



Bridgend Replacement Local Development Plan 2018-2033



Background Paper 7: Employment

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BRIDGEND REPLACEMENT LOCAL DEVELOPMENT PLAN (LDP) 2018-2033

BACKGROUND PAPER 7: EMPLOYMENT

1. Purpose of the Report

- 1.1 This report provides an overview of the refreshed employment evidence base to justify the level of employment growth, distribution of sites and related policies contained within the Replacement Bridgend Local Development Plan (LDP) 2018-33. This report both synthesises and should be read in conjunction with the Strategic Growth Options Background Paper, the Demographic Analysis and Forecasts Report (2019), the LDP Demographics Update (2020), the Economic Evidence Base Study (EEBS, 2019), and the EEBS Update (2021).

2. Introduction

- 2.1 Bridgend County Borough's position within the Cardiff Capital Region, and the historical transport links that connect the area with Cardiff and Swansea, have proved critical to the County Borough developing as a major regional employment hub, with specific strengths in advanced manufacturing. The economy of Bridgend County Borough is relatively more reliant on the manufacturing sector than Wales as a whole and there is need for the area's strong manufacturing base to be maintained within sustainable locations, whilst supporting the socio-economic renewal of deprived communities. It is equally important to diversify the employment sector and attract inward investment across the locality through sustainable economic growth. The Replacement LDP has a key role in this respect, notably in safeguarding existing employment provision, allocating suitable sites for development and delivering the infrastructure required to boost socio-economic opportunities and enhance connectivity. This inter-related approach is key to meeting the needs and requirements of a range of future potential employment scenarios, thereby ensuring the LDP can enable economic recovery from the pandemic and ongoing prosperity.
- 2.2 Numerous strategic objectives of the Replacement LDP aim to enhance the socio-economic assets of the County Borough, from both supply and demand-side approaches. For instance, Objective 3b seeks to provide a realistic level and variety of employment land to facilitate delivery of high quality workspaces and job opportunities. Equally, Objective 3c seeks to deliver a balanced portfolio of new and modern employment with a focus on SMEs and start-up businesses. These objectives are mutually reinforcing, both with each other, the Vision, and also with Objective 3n, which stresses the need to counter-balance the locally ageing population by accommodating sustainable levels of growth to attract and

retain economically active households, ensuring the County Borough remains an attractive prospect for employers to expand within and move into.

- 2.3 In spatial terms, the existing employment base is concentrated in the south-east of the County Borough (approximately 70% of the total area identified), which is unsurprising due to the proximity of the M4 corridor. This does represent a mismatch between the geographical location of employment land within the County Borough and the areas of deprivation, which are predominantly in the north. It is undoubtedly important for future growth to be directed towards the most efficient and sustainable locations with accompanying transport infrastructure to promote accessible employment sites that capitalise on active travel opportunities. However, it is mutually important to support the socio-economic renewal of deprived communities across the whole administrative area.
- 2.4 An EEBS was therefore completed in 2019, which undertook an employment land review, calculated employment land requirements and considered both local and larger than local employment factors in the context of the LDP's growth strategy. The EEBS provides evidence-based recommendations on the scale and distribution of employment need, the land best suited to meet the need, plus related policies and site allocations. A supplementary update was also undertaken in 2021 to consider the workforce, jobs and economy implications arising from the refreshed 2018-based projections together with impacts of the Ford Manufacturing Plant closure in September 2020.
- 2.5 This refreshed evidence base fulfils the national policy requirements set out in Planning Policy Wales and provides a transparent basis to inform the Replacement LDP. The purpose of this Background Paper is to summarise the findings of the EEBS and 2021 update, draw links to other key parts of the evidence base and provide supporting information and a rationale for the relevant employment sections of the Replacement LDP.

3. Existing LDP (2006-21) Position

- 3.1 At the time the existing LDP was prepared (from 2006), the County Borough had witnessed take-up of 6.3 hectares of employment land per year on average. This was extrapolated to generate a need for 88.5ha of land over a 15-year period. However, in order to provide a range and choice of employment sites to support growth in the local economy, 120 hectares of vacant employment land were identified and protected in the Plan, reduced to 108ha following employment land uptake from 2006 to 2009. This was significantly more employment land than identified as being needed, justified by the high historical take-up of employment land within Bridgend relative to South East Wales, and the need to prevent future growth being constrained.

- 3.2 The approach of offering a wide range of sites and premises for employment was consistent with the national policy framework at that time. Planning Policy Wales now stresses that LDPs should ensure ‘there is sufficient employment land to meet the needs and requirements of a range of future employment scenarios (including increased automation and the significant contribution of SMEs to the Welsh economy) whilst ensuring that an over-supply of employment land does not prevent the release of land for other uses’. Practically, this means that the Replacement LDP needs to ensure there is a strong balance between the supply of employment land relative to the identified need. This includes allocation of an appropriate mix of sites to meet that identified need and also provision of a framework to protect existing employment sites of strategic and local importance. Indeed, the Vision of the Replacement Plan seeks to enhance the socio-economic assets of the County Borough to improve its economic competitiveness whilst contributing to the success of the Cardiff City Region. A key means of achieving this is to encourage inward investment, attract and retain skilled workers and therefore encourage businesses to bring further skilled employment into the area.

4. Replacement LDP (2018-33) Preferred Strategy Stage

- 4.1 The Preferred Strategy demonstrated how the Replacement LDP seeks to deliver sustainable forms of growth to attract and retain economically active households within the County Borough, whilst ensuring the locality remains an attractive prospect for employers to expand within and move into. This principle is key to achieving the Replacement LDP Vision, which seeks to promote an interrelated network of safe, healthy and inclusive communities that connect more widely with the region to catalyse sustainable economic growth.
- 4.2 In order to inform the Preferred Growth Strategy, detailed analysis of the 2014-based Welsh Government projections (principal and variants), together with a range of alternative scenarios and forecasts, was undertaken. This led to three options (High, Mid and Low) being identified at Preferred Strategy stage for further evaluation in the context of the Aims and Objectives of the Replacement LDP. The options were selected on the basis of being representative of identified scenarios, reasonable in relation to the evidence base and sufficiently diverse to enable different strategic planning responses. As justified within the Strategic Growth Options Background Paper, the Preferred Option (Mid-Growth) was selected at Preferred Strategy stage to underpin the Growth and Spatial Strategy. This produced a dwelling requirement of 505 homes per annum, which, as demographic analysis estimated, could generate an additional 266 people in workplace based employment per annum. This level of growth, which exceeds the Welsh Government’s Principal Projection (2014-based), was considered likely to perform best by supporting economic growth,

enabling the delivery of key infrastructure, securing affordable housing and improving connectivity without resulting in over-development.

- 4.3 The EEBS (2019) stressed that there is no guarantee that economic growth will be triggered by the availability of this increase in labour supply and that the Mid-Growth option is likely to be an upper estimate of employment growth over the plan period. However, the Study recognised that to deliver the Strategic Objectives and Vision, the Replacement LDP needs to allocate sufficient employment land to accommodate this projected scenario. Otherwise, the local economy would be constrained from responding positively to the younger (working age) population profile instigated through the Mid-Growth Option. The EEBS (2019) equally acknowledged that the County Borough is not strategically constrained in this respect and stated that additional levels of growth (over and above baseline trends) could be accommodated with an expectation that population and labour supply growth would be higher over the plan period. This positive approach underpinned the Preferred Strategy, enabling provision of the employment land recommended in the EEBS to seek to attract new businesses, allow existing businesses to grow and create the conditions whereby job opportunities could flourish.
- 4.4 The EEBS (2019) analysed labour supply, past take-up of employment land and labour demand (through an economic forecast) in order to determine the level of jobs and employment land needed to underpin the Preferred Strategy. This triangulation of methods evidenced need to provide up to 60 ha of employment land over the plan period, or 4ha per annum. This consisted of 2 ha to manage baseline growth and an additional 2ha buffer to manage the possible labour supply and employment demand stemming from the Mid-Growth Option, should all of these new jobs require B space provision. This level of employment land provided capacity to accommodate slightly more jobs (333) than additional employable people (266) per annum, providing a small contingency should new job creation be more biased to industrial as opposed to office uses.
- 4.5 The EEBS (2019) therefore recommended identifying a minimum of 60ha of land to meet future employment needs, and, in terms of supply, the Study identified 18 sites, which totalled to 71.7ha, to meet this need. The allocation of marginally more land than the assessment of need suggests (a positive margin of 11.7 ha or 0.8 ha pa) was considered pragmatic to allow for flexibility and contingency in terms of delivery, should the mix of potential jobs differ or land not come forward as expected. The Preferred Strategy adopted these recommendations to ensure plentiful employment land to meet the needs and requirements of a range of future potential employment scenarios. This aimed to help minimise the need for out-commuting and promote more self-contained, interconnected communities in accordance with the LDP Vision.

5. Replacement LDP (2018-33) Deposit Stage

- 5.1 Since publication of the Preferred Strategy, two fundamental changes occurred, which warranted re-evaluation of the evidence base. Firstly, Welsh Government published new sub-national household and population projections in August 2020. The potential workforce, jobs and economy implications of the new projections needed to be assessed to gauge the impact on the amount of land the emerging Plan needs to allocate for employment uses. Secondly, the Ford Bridgend Manufacturing Plant closed in September 2020, with the loss of 1,700 jobs. The 45ha site was previously assessed as an extant employment use, on a well-located industrial estate, and the Preferred Strategy sought to protect the site for ongoing employment use, whilst supporting any investment, redevelopment or new build space. However, the site's closure, plus lack of evidence to suggest the site can or will be occupied 'like for like', prompted re-consideration of its longer term future. These two key factors will now be elaborated on in turn.

Refreshed Projections, Forecasts and Labour Supply

- 5.2 The 2018-based projections, coupled with more recent Mid-Year Estimates, were incorporated into the evidence base and their revised implications on population, households and job growth were duly considered. A series of new demographic scenarios and forecasts were also modelled using Popgroup, thereby updating the previous evidence base that informed the Preferred Strategy. This provided a refreshed LDP demographic evidence baseline, to be considered alongside a range of growth scenarios, including trend and housing-led alternatives (refer to LDP Demographics Update, 2020). As justified in the Strategic Growth Options Background Paper, the PG-Short Term Scenario is still considered to be the most appropriate to achieve an equilibrium between economic growth and sustainable development within the Replacement LDP.
- 5.3 The PG-Short Term Scenario is grounded in post-recession demographic trends, utilising an ONS 2019 Mid-Year Estimate base year and calibrating its migration assumptions from a 6-year historical period (2013/14–2018/19), a time period consistent with ONS methods. Continuing along this trajectory is considered to provide the optimal means of meeting newly forming household need, whilst enabling the attraction and retention of an economically active labour force to counter-balance the naturally ageing population in Bridgend. Overall, the PG-Short Term Scenario projects 9.4% growth in the County Borough's population over the plan period (13,681 from 2018-2033), equating to 496 dwellings per annum. This refreshed scenario therefore projects a level of dwellings that is both akin to, and would still support, the original 505 dwellings per annum identified in the LDP Preferred Strategy.
- 5.4 However, from an employment perspective, what is particularly relevant is the population profile and labour supply driving the overall projection. The

relationship between population and employment is modelled using key assumptions on economic activity rates, unemployment and commuting (see Appendix B, LDP Demographics Update, 2020). The economic activity rates determine the estimated annual change in Bridgend's resident labour force, whilst the unemployment and commuting ratios link the labour force to workplace-based employment¹ in Bridgend. The age-structure differences between the 2014-based round of projections and the latest suite of 2018-based scenarios, result in a more positive impact upon labour force projections, with higher growth evident in the younger adult age-groups over the LDP plan period.

- 5.5. Specifically, the refreshed PG-Short Term Scenario now demonstrates higher relative population growth in the 20-44 year age bands up until 2033, with a correspondingly higher growth in the youngest age-ranges, 0-14. The higher relative growth in these age-groups (than projected at Preferred Strategy Stage) is particularly important when considering the link between Bridgend's population change and the size and profile of its resident labour force. The refreshed PG-Short Term Scenario now estimates it can support 451 people in workplace-based employment people per annum, with these economic activity rates having been derived from Census statistics, with adjustments made in line with the Office for Budget Responsibility's (OBR) analysis of labour market trends.
- 5.6 This estimate is demographics-led, and, to test the economic consequences of the refreshed projection, the revised scenario was also run through an economic forecasting model (Experian) to provide an economics-led estimate for completeness. This complementary approach forecasts that the level of growth could support up to 7,500 employed people over the plan period (i.e. 500 per annum), based on Experian's latest assessment of economic activity rates (refer to the EEBS Update, 2021). The demographic-led and forecast-led estimates of employment generated by the PG-Short Term Growth Scenario differ because of underlying economic activity assumptions. However, in order to plan positively and account for double-jobbing (i.e. where an individual has more than one part time job) the Replacement LDP seeks to accommodate up to 7,500 jobs over the plan period. This is a positive assumption, recognising that there is no guarantee that such economic growth will be triggered by the availability of this increase in labour supply. However, if the LDP failed to provide suitable employment land to enable this forecast to be realised then

¹ Workplace-based employment is a 'person-based' measure, rather than a jobs-based measure of economic activity. The two measures are directly related, but the jobs-based measure is that typically reported in employment forecasts derived from econometric models and will include both full-time and part-time positions. The workplace-based employment figure measures the number of people employed, linking directly to person-based unemployment, commuting and economic activity rate parameters and therefore to the population resident in Bridgend.

economic growth would be constrained, thereby hampering fulfilment of the Aims and Objectives of the Plan.

Employment Land Implications

- 5.7 The EEBS Update (2021) therefore identifies the economic consequences of this projected boost to the labour force and assesses whether the need assessment and land supply identified in the EEBS (2019) remains sufficient for the Replacement LDP. The EEBS (2019) originally took a very cautious approach to the need and land supply assessment, which meant the Preferred Strategy effectively had two built-in 'buffers'. The first 'buffer' was within the 2ha per annum allowance for the additional housing and reduced unemployment assumptions, which had flexibility built-in to accommodate more workers than identified in the Preferred Strategy projection. The second 'buffer' was within the employment land allocation (i.e. 71.7ha of new employment land available to deliver 60ha of new employment land needed), which equates to 11.7 hectares over the plan period or 0.8 ha per annum. The EEBS Update (2021) reviewed to what extent these buffers, totalling 2.8ha per annum, can absorb the employment growth estimated under the PG-Short Term Growth Scenario.
- 5.8 Based on the forecast, job density and land take calculations, the EEBS Update (2021) concluded that the increase in working age population identified can be satisfactorily accommodated by the flexibility and margin built into the original EEBS (2019). This collectively sums to 2.8 ha pa, and matches the available supply (2.8 ha). Thus, demand and supply are in balance, but with absolutely no flexibility, and all sites identified in Table 1 overleaf need to be retained as new employment supply to meet this identified need, comprising almost all undeveloped parcels within existing estates.
- 5.9 The EEBS (2019 and 2021 Update) considered this land suitable to re-allocate for employment purposes. The identified sites are distributed across the County Borough and have a realistic prospect of contributing to future employment land supply. Their retention in the Replacement LDP will therefore help deliver the Regeneration and Sustainable Growth Strategy by 'creating Productive and Enterprising Places'.

Table 1: New Employment Land Supply, 2018-2033

Employment Site	Available Land (ha)	Uses
Strategic Employment Sites		
1) Brocastle, Waterton, Bridgend	20.4	B1, B2, B8
2) Pencoed Technology Park	5.4	B1, B2, B8
Employment Sites: Bridgend Sustainable Growth Area		
3) Brackla Industrial Estate	7.7	B1, B2, B8
4) Bridgend Industrial Estate	9.2	B1, B2, B8
5) Coychurch Yard, Bridgend	0.1	B1, B2, B8
6) Crosby Yard, Bridgend	0.8	B1, B2, B8
7) Parc Afon Ewenni	2.0	B1, B2, B8
8) Waterton Industrial Estate	10.0	B1, B2, B8
Employment Sites: Pyle, Kenfig Hill and North Cornelly Sustainable Growth Area		
9) Land at Gibbons Way, North Cornelly	0.0	B1
10) Village Farm Industrial Estate, Pyle	2.6	B1, B2, B8
11) Ty Draw Farm, Pyle	2.23	B1, B2, B8
Employment Sites: Maesteg and the Llynfi Valley Regeneration Growth Area		
12) Ewenny Road, Maesteg	3.5	B1, B2, B8
Employment Sites: Pencoed Sustainable Growth Area		
13) The Triangle Site, Bocam Park, Pencoed	1.0	B1
Employment Sites: Other Locations		
14) Brynmenyn Industrial Estate	2.0	B1, B2, B8
15) Land adjacent to Sarn Park Services	2.7	B1
16) Land west of Maesteg Road, Tondu	0.3	B1
17) Isfryn Industrial Estate, Blackmill	0.4	B1, B2, B8
18) Abergarw Industrial Estate, Brynmenyn	1.4	B1, B2, B8
Total		71.7 hectares

Flexibility and the Former Ford Manufacturing Plant Site

5.10 However, the EEBS Update (2021) does highlight there is a need for some flexibility, perhaps not in the short term, although certainly in the mid to longer term. Equally, there is a need for the Replacement LDP to consider how to

enable re-development of the former Ford Manufacturing Plant (45ha), located on one of the County Borough's premier industrial estates.

- 5.11 Prior to the closure of the Ford Manufacturing Plant in 2020, the site employed 1,700 highly skilled workers and was a key, safeguarded employment allocation within the County Borough. Whilst the revised demographic work, employment data and forecasts within the evidence base reflect the most recent trend-based data available at this point of Plan preparation, the trends and datasets pre-date the very recent closure of the former Ford Manufacturing Plant. The resulting demographic and labour supply changes will eventually be captured by future projections and forecasts, although the most recent iterations still assume that 1,700 people are employed on the Ford site. It will take time for the full labour supply impact of this closure to be understood, especially given that the pandemic is likely to temporarily limit labour mobility and the ability for other firms to take-up any labour released by Ford.
- 5.12 The EEBS Update (2021) highlights the need to quickly turn this economic blow into an economic opportunity. This can be achieved by offering business space to existing and new businesses, whilst seeking new options to retain the recently released, yet highly skilled workforce in the local area. In order to meet these aims, enable re-development of the former Ford Manufacturing Plant site and provide additional flexibility to the employment land supply, the EEBS Update (2021) recommends considering the site as a new development opportunity. Several options are presented in this respect, including re-using or re-configuring parts of the site, 'meanwhile employment use' pending a longer-term re-development strategy and/or a more holistic development opportunity. Ultimately, the EEBS Update (2021) concludes that the site has scope to make a much larger economic impact (in terms of jobs supported) than the old use as a new development opportunity. Further work is needed to confirm the quantum, type and mix of new space, yet the site's location and previous economic history would support the maximisation of this economic opportunity.
- 5.13 It is acknowledged that re-development of the site will be a challenge and extensive enabling work will be required to bring the site forward in partnership with key stakeholders. A unique approach is required in this respect and it will be necessary to enable a flexible mix of economic uses, not necessarily akin to the type and density of uses previously accommodated on the site. This will simultaneously provide a greater degree of flexibility and choice to the employment land supply. The exact nature, type and mix of uses will be subject to refinement through future Supplementary Planning Guidance (SPG), although the re-development of the site will be primarily driven through economic use(s). A flexible approach will necessary to this end, acknowledging that a mixed-use development may be necessary to maximise this economic opportunity. This could include a minority of residential uses for purposes of

cross-subsidisation, which would not otherwise be acceptable on other Employment Sites.

- 5.14 In addition, the synergies between Brocastle, Parc Afon Ewenni and the Former Ford Site represent a more holistic development opportunity, collectively known as the Southern Bridgend Gateway, that will be enabled through subsequent masterplanning and SPG development to contribute to delivery of the Replacement LDP's Regeneration and Sustainable Growth Strategy.

6. Conclusion

- 6.1 This Background Paper has provided an overview of the refreshed employment evidence base and scrutinised the economic consequences of the latest socio-economic and demographic data published since Preferred Strategy stage.
- 6.2 As justified in the Strategic Growth Options Background Paper, the PG-Short Term Scenario (Mid-Growth Option) is still considered to be the most appropriate to achieve an equilibrium between economic growth and sustainable development within the Replacement LDP. This Scenario projects 9.4% growth in the County Borough's population over the plan period (13,681 from 2018-2033), equating to 496 dwellings per annum. This refreshed scenario therefore projects a level of dwellings that is both akin to, and would still support, the original 505 dwellings per annum identified at Preferred Strategy stage.
- 6.3 However, the refreshed PG-Short Term Scenario now demonstrates higher underlying population growth in the 20-44 year age bands over the plan period, with a correspondingly higher growth in the youngest age-ranges, 0-14. The higher proportion of growth in these age-groups (than projected at Preferred Strategy stage) is particularly important when considering the link between Bridgend's population change and the size and profile of its resident labour force. Demographic analysis and forecasts of economic activity estimate that this level of growth could now support up to 7,500 jobs over the plan period (i.e. 500 jobs per annum).
- 6.4 The EEBS Update (2021) has identified the economic consequences of this projected boost to the labour force and assessed whether the need assessment and land supply identified in the EEBS (2019) remains sufficient for the Replacement LDP. The Study demonstrated that this proportionate increase in the working age population can be satisfactorily accommodated by the flexibility and margin built into the original employment land supply identified at Preferred Strategy stage. Planning on this basis will ensure the local economy is not constrained from responding positively to the younger (working age) population profile instigated through the Mid-Growth Option. However, this requires retention of all of the proposed allocated employment sites (totalling 71.7ha in

total, comprising almost all undeveloped parcels within existing estates), which means demand and supply are in balance, yet with no flexibility.

- 6.5 Therefore, in the mid to longer term, enabling re-development of the former Ford Manufacturing Plant (45ha) will provide additional flexibility. This will simultaneously provide a means to replace the 1,700 jobs that have been lost and maximise a key economic opportunity located on one of the County Borough's premier industrial estates. Further work is needed to confirm the quantum, type and mix of new space, yet the site's location and previous economic history would support the maximisation of this economic opportunity. A unique approach is required in this respect and it will be necessary to enable a flexible mix of economic uses, not necessarily akin to the type and density of uses previously accommodated on the site. This will also provide a greater degree of flexibility and choice to the employment land supply.
- 6.6 This overall level of employment provision is further supported by the planned delivery of 1,850 new homes at Llanilid near Llanharan, which is within Rhondda Cynon Taf and close to the Bridgend County Borough boundary. It is logical to conclude that at least some of these households will contain economically active works that will contribute to Bridgend County Borough's labour supply. Considering this major development in tandem with the planned growth across Bridgend County Borough will help strengthen the critical mass on the main employment estates, allow local firms to grow faster than they may do otherwise and also encourage firms to locate in Bridgend to take advantage of the growing skilled labour force.
- 6.7 Further concept proposals to expand Llanillid to incorporate alternative employment sites could unduly compete with Bridgend County Borough's employment estates and lead to employment demand being displaced. This is notable as Bridgend's economy is reasonably self-contained currently, with balanced net commuting flows. However, these proposals are not yet certain to proceed and will extend beyond the life of the Bridgend Replacement LDP. Therefore, no provision has been made for additional cross boundary workers to commute into Bridgend when calculating employment land requirements for the purposes of this Replacement LDP. A cross-boundary approach will nonetheless be required to fully assess the socio-economic and demographic consequences of any additional employment provision so close to the boundary of Bridgend County Borough.
- 6.8 On the balance of evidence discussed in this Paper, it is clear that the Mid-Growth Option would facilitate delivery of sustainable levels of economic growth that best achieves an equilibrium between new homes and employment provision, balanced against other key infrastructure requirements. Allocation of 71.7 hectares of employment land will provide the flexibility to accommodate up to 500 new jobs per annum without constraining economic opportunity or unduly preventing the release of land for other uses. This will enable the Aims, Objectives and broader Vision of the Replacement LDP to be achieved.