Powys County Council

Powys Employment Needs Assessment

Final Core Report

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Powys County Council

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Core Report

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Appendices

1 INTRODUCTION

1.1 Introduction

Hyder Consulting, in partnership with Hardisty Jones Associates and Middleton Perry were commissioned by Powys County Council in August 2011 to prepare an Economic Needs Assessment (incorporating Employment Land Review) for the County. The study covers the whole of Powys Local Planning Authority area, excluding the National Parks of Brecon and Snowdonia.

This **'Core'** report presents a summary of the findings and recommendations of the study and has been informed by the background survey and evaluation work. The report should be read in conjunction with the following Technical Reports which are referenced where necessary in the following sections:

- **Technical Report 1** – **Socio-Economic Baseline** (UA003798-NER-TR1)
- **Technical Report 2** – **Property Market Overview & Supply Analysis** (UA003798-NER-TR2)
- **Technical Report 3** – **Demand Analysis** (UA003798-NER-TR3)

1.2 Purpose & Scope of the Study

The primary purpose of the study is to inform the development of the Council's Local Development Plan (LDP) and will form part of the evidence base and rationale for employment site allocations and policy within the Preferred Strategy and other Development Plan Documents.

The study has been prepared to meet the requirements set out in Planning Policy Wales and the Local Development Plan Manual. The overall aim of the study, as defined in the brief, can be summarised as follows:

"Undertake a needs assessment for the Powys Local Planning Authority Area which is appropriate and robust enough to base policies and proposals in terms of economic needs (including land allocations) in the emerging LDP".

The study therefore seeks to provide specific information on economic projections, likely trends in key sectors and employment land availability, while also recognising the challenges being faced by the various industries / employment sectors.

While the analysis has been prepared in accordance with published and accepted guidance it has also had due regard to nature of the Powys economy which operates in what is a largely upland, rural and agricultural county and with high levels of self-employment and a predominance of small businesses.

1.3 Stages & Approach

Our approach to the study follows a three-stage process within the overall framework as established in the ODPM's 'Employment Land Reviews Guidance Note' (2004) and can be broken down as follows:

Stage 1 – Taking stock of the existing situation;

Stage 2 – Creating a picture of future requirements; and

Stage 3 – Developing the portfolio.

The outcomes of these discrete stages are summarised in the following sections of this report with more detail provided in the Technical Reports, as described in **Section 1.1** above.

2 CONTEXT

2.1 Introduction

This chapter seeks to provide an overview of the planning and economic context for the study, drawing upon relevant policy, strategy and guidance documents and published statistics. The chapter aims to provide an updated economic profile of the study area, focussing predominately on issues which will have a bearing on the scale and nature of future land use requirements.

In preparing this context we have drawn from and added to existing background documents and publications. These are referenced where appropriate and should be read in conjunction with this Chapter.

2.2 Policy Context – Key Issues

Policy documents and guidance at the national and local levels present a number of directions and key issues which will have a bearing on the Powys economy and employment base moving forward. A full contextual review of policies of relevance to the study can be found in **LDP Economy Topic Paper** and is updated with reference to recent publications in **Appendix A**.

The main policy issues and directions from the review can be summarised as follows:

- Broad principles of investing in a more sustainable economy, stabilising and then reducing use of natural resources and reducing contribution to climate change;
- A drive to move all sectors to higher value-added activities;
- Help localised pockets of manufacturing to retain their competitiveness (e.g. Severn Valley);
- Ensure employment related property development is located near public transport and close to housing and infrastructure development;
- Prioritise the development of Brownfield sites over Greenfield sites;
- Support identified business or technology clusters and eco-industrial networks (clusters in Powys include Llandrindod Wells, Severn Valley, Machynlleth and Ystradgynlais);
- Support micro and social enterprises;
- Generation of low carbon electricity and support the research, development and deployment of renewables, including at the community level;
- Locate economic development to meet employment needs and create a sustainable pattern of development. The Wales Spatial Plan provides a model for sustainable development broadly identifying primary settlements, hubs and clusters as focal points for growth and investment;
- Address shortfalls in utilities capacity, peripherality and accessibility to markets (including transport and ICT);
- Support mixed use development sites to encourage more flexible working practices, choice of travel and co-location of complementary uses;

- Provide a sufficient and diverse range of sites for enterprise and employment designated to meet both identified and, as yet, unidentified needs;
- Enable economic development in and adjoining rural settlements. Identifying suitable sites where appropriate or providing a criteria based policy approach;
- Support self-employment and micro businesses by enabling home based working and identifying home/work development opportunities;
- Enable expansion of established businesses including those in open countryside;
- Resist the loss of employment sites and premises where such are in short supply;
- Provide a policy framework for development that is hazardous, detrimental to amenity and may be a source of pollution;
- Provide policies in support of economic development initiatives in the County; and
- Provide consistent and complementary policies to address cross boundary issues (such as economic linkages and regeneration initiatives).

The above policy directions have been used in the development of recommendations for both the spatial distribution of employment land supply and the overall economic recommendations made as part of the assessment.

2.3 Socio -Economic Context

Technical Report 1 provides an overview of the socio-economic characteristics and trends which will influence the Powys economy over the next plan period.

In terms of **Socio Demographics**, the report finds:

- Whilst the population grew rapidly through the 1980s and 1990s compared to Wales and GB the relative level of growth has slowed in the last 10 years[1].
- Powys has a relatively older age profile than Wales, but is largely in keeping with its rural neighbours. The principal exception being the presence of a number of Universities impacting upon the 20-35 years age groups in neighbouring parts of rural Wales, and to a lesser extent England.
- The population is showing very clear signs of ageing, with declines amongst many of the younger age groups and significant rises within older age groups.
- The working age population as a share of the total population is declining and is substantially lower than both Welsh and GB averages.
- The county does not exhibit wide spread deprivation and levels of benefits claimants are lower than benchmark averages. However, the rural nature of the county does lead to challenges in terms of service delivery.

[1] There is some dispute over the most recent data release which if revised might slightly alter this finding.

In terms of **Labour Market Trends**:

- Data for Powys indicates a high employment rate and relatively low unemployment rate, however, both indicators have moved in an adverse direction as a result of the credit crunch, recession and sluggish recovery.
- Whilst the headline data shows a healthy position relative to other areas, this masks a more complex picture beneath the surface with high levels of self employment and part time working.
- A higher than average proportion of the population in Powys has higher level qualifications, however, this is not reflected in earnings data or the occupational mix.
- Travel to work data indicates two major trends:
  - Powys is a net exporter of labour i.e. more people out commute from Powys to work than commute into the county.
  - Within the county travel to work patterns are fairly localised and contained around the major settlements.

For **Employment** the main findings are:

- Data on jobs density shows a relatively healthy position compared to benchmark areas, in line with employment rate data.
- Whilst employment rose before the recession this was largely fuelled by increases in part time employment.
- The impact of the recession is uncertain and due to lags in data the full impacts will not be known for some years yet. Early indications were of falls of around 2,500 – 3,000 jobs. However, the latest data for 2010 casts some doubt on this figure suggesting a lower level of job losses.
- Powys is over represented in a number of sectors, most notably manufacturing and tourism. Whilst the public sector is large, the county is no more reliant on public sector employment than the Wales economy as a whole and less so than its Welsh Rural Neighbours. Powys is under represented in a number of business service type sectors which is in line with the relatively weak commercial office market in the county.
- Pre recession employment growth was largely across the service sectors, most notably education, health, leisure and some business services. There were employment losses in the hotel and restaurants sector as well as the manufacturing sector.
- Considering employment by Use Class highlights the predominance of employment outside the B Use Classes. Employment growth has been concentrated in the B1a office and outside the B Use Class.
- Sub area analysis shows a mixed picture. Growth has been concentrated in the Severn Valley and North, and Central zones. However, the pattern of growth across these two areas has been quite different. In the Central zone growth was concentrated in public administration and health sectors, largely outside the B Use Class. In the Severn Valley and North zone there was growth across all the B Use Classes, including growth in employment within the manufacturing sector.

In terms of **Businesses**, the analysis of the Powys economy found:

- There is no definitive measure of the business base in Powys, however, relative to the working age population the number of businesses in Powys is very high compared to benchmark areas.

- Levels of business start-up relative to the current business base are low and the business population has not grown at the same rate as comparator areas. However, relative to the population business start-up rates are healthy.
- For those businesses that do start, survival rates are above the Welsh average after the first year. Nevertheless, the data suggest growth of the businesses, in employment terms, is challenging, with the vast majority of businesses being classified as micro i.e. with less than 10 employees.
- The Economy chapter of the Powys Joint Needs Assessment 2010-11 encapsulates the business position as follows:

"With its sparsely populated upland landscape, poor connectivity with the cities of England and Wales, Powys has no large employers outside the public sector. The majority of businesses are small and there are many one person enterprises."

In conclusion, the Technical Report 1 found that Powys experienced rapid population growth through 1980s and 1990s relative to benchmark areas, however, in the last ten years the scale of population change has been more in line with the GB average. Within the population there are significant structural changes with an increasing older population, out migration of younger people (in pursuit of education and employment) and in migration of middle aged and older people (for quality of life). Overall the working age population is falling as a proportion of the total, however, increases to state pension age will have some impact in the future, particularly with the significant rise in female pension age over the LDP period.

Labour market data shows high job density and employment rates coupled with low unemployment, however, there is a higher rate of part time employment and very high levels of self employment as well as indications of low wages.

Employment data shows a mixed picture depending on the source used. Pre recession there is evidence of growing levels of employment in Powys, however this was substantially fuelled by part time employment. The growth was concentrated in the service sector, in line with trends across the general economy. However, Powys still has a relatively large manufacturing sector compared to the Welsh average. Whilst the reliance on the public sector is highlighted in other documents, and it does comprise 32%[2] of all employment in Powys, this is in line with the Welsh average and lower than Powys' Welsh rural neighbours.

Business data shows the dominance of micro and small businesses, particularly micro businesses in keeping with the data on very high levels of self employment. Rates of new firm formation have been falling relative to the working age population but still remain above benchmark areas.

Overall the rural nature of Powys, with a number of smaller settlements dispersed over a large geographic area means the County lacks the benefits of agglomeration and experiences large distances to markets (labour, suppliers and product) and this leads to restricted opportunities for businesses, workers and the wider population. This contributes to the out migration of the cohort in the younger working age group in particular looking for education, work and leisure/lifestyle opportunities. It also leads to fairly localised travel to work patterns.

Whilst the recession has undoubtedly taken effect the lags in data make it hard to quantify in detail. Prior to the release of the 2010 employment data there were a number of sources suggesting a fall in employment levels of around 2,500 – 3,000. However, the latest data

[2] Broad definition to include public administration and defence, education and health.

throws some doubt on this. Whilst self employment levels have held up, there is no timely data on the success of many of these very small enterprises.

2.4 Infrastructure Developments

A number of infrastructure proposals are planned to come forward over the LDP plan period which could impact on the Powys employment market. The following schemes are either committed through policy or have been put forward for consideration by the Regional Transport Consortium for prioritisation in future policy, namely the National Transport Plan. Their significance to the study is that improvements to transportation infrastructure will improve access to markets within and external to Powys and have beneficial impacts on labour market accessibility and travel to work patterns.

Rail

- Aberystwyth to Shrewsbury – Increased services from a 2 hourly service to an hourly service.

Road

- Construction of the A483 Newtown Bypass;
- A487 Pont Dyfi Bridge Replacement Scheme;
- Upgrade of A487 between Llanrhystud and Aberystwyth;
- A44 and A470 on-line safety and capacity improvements package;
- A483 Llanymynech – Pant bypass;
- A470 / A483 Builth Wells Bypass / Relief Road; and
- A44 / A4120 Llanbadarn Bypass.

While the above list is not comprehensive it is felt that these schemes, if brought forward, would have the greatest impact on the Powys economy and routes to markets in mid Wales market and are therefore important considerations when assessing future trends.

2.5 Property Market Context

Technical Report 2 provides a full appraisal of the property market for Powys. In terms of the Office Market, Powys has a relatively small amount of office accommodation for a County of its size and there is little in the way of any form of established market with statistics evidencing a low number of enquiries last year searching for office accommodation in Powys. Much of the accommodation is situated above shops in some of the bigger towns and whilst this is suitable for established small professional firms, it is often not suitable for many of today's more modern types of businesses. The study area also contains a number of towns with larger office accommodation built to house the public sector (e.g. Llandrindod Wells). One notable feature of the study has been that where offices have been developed by Welsh Government (WG) in recent years, with the notable exception of Talgarth, they have all attained good levels of occupancy and good rental levels. This could be due to the fact that there are a number of businesses being run from homes and barns in the County that might be ready to expand into suitable office accommodation were it to be available. With continued improvements in ICT and connectivity, we would expect to see more home working and more small lifestyle businesses being started in the County, many of which will require suitable accommodation in order to grow.

For the Industrial Market, Powys has a good supply of industrial property that is suitable for a wide range of purposes and applications and it is well spread geographically across the County. It ranges from the smaller and more flexible units provided by Powys County Council, a good supply of mid size ex Development Board for Rural Wales/WDA units now primarily in private ownership and some more modern units developed and owned by Welsh Government. There would generally seem to be an adequate supply of property, though indications are that there is a potential shortage in Ystradgynlais, Brecon and Welshpool. The majority of demand would seem to be for smaller units of sub 5,000 sqft. The greatest threats that we would see for the County are the potential lack of suitable grow on space for small business looking to expand from some of Powys Councils smaller units, the often somewhat isolated locations of the units and the difficult routes to market and finally the ageing nature of the stock originally developed by DBRW and the WDA.

3 SUPPLY OF EMPLOYMENT LAND

In order to analyse the current supply of employment land in the County we have undertaken a detailed review of UDP allocations, assessing the current status of the allocation (developed, part developed or still available) while also looking at the viability of the site going forward. Following this review we have grouped the remaining allocation into four categories which differ slightly from the original UDP classifications. The four categories, as outlined in the '*Property Market Overview and Supply Analysis'* report are:

Prestige Sites: Strategically located sites in the regional context offering medium to large scale employment opportunities and characterised by a high quality environment.

High Quality Sites: Smaller sites of regional significance offering small to medium sized employment opportunities in high quality surroundings that are well positioned in relation to the County's main road and transport infrastructure.

Local Sites: Sites providing a varied industrial / employment image yet located within close proximity to the main road and transport infrastructure as well as centres of population. These sites primarily serve a local market and may include local office developments.

Neighbourhood Sites: Typically situated in the smaller rural communities and suited to a local operation.

These categories are consistent with those being suggested in adjoining Local Authority areas and being adopted at the national level in Wales.

3.1 Supply Summary

The Powys County Council UDP allocated a total of **54.5 ha** of employment land of which **33.8 ha** were identified as key employment locations and **20.7 ha** was allocated as general sites to give support to other settlements. In addition to this prescribed allocation the UDP also allocated Local Employment Sites which provided a further **20.64** ha of employment land.

We therefore calculate the UDP baseline position in terms of total amount of employment land allocated to be 75.14 ha.

Following the establishment of this baseline the study sought to identify through site visits, the amount of this allocation which remains available for future development. This enabled a calculation of both 'build out' rates during the UDP plan period as well as the developable land left at each UDP allocation.

This review found that of the baseline employment land allocation approximately **64.31 ha** remains undeveloped suggesting a take up of **10.83 ha** during the period 2001-2011 and a take up rate of approximately **1 ha** per annum.

The issue of deliverability of employment land and property is significant to achieving these figures. Discussions with WG and PCC indicate very little employment development happened through this period without WG funding, although the amount of funding available was not particularly high compared to area benefitting from major European structural funded programmes. The property market appraisal indicates the fairly quick take up of advanced property that has been built by the public sector. It is conceivable that the take up figure would have increased if the Mid Wales development economics were more favourable or if WG and PCC had higher level of funds.

When looking at where allocations are concentrated geographically, the study showed the majority of land to be focussed around the settlements of Llandrindod Wells, Newtown, Welshpool, Ystradgynlais, Llanidloes and Presteigne. For the purposes of the analysis of supply and for the demand profiling we have split the County into four spatial areas which are considered to reflect the general distribution of allocations as well as the economic connections and relationships that different areas have with their neighbours. These four clusters are:

- Ystradgynlais
- Central Powys
- Machynlleth
- Severn Valley & the North

The data shows a focus of employment allocations in the Central Powys and Severn Valley and the North clusters, reflecting the geographic scale of these areas and the presence of the County's major settlements. When looking at the level of development over the UDP Plan period the data shows the most development (number of ha developed) has taken place in the Severn Valley and the North. Proportionately however when compared to the overall allocation it is Ystradgynlais which has seen the greatest amount of development with **38%** of its allocation having been built out. The spread of employment allocations and the spatial clusters are shown in **Figure 3.1** overleaf (the full list of referenced sites are provided in Technical Report 2).

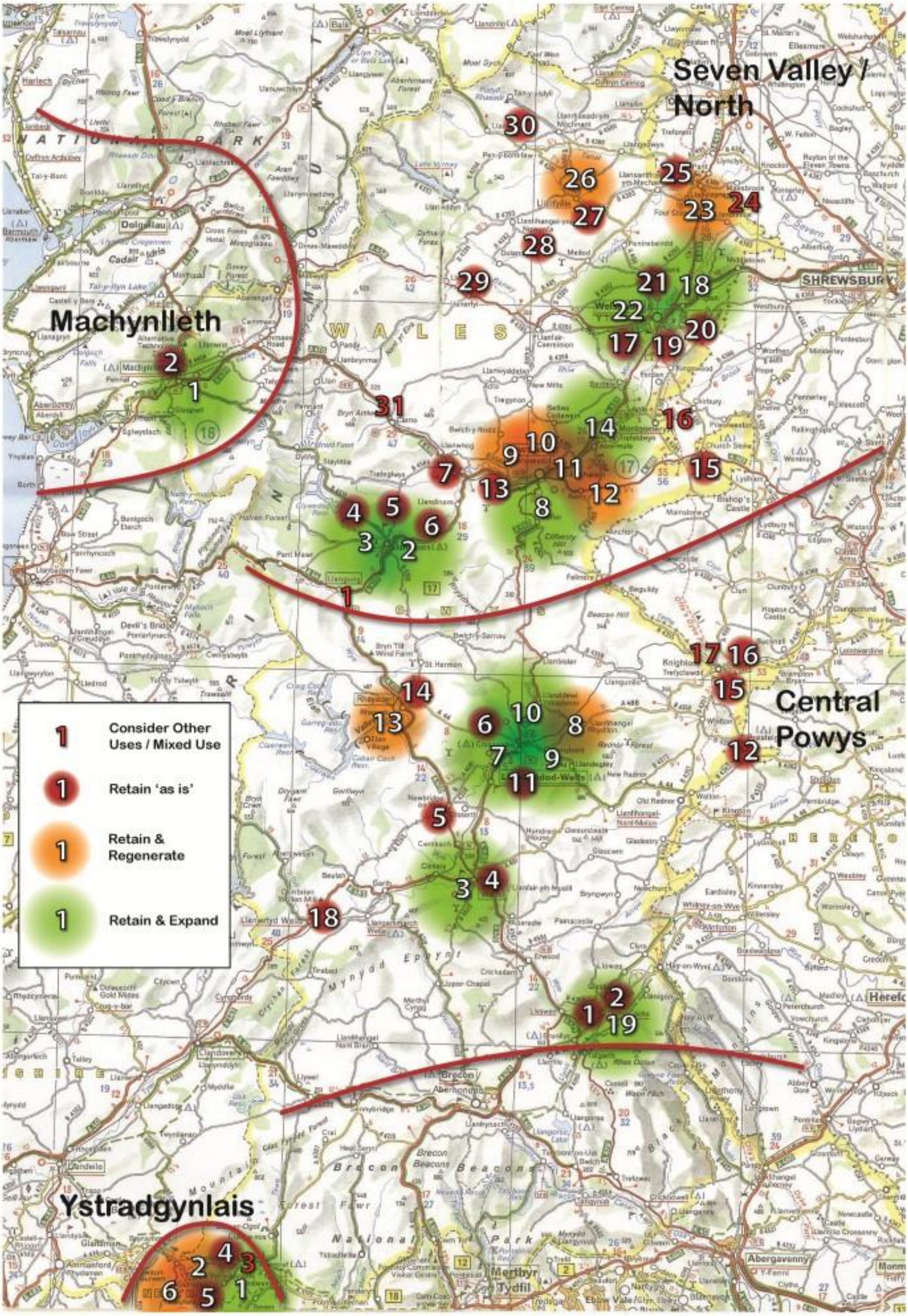
In order to inform the LDP allocations and taking into consideration the recommendations made from desk based research and site visits, the study recommends that of the **64.31 ha** of employment allocations that remain undeveloped only **55.41 ha** remain available for or suitable for development. This available land has subsequently been allocated by proposed category as shown in Table 3.1 below:

Table 3.1 – Remaining Allocation by Proposed Category

Category	Land Remaining (ha)
Prestige	13.87
High Quality	15.62
Local	23.37
Neighbourhood	2.55
TOTAL	**55.41**

Alongside this original UDP allocation we have identified other un-allocated sites which offer potential for expansion. This has not been an exhaustive search, and related to larger sites or those identified by stakeholders during consultations. Taking these sites into account we estimate there to be a further **6.7 ha** of land available, giving a total supply moving into the LDP of **62.1 ha**. In summary the supply analysis has found that the County has an extensive supply of employment land, both through allocations and existing sites offering potential for expansion.

Figure 3.1 – Recommendations



4 DEMAND FOR EMPLOYMENT

Technical Report 3 set out to provide a context for shaping policy in respect of employment land and property in Powys across the LDP period, 2011-26. This builds upon two accompanying technical reports which consider the historic and current economic context and the current employment property market and land supply. This report looks forward to make an assessment of the potential employment property and land requirements that should be provided for within the LDP. This has taken account of the projected economic outlook as well as wider evidence on historic patterns of take up and the development market context.

The baseline economic projections suggest in overall terms a fairly limited change in the total level of employment in Powys across the LDP period, although there will continue to be change in the sectoral structure of the county's employment base, with a continued shift away from agriculture and manufacturing towards services. However, both the declines in agriculture and manufacturing and the growth in service sector employment will be more muted than in the preceding 15 year period 1996-2011.

When considering the changes in employment by Use Class, the projections suggest some growth in office related employment, declines in industrial related employment and a slight decline in employment outside the B Use Class. As a result, the requirement for additional employment property to accommodate expansion in the economy is relatively modest, with an estimate of around 3 - 5 hectares.

The primary driver of future employment land and property requirements is anticipated to be the need to replace and upgrade the existing supply of premises in order to tackle issues of dilapidation and the need to deliver the required type and quality of premises for modern business occupiers. The estimate of requirements within this category was 21 - 29 hectares.

A further allowance of 6 – 8 hectares was made to ensure choice and range across types, settings and locations of provision.

The total estimate for future requirements across the LDP period was therefore 30 – 42 hectares. A suggested flexibility allowance equivalent to 5 years supply was also identified to ensure a ready supply of land at the end of the LDP period and to cater for any peaks or unexpected demands. With this added the total estimated requirement increased to 40 – 56 hectares.

This level of requirements (core requirement equivalent to 2 – 2.8 hectares per annum) is above historic levels of take up which are estimated at closer to 1 hectare per annum (although no detailed monitoring records are available). Low levels of historic take up, coupled with a weaker economic outlook across the LDP period compared to the preceding 15 year period suggest the results of the quantitative assessment will be very challenging to deliver, particularly with adverse development economics in Powys and a constrained public sector that has historically gap funded the majority of commercial employment property development.

5 GAP ANALYSIS

The estimated total undeveloped land on allocated sites within Powys as contained in the current UDP equates to an approximate gross area of 64 hectares, although when sites considered to be no longer available or viable for employment use are discounted, some 55 hectares remain. The study has identified an additional 6.7 hectares of land available (with planning permission or located within an existing employment site) for employment use, making the total supply some 62 hectares. This compares with an estimated gross requirement in the range of approximately 40-56 hectares over the 15 year Plan period indicating a surplus of 6-22 hectares. However, before discounting the potential surplus a number of issues need to be taken into account, including:

- The County's existing stock of accommodation and employment land is dominated by local industrial sites, 42%, and the majority of undeveloped allocations are undeveloped parcels or extensions to existing employment sites which were originally allocated at a time when occupier requirements were very much different to those of today;
- 25% of undeveloped allocated land, 13.87 hectares, is provided on three prestige, strategic employment sites; Heart of Wales at Llandrindod Wells, Buttington Cross and Offa's Dyke in Welshpool. These are geared to providing long term and high quality capacity beyond the current plan period.
- Approximately 28% of undeveloped allocated land is classed as high quality; and
- Neighbourhood sites account for only 4.6%, 2.55 hectares, of undeveloped allocated land.
- There is the need for additional land flexibility due to the inexact nature of predicting future demand across a dispersed and diverse County economy within which exist several sub market areas; and
- Greater flexibility in supply will enable forecast demand for employment land to be achieved along side mixed use development. The introduction of complementary and non employment uses has the potential to improve site viability within a generally weak development market through reducing the gap between development cost and final value.

The Property Market Review (Technical Report 2) identified the most demand for employment land in Welshpool, Newtown and Ystradgynlais. Although located outside of the study area, Brecon was also identified as having higher levels of demand, but due to the limits on available employment land within the settlement, this unmet demand is reported to overspill into the adjacent Powys LDP settlements, including those along the A470[3].

Spatially, variations exist in the level of land supply that largely reflects historical market demand and potential: 6% Ystradgynlais; 40% Central Powys; 51% Severn Valley and North; and 2.5% Machynlleth. Indicative sub area requirements (table 5.1) indicate that with the exception of the Central area, supply broadly matches the forecast allowance for each area. We would recommend that, subject to the preferred spatial strategy adopted by the Powys LDP, and further consideration of accommodating any un-met demand from within the Brecon area, that

[3] At the time of this study, no comparative analysis of the employment supply and demand has been undertaken by the Brecon Beacons National Park for its emerging LDP and Brecon and the National Parks analysis were outside of the scope of this study.

the Central area has some potential for the de-allocation of sites, and there is a focus on investment to encourage the regeneration of existing employment sites across Powys.

Table 5.1: Indicative Sub-Area Requirements

		Current Employment Share	Core Requirement (ha)	Total Including Flexibility Allowance (ha)	Supply (ha)
Machynlleth	Office	5%	0.3 – 0.4	0.4 – 0.6	
	Industrial	2%	0.5 – 0.7	0.6 – 0.9	
	Total		***0.8 – 1.1***	***1 – 1.5***	***1.5***
Severn Valley & North	Office	54%	3.2 – 4.5	4.3 – 6.0	
	Industrial	70%	16.7 – 23.5	22.3 – 31.3	
	Total		***19.9 – 28.0***	***26.6 – 37.3***	***32***
Central	Office	33%	1.9 – 2.7	2.6 – 3.7	
	Industrial	22%	5.3 – 7.4	7.0 – 9.8	
	Total		***7.2 – 10.1***	***9.6 – 13.5***	***25***
Ystradgynlais	Office	8%	0.5 – 0.7	0.6 – 0.9	
	Industrial	6%	1.4 – 2.0	1.9 – 2.7	
	Total l		***1.9 – 2.7***	***2.5 – 3.6***	***3.7***

In order to attract investment from modern growth industries within key sectors, Powys must be able to provide quality property products in accessible locations close to the main centres of population. In the main, the existing developed portfolio addresses these needs.

High quality sites are important to ensure that the County can offer indigenous businesses as well as inward investors the quality of accommodation and the environment in which to thrive. Twelve prestige or high quality sites have been identified within the proposed supply and within all spatial areas (table 5.3.2 Technical Report 2). In terms of quantum, overall over 20% of the available sites are prestige, with almost a third of sites classed as high quality and these are concentrated around the principal settlements at Newtown, Llanidloes, Machynlleth, Llandrindod Wells, Builth Wells and Ystradgynlais. Outside of the main settlements there is a high quality site at Abermule, this site is well located in relation to the County's road network and is located close to main areas of population.

Whilst the extent of land allocated and classed as local employment sites is good, the notable gap is in the absence of provision within the Machynlleth Cluster, although there is likely to be sufficient provision on High Quality sites to meet any future demand on identified sites over the period.

One of the areas in which the current allocation is poor is in the provision of allocated neighbourhood sites. Whilst the main areas of employment land provision in Powys are provided by allocations on or adjacent to existing estates close to the main centres of population, rural areas do generate local businesses and employment land demand especially in relation to rural enterprises and diversification in agriculture.

Neighbourhood sites are particularly important in rural areas as they are suited to small local operators and are located in mixed environments within or in close proximity to existing built up areas in small towns. They therefore have an important role in local and rural communities in ensuring local employment opportunities can be provided in small communities. The current supply identifies only seven undeveloped allocations for neighbourhood sites within the Central and Severn Valley Clusters

The requirement for neighbourhood sites elsewhere in the County can be addressed in two ways. Firstly, a number of small existing and new industrial sites up to 0.5ha throughout the area can be identified and allocated within the LDP. Secondly, flexible planning policy can be introduced specifically to address the local need for employment accommodation throughout the County. We would advocate the second of these options. Economic development in rural areas must not be restricted nor should businesses be required to relocate to large towns in order to expand and have their property requirement satisfied. Policy should dictate individual applications for employment uses in rural areas outside allocated sites are dealt with sympathetically, including farm diversification, to ensure local businesses can continue to contribute to their local, rural economy.

6 RECOMMENDATIONS

Site allocations

- One way of stimulating employment growth is to allocate additional sites for employment use. There are, however, downsides to allocating additional sites and land and indeed any policy created must be considered carefully as there is always a balance to be struck. For example, if an over allocation of sites exits this would give landowners scope to argue that there is a more than adequate supply of employment land in the County and their site could therefore be used for alternative purposes. Inevitably, the best and most deliverable sites would be lost which would be detrimental to the supply of employment land and its ability to attract new occupiers and satisfy demand. The study has identified sufficient supply with a sufficient flexibility allowance. We would, therefore, recommend that care be taken when allocating additional sites to those identified in the assessment given that the extent of the requirement for land/premises, as identified following our economic forecasts, could comfortably be met by the existing supply, subject to resolving delivery issues and maintaining flexibility.

  There are four classifications of sites:

  - 1 Residential Led/Mixed use - site where employment plays a lesser part
  - 2 Employment Led/mixed use - site where small amounts of mixed use can be considered
  - 3 Regenerate – Sites where investment is required in the land and premises to improve quality and attractiveness
  - 4 High Quality/Promote & Expand – these are the best quality sites and should be protected and invested in to provide employment

Table 6.1 –Recommended Employment Sites Supply

Site Name	Location	Size of Development Area (ha)	Proposed Category	Recommendation
Ystradgynlais				
Woodlands Business Park	Ystradgynlais	1.06	High Quality	High quality, promote & expand
Cae'r-bont	Ystradgynlais	1.5	Local	Regenerate
Ynyscedwyn	Ystradgynlais	0.7	Local	Employment led/mixed use
Gurnos Industrial Estate	Ystradgynlais	0.5	Local	Regenerate
Central Powys				
Javel Industrial Estate	Three Cocks	0.6	Local	Regenerate
Wyeside Enterprise Park	Builth Wells	2.16	High Quality	High quality, promote & expand
Irfon Enterprise Park	Builth Wells	0.1	Local	Employment led/mixed use
Newbridge-on-Wye	Newbridge-on-Wye	0.5	Neighbourhood	Employment led/mixed use
Crossgates	Crossgates	0.6	Local	Employment led/mixed use
Heart of Wales	Llandrindod Wells	4.57	Prestige	High quality,

Business Park				promote & expand
Ddole Road	Llandrindod Wells	4	High Quality	Regenerate
Llandrindod Wells	Llandrindod Wells	1.12	Local	High quality, promote & expand
Broadaxe Business Park	Presteigne	3.18	Local	Employment led/mixed use
Brynberth Enterprise Park	Rhayader	3.8	Local	Regenerate
Knighton	Knighton	0.9	Local	Employment led/mixed use
Knighton Enterprise Park	Knighton	0.44	Local	Employment led/mixed use
Knucklas	Knucklas	0.5	Neighbourhood	Residential led mixed use
Llanwrtyd Wells	Llanwrtyd Wells	0.38	Neighbourhood	Employment led/mixed use
Three Cocks - Land	Three Cocks	2.3	High Quality	High quality, promote & expand
Severn valley & North				
Llangurig	Llangurig	0.4	Neighbourhood	Employment led/mixed use
Great Oaks Business Park	Llanidloes	0.3	High Quality	High quality, promote & expand
Parc Hafren	Llanidloes	1.47	Local	High quality, promote & expand
Parc Hafren Extension	Llanidloes	3	Local	Employment led/mixed use
Llanidloes Road	Newtown	4.2	High Quality	High quality, promote & expand
Mochdre Enterprise Park	Newtown	2	High Quality	Regenerate
Vastre Enterprise Park	Newtown	1.8	Local	Regenerate
Sarn	Newtown	0.46	Local	Employment led/mixed use
Abermule Business Park	Abermule	2.6	High Quality	High quality, promote & expand
Churchstoke	Churchstoke	1.54	Local	Employment led/mixed use
Buttington Cross Enterprise Park	Welshpool	1.5	Prestige	High quality, promote & expand
Trewern	Trewern	1.43	Local	Employment led/mixed use
Offa's Dyke Business Park	Welshpool	7.8	Prestige	High quality, promote & expand
Four Crosses	Four Crosses	0.75	Local	Regenerate
Wynnstay Stores	Llansanffraid ym Mechain	1.6	Local	Employment led/mixed use
Llanfyllin Enterprise Park	Llanfyllin	0.28	Local	Regenerate
Pontrobert	Pontrobert	0.12	Neighbourhood	Employment led/mixed use
Llanerfyl	Llanerfyl	0.15	Neighbourhood	Employment led/mixed use
Penybontfawr	Penybontfawr	0.5	Neighbourhood	Employment led/mixed use
Machynlleth				
Treowain Enterprise Park	Machynlleth	1.3	High Quality	High quality, promote & expand

- The study has identified four sub area property and employment markets within the study area (Severn Valley and the North, Machynlleth, Central Powys and Ystradgynlais) with indicative employment land requirements. There is a need to maintain flexibility both across

Powys and also within each sub area, however the chosen level will need to be determined by the LDP's preferred spatial strategy and in particular matching employment land to housing allocations. We would recommend that once the spatial strategy has been settled, employment site allocations are reviewed across each of the four sub areas, and in particularly in the Central area, where the study identified the greatest level of oversupply against forecasts, but also evidence of unmet demand with the potential to absorb some overspill from the neighbouring Brecon area.

- A review of the demand and supply for employment land in the area of the Brecon Beacons National Park Authority has not formed part of this study. However, the findings of the property market overview indicate a limit on supply and a degree of constrained demand is likely to exist in the Brecon area. We would recommend that Powys and the Brecon Beacon planning authorities work closely together to plan strategically to support the economy and employment in the south of the County around key settlements and to reflect the localised market[4].

Neighbourhood sites

- Flexible general planning policy should be introduced specifically to address the local need for neighbourhood employment accommodation throughout the County. It is not possible to pre-empt at this level the demand in the economy as it will most likely be linked to property ownership and the location where existing micro rural enterprises have become established. Policy should dictate individual applications for employment uses in rural areas outside allocated sites of less than 0.5 ha are dealt with sympathetically, including farm diversification, to ensure local businesses can continue to contribute to their local, rural economy.

A criteria based approach to protecting sites

- We recommend a criteria based approach providing a greater degree of protection of the best quality employment land and premises. A typology of employment locations has been recommended and the criteria and rationale for these provided in Technical Report 2. Prestige and High Quality sites should be afforded the highest level of protection. However, it is particularly important that industrial sites, including those owned or managed by the public sector, are allowed employment led mixed use schemes and complementary ancillary employment uses that fall outside the B use class where this improves site viability and enables new site development. Significantly, mixed uses will have the potential to stimulate private sector investments.

A phased approach

- Sectorial projections (Technical Report 3) highlight low growth over the 15 year period with a decline in manufacturing and growth in serviced based economy with no clear patterns of demand (peaks or troughs) over the period. The need for a phased approach is also less applicable, as the recommendations do not include any new major land releases and competition between sites, where you may wish to hold back until such time that the existing sites are developed. It is therefore more relevant that a phased approach relates to the availability of scares resources and the economic development policy to invest and bring forward public investment in the best quality sites identified in Table 6. This approach to phasing should recognise the need to have sufficient choice of sites across several localised markets County wide.

[4] During 2012 BBNPA commissioned its own study of employment land to inform the LDP.

Monitoring and review

- We also recommend keeping the development plan under review and up-to-date, particularly with potentially transformational changes to the infrastructure and the possibility of catalytic economic policy for the County. Two examples we recommend are closely monitored are:

  i. The planned Newtown by-pass that should improve transportation links and access for suppliers and markets deeper into the Severn Valley sub area than at present, whilst at the same time enhance the potential of highly accessible employment sites, thereby stimulating demand

  ii. Prospects for strengthening or establishing new funding or incentive area based interventions such as an enterprise zone or similar within the County following WG statements that it is open to discussions about creating new opportunities throughout Wales.

- The current allocations have been assessed and categorised according to their location, accessibility, type of current accommodation and their overall image. The results of this analysis are provided in Technical Report 2. The extent of the undeveloped sites has been measured. It is evident that some of the land area assessments in the Council's UDP are inaccurate. Where discrepancies have been identified, these have been discussed with Planning Officers and then updated. A limitation of the study has also been the absence of records of employment related planning consents and their implementation, although discussions with Planning Officers and Welsh Government has addressed this sufficiently for the purposes of estimating the rate of 'take up'. We recommend building upon the structure that this study has put in place to establish a robust monitoring framework of both land and property. A database which includes a record of property (size, use class) as well as land availability will allow an accurate analysis of permissions, completions and change of use. This will establish net take up by considering new build/uses against losses and should create an accurate picture of 'take up' and the performance of employment land by use (i.e. B1, B2, B8) and the performance of particular locations.

  A model for this recommendation is the Upper Swansea Valley Business Unit Development Study[5], this study surveyed and examined the quality and quantity of employment land and property and provides a baseline for planning and regeneration. The study has the potential for replication in key settlements or County wide.

Regeneration and advanced units

In Powys there has traditionally been a reliance on the public sector to provide a lead with development of employment land and premises through advanced units and gap funding. The current restraint on the availability of finance, for both the private and public sectors, to invest in bringing forward employment land and to regenerate sites is likely to be a constraint on the strategy within Powys over the plan period. However, changes to economic and regeneration policy over the 15 year period should be recognised and the availability of finance and new economic programmes are likely to change and this may create new opportunities.

- The Council and Welsh Government should continue to take a leading role in facilitating the restructuring and development of key sites within the County. Of particular importance will

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[5] The Business Unit Study was undertaken by Hyder Consulting on behalf of Powys CC (March 2010) for the Ystradgynlais area.

be the need to distinguish between provision for key sectors and different types of businesses. Specialist sites are not normally a success in the rural context as they are limited by their focus and investment should be for the flexible use of sites for successful businesses wherever they are located.

- In particular, we recommend it essential that the future planning and regeneration policies harness the growth potential of the diverse small business base. These businesses have shown good demand for suitable modern premises. The demand for small to medium sized premises is apparent in both office and industrial markets and for a diverse range of economic activities. Interventions that support the growth of SME's should also take action to create larger move on space, freeing up smaller units which are being filled by growth businesses that are occupying multiple units.

- Demand for office space is likely to be concentrated in the small to medium sized bands from predominantly local occupiers. Although public sector intervention will have to continue to stimulate the office market, the extent to which the public sector occupiers sustain this market will need to be carefully monitored.

- There will continue to be a need for public sector intervention in the delivery of employment schemes. It will be critical that Planning and Regeneration Policy continues to provide for the needs of small business, particularly units that can accommodate expansion of small businesses, many of which are likely to require units of between 100 sq m and 500 sq m. Increasingly, this should take the form of office accommodation targeted specifically at smaller sized businesses and industrial units as has been prevalent in the past. Not only should this Policy approach include the identification of sites and premises to meet floorspace requirements, but also continued proactive initiatives to link property provision with business support services (through the provision of managed workspace and incubator units). Close integration between planning policies and economic development activities should be central to the Council's plan to meet the needs of the small business sector.

- Whilst the provision of readily available, good quality modern employment sites has been shown to attain good occupancy levels, it is critical that any such activities to stimulate small businesses are integrated with related initiatives including: business support and aftercare services including those that encourage a churn of units for new start up businesses; labour market and skills programmes; and, educational capacity development.

Qualitative Improvements to Existing Stock

- There is a need for the Council and Welsh Government to take a strongly proactive approach to facilitating the qualitative improvement in the supply of employment land and premises in the County as it becomes increasingly old and unsuitable for occupiers seeking higher quality energy and operationally efficient premises. This is particularly important for industrial sites owned or managed by the public sector where there is a clear opportunity to stimulate investments through a coordinated investment programme. Improving the qualitative supply can be achieved through a combination of the following measures:

    - Intensifying the use of some existing employment locations

    - Introducing complementary ancillary employment uses that fall outside the B use class;

    - Incremental redevelopment of some existing sites/premises for continued employment use

    - Redevelopment of some existing sites for employment-led mixed use;

- Improving environmental and energy efficiency measures including introducing small scale energy generating infrastructure

Economic/Regeneration Initiatives.

The Marches LEP, which includes areas of Herefordshire and Shropshire has been awarded more than £8.1 million by the Government from the Growing Places Fund to provide upfront capital funding for physical infrastructure. As an example, and in the absence of similarly funded economic programmes this scheme presents potential challenges for Powys with the LEP fund able to support the development of employment sites and premises in key settlements nearest the County in England.

Enterprise Zones, where specific incentives are offered to attract new businesses and industry to the areas, are a new Welsh Government initiative and potential exists for opportunities to be considered in Powys. With the outlook for structural funding looking relatively poor, securing something similar to the Enterprise Zone status within Powys appears to be a more significant opportunity and would balance with the incentives and funding available in England. This could be on a broad sub-area basis or 'local growth zone' reflecting the rural nature, for example the Severn Valley, and themed to reflect key sectors such advanced manufacturing, or food and farming, energy and environmental enterprise. Consideration should also be given to combining employment land policy and regeneration initiatives on redressing economic disadvantage in deprived areas. For example, Ystradgynlais, which is located in the Western Valleys SRA, is afforded greater opportunities for enhancing employment opportunities and upgrading land and premises and is also an area where take up has been historically strong. However, funding for the SRA has not so far addressed employment land and premises and the current funding programme is already committed. Future funding rounds for the SRA should consider an investment strategy for employment land and premises in the Ystradgynlais area. It is recommend that the particular challenges found in Powys of finacing and gap funding regenerating employment sites and bringing forward sites for new development are discussed with Welsh Government in this context.

Appendix 1

Recent Policy Context

APPENDIX 1: RECENT POLICY CONTEXT

Welsh Government -National Economic Policy

The Programme for Government 2011-2016 is the Welsh Government (WG) plan of action. It represents a commitment to delivery, measured by the impact government is actually having on people's lives.

The Programme for Government sets out specific actions WG is taking, how it will judge whether these are on track and how it assess progress in tackling the long-term challenges facing Wales. It is a working document. Annual updates will monitor WG progress in delivering the programme.

In terms of Growth and Sustainable Jobs the Programme states:

"*The principles of investing in infrastructure, skills, innovation and improving the business environment will guide our approach. This includes further integrating economic, education, skills, procurement and planning policies to deliver greater benefits to the Welsh economy; encouraging greater levels of private sector investment and employment; increasing the links between academia and businesses; and positioning Wales as a low carbon, green economy."*

Key action of direct relevance to the study include supporting high performing 'anchor' companies in those parts of the economy that can create employment and wealth, introduce Enterprise Zones to strengthen competitiveness. A 10 year National Infrastructure Plan is also proposed.

The WG focus is to support industry-led investment in the key sectors identified in **Economic Renewal: a new direction.** The key sectors WG will support are:

- Creative industries
- Information, Communication and Technology (ICT)
- Energy and Environment
- Advanced materials and manufacturing
- Life Sciences
- Financial and Professional services
- Food and Farming
- Construction
- Tourism

Enterprise zones - In September 2011 the WG announced Enterprise Zones are to designated areas where specific incentives are offered to attract new businesses and industry to the area.

Currently there are five preferred locations for Enterprise Zones in Wales. They are:

- Cardiff Central Business District - focusing on the Financial Services sector
- Ynys Môn– focusing on the energy sector
- Deeside – focusing on the advanced manufacturing sector
- St Athan – focusing on the aerospace sector
- Ebbw Vale –focusing on the automotive sector

The new Enterprise Zones will not replicate previous Enterprise Zones, which evaluation has shown had very mixed results. WG will take a bespoke approach to each location and will deploy a selective approach to the policy interventions. This is to ensure WG get best value from the consequential funding of approximately £10m from the UK Government.

In taking forward this policy on Enterprise Zones, WG will not lose sight of the very real economic challenges faced by other areas of Wales. Therefore, whilst these are preferred locations, WG remain open to discussions about other potential opportunities.

WG will also continue to deliver on our commitments to strengthen the conditions that will enable business to create jobs and sustainable economic growth across Wales.

Planning for Sustainable Economic Renewal (June 2011)

The report prepared for and endorsed by WG makes recommendations to **revise PPW**, and suggest the following statement on the economic objectives of planning:

a) The Welsh Government wants planning positively to support economic and employment growth alongside social and environmental sustainability

b) To this end, planning 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.

c) Local planning authorities should aim to provide the land that the market demands, except where there are good reasons to the contrary, which may include the considerations in the next paragraph.

d) Local planning authorities should guide and control economic development to correct market failure and promote social and environmental sustainability.

In particular, it should aim to:

- Co-ordinate development with infrastructure provision;
- Support priority sectors and clusters, as identified in national and local economic policies;
- Align jobs and services with housing so as to reduce the need for travel, especially by car;
- Promote the re-use of previously developed land;
- Deliver physical regeneration and employment opportunities to disadvantaged communities;

- Promote the vitality, diversity and environmental quality of towns and villages;
- Deliver agreed economic and spatial strategies.

In applying these and other considerations, local planning authorities should aim to steer economic development to more appropriate locations, rather than prevent or discourage such development.

PPW should say that, among other things, Local Development Plans should:

- Set out an economic vision and strategy for the area, including broad objectives for employment change by broad sector and land use;
- Provide targets on land provision for the B-class uses, showing net change in land/floorspace for offices and industry/warehousing separately
- For the B-class uses, include policies relating to existing employment sites
    - 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
- Subject to other priorities and considerations, provide the right amount of land and the right qualitative mix of sites to meet the market demand for economic land uses;
- Focus especially on providing land for priority economic sectors;
- Give priority to development that will deliver physical regeneration in run-down areas;
- In safeguarding existing sites and providing new sites, prioritise sites that deliver appropriate job and training opportunities to disadvantaged communities;
- Concentrate development that attracts large numbers of people, including retail and offices, in city, town and village centres;
- Include criteria-based policies to deal with development not specifically mapped in the development plan and help respond to unexpected change;
- Work with neighbouring authorities to plan strategically for employment land.

Local authorities should be encouraged to keep development plans under review and update them when relevant circumstances change, and in particular when major shifts in the economic and market climate make existing policies irrelevant or impractical.

Development Management Policies

PPW should say that local planning authorities should adopt a positive and constructive approach to applications for economic development. In determining applications for economic land uses, authorities should take account of the likely economic benefits of the development. In assessing these benefits, key factors include:

- The numbers of jobs expected to be accommodated on the site;

- Whether, should the development not go ahead, it is likely that these jobs would not be exist in Wales at all;
- Whether, and how far, the development will help redress economic disadvantage or support regeneration priorities, for example by enhancing employment opportunities for deprived communities or upgrading the environment in run-down areas;
- Any contribution to the development of priority sectors and clusters as identified in economic strategies, including green industries;
- Any contribution to wider spatial strategies, for example for the growth or regeneration of certain areas.

A new TAN should include

Land and Property - Qualitative site appraisal

- Focus on fitness for purpose/market potential rather than prestige (occupiers are interested in value for money; the sites most in demand are often the less prestigious ones).
- Look closely at those existing employment sites, to identify which are still required for employment and which are no longer fit for purpose and should be released for other uses.

Stocks and flows

- Distinguishing between the stock of land and change in that stock;
- Distinguishing gross and net change
- Dealing with loss of existing sites as well as development of new sites

Providing enough land to allow for competition and choice.

Property market analysis

- What evidence to use, how to analyse it, what it means
- How to combine short-term market analysis with long-term forecasting.
- How to plan strategically and work co-operatively with neighbouring authorities.

Monitoring

- Keep under review the big assumptions underpinning your strategy
- If the world has changed, review the strategy.

A Regeneration Strategy for Powys (May 2011)

The Strategy provides a framework within which the County Council and its partners will ensure that regeneration is embedded into everyday practice, to deliver outcomes which will have a positive impact upon not just the physical, social, environmental, but theeconomic and cultural attributes of the county as well.

It is based around a vision that: **"Regeneration in Powys will nurture and promote the County's assets and strengths as the means to addressing its weaknesses, by establishing a robust and sustainable economy that is based upon vibrant communities, and which enhances and protects the physical, social and cultural environment of Powys."**

The thrust of the strategy will be as much about 'change management' and managing people's expectations as it will be about policy and budgets. It will demand a different mind-set and a different approach to governance across Powys.

The Strategy focuses on nine key themes which reflect the strategic needs of the County including **The Economy**. The report advocates the need to focus and prioritise the regeneration effort across the County rather than take an area based approach. Key aspects as they relate to this economy and employment.

Council Assets as a Regeneration Catalyst: The County Council is a significant owner of land and premises, which could be used to promote regeneration. The strategy recommends that a more holistic approach to property rationalisation is adopted so that regeneration objectives are considered against short term financial benefits

Information Communication Technology as a catalyst to regeneration Broadband connectivity is fast becoming the key enabler to economic, social and educational improvement in rural communities. Those communities that have managed to provide high speed broadband have witnessed a reversal in out migration of young people and business owners. Poor connectivity in Powys is therefore a barrier to economic prosperity. Increasing the speed of broadband in Powys will assist in the diversification of the rural economy; encourage small business formation; support the growth of existing businesses; and make home-working more realistic.

Harnessing Powys' natural assets: The value of the County's natural assets cannot be overstated. Green tourism, capturing renewable energy from wind and water, building on centres of expertise in alternative energy and developing supply chains and technology for low carbon energy are all areas around which Powys could build its Green Economy. Powys County Council should therefore quickly engage partners to develop a long term Renewable Energy Support program to provide profile, business network, supply chain development, skills and business, innovation support, market stimulation

Supporting Powys' Economy: Securing a resilient economy for Powys must be a high priority. Stakeholder consultations identified several key economic factors such as: a low wage economy; declining economic prosperity; reduced entrepreneurial activity; lack of a university; poor broadband connection. Despite this, because the Powys economy is largely founded upon agriculture and a diverse community of micro-businesses it has been described as the second most resilient economy in Wales.

However, the dominance of the agriculture sector means that the county's economy may be susceptible to fluctuation in value caused by more frequent extreme weather events, locally and globally. Furthermore the lack of large urbanized settlements means that the Powys economy must be driven by: diversity, flexibility and renewable assets. The County is eligible for EU Structural Funds (ERDF and ESF) under the "Regional Competitiveness and Employment" programme, which is aimed at supporting the economy. However the amount of funding available in the "Competitiveness" programme is much smaller than the funding available under the "Convergence" programme which many neighbouring counties are eligible for. This puts Powys at a direct disadvantage as investors and beneficiaries are more likely to operate and be located just across the border. In this sense the strategy emphasises that the County Council will be required to 'nurture' what exists, rather than artificially grafting on new sectors. The principle aspects of the Powys economy that should be targeted for support are highlighted as: renewable energy generation and green technology; agriculture; tourism; and manufacturing.

Hereford Enterprise Zone

The Prime Minister announced in August 2011 that the Rotherwas business park is to become one of eleven new Enterprise Zones in the UK. Simplified planning rules, super-fast broadband and millions of pounds worth of tax breaks over the next four years are set to attract businesses specialising in activities linked to the defence, security and science-based industries onto the site.

Enterprise Zone status offers a range of benefits to businesses located on the site, including relief on business rates up to a maximum of £275,000 over a five year period, relaxation and fast tracking of the planning process and provision of improved infrastructure such as superfast broadband. It is predicted that the scheme will become a catalyst for enhanced economic growth throughout the Marches through the creation of highly skilled jobs and encouragement of overseas investment into the area

The Marches Local Enterprise Partnership

The LEP was launched to create the conditions for economic vitality and sustainable employment across this diverse region, globally recognised for its pioneering industrial heritage and entrepreneurial spirit.

The Marches Local Enterprise Partnership (LEP) Development Fund offers an exciting opportunity to help address the need for investment to unlock development that will create much needed homes and jobs in Herefordshire, Shropshire and Telford and Wrekin.

The Marches LEP has been awarded more than £8.1 million by the Government from the Growing Places Fund to provide upfront capital funding for physical infrastructure. Funding will provided in the form of a loan and will be subject to interest charges. Repayment timelines to the fund and interest charges will vary, but greater weight will be given to schemes that can complete payments in less than five years. Funding will be recycled to enable further awards in future years.

The Marches LEP is inviting project proposals to be submitted from local authorities, the private sector and any other interested parties for the first funding award round which opens on 18 April 2012 with awards likely to be made in June 2012.

Any scheme coming forward would need to address the Marches LEP Higher Level Objectives, these being:

- To stimulate sectors with a history of successful operation in the Marches
- To seize opportunities presented by rebalancing an economy which currently has 28% public sector employment
- To create and facilitate the conditions and infrastructure most needed to enable and accelerate rates of business growth, including maximising opportunities for new technologies such as ‘superfast’ broadband and bringing forward land and premises fit for future business needs across the Marches