Bridgend County Retail Needs Planning Study 2007 to 2021

Report Addendum

Prepared by

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for

Bridgend County Borough Council

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1.0 Addendum Conclusions on Need

Convenience Floorspace Need

1.1 Using their Provision supermarket turnover model, CACI have assessed the current and future balances of trade (ratio between store resident-based turnover and available resident spend) of convenience goods spend from three planning zones, based around Maesteg, Porthcawl and Bridgend. The needs assessment has taken into account both resident-based and tourist-based spend, **and considered a full range of residential growth options.**

1.2 Taking the three large supermarket proposals into account (as well and some additional known committed developments) and the impacts of resident population, **including assessment of a range of growth scenarios**, and tourist growth and internet impacts, the following conclusions were drawn on future need:

Maesteg

- The **new Tesco** supermarket on the edge of Maesteg Town Centre will have a **beneficial impact of improving the balance of trade in the zone from 79.0% to 92.8%,** but due to the size of the store and impacts of the internet, **the overall additional need up to 2021 will be for 631 sq m net for the Maesteg planning zone**, **based upon the trend-based residential growth scenario,** which can be delivered through incremental development of small format convenience stores. **Looking at the range of growth scenarios provides a range on need between 546 – 808 sq m net.**

Porthcawl

- The **new proposed supermarket** for Porthcawl Town Centre will have a **beneficial impact of improving the balance of trade in the zone from 39.8% to 51.2%,** but due to the size of the store and impacts of the internet, **there will be no further additional need up to 2021 for the Porthcawl planning zone, based upon the trend-based residential growth scenario**. **Even examining the 'Very High' residential growth scenario would only indicate a very limited headroom of 140 sqm net, therefore we would not adjust our view that there is no additional need.**

Bridgend

- Whilst the **new ASDA** supermarket for Bridgend Town Centre will have a **beneficial impact of drawing trade back from supermarkets at out-of-town locations** such as the Sainsbury's at The Pines and the Tesco-Extra on Cowbridge Road to the town centre, the net impact of all proposed supermarket development in the area (in particular development at Maesteg and Porthcawl) will see the overall balance of trade fall from 101.5% to 95.0%. Therefore, in this case the impact of new provision has not induced further need from 'claw-back' spend for the planning zone. Rather, the new supermarket has absorbed a current deficiency for floorspace, following which **we have identified very little headroom for additional floorspace (254 sq m net by 2021) for the Bridgend planning zone**, **based upon the trend-based residential growth scenario,** since little additional need will be driven by the growth in population, due to negative impacts of the internet. **However, under 'High Growth' and 'Very High Growth' residential growth scenarios, there would be more significant headroom of between 704-924 sq m net. Therefore, if the Council were to pursue the High or Very High Growth residential scenario it may need to consider allocating a site in the Bridgend catchment for a medium-size foodstore in the deposit LDP.**

Comparison Goods Floorspace Need

1.3 CACI has employed their Retail Footprint comparison goods catchment and turnover model to estimate current and future turnover potential at each of the three main town centres. Converting this turnover potential into capacity, CACI have used target trading densities (floorspace efficiency) to determine 'headroom' estimates for each town. A separate future floorspace needs assessment has been performed under three retail development strategy scenarios for Bridgend Town Centre ("Do Nothing", "Do Minimum" and "Do Maximum"). Under each scenario, a different level of 'claw-back' for Bridgend Town Centre and related increased 'leakage' from Maesteg and Porthcawl catchments has been taken into account.

1.4 Taking into account the impacts of resident population and tourist growth and internet impacts, the following conclusions were drawn on future need:

Maesteg

- A high level of current comparison goods floorspace deficiency was identified for **Maesteg**, meaning that an **identified headroom for additional floorspace of at least 5,120 sq m net by 2021 based upon the trend-based residential growth scenario,** (under "Do Maximum" scenario for Bridgend). **Looking at the range of residential growth scenarios provides a range on need between 5,010 – 5,321 sq m net. However, tourist-based spend makes up for 41% of Maesteg's turnover potential.** Therefore, considering this 'headroom' is driven by tourist spend rather than resident-based spend, and the related seasonality of tourist spending patterns, and potential for this tourist spend to be alternatively captured and served by Bridgend Town Centre, we have concluded there is not a strong need and hence **no need for the council to seek to allocate further sites** for major levels of comparison goods use. Rather it is noted that any comparison goods retailing associated with other tourist-based attractions can be supported over the planning period**.**

Porthcawl

- Due to the two catchments overlapping, the level of 'headroom' available for **Porthcawl is sensitive to the development strategy for Bridgend**. Assuming that Bridgend does not stand still in terms of development, **there is headroom for circa 3,000 – 3,500 sq m net of comparison goods floorspace, based upon the trend-based residential growth scenario**. **Looking at the range of residential growth scenarios provides a slightly greater range on need between 2,900 – 3,600 sq m net.** This would indicate that retail proposals for a commercial zone at Hillsboro place, in particular the proposed retail units along Dock Street, would be sustainable (circa 20,000 sq ft gross unspecified retail) – albeit, since **51% of Porthcawl's turnover potential is made from tourist-based spend**, **any comparison goods offer needs to be made in conjunction with an improved tourist offer for the town centre**, to ensure such spend from tourists is actually attained.

Bridgend

- The competitive situation with Bridgend Outlet Centre and Cardiff, means that there is **opportunity for Bridgend Town Centre to 'claw-back' spend** under its two "do something" scenarios. This means that from a **current deficiency for 12,071 sq m net**, we have assessed that the town can sustain up to an additional **20,616 sq m net by 2021**, **based upon the trend-based residential growth scenario,** on top of the new floorspace being brought into the town from the ASDA (1,489 sq m net of comparison goods) and the redevelopment of the Brackla Centre (1,952 sq m net of comparison goods). **Looking at the range of residential growth scenarios provides a range of an 'upper sustainable limit' by 2021 of 20,033-21,877 sq m net. CACI's "Do Minimum" scenario would relate to headroom for circa 17,000 sq m net** of additional floorspace up to 2021, **based upon the trend-based residential growth scenario,** – with similar levels supportable earlier on in the planning period. **Looking at the range of residential growth scenarios provides a range of need by 2021 under the "Do Minimum" scenario of 16,800-18,500 sq m net.** This means that **Bridgend's development options are all supportable at any time throughout the planning period**.

Bulky Goods Floorspace Need

1.5 By adding the overall headroom for all three planning zones there is an overall headroom for 8,100 - 8,900 sq m net in the County Borough, **based upon the trend-based residential growth scenario**. **Looking at the range of residential growth scenarios provides a greater range of headroom for 7,400 – 9,600 sq m net.** In addition to this quantitative assessment, CACI have also provided a qualitative analysis of Bulky Goods retailing in the area, which has examined the likely demand for new retail space from known national bulky goods retailers. The analysis can be found in annex 5.

1.6 The key findings demonstrate that there is only a limited demand for new retailers in the County Borough, whose floorspace requirements could be met by circa 8,000 sq m net of additional space, which falls squarely within the overall headroom range.

1.7 It is noted that the Waterton Cross Bulky Goods Site has the capacity for nearly 5,000 sq m gross of new bulky goods floorspace (4,000 sq m net), and that this site is within the south of the County Borough, and as such can easily serve the Porthcawl catchment, albeit not as sustainably as bulky goods uses located in Porthcawl itself. CACI have identified this site, as part of their qualitative analysis, as an ideal site for bulky goods retailers, having a more accessible location to serve a wider catchment compared with locations in Porthcawl, and also benefiting from the current agglomeration of bulky goods retailers in that area. General retailer demand for Maesteg, could be also satisfied by such development in the south of the County Borough.

1.8 **Therefore, considering the existing site allocations (including the committed development of the Bridgend Day Centre), we would not consider that our new headroom results are sufficiently compelling to change the status quo with regard current allocations for bulky goods uses.**

1.9 **Therefore, a realistic strategy for the Council to adopt would be to maintain the current site allocation of the Waterton Cross Bulky Goods Site, and in doing so, reduce the identified need for new floorspace in the County Borough from 7,400 –9,600 sq m net to 3,400 - 5,600 sq m net which can also best be located in the southern part of the County Borough.**

2.0 Impact of Population Growth Scenarios

2.1 To assess future floorspace needs, the main report uses population growth assumptions as provided by the council. These relate to a range of growth options under consideration for the emerging LDP, namely:

- Do Nothing
- UDP Growth Strategy
- Trend Based
- High Growth
- Very High Growth

2.2 In the main report, the Trend-Based scenario was adopted for all subsequent needs tests.

2.3 This report addendum provides the results of the needs tests, under the other 4 growth scenarios, comparing the results with the Trend-Based scenario selected in the main report. All other assumptions have remained the same. For brevity and ease of cross-comparison, this addendum presents only the end outcome of applying the different growth scenarios. Equivalent 'needs test' tables corresponding to these outcomes have been provided in the form of an Excel spreadsheet appendix.

2.4 Throughout this addendum, figures copied from the main report have maintained the same corresponding figure number. For figures relating to equivalent needs tests across other growth scenarios, figures have been labelled with the related main report figure, with an "-2" extension.

2.5 The population figures provided were for the years 2006, 2011, 2016 and 2021. Since this report works from a 2007, CACI have provided their own projection of population for 2007, from which growth to 2011, 2016 and 2021 has been calculated to match the overall population levels predicted in the growth options (see figures 2.4a and 2.4b below).

Figure 2.4a – Population Figures for Bridgend County

Year	1. Do Nothing	2. UDP Growth Strategy	**3. Trend Based**	4. High Growth	5. Very High Growth
2006	131,604	131,604	**131,604**	131,604	131,604
2007	132,213	132,213	**132,213**	132,213	132,213
2011	133,532	134,069	**134,651**	136,051	136,767
2016	135,693	136,618	**137,690**	140,467	141,854
2021	138,432	139,800	**141,378**	145,489	147,534

Figure 2.4b – Population Growth for Bridgend County

Year	1. Do Nothing	2. UDP Growth Strategy	**3. Trend Based**	4. High Growth	5. Very High Growth
2006-2007	0.46%	0.46%	**0.46%**	0.46%	0.46%
2007-2011	1.00%	1.40%	**1.84%**	2.90%	3.44%
2011-2016	1.62%	1.90%	**2.26%**	3.25%	3.72%
2016-2021	2.02%	2.33%	**2.68%**	3.58%	4.00%

3.0 Convenience Goods Capacity Assessment

3.1 Using Census population projections, EFES based expenditure estimates and by disaggregating STEAM tourist spend data by CACI's Tourist Demand Surface, estimates of 2007 convenience goods expenditure for each planning zone have been derived. Figure 3.1 summarises the key statistics. As a proportion of total spend, tourist spend in Maesteg and Porthcawl is a lot more critical to the economy than is currently the case in Bridgend.

Figure 3.1 –Planning Zone Statistics 2007

Planning Zone	Residential Population	Resident Spend per capita	Resident Spend on Convenience (£'s per annum)	Tourist Spend on Convenience (£'s per annum)	Total Spend on Convenience (£'s per annum)
Maesteg	25,968	£1,366.0	£35,473,214	£15,180,460	£50,653,674
Porthcawl	43,109	£1,383.8	£59,654,217	£20,528,343	£80,182,561
Bridgend	94,759	£1,378.2	£130,594,169	£15,831,124	£146,425,293
Total	**163,836**	**£1,377.7**	**£225,721,600**	**£51,539,928**	**£277,261,528**

3.2 In terms of estimating growth in residential spend, CACI have only applied assumptions of population growth. This is because the current trends on convenience spend per capita are complex, due to food prices deflating in many areas, mainly attributable to supermarkets finding more ways to reduce costs from economies of scale. Furthermore, the relationship between increases in spend per capita and the need for additional floorspace is also very complex, since a more or less affluent population may not necessarily consume more or less goods – but simply be prepared to pay different prices for their goods. Overall, this means that our view is that the only robust method of assessment is through assessing population growth alone, which can be easily understood in terms of increases in the number of shoppers available, and hence footfall.

Figure 3.10-2 Maesteg Floorspace Needs: New Balance Of Trade @ 92.8% from 2011

Year	1 - Do Nothing	2- UDP Growth Strategy	3 - Trend Based	4 - High Growth	5 - Very High Growth
2007	2,616	2,616	2,616	2,616	2,616
2011	389	405	423	466	488
2016	466	493	524	604	644
2021	546	585	631	750	808

3.3 The headroom for new convenience floorspace in Maesteg at 2021 ranges between 546 (Do Nothing) and 808 sqm net (Very High Growth).

Figure 3.17-2 Porthcawl Floorspace Needs: New Balance Of Trade @ 51.2% from 2011

Year	1 - Do Nothing	2- UDP Growth Strategy	3 - Trend Based	4 - High Growth	5 - Very High Growth
2007	1,089	1,089	1,089	1,089	1,089
2011	-427	-412	-396	-356	-336
2016	-177	-153	-124	-49	-12
2021	-104	-67	-25	86	140

3.4 The headroom for new convenience floorspace in Porthcawl at 2021 ranges between -104 (Do Nothing) and 140 sqm net (Very High Growth).

Figure 3.24-2 Bridgend Floorspace Needs: New Balance Of Trade @ 95.0% from 2012

Year	1 - Do Nothing	2- UDP Growth Strategy	3 - Trend Based	4 - High Growth	5 - Very High Growth
2007	6,821	6,821	6,821	6,821	6,821
2012	-273	-212	-145	17	99
2016	-365	-266	-148	155	306
2021	-66	82	254	704	924

3.5 The headroom for new convenience floorspace in Bridgend at 2021 ranges between -66 (Do Nothing) and 924 sqm net (Very High Growth).

4.0 Comparison Goods Capacity Assessment

4.1 Using Census population projections, EFES based expenditure estimates and by disaggregating STEAM tourist spend data by CACI's Tourist Demand Surface, estimates of 2007 comparison goods expenditure for each planning zone have been derived.

4.2 Figure 4.8 summarises the key statistics. As a proportion of total spend, tourist spend in Maesteg and Porthcawl is a lot more critical to the economy than is currently the case in Bridgend.

Figure 4.8 –Planning Zone Statistics 2007

Planning Zone	Residential Population	Resident Spend per capita	Resident Spend on Comparison Goods (£'s per annum)	Tourist Spend on Comparison Goods (£'s per annum)	Total Spend on Comparison Goods (£'s per annum)
Maesteg	25,968	£1,978	£51,367,190	£25,683,595	£77,050,785
Porthcawl	43,109	£2,153	£92,808,839	£32,483,094	£125,291,932
Bridgend	94,759	£2,219	£210,289,942	£42,057,988	£252,347,930
Total	**163,836**	**£2,164**	**£354,465,971**	**£100,224,677**	**£454,690,648**

4.3 In terms of estimating growth in residential spend, CACI have only applied assumptions of population growth. This is because the current trends on comparison spend per capita are complex, due to prices deflating in many areas, mainly attributable to cheaper imports. Furthermore, the relationship between increases in spend per capita and the need for additional floorspace is also very complex, since a more or less affluent population may not necessarily consume more or less goods – but simply be prepared to pay different prices for their goods. Overall, this means that our view is that the only robust method of assessment is through assessing population growth alone, which can be easily understood in terms of increases in the number of shoppers available, and hence footfall.

4.4 CACI have assessed the floorspace headroom for comparison goods in Maesteg for 2007, 2011, 2016 and 2021, under three differing development scenarios:

- [A] No major change to Bridgend Town Centre
- [B] "Do Minimum" development scenario for Bridgend Town Centre
- [C] "Do Maximum" development scenario for Bridgend Town Centre

Figure 4.15a-2 Maesteg Comparison Goods Headroom– Scenario A

Year	1 - Do Nothing	2- UDP Growth Strategy	3 - Trend Based	4 - High Growth	5 - Very High Growth
2007	5,282	5,282	5,282	5,282	5,282
2011	5,537	5,559	5,582	5,639	5,668
2016	5,879	5,914	5,955	6,060	6,112
2021	5,983	6,034	6,094	6,250	6,326

Source: CACI Analysis (2008)

4.5 The headroom for new comparison floorspace in Maesteg under Scenario A at 2021 ranges between 5,983 (Do Nothing) and 6,326 sqm net (Very High Growth).

Figure 4.15b-2 Maesteg Comparison Goods Headroom– Scenario B

Year	1 - Do Nothing	2- UDP Growth Strategy	3 - Trend Based	4 - High Growth	5 - Very High Growth
2016	5,146	5,178	5,226	5,313	5,362
2021	5,242	5,290	5,355	5,490	5,561

Source: CACI Analysis (2008)

4.6 The headroom for new comparison floorspace in Maesteg under Scenario B at 2021 ranges between 5,242 (Do Nothing) and 5,561 sqm net (Very High Growth).

Figure 4.15c-2 Maesteg Comparison Goods Headroom– Scenario C

Year	1 - Do Nothing	2- UDP Growth Strategy	3 - Trend Based	4 - High Growth	5 - Very High Growth
2016	4,917	4,948	4,994	5,080	5,127
2021	5,010	5,057	5,120	5,251	5,321

Source: CACI Analysis (2008)

4.7 The headroom for new comparison floorspace in Maesteg under Scenario C at 2021 ranges between 5,010 (Do Nothing) and 5,321 sqm net (Very High Growth).

Figure 4.16a-2 Porthcawl Comparison Goods Headroom– Scenario A

Year	1 - Do Nothing	2- UDP Growth Strategy	3 - Trend Based	4 - High Growth	5 - Very High Growth
2007	4,087	4,087	4,087	4,087	4,087
2011	4,495	4,513	4,533	4,580	4,604
2016	5,057	5,086	5,120	5,207	5,251
2021	5,143	5,186	5,236	5,366	5,429

Source: CACI Analysis (2008)

4.8 The headroom for new comparison floorspace in Porthcawl under Scenario A at 2021 ranges between 5,143 (Do Nothing) and 5,429 sqm net (Very High Growth).

Figure 4.16b-2 Porthcawl Comparison Goods Headroom– Scenario B

Year	1 - Do Nothing	2- UDP Growth Strategy	3 - Trend Based	4 - High Growth	5 - Very High Growth
2016	3,777	3,802	3,831	3,909	3,947
2021	3,853	3,890	3,933	4,048	4,104

Source: CACI Analysis (2008)

4.9 The headroom for new comparison floorspace in Porthcawl under Scenario B at 2021 ranges between 3,853 (Do Nothing) and 4,104 sqm net (Very High Growth).

Figure 4.16c-2 Porthcawl Comparison Goods Headroom– Scenario C

Year	1 - Do Nothing	2- UDP Growth Strategy	3 - Trend Based	4 - High Growth	5 - Very High Growth
2016	3,304	3,328	3,355	3,429	3,465
2021	3,376	3,411	3,451	3,561	3,614

Source: CACI Analysis (2008)

4.10 The headroom for new comparison floorspace in Porthcawl under Scenario C at 2021 ranges between 3,376 (Do Nothing) and 3,614 sqm net (Very High Growth).

4.11 Currently, the only known proposal that would have an impact on future levels of is that of a new supermarket, that would likely provide circa 500 sq m net of floorspace for the sales of comparison goods.

Figure 4.17a-2 Bridgend Comparison Goods Headroom– Scenario A

Year	1 - Do Nothing	2- UDP Growth Strategy	3 - Trend Based	4 - High Growth	5 - Very High Growth
2007	12,071	12,071	12,071	12,071	12,071
2011	8,609	8,692	8,784	9,003	9,115
2016	8,505	8,638	8,795	9,200	9,401
2021	8,904	9,102	9,333	9,933	10,228

Source: CACI Analysis (2008)

4.12 The headroom for new comparison floorspace in Bridgend under Scenario A at 2021 ranges between 8,904 (Do Nothing) and 10,228 sqm net (Very High Growth).

Figure 4.17b-2 Bridgend Comparison Goods Headroom– Scenario B

Year	1 - Do Nothing	2- UDP Growth Strategy	3 - Trend Based	4 - High Growth	5 - Very High Growth
2016	16,308	16,478	16,668	17,198	17,455
2021	16,819	17,072	17,355	18,135	18,513

Source: CACI Analysis (2008)

4.13 The headroom for new comparison floorspace in Bridgend under Scenario B at 2021 ranges between 16,819 (Do Nothing) and 18,513 sqm net (Very High Growth).

Figure 4.17c-2 Bridgend Comparison Goods Headroom– Scenario C

Year	1 - Do Nothing	2- UDP Growth Strategy	3 - Trend Based	4 - High Growth	5 - Very High Growth
2016	19,476	19,662	19,868	20,445	20,725
2021	20,033	20,308	20,616	21,466	21,877

Source: CACI Analysis (2008)

4.14 The headroom for new comparison floorspace in Bridgend under Scenario C at 2021 ranges between 20,033 (Do Nothing) and 21,877 sqm net (Very High Growth).

5.0 BULKY GOODS CAPACITY

5.1 Using Census population projections, EFES based expenditure estimates, estimates of 2007 bulky goods expenditure for each planning zone.

5.2 By using the expenditure for each zone as an estimate of market potential, we are assessing what potential there is for each planning zone, as opposed to actual trading performance.

5.3 This differs from assessing the market potential based upon current bulky-goods trading patterns, which would clearly demonstrate currently almost all expenditure being directed to the Retail Parks located just outside of Bridgend Town Centre, as observed in the Colliers Retail Study.

5.4 In doing so, our assessment will identify headroom with respect to "ideal" trading patterns, whereby each planning zone retains a level of bulky-goods expenditure commensurate with the size of its resident population.

5.5 Figure 5.2 summarises the process of estimating the market potential for Bulky Goods provision in each planning zone, according to the logic applied above.

Figure 5.2 –Planning Zone Statistics for Bulky Goods 2007

Planning Zone	Residential Zone Population	Resident Spend per capita	Estimated Bulky Goods Goods Market Potential (£'s per annum)
Maesteg	25,968	£577.9	£15,006,816
Porthcawl	43,109	£591.7	£25,509,684
Bridgend	94,759	£592.4	£56,132,370
Total	**163,836**	**£589.7**	**£96,609,636**

5.6 In terms of estimating growth in residential spend, CACI have only applied assumptions of population growth. This is because the current trends on bulky spend per capita are complex, due to prices deflating in many areas, mainly attributable to cheaper imports.

Figure 5.4-2 Maesteg Bulky Goods Headroom

Year	1 - Do Nothing	2- UDP Growth Strategy	3 - Trend Based	4 - High Growth	5 - Very High Growth
2007	4,026	4,026	4,026	4,026	4,026
2011	3,838	3,858	3,881	3,935	3,963
2016	3,552	3,585	3,624	3,724	3,774
2021	3,651	3,699	3,757	3,905	3,978

Source: CACI Analysis (2008)

5.7 The headroom for new bulky goods floorspace in Maesteg at 2021 ranges between 3,651 (Do Nothing) and 3,978 sqm net (Very High Growth).

Figure 5.5-2 Porthcawl Bulky Goods Headroom

Year	1 - Do Nothing	2- UDP Growth Strategy	3 - Trend Based	4 - High Growth	5 - Very High Growth
2007	7,972	7,972	7,972	7,972	7,972
2011	7,651	7,686	7,725	7,817	7,864
2016	7,165	7,221	7,287	7,458	7,542
2021	7,333	7,416	7,513	7,766	7,890

Source: CACI Analysis (2008)

5.8 The headroom for new bulky goods floorspace in Porthcawl at 2021 ranges between 7,333 (Do Nothing) and 7,890 sqm net (Very High Growth).

Figure 5.6-2 Bridgend Bulky Goods Headroom

Year	1 - Do Nothing	2- UDP Growth Strategy	3 - Trend Based	4 - High Growth	5 - Very High Growth
2007	113	113	113	113	113
2011	-2,823	-2,747	-2,662	-2,459	-2,356
2016	-3,892	-3,769	-3,624	-3,249	-3,063
2021	-3,523	-3,340	-3,127	-2,571	-2,298

Source: CACI Analysis (2008)

5.9 The headroom for new bulky goods floorspace in Bridgend at 2021 ranges between −3,523 (Do Nothing) and −2,298 sqm net (Very High Growth).

5.10 Compared with the spend available in this zone, there is currently almost exactly the "ideal" amount of bulky goods floorspace provision, with a current headroom of just 113 sq m net. Taking into account the committed floorspace of 2,230 sq m net at the Bridgend Day Centre, there would be negative headroom, i.e. a surplus of floorspace compared to the "ideal" amount.

5.11 Therefore there is no additional need for floorspace over and beyond that already in open and that already committed.