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APPENDICES (Reproduced in a separate Volume 2)

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GLOSSARY OF TERMS

Catchment Area	The geographical area from which Bridgend County Borough attracts the majority of its retail turnover.
Core Catchment	Comprises the area (or zones) from which named centres or stores attract the majority of generated retail expenditure (ie. 51% or more).
Primary Catchment	Comprises the areas from which named centres or stores attract the largest single flow of generated retail expenditure (note: this may be less than 50%).
Secondary Catchment	Comprises the remaining areas from which named centres or stores attract 10% or more of generated retail expenditure.
Tertiary Catchment	Comprises all remaining areas from which named centres or stores attract 2% or more of generated retail expenditure.
Comparison Goods	Consumer expenditure on non-food shopping.
Convenience Goods	Consumer expenditure on food and grocery shopping.
Expenditure Leakage	Proportion of retail expenditure generated within a centre's (or store's) catchment area that is not spent within the centre (store).
Expenditure Retention	The turnover of a centre (or store) expressed as a proportion of the total amount of retail expenditure generated within its catchment area.
Headroom Expenditure	The quantum of consumer expenditure that will be available within the catchment areas of named centres to support additional retail floorspace.
Household Telephone Survey	A telephone survey of households located throughout Bridgend County Borough and its shopping hinterland, providing data on shopping trip patterns and expenditure flows for food and non-food shopping.
Market Share	The proportion of generated retail expenditure in any area that is spent at a particular centre or store.

Retail Capacity (or quantitative need)	The amount of additional retail floorspace which will be supported in Bridgend County Borough in the future given the growth in population and consumer expenditure per head.
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1. INTRODUCTION

Terms of Reference

1.1 Colliers CRE was appointed by Bridgend County Borough Council in September 2002 to prepare a retail (floorspace) need assessment of the borough.

1.2 The main objectives of the study were as follows:-

- to update the existing Bridgend Retail Need Assessment prepared by Colliers CRE (then Colliers Erdman Lewis) in February 2000;
- to extend the forecast period of the need assessment from 2011 to 2016, which is the end date of the Deposit Unitary Development Plan (UDP);
- to ensure that the assessment is based on the latest available source data (eg. consumer retail expenditure, population change and shopper behaviour).

1.3 In responding to these objectives, the Council requires that the following major elements of work are carried out:-

- a household telephone survey of a sample of residents living within the Bridgend area in order to quantify the present pattern of shopper behaviour;
- an assessment of the quantitative need (or retail capacity) for further retail floorspace provision within Bridgend County Borough through to 2016; the analysis to be separately undertaken for the following broad categories of retailing provision:-
 - convenience goods
 - non-bulky comparison goods
 - bulky comparison goods
- particular advice on whether there is sufficient quantitative need for one or both of the existing proposals for major new food-based superstore's within Bridgend.

- 1.4 In discussions with officers of Bridgend County Borough Council, it was confirmed that the main emphasis of the study should be on assessing the quantitative need for new retail development within the borough, and, in particular, within Bridgend itself. Furthermore, also by way of clarification, this study does not include any retail impact assessments of current or proposed major retail developments in the borough. These assessments should be made by intending developers in the first instance with the Council having the option of commissioning expert critical appraisals of such assessments as part of the development process.

Background to the Study

- 1.5 The current development plan for the Bridgend area comprises the Mid Glamorgan Replacement Structure Plan, the Mid Glamorgan Mineral Local Plan for Limestone Quarrying and the Ogwr Borough Local Plan. These three plans have an end date of 2006.
- 1.6 Government legislation requires that each Unitary Authority in Wales, including Bridgend County Borough, should prepare a Unitary Development Plan (UDP).
- 1.7 The Deposit UDP for Bridgend County Borough has been prepared by the Council. It consists of both strategic and local planning policies, and covers the period to 2016.
- 1.8 When adopted, the UDP will replace the existing development plans listed in paragraph 1.5.
- 1.9 This retail need assessment is being prepared to assist the officers of Bridgend County Borough Council finalise future planning policy regarding shopping development in the area.

Study Approach

- 1.10 In carrying out this study we have had regard to Government advice in the Planning Policy Guidance Notes, and Structure and Local Plan framework policies. In addition, we have drawn on our wider experience of retailing and experience gained in undertaking retail need / capacity studies in many other parts of the country. Specifically, we have sought to combine experience in terms of:

- Research
- Planning
- Retail Property Transactions

As such the study seeks to blend detailed **research** with relevant **commercial expertise** provided by the company's research and retail agency departments.

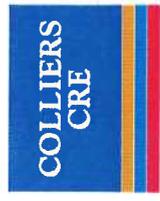
- 1.11 The research element has been an important feature of this study. A telephone survey of 1,000 households living within Bridgend County Borough and its immediate shopping hinterland has been carried out. We use the results of the household survey to help quantify shopping trip patterns and flows of retail expenditure between residential areas (where people live) and retail centres (where people spend). This assessment of shopper behaviour helps underpin our analysis of quantitative retail floorspace need.
- 1.12 The organisational structure for the survey work is summarised in **Figure 1.1** overleaf. For all our surveys we sub-contract the fieldwork to Beacon Research, with whom we have worked closely for many years.
- 1.13 We gratefully acknowledge the assistance of all organisations and individuals who have assisted in the preparation of this study. Whilst we have had full regard to the views expressed, this report reflects our own conclusions.

Structure of the Report

- 1.14 Our report is in two volumes. **Volume 1** (this volume) comprises the Consultants Report and specifically addresses our Terms of Reference. **Volume 2** contains the detailed technical appendices including the main results of the household survey and the detailed retail capacity tables. The two volumes should be read together.
- 1.15 In terms of this volume, **Section 2** describes the key retail, economic and property market trends at the national level, and draws on recently published data as well as the results of our own in-house research. The purpose of this review is to provide a retail context for the rest of the study.
- 1.16 In **Section 3**, we consider the retail hierarchy of the sub-region and describe the role being performed by Bridgend County Borough. We also define and map the catchment areas of the



BRIDGEND
County Borough Council



Freelance
Interviewers
IQCS*
Subject to Market
Research Society
rules and regulations

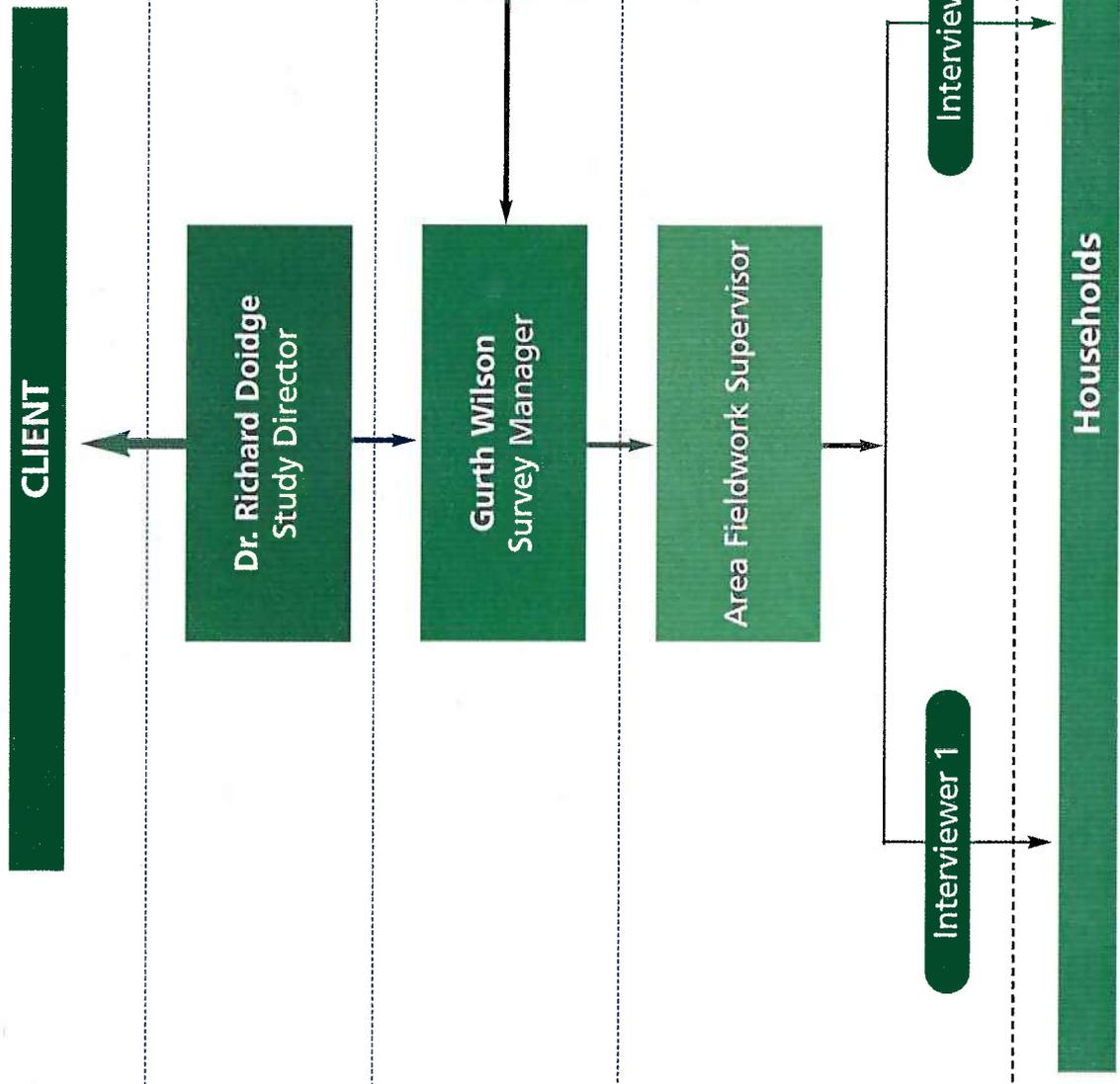
Target
Market

*Interviewer Quality Control Standard



Organisational Structure for Survey Work

Fig. 1.1



town centres of Bridgend, Maesteg and Porthcawl for both convenience and non-bulky and bulky comparison goods shopping.

- 1.17 **Section 4** considers the qualitative need for new retail development within Bridgend County Borough. The report first describes the background to qualitative need and identifies the key components of qualitative need. It then examines qualitative need through a retail overview of the town centres of Bridgend, Maesteg and Porthcawl, together with a consideration of the quantity and quality of out of centre shopping provision. Our conclusions on qualitative need feed through into our later analysis of quantitative need.
- 1.18 In **Section 5**, we look to the future and quantify the scope (or capacity) for additional convenience and comparison goods retail floorspace within Bridgend County Borough. This quantitative need assessment is carried out for forecast years 2006, 2011 and 2016.
- 1.19 In the light of our assessments of quantitative need (Section 5) and qualitative need (Section 4), in **Section 6** we present our recommendations to the Council in respect of the need for additional retail floorspace provision within Bridgend County Borough through to 2016 (the end date of the UDP).

2. RETAILING – TRENDS AND NATIONAL CONTEXT

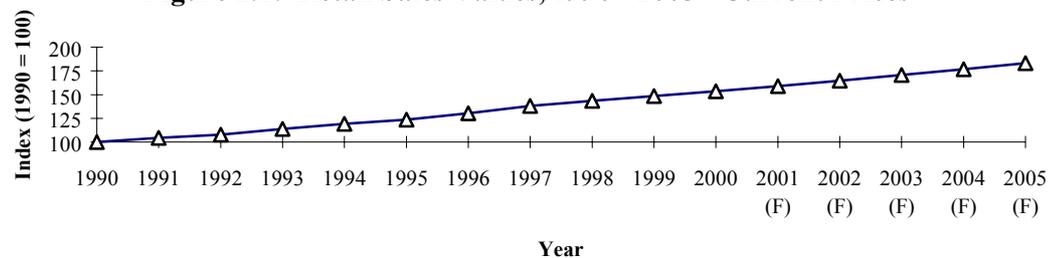
Introduction

2.1 Although the main emphasis of this study is on preparing quantitative retail floorspace need assessments for Bridgend, Maesteg and Porthcawl, it is useful to set local shopper behaviour, retailer intentions and town centre performance within the context of national retail and consumer trends. Retailing is a dynamic industry and the way it evolves will have important implications for all parts of the UK, including Bridgend County Borough.

Retailing - Periods of Rapid Change

2.2 During the 1980s and 1990s the UK retailing industry underwent a radical transformation. Fired by a growing volume of consumer spending, a considerable economic boom occurred. **Figure 2.1** illustrates the growth in retail sales since 1990. Between 1990 and 2000, for example, retail sales rose by more than 50%. This rapid increase was due to the easy availability of credit, a booming house market and increasing consumer confidence which translated into consumer expenditure. Many of these trends continue to the present day.

Figure 2.1: Retail Sales Values, 1990 - 2005 - Current Prices



Source: Verdict Forecasts Retailing, 2005.

2.3 The general buoyancy and demand was correspondingly underpinned by important changes on the supply side, notably:-

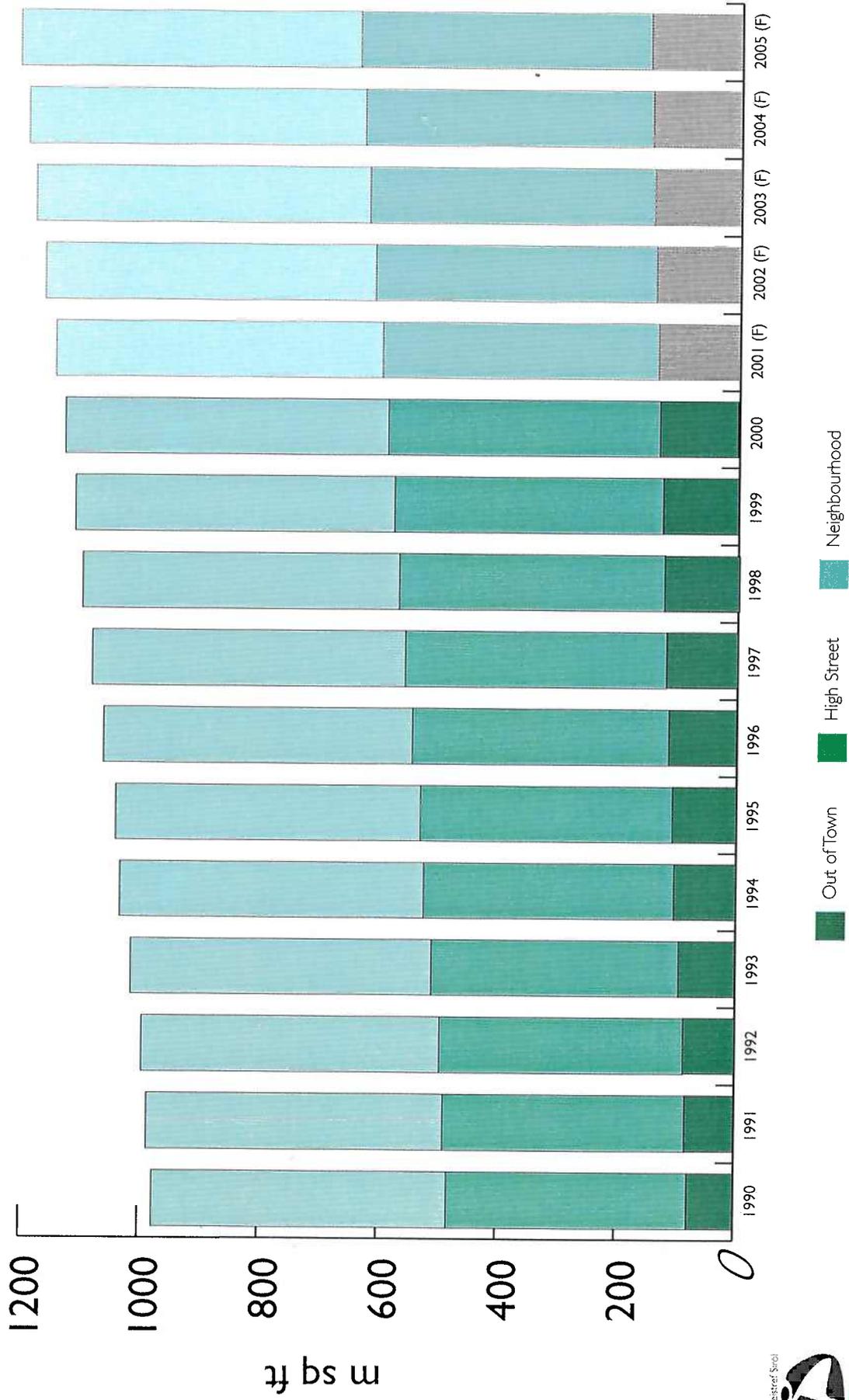
- the advance of superstores and multiple retailers;
- achievement of larger economies of scale;
- introduction of attractive new store designs and systems of product presentation;
- superior systems of stock control and replacement.

- 2.4 A new generation of consumers was courted by new retailers focusing heavily on design and market segmentation (e.g. Next, Tie Rack, Body Shop). The aggressive expansion of new retailers added further pressures to a widespread demand for a limited resource, i.e. prime sites on the high street and in shopping centres. However, this was confined almost entirely to large towns and cities such as Cardiff, rather than smaller centres such as Bridgend, Maesteg and Porthcawl.
- 2.5 The 1980s also saw a period of financial deregulation. High Street sites were in competition and eagerly acquired by such service providers as banks, building societies and estate agencies.
- 2.6 All these market changes put upward pressures on the level of shop rents as a consequence of the “race for space”. Between 1984 and 1988 rents nationally increased by over 60%. This large increase was vastly in excess of the underlying growth in retail sales and consumer expenditure (25% and 23% respectively). As retailer demand continued to fuel rental growth, new shopping developments in town centres and out of centre became viable. This took the form of both major centre schemes, retail parks and smaller “courtyard” developments, sometimes in secondary locations in the larger centres.
- 2.7 Between 1987 and 1996 the quantity of out of centre floorspace in the UK grew by over 87% (an increase of around 4.9 million sq m), whereas the equivalent figure for in-town retail floorspace showed a growth of only 0.7% (less than 0.2 million sq m). Thus, in floorspace terms virtually the whole of the net additional growth in the UK retail sector between 1987 and 1996 was out of centre. During this time migration of the main out of centre sectors from the high street created space into which the more traditional high street retail sectors expanded. Changes in the quantum and composition of the UK retail floorspace stock are summarised in **Figures 2.2 to 2.4**, overleaf. By the end of 2000 out of centre shopping accounted for 25% of total retail space and 32% of retail sales, with forecasters predicting increases in these proportions to 27% and 36% respectively by 2005.
- 2.8 In relation to high street retail the 1980s and 1990s saw an increasing concentration of shopping provision within the UK's largest city and town centres. By 2000, for example, the top 100 locations accounted for an estimated 36% of (town centre) floorspace and 58% of sales.



UK Retail Floorspace by Location 1990 - 2005

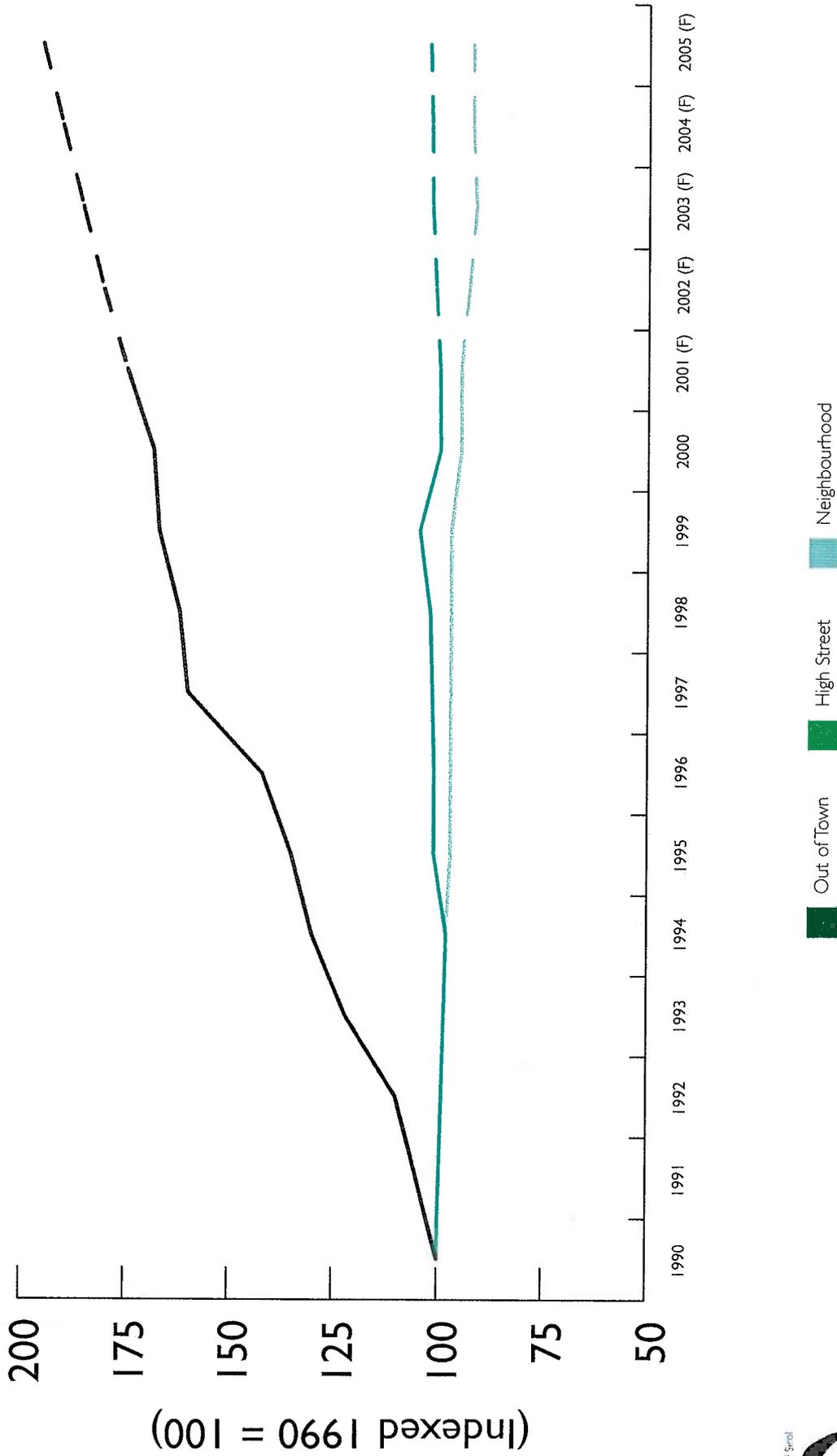
Fig. 2.2





Changes in Stock of Retail Floorspace by Location 1990 - 2005

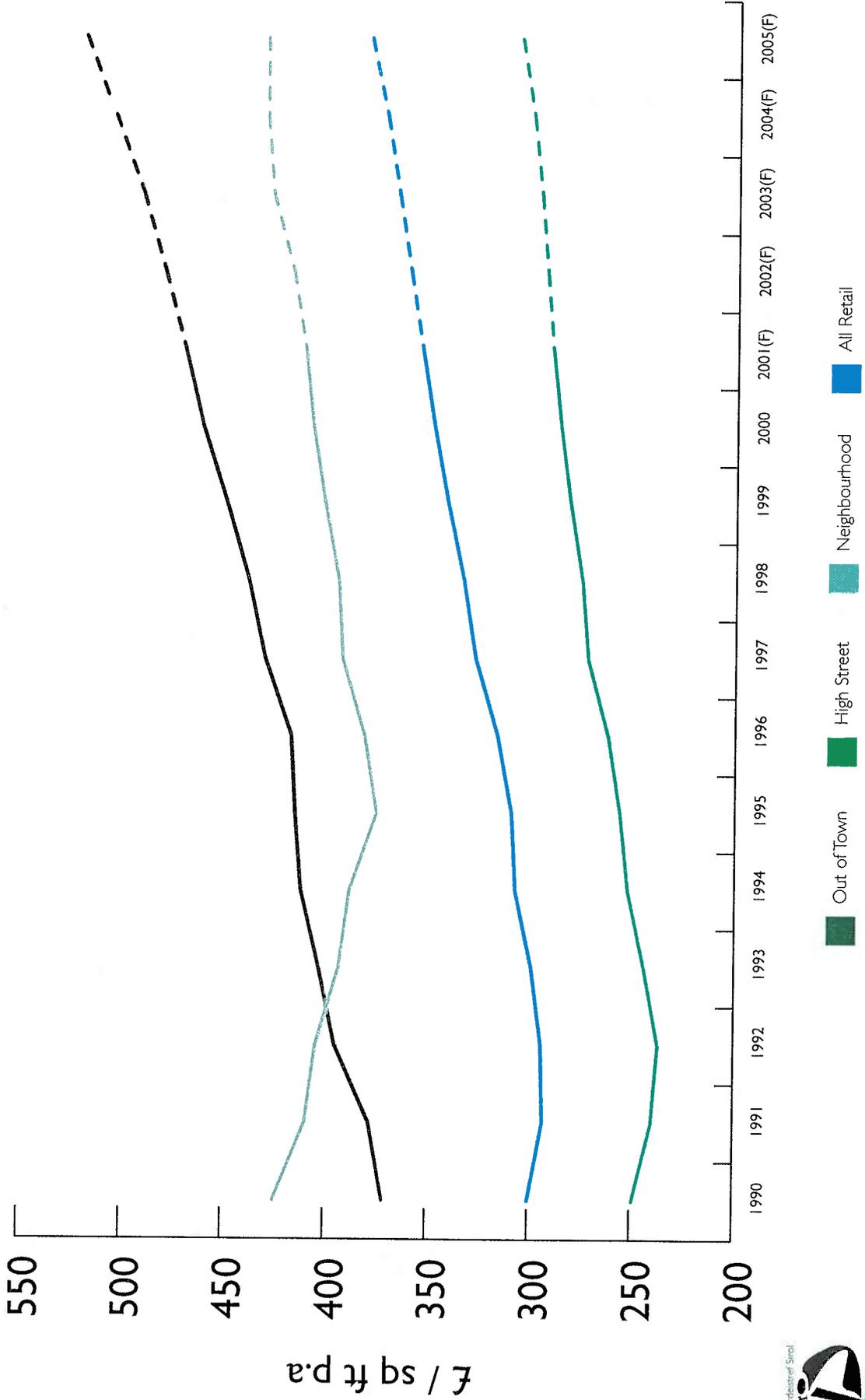
Fig. 2.3





Sales Densities by Location, 1990 - 2005
(at constant 1995 prices)

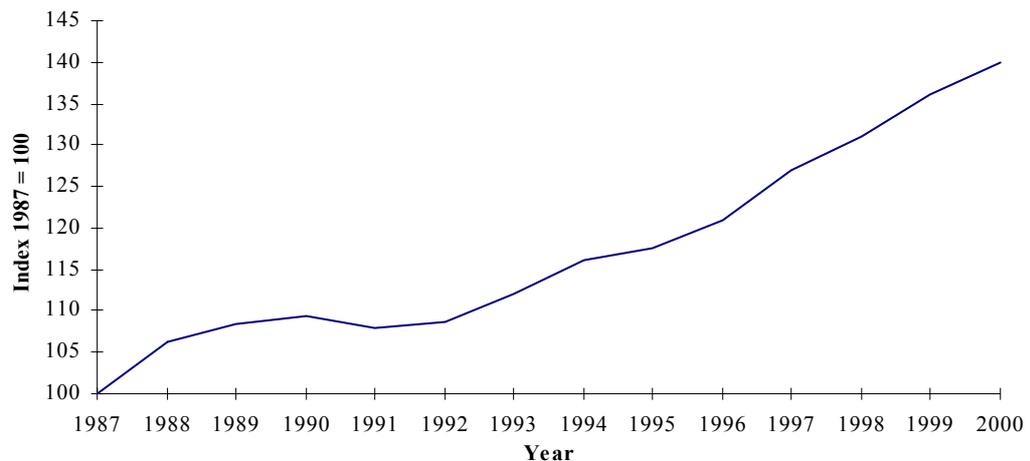
Fig. 2.4



Recession and Retailing

- 2.9 The results of the onset of the recession at the end of the 1980s are well documented - a virtual standstill in retail sales and a sharp decline in the fortunes of high street stores. From 1989 to the end of 1992, the general trend in retail sales at constant prices (ie. discounting for inflation) was static (see **Figure 2.5**) in marked contrast to the expectations on which some retailers' business plans were based.

Figure 2.5: Retail Sales Volumes 1987 - 2000



Source: Adapted from Retail Verdict: Out-of-Town v/s The High Street, August 1997 and Verdict on the High Street, 2000

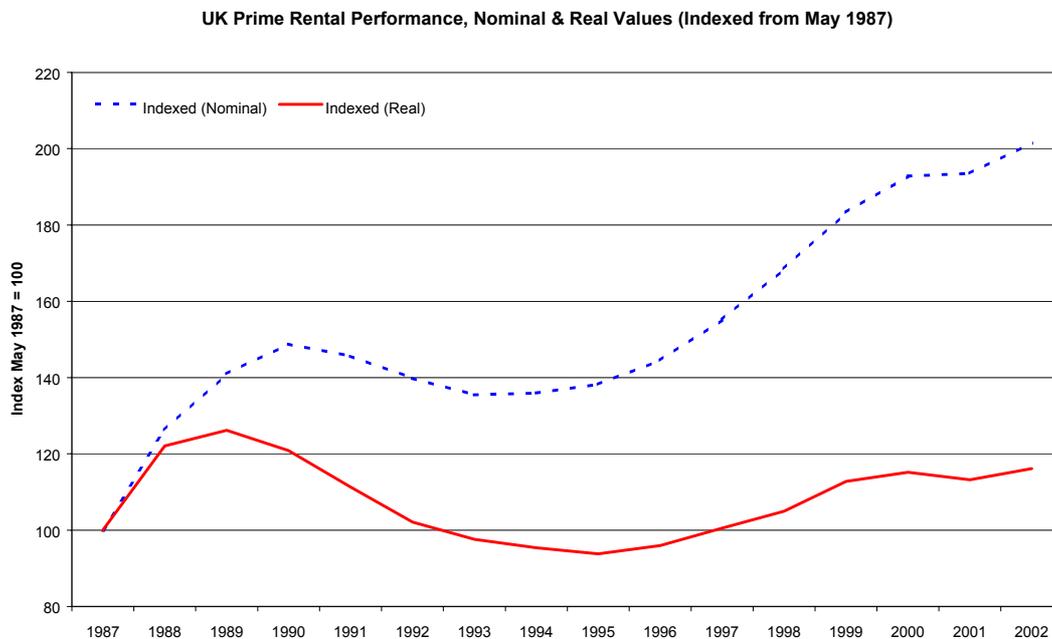
- 2.10 High rents and low sales resulted in many retailers (multiples and independents) having a particularly difficult time. Some retailers closed down or down-sized their holdings considerably. This period also saw the growth of the “discounters” (food and non-food) as consumers became very cost conscious. In addition, charity shops proliferated as landlords tried to recoup lost income from voids arising from the downturn. This period was characterised as being very much a tenants market as tenants had substantial negotiating clout resulting from the downturn.

Improving Fortunes and Further Evolution

- 2.11 Since 1996, growing consumer confidence has once again encouraged retailers to expand with strong competition for prime sites and a resultant increase in prime rents (see **Figure 2.6** overleaf). Although prime rents have now been rising each year since 1993-94, in real terms (i.e. after taking inflation into account) values still remain lower than those achieved more than a decade ago. In absolute terms, the average UK prime rent rose from £538 per sq m (£50 per sq. ft) in 1987 to £807 per sq m (£75 per sq. ft) in 1990 before falling back to

£732 per sq m (£68 per sq. ft) in 1993. Since then, the average rent has increased annually to reach £1079 per sq m (£102 per sq. ft) in May 2002.

Figure 2.6: Average UK Prime Rent 1987-2002



Source: Colliers CRE In-Town Retail Rents Database

- 2.12 The general confidence in retail markets since 1996 has been the result of a buoyant national economy, resulting in increasing consumer affluence and confidence. Positive economic indicators included a growth in Gross Domestic Product (GDP), relatively low inflation and falling unemployment. This confidence in the economy has seen improvement in rents across all property sectors. Property also witnessed a significant increase in investment from institutional investors.
- 2.13 Over the past few years the principal demand for space in the high street has come from retailers trading in the mobile phone and coffee shop sectors, which resulted in strong demand for small units. However, the more recent dampening of these two markets had led to the re-emergence of demand from all sectors of the retail market. In turn this has resulted in more balanced rental growth across all unit sizes.
- 2.14 Retailers are responding to the emerging consumer needs by focusing more on the establishment of larger shops that are able to provide the full range of their products at a competitive price. According to Verdict, high street stores are now 25% larger than a decade

ago as retailers such as Marks & Spencer and Next strive to expand floorspace to accommodate broader ranges and services. Typically, these new “mega” shops are located in the larger “quality” town centres where catchment populations are considerable and affluent, and where retailers can maximise market share through a more focused branch network.

- 2.15 There is also a growing element of convergence between retailing and leisure. Both retailing and leisure have a developing synergy so that the shopping trip is now increasingly seen as a “day out” rather than a regular routine or chore. An example of this trend is the shopping trip which in itself is undertaken as a leisure activity. This is particularly well illustrated by the new breed of factory outlet centres which have opened throughout the UK, where research which we have undertaken shows that up to 75% of visits are essentially leisure based trips and are “net additional” to regular visits made to the high street.
- 2.16 Further segmentation has also occurred in the wider retailing scene with competition from “A3” uses such as the growing number of speciality coffee shops. There has been growing pressure and competition from café, snack bar, restaurant and licensed retail operators (e.g. JD Wetherspoon), responding to the trend of people choosing to eat out more regularly and contributing to the concept of the evening economy. This has inevitably put pressure on rents in prime and secondary locations.
- 2.17 In key centres, international retailers are also very active. The best example of this is central London, where locations such Oxford Street, Bond Street and Regent Street have attracted an influx of major names including Armani, Donna Karan, Louis Vuitton and Gianni Versace. However, demand from overseas retailers is also strong in a number of the other major regional centres such as Manchester, Glasgow and Leeds.

Current Planning Policy

- 2.18 Retailers and developers have largely adjusted to Government planning guidance set out in Planning Guidance (Wales) (April 1999) and more recently, Planning Policy (Wales) (March 2002). These gave pre-eminence to town centres and locations accessible by a variety of means of transport and are fundamental elements of the Government’s sustainable development strategy. Both documents in many ways seek to determine behaviour, rather than manage/ control market forces. The requirement to demonstrate “need” and the

“sequential approach” to new retail development are both having major implications for out of centre retailing and the expanding leisure industry.

- 2.19 The government is currently seeking ways to simplify planning policy and the planning process.

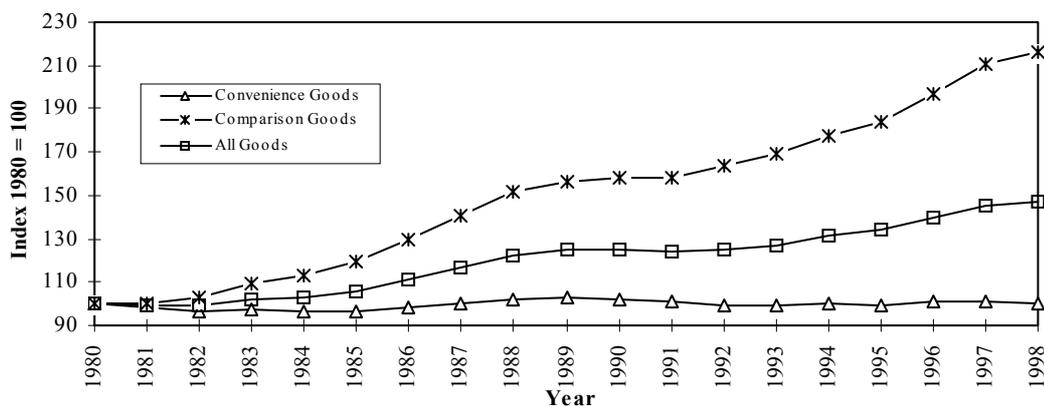
Out of Town Retailing and Leisure

Food

- 2.20 Food retailers continued to expand through the recession of the early 1990s, particularly in out of centre locations. The slow growth in convenience goods expenditure (illustrated in **Figure 2.7**) contributed to the expansion plans of food retailers by forcing them to fight for market share and to benefit further from economies of scale. The logic appears to be that to increase market share and profits, there is a need to increase floorspace.

- 2.21 In the past, increasing floorspace was achieved mainly through new superstore development, especially out of centre. However, with government planning policy curtailing opportunities out of centre, the major operators are increasingly looking to extend their existing stores. Extensions are used to accommodate non-food ranges which have lower sales densities (than food) but generate better margins. Larger stores also enable food store operators to diversify into services (e.g. coffee shops, dry cleaners, shoe repairers and photographic processing).

Figure 2.7: Consumer Retail Expenditure per Head by Goods Type, Annual Average for the UK (1995 prices) between 1980 and 1998



Source: MapInfo Information Brief 99/2 - September 1999



- 2.22 Smaller store formats have been devised by a number of major food store operators and this has also spearheaded the movement back to town centres. An example of one of the new formats is Tesco with its “Metro” and “Express” concepts. The promotion of town centre living, along with the growth in one person households as well as an increasingly ageing population, has created a market for in-town supermarkets.
- 2.23 The growth in the floorspace (and market share) of the multiples has been largely at the expense of the Co-ops and Independents (**Table 2.1**). Food retailers of all sizes are now targeting towns that had previously been considered as having marginal opportunities, or even being too small.

Table 2.1: Grocers Shops by Type 1961, 1980 & 1998

	1961		1980		1998	
	(Number)	(%)	(Number)	(%)	(Number)	(%)
Multiples	17,000	11.6	6,700	11.5	5,350	18.9
Co-ops	14,000	9.5	6,370	11.0	2,335	8.2
Independents	116,000	78.9	45,000	77.5	20,654	72.9
Total	147,000	100.0	58,070	100.0	28,339	100.0

Source: Verdict on Grocers & Supermarkets 2000

Non-Food

- 2.24 Following many years of rapid growth, the out of town retail warehouse sector suffered a down-turn at the end of the 1980s. By the mid 1990s it had recovered and today it is one of the strongest of the retail sectors. This renaissance derives from a series of innovations which, when combined, create the modern purpose-built retail park. Schemes built in the early 1980s are being examined critically and some are being redeveloped or extended. Free-standing (“solus”) units are rapidly becoming outmoded. Some units are reducing in size from that typically required by DIY operators 3,716 sq. m (40,000 sq. ft) to units of 465-930 sq. m (5,000-10,000 sq. ft) to meet the new range of retail warehouse or “showroom” occupiers.
- 2.25 The retail warehouse market continues to segment as it matures. Prime rents are paid for space on purpose built retail parks which are accessible by a large catchment population and which benefit from an “open” (non food) retail planning consent (the first tier - “superprime”). In other locations, premiums are being paid by a wider range of retailers

(typically for smaller retail warehouses) having such a planning consent (the second tier). With the increased use of planning conditions to restrict the use of out of town retail warehouses to “bulky goods”, a third tier has developed in investment terms.

- 2.26 Initial yields within out of town retail parks are closing in on the high street, and have now reached 5% for the best schemes.

Leisure

- 2.27 The concept of the out of town leisure park, anchored by a multiplex cinema and bringing together a range of leisure and restaurant uses, evolved rapidly during the 1990s. Like the retail sector, large sites of 4.0 ha (10 acres) or more have typically been sought with a catchment of about 250,000 people in a 20 minute drive time. However, new government planning policy is also beginning to have an impact on the leisure sector, particularly in relation to the sequential approach to site location.
- 2.28 More recently the leisure property sector has seen a period of consolidation and this trend is expected to continue over the next 12 months or so. Expansion in the cinema, bowling and bingo sectors will remain highly selective while the expansion of health and fitness clubs at the premium end of the market is starting to slow.
- 2.29 During the past couple of years a number of city centre based urban entertainment centres have opened (eg. The Light, Leeds; and The Cornerhouse, Nottingham) in which leisure occupiers largely tap into urban dwellers, office workers and students. This is creating a polarisation effect with the established out of town leisure park which retains a more family orientated customer base.

The Future of Out of Centre Retailing and the Implications for Town Centres

- 2.30 The Government through a number of decisions and statements has confirmed its support for town centres and restricting/preventing out of town proposals.
- 2.31 In July 1997 the Government’s Response to the Fourth Report from the House of Commons Select Committee on the Environment, “Shopping Centres”, was published. This states that:

“The Government is firmly committed to the objectives of PPG 6, which seeks to sustain and enhance the vitality and viability of our existing city, town and district centres, to make them the focus for investment, particularly in retail, office, leisure and other appropriate developments, so as to provide easy access to a wide range of facilities and services by a choice of means of transport. Such investment is essential to the regeneration and enhancement of the attractiveness of our town and city centres.” (Paragraph 1).

- 2.32 Although the period of rapid out-of-centre expansion witnessed during the 1980s and 1990s is at an end, Verdict - despite the more stringent planning regime - still forecast that out of centre retailing will continue to gain in terms of store numbers, selling space and total retail sales. The existing development pipeline, an increasing emphasis on store extensions and future consents to proposals that are deemed to meet the sequential approach will help fuel this continuing growth.
- 2.33 While some developers and retailers continue to pursue opportunities away from town centres, increased attention is being given to in-town. From our dealings in the market, we are aware that retailers are increasingly seeking very large footprint premises 930-2,320 sq. m (10,000-25,000 sq. ft) which often do not exist. Accordingly, both developers and retailers are looking to those local authorities which profess commitment to their towns to use their compulsory purchase powers, as encouraged by PPG 6, to assist in site assembly and to improve accessibility. The involvement of local authorities in this way will, we anticipate, become a growing trend.
- 2.34 Developers in the current planning environment continue to cast around for new concepts and variations on the theme, as restrictions apply on conventional retail parks. Out of centre retailing has continued to be a leisure focus. For example, there are the now common “drive-thru” restaurants operated by the main fast food operators (McDonalds, Burger King, Kentucky Fried Chicken). These are conspicuously located at the front of retail parks and appear to raise their profile by attracting passing motorists. In addition, drive-thru's work well where there is leisure (cinema / bingo) in addition to retail.
- 2.35 Another important trend is the movement of a range of typical high street comparison goods retailers such as Next, River Island, Boots and WH Smith to out of centre retail locations such as Fosse Park, Leicester. However, the spread of these formats is currently limited by a lack of supply as a result of the tougher planning guidance in PPG 6.

2.36 At the beginning of a new millennium technological advances abound. Internet shopping is now an accepted fact, while shopping via digital television is also gaining popularity.

E-Shopping

2.37 Many familiar high street retailers and out of town retailers have entered the virtual market in recent years. Indeed, since the well publicised demise of the dot.com sector, it is the High Street retailers themselves who are the primary participants in e-tailing as opposed to new non-property based entities.

2.38 Although many retailers now recognise they need some exposure to this media, which continues to evolve, e-tailing has not sounded the death-knell for the High Street as predicted by most commentators some years ago.

2.39 No one is in any doubt that e-shopping is growing, and it will undoubtedly come to play a significant part in the retail sector. However, to put this emerging market in context one needs to look at the future of the retail sector as a whole. It is useful, for example, to chart the recent and future changes in retail sales in the UK. Between 1998 – the year in which e-tailing really began – and 2005, it is estimated that sales will grow by 30% in real terms. In monetary terms, this represents a growth in retail turnover of around £60 billion over the seven year period – all on the back of rising consumer expenditure.

2.40 Market research firm Verdict has estimated that in 1998, e-shopping accounted for around £400 million of sales and forecast that at 2005 it will have grown to around £12.5 billion (1995 prices) – an increase of more than 30 times. However, even with this extreme level of growth, by 2005, e-shopping will account for just 5% of total retail sales. To put this in context, the expected growth of the e-shopping market between 1998 and 2005 of some £12 billion will represent only 20% of the overall **increase** in UK retail sales of £60 billion over the same period. Therefore, a net additional £48 billion in overall sales will still be available to support conventional shopping.

2.41 This, of course, is for the whole UK retail market, but we believe, the high street in particular stands to gain a great deal of this growth. This is because the increasingly stringent planning guidelines such as PPG 6 and 13 have resulted in a declining pipeline for new out-of-town retail floorspace.

- 2.42 Therefore, according to our research, it seems that e-shopping will not have a detrimental effect on the high street despite the fact that it is set to grow very quickly. We believe e-shopping will merely soak up some of the **growth** in retail spend; it will not divert existing sales away from high street shops, but capture some of the retail turnover which would otherwise have gone out-of-town.
- 2.43 At present there is no hard information currently available on the likely volume of e-shopping retail sales over the longer term. We do not expect e-shopping to comprise a significantly higher proportion of sales than that estimated by Verdict for 2005, and even this estimate is likely to include some (or a lot) of cannibalisation of sales from existing mail order channels. Moreover, around 90% of the growth is an expectation of future increases in sales, while only 10% is based on actual sales to date (1998-2000). Clearly, virtually all the hype remains to be converted into real purchases for the forecasts to be achieved in practice.
- 2.44 It is also worth noting trends in the USA, which is several years ahead of the UK in terms of e-shopping. The first official government figures (as opposed to the hype put out by the dot coms) confirms e-shopping is currently running at a maximum of just 0.6% of retail sales. This American evidence suggests that talk about the demise of the UK high street is somewhat exaggerated. Town centres have on the whole successfully withstood the impact of out of town shopping, which now accounts for 32% of overall retail sales; clearly, e-shopping, which is likely to command a much less significant share of the market is unlikely to provide the “knock-out” blow. Although some retail sales may be harder hit than others (e.g. books, CD’s and videos), we believe that e-shopping will largely complement the retail activities of most high street retailers rather than act as a substitute.

Retail Outlook

- 2.45 High Street retailing was in equilibrium in mid 2001, at which point the supply of shop units was in balance with the demand for them. Since then, however, despite the events of September 11th 2001, occupier demand has improved reflecting a robust economic climate and increased consumer affluence. This positive performance has fed through into prime rental growth of 4.1% between mid 2001 and mid 2002. This compares to just 0.4% during the previous year (2000/01).
- 2.46 The key characteristics of the in-town retail market are as follows:-

- location, location, location is being replaced by size, configuration and value for many as retailers concentrate on profit instead of turnover;
- Colliers CRE forecast that prime rents will grow by 3.2% in 2002 and 3.3% in 2003; with the south of the country achieving the biggest gains – rental growth above inflation is likely to add fuel to the return of investors to the market;
- retail demand is for all unit sizes although bigger is better;
- while the number of shopping centre openings in 2001/2 has been relatively low the next cycle is underway and the development pipeline is now reaching a size not witnessed for over a decade;
- after many years in the doldrums, department stores are gaining in popularity with consumers as a result of the range and choice of products for sale under one roof and the quality of service on offer; the ageing customer base of the UK is also fuelling the growth of the sector and while major city centres are the principal locations, some operators such as Debenhams are considering small towns with populations of 75,000 for a mini-department store format.

2.47 The ‘exodus’ of high street retailers to out of town is a widely publicised theme. However, Colliers CRE research shows that only 9% of out of town floorspace is in fact occupied by high street retailers, while Next and T K Maxx are the only traders showing any real commitment to the out of town market outside the relatively small number of fashion parks. In most cases seeking out of town representation to replace a high street store is rare and is more to do with the lack of suitable opportunities.

2.48 Obtaining planning consent for an out of town retail development continues to be difficult. Increasingly landlords and operators in the out of town sector are addressing the issue through extensions to existing retail parks and individual superstores. The supermarket operators in particular are also now devising new high street trading formats which are being rolled out from London and the South East to the regions.

2.49 In the leisure sector, it is unlikely that future development will replicate the established leisure parks or urban entertainment centre formats. Instead selected leisure uses will be incorporated into mixed use schemes or shopping centre development and refurbishment projects. These uses are likely to be focused on specific operator demand at the local level –

a marked shift away from the ‘build it and they will come’ development philosophy of the late 1990s.

2.50 In the medium to longer term the retail property market is likely to be impacted by a number of important national trends, the most important of which are:-

- a rapidly ageing population – 2016 it is estimated that there will be 2.1 million fewer people aged under 40 but 3.5 million more people over 40 years of age;
- a declining share of consumer expenditure – although disposable incomes have risen every year for more than a decade, the proportion of expenditure which is spent on retailing goods has fallen from 38.9% in 1990 to 34.6% in 2000 and is expected to decline even further to just 31.6% by 2005;
- an increasing concentration of retail activity in the largest towns and cities – in the 1960s it took 200 retail locations to account for 50% of all UK non-food sales but today this same proportion of turnover is channelled through less than 80 retail centres and the number is forecast to decrease even more.

Summary

2.51 While the retail sector is currently buoyant, with prime rents having risen since 1993, it has been subject to significant fluctuations when looked at over the medium term. A range of new retailers are again seeking large prime sites while the trend both in and out of centre has been towards larger size units. It is for this reason that retail floorspace in the UK has risen over the past decade by around 4.5 million sq m, while shop numbers have fallen by more than 40,000 units over the same period. There is also the view that seeking to prevent out of centre retail development has been left too late. Nevertheless, the restrictions imposed by PPG 6 and PPG 13 are having an effect and opportunities in town centres are increasingly being sought, albeit that some will require the active assistance of the local authority. In addition to the issue of “in-town” versus “out-of-town”, the strengthening role of major retail centres often at the cost of smaller district and local centres needs to be taken into account.

2.52 Finally, general trends within the retail industry should not be ignored. Retailers are constantly monitoring changing trends in fashion and demographics so that consumer demand is satisfied. Retailing is an evolving process with retailers constantly adapting to demand and increasingly analysing and targeting customers. We foresee the implications for

property as being increasing size thresholds, competition for prime space and evolving formats encompassing more leisure.

3. SUB-REGIONAL SHOPPING PATTERNS

Introduction

3.1 In this section we consider the retail hierarchy of the sub-region and describe the present role and performance of Bridgend County Borough as a destination for shopping. We also define and map the catchment areas of the town centres of Bridgend, Maesteg and Porthcawl for convenience and non-bulky and bulky comparison goods shopping. This assessment involves quantifying the extent and pattern of expenditure retention and leakage from the three towns. We also examine the main characteristics of shopping trips and identify the dominant retail centres across the sub-region for the main types of shopping activity. Our assessment is based primarily on data on shopping behaviour drawn from our household survey of Bridgend County Borough and its shopping hinterland.

Survey Methodology and Catchment Area Description

3.2 In order to provide actual empirical evidence on shopping patterns within Bridgend County Borough and the role and function of its town centres, we commissioned a telephone survey of 1,000 resident households throughout Bridgend County Borough and its shopping hinterland.¹ This survey was carried out during October 2002. **Appendix 1** describes the survey methodology, summarises the main results and contains a copy of the questionnaire.

3.3 The main objective of the Bridgend County Borough household survey was to obtain comprehensive information on consumer shopping trip patterns and expenditure flows for convenience goods (food) and non-bulky and bulky comparison goods (non-food) shopping within the sub-region.

3.4 Agreement on the survey methodology was reached with Bridgend County Borough Council prior to commencement of the fieldwork. It was agreed that the survey would concentrate on households living within 13 zones, each defined in terms of postal geography, as is usual.² The zones are identified in **Figure 3.1** overleaf. In total these 13 zones cover the whole of Bridgend County Borough and its immediate hinterland (or shopping catchment area). To ensure as much consistency as possible with the almost identical household survey which we

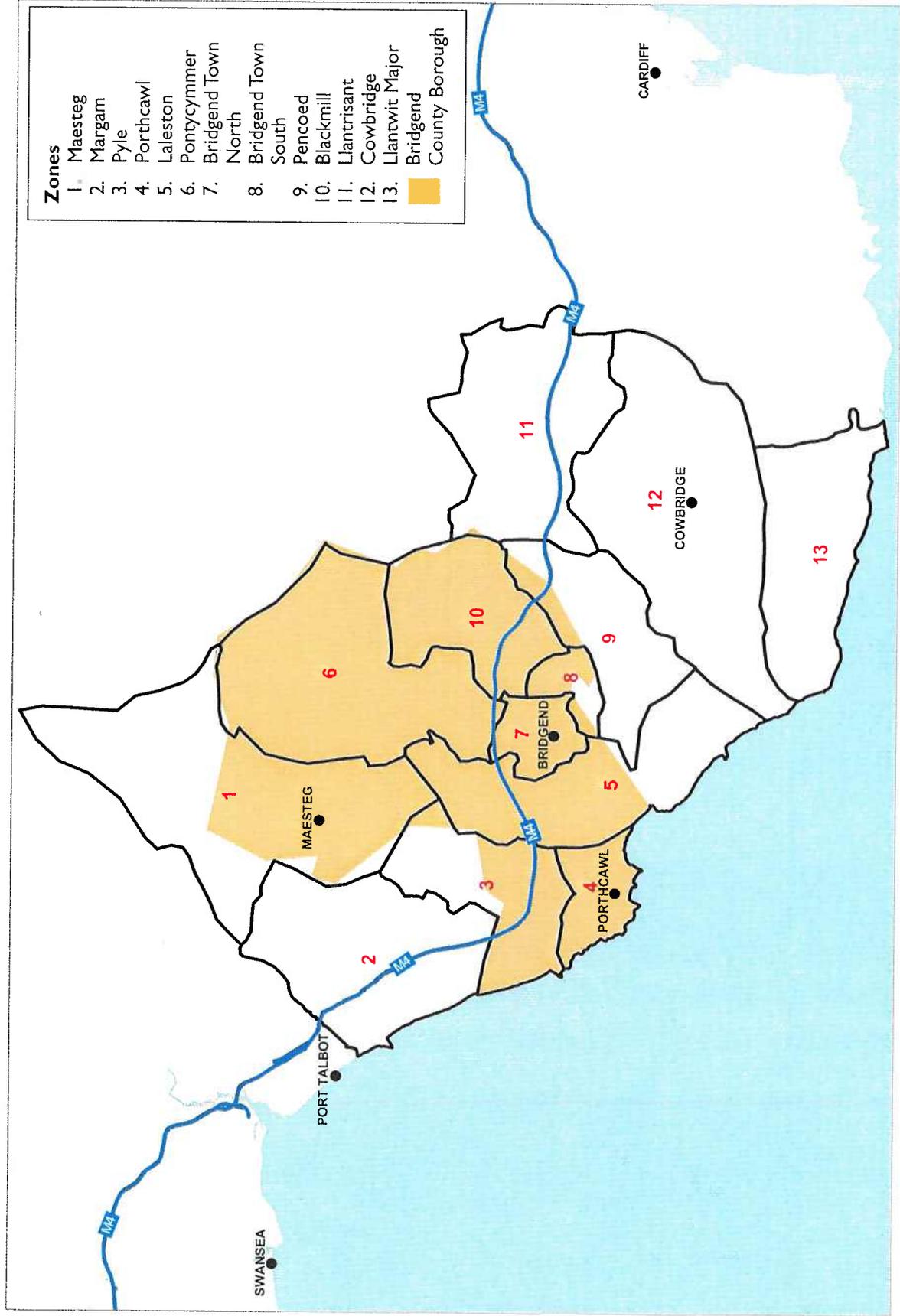
¹ This new household survey updates a similar survey which we undertook as part of our 2000 Bridgend Retail Need Assessment.

² **Appendix 1B** lists the postcode sectors constituting each zone.



The Bridgend County Borough Household Survey Area

Fig. 3.1



carried out in 2000 as part of our previous Retail Need Assessment for the Council, we have largely adopted the same zone definitions. However, in the present survey, in order to enhance the number of interviews in Bridgend itself we have created three zones (7, 8 and 9), whereas previously there was only one. As a counterbalance, we now have only one zone for Porthcawl (zone 4), whilst there were two previously. Overall, the survey area now comprises of 13 zones compared to 12 in the 2000 household survey. The use of zones enables the analysis of flows of retail expenditure throughout the sub-region and permits the individual shopping catchments for different centres and broad categories of goods to be defined.

- 3.5 For the Bridgend household survey, structured interviews were carried out, by telephone, with the person responsible for the main shop in a total of 1,000 households to ascertain their actual shopping patterns and their views. The aim was to achieve around 80 interviews in each zone, in line with the number which is normally accepted as being statistically significant. Adopting what is standard practice, we opted for a consistent absolute sample in each zone, rather than one proportional to zone population. This is because the latter approach would have meant a significantly larger number of interviews overall to ensure a minimum absolute number of interviews in the less densely populated zones. There was not the budget available to adopt this approach, nor was it considered essential.
- 3.6 By adopting a consistent number of interviews within the zones irrespective of the population size of each zone, we accordingly over-sample in some zones and under-sample in others, while maintaining the same overall sample size. At the analysis stage of the survey, the individual samples are then “weighted” to their appropriate representation within the survey population to produce an overall result which is representative of the survey area as a whole. Without the weighting, the less densely populated zones would have a disproportionately large effect on the overall survey results, contrary to their population size. The whole principle of weighting therefore allows the characteristics of less densely populated zones to be accurately represented without the unnecessary cost of a grossly inflated sample.
- 3.7 Within the study area as a whole, we sought to determine the catchment areas of Bridgend, Maesteg and Porthcawl town centres using survey data on expenditure patterns. Our analysis permits the core, primary, secondary and tertiary catchments to be determined for each centre. For the purpose of this study we have adopted the following definitions:

- **core catchment:** comprising those zones from which a centre attracts **the majority** of generated expenditure (i.e. 51% or more);
- **primary catchment:** comprises those zones from which a centre attracts **the largest single flow** of generated expenditure (this may be less than 50%);
- **secondary catchment:** comprises those remaining zones from which a centre attracts **10% or more** of generated expenditure;
- **tertiary catchment:** comprises all remaining zones from which a centre attracts **2% or more** of generated expenditure.

3.8 Beyond the tertiary catchment, the full results show that certain centres may attract even smaller amounts of expenditure from additional zones. Such expenditure flows will typically account for very low proportions of overall centre turnover and can, for most analytical purposes, be ignored. We have therefore excluded these zones from our wider definition of a catchment area.

3.9 In **Appendix 3A**, we describe the demographic profile of the survey area and compare the characteristics of the residential population against the benchmark of Great Britain as a whole. Compared with the national average, the resident population comprises fewer adults under the age of 35, and more middle aged and elderly people. Proportionately more residents are from socio-economic groups C2, D and E1, with fewer C1s and far fewer of the higher (AB) group than is average across GB.¹ In addition, owner occupation is above the national average, whilst proportionately more households than average own more than one car.

3.10 Reflecting this range of socio-economic indicators, the resident population within the survey area has, on average, a marginally below average retail expenditure per person per annum,

¹ Social group categories are defined as follows:

AB – Professional and managerial;

C1 – Intermediate and junior non-manual;

C2 – Skilled manual;

DE – Semi-skilled and unskilled manual, personal service workers (e.g. bar staff, waiters, hairdressers and housekeepers), state pensioners and those on long-term sickness, unemployment and supplementary benefit.

with £1,404 spent on convenience goods and £2,107 on comparison goods.¹ These figures compare to GB average expenditure totals of £1,406 and £2,154 per annum for convenience and comparison goods respectively.

Sub-Regional Shopping Hierarchy

- 3.11 The geographical location of Bridgend County Borough within the wider sub-region is shown in **Figure 3.1** (following page 19). Within the borough there are three towns: Bridgend, Maesteg and Porthcawl – none of which are especially large.
- 3.12 Bridgend County Borough is therefore relatively unusual in that whilst not having large centres of its own, it is located between two major retail destinations – Cardiff and Swansea – which exert a significant influence on the behaviour and shopping trip patterns of its residents. The data on town centre retail floorspace and outlets in **Table 3.1** illustrates the gulf that exists between Bridgend County Borough’s main town centre (Bridgend) and the major cities of Cardiff and Swansea.

Table 3.1: Bridgend vs Cardiff and Swansea: Comparative Analysis

Centre	Retail Floorspace (Sq Ft Gross)					
	Convenience	Comparison	Service	Vacant	Misc.	Total
Bridgend	9,210	26,910	12,650	6,130	400	55,300
Cardiff	6,730	103,310	33,710	13,160	2,390	159,300
Swansea	23,530	90,890	21,140	16,440	1,460	153,460

Source: Experian Goad

Centre	Number of Retail Outlets					
	Convenience	Comparison	Service	Vacant	Misc.	Total
Bridgend	16	146	99	35	5	301
Cardiff	38	371	209	66	16	700
Swansea	29	274	143	72	8	526

Source: Experian Goad

- 3.13 In terms of retail floorspace, for example, Bridgend is just 36% and 35% the size of Swansea and Cardiff respectively. Broadly similar differences occur between the centres in relation to the number of retail units. However, these figures do not fully convey the gap that exists between Cardiff and Swansea city centres and Bridgend, since the retail offer in these larger

¹ Figures are for per person spending in 2000 at 2000 prices and are produced by Experian (see Section 5).

centres is also much stronger due to the presence of many more multiple retailers and major anchor stores.

- 3.14 The true differential in retail attractiveness is confirmed by the annual (vitality score¹) rankings published by Experian. These are summarised in **Table 3.2**.

Table 3.2: Centre Rankings, 1998-2002

Centre	1998 Rank	2000 Rank	2002 Rank
Bridgend	207	241	224
Cardiff	7	9	6
Swansea	49	51	55

Source: Experian

- 3.15 This table shows that whereas Cardiff is rated as one of the “top 10” retail locations in the UK and Swansea hovers around the 50 mark, Bridgend is currently ranked at 224, 17 places lower than in 2000.
- 3.16 The comparisons so far focus only on city/town centre retailing. If shopping provision out of centre is also taken into account the retail offers of Cardiff and Swansea as a whole overshadow that within Bridgend even more. **Table 3.3** compares the city/town centre and out of centre comparison goods retail floorspace totals of the three centres.

Table 3.3: In and Out of Centre Retail Floorspace Comparisons (Sq Ft Gross)

Centre	Town Centre ¹	Out of Centre Supermarkets ²	Out of Centre Retail Warehousing ³	Total
Bridgend	36,120	17,600	29,660	83,380
Cardiff	110,030	68,360	177,200	355,590
Swansea	114,420	29,850	136,350	280,620

(¹) Source: Experian, (²) Source: IGD database, (³) Source: Colliers CRE Retail Warehouse database

- 3.17 Given the major differences between the quantity and quality of the retail offer in Bridgend and Cardiff and Swansea, located to the east and west of the County Borough respectfully, it is not surprising that these two major cities exert an important influence on shopping patterns across the area. Both cities attract retail expenditure from within Bridgend County Borough and this leakage is most pronounced for non-bulky comparison goods shopping. Moreover,

¹ The vitality score is based on a number of factors including number of shops and services, number of multiple traders, floorspace, vacancy and number of key attractors. The ranking of any centre is a relative measure – it is a function of its own and other centres’ vitality scores.

the two cities continue to improve and extend their retail offers such that the extent of expenditure leakage from Bridgend County Borough may be assumed to increase over time unless improvements to retail provision are made locally. This issue is central to our quantitative assessment of retail floorspace need which is set out in Section 5. The scale and pattern with which the surrounding centres impinge on shopping behaviour in Bridgend County Borough is described further as part of our analysis of the catchment areas of Bridgend, Maesteg and Porthcawl which follow.

Town Centre Catchment Areas

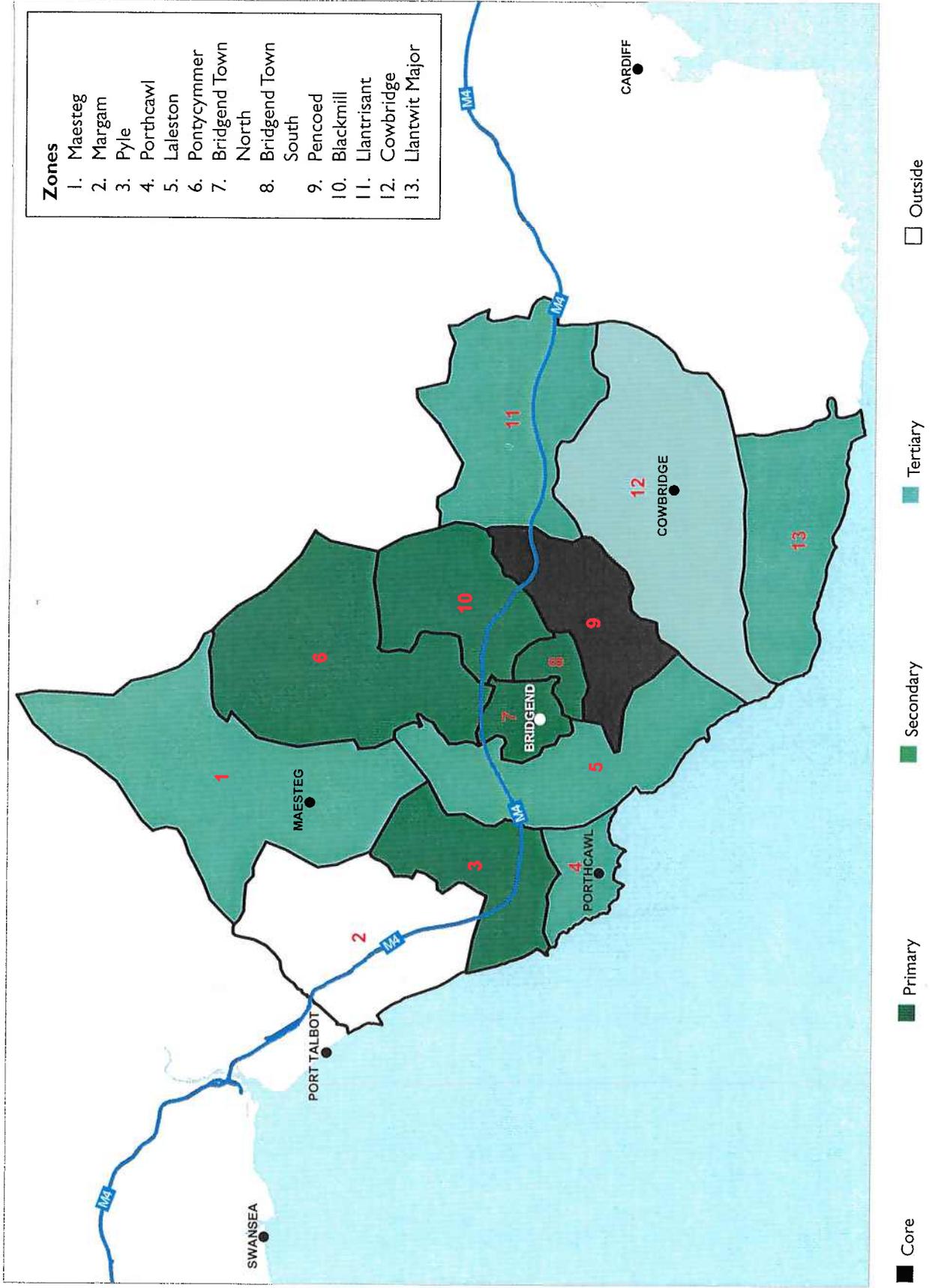
Bridgend Town Centre

- 3.18 Adopting the approach to catchment area definition set out at paragraph 3.7, the catchment area of Bridgend town centre for non-bulky comparison goods shopping is defined in **Figure 3.2** overleaf. The town centre's core catchment consists of a single zone (zone 9) from which it attracts 52% of available expenditure. The rest of Bridgend's urban area (zones 7 and 8) and areas to the north and east (zones 6 and 10 respectfully) may be categorised as primary catchment from which the town centre attracts between 35% and 45% of spend. Zone 3 (Pyle) also may be defined as primary catchment with 38% of available expenditure flowing to the town centre. Bridgend's secondary catchment extends over a further five zones (zones 1, 4, 5, 11 and 13). Indeed, only zone 2 (Margam) falls outside Bridgend town centre's catchment area for non-bulky comparison goods. Within zones 7 and 8, which effectively covers the town of Bridgend, around 20% of non-bulky comparison goods spend leaks out to Cardiff City centre, whilst just 3% flows west to Swansea City centre. The Designer Outlet – Wales captures around 13% of this form of retail expenditure from Bridgend itself.
- 3.19 In relation to bulky comparison goods (see **Figure 3.3** overleaf) Bridgend town centre's retail offer is not sufficiently strong for it to generate either a core or primary catchment. However, its secondary catchment extends (mainly) north to south through zones 6, 7 and 9 from which it attracts between 12% and 19% of available spend. Bridgend town centre's tertiary catchment comprises of seven zones (zones 1, 3, 5, 8, 10, 11 and 13). Across this area, the town centre captures just 2% to 3% of bulky comparison goods expenditure. Three zones (zones 2, 4 and 12) fall outside of the town centre's catchment entirely. Most of the bulky comparison goods spend in the Bridgend area flows to the out of centre retail warehouses on the Waterton and Bridgend Retail Parks (see paragraphs 3.30 and 3.31 below).



Bridgend Town Centre Catchment Area: Non-Bulky Comparison Goods

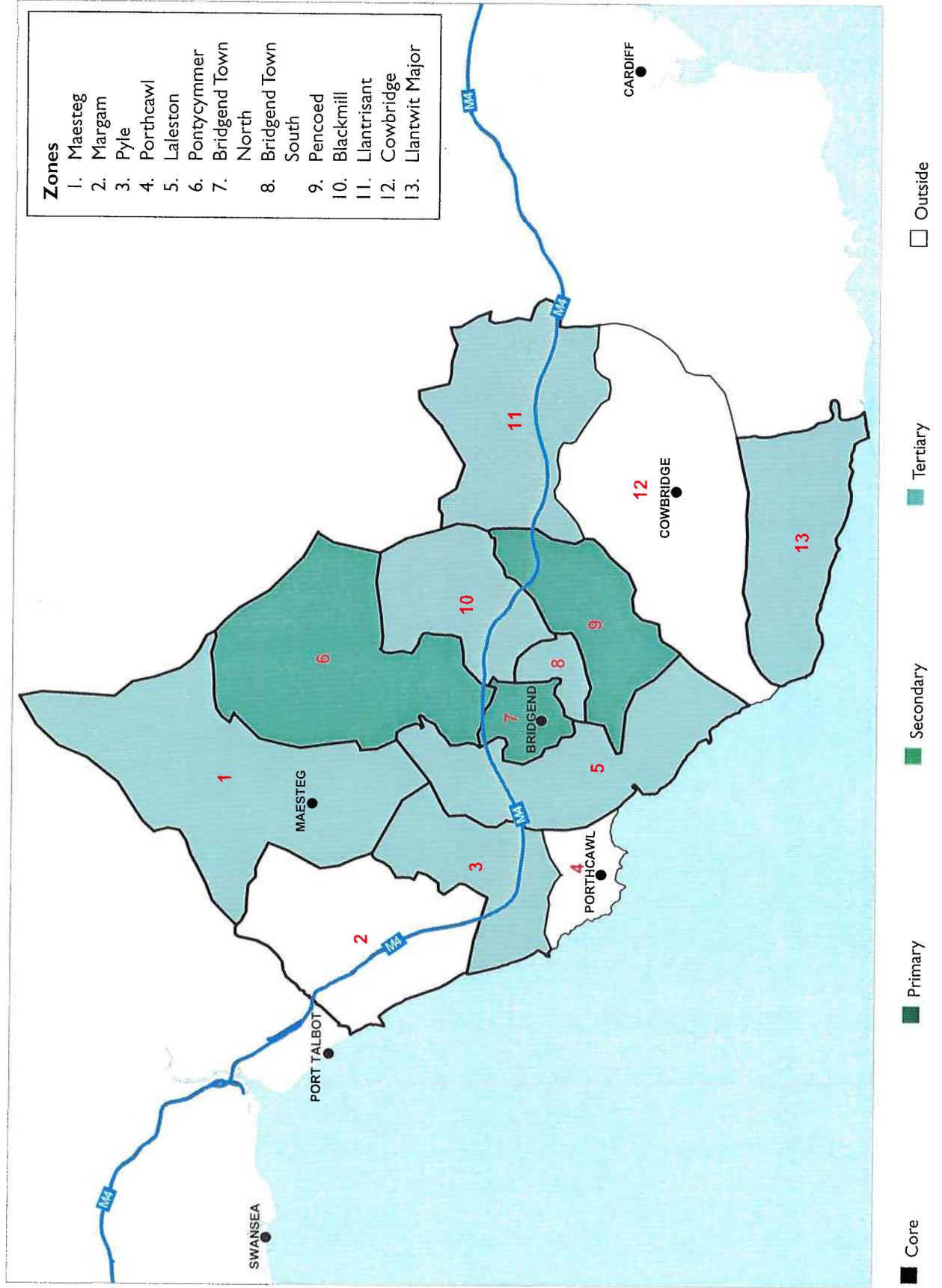
Fig. 3.2





Bridgend Town Centre Catchment Area: Bulky Comparison Goods

Fig. 3.3



3.20 The catchment area of Bridgend town centre for convenience goods shopping is shown in **Figure 3.4** overleaf. Although there is a reasonable range of food stores within the town centre (Tesco, Kwiksave, Iceland etc), the retail offer is not sufficiently strong to generate a core catchment area. The largest market share of 47% falls within zone 7 (Bridgend Town North) which constitutes a primary catchment. Bridgend town centre's secondary catchment extends across five zones (3, 5, 6, 8 and 10) from which it attracts between 11% and 15% of available food spend, with the exception of zone 6 (Pontycymer) where its share is 33%, just below the 34% market share of the Sainsbury's superstore at The Pines. The town centre's tertiary convenience goods catchment covers a further five zones (zones 1, 4, 9, 11 and 12), whilst zones 2 (Margam) and 13 (Llantwit Major) fall outside. As with bulky comparison goods, a significant amount of consumer convenience goods spending generated in the Bridgend area flows to out of centre superstores (see paragraphs 3.32 to 3.34 below).

Maesteg Town Centre

3.21 The non-bulky comparison goods shopping catchment area for Maesteg town centre is shown in **Figure 3.5** overleaf. Reflecting the modest retail offer available within the town centre, Maesteg is not strong enough to generate either a core or primary catchment. Indeed, its role is limited to a secondary catchment within its own zone 1 (from which it attracts (or retains) 20% of available expenditure). More than half of the expenditure which leaks out of the Maesteg zone flows to either Bridgend town centre or Swansea City centre, which both have market shares of around 22%.

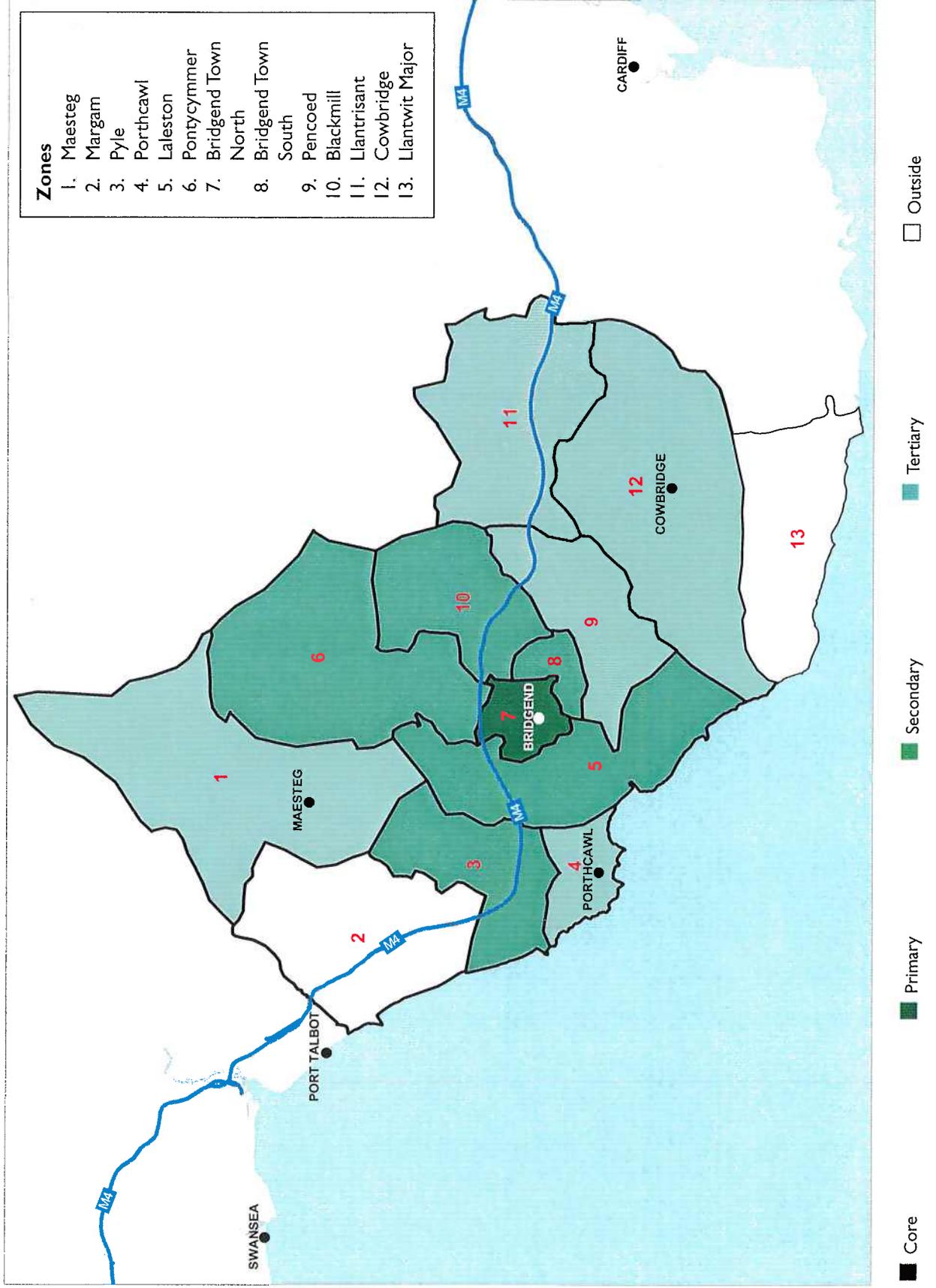
3.22 Maesteg town centre performs almost identically in relation to bulky comparison goods shopping (**Figure 3.6** overleaf). Within its own zone 1, it retains 19% of available expenditure making it a secondary catchment. The retail offer is not sufficiently strong for Maesteg to generate any other catchment. The main leakage of spend from Maesteg is to the out of centre retail parks at Bridgend.

3.23 Maesteg town centre is strongest in terms of convenience goods shopping, a characteristic often associated with smaller towns, and generates a core catchment area in its own zone 1, with a market share of 51% (**Figure 3.7** overleaf). Beyond this zone, the town centre's influence for food shopping tails off considerably, although neighbouring zones 5 and 6 fall within the tertiary definition.



Bridgend Town Centre Catchment Area: Convenience Goods

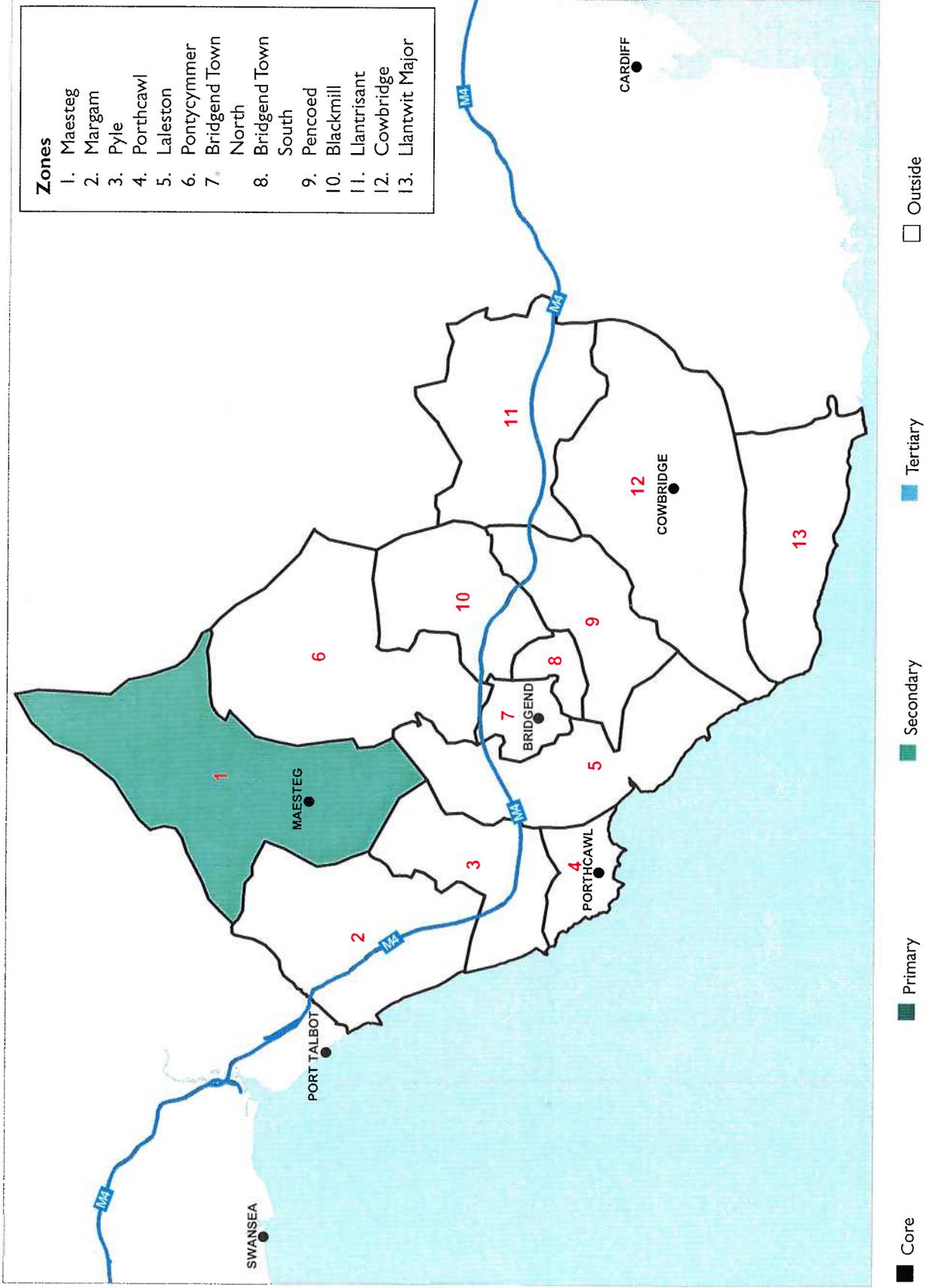
Fig. 3.4





Maesteg Town Centre Catchment Area: Non-Bulky Comparison Goods

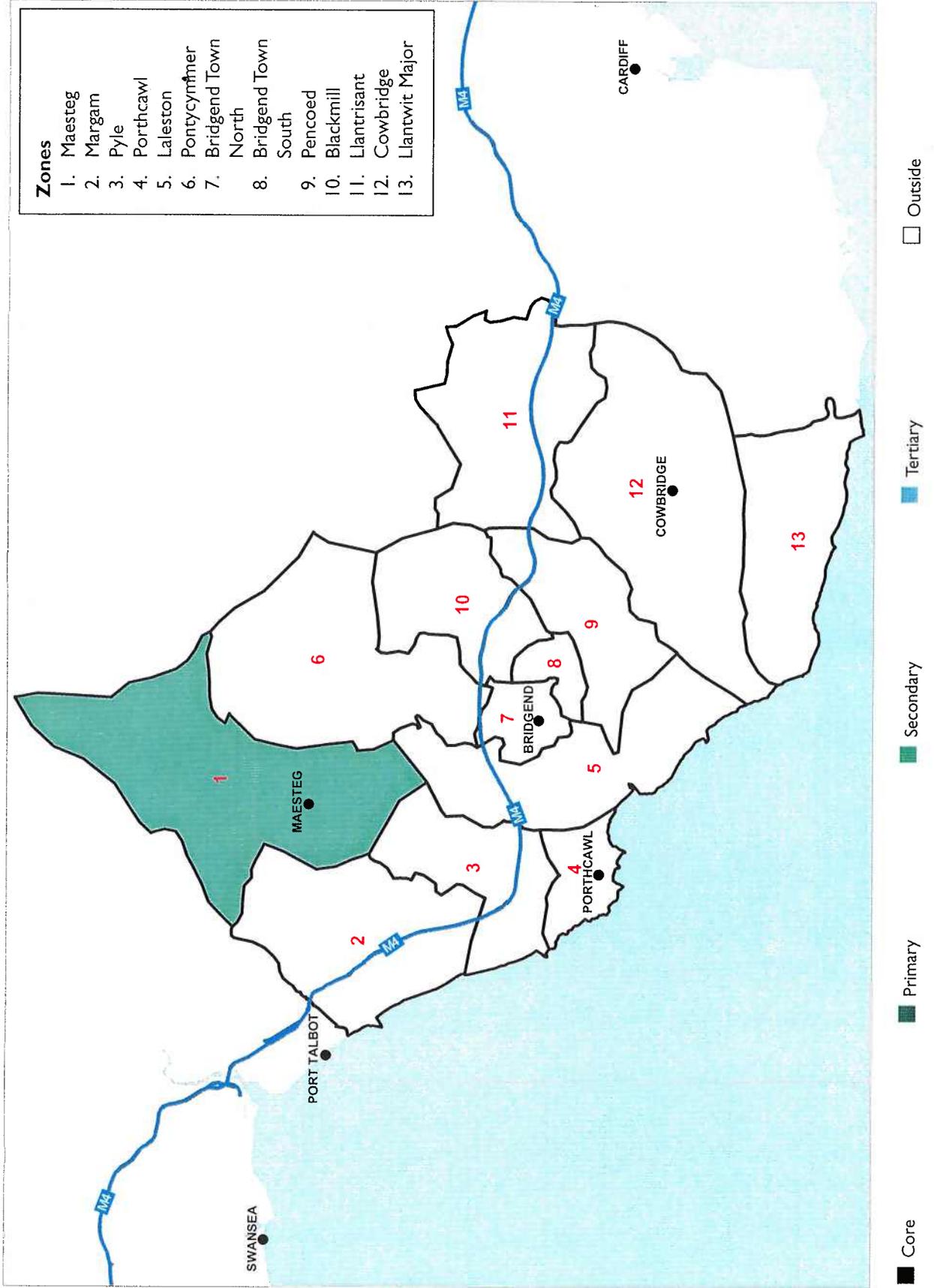
Fig. 3.5





Maesteg Town Centre Catchment Area: Bulky Comparison Goods

Fig. 3.6



Porthcawl Town Centre

- 3.24 The non-bulky comparison goods catchment area of Porthcawl town centre is shown in **Figure 3.8** overleaf. Although the retail offer is only sufficiently attractive for 29% of locally generated consumer expenditure to be retained within the town, this is nevertheless the largest share which means zone 4 may be classified as a primary catchment. Porthcawl attracts 7% of spend from zone 7 (Bridgend Town North) which defines it as a tertiary catchment. Expenditure leaking from Porthcawl mainly flows to Bridgend town centre and Cardiff City centre (both have a 16% share) and Swansea City centre (8%).
- 3.25 **Figure 3.9** overleaf confirms that the bulky comparison goods catchment area of Porthcawl town centre is confined to its own zone 4. With a market share of just 12% this zone is classified as secondary catchment. As with Maesteg most of the available spend flows to the out of centre retail warehouse parks at Bridgend.
- 3.26 Unlike at Maesteg, Porthcawl does not perform significantly better in relation to convenience goods, with just 30% of locally available spend being retained by the town centre (**Figure 3.10** overleaf). This is marginally less than the market share of 31% generated within Porthcawl by the Tesco superstore at Cowbridge Road, which ensures that the Porthcawl zone 4 is defined as a secondary catchment. Zone 3 (Pyle) falls within Porthcawl's tertiary catchment.

Out of Centre Shopping Provision

- 3.27 In defining the shopping catchment areas of Bridgend, Maesteg and Porthcawl reference has been made to the role and influence of out of centre retailing provision within Bridgend County Borough. We now describe this in a little more detail.

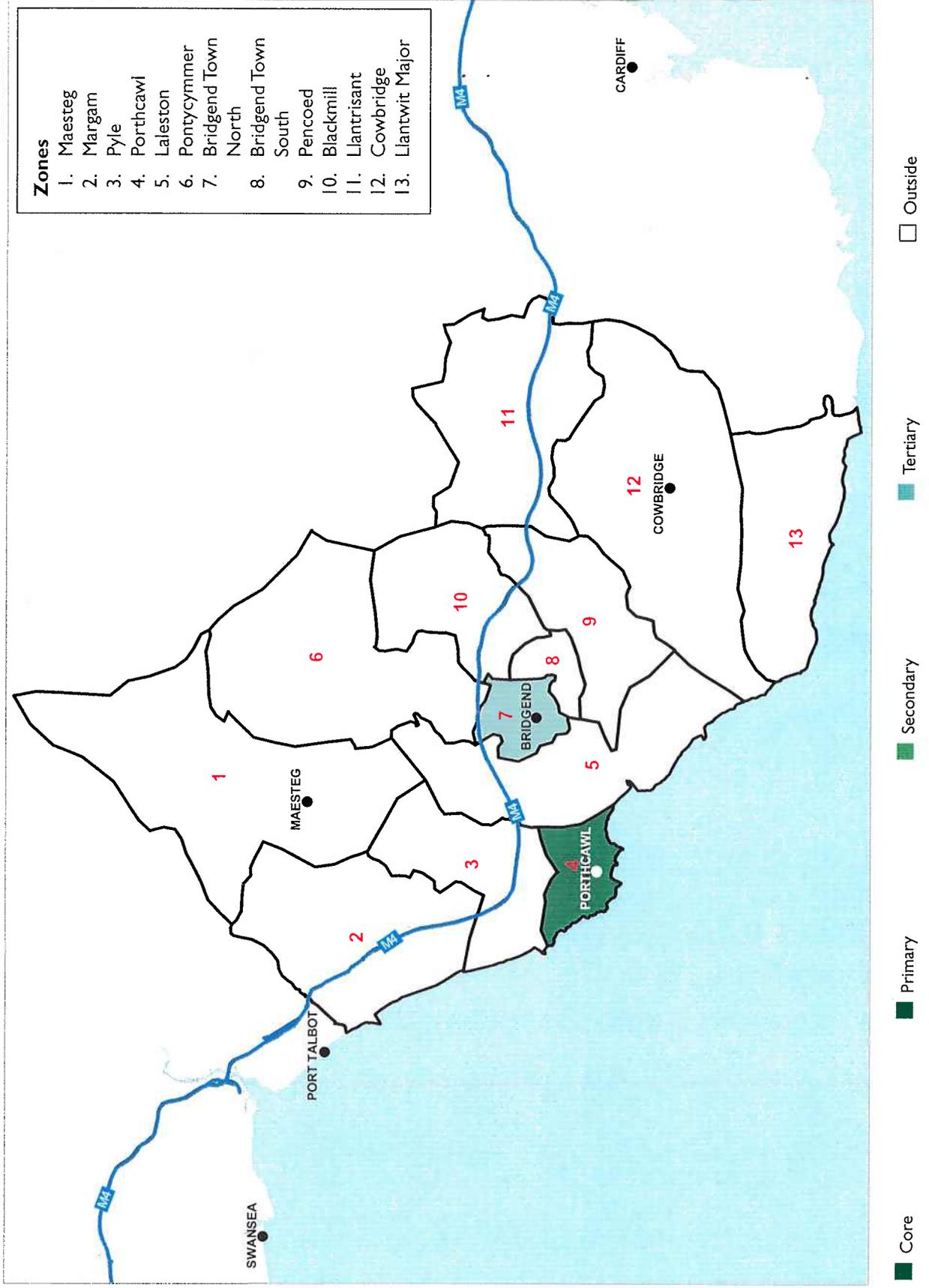
Non-Bulky Comparison Goods

- 3.28 In relation to non-bulky comparison goods shopping, the vast majority of consumer spending both within and outside of the County Borough flows to retailing provision within city and town centres. The main attractor of this form of spend out of centre is the Designer Outlet – Wales, which is located next to junction 36 of the M4 around 4km to the north of Bridgend town centre.



Porthcawl Town Centre Catchment Area: Non-Bulky Comparison Goods

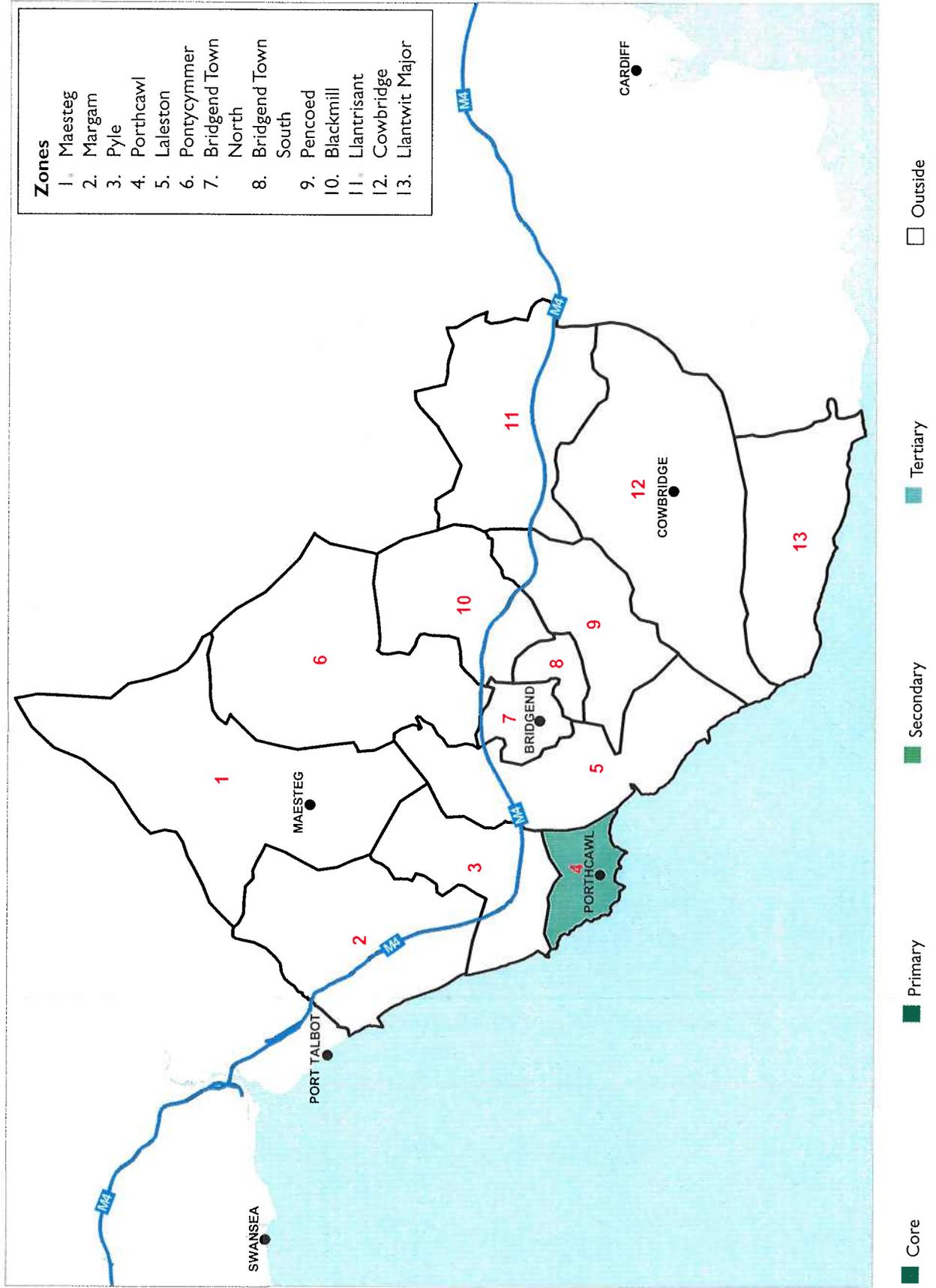
Fig. 3.8





Porthcawl Town Centre Catchment Area: Bulky Comparison Goods

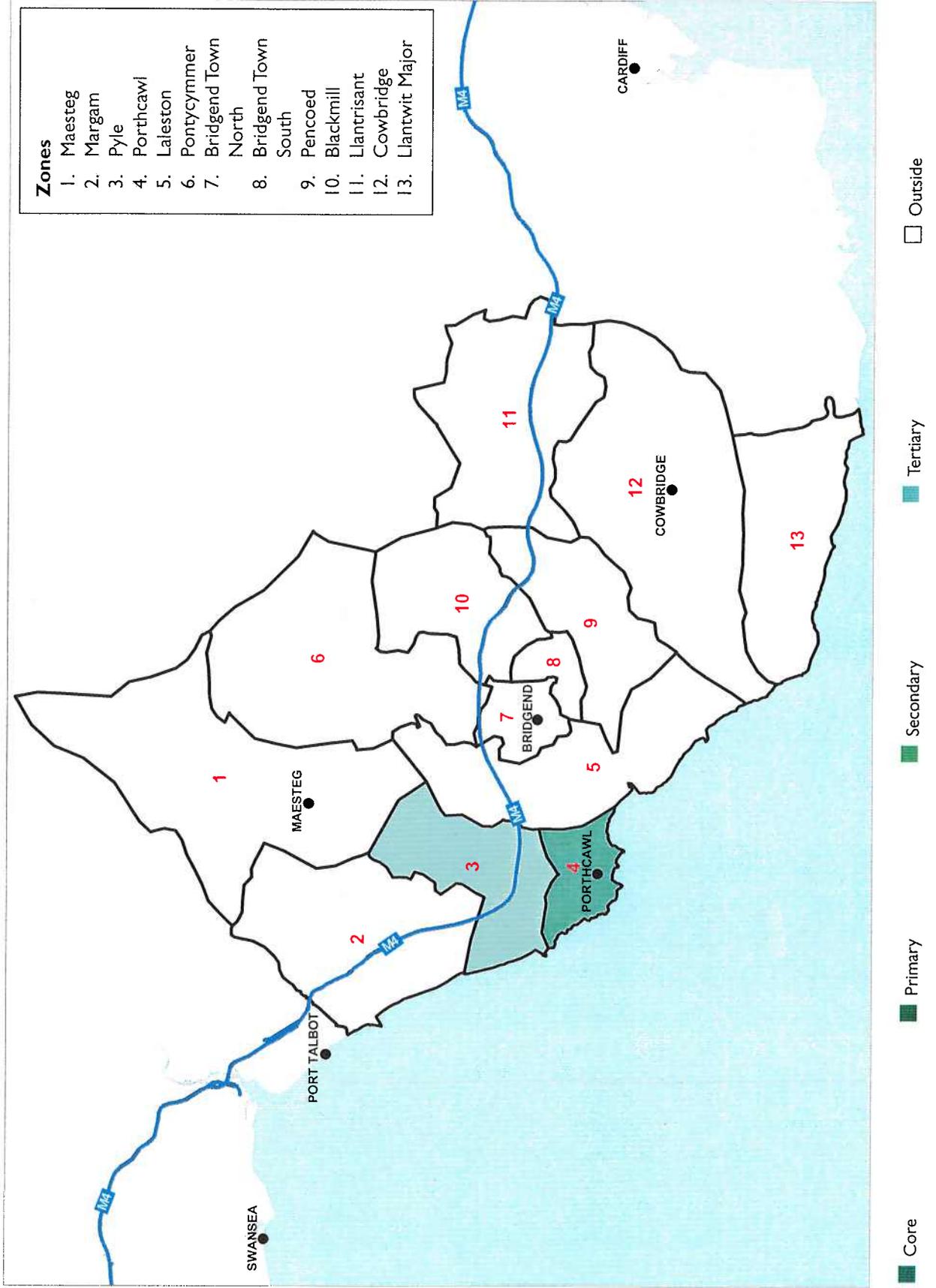
Fig. 3.9





Porthcawl Town Centre Catchment Area: Convenience Goods

Fig. 3.10



3.29 The Designer Outlet as one would expect attracts sales from over a wide area, yet its trade penetration within any locality is relatively low. This is because this form of retailing generally complements the existing hierarchy of retail centres rather than acts as a direct competitor. In practice, our survey confirms that the highest market share generated by the Designer Outlet is around 20% in zones 8 and 10 (Bridgend Town South and Blackmill respectfully). From the survey area as a whole, the Designer Outlet captures 11% of available non-bulky comparison goods spend; this compares, for example, to 28% for Bridgend town centre and 22% for Cardiff City centre. The only other out of centre retail facility to attract a material amount of non-bulky comparison goods spend from the survey area is Culverhouse Cross (6%), although, unlike the Designer Outlet, it draws its trade from a more concentrated area and this mainly affects zones 5, 12 and 13 (Laleston/St Brides, Cowbridge and Llantwit Major respectfully) to the east of the survey area.

Bulky Comparison Goods

3.30 As indicated earlier, a very high proportion of bulky comparison goods expenditure flows to out of centre retailing located both within and outside of the County Borough. For example, within the survey area as a whole, around three-quarters of available consumer expenditure in this category of goods is spent out of centre, with the principal attractors being the Waterton Retail Park (30% market share), Bridgend Retail Park (27%) and Culverhouse Cross (7%)¹. Other retail warehouses located at Talbot Green, Port Talbot and Swansea account for most of the remainder.

3.31 Within Bridgend itself (zones 8 and 9) the Waterton and Bridgend Retail Parks alone account for about 75% of available spend, while around a further 10% flows to other out of centre retail warehouses.

Convenience Goods

3.32 The pattern of shopper behaviour for convenience goods sits somewhere between that for non-bulky and bulky comparison goods, with an estimated 45% to 50% of available food spend in the survey area flowing to out of centre stores.

¹ These market shares are broad estimates only.

- 3.33 The principal attractors are the Tesco at Cowbridge Road (which has a market share of 24%) and the Sainsburys at The Pines (11%). Culverhouse Cross (Tesco and Marks and Spencer) attracts a further 3% and other out of centre superstores in Cardiff about 2%.
- 3.34 Within Bridgend town itself (zones 7 and 8) the out of centre Tesco and Sainsburys are even more dominant generating combined market shares of 41% (zone 7) and 65% (zone 8).

Expenditure Retention and Leakage

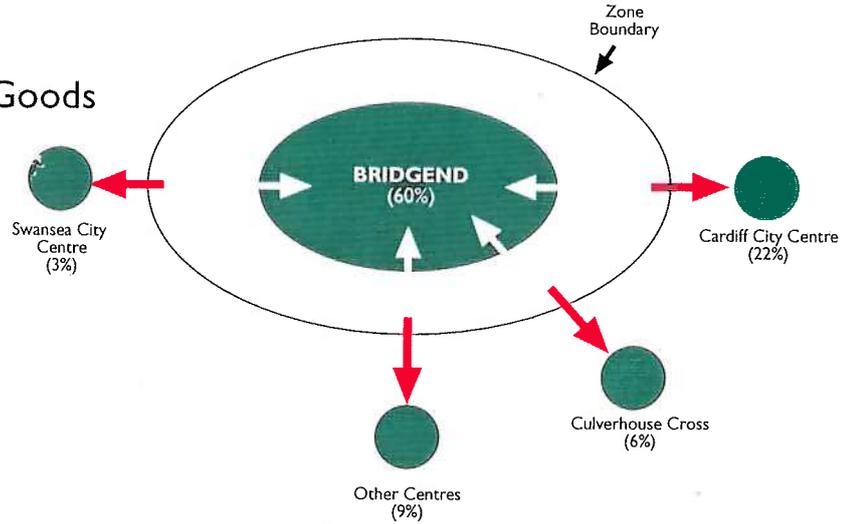
- 3.35 In the proceeding paragraphs we have described consumer shopping trip patterns and flows of retail expenditures for the three main broad categories of goods : non-bulky and bulky comparison goods and convenience goods. Both town centre and out of centre retail provision has been covered. All of the information in respect of the three towns of Bridgend, Maesteg and Porthcawl is summarised diagrammatically in **Figures 3.11 to 3.13** overleaf.
- 3.36 **Figure 3.11** summarises expenditure retention and leakage within Bridgend town itself. (defined as covering zones 7 and 8). Our survey confirms that in and out of centre retail floorspace within the town retains 60% of available non-bulky comparison goods expenditure, while for bulky comparison goods shopping the figure is as high as 86%. Significantly the highest level of retention is for convenience goods shopping at 93%, indicating there is little or no scope for clawback of expenditure.
- 3.37 Similar information is summarised in **Figure 3.12** for Maesteg. Retention of expenditure within the town area (Zone 1) is around 20% for both non-bulky and bulky comparison goods, but reaches 51% for convenience goods. This pattern is realistic for people tend to visit higher order centres for non-food shopping.
- 3.38 **Figure 3.13** summarises the same kind of information for Porthcawl. For non-bulky and bulky comparison goods, 29% and 12% of available spend is retained by the town respectfully, whilst for convenience goods the proportion is 31%. For both Maesteg and Porthcawl, although the highest levels of retained spending already relate to convenience goods shopping, this is the very category which has been identified by the Council as requiring further retail investment and which there is the greatest qualitative need (see **Section 4**).



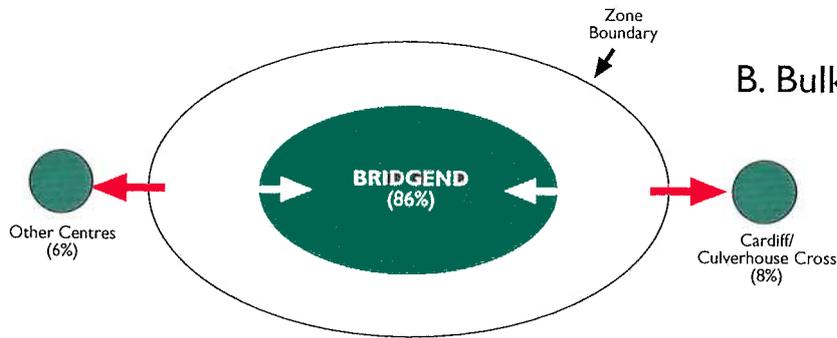
Expenditure Retention and Leakage in the Bridgend Area

Fig. 3.11

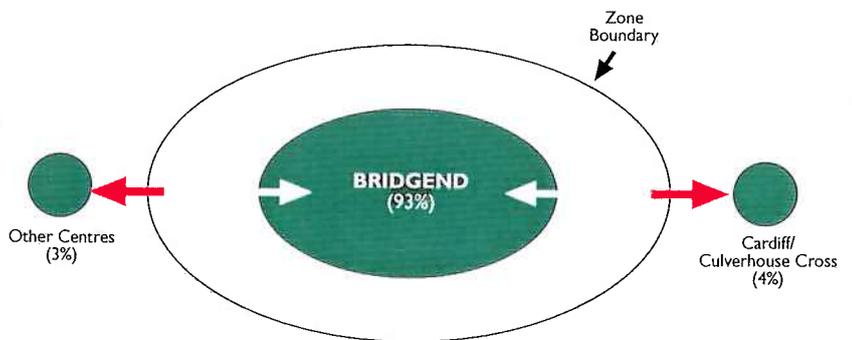
A. Non-Bulky Comparison Goods



B. Bulky Comparison Goods



C. Convenience Goods



Note: For expenditure generated within the Bridgend area, (defined as zones 7 & 8) the diagram illustrates the pattern of 'flows' to Bridgend* and principal competing centres/stores.

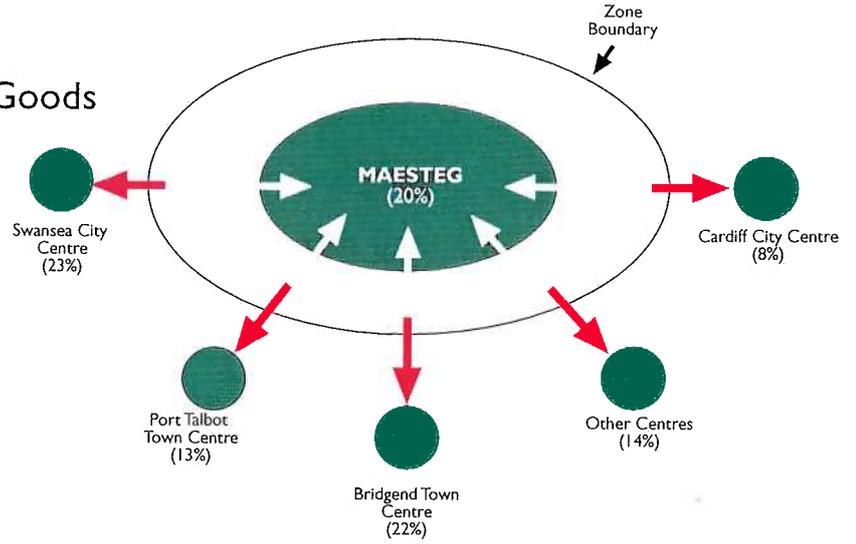
*Town centre and out of centre retail floorspace.



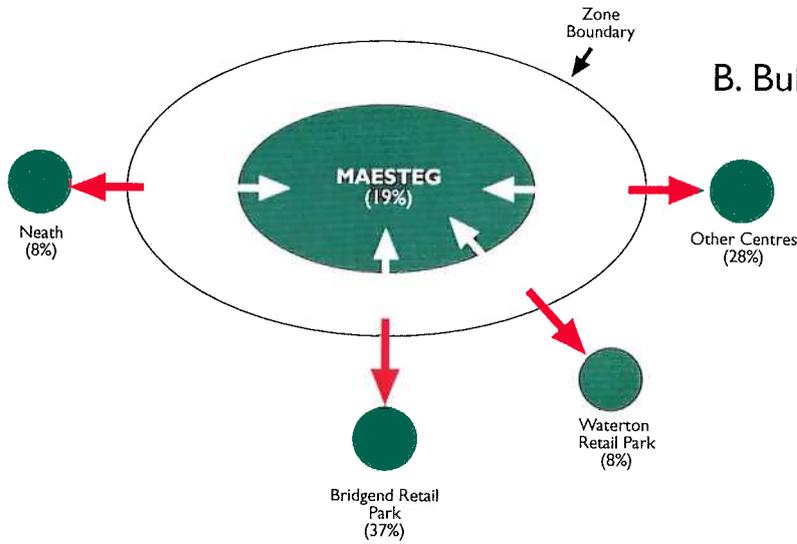
Expenditure Retention and Leakage in the Maesteg Zone

Fig. 3.12

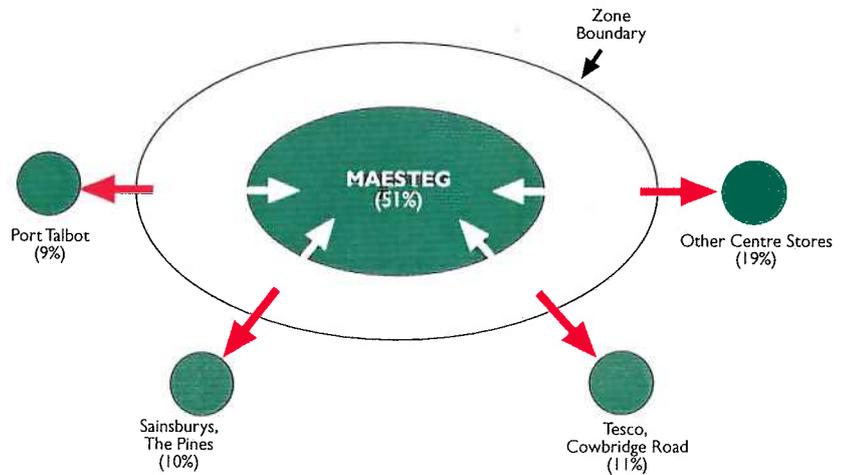
A. Non-Bulky Comparison Goods



B. Bulky Comparison Goods



C. Convenience Goods



Note: For expenditure generated within the Maesteg area (defined as zone 1) the diagram illustrates the pattern of 'flows' to Maesteg* and principal competing centres/stores.

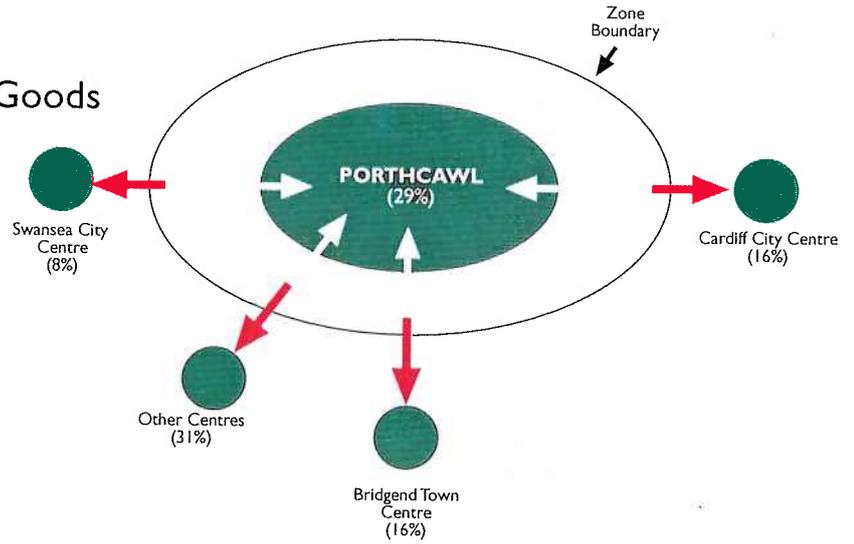
*Town centre and out of centre retail floorspace.



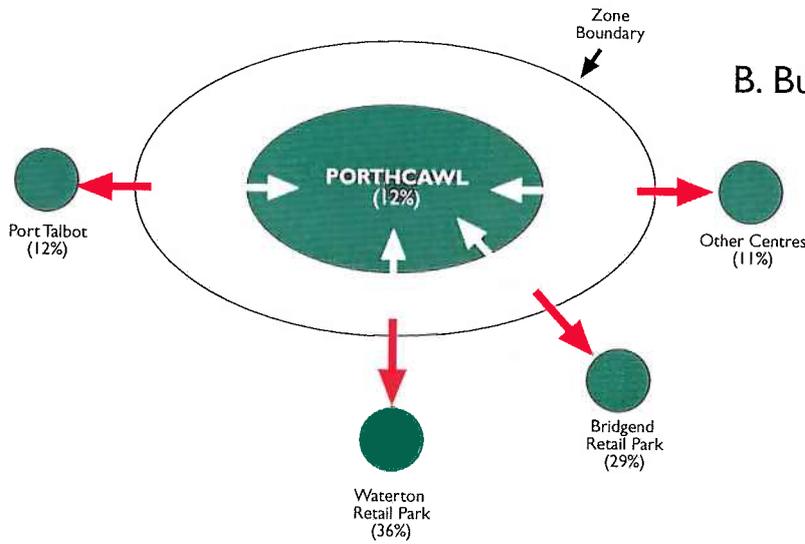
Expenditure Retention and Leakage in the Porthcawl Zone

Fig. 3.13

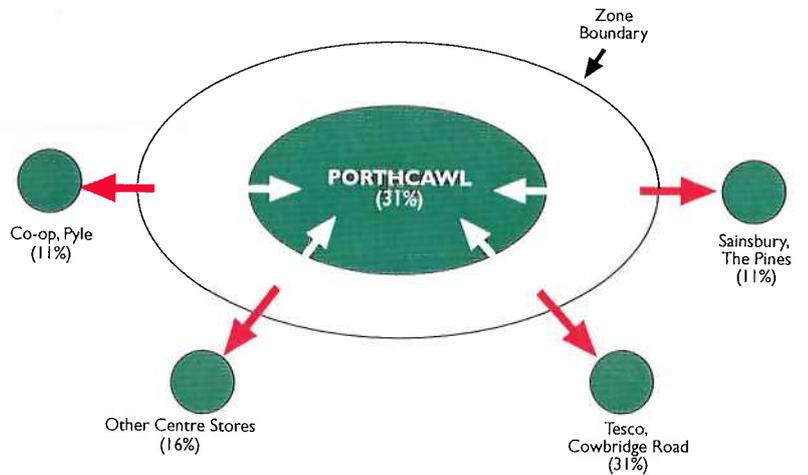
A. Non-Bulky Comparison Goods



B. Bulky Comparison Goods



C. Convenience Goods



Cyngor Bwrdeistref Siriol



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Note: For expenditure generated within the Porthcawl area (defined as zone 4) the diagram illustrates the pattern of 'flows' to Porthcawl* and principal competing centres/stores.

*Town centre and out of centre retail floorspace.



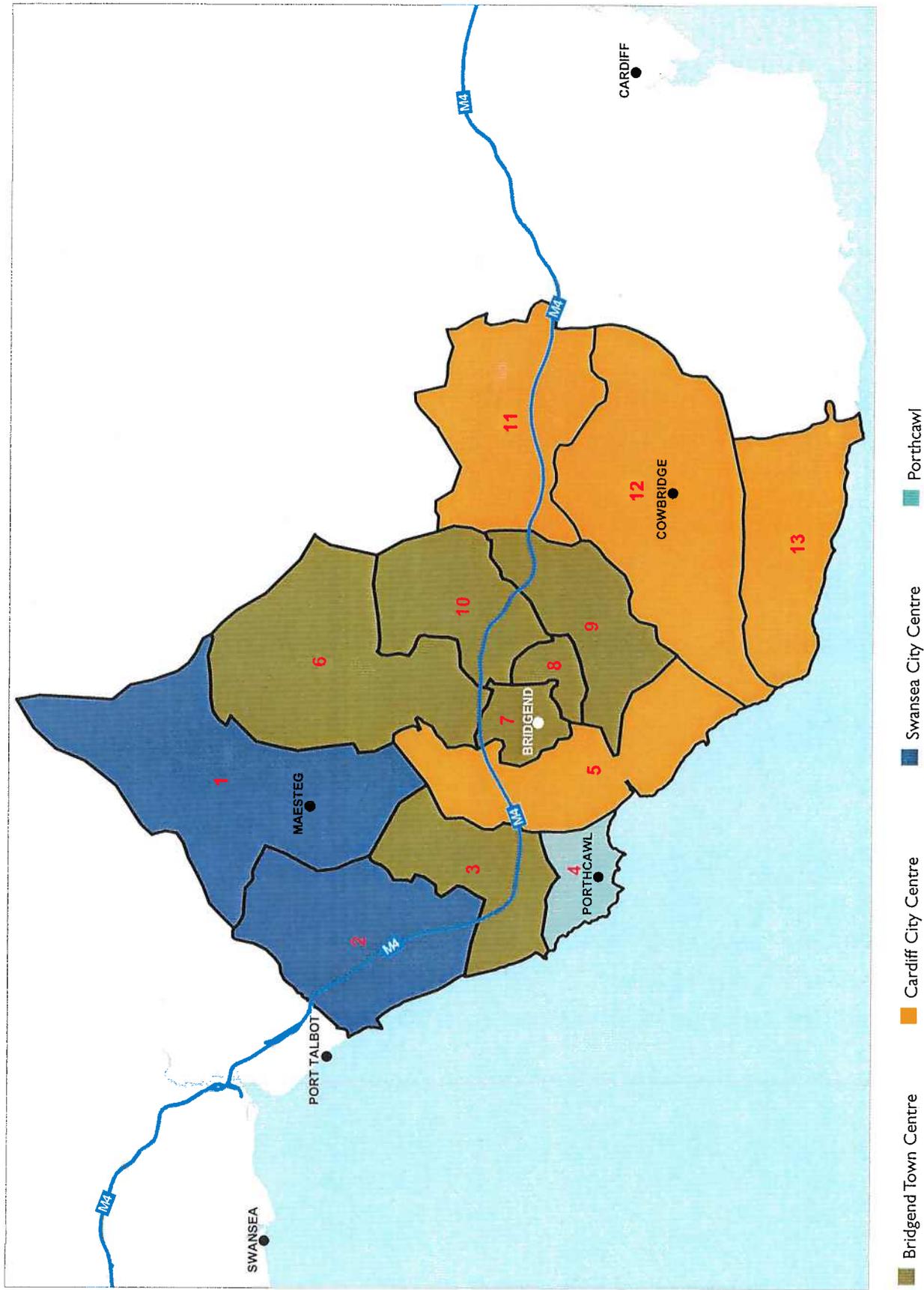
Centre Dominancy

- 3.39 Centres or retail locations which capture the largest single share of available consumer retail expenditure within a zone we describe as being dominant within that area. **Figures 3.14 to 3.16** overleaf show centre dominancy across our survey area for non-bulky and bulky comparison goods, and convenience goods shopping respectfully.
- 3.40 Only four centres dominate non-bulky comparison goods shopping across the survey area. These are Bridgend town centre (zones 3, 6, 7, 8, 9 and 10), Porthcawl (zone 4), Swansea City centre (zones 1 and 2) and Cardiff City centre (zones 5, 11, 12 and 13) (see **Figure 3.14** overleaf). Significantly, whilst Maesteg captures some 20% of non-bulky comparison goods expenditure within its own zone 1, this share is not large enough to prevent Swansea City centre (market share 23%) being the dominant centre in the Maesteg area.
- 3.41 With regard to bulky comparison goods shopping, only three centres dominate our survey area, and two of these are retail parks. The Bridgend Retail Park captures the largest share of available expenditure within zones 1, 3, 5, 9, 11 and 12, whilst the Waterton Retail Park dominates zones 4, 6, 7, 8, 10 and 13. The only other dominant centre is Swansea City centre which attracts the largest share of bulky comparison goods spend from zone 2 (Margam). **Figure 3.15** overleaf also confirms that the two out of centre retail parks at Bridgend dominate this form of shopping throughout the County Borough area.
- 3.42 Food shopping tends to be undertaken more locally than non-food shopping and therefore the dominancy map for convenience goods shopping shows a more diluted network of centres and stores. In fact, as **Figure 3.16** overleaf shows, seven centres and stores dominate our survey area. The most dominant store is the Tesco at Cowbridge Road, which attracts the largest share of spend across seven of the 13 zones. In contrast each of the remaining six zones is dominated by a different centre/store. **Figure 3.17** overleaf maps dominancy by food store operator. This confirms that Tesco has the largest share of convenience goods spend across no less than 11 of the 13 zones, only the Co-op at Pyle (zone 3) and the Somerfield at Maesteg (zone 1) prevent a clean sweep. Significantly, we understand that Tesco has planning consent for a new food store at Maesteg and so the position could even change there in due course. Within zone 6 (Pontycymer), the Sainsburys at The Pines has the largest market share of any single store (34%), yet is over-shadowed even in its heartland by the combined market shares of the two Tescos at Cowbridge Road (11%) and Brewery Lane (26%).



Dominance Map: Non-Bulky Comparison Goods

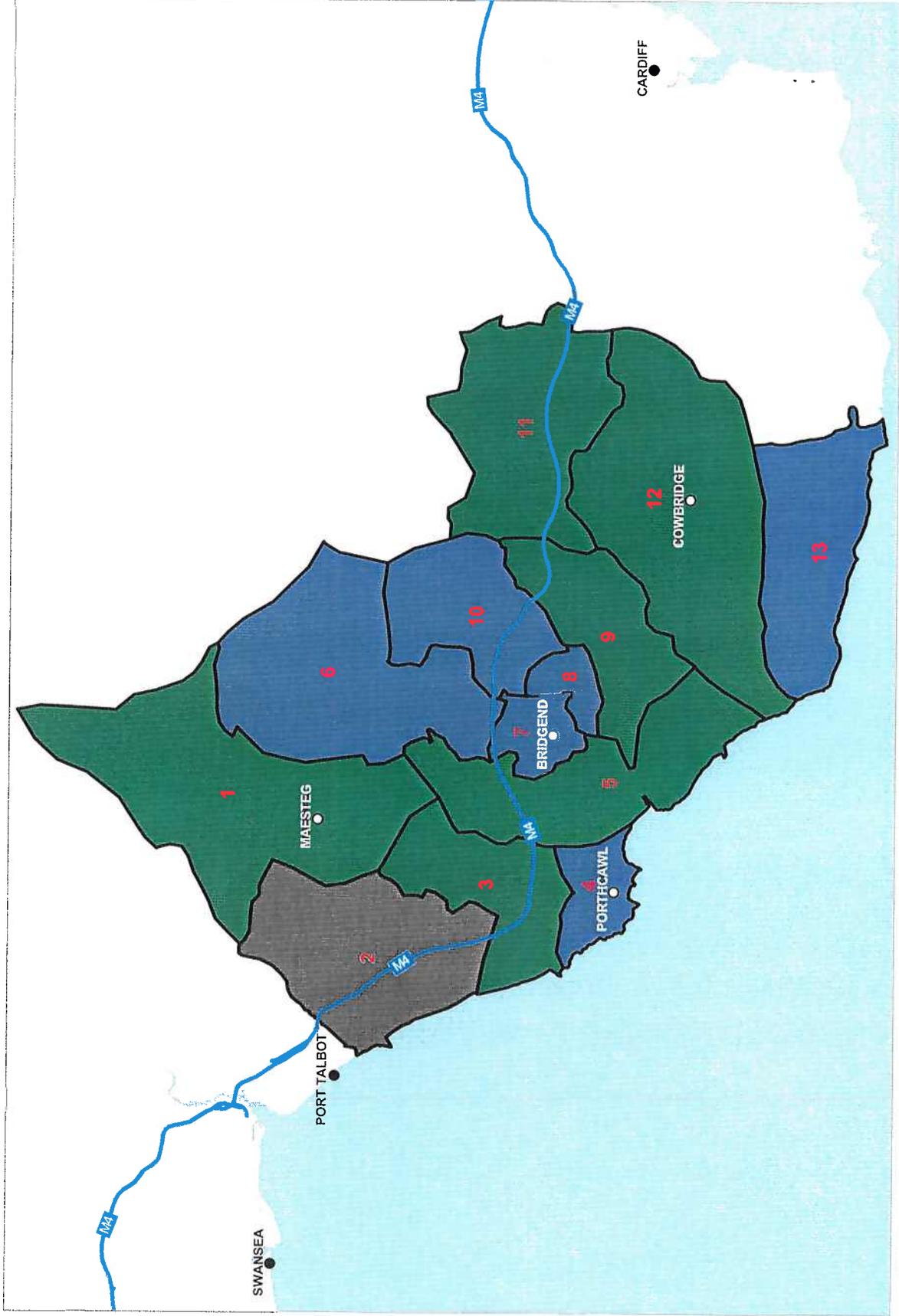
Fig. 3.14





Dominance Map: Bulky Comparison Goods

Fig. 3.15

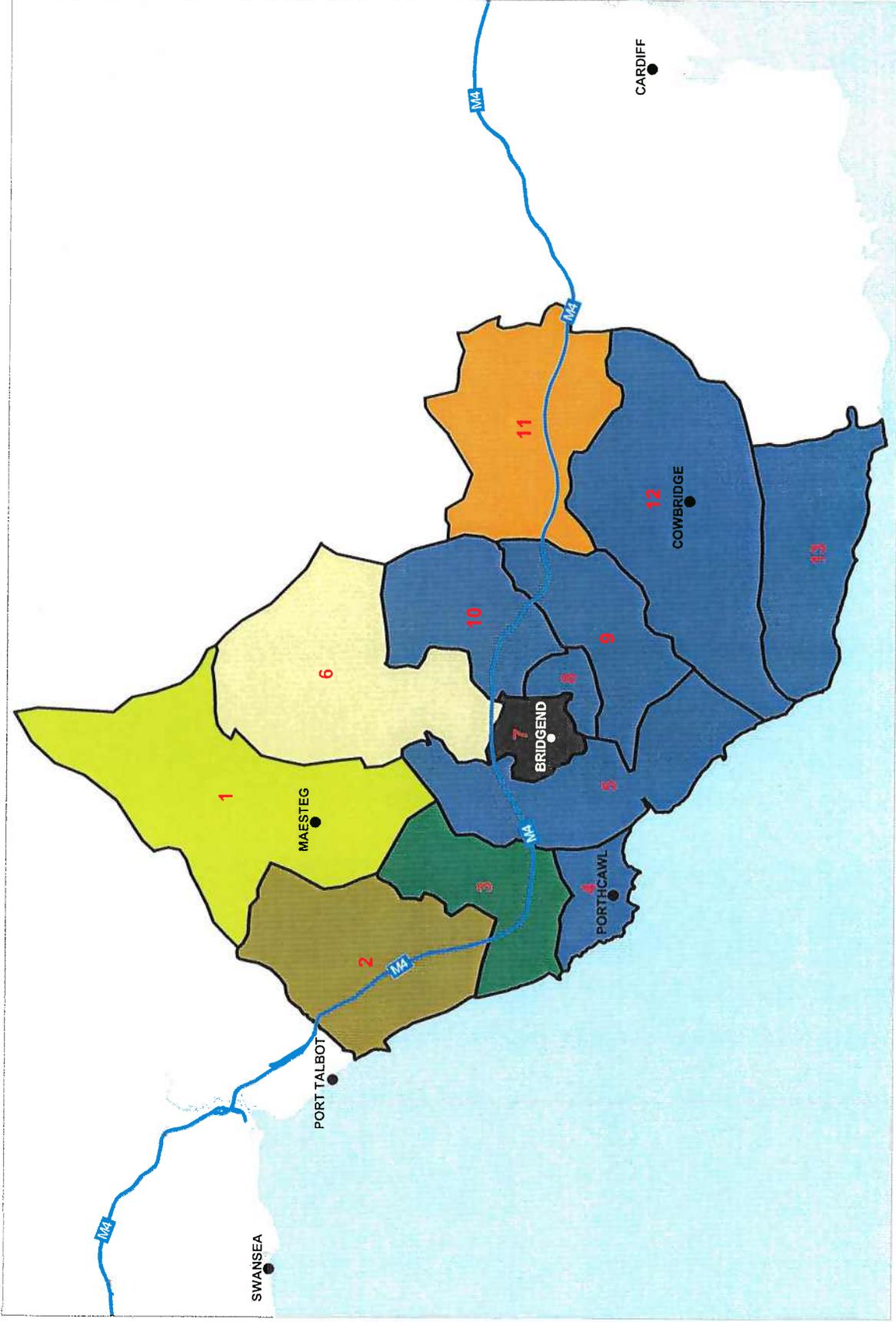


- Bridgend Retail Park / Wicks, Bridgend
- Waterton Retail Park, Bridgend
- Swansea City Centre



Dominance Map: Convenience Goods

Fig. 3.16



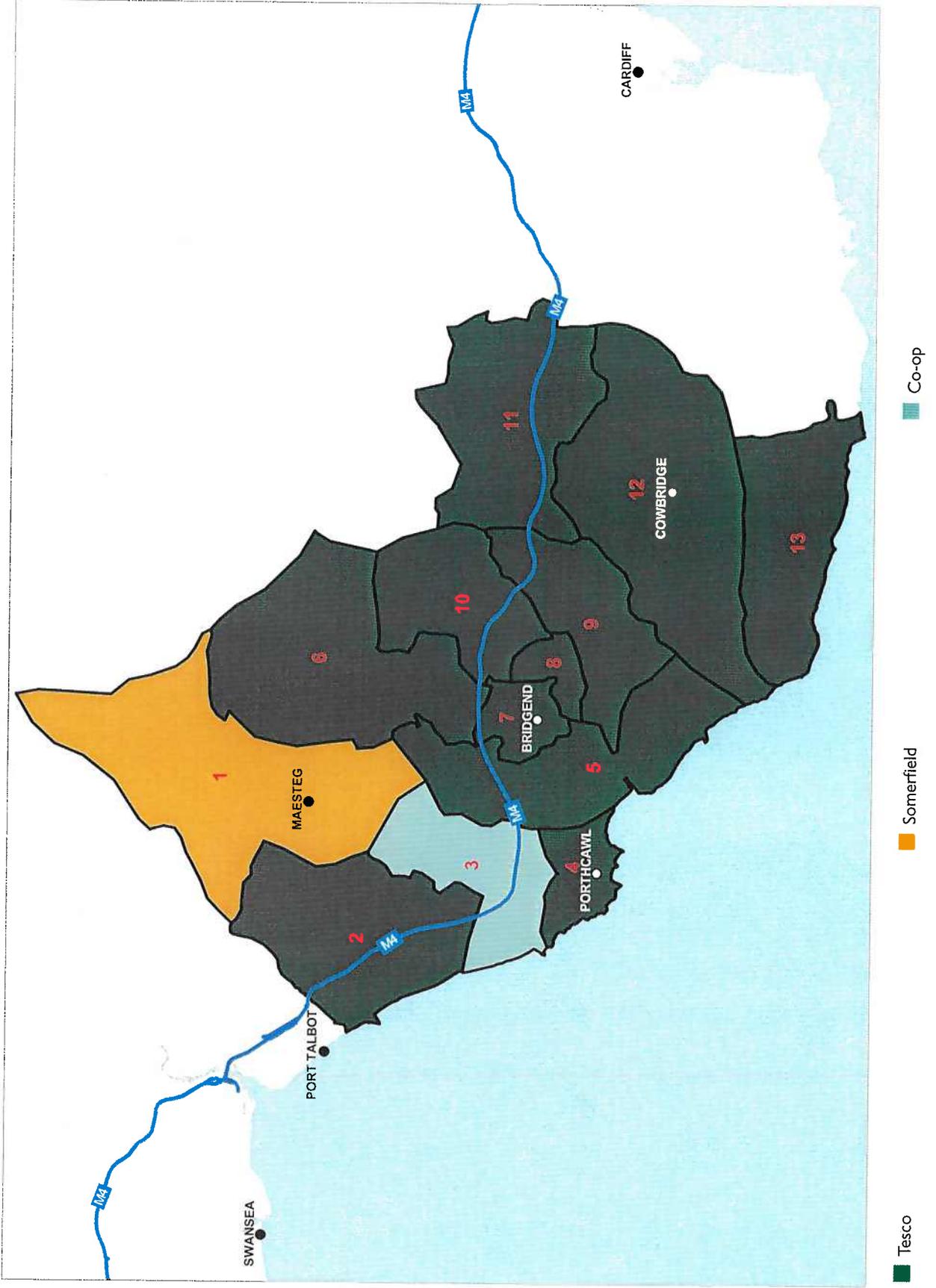
- Bridgend Town Centre
- Co-op, Pyle
- Tesco, Cowbridge Road
- Tesco, Talbot Green
- Sainsbury, The Pines
- Maesteg Town Centre
- Tesco, Port Talbot





Dominance Map: Food Store Operators

Fig. 3.17



Characteristics of Shopper Behaviour¹

Non-Bulky Comparison Goods Shopping

- 3.43 Our Bridgend County Borough household survey confirms that non-bulky comparison goods shopping is undertaken relatively infrequently by survey area residents. On average, 55% of residents undertake their main trips monthly or less often. For Bridgend town centre itself, the proportion is 74%, which reflects the localised nature of its catchment area.
- 3.44 For the survey area as a whole 44% of households choose their main centre because it is convenient and close to home. For Bridgend, Maesteg and Porthcawl town centres' the proportion rises to above 75% or above, while for Cardiff and Swansea it is less than 20%. For these two major city centres, which are located to the east and west of Bridgend County Borough, the wide choice of shops and products available emerges as the principal reason influencing shopper behaviour. Ease of parking, cheap prices/value for money and close proximity to work appear relatively unimportant in influencing the pattern of shopping trips for non-bulky comparison goods.
- 3.45 Around 35% of households living within Bridgend itself (zones 7 and 8) do not use the town for their main non-bulky comparison goods shopping because of a lack of choice of shops / products, and because they consider there is a better choice elsewhere. A broadly similar picture emerges in relation to Maesteg and Porthcawl. For other zones distance to Bridgend and other factors become more important.
- 3.46 Around 71% of households within the survey area as a whole use a private car to undertake their main non-bulky comparison goods shopping (56% as driver and 15% as passenger). This proportion is in line with similar surveys we have undertaken in other parts of the country. In comparison just 15% travel by bus, 9% walk, and 3% use a train. For the major centres beyond Bridgend County Borough (Cardiff, Swansea and Culverhouse Cross) car use reaches 80% to 95% for main trips, with the bus accounting for virtually all of the balance. Bridgend town centre is less reliant on trips by car (57%), whilst for Maesteg and Porthcawl the proportions are just 44% and 52% respectively. In these smaller centres walk-in trade is much more significant (25% of trips for Maesteg and 36% for Porthcawl).

¹ Results of the household are summarised at **Appendix 1D**.

- 3.47 Almost all main non-bulky comparison goods shopping trips originate from home. Average journey times for the survey area as a whole are around 15-20 minutes. Within Bridgend itself (zones 7 and 8) average journey times are a little less (around 10-15 minutes). At Maesteg (zone 1) and Porthcawl (zone 4) average journey times are longer than in Bridgend, since the number of short trips to the local town centres are counterbalanced by journeys to larger centres which are located much further away.
- 3.48 In relation to Christmas and other special occasion shopping, Bridgend, Maesteg and Porthcawl town centres' reduce in importance, whilst the roles of Cardiff and Swansea increase. This is typical in that at times of major purchases, consumers favour the better retail offers available in the larger centres and smaller centres lose share relative to their performance over the rest of the year.

Bulky Comparison Goods Shopping

- 3.49 Less than 20% of survey area households visit their main centre for bulky comparison goods shopping monthly or more often. This compares to 55% for non-bulky comparison goods, indicating that shopping for bulky items – as one may expect – is undertaken less frequently.
- 3.50 Convenience of location is the most important reason for choosing which centre to visit. At 47% of all households throughout the survey area, the proportion is virtually identical to that for non-bulky comparison goods shopping. However, in relation to Bridgend, Maesteg and Porthcawl town centres' proximity of location is cited as the main reason by 70% or more of households. A good choice of shops/stores is the second ranked criteria overall at 31%, whilst ease of parking is ranked third with 12%.
- 3.51 Within our survey area, nine out of 10 main bulky comparison goods trips are carried out by car (65% as driver and 25% as passenger); a proportion in line with figures elsewhere, whilst using the bus (6%) accounts for most of the remainder. Just 3% walk to the shops overall, although in Maesteg and Porthcawl the proportion is 29% once again confirming the very localised nature of the trade draw in these centres.
- 3.52 Virtually all main bulky comparison goods trips originate from home (98%) and the average journey time for survey area households is around 15 minutes, a little less than for non-bulky comparison goods shopping. For Maesteg and Porthcawl town centres between 60% - 70%

of consumers take 10 minutes or less to reach the shops, reflecting once again their tight geographical catchments.

Convenience Goods Shopping

- 3.53 Almost 80% of convenience goods main shopping trips take place during the week (Monday through to Friday), with 61% being carried out during the day and 18% in the evenings. In comparison only 11% are undertaken at weekends, while 11% of households vary their pattern of main food shopping.
- 3.54 The location of a store close to home is the main reason influencing choice of main food shopping destination in 60% of households. Cheap prices / good value for money is the second ranked reason (17%), followed by wide range of products (12%). Significantly, free / ease of parking is mentioned by just 8% of households. The importance of convenience of location is reflected in the fact that 59% of main food shopping trip journeys take (on average) 10 minutes or less, while the corresponding figures for non-bulky and bulky comparison goods are around 30%. For both Maesteg and Porthcawl town centres 84% of main convenience goods trips take 10 minutes or less, whilst the figure for Bridgend town centre is 45%.
- 3.55 The most common frequency of carrying out a main food shop is once a week (64% of households), while an additional 25% undertake such trips even more frequently. Shopping for convenience goods is therefore undertaken much more often than for non-bulky and bulky comparison goods.
- 3.56 Around 81% of survey area residents use a private car for their main food shopping (61% as driver), while 9% walk and 8% travel by bus. For Bridgend and Maesteg town centres the use of public transport is more significant (around 20% use the bus), while 27% walk to the shops at Porthcawl.
- 3.57 For the survey area as a whole, some 95% of main convenience goods trips originate from home and 5% from work. The biggest proportion of work-based trips occurs amongst shoppers visiting the Tesco at Culverhouse Cross (7% of trips).
- 3.58 Almost 30% of households in our survey as a whole link their main food shopping trip with another form of shopping and these trips originate from home. The proportion reaches 75%

within Maesteg and Porthcawl thus confirming that food stores within both these town centres play an important role in generating spin-off spending at other shops and services. The corresponding figure for Bridgend town centre is 26% - lower than the overall survey response. In comparison, the percentages for the two major existing superstores at Bridgend – the Tesco at Cowbridge Road and the Sainsburys at The Pines – are around 15%-20%, lower than for Bridgend town centre, but not significantly so. On average, 68% of people walk to the other shops / services visited on a linked trip, while 32% drive. Walking is particularly prevalent within town centres. The types of shop / service visited most frequently on a linked trip are the chemist (in 45% of cases), financial outlets (eg. banks and building societies) (38%), and the post office (37%).

4. QUALITATIVE NEED

Introduction

4.1 As described in Section 1 (paragraphs 1.5 to 1.9), Bridgend County Borough is currently preparing the first UDP of the area. In relation to retailing, a key issue which policy must address is the need for further retail development within the borough, particularly in the three main towns of Bridgend, Maesteg and Porthcawl. In this study, we consider need from two broad perspectives; the qualitative need for additional retailing is addressed in the remainder of this section, while in Section 5 we undertake a quantitative need assessment, which determines the scope (or capacity) for more retail floorspace to be provided through to 2016 for each of the main categories of goods.

4.2 We begin, however, by describing the issue of need, since it is relatively new to planning policy and is different to the more long standing concept of retail capacity.

Background to Need

4.3 PPG 6 (June 1996) remains the government's policy for retail development and town centres within England, while the same policy for Wales is set out in Planning Policy Wales (March 2002).

4.4 Planning Policy Wales states that retail need may be quantitative:

- *“to address a provable unmet demand for the provision.”* (Paragraph 10.2.10)

4.5 In addition it also stresses that need may be qualitative; for example, in circumstances where

- *“it can be shown that new provision will contribute to meeting the policies set out in UDPs and in this guidance.”* (Paragraph 10.2.10)

4.6 Thus where existing retail floorspace appears to be adequate in quantity, the need for further allocations may still be justified if new provision can be located where:

- *“it is highly accessible by walking, cycling or public transport;*
- *it contributes to a substantial reduction in car journeys;*

- *it contributes to the co-location of facilities in existing town, district, local or village centres; or where*
- *it significantly contributes to the vitality, attractiveness and viability of such a centre.”*
(Paragraph 10.2.10)

4.7 Planning Policy Wales goes on to state that:

- *“if there is no need for further development for retail or leisure uses, there will be no need to identify additional sites.”* (Paragraph 10.2.10)

4.8 Paragraph 10.2.11 of Planning Policy Wales then clarifies that where a need for further retail development has been identified, it is necessary to adopt a sequential approach to site location.

4.9 Based on the central Government guidance, it is our opinion that an assessment of need for further retail development could consider the following principal indicators:

- quantitative capacity
- qualitative need

to include:

- regeneration benefits
- employment generation
- contribution to meeting broader planning objectives

4.10 In Section 5 of this report we present our assessment of the quantitative capacity (or need) for additional retail development within Bridgend County Borough through to 2016. In the remainder of this section we focus on our assessment of qualitative need.

Definition of Qualitative Need

4.11 This category of need comprises a wide range of indicators, including retailer representation (e.g. the range and type of retailers present in a town); the market demand for representation; the state of town centre environmental quality; the views of consumers; and the range and quality of products sold from a town centre.

- 4.12 We have considered qualitative need by assessing the role and retail performance of existing retail facilities and through commissioning a household survey of residents within Bridgend County Borough and its shopping hinterland. In this section we draw on this information and present an overview of the retail economies of the town centres of Bridgend, Maesteg and Porthcawl.

Retailing Provision within Bridgend County Borough

- 4.13 Bridgend is the main town and the principal focus for shopping, services and employment but as we have seen from the previous section it faces competition from the major centres of Cardiff and Swansea, particularly for non-bulky comparison goods shopping. The UDP defines Bridgend as a sub-regional town centre. Bridgend is supported by the smaller town centres of Maesteg and Porthcawl. Both these towns strive to serve the convenience and, to a lesser extent, the comparison goods shopping needs of their own tightly drawn catchments. In general, however, Maesteg and Porthcawl tend to function in the retail shadow of nearby Bridgend.
- 4.14 Below the tier of town centres, there are many local centres throughout the borough. A number of these centres contain small supermarkets, which serve mainly top-up food shopping needs, and a range of specialist food shops. There is virtually no comparison goods shopping available in any of these centres.
- 4.15 Bridgend County Borough also contains a range of out of centre retail stores and these are listed in **Appendices 4A, 4B and 4C**. Virtually all of these are located in the Bridgend area. These retail warehouses (eg on the Bridgend and Waterton Retail Parks) and superstores (eg Tesco at Cowbridge Road and Sainsburys at The Pines) attract trade from much of the borough and from further afield.
- 4.16 We now briefly describe the retail economies of Bridgend, Maesteg and Porthcawl town centres and assess the qualitative need that exists (if any) for new retailing provision in each town.

Bridgend Town Centre : Retail Overview and Qualitative Need

4.17 According to Experian’s latest Goad Centre Category Report,¹ the town centre provides an estimated 40,567 sq m gross of retail / service floorspace. A breakdown of the floorspace (**Table 4.1**) reveals the following floorspace totals for convenience shopping, comparison shopping and retail services.

Table 4.1: Estimated Retail Floorspace: Bridgend Town Centre

Shopping Type	Sq M Gross
Convenience	9,207
Comparison	26,910
Retail Services	4,450

Source : Experian Goad

4.18 In terms of retail provision, Bridgend town centre’s allocation of shops between convenience, comparison and services broadly mirrors the GB average, as shown in **Table 4.2**, although there is a slight under-representation of convenience shopping. Vacancy levels currently exceed the normal average.

Table 4.2: Diversity of Uses: BridgendTown Centre

Goods Type	No. of Outlets Index (UK Average = 100)	Floorspace Index (UK Average = 100)
Convenience	57	89
Comparison	100	98
Service	110	109
Miscellaneous	108	35
Vacant	107	128

Source: Experian Goad

4.19 The data in **Table 4.2** is presented on the map in **Figure 4.1 a and b** overleaf. This map illustrates a number of important points about the retail offer and layout of Bridgend town centre. These are as follows:-

¹ The Goad data includes ground floors only. However, relatively few retail units trade on other levels in Bridgend.

- Adare and Caroline Streets', which are both pedestrianised, and the Rhiw Shopping Centre are the main areas for comparison goods shopping;
- service uses are in the main confined to secondary frontages, especially Wyndham Street, the northern section of Dunraven Place and along Nolton Street;
- there is an above average level of voids and these are spread throughout the town centre, with no major concentrations. However, very few of them are in the primary shopping area.
- the major food stores – Tesco, Kwik Save and Iceland are located on the fringe of the town centre.

4.20 By comparing the results of our current assessment against those set out in our 2000 Retail Need Assessment for the Council, we are able to identify the following key trends:

- the number of convenience goods outlets in Bridgend town centre has fallen from 31 to 20; reducing occupied convenience floorspace from an estimated 10,950 sq m gross in 1999 to 9,207 sq m in 2002¹;
- similarly, there has been a small reduction in occupied comparison goods floorspace from an estimated 30,300 sq m gross in 1999 to 26,905 sq m in 2002; and
- the number of vacant units fell from 29 to 20 between 1998 and 1999, but has risen to 41 today (26% above the UK average).

4.21 Reflecting these recent changes in the quantum and mix of occupied retail floorspace and voids, rents in the town centre have remained at £646 per sq m Zone A since 1999, whereas there have been small gains in the town's major competitor centres of Cardiff and Swansea².

4.22 Bridgend town centre has not witnessed any significant new retail investment since the Rhiw Shopping Centre opened in 1972, although "value" comparison multiples such as B'Wise and What Everyone Wants have moved in taking space which has become available

¹ Source: Experian Goad. During this period two small Kwik Save supermarkets and a Co-op closed down.

² Cardiff Zone A rents have risen from £2,422 per sq m in 1999 to £2,583 per sq m in 2002, whilst Zone A rents in Swansea have increased from £1507 per sq m to £1668 per sq m over the same period.

following the closure of a supermarket. Despite this new representation there remains a shortage of mid to upper market comparison multiples, particularly in the fashion sector. Accordingly, the quantum and quality of the retail offer of the town centre has not kept pace with the growth in Bridgend's population or the widening diversity of its customer base. This view is supported by the results of our household survey (**Appendix 1D**), which gives poor choice of shops / goods as the major reason why consumers choose to shop at centres other than Bridgend town centre.

- 4.23 We therefore feel there is a strong qualitative need for additional non-bulky and bulky comparison goods retail floorspace in Bridgend town centre, although out of centre locations may be more applicable for the latter goods category if town centre sites are unavailable or in short supply.
- 4.24 In relation to convenience goods, there has been a significant reduction in the quantum and diversity of the retail offer in the town centre in recent years, such that the only major food stores still trading are the Tesco at Brewery Lane (located on the northern fringe of the centre beyond the dual carriageway), Iceland in the back of the Brackla Centre and Kwik Save on Cheapside (**see Figures 4.1a and b**). The two latter stores are only of a modest size and due to their formats (limited line discounter and frozen foods) do not really offer a wide range of food products. This leaves the Tesco which, due to its location, is not best placed to integrate with the rest of the town centre. As a result it does not generate as many linked trips as other town centre food stores within Bridgend County Borough. We therefore conclude that there is a qualitative need for a further large food store in Bridgend town centre, which will sell a broad range of grocery products.
- 4.25 We are aware that an application has been submitted by Asda for a superstore within the defined commercial area of Bridgend town centre at Cheapside (to the south of the existing Kwik Save). The supporting Retail Assessment¹ identifies the following qualitative benefits of the proposal:-
- it will provide a high quality food store offering a full range of Asda products in an accessible location within Bridgend town centre:

¹ Retail Assessment, RPS, October 2002 (Paragraph 3.18).

Fig. 4.1 The Use of Units in Bridgend Retail Core (North)



Key

- Convenience
- Comparison
- Service
- Miscellaneous
- Vacant

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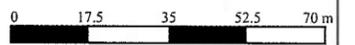
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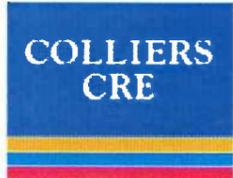
Key

- Convenience
- Comparison
- Service
- Miscellaneous
- Vacant



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- it will meet a need to regenerate the southern part of the town centre and provide a stimulus to the vitality and viability to this part of the centre and to the town centre as a whole;
- it will provide significant local employment, including 350 new jobs within the store itself; and
- it will extend the range and choice of food shopping in Bridgend and provide effective price competition for Tesco, who currently dominate local shopping provision.

4.26 In addition, the supporting assessment indicates that the proposed Asda will satisfy the objectives of the emerging UDP to provide a new link road between Cowbridge Road and Coychurch Road and regenerate the area in accordance with the strategic objectives of the Council.

Out of Centre

4.27 Tesco Stores Limited and the Welsh Development Agency (WDA) have jointly submitted a planning application for the development of a superstore and petrol filling station at land off the Northern Distributor Road (A4061), Brackla, Bridgend. A supporting retail assessment¹ sets out the qualitative need arguments in favour of such a new superstore. These mainly revolve around the significant over-trading which now occurs at the existing Tesco store in Cowbridge Road and the considerable qualitative deficiencies this causes the retailer and the consumer. The key points are as follows:

- there is insufficient shelf space (at the Tesco, Cowbridge Road) to meet consumer demand such that items are often out of stock during trading hours;
- the store is not large enough for Tesco to always accommodate the number of product categories and product lines it would like;
- there is sometimes congestion at the checkouts and a shortage of space to accommodate more “express” checkouts;

¹ Retail Assessment, Littman & Robeson, July 2002.

- there is also pressure on the bulk storage area, which is not big enough to cater for the level of demand
- there are customer complaints due mainly to queues at the checkouts, in-store congestion and the non-availability of products;
- Tesco introduced 24 hours opening (Monday through to Saturday) in 2000 in order to spread consumer demand, while a home delivery service is also aimed at reducing in-store congestion. Both initiatives have in practice had only a marginal impact on levels of in-store congestion;
- the Brackla site is set amidst an area of substantial new planned housing provision and the new superstore will therefore meet a specific need to improve the accessibility and choice of shopping facilities in this part of Bridgend; and
- the proposed superstore will deliver the direct benefit of facilitating access to adjoining development sites to be brought forward by the WDA.

4.28 Consultants acting on behalf of Asda and Tesco have set out qualitative need arguments in support of both proposed new superstores. The main qualitative benefits of the Asda proposal relate to its role in regenerating a run down area of Bridgend town centre and providing much needed choice to the convenience retail offer within the town centre. In contrast, the main qualitative need for a new Tesco on an out of centre site at Brackla comes from the necessity to reduce very high levels of over-trading at the existing Tesco store at Cowbridge Road. Consequently there are qualitative need merits in support of both proposals, although only the Asda proposal automatically passes the need and sequential tests due to its location within Bridgend town centre. Accordingly, we re-visit the merits of each application in Section 6, following our assessment of quantitative need which is set out in full in the next section.

Maesteg Town Centre : Retail Overview and Qualitative Need

4.29 Estimated retail floorspace within Maesteg town centre is summarised in **Table 4.3** overleaf. The overall total of 16,846 sq m gross (including retail services), means the centre has a floorspace stock of just 42% of that in nearby Bridgend. For this reason, and also because

the latter has many more multiple retailers present, there is a big out-flow of expenditure down the valley to the sub-regional centre.

Table 4.3: Estimated Retail Floorspace: Maesteg Town Centre

Shopping Type	Sq M Gross
Convenience	5,639
Comparison	8,290
Retail Services	2,917

Source : Experian Goad

4.30 In terms of retail diversity, the data summarised in **Table 4.4** confirms that in comparison to the UK average there is a higher proportion of convenience stores and a lower proportion of comparison shops. Retail services and miscellaneous outlets are broadly in line with national average levels, while vacancy is significantly above.

Table 4.4: Diversity of Uses: Maesteg Town Centre

Goods Type	No. of Outlets Index (UK Average = 100)	Floorspace Index (UK Average = 100)
Convenience	112	149
Comparison	90	80
Service	89	96
Miscellaneous	45	103
Vacant	158	141

Source: Experian Goad

4.31 The data in **Table 4.4** is presented on the map in **Figure 4.2** overleaf. This shows that:-

- virtually all the comparison shopping is located in Talbot and Commercial Streets;
- the convenience goods retail offer is concentrated in Llynfi Road (Aldi, Iceland and Somerfield), with a single additional Somerfield store on Castle Street, next to the railway station;
- service uses are spread throughout the town centre and not limited to secondary and tertiary locations; this is often a characteristic of a weak market for retailing; and



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- voids are also found throughout the town centre, although Commercial Street has the highest penetration of vacant units.

4.32 Existing retail provision is limited within all goods categories in Maesteg town centre. Further non-bulky and bulky comparison goods retail floorspace is therefore welcomed on qualitative need grounds, but it is unlikely that multiple retailers will be attracted to such a small centre, especially when it is located relatively close to Bridgend.

4.33 We also conclude that there is a strong qualitative need for another major food store in Maesteg. The evidence points towards a need to broaden the range of the convenience offer to consumers and to reduce the existing (small) level of over-trading which we estimate¹. Ideally a new store should be serviced by adequate levels of car parking and be located in or at the edge of the town centre, such that it will generate linked trips and brings benefits to existing shops and services. We understand that the Council has granted consent to a new food store fronting Llynfi Road to the north of Aldi and Iceland, and this should meet the recognised qualitative need for more convenience goods shopping in Maesteg.

Porthcawl Town Centre : Retail Overview and Qualitative Need

4.34 **Table 4.5** overleaf summarises the quantum of retail / service floorspace currently available in Porthcawl town centre. In terms of retail goods provision Porthcawl's 12,450 sq m gross is a little less than Maesteg's 13,900 sq m, but well below Bridgend's 36,120 sq m. For this reason, Porthcawl very much trades in the shadow of Bridgend and the latter's influence is compounded by its close proximity

¹ See Section 5 (paragraph 5.53)

Table 4.5: Estimated Retail Floorspace: Porthcawl Town Centre

Shopping Type	Sq M Gross
Convenience	3,084
Comparison	9,370
Retail Services	1,951

Source : Experian Goad

4.35 Data showing the diversity of uses within Porthcawl town centre is set out in **Table 4.6**. In terms of floorspace, the town centre is under-represented in convenience goods shopping, which is especially unusual given that Porthcawl is a small town. Comparison shopping floorspace representation is also a little below the national average, although this is much more in line with what one would expect from a town of Porthcawl’s size and role in the shopping hierarchy . The data confirms that service use penetration is high, whilst vacancy is significantly below the UK average rate.

Table 4.6: Diversity of Uses : Porthcawl Town Centre

Goods Type	No. of Outlets Index (UK Average = 100)	Floorspace Index (UK Average = 100)
Convenience	136	87
Comparison	100	94
Service	104	144
Miscellaneous	44	37
Vacant	68	75

Source: Experian Goad

4.36 The data in **Table 4.6** is presented in map form in **Figure 4.3** overleaf. The major observations which can be made are as follows:

- the central section of John Street forms the retail core and this is where the majority of the comparison retailers are located, including all the multiples;
- the only major convenience store – Somerfield – is located in Lias Road and is relatively well connected to the prime pitch;



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- service uses are in the main located in secondary areas – along the northern and southern sections of John Street; and
- there are relatively few voids overall, with almost none along the prime pitch; those that do occur tend to be located close to the seafront and are likely to be linked to the tourist trade and be affected by seasonal factors.

4.37 Retail provision at Porthcawl is relatively limited in all three broad goods categories, although it is stronger than Maesteg in comparison shopping, but weaker in its convenience retail offer. Accordingly, there is a qualitative need for additional non-bulky and bulky comparison goods shopping in the town centre, although the size of the town and its close proximity to Bridgend is likely to deter interest from multiple retailers.

4.38 In addition, there is a particular qualitative need for more convenience goods shopping in the town centre. This has been recognised by the Council for some time, and a site has been allocated in the UDP for a new large food store of up to 2,787 sq m gross. We take into account this “commitment” for a new food store in our quantitative need assessment in Section 5.

5. QUANTITATIVE NEED: RETAIL FLOORSPACE CAPACITY

Objectives

- 5.1 This section describes our approach to estimating the quantitative need (or capacity) for additional retail floorspace within Bridgend, Maesteg and Porthcawl and presents the results of the assessment. All monetary figures are quoted in **constant 2000 prices**.
- 5.2 The assessment provides the following information:
- estimates of total available retail expenditure within the shopping catchments of all three towns at the forecast years of 2006, 2011 and 2016;
 - estimates of the retail turnover likely to be ‘retained’ by the three towns at each of the forecast years;
 - estimates of “headroom” expenditure and therefore retail floorspace capacity within Bridgend, Maesteg and Porthcawl at the forecast years; and
 - retail capacity disaggregated into convenience goods and comparison goods retail floorspace, with the latter category further divided into non-bulky goods and bulky goods shopping;
- 5.3 Our understanding is that the results of the capacity assessment will be used by Bridgend County Borough Council to inform future retail policies and strategies for the borough, particularly in relation to the three towns of Bridgend, Maesteg and Porthcawl. The results should also assist the Council in responding to a number of emerging retail proposals.

Approach

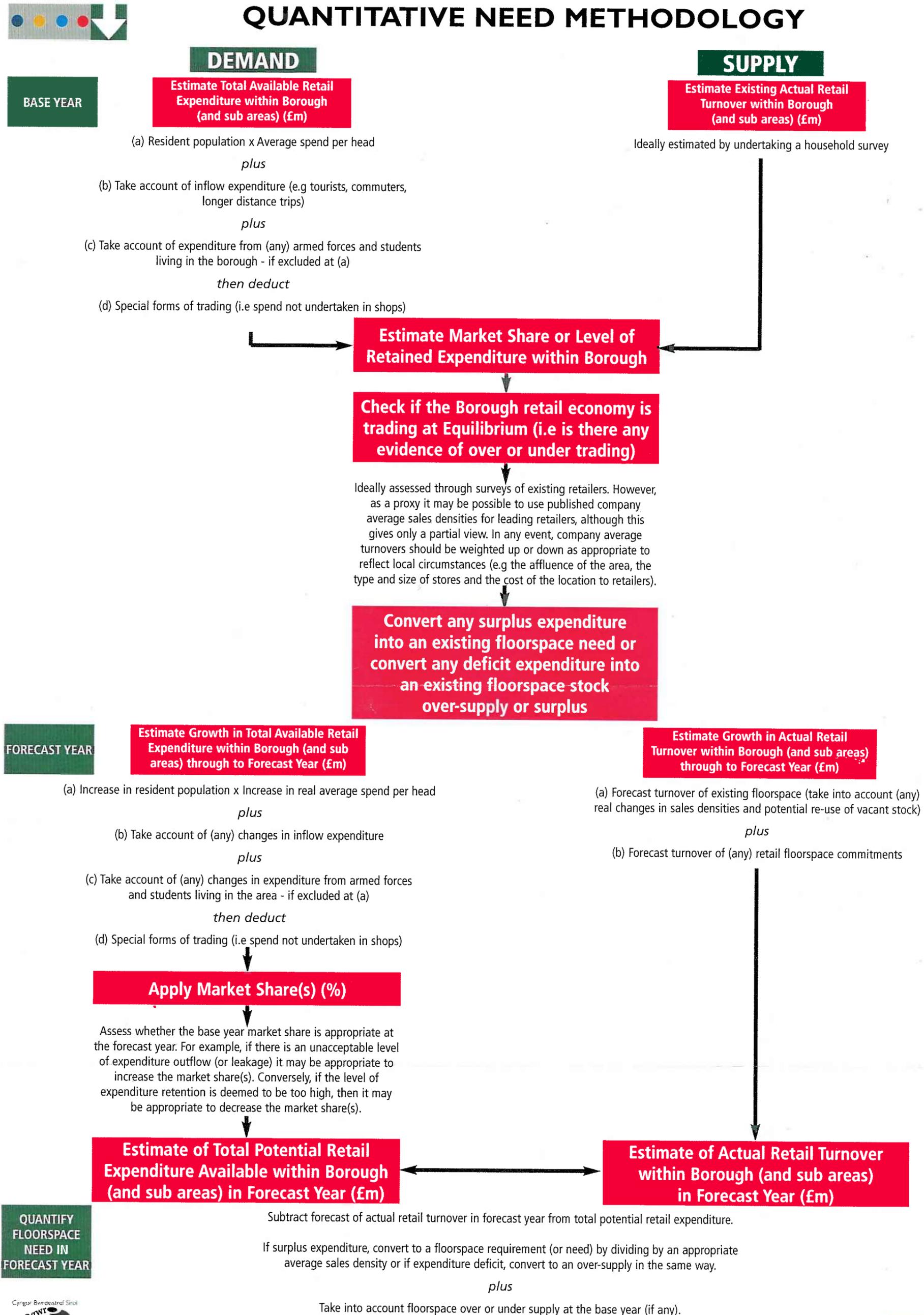
- 5.4 The scope, or capacity, for additional retail floorspace within an area (or centre) is dependent on the future relationship between the demand for and supply of space, after taking into account the extent (if any) of any over/under trading that is occurring. The demand (or need) for floorspace is then determined by assessing the likely growth in the volume of consumer retail expenditure, while an assessment of floorspace supply involves quantifying the extent to which proposed changes in the location, quality and quantity of retail floorspace will meet the forecast increases in expenditure. Any monetary shortfall of supply relative to demand

in the future indicates there is capacity for more floorspace in quantitative terms. The scale of additional retail provision is then determined by converting the excess consumer expenditure (or headroom expenditure) into a retail floorspace capacity. In practice, because shopping patterns are complex and vary for different types of goods, the methodology utilises survey data to predict existing shopping patterns and examines the extent to which this should change in the future. This is a judgmental decision based upon planning considerations.

- 5.5 In practice, commercial considerations are also important in estimating the need for more floorspace; if a quantitative assessment identifies that there is scope for more space, but the market is too weak to let it, then clearly any proposed expansion may need to be reconsidered. Alternatively, there may be instances when market demand for providing additional retail floorspace exceeds the retail capacity indicated by the quantitative assessment. In such circumstances, and after also taking into account qualitative need considerations, it may be prudent to refuse consent in order to protect the vitality and viability of existing town centres.
- 5.6 Our broad approach to estimating retail capacity within Bridgend, Maesteg and Porthcawl is summarised in **Figure 5.1** overleaf. The assessment comprises of seven main steps, which in aggregate cover the three main stages of analysis:
- (i) forecasting consumer demand;
 - (ii) forecasting retail supply and;
 - (iii) the conversion of (any) surplus expenditure into a retail floorspace requirement.
- 5.7 We have sought to provide an analysis that is transparent and which, at the same time, seeks to be robust. The assessment is also presented in a way that enables it to be updated in the future as more up-to-date statistics become available and the emerging pattern of shopping activity becomes more established.
- 5.8 We carry out separate quantitative retail capacity assessments for comparison goods – further disaggregated into non-bulky and bulky comparison goods - and convenience goods. Each is supported by a number of tables which are reproduced in **Appendices 5B and 5C**. In addition, the assessment refers to a number of key assumptions and technical adjustments, which are similarly reproduced in full as Appendices.

QUANTITATIVE NEED METHODOLOGY

Fig. 5.1



5.9 We begin with an assessment of the retail floorspace capacity for comparison goods.

Analysis: Comparison Goods

Step 1: Calculate Total Available Expenditure in the Survey Area

- 5.10 The extent of the Bridgend County Borough catchment area for comparison goods shopping has been defined on the basis of the results of the household telephone survey, which provides current information on shopper behaviour and retail consumer expenditure flows.¹ The household survey area is shown in **Figure 3.1** (following page 19). Within this area the quantum of comparison goods retail expenditure generated is derived by multiplying population by average annual expenditure per head. This calculation is carried out for each of the 13 zones which comprise the survey area.
- 5.11 Population estimates by zone and for the survey area as a whole are set out in **Appendix 5B, Table 1**. In addition to estimates for 2002 (the base year), population forecasts for 2006, 2011 and 2016 are also included. These population estimates take into account major residential allocations within the sub-region, which have been agreed with the Council. The population forecasts are consistent with those generated by the Chelmer model as used in the Bridgend UDP.
- 5.12 **Appendix 5B, Table 2** gives the average annual expenditure per person on comparison goods for residents living in each of the 13 zones comprising our survey area. These figures have been obtained from Experian.² We have projected the per person expenditure estimates forward to the forecast years of 2006, 2011 and 2016 by adopting Experian's UK Medium Term Trend of +4.1% per annum.³ In selecting this growth rate we have given full consideration to the advice of Experian and opted, in view of the lengthy forecast period, to take a relatively conservative approach. Experian state that in their view:

¹ We have ensured that the survey area is sufficiently extensive to include the catchment areas of both Bridgend, Maesteg and Porthcawl.

² The per person expenditure estimates and Experian definitions of convenience goods and comparison goods are reproduced in full in **Appendices 3C and 3D** respectively. In preparing retail studies of this kind consultants have traditionally used local area expenditure data produced by MapInfo (formerly known as URPI). Although this company has very recently updated its expenditure per head figures to 2000, their expenditure projections have not been updated for many years. We consider these are now well out of date and do not reflect changes in consumer spending that have actually occurred in the economy. Although Experian is a new entrant to the retail planning data 'market', the company has a long and sound reputation for providing similar information. Because their local area expenditure estimates are for 2000 and they have also produced up-to-date information on expenditure trends, we have, in agreement with the Council, opted to use this source for the present study.

³ This figure relates to the forecast period 2000-2016 as a whole. For the individual time-periods 2000-2002, 2002-2006, 2006-2011 and 2011-2016, we have used Experian's percentage growth rates which are consistent with the figure given for the 16 year time-period. The Experian UK Medium-Term Trends are set out in full in **Appendix 3E**.

- *“Although we have provided information on trends in spending per head based on an analysis of a number of periods (1963-2000, 1976-2000 etc.), we do not recommend that all of these be considered. The ultra long-term trend is estimated over such a long period that we are sceptical of its relevance to the next 10-15 years, especially for the detailed categories. This is especially true when we consider that many of the products in the high growth categories did not actually exist in 1963 so we are not comparing like with like. On the other hand, short-term trends (estimated over the 1991-2000 period), are based on such a short time series that the projections are unlikely to be reliable. That leaves a choice between medium and long-term trends. Of the two we would suggest that medium-term trends are a sensible basis for projection, combining, as they do, projections of total consumer spending that are similar to the long-term trends with what we believe to be more robust category level projections.”* (Source: Retail Planner Briefing Note, Experian, February 2002 (Paragraph 4.3)).

5.13 At **Appendix 5B, Table 3**, we make deductions to the per person expenditure estimates to account for retail expenditure which does not take place in shops, such as that on mail order shopping (including e-commerce companies), door to door salesmen and market and road-side stalls. This form of expenditure is known as “special forms of trading”, and is estimated (by Experian) to account for 7.0% of annual spending on comparison goods.

5.14 In presenting expenditure forecasts through to 2016, we are aware that there are currently a number of electronic shopping formats which, should they become widely established, could increase significantly the proportion of retail expenditure that is not spent in conventional shops. We have reviewed the likely impact of these new forms of shopping and concluded that it is premature at the present time to make material changes. Therefore, we have maintained “special forms of trading” at the existing percentage through to 2016, although we would stress that this assumption should be reviewed from time to time, since, were it to change significantly, it could have a major impact on future levels of retail floorspace by reducing the need for additional shopping provision.

5.15 Our estimates of total available consumer retail expenditure on comparison goods at the base year (2002) are set out in **Appendix 5B, Table 4**. Forecasts are also give for the forecast years of 2006, 2011 and 2016. The increases in available expenditure are due to:

- the forecast growth in catchment population;
- real increases in consumer comparison goods expenditure per head.

Step 2: Application of “Market Shares” to Determine Amount of Retained Expenditure

- 5.16 As a consequence of increases in the volume of consumer expenditure per head, running in tandem with population growth, we estimate the pool of available expenditure on comparison goods within the Bridgend County Borough survey area will increase from around £425 million in the base year (2002) to some £501 million in 2006. At 2011 the total will have risen still further to £629 million, while by 2016 the quantum of available comparison goods spend is likely to have reached some £783 million. This represents a gain of about £358 million over the full period – almost a doubling of the ‘pool’ of available expenditure within 14 years. As with all retail capacity studies, a forecast in the growth of available consumer expenditure is dependent on a number of assumptions being made. These assumptions are clearly more difficult to predict the further one forecasts into the future. Although our brief from the Council is to forecast through to 2016, we would advise that figures beyond 2011 should be treated with caution.
- 5.17 Our retail assessment quantifies the retail capacity for non-bulky and bulky comparison goods. Adopting Experian’s definition we define bulky comparison goods as comprising audio visual equipment, furniture and floor coverings, household appliances, repair and maintenance goods and tools and equipment. Non bulky comparison goods constitute all the remaining comparison product categories, including clothing, footwear and fashion accessories, etc. The Experian definitions of non-bulky and bulky comparison goods are set out in full in **Appendix 3D**.
- 5.18 For each of the forecast years (2006, 2011 and 2016), we disaggregate the total ‘pools’ of available comparison goods expenditure by zone between the non-bulky and bulky retail categories. This we carry out at **Appendix 5B, Tables 5A and 5B** respectively. We apportion the spend according to Experian’s figures which indicate that 63.1% of consumer comparison goods expenditure, on average, is spent on non-bulky goods, with the balance (36.9%) on bulky goods. Moreover, we adopt these same proportions for each of the forecast years. This is because an analysis of Experian’s consumer expenditure forecasts for the individual goods components within the non-bulky and bulky comparison categories indicates that at this broad level of disaggregation the differences (using the UK Medium-Term Trend) are likely to be immaterial. Moreover, an analysis of past trends using MapInfo data (**Appendix 5E**) confirms that historically the proportions between the two categories (defined slightly differently to Experian) have remained broadly the same.

- 5.19 However, not all of this growth in consumer expenditure will be spent within the Bridgend County Borough survey area and is available to support new retail floorspace in the borough. This is because competitor centres to those in Bridgend County Borough also lay claim to the same growing “pool” of expenditure. This requires us to quantify the “market shares” of Bridgend, Maesteg and Porthcawl.
- 5.20 Existing “market shares” for non-bulky and bulky comparison goods shopping have been determined on the basis of the results of the household telephone survey carried out by ourselves for Bridgend County Borough as part of this study. The survey provides useful information on the geographical extent of catchment areas and trade penetration around existing towns by quantifying the pattern and volume of retail expenditure flows from each of our defined zones (where people live and money is generated) to a range of centres and out of centre stores (where people spend their money).
- 5.21 In addition, and of **critical** importance, our assessment also takes into account the distribution and volume of locally available consumer expenditure (or spending power) so as to ensure that **our retail turnover estimates are balanced against available retail consumer expenditure**.
- 5.22 The base year (2002) pattern of “market shares” are set out at **Appendix 5B, Tables 6A and 6B** for non-bulky and bulky comparison goods shopping respectively. These market shares have been taken directly from our household telephone survey¹, and confirm, as one may expect, that Bridgend, Maesteg and Porthcawl, attract proportionately more available expenditure in areas close by than further afield.
- 5.23 These “market shares” are then applied to the 2002 “pools” of available non-bulky and bulky comparison goods expenditure (**Appendix 5B, Tables 7A and 7B** respectively). These tables give the monetary amounts of non-bulky and bulky comparison goods expenditure flowing to each retail centre category by zone. The addition of these expenditure totals for each of the 13 zones give the total amount of non-bulky and bulky goods spending flowing to a centre from the survey area.

¹ For the purposes of this quantitative need assessment, we have included the Designer Outlet – Wales in the “other centres / stores” grouping. In our view this out of centre retail facility exhibits trading characteristics which set it apart from all of the other retail centres / stores within Bridgend County Borough. Therefore its inclusion is likely to have led to a material distortion of the results.

Step 3: Determine Whether Existing Retail Economy is Trading at Equilibrium

- 5.24 At this stage of the assessment we consider whether the existing non-bulky and bulky goods retail economies of Bridgend, Maesteg and Porthcawl are broadly trading at equilibrium or not. This is important because if the amount of consumer expenditure flowing to a centre is high in relation to the stock of available retail floorspace and this appears to be causing problems to retailers and/or shoppers, then the centre's retail offer may be described as over-trading. Conversely, if the expenditure flows are low relative to available retail floorspace, then this can result in under-trading of the present retail offer.
- 5.25 If over-trading is occurring then it is commonly assumed that the turnover in excess of the equilibrium position is potentially available to support new shopping provision. If this occurs, then this element of expenditure should be added to the headroom expenditure which we later estimate from the future growth in the retail economy and any adjustment to market shares. Conversely, if a centre is under-trading at present, then it is also logical to deduct the amount of turnover shortfall relative to the equilibrium position from the defined headroom expenditures associated with the future growth in the retail economy and any adjustment to market shares.
- 5.26 The problem with this kind of analysis is determining whether a centre is trading in equilibrium or not. There are two principal difficulties. First, retailers need to achieve a certain trading level to be viable. However, this trading level varies substantially for individual retailers and across the country, reflecting differences in type of business, profit margins, site, size, financial structure and other factors. Without detailed surveys of all individual traders in a centre is virtually impossible to determine what the average equilibrium trading level is. Allied to this problem is the difficulty of deriving reliable average sale densities, since there often is no accurate retail salespace data available. The second major difficulty is that even if it can be proven that a centre is trading above its retail equilibrium, this does not automatically mean that problems associated with over-trading occur; these may include retailer operating difficulties, in-store congestion, over-busy streets leading to pedestrian safety and security problems, and congested car parks.
- 5.27 In estimating whether Bridgend, Maesteg and Porthcawl are in retail equilibrium at present in relation to non-bulky and bulky comparison goods shopping, we have been handicapped by the unavailability of data on retailers trading performance and aspirations, and accurate

retail salespace figures. Nevertheless, we have attempted to be as robust as possible, since extreme conditions of over or under-trading in the base year do suggest there is an under-or over-supply of retail floorspace already. Our benchmark (or retail equilibrium) turnover estimates for the existing retailing provision within the Bridgend County Borough retail economy are set out at **Appendix 4A** for non-bulky comparison goods and **Appendix 4B** for bulky comparison goods.

- 5.28 For non-bulky comparison goods shopping (see **Appendix 5B, Table 7A**), the survey suggests that Bridgend is trading a little above its expected retail equilibrium position. Later this ‘surplus’ spend of some £6 million is added to the forecast headroom expenditures arising from growth in the local population and consumer expenditure per head. Both Maesteg and Porthcawl, however, appear to be significantly under-trading, with low recorded average sales densities in both towns. We therefore consider there is a combined expenditure deficit in these two towns as a whole of around £13 million. Later on in this assessment this figure is deducted from the forecast headroom expenditures. Lastly, we consider that non-bulky comparison goods shopping at the Bridgend Retail Park is marginally under-trading.
- 5.29 For bulky comparison goods (see **Appendix 5B, Table 7B**), the existing retail economy of Bridgend town centre is working in reverse and is under-trading a little. We estimate that the expenditure deficit is around £3 million and this figure is deducted from the forecast headroom expenditures. In contrast, we consider that both Maesteg and Porthcawl are more or less in retail equilibrium in the base year; their supply of bulky comparison goods floorspace generating the levels of sales we would expect given the towns’ size and role in the shopping hierarchy. Lastly, and most importantly, the survey evidence points to a significant over-trading at the two out of centre retail parks at Bridgend. The Waterton and Bridgend Retail Park’s attract large shares of available bulky comparison goods spend from across most of the survey area, and yet in terms of retail floorspace the two parks are relatively small. Accordingly, the estimated sales densities are way ahead of benchmark levels (based on company averages) and this “surplus” expenditure plays an important part in our quantitative need assessment later on.
- 5.30 **Appendix 5B, Table 8** combines the monetary flows identified in **Appendix 5B, Tables 7A** (non-bulky comparison goods) and **Table 7B** (bulky comparison goods) and gives the estimated base year (2002) annual (total) comparison goods turnovers of Bridgend, Maesteg and Porthcawl. Using our knowledge of shopper behaviour within the wider area and

professional judgement, we have estimated the extent of consumer non-bulky and bulky comparison goods expenditure flowing to the centres from residents living outside our household survey area. For Bridgend town centre, we estimate that around £3.8 million of its base year non-bulky comparison goods turnover is sourced from outside the survey area, while the corresponding figure for bulky comparison goods is £0.4 million. Similarly, we assume that £0.2 m and £4.5m respectfully of non-bulky and bulky comparison goods expenditure flows to the Waterton and Bridgend Retail Parks from outside the survey area¹ For Maesteg and Porthcawl we estimate that there is no material in-flow expenditure for either type of comparison goods. Taking into account in-flow expenditure, our estimates of base year (2002) non-bulky comparison goods turnover for Bridgend, Maesteg and Porthcawl ‘town centres’ are £80.5 million, £6.7 million and £8.4 million respectfully, whilst some £3.7 million of non-bulky comparison sales occur at the Bridgend Retail Park. For bulky comparison goods our turnover estimates are £8.3 million, £3.7 million and £1.9 million for Bridgend, Maesteg and Porthcawl town centres respectfully, while sales at the Bridgend and Waterton Retails Parks are estimated at £44.7 million and £51.3 million respectfully. **Appendix 5B, Table 9** translates for each zone the total comparison goods expenditure flows to each of the centres into a series of market shares for the base year (2002).

Step 4: Calculate Growth in Retained Expenditure through to the Forecast Years

- 5.31 Having determined the base year (2002) “market shares” and levels of retained comparison goods expenditure within Bridgend, Maesteg and Porthcawl, we use the market shares to calculate how much more spending or trade these centres could expect to attract in the future as a result of the forecast growth in available catchment area expenditure
- 5.32 Our “benchmark” retail capacity forecasts for comparison goods are based on the principle that the Bridgend, Maesteg and Porthcawl retail economies will maintain their status relative to each other and to competitor centres. This approach is frequently adopted by consultants when the main objective is to provide a strategic assessment of the scope for additional retail floorspace over a long time-frame.
- 5.33 For each of the forecast years we therefore apply the **same** market shares to the increased “pools” of available expenditure in each zone. The calculations for the years 2006, 2011 and

¹ Based largely on our survey results, we assume in fact that the Waterton Retail Park attracts only bulky comparison goods expenditure.

2016 are set out in **Appendix 5B, Tables 10, 14, and 18** respectively. Due to the increase in demand (as a result of population growth and rising consumer expenditure) the assessment produces at 2006 higher retail turnover potentials for each of the centres than in the base year (2002). Similarly, the turnover potentials get even higher for the forecast years of 2011 and 2016.

Step 5: Determine Level of Potential Headroom Expenditure in the Forecast Years

- 5.34 It would be wrong to assume that all of the increases in turnover potential for Bridgend, Maesteg and Porthcawl will be available by the forecast year(s) to support additional comparison goods shopping. This is because some of the forecast growth in expenditure should be allocated to existing retailers in order for them to increase their trading densities in real terms. By making a suitable allowance¹ for increasing retailer sales densities (to cover retailer costs), we are building into our assessment the increasing monetary means for all existing retailers to maintain their current standards of accommodation and customer service through enabling them to refurbish and invest in the quality and training of their staff. This allowance may be seen as unnecessary, since some argue that stability of sales in existing shops is sufficient to ensure their continuing vitality and viability. In our view, making such an allowance should at least maintain the existing economic health of Bridgend, Maesteg and Porthcawl through to 2016.
- 5.35 **Appendix 5B, Tables 11A and 11B** disaggregate the forecast 2006 comparison goods turnover estimates for each centre into non-bulky and bulky goods categories respectively. This calculation is repeated for the forecast years 2011 and 2016 at **Appendix 5B, Tables 15A and 15B**, and **Tables 19A and 19B** respectively.
- 5.36 In **Appendix 5B, Tables 12A and 12B** the turnover allocations for existing retailers are deducted from the 2006 turnover potentials of Bridgend, Maesteg and Porthcawl for non-bulky and bulky comparison goods respectively. This calculation produces estimates of residual turnover potential. The base year (2002) turnovers are then subtracted from these 2006 residual turnovers to determine the quantum of potential headroom expenditure in 2006 for each centre. At this stage, we then add / deduct as appropriate the totals of expenditure which relate to the over / under trading estimated for the base year (2002). The **addition** of

¹ We assume that the average sales density of existing comparison goods retailers will rise by 1.5% per annum. This is the figure recommended by MapInfo in their Information Brief 86/6 and has been validated by leading retailers since then as still being appropriate. It falls within the range adopted by consultants undertaking retail capacity studies.

the headroom expenditure resulting from the growth in the retail economy since 2002 (the base year) and the surplus or deficit expenditure available at the base year, gives the total adjusted potential headroom expenditures available for Bridgend, Maesteg and Porthcawl. Similar analyses are carried out for the forecast year 2011 in **Appendix 5B, Tables 16A and 16B** and for 2016 in **Appendix 5B, Tables 20A and 20B**.

5.37 In summary, our quantitative assessment produces the following potential headroom expenditures for comparison goods for Bridgend, Maesteg and Porthcawl for each of the forecast years:

Bridgend* – Adjusted Potential Headroom Expenditures (Comparison Goods)

Year	Non-Bulky Goods (£m)	Bulky Goods (£m)
2006	14.7	67.6
2011	33.3	90.0
2016	56.5	118.3

*Town and out of centre combined.

Maesteg – Adjusted Potential Headroom Expenditures (Comparison Goods)

Year	Non-Bulky Goods (£m)	Bulky Goods (£m)
2006	-4.6	0.4
2011	-3.3	1.2
2016	-1.6	2.1

Porthcawl – Adjusted Potential Headroom Expenditure (Comparison Goods)

Year	Non-Bulky Goods (£m)	Bulky Goods (£m)
2006	-6.6	-0.9
2011	-4.9	-0.6
2016	-2.8	-0.1

Step 6: Determine Level of Residual Headroom Expenditure in the Forecast Years

- 5.38 To convert potential headroom expenditure into residual headroom expenditure at each of the forecast years we must make further deductions to account for that quantum of retail expenditure which is likely to be soaked up by retail floorspace commitments within Bridgend County Borough (commitments are retail developments already in the pipeline, which are either under construction or have planning consent).
- 5.39 From speaking to the Council we understand that there are no non-bulky or bulky comparison goods retail commitments within Bridgend County Borough at the present time.¹
- 5.40 **Appendix 5B, Tables 13A and 13B** set out our calculations to estimate the residual headroom expenditure for the forecast year of 2006 for non-bulky and bulky comparison goods floorspace respectively. These have been estimated for Bridgend, Maesteg and Porthcawl. The same assessment is carried out for the forecast years of 2011 and 2016 in **Appendix 5B, Tables 17A and 17B, and 21A and 21B** respectively. The residual headroom expenditures for each centre may be summarised as follows:-²

Residual Headroom Expenditures - Non Bulky Comparison Goods

Town	2006 (£m)	2011 (£m)	2016 (£m)
Bridgend	14.7	33.3	56.5
Maesteg	-4.6	-3.3	-1.6
Porthcawl	-6.6	-4.9	-2.8

Residual Headroom Expenditures - Bulky Comparison Goods

Town	2006 (£m)	2011 (£m)	2016 (£m)
Bridgend	67.6	90.0	118.3
Maesteg	0.4	1.2	2.1
Porthcawl	-0.9	-0.6	-0.1

¹ In Section 6, we assume that very small elements of the two food store retail commitments will be set aside for comparison goods. However, we have chosen to ignore this here, since the likely comparison turnovers will be negligible in the wider scheme of things.

² Because there are no retail commitments the residual headroom expenditure figures are identical to the adjusted potential headroom expenditure figures set out at paragraph 5.37.

5.41 In our view these residual headroom expenditure totals are most important because they provide an estimate of the amount of potential turnover which will be available to Bridgend, Maesteg and Porthcawl (at each of the forecast years) given our “benchmark” assumption of constant market shares. At Step 7, below, to meet the requirements of the study, we convert these residual headroom expenditures into retail floorspace requirements. However, the output of this last stage is dependent on the application of average sales densities and these, in practice, are likely to vary enormously depending on the type of development that is proposed. For example, town centre stores comprising non-bulky comparison goods shopping will typically trade at much higher average sales densities than retail warehouse style developments selling mainly bulky comparison goods.

Step 7: Estimate Capacity for Additional Comparison Goods Floorspace in the Forecast Years

5.42 The final step of the analysis is to convert the residual headroom expenditures for non-bulky and bulky comparison goods into retail floorspace requirements at each of the forecast years. This is done by dividing the residual headroom expenditures by typical average sales densities for different types of comparison goods floorspace.¹

5.43 The assessment is presented in full at **Appendix 5B, Tables 13A and 13B** for non-bulky and bulky comparison goods respectively for the forecast year of 2006. Similar analyses for the forecast years 2011 and 2016 are reproduced at **Appendix 5B, Tables 17A and 17B**, and **Tables 21A and 21B** respectively.

Results

5.44 A summary of our results for Bridgend, Maesteg and Porthcawl are set out overleaf.

¹ It should be borne in mind that different retail formats and types of retail operators often trade at different sales densities even when selling the same kinds of goods, whilst the range of sales densities varies even more widely between goods categories. The sales density figures we adopt in this study are meant therefore only to give approximate indications of retail floorspace requirements.

Scope for Additional Retail Floorspace - Non-Bulky Comparison Goods

Town	2006 (sq m net)	2011 (sq m net)	2016 (sq m net)
Bridgend	2,714	5,698	8,972
Maesteg	-1,472	-971	-448
Porthcawl	-1,878	-1,289	-674

Scope for Additional Retail Floorspace - Bulky Comparison Goods

Town	2006 (sq m net)	2011 (sq m net)	2016 (sq m net)
Bridgend	25,479	31,504	38,423
Maesteg	163	407	671
Porthcawl	-355	-193	-22

5.45 The retail floorspace capacities calculated above for comparison goods shopping within Bridgend, Maesteg and Porthcawl are subject to many assumptions. Therefore, we must re-emphasise that the further into the future the forecasts are undertaken the more cautious one must be in interpreting the results. Nevertheless, based on the most up to date data available the scope which has been identified assuming a “benchmark” (constant market shares) approach is considered to be realistic. Our figures do however assume no significant growth in SFT (including e-commerce) as a proportion of total comparison goods retail sales through to 2016. Although it is generally accepted that the impact of e-shopping on traditional retail floorspace is likely to be much less than initially thought, there may nevertheless be some future distribution of sales away from retail shops to the internet, particularly in goods categories such as books, music and electrical products.

5.46 It should also be borne in mind that the floorspace capacity estimates have been prepared on the basis that Bridgend, Maesteg and Porthcawl will maintain their base year (2002) market shares of non-bulky and bulky comparison goods expenditure within their respective catchment areas through to 2016. However, in practice, there are alternative scenarios that may be considered by the Council. These fall into two categories as follows:

- A consideration of retail proposals that are likely to trade significantly above and/or below the sales densities we have assumed for translating residual headroom expenditure into non-bulky and bulky comparison goods floorspace requirements. This will result in

floorspace capacity levels either less than or in excess of the figures set out in paragraph 5.44.

- A redistribution of floorspace capacity between Bridgend, Maesteg and Porthcawl and other competitor centres, such that one centre “captures” market share from the others.

5.47 In Section 6, we consider these important points further and set out our retail capacity recommendations to the Council.

Analysis: Convenience Goods

5.48 Our retail capacity assessment for convenience goods floorspace follows the same approach as that for comparison goods (i.e. that summarised in **Figure 5.1**). The detailed calculations underpinning the analysis are reproduced in full at **Appendix 5C**.

Step 1: Calculate Total Available Expenditure in the Catchment Area

5.49 At **Appendix 5C**, **Tables 1 to 4** inclusive, the total available convenience goods expenditure by zone is determined for the base year (2002) and the forecast years of 2006, 2011 and 2016. The analysis incorporates Experian estimates of average annual spending per head on convenience goods within each zone. We again exclude expenditure by “special forms of trading”, although the allowance (2.0%) (see **Appendix 3C**) is much lower than for comparison goods shopping.

Step 2: Application of “Market Shares” to Determine Amount of Retained Expenditure

5.50 Using the results of the household telephone survey we derive the base year (2002) market shares of Bridgend, Maesteg and Porthcawl town centres¹ and a number of major out of centre food superstores in the Bridgend area within each of the 13 zones. This assessment is set out at **Appendix 5C**, **Table 5**. Applying the market shares to the total “pools” of available expenditure within each zone in the base year (2002) (**Appendix 5C**, **Table 6**), gives the monetary flows of consumer spending from zones to the three town centres and major out of centre stores. We include small allowances for in-flow expenditure into Bridgend town centre and the two largest out of centre stores (Sainsburys at The Pines and

¹ This involves grouping together the expenditure flows to individual named stores in order to establish the overall market share of a town centre.

Tesco at Cowbridge Road) from people living outside our survey area. The addition of the flows from each zone together with the in-flow expenditure gives the total estimated convenience goods turnover of each town centre and store.

- 5.51 **Appendix 5C, Table 6** confirms that Bridgend town centre has estimated convenience goods sales of £42.5 million per annum in the base year (2002), although a large proportion of this total is due to the performance of the Tesco store at Brewery Lane. Maesteg and Porthcawl town centres generate sales of some £19.9 million and £8.4 million respectively. Out of centre, the Tesco at Cowbridge Road is estimated to have convenience goods sales of £67.4 million per annum, whilst the Sainsburys at The Pines is estimated to have an annual turnover of £35.8 million. The Co-op at Pyle and Lidl on the Bridgend Retail Park have estimated annual sales of £10.7 million and £4.1 million respectively.

Step 3: Determine Whether Existing Retail Economy is Trading at Equilibrium

- 5.52 Our household survey suggests Bridgend town centre is attracting convenience goods sales of £42.5 million. This must be set against our “benchmark” turnover for the town centre in 2002 (the base year) of around £32 million. This figure has been derived on the basis of the floorspace estimates for existing convenience goods shopping and appropriate average sales densities for the range of main stores in the town. (Details are set out in **Appendix 4C**) We therefore conclude that, on average, the town centre’s current convenience goods retail offer as a whole is over-trading; perhaps by up to £10.6 million (**Appendix 5C, Table 6**). This ‘surplus’ expenditure forms an important component of future convenience goods retail floorspace capacity within Bridgend.
- 5.53 For Maesteg we estimate that the existing convenience goods turnover of the town centre is £19.9 million; a total that is just above our “benchmark” sales total of £18.5 million. This £1.4 million expenditure ‘surplus’ is taken into account later on in our retail capacity assessment. At Porthcawl town centre we estimate annual convenience goods sales of £8.4 million, which is marginally below our ‘benchmark’ estimate of £9.4 million. Accordingly, this £1.0 million expenditure “deficit” feeds back in to our quantitative retail capacity assessment later.
- 5.54 We also consider the individual trading characteristics of four major out of centre food stores. The largest of these is the Tesco at Cowbridge Road. Our estimates indicate that this store should have an annual convenience goods turnover of £38.7 million if it traded at the

company average. In practice, it trades very successfully and, according to our survey, generates a turnover of £67.4 million. Thus it over-trades at the present time by an estimated £28.6 million per annum. This “surplus” of sales plays an important part in our later assessment when we quantify the overall need (or capacity) for additional convenience goods shopping. A similar picture emerges in relation to the Sainsburys at The Pines (benchmark turnover of £31.8 million against estimated existing sales of £35.8 million), although the scale of over-trading here is just £4.0 million. We also estimate modest over-trading (£1.1 million) at the Lidl (Bridgend Retail Park). Lastly, however the survey indicates the Co-op at Pyle is under-trading by around £2.3 million; we estimate its turnover at £10.7 million against a benchmark of £13.1 million. This expenditure “deficit” is also taken into account later.

Step 4: Calculate Growth in Retained Expenditure through to the Forecast Years

- 5.55 Unlike in relation to comparison goods there is an existing recognised qualitative and quantitative need for new food stores in both Maesteg and Porthcawl. The qualitative case was presented in Section 4.
- 5.56 At **Appendix 5C, Table 7**, we therefore adjust the market shares derived from the household survey to reflect the scope for new food stores at Maesteg and Porthcawl. For Maesteg we have made an appropriate upwards adjustment to its market share in zone 1 from 51.3% now to 90%. Due to the scale and shape of zone 1 and the influence of geography and topography, we do expect any consumer expenditure within any of the other 12 zones to be available to support a new food store in the town.
- 5.57 At Porthcawl the pattern of shopper behaviour is a little more complex. We consider that an appropriate level of expenditure retention within its own zone 4 is 75%. Accordingly, we increase the present market share from 31% to this figure. The 75% “target” market share is lower than the 90% for Maesteg because the town is much closer to Bridgend and its range of major competing stores, and we feel that it would be unrealistic to assume a higher level of expenditure retention. We also make small upwards adjustments to the market shares in zones 3 and 5 (which adjoin the Porthcawl area) to 15% and 5% respectively. Again we feel that these target levels are appropriate given the locations of competitor centres/stores and the pattern of shopper behaviour.

- 5.58 A by-product of adjusting upwards the market shares for Maesteg and Porthcawl across the zones is that the market shares of other centres and stores must reduce. This is because the higher levels of spend retained by both towns will lead to reductions in expenditure leakage, which in turn will reduce the market shares and convenience goods turnovers of other centres and stores. The main “casualties” of a higher target level of retained expenditure at Maesteg, for example, will be the Sainsburys at The Pines and the Tesco at Cowbridge Road. In addition, the leakage of expenditure from the Maesteg area to centres/stores outside of Bridgend County Borough (mainly Port Talbot) will reduce significantly. Similarly a higher target level of retained expenditure at Porthcawl will reduce the leakage of spend to (primarily) the out of centre superstores in Bridgend, especially the Tesco at Cowbridge Road. In practice, the loss of sales at the out of centre Tesco and Sainsburys will serve to reduce the existing levels of over-trading at both stores.
- 5.59 At the forecast years 2006, 2011 and 2016, we apply the adjusted market shares to the higher pools of available expenditure within the zones to determine the levels of retained retail expenditure within the Bridgend, Maesteg and Porthcawl retail economies at these years. These calculations are set out in **Appendix 5C, Tables 8** (2006), **11** (2011), and **14** (2016).

Section 5: Determine Level of Potential Headroom Expenditure in the Forecast Years

- 5.60 At **Appendix 5C, Tables 9, 12, and 15** we determine the levels of potential headroom expenditure within Bridgend, Maesteg and Porthcawl at the forecast years of 2006, 2011 and 2016 respectively. As for comparison goods, we feel it is necessary to set aside a little of the turnover growth for existing retailers.
- 5.61 At this stage, we also take into account the estimated ‘surplus’ and ‘deficit’ expenditures that exist in the base year (2002) due to over / under trading. For Bridgend as a whole this increases the potential headroom expenditure significantly, mainly due to over-trading at the Tesco, Cowbridge Road and in the town centre itself as a result of the strong performance of the Brewery Lane, Tesco. At Maesteg we include a small element of “surplus” expenditure arising from over-trading, while at Porthcawl we make a small deduction reflecting the existing expenditure “deficit”.

Step 6: Determine Level of Residual Headroom Expenditure in the Forecast Years

5.62 To convert the adjusted potential headroom expenditure figures into residual headroom expenditure estimates, we take into account existing convenience goods retail commitments within Bridgend County Borough. Within Bridgend itself there are no commitments and so no turnover reductions have to be made and the figures therefore remain the same. At Maesteg, however, planning consent has been granted to develop a new food store of 3,391 sq m gross, while at Porthcawl there is a site allocation in the UDP for a new food store of (probably) up to 2,787 sq m gross. The estimated convenience goods turnover of each store is deducted from the potential headroom expenditure for each town. **Appendix 4D** sets out the turnover estimates for each retail commitment.

5.63 **Appendix 5C, Tables 10, 12 and 16** set out our calculations to determine residual headroom expenditures for the forecast years 2006, 2011 and 2016 respectively. The data may be summarised as follows:

Residual Headroom Expenditures – Convenience Goods

Town	2006 (£m)	2011 (£m)	2016 (£m)
Bridgend	29.9	35.7	40.9
Maesteg	-1.8	-0.8	0.0
Porthcawl	-0.5	0.2	0.8

5.64 It should be borne in mind, that for Bridgend the residual headroom expenditures have been estimated on the basis of adopting constant market shares¹, while at Maesteg and Porthcawl they have been derived following appropriate increases in market share arising out of an established qualitative and quantitative need for a new large food store in each town. We would recommend that the Council attaches appropriate importance to these results, since forecast ‘expenditure’ totals are not open to the same levels of interpretation as are the floorspace requirements estimates given below.

¹ Other than in those zones where the market share has been reduced due to the inclusion of retail commitments.

Step 7: Estimate Capacity for Additional Retail Floorspace in the Forecast Years

5.65 We now convert the residual headroom expenditures into floorspace requirements but, as with comparison goods, these floorspace estimates are entirely dependent on the average sales density applied to the floorspace. In our calculations we have adopted a sales density consistent with the “average” achieved by a leading range of food store operators, but, in practice, the actual sales density will be driven by the name (and type) of operator which will trade from the new store. **Figure 5.2** overleaf summarises the average sales densities for the main food store operators and the wide variation in trading performance is very significant. Clearly, if there is only so much residual headroom expenditure available, the additional floorspace that is required to soak up this turnover potential will vary enormously according to the operator and store being proposed. Therefore, the actual floorspace requirements may be higher or lower than those set out in **Appendix 5C, Tables 10, 13 and 16** for the forecast years 2006, 2011 and 2016 respectively.

Results

5.66 Our retail floorspace capacity estimates for convenience goods are as follows:

Scope for Additional Retail Floorspace – Convenience Goods

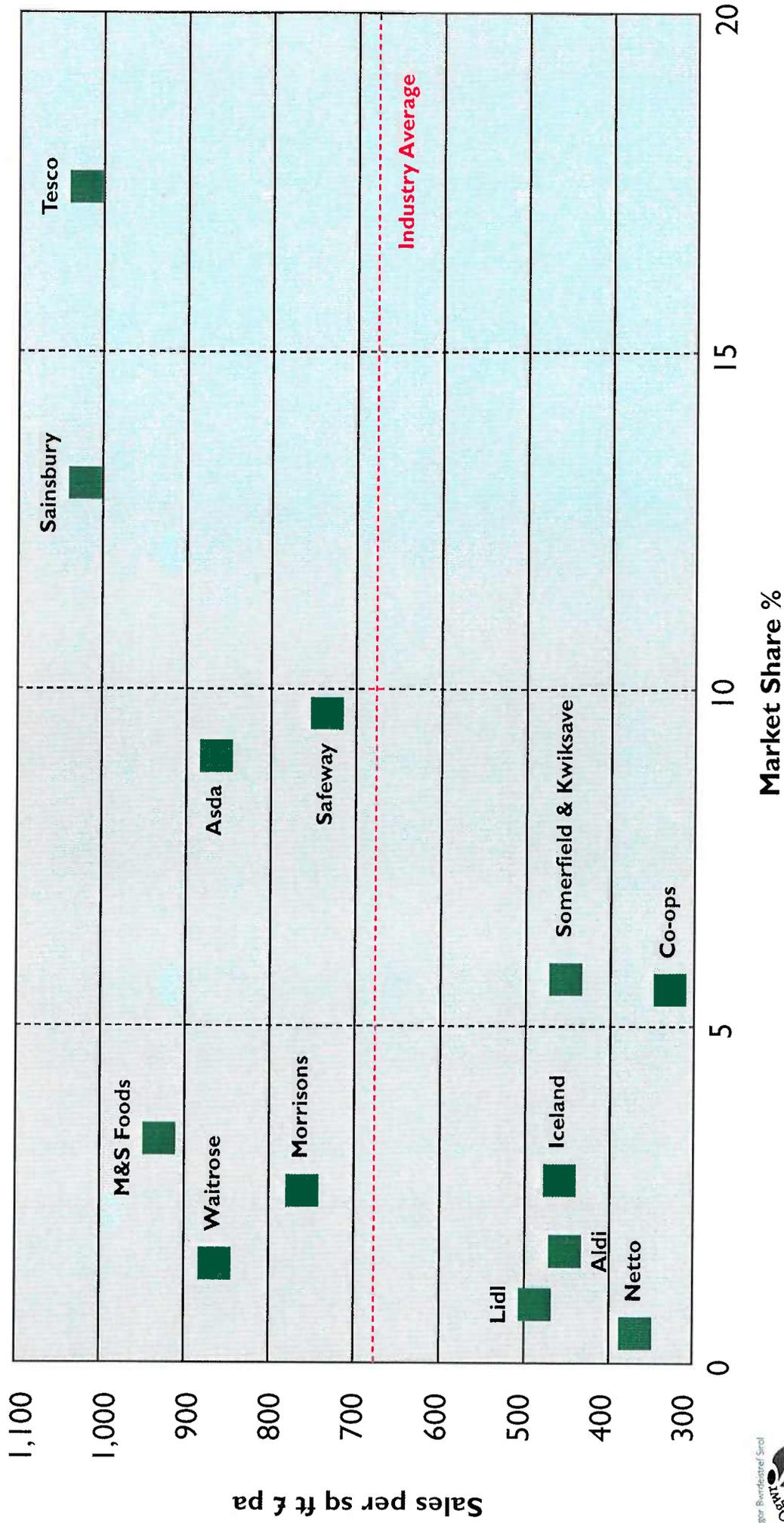
Town	2006 (sq m net)	2011 (sq m net)	2016 (sq m net)
Bridgend	3,720	4,403	5,007
Maesteg	-219	-95	0
Porthcawl	-60	25	94

5.67 The positive floorspace requirements in the table arise because we forecast that the demand for convenience goods shopping (available expenditure) will exceed the supply of convenience goods floorspace in Bridgend, and this mismatch will grow steadily through the UDP period to 2016. At Maesteg and Porthcawl, we do not forecast a quantitative need for any more convenience goods floorspace, although, of course, our assessment assumes that each centre will benefit from a new food store following implementation of the commitment to provide such facilities in each town. Furthermore, our analysis indicates that the size and likely turnover of both stores is broadly consistent with the forecast quantitative need. The modest levels of turnover over-supply (or negative residual expenditure) which we forecast



Leading Food Store Operators Sales Density vs Market Share

Fig. 5.2



SOURCE: VERDICT ON GROCERS AND SUPERMARKETS 2000



in 2006 will, in practice, be likely to result in some redistribution of sales away from the existing supermarkets in Maesteg and Porthcawl to the new stores.

Summary

5.68 The main purpose of this section has been to assess the scope, or capacity, for additional retail floorspace within Bridgend, Maesteg and Porthcawl through to 2016. It must be stressed, however, that any quantitative analysis over such a long time-period (14 years from the adopted base year of 2002) is subject to a margin of error, particularly in the later stages, since it is based on a number of assumptions which are difficult to forecast accurately. The **key** assumptions, which have a material bearing on the forecast levels of headroom expenditure, are as follows:

- **the growth in consumer retail expenditure** – we have taken a relatively conservative approach by adopting Experian’s Medium Term Trend for both comparison and convenience goods. Therefore, if expenditure growth over the next 14 years exceeds our adopted rate, then the headroom expenditure totals will be higher and the requirement for additional retail floorspace would be **more** than forecast in this report.
- **Special forms of trading** – we have based our assumption on Experian’s existing estimates for “special forms of trading” for convenience and comparison goods shopping through to 2016. There is currently much speculation that electronic shopping is likely to increase significantly in the future. If this was to occur at a rate in excess of the general real increase in consumer retail spending then the proportion of retail sales taking place in conventional retail shops would decline. If this were to happen the requirement for additional retail floorspace would be **less** than that forecast in this report.
- **Retail equilibrium at the base year** – our household survey results (Section 3) indicate that retailing provision at Bridgend, Maesteg and Porthcawl is currently over / under-trading in certain of the good categories and we have taken this into account in our quantitative need assessments. However, without undertaking surveys of the traders themselves it is difficult to establish what is the true retail equilibrium position, particularly when the data on existing retail salespace (particularly for the town centres) is a little uncertain. Clearly if we have over-estimated the amount of over-trading, for example, the floorspace capacity estimates will be lower than those set out above; conversely, if we have under-estimated the quantitative need will be greater.

- 5.69 At the present time, and on the basis of the information and evidence available to us, we are of the opinion that our key assumptions on consumer retail expenditure growth, special forms of trading and under / over-trading form a robust basis on which to prepare long-term estimates of retail floorspace capacity.
- 5.70 There are a number of further assumptions which are fundamental to our forecast of future retail floorspace capacity within Bridgend County Borough. These are as follows:
- **market shares** – we generally adopt a constant market share approach throughout the forecast period for both non-bulky and bulky comparison goods and convenience goods (with the exception of Maesteg and Porthcawl for convenience goods);
 - **turnover allocations for existing retailers** – we have made an allowance of 1.5% p.a. for increasing the sales densities of existing comparison goods retailers. This allowance has been deducted from each town’s forecast turnover potential in 2006, 2011 and 2016. For convenience goods retailers, we assume an allowance of 0.15% p.a. for increasing sales densities.
- 5.71 Our forecasts provide an indication of the future scope for additional convenience, non-bulky and bulky comparison goods retail floorspace in Bridgend, Maesteg and Porthcawl in order to maintain their current status in the sub-regional shopping hierarchy. The exceptions are for convenience goods shopping in Maesteg and Porthcawl where we take into account the estimated qualitative and quantitative need for new food stores. We feel that adopting a baseline position provides a sound approach for planning purposes, since other competitor centres and local authorities are also promoting their own retail schemes, which they hope will attract trade away from Bridgend County Borough. However, our assessment does not provide definitive limits to the scope for additional floorspace at any location, but acts as a guide to what is likely to be supportable in economic terms given the assumptions adopted. In particular, due to other planning considerations, the Council may wish to plan for retail floorspace totals which differ from those set out above. The Council may consider such an approach to be desirable for economic regeneration, social and sustainability reasons. We comment further on this in the final Section 6.

6. KEY PLANNING POLICY ISSUES AND RECOMMENDATIONS

6.1 In this final section we utilise the results of the retail capacity analysis, household survey and our retail overviews/qualitative need assessments of Bridgend, Maesteg and Porthcawl in order to address and make recommendations on the following key planning issues:

- the quantitative need, or capacity, for additional convenience and non-bulky and bulky comparison goods floorspace in Bridgend, Maesteg and Porthcawl;

and in the light of these results

- to advise on whether there is a particular need for one or both of the superstore proposals at Cheapside, Bridgend (Asda) or Brackla, Bridgend (Tesco).

6.2 We begin with our recommendations on the capacity (or quantitative need) for more retail floorspace within Bridgend, Maesteg and Porthcawl through to 2016.

Retail Capacity: Introduction

6.3 In Section 5 we undertook a retail capacity analysis which considered the scope for additional retail floorspace at Bridgend, Maesteg and Porthcawl.

6.4 This quantitative need assessment was based on a number of important assumptions, which are described at paragraphs 5.68 and 5.70. Our approach is one that is typically used by consultants to inform on the need for future retail floorspace requirements in an area. However, we must emphasise that the retail floorspace need figures are only estimates, particularly for design years 2011 and 2016, since, with the emergence of E-Shopping, it is becoming increasingly difficult to calculate with any degree of accuracy and confidence over long time-periods. The retail floorspace capacity totals are therefore designed to provide the Council with a broad guide as to the scale of additional shopping provision which may need to be provided in the future; they are not meant to be used as rigid maximums or minimums. Accordingly, the quantitative need figures should not be used in isolation to determine policy or applications, but as an input to a decision-making process which also takes into account a wider range of qualitative, economic and planning issues.

6.5 Quantitative need for additional retail floorspace arises from three main ‘**sources**’. These are summarised in **Figure 6.1** overleaf and comprise:

- **an existing need** – there may be an existing need for retail floorspace in an area if the available evidence suggests the existing retail offer is materially over-trading;
- **a need arising from a growth in expenditure** – a combination of population growth and increases in consumer retail spend per head will translate through into a requirement for more floorspace;
- **a need arising from adjustments to market share** – changes in market share may be necessary to reflect material qualitative arguments for new retail provision in an area (or centre).

6.6 Of course, as **Figure 6.1** demonstrates, there may be instances when these ‘sources’ translate through into a **reduction** in floorspace need – at least in the short term; for example, if there is material **under**-trading at the base year.

6.7 In the following review of the results of our quantitative need assessments we will identify the relative importance of these ‘sources’ in each case.

Comparison Goods – Results

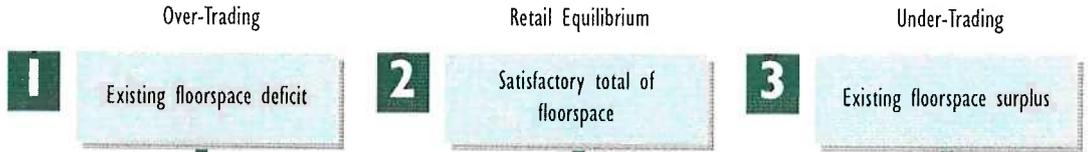
6.8 The results of our retail capacity assessment for comparison goods shopping within Bridgend, Maesteg and Porthcawl are summarised in **Table 6.1** overleaf (full details are given in **Appendix 5B**). Our analysis and recommendations consider non-bulky and bulky comparison goods separately.



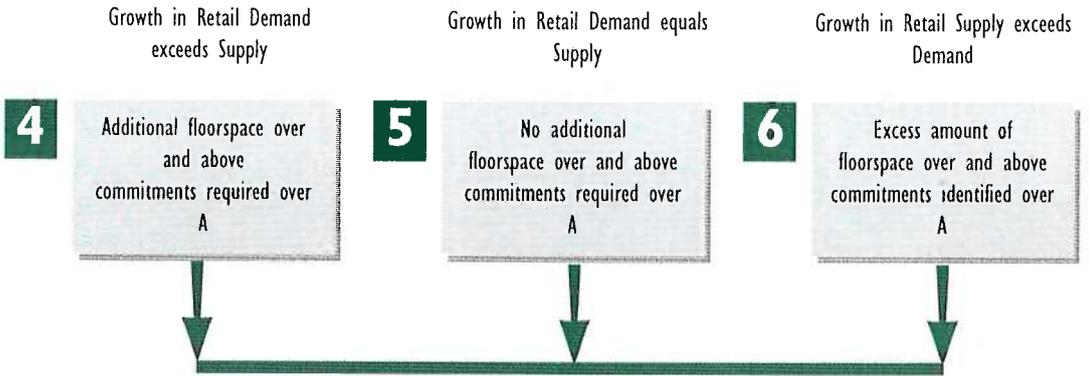
The Key 'Sources' of Retail Floorspace Need:

Fig. 6.1

A In the Base Year



B Between the Base Year and the Forecast Year(s)



C At the Forecast Year(s)



Overall retail floorspace **need** between now (Base Year) and Forecast Year(s)

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Table 6.1: Retail Capacity Assessment: Comparison Goods – Summary of Results
(Note: Figures are non-cumulative)

(i) Design Year: 2006

Location	Adjusted Potential Headroom Expenditure (£m)	Turnover of Commitments (£m)	Residual Headroom Expenditure (£m)	Application of Sales Density (£psm)	Scope for Additional Floorspace (sq m net)	Scope for Additional Floorspace (sq m gross)
	A	B	C=A-B	D	E=C/D	F*
Bridgend	NB 14.7	NB 0.0	NB 14.7	NB 5,424	NB 2,714	NB 4,175
	B 67.6	B 0.0	B 67.6	B 2,653	B 24,479	B 28,282
Maesteg	NB -4.6	NB 0.0	NB -4.6	NB 3,142	NB -1,472	NB 2,267
	B 0.4	B 0.0	B 0.4	B 2,653	B 163	B 181
Porthcawl	NB -6.6	NB 0.0	NB -6.6	NB 3,524	NB -1,878	NB 2,892
	B -0.9	B 0.0	B -0.9	B 2,653	B -355	B -394

*Calculated by applying a net to gross ratio of 65:100 to the non-bulky comparison goods net floorspace total (Col. E) and 90:100 to the bulky comparison goods net floorspace total (Col. E)

Note: NB: Non-bulky comparison goods
B: Bulky comparison goods

(ii) Design Year: 2011

Location	Adjusted Potential Headroom Expenditure (£m)	Turnover of Commitments (£m)	Residual Headroom Expenditure (£m)	Application of Sales Density (£psm)	Scope for Additional Floorspace (sq m net)	Scope for Additional Floorspace (sq m gross)
	A	B	C=A-B	D	E=C/D	F*
Bridgend	NB 33.3	NB 0.0	NB 33.3	NB 5,843	NB 5,698	NB 8,775
	B 90.1	B 0.0	B 90.1	B 2,858	B 31,504	B 34,969
Maesteg	NB -3.3	NB 0.0	NB -3.3	NB 3,384	NB -971	NB -1,495
	B 1.2	B 0.0	B 1.2	B 2,858	B 407	B 452
Porthcawl	NB -4.9	NB 0.0	NB -4.9	NB 3,796	NB -1,289	NB -1,985
	B -0.6	B 0.0	B -0.6	B 2,858	B -193	B -214

*Calculated by applying a net to gross ratio of 65:100 to the non-bulky comparison goods net floorspace total (Col. E) and 90:100 to the bulky comparison goods net floorspace total (Col. E)

Note: NB: Non-bulky comparison goods
B: Bulky comparison goods

(iii) Design Year: 2016

Location	Adjusted Potential Headroom Expenditure (£m)		Turnover of Commitments (£m)		Residual Headroom Expenditure (£m)		Application of Sales Density (£psm)		Scope for Additional Floorspace (sq m net)		Scope for Additional Floorspace (sq m gross)	
	A		B		C=A-B		D		E=C/D		F*	
Bridgend	NB	56.5	NB	0.0	NB	56.5	NB	6,294	NB	8,972	NB	13,816
	B	118.3	B	0.0	B	118.3	B	3,079	B	38,423	B	42,649
Maesteg	NB	-1.6	NB	0.0	NB	-1.6	NB	3,646	NB	-448	NB	-690
	B	2.1	B	0.0	B	2.1	B	3,079	B	671	B	745
Porthcawl	NB	-2.8	NB	0.0	NB	-2.8	NB	4,089	NB	-674	NB	-1,038
	B	-0.1	B	0.0	B	-0.1	B	3,079	B	- 22	B	- 24

*Calculated by applying a net to gross ratio of 65:100 to the non-bulky comparison goods net floorspace total (Col. E) and 90:100 to the bulky comparison goods net floorspace total (Col. E)

Note: NB: Non-bulky comparison goods

B: Bulky comparison goods

6.9 Our assessment of quantitative need for additional comparison goods shopping shows for Bridgend a positive and growing requirement for both categories of goods through the UDP period to 2016. In contrast, at Porthcawl our assessment indicates a small oversupply of comparison goods floorspace in both the non-bulky and bulky comparison goods categories even by the end of the Plan period. At Maesteg, we forecast a small requirement for bulky comparison goods shopping by 2016, but a small over-supply for non-bulky shopping by the same year. We now consider the results in a little more detail.

Bridgend

6.10 For non-bulky comparison goods shopping, we forecast a quantitative need for around 4,175 sq m gross by 2006, rising to 8,775 sq m in 2011 and around 13,800 sq m by the end of the Plan period in 2016. The major source of this quantitative need is the growth in available expenditure which is driven by rising population and more importantly, a year on year real increase in average consumer spend per head. In addition, we estimate that there is a small amount of over-trading in this goods category in Bridgend town centre at present and this contributes to the quantitative need. These floorspace need forecasts assume that Bridgend maintains its existing market share of available expenditure through to 2016. If the 'target' market share was increased the floorspace need estimates would be higher; alternatively if the target market share was lowered there would be a need for less additional retail floorspace. We would recommend that in line with Government planning guidance all (or

virtually all) of any additional retail provision of this type is accommodated within Bridgend town centre.

- 6.11 In relation to bulky comparison goods, we estimate there will be a quantitative need for 28,280 sq m gross of additional floorspace by 2006, increasing to 34,970 sq m gross by 2011 and 42,650 sq m gross by 2016. A major source of the quantitative need for bulky comparison goods shopping in Bridgend is the substantial over-trading which we believe is currently taking place at both the Bridgend and Waterton Retail Parks¹. In addition, the growth of consumer expenditure for this form of shopping underpins the need for further retail floorspace provision.

Maesteg

- 6.12 We estimate that there is significant under-trading in non-bulky comparison goods in Maesteg town centre at the present time. Accordingly, given our assumption of constant market shares, the growth in available expenditure through to 2016 will go towards improving the sales performance of the existing retail floorspace stock rather than additional retail provision. Accordingly, our assessment shows an over-supply of non-bulky comparison goods retail floorspace of 2,267 sq m gross in 2006, reducing to 1,495 sq m gross in 2011 and 690 sq m gross in 2016 at the end of the Plan period.
- 6.13 For bulky comparison goods, we estimate Maesteg town centre is currently trading at retail equilibrium. Therefore the growth in available consumer expenditure will feed through to modest levels of quantitative floorspace need in this goods category, again assuming constant market shares. By 2006 we estimate a need for 181 sq m gross, rising to 452 sq m gross in 2011 and reaching 745 sq m gross in 2016.

Porthcawl

- 6.14 Like Maesteg, we estimate that the non-bulky comparison goods retail offer is under-trading substantially at present. Thus the growth in available spending will serve to increase the sales densities of existing retailers towards benchmark levels rather than underpin additional retailing provision. Accordingly, we forecast an over-supply of 2,892 sq m gross in 2006,

¹ If new evidence becomes available to confirm that the levels of over-trading which we estimate at the retail parks are too high, then the levels of quantitative floorspace need which we calculate are also too high. We recommend that the Council view our figures as maximums.

(ii) Design Year: 2011

Location	Adjusted Potential Headroom Expenditure (£m) A	Turnover of Commitments (£m) B	Residual Headroom Expenditure (£m) C=A-B	Application of Sales Density (£psm) D	Scope for Additional Floorspace (sq m net) E=C/D	Scope for Additional Floorspace (sq m gross) F*
Bridgend	35.7	0.0	35.7	8,109	4,403	7,309
Maesteg	17.7	18.5	-0.8	8,109	-95	-158
Porthcawl	13.1	12.9	0.2	8,109	25	42

*Estimated by applying a net to gross ratio of 60:100 to the net floorspace total in Column E.

(iii) Design Year: 2016

Location	Adjusted Potential Headroom Expenditure (£m) A	Turnover of Commitments (£m) B	Residual Headroom Expenditure (£m) C=A-B	Application of Sales Density (£psm) D	Scope for Additional Floorspace (sq m net) E=C/D	Scope for Additional Floorspace (sq m gross) F*
Bridgend	40.9	0.0	40.9	8,170	5,007	8,312
Maesteg	18.6	18.6	0.0	8,170	0	0
Porthcawl	13.7	13.0	-0.7	8,170	94	156

*Estimated by applying a net to gross ratio of 60:100 to the net floorspace total in Column E.

6.17 Our assessment indicates that there is a forecast quantitative need for additional convenience goods floorspace in Bridgend by 2006 and that the quantum of need grows steadily through the UDP period to 2016. In Maesteg and Porthcawl, we forecast that identified quantitative need will be met in broad terms by the ‘commitment’ to develop new food stores in each town. We now describe the results of our quantitative assessment for each town in a little more detail.

Bridgend

- 6.18 We estimate that there will be a quantitative need for around 6,175 sq m gross of additional convenience goods shopping by 2006, and that this need will increase to some 7,300 sq m gross by 2011 and 8,300 sq m gross by 2016.
- 6.19 A major contributor to these forecasts is that we estimate that there is, on average, a significant amount of over-trading in the Bridgend catchment at the present time, even after taking into account reductions in such over-trading which are likely to occur as a result of the increased retention of convenience spend in the Maesteg and Porthcawl areas due to the expected implementation of commitments. This “surplus” turnover then feeds directly into a quantitative need for further convenience goods floorspace. In addition, the population of the Bridgend survey area is expected to increase by more than 10,000 between 2002 and 2016 and this will also translate into a requirement for more convenience goods shopping, despite the very low real increases in annual consumer convenience goods spend per head that we envisage.

Maesteg

- 6.20 As stated at paragraph 6.17, we estimate that there will be scope for a new medium size food supermarket in Maesteg by 2006, and that this requirement will be met by the existing planning consent. Although our figures show a very small over-supply when the commitment is included, in practice what will happen is that the new store will divert small quantum of sales from the existing food supermarkets in the town centre. However, we would anticipate that most of the new store’s sales would be supported by clawback expenditure and that turnover diverted from existing retail provision would be low.
- 6.21 The quantitative need for a new food store at Maesteg originates from a modest level of over-trading at the present time and, more significantly, from adjustments to Maesteg’s market share arising from our assessment of qualitative need.

Porthcawl

- 6.22 Similar arguments apply to Porthcawl. Our qualitative need assessment identified a requirement for a new food store and our quantitative analysis confirms that there will be sufficient expenditure by 2006 to support it, with only very small anticipated trade diversions

from existing shops in the town centre. Unlike for Maesteg, however, we estimate that there is a small amount of under-trading in Porthcawl at present but our assessment takes this into account. Our quantitative need assessment therefore supports the UDP allocation of a site for a new food store in Porthcawl town centre.

The Need for Additional Superstores in Bridgend

6.23 At present there are two applications before the Council relating to new superstore development in Bridgend. These are as follows:-

- Joint application by Tesco Stores Ltd and the Welsh Development Agency for a 8,472 sq m gross out of centre superstore and petrol filling station at land off the Northern Distributor Road (A4061), Brackla, Bridgend.

This application has already been described at paragraphs 4.27 and 4.28, whilst **Appendix 4E** provides further details of its floorspace mix and estimated turnover.

- Application by Asda for a 8,680 sq m gross superstore at Cheapside within the defined commercial area of Bridgend town centre.

This application has already been described at paragraphs 4.25 and 4.26, whilst **Appendix 4E** provides further details of its floorspace mix and estimated turnover.

6.24 We estimate that the proposed Tesco will have a convenience goods turnover of £38.0 million in 2006, whilst the Asda's convenience goods sales are estimated at £41.2 million. For comparison goods, we estimate annual sales in 2006 for Tesco and Asda of £11.9 million and £13.6 million respectfully. Our figures have been derived from those supplied by the applicant's own consultants.

6.25 The combined convenience and comparison goods turnovers of both stores are therefore £79.2 million and £25.5 million, but to reflect likely trade draw patterns and to be consistent with our earlier assumptions for existing major superstores, we assume that 5% of forecast sales will be drawn from outside our survey area. Thus we expect the proposed Tesco and Asda superstores together to attract some £75 million of convenience goods sales from our survey area and around £24 million of comparison goods turnover.

6.26 These turnover estimates have been produced for each proposed store on the basis that it alone will be built. In practice, there may be a scenario when both new stores are granted planning consent by the Council. If this was to occur then the two superstores would trade in direct competition with one another as well as against existing stores in the Bridgend area. Accordingly, in these circumstances the two superstores would trade at lower levels than that envisaged at paragraph 6.24. Although it is impossible to be precise as to the extent of any impact on trading performance, we believe a reduction in each store's turnover of 15% is realistic. This takes into account their locations and close match in terms of size. For simplicity we apply these reductions to forecast 2006 convenience and comparison goods store turnover, although in practice we would expect the impacts to be more direct in the convenience sector. On this basis, the forecast net additional convenience goods turnover drawn from the survey area to both new superstores in 2006 will be c. £64 million. For comparison goods the corresponding total will be about £20 million. We now set these forecast store turnovers against the results of our quantitative need assessment. We first address convenience goods and then consider comparison goods.

Convenience Goods

6.27 In terms of retail capacity or quantitative need, we estimate the following levels of available convenience goods expenditure within Bridgend for each of the forecast years:-

2006	c. £30 million
2011	c. £36 million
2016	c. £41 million

6.28 These headroom expenditure estimates for Bridgend take into account the trading affects of the two food store commitments at Maesteg and Porthcawl.

6.29 In carrying out our quantitative need assessment in Section 5, we took into account any over (and under) trading that is currently occurring within existing food stores in the Bridgend area. In addition, although we reduced Bridgend's market share to reflect the loss of trade to the two retail store commitments at Maesteg and Porthcawl, we did not make further downwards adjustments as a result of growing food store competition elsewhere (eg. at Llantrisant and West Cardiff). This would have reduced the quantum of available expenditure. Equally, we did not increase Bridgend's market share, which would have

reducing to 1,985 sq m gross by 2011 and 1,038 sq m gross in 2016. Therefore, assuming constant market shares, there is no quantitative need for additional non-bulky comparison goods floorspace in Porthcawl town centre.

6.15 We also estimate that bulky comparison goods retailers in Porthcawl are also under-trading at present, although not by nearly as much as in the non-bulky comparison goods sector. Once again, therefore, the growth in available spending will serve to boost the average sales density of the existing floorspace stock, rather than underpin new development. We therefore forecast an over-supply 394 sq m gross in 2002, reducing to 214 sq m gross by 2011 and just 24 sq m gross in 2016. Accordingly, if Porthcawl's market share for bulky comparison goods shopping remains at the present level, then by the end of the UDP the growth in spend will have led to the existing retail floorspace stock reaching benchmark levels of trading performance.

Convenience Goods – Results

6.16 We now turn to our retail capacity forecasts for convenience goods shopping within Bridgend, Maesteg and Porthcawl. The results of our retail capacity assessment for convenience goods are summarised in **Table 6.2** (full details are given in **Appendix 5C**).

Table 6.2: Retail Capacity Assessment: Convenience Goods – Summary of Results
(Note: Figures are non-cumulative)

(i) Design Year: 2006

Location	Adjusted Potential Headroom Expenditure (£m) A	Turnover of Commitments (£m) B	Residual Headroom Expenditure (£m) C=A-B	Application of Sales Density (£psm) D	Scope for Additional Floorspace (sq m net) E=C/D	Scope for Additional Floorspace (sq m gross) F*
Bridgend	29.9	0.0	29.9	8,048	3,720	6,175
Maesteg	16.5	18.3	-1.8	8,048	-219	-364
Porthcawl	12.3	12.8	-0.5	8,048	-60	-100

*Estimated by applying a net to gross ratio of 60:100 to the net floorspace total in Column E.

increased our forecast levels of available expenditure. On balance, we therefore feel our assumption is the most realistic (i.e. the middle case).

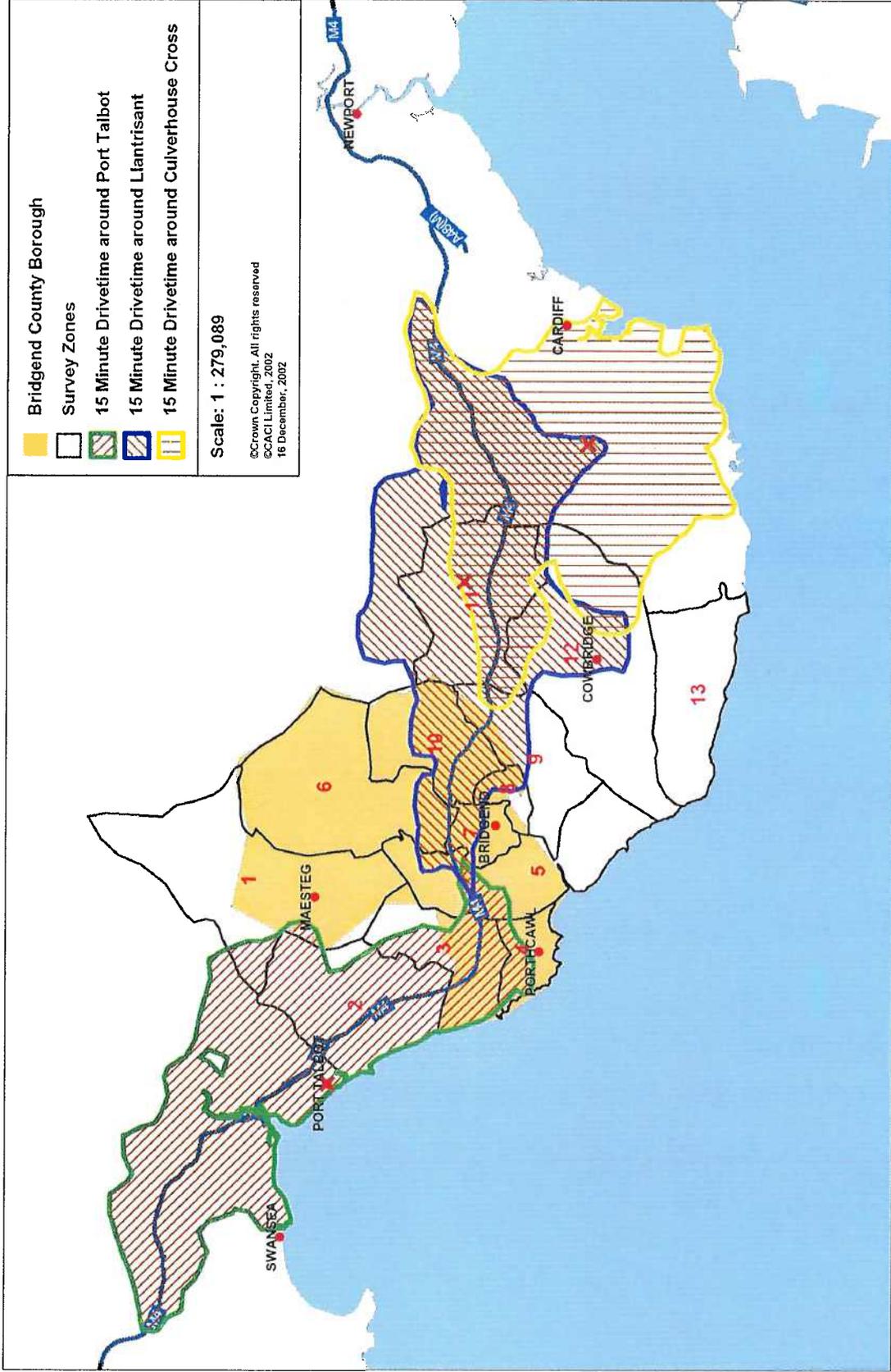
- 6.30 The evidence against increasing Bridgend's convenience goods market shares is fairly strong in our view. The key factor is that they are already high. Within zones 7 and 8, for example, which together cover Bridgend town, the Bridgend area's food stores already retain some 94% and 93% of available expenditure respectively, while in adjoining zones Bridgend enjoys market shares of 85-90%. Given that there will always be some leakage of convenience goods spend from Bridgend, primarily on the back of comparison or work based trips to Swansea and Cardiff/Culverhouse Cross, we believe it would be unrealistic to increase them.
- 6.31 We have also considered the extent of catchment area overlap between Bridgend (our survey area, the County Borough and the town itself) and the major existing food superstores at Port Talbot, Llantrisant and Culverhouse Cross (see **Figure 6.2** overleaf). This analysis confirms that all (or part) of no less than 12 of the 13 zones which make up our survey area actually fall within 15 minutes drive time (the primary catchment area) of one or more of these three major competitor superstores located outside the Borough. Similarly, all the zones that cover the County Borough are either fully or partly overlaid by the primary catchments of competitor stores located outside the Borough. Lastly, **Figure 6.2** shows that most of Bridgend town in fact falls within 15 minutes drive time of the Tesco superstore at Llantrisant. For these reasons, we do not feel it is realistic to increase Bridgend's share of available convenience goods spend above these existing high levels. Furthermore, as **Figure 6.3** overleaf confirms, to expect increased amounts of convenience goods sales to be supported from in-flow expenditure originating from outside our survey area would mean (primarily) tapping into populations living in Port Talbot, Barry and Cardiff, which are too far away and in any event are characterised by substantial (and improving) food store provision of their own. Areas closer to Bridgend are relatively unpopulated.
- 6.32 By 2006 the estimated available convenience goods expenditure within Bridgend of £30 million contrasts with the estimated convenience turnover of Asda on its own of c. £37 million¹. On our figures there is capacity for just over 80% of the estimated convenience turnover of the store by 2006. In practice, the "excess" turnover of some £7 million would be mainly diverted from existing major food stores (eg. the Tesco at Cowbridge Road and the Sainsbury's at The Pines). It is likely that the levels of trade diversion would not materially

¹ Store turnover of £39 million, minus 5% to account for in-flow expenditure from outside our survey area.



Map Showing Extent of Overlap between Bridgend County Borough, Survey Zones, and Primary Catchment of Principal Competing Food Stores

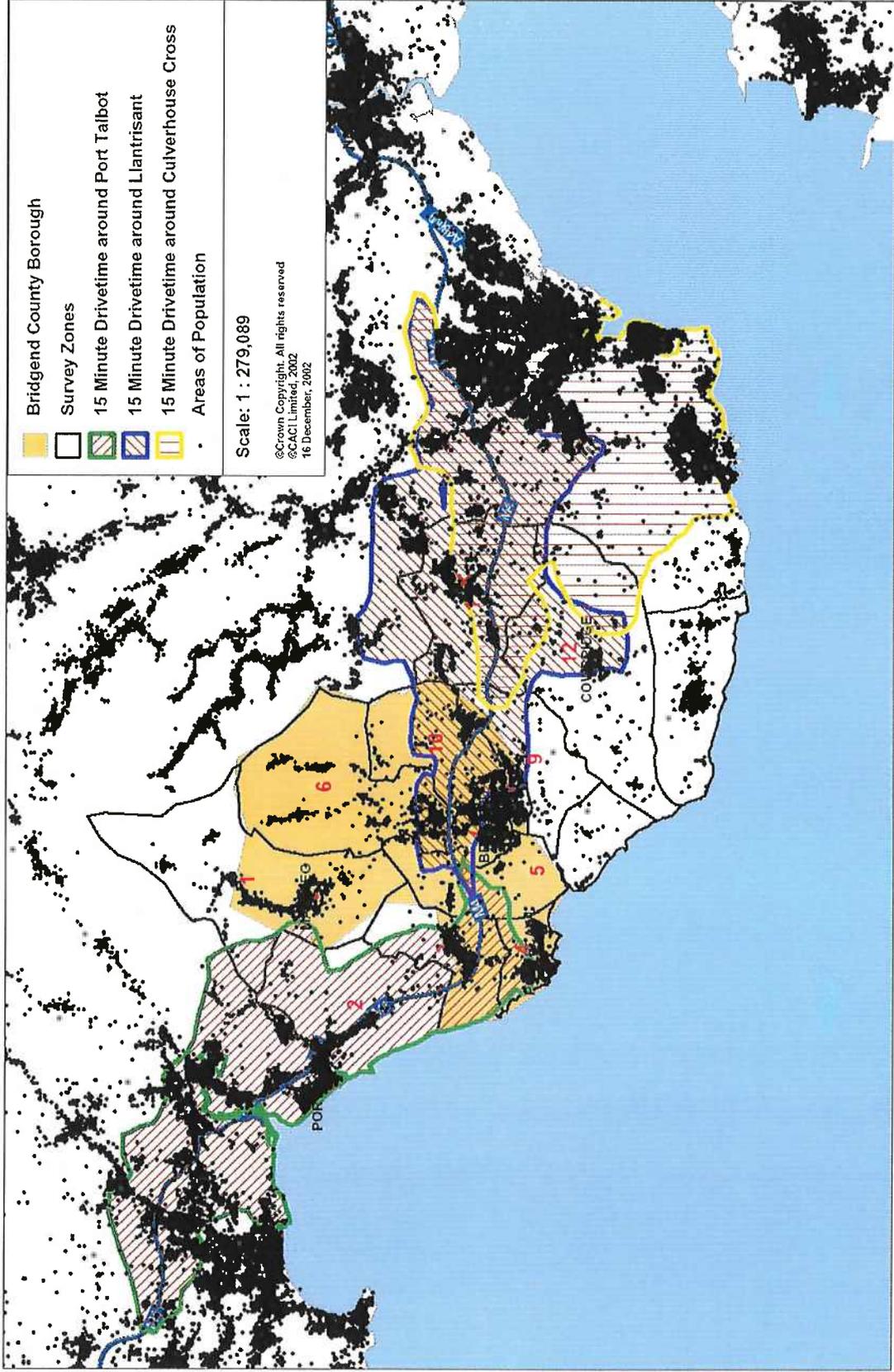
Fig. 6.2





“Overlap Map” Overlaid by Population Geography

Fig- 6.3



- harm the performance of these stores. In any event because they are located out of centre any impacts would not be a planning issue.
- 6.33 In these circumstances the Asda would increase the convenience goods turnover of Bridgend town centre significantly, whilst sales at the two principal out of centre superstores (Sainsburys and Tesco) would fall slightly. There would, in addition, also be some sales redistribution from the Tesco, Brewery Lane, to the Asda.
- 6.34 By 2011 we forecast that will be sufficient available convenience goods expenditure available in the Bridgend area to support the proposed Asda without there being any material trade diversion from existing food stores.
- 6.35 Clearly, our analysis, confirms that there is unlikely to be enough convenience goods retail capacity by 2006 to support both the proposed Asda and Tesco. However, there is a potential way forward.
- 6.36 Since the Asda is to be located on the most sequentially preferable site (within the town centre) this store could be granted planning consent and be developed first. If this was the case, it could then be argued that the Brackla site (Tesco) would then become the most sequentially preferable site.
- 6.37 As stated at paragraph 6.26, the combined convenience goods sales of a new Asda and a new Tesco would be in the order of £64 million in 2006. This is the combined convenience goods turnover drawn from the survey area assuming the stores impact on one another.
- 6.38 By 2006, the forecast available convenience goods spend in the Bridgend area of £30 million could be supplemented by the estimated convenience turnover of the Tesco, Brewery Lane store of £37 million in that year, if this store were to cease trading. **Appendix 5D** sets out our detailed calculations to determine the existing and forecast 2006 turnover of the Brewery Lane Tesco, whilst **Appendix 5D, Table 8** confirms the 2006 store's convenience goods turnover at £36.7 million.
- 6.39 Under this scenario, the revised total of available convenience goods expenditure within Bridgend by 2006 would be c. £67 million. This would be more than sufficient to support both the Asda and Tesco proposals (estimated combined convenience goods turnover of £64 million), and the logic of the argument would be underpinned because it is likely that a high

proportion of the sales at the Brewery Lane, Tesco if it were to close down would transfer directly to the new Tesco at Brackla.

6.40 For this scenario to be acceptable in quantitative need (capacity) terms, there must be a firm agreement from Tesco to close their Brewery Lane store on the opening of a new Tesco at Brackla.

6.41 If events took the line assumed under the alternative scenario described above then:

- the Asda and Tesco proposals could both pass the sequential test at the time they were carried out;
- there would be sufficient expenditure capacity (or quantitative need) for both new superstores by 2006; and
- the town centre would retain its existing quantum of convenience goods sales – the new Asda effectively taking over from the closed down Tesco at Brewery Lane.

Comparison Goods

6.42 As stated at paragraph 6.26, we estimate annual comparison goods¹ sales drawn from the survey area for Asda and Tesco of some £20 million in 2006. This compares with the £15 million of available non-bulky comparison goods expenditure which will be available by 2006 in the Bridgend area to support additional retail floorspace. However, under the scenario of permitting both superstore proposals, the existing Brewery Lane, Tesco will cease trading releasing an estimated £2.0 million of additional comparison spend in 2006², pushing the overall ‘pool’ to around £17.0 million.

6.43 We therefore estimate a small shortfall of available non-bulky comparison goods expenditure in 2006 of about £3 million. If all of this spend was instead diverted from existing shops in Bridgend town centre (estimated 2006 non-bulky comparison goods turnover of £95 million), then an impact of about 3% would occur. This is low and would be unlikely to result in any material problems. In practice, however, we would anticipate some clawback in comparison goods expenditure leakage from the Bridgend area, which would reduce the expenditure shortfall towards zero. Unlike for convenience goods, the existing

¹ We assume all sales will relate to non-bulky comparison goods.

² Appendix 4C confirms that the Brewery Lane Tesco has an estimated goods salespace of 356 sq m net. Applying an appropriate sales density of c. £5,500 per sq m gives an annual comparison goods turnover in 2006 of £1.96 million.

market shares for Bridgend are much lower (eg. around 60% for zones 7 and 8 which cover the town) and yet we have based our main quantitative need assessment on maintaining a constant market share.

- 6.44 Moreover, we forecast a rapidly increasing ‘pool’ of available non-bulky comparison goods expenditure in the Bridgend area by beyond 2006, such that any minor shortfall in 2006 will be more than off-set within a further 12 months or so.
- 6.45 In conclusion we feel there is likely to be sufficient expenditure capacity within the Bridgend area to support the comparison goods turnover of both the new Asda and Tesco superstores by 2006. The comparison goods sales element of the Asda (c. £11.0 million) will add to the non-food turnover of Bridgend town centre and even with the closure of the Tesco at Brewery Lane (loss of c. £2.0 million of comparison sales) the town centre will benefit from a net additional gain in comparison trade of some £9.0 million per annum. In addition, the development of the Tesco at Brackla will lead to an increase in out of centre comparison goods sales of around £10 million annually by 2006.