



Cyngor Castell-nedd Port Talbot  
Neath Port Talbot Council

# Replacement Local Development Plan

2023-2038

Employment Topic Paper

December 2024





# 1. Introduction

## 1.1. Context

1.1.1. This Topic paper is one of a range of papers prepared to offer more detailed information and to provide an explanation of the approach taken in the Replacement Local Development Plan (RLDP). This paper specifically discusses Employment within the Neath Port Talbot Council (NPTC) administrative area and provides context for the RLDP.

1.1.2. This version of the topic paper is produced to inform the Pre-Deposit (or Preferred Strategy) Stage (December 2024) and it is anticipated it will be updated as the RLDP proceeds to the Deposit Plan stage.

### **Purpose of Report**

1.1.3. The purpose of this Topic Paper is to give an overview, and summarise, the employment work undertaken to inform the RLDP Preferred Strategy.

1.1.4. This paper should be read alongside the Housing and Economic Growth Assessment, the Employment Land Review, and the RLDP Preferred Strategy.

### **Document Structure**

1.1.5 Chapter 1: Introduction / Purpose of Report

1.1.6 Chapter 2: Policy Context.

1.1.7 Chapter 3: Key issues

1.1.8 Chapter 4: Overview of employment work undertaken

1.1.9 Chapter 5: Summary of housing and employment growth assessment

1.1.10 Chapter 6: Summary of employment land review

1.1.11 Chapter 7: Recommendations

## 2 Policy Context

2.0.1. This chapter provides an overview of national and local planning policy. More detail is provided within the Housing and Economic Growth Assessment and Employment Land Review.

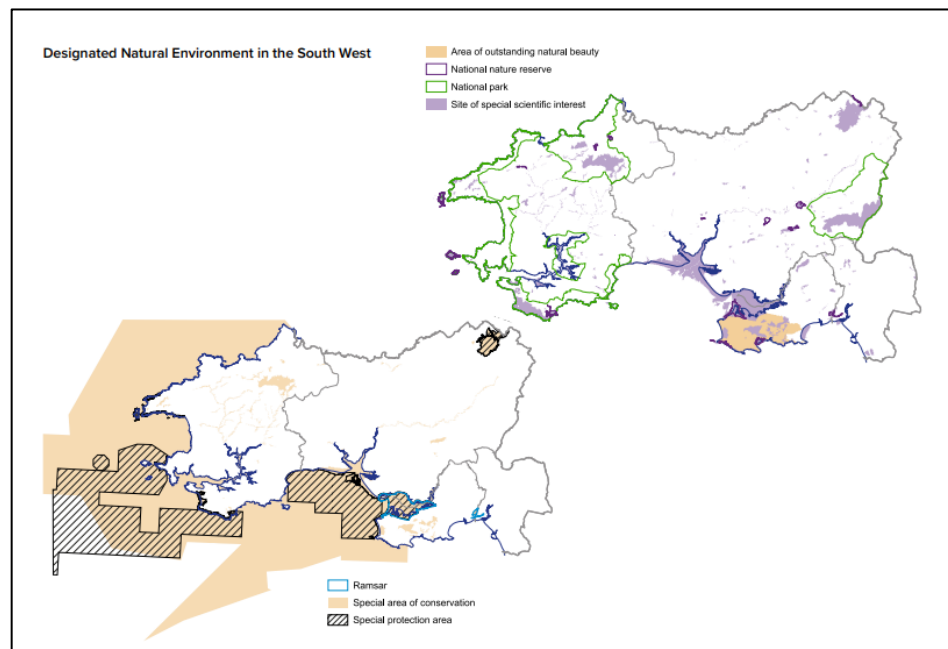
### 2.1. National Policy

#### Future Wales

2.1.1. Future Wales: the National Plan 2040 (FW) provides the national development framework for Wales and forms part of the statutory development plan for the County Borough.

2.1.2. In terms of regional working, FW states that NPT forms part of the South West Wales Region:

*Figure 1: South West Wales Region*



2.1.3. Policy 28 'NGA (National Growth Area) – Swansea Bay and Llanelli' states the area comprising Neath, Port Talbot, the City of Swansea and Llanelli will be

the main focus for growth and investment in the South West region. FW states that Strategic Development Plans (SDPs) and Local Development Plans (LDPs) should recognise the NGA as the focus for strategic economic and housing growth; essential services and facilities; advanced manufacturing; transport and digital infrastructure. The Welsh Government (WG) will work with regional bodies and local authorities to promote and enhance Swansea Bay and Llanelli's strategic role and ensure key investment decisions support places in the NGA and the wider region.

### **Planning Policy Wales**

- 2.1.4. Planning Policy Wales (PPW), Edition 12, 2024, sets out the national planning policy context for Wales. PPW states that its primary objective is to ensure that the planning system contributes towards the delivery of sustainable development and improves the social, economic, environmental and cultural well-being of Wales.
- 2.1.5. PPW sets out the national policies for employment and economic development. It requires local authorities to work together to produce Employment Land Reviews, understand economic needs and direct development to the most suitable location, irrespective of local authority boundary.

## **2.2. Local Policy**

### **NPT LDP 2011-2016**

- 2.2.1. NPTC adopted its LDP in 2016. The current LDP includes an employment-led strategy which aimed to encourage economic development throughout the County Borough providing a range of jobs.
- 2.2.2. Strategic Policy (SP) 11 'Employment Growth' states that existing employment uses will be supported and safeguarded and new and expanding employment developments will be encouraged through the following measures:

- 96 hectares of land for employment and business purposes will be allocated for development within the Plan period in the Coastal Corridor Strategy Area to meet economic development and employment needs;
- Additional employment provision will be made within the Strategic Regeneration Areas as part of mixed use, sustainable development in these locations;
- Existing employment areas will be safeguarded for employment uses;
- Premises in existing appropriate lawful employment use will be safeguarded for employment purposes;
- Employment uses will be encouraged in principle within settlement limits;
- In the Valleys Strategy Area, a flexible approach will be taken to employment proposals and 'live-work' units within or immediately adjacent to settlement limits.

2.2.3. Policy EC1 'Employment Allocations' identifies a number of allocations including Baglan Bay, Junction 38, Land within Coed Darcy Strategic Regeneration Area, and Land within Harbourside Strategic Regeneration Area.

2.2.4. Policy EC2 'Existing Employment Area' designates a number of existing employment areas. Policy EC3 'Employment Area Uses' details appropriate uses for employment allocations and existing employment areas. EC4 'Protection of Existing Employment Uses' seeks to resist the loss of employment uses, setting out when losses would be appropriate. EC5 'Employment Uses in the Valleys' sets out the Council's more flexible approach to employment within the Valleys. Finally EC6 'Live Work Units' details the policy approach for live work units.

## 3 Key Issues

- 3.0.1. This Chapter provides a summary, in relation to employment, of the Annual Monitoring Report (AMR) and Review Report findings and details the Key Issues identified for the RLDP Preferred Strategy.
- 3.0.2. Further information in terms of trends, travel to work areas, major employers, economic activity etc. is provided within the Employment Land Review.

### 3.1. Annual Monitoring Report

- 3.1.1. Since the adoption of the LDP in 2016, the Council has produced an AMR. The AMR includes the following economic indicators:
- Indicator 49: The level of workplace employment in NPT, the change of workplace employment for Wales and UK, the level and rate of employment in NPT and the level and rate of employment for Wales and UK.
  - Indicator 50: Employment land permitted on allocated sites as a percentage of all employment allocations.
  - Indicator 51: The number of applications permitted for employment purposes within Baglan Bay.
  - Indicator 52: The net change in the amount of employment land and floorspace.
  - Indicator 53: The rate of economic activity for NPT, the rate of economic activity for Wales and UK.
  - Indicator 54: The rate of unemployment for NPT, the rate of unemployment for Wales and UK.
  - Indicator 55: The preparation of SPG relating to Baglan Bay Development Framework.



- Indicator 56: The number of applications permitted on safeguarded sites contrary to the policy framework

### 3.2. Review Report

- 3.2.1. In 2020, the Council produced its Review Report. This sets out areas where the current LDP is delivering and performing well, in addition to those areas where changes may be required. As part of the preparation of the Review Report, consideration is given to the AMRs; updated evidence and surveys; relevant contextual information including changes to legislation, the national/ regional policy framework and local strategies and policies; and internal officer working group engagement. The Document went under public engagement before finalisation.
- 3.2.2. In terms of the employment-led growth strategy – aligning jobs, houses, labour supply and employment land, the Review Report notes in Paragraphs 7.2.2-13 that:

- Data of job numbers is subject to revision and fluctuations and variances year on year.

*Table 1: Workplace Employment in NPT*

Year	2011	2012	2013	2014	2015	2016	2017	2018
Workplace Employment	49,400	50,200	47,100	50,500	50,900	49,800	46,600	49,600

*Source 2: ONS Annual Population Survey*

- Whilst the level of workplace employment has fallen significantly below the Plan’s aspirations, other LDP objectives, such as increasing the economic activity rate to align with the Welsh average and reducing the unemployment rate have been more positive.



- One of the Plan's objectives is to increase the economic activity rate to 76% by 2026, to align with the Welsh average. There has been an increase in the rate of economic activity in NPT, increasing from 69.7% in 2011 to 74% in 2019, with the gap between NPT and Wales reducing slightly from being 3% behind the Welsh average in 2011 to 2.7% behind in 2019. The gap between NPT and the UK average has also reduced from 6.3% to 4.5% over the same period.
- A further objective is to reduce the unemployment rate in line with the long-term Welsh average of 6.9%. Whilst NPT has seen more fluctuation than the Welsh and UK trends there has been a significant decline of 6.9% and at the time was 3% which was lower than the Welsh and UK average (4.5% and 4.1%, 2019).
- The increase in economic activity and the reduction in unemployment provides a positive outlook for the area and shows a more resilient economic base. However, one of the fundamental elements of the LDP strategy is to maximise job growth within the local economy, in order to address a number of key issues the areas experiences, with wealth creation through job growth required to meet the Plan's overall vision. Whilst economic activity has increased, the jobs do not appear to have been created within the area and could possibly mean there are more people commuting outside of the area for employment purposes.
- Integral to increasing the number of jobs in the area, the Plan allocated sufficient employment land to deliver an adequate supply, mix and range of high-quality employment sites at Baglan Bay, J38 of the M4, Coed Darcy and Harbourside. A total of 96 hectare of land was allocated for employment, comprising of 32 hectares for conventional B Class uses and space to accommodate the needs of the growing energy sector. To date, only 5.1 hectares has been developed across these four strategic employment allocations.

- As the LDP housing requirement was based on housing to support a projected increase in the working age population to support new job creation and as jobs are not being created, the demand for new housing has not therefore materialised.
- 3.2.3. Specifically with regards to land developed for employment purposes, Paragraph 3.0.21 notes that there has been no new development on allocated employment sites over the past two years which constitutes a trigger point for Policy SP11 (Employment Growth).
- 3.2.4. In terms of workplace employment, Paragraph 3.0.22 notes that one of the fundamental elements of the LDP economic-led strategy is to create 3,850 jobs in NPT over the Plan period. The number of jobs has fluctuated over the initial period, increasing from 49,400 jobs in 2011 to 50,900 jobs in 2015, an increase of 1,500, which indicated that the Plan was progressing well in achieving the overall target of 3,850 jobs by 2026. Since 2015 however, the number of jobs has decreased to 49,600 jobs in 2018, which represents an increase of just 200 jobs since the base-date of the Plan.
- 3.2.5. In terms of live-work units, Paragraph 3.0.23 advises that in order to encourage economic development in the Valleys Strategy Area (VSA), Policy EC6 allows development of live-work units outside (but immediately adjacent to) settlement limits within the VSA. To date however, there has been no such development proposed under this policy and its lack of effect on economic development and local economies will need to be taken into account in the LDP review.
- 3.2.6. Paragraph 8.4.1.5 notes that the AMRs have identified a number of issues relating to the delivery of employment development within the area. Of the four sites allocated for economic development in Policy EC1 (Employment Allocations), there has been no development for employment uses at J38 (M4) or Coed Darcy. Whilst there has been some development at Baglan Bay and Harbourside, this has been limited and fallen significantly behind the

anticipated delivery rates within the monitoring framework. Policy EC1 allocated 96ha of employment land, of which 32ha was for traditional B Class uses, whilst the remainder (64ha) to meet the needs of the growing energy sector. To date, there has been a total of 5.1ha of development across the allocations, of which 1.8ha has been for B class uses and 3.3ha for a solar photovoltaic scheme.

3.2.7. With regards to the existing employment policies, Paragraph 8.4.1.7 notes that the Officer Working Group suggested that some elements of the policy framework could be amended to provide further clarity and to encourage more development. Existing policies EC3 (Employment Area Uses) and EC4 (Protection of Existing Employment Uses) currently define appropriate uses in employment areas (EC3) and protect employment uses from development that would result in the loss of employment land or buildings (EC4). The group suggested that the policies could be combined into one policy that would be able to cover both elements. Policies EC5 (Employment Uses in the Valleys) allows a more flexible approach to development in the valleys. It was suggested that whilst development is permitted outside of settlement limits, considerations should be given to whether this could be relaxed further to promote employment development in the valleys, providing it was balanced with principles of sustainable development.

3.2.8. The Review Report notes in Paragraph 8.4.1.8 that the review will need to consider the findings of the updated evidence base, namely the Economic Assessment Study and the Employment Land Review to establish the need for employment floorspace over the Plan period, based on projected growth sectors and identify the most suitable locations for development. Existing allocations will need to be reassessed to determine if they are viable and able to deliver the Plan's revised strategy. Contextual changes, such as the identification of the Port Talbot Enterprise Zone, and a number of the emerging NDF (now FW) policies such as the Swansea Bay Metro, mobile action zones,

and the identification of the growth area will all need to be considered during the review.

3.2.9. The Table below summarises the findings of the Review Report:

Table 2: Review Report Findings

Policy Ref	Title	Overview
SP11	<b>Employment Growth</b>	Policy will be reviewed in line with updated economic assessment to ensure the policy reflects the Plan's strategy
EC1	Employment Allocations	Review to establish the expected demand for employment floorspace required to deliver the strategy. Review of the employment allocations to determine if allocations are deliverable and viable.
EC2	Existing Employment Areas	Review to establish the expected demand for employment floorspace required to deliver the strategy. Consider whether the protection of all employment areas listed are required based on conclusions of the Employment Land Review.
EC3	Employment Area Uses	The policy is functioning effectively. Consider some minor amendments to improve clarity and consider whether policies EC3 and EC4 can be combined.
EC4	Protection of Existing Employment Uses	The policy is functioning effectively. Following comments from the Officer Working Group, consider some minor amendments to improve clarity and consider whether policies EC3 and EC4 can be combined.
EC5	Employment Uses in the Valleys	The policy is functioning effectively. Consider some minor amendments to improve clarity, in response to Officer Working Group comments.
EC6	Live work Units	No relevant applications since LDP adoption. Consider whether policy is still necessary.

### 3.3. Key Issues

3.3.1. Having undertaken a detailed review of national and local policy, guidance and legislation; drawn on the Corporate Plan and engagement undertaken for the Corporate Plan; the economic context of the Authority as identified in the AMR and Review Report; surveys and studies such as the Housing and Economic Growth Assessment and Employment Land Review, the Preferred Strategy Identifies a number of key issues, objectives and vision for the Authority over the RLDP Plan period. More information is provided in the Key Issues, Vision and Objectives Background Paper.

3.3.2. The following key issues have been identified in the Preferred Strategy.

- Economic Recovery: Major structural economic changes are in progress that are likely to have a transformative effect on the national and regional economies and locally on industry and employment uses within Neath Port Talbot (including proposed Freeport opportunities and steelworks transition). These changes will need to be fully addressed and potential benefits maximised.
- Economic Infrastructure: The benefits of sustainable economic development and growth need to be spread across the County Borough through the provision of appropriate modern economic infrastructure, including digital services and enhanced visitor attractions.

3.3.3. The following objectives are proposed:

- Realise the full benefits of green economic growth across the County Borough to provide fully sustainable communities in all localities while conserving NPT's environment.
- Encourage and enable the establishment and growth of new clean green technologies and industries to promote and maintain a leading role for NPT in the national and international renewables and industrial economies.

- Ensure that all areas of NPT are able to benefit from economic growth and from modern economic infrastructure appropriate to meet their economic, social, environmental and cultural needs and aspirations.

3.3.4. The following parts of the vision are also proposed:

- Key valleys settlements have a more sustainable long-term future and the economic potential of the coastal belt is maximised while conserving and enhancing terrestrial and marine environments: Neath Port Talbot's position and role as a key economic driver within the Swansea Bay City Region will see significant new green technological developments and economic opportunities emerging associated with Swansea University Bay Campus, Baglan Bay and Harbourside employment areas. The benefits of this will be more equitably distributed through development of key / local settlements in each of NPT's valleys, valleys hubs in the Pontardawe and Glynneath areas, and an increasing emphasis on visitor attractions including heritage sites, outdoor adventure based attractions in the Neath and Afan valleys and traditional seaside attractions at Aberafan Beach.
- All communities have ready access to goods, services, jobs and community facilities. Measures to enable and encourage the provision of services, employment and facilities in sustainable locations will be addressing community requirements.
- The benefits of major national and local structural economic change are maximised: Ongoing structural economic changes affecting major local industries and employment are fully embraced and the potential benefits for health, well-being, employment, and the local environment are maximised for residents of Neath Port Talbot.
- All areas of NPT are served by up-to-date physical and digital economic infrastructure: Improvements to economic infrastructure will be helping all communities to benefit from modern economic infrastructure appropriate



for their economic, social, environmental and cultural needs and aspirations, while enhanced visitor attractions particularly in the Neath and Afan Valley areas will encourage growth in the tourism sector.

## 4 Overview of Employment Work

- 4.1. To inform the RLDP, the following employment work has been undertaken:
- 4.2. **Housing and Economic Growth Assessment:** Undertaken by Turleys Consulting (With Edge Analytics and SQW) this piece of work identifies a series of housing and employment scenarios for the authority.
- 4.3. **Employment Land Review:** Undertaken by the Council, this piece of work builds upon the Housing and Economic Growth Assessment and identifies a policy approach for the Preferred Strategy.
- 4.4. Summaries of these documents are provided in the next chapters.
- 4.5. In addition, to inform the RLDP Preferred Strategy, the Planning Policy Team have engaged extensively with the Council's internal Economic Development and Regeneration Teams, and neighbouring authorities such as Swansea. The draft methodology for the ELR has been shared with Swansea.

## 5 Housing and Economic Growth Assessment

- 5.1. Alongside Swansea Council, NPTC commissioned Turleys, Edge and SQW to undertake an assessment of housing and economic growth for the administrative authorities, preparing two separate reports that follow the same methodology.
- 5.2. The assessment included:
- A consideration of strategic functional housing and economic relationships impacting on NPT. This includes a consideration of the geographical extent of strategic FEMA and Housing Market Area (HMA), with more localised HMAs separately defined in the Council's Local Housing Market Assessment (LHMA);
  - An up-to-date baseline analysis of demographic, housing and economic datasets as well as review of commercial market evidence;
  - The development of forecast scenarios of reasonable employment growth accounting for current economic conditions and identified planned and potential investment;
  - A calculation of the amount and make-up of employment land likely to be required to accommodate business investment and forecast employment growth; and
  - An assessment of future household growth and levels of housing need accounting for demographic trends and the scale of labour force change required to support the presented forecasts of job growth.
- 5.3. The Assessment identified that upto 57ha of employment land would be required. Full information on how the forecasts have been derived is detailed

in the Housing and Economic Growth Assessment and the Employment Land Review.

- 5.4. In summary, as a starting point, as part of the Housing and Economic Growth Assessment, Turleys/ SQW obtained and reviewed econometric forecasts from the three main providers: Cambridge Econometrics, Experian and Oxford Economics in 2022. Given that the forecasts are nationally derived forecasts, they do not take into account local circumstances such as the Tata and Freeport announcements. Having reviewed these forecasts it was decided that Cambridge Econometrics was the most reflective of economic trends in the County Borough.
- 5.5. Subsequently in 2023 an updated econometric forecast was purchased from Cambridge Econometrics to account for more recent changes in the global and national economy such as the ongoing war in Ukraine, recovery from the post-Covid-19 pandemic and the energy crisis. **The Cambridge Econometrics forecast estimated that there were currently 56,789 jobs in NPT and that over the Plan period there would be an additional 1,956 jobs created (equivalent to 130 per annum).**
- 5.6. Given that the econometric forecast did not take into account the TATA announcement, Turleys/ SQW made a number of amendments based on the most up-to-date data available at the time. Taking these into account **the adjusted scenario anticipates a net loss of 2,521 jobs over the plan period or 168 jobs per annum.**
- 5.7. Whilst this scenario anticipated a decline in the number of jobs, there are a number of opportunities for growth being explored. The Council's Economic Recovery Plan and Corporate Plan focus upon growth in the local economy; the County Borough benefits regionally from the £1.3 billion Swansea Bay City Deal; the South West Wales Regional Economic Delivery Plan seeks to build a strong, resilient and embedded business base, and become a UK leader in renewable energy and the net zero economy. The South Wales Industrial

Cluster programme incorporates two programmes, focused on deployment (specific projects that will reduce emissions) and cluster development (feasibility studies to support the development of a lower-carbon, circular economy). The Council's Decarbonisation and Renewable Energy Strategy highlights the opportunities associated with the adoption of low carbon technologies by industry and the potential for NPT to play a leading role. The South West Wales Energy Strategy also sets out net job opportunities that could be supported through a shift in energy mix and a Local Area Energy Plan (LEAP) is being developed.

- 5.8. There are also a number of projects coming forward such as The Celtic Freeport, Global Centre of Rail Excellence (GCRE), Wildfox and tourism proposals such as Afan Forest Park.
- 5.9. Business engagement suggested that, in general, businesses were positive about their prospects for growth but that there was a widespread perception that access to premises is challenging.
- 5.10. Taking into consideration this investment and ambition, two adjusted scenarios were developed:
- Core Adjusted Scenario; and
  - Supplementary Adjusted Scenario.
- 5.11. **The Core Adjusted Scenario** is the main alternative to the baseline, taking into account reasonable expectations of growth which will not have been 'known' in the independent econometric forecast. This scenario is closely linked with the employment expectations understood to be anticipated with the Celtic Freeport. Adjustments are also made for GCRE and Wildfox investments. **This scenario shows a slow recovery from the contraction included in the baseline with 121 net additional jobs per annum over the plan period.**

5.12. **The Supplementary Adjusted Scenario** was developed to take into account additional jobs that could come forward associated with the development of the Freeport. For this scenario it has been assumed that 50% of these jobs would be delivered and 75% of the indirect/ induced jobs would be in NPT, as per the Core Adjusted Scenario. **This scenario shows a 237 net additional jobs per annum over the plan period.** Turleys/ SQW stress that this is uncertain and is just an illustration.

5.13. The Table below provides a summary of these forecasts:

*Table 3: Summary of Employment Growth Forecasts*

Scenario	Jobs per annum
CE independent baseline economic forecast	130
Revised baseline scenario	-168
Core adjusted scenario	121
Supplementary adjusted scenario	237

5.14. Following the development of these scenarios, Turleys/ SQW calculated the land required to accommodate these newly created jobs. This involved:

- Step 1: Converting jobs by sector by land use;
- Step 2: Translating jobs into floorspace; and
- Step 3: Translating floorspace into land requirements.

5.15. Firstly, Turleys/ SQW translated the economic projections in the above table which had been classified according to Standard Industrial Classifications (SIC) economic sectors into planning use classes. This was done in order to understand the potential B Use Class jobs associated with each scenario.

5.16. Having identified the potential numbers of B Use Class jobs anticipated over the Plan period, Turleys/ SQW then translated this into the need for additional employment space (the amount of floorspace needed to accommodate each

additional employee). To do this they multiplied the anticipated B Class growth by the average space required for each full time equivalent. For office accommodation (B1 Use Class) this was 13.3sqm, for industrial 44.8sqm and for warehouse 73.5sqm. These floorspace densities were obtained from the Home and Communities Agency Employment Density. This identified the need for the following floorspace:

*Table 4: Employment space needed to accommodate forecast growth (2023 to 2038)*

<b>Scenario</b>	<b>Offices (B1)</b>	<b>Industrial (B2)</b>	<b>Warehouses (B8)</b>	<b>Total B uses</b>
CE Baseline	7,715sqm	-31,600sqm	8,601sqm	-15,284sqm
Revised baseline	2,558sqm	-127,569sqm	-28,706sqm	-153,716sqm
Core adjusted	11,234sqm	-92,030sqm	-121sqm	-80,916sqm
Supplementary adjusted	14,986sqm	-76,355sqm	11,008sqm	-50,361sqm

- 5.17. In accordance with WG guidance, consideration was then given to past trends. As part of the Housing and Economic Growth Assessment it was noted that the Council's monitoring data indicates that – before accounting for losses – an average of 4,874sqm of employment space has been completed throughout NPT since the start of the Plan period, capturing the recovery from the last recession and the pandemic. Around two thirds of this was office space, with less warehousing and industrial space developed over this period.



5.18. Noting this, it was anticipated that approximately 73,095sqm of office accommodation could be needed in total over the Plan period if delivery continues at this long term rate. It was however noted that it is important to recognise that an approach based on past take-up is necessarily backward-looking and will have also been affected by the increasingly limited availability

*Table 5: Past Take-Up Scenario*

<b>Scenario</b>	<b>Offices (B1)</b>	<b>Industrial (B2)</b>	<b>Warehouses (B8)</b>	<b>Total (B)</b>
Past take-up (2011-23)	48,945	8,865	15,285	73,095

5.19. Having identified these 5 scenarios of potential growth over the Plan period, consideration was given to other drivers that could potentially increase/decrease employment land requirements, namely an allowance for improved availability and an allowance for loss.

5.20. As part of the work to understand whether an adjustment needed to be made to improve availability of premises, the Housing and Employment Growth Assessment notes (in line with the feedback from business engagement) that employment provision within the Authority is tight and that vacancies have fallen considerably over the plan period, and are now very low which is limiting the availability of premises for existing businesses wishing to relocate/ expand.

5.21. As part of work to understand whether allowances should be made to take into consideration anticipated losses over the Plan period, it was estimated that approximately 40,125sqm of business accommodation could be lost if losses continued at the same pace.

5.22. Given that both were seen to be key, scenarios were developed to take into account both drivers.

5.23. A further allowance was then made to allow for choice and flexibility. Turleys/SQW noted that this is considered best practice as it provides businesses and developers with a reasonable choice of sites and allows for delays in sites coming forward. Without this there is a risk that job growth is constrained due to a shortage in available space, particularly in areas such as NPT where vacancy rates are low. They considered that an allowance of 7.5 years would be appropriate.

5.24. The Table below presents the results of this analysis. It should be noted that two different versions were run: replacing all loss of employment accommodation and replacing only half.

*Table 6: Scenarios (Floorspace Requirements)*

<b>Scenario</b>	<b>Offices (B1)</b>	<b>Industrial (B2)</b>	<b>Warehouses (B8)</b>	<b>Total (B)</b>
<b>Replacing all losses</b>	<b>+24,473</b>	<b>+4,433</b>	<b>+7,643</b>	<b>+36,548</b>
Improved availability	89,946	56,092	36,424	182,461
Past take-up	89,573	36,743	23,453	149,768
CE Baseline	48,342	-3,722	16,768	61,388
Supplementary adjusted	55,614	-48,478	19,175	26,311
Core adjusted	51,862	-64,153	8,047	-4,244
Revised baseline	43,186	-99,691	-20,538	-77,044
<b>Replacing half of all losses</b>	<b>+24,473</b>	<b>+4,433</b>	<b>+7,643</b>	<b>+36,548</b>
Improved availability	81,868	44,369	36,161	162,398

Scenario	Offices (B1)	Industrial (B2)	Warehouses (B8)	Total (B)
Past take-up	81,495	25,020	23,190	129,705
CE Baseline	40,265	-15,445	16,506	41,326
Supplementary adjusted	47,536	-60,200	18,913	6,249
Core adjusted	43,784	-75,875	7,784	-24,306
Revised baseline	35,108	-111,414	-20,801	-97,106

5.25. Having devised a series of floorspace scenarios, Turleys/ SQW converted the above floorspace into land requirements. To do this, it is necessary to estimate the amount of land that could be needed to accommodate the required floorspace using plot ratios. Plot ratios are heavily influenced by where and in what form the employment needs are delivered and driven by a combination of land availability and the type of space best matched to the needs of individual sectors. Turleys note that whilst the WG guidance recognises that plot ratios can vary widely, they suggest a plot ratio of 40% for industry, warehousing and out-of-town offices. The Council reviewed a sample of schemes recently granted planning permission for which the plot ratio was 32%. These were considered to be reflective of local circumstances. Applying this, Turleys estimated that the following land requirements would be required:

*Figure 2: Land requirement (32% plot ratio)*

Scenario	Offices (B1)	Industrial (B2)	Warehouses (B8)	Total (B)
Improved availability, replacing all losses	28.1	17.5	11.4	57.0

<b>Scenario</b>	<b>Offices (B1)</b>	<b>Industrial (B2)</b>	<b>Warehouses (B8)</b>	<b>Total (B)</b>
Improved availability, replacing some losses	25.6	13.9	11.3	50.7
Past take-up, replacing all losses	28.0	11.5	7.3	46.8
Past take-up, replacing some losses	25.5	7.8	7.2	40.5
CE Baseline, replacing all losses	15.1	-1.2	5.2	19.2
CE Baseline, replacing some losses	12.6	-4.8	5.2	12.9
Supplementary adjusted, replacing all losses	17.4	-15.1	6.0	8.2
Supplementary adjusted, replacing some losses	14.9	-18.8	5.9	2.0
Core adjusted, replacing all losses	16.2	-20.0	2.5	-1.3
Core adjusted, replacing some losses	13.7	-23.7	2.4	-7.6
Revised baseline, replacing all losses	13.5	-31.2	-6.4	-24.1
Revised baseline, replacing some losses	11.0	-34.8	-6.5	-30.3

5.26. Detailed analysis, explanation and context is provided within the Housing and Economic Growth Assessment.

## 6 Employment Land Review

- 6.1. This Chapter provides a high-level overview of the Employment Land Review, please see the Employment Land Review for more information.
- 6.2. The Employment Land Review builds on the findings of the Housing and Economic Growth Assessment. The Employment Land Review provides an assessment of the supply and demand for employment land in NPT, looking at the available employment allocations and existing employment areas to understand the supply side and reviewing the property market, consulting with local stakeholders and forecasting employment growth to understand the demand side.
- 6.3. The Employment Land Review was prepared in accordance with a Methodology that follows the approach detailed in WG's 'Practice Guidance – Building an Economic Development Evidence Base to Support a Local Development Plan' (2015). Before undertaking the work, the Methodology was shared with Swansea Council who were happy with the proposed approach.
- 6.4. Chapter 3 of the ELR details national and local planning policy and guidance context. Chapter 4 of the ELR details the property market assessment. Chapter 5 of the ELR provides a summary of the audit of employment sites. Chapter 6 of the ELR details future land requirements. Chapter 7 of the ELR summarises the findings through identifying policy options and recommendations.
- 6.5. Appendix 1 of the ELR lists the Existing Employment Areas. The recommendation for all 18 of the Existing Employment Areas is that the employment area should be safeguarded for employment use.
- 6.6. Appendix 2 of the ELR lists the Existing Allocations. The Review Report notes that to date only 5.1hectares has been developed across these four strategic

employment areas of which 1.8ha has been for B class uses and 3.3ha for a solar photovoltaic scheme.

6.7. Appendix 3 of the ELR lists the number of Candidate sites submitted for employment uses (42 sites in total).

6.8. Appendix 4 of the ELR lists the Cluster Analysis. The Council identified clusters of employment units – 5 in the Valleys Strategy Area and 10 in the Coastal Corridor. (13 Clusters in total).

6.9. The Employment Land Review 2024 recommends that:

- All of the existing employment areas designed under Policy EC2 of the current LDP should be designated for employment uses in the RLDP.
- Harbourside should be included as a designated employment area in the RLDP.
- The following clusters should also be designated as employment areas:
  - Brunel Industrial Estate, Cwmavon Cluster Site;
  - Edwards Works Llandarcy Cluster Site;
  - Tank Farm, Llandarcy Cluster Site;
  - D’Arcy Business Centre Cluster Site;
  - Abbey Road Industrial Estate Cluster Site;
  - Milland Road Cluster Site;
  - Tonmawr 2000 Cluster Site; and
  - Port Talbot Business Units Cluster Site.

- The following Candidate Sites should be allocated for employment development:
  - RLDP/PT/0043 - Land at Tyn-y-Caeau, Margam;
  - RLDP/NV/0009 - Glynneath Business Park;
  - RLDP/PT/0046 - Plots C1 and C4, Land West of J38, Margam;
  - RLDP/PT/0008 – Baglan Energy Park; and
  - RLDP/PT/0048 – The Port of Port Talbot.

6.10. Given the limited amount of employment land available to let/ for sale in the Authority, the importance of providing space to enable economic recovery, allowing businesses to innovate and attract businesses. It is recommended that 57ha of employment land is allocated for development. This will enable the Council to plan to replace all losses, represent employment floorspace ratios on the ground and reflect the past delivery and demand for employment premises.

6.11. Whilst it is recognised that the County Borough is undergoing significant economic restructuring and that growth is unlikely to be as positive as previously, it is considered that the land associated with the adjusted core scenario is not reflective of the demand that is being experienced. Whilst it is unfortunately expected that businesses close/ reduce their operations, it is not expected that all floorspace currently in operation will come forward straight away. Providing a greater amount of land enables more choice and allows for a time lag between closure/ reduced scale of operations and availability of floorspace. Some land and premises may for example have contamination constraints, others may be owned outright by companies. It is considered that in order to benefit from green growth and recover, availability of good quality premises/ land will be key. Policies should therefore seek to support economic



recovery as much as possible and provide flexibility to enable economic growth, including the maximisation of green growth.

- 6.12. In a similar vein, it is recommended that policies should seek to resist the loss of employment land for other uses inside and outside of designated areas. Policies should seek to provide as much employment floorspace for a variety of business scales and types. Complementary uses should be encouraged within employment areas (for example training facilities).
- 6.13. It is recognised that there may be cases outside of designated employment areas where it is no longer suitable or desirable to safeguard for employment uses. For such circumstances detailed development management policies should be developed for the Deposit Plan.
- 6.14. Following proposals for an electric arc furnace at Tata, FLOW, Lanzatech, Celtic Freeport and discussions regarding Baglan Bay Energy Park; reflecting the Corporate Plan and developing upon NPT's reputation for industrial and manufacturing development, it is considered that policies should be developed to encourage and enable the establishment and growth of new clean green technologies and industries to promote and maintain a leading role for NPT in the national and international renewables and industrial economies. This will help in the economic restructuring and economic recovery of the Authority.
- 6.15. It is recommended that policies should be developed to be as positive as possible to enable such development and that all opportunities should be explored to help to realise the full benefits of green economic growth across the County Borough. This will help to support the economy following the restructuring associated with Tata, help to provide employment opportunities across the County Borough, and help to provide fully sustainable communities in all localities whilst conserving the Authority's environment.
- 6.16. It is also recognised that there are areas of NPT where there is limited access to jobs. Policies should therefore be developed to seek to ensure that all areas

of NPT are able to benefit from economic growth and from modern economic infrastructure appropriate to meet their economic needs and aspirations. Whilst there has been a significant increase in jobs since 2001, economic activity has fallen, economic restructuring will continue to take place, and there are areas of the authority with high unemployment.

6.17. The following objectives are therefore proposed:

- Realise the full benefits of green economic growth across the County Borough to provide fully sustainable communities in all localities while conserving NPT's environment.
- Encourage and enable the establishment and growth of new clean green technologies and industries to promote and maintain a leading role for NPT in the national and international renewables and industrial economies.
- Ensure that all areas of NPT are able to benefit from economic growth and from modern economic infrastructure appropriate to meet their economic, social, environmental and cultural needs and aspirations.

# 7 Recommendations

7.1. Taking into consideration the findings of the Economic and Housing Growth Assessment and the Employment Land Review, the following proposed policy is proposed for the RLDP:

## **SP11 Economic Recovery**

**Economic recovery will be supported through:**

- 1. The allocation of 57 Hectares (ha) of employment land;**
- 2. Safeguarding existing employment areas;**
- 3. Resisting the loss of employment uses both within and outside of designated areas;**
- 4. Fostering development of key economic opportunities including the Celtic Freeport;**
- 5. Facilitating new opportunities arising from industrial decarbonisation including growth in the green economy;**
- 6. Embracing rural regeneration opportunities and taking a flexible approach to employment opportunities in the valleys; and**
- 7. Supporting employment opportunities and complementary facilities including training and working hubs.**

7.2. With the following proposed reasoned justification:

**Neath Port Talbot is located in a key strategic economic location and has seen considerable economic growth since 2001 with an average job creation, according to the most recent Office of National Statistics dataset, of between 633 and 667 jobs per annum. The County Borough forms part of the Swansea Bay and Llanelli National Growth Area as**

identified in Future Wales and part of the Swansea Bay Regional Deal. The M4 passes east-west through the county borough and then intersects with the A465 Heads of the Valley Road which provides strategic access to the West Midlands. The county borough benefits from the London-West Wales railway line and has one of the three deep water ports in the UK.

Unlike many other Authorities in the UK, manufacturing continues to play a key role, accounting for approximately 20% of economic output compared with 15% in Wales and 9% in the UK. This is due in part to the steelworks in Port Talbot and associated supply chain. Significant economic restructuring is currently taking place following the announcement by Tata Steel in September 2023 to replace the existing two blast furnaces at Port Talbot with an electric arc furnace. To inform the Replacement Local Development Plan evidence base, alongside Swansea Council, a study was commissioned to undertake a Housing and Economic Growth Assessment.

This Strategic Policy seeks to support economic recovery through allocating 57ha of employment land (as identified as the need in the Housing and Economic Growth Assessment), safeguarding existing employment areas which provide a range of employment facilities within local communities and resisting the loss of employment uses both within and outside of the designated areas in order to ensure that there is sufficient land available for new development (including opportunities associated with Green Growth) and existing business expansion. Specific employment allocations will be set out in the Deposit Plan and detailed development management policies will be prepared for the safeguarding of existing employment areas and employment uses outside of designated areas.

**The Strategic Policy also seeks to build upon the Welsh and UK Government designation of the Celtic Freeport in 2023 to create a green investment and innovation corridor with key opportunities including floating offshore wind, hydrogen, carbon capture and storage and innovative fuels on sites in and around Milford Haven and Port Talbot ports. Potential Key Sites have been identified in the National Growth Area in order to build upon the Freeport designation, support economic recovery and provide green growth opportunities.**

**Within the Valleys, to maximise employment opportunities, rural regeneration opportunities will be embraced as a catalyst for new development. Key potential sites such as the Global Centre of Rail Excellence and Wildfox Adventure Resort have been identified and a flexible approach will be taken to enhance employment opportunities.**

**Across the authority, recognising the significant economic restructuring taking place, the council's employment policies will seek to foster economic opportunities and support recovery. The council will seek to enable the development of complementary facilities such as training and working hubs in order to provide training and re-skilling opportunities.**

7.3. The following proposed Key Sites are also recommended to be included:

- Baglan Energy Park: It is envisaged that the site will be brought forward for employment development with supporting complementary facilities to serve and facilitate this use.
- GCRE: The site will be purposed built for world class research, testing and certification of rolling stock, infrastructure, and innovative new rail technologies.
- Port Talbot Port: It is envisaged that the site will be brought forward for employment and renewable energy development with supporting complementary facilities to serve and facilitate these uses.

- Port Talbot Steelworks: It is envisaged that the site will be brought forward for employment and renewable energy development with supporting complementary facilities to serve and facilitate these uses.



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