

Safeguarding Business and Industrial Land and Premises

Supplementary Planning Guidance



November 2017

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1. INTRODUCTION

- 1.1 This Supplementary Planning Guidance Note (SPG) supplements policies in the adopted Cardiff Local Development Plan (LDP) relating to the safeguarding of identified employment land and premises for their employment function and circumstances where alternative uses may be acceptable.
- 1.2 Welsh Government supports the use of supplementary planning guidance to set out detailed guidance on the way in which development plan policies will be applied in particular circumstances or areas. SPG must be consistent with development plan policies and national planning policy guidance. SPG helps to ensure certain policies and proposals are better understood and applied more effectively. They do not have the same status as the adopted development plan, but are a material consideration in the determination of planning applications.
- 1.3 This SPG has been produced to provide further detail on the following economic policies contained within the LDP:
- EC1 'Existing Employment Land';
 - EC2 'Provision of Complimentary Facilities for Employees in Business, Industrial and Warehousing Developments'.
 - EC3 'Alternative Use of Employment Land and Premises'.
 - EC4 'Protecting Offices in the Central and Bay Business Areas'.

2. POLICY CONTEXT

NATIONAL POLICY

- 2.1 National planning guidance as contained in **Planning Policy Wales** paragraph 7.1.3 states that:-
- 'The planning system, including planning policies, should aim to ensure that the growth of output and employment in Wales as a whole is not constrained by a shortage of land for economic uses. Local planning authorities should aim to facilitate the provision of sufficient land required by the market, except where there are good reasons to the contrary'.*
- 2.2 Paragraph 7.5.1 states:
- 'Development Plans should:*
- *Include policies relating to future development on existing employment sites to protect them from inappropriate development:*
 - *to encourage the regeneration and re-use of sites which are still suitable and needed for employment;*
 - *to control and manage the release of unwanted employment sites to other uses'.*
- 2.3 **Technical Advice Note 23 'Economic Development'** advises that Planning authorities should avoid releasing for other uses sites where there is strong evidence of likely future need for B1-

B8. In some areas, older, lower-cost employment areas may be required, especially for small and new firms who cannot afford newer and more prestigious accommodation. The loss of such areas may cause harm to local economies and should be avoided.

2.4 The TAN advises that existing employment sites should only be released for other uses if one or more of the following apply:

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

LOCAL PLANNING POLICY

2.5 The Cardiff Local Development Plan was adopted on 28th January 2016. It sets out the Council's land use planning policies up to 2026. In consideration of applications for employment development, the following policies are particularly relevant:

- KP2(A): Cardiff Central Enterprise Zone and Regional Transport Hub
- KP2(H): Strategic Sites
- KP9 : Responding to Evidenced Economic Needs
- KP10: Central and Bay Business Areas
- EC1 : Existing Employment Land
- EC2 : Provision of Complementary Facilities for Employees in Business, Industrial and Warehousing Developments
- EC3 : Alternative Use of Employment Land and Premises
- EC4 : Protecting Offices in the Central and Bay Business Areas
- EC6: Non- Strategic Employment Site

2.6 Policy KP9 and KP10 are strategic policies which respond to Cardiff's role as the economic driver of the city-region and deliver the strategic aspirations for economic development in Cardiff through the identification and protection of business, industrial and warehousing land and premises (B1b/c, B2 and B8 uses) in order to improve the competitiveness of the city, promote and protect indigenous business and attract inward investment. Similarly, this applies to high quality and accessible office accommodation in the Central and Bay Business Areas. The strategic policies recognise the growing pressure for the development and redevelopment of employment land for alternative uses which can result in significant losses to the county's stock of employment land and premises. This loss is a significant issue given that the continuous supply of employment land and premises is highly reliant on market churn involving the regeneration and intensification of existing employment land and premises.

- 2.7 Policy KP2(A) allocates the Cardiff Central Enterprise Zone; Policy KP2 (H) allocates land South of St Mellons Business Park as a Strategic Employment Site; and Policy EC6 allocates 3.3 hectares of land for university related research and development uses at Maindy Road.
- 2.8 Policy EC1 seeks to protect existing employment areas which are identified on the Proposals Map. Policy EC2 allows for the provision of appropriate complementary leisure, food and drink and childcare facilities in existing and new business, industrial and warehousing areas. Only facilities of an appropriate nature and scale intended to meet the need of employees will be permitted.
- 2.9 Policies EC3 and EC4 provide criteria against which proposals for the change of use of business, industrial, warehousing land and premises and offices will be assessed. It will apply to offices within the Central and Bay Business Areas and to existing, permitted and allocated business, industrial and warehousing land and premises.
- 2.10 The above policies are detailed in Appendix 1.

3. SCOPE OF GUIDANCE

- 3.1 The increasing numbers of proposals for the redevelopment of employment land and premises to non-employment uses, has prompted the Council to clarify its approach towards such proposals in the form of this SPG. The Council is concerned that the loss of employment land and premises to other uses will have a negative impact on the competitiveness and social inclusiveness of the local and regional economy.
- 3.2 This SPG provides guidance on the assessment of alternative development proposals for protected business, industrial and warehousing land and premises and allows applicants to determine the acceptability of alternative uses on existing and allocated employment land and the alternative use of offices in the Central and Bay Business Area together with the necessary evidence required to satisfy the policy criteria.
- 3.3 The overriding objective of this SPG is to ensure that where the loss of an existing employment sites occurs, it is not at the expense of the local economy. It therefore provides guidance aimed at overcoming the difficulties associated with suitable, yet **UNVIABLE**, employment land and premises, for which there is a **PROVEN LACK OF DEMAND**.

It applies to the following:-

- existing employment land designated on the Local Development Plan Proposals Map and detailed in **Policy EC1: Existing Employment Land**;
- offices in the Central and Bay Business Areas, (including the Northern Professional Office Area) as defined by **Policy EC4: Protecting Offices in the Central and Bay Business Areas** and illustrated in Appendix 3.
- Employment land and premises in the Central Enterprise Zone as detailed in **Policy KP2(A): Cardiff Central Enterprise Zone and Regional Transport Hub** and defined on the Proposals Map;
- **Policy KP2 (H): South of St. Mellons Business Park**, which is a strategic employment site allocated in the Local Development Plan and;

- **Policy EC6: Non- Strategic Employment Site**, which allocates land for university related research and development at Maindy Road.

3.4 The Council will assess all applications for the redevelopment of employment sites to alternative uses on their individual merits. However the Council's starting point will be to retain all employment land and premises considered suitable in land use terms, for continued employment use in order to ensure Cardiff has a thriving and prosperous economy, consistent with the Council's Capital Ambition Report, which outlines the Council's vision for Cardiff.

4. POLICY INTERPRETATION AND GUIDANCE

4.1 **Policy EC3** seeks the retention of employment land and premises (identified in Policy EC1 and defined on the Proposals Map) unless it can be clearly demonstrated that:-

- I. The land and premises are no longer well located for business, industrial and warehousing use; or
- II. There is no realistic prospect of employment use on the site and/or the property is physically unsuitable for employment use, even after adaption/refurbishment or redevelopment; or
- III. There is no need to retain the land and premises for business, industrial or warehousing use, having regard to the demand for such land and premises and the requirement to provide for a range and choice of sites available for such use; and
- IV. There will be no unacceptable impact on the operating conditions of existing businesses.

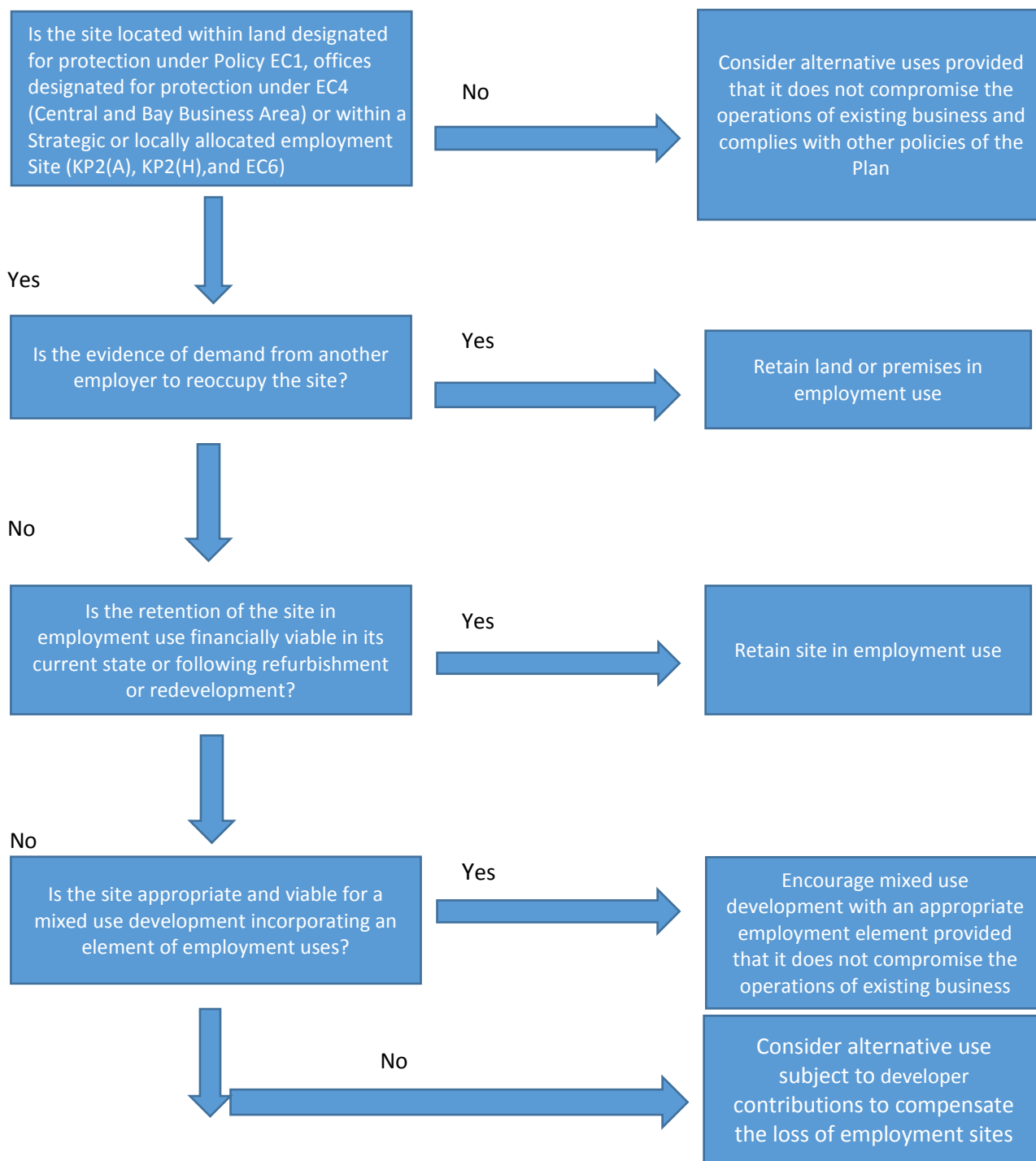
4.2 **Policy EC4** seeks the retention of offices in the Central and Bay Business Areas unless it can be demonstrated that there is no need to retain the site or premises for offices having regard to demand and the requirement to provide a range and choice of sites for such use. This policy recognises that in order to ensure that Cardiff continues to attract and retain quality businesses, there must be sufficient land for new office accommodation, in addition to providing a range and choice of office premises for existing and future occupiers, including large grade A offices, small and medium sized offices (including Grade B), incubator units and live-work premises. The Cardiff Central Enterprise Zone and the Northern Professional Office Area provide examples of this range and choice (See Plans in Appendix 3).

4.3 The Council will assess the need to retain land and premises for business, industrial, warehousing and office use subject to the following criteria:

- Whether and for how long the land or premises have been vacant and actively marketed and the expressions of interest during the marketing period
- Whether the site offers particular benefits not generally available in the land bank
- Whether the site is within an area of high unemployment and offers realistic prospects of use for appropriate employment purposes;
- Whether the relocation of existing occupiers to other suitable accommodation will be facilitated;
- Whether the proposed development would retain an employment element;

- Whether the proposal needs to be located on business, industrial or warehousing land (e.g. transport depots);
- Other priorities, such as housing need, override more narrowly focussed economic considerations;
- Whether the proposed use is complementary to an employment use; and
- Whether the proposed development can demonstrate wider economic, social and regeneration benefits.

4.4 Subject to the proposal meeting other policy requirements the Council will adopt a sequential approach towards proposals that involve the loss of employment land and premises to alternative such as housing, retailing and leisure uses for example. This is illustrated in the flow diagram overleaf.



The above criteria clearly demonstrates that consideration will only be given to alternative uses where an applicant is able to clearly demonstrate that there is no demand for the site and that it is unviable to retain the site in employment uses, including the prospects of refurbishment of the existing premises or the redevelopment of the site for new employment uses.

5. EVIDENCE REQUIRED TO JUSTIFY ALTERNATIVE USE

- 5.1 Where an applicant is seeking to demonstrate that an existing employment site is not suitable, in land use terms, to continued employment use, the Council will expect a planning application to be accompanied by a detailed supporting statement that seeks to demonstrate that this is the case. In determining the application, the Council will come to a view as to whether the site is suitable for continued employment use taking into account the evidence supplied in the supporting statement.

Viability Issues

- 5.2 In determining the viability of existing employment land and premises, the Council will expect applicants to provide evidence in relation to both **ECONOMIC VIABILITY** and whether there is a **DEMAND** for the site.
- 5.3 There may be instances where an applicant is seeking to demonstrate that the retention of a site in employment use is not economically viable. In such cases the Council will expect the applicant to provide detailed development appraisals. In undertaking detailed appraisals, consideration should be given to the viability of retaining the site:
- In its current format;
 - Following selective demolition;
 - Following clearance and complete redevelopment for new employment uses; and
 - Following clearance and redevelopment for mixed-use development incorporating an element of employment uses within it.
- 5.4 One of the key indicators of viability is whether or not there is a proven market demand for the site. While some older, more traditional employment sites and premises may not be suited to modern industrial requirements they do provide a valuable source of affordable accommodation and provide for local demand. In addition, their economic regeneration and intensification makes an important contribution to the supply of employment land and premises in relation to market churn.
- 5.5 Where it is proposed to redevelop existing land or premises that are considered suitable in land use terms, (for example, is well located or provides employment in an area of high unemployment), for continued employment use, applicants will be expected to clearly demonstrate that the site has been **ACTIVELY MARKETED** at a realistic price that reflects the employment use. Such marketing should normally be undertaken for a minimum of 12 months (although this time scale may need to be reviewed if the market is slow at that time or if the site is large and/or more complex).
- 5.6 Applicants will be expected to submit a supporting statement that accompanies the planning application that demonstrates that the site has been comprehensively marketed and that there is no demand for the site. The supporting statement should be prepared by a suitably qualified professional, such as a Chartered Surveyor, that is active within, and familiar with the Cardiff employment land and premises market.
- 5.7 The Council will expect employment sites to be marketed in a way that identifies all the options available in retaining the site in employment use. This will include, where appropriate, the potential for refurbishment, redevelopment for new employment uses, subdivision, amalgamation or selective demolition in order to improve the format, layout and access arrangements and therefore its market attractiveness.

5.8 The supporting statement will be expected to include the following evidence:

- Widespread marketing for employment purposes through an agent dealing in commercial property at the prevailing market rate for the site or premises in employment use and that no reasonable offer has been refused. Any alterations in market price made during the course of the marketing will need to be shown. The Council will require evidence that the site is being marketed for a price which accords with other commercial property of a similar type in the area. This is to ensure that the price does not reflect any aspirations for alternative uses on the site, such as residential;
- Advertisements in the regional and local press, the property press and specialist trade papers, on a regular basis throughout the agreed marketing timescale.
- Continuous inclusion on the agent's website;
- Continuous and prominent advertisement on the site by an agent's advertisement board on each site frontage to the highway throughout the period;
- Circulation at the outset to other local property agents, specialist commercial agents and the Council by way of mail shots and/or hard copies of sales particulars, and circulated again if any significant details change;
- Referral to the local business community for consideration of its potential for reuse or redevelopment for employment use;
- All expressions of interest/offers received including rental interest. Where possible the applicant should obtain for interested parties reasons/explanations as to why they were not able/willing to proceed; and
- On-going review, with a view to adjust the marketing as necessary.

5.9 A lesser financial return on investment relative to alternative development or reuse options will not be sufficient to justify the site not continuing to be available for employment use.

5.10 Owners/agents of business land and premises currently being marketed for continued business use are advised to keep a comprehensive record of the steps involved in marketing their site (taking account of the criteria set out above) in case they wish at a later stage to apply for permission for redevelopment for non-employment use. In instances where the Council considers that the marketing strategy has been inadequate (assessed against the above criteria), the applicant will be advised that it is likely that the planning application will be recommended for refusal.

5.11 Irrespective of whether the retention of the land/premises in employment use may not be viable at a particular moment in time, the economics of development may change over time and its refurbishment/redevelopment for employment uses could potentially become a viable proposition in future. Such sites are still considered to have value as an employment resource and their loss would be deemed as detrimental to the Cardiff economy.

5.12 In addition the Council's Economic Development Department hold information on historical and current enquiries for property in the city highlighting business and property demand. A separate database, compiled in association with commercial property agents, monitors actual take-up rates and current availability. This data source will also be referred to when considering demand for alternative use of employment land. Further details on the database can be obtained from the Council's Economic Development section (tel: 029 20788559). The Council's Economic Development section will also refer to market surveys and current research in order to assess the potential demand for investment on particular sites.

Need

- 5.13 If demand has been established on a site for business, industrial or warehousing use, this is taken as evidence of a need to retain the site for such purposes. The land or premises evidently perform a role in meeting economic development requirements and should be protected from alternative uses.
- 5.14 Where demand has not been established, the need to retain a site for business, industrial or warehouse use will be assessed against a range of criteria, including locational considerations and levels of local unemployment.
- 5.15 Criteria for assessing whether land and premises remain well located for business, industrial and warehousing uses include:
- Accessibility to the primary highway network, rail-freight facilities and the port;
 - Accessibility by public transport; and
 - Proximity to housing or other sensitive uses.

Mixed Use Development

- 5.16 Where an applicant can clearly demonstrate there is no demand for the employment land or premises and redevelopment/refurbishment is unviable, and where it is considered appropriate to do so, developers will be expected, subject to other policy considerations, to explore the prospect of a mixed use development which incorporates an element of a higher value use to cross-subsidise the partial redevelopment of the site for employment uses. This will enable employment opportunities to be retained on the site.
- 5.17 Mixed use development proposals involving housing and employment will need to demonstrate that the resulting residential amenity levels are satisfactory and that there will be no unacceptable impact on the operating conditions of new and proposed businesses.
- 5.18 Schemes involving residential accommodation should also ensure that the necessary community facilities are accessible or can readily be provided on the site. Contributions may be sought from developers towards the provision of the necessary community facilities. Open space and affordable housing provision in particular will need to be addressed, the relevant policy framework is provided in Appendix 1.
- 5.19 When determining the proportion of the overall site to be developed for employment uses, the Council will assess the individual merits of each case, but in doing so will take account of the employment resource being lost and the potential level of employment that can be achieved within the mixed use development.
- 5.20 It is advised that a prospective developer should approach the Council at an early stage in order to enter into pre-application discussions to determine the appropriateness of a site for mixed use development and what level of employment provision the Council may be seeking to achieve.
- 5.21 Where a mixed use approach is pursued, any planning permission will be conditional on a programmed of phasing whereby the delivery of the employment element is linked to the progress of the higher value use.

Complementary Facilities

- 5.22 Policy EC2 enables the provision of appropriate complementary facilities in existing and new office, industrial and warehousing areas. Complementary facilities include open space, public realm, leisure uses such as a gym, food and drink uses and child care facilities. Such facilities should be appropriate in scale and nature intended primarily to meet the needs of workers in the vicinity and therefore not attract significant levels of visitor traffic. This approach recognises that employees in business, industrial and warehousing areas may require good access to a range of facilities including food and drink, leisure/recreation and child care. The absence of such facilities in an employment area can increase travel demand and make the areas less attractive to employers and employees.
- 5.23 In existing employment areas, change of use of existing premises will be considered for appropriate complementary facilities, including food and drink, leisure and child-care.
- 5.24 Where new employment areas are proposed, the need for such facilities should be considered as part of the overall development scheme.

In all cases, only facilities of an appropriate nature and scale to meet the needs of employees will be permitted.

6.0 DEVELOPER CONTRIBUTIONS

- 6.1 The constraints on some existing employment sites may be of such a scale that the provision of any new employment uses on the site may be proven to be unviable at that point in time. Irrespective of this, the County's employment land is a finite resource and once it is lost it is highly likely to ever return to that use. In addition, the economics of development can change over time and although the retention of employment uses on the site may not be economically viable at that time, this is not to say that it would not become a viable proposition in the future. As such the loss of the site would still represent a depletion of the County's economic resource in a location that is considered to be acceptable for economic development uses in land use terms.
- 6.2 Where a developer is able to demonstrate that a current employment site that is considered suitable in land use terms has no prospects for continued use, or for a mixed use development that retains a significant element of Class B use on site, under the prevailing economic conditions, the Council will give consideration to other uses (subject to other LDP policies) on the condition that developer provides compensation for the economic harm arising from the loss of the site to housing or another alternative use.
- 6.3 This compensation should take the form of a financial contribution secured via a Section 106 Agreement.
- 6.4 Additional information on developer contributions is contained in Appendix 2 and the Planning Obligations SPG.

APPENDIX 1: DEVELOPMENT PLAN POLICIES

Cardiff Local Development Plan 2006 – 2026 (Adopted January 2016)

KP2: STRATEGIC SITES

Strategic Sites are allocated as set out below to help meet the need for new dwellings and jobs:

Brownfield Strategic Sites:

(A) Cardiff Central Enterprise Zone and Regional Transport Hub;

(B) Former Gas Works, Ferry Road;

Greenfield Strategic Sites:

(C) North West Cardiff;

(D) North of Junction 33 on M4;

(E) South of Creigiau;

(F) North East Cardiff (West of Pontprennau)

(G) East of Pontprennau Link Road; and

(H) South of St. Mellons Business Park – Employment Only.

KP9: RESPONDING TO EVIDENCED ECONOMIC NEEDS

Provision will be made for a range and choice of new employment sites including those identified in KP2 for different types of employment and in different geographical locations to effectively deliver the level of growth set out in the plan together with putting in place a framework to protect the role of existing employment land.

KP10: CENTRAL AND BAY BUSINESS AREAS

The following uses are considered appropriate within the Central and Bay Business Areas:

(i) New offices, residential and commercial leisure uses within the Central and Bay Business Areas;

(ii) Enhanced retail and complementary facilities within the Central Shopping Area; and

(iii) Other uses most appropriately located in city centres.

EC1: EXISTING EMPLOYMENT LAND

The city's existing employment areas outside of the Central and Bay Business Areas (as designated on the Proposals Map) will be protected for B Use Class employment generating uses (together with appropriate ancillary and/or complementary uses and activities as referred to in Policy EC2) as described in the table below.

Site Ref	Site Name	Primary Use/Activity	Status
EC1.1	Ocean Park	B1, B2, B8	Primary
EC1.2	Cardiff Port (& Heliport and surrounds)	B1, B2, B8	Primary (Port related activities)
EC1.3	Rover Way (Celsa Steel Works, Tremorfa Industrial Estate, Seawall Road)	B2, B8	Primary
EC1.4	Wentloog Road (Capital Business Park, Lamby Way Industrial estate, Wentloog Corporate Park, Rail Freight Terminal)	B1, B2, B8	Primary
EC1.5	St Mellons Business Park	B1, B2, B8	Primary
EC1.6	Cardiff Gate Business Park	B1 (offices), ancillary B2	Primary
EC1.7	Cardiff Business Park & Land North of Maes y Coed Road, Llanishen	B1, B2, B8	Primary
EC1.8	Forest Farm, Longwood Drive	B1, B2, B8	Primary
EC1.9	Green Meadow Springs	B1 (offices)	Primary
EC1.10	Penarth Road Area (includes Hadfield Road, Sloper Road, Bessemer Road)	B1, B2, B8	Primary
EC1.11	Ty Nant Road	B1, B2, B8	Local
EC1.12	Crown Way (Companies House)	B1 (offices)	Local
EC1.13	Wentloog Road (North of railway line)	B1, B2, B8	Local
EC1.14	Pentwyn (Panasonic Plant, Avenue Industrial estate)	B1, B2, B8	Local
EC1.16	Eastern Business Park	B1 (offices)	Local
EC1.17	Willowbrook Business Technology Park	B1 (science, research and development)	Local
EC1.18	Excelsior Rod	B1, B2, B8 & complementary trade counter	Local
EC1.19	Norbury Road Industrial Estate	B1, B2, B8	Local
EC1.20	Wroughton Place, Ely	B1, B2, B8	Local
EC1.21	Argyle Way, Caerau	B1, B2, B8	Local
EC1.22	Garth Industrial Estate	B1, B2, B8	Local
EC1.23	Land around Volvo Garage	B1, B2, B8	Local
EC1.24	Alexandra Gate Business Park	B1	Local

EC2: PROVISION OF COMPLEMENTARY FACILITIES FOR EMPLOYEES IN BUSINESS, INDUSTRIAL AND WAREHOUSING DEVELOPMENTS

Provision for open space, public realm, leisure, food and drink, and child-care facilities will be appropriate in office, industrial and warehousing developments, provided, the facility is of an appropriate scale and nature intended primarily to meet the need of workers in the vicinity, therefore not attracting significant levels of visitor traffic into the area, or exacerbating existing traffic conditions.

EC3: ALTERNATIVE USE OF EMPLOYMENT LAND AND PREMISES

Development of business, industrial and warehousing land and premises for other uses will only be permitted if:

- i. The land or premises are no longer well located for business, industrial and warehousing uses; or**
- ii. There is no realistic prospect of employment use on the site and/or the property is physically unsuitable for employment use, even after adaption/refurbishment or redevelopment; or**
- iii. There is no need to retain the land or premises for business, industrial or warehousing use, having regard to the demand for such land and premises and the requirement to provide for a range and choice of sites available for such use; and**
- iv. There will be no unacceptable impact on the operating conditions of existing businesses.**

EC4: PROTECTING OFFICES IN THE CENTRAL AND BAY BUSINESS AREAS

The alternative use of offices within the Central and Bay Business Areas will only be permitted where it can be demonstrated that there is no need to retain the site or premises for office use having regard to the demand for offices and the requirement to provide a range and choice of sites available for such use.

EC6: NON-STRATEGIC EMPLOYMENT SITE

Land is allocated for university related research and development uses at Maindy Road, Cathays (3.3ha).

H3: AFFORDABLE HOUSING

The Council will seek 20% affordable housing on Brownfield sites and 30% affordable housing on Greenfield sites in all residential proposals that:

- i. Contain 5 or more dwellings; or**
- ii. Site of or exceeding 0.1 hectares in gross site area; or**
- iii. Where adjacent and related residential proposals result in combined numbers or site size areas exceeding the above thresholds, the Council will seek affordable housing based on the affordable housing target percentages set out above.**

Affordable housing will be sought to be delivered on-site in all instance unless there are exceptional circumstances.

H6: CHANGE OF USE OR REDEVELOPMENT TO RESIDENTIAL USE

Change of use of redundant premises or redevelopment of redundant previously developed land for residential use will only be permitted where:

- i. There is no overriding need to retain the existing use of the land or premises and no overriding alternative local land use requirement;**
- ii. The resulting residential accommodation and amenity will be satisfactory;**
- iii. There will be no unacceptable impact on the operating conditions of existing businesses;**
- iv. Necessary community and transportation facilities are accessible or can be readily provided or improved; and**
- v. It can be demonstrated that the change of use to a more sensitive end use has been assessed in terms of land contamination risk and that there are no unacceptable risks to the end users.**

C5: PROVISION FOR OPEN SPACE, OUTDOOR RECREATION, CHILDREN'S PLAY AND SPORT

Provision for open space, outdoor recreation, children's play and sport will be sought in conjunction with all new residential developments. This policy is aimed at securing the provision or improvement of open space and other appropriate outdoor recreation and sport in conjunction with all new residential development over 8 units and on site provision of functional open space in conjunction with all new residential developments over 14 units. The appropriate amount of multi-functional green space is based on a minimum of 2.43 hectares of functional open space per 1,000 projected population. All other open space provision will be in addition to the provision of multi-functional green space.

APPENDIX 2: DEVELOPER CONTRIBUTIONS

Key Principles (extract from Planning Obligations SPG)

- 13.1. In circumstances where employment land or floorspace is lost as part of a proposed development, a contribution will be sought towards the provision of training and support to enable displaced employees and people who may have sought employment at the site, to gain employment elsewhere in the city.
- 13.2. A contribution would not be sought in circumstances where a mixed use development is proposed that retains a significant element of Class B use on a site.

Infrastructure Mitigation

Development Type		Mitigation Sought
All developments involving the loss of B1 floorspace within:	<p>The Central and Bay Business Areas, where;</p> <ul style="list-style-type: none"> The loss of floorspace exceeds 1000m² and where no Class B1 employment use is proposed to mitigate this loss; 	A financial contribution towards bringing forward compensatory employment and training opportunities.
All developments involving the loss of Class B1, B2 or B8 employment land and / or floorspace within:	<p>Areas of Existing, Permitted and Allocated Employment Land as designated on the Local Development Plan Proposals Map, where:</p> <ul style="list-style-type: none"> The loss of floorspace exceeds 1000 m² and where no employment use is proposed to mitigate this loss; A site exceeds 0.2 hectares and where no employment use is proposed on site to mitigate this loss. 	

How Contributions will be utilised (The Cardiff Capital Fund)

- 13.3. The Capital Cardiff Fund aims to assist companies to safeguard and create employment in the city by offering packages of financial support in the form of grants, loans and equity investment. Eligible applicants include new start growth and established businesses within Cardiff's key sectors (Creative Industries, Bio Science, ICT, Manufacturing and Business and Financial Services). Support is provided to businesses that require specialist advice, undertaking innovation, improving competitiveness, expanding, investing in technology and knowledge exploitation and investment for environmental improvements to commercial premises.
- 13.4. Funding is offered between £5,000 and £50,000 and the level of support for each case is linked to the economic development outputs such as job creation. Companies must demonstrate business to business activity and at the minimum a national market for their products or services. Typical funding projects within the Capital Cardiff scheme include:
- | | |
|--|---|
| <ul style="list-style-type: none"> Relocation into Cardiff Capital Investment Job Creation/Retention Purchase of Capital Equipment | <ul style="list-style-type: none"> Provision of workshop / business start-up units Research and Development Renovating a Property Environmental Works |
|--|---|

13.5. Where appropriate the Council would also seek to utilise the funds through investing in appropriate projects to support business development or accessibility to employment.

What level of contribution will be sought

13.6. The level of contribution sought will take account of:

- The number of people that could have been employed in the employment floorspace to be lost.
- The proportion of displaced employees that would be unable to find new employment without retraining or other support.
- The cost of providing the training and support necessary to enable a person to gain employment.
- Whether a proposal seeks to retain a significant element of Class B floorspace.

13.7. Assumptions for the number of square metres of floorspace required per employee are set out in the table below. From this information, an estimate of the number of employees that could have been employed within the floorspace / on the site to be lost through an alternative use can be calculated.

Employment floorspace type:	Floorspace per employee (m ²):
Office - B1a	14.5
Other Business Space – B1b/c and B2	47
Warehouse - B8	75

Source: Employment Densities Guide, 2nd Edition 2010, Drivers Jonas Deloitte on behalf of OffPAT and HCA.

13.8. In circumstances where an alternative use is proposed on employment land, an estimated floorspace density assumption will be applied to the land area (ha) in order to derive the sqm development potential on site.

13.9. Whilst the precise number of employees that would be unable to find new employment without retraining would depend upon the nature of the existing employment use, it is estimated that approximately 15% of employees within B1 use classes and 30% within B2 and B8 use classes would require retraining to enable them to access alternative employment.

13.10. Where it is identified (and agreed by the Council) that existing businesses floorspace / employees are being relocated to suitable alternative premises within Cardiff as part of an application these figures would be deducted from calculations.

13.11. Recent information from Job Centre Plus indicates that it costs between £3,000 and £6,000 to provide the training and support necessary to enable a person to gain employment. A contribution of £2,000 per person requiring retraining or support will be sought, which would fund between one third and two thirds of the training and support costs, based on the Job Centre Plus information.

Example Calculations

Calculation	B1 office (1,250m ²)	B8 Warehouse (5,000m ²)
Total floorspace / floorspace per employee = estimated no of employees.	1,250 / 14.5 = 86.2	5,000 / 75 = 66.6
Employees requiring retraining	86.2 / 100 x 15 = 12.93	66.6 / 100 x 30 = 19.98
Contribution Sought	12.93 x £2,000 = £25,860	19.98 x £2,000 = £39,960

JUSTIFICATION FOR DEVELOPER CONTRIBUTIONS

Planning Policy Wales (PPW) Edition 8 (January 2016) sets out the land use planning policies of the Welsh Government. Chapter 3 provide guidance relating to planning obligations and states that a planning obligation may only constitute a reason for granting planning permission for development if the obligation is

- Necessary to make the development acceptable in planning terms;
- Directly related to the development; and
- Fairly and reasonably related in scale and kind to the development.

A key role for the LDP is to ensure the provision of a portfolio of an appropriate range, quantity and quality of employment land and premises to meet the current and future needs of the county and the county's workforce. One of the main strategies to achieve this aim is the protection of existing employment land and premises across the county.

A critical factor in Cardiff maintain a supply of employment land will be the ability to protect land and premises for employment being lost to alternative uses. There has been growing pressure over recent years for the development/redevelopment of employment land and premises for other uses (predominantly residential), whether still occupied or where current operations have ceased. Such development proposals can result in significant losses to the county's stock of employment land and premises.

The loss of employment land can be incremental with the loss of one site setting the precedent for the loss of a series of others in a similar location, leading to the gradual erosion of an employment site. Sometimes alternative uses can also fragment a larger business area or sever links between employment uses in an area. Over time pressure for alternative uses result in a material aggregate loss of employment sites to the detriment of the economy.

It is also important to protect employment land and premises as this allows for opportunities for churn in the market through modernisation and refurbishment of land and property and the opportunity to increase density of development on underused land and premises.

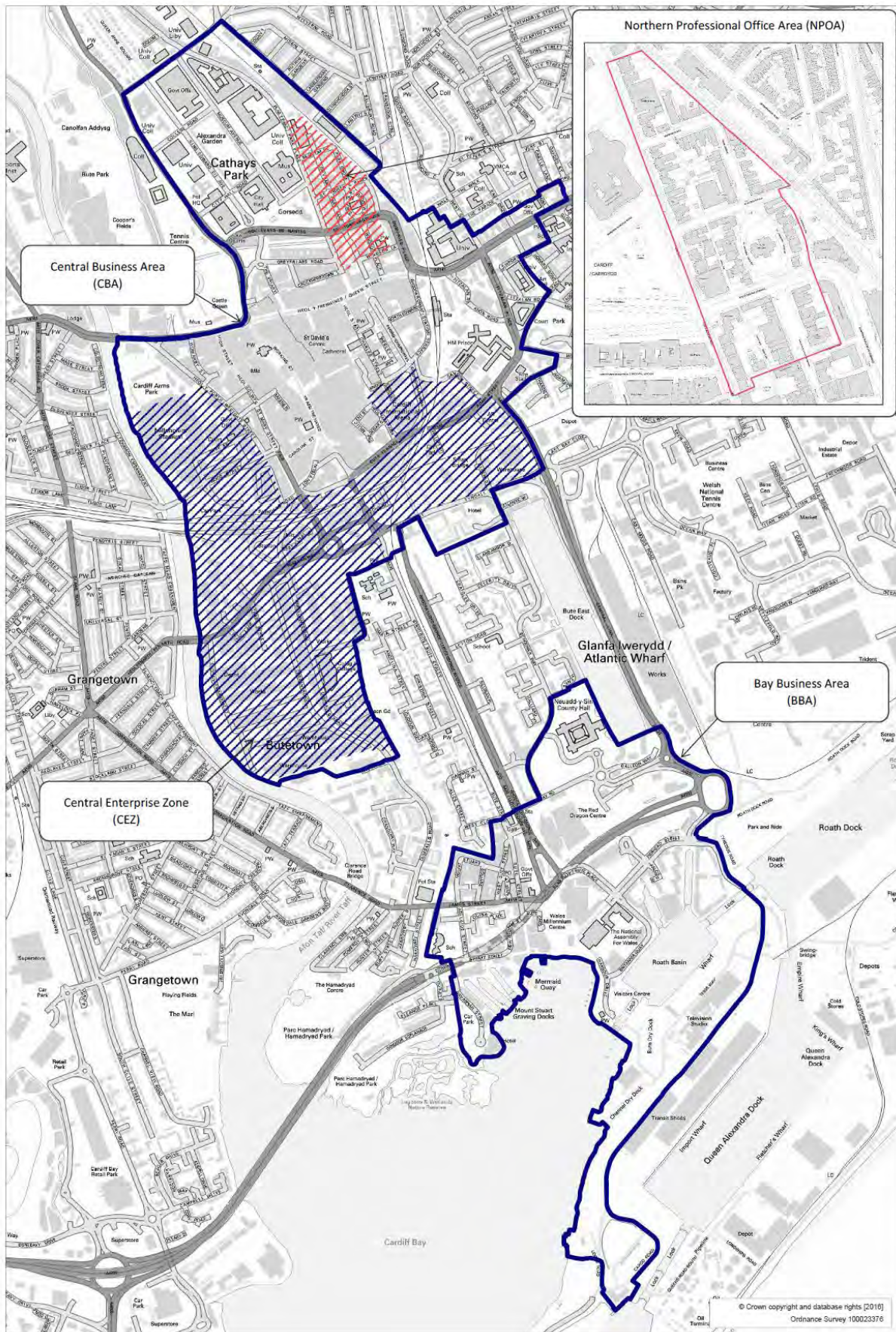
The County's employment land and premises are finite resources. Once lost, they are highly unlikely to return to that use. In this respect, all employment land and premises, irrespective of the quality and location, have a value although this may not necessarily be recognised by the market due to the cost of removing constraints at that particular point in time. In seeking to ensure that any loses are compensated for by a financial contribution, the Council will be in a position to assist companies to safeguard and create employment in the city by offering packages of financial support in the form of grants, loans and equity investment through the Capital Cardiff Fund.

Given that any financial contributions would be used to compensate for the loss of part of the County's economic resource, there will be a direct functional link between the loss of the employment resource arising from the proposed development and the enabling of alternative employment and training provision elsewhere.

In the absence of such contributions, the loss of the economic resource would be considered to conflict with the policy framework.

Contributions will be fairly and reasonably related in scale and kind to the proposed development by virtue of the fact that in calculating the amount of compensation payable, it is intended that the level of contribution will take account of the number of people that could have been employed in the floorspace to be lost, the proportion of displaced employees that would be unable to find new employment without retraining and the cost of training.

APPENDIX 3



Appendix 4 – Consultation on the Draft SPG

Public consultation was undertaken between Thursday 22nd June 2017 and the Thursday 3rd August 2017. A press notice was placed in a local newspaper on Wednesday 21st June 2017. Copies of the draft guidance was placed in all Cardiff libraries and at County Hall Reception. The draft guidance was also published on the Council website. Letters notifying that consultation was being undertaken on the draft guidance were sent to all Councillors *** , the Welsh Government, Community Councils in Cardiff and any interested persons and the following organisations known to have general interest in planning in Cardiff or a potential interest in this guidance.

*** denotes consultees who have responded to consultation in addition to members of the public.

ACE - Action in Caerau and Ely	Cardiff Bus
Alder King	Cardiff Bus Users
Alternatives for Transport	Cardiff Civic Society
AMEC Environment & Infrastructure UK Limited	Cardiff Community Housing Association
Arts Council of Wales	Cardiff Cycling Campaign
Arup	Cardiff Gate International Business Park***
Asbri Planning Ltd	Cardiff Greenpeace
Associated British Ports	Cardiff Heliport
Association of Inland Navigation Authorities	Cardiff International Airport Ltd.
Atkins	Cardiff Lib Dem Group
Austin-Smith: Lord	Cardiff Local Access Forum
Barratt Homes	Cardiff Metropolitan University
Barton Willmore	Cardiff Naturalists
Bellway Homes	Cardiff Pedestrian Liberation
Biffa	Cardiff Transition
Bilfinger GVA	Cardiff University
Black Environment Network	Cardiff West Communities First
Blake Morgan LLP	Carolyn Jones Planning Services
BNP Paribas Real Estate	CDN Planning
Bovis Homes	Celsa Manufacturing (UK) LTD
Boyer Planning	Cemex Uk Operations Ltd
Bristol City Council	CFW Architects
BT Group plc	CGMS Consulting
Business in the Community Wales	Chartered Institute of Housing in Wales
C2J	Chichester Nunns Partnership
Cadwyn Housing Association	Chris Morgan Planning Consultant
Caerphilly County Borough Council	Chwarae Teg
Campaign for the Protection of Rural Wales	Civil Aviation Authority
Cardiff & Vale Parents Federation	Coal Authority
Cardiff & Vale University Health Board	Coleg Glan Hafren
Cardiff Access Group	Communities First Adamsdown
Cardiff Against the Incinerator	Community Housing Cymru
	Community Land Advisory Service Cymru

Confederation of British Industry	Great Western Trains Company Limited
Confederation of Passenger Transport	Grosvenor Waterside
Connections Design	GVA
Country Land and Business Association	H O W Commercial Planning Advisors
CSJ Planning Consultants	Hafod Housing Association Limited/ Hafod
Cymdeithas yr iaith gymraeg	Care Association Limited
Danescourt Community Association	Halcrow
David Lock Associates	Hammonds Yates
Davies Sutton Architects	Heath Residents Association
DavisMeade Agricultural	Herbert R Thomas LLP
Derek Prosser Associates	Home Builders Federation
Design Circle RSAW South	Hutchinson 3G UK
Design Commission for Wales	Hyland Edgar Driver
Development Planning Partnership	Hywel Davies
Development, Land & Planning Consultants Ltd	Interfaith Wales
Disability Arts Cymru	Jacobs Babtie
Disability Wales	Jeremy Peter Associates
DLP Consultants	JLL
DLP Planning Ltd	John Hughes
DPP Cardiff	John Robinson Planning & Design
DTB Design	John Wotton Architects
DTZ	Jones Lang LaSalle
Dwr Cymru Welsh Water	JP Morgan Asset Management
Edenstone Homes	Keep Wales Tidy
Equality and Human Rights Commission	Kelly Taylor & Associates
Ethnic Business Support Project	Kingsmead Assets Limited
Federation of Small Businesses	Knight Frank
First City Limited	Landscape Institute Wales
FirstGroup plc	Level Ltd
Firstplan	Lichfields
Forestry in Wales/Natural Resources Wales	Linc-Cymru
Freight Transport Association	Lisvane Community Council
Friends of Nantfawr Community Woodland	Llandaff Conservation Group
Fulfords Land & Planning	Llandaff Society
G L Hearn	Lovell Partnership
G Powys Jones	Loyn & Co Architects
Garden History Society	LUC
Geraint John Planning Ltd	Madley Construction
GL Hearn Planning	Mango Planning and Development Limited
Glamorgan - Gwent Archaeological Trust Ltd	Mapley Estates Ltd***
Glamorgan Gwent Housing Association	Marshfield Community Council
GMA Planning	Martin Robeson Planning Practice
Graig Community Council	McCarthy & Stone (plc)
Graig Protection Society	Meadgate Homes Ltd
	Mike Pitt
	Mineral Products Association

Morgan Cole
Mott MacDonald
National Federation of Builders
National Youth Arts
Natural Resources Wales
Neame Sutton
Network Rail
Newport City Council
NFU Cymru
North West Cardiff Group
Novell Tullet
O2 UK
Oakgrove Nurseries
Old St Mellons Community Council
Orange
Origin3
Pantmawr Residents Association
Peace Mala
Peacock & Smith
Pegasus
Pentyrch Community Council
Persimmon Homes
Peterson Williams
Peterstone Community Council
Philippa Cole ***
Planning Aid Wales
Planning Potential
Police & Crime Commissioner
Powell Dobson
Powergen
Prospero Planning
Quarry Products Association
Quinco
Quod
Race Equality First
Radyr & Morganstown Association
Radyr and Morganstown Community Council
Radyr and Morganstown Partnership and Community Trust (PACT)
Radyr Farm
Radyr Golf Club
Rapleys
RCT
Redrow Homes
Reeves Retail Planning Consultancy Ltd
Renplan
Reservoir Action Group (RAG)
Rhiwbina Civic Society
Rhondda Cynon Taf County Borough Council
RICS Wales
Rio Architects
Riverside Communities First Team
Robert Turely Associates
Roberts Limbrick
Robertson Francis Partnership
Royal Commission on the Ancient & Historical Monuments of Wales
Royal National Institute for the Blind
RPS Group Plc
RSPB Cymru
S4C ***
Save Creigiau Action Group
Savills
Scope Cymru
Scott Brownrigg
Sellwood Planning
Shawn Cullen
SK Designs
SLR Consulting
South Wales Chamber of Commerce Cardiff
South Wales Police
South Wales Police Crime Prevention Design Adviser
South Wales WIN
Splott and Tremorfa Communities First
Sport Wales
SSE Energy Supply Ltd
St Davids Partnership ***
St Fagans Community Council
St Fagans No1 and No2 Trust and St Fagans No 3 Trust ***
Stedman Architectural
Stewart Ross Associates
Stonewall Cymru
Stride Treglown Town Planning
Stuart Coventry Scott Wilson
Sullivan Land & Planning
Sustrans Cymru
Taff Housing Association
Tanner & Tilley
Taylor Wimpey

Terry Nunns Architects
The 20th Century Society
The Boarding Centre Ltd
The Design Group 3
The Georgian Group
The Institute of Cemetery and
Crematorium Management
The Land Mark Practice
The Planning Bureau
The Royal Town Planning Institute
The Urbanists
The Victorian Society
The Wildlife Trust of South & West Wales
Theatres Trust
T-Mobile (UK) Ltd
Tongwynlais Community Council
Torfaen County Borough Council
Turley
United Welsh Housing Association
Urban City Ltd
Velindre NHS Trust Corporate
Headquarters
Virgin Media
Vodafone
Wales & West Housing Association
Wales Council for Voluntary Action
Wales Women's Aid
Watts Morgan
Welsh Ambulance Services NHS Trust -
South East Region
Welsh Government
Welsh Government - Economy Skills and
Transport Division
Welsh Language Commissioner
Welsh Tenants Federation Ltd
Wentloog Community Council
White Young Green
Wimpey Homes
WS Atkins Planning Consultants
Wyevale Garden Centre

Appendix 5 – Summary of Consultation Representations and Responses

Section	Comment	Response
General	Welcome this SPG however concern that business and housing become framed as being in competition and that there is scope for housing needs to override business needs.	The SPG relates to the safeguarding of identified employment land and premises for their employment function and circumstances where alternative uses may be acceptable. No change proposed.
General	SPG doesn't seek to address the potential impact of the gig economy and home working on the future relevance of this guidance.	This issue is not considered to fall within the remit of the SPG. No change proposed.
5.2 - 5.12	Concern that decisions on financial viability of a site are dependent on global market conditions, Fallow land one year could be attractive years later. Irrespective of paras 5.2 - 5.12 (in particular 5.11) the SPG fails to deal with this.	A key objective of this SPG is to ensure that where the loss of an existing employment site occurs, it is not at the expense of the local economy. Guidance is aimed at overcoming the difficulties associated with suitable, yet unviable, employment land and premises, for which there is a proven lack of demand.
Chapter 2	SPG is not consistent with Policy EC3 – fails to reflect the flexibility of the policy. Tests set out are considered more onerous than the policy and national guidance.	SPG is considered consistent with Policy EC3. Flow Chart has been amended to provide further clarity.
Para 4.3	Support the other priorities identified that can override narrowly focused economic considerations, such as housing need. Tests set out in the SPG for the release of employment land are more onerous than national policy and Policy EC3 – Implies all the criteria should be met. The flow chart on page 6 – the sequential approach to be adopted is a significant tightening up of national and LDP policy - focus of approach is that employment sites will only be released for alternative uses where there is no demand and it is unviable to retain in employment use, including through refurbishment and redevelopment.	The flow chart is an indicative guide relating to how an application will be considered. This approach is deemed consistent with Policy EC3. Flow Chart has been amended to provide further clarity.
General	Fails to recognise that housing , retail and leisure encompass business and employment opportunities	Noted. The purpose of the LDP policy and this SPG is to protect land and premises in relation to the employment use classes (B1, B2 and B8). No change proposed.

Para 3.4	Support assessing all applications on their own merit as there is a need for flexibility but consider the Council's starting point of retaining all employment land and premises considered suitable in land use terms is onerous	Noted. SPG aims to protect strategically and locally important protected sites. There will be greater flexibility outside of these defined sites. Please see amended flow chart for clarification.
Para 5.2	Unreasonable to expect applicants to demonstrate both a lack of economic viability and a lack of demand	SPG is considered consistent with Policy EC3. No change proposed
Para 5.4	Should be amended to refer to exceptions such as large scale high rise schemes in out of centre locations.	SPG is considered consistent with Policy EC3. No change proposed
Para 5.5	Object to the reference that the minimum 12 months marketing may be reviewed for larger sites. No evidence to justify a longer period. In certain circumstances larger sites may not be required to undertake marketing.	Noted. No changes proposed as marketing requirements will be assessed on a case by case basis.
Para 5.8	Consider the marketing requirements to be onerous and a pragmatic approach should be adopted to marketing. Advertising in 4 different publications – amend to that the applicant chooses; Remove the word prominent as it may not be possible or appropriate to provide prominent advertising on all sites; Referral to the local business community is vague and should be deleted – difficult to determine if it has been addressed;	No changes proposed as the requirements will be clarified at the planning application/pre application stage. Each application will be assessed on a case by case basis. The applicant will need to demonstrate where certain requirements are not appropriate.
Para 5.9	Should also consider the level of return against current value and the cost of retaining the site in its current use, for example the Minimum Energy Efficiency Standards (MEES) regulations. Meeting these regulations could be significant and may undermine the viability of retention.	No changes proposed.
Para 5.11	It is not reasonable to make developers sit on unsuitable and unviable land for prolonged periods in case refurbishment/ redevelopment may become a viable proposition in the future.	Protected designated employment land is deemed a suitable location for employment. The onus is on the applicant to demonstrate that the land is not viable. No changes proposed.
Para 5.12	Council's Economic Development Departments database on historical and current inquiries should only be used as a guide as the inquiries are speculative and not location specific. Database should be made readily available by the Council.	The database contains commercially sensitive information and given this it is not considered appropriate to make it available on line. No changes proposed.

Para 5.13	It is not always the case that where demand has been established then this is evidence that the site should be retained for employment use – demand may be identified but rent is not a viable proposition. SPG should be more commercially aware and recognise that landlords will not accept offers below the market rate.	A key objective of this SPG is to ensure that where the loss of an existing employment site occurs, it is not at the expense of the local economy. Guidance is aimed at overcoming the difficulties associated with suitable, yet unviable, employment land and premises, for which there is a proven lack of demand.
Para 5.19	It is not reasonable in cases where there is a significant amount of floorspace to provide a similar amount of employment floorspace as part of a mixed use development as it will be infeasible and unviable.	Noted. A mixed use scheme will need to provide a reasonable provision of employment floorspace. Requirements will be determined on a case by case basis. No change proposed
6.1	Whilst agree employment land is a finite resource the LDP can be used to make new allocations that are better located than the peripheral sites that may have been lost.	LDP has allocated Strategic Sites: KP2(A) Cardiff Central Enterprise Zone KP2(H) South of St. Mellons Business Park This provides a range and choice of employment uses over the plan period. No change proposed
	Acknowledge the justification for developer contributions for employment land but consider that there must be continued scope for viability appraisals to address this rather than a prescriptive approach.	The Planning Obligations SPG has been approved in its current format. No change proposed
6.2 – 6.4	The draft SPG should make reference to the fact that financial contributions should be waived where there is no harm arising from the redevelopment of the site for alternative uses.	The Planning Obligations SPG has been approved in its current format. No change proposed
	Permitted employment floorspace should not be subject to the same protectionist policies proposed in the draft SPG in relation to existing business uses. Consider that it is vitally important that the SPG does not set out an overly onerous policy position that would preclude the use of the permitted employment floorspace for alternative uses should the demand for employment use decline in the future.	Permitted employment floorspace within land designated for protection under Policy EC1, offices designated for protection under EC4 (Central and Bay Business Area) or within a Strategic or locally allocated employment Site (KP2(A), KP2(H), and EC6), will be assessed against SPG criteria. No change proposed
P 12	EC2 End of second line, “if” should be “is” “... provided, the facility is of an appropriate....”	Noted. Wording amended accordingly to reflect LDP Policy EC2.
p13	H3 Affordable Housing. Can “seek” in line 1 be changed for a more positive	Policy is already adopted in the LDP. No change proposed

	<p>word such as “require”? In the same line the W% sign is missing from the 30. “.. and 30% affordable...”</p> <p>H3 Affordable Housing. % sign is missing from the 30. “.. and 30% affordable...”</p>	<p>Noted. Text has been amended in line with LDP Policy H3</p>
<p>Item 13.10 p 16</p>	<p>Should the item read “Where it is identified ...”?</p>	<p>Noted. Wording amended accordingly</p>