Nathaniel Lichfield & Partners
Planning. Design. Economics.

Economic Benefits of Barry Waterfront

Barry Waterfront Consortium

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Contents

Figures

Tables

1.0 Executive Summary

1 This report provides an overview of the expected economic benefits that the proposed development will bring to Barry and the Vale of the Glamorgan as a whole. It is a freestanding document which is intended to assist the Vale of Glamorgan in its determination of the current planning application by highlighting the value of the proposed development in terms of wealth and job creation.

Economic Context

2 The unemployment rate in the Vale of Glamorgan is currently 9% - above the Welsh average (8.4%). In March 2011, there were 10.2 claimant unemployed workers for every unfilled job centre vacancy in the Vale of Glamorgan. This indicates a relatively slack local labour market, with limited job opportunities available for the many claimant unemployed workers, and lower prospects of gaining work than in other parts of Wales. In addition, a comparison of resident and workplace wage levels in the Vale of Glamorgan reveals a difference of £56.40 per week (resident wages > workplace wages). This, together with information on the availability of local job opportunities indicates high levels of out-commuting and highlights a need for the creation of additional employment opportunities within the Vale of Glamorgan.

3 Whilst the Indices of Multiple Deprivation shows that a large number of wards in the Vale of Glamorgan are amongst the least deprived areas in Wales, Barry does not reflect this characteristic as it has some of the most deprived lower super output areas in Wales.

Economic Benefits of Barry Waterfront

4 The regeneration of Barry Waterfront constitutes a £150m investment in the town over a 20 year period. This represents a significant sign of confidence in the local area and will be crucial in levering in further investment.

5 The scheme will produce approximately 1,700 person-years of construction employment. This is equivalent to 170 FTE construction jobs. Taking account of direct, indirect and induced job creation, and assuming there would be no displacement or leakage of employment, the proposed development will result in the creation of 170 further FTE jobs per annum at the national level (i.e. in addition to the direct employment) and a further 30 FTE jobs per annum at the local level (again, in addition to direct employment).

6 In addition, it is anticipated that the non-residential elements of the scheme will generate approximately 900 operational jobs (740 FTE). It is assumed that the majority of the jobs created by the Proposed Development will be 'new' to the area and will not result in any displacement of existing jobs from elsewhere in the area. The net additional employment resulting from this development is therefore estimated at 870 jobs (710 FTE). Applying the local multiplier produces about 140 more 'spin off' jobs in local services and other firms in the local area.

7 The new jobs that are to be created will be varied in terms of their type and staff requirements. A large number of the new jobs would be available on a flexible, part time basis and would not require high skill levels. As such, they will be accessible to residents of nearby areas seeking this type of employment.

8 If all of the operational jobs created by the proposed development were drawn from the local labour market, the local unemployment level might be expected to fall to 7.5% (assuming that all other variables remain the same). This would take the figure to below the Welsh average.

Expenditure

9 Whilst the reality that a large proportion of new residents will already reside within the local area serves to reduce the total annual expenditure into the local economy, it is forecast that the total annual gross expenditure made by the 500 households that are expected to move more than 10 miles to their new dwellings will be in the order of £8.7m. Of this, 57% (£4.96m) would be retained within the immediate local area.

Wider Benefits

10 In addition to the economic benefits that have been quantified in the preceding section, the regeneration of Barry Waterfront will also offer a range of wider benefits, including:

i) The construction of over 1,750 new dwellings (this is the anticipated final number) – including more than 250 affordable homes – which will make an important contribution to meeting the housing requirement within the Vale of Glamorgan.

ii) Improvements in the alignment between workers and jobs. This will help to improve the economic efficiency and sustainability of the local area.

iii) A range of infrastructure and community benefits which represent an additional investment in the area and will generate further construction and operational employment opportunities.

11 This development represents largest investment that has been made in the town for a considerable period of time. In addition to all of the benefits set out in this report, it will rejuvenate a prominent area of derelict land and, in so doing, will signal a clear confidence in the town. This will be important in enhancing its image and in establishing a basis upon which future investment might be encouraged

1.0 Introduction

1.1 During recent discussions regarding the proposed regeneration of Barry Waterfront, the Council questioned what, if any, economic benefits are likely to be associated with the development. Whilst this information has previously been provided within the Socio-Economic Chapter of the Environmental Statement it is important to re-emphasise the scheme benefits ahead of the application being considered at planning committee. As such, this report has been prepared by Nathaniel Lichfield and Partners (NLP) on behalf of Persimmon Homes, BDW Trading and Taylor Wimpey ("The Consortium") in response to comments received and to reflect updated information on job creation,

1.2 It seeks to provide an overview of the expected economic benefits that the proposed development will bring to Barry and the Vale of the Glamorgan as a whole. It draws upon a wide range of data sources including the ONS Family Spending Survey, BISA Enterprise Directorate Analytical Unit review of SME Turnover, and the Annual Survey of Hours and Earnings.

1.3 This report should be considered a standalone overview document and does not change the analysis provided within the submitted ES and subsequent addendums.

2.0 Policy Context

2.1 At a time of continued economic instability, housing (and other) development is being relied upon to stimulate the economy and contribute towards the long term competitiveness of the UK economy. This aspiration is set out in a range of national and local planning (and other) policy documents, all of which underline the significant benefits that schemes such as that which is proposed for Barry Waterfront can offer.

Local Planning Policy

Vale of Glamorgan Unitary Development Plan

2.2 The UDP provides a land-use policy base to support the aims of the Council's Community Strategy which seeks to strengthen the local economy through a range of measures including:

a Undertaking urban regeneration initiatives;

b Developing tourism;

c Enhancing town centres;

d Promoting the Vale of Glamorgan as a location for investment;

e Providing information and advice on sites and premises and environmental and sustainability issues; and where appropriate,

f Offering financial assistance to training and businesses.

2.3 The UDP describes Barry as a key employment area for the Vale but recognises that it shares many of the problems of dereliction, lack of investment and unemployment that characterise the South Wales Valleys. In response to such challenges, it highlights the role of partnerships in the regeneration of brownfield sites.

2.4 The UDP emphasises the Council's commitment to supporting the local economy and local economic development through a range of measures including the provision of a choice and range of sites. Specifically, it states that the policies will assist the Council to:

a Strengthen the local economy;

b Widen job opportunities for local residents by improving access to employment and training;

c Improve the economic infrastructure of the Vale;

d Set out strategic policies for development, conservation and transportation that will enable the local economy to growth in a sustainable framework; and, e Improve the urban fabric and enhance the physical and natural environment of the Vale.

Emerging Vale of Glamorgan Local Development Plan

2.5 The Vale of Glamorgan LDP Draft Preferred Strategy is rooted in a vision for the Vale as a safe, clean and attractive area where individuals and communities have opportunities to improve their health, prosperity and well-being.

2.6 A number of key objectives are established. These include the efficient and effective use of land; the sustainable use and management of natural resources; and the development of a diverse and sustainable local economy that meets the needs of the Vale of Glamorgan and those of the wider South East Wales Region.

2.7 Barry is identified as a key settlement and a main location for the concentration of development opportunities. As such, it is considered to have a key role to play in the creation of a strong and sustainable city region for South East Wales.

National Policy

2.8 Planning Policy Wales emphasises the Assembly Government's commitment to building a modern and more diverse economy and highlights its objectives for economic development which are to:

a Enhance the economic success of urban areas, helping businesses to maximise their competitiveness;

b Support initiative and to avoid placing unnecessary burdens on enterprise;

c Respect and encourage diversity in the local economy;

d Promote new technologies; and,

e Ensure that development for enterprise and employment is in line with sustainability principles, respecting the environment in its location, scale and design.

Wales Spatial Plan (2008 Update)

2.9 The Vision of the Wales Spatial Plan is to sustain communities in Wales by tackling the challenges presented by population and economic change and to increase Wales' competitiveness.

2.10 The promotion of a sustainable economy represents one of the five Spatial Plan themes. The economic vision is for an innovative, high value-added economy which creates wealth and promotes the spreading of prosperity throughout Wales. It also seeks to ensure that the economy adds to the quality of life and to the standard of the living and working environment in Wales.

2.11 This theme of social inclusion is reflected in the strategy for the South East Wales Spatial Plan Area. This seeks to encourage key settlements (including Barry) as successful and complementary employment and service hubs that support a prosperous economy and as attractive and distinctive places within which to live.

The Sway of National Policy

2.12 Following the 'Yes' vote on the 3rd March 2011, the Welsh Assembly Government (WAG) has made a number of announcements regarding proposed improvements to the Welsh planning system in order to better support economic renewal.

2.13 In her address to the Cabinet Committee for Economic Renewal on the 28th March, Jane Davidson discussed these changes and stated that Local authorities *"must also ensure that the value of economic development, in terms of wealth and job creation, is explicitly considered, alongside environmental and social matters when decisions on planning applications are made"*.

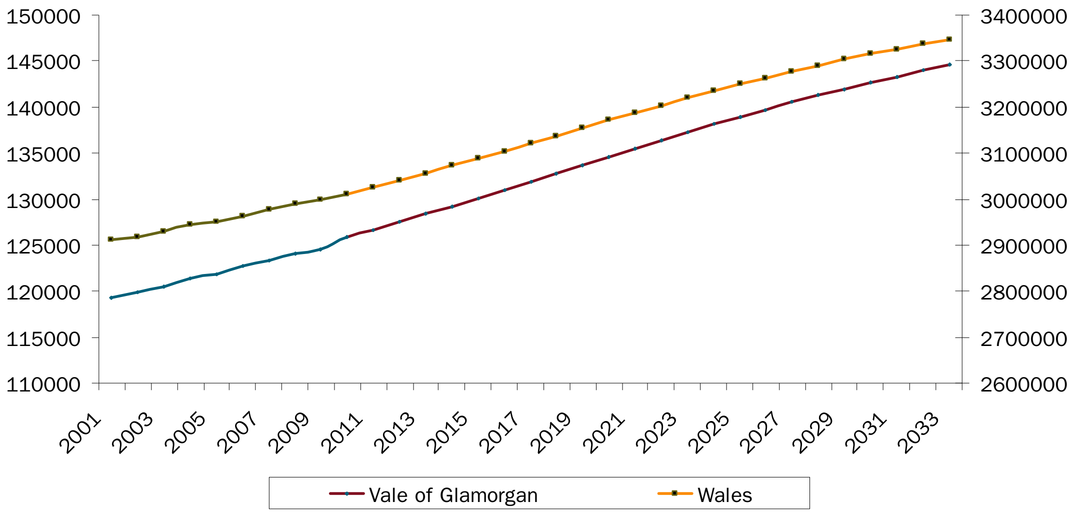
2.14 The purpose of this document is to demonstrate the economic value of the propose regeneration of Barry Waterfront. It is intended to assist the Vale of Glamorgan in its determination of the current planning application by highlighting the value of the proposed development in terms of wealth and job creation. Other matters relating to the proposed development are considered in other documents that form part of the application submission.

3.0 Economic Baseline

Socio-Economic Factors

3.1 The resident population of the Vale of Glamorgan at 2008 was 124,100 (4% increase since 2001). The WAG 2008-based population projections anticipate that the local population will be 126,700 in 2011, rising to 144,500 by 2033.

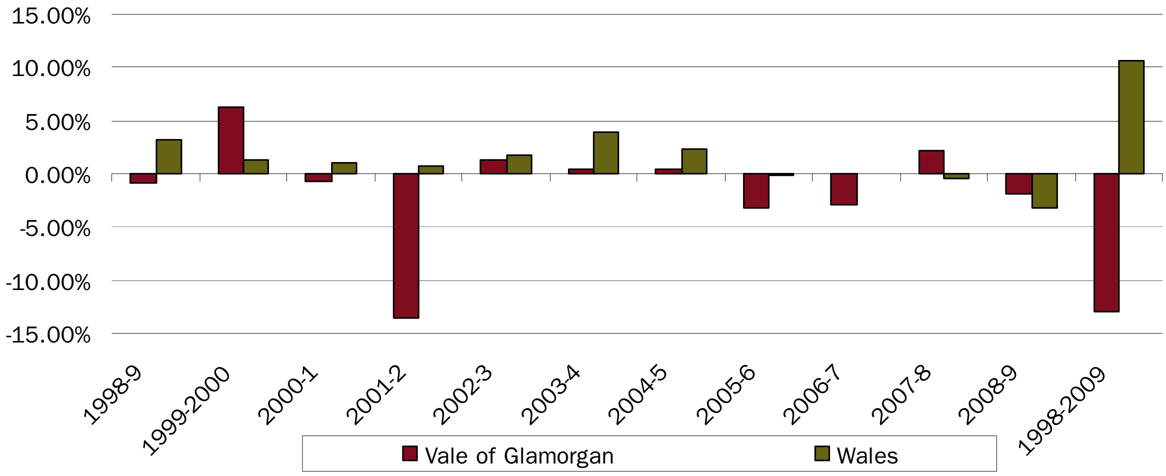
Figure 3.1 Recent and projected future population levels in Vale of Glamorgan and Wales



Source: StatsWales Mid Year Estimates and Population Projections

3.2 Employment in the catchment area fell by 15.2% (6,400 jobs) between 2001 and 2008, a loss which contrasts significantly with Wales as a whole (within which 93,400 additional jobs were created over the same period) (Table A.0.1, Appendix 1). The main loss in the Vale of Glamorgan over this period was experienced in the public administration, health and education sector. This accounted for 40% of all jobs in the local authority area in 2001, compared to 34.3% in 2008. By contrast, the relative importance of this sector increased by 1.6% across Wales over the same period (Table A.0.2, Appendix 1). Despite this, the public administration, health and education sector continues to represent the highest proportion of employment in the Vale of Glamorgan. This continued dominance creates a potential vulnerability for the local economy at a time of public sector restructuring and cuts.

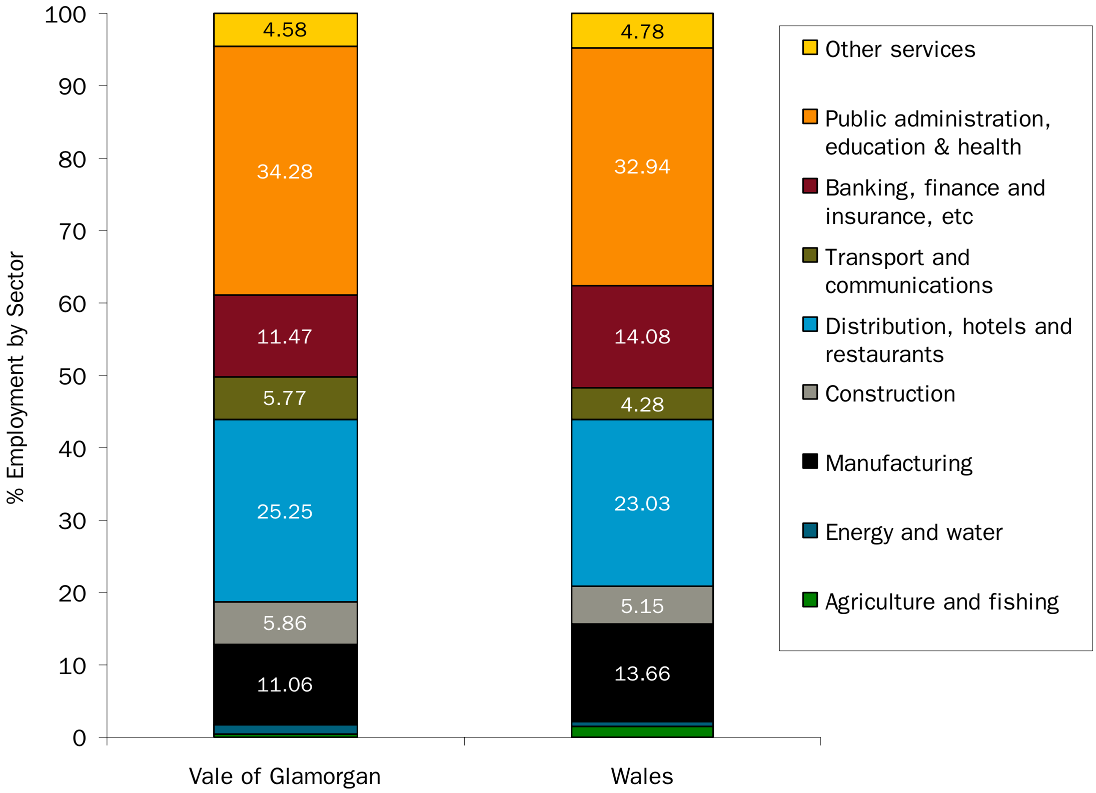
Figure 3.2 Employment Change in Vale of Glamorgan and Wales, 1998-2009



Source: ABI and BRES, NOMIS

3.3 Distribution, hotels and restaurants also represents a key sector within the Vale of Glamorgan providing a further 25.3% of all local jobs in 2008. It has grown in recent years (3.7% between 2001 and 2008). This compares to a slightly lower level of relative importance within Wales as a whole (23% of all jobs) and a 0.7% decline in employment levels in this sector across Wales over the same period.

Figure 3.3 Economic Composition of Vale of Glamorgan and Wales by Sector, 2008



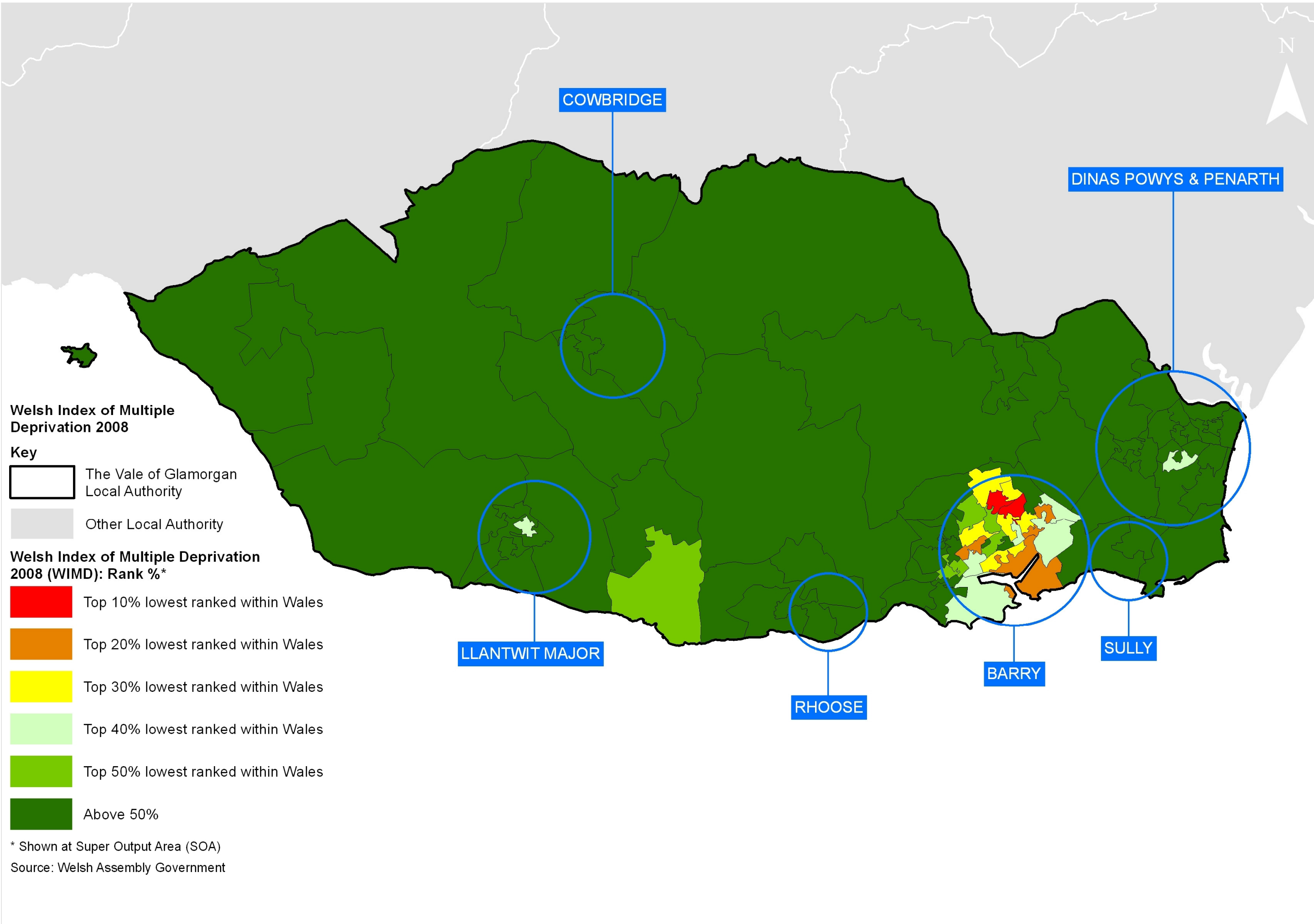
Source: ABI, NOMIS

3.4 The unemployment rate for the labour catchment area in 2010 was 9%. This is higher than the employment rate for Wales (8.4%) (Table A.0.3, Appendix 1). However, economic activity rates – the proportion of the economically active workforce in employment – are fairly high in the Vale of Glamorgan. (Table A.5.7, Appendix 1). In 2010, the economic activity rate for the Vale of Glamorgan was 76.1%, a figure which is much higher than that of Wales (72.8%).

3.5 The 2008 Welsh Indices of Multiple Deprivation prepared by the Welsh Assembly Government contains a range of measures to identity the level of deprivation experienced in an area at a super output area scale. A total of 1,896 super output areas cover the whole of Wales of which 78 lie within the Vale of Glamorgan. 53 of super output areas in the Vale of Glamorgan fall within the top half of the table for least deprived areas in Wales. However, 10 of the Vale of Glamorgan super output area fall within the top quartile of most deprived areas in Wales; all of these are located within Barry and the immediate surrounding area. 2 of the super output areas, Gibbonsdown 2 and Court 3 (both located to the north of Barry) have been placed in the top 10% of most deprived areas in Wales (ranks 100 and 115 respectively).

3.6 In conclusion, while the resident population of the Vale of Glamorgan increased by 4% between 2001 and 2008, employment fell by 15.2% over a similar period. As a result of this, the local unemployment level is now higher than that of Wales. The Indices of Multiple Deprivation shows that a large number of wards in the Vale of Glamorgan are amongst the least deprived areas in Wales. However, Barry does not reflect this characteristic as it has some of the most deprived lower super output areas in Wales.

Figure 3.4 Multiple Deprivation in Vale of Glamorgan



Source: Welsh Index of Multiple Deprivation 2008ds

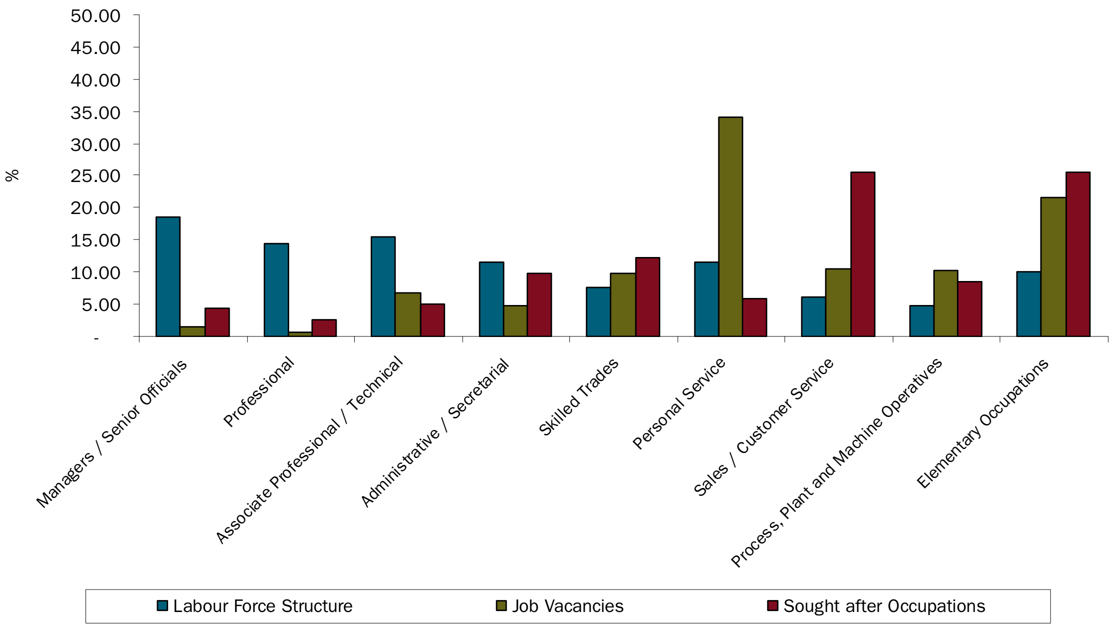
Local Labour Market Conditions

3.7 In March 2011, there were 10.2 claimant unemployed workers for every unfilled job centre vacancy in the Vale of Glamorgan. This is almost double the ratio for the Wales (5.2) (Table A.0.4, Appendix 1) and indicates a relatively slack local labour market, with limited job opportunities available for the many claimant unemployed workers, and lower prospects of gaining work than in other parts of Wales.

3.8 Among the vacancies in the area, the jobs available are mainly for Personal Service occupations (34%), Elementary occupations (22%), sales/customer service (11%) and process, plant and machine operative (10%) jobs are available within the Vale of Glamorgan (Table A.0.5, Appendix 1). In terms of the claimant unemployed and the occupations sought, elementary occupations are in demand by 26% of the claimant unemployed, sales/customer service by 26% and skilled trade occupations by 12.2% of the claimant unemployed (Table A.0.6, Appendix 1).

3.9 Set against this character of vacancies and sought occupations, the local labour force of the Vale of Glamorgan contains broadly the same spread of occupations as that of Wales albeit with slightly higher levels of managers/senior officials (18.6% compared with Wales' 13.3%), professional occupations (14.3% compared to 12.6%), associate professionals and technical occupations (15.4% compared with Wales 17.4%) and (Table A.6.9, Appendix 1). The Vale of Glamorgan has slightly lower levels of less skilled and non professional occupations.

Figure 3.5 Economic Profile of Vale of Glamorgan by Labour Force, Vacancies and Sought after Occupations



Source: NOMIS / Annual Population Survey

3.10 The average wage level of the resident population in the Vale of Glamorgan is about 14% higher than the Welsh average. However, the average wage level of the workplace population in the Vale of Glamorgan is 8% above the Welsh average (Table A.0.8, Appendix 1). A comparison of the Vale of Glamorgan's resident wage levels with workplace wages shows a difference of £56.40 per week, indicating high levels of out-commuting.

4.0 Economic Benefits of Barry Waterfront

4.1 The economic benefits associated with the regeneration of Barry Waterfront can be categorised as including:

a Direct and indirect investment into Barry;

b GVA created from additional direct and indirect investment;

c Direct, indirect and induced job creation; and,

d Expenditure from new residents.

all in addition to those socio-economic benefits that are less easy to quantify, including:

e Regeneration of a prominent yet derelict area, close to the town centre;

f Provision of over 1,750 dwellings – a major contribution to the Vale of Glamorgan's housing requirement;

g Provision of over 250 affordable housing units;

h Funding of infrastructure and community benefits; and,

i Other spin-off jobs in a wide range of sectors.

4.2 It is not considered that there will be any so-called deadweight effects associated with the proposed development and so, without it, these considerable benefits would not be realised.

Investment

4.3 The regeneration of Barry Waterfront constitutes a £150m investment in the town over a 20 year period. This represents a significant sign of confidence in the local area and will be crucial in levering in further investment and delivering a wide range of key direct and indirect economic benefits for the town and the local authority as a whole.

Employment Generation

4.4 The new employment that would be generated by the proposed regeneration of Barry Waterfront will fall within the following categories:

a Employment generated by the construction of the development;

b Employment within the non-residential elements of the scheme; and,

c Indirect and induced jobs supported in businesses in the surrounding area during the construction and operational stages.

Construction Employment

4.5 A calculation of the likely level of construction employment has been based upon the construction cost of the development and localised infrastructure of £150m. By dividing this figure by the annual turnover per construction (FTE) worker in Wales (£88,148 in 2009), it is possible to identify that the scheme will produce approximately 1,700 person-years of construction employment.

4.6 In economic terms, there is a widely recognised and adopted convention that 10 temporary construction jobs are equivalent to 1 Full Time Equivalent (FTE) job. As such, the development phase of this scheme would generate 170 FTE construction jobs.

Indirect / Induced Employment

4.7 An indication of supply chain multipliers can be obtained from the latest Scottish Government social research Tables 2010. This shows that:

a The direct and indirect construction multiplier for 2007 is 1.8. This takes account of changes in employment following an increase in demand on suppliers to the construction industry down the supply chain as an indirect result of the development.

b The direct, indirect and induced construction multiplier for 2007 is 2.19. This takes account of the direct and indirect effects detailed above, as well as the implications of household income (earned as a result of the proposed development) being re-spent on goods and services.

4.8 There is no evidence to suggest that these figures would differ substantially from those associated with other parts of the UK and so they have been applied in this case. Taking account of direct, indirect and induced job creation, and assuming there would be no displacement or leakage of employment, the construction phase of the proposed development will result in an additional 170 FTE jobs per annum at the national level (in addition to the direct employment).

4.9 Based upon the characteristics of the proposed development, the local economic context and labour market, an additionality multiplier of 1.2 has been selected to estimate both indirect and induced employment within the Vale of Glamorgan. This figure is based upon a review of figures used or derived in studies of other major developments and (in the absence of any specifically Welsh guidance), English Partnership's Additionality Guide.

4.10 Applying this additionality multiplier shows that the proposed development will also result in a further 30 FTE jobs per annum at the local level (again, in addition to the direct employment).

Operational Employment

4.11 The level of direct employment associated with the proposed development has been estimated from a consideration of the ratio between job numbers and floorspace of similar existing facilities in the UK, as well as from published studies of employment densities of such developments.

4.12 As shown below, the number of jobs generated by each use is estimated by applying the appropriate ratio to the amount of floorspace proposed for each. On this basis, the expected number of additional direct jobs that will be generated by the proposed development is approximately 900.

Table 4.1 Additional Employment Generation for the Proposed Development

Proposed Use	Proposed New Floorspace (GIA) (sqm)	Average Employment Density	No. Jobs Generated
A1: Retail	8,825	1 job/18 sqm	490
A3: Food and Drink	1,820	1 job/18 sqm	100
B1: Offices	3,450	1 job/12.5 sqm	275
C1: Hotel (budget)	3,500 (70 rooms)	1 job / 3 rooms	25
D1/2: Community Use	400	1 job/30-65 sqm	5 – 10
Petrol Fillings Station	72	-	5
Total			**900 – 905**

Source: HCA Employment Densities Guide, 2010 / NLP Analysis

4.13 Based on national patterns in retail and leisure employment, approximately 60% of the 565 – 630 new retail, leisure and catering jobs will be part time. 75% of the office jobs are expected to be full-time – a figure that reflects the national average split of full-time/part-time work in B1 related sectors. Overall, this would result in approximately 320 part time and 580 full time jobs on the site. Assuming that 1 part time job equates to 0.5 of a full time job, this would be equivalent to 740 Full Time Equivalent (FTE) jobs.

Table 4.2 Full-time/Part-time Jobs in the Proposed Development

Proposed Use	Total Jobs	FT Jobs	PT Jobs	FTE Jobs
A1: Retail	490	294	196	392
A3: Food and Drink	100	60	40	80
B1: Offices	275	206	69	240
C1: Hotel (budget)	25	15	10	20
D1/2: Community Use	5 – 10	3 – 6	2 – 4	4 – 8
Petrol Fillings Station	5	3	2	4
	900 – 905	**581 – 584**	**319 – 321**	**740 – 744**

Source: NLP/ONS

4.14 Net employment impacts have been estimated from the gross employment generation estimated above which reflects the addition of new retail, office and leisure floorspace within the scheme.

4.15 Consideration must be given to any job losses that might arise as a result of the Proposed Development. This might include some of the new food and drink, retail and hotel jobs provided on the application site effectively being transfers of existing facilities which lose some to the new development. The nearest foodstore to the application site is a Morrisons supermarket at Ffordd Y Mileniwm. Much of the additional retail capacity can be justified by the additional demand from the proposed residential development and the identified overall shortfall in provision against capacity. As a consequence, there will be limited impact on nearby convenience facilities. No displacement is assumed for the leisure elements, which will cater for a growing market for such provision.

4.16 The office provision will generate new opportunities and will thereby contribute towards economic growth within Barry and the Vale of Glamorgan more generally. However, as a worst case and as a broad estimate, it is assumed that approximately 10% of the office jobs will result from the displacement of jobs elsewhere in the local area as some existing businesses relocate to the new premises and existing employment floorspace is not re-let. This equates to about 28 jobs.

4.17 Similarly, as a worst case scenario, it is also assumed that 10% of the hotel jobs would result in the displacement of jobs elsewhere in the local area. This would equate to 2 jobs.

4.18 Taking all of these factors into account, it is assumed that the majority of the jobs created by the Proposed Development will be ‘new’ to the area and will not result in any displacement of existing jobs from elsewhere in the area. The net additional employment resulting from this development is therefore estimated at 870 jobs (710 FTE).

Table 4.3 Net Employment Change in the Local Area

Gross employment generated by proposed development	900
Less job displacement in the local area*	30
Net employment change	**870**

Source: NLP Analysis

Impact on the Local Labour Market

4.19 The impact on the local labour market of the 870 net additional permanent jobs on site likely to be generated directly by the proposed development must be considered in the context of the future balance of employment land labour supply in the Vale of Glamorgan. The skill levels required by these jobs and the skills available in the local workforce also need to be considered.

4.20 5,400 people of working age are unemployed in the Vale of Glamorgan. This equates to an unemployment rate of 9% above the Welsh average. Almost 70% of the unemployed people in the Vale of Glamorgan (3,605 persons) are registered for unemployment benefit. Unemployment has been rising rapidly in recent months as a result of the national recession and, as a lagging indicator, it may continue to rise for at least a further 12 months.

4.21 Additionally, over 40% of the claimant unemployed were, according to the latest data, seeking work in the following occupation sectors which mirror those that are to be created at Barry Waterfront:

a Managers and senior officials;

b Professional occupations;

c Administrative and Secretarial occupations; and,

d Sales and customer service occupations.

4.22 This figure amounts to 1,300, which in quantitative terms exceeds the number of new jobs in these types of occupations likely to be generated by the scheme. If all of the operational jobs created by the proposed development were drawn from the local labour market, the local unemployment level might be expected to fall to 7.5% (assuming that all other variables remain the same). This would take the figure to below the Welsh average.

4.23 It is likely that the new jobs generated by the Proposed Development will be filled from a variety of potential sources of labour supply, drawn mainly from those already living in the local catchment area. These will include unemployed workers, people entering or re-entering the labour markets and also some workers transferring from existing jobs in the area. The new jobs that are to be created will be varied in terms of their type and staff requirements. However, a large number of the new jobs would be available on a flexible, part time basis and would not require high skill levels. As such, they will be accessible to residents of nearby areas seeking this type of employment.

Indirect / Induced Employment

4.24 The spending of wages resulting from people employed in the facilities set out above and of the local firms supplying goods to these companies will support induced or indirect employment in local shops, services and other firms. As before, these types of employment can be estimated using employment multipliers derived from research on similar operations elsewhere, with adjustments to reflect the specific characteristics of the development, the amount of spending retained in the local area, and local economic and labour market conditions.

4.25 Based on the characteristics of the proposed development, its local economic context and labour market, the same combined employment multiplier of 1.2 used at the baseline stage is considered appropriate to estimate indirect and induced employment within the labour catchment area. To reflect job impacts in the wider region, a multiplier of 1.4 is assumed. Applying the local multiplier to the estimated 710 net additional FTE jobs generated by the development produces about 175 more 'spin off' jobs in local services and other firms in the local area.

Table 4.4 Indirect / Induced Employment in the Local Area

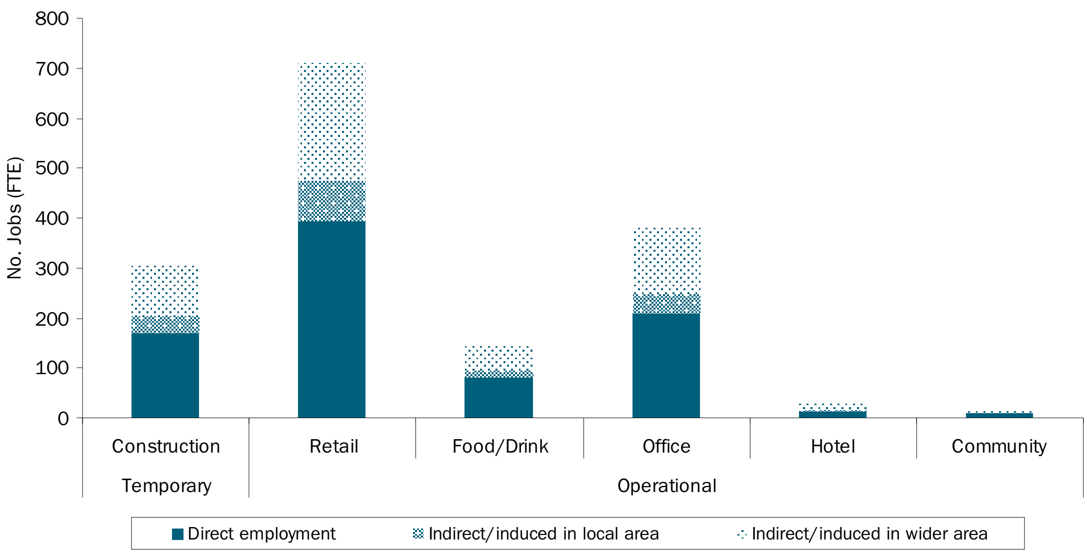
Type of Employment	Total	FTE Jobs
Net additional jobs	870	710
Multiplier of 1.2		
Indirect / Induced Jobs in Local Area	175	140
Total	1,045	850

4.26 Across the wider South East Wales region, a similar calculation indicates that approximately 1,220 net additional, permanent jobs would be generated in total.

Table 4.5 Indirect / Induced Employment in South East Wales

Type of Employment	Total	FTE Jobs
Net additional jobs	870	710
Multiplier of 1.4		
Indirect / Induced Jobs in Local Area	350	285
Total	1,220	995

Figure 4.1 Summary of Employment Benefits of Barry Waterfront Regeneration Scheme



Source: NLP Analysis

Expenditure

4.27 The benefits to the local economic associated with the proposed development will depend, in part, upon the proportion of residents that are new to the area. At a site level, all residents will be new, but it is anticipated that 71% of open market residents and 88% of residents of the affordable units would move locally (i.e. less than 10 miles).

4.28 Whilst the reality that a large proportion of new residents will already reside within the local area serves to reduce the total annual expenditure into the local economy, it is forecast that the total annual gross expenditure made by the 500 households that are expected to move more than 10 miles to their new dwellings will be in the order of £8.7m. Of this, 57% (£4.96m) would be retained within the immediate local area.

4.29 It should be noted that these figures do not take account of the domino effect associated with new residents moving into dwellings that have been vacated by those coming into Barry Waterfront. Were indirect expenditure generation also to be taken into account, then the benefit to the local economy would be shown to be substantially greater.

4.30 Based upon an analysis of the level and categorisation of expenditure by those moving into Barry Waterfront, it is possible to establish a generalised understanding of the number of jobs that are likely to be created in the local area:

Table 4.6 Estimated number of operational jobs that could result from the expenditure of new residents at Barry Waterfront

	Retail	Leisure	Restaurants and Hotels
Local Level (<10 miles)	14	10	7

Source: NLP Analysis

4.31 These figures reflect the number of jobs that are required to support the needs of new residents at Barry Waterfront. As set out above, it is expected that they will be distributed on the site and on a local, district and regional level. They are separate from the direct, indirect and induced construction and operational employment jobs that are to be generated by the scheme. Whilst these jobs will be in facilities that serve the needs of the new community at Barry Waterfront, they will also serve existing residents.

5.0 Wider Benefits

5.1 In addition to the economic benefits that have been quantified in the preceding section, the regeneration of Barry Waterfront will also offer a range of wider benefits. Although it is difficult to quantify these, their importance should not be overlooked.

5.2 It is widely acknowledged that maintaining an adequate supply of housing can be important in sustaining economic and social well-being by preventing the risks associated with an under-supply, including affordability problems and concealed households. The construction of over 1,750 new dwellings – including more than 250 affordable homes – will make an important contribution to meeting the housing requirement within the Vale of Glamorgan.

5.3 The inclusion of affordable housing units will be important in helping to address part of the unmet local demand which would otherwise remain unabated and would place significant additional pressure on the public sector at this time of increasing constraints.

5.4 The construction of new houses and employment opportunities would also be important in helping to improve the alignment between workers and jobs. This would be important in improving the economic efficiency and sustainability of the local area.

5.5 In addition, it is anticipated that the proposed regeneration scheme will also deliver a range of infrastructure and community benefits, including:

a Off-Site Highway Improvements

b A single form entry primary school with nursery annex

c Public Open Space, comprising:
  - i 13no. Local Areas of Play (LAP);
  - ii 2no. Local Equipped Areas of Play (LEAP); and,
  - iii 1no. Neighbourhood Equipped Area of Play

d A financial contribution of £300,000 towards community facilities within the application site to promote community building.

e A financial contribution of £50,000 towards the development of a public art strategy.

f A financial contribution of £835,000 towards a sustainable transport fund to include:
  - i Pedestrian and cycle improvements;
  - ii Upgraded and new bus stops (including real-time bus stops on link road);
  - iii Potential bus services diversion subject to full justification from the appropriate operator; and,
  - iv New bus services.

5.6 These elements will represent an additional investment in the area and will generate further construction and operational employment opportunities.

5.7 Although the New Homes Bonus scheme does not apply in Wales, the new dwellings will generate a substantial level of Council Tax revenue for the Council. Assuming that all dwellings were to fall within the “average” Band D, the total Council Tax revenue that would be raised from the scheme, once complete, would be approximately £2m per annum.

5.8 The proposed regeneration of Barry Waterfront represents the largest investment that has been made in the town for a considerable period of time. It will rejuvenate a prominent area of derelict land and, in so doing, will signal a clear confidence in the town. This will be important in enhancing its image and in establishing a basis upon which future investment might be encouraged.

6.0 Conclusion

6.1 This report has clearly demonstrated that despite being a relatively affluent Local Authority, the Vale of Glamorgan and in particular the Barry area, is in need of a considerable economic injection.

6.2 Indeed, the evidence points to a relatively slack local labour market with unemployment levels above the Welsh national average and limited job opportunities available for the many claimant unemployed workers. This coupled with high levels of out-commuting, highlights a need to create additional employment opportunities locally.

6.3 Barry Waterfront therefore provides such an opportunity, constituting a £150 million investment in the Vale of Glamorgan's principal town and providing approximately 170 FTE construction jobs. Accounting for indirect and induced jobs, the scheme will generate a total of 370 FTE additional construction jobs per annum at the national level, of which 200 FTE additional jobs will be at the local level (including direct employment). The non-residential elements of the scheme will further generate approximately 870 net additional operational jobs with approximately 140 more 'spin off' jobs expected. These newly created employment opportunities therefore have the potential to reduce local unemployment below the national level.

6.4 Furthermore, the proposed development will generate additional expenditure from the future residents, of which it is estimated that approximately 57% will be captured locally. In addition, the proposed commercial development (e.g. supermarket, restaurants and bars) has the capacity to clawback expenditure currently leaking out of the Vale of Glamorgan.

6.5 In addition to these clear economic benefits, the scheme will make an invaluable contribution to meeting the Vale the Glamorgan's housing supply through the delivery of 1,750 new dwellings (of which more than 250 will be affordable), will improve the alignment between the number of workers and the number of jobs and will significantly improve sustainability.

6.6 Therefore, not only does the development represent an extremely large investment in the Vale of Glamorgan's currently under performing principal town, it will rejuvenate a prominent area of derelict land, provide a link between the town and the Island and bring substantial economic, social and environmental benefits. This in turn will instil a confidence in the town, enhancing its image and potentially attracting future investment.

6.7 The value of the development in relation to wealth and job creation is considerable and, as touted by WAG, this must be explicitly considered when deciding planning applications. As such, the Vale of Glamorgan Council should positively determine the planning application to ensure the regeneration of Barry Waterfront and of the town as a whole.

Appendix 1 Economic Indicators

Table A.6.1 Change in Employment 2001-2008

	2001	2008	% Change
Vale of Glamorgan	42,300	35,850	15.2%
Wales	1,089,600	1,183,000	8.6%

Source: Annual Business Inquiry 2008

Table A.6.2 Employment by Industrial Sector

	Vale of Glamorgan (%)		**Wales (%)**	
	2001	2008	2001	2008
Agriculture and fishing	0.16	0.48	1.11	1.55
Energy and water	0.9	1.26	0.89	0.54
Manufacturing	11.33	11.06	17.49	13.66
Construction	4.29	5.86	4.62	5.15
Distribution, hotels and restaurants	21.58	25.25	23.75	23.03
Transport and communications	5.68	5.77	4.51	4.28
Banking, finance and insurance, etc	11.65	11.47	11.38	14.08
Public administration, education & health	40.07	34.28	31.36	32.94
Other services	4.34	4.58	4.88	4.78
Column Total	100.0	100.0	100.0	100.0

Source: Annual Business Inquiry 2008

Table A.6.3 Unemployment Rates

	No. of unemployed	Unemployment Rate (%)
Vale of Glamorgan	5,400	9
Wales	115,200	8.4

Source: Annual Population Survey 2011

Table A.6.4 Job Vacancies and Unemployment Indices

	Live Unfilled Vacancies (2010)	No. Claimant Unemployed (2010)	Unemployment/ Vacancy Ratio
Vale of Glamorgan	314	3198	10.18
Wales	15452	80092	5.18

Source: NOMIS 2010

Table A.6.5 Availability of Occupation by Job Vacancies

Occupation	Vale of Glamorgan		Wales	
	No.	%	No.	%
1 : Managers and Senior Officials	5	1.59	616	3.99
2 : Professional Occupations	2	0.64	520	3.37
3 : Associate Professional and Technical Occupations	21	6.69	1,791	11.59
4 : Administrative and Secretarial Occupations	15	4.78	816	5.28
5 : Skilled Trades Occupations	31	9.87	1,364	8.83
6 : Personal Service Occupations	107	34.08	2,170	14.04
7 : Sales and Customer Service occupations	33	10.51	3,411	22.07
8 : Process, Plant and Machine Operatives	32	10.19	1,900	12.30
9 : Elementary Occupations	68	21.66	2,864	18.53
Column Total	314	100.00	15,452	100.00

Source: NOMIS 2010

Table A.6.6 Sought After Occupation by Claimant Unemployed

	Vale of Glamorgan	%	Wales	%
Occupation unknown	20	0.65	460	0.62
Managers and Senior Officials	135	4.40	2,105	2.82
Professional Occupations	80	2.61	1,745	2.34
Associate Professional and Technical Occupations	155	5.06	3,310	4.43
Administrative and Secretarial Occupations	300	9.79	6,355	8.51
Skilled Trades Occupations	375	12.23	8,410	11.26
Personal Service Occupations	180	5.87	4,950	6.63
Sales and Customer Service occupations	785	25.61	17,140	22.95
Process, Plant and Machine Operatives	260	8.48	9,970	13.35
Elementary Occupations	785	25.61	20,255	27.12
Total	3,065	100.00	74,695	100.00

Source: NOMIS 2010

Table A.6.7 Economic Activity

	Economically Active	All People	%
Vale of Glamorgan	59,900	78,700	76.11%
Wales	1,378,800	1,893,700	72.81%

Source: Annual Population Survey 2009

Table A.6.8 Average Weekly Wages (Gross) of Full Time Workers

	Resident Analysis	Workplace Analysis
Vale of Glamorgan	610.9	554.5
Wales	526.5	516

Source: Annual Survey of Hours and Earnings (2010)

Table A.6.9 Occupational Breakdown of Labour Force

	Vale of Glamorgan		Wales	
	No.	%	No.	%
Managers and Senior Officials	10,400	18.64%	172,200	13.30%
Professional Occupations	8,000	14.34%	162,700	12.56%
Associate Professional and Technical Occupations	8,600	15.41%	190,900	14.74%
Administrative and Secretarial Occupations	6,400	11.47%	139,600	10.78%
Skilled Trades Occupations	4,300	7.71%	156,400	12.08%
Personal Service Occupations	6,400	11.47%	130,800	10.10%
Sales and Customer Service Occupations	3,400	6.09%	97,100	7.50%
Process, Plant and Machine Operatives	2,700	4.84%	95,800	7.40%
Elementary Occupations	5,600	10.04%	149,500	11.54%
Total	55,800	100%	1,295,000	100%

Source: Annual Population Survey (2010)

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