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Exeter & West End of East Devon Retail & Leisure Study 2016

Exeter City Council & East Devon District Council

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1. Introduction

Scope and Purpose

- 1.1 This report has been prepared by Bilfinger GVA ('GVA') in a response to an instruction by Exeter City Council ('ECC') and East Devon District Council ('EDDC') to prepare a Retail and Leisure Study for Exeter and the western part of the EDDC administrative area. The study will provide essential evidence base information to assist ECC and EDDC in the production of future development plan documents for their administrative areas.
- 1.2 The most recent retail study documents prepared for Exeter and East Devon comprise: the Exeter Retail Study 2008 and the East Devon Retail Needs Study & Town Centre Health Check (April 2008) (plus subsequent update in 2011). Since the completion of these studies, the UK's economic climate has experienced significant shifts, including the on-going effects of the economic downturn, changes in the retail sector and updated forecasts for future retail expenditure growth. As a consequence, there is a need to provide an up-to-date evidence base document which examines a range of related issues, including current shopping patterns, indicators of town centre health and the need for new retail and leisure floorspace across Exeter and the West End of East Devon District.
- 1.3 The objectives of this study, as identified in the brief issued by EDDC and ECC are as follows:
- A quantitative assessment of the need for new retail and leisure floorspace, taking into account market signals and special forms of trading;
 - A qualitative assessment of existing retail provision, including a review of the health of city, district and local centres across the Exeter urban area;
 - An assessment of whether there is scope to accommodate identified needs within existing centres or whether there is a need to adapt/enlarge centres to accommodate the identified needs in full;
 - A review of the viability of planned town centre developments in Exeter city centre and Cranbrook; and

- An assessment of the impact of out-of-centre retail development on the health of, and investment within, existing 'town centres'.

1.4 In order to achieve the above aims, ECC and EDDC require a comprehensive analysis of retailing and town centre health across the city and the west end of East Devon. Accordingly this study includes the following key components:

- An assessment of the role and function of Exeter and the western part of East Devon in the wider sub-region.
- A detailed assessment of shopping and leisure patterns within Exeter's wider catchment area.
- A review of the health and function of each of the defined 'town centre's across ECC's administrative area, focusing upon their land use profile and associated shopping patterns.
- An assessment of existing shopping patterns and store/centre turnover levels for convenience and comparison goods shopping.
- An assessment of the likely retail expenditure capacity to support new convenience and comparison goods¹ floorspace in Exeter and the west end of East Devon District.
- An assessment of the suitability, availability and viability of sequentially preferable sites to accommodate the identified quantitative and qualitative needs.
- Assessing the impact of the provision of large-scale retail and leisure floorspace in out of centre locations on the health of defined 'town centres' in Exeter.
- Taking into account the above, provide a recommended retail and leisure development strategy for Exeter and the west end of East Devon area and which also considers planning policies for assessing retail and leisure development proposals outside of town centres and the various 'town centre' boundary definitions.

¹ Convenience goods are defined as food and non-alcoholic drinks, tobacco, alcohol, newspapers and 90% of non-durable household goods (Non-durable household goods comprise cleaning materials, kitchen disposables, household hardware and appliances, kitchen gloves, cloths etc and pins, needles, tape measures and nuts and bolts). Comparison goods are defined as all other non-food retail goods (such as clothing, footwear, furniture, carpets, household textiles, home furnishings, electrical goods, toys, games, health and beauty, jewellery, glassware, tableware, pet goods and bicycles).

- 1.5 Key contributors to the above tasks have been a number of items of empirical research. First, the Council and GVA have commissioned a new bespoke survey of household shopping patterns ('the 2015 household survey') covering the Council's administrative area and extending into surrounding areas. The survey has sought data on shopping patterns for convenience and comparison goods shopping, along with the usage of Exeter city centre and leisure patterns. The results of the 2015 household survey have been used to inform the quantitative assessment of shopping patterns and expenditure flows and the subsequent retail and leisure need assessments.
- 1.6 The second area of empirical research has been in relation to the health of Exeter city centre and the various district and local centres across the ECC administrative area. This exercise has incorporated land use surveys of these defined centres, along with a review of wider health-check indicators and an appraisal of the results of the household survey data, particularly in regard to qualitative issues.
- 1.7 Finally, we have also undertaken a review of retailer demand across Exeter and the west end of East Devon which has sought to understand the nature of demand from those operators not currently represented in this area and also the potential requirements of operators who are currently in Exeter but may be considering a relocation.
- 1.8 From the outset of this report, it should be noted that this Retail and Leisure Study will be followed by a Town Centre and Retail Study for the Greater Exeter area, which will comprise an evidence base document for the Greater Exeter Strategic Plan ('GESp'). The GESp is being prepared by Teignbridge District Council, East Devon District Council, Mid Devon District Council and Exeter City Council. The GESp is intended to be an aligned planning policy and development strategy for the Greater Exeter area and intended to be a statutory development plan document which sets out the strategic elements of a Local Plan. It will cover the period to 2040 in the context of a longer horizon to 2045. The GESp is likely to provide:
- [Vision and objectives for the GESp area](#)
 - [High-level strategies for housing, economic growth, transport and environmental themes](#)
 - [Development distribution](#)

- Policies for growth areas and other functional areas
 - Large development allocations
 - Strategic infrastructure proposals
 - Common policies for certain topics
- 1.9 The Town Centre and Retail Study report for the Greater Exeter area will supersede only one part of this Retail and Leisure Study – the quantitative need forecasts for Exeter and the west end of East Devon. The remaining parts of this Retail and Leisure Study will remain relevant parts of the evidence base for the Exeter area, including the 'town centre' health checks, the qualitative assessment of need and the assessment of site development opportunities.

Contents of Report

- 1.10 The remainder of this report, is structured as follows:
- Section 2 outlines the current local and national planning policy context for retail and leisure development issues in the Exeter area, including the existing retail and town centre strategies in Exeter and East Devon, along with current national advice and guidance on the preparation of evidence base documents.
 - In Section 3 we outline the current trends in the retail sector in the UK, including the influence of internet shopping, the role of town centres and retail sector trends.
 - Section 4 provides our review of the health of Exeter city centre, along with the various district and local centres across the Exeter urban area. It also includes a review of out of centre retail provision in the local area and committed retail and leisure developments.
 - Section 5 provides an assessment of the need for additional retail and leisure floorspace in Exeter and the west end of East Devon District, including an assessment of quantitative retail expenditure capacity, a review of the quality of existing and committed retail floorspace and the need for additional leisure floorspace.
 - In Section 6 we review the suitability and availability of various sites across the Exeter and west end of East Devon area to accommodate the identified need for additional retail and leisure floorspace, along with advice regarding town centre boundaries in the Exeter administrative area.

- Section 7 provides a summary of the findings of the study along with a set of recommendations for a retail, leisure and town centres strategy for the Exeter area.

1.11 All plans and statistical information referred to in the text of this report are contained in appendices found at the rear of this document.

2. Planning Policy Context

Introduction

- 2.1 This section outlines the existing development plan context for the local area including the adopted development plans in Exeter and East Devon and their salient retail and town centre strategies. In addition, this section also summaries current national planning policy and guidance within the National Planning Policy Framework ('NPPF') and the National Planning Practice Guidance ('NPPG') along with emerging local draft development plan documents being prepared by Exeter and East Devon.

The Development Plans for Exeter and East Devon

Exeter City Council

- 2.2 The Exeter **Core Strategy**, adopted February 2012, sets out the city's vision, objectives and strategy for spatial development up until 2026. Within the Core Strategy, Chapter 7 identifies Exeter's retail and 'town centres' strategy, with Policy CP8 noting that:

"retail facilities will be provided as to contribute to the delivery of sustainable growth and respond to the needs of the local, including disadvantaged, communities".

- 2.3 Policy CP8 goes on to identify the need for around 3,000sq m of net retail convenience floor space, and a further 37,000 square metres of net retail comparison floor space, 30,000 of which will be a part of the new bus and coach station scheme. CP8 goes on to note that:

"Retail development outside the City Centre should be located in the district or local centres. Out of centre sites will only be considered if there are no suitable sites in, or on the edge of, the City Centre, district centres or local centres and the proposal would cause no significant overall impact on the existing centres and would bring net benefits. In all cases proposals must be accessible by public transport and other sustainable modes, and be appropriate in scale and character to the role and function of the proposed location. Local retail facilities will be

required as part of the community provision at the Monkerton/Hill Barton and Newcourt urban extensions”.

- 2.4 In relation to the retail and main town centre land use content of the planned urban extensions, Policy CP19 notes that the Newcourt area will provide a local centre including shops and community facilities including a health centre. The same policy notes that the Monkerton/Hill Barton development will provide a local centre to accommodate shops, doctors surgery and community facilities.
- 2.5 In addition to the Core Strategy, the saved policies in the **Exeter Local Plan First Review** remain, for the time being, part of the development plan for Exeter. The relevant policies saved within the document are S1 to S6.
- 2.6 Policy S1 allocates 4 key retail development sites at Princesshay, the Bus and Coach Station, the Guildhall Shopping Centre and the Quay/Canal Basin area. The policy also notes that the provision of further retail floorspace will only be permitted where it does not, individually or cumulatively, harm the vitality and viability of existing centres including the prospect of securing investment in these centres.
- 2.7 Policy S2 deals with retail warehouse proposals and notes that permissions for such uses will be subject to a number of conditions aimed at the restricting subdivision and the type of goods to be sold (to bulky goods and goods associated with the repair and maintenance of the home and motor vehicle).
- 2.8 Policy S3 focuses on the need to maintain Class A retail uses types within the primary and secondary shopping areas in the city centre and indicates that changes of use away from Class A will not be permitted where it would harm the vitality and viability of the centre. Similarly, Policy S4 states that the change of use from Class A1 use in residential areas will not be permitted if it will harm the level of retail service to the local community.
- 2.9 Policy S5 sets out a list of guidelines for proposals for food & drink uses (classes A3/4/5) the conversion of retail units to Class A3 food and drink units, indicating that they will be permitted subject to several criteria being met. Policy S6 deals with proposals for amusement arcades and notes that such uses will not be permitted inter alia in the primary shopping area in the city centre and where they would harm visual and residential amenity.

East Devon District Council

2.10 In January 2016, EDDC adopted the East Devon Local Plan (2013-2031). Chapter 24 focuses (in part) on retail and town centre uses, with policies E9 to E15 dealing with the following:

- Policy E9 encourages proposals for retail and non-retail uses which add variety and activity to the defined Town Centre Shopping Area, although there are a number of conditions to satisfy for A2 and A3 land use proposals.
- Similarly, Policy E10 indicates that changes of use away from retail use in the defined primary shopping areas in town centre will only be granted permission where the new use does not undermine the function, character, vitality and viability of the existing area.
- Policy E11 is the main policy for dealing with large retail proposals in East Devon. It indicates that proposals must meet the sequential test, in terms of in-centre, then edge-of-centre and then out-of-centre locations and also asks proposals to meet a series of criteria (including an assessment of the impact on town centre vitality and viability). It also sets a threshold of 500sq m for the submission of impact assessments for retail proposals.
- Policy E12 gives support to the provision of small-scale stores in local/neighbourhood/village centres and new convenience goods stores where they serve a local function only and meet a series of development management criteria. On a similar theme, Policy E14 protects against the loss of village shops.
- E13 identifies the conditions associated with utilising upper floors of retail units for residential, commercial or community uses.
- Policy E15 deals with proposals for rural shops, nurseries and garden centres, including those that sell goods produced on site. It provides conditional support for such uses, although the policy intends that these uses do not harm the other more centrally located stores and centres.

2.11 The Local Plan also has a dedicated section on Cranbrook, the new community that lies to the east of Exeter and in East Devon's West End. Strategy No.12 provides the policy context for the continuing development of the new community and stating the following in relation to the planned town centre:

“The town centre of Cranbrook will provide a focal point for retail, business and leisure activities and will be designed to create a vibrant day and night-time economy and this will be complemented by a series of smaller neighbourhood centres”.

- 2.12 At this point it should be noted that the original planning permission granted by EDDC for Cranbrook was for around 3,500 new homes, although Strategy No.12 indicates that this could grow to 8,000 homes by 2031.
- 2.13 Further details of the commitment for a new town centre and neighbourhood facilities, can be found in Section 4 of this report.

National Planning Policy and Guidance

- 2.14 The National Planning Policy Framework (NPPF) was published on 27 March 2012 and sets out the Government's planning policies for England. It replaced a suite of national Planning Policy Statements, Planning Policy Guidance and some Circulars with a single, streamlined document.
- 2.15 At the heart of the NPPF is a 'presumption in favour of sustainable development', which should be seen as a golden thread running through both plan-making and decision-taking. The NPPF encourages Local Planning Authorities (LPAs) to positively seek opportunities to meet the development needs of their area.
- 2.16 The NPPF continues to recognise that the planning system is plan-led and therefore Local Plans, incorporating neighbourhood plans where relevant, are the starting point for the determination of any planning application. In line with the Government's aim to streamline the planning process, each LPA should produce a single Local Plan for its area with any additional DPDs or SPDs to be used only where clearly justified.
- 2.17 The NPPF maintains the general thrust of PPS4. It advocates a 'town centres first' approach, and requires planning policies to positively promote competitive town centre environments and manage the growth of centres over the plan period. In planning for town centres LPAs should:
- Recognise town centres as the heart of their communities and pursue policies to support their viability and vitality;
 - Define a network and hierarchy of centres that is resilient to anticipated future economic changes;

- Define the extent of town centres and primary shopping areas, based on a clear definition of primary and secondary shopping frontages in designated centres and set policies that make clear which uses will be permitted in such locations;
 - Promote competitive town centres that provide customer choice and a diverse retail offer which reflect the individuality of town centres;
 - Retain and enhance existing markets and, where appropriate, re-introduce or create new ones, ensuring that markets remain attractive and competitive;
 - Allocate a range of suitable sites to meet the scale and type of economic development needed in town centres. Where town centre sites are not available, LPAs should adopt a sequential approach to allocate appropriate edge of centre sites;
 - Set policies for the consideration of proposals for main town centre uses which cannot be accommodated in or adjacent to town centres;
 - Recognise that residential development can play an important role in ensuring the vitality of centres; and
 - Where town centres are in decline, plan positively for their future to encourage economic activity.
- 2.18 The NPPF requires Local Plans to be aspirational but realistic. They should address the spatial implications of economic, social and environmental change and set out opportunities for development and clear policies indicating what will or will not be permitted and where.
- 2.19 LPAs should ensure that the Local Plan is based on adequate, up-to-date and relevant evidence about the economic, social and environmental characteristics and prospects of the area. These assessments should be integrated and take full account of relevant market and economic signals. LPAs should use the evidence base to assess, inter alia:
- The needs for land or floorspace for economic development, taking account of both quantitative and qualitative requirements for all foreseeable types of economic activity over the plan period, including retail and commercial leisure development;

- The existing and future supply of land available for economic development and its sufficiency and suitability to meet the identified needs;
- The role and function of town centres and the relationship between them, including any trends in the performance of centres; and
- The capacity of existing centres to accommodate new town centre development.

2.20 On 6 March 2014 the Department for Communities and Local Government (DCLG) launched the online National Planning Practice Guidance ('NPPG'), which cancelled a number of previous planning practice guidance documents, including the Practice Guidance on Need, Impact and the Sequential Approach (2009). Although it does not constitute a statement of Government policy, it provides technical guidance on how to prepare a robust evidence base and how to assess the impact of proposals for main town centre uses.

2.21 The web-based NPPG resource provides guidance on how to assess and plan to meet the needs of main town centre uses in full through production of a positive vision or strategy for town centres. This strategy should be based on evidence of the current state of town centres and opportunities to meet development needs and support their viability and vitality and should consider:

- The appropriate and realistic role, function and hierarchy of town centres in the area over the plan period. This will be informed by audits of existing centres to assess their role, vitality, viability and the potential to accommodate new development. It should cover a three five year period, but also take the lifetime of the Local Plan into account and be reviewed regularly;
- The most appropriate mix of uses in the centre to enhance overall vitality and viability;
- The potential to expand centres or enable new development or redevelopment of under-utilised spaces to accommodate the scale of need identified for main town centre uses. This should involve evaluating different policy options (for example, expanding the market share of a particular centre) or the implications of wider policy such as infrastructure delivery and demographic or economic change;
- Appropriate timeframes for provision of new retail floorspace;

- Complementary strategies that may be necessary or appropriate to enhance the town centre and help deliver the vision for its future; and
- How car parking provision can be enhanced and both parking charges and enforcement be made proportionate in order to encourage town centre vitality.

2.22 The NPPG sets out a range of indicators relevant when assessing the health of town centres over time. These include:

- Diversity of uses
- Proportion of vacant street level property
- Commercial yields on non-domestic property;
- Customer views and behaviour;
- Retailer representation and intentions to change representation;
- Commercial Rents
- Pedestrian flows;
- Accessibility;
- Perceptions of safety and occurrence of crime; and
- State of town centre environmental quality.

2.23 When planning for town centres, the NPPG states that LPAs should take full account of relevant market signals and keep retail land allocations under regular review. Where it is not possible or appropriate to accommodate identified capacity in town centre locations, LPAs should plan positively to identify the most appropriate alternative strategy for meeting the need for these main town centre uses, having regard to the sequential and impact tests.

2.24 When applying the sequential approach in plan-making, the NPPG states that LPAs should take into account the need for main town centre uses, the supply and demand for land, and whether there are sites which are suitable, available and viable having regard to the nature of the need that is to be addressed. It goes on to note that, if the additional main town centre uses cannot be accommodated in town centre sites, the

next sequentially preferable sites should be considered. Finally, the NPPG states that Local Plans should contain policies to apply the sequential test to proposals for main town centre uses that may come forward outside identified sites or locations allocated in the Local Plan.

Emerging Local Planning Policy

Exeter Development Delivery Development Plan Document

- 2.25 ECC are currently preparing a new development plan document – the Development Delivery Plan (DDP) – which, when adopted, will sit alongside the GESP and replace the remaining saved policies in the existing Local Plan. The Development Delivery Plan is timetabled to be adopted in October 2020.
- 2.26 The draft DDP allocates the BCS site for mixed use development, with Policy DD14 noting that:
- “Retail and leisure development and an enhanced bus station is proposed as part of a comprehensive mixed use development. The amount of retail floorspace will be determined in accordance with the Core Strategy and the most up to date assessment of retail capacity. Such development must not harm the vitality and viability of the city centre as a whole. In addition, offices, hotels and housing will also be acceptable uses”.*
- 2.27 The draft DDP also designates new boundaries within the city centre and also defines the boundaries of local and district centres. Within the city centre, a Primary Shopping Area ('PSA') is defined and this extends along the full length of Fore Street, High Street and Sidwell Street and across the Guildhall and Princesshay shopping centres.
- 2.28 Draft Policy DD15 deals with changes of use within the PSA and district/local centre boundaries and notes that such changes involving Class A premises will be allowed unless it harms the vitality and viability of the centre. In terms of the measurement of 'harm', the supporting text asks that the following factors need to be taken into account: the location, size of unit, prominence and length of frontage, the nature of the proposed use (including the level of pedestrian activity associated with it) and the number of ground floor vacancies in the area. The supporting text notes that each proposal should be assessed on its merits and there may be cases where despite breaching the above criteria, a proposal is considered to have a positive impact on vitality and viability. Equally, a proposal may harm vitality and viability even if it meets the above criteria.

The Cranbrook Development Plan Document

- 2.29 EDDC also intends to produce a development plan document ('DPD') for the Cranbrook area and has commissioned a masterplan which, when completed, will be translated into a formal DPD. In June 2015, a report was presented to EDDC's Development Management committee which sought to outline the stages of preparation of the Cranbrook DPD including the content of the current masterplanning exercise. The committee report noted that:

"The Cranbrook Plan is a master planning exercise that was commissioned by the Council in 2014. The master plan will set out, amongst other matters, the proposed form and nature of future Cranbrook development and land areas appropriate for future development".

- 2.30 In June 2016, EDDC published the Cranbrook Development Plan Issues and Options Report. The development scenario options within the issues and options report show the location of the planned new town centre along with the existing neighbourhood shops on the western side of the settlement. EDDC are now producing a preferred approach document for consultation in Spring 2017.

3. Retail and Leisure Trends

- 3.1 To put our assessment into context and inform our advice on the need for additional retail floorspace in the study area, we have undertaken a review of the current retail market and social trends influencing the retail sector. Our review draws on published data sources, including research by Experian and Verdict.
- 3.2 This section also provides a brief analysis of relevant government research and town centre strategies which have come forward over the last few years, partly in response to the retail trends identified, to promote a consistent policy objective which seeks to strengthen town centres.

Economic Outlook

- 3.3 Following the vote to leave the European Union, the Bank of England forecast (in August 2016) that, due to uncertainty, economic activity would weaken and unemployment would rise. It also forecast that inflation would rise about the target of 2% as a result of the depreciation of sterling that has accompanied the referendum result.
- 3.4 However, since August 2016, the Bank of England has reported that indicators of activity and business sentiment have recovered from their lows immediately following the referendum and estimates of GDP growth in the third quarter of 2016 are above expectations. The data suggests that the near-term outlook for activity is stronger than expected with higher growth in household spending and a more resilient housing market. However, by contrast, investment intentions have continued to soften and the commercial property market has been subdued.
- 3.5 The Bank of England expects output growth to be stronger in the near term but weaker towards 2019. This reflects the impact of lower real income growth in household spending and also the uncertainty over future trading arrangements (including the risk that UK-based firms' access to EU markets could be materially reduced, which could restrain business activity and supply growth over a protracted period)

Population Change

- 3.6 The rate at which the UK population is growing is accelerating. Between 1971 and 1991 it increased by just over 0.1% pa, whereas over the subsequent 20 years it increased by almost 0.5% pa. Over the period 2014-24 it is expected to increase by just over 0.7% pa, or 7.5% in total. This population growth will vary between regions over the next 10 years, with London expected to show the strongest growth (+13.7%), followed by the East (8.9%), South East (8.1%) and the South West regions (+7.3%). This contrasts with growth of just 3.1% in the North East. Marked disparities can occur between local authorities within the same region, due to differences in housing demand, land availability and local policies.
- 3.7 Advances in healthcare and medicine mean that people are living much longer. It will therefore be increasingly important for Councils to ensure that older consumers are adequately catered for with the right type of facilities in the right locations. The proportion of the population aged over 65 is expected to increase from 17.5% of the total population in 2013 to 19.5% in 10 years' time, a growth rate of 20%, which is more than double the rate of total population growth (7.5%).

Retail Expenditure and Sales Efficiency

Retail Expenditure Growth

- 3.8 Set out below are the latest retail expenditure forecasts from Experian, dated November 2016.
- 3.9 Comparison goods spending is expected to grow at a much higher rate than convenience goods spending over the period to 2035. For comparison goods, expenditure growth per head was 2.2% in 2013, increasing to 7.2% in 2014 and 4.6% in 2015 according to Experian. Following a forecast growth of 3.3% in 2016 Experian forecast much lower growth in 2017 and 2018 (of 1.4% and 1.0% respectively) and then annual average growth in comparison goods spending is expected to be around 3% pa between 2019-2023.
- 3.10 For convenience goods, spending declined every year in real terms between 2007-2015. Experian estimate that there will be no growth in 2016 and a further decline in

2017 and 2018 (of -0.2% and -0.9% respectively). Between 2019-2023 Experian forecast static expenditure and then modest growth of +0.1% per annum between 2024-2035.

- 3.11 To put these forecasts into historical context, comparison goods growth averaged 4.2% pa over the last 40 years, with stronger growth of 5.2% pa over the last 30 years and 5.6% pa over the last 20 years. Convenience goods growth has been much weaker, averaging 0.4% pa over the last 40 years and 0.3% pa over the last 20 years.

Online Spending

- 3.12 The popularity of online retailing grew rapidly between 2006 and 2015, from £17.1bn to £49.2bn. Most retailers now have an online presence, thus it is expected that this growth will slow slightly. It is, however, likely to continue outpacing growth in total retail sales each year from 2016 to 2021, rising from £56.2bn to £75.9bn, an overall increase of 34%².
- 3.13 Internet spending and other forms of sales which are not derived from physical floorspace need to be taken into account when undertaking retail studies. Special Forms of Trading (SFT), includes all types of non-store retailing (internet, markets and mail order) and in 2015 was equivalent to 13% of total retailing (16% for comparison goods and 9% for convenience goods). In 2021, Experian predict that non-store sales (SFT) will reach 18% of total retail, growing steadily until it plateaus at around 21% by 2032.
- 3.14** Not all of non-store sales reduce the need for physical floorspace (for instance click and collect and the fulfilment of many grocery internet orders through local stores). Therefore, to account for this when calculating the effect of SFT on the need for retail floorspace, Experian recommend adjustments of 13.2% for comparison goods and 3% for convenience goods in 2016. These are forecast to rise to 15.6% and 3.9% respectively by 2021³.

² Experian Retail Planner Briefing Note 14

³ Experian: Retail Planner Briefing Note 12.1, October 2014

Sales Efficiency Growth

- 3.15 The sales efficiency growth rate represents the potential ability of retailers to increase their productivity and absorb higher than inflation increases in their costs (e.g. rent, rates and service charges) by increasing their average sales densities. Applying a turnover 'efficiency' sales density growth rate is a standard approach used in retail planning studies and has been used in this study in accordance with good practice.
- 3.16 Following the weak or negative overall sales growth during the recession and the growth of online shopping, many retailers have struggled to increase or maintain sales density levels and, together with other financial problems, this has led some retailers into administration. As a result sales density growth is now significantly lower than the high rates seen during the boom of the latter half of the 1990s and first half of the 2000s.
- 3.17 The trend towards the demolition of inefficient stores and the provision of more modern stores with higher and more efficient sales densities is expected to result in less scope to increase comparison goods sales densities in the future. Accordingly, Experian expect an efficiency growth rate for comparison goods of 2.7% in 2016, 1.5% in 2017 and 1.0% in 2018 and between 2019 and 2023 a growth of 2.3% pa.
- 3.18 Scope for increased sales densities is even more limited for convenience goods because the majority of foodstores already drive high sales efficiencies. Experian predict a falling level of efficiency between 2016 and 2023, and a limited growth of 0.1% pa between 2024-2035 and these assumptions inform our approach.

Internet Growth & Multichannel Retailing

- 3.19 The online shopping population is reaching saturation, with over 40m online shoppers in the UK expected by 2017. Future growth in the market is likely to come from increased spend driven by new technology and improved delivery options. Changes in technology are driving sales with the expansion of tablet devices which provide a

better browsing experience. According to Verdict, in most sectors the average spend per trip is 64.5% higher on a tablet than a laptop/PC⁴.

- 3.20 Click and collect is forecast to be one of the most significant drivers of growth, with a rise of 62.7% in click and collect purchases expected between 2013 and 2018³. The service provides physical retailers with an important benefit over pure internet operators and creates opportunities for making additional purchases when customers collect orders from stores.
- 3.21 The growth in online sales has implications for bricks and mortar stores as it potentially reduces the need for so many outlets. However, trends indicate that online and in-store shopping channels are becoming more blurred as shoppers increasingly research items online or in stores before making purchases. According to Verdict, in 2012 61% of shoppers researched goods online before purchasing in store, and some 38% of customers researched goods in store before buying online.
- 3.22 These trends, combined with the importance of 'click and collect' highlight that physical stores will still have a significant role in the multichannel shopping environment, although their size and format will differ from traditional stores. The advantages of physical stores, in terms of the shopping experience, service and immediacy of products in a showroom setting, will see a network of key stores remain a fundamental component of retailer's strategies to provide an integrated multichannel retail proposition.

Changing Retailer Requirements

Space Requirements

- 3.23 The retail sector has undergone significant changes over the last decade which has fundamentally altered how, where and when we shop. This has had major implications for retailers' space requirements, which combined with the recent recession, has changed the retail landscape of our towns and cities.

⁴ Verdict: Online & Remote Shopping, E Retail in the UK (August 2013)

- 3.24 During the recession retailers' margins were squeezed, whilst other costs continued to rise and a raft of multiple and independent retailers either collapsed or have significantly shrunk their store portfolios. The decline in the amount of occupied retail space in town centre locations has not typically been offset by new retail developments. Many town centre schemes have been put on hold or significantly scaled down in size, and with 'fairly weak' expenditure growth forecast in the medium term, retailers are expected to remain cautious about store expansion.
- 3.25 The growth of the internet means that retailers no longer need stores in every town to achieve national coverage. Many retailers are therefore focusing their development programmes on the provision of large flagship stores in strategic locations, supported by smaller satellite stores and transactional websites. The larger flagships accommodate full product ranges whilst smaller stores offer more select ranges, supplemented by internet kiosks allowing access to the full range. This offers many advantages to retailers including lower property costs, more efficient logistics and being able to open stores where there is a high level of demand despite there being space restrictions.
- 3.26 This polarisation of retailing will result in larger dominant centres continuing to attract key retailers (where space is available), with medium sized centres potentially struggling to attract investment. Local, or neighbourhood, centres should be less affected by this trend and are likely to retain their attraction for top-up and day-to-day shopping. In addition to national multiple retailers, all levels of centre in the retail hierarchy accommodate local independent traders. Such traders face pressure from both the internet and national multiples and have found that success lies in being able to offer a product or service not available elsewhere, or a level of customer service which marks them apart from mainstream retailers. Indeed, this level of differentiation can mark a town out as a specialist in a certain area of retailing. An example of this in the local area is Honiton, with its antiques shops. This changing retail structure needs to be considered carefully when analysing household survey results as it will have implications on how to plan for growth and change.

Out-of-Centre Retailing

- 3.27 Retailers are opting to develop stores in the most strategic and cost effective locations, with a notable resurgence of out-of-centre destinations, which offer benefits of lower rents, larger retail units and in most cases, free car parking. According to Verdict, out-

of-town retailing is the only form of retailing which has seen store numbers increase consistently since 2000. The Department for Business, Innovation and Skills (BIS) reports that the number of out-of-centre stores has increased by up to c.1,800 (25%) since 2000; whilst the number of town centre stores fell by almost 15,000 between 2000 and 2009, the majority of which are likely to have been in 'high street' locations.

- 3.28 Many traditional town centre retailers have developed out-of-town store formats, including John Lewis, who now operate a number of 'At Home' stores in out-of-centre locations, as well as other retailers such as Next, Primark and H&M.

The Role of the Town Centre

- 3.29 The town centre has been the main shopping channel for centuries. However, with weaker expenditure growth and the loss of trade to out-of-centre and online, its future role is set to change dramatically. Emerging trends suggest that many centres will be used increasingly for leisure and social activities as well as traditional retailing, with more bars, restaurants, food outlets and community spaces opening in vacant units.
- 3.30 As retailers improve their multichannel offer, the expectation is that town centre stores will be used increasingly as showrooms and to support e-retailing (with click and collect points and safe drop boxes for customers to collect online orders, and in-store kiosks for customers to make online purchases). Towns will need to capitalise on the opportunities that click and collect services offer. Where overall demand for retail floorspace stabilises or declines, it is anticipated that more secondary and tertiary space, which suffers from lower levels of footfall, will increasingly be converted into alternative town centre and residential uses.
- 3.31 Enhancing the non-retail offer so towns function as more than just retail locations will also help drive footfall and increase dwell time. Towns should promote unique attractions such as heritage assets, historic buildings and cultural features which can differentiate a centre and improve its attractiveness.
- 3.32 To ensure that town centres have a viable function moving forwards they must provide an attractive shopping and leisure experience which the internet is unable to match. Councils /town centre managers need to gain a better understanding of the catchment and what local people want from their town, to provide the right mix of

outlets and services. A vital component of this will be making town centres as accessible as possible, with improved and cheaper car parking.

- 3.33 An important consideration for councils and town centre managers over the next few years will be that many retail leases are due to expire, which will enable retailers to easily exit properties in poorer performing locations. This situation needs to be monitored closely and reinforces the need to improve town centres.
- 3.34 Some of these trends have recently been identified and promoted by the Government in the Portas Review, the Government's Response to the Portas Review and a Government supported industry taskforce report⁵.

Retail Sector Trends

Food and Grocery

- 3.35 The top four supermarkets (Tesco, ASDA, Sainsburys and Morrisons) continue to dominate the market and represent approximately 60% of the total convenience market⁶. With vast store networks and online offers, their coverage is reaching peak levels. Combined with weaker spending on convenience goods and the transfer of trade online, expansion plans are increasingly focused on redevelopment and refurbishment of existing stores rather than on new large hypermarket type stores. In some cases, for example Tesco, space within their larger format stores is being sub-let to restaurants, gyms and children's play centres.
- 3.36 The development of smaller store formats for top up food shopping has become increasingly popular in response to consumers seeking to reduce waste by moving from weekly shops to more frequent smaller shops, or to avoid the high fuel prices associated with travelling long distances. As a result, many of the main operators are expanding their smaller concept stores - Tesco Express, Sainsbury's Local, M Local, Little Waitrose, etc.

⁵ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/6292/2081646.pdf / <https://www.gov.uk/government/publications/high-streets-at-the-heart-of-our-communities-government-response-to-the-mary-portas-review>

⁶ Verdict: Food & Grocery Market Forecasts, December 2013

- 3.37 The value/discount retailers are continuing to expand, having gained considerable market share during the recession. Aldi and Lidl have both succeeded in attracting customers who are looking to trade down in price but not quality, and between 2009 and 2013, Aldi has doubled its market share to 3.2%, whilst Lidl's market share has risen to 2.0%.
- 3.38 Food retailers are also continuing to develop online offers to meet increasing consumer demand for convenient food shopping, much of which is still fulfilled through existing store networks. Click and collect services are expanding into the grocery sector with some retailers developing 'drive-thru' collection points for picking up online orders.

Clothing and Footwear

- 3.39 By 2017, Verdict estimates that the clothing and footwear sector will represent 15.9% of total retail spend (a marginal increase from 15.2% in 2012). The proportion of clothing sales transacted online is currently around 12.4% and is expected to rise to just over 20% by 2017 as browsing services improve.
- 3.40 Low levels of consumer confidence in addition to high prices are expected to keep clothing and footwear sales volumes low. Premium and luxury brands will continue to maintain their consumer appeal, whilst growth from value retailers will become more subdued as they seek to ensure their profitability.

Premium and Luxury Goods

- 3.41 More affluent consumers have been able to maintain a higher level of personal and discretionary spending during the recession and therefore the premium and luxury goods sector has remained relatively strong. There is still high demand for premium brands and goods across all retail sectors, from clothing and accessories to high tech items.
- 3.42 In response to this trend, Verdict predict that the premium sector of the UK department store market (e.g. Harrods and Selfridges) will account for 43% of total department store expenditure in 2017 as midmarket department stores (e.g. John Lewis, House of Fraser and Debenhams) expand designer and luxury goods ranges.

Electricals

- 3.43 The electrical sector has suffered as a result of the recession as households cut back on 'big ticket' items combined with the shift of spending online. Since 2008 the proportion of electrical spending which takes place online has more than doubled to 43%⁷. Casualties in the sector include Comet and Jessops, along with Best Buy who exited the UK market.
- 3.44 Growth remains strong however for smaller, high tech items such as tablets and premium electrical goods, with retailers such as Apple and John Lewis continuing to do well. There is also demand for 'value' ranges of electrical goods, much of which has been captured by the supermarkets. Over the medium-term at least, sales of big-ticket items are likely to remain subdued.

Homewares

- 3.45 Growth in the more traditional part of the homewares market (such as furniture and floorcoverings) is heavily reliant on the housing market and has been weak in recent years. Growth is expected to remain subdued during 2016/17, but will improve as the housing market strengthens. The softer end of the homewares market (i.e. smaller more decorative items), has been more resilient as consumers look at cheaper ways to refresh their homes.

Music, Video and Books

- 3.46 Technology is removing the need for physical stores as consumers can now download/stream music and films directly. As a result the music and video sector has shrunk significantly with negative growth in retail spending. Over three quarters (78%) of music and video sales are now online and Verdict predicts that by 2017 online sales will account for 90% of the market⁴.
- 3.47 The book sector has been heavily influenced by the growth of e-reader devices (e.g. Kindle), and the sector is increasingly moving from physical to digital products. By 2018 it is estimated that around three-quarters of book sales will be via the internet and, of

⁷ Verdict: UK Retail Review & Sector Forecasts to 2017

this market, around half will be attributed to digital sales (i.e. ebook readers such as Kindle).

Relevant Government Research

The Portas Review (December 2011)

3.48 In May 2011, Mary Portas was appointed to lead an independent review into the future of the high street, in response to the effects of the recession on the retail industry and local high streets in particular.

3.49 The report suggested measures to tackle the further decline of the high street. Amongst 28 separate recommendations, there is a call to strengthen policy in favour of 'town centres first' following the publication of the (then draft) NPPF. In summary the recommendations aim to:

- Run town centres like businesses: by strengthening the management of high streets through 'Town Teams', developing the BID model and encouraging new markets;
- Get the basics right: by looking at how the business rate system could better support small businesses and independent retailers, encouraging affordable town centre car parking and looking at further opportunities to remove red tape on the high street;
- Level the playing field: by ensuring a strong town centre first approach in planning, introducing Secretary of State 'exceptional sign off' for out-of-centre proposals and encouraging large retailers to show their support for high streets by mentoring local businesses;
- Define landlords' roles/responsibilities: by looking at disincentives for landlords leaving properties vacant, empowering local authorities where landlords are negligent and making proactive use of Compulsory Purchase Order powers; and
- Give communities greater say: by including the high street in neighbourhood planning and encouraging innovative community uses of empty high street spaces.

Government Response to Portas

3.50 The Government published its formal response to the Portas Review in March 2012, which accepted the majority of Portas' recommendations. It announced a number of

'Portas Pilot' towns, which were chosen to set up Town Teams to create plans for the future of their high streets. In addition, the Government announced their intention to provide investment to help Business Improvement Districts (BIDs) access loans for set-up costs and provide funding for a Future High Street X-Fund (now rebranded as the High Streets Renewal Fund) to reward towns which are delivering innovative plans to bring their town centres back to life. Other initiatives included a National Market Day in June; plans to double small business rate relief; community involvement in the redesigning the concept of their high streets to reinvigorate areas of decline, to increase footfall and encourage people to live in town centres.

3.51 One measure which did not receive Government support was the call to introduce Secretary of State 'exceptional sign off' for all new out-of-town developments and require all large new developments to have an 'affordable shops' quota. The Government stated that LPAs are best placed to understand local needs and 'exceptional sign off' is contrary to the Government's ethos of devolution. As such, the Government will continue to use the call-in power sparingly.

3.52 Arising from key recommendations in the Portas Review, the Government supported the establishment of an industry taskforce to analyse retail property issues relating to town centres. This taskforce published their report, Beyond Retail – Redefining the shape and purpose of town centres in November 2013 and their principal recommendations for achieving rejuvenated town centres fit for the future requires:-

- Retail capacity models need to fully reflect the impact of the growth of online shopping.
- Greater engagement with the private sector to improve local authority skills and understanding of market demand and trends so that the retail core can be strengthened and re-configured, re-using obsolete areas for new uses.
- Proactive use of Compulsory Purchase Orders (CPO) to enable regeneration of town centres, alongside an urgent review of the complexity and costs associated with CPO.
- A workable, private sector led Tax Increment Finance (TIF) model in addition to traditional funding models for town centre redevelopment.
- Local authorities to take more risk in investing capital reserves now to help improve town centres, which can be repaid as the local economy recovers.

- Piloting the concept of a joint venture vehicle and associated high street property fund so that land assets can be pooled which would overcome fragmented ownership.
- The National Planning Policy Framework (NPPF) to be reinforced, further strengthening the 'town centre' first approach to planning policy.
- Town centres to develop an integrated digital strategy, incorporating mobile, social media and website, to encourage more shoppers and longer visits.
- A business rate cap until the next revaluation takes effect in 2017, using this time to undertake a full review of the business rates system as a sustainable means of raising money towards paying for local government.
- The quality, quantity and cost of town centre car parking to be reviewed in relation to free out-of-centre provision. Flexible parking policies are needed to attract town centre visitors.

Summary

- Economic growth will continue to remain muted over the plan period, with relatively weak expenditure growth in the short-medium term.
- It is evident that the traditional high street faces a number of challenges, not least from the impacts of the recession, including tightening of retail spending and changing consumer behaviour, but also from increasing competition posed by the internet, multichannel retailing and out of centre developments.
- Town centre strategies which support the continued evolution of the high street are considered ever more vital. This may involve providing a high quality shopping 'experience', maximising the benefits of tourist trade, and improving the mix of retail and non-retail outlets to increase length of stay and spend.
- It will be important for town centres to be well positioned to be able to adapt to on-going changes in the retail and leisure sector over the development plan period and to reaffirm their unique selling points which differentiate their retail offer from other centres.
- The on-going pattern of polarisation suggests that larger centres are well placed to maintain and enhance their offer. However, this is dependent on continued investment to ensure the right mix of retailers and other services.

4. Review of Town Centre Health and Wider Retail Provision in the Exeter Area

Introduction

- 4.1 This section provides an assessment of the health of existing 'town centres' across the Exeter area (including Exeter city centre, the district and local centres) and also a review of existing retail provision outside of the formal retail hierarchy, along with commitments for new retail space in Cranbrook and across Exeter. A review of the health of existing town centres, along with a wider qualitative review of retail provision, forms an important part of the preparation of a town centres and retail strategy for the local area. It will allow ECC and EDDC to understand the role and function of centres within the retail hierarchy and set a vision for the future.
- 4.2 The NPPG outlines the following indicators which should be used to assess town centre health:
- Diversity of uses
 - Proportion of vacant street level property
 - Commercial yields on non-domestic property
 - Customers views and behaviour
 - Retailer representation and intentions to change representation
 - Commercial rents
 - Pedestrian flows
 - Accessibility
 - Perception of safety and occurrence of crime
 - State of town centre environmental quality
- 4.3 Where suitable information regarding the above indicators is available, this has been used to guide our assessment of town centre health. Because only the West End area of East Devon is included in this study and there are no existing defined centres in this

area, the review of town centres concentrates upon the city, district and local centres within Exeter's administrative area.

- 4.4 In addition to our review of town centres, this section summarises the type and extent of out of centre retail floorspace across Exeter and the West End of East Devon, in order to provide a complete picture of retail provision.

Sub-Regional Context

- 4.5 Exeter lies within the central part of Devon and abutting the western edge of East Devon. The city has a population of circa 124,000⁸, whilst East Devon has a population of circa 136,000⁹. The West End of East Devon has been identified for considerable new development, including the Cranbrook new community (which already has 1,000 households), and a number of commercial developments including Skypark and Exeter Science Park.
- 4.6 Set out below in Table 4.1 is a summary of the ranking of Exeter in relation to other centres across Devon, along with the total floorspace of these centres. The ranking information is taken from the Venuescore database, produced by the Javelin Group, which ranks city and town centres based upon the type and extent of retail provision they contain. We have chosen to compare the latest Venuescore rankings (for 2016/17) with the 2009 rankings. The floorspace information for each centre is taken from Experian GOAD.
- 4.7 VenueScore is an annual survey compiled by Javelin Group, which ranks the UK's top 2,700+ retail venues including town centres, stand-alone malls, retail warehouse parks and factory outlet centres. VenueScore rankings are based on a consistent, weighted scoring system which seeks to measure the overall attraction of each venue compared to other venues across the country. VenueScore evaluates each centre in terms of its provision of multiple retailers – including anchor stores, fashion operators and non-fashion multiples. The sectors covered include comparison retail, convenience retail and foodservice (e.g. restaurants). The score attached to each operator is weighted to reflect their overall impact on shopping patterns. For instance, anchor stores such as

⁸ mid 2014 estimate

⁹ mid 2014 estimate

John Lewis, Marks & Spencer and Selfridges receive a higher score than other stores. The resulting aggregate score for each venue is its VenueScore. The VenueScore reflects the presence and importance of multiple retailers trading in each venue, and generally correlates closely with the actual market size of these shopping venues in terms of actual consumer spending. The lower the number, the higher the ranking.

4.8 In addition to its Venuescore, each location is assessed in terms of a range of other attributes including:

- Market positioning (i.e. is the offer aspirational or down-market?)
- Age focus (is the offer targeting younger or older consumers?)
- Fashion focus (how dominant is the venue's clothing offer?)
- Fashionability of its offer (is the clothing offer traditional or progressive?)
- Foodservice bias (how strong is the food and beverage offer?)
- Comparison vs. convenience bias
- Anchor strength (how much of the overall score is delivered by major anchors such as department stores, variety stores, supermarkets, etc.)
- Shopping centre vs. high street dominance (is there a powerful mall offer?)

Table 4.1 – sub-regional centre rankings

Centre	VenueScore Ranking 2009	VenueScore Ranking 2016/17	Floorspace (sq ft gross)
Exeter city centre	31	22	1,289,600
Heavitree district centre	1,300	2,377	n/a
St Thomas district centre	1,654	937	200,600
Exmouth	583	592	359,600
Plymouth	28	40	1,534,700
Honiton	953	1,276	234,200
Sidmouth	716	1,074	264,400
Seaton	-	1,559	211,700
Ottery St Mary	-	2,171	110,200
Torquay	108	169	765,900
Paignton	407	520	482,400
Newton Abbot	256	292	615,000
Totnes	886	1,008	336,700

Source: VenueScore 2014/15 and Experian GOAD

- 4.9 The above data indicates that Exeter city centre is clearly the highest ranked centre in Devon, some 18 places higher than Plymouth and the 22nd highest ranked centre in the country. Interestingly, the Exeter's ranking is higher than Plymouth's ranking even though the latter has circa 300,000sq ft of more city centre floorspace. It is also of note that Exeter's ranking has improved since 2009 (31st to 22nd) whilst Plymouth's ranking has fallen (from 28th to 40th). Whilst the rankings do not give a specific reason for the improvement, in our opinion it is likely to be due to the successful bedding-in of the Princesshay development and also the opening of the John Lewis department store.
- 4.10 There is a noticeable gap between Exeter and the surrounding centres in Teignbridge, Torbay and East Devon and it is interesting to note that the ranking of St Thomas district centre (937th) is higher than most centres in East Devon. Whilst St Thomas is smaller than some of these centres, it is likely to be the presence of Next, TK Maxx and Marks & Spencer that will have influenced the high ranking of these centre. Indeed, there has

been a considerable improvement in St Thomas's ranking since 2009 (1,654th to 937th) whilst the opposite is true for Heavitree, which has fallen in the rankings.

Exeter City Centre

Structure of the centre

- 4.11 Exeter city centre covers a large area within the historic core of the city, lying north-east of the River Exe and south of the University of Exeter. The Exeter Core Strategy identifies the city centre as being healthy, despite the economic downturn, with relatively few shops vacant, strong retailer demand, a clean and attractive environment and a good range of facilities in a compact area.
- 4.12 Within the adopted Local Plan First Review, the city centre has defined primary and secondary shopping frontages and the boundary of the city centre itself is defined by the extent of the insert proposals map for the Local Plan. The primary frontages cover High Street, Queen Street, the Guildhall shopping centre and the area now covered by the Princesshay shopping centre. The secondary shopping frontages cover Sidwell Street, Fore Street and part of South Street and North Street. The area covered by the inset map on the proposals map covers a large area including the area around the cathedral, Southernhay, the BCS site and a large area between the retail frontages and St Davids railway station.
- 4.13 Within the current version of the draft DDP, the primary and secondary retail frontages are removed and are replaced with a Primary Shopping Area ('PSA') which covers broadly the same area as the former definitions.
- 4.14 The biggest change in the city centre in recent years has been the Princesshay shopping centre, which opened in 2007. This centre was awarded the "Supreme Gold Award" in 2007, Retail Week's "Shopping location of the year" in 2008, and the International Council of Shopping Centres "Best Medium Sized Shopping Centre in Europe" in 2008. The centre accommodates a range of national multiple comparison goods retailers including Debenhams, Apple, Next, New Look and Superdry.
- 4.15 In recent times, the Guildhall Shopping Centre has been partially redeveloped with the facilities located at Queen Street being transformed in to a new Dining Quarter for the city.

Diversity of Uses

4.16 Information on the diversity of uses within the city centre¹⁰ has been obtained from Experian GOAD for the years April 2007 to May 2015. This set of data enables an assessment of the land use profile of the centre over several years since the previous retail study in 2007. A copy of the updated GOAD plan is contained in Appendix C to this report.

Table 4.2a – land use composition of Exeter City Centre, 2007-2015

	April 2007			July 2009			November 2012			October 2015		
	No.	%	UK	No.	%	UK	No.	%	UK	No.	%	UK
Convenience	36	5.7	9.6	34	5.4	9.5	40	6.2	8.7	39	5.9	8.8
Comparison	358	57.1	45.0	343	53.9	43.0	319	49.1	41.2	311	47.0	40.9
Service	182	29.0	33.5	191	30.0	34.0	221	34.0	36.3	264	39.9	36.5
Other	9	1.4	1.3	7	1.1	1.2	5	0.8	1.2	5	0.8	1.2
Vacant	42	6.7	10.9	61	9.6	12.2	65	10.0	12.6	43	6.5	12.6
Total	627	100	100	636	100	100	650	100	100	662	100	100

4.17 The land use data in Table 4.2a above indicates that there has been a relatively static number and proportion of convenience goods retailers between 2007 and 2015. The number of units has increased marginally over time although the proportion of convenience goods retailers has been consistently under the national average.

4.18 Whilst convenience goods retailers have remained relatively static, there has been a fall in the number of comparison and an increase in the number of service uses. The number of comparison goods units in the city centre has seen a steady fall since 2007, from 358 to 311 in 2015. This fall has reflected a national trend and the proportion of comparison goods retailers in the city centre remains well above the national average albeit not as much as in 2007.

¹⁰ As defined by Experian GOAD

4.19 In contrast, the number and proportion of service uses has risen significantly in recent years, from 29% of all retail units in the city centre to 40%. In 2007 the proportion of service uses in the city centre was four percentage points below the national average, although by 2015 it was three percentage points above the average.

Table 4.2b – floorspace composition of Exeter City Centre, 2007-2015

	April 2007			July 2009			November 2012			October 2015		
	No.	%	UK	No.	%	UK	No.	%	UK	No.	%	UK
Convenience	8445	7.2	17.1	8398	7.1	17.4	9206	7.6	17.6	11557	9.7	18.3
Comparison	80528	68.5	50.9	72111	61.2	48.8	72009	59.6	46.4	68608	57.3	44.9
Service	22863	19.4	21.8	23383	19.9	22.0	29951	24.8	24.3	31048	25.9	25.4
Other	1143	1.0	1.1	715	0.6	1.0	344	0.3	1.1	344	0.3	1.0
Vacant	4608	3.9	9.2	13164	11.2	10.7	9300	7.7	10.6	8250	6.9	10.3
Total	117587	100	100	117773	100	100	120811	100	100	119807	100	100

4.20 Table 4.2b above shows the amount of floorspace within each of the main retail sectors in the city centre between 2007 and 2015. It shows that whilst the number of convenience goods units has remained relatively static (see Table 4.2a) the amount convenience goods floorspace has increased from 8,445sq m to 11,557sq m, indicating that convenience goods retailers are occupying larger sized stores.

4.21 In line with the fall in the number of comparison goods units, the amount of ground floorspace occupied by comparison goods retailers has also fallen. However, the amount of floorspace remains well above the national average and it should also be noted that the Experian data deals with ground floor space and will exclude floorspace within, for example, the John Lewis department store which has a significant amount of floorspace in its upper floors.

4.22 Service uses have also increased the amount of floorspace that they occupy and, in line with the number of units, the below-average proportion in 2007 has been eliminated and the increase of around one third between 2007 and 2015 means that the proportion of service floorspace is now in line with the national average.

Retailer Representation

- 4.23 Due to its size as the second largest retail centre in Devon, Exeter city centre accommodates a very wide range of retail businesses. Within the convenience goods sector, the largest retailer is Sainsburys who operate a small supermarket within the Guildhall Shopping Centre. This store extends to 1,486sq m net sales and offers a wide range of convenience goods. Sainsburys also operate a Sainsburys Local store at the southern end of Sidwell Street (246sq m net).
- 4.24 In addition, there are also a number of other smaller convenience-style stores throughout the centre including a Tesco Metro store (788sq m net) on High Street, a Tesco Express store on Sidwell Street and four Co-op stores (on Sidwell Street (2), Fore Street and Queen Street). The Marks & Spencer store on High Street also has a large foodhall within its basement sales area (1,293sq m net).
- 4.25 This range of provision allows the city centre to accommodate most convenience goods shopping needs although provision is orientated towards smaller basket/top-up food shopping.
- 4.26 The city centre has an impressive range of national multiple and local independent comparison goods retailers, which are spread across the traditional High Street area and within the Guildhall and Princesshay shopping centres. In addition, the arrival of John Lewis in 2012 at the southern end of Sidwell Street has arguably stretched the primary shopping area northwards. Along High Street, key retailers are Marks & Spencer, House of Fraser, H&M and Waterstones (two stores), whilst the main retailers in the Guildhall Shopping Centre are Wilkinsons, Sainsburys, Primark and WH Smith. Within the Princesshay centre, the key retailers are Debenhams, Next, Hollister, Apple, New Look and River Island. There are a higher proportion of local independent traders along South Street, Queen Street, Fore Street and Sidwell Street.
- 4.27 Within the service sector, most of the main high street banks and building societies are represented in the centre, whilst many of the food and drink uses are positioned in the secondary shopping areas, including around the cathedral and around the edge of the Princesshay development.

Commitments

- 4.28 The most significant commitment for retail and leisure uses in Exeter city centre is the redevelopment of the Bus and Coach Station ('BCS') site. Outline planning permission was granted by ECC (reference 15/0791/01) for a mixture of Class A and D uses along with associated access, landscaping and public realm works. The development will allow for the provision of Class A1 shops, Class A3-A5 food and beverage uses, along with a new leisure centre and bus and coach station. The decision notice issued by ECC places controls over the amount of Class A and D floorspace with the overall redevelopment scheme although there is flexibility in the amount of floorspace within the different use classes which can ultimately be provided in the final development.
- 4.29 A reserved matters application, for the commercial element of the redevelopment scheme, was submitted in December 2016 and allows for the provision of the following land uses:
- Class A1 retail: 6,188sq m gross
 - Class A3 food and beverage uses: 9,531sq m gross
 - Class D2 cinema: 1,888sq m gross
 - Class A1/3/5 kiosks: 150sq m gross.
- 4.30 Whilst the reserved matters application remains undetermined at the time of finalising this report, we have used the quantum of proposed Class A1 floorspace to guide our assessment of retail floorspace capacity later in this report.

Retailer Requirements

- 4.31 In order to contribute to the assessment of the health of city centre and also contribute to the wider assessment of need for new retail floorspace in the Greater Exeter area, we have undertaken an assessment of retailer demand. This has concentrated on a review of retailers who are not currently represented in the Exeter area and also contact with a selection of the major comparison goods retailers who are already present in the city.
- 4.32 The findings of our assessment can be found at Appendix S to this report and can be summarised as follows:

- There is, in total, a potential maximum requirement from retailers for up to 19,858sq m of gross retail floorspace. However, this comprises a mixture of definite and potential requirements, not all of which are immediate.
- In addition, some retailers have provided a size range for their requirements and the 19,858sq m gross figure reflects the top end of the size ranges provided.
- It should also not be assumed that all the requirements need to be satisfied by the construction of new retail floorspace. Some of the requirements can be satisfied by vacant floorspace in the city centre.
- There are requirements for up to 7,000sq m of gross retail floorspace from new retailers in out-of-centre locations in the city. This should not be seen as being a need must definitely be planned for as (A) a number of the requirements are from retailers selling non-bulky comparison goods and (B) this is simply a retailer preference and is in conflict with the spirit of the national town centres first policy.
- In terms of the selection of existing retailers within the city, our review has highlighted the demand for additional multiple stores and, where is a retailer requirement for an out-of-centre store, many clothing/fashion retailers would require a fashion-led retail park to be provided.

Proportion of Vacant Street Level Property

- 4.33 Within the most recent survey, the percentage of vacant units in the city centre was 6.5%, which is notably lower than the national average of 12.6%. In total, at the time of the most recent Experian survey there were 43 vacant units in the city centre, which brings the number of vacancies in the city centre back to the level surveyed in 2007, prior to the economic downturn. Table 4.2a indicates that there has been an improvement (i.e. fall) in the number of vacancies since 2012 when there was 65 vacant units in the centre and which equated to 10% of all retail units.

Accessibility

- 4.34 In common with most city centres, Exeter has good accessibility via choice of means of transport. In terms of the private car, a number of routes lead into the city centre, including three connections to the M5. Visitors travelling by private car have the choice of a number of car parks across the centre, including:

- Isca Place – 275 spaces
 - Bystock Terrace – 50 spaces
 - Richmond Road – 51 spaces
 - Exeter Central – 47 spaces
 - Guildhall – 440 spaces
 - Harlequins – 91 spaces
 - Mary Arches St – 470 spaces
 - Smythen St – 49 spaces
 - Market St – 70 spaces
 - Cathedral Car Park – 20 spaces
 - Princesshay – 264 spaces
 - Princesshay 3 (Broadwalk House) -171 spaces
 - Bampfylde St – 88 spaces
 - John Lewis – 425 spaces
 - King William St – 244 spaces
 - Summerland Gate – 239 spaces
 - Howell Road – 337 spaces
- 4.35 The city centre also benefits from a combined bus and coach station facility, which is located in the north-eastern part of the centre adjacent to the Princesshay shopping centre and Sidwell Street. The bus and coach station is visited by bus services which link (on a regular basis) to all parts of the city and beyond to surrounding settlements. In addition, the coach services link Exeter to settlements further afield. The existing bus and coach station will be redeveloped and re-provided for elsewhere as part of the current BCS scheme.
- 4.36 Finally, the city centre has a centrally located train station (known as Exeter Central) which provides connections to other stations across the city and to other settlements in Devon. Exeter Central also provides regular services to St Davids station which is the main railway station for the city and providing inter-city connections across the country.

Customer Views and Behaviour

- 4.37 The 2015 household survey commissioned to inform this study provides a large body of information regarding shopping and leisure patterns associated with the city centre. It also sought information regarding residents' attitudes towards the city centre.
- 4.38 With regards to convenience goods shopping, Table 4 (at Appendix B) forms part of the quantitative assessment of shopping patterns and provides a summary of current shopping patterns for first and second choice main food shopping and also top-up food shopping. This data is presented for each of the zones in the study area (see plan at Appendix A). Table 4 at Appendix B indicates that the city centre is able to attract around one fifth (22%) of all first choice main food shopping trips from Zone 1b residents (the zone in which the city centre lies) and 11% of first choice main food trips from Zone 1d. In relation to the other zones which cover the city (1a and 1c) the city centre's first choice main food market share is 5% and 7% respectively.
- 4.39 Table 4 also confirms that the city centre is more popular as a second choice main food shopping destination with a market share of 24% in Zone 1b and 14% in Zone 1d. The market shares in Zones 1a and 1c are 10% and 13% respectively.
- 4.40 For top-up food shopping, Table 4 confirms that one quarter (27%) of zone 1a and 1d residents use the city centre, whilst over 40% of Zone 1b use the centre for this type of shopping.
- 4.41 Table 4 also indicates that the city centre attracts food shopping trips from outside of the Exeter urban area. Unsurprising, given that food shopping tends to be related to the distance travelled, these market shares are relatively low, although residents of zones 2, 4a, 4b, 4c, 6, 7, 8, 9 and 10 do visit for this type of shopping.
- 4.42 In relation to comparison goods shopping, Table 6 at Appendix B provides the market of the various in-centre and out-of-centre shopping destinations across Exeter. The data is broken down into the various comparison goods categories used by the 2015 household survey. Table 6 shows that the city centre is able to command a very high market share across all comparison goods categories, although it is particularly successful in relation to non-bulky comparison goods. For example, over 85% of all clothing and footwear shopping trips from the zones covering Exeter's urban area (1a-1d) flow to the city centre. Indeed, in many of the other zones across the study area, the city centre is able to attract at least half of all trips.

- 4.43 Whilst they are not as high as clothing and footwear shopping, the city centre is also very successful in attracting shopping trips in relation to luxury, recreational, books, glassware, tableware, jewellery and health/beauty goods. Indeed, whilst they are traditionally thought of as bulky goods, the city centre's share of shopping trips for electrical, furniture, carpets and household textiles is also generally over 40% across a large part of the study area. Unsurprisingly, the worst performing sector for the city centre is the DIY and hardware sector.
- 4.44 In terms of the frequency of usage of the city centre, the answers to question 18 of the household survey reveal that around 20% of all survey respondents visit the centre at least once a week. For the individual zones covering the Exeter urban area, the frequency is much higher at 51% (Zone 1a), 69% (Zone 1b), 51% (Zone 1c) and 40% (Zone 1d).
- 4.45 Question 18a of the household survey obtained information about the length of stay in the city centre during survey respondents' visits. There would appear to be a relationship between the frequency and length of stay with Exeter residents staying for shorter periods (alongside their more frequent visits) than residents that live further away. This suggests that regular visitors to Exeter who live in other parts of Devon stay in the city centre for longer in order to make their visit more efficient.
- 4.46 The main reasons given for not visiting the city centre more often were: difficult parking (3%), expensive parking (4%), too far from home (18%), too expensive (2%), goods and services available in Exeter can also be purchased closer to home (7%).
- 4.47 Survey respondents were also asked if there were factors which would make them visit Exeter city centre more. 51% of all respondents indicated that there were not any such factor, although this type of response was lower for residents of Zones 1a-1d suggesting that there were more opportunities for local residents to visit the centre more. Of the areas where improvements/changes could be made, the most popular were: attracting larger retailers, more independent and national multiple retailers, improving the range of places to eat, improving public transport links (including higher frequency of services in the evenings), reducing the cost of parking and providing more parking spaces, a new theatre and more entertainment/events.
- 4.48 For the same group of people who visited the city centre less than a fortnight, information was obtained regarding the other centres that they visited regularly. Whilst

there was an obvious general trend for non-Exeter residents to use the town centres closest to their place of residence, the answers to question 27 provide interesting information about which centres Exeter residents use. Popular destinations amongst Zone 1a residents are Torquay (3%), Crediton (4%), Exmouth (13%) and Barnstaple (11%). For Zone 1b the destinations were Tiverton (1%), Crediton (44%), Exmouth (5%) and Barnstaple (4%). In Zone 1c, the alternatives were Exmouth (10%), Torquay (4%), Plymouth (1%) and Sidmouth (6%). In Zone 1d, the alternatives were: Plymouth (2%), Torquay (7%), Exmouth (12%), Barnstaple (9%).

4.49 Question 19 of the survey obtained information about the main purpose of respondents' visits to the centre. Unsurprisingly, 85% indicated that shopping was a reason for visiting, along with 21% highlighting cafes and restaurants, 8% for financial services, 6% for other services, 16% for tourism/sight-seeing and 15% for leisure purposes. These figures are for the whole of the survey area and it is noticeable that for Exeter residents (i.e. those within Zones 1a-1d) shopping was slightly lower than this wider average, whilst services and food/drink was much higher.

4.50 In terms of the goods and services bought from city centre stores, question 20 of the survey obtained the following information:

- 74% - clothes and shoes
- 7% - electrical goods
- 15% - food and groceries
- 13% - gifts and souvenirs
- 14% - personal and luxury goods
- 8% - recreational goods

4.51 The average amount of money spent on a visit to the city centre was £63 per trip, with Exeter residents spending below this average (probably due to the higher frequency of visits) and non-Exeter residents spending above this average.

4.52 Question 24 of the household survey asked survey respondents how frequently they visited the city centre in the evening for leisure and food/drink reasons. Across the whole of the survey area only 3% of respondents visited once a week or more, whilst

12% visited at least once a month. 66% of all respondents never visited the city centre in the evenings.

- 4.53 For residents of Exeter, the frequency of visit was slightly higher but not substantially so. For example, 12% of residents of Zone 1b visited the centre once or week or more although this was the highest frequency of all four Exeter zones. Indeed, at least half of all residents across these four zones did not visit the city centre in the evenings.
- 4.54 Turning now to leisure activities, the household survey also asked a series of questions about cinema-going, goings to cafes/restaurants etc. For cinema-going, the Vue cinema at Summerland Gate was the most popular facility across the whole of the survey area. It is also the most popular facility for Exeter residents with a market share of 49% in Zone 1a, 33% in Zone 1b, 41% in Zone 1c and 52% in Zone 1d. The next most popular facilities in Exeter are the Picture House on Bartholomew Street West and the Odeon on Sidwell Street. Both of these facilities lie in the city centre, with the Picture House having a market share of 26% in Zone 1a and the Odeon having market shares of 22%, 41% and 21% in zones 1b, 1c and 1d respectively.
- 4.55 Overall, the household survey indicates that there is no leakage of cinema-going trips (from Exeter residents) to facilities outside of the city, which suggests that the quality and quantity of provision is good. The household survey also suggests that cinemas in the city centre are also able to attract a large number of trips from non-Exeter residents.
- 4.56 In relation to theatre facilities, the Northcott in Exeter is the most popular amongst Exeter residents, with a share of 34% in Zone 1a, 63% in Zone 1b, 35% in Zone 1c and 36% in Zone 1d. The Barnfield Theatre also attracts a circa 10% share of trips across the Exeter area. In terms of theatre trips leaking outside of the Exeter area, Plymouth is unsurprisingly the main beneficiary with 31% of trips from Zone 1a, 30% from Zone 1c and 26% from Zone 1d. The other settlement to attract trips is Torquay, with 16% of Zone 1a trip, 9% of Zone 1c trips and 13% of Zone 1d trips.
- 4.57 For visits to pubs and bars, residents of Exeter (i.e. zones 1a-1d) generally visit the city centre which has the highest market share across all four zones, with the answers to question 31 of the survey also indicating that the local and district centres across Exeter were also able to attract a number of trips. In line with other leisure activities, the city centre was also able to attract trips from outside of Exeter, from other parts of the study area.

- 4.58 The answers to question 32 of the survey also reveal a similar pattern for visits to restaurants. The city centre's market share is 85% in Zone 1a, 81% in Zone 1b, 76% in Zone 1c and 77% in Zone 1d. The remaining trips in each of these four zones is mainly distributed to facilities in the local and district centres across the city.

Pedestrian Flows

- 4.59 Whilst a detailed quantitative survey of pedestrian flows has not been undertaken for the purposes of the health check, observations of pedestrian movement have been undertaken during each of our visits to the city centre during completion of this study in 2015 and 2016.
- 4.60 The areas with the consistently highest level of pedestrian movement in the centre are along High Street (between its junctions with North Street and Paris Street), within the Guildhall Shopping Centre and Princesshay. However, parts of Sidwell Street, particularly its southern end (adjacent to John Lewis) also have strong levels of pedestrian flow and which suggest that this area now has more in common with the primary shopping centre in the city centre. Flows along Queen Street are also strong, which is no doubt helped by the presence of the railway station and Queen Street being a key route into the city centre from Exeter College's campus.
- 4.61 Overall, many parts of Exeter city centre are showing good levels of vitality, which is a sign of the centre's popularity during normal shopping hours during the week and at weekends. In the evenings, pedestrian movement through the primary shopping area of High Street and Princesshay dies away although parts of Sidwell Street remain busy (due to the presence of bars and restaurants) along with the area around the cathedral and the Guildhall / Queen Street area has now become busier following the introduction of additional food and drink uses.

State of Environmental Quality

- 4.62 As identified earlier, the city centre has a distinct heritage with Roman walls surrounding the old core, a gothic cathedral within its heart, and a number of other religious and secular buildings of importance. The area also contains many buildings that were created post war after much of the city was bombed and various regeneration initiatives have been put in place.

- 4.63 In regards to the pedestrian environment the area has been designed to reduce vehicular traffic through the core centre, with only busses running through the High Street, and full pedestrianisation within the Guildhall and Princesshay. Where there are buses' running the area has wide pavements, thus allowing people to move around with ease despite the large amount of footfall. Furthermore the centre has numerous amounts of public furniture and available green spaces for people to utilise.
- 4.64 Having recently redeveloped the Princesshay Shopping Centre, the centre has also recently undergone further redevelopment with 36,500 square foot of the Guildhall Shopping Centre currently being converted in to a dining heart for the city.

Summary

- 4.65 Overall, Exeter city centre has good levels of vitality and viability and remains a healthy centre. The key attributes of the city centre are its wide range of comparison and convenience goods retailers, its growing service use offer and falling vacancy rate. Notable positive changes since the previous retail study are the arrival of John Lewis and the growing number of service uses, bring the city centre back in line with the national average. Whilst not a physical change since the previous study, the Princesshay shopping centre continues to be very successful and this provides a very useful foundation for the next phase of redevelopment on the BCS site which has now received outline planning permission.

District Centres

- 4.66 Exeter has three defined district centres, at Heavitree, Topsham and St Thomas, and they are all described in detail in turn below.

Heavitree

Structure of the District Centre

- 4.67 Heavitree district centre is one of three district centres in Exeter and is located to the east of the city centre along the B3183. The centre primarily acts to serve the surrounding wards of Heavitree and St Loye's. In addition to this the B3183 is a core arterial road within the city and thus the area has potential to attract some passing traffic. Plans showing the extent of the district centre can be found at Appendix D to this report.

4.68 The Local Plan First Review defines the district centre as being mainly along Fore Street along with a small number of shops on the eastern side of North Street. The draft DDP remains with the same boundary definition.

Diversity of Uses

4.69 Information on the diversity of uses has been obtained from a survey completed by ECC in 2015. For the avoidance of doubt, the data collected relates to the centre as defined by ECC. This data indicates the land use composition of Heavitree district centre as follows:

Table 4.3 – land use composition of Heavitree Shopping Centre

	2015		
	No.	%	Ave % ¹¹
Convenience	3	7.7%	9.2%
Comparison	15	38.5%	39.8%
Service	20	51.8%	37.5%
Other	0	0	1.2%
Vacant	1	2.5%	12.4%
Total	39	100%	100%

Source: ECC survey 2015. Figures may not add due to rounding.

4.70 The above table shows that the district centre has a strong focus upon comparison goods and service uses which, when combined, occupy over 90% of all of the units in the centre. Over one third (38%) of all units are occupied by comparison goods retailers, which is just below the national average of 40%. The opposite is true for service uses (52%), which are well above the national average 38%.

4.71 There are only three convenience goods stores in the centre, comprising 7.7% of the total unit stock and below the national average of 9%.

¹¹ Average for all centres in the UK surveyed by Experian GOAD

Retailer Representation

- 4.72 Within the convenience goods sector the three current occupiers are Shauls Bakery, a Tesco Express store (as part of a petrol filling station use) and a Co-operative convenience store. The Co-op and Tesco Express stores provides a modest range of pre-packaged and fresh convenience goods, along with a range of beers, wines and spirits. The household survey indicates that Heavitree district centre does not attract any first choice main food trips, but does attract 1.7% of second choice main food trips from Zone 1d. However, the centre does attract more top-up food shopping trips, which is unsurprising given the type of shops present. 1.3% of trips are attracted from Zone 1b, 7.5% of trips from Zone 1d, 2.4% from Zone 4a and 4.9% of trips from Zone 7. These figures suggest a localised catchment within Exeter itself, supplemented by a wider catchment of some pass-by trips.
- 4.73 Within the comparison sector, the majority of units are occupied by local independent operators and include a florist, a number of charity shops, pharmacy, an electronics shop, cobblers and a jewellers. The 2015 household survey indicates that the district centre is able to attract a modest market share in electrical goods shopping, health and beauty goods and books, CDs and DVDs.
- 4.74 The service sector is the largest sector in the district centre with just over half of all the available unit being occupied by this type of use. Uses include Lloyds and Natwest banks, a number of take-aways and a small number of health & beauty uses.

Proportion of Vacant Street Level Property

- 4.75 Of the 39 units within the defined centre boundary, only 1 was vacant at the time of survey. This represents only 2.5% of all units in the centre and which is well below the UK average. This suggests that Heavitree district centre is a popular and successful centre with retail businesses.

Accessibility

- 4.76 As noted above, the district centre lies on the B3183 Fore Street is an important arterial road within Exeter. The road not only enables many residents access to the city centre, but it is also a key route for people wishing to access the M5. The role and function of this route means the district centre is very accessible by private car and is passed by a large number of people during the day and evening.

- 4.77 Similarly, the B3183 is also a key bus route within the city, with regular services linking Heavitree to the city centre, Alphington, the University, Digby Retail Park and Topsham Road.
- 4.78 There is a small pay and display car park on the southern side of the centre on Gordon's Place, whilst there are also a number of on-street spaces on Fore Street and a parking area associated with the Tesco Express convenience store.
- 4.79 Pedestrian movement around the centre is relatively easy, with wide pavement areas and a number signal controlled pedestrian crossings (which are needed given the volume of traffic using the B3183). In addition, the centre benefits from a number of bike racks for people who choose to cycle.

State of District Centre and Environmental Quality

- 4.80 There are a mixture of building styles and ages within the district centre, with most generally two storey (although there are a small number of three storey buildings on the southern side of Fore Street). Generally speaking, the terraced properties on the southern side of Fore Street are older, with a number of pre-war buildings. On the northern side of Fore Street, many buildings are post-war and functional in style. On both sides of the street the buildings are generally in a good state of repair and there is evidence of on-going maintenance and investment in the public realm.

Summary

- 4.81 Heavitree is a popular district centre, serving a local catchment along with pass-by trade due to its location on a key route into the city centre. The centre has a large proportion of service uses, along with an important top-up food shopping function for the local area in the eastern part of Exeter. It is also a commercially attractive location due to the presence of only one vacancy in the centre.

St Thomas

Structure of the District Centre

- 4.82 St Thomas district centre is located to the south of city centre, with the two locations separated by the River Exe. As there are few crossing points over the River Exe, the location of St Thomas district centre adjacent to one of these crossings is likely to be a reason why it has become such a large centre. Indeed, it is the largest of the three district centres in Exeter.

- 4.83 Plans showing the extent of the district centre can be found at Appendix E to this report.
- 4.84 The Local Plan First Review defines district centre boundary as including the entire length of Cowick Street (from its junction with Buddle Lane in the west to the River Exe in the east) and the Exe Bridges retail park at the eastern end of the centre.
- 4.85 Within this overall area, the district centre can be broken down in to 3 distinct areas, the traditional terraced and semi-detached rows of shops along Cowick Street, the 1970's St Thomas Shopping Centre towards the North of Cowick Street and the larger units at Exe Bridges located on the intersection between Alphington Street and Cowick Street.

Diversity of Uses

- 4.86 Information on the diversity of uses within St Thomas has been obtained using Experian GOAD data (2014) which has been updated by Bilfinger GVA in January 2016. The 2014 and 2016 retail composition of St Thomas can be seen in Table 4.4 below, along with data for 2007:

Table 4.4 – land use composition of St Thomas Centre

	April 2007			May 2014			January 2016		
	No.	%	Ave %	No.	%	Ave %	No.	%	Ave %
Convenience	19	18.1%	9.5%	16	15.1%	9.2%	16	15.0%	9.2%
Comparison	43	41.0%	43.0%	40	37.7%	39.8%	37	34.6%	39.8%
Service	35	33.3%	34.0%	43	40.6%	37.5%	43	40.2%	37.4%
Other	2	1.9%	1.2%	1	0.9%	1.2%	0	0%	1.2%
Vacant	6	5.7%	12.2%	6	5.7%	12.3%	11	10.3%	12.4%
Total	105	100%	100%	106	100%	100%	107	100%	100%

- 4.87 The data in Table 4.4 above shows that there was a decrease in the number of convenience goods units in the district centre between 2007 and 2014, although the number of units has since remained static. The current proportion of convenience goods units in the centre is 15% which is well above the national average of 9%.
- 4.88 Comparison goods units in the district centre have decreased over time from 43 in 2007 to 37 in 2016. Throughout this period the proportion of comparison goods units in the centre has remained below the national average although the difference between the two has gradually increased over time. In contrast, service uses have increased, from

35 units in 2007 to 43 units in 2106. The proportion of services uses in the centre is now above the national average.

Retailer Representation

- 4.89 Within St Thomas there is a mixture of national multiple and local independent traders although this is the district centre with the highest amount of national multiples apart from the district centre. For example, Exe Bridges, which does have the appearance of a retail park, but is very much part of the centre, accommodates Boots, Next, 99p Stores, TK Maxx and Marks & Spencer Simply Food. Similarly, there are two national high street banks and a Co-op foodstore within the St Thomas Centre and there is a Tesco Express store on the corner of Prospect Place and Cowick Street.

Proportion of Vacant Street Level Property

- 4.90 Vacancies within St Thomas district centre remained static, at 6 vacancies between 2007 and 2014, although they have since risen to 11. Whilst this proportion (10%) remains below the national average (12%), the recent increase should be monitored by the City Council as any further increases could be a cause for concern over the future health of the district centre.

Accessibility

- 4.91 St Thomas lies adjacent to one of the main routes into the city centre from the south (the A377) giving it excellent accessibility by public transport and the private car. Bus routes serving the centre link it to the city centre, Exwick, Redhills and Alphington. The centre is also a relatively short walk from the city centre although the gyratory road system across the River Exe crossing is likely to be seen by some as a barrier to movement.
- 4.92 For those people visiting the centre by car, there is a mixture of on-street and off-street facilities. Off-street facilities include circa 100 spaces at the St Thomas Centre and circa 200 space at Exe Bridges.
- 4.93 The district centre is also served by a train station which is located in the northern part of the centre and provides regular links to Exeter St Davids station and, further afield, to Paignton and Exmouth.

Customer Views and Behaviour

- 4.94 St Thomas district centre does attract some first choice main food shopping trips, including 7.3% from Zone 1a, the majority of which were associated with the Co-op in the St Thomas Centre. The centre also attracts a small proportion of first choice main food trips from Zones 1b, 1d, 2, 4a and 4b.
- 4.95 St Thomas is slightly more popular as a second choice main food shopping destination, with a market share of 8% in Zone 1a, 6% in Zone 1b, 5% in Zone 4a and 5.8% in Zone 5. This overall market share is spread across the Marks & Spencer, Co-op, Tesco Express and other convenience stores in the centre and the centre's greater popularity as a second choice main food shopping destination is unsurprising due to the size of the existing convenience goods stores. Indeed, the centre becomes even more popular as a top-up food shopping destination, with a 32% market share in Zone 1a (the zone in which the centre lies), 2% market shares in Zones 1b, 1c and 1d and a 5% market share in Zone 4b. All of these market shares indicate that whilst St Thomas is clearly a very popular top-up food shopping location for the local community, it has a wider role and function in keeping with its district centre status and due to the retailers present in the centre.
- 4.96 In relation to comparison goods shopping, St Thomas is able to attract shopping trips for all goods categories apart from books, CDs and DVDs. In general terms, the market share of the district centre is relatively low and generally no greater than 2%. However, whilst the market shares are low, Table 6 at Appendix B indicates that comparison goods trips are attracted from across the Exeter urban area and beyond, which is likely to be due to the size of the centre, the retailers present and the wide range of products sold. The exception to these comparatively low market shares is in relation to health and beauty goods where the district centre has a 16% market share in Zone 1a. This is likely to be due, in part, to the large Boots store at Exe Bridges.

Environmental Quality

- 4.97 As noted above, there are three distinct styles within St Thomas district centre: the traditional Cowick Street area, the St Thomas Centre and Exe Bridges. Cowick Street comprises the traditional part of the centre, with many different pre-war terraced properties of 2-3 storeys. The St Thomas Centre is a purpose built post-war shopping centre that is not particularly attractive but does provide a reasonably pleasant pedestrian environment including a covered walkway along the entire retail frontage.

- 4.98 As noted above, Exe Bridge does have the appearance of a retail park and was previously home to a Sainsburys supermarket and is modern in appearance with a reasonable quality of landscaping. Whilst Exe Bridges is separated from the remainder of the centre by the railway line, there are sufficiently good pavement areas on either side of Cowick Street to encourage linkages and during our visits to the centre we observed many visitors to the centre walking between the two sides of the railway line.
- 4.99 In terms of other features of the centre, the pavement areas along Cowick Street are sufficiently wide to offer an attractive pedestrian environment and there are a number of signal-controlled pedestrian crossings along Cowick Street to assist with movement around the centre. Finally, a further attractive feature of the district centre is St Thomas Pleasure Ground which is a landscaped park.

Summary

- 4.100 St Thomas district centre is a very important part of the retail hierarchy in Exeter. Whilst it is close to the city centre, it has its own distinctive character and provides a wide range of retail and service uses. Of the three district centres in Exeter, it is the one with the highest amount of national multiple uses and this enables the centre to serve both the local community and a wider catchment across the city. Indeed, a key part of this attractiveness is the Exe Bridges retail area which provides large retail units and benefits the remainder of the (more traditional) district centre via linked trips.

Topsham

Structure of the District Centre

- 4.101 Topsham district centre is located to the south-east of the Exeter urban area. Topsham is a settlement in its own right and is separate from the main Exeter urban area by the M5 motorway. The settlement lies on the northern side of the River Exe and has been traditionally associated with its role as a port. Appendix F contains plans showing the extent of the centre.
- 4.102 The centre is generally linear in nature and runs along Fore Street from its junction with Station Road in the north to its junction with Holman Way in the south. Properties along both side of Fore Street are included within the defined centre boundary along with St Margaret's Church, Topsham Quay, swimming pool and bowling green.

Diversity of Uses

4.103 Information on the land use profile of the district centre has been collected from surveys conducted by ECC in 2015 and summarised in Table 4.5 below.

Table 4.5 – land use composition of Topsham

	2015		
	No.	%	Ave %
Convenience	9	12.3%	9.2%
Comparison	41	56.1%	39.8%
Service	20	27.4%	37.4%
Other	1	1.4%	1.2%
Vacant	2	2.7%	12.4%
Total	73	100%	100%

4.104 The above table shows that Topsham is slightly different to some other local and district centres in Exeter in that it has a high proportion of comparison goods uses and a lower than average proportion of service uses. This land use profile is likely to be reflective of the 'up market' nature of Topsham which focuses on the sale of non-food goods. Overall, 56% of all units in the defined centre boundary are occupied by comparison goods retailers which is much higher than the national average of 40%. The proportion of convenience goods retailers in the centre (12%) is also higher than the national average of 9%.

Retailer Representation

4.105 There are a number of local convenience retailers within the district centre. The largest store is a Co-op, which has been extended in recent years and sells a modest range of pre-packaged and fresh convenience goods. In addition, the centre also has a number of smaller local fresh food suppliers such as a deli, a butchers and a greengrocer.

4.106 The comparison goods sector within Topsham district centre has a clear trend towards art, antiques, clothing and homeware shops. This marks the centre out as being different from many other centres in Exeter and is a particular selling point for the centre's reputation. Other comparison goods stores include a pharmacy, a number of

charity shops and a book shop. Within the service sector, there are a number of cafes, estate agents, and hair salons, along with a Lloyds bank.

Proportion of Vacant Street Level Property

- 4.107 Within Topsham only two out of the 73 units within the defined area were vacant at the time of the ECC survey. These vacancies represent just 3% of the total retail unit stock in the centre and is a clear sign of the popularity of the centre as a location to do business.

Accessibility

- 4.108 Because of its location on the edge of Exeter, Topsham has reasonable accessibility although it is not on a main route. By car, the centre can be accessed via the B3182, which links Topsham to Countess Weir, and via Bridge Hill which links to the A372. Parking within the centre is available on-street and at an off-street pay and display car park on Topsham Quay. The on-street parking spaces are usually very population and can make the free-flow of traffic through the centre problematic (although this does generally slow down traffic speeds) to the assistance of pedestrian safety and movement.
- 4.109 Unlike Exeter's other two district centres, Topsham only has access to one bus service which goes between Topsham and the city centre via Countess Weir. However, the district centre does benefit from a nearby train station, located to the north, which provides connections to the city centre and Exmouth.

Customer Views and Behaviour

- 4.110 The 2015 household survey identifies that Topsham has a 10% share of first choice main food shopping trips in Zone 4b (the zone in which Topsham lies). Whilst it is unsurprising that the catchment is limited to this zone, it is still a good share of first choice main food shopping trips bearing in mind the size of the Co-op store. This is likely to be a reflection of the popularity of the centre within the local community.
- 4.111 As a second choice main food shopping destination, the district centre is able to attract an 8% market share in Zone 4b and a 2% market share in Zone 1d to the north-west. However, the centre's share of top-up food shopping market share is considerably higher with a 45% share of all top-up shopping trips from Zone 4b residents.

That said, the centre's sphere of influence does not extend beyond the local area which is likely to be due to its accessibility characteristics.

- 4.112 A similar pattern emerges for comparison goods shopping with the highest market share falling in Zone 4b, along with a small market share in Zones 1c, 1d and 4a. For most categories, the market share of Topsham in Zone 4b is up to 10% although the centre's share of health and beauty trips in Zone 4b is much higher than the other categories with 55%.

State of District Centre and Environmental Quality

- 4.113 Topsham district centre is very much a historic centre, with the narrow street pattern and 2/3 storey buildings providing for an intimate feel. The building design in Topsham is typified by its location with Dutch style housing being created at the time the area was an important cotton port. It is of no surprise therefore that a large part of Topsham (including all of the defined district centre) is defined as a Conservation Area.

Summary

- 4.114 Topsham district centre has a dual role of serving the local community, particularly for food shopping needs and also a wider role as a specialist shopping destination for art, antiques and homewares. With a lack of vacant units and an attractive character, the centre is considered to be healthy with good levels of vitality and viability.

Local Centres

Sidwell Street / Blackboy Road

- 4.115 This local centre can be found on the fringes of the Northern edge of the city centre, close to the city centre's own defined shopping frontages. This area typified by high density terraced housing and student accommodation and defined centre includes the southern end of Old Tiverton Road, the northern tip of Sidwell Street, and properties along the northern side of Blackboy Road. Appendix G contains a plan showing the extent of the local centre. Properties in the centre it are generally pre-war terraced and semi-detached 2/3 storey buildings, which provide a reasonable character and complimented by some attractive tree-planting.

4.116 In addition to being nearby the city centre, the local centre is also just south of the Exeter City Football Club ground, a use which has the potential to offer levels of vitality in and around the centre on match days.

4.117 Information on the diversity of uses within the Sidwell Street/Blackboy Road local centre has been obtained through surveys conducted by ECC in 2015 and which provide the following data:

Table 4.6 – land use composition of Sidwell St & Blackboy Road Centre

	2015		
	No.	%	Ave %
Convenience	1	7.7%	9.2%
Comparison	6	46.2%	39.8%
Service	4	30.8%	37.4%
Other	0	0%	1.2%
Vacant	2	15.4%	12.4%
Total	13	100%	100%

Source: ECC, 2015

4.118 Whilst comparisons with a national average can be problematic for a centre the size of Sidwell Street/Blackboy Road, the above data indicates a higher than average proportion of comparison goods uses and lower than average proportions of convenience and service uses. When compared with the national average there is also a higher than average number of vacancies although, with only two vacant units, this indicates the small size of the centre.

4.119 Retail businesses in the centre are generally local independent traders although the one national multiple retailer which is present is Richer Sounds. Whilst Richer Sounds generally tend to locate in secondary shopping areas in most towns, their presence in the local centre is likely to be due to its close proximity to secondary retail frontages of the city centre area.

4.120 Within the 2015 household survey Sidwell Street/Blackboy Road centre did not attract any main food shopping market share, although it is able to attract a small top up market share in zones 1b and 1c of 2.6% and 1.5% respectively. Regarding comparison goods the 2015 survey indicates that the centre has 1% share for fashion, clothing and

footwear and 1% for DIY and hardware market share from 1d. In addition, 3% of Zone 1b residents that they shopped in the centre for recreation and luxury goods, whilst 1% of survey respondents in the same area said they visited the centre for health and beauty goods. In addition a small amount of shoppers indicated that they used the centre for glassware, tableware and jewellery shopping. In relation to this market share data, it should be noted that not all of these products are currently sold from the centre and therefore some answers may be being confused with other parts of Sidwell Street which instead lies within the city centre boundary.

- 4.121 However, one category where the data is likely to be accurate is TV, Hi-Fi, computer and photographic goods which received a market share of between 1% and 3% in zones 1b, 1c, 1d and 4c, alongside a share of 8% of zone 5. This high market share is expected to be due to the presence of Richer Sounds.
- 4.122 One particular benefit of being so close to the city centre is that this local centre has good access to a large number of bus services (with 9 routes going past the centre). The centre is also a short walk from St James Park station which provides links to other stations in the city and beyond to Exmouth (and also links to the national rail network through St David's Station). For the people who wish to drive to the local centre there are a small number of parking facilities, however if these are full the majority of the surrounding parking is reserved for residents only.

Mount Pleasant

- 4.123 The Mount Pleasant local centre is located to the north east of the city centre and a short distance to the east of Sidwell Street/Blackboy Road local centre. This is a small centre located around the junction of Blackboy Road, Pinhoe Road, Mount Pleasant Road and Thurlow Road. Pinhoe Road (the B3212) is a key route into the city centre from the north-east.
- 4.124 A plan showing the extent of the local centre can be found at Appendix H to this report.
- 4.125 Whilst this is a small centre, the busy nature of the B3212, along with a number of residential properties throughout the centre, give the impression of a dis-jointed centre. Indeed, the defined area of the centre includes a number of residential uses which may well prompt ECC to consider re-defining the centre boundary and even possibly

removing its 'local centre' status as it has the feel of a retail location of only neighbourhood significance.

- 4.126 ECC undertook a land use survey and the results of this exercise are summarised in Table 4.7 below.

Table 4.7 – land use composition of Mount Pleasant

	2015		
	No.	%	Ave %
Convenience	2	20%	9.2%
Comparison	1	10%	39.8%
Service	5	50%	37.4%
Other	0	0%	1.2%
Vacant	2	20%	12.4%
Total	10	100%	100%

- 4.127 Whilst the local centre boundary for the local centre covers some 21 separate properties, only 10 are classified (using the Experian GOAD classification) as being in retail use, the remainder being a public house, a bar, a nursery and eight residential properties. The two convenience stores in the centre are an off-licence and a small general convenience store. The centre has 5 service uses one an estate agent, one a tattoo parlour, one a café, one a take away and one a beauty salon. Furthermore the one comparison store identified is a tool supplies business.
- 4.128 The 2015 household survey commissioned for this study did not pick up any convenience goods shopping trips associated with this centre and the only comparison goods category to be highlighted was health and beauty goods where there was a market share within zone 1b of 12.4% and a 2.5% share within zone 1c.
- 4.129 In relation to accessibility, despite its location on a main route into the city centre, this centre does not offer any off or on-street parking provision. This indicates that whilst there could be an opportunity to capture passing trade, such visits are likely to be problematic. There are however bus stops close to the centre, offering the opportunity to visit via public transport, although we consider that the main source of trade for

Mount Pleasant will be its walk-in catchment. The bus routes running past the centre link it to Pinhoe, Pennsylvania, Countess Wear and the city centre.

Magdalen Road

- 4.130 The Magdalen Road local centre comprises a collection of shops and other business located along Magdalen Road immediately to the east of the city centre. Appendix I shows the extent of the centre, as defined by the Local Plan First Review.
- 4.131 The centre, as defined by the Local Plan First Review, comprises properties mainly along the northern side of Magdalen Road between its junctions with Spicer Road and Denmark Road. The quality of the buildings with the centre is generally good, 1/2/3 storey terraced properties including the attract Warren House in the central part of the centre. Magdalen Road is located in a rather affluent area within the city, and in addition has been described as an 'urban village' thanks to its string of independent shops. In addition there is a welcoming pedestrian environment with street furniture, pelican crossings, and well cared for foliage.
- 4.132 The ECC land use survey of the centre, undertaken in 2015, indicates the following distribution of retail-related land uses in the defined centre boundary:

Table 4.8 – land use composition of Magdalen Road

	2015		
	No.	%	Ave %
Convenience	9	32.1%	9.2%
Comparison	9	32.1%	39.8%
Service	9	32.1%	37.4%
Other	0	0%	1.2%
Vacant	1	3.5%	12.4%
Total	28	100%	100%

- 4.133 The above data shows an even split between convenience, comparison and service uses, each of which occupy around one third of units within the centre. Within the convenience goods sector there is a wide range of shops including a butcher, off-licence, Spar convenience store, fishmonger and greengrocer. The 2015 household

survey indicates that these stores only attracted top-up food shopping visits, including a 1.3% market share in Zone 1b.

- 4.134 Within the comparison goods sector, retailers include a home interiors store, pharmacy, florist and greeting cards store. The household survey indicates that the local centre had a small market share in two categories; TV, hi-fi, computer and photographic goods with 1.3% in Zone 1d, and health and beauty with 0.9% in Zone 1b.
- 4.135 At the time of survey, there was only one vacant property within the centre. This represents only 4% of the retail unit stock and is much lower than the typical UK average and is thus an indicator of the popularity of the local centre amongst retail businesses.
- 4.136 The centre is easily accessible by car, being located on one of the secondary routes into the city centre from the east. Parking within the centre is all on-street. In addition, the centre is served by a bus service which visits regularly throughout the day and provides linkages to Heavitree, the University, the city centre and Digby Retail Park.

Countess Weir (Topsham Road)

- 4.137 This centre comprises a small collection of shops on the A3105 (Topsham Road) which is a key route into the city centre from the south-east (see plan at Appendix J). The defined centre, as set out in the Local Plan First Review shops, is located on the southern side of Topsham Road close to its junction with School Lane. The retail units within the centre have the appearance of semi-detached former residential properties.
- 4.138 The centre comprises just six units and Table 4.9 below draws upon a land use survey undertaken by ECC in 2015 and shows that only two are in retail use (under Experian GOAD's classification) and comprise comparison goods uses (a florist and a computer store).

Table 4.9 – land use composition of Countess Weir, Topsham Road Centre

	2015		
	No.	%	Ave %
Convenience	0	0%	9.19%
Comparison	2	100%	39.84%
Service	0	0%	37.43%
Other	0	0%	1.17%
Vacant	0	0%	12.37%
Total	2	100%	100%

4.139 The other non-classified uses are an office, vet, residential units and an undertakers.

4.140 The centre is easily accessible by car, given its location on one of the main routes into the city centre, and there is a small parking area for motor vehicles at the junction of School Lane and Topsham Road. There are bus stops on either side of Topsham Road adjacent to the centre which are served by services which also visit Digby, Pinhoe, the city centre and Topsham.

4.141 The 2015 household survey indicates that the centre has a small market share in top-up food shopping trips and health and beauty goods. However, these goods are not sold in the centre and therefore these market shares are likely to be associated with other stores elsewhere along Topsham Road.

Beacon Lane

4.142 Beacon Lane local centre is a small centre in the northern part of the Exeter urban area. The defined centre extends to only 4 units along the northern side of Beacon Lane. A plan showing the defined extent of the centre is contained at Appendix K. Three of the units are housed in 3 storey maisonette-style buildings, whilst the fourth is single storey.

4.143 Table 4.10 below classifies the four uses in the centre, which include a Co-op convenience store, a pharmacy, hair salon and a fish & chip take-away.

Table 4.10 – land use composition of Beacon Lane Centre.

	2015		
	No.	%	Ave %
Convenience	1	25%	9.2%
Comparison	1	25%	39.8%
Service	2	50%	37.4%
Other	0	0%	1.2%
Vacant	0	0%	12.4%
Total	4	100%	100%

- 4.144 Beacon Lane is a secondary suburban route in north-east Exeter which links the Polsloe Bridge area to Pinhoe. Given its location, the centre is likely to be particularly attractive to a walk-in catchment although there are bus stops on either side of Beacon Lane immediately adjacent to the centre. The bus routes running past the centre link it to the city centre, Honiton Road and Exwick. For those people wishing to visit the centre by car, there are a small number on on-street parking spaces on the northern side of Beacon Lane.
- 4.145 The 2015 household survey indicates that Beacon Lane does not attract any main food shopping trips although it does attract a small share of top-up food shopping trips from zones 1a (1.1%) and 1c (3%). Due to the presence of the pharmacy, the centre also has a small 3% market share for health and beauty goods shopping in zone 1c.

Polsloe Bridge.

- 4.146 Polsloe Bridge is one of the larger local centres in Exeter, located to the north-east of the city centre between Mount Pleasant and Whipton. The centre is formed of two parts, separated by a railway line and train station. Both parts of the centre lie on Pinhoe Road, with the eastern part lying on the northern edge of the highway and the western part lying on the southern edge. See plan at Appendix L for the defined extent of the local centre.
- 4.147 The 2015 land use survey undertaken by ECC reveals the following retail land use profile in the centre:

Table 4.11 – land use composition of Polsloe Bridge Centre

	2015		
	No.	%	Ave %
Convenience	2	12.5%	9.2%
Comparison	6	37.5%	39.8%
Service	8	50%	37.4%
Other	0	0%	1.2%
Vacant	0	0%	12.4%
Total	16	100%	100%

- 4.148 Of the 35 uses in the centre, 16 are in retail use. These include 2 convenience goods stores (a McColls convenience store and a Bargain Booze off-licence) and six comparison goods stores. The comparison goods stores include a florist, bicycle store and haberdashery. The remaining half of all retail units in the centre are service uses and include two health and beauty uses and four take-aways.
- 4.149 The results of the household survey undertaken in 2015 indicate that Polsloe Bridge does not attract any main food shopping trips but does attract 1.3% of top-up food shopping trips from residents of Zone 1b. The centre also attracts a 1% market share of health and beauty goods shopping from residents of Zone 4b.
- 4.150 Polsloe Bridge is approximately 0.5 miles from the city centre and Pinhoe Road comprises one of the two main vehicular routes in the eastern part of Exeter linking the city centre to Pinhoe and the rural areas beyond the city. Because of the role and function of Pinhoe Road, the centre is also visited by a number of bus services which link the centre to Pinhoe, Digby, Countess Wear and Topsham. The bus stops are located in the western part of the local centre.
- 4.151 In addition, and as previously mentioned, the centre has a train station, which is located on the line which connects Exeter St Davids to other suburban stations in Exeter and Exmouth.
- 4.152 The building styles within Polsloe Bridge local centre comprise semi-detached properties in the western part of the centre and a mixture of terraced property in the eastern part. There is some on-street parking in the western part of the centre, whilst the crescent-

shaped formation of buildings in the eastern part is now entirely in residential uses and therefore may now need to be excluded from future definitions of this centre.

Pinhoe

- 4.153 Pinhoe local centre is located close to the north-eastern edge of the Exeter urban area. The defined centre is located at the junction of Main Road, Church Hill and Langaton Lane and covers 16 different properties (see plan at Appendix M).
- 4.154 Of these properties, 11 are in 'retail' use (using the Experian GOAD classification) and are included in Table 4.12 below.

Table 4.12– land use composition of Pinhoe Centre

	2015		
	No.	%	Ave %
Convenience	3	27%	9.2%
Comparison	3	27%	39.8%
Service	5	46%	37.4%
Other	0	0%	1.2%
Vacant	0	0%	12.4%
Total	11	100%	100%

- 4.155 Around half of the retail uses in the centre are in Class A1 retail use, with the remainder in Class A2/3/5. There are three convenience goods uses including a Spar convenience store and post office, a butcher and a newsagent. The centre attracts a 2% market share of secondary main food shopping trips from Zone 1c residents and between 1%-3% of top-up food shopping trips from zones 1b, 1c, 1d and 4a.
- 4.156 Within the comparison goods sector, the centre accommodates a pharmacy and car sales uses. The 2015 household survey indicates that Pinhoe local centre attracts a range of comparison goods shopping trips, including electrical, clothing, recreational and health/beauty goods shopping trips. Clearly, given the range of retailers present, these trips are not occurring in the centre and it is possible that there is some confusion with other nearby facilities such as the out of centre Sainsburys supermarket.

4.157 In relation to accessibility, Pinhoe local centre lies on a primary route into the city from the north-east. This gives the centre an excellent opportunity to capture pass-by trade, particularly during peak times. This type of shopping is facilitated by some on-street parking spaces to the south of the centre and on Church Hill. There are also bus stops in the southern part of the centre linking Pinhoe with the city centre, Digby, Countess Wear and Topsham. Furthermore the area has a train station a short 5 minute walk away (to the south of the centre), allowing access to Honiton, the city centre and the main line rail network at Exeter St Davids.

Whipton Village

4.158 Whipton Village lies in the eastern part of the Exeter urban area, immediately to the north of Pinhoe Road which links Polsloe Bridge to Pinhoe. The centre, as defined by the Local Plan First Review, lies along both sides of Whipton Village Road and the southern part of Summer Lane. This is shown on the plan at Appendix N.

4.159 The uses within the centre are housed within a mixture of pre and post war 2/3 storey properties and, due to the narrowness of Whipton Village Road in some places, give the centre an intimate feel.

4.160 The land use survey of the centre undertaken by ECC in 2015 indicates the following retail land use pattern:

Table 4.13 – land use composition of Whipton Village

	2015		
	No.	%	Ave %
Convenience	6	28.6%	9.2%
Comparison	7	33.3%	39.8%
Service	8	38.1%	37.4%
Other	0	0%	1.2%
Vacant	0	0%	12.4%
Total	21	100%	100%

4.161 The convenience goods sector in Whipton Village comprises just over one quarter of all retail units. Retailers include Nisa and Costcutter convenience stores along with a newsagent, greengrocers and bakery. The comparison goods sector occupies one

third of all retail units and comprise a cycle shop, pharmacy, electrical goods shop, a wool shop and a charity shop. The largest sector in the centre is the service sector which occupies just under 40% of all retail units. Occupiers include hair salons and take-aways.

- 4.162 The 2015 household survey indicated that 1% of respondents within zone 1d identified Whipton as their first choice for a main food shop. In addition, 1% of respondents within Zone 3 stated that Whipton was their second choice main food destination. The market share increases dramatically for Whipton as a top-up shopping destination with a 24% share in Zone 1c (the zone in which the centre lies) and a 1% share in zone 4b.
- 4.163 In relation to comparison goods, Whipton Village had a market share across a number of categories, these were; TV, Hi-Fi, computer and photographic goods, domestic appliances, health and beauty, books CDs and DVD's, and recreation and luxury goods. Generally the share was between 1% and 3% coving a number of localised zones, however for health and beauty there was an 18% market share in zone 1c and for Books, CDs and DVDs there was a 9% share in zone 1c.
- 4.164 Given the close proximity to Pinhoe Road, Whipton shares similar accessibility characteristics to Polsloe Bridge and Pinhoe, in terms of access by bus and private car. However, given its separation from Pinhoe Road, Whipton suffers less from traffic congestion and the centre is served by a number of on-street parking spaces which narrow the highway width and slow down traffic speeds.

Winchester Avenue Local Centre

- 4.165 Winchester Avenue local centre is one of two local centres in the western part of the city (the other being Isleworth Road). The centre, as defined by the Local Plan First Review (see plan at Appendix O), comprises a small number of properties along the southern edge of Winchester Avenue. Table 4.14 below sets out the 'retail' uses within the local centre whilst other uses include a garage, doctors surgery and residential properties.

Table 4.14 – land use composition of Winchester Avenue

	2015		
	No.	%	Ave %
Convenience	1	20%	9.2%
Comparison	0	0%	39.8%
Service	3	60%	37.4%
Other	0	0%	1.2%
Vacant	1	20%	12.4%
Total	5	100%	100%

- 4.166 The single convenience goods store in the centre is Tesco Express which sells a reasonably wide range of fresh and pre-packaged goods along with beers, wines and spirits. The Tesco store is likely to be the most popular attractor to the centre. The three service uses include two take-aways and a hair/beauty salon.
- 4.167 In terms of shopping patterns associated with the centre, the 2015 household survey indicates that Winchester Avenue does not attract any main food shopping trips, but just attract 1% of top-up food shopping trips from Zone 1a residents. The survey also suggests that Winchester Avenue has a small market share for clothing and health/beauty goods, although the former is unlikely to occur as these goods are not sold from the centre.
- 4.168 In relation to accessibility, Winchester Avenue local centre lies within the heart of a residential community and is therefore likely to be primarily attractive to the local community only. As such a large proportion of trips on foot are very likely. In relation to other modes, a small amount of on-street parking is available on Winchester Avenue whilst there are bus stops to the south of the centre on Exwick Road (providing links to the city centre and Exwick).

Isleworth Road

- 4.169 Isleworth Road local centre is located a short distance to the south of Winchester Avenue local centre, with a small number of properties located on either side of the eastern end of Isleworth Road (see plan at Appendix P). In total, there are six units in

the centre and four are in retail use. The other two uses are a bookmakers and vets surgery.

Table 4.15 – land use composition of Isleworth Road

	2015		
	No.	%	Ave %
Convenience	2	50%	9.2%
Comparison	0	0%	39.8%
Service	2	50%	37.4%
Other	0	0%	1.2%
Vacant	0	0%	12.4%
Total	4	100%	100%

- 4.170 The centre accommodates two convenience goods stores – Co-op and Costcutter – which sell a reasonably wide range of convenience goods products and which will be attractive to the local community in western Exeter. However, food shopping patterns associated with the centre were not picked up within the 2015 household survey. The other two retail uses in the centre are a hair salon and a take-away.
- 4.171 Like Winchester Avenue, we consider that Isleworth Road will have a localised catchment based upon the surrounding residential neighbourhood. The catchment will also be influenced by the close proximity of St Thomas district centre. In relation to travel modes, there is some on-street parking around the centre whilst there are bus stops on Isleworth Road and Buddle Lane (providing links to Exwick, Pennsylvania and the city centre).

Potential New Local Centres

Glasshouse Lane

- 4.172 In addition to the suite of existing centres across the city, ECC has asked that our health check review exercise considers the potential for a collection of retail and other uses at Glasshouse Lane in the Countess Wear neighbourhood. These uses lie to the west of Glasshouse Lane and to the north of Greenview Court, which surrounds a small area of open space. In total, six units are provided and accommodate the following uses:

- A One Stop convenience store
- A Post Office
- Barbers shop
- A fish & chip take-away
- A charity shop
- Hair salon

4.173 Whilst this collection of uses amount be similar to some of the other smaller defined local centres in the retail hierarchy, it is, in our opinion, of greater significance than the other existing centre in the Countess Wear area, on Topsham Road. This is in relation to both the scale of the uses provided and the influence of Glasshouse Lane convenience goods stores on top-up food shopping patterns in the local area. On this basis, we consider that ECC should actively consider making the Glasshouse Lane collection of shops and services a formal Local Centre in the retail hierarchy.

Out of Centre Retail Floorspace in Exeter

4.174 In addition to the three tiers of 'town centre' within Exeter, the city also has a number of out of centre retail warehouse parks and superstores. The key retail locations are as follows (and shown on the plan at Appendix Q):

- Rydon Lane
- Stone Lane Retail Park
- Alphington Retail Park
- Alphington Road
- Marsh Barton
- Sowton
- Bishops Court
- Haven Banks

Comparison goods retail warehouses

- 4.175 Located in the eastern part of the city, **Rydon Lane** is one of the larger retail parks. The retail park contains 10 units and has 435 parking spaces. The units within the retail park are; Currys, Pizza Hut, Pets at Home, B&M, Halfords, Carpetright, Sports Direct, Dreams, DFS, and KFC.
- 4.176 Located on the south side of the River Exe within the Marsh Barton area, **Alphington Retail Park** contains 4 units comprising: Autoglass, Motoring Accessories, Brewers Paint and The Decorators Centre.
- 4.177 The largest retail park in the Marsh Barton area is **Stone Lane Retail Park**. This park extends to circa 10,000sq m (gross) and includes: Currys, Pets at Home, Harveys, Staples, Carpetright, Argos Extra, Oak Furnitureland, Matalan, McDonald's, The Carphone Warehouse and Costa Coffee. There is also a large Go Outdoors outdoor clothing and sporting equipment unit nearby. Close to Stone Lane there are three further retail units occupied by Aldi, The Range and Iceland.
- 4.178 Within the Sowton area, on the eastern side of the urban area, there are a number of retail warehouse units, including a large B&Q Warehouse (Avocet Road), Homebase and Wickes DIY stores (both on Moor Lane), Bishops Court Retail Park (Toys R Us, Snow & Rock and American Golf), Dunelm and Furniture Village stores (both on Moor Lane)
- 4.179 Finally, the Haven Banks Retail Park contains Matalan and The Range Outlet stores.

Supermarkets & foodstores

- 4.180 In addition to the retail units Exeter also has a number of super stores located throughout the city. These are as follows;
- Aldi – Exhibition Way (977sq m net)
 - Aldi – Alphington Road (1,035sq m net)
 - Iceland, Alphington Road, Exeter (400sq m net)
 - Lidl – Burnthouse Lane (1,259sq m net)
 - Lidl – Powlesland Road (1,000sq m net)
 - Morrisons – Prince Charles Road (2,945sq m net)
 - Sainsburys – Pinhoe Road (4,353sq m net)

- Sainsburys – Alphington Road (4,645sq m net)
- Tesco Extra – Russell Way (4,785sq m net)
- Waitrose – Gladstone Road (2,231sq m net)

- 4.181 Table 5a at Appendix B to this report indicates that the above stores attract around £220m of convenience goods expenditure from the study area. This can be compared with the total study area derived turnover of £290m for all convenience goods across Exeter and illustrates the dominance of out of centre grocery retailers in the city. Put another way, out of centre stores collectively attract the following share of first choice main food shopping trips: 84% in Zone 1a, 71% in Zone 1b, 90% in Zone 1c and 86% in Zone 1d.
- 4.182 In addition to these existing out-of-centre facilities, there are a number of commitments for convenience and comparison goods floorspace and these are documented in the next section of this report.

Retail Floorspace Provision in the West End of East Devon

- 4.183 Within the West End of East Devon District there are not any existing defined 'town centres' in East Devon's retail hierarchy. However, there is town centre and neighbourhood facilities planned for Cranbrook along with existing and planned retail and main town centre uses.

Cranbrook

- 4.184 Within the outline planning permission for the new community at Cranbrook, there is an allowance for Class A1/2/3/4/5 uses. The description of development limits the amount of Class A1, A2 and A5 uses is limited to 6,700sq m gross, although there is not limit placed upon the A3 and A4 uses. There is also no distinct allocation between A1, A2 and A5 uses within the overall 6,700sq m allowance.
- 4.185 It is understood, however, that the distribution of Class A1 uses across the Cranbrook development will include a main town centre and smaller neighbourhood shopping facilities. At the time of the original outline planning permission the intention of the promoters of Cranbrook was to provide a supermarket within the town centre,

alongside a wider mix of A1-A5 uses, with smaller scale convenience-style provision in the neighbourhood stores.

- 4.186 To date, one of the neighbourhood centres has been provided, which comprises a Co-op convenience store and a range of other retail and service uses.
- 4.187 As noted in Section 2 of this study, EDDC have now embarked upon the preparation of a masterplan for Cranbrook which will, when complete, be translated into a development plan document ('The Cranbrook Plan'). One of the aims of the Cranbrook Plan will be the guide the future content of the planned new town centre and this study will be an evidence base document for this strategic planning exercise.

Other retail and main town centre uses in the West End.

- 4.188 In addition to Cranbrook, the West End includes some other large scale strategic development proposals. These include Exeter Skypark and Exeter Science Park.
- 4.189 Outline planning permission was granted for the science park in March 2010 and whilst that permission concentrates upon the provision of Class B employment uses (circa 61,000sq m), the permission does allow for a mixture of main town centre uses. These include 7,300sq m of hotel floorspace 1,600sq m of Class A3 floorspace, 1,050sq m of Class A1 retail floorspace and 4,650sq m of Class D2 floorspace (for conference centre and health & fitness uses). In all cases, the retail uses permitted must be designed and operate to support the function of the science park.
- 4.190 At Skypark, the outline planning permission also allows for main town centre uses including a hotel, café, retail, conference centre and health/fitness uses. In a similar manner to the science park, there is a control over the outline permission to ensure that the retail uses provided relate to the needs of employees at the Skypark site.
- 4.191 In addition to these large scale projects, there are also the following facilities on the western side of East Devon close to Exeter:
- *Co-op store, Broadclyst. A circa 1,000sq m net store which sells a reasonably wide range of pre-packaged and fresh convenience goods, along with an in-store Peacocks concession area.*
 - *Village Stores Post Office, Broadclyst*
 - *Londis & Post Office, Clyst St Mary.*

- Wimple Stores & Post Office, Wimple.
- McColls, West Hill.
- Convenience Store, Newton Poppleford
- Post Office, Woodbury
- Darts Farm. This is a large retail and leisure destination to the east of Topsham incorporating a food hall, butchers, fishmonger, delicatessen, along with a large area devoted to the sale of comparison goods (including furniture, homewares and clothing).

5. The Need for Retail and Leisure Retail Floorspace in the Exeter Area

Introduction

- 5.1 As set out in the NPPF and NPPG, an assessment of the need for new retail and leisure floorspace is a key part of the evidence base for the preparation of development plan documents. In addition, whilst there is no longer a test of 'need' within development management, a large part of the assessment of need (i.e. the quantitative assessment of shopping patterns and store/centre turnover levels) provides a very important part of the assessment of financial impact of proposals for retail development.
- 5.2 As a consequence, this section of the retail and leisure study report examines the need for retail and leisure floorspace across the Greater Exeter area. In particular, it examines:
- The quantitative need for new retail floorspace, split into separate assessments for convenience and comparison goods floorspace;
 - Taking into account the findings of the previous section of this report, a review of the qualitative aspects of retail provision across the Greater Exeter area; and
 - A review of the qualitative aspects of leisure provision across the Greater Exeter area and also a quantitative assessment of cinema screen capacity.
- 5.3 Each of these assessments is provided in turn below.

Quantitative Assessment of Retail Floorspace Capacity

The Structure of the Quantitative Assessment Tables (Appendix B)

- 5.4 The set of quantitative need assessment tables informing this study are contained in Appendix B at the rear of this report. They are structured in the following manner:
- Table 1 – population forecasts
 - Table 2 – per capita expenditure forecasts
 - Table 3 – total available retail expenditure forecasts

- Table 4 – market share of convenience shopping facilities
- Tables 5a-5d – study area derived turnover of convenience facilities
- Table 6 – market share of comparison shopping facilities
- Tables 7a-7d – study area derived turnover of comparison facilities
- Table 8 – benchmark turnover of convenience goods facilities in the Exeter area
- Table 9 – turnover of retail commitments
- Tables 10a & 10b – quantitative need/capacity forecasts for convenience retailing in the Exeter area
- Tables 11a & 11b – quantitative need/capacity forecasts for comparison retailing in the Exeter area

Study Area

5.5 Key to the assessment of existing shopping patterns and store/centre turnover levels is the setting of an appropriate study area for the quantitative assessment. For this study, our starting point was the study area used within the 2008 Retail Study prepared by DTZ for ECC. That study area covered a large geographical area including Exeter and across a large part of Devon. We considered that this was broadly correct for the catchment area of the Exeter area, although two amendments were made for the purposes of this current study:

- There was a small increase in the southern part of the study area to include the whole of Paignton (within Torbay) and also Totnes;
- Of greater significance is the decision to amend the constituent zones in the study area. In the 2008 study, one zone covered the whole of the Exeter urban area and we considered that there was an opportunity for this latest study to provide a finer grained analysis of shopping patterns by splitting the urban area up into four distinct and separate zones. In addition, with the focus of this study also being on the West End of East Devon, we decided that Zone 4 of the 2008 study was too large and should be reduced and split into two distinct areas in order to capture the shopping patterns associated with the new community at Cranbrook.

5.6 A plan showing the study area and its constituent zones can be found at Appendix A to this report. The geography for the study area is based on postcode sectors and a

schedule of the various sectors included in each of the study area zones is also included in Appendix A.

Forecasting Dates

- 5.7 The timeframe for the quantitative assessment has been set at 2016-2033, with interim assessment years at 2021, 2026 and 2031. This enables the study to examine the phased need for new retail floorspace over this 17 year period.

Catchment Population

- 5.8 The first stage of the assessment of quantitative retail capacity is to assess the resident population of the various zones within the study area. For the purposes of this study, we have obtained population data for each zone from Experian which draws upon the 2011 Census. In relation to future population projections we have worked with ECC and EDDC officers to provide bespoke forecasts for those zones covering the EDDC and ECC administrative areas¹² and rely on Experian's forecasts for the other study area zones.
- 5.9 ECC and EDDC have provided population growth forecasts between 2013 and 2033, including the interim assessment years of 2016, 2021, 2026 and 2031. This growth has been distributed across Zones 1a-1d and 3-7 as these are the zones that cover the ECC and EDDC administrative areas. The distribution of population growth across these zones has been based upon the Councils' own district/city-wide population forecasts which have then been distributed across these zones based on future house-building.
- 5.10 For the other zones in the study area, we have relied upon Experian's forecasts up to 2033.

Price Basis

- 5.11 All monetary values in this report are in constant 2015 prices, unless otherwise stated, so as to exclude the effects of price inflation.

¹² Zones 1a, 1b, 1c, 1d and 4b for Exeter and Zones 3, 4a, 4c, 5, 6 and 7 for East Devon

Per Capita Expenditure

5.12 For this updated assessment, we have obtained up-to-date estimates of per capita retail expenditure on convenience and comparison goods from Experian, for each of the study area zones. The data which has been obtained is for the year 2015, expressed in 2015 prices.

5.13 In order to bring the per capita spending levels up to the base year for the assessment (2016) and then across the assessment period (2016-2033) we have followed these assumptions:

- Convenience goods expenditure.
 - 2016 = -0.4%
 - 2017 = -0.3%
 - 2018 = -1.1%
 - 2019 = -0.3%
 - 2020 = -0.1%
 - 2021 = no change
 - 2022 = -0.3%
 - 2023 = -0.3%
 - 2024 = -0.1%
 - 2025 = -0.1%
 - 2026 = -0.1%
 - 2027-2030 = no change
 - 2031 = +0.1%
 - 2032 = no change
 - 2033 = +0.1%

- Comparison goods expenditure.
 - 2016 = 1.9%

- 2017 = 0.7%
- 2018 = 0.3%
- 2019 = 1.6%
- 2020 = 2.3%
- 2021 = 2.9%
- 2022 = 3.1%
- 2023 & 2024= 3.2% pa
- 2025 = 3.1%
- 2026 = 3.1%
- 2027 = 3.0%
- 2028 = 3.0%
- 2029 = 3.1%
- 2030 = 3.2%
- 2031 = 3.3%
- 2032 = 3.2%
- 2033 = 3.3%

5.14 These forecasts have been provided by Experian in their Retail Planner Briefing Note 14 (2016)¹³ and take into account the influence of special forms of trading (see below).

5.15 Per capita expenditure data for convenience goods shopping and the nine different categories of comparison goods shopping are contained in Tables 2a-2e at Appendix B for 2016, 2021, 2026, 2031 and 2033.

¹³ Figure 6, Appendix 3

Special Forms of Trading (including internet shopping)

- 5.16 Given that this assessment of quantitative need for retail floorspace is designed to concentrate upon physical retail floorspace across Exeter and the West End of East Devon, it is appropriate to remove retail expenditure not made in retail shops. This element of expenditure is commonly known as 'special forms of trading' and includes mail order, internet shopping and temporary market stalls.
- 5.17 As noted above, our future forecasts for retail expenditure take into account the influence of special forms of trading. However, for the base year (2015), the following deductions have been made for convenience and comparison goods spending:
- Convenience goods shopping – 2.7% of total per capita expenditure
 - Comparison goods shopping – 12.0% of total per capita expenditure
- 5.18 For the avoidance of doubt, the per capita expenditure estimates shown in Tables 2a-2e at Appendix B exclude expenditure devoted to special forms of trading and these estimates take into account the forecast growth in internet spending over the assessment period up to 2033.
- 5.19 Tables 3a -3e at Appendix B show total available expenditure within each of the 20 study area zones, totals which are calculated by multiplying the resident population data in Table 1 with the per capita expenditure data within Tables 2a-2e.

Shopping Patterns in the Study Area

- 5.20 As outlined in Section 1 of this report, a new survey of household shopping patterns has been commissioned for this assessment. A copy of the study area plan is contained at Appendix A.
- 5.21 The survey has been structured in order to obtain information on the following types of shopping in the eleven study area zones:
- For convenience (food) goods shopping, separate information on main food and top-up food shopping trips has been obtained.
 - Comparison goods shopping has been split up into nine different categories (to match the 2008 study) including: clothes/shoes, furniture/floorcoverings, DIY,

textiles, Domestic appliances, smaller electrical goods, health/beauty goods, books/CDs/DVDs, glassware/tableware/jewellery and recreation/luxury goods. Separate shopping patterns information has been obtained for each of these categories.

- 5.22 The 'raw' shopping patterns information from the household survey has been summarised and this information is contained within Table 4 at Appendix B for convenience goods shopping and Table 6 at Appendix B for comparison goods shopping.
- 5.23 Within Table 4 (Appendix B) the market shares for the various centres in the retail hierarchy, plus out of centre stores, have been provided, with main food and top-up food shopping market shares within each of the 20 study area zones shown separately. Tables 5a to 5e turn the market share levels into study area derived turnover estimates by applying the market shares in Table 4 to the total available expenditure estimates in Table 3 (Appendix B) for each zone. In order to take account of the split between main food and top-up food expenditure, we have applied a split of 75%/25%.
- 5.24 2016 study area derived turnover levels are shown in Table 5a, with 2021, 2026, 2031 and 2033 turnover levels shown in Tables 5b-5e. For the avoidance of doubt, it should be noted that the study area derived turnover levels in Tables 5b-5e for 2021-2033 are based on constant market shares although in reality some of these levels may change when committed retail floorspace begins trading. Therefore, Tables 5b-5e should only be seen as the starting point for the quantitative assessment.
- 5.25 A similar approach is taken in relation to comparison goods shopping, with Table 6 showing the market shares of the defined centres in Exeter, along with out of centre provision in the city. Table 6 is arranged to show the market share for each settlement for each comparison goods category in each of the 20 study area zones.
- 5.26 Using a similar approach to the convenience goods assessment, Tables 7a-7e translate the market shares in Table 6 into study area derived turnover levels for each settlement, broken down into the eight comparison goods categories.

Visitor Expenditure from outside the Catchment Area

- 5.27 In order to take into account the potential for shoppers travelling from outside of the study area and spending in retail facilities in the Greater Exeter area, an allowance has been made for 'expenditure inflow'. In our view, this is a reasonable approach to take given the attractiveness of the Greater Exeter area to residents across the South West of England and also UK tourists. Bearing in mind the large size of the study area we have assumed that expenditure inflow is equivalent to 5% of study area derived turnover for comparison goods shopping. We have assumed that there will be no expenditure inflow for convenience goods shopping, again bearing in mind the size of the study area and propensity for convenience goods shopping to be based on much shorter trips than comparison goods shopping.

Existing Shop Floorspace

- 5.28 We have obtained details of existing shop floorspace in Exeter city centre and St Thomas district centre from Experian GOAD data. For the other defined 'town centres' in the retail hierarchy, we have used the 2015 land use surveys to measure the floorspace in different land use categories.
- 5.29 For the main foodstores and supermarkets across the Greater Exeter area, data has been obtained from the Institute of Grocery Distribution (IGD) database, supplemented by information from ECC and EDDC, planning application and GOAD data.
- 5.30 For those retail commitments included in the quantitative assessment (see below), floorspace information has been obtained from planning application forms and supporting information, plus data held by ECC and EDDC.

Sales Densities & Benchmark Turnover Levels

- 5.31 Having established the current turnover of existing centres/stores, it is essential to be clear whether this represents a reasonable baseline for forecasting purposes. In other words, are existing facilities trading broadly in line with 'acceptable' levels, or is there evidence that facilities are underperforming or trading at such high levels that 'overtrading' is occurring. In order to guide this assessment, a 'benchmark' turnover should be established and then compared to the actual turnovers calculated. This approach allows the determination of how existing floorspace is performing. Where actual turnover significantly exceeds benchmark turnovers then existing floorspace

may be overtrading. Conversely, if actual turnovers are significantly less than the benchmark turnover then existing floorspace may be undertrading.

- 5.32 For our quantitative assessment of convenience goods floorspace (Table 8), we have applied the latest estimates of company average performance levels (£/sq m) provided by Verdict Research for existing foodstores and supermarkets. These estimates are based on the average performance level of each retailer's convenience goods floorspace stock (i.e. total convenience goods turnover of a particular retailer divided by the total amount of convenience goods floorspace within that retailer's store portfolio), rather than its overall retail floorspace offer¹⁴.
- 5.33 For other convenience floorspace across Exeter local centres, we have applied company average performance levels where national multiple foodstores are present and our own estimated densities for other convenience goods floorspace (where existing floorspace is known).
- 5.34 For our comparison goods assessment, the large quantity of comparison goods retailers makes it very difficult to follow the same approach as the convenience goods assessment, not least because many company average performance levels will not be known. Therefore, we have a choice between making an assumption over an appropriate average sales density for all existing comparison goods floorspace or adopting the position that the current trading performance of existing stores is in equilibrium with their benchmark turnover. The latter approach is usual for retail capacity studies and was the approach taken by DTZ's 2008 study for ECC. We also consider that it is reasonably reflective of Exeter's current trading performance and the amount of floorspace which is currently present in the city centre, the district and local centres and in out of centre locations.

Commitments

- 5.35 In order to properly assess whether capacity exists for additional convenience and comparison goods floorspace in the Greater Exeter area, our assessment takes into account the following retail floorspace commitments:

¹⁴ which will comprise both convenience and comparison goods floorspace.

- **Ikea, Newcourt.** Outline planning permission has been granted for a 28,778sq m gross Ikea furniture and home furnishings store on land to the south of the A379 at Newcourt. Reserved matters permission for this store have now been granted.
- **ALDI, Exeter Road.** Full planning permission has been granted for a 1,140sq m net ALDI discount foodstore on Exeter Road between Topsham and the main Exeter urban area. This store has now been constructed.
- **Middlemoor – Devon & Cornwall Police HQ.** Planning permission has been granted for a mixed use development scheme on the Devon & Cornwall Police headquarters including retail, office and residential uses. The retail element of the permission comprises a 3,886sq m net Class A1 supermarket which was intended to be occupied by Morrisons. We understand that Morrisons may not now wish to implement this element of the permission granted by ECC.
- **Newcourt Urban Extension.** Outline planning permission has been granted for a mixed use development across part of the strategic Core Strategy allocation at Newcourt. Part of the approved scheme includes a new local centre, in line with the Core Strategy allocation. The size of the approved 'centre' is not set although we have adopted the floorspace stated on the submitted application form. (n.b. it should be noted that we have allowed for the possibility that the approved Class A1 retail at Newcourt could be either convenience or comparison goods floorspace. Whilst, on face value, this could be seen as double-counting, it does ensure that the assessment of floorspace capacity does not over-estimate future capacity).
- **Monkerton/Hill Barton Urban Extension.** The other strategic Core Strategy allocation is at Monkerton/Hill Barton. Outline planning permission had been granted on land to the north of Honiton Road (on the site that has also been subject to the recent Moor Exchange appeal¹⁵). However, ECC consider that this permission is now not capable of implementation.
- **Cranbrook.** As part of the outline planning permission for the new community at Cranbrook, an allowance is made for a new town centre and neighbourhood shopping facilities. For the town centre, we have assumed that there will be a

¹⁵ The Secretary of State issued his decision on the Moor Exchange appeal in June 2016, with permission refused.

3,500sq m gross supermarket and 500sq m of other comparison goods floorspace. This is taken from the retail strategy submitted with the outline planning application. For the neighbourhood centre, our assessment includes an allowance for the recently opened 300sq m net Co-op convenience store.

- **Replacement Lidl store, Burnthouse Lane.** Planning permission was granted in July 2015 for the demolition of the existing Lidl foodstore and the erection of a new foodstore with a larger net sales area. The existing store has a net sales area of 1,130sq m and the new store would increase this to 1,407sq m net, an increase of 277sq m. This permission has now been implemented.
- **Bus and Coach Station ('BCS') site, Exeter city centre.** As noted in the previous section of this report, outline planning permission has been granted for the redevelopment of the existing BCS site in Exeter city centre to provide a large-scale mixed use redevelopment. The development will provide for Class A retail and Class D leisure uses, including a new leisure centre. The reserved matters for this scheme have now been submitted to ECC for consideration.
- **B&Q, Avocet Road, Sowton.** A lawful development certificate has been granted for unrestricted non-food retail goods sales and sub-division of the existing B&Q at Sowton. This certificate was granted in April 2016 and there is currently no suggestion that B&Q will be vacating this retail unit in the foreseeable future. Therefore, no allowance has been made in the quantitative assessment for the B&Q unit to move away from DIY and hardware goods sales¹⁶.
- **The Range, Alphington Road.** Permission has been granted for an extension and varied range of goods within the former B&Q store on Alphington Road, which will allow The Range to occupy this unit.
- **Bus Depot, Exeter city centre.** ECC has resolved to grant planning permission for a mixed use redevelopment of the existing bus depot in the city centre. The ground floor of this development will be able to accommodate a range of Class A and D land uses.

¹⁶ Although should it do so in the future then this could have an effect on retail expenditure/floorspace capacity levels

Assessment of Quantitative Need

- 5.36 Following the establishment of the basis for the forecasts, we now go on to describe our quantitative need forecasts for convenience and comparison goods retail floorspace in the Greater Exeter area. The forecasts are based on statistical analysis contained at Tables 10a & 10b at Appendix B for convenience floorspace and Tables 11a & 11b at Appendix B for comparison floorspace. However, before we outline the forecasts, some general points should be noted.
- 5.37 In order to translate surplus expenditure capacity levels in the Greater Exeter area, we have used indicative sales densities for convenience and comparison goods floorspace. For new convenience goods floorspace, we have adopted a sales density of £12,000/sq m. For new comparison goods floorspace in Exeter, we have assumed a sales density of £7,000/sq m (assumed to rise in relation to increases in floorspace efficiency).
- 5.38 The convenience goods floorspace density adopted should be used as a guide and is more in line with the larger grocery operators such as Tesco, Sainsburys, ASDA, Waitrose and Morrisons. These retailers generally trade either in line with or above this level. In contrast, other types of grocery retailer, such as discount retailers, trade at levels well below the level used in our quantitative assessment. Thus the format in which new floorspace is provided will affect the amount of such floorspace which can be supported in terms of retail capacity. It will therefore be necessary to review the implications for retail capacity in each location as and when specific proposals for new floorspace come forward, taking account of the format of the proposed store and their likely occupiers and sales densities.
- 5.39 Similar principles apply for certain types of comparison goods floorspace. Some types of retail warehouse format, due to the need for large units and bulky goods, can have lower sales densities than high street style retailers. Therefore, the principles outlined in the paragraph above will apply. The use of an average of £7,000/sq m is reflective of national average company sales densities although it is likely that average densities in Exeter city centre are higher than this level due to the popularity of the centre and this may translate into higher densities for new comparison goods floorspace which may be provided in the centre in the future.

Convenience goods floorspace

- 5.40 For assessment of the quantitative need for convenience goods floorspace in the Greater Exeter area, we have provided two alternative scenarios: one which includes all current convenience goods floorspace commitments and an alternative which excludes the Middlemoor supermarket permission (on the basis of the current doubts over whether that permission will be implemented).
- 5.41 The scenario which includes all committed convenience goods floorspace is contained in Table 10a. It indicates that all foodstores, supermarkets and other convenience goods floorspace in the Greater Exeter area attract £336.3m of convenience goods expenditure at the base assessment year (2016). This is equivalent to a 24.5% market share in the study area.
- 5.42 The benchmark turnover of existing convenience goods floorspace is shown in Table 10a as being £329.5m (taken from Table 8) and which is lower than actual turnover levels by around £7m, which suggests a very small under-supply of convenience goods floorspace. When committed convenience goods floorspace is added in to the quantitative assessment then this turns into an over-supply and is equivalent to a negative capacity of circa £72m.
- 5.43 Moving forwards across the assessment in this scenario, and assuming a constant market share, Table 10a indicates that the over-supply remains until 2033 and whilst it does fall it still remains at circa £4.6m.
- 5.44 Based upon an indicative sales density for new convenience goods floorspace of £12,000/sq m, this over-supply equates to 5,500sq m net in 2016, 1,700sq m net in 2026 and 380sq m net in 2033.
- 5.45 The alternative capacity scenario is contained in Table 10b, which excludes the Middlemoor supermarket commitment. The exclusion of this commitment does reduce the over-supply of convenience goods floorspace in the Greater Exeter area although the over-supply remains until 2026 when a small surplus arises (£11.8m / 993sq m net) and rising to 1,966sq m net in 2031.
- 5.46 These assessments indicate there is unlikely to be a clear quantitative need for new convenience goods floorspace across the Exeter area when it is considered as a whole in the short to medium term and even the longer term need is relatively modest. Whilst

this is an important consideration in the approach that ECC and EDDC should take to planning for convenience goods floorspace, there may be parts of the Exeter area that are underserved in terms of convenience goods floorspace provision. As such, this Exeter-wide quantitative assessment should be considered alongside the qualitative assessment of need (see later in this section) which examines the quality and distribution of convenience goods floorspace across the Exeter area. Indeed, where a qualitative deficiency is established, a further finer grained quantitative expenditure capacity assessment, focusing upon part of the Exeter area, may be able to establish that a quantitative need for additional provision does indeed exist.

- 5.47 For example, one such area may be Cranbrook. It has been a long-standing aspiration for the new settlement to provide retail facilities, the majority of which would be provided in the new town centre. Indeed, the outline planning permission that has been granted includes for a new foodstore which would act as an anchor for the centre.
- 5.48 Cranbrook lies within Zone 4a of the study area and will become the main settlement in this area. However, it is not the only settlement in this area, as it will sit alongside Whimple, Broadclyst, Aylesbeare and Rockbeare (some of which have their own small-scale retail facilities). Therefore, it should not be automatically assumed, from a technical rather than a policy judgement perspective, that all current and future expenditure in Zone 4a should be available to new retail facilities in Cranbrook. Similarly, it may not be appropriate to rely on expenditure from other surrounding zones given, for example, the presence of Ottery St Mary in Zone 4c, Zones 1a-1d covering the Exeter area and Zone 4b including Topsham. In addition, it will also be important to acknowledge that the strength and attractiveness of convenience goods facilities in Exeter could continue to attract Cranbrook residents due to, for example, their size or being used in combination with visits to Exeter for work or other types of shopping.
- 5.49 Therefore, when judging, from a technical perspective, what could be a reasonable future market share for retail facilities in Zone 4a, consideration should be given to the content of retail floorspace proposals in Cranbrook and also the on-going strength of retail facilities in Exeter.
- 5.50 We have therefore undertaken an indicative analysis which takes into account the above factors and is shown in Tables 5.1 and 5.2 below.

Table 5.1 – indicative convenience goods floorspace capacity in Zone 4a (65% retention)

Year	Total Spending Zone 4a	Retention	Retained Exp	Sales Density	Floorspace Capacity (sq m net sales)
2016	£27.0m	65%	£17.5m	£12,000	1,460
2021	£36.3m	65%	£23.6m	£12,001	1,965
2026	£45.7m	65%	£29.7m	£12,002	2,473
2031	£55.4m	65%	£36.0m	£12,003	3,003
2033	£59.4m	65%	£38.6m	£12,004	3,217

Table 5.2 – indicative convenience goods floorspace capacity in Zone 4a (75% retention)

Year	Total Spending Zone 4a	Retention	Retained Exp	Sales Density	Floorspace Capacity (sq m net sales)
2016	£27.0m	75%	£20.2m	£12,000	1,684
2021	£36.3m	75%	£27.2m	£12,001	2,267
2026	£45.7m	75%	£34.2m	£12,002	2,854
2031	£55.4m	75%	£41.6m	£12,003	3,465
2033	£59.4m	75%	£44.5m	£12,004	3,712

- 5.51 The table shows that if convenience goods stores in Zone 4a were to retain 65% of convenience goods expenditure generated by residents of this zone then there would be an indicative capacity of around 2,000sq m net by 2021, rising to circa 3,200sq m net at 2033. In order to arrive at a 'net' additional capacity figure then the floorspace of existing facilities should be taken into account. These existing facilities include the Co-op store in Broadclyst, the new Co-op convenience store in Cranbrook and stores in Clyst St Mary and Whimple. If these existing stores provide around 1,500sq m of convenience goods floorspace then, on an indicative basis, this would leave a surplus of 1,700sq m net by 2033.
- 5.52 Table 5.2 provides an assessment based upon a 75% retention and suggests that 'gross' capacity will be 3,700sq m net by 2033. The 'net' additional capacity equivalent by 2033 (using the assumptions about existing floorspace, above) would be 2,200sq m net.
- 5.53 When considering the realism of these market share assumptions, it should be noted that there is very little retention of first and second choice main food shopping trips

within stores in Zone 4a, although the Co-op in Broadclyst is able to retain around 20% of top-up food shopping trips. Around 60% of first and second choice main food shopping trips from Zone 4a residents flow to stores in Exeter, particularly the Sainsburys in Pinhoe, the Waitrose in Heavitree and the Tesco Extra at Digby. In addition, there is also leakage of expenditure to the new Sainsburys in Ottery St Mary and stores in Honiton.

- 5.54 As a consequence of the above, the retention of either 65% or 75% of all convenience goods expenditure will represent a significant step-change in shopping patterns in Zone 4a. However, should this be achieved then it is likely to accommodate the size of foodstore which was envisaged at the time of the original outline planning permission for Cranbrook.
- 5.55 However, it should be noted that this is very much a technical assessment, and EDDC (in co-operation with ECC) also have the opportunity to make policy-based judgements which can influence the amount of retail floorspace which can be provided in Cranbrook. For example, attaining higher market share levels in Cranbrook can be assisted by controlling the amount of new and/or unrestricted retail floorspace in the Exeter urban area. Also, qualitative factors may suggest that a higher amount of retail floorspace (than suggested by a quantitative assessment) would be beneficial for the Cranbrook area and achieve a number of wider sustainable planning objectives.

Comparison goods floorspace

- 5.56 Turning to comparison goods floorspace in the Exeter area, we have, like the convenience goods assessment, provided two assessment scenarios. These are based on a continuation of the current market share of the Exeter area across the assessment period (Table 11a) and an alternative which examines a rise in market share as a consequence of the potential trading effect of the Ikea commitment at Newcourt.
- 5.57 The constant market share scenario is shown in Table 11a at Appendix B. Our quantitative assessment of shopping patterns indicates that around £940m of comparison goods expenditure is flowing to comparison goods stores across the city, comprising the city centre, retail warehousing, district and local centres and other out

of centre retail floorspace. This represents a market share across the study area of 48.6%, which is an improvement on the 41% market share for Exeter in the 2008 study¹⁷.

- 5.58 Like the 2008 study, we have made an allowance for expenditure inflow into Exeter from outside of the study area, to reflect the role and attractiveness of the city centre. We have applied our expenditure inflow estimate of 5% to all comparison goods floorspace across the city (c. £47m) to the study area derived turnover, provides a total turnover of £988m for comparison goods floorspace in Exeter.
- 5.59 In order to derive a surplus expenditure estimate for Exeter, Table 11a sets a benchmark turnover of £988m for existing comparison goods floorspace. This therefore assumes that the benchmark turnover of existing floorspace is in line with actual 2016 turnover levels (i.e. equilibrium). This is in line with the approach taken in the 2008 study and whilst the 2016 benchmark set by this study is higher than the equivalent combined benchmark for city centre and out of centre stores set by the 2008 study, we have taken into account the introduction of the large new John Lewis store (which wasn't taken into account in the 2008 study) and the fact that the 2008 study was completed only one year after the opening of the Princesshay development (and thus may not have reached a settled trading pattern at that point).
- 5.60 On the basis of this approach to benchmark turnover, Table 11a indicates that surplus comparison goods expenditure capacity will not arise until after 2021. At 2026 the level of surplus comparison goods expenditure will be £160m which, based upon a sales density of £7,000/sq m at 2016 (and increasing in line with floorspace efficiency) equates to a floorspace capacity of 6,420sq m net.
- 5.61 Beyond 2026, Table 11a at Appendix B indicates that there will be capacity for an additional 19,400sq m of net comparison goods sales floorspace by 2031 and 25,300sq m net by 2033. This is a substantial level of additional capacity although this is based upon longer term expenditure growth forecasts and therefore should be treated with some caution. Indeed, given the requirement to continue to review the evidence base, and also given the potential for the Councils to grant planning permissions for additional retail floorspace (which has not been included in this analysis), it may not be
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¹⁷ Although it must be remembered that the study area for this current assessment is slightly larger than the study area in the 2008 DTZ assessment

appropriate to place any significant weight on the capacity figures beyond 2026. This assessment does nevertheless indicate the opportunity for growth should Exeter be able to maintain its market share in an environment where comparison goods expenditure continues to grow in the medium to longer term.

- 5.62 Our alternative comparison goods floorspace capacity assessment is contained in Table 11b at Appendix B and models an increased comparison goods market share for Exeter. This is based on the trading impact of the proposed new Ikea store at Newcourt. The large size and attractiveness of Ikea stores have the potential to attract a large amount of shopping trips and have the ability to materially increase the market share of settlements in which they locate.
- 5.63 As a consequence, Table 11b at Appendix B models an increase in market share for Exeter from 48-50% to 50-52% over the period 2016-2033. In absolute percentage terms this may not appear to be a significant increase although this is equivalent to 62% of a £48m turnover for Ikea being diverted from outside of Exeter and is in the context of already large market share for Exeter in the study area. The consequence of this increase in market share is an increase in the medium to longer term capacity for the Exeter area although it does not eliminate the shorter term over-supply of floorspace when commitments are taken into account. Table 11b indicates that the capacity by 2026 will be circa 11,000sq m net, rising to 25,000sq m net by 2031.
- 5.64 The assessments of expenditure capacity in Tables 11a and 11b show a potentially substantial capacity for additional comparison goods expenditure in the Exeter area in the longer term. However, as noted above, a number of factors could influence these future capacity levels, such as unforeseen changes in economic conditions (i.e. the effects of the UK leaving the European Union) and the grant of planning permission for comparison goods floorspace not included in this assessment.
- 5.65 In addition, the quantitative assessment is a product of population and retail expenditure growth and must be considered alongside other factors such as qualitative indicators of need, the demands of the retail sector and the impact of providing additional retail floorspace in different parts of the Exeter area. For example, whilst there may be quantitative expenditure capacity for circa 25,000-30,000sq m of net additional comparison goods floorspace in the longer term (i.e. 2033), there may not be sufficient 'retail market' demand to deliver this amount of space or, where there is demand, it has the potential to lead to harmful effects upon the health of existing and

planned centres and also the potential to invest within centres (such as Exeter city centre) to meet other parts of the identified capacity.

- 5.66 These issues are returned to later in this report, as we move towards a recommended retail and town centres strategy for the Exeter area.

Qualitative Retail Need Assessment

- 5.67 Turning to the qualitative review of existing retail provision, we have undertaken separate assessments for convenience and comparison goods shopping. Within the both assessments we have considered issues such as deficiencies and gaps in provision, the quality of existing provision, overtrading, choice and completion and location specific needs.
- 5.68 In relation to **convenience goods** shopping, we consider that there is good choice and competition within the Exeter urban area. There are four existing large supermarkets (two Sainsburys stores, one Tesco Extra store and one Morrisons) which offer a very wide range of convenience goods and which are supplemented by a medium sized Sainsburys in the city centre and four discount foodstores, Waitrose, Marks & Spencer and then smaller convenience stores across the city.
- 5.69 In terms of distribution, this wide range of facilities is relatively evenly distributed and there is not a particular geographic area where there is an obvious 'gap'. The two areas where there is perhaps a lower level of provision is to the west of the River Exe and in Topsham where convenience stores are available but they are small in size, although the recently constructed ALDI store will remove this gap.
- 5.70 A comparison between Tables 5a and 8 at Appendix B enables an assessment of the trading performance of existing stores against benchmark. Such an assessment cannot solely identify 'overtrading' as an inspection of stores in terms of congestion is also required. However, in terms of the comparison against benchmark, Tables 5a and 8 indicate that stores in the city centre, Heavitree and St Thomas district centres are collectively trading below average. In contrast, stores in Topsham district centre trade above average which is likely to be a sign of the slightly isolated nature of Topsham.
- 5.71 There is also a mixed trading performance in out of centre stores, including some large supermarkets that trade above average and some that trade below. However, one noticeable aspect is the good trading performance of the four discount foodstores.

- 5.72 The final aspect to consider is whether there are location-specific needs across the Exeter area and in this respect we have focused upon Cranbrook, Monkerton and Newcourt. In relation to Cranbrook, existing permissions provide the opportunity for around 3,500 new homes and the resident population that they will create will require easy and convenient access to shops selling convenience goods. Without any provision in Cranbrook itself, local residents would be required to use the small-scale village stores in Clyst Honiton, Whimble and the slightly larger Co-op in Broadclyst. Alternatively, longer journeys into Exeter would be required, with the closest large supermarkets being Waitrose near Heavitree, the Tesco Extra at Digby and the Sainsburys at Pinhoe. In our opinion, this would be an unsustainable situation and it was therefore entirely appropriate for the outline permission to include the opportunity to provide a town centre and neighbourhood shopping facilities.
- 5.73 One of the neighbourhood centres has already been provided and a Co-op convenience store is able to serve the smaller scale and top-up food shopping needs of the local community. The household survey was conducted prior to the Co-op store opening and therefore the impact of the store is not known. However, it is likely that food shopping trips will still leak from Cranbrook to surrounding settlements. Table 4 (Appendix B) of the quantitative assessment indicates that main food shopping trips in Zone 4a (the zone in which Cranbrook sits) flow to supermarkets on the eastern side of Exeter (Sainsburys-Pinhoe, Tesco, Waitrose), Ottery St Mary and Honiton whilst the Co-op at Broadclyst is able to attract around one fifth of all top-up food shopping trips.
- 5.74 In light of this situation, it is appropriate for EDDC to promote a large supermarket in Cranbrook which can retain a higher proportion of trips. In terms of the ability to achieve this aim we consider that there are three challenges. The first is the current state of the grocery retail market with many of the mainstream operators becoming very cautious over their new store opening programme. This does raise a concern over the original aspiration to provide a supermarket in the short term although it is important to also note that the discount operators (ALDI & Lidl) are much more active at the present time and this may present an opportunity.

- 5.75 The second is the evolving size of Cranbrook which, whilst growing rapidly, is still only around 1,000 homes. At this scale, and with an average household size of 2 people, the current spending power is £4.5m¹⁸. If the average household size is 2.5 persons, then the current spending power is £5.6m. This level of available expenditure is insufficient to accommodate a large supermarket although it could accommodate a smaller discount-style operator. Therefore, in order to secure representation in Cranbrook in the short-term an operator may have to accept a lower than average turnover until the settlement grows in size.
- 5.76 The third issue is the overall likely future size of Cranbrook and the retail expenditure capacity that it could accommodate. The recently adopted East Devon Local Plan outlines the aspiration for 8,000 homes. At an average size of two persons per dwelling, an 8,000 home settlement has the potential to provide £35.6m of convenience goods expenditure¹⁹. At an average of 2.5 persons per unit, this would provide a total pot of convenience goods expenditure of £44.6m. These calculations show the potential of Cranbrook as a source of retail expenditure and, if the settlement can retain the majority of this expenditure then there is the potential to accommodate a modest-sized mainstream supermarket along with a discount foodstore and smaller scale neighbourhood provision. However, the ability to achieve this level of provision will be directly influenced by the tendency of local residents to continue to use foodstores and supermarkets in Exeter.
- 5.77 Looking at the two planned urban extensions at Monkerton/Hill Barton and Newcourt, the Core Strategy and draft DDP both allocate local centres in these areas. ECC's rationale for the allocation of local centres is that this level and type of provision should serve the day-to-day needs of these new communities and rather than serving a wider catchment. Put another way, there is no wider qualitative need in the eastern and south-eastern parts of the Exeter urban area (i.e. wider gap area or lack of choice and competition) which would dictate that a district centre or larger level of provision should be accommodated. Planning permissions have now been granted for local centre style facilities in both of these strategic allocations and therefore we do not

¹⁸ based on the current per capita convenience goods expenditure rate of £2,228 for Zone 4a.

¹⁹ again, this is based on the current per capita convenience goods expenditure rate of £2,228 for Zone 4a.

consider that there is a need for a change in the retail/town centres strategy for the identification of new centres.

5.78 Therefore, overall, with a good level of provision across the Exeter urban area we do not consider that there is an immediate qualitative need for additional convenience goods facilities. The two exceptions to this are location-specific needs associated with the two strategic allocations (Monkerton/Hill Barton and Newcourt) where smaller scale retail facilities are appropriate. Outside of Exeter, the main area of qualitative need is in relation to Cranbrook. Whilst a new Co-op convenience store has recently opened, there will be a growing qualitative need in the coming years as the population of Cranbrook continue to grow and there is a need to curtail shopping trips outside of the settlement to Exeter, Ottery St Mary and Honiton.

5.79 Turning now to the qualitative aspects of comparison goods provision in Exeter we have also considered factors such as deficiencies/gaps in provision, consumer choice, overtrading, location-specific needs and the quality of existing provision and provide the following assessment:

- [Deficiencies/gaps in provision](#). The assessment of 'town centre' health and out of centre retail provision in Section 4 of this report has shown that there is a wide range of comparison goods uses across Exeter, particularly concentrated in the city centre and out of centre retail warehouse provision. Concentration in these two types of location is a product of the requirements of the comparison goods retail sector, with local and district centres generally providing for smaller scale local independent traders²⁰. This is a potential point of difference between the comparison and convenience goods assessments, although we do not consider that it would be appropriate to claim a deficiency or gap in provision in local and district centres as the market is unlikely to fill such a 'gap'. In terms of types of comparison goods facilities in Exeter, all key types are provided for. For example, the John Lewis store has added an additional department store which was a key aspiration of the previous (2008) retail study, whilst there is a good range of non-bulky and bulky comparison retailers in the city centre.

²⁰ The exception to this being St Thomas and the Exe Bridges retail units

- Consumer choice and competition. The above analysis is also useful for the consideration of choice and competition for comparison goods retailing in Exeter. The range of comparison goods stores in Exeter city centre is broad with many of the main national multiple retailers present. Indeed, the level of choice available in comparison goods stores is likely to be a key reason why the city centre has such a large catchment across a large part of Devon, drawing in visitors from East Devon, Mid Devon, Teignbridge, Torbay and West Devon.
- Over-trading. The measurement of over-trading in comparison goods stores is much harder to judge than convenience goods stores and in particular supermarkets. Whilst the city centre in particular is very popular and does become congested at peak times, we do not consider that this amounts to a significant level of over-trading. That said, however, the popularity of the city centre and its trading performance does present opportunities for the provision of additional retail facilities and the opportunities for this provision are discussed in the next section of this report.
- Location-specific needs. As noted above, with the comparison goods sector concentrating upon the city centre and out of centre provision, any perceived gaps in comparison goods provision within the existing district and local centres are unlikely to be met by a significant amount of new comparison goods space. ECC has recently considered planning applications for a considerable amount of comparison goods floorspace within the Monkerton/Hill Barton area and has resisted them on the basis that *inter alia* they do not meet a location specific need and instead would serve a much wider catchment in a similar manner to the city centre. An appeal against the decision of the Council was heard at a public inquiry in December 2015 and the Secretary of State dismissed this appeal in summer 2016.
- Quality of provision. The final area of assessment has been the quality of existing provision and this is considered to be generally very good. The Princesshay development has provided a large amount of quality modern retail floorspace which has proved very popular with national multiple retailers. Within other parts of the city centre, the Guildhall Centre also provides reasonably modern accommodation and has recently been subject to a number of refurbishment works. Within other parts of the city centre, the more traditional floorspace stock is also popular given the general lack of many vacancies. Nevertheless, given that the

retail industry remains a fast-moving sector with changing and evolving retailer requirements, it will be in the Council's interests to ensure that allocations in and around Exeter city centre allow the quality of comparison goods retail floorspace to be maintained and enhanced.

Leisure Assessment

Qualitative Review

5.80 The main body of information informing the qualitative assessment of leisure provision can be found in the city centre health check section of this report and we would make the following observations:

- Food and drink uses. There has been a general perception in some quarters over recent years that Exeter is under-provided for in terms of food and drink uses. The land use data in the health check assessment indicates that the proportion of restaurant, café and take-away uses in the city centre has been slightly below average, although there has been a growth in the number of uses in recent years. This improvement has been helped by the provision of café and restaurant units within the Princesshay development and Queen Street / Guildhall and we would expect a further improvement with the likely inclusion of food and drink uses in the planned redevelopment of the Bus and Coach Station site.
- Cinema. Exeter has four cinema facilities: Vue, Odeon, Picturehouse and Phoenix. All of these are in the city centre, with the largest being the Vue with 7 screens, followed by the Odeon with 4. It is clear from the results of the household survey that these facilities are popular, particularly the Vue cinema, as there is no discernable leakage of trips from Exeter residents (Zones 1a-1d). In addition, these facilities draw cinema-going trips from a wide catchment.
- Theatre. Experience suggests that only the larger towns and cities are able to support a successful theatre and Exeter benefits from the Northcott (which has a close association with the University of Exeter). There is also the Barnfield Theatre and the small Bike Shed theatre in the city centre. The 2015 household survey indicates that these three facilities retain the majority of trips from those Exeter residents (Zones 1a-1d) that visit the theatre. However, there is some leakage of

theatre-going trips to Plymouth which is unsurprising given the strength of the Theatre Royal in Plymouth city centre.

5.81 In addition to the above leisure uses, the 2015 household survey provides information on the usage of leisure centres. The survey confirms that the Riverside leisure centre and the city centre (presumably the Pyramids leisure centre) share the majority of trips. The Riverside centre is the more modern of the two facilities, although the planned redevelopment of the Bus and Coach Station site will provide a new leisure centre that will replace the Pyramid centre. The new facility will provide a pool, fitness suite, spa, crèche and soft-play facilities.

Quantitative Cinema Screen Assessment

5.82 Whilst many types of leisure uses do not lend themselves to a quantitative assessment of need, it is possible to assess the quantitative capacity for cinema screens. Our assessment is contained at Table 12 in Appendix B to this report, employing the methodology:

- The assessment uses the same study area as the retail floorspace capacity forecasts, including the 20 constituent zones.
- The 2015 household survey commissioned for this study included questions regarding the cinemagoing habits of survey respondents, including, most importantly, the usual destination for cinema visits. This information has enabled us to analyse the market share of Exeter for cinema-going in the study area.
- As the same study area as the retail assessment has been used, the cinema assessment adopts the same resident population projections for each of the 20 zones.
- The assessment follows the following step-by-step methodology:
 - Calculate population per zone.
 - Calculate the average number of cinema visits per person per annum. Data for this calculation has been obtained from the latest version of Cinemagoing by Dodona Research. At present, the average rate is 2.58 visits per annum and this is forecast by Dodona to rise to 2.64 over the period 2021-2033.

- Calculate the total attendance rate in the catchment by multiplying the resident population by the average number of visits.
- Calculate Exeter's market share which, as set out above, has been derived from the 2015 household survey.
- Calculate the Exeter attendance rate by applying the market share to the total attendance rate.
- Calculate the cinema screen capacity for Exeter by dividing Exeter's attendance rate by the average number of visits per screen (which Dodona calculate to be 42,000 per annum).

5.83 The result of this exercise is shown in Table 12 and provides a constant market share scenario for cinema screen capacity in Exeter – i.e. assuming that the city's current cinemagoing market share will remain the same over the period 2016—2033. In this scenario, Table 11 shows that the cinema screen capacity for the city is 18 at 2016, rising to 22 by 2033.

5.84 At the present time, Exeter has four cinemas (Odeon, Vue, Phoenix Arts Centre and the Picturehouse). These provide 14 screens in total and therefore our quantitative assessment suggests that there is capacity for an additional four screens at the present time and this will rise to a capacity for eight additional screens by 2031/33.

5.85 In order to increase quantitative capacity, Exeter would need to raise its market share. This appears to be a difficult aspiration to achieve given that the city is already retaining 100% of cinema trips from Exeter residents (Zones 1a-1d) along with a good market share in many of the survey zones.

5.86 However, even on the basis of a constant market share for Exeter there is capacity for the provision of additional cinema screens. This capacity can potentially be taken up by the current proposal to redevelop the Bus and Coach Station site in Exeter city centre which includes provision for Class D2 uses (alongside other retail and leisure uses). This provides an opportunity to further enhance the provision of cinemas in the city centre which already accommodate the Vue, Odeon and Picturehouse facilities.

5.87 Moreover, cinemas are relied upon by some food/drink and other leisure operators to locate in town centres and therefore the provision of a new cinema has the potential to provide wider benefits than just the cinema facility itself.

- 5.88 However, it should be noted that this capacity for additional cinema screens will be affected by the provision of new cinemas elsewhere in the catchment, particularly where they erode the city's market share in the wider study area (such as the new arts centre with cinema facilities in Teignmouth).

6. Assessment of Potential Retail & Leisure Development Sites and Recommendations Regarding Development Plan Policy

Introduction

- 6.1 Following the assessment of the need for additional retail and leisure floorspace across the Exeter area, there is a requirement, under paragraph 23 of the NPPF, to allocate sites commensurate with the level of identified need.
- 6.2 The identification of sites should follow the sequential approach with paragraph 23 of the NPPF noting that needs should be met in full and should not be compromised by limited site availability. Indeed, consideration should be given to the need to expand town centres in order to ensure a sufficient supply of suitable sites.
- 6.3 After the allocation of in-centre sites, paragraph 23 indicates that the next area of search should be edge-of-centre sites which are well connected to the centre. Paragraph 23 does not specifically endorse the allocation of out-of-centre sites and instead notes that:

“If sufficient edge of centre sites cannot be identified, set policies for meeting the identified needs in other accessible locations that are well connected to the town centre”.

- 6.4 The NPPG notes that:

“When identifying sites, the suitability, availability and viability of the site should be considered, with particular regard to the nature of the need that is to be addressed”.

- 6.5 Whilst it is not specifically addressed at either plan-making or decision taking situations, the NPPG has the following advice in relation to locational requirements and the sequential test:

“Use of the sequential test should recognise that certain main town centre uses have particular market and locational requirements which mean that they may only be accommodated in specific locations. Robust justification must be

provided where this is the case, and land ownership does not provide such a justification”.

- 6.6 Based upon this long-established town centres first policy, GVA have worked with ECC officers to identify sites in and around Exeter city centre which will be assessed in terms of their ability to meet the identified need for additional comparison goods retail floorspace and key leisure uses. GVA have also agreed with ECC and EDDC officers that the locational-specific need for convenience goods floorspace in Cranbrook should also be part of the site assessment exercise, along with the ability of Cranbrook to accommodate part of the identified wider need for comparison goods floorspace.
- 6.7 Given that there is not an identified overriding need for new convenience goods floorspace in Exeter beyond existing and committed provision and the local centre allocations in the Core Strategy, and given that significant comparison goods shopping does not take place in local and district centres, our site assessment analysis has not considered district and local centres. However, that is not to say that district and local centres do not present an in-principle suitable location for retail development, as and when appropriately scaled proposals come forward.

Site Assessments

- 6.8 The sites, in and around Exeter city centre, which have been identified are as follows:
- The Bus and Coach Station ('BCS') site;
 - The bus depot site on Belgrave Road;
 - The Corn Exchange / South Street area (including retail property on the western side of Fore Street);
 - The Harlequins Shopping Centre;
 - A number of existing city centre car parks including Mary Arches Street, Howell Road, Magdalen Street and Magdalen Road;
 - Land to the west of High Street and around Musgrave Row.
- 6.9 Plans showing the location of these sites can be found at Appendix R to this report.

Bus and Coach Station

- 6.10 The BCS site has been allocated for mixed use development in the Exeter Local Plan First Review and the Exeter Core Strategy. Within the Core Strategy, the BCS site is allocated for 30,000sq m of comparison goods retail floorspace, which the supporting text to the policy indicates is in response to the retail floorspace capacity forecasts in the 2008 DTZ retail study.
- 6.11 The BCS site currently accommodates the main bus and coach station in Exeter, along with a number of retail and other commercial properties along Sidwell Street and Paris Street. There is also a surface level car parking area within the centre of the site.
- 6.12 In 2015, an outline planning application for mixed use development on the BCS was submitted by The Crown Estate and TIAA Henderson and permission was granted by ECC in 2016. The application proposes circa 27,500sq m of new floorspace²¹ and would allow for the provision of up to 11,000sq m of Class A1 retail space, a new bus station, up to 9,500sq of Class A3 cafes and restaurants, up to 4,700sq m of Class D2 leisure and between 5,500-6,100sq m for a new leisure centre. A reserved matters application for the commercial elements of the scheme was submitted to ECC in December 2016 and includes provision for 6,188sq m gross Class A1 retail floorspace (along with A3, A5 and D2 land uses).
- 6.13 The BCS site lies in a sequentially preferable location for new retail and leisure development. Whilst the site abuts the edge of the defined Primary Shopping Area ('PSA') boundary in the Local Plan First Review, we consider that the context has now changed and the retail units along Paris Street and Sidwell Street are now part of the PSA which would make the BCS site an in-centre site for the purposes of the sequential approach. Indeed, the site is well suited to provide the next phase of retail and leisure development in the city centre, as it abuts the Princesshay shopping centre and the John Lewis department store.
- 6.14 Based upon the quantitative need forecasts, the BCS site makes a significant contribution (along with the Ikea store commitment) to the lack of short to medium

²¹ Plus the demolition of circa 7,200sq m gross floorspace

term quantitative capacity for additional comparison goods floorspace in the Exeter area up to 2026.

- 6.15 In addition, based upon the findings of the qualitative review of retail and leisure need, we would suggest that the BCS site is also able to accommodate short to medium term demand for new retail and leisure floorspace. In particular, the current outline planning application proposals allow the site to accommodate a large range of unit sizes, making it a suitable in-centre location for different types of Class A and D uses.
- 6.16 As a consequence, we recommend that ECC's development plan documents continue to allocate the BCS for retail and leisure development. It should be identified as the main location for new retail and leisure uses in the city over the short to medium term and will be the focus for the sequential test as and when proposals for edge and out-of-centre retail and leisure development are considered by the City Council.

Bus Depot

- 6.17 Adjacent to the BCS site is the current Bus Depot premises. It is separated from the BCS site by Cheeke Street and is surrounded by highway (Bampfylde Street and Summerland Street). Associated with the proposals to redevelop the BCS site, we understand that there are plans to relocate the bus depot function to Matford and thus making this site available for redevelopment. The location of this site is best described as being edge-of-centre by virtue of it being adjacent to retail and other commercial properties along Sidwell Street (albeit these properties currently turn their back on the bus depot site). As a consequence, the bus depot site should be ranked behind the BCS site in terms of the sequential test although it is nevertheless a preferred location for main town centre uses.
- 6.18 In terms of the suitable uses for this site, we consider that a number of possibilities are available. The site has the opportunity to provide active ground floor uses, including retailing and leisure and to provide connections between Sidwell Street, the BCS site and the adjacent Vue multi-screen cinema. The upper floors of new development on this site can accommodate hotel, residential (including student accommodation) and office uses and we consider that commercial attractiveness for student housing to be particularly high.
- 6.19 It is therefore recommended that the bus depot site be identified for redevelopment for a mixture of main town centre land uses, including the need for active ground floor

uses and the need to ensure that development which comes forward on this site complements the adjacent BCS redevelopment proposals. Such an approach is supported by the decision of ECC to resolve to grant planning permission for a mixed student accommodate / retail / leisure scheme on this site.

Corn Exchange / South Street

- 6.20 The Corn Exchange / South Street area lies at the southern end of the PSA in the city centre. The area which has been identified by ECC for analysis includes the retail and other commercial properties on both sides of South Street and a mixture of land uses within the highway network of Fore Street, South Street and Market Street. As part of the wider area, we have also considered the properties on the western side of Fore Street between Mary Arches Street and North Street.
- 6.21 South Street is a gently sloping street (from west to east) containing a mixture of 1, 2 and 3 storey post-war buildings along with a church and the remains of part of the historic city on the northern side of the street. There is also a two-storey property on the northern side of the street associated with the cathedral school. The post-war buildings are typical in style and generally accommodate retail and other service uses. Part of the northern side of the street accommodates some unattractive single-storey units which detract from the character and appearance of the area, bearing in mind the whole of this area lies within a Conservation Area and adjacent cathedral gardens area.
- 6.22 To the south of South Street, are further retail and commercial uses, a NCP car park, Exeter Corn Exchange, restaurants, a snooker club and residential accommodation. The majority of properties in this area contain 3 storeys and have a distinctive post-war style which matches a number of other properties across the city centre. For example, a similar post-war style of property can be found to the west of Fore Street, which contains a large retail unit formerly occupied by BHS.
- 6.23 In relation to highway infrastructure in the local area, Fore Street is part of the pedestrianized area of the city centre and South Street and Market Street are one-way vehicle routes. There is also a highway (George Street / Guinea Street) which runs through the centre of this area and provides rear access to properties on South Street and Fore Street.

- 6.24 Overall, this area is very much part of the secondary shopping area of the city centre and which has been reinforced by the opening of the Princesshay development. The BCS site redevelopment has the potential to further reinforce the north-eastern part of the city centre as a key retail and leisure destination and therefore it is appropriate that ECC considers how the South Street / Corn Exchange area can improve its contribution to the wider attractiveness of the city centre. This contribution should consider how the area can complement and not compete with the core shopping area.
- 6.25 The South Street / Corn Exchange area does exhibit a number of key attributes which should be considered by ECC. The first is the ownership of a large part of this area by ECC. ECC control the majority of properties on both sides of South Street and also most property (apart from the Acorn Centre) in the Market Street, Fore Street, South Street block. This presents a positive opportunity for ECC to control and promote redevelopment and refurbishment of this area. Clearly, a number of different leasehold interests will be in place, and which will need to be managed in order to secure change/redevelopment, however this large-scale freehold ownership does allow ECC to plan for the long-term future of this area now. Indeed, this planning may take the form of making properties available for redevelopment or operating a letting policy which targets a certain type of business (and which accords with the Council's agreed strategy for the area).
- 6.26 The location of the South Street / Corn Exchange area is also important. It lies in close proximity to the cathedral and cathedral gardens, which boasts a very attractive environment and an area which is very well frequented by visitors to the city. However, whilst there is a pedestrian link from South Street to the cathedral (close to the junction with Fore Street), much of the rest of South Street turns its back on the cathedral area. Coupled with the negative contribution that a small number of buildings make to the character and appearance of this area (i.e. the Costcutter convenience store), ECC may wish to give encouragement to proposals which provide a dual-aspect layout to part of this area.
- 6.27 The South Street / Corn Exchange area is also on a potentially key route between the core retail area, the cathedral and the quayside. Whilst it is recognised that linkages between these areas involve other areas of land, the South Street / Corn Exchange area has the potential to capitalise upon increases in pedestrian flow.

- 6.28 Finally, the Corn Exchange has played an important part in providing a live entertainment venue for the city in recent years. The occupational leasehold arrangements for this use are due for expiry in the next few years and we understand that ECC due to undertake a review of this use and also the need for a new performance venue in the city centre. These issues make this area a potentially important area for performing arts provision, whether it be for a retained and refurbished Corn Exchange building or for a new performing arts centre. As a consequence, it would appear sensible for this wider area to be safeguarded for arts uses until such time as a decision is made.
- 6.29 Where redevelopment proposals are considered, the Council's ownership of properties in this area, and to the west of Fore Street, provides the opportunity to reorganise existing tenants in order that they can remain trading whilst making land available for redevelopment. The failure of the BHS business in May/June 2016 provides the possibility that an existing large retail unit (one of the largest in the city centre) could be available soon. This may provide the Council with the opportunity to reorganise existing tenants should it so wish.
- 6.30 Overall, the South Street / Corn Exchange area offers a medium to longer term refurbishment and redevelopment opportunity for the city centre and one which can provide the next phase of potential after the BCS site. This area will not provide the same type and scale of retail accommodation as the Princesshay and BCS developments and is more likely to focus upon providing smaller scale retail, food/drink and service uses along with the potential to retain and enhance the performing arts function of the area.

Harlequins Shopping Centre

- 6.31 The Harlequins Shopping Centre lies adjacent to Queen Street, with direct pedestrian access from Paul Street and also, via its upper floor, from the Guildhall Shopping Centre. It is, for the most part, a covered indoor shopping mall, along with a small 'piazza' area adjacent to Paul Street. As well as providing pedestrian access to the Guildhall Shopping Centre, vehicular access to the Guildhall centre's car park comes through the Harlequins centre site.
- 6.32 The Harlequins centre generally contains local independent traders and has a tired and dated appearance. Despite the busyness of Queen Street and the Guildhall centre,

the Harlequins centre has much lower levels of accessibility and does not appear to take advantage of the opportunities presented by this passing trade.

- 6.33 The Local Plan First Review places this site within the PSA although this classification does not appear appropriate in the current circumstances and a change to a secondary shopping area classification may offer some more appropriate opportunities for diversification. Such diversification may also be aided by the on-going refurbishment of the Guildhall centre.
- 6.34 This diversification, particularly if the centre continues to under-perform as a traditional shopping mall, would be to make this development more outward facing in terms of its wider retail and service use offer and possibly introducing residential uses on the upper floors.
- 6.35 Overall, the future for the Harlequins Shopping Centre is unlikely to see it a net additional amount of Class A1 retail floorspace and instead the existing floorspace is likely to be diversified away, in part, from Class A1 use. As a consequence, whilst it has the potential to be identified via a site allocation in a future development plan document, it is unlikely to be relied upon to meet part of the need for additional Class A1 retail floorspace. It does, however, have the potential to accommodate a small amount of Class A2/3/4/5 uses.

High Street / Musgrave Row

- 6.36 The final site in the city centre which has been examined is a collection of properties on the north-western side of High Street and around Musgrave Row to the rear. The ground floor of the properties fronting on to High Street accommodate a number of retailers including Clarks, Burton, Vision Express and Office (plus banks such as Lloyds and the Co-op). On the upper floors is a mixture of ancillary retail accommodation and office space (some of which is vacant and being marketed). Abutting the rear of these properties is Musgrave Row which runs westwards towards Queen Street. On the opposite side of Musgrave Row is a telephone exchange building, beyond which is Exeter's main library. The architectural style of the buildings in this area is relatively uniform and is an example of a deliberately planned piece of townscape, reflecting the Beaux-Arts traditions. The buildings are generally imposing and 3/4 storeys in height.
- 6.37 Given the quality of the existing buildings fronting on to High Street, it has been assumed that they will remain and therefore the focus in this area is in relation to

whether there are any alternative land uses which can help this area make a greater positive contribution to the city centre. In relation to the High Street properties, this is likely to be the upper floors where there are a number of current vacancies in relation to former office space. ECC should consider whether the loss of office accommodation in this part of this city centre is acceptable and whether any such loss could be outweighed by the introduction of alternative uses such as hotel or residential accommodation. The use of the upper floors for such uses could provide more activity outside of traditional shopping hours and we consider that the format of the buildings would lend themselves to suitable conversions.

- 6.38 The rear of the properties along High Street present a poor appearance on to Musgrave Row although this is heavily influenced by the need to provide servicing to the ground floor retail uses. A further key issue in relation to this area is the presence of the telephone exchange. Such uses are linked to a considerable amount of infrastructure and whilst it is likely that the use of the building is now relatively inefficient²² relocation of the exchange is likely to involve a considerable amount of investment. As such, there must be significant question-marks over the availability of this building and thus the ability to provide additional retail uses in this part of the city centre.

City Centre Car Parks

- 6.39 The four city centre car parks in Exeter city centre which ECC have asked us to examine are Howell Road, Mary Arches Street, Magdalen Road and Magdalen Street. Given their current use, one common factor for all sites is their current contribution towards car parking capacity across the city centre for both visitors, shoppers and workers. It is not part of the remit of this study to assess parking capacity across the city centre and therefore, the potential availability of these sites should, in our opinion, be linked to a review of parking capacity in order to understand whether they are required to continue in their current use. Beyond this 'global' issue for all four sites, we now turn to an individual assessment of each site.
- 6.40 Howell Road car park lies to the north of the primary shopping area in the city centre and is not allocated for any particular land uses in the adopted Local Plan. It is

²² Due to the advances in technology, meaning that less space within the building is need for BT's telecommunications equipment

bounded by Howell Road to the east, the railway line (running between Exeter Central and stations in the eastern part of the city) to the north, New North Road to the west and offices/residential properties to the south. Whilst, as the crow flies, the car park is not a considerable distance from the primary shopping area, the walking route between these two locations is such that it would not function as a genuine edge-of-centre retail or leisure development site. Therefore, should it become available for redevelopment, we consider that alternative uses such as office or residential uses be appropriate.

- 6.41 Magdalen Street car park lies to the east of the primary and secondary shopping areas in the city centre and Magdalen Street separates the site from secondary shopping area of South Street. It is not allocated for any particular land use in the adopted Local Plan. This site is likely to be considered an edge-of-centre site although Magdalen Street (and the volume of traffic running along it) does create a barrier to movement. The small size of the site means that it is only able to accommodate a relative modest amount of development, although a vertical mix of uses, with retail on the ground floor, could be provided. The attractiveness of the site for large scale retail development is likely to be minimal due to lack of an ability to re-accommodate car parking on site and the site not being on the current retail circuit in the city centre. That said, the site may be attractive for small scale retail, including food and drink uses as part of a mixed use development.
- 6.42 Magdalen Road car park lies further to the east and comprises a long thin surface level car park bounded by Western Way to the west and residential to the north and east. It is not allocated in the adopted Local Plan for any particular land use, although the western edge of the site is protected open space. The car park lies some distance from the city centre's main primary and secondary shopping areas and is likely, in practice, to function as an out-of-centre site. As such, it is unlikely to be a preferred site for retail development and, in any event, is unlikely to be commercially attractive for large-scale retail units. Indeed, given its location close to Southernhay, we consider that this site would be more appropriately redeveloped for office or hotel uses.
- 6.43 The final car park site is Mary Arches Street. This is a relatively small site immediately to the west of the defined secondary shopping area in the city centre. The site is not allocated for any particular land use in the adopted Local Plan and lies within the city centre's Conservation Area. The site is bounded by Mary Arches Street to the south-

west, the Mecca Bingo hall to the north-east, retail, employment and food/drink uses and a multi-storey car park to the north and a church and office uses to the south-east. Due to the size of this site and the need to retain access to the adjacent Bingo and multi-storey car park uses, the development potential is constrained. However, this area is likely to be attractive to development involving a vertical mix of uses with retail and food/drink floorspace at the ground floor.

Newcourt & Monkerton/Hill Barton

- 6.44 Looking beyond Exeter city centre, the two other planned locations for a modest amount of retail and other main town centre use development are the two planned local centres at Newcourt and Monkerton/Hill Barton. Planning permission has been granted for a mixed use development known as Seabrook Orchards on land to the north of Topsham Road and this includes an allowance for a new centre. This new centre is placed in the heart of the development and, if implemented, would be able to serve the growing residential community in this part of the city.
- 6.45 The other planned new local centre is at the Monkerton/Hill Barton urban extension. Within the Core Strategy, one new local centre is identified, although a specific location is not provided on the proposals map. The Council's masterplan for this area (prepared by LDA Design) indicates two locations, one around the existing Sainsburys supermarket at Pinhoe Road and another adjacent to Hill Barton Road. The latest draft of the Council's DDP also identified the Hill Barton Road location for the new centre.
- 6.46 In our view, the Core Strategy approach of identifying the need for one new local centre in the Monkerton/Hill Barton area remains the correct approach. We consider that one new centre can adequately provide for the needs of the growing community in the local area and it should contain appropriately-sized retail, service and community uses which have a modest catchment area covering this part of Exeter. Given the debate at the recent Moor Exchange public inquiry, we consider that it would be beneficial for any future development plan document (which continues to identify the need for a new local centre in the Monkerton/Hill Barton area) reinforces the scope for the local centre, including its role and function. In particular, any such policy/allocation should make it clear that the role and function of the new local centre is to serve the day-to-day needs of the local community and not to have a catchment area that extends across the whole of the city. The same approach is recommended for the new local centre at Newcourt.

Cranbrook

- 6.47 The new settlement of Cranbrook is home to a growing large new community to the east of the Exeter urban area. The location of Cranbrook prompts a location-specific need for retail provision to serve the day to day needs of the local community and the spending power of Cranbrook residents also identifies a quantitative need for convenience and comparison goods floorspace. Provision for retail and other main town centre uses has been accommodated in the original outline planning permission for Cranbrook, including a town centre (capable of accommodating a supermarket) and a set of neighbourhood shops. The neighbourhood shops have now been provided and are a commercial success although work on the town centre has not commenced.
- 6.48 One potential reason why the town centre has yet to commence is the critical mass of local residents and their spending power. In particular, whilst the size of Cranbrook continues to grow, it is perhaps not yet at a scale that can accommodate and attract national multiple stores who are able to trade at company average levels. It must also be noted that residents of Cranbrook also have easy access to Exeter which has a very wide range (and scale) of shops and services which will inevitably continue to attract shopping trips from Cranbrook and constrain the amount of demand for retail space in the new settlement.
- 6.49 As a consequence, we consider that the development of Cranbrook town centre is likely to be different to other recent purpose built town centres such as Bradley Stoke in the northern part of Bristol. The new centre needs to carve out its own role in the local area and (A) continue to provide core shops and services which are in demand from local residents (focusing on day to day shopping needs); (B) provide a different type of retail offer to what is available in Exeter city centre and the large out of centre stores in the city. We consider that this is likely to comprise a focus on local independent traders and encouraging traders and other businesses to occupy flexible space which can change as the needs of residents and businesses change over time.
- 6.50 As such, we do not consider that the provision of the traditional development model of large scale purpose built retail space is likely to be appropriate for the early commencement of the town centre. We consider that EDDC should encourage the consortium of house-builders and land promoters to consider the introduction of other types of development models, which provide flexible multi-purpose and possible

temporary space, to be provided in order allow Cranbrook to find an organic way of developing its own retail and service offer. As with the historic development of many settlements, this is likely to take time and may well involve trial and error in some circumstances, but is a route which we consider needs to be explored.

- 6.51 Indeed, it should be noted that Cranbrook has a number of attributes which need to be exploited, which include its good road and rail access and the presence of surrounding employment uses (such as the Science Park, Sky Park and the new Lidl distribution depot) which add the catchment for shops and services.
- 6.52 We consider that these issues need to be tackled by EDDC and its public and private sector partners as a matter of priority in order that residents of Cranbrook do not increasingly become reliant on Exeter for all of their shopping needs.

Conclusions

- 6.53 Overall, our analysis has found that there are a number of locations, which lie in sequentially preferable locations, which can accommodate the identified quantitative and qualitative need for new comparison goods retail and leisure floorspace across the Exeter area. The primary focus for accommodating short to medium term retail and leisure floorspace will be the BCS site in Exeter city centre. ECC has resolved to grant outline planning permission for the redevelopment of this site and there does not appear to be a requirement for another large-scale retail development opportunity in the short term in the city centre.
- 6.54 New retail and leisure provision on the BCS site will be supplemented by small-scale local retail facilities in the Newcourt and Monkerton/Hill Barton urban extensions. This is already provided for in existing development plan policy and outline planning permissions and we recommend that there is no need to change ECC's existing approach to these new local centres, although there is a need to be clear that these centres should provide local facilities for the immediate local area and not have a catchment which extends across the city (and beyond). Whilst the quantitative assessment has identified that there is not any surplus expenditure, there is in our opinion a qualitative need to justify the provision of convenience goods floorspace in these locations. However, beyond a modest amount of convenience goods floorspace in these new centres, we do not recommend that ECC plans for any further significant convenience goods floorspace in the short to medium term.

- 6.55 The final location which should be identified as being able to capture short term retail needs for both convenience and comparison goods shopping (and then extending into the medium to longer term, as the new settlement develops) is Cranbrook. We recommend that the new town centre should be identified within the retail hierarchy in East Devon (and the Exeter area) in order that it is formally confirmed as a sequentially preferable location and existing, planned and committed investment associated with the centre is formally considered as part of impact assessments for retail and main town centre use proposals elsewhere.
- 6.56 Whilst, on a global basis, there is not any surplus convenience goods expenditure in the Exeter area, the previous section of this report has indicated that there is a localised quantitative capacity to support convenience goods floorspace in Cranbrook, whilst there is also a strong qualitative case for doing so. In addition, alongside the provision of new convenience goods floorspace, an element of the expenditure capacity for new comparison goods floorspace in the Exeter area should also be assigned to Cranbrook. Whilst the short term prospects for comparison goods floorspace suggest that comparison goods provision will be modest, the market potential for additional floorspace will grow over the medium term as the size of Cranbrook grows and there is a larger resident population. As such, whilst less weight can be placed on the specific amounts associated with the medium to longer term quantitative forecasts in this study, Cranbrook should, alongside Exeter city centre, feature as a first choice location for comparison goods floorspace, albeit that it is likely to accommodate a smaller scale of provision.
- 6.57 Looking into the medium to longer term, the quantitative need assessment suggests that expenditure capacity to support further new comparison goods will grow. However, as set out in the previous section of this report, the longer term economic forecasts should be treated within caution and there is also evidence of finite retailer demand for additional floorspace. As a consequence, and bearing in mind there will need to be regular reviews of both the evidence base and the development plan, we would recommend that it is not appropriate for ECC and EDDC to try and allocate land to meet the exact level of quantitative need as set out in the previous section.
- 6.58 That said, we consider that it would be appropriate for the next version of the development plan to identify the next medium to longer term retail and leisure development opportunity in the city centre, which would sit alongside the medium to

longer term growth in Cranbrook town centre. As such, we consider that the Corn Exchange / South Street area should be identified for this purpose. In terms of availability and deliverability, it has the advantage of being mostly within the control of ECC and is an area which is in need of improvement. In addition, improvements in this part of the town centre would help to counter-balance the success of the Princesshay development in the north-eastern part of the centre and which will be bolstered by the redevelopment of the BCS site.

6.59 Putting a marker down now for the Council's intention to focus upon the Corn Exchange / South Street as the next large regeneration project will help to provide certainty for the future direction of the city centre and also help to guard against speculative out of centre retail and leisure schemes which may claim to be meeting medium to longer term needs.

6.60 As a consequence, we consider that the identified city centre sites, along with Cranbrook and the new local centres at Monkerton/Hill Barton and Newcourt, will be sufficient to meet those identified needs in the short to medium term and any longer term needs can be picked up via future reviews of the evidence base and development plan documents. Indeed, these sites will enable Exeter to meet the needs of its existing catchment and we see no reason why the Exeter area should try to materially increase its market share to the detriment of other town and city centres in the wider sub-region, particularly as other local planning authorities will also be planning on meeting the needs of their own catchment areas in their town centres.

Policy

6.61 Looking beyond the allocation/identification of sites, the brief for this study has also asked for advice and recommendations in relation to the suite of retail and town centre planning policies in the Exeter Core Strategy and Exeter Local Plan First Review. These existing policies and designations are as follows:

- Core Strategy policies CP8 and CP19;
- Local Plan First Review Policies S1, S2, S3, S4 & S5;
- The various 'town centre' boundary and frontage designations in the Local Plan First Review; and
- The classification of district and local centres across Exeter.

General retail and leisure development management policies

6.62 In relation to proposals for new retail and leisure development outside of existing centres, Policy CP8 of the Core Strategy and Policy S1 of the Local Plan are most relevant. A future development plan document will need to bring the contents of these policies together and make the combined policy compliant with the NPPF. On this basis, we consider that much of the content of both policies remains relevant and compliant and recommend that any new policy, which replaces CP8 and S1, should:

- Outline the Council's expected approach to the sequential test, including the city centre as the first choice location for retail and leisure development (particularly for comparison goods shopping and leisure uses), followed by the district and local centres, edge of centre sites and only then out-of-centre locations. In terms of the sequence of preferred locations, this should include both existing centres and planned new centres.
- The policy should, in relation to the sequential test, make it clear that the Council expects proposals in edge and out of centre locations to demonstrate that they have been flexible in terms of scale and format, and that preference will be given to accessible and well connected sites.
- In relation to the sequential test, the policy or supporting text should acknowledge that there may be some relevant location-specific requirements. For example, uses intended to serve a small/limited residential catchment may be better placed in existing or planned new local centres.
- In relation to the assessment of impact, the policy should set a minimum floorspace threshold (see later in this section for a detailed analysis of this issue) and confirm that impact assessments should deal with (A) the impact of relevant proposals on the vitality and viability of nearby 'town centres'²³ and (B) on existing/planned/committed investment in these same centres. The policy should make it clear that it will apply to both existing centres and also planned new centres such as Cranbrook, Newcourt and Monkerton/Hill Barton. In addition, as

²³ a term which includes city, district and local centres.

part of the assessment of 'impact on investment', the effect of edge and out of centre proposals on retail and leisure allocations should also be considered.

- It would also be useful for the policy to be clear over the types of retail development which should be considered under this overarching policy: proposals for new stores/floorspace, extensions to existing stores, redevelopment of existing stores, variations in the ranges of retail goods which can be sold from existing floorspace, plus variations in other restrictions imposed by conditions and legal agreements.

6.63 Aligned to this policy, the development plan should, either in the policy, or in the supporting text, set out the retail hierarchy in Exeter, including the city centre as the top tier, the three district centres as the next (second tier) and the local centres as the third tier of centres. Depending on the format of the development plan, the hierarchy should also acknowledge the role of the new town centre in Cranbrook as part of the wider network of centres in the Exeter area.

6.64 Saved Policy S2 of the Local Plan First Review deals specifically with retail warehouse premises across Exeter and aims to control the range of goods which can be sold from such premises and also restricting sub-division. We consider that such a policy can be useful in acknowledging that certain types of retail premises will find it difficult to be accommodated in 'town centres' (particularly those exclusively selling physically bulky goods) whilst at the same time being clear that proposals for large format retail stores need to demonstrate flexibility in terms of format and scale. This will be particularly true for speculative retail proposals and those involving large unit sizes but selling both bulky and non-food goods.

Floorspace threshold for impact assessments

6.65 As part of the scope of this study, ECC requires advice on an appropriate local floorspace threshold for assessing the impact of retail proposals in Exeter's administrative area.

6.66 National guidance on impact assessment thresholds is set out in paragraph 26 of the NPPF. It states that local planning authorities should request an impact assessment for retail, leisure and office development proposals outside of town centres (that are not in accordance with an up-to-date Local Plan) if the scale of development is over a

proportionate, locally set threshold. Where there is not a locally set threshold the national default threshold of 2,500sq m gross will apply.

6.67 Whilst there is perhaps some ambiguity in the language used by paragraph 26 of the NPPF (i.e. request for an impact assessment rather than establishing whether impact is a material consideration), the NPPG is clearer. It notes that the impact test only applies to proposals over 2,500sq m gross unless a different locally appropriate threshold has been set.

6.68 Therefore, whether or not the current development plan (including the Core Strategy and the saved policies in the Local Plan) require impact issues to be assessed for proposals under 2,500sq m gross there is a need to consider whether an actual numerical threshold should be set in the next ECC development plan document which deals with development management issues.

6.69 The NPPG provides guidance on the indicators which should be taken into account by local planning authorities seeking to identify local impact assessments. These relate to the consideration of the following factors:

- Scale of proposals relative to town centres;
- The existing vitality and viability of town centres;
- Cumulative effects of recent developments;
- Whether local town centres are vulnerable;
- The likely effects of development on any town centre strategy;
- The impact on any other planned investment.

6.70 In relation to the scale of proposals relative to 'town centres', the size of the centres in the retail hierarchy varies quite considerably. According to Experian, the total amount of retail floorspace in Exeter city centre is circa 123,000sq m. Conversely, whilst there is not any up-to-date land use survey information for the local centres, it is likely that some of the smallest local centres have less than 500-1,000sq m of floorspace. The national default threshold is equivalent to 2% of the city centre's Class A retail floorspace but could be at least two and a half times as high as the total size of the smallest local centres. Therefore, in 'scale' terms this would suggest that a very low

threshold should be set as it should relate to the 'lowest common denominator' – i.e. local centres.

- 6.71 However, we consider that other factors should be considered, including the type of retail provision and how modern out-of-centre retail developments across the UK compare to retail units in town centres.
- 6.72 In relation to convenience retail provision, there is a wide range of store sizes from the three large supermarkets to a large number of stores which are below 1,000sq m gross and are located in district and local centres. Indeed many convenience stores in local centres do not extend beyond 400-500sq m gross. In many cases, particularly in district and local centres, small foodstores provide an important contribution to the health of centres and in some cases provide an anchor role. In many cases they are also the largest units in district and local centres.
- 6.73 Therefore, we consider that a trigger point of 500sq m gross for retail proposals involving the potential sale of convenience goods should be introduced in the next ECC development plan. This should apply to new stand-alone retail floorspace, proposed extensions to existing stores and applications to vary the range of goods to be sold from existing floorspace. In addition, this threshold should apply consistently across the whole of the Exeter urban area for both edge of centre and out of centre locations. Discussions between ECC and EDDC will also need to take place given the close relationship of the western part of East Devon District and the Exeter urban area.
- 6.74 Turning to comparison goods retailing a similar exercise has been undertaken. This has found a wide variety of unit sizes, varying from smaller units in general in local and district centres with a larger average size of unit in the city centre and the modern units in St Thomas district centre. There is a range of existing unit sizes across the out-of- centre locations although our experience across the UK indicates that unit sizes have become increasing smaller in recent years, particularly for non-bulky goods retailers. For example, units at 500-600sq m are common in some retail parks.
- 6.75 Within Exeter city centre, unit sizes can vary quite significantly. For example, there are large stores, such as the Next and Debenhams in Princesshay and the Marks & Spencer store on High Street and the John Lewis on Sidwell Street. The John Lewis is circa 10,000sq m whilst many of the other modern units in Princesshay, Guildhall centre and along High Street are 300-400sq m.

- 6.76 Generally speaking, single comparison goods retailers do not provide a lone sole anchor to defined centres, although the range and quality of comparison goods retailers provides a very important contribution to its health and attractiveness. With such a range of retailers present in the Exeter area it is difficult to be precise over the exact scale of floorspace which could have a detrimental impact upon the health of defined centres. However given trends in the retail sector in recent years and the evolution of the retail warehousing sector, we consider that a floorspace trigger of 500sq m gross should be applied to impact assessments for comparison goods floorspace. This should apply to new stand-alone retail floorspace, proposed extensions to existing stores and applications to vary the range of goods to be sold from existing floorspace. In addition, this threshold should apply to bulky and non-bulky goods proposals and, like convenience goods uses, be applied consistently across the whole of the Exeter area for both edge of centre and out of centre locations.
- 6.77 The need for this lower level of floorspace is also reinforced by factors such as cumulative impact issues, the health of the city centre and the development plan strategy for the centre. In relation to cumulative impact, whilst it might be that the individual impacts associated with a circa 500sq m retail proposal do not cause any particular cause for concern, the combined effects of this proposal plus others starts to become significant. Therefore, the Council must consider how the cumulative build-up of a certain scale of development could affect the health of town centres. In other words, if it is considered that the individual impacts of say a 500sq m retail proposal are unlikely to ever be significant then this would allow all future 500sq m proposals to avoid the assessment of cumulative impact. Should half a dozen or so of these come forward then this would equate to 3,000sq m of new retail floorspace which would have avoided any consideration of impact despite it being over the national impact threshold.
- 6.78 A particularly problematical area for this scenario could be retail parks, either existing or committed, where they comprise several units with collectively over 2,500sq m but individually each unit is, say, between 500-1,000sq. Should a series of separate applications be submitted, with the red line area around just one unit, then the impact test would be avoided.
- 6.79 As noted above, the health of a centre may not rely on just one retailer but when the cumulative build-up comprises a range of retailers selling different types of goods then

the longer term effects on the health of a centre could become an issue. This would be reinforced whether there is potential for store relocations.

6.80 In relation to the consideration of the impact test at the local level and how the impact policy in the next development plan should be framed, we consider that the following factors are important:

- The test of impact will apply to all convenience and comparison goods proposals outside of the boundaries of defined 'town centres' in Exeter. This will include proposals for new retail units, extensions to exist floorspace and proposals to vary the terms of planning conditions and legal agreements in relation to the range of goods to be sold.
- It will be important for the Council and applicants to agree the scope of any impact assessment before applications are submitted. This will include: the characteristics of the proposed development (including the various scenarios for its retail offer), the catchment area of the proposal, the 'town centres' whose health could be affected by the proposal (including an assessment of their health), the pattern of trade draw and trade diversion to the proposal and any restrictions which applicants are willing to accept on the proposed retail floorspace.
- The committed retail development which should be included in the cumulative assessment of retail impact.
- The list of alternative locations which should be included in the sequential test, including an agreement over the approach to flexibility in terms of scale and format.

City, district and local centre boundaries

6.81 In relation to the city centre, the Local Plan First Review identifies primary and secondary shopping areas. The primary area runs along High Street from South Street to Paris Street plus the Guildhall shopping centre and part of the former Princesshay area. The secondary area covers Fore Street and Sidwell Street. There are no primary and secondary retail frontages on the Local Plan proposals map.

6.82 In terms of the next development plan document proposals map, we consider that, in order for it to be in line with the NPPF, primary and secondary frontages should be

identified along with a primary shopping area. In terms of the primary and secondary frontages, we consider that these are broadly consistent with the primary and secondary areas in the Local Plan First Review, with two exceptions. First, the primary retail frontages should now extend across the southern part of Sidwell Street following the opening of the John Lewis store. Second, now that the Princesshay shopping development is open, the primary frontages should be extended to cover all of this area.

- 6.83 In terms of the primary shopping area, we consider that the PSA shown in the July 2015 draft DDP covers the correct area. This area includes all of the primary retail frontages and those secondary frontages which are closely related to the primary area and extends across Fore Street, High Street, Sidwell Street, the Guildhall and Princesshay shopping centres.
- 6.84 In terms of the control of land uses in the various primary and secondary area definitions in the Local Plan First Review and the draft DDP, the Local Plan set a minimum threshold of Class A1 retail uses in the primary and secondary areas. The draft DDP keeps a minimum threshold for A1 uses in the primary retail frontages (albeit lower at 50%) and drops a threshold for the secondary frontage areas. The draft DDP also introduced a series of qualitative criteria²⁴ to sit alongside the quantitative thresholds.
- 6.85 We consider that the 'direction of travel' in terms of the content of the July 2015 draft DDP, is the correct approach. Since the preparation and adoption of the Local Plan First Review there have been changes in the retail composition of town centres across the country, with a growing popularity of food and drink establishments. Such establishments can be equally as attractive to town centre shoppers as traditional Class A1 shops which suggests that, if a quantitative approach to controlling Class A1 and non-A1 units is to be pursued, then a lowering of the threshold is appropriate.
- 6.86 In addition, we also support the introduction of a series of other qualitative criteria in order to assess change of use applications within the primary and secondary frontage areas. The sole use of a quantitative threshold can lead to unintended consequences where a particular proposal breaches the threshold but could bring other positive

²⁴ See paragraph 4.13 of the July 2015 draft DDP

benefits to a town centre. Therefore, judging a proposal against a suite of considerations is more appropriate as it offers the opportunity to consider all relevant factors at a time when town centres continue to undergo change and need to maintain their attractiveness to the local population.

6.87 In relation to the various district and local centre boundaries, as outlined in the appendices of the Local Plan First Review, we provide the following observations:

- There is no reason/evidence to suggest that the three existing district centres at Topsham, St Thomas and Heavitree should be changed in terms of their classification. All three centres serve their local communities and also a wider area across part of the Exeter urban area. They are generally larger than the existing tier of local centres and have higher market shares in terms of convenience and comparison goods shopping.
- In terms of the suite of local centres across Exeter, we have considered whether they should remain as local centres in the hierarchy or change classification (i.e. be promoted to district centres or, alternatively, removed from the hierarchy due to their role and function. The glossary, at Annex 2 to the NPPF, indicates that small parades of shops of purely neighbourhood significance should not be classified as local centres and therefore we have considered whether any of the local centres in Exeter fall into this category.
- As a starting point, we do not consider that any of the existing local centres in Exeter are either large enough, or have a wider influence on shopping patterns, as to re-classify any of them as district centres. In terms of the potential for demotion from the local centre category, the four centres which have been identified are: Countess Wear, Beacon Lane, Winchester Avenue and Isleworth Road:
 - Countess Wear/Topsham Road. This is a centre of just six units with only two of them currently within retail use. The retail uses present have a limited and specialist function and these uses do not appear to influence shopping patterns in the household survey. In our opinion, the only factor which weighs in favour of retaining Topsham Road as a local centre is the lack of any other local centres in this part of the city. This positive factor would be slightly reduced in weight if Glasshouse Lane became a local centre although overall we consider that ECC should actively consider removal of Topsham Road from the local centre tier of centres.

- Beacon Lane. This is a centre comprising just four units in an area of the city which also includes Polsloe Bridge and Whipton local centres. The centre does, however, include important retail uses including a Co-op convenience store and a pharmacy, both of which have an influence on local shopping patterns. As a consequence, whilst the size of the centre may suggest that it may not classify as a local centre, the uses that it contains and the influence that it has suggests that it should remain within the local centre tier in the hierarchy.
- Winchester Avenue. This is one of three centres on the western side of Exeter, to the west of the River Exe. It contains three service uses and a Tesco Express convenience store. Whilst this is a small centre, it does perform an important function for the local community on the western side of the city and therefore should, in our opinion, remain as a local centre.
- Isleworth Road. We also reach the same conclusion for Isleworth Road which contains two convenience stores and two service uses. Whilst the convenience stores are not picked up within the household survey, we consider that they provide an important local retail function for the local community and complement the wider range of services in St Thomas district centre to the south.
- Glasshouse Lane. As noted above, and in Section 4 of this report, we consider that ECC should actively consider including Glasshouse Lane in the Local Centre tier of the retail hierarchy.

7. Summary and Conclusions

Scope and Purpose

- 7.1 This report has been prepared by Bilfinger GVA ('GVA') in a response to an instruction by Exeter City Council ('ECC') and East Devon District Council ('EDDC') to prepare a Retail and Leisure Study for Exeter and the western part of the EDDC administrative area. The study will provide essential evidence base information to assist ECC and EDDC in the production of future development plan documents for their administrative areas.
- 7.2 The objectives of this study, as identified in the brief issued by EDDC and ECC are as follows:
- A quantitative assessment of the need for new retail and leisure floorspace, taking into account market signals and special forms of trading;
 - A qualitative assessment of existing retail provision, including a review of the health of city, district and local centres across the Exeter urban area;
 - An assessment of whether there is scope to accommodate identified needs within existing centres or whether there is a need to adapt/enlarge centres to accommodate the identified needs in full;
 - A review of the viability of planned town centre developments in Exeter city centre and Cranbrook; and
 - An assessment of the impact of out-of-centre retail development on the health of, and investment within, existing 'town centres'.

The Retail Hierarchy

- 7.3 This study has reviewed the content of the existing retail hierarchy across Exeter, including the city centre, along with the existing district and local centres. We have found that Exeter city centre has good levels of vitality and viability and remains a healthy centre. The key attributes of the city centre are its wide range of comparison and convenience goods retailers, its growing service use offer and falling vacancy

rate. Notable positive changes since the previous retail study are the arrival of John Lewis and the growing number of service uses, bring the city centre back in line with the national average. Whilst not a physical change since the previous study, the Princesshay shopping centre continues to be very successful and this provides a very useful foundation for the next phase of redevelopment on the Bus and Coach Station site.

- 7.4 The three district centres, at Topsham, St Thomas and Heavitree, are all performing their stated role, serving both their local catchments and a wider area across part of the Exeter urban area. We have recommended that all three should retain their role as district centres given the scale of retail and main town centre uses they provide along with their convenience and comparison goods market shares.
- 7.5 Exeter's local centres serve a more localised function, concentrating upon a higher level of service uses and top-up food shopping provision. We have reviewed the role and function of each of the existing local centres in the retail hierarchy and consider that all, apart from Countess Wear / Topsham Road, should retain their current status. We have also recommended that Glasshouse Lane in Countess Wear is included within the local centre tier of the retail hierarchy.

Assessment of Need

- 7.6 We have undertaken an assessment of the qualitative and quantitative need for additional retail floorspace across Exeter and the west end of East Devon District. This assessment has found the following:
- Convenience goods floorspace. Overall, with a good level of provision across the Exeter urban area, we do not consider that there is an immediate quantitative and/or qualitative need for additional convenience goods facilities. The two exceptions to this are location-specific needs associated with the two strategic allocations (Monkerton/Hill Barton and Newcourt) where smaller scale retail facilities are appropriate. Outside of Exeter, the main area of qualitative need is in relation to Cranbrook. Whilst a new Co-op convenience store has recently opened, there will be a growing qualitative need in the coming years as the population of Cranbrook continue to grow and there is a need to curtail shopping trips outside of the settlement to Exeter, Ottery St Mary and Honiton.

- Comparison goods floorspace. Our assessment of comparison goods floorspace has found that there is a good level of consumer choice and competition and that there are generally good levels of quality in terms of floorspace provision. We have concluded that there are no significant location-specific gaps in provision in the Exeter urban area which should divert the Council's current strategy away from concentrating on the city centre for the provision of most comparison goods floorspace. However, our qualitative assessment does acknowledge that there is a need to ensure that a suitable level of comparison goods floorspace should be provided within the emerging new town centre at Cranbrook, in order to make that growing new community a sustainable one. In terms of quantitative capacity, our assessment has found that there will not be any surplus capacity until after 2021, with between 6,200sq m and 11,000sq m net by 2026 and then rising to 19,400sq m net – 24,500sq m net by 2031.

7.7 We have also undertaken a qualitative review of leisure provision and a quantitative assessment of cinema screen capacity, which has found:

- Whilst there has been a general perception that Exeter city centre has been under-provided in terms of food and drink uses in recent years, the refurbishment of the Guildhall Shopping Centre and the BCS redevelopment are both likely to provide a qualitative improvement in this type of provision in the coming years.
- There is no discernable leakage of cinema-going trips from the Exeter area and the quality of provision is considered to be reasonably good. However, our quantitative assessment of cinema screen capacity has identified that there will be capacity for up to 8 additional screens by 2031/33.

Assessment of Potential Development Sites

7.8 Following on from the assessment of need, we have found that there are a number of locations, which lie in sequentially preferable locations, which can accommodate the identified quantitative and qualitative need for new comparison goods retail and leisure floorspace across the Exeter area. The primary focus for accommodating short to medium term retail and leisure floorspace will be the Bus and Coach Station ('BCS') site in Exeter city centre.

- 7.9 New retail and leisure provision on the BCS site will be supplemented by small-scale local retail facilities in the Newcourt and Monkerton/Hill Barton urban extensions. This is already provided for in existing development plan policy and outline planning permissions and we recommend that there is no need to change ECC's existing approach to these new local centres, although there is a need to be clear that these centres should provide local facilities for the immediate local area and not have a catchment which extends across the city (and beyond).
- 7.10 The final location which should be identified as being able to capture short term retail needs for both convenience and comparison goods shopping (and then extending into the medium to longer term, as the new settlement develops) is Cranbrook. We recommend that the new town centre should be identified within the retail hierarchy in East Devon in order that it is formally confirmed as a sequentially preferable location and existing, planned and committed investment associated with the centre is formally considered as part of impact assessments for retail and main town centre use proposals elsewhere.
- 7.11 Whilst, on a global basis, there is not any surplus convenience goods expenditure in the wider Exeter area, the previous section of this report has indicated that there is a localised quantitative capacity to support convenience goods floorspace in Cranbrook, whilst there is also a strong qualitative case for doing so. In addition, alongside the provision of new convenience goods floorspace, an element of the expenditure capacity for new comparison goods floorspace in the wider Exeter area should also be assigned to Cranbrook.
- 7.12 Looking into the medium to longer term, the quantitative need assessment suggests that expenditure capacity to support further new comparison goods will grow. However, as set out in the previous section of this report, the longer term economic forecasts should be treated with caution and there is also evidence of finite retailer demand for additional floorspace. As a consequence, and bearing in mind there will need to be regular reviews of both the evidence base and the development plan, we would recommend that it is not appropriate for ECC and EDDC to try and formally allocate land to meet the exact level of quantitative need.
- 7.13 That said, we consider that it would be appropriate for the next version of the development plan to identify the next medium to longer term retail and leisure development opportunity in the city centre, which would sit alongside the medium to

longer term growth in Cranbrook town centre. As such, we consider that the Corn Exchange / South Street area should be identified for this purpose.