housing development and Reevesland and Solutia employment sites.</p>	
LDP issues		
Environmental quality/Constraints	<p>Although there are no on site designations, the River Usk is protected through SSSI and Special Area of Conservation (SAC) status. The estate itself is quite dirty/cluttered in places, although this is a reflection of the business activities taking place in the area. Some units, including the Orb Steelworks, date back to the nineteenth century</p>	
Accessibility/Strategic access	<p>The site has good access to the port and is therefore an attractive location for aggregates storage and distribution activities. It has relatively good access to the M4 via the A48</p>	
Ownership/Planning history	<p>The site is in a mix of ownerships. The estate is one of the older employment locations in Newport. The northern sections of the estate (occupied by the Orb Factory) have been redeveloped in recent years for residential uses (Planning Ref 08/0565 permitted the development of 563 units)</p>	
Demand	<p>The site is fully built out. It is popular with businesses involved in industrial, distribution, waste/scrap/recycling and aggregates activities.</p>	
Vacancy levels (existing estates)	<p>Very few vacant units apparent. No available development plots</p>	
Viability	<p>The site already meets the needs of 'dirty' industry sectors. There is little room for expansion although there maybe some scope for intensification/redevelopment of some areas.</p>	
Policy recommendation	<p>Retain as employment area. Some scope for redevelopment/intensification of uses</p>	

Site reference	13	Location	Tregwilym Industrial Estate
		Size	7.4ha
			
Site description/Surrounding uses	Tregwilym Industrial Estate is located directly south of the A467 and enclosed to the south east by the River Ebbw. To the west of the site is the former aluminium works (Novellis) which is allocated as regeneration site EM2 (xii). The wider area to the north west is predominantly in industrial use and to the north east and south east is residential.		
LDP issues	Existing employment site and located adjacent to EM2 (xii) regeneration site (former aluminium works).		
Environmental quality/Constraints	The site is within a TAN 15 C2 flood zone. The site is surrounded on the north, east and south by a long distance walk/cycleway. The site has well maintained industrial units and is attractively landscaped.		
Accessibility/Strategic access	Tregwilym Industrial Estate is accessed via a roundabout junction that links the B4591 and the A467. The site is fairly well located to the M4 which is 3.4km to the south east.		
Ownership/Planning history	Ownership of the site is unknown and likely to be in multiple-ownership.		
Demand	The site is well occupied by local companies. There is one vacant unit that have been vacant for four years with some interest during this time. Discussions with the agent for this site have revealed that the vacant unit is designed for a specifically for a distribution/warehousing use and most interest in the unit have been for alternative uses and refurbishment of the unit would be costly and has put off potential occupiers.		
Vacancy levels (existing estates)	The site has one vacancy that is currently being marketed by DTZ.		
Viability	The site is attractive to local businesses and predominantly occupied. There one vacant unit which has attracted interest but it has not yet been occupied due to the specialist nature of the unit and its internal arrangement.		
Policy recommendation	No change recommended, retain for employment uses.		

Site reference	14	Location	Wern Industrial Estate
	Size 7.4		
Site description/Surrounding uses	<p>A large established industrial estate located off the B4591 (Chartist Drive). The site is enclosed to the north by Cefn Wood and a field parcel that has a housing commitment for 22 units. To the north west is in residential use and to the west is a church and graveyard. The south of the site enclosed by a vacant parcel of land that is allocated as employment land (EM1 (vii)) and beyond this is the A467. The site's main occupiers are Braces distribution unit, Brookes Avana and Griffiths Signs and Equipment.</p>		
LDP issues	<p>Existing employment site and located adjacent to south is EM1 (vii).</p>		
Environmental quality/Constraints	<p>The site does not have any known constraints.</p>		
Accessibility/Strategic access	<p>Wern Industrial Estate is accessed off the B4591 and is fairly well located to the M4 which is 3.2km to the south east.</p>		
Ownership/Planning history	<p>Ownership of the site is unknown and likely to be in multiple-ownership.</p>		
Demand	<p>The site a few vacancies that are being actively marketed. Unit 3 has a floorspace of 415 sqm and is being marketed by Jones, Lang, Lasalle. Unit 1 is vacant and being marketed by Parrys Commercial; 1,255 sqm. Unit 2 is being marketed by DTZ and has a floor space of 2,275 sqm. All of the units have received some interest and have been on the market between 6 months to 2 years. Enquiries have confirmed that industrial estate is a popular location but units available are either too large for the majority of interest or are specifically fitted out would be costly.</p>		
Vacancy levels (existing estates)	<p>The site has three obvious vacancies being marketed by DTZ, Parrys Commercial and Jones, Lang, Lasalle. Unit 2 is being marketed by DTZ and has been on the market for approximately a year with limited interest. Unit 1 is marketed by Parrys Commercial and has been on the market for approximately 6 months and currently has serious interest in the unit. Unit 3 is being marketed by Jones Lang Lasalle and has been available for approximately 2 years with limited interest.</p>		
Viability	<p>The site is attractive to local businesses and predominantly occupied. There are vacancies at the estate and they have received interest and actively being marketed.</p>		
Policy recommendation	<p>No change recommended, retain for employment use.</p>		

Site reference	18	Location	West Industrial Estate
		Size	5.4ha
			
Site description/Surrounding uses	Established industrial estate located off the north east of the B4236 (Ponthir Road). The estate is enclosed by a railway line to the north east, vacant land to the south east and a small woodland to the north west.		
LDP issues	Existing employment site and unallocated in the LDP.		
Environmental quality/Constraints	The site is within a TAN 15 C2 flood zone. The estate has low value industrial units characterised largely by corrugated metal warehouses/dated warehouses. There is one large unit to the south east of the site. The site is set at a lower level than the access road and largely concealed from wider views outside of the site. Views from the site are also constricted by the topography of the site and the surrounding woodland to the north west and north east.		
Accessibility/Strategic access	Access to the site is poor via the B4235 which leads to the A4042 and Cwmbran to the north and the centre of Caerleon to the south. The highway network in close proximity to the estate to the south serves the historic town of Caerleon and not particularly suitable for heavy duty vehicular traffic.		
Ownership/Planning history	The site ownership is unknown and likely to be in multiple-ownership.		
Demand	Confined to local uses and well occupied by local businesses.		
Vacancy levels (existing estates)	The site does not have any obvious vacancies.		
Viability	The site is attractive to local businesses and currently appears to be fully occupied.		
Policy recommendation	No change recommended, retain as existing employment use.		

## APPENDIX 2

### Consultations



## **Newport – List of Consultees**

To inform the property market section the team spoke to the following local agents who are known to be active in the local market:

Jones Lang LaSalle

Lambert Smith Hampton

Alder King

Lambert Smith Hampton

GVA

Cook & Arkwright

M4 Property Consultants

Parrys Commercial

Welsh Government



## **APPENDIX 3**

WG comments on the Deposit Plan

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Rep. 244  
CAC - 29/05/12  
entered - 10/07/12



Amgylchedd a Datblygu Cynaliadwy  
Environment and Sustainable Development

Llywodraeth Cymru  
Welsh Government

Lucie Taylor  
Planning Policy Liaison Officer  
Newport City Council  
Civic Centre  
Newport  
NP20 4UR



Our Ref: qA983510

Your Ref: Rep No: 244

Date: 25<sup>th</sup> May 2012

Dear Lucie,

**Newport Local Development Plan – Deposit:  
Welsh Government Representations**

Thank you for your letter of 12<sup>th</sup> April 2012 including copies of the Deposit Local Development Plan (LDP) and accompanying documentation.

The matter of whether a plan is considered 'sound' will be for the appointed Planning Inspector to determine. I have considered the Deposit LDP in accordance with the consistency/coherence and effectiveness tests, and principally in accordance with whether satisfactory regard has been given to national planning policy (test C2). The Welsh Governments representations are separated into 4 categories which are supported with more detail in the attached annex.

**Category A:** Objection under soundness tests C2, CE2: Fundamental issues that are considered to present a significant degree of risk for the authority if not addressed prior to submission stage, and may have implications for the plan's strategy:

- (i) Housing Provision
- (ii) Affordable Housing Target
- (iii) Scale of Employment Allocations
- (iv) Deliverability of Employment
- (v) Mineral Safeguarding and Apportionment

**Category B:** Objections under soundness tests C2, CE1, CE2: Matters where it appears that the deposit plan has not satisfactorily translated national policy down to the local level and there may be tensions within the plan, namely:

- (i) Affordable Housing Thresholds
- (ii) Delivering Infrastructure

(iii) Monitoring

**Category C:** In relation to soundness tests CE2, CE3, CE4: whilst not considered to be fundamental to the soundness of the LDP, we consider there to be a lack of certainty or clarity on the following matters which we consider we can usefully draw to your attention to enable you to consider how they might be better demonstrated:

- (i) Gypsies and Travellers
- (ii) Major Road Schemes
- (iii) Policy Wording

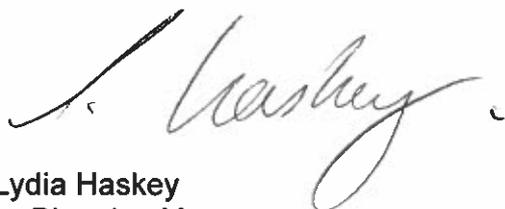
**Category D:** Matters relating to clarity of the plan generally which we consider may be of assistance to your authority and to the Inspector in considering suitable changes:

Please refer to annex.

It is for your authority to ensure that the LDP is sound when submitted for examination and it will be for the Inspector to determine how the examination proceeds once submitted.

You should consider how you could maximise the potential of your LDP being considered 'sound' through the examination process. An early meeting is considered important to discuss matters arising from this formal response to your deposit LDP and I would encourage you to contact me to arrange a mutually convenient time.

Yours sincerely



Mrs Lydia Haskey  
Senior Planning Manager  
Planning Division  
Welsh Government

Annex

**Annex to WG letter ( 25<sup>th</sup> May 2012) in response to the Newport City Council Deposit LDP**

**Category A. Objection under soundness tests C2, CE2: Fundamental issues that are considered to present a significant degree of risk for the authority if not addressed prior to submission stage, and may have implications for the plan's strategy:**

**A i Housing Provision**

D2  
SP10

Planning Policy Wales (PPW) (paragraph 9.2.2) states that the latest Welsh Government (WG) population and household projections should form the starting point when assessing housing provision for the plan. In this case, the WG 2008 projections are the most recent. Converting the 2008 household projections into dwellings (using a conversion factor of 1:1.04) indicates 7,421 dwellings are required over the plan period 2011 to 2026. It is for the LPA to consider the appropriateness of these projections for their area, reflecting the criteria listed in PPW (paragraph 9.2.1) including the key issues identified in the plan. All local authorities have access to the model and data and can re-run to reflect local circumstances.

The 'Housing Forecasts Background Paper' (April 2012) states that the first five years of the plan (2011-2016) are based on the 2008 WG projections, 2,500 units (500 p/a) to reflect the 'realities of the current economic situation'. The second phase (2016-21) is based on the more 'optimistic' forecasts of the WG 2006 projections, 3,250 units (650 per annum). The final phase of the plan is also based on the WG 2006 projections, 3,000 units (-250) (600 per annum). The stated reason for the reduction of 250 units in the final phase is to take into account 'the lower growth in the first five years, feeding through to subsequent years'.

While the growth and regeneration aspirations of the plan are supported, the justification for this 'mismatch' of methodologies is illogical and not supported by robust evidence. Accepting the WG 2008 projections methodology at the start of the plan period implies that the local authority agrees the methodology and data. Whilst the methodology between projections has not varied significantly, there are differences in the data and assumptions behind that data, i.e. migration rates. Consequently, it is not appropriate to pick and mix between different projections. PPW states that the latest projections should form the starting point which would result in a lower provision than provided for in the plan. The evidence therefore needs to justify why a higher level is appropriate. It does not.

There is a major disparity between the housing requirement in Policy SP10 and the 'main sources of housing land' set out in Chapter 5. Policy SP10 makes provision for 8,750 dwellings, Chapter 5: Housing identifies the main sources of housing land. The table (below) has been produced to better understand the total provision within the plan.

<b>Units to be delivered in the plan period (2011-2026). This calculation is based on the information and tables in Chapter 5.</b>	
Commitments	3245
S106	303
Sites under construction to be completed in plan period (likely	4630

completions in plan period)	
Windfall Allowance	750
New Housing Allocations	2775
Small Sites ( <i>estimated from 2010 JHLA Study see below comments</i> )	726
<b>Total allocation over the plan period</b>	<b>12,429</b>

The plan makes provision for a total of 12,429 dwellings, 30% above the 8,750 provision set out in SP10. Housing provision set out in policy should be matched by the total provision identified in the plan itself. It does not. This is a serious concern. In addition, the total provision is in excess of 5,000 dwellings above the WG 2008 projections (68%). Whilst we support growth and regeneration aspirations the total provision is extremely excessive given the latest WG 2008 projections which indicate a need for 7,421, dwellings. There is no evidence to support such a significant deviation above our latest projections. Currently there is:

- Insufficient evidence to support the level of housing provision.
- The relationship to employment provision and the overall strategy is unclear.
- The rationale/need for allocating an additional 2775 units is absent.
- It is not clear how new allocations support the delivery of existing commitments, in particular the large brownfield regeneration sites at East Newport which are the focus of the spatial strategy (paragraph 2.5, p13).
- How the phasing of housing, 2,500/3,250/3,000 units will be controlled/implemented.
- There is no specific flexibility/rationale for a set level in Policy SP10.
- No estimate for small site provision has been made. (Paragraph 5.9 of the plan states that 274 small site plots had permission at 1<sup>st</sup> October 2011. The 2010 Joint Housing Land Availability Study (JHLA) states that the small site provision is 242 units (2010-2015) which extrapolated over the plan equates to 726 units.

The plan does not appear to deliver the strategy, a focus on regeneration, culture and heritage through maximising the use of brownfield land). There are a variety of sites contained in the plan, both brownfield and greenfield of significant scale and it is not clear how a regeneration strategy will be delivered with such a plethora and mix of sites, lacking any prioritisation. It must be questioned whether a more appropriate approach would be to deliver existing commitments before allocating additional sites which could dilute a regeneration based strategy. Many of the key regeneration sites in East Newport are commitments and not allocations.

#### A ii Affordable Housing Target

PPW (paragraph 9.2.16) states that LDPs must include an authority-wide target for affordable housing (expressed as a number of homes) based on the Local Housing Market Assessment (LHMA) and identify the contributions that the policy approaches identified in the plan will make to this target. A Joint LHMA (2007) has been undertaken, a combined assessment between Torfaen, Newport and Monmouthshire. The level of need should be

expressed in the plan, it currently is not. There is also no quantification of any backlog of need, how this relates to the current need and how this will be carried forward.

Chapter 8 gives some additional information for the new allocations; however it is confusing and does not relate to the target set out in policy H4. For example, sites H1(49) & (50) state that provision "will be in line with planning obligations" while other allocations such as H1(52) & (53) give a target of 30%, H1(54) "to be negotiated with the NCC", H1(55) & (56) "to be negotiated in line with the DAT".

It is not clear from the plan how many affordable housing units each site will deliver, both commitments and allocations. The plan should have a clear target and set out the sources of contributions to meeting this target.

It is concerning that the supporting text of Policy H4 refers to SPG on Affordable Housing (2004) produced for the UDP, which contains different thresholds to those set out in the LDP policy. Similarly Chapter 8 refers to the Planning Obligations SPG (2007), also prepared for the UDP. Chapter 14 states that these documents are of 'high' priority for updating, however, no timescales have been given.

**A iii – Scale of Employment Allocations**

D4  
EM1

There is a major disparity between the employment land requirement in Policy SP17 and the total allocated land set out in Policy EM1: Employment Land Allocations and EM2: Regeneration Sites. The Employment Context Background Paper (2011) concludes that 11ha per annum is considered to be a robust long term fixed projection of future employment land requirements in Newport (p18). Over the plan period, the employment land requirement is 165ha, this is set out in Policy SP17. The policy and provision of employment land should match, it does not.

However, the total allocation in Policy EM1 and EM2 is in excess of 685ha. The quantity allocated is excessive and unjustified through any evidence. It is not clear what the priorities are in terms of employment, how this links to the housing provision and which employment sites are required to deliver the strategy. In addition, further clarification is required to determine the total number of hectares of employment land allocated under policy EM2. There is no evidence to support a figure in excess of 685 hectares provided in the plan, as set out below.

Policy EM1	Total hectares of employment	Policy EM2	Total hectares of employment
Duffryn	78ha	Llanwern Steel Works Eastern End	51ha
East of Queensway Meadows	142ha	Phoenix Park	2ha
Celtic Springs	6ha	Llanwern Former Tipper Area	122ha
Solutia	52ha	Old Town Dock	Unable to determine from policy (includes B1)
Newport Docks	204ha	Godfrey Road	Unable to determine from policy (includes business)
Gwent Europark	16ha	Crindau	Unable to determine

			from policy (includes B1)
Port Road, Maesglas	10ha	Whiteheads	Unable to determine from policy (includes B1, B8)
Land off Chartists Drive	2ha	Monmouthshire Bank Sidings	Unable to determine from policy (includes B1, B8)
		Novels (Alcan)	Unable to determine from policy (includes B1)
<b>TOTAL</b>	<b>510HA</b>		<b>*175ha</b>
<i>*this figure excludes sites listed where the exact employment allocation is unclear</i>			
<b>Total Employment Allocation = in excess of 685ha</b>			

There appears to be further disparity when comparing the figures in the Employment Context Paper to those in Policies EM1 and EM2. Paragraph 7.2, p20 states that at of 31<sup>st</sup> March 2010, there is over 258ha of available employment land in Newport which does not correspond to the 165ha in SP17 or the 685ha in policies EM1 and EM2. In addition the total hectares listed for some of these sites in the background paper do not correlate to the total hectares indicated in the policies. Some examples:

- Policy EM1, East of Queensway Meadows is 142ha, the Employment Context Paper states 35.4
- Policy EM1, Celtic Springs is 6ha, the Employment Context Papers states 7.7ha
- Policy EM1, Gwent Euro park is 16ha, the Employment Context Paper states 22.20ha

#### A iv Deliverability of Employment

Many employment allocations have significant constraints (Employment Context Paper, Chapter 7) and in several cases these constraints are likely to affect the timing, viability and the developable area, albeit some sites appear to be at a greater risk than others. This background paper categorises the currently available sites in four ways, prestige sites (191ha), good industrial (28ha), local industrial (34ha) and central (5.6ha). Appendix 1 lists the sites and constraints which generally relate to, flood risk, overhead pylons, potential ground contamination, and access. Paragraph 7.3 states that of the total employment land available, only 19ha is considered to be immediately available and free from constraint. A further 45ha of employment land should be available in the short-term once relatively minor site constraints have been resolved. Between them this equates to only 25% of the total employment land supply in Newport.

The report also states that the more desirable prestige land is subject to considerable site constraints with only 30ha available immediately or in the short term. Further evidence is required to demonstrate that constraints would not restrict development, or impact on the total developable area of the allocations. Some examples include:

- East of Queensway Meadows (142ha) much of the site is located in a SSSI and the development of this area is affected by the M4 relief road safeguarded route. The site is allocated for projects of at least 20ha with sufficient national economic interest to outweigh environmental impacts. There are also issues relating to C1 flooding, overhead pylons and loss of habitats.

- Solutia (52 ha) the M4 relief road safeguarded road lies to the South of the site. There are also issues relating to C1 flooding, overhead pylons and loss of habitats.
- Newport Docks – the M4 relief road route runs through the central portion of the site. There are also issues relating to loss of habitats.
- Gwent Europark – located within a SSSI and C1 flood zone.

It is vital that the plan is clear on the level of provision sought, it is based on robust evidence and includes a monitoring framework which includes appropriate triggers that will inform potential shortfalls if they arise and how they would be addressed. Clarity on why UDP allocations have been rolled forward and their appropriateness for continued inclusion would be beneficial.

D6  
M1

### A v – Mineral Safeguarding

Limestone and sand and gravel resources have been safeguarded in line with the Cuesta study commissioned by Torfaen on behalf of the former Gwent authorities. However, there are further sand and gravel resources identified on the BGS mapping which are not safeguarded which should be, for example around the Coedkernew area south of the M4 and at Caerleon. These should be identified on the proposals map.

The Regional Technical Statement (RTS) recognises the constraints faced by Newport in contributing towards maintaining an adequate supply of minerals, which is a requirement of national planning policy (MPPW and MTAN 1 Aggregates). The Cuesta Study considered the obligations placed on Newport by the RTS and concluded that Newport would have difficulties in fulfilling the allocation obligations for hard rock, and as a result should consider whether the authority can rely on resources available in adjacent authorities.

The RTS is dated October 2008 and the Cuesta Study May 2009, yet no formal approach was made to the adjacent authorities until September 2011, this is disappointing. The plan is silent on the matter of its RTS apportionment and as a result does not accord with national planning policy or the RTS. The failure to fulfil national policy obligations to contribute towards the maintenance of an adequate supply of aggregates should be recognised. The RTS recommends that there will be demand for approximately 8-8.5 million tonnes of aggregates within the area, of which 38.4% will need to be accounted for by Newport.

**Category B. Objections under soundness tests C2, CE1, and CE2: Matters where it appears that the deposit plan has not satisfactorily translated national policy down to the local level and there may be tensions within the plan, namely:**

D7  
H4

### B i – Affordable Housing Thresholds

We note that an Affordable Housing Viability Study (2012) was carried out. The findings of the report suggest that there is a three way viability split which could more specifically respect local market circumstances (40% Caerleon and Rural Newport, 30% Rogerstone and Newport West, 10% for Newport East, Malpas and Bettws). It is not clear why this option was discounted as the study suggests this is the option would maximise the delivery of affordable housing over the plan period, particularly as this is a Ministerial priority. In addition, it is not clear if the Council have considered using commuted sums in order to secure affordable housing on sites below 3 units. The council should do all it can to maximise delivery of affordable housing.

D8  
SP13

## **B ii – Delivering Infrastructure**

It is imperative that the Council secure the infrastructure necessary to deliver the development proposed in the Local Development Plan. The Council needs to be in a position where it has the appropriate mechanism in place to secure financial receipts from development in order to meet the identified requirements. A policy vacuum, leading to insufficient financial receipts to deliver the required infrastructure should be avoided. Further explanation should be provided to demonstrate how this situation is not an issue, or, if it is how will it will be resolved.

We note that the authority intend to adopt a CIL charge. However, Policy SP13 CIL does not indicate any timescales for its preparation. After 6<sup>th</sup> April 2014 the CIL Regulations limit the ability to secure infrastructure through planning obligations, pooled S106 contributions (5 or more) will no longer be allowed. The council needs to explain how this will impact on the delivery of infrastructure, the strategy and timing.

D9  
men

## **B iii – Monitoring**

The mechanisms for implementation and monitoring need to be sufficiently clear and sensitive to provide an early alert to non-delivery. An appropriately transparent and comprehensive monitoring framework should be an integral part of an LDP. The LDP monitoring framework (Chapter 12) has some shortcomings regarding ranges, trigger points and unspecified appropriate remedial actions.

It is difficult to determine what/when would lead to a review of key policies within the plan. Appropriate trigger points that would allow sufficient time to consider and introduce alternatives should be included within the monitoring framework. Some key examples include the target/indicator for H4, there is no target for affordable housing, and therefore it is difficult to see how this could be monitored. The monitoring target for H1 also requires revision. A target of 90% by the end of the plan period is not acceptable. More frequent timescales should be included in the targets to ensure that a review could be triggered if sites are not coming forward as anticipated.

**Category C.** In relation to soundness tests CE2, CE3, CE4: whilst not considered to be fundamental to the soundness of the LDP, there is considered to be a lack of certainty or clarity on the following matters which can usefully be drawn to your attention to enable you to consider how they might be addressed:

H15  
D10

## **C i Gypsy and Traveller Sites**

Land is allocated in the Plan to meet the identified need of 27 authorised pitches and 7 transit pitches. It should be clearly demonstrated that the sites can accommodate the identified pitch need within the plan period. The assessment of pitch need detailed in the 2009 Fordham Needs Assessment covers the period to 2019 and not 2026, not the LDP period. The scale of need over the last 7 years of the plan period and how this will be accommodated (if required) should be clarified.

It should be noted that some text is missing from paragraph 2.2 of the Gypsy and Traveller Sites paper April 2012. Details of the missing text should be provided to ensure that fundamental evidence has not been omitted from the background paper.

D11  
SP14

## **C ii - Major Road Schemes**

The rationale for linking key regeneration sites, road and new rail infrastructure is accepted, although it is noted there may be some constraints relating to flooding and habitat issues. A proportion of the schemes delivery in some cases is tied to developer contributions. A fundamental question not made clear in the plan is what happens if all the development came to fruition without the associated highway infrastructure, this would be a particular issue if the CIL is not in place by April 2014. The ability to pool resources to assist with the deliverability of major infrastructure would be extremely curtailed.

The monitoring indicators in relation to the delivery of key transport infrastructure rail are inadequate. (See comments in relation to the monitoring framework).

### C iii – Policy Wording

D12  
R6  
○ The authority should consider whether the excessive number of policies in the plan are required, or whether they are adequately dealt with in National Planning Policy. The LDP does not need to reiterate what is contained in planning policy advice.

○ The wording of some of the policies is confusing and may not deliver the objectives originally intended. Examples are Policy R6 'Newport Retail Park District Centre' and R7 'Newport Retail Park District Centre Proposals'

Policy R6 states that no additional retail floor space will be permitted at Newport Retail Park District Centre. Policy R7 seems to run counter to this fairly definitive policy in that criterion (ii) of the policy advises that proposals will be permitted provided that any retail unit proposed is greater than 500 m2.

D13  
CF2  
○ Policy CF2 'Protecting Sub Regional Sport and Leisure Facilities'. This policy as worded would prevent the loss of all or any part of the principal use of the site for other uses. This could result in privately owned facilities being left vacant, rather than being redeveloped for other alternatives uses, if the viability of the existing facility became problematic.

D14  
CE6  
+  
D15  
CE7  
○ The need for some detailed policies of the plan is not justified. Policy CE6 'Shop fronts' provides detailed guidance on the design of new shop fronts which it is considered would be more appropriately contained in SPG. PPW provides advice on design which could be supplemented by a general policy on design, rather than having numerous detailed policies which have the overarching aim of securing good design. This could also be true in relation to policy CE7 'Signs and Advertisements'.

D16  
○ The above are examples of where there are concerns over the rationale and wording of policies to ensure that they are implementable in accordance with the strategy of the plan as a whole and defensible in decision making. The plan must provide the essential framework for rational and consistent decision making. The focus for area wide policies should include, inter alia, design, but more detailed considerations are more appropriately contained in SPG, which can be more easily updated to adapt to changes in circumstances. The need for detailed design requirements to be contained in SPG is referred to in paragraph 2.20 of Local Development Plans Wales: Policy on Preparation of LDP's.

D17  
W1  
○ The flexibility of policies to deal with changes in circumstances should also be considered. For example Policy W1 Waste Site Allocations: (4ha at Llanwern Steelworks). This site is being considered as part of Prosiect Gwyrdd along with another site in South Wales. The policy in its current format is not flexible in terms of allowing other uses if the site is not required for this purpose.

D18  
SP9

There are also examples of where a policy is more akin to a statement of intent rather than a policy. For example SP9 seems overly onerous to apply to all proposed developments and it should be recast to reflect its application to protected areas or be deleted.

**Category D. Matters relating to clarity of the plan generally which may be of assistance to your authority and to the Inspector in considering suitable changes.**

D19  
T1

**D i Policy T1: Railways:** All stations are indicated on the proposals map with T1, there is no specific labelling for the individual proposals which is confusing. It is not easy to determine what 'T1' relates to which new station.

D20  
SP17

**D ii Chapter 6: Employment:** Paragraph 6.1 refers to Policy SP147. this is typographical error and should read SP17. The plan has other typographical errors.

**D iii Historic Environment:**

D21  
CE8

- Proposals Maps - These should show areas of registered historic parks and gardens (as Powys LDP). Tredegar Park, for instance, is shown only as a Conservation Area.

D22  
SP9

- Page 21, Paragraph 2.34. There are 11 registered historic parks and gardens in Newport not 10. This has, however, been stated correctly on page 53.

D23  
CE8

- Page 53 – CE8 Historic Landscapes, Parks, Gardens and Battlefields Paragraph 4.26 needs revising as it is out of date. The sentence beginning 'All applications affecting these sites ...' should read: "*All applications affecting these sites, their Essential Settings and Significant Views will be referred to Cadw - the Welsh Government's Historic Environment Service.*" as the Garden History Society no longer advises on planning applications in Wales.

D24  
SP3

**D iv Flood Risk - SP3:** References to flood defence improvements for existing developments (e.g. paragraph 0.7) should be amended to refer to "improved flood resilience over the short to medium term". As the sites along the River Usk have come forward and have been built taking into account climate change up to 2056 not 2106. In addition, Policy SP3 (Flood Risk) requires further clarification/amendment to align with TAN 15 'Development and Flood Risk'.

D25  
Roedclus

**D v Chapter 14: SPG:** In the list of SPG there is no indication of timescales for their preparation, especially for those that of 'high' priority. The monitoring framework fails to include the preparation of SPG as considerations for targets and triggers.

D26  
H5

**D vi Policy H5: Affordable Housing Rural Exceptions (Para 5.15):** The reference to "Gypsy and Traveller accommodation" should be removed. If the Authority consider it necessary to have a Gypsy and Traveller rural exception site policy, this should be included as a separate policy (paragraphs 28 & 29, Circular 30/2007, 'Planning for Gypsy and Traveller sites). it is not appropriate to conflate this with affordable housing requirements.

D27  
objection

**D vii Page 11 : Conservation of the Environment (2) :** This objective could be rephrased to include the objective to 'improve' the natural environment (paragraph 5.1.2 PPW refers).

D28  
M1

**D viii Minerals – Clarification & Accuracy**

**Policy M1:** The policy is written as an absolute to cover all resources, yet the reasoned justification indicates that there may be reasons for allowing development. In doing so the reasoned justification should be clear about the factors which may influence this and the

process which would be expected, this could reasonably vary for sand and gravel as opposed to hard rock but the explanation should provide more clarity than as drafted.

D29  
M1

**Proposals Map: Minerals** - Contains 'safeguarding of *mineral resource*' delineation and a '*sand and gravel reserves*' delineation to which policy M1 applies. It is useful to separate sand and gravel and hard rock (limestone) in terms of safeguarding but the labelling of these areas needs to be accurate. In particular the use of the word 'reserves' to label sand and gravel 'resources' is inaccurate.

D30  
M2

**Policy M2 – Mineral Development** - The policy as written represents a repeat of national planning policy and should be revisited.

D30  
M3

**Policy M3 Oil and Gas** - The BGS Resource Mapping should be considered to see if there are any resources which may harbour the potential for natural gas. Should this not be the case then arguably this policy does not add anything to national policy in MPPW on onshore oil and gas (paragraphs 64-65). In addition, it is unclear why policy M2 should be relevant to oil and gas. The criteria in policy M2 are largely specific to aggregates not energy minerals, with the exception of restoration and aftercare. There are some unqualified statements in the reasoned justification about the environmental risks, for example 'associated development' posing 'major environmental problems'.

### D ix Waste

D32  
W1

**Policy W1: Flexibility** - We note that the South of Llanwern site is one of two shortlisted sites for Prosiect Gwyrdd. If the site is not chosen (which will be known within the plan period) and then alternative options for the site would need to be considered in due course.

D33  
W2

**Policy W2:** The amount of land required should be 12.6ha minus 4ha already identified at Llanwern. It is not clear why detailed assessments are required to meet the estimated land requirement of up to 12.6 ha. Either the required amount of suitable land to support an adequate network of waste management facilities is potentially available or not.



## APPENDIX 4

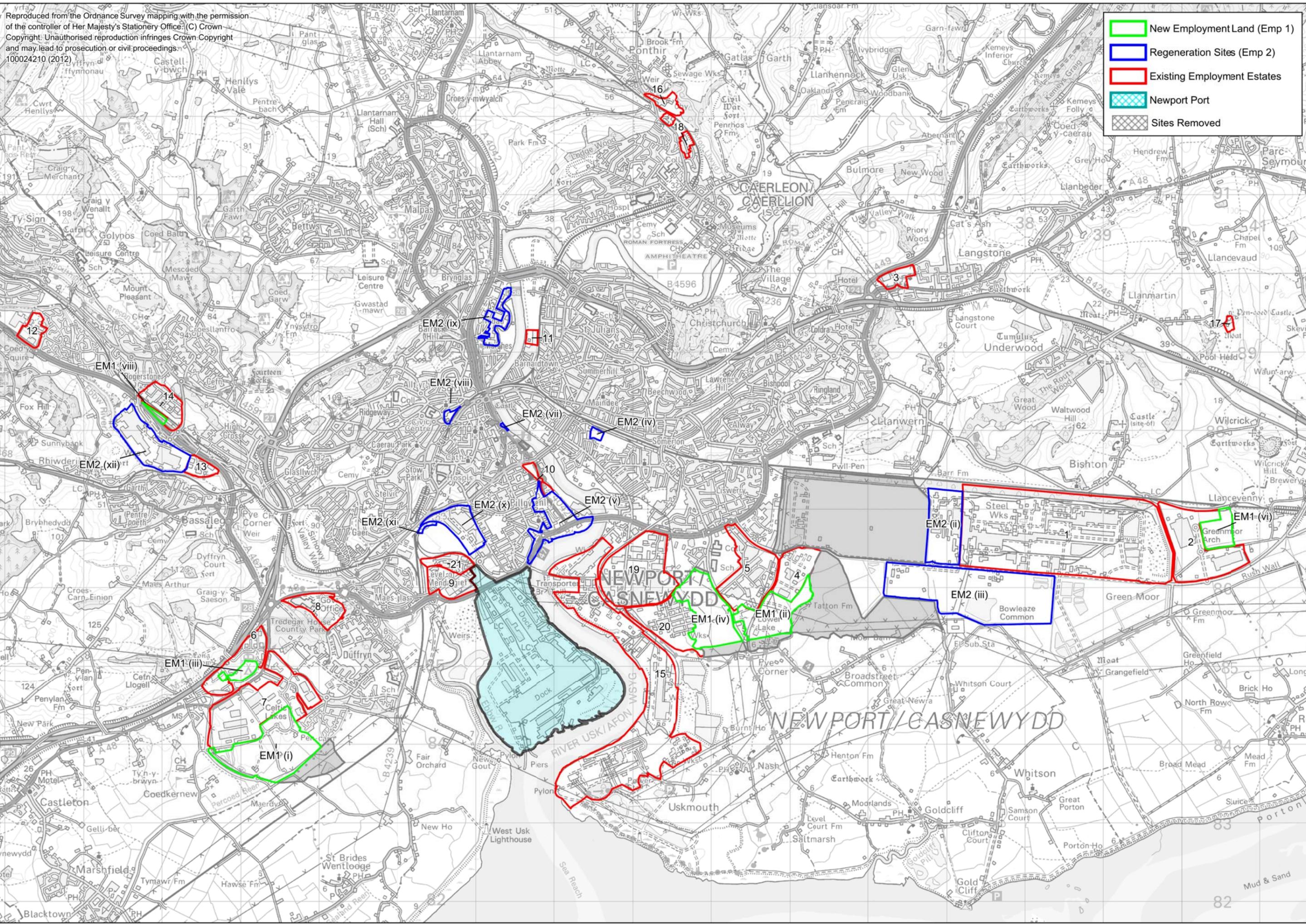
Map of Sites

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-  New Employment Land (Emp 1)
-  Regeneration Sites (Emp 2)
-  Existing Employment Estates
-  Newport Port
-  Sites Removed



## **APPENDIX 5**

### Sector to Space Mapping



## Converting Employment to Business Space Requirements

### Sector-to-Space Mapping

Using the employment sector forecasts, we translate jobs into demand for employment space by following three steps:

- Step 1: Sector-to-Space Mapping;
- Step 2: Translating Employment into Demand for Space; and
- Step 3: Converting Floorspace into Land Area (Plot ratios).

To this end, there are three main areas where the assumptions are applied:

- The definition of employment sectors and land use sectors;
- Employment density assumptions; and
- Plot ratio assumptions.

We look at each of these stages below.

#### Step 1: Sector-to-Space Mapping

The starting point for any modelling process is the definition of land use sectors, which comprises office jobs, industrial and warehousing jobs and is often referred to as business or B-space jobs.

We translate jobs by sector into jobs by type of space, using sector-to-space mapping.

To identify these jobs we use a range of economic sectors based on the Standard Industrial Classifications (SIC'03), which are listed overleaf. Broadly, offices (which include R&D) are occupied by financial and business services, a sub section of public administration, and publishing. Industrial space is occupied by manufacturing, sewage and refuse disposal, some parts of construction, and motor repairs and maintenance. Warehousing is occupied by a variety of transport and distribution activities.

We merge production and distribution space (industrial and warehousing) into one category, called "industrial/warehousing" because our experience suggests that data on the supply of space - such as CLG floorspace statistics and planning data on completions and commitments – do not distinguish accurately between industrial factories and warehouses. This is not surprising since production and distribution can generally operate in the same buildings and, furthermore, subject to size limitations, space can be transferred between production and distribution without planning permission.

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### RTP Offices 2003 SIC

#### *SIC 2003 class (4 digit)*

- 7460 : Investigation and security activities
- 7485 : Secretarial and translation services
- 7486 : Call centre activities
- 7487 : Other business activities not elsewhere classified
- 9111 : Activities of business and employers organisations
- 9112 : Activities of professional organisations
- 9120 : Activities of trade unions
- 9132 : Activities of political organisations
- 9133 : Activities of other membership organisations not elsewhere classified
- 9211 : Motion picture and video production
- 9212 : Motion picture and video distribution
- 9220 : Radio and television activities
- 9240 : News agency activities

#### *SIC 2003 group (3 digit)*

- 221 : Publishing
- 741 : Legal, accounting, book-keeping and auditing activities; tax consultancy; market research and public opinion polling; business and management consultancy; holdings
- 742 : Architectural and engineering activities and related technical consultancy
- 743 : Technical testing and analysis
- 744 : Advertising
- 751 : Administration of the State and the economic and social policy of the community
- 753 : Compulsory social security activities

#### *SIC 2003 division (2 digit)*

- 65 : Financial intermediation, except insurance and pension funding
- 66 : Insurance and pension funding, except compulsory social security
- 67 : Activities auxiliary to financial intermediation
- 70 : Real estate activities
- 72 : Computer and related activities
- 73 : Research and development

### RTP Industrial 2003 SIC

#### *SIC 2003 class (4 digit)*

- 5020 : Maintenance and repair of motor vehicles
- 5040 : Sale, maintenance and repair of motorcycles and related parts and accessories

#### *SIC 2003 group (3 digit)*

- 222 : Printing and services activities related to printing
- 223 : Reproduction of recorded media
- 453 : Building installation
- 454 : Building completion

#### *SIC 2003 division (2 digit)*

- 15 : Manufacturing of food and beverages
- 16 : Manufacture of tobacco products
- 17 : Manufacture of textiles
- 18 : Manufacture of wearing apparel; dressing and dyeing of fur
- 19 : Tanning and dressing of leather; manufacture of luggage, handbags, saddlery, harness and footwear
- 20 : Manufacture of wood and products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials
- 21 : Manufacture of pulp, paper and paper products
- 23 : Manufacture of coke, refined petroleum products and nuclear fuel

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24 :	Manufacture of chemicals and chemical products
25 :	Manufacture of rubber and plastic products
26 :	Manufacture of other non-metallic mineral products
27 :	Manufacture basic metals
28 :	Manufacture of fabricated metal products, except machinery and equipment
29 :	Manufacture of machinery and equipment not elsewhere classified
30 :	Manufacture of office machinery and computers
31 :	Manufacture of electrical machinery and apparatus not elsewhere classified
32 :	Manufacture of radio, television and communication equipment and apparatus
33 :	Manufacture of medical, precision and optical instruments, watches and clocks
34 :	Manufacture of motor vehicles, trailers and semi-trailers
35 :	Manufacture of transport equipment
36 :	Manufacture of furniture; manufacturing not elsewhere classified
37 :	Recycling
90 :	Sewage and refuse disposal, sanitation and similar activities

### RTP Warehousing 2003 SIC

#### *SIC 2003 class (4 digit)*

6024 :	Freight transport by road
6311 :	Cargo handling
6312 :	Storage and warehousing
6321 :	Other supporting land transport activities
6411 :	National post activities
6412 :	Courier activities other than national post activities
7482 :	Packaging activities

#### *SIC 2003 division (2 digit)*

51 :	Wholesale trade and commission trade, except of motor vehicles and motorcycle
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### Step 2: Translating Employment into Demand for Space

To translate these employment forecasts into demand for space, we use the standard employment densities based on a 1997 study by Roger Tym & Partners for SERPLAN (Roger Tym & Partners for SERPLAN, The Use of Business Space: Employment Densities and Working Practices in South East England, 1997). These are as follows:

- Offices: 18 sqm per worker
- Industrial: 32 sqm per worker
- Warehousing: 40 sqm per worker

We prefer to use the densities above to the available alternatives because they are supported by a large and statistically rigorous survey. However, a more recent (albeit not statistically confident) survey by DTZ Pinda (2004) found similar densities (18 sqm net for B1, 34 sqm for B2 and 41 sqm per B8). And similarly, Government Guidance on Use of Employment Densities (2001) offers a compendium of employment densities which also average around those reported above.

### Step 3: Converting Floorspace into Land Area

Because planners need to make land allocations in development plans, which are normally controlled by site area (as opposed to floorspace) it is sometime necessary to translate floorspace into land. As a general 'rule of thumb' RTP adopts a 40% plot ratio, which is equivalent to 4,000 sqm per hectare.

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However, a 40% ratio is probably reasonable for most industrial and warehouse sites, but for offices densities it may be considerably higher, at some sites, especially in town and City Centres. Therefore, where possible, the 40% ratio should be replaced by site-specific figures which take account of local circumstances.