



Replacement Local Development Plan 2018-2033

Topic Paper

May 2019

Topic Paper 2: Economy, Skills and
Employment

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1. Introduction

The Local Development Plan (LDP) is first and foremost a land use plan that identifies site specific development opportunities in response to the needs of the community for more housing, jobs, services and facilities. It also seeks to preserve, protect and enhance where appropriate, those aspects of the built and natural environment which are important in defining the quality and sensitivity of the places we value, enjoy, move through, and live in. The ultimate aim of the LDP will be to deliver sustainable development.

The LDP is a vehicle for the Council to define its key growth and development priorities and will provide the ongoing framework of policies to guide decisions on planning applications.

2. Purpose of this Topic Paper

This is one of a series of topic papers which have been put together to inform the production of the Conwy Replacement Local Development Plan (RLDP). Their aim is to interpret the relevant evidence and guidance in relation to the specific topic and identify the key issues that the Plan will need to address as well as possible policy approaches to be incorporated in the Plan. Each topic paper has been compiled from detailed evidence originating from LDP Background Papers (technical documents that form the evidence base for the RLDP). Topic papers are designed to cover key subject areas currently covered in the adopted LDP and summarise technical data contained within the Background Papers to make the presentation of data more accessible to readers. Topic papers establish a baseline position and identify the key issues facing the County Borough which the RLDP will need to address.

The Topic Papers are intended to provide an early opportunity for stakeholders and the public to have an input into the Plan. This topic paper covers key issues relating to the economy, employment and skills.

3. Key Changes to Legislation and Policy (since LDP adoption)

There have been a number of significant changes to government policy and changes in the political environment since adoption of the LDP. This section examines briefly the key points that are pertinent to this particular topic paper.

3.1 European and National Changes

3.1.1 UK withdrawal from the EU 'Brexit'

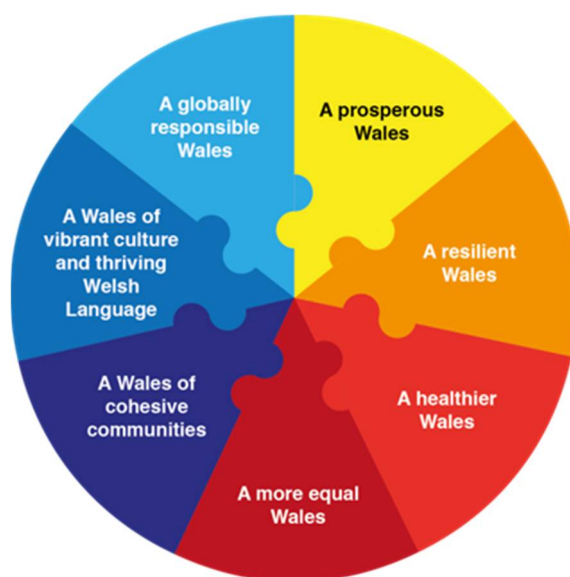
On 29th March 2017, the UK Prime Minister triggered Article 50 and formal negotiations on the UK's withdrawal from the EU commenced. Political debate and discussions are ongoing and although the overall outcome is has still not been decided at the time of writing this paper, the current timetable is for the negotiations to be completed in the next few months with formal withdrawal from the EU taking place by the end of October 2019. With the prospect of significant political and economic changes on the horizon, it is prudent to recognise the implications Brexit may have on the economy, in particular

the rural economy. Background Paper 16 – Brexit and the Rural Economy (to be published alongside the Deposit Plan) examines this in more detail and the key points from this draft background paper are summarised in section 6.6 of this Topic Paper.

3.1.2 Well-being and Future Generations Act (2015)

The Well-being of Future Generations (Wales) Act is about improving the social, economic, environmental and cultural well-being of Wales. It will make public bodies such as Councils think more about the long-term, work better with other organisations and communities to prevent problems and take a more joined-up approach.

The Act has seven well-being goals which are:



Each public body mentioned in the Well-being Act must carry out sustainable Development.

“The action a public body takes in carrying out sustainable development must include:

- a. setting and publishing objectives (“well-being objectives”) that are designed to maximise its contribution to achieving each of the well-being goals, and
- b. taking all reasonable steps (in exercising its functions) to meet those objectives.”

(source - Part 2 ‘ Improving Well-being section 3 ‘well-being duty on public bodies’ paragraphs (1) and (2).)

In the Act “sustainable development” means the process of improving the economic, social, environmental and cultural well-being of Wales by taking action, in accordance with the sustainable development principle, aimed at achieving the well-being goals.

The Act specifies five ways of working: long-term, integration, involvement, collaboration and prevention. Each of these will be incorporated into the RLDP process.

3.1.3 National Planning Policy Guidance

Since the adoption of the Conwy LDP in October 2013, Planning Policy Wales and TAN 23 – Economic Development have been revised / produced and have implications on the planning decisions made. Planning Policy Wales (PPW) at chapter 5 states that 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.

Identify potential networks and clusters and make clear the criteria used to categorise them. In terms of Strategic Employment sites, PPW states the following: “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.”

PPW chapter 5 advocates the production of Employment Land Reviews (ELRs), and the need to undertake and keep such reviews up to date (in line with the published Practice Guidance (August 2015)).

Whilst TAN 23 acknowledges that economic activity can stem from the public, private or voluntary sector and include uses beyond the traditional B-class uses such as retail, tourism and leisure; it is held that the aforementioned retail, tourism and leisure uses are subject to a variety of other policies. Consequently the TAN primarily deals with B-class uses given that they require a traditional yet sustainable method of planning. The TAN promotes careful consideration when releasing traditional employment sites to alternative uses as they often make a valid contribution to the local economy and are difficult to replace once lost.

TAN 23 also provides guidance on economic development proposals. Paragraph 4.6.8 states “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.”

Criteria contained at paragraph 4.6.9 also impacts upon existing LDP policy:

“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 focussed 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.”

3.1.4 National Development Framework – NDF

The NDF will be a 20 year national spatial plan for Wales setting out high-level strategic issues including a vision for the next 40 years and objectives focusing on the strongest market areas, communities across all of Wales, decarbonisation and natural resources. The NDF issues and options paper has recently been out to consultation and Welsh Government are currently collating responses. The current timetable is for an NDF to be in place by September 2020.

3.2 Regional level impacts

3.2.1 North Wales Economic Growth Vision and Bid

The North Wales Economic Ambition Board (NWEAB) are progressing an Economic Growth Vision. This vision sets out linkages with the Northern Powerhouse (North West England) and Ireland, estimating an additional 120,000 jobs in the region by 2035, increasing the Gross Value Added (GVA) to £20 billion.

Separately but related to the above is the North Wales ‘Growth Deal’ which sets out a vision for the North Wales region with the aims of creating over 5,000 jobs and attracting private sector investment to the value of £1bn in the region over the next 15 years.

Specifically, the deal aims to:

- build on the strengths of the region in the low carbon, advanced manufacturing and digital sectors
- promote business growth in the form of Regional Business and Smart Technology and Innovation hubs
- create over 5,000 new jobs

Other regional evidence, such as the Regional Transport Plan will also need to be taken into account when looking to locate employment land and premises.

3.2.2 Strategic Development Plan (SDP)

The requirement detailed in the Planning Act 2015 to consider preparing a regional A55 Corridor Strategic Plan (Strategic Development Plan) and the need for LDPs to have general conformity to this plan and wider National Development Framework will be of relevance depending on when the evidence base emerges during the process of LDP review.

3.3 Local evidence, policies and strategies

3.3.1 Conwy Corporate Plan 2017-2022

The purpose of the Corporate Plan is to present Conwy County Borough Council's Priorities for the five years from 2017 to 2022. The priorities are the areas that the Council want to focus special attention on in order to support the achievement of the citizen outcomes.

The outcomes are as follows:

- People are educated & skilled
- People are safe and feel safe
- People have access to affordable, appropriate, good quality accommodation that enhances the quality of their lives.
- People are healthy & active
- People live in a county that has a prosperous economy
- People value and look after the environment
- People live in a county where heritage, culture and the Welsh language thrive
- People in Conwy contribute to their community. They are informed, included and listened to.

Across all areas of work the Council is committed to ensuring that the needs of the present are met without compromising future generations, endeavouring to make the best decisions in light of financial restraints. In addition the Corporate Plan gives a commitment to consider the impact of policies on rural communities, those protected under Equalities legislation and people living in poverty. The Council will also promote the Welsh language, and build confidence to be progressive. Harnessing the potential of technology to improve performance, business processes and efficiencies is a strategic priority up until 2022.

3.3.2 Population Projections & Housing Growth Strategy

Revised population projections have been released from Welsh Government which will influence the strategy for employment land provision and housing growth. More details can be found within the Strategic Options Paper.

3.3.3 Conwy Economic Strategy 2017 – 2027

The Conwy Economic Strategy was agreed by the Council in February 2017. It considers the initiatives which can be undertaken to enable businesses within the county to grow, diversify, upskill and compete in UK and global markets. It identifies strategic opportunities which would both create new jobs and improve the quality of existing jobs within the local economy, moving from seasonal to year-round employment. The strategy recognises the regional ambition of delivering 120,000 jobs across North Wales and sets out goals for delivering 3,500 PAYE jobs to be located within Conwy County Borough by 2027. The strategy aims to make Conwy an international, vibrant and year-round tourism destination across all aspects of the visitor experience and recognises a need to develop a night-time economy to underpin further growth in the tourism market which contributes to high visitor spend. It is

therefore important that the LDP economic strategy is broadly in line with the drivers and evidence base contained within this strategy going forward to 2027.

4. LDP Current position

The LDP was adopted in October 2013 and has to date been through the Annual Monitoring process four times. The next section of this topic paper addresses the key findings that have arisen from the Annual Monitoring Reports (AMRs). The current LDP policies on employment can be found at Appendix 1 for reference.

5. AMR findings and Review Report Conclusions

The changes to national planning policy on economic development mean that some LDP policies, particularly EMP/4 on safeguarding require review to ensure they are in-line with national policy. The AMRs recommended undertaking an Employment Land Review to understand land requirements given changes to the national policy and regional contextual changes, therefore the updated evidence would need to be taken into account and may be at odds with adopted policy and LDP Economic Strategy.

Table 1 below has been taken from the LDP Review Report and suggests which LDP Employment policies require a significant or a light-touch review:

Table 1: Employment Policies requiring review (source: LDP Review Report.)

Policy	Comment
EMP/1 - Meeting B1, B2 & B8 Office and Industrial Employment Needs.	Revise to incorporate latest evidence base
EMP/2 - Allocation of New B1, B2 & B8 Office and Industrial Employment Development Sites.	Revise to incorporate latest evidence base
EMP/3 - New B1, B2 & B8 Office and Industrial Development on Non-Allocated Sites.	Minor amendments may be required
EMP/4 - Safeguarding B1, B2 & B8 Office and Industrial Sites.	Revise to incorporate latest evidence base
EMP/5 - Office and Industrial Employment Improvement Areas	Functioning effectively
EMP 6- Re-Use and Adaptation of Redundant Rural Buildings	Revise to incorporate latest evidence base

Following a subsequent review of evidence base, section 8 of this paper addresses the above table again and makes recommendations as to how each policy should be changed to reflect updated evidence base to be taken forward in the RLDP.

In total two Supplementary Planning Guidance Documents (SPGs) that support LDP employment policies have been agreed since the LDP has been adopted:

List of adopted SPGs:

LDP12 Rural Conversions (Adopted November 2014)

LDP35 Safeguarding B1, B2 & B8 Office and Industrial sites (Adopted April 2017)

An SPG to support policy EMP/3 was also planned, however it was decided to start work on this following the LDP review as EMP/3 may be subject to change. The success of these SPGs is examined further in sections 6.5 and 8 of this topic paper.

6. Updated LDP Evidence Base

6.1 Employment Land Supply Background Paper 17

Every year the Council undertakes a survey of employment land within safeguarded and allocated sites to understand how much land has been developed and whether any plots or buildings are vacant. At the same time, planning applications are analysed to ascertain if any developments are in the pipeline or if any B class employment land has changed to another use class. This exercise was undertaken in 2017, but has been updated in early 2019. For more detail, please read the BP17 – Employment Land Supply. The study concluded that the current employment land supply is 17.92 hectares, however this is taking into account all the existing undeveloped allocations and further work will be undertaken at the site assessments stage to understand if some of these allocated sites need to be removed from the plan.

6.2 Conwy Employment Land Review 2018-2033 Background Paper 18

The need for an ELR is set out in national planning policy guidance (PPW) 10, chapter 5.

Anticipating the need for LDP review, SP&C commissioned Lichfields in September 2016 to undertake an Employment Land Review (ELR) 2016-2031. This study has since been updated to cover the Revised LDP period of 2018-2033.

The ELR report has appraised a range of employment land projections for Conwy using a variety of methodologies in accordance with Welsh Government guidance.

1. Seven scenarios were formulated as part of the ELR. These were: Experian Baseline – (Data on labour/job forecasts taking into account past trends projected forward.)
2. Policy On – This projection takes into account regional drivers for economic growth such as impact of significant projects such as, Deeside advanced manufacturing and Colwyn Bay Tidal Lagoon.
3. CCBC Economic Growth Strategy – This scenario looked at Conwy's Economic Strategy for growth of 3500 jobs upto 2027.
4. 2014 based 15 year migration trend - Scenarios 4 – 6 are population projection trends which differ from starting year and length of time period.
5. 2017 based 10 year migration trend - (As above)
6. 2017 based 15 year migration trend- (As above)
7. Past take up rates – projections based on average take-up rate over an 11 year period.

Table 2 shows the above scenarios translated into land requirements for the RLDP period of 2018-2033.

Table 2: Employment Land Requirement Scenarios

Scenario		B1a/b	B1c/B2	B8	Total*
1) Experian Baseline	Net	-0.43	-1.69	-0.28	-2.40
	Gross				10.35
	+ Flexibility factor				12.80
2) Policy On	Net	0.65	-1.26	-0.28	-0.86
	Gross				11.86
	+ Flexibility factor				14.30
3) CCBC EGS Job Target + Reduced Out-commuting	Net	1.49	-0.21	2.30	3.58
	Gross				16.33
	+ Flexibility factor				18.78
4) 2014-based 15 year migration trend scenario	Net	-0.13	-2.01	-0.59	-2.74
	Gross				10.01
	+ Flexibility factor				12.46
5) 2017-based 10 year migration trend scenario	Net	-0.41	-1.66	-0.25	-2.32
	Gross				10.43
	+ Flexibility factor				12.88
6) 2017-based 15 year migration trend scenario	Net	-0.28	-1.49	-0.09	-1.87
	Gross				10.88
	+ Flexibility factor				13.33
7) Past Take Up Rates	Net	0.02	2.79	2.79	5.59
	Gross				18.34
	+ Flexibility factor				20.79

Source: Lichfields analysis

The Experian baseline scenario projects that there will be a modest loss in B-Class jobs between 2018 and 2033. In comparison, the demand-led Policy On and LDP Target Job Growth scenarios would generate more substantial increases in B-Class jobs due to economic restructuring and increased local demand for premises.

There has been a small net annual gain of employment land each year between 2007 and 2018. CCBC enquiries data suggests that there is greater demand for industrial premises than office premises. However, the level of enquiries has been volatile and there was a distinct drop off during the recession and in 2013.

There is a net outflow of 4,784 residents who commute out from Conwy to work in other areas. Conwy has a lower job density ratio of 0.72 compared to the Welsh average of 0.74 and neighbouring authorities (0.78 in Denbighshire and 0.85 in Gwynedd). Rebalancing the land uses of the County to ensure that more (and better quality) jobs are provided could help to reverse this trend and 'claw-back' out-commuters, reducing net out-commuting rates. This is already a strategic target specified in the LDP. This scenario generates a higher requirement for B-Class employment land compared to all the other scenarios.

Nearly all of the labour supply scenarios indicate that the labour force, that is the number of economically active people of working age, is forecast to increase up to 2033. On this basis between 12.46 and 13.33 ha (gross) could be required.

Consequently, on the basis of these considerations, for Conwy, a range of between **12 ha and 21 ha (gross)** of employment land may be considered appropriate to 2033. Scenario 4 (2014-based 15 Year Migration Trend) represents the lower end of the scale, and Scenario 7 (Past Take-Up Rates) is the upper end.

The following quantitative and demand-based factors can be taken into account to understand the potential requirement for different B-Class employment space:

Historical changes to the stock of existing employment space show that the level and share of office space has increased by 30% in recent years to more than 100,000 sqm, whilst the level of industrial space has decreased by 6% over the same period; Despite the decreasing stock of industrial premises in recent years, vacancy rates are almost 4% higher than for office premises;

By 2033 approximately 52% of B-Class jobs are projected to be in the higher employment density B1 office space, compared to 48% in lower density industrial space (B1c, B2 and B8);

Enquiries for B-Class employment space show that the bulk of demand is for industrial space, although overall there has been considerable volatility in the numbers of enquiries recorded over the past ten years; and,

The prioritised sectors identified in the review of key growth drivers suggests that demand will be particularly focussed towards office-based sectors such as Creative & Digital and Business Services, although it is noted that industrial sectors such as Advanced Manufacturing are also targeted.

Taking the above factors into account, it is suggested that the following indicative split of B-Class employment space could be appropriate for Conwy over the period 2018 to 2033:

**50% for B1a/B1b office; and,
50% for B1c/B2/B8 industrial/distribution.**

6.3 Conwy Commercial Market Analysis Background Paper 19

Conwy County Borough Council commissioned Lichfields to undertake a Commercial Market Analysis (BP19) to understand the demand relating to the type and location of employment sites/land. The key findings are as follows:

Conwy County represents a reasonably strong industrial location, with a mix of firms serving both indigenous needs in addition to a strong number of firms serving national and international markets.

Agents report a gap in supply for modern industrial units, particularly in the 2,000 sqm to 5,000 sq. ft. size bracket suitable for B1c, B2 and B8 uses. This is largely to accommodate indigenous firms' expansion. Although there is a continued demand from occupiers across a much broader range of sizes.

According to commercial agents and businesses demand is understood to be strongest in the A55 Corridor and in urbanised areas such as Llandudno Junction, Mochdre, Kinmel Bay and Colwyn Bay. A number of key locations were set out as industrial hotspots which include:

- Mochdre Commerce Parc;
- Mochdre Business Park;
- Conwy Morfa Enterprise Park and,
- Quinton Hazell Business Parc.

In terms of the office market, discussions with agents stated that there is stable rental growth with office sites and across the A55 corridor. Agents have seen more enquires coming from businesses wanting to be in out-of-town business parks due to accessibility to the A55, good car parking facilities and better-quality premises.

The office market in Conwy is relatively small and indigenous, lacking the critical mass to attract larger office occupiers, particularly in light of strong competition from nearby established centres such as Chester and Wrexham. The vast majority of office stock (in addition to office demand), is along the A55. Whilst there are sites which house good quality office accommodation, much of the town centre / urbanised stock tends to be old and often of a poor quality or configuration. As a result, the demand that does exist for these units tends to be indigenous in nature. However, this trend seems to be changing with the increased public-sector investments in office premises in the towns such as Colwyn Bay and Llandudno.

Despite agents citing the growing demand for out of town office premises in the County, there is a need for the Council and agents to acknowledge the changing patterns of office space across the country. The general nationwide trend is for businesses to locate in city and town centres to benefit from close proximity to public transport, workforce, customers and supply chain. This trend coincides with the Council's Economic Strategy to encourage regeneration interventions to "ensure that these town centres become vibrant once again, providing a balance of retail, leisure and service delivery, and a quality place in which to live, work and visit."

In terms of the vacant office spaces, there may be scope for some office buildings to be used for alternative uses. This should be used to facilitate the provision of office space that better reflects market demands. In addition encouraging small, lower cost office units (e.g. a small business centre) which can provide a more cost-effective option than provision of new bespoke space.

Commercial agents reported that the shortage of flexible industrial premises was constraining business growth. Evidence suggests this is because of a lack of supply

of land and premises for this purpose. There is a potential role for the public sector to play in de-risking developments to encourage new modern industrial premises to be provided to meet the high levels of demand from local businesses that wish to expand.

6.4 Conwy Skills Needs Assessment Background Paper 20

Conwy County Borough Council commissioned Lichfields to undertake a Skills Needs Assessment (BP20) to understand the skills required to meet the needs of local and regional businesses over the next 15 years, and if there will be demand for an additional Higher Education presence in the County. The key findings are as follows:

- There is a Recognition that development projects and growth sectors in and around Conwy County Borough will generate significant demand for skills and possibly a lack of information regarding how well positioned Conwy is to respond to demand for such skills.
- The study looked at regional level projects such as Parc Menai (M Sparc), Colwyn Bay Tidal Lagoon etc. and asked those involved what skills will be needed and if they envisage any problems in recruiting locally for these positions.
- It is reported that there is/will likely be a shortage of construction workers, engineers (electrical, mechanical and nuclear), surveyors, project managers and ecology specialists.
- Three education providers- Grwp Llandrillo Menai, Wrexham Glyndwr University, Bangor University were interviewed as part of the study and these providers do not consider there is a need for additional HE establishment in North Wales, but do agree that there is scope to use existing facilities differently if a business case can be drawn up to say there is a need for doing so.
- Funding would also be a challenge to secure, especially in light of Brexit and uncertainty over current funding streams.
- Skills – Increase for higher skilled construction related occupations – rise by 61% between 2014 -2024. However GLM does not provide NVQ level 4+ qualifications such as building and quantity surveying, project and cost management. There may be opportunities to liaise with GLM to look at providing such courses.
- The education providers currently offer a significant amount of courses that cater for the Creative and Digital sectors. The issue for Conwy is retaining these students once they complete their courses.
- Shortage in occupations i.e. chefs to support the heritage tourism sector. There is likely to be an increase in the food and drink sector and need for senior and professional roles relating to this by 2024.
- In conclusion there no evidence to suggest there is a need to provide new HE establishment in Conwy, however there is scope for greater dialogue between the HE providers and CCBC (perhaps an annual meeting) to look at opportunities for meeting skills gaps – ‘Conwy HE Partnership.’

6.5 Assessment of effectiveness of safeguarding policy EMP/4 and Improvement sites policy EMP/5 Background Paper

Analysis has been undertaken of planning application data where policy EMP/4 was cited. Since adoption of the LDP, there have been 41 applications which involved a change of use from an existing B class use (data as at August 2018). Of these 41 applications:

29 were approved, six were withdrawn, three were refused and three were not yet determined at the time of this analysis (August 2018).

20 (roughly half of the sample) were in safeguarded employment sites

20 (again roughly half of the sample but not necessarily the same 20 as above) involved a loss of B class land or premises.

Of the last 20, five of these were deemed to be departures or possible departures from the LDP.

In terms of the change of use, no specific patterns were identified. A mix of uses were applied for including A1, C3, D1, D2 and Sui Gen uses.

Separate analysis has been carried out for planning applications that referenced EMP/5 in the policy response. There have been nine of these since the LDP was adopted, 7 were approved, 1 was withdrawn and 1 was refused. The application that was refused, was later approved upon resubmission.

Analysis of this data will be undertaken at a future LDP Economy and Skills Subgroup.

6.6 Implications of Brexit on the Rural Economy Background Paper 16

BP16 – Brexit and the Rural Economy has been produced to look at the potential implications of the UK's withdrawal from the European Union. To summarise, listed below are the key issues that are considered relevant to planning in the rural area that may arise as a result a UK post Brexit:

- Increased diversification of smaller enterprises – not just holiday units but micro businesses as well.
- Applications for large-scale agricultural sheds-landscape/noise/odour/ecology/transportation issues
- Potential for increase in poly tunnel developments to support large scale crops/horticulture.
- Companies who are currently located in Europe and trading with the UK looking to establish a UK presence (to save money in the longer term).
- Increase in applications for tourism businesses in the open countryside.
- Increase in need for rural enterprise dwellings to support both larger scale production and new micro businesses.
- Possible need for processing facilities for agricultural produce including livestock
- Increased demand for small scale food production units.
- Need to explore the relationship between rural settlements and farming enterprises – hub and spoke models in terms of food processing/production and adding value to produce.

- As above, but consider the contribution exception sites and allocations within or on the edge of villages can make to supporting workers in rural enterprises.
- Decrease in land values – greater pressure to secure residential permissions?
- Pressure on rural infrastructure – roads/broadband etc.
- Home working - increase in demand.
- More land becoming available on the edge of settlements for housing development (where farms were previously.)
- People leaving the countryside to retire in an urban setting (this is happening now – need to recognise links with Wellbeing and Future Generations Act.)
- General increased need for affordable housing in rural areas to support larger scale rural enterprises?

The draft Background paper concludes that the RLDP needs to strike a balance between being responsive to the potential impacts of Brexit on the rural economy while protecting the countryside from sporadic development. This could be achieved by the following policy measures:

- Under EMP/2 we should consider if there are any realistic land allocations for B1, B2, B8 use that can be made in the rural area, and assess if current allocations are capable of being delivered during the lifetime of the RLDP.
- Simplifying rural conversion policy – currently HOU/12 and EMP/6 deal with rural conversions to dwellings and business uses respectively. A single policy with a clear cascade of re-use options would make the system easier to understand and apply.
- Creating more options for Rural Enterprise Dwellings when they are no longer needed for their original intended use – i.e. where demand exists, potential for holiday lets to continue to generate revenue for the farming business.
- Review Exception Sites policy – offer more flexibility for a larger number of dwellings in the smaller order settlements, subject to criteria. This would increase the number of affordable housing units to support rural employment locations.
- Explore potential for new policy on Leisure, Tourism and Farm Diversification. This could be a criteria based policy which would not seek to replicate national guidance but would include detail regarding the need for applicants to provide the LPA with the necessary information to determine if a diversification proposal is both valid and viable.
- Recognise the potential need for business expansion in the rural area and in line with national guidance, the scope of policy EMP/3 – New B1, B2, & B8 Office and Industrial Development on Non-Allocated Sites could be broadened to include support for the expansion of existing businesses in the rural area (including the open countryside) subject to criteria.

7. Sustainability Appraisal / Strategic Environmental Assessment (SA/SEA)

Work on the SA/SEA has commenced. The policies for employment land in the RLDP will have regard to the SA/SEA. The Sustainability Appraisal Scoping Report outlines the proposed approach to the RLDP's Sustainability Appraisal (SA), incorporating

Strategic Environmental Assessment (SEA), to ensure that it meets social, economic and environmental objectives. The SA/SEA is an important process in identifying areas of change and mitigation measures to ensure the RLDP is sustainable and in compliance with the Planning (Wales) Act and the Well-being of Future Generations Act.

The SA/SEA scoping report poses a number of questions to ensure that the new policies and sites have a sustainable focus. For employment and skills the questions are as follows:

Will the RLDP:

- Improve access to employment, especially for local people?
- Increase and diversify employment opportunities?
- Enhance opportunities for education and lifelong learning?
- Improve educational attainment and skill levels, especially within the working age population?
- Support the growth of further and higher education institutions?
- Deliver the right type of development and economic activities in the right location to maximise economic competitiveness?
- Help to diversify the local economy?
- Encourage inward investment?
- Support innovation and new enterprises?
- Promote the co-location of synergistic economic activities, industries and land uses?
- Support a range of business types and sizes?
- Provide the infrastructure and workspace required for new and existing businesses?

The policies will be reviewed in line with these guiding principles to ensure that the RLDP is following the principles of sustainability.

8. Potential Land Use Policies and Proposals

(This section will be developed further as the LDP review progresses.)

EMP/1 – According to the Employment Land Review Background Paper 18, the LDP will need to provide between 12 and 21 hectares of employment land. If the ‘Policy On’ scenario is selected as the most favourable option in terms of providing for the needs of the economy and meeting housing demand, then the amount recommended is 14.30 hectares. This demand will be met from a mixture of existing commitments, vacant/undeveloped / safeguarded employment sites and new allocations.

EMP/2 – Under EMP/2 we should consider if there are any realistic land allocations for B1, B2, B8 use that can be made in the urban and rural areas. The findings of Background 17 – Employment Land Supply will be useful here as a starting point for both quantitative and qualitative assessment of existing sites, as will Background

Paper 19 – Commercial Market Analysis. New suggested sites will also be appraised and allocated if found to be suitable.

EMP/3 – Recognising the potential need for business expansion in the rural area and in line with national guidance, the scope of policy EMP/3 – New B1, B2, & B8 Office and Industrial Development on Non-Allocated Sites could be broadened to include support for the expansion of existing businesses in the rural area (including the open countryside) subject to criteria. This flexible policy may be the favoured approach to allocating sites in certain areas.

EMP/4 – This policy will require changes due to publication of TAN 23 and emerging background paper evidence which strongly suggests the need for a more flexible approach than what we have at present.

EMP/5 – The aim of this policy was to encourage the environmental and aesthetic improvement to certain listed employment/industrial sites in the Plan Area. This policy will be reviewed by the RLDP Economy and Skills Subgroup and a decision based on the effectiveness or otherwise of this policy will be made by a review of developments that have taken place since LDP adoption.

EMP/6 – It is likely that a move towards simplifying the rural conversion policy will be discussed. Currently HOU/12 and EMP/6 deal with rural conversions to dwellings and business uses respectively. A single policy with a clear cascade of re-use options would make the system easier to understand and apply.

Other policies – Subject to a review of appropriate evidence, there may be a need for a new policy to guide farm diversification/new rural enterprises in the open countryside.

9. Further Evidence base needed

BP 16- Brexit and the Rural Economy – to be completed in time for the LDP Deposit Stage.

10. Conclusion

This Economy and Skills Topic Paper seeks to establish the key issues to be addressed and the evidence required early in the RLDP process but as the Plan will take at least three years before adoption new evidence and issues may arise. Based on the current evidence available it is considered that the proposed approach to new and amended policies would provide a more robust basis to delivering employment land in the future. An LDP Economy and Skills sub-group will regularly review the evidence base to identify key strategic changes to policy objectives and evidence and then recommend updates to the background papers and this Topic Paper.

Appendix 1 – Existing LDP Policies

STRATEGIC POLICY EMP/1 – MEETING B1, B2 & B8 OFFICE AND INDUSTRIAL EMPLOYMENT NEEDS

Meeting the employment needs of the County is at the heart of Council's future objectives. Over the Plan period the Council will plan, monitor and review the delivery of approximately 20.5 hectares of B1, B2 & B8 office and industrial employment land, (inclusive of completions, committed sites and new allocations) with a further contingency level of up to 2.0 hectares (22.5 hectares in total) of B1, B2 & B8 office and industrial employment land, to meet the population predictions over the Plan period. Approximately 15.5 hectares, with a contingency of 1.5 hectares (17 hectares in total), of B1, B2 and B8 office and industrial employment land to contribute to the objective of reducing out-commuting levels will be provided. Higher value B1, B2 & B8 office and industrial employment, skills development, business and technology clusters and the promotion of a more balanced age structure will be encouraged. This will be achieved by:

- a) Supporting new employment development in the Urban and Rural Development Strategy Areas in line with Policy EMP/2 – 'New B1, B2 & B8 Office and Industrial Employment Development';
- b) Contributing to the reduction of out-commuting levels by supporting additional new B1, B2 & B8 office and industrial employment development in the Urban Development Strategy Area in line with Policy EMP/2;
- c) Supporting new B1, B2 & B8 office and industrial employment development on non-allocated sites within the Urban and Rural Development Strategy Areas in line with Policy EMP/3 – 'New B1, B2 & B8 Office and Industrial Development on Non-Allocated Sites';
- d) Tackling problems of deprivation and economic decline through the retention and development of employment generating uses as part of the comprehensive regeneration of Colwyn Bay in line with Policy DP/8 – 'Colwyn Bay Urban Regeneration Master Plan';
- e) Protecting B1, B2 & B8 office and industrial employment sites from other uses in line with Policy EMP/4 – 'Safeguarding B1, B2 & B8 Office and Industrial Employment Sites';
- f) Promoting B1, B2 & B8 office and industrial Improvement Areas in line with Policy EMP/5 – 'Office and Industrial Improvement Areas';
- g) Promoting employment use of suitable underused or redundant land or buildings within the Rural Development Strategy Area in line with Policy EMP/6 – 'The Re-use and Adaptation of Rural Buildings';
- h) Supporting appropriate diversification on agricultural holdings that is compatible with landscape, ecology and amenity and can be accessed sustainably in line with Policy DP/6 – 'National Planning Policy and Guidance';

- i) Promoting skills development in line with Policies DP/4 – ‘Development Criteria’, DP5 – ‘Infrastructure and New Developments’;
- j) Supporting the development of business/technology clusters and environmental benefits through green eco-industrial networking in line with Policies EMP/2, EMP/3 and EMP/4;
- k) Encouraging infrastructure that sustains and promotes the local economy in line with the Development Principles.

POLICY EMP/2 – ALLOCATION OF NEW B1, B2 AND B8 OFFICE AND INDUSTRIAL EMPLOYMENT DEVELOPMENT SITES

1. Over the Plan period the Council will plan, monitor and review the delivery of approximately 20.5 hectares of B1, B2 & B8 office and industrial employment land, (inclusive of completions, committed sites and new allocations) with a further contingency level of 2.0 hectares (22.5 hectares in total) of B1, B2 & B8 office and industrial employment land to meet the population predictions. Approximately 15.5 hectares, with a contingency of 1.5 hectares (17 hectares in total) of B1, B2 & B8 office and industrial employment land to contribute to the objective of reducing out-commuting levels will be provided. Higher value B1, B2 & B8 office and industrial employment, skills development business and technology clusters to encourage a more balanced age structure. This will be achieved by:

- a) Locating and protecting approximately 85% (17.5 hectares) of B1, B2 & B8 office and industrial land within the Urban Development Strategy Area (inclusive of completions, committed sites and new allocations) and an additional contingency level of 1.5 hectares (19 hectares in total) where most population growth is expected. New site allocations and contingency sites are distributed and protected as set out below:
- b) Locating and protecting a further 15.5 hectares of B1, B2 & B8 office and industrial land within the Urban Development Strategy Area (inclusive of completions, committed sites and new allocations) and an additional 1.5 hectares of contingency (17 hectares in total) to contribute to reducing out-commuting levels. New site allocations and contingency sites are distributed and protected as set out below:

URBAN DEVELOPMENT STRATEGY AREA		
Urban Settlement	Site Allocation	Employment Allocation
Strategic Hub Location – Llandudno Junction	Esgyryn, Llandudno Junction (Mixed-use Housing and Employment Site)	5.2 hectares of B1 Employment
Strategic Hub location -	North East of Former	0.4 hectares of B1

Llandudno Junction Conwy	Goods Yard Penmaen Road, Conwy	Employment 0.5 hectares of B1
Llandudno	The former Goods Yard	Employment 1.4 hectares of B1
Abergele	Abergele South East (Mixed-use Housing and Employment)	2.0 hectares of B1 Employment
Abergele	Abergele Business Park (Mixed-use Housing and Employment)	2.0 hectares of B1 Employment
	Total USDA allocations	11.5 hectares (to meet requirement for 10.73 hectares- see table 8)
	Contingency Site	
Abergele	Abergele South East	3.7 hectares of B1/B2/B8 Employment (3.0 hectares requirement-see table 7)
	TOTAL (inc. contingency)	15.2 hectares

c) Locating and protecting approximately 15% (3 hectares) of B1, B2 & B8 office and industrial land within the Rural Development Strategy Area (inclusive of completions, committed sites and new allocations) with an additional contingency level of 0.5 hectares (3.5 hectares in total) over the Plan period. New site allocations and contingency sites will be distributed and protected as set out below:

RURAL DEVELOPMENT STRATEGY AREA		
Rural Settlement	Site Allocation	Employment Allocation
Tier 1 Main Village,	Land at Orme View Filling Station, Dwygyfylchi	0.5 hectares of B1/B2/B8 Employment
Tier 2 Main Village,	Land at Memorial Hall, Dolgarrog	0.3 hectares of B1/B2 Employment
Tier 2 Main Village,	Land at Llansannan	1.0 hectares of B1/B2 Employment
Tier 2 Main Village,	Site R44 Llangernyw	0.3 hectares of B1/B2 Employment
Tier 2 Main Village,	Site R5 off the B5105, Cerrigydrudion (mixed-use housing and employment)	1.0 hectares of B1/B2 Employment

	Total RDSA Allocations	3.1 hectares (to meet requirement for 3 hectares- see table 8)
Tier 1 Main Village, Rural	Contingency MS9 Orme View Filling Station, Dwygyfylchi	0.5 hectares of B1/B2/B8 Employment (0.5 hectares requirement-see table 7)
	TOTAL (inc. contingency)	3.6 hectares

2. Allocated and contingency sites will be released as detailed in the Implementation and Monitoring Plan. A contingency site will be released if it is demonstrated through the Annual Monitoring Reports that annual development rates are 15% lower or higher than targets for two or more consecutive years.

POLICY EMP/3 – NEW B1, B2 & B8 OFFICE AND INDUSTRIAL DEVELOPMENT ON NON-ALLOCATED SITES

New, office and industrial facilities development within or adjacent to the main built up areas of the Urban Development Strategy Settlements and the Tier 1 & 2 Main Villages and Minor Villages will be supported on non-allocated sites, subject to other policies in the Plan and all the following criteria being met:

- a) The proposal is appropriate in scale and nature to its location;
- b) It can be demonstrated that the proposal could not be accommodated on land allocated for the particular use or be located on a suitable brownfield site or building;
- c) The proposal is supported by evidence of local employment benefits in terms of viable jobs provided and local skills generated;
- d) The proposed development would not have an unacceptable adverse impact on occupiers of neighbouring properties or the environment;
- e) The proposal is sustainably accessible;
- f) There is no adverse impact on the Welsh language in line with Policy CTH/5 – ‘The Welsh Language’.

POLICY EMP/4 – SAFEGUARDING B1, B2 & B8 OFFICE AND INDUSTRIAL SITES

1. Existing B1, B2 & B8 office and industrial employment sites as designated on the Proposals Map, are safeguarded for the purposes of B1, B2 and B8 uses only. Development that would lead to the loss of existing B1, B2 & B8 employment sites on designated land will not be permitted. Proposals for changes of use between the B1, B2 & B8 use classes on existing designated land will be permitted provided the proposed development does not prejudice the strategic employment land requirement, is compatible with the amenity of occupiers of neighbouring properties and the environment in general, and subject to being acceptable in terms of other Local Development Plan Policies.
2. Proposals which would lead to a loss of B1, B2 & B8 employment land or buildings not falling within a designated or allocated area, as shown on the Proposals Map, will only be supported in exceptional circumstances where the development is acceptable in terms of other Local Development Plan policies and provided:
 - a) The site has no reasonable prospect of it becoming marketable for B1, B2 and B8 employment development or;
 - b) The site is incompatible with the surrounding area for B1, B2 & B8 employment uses and an alternative land use would benefit the surrounding area and community;
In either of these cases the applicant must also demonstrate that the non-employment use;
 - c) Would be compatible with neighbouring employment uses and;
 - d) Will respect the character and amenity of the surrounding area and is landscaped accordingly.

POLICY EMP/5 – OFFICE AND INDUSTRIAL EMPLOYMENT IMPROVEMENT AREAS

The Council will promote and encourage the improvement of the following B1, B2 & B8 Office and Industrial employment sites, as shown on the Proposals Map:

- a) Builder Street/Council Street, Llandudno
- b) Arch Motors, Llandudno
- c) Former Fisheries Research Site, Benarth Road, Conwy
- d) Glan y Mor Road and Vale Road, Llandudno Junction
- e) East of Tre Marl (1), Llandudno Junction
- f) Tre Marl (1), Llandudno Junction
- g) Bron y Nant Road, Mochdre

- h) Glan y Wern Road, Conwy Road, Mochdre
- i) Pensarn Trading Estate, Pensarn, Abergele
- j) Peel Street, Abergele
- k) Cadar Avenue/St Asaph Avenue, Kinmel Bay
- l) Station Yard, Llanrwst
- m) North Station Yard, Llanrwst

POLICY EMP/6 – RE-USE AND ADAPTATION OF REDUNDANT RURAL BUILDINGS

The re-use and adaptation of existing buildings in the rural area to new business uses that contribute to the local economy and Welsh language and culture will be permitted where:

- a) The building is substantially intact and structurally capable of conversion without requiring major or complete reconstruction, and;
- b) The building is capable of conversion to accommodate the proposal without substantially altering its size, character and external appearance and the proposed form, bulk and general design are in keeping with their surroundings, and;
- c) Conversion does not result in unacceptable impacts upon the structure, form, character or setting where the building is of historic and/or architectural interest, and;
- d) Safe access for pedestrians and vehicles can be provided without prejudicing the character and appearance of the building and area, and;
- e) The proposal represents a sustainable development in terms of the location and construction, and;
- f) Any ancillary works associated with the conversion will not unacceptably adversely affect the rural character of the locality, and;
- g) There is no adverse impact on the Welsh language in line with Policy CTH/5;
- h) The application is supported by a professional business plan which demonstrates the viability of the scheme.