



Mid Wales Region Employment Sites Premises Needs and Action Plan Powys, Ceredigion and Brecon Beacons

Final Stage 1 Report
April 2020

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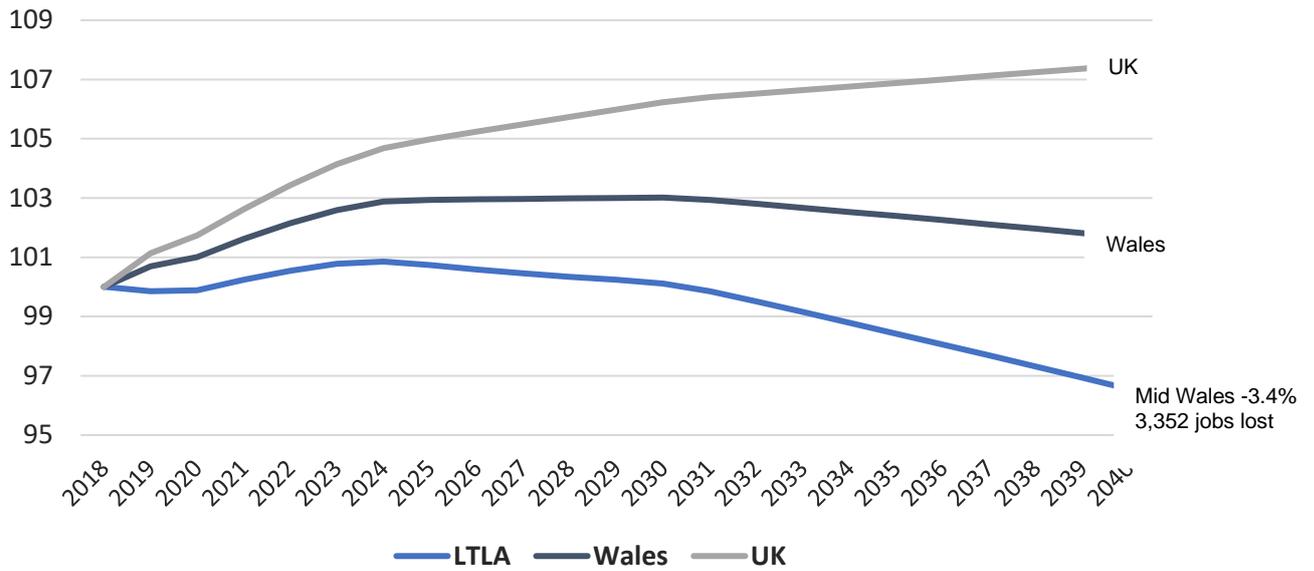
EXECUTIVE SUMMARY

- i. The **Mid Wales Employment Sites and Premises Needs Assessment and Action Plan** has been prepared by BE Group, Hatch and Per Consulting on behalf of Ceredigion and Powys County Councils, Brecon Beacons National Park Authority and Welsh Government. This document is the Stage One report providing the employment sites and premises assessment. Stage Two is the Action Plan and Stage Three is an outline business case to support the Mid Wales Growth Deal.
- ii. The impetus for this report is the recognition that the Mid Wales economy is lagging behind Welsh and UK averages and this is set to continue if no action is taken. Baseline forecasts suggest that the Welsh economy is set to grow by 24,000 jobs to 2040, whereas Mid Wales is forecast to shrink by about 3,400 jobs. **Therefore, it is imperative that there are strong actions to support employment growth in the region, through interventions to drive development on employment sites and through broader support of key sectors.**

Economic Profile

- iii. The demographic and socio-economic profile of Mid Wales shows an ageing population and a proportionately low working age population. The workforce has reasonable skill levels and there is low unemployment. As one would expect in a peripheral, rural area, there is a high level of containment of the workforce within the area (i.e. workers live and work in Mid Wales). The relatively strong employment and low unemployment data masks low pay and underemployment and the high self-employment and home working data combined with low incomes is masking rural poverty which is a real cause for concern amongst local authorities and policy makers in Mid Wales. High seasonal employment, relatively low productivity and a lack of diversity across the Mid Wales economy all contribute to a high degree of economic vulnerability.
- iv. Further forecast population and employment decline is the likely outcome of a 'do nothing' approach in Mid Wales as the population continues to age and the economy lags behind. The figure below illustrates the forecast employment growth in Mid Wales, compared to the UK and Wales to 2040 assuming baseline trends continue.

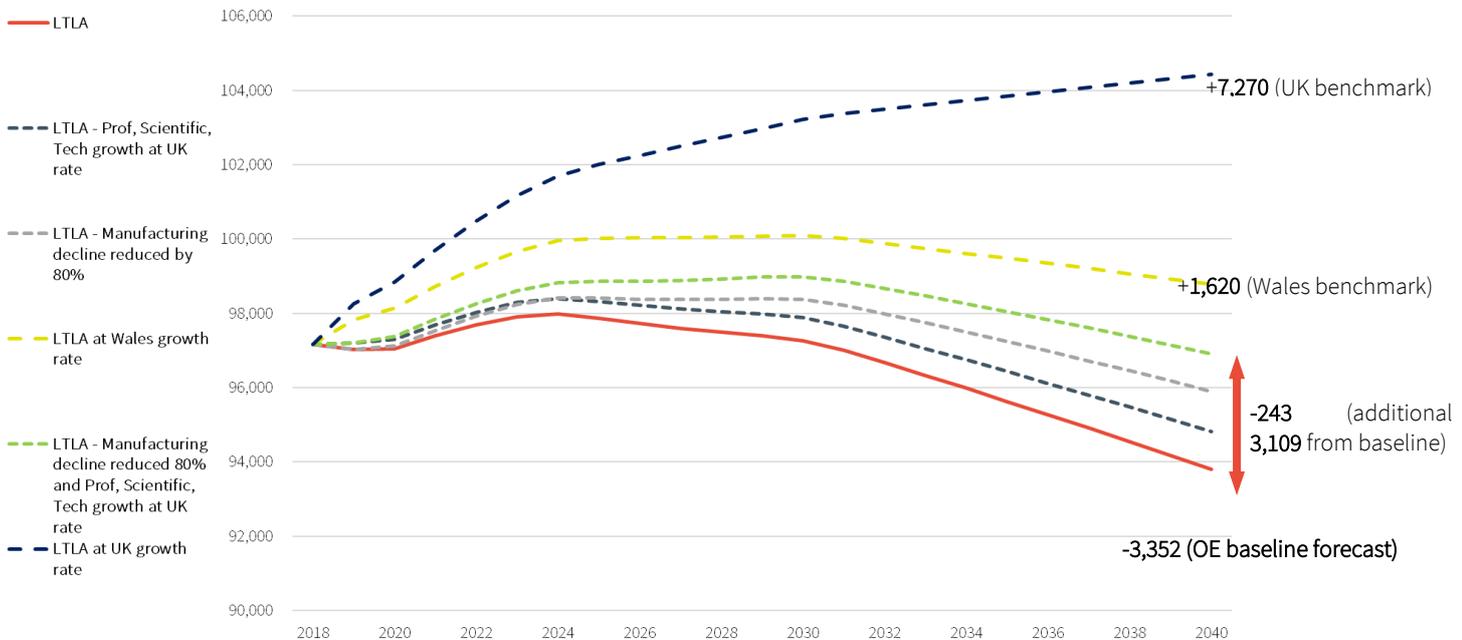
Figure E1: Indexed Forecast Employment Growth (2018-2040)



Data Source: Oxford Economics

- v. However, with targeted interventions, the declines forecasted in the baseline trend can be addressed. The below trajectory shows the potential growth for Mid Wales with interventions to support manufacturing and professional and technical services.

Figure E2: Projected Employment Growth (2018-2040) – Policy On Scenario



Data Source: Hatch analysis; Oxford Economics

Property Market

- vi. The Mid Wales' industrial market is dominated by Welshpool and Newtown, which benefit from proximity to the West Midlands. Other pockets in Aberystwyth, Llandrindod Wells and other towns provide important, but more localised industrial functions. Demand for industrial uses are for small to mid-sized units, including 200-500 sqm units and 1,000-2,000 sqm units. However, requirements/interest that has been cited in consultations with property stakeholders has included some larger units (5,000-10,000 sqm) thus there should be sufficient flexibility in the market to support such requirements.
- vii. The office market in Mid Wales is overwhelmingly comprised of smaller occupiers. The volume of the office market is smaller than the industrial market, both in terms of number of units transacted and the size of the individual units. The demand for office space in Mid Wales is for small units – less than 200 sqm for individual units.
- viii. Occupancy rates are very high in Mid Wales for industrial and office units. In particular, industrial units in Powys and office space in Ceredigion have very high occupancy levels, suggesting that businesses looking to enter the market would have difficulty finding appropriate premises. This is corroborated by the evidence gathered from the commercial agents, who report a lack of available stock limiting the market.
- ix. Viability of commercial development projects in Mid Wales is a major constraint to development. Commercial projects are not being progressed by the private sector as development costs far outweigh the potential income generated by the schemes.
- x. Specific market niches for the Mid Wales that would have employment land and premises requirements include:
 - Manufacturing:
 - High quality units in growth areas to enable expansion of existing businesses and enable new investment (e.g. Aberystwyth and Severn Valley)
 - Refurbishment of older stock where this is no longer fit for purpose
 - Network of small enterprise units to facilitate new business formations and grow on space
 - Small to mid units, particularly in key locations of Newtown, Welshpool, Aberystwyth, Brecon
 - Some plots to accommodate larger units

- Food and beverage:
 - Starter units for commercialisation, innovation and research
 - Processing and storage units
 - Rural based units to enable agricultural processing and value-adding
- Tourism:
 - Flexibility within employment land to accommodate hotel if required (Newtown) and where it does not impinge on the core intended employment uses of the site
- Sustainable technologies:
 - Starter units to support emerging businesses
 - Business park specifically for this sector (north-west Mid Wales)
- Defence and security:
 - Site for NSC
 - Starter units to support complementary businesses
 - Support for Parc Aberporth

Employment Sites

- xi. The employment allocations within the Local Development Plans of the three local authorities were critiqued and reviewed as to their on-going appropriateness for employment and realistic prospects of development. Overall, it was assessed that there is 57.21 ha of developable employment land across Mid Wales, including 30.44 ha in Powys, 23.66 ha in Ceredigion and 3.08 ha in the Brecon Beacons National Park. Critically, the majority of the sites are less than 2.0 ha, as seen in Table E3 below, thus limiting the development potential of the sites.

Table E3 – Land Allocations by Employment Use (realistic supply)

Area	<0.5ha	0.5-0.99ha	1.0-1.99ha	2.0-4.99ha	5.0-9.99ha	10.0+ ha
Powys	0 (0)	1.90 (3)	9.75 (7)	12.79 (5)	6.0 (1)	0 (0)
Ceredigion	0.29 (1)	0 (0)	1.78 (1)	21.59 (7)	0 (0)	0 (0)
Brecon Beacons	0.58 (2)	1.10 (2)	1.40 (1)	0 (0)	0 (0)	0 (0)
Total	0.87 (3)	3.00 (5)	12.93 (9)	34.38 (12)	6.0 (1)	0 (0)

Source: BE Group analysis of sites, 2020

* does not include sites with no realistic supply of employment land

xii. There are some areas within Mid Wales with no or limited supply of available employment land, significantly limiting growth potential. In particular, the following have been identified from this analysis:

- **Newtown** has only one 2.0 ha site, which is very limited for one of the key employment nodes in Mid Wales, although there is scope to increase the site area if constraints are addressed.
- **Welshpool**, as another key employment node, has more available land than Newtown, though limited to two locations, one of which would have a narrow market appeal.
- **Aberystwyth** also only has two sites – the remaining parcel in Glanyrafon, which is sloped and difficult to develop; and the Llanbadarn Campus site, which is part of a mixed use site (housing, education, employment) and the employment component may be several years from development. Aberystwyth University has put forward candidate sites as part of the call for sites process with Ceredigion County Council for mixed use schemes that would include employment uses at Llanbadarn Fawr Campus, Penglais and Frongoch Farm and Wern Phillip Farm
- The **Llandysul/Lampeter corridor** has the highest amount of land available over four sites (8.9 ha). This will continue to be an important corridor for Ceredigion and in particular will have an important and expanding food and beverage role (Horeb Business Park). However, its location in the south west of Mid Wales means it will always have a relatively local function.
- **Llandrindod Wells** has two sites, including a reasonable amount of space at Heart of Wales Business Park (2.09 ha) and a remnant site within Ddole Road Industrial Estate (0.69 ha). These sites have been allocated and vacant for many years and have no obvious physical development constraints, though have not come forward.
- The **Cardigan** market has two sites, Parc Teifi (2.83 ha) and Parc Aberporth (1.78 ha). These provide opportunities for growth, the Parc Teifi site would service the Cardigan market and Parc Aberporth providing opportunities for sites around West Wales Airport.
- The south-east areas, including **Presteigne** (1.01 ha), **Knighton** (0), **Hay-on-Wye** (2.4 ha) and **Talgarth/Three Cocks** (3.83 ha) have limited opportunities for growth..

- **Brecon** only has two remnant parcels within existing employment areas to accommodate further growth, both of which are small sites. There is a need for additional land to accommodate current and future needs.
- **Ystradgynlais** has the remaining land within Woodside Business Park available (1.99 ha), which is Welsh Government owned. The remaining parcels have been vacant for several years, though are considered appropriate for local needs as required.
- At **Machynlleth**, the vacant site is neighbouring to Treowain Enterprise Park and provides an opportunity for the further growth of employment in this locality.

Employment Land Projections

xiii. The potential employment land requirements within Mid Wales were assessed using the following approaches:

- Model One – extrapolation of past take-up rates of employment land
- Model Two Baseline – assessment of demand based on baseline employment forecasts
- Model Two Policy On – assessment of demand based on Policy On employment growth scenario

xiv. Given there is considerable uncertainty regarding employment land requirements to 2040, a buffer equivalent to five years of growth has been added to the forecast to enable some flexibility. The following table provides a summary of the forecast employment land requirements using the different approaches and compares to the estimated realistic supply of employment land as at 2019.

Table E4 – Comparison of Employment Land Supply and Demand

		Land Requirement 2019-40 (ha) including Five Year Buffer					
		Model One		Model Two			
Area	Realistic Employment Land Supply (ha)	Demand	Supply minus Demand	Baseline Demand	Baseline Supply minus Demand	Policy On Demand	Policy On Supply minus Demand
Ceredigion	23.66	23.4	0.26	2.46	21.20	3.73	19.93
Powys	30.44	33.8	-3.36	6.52	23.92	10.42	20.02
Brecon Beacons	3.08	5.3*	-2.22	1.40	1.68		

Source: BE Group analysis, 2020

* *Within Mid Wales only*

- xv. It is recommended that the Model One approach is the most appropriate growth trajectory for Mid Wales. Under this model, it is estimated that **the demand for employment land in Mid Wales to 2040 is 62.5 ha (including buffer and including Brecon Beacons National Park areas within Mid Wales)**. As seen in the above table, under this approach, it is estimated that the demand to 2040 is higher than the current supply. Therefore, there is a need for further sites to become available within the planning period in order to satisfy demand.
- xvi. This analysis is based on the economy having the same market dynamics and sectors as in recent years. Emerging sectors that have been underrepresented in the market in previous years would not be accounted for in the growth trajectory. The land requirements that emerge from such sectoral growth should be considered over and above the baseline forecast requirement. Therefore, the recommended scenario – using the Model One approach, including buffer – should be seen as the minimum requirement to support economic growth in Mid Wales. The requirement for Mid Wales should be at least 62.5 ha to 2040.

Recommendations

- xvii. From the analysis undertaken in Stage One of this study, it is recognised that the economic performance of Mid Wales is being impeded by its constrained property market. Therefore, if Mid Wales is to improve its economic performance, the property market will need to address:
- The investment required to bring the existing stock of commercial premises up to modern standards;
 - The market failure and commercial viability issues which results in the lack of development of commercial properties by the private sector;
 - The need to provide an appropriate mix of commercial premises to meet business requirements and facilitate future economic growth;
 - The limited supply of employment sites in the market, particularly in areas of high demand;
 - The need for appropriate employment sites and premises for emerging growth sectors.

xviii. To address these issues, the following recommendations have been outlined:

Recommendation 1: Continue to plan at the larger than local level. While a dispersed and disparate area, the Mid Wales region has some key economic interactions and commonalities and a region-wide approach to employment land planning is appropriate.

Recommendation 2: The employment land need for the Larger than Local Area should be at least 62.5 ha to satisfy growth to 2040. This includes a five-year buffer to account for uncertainties and compares to the current realistic supply of about 57.2 ha. Therefore, it is recommended to provide further choice in the market to ensure that there is sufficient supply over the planning period. This requirement of 62.5 ha should be considered as a minimum, with further land required to satisfy emerging sectors.

Recommendation 3: A hierarchy of employment sites is recommended for Mid Wales. Given the constrained market, it is important that all employment sites are brought forward within the planning period. However, there are particular locations of need in Mid Wales and thus the Action Plan should include a suite of priority sites that would form the core of targeted actions by the Councils and Welsh Government to drive delivery of further employment premises.

Recommendation 4: New employment sites are located in strategic locations. The priority locations for additional sites in Mid Wales should be Newtown, Welshpool, Aberystwyth, Brecon, Builth Wells, Knighton, Cardigan and Llandysul.

Recommendation 5: New premises are provided in strategic locations that reflect local demand. A larger range of unit sizes is required in Newtown and Welshpool, with a more moderate range in Aberystwyth. Small unit sizes are required in the market towns, including Brecon, Cardigan, Builth Wells, Knighton and Cardigan.

Recommendation 6: Public sector interventions are required in areas of market failure. It is recommended that the public sector continue to have a development role in the market through targeted interventions.

1.0 INTRODUCTION

1.1 The **Mid Wales Employment Sites and Premises Needs Assessment and Action Plan** has been prepared by BE Group, Hatch and Per Consulting on behalf of Ceredigion and Powys County Councils, Brecon Beacons National Park Authority and Welsh Government.

1.2 This report was produced in accordance with the Welsh Government Guidance on how to develop an evidence base to support Local Planning Authorities (LPAs) in their preparation of employment land strategies and policies. The Guidance complements Planning Policy Wales Edition 10 (2018) (para. 5.4.3) and stipulates data collection at two geographic levels: **Local** and **Larger than Local**. The term “Larger Than Local” refers to an area greater than a single local authority, preferably defined by more than one LPA for the purpose of providing information for a strategic study about economic development.

1.3 As stated in the brief the “*scope of the commission covers the geographic area of Powys and Ceredigion and aims to:*

- *Ensure the right supply and location of employment land allocations and commercial premises to facilitate economic growth in the region to 2040.*
- *Develop an action plan to provide a strategic and planned approach to help deliver future sites and premises provision over the short (0 - 5 years), medium (5 - 10 years) and long term (10 years +), and identify innovative solutions to help support the commercial property market and to stimulate private sector investment.*
- *Develop an outline business case for investment in the regional commercial sites/property market that can support the delivery of the potential Mid Wales Growth Deal.”*

1.4 This study also reviews potential key sectors of growth in Mid Wales and their potential requirements for land.

1.5 The Mid Wales study area includes the part of the Brecon Beacons National Park that is within Powys County Council’s administrative area (66% of the National Park is within Powys, including the National Park’s four towns). However, it is noted that parts

of other county and county borough councils, including Carmarthenshire, Rhondda Cynon, Taff, Merthyr Tydfil and Monmouthshire and also within the National Park. While not directly within the scope of this study any elements of relevance within the broader Brecon Beacons National Park area have been considered.

- 1.6 The impetus for this report is the recognition that the Mid Wales economy is lagging behind Welsh and UK averages and this is set to continue if no action is taken. Baseline forecasts suggest that the Welsh economy is set to grow by 24,000 jobs to 2040, whereas Mid Wales is forecast to shrink by about 3,400 jobs. **Therefore, it is imperative that there are strong actions to support employment growth in the region, through interventions to drive development on employment sites and through broader support of key sectors.**

- 1.7 This report is Stage One of the Mid Wales Employment Sites and Premises Needs Assessment and Action Plan. Stage One comprises the analysis of employment land requirements from both a Larger than Local and a Local perspective. The report reviews the economic evidence base that would influence the property demand and supply dynamics as well as direct research on the property and employment land market in the Study Area. The study has had regard to the relevant policies at the national, regional and local levels. The economic assessment has presented the quantitative evidence on demographics, labour market, current and future state of the economy. The property and employment land assessment has reviewed the current market characteristics of the commercial property sector (transactions volumes, locations, supply) and the availability of allocated employment sites, drawing on the supply detailed in the Local Development Plans (LDPs) of the constituent local planning authority areas.

- 1.8 Forecasts of employment land needs have been prepared, including scenario testing, up to 2040. These forecasts have informed this study and will also inform the subsequent stages of this study, which are the preparation of an Action Plan to drive delivery of the sites (Stage Two) and the development of an outline business case to support the Mid Wales Growth Deal (Stage Three).

2.0 POLICY CONTEXT

2.1 The relevant policy framework across the Mid Wales area has been reviewed, to provide the context for the analysis undertaken in this study.

Welsh Government

Wellbeing of Future Generations Act (2015)

2.2 The Wellbeing of Future Generations Act is to improve the social, economic, environmental and cultural well-being of Wales. The Act identifies seven goals to ensure that public bodies work within a common framework and an integrated approach, which are:

- A prosperous Wales;
- A resilient Wales;
- A healthier Wales;
- A more equal Wales;
- A Wales of cohesive communities;
- A Wales of vibrant culture and thriving Welsh language; and
- A globally responsible Wales.

2.3 The Act requires public bodies to consider the long-term impacts of decisions. Public bodies have a duty to undertake sustainable development.

Consultation Draft: National Development Framework 2020-2040 – Welsh Government (2019)

2.4 The National Development Framework (NDF) is a 20-year plan for Wales up to 2040, which is at Consultation Draft Stage. It covers key areas such as the economy, where nationally significant developments should take place, where key growth areas are and what infrastructure and services are needed. The draft NDF sets out development policies for Wales as a whole and for the North Wales, Mid and South West Wales and South East Wales regions.

2.5 The draft NDF sets out 11 Outcomes of where it wishes Wales to be in 20 years' time. While all are important in the overall planning for regions, it is worthwhile highlighting the following for this Mid Wales employment study. Outcome Number Two is that "*In rural areas, job opportunities and community services will be supported to help attract*

and retain people.” (Pg. 20) Number Five is that “Cities and large towns are magnets for jobs and investment, while people are drawn to live and work there for the economic and social opportunities they provide.” (Pg. 20) Number Six is that “Development Plans will have a forward thinking, positive attitude towards enabling economic development, investment and innovation.” (Pg. 20)

- 2.6 In terms of the regions, the Welsh Government proposes each region prepares a Strategic Development Plan which will establish, amongst other things, strategic employment provision. (Policy 16)
- 2.7 For Mid and South West Wales, the document recognises the area’s diversity and large size, which includes rural and sparsely populated areas as well as urbanised and industrialised areas. The document supports a collaborative and holistic approach to regional planning and states that *“Housing, economic development and connectivity infrastructure should be co-ordinated and planned across the whole region.”* (Pg.56) From the national perspective, it suggests that there are *“two broad spatial subregions – the built up areas around Swansea, Neath Port Talbot, southern Carmarthenshire and the Haven towns, and the dispersed settlements in a wider rural hinterland across north Pembrokeshire, Ceredigion, Powys and northern Carmarthenshire.”* (Pg.56) However, it is also stated that it is up to local planning authorities to determine how regional planning proceeds and that the Welsh Government will support approaches that focus on a sub-region where it is demonstrated that it is appropriate.
- 2.8 Policy 24 of the draft NDF outlines the regional centres within the Mid and South West Wales region which include the towns of Llandrindod Wells, Newtown and Aberystwyth. These towns *“will be the focus for managed growth, reflecting their important sub-regional functions.”* (Pg.58)
- 2.9 The consultation period ended in November 2019. As it is a draft document, there may be changes in policies that emerge from the consultation stage and are incorporated into the final document. The NDF is set to be published in September 2020.
- Planning Policy Wales, 10th Edition – Welsh Government (2018)***
- 2.10 Planning Policy Wales (PPW) 10th Edition, sets out the planning policy of the Welsh Government. It is supplemented by a series of Technical Advice Notes (TANs).

Together with several circulars and policy clarification letters, PPW and the TANs comprise the national planning policy for Wales. When published, the NDF will have development plan status.

- 2.11 PPW states the importance of the planning system supporting economic growth and ensuring that there is 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.”* (Pg.83, para 5.4.3)
- 2.12 Plans and decisions need to be based on an up to date and locally/sub-regionally specific evidence base which demonstrates the *“suitability of the existing employment land supply as well as future provision in relation to the locational and development requirements of business.”* (Pg.83, para 5.4.7) That evidence base should include an Employment Land Review (ELR).
- 2.13 *“Planning authorities should work with each other and with relevant economic fora in order to prepare an ELR. 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.”* (Pg.83, para 5.4.8)

Technical Advice Note (TAN) 23: Economic Development (2014)

- 2.14 This TAN provides guidance on planning for economic development at a strategic level, identifying and assessing the economic benefits of development proposals and establishing an evidence base to support the economic development policies of LDPs.
- 2.15 The TAN advises that local planning authorities should aim to provide the land that the market requires (unless there are good reasons to the contrary). *“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 such development.”* (Pg.5, para 1.2.5)

- 2.16 Local authorities are encouraged to work jointly in sub-regional groups to prepare joint economy evidence bases, including an analysis of the sub-regional commercial and industrial property market. Such sub-regional strategies should also focus on identifying strategic sites of national and regional importance.
- 2.17 In producing LDPs, local planning authorities should:
- Develop a broad vision for the Plan which *“must be consistent and coherent so that the economic, social and environmental considerations support each other”* (Pg.13, para 4.3.1)
 - Set land provision targets which meet the market demand for land. Local authorities should work together to steer development to sustainable locations.
- 2.18 In terms of forecasting future growth, the TAN, echoing PPW, advocates *“a broad assessment of anticipated employment change by broad sector and land use”*. Specifically, this will require *“the preparation 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.”* (Pg14, para 4.4.1)
- 2.19 The TAN accepts that such forecast modelling can often be imprecise – *“Models of future economic scenarios are surrounded by a large margin of uncertainty, and often more so for individual authorities than for larger areas. Modelling may be most successful when based on functional economic areas such as travel to work areas and housing market areas.”* (Pg14, para 4.4.1)
- 2.20 Where projected local authority growth differs markedly from that expected for the wider region, *“the authority should provide an evidence-based justification for these differences, much as they would have to in respect of population projections for their area.”* Predicted employment figures should usually be expressed as a range of scenarios to reflect different economic outcomes and policy options. Ultimately however, *“the level of growth envisaged must be realistic, able to withstand scrutiny*

and be consistent with the other aspirations of the plan including population and housing projections.” (Pg14, para 4.4.2)

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

- 2.21 This Practice Guidance provides a methodology for LPAs to help meet these requirements, and to *“produce robust evidence bases to underpin sound plans and development management decisions.”* The guidance aims to *“address common technical problems and help achieve greater consistency in the approach to collecting data across Wales.”* LPAs may choose to depart from or add to the methods contained in this document *“but in either case make clear the reasons for their preferred methodology in their evidence base studies and LDP as the outputs should be robust enough to withstand scrutiny along with other supporting evidence for LDPs.”* (Pg.8, para, 1.1.2)
- 2.22 This Practice Guidance predates the most recent edition of Planning Policy Wales, though refers to earlier editions, including that it provides policy advice about LDPs and the economy, including the need for:
- An economic vision for the area
 - Quantitative targets on the provision of land for employment (B-Class) uses over the plan period
 - Site-specific policies for new and established areas
 - Criteria-based policies to guide development management decisions on sites not specifically identified in plans
- 2.23 Chapter 4 establishes that the Employment Land Review (ELR) is an integral part of establishing an evidence base to support the strategies and policies of an LDP. *“While ELRs have typically been conducted, and deal with data, at a local authority level, PPW and Technical Advice Note (TAN) 23 strongly support joint studies with neighbouring authorities where this is practicable. The information collected in the ELR study will also help inform the more strategic assessment of economic development taking places at a larger than local level.”* (Pg.21, para 4.1.1)

2.24 The Employment Review includes four stages. *“The Employment Land Review is essentially a two-part process, an appraisal of the present situation (stages 1 & 2) followed by an assessment of future needs (stages 3 & 4):*

- *Stage 1: Property Market Assessment*
- *Stage 2: Audit of Employment Sites*
- *Stage 3: Future Land Requirements*
- *Stage 4: Policy options and recommendations.”* (Pg.21, para 4.1.3)

Prosperity for All: The National Strategy – Taking Wales Forward (2017)

2.25 The Taking Wales Forward programme of Welsh Government provides the headline commitments to be delivered to 2021. The National Strategy *“takes those key commitments, places them in a long-term context, and sets out how they fit with the work of the wider Welsh public service to lay the foundations for achieving prosperity for all.”* (Pg. 2)

2.26 The National Strategy has five priority areas as having the greatest potential contribution to long-term prosperity and well-being – early years, housing, social care, mental health and skills and employability. Interventions to address these priority areas will be targeted to the specific needs of each region of Wales.

2.27 This document states that local authorities *“will be an important partner in delivering this agenda. Achieving our ambitions for Wales will require a different relationship not just between the Welsh Government and local authorities, but also between local authorities themselves. It is only through closer working, on a consistent regional basis, that the resilience and responsiveness of services can be maintained in the future.”* (Pg.5). This Mid Wales Employment Sites and Premises Needs Assessment is consistent with such an ambition.

Prosperity for All: Economic Action Plan (2017)

2.28 The purpose of the Economic Action Plan launched in December 2017 is to support the delivery of Prosperity for All – the National Strategy for Wales. The Plan sets out a vision for inclusive growth, built on ‘supercharged industries of the future’ and productive regions. (Pg.44) The Plan supports the twin goals of growing the economy and reducing inequality. It simplifies the Government approach to sector prioritisation, recognising that traditional sector boundaries are increasingly blurred and identifying three thematic sectors for proactive government support:

- Tradable Services (e.g. fintech services and online insurance)
- High Value Manufacturing (e.g. compound semiconductors and new composites manufacturing)
- Enablers (e.g. digital, energy efficiency, renewables).

2.29 The plan also recognises the importance of Foundation Sectors - tourism, food, retail and care – committing to develop cross-government enabling plans to maximise impact.

Natural Resources Policy (2017)

2.30 The Natural Resources Policy is the Welsh Government's statutory document underpinning the approach to its natural resources, in line with the Prosperity for All documents. The Policy outlines the key challenges for Wales regarding natural resources, namely:

- Improving ecosystem resilience
- Climate change and the decline in biological diversity
- The UK's withdrawal from the European Union (Pg.11)

2.31 In responding to these challenges, the Policy outlines national priority areas for managing Wales' natural resources:

- Delivering nature-based solutions
- Increasing renewable energy and resource efficiency
- Taking a place-based approach (Pg.16)

2.32 The report discusses sectoral policies on natural resource management, including agriculture, fishing and marine, tourism, transport and renewable energy. This Policy provides impetus to supporting green jobs and a circular economy, improving productive use of materials and reducing waste.

Rural Development Programme (2014-2020)

2.33 The Welsh Government Rural Communities – Rural Development Programme 2014-2020 is a European Commission 7-year investment programme aimed at: (i) fostering the competitiveness of agriculture; (ii) ensuring the sustainable management of natural

resources and climate action; and (iii) achieving a balanced territorial development of rural economies and communities, including the creation and maintenance of employment.

Delivering a Digital Wales

2.34 The Welsh Government’s “Delivering a Digital Wales” framework maps out a digital future for everyone in Wales, through its vision: ‘Wales – a Truly Digital Nation’. Its aim is to help deliver digital skills for everyone: improve online public services, faster infrastructure and enhanced mobile coverage providing a wide-ranging base for economic growth. The framework proposes:

- Everyone in Wales will enjoy the benefits of digital technologies
- Solid ICT skills for children and adults
- More convenient and efficient public services with joined-up delivery of education, health and social care
- A thriving economy driven by our technology research and development
- Flourishing Welsh cultural creativity
- Enhanced mobile and wireless coverage across Wales.

Well-being of Future Generations Act (2015)

2.35 Enacted in 2015, the Well-being of Future Generations Act requires public bodies to act in pursuit of the economic, social, environmental and cultural well-being in Wales, in a way that accords with the sustainable development principle. Public bodies are required to think about the long-term impact of their decisions, to work better with people, communities and each other, and to prevent persistent problems such as poverty, health inequalities and climate change.

2.36 The Act sets out seven well-being goals for Wales: 1) prosperity, 2) resilience, 3) more equality, 4) better health, 5) communities’ cohesiveness, 6) vibrancy of culture and language, and 7) global responsibility.

Regional

Growing Mid Wales Report: Evidence Based Programmes of Interventions – Baseline Report – 2018

2.37 This report identified the economic development strategy for the region that articulates the level of ambition and opportunity for economic growth in Mid Wales. It outlines a clear vision for the Mid Wales region and identifies the priority interventions that can drive growth and productivity over the next 15 years.

2.38 The report identified that employment land allocations across Mid Wales accounted for 169.31 ha of employment land spread across 28 allocated sites, drawing on the information in the individual authorities' LDPs.

Strategic Economic Priorities for the Mid Wales Region – 2019

2.39 This report follows on from the Growing Mid Wales Report and “*outlines the priority programmes required to deliver sustainable economic growth, more productive jobs and support prosperous communities in Mid Wales by 2033*”. (Pg.3)

2.40 The report provides an overview of the components of the Mid Wales economy, providing comment on opportunities and priorities for interventions to support growth. Regarding employment sites and premises the report states that there “*is a need for a long term targeted programme of investment in employment sites and premises to support future economic growth in the region, help address issues of market failure and enable private sector investment*.” (Pg.6)

2.41 The Strategic Economic Priorities include the following objectives:

1. An innovative and skilled Mid Wales
2. A competitive and sustainable Mid Wales
3. A connected and distinctive Mid Wales

2.42 Within each objective a programme of interventions is proposed, divided into transformational, high priority and supporting interventions. Within the Property section, the transformational intervention is an investment in key strategic employment sites throughout Mid Wales. “*Sites are likely to be identified in relation to their strategic geographic location, links with key sector and investment opportunities and the potential to deliver an integrated package of business support*.” (Pg.33). The high priority intervention for Property is an innovative and targeted employment sites and premises investment package, which is to include direct investment funding for new land and premises, as well as supporting infrastructure (e.g. roads, utilities).

Framework for Priority Property Interventions for Economic Development in Wales - 2017

- 2.43 This framework is a study prepared by JLL as advice to the Welsh Government on recommended priority interventions that are required to address identified gaps in the provision of employment premises in the market, updating earlier work. Having this regard of proposed new employment floorspace, the document recommends a property procurement and development programme split into short, medium and long term objectives.
- 2.44 The study provided a series of recommended property interventions, including a programme of new employment property provision. For Mid Wales, the recommendations for new employment properties that were in the report are replicated in the table below. These recommendations were intended as a medium term programme (12-36 months)

Table 1 – Recommended Medium Term Priorities for Mid Wales

Location	Type of Employment
Severn Valley LGZ (Welshpool/Newtown)	2 x 12,500 sqft starter unit schemes 2 x 30,000 sqft units
Brecon LGZ	1 x 10,000 sqft starter unit scheme 2 x 5,000 sqft industrial units
Teifi Valley LGZ (Aberporth/ Parc Teifi/ Llandyssul)	1 x 15,000 sqft starter unit scheme 2 x 5,000 sqft industrial units

Source: Framework for Priority Property Interventions for Economic Development in Wales, 2017

- 2.45 One of the recommendations was for a pilot scheme to provide Property Development Grant (PDG) funding for refurbishment of premises. The pilot scheme was recommended for areas outside of Mid Wales, though indicates policy interest in addressing the need for refurbishment and could result in a wider roll-out.

Local Authorities

Ceredigion County Council

Ceredigion Local Development Plan 2007-2022

- 2.46 The LDP is a statutory plan which sets out policies and specific proposals for the development and use of land for a 15 year period up to March 2022.

2.47 There are 18 objectives identified to set out how the vision will be achieved in order to address the key issues. These objectives provide guidance and direction for growth in Ceredigion and include objectives on housing, rural economy, retail, tourism, form of development, environment, response to climate change and infrastructure.

2.48 A range of policies are presented to achieve these objectives. Policy S01 sets out the level of economic growth projection for the plan period as being circa 4000 new jobs in a sustainable manner, either on:

- a. *“The 39 hectares (net) allocated land (23 ha Aberystwyth Area and 16 ha in the Cardigan Area) as set out in the Settlement Group Statements and shown on the Proposals Map (Pg.56). or*
- b. *Sites that have not been allocated in accordance with policies LU11-LU21.”*
(Pg.56)

2.49 Policies S02-S04 provide additional clarity as to the scale of development that would be appropriate in various locations in accordance with the Settlement Strategy, specifically, Development in Urban Service Centres (S02), Development in Rural Service Centres (S03) and Development in Linked Settlements and Other Locations (S04).

2.50 Policies guiding land use proposals are also provided, including specific policies for B1, B2, B8 and sui generis uses.

Policy LU11: Employment Proposals on Allocated Sites (pg.90)

Policy LU12: Employment Proposals on Non-Allocated Sites (Pg.91)

Policy LU13: Change of Use in Relation to Existing Employment Land or Buildings
(Pg.93)

2.51 Annual Monitoring Reports have reviewed the progress of the LDP against key metrics, with the most recent monitoring report released in 2018.

Ceredigion Replacement Local Development plan 2018-2033 (LDP2), Preferred Strategy, 2019

2.52 The document is the first formal publication in preparation of LDP2. It outlines the changes proposed to accommodate the key issues identified in the formal review of its predecessor. These include lower population projections; allocation of sites to housing, employment, retail and renewables; housing delivery and Joint Housing Land Availability Study (JHLA); affordable housing availability; growth strategy; new legislation; and, Welsh Language. Whilst the main elements of the LDP are maintained, changes have been made to the scale of growth, the settlement groups, the settlement strategy and to some of the land use and development management policies. Additionally, the plan has been updated to reflect broader legislative changes. A review of all service centres and allocated sites resulted in changes to accommodate shifting growth patterns. Although LDP2 runs from 2018 to 2033, the proposed policies will only be in effect after its adoption, expected in late 2021.

Ceredigion Employment Land Survey, 2019

2.53 Evidence from sites identified and surveyed between April 2016 and March 2017 inform the findings of the review. It confirms the LDP1 expectations of economic growth, concluding that the provision of undeveloped land and churn of existing sites can cope with the anticipated development pressures. A total of 283.76 ha of employment land by use class and locality is identified, the majority of which is of good quality in terms of accessibility, internal/external site development and absence of constraints. It recommends consideration of whether in preparing LDP2 potential additional land should be identified, given the asset-based approach of the Growing Mid Wales Partnership to Ceredigion's economic development. (Pg.1)

Ceredigion Rural Economy and Employment, Topic Paper, 2019

2.54 The paper summarises key issues of relevance to the local economy. It recognizes the need to retain young people locally by securing growth opportunities, accessible housing and community facilities. The sustainability of rural areas is threatened by poverty, as evidenced by the disparity between rural and urban incomes. Key workforce characteristics are high levels of self and part-time employment, homeworking and long-distance commuting. In the future, the level and type of the workforce will be determined by the aging population. Additionally, employment-led growth is not suited to the dynamics of the dominant economic sectors of education, tourism, leisure, public services and agriculture. Given the workforce and area characteristics, ICT investment is deemed critical for maximizing productivity. The paper suggests that medium to small scale inward investment projects (requiring high-

quality/prestigious sites) and indigenous business growth should be encouraged to locate on business and employment sites. Correspondingly, the type of sites on offer should exhibit variety. With regards to the policy context up to date, the paper finds that the policies in place have shown the capacity for flexibility and for supporting growth (whenever sustainable to do so). Going forward, policies should also be able to facilitate the emerging plans of Growing Mid Wales.

2.55 In this regard, the Mid Wales context that should be kept in mind is summarised through a SWOT analysis. Namely, the region exhibits sectoral strengths in several key sectors (food, agriculture, tourism, advanced manufacturing). It is home to two universities, one of which produces high quality research. The area is rich in natural resources and the natural environment is of high quality. The quality of life is high, with low overall deprivation levels. On the downside underemployment and seasonal employment, low productivity and wages are issues of concern. Poor transport infrastructure, as well as physical and digital connectivity, pose barriers to development. The outward migration of young, an aging and declining population cumulatively threaten the demographic balance of the area. (Pg. 31)

2.56 Given this landscape, the area should capitalize on its tourism industry and natural environment. An effort to maximize the contribution of anchor institution procurement, brought about by importance of the public sector, is an opportunity worth investigating. To tackle underemployment, employee upward mobility is advised. Finally, businesses should be encouraged to adopt new technologies. Mobile and broadband technology extension across Mid Wales is crucial, in this respect. Other than the shifting demographic structure, threats to the economic vitality of Mid Wales come from Brexit uncertainty, as it relates to key EU funding (in agriculture, for instance), and public sector budget cuts. The narrow economic base of the region increases its susceptibility to negative shocks. Finally, insufficient infrastructure investment limits the potential for growth.

Ceredigion Local Well-being and Improvement Objectives, Performance Report, 2018

2.57 The report predicts that demands on health and social provision will increase going forward, due to an aging population. The main economic pressure comes from higher levels of automation, which reduces job availability. It is recognised that the area's prominent employment sectors (hospitality and tourism, health and care, academic research) are relatively more robust to this change. Additionally, the report states that

responding to the uncertain impact of technology on service provision becomes increasingly important. In terms of climate change, the most likely challenges are more extreme weather conditions and increased risk of river and coastal flooding. A warmer and drier climate hosts opportunities and threats. A longer tourist season could come at the cost of water shortages, more heat-related deaths and more pathogens. The findings of this assessment informed the formulation of the Ceredigion Well-Being Plan 2018-33, the objectives of which are reflected in the corporate strategy of the authority.

Corporate Strategy 2017-22

- 2.58 The policy priorities of the Corporate Strategy focus on four areas: boosting the economy; investing in people’s future; enabling individual and family resilience; and, promoting environment and community resilience. The strategic priorities also incorporate the Well-being and Improvement Objectives, for the next five years.

Table 2 – Strategic Priorities

Corporate Priorities	Well Being Objectives	Outcomes	Success Indicators
Boosting the economy	Promote/provide employment opportunities; Enhance prosperity through collaborative innovative partnership programs; Develop 21 st century infrastructures	An agile, multi-skilled workforce and adequate infrastructure that attracts high quality employment opportunities; Close public-private links; Direct employment paths between HE and the council	Number of multi-skilled employees; Number of (high-skilled) employment opportunities/jobs; Average earnings; Forums promoting public-private sector partnerships; National/international investments in industries (Inc. Agriculture and Tourism); Access to digital/physical infrastructure
Investing in People's Future	Improve learning/employment opportunities; Protect from poverty/maximise incomes; Promote healthy/active lifestyles; Promote/facilitate bilingual culture and local identity	Sustainable population age profile; Citizens can lead active/healthy lives and realise their potential locally; maintained Welsh cultural heritage; Safety net for citizens at greater risk	Decrease out-migration (esp. of younger people); Improved working-age to older population ratio; Increase in average household incomes; Higher physical, social and cultural activity levels; Higher levels of formal/non-formal qualifications
Enabling individual and family resilience	Safe, affordable and accessible homes to promote well-being of individuals/families; Early intervention/prevention to protect the most vulnerable; Enable individuals/families to regain/maintain independence	Improved quality of life through support networks for families, community networks/voluntary groups facilitating early intervention and improved choice/quality of housing	Lower numbers of vulnerable people needing care/support plan; Improved life quality measures; Availability of housing to vulnerable/low-income households
Promoting environmental and community resilience	Engage in programs to minimise contribution to climate change/bio-diversity loss; Provide infrastructure to accommodate future needs; Assist communities to become self-resilient	High standards of environmental/biodiversity stewardship and resilience to climatic challenges, including the safety of citizens at coastal regions	Rates of recycling; Rates of waste sent to landfills; Carbon emission rates; Improved measures of community resilience; Improved physical/organisation infrastructure for risk communities

Source: Corporate Strategy 2018-2022

Powys County Council

Local Development Plan 2011-2026 – Adopted April 2018

2.59 The Powys LDP sets out the Council's policies for the development and use of land in Powys up to 2026. It is applicable to all of Powys except the Brecon Beacons National Park, which is covered by the Brecon Beacons National Park Authority. The LDP has been prepared to provide sufficient land through its policies and proposals to meet a

dwelling requirement of 4,500 dwellings. Policies within the LDP include the provision of employment land and policies to meet the needs of the economy.

- 2.60 The LDP identifies a vision and objectives based on understanding of the characteristics, issues and needs of the county and the community. The objectives were grouped into five key themes. Of particular note for this study, Theme 2: Supporting the Powys Economy states that:

Theme 2: Supporting the Powys Economy

- Supporting a diverse, robust and vibrant economy including key economic sectors and the rural economy (Pg.24, para 3.1.3.C)
- Enabling the regeneration and renewal of Powys' built environment to ensure vital, viable and attractive town centres and employment premises that meet the requirements of modern businesses. (Pg.24, para 3.1.3.d)

- 2.61 The LDP distributes this development according to a hierarchy of settlements. Sites allocated in towns and larger villages for dwellings and employment act as service centres for wider communities. In the small settlements and open countryside of Powys, policies enable local needs to be met through small scale development.

Growth Strategy

- 2.62 The LDP evidence base identifies an Employment Land Provision of 45ha. It did not identify a strong relationship between population growth and the employment land requirement, acknowledging the LDP, should not be employment-led. The assessment did, however, find that the greatest need for employment land would come from the need to replace and upgrade premises. (Pg.29, para 3.2.6)

Strategic Policy SP2 – Employment Growth

- 2.63 To meet employment needs between 2011-2026, the LDP identifies 45 ha of land for employment purposes. There will be 39 ha of new B1, B2 and B8 employment development and six hectares of mixed-use sites. The allocation of 45 ha of employment land is the higher estimate of future land required, and thus was intended to provide flexibility to support economic growth and cater for any peaks and troughs in demand. (Pg.36)

2.64 Policies are also included in the LDP to facilitate small scale employment development to support new and existing businesses as the study also identified a high level of business start-ups, self-employment and micro and small businesses.

2.65 The Welsh Government has put in place Local Growth Zones (LGZs), regeneration initiatives being taken forward within Powys as an alternative model to Enterprise Zones to help encourage and support jobs and growth within the county.

Policy DM16 – Protection of Existing Employment Sites

2.66 A number of important employment sites will be retained for economic uses and are safeguarded by the LDP through Policy E4. Proposals for the use of existing employment sites for alternative uses will be permitted where:

- The land and premises are no longer required for employment purposes
- The proposal would not lead to an under provision of employment land or premises in the sub/local area
- Prejudice the existing or future operational use of surrounding employment sites and premises. (Pg.73, para 4.2.102)

Economic Development Strategy for Powys County Council – 2016

2.67 The economic development strategy identifies the mechanisms that will be used in delivering the Council's economic development interventions. The document identifies that the Powys economy has high employment rates with higher than average self-employment.

2.68 The four objectives of the strategy include:

- Grow Powys' strategic business sectors
- Attract new business
- Increase visitors and visitor spend
- Increase Powys' economically active population (Pg.4)

2.69 Eleven ideas have been identified to help identify where effort would be best concentrated. These ideas are shown in detail in the document and include

infrastructure delivery, funding, promoting Powys for visitors, residents and businesses and improving skills. (Pg. 4)

Employment Land Site Allocations – Approach for the sequential testing and determining of sites – 2016

- 2.70 This report provides an explanation of Council's methodology and decision making to identify and allocate employment sites in Powys for the LDP 2011-2026. It provides a useful document to tracking past assessments of previous candidate sites.
- 2.71 The sequential testing approach identified 17 sites which evidence indicated were deliverable and thus were suitable for allocation for employment land or mixed use with an employment component totalling 45.09ha. There is a further 11.7ha of employment land upon which the plan is not reliant could be potentially available through supportive policies within the LDP but this has not yet been allocated. (Pg.15, para 4.7)

Economy – Employment and Economic Development, Topic Paper, 2015

- 2.72 The paper informs the priorities and strategy set out in the Powys Local Development Plan. It notes that the global economy and public sector/European funding constraints pose challenges not only to Powys' key economic sectors (of agriculture, manufacturing, tourism, services and the public sector), but also the broader economy. The prevalence of SMEs in Powys compounds the significance of these challenges. Because of the rural character of the local economy, peak oil and rising energy costs are also significant causes of concern. To ensure sustainability, it becomes increasingly important to adapt to rising costs and transit to low carbon/green economy.
- 2.73 In Machynlleth, there is an alternative energy expertise centre. In the Severn Valley and Ystradgynlais areas, the manufacturing sector is of particular economic significance. This partly reflects their closeness to motorway networks, workforce skill and availability and external markets. It is also noted that a source of competitive pressure for the manufacturing sector is the aging stock of premises, which need to be refurbished or relocated to energy efficient sites. Based on the above observations, the paper points to the importance of the spatial distribution of employment land in promoting business and innovation. It also recognizes that the size and settlement dispersion of Powys means that a range of employment sites and supportive policies

are needed to meet the employment needs of businesses. The relatively high levels of self-employment and part-time employment, prominence of small and micro businesses and high rates of new businesses and start-ups merit attention. Finally, it recognizes the need to support initiatives and activities that boost economic and social regeneration and sustainable transport options.

Towards 2040, The Powys Well-being Plan, 2018

- 2.74 Powys County Council is a member of the Powys Public Service Board (PSB), which aims to deliver improvements for local people and communities. In line with the Well-being of Future Generations (Wales) Act 2015, it has committed to deliver the PSB Vision 2040, through the Towards 2040, The Powys Well-being Plan. Powys vision for 2040 centres around four objectives, informed by the Well-being Assessment (2017): deliver a stable and thriving economy; deliver a sustainable and productive environment to its residents; ensure that residents will be healthy, responsible and socially motivated; and, connect residents through vibrant communities and culture. The plan sets out the 12 well-being steps, by which the county intends to deliver these objectives.

Well-being assessment, 2017

- 2.75 The assessment uses a variety of evidence, data and research to assess the impact of social, cultural, environmental and economic factors on the well-being of the County's residents. Overall, 31 issues have been identified, but emphasis is placed on the most prominent ones, including better understanding the way in which the rural character of Powys impacts well-being. Access to transport, accommodation suited to the needs of people who are older or live independently and poverty and deprivation are the three factors that have the most negative effect on wellbeing. Sources of positive impact include good health prevention, childcare provision, tourism and Powys' environment.

Vision 2025: Our Corporate Improvement Plan 2018-23

- 2.76 The Corporate Improvement Plan aims to deliver the Council's Vision for 2025. It sets out four clear priorities, centring around the economy, health and care, learning and skills and residents and communities. It is informed by a few key strategies, including the Towards 2040, The Powys Well-being Plan.

Table 3 – Corporate Priorities - Powys

Corporate Priority	Outcome	Objectives	Success Indicators
Economy	Develop a vibrant economy	Provide support to grow businesses; Promote Powys as a place to live, do business and visit; Improved availability to sustainable/affordable housing; Support regeneration/investment through improved infrastructure; Improve residents' skillset and access to good quality jobs	Proportion of revenue spent with Powys based suppliers/providers; Attainment of Welsh Government Welsh Housing Quality Standard; Number of people employed, post employability activity participation; 250 new affordable homes by 2030
Health and Care	Lead the way in the provision of effective, integrated health and care in a rural environment	Focus on wellbeing; Early support and help; Provision of joined-up care; Development of a workforce for the future; Create innovative environments; Develop digital solutions; Deliver transformation through partnerships	Number of children living away from their families; Number of people supported through assistive technology at home; Number of medical staff
Learning and Skills	Strengthened learning and skills	Improved educational attainment; Support for young families; Improved school infrastructure; Improved skills/employability of young people/adults	% of 11-year old's achieving the Level 2 threshold; Proportion of schools with Green/Yellow categorisation; % of pupil attendance of compulsory school age
Residents and Communities	Support for residents and communities	Strengthen community development/resilience; Support community independence/reduce demands on public services; Stronger relationship with communities and residents; Better understanding of residents needs and improved service delivery	Agreement of Place Based Plans; 10% increase in volunteer engagement in local community initiatives; Agreement by all County Councilors to promote the Community Pledge to their constituencies by 2020

Source: Powys – Vision 2025 (Pg.2)

Brecon Beacons National Park Authority

Brecon Beacons National Park Authority Local Development Plan 2007-2022

2.77 The LDP provides for population and economic growth within the National Park to 2022. Having regard to their Environment Act 1995 (s62) duty, nine Unitary Authorities have responsibilities for the promotion or improvement of the social and economic well-being (Local Government Act, 2000) of larger or smaller parts of the 520 square miles of the National Park. Some 66% of the National Park is within Powys and thus is within the Mid Wales Study Area.

2.78 The LDP outlines a vision for the National Park and 25 objectives to achieve that vision, which are grouped into the following three categories:

- National Park Purposes; Special Qualities; Potential for Growth
- Sustainability and Climate Change
- Foster the social and economic well-being of local communities

2.79 The third category includes objectives on employment, including supporting a sustainable economy with strong links between local employment and housing supply, as well as supporting retail and town centres and the tourism sector.

2.80 The LDP recognises that 70% of workers are in sectors outside the traditional B-class employment sectors and this dominance is anticipated to continue. The document highlights agriculture and tourism as key sectors in the local economy.

2.81 LDP Policy 32 states that the identified requirement for employment land over the planning period is 1.5 ha, to be met through employment allocations and mixed-use sites.

2.82 Annual monitoring reports have been prepared that measure the progress within the National Park on key metrics since the adoption of the LDP. These monitoring reports have been utilised in this study.

2.83 The Authority is in the process of preparing a replacement LDP, referred to as LDP2, with a plan period of 2018-2033.

Brecon Beacons National Park Local Development Plan, Review Report, April 2018

2.84 The review of the local development plan concluded that although a large part of the existing strategy maintains its relevance, a replacement plan is required to address the following concerns. Firstly, the Authority failed to maintain a 5-year housing land supply (attributed to the constraints placed by water infrastructure in the primary key settlement of Brecon). Secondly, the cumulative effect of important changes to other parts of the plan is considered significant. Thirdly, the authority wishes to address concerns raised by various stakeholders in a recent non-statutory consultation. The

review finds that, the plan was successful in terms of delivering affordable housing, employment completions within allocated sites and granting permission to renewable energy schemes, amongst other.

Preferred Strategy - 2019

- 2.85 The Preferred Strategy for LDP2 (2018-2033) was released for consultation in July 2019. The Preferred Strategy outlines the overall strategic direction for the National Park to 2033 and will be the guiding document for the preparation of the LDP2.
- 2.86 The Preferred Strategy proposed a housing requirement of **1720 dwellings** over the planning period to enable the redevelopment and best-use of previously developed land, whilst also mitigating the level of commuting into the National Park by attempting to draw a sufficient working-age population to support, as a minimum, the existing number of jobs in the National Park. Regarding B-class employment land the Strategy states that to “*facilitate sustainable economic development and provide a range and choice of land for new economic development (B1, B2, B8), up to 3 ha of employment land will be allocated.*” (Pg.31)
- 2.87 The Strategy also lists the existing employment areas to be safeguarded as:
- Brecon Enterprise Park, Brecon;
 - Ffrwdgrech Industrial Estate, Brecon;
 - Talgarth Business Park, Talgarth
 - Elvicta Business Park, Crickhowell
 - Granda Park Industrial Estate, Crickhowell
 - Wye Valley Business Park, Hay-on-Wye
 - Greenfield Industrial Estate, Hay-on-Wye
 - Gilwern Park Industrial Estate, Gilwern (Pg.31)

Brecon Beacons National Park Employment Land Review – June 2019

- 2.88 The Employment Land Review is intended to assist the Brecon Beacons National Park Authority in its assessment of the future direction of the economy and its associated employment land requirements. As there is substantial overlap in the approach, objectives and analysis between an Employment Land Review and this Mid Wales Employment Sites and Premises Needs Assessment and given that the Employment

Land Review is very recent, this report will not replicate the earlier work unnecessarily. However, it is noted that the forecast period for the Employment Land Review is to 2032, compared to the Mid Wales study looking to 2040. (Pg.2, para 1)

2.89 The economy in this area is varied and is mainly dominated by non-B-class sectors predominantly tourism, agriculture and retail. The report anticipates that these sectors will continue to account for a large proportion of future employment within Brecon Beacons. (Pg.2, para 3)

2.90 Between 2001 and 2016 a total of 80,819 sqm of B class employment space was completed. Approximately half of this floorspace related to new employment units while the remaining space constituted changes of use and extensions to existing units. (Pg.3, para 16)

2.91 This document recommends that the emerging LDP should make provision for the development of between **1.5ha and 3ha** of land for B class employment purposes to 2032. The study assesses potential employment sites to cater for this recommended development, listing the sites.

2.92 Consultation was undertaken with a range of stakeholders. Key points summarised as follows:

Property Agent and Council Officers

- Economic conditions were described as ‘improving’ and hot spots for businesses were identified as Brecon, Crickhowell and Hay-on-Wye
- The distance from the M4 was considered to be a key reason why the National Park was not attracting big new employers, although it was recognised this has helped to maintain the National Park character
- More employment allocations specifically around Brecon Enterprise Park were identified as a potential opportunity
- The challenge of viability was identified as a key factor that would impact upon delivery of new employment development
- The businesses looking to locate in the National Park were thought to be smaller scale industries
- The vacancy rate in the National Park is lower than average. The current supply of employment land was identified as having an impact upon business

growth and it was suggested that the National Park Authority could give more thought to how the planning system can provide more flexibility

- In terms of the future, it was identified that more B1 employment land was required, particularly for light industrial uses. It was also identified that it was unlikely there would be a need for new-build office space with demand for predominantly small-scale units
- It was noted that there is a need for joined-up thinking between Powys and the National Park. (Pg.3, para 17)

Business

- Brexit was considered to have created challenging market conditions for business. A further challenge was local authority budget cuts which has had implications upon businesses that service the public sector
- Compared to other areas in Powys, the National Park economy is perceived to be more prosperous although the scale and nature of development that can be accommodated within the sensitive environment can be limited. The natural environment was however a key economic strength
- Small business units were thought to be needed for the future. To meet this need it was suggested that there are opportunities to change the use of some existing areas of land to employment. (Pg.4, para a)

Existing employment locations

- 2.93 The study identified nine existing B class employment sites, 60% found to be reviewed as 'very good' or 'good' and the remaining classed as 'average'. It is important to consider the future shape of the local economy and to understand how this impacts possible land allocations when seeking to understand the amount of employment likely to be required within the Brecon Beacons National Park. Based on the analysis of the current economic context, consultations and an assessment of potential future economic trends it was found that all characteristics point towards a low level of demand for additional B class employment land. (Pg.5, para 18)

Brecon Beacons National Park Management Plan 2015-2020

2.94 The Management Plan 2015-2020 builds upon the Plan for 2010-2015 and is prepared in the context of the Environment Act 1995. The Management Plan has six themes:

- Managing Park landscapes to maximise conservation and public benefits
- Conserving and enhancing biodiversity
- Provide opportunities for outdoor access and recreation
- Raising awareness and understanding of the Park
- Building and maintaining sustainable communities, towns and villages
- Sustainable economic development (Pg.8, table 1)

2.95 For each theme, the Management Plan identifies the challenges for Brecon Beacons National Park and a list of Actions to address the challenges. The Plan includes measurable indicators to assess the progress of the actions.

Brecon Beacons National Park Authority Well-Being Objectives

2.96 The National Park Authority has seven Well-being Objectives, which are outlined in the Corporate Plan 2019/2020. The seven Well-being Objectives are:

- Conserve and enhance the cultural heritage of the Park's communities including Built Heritage, the Historic Environment and the use of the Welsh Language;
- Engage partners and the public to define the priorities, source the evidence and deliver the actions of the Nature Recovery Action Plan - 'A Future with Nature at its Heart';
- Enable a diverse cross section of society to gain health and wellbeing benefits from the National Park;
- Identify key challenges to and innovative solutions for sustainable living in the National Park;
- Encourage, provide for and manage sustainable outdoor access and recreation opportunities for health, education and wellbeing and economic benefits,
- Collaborate with partners to develop economic benefit from the special qualities of the NP and support growth in sustainable businesses within the environmental and social capacity of the area; and
- Grow sustainable tourism and outdoor recreation. (Pg.6)

- 2.97 These Well-being Objectives are aligned with other policy and strategic direction documents for the Brecon Beacons National Park.

Assessment of Housing Needs Interim Update, 2019

- 2.98 The assessment will form part of the evidence base used to prepare the LDP2. The gross level of housing to be needed is assessed using different demographic, economic and housing led scenario modelling. According to demographic-led scenarios, 181 to 630 dwellings will be needed. The issue of a decline in the number of jobs supported in the area, due to a trend toward an aging population, is raised. Based on a conservative estimate of anticipated economic growth, employment-led scenarios suggest the provision 1,881 additional dwellings. If the higher than expected trend experienced over the recent past is continued, the figure could reach 2,591 dwellings. Based on past levels of delivery, housing-led scenarios suggest that the delivery of 870 to 1,305 is possible. The assessment concludes by recognising that the proposed housing requirement figures, need to be subjected to policy tests, based on environmental capacity and infrastructure constraints, as well as the overall spatial vision for the area. (Pg. 41 & 42)

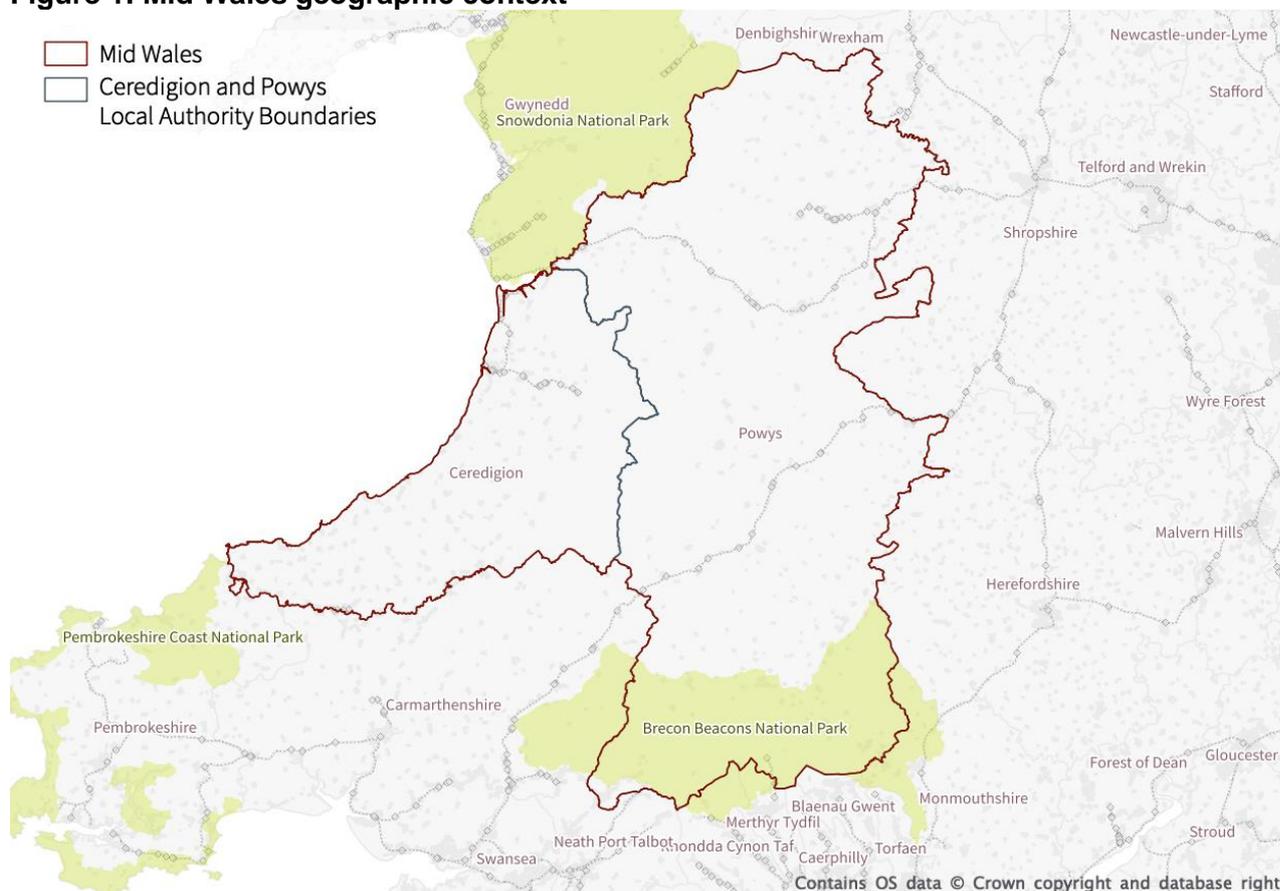
3.0 ECONOMIC ASSESSMENTS AND FORECASTS

3.1 The following provides an overview of the socio-economic and demographic characteristics of Mid Wales, as well as exploring potential employment growth scenarios for the region. Individual assessments for the local authority areas are provided in Appendix One.

Mid Wales Larger than Local Area

3.2 The Mid Wales Larger Than Local Area (LTLA) of this Study comprises the combined area of the two local authorities of Ceredigion and Powys. Note – in this report LTLA (particularly in some charts) refers to Mid Wales.

Figure 1: Mid Wales geographic context



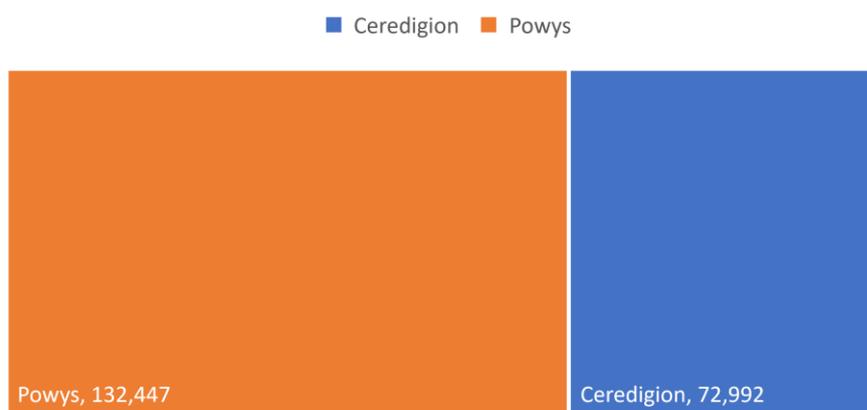
3.3 The report is in two stages: section one presenting the quantitative evidence on demographics, labour market, current and future state of the economy and section two sets out key findings and a 'policy-on scenario'.

Demographics and Labour Market

Population

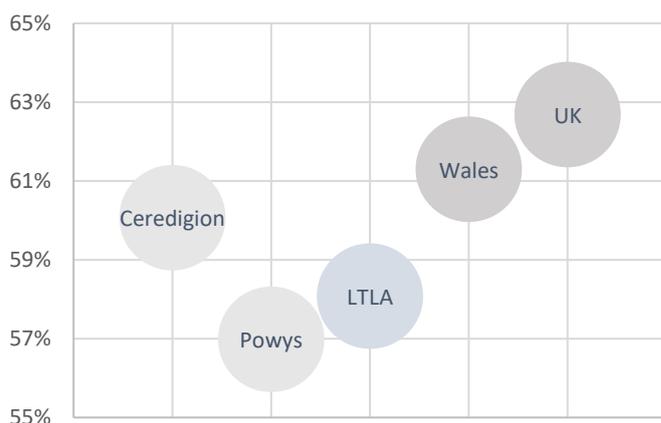
3.4 As of the 2018, Mid Wales has a population of approximately 205,000. Working age people make up a lower share of the population in the LTLA, especially in Powys, compared to Wales and the UK. The relatively small share of working age people is driven by high proportions of 50-64 and 65+ year olds. Comparatively, Mid Wales has proportionally fewer people below the working age (16 years). Figures 2 and 3 illustrate the Mid Wales population, firstly the comparative sizes of Powys and Ceredigion (Figure 2) and secondly the percentages of the population of a working age (Figure 3).

Figure 2: Population Size (2018)



Data Source: ONS 2018

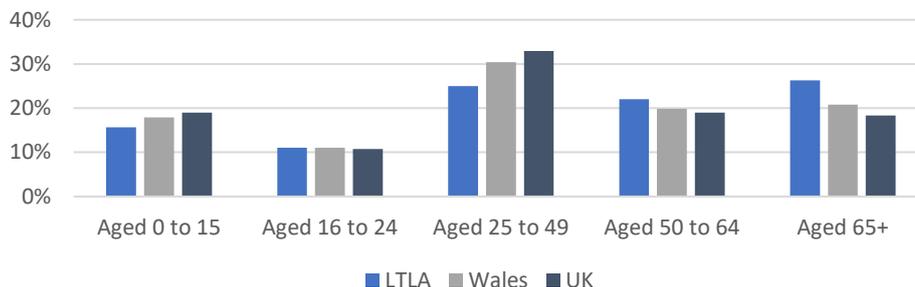
Figure 3: Share of working-age population (2018)



Data Source: ONS

3.5 The comparative analysis of population age structures is presented in the chart below.

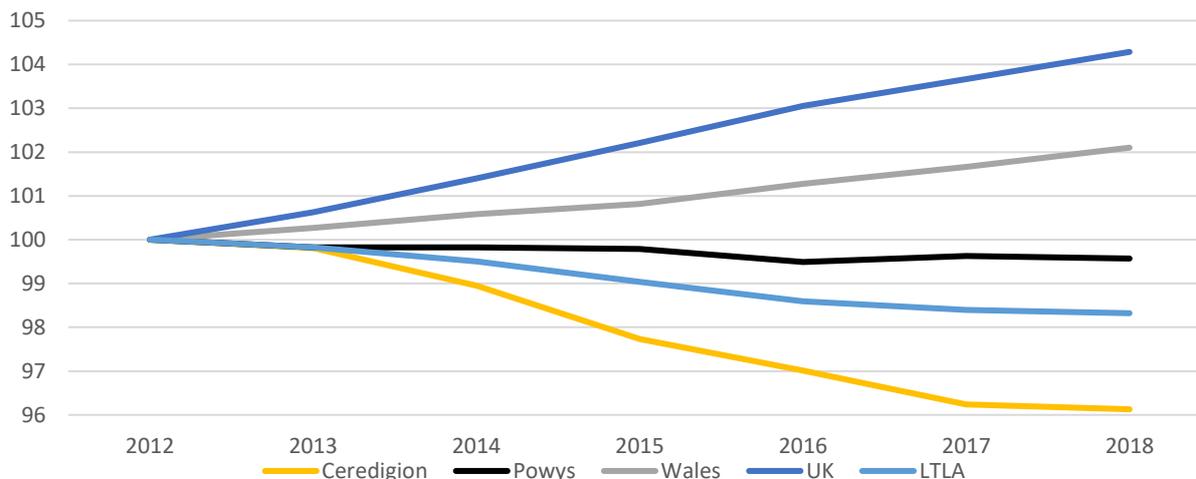
Figure 4: Population age structure (2018)



Data Source: ONS

3.6 Figure 5 shows that since 2012, the population of Mid Wales has decreased by approximately 1.7%, driven by a substantial decline in Ceredigion of almost 4%. This decline is in contrast to steady growth in Wales over the period and quicker growth in the UK.

Figure 5: Indexed Population Growth (2012=100)



Data Source: ONS 2019

Labour Market

3.7 Figures 6 & 7 show economic activity and unemployment respectively. The Mid Wales unemployment rate, which tracks the number of people who do not have a job but are looking for one, was below half that of the UK in 2018. However, the area’s economic activity rate, which is the proportion of employed and unemployed out of the total working age population, was lower than Wales and the UK in 2018. This means that Mid Wales had a greater proportion of working age people uninvolved in the labour market than the UK national average. Within Mid Wales, Ceredigion had a slightly

higher level of unemployment, and a substantially lower economic activity rate compared to Powys.

Figure 6: Economic Activity Rates (2018)

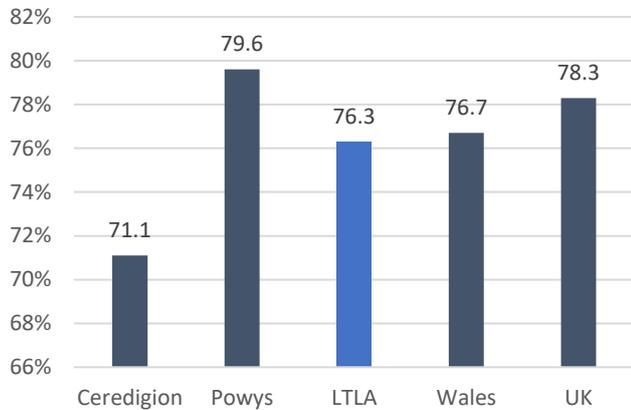
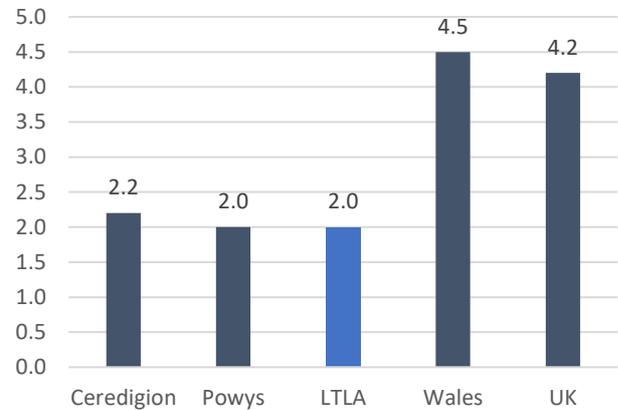


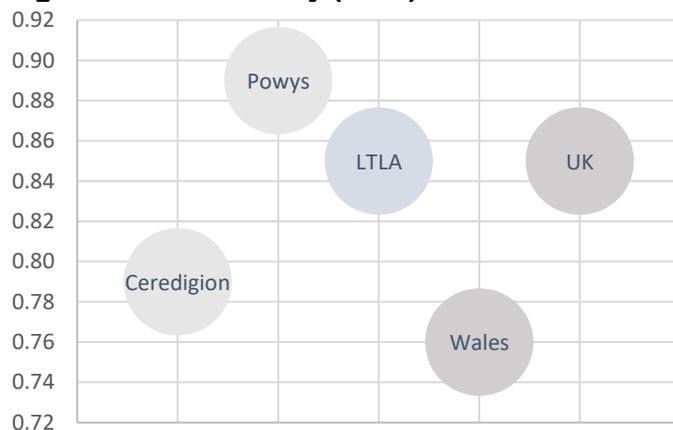
Figure 7: Unemployment Rates (2018)



Data Source: ONS, Annual Population Survey

3.8 Figure 8 illustrates the relative job densities in Mid Wales compared to the UK and Welsh averages. This is defined as the ratio of jobs in an area to the resident population of a typical working age (16-64 years).

Figure 8: Jobs Density (2017)



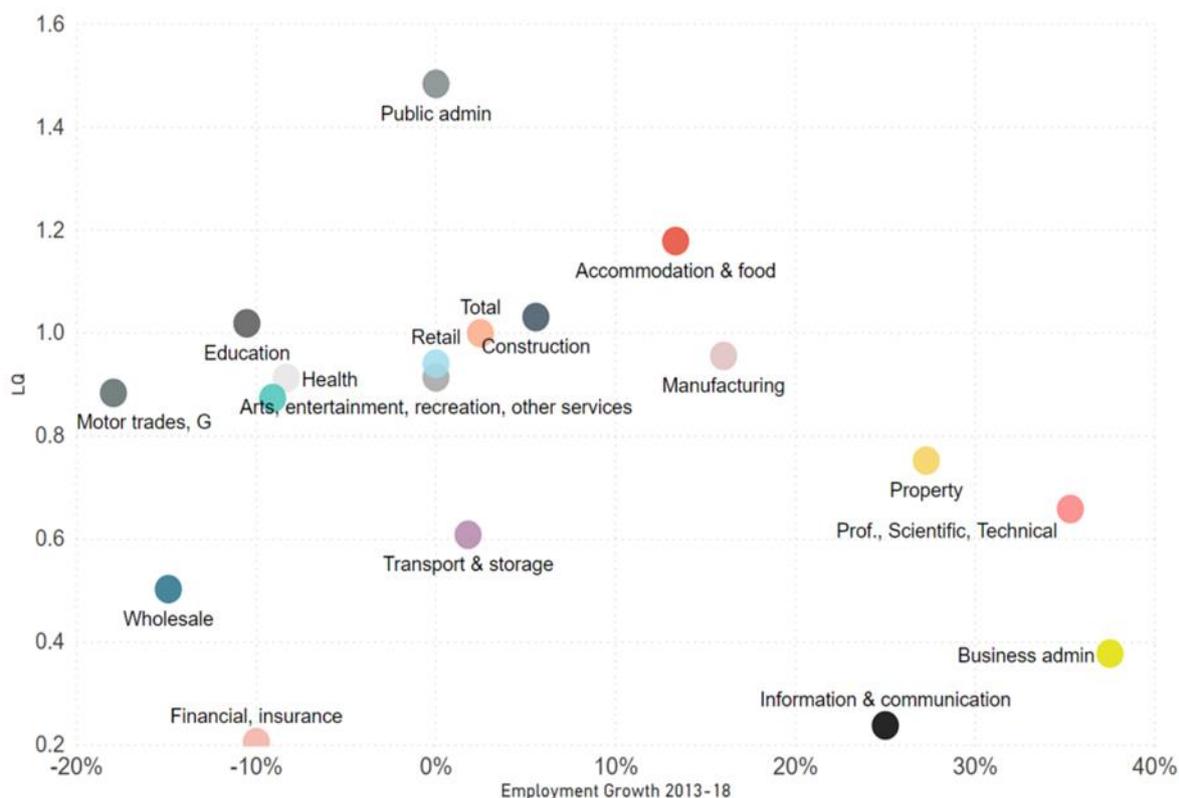
Data Source: ONS

3.9 Figure 9 shows the relative specialisation of sectors and employment growth. In interpreting this graph, the Y-axis measures the Location Quotient (LQ), which is a measure of the sector's specialisation in the area. An LQ of 1.0 for a sector means that the proportion of employment within that sector is the same as the proportion at the UK level. An LQ of 2.0 means that the proportion of employment is double that of the UK. Therefore, agriculture with an LQ of 15.1 is a highly specialised sector in Mid

Wales. Other sectors with specialisation in Mid Wales are Public Administration and Accommodation and Food Services. Interestingly, a number of sectors, including Information & Communication, Business Administration and Support Services, and Professional, Scientific and Technical Services, are currently less concentrated in Mid Wales compared to the UK, but are growing rapidly – this combination of underrepresentation and dynamic growth often highlights further growth potential. Furthermore, some of these rapidly growing sectors (manufacturing, professional, scientific and technical) are key opportunity sectors explored later in this report.

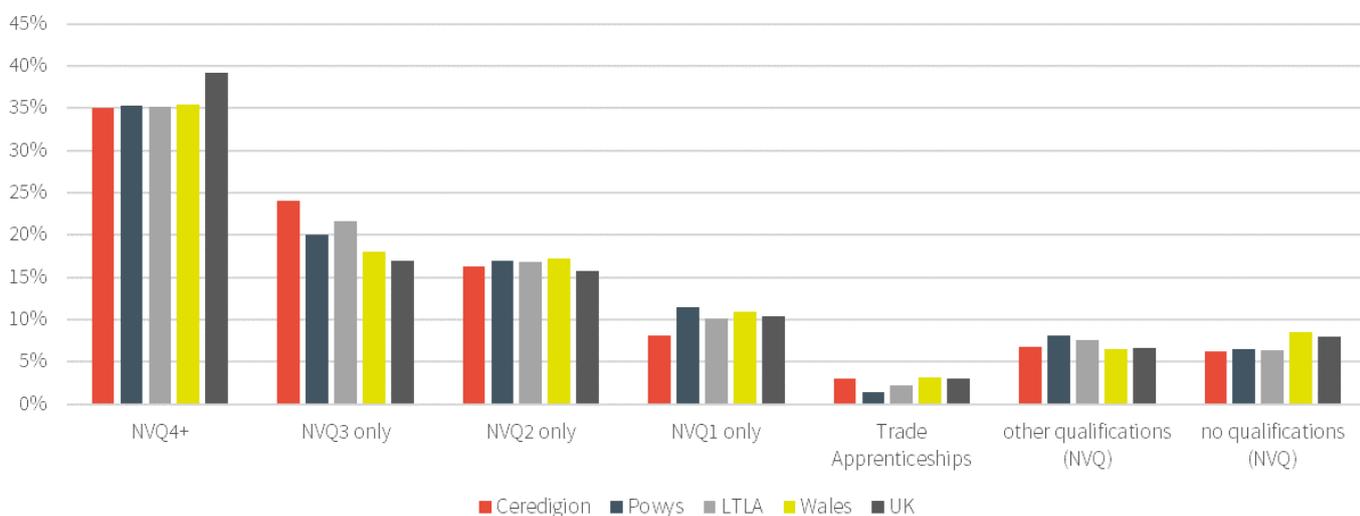
- 3.10 Tourism, a key economic area for Mid Wales, is not a distinct sector in the data, rather businesses in several sectors, such as Accommodation and Food Services, Retail and Arts, Entertainment, Recreation and Other Services, would identify as in the tourism market.
- 3.11 Specifically looking at sectors that have demand for B-class employment land, it is encouraging for the Mid Wales region that some of these sectors have shown positive recent growth, including typical office-based sectors (Business Administration, Professional, Scientific and Technical, Information and Communications) and industrial-based sectors (Manufacturing)

Figure 3: Specialisation (LQ) and Employment Growth, 2018 (NB Agriculture omitted from plot area – LQ of 15.1 with 0% growth), LTLA



3.12 Figure 10 below sets out the qualifications profile of the Mid Wales residents which is broadly similar to the UK and Wales, apart from a 5% shortfall in the proportion of people with NVQ4+ (degree-level) qualifications compared with the UK, whilst the proportion of those with NVQ3+ was higher in Mid Wales than both Wales and the UK.

Figure 4: Proportion of aged 16-64 holding NVQ4+ or no qualifications (2018)



Data Source: ONS, Annual Population Survey

Businesses

3.13 Unsurprisingly given the rural composition of the LTLA, business density, as shown in Figure 11, is lower than in Wales and the UK. However, the 5-year business survival rates (Figure 12 and based on the number of business incorporated in 2012 still operating in 2017) were significantly better in Mid Wales than England & Wales.

Figure 5: Businesses per sqkm (2019)

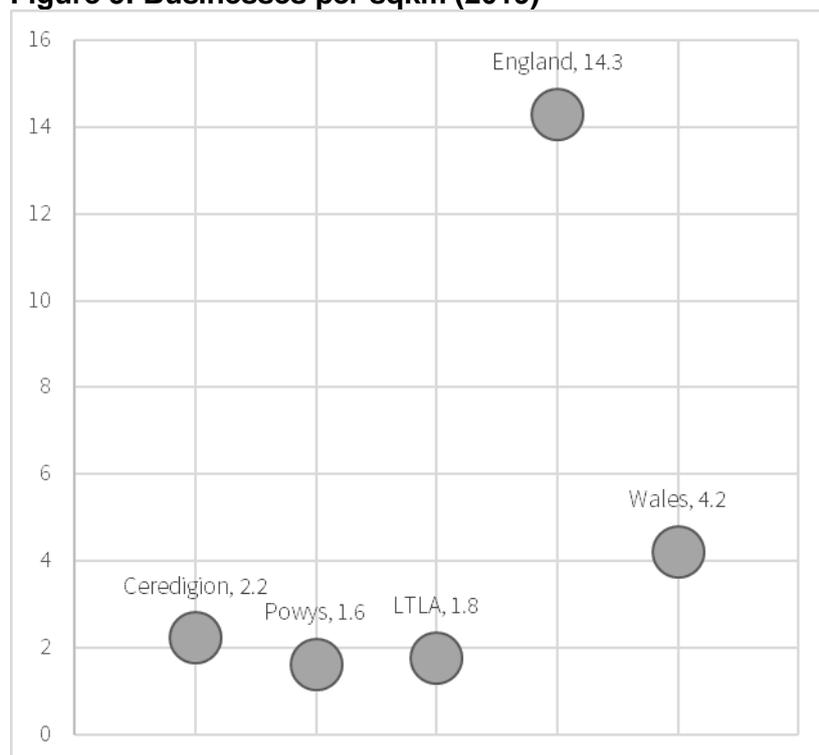


Figure 6: 5-year business survival rates (% - 2012-17) with total number of businesses surviving after 5 years

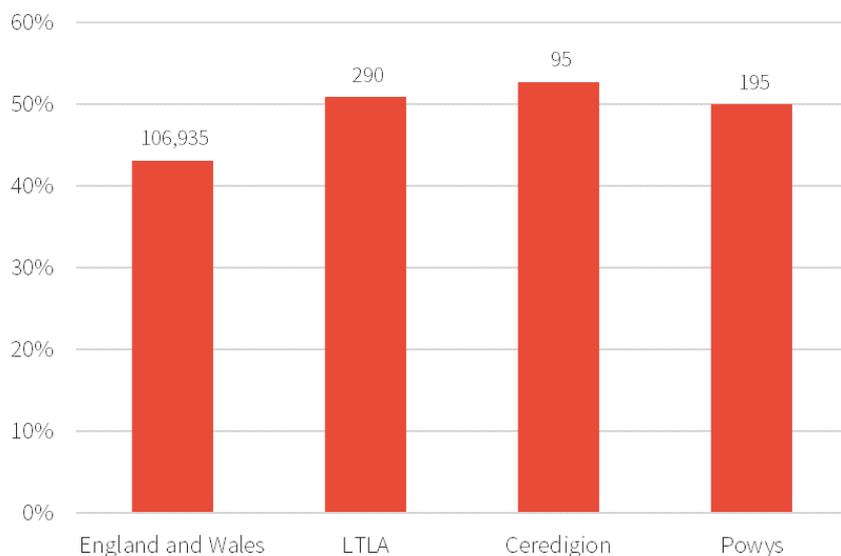
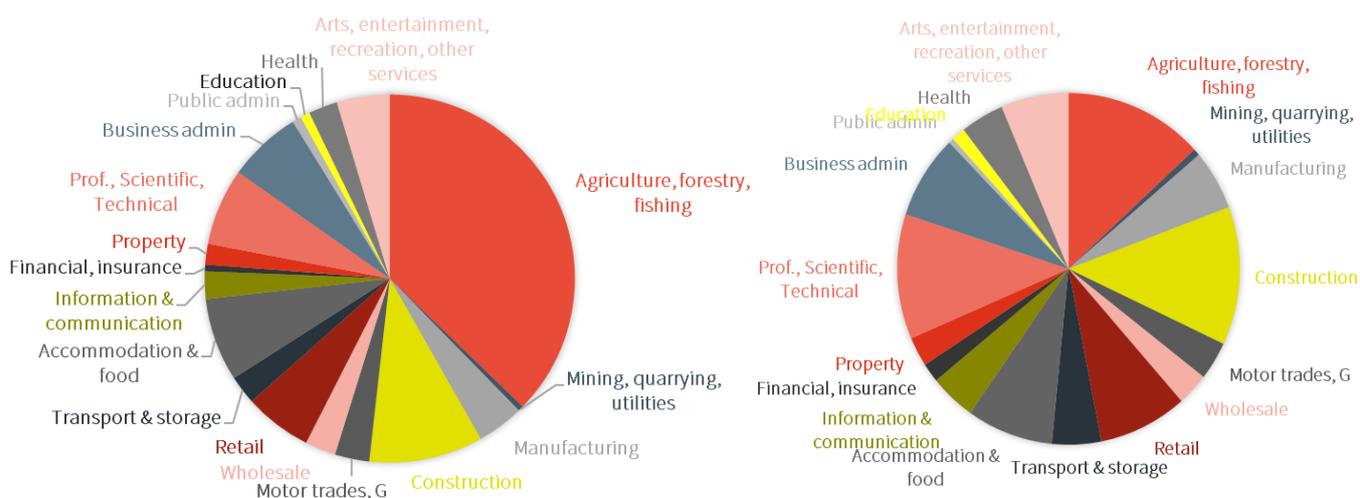


Figure 7: Sectoral distribution of businesses, Mid Wales (L) vs Wales (R), 2019



3.14 Figure 13 above shows the sectoral split of businesses. As might be expected, a significant proportion of businesses in Mid Wales are based in agriculture, to a much greater extent than Wales. Construction, Accommodation and Food Services, Professional, Scientific and Technical Services, and Business Administration Services are other significant sectors in terms of business counts – which is also true of Wales.

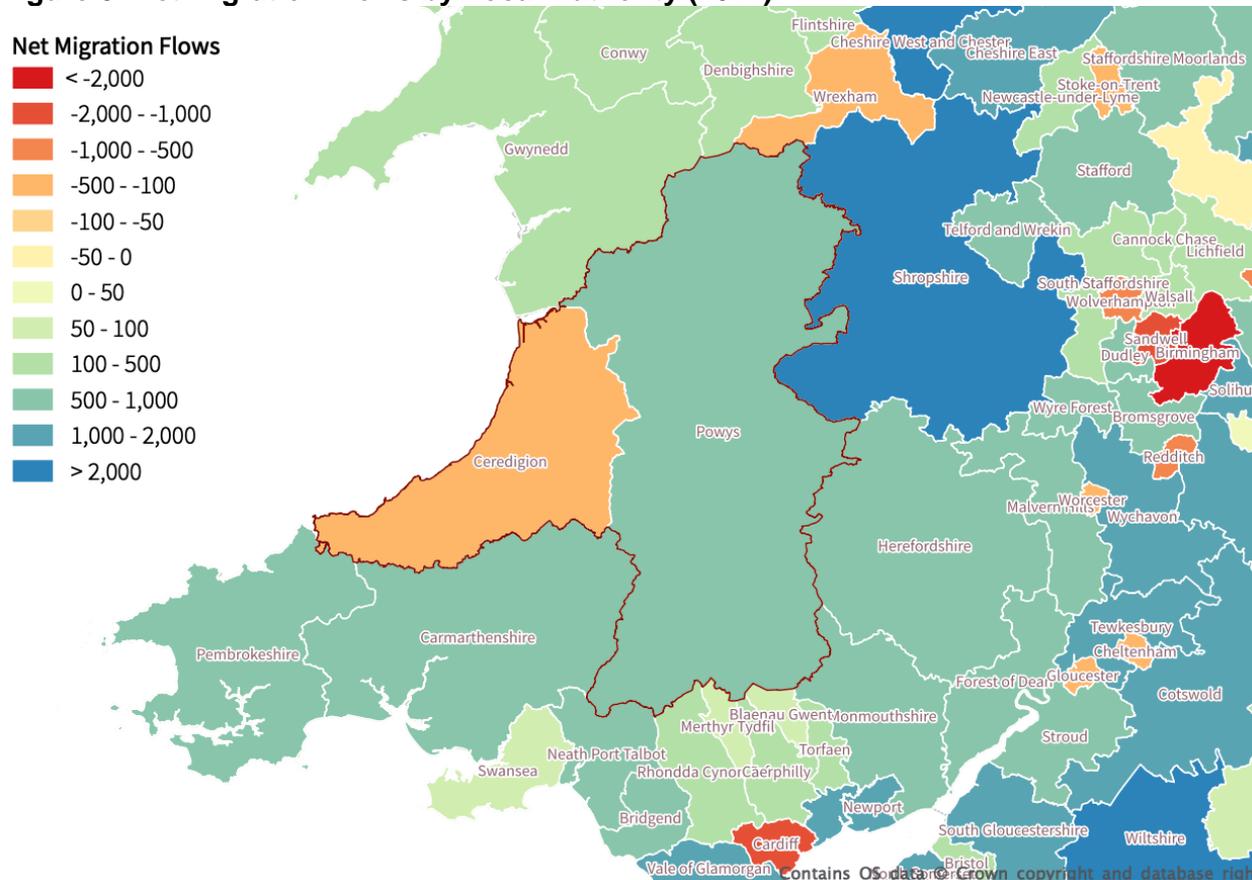
Flows Analysis

Migration

3.15 There is almost an equal amount of people migrating to the LTLA (11,300) than migrating from it (11,200). Birmingham and Cardiff are the largest net recipients of

people migrating from Mid Wales, whilst Shropshire, Wiltshire and Cheshire are the largest net origin locations of people migrating to Mid Wales.

Figure 8: Net Migration Flows by Local Authority (2017)



Data Source: ONS, Migration Statistics

Table 4: Migration Flows (2017)

	Inflows	Outflows	Net Flows
Powys	5,800	-5,250	550
Ceredigion	5,500	-5,950	-450
Mid Wales	11,300	-11,200	100

Data

Commuting

3.16 In terms of commuting flows, Mid Wales has a net flow of -3,512 – meaning on balance residents of Mid Wales work elsewhere. Furthermore, according to the last census (2011), Mid Wales had a high home-working rate of 22% - approximately twice that of England & Wales. Anecdotal evidence suggests this rate will still be high and perhaps will be slightly higher in the next Census.

Table 1: Commuting Flows

	Ceredigion	Powys	LTLA
Total Inflow	4,118	8143	11,611
Total Outflow	4,135	11638	15,123
Net Change	-17	-3,495	-3,512

Data Source: ONS, Census 2011

Table 5: Home working (2011)

	Work mainly from home No. / %	
Ceredigion	6,780	21%
Powys	13,621	23%
LTLA	20,401	22%
England & Wales	2,723,998	11%

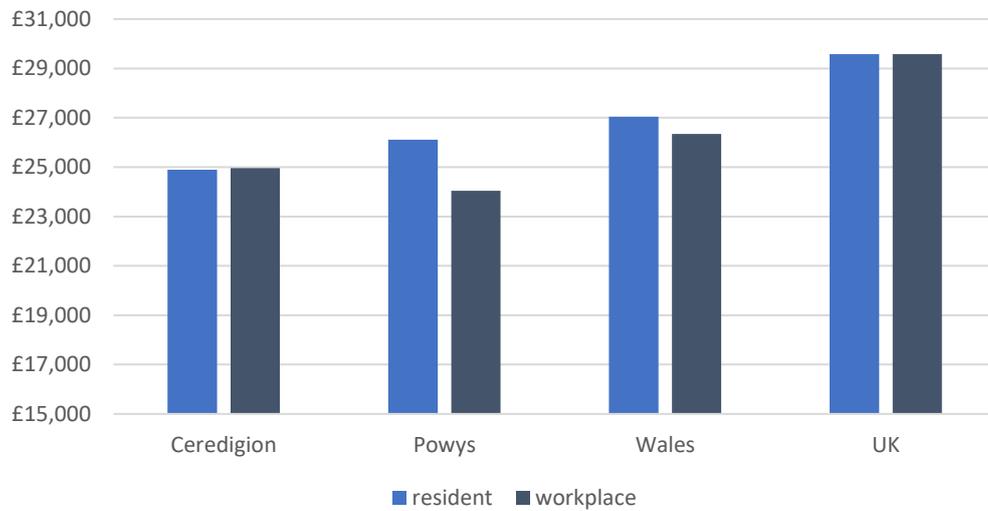
Data Source: ONS, Migration Statistics

Earnings

3.17 Flow patterns are also underpinned by workplace earnings differentials, with commuters normally travelling longer distances for jobs commanding a higher pay. In the chart below, the resident indicator is the wage earned by the residents of a local authority/country, while the workplace indicator is the wage paid by jobs of a given local authority/country.

3.18 Whilst resident and workplace earnings are virtually identical in Ceredigion, resident earnings are approximately £2,000 per annum higher than workplace earnings in Powys. Given that Powys accounts for approximately 2/3 of employment in the LTLA, this differential will hold – albeit to a smaller extent – in the LTLA.

Figure 9: Earnings – Annual Gross (2018)



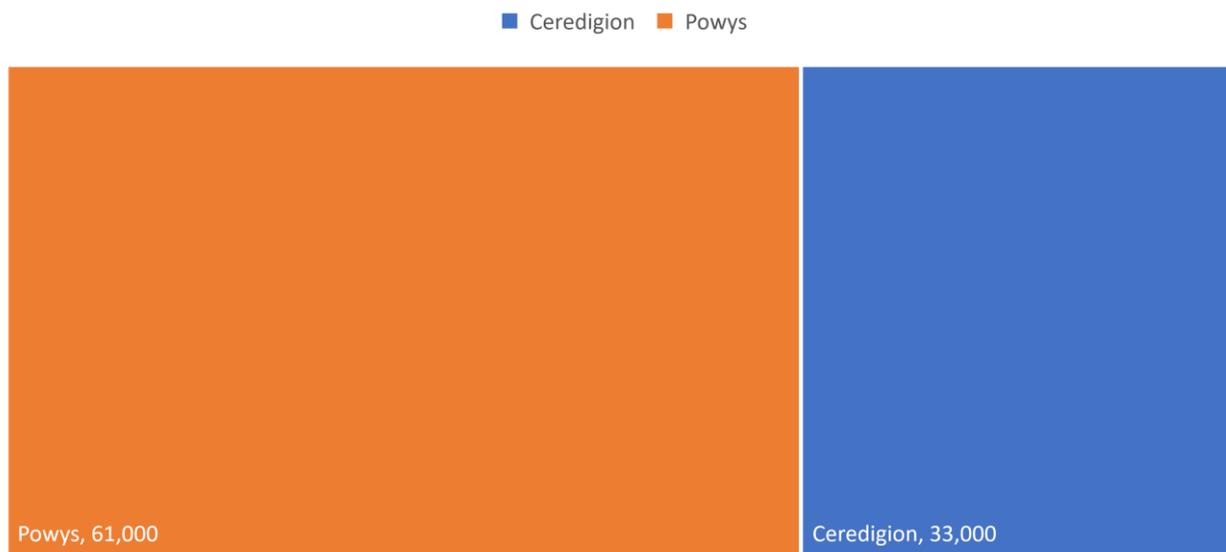
Data Source: ASHE, resident and workplace analysis

NB: LTLA figure omitted, as the average of Powys and Ceredigion medians may not be representative of the true median for the LTLA

Employment

3.19 Overall, Mid Wales supports 94,000 jobs, with almost 2/3 of these in Powys.

Figure 10: Comparative Employment Size (2017)



Data Source: BRES

Sectorial Distribution and Specialisation

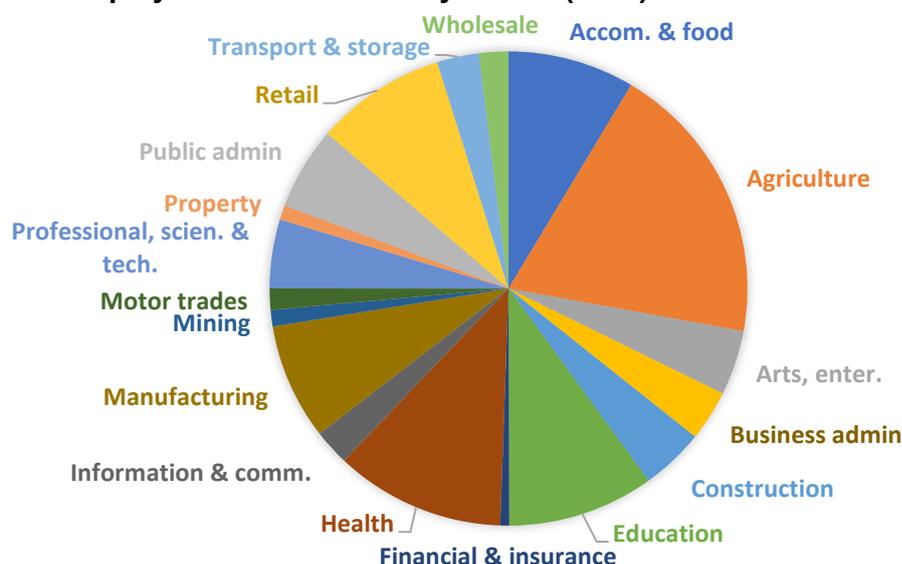
3.20 Figure 17 and Table 6 present, respectively, LTLA’s employment distribution by sector and the degree of specialisation of each sector against the average for Great Britain.

As discussed above, the degree of specialisation is measured by the LQ, where the

higher the numbers above 1, the higher the degree of specialisation, the lower the numbers the lower the degree of specialisation.

3.21 Reflecting the sectoral composition of businesses, employment is heavily based in agriculture, with accommodation and food services also being important. However, education and health contribute far more to employment in Mid Wales than would be suggested by business counts, and this demonstrates the key role of the public sector as a source of jobs in Mid Wales.

Figure 11: LTLA - Employment Distribution by Sector (2017)



Data Source: BRES

Table 6: LTLA - Location Quotients – Specialisation by Sector against GB (GB=1)

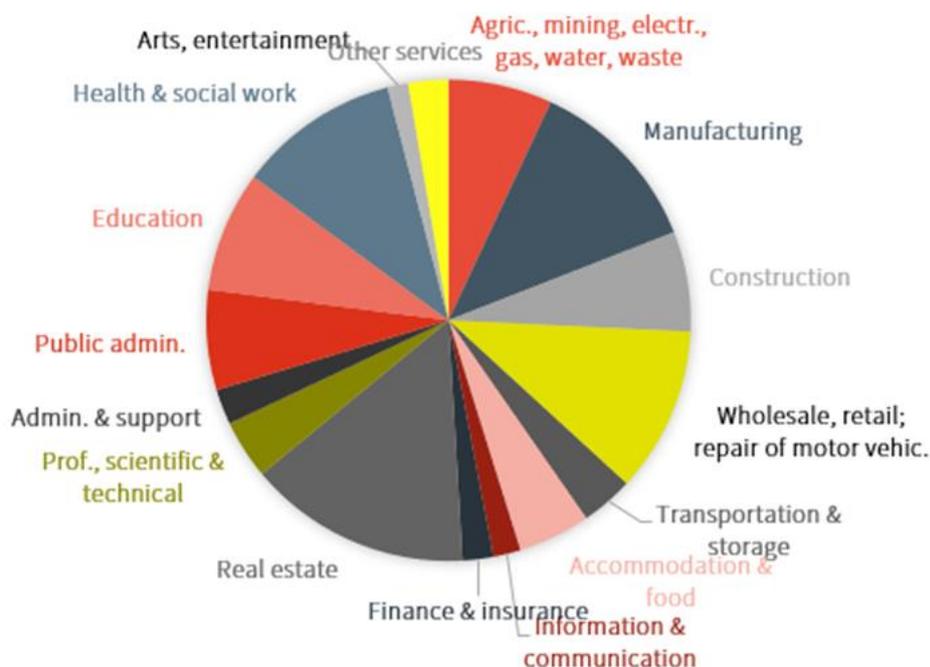
Sector	LQ	Sector	LQ
Agriculture	12.14	Construction	0.87
Public admin	1.37	Motor trades	0.82
Accom. & food	1.16	Transport & storage	0.61
Education	1.15	Information & comm.	0.58
Manufacturing	0.99	Property	0.56
Arts, enter.	0.97	Professional, scien. & tech.	0.55
Retail	0.93	Wholesale	0.52
Health	0.89	Business admin	0.39
Mining	0.88	Financial & insurance	0.18

Data Source: BRES

3.22 Figure 18 below shows the annual GVA contribution of Mid Wales to the economy which is £3.63 billion. The largest contributors by sector are manufacturing, real estate and wholesale and retail. This contrasts markedly with the employment breakdown

which shows the dominance of agriculture which is high in employment terms but delivers low GVA to the Mid Wales economy.

Figure 18: Sector composition of GVA (2017 total £3.63 billion),



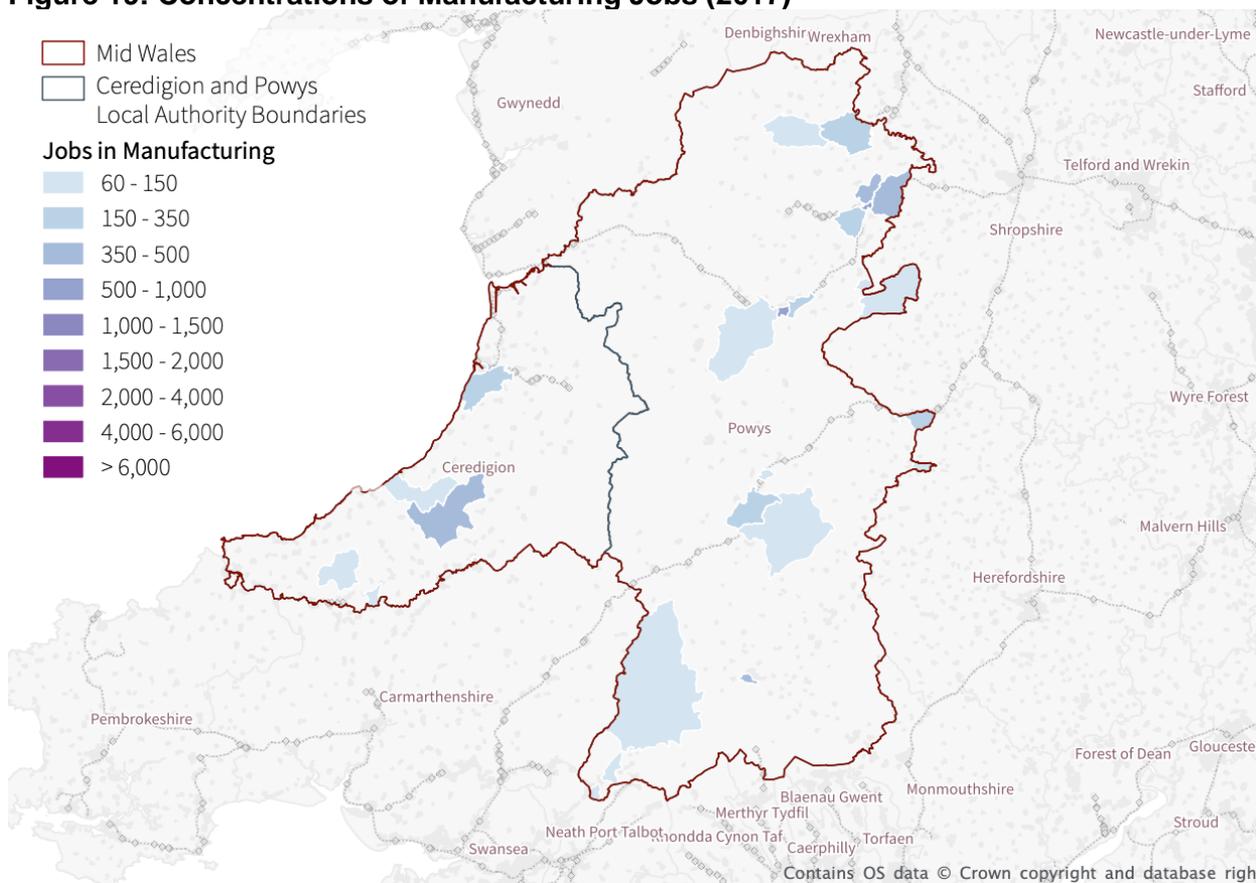
Data Source: BRES

Employment Concentrations

3.23 The following maps depict where economic activity of selected sectors takes place within Mid Wales. The maps highlight those geographic statistical units (LSOA) where the number of jobs for selected sectors is higher, with darker areas showing higher concentrations of employment. LSOAs are designated on population densities, not jobs', and given that some regions within Mid Wales are rural, some LSOAs will be disproportionately larger than others, meaning that care should be taken when interpreting the maps. Figure 19 highlights the high concentrations of manufacturing activity in parts of Mid Wales.

3.24 This shows the concentrations in Welshpool, Newtown, west of Cardigan on the A482 (e.g. Aeron Valley Enterprise Park) and Brecon. It also shows that while the north-east of the region is an important aggregation of manufacturing jobs, there is wider dispersal of manufacturing employment throughout Mid Wales.

Figure 19: Concentrations of Manufacturing Jobs (2017)

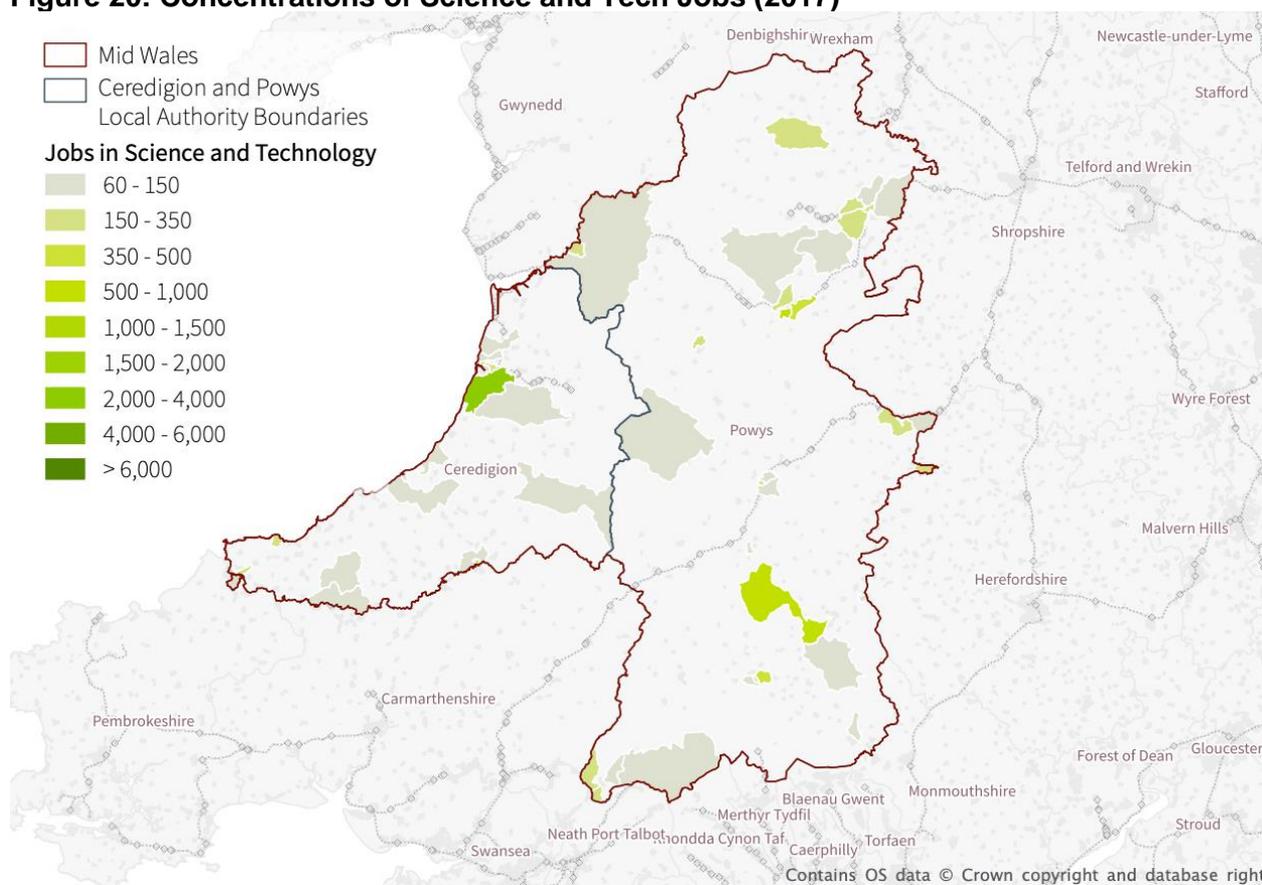


Data Source: BRES

3.25 Figure 20 depicts concentrations of employment in Science and Technology. This categorisation follows ONS’ definition of Science and Tech economic activities that include Digital Technologies, Life Sciences & Healthcare, Publishing & Broadcasting, and other Science & Tech Manufacturing and Services.

3.26 The highest concentration of science and technology jobs around Aberystwyth. Aberystwyth University, including its innovation and research centres, would influence this concentration. Other areas of concentration include Newtown, Brecon, Welshpool and Three Cocks.

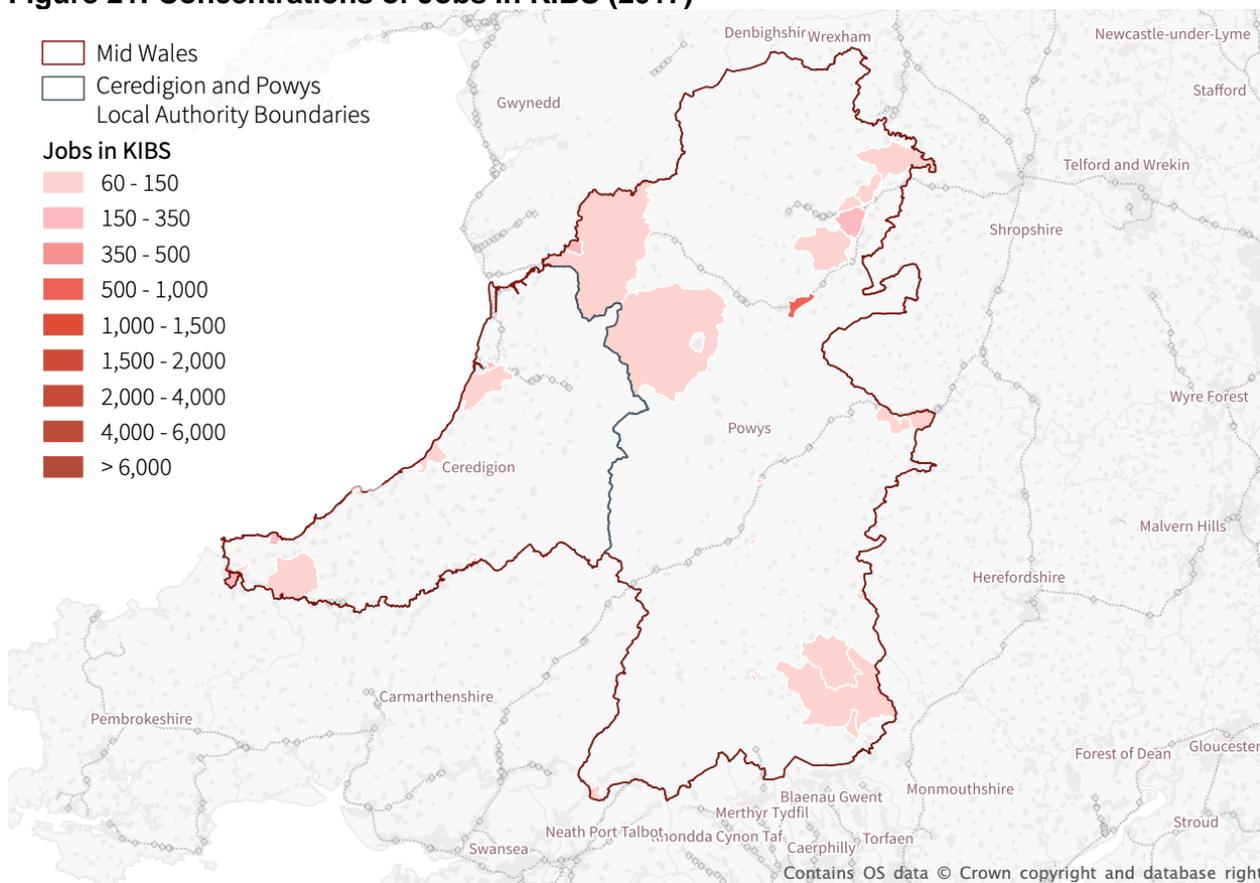
Figure 20: Concentrations of Science and Tech Jobs (2017)



Data Source: BRES

3.27 Finally, Figure 21 shows where concentrations of Knowledge Intensive Business Services (KIBS) jobs are present within Mid Wales. These are less distributed throughout Mid Wales than the above sectors, with the highest concentration in Newtown. These are generally office based jobs.

Figure 21: Concentrations of Jobs in KIBS (2017)

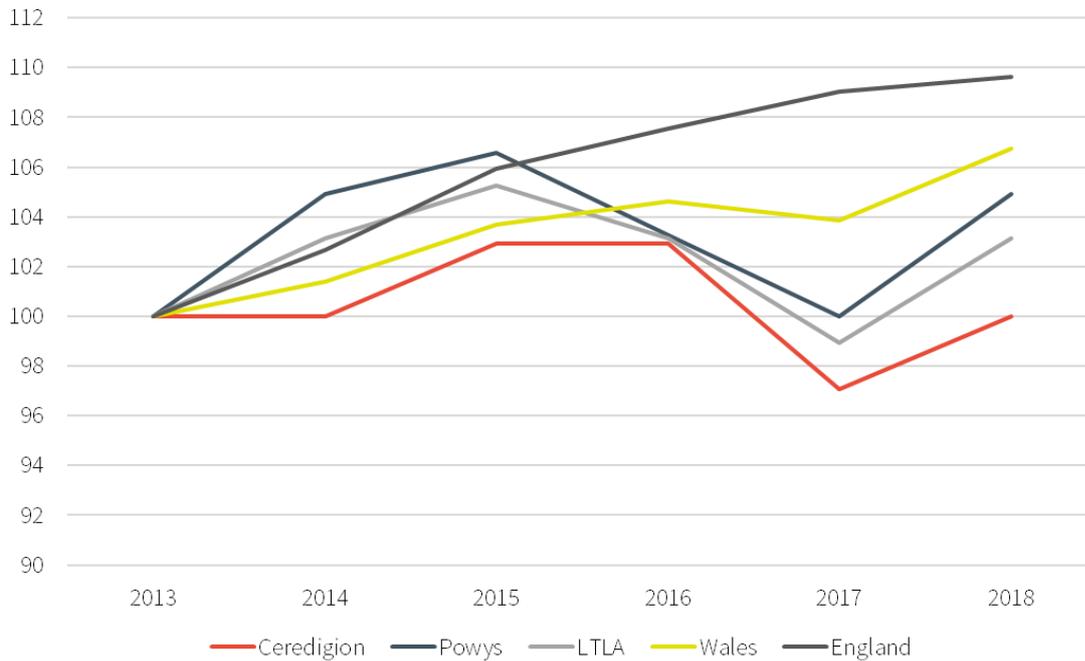


Data Source: BRES

Recent Economic Performance

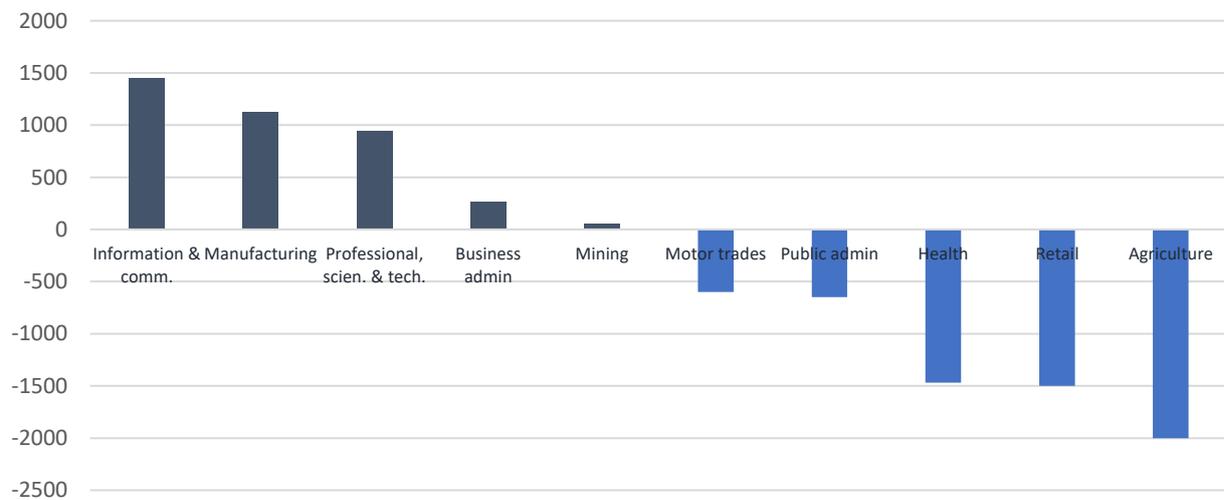
3.28 Figure 22 shows that over the last five years, employment in Mid Wales has grown by around 3%. However, annual fluctuation in Mid Wales was greater than in Wales and England over the past five years with big changes in both local authority areas (explained in more detail in the local reports). Figure 23 gives the sector dynamic of change and shows that the sectors showing largest increases in employment growth were predominantly knowledge-based services: information and comms, professional and tech etc with the exception of Manufacturing which saw over 1,000 additional jobs during 2012-17. Agriculture and retail saw the biggest declines in jobs (2,000 and 1,500 respectively).

Figure 22: Indexed Employment Growth (2013-2018)



Data Source: BRES

Figure 23: LTLA - Top 5 and bottom 5 net employment changes (2012-2017)



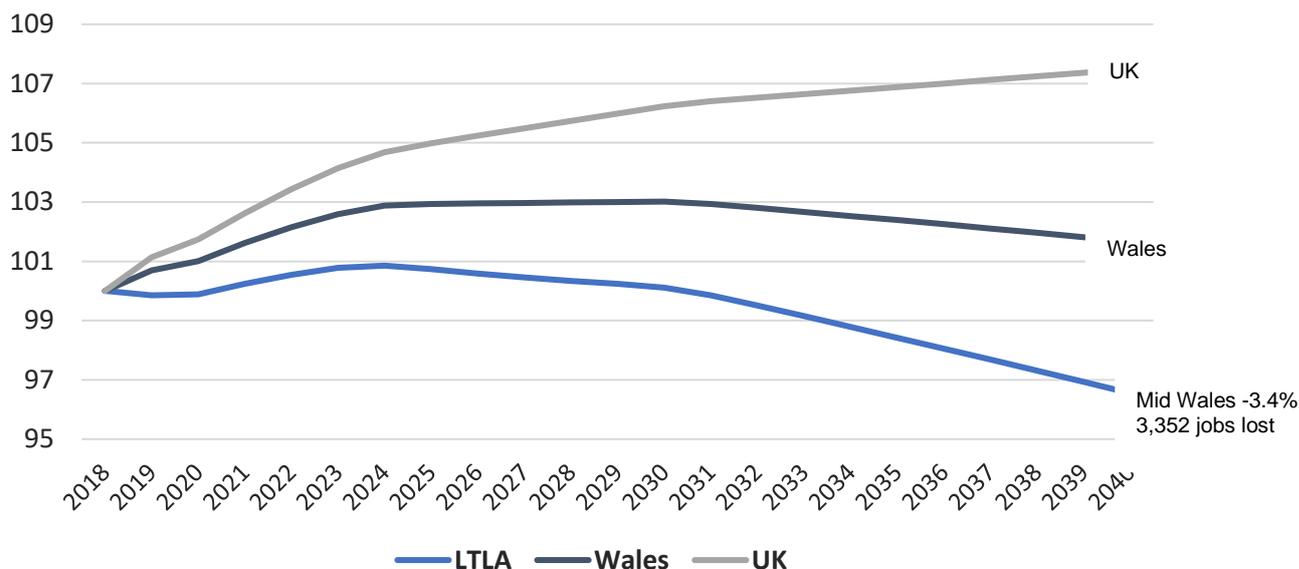
Data Source: BRES

Mid Wales Employment Forecasts to 2040

3.29 An aggregate forecast model for Mid Wales was developed by Hatch using the Oxford Economic Forecast Model 2019 for both Ceredigion and Powys (separate forecasts for both Authorities and the Brecon Beacons National Park are set out in the Local Reports in Appendix 1). This has enabled Hatch to produce a Mid Wales employment forecast to 2040.

3.30 **Baseline employment growth compared to Wales and UK is shown in Figure 23 below with Mid Wales lagging significantly behind both comparators. The Welsh economy is set to grow by 1.7% during the period 2018-2040 adding over 24,000 jobs to the economy while the Mid Wales economy declines 3.45% which is a reduction of 3,352 jobs (UK grows by 7.4% over the same period).**

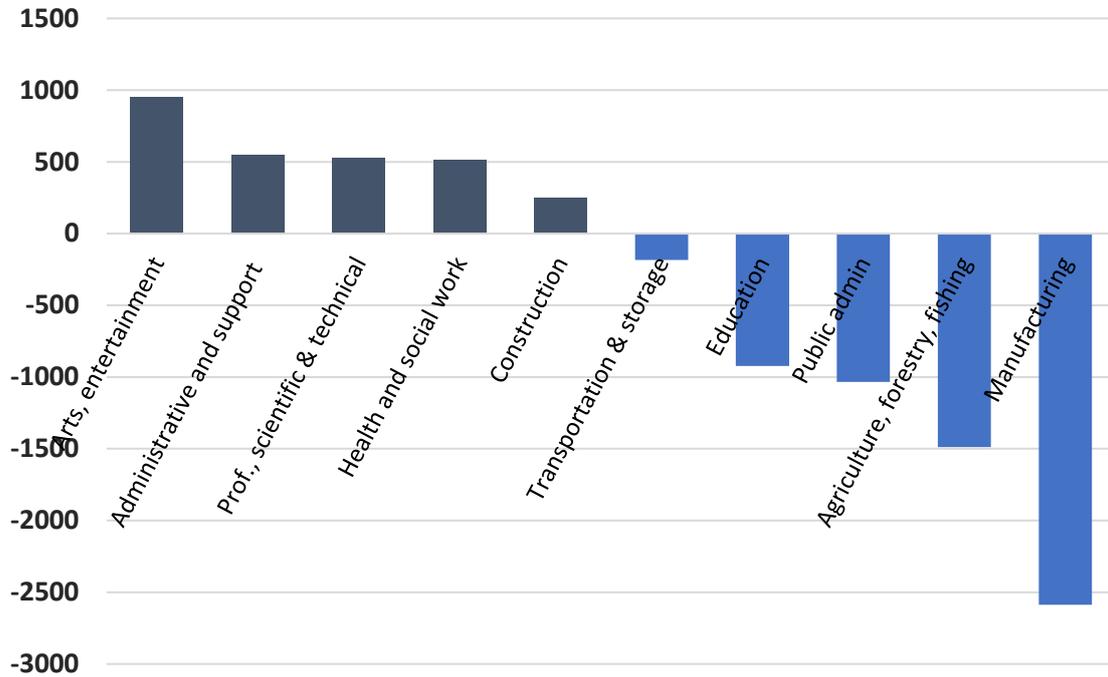
Figure 24: Indexed Forecast Employment Growth (2018-2040)



Data Source: Oxford Economics

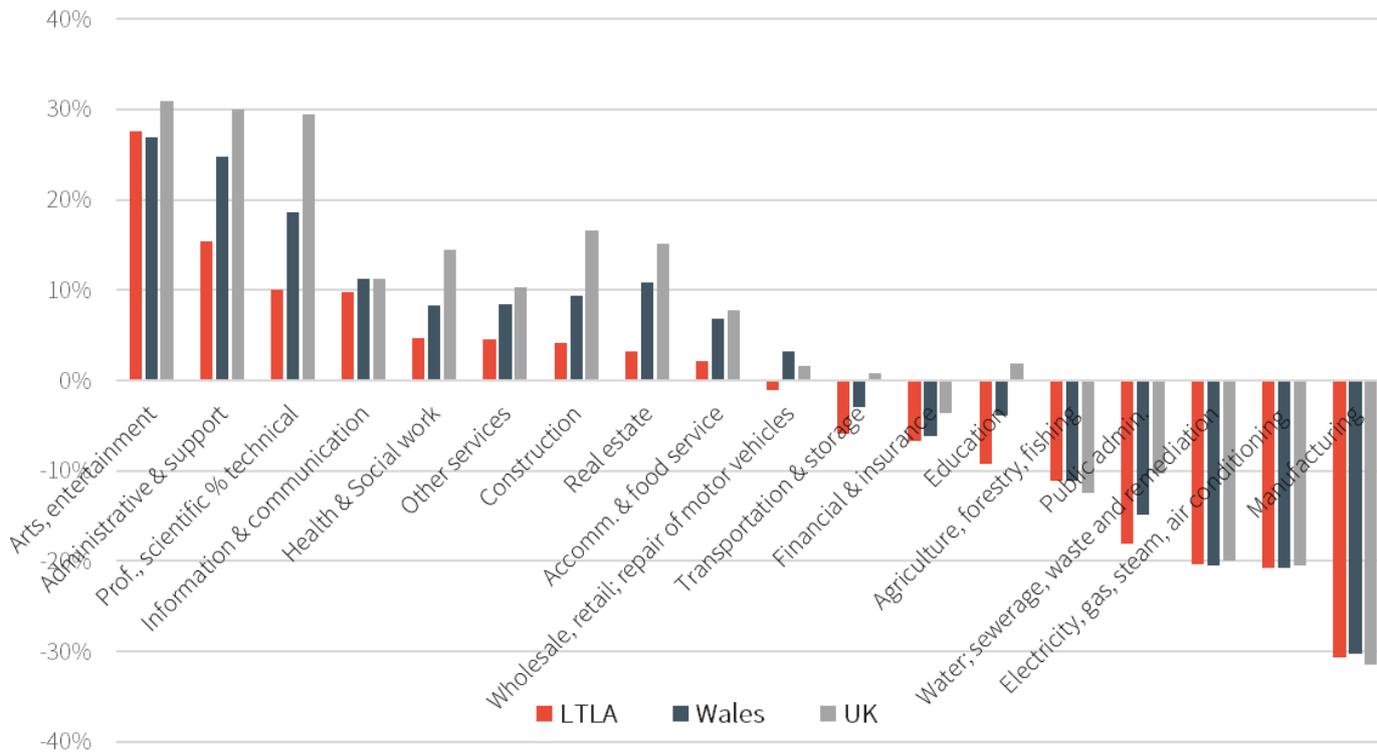
3.31 The Forecasts model shows (summarised in Figures 25 & 26 below) strong growth in Arts, Entertainment, Administrative Support and Professional, Scientific and Technical Services employment but significant decline in Agriculture and Manufacturing. It is important to note that this emphasis differs slightly to the recent economic growth analysis which shows growth in manufacturing - this difference is explored later in the policy-on scenario development section.

Figure 25: Mid Wales - Top 5 and bottom 5 net forecast employment changes (2018-2040)



Data Source: Oxford Economics

Figure 26: Proportional change in employment, 2018-40



Data Source: Oxford Economics

Mid Wales – A vulnerable and declining economy summary findings from the Local Studies (Appendix One) and the Mid Wales analysis

3.32 The following section sets out our summary findings from the economic analysis and the implications for interpreting the employment forecasts and developing a policy response:

- The demographic analysis shows an ageing population across Mid Wales illustrated by the population profile diagrams for each of the local authorities (in the local studies) which demonstrates the ‘pinched middle’ of a relatively high older population and a proportionately low working age population;
- The workforce in both local authorities in Mid Wales are characterized by reasonable skills and qualifications and the area has a good occupation profile. There is low unemployment across both local authorities with Ceredigion showing relatively low economic activity (ageing population plus students);
- The rates of resident and workplace employment differed little with the high degree of containment one would expect in a rural and relatively peripheral area;
- The relatively strong employment and low unemployment data masks low pay and underemployment and the high self-employment and home working data combined with low incomes is masking rural poverty which is a real cause for concern amongst local authorities and policy makers in Mid Wales;
- High seasonal employment, relatively low productivity and a lack of diversity across the Mid Wales economy all contribute to a high degree of economic vulnerability; and
- The forecast demographic decline combined with key challenges on the horizon including: BREXIT, public sector uncertainty and rising energy costs, forecast decline in Agriculture and Manufacturing present a precarious economic picture.

3.33 ***These factors taken ‘in the round’ highlight the high opportunity cost of ‘doing nothing’ to address this situation in Mid Wales. Failure to mitigate the vulnerability and risk factors outlined above will risk the decline of the Mid Wales economy alongside further depopulation, changing the nature of the communities permanently.***

3.34 ***Population decline will make it very difficult to justify and fund public services and the Mid- Wales economy will continue to fall behind the Wales and UK averages and will be insufficiently vibrant and diverse to attract a sufficient***

working age demographic. This situation requires a ‘step change’ set of interventions to reverse or at least slow down decline and provide the basis for new higher value economic growth and attract new economically mobile population.

Towards a policy-on scenario – moving towards a high value rural economy, adding value to agriculture, retaining manufacturing, harnessing R&D strengths, the low carbon economy and energy transition...

3.35 *It is clear from the analysis in this report that the economic baseline forecasts for Mid Wales run counter to recent recognised economic trends in some sectors. The following potential drivers of higher value employment growth are important when considering how a more positive economic projection might be achieved.*

- Scientific and Professional services, ICT – strong recent growth suggests that Mid Wales could capture more growth and generate more high value jobs locally if appropriate locations and sites are available;
- Manufacturing has shown strong growth over last 5-6 years and with appropriate support could continue to do so bucking the trend indicated by the baseline forecasts. Decline in overall terms in manufacturing maybe inevitable but clearly there are sub-sectors in Mid Wales which show more promise including high value food & drink production, automotive supply chain;
- Local specialisms in high value research-intensive sub-sectors have the potential to attract talent and investment and create modest numbers of high value jobs. These include Agri-tech, food & drink and bioscience, building on key assets such as Institute of Biological, Environmental and Rural Sciences (IBERS) and the Food Centre Wales;
- New farm diversification will be critical as the regional economy faces up to the changes brought about by BREXIT and climate change responses. Exploiting digital technologies and data analytics and support existing and emerging businesses within Mid Wales’ agri-tech and food sector will be essential. Expansion of the Food Centre Wales can be a component of supporting this sector;
- The low carbon economy and particularly technology around smart grids, energy transition, hydrogen economy fuel cells, fuels and energy storage are

components of a potentially buoyant sector locally and source of employment and GVA;

- Defence related innovation and R&D is also critical to the future of Mid Wales which has segregated airspace for testing of drones etc. and this creates a distinctive opportunity for high value tech employment in related sub-sectors; and
- Tourism spend has increased locally and visitor numbers are stable. Arts, entertainment and leisure employment is forecast to grow particularly strongly.

A major initiative such as a Growth Deal as part of a wider regional economic strategy should be considered to address decline and to transition into a higher value greener economy

3.36 Taking these factors in the round it would seem reasonable to assume that a coherent set of initiatives aimed at creating competitive locations and supporting businesses and skills locally in those high value sectors which are demonstrating growth potential locally (or are associated with competitive assets and centres of excellence locally) would be appropriate.

3.37 For example, a programme of interventions including a Growth Deal could combine a series of interventions aimed at providing a competitive sites and premises offer, with an improved skills base and targeted business support for technical and scientific sectors including agri-tech and food and drink. Such a Growth Deal could also target growing the visitor economy and diversifying and introducing new tech into farming.

3.38 Experience shows that in order to bring about sustainable economic growth in a peripheral area such as Mid Wales measures intended to improve skills and business competitive need to be underpinned by a strategy which seeks to create the conditions for growth. This would include making sure the right type of housing is available for working families and young people which is close to employment. A programme to provide competitive and well connected employment sites across Mid Wales should be developed in parallel and as part of any Growth Deal and should any intervention include consideration of Enterprise Zone (EZ) measures to stimulate and attract investment in activities such as energy transition.

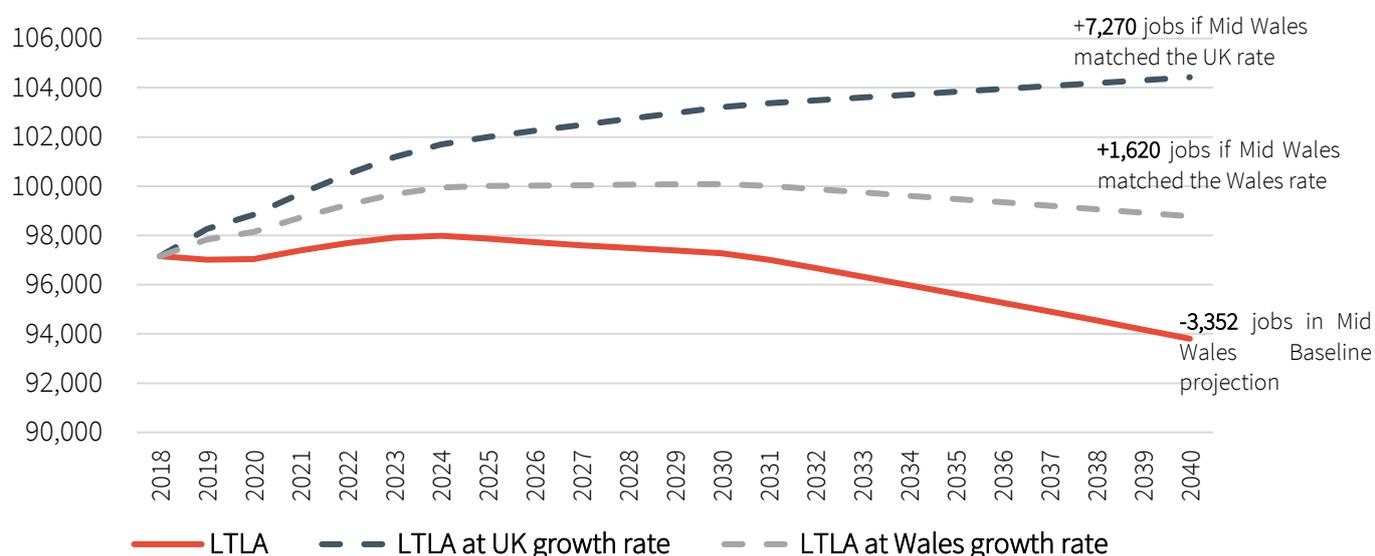
3.39 The potential quantitative impact of a 'step-change intervention' is set out in the charts below.

The Policy-On Scenario

3.40 In the following section some variants to the Oxford Economics baseline forecast for Mid Wales are developed. These are separate projections and should not be treated as forecasts. They are used to help understand the potential impact of a highly targeted significant intervention on the economy (such as a Growth Deal or EZ). The rationale behind any adjustments made to the baseline in alternative projections is that they reflect the recent trends analysis that the Hatch/BE Group team have undertaken on the Mid Wales economy and also incorporate intelligence from the business and property stakeholders consulted on the ground.

3.41 Figure 27 sets the Oxford Economic Baseline forecasts for Mid Wales in context. Over the projection period from 2018-2040 Mid Wales loses 3,352 jobs. If Mid Wales were to grow at the same rate as the wider Welsh economy 1,620 jobs additional would be created over the same period and 7,270 if Mid Wales grew at the same rate as the UK economy. This chart highlights the degree of structural economic decline facing Mid Wales relative to the rest of the economy.

Figure 27: Projected Employment Growth (2018-2040) -if the Larger than Local Area matched the UK growth rates

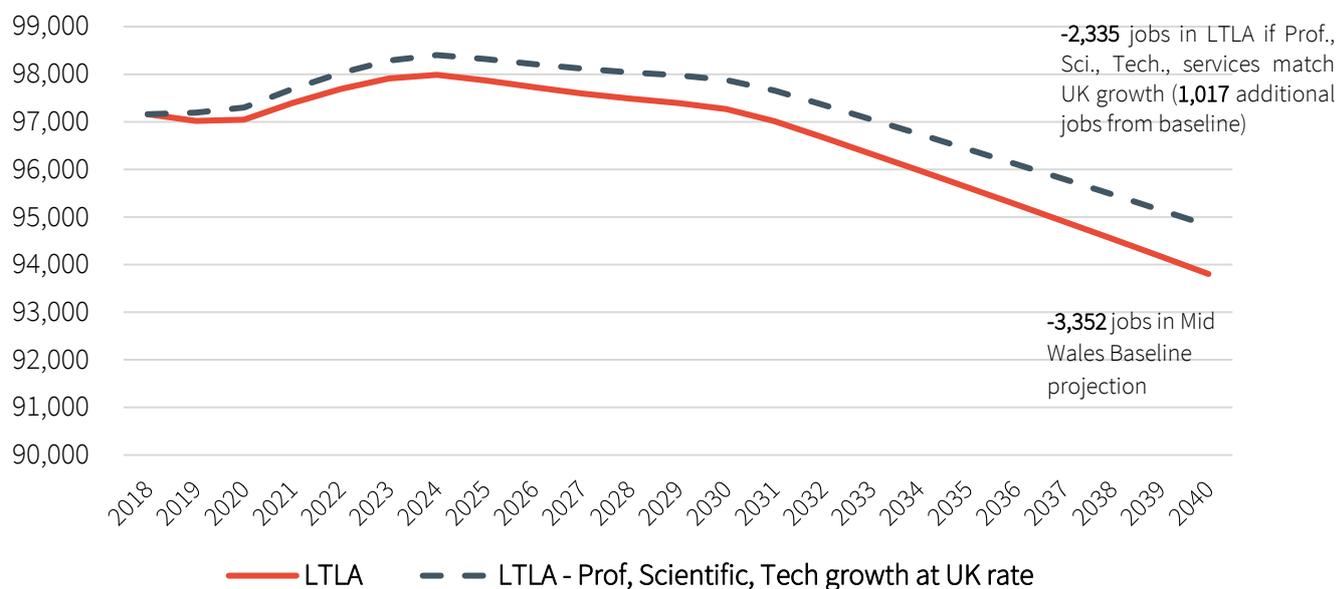


Data Source: Oxford Economics

3.42 In Figure 28 below an adjustment is made to the baseline forecast on Professional, Scientific and Technical Services forecasts which shows very modest growth especially when compared to the performance in this sector over the past 5 years in Mid Wales-see Figure 22 in this report and the Local Reports. In the revised 'policy-

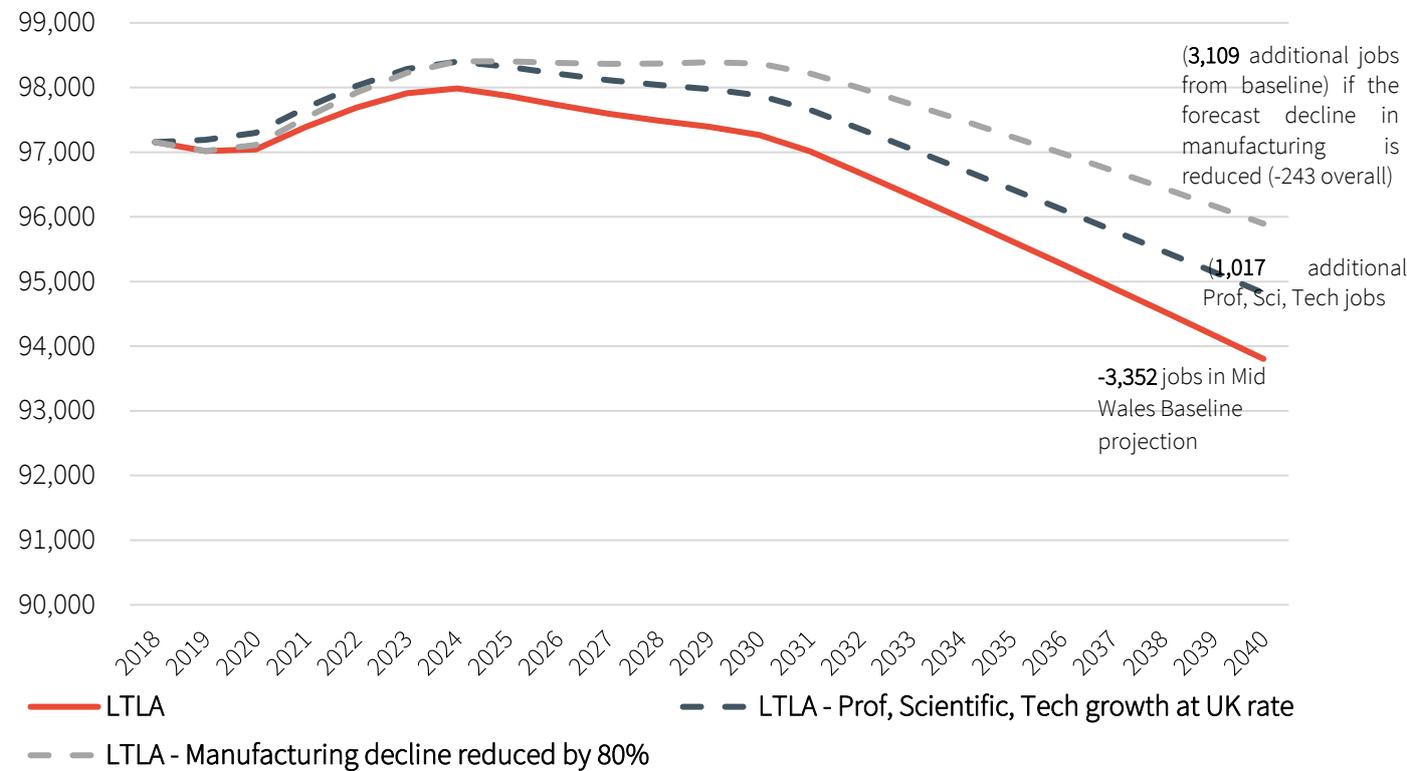
on’ projection (Figure 28 below) it is assumed an additional **1,017 additional jobs** are created in this broad growth sector over the period 2018-2040 reducing the overall job loss from 3,352 as shown in the baseline to 2,335.

Figure 28: Projected Employment Growth (2018-2040) – if Professional, Scientific and Technical Services matched UK growth



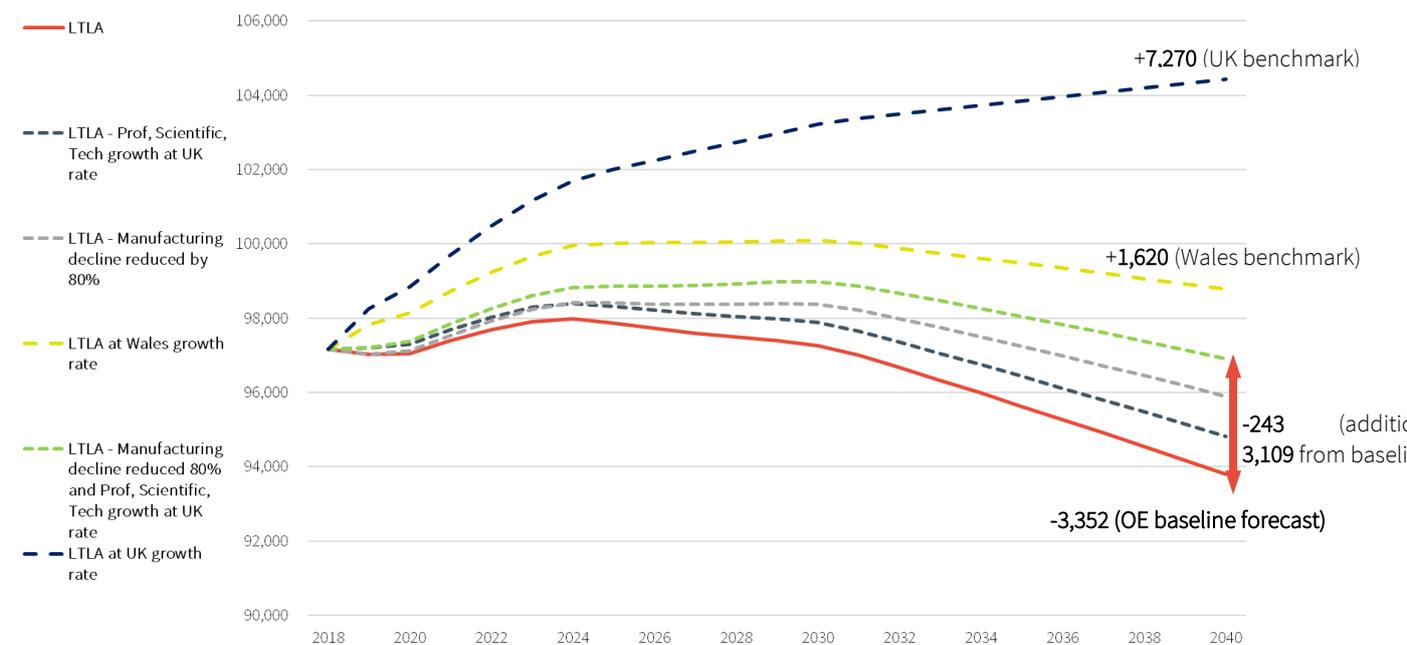
3.43 In Figure 29 below a second further adjustment is made to the baseline forecast on Manufacturing. The analysis on the Mid Wales economy highlights the strong performance in manufacturing locally over the previous 5 years. It is clear that in overall terms Manufacturing employment is set to decline in numbers but locally and across Wales there has been strong resilience in the sector and some higher value sub-sectors have performed well. In this context it is not unreasonable to assume that if there is a consistent targeted policy of support to high value manufacturing across Mid Wales some of the forecasts decline can be offset. **It is also possible that the current baseline forecast overstates the potential decline as it mirrors recent performance of the Manufacturing at UK level where the sector has been less buoyant than in Mid Wales. Figure 29 shows the combined impact of stronger growth in Professional, Scientific and Technical employment and a reduced decline in Manufacturing which is 3,109 additional jobs over the projection period.**

Figure 29: Projected Employment Growth (2018-2040) – if decline in Manufacturing is reduced



Data Source: Oxford Economics

Figure 30: Projected Employment Growth (2018-2040) – all above benchmarks



- 3.44 The red arrow in Figure 30 shows the uplift in the baseline forecast from making the two adjustments for Manufacturing and Professional, Scientific and Technical Services. In overall terms the economy is still in decline and the new 'Policy – On' curve shown in green at the top of the red arrow shows a small net decline of -243 jobs from the original baseline figure of 3,352 (the red curve) at the bottom.
- 3.45 Further adjustment could be made to the 'policy -on' curve for example to reflect changes in agricultural productivity, farm diversification and visitor economy etc. Uncertainties about the impact of BREXIT on the Welsh economy and in particular on agriculture is difficult to predict and quantify so the recommendation is that this process is revisited in 12 months' time where more is known about the nature of any trade deal with the EU.
- 3.46 In conclusion, the analysis set out above points to the need for a significant intervention (such as a Growth Deal) to reverse or slow down the declined of the Mid Wales economy. The scenario work undertaken would suggest that a targeted approach to support those sectors with the potential to drive growth could generate between 3,000-4,000 jobs in Mid Wales by 2040.

4.0 PROPERTY PROFILE

4.1 This section provides an overview of the commercial property market for the Mid Wales area reflecting on market trends across Ceredigion and Powys. The report draws on information gathered from a variety of market reports produced by national agents, specific dialogue with local property agents and other stakeholders as well as our own reflection on emerging trends and prospects.

Office Markets

4.2 Across the UK, the occupier office market has become increasingly polarised towards the major cities with more limited, “local-demand” outside these core centres. In Wales, Cardiff dominates the office market spurred-on recently by the Central Quarter regeneration underpinned by the BBC. Although one of the smaller UK cities, Cardiff achieves a ten-year average take-up of around 46,500 sqm (500,000 sqft) of office floorspace per annum. This compares with the Birmingham market of around 65,000 sqm (700,000 sqft) per annum

4.3 Within the Mid Wales context, office demand is primarily focussed around local professional services with only Aberystwyth commanding anything like a pronounced office market and to a lesser extent Newtown. Market rents are about £85-130/sqm (£8-12/sqft) with demand remaining for small office suites.

4.4 This contrasts with more established office locations such as Cardiff where prime office rents are currently rising between £215-£270/sqm (£20-£25/sqft), which in turn contrasts with the stronger regional office markets such as Bristol in the South West and central Birmingham in the Midlands commanding rental values around £376/sqm (£35/sqft) and attracting positive investor interest.

Serviced Offices

4.5 One of the strong market trends recently is the surge in demand and occupier interest in serviced office (and other) accommodation and coworking environments. This provides occupiers with maximum flexibility to increase or decrease space requirements as business needs change. Occupiers no longer need to be tied to long-term, fixed lease agreements but instead are prepared to pay a premium accommodation charge (often inclusive of services) to benefit from “easy-in/easy-out” licensed arrangements.

- 4.6 This, in turn, has generated growth in new operators entering this growing market. Whilst operators such as Regus have been around for some time, other operators include WeWork (London, Birmingham, Cambridge, Edinburgh, Manchester); Easy Offices (Birmingham, Bristol, Cardiff, London) Spaces and the Office Group (London, Leeds, Bristol). Many of these national (indeed international) operators are now taking longer-term head-leases on larger buildings (often at a discounted headline rent), creating flexible sub-lease packages on furnished or unfurnished basis to suit individual end-users.
- 4.7 Whilst this is creating new market dynamic within the larger cities across the UK there is also strong underlying demand for smaller scale facilities within the smaller town centres and many established local business parks. The Welsh Government recently established a string of Enterprise Hubs across Wales, including facilities in the Pryce Jones complex in Newtown providing small, flexible business suites, on-site business advice and links to Aberystwyth University and Colleges.
- 4.8 Whilst the main-stream commercial office market is considered likely to continue to focus on core cities given the wider regional labour market accessibility, there is considerable demand potential for smaller scale, flexible work-hubs across Mid Wales. These would be ideally located close to town centre facilities and local public transport hubs providing sustainable transport connectivity across the region and the national rail-network.

Industrial market

- 4.9 The industrial market across Wales has remained relatively buoyant in recent years with key focal points related to strategic road network and centres of population/labour. Dominant market areas, therefore, include Newport and Cardiff fringes around the M4, the Heads of the Valleys strategic corridor, Swansea Bay/Port Talbot and Deeside in North Wales which also benefits from Enterprise Zone designation.
- 4.10 Most demand is currently for industrial units in the 1,900-4,600 sqm (20,000 – 50,000 sqft) range with limited choice in terms of available property across Wales. There is also demand for smaller workshop units around 185 – 465 sqm (2,000-5,000 sqft). There are indications of private sector led speculative development in North Wales responding to strong demand enquiries. A joint venture between Midlands based Trebor Developments and Maple Grove Developments is bringing forward three units ranging from 930 – 4,600 sqm (10,000 – 50,000 sqft) in Deeside. Elsewhere, the Local

Authorities of Blaenau Gwent Bridgend, Caerphilly and RCT are progressing Property Development Grant assisted schemes for multi-let units up to 1,900 sqm (20,000 sqft) and Neath Port Talbot Council have committed to the refurbishment of the former 37,000 sqm (400,000 sqft) Crown Packaging unit in Neath.

- 4.11 Mid Wales, being somewhat further removed from larger population centres than South Wales or Deeside, has a lower concentration of industrial units. However, within Mid Wales, the areas that have better links with population centres (e.g. Welshpool, Newtown linking with West Midlands and North West England) have seen the most significant concentration of industrial units within Mid Wales.

Logistics market

- 4.12 Across the UK, demand for big sheds (i.e. over 9,000 sqm or 100,000 sqft) from the logistics sector has been largely driven by the on-line retail market which has grown exponentially in the last few years. Ten-year average take-up has been around 1.9-2.0 million sqm (20-22 million sqft); although exceeded 2.8 million sqm (30 million sqft) in 2018. While 2019 was lower than the peak of 2018 at about 2.5 million sqm (27 million sqft), this was still significantly above the decade average.
- 4.13 Much of the market demand for space is concentrated in the East Midlands (37% of UK total in 2019) which provides easy access both from the East Coast Ports and for redistribution to the whole of the UK via the central motorway network. The South East region also accounts for around one-third of the UK market reflecting demand from the largest population area in the UK with the West Midlands capturing some 17% of the UK market.
- 4.14 The West Midlands market returned to above average take-up levels in 2019, from a poor 2018, recording about 0.4 million sqm (4.4 million sqft) in take-up. CBRE report that about 40% of these deals were with motor industry companies. Quoting Grade A logistics property rents are currently around £73/sqm (£6.75/sqft).
- 4.15 Wales has seen very little of this new upsurge in large scale logistics and distribution activity since the 74,300 sqm (800,000 sqft) Amazon warehouse opened near Swansea in 2007. This contrasts with investment success at the Severn Side area near Avonmouth serving the South West region with some 246,000 sqm (2.6 million sqft) has already been developed attracting major occupiers including Farm Foods, The Range, Lidl and another 46,500 sqm (500,000 sqft) Amazon fulfilment centre.

- 4.16 With the site benefiting from the abolition of the Severn Bridge Tolls and shortly to gain direct junction off the M49, developers have committed to bringing speculative units forward in a variety of unit sizes from 900-4,600 sqm (10,000 – 50,000 sqft) and are commanding initial rental values ranging from £75-£90/sqm (£7.00-£8.50/sqft).
- 4.17 Mid Wales has very little activity in +10,000 sqm (+108,000 sqft) logistics space. However, there would be some opportunities for ‘final mile’ distribution centres for UK companies or Wales based businesses looking for a central location. An example in recent years is the Charlies garden centre headquarters and distribution centre at Welshpool, with the business moving in to a 10,000 sqm facility at Offa’s Dyke Business Park in 2018.

Property Markets of the Local and National Park Authority Areas

- 4.18 The following provides an assessment of the property indicators in the Mid Wales area, including the individual local and national park authority areas. This review includes recent transactions and estimates of currently marketed premises.
- 4.19 Table 7 shows that, on average over the last decade, about 10,500 sqm of industrial floorspace has been transacted per annum in Powys. By comparison about 2,000 sqm per annum of industrial floorspace has been transacted in Ceredigion. The median floorspace of industrial space transacted was similar across the Mid Wales area, though slightly larger in Powys.

Table 7 – Summary Indicators of the Property Markets in Local and National Park Authority Areas

	Powys**	Ceredigion	Brecon Beacons (within Powys CC)**
Average Total Transacted Floorspace Per Annum (2010-19)			
Industrial (sqm)	10,500	2,030	750
Office (sqm)	740	200	240
Median Unit Size Transacted (2010-19)			
Industrial (sqm)	290	230	280
Office (sqm)	70	150	60
Vacant Premises*			
Industrial (sqm)	21,290 (39)	18,520 (11)	1,600 (11)
Office (sqm)	6,830 (53)	1,600 (11)	660 (11)

Source: Radius Data Exchange; local commercial agents; BE Group assessment, 2019/20

* number of units available provided in brackets

** BBNP figures are included in Powys totals

4.20 Currently marketed premises in the local authority areas were reviewed to provide an approximation of vacant stock in the market. Powys had the most floorspace available and the most units on the market. This matches the higher volume of past transactions, with considerable higher volume of floorspace in Powys.

Transactions

4.21 The tables below detail the transactions (leases and occupational sales) which have occurred over the last 10 years for each of the three local authority areas for offices and industrial premises. The Powys transactions include those with the Brecon Beacons National Park. However, the National Park's transactions are also provided separately.

Powys

Table 8: Powys Industrial Transactions, 2010-2019

		0-100	101-200	201-500	501-1,000	1,001 - 5,000	5,001 - 10,000	10,001+	Unknown	Total
2019	Total Floorspace (sqm)	72	423	2,453	923	2,678				6,549
	No. of Properties	1	3	7	1	2				14
2018	Total Floorspace (sqm)	175		653	2,517	3,647				6,992
	No. of Properties	3		2	3	2				10
2017	Total Floorspace (sqm)	419	470	2,306	2,155	8,572	6,800			20,722
	No. of Properties	8	3	11	3	2	1			28
2016	Total Floorspace (sqm)	90	329	2,084	658	3,146				6,307
	No. of Properties	2	2	6	1	2				13
2015	Total Floorspace (sqm)	395	158	2,620	653	10,103	8,163			22,092
	No. of Properties	6	1	8	1	3	1			20
2014	Total Floorspace (sqm)	400	736	2,749	1,687	10,113				15,685
	No. of Properties	6	5	7	2	4				24
2013	Total Floorspace (sqm)	133		557	1,714	4,634				7,038
	No. of Properties	2		2	2	2				8
2012	Total Floorspace (sqm)	37	282	1,204	971	1,842				4,336
	No. of Properties	1	2	3	1	1				8
2011	Total Floorspace (sqm)		304	242	784	1,556				2,886
	No. of Properties		2	1	1	1				5
2010	Total Floorspace (sqm)	86		2,663	3,291	6,387				12,427
	No. of Properties	1		8	4	3				16
Total	Total Floorspace (sqm)	1,807	2,702	17,531	15,353	52,678	14,963	0	0	105,034
	No. of Properties	30	18	55	19	22	2	0	0	146

Source: Radius Data Exchange, 2020

- 4.22 147 deals were completed during 2010-2019 with a total floorspace of 105,034 sqm transacted. 2017 saw the total number of transactions peak at 28 along with the highest amount of floorspace at 20,722 sqm. This was due to three large transactions between 1,000–10,000 sqm. The largest deal occurred in 2015 with a transaction of 8,163 sqm. This occurred at Buttington Cross Enterprise Park and consists of one large industrial unit, currently owned by Morland (part of Newmor Group Ltd). The remaining vacant land on this site has also been developed.
- 4.23 Most of the transactions were for properties between the sizes 201–500 sqm, with a median floorspace of 290 sqm. However, importantly, some 16% of deals were above 1,000 sqm in Powys, which reflects a reasonable percentage and demonstrates that this demand segment would need to be addressed in further employment land provision.
- 4.24 An average rent of about £59/sqm (£5.5/sqft) has been achieved in Powys for industrial units since 2017, although this is based on a reasonably low volume of transactions as not all recorded deals include price points.

Table 9 - Powys Office Transactions, 2010-2019

		0-100	101-200	201-500	501-1,000	1,001+	Unknown	Total
2019	Total Floorspace (sqm)	56	134		890			1,080
	No. of Properties	2	1		1			4
2018	Total Floorspace (sqm)	206		519	725			1,450
	No. of Properties	4		2	1			7
2017	Total Floorspace (sqm)	235		223				458
	No. of Properties	4		1				5
2016	Total Floorspace (sqm)	135	126					261
	No. of Properties	2	1					3
2015	Total Floorspace (sqm)	28						28
	No. of Properties	1						1
2014	Total Floorspace (sqm)	165	202	451	911			1,729
	No. of Properties	3	2	1	1			7
2013	Total Floorspace (sqm)	238		597	930			1,765
	No. of Properties	6		2	1			9
2012	Total Floorspace (sqm)	157						157
	No. of Properties	3						3
2011	Total Floorspace (sqm)			273				273
	No. of Properties			1				1
2010	Total Floorspace (sqm)	17	136					153
	No. of Properties	1	1					2
Total	Total Floorspace (sqm)	1,237	598	2,063	3,456	0	0	7,354
	No. of Properties	26	5	7	4	0	0	42

Source: Radius Data Exchange, 2020

4.25 The number of office deals transacted over this period is significantly lower than industrial deals. A total of 42 deals were transacted with a total floorspace of 7,354 sqm. Therefore, at only about four transactions per annum over the Powys area over the last decade, the volume of office stock transacted in the area is very small.

4.26 2013 saw the highest number of office transactions completed during a single year (nine), along with the highest amount of floorspace transacted during a single year of 1,765 sqm, though the following year recorded a similar amount of floorspace across seven transactions. 2013 accounted for 22% of total floorspace transacted throughout the decade. In this year the largest single transaction was 930 sqm of space on Free Street, Brecon (also recorded in the Brecon Beacons National Park specific information later in this chapter).

- 4.27 All three transactions in 2012 were for the same site, Ladywell House, Park Street, Newtown. In total there was 157 sqm of floorspace transacted here. There were two further transactions for the building in 2013. Ladywell House has since been purchased by Powys County Council (2018).
- 4.28 2014, out of the total seven transactions, four were for Talgarth Business Park, Brecon with a total of 169 sqm of floorspace transacted here within this year. 2014 also saw the second largest transaction of 911 sqm at Brecon Enterprise Park. Therefore, in the office market, Brecon Beacons National Park has been an important component of the Powys activity over the last decade.

Ceredigion

- 4.29 The volume of stock transacted for both industrial and office premises was lower in Ceredigion than in Powys.

Table 10 – Ceredigion Industrial Transactions, 2010-2019

		0-100	101-200	201-500	501-1,000	1,001 - 5,000	5,001 - 10,000	10,001+	Unknown	Total
2019	Total Floorspace (sqm)	130	799	1,552	514					2,995
	No. of Properties	2	5	5	1					13
2018	Total Floorspace (sqm)			287	591					878
	No. of Properties			1	1					2
2017	Total Floorspace (sqm)	70	195	276						541
	No. of Properties	1	1	1						3
2016	Total Floorspace (sqm)	140	200		1,371					1,711
	No. of Properties	2	1		2					5
2015	Total Floorspace (sqm)	268		353						621
	No. of Properties	4		1						5
2014	Total Floorspace (sqm)	140	280	1,078						1,498
	No. of Properties	2	2	4						8
2013	Total Floorspace (sqm)		149	460						609
	No. of Properties		1	2						3
2012	Total Floorspace (sqm)			1,156						1,156
	No. of Properties			3						3
2011	Total Floorspace (sqm)			785	605	1,590	6,508			9,488
	No. of Properties			3	1	1	1			6
2010	Total Floorspace (sqm)		149	324	650	1,593				2,716
	No. of Properties		1	1	1	1				4
Total	Total Floorspace (sqm)	748	1,772	6,271	3,731	3,183	6,508	0	0	22,213
	No. of Properties	11	11	21	6	2	1	0	0	52

Source: Radius Data Exchange, 2020

4.30 52 industrial/warehouse deals were completed in Ceredigion over the decade, with a total of 22,213 sqm of floorspace transacted. This figure is significantly smaller than the figure for industrial properties transacted in Powys.

4.31 The largest floorspace take up during a single year in Ceredigion occurred in 2011 with 9,488 sqm transacted from 6 deals. This was influenced by the decade's largest individual deal occurring in 2011 with 6,508 sqm of space at Aeron Valley Enterprise Park. In total between 2010-2019 there have been four transactions for Aeron Valley Enterprise Park. All these transactions have been large and result in 51% of the total floorspace transacted within the decade.

4.32 Importantly for Ceredigion, 2019 recorded the largest number of industrial transactions over the decade, with 13 deals reported, significantly above the decadal average of

about five per year. This is an indicator of good levels of recent activity and interest in the local market.

- 4.33 Glan Yr Afon Industrial Estate and Pentood Enterprise Park are two sites that saw a significant volume of transactions in this time period. Glan Yr Afon Industrial Estate had 15 transactions between 2013-2016, or 29% of all the transactions in the decade. This number is similar for Pentood Industrial estate, where 15 transactions occurred between 2010-2014 and one in 2017, representing 31% of all transactions.

Table 11 – Ceredigion Office Transactions, 2010-2019

		0-100	101-200	201-500	501-1,000	1,001+	Unknown	Total
2019	Total Floorspace (sqm)							0
	No. of Properties							0
2018	Total Floorspace (sqm)		139					139
	No. of Properties		1					1
2017	Total Floorspace (sqm)							0
	No. of Properties							0
2016	Total Floorspace (sqm)	155						155
	No. of Properties	2						2
2015	Total Floorspace (sqm)							0
	No. of Properties							0
2014	Total Floorspace (sqm)							0
	No. of Properties							0
2013	Total Floorspace (sqm)	116		454				570
	No. of Properties	3		1				4
2012	Total Floorspace (sqm)							0
	No. of Properties							0
2011	Total Floorspace (sqm)		289					289
	No. of Properties		1					1
2010	Total Floorspace (sqm)		324	532				856
	No. of Properties		2	2				4
Total	Total Floorspace (sqm)	271	752	986	0	0	0	2,009
	No. of Properties	5	4	3	0	0	0	12

Source: Radius Data Exchange, 2020

- 4.34 Of the 12 office deals recorded since 2010, 2,009 sqm of floorspace was transacted, with offices within the smaller size bands unsurprisingly having been more dominant on the market over the last 10 years. 42% of transactions were for spaces of 100 sqm or less.

4.35 2010 and 2013 had the highest number of transactions (four). 2010, however, had the highest total floorspace with 856 sqm. The largest single transaction was in 2013 at 454 sqm, which demonstrates that the market for office premises in Ceredigion is for small units. It is noted that no transactions of office space was recorded in 2019.

Brecon Beacons National Park

4.36 The transactions mentioned below are those that are within Powys and which occurred within the Brecon Beacons National Park (BBNP). Represented in the figures are transactions in Hay-on-Wye, Crickhowell, Talgarth, Brecon and Sennybridge. These figures are a subset of the figures presented above for Powys.

Table 12 – Brecon Beacons Industrial Transactions, 2010-2019

		0-100	101-200	201-500	501-1,000	1,001 - 5,000	5,001+	Unknown	Total
2019	Total Floorspace (sqm)			728					728
	No. of Properties			2					1
2018	Total Floorspace (sqm)								0
	No. of Properties								0
2017	Total Floorspace (sqm)			701		4,963			5,664
	No. of Properties			3		1			4
2016	Total Floorspace (sqm)	43							43
	No. of Properties	1							1
2015	Total Floorspace (sqm)			279					279
	No. of Properties			1					1
2014	Total Floorspace (sqm)			740					740
	No. of Properties			2					2
2013	Total Floorspace (sqm)			558					558
	No. of Properties			2					2
2012	Total Floorspace (sqm)								0
	No. of Properties								0
2011	Total Floorspace (sqm)								0
	No. of Properties								0
2010	Total Floorspace (sqm)								0
	No. of Properties								0
Total	Total Floorspace (sqm)	43	0	3,006	0	4,963	0	0	8,012
	No. of Properties	1	0	10	0	1	0	0	12

Source: Radius Data Exchange, 2020

4.37 12 industrial deals were completed during 2010-2019 with a total floorspace of 8,012 sqm transacted, therefore only about one per annum. 2017 saw the highest single transaction in terms of floorspace at 4,963 sqm. This occurred at Ffrwdgrech Industrial Estate, Brecon and was the British Wool Marketing Board purchasing the unit as an

occupational sale. This was by far the largest transaction over the last decade, with the next largest being 500 sqm. 2017 also saw the total number of transactions peak at four along with the highest total amount of floorspace at 5,664 sqm. This equals 75% of the overall floorspace for Brecon Beacons between 2009-2019.

4.38 82% of industrial transactions were for units between 201-500 sqm.

Table 13 – Brecon Beacons Office Transactions, 2010-2019

		0-100	101-200	201-500	501-1,000	1,001+	Unknown	Total
2019	Total Floorspace (sqm)	56	133					189
	No. of Properties	2	1					3
2018	Total Floorspace (sqm)	76						76
	No. of Properties	1						1
2017	Total Floorspace (sqm)	35						35
	No. of Properties	1						1
2016	Total Floorspace (sqm)	64						64
	No. of Properties	1					1	2
2015	Total Floorspace (sqm)							0
	No. of Properties							0
2014	Total Floorspace (sqm)	56			911			967
	No. of Properties	1			1			2
2013	Total Floorspace (sqm)	149			930			1,079
	No. of Properties	4			1			5
2012	Total Floorspace (sqm)							0
	No. of Properties							0
2011	Total Floorspace (sqm)							0
	No. of Properties							0
2010	Total Floorspace (sqm)	17						17
	No. of Properties	1						1
Total	Total Floorspace (sqm)	453	133	0	1,841	0	0	2,427
	No. of Properties	11	1	0	2	0	1	15

Source: Radius Data Exchange, 2020

4.39 Similarly to the industrial transactions, there was a low volume of office transactions in Brecon Beacons over the last decade. 15 office deals were completed during 2010-2019 (i.e. average of 1.5 deals per annum) with a total floorspace of 2,427 sqm transacted. 2013 saw the total number of transactions peak at five along with the highest total amount of floorspace at 1,079 sqm. This is 45% of the total amount of floorspace transacted over the decade.

4.40 The largest transaction completed in the decade occurred in 2013 at 930 sqm this is 38% of the total of all transactions between 2009-2019.

- 4.41 73% of transactions were for units between 0-100 sqm, highlighting the SME nature of occupiers in office space in this market.

Transactions Summary

- 4.42 From the review of the transactions data, it is apparent that the dominant market requirement for space is for smaller units – less than 1,000 sqm for industrial and less than 200 sqm for office space. However, while smaller in number there are some transactions, particularly in Powys, of larger transactions that form an important component of the market.

- 4.43 Therefore, while the bulk of the demand would be for smaller units, some demand in the area is for mid-sized units. This would need to be incorporated into the assessment of employment land over the forecasting period, ensuring that the land and premises supply can accommodate these markets.

Property Supply

- 4.44 A schedule of the vacant floorspace being marketed in the Mid Wales Study Area (as at October 2019) has been compiled mainly from physical survey, a trawl of commercial property agents' websites and consultations with agents. The marketed space is taken to be a reasonably close approximation to that which is vacant – although there may be occupiers waiting for interest in their property before moving, and empty units not actually being marketed. The schedules for industrial (including warehouses/ workshops) and offices for the area is included in Appendix 2.

- 4.45 Table 14 and 15 below gives a summary of the current vacancy levels found within Mid Wales. Number of properties and total floorspace available is provided for offices and industrial units. Additionally, Valuation Office Agency (VOA) statistics have been included in the table, which provide the total number of hereditaments (units) and floorspace within Powys and Ceredigion. From this an estimate of the vacancy level within the area can be inferred. This would only be an estimate as the data are from different time points, though the VOA data is 2018/19 and thus reasonably recent.

- 4.46 It is noted that the occupancy rates for office and industrial in both Powys and Ceredigion are above 90%, which suggests good levels of occupancy and a reasonably tightly held market. Indeed, the industrial market in Powys (97.6%

occupancy) and the office market in Ceredigion (97.8%) have particularly high occupancy rates, which **strongly suggest that the market is constrained and limited for choice of premises**. As a rule of thumb, occupancy rates of about 90-95% would suggest a well performing market. Occupancy levels above this would mean that businesses looking to enter the market would have very limited choice of premises. **Therefore, on this measure, there is a need for additional supply of premises in the market.**

Table 14 – Property Supply Summary and VOA Data, Industrial

Area	No. of Properties Vacant	Vacant Floorspace (sqm)	VOA		
			Hereditaments	Floorspace	Floorspace Occupancy Rate
Powys	39	21,290	1,980	880,000	97.6
Ceredigion	11	18,520	870	246,000	92.5

Sources: Vacancy Schedules, VOA Data, 2019

Table 15 – Property Supply Summary and VOA Data, Office

Area	No. of Properties Vacant	Vacant Floorspace (sqm)	VOA		
			Hereditaments	Floorspace	Floorspace Occupancy Rate
Powys	53	6,830	860	85,000	92.0
Ceredigion	11	1,600	480	72,000	97.8

Source: Vacant Property Schedules, VOA Data, 2019

4.47 The quality of the supply of premises is also a constraining factor in Mid Wales. From site inspections as part of this study and through conversations with local commercial agents and stakeholders, it is apparent that a substantial proportion of the existing commercial units in Mid Wales are dated and in need of refurbishment. Such refurbishment is needed to ensure that premises are appropriate for modern business needs and to improve energy and operational efficiencies.

4.48 In particular, several vacant premises have remained unoccupied for significant periods due to their poor quality. Therefore, while there may be some vacant premises

available to the market, these may not be appropriate for modern businesses and thus not be attractive to a substantial share of the market looking for premises.

Property Market Stakeholders

4.49 Qualitative evidence of the demand for industrial and office property within the Study Area has been gained through consultations with commercial property agents active within the local property market.

4.50 The views given below are those of the representatives of the commercial agencies consulted during the time of consultations. They are not the view of the consultants or any of the Councils within the Study Area. A list of the companies consulted during the study, including property agents and stakeholders, can be found in Appendix 3.

Commercial Property Agents

Table 16 – Property Market Comments

Contact	Comments
National Agent	<ul style="list-style-type: none"> • Industrial buildings between 2,500 – 10,000sqft are in the highest demand in Mid Wales • The achieved rents of these industrial buildings are about £4.50-5.00 per sqft • Demand exceeds supply for this type of property • Freehold is most popular in the commercial market; however, the main issue is the difficulty people have with buying these properties • Welshpool is the most popular and sought-after area due to good transport links. The further east the better for businesses
Independent property consultant	<ul style="list-style-type: none"> • The most popular industrial unit size ranges between 1,000 – 20,000sqft • There is an adequate supply of these types of buildings however for companies who have specific requirements they can be waiting a while before they are able to find what they are looking for. Building brand new units is costly so it is usually a waiting game • There are both freehold and leasehold enquiries. It all depends on the company and their requirements • Welshpool and Newtown are the most popular towns – mainly down to accessibility and good transport links • Transport links have improved in Mid Wales. People usually choose to drive in this area rather than get the train even though the road network can still be a problem • The main emerging businesses and sectors are traders such as builders and plumbers • In Newtown buildings are around 40 years old, there are improvements happening to a few of the buildings, however these improvements depend on the company • There are high occupation levels in the area • They have not come across any problems in getting planning permission. The issues mainly concern viability, this can cause problems for companies who want to borrow money

<p>National Agent</p>	<ul style="list-style-type: none"> • The main requirements for companies in the area are for units up to 5,000sqft and between 15,000-20,000sqft. There are very little of these sizes on the market • The quality of buildings according to the agent are good, though mainly 25-30 years old • Achieved rents in the area are £3/4 per sqft industrial • There is a greater demand to purchase than there is to lease • The most popular areas are Welshpool and Newtown, however, this agent has sold expensive buildings elsewhere due to lack of options in these areas, people are buying buildings no matter what the location • Lack of available land in this area is a substantial problem • According to the agent there are high occupation levels in the area. Businesses are stagnating due to the lack of other options they have no choice but to stay put. The company recently sold an industrial building for £738,000 when the asking price was £700,000. They had six bids for this building leaving five businesses still without a premise • In terms of developing vacant land, the cost of building is high which is a large problem everywhere, not just the area in question. Unless people have grants then it is nearly impossible to develop. Businesses are aware buildings are expensive and may lose their value over time. This issue does, however, get overlooked as these businesses need somewhere to trade • The market is buoyant • Several units are no longer fit for purpose
<p>Local Agent</p>	<p>Industrial</p> <ul style="list-style-type: none"> • The most popular industrial units are for premises between 750-3,000sqft – they have dealt with some larger units, but the majority are this size • Most people are looking for smaller industrial units • There are not enough good quality units as not a lot has been developed in recent years • Achieved rents: Llandrindod Wells - £3/3.50 sqft • Brecon industrial units - £9/10sqft. This is for small industrial units as they are more sought after. The larger industrial units are dropping down in price • There is a mixture between leasehold and freehold in the current market. Leasehold, however, is popular for the smaller businesses who are looking for shorted leases and want to be fairly flexible • The popular locations include Brecon, Llandrindod and Newtown • The most popular businesses and sector is the food sector, including a few emerging breweries. There has also been new leisure/gym applications and they have seen a lot more off the building trade such as Screw Fix. • The main weaknesses and shortfalls in the area revolve around ageing stock. There is a need for refurbishment of existing industrial buildings or even demolition with new premises built. A lot of the industrial units in Powys are getting to be around 20 years old and therefore investment is beginning to be needed <p>Offices</p> <ul style="list-style-type: none"> • Public sector demand has shrunk in the office market • The achieved rent for small office is around £8/10 sqft • Office market has a mix of quality, the offices above shops are mainly poor quality • There is a struggle to find office space in town centres of a good quality • The larger towns are the most popular for offices such as Llandrindod Wells • There is reasonable demand in the North such as Welshpool

<p>Independent property consultant</p>	<ul style="list-style-type: none"> • Lack of land in the market, particularly for industrial units. • Lots of businesses are 'making do' with their premises, but would prefer newer or better options • Have interest from businesses that cannot be met in the local area – range of sizes from small units to 50,000-100,000 sqft • Vacant stock is older, poor quality stock • New industrial units would get about £5.5-6.0/sqft in Welshpool • Office market is town centre and older stock. Good stock can get in excess of £10/sqft • Lack of skills is a key issue for local businesses. Also an issue for construction industry so if looking to increase construction activity, would need to address skills shortage in construction • Lack of commercial developers in Mid Wales
<p>Business group</p>	<p>The following requirements/interests were identified for industrial units within Mid Wales</p> <p>Welshpool</p> <ul style="list-style-type: none"> • Storage & Distribution (leasehold) 10,000-20,000 sqft • Storage & Distribution (freehold) 20,000-30,000 sqft • Production in Welshpool 7,500 – 15,000 sqft • Production facility (freehold) – 60,000-80,000 sqft • Production in Welshpool 10,000 sqft (inward investment) • Production & Distribution in Welshpool (freehold/leasehold) 10,000-15,000 sqft (inward investment) <p>Newtown</p> <ul style="list-style-type: none"> • Storage & Distribution with High Bay (Freehold) 100,000 sqft • Production, Storage & Distribution (Freehold) 40,000 sqft • Production, Storage & Distribution (freehold) 15,000-20,000 sqft • Production, Storage & Distribution with high bay (freehold/leasehold) 15,000-20,000 sqft • Storage & Distribution with high bay (freehold/leasehold) 20,000-30,000 sqft • Storage & Distribution (leasehold) – 10,000 sqft • Production Facility (leasehold) 10,000-15,000 sqft (inward investment) <p>Severn Valley</p> <ul style="list-style-type: none"> • Storage & Distribution in Severn Valley (freehold) 50,000-80,000 sqft) • Production, Storage & Distribution in Newtown or Severn Valley 20,000 Sqft • Industrial sites for development 5,000-15,000 sqft • Phase 1 30,000 sqft, Phase 2 additional 30,000-45,000 sqft. (inward investment) • Security Operations Centre (SOC) 2 x 100 MB independent internet feeds (inward investment) <p>Aberystwyth</p> <ul style="list-style-type: none"> • 160,000 sqft unit for storage and distribution

Source: BE Group Consultations with Various Property Agents

4.51 Further consultations were undertaken with a range of stakeholders, including private and public sector representatives. The key themes emerging from these consultations are listed in Appendix 4.

Viability Considerations

- 4.52 The viability of commercial property projects is also a limiting factor in the market that has resulted in project delay or abandonment. Critically, development costs have risen faster than property values over the last decade, which has reduced the market appeal of commercial developments. This is a concern across the UK, though for smaller markets, which do not benefit from economies of scale, have more limited labour markets and may have higher costs to access materials, viability of projects is a key constraint.
- 4.53 Furthermore, since the recession, financial borrowing has seen tighter restrictions. In particular, banks have required higher levels of occupier commitment (both higher percentage of the scheme and for longer time periods) to be demonstrated before releasing funds, which has restricted speculative developments, even in areas of demonstrable need. Projects that are able to demonstrate such commitments are more likely to be for larger occupiers that have the capacity to commit for a longer period. The SME occupier market is less likely to be able to offer such commitments, and therefore the development of smaller units is being constrained. In Mid Wales, which has a large proportion of SME businesses, this is a particular limitation on the commercial property development market.
- 4.54 Therefore, in Mid Wales there has been a lack of private sector investment in the commercial market. Mid Wales does not have a range of key mid to larger commercial property developers that can provide impetus to the market and competition for occupiers and land. Developers from further afield (e.g. West Midlands, Cardiff, North West England) have little interest or land assets in Mid Wales and thus have not had significant developments in the region. This is despite the demonstrable lack of choice of commercial premises, limited competition and businesses in the market looking for further stock.
- 4.55 Within the Mid Wales region, there are differences in state aid regulations, with Ceredigion designated as an Assisted Area under the Welsh Government Property Development Grant Scheme, whereas Powys is not an Assisted Area. Therefore, potential interventions to alleviate some obstacles may not be implemented uniformly across the region.
- 4.56 **This market failure within the Mid Wales market has held back economic growth as businesses lack opportunities to expand or leave the area to find adequate**

premises. The Mid Wales market has thus had an overreliance on public sector investment in commercial property to deliver where the private sector has not delivered. Viability constraints are likely to continue in the Mid Wales market in the foreseeable future, necessitating continued targeted interventions and alternative means of attracting private sector investment.

- 4.57 It is also observed that in periods of low public sector investment (e.g. tighter constraints on public sector finances), the private sector has not increased its investment to fill the development gap. Therefore, the market sees a distinct lack of development activity that means that businesses have very limited options for new stock. In particular, there is a complete reluctance by the private sector to invest in speculative schemes, due to the viability concerns.
- 4.58 The viability of commercial developments in Mid Wales is further explored in Stage Two of this study, the Action Plan. Appendix 2 of Stage Two provides example appraisals of typical commercial developments for Mid Wales and demonstrates that costs exceed values for industrial, office, hybrid and food grade manufacturing units. It is demonstrated that the viability gap is substantial, with losses likely to be in the order of 55-70 percent of development costs.

Sectoral Considerations

- 4.59 The Mid Wales economy is a function of its geography – its rural location and large area, with towns separated by significant distances. This has implications for the types of sectors that form the economy and the property implications to provide for the economy. This section provides an overview of particular sectors in the Mid Wales economy that are niche market areas for Mid Wales.
- 4.60 As seen in Chapter 3.0, some of the larger sectors of the economy (by employment numbers) are retail, health and education. Demand for such sectors are derived from population growth, as the uses support the local residential needs. Of more relevance to this study are those sectors that are particular to the local area or niche areas for Mid Wales.

Manufacturing

- 4.61 The manufacturing sector is a key economic sector for Mid Wales, providing important economic output and employment opportunities. The main towns of Mid Wales – Welshpool, Newtown, Aberystwyth – are home to the main concentrations of

manufacturing enterprises in Mid Wales, although there is a wide distribution of manufacturing businesses, including SMEs in smaller settlements and some rural locations.

- 4.62 According to BRES data, there were approximately 6,060 jobs in the manufacturing sector in Powys in 2018, compared to approximately 1,360 jobs in Ceredigion. Largest employers in manufacturing are in food products, fabricated metal products, wood and wood products and electrical equipment. Specialist areas (looking at the Location Quotients for manufacturing sub-sectors compared to Wales) in Powys are electrical equipment, beverage products, wood and wood products and textiles. Specialist areas in Ceredigion are pharmaceuticals, printing and recorded media and wood and wood products.
- 4.63 The eastern areas of Mid Wales have important manufacturing supply chain links with the West Midlands and Deeside, particularly in automotive, engineering and machinery parts. Welshpool and Newtown provide a satellite location for businesses servicing the broader region, being close enough to have an economic role, though not a prime location (thus demanding higher rents). The businesses within this sector in Mid Wales are generally small to mid-size enterprises, providing parts and componentry within the supply chain for the development of complex machinery, rather than the core assembly businesses. Aberystwyth is a more isolated node of manufacturing enterprises and therefore a more localised market.
- 4.64 Unit size demand within the manufacturing sector will continue to predominantly be for small to medium sized premises, though with a smaller but significant proportion of businesses requiring mid to larger premises, as is evidenced by the range of unit requirements identified through the consultation with the property sector. Much of the existing stock is comprised of older premises and thus a programme of refurbishment would benefit the market. Furthermore, new stock entering the market is likely to be attractive to existing businesses in Mid Wales, enabling them to upgrade premises.
- 4.65 A particular advanced engineering opportunity for Mid Wales is the proposed Rail Centre of Excellence Testing Facility at Ystradgynlais, which is a joint venture between Welsh Government, Powys Council and Neath Port Talbot Council. The centre is a £100 million investment and is anticipated for completion in about 2023/24. The centre is proposed to include electrified testing tracks, maintenance areas, decommissioning workshops, laboratories, education space, offices, training and R&D workspaces.

Importantly for the Mid Wales region it has the potential to be a catalyst for further investment in the region, including supporting growth in supply chain businesses, investment in transport infrastructure, research and training.

Food and Beverage

- 4.66 This sector is multi-faceted in Mid Wales and includes primary production, processing, packaging and value-adding (e.g. to gourmet products). This sector has important links to hospitality and tourism and is a key component of the manufacturing sector.
- 4.67 Food and beverage operators are mostly comprised of SMEs, though there are also a small number of larger processors. The sector is inextricably linked to the rural economy and thus would require locations close to rural areas. However, proximity to larger populations to provide labour for processing and ultimately for consumer markets, is also important.
- 4.68 This sector is an important linking sector to neighbouring regions. In particular, the food and beverage sector is linked to West Midlands, including rural supply chains, processing and markets (including larger population centres). Furthermore, the agricultural colleges in West Midlands provide a key educational and training role for a wide catchment that includes Mid Wales. More broadly, the food and beverage sector is a key growth sector identified by the Welsh Government, as evidenced in the Welsh Government's *Toward Sustainable Growth: An Action Plan for the Food and Drink Industry 2014-2020*, which has a vision to increase the value of the sector by 30%. Beyond the timeframe of this Action Plan, Wales has further opportunities to continue to grow this sector, with Mid Wales having strong potential to play an important part in that growth.
- 4.69 The Food Centre Wales at Horeb Business Park provides purpose-built food production spaces for SMEs. The Centre also has research and development space and conducts a range of events and courses on site on food production and skills. Importantly it includes incubation units that provide opportunities for new-start businesses to enter the market, co-locating with similar businesses and having access to common facilities, including conference facilities and processing areas. There are plans to expand the centre to accommodate further units, including further incubator units.

- 4.70 The first stage of Aberystwyth University’s Aberystwyth Innovation and Enterprise Campus (AIEC) opened in October 2019, which is an enterprise centre targeting the food and drink, agri-tech and biotechnology sectors. The AIEC provides opportunities for collaboration between university researchers and industry, as well as encouraging spin-out enterprises from the University. Facilities are still being rolled out but upon completion will include pilot-scale equipment, seed bank, Future Food Centre, collaborative spaces and advanced analysis facilities.
- 4.71 Premises requirements for the food and beverage sector includes B2 and B8 units for processing and storage. Such units would include small workshops/starter units for micro-businesses, with the food and beverage sector having an important cottage industry role and for sole operators. There are co-location benefits for such small operators, with opportunities for shared resources and costs.
- 4.72 Larger industrial and warehousing units would also be a significant part of the food and beverage sector, servicing mid and larger food processors and distributors. These are generally located within industrial estates. Potential odour issues and 24-hour operations means that there would need to be some buffering between such uses and sensitive receptors. Furthermore, generic industrial units may not be appropriate for such processing units, with specialised plant and storage requirements and sterilised premises. Therefore, purpose-built units are often required to provide for larger operators in this sector.
- 4.73 Some processing or packing uses may occur on farm locations, which would require industrial units on rural sites. Therefore, there would need to be flexibility in the planning system to allow for such uses as appropriate. However, the nature of the rural economy in Mid Wales, dominated by livestock, means that this need would be lower than other rural regions, which have cropping and horticultural uses.
- 4.74 Climate change adaptations and consumer preferences may necessitate changes to how food is produced and delivered to consumers, including full supply chain adaptations. Moving towards lower intensity carbon food production may include changes to the relative amounts of food produced (i.e. less meat and dairy), changes in agricultural practices, bringing all stages of the production closer to the end market to reduce food miles and changes to storage. Internal production of crops (e.g. vertical farming) would allow crops to be grown in areas not currently used for agriculture, including urban areas and areas of poor quality soil. Furthermore, if means of

producing laboratory grown meats are industrialised this could have the potential to significantly alter the food production economy in rural areas.

Tourism and Hospitality

- 4.75 The tourism sector is an important sector within Mid Wales and comprises a range of components, including accommodation, built attractions, retail, dining, natural landscape and heritage.
- 4.76 The tourism brand in Mid Wales is driven by its natural landscape assets, particularly the Brecon Beacons National Park, but also rural areas throughout Mid Wales and the coastline. The National Park has a high profile in the UK and internationally. Heritage assets are dispersed throughout the region, including in rural and town locations, and comprise castles, historic houses, museums, mining, Victorian spa towns, railways, etc. The accommodation assets are generally smaller, independent assets – including farm stay, B&Bs, hotels – which are positioned to connect visitors to the natural landscape. Peer to peer accommodation options (e.g. Airbnb) are increasing their market share in the region, in line with many areas in the UK, which will impact on dedicated visitor accommodation businesses. Such businesses would need to ensure that they promote their points of difference compared to peer to peer accommodation, including service, expertise and facilities.
- 4.77 Further development of the tourism sector in Mid Wales is likely to be multi-faceted. The sector is looking to build on the visitations to its existing assets through enhancing the visitor experience and looking to increase the length of visit and the spend within the local area. As many of the region's visitations are to the natural environment (e.g. day trip for hiking, etc.) there are only limited opportunities to attract visit expenditure within Mid Wales. Improving links between local towns and villages to the natural assets would help visitors extend their stay, including encouraging overnight visitations, and increase expenditure at local businesses.
- 4.78 Development of further built attractions as a means of further developing the tourism sector can be part of the solution. However, visitor attractions can have high up-front capital investments and are often riskier developments than other property sectors. For Mid Wales, potential built attractions are likely to be connected with the outdoor experience (feedback from consultees have included suggestions such as zip-wire facility, visitor centre) and thus are likely to be in the rural landscape and therefore have similar disconnections with local towns than several of the existing attractions.

Therefore, connectivity (transport and economically) between any further built attractions and the local towns should be a consideration in the planning for further provision.

- 4.79 Further accommodation facilities are likely to be dispersed throughout Mid Wales. Of relevance to this study is whether any accommodation uses would be located on or adjacent to employment uses. Budget hotels (e.g. Travelodge, Holiday Inn, Premier Inn) are often located within or on the edge of business parks, which typically have arterial road prominence. The advantage of such locations for these hotels is that they can target the business and car-based holiday markets. Premier Inn has identified Newtown as one of five target locations in Wales for one of their hotels in 2019. Therefore, considerations of employment land in Newtown should consider provision of sufficient land to provide a hotel site as an option for Premier Inn (or similar operator). However, broader planning objectives could see a preference for a town centre site, which would have co-location and transportation benefits.
- 4.80 A strong theme emerging from the consultations in regard to tourism was the importance of ensuring that the sector is sustainable. It was recognised that the sector relies heavily on private vehicle trips, particularly to remote rural attractions, which have a significant carbon footprint. Therefore, plans for the development of the sector includes means of reducing the carbon footprint.

Sustainable Technologies

- 4.81 Sustainable technologies is a diverse sector and covers sustainable design and construction, materials, resource usage and management, climate change responses, food supply, ecology, etc.
- 4.82 The Centre for Alternative Technologies (CAT) in Machynlleth has established as a key asset in the region to promote such technologies to the general public, students and businesses. It offers a range of graduate courses in the sector, currently having about 500 students in attendance. This graduate school has been successful in spinning out start-up enterprises that have established both within Mid Wales and further afield. Business examples include Dulas Engineering, IndiNature and Aber Instruments that have been established by graduates of CAT.
- 4.83 CAT also is a visitor attraction with demonstrations of potential and emerging technologies for construction and living sustainably. It receives visitations from the

general public as well as school groups and international business groups and universities.

- 4.84 Aberystwyth University's Institute of Biological, Environmental and Rural Sciences (IBERS) is similarly a key asset in the region in this sector. It is one of the largest areas of study within the University and has seen significant investment in recent years, including the BEACON Biorefining Centre of Excellence, which is linked with three other universities in Wales. The AIEC mentioned in the Food and Beverage section above adds to and complements the sustainable technologies assets in the region.
- 4.85 Renewable energy production includes onshore wind and hydroelectric schemes. Innovative and localised energy production is likely to be required to address capacity issues in the system as well as being part of the suite of the region's responses to address climate change. The region has a good skills base and a range of local business expertise to support growth in low carbon energy production. The Mid Wales Energy Strategy and Action Plan is currently being developed, which will detail the growth direction and potential of this sector.
- 4.86 There appears to be an opportunity to encourage the clustering of such businesses in a business park that could be linked with assets such as CAT, IBERS or AIEC. Co-location of the business park with one of these institutions would not be necessary; however, functional links with these assets would be of benefit. The business park should include start-up spaces to encourage emerging enterprises. Such a business park would help graduates find local spaces for establish businesses, thereby retaining a higher proportion of graduates and their businesses within the region. Given that IBERS, AIEC and CAT are located in the north-west of the Mid Wales region, it would appear appropriate that a business park focussing on this sector should also be within this locality.

Defence and Security

- 4.87 Defence and security assets in Mid Wales include Military of Defence (MoD) facilities and private sector businesses. MoD facilities include training facilities and barracks.
- 4.88 Parc Aberporth at West Wales Airport has a centre of excellence for the testing and development of unmanned aircraft, including laboratory, workshops, hangars and secured areas. The facility includes restricted airspace for testing of unmanned aircraft.

This is a highly specialised centre that is a key asset for the defence and security industry that is unmatched elsewhere in the UK.

- 4.89 The proposed National Spectrum Centre (NSC) for Ceredigion has the potential to act as a catalyst for business interest and investment by complementary operators. The NSC is a collaboration between QinetiQ, Welsh Government and Aberystwyth University. The centre will be a research facility enabling a broad range of research themes on spectrum-enabled systems.
- 4.90 Its potential as a catalyst or focal point for investment and development of like-minded industries suggests that further land and premises around the NSC could be required as the centre develops. At this stage, this would still be an uncertain investment, though represents a medium to longer term opportunity for the area.
- 4.91 Considerations of security and electronic interference would need to be resolved as part of the planning for such a hub. Furthermore, investment in local skills is likely to be required.

Summary

- 4.92 The UK economy is experiencing a state of uncertainty with the decision to leave the EU taken in 2016. This has had a knock-on effect into the economic and business market with property and business decisions across the UK having become more cautious. This means market prospects are expected to remain relatively subdued until confidence in the market resumes. However, subdued conditions are not uniform throughout the UK or throughout all sectors.
- 4.93 The Mid Wales' industrial market is dominated by Welshpool and Newtown, which benefit from proximity to the West Midlands. Other pockets in Aberystwyth, Llandrindod Wells and other towns provide important, but more localised industrial functions. Demand for industrial uses are for small to mid-sized units, including 200-500 sqm units and 1,000-2,000 sqm units. However, as seen in the requirements/interest that has been cited in the consultations with property stakeholders, some larger units (5,000-10,000 sqm) have been sought after and thus there should be sufficient flexibility in the market to support such requirements.

- 4.94 The office market in Mid Wales is overwhelmingly comprised of smaller occupiers. The volume of the office market is smaller than the industrial market, both in terms of number of units transacted and the size of the individual units. The demand for office space in Mid Wales is for small units – less than 200 sqm for individual units.
- 4.95 Occupancy rates are very high in Mid Wales for industrial and office units. In particular, industrial units in Powys and office space in Ceredigion have very high occupancy levels, suggesting that businesses looking to enter the market would have difficulty finding appropriate premises. This is corroborated by the evidence gathered from the commercial agents, who report a lack of available stock limiting the market.
- 4.96 Specific market niches for the Mid Wales area discussed above include food and beverage production, tourism and sustainable technologies. The potential implications for employment land and premises include:
- Manufacturing:
 - High quality units in growth areas to enable expansion of existing businesses and enable new investment (e.g. Aberystwyth and Severn Valley)
 - Refurbishment of older stock where this is no longer fit for purpose
 - Network of small enterprise units to facilitate new business formations and grow on space
 - Small to mid units, particularly in key locations of Newtown, Welshpool, Aberystwyth, Brecon
 - Some plots to accommodate larger units
 - Food and beverage:
 - Starter units for commercialisation, innovation and research
 - Processing and storage units
 - Manufacturing units to support agri-tech sector
 - Rural based units to enable agricultural processing and value-adding
 - Tourism:
 - Flexibility within employment land to accommodate hotel if required (Newtown) and where it does not impinge on the core intended employment uses of the site
 - Employment uses that support tourism enterprises (e.g. support for harbour sites, arts/cultural workshops)
 - Sustainable technologies:

- Starter units to support emerging businesses
- Business park specifically for this sector (north-west Mid Wales)
- Defence and security:
 - Site for NSC
 - Starter units to support complementary businesses
 - Support for Parc Aberporth

5.0 EMPLOYMENT SITES

- 5.1 The following table provides an overview of the allocated employment sites in the adopted Local Development Plans of the three local authorities. This includes mixed use sites that are anticipated to have a B-class employment element. The table reviews the development potential of each of the sites and provides descriptions of any existing uses and the remaining vacant land parcels. This analysis has been informed by site inspections of the employment allocations, reviews of planning applications/permissions where applicable and input from Council officers.
- 5.2 Estimates of the realistic land supply available are drawn from the monitoring data, data available on the sites and employment land studies undertaken for the individual local authorities. The realistic land supply is an estimate of the likely remaining developable land, removing land that has also been taken up for development but also land that from our analysis is unlikely to be developable for B-class employment uses.

Table 17 – Employment Allocations and Mixed Use Sites

Policy Number	Name	Location	Site Description	Constraints (from LDP and site inspections)	Intended Development (if any)	Recommendation	Site Size, ha – Baseline	Site Size, ha – Realistically Available for B1/B2/B8 Use (Anticipated Land Use – B1/B2/B8)	Should the site be safeguarded or identified for employment uses?
Powys									
P58 EA1	Woodland Business Park	Ystradgynlais	Vacant land is located at the end of an industrial park. Sites are serviced and flat. The buildings are of good quality with a mixture of office and industrial uses. The site is located close to the town centre. Land is Welsh Government owned.	Gradual development over last 10 years	Local demand.	Retain for employment use Potential for a mix of B-class units, probably mainly B1 and B2	2.31	1.99 (B1, B2 and B8)	Yes Actions: Retain for local market as required
P08 EA1/ P08 EC1	Wyeside Enterprise Park	Builth Wells	The site is a serviced site with an existing access road adjacent to an existing industrial park comprising both office and industrial uses. The site is a reclaimed quarry site that has been prepared for development. Welsh Government owned. Only employment land site available in Builth Wells	Site is on the edge of Flood Plain		Retain for employment use Potential for a mix of B-class units	1.2	1.2 inc. Plot C1 0.71ha Plot C2 0.49ha (B2 and B8)	Yes Actions: Retain for local market as required
P28 EA1	Heart of Wales Business Park	Llandrindod Wells	The land is located adjacent to the A483 within an existing business park. The existing units are currently occupied by companies involved in food product manufacturing and textile design and production. Welsh Government owned.	- Ecological survey is required due to it being a biodiversity rich site - Drainage pond on site may need to be enlarged for SUDS - Mains Sewer cuts through the site restricting development area	Allocated for many years with no recent development. Attracts mainly local demand	Retain for employment use Potential for a mix of B1, B2 and B8.	3.9	2.09 (B1, B2 and B8)	Yes Actions: Potential sites for WG special development. Range of units for local demand. Revised site layout responding to drainage
P51 EA1	Broadaxe Business Park	Presteigne	The site is located five minutes away from the town centre directly off the B4355.	- Ecological survey is required		Site to be retained	2.4	1.01 inc. Plot C3 0.28ha Plot C4 0.19ha	Yes

Mid Wales Employment Sites and Premises Needs Assessment and Action Plan – Stage One
Ceredigion and Powys County Councils, Brecon Beacons National Park Authority, Welsh Government

Policy Number	Name	Location	Site Description	Constraints (from LDP and site inspections)	Intended Development (if any)	Recommendation	Site Size, ha – Baseline	Site Size, ha – Realistically Available for B1/B2/B8 Use (Anticipated Land Use – B1/B2/B8)	Should the site be safeguarded or identified for employment uses?
			All but a couple of small plots have been fully developed. There is vacant land to the west that could form an extension of the area (though not currently allocated). There is a mixture of office and industrial buildings on the allocated site and adjacent land, all good quality post 1990 buildings. There are a few new buildings built towards the back of the park which are live/work units. There is one vacant office building to let (Cooke & Arkwright) however all the other buildings are fully occupied. Welsh Government owned	<ul style="list-style-type: none"> - May need to undertake a hydraulic modelling assessment of the water supply Flood risk is manageable but may affect access - infrastructure design is key at this site - small area in C2 flood zone - drainage - limited capacity at Presteigne Waste Water Treatment Works. 		existing employment area		Plot C5 0.26ha Plot C6 0.28ha (B1, B2 and B8)	Action: Review water supply and flood risk assessment Retain for local needs
P52 EA1	Brynberth Business Park	Rhayader	No new developments on the site and no sign of any future construction occurring. The sites in question are grassland and they have some sloped areas. It is located on the back of an enterprise park/ Industrial estate comprising basic quality units.	<ul style="list-style-type: none"> - Ecological survey is required - Site is crossed by a sewer so protective measures will be required - Contaminated land survey required - Small area in C2 flood zone 	Sizeable land parcel that has generated little or no interest over past 10 years Has been interest for residential development – refused by planning.	Retain for employment use Likely to be a long-term prospect for B2 and B8	3.7	3.7 (B2 and B8)	Yes Action: Retain for local demand. Site masterplan could explore potential for mixed-use development to generate value to contribute to business units.
P21 MUA1	Gypsy Castle Land	Hay-on-Wye	This mixed-use allocation is located adjacent to a housing estate. There are other business parks around comprising office and industrial buildings	<ul style="list-style-type: none"> - Highways new junction with the county class II road will be required along with the stopping up for 	Development brief received for mixed use residential development with small	Retain for employment use Potential uses likely to be small to	2.4	2.4 B2 and B8	Yes Action: Progress planning discussions.

Mid Wales Employment Sites and Premises Needs Assessment and Action Plan – Stage One
Ceredigion and Powys County Councils, Brecon Beacons National Park Authority, Welsh Government

Policy Number	Name	Location	Site Description	Constraints (from LDP and site inspections)	Intended Development (if any)	Recommendation	Site Size, ha – Baseline	Site Size, ha – Realistically Available for B1/B2/B8 Use (Anticipated Land Use – B1/B2/B8)	Should the site be safeguarded or identified for employment uses?
			suggesting there is a market for such uses in the area. The land is in good quality, there are no signs for any evidence of ownership or current occupiers. It is in a good location at the edge of the town centre off a busy road (B4350).	vehicular use of sections of the existing Gypsy Castle Lane - Surface water flooding issue - improvements required	amount of employment use only. Proposals for Residential Care Home in discussion and suggestion for live/work units to be included	mid B2 and B8 uses May be more appropriate B1(c) as with new housing?			Housing development will fund road access to open up employment site.
P53 MUA1	Land adj. Gwernyfed Avenue	Three Cocks	This site is located off the A4078. It is currently occupied by J&C Griffiths – Agricultural Engineers Ltd. It is predominantly being used for land and storage. There is one new unit on site which seems to be in good quality. There is building work being carried out next to the current building. It is located close to other industrial units. Low intensity of development. Some areas in the south and east of allocation are yet to be developed.	- Ecological survey and drainage assessments are required - Foul flows from this development would pass through the Welsh Water terminal sewerage pumping station and would require an assessment of the sewerage pumping station - any proposed development here may require archaeological intervention as part of any planning app		Retain for employment use. Potential for a mix of B2 and B8 uses.	3.4	2.6 B2 and B8	Yes Action: Discussions needed with Welsh Water on Sewer Capacity expansion not in current capital programme.
P35 EA1	Parc Busnes Derwen Fawr	Llanidloes	The remaining vacant area on this site is serviced and ready for development. This site is located off A470 behind new office units. The site is flat and serviced,	- Ecological mitigation required for loss of extended phase 1 habitat		Retain for employment use	1.2	0.71 B1	Yes

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Policy Number	Name	Location	Site Description	Constraints (from LDP and site inspections)	Intended Development (if any)	Recommendation	Site Size, ha – Baseline	Site Size, ha – Realistically Available for B1/B2/B8 Use (Anticipated Land Use – B1/B2/B8)	Should the site be safeguarded or identified for employment uses?
			suitable for future development. There are currently no vacancies and the surrounding buildings are in good quality. It would be suitable for future B1 use.	- Land contamination survey required					
P35 EA2/ P35 EC1	Parc Hafren	Llanidloes	There is only one small undeveloped plot which may be too small to develop. The large piece of land to the west is now occupied by coach storage. The current occupiers include; Celtic Travel and Hafren Furnishers.			Developed areas to be retained as existing employment areas The vacant land to be retained for employment uses , likely to be B2 and B8 uses However, due to the shape of the northern parcel, it is doubtful if this could be easily developed and thus it is assumed that realistic supply is 0 ha.	1.7	0	Yes
P48 EA1	Llanidloes Road	Newtown	This site is a vacant standalone area of land opposite an existing industrial estate. Neath Port Talbot College is located to the east of the site and owns this site. It is currently being used as grazing land. There are residential buildings to the north on the other side of a railway line.	- Until a satisfactory flood consequences assessment is prepared the western half of the site will only be appropriate for open space and landscaping - ecological survey is required	Recent design proposals have been prepared for site but no progress to date.	Retain for employment use Important site for Newtown. Market interest shown for hotel and retail – resisted by planning	2.0 Site area could be enlarged if deal with Flood Risk	2.0 (B1, B2 and B8)	Yes Action: Flood Risk Assessment, Topography surveys, Site masterplan – manage land-take. Engage with College. Integrated Business/skills

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Policy Number	Name	Location	Site Description	Constraints (from LDP and site inspections)	Intended Development (if any)	Recommendation	Site Size, ha – Baseline	Site Size, ha – Realistically Available for B1/B2/B8 Use (Anticipated Land Use – B1/B2/B8)	Should the site be safeguarded or identified for employment uses?
				-partly in C2 flood zone		Potential for a mix of B-class uses, with opportunities to link with the College Consider potential LDO			development site. Development Target Site for spec proposals.
P02 EA1	Abermule Business Park	Abermule	The site is currently unoccupied land, however there is construction works underway. There has been permission for a proposed recycling bulking facility and outline permission for the erection of business units (B1/B2/B8) and all associated works. These applications were granted on the 6/6/18. The site is located opposite some older industrial units all of average quality. It is located off a main road, A483. Site owned by Powys County Council.	- Site falls within TAN 15 C2 flood zone- proposals will need to be in line with national policy and will require a flood consequence assessment - Main Sewer line	Recycling building and mix of B1, B2, B8 units. Development of the recycling facility is underway Design proposals for first phase of employment units are being prepared.	Retain for employment use County Farm located opposite could deliver solar farm to supply business units. Difficult site to expand – locked in by railway line/weak bridge and line of Main Sewer constraints.	2.6	1.82 (B1, B2 and B8)	Yes Actions: PCC is undertaking commercial development with the Waste Site
P12 EA1	Churchstoke	Churchstoke	This site is owned by Delfin Investment Ltd. They also own the land to the south of the allocation. Montgomery waters occupy a large modern unit to the south of the allocation. They have a carpark that is located within the site to the east. The vacant land to the west is slightly sloped. The buildings to the east of the allocation comprise of a Co-op and garden centre. The other	- The site lies within the Yr Ystog character area of the Vale of Montgomery registered historic landscape - The site is within a catchment that is failing WFD objectives	This is land that would be used for the expansion of existing employment on the site.	Retain for employment use	1.28	1.12 (B2 and B8)	Yes

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Policy Number	Name	Location	Site Description	Constraints (from LDP and site inspections)	Intended Development (if any)	Recommendation	Site Size, ha – Baseline	Site Size, ha – Realistically Available for B1/B2/B8 Use (Anticipated Land Use – B1/B2/B8)	Should the site be safeguarded or identified for employment uses?
			units in this area are all industrial.						
P57 EC1	Buttington Cross Enterprise Park	Welshpool	This site is now fully developed. On the east there is a new Tuffins petrol garage/store and two new industrial units.			Site to be retained as existing employment area	1.5	0	Yes
P59 EA1	Buttington Quarry	Trewern	The east of this site has been developed into a new housing estate and primary school. Land to the east remains the same – vacant land. There is no evidence of employment uses at the site.	<ul style="list-style-type: none"> - Expansion is dependent on new access - The site is adjacent to a geological SSSI so future design must be sympathetic to this - There are significant industrial remains such as railway related features 	Current proposal for energy from waste plant with some employment units is at an early stage of development by the private land owner.	Retain for employment use Likely to be low-quality B-class uses given adjacent development	6.0	6.0 (B1, B2 and B8)	Yes Action: Private sector delivery if planning granted
P60 EC1	Offa's Dyke Business Park	Welshpool	Within this three large units have recently been built. One of the new buildings is occupied by Charlies Stores as its new HQ. This is a new 108,000sqft warehouse and office unit. This is one of the largest independent retailers in Wales. The other two units are occupied by Invertek Drives in warehouse space of 59,202sqft and Zip Clip in a 23,614sqft unit including 2,500sqft of office space. Welsh Government owned.	- Project level HRA screening is required	The Welsh Government proposes to construct a new detached unit on Offa's Dyke Business Park adjacent to Invertek Drives' main production facility and headquarters	Developed areas to be retained as existing employment areas Retain for employment use Potential for a strategic site	7.3	1.11 Plot C4 0.57ha Plot C9 0.54ha (B1, B2 and B8)	Yes Actions: Identify expansion area. Site acquisition. Site Masterplan. Consider LDO.
P18 EA1	Four Crosses	Four Crosses	This site comprises of overgrown land. The land is owned by LTG & Son Ltd and Riverside Holdings Ltd. It is	- Project level HRA screening is required		Retain for employment uses	0.5	0.5 (B2 and B8)	Yes

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Policy Number	Name	Location	Site Description	Constraints (from LDP and site inspections)	Intended Development (if any)	Recommendation	Site Size, ha – Baseline	Site Size, ha – Realistically Available for B1/B2/B8 Use (Anticipated Land Use – B1/B2/B8)	Should the site be safeguarded or identified for employment uses?
			located in between industrial units and already has an existing entrance to the land.						
P42 EA1	Treowain Enterprise park	Machynlleth	This site is separate but located next to an office business park. It is grassland currently in use for grazing. The land has a private occupier. The site is relatively flat. Welsh Government owned.	- Site is located within setting of Plas Machynlleth a registered historic park and garden		Retain for employment use	1.7	1.5 (B1, B2 and B8)	Yes
P28 ES1	Ddole Road Industrial Estate	Llandrindod Wells	Available plot within existing industrial estate. Serviced site, moderately flat, towards the end of the Ddole Rd Industrial Estate.			Retain for employment use	0.69	0.69 (B1, B2 and B8)	Yes
	Nant Penllyn	Ystradgynlais	Rail Testing Site – Open Cast Mine and Washery on border with Powys and NPT Currently retained as mineral site – potential longer term development	Contamination from Coal extraction and washery		Special User Potential future demand depending on rail testing programme		Rail testing site	Yes
							Total Site size:	Total overall availability:	
							45.78	30.44	
Ceredigion									
E0201	Parc Teifi	Cardigan	This site comprises both office and industrial units. There are large occupiers located here such as Screwfix and a police station. It is home to mixed use sectors and the building quality is moderate. There were no vacant buildings. There is some vacant land to			Developed areas to be retained as existing employment areas Retain for employment use Potential for mix of B-class uses	3.4	2.83 Plot C1 0.51ha Plot C2 0.42ha Plot C3 1.66ha Plot C8 0.24ha (B1, B2 and B8)	Yes

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Policy Number	Name	Location	Site Description	Constraints (from LDP and site inspections)	Intended Development (if any)	Recommendation	Site Size, ha – Baseline	Site Size, ha – Realistically Available for B1/B2/B8 Use (Anticipated Land Use – B1/B2/B8)	Should the site be safeguarded or identified for employment uses?
			the rear of the site. Welsh Government owned.						
E0202	Pentood Industrial Estate	Cardigan	The site is made up of office and industrial buildings all average in terms of quality with mixed uses throughout the site. It is surrounded by residential buildings, a main road and the river Afon Teifi.	- In the centre of a built up area – may be hard to develop		Retain as existing employment area Some refurbishment and redevelopment of older stock is recommended	9.30	0.0 (B1, B2 and B8)	Yes
E0301	Glanyrafon Industrial Estate Extension, includes waste allocation	Llanbadarn Fawr	This piece of land located at the rear of Glanyrafon Industrial Estate is uneven grassland, with some areas steeply sloped. It is currently owned by Ceredigion County Council. There is forest/bushes on the boundary between the industrial estate and the piece of land. Part of the site has been taken for waste disposal.	- Uneven sloped land - Trees on site		Retain for employment use. Logical extension of industrial estate (subject to demand) Likely to lose significant proportion of the site as usable employment land due to sloping.	7.25	2.8 (B2 and B8)	Yes
E0302	Glanyrafon Industrial Estate	Llanbadarn Fawr	This industrial estate is made up of small-medium sized average quality units. There are some large occupiers such as Royal Mail and Euro car parts. Occupiers include auto servicing, building suppliers, engineering and storage. In terms of the building quality there is a mix of ages, from buildings in need of refurbishment to new-build premises. There are minimal vacancies.			Retain as existing employment area	32.35	0.0 (B1, B2 and B8)	Yes
E0303	Llanbadarn Industrial Estate	Llanbadarn Fawr	This site has a mix of older units in an average/poor quality. There are a number	- Located next to a railway track to the south and		Retain as existing employment area	2.35	0.0 (B1, B2 and B8)	Yes

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Policy Number	Name	Location	Site Description	Constraints (from LDP and site inspections)	Intended Development (if any)	Recommendation	Site Size, ha – Baseline	Site Size, ha – Realistically Available for B1/B2/B8 Use (Anticipated Land Use – B1/B2/B8)	Should the site be safeguarded or identified for employment uses?
			of different ownerships within the industrial estate, including a training facility owned by the Council. The estate has full occupancy.	residential to the west					
E0304	Cefn Llan Science Park	Llanbadarn Fawr	This is a relatively modern office estate in a quiet residential area. The older buildings in the estate are well kept and it has an overall modern feel. There is however a lack of parking and internal roads are narrow. There is one vacant unit on site. Not all units are being occupied by science-based enterprises.	<ul style="list-style-type: none"> - Located on a steep hill – possible restrictions for heavy goods vehicles - Narrow internal roads - Lack of car parking 		Retain for existing employment area	2.70	0.0 (B1)	Yes
E0305	Capel Bangor Business Park	Capel Bangor	This site has been designated for employment for many years however it has not been developed. It was proposed that 26,939 sqm of floorspace for mixed employment uses would be provided. Large piece of land in private ownership. The site is made up of multiple fields with some uneven areas. It is located directly off the A44 behind shops and residential properties. There are no industrial or office units located near to the site.	<ul style="list-style-type: none"> - Uneven sloping land - Partly owned by farmers - A number of different fields all separated by trees 	Intended to provide for Aberystwyth's overflow needs, though disconnected from this settlement. Outline Planning Consent has now lapsed.	May not require all this land for employment at this location, though if other sites closer to Aberystwyth are not secured then this allocation may be the preferred option to cater for Aberystwyth's needs.	9.7	0.0 (recommended to remove)	No Action: Remove from employment designation. Site too remote from Aberystwyth market – alternative University sites now made available in more sustainable locations.
E0501	Llambod Business Park	Lampeter	This site is occupied by mixed uses. One of the major occupiers is Travis Perkins, with other uses including mechanical/ engineering.	<ul style="list-style-type: none"> - Sloping land - Shape of remaining plot. 		Developed areas to be retained as existing employment areas	8.39	3.16 (B1, B2 and B8)	Yes

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Policy Number	Name	Location	Site Description	Constraints (from LDP and site inspections)	Intended Development (if any)	Recommendation	Site Size, ha – Baseline	Site Size, ha – Realistically Available for B1/B2/B8 Use (Anticipated Land Use – B1/B2/B8)	Should the site be safeguarded or identified for employment uses?
			There are some retail uses at the rear of the site such as a bakery and fitness. There are also some local occupiers in some of the smaller units. There are no vacancies on site and the buildings are of moderate/good quality. There is a long narrow site – vacant.			Retain for employment use Potential for mix of B-class uses			
E0502	Old Mart Site	Lampeter	This site is owned by the Welsh Development Agency. East of this site has been developed with modern office and industrial premises. It is surrounded by residential buildings. The west of the site is still vacant land. The land is, however, well-kept and tidy.			Developed areas to be retained as existing employment areas Retain for employment use Potential for mix of B-class uses	1.07	0.29 (B1, B2 and B8)	Yes
E0601	Llandysul Enterprise Park	Llandysul	This site is located off a main road (A486) and is made up of three large units Modern employment node, with some treed areas and some vacant development parcels. All the units are in good condition and come with adequate parking. Welsh Government owned. Vacant sites are serviced and would be expected to comprise similar uses to current occupiers.			Retain for employment use Potential for mix of B-class uses	2.26	2.26 Plot C2 0.62ha Plot C3 0.42ha Plot C5 0.6ha Plot C6 0.62ha (B1, B2 and B8)	Yes
E0602	Horeb Business Park	Llandysul	This site is located off the A486. It is made up of a business park and vacant land to the back. The business park is full, the units are older but in good condition. The location is	- Uneven land		Retain for employment use	3.2	3.2 (B1 and B2)	Yes Actions: CCC proposals for expanded development and spec build

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Policy Number	Name	Location	Site Description	Constraints (from LDP and site inspections)	Intended Development (if any)	Recommendation	Site Size, ha – Baseline	Site Size, ha – Realistically Available for B1/B2/B8 Use (Anticipated Land Use – B1/B2/B8)	Should the site be safeguarded or identified for employment uses?
			rural. There is room to expand to the back, the vacant land is owned by a private landholder. One of the main occupiers is Food Centre Wales.						small food units
E0801	Parc Aberporth Blaenannerch	Aberporth / Parc-Llyn	This site is located next to West Wales Airport. The buildings look modern and in good quality. There is evidence of one vacant site. There are some development restrictions on the site because of the airport. The ownerships within the site consist of the airport and the Welsh Government.	- Airport restrictions	Occupiers have vacated units on site. Has proved difficult to attract business due to remoteness from labour markets.	Developed areas to be retained as existing employment areas Retain for employment use Potential for mix of B-class uses	3.2	1.78 (B1, B2 and B8)	Yes
E1201	Aeron Valley Enterprise Park	Lampeter	The site is made up of office and industrial buildings all relatively new and in good quality. Two main occupiers – Volac International Ltd and Sensient Flavours Ltd. There is also some housing located on the site. There are no vacant units on site. It is located just off the A482. There are two vacant parcels of land on the site. Welsh Government owned.			Developed areas to be retained as existing employment areas Retain for employment use Potential for mix of B-class uses	16.21	2.8 (two vacant parcels) Plot C1 0.72ha (B1, B2 and B8)	Yes
M0201	Pwllhai	Ceredigion	The site allocation is located close to the town centre and is therefore surrounded by other uses. There is narrow access to the site. The site comprises of mainly older buildings.			Do not retain as employment use	0.75	0.0	No
M0305	Llanbadarn Campus	Llanbadarn Fawr	This land owned by Aberystwyth University is a large 20.87ha site comprising			Developed areas to be retained as existing	20.87	4.54 (B1a and B1b – mixed use with	Yes

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			of mixed uses such as education, industrial buildings, unkept grassland. The North of the site is closed off undeveloped land. The existing units are of poor quality.			employment areas Retain for employment use Potential for mix of B1 uses		education and housing)	
	Aberystwyth Innovation & Enterprise Campus		Specialist research centre for Bio-Tech, Agri-Tech & Food Production. 200 sqm of flexible office space to link with research centre. First stage opened October 2019, with further stages to open in 2020						Action: Explore potential expansion for business production units adjacent to research centre
							Total Site allocation (ha): 123.00	Total overall availability: 23.66	
Brecon Beacons National Park									
DBR-BR-E1	BREC 1 Enterprise Park	Brecon	There are several different occupiers on this site allocation. Overall it is a modern estate with a series of self-contained buildings. There is a retail unit (non-food) at the front of the site. There is a new 3 storey building occupied by the BVG group.	- Poor access to public transport	Neighbouring uses are most appropriate	Developed areas to be retained as existing employment areas	6.2	0.0	Yes
	BREC 2 Ffrwdgrech Industrial Estate	Brecon	This is a large industrial estate with a number of different occupiers. It is fully developed with a mix of 1950's – modern units. It is located off two main roads (A40 and A470).	- Poor access to public transport	Neighbouring uses are most appropriate	Site to be retained as existing employment area	12.6	0.45 (B2 and B8)	Yes

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	TAL1 Talgarth Business Park	Talgarth	Apart from Unit 4 which comprises small office units, some of which are vacant, the units are in private ownership and are fully occupied. Welsh Government owned.	- Poor access to public transport	Neighbouring uses are most appropriate	Site to be retained as existing employment area	1.6	0.13 Plot C1 0.13ha (B1)	Yes
	CRICK1 Elvicta Business Park	Crickhowell	This site comprises old single storey brick buildings. There are a mixture of unit sizes and a few vacant properties located on the site.	- Isolated to labour supply - Connectivity is moderate/poor - Located within or partly within Flood Zone C2 – subject to high risk of flooding		Site to be retained as existing employment area	2.6	0.0	Yes
	CRICK 2 Granada Park	Crickhowell	Within this site there are 16 units between 750-1000sqft. They are predominantly single storey terraces with a range of different occupiers. There is a caravan storage to the back. The site is located alongside behind Crickhowell Joinery Ltd.	- Isolated location - located partly within a flood zone		Site to be retained as existing employment area	2.7	0.0	Yes
	HAY 1 Wye Valley Business Park	Hay-on-Wye	The main occupier in this site is PCI Packaging Coordinates. This is a large employer occupying the site in several buildings. The buildings are modern and converted into offices. The site is a campus style site.	- Poor access to public transport	Neighbouring uses are appropriate	Site to be retained as existing employment area	2.4	0.0	Yes
	HAY 5 Greenfield Industrial Estate	Hay-on-Wye	In this site allocation there is one vacant unit – Unit 1 PCI Pharma Services, a modern steel frame building. Other occupiers include, Hay Vets, which occupies a new two	- Close proximity to residential so may limit future development - risk of high and low surface water	Industrial uses	Site to be retained as existing employment area	0.6	0.0	Yes

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			storey building. Drover Cycles occupy a modern purpose-built unit with office/warehouse uses. The site also comprises a terrace of 7 units, all of which are occupied.						
	SENNY 1 Timber Yard	Sennybridge	Although the site has two entrances the access to the site is poor. It is, however, located in the heart of the village. It is a large site with single storey units. About ¾ of the units are locked up and are vacant.	- Located in close proximity to residential area - Poor quality road access due to topography and width	- Would make a good development site	Site is not retained as existing employment area	1.6	0.0	Yes
CS26	Land adj to Hay Road, Talgarth	Talgarth	Mostly flat, triangular site alongside A4078 at the northern gateway to Talgarth. Neighbouring uses include outdoor storage and auto-servicing.	- located within the settlement hierarchy level 2		Retain for employment use	0.6	0.6 (B2 and B8)	Yes
CS111	Mid Wales Hospital	Talgarth	Large brownfield site comprising the former Mid Wales Hospital. Uses since the closure of the hospital have included business units, though this has had poor results. Buildings are dilapidated, with significant investment required to refurbish and/or developed the site. Its rural location means that it would only have a limited market for employment uses. Likely to require a comprehensive mixed-use development to deliver, though likely to have viability issues.	- Poor road access and is unsuitable for heavy goods vehicles and buses - Public transport connectivity is also poor - Existing buildings on the site are dilapidated causing a number of development constraints such as bats, tree protection orders and contamination – potential viability challenges	Development brief proposing mainly residential development, now approved. Interest being show from Black Mountains College. B-class uses proposed could be small scale office units in	Part of site for employment uses as part of larger redevelopment.	11.5	Reconversions of existing buildings as per development brief 0.5 (B1)	Yes, small part of site Action: retain for some local employment use but not a major business site

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				- future development would be dependent upon considerations relating to highways and residential amenity	refurbished/new space. Development brief includes 500 sqm of B1 office units and incubation and/or live work units in 400 sqm, both being reconversions of existing buildings				
CS66	Cwrt Y Gollen	Crickhowell	Large, flat site, formerly an army camp. Identified as a potential mixed-use site, including employment uses. Development land opportunities. Market opportunities likely to be linked with Abergavenny, via A40.	- Located within the settlement hierarchy level 3	Mixed use development- B1, B2 or B8 WG looking to bring this site forward	Retain for employment use	1.4	1.4 (B1, B2 and B8)	Yes
							Total Site allocation (ha): 43.8	Total overall availability: 3.88	

5.3 The following tables provide a summary of the realistic supply of land for each authority area, based on the analysis above.

Table 18 – Employment Sites in Powys Local Development Plan

Site Ref.	Site Name	Area (ha)	Potential Use Types	Realistic Supply for B-Class Uses (Ha)
P58 EA1	Woodland Business Park	2.31	B1, B2, B8	1.99
P08 EA1/ P08 EC1	Wyeside Enterprise Park	1.2	B2 and B8	1.2
P28 EA1	Heart of Wales Business Park	3.9	B1, B2, B8	2.09
P51 EA1	Broadaxe Business Park	2.4	B1, B2, B8	1.01
P52 EA1	Brynberth Enterprise Park	3.7	B2 and B8	3.7
P21 MUA1	Gypsy Castle Land	2.4	B2 and B8	2.4
P53 MUA1	Land adj. Gwernyfed Avenue	3.4	B2 and B8	2.6
P35 EA1	Parc Busnes Derwen Fawr	1.2	B1	0.71
P35 EA2/ P35 EC1	Parc Hafren	1.7	B1, B2, B8	0
P48 EA1	Llanidloes Road	2.0	B1, B2, B8	2.0
P02 EA1	Abermule Business Park	2.6	B1, B2, B8	1.82
P12 EA1	Churchstoke	1.28	B2 and B8	1.12
P57 EC1	Buttington Cross Enterprise Park	1.5		0
P59 EA1	Buttington Quarry	6.0	B1, B2, B8	6.0
P60 EC1	Offa's Dyke Business Park	7.3	B1, B2, B8	1.11
P18 EA1	Four Crosses	0.5	B2 and B8	0.5
P42 EA1	Treowain Enterprise Park	1.7	B1, B2, B8	1.5
P28 ES1	Ddole Road Industrial Estate	0.69	B1, B2, B8	0.69
Total		45.78		30.44

Sources: Powys LDP, review of sites, 2019

Table 19 – Employment Sites in Ceredigion Local Development Plan

Site Ref.	Site Name	Area (ha)	Potential Use Types	Realistic Supply for B-Class Uses (Ha)
E0201	Parc Teifi	3.4	B1, B2 and B8	2.83
E0202	Pentood Industrial Estate	9.30	B1, B2 and B8	0.0
E0301	Glanyrafon Industrial Estate Extension, includes waste allocation	7.25	B2 and B8	2.8
E0302	Glanyrafon Industrial estate	32.35		0.0
E0303	Llanbadarn Industrial Estate	2.35		0.0
E0304	Cefn Llan Science Park	2.70		0.0
E0305	Capel Bangor Business Park	9.7		0.0
E0501	Llambled Business Park	8.39	B1, B2 and B8	3.16
E0502	Old Mart Site	1.07	B1, B2 and B8	0.29
E0601	Llandysul Enterprise Park	2.26	B1, B2 and B8	2.26

E0602	Horeb Business Park	3.2	B1 and B2	3.2
E0801	Parc Aberporth Blaenannerch	3.2	B1, B2 and B8	1.78
E1201	Aeron Valley Enterprise Park	16.21	B1, B2 and B8	2.8
M0201	Pwllhai	0.75		0.0
M0305	Llanbadarn Campus	20.87	B1a and B1b	4.54
Totals		123.00		23.66

Sources: Ceredigion LDP, review of sites, 2019

**Table 20 – Employment Sites in Brecon Beacons National Park Local Development Plan
(in Mid Wales)**

Site Ref.	Site Name	Area (ha)	Type of Employment Site	Realistic Supply for B- Class Uses (Ha)
DBR-BR-E1	BREC 1 Enterprise Park	6.2		0.0
	BREC 2 Ffrwdgrech Industrial Estate	12.6	B2 and B8	0.45
CS26	TAL1 Talgarth Business Park	1.6	B1	0.13
	CRICK1 Elvicta Business Park	2.6		0.0
	CRICK 2 Granada Park	2.7		0.0
	HAY 1 Wye Valley Business Park	2.4		0.0
	HAY5 Greenfield Industrial Estate	0.6		0.0
	Senny1 Timber Yard	1.6		0.0
CS26	Land Adj to Hay Road, Talgarth	0.6	B2 and B8	0.6
CS111	Mid Wales Hospital	11.5	B1	0.5
CS66	Cwrt Y Gollen	1.4	B1, B2 and B8	1.4
Totals		43.8		3.08

Sources: Brecon Beacons LDP, review of sites, 2019

5.4 Importantly, two large sites – Mid Wales Hospital and Capel Bangor – have been taken out of the realistic supply of land. This has the consequence of significantly reducing the available supply of land. The Mid Wales Hospital is likely to be redeveloped as a residential-led scheme, which may have a small element of employment (small scale offices) but not anything to the scale that may be envisaged from looking at the gross area. The Capel Bangor site has been recommended to be removed from the employment allocations as the likelihood of it coming forward for employment uses are very slim and with emerging alternative candidate site opportunities closer to Aberystwyth.

5.5 From these individual listings of employment allocations across the region, a series of summary tables has been prepared. For these tables, the figures for the realistic supply of employment land have been used. The following table summarises the anticipated B-Class categories across the region. Assumed use types have been drawn from the intended uses where known and BE Group’s assessment of the sites and likely market appeal.

Table 21 – Land Allocations by Employment Use (Realistic Supply of Land, ha)

Area	B1	B2	B8	B1/B2	B1/B8	B2/B8	B1/B2/B8	Total
Powys	0.71					11.52	18.21	30.44
Ceredigion	4.54			3.2		2.8	13.12	23.66
Brecon Beacons	0.63					1.05	1.4	3.08
Total	5.88	0	0	3.2	0	15.37	32.73	57.18

Source: BE Group analysis of sites, 2020

5.6 Therefore, across the three local authority areas, there is approximately 57.18 ha of available employment land within the allocated sites. Powys has approximately 5% of the available land, with Ceredigion having about 41% of land and Brecon Beacons only about 5%.

5.7 Most of the land (57%) has been classified as suitable for B1/B2/B8 uses. This is consistent with the nature of most employment areas in market towns, where one or two employment nodes provide for the full range of B-class opportunities in a town. 10% has been classified as suitable for B1 uses and 27% for B2/B8 uses.

5.8 The following table provides a breakdown of the sites by size band. The total hectares are presented and the number of sites within each category are shown in brackets. Where individual plots within the allocation are known, these have been used. This demonstrates that the most prominent size band (realistic supply) for site allocations is the 2.0-4.99 ha size band, which has 12 of the 29 sites with remaining land, equating to 41%. **No sites are available above 10 ha and only one above 5.0 ha, which highlights the lack of larger sites developable for a significant scheme. It is also noted that 59% of sites are less than 2.0 ha, which would limit opportunities for larger or land consumptive operators to enter the market.**

Table 22 – Land Allocations by Employment Use (realistic supply)

Area	<0.5ha	0.5-0.99ha	1.0-1.99ha	2.0-4.99ha	5.0-9.99ha	10.0+ ha
Powys	0 (0)	1.90 (3)	9.75 (7)	12.79 (5)	6.0 (1)	0 (0)
Ceredigion	0.29 (1)	0 (0)	1.78 (1)	21.59 (7)	0 (0)	0 (0)
Brecon Beacons	0.58 (2)	1.10 (2)	1.40 (1)	0 (0)	0 (0)	0 (0)
Total	0.87 (3)	3.00 (5)	12.93 (9)	34.38 (12)	6.0 (1)	0 (0)

Source: BE Group analysis of sites, 2020

* does not include sites with no realistic supply of employment land

Market Areas

5.9 While above the sites have been split by local authority areas, the markets for these sites would not fit neatly to the local authority area boundaries. Therefore, the following table splits the sites with a realistic supply of land remaining into market areas. The sites have been grouped by similar locational characteristics. Due to the dispersed nature of the settlements in Mid Wales, several of the market areas are defined as the town/village itself, with one or two sites servicing that market area.

Table 23 – Employment Sites by Market Area

Site Ref	Site Name	Local Authority Area	Area (ha)	Type of Employment Site	Realistic Supply for B-Class uses (Ha)
Abermule					
P02 EA1	Abermule Business Park	Powys	2.6 ha	B1, B2 and B8	1.82 ha
Welshpool					
P60 EC1	Offa's Dyke Business Park	Powys	7.3 ha	B1, B2 and B8	1.11 ha
P59 EA1	Buttington Quarry	Powys	6.0 ha	B1, B2 and B8	6.0 ha
Four Crosses					
P18 EA1	Four Crosses	Powys	0.5 ha	B2 and B8	0.5 ha
Churchstoke					
P12 EA1	Churchstoke	Powys	1.28 ha	B2 and B8	1.12 ha
Llanidloes					
P35 EA1	Parc Busnes Derwen Fawr	Powys	1.2 ha	B1	0.71 ha

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Site Ref	Site Name	Local Authority Area	Area (ha)	Type of Employment Site	Realistic Supply for B-Class uses (Ha)
Newtown					
P48 EA1	Llanidloes Road	Powys	2.0 ha	B1, B2 and B8	2.0 ha
Presteigne					
P51 EA1	Broadaxe Business Park	Powys	2.4 ha	B1, B2 and B8	1.01 ha
Machynlleth					
P42 EA1	Treowain Enterprise Park	Powys	1.7 ha	B1, B2 and B8	1.5 ha
Builth Wells					
P08 EA1 / P08 EC1	Wyeside Enterprise Park	Powys	1.2 ha	B2 and B8	1.2 ha
Llandrindod Wells					
P28 EA1	Heart of Wales Business Park	Powys	3.9 ha	B1, B2 and B8	2.09 ha
P28 ES1	Ddole Road Industrial Estate	Powys	0.69 ha	B1, B2 and B8	0.69 ha
Rhayader					
P52 EA1	Brynberth Enterprise Park	Powys	3.7 ha	B2 and B8	3.7 ha
A475 Llandysul – Lampeter					
E0501	Llambed Business Park	Ceredigion	8.39 ha	B1, B2 and B8	3.16 ha
E0502	Old Mart Site	Ceredigion	1.07 ha	B1	0.29 ha
E0601	Llandysul Enterprise Park	Ceredigion	2.26 ha	B1, B2 and B8	2.26 ha
E0602	Horeb Business Park	Ceredigion	3.2 ha	B1 and B2	3.2 ha
Felinfach / Ystrad Aeron					
E1201	Aeron Valley Enterprise Park	Ceredigion	16.21 ha	B1, B2 and B8	2.8 ha
A44 - Aberystwyth					
E0301	Glanyrafon Industrial Estate Extension, includes waste allocation	Ceredigion	7.25 ha	B2 and B8	2.8 ha
M0305	Llanbadarn Campus	Ceredigion	20.87 ha	B1a and B1b	4.54 ha
Cardigan					
E0201	Parc Teifi	Ceredigion	3.4 ha	B1, B2 and B8	2.83 ha
E0801	Parc Aberporth Blaenannerch	Ceredigion	3.2 ha	B1, B2 and B8	1.78 ha

Site Ref	Site Name	Local Authority Area	Area (ha)	Type of Employment Site	Realistic Supply for B-Class uses (Ha)
Ystradgynlais					
P58 EA1	Woodland Business Park	Powys	2.31 ha	B1, B2 and B8	1.99 ha
Hay-on-Wye					
P21 MUA1	Gypsy Castle Land	Powys	2.4 ha	B2 and B8	2.4 ha
Crickhowell					
CS66	Cwrt Y Gollen	Brecon Beacons	1.4 ha	B1, B2 and B8	1.4 ha
Talgarth/Three Cocks					
P53 MUA1	Land adj. Gwernyfed Avenue	Powys	3.4 ha	B2 and B8	2.6 ha
CS26	Land adj to Hay Road	Brecon Beacons	0.6 ha	B1, B2 and B8	0.6 ha
CS26	TAL1 Talgarth Business Park	Brecon Beacons	1.6 ha	B1	0.13 ha
CS111	Mid Wales Hospital	Brecon Beacons	11.5 ha	B1	0.5 ha
Brecon					
BREC 2	Ffrwdgrech Industrial Estate	Brecon Beacons	12.6 ha	B2 and B8	0.45 ha

Source: BE Group analysis of sites, 2020

5.10 The following table provides the summary information for the market areas.

Table 24 – Market Areas Summary

Market Area	Number of Sites	Realistic Supply for B-Class Uses (Ha)	Percentage of Total Realistic Area (%)
Abermule	1	1.82	3.2
Welshpool	2	7.11	12.4
Four Crosses	1	0.5	0.9
Churchstoke	1	1.12	2.0
Llanidloes	1	0.71	1.2
Newtown	1	2.0	3.5
Presteigne	1	1.01	1.8
Machynlleth	1	1.5	2.6
Builth Wells	1	1.2	2.1

Llandrindod Wells	2	2.78	4.9
Rhayader	1	3.7	6.5
A475 – Llandysul – Lampeter	4	8.91	15.6
Felinfach / Ystrad Aeron	1	2.8	4.9
Aberystwyth	2	7.34	12.8
Cardigan	2	4.61	8.1
Ystradgynlais	1	1.99	3.5
Hay-on-Wye	1	2.4	4.2
Crickhowell	1	1.4	2.4
Talgarth/Three Cocks	4	3.83	6.7
Brecon	1	0.45	0.8

Source: BE Group analysis of sites, 2020

5.11 From the analysis above it is evident that while there is some distribution of available sites across Mid Wales, though **this distribution is not even and there are localised shortages or lack of choice, including in key settlements**. Important points to note are:

- **Newtown** has only one 2.0 ha site, which is very limited for one of the key employment nodes in Mid Wales, although there is scope to increase the site area if constraints are addressed. Combined with high occupancy rates in existing premises (see previous chapter), this means that there are very few opportunities for new businesses to enter the market.
- **Welshpool**, as another key employment node, has more available land than Newtown, though limited to two locations. One of these locations is the Buttington Quarry site, which is somewhat disconnected from Welshpool and has interest for an energy from waste scheme and thus not ideal to provide for the majority of Welshpool's needs.
- **Aberystwyth** also only has two sites – the remaining parcel in Glanyrafon, which is sloped and difficult to develop; and the Llanbadarn Campus site, which is part of a mixed use site (housing, education, employment) and the employment component may be several years from development. The Capel Bangor site has been removed from the estimate of realistic supply and is recommended not to continue to be an employment site. Aberystwyth

University has put forward candidate sites as part of the call for sites process with Ceredigion County Council for mixed use schemes that would include employment uses. These sites – at Llanbadarn Fawr Campus, Penglais and Frongoch Farm and Wern Phillip Farm – provide opportunities for employment uses that would offset the loss of employment land from removing the Capel Bangor site. Furthermore, there are opportunities for co-locating employment with University assets, such as the emerging AIEC.

- The **Llandysul/Lampeter corridor** has the highest amount of land available over four sites (8.9 ha). This will continue to be an important corridor for Ceredigion and in particular will have an important and expanding food and beverage role (Horeb Business Park). However, its location in the south west of Mid Wales means it will always have a relatively local function.
- **Llandrindod Wells** has two sites, including a reasonable amount of space at Heart of Wales Business Park (2.09 ha) and a remnant site within Ddole Road Industrial Estate (0.69 ha). These sites have been allocated and vacant for many years and have no obvious physical development constraints. However, some of the existing stock, particularly industrial, in Llandrindod Wells is dated and if new stock was available to the market, it is likely that some occupiers of the older stock would be interested in upgrading their facilities. It is noted that the redevelopment of the Autopalace site within the town centre will provide flexible, modern office space for Llandrindod Wells.
- The **Cardigan** market has two sites, Parc Teifi (2.83 ha) and Parc Aberporth (1.78 ha). These provide opportunities for growth, the Parc Teifi site would service the Cardigan market and Parc Aberporth providing opportunities for sites around West Wales Airport.
- The south-east areas, including **Presteigne** (1.01 ha), **Knighton** (0), **Hay-on-Wye** (2.4 ha) and **Talgarth/Three Cocks** (3.83 ha) have limited opportunities for growth. These areas can link with larger centres in England, such as Leominster and Hereford. While this represents opportunities, these areas would also be vulnerable to loss of businesses to larger centres if adequate premises are not available. Particular limitations in the supply at Presteigne and Knighton have been identified from consultations as part of this study.
- **Brecon** only has two remnant parcels within existing employment areas to accommodate further growth, both of which are small sites. There is a need for additional land to accommodate current and future needs.

- **Ystradgynlais** has the remaining land within Woodside Business Park available (1.99 ha), which is Welsh Government owned. The remaining parcels have been vacant for several years, though are considered appropriate for local needs as required.
- At **Machynlleth**, the vacant site is neighbouring to Treowain Enterprise Park and provides an opportunity for the further growth of employment in this locality.

5.12 Therefore, while overall there are sites distributed throughout Mid Wales, there are considerable local shortages that are constraining markets. In particular, critical areas such as Newtown, Welshpool and Aberystwyth have shortages. In smaller markets, there is limited choice for sites. This review forms the basis of recommendations on priority areas of search for further sites, later in this report.

Strategic Development Sites

5.13 A key benefit of a Larger than Local approach to employment sites is the understanding of development sites that are important across the region. A suite of strategic development sites that are available to the market across the area could have regional benefits. In order to be truly strategic, the development sites would need to have a high profile across the region, and upon development, house a range of businesses that would have a significant regional economic function.

5.14 The very large geography of Mid Wales, with a very dispersed settlement pattern, is an obstacle to establishing employment areas with a truly strategic and regional function. However, a suite of sites that provide a strategic role could be defined/allocated. While such sites are generally larger to provide capacity for the critical mass of business to have a regional role, the focus of strategic sites should be on their function, rather than on their size.

5.15 It is not necessary for Mid Wales to define sites as strategic development sites. The existing planning support for sites is sufficient for the promotion and development of the sites. However, the local authorities may wish to identify particular sites as strategic development sites in order to improve their profile and provide impetus to their delivery.

5.16 From a review of the existing employment allocations, it is not apparent that any of the existing allocations would be a ready candidate as a strategic development site. The

existing sites are unlikely to have the regional profile and be delivered as functioning at a full regional level. Therefore, it is not recommended that any of the existing employment allocations are designated as strategic development sites.

- 5.17 Rather, it is proposed that some sites will be identified as priority sites for Mid Wales – areas that with targeted interventions could relieve some of the identified pressures and constraints in the market.

6.0 EMPLOYMENT LAND PROJECTIONS

Introduction

6.1 The Welsh Planning Practice Guidance Note 'Building an Economic Development Evidence Base to Support a Local Development Plan' states that the assessment of future land needs should be determined by looking at both past trends and future forecasting methods, and highlights that these should include historic land take-up and future employment and population change. Neither approach provides a definitive answer, but they provide influences to be understood. Trends and forecasts must also reflect market signals and therefore they are considered in the context of the market overview undertaken as part of this study. These two approaches have been used to forecast employment land and premises growth to 2040 for the individual local authority areas as well as the region as a whole. Within the approach based on employment changes, two scenarios have been analysed, firstly a continuation of trends (baseline) scenario and secondly a stronger growth scenario (policy on), assuming strategic interventions that will result in an uplift in employment levels

6.2 The two models are:

- Practice Guidance Method 1: Past Building Completions

This reviews the actual take-up of employment land and premises in an area over time. The method is not wholly reliable as there will be peaks and troughs and different time periods taken can also result in different outcomes. For example, a period of sustained growth may show a high average take-up, whereas looking over a recessionary period could well reflect low or even nil take-up. Therefore, the longer the timeframe of data available, the truer average will be available, incorporating times of growth and stagnation. Where limited data is available or there is inconsistent data between areas, this method has a higher degree of uncertainty. For this Mid Wales study, the information is only over a relatively short time period and not the same time periods across the region. Given the projected ageing and declining population, which could imply an overall lower demand for employment uses (of all types) over the planning period, a method based on maintaining past completions could be seen as a positive growth scenario for the region.

- **Practice Guidance Method 2: Labour Demand Forecasting**

This relies on the econometric forecasts which use a model that projects the likely jobs growth in different industry sectors. The jobs from figures are then translated to land using a formula based on assumptions as to the proportion of jobs within each sector that would be located on B-class employment land, estimates of jobs to floorspace density, which in turn can be translated into the projected land need. This scenario uses as its base Oxford Economics forecasts reviewed in Chapter 3.0, which account for the most recent national and regional socio-economic and political changes.

These forecasts have several limitations. They are based on national and regional trends with some local adjustments for some industry sectors, which means, at a local level economic activity is not always accurately represented. Also, merely translating jobs to land needs will not always reflect local property trends. The econometric forecasts are useful in that they analyse each industry sector and, in conjunction with other market data, the forecasts can identify where sectors may be growing or shrinking which in turn can inform land and property needs.

The Method 2 labour demand method is applied to two scenarios – the baseline Oxford Economics forecasts, which assume on-trend growth patterns for employment, and a ‘policy on’ scenario, which is an application of Hatch’s modelling of a more positive scenario for growth as outlined in Chapter 3.0.

Practice Guidance Method One: Past Building Completions

- 6.3 Limited data is available for the local authority areas on past building completions on employment land and planning permissions, which is summarised in the table below.

Table 25 – Data on Employment Completions and Permissions

Local Authority	Data	Source	Commentary
Powys	2018/19 Permissions <i>Allocated Sites</i> B1 493 sqm B2 12,902 sqm B8 1,352 sqm B1/B2/B8 1,635 sqm Total 16,382 sqm <i>Unallocated Sites</i> B1 1,626 sqm B2 1,457 sqm B8 1,467 sqm B1/B2/B8 250 sqm Total 4,800 sqm	PCC Planning	Permissions do not necessarily end up as completed floorspace.
	Earlier Permissions on Allocated Sites <i>Buttington Cross</i> B2 (2015): 0.5 ha Petrol (2017): 0.72 ha <i>Offa's Dyke Business Park</i> B1/B2 (2015): 0.86 ha B2 (2015): 0.65 ha B2 (2016): 1.58 ha B1/B8 (2016): 4.26 ha <i>Parc Hafren</i> B8 (2012): 0.5 ha	PCC Planning	From inspections it is confirmed that these sites have been developed. 2012-18 average: 1.30 ha/yr This assumes that all take-up has been accounted for during the 2012-18 period.
Ceredigion	Permissions 2018: 1.7 ha 2017: 0.57 ha 2016: 0.14 ha 2015: 1.94 ha 2014: 0.14 ha	Annual Monitoring Reports	Permissions do not necessarily end up as completed floorspace. 2014-18 average: 0.90 ha/yr
Brecon Beacons	Permissions 2018: 0.14 ha 2017: 1.16 ha 2016: 0.135 ha 2015: 0.491 ha	Annual Monitoring Reports	Permissions do not necessarily end up as completed floorspace. 2015-18 average: 0.48 ha/yr
	Floorspace completions 2001-16 44,070 sqm (2,754 sqm/yr) of new floorspace Excluding Hirwaun scheme 17,594 sqm (1,099 sqm/yr) of new floorspace (consistent with ELR) Recommendation of 1.5-3.0ha of land be provided for period 2017-2032	Employment Land Review, 2019	At typical development densities, this new floorspace would require about 0.69 ha/yr or 0.27 ha/yr if excluding Hirwaun scheme (outside of Powys), which was also excluded in preferred option in ELR.

Sources: Local Authority Areas' monitoring; BBNP ELR; BE Group analysis

6.4 The available data is a mix of completions and permissions information and comprises different time periods for the different areas. Therefore, some caution would need to

be taken in using this information for forecasting. Not all permissions are taken forward and thus actual completions, where available, represent a more accurate picture of past activity on employment land.

6.5 The information that is available for Brecon Beacons National Park is for the full National Park Authority area and thus includes areas in Powys, as well as areas outside of the Mid Wales Study Area. However, monitoring of employment sites within the Brecon Beacons National Park (that is within Powys boundaries) is not recorded by Powys Council and thus there should not be double counting. However, the past completions information for Brecon Beacons National Park will include areas outside of Powys.

6.6 Notwithstanding these cautions, the table below provides the forecasts over the 2019-2040 period for employment land and floorspace, based on the average levels. The table uses a plot ratio of 40% over the full Mid Wales area, which is a reasonable average over a broader area, balancing more intensive (e.g. near town centre) developments, with lower intensity business park developments. However, for individual schemes, there would be variation in the development densities.

Table 26 – Forecast of Employment Land and Floorspace

Area	Base Average*		Forecast Requirement 2019-40	
	Land (ha)	Floorspace (sqm)	Land (ha)	Floorspace (sqm)
Ceredigion	0.90	3,600	18.9	75,600
Powys	1.30	5,200	27.3	109,200
Brecon Beacons**	0.27	2,750	5.7	57,750

Source: BE Group analysis

* conversion of land to/from floorspace assumes a constant plot ratio of 40% across all developments.

** 0.27 ha/yr was selected as the base average for the forecasts for BBNP, consistent with the preferred approach of the ELR, rather than 0.7 ha/yr, which is the average of the full past completions

6.7 Looking at this forecast, it is noted that the Powys figure is the highest, which is to be expected based on past performance of the property market, with stronger interest in Newtown and Welshpool.

6.8 For Brecon Beacons National Park, the forecast land requirement is 5.7 ha to 2040, which compares to the 2019 Employment Land Review (ELR) figure of 1.5-3.0 ha to 2032. The higher base average of 0.7 ha/yr would equate to a land requirement of 14.7 ha to 2040. However, this higher base average was not the preferred assumption in

the 2019 ELR (as it was considered that the growth in the Hirwaun Industrial Estate is unlikely to be replicated in Brecon Beacons National Park over the forecast period). Therefore, this assessment has adopted the more moderate level. The higher scenario provides insights into the likely requirements if a new industrial estate was anticipated for Brecon Beacons National Park.

- 6.9 Importantly, for Brecon Beacons National Park, the land requirement of 5.7 ha to 2040 is for the full National Park area, including areas outside of Powys boundaries. Given several of the National Park's towns and villages are within the Mid Wales area, including Brecon, Talgarth and Crickhowell, it is considered that the majority of the requirement will be within Mid Wales area, though this has a degree of uncertainty as the requirement may be adequately met in several locations. Considering the important of the settlements within Mid Wales in Brecon Beacons National Park, **it is estimated that some 4.3 ha of the requirement should be located within Mid Wales areas of the National Park.**

Practice Guidance Method Two: Labour Demand Forecasting – Baseline

- 6.10 This scenario uses as its base the Oxford Economics forecast modelling for Powys and Ceredigion. It is noted that the Powys forecasts would include the Brecon Beacons National Park area within the Powys boundary. The Oxford Economics forecasts are provided in Appendix 5.
- 6.11 The forecasts project employment change over 2019-2040. The forecasts break down employment to the level of 19 industry sectors although not all are relevant to B-class employment land, (e.g. agriculture, forestry and fishing, mining).
- 6.12 The forecasts are broken down for each area before the Powys and Ceredigion forecasts are combined to provide an overall forecast for the collective group.

Ceredigion

- 6.13 The following table provides the sectoral breakdown of the employment forecasts for Ceredigion.

Table 27 – Employment Change by Employee Numbers Ceredigion, 2019-2040

Sector	Jobs 2019	Jobs 2040	Jobs Total Change	Percentage Change, percent
Agriculture, Forestry and Fishing	3,635	3,321	-314	-8.6
Mining and Quarrying	33	16	-17	-51.5
Manufacturing	1,575	1,060	-514	-32.6
Electricity, gas, steam, etc.	60	49	-11	-18.3
Water Supply, Sewerage, etc.	362	279	-83	-22.9
Construction	2,146	2,204	59	2.7
Wholesale and Retail Trade	4,305	4,171	-135	-3.1
Transport and Storage	784	705	-79	-10.1
Accommodation and Food Services	3,319	3,335	16	0.5
Information and Communication	968	1,021	53	5.5
Financial and Insurance Activities	242	226	-16	-6.6
Real estate Activities	327	348	20	6.1
Professional, Scientific and Technical Activities	1,465	1,658	193	13.2
Administrative and Support Service Activities	615	730	115	18.7
Public Administration and Defence	2,053	1,623	-429	-20.9
Education	5,405	4,865	-541	-10.0
Human Health and Social Work Activities	3,909	4,111	201	5.1
Arts, Entertainment and Recreation	1,223	1,452	229	18.7
Other Services	938	973	35	3.7
Net growth/decline	33,364	32,147	-1,217	-3.6

Source: Oxford Economics, 2019

6.14 The total amount of jobs within Ceredigion is forecast to reduce by approximately 1,220 between 2019 and 2040, a decline of 3.6% from the 2019 figure. This is largely accounted for by reduction in education (540 fewer jobs), manufacturing (510 fewer jobs) and public administration and defence (430 fewer jobs). Of these, manufacturing and to a lesser extent public administration would have requirements for traditional employment land.

6.15 Arts, entertainment and recreation (+230 jobs), human health and social work (+200) and professional, scientific and technical (+190) are projected to have the highest growth in employment numbers in Ceredigion.

6.16 The forecasts break down employment to the level of 18 industry sectors. Employment in some of these sectors is likely to be fully (or nearly all) within B-class employment workspaces, such as manufacturing, professional services and administration. Conversely, some sectors are all or almost all out of B-class land, such as agriculture, mining and accommodation and food services. However, many sectors are mixed, with a component of their employment likely to be in B-class employment workspaces, but also located within other spaces. For example, transport and storage would include employment on B8 warehousing land, but employment would also include self-employed hauliers and drivers that would not be based at a particular B-class site. Therefore, for each sector in the table below, an estimate has been made on the proportion of employment that is likely to be located within B-class employment spaces (and thus infer a demand for employment land). These estimates have been based on BE Group's experience with other areas across Wales and England and have been accepted in Examinations in Public. It should be noted that these are assumptions, with an element of uncertainty, but are considered to provide a good indication of likely sectoral demand.

6.17 Using the Oxford Economics forecasts, the employment floorspace and employment land requirements have been calculated using Welsh Practice Guidance, as follows:

- Identify which industry sectors are likely to take up employment land, including the proportion of that sector's employment on B-class employment land (see Weighting in the table) (Table 28).
- Adopt appropriate employment densities to convert employment numbers to floorspace demand (see Table 28).
- Adopt a plot ratio to convert floorspace to employment land demand (see Table 29).

Table 28 – Ceredigion Labour Demand Forecast, 2019-2040

Broad Sector Groupings	Difference (jobs) 2019 - 2040	Land Use	Weighting	Difference (jobs) by use 2019 - 2040
Non B-Class Uses				
Agriculture, Forestry and Fishing	-314	Non B	-	~
Mining and Quarrying	-17	Non B	-	~
Wholesale and retail trade	-135	Non B	-	~
Accommodation and Food Services	16	Non B	-	~
Arts, entertainment and recreation	229	Non B	-	~
B1 Mostly Office Uses				
Administrative and support service	115	B1	1	115
Information and Communication	53	B1	1	53
Professional, scientific and technical activities	193	B1	1	193
Real estate activities	20	B1	1	20
Financial and Insurance Activities	-16	B1	1	-16
Public Administration	-429	B1	0.22	-94
Health	201	B1	0.22	44
Education	-541	B1	0.22	-119
Other service activities	35	B1	0.22	8
Total	-369	-	-	204
B2/B8 Uses				
Manufacturing	-514	B2	1	-514
Utilities	-94	B2	0.26	-24
Construction	59	B2	0.26	15
Transport and Storage	-79	B8	0.48	-38
Total	-628	-	-	-561

Source: Oxford Economics forecasts, BE Group analysis, 2019

6.18 For each use, offices (B1) and industrial (B2/B8), three employment density levels (the amount of floorspace required for each job) are considered. Floorspace will be considered for the Mid Wales areas. Comments on these density options are provided:

Offices

- 12 sqm per worker – Would be applicable to a quite high-density service sector operation such as a call centre or town centre financial services office.
- 16 sqm per worker – Mid-level density level, this is identified in Welsh Practice Guidance (para 6.5.1, page 39) as a current average floorspace/worker rate for office uses in Wales. It reflects a mix of town centre and business park density levels.
- 20 sqm per worker – A comparably low employment density, reflective of more specialist facilities such as design studios, co-working and maker spaces.

Industrial

- 50 sqm per worker – This high density relates to B1(c) light industrial uses and small workshops.
- 67 sqm per worker – Mid-level density level, this is identified in Welsh Practice Guidance (para 6.5.1, page 39) as a current average floorspace/worker rate for industrial/warehouse uses in Wales. Allows for a mix of high-density light industrial and mid-density B2/B8 uses.
- 85 sqm per worker – This low-density level would be most applicable to the largest B8 logistics facilities, National and Regional Distribution Centres.

Table 29 – Ceredigion Floorspace and Land Requirement Forecasts

Offices (B1)	Based on 204 additional workers, sqm	Plot Ratio at 40% Coverage, ha	Plot Ratio at 80% Coverage, ha
12 sqm per worker	2,440	0.61	0.31
16 sqm per worker	3,260	0.82	0.41
20 sqm per worker	4,070	1.02	0.51
Industrial (B2/B8)	Based on 561 less workers, sqm	Plot Ratio at 40% Coverage, ha	Plot Ratio at 80% Coverage, ha
50 sqm per worker	-28,050	-7.01	-3.51
67 sqm per worker	-37,590	-9.40	-4.70
85 sqm per worker	-47,690	-11.92	-5.96

Source: BE Group, 2019

6.19 Table 29 shows the results of the Model Two forecasting. The results are shown for both a 40% and 80% ratio, which are different assumptions as to the intensity of development on a site.

6.20 Based on the above, the recommended land needs for Ceredigion to 2040 using Model Two are thus:

- B1 Offices – 204 additional jobs at **16 sqm per worker** and a **40% plot ratio** = 0.82 ha
- B2/B8 Industrial – 561 less jobs at **67 sqm per worker** and a **40% plot ratio** = - 9.40 ha
- **Total net need = -8.53 ha.**

6.21 Therefore, assessing employment land using this approach, there is a negative requirement for employment land in Ceredigion over the forecast period, due to declining overall employment numbers. While overall employment numbers are forecast to decrease, some sectors are projected to increase over the forecast period. It is also prudent to look at just these growth sectors, as it may not be straightforward to convert floorspace from declining sectors to meet the needs of the growth sectors. Furthermore, declining employment numbers may be due to efficiency improvements rather than output declines. If just looking at growth sectors, Ceredigion would have the following requirements.

- B1 Offices – 433 additional jobs at **16 sqm per worker** and a **40% plot ratio** = 1.73 ha
- B2/B8 Industrial – 15 more jobs at **67 sqm per worker** and a **40% plot ratio** = 0.26 ha
- **Total growth sector need = 1.99 ha**

Powys

6.22 The same approach has been used to estimate the need and growth sector employment land needs for Powys.

Table 30 – Employment Change by Employee Numbers Powys, 2019-2040

Sector	Jobs 2019	Jobs 2040	Jobs Total Change	Percentage Change, percent
Agriculture, Forestry and Fishing	9,323	8,520	-803	-8.6
Mining and Quarrying	142	68	-74	-52.1
Manufacturing	6,878	4,778	-2,100	-30.5
Electricity, gas, steam, etc.	143	117	-26	-18.2
Water Supply, Sewerage, etc.	389	300	-90	-23.1
Construction	3,773	4,037	264	7.0
Wholesale and Retail Trade	7,530	7,595	65	0.9
Transport and Storage	2,303	2,177	-126	-5.5
Accommodation and Food Services	4,727	4,811	83	1.8
Information and Communication	1,563	1,649	86	5.5
Financial and Insurance Activities	403	378	-25	-6.2
Real estate Activities	400	427	27	6.8
Professional, Scientific and Technical Activities	3,770	4,109	339	9.0
Administrative and Support Service Activities	2,809	3,352	543	19.3
Public Administration and Defence	3,714	3,051	-663	-17.9
Education	4,599	4,195	-403	-8.8
Human Health and Social Work Activities	7,283	7,502	220	3.0
Arts, Entertainment and Recreation	2,311	2,944	633	27.4
Other Services	1,594	1,648	54	3.4
Net growth/decline	63,654	61,658	-1996	-3.1

Source: Oxford Economics, 2019

6.23 The figures for Powys forecast a reduction of 2,000 jobs over the forecast period. This is driven by a decline of manufacturing jobs in Powys, declining by 2,100 jobs over the forecast period. Agriculture, forestry and fishing (-800), public administration and defence (-660 jobs) and education (-400) are also forecast to have significant declines.

6.24 Sectors that are forecast to have the largest increases are arts, entertainment and recreation (+630), administrative and support services (+540) and professional, scientific and technical (+340).

6.25 The methodology to use these sectoral forecasts to calculate potential employment floorspace and land need in Powys is applied in the tables below.

Table 31 – Labour Demand Forecast Powys, 2019-2040

Broad Sector Groupings	Difference (jobs) 2019 - 2040	Land Use	Weighting	Difference (jobs) by use 2019 - 2040
Non B-Class Uses				
Agriculture, Forestry and Fishing	-803	Non B	-	~
Mining and Quarrying	-74	Non B	-	~
Wholesale and retail trade	65	Non B	-	~
Accommodation and Food Services	83	Non B	-	~
Arts, entertainment and recreation	633	Non B	-	~
B1 Mostly Office Uses				
Administrative and support service	543	B1	1	543
Information and Communication	86	B1	1	86
Professional, scientific and technical activities	339	B1	1	339
Real estate activities	27	B1	1	27
Financial and Insurance Activities	-25	B1	1	-25
Public Administration	-663	B1	0.22	-146
Health	220	B1	0.22	48
Education	-403	B1	0.22	-89
Other service activities	54	B1	0.22	12
Total	178	-	-	796
B2/B8 Uses				
Manufacturing	-2,100	B2	1	-2,100
Utilities	-116	B2	0.26	-30
Construction	264	B2	0.26	69
Transport and Storage	-126	B8	0.48	-60
Total	-2,078	-	-	-2,122

Source: BE Group and Oxford Economics, 2019

Table 32 – Powys Floorspace and Land Requirement Forecasts

Offices (B1)	Based on 796 additional workers, sqm	Plot Ratio at 40% Coverage, ha	Plot Ratio at 80% Coverage, ha
12 sqm per worker	9,550	2.39	1.19
16 sqm per worker	12,730	3.18	1.59
20 sqm per worker	15,920	3.98	1.99
Industrial (B2/B8)	Based on 2,122 less workers, sqm	Plot Ratio at 40% Coverage, ha	Plot Ratio at 80% Coverage, ha
50 sqm per worker	-106,100	-26.53	-13.26
67 sqm per worker	-142,170	-35.54	-17.77
85 sqm per worker	-180,370	-45.09	-22.55

Source: BE Group and Oxford Economics, 2019

6.26 Table 32 shows the results of the Model Two forecasting. The results are shown for both a 40% and 80% ratio.

6.27 Based on the above, the recommended net land needs for Model Two are thus:

- B1 Offices – 796 additional jobs at **16 sqm per worker** and a **40% plot ratio = 3.18 ha**
- B2/B8 Industrial – 2,122 less jobs at **67 sqm per worker** and a **40% plot ratio = -35.54 ha**
- **Total net need = -32.36 ha.**

6.28 Once again, it is prudent to look just at the growing sectors. For Powys, the land requirements for the growth sectors are forecast to be the following:

- B1 Offices – 1,030 additional jobs at **16 sqm per worker** and a **40% plot ratio = 4.12 ha**
- B2/B8 Industrial – 69 more jobs at **67 sqm per worker** and a **40% plot ratio = 1.15 ha**
- **Total growth sector need = 5.27 ha**

Mid Wales

6.29 The growth across Mid Wales is provided below, using the same approach as for the individual local authority areas.

Table 33 – Employment Change by Employee Numbers 2019-2040

Sector	Jobs 2019	Jobs 2040	Jobs Total Change	Percentage Change, percent
Agriculture, Forestry and Fishing	12,958	11,841	-1,117	-8.6
Mining and Quarrying	175	84	-91	-52.0
Manufacturing	8,453	5,838	-2,614	-30.9
Electricity, gas, steam, etc.	203	166	-37	-18.2
Water Supply, Sewerage, etc.	751	579	-173	-23.0
Construction	5,919	6,241	323	5.5
Wholesale and Retail Trade	11,835	11,766	-70	-0.6
Transport and Storage	3,087	2,882	-205	-6.6
Accommodation and Food Services	8,046	8,146	99	1.2
Information and Communication	2,531	2,670	139	5.5
Financial and Insurance Activities	645	604	-41	-6.4
Real estate Activities	727	775	47	6.5
Professional, Scientific and Technical Activities	5,235	5,767	532	10.2
Administrative and Support Service Activities	3,424	4,082	658	19.2
Public Administration and Defence	5,767	4,674	-1,092	-18.9
Education	10,004	9,060	-944	-9.4
Human Health and Social Work Activities	11,192	11,613	421	3.8
Arts, Entertainment and Recreation	3,534	4,396	862	24.4
Other Services	2,532	2,621	89	3.5
Net growth/decline	97,018	93,805	-3,213	-3.3

Source: Oxford Economics, 2019

6.30 As the table above shows, there is a forecast loss of 3,210 jobs in Mid Wales by 2040. This is a reduction of 3.3% from the 2019 figure. The Powys and Ceredigion forecasts had similar sectors exhibiting the largest declines and growths – declines in manufacturing, public administration and education and growth led by arts, entertainment and recreation, and administrative and support services. Only some of these sectors would have demand for employment land.

6.31 The tables below provide the estimated employment land and floorspace levels for Mid Wales to 2040.

Table 34 – Labour Demand Forecast for Mid Wales, 2019-2040

Broad Sector Groupings	Difference (jobs) 2019 - 2040	Land Use	Weighting	Difference (jobs) by use 2019 - 2040
Non B-Class Uses				
Agriculture, Forestry and Fishing	-1,117	Non B	-	~
Mining and Quarrying	-91	Non B	-	~
Wholesale and retail trade	-70	Non B	-	~
Accommodation and Food Services	99	Non B	-	~
Arts, entertainment and recreation	862	Non B	-	~
B1 Mostly Office Uses				
Administrative and support service	658	B1	1	658
Information and Communication	139	B1	1	139
Professional, scientific and technical activities	532	B1	1	532
Real estate activities	47	B1	1	47
Financial and Insurance Activities	-41	B1	1	-41
Public Administration	-1,092	B1	0.22	-240
Health	421	B1	0.22	93
Education	-944	B1	0.22	-208
Other service activities	89	B1	0.22	20
Total	-191	-	-	999
B2/B8 Uses				
Manufacturing	-2,614	B2	1	-2,614
Utilities	-210	B2	0.26	-55
Construction	323	B2	0.26	84
Transport and Storage	-205	B8	0.48	-98
Total	-2,706	-	-	-2,683

Source: BE Group and Oxford Economics, 2019

Table 35 – Floorspace and Land Requirement Forecasts, Mid Wales

Offices (B1)	Based on 999 additional workers, sqm	Plot Ratio at 40% Coverage, ha	Plot Ratio at 80% Coverage, ha
12 sqm per worker	11,990	3.00	1.50
16 sqm per worker	15,990	4.00	2.00
20 sqm per worker	19,990	5.00	2.50
Industrial (B2/B8)	Based on 2,683 less workers, sqm	Plot Ratio at 40% Coverage, ha	Plot Ratio at 80% Coverage, ha
50 sqm per worker	-134,150	-33.54	-16.77
67 sqm per worker	-179,760	-44.94	-22.47
85 sqm per worker	-228,060	-57.02	-28.51

Source: BE Group and Oxford Economics, 2019

6.32 Table 35 shows the results of the Model Two forecasting for Mid Wales. The results are shown for both a 40% and 80% ratio.

6.33 Based on the above, the recommended land needs for Model Two are thus:

- B1 Offices – 999 additional jobs at **16 sqm per worker** and a **40% plot ratio = 4.00 ha**
- B2/B8 Industrial – 2,683 less jobs at **67 sqm per worker** and a **40% plot ratio = -44.94 ha**
- **Total net need = -40.94 ha.**

6.34 Looking at growth sectors only, the land requirements for Mid Wales to 2040 are estimated to be:

- B1 Offices – 1,488 additional jobs at **16 sqm per worker** and a **40% plot ratio = 5.95 ha**
- B2/B8 Industrial – 84 more jobs at **67 sqm per worker** and a **40% plot ratio = 1.41 ha**
- **Total growth sector need = 7.36 ha.**

Brecon Beacons National Park

6.35 The growth across Brecon Beacons National Park is provided below, however these numbers have been derived using Experian forecasts, extrapolated to 2040. The Powys forecasts would include Brecon Beacons National Park areas within Powys boundaries and so there is some double counting of employment changes in these forecasts. Also, the Brecon Beacon National Park figures would include areas outside of Mid Wales. Therefore, the figures should not be added together for a Mid Wales total.

Table 36 – Brecon Beacons NP Employment Change by Employee Numbers 2019-2040

Sector	Jobs 2019	Jobs 2040*	Jobs Total Change	Percentage Change, percent
Agriculture, Forestry and Fishing	1,350	1,330	-20	-1.5
Mining and Quarrying	10	10	0	0.0
Manufacturing	1,360	1,150	-210	-15.4
Utilities	150	150	0	0.0
Construction	1,490	1,590	100	6.7
Wholesale and Retail Trade	2,640	2,490	-150	-5.7
Transport and Storage	500	500	0	0.0
Accommodation and Food Services	1,030	1,220	190	18.4
Information and Communication	360	360	0	0.0
Financial and Insurance Activities	180	170	-10	-5.6
Real estate Activities	280	310	30	10.7
Professional, Scientific and Technical Activities	900	940	40	4.4
Administrative and Support Service Activities	870	870	0	0.0
Public Administration and Defence	1,250	1,180	-70	-5.6
Education	1,790	1,950	160	8.9
Human Health and Social Work Activities	2,880	3,190	310	10.8
Arts, Entertainment and Recreation	710	900	190	26.8
Other Services	480	460	-20	-4.2
Net growth/decline	18,230	18,770	540	3.0

Source: Experian, 2019

* 2040 figure extrapolated from 2036 projections.

6.36 The Experian forecasts (extrapolated to 2040) suggest a growth of 540 jobs in Brecon Beacons between 2019 and 2040, which is an increase of 3.0%. The largest growth

sectors are health (+310 jobs), arts, entertainment and recreation (+190) and accommodation and food services (+190), all of which have only a limited impact on traditional employment land requirements.

6.37 The tables below provide the estimated employment land and floorspace levels for Brecon Beacons to 2040.

Table 37 – Labour Demand Forecast for Brecon Beacons NP, 2019-2040

Broad Sector Groupings	Difference (jobs) 2019 - 2040	Land Use	Weighting	Difference (jobs) by use 2019 - 2040
Non B-Class Uses				
Agriculture, Forestry and Fishing	-20	Non B	-	~
Mining and Quarrying	0	Non B	-	~
Wholesale and retail trade	-150	Non B	-	~
Accommodation and Food Services	190	Non B	-	~
Arts, entertainment and recreation	190	Non B	-	~
B1 Mostly Office Uses				
Administrative and support service	0	B1	1	0
Information and Communication	0	B1	1	0
Professional, scientific and technical activities	40	B1	1	40
Real estate activities	30	B1	1	30
Financial and Insurance Activities	-10	B1	1	-10
Public Administration	-70	B1	0.22	-15
Health	310	B1	0.22	68
Education	160	B1	0.22	35
Other service activities	-20	B1	0.22	-4
Total	440	-	-	144
B2/B8 Uses				
Manufacturing	-210	B2	1	-210
Utilities	0	B2	0.26	0
Construction	100	B2	0.26	26
Transport and Storage	0	B8	0.48	0
Total	-110	-	-	-184

Source: BE Group and Experian, 2019

Table 38 – Brecon Beacons NP Floorspace and Land Requirement Forecasts

Offices (B1)	Based on 144 additional workers, sqm	Plot Ratio at 40% Coverage, ha	Plot Ratio at 80% Coverage, ha
12 sqm per worker	1720	0.43	0.22
16 sqm per worker	2300	0.58	0.29
20 sqm per worker	2870	0.72	0.36
Industrial (B2/B8)	Based on 184 less workers, sqm	Plot Ratio at 40% Coverage, ha	Plot Ratio at 80% Coverage, ha
50 sqm per worker	-9200	-2.30	-1.15
67 sqm per worker	-12330	-3.08	-1.54
85 sqm per worker	-15640	-3.91	-1.96

Source: BE Group and Experian, 2019

6.38 Table 38 shows the results of the Model Two forecasting for Brecon Beacons National Park. The results are shown for both a 40% and 80% ratio.

6.39 Based on the above, the recommended land needs for Model Two are thus:

- B1 Offices – 144 additional jobs at **16 sqm per worker** and a **40% plot ratio = 0.58 ha**
- B2/B8 Industrial – 184 less jobs at **67 sqm per worker** and a **40% plot ratio = -3.08ha**
- **Total net need = -2.50 ha.**

6.40 Looking at growth sectors only, the land requirements for Brecon Beacons National Park to 2040 are estimated to be:

- B1 Offices – 173 additional jobs at **16 sqm per worker** and a **40% plot ratio = 0.69 ha**
- B2/B8 Industrial – 26 more jobs at **67 sqm per worker** and a **40% plot ratio = 0.44 ha**
- **Total growth sector need = 1.13 ha.**

Practice Guidance Method Two: Labour Demand Forecasting – Policy On

- 6.41 The above labour forecasting demand has for the three areas, as well as Mid Wales as a whole was based on the baseline Oxford Economics forecasts to 2040. However, as presented in Chapter 3.0 a revised ‘policy on’ forecast has been prepared that is based on more positive assumptions as to employment numbers, particularly for technical services and manufacturing.
- 6.42 Therefore, the following section provides the estimates for employment land and floorspace demand based on this policy on scenario, using the same approach as the Labour Demand Forecasting based on the Oxford Economics forecasts. The policy on scenario assume two key changes:
- Employment decline in the manufacturing sector is reduced by 80% compared to the baseline Oxford Economics forecast; and
 - Professional, scientific and technical services are assumed to match the UK growth rate to 2040.
- 6.43 From these assumed changes the following table provides the revised employment numbers in those sectors for each area and for Mid Wales as a whole and the changes between 2019 and 2040. The employment in other sectors is assumed not to have changed. This is likely to be an underestimate of actual levels if the professional, scientific and technical services and manufacturing sectors realise the policy on levels. There would be the potential for induced/indirect benefits from such an uplift in the core sectors. For example, sectors that would support the operation of businesses in the core sectors, such as financial and insurance services, real estate services, retail, construction, transport and storage, would have the opportunity to have increased activity from this uplift, which could lead to indirect increases in employment in such sectors. However, the level of flow-on benefits is very difficult to quantify to a meaningful degree for a small area over the forecast period. Therefore, it is assumed that these levels have not changed, but it should be noted that there is the potential for flow-on benefits for Mid Wales.

Table 39 – Mid Wales Employment Change by Employee Numbers 2019-2040, Policy On Scenario

Sector	Ceredigion Jobs 2040	Powys Jobs 2040	Mid Wales Jobs 2040	Ceredigion Jobs Change 2019-40	Powys Jobs Change 2019-40	Mid Wales Jobs Change 2019-40
Manufacturing	1,472	6,458	7,930	-103	-420	-523
Professional, Scientific and Technical Activities	1,913	4,872	6,785	448	1,102	1,550
Policy On Total	32,813	64,101	96,913	666	2,443	3,109

Source: Hatch, 2020

6.44 These adjusted manufacturing and professional, scientific and technical services figures have been used to assess a policy on scenario for employment land and premises, in the same manner as for the baseline Oxford Economics forecasts above, which are presented below. Consistent with the baseline scenario, all of the manufacturing employment is assumed to be located on B2 industrial land and all of the professional, scientific and technical services employment is anticipated to be on B1 office land.

6.45 **Importantly for the forecast employment land and premises demand using this methodology, even with the substantial uplift in manufacturing employment compared with the baseline scenario, employment in this sector is still anticipated to decline, which infers a declining floorspace and land requirement for manufacturing.** This is one of the key limitations of this approach – it assumes that all changes in floorspace and land requirements are due to employment number changes and does not account for other reasons for changes in demand, such as changing business operations, type of manufacturing businesses evolving, improvements in efficiency or evolving inventory practices.

Ceredigion – Policy On

6.46 The table below summarises the Ceredigion sectoral growth, using the policy on scenario.

Table 40 – Ceredigion Policy On Labour Demand Forecast, 2019-2040

Broad Sector Groupings	Difference (jobs) 2019 - 2040	Land Use	Weighting	Difference (jobs) by use 2019 - 2040
Non B-Class Uses				
Agriculture, Forestry and Fishing	-314	Non B	-	~
Mining and Quarrying	-17	Non B	-	~
Wholesale and retail trade	-135	Non B	-	~
Accommodation and Food Services	16	Non B	-	~
Arts, entertainment and recreation	229	Non B	-	~
B1 Mostly Office Uses				
Administrative and support service	115	B1	1	115
Information and Communication	53	B1	1	53
Professional, scientific and technical activities	448	B1	1	448
Real estate activities	20	B1	1	20
Financial and Insurance Activities	-16	B1	1	-16
Public Administration	-429	B1	0.22	-94
Health	201	B1	0.22	44
Education	-541	B1	0.22	-119
Other service activities	35	B1	0.22	8
Total	-114	-	-	459
B2/B8 Uses				
Manufacturing	-103	B2	1	-103
Utilities	-94	B2	0.26	-24
Construction	59	B2	0.26	15
Transport and Storage	-79	B8	0.48	-38
Total	-217	-	-	-150

Source: Hatch, BE Group, 2020

6.47 From this, the table below provides the revised employment floorspace and land requirements to 2040.

Table 41 – Ceredigion Floorspace and Land Requirement Forecasts, Policy On

Offices (B1)	Based on 459 additional workers, sqm	Plot Ratio at 40% Coverage, ha	Plot Ratio at 80% Coverage, ha
12 sqm per worker	5,500	1.38	0.69
16 sqm per worker	7,340	1.84	0.92
20 sqm per worker	9,170	2.29	1.15
Industrial (B2/B8)	Based on 150 less workers, sqm	Plot Ratio at 40% Coverage, ha	Plot Ratio at 80% Coverage, ha
50 sqm per worker	-7,500	-1.88	-0.94
67 sqm per worker	-10,050	-2.51	-1.26
85 sqm per worker	-12,750	-3.19	-1.59

Source: BE Group, 2020

6.48 Based on the above, the recommended land needs for Ceredigion to 2040 under the policy on Model Two scenario are:

- B1 Offices – 459 additional jobs at **16 sqm per worker** and a **40% plot ratio = 1.84 ha**
- B2/B8 Industrial – 150 less jobs at **67 sqm per worker** and a **40% plot ratio = -2.51 ha**
- **Total net need = -0.67 ha.**

6.49 For **growth only** sectors, which is the preferred approach, the land and floorspace requirements for Ceredigion are:

- B1 Offices – 688 additional jobs at **16 sqm per worker** and a **40% plot ratio = 2.75 ha**
- B2/B8 Industrial – 15 additional jobs at **67 sqm per worker** and a **40% plot ratio = 0.26 ha**
- **Total net need = 3.01 ha.**

Powys – Policy On

6.50 The table below summarises the Powys sectoral growth, using the policy on scenario.

Table 42 – Labour Demand Forecast Powys, Policy On Scenario, 2019-2040

Broad Sector Groupings	Difference (jobs) 2019 - 2040	Land Use	Weighting	Difference (jobs) by use 2019 - 2040
Non B-Class Uses				
Agriculture, Forestry and Fishing	-803	Non B	-	~
Mining and Quarrying	-74	Non B	-	~
Wholesale and retail trade	65	Non B	-	~
Accommodation and Food Services	83	Non B	-	~
Arts, entertainment and recreation	633	Non B	-	~
B1 Mostly Office Uses				
Administrative and support service	543	B1	1	543
Information and Communication	86	B1	1	86
Professional, scientific and technical activities	1,102	B1	1	1,102
Real estate activities	27	B1	1	27
Financial and Insurance Activities	-25	B1	1	-25
Public Administration	-663	B1	0.22	-146
Health	220	B1	0.22	48
Education	-403	B1	0.22	-89
Other service activities	54	B1	0.22	12
Total	941	-	-	1,559
B2/B8 Uses				
Manufacturing	-420	B2	1	-420
Utilities	-116	B2	0.26	-30
Construction	264	B2	0.26	69
Transport and Storage	-126	B8	0.48	-60
Total	-398	-	-	-442

Source: BE Group and Hatch, with Oxford Economics baseline, 2020

6.51 The land and floorspace requirements based on this policy on scenario for Powys are:

Table 43 – Powys Floorspace and Land Requirement Forecasts, Policy On Scenario

Offices (B1)	Based on 1,559 additional workers, sqm	Plot Ratio at 40% Coverage, ha	Plot Ratio at 80% Coverage, ha
12 sqm per worker	18,710	4.68	2.34
16 sqm per worker	24,940	6.24	3.12
20 sqm per worker	31,180	7.80	3.90
Industrial (B2/B8)	Based on 422 less workers, sqm	Plot Ratio at 40% Coverage, ha	Plot Ratio at 40% Coverage, ha
50 sqm per worker	-22,100	-5.53	-2.76
67 sqm per worker	-29,610	-7.40	-3.70
85 sqm per worker	-37,570	-9.39	-4.70

Source: BE Group, 2020

6.52 Based on the above, the recommended net land needs for Powys for the policy on scenario are:

- B1 Offices – 1,559 additional jobs at **16 sqm per worker** and a **40% plot ratio** = 6.24 ha
- B2/B8 Industrial – 422 less jobs at **67 sqm per worker** and a **40% plot ratio** = -7.40 ha
- **Total net need = -1.16 ha.**

6.53 For Powys, the land requirements for the **growth sectors** for the policy on scenario are forecast to be the following:

- B1 Offices – 1,818 additional jobs at **16 sqm per worker** and a **40% plot ratio** = 7.27 ha
- B2/B8 Industrial – 69 more jobs at **67 sqm per worker** and a **40% plot ratio** = 1.15 ha
- **Total growth sector need = 8.42 ha**

Mid Wales – Policy On

6.54 Therefore, the policy on requirements for the full Mid Wales area are as follows:

Table 44 – Policy On Floorspace and Land Requirement Forecasts, Mid Wales

Offices (B1)	Based on 2,017 additional workers, sqm	Plot Ratio at 40% Coverage, ha	Plot Ratio at 80% Coverage, ha
12 sqm per worker	24,210	6.05	3.03
16 sqm per worker	32,280	8.07	4.04
20 sqm per worker	40,350	10.09	5.04
Industrial (B2/B8)	Based on 592 less workers, sqm	Plot Ratio at 40% Coverage, ha	Plot Ratio at 80% Coverage, ha
50 sqm per worker	-29,600	-7.40	-3.70
67 sqm per worker	-39,670	-9.92	-4.96
85 sqm per worker	-50,320	-12.58	-6.29

Source: BE Group, 2020

6.55 The estimated net land needs for Mid Wales for the policy on scenario are:

- B1 Offices – 2,017 additional jobs at **16 sqm per worker** and a **40% plot ratio** = 8.07 ha
- B2/B8 Industrial – 592 less jobs at **67 sqm per worker** and a **40% plot ratio** = -9.92 ha
- **Total net need = -1.85 ha.**

6.56 For Mid Wales, the land requirements for the **growth sectors** for the policy on scenario are forecast to be the following:

- B1 Offices – 1,793 additional jobs at **16 sqm per worker** and a **40% plot ratio** = 7.17 ha
- B2/B8 Industrial – 69 more jobs at **67 sqm per worker** and a **40% plot ratio** = 1.15 ha
- **Total growth sector need = 8.32 ha**

Peak Period – Policy On

6.57 As is seen in the graphs of forecast growth in Chapter 3.0, the anticipated growth trajectory is not linear, but rather has an initial increase before declining. This general shape is expected for both the baseline and policy on scenarios, although the trajectory for the policy on scenario has a higher peak and a smaller decline.

6.58 Therefore, it is prudent to look at the peak period and assess the potential employment land and floorspace requirements at that time for Mid Wales. Under the policy on scenario, the overall employment level is anticipated to peak in 2024 at about 98,400 jobs, where it is forecast to remain steady until about 2030, after which it will start to decline. It is noted that even in the policy on scenario, the manufacturing employment is expected to be at its highest in 2019.

6.59 The requirements for land and floorspace in Mid Wales to 2024 are presented below.

Table 45 – Peak Period Policy On Floorspace and Land Requirement Forecasts, Mid Wales

Offices (B1)	Based on 983 additional workers, sqm	Plot Ratio at 40% Coverage, ha	Plot Ratio at 80% Coverage, ha
12 sqm per worker	11,790	2.95	1.47
16 sqm per worker	15,730	3.93	1.97
20 sqm per worker	19,660	4.92	2.46
Industrial (B2/B8)	Based on 50 less workers, sqm	Plot Ratio at 40% Coverage, ha	Plot Ratio at 80% Coverage, ha
50 sqm per worker	-2,520	-0.63	-0.32
67 sqm per worker	-3,370	-0.84	-0.42
85 sqm per worker	-4,280	-1.07	-0.54

Source: BE Group, 2020

6.60 The estimated **peak** (2024) net land needs for Mid Wales for the policy on scenario are:

- B1 Offices – 983 additional jobs at **16 sqm per worker** and a **40% plot ratio** = 3.93 ha
- B2/B8 Industrial – 50 less jobs at **67 sqm per worker** and a **40% plot ratio** = - 0.84 ha
- **Total net need = 3.09 ha.**

6.61 The trajectory of growth is based on individual sectoral growth rates, which are different for each sector. The peak period is thus where the individual trajectories are optimised. After the peak period the declining sectors start to take over, along with lower growth in some of the growing sectors. However, there are still some sectors that are anticipated to grow throughout the full forecast period. Therefore, for the growth only sectors, the peak is not 2024, but 2040 as provided above. Below provides the 2024 growth only sectors for comparison.

6.62 For Mid Wales, the land requirements for the **growth sectors** for the policy on scenario as at **2024** are forecast to be the following:

- B1 Offices – 1,087 additional jobs at **16 sqm per worker** and a **40% plot ratio** = 4.35 ha
- B2/B8 Industrial – 69 more jobs at **67 sqm per worker** and a **40% plot ratio** = 1.12 ha
- **Total growth sector need = 5.47 ha**

Comparison of Employment Land Forecasting Models

6.63 The above analysis provides a range of requirements for employment land and floorspace, depending on the underlying assumptions and methodology used. The following provides a critique of those scenarios, to ascertain the preferred path forward for Mid Wales.

6.64 The Model One approach is a simple extrapolation exercise of past trends over the forecast period. This has its limitations, including the piecemeal information that is available and the mix of completions and permissions data available. Furthermore, if past growth has been constrained due to a lack of sites, this would impact on the forward forecast. However, past averages can be insightful as to the realistic land requirements of the local economy. The Model Two approach, looking at employment growth projections for the area, generally have provided negative employment land

demand figures over the forecast period. This is driven by the decline in overall employment, particularly in the manufacturing sector. This also has limitations in that it assumes that declining sectors would have commensurate declines in floorspace requirements, which may not be the case.

6.65 The Model Two approach for the policy on scenario has higher estimates for the requirements than the baseline scenario; however is still limited by the declining sectors, even if those declines in employment numbers represent a substantially smaller decline than anticipated in the baseline scenario. Using this methodology, any decline in employment numbers infers a decline in floorspace and land requirements. However, it is recognised that changes in demand (positive and negative) will be influenced by many factors, including changing business operations, change of types of manufacturing businesses, improvements in efficiency or evolving inventory practices. Looking at when employment is forecast to peak (2024) is informative to understand that the demand generated by employment growth is short term, before waning, even in the policy on scenario.

6.66 The following table provides a summary of the outputs of the two models for comparison.

Table 46 – Comparison of Land Requirement Forecasts

Area	Land Requirement 2019-40 (ha)				
	Model One	Model Two – Baseline Net	Model Two – Baseline Growth	Model Two – Policy On Net	Model Two – Policy On Growth
Basis	Past take up rates	Employment forecasts	Employment forecasts	Employment forecasts	Employment forecasts
Ceredigion	18.9	-8.53	1.99	-0.67	3.01
Powys	27.3	-32.36	5.27	-1.16	8.42
Brecon Beacons	4.3*	-2.50	1.13		

Source: BE Group analysis, 2020

* Within Mid Wales only

6.67 For all areas, the Model Two approach results in a negative employment land requirement on a net basis. However, as discussed earlier in this chapter, a net approach is not likely to be realistic as it may not be easy or possible to transfer land and floorspace from declining industries to growth industries and because declines in

employment may not be commensurate with declines in land and floorspace requirements. Therefore, it is considered that of the Model Two scenarios, the growth sectors approach is preferred. However, this is still significantly lower than the projected requirement using the Model One approach.

- 6.68 It is also noted that the Policy On scenario still provides a lower requirement than the Model One approach. Even with this more positive scenario with a significant uplift for manufacturing and professional services compared to the baseline, given that manufacturing jobs are anticipated under this scenario to be below 2019 levels, the inferred requirement for manufacturing is negative.
- 6.69 Furthermore, it is noted from the property consultations, the on-the-ground review of sites and review of past transactions, that the main activity in the property market has been for B2 industrial floorspace. From the consultations, areas of demand that were identified included B2 units of about 200-500 sqm, 1,000-2,000 sqm and some larger units 3,000-5,000 sqm.
- 6.70 Even just looking at the growth sectors in the Model Two approach, this industrial activity is not accounted for (as manufacturing jobs are forecast to decline). Therefore, it is considered that the Model One approach more adequately describes a growth agenda forecast for Mid Wales.

Allowance for Uncertainty

- 6.71 Given the range of requirements that have been estimated and the substantial timeframe for the forecasts, there is merit in allowing for the uncertainty in such forecasting. Therefore, a buffer equivalent to five years of growth is recommended to be added to the demand estimates. The table below provides the revised land requirements, **including a five-year buffer**. This buffer has only been applied to the positive requirements.

Table 47 – Comparison of Land Requirement Forecasts, including Five Year Buffer

Area	Land Requirement 2019-40 (ha)				
	Model One	Model Two – Baseline Net	Model Two – Baseline Growth	Model Two – Policy On Net	Model Two – Policy On Growth
Basis	Past take up rates	Employment forecasts	Employment forecasts	Employment forecasts	Employment forecasts
Ceredigion	23.4	-8.53	2.46	-0.67	3.73
Powys	33.8	-32.36	6.52	-1.16	10.42
Brecon Beacons	5.3*	-2.50	1.40		

Source: BE Group analysis, 2020

* Within Mid Wales only

6.72 It is recommended that this buffer to allow for uncertainty is applied to the land requirements for Mid Wales.

Comparison with Employment Land Supply

6.73 The following table compares the realistic supply of employment land reviewed in Chapter 5.0 in Mid Wales with the forecast demand for employment land generated by the two models. Only **Model One and the growth sector scenarios of Model Two** have been utilised.

Table 48 – Comparison of Employment Land Supply and Demand

Area		Land Requirement 2019-40 (ha) including Five Year Buffer					
		Model One		Model Two			
		Demand	Supply minus Demand	Baseline Demand	Baseline Supply minus Demand	Policy On Demand	Policy On Supply minus Demand
	Realistic Employment Land Supply (ha)						
Ceredigion	23.66	23.4	0.26	2.46	21.20	3.73	19.93
Powys	30.44	33.8	-3.36	6.52	23.92	10.42	20.02
Brecon Beacons	3.08	5.3*	-2.22	1.40	1.68		

Source: BE Group analysis, 2020

* Within Mid Wales only

6.74 For the Model One approach, the supply and demand balance demonstrates a likely tightness in the market for all areas by 2040. **For Mid Wales this demand is 62.5 ha to 2040 (including buffer and including Brecon Beacons National Park areas within Mid Wales).** For Ceredigion, the existing supply almost precisely matches the demand (including buffer). However, this should not be seen as an ideal, as it requires

all land parcels to be delivered in an appropriate timeframe and match the emerging requirements of businesses (including locations, sizes, use types). For Powys there is an estimated small shortage in supply to meet demand, which if unaddressed would lead to some businesses unable to meet their requirements over the forecast period.

- 6.75 The Brecon Beacons National Park is also expected to have a shortfall, which while still relatively small (-2.2 ha) is significant compared to the overall size of the realistic supply (3.1 ha). However, there is an additional level of uncertainty in this assessment as an assumption was made as to the proportion of the forecast requirement would be within the Mid Wales boundaries, as opposed to the remainder of the National Park area.
- 6.76 Under the Model Two scenario all areas are projected to have a surplus of land to 2040, including for the Policy On scenario, due to the lower level of demand forecast. However, as stated above, it is considered that the Model One approach would be the preferred approach for the Mid Wales area.

Concluding Comments

- 6.77 The above calculations review B-class employment land and premises demand to 2040 from the viewpoints of past completions and forecast employment changes. However, this is only part of the narrative. As discussed in previous chapters, the market niches of Mid Wales – food and beverage production, sustainable technologies, tourism – may have influences on B-class employment land that would not necessarily be picked up by reviewing past growth or employment forecasts. Therefore, the above analysis should be considered as a baseline forecast, upon which other considerations can be added.
- 6.78 Therefore, the recommended scenario – using the Model One approach, including buffer – should be seen as the minimum requirement to support economic growth in Mid Wales. **The requirement for Mid Wales should be at least 62.5 ha to 2040.**
- 6.79 Areas of growth that are not continuations of past trends would not be picked up as part of the forecast growth trajectory. For example, emerging sectors such as sustainable technologies or businesses resulting from the development of the NSC would not be accounted for in the past trends and thus not part of the growth trajectory. Importantly, **land requirements that emerge from such sectoral growth should be**

considered over and above this baseline forecast requirement. Quantifying additional land demand for emerging sectors has a substantial degree of uncertainty. Such emerging sectors may not have considerable employment land requirements but may be significant from an economic output perspective. However, it is recommended that in the Action Plan to guide employment land delivery, an allowance for land requirements for emerging sectors is included, including ensuring that such sites are appropriately located.

7.0 CONCLUSIONS AND RECOMMENDATIONS

7.1 This is the Stage One report of the Mid Wales Employment Sites and Premises Needs Assessment and Action Plan. The purpose of this report is to present the findings of the analysis of employment sites and premises in the region, as well as the broader economy, and outline the projected demand for employment land and premises in Mid Wales to 2040. The Action Plan (Stage Two) will guide delivery of a programme of investments in employment sites and premises while forming the basis for the preparation of an outline business case (Stage Three) for the Mid Wales Growth Deal. From the analysis of the previous chapters, the following key findings have been identified:

- Mid Wales, while a broad and diverse area, is a reasonable geography within which to undertake a larger than local approach to employment land and premises assessment, from perspectives of its economy, geography and socio-economic characteristics.
- Some key socio-economic indicators – population growth, proportion of the population of a working age, degree qualification levels – are below national levels in Mid Wales, which suggest that the regional economy may see continued lower growth, if no interventions to change course are introduced.
- Unemployment is very low in Mid Wales, which, while positive for the working population, suggests that recruiting additional labour will be difficult for expanding businesses.
- The population and employment are forecast to decline to 2040 in Mid Wales if current trends are maintained, which will have implications for economic growth.
- The commercial property market in recent years has been dominated by transactions of smaller unit sizes in relatively modest volumes.
- **Much of the existing industrial and office premises in Mid Wales are dated and a significant proportion is in need of refurbishment or redevelopment, with little new stock being developed to improve the overall quality of stock.**
- Occupancy rates for industrial premises are very high, including in premises that are older and sub-optimal. Feedback from commercial agents has revealed

that some businesses are settling in less than ideal premises due to lack of modern options.

- Commercial agents have also reported a range of **unmet requirements in the market, predominantly for industrial stock, including small, mid and larger units**. This interest is predominantly from firms already in Mid Wales looking to upgrade their premises, but has also included firms from outside the region.
- Despite these requirements being in the market, there is very little private sector development activity or interest in the market. This is due to a lack of indigenous commercial developer firms in Mid Wales and critically, schemes not seen to be viable due to construction costs rising above likely end market values.
- **This market failure is constraining the local market and is acting as a barrier to indigenous business expansion and the ability of the region to attract and accommodate new inward investment.** Recent new development has been concentrated at specific geographic locations where Welsh Government intervention has taken place and on larger more prestigious end users. This has led to several sites seeing little or no development over many years and a shortage of investment particularly in small and medium sized premises.
- The Mid Wales economy has several market niches that could be part of further growth in the market, including:
 - Higher value manufacturing;
 - Food and beverage;
 - Tourism;
 - Sustainable technologies;
 - Advanced research and innovation.
- The review of employment and mixed use allocations in Mid Wales identified some choice of employment land across the region, including 30.44 ha in Powys, 23.66 ha in Ceredigion and 3.08 ha in the Brecon Beacons National Park (remaining realistic supply). However, the distribution of this land throughout Mid Wales does not match the areas of demand and therefore there are some **localised land shortages**, including in **Newtown, Welshpool, Aberystwyth** and **Brecon**, as well as in several small settlements which only have one site with vacant employment land, often being the remaining site of an existing employment scheme.

- There are currently very limited opportunities for the development of a significant business park or industrial estate within existing allocations, with the majority of vacant land parcels being less than 2.0 ha and only a single site being above 5.0 ha.
- The employment land demand to 2040 has been calculated using two methodologies – past land take-up and employment forecasts – consistent with planning guidance. **The recommended employment land requirement is a minimum of 62.5 ha (including buffer). The current total existing supply is 57.18 ha across Mid Wales, which includes areas that would not be suitable for all businesses and has only very limited supply in the key locations. As a consequence, unless addressed there will be some shortages in the market (minimum of 5.3 ha shortage).**

Therefore, if Mid Wales is to improve its economic performance, the property market will need to address:

- *The investment required to bring the existing stock of commercial premises up to modern standards;*
- *The market failure and commercial viability issues which results in the lack of development of commercial properties by the private sector;*
- *The need to provide an appropriate mix of commercial premises to meet business requirements and facilitate future economic growth;*
- *The limited supply of employment sites and premises in the market, particularly in areas of high demand;*
- *The need for appropriate employment sites and premises for emerging growth sectors.*

7.2 As such this study proposes the following recommendations with regards to employment land and premises and economic opportunities. These recommendations will be elaborated upon in the Action Plan (Stage Two) component of the study. The recommendations have been formulated based on the research and findings presented in the previous chapters. These recommendations are to support a larger than local approach to employment land and to provide an aspiration growth agenda for Mid Wales.

Recommendation 1: Continue to plan at the larger than local level

- 7.3 Mid Wales is a dispersed and disparate area, with independent pockets of the economy with limited interactions linking them. However, as the previous chapters have demonstrated, there are interactions – travel to work flows, commonalities in sectoral strengths, commonalities in growth, shared development constraints, etc. – and thus a larger than local approach for Mid Wales is appropriate.
- 7.4 However, it should be recognised that the Mid Wales region also has significant economic relationships to areas outside of Mid Wales, in particular the West Midlands and South East Wales. Such relationships are of particular importance in the south of the region and north-east Powys.
- 7.5 Powys County Council, Ceredigion County Council and the Brecon Beacons National Park Authority should continue to undertake planning and analysis at the local level also, which provides more in-depth and specific planning for each area.

Recommendation 2: The employment land need for the Larger than Local Area should be at least 62.5 ha to satisfy growth to 2040

- 7.6 From the overarching review of employment allocations in the Mid Wales region, it is estimated that there is some 57.2 ha of realistic supply of employment land. Using the Model One approach to employment land need (including five year buffer), there is a forecast need in Mid Wales for 62.5 ha of employment land to 2040, including the Brecon Beacons National Park area within the Mid Wales boundary.
- 7.7 From the analysis of this study it is noted that the demand is not uniform throughout the Mid Wales area, nor is the supply of land. Furthermore, there are mismatches between where the supply of land is and where the demand for growth is concentrated.
- 7.8 Furthermore, several potential employment schemes have not proceeded due to viability constraints, with potential values from the scheme not sufficient to overcome costs. Viability continues to limit private sector investment in employment sites. A number of sites also experience infrastructure or other site-specific constraints which impede their development and compound viability issues. Therefore, it would be prudent to provide further choice in the market in terms of employment sites, in locations to meet demand and that have limited development constraints.

7.9 As discussed at the end of Chapter 6.0 (paragraph 6.79), the calculated forecast to 2040 is based on past trends. Emerging sectors that have been underrepresented in past growth would not be adequately accounted for over the forecast trajectory. Therefore, land requirements emanating from emerging sectors should be considered in addition to the baseline forecast. This increases the imperative to provide further employment land in Mid Wales in order to support these emerging sectors in addition to the on-trend growth opportunities.

Recommendation 3: A hierarchy of employment sites is recommended for Mid Wales

7.10 As identified above, it is important for Mid Wales that all allocated sites are brought forward within the forecast period in order to meet the forecast requirements for employment land and to help ensure an equitable geographic distribution of economic growth across the region. Therefore, all sites are important for the region and should be monitored and encouraged to come forward in a timely manner.

7.11 However, it is recommended that the Action Plan includes a suite of **priority sites** that would form the core of targeted actions by the Councils and Welsh Government to drive delivery of further employment premises in the market. These priority sites would be those that have the potential to provide key economic functions for Mid Wales.

7.12 The remaining employment sites would be those that have a more localised function. Actions for these sites are considered of less importance for the Mid Wales regional economy, although would have local importance.

7.13 It is recommended that there may be opportunities for the designation of strategic employment sites and this option should be reviewed on a regular basis.

Recommendation 4: New employment sites are located in strategic locations

7.14 It is recommended that further employment sites are allocated to provide further choice in the market and to relieve localised shortages. In particular, the following towns have been identified as having some shortages in available premises, through the sites review, consultations and research of this study:

Table 49 – Recommended Priority Locations for Further Employment Sites

Location	Requirement	Timeframe
Newtown	An employment site appropriate for a cluster of industrial uses, including a range of unit sizes. Overall site size would be around 5 ha. Given lack of potential sites within and at the edge of Newtown, the area of search may need to expand beyond Newtown, though would need to still be appropriate to serve the Newtown market.	Short term – urgent requirement for further land
Welshpool	Similar requirement to Newtown. An employment site appropriate for a cluster of industrial uses, including a range of unit sizes including a higher proportion of mid and larger units. Overall site size would be around 5-7 ha. Opportunities for sites adjacent to Offa's Dyke Business Park should be explored as the first preference.	Short term
Aberystwyth	Requirement to provide replacement allocation for loss of Capel Bangor site, preferably closer to urban settlement. Requirement would be for a mix of employment uses. Should consider potential to provide specialist cluster servicing sustainable technologies sector; however the requirement is also for more general employment uses. 5-7 ha. Candidate sites promoted by Aberystwyth University – Llanbadarn Fawr Campus, Penglais and Frongoch Farm and Wern Phillips Farm – are strong candidates to provide employment land as part of mixed use schemes.	Medium term
Brecon	Site to provide for small industrial units <1,000 sqm. Recommended that an extension of Brecon Enterprise Park, which has unmet demand, is undertaken to meet this requirement.	Short term
Builth Wells	Site to provide for small industrial units <1,000 sqm.	Medium term
Knighton	Site to provide for small industrial units <1,000 sqm.	Short term
Cardigan	Extension of Parc Teifi, to provide land for development of small to mid-size employment units to service the Cardigan market and surrounding areas.	Medium term
Llandysul	Extension of current Horeb Food Centre site, providing further capacity for food-based units.	Short term

Source: BE Group, 2020

7.15 Therefore, there should be considerations of new, readily developable employment lands in these localities. The towns of Newtown, Welshpool and Aberystwyth would be the higher priority requirements, given these settlements' importance to the region. Further sites in Builth Wells, Knighton, Cardigan, Llandysul and Brecon would have more localised functions. These locations are considered the priority areas, though during the planning period, other locations may emerge as requiring further sites and thus monitoring of employment land take-up should be undertaken.

7.16 Furthermore, it would be prudent to ensure provision of land for emerging sectors. Such uses may have requirements that are specialised or may benefit from co-location with similar enterprises. The table below provides a summary of such requirements.

Table 50 – Employment Requirements from Emerging Sectors

Sector	Requirement
Sustainable Technologies	Potential site for a cluster to support this sector. Good connectivity to Aberystwyth University (ABERS and AIEC) and CAT should be a priority. Site should be of sufficient scale to provide range of unit sizes, including incubator units, research spaces, grow-on units and traditional employment spaces.
Food and Beverage	Expansion of Food Centre Wales as proposed is supported. This would provide for those seeking opportunities to co-locate with similar enterprises and utilise common resources.
Defence and Security	Location for enterprises that are complementary to or support the defence and security sector, including the emerging NSC. It is likely that there would be a requirement for a mix of high security and more traditional spaces, in close proximity to/adjacent to the NSC. Further growth in Parc Aberporth (within existing allocation) would be appropriate for enterprises connected with the unmanned aircraft sector.
Higher Value Manufacturing	Sites required to support development of higher value manufacturing cluster in Severn Valley
Special Uses	Potential sites to support research and development and related employment opportunities as part of the proposed Rail Centre of Excellence in Ystradgynlais

Source: BE Group, 2020

7.17 Therefore, from Tables 49 and 50 it would be necessary to identify and bring forward further employment sites in Mid Wales over the forecast period. They would need to be available to the market prior to 2040 and thus identification of sites, allocations, servicing and deliverability would need to be undertaken within an appropriate timeframe to allow for this. The following table provides an outline of the locational criteria that should be adopted in looking for further sites.

Table 51 – Location Criteria for Further B-Class Employment Sites

Locational Criteria
<p>Overall Strategy</p> <p>The strategy in identifying sites should be to ensure that there is sufficient developable employment land throughout Mid Wales to meet the revised demand profile, including in individual towns where shortages have been identified.</p> <p>The strategy should address the need to ensure the different markets in Mid Wales are met, including established key employment sectors (e.g. manufacturing) and emerging sectors. There are local towns with high priorities for further choice in employment sites, which should be the focus for the strategy for further sites.</p> <p>Selection of specialised sites to cater for emerging sectors should include considerations of the particular needs of those industries.</p> <p>Larger Sites</p> <ul style="list-style-type: none"> • Excellent strategic road network access – particularly accessing A-road corridors. • High visibility • Large, flat sites • Opportunities for co-location with similar businesses • Excellent infrastructure capacity • Proximity to significant pools of labour • Proximity to services for staff, banking, business support, etc. • Northern, western and southern sites <p>Local Sites</p> <ul style="list-style-type: none"> • Access to key road network with the town • Good visibility and profile within the town • Connectivity to local services • Town centre and business park locations • Opportunities for co-location with similar businesses • Excellent infrastructure capacity • Proximity to local labour • Range of site sizes • Servicing rural markets as appropriate <p>Specialised Sites</p> <p>Similar to local sites above as well as:</p> <ul style="list-style-type: none"> • Close to existing and catalytic assets (e.g. CAT, IBERS, AIEC, NSC) • Excellent digital infrastructure • Near to skilled labour

Source: BE Group, 2020

7.18 Sites that relieve pressure points, such as tightness in local markets, would be higher priorities for new sites in Mid Wales.

Recommendation 5: New premises are provided in strategic locations that reflect local demand

7.19 In line with the recommendations of the provision of sites above, the following table provides information on the likely unit types required. This should not be read as

prescriptive, rather it shows the types of units that would support the market interest in each location.

Table 52 – Potential Types of Further Employment Premises

Location	Unit Types	Unit Size	Timeframe
Newtown	B2/B8 – standard industrial units	<500 sqm, 1,000-2,000 sqm, 2,000-3,000 sqm	Short term
	B1/B2 – hybrid industrial/office units	1,000-2,000 sqm	Short term
	B1/B2 – starter units	<200 sqm	Medium term
		Some interest in larger sizes for industrial units, though likely to be built as bespoke units.	
Welshpool	B2/B8 – standard industrial units	<500 sqm, 1,000-2,000 sqm, 2,000-4,000 sqm	Short term
	B1/B2 – hybrid industrial/office units	1,000-2,000 sqm	Short term
	B1/B2 – starter units	<200 sqm	Medium term
		Some interest in larger sizes for industrial units, though likely to be built as bespoke units.	
Aberystwyth	B2/B8 – standard industrial units	<500 sqm, 1,000-2,000 sqm	Medium term
	B1/B2 – hybrid industrial/office units	1,000-2,000 sqm	Medium term
	B1/B2 – starter units	<200 sqm	Medium term
	B1 – research/laboratory space	<500 sqm	Medium term
Brecon	B2/B8 – standard industrial units	<1,000 sqm	Short term
Builth Wells	B2/B8 – standard industrial units	<1,000 sqm	Medium term
Knighton	B2/B8 – standard industrial units	<1,000 sqm	Short term
Cardigan	B2/B8 – standard industrial units	<500 sqm, 1,000-2,000 sqm	Medium term
	B1/B2 – hybrid industrial/office units	1,000-2,000 sqm	Medium term
Llandysul	B2 – food industrial units	<500 sqm	Short term
	B1/B2 – hybrid industrial/office units	<500 sqm	Short term
	B1/B2 – starter units	<200 sqm	Short term
	B1 – research/laboratory space	<500 sqm	Medium term

Source: BE Group, 2020

7.20 It should be noted that some businesses, particularly mid to larger enterprises, may be looking for sites, rather than premises, in order to build their own, bespoke unit.

Recommendation 6: Public sector interventions are required in areas of market failure

- 7.21 This analysis has demonstrated that there are areas of market failure in Mid Wales in regards to the development of commercial premises. Therefore, it is recommended that the public sector (local authorities and Welsh Government) continue to have a development role in the market through targeted interventions.
- 7.22 As discussed earlier in this report, and further explored in Stage Two (Action Plan), the viability constraints on commercial developments are substantial, with losses potentially in the order of 55-70%. Therefore, there are substantial obstacles to overcome in encouraging private sector investment. Such private sector interest is only likely to occur with considerable gap funding input from the public sector.
- 7.23 However, in order to provide a more sustainable market approach to development, an element of the interventions should be means of encouraging further private sector involvement in the development of employment sites and premises and the refurbishment of premises. This could be through joint ventures between the public and private sectors or means of incentivising private sector investment.

APPENDIX 1

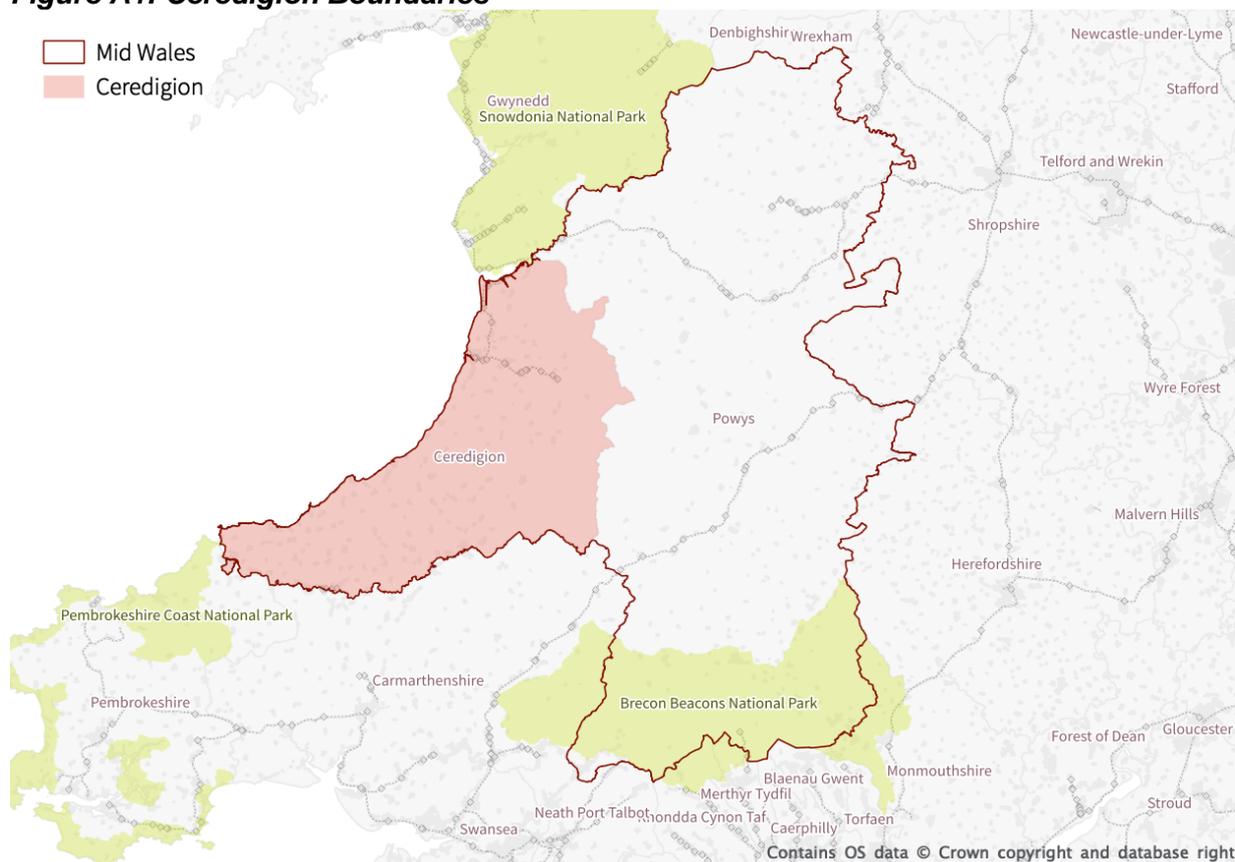
LOCAL AREA DEMOGRAPHIC PROFILES

Ceredigion

Introduction and Context

- A1. Ceredigion is home to 73,000 people (36% of Mid Wales' and 2% of Wales population) and supports 33,000 jobs (35% of Mid Wales' and 2% of Wales' population).

Figure A1: Ceredigion Boundaries



Data Source: Hatch 2020

- A2. Ceredigion is located on the western coast of Wales. Its neighbouring local authorities include Powys (east), Carmarthenshire (south), Pembrokeshire (south-west) and Gwynedd (north). The Cardigan Bay, Dyfi and Teifi estuaries and the Cambrian Mountains mark its natural borders.
- A3. Ceredigion is the fourth largest county in Wales, extending over an area of 1,785.6 sqkm, it ranks second in terms of population density with 40.9 people per sqkm. It features heavier population concentrations along the coastal area. The county's six main towns support an area of rural character comprising of smaller towns and a mixture of large and small villages. Historically, most non-agricultural employment is found west, in the towns of Cardigan, Lampeter and Aberystwyth. The latter two are

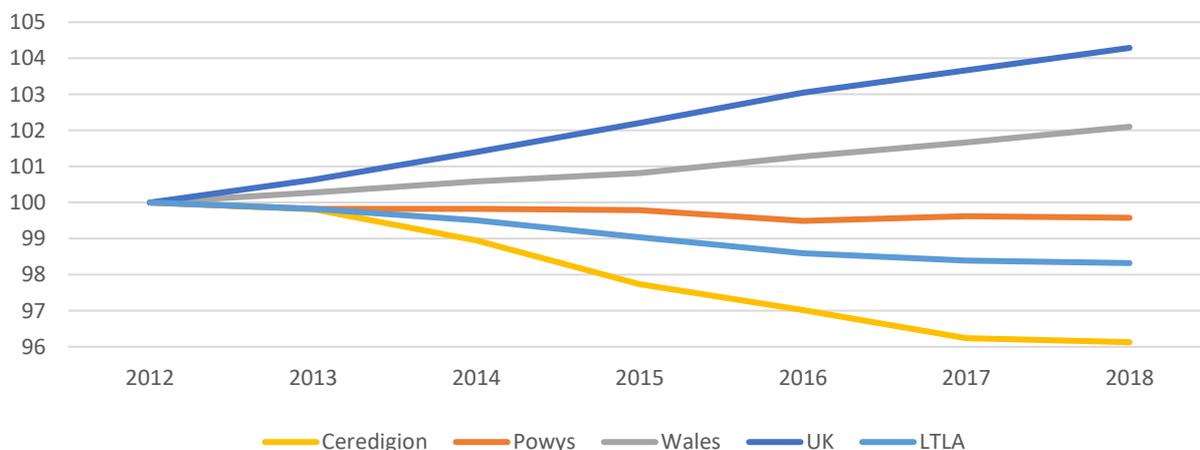
home to the University of Wales-Lampeter and Aberystwyth University, respectively. Aberystwyth also acts as a regional centre for the Mid Wales, as it hosts a large and diverse range of shopping facilities. Ceredigion features several international and national conservation designations. Due to its rich mining heritage, the metal mines of the area retain their significance as attractions. Tourism is a significant contributor to the local economy.

A4. The following section sets out the most recent employment and related socio-economic data for Ceredigion.

Demographics

A5. As of 2018, Ceredigion is home to 73,000 people, 36% of Mid Wales’ total population. Since 2012, Ceredigion population has declined by about 2,850 people (-4%), with a steeper decrease between 2013 and 2017. This decline contrasts with the +4% growth for the UK and the +2% growth observed in Wales.

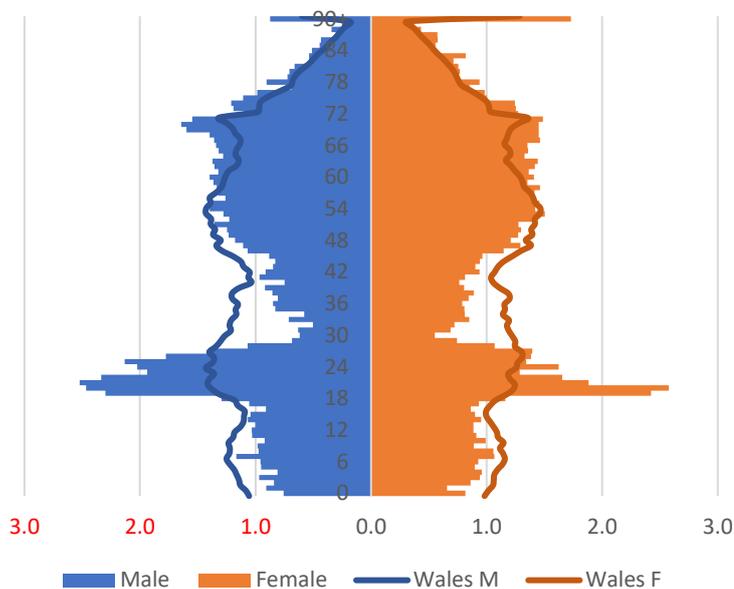
Figure A2: Indexed Population Growth 2012-2018 (2012=100)



Data Source: ONS, Population Estimates

**Figure A3: Population Age Structure 2018
 - Ceredigion vs Wales**

A6. The Population age structure of Ceredigion is illustrated by the population pyramid in the chart on the right. The age structure presents a much higher proportion of people in their early 20s compared to Wales as a whole (13% vs 8%), and a lower proportion of people aged 25 to 39 (14% vs 18% in Wales).



Data Source: ONS Population Estimates

A7.

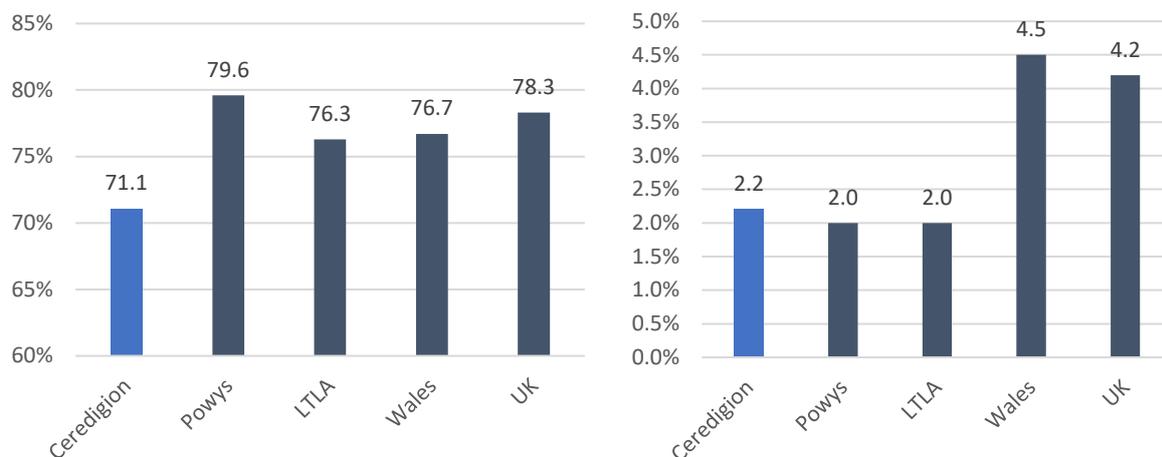
A8. There are 43,850 people in the working age group (16-64 years old), making up 60% of the total population – a slightly below the UK (63%) and Wales (61%) averages.

Labour Market and Skills

A9. Economic activity rate for the working age group in Ceredigion is at 71.1%, below the UK (78.3%) and Wales (76.7%) levels.

A10. Ceredigion's unemployment rate (aged 16+) is at 2.2%, about half the rates for Wales (4.5%) and the UK (4.2%).

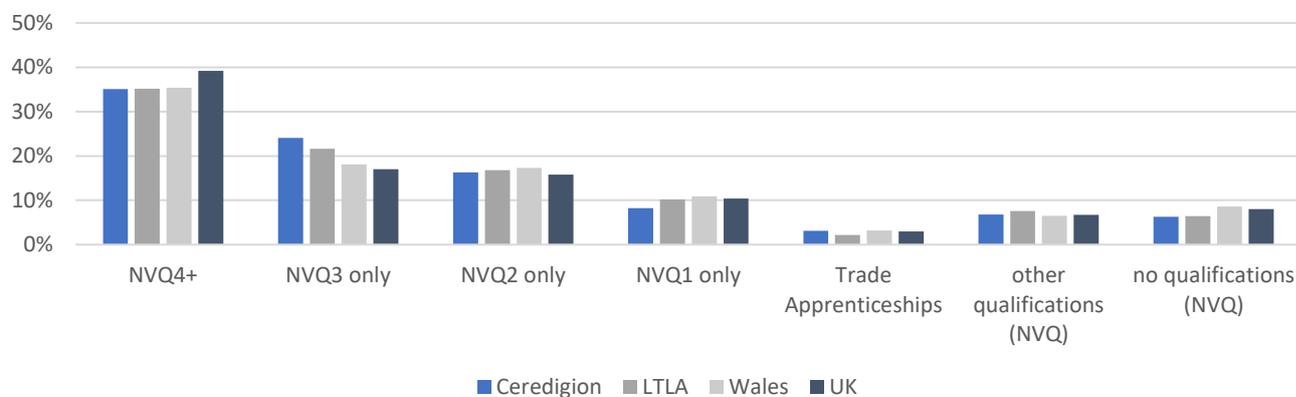
Figure A4: Economic Activity (16-64) and Unemployment (16+) 2018



Data Source: ONS, APS Jan 2018-Dec 2018

A11. The qualification profile of Ceredigion indicates that the proportion of residents educated at degree level and above is 4.1 percentage points below the UK average but in line with Wales'. Ceredigion has a higher proportion of people with an NVQ3 only and below UK's and Wales' levels share of people with no qualifications.

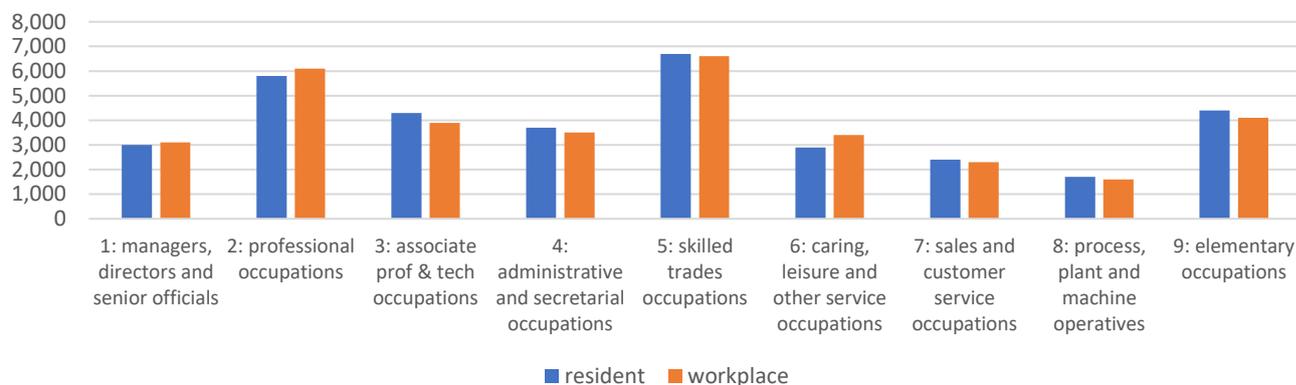
Figure A5: Qualification Profile 2018



Data Source: ONS, APS Jan 2018-Dec 2018 Note: aged 16-64

A12. The occupational distribution in the chart below compares the distribution of occupations across Ceredigion's residents against the distribution of occupations provided by jobs in the local authority (labelled workplace). The overall number of residents in employment and jobs is closely balanced, indicating that there appear to be sufficient employment opportunities within the local authority to satisfy residents' employment demand. None of the occupational categories show considerably different levels of supply and demand, with Caring & Leisure being the one with the widest gap of 500 more jobs available locally.

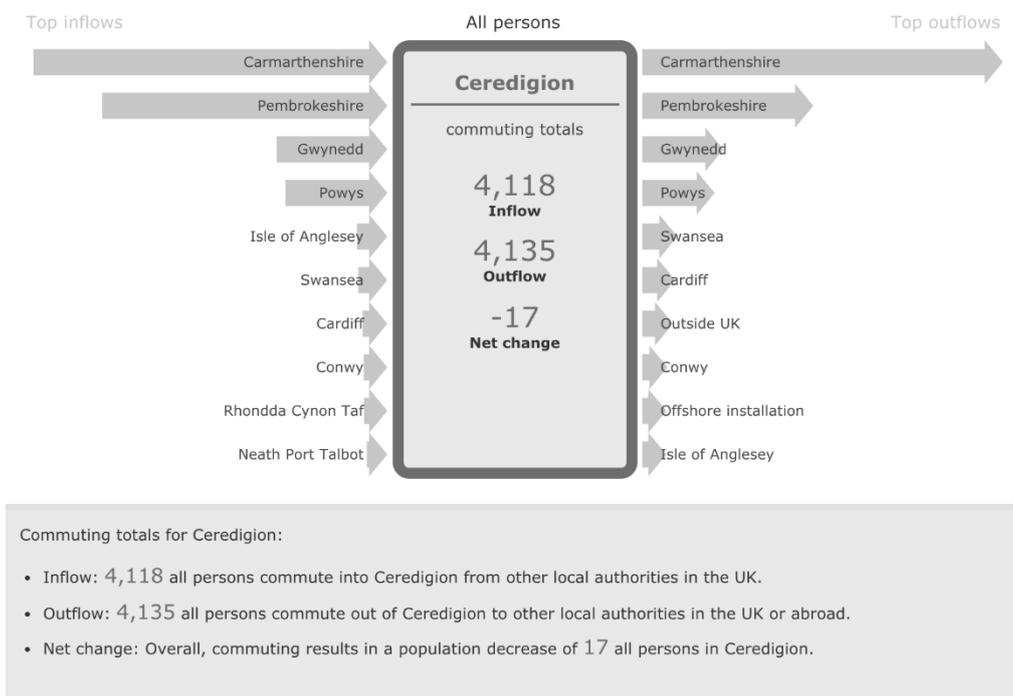
Figure A6: Ceredigion’s Occupational Distribution 2018



Data Source: ONS, APS Jan 2018-Dec 2018

A13. The apparent balance between number of jobs and number of residents in employment observed above can be further detailed by looking at commuting flow patterns for Ceredigion, which give an indication of where residents are likely to commute to work. The analysis of flows based on Census 2011 data confirms that the net change between commuting inflow and outflow is very low (-17), and the overall self-containment is high, with nearly 80% of residents in employment working in Ceredigion. The chart below maps out the commuting flows in and out of Ceredigion, listing the top ten destinations of Ceredigion out-commuters and top ten origins of in-commuters. Carmarthenshire is the local authority with the strongest commuting relationship with Ceredigion, accounting for nearly 40% of the outflow and of the inflow. Pembrokeshire is also important, followed by Gwynedd and Powys. Even though Powys is the local authority with the fourth strongest commuting relationship with Ceredigion, it accounts for only 10% of the inflow and 6% of the outflow.

Figure A7: Origin and destination of commuting flows for Ceredigion

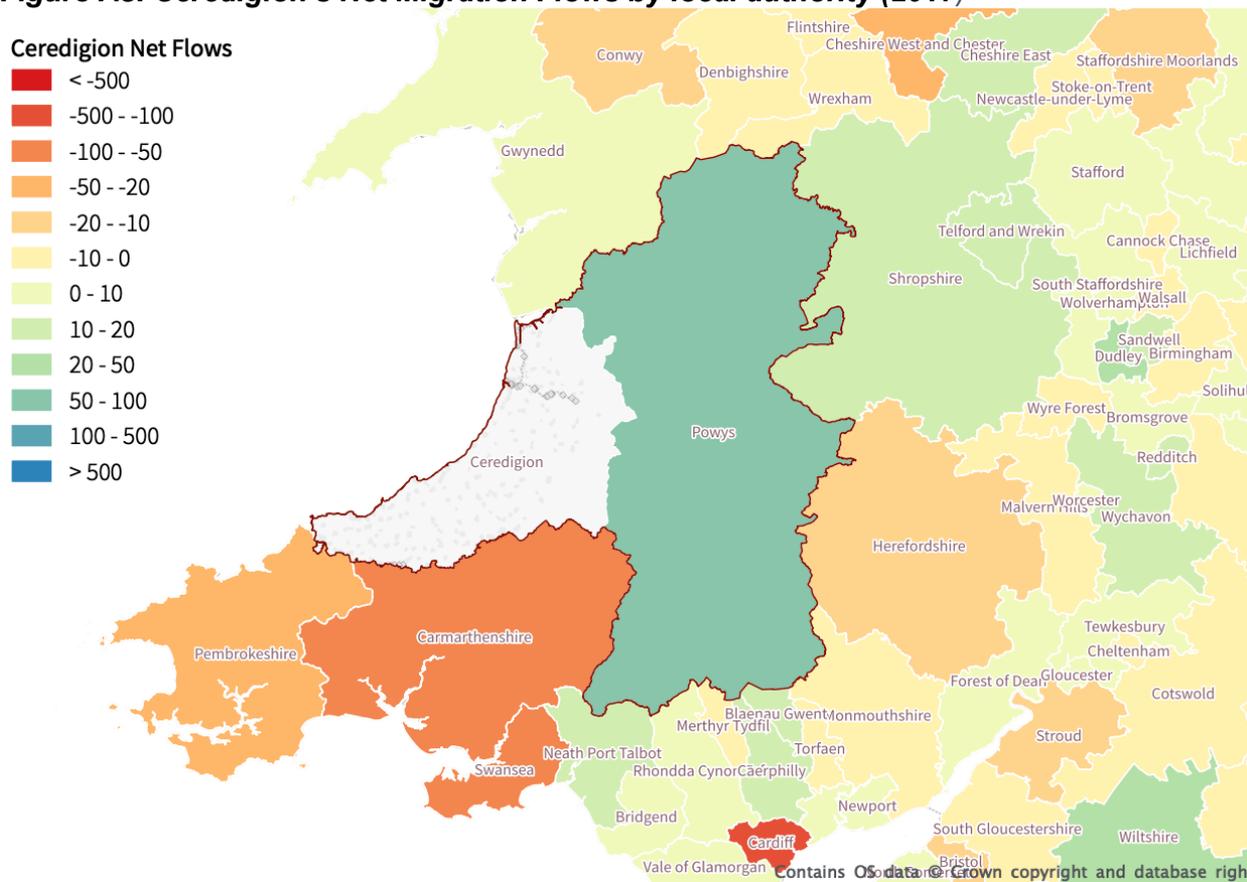


Data Source: ONS, Census 2011

Migration

A14. The analysis of migration patterns (housing moves between local authorities – not international) gives an indication of the strength of the relationship between local authorities’ housing markets. The map below illustrates the net flows between Ceredigion and other local authorities, where a negative figure (yellow to red) indicates that a given local authority has more people moving in from Ceredigion than vice versa. Picking the most sizable flows in 2017, there was a net positive flow (inflow greater than outflow) to Powys and net negative flows (outflow greater than inflow) to Cardiff, Swansea and Carmarthenshire.

Figure A8: Ceredigion’s Net Migration Flows by local authority (2017)



Data Source: ONS, Migration Statistics

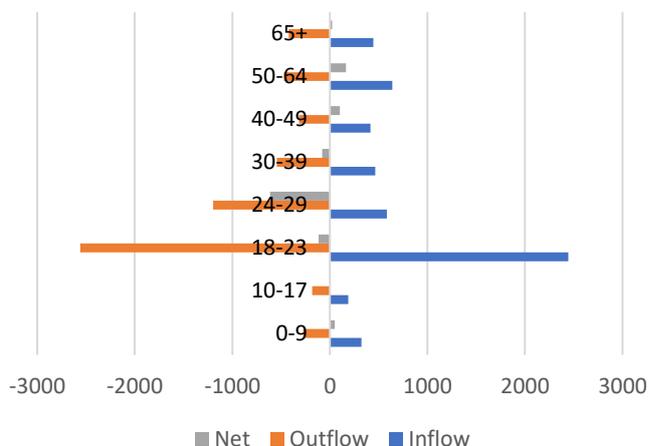
A15. Overall the net of flow in and out of Ceredigion is negative (-450), meaning that more people moved out of the local authority area than vice versa. The chart below shows Ceredigion’s migration flows by age group in 2017. There is a negative balance for young-working age groups, from 18 to 39 years old, with a marked negative balance for the aged 24 to 29. This reinforces the demographic age structure observed in the population pyramid of the previous section that showed a below average share of people in their mid 20s and 30s. On the other hand, there is a positive balance of people in older and very young age groups, suggesting that Ceredigion is a place that may be preferred by families and people at more mature stages of their careers.

Table A1: Migration Flows (2017)

	Inflows	Outflows	Net Flows
Powys	5,800	-5,250	550
Ceredigion	5,500	-5,950	-450

Data Source: ONS, Migration Statistics

Figure A9: Migration Flows by Age Group (2017)



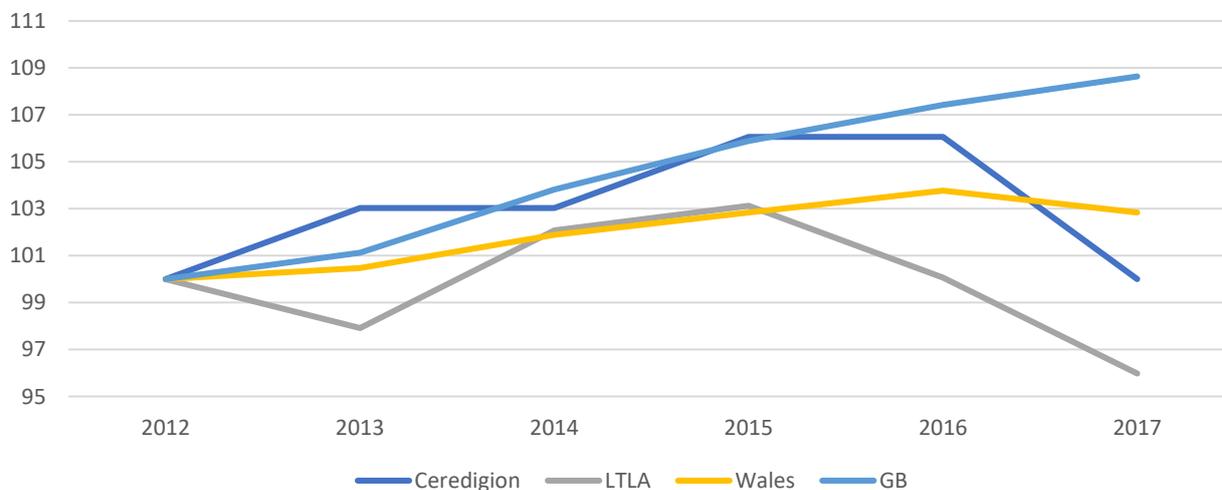
Data Source: ONS, Migration Statistics

Economy

A16. As of 2017, Ceredigion’s economy supported 33,000 jobs. In the last five years (2012 to 2017), employment has significantly fluctuated: up to 2016 it had grown by 6% up from the 2012 base but it then experienced a sharp decline in 2017 bringing it back to the 2012 level. Over the same period, growth in Wales and the UK has been more consistent and upwards, respectively at 3% and 9%.

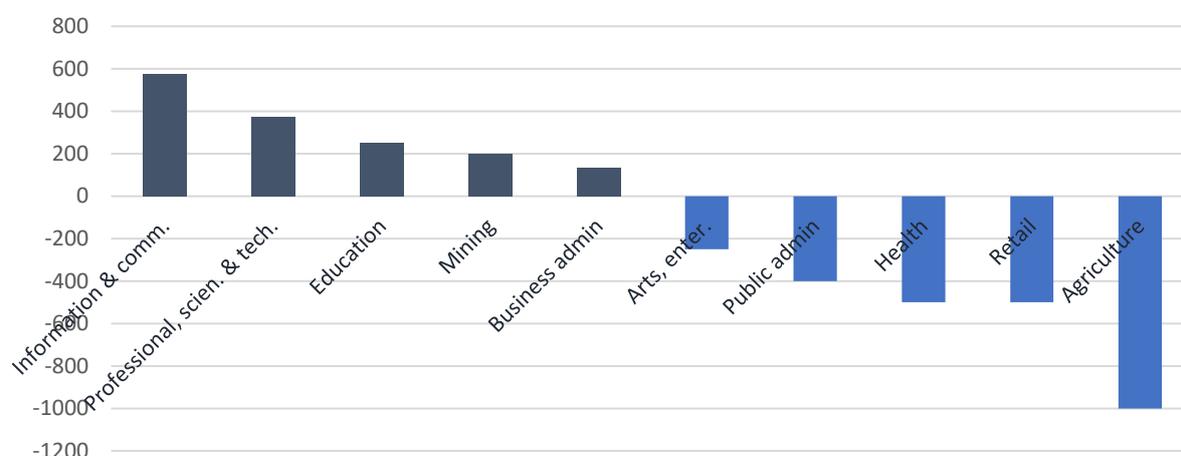
A17. Significant growth took place in Information & Comm., Professional Services, Education and Mining, while job decline has been primarily driven by job losses in the agricultural sector (-1,000 jobs), which is also the largest, followed by Retail, Health and Public Admin.

Figure A10: Indexed Employment Growth (2012=100)



Data Source: ONS, BRES

Figure A11: Net Change in Employment (2012-17) - top 5 and bottom 5 changes by sector



Data Source: ONS, BRES

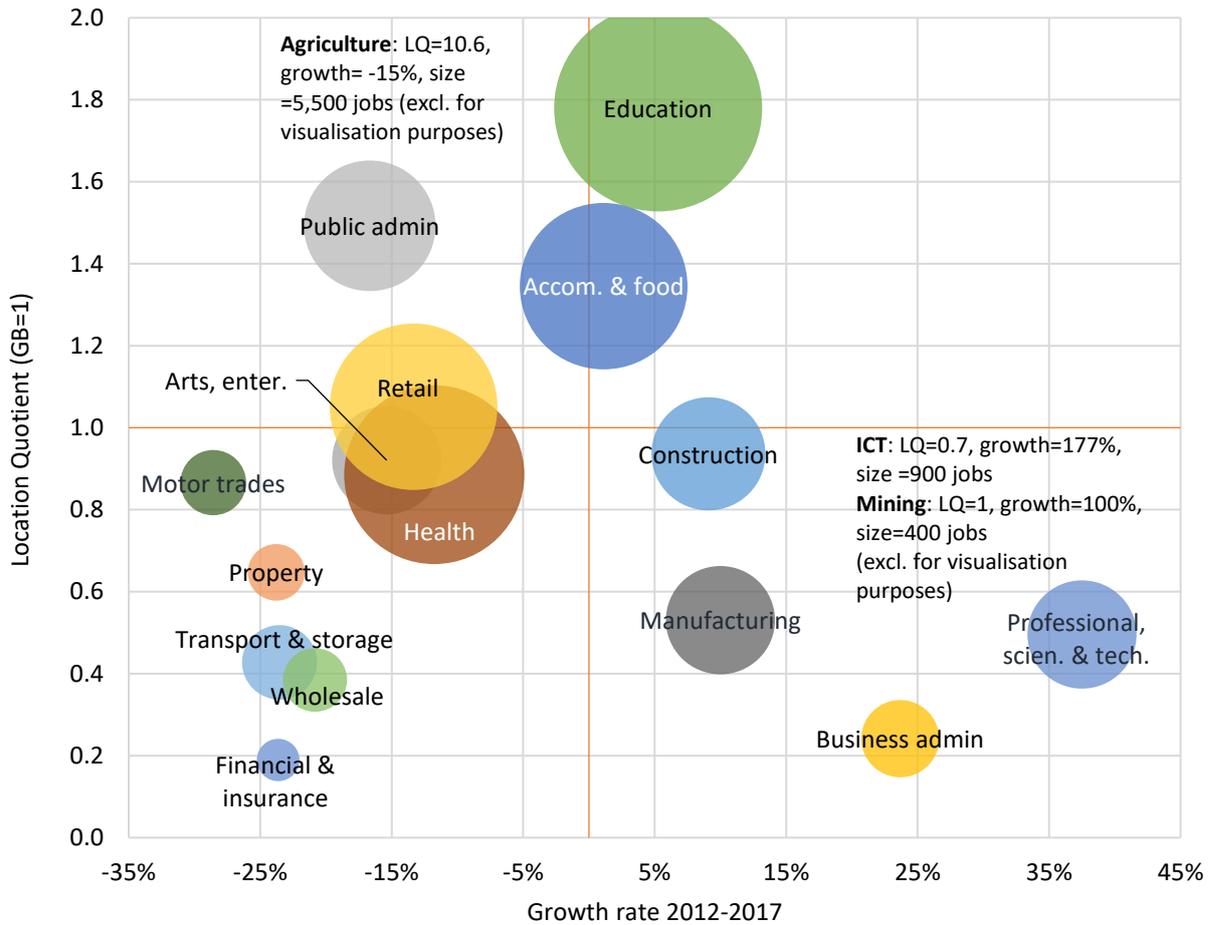
A18. Figure A122 will be used to describe the sectorial dynamics of change and specialisation in Ceredigion. The horizontal axis of the chart in Figure A12 measures proportional change in employment for a given sector from 2012 to 2017, while the vertical axis measures specialisation relative to Great Britain indicated by the Location Quotient (LQ): the higher is a sector's LQ above 1, the higher is its degree of specialisation locally. Each sector is represented by the different bubbles, whose size indicates the size of that sector's employment in 2017. The chart in Figure re-proposes the employment distribution by sector in 2017 in a pie chart to facilitate comparison.

A19. The largest sector in Ceredigion's economy is Agriculture, with 5,500 jobs (17% of total jobs), which also displays the highest degree of specialisation, being 10.6 times the size of the share of the agricultural sector in Great Britain. However, the sector has declined by 15% over the period. The second highest degree of specialisation is in Education, which is also the second largest sector (5,000 jobs) and has grown by 5% over the period. Public Admin has the third highest degree of specialisation but it has declined by 17%.

A20. Construction and Manufacturing are underrepresented in the economy but have both experienced growth. Some other high-value service sectors which are currently underrepresented, such as ICT and Professional and Business Services, are growing fast (ICT more than doubled in size), and present an opportunity for diversification away from the declining agricultural sector.

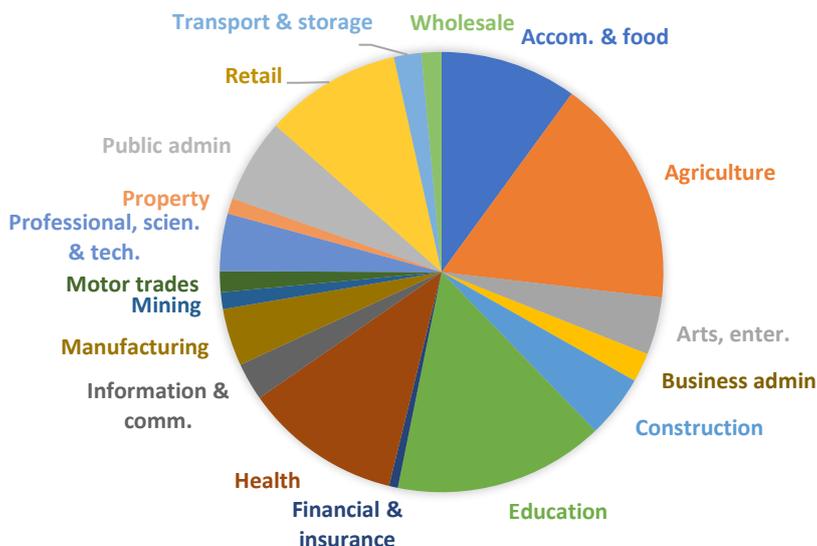
A21. There is a group of small sectors in the bottom left quadrant, such as Finance & insurance, Wholesale, Transport & storage and Property which are under-represented and declining, indicating these sectors are becoming increasingly less important for Ceredigion’s economy.

Figure A122: Employment Specialisation and Change by Sector (2012-17)



Data Source: ONS, BRES

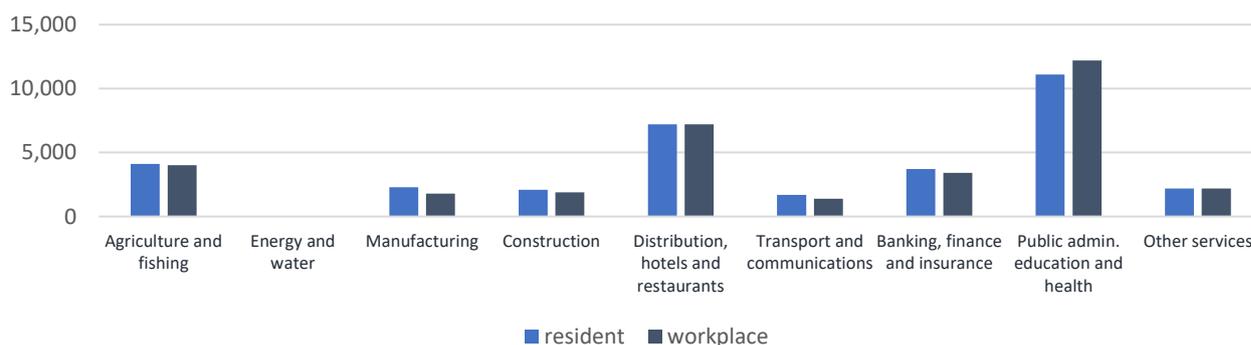
Figure A13: Employment distribution by sector (2017)



Data Source: ONS, BRES

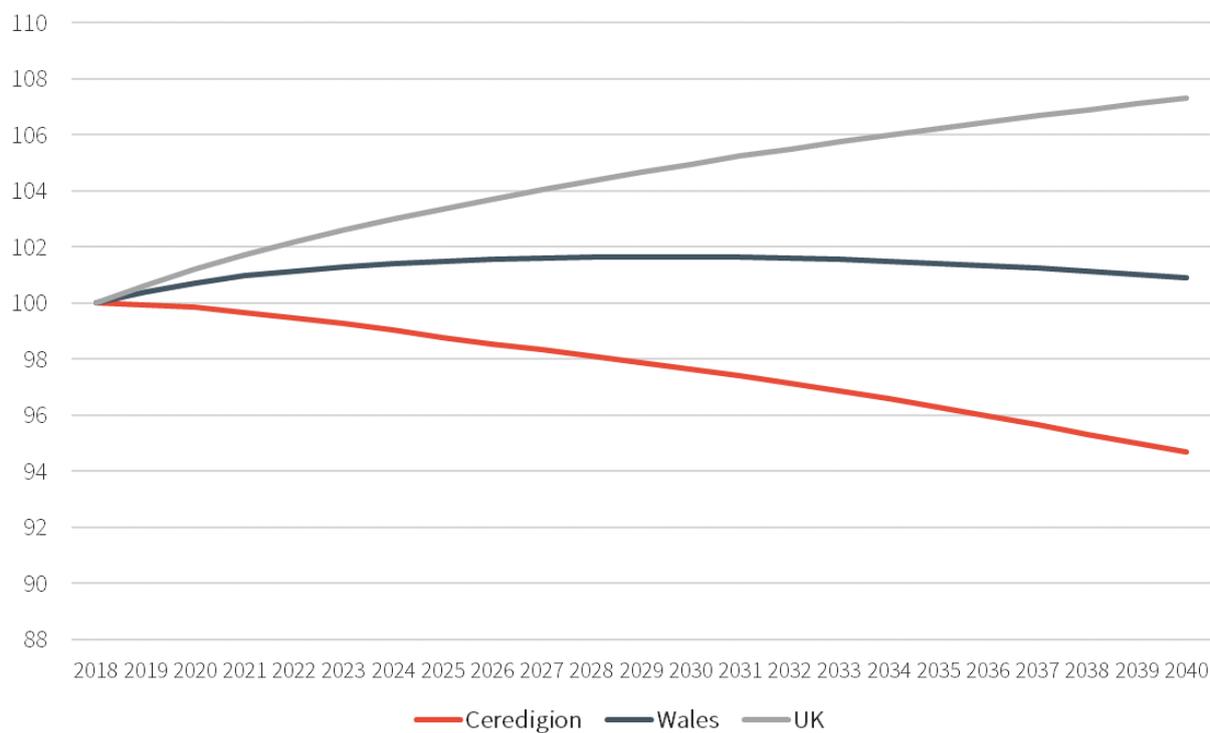
A22. Finally, the chart below compares the distribution of local jobs (workplace) against the distribution of employment by residents - which can take place within as well as outside Ceredigion. The only sectors that present a slightly more significant supply/demand imbalance are Public admin, education and health, for which there appear to be a higher supply of jobs and therefore workforce has to be drawn from nearby local authorities.

Figure A14: Employment distribution 2018 Ceredigion – Resident vs Workplace



Data Source: ONS, APS Jan 2018-Dec 2018

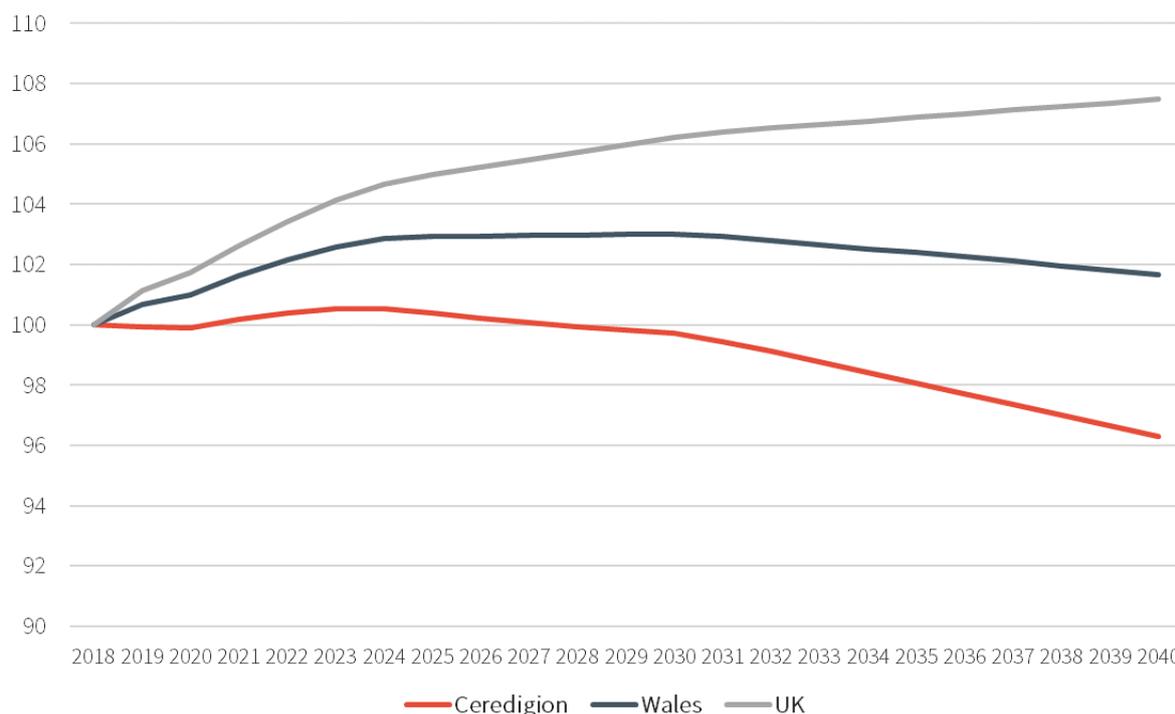
Economic Forecasts
Figure A15: Projected Employment Growth – 2018-2040



Data Source: Oxford Economics

A23. Ceredigion’s population is projected to decrease by approximately 5.5% by 2040. In the same period, employment is forecast to decrease by nearly 4%.

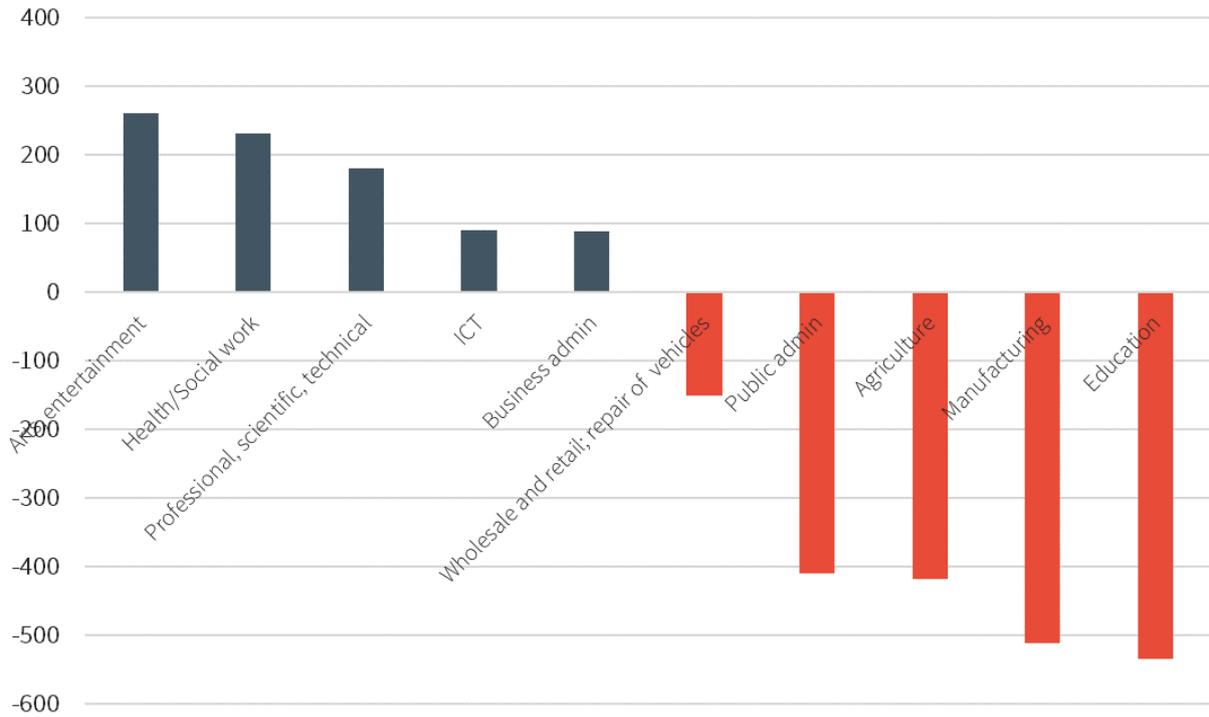
Figure A16: Projected Employment Growth – 2018-2040



Data Source: Oxford Economics

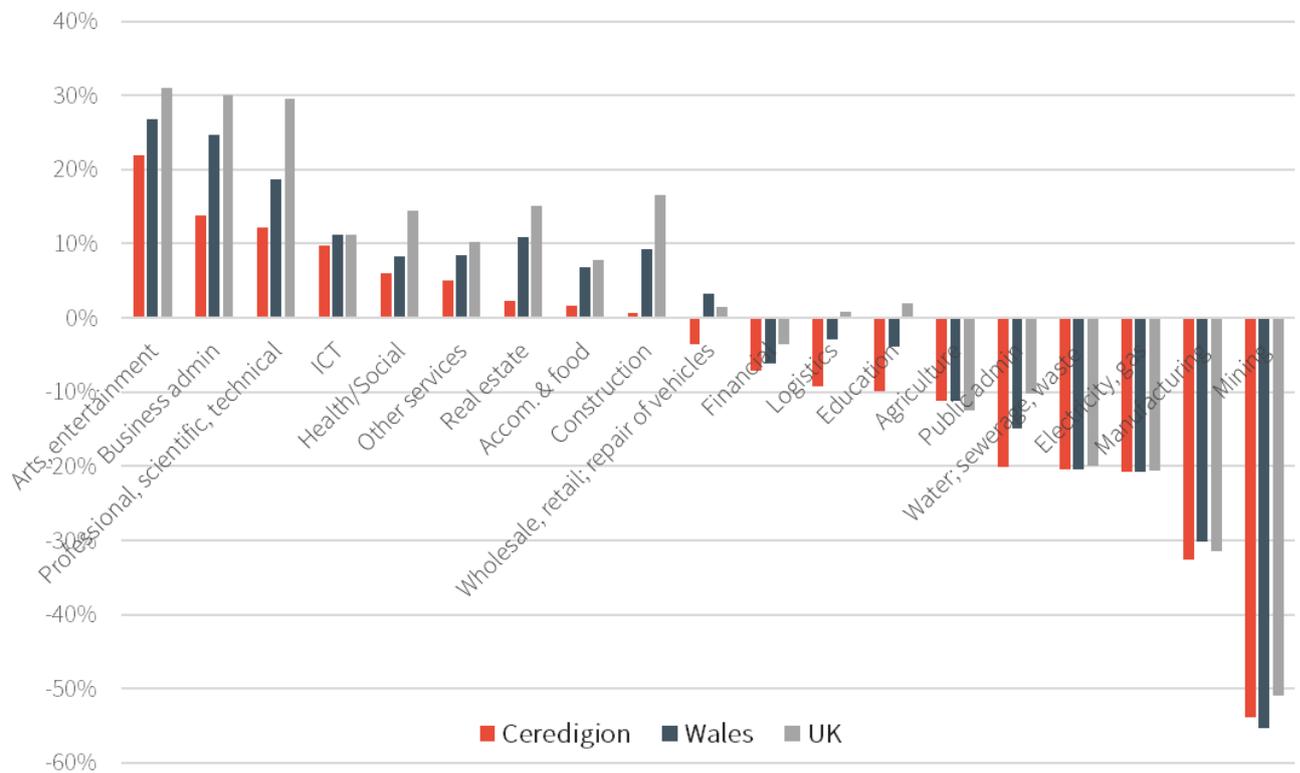
- A24. The forecast decline in employment is largely driven by loss of jobs in the education and manufacturing sectors, totalling around 1,000 fewer jobs. The overall predicted loss of employment in Ceredigion will be more pronounced than both the Welsh and English overall trend. Whilst insufficient to offset losses of jobs in other sectors, growth in the arts and entertainment sector and health and social work will lead to around 475 additional jobs by 2040.
- A25. Figure A16b further illustrates the more acute decline of employment in Ceredigion. Showing % change in employment to 2040, it can be seen that Ceredigion’s strongest growing sectors fail to meet the proportion of growth in these sectors nationally, and the sharpest contracting sectors in Ceredigion will decline further than these sectors nationally.

Figure A16a: Forecast Net Change in Employment (2018-40) - top 5 and bottom 5 changes by sector



Data Source: Oxford Economics

Figure A16b: Forecast Proportional Change in Employment (2018-40) – Wales and UK comparison



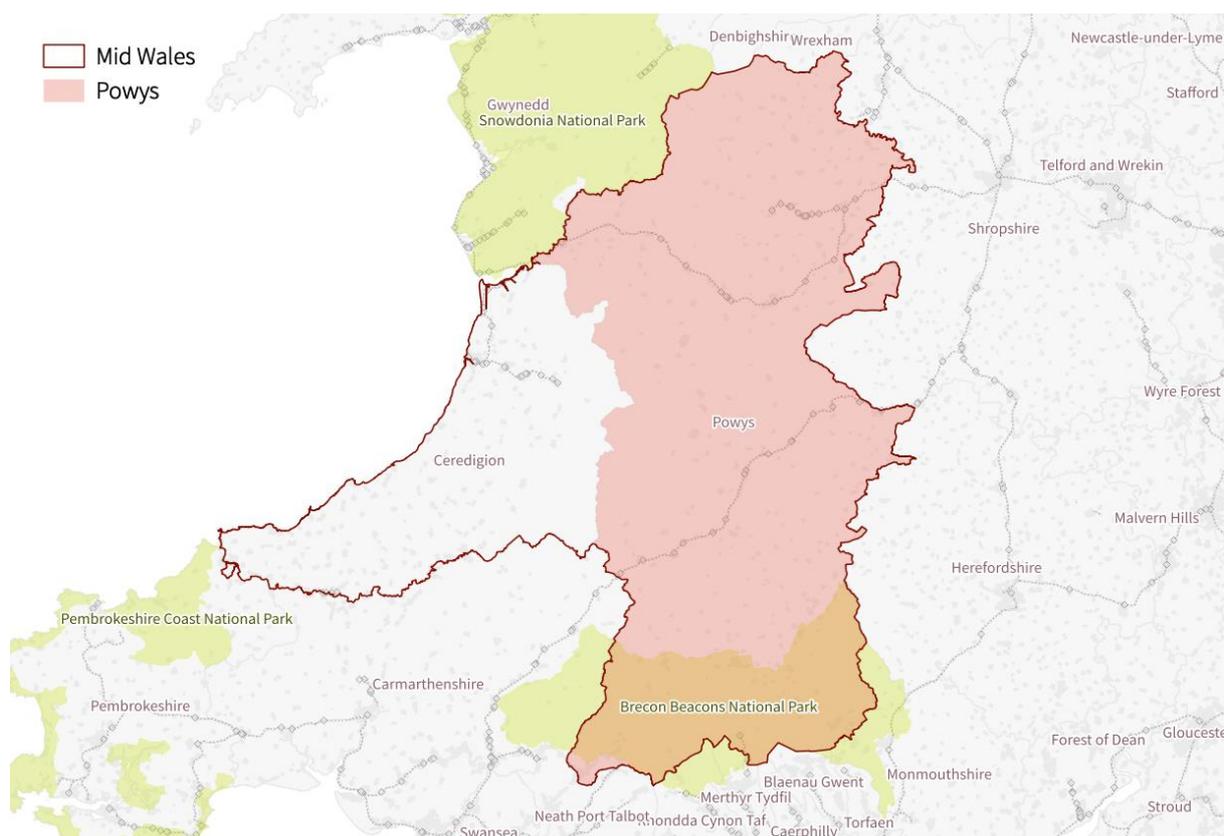
Data Source: Oxford Economics

Powys (including part of the Brecon Beacons National Park)

Introduction

A26. Powys is home to 132,450 people (64% of Mid Wales' and 4% of Wales population) and supports 61,000 jobs (65% of Mid Wales' and 5% of Wales').

Figure A17: Powys Boundaries



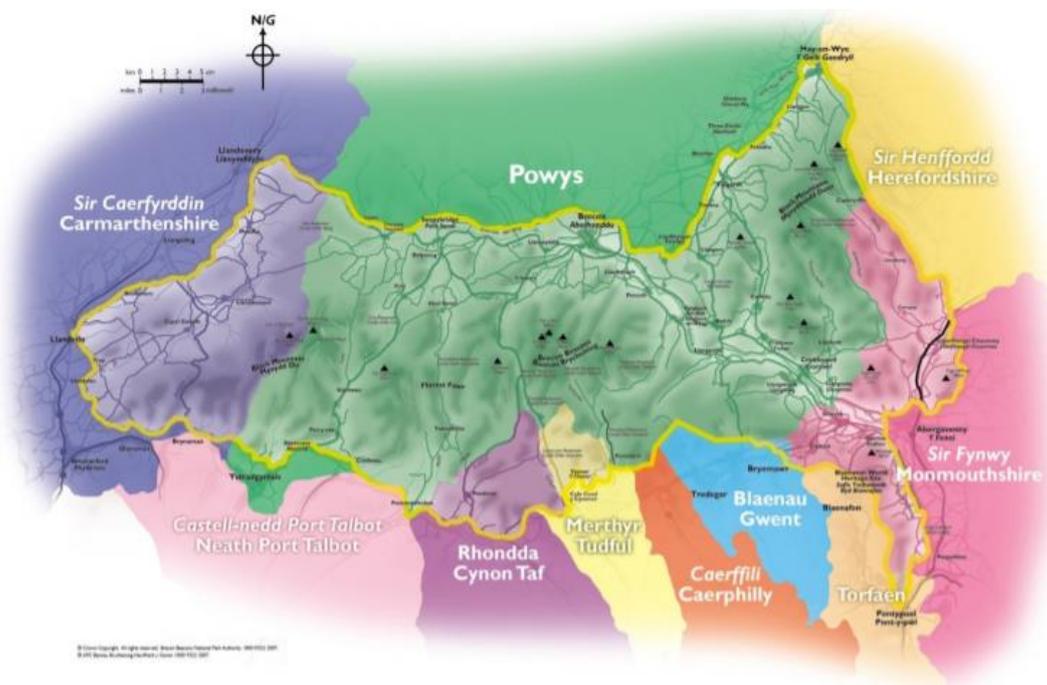
Data Source: Hatch 2020

3.47 Powys is by far the largest county in Wales and has the lowest population density, with about 26 people per square kilometre this ranks alongside the district of Eden in Cumbria as the lowest in England and Wales. It encompasses a rugged landscape of valleys and mountains, including most of Brecon Beacons National Park, and the entire historic counties of Montgomeryshire and Radnorshire, most of Brecknockshire, and the southern edge of Denbighshire. It borders 13 counties. To the west, its neighbouring counties include Ceredigion and Carmarthenshire. The English counties of Shropshire and Herefordshire are found on the east. The Snowdonia National Park Authority is located north-west. The area features a varied architectural landscape, as well as rich natural resources, of nationally and international significance. Powys' key economic sectors include tourism, agriculture, manufacturing, services and the public sector. It also features a high number of SMEs.

Brecon Beacons National Park

- A27. The Brecon Beacons National Park was established in 1957, under the National Parks and Access to the Countryside Act of 1949. It was the tenth area in Wales and England to be given such status. The two statutory purposes of the National Park Authorities, as defined in the 1995 Environment Act, are to conserve and enhance the natural beauty, wildlife and cultural heritage of the Park and to promote opportunities for the enjoyment and understanding of its special qualities. The Act also gives the National Park Authorities a duty to “seek to foster the economic and social well-being” of their local communities “without incurring significant expenditure in doing so”.

Figure A18: Brecon Beacons National Park



Source: Brecon Beacons National Park

- A28. The Brecon Beacons National Park is located between the industrial South Wales Valleys and the rural Mid Wales. It also holds the International Union for Conservation of Nature (IUCN) designation of a Category V protected landscape. It extends over an area of 1344 sqkm, which consists of uplands, green valleys, ancient woodland, caves, forests, waterfalls and reservoirs. The distinctive Pen y Fan table-top summit in the centre of the park represents its highest point, standing at a height of 886m. The Park features 9,000 varieties of plants and animals. It is home to 33,701¹ people – of whom

¹ <https://statswales.gov.wales/Catalogue/Population-and-Migration/Population/Estimates/National-Park/PopulationEstimates-by-Year-NationalPark>

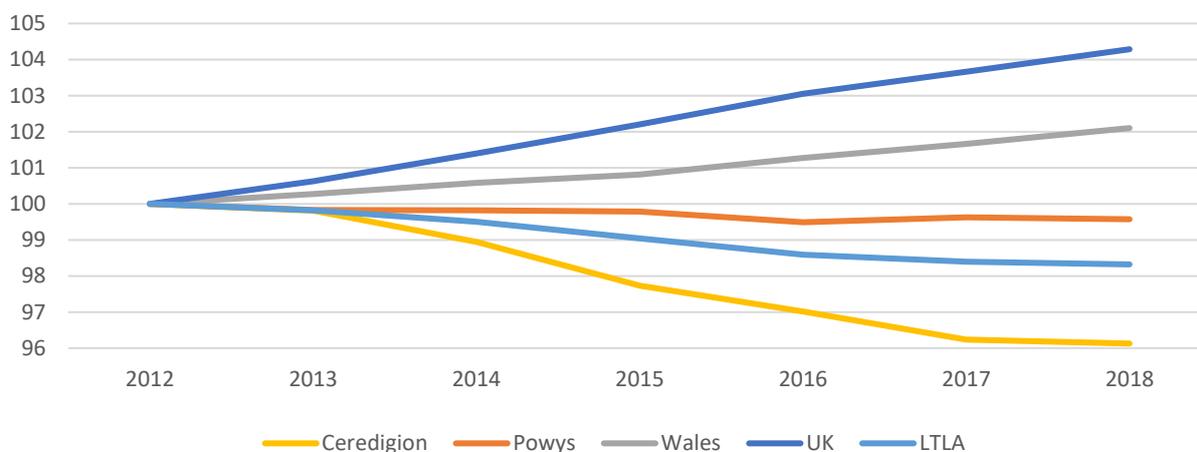
8,419² are in the town of Brecon, making it the largest settlement in the area – and it has prominent Welsh heritage. It attracts over 3 million visitors annually³, some of whom come to enjoy the peaceful atmosphere, whilst others engage in activities ranging from mountain biking to water-based entertainment.

A29. The following section sets out the most recent employment and related socio-economic data for Powys and Brecon Beacons National Park.

Demographics

A30. As of 2018, Powys is estimated to be home to 132,450 people⁴, 64% of Mid Wales' total population. Since 2012, the population is estimated to have decreased by 500 people (-0.4%). This decline contrasts with the +4% growth for the UK and the +2% growth observed in Wales.

Figure A19: Indexed Population Growth 2012-2018 (2012=100)



Data Source: ONS, Population Estimates

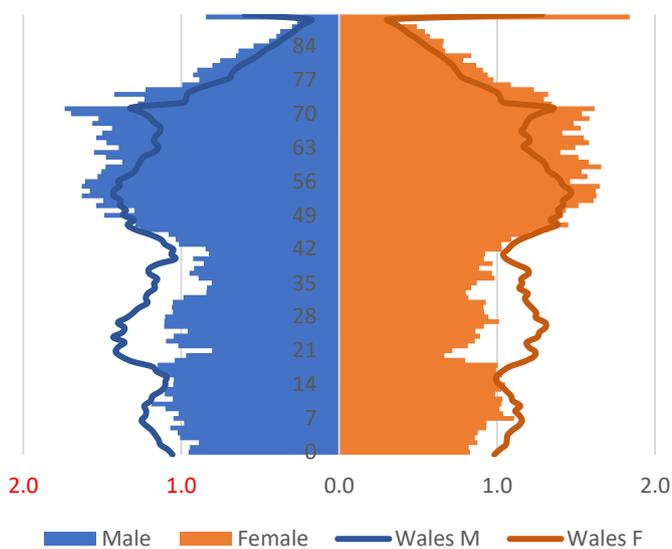
² <https://citypopulation.de/php/uk-wales.php?cityid=W37000173>

³ (Brecon Beacons National Park Authority, 2017)

⁴ ONS Mid-Year Population Estimates

**Figure A20: Population Age Structure 2018
- Powys vs Wales**

A31. The Population age structure of Powys is illustrated by the population pyramid in the chart on the right. The age structure presents a lower proportion of people in their 20s and 30s compared to Wales (19% vs 25% in Wales).



A32. There are 75,450 people in the working age group (16-64 years old), making up 57% of the total population – a share below the UK and Wales (61%) averages.

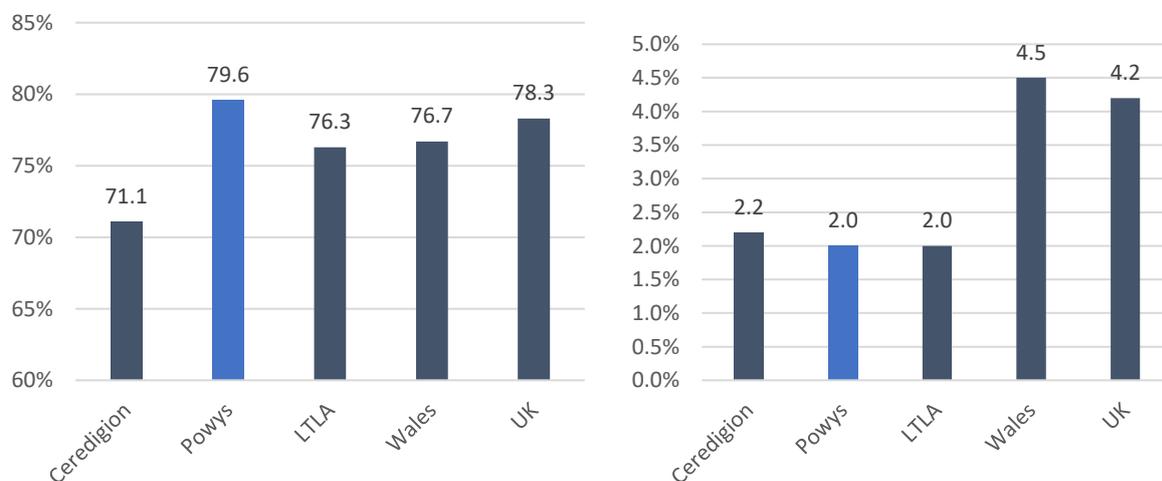
Data Source: ONS Population Estimates (63%)

Labour Market and Skills

A33. Economic activity rate for the working age group in Powys is at 79.6%, above the UK (78.3%) and Wales (76.7%) averages.

A34. Powys’ unemployment rate (aged 16+) is at 2%, less than half the rates for Wales (4.5%) and the UK (4.2%).

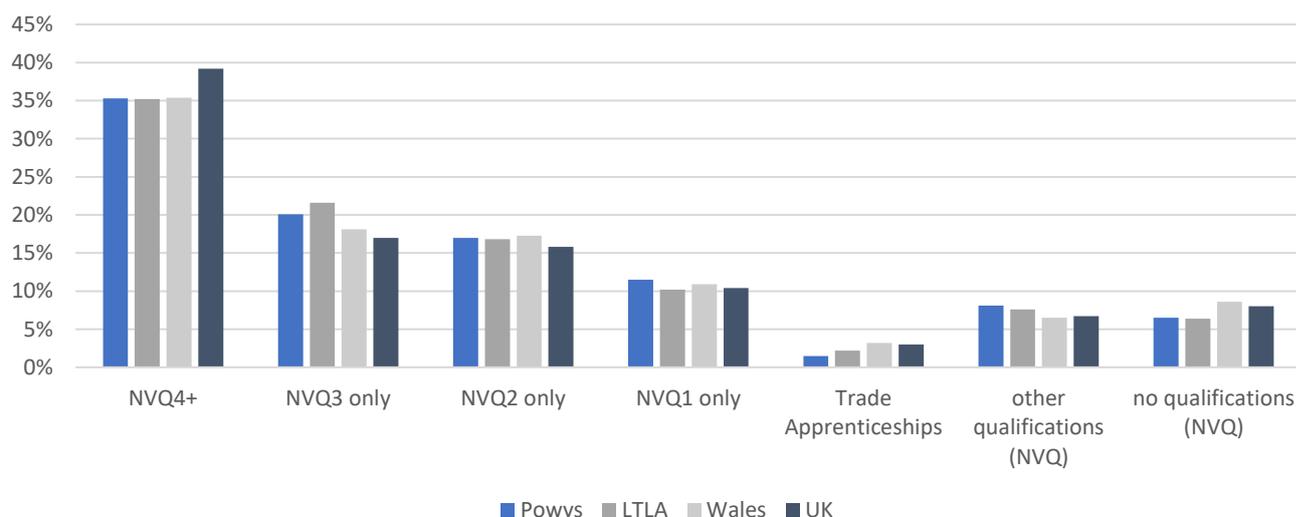
Figure A21: Economic Activity (16-64) and Unemployment (16+) 2018



Data Source: ONS, APS Jan 2018-Dec 2018

A35. The qualification profile of Powys indicates that the proportion of residents educated at degree level and above is 3.9 percentage points below the UK average but in line with Wales'. Powys has a higher proportion of people with an NVQ3 only and below UK's and Wales' levels of people with no qualifications.

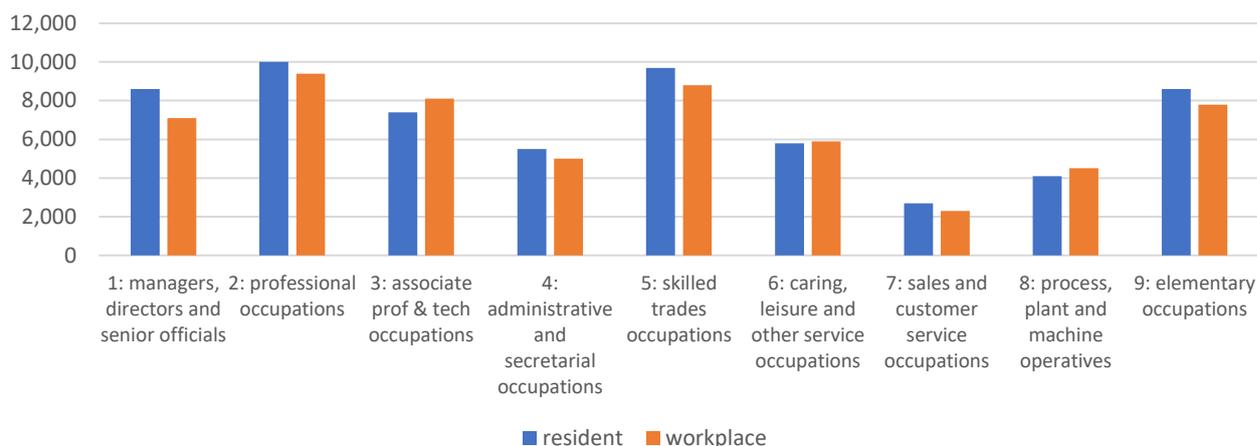
Figure A22: Qualification Profile 2018



Data Source: ONS, APS Jan 2018-Dec 2018 Note: aged 16-64

A36. The chart below compares the distribution of occupations across Powys' residents against the distribution of occupations provided by jobs in the local authority (labelled workplace). In managerial, professional, skilled trades and elementary occupations (and to a lesser extent in admin and sales) there are more residents in employment than workplaces locally, indicating that a share of the resident population is finding employment in these occupations outside Powys. On the other hand, associate professional & tech and process plant occupations are in higher supply locally.

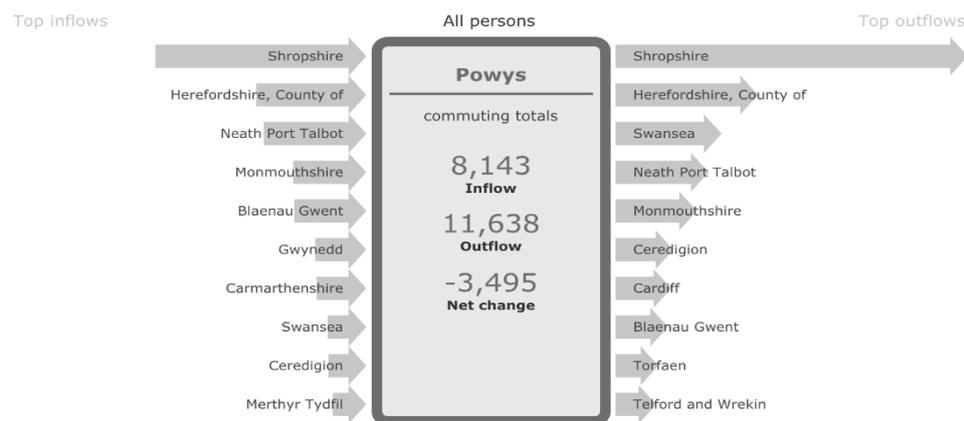
Figure A23: Powys's Occupational Distribution 2018



Data Source: ONS, APS Jan 2018-Dec 2018

A37. The imbalance between the number of jobs and residents in employment can be investigated further by looking at commuting flow patterns for Powys, which give an indication of where residents are likely to commute to work. The analysis of flows is based on Census 2011 data, which confirms net out-commuting of about 3,500. The chart below maps out the commuting flows in and out of Powys, listing the top ten destinations of Powys out-commuters and top ten origins of in-commuters. Shropshire is the local authority with the strongest commuting relationships with Powys, accounting for about 23% of the total inflows and 27% of total outflows. Ceredigion accounts for only 3% of the inflow and of the outflow.

Figure A24: Origin and destination of commuting flows for Powys



Commuting totals for Powys:

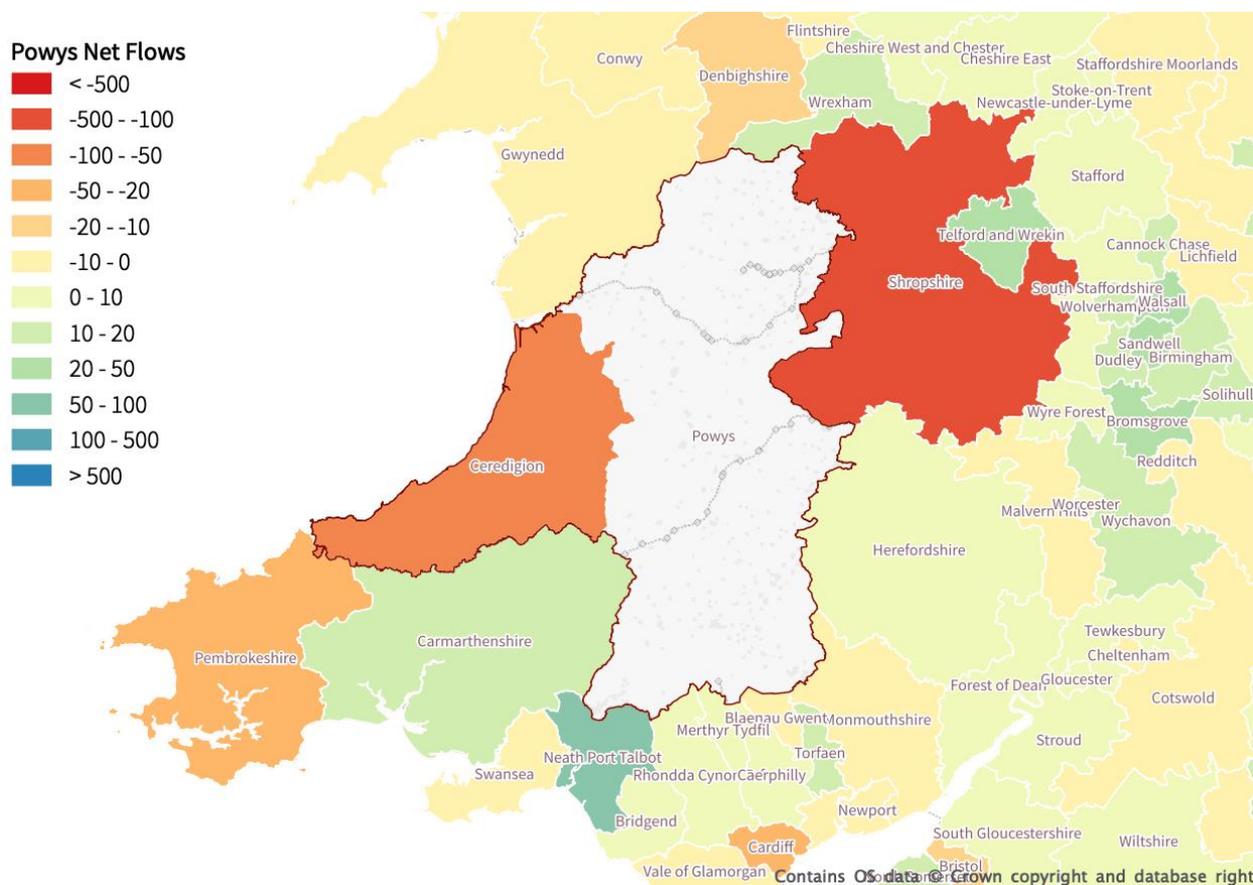
- Inflow: 8,143 all persons commute into Powys from other local authorities in the UK.
- Outflow: 11,638 all persons commute out of Powys to other local authorities in the UK or abroad.
- Net change: Overall, commuting results in a population decrease of 3,495 all persons in Powys.

Data Source: ONS, Census 2011

Migration

A38. The analysis of migration patterns (housing moves between local authorities – not international) gives an indication of the strength of the relationship between local authorities’ housing markets. The map below illustrates the net flows between Powys and other local authorities, where a negative figure (yellow to red) indicates that a given local authority has more people moving in from Powys than vice versa. In 2017, within Mid Wales, there was a net negative flow to Ceredigion. The most significant negative flow is to its north east neighbouring local authority Shropshire, while the most significant positive net flow is from Neath Port Talbot to the South. Overall, as illustrated by Table 5, the migration balance for Powys is positive at 550.

Figure A25: Powys Net Flows



Data Source: ONS, Migration Statistics

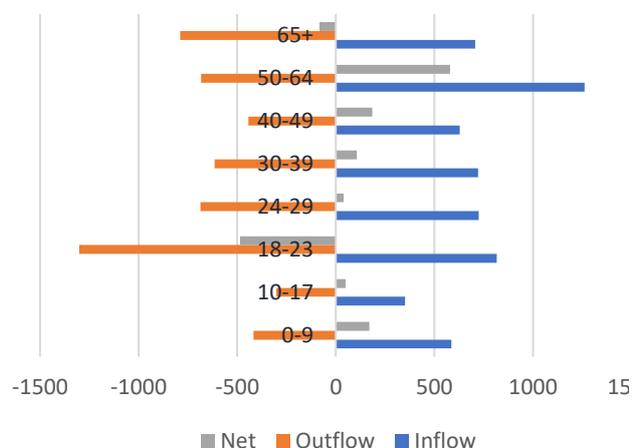
A39. The chart overleaf shows Powys’ migration flows by age group in 2017. There is a positive balance across all age groups with the exception of the aged 18-23, whose negative net figure is likely to indicate people going to university, and for the aged 65+.

Table A2: Migration Flows (2017)

	Inflows	Outflows	Net Flows
Powys	5,800	-5,250	550
Ceredigion	5,500	-5,950	-450

Data Source: ONS, Migration Statistics

Figure A26: Migration Flows by Age Group (2017)



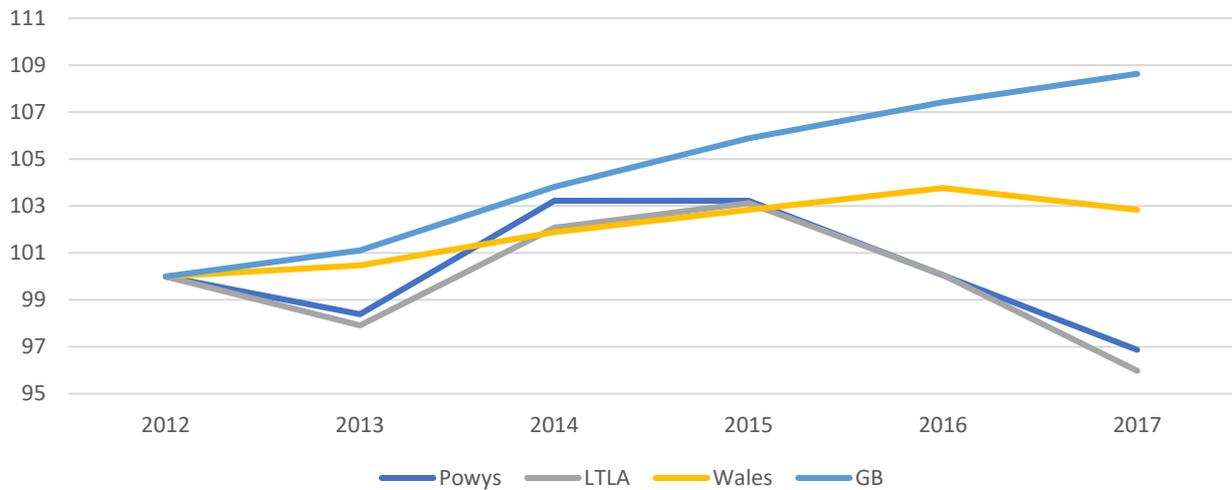
Data Source: ONS, Migration Statistics

Economy

A40. As of 2017, Powys supported 61,000 jobs⁵, 5% of Wales jobs. Over the last five years (2012 to 2017), employment growth in Powys has fluctuated upwards and downwards, with significant growth between 2013 and 2014 and a fairly severe decline between 2015 and 2017, with an overall decline of nearly 2,000 jobs over the five-year period, or -3%: a negative growth rate that contrasts with the positive growth observed in Wales (+3%) and UK (+9%) over the same period. This decline has been primarily driven by the Retail, Agriculture and Health sectors (with a combined loss of nearly 3,000 jobs), while the sectors that have been driving growth are Manufacturing (+1,000), Information & Communications (+875) and Professional services (+560).

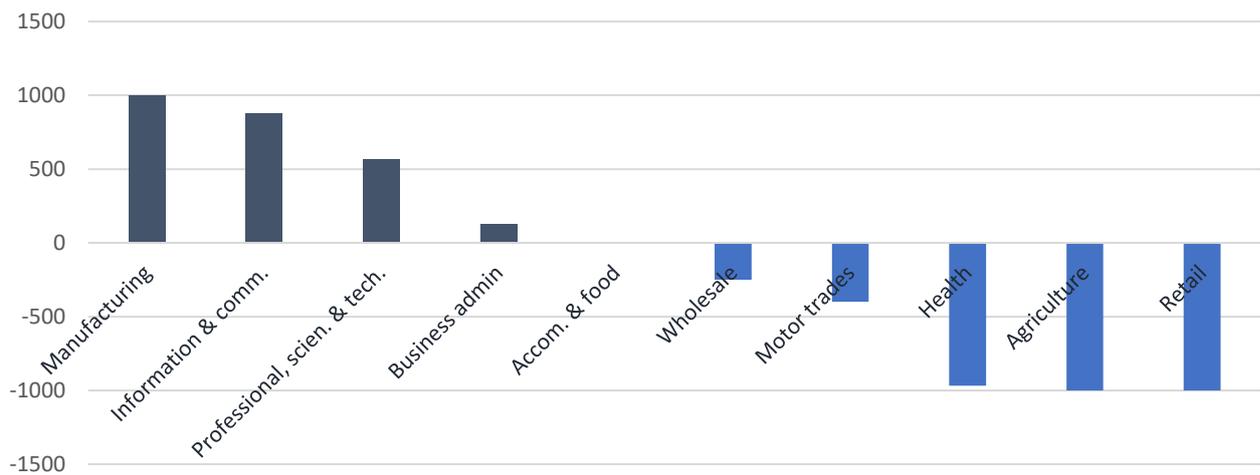
⁵ Business Register and Employment Survey (BRES)

Figure A27: Indexed Employment Growth (2012=100)



Data Source: ONS, BRES

Figure A28: Net Change in Employment (2012-17) - top 5 and bottom 5 changes by sector

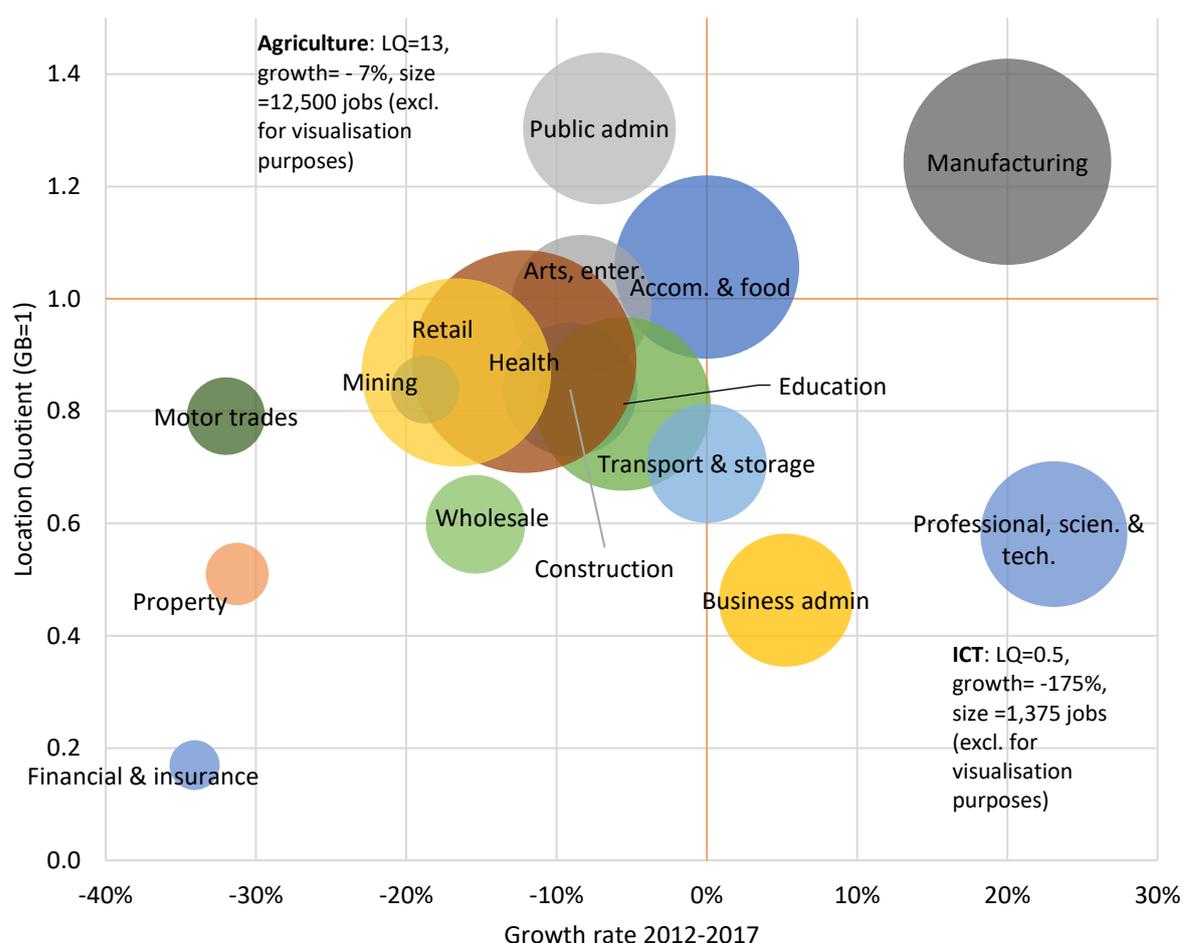


Data Source: ONS, BRES

A41. The following two charts illustrate the sectoral dynamics of change and specialisation in Powys. The horizontal axis of the first chart measures proportional change in employment for a given sector from 2012 to 2017, while the vertical axis measures specialisation relative to Great Britain indicated by the Location Quotient (LQ): the higher is a sector's LQ above 1, the higher is its degree of specialisation locally. Each sector is represented by the different bubbles, whose size indicates the size of that sector's employment in 2017. The second chart re-proposes the employment distribution by sector in 2017 in a pie chart to facilitate comparison.

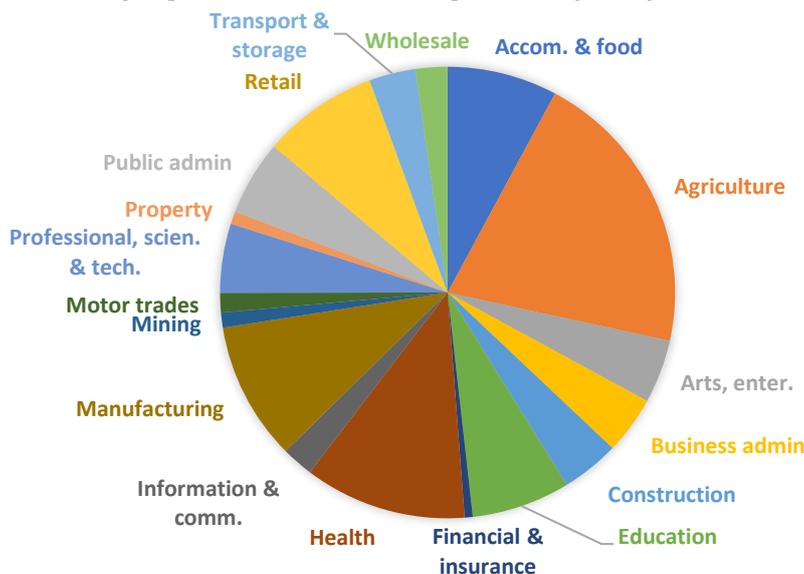
A42. Agriculture is the largest sector in Powys' economy, accounting for 12,500 jobs, over a fifth of total jobs and is also the sector displaying the highest degree of specialisation, being 13 times the size of the share of the Agricultural sector in Great Britain. However, the sector has declined by 7% over the period. Health is the second largest sector (7,000 jobs) but, as observed above, has lost 1,000 jobs over the period. Manufacturing is the third largest sector (6,000 jobs) it presents above level degree of specialisation and has undergone significant growth over the period (+20%). Professional, Sci & Tech Services and ICT are sectors currently under-represented in the economy but have grown considerably in the last five years, driving diversification towards a knowledge- and service-based economy. Other high-value services such as Finance & Insurance and Property however are falling further behind.

Figure A29: Employment Specialisation and Change by Sector (2012-17)



Data Source: ONS, BRES

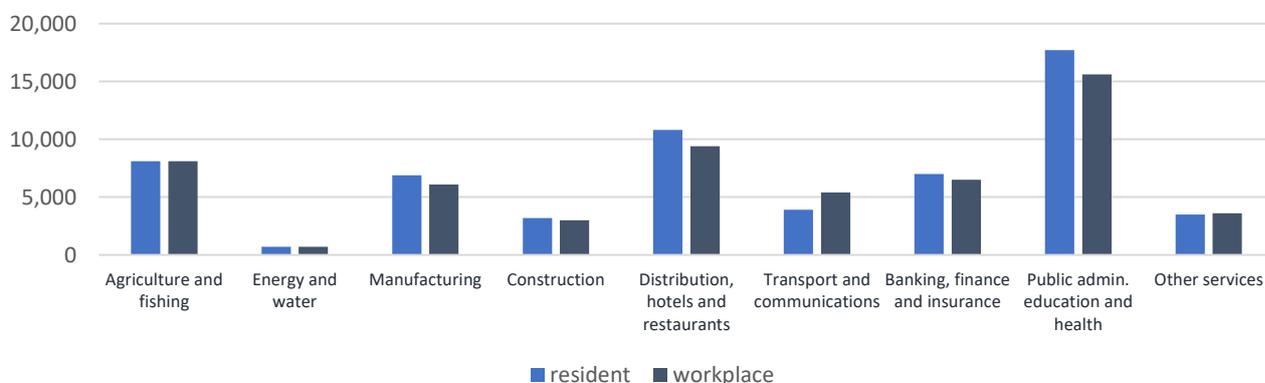
Figure A30: Employment distribution by sector (2017)



Data Source: ONS, BRES

A43. Finally, the chart below compares the distribution of local jobs (workplace) against the distribution of employment by residents - which can take place within as well as outside Powys. The sectors that present the largest demand/supply imbalance are Public Admin, education & health, Distribution, hotels & restaurants and Manufacturing, for which the local supply of jobs is lower than the number of residents working in the sector, indicating that out-commuting is more likely to take place within these industries. Transport & Communication, on the other hand, presents a higher supply of jobs than number of employed residents, indicating that some of these jobs must be taken by residents of other local authorities.

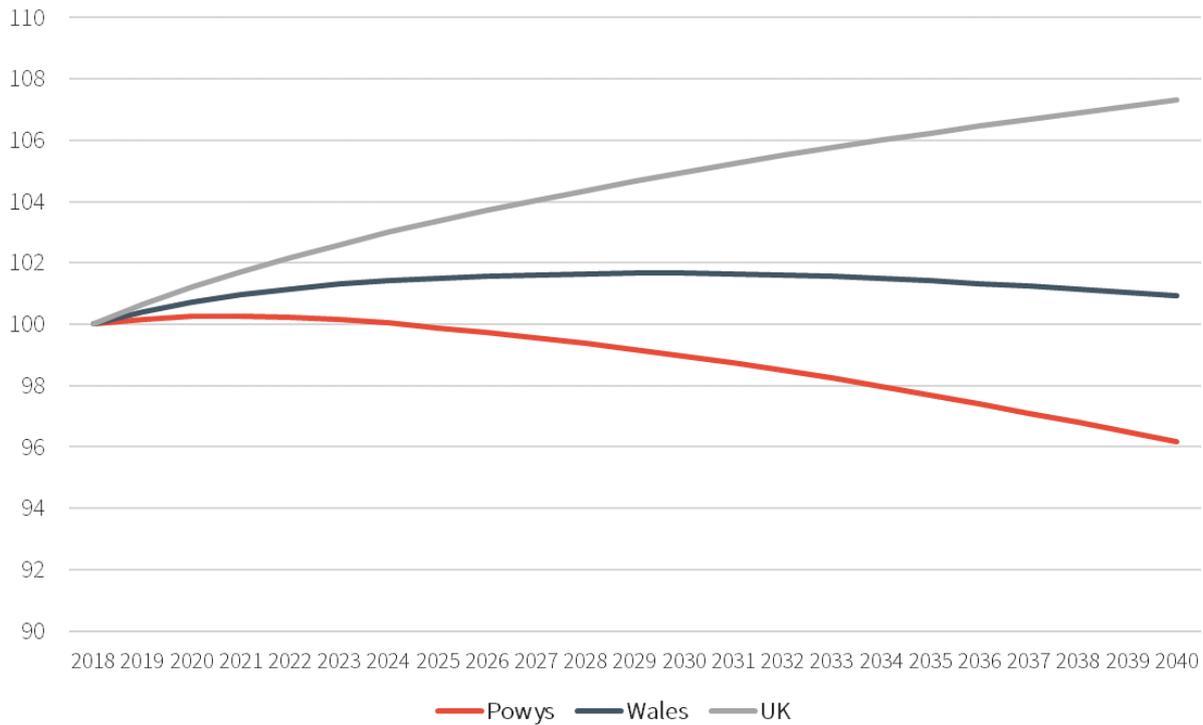
Figure A31: Employment distribution 2018 Powys – Resident vs Workplace



Data Source: ONS, APS Jan 2018-Dec 2018

Economic Forecasts

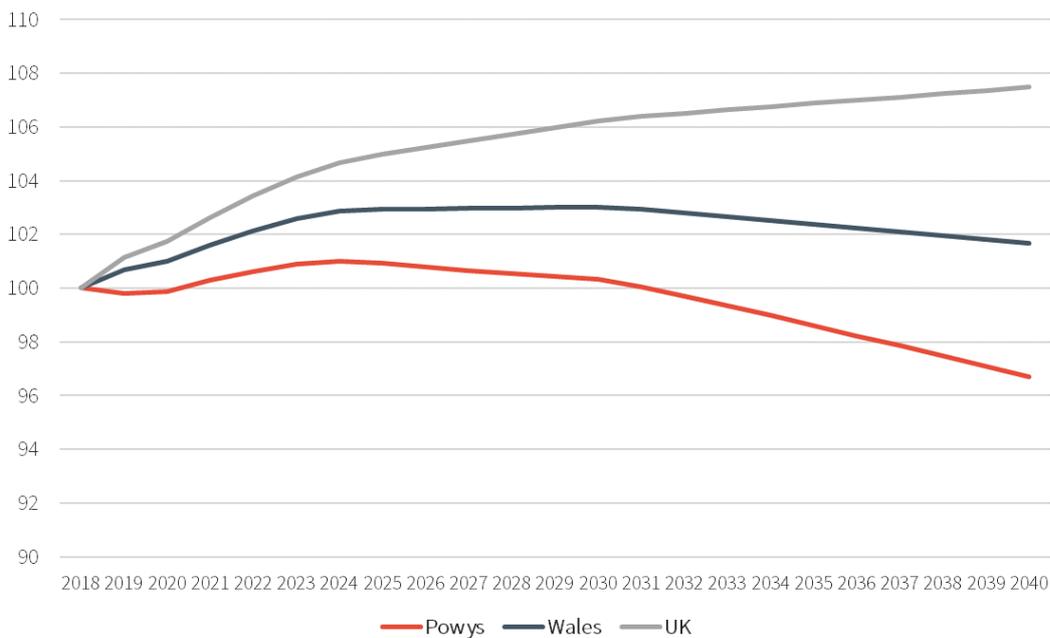
Figure A32: Projected Population Change – 2018-2040



Data Source: Oxford Economics

A44. Powys’ population is projected to decrease by 4% between 2018-2040. In the same period, employment is forecast to decrease by more than 3.5%.

Figure A33: Forecast Employment Growth – 2018-2040

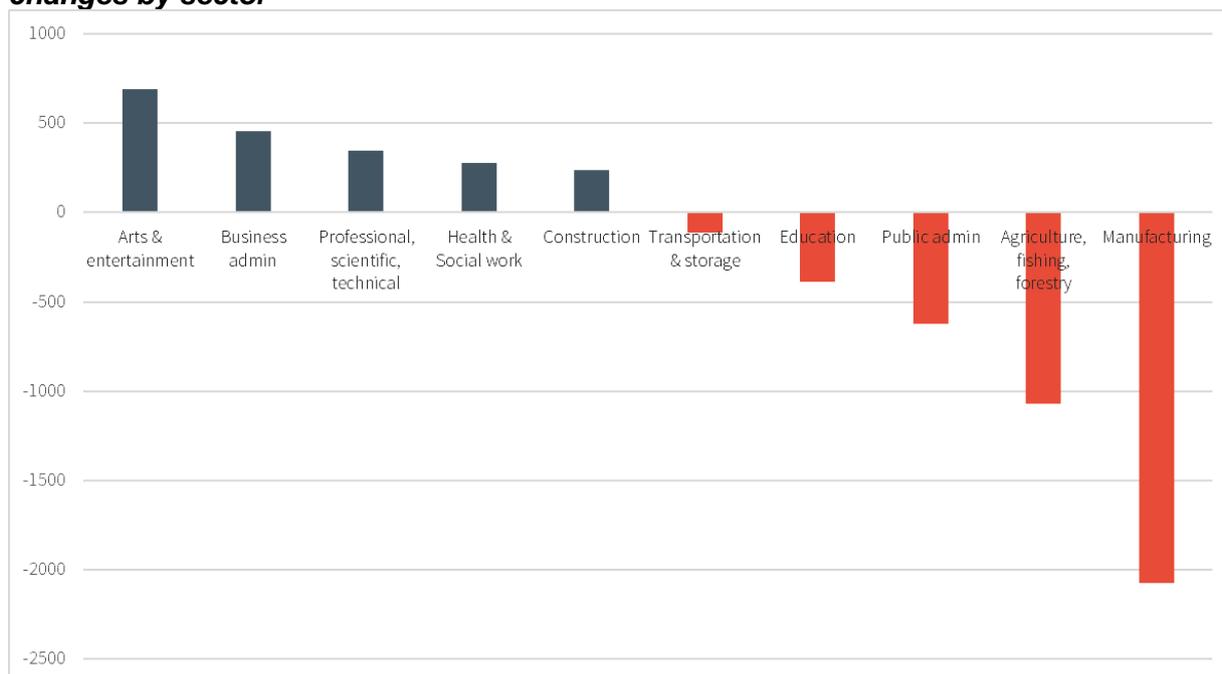


Data Source: Oxford Economics

A45. The decline is largely driven by loss of jobs in the education and agriculture sectors, totalling more than 3,000 jobs lost. The overall loss of employment in Powys is forecast to be more pronounced than both the Welsh and English overall trend. Modest growth in the arts and entertainment sector and business administration sectors will bring around 1,000 additional jobs by 2040.

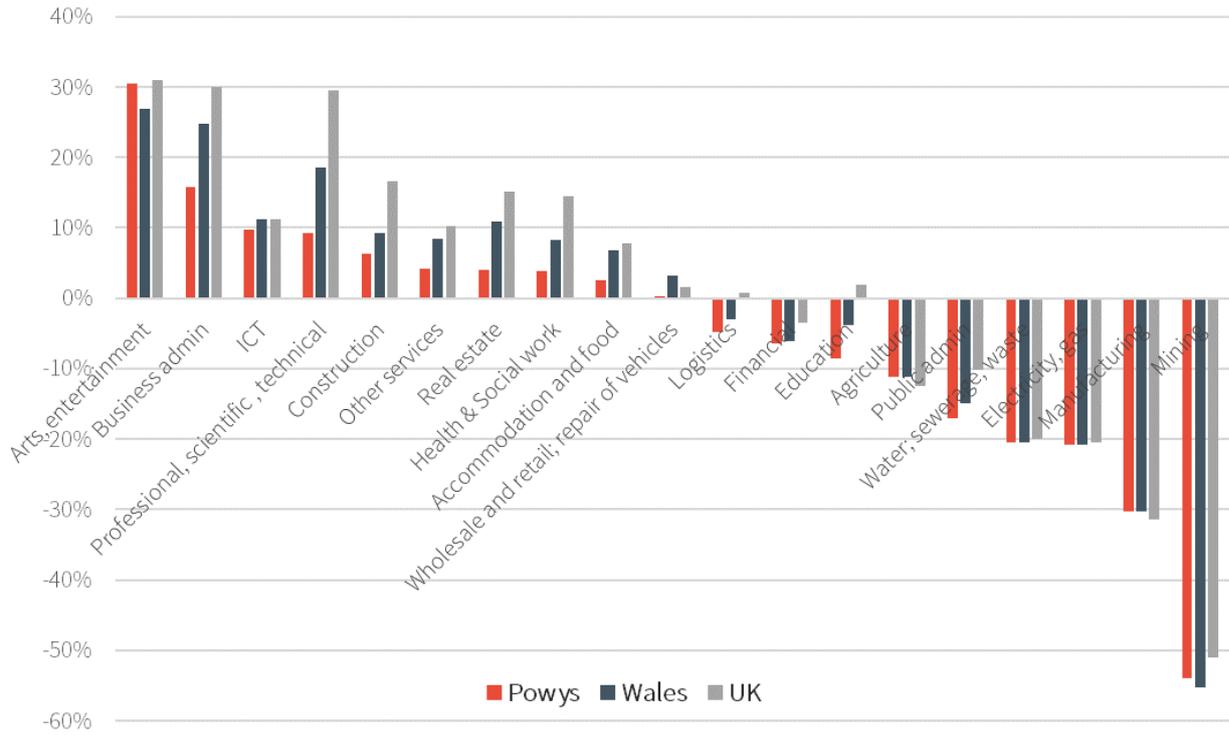
A46. Figure 35 further illustrates the more acute forecast decline of employment in Powys. Showing percentage change in employment to 2040, it can be seen that Powys' strongest growing sectors fail to meet the levels of growth in these sectors nationally, with the notable exception of arts and entertainment which is forecast to grow strongly in Powys. Those sectors forecast to decline in Powys will not do so at a significantly faster rate than will be seen in both Wales and England.

Figure A34: Forecast Net Change in Employment (2018-40) - top 5 and bottom 5 changes by sector



Data Source: Oxford Economics

Figure A35: Forecast Proportional Change in Employment (2018-40) – Wales and UK comparison



Data Source: Oxford Economics

APPENDIX 2

VACANCIES

Mid Wales Employment Sites and Premises Needs Assessment and Action Plan – Stage One
Ceredigion and Powys County Councils, Brecon Beacons National Park Authority, Welsh Government

Address	Area	Tenure	Size		Price £/Sqm	Price	Agent
			Sqft	Sqm			
Ddole Road Industrial Estate, Llandrindod Wells, Llandrindod Wells, LD1 6DF	Powys	FH	2,971	276			McCartneys
Penisadre, East Street, Rhayader, LD6 5DU	Powys	FH	5,990	556		£ 130,000.00	McCartneys
Penisadre, East Street, Rhayader, LD6 5DU	Powys	FH	7,000	650		£ 245,000.00	McCartneys
Penisadre, East Street, Rhayader, LD6 5DU	Powys	FH	12,990	1,207		£ 380,000.00	McCartneys
The Courtyard, Upper House Farm, Crickhowell, NP8 1BP	Powys/BB	FH	Not Available	Not Available		£ 180,000.00	Not Available
Tre Owain Industrial Estate, Forge Road, Machynlleth, SY20 8EG	Powys	FH	9,090	844		£ 500,000.00	Barbers Commercial
Tre Owain Industrial Estate, Forge Road, Machynlleth, SY20 8EG	Powys	FH	13,743	1,277		£ 390,000.00	Towler Shaw Roberts LLP
Warehouse Unit, Off A458, Welshpool, SY21 0NS	Powys	FH	6,251	581		£ 565,000.00	Halls Commercial
Retail Warehouse, Foel, Welshpool	Powys	FH	56,628	5,261		£ 565,000.00	Halls Commercial
CARDI BUILDING SUPPLIES, C1177 FROM THE JUNCTION OF THE A484 AT CROESYLLAN TO THE JUNCTION OF THE B4570 AT LLANGOEDMOR, LLANGOEDMOR, SA43 2LH	Ceredigion	FH	158,477	14,723			JLL
Workshop at, A4120, Aberystwyth, SY23 3JS	Ceredigion	FH	Not Available	Not Available		£ 100,000.00	John Francis Commercial
Lower Wenallt, Lower Wenallt, Hay-on-Wye, HR3 5QW	Powys/BB	LH	545	51	39		McCartneys

Mid Wales Employment Sites and Premises Needs Assessment and Action Plan – Stage One
Ceredigion and Powys County Councils, Brecon Beacons National Park Authority, Welsh Government

Sheep Barn, Pantyvithel Farm, Hay-on-Wye, HR3 5RH	Powys/BB	LH	Not Available	Not Available			McCartneys
Ddole Road Industrial Estate, Llandrindod Wells, Llandrindod Wells, LD1 6DF	Powys	LH	Not Available	Not Available			McCartneys
Berthllwyd Fawr Barn, Pengefnffordd, Brecon, LD3 0HA	Powys/BB	LH	560	52	15		McCartneys
Neuaddwen Cattle Barn, Talybont-On-Usk, Brecon, LD3 7YS	Powys/BB	LH	Not Available	Not Available			McCartneys
Barns & Stores Near, A4215, Brecon, LD3 8NP	Powys/BB	LH	4,068	378			McCartneys
Forest Industrial Estate, Defynnog Road, Brecon, LD3 8RS	Powys/BB	LH	1,486	138			Stuart Hogg Property Consultant
Forest Industrial Estate, Defynnog Road, Brecon, LD3 8RS	Powys/BB	LH	8,991	835			Stuart Hogg Property Consultant
The Courtyard, Upper House Farm, Crickhowell, NP8 1BP	Powys/BB	LH	1,033	96	106		Stuart Hogg Property Consultant
The Courtyard, Upper House Farm, Crickhowell, NP8 1BP	Powys/BB	LH	323	30	160		Stuart Hogg Property Consultant
Ynyscedwyn Industrial Estate, Trawsffordd Road, SA9 1DT	Powys	LH	1,500	139	81		Lambert Smith Hampton
Caerbont Enterprise Park, Caerbont, SA9 1SQ	Powys	LH	5,177	481			Hansteen Limited
GROOMS BUILDINGS, POOL ROAD, NEWTOWN, SY16 1DL	Powys	LH	4,043	376	33		Cooper Green Pooks
Unit 11 , Vastre Industrial Estate Newtown SY16 1DZ	Powys	LH	3,132	291	32		Cooke & Arkwright

Mid Wales Employment Sites and Premises Needs Assessment and Action Plan – Stage One
Ceredigion and Powys County Councils, Brecon Beacons National Park Authority, Welsh Government

Vastre Industrial Estate, Heol Vastre, Newtown, SY16 1DZ	Powys	LH	505	47	200	Hansteen Limited-01443 844795,
Vastre Industrial Estate, Heol Vastre, Newtown, SY16 1DZ	Powys	LH	3,136	291	19	Morris Marshall & Poole Limited
Mochdre Industrial Estate, Mochdre Lane, Newtown, SY16 4LE	Powys	LH	10,456	971	33	Towler Shaw Roberts LLP
Mochdre Industrial Estate, Mochdre Lane, Newtown, SY16 4LE	Powys	LH	413	38		Morris Marshall & Poole
Former Builders Merchant Office, A470, Llanbrynmair, SY19 7DH	Powys	LH	21,528	2,000		McCartneys
Station Yard, Severn Road, Welshpool, SY21 7AZ	Powys	LH	3,856	358	59	Halls Commercial
Severn Farm Industrial Estate, Severn Road, Welshpool, SY21 7DF	Powys	LH	9,930	923	37	Towler Shaw Roberts LLP
Kilkydd Transport Depot, Welshpool, SY21 8RT	Powys	LH	6,608	614	25	Halls Commercial
Unit 9, The Old Creamery	Powys	LH	4,785	445	22	Towler Shaw Roberts
Park Road, New Radnor, LD8	Powys	LH	758	70	51	Chancellors
Ffrwdgrech industrial Estate, Brecon, LD3	Powys/BB	LH	500	46	185	James Dean Estate Agents
Stonehouse Farm, Llanfyllin, Powys, SY22	Powys	LH	5,460	507	10	Roger Parry and Partners
Caersws Village Workshop, Caersws, SY17	Powys	LH	445	41	54	Powys County Council
Talerddig Road, Llanerfyl, Sy21	Powys	LH	500	46	38	Powys County Council
Station Road, Caersws, SY17	Powys	LH	305	28	49	Powys County Council
Couzens House, Elvicta Business Park	Powys	LH	14,469	1,344	Not Available	

Parc Teifi Business Park, Parc Teifi Business Park, Cardigan, SA43 1EW	Ceredigion	LH	1,500	139	50	Stuart Hogg Property Consultant
Commercial Units, Bath House Road, Cardigan, SA43 1JY	Ceredigion	LH	Not Available	Not Available		Stuart Hogg Property Consultant-
Commercial Units, Bath House Road, Cardigan, SA43 1JY	Ceredigion	LH	6,932	644	27	Stuart Hogg Property Consultant
Commercial Units, Bath House Road, Cardigan, SA43 1JY	Ceredigion	LH	6,588	612	27	Stuart Hogg Property Consultant
Commercial Units, Bath House Road, Cardigan, SA43 1JY	Ceredigion	LH	6,566	610	27	Stuart Hogg Property Consultant
Commercial Units, Bath House Road, Cardigan, SA43 1JY	Ceredigion	LH	3,757	349	27	Stuart Hogg Property Consultant
Pentood Industrial Estate, Station Road, Cardigan, SA43 3AG	Ceredigion	LH	1,497	139	58	John Francis Commercial-
Parc Melin Trade Park, Glan Yr Afon Industrial Estate Aberystwyth SY23 3JQ	Ceredigion	LH	11,113	1,032	91	Cooke & Arkwright
Parc Melin, Glan Yr Afon Industrial Estate, Aberystwyth, SY23 3JQ	Ceredigion	LH	2,965	275		Legat Owen

APPENDIX 3

LIST OF CONSULTEES

Appendix 3 - List of consultees

Welsh Government

- Property
- Food
- Decarbonisation and Energy
- Digital Infrastructure
- Tourism Development
- Environment and Rural affairs

Ceredigion County

- Mid Wales Energy
- Corporate lead officer Economy and Regeneration
- Corporate lead officer Highways and Environmental

Powys

- Planning

Brecon Beacons National Park Authority

- Sustainable Tourism manager
- Chief executive officer
- Sustainable communities' manager
- Visitor Manager officer

Commercial Agents

- McCartneys Estate Agents
- Cooper Green Pooks
- Towler Shaw Roberts LLP
- Hughes Architects
- Stuart Hogg Property Consultants

Businesses

- TS Henderson Precision Engineers
- PolyCo/W Howard Group
- Protocol Control Systems
- Centre for Alternative Technology
- Compactor Orbital Gears
- Mid Wales Manufacturing Group
- Stagecraft

APPENDIX 4

CONSULTATION RESPONSES

Appendix 4 – Consultations

Introduction

A range of stakeholders were consulted to provide input into this study, including public sector agencies, business organisations, businesses, etc. The objective of the consultations was to gain a variety of opinions from local entities on the performance and opportunities for the Mid Wales economy.

The consultations were undertaken on a one-on-one basis, using telephone and face-to-face meetings. The consultations covered a broad range of topics, targeted to the consultees particular interests, including strengths/weaknesses of the local economy, potential for growth, constraints to development, skills, sectors, Brexit and key businesses.

The themes and feedback from the consultees have been collated into the points below:

Business

- Businesses are generally positive about operating from the area and intend to continue to do so. Some business respondents were long-term operators in the local economy
- Manufacturing was considered a key sector in the economy
- Business respondents are aware that their location is significantly removed from major motorways; however, this is considered a facet of business life in the area and businesses are prepared to carry on in Mid Wales, with this understanding
- Some respondents noted a recent downward change in the economy, this has resulted in people reducing their businesses in terms of production and services. Businesses responded that they see this as a short term issue although this has led to uncertainty in the market
- One respondent stated that the automotive sector has been impacted significantly as it is an international market. It was reported that some businesses have been advised to hold off on trading until the issues with the economy are resolved. The agricultural sector is also an industry that is struggling
- Several respondents have expressed that one of the key challenges for businesses is the lack of supply of property. A knock on effect from this is the increasing cost of units due to this lack of supply
- Businesses are struggling with access to financial support. Due to the economic uncertainty, it was reported that some businesses have found that banks will not readily

loan money. This then constrains growth and businesses cannot develop and move forward

- While overall businesses are able to recruit staff, some respondents reported difficulties in obtaining appropriately skilled staff

Property

- Offa's Dyke business park was cited as an example of one of the more successful parks in the area, with a good take up and a range of different occupiers. It has the backing from the Welsh Government and is considered to be a high quality example in Mid Wales
- Not much private development in the area due to the cost of land and construction. As Powys is not an assisted area for grants there are limited opportunities to fill the funding. Welsh Government representatives see that the Government has a role in funding and delivering property that the private sector cannot provide
- According to the responses the demand is for smaller scale units, 930sqm (10,000sqft) to a maximum of 2,322sqm (25,000sqft)
- Supply of premises is less than demand in Mid Wales, resulting in businesses not being able to secure appropriate premises
- **Newtown** and **Welshpool** were cited as areas with little available premises and land, particularly for small to mid-sized industrial units
- One business respondent in **Knighton** cited that they are looking to expand but cannot find appropriate land/premises in Knighton. They would be looking for approximately 1,100 sqm (12,000 sqft) of B2 floorspace, with some offices
- **Builth Wells**, **Aberystwyth** and **Brecon** were also cited as having very limited availability of land and premises for employment uses
- The respondents highlighted the range of quality of units in the area. In particular it was mentioned that while some premises are available, these are generally poorer in quality (e.g. derelict units in Rhayader) which is why they remain vacant
- Aberystwyth University is a key asset and has the potential to work to increase interactions/collaborations with businesses
- There are a few factors that influence the economic market in Wales that have been highlighted by respondents. These include; the likely increase in protections of agricultural land resulting in a need to reuse brownfield land, Climate change resulting in a requirement to be zero carbon and more sustainable and finally the need to be more competitive

- One of the main issues in Mid Wales is the geographic spread
- It was cited that larger businesses struggle to get units large enough and are therefore forced to have multiple units in multiple locations

Roads

- Strategic corridors are the main focus in terms of future development; north-south – A4834 and A487 and east-west – A44 and A458 – they need to be a focus when considering the location of new business parks
- A number of respondents spoke about the freight routes and the need to facilitate the businesses and connect the main areas of Mid Wales. Hereford and Shrewsbury are important areas to be connected to
- Welshpool and Newtown are currently saturated, therefore if new employment land in these areas is developed then new link roads will need to be built to connect the strategic corridors to these businesses
- Aberystwyth has problems with peak time traffic – though this is generally during school terms only. If Capel Bangor business park is to go ahead the traffic issue would need to be addressed (including the by-pass around Aberystwyth)
- Improvements to the road networks in Wales is highly influenced by the terrain
- The Newtown bypass has had a lot of improvements which in turn is helping businesses with connectivity

Rail

- One respondent mentioned there are plans to extend the Cardiff metro to Merthyr Tydfil, which potentially could help connect Mid Wales to the south
- Opening up a new railway comes with a lot of challenges – there was a new station proposed at Abermule, this however, never went ahead
- There is a new train station currently under construction on Bow Street, Ceredigion – something to consider when businesses are looking to relocate
- There have been discussions in the past to change freight from road to rail. This was never taken any further due to the cost of double handling

Tourism

- Outdoor activities such as walking, and mountain biking are one of the main reasons people choose to visit Mid Wales.
- One of the Welsh Government's key focuses is on the quality of visitor attractions. They have found people are wanting to invest in 4/5* hotels and high quality restaurants rather than the recreational activities. The links between the food & beverage sector and tourism needs to improve
- Wales tourism is predominantly seasonal such as walking festivals. This can be a problem in the winter months. A calendar of events in Mid Wales would be a solution to address this
- A number of respondents want to see the investment that has been made in North Wales' tourism, such as Snowdonia, replicated in Mid Wales. Making the existing tourism sustainable is also a change people want to see (helped by the sustainable development fund)
- Marina and Canal improvements are the main current investments. There has also been a zip wire proposed
- Tourism in Mid Wales is predominantly domestic with a focus on the UK and Ireland, though Brecon Beacons has an emerging international profile
- One respondent's ideal situation for the future of Mid Wales would be two world class, sustainable attractions – the locations of these attractions, however, would be up to the entrepreneur
- There are some skills gaps within the tourism sector
- In Brecon Beacons there is a focus on increasing and improving the evening economy therefore persuading people to stay there for longer and overnight. This would likely be done by using and improving existing infrastructure
- The main issues surrounding tourism in the Brecon Beacons according to respondents is challenges of the high street such as the retail decrease in town centres and what to do with the remaining space. If broadband and connectivity was to improve in Brecon it may help resolve this problem
- In some areas in Brecon there is over-tourism which has a direct impact on wildlife and communities. One respondent believes increasing car parking and building a visitor centre would help this issue. Car parking was an issue mentioned by a number of respondents
- A number of respondents think that there should be a concentration on small local businesses

- Going forward there needs to be a focus on decreasing the carbon footprint of visitors. Respondents would like to see an innovation hub and a move from self-employment to employer bringing more benefits to areas
- The Centre for Alternative Technology (CAT) is a popular attraction for tourists in Powys
- In terms of tourism infrastructure that respondents would like to see, responses included implementation of shuttle buses, better car parking and train/tram links

Food

- The food and drink suppliers in Mid Wales mainly supply for Welsh supermarkets, venues such as hotels and restaurants, some major sporting events and schools and the NHS. They also provide for major retailers within Wales
- There is a need for food focused employment units. Generic industrial buildings are not designed to accommodate food manufacturing
- The two strongest areas in Wales are the north-east and south-east. The north-east is strongest in terms of logistics and therefore ease of movement to markets. The south-east is strong in terms availability of labour
- There are opportunities for future development in North Powys and at the bottom of Ceredigion near the M4
- Brexit is a potential impediment for the food and beverage sector, including farm production being impact (e.g. tariffs on livestock) and downstream delivery to markets.

Energy

- The capacity in the grid is a major obstacle to development – both energy production and wires capacity. This is holding back development due to the increased costs of upgrading the energy infrastructure in order to deliver projects
- Local hydrogen sector is Wales' 5th biggest exporter
- Renewables has some potential in Mid Wales, although the visual impacts would need to be managed

Sustainable Technologies

- CAT and IBERS were cited as key assets for Mid Wales to support and grow sustainable technologies sector

- CAT has a strong record of spinning out new enterprises from its graduate school. It has significant plans to increase its operations – including expanded graduate school, more on-site demonstrations and visitor attractions.
- Respondents saw an opportunity for a business park that supports this sector to be located in Mid Wales

Environment

- There was a strong theme of the need to respond to the threat of climate change, including the need to reduce carbon-based sectors and to mitigate to changes in the climate. This was feedback from public sector agencies and private businesses
- Aberystwyth has environmental constraints, located on a flood corridor this needs to be considered when looking at future development
- Well used network of footpaths however they are overused, and they need to be managed and improved

Digital infrastructure

- A number of respondents have expressed their concern for the broadband and connectivity issues in Mid Wales
- The main obstacles faced in terms of digital infrastructure in Wales is the surrounding environment and dispersed nature of the settlements
- In Wales 65 masts are needed to give 1million people broadband, whereas in the UK only 12 masts are needed to achieve the same number, due to the dispersed population
- The process of implementing broadband is a lot more complex in Wales compared to other areas in the UK. It can take anything between 6months to a number of years
- There is a heavy reliance on the UK government and Ofcom to legislate and enforce
- Enterprise Zones are the main priority for the delivery of digital infrastructure. There are projects underway focusing on improving broadband and mobile coverage. In particular on the A470 corridor this is the highest priority whereas all other surrounding areas are of lower priority
- There is no requirement for new developments/infrastructure, the only requirement needed is to make broadband and connectivity a priority in the first phase of building. Early engagement, according to a number of respondents, would make a huge difference.
- The voucher scheme, Gigabit, helps towards funding for private businesses

APPENDIX 5

EMPLOYMENT FORECASTS

EMPLOYMENT FORECASTS – POWYS (000's)

Sector	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
A : Agriculture, forestry and fishing	9.3	9.4	9.4	9.4	9.4	9.4	9.4	9.4	9.4	9.4	9.4	9.3	9.3	9.2	9.1	9.0	8.9	8.9	8.8	8.7	8.6	8.5
B : Mining and quarrying	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
C : Manufacturing	6.9	6.8	6.7	6.6	6.6	6.5	6.3	6.2	6.1	6.0	5.9	5.8	5.7	5.6	5.5	5.4	5.3	5.2	5.1	5.0	4.9	4.8
D : Electricity, gas, steam and air conditioning supply	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
E : Water supply; sewerage, waste management and remediation activities	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
F : Construction	3.8	3.8	3.8	3.9	3.9	3.9	3.9	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
G : Wholesale and retail trade; repair of motor vehicles and motorcycles	7.5	7.5	7.6	7.6	7.7	7.7	7.7	7.8	7.8	7.8	7.8	7.8	7.8	7.8	7.8	7.7	7.7	7.7	7.7	7.6	7.6	7.6
H : Transportation and storage	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.2	2.2	2.2	2.2	2.2	2.2
I : Accommodation and food service activities	4.7	4.8	4.8	4.9	4.9	4.9	4.9	4.9	4.9	4.9	4.9	5.0	5.0	4.9	4.9	4.9	4.9	4.9	4.9	4.8	4.8	4.8
J : Information and communication	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6
K : Financial and insurance activities	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4
L : Real estate activities	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4
M : Professional, scientific and technical activities	3.8	3.8	3.8	3.9	3.9	3.9	3.9	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.1	4.1	4.1	4.1	4.1	4.1	4.1	4.1
N : Administrative and support service activities	2.8	2.8	2.9	2.9	3.0	3.0	3.0	3.1	3.1	3.1	3.1	3.2	3.2	3.2	3.2	3.3	3.3	3.3	3.3	3.3	3.3	3.4

Mid Wales Employment Sites and Premises Needs Assessment and Action Plan – Stage One
Ceredigion and Powys County Councils, Brecon Beacons National Park Authority, Welsh Government

Sector	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
O : Public administration and defence; compulsory social security	3.7	3.7	3.7	3.7	3.6	3.6	3.6	3.5	3.5	3.5	3.4	3.4	3.4	3.3	3.3	3.2	3.2	3.2	3.1	3.1	3.1	3.1
P : Education	4.6	4.6	4.6	4.6	4.5	4.5	4.5	4.5	4.4	4.4	4.4	4.4	4.4	4.3	4.3	4.3	4.3	4.3	4.3	4.2	4.2	4.2
Q : Human health and social work activities	7.3	7.3	7.3	7.3	7.4	7.4	7.4	7.4	7.4	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5
R : Arts, entertainment and recreation	2.3	2.3	2.4	2.4	2.4	2.5	2.5	2.5	2.6	2.6	2.6	2.7	2.7	2.7	2.8	2.8	2.8	2.8	2.9	2.9	2.9	2.9
S : Other service activities	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.6
Total	63.7	63.7	63.9	64.2	64.3	64.4	64.4	64.3	64.2	64.1	64.1	64.0	63.8	63.6	63.4	63.1	62.9	62.6	62.4	62.2	61.9	61.7

Source: Oxford Economics

EMPLOYMENT FORECASTS – CEREDIGION (000's)

Sector	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
A : Agriculture, forestry and fishing	3.6	3.7	3.7	3.7	3.7	3.7	3.7	3.7	3.7	3.7	3.7	3.6	3.6	3.6	3.6	3.5	3.5	3.5	3.4	3.4	3.4	3.3
B : Mining and quarrying	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
C : Manufacturing	1.6	1.6	1.5	1.5	1.5	1.5	1.4	1.4	1.4	1.4	1.3	1.3	1.3	1.2	1.2	1.2	1.2	1.2	1.1	1.1	1.1	1.1
D : Electricity, gas, steam and air conditioning supply	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.0	0.0	0.0
E : Water supply; sewerage, waste management and remediation activities	0.4	0.4	0.4	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
F : Construction	2.1	2.1	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2
G : Wholesale and retail trade; repair of motor vehicles and motorcycles	4.3	4.3	4.3	4.3	4.3	4.4	4.4	4.4	4.4	4.4	4.4	4.4	4.3	4.3	4.3	4.3	4.3	4.2	4.2	4.2	4.2	4.2
H : Transportation and storage	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7
I : Accommodation and food service activities	3.3	3.3	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.3	3.3
J : Information and communication	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
K : Financial and insurance activities	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
L : Real estate activities	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
M : Professional, scientific and technical activities	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.7	1.7
N : Administrative and support service activities	0.6	0.6	0.6	0.6	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7

Mid Wales Employment Sites and Premises Needs Assessment and Action Plan – Stage One
Ceredigion and Powys County Councils, Brecon Beacons National Park Authority, Welsh Government

Sector	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
O : Public administration and defence; compulsory social security	2.1	2.0	2.0	2.0	2.0	2.0	1.9	1.9	1.9	1.9	1.9	1.8	1.8	1.8	1.8	1.7	1.7	1.7	1.7	1.7	1.6	1.6
P : Education	5.4	5.4	5.4	5.3	5.3	5.3	5.2	5.2	5.2	5.1	5.1	5.1	5.1	5.1	5.0	5.0	5.0	5.0	4.9	4.9	4.9	4.9
Q : Human health and social work activities	3.9	3.9	3.9	3.9	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.1	4.1	4.1	4.1	4.1	4.1	4.1	4.1	4.1
R : Arts, entertainment and recreation	1.2	1.2	1.2	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.5
S : Other service activities	0.9	0.9	0.9	0.9	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Total	33.4	33.3	33.4	33.5	33.6	33.6	33.5	33.5	33.4	33.4	33.3	33.3	33.2	33.1	33.0	32.9	32.7	32.6	32.5	32.4	32.3	32.1

Source: Oxford Economics

APPENDIX 6

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BIBLIOGRAPHY

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Mid Wales Region Employment Sites Premises Needs and Action Plan Powys, Ceredigion and Brecon Beacons

Stage 2 Report

July 2020

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Appendix 1 – Strategic Interventions Programme

Appendix 2 – Demonstrating Market Failure on Employment Land – Viability Appraisal

1.0 INTRODUCTION

- 1.1 The **Mid Wales Employment Sites and Premises Needs Assessment and Action Plan** has been prepared by BE Group, Hatch and Per Consulting on behalf of Ceredigion and Powys County Councils, Brecon Beacons National Park Authority and the Welsh Government. This document represents Stage Two of the work – the **Action Plan** for the provision of employment sites and premises to support economic growth.
- 1.2 The employment strategy outlined in this report sets a clear ambition for change across the Mid Wales economy which builds on the Growing Mid Wales Partnership’s Strategic Economic Plan and growth ambition for the region. Realisation of economic transformation will demand successful intervention and support across a wide range of activities providing essential support for local people and established local businesses and creating the conditions to develop, attract and retain new innovative operations to the area.
- 1.3 This Action Plan focusses on the interventions necessary to stimulate the regional commercial property market and bring forward an appropriate range of employment sites and premises to meet the needs of the regional economy and, in particular, new, innovative and growth-oriented business sectors. It should be reviewed on a regular basis and a flexible approach adopted to enable the region to respond to opportunities and issues as they arise.
- 1.4 The Stage One Employment Sites and Premises Needs Assessment has identified a wide variety of both existing employment sites and new emerging opportunity areas with the potential to meet business requirements and help stimulate economic transformation in the future. Each identified site (and future sites to be identified) will require a different approach to stimulate market delivery. Those sites identified with potential to transform market demand require the greatest level of intervention and public support to realise growth ambitions. It is recognised that many existing employment sites in the Mid Wales region will have a localised function; with actions to support the delivery of these sites also likely to be at a local level. However, other sites have a higher order function demanding a more strategic approach to delivery.
- 1.5 As identified in the Stage One report, there is a need to address key market factors in Mid Wales to improve its economic performance, most notably including:

- The socio-economic challenges contributing to significant projected depopulation of the region.
- The endemic commercial market failure due to the significant viability challenge and constraint in bringing commercial sites and premises forward for business occupation. (See Appendix 2 for detailed explanation)
- The need for investment to bring the existing stock of commercial premises up to modern standards and the challenge of achieving this given the fragmented and largely private sector ownership of leased property.
- The limited supply of sites in the market, particularly in areas of existing high demand.
- The need to provide an appropriate mix of commercial premises to meet business requirements and facilitate future economic growth.
- The need for appropriate employment sites and premises for emerging growth sectors.

1.6 This Action Plan provides the direction to address these market factors.

1.7 The Covid-19 pandemic is causing unprecedented disruption to the economy. The initial economic shock is expected to lead to a period of recession, a contraction of the economy and increased unemployment, depending on how quickly the pandemic can be managed and restrictions lifted. The timing and pace of economic recovery is highly uncertain. The pandemic is expected to have a long-term impact on the Powys economy. Flexibility in approach and capitalising on new opportunities will be fundamental to supporting long term economic recovery and future growth in Mid Wales and further highlights the need to ensure that businesses have opportunities to grow the develop within Mid Wales.

2.0 LOCAL MARKET SITES – SUPPORTING BUSINESS AS USUAL DEMAND

2.1 There are many very well-established employment sites across the Mid Wales region which have supported the region in terms of local demand for many years. Most of these sites, which are highlighted in the table below, typically only have a small amount of undeveloped land remaining; largely comprising in-fill opportunities for local business needs.

2.2 The figures in Table 1 below represent likely useable land for employment purposes in those sites termed as Local Employment Sites as assessed in the Stage One report. Table 1 shows around 8.4 ha of land available in Powys (excluding the Brecon Beacons National Park area) across nine separate sites ranging from 0.5-1.1 ha. In Ceredigion, it is estimated that there is some 15.9 ha of land available across seven locations with site areas ranging from 0.3-3.2 ha.

Table 1 – Local Employment Sites – Infill Development

POWYS		CEREDIGION		BRECON BEACONS NP	
Site	Ha	Site	Ha	Site	Ha
Woodland Business Park, Ystradgynlais	1.14	Glanyrafon Industrial Estate, Aberystwyth	2.8	Ffrwdgrech Industrial Estate, Brecon	0.45
Wyeside Enterprise Park, Builth Wells	1.2	Llambed Business Park, Lampeter	3.16	Talgarth Business Park	0.13
Broadaxe Business Park, Presteigne	1.01	Old Mart Site, Lampeter	0.29	Land off Hay Road, Talgarth	0.6
Parc Derwen Fawr, Llanidloes	0.5	Llandysul Enterprise Park	2.26	Mid Wales Hospital, Talgarth	0.5
Parc Hafren, Llanidloes	0.7	Parc Aberporth, Blaenannerch	1.78		
Churchstoke	1.12	Aeron Valley Enterprise Park, Lampeter	2.8		
Four Crosses	0.5	Parc Teifi, Cardigan	2.83		
Treowain Enterprise Park, Machynlleth	1.5				
Ddole Road, Llandrindod Wells	0.69				
	8.36		15.92		1.68

2.3 In Brecon Beacons National Park, there is only around 1.7 ha of employment land for local demand with many of the existing infill sites being very small and potentially difficult to deliver.

2.4 Whilst some investment may be needed to help unlock these local employment sites, the real priority for the Growing Mid Wales Partnership should be to provide targeted business support in these local market areas to stimulate market capacity for local growth and innovation (i.e. support that would enable businesses to grow within their

local area, rather than having to look elsewhere, such as incentives to invest locally and local skills support).

- 2.5 Rather than leading on site development, it is recommended that a flexible reactive stance is adopted for the Local Employment Sites, working with land-owners and local businesses as, when and if required to assist in bringing sites forward for development in response to actual market demand. This could be through streamlining/assisting with planning processes or providing a signposting role to funding and support that land-owners and businesses could tap into in order to help sites to come forward.
- 2.6 In addition to the infill development on established sites identified in Table 1 there are some undeveloped sites in the region that are also likely to form a local function when developed. Table 2 below lists those sites. Once again, a reactive, as required approach will be the focus for these sites.

Table 2 – Local Employment Sites – Undeveloped Sites

POWYS		CEREDIGION		BRECON BEACONS NP	
Site	Ha	Site	Ha	Site	Ha
Brynberth Business Park, Rhayader	3.7	No sites		No sites	
Gypsy Castle Land, Hay-on-Wye	2.4				
Buttington Quarry, Trewern	6.0				
	12.1		0.0		0.0

- 2.7 Tables 3 – 5 list the headline actions for these local employment sites. The timings listed refer to potential active interventions to help mobilise initial development, recognising that actual development is likely to span beyond the initial timescale shown and dependent on market demand. Deliberately this is heavily skewed to the early years of the planning timeframe as employment growth is projected to be strongest in the early years and to stimulate change. The nominated Lead organisation is shown to help co-ordinate activity albeit in partnership with others; including land-owners as appropriate.

Table 3 – Recommended Actions – Powys Local Employment Sites

Site	Actions	Lead	Timing
Woodland Business Park, Ystradgynlais	<ul style="list-style-type: none"> Continue to promote plots for private sector development Medium term option for speculative build of small unit scheme by WG 	WG	0-5 years
Wyeside Enterprise Park, Builth Wells	<ul style="list-style-type: none"> Continue to promote plots for private sector development Short term option for speculative build of small units, addressing shortage in Builth Wells 	WG	0-5 years
Broadaxe Business Park, Presteigne	<ul style="list-style-type: none"> Review water supply availability & waste water capacity Flood risk assessment Continue to promote plots to market 	WG	0-5 years
Parc Derwen Fawr, Llanidloes	<ul style="list-style-type: none"> Continue to promote plots for private sector development Medium term option for speculative build of small unit scheme by WG 	WG	0-5 years
Parc Hafren, Llanidloes	<ul style="list-style-type: none"> Assess site for realistic potential for development (given its shape and size) Continue to retain for employment unless other uses (e.g. to support remaining business park) are feasible 	WG	0-5 years
Churchstoke	<ul style="list-style-type: none"> Engage with landholder (Delfin Investments) to demonstrate demand for further units in broader region Encourage landholder to proceed with development 	PCC	0-5 years
Four Crosses	<ul style="list-style-type: none"> Engage with landholder to identify intentions for site and to demonstrate demand for further units in broader region Encourage landholder to proceed with development 	PCC	0-5 years
Treowain Enterprise Park, Machynlleth	<ul style="list-style-type: none"> Identify development opportunities to develop as a further stage of adjacent employment area, including access, infrastructure requirements and further units Consider site for sustainable technologies business park 	WG	0-5 years
Ddole Road, Llandrindod Wells	<ul style="list-style-type: none"> Promote plots for private sector development Consider site servicing and infrastructure provision 	PCC	0-5 years
Brynberth Business Park, Rhayader	<ul style="list-style-type: none"> Continue to promote plots for private sector development. Consider potential to improve the general appearance through landscaping etc. 	WG	0-5 years

Site	Actions	Lead	Timing
	<ul style="list-style-type: none"> Masterplan of site and neighbouring employment uses to investigate preferred outcome for area, including investigating reduction in allocation for employment and broader mix of uses Long term option for speculative build of small unit scheme by WG, if required 		
Gypsy Castle Land, Hay-on-Wye	<ul style="list-style-type: none"> Progress planning discussions, including appropriate mix within scheme. Encourage maximisation of employment within mixed-use scheme Condition timely delivery of employment uses within any approval 	Landholder	0-5 years
Buttington Quarry, Trewern	<ul style="list-style-type: none"> Investigate access options for the site. Consider potential remediation costs and general site clean-up (e.g. remains of former uses) Identify complementary uses to energy proposal on remainder of site if this progresses Encourage for lower order employment uses 	Landholder	0-5 years

Table 4 – Recommended Actions – Ceredigion Local Employment Sites

Site	Actions	Lead	Timing
Glanyrafon Industrial Estate, Aberystwyth	<ul style="list-style-type: none"> Improve access to site, including entryway and approach road Clear useable area of site Promote site to the market 	CCC	0-5 years
Llambed Business Park, Lampeter	<ul style="list-style-type: none"> Engage with landholder to understand intentions for site Encourage landholder to proceed with development 	CCC	0-5 years
Old Mart Site, Lampeter	<ul style="list-style-type: none"> Continue to promote plots for private sector development Long term option for speculative build of small unit scheme by WG 	WG	0-5 years
Parc Aberporth, Blaenannerch	<ul style="list-style-type: none"> Promote sites for more flexible range of business uses 	WG	0-5 years
Aeron Valley Enterprise Park, Lampeter	<ul style="list-style-type: none"> Continue to promote plots for private sector development Long term option for speculative build of small unit scheme by WG 	WG	0-5 years
Llandysul Enterprise Park	<ul style="list-style-type: none"> Continue to promote plots for private sector development Long term option for speculative build of small unit scheme by WG 	WG	5-10 years

Table 5 – Recommended Actions – Brecon Beacons National Park Local Employment Sites

Site	Actions	Lead	Timing
Land off Hay Road, Talgarth	<ul style="list-style-type: none"> Engage with landholder to promote demand for premises in this corridor Encourage development of units for B2, B8 	PCC/BBNPA	0-5 years
Mid Wales Hospital, Talgarth	<ul style="list-style-type: none"> Promote adopted Development Brief for the site Encourage preparation of site Masterplan Encourage employment uses as part of development mix 	BBNPA/PCC	0-5 years
Cwrt Y Gollen, Crickhowell	<ul style="list-style-type: none"> Prepare site masterplan to explore options for the site Consider short term development of units 	WG	0-5 years
Ffrwdgrech Industrial Estate, Brecon	<ul style="list-style-type: none"> Promote remaining site for development Medium term option for speculative build of small unit scheme 	Landholder	5-10 years
Talgarth Business Park	<ul style="list-style-type: none"> Promote remaining site for development, though size (0.13 ha) is limiting options 	WG	10+ years

2.8 It is recommended that each site is effectively marketed and promoted through the Business Wales Property Database to maximise local and national exposure to development potential. Economic Development teams within each Local Authority (i.e. PCC, CCC) should take appropriate actions to ensure information included is accurate and updated when necessary; including clear links and contact details for landowners and/or marketing agents.

2.9 In order to encourage private landholders to bring their sites forward in a timely manner, regular engagement with landholders is recommended in order for the Councils to understand specific constraints and barriers to development and for the landholders to be appraised of local opportunities/requirements of which the Councils are aware.

2.10 Furthermore, a working prospectus of sites should be compiled to act as an easy reference document for both planning and economic development teams and assist in monitoring of delivery progress. The document should include location, site plan, ownership details, availability, size, development potential, and progress with key actions and next steps.

- 2.11 Alongside the above actions for infill and undeveloped local sites, it is recommended that an on-going **programme of refurbishment and renewal** of existing stock is also encouraged. This should include efforts to improve energy efficiency of existing buildings. A refurbishment and renewal programme could form part of the overall funding strategy, provided on a grant aid basis.
- 2.12 In Ceredigion, a grant programme to work with private landlords and owner occupiers may be feasible given the greater flexibility around state aids as an assisted area. It is noted that post-Brexit assisted areas and the implications for state aid may not apply in the same manner. Therefore, such an approach for the region as a whole could be considered (depending on emerging regulations) in the post-Brexit environment.
- 2.13 Properties in public ownership should be considered for improvement as part of an ongoing action plan for investment.

3.0 STRATEGIC INTERVENTIONS – STIMULUS FOR INNOVATION AND GROWTH

- 3.1 A more pro-active approach is recommended by the Growing Mid Wales Partnership for a number of other site and emerging opportunities to ensure clear leadership and drive to bring land forward and stimulate wider market demand and interest. This is especially important to attract new innovative business investment potential and growth sectors to meet the economic ambition for the region.
- 3.2 Investigations into employment land availability as set out in the Stage One report indicate that, whilst there is land identified for development, there are very few sites immediately available and almost no available property which meet the more exacting demands of higher-value, innovative research oriented business sectors. As the Mid Wales region seeks to support and stimulate business growth and attract new business investment, the ready availability of suitable property and strategically located employment sites is even more imperative to back up the marketing drive and demonstrate ability to respond swiftly to business investment timetables.
- 3.3 The key sites and priority actions recommended to deliver on the ambitions across both Powys and Ceredigion are summarised in the following tables. The sites already identified and recommended actions are considered critical to support the economic transformation and growth of Mid Wales and should be critical priorities for intervention and the focus of resources. The indicative timings of the actions highlighted in Tables 6, 7 & 8 are also illustrated in Appendix 1.
- 3.4 The timings listed refer to potential active interventions to help mobilise initial development, recognising that actual development is likely to span beyond the initial timescale shown and dependent on market demand. The nominated Lead organisation is shown to help co-ordinate activity albeit in partnership with others; including land-owners as appropriate.

Table 6 – Recommended Strategic Interventions – Powys

Priority	Site	Objectives	Actions	Lead	Timing
1	Llanidloes Road, Newtown	Preserve Prime Employment site in Newtown. Business Growth & Skills integration	<ul style="list-style-type: none"> Engage with College as site owner Discuss delivery options and approach Prepare Flood Risk Assessment Topographical Survey Site layout/masterplan Consider potential for LDO Promote for initial spec development 	PCC/WG/NPT Group of Colleges	0-5 years delivery
2	Offa's Dyke Business Park Extension, Welshpool	Secure additional land adjacent to established and successful Business Park (similar in scale to existing business park)	<ul style="list-style-type: none"> Promote allocation in LDP review Explore adjacent land ownerships Enter negotiations for option/acquisition Prepare site layout/masterplan Establish service capacity Consider potential LDO 	PCC/WG	0-5 years Planning 5-10 years delivery
3	Mid Wales Sustainable Technology Park (potentially also could be located in Ceredigion)	Capitalise on the research & innovation from Machynlleth Centre for Alternative Technology and other sustainable technology related businesses in the region.	<ul style="list-style-type: none"> Broad site search to identify area with best potential whilst maintain links with CAT Site options appraisal – delivery and development potential 	PCC/WG lead	0-5 years planning 5-10 years delivery
4	Land adj. Gwernyfed Avenue, Three Cocks	Emerging market interest in area Capitalise on central location and accessibility	<ul style="list-style-type: none"> Early discussion with Dwr Cymru Identify foul sewer solutions Review cost implications for delivery 	PCC support to promotional work Private Sector to deliver	0-5 years delivery
5	Abermule Business Park, Abermule	Establish new recycling facility. Consolidate location for general industry	<ul style="list-style-type: none"> Recycling centre under construction Prepare design proposals for business units 	PCC/WG	0-5 years

Priority	Site	Objectives	Actions	Lead	Timing
			<ul style="list-style-type: none"> Confirm build costs and funding 		
6	Heart of Wales Business Park, Llandrindod Wells	<p>Established, high-quality business park.</p> <p>Large site area remaining (more than local infill) although mostly responding to local demand</p>	<ul style="list-style-type: none"> Promote for WG speculative development – ready to go location. Review site layout/SUDS Drainage 	WG	0-5 years

Table 7 – Recommended Strategic Interventions – Ceredigion

Priority	Site	Objectives	Actions	Lead	Timing
1	Aberystwyth Innovation & Enterprise Centre, Aberystwyth	<p>Capitalise on £40m innovation and research campus. Reserve future employment land for business expansion</p>	<ul style="list-style-type: none"> Review sites/ownership Engage with University – joint vision for business growth Topographical Survey Site layout/masterplan Consider potential LDO Promote for initial spec development 	CCC/Aberystwyth University	<p>0-5 years planning</p> <p>5-10 years delivery</p>
2	Horeb Business Park, Llandysul	<p>Establish critical mass for local food hub. Capitalise on start-up/innovation support through Food Centre Wales.</p>	<ul style="list-style-type: none"> Complete option agreement on adjacent land Progress design proposals for food standard units 	CCC	0-5 years delivery
3	Parc Teifi Cardigan	<p>Potential to expand existing business park.</p> <p>Although mainly local demand – priority intervention required.</p>	<ul style="list-style-type: none"> Promote allocation in Local Plan Review adjacent land ownerships Examine flood risk constraints & ecological conditions Enter negotiations to purchase land 	CCC/WG	<p>0-5 years Planning</p> <p>5-10 years delivery</p>
4	Aberystwyth candidate sites	<p>Capture opportunities from mixed-use developments to provide</p>	<ul style="list-style-type: none"> Work with land owners to promote Local Plan Allocation 	CCC to lead in conjunction with landowners & agents	0-5 years Planning

Priority	Site	Objectives	Actions	Lead	Timing
	Llanbardarn Fawr Campus Penglais & Frongoch Farm Wern Phillip Farm	employment land within the town to meet demand	<ul style="list-style-type: none"> Review site capacity and infrastructure requirements High-level topographical & ecological review Outline layout/design context 		5-10 years+ delivery

Table 8 – Recommended Strategic Interventions – Brecon Beacons National Park (within Powys)

Priority	Site	Objectives	Actions	Lead	Timing
1	Cwrt Gollen y	Establish new business park as part of mixed-use residential development	<ul style="list-style-type: none"> Site servicing to facilitate private sector development Consider short term development of units 	WG	0-5 years
2	Brecon Beacons Enterprise Park, Brecon	Requirement to expand existing successful business park for local demand	<ul style="list-style-type: none"> Promote allocation/requirement in Local Plan – area of search or exception policy Examine site locations/ownerships and options to acquire Prepare site layout plans and determine infrastructure requirements Support site servicing for private sector development 	WG/PCC	0-5 years

Areas of search for additional sites

3.5 In parallel with the above priority interventions, there is an immediate, **short-term action for further sites to be identified in Mid Wales** to increase the overall quantum of land in the region over the longer term. In particular, it was identified in the Stage One report that there are demonstrable shortages of available employment land to meet any further land demand in:

- Newtown
- Welshpool
- Brecon
- Builth Wells
- Knighton

3.6 It is recognised that such searches have been undertaken in recent years, particularly for Newtown, Welshpool and Brecon, and for these locations there are very limited options available that are not flood-prone or within the National Park. Therefore, broader searches along transport corridors such as the A483 and A489 should also be undertaken. A range of factors will need to be assessed in identifying potential sites including for example accessibility, sustainable transport links, the availability and capacity of services infrastructure, and deliverability.

Public Sector Intervention – Recommended Approach

3.7 A range of interventions are likely to be required to bring forward appropriate and suitable commercial property development across Mid Wales. The table below summarises the typical approaches available from both public, private and joint venture solutions. Whilst it may be feasible to respond to some existing local demand through a combination of mixed-use and gap-funding solutions, the commercial property market is likely to need more intensive public sector support for the advanced provision of accommodation targeted at the newer, more transformative business sectors that form the ambition for the growing mid wales economy of the future.

3.8 In seeking to break the mould of traditional market demand, the Mid Wales economy must be able to present the best opportunities to attract otherwise footloose investment. Professional experience has shown that time and time again, the ready availability of suitable high-quality property is often the ultimate deal-maker or breaker for business investment (all other things being equal, such as availability of labour,

market access, etc.). Most new or expanding businesses have very short turn-round periods to ensure they can capture their sector upswing or bring new products to the market. Even if their business model has been many years in formation, the decision to invest often results in a very short window for delivery – with property typically being the last element of the decision process.

- 3.9 For the Mid Wales economy to establish itself as an investment location a swift response is needed to bring more land and property forward, ready for business occupation. This is why most of the actions identified above are set in the 0-5 year time period to pave the way for future development on the ground.
- 3.10 Market conditions, however, do not create sufficient confidence to bring forward new speculative development and there is demonstrable market failure in the development of commercial property as detailed in the analysis of costs and potential values provided in Appendix 2. Intervention is required to overcome such funding gaps.
- 3.11 With commercial property development showing viability gap of around 60%, based on current market indicators, soft market interventions are insufficient to bridge the large gap and facilitate private sector provision. This means more direct, public sector delivery of advanced commercial property is required to help attract new business occupiers and build confidence in the commercial development market with the longer-term objective to create a more sustainable commercial property market.
- 3.12 Modern business needs and expectations extend beyond the need for land and property. Ultrafast broadband provision is an expectation and critical in order for local businesses to remain competitive in the broader market. Infrastructure to provide gigabit connectivity within Mid Wales will improve the attractiveness of the local market. Furthermore, businesses are increasingly looking to reduce their carbon footprint, driven both through regulations/policies of governments and consumer expectations. Businesses should be supported in lowering their carbon footprint, through the provision of low carbon energy sources and storage within Mid Wales and encouraging/incentivising low carbon business practices.
- 3.13 A site by site approach is required to ascertain the most appropriate means of development delivery. Initial public sector leadership is required to either acquire new land for development (e.g. Offa's Dyke extension, Welshpool) or establish a

development and infrastructure masterplan (e.g. Llanidloes Road, Newtown and Aberystwyth Innovation & Enterprise Centre).

- 3.14 Advanced property development on each of these priority sites will also help establish the market credentials of each location and set the scene to stimulate the regional economy. The table below discusses potential delivery mechanisms for employment sites, including traditional and innovative approaches to delivering sites.

Table 9 – Potential Delivery Mechanisms

Mechanism	Description
Private Sector Led/Private Sector Funded	This will happen where development is financially viable, there are willing developers and market confidence in occupier demand and potential for rental growth. Public sector input may be more focused on nurturing market confidence through positive engagement by planning and economic development officers, to ensure a smooth delivery of the relevant property mix.
Mixed Use Development to cross-fund Employment Land	Responds to potential viability gap, but no direct public sector intervention (other than a planning authority role). Rather the public sector and the developer negotiate a suitable development mix which includes a strong element of higher value uses to offset the gap. This does not automatically mean housing but could include retail or leisure uses, appropriate to the location, which can also improve values. Pubs/restaurants, a gym or hotel are examples of uses that both generate reasonable returns for developers and can improve the offer and attractiveness of a potential business park scheme.
Low Level Public Support Practical Advice	Public sector support does not always mean large scale investment. Sometimes a landowner may simply be unaware of the full potential of their site, level of market demand or how site constraints can be overcome. An increasingly common approach is for local authorities to assume some of the initial research costs, producing for example a planning brief or masterplan to show the owner/developer what is possible and prompt development. Support on site and area marketing may also be welcome.
Medium Level Public Support De-Risking Development	The public sector could go further to “de-risk” commercial development through, for example, direct delivery of infrastructure and/or site improvement work. This could include environmental mitigation, enhanced drainage and/or on and off-site highway improvements which could otherwise impinge on the development viability. Pro-active support may also be required to ensure strategic infrastructure and services are available including energy and waste treatment.
Planning support & Local Development Orders	Greater use of Local Development Orders can be a way of unlocking development potential and resolving potential planning risks/barriers. By advancing planning consent in this way, it can help speed up development delivery process in response to investor/occupier demand.
Public Sector Land Acquisition	In this approach the public sector takes the lead in acquiring employment land, taking a more proactive approach to development delivery either as direct provider or in partnership with others.
Joint Venture Agreement	A defined agreement between public sector agencies and private developer partners. It is most commonly used where land is, at least in part, owned by

Mechanism	Description
	<p>the public sector. The public sector can then support development by inputting the land at low or nil value or by seeking out infrastructure funding. Such a Joint Venture partnership can take a number of forms:</p> <ul style="list-style-type: none"> • Contractual Partnership – Normally a short-term arrangement where the parties enter into a contractual arrangement where one party, usually the developer, will deliver. It would relate to the most straightforward developments. • Joint Venture through formation of a limited company formed through share issue - A common arrangement where each party will put in an element of cost and risk, and the return reflects the share. The council may put in land and/or capital, the developer will often meet development costs. The arrangement may see proceeds distributed in different ways. This could be a revenue share, or a share on sale of the investment. The party taking the greater level of risk will normally have first call on the profit. • Company limited by guarantee – Tends to be more for non-profit making arrangements and can introduce a number of partners to the company. This arrangement is more likely to be suitable for marketing and promotion of regeneration schemes rather than a Joint Venture to deliver development.
<p>Public Sector Support – Loans and Gap Funding</p>	<p>A range of public sector interventions have operated in Wales over the years with growing political preference towards “un-locking” schemes which help to underpin private sector confidence for market delivery. Currently these comprise a Property Development Grant programme from Welsh Government or facilitated loan agreement through the Development Bank for Wales. The level of public sector support is constrained by State Aid regulations.</p> <p>Property Development Grant – is typically provided at the minimum level necessary to resolve a project viability gap. The level of gap funding is also constrained depending on Assisted Area Status, with the maximum intervention being available in the areas of West Wales & the Valleys, which currently includes Ceredigion but not Powys.</p> <p>Wales Property Fund – Development Bank – will provide loan funding especially for SME developers in Wales addressing a range of mixed-use, stalled residential sites and commercial property development. The Wales Commercial Property Fund, for example, provides loans between £250k - £5m with payback up to 5 years. Loans are limited to 65% of Gross Development Value which can constrain developers but they can cover 100% of development costs. Charges are similar to the open market ranging from 4-12% depending on covenant strength and capacity; with arrangement fees ranging from 1-4%. Although a welcomed additional source of funding, generally access to development finance is not the major constraint for developers.</p> <p>Rental Guarantee</p> <p>Another direct support approach could be through rental guarantees (either in terms of minimum rental thresholds) or where a public body (Local Authority or Welsh Government) enter into a long-term “head-lease” arrangement with the developer to help secure funding and the public body then “sub-lets” to future business occupiers.</p>
<p>Long lease interest and Annuity Rent</p>	<p>This is also increasingly used to support investments by pension funds and other major financial institutions into developments. The institution will fund the development in exchange for a lease of circa 35 years and an annuity rent paid by a secure covenant such as the council acting as developer. This would be a low but secured rent over the time period with agreed</p>

Mechanism	Description
	uplifts. The developer can then sub-let at market value to obtain a profitable rent. At the end of the 35 years the property will revert to the developer for £1 and the developer retains the long-term asset value.
Public Sector direct development	Ultimately, when soft intervention schemes as set out above still fail to encourage private sector development the remaining option is for the public sector to take full responsibility for speculative property development. This means the public body takes full financial and market risk prior to securing a commercial tenant or freehold sale of the completed property. The public sector is able to secure funding at significantly competitive rates through the Public Works Loan Board (PWLB) and defer repayments over the lifetime of the completed asset (40 - 50 years potentially). While public sector direct development has traditionally been the remit of Welsh Government, there is also scope for the local authorities to be more active in this area.

Potential Property Requirements

- 3.15 Reflecting on the potential different needs of future growth sectors and the spatial distribution of regional opportunities, a range of commercial property should be brought forward in advance to stimulate occupier demand.
- 3.16 The economic projections set out in the Stage One Report highlighted underlying growth potential for around 1,000 additional jobs in the short term (2020-2025) with potential to stimulate a further 1,000 jobs in the medium term (2025-30) and up to 2,000 further jobs opportunities in the longer term over 10 years+ in the future (2030-2040), *if active interventions are implemented*. Depending on the type of activity across the different sectors, a range of different properties will be required. The scale of potential demand is illustrated in Table 10 below reflecting the different employment densities from different occupiers and operations. The table shows the range of floorspace that could be required if all the employment growth was contained within one floorspace category. This should be read as indicative only, with actual requirements set by business needs and specifications at the time of development.

Table 10 – Potential Total Floorspace Requirements of Employment in Different Land Use Types

Property Type/Use	Floorspace Density/FTE job	2020-2025	2025-2030	2030+
B1(b) R&D Space	40-60 sqm	40,000 - 60,000 sqm	40,000 - 60,000 sqm	80,000 - 120,000 sqm
B1 (c) Light Industry	47 sqm	47,000 sqm	47,000 sqm	94,000 sqm
B2 Advanced Manufacturing	36 sqm	36,000 sqm	36,000 sqm	72,000 sqm

3.17 This shows potential demand for between 36,000 sqm to 60,000 sqm of commercial floorspace in each five-year period over the study timeline of 2020-2040, depending on the assumptions of land use types. In practice, a blend of different types of property will be required to meet projected demand whilst some employment will also take up or re-use existing floorspace in some locations.

3.18 A potential scenario could be envisaged to assume an equal split between the use types listed in Table 10 above, as well as an equal proportion being assumed as re-use of existing space (local absorption) and thereby not requiring new space.

Table 11 – Potential New Floorspace Requirements (including local absorption)

Property Type/Use	Employment	2020-2025	2025-2030	2030+
Local Absorption	25%	Nil new space	Nil new space	Nil new space
B1(b) R&D Space	25%	10,000 - 15,000 sqm	10,000 - 15,000 sqm	20,000 - 30,000 sqm
B1 (c) Light Industry	25%	11,750 sqm	11,750 sqm	23,500 sqm
B2 Advanced Manufacturing	25%	9,000 sqm	9,000 sqm	18,000 sqm
Total New Floorspace Required		30,750 – 35,750 sqm	30,750 – 35,750 sqm	61,500 – 71,500 sqm

3.19 As demonstrated in the Stage One report, there is demand in Mid Wales for a broad range of unit sizes. While the majority of units transacted in recent years has been small (e.g. <500 sqm for industrial premises), there are significant unmet requirements for mid to larger units (1,000-3,000 sqm) and some requirements for even larger units (>5,000 sqm). Businesses requiring larger premises are more likely to have capacity (and a preference for) to build stock themselves and thus would be looking for appropriate land. Small to medium enterprises are more likely to be looking for built premises and thus a programme of speculative building should look to focus on such units.

3.20 In line with this and the research of Stage One (in particular, see Table 52 of the Stage One report), a programme of speculative development could be prepared in key areas of demand. In practical terms suggested speculative development could be as follows. The table presents the total floorspace and an indicative range of individual unit sizes.

Table 12 – Potential Programme of Speculative Development

Property Type/Use	2020-2025	2025-2030	2030+	Total
Aberystwyth				
B1(b) R&D Space	5,000 sqm (50-1,000 sqm)	5,000 sqm (50-1,000 sqm)	15,000 sqm (50-1,000 sqm)	25,000 sqm
B1 (c) Light Industry	3,000 sqm (50-500 sqm)		6,000 sqm (50-500 sqm)	9,000 sqm
Llandysul (Horeb)				
B2 Food Units	1,100 sqm (50-200 sqm)			
Newtown				
B1(b) R&D Space				
Mix B1 (c) Light Industry & B2 Advanced Manufacturing	3,000 sqm (200-1,500 sqm)	3,000 sqm (200-1,500 sqm)	6,000 sqm (200-1,500 sqm)	
Welshpool				
B2 Advanced Manufacturing		5,000 sqm (200-2,000 sqm)	10,000 sqm (200-2,000 sqm)	

4.0 SECTORAL INTERVENTIONS – SUPPORTING A GROWTH AGENDA FOR THE ECONOMY

4.1 As well as interventions to help deliver sites, the Growing Mid Wales Partnership can have a role in specific sectoral support. As identified in the Stage One report, sectors that are current strengths or emerging opportunities in Mid Wales include:

- Higher Value Manufacturing
- Food and beverage
- Tourism and hospitality
- Sustainable technologies
- Defence and security

4.2 The Growing Mid Wales Strategic Economic Plan 2020 provides greater detail on the economic priorities and actions needed to realise the economic growth potential of the region. Table 9 identifies a range of actions that can be considered to help support these priority business sectors and drive potential future growth as set out in the Stage One report. These should be read as recommended actions that the Partnership can consider to support growth in targeted sectors.

4.3 Several actions set out earlier in relation to bringing specific employment sites forward will also have benefits to these sectors. The following sector specific actions would be additional to the prior actions. The overall objective of supporting specific sectors is to promote economic growth, building on Mid Wales' strengths and market niches. Therefore, the sectoral objectives below support this overall objective.

4.4 The proposed public sector leads are provided in Table 13 for each sector that will lead on and coordinate public sector interventions. It is anticipated that a shared involvement at the local authority and Welsh Government levels will be appropriate for most sector interventions. However, the success of the growth and development of these sectors is significantly reliant on the private sector and public sector interventions should be targeted to stimulate private sector investment and activity.

Table 13 – Sectoral Actions

Sector	Objectives	Actions	Lead	Timing
High Value Manufacturing	To support and enhance the existing manufacturing strengths and ensure sector can take advantage of emerging opportunities	<ul style="list-style-type: none"> • Ensure that property interventions are properly promoted to businesses to demonstrate the increased capacity for growth in Mid Wales • Ensure appropriate engagement and participation of businesses and business groups in the Mid Wales Growth Deal process • Promote regional manufacturing strengths and competitive advantages, such as centrality in Wales, links to West Midlands, cost of living, etc. • Establish a fund to support development of innovative projects within Mid Wales • Establish a young entrepreneur's grant/prize for innovation in manufacturing • Engage in programme of speculative development of industrial units to stimulate growth in manufacturing • Link with colleges and universities to provide appropriate skills applicable to advanced manufacturing • Link to innovation and research and development funding and support 	PCC, CCC, WG	<p>0-5 years</p> <p>0-5 years</p> <p>0-5 years</p> <p>5-10 years</p> <p>5-10 years</p> <p>0-5 years and on-going</p> <p>0-5 years</p> <p>0-5 years</p>
Food and Beverage	To broaden and enhance this sectoral strength of Mid Wales.	<ul style="list-style-type: none"> • Support expansion of Food Centre Wales, including incubator units, grow-on space and traditional units both at Horeb and other locations in the region. • Support downstream enterprises and projects within Mid Wales to broaden value-adding of agricultural products within the region (e.g. processing within the region; use of local produce in retailing, restaurants). • Support appropriate on-farm schemes that provide value-added opportunities, including tourism opportunities, packaging/ processing of produce to add local value and potential "scale-up" 	CCC/PCC	<p>0-5 years</p> <p>0-5 years and on-going</p> <p>0-5 years and on-going</p>

Sector	Objectives	Actions	Lead	Timing
		<p>enterprises from farm to factory.</p> <ul style="list-style-type: none"> • Ensure that LDPs have flexibility to accommodate appropriate on-farm uses (e.g. rural enterprises). • Promote information sharing and collaboration between primary, processor and dining/retailing businesses, through a range of events (training, trade shows, demonstrations) and partnerships • Support adoption of technical improvements within the agricultural sector, through incentivisation, information sharing, resource sharing, site visits. A portfolio of leading enterprises/case studies of early adopting businesses in Mid Wales should be promoted in the industry • Encourage adaptations to agricultural practices to mitigate and adapt to climate change, including processes, products and land management. • Enhance skills development in agriculture, processing, retailing and hospitality, through expansion of short and long-course programmes in FE and HE institutions. 		<p>0-5 years</p> <p>5-10 years</p> <p>0-5 years</p> <p>0-5 years</p> <p>5-10 years</p>
Tourism and Hospitality	To broaden the tourism and hospitality offer in Mid Wales.	<ul style="list-style-type: none"> • Programme of maintenance and renewal of tourism assets (e.g. upkeep of trails, car-parking, improved signage, etc.) • Alignment of the strategic direction of the tourism sector across Mid Wales • Support sustainable low-impact tourism enterprises in rural areas. • Support enhancement of visitor accommodation offer, including products that service a broader market (e.g. business, education visitors) • Support existing accommodation enterprises through information sharing and business support to 	PCC, CCC, BBNPA	<p>0-5 years and on-going</p> <p>0-5 years</p> <p>0-5 years</p> <p>0-5 years</p> <p>0-5 years</p>

Sector	Objectives	Actions	Lead	Timing
		<p>ensure diversity and viability of accommodation stock</p> <ul style="list-style-type: none"> Identify sites for key tourism assets (not on or impacting on employment sites) Demand assessment for hotel in eastern corridor (Newtown and/or Welshpool) with preference for a town centre or gateway location 		<p>0-5 years</p> <p>0-5 years</p>
Sustainable Technologies	To support and develop this industry and ensure that the benefits are retained within Mid Wales	<ul style="list-style-type: none"> Development of Enterprise park hub for sustainable technologies – development of business case and feasibility study to confirm support as initial action Development of starter units to support commercialisation of research opportunities – Aberystwyth and/or Machynlleth Promotion of region's technical assets, businesses and expertise Establishment of a sector forum to bring together FE/HE assets, businesses and public sector stakeholders to increase profile of sector, encourage collaboration and promote/lobby externally 	CCC, PCC, WG	<p>5-10 years</p> <p>0-5 years</p> <p>0-5 years</p> <p>5-10 years</p>
Defence and Security	To support the industry, including its current strengths and emerging opportunities	<ul style="list-style-type: none"> Support of unmanned aircraft specialisation at Parc Aberporth, with potential for long-term expansion Development of NSC, in line with current planning Development of starter units to support complementary businesses to NSC, including high security, laboratory and traditional uses. Speculative development is likely to be required, though demonstration of local demand should be established 	WG, CCC	<p>10+ years</p> <p>0-5 years</p> <p>5-10 years</p>
Skills	To ensure that the labour force of today and in coming years has appropriate skills to meet local business needs.	<ul style="list-style-type: none"> Investigate options for further sites for FE/HE facilities, particularly specialist facilities servicing target sectors such as advanced manufacturing, food and beverage, agri-tech, construction. (Case study: 	WG, CCC, PCC, BBNPA	5-10 years

Sector	Objectives	Actions	Lead	Timing
		<p>Scarborough Skills Construction Village)</p> <ul style="list-style-type: none"> Encourage further R&D links between local businesses and FE/HE assets, particularly in target sectors in specialist facilities (see above) Mentoring programme for youth and young adults, using business leaders in Mid Wales Promotion programme highlighting career pathways within Mid Wales targeting high school students Programme of soft skills training to assist in readiness for workforce (e.g. interview skills, application support, organisational skills, communication skills, etc.) 		<p>5-10 years</p> <p>0-5 years</p> <p>0-5 years</p> <p>0-5 years</p>
Energy	To increase capacity and resilience of energy supply in Mid Wales	<ul style="list-style-type: none"> Continue to support capacity mapping undertaken by WG Demonstrate capacity improvements business case – align with ambition of Growth Deal and Mid Wales Energy Strategy & Action Plan Encourage on-site low carbon energy production and storage within employment areas (ensure planning policy alignment across Mid Wales to facilitate this) Support renewable energy development and research – align with overall policy for net zero carbon 	WG, CCC, PCC,	<p>0-5 years</p> <p>0-5 years</p> <p>0-5 years and on-going</p> <p>0-5 years and on-going</p>
Infrastructure	To deliver sufficient infrastructure to support targeted growth in business development	<ul style="list-style-type: none"> Gigabit/ultrafast broadband for existing and new employment sites 5G coverage and exploitation Roads – demonstration of benefits of targeted package of road improvements for business development and growth Provision of a range of community infrastructure to support vibrant, attractive communities 	WG, CCC, PCC,	On going

APPENDIX 1

STRATEGIC INTERVENTIONS

Powys

Mid Wales Employment Land - Action Plan & Programme	2020				2021				2022				2023				2024				2025			
POWYS SITES	Q1	Q2	Q3	Q4																				
Llanidloes Road Newtown																								
PCC/College dialogue - establish joint vision for site																								
Consider potential for LDO/Outline Planning Process																								
Promote potential for priority speculative development - WG/Mid Wales Deal																								
Commission Topographical Survey																								
Commission Flood Risk Assessment and Mitigation Plan																								
Commission Site Layout/Masterplan - scope development potential																								
Review other planning issues - access/transport/ecology etc																								
Prepare planning application/LDO approval																								
Initiate enabling site-works - & Speculative Development																								
Offas Dyke Business Park Extension																								
WG/Land Owner negotiations & Acquisition																								
Consider potential for LDO/Outline Planning Process																								
Commission Topographical Survey																								
Commission Site Layout/Masterplan - scope development potential																								
Establish Infrastructure Needs/Service Capacity																								
Initiate enabling site-works - & Speculative Development																								
Three Cocks - Area Search																								
Discuss sewer capacity/supply constraint with Dwr Cymru																								
Review options for resolution in 2020-25 programme																								
Promote improvements for next phase of Dwr Cymru's capital programme																								

Ceredigion

Mid Wales Employment Land - Action Plan & Programme	2020				2021				2022				2023				2024				2025			
CEREDIGION SITES	Q1	Q2	Q3	Q4																				
Aberystwyth Innovation & Enterprise Centre																								
Engage with University - joint vision for business growth & commercialisation																								
Review site ownership/options adjacent to ICE																								
Subject to site review - explore acquisition or JV options																								
Undertake Topographical Survey/Baseline Environmental Survey & Flood Risk																								
Commission site layout/Masterplan - scope development potential																								
Consider potential for LDO/Outline Planning Process																								
Review other planning issues - access/transport/ecology etc																								
Prepare planning application/LDO approval																								
Initiate enabling site-works - & Speculative Development																								
Horeb Business Park																								
Complete option agreement on adjacent land																								
Progress Design proposals for food-standard units																								
Confirm build costs and consider funding options																								
Consider procurement - potential D&B contracts																								
Parc Teifi Cardigan																								
Review adjacent land ownerships - explore potential acquisition with WG																								
Examine flood risk constraints & ecology																								
Enter negotiations to acquire land for expansion of site																								
Promote site for potential WG Property Grant/Spec Development																								
Aberystwyth Candidate Sites																								

APPENDIX 2

DEMONSTRATING MARKET FAILURE ON EMPLOYMENT LAND – VIABILITY APPRAISAL

INTRODUCTION & CONTEXT

This appraisal demonstrates local market failure in achieving commercially viable property development within the Mid Wales area.

It has been prepared by PER Consulting Ltd working as sub-consultants to BE Group leading the Mid Wales Employment Land Study. PER Consulting is regulated by the RICS and the appraisals presented below have been compiled in accordance with established RICS guidance and good practice. All appraisals were prepared as at January 2020.

Generic viability appraisals have been prepared for a range of different property types – B2 Industrial, B1 Hybrid space, B1 Office and B2 specialist food-standard business units. For simplicity, each appraisal is based on the construction of a generic 10,000 ft² business unit. Appropriate build costs have been applied using BCIS data with commercial values calibrated reflecting local market conditions in terms of rental values and investment yields. Full details of the assumptions adopted in the appraisals are set out later in the report.

OVERVIEW – MARKET FAILURE

The table below summarises the results of the residual viability appraisals for each type of property. In all cases, total development costs exceed the estimated commercial value of the completed property, based on prevailing market conditions. The residual loss calculated in each case ranges from 55% of development costs for B2 Industrial, 57% of costs for B1 Office space, 63% for B1 Hybrid space and up to 70% loss for B2 Food-Grade units.

Table A1: Residual Development Appraisals – Overview Results

	B2 Industrial	B1 Hybrid	B1 Office	B2 Food-Grade
Development Costs	£1.1m	£1.6m	£2.3m	£2.4m
Completed Property Value	£0.5m	£0.6m	£1.0m	£0.7m
Residual Profit/(Loss)	(£0.6m)	(£1.0m)	(£1.3m)	(£1.7m)
% Profit/(Loss) on Costs	(55%)	(63%)	(57%)	(70%)

This compares with a typical market return of around +15 to +20% required against construction costs to make a scheme viable and stimulate market delivery of new floorspace.

The viability appraisals show there is an enormous “gap” to be bridged to create a viable market proposition. This “gap” cannot be resolved easily through relatively small interventions such as soft market loans or joint-venture arrangements where the required subsidy to create a viable scheme will breach current State Aid conditions.

Whilst market conditions and investment confidence remain constrained across Mid Wales, only public sector funded development appears feasible to support the ambition for growth and economic transformation.

VIABILITY APPRAISAL ASSUMPTIONS

Details of the key assumptions included in the development viability appraisals are set out below. The full appraisal sheet is set out at the end.

Property Build Costs

General allowance for property build-costs have been drawn from BCIS On-line service as at December 2019. The national data-base provides local market evidence which has been calibrated to Powys as a general proxy of market conditions across Mid-Wales.

A range of figures are typically provided by BCIS showing Low to High Costs. The main appraisals have been based on the MEDIAN costs with sensitivity tests run using the Lower Quartile figures as illustrated in the table below.

Table A2: BCIS Build Cost £/ft²

	Lower Quartiles	Median
B2 Advanced Factories –Generally	£51.47	£73.30
B1 Mixed factory/offices generally	£71.44	£109.72
B2 Food/drink factories	£88.63	£160.16
B1 Offices	£113.06	£147.81

External Works & Services

The BCIS cost estimates are for construction work only (including on-site contractor preliminaries). Further allowance has to be made for external site works such as site layout, landscaping, car-parking, internal road layout and utility connections. In the absence of specific scheme designs, these are typically calibrated based on a percentage uplift to the standard build cost. Usually around 15% allowance will cover most commercial sites. For Mid-Wales, a higher allowance of 20% has been applied to reflect potential additional costs associated with localised flood risk mitigation, SUDS drainage and likely ecological management.

These cost allowances assume an otherwise serviced development site (see land costs later) with main utilities available to the edge of the plot and main road access already provided.

Contingency Allowance

A general 10% contingency has been applied to all construction costs to reflect potential for further abnormal site development or servicing costs.

Professional Fees

A further 10% allowance has been applied for professional fees to include architect design costs, engineering costs (civil and M&E services) as well as inclusive of planning fees.

Finance Costs

Private sector finance costs have been allowed for at 7% overall to cover both arrangement fees and interest rates. This is a relatively competitive market rate reflecting current conditions on development finance. Finance has been applied assuming 100% debt although in practice the loan to cost ratio is typically 80-90% with the balance either being provided through unsecured (mezzanine) finance or developer equity – both of which will be more expensive than the secured finance rate currently applied.

Draw Down Costs – applying finance

Most development finance is provided on a draw-down basis with interest charges being applied on the development cash-flow rather than the full loan provision.

Development cash-flows typically follow an S-curve over the construction period. For simplicity, the appraisals assume a 12 month build programme with only 50% of the loan facility accruing finance charges in that period on the further assumption the loan is repaid on completion and immediate sale of completed asset. In practice, of course, there can be a delay between completion of construction, reaching a lease agreement for full occupation and subsequent investment sale to realise value. Further finance costs would, therefore, be normally incurred during this void/marketing period.

No finance charges have been applied to the land assuming the developer seeks a licence agreement to occupy during construction and land purchase is completed coterminous with the completion and sale of the completed asset.

Land Acquisition

Land purchase costs have been based on assumed land value of £70,000 per acre for land with main services to the edge. All developments assume 40% site coverage requiring around 0.5 acre plots for the B2 and B1 Hybrid units and 0.25 acres for the B1 offices being developed over two-floors.

Capital Values

The value of completed developments have been calibrated based on market rent and investment yield allowances assuming immediate occupancy and either investment sale or freehold sale to occupier (i.e. no allowance for voids between completion and occupation)

For each property type the net internal or net-lettable area has been calibrated from the gross floorspace constructed based on 10% reduction for Industrial/B1 Hybrid Space and 15% reduction for Office Space allowing for common areas such as stairwells/entrance reception etc. These are standard market assumptions for Gross to Net allowances.

Market rents applied are shown below reflecting current passing rents in the local market. These will be lower than asking rents to reflect occupier negotiations and to off-set any incentives such as rent-free period etc. A range of alternative rental levels also been examined in the sensitivity tests.

Table A3: Market Rent Assumptions

Property Type	Market Rent £/ft ²
B2 Industrial	£5.00
B1 Hybrid	£6.00
B1 Office	£10.00
B2 Food Unit	£7.00

A flat 8% investment yield has been applied to all property types reflecting local market uncertainty in occupier confidence and covenant strength.

The net realisable values have then been calibrated allowing for disposal costs of around 5% of the capital value to include Letting Agent/Investment Agent and Legal Fees in marketing and disposal of the completed development.

These are considered realistic and appropriate assumptions on commercial value and reflect the relatively cautious approach taken by developers and expected from funding bodies in considering loan requests and funding risks.

Sensitivity Appraisal

The complexity of the development appraisal process and scale of financial gap to realise a commercially viable development scheme means movement will be required across a range of assumptions rather than minor adjustments to single variables alone. A further sensitivity appraisal has been prepared as set out in Appendix 2 and summarised below.

The following combined changes to key assumptions are required to tip the balance towards marginal viability achieving around 15-20% return on costs.

Table A4: Sensitivity Tests – Combined Changes

Property Type	Market Rent £/ft ²	Investment Yield	Lower Build Cost £/ft ²	Return on Costs
B2 Industrial	+30% to £6.50	Down 2 points to 6%	-30% to £51.47	14.6%
B1 Hybrid	+50% to £9.00	Down 2 point to 6%	-35% to £71.44	15.7%
B1 Office	+80% to £18.00	Down 1 point to 7%	-25% to £113.06	21.0%

B2 Food Unit	+57% to £111.00	Down 2 points to 6%	-45% to £88.63	14.7%
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The table shows a need to achieve substantial reductions in build-costs – these are within the Lower Quartile range provided by BCIS but inevitably could also have an impact on quality and implications for addressing sustainability features in the designs. It should be noted, however, construction cost inflation is currently running at around 3.2% per annum (2018-19); well above general inflation.

Equally, market rents will also need to rise substantially, matched by movement in commercial confidence and reflected in improved investment yields.

Mid Wales Employment Land - Demonstration of Market Failure			Generic Residual Appraisal	
				Jan-20
	Industrial	B1	Office	Food Unit
Gross Floorspace sq ft	10,000	10,000	10,000	10,000
Build Costs/ sq ft - Median	73.30	109.72	147.81	160.16
Construction Costs	£ 732,999	£ 1,097,176	£ 1,478,075	£ 1,601,635
External Works/Services incl Flood Risk	£ 146,600	£ 219,435	£ 295,615	£ 320,327
20%				
Build Cost Sub-Total	£ 879,599	£ 1,316,611	£ 1,773,690	£ 1,921,962
Contingency Allowance	£ 87,960	£ 131,661	£ 177,369	£ 192,196
10%				
Total Construction Costs	£ 967,559	£ 1,448,272	£ 1,951,059	£ 2,114,158
Professional Fees (Design, Engineers, Planning)	£ 96,756	£ 144,827	£ 195,106	£ 211,416
10%				
Total Build Costs	£ 1,064,314	£ 1,593,099	£ 2,146,165	£ 2,325,574
Finance Cost	£ 37,251	£ 55,758	£ 75,116	£ 81,395
7%				
<i>12 month build 50% draw-down</i>				
<i>Zero void period assumed Land acquired on completion</i>				
Total Cost including finance	£ 1,101,565	£ 1,648,858	£ 2,221,281	£ 2,406,969
Land Costs - site area assuming 40% coverage	0.50	0.50	0.25	0.50
<i>Land value - @ £70k per acre serviced</i>	£ 35,000	£ 35,000	£ 17,500	£ 35,000
Total Development Costs including Land	£ 1,136,565	£ 1,683,858	£ 2,238,781	£ 2,441,969
Net Lettable Floorspace	9,000.0	9,000.0	8,500.0	9,000.0
Market Rent	£5.00	£6.00	£10	£7.00
Rental Income per annum	£ 45,000	£ 54,000	£ 80,750	£ 63,000
Yield Assumption	8%	8%	8%	8%
YP Factor	12.50	12.50	12.5	12.50
Gross Capital Value	£ 562,500	£ 675,000	£ 1,009,375	£ 787,500
Less Disposal Costs (Agency/Legal Fees)	£ 28,125	£ 33,750	£ 50,469	£ 39,375
5%				
Net Value	£ 534,375	£ 641,250	£ 958,906	£ 748,125
Profit/Loss	£ (602,190)	£ (1,042,608)	£(1,279,875)	£(1,693,844)
Return/Loss on Costs	-52.98%	-61.92%	-57.17%	-69.36%

Mid Wales Employment Land - Demonstration of Market Failure			Sensitivity Appraisal	
				Jan-20
	Industrial	B1	Office	Food Unit
Gross Floorspace sq ft	10,000	10,000	10,000	10,000
Build Costs/ sq ft - Median	51.47	71.44	113.06	88.63
Construction Costs	£ 514,679	£ 714,418	£ 1,130,621	£ 886,288
External Works/Services incl Flood Risk	£ 102,936	£ 142,884	£ 226,124	£ 177,258
20%				
Build Cost Sub-Total	£ 617,614	£ 857,302	£ 1,356,745	£ 1,063,545
Contingency Allowance	£ 61,761	£ 85,730	£ 135,674	£ 106,355
10%				
Total Construction Costs	£ 679,376	£ 943,032	£ 1,492,419	£ 1,169,900
Professional Fees (Design, Engineers, Planning)	£ 67,938	£ 94,303	£ 149,242	£ 116,990
10%				
Total Build Costs	£ 747,313	£ 1,037,336	£ 1,641,661	£ 1,286,890
Finance Cost	£ 26,156	£ 36,307	£ 57,458	£ 45,041
7%				
<i>12 month build 50% draw-down</i>				
<i>Zero void period assumed Land acquired on completion</i>				
Total Cost including finance	£ 773,469	£ 1,073,642	£ 1,699,119	£ 1,331,931
Land Costs - site area assuming 40% coverage	0.50	0.50	0.25	0.50
<i>Land value - @ £70k per acre serviced</i>	£ 35,000	£ 35,000	£ 17,500	£ 35,000
Total Development Costs including Land	£ 808,469	£ 1,108,642	£ 1,716,619	£ 1,366,931
Net Lettable Floorspace	9,000.0	9,000.0	8,500.0	9,000.0
Market Rent	£6.50	£9.00	£18	£11.00
Rental Income per annum	£ 58,500	£ 81,000	£ 153,000	£ 99,000
Yield Assumption	6%	6%	7%	6%
YP Factor	16.67	16.67	14.28571429	16.67
Gross Capital Value	£ 975,000	£ 1,350,000	£ 2,185,714	£ 1,650,000
Less Disposal Costs (Agency/Legal Fees)	£ 48,750	£ 67,500	£ 109,286	£ 82,500
5%				
Net Value	£ 926,250	£ 1,282,500	£ 2,076,429	£ 1,567,500
Profit/(Loss)	£ 117,781	£ 173,858	£ 359,809	£ 200,569
Return/(Loss) on Costs	14.57%	15.68%	20.96%	14.67%



Mid Wales Region Employment Sites Premises Needs and Action Plan Powys, Ceredigion and Brecon Beacons

Stage 3 Report—Outline Business Case
March 2021

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Appendix 1 – Strategic Interventions Programme

Appendix 2 – Demonstrating Market Failure on Employment Land – Viability Appraisal

Appendix 3 – Speculative Floorspace Development & Cost Assumptions

1.0 INTRODUCTION

1.1 The **Mid Wales Employment Sites and Premises Needs Assessment and Action Plan** has been prepared by BE Group, Hatch and Per Consulting on behalf of Ceredigion and Powys County Councils, Brecon Beacons National Park Authority and the Welsh Government. The work was undertaken in three stages.

- Stage 1: Employment Sites and Premises Assessment
- Stage 2: Action Plan
- Stage 3: Outline Business Case for Intervention

1.2 This document represents Stage Three of the work – the scoping of an **Outline Business Case** for a Mid Wales Property Infrastructure Investment Fund to deliver a programme of targeted and prioritised investments in employment sites and premises.

1.3 The Growing Mid-Wales Partnership has an ambition to realise economic transformation and growth throughout the heart of Wales. Full achievement of this ambition will demand cross-cutting intervention across a range of inter-linked programmes building confidence and local resilience in people, skills, connected infrastructure, business and commercial property development. These are essential ingredients for a competitive and sustainable regional economy.

1.4 Throughout the lifetime of this commission and its three stages, the GMW Partnership have progressed the establishment of new governance and managements arrangements in region and have successfully negotiated Heads of Terms for a Mid Wales Growth Deal with both Governments. This would be a combined capital investment from both Governments of £110m over a period of 10 years¹ (NOTE: the Spring Budget 2021 accelerated the profile from 15 years to 10 years).

1.5 A Portfolio Business Case is being developed for the Growth Deal. This stage 3 report has been developed to consider all options to bring the identified proposals in stages 1 and 2 forward in the form of a Strategic Outline Case that could be considered within

¹ http://growingmidwales.co.uk/media/12112/Mid-Wales-Growth-Deal-Heads-of-Terms-Document-2020/pdf/Mid_Wales_Growth_Deal_Heads_of_Terms_FINAL_DRAFT_SIGNED_ENGLISH1.pdf?m=1608630554093

the Growth Deal Portfolio. At the conclusion of our commission, the region will need to review the proposals against the emerging Portfolio Business Case and follow relevant UKG/WG Governance and Assurance guidance to formally mandate the further development of the SOC into subsequent business cases for a Portfolio/Programme.

- 1.6 Earlier research into future business demand and economic trends (see Stage 1 Report) highlights the lack of readily available and appropriate quality of employment sites and business premises to meet the more exacting needs of innovative businesses in the future; despite other improvements in technical skills and local research capacity emerging in the region. The Mid Wales region is not alone in this challenge, as there has been little or no modern business floorspace delivered across Wales by the private sector in the last decade; other than office provision in the centre of Cardiff where market rents have improved. This is the key message in the Report to Welsh Government by SQW (Commercial Property: Market Analysis & Potential Interventions – March 2020).
- 1.7 This highlights the need for public intervention as a result of widespread “market failure” and recommends the Welsh Government progress a national programme for property intervention. Whilst this is to be welcomed, it can only have a relatively nominal impact on the Mid Wales regional demand and a further complementary local development programme is recommended to be delivered by the Growing Mid Wales Partnership to improve local competitiveness and attractiveness of the region.
- 1.8 The rest of this document presents a Strategic Outline Case for a Mid Wales Property Infrastructure Investment Fund. The paper follows the Treasury Guidance for “Better Business Cases” and the “Five Case Model” to determine the most appropriate way forward setting out consideration of:
 - Strategic Case – i.e. the rationale for the intervention.
 - Economic Case – to demonstrate value for money and socio-economic returns.
 - Commercial Case – exploring viability of proposals.
 - Financial Case – demonstrating affordability to the Mid Wales Partnership
 - Management Case – identifying recommended delivery process.

Earlier Stages of this Study

- 1.9 This scoping of an Outline Business Case is Stage Three of this study and should be read in conjunction with the earlier work. **Stage One** of the study reviewed the key property market dynamics of the Mid Wales region, assessed growth opportunities of employment sites, reviewed key sectors for the region and provided recommendations for the delivery of employment sites in Mid Wales. The recommendations in the Stage One report are:

Recommendation 1: Continue to plan at the larger than local level. While a dispersed and disparate area, the Mid Wales region has some key economic interactions and commonalities and a region-wide approach to employment land planning is appropriate.

Recommendation 2: The employment land need for the Larger than Local Area should be at least 62.5 ha to satisfy growth to 2040. This includes a five-year buffer to account for uncertainties and compares to the current realistic supply of about 57.2 ha. Therefore, it is recommended to provide further choice in the market to ensure that there is sufficient supply over the planning period. This requirement of 62.5 ha should be considered as a minimum, with further land required to satisfy emerging sectors.

Recommendation 3: A hierarchy of employment sites is recommended for Mid Wales. Given the constrained market, it is important that all employment sites are brought forward within the planning period. However, there are particular locations of need in Mid Wales and thus the Action Plan includes a suite of priority sites that form the core of targeted actions by the Councils and Welsh Government to drive delivery of further employment premises.

Recommendation 4: New employment sites are located in strategic locations. The priority locations for additional sites in Mid Wales should be Newtown, Welshpool, Aberystwyth, Brecon, Builth Wells, Knighton, Cardigan and Llandysul.

Recommendation 5: New premises are provided in strategic locations that reflect local demand. A larger range of unit sizes is required in Newtown and Welshpool, with a more moderate range in Aberystwyth. Small unit sizes are required in the market towns, including Brecon, Cardigan, Builth Wells, Knighton and Llandysul.

Recommendation 6: Public sector interventions are required in areas of market failure. It is recommended that the public sector continue to have a development role in the market through targeted interventions.

1.10 The **Stage Two** report is an Action Plan for Mid Wales, including strategic property interventions, local property interventions and key sectoral interventions. The key priority employment sites identified are:

Table 1 – Strategic Intervention Sites

Priority	Site
Powys	
1	Llanidloes Road, Newtown
2	Offa's Dyke Business Park Extension, Welshpool
3	Mid Wales Sustainable Technology Park (potentially also could be located in Ceredigion)
4	Land adj. Gwernyfed Avenue, Three Cocks
5	Abermule Business Park, Abermule
6	Heart of Wales Business Park, Llandrindod Wells
Ceredigion	
1	Aberystwyth Innovation & Enterprise Centre, Aberystwyth
2	Horeb Business Park, Llandysul
3	Parc Teifi Cardigan
4	Aberystwyth candidate sites: Llanbardarn Fawr Campus Penglais & Frongoch Farm Wern Phillip Farm
Brecon Beacons NP	
1	Cwrt y Gollen
2	Brecon Beacons Enterprise Park, Brecon

1.11 The key sectors for interventions are:

- Higher Value Manufacturing
- Food and beverage
- Tourism and hospitality
- Sustainable technologies
- Defence and security

2.0 THE STRATEGIC CASE FOR INTERVENTION

2.1 The Growing Mid Wales Partnership has established a clear ambition for economic and social growth taking advantage of the opportunities and overcoming local challenges to become a fairer, smarter region which reaches its full potential. (Vision for Growing Mid Wales – Strategic Economic Plan & Growth Deal Roadmap – May 2020).

2.2 The vision for Mid Wales by 2035 is:

“An enterprising and distinctive region delivering economic growth driven by innovation, skills, connectivity and more productive jobs supporting prosperous and bilingual communities.”

2.3 A Portfolio Business Case is being drafted, with the first draft of the Strategic Portfolio Business Case being approved at the GMW Board meeting on 11/03/21². This draft Portfolio clearly set the context and foundation for investment in Employment Sites and Premises, as part of the Supporting Enterprise theme that has been identified within scope of the Portfolio. Enabling business growth is identified as a strategic aim with an investment objective of increased job creation through investment in employment floor space.

2.4 A lack of private investment and availability of suitable commercial property across the region is a critical draw-back to achieving these long-term growth ambitions. This was a key conclusion in the Stage One Report of the Mid Wales Employment Sites & Premises Needs Assessment (December 2019) which highlighted:

- Much of the existing industrial and office premises in Mid Wales is dated and in need of refurbishment, with little new stock being developed to improve the overall quality of available property.
- Occupancy rates are very high, including in premises that are older and sub-optimal. Feedback from commercial agents revealed that some businesses are settling in less than ideal premises (e.g., older premises, not in preferred location, lower energy efficiency, etc.) due to lack of modern options.

² [Agenda for Bwrdd Tyfu Canolbarth Cymru / Growing Mid Wales Board on Thursday, 11th March, 2021, 5.30 pm Cyngor Sir Powys County Council \(modern.gov.co.uk\)](#)

- Commercial agents also reported a range of unmet requirements in the market, predominantly for industrial stock, including small, medium and larger units. This interest pre-dated the current Covid-19 pandemic but has remained strong reflecting national demand for manufacturing and distribution markets. At the time, demand for between 55,000 – 70,000 m² of floorspace was identified which could potentially accommodate over 1,000 local jobs. The lack of available property is undoubtedly preventing the local and regional economic from growing.
 - Despite these requirements, there is very little private sector development activity or interest in the market. This is due to a lack of indigenous commercial developer firms in Mid Wales and critically, schemes not seen to be viable due to construction costs rising above likely end market values.
 - This market failure is constraining the local market and leading to several sites not being developed.
- 2.5 For any region seeking to promote economic growth and attract new business investment in high value sectors, the ready availability of suitable, modern property is often a pre-requisite to respond to business enquiries. A lack of property and inability to respond swiftly to enquiries will undoubtedly constrain Mid Wales in meeting its ambitions for growth and economic transformation and could lead to economic decline within the region as key businesses relocate elsewhere to acquire suitable units.

Stimulus for Innovation & Growth – need for Public Intervention

- 2.6 A strong, pro-active approach by the Mid Wales Partnership is recommended to bring land and premises forward to stimulate market demand and respond to business needs. This is vital if Mid Wales is to attract otherwise footloose business investment and to retain its key employers.
- 2.7 Whilst a range of interventions and partnership solutions can be supported, there is clear need to overcome current market failure through direct public investment to unlock development and deliver commercial property ahead of occupier demand.
- 2.8 Analysis completed for the Stage 1 Employment Land Study (and set out in Appendix 2) demonstrates a commercial viability gap of around 60% based on current market indicators. This cannot be overcome through simple gap-funding mechanisms and

means more direct, public sector delivery of advanced commercial property is required to help attract new business occupiers and build development market confidence in the longer term.

Portfolio Programme

- 2.9 The aim is to establish a strategic programme of direct public investment to secure delivery of essential employment property & infrastructure to meet current and stimulate future demand and complementary measures to stimulate investment by the private sector. In the early stages, 100% public investment is likely to be needed to unlock development potential. Ownership of the completed assets will remain with one or other lead public body (either the LA or Welsh Government, or a joint venture partnership between the two) with rental income and any future capital receipts potentially being recycled back into the Fund.
- 2.1 The fund will be used for both infrastructure and property delivery to capture business investment and unlock economic growth potential. Direct private sector investment in new employment sites and premises and the upgrading of existing building stock could also be supported through measures to help address financial viability either through the Fund or a separate intervention delivered through the Development Bank of Wales.
- 2.2 The Stage 1 demand analysis identified a realistic need for a forward programme of some 16,000 m² of speculative property required over the five year period 2020-2025 and a further 17,000 m² in the second five year period to 2030.
- 2.3 Delivery of this level of future floorspace demand will require public investment of at least £20.5m in the first five years to 2025 and a further £17.1m+ in the second period to 2030. The full break-down of investment is summarised in the table below and allows for investment in site servicing, construction work and professional fees but excludes land purchase costs. The detailed cost assumptions are set out in Appendix 3.

Table 2 – Potential Public Sector Investment in Employment Space

<i>Excludes land costs</i>	2020-2025	2025-2030
Aberystwyth		
B1(b) R&D Space	£8.0m	£8.0m
B1(c) Light Industry	£3.5m	
Llandysul		
B2 Food Units	£3.0m	-
Newtown		
B1(c) / B2 Industrial	£3.5m	£3.5m
Welshpool		
Advanced Site Services	£2.5m	
B1(c) / B2 Industrial	-	£6.0m
Brecon/Builth/Knighton/Cardigan		
B1(c) / B2 Industrial	£4.5m	£4.5m
	£25.0m	£22.0m

Note: See Appendix 3 for detailed assumptions. All figures rounded.

3.0 THE ECONOMIC CASE AND VALUE FOR MONEY

3.1 The primary objective is to unlock local development potential and stimulate the attraction of new business investment and future growth. The Employment Land Study Action Plan (September 2020) identifies a wide range of potential public sector interventions which will be deployed to support local business growth and activity. It is clear that these alone cannot resolve the fundamental market failure in terms of advanced property development and a much deeper level of public intervention involving direct delivery is required to promote the Mid Wales region as being open for business to attract the necessary economic transformation.

3.2 The strategic options considered, therefore, are summarised below:

Option 1 - Do-Nothing

3.3 It is clear from the employment forecasts, (even pre-Covid) that doing nothing will not realise the transformation required in the Mid Wales economy. The market trends show a dramatic fall in employment capacity across Mid Wales with consequential negative impact on people and local communities.

Option 2 – Business Support & Planning Interventions

3.4 Whilst there remains an important role for a wide range of “soft” interventions and support for business including leadership in site promotion and planning delivery, the scale of local market failure means these interventions alone cannot plug the market gap demonstrated in the viability appraisals as shown in Appendix 2 of this report.

Option 3 – Evergreen Fund - Recycled Investment

3.5 The potential for a recycled, evergreen fund of investment with capital returns would really only work in a more mature property market. Whilst there may still be scope for selected investment on a minimum grant or soft loan basis to unlock specific private schemes, these are more likely to be by exception and would only respond to immediate demand and not prepare the way for transformational business growth and investment.

Option 4 – Selected Investment

3.6 Reflecting the scale of local market failure, the preferred approach is to identify a programme of individual development schemes for targeted, prioritised investment led and delivered by the public sector. This will provide the essential flexibility for the

Growing Mid Wales Partnership to stimulate market confidence and create the capacity needed to attract mobile investment and realise transformational growth. This would be delivered through a Mid Wales Property Infrastructure Investment Fund. The proposal would be complemented by the development of broader financial incentives to help stimulate private sector investment in employment sites and premises.

- 3.7 Delivery of new property development of around 16,000 m² in the first five-year period to 2025 could generate some 386 gross new jobs across the Mid Wales region. Based on an average GVA per high-value job (priority target sectors) of £27,900 (2018 prices) this will generate some £10.8 millions of economic value per annum; or £108 million assuming a typical ten-year duration. This presents a gross Benefit Cost Ratio (BCR) of over 4:1 against the initial investment fund of £25.0m.

Table 3 – Potential Jobs and GVA from Public Sector Investment 2020-2025

2020-2025	Floorspace m2	Gross Jobs	GVA p.a.
Aberystwyth			
B1(b) R&D Space	5,000	106	£3.0m
B1(c) Light Industry	3,000	64	£1.8m
Llandysul			
B2 Food Units	1,000	23	£0.6m
Newtown			
B1(c) / B2 Industrial	3,000	83	£2.3m
Brecon/Builth/Knighton/Cardigan			
B1(c) / B2 Industrial	4,000	110	£3.1m
Totals	16,000	386	£10.8m

Note: Job numbers based on Homes & Communities Agency Employment Density Guide 2015

4.0 THE COMMERCIAL CASE

- 4.1 The purpose of the fund is for the public sector to manage the commercial viability risk, potentially taking on the role of developer to accelerate property development across the region. The public sector will continue to work in partnership with private sector contractors across the region and use established construction frameworks to manage the procurement process where appropriate.
- 4.2 Procurement managers from the public sector partners will advise on the most efficient and effective process to follow for each project including consideration of Design & Build contracts where specialist design solutions provide best value for money.
- 4.3 Supporting measures to stimulate private sector investment in employment sites and premises could be delivered through a separate investment fund administered by the Mid Wales region or through the Development Bank of Wales.

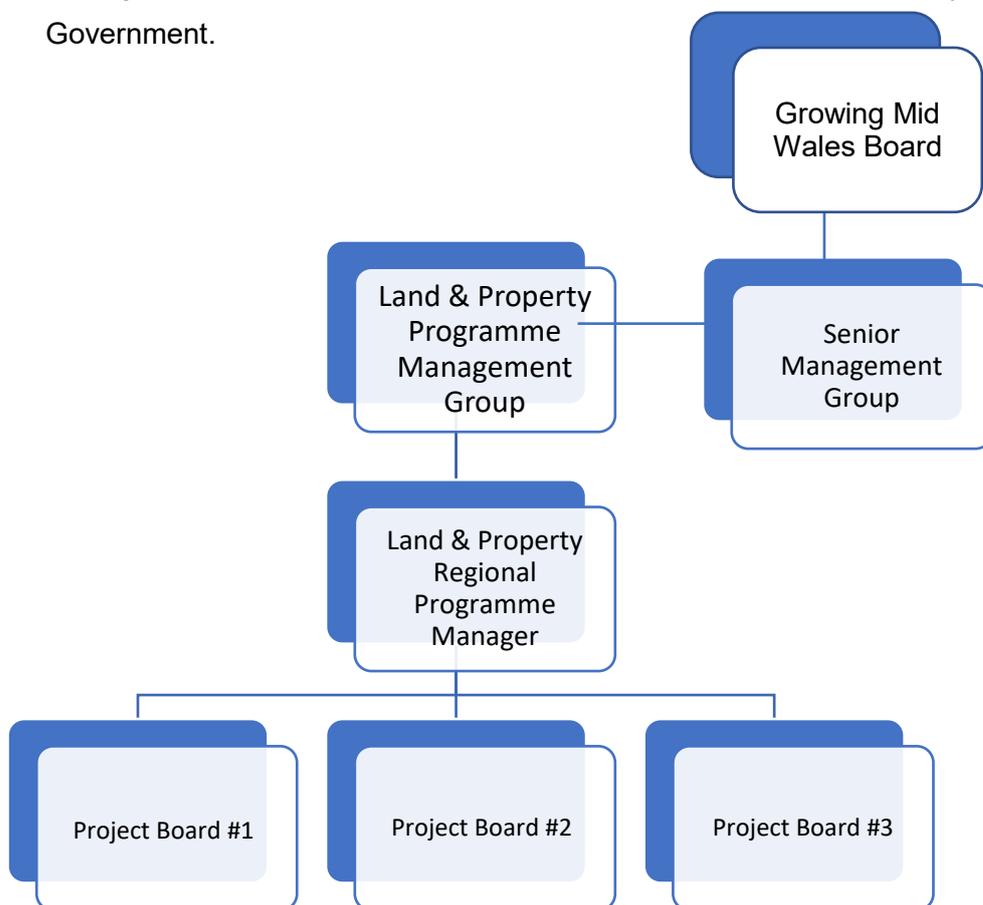
5.0 THE FINANCIAL CASE

- 5.1 The Property Infrastructure Investment Fund will be drawn from the planned £110m combined funding for the Growing Mid Wales Growth Deal between the local partners, Welsh Government and UK Government. The Fund will be a capital only investment programme to support direct investment designed to bring forward advanced development of commercial property and site infrastructure to unlock future growth potential. The investment programme and site specific development opportunities should complement wider regional economic priorities and integrate measures such as skills, low carbon energy, digital connectivity, transport and support the delivery of growth sectors.
- 5.2 The initial £25m fund in the first five years will be targeted at priority business growth sectors to position Mid Wales as a strong contender to attract inward investment and job creation. Reflecting the availability of land at Horeb and Aberystwyth and the potential association with Aberystwyth University, investment is weighted more towards Ceredigion where £14.5m of investment is required to bring forward the required speculative development.
- 5.3 Some £3.5m is required to bring forward development at Newtown in association with Neath Port Talbot Group of Colleges as landowner; whilst early site infrastructure investment (£2.5m) will be required in Welshpool to extend the existing Offa's Dyke Business Park.
- 5.4 Some £4.5m is identified to support smaller business development and growth opportunities in market towns such as Brecon, Builth Wells, Knighton and in Cardigan – although these may be linked more to established occupier requirements rather than truly speculative development.
- 5.5 The second five year period (2025-2030) is more evenly distributed with potential to bring new development forward in Welshpool once the land is prepared as well as further development in Newtown requiring combined investment of £9.1m with a further £8m of investment for a second phase development in Aberystwyth. A further £4.5m may be also be required in the smaller market towns as above. The programme will however need to remain responsive to changing needs and opportunities over this period which may alter the geographic priorities for investment.

- 5.6 Funding contributions could be evenly split into thirds drawing on UK and Welsh Government contributions together with the Local Authority support. This would require each Local Authority to contribute some £8.0m over the full ten years. This approach ensures the programme is affordable within current approved financial parameters for Mid Wales.

6.0 THE MANAGEMENT CASE

6.1 The Mid Wales Property Infrastructure Investment Fund will be co-ordinated by a Regional Programme Manager (Land & Property) reporting to a Programme Management Group of senior representatives from each local authority and the Welsh Government.



6.2 Individual project boards will be assembled with responsibility for preparing detailed project business cases on scheme by scheme basis. Project business cases will be supported by the Programme Manager and scrutinised for value for money by the Programme Management Group who will make recommendations for funding support to the Senior Management Group, who will, in turn make recommendations to the Growing Mid Wales Board to release the required funding.

6.3 Project gateway reviews and scrutiny of funding applications will be conducted in accordance with the Treasury 5-Case Business Case Model and appraisal process. This will ensure a regional overview is maintained whilst also reflecting local needs.

- 6.4 The Programme Management Group will be in a position to identify potential project and programme synergies to maximise value for money from the programme investment.
- 6.5 The Programme Management Group will comprise staff from each local authority and the Welsh Government with appropriate background and skill in financial management, infrastructure delivery and property development to formally assess and evaluate project proposals. A thorough risk assessment and due diligence on applicants' ability to deliver will be integral to the review process.
- 6.6 Funding decisions will also take account of the programme objectives:
- Minimum funding necessary to move forward in timely fashion (can include funding up to 100% of eligible project costs).
 - Designed to meet needs of target and priority business sectors (in accordance with Growing Mid Wales Vision).
 - Investment in recognised growth areas with potential to leverage private occupier and business investment.
- 6.7 As individual projects are approved, a detailed delivery plan will be established which will be formulated into the Heads of Terms funding agreement and include provision for project monitoring and evaluation; feeding into the overall programme evaluation process.
- 6.8 When property assets are completed, consideration of including a legal charge on the property/land can be considered to further protect the Growing Mid Wales Partnership's financial claims and control over future disposal.

APPENDIX 1

STRATEGIC INTERVENTIONS

Powys

Mid Wales Employment Land - Action Plan & Programme	2020				2021				2022				2023				2024				2025			
POWYS SITES	Q1	Q2	Q3	Q4																				
Llanidloes Road Newtown																								
PCC/College dialogue - establish joint vision for site																								
Consider potential for LDO/Outline Planning Process																								
Promote potential for priority speculative development - WG/Mid Wales Deal																								
Commission Topographical Survey																								
Commission Flood Risk Assessment and Mitigation Plan																								
Commission Site Layout/Masterplan - scope development potential																								
Review other planning issues - access/transport/ecology etc																								
Prepare planning application/LDO approval																								
Initiate enabling site-works - & Speculative Development																								
Offas Dyke Business Park Extension																								
WG/Land Owner negotiations & Acquisition																								
Consider potential for LDO/Outline Planning Process																								
Commission Topographical Survey																								
Commission Site Layout/Masterplan - scope development potential																								
Establish Infrastructure Needs/Service Capacity																								
Initiate enabling site-works - & Speculative Development																								
Three Cocks - Area Search																								
Discuss sewer capacity/supply constraint with Dwr Cymru																								
Review options for resolution in 2020-25 programme																								
Promote improvements for next phase of Dwr Cymru's capital programme																								

Ceredigion

Mid Wales Employment Land - Action Plan & Programme	2020				2021				2022				2023				2024				2025			
CEREDIGION SITES	Q1	Q2	Q3	Q4																				
Aberystwyth Innovation & Enterprise Centre																								
Engage with University - joint vision for business growth & commercialisation																								
Review site ownership/options adjacent to ICE																								
Subject to site review - explore acquisition or JV options																								
Undertake Topographical Survey/Baseline Environmental Survey & Flood Risk																								
Commission site layout/Masterplan - scope development potential																								
Consider potential for LDO/Outline Planning Process																								
Review other planning issues - access/transport/ecology etc																								
Prepare planning application/LDO approval																								
Initiate enabling site-works - & Speculative Development																								
Horeb Business Park																								
Complete option agreement on adjacent land																								
Progress Design proposals for food-standard units																								
Confirm build costs and consider funding options																								
Consider procurement - potential D&B contracts																								
Parc Teifi Cardigan																								
Review adjacent land ownerships - explore potential acquisition with WG																								
Examine flood risk constraints & ecology																								
Enter negotiations to acquire land for expansion of site																								
Promote site for potential WG Property Grant/Spec Development																								
Aberystwyth Candidate Sites																								

APPENDIX 2

DEMONSTRATING MARKET FAILURE ON EMPLOYMENT LAND – VIABILITY APPRAISAL

INTRODUCTION & CONTEXT

This appraisal demonstrates local market failure in achieving commercially viable property development within the Mid Wales area.

It has been prepared by PER Consulting Ltd working as sub-consultants to BE Group leading the Mid Wales Employment Land Study. PER Consulting is regulated by the RICS and the appraisals presented below have been compiled in accordance with established RICS guidance and good practice. All appraisals were prepared as at January 2020.

Generic viability appraisals have been prepared for a range of different property types – B2 Industrial, B1 Hybrid space, B1 Office and B2 specialist food-standard business units. For simplicity, each appraisal is based on the construction of a generic 10,000 ft² business unit. Appropriate build costs have been applied using BCIS data with commercial values calibrated reflecting local market conditions in terms of rental values and investment yields. Full details of the assumptions adopted in the appraisals are set out later in the report.

OVERVIEW – MARKET FAILURE

The table below summarises the results of the residual viability appraisals for each type of property. In all cases, total development costs exceed the estimated commercial value of the completed property, based on prevailing market conditions. The residual loss calculated in each case ranges from 55% of development costs for B2 Industrial, 57% of costs for B1 Office space, 63% for B1 Hybrid space and up to 70% loss for B2 Food-Grade units.

Table A1: Residual Development Appraisals – Overview Results

	B2 Industrial	B1 Hybrid	B1 Office	B2 Food-Grade
Development Costs	£1.1m	£1.6m	£2.3m	£2.4m
Completed Property Value	£0.5m	£0.6m	£1.0m	£0.7m
Residual Profit/(Loss)	(£0.6m)	(£1.0m)	(£1.3m)	(£1.7m)
% Profit/(Loss) on Costs	(55%)	(63%)	(57%)	(70%)

This compares with a typical market return of around +15 to +20% required against construction costs to make a scheme viable and stimulate market delivery of new floorspace.

The viability appraisals show there is an enormous “gap” to be bridged to create a viable market proposition. This “gap” cannot be resolved easily through relatively small interventions such as soft market loans or joint-venture arrangements where the required subsidy to create a viable scheme will breach current State Aid conditions.

Whilst market conditions and investment confidence remain constrained across Mid Wales, only public sector funded development appears feasible to support the ambition for growth and economic transformation.

VIABILITY APPRAISAL ASSUMPTIONS

Details of the key assumptions included in the development viability appraisals are set out below. The full appraisal sheet is set out at the end.

Property Build Costs

General allowance for property build-costs have been drawn from BCIS On-line service as at December 2019. The national data-base provides local market evidence which has been calibrated to Powys as a general proxy of market conditions across Mid-Wales.

A range of figures are typically provided by BCIS showing Low to High Costs. The main appraisals have been based on the MEDIAN costs with sensitivity tests run using the Lower Quartile figures as illustrated in the table below.

Table A2: BCIS Build Cost £/ft²

	Lower Quartiles	Median
B2 Advanced Factories –Generally	£51.47	£73.30
B1 Mixed factory/offices generally	£71.44	£109.72
B2 Food/drink factories	£88.63	£160.16
B1 Offices	£113.06	£147.81

External Works & Services

The BCIS cost estimates are for construction work only (including on-site contractor preliminaries). Further allowance has to be made for external site works such as site layout, landscaping, car-parking, internal road layout and utility connections. In the absence of specific scheme designs, these are typically calibrated based on a percentage uplift to the standard build cost. Usually around 15% allowance will cover most commercial sites. For Mid-Wales, a higher allowance of 20% has been applied to reflect potential additional costs associated with localised flood risk mitigation, SUDS drainage and likely ecological management.

These cost allowances assume an otherwise serviced development site (see land costs later) with main utilities available to the edge of the plot and main road access already provided.

Contingency Allowance

A general 10% contingency has been applied to all construction costs to reflect potential for further abnormal site development or servicing costs.

Professional Fees

A further 10% allowance has been applied for professional fees to include architect design costs, engineering costs (civil and M&E services) as well as inclusive of planning fees.

Finance Costs

Private sector finance costs have been allowed for at 7% overall to cover both arrangement fees and interest rates. This is a relatively competitive market rate reflecting current conditions on development finance. Finance has been applied assuming 100% debt although in practice the loan to cost ratio is typically 80-90% with the balance either being provided through unsecured (mezzanine) finance or developer equity – both of which will be more expensive than the secured finance rate currently applied.

Draw Down Costs – applying finance

Most development finance is provided on a draw-down basis with interest charges being applied on the development cash-flow rather than the full loan provision.

Development cash-flows typically follow an S-curve over the construction period. For simplicity, the appraisals assume a 12 month build programme with only 50% of the loan facility accruing finance charges in that period on the further assumption the loan is repaid on completion and immediate sale of completed asset. In practice, of course, there can be a delay between completion of construction, reaching a lease agreement for full occupation and subsequent investment sale to realise value. Further finance costs would, therefore, be normally incurred during this void/marketing period.

No finance charges have been applied to the land assuming the developer seeks a licence agreement to occupy during construction and land purchase is completed coterminous with the completion and sale of the completed asset.

Land Acquisition

Land purchase costs have been based on assumed land value of £70,000 per acre for land with main services to the edge. All developments assume 40% site coverage requiring around 0.5 acre plots for the B2 and B1 Hybrid units and 0.25 acres for the B1 offices being developed over two-floors.

Capital Values

The value of completed developments have been calibrated based on market rent and investment yield allowances assuming immediate occupancy and either investment sale or freehold sale to occupier (i.e. no allowance for voids between completion and occupation)

For each property type the net internal or net-lettable area has been calibrated from the gross floorspace constructed based on 10% reduction for Industrial/B1 Hybrid Space and 15% reduction for Office Space allowing for common areas such as stairwells/entrance reception etc. These are standard market assumptions for Gross to Net allowances.

Market rents applied are shown below reflecting current passing rents in the local market. These will be lower than asking rents to reflect occupier negotiations and to off-set any incentives such as rent-free period etc. A range of alternative rental levels also been examined in the sensitivity tests.

Table A3: Market Rent Assumptions

Property Type	Market Rent £/ft ²
B2 Industrial	£5.00
B1 Hybrid	£6.00
B1 Office	£10.00
B2 Food Unit	£7.00

A flat 8% investment yield has been applied to all property types reflecting local market uncertainty in occupier confidence and covenant strength.

The net realisable values have then been calibrated allowing for disposal costs of around 5% of the capital value to include Letting Agent/Investment Agent and Legal Fees in marketing and disposal of the completed development.

These are considered realistic and appropriate assumptions on commercial value and reflect the relatively cautious approach taken by developers and expected from funding bodies in considering loan requests and funding risks.

Sensitivity Appraisal

The complexity of the development appraisal process and scale of financial gap to realise a commercially viable development scheme means movement will be required across a range of assumptions rather than minor adjustments to single variables alone. A further sensitivity appraisal has been prepared as set out in Appendix 2 and summarised below.

The following combined changes to key assumptions are required to tip the balance towards marginal viability achieving around 15-20% return on costs.

Table A4: Sensitivity Tests – Combined Changes

Property Type	Market Rent £/ft ²	Investment Yield	Lower Build Cost £/ft ²	Return on Costs
B2 Industrial	+30% to £6.50	Down 2 points to 6%	-30% to £51.47	14.6%
B1 Hybrid	+50% to £9.00	Down 2 point to 6%	-35% to £71.44	15.7%
B1 Office	+80% to £18.00	Down 1 point to 7%	-25% to £113.06	21.0%
B2 Food Unit	+57% to £11.00	Down 2 points to 6%	-45% to £88.63	14.7%

The table shows a need to achieve substantial reductions in build-costs – these are within the Lower Quartile range provided by BCIS but inevitably could also have an impact on quality and implications for addressing sustainability features in the designs. It should be noted, however, construction cost inflation is currently running at around 3.2% per annum (2018-19); well above general inflation.

Equally, market rents will also need to rise substantially, matched by movement in commercial confidence and reflected in improved investment yields.

Mid Wales Employment Land - Demonstration of Market Failure			Generic Residual Appraisal	
				Jan-20
	Industrial	B1	Office	Food Unit
Gross Floorspace sq ft	10,000	10,000	10,000	10,000
Build Costs/ sq ft - Median	73.30	109.72	147.81	160.16
Construction Costs	£ 732,999	£ 1,097,176	£ 1,478,075	£ 1,601,635
External Works/Services incl Flood Risk	£ 146,600	£ 219,435	£ 295,615	£ 320,327
20%				
Build Cost Sub-Total	£ 879,599	£ 1,316,611	£ 1,773,690	£ 1,921,962
Contingency Allowance	£ 87,960	£ 131,661	£ 177,369	£ 192,196
10%				
Total Construction Costs	£ 967,559	£ 1,448,272	£ 1,951,059	£ 2,114,158
Professional Fees (Design, Engineers, Planning)	£ 96,756	£ 144,827	£ 195,106	£ 211,416
10%				
Total Build Costs	£ 1,064,314	£ 1,593,099	£ 2,146,165	£ 2,325,574
Finance Cost	£ 37,251	£ 55,758	£ 75,116	£ 81,395
7%				
<i>12 month build 50% draw-down</i>				
<i>Zero void period assumed Land acquired on completion</i>				
Total Cost including finance	£ 1,101,565	£ 1,648,858	£ 2,221,281	£ 2,406,969
Land Costs - site area assuming 40% coverage	0.50	0.50	0.25	0.50
<i>Land value - @ £70k per acre serviced</i>	£ 35,000	£ 35,000	£ 17,500	£ 35,000
Total Development Costs including Land	£ 1,136,565	£ 1,683,858	£ 2,238,781	£ 2,441,969
Net Lettable Floorspace	9,000.0	9,000.0	8,500.0	9,000.0
Market Rent	£5.00	£6.00	£10	£7.00
Rental Income per annum	£ 45,000	£ 54,000	£ 80,750	£ 63,000
Yield Assumption	8%	8%	8%	8%
YP Factor	12.50	12.50	12.5	12.50
Gross Capital Value	£ 562,500	£ 675,000	£ 1,009,375	£ 787,500
Less Disposal Costs (Agency/Legal Fees)	£ 28,125	£ 33,750	£ 50,469	£ 39,375
5%				
Net Value	£ 534,375	£ 641,250	£ 958,906	£ 748,125
Profit/Loss	£ (602,190)	£ (1,042,608)	£(1,279,875)	£(1,693,844)
Return/Loss on Costs	-52.98%	-61.92%	-57.17%	-69.36%

Mid Wales Employment Land - Demonstration of Market Failure			Sensitivity Appraisal	
				Jan-20
	Industrial	B1	Office	Food Unit
Gross Floorspace sq ft	10,000	10,000	10,000	10,000
Build Costs/ sq ft - Median	51.47	71.44	113.06	88.63
Construction Costs	£ 514,679	£ 714,418	£ 1,130,621	£ 886,288
External Works/Services incl Flood Risk	£ 102,936	£ 142,884	£ 226,124	£ 177,258
20%				
Build Cost Sub-Total	£ 617,614	£ 857,302	£ 1,356,745	£ 1,063,545
Contingency Allowance	£ 61,761	£ 85,730	£ 135,674	£ 106,355
10%				
Total Construction Costs	£ 679,376	£ 943,032	£ 1,492,419	£ 1,169,900
Professional Fees (Design, Engineers, Planning)	£ 67,938	£ 94,303	£ 149,242	£ 116,990
10%				
Total Build Costs	£ 747,313	£ 1,037,336	£ 1,641,661	£ 1,286,890
Finance Cost	£ 26,156	£ 36,307	£ 57,458	£ 45,041
7%				
<i>12 month build 50% draw-down</i>				
<i>Zero void period assumed Land acquired on completion</i>				
Total Cost including finance	£ 773,469	£ 1,073,642	£ 1,699,119	£ 1,331,931
Land Costs - site area assuming 40% coverage	0.50	0.50	0.25	0.50
<i>Land value - @ £70k per acre serviced</i>	£ 35,000	£ 35,000	£ 17,500	£ 35,000
Total Development Costs including Land	£ 808,469	£ 1,108,642	£ 1,716,619	£ 1,366,931
Net Lettable Floorspace	9,000.0	9,000.0	8,500.0	9,000.0
Market Rent	£6.50	£9.00	£18	£11.00
Rental Income per annum	£ 58,500	£ 81,000	£ 153,000	£ 99,000
Yield Assumption	6%	6%	7%	6%
YP Factor	16.67	16.67	14.28571429	16.67
Gross Capital Value	£ 975,000	£ 1,350,000	£ 2,185,714	£ 1,650,000
Less Disposal Costs (Agency/Legal Fees)	£ 48,750	£ 67,500	£ 109,286	£ 82,500
5%				
Net Value	£ 926,250	£ 1,282,500	£ 2,076,429	£ 1,567,500
Profit/(Loss)	£ 117,781	£ 173,858	£ 359,809	£ 200,569
Return/(Loss) on Costs	14.57%	15.68%	20.96%	14.67%

APPENDIX 3

SPECULATIVE FLOORSPACE DEVELOPMENT COST ASSUMPTIONS

Mid Wales Speculative Development - Cost Assumptions

BCIS Median /m2	Floorspace m2	Build Cost	2020 - 2025			Fees	Total
			Site Costs	Contingency			
			20%	10%	10%		
	Aberystwyth						
£1,102	B1(b) R&D Space	5,000	£5,510,000	£1,102,000	£661,200	£727,320	£8,000,520
£807	B1 (c) Light Industry	3,000	£2,421,000	£484,200	£290,520	£319,572	£3,515,292
	Llandysul (Horeb)						
£1,889	B2 Food Units	1,000	£1,889,000	£377,800	£226,680	£249,348	£2,742,828
	Newtown						
£1,102	B1(b) R&D Space						
£807	B1 (c) / B2	3,000	£2,421,000	£484,200	£290,520	£319,572	£3,515,292
	Welshpool						
£807	B2 Advanced Manufacturing			£2,500,000			£2,500,000
	Brecon/Builth/Knighton/Cardigan						
£807	B1 (c) / B2	4,000	£3,228,000	£3,145,600	£387,360	£426,096	£4,687,056
		16,000	£15,469,000	£5,593,800	£1,856,280	£2,041,908	£24,960,988

BCIS Median /m2		Floorspace m2	Build Cost	2025-2030			Total
				Site Costs	Contingency	Fees	
	Aberystwyth			20%	10%	10%	
£1,102	B1(b) R&D Space	5,000	£5,510,000	£1,102,000	£661,200	£727,320	£8,000,520
£807	B1 (c) Light Industry		£0	£0	£0	£0	£0
	Newtown						
£1,102	B1(b) R&D Space						
£807	B1 (c) / B2	3,000	£2,421,000	£484,200	£290,520	£319,572	£3,515,292
	Welshpool						
£807	B2 Advanced Manufacturing	5,000	£4,035,000	£807,000	£484,200	£532,620	£5,858,820
	Brecon/Builth/Knighton/Cardigan						
£807	B1 (c) / B2	4,000	£3,228,000	£645,600	£387,360	£426,096	£4,687,056
		17,000	£15,194,000	£3,038,800	£1,823,280	£2,005,608	£22,061,688