Cyngor Castell-nedd Port Talbot
Neath Port Talbot Council

Replacement Local Development Plan

2023-2038

Employment Land Review

December 2024

Cynllun Datblygu Lleol
Local Development Plan

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1. Introduction

1.1. Employment Land Review

1.1.1. In line with the requirement in Planning Policy Wales (PPW) (Edition 12, 2024, Paragraph 5.4.5), this Employment Land Review forms part of the evidence base for the preparation of the NPT RLDP. It has been prepared to inform the provision of economic development uses over the Plan period.

1.1.2. 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.

1.1.3. It has been prepared in line with the Methodology detailed in Chapter 2 which follows the approach detailed in WG's 'Practice Guidance – Building an Economic Development Evidence Base to Support a Local Development Plan' (2015).

1.1.4. To inform the preparation of this piece of evidence, working alongside Swansea Council, NPT commissioned Turley, SQW and Edge Analytics to undertake a Housing and Economic Growth Assessment to inform the RLDP. Both papers should be read alongside each other.

1.1.5. As part of the preparation of this evidence document, NPT shared our draft methodology with Swansea Council and have met as part of the preparation of the RLDP to discuss our emerging evidence base and key issues for each authority. Given this, and the fact that Carmarthenshire and Pembrokeshire worked together to produce a Larger than Local Report which was updated in 2021 , a specific Larger than Local evidence document has not been prepared for NPT and Swansea. The methodology Turley's have used for NPT and Swansea's Housing and Economic Growth Assessment is in line with the methodology they also used for Carmarthenshire's RLDP.

1.1.6. This paper has been written at the current point in time. Unlike other authorities, manufacturing still plays a key role in NPT accounting for approximately 20% of the economic output of the Authority compared with 15% in Wales and 9% in the UK (ONS 2024, Regional Gross Value Added (balanced) by industry: local authorities by ITL1 region: TLL Wales, current prices). NPT is currently undergoing significant structural changes following the announcement by Tata Steel in September 2023 to replace the existing two blast furnaces at Port Talbot with an electric arc furnace. As part of this process, it is understood that approximately 2,800 direct jobs will be lost and more indirect and induced jobs. As part of the £1.25 billion investment (including £500 million of UK Government grant) a transition board has been established and works are being undertaken to understand the full extent of the impact and possible mitigation. Further work will be undertaken ahead of the Deposit Plan.

1.2. Document Structure

1.2.1. Chapter 2 details the methodology that the Council has followed in the preparation of the employment land review.

1.2.2. Chapter 3 details national and local planning policy and guidance context.

1.2.3. Chapter 4 details the property market assessment.

1.2.4. Chapter 5 provides a summary of the audit of employment sites.

1.2.5. Chapter 6 details future land requirements.

1.2.6. Chapter 7 summarises the findings through identifying policy options and recommendations.

2. Methodology

2.0.1. As part of the preparation of the Employment Land Review, Swansea Council was consulted on the proposed methodology and no issues were identified.

2.0.2. The Council has broadly followed WG's Practice Guidance – Building an Economic Development Evidence Base to Support a Local Development Plan (2015) on how Authorities should approach Employment Land Reviews.

2.0.3. In line with this approach, there are three main parts to the Employment Land Review:

- Part 1: Policy Context
- Part 2: Employment Land Review
- Part 3: Policy options, recommendations and monitoring

2.1. Part 1: Policy Context

2.1.1. In accordance with national guidance, this first part of the Employment Land Review reviews national, regional and local policy and guidance in order to identify factors to take into consideration as part of the preparation of the RLDP.

2.2. Part 2: Employment Land Review

2.2.1. Following on from policy review, in line with WG guidance, the Council has undertaken a property market assessment (Stage 1), audit of employment sites (Stage 2), and identified future land requirements (Stage 3).

2.2.2. Whilst national guidance (Paragraph 4.1.1) strongly supports that this is undertaken jointly working with neighbouring authorities, as noted in the introduction, the Council has not produced this jointly with neighbouring authorities. Instead, NPT has shared the methodology with Swansea, worked jointly with Swansea on Housing and Economic Growth Assessment which has fed into this report, and has held a number of joint meetings with Swansea Council.

Stage 1 – Property Market Assessment:

2.2.3. In line with the WG guidance, the Council has undertaken an analysis of property market demand in terms of specific market sectors, property requirements and geographical areas focussing on the current situation and prospects for the RLDP over its life cycle. Where there is demand for development and where there is not.

2.2.4. In line with national guidance, the Council has identified where demand and opportunities exist for development (Step 1); identified where existing employment land is no longer in demand (Step 2); and established property market profile (Step 3). The following performa has been used as the baseline performa for this assessment:

Figure 1: Property Market Assessment Template

Wider Context	What wider regional market is the local area part of? Main places that the local authority competes with Current health of this wider market State of the economy Under or over supplied – e.g. refer to vacancies, rent levels Major developments and other change – recent or in the pipeline
Land and Property	Existing floorspace and change over last 5-10 years – compare with region and national total Brief description of the area as a business location Main locations

	Main occupiers and types of occupiers Key advantages and drawbacks as a business location (from a planning perspective) – different parts of the LA for different types of occupier and against main competing areas Drivers of change - any recent/ current/ future changes that impact the market e.g. new infrastructure, new settlement, major regeneration initiatives
Demand	Floorspace take-up – gross sqm per year for last 5-10 years or LDP review period Who has been taking up the space – business activities, local or inward investors and if so from where? What types of space – mix of sizes, locations, old or modern etc.? Why do they want to be in the area? What have they been looking for? Have they been getting it? Any gaps in the market? Changes – any and if so what is the impact of these. E.g. new road, major development ….? What can be done to boost demand?
Supply and Market Balance	Current availability/vacancy and development pipeline. % availability (vacancy) against stock Years supply against past take-up

	Rents and values, current and historical (pre-recession): - compare with surrounding/competing areas. Recent development (includes redevelopment, refurbishment, conversion etc.): - what, where, and how has it performed? Is industrial development in demand and financially viable? - what kinds of development, in what areas?
Conclusions	Is the market, or any particular sections of the market, over-or under-supplied, now or in prospect? What are the market opportunities for viable development (includes redevelopment etc), now or in prospect? Is any of the existing stock surplus to requirements? What kinds of property, in what areas? Possible measures to encourage economic growth and property development.

2.2.5. In order to do this the Council has sought relevant data and expertise from:

- The Council's Estates department;
- Council's Economic Development Team;
- Neighbouring authorities;
- Local property agents;
- Property consultants;
- Valuation Office Agency;

- WG Business Property Database; and
- Corporate Joint Committee.

2.2.6. The Council has also drawn upon the findings of the Business Survey which was undertaken as part of the Economic and Housing Growth Assessment.

Stage 2 – Audit of Employment Sites:

2.2.7. Having undertaken the property market assessment, in line with WG guidance, the Council has then undertaken a quantitative inventory and qualitative appraisal of local land supplies, including existing committed, allocated and potential employment sites along with existing stock. This has fed directly into the reviews conclusions on whether any further land should be identified for employment and whether any existing or committed employment sites should be transferred to other uses.

2.2.8. In line with the WG guidance, the Council has prepared a quantitative site inventory (Step 1), prepared a qualitative appraisal (Stage 2), and drafted recommendations (Step 3).

Step 1 – Preparing a Quantitative Site Inventory

2.2.9. A quantitative site inventory has been prepared for land which will or may be developed or redeveloped for B1, B2 and B8 employment (also mixed uses incorporating employment). This includes committed sites, potential sites and existing employment stock (developed). The guidance says that the above is essential information to be used to calculate the authorities identified land supply and compare it with the predicted demand over the plan period.

- Committed development sites – comprise the land supply currently identified by the planning system to accommodate change in B-Use Classes. It is a key purpose of the ELR to compare this planned supply or portfolio with future requirements to see if it needs to be increased, reduced or modified.

- Potential Sites – Candidate Sites, or sites being promoted by developers but have no official planning status as yet.

- Existing employment stock (developed) – developed employment stock providing usable employment floorspace, whether occupied or vacant.

2.2.10. In order to do this, the Council has:

- Reviewed planning permissions granted since the beginning of the current Plan period (2011) to identify planning permissions proposing gain/ loss of B Use Class;

- Reviewed profiles (including existing occupiers and changes in occupiers since the beginning of the current LDP plan period etc.) within the designated LDP employment areas;

- Reviewed Candidate Sites proposed for employment uses;

- Identified other existing B use occupiers within the County Borough through engaging with the Council's business rates team; and

- Drawn on Valuation Office Agency employment floorspace data.

Step 2 – Preparing a Qualitative Appraisal

2.2.11. In line with the guidance, a qualitative appraisal has been undertaken for both existing and proposed employment sites. Consideration has been given to using the following assessment criteria:

- Accessibility: road connectivity, public transport and other modes of access;

- Sequential location: A town centres first approach where appropriate;

- Internal environment: Positive and negative characteristics within the site curtilage;

- Surrounding external environment: Positive and negative characteristics outside the site curtilage;

- Local opportunities: Demand for uses;
- Constraints; and
- Viability.

2.2.12. Rather than undertake a qualitative assessment of all existing employment sites in the County Borough, given that there are a number of standalone premises, the Council has:

- Undertaken a qualitative assessment of all employment areas designated within the current LDP; and
- Used the VOA/ Business Rates information to identify clusters of B Use premises in order to identify potential clusters for designation, and undertaken a qualitative assessment of these areas.

2.2.13. The Council has used the following performa for guidance for each qualitative review:

Figure 2: Qualitative Assessment Criteria

Criteria	Key Consideration
Accessibility	• Road access • Public transport access • Pedestrian/ cycle access • Sequential location
Internal environment	• Site area • Number of commercial premises • Quantity of commercial floorspace • Size of premises • Scale of employment provision • Density • Building quality and condition (if applicable)

Criteria	Key Consideration
	• Quality of the employment site • Use Class mix • Business/ occupier profile • Prominence • Parking • Servicing • Gradient of land • Shape of employment area
Surrounding external environment	• Proximity to similar uses • Adjoining uses • Availability and speed of broadband connectivity • Proximity to services (incl. convenience retail)
Local opportunities	• Market performance and perception • Planned infrastructure • Other opportunities (e.g. part of Port Talbot Waterfront Enterprise Zone/ within close proximity of Swansea University Bay Campus/ other) • Would development of the site present the opportunity to remove an eyesore?
Constraints	• Greenfield/ brownfield • Proximity to residential accommodation • Proximity to areas of known environmental concerns • Would development exacerbate existing environmental problems (e.g. air quality, noise, light etc.)? • Flood risk • Landscape sensitivity

Criteria	Key Consideration
	• Ecology • Tree Preservation Order/s • Topography • Water quality • Impact on agricultural land • Quiet area designation • Systems provision constraints, e.g. sewerage and drainage • Contamination • Economic supply-side benefits • Social benefits • Environmental benefits
Availability and Deliverability	• Viability • Ownership/ site availability • Site identified/ likely to be required for a specific user or specialist use? • Site suitable for bad neighbour uses? • Potential expansion options • Pressure for other forms of development

2.2.14. Although the same broad criteria are relevant to all employment land uses, the Council has not scored sites (for example as good, bad or using a range 1-5), given that the criteria will apply differently to different uses in different places. For example, good accessibility for a strategic distribution park might mean immediate motorway access, whilst for a small industrial estate it could mean a secondary road which is not too narrow or congested.

2.2.15. As part of the assessment consideration has been given to market potential – the likelihood that if offered up to the market a site would be occupied or re-occupied within a reasonable time.

Step 3 – First Draft Recommendations

2.2.16. Based on the site appraisals, an initial draft recommendation has been concluded.

Stage 3 – Future Land Requirements:

2.2.17. In line with WG guidance, this next stage identifies land requirements for the RLDP drawing upon Turley's Economic and Housing Growth Assessment.

2.3. Part 3: Policy Options and Recommendations

2.3.1. This Chapter has identified policy options and recommendations based on review findings.

3. Policy Context

3.0.1. In line with the Methodology detailed in the previous Chapter, this Chapter:

- Provides an overview of national and local planning policy and guidance (Step 1); and
- Reviews how successful employment land policies have been and identifies key issues that the Employment Land Review should examine (Step 2).

3.1. Step 1: Overview of National and Local Planning Policy and Guidance

National Policy

Well-being of Future Generations Act 2015

3.1.1. The Well-being of Future Generations Act strengthens existing governance arrangements for improving the well-being of Wales by ensuring that 'sustainable development' is at the heart of decision making across Government and all public bodies and identifies seven well-being goals: a prosperous, resilient, healthier, more equal and globally responsible Wales, and a Wales of cohesive communities, vibrant culture and thriving Welsh language. The Act has also provided the legislative framework for the preparation of 'Local Well-being Plans'.

3.1.2. The Act defines 'sustainable development' as the process of improving the economic, social, environmental and cultural well-being of Wales and sets out five governance principles (or five ways of working) to aid in the consideration of this work (i.e. long term, integration, collaboration, prevention and involvement).

Planning (Wales) Act 2015

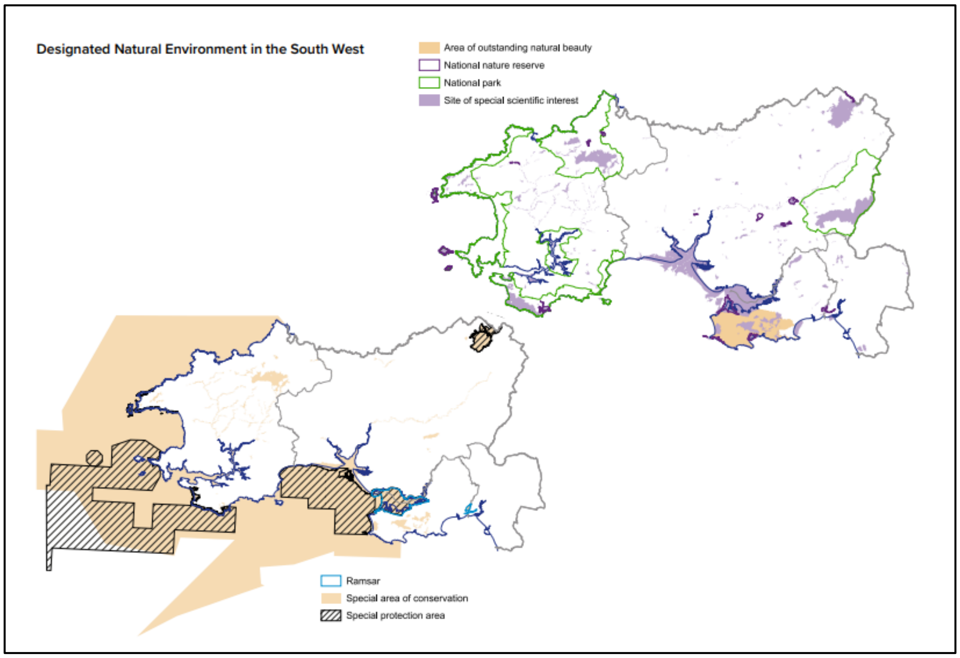
3.1.3. The Planning (Wales) Act 2015 sets out a series of legislative changes to deliver reform of the planning system in Wales, to ensure that it is fair, resilient and enables development. One of the objectives is to strengthen the plan led approach in Wales and accordingly the Act has introduced the legal basis to prepare the National Development Framework (NDF) (known as Future Wales) and Strategic Development Plans (SDPs).

Future Wales

3.1.4. Future Wales: the National Plan 2040 (FW) published February 2021 provides the national development framework for Wales and forms part of the statutory development plan for the County Borough, alongside the existing NPT LDP.

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

Figure 3: South West Wales Region



3.1.6. Policy 1 'Where Wales will grow' states that the WG supports sustainable growth in all parts of Wales. Policy 1 identifies three National Growth Areas (NGAs) where there will be growth in employment and housing opportunities and investment in infrastructure. These include the identification of the Swansea Bay and Llanelli NGA.

3.1.7. Policy 28 'NGA – 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. SDPs and 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 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.

3.1.8. Policy 2 'Shaping Urban Growth and Regeneration – Strategic Placemaking' states that the growth and regeneration of towns and cities should positively contribute towards building sustainable places that support active and healthy lives, with urban neighbourhoods that are compact and walkable, organised around mixed-use centres and public transport, and integrated with green infrastructure. Urban growth and regeneration should be based on the following strategic placemaking principles: creating a rich mix of uses; providing a variety of housing types and tenures; building places at a walkable scale, with homes, local facilities and public transport within walking distance of each other; increasing population density, with development built at urban densities that can support public transport and local facilities; establishing a permeable network of streets, with a hierarchy that informs the nature of development; promoting a plot based approach to development, which provides opportunities for the development of small plots, including for custom and self builders; and integrating green infrastructure, informed by the planning authority's Green Infrastructure Assessment. Planning authorities should use development plans to establish a vision for each town and city. This should be supported by a spatial framework that guides growth and regeneration and establishes a structure within which towns and cities can grow, evolve, diversify and flourish over time.

3.1.9. Policy 3 'Supporting Urban Growth and Regeneration – Public Sector Leadership' says that the WG will play an active, enabling role to support the delivery of urban growth and regeneration. The WG will assemble land, invest in infrastructure and prepare sites for development. WG will work with local authorities and other public sector bodies to unlock the potential of their land and support them to take an increased development role. The public sector must show leadership and apply placemaking principles to support growth and regeneration for the benefit of communities across Wales. The public sector's use of land, developments, investments and actions must build sustainable places that improve health and well-being. Planning authorities must take a proactive role and work in collaboration with the WG and other public sector bodies to identify the best locations for growth and regeneration and provide certainty about how they should be developed.

3.1.10. Policy 4 'Supporting Rural Communities' states that the WG supports sustainable and vibrant communities. SDPs and LDPs must identify their rural communities, assessed their needs and set out policies that support them. Policies should consider how age balanced communities can be achieved, where depopulation should be reversed and consider the role of new affordable and market housing, employment opportunities, local services and greater mobility in tackling these challenges.

3.1.11. Policy 5 – 'Supporting the Rural Economy' says that the WG supports sustainable, appropriate and proportionate economic growth in rural towns that is planned and managed through SDPs and LDPs. SDPs and LDPs must plan positively to meet the employment needs of rural areas including employment arising from the foundational economy; the agricultural and forestry sector, including proposals for diversification; start-ups and micro businesses. The WG also strongly supports development of innovative and emerging technology businesses and sectors to help rural areas unlock their full potential, broadening the economic base, and creating higher paid jobs.

3.1.12. Policy 6 – 'Town Centre First' states that significant new commercial, retail, education, health, leisure and public service facilities must be located within town and city centres. They should have good access by public transport to and from the whole town or city and, where appropriate, the wider region. A sequential approach must be used to inform the identification of the best location for these developments and they should be identified in SDPs and LDPs.

Planning Policy Wales

3.1.13. PPW, Edition 12, 2024, sets out the national planning policy context for Wales.

3.1.14. 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, as required by the Planning (Wales) Act 2015, the Well-being of Future Generations (Wales) Act 2015 and other key legislation and resultant duties such as the Socio-Economic Duty.

3.1.15. It confirms the importance of up-to-date development plans in a plan-led system, stating that these must be prepared in accordance with national planning policies. It specifically states that these plans should be based on evidence which is tested through the Examination procedure.

3.1.16. Paragraph 5.4.1 states that for planning purposes, the WG defines economic development as the development of land and buildings for activities that generate sustainable long-term prosperity, jobs and incomes. The planning system should ensure that the growth of output and employment in Wales is not constrained by a shortage of land for economic uses.

3.1.17. Paragraph 5.4.2 advises that economic land uses include the traditional employment land uses (offices, research and development, industry and warehousing) as well as uses such as retail, tourism, and public services. Economic land uses also include construction, energy, minerals, waste and telecommunications sectors which are also sensitive to planning policy. The WG seeks to maximise opportunities to strengthen the foundational economy, particularly the food, retail, tourism and care sectors which play such a prominent role throughout Wales; the planning system should be supportive of this aim. Similarly, growth in innovative, emerging technology and high value-added sectors such as advanced engineering, renewable and low carbon energy, digital and bio-technology sectors are also strongly supported. Development plans should consider the role these sectors may play in terms of investment and job creation in their area.

3.1.18. With regards to providing sufficient land needed by the market, Paragraph 5.4.3. states that planning authorities should support the provision of sufficient land to meet the needs of the employment market at both a strategic and local level. Development plans should identify employment land requirements, allocate an appropriate mix of sites to meet need and provide a framework for the protection of existing employment sites of strategic and local importance.

3.1.19. Paragraph 5.4.4 says that wherever possible, planning authorities should encourage and support developments which generate economic prosperity and regeneration. Sites identified for employment use in a development plan should be protected from inappropriate development.

3.1.20. Paragraph 5.4.5 states that evidence to inform the provision of economic development uses is key, and planning authorities should work together to produce Employment Land Reviews to inform this process.

3.1.21. With regards to economic evidence and employment land reviews, Paragraph 5.4.7 states that development plans and development management decisions should be based on up-to-date local and subregional evidence. It is important that such evidence demonstrates the suitability of the existing employment land supply as well as future provision in relation to the locational and development requirements of business.

3.1.22. Paragraph 5.4.8 furthers this, stating that planning authorities should work with each other and with relevant economic fora in order to prepare an employment land review. The review should include an assessment of anticipated employment change and land use together with estimates of land provision for employment uses showing net change in land/floorspace. This should be calculated for offices, industrial and warehouse uses separately. This evidence should help inform an economic vision for the area. Employment Land Reviews should be kept up to date and relevant to prevailing market conditions and the needs of the development plan.

3.1.23. With regards to steering economic development to the most appropriate locations, Paragraph 5.4.9 advises that it is important that planning authorities are aware not only of the economic needs of their own areas but also of the surrounding region.

3.1.24. Paragraph 5.4.10 states that effective planning for the economy requires planning authorities to work strategically and co-operatively directing development and investment to the most efficient and most sustainable locations, regardless of which local authority area they are in.

3.1.25. Paragraph 5.4.11 advises that strategic employment sites should be identified at a regional scale by agreement amongst local authorities on which sites best serve the area as a whole. Careful consideration should be given to the attributes of strategic employment sites to ensure that they have unique selling points and provide a differentiated offer across the region. Not every local authority should designate strategic employment sites and by virtue of their nature these sites should be protected from alternative non employment uses.

3.1.26. Paragraph 5.4.12 states that through the development plan process planning authorities and relevant stakeholders should work together to identify the most appropriate land for development. Travel to work patterns do not reflect local authority boundaries and it is essential that planning authorities identify and make adequate provision, for their role in the regional and subregional economies of Wales.

3.1.27. Paragraph 5.4.13 says that planning authorities should aim to:

- Co-ordinate development with all forms of infrastructure provision such as transport and utilities;
- Support national, regional, and local economic policies and strategies;
- Align jobs and services with housing and sustainable transport infrastructure, to reduce the need for travel, and dependency on travel by car;
- Promote the re-use of previously developed, vacant and underused land;
- Deliver physical regeneration and employment opportunities to disadvantaged communities;
- Control and manage the release of unwanted employment sites to other uses;
- Propose specific locations for locally and strategically important industries which are detrimental to amenity and may be a source of pollution; and

- Identify protection zones around land and premises that hold hazardous substances and protect the ability of existing businesses to operate or expand by preventing the incremental development of vulnerable uses in the locality.

3.1.28. Paragraph 5.4.14 states that development policies and supplementary planning guidance (SPG) including flexible live/work units and commercial premises, where these are appropriate.

3.1.29. Paragraph 5.4.15 notes that whilst employment and residential uses can be compatible planning authorities should have regard to the proximity and compatibility of proposed dwellings to existing industrial and commercial uses to ensure that both residential amenity and economic development opportunities are not unduly compromised.

3.1.30. With regards to business clusters, Paragraph 5.4.16 notes that economic clustering typically occurs when businesses from the same or similar industry, or with a common interest, choose to locate in close proximity for mutual benefit. Often, clustering concerns high technology, innovative or research and development-based companies, but may also include finance, food and media businesses, or supply industries serving larger manufacturers. Businesses can benefit from shared facilities, infrastructure, local pools of skilled and qualified labour, common supply chains and links to higher education.

3.1.31. Paragraph 5.4.17 notes that the WG's Enterprise Zones are an example of where co-ordinated action can take place to encourage investment in a particular sector in a particular place. Planning authorities should seek to support the development of business networks and clusters particularly in relation to innovative and technology-based enterprise.

3.1.32. Paragraph 5.4.18 advises that development plan policies should identify potential networks and clusters, and make clear the criteria used to categorise them. Associated transport, environmental and telecommunications infrastructure links needed to support these networks and clusters and, where improvements are necessary, these should be included in the development plan. Planning authorities should also look favourably on any renewable and low carbon energy generation proposals designed to serve clusters, such as district heating systems and high efficiency energy recovery from waste, or the provision of an integrated network of waste recycling or collection.

3.1.33. With regards to the rural economy, Section 5.6 notes that:

- The rural economy must develop a wide base if it is to be adaptable and resilient to the challenges it faces now and in the future. Events such as the climate emergency, the coronavirus pandemic and exiting the European Union all bring economic and societal uncertainty, and the ability to respond flexibly to these issues will be key to the future success of rural areas.

- Planning authorities should plan positively to meet rural employment needs by identifying policies in their development plans. By supporting the development of a broad range of employment opportunities in rural areas planning authorities can increase economic prosperity and help address the effects of rural decline or depopulation where it occurs. Greater opportunity can support and strengthen the future well-being and sustainability of rural communities.

- Many commercial and light manufacturing activities can be located in rural areas without causing unacceptable disturbance or other adverse effects. Micro and small enterprises have a vital role to play in the rural economy, and contribute to both local and national competitiveness and prosperity. While some employment can be created in rural locations by the re-use of existing buildings, new development will be required in many areas.

- To unlock the full potential of rural areas, planning authorities should adopt a positive approach to employment arising from foundation and innovative and technology-based sectors, including research and development, in addition to employment arising from the traditional agriculture, forestry and leisure sectors. Proposals for diversification, new start ups and microbusinesses should also be encouraged, where appropriate, to generate new job and wealth creating opportunities.

- Where a need is identified, planning authorities should allocate new rural sites for economic development in development plans.
- New development sites are, in most instances, likely to be small and, with the exception of rural diversification and agricultural development to which separate criteria apply, should generally be located within or adjacent to defined settlement boundaries, preferably where there is public transport provision. However, some industries may have specific land requirements which cannot be accommodated within settlements. The absence of allocated employment sites should not prevent authorities from accommodating proposals for appropriate small-scale enterprises in or adjoining rural settlements, including small rural settlements. Planning authorities should include criteria-based policy in development plans to consider such proposals when they are outside settlement boundaries. Whilst the protection of the open countryside should be maintained wherever possible, the expansion of existing businesses located in the open countryside should be supported provided there are no unacceptable impacts.
- Although new businesses in rural areas are essential to sustain and improve rural communities, developments which only offer short term economic gain are unlikely to be appropriate. Local authorities should encourage the growth of self employment and micro businesses in rural areas by adopting a supportive and flexible approach to home working and associated change of use applications.
- Planning authorities should adopt a constructive approach towards agricultural development proposals, especially those which are designed to meet the needs of changing farming practices or are necessary to achieve compliance with new environmental, hygiene or welfare legislation. They

should also adopt a positive approach to the conversion of rural buildings for business re-use.

- Care should be exercised when considering intensive livestock developments when these are proposed in close proximity to sensitive land uses such as homes, schools, hospitals, office development or sensitive environmental areas. In particular, the cumulative impacts (including noise and air pollution) resulting from similar developments in the same area should be taken into account.

3.1.34. With regards to rural business diversification, Paragraphs 5.6.10-5.6.13 advise:

- Planning authorities should adopt a positive approach to diversification projects in rural areas. Additional small business activities can often be sustainably located on farms and provide additional income streams. Diversification can strengthen the rural economy and bring additional employment and prosperity to communities.

- Whilst every effort should be made to locate diversification proposals so they are well served by public transport, it is recognised that certain diversification proposals will only be accessible by car. While initial consideration should be given to adapting existing farm buildings, the provision of a sensitively designed new building on a working farm within existing farm complexes may be appropriate where a conversion opportunity does not exist.

- In terms of sustainable development, it should be recognised that many small rural diversification proposals providing local services will actually reduce the journey length for users who would otherwise need to travel greater distances to access these services. Small rural diversification schemes can also contribute to the viability of a community by providing a focus for community life and hubs of economic activity.

- Diversification activities come in many forms and include both agricultural and non-agricultural activities. Activities could include, for example, livestock and crop processing, non-traditional livestock and crop farming, tourism projects, farm shops, and making and selling nonagricultural products. Diversification can also include renewable energy proposals such as anaerobic digestion facilities or solar and wind installations, which will help to increase the viability of rural enterprises by reducing their operating costs. These schemes should be supported where there is no detrimental impact on the environment and local amenity.

Local Policy

NPT Adopted LDP 2011 – 2026

3.1.35. 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. The strategy sought to increase economic activity rates and reduce unemployment levels in line with the Welsh average.

3.1.36. Based on a projected economic-led growth scenario of 3,850 jobs for the Authority, Paragraph 2.4.14 says that the LDP made provision for an additional 7,800 new residential units, leading to an increase of approximately 7,000 people and a total population of 147,000 by 2026. This approach was said to be aspirational, linked to the local economy and was set to complement the projected growth in economic activity and reduction in average household size in addition to helping meet the need for additional affordable residential uses.

3.1.37. The LDP says in Paragraph 2.4.15 that fundamental to delivering economic success is to ensure an appropriate supply, mix and range of high-quality employment sites that can support emerging business and employment needs. The LDP notes that at the local level, economic growth has stagnated over the last 10 years and that this has not been helped by the global recession. In order to meet the aspirations of the 15-year vision, key regeneration schemes and projects such as Harbourside, Coed Darcy Urban Village and Baglan Bay will transform the area by redeveloping previously used, unsightly former industrial land. These projects together with the relocation of Swansea University's Science and Innovation Campus at Fabian Way were identified as ways to attract high-tech industries and widen the skill pool for prospective employers.

3.1.38. Paragraph 2.4.16 notes that the level of employment land had been assessed to ensure it can be delivered within the Plan period. In order to meet the overall vision and strategy for the area, 96 hectares of land was allocated for employment, comprising 32 hectares for conventional B Class uses and space to accommodate the needs of the energy sector and ancillary facilities and services which support and complement the wider role and function of B Class Uses. In addition, 19 existing employment sites were safeguarded for employment purposes.

3.1.39. With regards to policies:

3.1.40. 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.

3.1.41. Policy EC1 'Employment Allocations' allocates the following sites for employment uses:

Reference	Site	Size	Use Class Permitted
EC1/1+	Baglan Bay	75 ha*, of which 15 ha is allocated for B Use	B1, B2 and B8[14]
EC1/2+	Junction 38 (M4), Margam	6 ha	B1, B2 and B8
EC1/3	Land within Coed Darcy SRA	4 ha	B1
EC1/4	Land within Harbourside SRA	7 ha	B1
	Total	**32 ha**	

Key:

+ Preferred Sites for In-Building Waste Treatment Facilities.

* Employment land to meet the needs of the energy sector and any ancillary facilities and services which support and complement the wider role and function of B Uses within and beyond the life of the LDP.

3.1.42. Policy EC2 'Existing Employment Area' states that in order to protect the employment function of the County Borough's employment areas, uses on the following sties will be restricted in accordance with Policy EC3:

Reference	Site
EC2/1*	Fabian Way
EC2/2	Lonlas Village Workshops, Neath
EC2/3	Neath Abbey Business Park, Neath
EC2/4	Neath Abbey Wharf, Neath
EC2/5*	Melincryddan CMB / Milland Road Industrial Estate, Neath
EC2/6*	Baglan Energy Park
EC2/7*	Baglan Industrial Estate, Port Talbot
EC2/8	Endeavour Close, Port Talbot
EC2/9+	Kenfig Industrial Estate, Port Talbot
EC2/10*	Llewellyn's Quay, Port Talbot
EC2/11*	Tata Steelworks, Margam
EC2/12	Croeserw Industrial Estate, Afan Valley
EC2/13*	Glyncorrwg Workshops, Afan Valley
EC2/14*	Cwmgors Workshops and Industrial Estate, Amman Valley
EC2/15*	Crynant Business Park, Dulais Valley
EC2/16*	Vale of Neath Supplier Park, Neath Valley
EC2/17*	Glynneath Village Workshops, Neath Valley
EC2/18	Alloy Industrial Estate, Pontardawe
EC2/19*	Former Compair / GMF Factory, Ystalyfera, Swansea Valley

Key:

* Sites which lie within areas of flood risk identified in TAN 15.
\+ Preferred Sites for In-Building Waste Treatment Facilities.

3.1.43. Policy EC3 'Employment Area Uses' says that within allocated and existing employment areas, unless otherwise specified and where appropriate, uses will be restricted as follows:

- Uses within classes B1, B2 and B8;

- Ancillary facilities or services which support and complement the wider role and function of the primary employment use;
- Commercial services unrelated to Class B.

Developments will be required to demonstrate that proposals do not cause any adverse impacts on the overall function of the employment area and neighbouring commercial and residential properties, the proposal can be sustainably justified in this location and is appropriate in scale and form to the role and function of the employment area.

3.1.44. Policy EC4 'Protection of Existing Employment Uses' states that proposals which would result in the loss of existing land or buildings in employment use as defined in Policy EC3 and/or within the existing employment areas identified in Policy EC2, will only be permitted where the following criteria are satisfied:

- It is demonstrated that employment uses are no longer viable or appropriate in this location; or
- Continued use for employment purposes would have unacceptable impacts on the environment, local amenity or adjacent uses; or
- The existing space can be redeveloped for employment uses that achieve an increased level of employment combined with other appropriate uses.

3.1.45. Policy EC5 'Employment Uses in the Valleys' says that in the Valleys Strategy Area, proposals for employment uses as defined in Policy EC3 outside settlement limits will be permitted where:

- The site directly adjoins the settlement limit; and
- The site is in a sustainable location and is accessible by sustainable modes of transport; and
- The site is serviced or can be readily serviced; and

- Development would have no detrimental impact on the amenities of neighbouring commercial or residential properties, the environment, landscape or highway safety; and
- The development would be proportionate in scale and form to the role and function of the settlement or area.

3.1.46. Policy EC6 'Live-Work Units' advises that appropriate live-work units in the Valley Strategy Area will be permitted in accordance with the following criteria:

- The site lies within or immediately adjacent to the settlement limit; and
- The percentage split of floor space is no less than 60% work; and
- The live-work floorspace is adjoining the dwelling floorspace; and
- The business is carried out by an occupier of the premises; and
- A business plan is submitted as part of the planning application process which demonstrates the proposed employment use is viable over the long term; and
- The development would have no detrimental impact on the amenities of neighbouring properties, the environment or highway safety.

Conversion of live-work units to non-employment uses will not be permitted unless it can be demonstrated that employment use is no longer viable.

National Guidance

Development Plans Manual

3.1.47. The Development Plans Manual (DPM) (Edition 3, 2020) advises in Paragraph 5.39 that local planning authorities must have a robust economic evidence base underpinning the LDP. The LDP must contain, an economic vision, a broad assessment of expected employment change by sector and land use, include quantitative targets for Class B employment use (land and jobs) as well as allocate and safeguard those sites necessary to deliver the economic vision embedded into the plan.

3.1.48. In Paragraph 5.40 the DPM notes that employment activities are often not constrained by individual local planning authority boundaries. The strategies and policies of neighbouring authorities, as well those at a national and regional scale, have a significant impact across authority boundaries influencing the type of employment activity, labour skills and commuting patterns over a wide geographical area. Local Planning Authorities should work strategically and co-operatively to understand and scope such relationships, gaining clarity on the degree to which external influences may have on their emerging LDP. Such co-operation will have the benefit of maximising efficiencies both in skills, resources and finance for individual Local Planning Authorities, as well as resulting in a more robust evidence base. This larger than local evidence will influence the scale and location of growth identified in the LDP. The overall objective should be to locate homes and jobs as close as possible to each other to reduce the need for commuting.

3.1.49. To assist Local Planning Authorities in understanding the baseline of economic evidence within their Plan area, Paragraph 5.41 notes that WG have published 'Practice Guidance – Building an Economic Development Evidence Base to Support an LDP' (August 2015) to assist Local Planning Authorities complete an Employment Land Review. Employment Land Reviews can:

- Identify where demand and opportunities exist;
- Identify where existing employment land is no longer required;
- Establish property market profiles for Class B employment uses;
- Establish a quantitative site inventory; and
- Generate qualitative site appraisals.

3.1.50. Paragraph 5.42 advises that an Employment Land Review can provide a robust baseline assessment against which future forecasts can be made. The DPM advises that Local Planning Authorities should follow the approach set out in the Employment Land Review, proportionate to their local circumstances, to provide an economic baseline upon which future forecasts can be undertaken. In more rural areas it is envisaged that a light touch approach may be appropriate.

3.1.51. Table 13 further advises that the employment land review needs to include the identification of existing employment sites; identification of existing employment land/ jobs by use class, broken down into Standard Industrial Classification (SIC) code; job growth (if appropriate); forecast growth or decline in Class B and other employment land uses; and need for a buffer to act as a flexibility allowance.

3.1.52. In considering housing and economic need and supply, Table 13 advises that consideration is needed to be given to the following:

- Working age profile;
- Economically active;
- Migration rates;
- Age profile;
- National and regional economic growth strategies;
- Growth forecasts for non-Class B employment uses;
- Unemployment rates (comparison to local, national, and UK averages);
- Commuting patterns and rates;
- Levels of self-employment and home based working, plus potential trends;
- ‘Churn’ and replacement of existing employment units;
- Vacancy rates and surplus of sites/ premises by type and sector;
- Delivery of employment land/ take-up linked to past build rates – what is employment take up over different periods, e.g. 5, 10, 20 and 25 years?;

- Current and future demand for employment sites by type/ sectors including rural economic growth;
- Development on enterprise zones;
- Role and function – capacity (physical, social and environmental) at places to accommodate growth;
- Site availability and deliverability including phasing;
- Infrastructure capacity and costs;
- National environmental constraints (e.g. flooding, contamination and European designations);
- Developer type/ capacity/ potential to deliver growth levels;
- Access to markets and end users;
- Skill set of local workforce;
- Land values;
- Overage/ claw back clauses (e.g. payment of a financial sum upon commencement of development)
- Different demographic scenarios;
- Number and level of jobs proposed;
- Scale and location of new employment sites (key/ local) – B1, B2 and B8;
- Identification of Enterprise Zones;
- Safeguarding of key existing employment sites;
- Loss of employment land to alternative uses; and
- Relationship to housing growth.

3.1.53. With regards to economic forecasting, Paragraph 5.43 says that to understand the demand for the scale and type of employment growth over the plan period, Local Planning Authorities must undertake a more refined economic forecasting approach. This should comprise an analysis of job growth across different industrial sectors, broken down into the Standard SIC codes. The DPM says that various assumptions can be made regarding growth levels for each SIC code, taking into account national and regional factors. Future policy choices can also be factored in, such as the identification of a growth focus on specific sectors through the establishment of an Enterprise Zone or City Deal. This will generate a job growth figure for each SIC code, which can then be amalgamated into Class B uses and then land requirement in hectares.

3.1.54. Paragraph 5.44 notes that it is important to note that to achieve this outcome it will be necessary to have a thorough understanding of the baseline position. The Employment Land Review enables this to be achieved. It is recommended that an Employment Land Review is undertaken to facilitate this further modelling. Failure to understand the baseline position will not provide sufficient grounds on which to base any forecast.

3.1.55. Paragraph 5.45 states that economic forecasting will provide Local Planning Authorities with a job number which will include jobs beyond Class B land use, such as retail, education and health. It notes that it is important that the Employment Land Review specifies the Class B jobs, as this relates to the policies in the Plan.

3.1.56. Paragraph 5.46 states that once the numerical increase in job growth has been quantified by SIC code sector, this can then be translated in Class B growth requirements, B1, B2 and B8. Due to the different land-take ratios of jobs per m2 or hectare, using an appropriate conversion ratio between jobs and land-take for the different sectors will generate an overall land-take requirement for Class B employment, expressed in the plan.

3.1.57. Paragraph 5.47 states that the plan will be expected to express a land-take value (hectares) for Class B employment uses. It however notes that it would be prudent to add some degree of flexibility, a buffer to a land requirement value, as any forecasting is not an exact science. This aligns with the approach taken for housing. This will be for the Local Planning Authority to determine, reflecting on the nature of their administrative area and historic data, adapting the approach accordingly.

3.1.58. Paragraph 5.48 notes that a key point with this approach is the nature of the assumptions used in the forecast. Whether this is absolute economic growth levels, policy choices, constraints, national and/or regional influences, they should all generate different outcomes. This is the same principle when considering housing projections. A range of job numbers and subsequent land requirements will be dependent on these assumptions.

3.1.59. With regards to the link between economic and housing forecasts, Paragraph 5.49 states that Local Planning Authorities should not consider employment forecasts in isolation, but the relationship between economic and demographic/population projections. Demographic and population projections will be a key consideration in understanding the potential of a future population to accommodate economic growth options (and vice versa). Consideration will need to be given to what is the relationship between the number of jobs generated and the economically active element of the projected population? Will a population provide sufficient homes so as not to import labour and hence increase in-commuting? Is there sufficient employment land/jobs available for the projected increase in population?

3.1.60. Paragraph 5.50 states that the critical point is ensuring that both economic and housing growth are broadly aligned, accepting there is no direct mathematical relationship. Both forecasts and the scale of growth should be similar, supporting each other. The DPM notes that this is a symbiotic relationship; it is important to evidence how the assumptions underpinning forecasting for jobs and homes broadly align, to reduce the need for commuting.

3.1.61. Paragraphs 5.51 and 5.52 advise that the evidence base should consider a variety of options, based on a series of assumptions for both jobs and homes.

Different factors can be built into a forecast such as different SIC code growth levels for employment. Understanding the implications arising from different assumptions and the resulting alignment between jobs and homes is crucial.

3.1.62. Paragraph 5.53 states that the evidence should be clear and relate to the different growth scenario tested, with implications for the demographic profile and level of homes and jobs in the Plan explained.

3.1.63. Paragraph 5.54 states that Local Planning Authorities can chose to plan for a specific demographic, dwelling, job led strategy or alternatively a hybrid approach may be appropriate. The DPM notes that there may be commonalities between different scenarios in terms of the homes and jobs generated indicating more than one scenario, or a combination of several will deliver the LDP strategy. The evidence base should set out clearly why a growth level is preferred and demonstrate how it aligns with the evidence base and how it will deliver the key issues the plan is seeking to address, whilst minimising the need to commute.

3.1.64. The DPM warns that a significant misalignment between aspiration and delivery, the evidence and the level of growth proposed will have adverse consequences for a plan. The level of homes and jobs proposed should be set to deliver the Plan's vision, objectives and address the key issues.

3.1.65. Paragraphs 5.55-5.57 note that extrapolating forward past take-up rates for both jobs and homes over various time periods gives a factual representation of what has been delivered in the past noting that this approach can provide a useful benchmark against which to compare future employment and household growth, assuming previous conditions remained constant. This may however have been constrained by contextual influences applicable at a previous point in time, for example global economic markets, or have led to undesirable outcomes which should not be repeated, such as a mismatch between the number of homes and jobs. The DPM notes that it will be important to understand the relationship between the past and the future direction of the Plan, including such contextual circumstances. Understanding the context within which delivery was/ can be achieved will be important, particularly when considering a housing trajectory as this could influence the speed and increase delivery rates, or conversely result in a delivery cap until such matters are resolved. The DPM wards that just relying on past build rates as the sole evidence base to quantify future employment and housing land requirements is not sufficient on its own. Additional evidence will be required to identify the scale of new jobs and homes necessary and the related land required.

3.1.66. With regards to employment provision, Paragraph 5.75 states that the level of Class B employment provision (hectares) identified in the Plan is the employment requirement, including a buffer. Due to uncertainties in the economic climate and changing market demands it is essential that the Plan deals with unforeseen circumstances and provide flexibility and choice on a range of employment sites. The DPM notes that a strategy is unlikely to be effective if it cannot deal with changing circumstances. This means that a buffer should be embedded in the Plan.

Figure 4: Employment Provision Calculation

Employment Requirement (ha) + Buffer (ha) = Employment Provision (ha)

3.1.67. With regards to the buffer, Paragraph 5.76 says that Employment Land Reviews should calculate the buffer based on past build rates per annum and this is articulated through additional years supply. The DPM advises that the scale of the buffer set out in the Employment Land Review should be proportionate and relative to the requirement and degree of risk in delivering employment allocations. An oversupply of employment land above the provision can adversely impact on the development of employment allocations as it risks confusing the market, lowering land values, reinforcing vacancy rates and frustrating development for alternative uses. The DMP advises that the buffer should be realistic and the policy framework in the Plan should be clear on the employment provision. Policies should state that "Land is provided for xha of Class B employment land".

3.1.68. Table 22 details the following economic components:

- Employment allocations:
- Mixed-use allocations – Part of a wider mixed-use scheme including Class B uses. On mixed-use allocations, Placemaking principles and schematic frameworks should be embedded in the plan clearly identifying the type, scale (ha), location and phasing of the employment element.
- Phasing of key sites – Broad phasing of employment sites should be set out within the implementation and delivery appendix. SoCG can be advantageous.
- Enterprise Zones – Enterprise Zones (EZs) where designated, will contribute towards the employment provision
- ‘Rolling forward’ allocations - Before allocations in previous plans can be rolled forward they need to be evidenced they can be delivered. If not, they should be deallocated. However, they could be retained and allocated in the plan for aspirational or regeneration purposes, but they should not be relied upon numerically to count towards the provision.
- Ancillary Uses – Ancillary services and facilities can support the wider role and function of allocated and safeguarded employment sites. Plan policies should enable the development of ancillary services, providing they do not undermine the integrity of the employment site. They should be ancillary, not dominate.
- Waste Uses - General employment allocations and safeguarded sites (Class B2) are suitable locations for waste facilities, provided there are no flood risk issues with specific types of waste processing, i.e. waste food (see Technical Advice Note 15 ‘Development and Flood Risk’). Preferred sites for waste uses should be clearly identified in policy.
- Safeguarded employment sites:

- Employment Land Reviews identify existing Class B employment sites for retention for employment use. Sites should be listed in a separate safeguarding policy and spatially identified on the Proposals Map.
- Safeguarded sites should maintain the site as a key employment and economic driver in the area. They should be protected for a range of Class B uses.
- Loss of employment land/ premises to alternative uses:
- Plans should include a criteria based policy to control a specified range of alternative, non-Class B uses on employment sites.
- The loss of existing employment sites and premises should be subject to stringent policy criteria as proposals are likely to come forward on land utilised by older and more traditional employment industries with lower land values. In some instances, this land will be important to maintain for smaller firms and new incubator units setting up in an area.
- A key consideration in policy criteria should include evidence on the marketing of existing employment land and premises, including robust evidence on the length of the marketing period, the range of methods employed and any responses received.

Technical Advice Note 23 ‘Economic Development’

3.1.69. Technical Advice Note 23 (TAN 23) Economic Development (2014) provides additional guidance to the then PPW and was devised prior to the WG Practice Guidance and DPM.

3.1.70. The guidance notes in Paragraph 1.2.1 that the economic benefits associated with development may be geographically spread out far beyond the area where the development is located. As a consequence, it is essential that the planning system recognizes, and gives due weight to, the economic benefits associated with new development.

3.1.71. Paragraph 1.2.3 notes that market failures can result in situations where market forces undermine environmental and social objectives to an unacceptable degree and advises that the planning system should work to correct or mitigate these failures. Paragraph 1.2.4 further notes that such instances can be widespread and among other things, planning should guide development so that it benefits disadvantaged communities, concentrates people-intensive activities in town centres and aligns jobs with housing and infrastructure. Market forces on their own do not necessarily deliver these sustainable objectives.

3.1.72. Paragraph 1.2.5 states that local planning authorities should recognise market signals and have regard to the need to guide economic development to the most appropriate locations, rather than prevent or discourage development. Paragraph 1.2.6 advises that in line with these principles, there will be instances where the planning system may not provide the land the market demands, and in the places where the market demands it. Some proposed developments or sites may be resisted by planning authorities – for example because they would have unacceptable environmental impacts, divert demand from town centres or would go against agreed spatial strategies. In these circumstances, so far as possible planning authorities (and planning applicants) are encouraged to look for alternative sites which offer the same, or very similar, advantages.

3.1.73. When identifying land for economic uses in development plans, Paragraph 1.2.7 states that local authorities should apply the principal of a sequential test. Local planning authorities should apply judgement depending on the nature of the economic use and its applicability to a particular location. They should give first preference to sites within the boundaries of settlements (including planned new settlements and urban extensions). As a second preference, they should consider edge-of-settlement sites. As a third preference, they should consider identifying land in the open countryside. Land may be identified in less preferable locations if the resulting benefits outweigh any adverse impacts of the development. In assessing these benefits, authorities should have regard to the considerations such as jobs accommodated, alternatives, and special merit. If land supply within settlements is already sufficient to meet demand, then generally it will be wrong to identify sites in the countryside. However, if developments in sequentially inferior locations deliver additional economic benefits, then these need to be factored into the decision-making process and could result in allocations which do not conform to the sequential assessment. Any alternatives considered need not be in the same local authority area.

3.1.74. With regards to larger than local planning, Paragraph 1.3.1 advises that market forces do not respect local authority boundaries and the planning system should steer development to the most efficient and sustainable locations. This means that strategic planning, larger than individual local planning authorities, for economic development is essential. It is for individual local authorities, in the first instance, to identify the most appropriate strategic affiliation and groupings, and functional economic areas such as Travel to Work Areas or Housing Market Areas, and to develop a common evidence base for these areas. Authorities are expected to share skills or pool resources to gain efficiencies when developing evidence bases. Paragraph 1.3.2 continues saying that local planning authorities are encouraged, therefore, to work jointly in regional groups, which ideally already exist, to prepare regional economy evidence bases, including an analysis of the dynamics of the regional commercial and industrial property market, followed by an economic strategy. It would be appropriate that the strategies include a modelling of future economic scenarios based upon an extrapolation of past trends and a stock-take of current economic assets, including output and employment by sector. Furthermore Paragraph 1.3.3 advises that strategies should focus on identifying strategic sites of national and regional importance. They should also provide agreed land provision targets for the B-class uses, showing how development is to be distributed across local authority areas in LDPs.

3.1.75. With regards to weighing economic benefit, Paragraph 2.1.1 notes that it should not be assumed that economic objectives are necessarily in conflict with social and environmental objectives. Often these different dimensions point in the same direction. Planning should positively and imaginatively seek such ‘win-win’ outcomes, where development contributes to all dimensions of sustainability. Where economic development would cause environmental or social harm which cannot be fully mitigated, Paragraph 2.1.2 advises that careful consideration of the economic benefits will be necessary. There will of course be occasions when social and environmental considerations will outweigh economic benefit. The decision in each case will depend on the specific circumstances and the planning authority’s priorities. Paragraph 2.1.3 states that where a proposed development would cause unacceptable environmental or social harm, demand should be steered to an alternative location, unless the harm is outweighed by the additional benefit of development at the original site in question. Such alternative locations will not necessarily be in the same local authority area. The TAN does not override any environmental legislative requirements that may apply to a particular site.

3.1.76. With regards to quantifying the economic impact, Paragraph 2.1.4 notes that it is recognized that quantifying the economic impacts is not always straight forward. To assess these benefits and weigh them against any social or environmental damage that development may cause, local planning authorities should use a qualitative, criteria-based approach. Paragraph 2.1.5 states that local planning authorities should ask the following three questions to help clarify and balance the economic, social and environmental issues. Paragraph 2.1.14 advises that planning authorities should use the criteria comparatively, they should assess the additional benefits of development at the subject site (if any) against those of meeting demand in locations where the development would cause no harm (if any).

- Alternatives: If the land is not made available (the site is not allocated), is it likely that the demand could be met on a site where development would cause less harm, and if so, where?

- Jobs accommodated: How many direct jobs will be based at the site?

- Special merit: Would development make any special contribution to policy objectives?

3.1.77. With regards to strong rural economies, Section 3.1 advises that sustainable development is essential to building strong rural economies and vibrant communities. In rural areas local planning authorities should use a sequential approach when identifying land for economic uses in development plans. Less preferable locations may also be appropriate where the resulting benefits outweigh any adverse impacts of the development. In judging these benefits, authorities should have regard to the considerations above. Paragraph 3.1.4 advises that planning authorities should use these criteria comparatively. They should assess the additional benefits of development at the subject site against those of meeting demand in a sequentially preferable location. Paragraph 3.1.5 furthers this stating that development plans should include criteria-based policies to assess applications for proposed developments on land not allocated in the plan. Such policies are needed everywhere, in both urban and rural areas. But they will be especially important in rural areas, where sites are generally smaller and market requirements more often specialised. Paragraph 3.1.6 advises that allocated sites should be given priority, but development on unallocated sites could be permitted if the resulting benefits outweigh any adverse impacts of the development. Proposals on land not identified in the plan will often come from established businesses wishing to expand or modernise. Such individual businesses are unlikely to submit candidate sites when development plans are being prepared, because few can foresee their land needs years in advance and few are familiar with the planning system. If the planning system prevents such firms from expanding or modernising in situ, significant economic benefits may be foregone. Development on land not allocated in the development plan should, however, only be permitted in exceptional circumstances and must be fully justified.

3.1.78. With regards to the re-use and adaptation of existing rural buildings, Paragraph 3.2.1 advises that the re-use and adaptation of existing rural buildings has an important role in meeting the needs of rural areas for commercial and industrial development. Subject to site specific considerations, the guidance states that local planning authorities are expected to adopt a positive approach to the conversion of rural buildings for business re-use, especially those buildings located within or adjoining farm building complexes. With regards to the conversion of former industrial or commercial buildings in rural areas to residential accommodation will be resisted unless statements have been provided to demonstrate that every reasonable attempt to secure suitable business re-use, it is a subordinate part of a scheme for business re-use, or the resulting housing will contribute towards an identified need for affordable housing.

3.1.79. Section 4.1 states that development plans must be informed by robust evidence and that a range of stakeholders should be engaged in the preparation of the employment evidence base. Section 4.2 advises that because economic issues are generally larger than a local authority level, evidence is appropriately collected at both a regional and local scale:

- At a regional scale the aim of the study is to develop a broad overview of the whole economy to inform the development plan's economic vision and policies on aggregate numbers and strategic sites for B class uses. The study should consider individual local planning authorities' position in the region and nationally and also include high level data on non-B class uses falling within other employment categories to ensure a picture of the whole economy is presented. This element of the study will require collaboration with other planning authorities within the agreed regional grouping.

- At a local authority scale the study should be used to inform the development of finer grained policies and development management decisions. Its primary focus will be on B use classes although it may also include reference to non-B use classes. The evidence base should include an Employment Land Review which may also be prepared in collaboration with other planning authorities.

3.1.80. <u>Section 4.3</u> states that in producing LDPs, planning authorities are expected to develop a broad vision for their Plan which must be consistent and coherent so that the economic, social and environmental considerations support each other and point in the same direction. The economic vision must therefore be consistent with other aspects of the LDP such as housing. The guidance notes that an economic vision is part of the LDP vision; it is not separate to it. The vision should also be consistent with the aims of other local authority strategies.

3.1.81. With regards to economic scenarios, <u>Section 4.4</u> states that as part of the preparation of the RLDP, planning authorities should prepare a number of possible future economic scenarios with plans developed in a way which ensures they are robust across the more likely scenarios and contain the flexibilities necessary to adjust to changing circumstances. The starting point for scenarios would normally be past trends at a regional level. Such scenarios could be adjusted to reflect different policy or demographic assumptions.

3.1.82. With regards to employment land provision, <u>Section 4.5</u> advises that LDP employment land targets should aim to ensure that planning meets the demand for land, so that economic growth is not constrained by lack of land. However, demand does not have to be met in the local planning authority area in which it arises. Much of the demand for employment land is footloose across administrative boundaries. Authorities should work together to steer development to the locations which are the most sustainable and efficient. Therefore, demand which cannot be met sustainably in the area where it arises should be met in neighbouring areas, and planning authorities should work together to accommodate demand which is not tied to particular areas.

3.1.83. <u>Paragraph 4.5.2</u> advises that land provision targets may be higher than anticipated demand, to allow for the chance that the assessments are too low and to ensure that no opportunities are missed. They should also allow for flexibility, competition and choice. However, persistent oversupply of employment land may cause harm where the planned land supply exceeds demand, so that allocated employment sites remain vacant for long periods and frustrate development for other land uses. Paragraph 4.5.3 states that in setting targets and in considering specific sites, planning authorities should assess the likelihood of these adverse effects and balance them against the economic benefits of identifying employment land. Paragraph 4.5.4 advises that in some cases, the benefits of supplying additional land may be outweighed by the disadvantages. For example, some authorities may have large historical allocations which are in sustainable locations and already supported by infrastructure but not in demand for other uses. There may be a reasonable chance of such sites generating major economic benefits, for example by attracting large-scale inward investment. It may be advisable to retain them, perhaps unless and until they are needed for an alternative use, such as housing. Paragraph 4.5.5 advises that the qualitative features of sites identified for employment should match current and future market requirements. Sites that do not have a reasonable prospect of being taken up for an employment use should not be identified for such use. Paragraph 4.5.6 expects that where sites identified for employment have no reasonable prospect of being used or re-used, the expectation is that they should be re-allocated or de-allocated.

3.1.84. In terms of existing employment sites, Paragraph 4.6.7 advises that certain industrial and related uses may conflict with other uses, especially housing. To operate effectively, these activities usually need dedicated industrial areas, where they can be confident that they will not be a bad neighbour to anyone. In managing the retention and release of existing employment sites authorities should aim to ensure that the integrity of remaining employment sites is not compromised.

3.1.85. Paragraph 4.6.8 notes that the traditional employment uses tend to generate lower land values than many other land uses, especially housing and retail, consequently, any land lost to these uses is generally difficult to replace. Planning authorities should avoid releasing for other uses sites where there is strong evidence of likely future need for B1-B8. In some areas, older, lower-cost employment areas may be required, especially for small and new firms who cannot afford newer and more prestigious accommodation. The loss of such areas may cause harm to local economies and should be avoided.

3.1.86. Paragraph 4.6.9 advises that existing employment sites should only be released for other uses if one or more of the following apply:

- They have poor prospects of being re-occupied for their previous use;
- The particular market that the site is part of is oversupplied;
- The existing employment use has unacceptable adverse impacts on amenity or the environment;
- The proposed redevelopment does not compromise unduly neighbouring employment sites that are to be retained;
- Other priorities, such as housing need, override more narrowly focused economic considerations; and/or
- Land of equal or better quality is made available elsewhere, even if this is not within the local planning authority boundary.

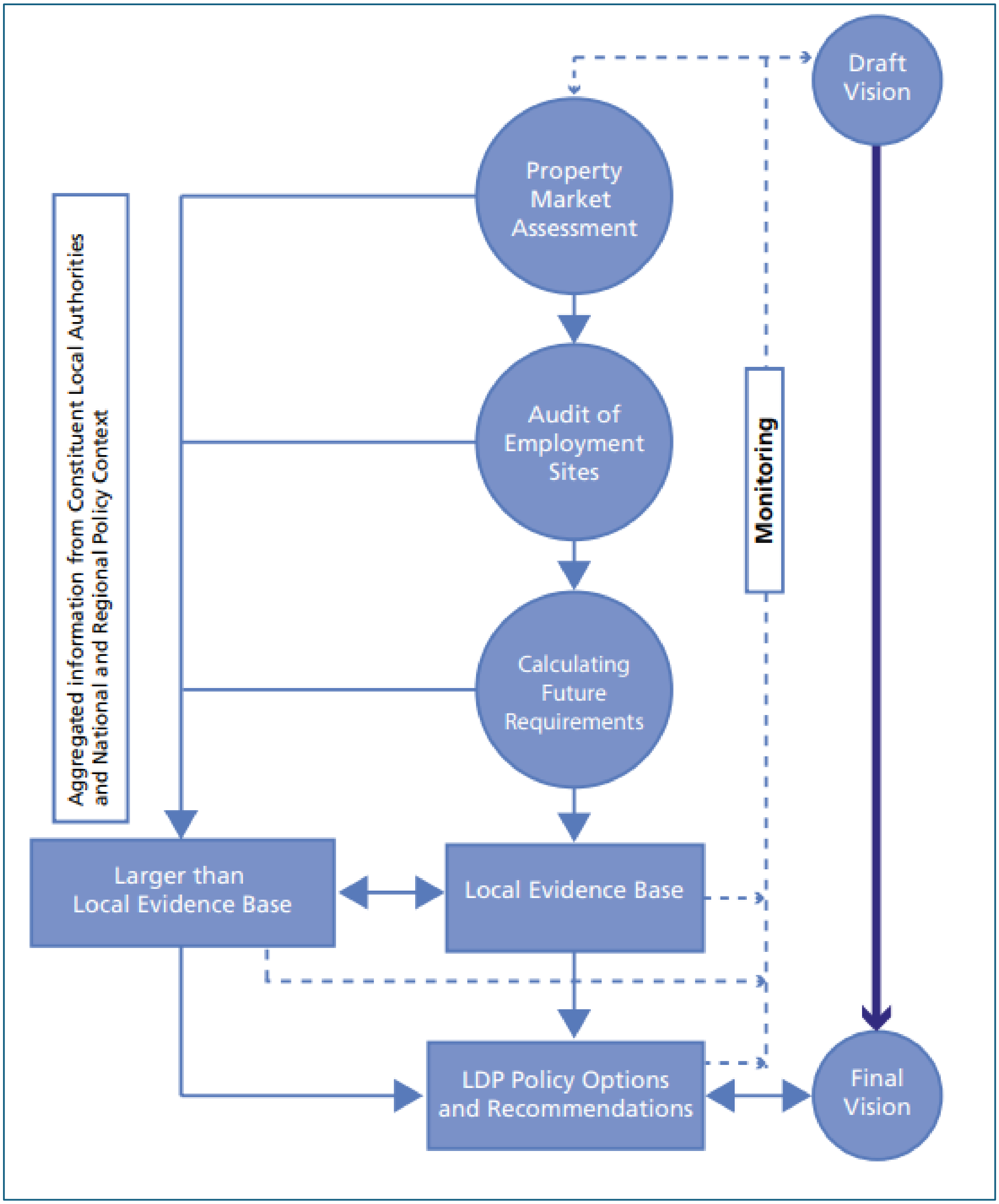
3.1.87. Paragraph 4.7.1 notes that in order to incorporate flexibility to respond to unexpected change or to deal with development not specifically allocated, development plans need to include criteria-based policies outlining how an authority would respond to unexpected proposals. It advises that the requirement for such policies is important to allow for flexibility, and is therefore a significant aspect which LDPs should address.

Practice Guidance – Building an Economic Development Evidence Base to Support a Local Development Plan (2015)

3.1.88. The WG guidance (2015) provides step by step advice for Local Planning Authorities on how to build an evidence-base to support LDP employment land strategies and policies.

3.1.89. The Diagram below outlines the different stages of preparing an Employment Land Review and detailed guidance is provided on each step.

Figure 5: Employment Evidence Base Flow Diagram



3.1.90. The Council has followed this Methodology in preparing the Methodology for this Employment Land Review, they have therefore not been repeated in this section as are already detailed in Chapter 2.

Local Guidance

Neath Port Talbot Public Services Board Well-being Plan (2018-2023) 'The Neath Port Talbot We Want'

3.1.91. The NPT Public Service Board (PSB) Well-being Plan sets out the PSB's long term vision for NPT. The Plan sets out the following six objectives to improve the well-being of people in Neath Port Talbot and identifies priorities for action:

- Support children in their early years, especially children at risk of adverse childhood experiences;
- Create safe, confident and resilient communities, focusing on vulnerable people;
- Put more life into our later years - ageing well;
- Promote well-being through work and in the workplace;
- Value our green infrastructure and the contribution it makes to our well-being (cross-cutting); and
- Tackle digital exclusion (cross-cutting)

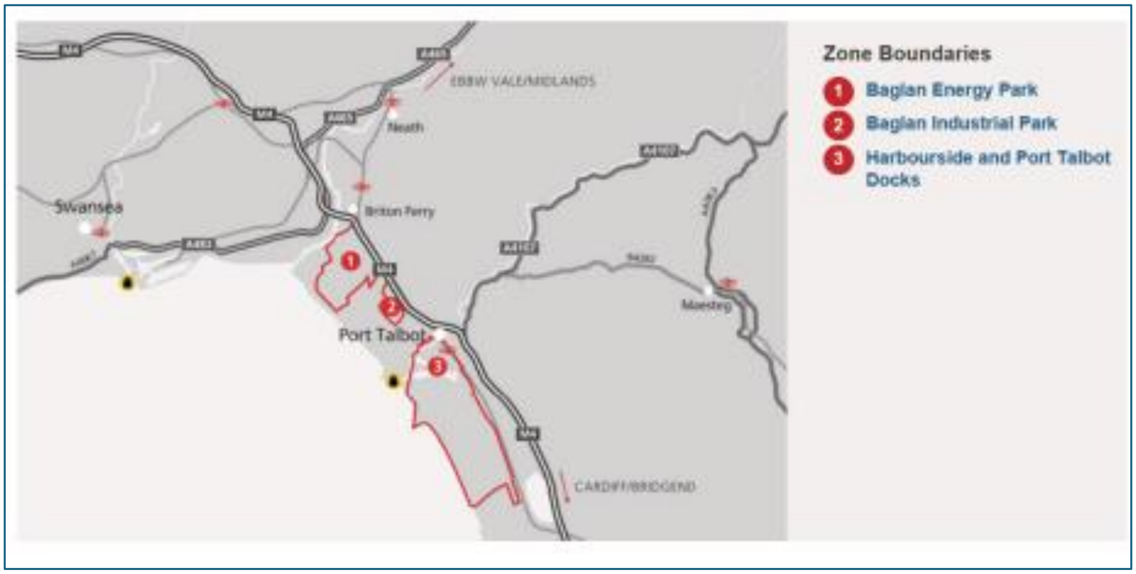
Port Talbot Waterfront Enterprise Zone (2016)

3.1.92. -In March 2016, WG confirmed that Port Talbot Waterfront would receive Enterprise Zone status. Its unique combination of factors in terms of location, infrastructure and its connectivity to the knowledge economy has attracted some of the UK's top manufacturers, including TATA Steel, BOC, SPECIFIC, TWI and ThyssenKrupp.

3.1.93. The area covered by the designation includes: Harbourside, Port Talbot Docks, Baglan Energy Park and Baglan Industrial Estate. There is now a firm focus on continuing to develop cutting-edge, world-class industries in sectors such as Advanced Materials and Manufacturing, Construction and Green Energy. Businesses moving to the area will profit from the inherent strengths and the existing growth potential of the region, and the momentum of the Economic

Regeneration Strategy of Swansea Bay City Region which is a catalyst to improving the prospects of communities, businesses and the economy.

Figure 6: Port Talbot Enterprise Zone



Prosperity for All: The National Strategy

3.1.94. WG ‘Prosperity for All: The National Strategy’ (2017) takes the commitments of their 5 year program for Government, 'Taking Wales Forward: 2016-2021', and places them in a long-term context, setting out how they will be delivered by bringing together the efforts of the whole Welsh public sector. The four key Themes of the strategy are: 'Prosperous & Secure'; 'Healthy & Active'; 'Ambitious & Learning'; and 'United & Connected'.

Valleys Task Force: Our Valleys, Our Future

3.1.95. WG ‘Valleys Task Force: Our Valleys, Our Future’ (2017) – this Ministerial Taskforce for the South Wales Valleys published a high-level action plan outlining priorities for the future of the Valleys. The key themes/priorities in the Plan include good quality jobs and the skills to do them; better public services; and my local community. Associated Delivery Plans subsequently outline a range of actions linked to each priority and include the creation of new, fair, secure and sustainable jobs.

3.1.96. Notably, Neath has been identified as one of seven strategic hubs where public money is to be focused to provide opportunities for the private sector to invest and create new jobs. The focus of each hub reflects the opportunities and demand in the particular area along with the aspirations for the future - the Neath hub will focus on industrial, residential, digital and energy related development.

Future Trends Report

3.1.97. WG 'Future Trends' Report (2017) - this report identifies key future social, economic, environmental and cultural future trends for Wales under six themes. Whilst identifying future trends, it is hoped it will help change the way authorities think about decision making and long-term planning. The report is an attempt to take a wider and longer view, bringing trends together and examining the interactions and inter dependencies between them.

Neath Port Talbot Corporate Plan

3.1.98. In 2022, the Council approved a new Corporate Plan, 'Recover, Reset, Renew'. This replaced the previous 'Shaping NPT' Corporate Plan (2019-2022). The new Corporate Plan contains four themes within a 'Strategic Change Program', which includes a focus on 'Jobs and Skills', with the aim of "creating the conditions for more secure, well paid and green work in the area" (pp.45).

3.1.99. Among other priority actions, the Corporate Plan seeks to progress this theme through expanding the availability of sites and premises for business and targeting businesses looking to expand in the decarbonisation and renewable energy sectors.

Neath Port Talbot Economic Recovery Plan

3.1.100. Alongside the Corporate Plan, in 2022, the Council also published an Economic Recovery Plan. This seeks to build on the recovery from the Covid-19 pandemic to "grow our business community, support sustained employment and progression in work, and increase productivity and pay over the long term".

3.1.101. The Plan notes the strength of the existing industrial base and the potential for leadership in the transition to a low carbon economy, and highlights the scale and employment potential of NPT's major sites. The Plan aims to "create the conditions for practical, meaningful and relatable [employment] opportunities", and contains four key action areas, which include developing an "entrepreneurial and resilient economy" and supporting "transformational investment and change" at NPT's key development locations. The Economic Recovery Plan also highlights the need to promote economic opportunity throughout NPT, including within the Valleys.

Swansea Bay City Region and Deal

3.1.102. Although formally launched in 2013, the City Deal was signed in March 2017. The City Deal comprises the local authorities of NPT, Swansea, Carmarthenshire and Pembrokeshire, together with Abertawe Bro Morgannwg and Hywel Dda University Health Boards, Swansea University, the University of Wales Trinity St David and private sector companies.

3.1.103. The City Deal Investment Program is intended to transform the regional economy, establish and maintain an effective and aligned skills base, create, prove and commercialise new technologies and ideas, and be a recognised regional centre of excellence in the application of digital technologies, life science and well-being, energy and advanced manufacturing.

3.1.104. NPT benefits from the £1.3 billion Swansea Bay City Deal, which is supporting economic growth in South West Wales through investment in nine 'transformational' projects. Of particular relevance to NPT is the 'Supporting Innovation and Low Carbon Growth' project, which has supported the delivery of Swansea Bay Technology Centre at Baglan, and which include further investment in research and development, decarbonisation and business space at Port Talbot Harbourside.

3.1.105. This Council is the lead authority on the following three City Deal projects:

- Homes as Power Stations;
- Swansea Bay Technology Centre; and

- Centre of Excellence for Next Generation Services (CENGS) - located within the Swansea Bay Technology Centre.

South West Wales Regional Economic Delivery Plan

3.1.106. Building on the City Deal, partners in South West Wales (including NPTC) approved a new South West Wales Regional Economic Delivery Plan (REDP) in early 2022. The REDP sets out three ‘missions’ to guide regional strategy, focused on “becoming a UK leader in renewable energy and the net zero economy” (including through the exploitation of NPT’s energy generation and industrial decarbonisation opportunities); “building a strong, resilient and embedded business base” and “growing and sustaining the South West Wales experience offer”, including the opportunities presented by the visitor economy.

Prosperity for All: A Low Carbon Wales

3.1.107. The WG’s Prosperity for All: A Low Carbon Wales (2019) sets out the WG’s approach cut emissions and increase efficiency in a way that maximises wider benefits for Wales, ensuring a fairer and healthier society. It sets out policies and proposals that are intended to reduce emissions and support the growth of the low carbon economy.

South Wales Industrial Cluster

3.1.108. The South Wales Industrial Cluster (SWIC) program, formed in 2019 with support from UK Research and Innovation to help plan a route to net zero for South Wales’ substantial industrial and energy base.

3.1.109. SWIC incorporates two programs, focused on deployment (specific projects that will reduce emissions) and cluster development (feasibility studies to support the development of a lower-carbon, circular economy).

3.1.110. Key partners include several businesses with a substantial presence in NPT, including Associated British Ports (ABP), Tata Steel and the carbon recycling and sustainable fuels company Lanzatech.

Decarbonisation and Renewable Energy Strategy

3.1.111. NPT's Decarbonisation and Renewable Energy (DARE) Strategy, adopted by the Council in 2020. As well as setting out the Council's direct role in reducing carbon emissions (through investment in the building stock, transport fleet, etc.), the DARE Strategy highlights the opportunities associated with the adoption of low carbon technologies by industry and the potential for NPT to play a leading role. For example, the delivery of the FLEXIS project in Port Talbot has also delivered a demonstrator project in Port Talbot, linked with the town's combination of energy generation potential, industry and residential demand.

South West Wales Energy Strategy

3.1.112. Opportunities associated low carbon energy set out in greater detail in the South West Wales Energy Strategy, prepared in 2021, which presents the net job opportunities that could be supported through a shift in the energy mix.

Freeport

3.1.113. In 2023, the UK and WG announced the designation of a Celtic Freeport. Focused on sites in Pembrokeshire and NPT, the Celtic Freeport is intended to create a "green investment and innovation corridor".

3.1.114. Key opportunities associated with the Freeport include:

- Floating Offshore Wind (FLOW)**:** The UK Government is committed to developing 50GW of offshore wind by 2030, including up to 5GW of FLOW. Plans are well advanced for the first three commercial FLOW farms in the Celtic Sea (with a combined capacity of up to 4.5GW). The UK Government has also announced the intention to unlock additional capacity, which will bring the Celtic Sea FLOW pipeline to around 16GW by the end of the 2030s.

- The UK Government seeks to ensure 60% UK content in offshore wind infrastructure. In that context, the Offshore Renewable Energy Catapult concluded that Port Talbot, with its proximity to large steelmaking facilities and waterside laydown space, is the "optimal Welsh port for floating substructure production” and turbine manufacturing. To deliver this, the opportunity associated with the Freeport includes the development of a FLOW and alternative fuels manufacturing hub at Port Talbot. These proposals are also closely aligned with ABP’s Future Ports Vision, which sets out an ambition to develop the Port at Port Talbot to support “low carbon, port-centric manufacturing facilities”, and the development of the renewable energy industry

- Hydrogen: The Celtic Freeport has the potential to generate around a quarter of the UK’s hydrogen production by 2030, serving local industrial and transport demand as well as potential export markets. In NPT, the key opportunity is in building on existing R&D assets, such as the University of South Wales’ Hydrogen Centre at Baglan and the FLEXIS demonstrator project in Port Talbot. Wales and West Utilities also has plans for a major hydrogen pipeline, ‘Hy-Line Cymru’ which will connect production sites with industrial demand across South Wales.
- Carbon capture and storage, recognising the carbon intensity of much of South Wales’ industrial production and contributing to SWIC’s industrial decarbonisation goals.
- Innovative fuels**:** The key opportunity is the potential to develop sustainable aviation fuels, linked with Lanzatech at Port Talbot.

3.1.115. Across all these technologies, there is an emphasis on attracting investment in research and development, advanced manufacturing and innovation.

3.1.116. Within NPT, key areas of focus include the development of Baglan Energy Park (including Swansea Bay Technology Centre and Baglan Bay Innovation Centre) and investment in SWITCH, a purpose-built facility at Harbourside to support the decarbonisation of the steel and metals industries.

3.1.117. Reflecting the fact that whilst these opportunities are significant, some of them are at a relatively early stage of development and will require public support as well as commercial investment to bring them forward – especially in an internationally competitive environment. The Freeport comprises a series of ‘tax sites’ to attract private investment and move near-market propositions to viability, alongside seed capital to address early infrastructure needs and investment in workforce skills. These have not yet been determined.

3.1.118. As part of the Freeport, an Outline Business Case has had to be prepared, followed by a Full Business Case. The Outline Business Case suggests that the development anticipates 1,215 net direct jobs on site, in addition to 3,327 indirect and induced jobs, with the assumption that delivery will take place within 10 years. Beyond the current business case, the Outline Business Case quotes an additional 4,274 additional jobs through potential investments/ activities. These are dependent on future decisions and based on broader assumptions.

Local Economic Action Plan

3.1.119. £100 million has been made available to the Transition Board to mitigate the impacts of the job losses at Tata. This is funded with £80 million from the UK Government and £20 million from TSUK.

3.1.120. A Local Economic Action Plan (LEAP) has been developed to guide the transition fund investment. In the first instance, the priority within the LEAP is support for affected employees to find alternative employment, as well as support for businesses in the supply chain. However, the Transition Board also acknowledges the importance of longer-term, regeneration, including efforts to attract new economic activity by bringing forward new sites and premises, supporting new investors, and so on [NPT (April 2024), Statement on behalf of the Tata Steel/ Port Talbot Transition Board].

3.1.121. Looking to the longer term, the draft LEAP sets out a vision in which “NPT and surrounding areas are transformed into a leading zero carbon, circular manufacturing, and innovation cluster supported by the access to low cost, sustainable energy sources that the area is expected to enjoy”. This strongly aligns with the broader economic narrative outlined in the suite of strategies outlined above and the emphasis within them on long-term decarbonisation.

Destination Management Plan

3.1.122. Reflecting the accommodation and food service sector has seen strong employment growth in recent years. Supported by the quality of NPT's natural and historic environment, the growing demand for active leisure (itself strongly promoted as part of Wales' visitor economy offer) and proximity to transport connections, there are opportunities for investment in the visitor economy.

3.1.123. In 2023, therefore, the Council adopted a new 'Destination Management Plan' (2023-2028) which highlights:

- Development of the Wildfox Adventure Resort in the Afan Valley. This is a commercially led proposal, incorporating leisure, lodges, hotel and a food and beverage offer, which the promoters anticipate will create around 1,000 jobs in the operational phase.
- The Vale of Neath Heritage Corridor Framework, which includes a Waterfall Country Gateway Visitor Infrastructure scheme at Pontneddfechan and enhancement to the visitor experience at Gnoll Estate Country Park, for which UK Government Levelling Up Funding has been secured.
- The future development of Afan Forest Park.
- Further investment at Aberavon Seafront.
- Further investment at Margam Castle and Country Park.

3.2. Step 2: Review of Employment Policies and Identification of Key Issues

Annual Monitoring Report

3.2.1. The Council is required to produce an Annual Monitoring Report (AMR) to identify whether there are any policies that are not being implemented in the anticipated manner. It provides an assessment of whether the underlying LDP strategy remains sound, the impact of policies at the local and wider level and whether policies and related targets have been met or progress is being made towards them.

3.2.2. 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

3.2.3. The findings of the indicators are reported in the Review Report, so have not been produced in this section to avoid duplication.

Review Report

3.2.4. In accordance with the Planning and Compulsory Purchase Act 2004, the Council is required to review the LDP after four years and in accordance with this the starting point is the preparation of the Review Report. 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 finalization.

3.2.5. 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 1: 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.

3.2.6. 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).

3.2.7. 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.

3.2.8. 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.

3.2.9. 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.

3.2.10. 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.

3.2.11. 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.

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

Table 2: Review Report Findings

Policy Ref	Title	Overview
SP11	**Employment Growth**	Policy will be reviewed in line with updated economic assessment to ensure the policy reflects the plans 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 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 function effectively. Following comments from 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 function 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.

4. Property Market Assessment

4.0.1. In line with the Methodology detailed in Chapter 2, this Chapter provides an overview of the commercial property market for NPT to inform the Employment Land Review and future demand for employment space.

4.0.2. In line with the Methodology and WG Practice Guidance, the Council has:

- Step 1: Identified where demand and opportunities exist for development
- Step 2: Identified where existing employment land is no longer in demand; and
- Step 3: Established property market profiles for offices, industry and warehousing.

4.0.3. In line with the Methodology and WG Practice Guidance, the Council has engaged with a range of stakeholders including businesses, Regeneration and Economic Development teams, and Estates teams, and drawn upon the findings of the Housing and Economic Growth Assessment which Turleys, Edge and SQW undertook to inform the RLDP evidence base.

4.1. Step 1: Demand and Opportunities for Development

4.1.1. In order to understand the demand and opportunities for development in NPT, it is important to:

a) Understand the location of the Authority;

b) Understand the economic relationships the authority has with neighbouring authorities;

c) Have an overview of the local economy; and

d) Understand the economic profile of the Authority

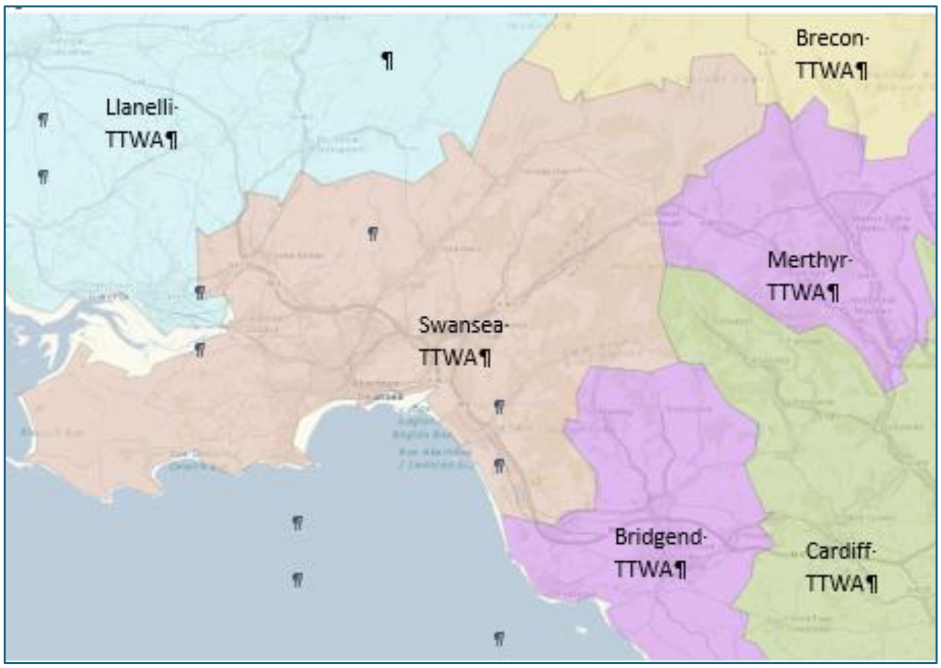
A. Location of the Authority

4.1.2. NPT is located at the centre of the South Wales economy. It benefits from direct access via the M4 to Swansea and West Wales, Cardiff, London and the South

East of England. Furthermore, the A465 (T) provides direct access to the Heads of the Valleys with linkages to the West Midlands.

4.1.3. The County Borough forms part of the large Swansea Travel to Work Area (TTWA) which adjoins the Bridgend, Cardiff and Merthyr TTWAs in the east; Llanelli TTWA in the west; and the Brecon TTWA to the north.

Figure 7: Travel to Work Area

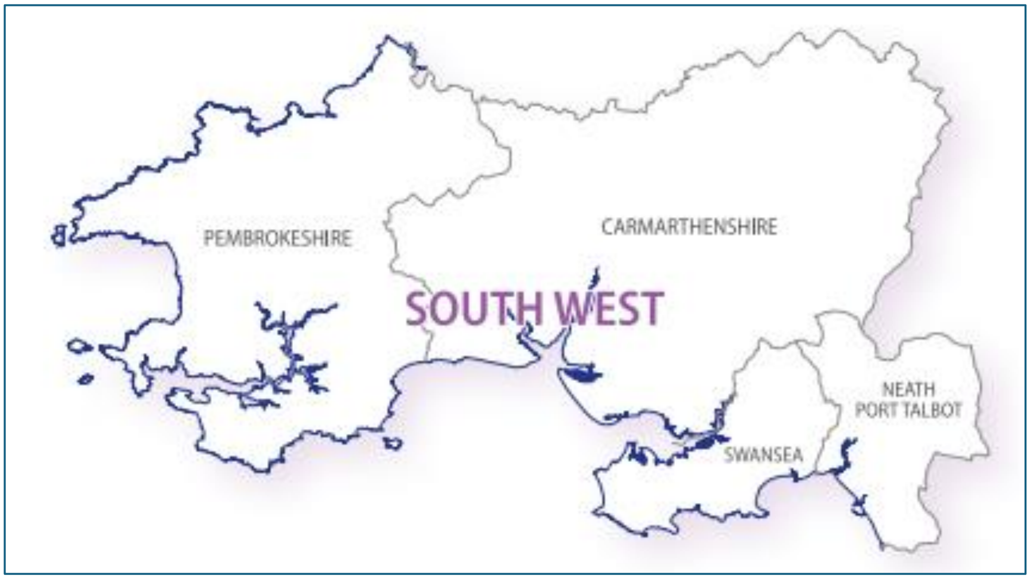


Source 2: Office for National Statistics (2020)

4.1.4. NPT forms part of the Swansea Bay City Region and City Deal with Carmarthenshire, the City and County of Swansea and Pembrokeshire County Councils, Abertawe Bro Morganwg and Hywel Dda University Health Boards, Swansea University, the University of Wales Trinity Saint David and private sector companies.

4.1.5. NPT also forms part of the South West Wales planning region, as identified in Future Wales, with Swansea, Pembrokeshire, Carmarthenshire, parts of the Brecon Beacons National Park, and Pembrokeshire Coast National Park.

Figure 8: South West Wales



Source 3: Future Wales (2021)

4.1.6. The County Borough is located on the coast between the City and County of Swansea to the west and the County Borough of Bridgend to the east. NPT also shares boundaries with Carmarthenshire, Powys, Rhondda Cynon Taf and the Brecon Beacons National Park.

Figure 9: Spatial Context of NPT

Source 4: NPT LDP (2011-2026)

B. Economic Relationships with Neighbouring Authorities

4.1.7. Whilst not a requirement of the WG guidance, as part of the Housing and Growth Assessment, Turleys assessed the Functional Economic Market Area (FEMA) for NPT. This was undertaken in order to consider the functional relationships between NPT and the other authorities within the South West Wales geography, as well as other proximate and adjacent authorities within the Plan making context. Turleys looked at the study area in its wider strategic/ policy context and then functional linkages including commuting, travel to work areas, migration, house prices and flows of goods, services, information and retail and consumer catchments. They then used this analysis to conclude on the extent to which NPT represents a distinct and self-contained functional economic market area geography. This was considered to be important in providing spatial context to the scenarios of growth which have an impact on the adjoining authorities with the strongest evidenced relationships.

4.1.8. Turleys concluded that it was reasonable to suggest that in determining a FEMA for NPT, NPT and Swansea could be broadly considered collectively. They however noted that each area does though still offer the opportunity for residents to live and work within their boundaries, with 69% of the working population of NPT either working from home or traveling to a workplace in the County Borough.

4.1.9. Beyond the relationships recognised specifically with Swansea, in particular in terms of commuting, Turleys also noted that the analysis also showed other important functional relationships. Showing a relationship with Bridgend for example, even if this is weaker than the one that exists with Swansea, no doubt reflecting the connections created by the M4, as well as with Carmarthenshire which – unlike Bridgend – forms part of the established geography of South West Wales. Over twice as many people commuted to NPT from Bridgend than from Carmarthenshire, the next largest of the South West Wales authorities, and the same was found to be true of the outflow from NPT. With regards to Pembrokeshire, the other authority in South West Wales planning region, the report noted that the evidence suggested that the relationship with NPT was weaker at present, albeit noting that there is potential for this to change in the future with the development of the Freeport across the ports of Milford Haven and Port Talbot.

C. Overview of Local Economy

4.1.10. Within the County Borough there are three towns: Neath, Port Talbot and Pontardawe. The current LDP designates 19 existing employment areas (LDP Policy EC2 'Existing Employment Areas')

4.1.11. NPT has a distinctive economic profile, reflecting its substantial industrial base. Historically, the County Borough was a leading industrial centre, built initially around coal and steel, and later petrochemicals and general manufacturing. It remains an important industrial location, especially for metals and high energy uses. Key assets include the UK's largest steel production complex at Port Talbot, extensive industrial development along the M4 Corridor, and opportunities for expansion at strategic sites such as Baglan Energy Park and around Port Talbot docks, one of only three deep water ports in the UK.

4.1.12. While manufacturing continues to make a very important contribution to the local economy, the area has also diversified in recent years, with (for example) the expansion of distribution and higher education activity. Within the Plan period, Swansea University have developed the Bay Campus on Fabian Way in NPT.

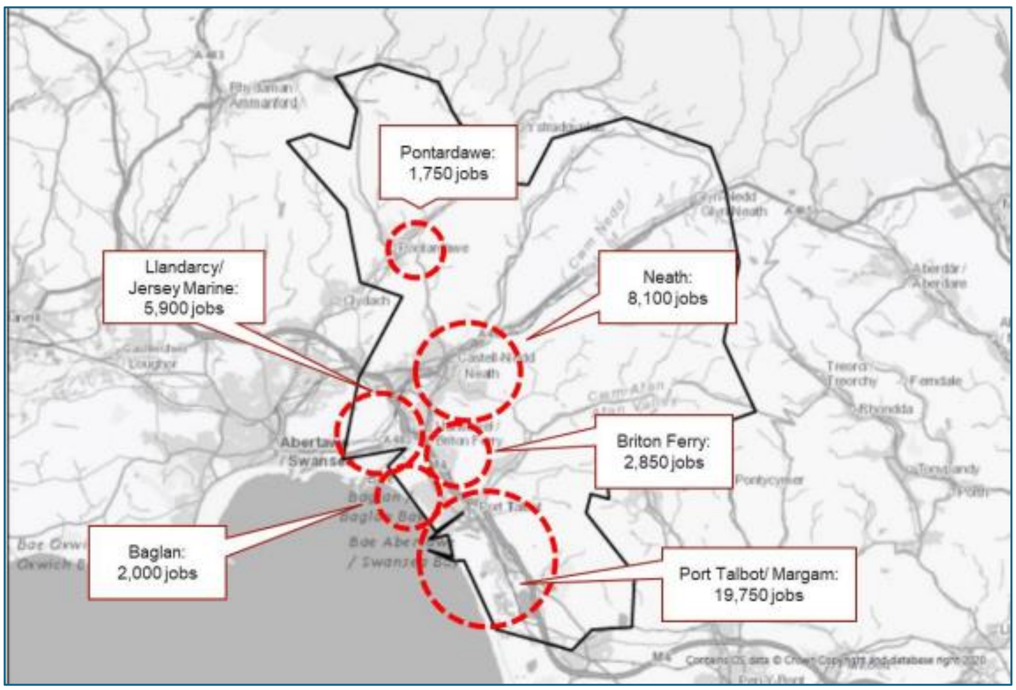
4.1.13. Currently, the economy is facing significant structural changes. In September 2023 Tata Steel announced proposals to invest £1.25 billion, including a UK Government grant worth up to £500 million to enable greener steel production at Port Talbot. As part of this process, as part of its move towards an electric arc furnace, it is understood that 2,800 jobs will be lost at the site and more in the wider supply chain (please see Chapter 6 for more information). These structural changes will have major impacts in NPT over the next few years. A transition board has been set up and work is being undertaken to understand the effect on the local economy.

4.1.14. Within the Valleys area, reflecting their pre-industrial and rural nature, there are significant natural and heritage assets, such as Aberdulais Falls, Afan Valley Mountain Bike Trail and Waterfall Country. Tourism has become a significant contributor to the economy, with the current LDP noting that in 2011 the revenue from tourism was estimated to be in the region of £92 million (Paragraph 2.4.19).

4.1.15. Within recent years there have been a number of proposals for tourism including: Wildfox, Rheola, Gnoll, and Waterfalls. There has also been a proposal for a Global Centre of Rail Excellence at Onllwyn (GCRE). A number of Candidate Sites have also been promoted for employment uses. These are all discussed in later sections.

4.1.16. The greatest concentrations of employment in NPT are along the M4 corridor and waterfront. This is somewhat more pronounced than the population distribution within the County Borough, reflecting the major concentrations of industrial activity (especially around Port Talbot) and the distribution of transport connections and major sites. Beyond the Coastal Corridor, the stock of jobs is weaker and more dispersed. The County Borough is extensively rural, containing several relatively remote, poorly accessed by public transport, primarily post-industrial communities within the Afan Valley, Neath Valley, the Dulais Valley, and parts of the upper Swansea and upper Amman Valleys.

Figure 10: Key Employment Concentrations in NPT



Source 5: NPT Economic Recovery Plan (2021)

4.1.17. In 2016, the WG designated an area of employment uses on the waterfront at Port Talbot as an Enterprise Zone (Port Talbot Enterprise Zone) to support the existing sector, supply chain and general business base in the area as well as help to diversify the local economy by helping to exploit comparative advantage opportunities to attract new investment and business growth.

4.1.18. In May 2022 the WG reached an agreement with the UK Government to establish a freeport programme in Wales. In March 2023 it was announced that Port Talbot and Milford Haven joint Celtic Freeport would be established.

4.1.19. The Freeport will be based around the port of Port Talbot in NPT, and the port of Milford Haven in Pembrokeshire. It will focus on low carbon technologies, such as floating offshore wind, hydrogen, carbon capture, utilisation, and storage and biofuels to support the accelerated reduction of carbon emissions.

4.1.20. The freeport aims to attract significant inward investment, including £3.5 billion in the hydrogen industry, generating £900 million in GVA by 2030, and £13 billion by 2050.

4.1.21. The freeport will form a special zone with the benefits of simplified customs procedures, relief on customs duties, tax benefits, and development flexibility. They are designed to promote regeneration and high-quality job creation, become a national l hub for global trade and investment across the economy, and foster an innovative environment.

D. Economic Profile of the Authority

4.1.22. The national economy has been through a series of tumultuous changes in recent years. First there were signs of recovery from the global financial crisis of 2008 before commercial confidence was unsettled again following the decision to leave the EU in 2016. Although a trade deal was finalised between the EU and UK by December 2020, the global economy was again in crises due to the impact of the Covid-19 Pandemic. The UK economy started to make strong economic recovery from the Covid-19 pandemic with real UK GDP around 1.8% larger than pre-pandemic levels by the end of 2023 (Price Water Cooperhouse, UK Economic Outlook, November 2023). Nationally, 2022/23 saw relatively strong output growth in hospitality-related services, manufacturing and administrative services, offset by some contraction in transport and storage, public administration and wholesale and retail. Growth post-Covid-19 pandemic has however been dampened by the global energy crisis exacerbated by the crisis in Ukraine and other inflationary pressures.

4.1.23. Looking to the future, the immediate outlook is challenging. The Office for Budget Responsibility (OBR)'s most recent Economic and Fiscal Outlook anticipates weak real-terms GDP growth in 2023 and 2024 of 0.3% and 0.8% respectively, linked with ongoing international instability, slow productivity growth and the continuing impact of relatively high inflation following the Covid pandemic and the energy crisis (OBR, March 2024).

4.1.24. Over the longer term, real-terms output is expected to rise to 2%, by 2027, although the growth trajectory is still expected to be weaker than the pre-pandemic trend. Employment in the UK is expected to rise by around 4.2% between 2022 and 2028, to some £34.3 million, although the OBR notes the challenge of higher economic inactivity levels, despite a relatively strong jobs market.

Economic Output

4.1.25. Within NPT explicitly, NPT's total economic output (measured in Gross Value Added) was around £2.78 billion at current prices in 2022 (ONS, 2024 Regional Gross Value Added (balanced) by Industry: Local Authorities by ITL Region: ITL Wales, current prices).

4.1.26. Unexpectedly, manufacturing is highly significant accounting for around 20% of output, compared with 15% in Wales and 9% in the UK. The proportion to which manufacturing has contributed to the local economy has fluctuated over recent years with the closure of NPT's petrochemicals industry in the late 1990s and early 2000s, contraction of the steel industry in 2016, and some recent important closures such as Crown Packaging in Neath, TRW in Resolven and Hi-Lex at Baglan. Manufacturing output in recent years has however stabled and remained an important driver of the local economy. As part of the Housing and Economic Growth Assessment, SQW/ Turleys note that this suggests a continuing process of adjustment within the economy, with the fastest recent growth in transport and storage; administrative and support service activities; health; and (from a much smaller base) information and communications.

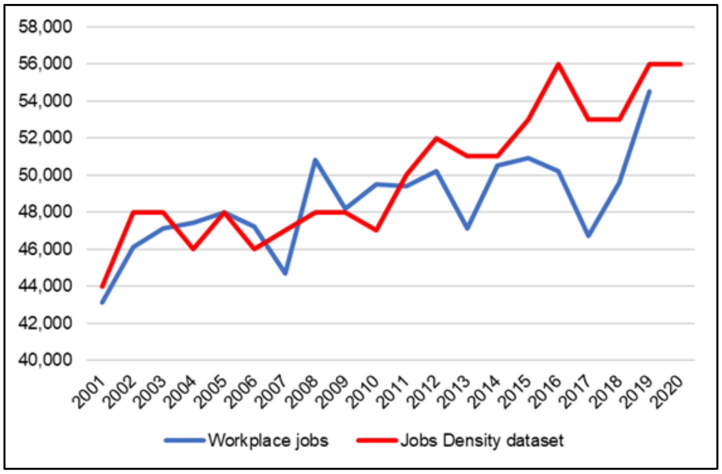
Productivity

4.1.27. In terms of productivity, the most recent ONS data (Current Price (smoothed) GVA per filled job by local authority district), shows that productivity (measured at GVS per filled job) was £46,002 in NPT in 2021, about 79% of overall UK productivity. As part of the Housing and Economic Growth Assessment it is noted that the differential between local and national productivity rates has been largely constant over the past decade, with a slight widening of the gap post-pandemic.

Employment

4.1.28. With regards to the numbers of jobs in the authority, noting the limitation with the alignment of workplace jobs numbers and jobs density due to different methods of calculating job numbers, the Graph below shows a growth in job numbers from the start of the millennium to the pandemic - around 12,000 additional jobs according to the ONS Jobs Density dataset in 2001-19, and around 11,400 according to the Workplace Employment estimate. This equates to between 633 and 667 additional jobs per annum over the 18 years from 2001 to 2019.

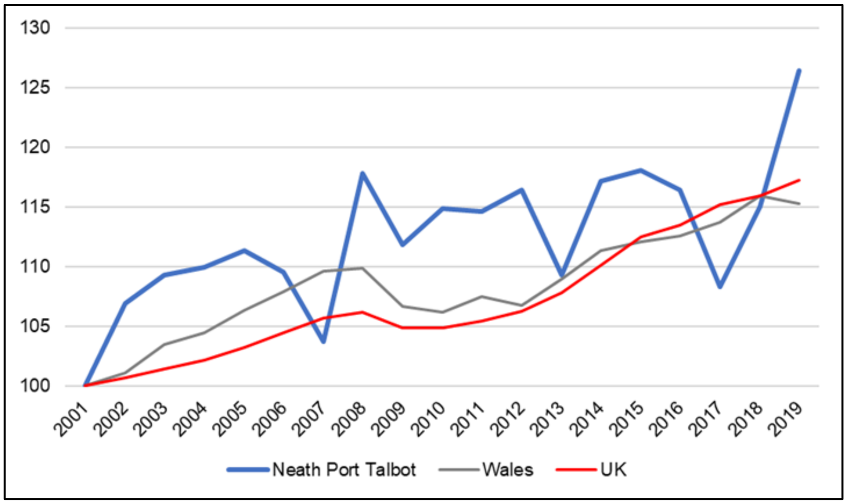
Figure 11: Total Jobs (2001-2020)



Source 6: Stats Wales, ONS

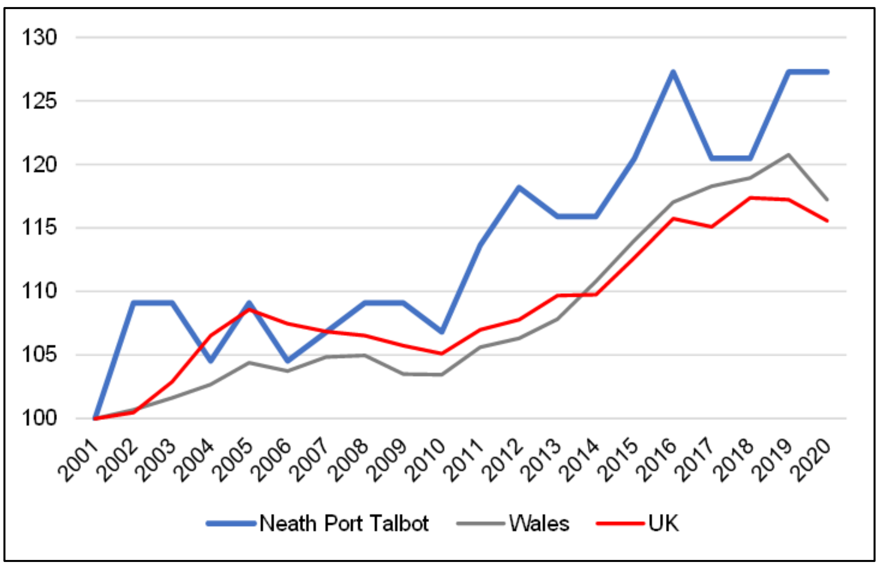
4.1.29. As seen in the Graphs below, the total jobs growth between 2001 and 2019 was stronger in NPT than in Wales or the UK (1.3% compared with 0.8% and 0.9% respectively).

Figure 12: Total Jobs (2001 = 100) (Workplace Employment)



Source 7: Stats Wales, ONS

Figure 13: Total Jobs (2001 = 100) (Jobs Density))



Source 8: Stats Wales, ONS

4.1.30. A consequence of this growth in job numbers has been a steady increase in the ‘jobs density’ (the number of jobs per person aged between 16 and 64) over time, from 0.55 in 2005 to 0.64 in 2022. This is still however lower than the Wales and UK average (0.78 and 0.87 respectively), reflecting the importance of the wider sub-region as a source of employment for NPT.

Sectorial Breakdown

4.1.31. The Table below is extracted from WG's Workplace Employment Analysis. It provides a sectoral breakdown of employment for the period to 2019 using high level sector groups. The Table shows that of the 11,400 increase in workplace employment in 2001-19, around 46% was accounted for by public service-related jobs, and a further 29% by 'wholesale, retail, transport, hotels and food'. 'Production' (mostly manufacturing), the third high-level sector accounting for over 10,000 jobs, was stable over the period.

Table 3: Sectorial Breakdown

Sector	Jobs, 2019	Percentage share, 2019	Net change (total jobs) (2001-2007)	Net change (total jobs) (2007-2013)	Net change (total jobs (2013-2019))	Net change (total jobs) (2001-2019)	Net change (total jobs) (2011-2019)
Agriculture, forestry, etc	400	0.7	-100	100	100	100	-100
Production	10,300	18.9	-600	800	-200	0	-900
Construction	4,100	7.5	-700	200	400	-100	800
Wholesale, retail, transport, hotels, food	13,800	25.3	200	-300	3,400	3,300	2,600
Information and communications	1,400	2.6	0	-200	1,200	1,000	900
Finance and insurance	300	0.6	0	0	-100	-100	-100
Real estate	700	1.3	0	300	100	400	-200
Professional, scientific and technical; business support	4,800	8.8	-100	200	800	900	300

Sector	Jobs, 2019	Percentage share, 2019	Net change (total jobs) (2001-2007)	Net change (total jobs) (2007-2013)	Net change (total jobs (2013-2019))	Net change (total jobs) (2001-2019)	Net change (total jobs) (2011-2019)
Public admin, defence, education and health	16,600	30.5	2,200	700	2,400	5,300	1,900
Other services	2,100	3.9	600	500	-600	500	-200
Total, all industries	54,500	100.0	1,600	2,400	7,400	11,400	5,100

Source 9: Stats Wales (2024)

4.1.32. The Table below details the more granular and detailed Business Register and Employment Survey (BRES) produced by the ONS. The Survey estimates employment and excludes some categories of worker so the total number of jobs is lower than the 'total jobs' n the Jobs Density or Workplace Employment datasets.

4.1.33. The Table illustrates NPT's distinctiveness: in 2022, manufacturing was the largest single employment sector, accounting for around 17% of all jobs (much higher than in Wales as a whole, and more than double the level of representation within the UK economy). Reflecting the significance of Tata Steel at Port Talbot, 'manufacture of basic metals' accounted for around 4,000 jobs (or some 8% of total employment), with a further 1,000 jobs in the manufacture of fabricated metal products. Beyond manufacturing, human health and social work, retail and wholesale, and public administration are the next largest sectors in absolute terms. Transportation and storage is strongly represented compared with Wales and the wider region, reflecting NPT's strategic location on the M4

Corridor and the presence of some large logistics operators (such as Amazon on Fabian Way and on Kenfig Industrial estate). On the other hand, non-public sector administrative and support services and professional and scientific activities are relatively under-represented in employment terms.

Table 4: Employment by main sector group, NPT and comparators (2022)

Industry by Sector	NPT Jobs	NPT Location Quotient	Share of all jobs NPT	Share of all jobs SW Wales	Share of all jobs Wales	Share of all jobs GB
Agriculture, forestry & fishing	800	1.0	1.5	3.2	2.8	1.5
Mining & quarrying	300	3.0	0.6	0.2	0.2	0.2
Manufacturing	9,000	2.3	17.3	8.5	10.4	7.4
Electricity, gas, steam & air con	150	0.8	0.3	0.3	0.4	0.4
Water supply, sewerage, etc.	600	1.7	1.2	0.8	1.0	0.7
Construction	2,500	1.0	4.8	5.3	5.1	5.0
Wholesale & retail; motor vehicles	6,000	0.8	11.5	13.7	13.2	13.9
Transportation & storage	5,000	1.9	9.6	4.9	4.2	5.0
Accommodation & food service	3,000	0.7	5.8	9.2	8.7	7.9

Industry by Sector	NPT Jobs	NPT Location Quotient	Share of all jobs NPT	Share of all jobs SW Wales	Share of all jobs Wales	Share of all jobs GB
Information & communications	600	0.3	1.2	1.4	2.2	4.4
Financial & insurance	400	0.2	0.8	2.1	2.8	3.3
Real estate activities	800	0.8	1.5	1.4	1.5	2.0
Professional, scientific & technical	1,500	0.3	2.9	4.2	5.1	9.1
Admin & support service activities	3,000	0.7	5.8	6.3	6.5	8.8
Public admin & defence	5,000	2.1	9.6	8.8	7.7	4.5
Education [Including higher education, which accounts for about 18% of the total]	4,500	1.0	8.7	8.8	8.6	8.3
Human health & social work	6,000	0.9	11.5	16.2	14.7	13.2
Arts, entertainment & recreation	1,250	1.0	2.4	2.8	2.6	2.4
Other service activities	800	0.8	1.5	1.8	2.1	2.0
Total, all industries	51,200					

The 'location quotient' (LQ) is a measure of relative industry concentration. An LQ of greater than 1 means that the industry accounts for a greater share of total jobs in NPT than it does in Great Britain as a whole. An LQ of less than 1 means that it accounts for a smaller share. Source 10: ONS BRES (2022)