



Cyngor Bwrdeistref Sirol
MERTHYR TUDFUL
MERTHYR TYDFIL
County Borough Council

HEARING SESSION 5
COMMERCIAL, RETAIL, LEISURE AND TOURISM DEVELOPMENT
ACTION POINT 5.6 – COUNCIL RESPONSE

Action Point

Council to submit a paper outlining the justification for, and deliverability of, the Ffos-y-fran employment allocation within anticipated timescales. The paper should:

- *Draw on evidence including the Employment Land Review and Phase 1 of the Ffos y fran land reclamation scheme,*
- *If necessary, provide an update in relation to land supply at the nearby Goatmill Road allocation, and*
- *Provide additional justification about the allocation's 'fit' with the Plan's strategy and objectives.*

Council's Response

This statement has been prepared by the Council in response to an issue that was raised at Hearing Session 5. The Council's Hearing Statement under matter 5.1 (c) summarised the Council's evidence for employment site allocation EcW1.3 Ffos-y-Fran, including anticipated timescales for its uptake. Further to discussions at the hearing session a paper outlining the justification for the allocation, including deliverability within anticipated timescales, was requested by the Inspector. This statement therefore draws on the submitted evidence, including document ED38, and responds to the additional points raised.

Employment Land Supply Update

Since the preparation of the Employment Land Review, an offer has been made by the end user for employment site allocation EcW1.2 at Goatmill Road referenced in the ELR report. The site is owned by the Council but is subject to a clawback provision to Welsh Government. A report was considered by the Council's Cabinet on 30th April 2019 and there is now agreement from the Council and Welsh Government to sell the whole site. Take up of the site for B-class uses therefore remains on track to take place within the first 2 years of adoption of the Replacement LDP.

Ffos-y-fran Employment site, Replacement LDP Strategy Fit and TAN 23: Economic Development

The Ffos-y-fran employment site is located within the Primary Growth area and on the eastern edge of the Primary Key Settlement of Merthyr Tydfil along the A4060. Whilst development of the site would represent an extension of the built up area, it provides the only other large opportunity site for employment uses within the County Borough, with take up of the Goatmill Road site anticipated early in the Replacement Plan period and limited employment land development opportunities in the Other Growth Area.

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Whilst development of the site would extend the settlement boundary, it is located within close proximity of existing residential areas of Merthyr Tydfil, such as the Dowlais, Pen-y-Darren and Mountain Hare/Twynrodyn. In this respect, the allocation would be located closer to a number of residential areas than other established employment sites such as the Penygarnddu Industrial Estate and would minimise the need for significant commuting distances within the County Borough and wider region. There are also long term aspirations to extend the Cwm Bargoed rail line to Dowlais Top which would provide future sustainable transport access opportunities (as referenced in the Council's Hearing Statement for Matter 2). Furthermore, the site is located approximately 3km by road to the Hoover Strategic Regeneration Area and approximately 3km to Merthyr Tydfil Town Centre. The location of the site also provides the potential to capitalise on the South Wales Metro proposals, given its position between train stations at Merthyr Tydfil and Pentrebach, and any proposed East-West public transport improvements along the Heads of the Valleys corridor.

Some rudimentary pedestrian crossing provisions to Dowlais exist to the north of the potential slip road entry point (to accommodate an existing public right of way) however it is accepted that walking and cycling improvements will be necessary to better integrate the development with the existing built up area. In this respect, proposed Active Travel routes are shown on the Integrated Network Map along the A4060 and at Goatmill Road.

Development of the site would contribute towards meeting the Plan's Vision and Objectives. In particular, the provision of a range and choice of employment land to meet local and regional needs would help to strengthen Merthyr Tydfil's position as a regional centre for the Heads of the Valleys within the Cardiff Capital Region as set out in the Plan's Vision. The allocation and development of the site would also address key issues identified in the LDP and would directly address Objectives 4 (Regeneration) and 12 (Economic Development).

With regards to delivery and take up timescales, the ELR identified that an estimated delivery timescale for the site would be between 10-15 years. This takes account of the fact the site would become available from 2024, 17.5 years following the commencement of development in February 2007, as required by conditions 3 and 4 of the Ffos-y-fran Land Reclamation Scheme planning permission (see ED38, Appendix 1). Allowing at least 6 months to gain planning consent following the site becoming available in 2024, development of the site could realistically be anticipated to take place from 2025 to 2035 (although work on delivery strategies, pre application consultations and planning applications for the site could commence earlier).

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Condition 4 of the original planning permission requires a period of aftercare of not less than 5 years upon certification of completion of each phase of the progressive restoration scheme. This applies to the whole site and has not yet commenced for the Ffos-y-fran employment site land. Development of the site is not considered to represent a constraint on the wider aftercare proposals as aspirations for development of the site have been known for some time and any employment proposals would require new planning permission which would consider potential conflicts, if any.

Whilst the employment allocation may take some time to come forward, with up take anticipated from 2025-2035, the allocation would provide certainty to any large scale industrial user or inward investor that may wish to locate within the County Borough. Evidence of this is the recent market interest at Goatmill Road of a national waste management company requiring a large site with good strategic highway access and wishing to locate within the South East Wales region.

It is considered that there is reasonable prospect for the uptake of the site within the Replacement LDP Plan period and the Council has received initial enquiries regarding the need for future large scale employment sites and potential uses at Ffos-y-fran. It is possible that the development of small parcels of land allocated at the Ffos-y-fran site may take place beyond the Replacement Plan period. However, it is considered appropriate to allocate the whole site to maximise the development opportunity, ensure there is a critical mass to enable/commence site's development and to ensure there is sufficient employment land supply readily available for future needs as recommended in the ELR (SD35, paragraph 9.3 and Table 34).

In allocating the Ffos-y-fran employment site the Council has also considered the tests and justification required under national policy, including the considerations set out in TAN 23: Economic Development under section 2.1. These ask three questions to consider: alternative sites/locations, jobs to be accommodated, and special merit.

With regards to the availability of alternative sites, as noted above, the Ffos-y-fran employment site represents the only other large scale employment site within the County Borough, with no comparable site (in terms of size and strategic highway access potential) being promoted as candidate sites or identified by the Council (for example, see the range of sites considered in the ELR Employment Land Supply analysis and Table 13 of SD35). With the exception of Goatmill Road where take up is imminent, the Replacement LDP has allocated 2 other employment sites (for 3.1 and 1.5 hectares) which are located within the existing built up areas of Merthyr Tydfil. These provide a sufficiently different offer to the Ffos-y-fran employment site given their scale, access, location and relationship with existing built up areas (these sites

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adjoin, or will adjoin, existing residential areas). Consequently, it is considered the allocation of the Ffos-y-fran site would complement the overall employment land supply rather than detract from other allocations.

Neighbouring local authorities, Rhondda Cynon Taff and Caerphilly currently have sufficient employment land to meet their own needs, although both local authorities are due review their Local Development Plans. The ELR (SD35, paragraph 5.6 and 8.26) further notes that Merthyr Tydfil is seen as a logistically sound location, with the Heads of the Valleys Road and motorway links at the M4 providing reasonable access to local, Welsh and national markets and market interest from large scale B2/B8 single users. It is considered that the Ffos-y-fran site provides an example of an employment site with good strategic highway access (with potential for future sustainable transport links) that could meet a wide range of employment needs, including for specialist uses that might need to be located away from existing sensitive uses. In this respect, TAN23 advises that there may be few substitutes or none if the subject site has unusual advantages, such as very large size, outstandingly good accessibility, or specialist features that certain industries need.

With regards to the second consideration, jobs to be accommodated, it is estimated that the site could provide up to 675 jobs if the site were developed solely for B2/B8 uses (based on a standard 40% plot ratio and density of 67 sqm floorspace per job for B2/B8 uses). The number of jobs estimated could be significantly higher depending on the mix of B1 uses developed at the site (due to the higher standard B1 jobs density of 16 sqm per job).

In terms of special merit, TAN23 advises that sites can be justified where they make special contributions towards other policy objectives including those listed in PPW. Examples of special contributions include the provision of an industrial estate in a disadvantaged area that could help fight social exclusion and create job opportunities for people at high risk of unemployment. The Replacement LDP has identified levels of deprivation and low skills development as key issues (see Figure 1 of the LDP, bullet points 4 and 10) and the allocation of the site would address the LDP objectives relating to regeneration and economic development (as referred to above). Furthermore, the ELR identified that the employment rate in the County Borough in 2017 stood at 7.7%, which is the highest unemployment rate in the Cardiff Capital Region and higher than the Welsh national average of 5%. In addition, the 2014 Welsh Index of Multiple Deprivation found that eight of Merthyr Tydfil's Lower Super Output Areas are ranked in the top 10 percent most deprived in Wales (see SD35, paragraphs 3.10, 3.11 and 3.38). It is considered that development of the site would contribute towards addressing these issues through attracting new industry that could provide the level of new jobs indicated and opportunities to develop workplace skills.

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TAN23 further advises that the planning system should particularly support the low-carbon economy, innovative business / technology clusters and social enterprises which are defined as businesses that are particularly important in providing opportunities for social groups disadvantaged in the labour market. Developments that provide space for these categories of businesses count as making special policy contributions. The Ffos-y-fran employment site could provide opportunities for these end users, particularly if this is pursued through development strategies for the site. As the site is Council owned, specific outcomes such as these could be investigated when applying for regeneration funding or when marketing the site and entering into a partnership with a prospective developer. The site is also included in a Heat Priority Area (Policy EcW9 refers) where major new developments will be required to consider opportunities to incorporate low carbon and renewable energy technologies.

Finally, the allocation and development of the site is unlikely to displace existing jobs and the level of overall employment land provision in the Replacement LDP, in part, allows for the loss of previously productive space in Merthyr Tydfil, for example at the Hoover factory site (see the ELR, SD35, paragraph 8.53).

Site Deliverability and the Ffos-y-fran Land Restoration Scheme (Phase 1)

With regards to site deliverability it is accepted that development of the site will require significant upfront investment to bring forward the site. This will include for example, access improvements, in the form of new slip roads from the dual carriageway, pedestrian crossing points and estate roads, to service the site and development plateaus.

The previous smaller allocation in the existing adopted LDP for the southern half of the site was based on initial timescales for the Ffos-y-fran Restoration Scheme anticipated at the time and aspirations for new highway access to be gained from the A4060 following potential de-trunking of the dual carriageway. Since the adoption of the existing LDP there has been significant progress on the Ffos-y-fran Restoration Scheme including the approval and implementation of the progressive Restoration Scheme as required under conditions 50 and 51 of the original planning permission for the Ffos-y-fran Land Reclamation Scheme (ED38, Appendix 1).

Whilst the ELR identifies the Ffos-y-fran site is currently a 'low scoring site' (scoring 8 out of 15), the study recognises that this reflects the constraints that would need to be overcome, in this case primarily in relation to the provision of new highway access. The remaining constraints are not considered to be atypical or insurmountable for an employment site of this size and type. The marketing of the whole site and development of delivery strategy in partnership with potential end

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users within the Replacement LDP plan period will represent the first realistic opportunity to test and market the site as a prospective industrial site.

In this respect, the Employment Land Review (SD35, Recommendation 6) identifies a number of potential delivery strategies that should be investigated by the Council. These are summarised under Matter 5.1 (c)(i) of the Council's Hearing Statement and Table 35 of the ELR.

In terms of potential funding schemes, the Council can work with prospective developers and end users to access regeneration funding schemes to bring forward employment sites. This includes potential use of the Wales Property Fund, administered by the Development Bank of Wales and the Targeted Regeneration Investment (TRI) programme (as referenced in the Council's Action Point response to AP3.4).

With regards to infrastructure costs and site deliverability, Table 34 (Employment Land Recommendations) of the ELR summarises the key issues for the site and states:

"There is no reason why the whole plateau area, i.e. north and south parcels totalling 18.85 ha, should not be allocated to provide the maximum development opportunity and ensure a critical mass which will be financially viable given the likely high infrastructure costs. However, given those high costs, a viable scheme may need to include some element of mixed use to cross fund the B-Class elements. Flexibility should thus be provided in policy to allow some appropriate ancillary uses for this purpose. For this reason, an estimated 11.30 ha is provided specifically for B1, B2, B8 uses. The reclaimed site is anticipated to be made available by 2024. Delivery planning will need to look at ways forward in terms of providing the site services and infrastructure that will allow a viable scheme to be delivered. Site could thus benefit from masterplan and implementation plan, reviewing investment options. Site likely to be identified as an area suitable for waste management facilities".

With regards to the need for mixed uses, this is considered to represent a final stage of assisting site deliverability following the use and implementation of the development strategies recommended in the ELR and exploration of available regeneration funding programmes where necessary.

Given that land values and developer returns for industrial development can be lower when compared to other uses, where justified, some element of other commercial uses may assist in making the site more financially deliverable and attractive to potential developers. However, if non B-uses are proposed, it will be important to ensure that the LDP policy framework is applied effectively, in order to ensure that the site is delivered as envisioned by the Replacement LDP.

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Policy EcW2: Protecting Employment Sites aims to protect the employment function of both the allocated employment sites in the Replacement LDP, and existing employment sites across the County Borough. The policy clearly sets out how proposals for non B-uses on these sites will be considered, and emphasises that the primary function of a site for employment uses must be protected. LDP paragraphs 6.8.18 to 6.8.21 provide further details regarding the consideration of ancillary and complementary services and facilities. The Council considers this provides the sufficient level of protection and flexibility referred to in the ELR.

Notwithstanding the provision of policy EcW2, for any retail uses that may be proposed the Plan's retail policies would require further justification, in the form of a sequential test, and retail need and impact assessment in order to justify an element of retail as an alternative enabling use. In such circumstances, the requirements of policy EcW2 to protect the employment site role and function would be a key consideration.