

**BWYD A DIOD CYMRU
FOOD AND DRINK WALES**



**Llywodraeth Cymru
Welsh Government**

**WELSH GOVERNMENT
FOOD AND DRINK
PREMISES RESEARCH
PROJECT**

www.gov.wales



WELSH GOVERNMENT FOOD AND DRINK PREMISES RESEARCH PROJECT

APRIL 2016

WELSH GOVERNMENT

PRODUCED BY WAVEHILL AND ADAS

LEAD CONTACTS:

MARK WILLIS
ALISON LEEDER

Mark.Willis@wavehill.com
Alison.Leeder@adas.co.uk



About this document:

This document provides the results of a scoping study examining the extent to which planning and the lack of expansion opportunities represents a barrier to the potential for the Food and Drink sector in Wales to expand. It looks at occasions where planning has been an enabler for growth and at case studies to examine the factors that have aided the rapid expansion of successful food businesses in Wales. The study examines the extent of support for growth and explores case studies to develop recommendations on actions that could be taken to help the sector achieve high levels of growth in the future.

This guide is interactive and includes hyperlinks to further information throughout.

Contents

Key Findings	4
1. Introduction	5
2. The Food and Drink Sector	8
3. Support for the Food Sector in Planning Policy Documents	12
Legislative Context	13
4: The Planning Application Process for Food and Drink Sector Businesses.....	30
5. The Food and Drink Sector: A Planners Perspective	49
6: The Planning Process from the F&D Businesses' perspective	59
Planning Communications.....	64
Identification of Suitable Sites	67
Plainer Delivery Language	68
Infrastructure	69
Construction Issues.....	69
7. Conclusions and Recommendations	70
Appendix 1: Changes to LPA Boundaries	70

Key Findings

- National planning policy does not specifically consider Food Grade Premises.
- Most Local Authority based planners do not specifically consider Food Grade Premises within their Local Authority area, the focus is on facilitating any employment site that creates jobs and investment.
- Food Grade Premises often require separate sites due to potential food contamination and cleanliness issues.
- There is anecdotal evidence from interviews in this report that suggest the need for more specific Food Grade Business Parks or clusters.
- The pre-application consultation process is currently relatively informal (although this is set to change in August 2016). Interviews with both planning officers and businesses suggest that pre-application consultation is valuable as it can save time and resources by identifying and dealing with technical and public issues.
- More, but less technically formal, dialogue is encouraged between local planners, businesses and business groups, economic development officers, and residents and communities too where they are affected.
- Planners feel there are plenty of employment sites available especially along the M4 corridor that could be used by F&D sector businesses; businesses feel there is a lack of ready to use Food Grade Premises.

1. Introduction

Towards Sustainable Growth: An Action Plan for the Food and Drink (F&D) Industry 2014-2020 was published by the Welsh Government in June 2014. The Action Plan makes a commitment to *'grow the Food and Drink sector by 30 per cent to £7 billion by the year 2020'* (para 1.6).

Overall, there are many ways in which the sector can grow and some types of 'growth' could be achieved through increased efficiency or increasing production within existing premises. However, it is clear that to achieve 30 per cent growth in the sector by 2020, there would need to be an increase in the area of land used for food production and an increase in the number of available premises suitably graded for food processing.

To develop into large and/ or mature businesses, many F&D sector businesses pass through the following stages:

1. development of new small 'in-kitchen' businesses
2. movement to first premises (usually with first members of staff)
3. expansion within or to initial premises
4. building bespoke food grade premises.

Figure 1 below illustrates that most F&D business expansions and many business start-ups will require a planning application. Business start-ups can require a planning application because they could involve a 'change' of use. For example, if a person was to start producing a food product in their own home kitchen, the person may require a planning application to 'change' the use of the building from a residential dwelling to a business premises. Similarly, where business expansion requires larger or new premises, planning consent is likely to be required. This does not necessarily mean that every business needs to be an expert on the planning system, but businesses do need to be aware of the risks and who to go to for further help (whether this be provided by the public sector or a planning consultant). Similarly, Local Planning Authorities must ensure there is sufficient land to accommodate growth and that planning applications are dealt with positively and efficiently to facilitate growth.

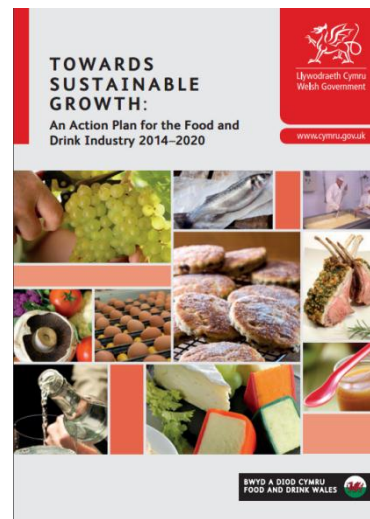
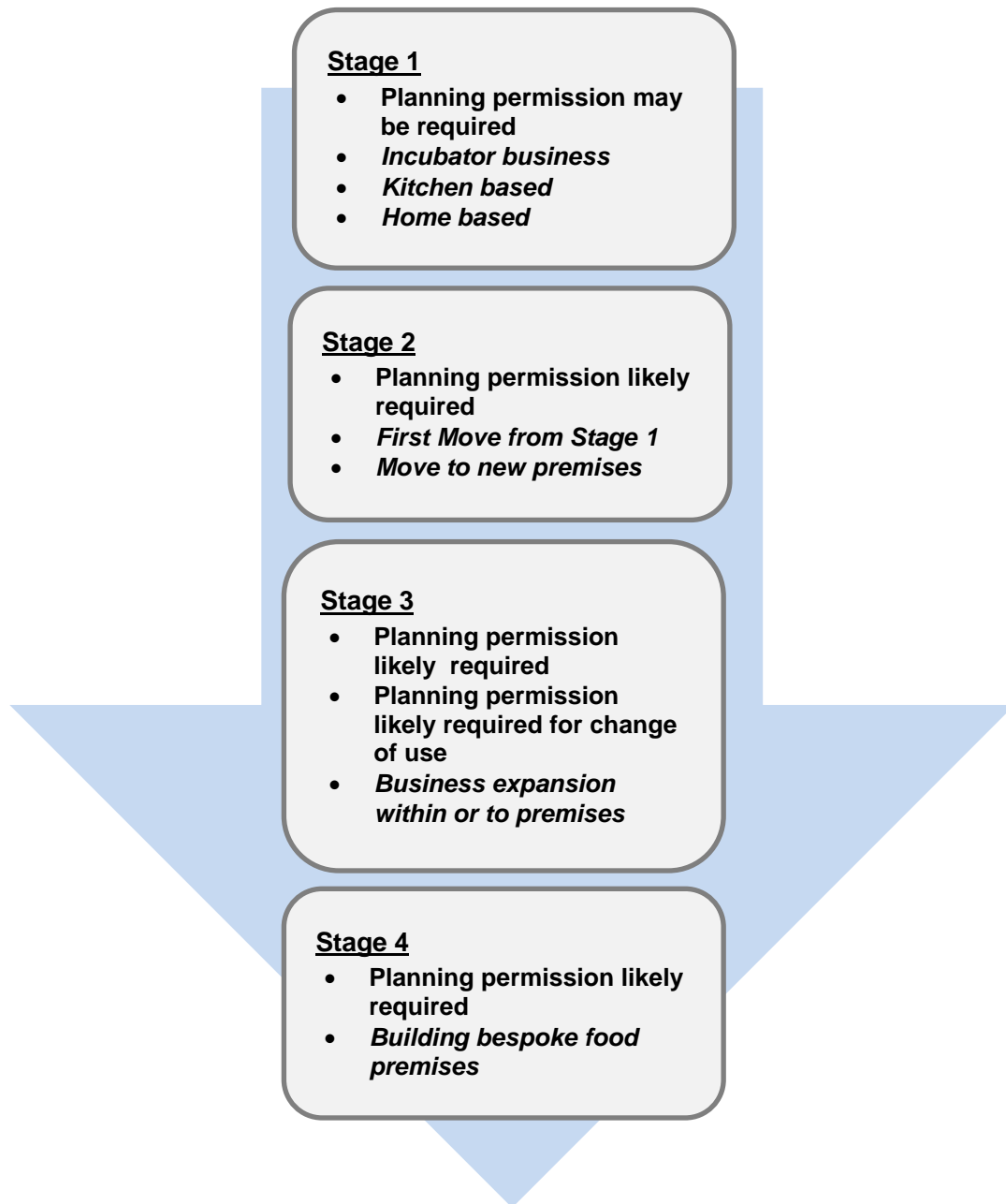


Figure 1.1: Flow Chart Showing Business Stages and Requirement for



This scoping study develops baseline knowledge of the existing system to look at how the F&D sector currently interacts with the planning system, to understand any changes that can be made to maximise opportunities for sector growth. The research carried out for this report included:

- analysis of Food Standards Agency data to compile a map showing the general spread and location of food grade premises in Wales
- review of planning policies in Wales including Local Development Plans (and/ or Unitary Development Plans where relevant) for all 25 Local Planning Authorities, national policies and regulations
- review of 57 planning applications for F&D sector developments across Wales
- interviews with planning officers from 13 Local Planning Authorities
- in-depth case study interviews with 20 businesses
- two key stakeholder interviews with the Business Development Officer for Food Sector at Carmarthenshire County Council, and Food Centre at Horeb.

The outputs of this study are presented in this report, in five separate case study documents and a fact-sheet.

2. The Food and Drink Sector



The Food and Farming sector is one of the Welsh Government's nine priority sectors, comprising of agriculture, on-farm production and food manufacturing.

The Food and Drink supply chain in Wales includes primary production, manufacturing, retail, wholesale and non-residential catering.

In headline terms the Food and Drink supply chain in Wales employs 223,100 (2014) people, in 26,765 business units (2015), with a turnover of £16.8bn (2013).

However, the Food and Drink Manufacturing sector, which much of this report pertains to, is around 10 per cent of the size. This part of the sector requires food grade premises and for food safety and cleanliness reasons have very different requirements than agriculture, retail, wholesale or catering.

This report is better represented by the headline data below:

The Food and Drink Manufacturing Sector in Wales¹:

- employs **22,100 people** (2014)
- in **555 business units** (2015)
- with a **turnover of £4.8bn** (2013) and
- **GVA of £1.45bn** (2013)
- **174 Great Taste Award winners** (2015)
- **4 protected food name products** - PGI Welsh Lamb, PGI Welsh Beef, Pembrokeshire Earlies PGI and Anglesey Sea Salt/Halen Môn PDO (2015).

¹ Food & Drink Wales; Welsh Government by Brookdale Consulting 2016

This part of the sector in Wales represents:

- 1.7 per cent of all Wales employment
- 0.5 per cent of the total number of business units in Wales
- 4.6 per cent of turnover of the non-financial business economy in Wales. (UK average of 2.5 per cent).
- 5.3 per cent of the turnover of the UK food and drink sector

68% of the food and drink manufacturing business units in Wales employ fewer than 10 people. There are 20 large businesses in the sector, employing more than 250 people. Skill levels are below that of the UK.

Data calculated from the Annual Business Survey shows that the manufacturing of food and drink has grown 54 per cent in GVA terms during the past nine years (2005 to 2013).

Key Locations for the F&D Sector

Raw materials, processing and distribution of food and drink is pan-Wales and it is beyond the scope of this report to map these, however, the following locations are examples of notable locations for the sector.

- **Zero2Five Food Industry Centre, Cardiff Metropolitan University.** Provides food businesses with technical, operational and commercial support to enable them to compete more effectively. Within the Centre are modern facilities that include; a consumer sensory suite, four pilot sized plants, a development kitchen and a consumer research kitchen.
- **Food Technology Centre, Llangefni.** Established in 1999, the food centre houses three processing halls and a test kitchen dedicated to adding value to meat, fish, dairy and horticulture. There is an on-site laboratory to provide accurate results for labelling and nutritional information. These facilities allow the client to manufacture products on a small industrial scale to retail outlets and consumers. The facilities help start-up companies to test market demand before investing in equipment and Environmental Health Officer approval.
- **Food Centre Wales, Horeb.** Established in 1996 as a food technology centre including advice and consultancy services, a research and development building and custom designed units fitted to food grade standards.
- **Cross Hands Food Park, Swansea Bay.** A Food industry business park and the first designated centre of excellence for food technology in Wales. Whilst there are numerous industrial parks with a relatively high number of F&D sector businesses, this is the only one identified in the research as being specifically and exclusively for the sector in Wales.

Food Standards Agency Data: Meat and Fish

The Food Standards Agency (FSA) is responsible for inspection duties of approved premises, including regulation of hygiene standards for meat and fish premises. The FSA holds data on the location of all 'approved premises' across Wales in the following sectors:

- domestic ungulates: for example cattle, sheep, pigs and deer
- poultry and lagomorphs: for example chickens, turkeys, geese, ducks, rabbits and hares
- farmed and wild game
- bivalve molluscs: for example clams, mussels, scallops and cockles
- fishery products
- dairy
- eggs
- general meat products and preparation
- other: includes activities such as those carried out at PB Gelatins UK.

Data covers 326 separate premises and is available [here²](#).

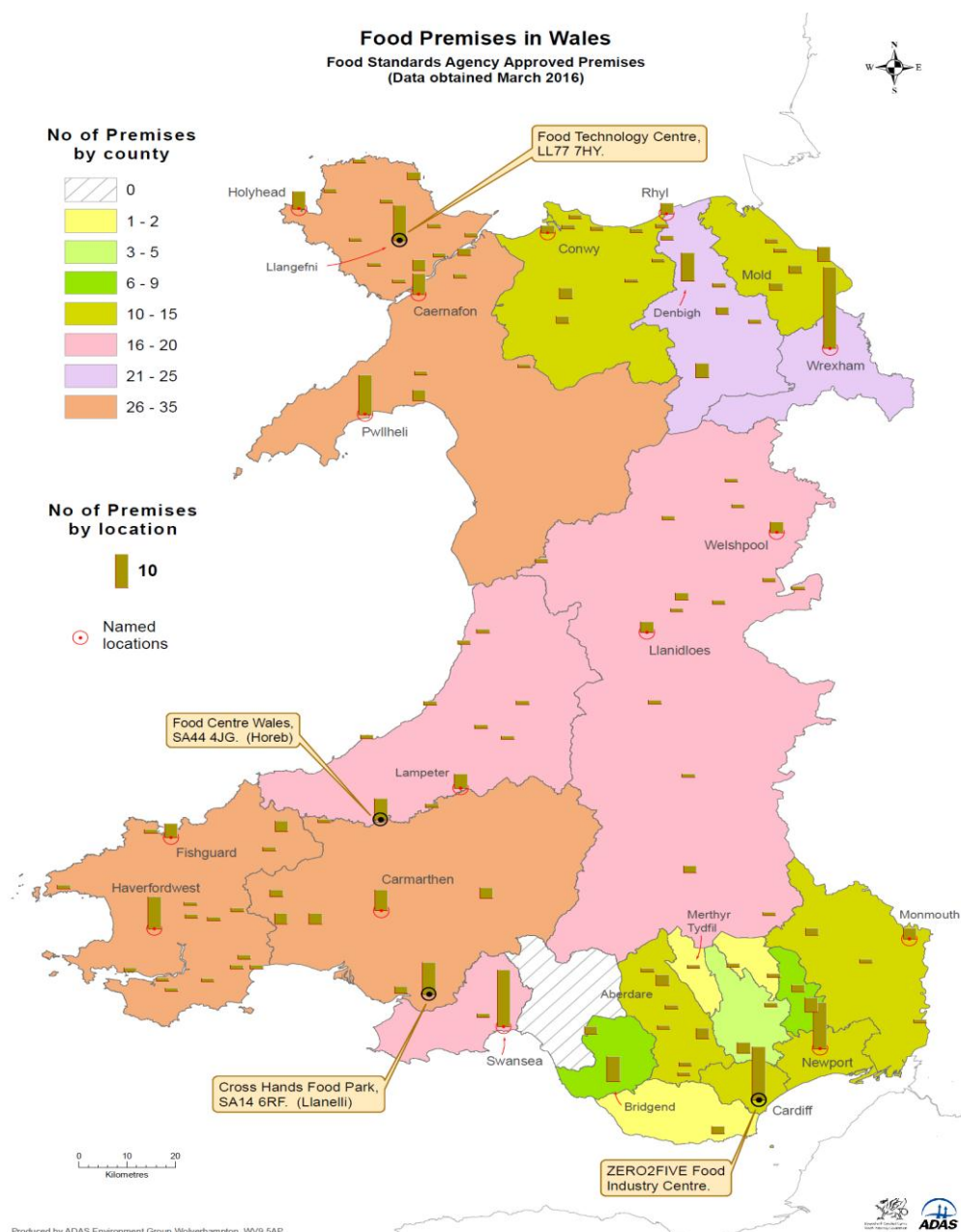
This data was obtained, sorted and mapped to provide an overview of the location of this sub-section of the F&D sector. Figure 1.2 shows the number of premises in each of the Welsh Local Planning Authority areas, with bars indicating locations within these areas. This will not be an exhaustive list as there will always be micro businesses that fall below the FSA threshold requiring approval and exemptions apply to some types of premises. However, it does give a good overview of the key location for these sectors across Wales.

Figure 1.2 shows key centres or hubs in Newport, Cardiff, Swansea, Haverfordwest, Wrexham and Pwllheli. The Cross Hands Food Park and Food Centre Wales have also led to clusters, indicated on the map.



² <https://www.food.gov.uk/enforcement/approved-premises-official-controls/sectorrules>

Figure 1.2: FSA Premises in Wales



3. Support for the Food Sector in Planning Policy Documents

Introduction

A local planning authority (LPA) is the local authority or council that is empowered by law to exercise statutory planning functions for a particular area. Wales currently has 25 Local Planning Authorities (LPAs), comprising 22 unitary authorities and three National Parks. Planning applications for F&D sector premises are determined by these Local Planning Authorities. LPA boundaries may change in the future, see Appendix 1.

For this report current planning policies and legislation were reviewed at both the national and local authority levels to examine:

- how changes introduced by the Planning and Wellbeing Acts could influence the F&D sector
- the extent to which current national and local policies support the sector
- differences in approaches taken by different LPAs, and
- any actions that could be taken to increase the support for the sector in planning policy.

Summary: National Legislation and Policy

National planning policy contains strong support for developments that facilitate economic development and employment and requires Local Authorities to identify and allocate land for employment uses. There is also some support for agricultural development, rural diversification and sustainable sources of food. In this way, it could be argued that the part of the industry based on farms is explicitly supported. However, there is no direct reference to the Welsh Government's nine priority sectors in national planning policy or explicit support for the F&D sector as a whole. The tourism and energy and environment sectors are notable as being examples of other sectors that are more explicitly supported in national policy.

The remainder of this sector covers this review.

Legislative Context

Well-being of Future Generations (Wales) Act 2015

The [Well-being of Future Generations \(Wales\) Act 2015](#) is about improving the social, economic, environmental and cultural well-being of Wales. The Act places a duty on Welsh Ministers and other public bodies to carry out sustainable development, to produce well-being objectives and to take all reasonable steps to meet them.



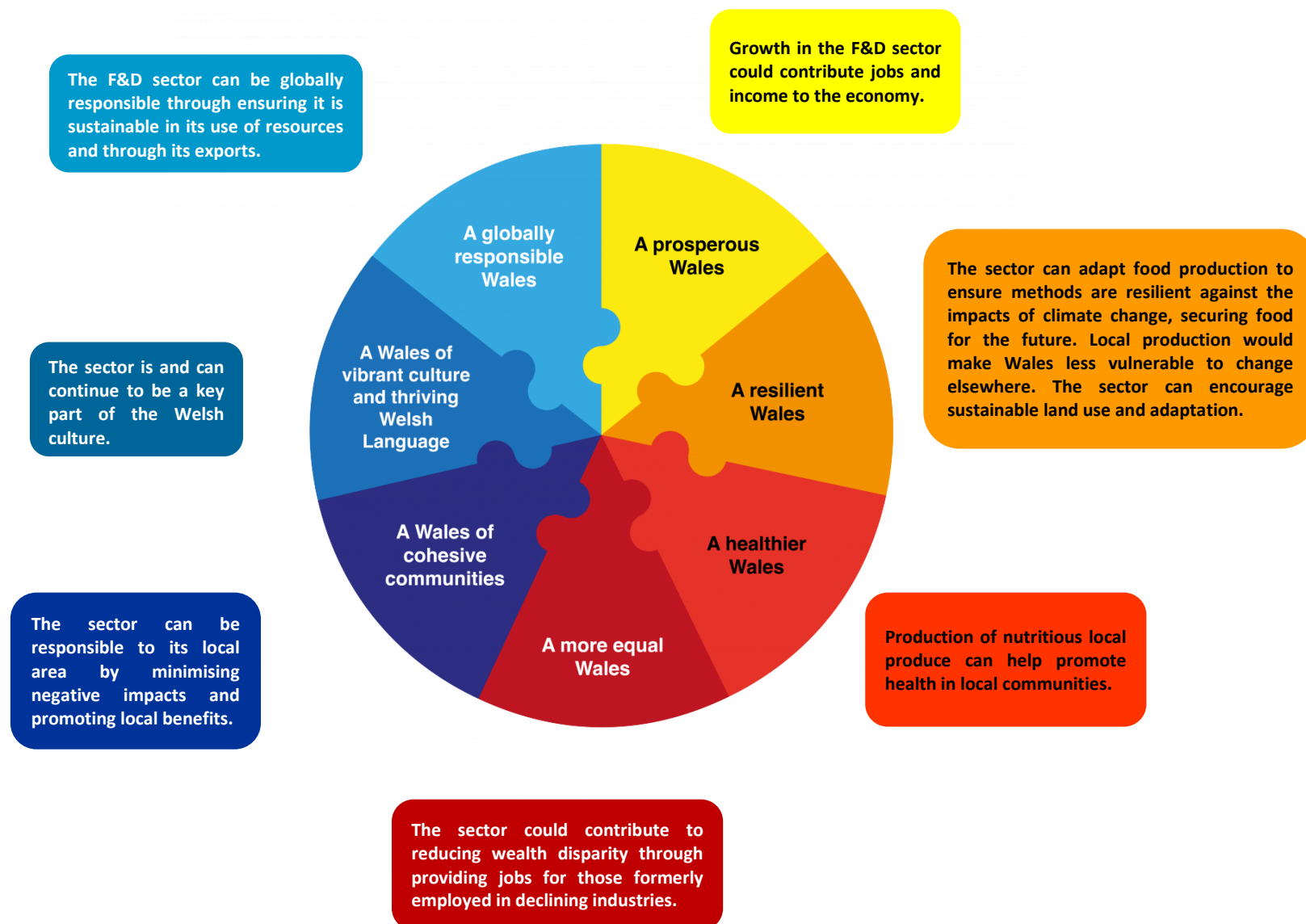
In terms of planning, Chapter 4 of Planning Policy Wales³ has been updated to reflect the Act, the seven well-being goals and the sustainable development principle.

The description of legislative requirements for sustainable development in the planning system has also been updated. Local Authorities must act in line with the sustainable development principle, including when making decisions on planning applications. Doing something '*in accordance with the sustainable development principle*' means that the body must act in a manner which seeks to ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs. The Act is supportive of F&D sector growth, to the extent that this growth is promoting one or more of the seven well-being goals.

Figure 3.1 shows the seven well-being goals and some examples of ways in which the F&D sector could contribute towards these goals.

³ Planning Policy Wales, Welsh Government (Edition 8, January 2016)

Figure 3.1: Well-being Goals and the F&D Sector



Planning (Wales Act 2015)

The [Planning \(Wales\) Act 2015](#) gained Royal Assent on 6th July 2015 to 'create a planning system in Wales fit for the 21st Century.' The main provisions that could affect the F&D sector in Wales are:

- A new planning framework, comprising of Planning Policy Wales and the National Development Framework is to be produced by the Welsh Government by 2019. Early engagement with this process by the F&D sector could include objectives for the sector into national policy.
- Requirement for closer collaboration between LPAs, including preparing a regional evidence base and a standard approach to employment land. The Act introduced sub-regional development plans (SDPs), whilst it does not say what areas these will cover (due to be finalised Spring 2017), it is likely to apply to areas greater than the Local Authority footprint and has a target adoption date of 2021. This will also include Local Development Plans, in particularly in terms of identifying strategic employment sites.
- The Act requires pre-application consultation with the community and statutory consultees as a statutory requirement for applications for certain developments (development of national significance (DNSs) and other major schemes). It also enables Welsh Ministers to make regulations to guide the pre-application services offered by LPAs.

Use Class Order

Developments requiring planning permission are categorised for planning purposes into 'use classes.' Changing the 'use' of a building can require planning permission and the use class order sets out categories of development to define when a 'use' is deemed to have changed. For example, residential dwellings fall under use class 'C3: dwelling houses,' whilst a coffee processing facility would fall under class 'B2: General Industry.'



Therefore, a change from a residential dwelling to a coffee processing facility would require planning permission. This is logical because a location suitable for a dwelling may not be suitable for a factory. Some changes of use are 'permitted development,'⁴ which means they do not require a planning application. This is because the change is seen as being acceptable without further analysis.

For example, a change of use from a food and drink establishment to a bank would be a change of use, but would not require a planning application because the change is 'permitted development,' whereas a change from a bank to a restaurant would require a planning application. This is because a change of use from a bank to a restaurant could give rise to local impacts such as noise, odour and traffic that would need to be assessed.

Table 3.1 summarises the three categories of employment land that would be relevant to the F&D processing and distribution parts of the sector. However, there are other uses relevant to the sector, particularly agriculture and retail.

Table 3.1: Use Class Order

The below is general guidance only, please refer to the Town and Country Planning (Use Classes) Order 1987 (SI 1987 No 764) (As Amended) and the Town and Country Planning (General Permitted Development) Order 1995 (GPDO) (SI 1995 No 418) (As Amended) for further information on limitations and exemptions.		
Use Class Order 1987	Use Classes Order 1972	Permitted Development
Class B1. Business Use for all or any of the following purposes— (a) as an office other than a use within class A2 (financial and professional services) (b) for research and development of products or processes, or (c) for any industrial process, being a use which can be carried out in any residential area without detriment to the amenity of that area by reason of noise, vibration, smell, fumes, smoke, soot, ash, dust or grit	Class 2 Class 3	B1 to B8 (up to 235 m ²)
Class B2. General Industrial Use for the carrying on of an industrial process other than one falling within class B1 above or within classes B3 to B7 below	Class 4-9	B2 to B1 B2 to B8 (up to 235 m ²)
Class B8. Storage or Distribution Use for storage or as a distribution centre	Class 10	B8 to B1 (up to 235 m ²)

⁴ Under Town and Country Planning (General Permitted Development) Order 1995 (GPDO) (SI 1995 No 418) (As Amended)

Other Legislation

Other primary and subordinate legislation in Wales is set out in Table 3.2.

Table 3.2: Relevant Planning Legislation in Wales

Primary Legislation	Town and Country Planning Act 1990	Planning (Hazardous Substances) Act 1990	Planning (Listed Building and Conservation Areas) Act 1990
	Planning and Compensation Act 1991	Planning and Compulsory Purchase Act 2004	Planning Act 2008
	Planning (Wales) Act 2015		
Secondary Subordinate Legislation	Town and Country Planning (Development Plan) Regulations 1991 (SI 1991 No 2794) (as amended)	Town and Country Planning General Regulations 1992 (SI 1992 No 1492) (as amended)	Town and Country Planning (General Permitted Development) Order 1995 (GPDO) (SI 1995 No 418) (as amended)
	Town and Country Planning (Development Management Procedure) (Wales) Order 2012 (as amended)	The Town and Country Planning (Local Development Plan) (Wales) Regulations 2005 (as amended)	

Welsh Planning Policy

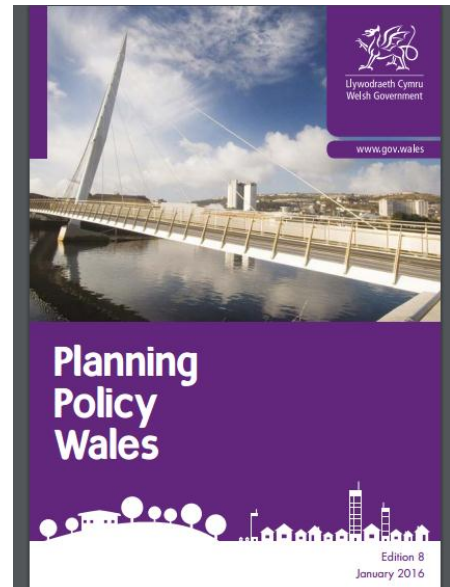
[Planning Policy Wales \(PPW\)](#) Edition 8 was published in January 2016 and sets out the land use planning policy of the Welsh Government. PPW is supplemented by 21 [Technical Advice Notes](#) (TAN), Minerals Technical Advice Notes, Circulars, policy clarification letters and Ministerial Interim Planning Policy Statements. National Policy and the Wales Spatial Plan (see below) are taken into account when Local Planning Authorities (LPAs) are preparing development plans and determining planning applications.

Planning Policy Wales (PPW)

PPW does not specifically mention the Welsh Government's nine priority sectors, but does include sections that relate to the following sectors:

- **Tourism:** There is a chapter in PPW on 'Tourism, Sport and Recreation' that, amongst other policies, encourages provision and enhancement to tourist facilities. Diversification of farm enterprises for tourism is also encouraged, and of relevance to F&D sector businesses looking to combine tourist facilities with processing plants (e.g. Anglesey Sea Salt).
- **Economic Development:** The PPW chapter on 'Economic Development' encourages the planning system to support economic and employment growth in a sustainable manner and for Local Planning Authorities to ensure there is a suitable provision of land made available for economic uses.
- **Energy and Environment:** The PPW chapter on 'Infrastructure and Services' includes sections on water, waste and energy that are relevant to this sector.
- **Construction:** Although the construction industry is not explicitly supported by PPW, the general support for sustainable development applies to the industry.

'Food' is mentioned in PPW in the context of actions to promote a low carbon economy that is resilient to climate change. There are sections in the document on agriculture and rural diversification, which are relevant to the intensive agriculture part of the sector and developments on farms. However, the F&D sector is not specifically mentioned in PPW. Retail covering food shops and out of town supermarkets does get mentioned. Whilst there are many relevant policies, there are none that explicitly encourage support for the nine priority sectors overall, or the F&D sector in particular.



Policies of most relevance⁵ to the F&D sector and the PPW policies encouraging LPAs to:

- promote access to employment... maximising opportunities for community development and social welfare (Sections 4.6 and 4.7, Chapters 7, 10 and 11)
- promote quality, lasting, environmentally-sound and flexible employment opportunities (Chapter 7)
- respect and encourage diversity in the local economy (Section 4.6 and Chapter 7) (para 4.4.3)
- carry out Employment Land Reviews (and keep them under review) to provide adequate land for businesses to meet market needs, facilitate regeneration and promote social and environmental sustainability. Importantly PPW allows employment sites to be considered within or adjacent to identified rural settlements as well as in more industrial areas (Chapter 7)
- develop industrial and commercial clusters; and
- recognise that adequate and efficient infrastructure is crucial for the economic, social and environmental sustainability of Wales (Chapter 8).

LPAs are encouraged to adopt a positive and constructive approach to applications for developments beneficial to the economy and to take into consideration:

- *‘the numbers and types of jobs expected to be created or retained on the site;*
- *whether and how far the development will help redress economic disadvantage or support regeneration priorities, for example by enhancing employment opportunities or upgrading the environment; and...*
- *the contribution to wider spatial strategies, for example for the growth or regeneration of certain areas’ (para 7.6.1).*

Applications that demonstrate the above would therefore have a greater chance of gaining planning permission.

⁵ Depending on the nature of the development, the majority of policies in PPW could be of relevance, for example, transport policies will be relevant when considering access and the ability of the local road network to cope with additional traffic. Therefore, this summary selects only those likely to be most relevant to the sector as a whole rather than an exhaustive list.

Technical Advice Notes

The TANs, considered to be most relevant to the development of the Food and Drink Industry are:

- [**TAN6: Planning for Sustainable Rural Communities \(2010\)**](#): Provides advice on sustainable rural economies including guidance on determining locations for new economic development.
- [**TAN12: Design \(2016\)**](#): Provides advice on good design, from preparing design and access statements, delivering good design and LPA design policy and advice.
- [**TAN15: Development and Flood Risk \(2004\)**](#): Provides technical guidance on the siting of new development and what evidence is required to assess consequences associated with flooding.
- [**TAN18: Transport \(2007\)**](#): Describes how to integrate land use and transport planning as well as providing guidance on how transport impacts should be assessed and mitigated.
- [**TAN23: Economic Development \(2014\)**](#): Technical guidance to help LPAs and developers implement national planning policy on economic development.



Wales Spatial Plan

The [Wales Spatial Plan - People, Places, Futures \(2004 and updated in 2009\)](#) sets out a strategic framework to guide future development (social, economic, environmental, health and transport) and policy interventions, and is a material consideration in the preparation of the Local Development Plans.

Local Planning Policies

LPAs in Wales are required to develop Local Development Plans (LDPs) (that supersede previous Unitary Development Plans) and monitor those plans through Annual Monitoring Reports to be sent to the Welsh Government. A major review of the LDP should then take place at least every four years. The Local Development Plan sets out policies that determine how planning applications should be determined and allocates land for particular purposes, including land for employment uses.

The following summarises the findings of a comprehensive review of all LDPs (adopted and forthcoming), Unitary Development Plans and Supplementary Planning Documents, Annual Monitoring Reports and Employment Land Reviews.



Summary: Local Planning Policy

LDPs contain some policies on rural diversification, agriculture, access to food retail and a comment around food and sustainability. However, only four Local Planning Authorities specifically support the F&D sector in their LDPs. From the research undertaken there could be a greater collaboration between Council departments to drive forward specific support for the F&D sector within planning policy and increase understanding of the opportunities and benefits this sector can bring.

Local Planning Authorities have allocated a significant amount of employment land across Wales and given the relatively slow economic growth over the last few years, there remains a significant amount of land available for employment uses. However, whilst there is a large amount of land in total, with the notable exceptions of the Food Centre Wales (Ceredigion) and Cross Hands Food Park (Carmarthenshire), there is little land allocated for the F&D sector specifically, and a lack of evidence available to evaluate whether allocated land is suitable for the sector. There are known to be constraints affecting deliverability of employment uses on some allocated sites in general. This does not mean that there is insufficient land available for the sector, but that more research would be needed to assess whether these sites are suitable or the sector is not aware of them or there are other issues.

There is anecdotal evidence to suggest that in some areas modern food grade premises are taken up swiftly by F&D sector businesses whilst space on existing sites and allocated land is less popular (e.g. in Torfaen).

There are two possible explanations for this:

1/ Food grade premises are more popular than land available to build premises because taking on existing premises is lower cost or easier than building bespoke premises; and/ or

2/ Redundant food grade premises are located in more appropriate areas for the food industry than other employment sites. This could be, for example, because the redundant premises already have the necessary infrastructure (e.g. electricity, water, sewerage) or because they are located away from potential contaminants.

LDPs support development that brings economic growth and employment, but can have policies that discourage employment uses in rural areas, particularly where sites are not allocated. These policies are not prohibitive, but can make it more difficult to obtain planning permission for a food processing plant on a farm, for example, than an allocated industrial site. This approach is understandable but could prove an issue for the F&D sector that often likes to develop production facilities near to the supply of raw materials (which in turn are often sourced from farms).

In Wales, 18 Local Planning Authorities have adopted LDPs, whilst seven (Flintshire County Council, Gwynedd Council, Isle of Anglesey County Council, Powys County Council, City and County of Swansea, Vale of Glamorgan Council and Wrexham County Borough Council) have not yet adopted LDPs and are determining applications under the older Unitary Development Plans. Gwynedd Council is preparing a joint LDP with Anglesey County Council which has recently been submitted to the Planning Inspectorate (on behalf of the Welsh Government) for examination.

Each LPA promotes economic growth in their area and policies supporting agricultural development and rural diversification. To a certain extent, the F&D sector is also mentioned in all LPDs in the context of food retail and sustainability (either in terms of food security, local produce or both). However, no LPAs specifically mention food processing and only four Councils specifically identify the F&D sector within their LDP as a sector to support economic growth. None of the 25 LPAs had adopted supplementary planning guidance for the F&D sector.



The LDP for **Gwynedd Council** and UDPs for the **Isle of Anglesey County Council** and **Wrexham County Borough Council**, identify agricultural produce and food products as sectors that provide ‘economic opportunities’.

Monmouthshire County Council LDP identifies that Abergavenny ‘has a significant local employment base, including high proportions working in the health and education sectors and a growing emphasis on food production and processing’ (LDP 2014, Paragraph 3.70). The LDP recognises the importance of agriculture to Monmouthshire’s rural economy. There is a specific policy that deals with the siting of intensive livestock and free range poultry units (Policy RE5- Intensive Livestock/ Free Range Poultry Units), to ensure development is assimilated into the landscape and does not result in adverse amenity affects, including noise and odour.

Several of the LDPs aim to promote economic growth around the tourism industry and promote the natural heritage and coastline within their area, with these aims often incorporated into the LDP key vision and strategy.

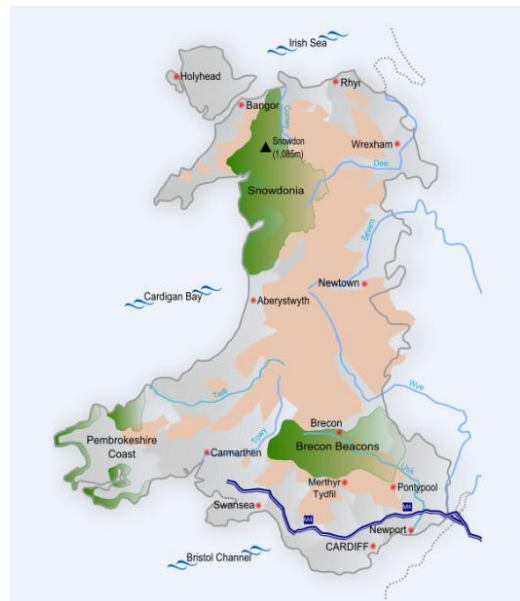
More detailed findings of the review are presented by topic below.

Broad Policy Support for the F&D Sector

There is clear policy support for the rural sector, including farm based developments and sustainable rural diversification. These policies may provide opportunities for activities such as food processing and packing but the size and scale of development/operations can be restricted in rural/countryside locations to ensure there are no material impacts. For example, **Wrexham** and **Snowdonia National Park** have supportive policies with caveats for developments in rural locations.

There is evidence in some LDPs of promoting food security, local food production and developing community food networks. The **Brecon Beacons National Park Authority** identifies that part of its vision for the area is '*for communities to be less dependent upon external supply chains leading to increased food and energy security locally*' (LDP para 2.2.1). There are specific policies to support local food production as well as new farm and food production based businesses, with a view to supporting local economic growth. However, these policies are not generally integrated with a general support for the F&D Sector as a whole, and are often more supportive of the agricultural component of the sector than the food processing side.

A different approach to employment sites is taken between different areas of the Country, reflecting the local opportunities and constraints. In particular, large scale employment growth for major developments is not encouraged within the three National Park Authorities, **Snowdonia**, **Pembrokeshire** and **the Brecon Beacons**, although there is encouragement for small-scale, farm diversification and re-use of existing buildings.



Approach to Identifying and Protecting Employment Land

LPAs must be robust and demonstrate they have allocated sufficient land to meet needs of businesses in their areas. To be robust, an LPA must provide a clear evidence base that demonstrates that the amount, location and type of employment land provided is sufficient to meet needs in their areas. As an example, **Wrexham County Borough Council's** first LDP was withdrawn from examination in March 2012. One of the preliminary findings outlined by the Planning Inspector was that the LDP's approach to employment land was not sufficient to meet future demand.

All UDPs and LDPs have policies to protect allocated employment sites and retain existing employment land/buildings. The loss of an employment site is only permitted where retaining the current facility is no longer viable and the site cannot be used for an alternative employment purpose, or the new use would result in a significant



improvement to the environment, which outweighs the loss of employment land. Policies also allow for employment sites to be released if they become unviable over the Plan period. The majority of LDPs/UDP's have policies that allow for employment proposals on non-allocated sites.

Some LDPs specify that certain employment land sites are only suitable for one or two of the use classes, for example, a site might be identified as suitable for B1 (business) or B8 (storage and distribution) uses, but not general industrial (B2) use. There may be good reasons for this given the location of the sites, but these kinds of stipulations do reduce flexibility, both in terms of delivery of employment uses on the site and the total availability of sites for B2 uses. Some F&D sector businesses may want to be close to their supply chain, and this may reduce suitable locations. Similarly, some LDPs identify that some of the designated employment land will be suitable for other uses. For example, Merthyr Tydfil states that employment sites could be suitable for waste management facilities. These approaches can be logical if sufficient sites are identified overall to accommodate this additional use, but should be monitored to ensure they don't result in insufficient sites for other industries.

Delivery of Allocated Employment Sites

Many of the sites allocated for employment across Wales have not been developed according to Annual Monitoring Reports (AMR). AMRs mention several potential explanations for the lack of development of allocated employment sites, including reduced expansion due to the economic downturn, a lack of developer interest, a lack of landowner interest, viability and lack of public funding. Similarly, the employment growth anticipated at the start of many plan periods has not materialised or is taking longer to deliver, as Wales experiences a prolonged and gradual change in the economy.



Transport and access can affect the delivery of allocated (and un-allocated) employment sites. Several LDP's (including Monmouthshire) encourage the siting employment land near good transportation infrastructure, such as the M4 corridor. Similarly, other LPAs (such as

Torfaen County Borough Council) recognise that some sites could be constrained by access issues, with a requirement for significant investment in transport infrastructure before development can commence.

Whilst in total there is a significant supply of employment land, there may not be an appropriate supply of modern buildings or sites of the right size. For example the AMR (2015) for **Torfaen LDP** states that in Torfaen *'there is a shortage of larger units, with a continuing trend of large manufactures leaving the County due to lack of suitable, readily available, land/accommodation'* (para 3.65). The Torfaen AMR states that the modern 70,000+ sqft former Loseley's Ice Cream factory on Llantarnam Park was taken up by other food manufactures almost immediately, suggesting that there is a demand for large modern F&D units in the area. The rapid occupation of the modern premises suggests that some of the existing and older industrial sites protected for employment use, may not be appropriate for food grade premises or suitable for SMEs to set up. In these cases, it could be that the cost to bring the existing industrial units up to food grade is too high to encourage take-up of the units/sites and that purpose built units, which comply with the relevant FSA standards, may be taken up more rapidly.

Development outside Allocated Sites

In general, the policies supporting economic development and employment lend some support to developments that provide employment in any location. However, other policies for new employment sites can steer development to be within, adjacent or directly related to the development limits of all settlement boundaries. Similarly, a range of other policies can discourage certain types of development in rural areas, where that



development could have a negative impact on factors such as the landscape, ecology or rural road networks. These policies can make it more difficult to gain planning permission for industries in rural areas, which can be the preferred location for many F&D sector businesses.

Similarly, some LDPs require applicants to undertake a sequential search to identify that there is no allocation or existing employment site available that could accommodate the business before consent is granted on a non-allocated site. This can result in additional time and cost when submitting a planning application and can potentially discourage development on sites that are not employment allocated, known as windfall sites. This is not an issue if there are sufficient, good employment sites to meet the needs of the F&D sector, but can be an issue if there are not.

Proactive Support for the Sector

Overall, all LPAs take some level of proactive support for the F&D sector through the process of assessing the needs of businesses in their area, allocating employment land and developing positive policies for economic



development. Some LPAs actively promote their LDP sites to investors, although it is not clear how they target employers and whether F&D sector businesses would necessarily be contacted.

For most LPAs these actions are very general and not specifically aimed at the F&D sector, which could be an issue where the needs of the F&D sector are different to those of other sectors. For example, the requirement for food grade premises will require a different specification of building to those required by some other industries.

Some examples of supportive actions are provided below;

Ceredigion County Council has been proactive in the sector, setting up the Food Centre Wales (Horeb) in 1996 as part of its Economic Development Strategy. It is an advice and consultancy facility offering technical services to business start-ups, SME's and existing food manufacturers. The £1.7 million Research and Development building opened in 2001 with funding from the National Assembly for Wales' Welsh Capital Challenge Scheme. The centre includes a research and development building, trial kitchens and manufacturing facilities. However, despite this action from the economic development element of the Council, beyond the general policies discussed above, there is very little mention of the F&D sector in the LDP, with no specific mention of the food centre in policy documents and no mention of the industry as a priority sector.

There are two other food centres in Wales, namely the Food Technology Centre, Llangefni (**Isle of Anglesey County Council** area) and the ZERO2FIVE Food Industry Centre (**Cardiff County Council** area).

Conway County Borough Council will host Conway Business Week in November 2016 to promote the area and support local business growth. The Council works in partnership with other key organisations to deliver the event and the Annual Monitoring Report (AMR) specifically identifies that LDP sites will be promoted at this event. In addition to this, the AMR 2015 identifies *‘A new employment land monitoring database has been set-up, which will monitor all safeguarded employment areas. An Employment Land Protocol has been introduced, which sets out the process to land availability to potential investors. It is hoped that these measures will help bring sites forward in the future.’*

The promotion of employment sites was also a general recommendation in **Merthyr Tydfil County Borough Council's** AMR for 2015.

Carmarthenshire County Council has also been proactive in its support for the sector with support from the Welsh Government. Cross Hands Food Park was set up over 12 years ago near the A48/M4 Junction 49, approximately 12 miles north of Swansea. It covers 50 acres of land including a range of units from incubator space to major food processing units. Major producers there include Castell Howell Foods, Gower View Food (food packing and dairy processing) and Dawn Meats. Carmarthenshire also has a Business Development Officer in post to support the continued development of the food sector, who was interviewed as part of the interviews in Section 5.

Carmarthenshire County Council identified that during 2014 and 2015 three new food production units, totalling 100 thousand square feet at a cost of £11m, have been built with the aid of grant funding. These units are being occupied by indigenous growth businesses in the meat and dairy sectors. There is continued major investment in machinery, equipment and product development being undertaken by food based companies within the County⁶. Whilst the LDP does not specifically reference the growth of the food sector as a key objective for the plan, the Cross Hands West Food Park is recognised as a strategic employment site and the LDP identifies the agricultural sector providing local produce for the County's population. The support for the sector in Carmarthenshire is a great example, although it should be noted that even in Carmarthenshire this support is not fully integrated into planning policy documents.

Whilst there are many industrial parks with a number of F&D sector businesses on them, no other parks were identified (as part of this research) that were established specifically and exclusively for the F&D sector.

⁶ <http://www.carmarthenshire.gov.wales/home/business/business-support/food-drink/food-sector/#.VvqcM-JJnIU> accessed 29th March 2016.

4: The Planning Application Process for Food and Drink Sector Businesses

Introduction

The aim of this next section of the report is to understand the experience of F&D sector businesses in gaining planning permission for new premises. The research aimed to examine the depth of information required, the extent to which applications were refused, the timescales for decision making and to identify any key lessons that could help improve the process either by:

1. Assisting businesses in selecting the right site, carrying out early consultation, submitting the right documentation and going through the process in the most effective manner; and/ or
2. Assisting LPAs in understanding the F&D sector and deal with applications more effectively.

Primary research was undertaken to identify planning applications in all 22 Welsh Unitary Authorities and the three National Parks. The review concentrated on planning applications for food and drink development between 2006 up February 2016.

The review focused on finding out the following information:

- Description of development being proposed
- Site location
- Length of determination period for the application
- Level of decision: delegated/planning committee⁷
- Level of information submitted for each application
- Any issues raised.

⁷ The level of decision making refers to whether the decision on the planning application was made by a planning officer or the Planning Committee. All LPAs have delegation schemes which allows decisions on small and/ or low impact applications to be made by planning officers. Larger and more controversial developments will often be decided by the Council's Planning Committee which is made up of local councillors.

Summary: Application Types and Outcomes

The majority of applications reviewed were sited on allocated employment sites such as industrial parks, previously developed land or within the development limits of settlements. The research identifies that applications on industrial parks and within brownfield land are generally approved relatively swiftly, which removes some of the uncertainty and issues that would be more likely to arise if an application was sited in a more rural location. Existing business/industrial parks will often have good transport links and public transport, making them accessible for employees and deliveries, and generally will either be sited away from residential areas, or near residential areas already affected by nearby industry. All these factors increase the likelihood of planning consent being granted, at an officer level, over a relatively short timescale. Developing on allocated land or existing employment sites can also reduce the costs of a planning application because there are often fewer issues to be evaluated.

Approximately 1/3 of the applications were approved under delegated powers and do not have to go to planning committee. A reason for this is likely to be because a majority of the applications are for the erection of an industrial unit on an existing business park, or extensions to an existing industrial unit, or a simple change of use within the B classes. However, the decision level on approximately 40 per cent of the applications researched was not available online, so this should be interpreted with caution.

The desk based research also identifies that very few planning applications for F&D premises go to appeal, which reduces the period to gain consent significantly.

In terms of the types of businesses expanding and developing new premises, there has been a diverse range of businesses in both the food and drink sectors.

Methodology

All information submitted as part of a planning application (unless it is made confidential for specific circumstances) should be publically available for scrutiny. However, the ease of obtaining this data varies very significantly by LPA. This research activity used an online search, followed up with phone calls to LPAs to understand how much information was available online and publically.

Each LPA has an individual web-site containing some information on planning applications and most have an online search facility holding records for planning applications within each LPA. This information generally includes a full description of the proposal, the type and status of the application, the site address and important dates; such as the date of receipt and validation, the date of the decision and appeal information where applicable. Some LPAs also will include the associated documents that have been submitted with the application or during the determination period; such as application form, plans, environmental reports and the consultation responses.

A search for planning applications can be undertaken by using a number of criteria, for example by reference number, type, location, dates and some LPAs have key word searches. As discussed below, the level of information provided online and the search facilities are not consistent throughout the LPAs.

Where there was a key search tab, key words such as Food/Drink/B1/B2 and B8 were used to search for potential applications for food and drink, minus new restaurants, cafes' and supermarkets. B1/B2 and B3 was used as a search criteria as Food and Drink manufacturing would generally fall under this use class, for a new development or change of use of existing development.

A general google search was also undertaken for each area to identify any other potential businesses for food/drink/ storage/distribution. This was also used to identify applications in areas without a key word search function.

Limitations

Whilst eight⁸ of the 25 Councils (including three National Parks) have their planning applications online, they did not have a key word search available. This greatly limits the method for gaining a definitive list of all the Food and Drinks manufacturers and individual businesses that have applied for planning permission over the last 10 years. Two⁹ of the 25 Councils did not provide any online documents (except the Decision Notice) to review the content of the planning applications, and most of the Council's do not provide details of older applications.

There is not a unified way of describing a development between LPAs, so when using the general search criteria the description of the development may not include food/drink manufacturing/unit or process.

For example the application may just be described as a proposed B1/B2/B8 general industrial unit, or the end user is undefined so will not appear as an agent or applicant relating to Food or Drink businesses. An applicant for a poultry processing plant could describe the application using a number terms from 'chicken sheds,' 'industrial development' and 'poultry house' to 'meat production warehouse.' This makes it difficult to find all of one type of application using key word searches.

Many LPAs do not have a key word search and in these cases a significant amount of information is required, (e.g. site address or reference number) in order to access information using the online search functions. This makes it impossible to find applications unless the details are already understood.

Whilst efforts were made to identify as wide a range of applications as possible within the timeframe of this study, the above limitations mean that this chapter should be seen as a review of a sub-set of applications selected to provide a range of developments in terms of location, size and type of product, rather than a comprehensive list of applications submitted.

⁸ Blaenau Gwent County Borough Council, Bridgend County Borough Council, Monmouthshire County Council, Neath Port Talbot County Borough Council, Powys County Council, Swansea City and County of Swansea, Torfaen County Borough Council and Vale of Glamorgan Council.

⁹ Isle of Anglesey County Council and Caerphilly County Borough Council

Application Types and Outcomes

A total of 57 planning applications were reviewed using the methodology described and the information available was reviewed to assess the types and content of planning applications made by the F&D sector over the last 10 years. Tables 4.1, 4.2 and 4.3 summarise the applications reviewed.

Table 4.1: Decision outcomes of 57 planning applications

Number Approved	Number Refused	Pending	Withdrawn	Not known from information available online
49	0	3	3	2

The majority of applications identified were approved; out of the 57 planning applications reviewed, no applications were refused, although three were withdrawn and two no information is known. Tables 4.1, 4.2 and 4.3 summarise the applications reviewed.

Table 4.2: Level of decision 57 planning applications

Delegated	Planning Committee	Public Inquiry	Withdrawn	Not known from information available online	Pending
18	9	1	3	23	3

Information on the level of decision making was available for less than half of the applications reviewed, but information is summarised in Table 4.2. Where information was available, 64 per cent¹⁰ were decided by a planning officer and 29 per cent at Planning Committee. One application went to Public Inquiry. Decision making with officers usually take less time than decisions with Planning Committee which indicates that approximately two-thirds of applications were fairly straightforward and were not seen as large or controversial.

Decisions on planning applications should not be political decisions, which means they must be made in line with the law and not based on political affiliations or public pressure. However, a decision at committee introduces more uncertainty as there will be several elected members voting on the application at any one time and the committee can vote against an officer's recommendation. The application may also take longer to get a decision as committee meetings are usually more infrequent and often require a site visit by members. Therefore, applicants often prefer delegated decisions.

¹⁰ All percentage figures in this report are rounded to the nearest whole number.

The Planning (Wales) Act prescribes a number of changes to the development management process, in order to achieve a more consistent and efficient approach to procedures used to decide planning applications. Currently, there is a wide variation in planning committee arrangements and schemes of delegation. The size, membership, regularity and training for members also varies significantly. The Welsh Ministers have the power to prescribe the size and make up of planning committees and to establish a national scheme of delegation to provide consistency in terms of applications considered by planning committees. This is proposed as secondary legislation to implement the changes in the planning system introduced by the Act.

The single application that went to Public Inquiry was an application for Wales' largest dairy at Lower Leighton Farm in Powys (Planning Ref: P/2011/0156) after being challenged by an Animal Welfare Group. The final decision therefore took over three years from when the application was initially submitted. This was a unique example due to the complexities and political interest surrounding the case.

Table 4.3: Types of development applied for of 57 planning applications

New unit on industrial estate/business park	New unit not on an industrial estate/business park	Extension/ ancillary development to existing premises on industrial estate	Change of use	Not known from information available online	Change of use or extension to an agricultural unit
10	3	26	10	1	7

The types of application are summarised in Table 4.3 above. This shows that 77 per cent of applications reviewed were extensions to existing units or a change of use application. These applications are generally minor in nature and could explain why so many applications were approved and delegated decisions. Of the applications involving a new unit, 77per cent of these were on an existing industrial estate or business park, so in other words were located on a site that is already recognised as suitable for industrial or business use. This again helps to explain the fact that almost all applications were approved as the principle of development has already been established on the sites. Only three applications involved development of new premises not on an industrial estate.

As discussed in Section 3, if a business intends to occupy an existing building within the same use class, then a planning application will not always be required. For example, fitting out of an existing industrial unit where no other development is required may fall under permitted development, (for example The Welsh Food Pantry, Rhondda, Ref 06/0041/10). This means that many businesses moving into new premises would not be captured in the above data.

Table 4.4 provides a list of some Food and Drink producers that have sought planning permission in Wales between 2006-2016.

Table 4.4: Examples of Companies Applying for Planning Permission for New/ Expanded Premises 2006-2016

Company Name	Produce	Company Address	Local Planning Authority
<u>Zorba Delicacies</u>	Supplier of Chilled Dips and Fillers and Home of the Real Soup Company	Unit 12 -13, Rassau Industrial Estate, Rassau, Ebbw Vale	Blaenau Gwent Borough Council
<u>Peter's</u>	Pastries- deliver to a variety of customers including local shops, supermarkets and stadiums	Bedwas House Industrial Estate, Bedwas, Caerphilly, CF83 8XP	Caerphilly County Borough Council
<u>Premier Foods</u>	Food Products Supplier	Azalea Road Rogerstone Newport NP10 9SA	Caerphilly County Borough Council
<u>Princes Group</u>	Produces juice products in one litre cartons, multipacks and ready to merchandise display units	68-69 and 72, Portmanmoor Road Industrial Estate, Portmanmoor Road, Splott, Cardiff, CF24 5H	The City of Cardiff Council
<u>Castell Howell Foods</u>	Supply and promote regional produce (Welsh meat, dairy produce, and gourmet foods). Main depot at Cross Hands, and four satellite depots at Avonmouth, Blaenau Ffestiniog, Chirk and Merthyr Tydfil	Heol Ty Newydd Cross Hands Food Park, Cross Hands SA14 6SX	Carmarthenshire County Council
<u>Dawn Meats</u>	Meat supplier- retail packing concentrated at Cross Hands	Heol Ty Newydd, Cross Hands Food Park, Cross Hands, Llanelli, Dyfed SA14 6RF	Carmarthenshire County Council
<u>Carmarthenshire Cheese Company</u>	Artisan cheese business supplying major multiples, specialist shops and wholesalers	Boksburg Hall, Llanllwch, Sir Gâr/Carmarthenshire SA31 3RN	Carmarthenshire County Council

Company Name	Produce	Company Address	Local Planning Authority
<u>Govindas Foods</u>	Meat free and free from products (vegan, nut and gluten)	Unit E Heol Ty Newydd Cross Hands Food Park, Cross Hands, Llanelli, Dyfed SA14 6RF	Carmarthenshire County Council
<u>Rachel's Organic Dairy</u>	Products from organic whole milk	Unit 63 Glanyrafon Industrial Estate, Aberystwyth, SY23 3JQ	Ceredigion
<u>Harlech Food Service</u>	Deliver ambient, chilled and frozen foods, grocery items, impulse ice cream and a cleaning and disposable materials as well as our own in-house award winning butchery range throughout North and Mid Wales, Cheshire, South Manchester and Shropshire	Unit 1-4, Agri Food Park, Llanystumdwy, Criccieth, Gwynedd, Wales LL52 0LJ	Gwynedd Council
<u>Vion Food Group</u>	Food Group with Poultry Processing operations based at Sandycroft	Glendale Avenue, Sandycroft, CH5 2QP	Flintshire County Council
Buckley Foods Ltd		Unit 5 Little Mountain Industrial Est, Buckley, CH7 3AG	Flintshire County Council
<u>Halen Mon</u>	Production of sea salt supplied worldwide	Halen Môn, Brynsiencyn, Isle of Anglesey, LL616TQ	Isle of Anglesey
<u>Eurofoods</u>	An international manufacturer and distributor serving the restaurant, catering and specialist supermarket sectors	Unit D to E, Langland Way, Newport, NP19 4PT	Newport City Council
<u>Pembrokeshire Produce Direct</u>	Home delivery service for fresh produce	Sarnghwm, Bethesda, Narberth, SA67 8HG	Pembrokeshire County Council
<u>Welsh Hills Bakery</u>	Established bakery specialising in making gluten free cakes and pies supplying major supermarkets in the UK	Welsh Hills Bakery Ltd, Tramway, Hirwaun, Aberdare, Mid Glamorgan, CF44 9NY	Rhondda Cynon Taf County Borough Council
<u>FE International Foods</u>	Microwaveable food packs and snack pots	Clarke Way Winch Wen Industrial Estate Swansea SA1 7DE	Swansea City and County Council

Company Name	Produce	Company Address	Local Planning Authority
Maelor Poultry Ltd http://www.dailypost.co.uk/business/poultry-firm-says-invest-10m-8018360	Poultry Processing Unit	Maelor Creamery, Pickhill Lane, Cross Lanes, Wrexham, LL13 OUE	Wrexham County Borough Council
Rowan Foods	Developing retailer label prepared foods	Ash Road South, Wrexham Industrial Estate, Wrexham, LL13 9UG	Wrexham County Borough Council
Norish	Third party multi-temperature warehousing and logistics business.	Ash Road South, Wrexham Industrial Estate, Wrexham, LL13 9UG	Wrexham County Borough Council
Village Bakery	Bakery producing bread, pies and morning goods sold in both independent retailers in North Wales as well as Tesco, Spar, Co-op, ASDA and McColls	Ash Road South, Wrexham Industrial Estate, Wrexham, LL13 9UG	Wrexham County Borough Council

Information required to support a Planning Application for F&D Sector Premises

The information provided as part of the planning application is varied depending on whether it is a change of use, new building or extension, as well as the end use of the building and the size of the development. Factors such as the number of staff, deliveries and types of emissions (noise, dust and odour) will all have a bearing on the complexity of a planning application.

Summary: Information Required for Planning Applications and Timescales

Overall, the level of information provided for applications for F&D sector premises varied widely depending on the nature, size and location of the proposal, coupled with its resultant impacts. The research for this report supports the need to carry out pre-application consultation with the LPA to establish the principle of the development and agree information to be provided as part of the application.

Almost all applications were accompanied by an Application Form, Location Plan, Plans (Floor and Elevations), Design and Access Statement and some kind of assessments on flooding or ecology. Very few applications required an Environmental Impact Assessment, but these were much more commonly required for developments that involved new premises, particularly those that were not on existing industrial parks.

In terms of timescales, small, simple extensions and changes of use applications tended to be determined within the eight week statutory period. However, larger applications did often run over their time limits. There are isolated examples of applications that took a very long time to reach a determination, particularly Princes Soft Drinks in Cardiff (which took one-year due to a long time period negotiating terms of the planning obligations) and Lower Leighton Farm Dairy Unit (which took three years due to the application being called-in and being challenged in the High Court). These applications are the exception to the rule, but do show the delays that can result from the more complex applications.

The benefits of F&D sector businesses to the local area always weighed in favour of the proposals, reflecting the support for employment generating businesses in national and local planning policies. Applicants that articulated the benefits of the schemes to the local area, found that the benefits were considered to weigh in favour of the proposals by planning officers and Planning Committees. On one application reviewed, the Welsh Government (Head of Business Development) sent a response setting out the economic benefits of the sector to Wales and the benefits of the premises in particular. These responses can help lend credence to arguments for the scheme. In the Lower Leighton Farm Dairy Unit case, the economic benefits of the scheme outweighed a number of impacts on the environment and heritage assets. This further demonstrates the importance of articulating clearly the economic benefits of F&D sector schemes clearly during the planning application process.

Establishing Information Required

There is a national validation checklist that sets out the information required to submit with a planning application, and most Welsh LPAs also produce their own checklists. However, a good way to confirm the LPAs requirements for information to be submitted is to carry out pre-application consultation. Submitting a **pre-application enquiry** is encouraged by most LPAs and via the Planning (Wales) Act, pre-application consultation will become a mandatory requirement for certain types of development and will be enforced for applications submitted after the 1st August 2016. This will enable Ministers to introduce a requirement for Councils to introduce formal pre application services where they do not exist presently.

One of the most recent applications reviewed was for the renovation and extension of an existing Faccenda Foods factory (Planning ref: DC/2015/01040 at Monmouthshire County Council). The applicant undertook detailed pre-application discussions with the Council. The Council confirmed during pre-application consultation that the site was already a protected employment site for industrial and business development and therefore the principle of the proposed works would be acceptable. The visual enhancement of the existing building was welcomed. The advice in the pre-application enquiry identified that the applicants should take into particular consideration for their application, subtle colour choices for the materials, detail for landscaping and a preliminary ecological appraisal. By undertaking this pre-application enquiry, the applicant gained an early view on the acceptability of the development and the documents required for the application. This communication avoided significant delays after the application had been submitted and generally other F&D sector businesses are likely to find that carrying out pre-application consultation will be helpful in similar ways.

Information Submitted for Applications Reviewed

A basic level of information was usually provided in the form of an Application Form, Location Plan, Plans (Floor and Elevations), Design and Access Statement, Flood Risk Assessment and Ecology Assessment. Generally, where F&D sector applications overran the statutory decision making period (i.e. were not determined within eight weeks for a standard application, 13 weeks for a major application or 16 weeks for an application with an Environmental Impact Assessment), it was because negotiations were ongoing in respect of additional details such as requirements for a Coal Risk Mining Assessment, Land Contamination, Flood and Drainage Assessment. Again, these delays might have been avoided through pre-application consultation, although it is always possible that additional requirements will arise after an application is submitted even if consultation is carried out.

Example Applications and Information Required

Five applications are reviewed in detail in this section as case studies to illustrate the range and depth of information that can be required for F&D sector applications. The summaries are based on the information available online and so are only as comprehensive as the information made publically available by the LPAs.

The applications have been colour coded to give an overall indication of the complexity of the planning application. The complexity in this context relates to the number and depth of assessments required and consequently is also likely to relate to the cost of preparing the application.

Table 4.5: Definitions of Colour Coded Applications

Colour	Complexity of planning application
	Low
	Medium
	High

Rowan Foods (Oscar Mayer), extension to existing food facility for 1,205m² of additional floor-space to aid the storage of ambient, chilled and frozen goods (2013)

LPA: Wrexham

Application to extend an existing food processing facility that develops retailer label prepared foods at Wrexham Industrial Estate. The facility employs approximately 600 staff. This application was accompanied by the following documents:

Location Plan, Application Form, Plans (existing and proposed elevations, roof and floor plan and sections), Ecology Report (Reasonable Avoidance Method Statement and Biodiversity Statement), Design and Access Statement, Landscape Plan and photographs of the site.

Outcome: The proposal was approved within the eight week determination period. During this time the applicant had to provide additional information to confirm that the existing access arrangements and car parking provision were adequate. A Reasonable Avoidance Method Statement report was also required to identify how harm to great crested newts would be avoided during the construction works. A condition was attached to the permission requiring the applicant to submit a more detailed landscaping scheme before development commenced.

Lessons learnt: The development was taking place at an existing industrial facility involving a relatively modest sized extension. Therefore, impacts were limited and the existing facilities (e.g. car parking) were adequate to meet the increased size of the facility. The level of information was modest and considered to be appropriate given the size and location of development. Having conditions attached to an approval for further detail (such as landscape or drainage) ensures that costs are deferred to after a decision is made, but will overall increase the time before development can commence as an application would need to be submitted to discharge the condition. If applicants prefer more information can be submitted during the application process to avoid or reduce the number of planning conditions, increasing the speed at which development can commence after consent.

Erection of a building for potato storage and distribution (2012)

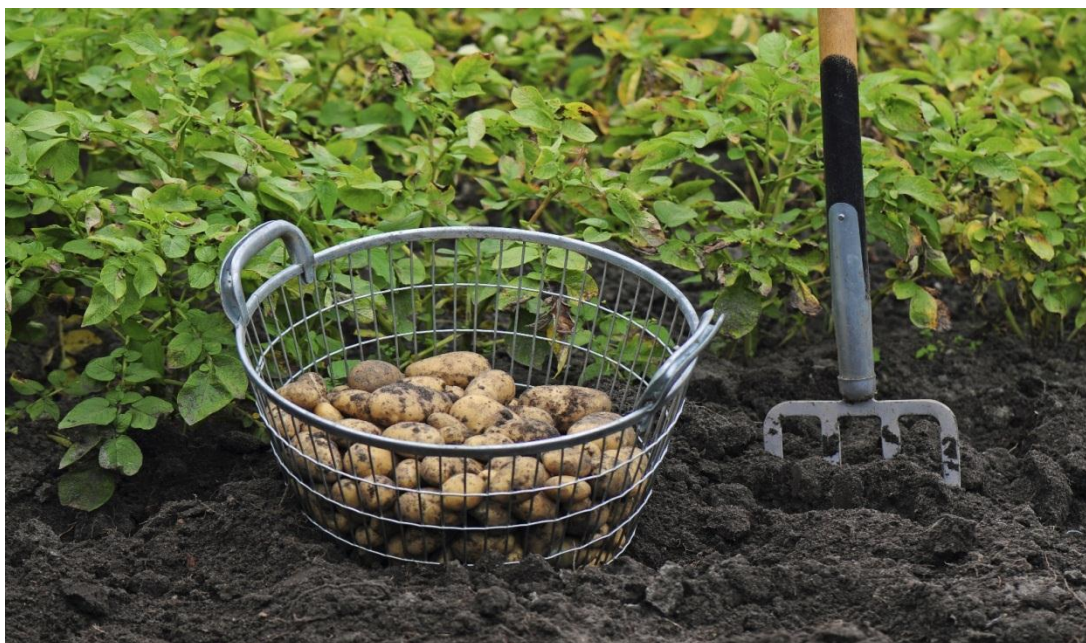
LPA: Rhondda Cynon Taf

This application was for a new portal frame building (24.5m in length by 12.55m in width and 6.45m in height) on Hirwaun Industrial Estate in Aberdare. This falls into the B8 use class as it is storage and distribution rather than an industrial process. This application provided a suite of accompanying documents:

Location Plan, Application Form, plans (floor plans, elevations, street-scene, drainage and car parking/access arrangements), Topographical Survey and Design and Access Statement

Outcome: The proposal was approved and dealt with within the eight week determination period. There were no objections raised to the development but further details relating to highways and land contamination were required.

Lessons learnt: The development was taking place within the settlement boundary and an existing industrial facility. Therefore the main considerations in the proposals determination were the impact on amenity of neighbouring properties, visual amenity and highway. The proposal was well presented and justified in the Design and Access Statement. The level of information was considered to be appropriate given the size and location of development.



Princes Soft Drinks- Extension to an existing production and distribution facility for a product warehouse, cold store, chilled store, production line, office space (9,700m²) and ancillary development such as external silos, recycling areas, a car park and realignment of internal estate road (2013)

LPA: Cardiff

Princes is a large UK food and drinks producer, with its production facility in Cardiff and specialising in fruit juice cartons. This application was to extend the established drink processing facility at Portmanmoor Road Industrial Estate and involved the demolition of one existing unit and the erection of two new units, resulting in the creation of 48 new jobs. The application included a suite of accompanying documents:-

Location Plan, Plans (existing and proposed elevations, roof and floor plan and sections), Application Form, Design and Access Statement (and addendum), Plans (Existing/ Proposed Floor and Roof Plans and Elevations), Arboricultural Method Statement (AMS), Transportation Assessment, Site Contamination Report, Ecological Impact Assessment and BREEAM Pre-Assessment

Outcome: The key issues in consideration of this application were design, scale and massing, landscaping, layout, traffic, parking and access, and economic development.

The proposal only received one objection from a neighbouring business. The proposal took 18 weeks before it was taken to Planning Committee and they were 'minded to approve' subject to agreement of planning obligations. The proposal also involved removing 70 trees and during the determination period the LPA requested an Arboricultural Method Statement, Arboricultural Impact Statement, Tree Protection Plan and Tree Pit and Planting plans. However, the final decision was only issued **a year** after the application was validated because a planning obligation in the form of a Section 106 was required. Financial details of the S106 are not publically available; however the Council's Travel Plan Officer requested a contribution of £7,000 to provide two additional bus stops.

Lessons Learnt: Whilst the extension was to an existing industrial facility on brownfield land, given the size of the development and potential impacts, there were more complexities to take into account. Therefore, more detailed assessments were required in order to provide the LPA with an appropriate level of information to determine the application. For example the Transport Assessment had to assess the impacts of realigning the access road through the industrial site and demonstrate there was provision for the appropriate number of additional car parking spaces. This also highlights the importance of pre-application discussions with the LPA to establish what planning obligations may be required when preparing a planning application.

Maelor Poultry Ltd - Change of Use (from Cheese cutting) To Poultry Processing Unit (2015)

LPA: Wrexham

Maelor Poultry Ltd applied to change the use of the former First Milk site, creating up to 150 new jobs. The application included a suite of accompanying documents-

Application Form, Location Plan, Existing and Proposed Layout, Air Quality Report, Design and Access Statement, Traffic Management Plan, Flood Consequences Assessment, Noise Impact Assessment and Odour Risk Assessment and Proposed Control Measures.

Outcome: The key issues in consideration of this application were adherence to regulations concerning noise, odour and dust emissions, pollution, traffic, parking and access, impact of construction on local community and economic development. The proposal took 19 weeks to be determined and was approved at Planning Committee.

The Welsh Government (Head of Business Development) provided a consultation response on this application but quite late on and after the committee report was written. This outlined their support of development. The Council's Assets and Economic Development department also highlighted the benefits of the £10m investment, creating 150 jobs and identified they were in talks on how to recruit staff from disadvantaged areas locally, as well as ex-employees of the closed First Milk plant. It was estimated that the business would contribute £3m annually to the local economy.

The application received a limited number of objections/concerns from neighbouring residents (four in total) and a solicitor, representing a competitor with interests in the local poultry supply chain and production process, who was concerned of the impacts on the North Wales Poultry industry. The Committee report highlights that this is not a material planning consideration, and that it is not the role of the planning system to regulate competition.

Lessons Learnt: This application highlights the importance for the applicant to identify early on and put forward the benefits of a development (social, economic and environmental) so they are considered in the planning balance. Ideally, where the Welsh Government are writing to support applications, these letters should be received before the Committee Report is written, so they can be fully taken into account when a planning officer is making a recommendation to approve or refuse an application.

Special consideration was given to this site as it had been in industrial use for over 60 years. This application demonstrates that even when taking into account that the development was for the re-use of previously developed land, the application still required a suite of environmental assessments (noise/odour/transport) to demonstrate the new use was acceptable.

Whilst not material to the planning decision this application raised issues in regards to competition between industries. Where you may get a clustering of competitive industries, it is important to identify the benefits such as workforce supply, primary source of research and development and be aware of the challenges when planning strategically with existing and new businesses when looking to attract investment into an area.

Natural Resource Wales identified that the proposal was likely to require a Pollution Prevention and Control Permit and advised the applicants to begin pre-permit application discussions with the Regulatory Officer as soon as possible. This application highlights the requirement for applicants to review what additional permits may be required early on, so they do not incur unexpected delays once receiving planning permission.

Dairy Unit - Extension to the existing dairy unit to accommodate the housing of 1,000 dairy cows in total, to include the erection and siting of a 3 storey parlour, 3 livestock cubicle buildings, fodder storage building, 2 slurry stores and a water storage tower, together with associated engineering operations, landscaping and highways improvements.

LPA: Powys

Lower Leighton Farm applied to expand the dairy in February 2011. The development would be one of the largest dairies in Wales and was considered EIA development. The application included a suite of accompanying documents:-

Application Form, Location Plan, Plans, Elevations, Design and Access Statement, Environmental Impact Statement (Including Chapters on Air Quality, Landscape and Visual Impact Assessment, Water Resources, Soils, Archaeology and Cultural Heritage), Noise Impact Assessment and a Transport Assessment.

Outcome: Given the size of the proposal, this planning application faced a number of challenges and complexities.

- Planning Committee of Powys County Council (PCC) were originally minded to approve the proposal however it was called in by the Welsh Minister for Environment, Sustainability and Housing in January 2012 who stated that there was insufficient information to demonstrate the scheme was acceptable.
- Following a Public Inquiry, the Planning Inspector recommended refusal of planning consent (May 2013), principally due to the scheme causing 'considerable harm' to the landscape and the setting of heritage assets, as well as concerns on slurry spreading, waste disposal and impact on amenity.
- In October 2013 the Welsh Planning Minister, Carl Sargeant overturned the Inspector's recommendation. Sargeant agreed the main considerations were 'relevant issues' but ruled that the economic benefits outweighed the social and environmental impacts, giving weight to the creation of new jobs, increase in milk yield and compliance with PPW requirements to support economic growth.
- The animal welfare group, the World Society for the Protection of Animals (WSPA), then went on to challenge the ministers' decision on a number of grounds. The Administrative Court dismissed the challenge (June 2014), which argued that the ministers had failed to pay 'special regard' to the impact that the development would have on heritage assets. The Court accepted that Ministers had given clear and unequivocal reasons and taken relevant considerations into account in deciding that priority should be given to the economic benefits of the scheme to the local community and the Welsh dairy industry in general and there had been no error in the law. (The World Society for the Protection of Animals v The Welsh Ministers & Ors. Case Number: CO/17405/2013)

The proposal took over three years from being submitted to the LPA to receiving the High Court decision in June 2014.

Lessons Learnt: Whilst the complexities surrounding the extension of the dairy are fairly unique, it does highlight the need to also have robust assessments to support an application as without these, the application may not have been approved.

This particular case highlights that Welsh Ministers can and do give weight to economic benefits of schemes, and shows that these benefits can outweigh environmental impacts in certain circumstances. The proposal would create around 13 jobs, which the Minister gave priority to over the environmental and social objections. The Minister also argued that greater weight should be given to the substantial £1 million investment sum. The decision demonstrates where fairly minor economic considerations have overcome significant environmental considerations, such as the impacts on the heritage assets.

5. The Food and Drink Sector: A Planners Perspective

To gain further insight into the interaction between the F&D Sector and the planning system, interviews were carried out with planning team leaders across Wales. Taking a pan Wales approach, all 25 Local Planning Authorities were contacted with requests for interviews and 13 interviews were carried out.

The interviewees included 10 planning policy team leaders, two overall planning managers and one development management team leader¹¹. As the main topics for discussion were focused on the availability of sites and the strategic support for the F&D sector, planning policy officers were the primary focus of the interviews. The key messages from the interviews are presented by topic below.

How Planners Perceive the F&D Sector in Their Area

Summary: Planners' Perceptions of and Support for the Sector

There was a good response rate given the short timescales of the study. The level of knowledge planners had about the F&D sector varied significantly between individuals and whilst some had a fairly good understanding of the sector in their area, none were able to refer to any spreadsheets, lists of food businesses or any documents about the sector in their LPA. The terminology used by planners to describe businesses may be different to that used by the F&D sector, in particular, the term 'food grade premises' was not used by any interviewee in the response to any questions. Even the definition of the sector itself varied significantly between individuals.

The interviewees were clear in their support for all development that generated economic growth and employment growth, and were clear that this extended to the F&D sector. However, only two out of 13 interviewees stated that the sector was explicitly important to their area and almost all confirmed that the sector was not obviously supported within policy documents. Some interviewees went further, stating that planning should not encourage development in one sector above another.

¹¹ Please note that job titles vary by Local Authority so the above is a broad description not a list of the job titles of those involved. The principle responsibility of the planning policy team leaders is the development of robust Local Development Plans, which includes managing both the development of policies themselves and the evidence base documents that sit behind them. Development management team leaders lead the team officers that deal with planning applications and the overall planning managers sit above both team leaders, leading the planning service. Overall planning managers are in charge of the whole department, including policy, development management and a selection of additional functions.

Results

When asked to describe the F&D sector in their area, planners did not refer to any single definition of the sector. For example, no interviewees referred to Standard Industrial Classification codes or categories of business as defined in the lists of approved premises by the FSA. As a result, the types of business discussed in response to this question varied significantly, with interviewees discussing everything from food retail, hot food takeaways and farm shops to Tesco distribution warehouses and agriculture. No planners mentioned the term 'food grade premises'. Instead, planners tended to talk about the Use Class Order, businesses falling under B1, B2 and B8 uses¹², agricultural buildings or individual businesses.

When asked about businesses in their area, most planners knew about bakeries, breweries and distribution centres and some could name a selection of high profile businesses, but none offered a spreadsheet of businesses to refer to in their LPA (although one said a list could be created fairly easily). Examples of some of the businesses mentioned specifically included KK Fine Foods (Deeside), Burger Manufacturing Company (Powys), Portoise Bakery (Bridgend) and Hallets Cider (Caerphilly).

'The food sector is not part of our focus... I think we produce a lot of food, sheep, meat, poultry and egg production too. We produce and there are lots of farm shops and cottage industries, honey and so on. I know that (Business A) is expanding due to a contract with Tesco and we have (Business B) in our area...'

Analysis

The difference in levels of knowledge about the food sector amongst planners is not surprising given their jobs cover a wide remit of responsibilities and they are not professional experts in the F&D sector or in most cases, not part of the Council's economic development team. However, it does highlight that if the sector wants planning policy to be truly supportive of their businesses, the sector should ensure that planning policy officers know what the sector is and how to be supportive of it. This could be done through ensuring planning departments know about the businesses in their area and ensure there is sector engagement in the development of Local Development Plans.

¹² See Section 3 for an explanation of the Use Class Order.

Is Planning Supportive of the Food Sector?

Results

Planners were clear that over the past decade there has been an increasing requirement for planning to act as an enabler for economic growth and that the economic benefits of developments should and are recognised when determining planning applications. However, almost all interviewees commented that they did not consider that the F&D sector is explicitly supported. Some interviewees went further to state that planning could not and should not encourage one sort of economic growth over another.

Two interviewees stated that the sector was particularly important. In Flintshire the food sector was seen as important, with policies in place to enable growth without too many planning constraints in Deeside. In Monmouthshire, the food sector was noted as being important, with particular mention of the number of food businesses, the Abergavenny food festival and the potential for the area to be promoted as a food tourism destination.

'We are very flexible for all businesses that need sites that offer jobs and capital and growth but we don't just target food – we accommodate anyone with the right mix of growth and jobs.'

'We don't feel the planning system has any issues here [when asked whether there is anything the planning system could do to increase support for the food sector] – the planning system does not favour any sector really. If there was a boom in food production then the planning system would support it.'

Analysis

Data from planning interviews corroborates the planning policy review information in noting a lack of specific sector support within planning policy documents, but goes further with some interviewees suggesting they shouldn't promote one sector over another.

Engagement with the Food Sector in ELRs and Policy Development

Results

'We have not consulted directly with food sector [in development of LDP and ELR]. But mid-Wales manufacturing group may have food members – I don't know – the food sector could do with a dedicated voice if this is an issue – or at least someone who shouts louder.'

'Businesses could collaborate by sector and tell us what they need.'

'If individual businesses or even groups come forward to us then we will understand their needs – we are happy to have engagement and consultation.'

Two of 13 planners said the food sector was explicitly considered in ELRs or policies, although general business groups were targeted for consultation on both ELRs and development of LDPs. One interviewee commented that their ELR split demand into sectors so did consider food alongside all other sectors in that way. Only one interviewee mentioned that an employment site had been allocated for food use in particular (although it is known that there are food centres and parks in other areas).

Several interviewees stated that it would be useful if an association of food businesses would come forward to identify what types and location of sites are required, so that this information could be considered during plan policy making. In general, it was considered that the F&D sector engages very little

with the planning process and rarely responds to consultation documents on planning policies. One interviewee suggested that a food sector representative would be a welcome aid to collaborate on different planning issues, but that he was unsure who to contact for this since the abolition of the Welsh Development Agency.

Analysis

The reason for the perception of a lack of engagement of the F&D sector in policy making is unclear and should be investigated. It is possible that the sector does not know how best to engage, or when consultation documents are published. There may be a role for the Food and Drink Federation and/ or the Food and Drink Wales Industry Board in responding to these documents or notifying other organisations to ensure businesses are consulted where relevant. Even if these consultation documents were known about, an individual business may not have the time or skills to respond meaningfully to a consultation, for example, an ELR. Finally, there may be some engagement, but it may not be known about by the interviewees. Whatever the reason, the lack of perceived engagement emphasises the important role of sector representatives to engage in undertaking consultation responses and ensure the demand for premises from this sector in particular is made known to the LPAs, for example, those undertaking ELRs and developing new LDPs.

'We have a number of sites ready to develop, many are Welsh Government owned sites... we have land for the food sector if they need it - we will enable investment- we want jobs and investment.'

The Sites Available for F&D Sector Businesses

Results

All interviewees highlighted that employment land was identified and assessed in ELRs and that employment sites are allocated in LDPs. Therefore, interviewees stated that there is land available for the F&D sector as there is for all sectors. Many interviewees noted that due to the recession, the take-up of employment land over the past eight years has been relatively slow and no interviewees thought there was a current

'The M4 corridor has loads of land and north in the valleys too – there is plenty of employment land allocated for food production – this is not an issue that we can see.'

shortage of employment land overall.

'We do some consultation – we have a key stakeholder's forum for example. We also speak with economic development colleagues – and a big enterprise planning board too – but no specific survey type consultation with businesses. The Employment Land Review included some structured consultation.'

'The problem is they [ELRs] often use national Experian type trends and don't use local data, so its [demand projections] not always very representative of local conditions.'

It was noted that where possible local businesses are contacted to help predict the amount and type of demand for employment sites. However, some interviewees noted that despite best efforts, it was not always easy to gain a sense of the actual demand for employment land and whether the land available was suitable for businesses in their area. One interviewee noted that ELRs do not always take into account local demand for premises and another commented that sometimes past take up of sites is used to predict future trends (which can be problematic if

past take up has been low due to the fact that sites available are unsuitable).

Most interviewees said that there were very few windfall sites suitable for employment uses, with most employment uses being developed on employment sites. The timescale over which ELRs were reviewed and updated varied significantly between LPAs, with some providing an update every year and others tending to do one main update approximately every 3-5 years. The frequency of updates was dependant of the availability of resource (time and financial).

'Housing is chipping away at the land allocated for employment and we need to invest in existing premises. The planning process needs to recognise that owners are letting employment property get run down and enter into market failure and dilapidation so they can then try and convert the use into housing, by showing no demand for their run down properties in order to make money from housing.'

Several interviewees commented that there was often pressure from housing developers to use allocated employment sites for new housing, and that it was not always possible to protect the land for employment use.

In terms of the location of sites, several interviewees from LPAs along the M4 corridor mentioned that there is a large number of allocated employment sites along this 'zone,'

including 100s of hectares of brownfield land and some greenfield land too. In terms of land area, it was estimated that even the largest food developers and large F&D clusters could be accommodated and the location of these sites adjacent to the motorway network would be beneficial for deliveries of raw materials and distribution. However, it was noted that some of these sites would require remediation before they could be brought back into use (e.g. ex colliery sites). In Cardiff, it was noted that the majority of industrial land was in the south and that this area does have some flood risk issues whilst in other areas of Cardiff it was sometimes a challenge to protect employment land from use by housing developers. Several interviewees noted that some of the industrial sites and parks in Wales are a bit 'tired' and could do with refreshing.

'We would need to link economic development and development planning together to make sure the right land use is provided where required.'

When asked about redundant premises, several interviewees pointed out that no planning application was required when a building was left redundant and sometimes no consent is required for its reuse, so it is not something planners tend to know a lot about. Planners had good knowledge about available land, but not of available premises.

'We need evidence and welcome it – we need guidance on the size and make up of future demand so we can allocate land accordingly. We will try and fit special requirements – do we need small start-up units or large sheds and so on – we need to identify and match demand.'

Analysis



Planners consistently stated that there were ample employment sites in their area and a particularly large number of sites along the M4 corridor. Therefore, theoretically, there is a large number of sites available to the F&D sector (although they are not earmarked as such). Where there are issues such as contaminated land, the costs of remediation may be prohibiting development of the sites, particularly as the level of remediation required

may be higher, to ensure a site is suitable for food grade premises as opposed to, for example, an electronic assembly plant or a distribution depot. In general, where there are market failures meaning that allocated employment sites are unlikely to come forward, it is likely that public sector involvement would be required to bring these sites forward, and it is possible that the amount of developable employment land is therefore less than predicted.

We should note however, that ELRs should take the above issues into account, so in theory it should not be the case that significant portions of allocated employment land are unviable. Therefore, whilst it may be that contamination is affecting some sites, this does not change the fact that planners generally felt that there was a significant supply of employment land.

Therefore, the questions for the F&D sector would be:

- Are the allocated employment sites suitable for the food sector in terms of size, location and provision of infrastructure and services (e.g. utilities)?
- Is there anything that a F&D business would require in a site that is different to any other industry, therefore warranting special consideration in ELRs?
- Is the general trend for employment uses rarely to be on windfall sites true for the F&D sector?

A key action that could be taken is to ensure that the F&D sector as a whole increases involvement in development of planning policies, to answer the above questions for the particular industries in a particular local authority area.

What are the Key Issues Associated with Planning Applications for F&D Sector

Summary: Engagement with the Sector, Availability of Sites for F&D Sector Businesses and Issues with Planning Applications

Overall, interviewees reported that the F&D sector did not engage significantly with the planning process, with relatively little involvement in the development of ELRs and planning policies. Planners also encouraged F&D sector businesses to make use of the pre-application services offered by Councils before submitting an application. Interviewees identified that this engagement could help planners ensure that there are sufficient, suitable sites for F&D sector businesses to expand and relocate.

There is a large number of employment sites across Wales and these could be available for F&D sector businesses. However, it was not clear whether these sites were suitable for F&D sector businesses in terms of size, location, facilities and infrastructure (amongst other considerations). There are very few employment sites allocated specifically for the F&D sector.

In terms of planning applications, the information interviewees knew on this was limited as most were policy officers. However, in general interviewees perceived there to be relatively few issues associated with F&D sector premises, particularly where premises were located on existing industrial estates. Where issues did arise, most issues were associated with infrastructure (particularly access, utilities and drainage) as well as potential pollution issues (air and odour). For poultry, it was noted that there could be issues associated with nitrates and phosphates leaking into rivers.

Examples of planning issues:

Many interviewees could not discuss issues with planning applications as they tended to be from a policy background rather than development management. However, several interviewees could name businesses that had recently successfully expanded in their area. A number of interviewees noted that there were not many serious issues with F&D sector applications, particularly where development was located on existing industrial parks.

Where issues were discussed, the following were mentioned as being issues associated with planning for the F&D sector:

- access for large producers
- drainage and flooding are issues that are considered more and more in the planning system and can be issues for this sector
- water supply
- odour and air quality
- waste can be an issue for some industries.

However, these issues were mostly mentioned in terms of issues that needed to be addressed through a planning application, rather than a factor that would necessarily prevent a development going ahead.

One interviewee noted that in Herefordshire the Council has had a particular issue with poultry sheds leaking nitrates and phosphates from poultry manure into the rivers, particularly the River Wye, and that this has led to a moratorium on poultry sheds near rivers to prevent the issue worsening. The interviewee commented that this issue could be similarly experienced in some LPAs in Wales. The interviewee noted that poultry is big business in rural Wales and that no planning authority wants to discourage the industry but the issue needs careful consideration to ensure that these environmental issues do not affect the ability of businesses to develop poultry in the future.

Conversely, the F&D sector can also be influenced by other applications around it, and can avoid conflicts by providing consultation responses during consultation on other planning applications. One example given was in Caerphilly where an interviewee described a planning application submitted for an open cast coal mine in close proximity to food manufacturers. The manufacturers objected to the application on the grounds that it could lead to particulates in their products and the interviewee reported that the application was refused for this reason. Overall, as with planning policy, a number of interviewees noted that it would be useful if F&D sector businesses looking to relocate or expand would engage more with the pre-application process offered with the Councils. It was noted that some businesses did not carry out pre-application consultation before submitting an application.



6: The Planning Process from the F&D Businesses' perspective

Introduction:

The following section is a thematic analysis of the 20 business interviews undertaken using a telephone research method.

To identify these 20 interviewees, 94 businesses were contacted that had been identified as being in the food and drink production and manufacturing business in Wales. As this research is about food grade premises, we then asked a primary question to enquire if the businesses had been involved in the planning process during the past 5 years, or were considering entering the planning process, so that their experiences were current enough to be relevant. From this question we identified 20 businesses relevant to this report.

Twenty businesses are too few to form any valid quantitative analysis and so a thematic analysis was undertaken, to identify emerging themes within the interviews.

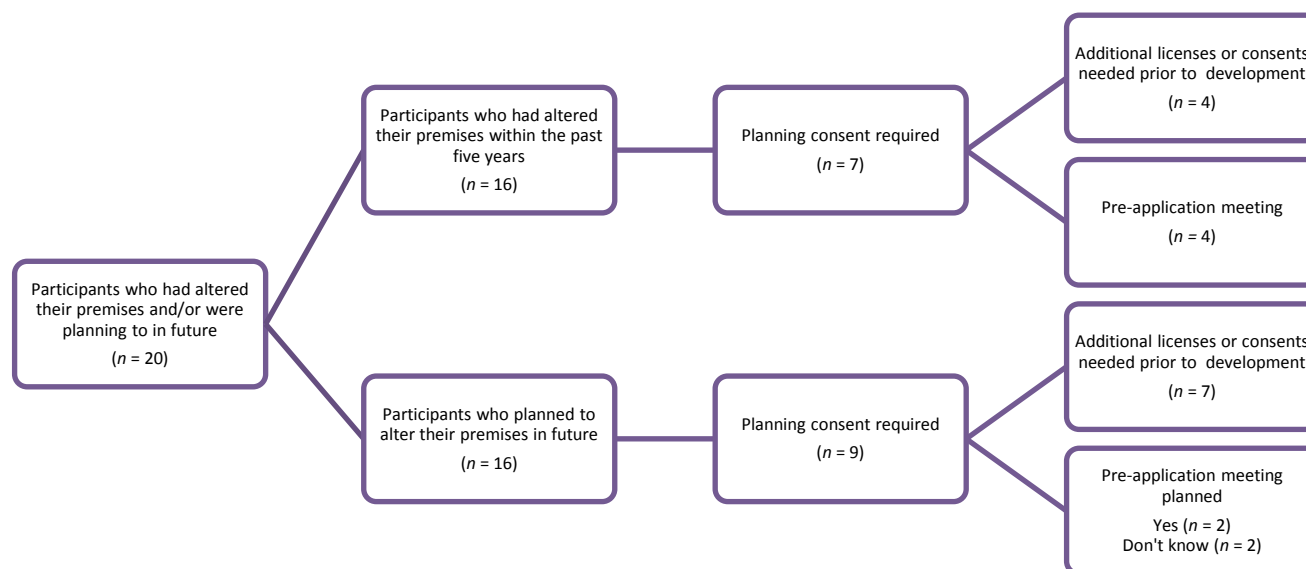
Of these businesses, 17 were food manufacturers and three were distributors. Food manufacturers were skewed towards bakeries and dairies (5 and 4 respectively); other food types processed included meat ($n = 1$), condiments ($n = 2$), and more niche businesses ($n = 4$) as well as one brewery.

The majority of businesses operated from one site ($n = 14$); three had operations across two sites and two companies (both distributors) operated from five sites.

The section below discusses these main themes;

- work carried out before planning permission is granted is seen as costly and risky to some businesses.
- the time required to achieve pre-planning and planning approval is perceived not to be clear and quite variable by businesses.
- communication between planning teams and businesses .
- software based project workflow systems could increase the visibility of the pre-planning process to businesses if businesses could log-on to these systems and see progress via a web portal.
- identification of suitable food grade premises could be enhanced by the creation of a list or directory of food grade sites rather than general B classified sites.
- simpler language could be used when planners communicate with businesses.

Figure 6.1: Overview of the sample sizes for each category pathway



Businesses who had been involved in planning in the past five years were also likely to undertake further alterations to their premises in the near future. It is possible that this is because the planning process helps to identify growth businesses that are investing capital and expanding facilities. This could be a useful indicator for Welsh Government business services to high growth firms. We have not investigated this possible correlation any further in this report.

Financial Costs of Planning

Interviews with planners identified that pre-application consultation is important for the efficient transit of a planning application. However, businesses often see all work carried out before gaining planning consent as a cost or a risk, and did not always recognise the value of initial consultation. At present, pre-application consultation in Wales is free, with no costs levied by Local Planning Authorities for the service. This consultation can save businesses significant amounts of time and money at a later stage by ensuring that planning considerations are taken into account into the location and design of premises from the outset. It can also help clarify information required for an application, avoiding preparation of unnecessary documents and ensuring all documents are budgeted for from the outset. Therefore, some education of businesses is required to explain the benefits of pre-application consultation and address any misconceptions about the process.

The approach to application documents perhaps identifies a fundamental difference in approach to the planning process between planners and businesses. Planning officers would like as much information as possible to enable good decision making, whereas businesses look at the cost/risk profile of planning, and like to minimise investment in a planning application (e.g. ecology surveys, architects, noise surveys, and so on) because if they don't get consent that money is lost.

Of course, planners are required by statute to consider and support economic development, and be proportional in their requirements. But the cost of preparing technical documents is a key concern for businesses and whilst planning officers must be proportional, F&D sector businesses perceived that planners do not necessarily understand the cost impact associated with preparing documentation, or consider such costs as a potential barrier to business investment.

Businesses noted that they needed to engage with professional specialist contractors, such as engineers and architects, to create the necessary technical documents, drawings and plans, and this was often cited as the most expensive part of the process.

Three respondents also mentioned that adhering to the special conditions and 'compromises' imposed upon them during the planning process had also proven to be expensive. One of these respondents labelled the financial commitment required in order to receive an uncertain outcome as a "*chicken and egg situation*."

"Before you can do an application you have to get an architect on board to do all the drawing...[then] a specialist consultant to bring [it] together. Those fees were significant but the actual planning fee was appropriate. For example, the planning application fee in 2011 was £3,000 but our other fees cost £8,200."

"You can't get a decision in principle without a comprehensive set of plans which is very frustrating because you don't want to invest that time and money if you don't get anything out of it. It's a chicken and egg situation."

"With planning applications, you have to employ consultants and incur overheads until you know whether you get planning, it's off putting to enterprises to have to spend so much money before they know the outcome."

Some businesses felt that planners could show greater consideration regarding the financial impacts of their proposed conditions:

“I do think that planners need a reality check because there can be too much control sometimes; they need to consider the financial realities of a business.”

Those less restricted by financial impositions were larger companies who could (perhaps) afford to work with planning consultants and external advisory teams, consequently these businesses were more likely to undergo a streamlined application experience. Also there may be an ‘economies of scale’¹³ effect, where larger capital investments have disproportionately less planning costs built into the overall development cost model. Consequently the business risk profile of a refused application may also be lower in such a case.

“We’ve been doing it for the last three years and it’s been relatively straightforward... It’s taken a lot of work but we’ve had plenty of advisers and we pre-planned our application very carefully... It’s all been done with the correct procedures.”

While four businesses looking to expand or relocate felt that financial support, such as government grants for the construction of buildings, would form the most helpful assistance, grants posed similar technical application issues for those without the capital upfront to match against grant funded developments.

“I think the key issue with some of the grants is the way they’re structured... It’s good that funding is available but generally you need funding because you don’t have the capital upfront. Having grants where you have to spend before you claim is a real struggle.”

Some businesses also mentioned the need for greater assistance in, and information on, completing grant applications, such as *“a free consultation service for businesses to help them with completing the application.”*

¹³ economies of scale – refers to cost/risk advantages becoming more efficient as the scale of production or capital investment increases.

Planning Timeline

The time taken for the Local Authority to determine an application following submission ranged from five weeks to six months. The respondent who had a six month decision period attributed this to the need to change the scheme and delays between making an amendment and the amendment being reviewed by the planners. The latter issue was felt to be particularly frustrating:

“You need to get everyone around the table as soon as possible so everyone is aware and singing from the same hymn sheet. It's stupid that one bit of bureaucracy has to wait for another part before they can do anything.”

“It went very slowly, considering it was a food building in a designated food park the hoops we had to jump through were ridiculous, we had to make a lot of changes to the plan we had to make to local people. Some of the obstacles would have been enough to make other people give up entirely; it felt that they didn't want us to create jobs.”

Delays were specifically referred to as “*painful*” on two occasions, and were often linked with “*bureaucracy*”, especially when seeking Environmental Agency (now Natural Resource Wales) approval.

“It's a lot of bureaucracy and it's a long painful process. We needed permission from Environment Agency, as we are on flood plain which took a long time to resolve as they initially rejected our proposal so we had to go back and forward.”

“It was reasonably painful but we got there in the end. They wanted to do an environmental assessment of the area which can only be done at certain times in the year however, we had government funding for the building which had to be spent by a certain date so we had to do a lot of negotiation to find a solution.”

In some instances, ecological constraints had been problematic where ecological surveys had indicated to the presence of a species (such as the great crested newt) that would have to be relocated according to EU law.

Concerns regarding the speed and detail of decision making for licences and consents outside the planning system are reflected in the Volac case study. Volac suggested that a lack of resources allocated to managing the process of environment license appraisals required to operate within their location delayed the speed at which they could develop and expand, and that this also created investment risk that hindered investment decisions. These concerns are mirrored in the Charcutier case study, who felt that both Trading Standards and Environmental Health were over stretched and, with too broad a knowledge-base to provide sector-specific advice to food businesses.

Overall, respondents called for more relaxed planning rules in order to try negate the financial and time costs of the existing planning process to the business preparing and making the application.

Planning Communications

When businesses were asked if they considered the planning system in Wales to be supportive of the development of the food industry, eight out of 20 respondents felt unable to respond due to not having had much contact with their local authority.

“[The planning system should] talk to businesses to understand the needs of people in the industry. There are lots of people who would like to do something but... as a small business starting out you are just left alone to get on with it. No one ever asks for feedback to see what we want.”

The above comment is actually very similar to the comments made by planning officers that engagement between planners and businesses would be beneficial, although planners commented that they would like businesses to come forward and tell them what they want, rather than try to further seek opinions.

Only two companies reported receiving application assistance of some level from their local authority, this support was specific to form-filling and pointing the businesses in the direction of suitable contacts. This was helpful as it “*took less time to work out who we needed to speak to,*” reflecting the general sense of confusion of those going through the process for the first time.

However, the majority of businesses were more likely to approach independent consultants instead, who they felt were better equipped to provide them with information.

“[Local authorities] don't get that involved in the application; it's a regulatory thing rather than hand holding or providing consultation, I don't think they have the resources or experience to do that.”

Many participants suggested that more information provision in various forms would be valuable to business growth, in order to transform the system into “*an enabler and catalyst to growth, as well as a technical process to ensure lawful property development*” (Castell Howell case study).

As seen above, poor communication and information provision were also often attributed to a lack of department resources.

"Communication with the planning department is difficult because of cut backs, we've put in for a new development and we've had no contact (since plan approved); they haven't got back to us. It's difficult for them because they have lost members of staff, now you have to go through a call centre to talk to them which is fine for housing or small planning applications but with larger business expansion I'd like to have someone to consult"

However, the Welsh Hills Bakery case study gives an example of how Local Planning Authority and business can work together to create positive outcomes.

It was interesting that the pre-application process was not more widely referred to by businesses. Planning officers noted that the pre-application process was important and a very useful opportunity to undertake an informal discussion about areas for consideration leading up to the planning application. Local Authorities produce validation checklists that are used to guide applicants on the documents required for submission with an application. Also, Duty Planning Officers are often available to give advice when possible. None of these services were mentioned during the business interviews, however, the relatively small number of interviews (n=20) for this section of the report may have limited their inclusion.



Pre-application Process

In Wales for all applications for ‘major’ development (full or outline) submitted after 1st August 2016, there is a statutory requirement for the applicant / developer to consult the community and relevant statutory consultees, and submit a Pre-Application Consultation (PAC) Report with any application (Planning (Wales) Act 2015 (the Act). This is currently restricted to ‘major’ applications only. The front loading of engagement will have an impact on timescales and costs for any applicant, for example the draft planning application information has to be made publically available for local communities to view.

The benefits of introducing this mandatory consultation requirement through legislation is that applicants should receive a more consistent approach across LPAs in Wales and accelerate the determination process.

Identification of Suitable Sites

Technical information about suitable development sites was another issue identified by businesses. Not being able to find sites specific to food processing, away from other businesses which may cross-contaminate foods, and being near essential utilities and services were mentioned. Some businesses felt that planning teams did not understand the detailed requirements of food grade premises.

The factors identified by seven participants as impacting the suitability of a site are described below by theme:

- Size ($n = 2$)
 - two mentioned wanting space for expansion: *“Space for secure parking, sufficient space for expansion and to be able to put a secure perimeter fence around”*
- Location ($n = 6$)
 - three mentioned the need for a hygiene friendly environment: *“[If] the adjacent units create chemical waste or fumes or things like that you [can’t] build a food factory beside them. If you’re close to railways lines or a water source you could have pests... There are a lot of requirements to maintain food standards and food hygiene so the environment has to help you do that”*
 - Close proximity to the market
 - Access to motorway infrastructure ($n = 2$)
- Utilities ($n = 1$)
 - sufficient services such as water, electricity, gas and telecoms. This is reflected in the Volac case study
- Other ($n = 3$)
 - build quality
 - adaptability in order to be *“future proof”*: this is reflected in the Anglesey Sea Salt case study
 - business rate relief: *“One of the biggest things would be to look at the business rates charged; we were put off bigger buildings because the rates wouldn’t have made it financially viable, especially in a new area.”*



Concerns of suitability were largely linked to rural areas, where issues of *“infrastructure, electricity supply, internet supply, attracting potential employees and logistics with third party haulers”* were more likely to arise. It was felt that advice on dealing with these issues, perhaps collated from other companies, would be highly valuable when evaluating the potential of a new site.

Some respondents felt that a national directory or central database of available food grade premises would be of benefit to them:

“The biggest problem is the availability of property and so I think somewhere where there's a list of what potentially could be available would be extremely useful.”

“There doesn't seem to be any help available and if there is it's not publicised.”

“Having a register of available properties suitable for the manufacturing category we are in, [showing] areas where there are potential opportunities for employment, available resources... also areas where there is a possibility of rate free/supported rates environments [which are] a barrier to expansion at the moment.”

In the Carmarthenshire Cheese case study, help from the County Council had specifically assisted the company in finding a site. This site had already been identified within local planning policies as suitable for agri-businesses, and this had made the planning process relatively straight-forward as a consequence. This is one example of how Local Authorities and businesses can work together to achieve stronger planning outcomes, however, this requires suitable communication and business awareness of the Local Authority help on offer.

Plainer Delivery Language

Many respondents felt that the language of the application process was too technical, occasionally obfuscating and could have been delivered in plainer (lay) terms:

“You need to be a specialist in applying and rather than talking in regular terms that everyday people would understand, (the forms) are written in jargon that's beyond the understanding of individuals who are looking for grant assistance. This puts people off and deters investment.”

“I think it's understanding some of the items and regulations that go with the application and understanding what they mean. I get the impression that planning applications are like exam questions with exam answers; they have a specific style they are looking for and if you were to provide the same information in a different style you might not be successful. It would be good to have a template to understand the style and terminology they're looking for.”

The perception of the application terminology as being too complicated presents a theme of ‘us vs. them’ noted as a recurring theme within the thematic analysis.

Infrastructure

Infrastructure was frequently cited as an issue for expansion of businesses and the continual running of existing businesses. For example, Volac (an international animal nutrition business) recently changed its energy supply to 'greener' LNG but as the gas pipeline infrastructure can't cope with the company's gas demands they currently ship gas by road tankers from Avonmouth and Kent. Their facility required one tanker a day. Similarly, the Carmarthenshire Cheese Company found they needed generators to boost their electricity supply at the Horeb Food Centre as the site had insufficient electricity for their refrigeration units, with this being one of the reasons they moved to their own premises. Other companies cited the need for significant water supplies, wastewater infrastructure and other utilities as being restrictors on their current operations and a constraint when seeking a new site. The need for a good, abundant utility supply should be considered when examining whether employment sites are suitable for businesses, when seeking potential locations for new food centres/ parks and actions taken to ensure infrastructure is not significantly hampering expansion of the F&D sector in Wales.

Construction Issues

One business interviewed had significant issues with construction, with the building constructed failing to meet the needs of the particular type of food processing carried out on the premises. In this instance the business had received funding for building the premises, and so the build had been managed by the Council rather than the business. Whilst the building had been constructed with a particular F&D sector business in mind, state aid rules meant that in theory the building should be made available for the industry in general rather than a particular business. In reality, what this means is that the end user had no control over the design and construction process and no recourse when the building did not meet their needs. The building has been checked by Environmental Health with no issues identified and consequently, the business did not know how to address the problem. This is despite the fact that the issues meant the business was only operating at 30 per cent capacity due to problems with the building.

This raises a very important issue; that F&D sector businesses have different needs in terms of building design depending on the nature of their processes and it is vital that these needs are met in construction. It is therefore important that either, a building is built to a standard that will meet the needs of any F&D sector business (if this is possible) or that, regardless of funding source, the end user is involved in the building design. It is important that when appointing contractors, there is some recourse that can be taken if buildings fail to perform to required standards and a check to ensure the required standards are set out contractually.

7. Conclusions and Recommendations

Introduction

This section provides a summary of the main conclusions emerging from the study and provides recommendations on actions that could be taken to assist the F&D sector in meeting the Welsh Government's growth targets. This section focuses around the main issues of the study of planning and premises, but does also include sections discussing other issues that have arisen as part of the study, but were not specifically investigated.

The Big Actions to Make a Big Difference

The research suggests that in general, there may be a shortage of food grade premises rather than any issues with the planning system. In other words, it is not generally issues with obtaining land or planning consent, but that many businesses would prefer to move into 'ready' food grade premises than build their own. This appears particularly true when businesses are starting out. The Welsh Food Centres (e.g. Horeb) and food parks (e.g. Cross Hands) appear to have been very successful in supporting businesses through the first stages of establishing their business, and in some cases providing relatively large premises. However, the distance to premises is often a crucial determining factor in whether these locations work for a business, and there appears to be a lack of similar facilities in other parts of Wales (although there are other Industrial Parks with a strong F&D sector presence such as Deeside). There is also a suggestion that further expansion at Cross Hands may be limited by infrastructure, so more food grade premises and space for the F&D sector may be required in this area, but with enhanced infrastructure. Even if businesses can expand without ready food grade premises, it would undoubtedly make expansion easier and cheaper if there were suitable premises in a good location, so more rapid expansion could be possible.

It should be noted that the recommendations below should be considered in the light of further research to ensure there is a demand for the below and if so, that the locations meet the needs of F&D sector businesses in terms of, particularly, location, transport infrastructure, utilities and lack of local contaminants

.

Recommendations: Develop New Purpose Built Food Grade Premises in Wales

- **Investigate whether each Local Authority (or groups of Local Authorities) could create small starter units** like those at the Horeb Food Centre to accommodate new and emerging businesses.
- **Investigate whether ‘clusters’ of Local Authorities could together create Cross Hands style food parks across Wales.** These could be designed reflecting lessons learnt at Cross Hands and other industrial parks, with a high concentration of F&D sector businesses. For example, when setting up the industrial parks, Local Authorities should ensure that there is sufficient infrastructure capacity to allow expansion, including, but not limited to, electricity supply, drainage, water supply and access.
- **Provide F&D consultation workshop events to stimulate expansion plans and considerations.** Establish a rolling programme of F&D sector expansion workshops run by Local Authorities for small businesses to help them expand. These could be run through a partnership between economic development and planning departments and aim to assist businesses in expanding their existing premises without incurring lots of speculative costs. The workshops could cover issues such as planning consents, environmental consents and finance and funding options. The Welsh Government could help develop standard materials for these workshops to minimise the resource requirement in planning authorities. If run quarterly, for example, these workshops would also provide opportunities to let businesses know about Local Plan developments and consultations and encourage joint working between economic developments and planning. These benefits are discussed further in sections below. The workshops could include other essential business expansion elements such as business planning, reaching new markets and customers and distribution logistics, for example.

Shared Language and Collaborative Working

The desktop reviews and interviews suggest that there are some differences in the way in which the F&D sector is described. In particular, there were significant differences in interpretation of what the F&D sector includes. Further, it was noteworthy that businesses and key stakeholders in the F&D sector frequently referred to the term 'food grade premises' whereas this was not a term used by planners. In follow up questions, a selection of planners were asked about 'food grade premises' and of the six asked none knew what the term meant. Conversely, businesses interviewed did not talk about 'allocated' sites, 'windfall' sites.

Recommendations: Take Account of differences in Language used between the F&D Sector and Planners

- When developing tools or materials for planners, the F&D sector should be clearly defined so planners are clear what types of development are being discussed. Terms like 'food grade premises' should be clearly defined and explained to planners so they understand the needs of the sector.
- Documents produced to facilitate development of the food sector should carefully consider their audience when deciding on terminology in documents
- Planners should be aware that businesses engaging in the planning process may not be familiar with the allocation process and should ensure that consultation on ELRs, in particular, is carried out in a way that truly enables businesses to be engaged and give their opinion on sites required.

Planners interviewed varied significantly in their knowledge of the F&D sector in their area, but it was a general theme that there could be more collaborative working between planners, economic development officers and the F&D sector, so that planners understood the needs of the sector.

If the F&D sector wants planning policy and the planning application process to be truly supportive of their businesses, the sector should ensure that planning policy officers know what the sector is and how to be supportive of it. This could be done through ensuring planning departments know about the businesses in their area and ensure there is sector engagement in the development of Local Development Plans.

Recommendations: Increase F&D Sector Engagement in the Planning Process

- Consider identifying a sector representative to coordinate responses to consultation on policies and ELRs to let businesses know about consultation events and to communicate any site shortages to LPAs. This representative could also coordinate a group of F&D sector businesses in an area to set out what they need in terms of sites.
- The Welsh Government could also identify a representative to act as a consultee on large or significant F&D sector planning applications. This could have the following benefits:
 - Enable the WG to compile a list of large/ significant F&D sector applications and monitor progress. This could also help identify best practice in planning applications that can be shared with other F&D sector businesses.
 - Give a sector representative an opportunity to comment on applications to ensure that the needs and benefits of the sector are taken into account in planning decisions.

If this action is pursued, work may be required to suggest thresholds above which the representative would be contacted and action taken to encourage or require LPAs to contact the representative when a relevant planning application is received.

- LPAs could be encouraged to have flexible planning policies to support new sites for employment that fall outside of allocated sites where there are no material impacts, based on a criteria based policy approach. To a certain extent many LPAs do take this approach through their rural diversification policies, but there are other LPAs that actively discourage employment development outside allocated sites. It should be carefully considered whether this approach is necessary/ desirable in the context of aims to promote economic growth overall and growth in the F&D sector in particular.
- Ensure that F&D sector businesses are aware of the benefits of the pre application enquiry service and to engage pro-actively with the Council and other interested stakeholders at an early stage, as this can save you time and money during the course of your planning application.

Planning Policy Documents and the F&D Sector

Planning policy documents at the national and local levels and key legislation (e.g. Wellbeing Act, 2015) strongly support developments that will encourage economic growth and provide employment. However, no planning policy documents reviewed recognised the Welsh Government's nine priority sectors.

There is some mention of the F&D sector in national and local policies, but this tends to be focused around agricultural development, rural diversification and policies regarding food retail, rather than food processing. Four of the 25 LPAs had some supportive policies for the sector, and even these did not provide detailed policies. It was perhaps surprising that even LPAs like Carmarthenshire, who recognise the importance of the F&D sector and provide a very significant level of proactive support for F&D businesses, do not have a great deal of information or policies on the sector in their LDP. Data from planning interviews corroborates the planning policy review information in noting the lack of sector specific support in planning policy documents, but goes further with some interviewees suggesting they should not promote one sector over another.

Whilst it would be problematic to argue that one sector was more valuable than another, it should be noted that LDPs can and do give support to sectors where they are of particular importance to an area or where a particular sector has specific needs. For example, most national and local planning policy documents include specific policies supporting the tourism industry and the energy sector. Therefore, there is an opportunity to encourage development of policies supporting the F&D sector where there is a clear need to do and where this can be communicated to planning policy officers. This should not be promoting one sector over another, but reflecting an opportunity to encourage economic growth by ensuring the needs of the F&D sector are met or reflecting a difference in the needs of this sector from another (should this be the case). Also the Welsh Government does have specific policies to identify and support priority growth sectors and so this would not deviate from Welsh Government's own policy.

Recommendations: Consider Actions to Increase Support for the F&D Sector in Planning Policies

It would be premature to conclude that the relative lack of specific F&D sector support in planning documents is negatively influencing the sector, as there was no evidence that this is the case in this study. However, given that the sector is not considered in detail in planning policies, it is possible that the needs of the sector are not being met, particularly in the allocation of land (see below), but also in taking into account why a F&D business might need to be located in a more rural area, rather than employment sites. Therefore, it is recommended that actions are taken to consider whether more explicit support for the sector would be beneficial and appropriate, and whether sector specific policies are needed due to the particular needs of the sector.

- Consult with WG planners to consider whether it would be appropriate and beneficial to include policies on the nine priority sectors in Planning Policy Wales.
- Consider identifying a sector representative to respond to consultation documents on planning policy documents to ensure the sector is considered. For example, this could question whether policies discouraging windfall development sites could constrain the F&D sector. It could also encourage LPAs to consider the sector specifically, particularly where the sector is very important to their economy.
- Investigate the potential to develop a policy that would make the process of upgrading existing industrial premises to food grade easier, in terms of planning. It may be that this upgrade rarely requires planning consent and so no action is required. However, if following further study it is found that this upgrading process requires consent; positive policies could make it quicker and easier for F&D sector to upgrade premises.

Availability of Sites for F&D Sector Businesses

Local Planning Authorities must identify and allocate employment land for all sectors to meet demand. Both the policy review and the interviews with planners indicated that there is a large supply of employment sites across Wales. There has been some loss of employment sites to housing and this continues to be an issue in some areas, but the relatively slow economic growth has led to slow take-up of sites overall and there remains a large number of sites.

Given that there is a large number of sites that are theoretically available, there are three key questions for the F&D sector, these questions are explored below.

1. *Are the allocated employment sites suitable for the food sector in terms of size, location, ownership and provision of infrastructure and services?*



It is beyond the scope of this study to begin to evaluate the suitability and viability of employment sites across Wales, however, there are *some* indications that in *some* areas businesses find it difficult to find space to expand despite this supply.

For example, the Torfaen Annual Monitoring Report stated that the modern 70,000+ sqft former Loseley's Ice Cream factory on Llantarnam Park was taken up by other food manufactures almost immediately. This suggests that there were manufacturers waiting for the right premises. Of course, in this case, ready built food grade premises became available, which is very different to land being available to build new premises. Similarly, some businesses interviewed stated that they had difficulty finding premises, for example, Charcutier stated that they had difficulty finding food grade premises when they were a small start-up company. Again, however, in this case the company were looking for ready food grade premises rather than land to develop them.

Therefore, it may not be a shortage of land *per se*, but either a shortage of premises or a shortage of land that meets the needs of the food sector that may be the issue. Alternatively, it may be that there is ample source of land, but the Loseley's factory was sought after for some other reason, such as lower costs to make premises suitable or good infrastructure.

2. *Is there anything that a F&D business would require in a site that is different to other industries, therefore warranting special consideration in ELRs (to ensure there are allocated sites suitable or that windfall development is supported in this sector in the right locations)?*

Interviews with planners suggested that, amongst other issues, utilities and drainage can be key issues for the F&D sector when applications are submitted. Similarly, Carmarthenshire Cheese stated that insufficient electricity supply was a motivating factor for developing new premises and moving from the Cross Hands Food Park;



Charcutier stated that they had delays in their project due to complexities around drainage; and informal conversations with businesses suggested that the capacity of the sewer network may be restricting further development at Cross Hands Food Park. Whilst supply of utilities may well be a key issue for many industries (particularly electricity), it may be that the food sector has a greater requirement for water supply, drainage and sewerage than some other industries.

Further, the premises required for the F&D sector are often required to be developed to high standards to create food grade premises (e.g. FSA requirements) and to ensure buildings are up to the standards often required by supermarkets' supply chains as supermarkets can require higher standards than the FSA.

It is therefore possible that employment sites that are suitable for other industries, may be less suitable for the F&D sector. For example, there are some types of industries that produce particulates that could enter food, meaning that locating a F&D sector business on some existing industrial estates may be inappropriate. These types of issues require further investigation.

Therefore, overall it is not clear whether the needs of the F&D sector are sufficiently different to those of other sectors to warrant special consideration in the identification, evaluation and allocation of employment sites. However, given that there are theoretically ways in which the sector's requirements could differ, it would be beneficial for the sector to engage with the ELR process to ensure their needs are met.

3. *Is the general trend for employment uses rarely to be on windfall sites true for the F&D sector?*

The application review suggests that the majority of F&D sector developments are developed on existing employment sites, but this is partially because many applications were extensions to existing premises. The sector does have a number of notable exceptions, where premises are often developed on windfall sites, in particular:

- **Intensive agriculture and related development:** The application review demonstrated that, naturally, intensive agricultural development is located on farms. It was noted that developments like poultry farms and dairies (located on farms) are often those that appear to experience the most issues at planning, partially due to their rural location and consequent impacts on traffic (on rural roads) and the environment. Associated development such as small processing plants or farm shops can be co-located on these sites.
- **Large bespoke premises:** Some large businesses require bespoke premises to meet the needs of their method of production and find that the most suitable location is not one that happens to be on an employment site. For example, Welsh Hills Bakery is located on a site that used to be a car garage.
- **Processing plants with tourist facilities:** A number of F&D sector businesses see an opportunity to combine processing plants with tourist facilities. For obvious reasons, industrial estates are not ideal locations for tourist facilities.
- **Processing plants that need to be near raw materials/ resources:** For example, Anglesey Sea Salt needed to be located near the sea as it would be impractical and expensive to transport sea water in land to an industrial estate for processing.

Overall, therefore, whilst there remains a trend for F&D sector businesses to often be located on employment sites, it is possible that this is less the case than for some other sectors, particularly some other types of industry.

Recommendations: Ensure Available Sites Meet the Demand of Businesses in the F&D Sector

At present, there are a number of uncertainties around the suitability of existing allocated employment sites and the extent to which the industry needs sites, as opposed to ready built premises or assistance gaining consent for developments on their own sites. The following actions could assist in investigating further and ensuring there are sufficient sites for the sector in the future:

- Carry out a mystery shopper exercise involving three hypothetical food businesses, with different food grade premises demands. The research team would contact each Local Authority with its requirements, and see if there are suitable premises available, or simply a supply of employment sites but with various limitations. The outcome would be a clearer understanding of the potential supply of sites to the F&D sector in Wales.
- Increase dialogue between economic development officers and planners. Particularly ensuring that if a business comes to the economic development department of an LPA or the WG looking for sites, that their needs and the outcome of their search (i.e. was there any sites for them) is communicated to the planning policy team. Similarly, planning policy officers are encouraged to contact economic development officers and WG sector representatives when promoting or evaluating employment sites.
- Generate economic forecasts of land requirements for the F&D sector to feed into ELRs. The more information about the type and location of sites required, the better as this will enable LPAs to examine the suitability of their existing allocations to meet the needs of the sector.
- Encourage LPAs to promote employment sites in general and to the F&D sector specifically. The promotion of employment sites in general is a recommendation in Merthyr Tydfil's AMR for 2015 and Conway County Borough Council is having Conway Business Week in November 2016 to promote the area.
- F&D sector businesses should be encouraged to contact planning departments when looking for sites to gain an idea of whether there are any allocated sites that might suit their needs.
- The WG and Council's already own some of the larger strategic employment sites or work collaboratively with investors to attract new businesses to Wales, such as the eight Enterprise Zones. There are likely to be opportunities to expand the range of sites by working closely with Council's to determine the type, size and amount of potential employment sites that may benefit from further investment to attract new business in the F&D sector.

Other

A number of other issues arose during the research that were not specifically within the remit of the report. Recommendations on these issues are below.

Recommendations: Other

The following recommendations emerge from the study but were not part of the investigation into planning and premises so are summarised together here.

- Consider whether further study is necessary to deal with issues associated with poultry units to ensure that LPAs are not forced to issue a moratorium on poultry units to protect waterways
- Where funding streams mean that developers of premises are appointed by a party other than the end user, measures must be taken to ensure the premises are suitable for the end user. This includes:
 - funder to ensure that the end user is fully involved in the design process and has the ability to act if the development does not meet their needs
 - ideally, the developer should be answerable contractually to both the funder and the end user
 - end user business to request sign off of plans and involvement in the process
- Consider development of more in-depth case studies to investigate particular issues, for example, the issues around development of premises for Carmarthenshire Cheese. This would not be about promotion and best practice, but really understanding the issues to (a) resolve them in this case and (b) develop mechanisms to stop happening in future.

Conclusion

Overall, whilst there is further work required to establish whether F&D sector businesses are being constrained by the lack of suitable sites and premises, the study has found that:

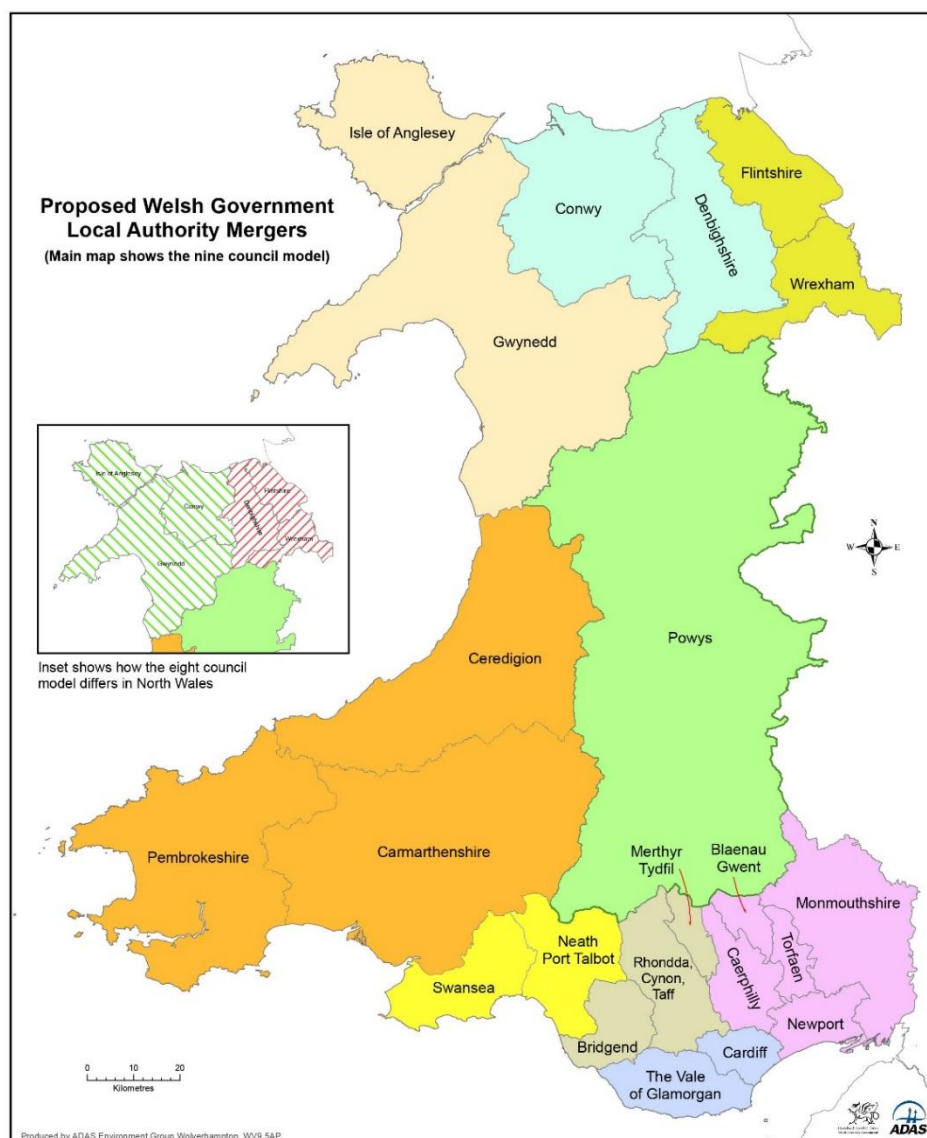
- Planning policies at the national and local level are strongly supportive of economic development and developments that provide employment opportunities. However, with a few exceptions, policies are not specifically supportive of the F&D sector and can be restrictive of development of F&D manufacturing in rural areas.
- There are plenty of employment sites across Wales. Therefore, the issue is not the existence of sites, but whether those sites are deliverable and suitable for the F&D sector. Allocated employment sites are mapped in LDPs, but it is unclear whether businesses would know where they are.
- Businesses were much clearer about there being a lack of purpose built food grade premises than a lack of land to build them. Therefore, this is less of a 'planning' issue and more of an issue for the WG, Local Planning Authorities and key stakeholders to:
 - build/ fund new premises and/or
 - provide space for F&D sector businesses to build their own premises in a location suitable for the sector (particularly in terms of infrastructure) and/or
 - provide assistance to F&D sector businesses in locating an appropriate site or gaining consent for a site they wish to use.
- It should be noted that whilst some businesses said they had issues identifying food grade premises nearby, no businesses actually said the lack of premises had prevented them expanding as all the businesses said they had instead built their own or 'commuted' to premises such as those at Horeb. However, this may be because the interviews were with businesses with recent interaction with the planning process. It may be that there is a large number of businesses who have not expanded due to a lack of sites, but as a consequence have not engaged with the planning system and so have not been contacted here.
- The majority of applications for new or expanded food grade premises are consented. F&D sector businesses may benefit from assistance in navigating the planning process to ensure they know the benefits of pre-application consultation, resolving issues in planning conditions before decisions are made, preparing the correct documentation and promoting the benefits of their schemes to ensure decision making is timely and avoids onerous conditions. However, given that most applications are consented, the planning process may be an issue in terms of delays and costs, but in most cases does not appear to be preventing businesses expanding.

Appendix 1: Changes to LPA Boundaries

The boundaries of LPAs is set to change with the introduction of two Acts/ Bills:

1. Local Government (Wales) Act 2015: This Act became law in November 2015 and enables preparations to be made for local government mergers and reform; and
2. Draft Local Government (Wales) Bill: This Bill was published for consultation in November 2015, with the consultation period ending in February 2016. Amongst other measures, it proposes the merger of several Local Authorities to form eight or nine local authorities (see Figure A1).

Figure A1: Current and Proposed Local Authority Boundaries



The impacts of the proposed mergers could be far reaching, as it will affect the areas over which local government operates. The merger proposes, for example, merging Caerphilly, Torfaen, Blaenau Gwent, Newport and Monmouthshire to create Wales' biggest Local Authority, with a population of nearly 600,000. Currently it is very hard to predict the impact these changes could have on planning policy and planning development.