



# Mid Devon Retail Study 2012

Mid Devon District Council

September 2012

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# 1. INTRODUCTION

## Scope and Purpose

- 1.1 This report has been prepared by GVA in response to an instruction by Mid Devon District Council ('MDDC'), dated April 2012, to prepare a Retail Study for Mid Devon ('the 2012 study'). The 2012 study is intended to provide background evidence base information to assist MDDC in the production of its development plan documents, including a Development Management Local Plan ('DM Local Plan') and a future review of the Core Strategy (adopted in 2007), along with providing evidence base information to assist with the development management decisions across the District.
- 1.2 This retail study is intended to update the findings of the previous Mid Devon Retail Study, prepared by GVA for MDDC in 2004 ('the 2004 retail study'). The 2004 retail study was commissioned to inform the preparation of the Council's Local Development Framework, specifically the Core Strategy. The 2004 retail study provided a comprehensive review of retail trends, town centre health indicators, an assessment of the need for additional retail floorspace across the District up to 2016 and a recommended retail and town centres strategy.
- 1.3 The objectives of the 2012 study are to update the 2004 retail study and provide:
- An assessment of Mid Devon's present position in the hierarchy of retail centres in the surrounding area, and retail trends affecting Mid Devon's towns and rural areas.
  - Viability assessment of retail premises of less than 100m<sup>2</sup> gross floor area.
  - Assessment of need and demand for additional retail floorspace within town centres, edge-of-centre and elsewhere.
  - Guidance on a sequential assessment of potential locations of providing any additional floorspace identified, and recommendations for a policy approach that would respond to unanticipated changes in economic circumstances.
  - Review of the existing town centre boundaries at Tiverton and Crediton and advice on the suitability of town centre boundaries at Cullompton and Bampton.
  - Identification of primary and secondary shopping frontages at Tiverton, Cullompton and Crediton.

- Advice on the relevance of the NPPF's requirement to identify priority areas for economic regeneration and environmental enhancement, including suggested sites if necessary and focusing on the three main towns.
- Assessment of how policy options will affect town centre and village vitality and viability, including local consumer choice and trade in the town centres and the wider area for up to 10 years.
- Conclusion and recommendations for policies that encourage a range of scale and type of retail development, in conformity with Policy COR1 of the Core Strategy and the NPPF.

1.4 In order to achieve the above aims, MDCC requires a comprehensive analysis of retailing and town centre health across the District. Accordingly, this study includes the following key components:

- Provision of a policy analysis, based on the contents of the National Planning Policy Framework ('the NPPF') published in March 2012 plus policies at the local level. At the local level, this includes the adopted Core Strategy (2007), the Allocations & Infrastructure Development Plan Document ('AIDPD') and the emerging DMDPD.
- An analysis of trends within the retail sector including an analysis of issues relating to retail spending growth, internet shopping, retail floorspace stock, development activity, retailer trends, demographic trends and mobility.
- An overview of the retail hierarchy in Mid Devon, focusing on a review of the vitality and viability of Tiverton, Cullompton and Crediton town centres, plus the central area of Bampton.
- Assessment of retail capacity in the three main settlements in Mid Devon (Tiverton, Cullompton and Crediton) over the period 2012-2026, focusing on an assessment of quantitative need for different types of retail goods. This work draws upon up-to-date population, per capita expenditure and shopping patterns data to provide a forecast capacity for the Mid Devon area. As part of the assessment of need, we also review qualitative indicators of retail provision in the three main settlements in Mid Devon.

- Following the assessment of town centre health and retail need, this study also provides a review of potential shopping development opportunities within the main centres in Mid Devon.
- Following the completion of each of the above tasks, this study outlines and assesses the policy options for retail development in Mid Devon, with a particular focus on the three main settlements. The outcome of this exercise is to identify the scale and form of retail development which is supportable in different locations in Mid Devon, including the scope to enhance the role of existing centres. In addition, our policy options analysis also assesses the options for the Council's development plan policies for retail and town centre development

1.5 A contributor to all of the above tasks has been a key piece of empirical research: a household telephone survey, specifically commissioned by MDDC and GVA for this retail study. The survey interviewed 700 people across a wide geographical area, based on postcode sector areas, within the Mid Devon administrative area plus adjoining local authority boundaries. A plan of the survey area is contained at Appendix A of this report. The survey, whose parameters are explained in greater detail in Section 5 of this report, has established the shopping habits of households for different types of food and non-food goods and has, in turn, contributed towards the detailed assessment of need for additional retail floor space. The survey has also been structured to ascertain customer/visitor profiles, mode of travel to shopping destinations, plus a number of attitudinal questions determining what users think about the four main town centres in Mid Devon. A full copy of the household survey tabulations is contained at Appendix B.

## Structure of Report

- 1.6 The remainder of this report is structured as follows:
- **Section 2** of this report provides an analysis of current national planning policy guidance in the NPPF, plus an overview of retail and town centres policies contained within the development plan for the area and emerging planning policies.
  - In **Section 3** national retail and leisure trends are analysed. This includes a look back at recent historic trends, plus examination of likely future trends at the national level.
  - **Section 4** provides an assessment of the health of the town centres in Tiverton, Cullompton and Crediton, plus an overview of retail provision in Bampton, focusing on a range of health check indicators.

- **Section 5** sets out an assessment of future need for additional retail floor space provision in the three main towns in Mid Devon, examining both quantitative and qualitative factors.
- Drawing upon the findings of preceding chapters, **Section 6** outlines the broad policy options for retail development and retail/town centre policies within MDDC's development plan documents, taking into account town centre health issues, future trends for floor space capacity and an assessment of potential retail development sites.
- **Section 7** provides a summary of the main findings of the study and provides an outline of the recommended retail planning strategy for the main settlements in Mid Devon.

1.7 All plans, statistical tables and other documents referred to in the text of this study are contained in appendices at the rear of this document.

## 2. PLANNING POLICY CONTEXT

### Overview

- 2.1 This chapter outlines the salient planning policy context for retailing and town centres at the national and local level. In particular, it outlines national planning policy in the NPPF which was published in March 2012 and replaces PPS4 (2009). It also outlines the salient content of adopted local planning policy for the area which, at the time of writing this report, comprises the Mid Devon Core Strategy (2007), the Allocations & Infrastructure Development Plan Document ('AIDPD') and the 2006 Mid Devon Local Plan ('the 2006 Local Plan'). With the Core Strategy and the AIDPD having already superseded part of the 2006 Local Plan, the remaining parts of the 2006 document will be the DM Local Plan.
- 2.2 It should be noted that whilst it was prepared at the same time as PPS4 (2009), the Department for Communities and Local Government's Practice Guidance on Need, the Sequential Approach and Impact remains, at the time of finalising this report, extant.

### The NPPF

- 2.3 In March 2012, the Coalition Government published the NPPF which replaces over 1,000 pages of former national planning policy guidance with around fifty. For retail and town centres planning, the NPPF replaces PPS4 which was introduced in 2009. Prior to PPS4, national planning policy was contained within PPS6 (2005) and before that PPG6 (1996) which was the national policy document in force at the time of the 2004 Mid Devon Retail Study.
- 2.4 Section 2 deals with planning for town centres, retail development and other main town centre uses<sup>1</sup>. It asks that planning policies should be positive, promote competitive town centre environments and set out policies for the management and growth of centres over the plan period. As part of drawing up Local Plans, the NPPF asks local planning authorities to:

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<sup>1</sup> The NPPF defines main town centre uses as: Retail development (including warehouse clubs and factory outlet centres); leisure, entertainment facilities the more intensive sport and recreation uses (including cinemas, restaurants, drive-through restaurants, bars and pubs, night-clubs, casinos, health and fitness centres, indoor bowling centres, and bingo halls); offices; and arts, culture and tourism development (including theatres, museums, galleries and concert halls, hotels and conference facilities).

- 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 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 and 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 retail, leisure, commercial, office, tourism, cultural, community and residential development needed in town centres. It is important that needs for retail, leisure, office and other main town centre uses are met in full and are not compromised by limited site availability. Local planning authorities should therefore undertake an assessment of the need to expand town centres to ensure a sufficient supply of suitable sites;
- allocate appropriate edge of centre sites for main town centre uses that are well connected to the town centre where suitable and viable town centre sites are not available. 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;
- 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 set out policies to encourage residential development on appropriate sites; and
- where town centres are in decline, local planning authorities should plan positively for their future to encourage economic activity.

2.5 The NPPF also provides advice on the scope and content of the evidence base for Local Plans. Retailing and town centres fall under the 'business' section at paragraphs 160-



161, with the NPPF asking local planning authorities to gain a clear understanding of business needs within the economic markets operating in and across their area, by:

- working together with county and neighbouring authorities and with Local Enterprise Partnerships to prepare and maintain a robust evidence base to understand both existing business needs and likely changes in the market; and
- working closely with the business community to understand their changing needs and identify and address barriers to investment, including a lack of housing, infrastructure or viability.

2.6 Paragraph 161 goes on to note that local planning authorities should use this evidence base to assess *inter alia*:

- the needs for land or floorspace for economic development, including both the quantitative and qualitative needs for all foreseeable types of economic activity over the plan period, including for retail and leisure development;
- the existing and future supply of land available for economic development and its sufficiency and suitability to meet the identified needs. Reviews of land available for economic development should include a reappraisal of the suitability of previously allocated land;
- the role and function of town centres and the relationship between them, including any trends in the performance of centres;
- the capacity of existing centres to accommodate new town centre development.

2.7 This advice does not differ fundamentally from previous national policy within PPS4, although there is a clear emphasis in the NPPF on supporting the health of town centres, promoting competition and choice within town centres, identifying needs and meeting these needs in full using the sequential approach to site selection, and ensuring that all of these factors are grounded in an understanding of the current local economic market.

2.8 These requirements of the NPPF in terms of evidence base documentation match the aims for this study and later sections of this report go on to assess current state of the main town centres in Mid Devon, assess current shopping patterns and quantitative and

qualitative need for new development and, where a need arises, identify sites to meet these needs.

## Mid Devon Core Strategy (Local Plan Part 1)

- 2.9 The Mid Devon Core Strategy was adopted in July 2007 and sets the strategy development context for Mid Devon District. The Core Strategy replaces a number of saved policies within the 2006 Local Plan and is a key element of the current development plan for Mid Devon.
- 2.10 Policy COR6 of the Core Strategy outlines the strategy for town centres and retail development, with the protection and enhancement of the health of Bampton, Tiverton, Cullompton and Crediton town centres via:
- Positive measures of enhancement and regeneration;
  - Promoting new homes, shops, leisure, offices and other key town centre uses which are well designed and contribute to vitality and viability;
  - Only permitting new retail, leisure, office and other key town centre uses outside town centres where there is a need and they meet the sequential test set out in national policy;
  - Traffic management measures to improve their environment and accessibility.
- 2.11 Policies COR13-16 set out the development strategy for the four main towns in the District. We list the contents of each policy below insofar as they relate to town centre and retail development issues:
- COR13 – Tiverton – allocates 3,900sq m additional comparison goods net sales floorspace to be provided by 2016, along with enhancements to walking and cycling opportunities in and around the town centre.
  - COR14 – Cullompton – promotes the removal of through traffic from the town centre, along with the promotion of 1,950sq m of new convenience goods net sales floorspace and 700sq m net comparison goods floorspace by 2016. A substantial part of this allocation will have been taken up by the development of the new Tesco supermarket on Station Road.

- COR15 – Crediton – proposes the management of the town centre so that economic regeneration and heritage reinforce each other by promoting new homes, shops, offices and other key town centre uses including an additional 2,100sq m net convenience goods floorspace and 1,350sq m net comparison goods floorspace by 2016.
- COR16 – Bampton – does not allocate specific retail floorspace requirements, although the policy does promote the enhancement of the viability, heritage and attractiveness of the town centre, along with ensuring that the town provides a focal point for local services and facilities.

## Mid Devon Allocations and Infrastructure Development Plan Document (Local Plan Part 2)

2.12 Adopted in October 2010, the AIDPD provides a large number of allocations for new development across the four main towns in Mid Devon along with a smaller amount of allocations in the rural areas of the District. The key retail/town centre allocations in Tiverton and Cullompton are:

- Tiverton:
  - AL/TIV/1 & AL/TIV/4 allocate an eastern urban extension for Tiverton, which includes provision for 1,550-2,000 new dwellings and community facilities to meet local needs arising from the development (including up to 1 hectare of shopping development);
  - AL/TIV/13 allocates a mixed use development at William Street, adjoining Tiverton town centre, using up 1,000sq m of retail and/or office floorspace;
  - AL/TIV/19 relates to land at Phoenix Lane in Tiverton town centre and provides for up to 2,400sq m of retail, office and/or leisure floorspace;
  - AL/TIV/20 – provides for up to 900sq m of small scale retail units on the former post office site on Bampton Street in the town centre.

- Cullompton:
  - AL/CU/12 – allocates the magistrates court and former health centre for community facilities;
  - AL/CU/17 – indicates that the Council will work with its partners to improve Cullompton town centre through measures including physical regeneration and enhancement. The policy also notes that all development in Cullompton will make a contribution to this enhancement.

## Mid Devon Local Plan (2006)

2.13 With the adoption of the Core Strategy and the AIDPD, a number of policies in the 2006 Local Plan have been superseded. However, at the time of writing this report, town centre and retail policies E1, E2, E3 and E5 in the 2006 Local Plan remain extant:

- Policy E1 supports the provision of new retail, leisure and office development within the town centres of Crediton, Cullompton and Tiverton provided that they meet criteria relating to: sustaining the health of the centre, being in-keeping with the scale and character of the centre and are accessible by a variety of means of transport.
- Policy E2 is designed to assess proposals for retail, leisure and office development outside of town centres, requiring proposals to comply with the sequential approach to site selection and other policy criteria relating to: the demonstration of need, accessibility and the scale of impact on town centre health.
- Policy E3 indicates that changes of use to retail, leisure, housing, business, community, tourist and service uses will be permitted provided that they retain and enhance the health of the town centre and, wherever possible, incorporate residential uses. Policy E3 goes on to note that proposals should not create 12 metres of continuous frontage devoid of Class A1 and/or A3 uses within the primary shopping frontage areas.
- Policy E5 provides a criteria-based approach to assessing shop front alternative proposals

- 2.14 Also saved are the primary retail frontage policies, TIV/2 and CRE/2, for Tiverton and Crediton town centres.
- 2.15 In addition, also saved is Policy CRE/1 which allocates 1.3 hectares of land at East Town in Crediton for a mixed use development comprising 3,000sq m of Class A1 retail floorspace and around 20 residential units. This site currently contains a Morrisons supermarket unit and customer car parking area and 2006 Local Plan allocation proposes the potential expansion of this store.

### **Local Plan Part 3: Development Management DPD**

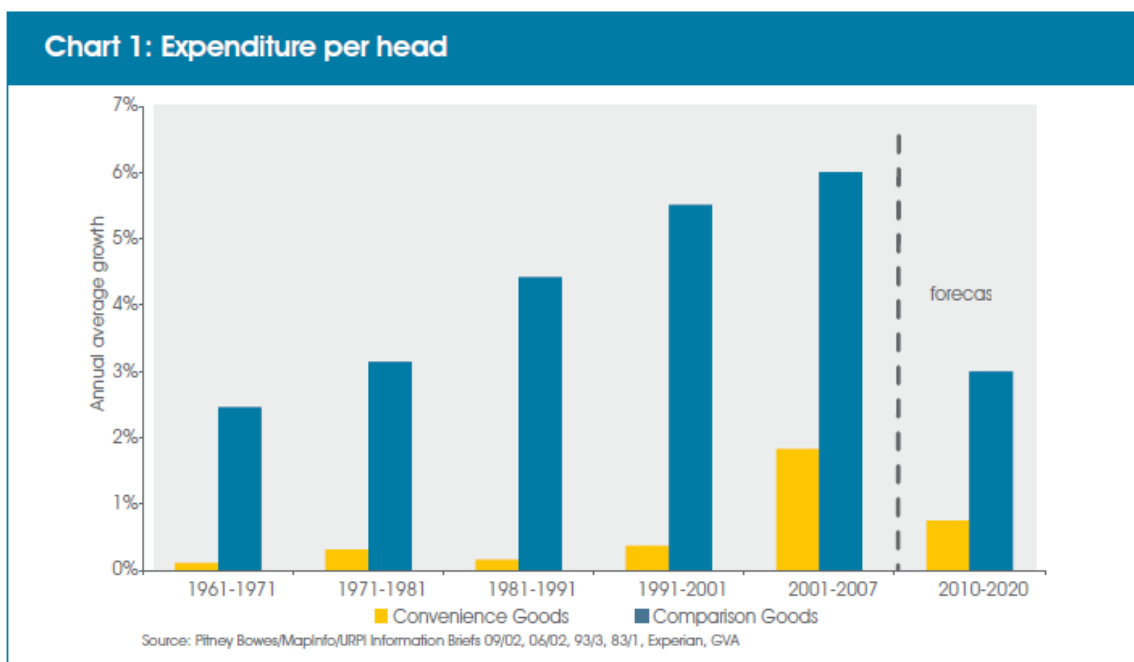
- 2.16 In order that the 2006 Local Plan is totally superseded, MDDC are currently working on the preparation of the DMDPD. An Issues and Options consultation document was published in April 2011 and the retail and town centre policy issues contained therein are subject to detailed examination later in this study. The retail and town centre issues discussed by the April 2011 document include:
- The approach to town centre development, changes of use and shop front alteration policies;
  - The approach to defining town centre and primary shopping frontage boundaries;
  - The approach to assessing economic development proposals, include retail land use proposals, located outside of town centres; and
  - The approach to shopping development within villages and rural areas across the District.

### 3. RETAIL AND LEISURE TRENDS

#### Recent and Future Retail Trends

##### *Retail spending growth*

3.1 The last 40 years (1968 – 2008) have seen retail expenditure per head grow at 2.8% pa. This is higher than consumer expenditure per head growth at 2.4% pa, which was more in line with overall economic growth. As incomes have risen, greater proportions have been spent on retail goods and in particular on comparison or non-food goods, fuelling the demand for retail floorspace. Growth in spending per head on comparison (non-food) goods has been exceptional. Chart 1 below shows it accelerating from an average of just under 3% pa during the 1960s and 1970s to just over 4% pa in the 1980s, 5.5% pa in the 1990s and 6% pa from 2001 to 2007. In contrast spending on food has grown at a slow, steady rate of c.0.5% pa.



3.2 The very strong growth in non-food expenditure per head, until the onset of recession, was underpinned by numerous factors including a lower tax burden, low inflation/interest rates, lower levels of savings and higher borrowing. Price deflation also boosted non-

food spending, with cheaper imports from China/the Far East, coupled with competition from the internet forcing down prices. Total spending was also reinforced by strong population growth.

3.3 Many of these trends were unsustainable and the debt fuelled boom eventually led to a major recession. This has resulted in much weaker non-food expenditure growth, which even turned negative in 2009. Growth in food spending has been more resilient. The next five years are set to see major cuts in public sector spending and employment, plus tax increases to reduce the huge annual budget deficit and public debt. This is likely to mean a relatively weak economic upturn and for the retail sector weaker income and expenditure growth for many years. This will be reinforced by the ageing population and pension concerns.

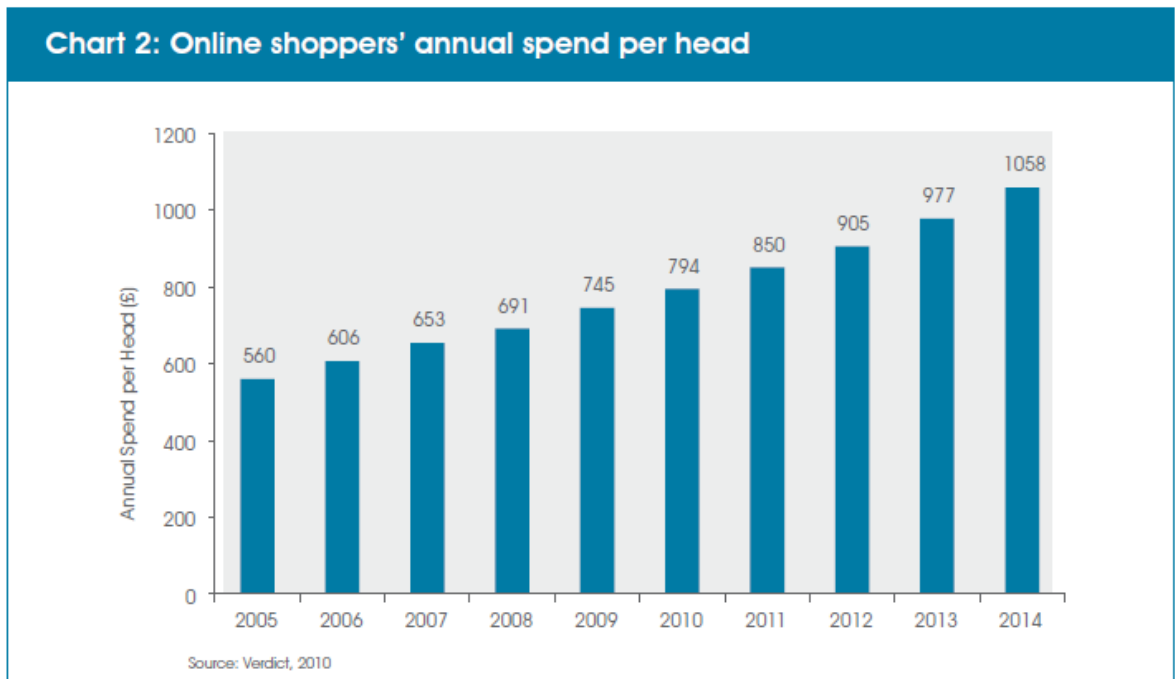
3.4 The outlook:

- Recent forecasts by Experian expect non-food expenditure per head growth to average about 2.5% pa over the next five years and about 3% pa over the next 15 years. These rates are much lower than recent and longer term trends but are more in line with overall growth in the economy.
- Less development will be needed as a result of weaker expenditure growth. In some towns a contraction in retail space may be inevitable. Greater polarisation between centres will be inevitable.
- In many towns, development viability will remain a problem for some years due to weaker expenditure and rental growth, making new development more difficult, particularly for complex sites in multiple ownership.
- Specifically for Mid Devon: these national trends will impact upon the three main towns in Mid Devon in a similar manner to other similar sized towns, namely less comparison (non-food) goods expenditure to support retail floorspace growth with a greater concentration on expenditure being used to support existing retail floorspace. This will be particularly acute in Crediton and Cullompton, both of which have modestly performing comparison goods sectors and a slowdown in comparison goods expenditure growth could hit these town centres harder than Tiverton (although Tiverton will no doubt also feel similar affects too).

### *The internet and online shopping*

- 3.5 The need for physical space in the retail sector and the way retail space is used has been affected by the rising popularity of online shopping. Whilst the retail market overall has contracted during the recent recession, online expenditure has continued to grow by some 15% pa to £21.2bn in 2009 (Verdict, 2010). Low cost, high speed internet access in more UK homes has led to increasing numbers of adults shopping online, with some 29.6 million forecast to do so in 2010 (nearly 60% of the adult population). This is almost triple the figure from 2004. Further growth in online shoppers will be limited as the numbers of computer literate adults, or those with broadband internet access approach saturation point.
- 3.6 As customers have gained familiarity and confidence in a service which is often cheaper and more convenient than traditional methods of shopping, levels of online spending have risen. Chart 2 below shows that by 2014 online expenditure per head is forecast to grow by a third. Selling directly to the customer cuts out expensive overheads such as rent and staffing costs. This keeps prices low, which has helped to increase online sales during the economic downturn. E-tail has penetrated certain retail sectors more than others impacting significantly on music and DVD sales in particular. Currently over half of the sector's products are purchased online. With consumers now able to download music and DVD files directly, in-store purchases are expected to continue declining, with online expenditure set to account for 70% of the market by 2013. The increase in illegal downloading has also exacerbated the sector's in-store sales decline.





3.7 Other retail sectors have not been as greatly affected, with online spending on goods such as clothing and footwear and food/grocery items growing at a slower, steadier rate, as consumers prefer to examine goods in person before purchasing, but even here attitudes are changing.

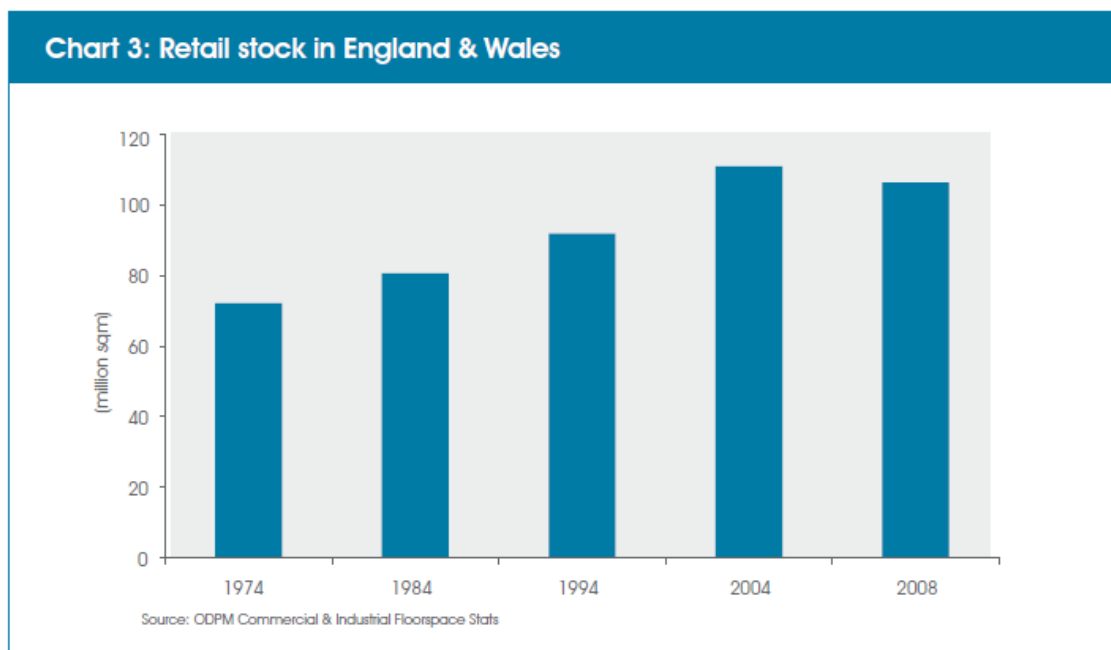
3.8 The outlook:

- If on-line sales continue their rapid expansion and expenditure per head growth remains weak, net spending in shops may show hardly any growth while it will still be necessary to improve the quality of stock. This will have implications for quality of floorspace needed and the vitality of existing centres, particularly when sales density increases, due to increased trading efficiency, are allowed for.
- Most forecasters anticipate that the growth in online sales will slow as access to broadband reaches saturation within the next few years. But if this doesn't happen and online sales continue to grow strongly as shoppers become more and more familiar with shopping on line, this would cause serious problems for town centres and retail parks alike.

- With continued strong growth of online shopping the role of bricks and mortar retailing will evolve with shops becoming more like showrooms and collection points for on-line sales. This will lead to further evolution of retailers' branch networks.
- The internet will never completely replace the experience of shopping and the desire of shoppers to touch and feel products before buying them, but it will have to be made more enjoyable and exciting to compete with the convenience and lower cost of online shopping.
- Specifically for Mid Devon: all of these issues will affect stores and centres across Mid Devon, as the larger supermarkets grow their on line home delivery services and national brands such as Amazon and ebay continue to dominate comparison goods sales. Whilst some of the national multiple stores across Mid Devon will be insulated from some of these affects, as they can offer a service which allows customers to pick up goods bought on line in store, smaller local independent stores in town centres will need to carefully consider whether they are able to compete with on line retailers. In the context of Mid Devon District, this could see smaller retailers changing their retail offer in order to minimise competition with on line retailers and serve a more local walk-in customer base (i.e. moving from general comparison retailing to a more service led customer function). There could also be a shift away from the traditional high street for some specialist retailers, who are gaining a larger proportion of their trade from on line sales, and therefore see no need remain in a high street location.

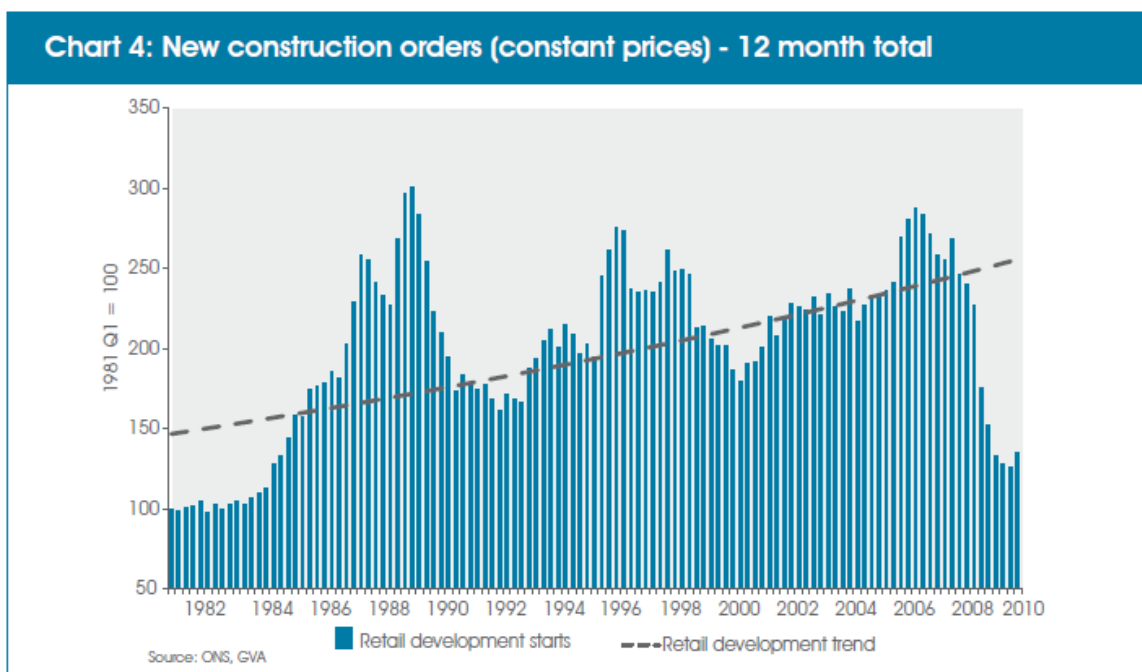
#### *Retail stock and development trends*

- 3.9 Retail stock in England and Wales has grown steadily over the last 40 years. Between 1971 and 2004 the total stock increased by 54% from 72.1 million sqm to over 110 million sqm. Direct comparisons with more recent figures are not possible due to definitional changes. Chart 3 below shows the pace of development has accelerated with strongest growth 1994-2004 (+21%) compared with growth of 12-14% over the previous two decades.



- 3.10 Data from the ODPM/DCLG and BCSC showed how the location of new retail development in England has shifted, with the proportion of new space built in town centres decreasing from 64% in the mid 1970s to just 14% in 1994. By 2005, with the tightening of planning policy, 30% of new space was built in town centres and the BCSC predicted that it would reach c.40% by 2010/11. If edge-of-centre developments (within 300m of the primary shopping area) are included the respective figures are 23% in 1994, around 40% by 2005, and an estimated 50% by 2010/11.
- 3.11 The last decade saw an exceptional amount of town centre development, almost 50% greater than in each of the previous two decades, with numerous major schemes such as the Bullring in Birmingham, Liverpool One, Cabot Circus in Bristol, Princesshay in Exeter, Drakes Circus in Plymouth and St David's 2 in Cardiff. In part this was due to the pro-town centre planning policies (PPG6 / PPS6) and in part due to the huge growth in comparison (or non-food) retail expenditure over the latter half of the 1990s and in the 2000s. Strong retail expenditure growth, increased retailer demand, rental growth and lower interest rates resulted in lower investment yields, strong capital value growth and improved development viability. This coupled with the banks willingness/enthusiasm for property lending, encouraged a high level of development activity.
- 3.12 But when the recession came, investment yields increased dramatically, rental values declined and development activity collapsed as chart 4 below shows. New construction

orders for retail at the end of 2009 were, in constant price terms, only 35% of their level two years previously, and lower than in the previous recession despite the UK economy being nearly 50% larger. Major town centre schemes have stalled and there is now only one due for completion in 2012.



### 3.13 The outlook:

- Can town centre development activity return to the levels seen in recent years? Developers now face difficult decisions with viability constrained and likely to remain so for some time. Retailer demand, rental growth and consumer confidence will remain weak, and development costs will be under pressure due to planning gain requirements and sustainability issues.
- The challenge for major retail led town centre schemes is their size which makes them costly and lengthy to implement. Will the future see developers opting for smaller, less risky schemes, or development in phases, or will they simply look to redevelop existing assets, or lower cost development solutions in non-central locations?
- The difficulty of obtaining bank finance is likely to persist, putting pressure on the public purse to help finance schemes. Without this many stalled schemes may never

get off the ground, however with budget cuts, public funding will also be constrained for the foreseeable future.

- What are the options for local authorities then? Edge and out-of-centre development, with lower development costs and lower operating costs, will remain attractive for developers and retailers. Despite the NPPF, can local authorities simply ignore this and risk losing developments to neighbouring towns? With the problems of financing town centre schemes, local authorities may find edge-of-centre development, if well planned and linked in with the town centre, offers the pragmatic solution for achieving new development.
- Specifically for Mid Devon: each of the three largest Mid Devon towns are likely to be hit by these trends. Even before the recession, town centre development in Mid Devon was a complicated and, in some cases, a difficult to achieve aspiration. This will be reinforced by the economic downturn, with lower levels of retailer requirements for towns such as Tiverton. As such, in order to encourage new retail development, the Council will have to consider whether non-central development is the only realistic proposition.

#### *Development activity by size of town*

- 3.14 The NPPF continues to promote town centres as the focus for development activity. Using the EGi shopping centres database (which covers all schemes of over 50,000 sq ft (4,645 sqm)), town centre development activity has been tracked from 1960 to the end of 2009. The analysis includes all schemes, both new builds and extensions. London is excluded from the analysis.
- 3.15 Retail development has fluctuated over the past five decades with 1.4 million sqm built in the 1960s, between 2.2 million and 2.9 million sqm built per decade during the 1970s, 1980s and 1990s and then 4.2 million sqm built between 2000 and 2009. Over the last 50 years, the greatest amount of development, totalling nearly 3.6 million sqm, took place in larger towns with urban populations of 100,000 - 250,000. This equated to 26% of all new town centre retail space. A similar amount of space was built overall in the smallest sized towns (<50,000 people), although with significantly more towns of this size, in terms of space built per person it equates to only 0.15 sqm, compared with 0.57 sqm per person in the larger towns.

3.16 Towns in the two largest size bands have consistently contributed 45%- 50% of the total development in each decade. Nearly all of the largest towns had new development during the 2000s and overall twice as much town centre space was built over the last ten years compared with the previous ten.

3.17 Analysis of the average amount of retail space built per person (see table below) shows that over the last decade medium sized towns (75,000-100,000 people) have seen the most with 0.18 sqm built per person. This compares with 0.13-0.16 sqm per person built in towns of over 100,000 people. The figures show the concentration of development in the medium-large towns with smaller towns seeing much lower levels of development activity (0.045 sqm per person in towns of less than 50,000 people).

| Town centre retail development activity, 2000-2009 |                         |                          |                              |
|----------------------------------------------------|-------------------------|--------------------------|------------------------------|
| Town Size Band (Urban population)                  | Total Space Built (sqm) | % Towns with Development | Space built per person (sqm) |
| 0 - 50,000                                         | 1,027,462               | 3.7%                     | 0.05                         |
| 50,000-75,000                                      | 592,084                 | 42.9%                    | 0.07                         |
| 75,000-100,000                                     | 551,082                 | 57.1%                    | 0.18                         |
| 100,000 -250,000                                   | 993,064                 | 82.0%                    | 0.16                         |
| 250,000+ (excl. London)                            | 1,051,661               | 93.8%                    | 0.16                         |

Sources: EGi, GVA

3.18 The outlook:

- The major retailers increasingly favour the larger towns. With strong investor demand for prime town centre retail schemes and with the recent fall in prime yields development viability may soon return. But even in prime towns simpler schemes with lower costs will be the order of the day.
- In smaller, more secondary towns, weak retailer demand, weaker retailer covenants, shorter leases and/or break clauses, and the threat from on-line sales may cause yields to remain high and development viability to remain poor, threatening the future of these towns. While market towns and local centres will be supported by their convenience and services offer, the ongoing pattern of polarisation will pose even more challenges to the mid sized, secondary towns.

*Retailer trends*

- 3.19 The retail sector is dynamic and constantly changing in response to consumers’ demands. One key trend has been the consolidation of the market into fewer, larger retail businesses. The number of small retail outlets employing less than 10 staff has declined dramatically (-53%), contrasting with 5,837% growth in outlets employing more than 100 staff. Multiple retailers now tend to dominate the core shopping areas of most UK towns giving rise to the term ‘clone towns’. The recent recession however has hit the retail market hard with the collapse of numerous ‘big’ names such as Woolworths, MFI, Rosebys, Zavvi, Borders, Dolcis, Virgin, Faith, Land of Leather and Allied Carpets.
- 3.20 A key trend during these difficult economic times has been the strong growth at the value end of the retail market. Primark and Matalan, along with numerous ‘pound’ shops and value grocers such as Lidl and Aldi have all thrived in recent years. Other retailers such as Tesco, Asda, Sainsburys, Morrisons, Marks & Spencer and Waitrose have also launched ‘value’ ranges to compete for this growing sector of the market. Competition and the fight for market share is driving many retailers to branch out beyond their standard/traditional retail offer to appeal to a wider audience. This is most evident amongst the grocers with the top four (Asda, Morrisons, Sainsbury and Tesco) branching out extensively into non-food markets.

| Proportion of non-food floorspace in supermarkets |       |           |           |       |
|---------------------------------------------------|-------|-----------|-----------|-------|
|                                                   | Asda  | Morrisons | Sainsbury | Tesco |
| % of Non-food flrsp                               | 48.8% | 28.6%     | 33.2%     | 40.8% |

Source: Verdict UK Grocery Retailing 2009 (Datamonitor). Figures are representative of main store format, i.e. superstores

- 3.21 As the table above shows, significant proportions of superstores are now dedicated to nonfood ranges. The fight for increased market share is not restricted to food retailers, with DIY stores offering wider ranges of soft furnishings, Next offering home furnishings/furniture and Boots offering toys, children’s clothing, greetings cards, cameras and photo goods. Several retailers, including Asda, Tesco and Wilkinson have also launched their own catalogue services for nonfood items to compete with the likes of Argos, offering home delivery or in-store collection.

3.22 With wider product ranges, demand has grown for larger stores. New store formats have also emerged, e.g. Asda Living, Tesco Homeplus, Next Home, Debenhams Desire stores and John Lewis at Home. In the current climate this has enabled some of these retailers, such as John Lewis, who have struggled to find the right space in town centres, to look at out-of-centre locations. At the other end of the spectrum, food retailers keen to capitalise on the local convenience market, have developed smaller store formats to sit on high streets or in smaller shopping centres (e.g. Tesco Metro/Express). This trend has helped retailers increase market share in areas where planning policy would prevent the development of their larger format stores. These trends all illustrate how the retail sector has evolved. Growth in the size of retail businesses, combined with expanding product ranges and new business formats has led to changes in the types of stores retailers are demanding and the locations they are prepared to trade in.

3.23 The outlook:

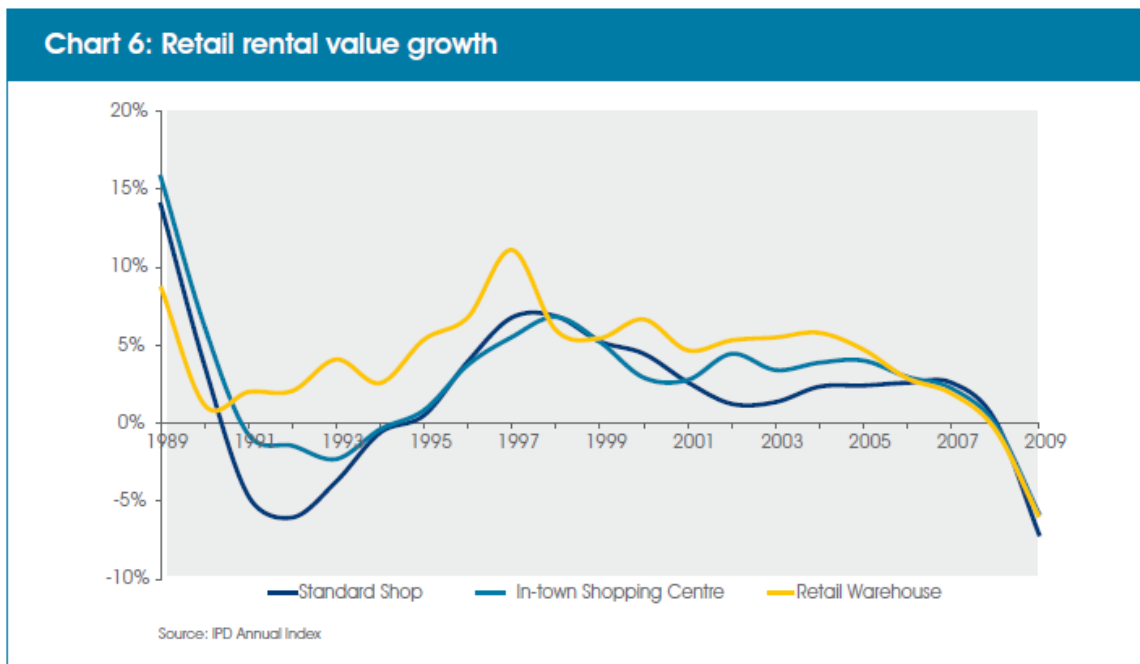
- Retailers will continue seeking larger, modern units. They no longer require stores in every town and the focus will be on the prime markets/larger towns and cities where suitable space can be accommodated.
- What is the future for small/medium towns? Retailers will focus efforts on the top 50-100 locations and aim to achieve all their turnover from large stores in these centres, and use multichannel retailing such as the internet to fulfil other customer needs.
- This will compound the problems experienced by smaller traditional/ historic towns which will find it increasingly difficult to meet retailers' current space requirements. Is the only solution to find more innovative designs or consider other options such as opening the door to edge and out of centre retailing? Or will smaller towns have to change focus and opt for a different role moving forward?
- Stores will no longer be simply points of sale, but will increasingly function as show rooms and/or collection points for internet orders, unless town centres can reinvent themselves with a more exciting offer and integrated leisure facilities to make the shopping trip more enjoyable and more of a quasi leisure experience.
- With town centre developments stalled, retailers are again turning their focus to out of centre locations. Once they have moved out of centre will they go back? With retailers such as John Lewis, who would previously have anchored major town centre schemes, developing formats which enable them to trade from an out-of-centre location, is the future for town centre development under threat?



- Local authorities will face a difficult dilemma in circumstances where a retailer cannot be accommodated in a town centre. Do they allow them to move out-of-town, which could threaten the viability of future town centre schemes, or risk losing them to a competing town, and thus not have them at all?
- Specifically for Mid Devon: the above trends are particularly important for (and relevant to) the main Mid Devon towns. The contraction of retail unit numbers is an issue for Mid Devon and its relationship with larger towns and cities further afield, with Tiverton, the town in Mid Devon most able to attract a number of national multiple retailers, likely to find it hard to attract and retain national multiple retailers, as some retailers will seek to concentrate in Exeter and Taunton.

#### *Rental value growth*

- 3.24 In-town sectors have seen a lower rate of rental growth than retail warehouses over the last 20 years, as new supply has been constrained by planning policy (chart 6 below). However, in the recent recession, the performance of in-town and out-of-town retail property was almost identical, but over the last 12 months performance is diverging again.



**Average rental growth in real terms**

|                              | 1 year | 5 years | 10 years | 20 years (trend rate) |
|------------------------------|--------|---------|----------|-----------------------|
| Standard (high street) shops | -9.3%  | -2.7%   | -1.4%    | -0.7%                 |
| In-town shopping centres     | -8.0%  | -2.1%   | -0.6%    | 0%                    |
| Retail warehouses            | -8.2%  | -2.2%   | 0.3%     | 2.1%                  |

Sources: IPD, GVA

3.25 Interestingly, in-town sectors have tended to under-perform retail warehouses during cyclical upturns, but performance has tended to be more similar during downturns. Within town centres, standard (high street) shops have underperformed in-town shopping centres and this trend is likely to continue. Since the start of the recent recession town centre rental values have fallen by about 10% on average, but this masks wide divergence at the local level. In central London, for example, prime rental values have increased slightly (significantly in Bond Street), whereas in some cities such as Birmingham, Leeds and Manchester they have decreased by nearly 20% and in others such as Cardiff and Plymouth they have fallen by as much as 35%. The table shows long-term rental performance in real terms (by stripping out RPI inflation to account for the varying inflation environments over the last 20 years). Retail warehouses have seen a very strong trend rate of growth of more than 2% pa above inflation over the period,

compared with in-town shopping centres where growth has been in line with inflation, and standard (high street) shops, which have seen a decline in real terms of -0.7% pa.

### 3.26 The outlook:

- Retail warehousing is now a more 'mature' sector, and is unlikely to see the degree of out-performance going forward that it experienced over the last 20 years. The restrictions on out-of town development and the focus on revitalising town centres is expected to continue, although there may be changes to planning policies. So supply constraints are likely to remain and this would mean continued out-performance for out-of-town retail property over the long term, although by a lower margin than in the past.
- Specifically for Mid Devon: Stronger rental growth in out-of-centre locations will increase investor demand and put downward pressure on yields and upward pressure on capital values. This will enhance development viability relative to town centre sites and increase pressure to permit more edge and out-of-centre development.

### *Demographics*

3.27 In 1971, the UK population was just under 56 million. Nearly forty years later it has risen to just over 62.5 million - an average annual increase of 0.3%. However, the population has been growing at an accelerating rate. Between 1971 and 1991 the average growth rate was 0.14% pa, which is significantly lower than the 0.45% pa average between 1991 and 2010. Over the next 20 years (2011–2031) the population is forecast to grow even faster (0.66% pa).

3.28 Advances in healthcare and medicine mean people are living much longer, a trend that will continue for the foreseeable future. Between 1971 and 2011, the number of UK inhabitants aged over 85 almost tripled from just under 0.5 million to 1.45 million. Looking ahead, the number of people in this age bracket is expected to more than double to almost 3 million by 2031. The number of 65 to 84 year olds is also expected to rise considerably (+42%) over the same period. In contrast, the number of UK inhabitants aged 15 to 24 has not changed greatly over the last 40 years, with approximately the same number today (8.2 million) as in 1971 (8.1 million). Over the next decade, the

number of people in this age group is expected to drop 8.5% to 7.5 million, before showing signs of starting to increase again.

3.29 Although the fertility rate in the UK has increased year-on-year since 2001, in 2008 it was 1.96 children per woman, remaining just below the natural replacement level of 2.1. This helps in part to explain the imbalance between age group numbers.

3.30 The outlook:

- In terms of the impact for the retail sector, increased life expectancy and immigration combine to add to the UK's 'top heavy' age structure, something which will continue to affect not only levels of expenditure per head but also its composition.
- Older people's purchasing habits are different, with a preference to spend money on leisure activities/holidays, with less on consumer products. This could be significant for the retail sector. The financial burden of supporting an ageing population will also place a further strain on the working generation, potentially reducing disposable income levels and therefore overall consumer expenditure.
- Retailers will need to adapt to the new 'grey market', a market often ignored in the past. It is likely that we see new formats and stores evolve specifically catering for older consumers. Older shoppers tend to favour smaller shops and independent retailers which are original, and provide quality products and strong customer service. They will tend to favour towns with good accessibility, which are not congested, and have an attractive environment where the retail experience is combined with good eating and drinking leisure facilities. Retailers will need to satisfy wants rather than needs.
- The growth of silver surfers on the internet is another important consideration, as these shoppers move away from traditional mail order/catalogue businesses. As age mobility problems may make shopping more difficult, certain retailers have cited 'silver surfers' as the fastest growing sector of internet users, with them now making up a large proportion of online customer bases.

### *Mobility*

- 3.31 Retail expenditure over the past 60 years has been significantly affected by improvements to public transport links and the rise in car ownership. The latter in particular, means greater distances can be travelled more easily and quickly, giving consumers better choice and the ability to purchase larger volumes of goods per trip than would be possible on public transport. Sixty years ago, more than 85% of UK households were without a car; today it is only a quarter.
- 3.32 Currently, approximately 45% of households own one car, 24% have two cars and 6% have three or more cars. The growing numbers of multiple car households, as well as the general rise in car ownership, has greatly improved shopper mobility. This has fundamentally altered shopping patterns.
- 3.33 Convenience shopping is no longer about walking to the local shops; it is typically undertaken by car at big supermarkets (bulk trips) and for comparison shopping, people are prepared to travel to visit bigger centres or retail parks. These trends have increasingly favoured the larger, more distant, towns over the smaller nearby towns and out-of-town locations, with plentiful free parking, over town centres, with more constrained and costly parking, reinforcing the polarisation within the retail market.
- 3.34 The outlook:
- The Department for Transport predicts that the proportion of households in the UK which do not own a car will continue to fall at a slow and steady rate to around 20% in 2041. There will be marginal growth in levels of car ownership until c.2036 when it appears that saturation of the market may occur.
  - Mobility should be a less significant trend for the future as the same growth rate will not be experienced as in the past. Nevertheless, use of the car will remain crucial for shopping and towns that try to deter car usage will suffer. Car borne shopping is intrinsic now and policies to reduce car traffic to town centre schemes will be detrimental to town centre schemes that are in competition with easily accessible out-of-centre locations with ample free parking.

- Town centres that have an attractive shopping environment, with a good range of shops, and are accessible, with convenient inexpensive car parking, will prove successful.
- Specifically for Mid Devon: like other towns of a similar size and geographical location, the above trends in mobility will have an affect on the future retail performance of the three town centres in Mid Devon. Increasing mobility has the ability to reinforce the leakage of shopping trips, particularly higher order comparison goods trips, to locations outside the District, such as Taunton, Barnstaple and Exeter. In relation to convenience goods shopping, mobility is also important with town centres facing competition from non-central locations. However, the polarisation of retail space to larger centres seen in the non-food sector is less marked in the convenience goods sector with Crediton, Cullompton and Tiverton all now possessing large supermarket which enable them to retain the majority of local trade.

### *Conclusions*

- Town centres have suffered from the severe recession with falling rental values and higher vacancies and they will suffer from its aftermath. Government spending cuts and tax increases to reduce the annual budget deficit and high level of debt, will have a lasting effect on employment, income and consumer spending in towns where there is currently a high level of public sector employment. Personal levels of debt, which remain high, will gradually reduce and this will further affect retail spending growth.
- Retailers will also be affected by continuing strong price competition, intensified by the effect from internet based spending. They will look to reduce costs and will demand modern shops that meet their size and layout requirements. All these factors potentially threaten some centres, particularly smaller town centres, and will require town centres to be more proactively managed and maintained.
- Town centre retail turnover will be under pressure for many years to come and this will affect rental and capital value growth and hence the viability of new development. This will threaten some large town centre schemes which are dependant on expensive land assembly, high front-end infrastructure costs, complex design, high development costs, lengthy development timescales and the need for pre-letting to major space users.

- For some town centres, lower growth in expenditure, changing shopping habits and the concentration of shopping in the larger centres may mean that no new development will be viable or that a contraction in the size of the town centre may be required.
- Recognition that some of these trends may be permanent and not just temporary 'blips' is important as where the decline of a centre is already underway, the solution may lie in the form of a managed decline with conversion or redevelopment to other uses. It might be that some high streets/towns will never go back to being major 'retail destinations'. This does not mean they have no future, they simply need to determine a different role/new focus for themselves going forward.
- The appeal of out-of-centre development (foodstores and retail parks) will increase relative to town centre development as development costs will be lower, rental and capital values will show stronger growth and the accommodation of large space users will be easier than in constrained town centre sites. Local authorities will have to be increasingly vigilant about the amount, composition and scale of out of centre development, and be much more proactive over their town centres.
- Local authorities need to be wary of the trends mentioned in this section such as mobility, accessibility and car parking, the sameness of many town centres, lower expenditure growth and the threat from the internet, the ageing of the population and how this will affect shopping and leisure activities in town centres. The multitude of land ownerships in most town centres makes effective action difficult but not impossible. Even the most proactive authorities may struggle to reverse the effect of some of these trends. Their aspirations have to be realistic, soundly based, and supported by a clear understanding of how new investment will be delivered in this more challenging economic climate.

## 4. TOWN CENTRE HEALTH CHECKS

### Introduction

- 4.1 The purpose of this section is to provide an assessment of the current state of retailing within Mid Devon and its relationship to surrounding areas. This has been carried out through health checks of the three main town centres (Tiverton, Crediton and Cullompton), plus an overview of retail provision in Bampton along with out-of-centre retail provision in the main settlements.
- 4.2 Part 4 of the Practical Guidance on Need, Impact and the Sequential Approach refers to the development of town centre strategies. Such strategies need to be based on sound evidence which should include an audit of existing centres: to identify their current role, their vitality and viability, and their potential to accommodate new development and/or change having regard to identified needs. Town centre health checks provide the opportunity to consider a centre's performance over time, in relation to national trends and to similar sized centres elsewhere. For the purposes of reviewing the health of town centres within Mid Devon, this study draws comparisons between each of the three centres and also other centres across Devon and Somerset.
- 4.3 Measurement of vitality and viability of town centre health is achieved through a basket of tried and tested indicators. The information gathered for town centres is useful not only to inform the review of strategic retail policy, site allocations and development management policies, but is also useful for assessing the likely impact of retail development proposals. The indicators which have been reviewed for each of the centres are:
- diversity of main town centre uses (including retailer representation);
  - the amount of retail floor space in edge-of-centre and out-of-centre locations;
  - a commercial overview (including information on rents and yields on retail property);
  - proportion of vacant street level property; and
  - customer and residents' views and behaviour.



- 4.4 It should be noted that due to the size and function of some of the centres, it is not possible to gather information on a number of the indicators, particularly retail rents and commercial yields.
- 4.5 Information on the indicators of town centre health listed above have been gathered from a number of sources, including MDDC, Experian GOAD, Focus Reports and the Valuation Office. This information has been supplemented by surveys undertaken by GVA in May and June 2011. In addition, a review of retailer requirements for representation in the main centres has also been undertaken. This sought to identify retailer interest in the main centres.

## **The Sub-Regional Retail Hierarchy**

### *The Existing Position*

- 4.6 Table A below shows the level of total retail floor space in the main settlements in Mid Devon and this is compared with retail floor space within the major settlements in surrounding administrative areas. The table below also provides a VenueScore ranking for each centre for 2007 and 2011. The VenueScore database ranks individual based on a 'basket' of retailer representation and floor space information, to enable a comparison to be drawn between the performance of different centres and over time.

**Table A: Sub-Regional Shopping Hierarchy**

| Tier/Centre | Total Floor space (GOAD) (sq m gross) | VenueScore Ranking 2007 | VenueScore Ranking 2011 |
|-------------|---------------------------------------|-------------------------|-------------------------|
| Tiverton    | 54,100                                | 414                     | 422                     |
| Cullompton  | 20,100                                | 1948                    | 2142                    |
| Crediton    | -                                     | 1727                    | 1650                    |
| Bampton     | -                                     | -                       | -                       |
| Barnstaple  | 105,650                               | 176                     | 196                     |
| Exeter      | 179,800                               | 37                      | 27                      |
| Taunton     | 146,870                               | 81                      | 80                      |
| Yeovil      | 121,180                               | 118                     | 169                     |
| Honiton     | 33,850                                | 953                     | 1216                    |
| Bridgewater | 85,170                                | 301                     | 331                     |
| Wellington  | 27,000                                | 1184                    | 1128                    |

Source: Goad & VenueScore.

- 4.7 The above data indicates that there has been mixed fortunes for Mid Devon's main town centres between the compilation of the 2007 and 2011 Venuescore rankings. Tiverton has seen a relatively static market share and is currently ranked 422<sup>nd</sup> in the country. Cullompton remains as the lowest ranked of the three main Mid Devon centres and its ranking has fallen to 2,142<sup>nd</sup> in the country from 1,948<sup>th</sup> in 2007. In contrast, Crediton has improved its ranking, climbing 77 places between 2007 and 2011 and now stands at 1,650<sup>th</sup> in the country.
- 4.8 It is also useful to compare the rankings of the Mid Devon centres against surrounding centres across Devon and Somerset. Unsurprisingly, Exeter continues to achieve the best ranking of Mid Devon's neighbours and is currently ranked 27<sup>th</sup> in the country, following a considerable improvement from 37<sup>th</sup> in 2007 primarily due to the opening of the Princesshay development in the city centre. Barnstaple, Taunton and Yeovil all achieve higher rankings than Tiverton, as does Bridgewater although gap here is noticeably smaller. Tiverton also out-performs centres such as Wellington and Honiton.

## Tiverton Town Centre

### *Structure of the Town Centre*

- 4.9 Tiverton town centre, as defined on the Local Development Framework Proposals Map, encompasses Fore Street, Bampton Street, St Peter Street, Newport Street, Gold Street, Phoenix Lane, St George's Way, Bridge Street and part of West Exe North. Within this area, the Proposals Map defines primary shopping frontages which extend along Fore Street, Bampton Street, the western part of Gold Street and into Market Walk. The majority of the town centre boundary is also included within Tiverton's Conservation Area.

### *Diversity of Uses*

- 4.10 Information on the diversity of uses within the town centre boundary has been obtained from MDDC from its regular town centre land use surveys. A more detailed breakdown of the uses can be found at Appendix E including a breakdown between primary and non-primary shopping areas. Appendix E also contains a plan of the town centre.
- 4.11 The MDDC survey information indicates the composition of centre as follows:

**Table B: Retail Composition of Tiverton town centre, 2009-2012**

| Sector       | September 2009 |            | January 2011 |            | January 2012 |            |
|--------------|----------------|------------|--------------|------------|--------------|------------|
|              | No.            | %          | No.          | %          | No.          | %          |
| A1 Food      | 18             | 7%         | 20           | 8%         | 19           | 8%         |
| A1 Non-Food  | 120            | 49%        | 122          | 51%        | 122          | 51%        |
| A2           | 43             | 18%        | 40           | 17%        | 40           | 17%        |
| A3           | 13             | 5%         | 15           | 6%         | 13           | 5%         |
| A4           | 7              | 3%         | 8            | 3%         | 9            | 4%         |
| A5           | 10             | 4%         | 11           | 5%         | 12           | 5%         |
| D1           | 1              | 0%         | 1            | 0%         | 1            | 0%         |
| D2           | 1              | 0%         | 1            | 0%         | 1            | 0%         |
| Sui Generis  | 2              | 1%         | 2            | 1%         | 2            | 1%         |
| Vacant       | 30             | 12%        | 21           | 9%         | 21           | 9%         |
| <b>TOTAL</b> | <b>245</b>     | <b>100</b> | <b>241</b>   | <b>100</b> | <b>239</b>   | <b>100</b> |

Source: MDDC. Figures may not add due to rounding

- 4.12 The above data shows that the number of convenience retail units in the town centre has remained relatively static over the past three years, with a small increase from 18

- units in September 2009 to 19 units in January 2012. Convenience retail uses now occupy 8% of all units in the town centre. Convenience uses include a Marks & Spencer Simply Food unit on Phoenix Lane (in the former Kwik Save unit), a Co-op store on Market Walk (formerly a Somerfield store), Spar and Mace convenience stores, a Greggs bakery, plus Julian Graves and Holland & Barratt health food stores.
- 4.13 It will be noted that since the previous study, Tesco has relocated from its Fore Street premises to a large new store outside of the town centre. The previous store extended to 1,271sq m net whilst the new facility has a net sales area of 2,988sq m (excluding checkouts). The new Tesco store is served by a large surface level car park and lies in an edge of centre location. A recent application proposing the insertion of a large new mezzanine floor into the new Tesco store, to accommodate a significant increase in comparison goods floorspace, was withdrawn.
- 4.14 The number of comparison units in the town centre has also risen slightly, from 120 units in September 2009 to 122 units in January 2012. Comparison retail units now occupy half of all retail units in the town centre. In terms of retailer representation, there is a mixture of national multiple and local independent traders. National multiple comparison retailers present in Tiverton town centre include: Boots, Phones 4U, M&Co, New Look, WH Smith, Specsavers, Clarks, QS, Argos and Dorothy Perkins. Whilst comparison goods retailers can be found throughout the town centre, the majority of these national multiple retailers can be found along Fore Street and the southern part of Bampton Street.
- 4.15 Service uses (within use classes A2-A5) have also risen slightly between 2009 and 2012, from 30% of all units to 31% in 2012. The data collected by MDCC indicates the largest group comprises Class A2 (financial and other services) uses which have fallen from 18% of all units in 2009 to 17% at the start of this year. In contrast, A4 uses (pubs and bars) and A5 uses (take-aways) have both increased slightly (by 1% apiece between 2009-2012).
- 4.16 Within the class A2 category many of the national high street banks and building societies are present, including Natwest, Barclays, Lloyds and HSBC. In addition, there are a number of estate agents, solicitors and other financial services (such as insurance brokers).
- 4.17 There are very few service uses in the primary retail frontages along Fore Street, with higher proportions of these uses to be found in the secondary frontage areas and towards the periphery of the town centre (including the northern parts of Bampton Street, Gold Street and West Exe North). This distribution is unsurprising given the existing policies which

control non-Class A1 uses in the primary frontages and also the likelihood that some service uses require cheaper retail property in order to trade viably.

- 4.18 Over the past three years, the land use data collected by MDDC indicates a noticeable fall in the number of vacancies in Tiverton town centre. At April 2009 there were 30 vacant units which had dropped to 21 by January 2011 and remained constant up to the start of 2012. Vacant units now comprise 9% of all units in the town centre, whilst in 2009 it was 12%. There are pockets of long-term vacancies on Angel Hill and Newport Street, whilst a small number of units on Gold Street, Market Walk and Bampton Street have been vacant for three years, although the numbers involved are not significant.
- 4.19 We have also looked at those units which were vacant in 2009 at the time of the MDDC survey and examined the identity of their new occupants. 19 units which were vacant in 2009 are now in occupation and these occupants comprise a broad spectrum of land uses. 9 on these units are now in A1 non-food use, with two further units being occupied by A1 food retailers. The remaining former vacant units are now occupied by service uses including 3 A2 uses, 3 A3 uses, 1 A4 use and one A5 occupier.
- 4.20 Outside of Tiverton town centre a number of retailers are present. In addition to the replacement Tesco store, there is a large Morrisons supermarket on Kennedy Way. This store, which was originally constructed as a Safeway store, extends to 2,230sq m net and sells a wide range of convenience goods and a relatively small range of comparison goods. The store is served by a large surface car park which also includes a petrol filling station.
- 4.21 Within the comparison goods sector, there is a 2,100sq m gross Homebase DIY store (and garden centre) on Lowman Way, plus retail warehouse units accommodating Carpetright and Halfords on Kennedy Way close to the Morrisons store.

### Retail Property

- 4.22 In relation to the financial characteristics of retail property in Tiverton, we have obtained data on yields on commercial retail property and also Zone A rental levels for retail floorspace.
- 4.23 As a measure of retail viability, yields are a valuable indicator, but one that needs to be used with care. The level of yield on its own is of less value than in comparison with other yields at different points in time and in different locations. Yields measured over time can give an indication of the direction in which a particular town centre is moving. This trend can be compared with neighbouring and competing towns. In short, the lower the yield the better the performance of a centre. A comparative analysis of this type, conducted on a regular basis, can give an indication of how the viability of retailing in a town centre is changing. The commercial yield information, obtained from the Valuation Office, for Tiverton and surrounding centres is shown in Table C below (N.B. Please note that the Valuation Office stopped providing yield data in 2008 and there is no reliable data from local sources).

**Table C: Commercial Yields on Retail Property in Sub-Region, 2003-2008**

| Centre     | Apr 2003 | Jan 2004 | July 2004 | Jan 2005 | July 2005 | Jan 2006 | July 2006 | Jan 2007 | July 2007 | Jan 2008 | July 2008 |
|------------|----------|----------|-----------|----------|-----------|----------|-----------|----------|-----------|----------|-----------|
| Tiverton   | 9        | 9        | 9         | 8.5      | 8         | 7.75     | 7.25      | 6.25     | 5.75      | 5.75     | 6         |
| Yeovil     | 7.0      | 7.0      | 7.0       | 7.0      | 6.75      | 6.25     | 5.5       | 5.0      | 5.0       | 5.0      | 5.0       |
| Bridgwater | 8.0      | 8.0      | 8.0       | 7.0      | 7.75      | 7.0      | 6.0       | 6.0      | 6.0       | 6.0      | 6.0       |
| Exeter     | 6.5      | 6.5      | 6.5       | 6        | 5.75      | 5.5      | 5         | 4.5      | 4.5       | 4.5      | 5         |
| Bideford   | 9        | 9        | 9         | 8.5      | 8         | 7.75     | 7.25      | 6.25     | 6.25      | 6.25     | 6.5       |
| Barnstaple | 7        | 7        | 7         | 6.25     | 6.5       | 6.25     | 6         | 5.5      | 5         | 5        | 5.5       |
| Wellington | 9        | 9        | 8         | 8        | 8         | 7.5      | 7         | 7        | 7         | 7        | 7         |
| Taunton    | 6.0      | 6.0      | 6.0       | 5.75     | 5.75      | 5.25     | 4.75      | 4.5      | 4.5       | 4.5      | 4.5       |

Source: Valuation Office statistics

- 4.24 The above table shows the general trend across a large part of the past decade for reducing (i.e. improving) yields on retail property. Whilst it is unsurprising to see centres such as Exeter and Taunton with consistently the lower yields, Tiverton has seen a rate of

improvement in its own yields which has seen it catch up with Bridgewater and start to out-perform Wellington and Bideford.

4.25 Rental information for Zone A retail space in Tiverton has also been obtained from the Focus database and indicates that rental levels were at £40sq ft in 2008 (see Table D below). There is no information on rents for the other three town centres in Mid Devon. Therefore, in order to provide some useful comparisons, data has been identified, where possible, for centres in surrounding administrative areas:

**Table D: Zone A Rental Levels, 2004-2009 (£/sq ft)**

| Centre      | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 |
|-------------|------|------|------|------|------|------|
| Tiverton    | 35   | 40   | 40   | 40   | 40   | -    |
| Yeovil      | 80   | 85   | 90   | 100  | 100  | 85   |
| Taunton     | 130  | 135  | 140  | 140  | 140  | 120  |
| Bridgewater | 40   | 45   | 50   | 50   | 50   | 40   |
| Exeter      | 180  | 190  | 200  | 220  | 225  | 190  |

Source: Focus

4.26 The above information on rental values demonstrates that rental values in Tiverton have not experienced much change over the past decade, although Bridgewater also finds itself in a similar situation. In addition, larger towns and cities such as Exeter, Yeovil and Taunton, whilst possessing significantly higher Zone A rental levels, have also not experienced significant rises also. Also, whilst 2009 data is not available for Tiverton, the above table indicates that worsening of retail rents from 2008 onwards in the surrounding settlements as the initial effects of the economic downturn started to take hold.

*Retailer Requirements*

4.27 In order to test the attractiveness of Tiverton to the retail sector, we have sought information on past and present retailer requirements for the town. In short, the term 'retailer requirements' relates to those retailers who may not currently be present in Mid Devon but wish to find premises to open up a new outlet.

4.28 Outlined in Table E below is a recent history of the level of retailer requirements in Tiverton since 2004 set alongside retailer requirements for other towns and cities in the surrounding area. The data in Table E indicates that Tiverton, like all other surrounding

towns and cities, has experienced falling retailer requirements since 2007, which has been a common effect of the economic downturn.

**Table E: Retailer Requirements – Tiverton and other towns in the sub-region 2004-2010**

| Year | Tiverton | Exeter | Barnstaple | Bridgwater | Yeovil | Taunton |
|------|----------|--------|------------|------------|--------|---------|
| 2010 | 7        | 67     | 21         | 7          | 13     | 22      |
| 2009 | 5        | 75     | 23         | 9          | 14     | 28      |
| 2008 | -        | -      | -          | -          | -      | -       |
| 2007 | 18       | 123    | 40         | 21         | 41     | 70      |
| 2006 | 17       | 135    | 47         | 25         | 41     | 76      |
| 2005 | 16       | 137    | 51         | 29         | 49     | 79      |
| 2004 | 19       | 120    | 40         | 24         | 40     | 78      |

Source: Focus

- 4.29 In our previous study we found there to be 19 retailer requirements in 2004 and this kept relatively static to 2007. A similar trend was also felt by the other settlements in the table below. In 2009-2010, Tiverton could only manage to requirements from 5-7 retailers, which was comparable to Bridgwater, but lower than other towns such as Barnstaple, Taunton and, in particular, Exeter.
- 4.30 Beyond this historical data, we have also obtained the latest retailer requirements for the Tiverton area from both the Focus and EGi databases and these are outlined below including, where know, the size of the requirement from each retailer. This shows 9 current requirements on the Focus database and 43 requirements for the Tiverton area on the EGi database. In order to provide a consistent comparison with the historic data outlined above, the Focus data should be used, whilst some caution should be used with the EGi data given that some requirements may not be specific to Tiverton itself and may relate to the surrounding area.
- 4.31 The Focus data indicates interest from a broad spectrum of retailers including a food retailer (Iceland), comparison goods retailers (Poundland, The Works and Everything Everywhere) and service providers (Café Nero). The current level of requirements shows a slight improvements over 2009-2010 levels and represents a requirement for around 3,300sq m of retail floorspace.



4.32 Notwithstanding the caution which should be applied to it, the EGi data shows potential demand for a large number of other retailers and service providers. Demand spans across convenience, comparison and service retailers including a number of national multiple traders.

**Table F: Current Retailer Requirements – Tiverton**

| <b>Focus</b>                               | <b>EGi</b>                                                                           |
|--------------------------------------------|--------------------------------------------------------------------------------------|
| Card Bar / Thorntons (140sq m)             | Card Bar / Thorntons (140sq m)                                                       |
| Everything Everywhere (70sq m)             |                                                                                      |
| Café Nero (140sq m)                        | Café Nero                                                                            |
| Card Factory (210sq m)                     | Card Factory (210sq m)                                                               |
| Brighthouse (325sq m) (Electrical Goods)   | Brighthouse (325sq m)                                                                |
| Famous Footwear (465sq m)                  |                                                                                      |
| Poundland (929sq m)                        | Poundland (929sq m)                                                                  |
| The Works (250sq m) (Books and stationery) | The Works (250sq m) (Books and stationery)                                           |
| Iceland (750sq m)                          | Iceland (750sq m)                                                                    |
|                                            | Budgens (929sq m)                                                                    |
|                                            | Caffe Concerto (no size given)                                                       |
|                                            | B&M Bargains (2700sq m)                                                              |
|                                            | Hungry Horse (no size given) (pub restaurant chain)                                  |
|                                            | Little Waitrose (650sq m)                                                            |
|                                            | Waitrose (3800sq m)                                                                  |
|                                            | One Stop (280sq m) (convenience store)                                               |
|                                            | PC World (1100sq m)                                                                  |
|                                            | Pizza Hut (300sq m)                                                                  |
|                                            | River Island (650-1400sq m)                                                          |
|                                            | Turtle Bay (no give given) (restaurant)                                              |
|                                            | WH Smith (230sq m)                                                                   |
|                                            | William Hill (no size given)                                                         |
|                                            | Sainsburys Local (465sq m)                                                           |
|                                            | Schmidt (no size given) (kitchens)                                                   |
|                                            | Seasalt (180sq m) (clothing)                                                         |
|                                            | Starbucks (no size given)                                                            |
|                                            | Store21 (650sq m) (clothing)                                                         |
|                                            | Londis (280sq m)                                                                     |
|                                            | Love Coffee (no size given)                                                          |
|                                            | Marston's Inns (no size given)                                                       |
|                                            | Monsoon / Accessorize (465sq m)                                                      |
|                                            | Mothercare (500-2700sq m)                                                            |
|                                            | Dominos Pizza (no size given)                                                        |
|                                            | Dove Spa (280sq m) (spa and salon – health and beauty)                               |
|                                            | Fabulous (74sq m) (jewellery)                                                        |
|                                            | Farrow & Ball (190sq m) (paint products)                                             |
|                                            | G-store (170sq m) (gifts and cards)                                                  |
|                                            | Go Outdoors (2800sq m)                                                               |
|                                            | Charlotte Reid (110sq m) (Handbags)                                                  |
|                                            | Books & Puzzles (140sq m)                                                            |
|                                            | Countrywide (1,400sq m) (animal feed, agricultural supplies, and outdoor goods/wear) |
|                                            | Direct Express Cards (280sq m)                                                       |
|                                            | DKZ Designer Kids (140sq m) (childrenswear)                                          |
|                                            | Companion Care Vets (no size given)                                                  |
|                                            | CHIPS (100sq m) (computer and video games)                                           |

Source: Focus &amp; EGi

4.33 As part of our analysis of retail property in Tiverton town centre, and in order to respond to the client brief for this study, we have undertaken an analysis of retail units under 100sq m gross. Using land use data provided by MDDC, we have sought to obtain the

size of as many retail units in the town centres as possible and then have proceeded to classify these into land use categories. The results of this exercise are shown in Table G below:

**Table G: analysis of retail units above and below 100sq m in Tiverton**

| Use Class | Units under 100sq m |     | Units over 100sq m |     | Total Units |     | Proportion under 100sq m | Proportion over 100sq m |
|-----------|---------------------|-----|--------------------|-----|-------------|-----|--------------------------|-------------------------|
|           | No.                 | %   | No.                | %   | No.         | %   |                          |                         |
| A1F       | 11                  | 9%  | 6                  | 8%  | 17          | 9%  | 65%                      | 35%                     |
| A1NF      | 62                  | 49% | 41                 | 55% | 103         | 52% | 60%                      | 40%                     |
| A2        | 18                  | 14% | 14                 | 19% | 32          | 16% | 56%                      | 44%                     |
| A3        | 11                  | 9%  | 2                  | 3%  | 13          | 7%  | 85%                      | 15%                     |
| A4        | 2                   | 2%  | 3                  | 4%  | 5           | 3%  | 40%                      | 60%                     |
| A5        | 9                   | 7%  | 1                  | 1%  | 10          | 5%  | 90%                      | 10%                     |
| Vacant    | 13                  | 10% | 7                  | 9%  | 20          | 10% | 65%                      | 35%                     |

- 4.34 The above data indicates that there is a higher than average amount of units under 100sq m within the Class A3 and A5 sectors albeit the difference is not significant. Class A1 comparison, A2 and A4 uses are slightly below the overall town centre average, whilst the proportion of units sub-100sq m occupied by convenience uses is the same as the overall town centre average.
- 4.35 In relation to the split between units over and under 100sq m gross, the columns towards the right-hand side of indicate that the majority of units in the convenience, comparison, A2, A3 and A5 land use categories are under 100sq m gross, which is in contrast to the majority (60%) of units in the A4 use class category which are above 100sq m in size.
- 4.36 It should also be noted that 65% of vacant units are under 100sq m and a similar proportion of town centre vacancies lie outside of the primary shopping area. In terms of the whole of the primary shopping area, 48% of units in this area are under 100sq m gross. Outside of the primary shopping area 74% of all units are smaller than 100sq m gross.
- 4.37 With regards to long-term vacancies within the town centre (i.e. those that have been vacant since 2009) there are 9 such units, with 7 of these under 100sq m. This means that 78% of long terms vacancies within Tiverton town centre are under 100sq m gross.

### *Customer Views and Behaviour*

- 4.38 As part of the 2012 household survey, a number of questions were set aside in order to gain information on the usage of, and attitudes towards, the main town centres. In relation to Tiverton, 336 respondents indicated that they visited Tiverton frequently, which is equivalent to almost half (48%) of all survey respondents.
- 4.39 47% of visitors indicated that the main reason for visiting Tiverton town centre was for shopping purposes, followed by 10% for financial services, 6% for restaurants and cafes and 5% for social/leisure reasons. 5% for respondents visited the centre for work purposes, whilst 3% of visits were for tourist/sight-seeing reasons.
- 4.40 For those people who stated that they visited the town centre for shopping purposes, the following goods were normally bought:
- 24% bought clothes and shoes
  - 13% brought DIY and hardware goods
  - 71% bought food and groceries
  - 4% bought confectionery, tobacco, newspapers and magazines
  - 10% bought gifts and souvenirs
  - 13% bought recreational goods
  - 7% bought furniture and carpets
  - 21% bought personal and luxury goods
  - 17% bought services
  - 8% bought electrical goods
- 4.41 The survey indicates that 59% of people visit Tiverton town centre for shops and services because it's close to home, with a further 4% indicating that it is close to place of work, whilst 8% indicate that a key reason is due to the range of shops available. Visits were also due to the ease of parking (6%), public transport (2%) and the attractive environment (6%).

- 4.42 In terms of the amount of money normally spent on shops and services in Tiverton, one third (22%) of shoppers spend up to £20 per visit, whilst 27% spend between £20-£50 and 20% spend over £50 per visit.
- 4.43 In terms of the average length of stay within the town centre:
- 10% stay no longer than 30 minutes
  - 31% spend between 30 minutes and one hour in the centre
  - 37% spend between 1-2 hours in the centre; and
  - 17% spend over 2 hours within the centre.
- 4.44 The survey has also ascertained information on the frequency of visits to the town centre for different reasons:
- For food shopping, 20% visit the centre either everyday, most days or, at the very least, 2-3 times a week. 35% of food shoppers visit once a week, whilst 33% visit the centre less frequently.
  - In contrast to food shopping, only 10% of shoppers visited Tiverton town centre more than once a week for non-food shopping purposes. 18% visit the centre for non-food shopping once a week, 11% visit once a fortnight, 18% visit once a month and 21% visit less often.
  - For visits to services, a similar picture emerges, with only 7% visiting more than once a week, 19% visiting once a week, 7% visiting once a fortnight and 16% visiting once a month, whilst 22% visit Tiverton for services less often.
  - In terms of evening visits, 66% of regular visits to the town centre never visit Tiverton town centre in the evening. 2% of respondents visit more than once a week, 5% visit once a week and 26% visit less often.
- 4.45 The household survey has also ascertained mode of travel to the town centre. 84% of visitors arrive by car (as driver or passenger), 9% walk to the town centre and 6% travel by bus.

- 4.46 Survey respondents were also asked to state their likes, dislikes and suggested improvements to the centre. The key positive areas identified in association with Tiverton were: near/convenient (24%), selection of multiple shops (8%), selection of independent shops (6%), easy parking (7%), community feel/atmosphere (10%) and the character of the centre (5%). 17% of respondents stated that there was nothing that they liked about the centre.
- 4.47 In terms of dislikes, the key issues raised were: expensive parking (5%), the poor selection of multiple shops (7%) and selection of independent shops (4%). Other dislikes include the difficulty of parking (4%), unattractive environment (4%), too many empty shops (7%) and the limited range/variety of shops generally (5%). 50% of respondents indicated that there was nothing that they disliked about Tiverton town centre.
- 4.48 The most popular suggested improvements for Tiverton town centre are: develop more shopping facilities (6%), refurbish existing facilities (3%), improve the choice of multiple shops (13%), provide more independent shops (12%), attract larger retailers (3%) and reduce the cost of car parking (7%).

#### *Summary*

- 4.49 Tiverton remains the largest and most successful town centre in Mid Devon, with the highest amount of retail units and a comparatively wide catchment. It is the town centre with the most national multiple retailers and is the only town to attract published retailer requirements from national retailers. Vacancies within the town centre have fallen since 2009, which indicates that the centre is maintaining a level of popularity even through the current difficult climate. The development of the new Tesco supermarket on Blundells Road, which was an allocation within a former development plan has succeed in bringing a main/bulk-food shopping destination closer to the town centre and there is evidence of linked trips between these two locations. Overall, we find Tiverton to be a healthy town centre, which is a key asset to the retail hierarchy in Mid Devon.

## Cullompton Town Centre

### *Structure of the Town Centre*

- 4.50 The Mid Devon Local Development Framework Proposals Map indicates a defined town centre boundary which encompasses the entire length of High Street from its junction with Station Road in the north, to its junction with Exeter Hill at its southern end. In addition, the western end of Station Road is included within the boundary, as is the northern part of Exeter Hill. The town centre boundary includes properties on both sides of High Street and also includes a car park which is accessed from Station Hill to the north.
- 4.51 The LDF Proposals Map does not define any primary shopping frontages for Cullompton town centre, whilst the majority of the town centre boundary lies within the town's Conservation Area.

### *Diversity of Uses*

- 4.52 Information on the diversity of uses within Cullompton town centre has been obtained from MDDC's land use survey data, covering 2009-2012. This information indicates the composition of the town centre as follows:

**Table H: Retail Composition of Cullompton town centre, 2009-2012**

| Sector       | September 2009 |             | January 2011 |             | January 2012 |             |
|--------------|----------------|-------------|--------------|-------------|--------------|-------------|
|              | No.            | %           | No.          | %           | No.          | %           |
| A1 Food      | 6              | 7%          | 5            | 5%          | 5            | 5%          |
| A1 Non-Food  | 28             | 31%         | 28           | 30%         | 33           | 35%         |
| A2           | 18             | 20%         | 17           | 18%         | 16           | 17%         |
| A3           | 3              | 3%          | 3            | 3%          | 3            | 3%          |
| A4           | 5              | 5%          | 5            | 5%          | 5            | 5%          |
| A5           | 4              | 4%          | 4            | 4%          | 4            | 4%          |
| D1           | 6              | 7%          | 6            | 6%          | 8            | 9%          |
| D2           | -              | -           | -            | -           | -            | -           |
| Sui Generis  | 4              | 4%          | 3            | 3%          | 3            | 3%          |
| Vacant       | 17             | 19%         | 21           | 23%         | 14           | 15%         |
| <b>TOTAL</b> | <b>91</b>      | <b>100%</b> | <b>93</b>    | <b>100%</b> | <b>93</b>    | <b>100%</b> |

Source: MDDC. Figures may not add due to rounding

- 4.53 The above data is useful as it shows the pattern of land use in Cullompton during the period after the opening of the Tesco supermarket on Station Road. It shows that there

has been a small reduction in the number of convenience retail uses from 6 units in 2009 to 5 units in 2012. Convenience uses now occupy only 5% of all units in the town centre which is a low proportion and the lowest of the three main town centres. In addition, and whilst not part of the town centre, the former Somerfield store on Exeter Hill closed in August 2010 which was not a surprising consequence of the opening of the Tesco store. The remaining convenience goods stores within the town centre comprise a small Co-op convenience store, sandwich shop and a butcher.

- 4.54 In contrast to the small reduction in convenience uses, the number of comparison goods stores in the town centre has increase by 5 units between 2009 and 2011. In 2009, comparison goods retailers occupied 31% of all premises in the town centre and by January 2012 this had risen to 35% (although this is still much lower than Tiverton and Crediton). The comparison goods retail sector within Cullompton comprises local independent traders, with an absence of national multiple retailers apart from a Boots store. Local independent retailers present include those selling clothes, textiles, toys, fishing tackle, car parts, along with an opticians and a florist.
- 4.55 The proportion of service uses in Cullompton town centre has fallen from 32% to 29% between 2009 and 2012, with the cause of this fall being due to a reduction in the number of Class A2 uses in the centre. The number of Class A3, A4 and A5 uses has remained static between 2009-2012.
- 4.56 Within Use Class A2, national banks and building societies such as Nationwide, Natwest, Lloyds and HSBC are present, along with a number of estate agents, an accountant and a solicitor. The food and drink sector within classes A3-A5 includes public houses, a hotel, cafes and a small number of take-aways.
- 4.57 Over the period 2009-2012, the number of vacant units in the town centre has changed noticeably. In 2009, there were 17 vacancies in the town centre, which represented 19% of all units in the town centre. By January 2011, vacancies had risen even further to 21 units, equivalent to 23% of all units, which is a significant level of vacancy and one which would have no doubt given cause for concern over the health of Cullompton town centre. However, between January 2011 and January 2012 there has been a fall in the proportion of vacant units to 15% which, whilst still a relatively high level (and the highest of the four centres covered by this study) is a sign that Cullompton is able to continue to attract new comparison goods retailers and non-retail uses such as health and beauty



use and solicitors. However, this issue should remain a key area of interest for the Council and this is likely to form part of the retail strategy for Cullompton.

### *Retail Property*

4.58 A search of the Focus and EGi databases reveals that there is not any available information on rental and yield levels for retail property in Cullompton, a situation which mirrors the 2004 study. The existence of retailer requirements for Cullompton has also been examined and we have not found any existing requirements for this part of the District.

4.59 As part of analysis of existing retail property, we have undertaken an assessment of retail property in Cullompton town centre under 100sq m gross. We have categorised these units by use class and this is shown in Table I below.

**Table I: analysis of retail units above and below 100sq m in Cullompton**

| Use Class | Units under 100sq m |     | Units over 100sq m |     | Total Units |     | Proportion under 100sq m | Proportion over 100sq m |
|-----------|---------------------|-----|--------------------|-----|-------------|-----|--------------------------|-------------------------|
|           | No.                 | %   | No.                | %   | No.         | %   |                          |                         |
| A1F       | 4                   | 8%  | 0                  | 0%  | 4           | 5%  | 100%                     | 0%                      |
| A1NF      | 20                  | 38% | 10                 | 38% | 30          | 38% | 67%                      | 33%                     |
| A2        | 9                   | 17% | 7                  | 27% | 16          | 21% | 56%                      | 44%                     |
| A3        | 2                   | 4%  | 1                  | 4%  | 3           | 4%  | 67%                      | 33%                     |
| A4        | 1                   | 2%  | 4                  | 15% | 5           | 6%  | 20%                      | 80%                     |
| A5        | 3                   | 6%  | 0                  | 0%  | 3           | 4%  | 100%                     | 0%                      |
| Vacant    | 13                  | 25% | 4                  | 15% | 17          | 22% | 76%                      | 24%                     |

4.60 The above information indicates the proportion of convenience retail units under 100sq m is above average, as is the proportion of Class A5 and vacant units. In contrast, the proportion of sub-100sq m units occupied by A2 and A4 uses is below the town centre average.

4.61 The columns towards the right-hand of Table I indicate the split of units within each use class between sub-100sq m units and units over 100sq m. It will be noted that in all use classes apart from class A4 there is greater proportion of units under 100sq m gross, particularly in the A1, A3 and A5 sectors. In relation to vacant units, three-quarters of these units are under 100sq m gross.

### *Customer Views and Behaviour*

- 4.62 Within the 2012 household survey, 103 respondents indicated that they visited Cullompton frequently, which is equivalent to 15% of all respondents (half the rate observed for Cullompton and one third of the rate in Tiverton). 38% of these respondents indicated that the main reason for visiting Cullompton town centre was for shopping purposes, followed by 7% for social/leisure reasons, 11% for work purposes and 16% visiting to use financial and other services. 7% of respondents indicated that the main reason for visiting the centre was for restaurants, cafes and public houses.
- 4.63 For those people who stated that they visited the town centre for shopping purposes, the following goods were normally bought:
- 2% bought clothes and shoes
  - 8% brought DIY and hardware goods
  - 79% bought food and groceries
  - 5% bought confectionery, tobacco, newspapers and magazines
  - 6% bought gifts and souvenirs
  - 15% bought personal and luxury goods
  - 21% bought services
- 4.64 The survey indicates that 68% of people visit Cullompton town centre for shops and services because it's close to home, with a further 7% indicating that it is close to place of work, whilst only 3% indicate that a key reason is due to the range of shops available.
- 4.65 In terms of the amount of money normally spent on shops and services in Cullompton, 27% of shoppers spend up to £20 per visit, whilst 19% spend between £20-£50 and 31% spend over £50 per visit.
- 4.66 In terms of the average length of stay within the town centre:
- 42% stay no longer than one hour
  - 14% spend between 1-2 hours in the centre; and
  - Only 5% spend over 2 hours within the centre.

4.67 The survey has also ascertained information on the frequency of visits to the town centre for different reasons:

- For food shopping, 32% visit the centre either everyday, most days or, at the very least, 2-3 times a week. 27% of food shoppers visit once a week, whilst 32% visit the centre less frequently.
- In contrast to food shopping, only 13% of shoppers visited Cullompton town centre more than once a week for non-food shopping purposes. 10% visit the centre for non-food shopping once a week, 7% visit once a fortnight, 18% visit once a month and 17% visit less often. 32% of visitor never use Cullompton town centre for non-food shopping.
- For visits to services, 30% of visitors use the town centre once a week or more, with 8% visiting once a fortnight and 13% visiting once a month.
- In terms of evening visits, 74% of regular visits to the town centre never visit Cullompton town centre in the evening. 3% of respondents visit more than once a week, 5% visit once a week and 17% visit less often.

4.68 The household survey has also ascertained mode of travel to the town centre. 71% of visitors arrive by car (as driver or passenger), 21% walk to the town centre and 7% travel by bus.

4.69 Survey respondents were also asked to state their likes, dislikes and suggested improvements to the centre. Like the other centres, a key positive area identified by respondents was that it was near/convenient (23%), although there was a relatively low response rate for other factors which included the character of the centre (3%), ease of parking (2%), safety (3%), the range of financial services (3%), the selection of multiple shops (3%) and selection of independent shops (1%). 28% of respondents stated that there was nothing that they liked about the centre, which is the highest rate amongst the three largest town centres in the District.

4.70 In terms of dislikes, the key issues raised were: difficulty parking (15%), expensive parking (3%), the poor selection of multiple shops (20% - a rate considerably higher than the other centres) and selection of independent shops (6%). 12% of respondents also

commented about the unattractive environment and 5% noted the poor selection of services.

- 4.71 The most popular suggested improvements for Cullompton town centre are: develop more shopping facilities (14%), refurbish existing facilities (9%), provide a swimming pool (8%), provide a by-pass (3%), improve the choice of multiple shops (20%), improve the range of independent shops (18%), attract larger retailers (4%), improve the range of places to eat (3%), provide more parking spaces (11%) and reduce road congestion (5%).

### *Summary*

- 4.72 Since the 2004 Retail Study, the retail landscape in Cullompton has experienced significant change. The new Tesco supermarket on Station Road has now opened, following the original proposal in 2001, and the former Somerfield/Co-op store on Exeter Road has now closed. The town centre has had to cope with this change and it is clear that the number of convenience units in the centre have reduced since the last study and there has been a significant increase in vacant units in the centre. Whilst vacant units in the centre have reduced in recent years, they remain high and should be an area of focus for the Council going forwards. One area which should also remain a focus is the need to improve the physical environment within the centre in order that the overall attractiveness can be improved.

## Crediton Town Centre

### *Structure of the Town Centre*

- 4.73 Crediton town centre is linear in format, running east to west along High Street. In the west the defined town centre boundary ends at No.77 High Street, whilst in the east the boundary ends at Redvers House. After No.51 High Street, only properties on the northern edge of High Street are included within the boundary.
- 4.74 The Local Development Framework Proposals Map also defines Primary Shopping Frontages between 113-138 on the northern side and 4-36 on the southern side of High Street.

### *Diversity of Uses*

- 4.75 Information on the diversity of uses within Crediton town centre boundary has been obtained from MDDC and is shown in Table J below:

**Table J: Retail Composition of Crediton town centre, 2009-2012**

| Sector       | September 2009 |             | January 2011 |             | January 2012 |             |
|--------------|----------------|-------------|--------------|-------------|--------------|-------------|
|              | No.            | %           | No.          | %           | No.          | %           |
| A1 Food      | 10             | 9%          | 11           | 10%         | 11           | 10%         |
| A1 Non-Food  | 44             | 39%         | 50           | 44%         | 50           | 44%         |
| A2           | 26             | 23%         | 25           | 22%         | 24           | 21%         |
| A3           | 2              | 2%          | 4            | 4%          | 5            | 4%          |
| A4           | 8              | 7%          | 7            | 6%          | 7            | 6%          |
| A5           | 6              | 5%          | 6            | 5%          | 6            | 5%          |
| B1           | 1              | 1%          | 1            | 1%          | 1            | 1%          |
| Vacant       | 17             | 15%         | 10           | 9%          | 12           | 11%         |
| <b>TOTAL</b> | <b>114</b>     | <b>100%</b> | <b>114</b>   | <b>100%</b> | <b>114</b>   | <b>100%</b> |

Source: MDDC. Figures may not add due to rounding

- 4.76 With the new Tesco supermarket opening for trade in 2009, the above land use data provides a useful summary of how the town centre has fared over the past three years. The data shows that the convenience retail sector has increased in size by one unit and now occupies 10% of all units in the town centre boundary. Retailers include butchers, delicatessen, newsagents and a Tesco Express convenience store and are spread across the primary and non-primary shopping areas in the centre. Convenience goods retailers

occupy relatively small units within the centre between 70-300sq m gross and as a consequence are more likely to serve a top-up and supplementary shopping function.

- 4.77 In contrast, the new out-of-centre Tesco supermarket extends to circa 3,500sq m of net sales floorspace and is able to cater for a wide range of shopping needs, including both main and top-up food shopping and the store also possesses a large comparison goods section.
- 4.78 Prior to the opening of the Tesco store, the former Somerfield store on Mill Street, to the east of the town centre, was the largest food store in Crediton, at 1,300sq m net sales. In recent years, this store has been rebadged as a Morrisons store.
- 4.79 Since 2009, the number of comparison goods retailers within the town centre has grown from 44 (in September 2009) to 50 (in January 2012). Comparison goods retailers now occupy 44% of all units within the town centre, which an increase of 5% since September 2009.
- 4.80 Class A2 uses have fallen since September 2009 from 23% to 21% of all units in January 2012, although this proportion remains higher than similar uses in Tiverton and Cullompton.
- 4.81 In relation to the other food and drink uses within classes A3, A4 and A5, the number of A3 uses has more than doubled, albeit from a very low starting point, from 2 to 5, whilst A4 uses have fallen by one unit and A5 uses have remained constant. The proportion of A3-A5 uses in Crediton is similar to that found in Tiverton and Cullompton.
- 4.82 Since 2009, there has been a fall in the proportion of vacancies in Crediton town centre from 15% to 12%, although vacancies were at their lowest point in 2011. Vacancies are dispersed through out the centre and there are very few long term vacancies. The ones that do exist are at 55, 79 and 141 High Street and 10 North Street.

#### *Retail Property*

- 4.83 Like Cullompton, there is no reliable available data on rental and commercial yield levels for retail property within Crediton town centre. Likewise, there not any published retailer requirements for the town and surrounding area.
- 4.84 In line with our approach for Tiverton and Cullompton, we have also undertaken a survey of units within Crediton town centre up to 100sq m gross in size. For those units where

information on size is available, 53% of units are 100sq m gross or under. Table K below outlines the proportion of those units (where size information is available) within each land use sector, shown as all units and split between those units under 100sq m and over 100sq m.

**Table K: analysis of retail units above and below 100sq m in Crediton**

| Use Class | Units under 100sq m |     | Units over 100sq m |     | Total Units |     | Proportion under 100sq m | Proportion over 100sq m |
|-----------|---------------------|-----|--------------------|-----|-------------|-----|--------------------------|-------------------------|
|           | No.                 | %   | No.                | %   | No.         | %   |                          |                         |
| A1F       | 2                   | 4%  | 8                  | 17% | 10          | 10% | 20%                      | 80%                     |
| A1NF      | 27                  | 51% | 15                 | 31% | 42          | 42% | 64%                      | 36%                     |
| A2        | 12                  | 23% | 12                 | 25% | 24          | 24% | 50%                      | 50%                     |
| A3        | 3                   | 6%  | 1                  | 2%  | 4           | 4%  | 75%                      | 25%                     |
| A4        | 1                   | 2%  | 4                  | 8%  | 5           | 5%  | 20%                      | 80%                     |
| A5        | 5                   | 9%  | 1                  | 2%  | 6           | 6%  | 83%                      | 17%                     |
| Vacant    | 3                   | 6%  | 7                  | 15% | 10          | 10% | 30%                      | 70%                     |

4.85 The above data indicates that there is a higher than average amount of units under 100sq m within the Class A1 comparison goods sector and, to a lesser extent, the Class A3 and A5 sectors. In contrast, the Class A1 convenience goods retail sector and the Class A4 sector have a lower than average proportion of units under 100sq m, suggesting that most of these uses are comparatively large in size.

4.86 This is confirmed by the two columns towards the right hand side of Table K which confirm that only 20% of A1 convenience and A4 uses are below 100sq m. The majority of A1 comparison, A3 and A5 units are under 100sq m, whilst two thirds of vacant units in Crediton town centre are above 100sq m in size. It should also be noted that 80% of vacant units under 100sq m in the town centre lie outside of the primary shopping area. In terms of the whole of the primary shopping area, 40% of units in this area are under 100sq m gross. Outside of the primary shopping area 70% of all units are smaller than 100sq m gross.

4.87 With regards to long-term vacancies within the town centre (i.e. those that have been vacant since 2009) there are 4 such units, with only one of these under 100sq m. The other long-term vacancies are 120sq m, 160sq m and 210sq m.

### *Customer Views and Behaviour*

- 4.88 Within the 2012 household survey, 205 respondents indicated that they visited Crediton frequently, which is equivalent to 30% of all respondents. 43% of these respondents indicated that the main reason for visiting Crediton town centre was for shopping purposes, followed by 10% for social/leisure reasons, 8% for work purposes and 13% visiting to use financial and other services. 5% of respondents indicated that the main reason for visiting the centre was for restaurants, cafes and public houses.
- 4.89 For those people who stated that they visited the town centre for shopping purposes, the following goods were normally bought:
- 12% bought clothes and shoes
  - 25% brought DIY and hardware goods
  - 74% bought food and groceries
  - 8% bought confectionery, tobacco, newspapers and magazines
  - 9% bought gifts and souvenirs
  - 12% bought personal and luxury goods
  - 15% bought services
- 4.90 The survey indicates that 68% of people visit Crediton town centre for shops and services because it's close to home, with a further 5% indicating that it is close to place of work, whilst 8% indicate that a key reason is due to the range of shops available.
- 4.91 In terms of the amount of money normally spent on shops and services in Crediton, one third (33%) of shoppers spend up to £20 per visit, whilst 24% spend between £20-£50 and 27% spend over £50 per visit.
- 4.92 In terms of the average length of stay within the town centre:
- 22% stay no longer than 30 minutes
  - 36% spend between 30 minutes and one hour in the centre
  - 30% spend between 1-2 hours in the centre; and
  - 9% spend over 2 hours within the centre.



4.93 The survey has also ascertained information on the frequency of visits to the town centre for different reasons:

- For food shopping, 29% visit the centre either everyday, most days or, at the very least, 2-3 times a week. 41% of food shoppers visit once a week, whilst 20% visit the centre less frequently.
- In contrast to food shopping, only 13% of shoppers visited Crediton town centre more than once a week for non-food shopping purposes. 24% visit the centre for non-food shopping once a week, 11% visit once a fortnight, 15% visit once a month and 17% visit less often.
- For visits to services, a similar picture emerges, with only 7% visiting more than once a week, 27% visiting once a week, 11% visiting once a fortnight and 18% visiting once a month.
- In terms of evening visits, 55% of regular visits to the town centre never visit Crediton town centre in the evening. 2% of respondents visit more than once a week, 12% visit once a week and 31% visit less often.

4.94 The household survey has also ascertained mode of travel to the town centre. 65% of visitors arrive by car (as driver or passenger), 30% walk to the town centre and 4% travel by bus.

4.95 Survey respondents were also asked to state their likes, dislikes and suggested improvements to the centre. The key positive areas identified in association with Crediton were: near/convenient (24%), selection of multiple shops (9%), selection of independent shops (9%), the character of the centre (7%), community feel/atmosphere (20%). 15% of respondents stated that there was nothing that they liked about the centre.

4.96 In terms of dislikes, the key issues raised were: difficulty parking (28%), expensive parking (7%), the poor selection of multiple shops (6%) and selection of independent shops (3%). 32% of respondents indicated that there was nothing that they disliked about Crediton town centre.

4.97 The most popular suggested improvements for Crediton town centre are: develop more shopping facilities (7%), refurbish existing facilities (5%), improve the choice of multiple

shops (10%), provide a new cinema (3%), more parking spaces (13%), improve the layout of parking facilities (7%) and improve public transport links (3%).

### *Summary*

- 4.98 Like Cullompton, Crediton has also experience significant change in its retail environment in recent years with the opening of the out of centre Tesco store and Morrisons taking over the former Somerfield store. This change does not appear to have affected convenience goods stores in the town centre and there has not been dramatic changes in other retail sectors in the centre. Vacancies were much higher in 2009 around the time of the opening of the new Tesco store, although there have been some improvements over the past two years.

## **Bampton**

- 4.99 Bampton is the smallest of the four towns within Mid Devon District and has the lowest level of planned growth of these centres within the Core Strategy. Policy COR16 of the Core Strategy notes that Bampton will provide a focal point for local services and facilities to serve the nearby rural area, encouraging greater self-sufficiency, social provision and economic regeneration.
- 4.100 Like the other three larger town centres, MDDC has been collecting land use data for town centre uses in Bampton since September 2009 and this is summarised in Table L below.
- 4.101 It should be noted that Bampton does not possess a defined town centre boundary within the Local Development Framework Proposals Map and therefore information on all town centre uses across the settlement has been collected. Town centre uses in Bampton are generally located along Brook Street, Newton Square, Castle Street and Fore Street and as the plan at Appendix H shows main town centre uses are interspersed with other uses such as residential.

**Table L: Town Centre uses within Bampton, 2009-2012**

| Sector       | September 2009 |             | January 2011 |             | January 2012 |             |
|--------------|----------------|-------------|--------------|-------------|--------------|-------------|
|              | No.            | %           | No.          | %           | No.          | %           |
| A1 Food      | 5              | 20%         | 5            | 20%         | 5            | 20%         |
| A1 Non-Food  | 11             | 44%         | 12           | 48%         | 12           | 48%         |
| A2           | 2              | 8%          | 2            | 8%          | 1            | 4%          |
| A3           | 1              | 4%          | 1            | 4%          | 1            | 4%          |
| A4           | 2              | 8%          | 2            | 8%          | 2            | 8%          |
| A5           | 1              | 4%          | 1            | 4%          | 1            | 4%          |
| Vacant       | 3              | 12%         | 2            | 8%          | 3            | 12%         |
| <b>TOTAL</b> | <b>25</b>      | <b>100%</b> | <b>25</b>    | <b>100%</b> | <b>25</b>    | <b>100%</b> |

Source: MDDC. Figures may not add due to rounding

- 4.102 The above information shows that there has been very little change in the number and type of main town centre uses in Bampton over the past three years with a static 25 occupied/unoccupied premises. 20% of these premises are occupied by convenience goods retailers, which is high in comparison with the other three town centres and is partially a product of a low number of other uses in Bampton but also likely to be due to the lack of a large dominant foodstore. Convenience retailers include two convenience stores (Costcutter and Spar), plus a bakery, a butcher and a greengrocer. Given their size, these stores primarily fulfil a top-up food shopping role, although we note from the household survey conducted for this study that a small amount of main food shopping is also undertaken in these store.
- 4.103 In relation to comparison goods shopping, 12 retailers are present, which is an increase in one unit since the September 2009 survey. Comparison goods retailers now occupy almost half (48%) of all surveyed units in Bampton. The retailers present include a pharmacy and specialist retailers selling antiques and homewares. All comparison goods retailers within the centre are local independent businesses.
- 4.104 Food and drink uses within use classes A3-A5 include the Swan Hotel, a café and a fish and chip shop. There are also two class A2 uses, including an estate agent and the offices of the Rural Administrative Service.
- 4.105 There are currently two recorded vacancies within Bampton: 6 Castle Street (which has been vacant since the MDDC surveys began in September 2009) and the former White Horse Inn at 5 Fore Street. During the course of the MDDC land use surveys in Bampton, 3

Brook Street and 18 Fore Street have also been recorded as vacant but both are no occupied.

- 4.106 In addition to the usage of the three larger town centres, the household survey has also picked up some limited information on the usage of Bampton. Only 1% of survey respondents indicated that they regularly visited Bampton, with these respondents residing in zones 3, 4 and 6.
- 4.107 One third of respondents indicated that they visited Bampton for shopping purposes, whilst a third visit restaurants, cafes and public houses in the town. 17% of people also visited for social/leisure reasons. For those people visiting Bampton for shopping purposes, the survey indicated that gifts, clothes and confectionery/newspapers/magazines were bought along the low number of responses calls into question whether the data is representative.
- 4.108 In terms of length of visits to Bampton, two thirds of visitors stay no more than one hour, whilst the survey questions on frequency of visit indicate that visits for shops and services are infrequent.
- 4.109 In terms of likes and dislikes regarding Bampton, its character and environment were given as positive factors whilst difficulty parking was the only dislike.
- 4.110 Overall, Bampton is a town centre which serves much more of a localised catchment than the other three town centres in Mid Devon. Because of the size of the town, retailing is very much orientated towards day-to-day convenience retailing and specific types of comparison and service uses (rather than the broader range found in the other centres). The proportion of convenience retail uses is goods, likely to be due to the lack of a large dominant foodstore. Overall, the range of retail uses within Bampton is good and serves the town well and should be protected by the Council going forwards.

### Summary of Sub-100sq m Retail Unit Analysis

- 4.111 Earlier in this section, in response to the Council's brief for this study, an analysis of retail units within Cullompton, Crediton and Tiverton town centres was provided. This analysis looked at the proportion of retail units in each town centre under and over 100sq m and also the proportion of units under and over 100sq m in each of the main land use categories.

- 4.112 From this analysis, it has become clear that units under 100sq m make a very important contribution to the property stock within each of the three main town centres. In Crediton, 53% of all units are under 100sq m whilst the proportions in Cullompton and Tiverton are even higher at 64% and 63% respectively.
- 4.113 This is also reflected in the individual land use sectors where there is generally a higher proportion of sub-100sq m uses in the retail and service sectors except for Class A4 uses and the Class A1 convenience goods sector in Crediton town centre.
- 4.114 In terms of the distribution of sub-100sq m units across the town centre, this has been measured for Crediton and Tiverton who both possess primary retail frontage areas. Analysis of this data is illuminating as it shows that much higher proportions of units outside of the primary retail frontages are under 100sq m (74% in Tiverton and 70% in Crediton). In contrast 40-48% of units within the primary shopping frontages are under 100sq m. With a greater variety of uses outside of the primary retail frontages, this information suggests that non-A1 retail and service uses in the town centres are much more likely to occupy smaller premises and this is supported by our analysis of the survey data at Tables G and K.
- 4.115 Whilst there is also a large number of sub-100sq m units within the primary retail frontages as well, this information suggests that smaller units make a particularly important contribution in lower cost secondary retail areas.
- 4.116 There is also some evidence to show that smaller units suffer higher incidences of vacancy. In Tiverton, 65% of vacant units are below 100sq m. In Cullompton, the proportion is 75%, whilst in Crediton it is 60%. This indicates that vacancies in the three main town centre are more likely to small units and these are more likely to be outside of the primary retail area. This pattern could be evidence of a lower demand for smaller units, particularly for those in peripheral locations.
- 4.117 This is backed-up by the information on retailer requirements contained earlier in this section which indicates that larger units, sometimes considerably in excess of 100sq m, are required by retailers wishing to locate in Mid Devon. Whilst this picture concentrates on national multiple operators, it is sign that smaller units in Mid Devon's town centres could struggle to find future tenants as and when they become available.
- 4.118 Overall, whilst there is no evidence of any dramatic collapse in occupation and/or demand for units under 100sq m in Crediton, Cullompton and Tiverton, there is certainly

some evidence that these units are more often to be found in peripheral town centre locations, which are generally lower costs, and have a slightly higher likelihood to become vacant. With a general national trend for multiple retailers to require larger units concentrating in larger settlements, the focus for small units in Mid Devon will be on local independent occupiers and non-Class A1 uses.

## 5. ASSESSMENT OF NEED FOR ADDITIONAL RETAIL FLOOR SPACE IN MID DEVON

### Introduction

- 5.1 A key element of an up-to-date evidence base for the various elements of the Mid Devon Local Plan is the assessment of need and capacity for additional retail floor space. The NPPF outlines the requirement for local planning authorities to assess the need for retail development and notes that this should be undertaken in both quantitative and qualitative terms.
- 5.2 Both types of assessment have a role to play in reaching an overall judgement about the scale and form of retail development which should be planned for and facilitated through development plans:
- Quantitative need is conventionally measured as expenditure capacity i.e. the balance between the turnover capacity of existing and committed facilities and available retail expenditure in any given area. Expenditure capacity, or quantitative need, can arise as a result of forecasts expenditure growth (either through population growth or increases in spending levels) or by identification of an imbalance between the existing facilities and the current levels of expenditure in an area.
  - Qualitative need, on the other hand, includes more subjective measures. These include, for example, consumer choice, the appropriate distribution of facilities and the needs of those living in deprived areas. The 'overtrading' of existing retail facilities is also identified as a measure of qualitative need although evidence of significant overcrowding and congestion in stores may also be an indicator of quantitative need.

## Quantitative Need

### *Introduction*

- 5.3 In this section we establish the current performance of town centre and out-of-centre retail provision in the four towns in Mid Devon (Tiverton, Bampton, Crediton and Cullompton), as the basis for a forecast of the need for further retail floor space to the period 2026. In line with our 2004 Retail Study, the assessment of quantitative need concentrates upon the three largest towns (Tiverton, Cullompton and Crediton). The quantitative analysis statistical tables accompanying this assessment are attached at Appendix C.
- 5.4 We have used a conventional, widely accepted step by step methodology which draws upon the results of 2012 Mid Devon household survey of existing shopping patterns to model the existing flow of expenditure for each retail destination. In the analysis which follows we have used the following step by step approach:
- Step 1: Definition of an appropriate geographical area of analysis for the quantitative assessment, hereafter know as the Study Area.
  - Step 2: Calculate the current (2012) population and expenditure available within the Study Area and forecast future population and expenditure growth over a specific period. In this instance, we have used the period up to 2026, plus interim estimates at 2017 and 2021.
  - Step 3: Calculate the levels of convenience with comparison expenditure flowing to stores and centres within the Study Area, using a market share analysis, based on the results of the 2012 Mid Devon household survey undertaken by RMG.
  - Step 4: In order to assess the quantitative need for additional retail floor space, we have used a market share approach. This involves the assumption that retail floor space within the three main towns in Mid Devon will achieve a particular market share of available retail expenditure within the study area as a whole. This assessment is able to model changing forms of retail provision, including possible increases or decreases in trade following the implementation of committed retail schemes.
- 5.5 In the analysis which follows, the following assumptions and data sources have been used:



- All monetary values have been indexed to 2010 prices.
- Having regard to best practice, the assessment has been carried out on a goods basis, rather than a business basis.
- Data on current shopping patterns has been derived from the 2012 Mid Devon household survey 2010 (results contained at Appendix B).
- The Study Area for this latest assessment uses the same zones as the 2004 Retail Study, save for Zone 8 which has been excluded from the analysis as it is clear from the results of a household survey undertaken in 2004 that residents of Zone 8 did not contribute to the retail turnover of stores and centres in Mid Devon in any significant way. However, like the 2004 Retail Study, an allowance has been made for net inflow of expenditure into the Study Area, which is described in more detail later in this section.
- 2012 population levels for the various zones in the Study Area has been derived from Experian Business Strategies ('EBS') data and projected forwards using data from Experian, ONS and MDDC.
- Per capita retail expenditure for convenience and comparison goods has been derived from EBS and projected forward using GVA's in-house retail expenditure growth forecasts which are informed by research from EBS.
- Account has also been taken of special forms of trading within the survey results and expenditure estimates. The special forms of trading sector includes sales from mail order companies, sales from the internet, market stalls and sales direct from the producer and manufacturer and our allowance for this type of shopping takes account of likely increases in this sector over the lifetime of the assessment. The proportion of expenditure attributed to special forms of trading outlined in the notes to Table 2 (Appendix C).
- When assessing the current trading performance of existing convenience retail facilities, reference has been made to data from Verdict Research.
- The quantitative assessment examines retail capacity over the period 2012 to 2026 including interim projections at 2017 and 2021.
- All of the statistical tables referred to in the quantitative assessment are contained at Appendix C.

*Study area, population and expenditure estimates*

- 5.6 In order to provide detailed factual information on shopping patterns in and around Mid Devon District, a new household interview survey covering 700 households was commissioned in 2012. GVA designed the survey questionnaire in consultation with MDDC officers and RMG undertook the interviewing and data processing.
- 5.7 As already noted, the area covered by the 2012 household survey matches the area covered by the survey commissioned to inform the 2004 Retail Study, save for Zone 8. The remaining 7 survey zones cover the same postcode sectors as the previous survey and this allows for a comparison of shopping patterns over time. The survey area is shown on the plan attached at Appendix A.
- 5.8 The survey results identify shopping patterns for households for both convenience and comparison goods. Where necessary, the survey results have been re-based to remove inappropriate responses, such as internet or mail order shopping and 'don't do' / 'don't know' responses. For convenience goods, the household survey includes questions on main food and top-up shopping. The results of the two types of food expenditure were then merged through the application of a weight which reflects the estimated proportion of expenditure accounted for each type.
- 5.9 The survey also includes seven questions on specific comparison goods types which coincide with EBS definitions of comparison goods expenditure. Comparison shopping patterns are split up in to the following sub-categories:
- Clothing, footwear and other fashion goods.
  - Furniture, floor coverings and textiles.
  - DIY and hardware products.
  - Domestic appliances
  - Smaller electrical products.
  - Personal and luxury goods.
  - Recreational goods.
- 5.10 2012 population data for each survey zone has been obtained from Experian Business Strategies and is shown in the 2012 column in Table 1 (Appendix C). With regards to projecting these 2012 population levels across the assessment period to 2017, 2021 and

2026 we have relied on projections provided by EBS for zones 1, 3, 4 and 6 given that these zones cross Mid Devon's administrative boundary and also include parts of surrounding other local authority administrative areas. However, for zones 2, 5 and 7, which lie wholly within the Mid Devon administrative area, the future growth in population has been tailored to match ONS sub-national projections for Mid Devon District and also the distribution of new residential development. On this basis, 10% of the ONS growth predictions for Mid Devon will be assigned to Zone 2, in which Crediton lies, with 43% assigned to Zone 5 (Tiverton) and 39% in Zone 7 (Cullompton).

- 5.11 As a result of the above assumptions, Table 1 indicates that the study area as a whole has a resident population of 108,229 in 2012, which will rise to 112,731 in 2017, 116,467 in 2021 and 121,008 in 2026. These represent an increase of 4.2% between 2012-2017, 7.6% between 2012-2021 and 11.8% between 2012-2026.
- 5.12 In Table 2, the per capita expenditure figures obtained from EBS are broken down into convenience and various sub categories of comparison goods. For each goods category account has been taken of special forms of trading (internet, catalogue and mail order shopping) and future growth and expenditure (per annum). The growth rates applied to convenience and comparison goods expenditure for the years between 2012 and 2026 are given in the notes to Table 2.
- 5.13 It should be noted that, due to the length of the forecasting period (2012-2026), the expenditure growth projections become less reliable in the medium to longer term and therefore should be treated with a degree of caution. Indeed, it would be appropriate, in any event, to review these expenditure figures of part of a wider review of the retail study at regular period and we recommend reviews after every five years.
- 5.14 By combining the population of per capita expenditure rates, Tables 3a to 3h set out the total retail expenditure within the study area by goods type. Table 3a estimates that convenience retail expenditure within the study area is expected to grow by £14m over the period of 2012 to 2017. Between 2011 and 2021, convenience expenditure within the study area will grow by £26m and the growth between 2012-2026 will be £43m. In relation to total comparison goods expenditure in the study area, the aggregate of Tables 3b to 3h indicate a current level of £302m at 2012, which will rise to £361million by 2017 and £506m by 2026.

### *Existing Shopping Patterns*

- 5.15 The next stage of the quantitative assessment is to estimate current flows of retail expenditure from residents of the study area to retail facilities in Mid Devon. Separate flows for convenience and comparison retail expenditure are provided and seven sub-categories of comparison goods expenditure have also been examined (to match the questions used within the Mid Devon household survey).
- 5.16 Tables 4 and 5 at Appendix C set out the market share and turnover of convenience goods retail facilities in each of the main settlements, indicating the level of expenditure which is drawn from each of the 7 survey zones. Table 4 provides the market shares of existing stores selling convenience goods in terms of their attraction of main and top-up food shopping trips from each of the seven survey zones.
- 5.17 When analysing convenience shopping habits, the household survey has obtained separate data on main food and top-up food shopping and applied these to available convenience goods expenditure within each zone. In order to gain the most accurate estimate of expenditure flows, the proportion of total convenience goods expenditure flow to main and top-up food shopping destinations has been weighted on the basis that 70% of expenditure on convenience goods is spent at main food destinations with the remainder spent at top-up food shopping destinations.
- 5.18 Table 5 indicates the amount of convenience goods expenditure that facilities in each of the town centres currently attract per annum (in 2012), and splits this between the individual stores and in terms of the amount of turnover gained from main and top-up food shopping trips. Table 5 provides the following information regarding the flows of convenience goods expenditure to existing stores in the three main settlements in Mid Devon in 2012<sup>2</sup>:
- **Tiverton.** Convenience goods stores within Tiverton town centre attract £10.3m of expenditure from the study area, with the Co-op store attracting a turnover of £1.8m, the Marks & Spencer Simply Food store attracting £2.4m and the remaining £6.1m of expenditure to other stores in the centre. For the town centre stores, the split between main and top-up food shopping expenditure is relatively even, although slightly in favour of top-up shopping. The two large supermarkets located outside of the town centre have the highest turnover levels, with the

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<sup>2</sup> N.B. the figures given below are turnover levels derived from the study area and further allowance may need to be made in order to estimate the total turnover of individual centres

Tesco store attracting £19.6m and the Morrisons store attracting £34.7m. Given the size of these stores it is unsurprising to note that a large majority of their turnover derives from main food shopping activity, although they also attract top-up food shopping trips. Overall, Tiverton attracts £67.3m of convenience goods expenditure from the study area.

- **Cullompton.** Overall, convenience goods stores in Cullompton attract £23.6m of expenditure from the study area, most of which is attracted from Zone 7, with a smaller amount from Zone 6. Since the closure of the Somerfield/Co-op store on Exeter Hill, the dominant foodstore within the town has become the Tesco on Station Road. This store attracts £19.6m of convenience goods expenditure from the study area, with three-quarters of this associated with main-food shopping activity. Convenience goods stores within the town centre attract £3.9m of convenience goods expenditure from zones 6 and 7, with around two-thirds associated with top-up food shopping activities.
- **Crediton.** Convenience goods stores within Crediton attract £35.5m of convenience goods expenditure, primarily from zones 1 and 2, but also smaller amounts from zones 3, 6 and 7. The two out-of-centre stores (Tesco and Morrisons) make up a considerable amount of this total, with £18.5m flowing to the Tesco and £11.4m flowing to the Morrisons. The remaining £5.6m of convenience goods expenditure flows to stores within the town centre, with around two-thirds of this expenditure associated with top-up food shopping activity.
- **Bampton.** Table 5 indicates that £3.2m of convenience goods expenditure is flowing to convenience goods stores in Bampton. Based on the results of the 2012 household survey, the Costcutter store has a study area derived turnover of £0.5m with all other stores in the town attracting £2.7m. Almost all of this expenditure is drawn from residents of Zone 4 of the study area, and is split between two-thirds associated with top-up food shopping activities and one third for main food shopping.

- 5.19 Plans showing the primary and secondary catchment areas<sup>3</sup> for convenience and comparison goods shopping in Tiverton, Cullompton and Crediton are contained at Appendix J to this report.
- 5.20 In relation to comparison goods shopping habits, Tables 6 – 12 at Appendix C set out the market shares of existing facilities in the main towns by individual types of comparison goods. Again, the market share levels are taken from the results of the Mid Devon household survey. Each of these tables converts the zonal market share levels into levels of comparison goods expenditure flowing to each own centre.
- 5.21 Using the results of the Mid Devon household survey, flows of expenditure within the clothes and shoes, furniture and carpets, electrical, DIY, personal, luxury and recreational goods categories have been examined. We have examined individual types of comparison goods in order to ensure that particular nuances of shopping patterns in and around the individual towns are fully incorporated into the quantitative assessment. For example, the different towns within the District are likely to possess differing roles depending on a number of factors, including: their size, geographical position in relation to other settlement, their influence from tourism and their current size of retail offer.
- 5.22 By amalgamating flows of expenditure for individual types of comparison goods given in Tables 6 -12 at Appendix C, Table 13 provides a study area derived comparison goods turnover estimate for each of the three main towns. The study area derived turnover data contained within Tables 6-13 at Appendix C can be summarised as follows:
- **Tiverton.** £65.1m of comparison goods expenditure is attracted to stores in Tiverton, with the town able to attract expenditure from each zone of the study area. However, the core catchment area for the town lies across zones 4, 5 and 7, with the second catchment including zones 3 and 6. Overall, the £65m of expenditure attracted to Tiverton translates into a 21.5% market share for the town across the study area. The overall study area derived turnover of £65.1m is broken down into the following goods categories:
    - £10.7m for clothes and shoes shopping
    - £6.6m on furniture, floorcoverings and household textiles
    - £12.1m on DIY and hardware goods

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<sup>3</sup> Primary catchment areas for the three main towns cover those study area zones which contribute the majority of retail expenditure to that settlement and where it achieve a high market share (i.e. over 50%). Secondary catchment areas are those areas where settlement generally achieve a market share of between 10%-50%

- £2.6m on large domestic appliances
  - £5.4m on smaller electrical appliances
  - £13.9m on personal and luxury goods
  - £13.9m on recreational goods (including toys and games)
- 
- **Cullompton.** Table 13 indicates that Cullompton attracts £4.9m of comparison goods expenditure from the study area, which equates to a 1.6% market share. Almost all of this amount (£4.3m) is drawn from residents of Zone 7, with small further amounts are drawn from zones 4 and 6 (£0.1m and £0.4m respectively). The goods categories which make the largest contribution to the total turnover of Cullompton are personal and luxury goods and recreational goods (at £1.5m and £1.3m respectively). The remaining goods categories contribute no more than £0.7m apiece.
  
  - **Crediton.** Crediton is predicted to attract £17.7m of comparison goods expenditure from the study area, which represents an overall market share of 5.9%. Spending from Zone 2 residents makes the largest contribution to this total (£7.2m), although Zone 1 (£5.9m) and Zone 3 (£3.7m) also make considerable contributions:
    - £1.3m for clothes and shoes shopping;
    - £1.0m on furniture, floorcoverings and household textiles;
    - £3.4m on DIY and hardware goods;
    - £1.7m on large domestic appliances;
    - £1.7m on smaller electrical appliances;
    - £4.8m on personal and luxury goods;
    - £3.9m on recreational goods (including toys and games).

5.23 Unsurprisingly, given its size and role in the retail hierarchy, Bampton does not feature significantly in the quantitative assessment of comparison goods shopping. The only goods category where it does appear is personal and luxury goods where some £0.2m of expenditure is predicted to flow to stores in Bampton.

### *Baseline Assessment of Quantitative Need*

- 5.24 Following the establishment of current convenience and comparison store turnovers within each of the three main towns, our quantitative assessment can move forward to the assessment of future retail floor space capacity. The capacity analysis is presented at Tables 15-20 at Appendix C and the data contained therein is derived from the previous tables, in particular total available expenditure (Table 3), resident study area derived expenditure for existing convenience and comparison facilities in each of the towns (Tables 5 and 13 respectively) and benchmark turnover of existing convenience facilities (Table 14).
- 5.25 As already noted at the start of this section, capacity arises from the difference between the turnover capacity of existing facilities and the available expenditure in an area. When assessing the difference, if any, between turnover capacity of existing facilities and available expenditure there are three key variables which will influence the extent of any quantitative need:
- **Apportioning growth.** As part of forecasting future needs, a judgement should be made on the proportion of growth which should be available to support more floor space and the proportion which should be safeguarded to enable existing floor space to increase its sales per square metre. The latter is commonly known as an allowance for increasing floor space efficiency/productivity. Assumptions regarding potential increases in floor space efficiency/productivity must be compatible with the assumptions made regarding overall growth in per capita retail expenditure. In this instance, an allowance for increases in floorspace efficiency/productivity has been adopted for both convenience and comparison floorspace over the assessment period. For convenience retailing, we have allowed for +0.4% pa up to 2017 and +0.2% pa thereafter. For comparison goods retailing, we have allowed for +1.7% pa over the entire assessment period (2012-2026).
  - **Existing baseline performance.** At the base year of the assessment (2012) a judgement must be reached on the balance between the turnover of existing facilities and their floor space to determine whether there is an immediate need for more floor space. Where existing retailers are achieving very low levels of turnover (which may be measured against their company average sales performance, or previous data for the centre) it may be appropriate to apportion a higher level of forecasts expenditure growth to support existing floor space by setting a benchmark sales level which is higher than current actual store performance. Conversely, it may



be appropriate to set a lower benchmark sale performance where existing facilities are obviously performing well (measured by evidence of congestion/overcrowding , other financial indicator or perhaps the lack of provision of new floor space in a centre for several years).

1. In this instance, and in line with our 2004 Retail Study, our convenience retail floorspace assessment adopts up-to-date company average sales levels (derived Verdict research data) for the main grocery operators in order to set benchmark turnover levels. For other local / independent grocery/foodstore/convenience store operators, who have no published average sales performance data, an assumed average level is provided.
2. For comparison retail floor space, the use of published sales density is much more problematic given the large amount of stores, a significant number of which are local independents without any published data. In the previous 2004 Retail Study it was assumed that, in the absence of any other reliable data, benchmark turnover levels matched current actual performance levels at 2004 (i.e. capacity was in equilibrium at 2004). Therefore, we consider it appropriate for this study, which updates the 2004 work, to adopt the benchmark levels outlined at that time and updated to 2012, where applicable. In addition, given that new comparison goods floorspace has been provided in each of the three main towns, as part of the new Tesco supermarkets, we have also made an allowance for that additional floorspace which has increased the physical capacity of comparison goods floorspace in each town.
3. **Changes to market share.** Given the dynamic and competitive nature of the retail industry it is possible for the market share of shopping facilities within a particular settlement to change over time. This has the potential to occur naturally, or as a result of specific interventions by a local planning authority through the grant of planning permission or through the implementation of a development plan allocation. Obvious examples of specific interventions in Mid Devon were the granting of planning permission for the three new supermarkets in the main towns and this was reflected in changing market share assumptions in our 2004 retail study. This latest study takes a fresh look at market share levels and takes into account the following issues. First, the maintenance of existing market shares may perpetuate deficiencies in the retail network and there is also an underlying trend of polarisation of some forms of retailing to larger centres. Moreover, existing out of centre retail

facilities may account for a significant share of available expenditure but it would necessarily be appropriate to plan for further growth in such locations and instead divert expenditure back to existing centres. Therefore, the following sections of this study assess the potential desirability and acceptability of planning for changes in the shopping market share of the main settlements in Mid Devon through our policy options analysis in Section 6, alongside the capacity of development sites to accommodate new retail floor space. However, as a starting point, and in order to provide a baseline (or business as usual) scenario for retail floor space capacity, the remainder of this section outlines current and future capacity based upon the continuation of current market shares only amended when there are commitments (i.e. planning permissions) for new retail floor space in Mid Devon.

- 5.26 In addition to expenditure which is flowing from local residents (living in the study area) to shops in the main towns in Mid Devon, there will also be expenditure from other sources, such as people who reside just beyond the study area and, more importantly, visitors/tourists to the area. In relation to the former, this is likely to be relatively minor, given the geographical extent of our study area.
- 5.27 The majority of expenditure inflow in Mid Devon will derive from visitors and tourists to the area. In the absence of any other data, we remain with the levels which were adopted by the 2004 study, updated to a 2012-2026 context. In all cases, the allowances for expenditure inflow which have been made are relatively modest in order not to overstate the level of expenditure available to each of the main towns.
- 5.28 The convenience goods quantitative need assessment for each of the main centres in Mid Devon is contained in Tables 15 (Tiverton), 16 (Crediton) and 17 (Cullompton) at Appendix C. The comparison goods quantitative need assessments for each centre are contained at Tables 18 (Tiverton), 19 (Crediton) and 20 (Cullompton) at Appendix C. A common format is adopted and shows the following information:
- The total level of available retail expenditure within the study area;
  - The level of expenditure which each centre attracts from the study area;
  - The market share of each centre within the study area
  - The level of expenditure inflow attracted by each centre;

- The total turnover of convenience or comparison facilities in each centre, which is a combination of resident's spending derived from the study area plus trade inflow from beyond.
- The benchmark turnover of existing retail facilities in each settlement; and
- A residual expenditure estimate which is the different between the total turnover flowing to retail facilities in a particular settlement between 2012-2026 and the benchmark turnover of those facilities.

5.29 The market share of existing facilities at 2012 within a particular settlement is calculated by comparing the total expenditure levels in Table 3 with convenience turnover levels given in Table 5 or comparison turnover levels in Table 13. It is the proportion of residents' spending attracted from the study area relative to total available expenditure. In other words, it is an aggregate figure derived from zonal market penetration rates. For the purposes of this baseline assessment we have assumed that existing market shares for convenience and comparison goods shopping in each of the three main towns will remain the same over the assessment period (2012-2026) and the next section of this report will go on to consider whether such changes are justified/desirable for the future in each town.

5.30 Towards the bottom of each quantitative need analysis table a residual expenditure figure is provided. Where the residual figure is a positive number, this indicates that a quantitative need potentially exists for additional retail floor space. Conversely, a deficit (minus figure) indicates that there is a potential oversupply of existing retail floor space and there is no quantitative requirement for additional floorspace. Where a surplus level of expenditure exists, Tables 15 and 16 convert the residual expenditure level into a floor space equivalent. In order to accomplish this task an average sales density is used. For convenience goods shopping, a sales density of £12,500/sq m at 2012 is used (projected forwards over the period 2012-2026 assuming annual increases in floor space efficiency in line with existing retail floor space). For comparison goods, a density of £5,000/sq m at 2012 is used (and again project forward over the period 2012-2026 assuming increases in floor space efficiency).

5.31 Both of these sales densities are averages and retail performances of individual operators can vary, particularly for convenience goods operators. For example large national grocery operators such as Asda, Waitrose, Morrisons and Tesco have sales densities in excess of £11,000 per square metre. In contrast, smaller discount operators

such as Lidl and Aldi have sales densities below £6,000 per square metre. Therefore, the sales density figure for new convenience and comparison goods retail floor space should only be used as a guide and reference should also be made to the residual expenditure figures when the Council is faced with individual planning application proposals.

### *Tiverton*

- 5.32 Table 15 at Appendix C indicates that stores in Tiverton currently attract £67.3m of convenience goods expenditure from the study area. This represents, at 2012, a market share of 32.4% in the study area. Study area derived expenditure is boosted by a further £1.3m of convenience goods spending from tourists and visitors to the area, providing a total turnover of £68.7m at 2012.
- 5.33 When compared to the benchmark turnover of existing convenience stores (£72.6m), Table 15 indicates that there is currently a theoretical over-capacity of convenience goods floorspace given that the table indicates minus £4m of residual expenditure. Table 15 indicates that this over-capacity is set to continue until after 2017 when there will be surplus convenience goods expenditure at 2021 available to support new convenience goods floorspace. At 2021, the surplus expenditure level will be £2.8m which translates, using the sales density assumptions outlined above, to an indicative floorspace capacity of 218sq m net. By 2026, the level of surplus expenditure rises slightly to £7.5m which translates into an indicative floorspace capacity of 577sq m net.
- 5.34 Turning to comparison goods retail floorspace capacity in Tiverton, our analysis is contained at Table 18 Appendix C. Table 18 indicates that some £65m of comparison goods expenditure generated by study area residents is flowing to stores across Tiverton. This is equivalent to a 21.5% market share across the study area.
- 5.35 The previous 2004 retail study predicted a 2004 study area derived turnover for Tiverton of £43.6m, £57.8m in 2009 and £69.7m at 2013. Based on pro-rata growth across 2009-2013 this would provide a 2012 turnover figure from the 2004 retail study of £66.7m which is only marginally higher than the latest prediction. However, the difference is understandable given the recent economic downturn and the lower comparison goods expenditure growth rates being used by this latest study.
- 5.36 When comparing the current total level of expenditure flowing to comparison goods stores in Tiverton against benchmark turnover levels, we have adopted the benchmark

turnover level adopted by the 2004 retail study, brought forward to 2012 levels and including any commitments including in the 2004 study which have now been implemented (i.e. the Tesco supermarket on Blundell's Road). This comparison indicates that current turnover levels in Tiverton are similar to the benchmark performance levels established by the previous 2004 retail study (brought forward to 2012). However, a further factor to take into account is turnover associated with commitments in Tiverton and in this instance we have taken into account the retail floorspace within the Lowman Green and former Tiverton & District Hospital proposals. Taking into account these commitment, Table 18 indicates that, at the current year (2012), comparison retail facilities are in broad equilibrium, although there is a small surplus (circa £4.7m) which, on the basis of an indicative sales density of £5,000/sq m for new comparison goods floorspace, leads to a current capacity of 948sq m net.

- 5.37 Moving forwards across the assessment period, Table 18 indicates that surplus expenditure will rise to £12.4m by 2017, £20.6m by 2021 and £33.2m by 2026. These equate to indicate floorspace capacity levels of 2,428sq m by 2017, 4,013sq m by 2021 and 6,392sq m net by 2026.

### *Crediton*

- 5.38 Table 16 outlines the quantitative capacity assessment for convenience goods floorspace in Crediton. The table shows that convenience goods stores currently attract £35.5m of convenience goods expenditure which is equivalent to a 17.1% market share across the study area. Within the previous study, convenience stores in Crediton were achieving a 13% market share across a slightly larger study area and were predicted to have a turnover of £26.5m by 2012. Therefore, it is clear that the town has been able to increase its turnover levels and this is likely to be due to the introduction of the out of centre Tesco supermarket.
- 5.39 After making an allowance for expenditure inflow from outside of the study area, the total turnover of stores (£36.3m) can be compared against their benchmark turnover level of £51.9m. The result is an over-supply of convenience goods floorspace, signalled by a negative residual expenditure figure of -£15.7m. The cause of this over-supply could be due to two factors: the market share of the town not rising in line with the scale of new retail floorspace provision and/or the scale of the new Tesco supermarket being larger than the identified capacity within the 2004 retail study.

- 5.40 Table 16 indicates that the over-supply of convenience goods floorspace in Crediton is set to continue over the assessment period, as demonstrated by the continuing negative residual expenditure total up to 2026.
- 5.41 Table 19 sets out the quantitative capacity calculations for comparison goods floorspace within Crediton, assuming a constant market share over the assessment period. It indicates that at present comparison goods stores in the town are attracting £17.7m of comparison goods expenditure from the study area. Direct comparisons with the predictions made in the 2004 study should be used within caution given the higher growth rates used in that study although previously Crediton was predicted to attract £18.4m of expenditure from the study area on the basis of a 5% market share. The town's market share is now 5.9% although the study area has reduced in size slightly. Therefore, bearing in mind the reduction in growth in comparison goods spending, it is likely that the new Tesco supermarket will have had a positive impact upon the amount of comparison goods expenditure although the impact will have been relatively modest.
- 5.42 When the benchmark turnover level adopted for the 2004 study is updated to 2012 levels and the floorspace capacity added by the Tesco comparison goods floorspace is also included then Table 19 shows that there is a current oversupply of comparison goods floorspace within Crediton, as indicated by the negative residual expenditure of minus £4.7m at 2012. Should the comparison goods market share of Crediton remain static at 5.9% up to 2026, then Table 19 indicates that a surplus expenditure capacity will only return between 2021 and 2026, and there will be £1.5m of available expenditure at 2026, which is equivalent to 280sq m of new net sales floorspace for comparison goods.

### *Cullompton*

- 5.43 Table 17 at Appendix C indicates that, at present, convenience goods floorspace within Cullompton is attracting £23.6m, which is equivalent to an 11.3% market share in the study area. Within the previous study, and prior to the opening of the new Tesco store and whilst the former Somerfield store was still operating, Cullompton had a convenience goods market share of 6.7%.
- 5.44 Within the previous retail study, it was predicted that Cullompton would achieve a market share of 12.8% by 2012, with a turnover of £26m. Therefore, on the basis of the latest survey information these expectations have not been met, although this is understandable given the closure of the Somerfield/Co-op store on Exeter Hill.

- 5.45 Table 17 assumes that the former Somerfield/Co-op store will not be re-occupied by a convenience goods retailer and, on this basis, it is predicted that a small surplus in expenditure of £1.1m will exist at 2012. Based upon a sales density of £12,500/sq m, this provides a small floorspace capacity of just under 100sq m net. Moving across the assessment period, and assuming a constant market share, surplus expenditure will rise to £2.2m by 2017, £3.5m by 2021 and £5.2m by 2026. Based upon a sales density of £12,500/sq m increasing in efficiency over the assessment period, these levels of surplus expenditure provide indicative floorspace capacity figures of 175sq m net by 2017, 273sq m net by 2021 and 399sq m net by 2026.
- 5.46 Table 20 provides a quantitative capacity assessment for comparison goods floorspace in Cullompton and indicates that the town has the smallest market share of the three main towns in the District at 1.6%. This is based on Cullompton being able to attract £4.9m of comparison goods expenditure from the study area which, when modest allowance is made for expenditure inflow (£0.1m), provides a total turnover of £5.0m at 2012. Taking forward the benchmark turnover level provided in the 2004 study and updating it to 2012 levels, plus an allowance for the benchmark turnover associated with the new Tesco supermarket, Table 20 indicates a current over-supply of comparison goods floorspace. Due to the low market share of Cullompton and the slower rate of comparison goods expenditure growth than forecast in the previous retail study, Table 20 indicates that the town will not have any surplus expenditure capacity up to 2026 should it's market share remain constant.
- 5.47 These initial capacity predictions for each of the three centres are now taken forwards in the next section of this report as part of our policy options analysis.

## Qualitative Need

- 5.48 In terms of the overall assessment of need, the consideration of qualitative factors provides an important contributory element and paragraph 161 of the NPPF retains a reference to the assessment of qualitative needs for plan making purposes. Indeed, whilst an assessment of the growth in retail expenditure in the study area can show the levels of expenditure available to support additional retail floor space in Tiverton, Crediton and Cullompton, the case for additional provision also relates to removing deficiencies or gaps in provision, providing for consumer choice and competition, identifying and removing overtrading, congestion and overcrowding in stores, improving the quality of provision and meeting any location-specific needs. These issues are

analysed below in relation to the convenience and comparison retail sectors in each of the three larger towns (Tiverton, Crediton and Cullompton).

### *Tiverton*

- 5.49 Within the 2004 retail study, it was noted that the development of the Tesco supermarket would remove any qualitative shortfall in convenience goods shopping floorspace across Tiverton as a whole. With the Tesco store now open and lying on the edge of the town centre, Tiverton now has a choice of two large supermarkets, supplemented by Marks & Spencer Simply Food and Co-op foodstores and a range of smaller niche stores in the town centre.
- 5.50 The contribution that all of these stores make to the attractiveness of Tiverton is shown by the results of the 2012 household survey. Table 4 at Appendix C indicates that Zone 5, the zone in which Tiverton lies, is able to retain 94% of its main food shopping trips and 92% of its top-up food shopping trips. Convenience goods stores in Tiverton are also successful in attracting main and top-up food shopping trips from a wider geographical area. For example, 29% of residents in Zone 3 (the large rural area between Tiverton and Barnstaple) travel to Tiverton for their main food shopping. For Zone 4 (the rural area to the north of Tiverton, including Bampton), Tiverton attracts 54% of main food trips. Within the rural to the south of Tiverton, one quarter of main food trips flow to Tiverton whilst, despite the opening of the new Tesco store on Station Lane, one fifth (21%) of residents of the Cullompton area are still using stores in Tiverton for their main food shopping.
- 5.51 Across the town as a whole, we do not consider that Tiverton has a qualitative deficiency in convenience retail provision. A range of facilities are on offer and there is no sign of any significant overtrading within existing stores. Our main observation in relation to the qualitative factors is the distribution of facilities. Whilst the development of the Tesco store on Blundell's Road has achieved the objective of providing a large supermarket on the edge of the town centre, with evidence of linked trips between the two locations, the quantitative assessment indicates a modest trading performance within town centre foodstores and there remains an opportunity to continue to improve the town centre convenience goods offer. Given the lack of available expenditure to accommodate another large new store in the town, improvements in the town centre offer may therefore lie in the improvement and redevelopment of existing floorspace.
- 5.52 Turning to the comparison goods retail sector in Tiverton, the comments and observations which were made in the 2004 retail study remain valid for this latest



assessment. Tiverton remains, by far, the most popular comparison goods shopping destination in Mid Devon District with a 40%-50% market share in most goods categories, plus a 70% market share for personal and luxury goods and an 80% market share for DIY goods. The town centre is able to accommodate both local independent and national multiple retailers and the attractiveness of the town centre draws shopping trips from beyond the local area.

- 5.53 Based upon the lack of a significant amount of vacancies in the town centre, the lack of new retail floorspace in the centre in recent years along with signs of continuing retailer demand, we consider that there is a qualitative case for improved comparison goods floorspace within Tiverton town centre. With our quantitative assessment as a guide, it is unlikely that the amount of additional floorspace required will be significant and will be a blend of redevelopment of existing floorspace and new retail units. As we noted in the previous retail study, the influence of centres such as Exeter, Barnstaple and Taunton will all have an influence on the amount of new floorspace which can be provided within Tiverton given the decision by some retailers to concentrate upon the larger towns and cities only.

#### *Crediton*

- 5.54 A key observation in the 2004 retail study was a qualitative deficiency within convenience goods shopping provision within Crediton, based upon the quality of existing floorspace and the leakage of main food shopping trips to Exeter. As a consequence of this identified deficiency, proposals for the new Tesco supermarket came forward and this store has now been built and is open for trade. The 2012 household survey indicates Crediton has experienced an increase in its convenience goods shopping market share, mainly as a result of the claw back of main food shopping trips which were previously being lost. The main food shopping market share of Crediton in Zone 2 (the zone in which it sits) is now 89%, an increase from 76% in the previous study. Convenience stores in Crediton have also become more attractive to residents in the wider surrounding area, with 50% of main food shopping trips attracted from Zone 1 and 21% of main food trips attracted from Zone 3.
- 5.55 Following the opening of the Tesco store, and the rebranding of the Somerfield store to a Morrisons, we find Crediton no longer has a qualitative need for new convenience goods floorspace. A range of facilities across the town are now available and there is no sign that these existing stores are overtrading. Therefore, changes to convenience

goods floorspace within Tiverton in the medium to longer term are likely to concentrate upon the refurbishment and redevelopment of existing floorspace.

- 5.56 Turning to comparison goods floorspace provision, the level of provision has increased since the previous study with circa 1,000sq m of the new Tesco supermarket devoted to non-food goods sales. A wide range non-food goods are stocked by Tesco and this has supplemented the town centre's comparison goods sector and widened the range of goods which are available locally. In terms of a further qualitative improvement in comparison goods, this is clearly desirable although realism should be applied given the size of Crediton, the lack of known retailer requirements for the local area and also the proximity of Exeter. The Council should therefore concentrate on ensuring that every possible opportunity to improve the quality of existing premises within the town centre is taken, to ensure that premises remain attractive and useable for retailers and other commercial businesses.

#### *Cullompton*

- 5.57 Within the 2004 retail study, the qualitative factors facing Cullompton were similar to those facing Crediton i.e. a qualitative deficiency in the town's convenience goods floorspace offer and also the potential for a modest improvement in comparison goods floorspace provision. The 2004 study referred to a planning permission for a new Tesco store on Station Road and this store has now been opened. In approving this store, it was hoped that it would enable Cullompton to retain a larger amount of convenience goods shopping trips. In this case, the survey evidence indicates that a greater amount of main food shopping trips have indeed been retained within the local area, with leakage of main food trips falling from 60% in Zone 7 to circa 45%. However, the latest household survey suggests that Cullompton has lost a proportion of the top-up food shopping trips it attracted in 2004 and the latest survey suggests a shift in top-up food shopping trips to the surrounding villages.
- 5.58 Whilst the new Tesco store has improved the range of convenience goods which are available within Cullompton, it should be noted that the former Somerfield/Co-op on Exeter Hill has now closed. This has unfortunately reduced the choice of facilities within the town but would appear to be, in part, as a consequence of convenience stores not being able to achieve a higher market share.
- 5.59 Overall, whilst there remains a possibility that the former Somerfield/Co-op store could be re-occupied, we do not consider that a qualitative deficiency remains for convenience

goods shopping provision in Cullompton and we do not consider that the Council needs to make specific interventions to plan for new convenience goods floorspace within Cullompton.

- 5.60 Turning to comparison goods floorspace provision within Cullompton, similar principles to those outlined for Crediton will apply. For example, the new Tesco supermarket has added to the supply of comparison goods floorspace provision and future improvements, particularly within the town centre, would be welcomed as the quality of existing space is average (with little change over recent years). However, due to the size of Cullompton and its proximity to Tiverton and Exeter, both of which constrain its natural shopping catchment, the likelihood of any substantial additions to comparison goods floorspace will be low. The Council should therefore concentrate on ensuring that every possible opportunity to improve the quality of existing premises within the town centre is taken, to ensure that premises remain attractive and useable for retailers and other commercial businesses.

## 6. POLICY OPTIONS FOR RETAILING IN MID DEVON

### Introduction

- 6.1 One of the main purposes of this retail study is to support the ongoing preparation of, and the retail strategy within, MDDC's suite of development plan documents. In particular, this study will inform the retail strategy within any future update of the Core Strategy document and also the ongoing preparation of the Development Management Development Plan Document ('DMDPD').
- 6.2 As a consequence, the policy options analysis is split into two sections. The first section deals with the strategic approach to retail development across the District and considers the outputs from the town centre health, quantitative and qualitative analyses to help define the potential options for retail development and an analysis of these alternative policy options to accommodate growth and/or plan for change.
- 6.3 The second part of our analysis examines the options which MDDC has set out for its development management policies (in the DMDPD). These options are assessed against the findings of this study and also their compliance with national policy in the NPPF, in order to reach a preferred approach to development management for retail and town centre development across Mid Devon.

### Strategic Retail Development Options

- 6.4 To be appropriate and deliverable, Mid Devon's retail strategy needs to be based on sound evidence, which demonstrates an understanding of the existing situation, and the potential and opportunities for change. Four common steps can be identified:
- An audit of existing centres, to identify their current role, their vitality and viability, and their potential to accommodate new development and/or change, having regard to identified needs.
  - Consideration of alternative centres and/or sites and development opportunities to accommodate new development (in existing centres or in new/expanded centres) and to consider the potential role of difference centres.

- Based on the above, an evaluation of alternative policy options to accommodate growth and/or plan for change.
- Developing the strategy and policy formulation through development plan documents.

6.5 Section 4 of this report has provided an up-to-date review of the health of the main town centres in Mid Devon, whilst Section 5 provides an assessment of the quantitative and qualitative need for additional retail floor space within these centres. Accordingly, this section starts by assessing the opportunities which exist for the provision of new retail development across the District.

6.6 In order to achieve this, the remainder of this section is split into two distinct sections to recognise the steps outlined above. The first assesses the potential suitability of sites for retail development in the main towns. The second provides an analysis of the alternative policy options to accommodate growth and/or plan for change. Each is discussed in turn below.

### Review of Potential Retail Development Opportunities

6.7 A key component of a proactive approach to meeting town centre needs is the identification of appropriate sites together with policies to bring forward new development. Where local authorities have identified a quantitative and/or qualitative need for retail uses, the NPPF indicates that local planning authorities should allocate a range of suitable sites to meet the scale and type of retail development needed in town centres. The NPPF goes to indicate that these needs should be met in full and are not compromised by limited site availability. Therefore, local planning authorities should therefore examine opportunities to expand town centres to ensure a sufficient supply of suitable sites.

6.8 Where suitable and viable town centre sites are not available, the NPPF indicates that well connected and appropriate edge of centres should be allocated and if sufficient edge of centre sites are not available then the NPPF expects local planning authorities to set policies for meeting the identified needs in other accessible locations that are well connected to the town centre.

6.9 Following consultation with MDCC officers, 13 locations have been identified for assessment and these are:

1. Phoenix Lane, Tiverton
2. William Street car park, Tiverton
3. Former Tiverton & District Hospital, William Street, Tiverton
4. Pannier Market and car park, Tiverton
5. Land to the rear of the Town Hall, Tiverton
6. Bampton Street, Tiverton
7. Old Road depot sites, Tiverton
8. Tiverton eastern urban extension
9. Blundells School, Tiverton
10. Tiverton Business Park
11. East Town, Crediton
12. Wellparks Mixed Use Development site (including Tesco store), Exeter Road, Crediton
13. Magistrates Court, Cullompton

6.10 The assessment of sites 1-6 in Tiverton and site 13 in Cullompton, as all of these sites are within or on the edge of town centre boundaries, are contained within site assessment proforma sheets at Appendix D. Site 7 is also included at Appendix D as it has been identified as part of the 'Tiverton Key Sites' exercise by the Council.

6.11 For the other sites, which are all in out of centre locations, we do not consider that individual proformas for each site are warranted and therefore our assessment of each location is contained within this section.

6.12 For those sites which are covered by the proforma assessment, a standardised format is provided which outlines the key characteristics of each location, including:

- Description of site and surrounding area
- Planning policy context
- Accessibility
- Constraints to development
- Development characteristics and implementation

6.13 Through the assessment of the above characteristics, our assessment is able to understand how each location can perform against the commonly used tests of suitability, availability and viability:

- **Availability** – whether sites are available now or are likely to become available for development within a reasonable period of time for retail development (determined on the merits of a particular case, having regard to *inter alia* the urgency of the need).
- **Suitability** – with due regard to the national policy requirement to demonstrate flexibility, whether potential development sites are suitable to accommodate the need or demand which has been identified.
- **Viability** – whether there is a reasonable prospect that development will occur on the site at a particular point in time. Again the importance of assessing viability can depend in part on the nature of the need or demand which has been identified and the timescale over which it is to be met.

#### *Tiverton*

6.14 Of the six sites within Tiverton town centre which have been assessed, the Phoenix Lane site presents the best opportunity to provide new retail development. A plan showing the Phoenix Lane area is contained at Appendix K.

6.15 As a town centre location which has evolved over many years, redevelopment of this area will not necessarily be straightforward, although redevelopment has the potential to achieve a number of benefits including better public transport facilities, new and remodelled retail floorspace and an improved southern gateway into the town centre. We therefore recommend that the existing AIDPD allocation is extended to cover additional areas to the south up to the multi-storey car park and Council offices, and the Council identify this area as having potential to accommodate a significant part of the need for new comparison goods floorspace in Tiverton. Opportunities to include the adjacent Marks & Spencer Simply Food unit and retail units in the core retail area to the north should also be explored. Given the complexities with this area, we recommend that the Council take the lead on the masterplanning and promotion of this area.

6.16 In relation to the other town centre development sites, the William Street car park lies at the northern end of the town centre and offers the potential for mixed use development,

- although we do not foresee a situation where this site will provide a significant amount of retail floorspace.
- 6.17 Adjacent to the William Street car park is the former District Hospital site and we consider that this site also has the potential to provide a modest amount of retail floorspace as part of a wider mixed use development scheme. The former Hospital site is allocated in the site allocations DPD for up to 1,000sq m of retail and/or office floorspace and we see no reason to divert from this allocation, and simply comment that the retail provision within this site is likely to be a mixture of Class A1 and other food and drink retail/service uses. Redevelopment and reuse of both of these sites will provide an important boost to the northern part of Tiverton town centre.
- 6.18 We consider that the area around the Pannier Market offers the potential to provide new retail units which could expand the Market Walk area of shops. However, this area is complex to develop given the presence of the Pannier Market and access/parking constraints. Nevertheless, this area remains commercially attractive for retail development.
- 6.19 With regards to the Post Office site on Bampton Street, we support the identification of this site for retail development, including the ability to provide new Class A1 retail floorspace in a relatively large unit. However, given the location of the site there is no certainty that Class A1 retail use can be achieved and therefore another Class A use may need to be considered as an alternative.
- 6.20 The final town centre site is the area of land to the rear of the Town Hall and we have concluded that its allocation for residential uses is the most appropriate approach given the lack of prominence and access constraints.
- 6.21 Beyond these six sites, we have examined three further out of centre locations in Tiverton: the Tiverton eastern urban extension area, land at Blundell's School and Tiverton Business Park. The first two of these sites benefit from an allocation for mixed use development within the AIDPD, although only the eastern urban extension includes allowance for retail floorspace.
- 6.22 Policy AL/TIV/4 outlines the range of retail and community facilities which are expected to be provided within the eastern urban extension of 2,000 new homes. The policy notes that 2 hectares of land should be set aside for shopping and a community centre, of which 1 hectare will be for community buildings. The supporting text to AL/TIV/4



indicates that retail facilities will be required for the local demand arising out of the urban extension although they should be small scale and not compete with the town centre. An indicative size of 1,000sq m is provided. The other allocation, at Blundells School, is for 200 new residential units and 7,000sq m of Class B1 or other suitable employment floorspace. No provision is made for retail facilities in this area.

6.23 We consider that the promotion of a limited amount of retail development to the urban extension area within the AIDPD is the correct approach, and places new retail floorspace in the right location to benefit the growing community on the eastern side of the town. We also agree with the aspiration of the policy to limit the scale of retail facilities provided and would agree that 1,000sq m of Class A floorspace is a sensible level to allow a modest retail centre to form. If further guidance needs to be offered, we would also suggest that the 1,000sq m of new floorspace is split up into several smaller units in order that a range of services can be provided and one single store does not dominate. The local authority should also try to ensure that a range of A1, A2, A3, A4 and A5 uses are provided, ideally including a small convenience store.

6.24 The final out of centre site we have examined is Tiverton Business Park. This area lies close to the eastern A361 junction and lies on the gateway into the town, making it a commercially attractive location for retail development. There are limited retail uses in this area and we recommend that the local planning authority seeks to resist any future retail development proposals in this area unless it can be proved that they would act as complementary facilities to the town centre and that there are no more centrally located in, edge and out of centre sites which can accommodate the proposed uses.

### *Cullompton*

6.25 Within Cullompton, the only allocated site close to the town centre and the only site which has been assessed for the purposes of this study is the former Magistrates Court site. This site lies at the southern edge of the Cullompton town centre and is allocated under Policy AL/CU/12 in the AIDPD for community and car parking uses. Part of this site has been redeveloped for a new library and the remainder lies vacant following the closure of the Magistrates Court use. We consider that the redevelopment / re-use of the remainder of this site will further enhance the southern gateway to the town centre and the site presents an opportunity to provide a range of land uses (including commercial, residential and community uses) although the existing allocation of community and car parking uses is entirely appropriate and the provision of additional

car parking provision at the southern end of the town centre will be of benefit to the attractiveness of the centre.

### *Crediton*

- 6.26 Within Crediton there are no town centre allocations in the AIDPD and no further town centre opportunities have been put forward for assessment for this study. Therefore, in terms other allocations and recent development opportunities, it is useful to examine the allocation under Policy CRE1 in the Local Plan and the area included within the planning permission for the new Tesco supermarket at Exeter Road.
- 6.27 Policy CRE1 in the Local Plan relates to 1.3 hectares of land at East Town, to the east of the town centre. The allocation covers the existing Morrisons store (formerly occupied by Somerfield) and further quasi-retail and commercial uses. The allocation promotes 3,000sq m gross (2,000sq m net) of Class A1 retail floorspace and residential development and was included in the Local Plan prior to the promotion of the Tesco supermarket at Exeter Road. As a consequence, there is now a need to consider whether the CRE1 allocation should remain in the development plan going forwards. In our view, whilst aspiration of Policy CRE1 to improve the appearance of this area is to be welcomed, we do not consider that there is a need to promote a significant expansion of retail floorspace in this area given that our capacity assessment has identified that there is no need for additional convenience goods floorspace and this site lies in an out of centre location.
- 6.28 Turning to the area around the new Tesco supermarket on Exeter Road, this area remains undeveloped following the completion of the Tesco store. The planning permission for this area includes provision for 2 hectares of Class B1a office units and 1 hectare for Class B1c workshop units and a restaurant/bar. By virtue of the grant of planning permission, the Council has considered these uses to be appropriate for this site although, given its out of centre, location we do not recommend that the Council allow any further retail and/or main town centre uses. Proposals for any such uses will need to be subject to a thorough sequential assessment along with an assessment of their impact on Crediton town centre.
- 6.29 Given the need to maintain and enhance the health of Crediton town centre and the lack of need for additional retail floorspace, we recommend that the Council concentrate on identifying opportunities for the improvement of existing town centre

floorspace in order to accommodate existing businesses and attract new retailers to the town centre.

## Different Approaches to Retail Development in Mid Devon: the Options

### *Introduction*

- 6.30 Having identified the expenditure capacity/demand which exists within the area or centre in question, considered qualitative needs, and reviewed current and potential sites, the next stage of assessing the retail strategy is to identify the policy options for development. This will involve identifying different centre's characteristics, along with the opportunities for qualitative and quantitative improvements. The outcome of this exercise will be to identify what scale and form of development is likely to be supportable in different locations, including the scope to enhance the role of existing centres and the potential to expand or create new centres.
- 6.31 A key element of developing and evaluating policy options is to understand the implications of alternative policy choices. The potential alternatives are driven by our assessment of need and the potential retail development site analysis and it is important to consider whether they allow sufficient expenditure capacity to support development of the identified opportunities, and also whether they support the wider objectives for the ongoing health of town centres.
- 6.32 The alternative policy choices may come in different forms. For example, for a particular centre, there may be potential to expand its role and seek to increase its market share and reduce leakage of expenditure. Alternatively, the policy choices may not be driven by a town's particular market share but more by the development potential of different sites and the geographical distribution of retail provision across its urban area.

### *Tiverton*

- 6.33 Within the 2004 Retail Study, it was recommended that the Council pursued a 'no change' scenario for the Tiverton's convenience goods shopping market share. This was on the basis that the permission for the Tesco supermarket on Blundells Road met any remaining qualitative deficiencies in the town. The result of this scenario was that there was no need to allocate for additional convenience goods floorspace.
- 6.34 Our latest quantitative analysis indicates that if the current market share of convenience goods facilities in the town continues there would be limited capacity for additional

floorspace and this is reflected in our latest qualitative assessment. Therefore, our latest 'no change' analysis mirrors the findings of the 2004 study.

- 6.35 With the option of lowering the town's market share likely to lead to a similar situation, the only alternative approach is to plan for a higher market share for Tiverton in order to accommodate additional convenience goods floorspace. With Tiverton already attracting over 90% of main and top-up food shopping trips from the local area (Zone 5) and a significant proportion of expenditure from the surrounding area, an increase in market share can only really be achieved via a further widening of the town's catchment. If it could be achieved, such an increase would affect the ability of surrounding settlements to attract convenience goods expenditure. In the context of settlements in Mid Devon, a strengthening market share for Tiverton could have an adverse impact upon smaller rural settlements, such as Bampton, as they find it harder to compete with an increasing range of convenience goods floorspace. With a good range of existing facilities in Tiverton, it seems to us that the disadvantages associated with potential adverse impacts on rural facilities outweigh the need to further increase Tiverton's market share.
- 6.36 We have also given consideration to the eventuality where Tiverton cannot increase its convenience goods shopping market share to any significant extent, on the basis that the town's natural maximum catchment has been reached. If the catchment area and market share cannot increase to accommodate new retail floorspace, then any new floorspace will need to compete for the same 'pot' of money as existing retailers. In terms of issues of acknowledged importance, this eventuality raises some concern over the future trading position of convenience goods retailers in Tiverton town centre and is likely to outweigh any benefits associated with further increasing choice and competition within the town. Therefore, having regard to the above analysis, we recommend that the most appropriate course of action for the Council is to pursue a 'no change' option and does not plan for any additional convenience goods floorspace in Tiverton.
- 6.37 In relation to comparison goods retailing, the 2004 Retail Study recommends a 'no change' to the market share of Tiverton on the basis that available development sites may be able to accommodate the scale of identified need. As a consequence, an increase in the comparison goods market share was only recommended where additional town centre development sites can be identified. For the purposes of this study we see no reason to fundamentally change direction, given that the Phoenix Lane

has the potential to accommodate a large part of the available need in the short to medium term, supported by the Pannier Market area, Bampton Street (Post Office) and the William Street car park sites. Moreover, where redevelopment opportunities involve the redevelopment of existing retail floorspace, then this will not require additional capacity to be created. Whilst we identify that comparison goods floorspace capacity will continue to grow in the medium to longer term, we consider that further investigative work should be undertaken on these existing sites before additional sites are identified and allocated.

- 6.38 On the basis of the capacity of these sites, an approach which plans for an increase in Tiverton's comparison goods shopping market share could lead to pressure to allocate/approve permission for sites outside of the town centre which may have negative effects upon the health of the town centre and also affect town centre investment. Therefore, on the basis of the potentially available sites and the level of need for additional comparison goods floorspace, we continue to recommend the 'no change' scenario to Tiverton's market share unless it becomes apparent that additional demand for new and remodelled retail floorspace can be accommodated in the town centre.

#### *Cullompton*

- 6.39 Within the 2004 Retail Study, a 'no change' approach was recommended for the future market share for both convenience and comparison goods shopping in Cullompton. For convenience goods retailing, this was on the basis of the commitment for a new supermarket on Station Road meeting both the outstanding quantitative and qualitative need for additional floorspace in the town. This store has now been provided and Cullompton is able to be more self-sufficient in terms of convenience goods shopping and whilst it is disappointing that the Somerfield/Co-op store on Exeter Hill has closed, there is no overriding need for the Council to intervene in the convenience goods sector in Cullompton to improve provision. Therefore, with a small amount of available additional quantitative capacity to support new convenience goods floorspace (assuming that the former Somerfield/Co-op store is not re-occupied by a convenience goods retailer), we recommend that a 'no change' approach is pursued by the Council in relation to the convenience goods retail sector in Cullompton.
- 6.40 Turning to comparison goods floorspace, the new Tesco store on Station Road includes a small comparison goods offer and this will have improved provision slightly since the

previous study. Given the lack of commercially attractive retail development sites within Cullompton town centre, along with the apparent low level of demand from the retail sector, we do not consider that there is a strong current case for planning for an increase in Cullompton's comparison goods market share. It appears to us that, instead, the Council should concentrate upon supporting existing provision within the town centre, ensuring that existing retailers are supported and existing retail floorspace refurbished/redeveloped in order to maintain and improve the attractiveness of the retail floorspace stock.

### *Crediton*

- 6.41 A key finding of the 2004 Retail Study was the opportunity to improve the quantity and quality of convenience goods floorspace provision within Crediton, with a recommendation that a 'retail growth' option is pursued. This recommended that approximately 2,000sq m of net additional convenience goods floorspace could be accommodated, on the proviso that the Council carefully assess the impact of any proposals on the health of Crediton town centre. A new out of centre Tesco supermarket has now been provided and this store is considered to have met both the outstanding quantitative and qualitative need for additional convenience goods floorspace in Crediton. As a consequence, and with a good range of provision now available, we recommend that a 'no change' approach is pursued.
- 6.42 For comparison goods retailing within Crediton, a 'no change' approach was recommended on the basis of available town centre development sites, although this was recommended to be monitored. With the new Tesco store providing a large amount of new comparison goods floorspace, short to medium quantitative capacity for new floorspace has been removed and therefore the only way to allow new floorspace to be provided will be to plan for an increase in the town's market share. However, we would advise some caution around this approach given the lack of readily available town centre development sites and the apparent lack of demand from retailers for new town centre stores. Therefore, the consequence of planning to raise Crediton's comparison goods market share could be to increase pressure to provide new floorspace which is located outside of the town centre which could lead to damaging effects upon the centre. We therefore recommend that the Council continues to pursue a 'no change' approach to comparison goods retailing in Crediton, with efforts put into improving the attractiveness of existing floorspace in order that it meets the needs of the retail sector going forwards.

## Development Management Policies: the options

- 6.43 Within the April 2011 Issues and Options consultation for the DMDPD, contrasting options were provided for policies relating to: town centres, town centre/primary shopping frontage boundaries, economic development outside of town centres and local/rural shopping. These policies are relevant to this study and therefore we are instructed to provide an assessment of their compliance national planning policy within the NPPF along with the findings of this study.
- 6.44 We consider the options for each policy area in turn below within a standard format.

### Town Centre Policy

- 6.45 In order to assess the options for town centre policy in Mid Devon it is important to start with the existing context. Within the Core Strategy there is a single policy on town centres, Policy COR8, which seeks to encourage their enhancement and regeneration and promote a range of land uses (including residential, retail, leisure, offices and other key town centre uses).
- 6.46 Any new town centre policy within the DMDPD will replace a number of Local Plan policies, including E1, E3 and E5 which deal with town centre development, changes of use in town centres and shop fronts respectively.
- 6.47 Therefore, any new town centre development management policy will need to complement the single Core Strategy policy, along with the opportunity to provide additional more detailed policies, whilst ensuring that latest national policy is acknowledged. It is on this basis that we assess the various options for town centre policy in the April 2011 DMDPD document below.

**Table M: Town Centre Policy Options**

| Option                                                                                                                                                                     | Comments                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Create an overall policy for town centres that addresses new buildings, changes of use and alterations to shop fronts</p>                                               | <p>There is no in principle reason why a single policy for town centres could not be developed, although it will be difficult to create a succinct set of standard policy criteria which deal with all issues relating to new buildings, changes of use and shop front alterations without losing some of the detailed policy criteria as, in some cases, they raise separate and distinct issues.</p> <p>Therefore, under this route, town centre policy is likely to become either more generic or the single town centre policy becomes relatively lengthy as it covers general themes common to all types of development following separate sub-sections dealing with the detail of specific areas (i.e. changes of use).</p> |
| <p>Partly incorporate the existing policy into an overall policy but deal with shopping frontages (a stretch of shop fronts) and residential uses as a separate matter</p> | <p>Similar comments to those outlined above apply to this option although the length of this single policy has the potential to become shorter as changes of use within defined frontages are moved to the separate policy and, we assume, residential development proposals are dealt with by general development management and residential land uses policies.</p>                                                                                                                                                                                                                                                                                                                                                             |



|                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|----------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Delete the policies and rely solely on national policy and guidance</p> | <p>Whilst there is clear support in the NPPF for new development in town centres across a range of land uses, there is no specific guidance in the NPPF on the management of town centre development. Therefore,</p> <ul style="list-style-type: none"> <li>- consideration of new town centre development would need to rely on general development policies and there would be no control over the impact that in-centre development proposals have on the health of that particular centre;</li> <li>- the local planning authority would not be able to control changes of use within primary and secondary shopping frontage areas and within primary shopping areas;</li> <li>- proposals involving changes to shop fronts would need to rely on general development management, design, conservation area and listing building policies.</li> </ul> |
|----------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

6.48 Having regard to the options put forward by the DMDPD consultation, we consider that to rely on national guidance would strip from the Council the control of matters relating to changes of use and in-centre proposals which do not preserve and enhance the health of the centre (or nearby centres) despite being policy compliant in all other respects. It would also require the Council to rely upon the general development management and design criteria within the DMDPD when assessing shop front proposals and, on this basis, the Council would need to be confident that these general policies can deal with an issue which is clearly of importance bearing in mind the comments at paragraph 7.6 of the April 2011 DMDPD. Therefore, in choosing this option, the Council would be signalling that it intends to relax controls on how town centres develop in the future, and would also reduce the need for the Council to define primary and secondary shopping frontages.

6.49 We consider that the first two options, whereby existing policies are merged, to one extent or another, into a single policy are workable although the Council will need to choose the scale of coverage of such a policy. Whilst new development, changes of use and shop front alterations do have some common themes, it would be very difficult to devise a set of standard criteria which would apply to all these types of proposal.

Therefore, the Council has a choice: condense the content of policies E1, E3 and E5 in the Local Plan down into a shorter single town centre policy which would remove some of the detailed controls that currently exist, or keep existing policy criteria (in either their existing or revised form) and thus leaving a relatively lengthy single town centre policy.

6.50 There is of course a further option which is to retain policies E1, E3 and E5 in either their existing or revised form and we see no reason why this is not a reasonable approach to take.

6.51 Overall, we consider it reasonable for the Council to combine existing town centre policies into one policy or retain the existing three Local Plan policies. The most important consideration for the Council will be scale and scope of the policy or policies which result. A shortening of existing policies will lead to the Council some control over the management of development which may be unacceptable where it wishes to control to control the range of land uses within town centres, the impact of these uses on the health of the centre and also the specific characteristics of shop fronts.

6.52 The key element of Policy E3 in the 2006 Local Plan is the control of land uses within the defined 'primary shopping areas' of Tiverton and Crediton. Part (iii) of the policy aims to ensure that change of use or development proposals do not create frontages of more than 12 metres which are devoid of Class A1 and/or Class A3 uses. In addition, the supporting text to the policy states the aspiration for no more than 20% of the 'primary shopping area' in Tiverton to contain non-A1/A3 uses. The equivalent proportion for Crediton is 30%.

6.53 Having regard to the '12 metre rule' within Policy E3, the rationale for this approach is not explained and we consider that its application to all change of use proposals in the primary shopping frontages of Tiverton and Crediton could lead to unintended consequences in some instances. Instead, we would recommend that, as a replacement for Policy E3, the Council's considers an alternative approach to assessing change of use proposals. For example, a suite of questions, such as the following, can enable the Council to reach a sensible and reasoned decision on change of use proposals.

- Will the primary retail role and character of the centre be undermined?
- Would the proposed use harm the vitality and viability of the Primary Shopping Frontage?

- Would the introduction of non-retail use cause unacceptable fragmentation and isolation of the remaining shops?
- Would there be a detrimental effect on the visual character and amenities of the surrounding area

6.54 When making an assessment of the above, we consider that it will be useful to consider the following issues:

- the location and prominence of the premises within the shopping frontage;
- the floorspace and length of frontage of the premises;
- the number, distribution and proximity to other premises within Classes A2-A5, or with planning permissions for such use;
- the particular nature and character of the use proposed, including the level of pedestrian activity associated with it;
- the level of vacancies in ground floor properties; and
- whether the proposed use would give rise to noise, smell or other environmental problems.

### Town Centre Boundaries and Primary Shopping Frontages

6.55 At present, planning policy documents in Mid Devon define town centre boundaries for Tiverton, Crediton and Cullompton and primary shopping frontages in Tiverton and Crediton. These geographic boundaries are important in the context of applying policies E1, E2 and E3 of the Local Plan and Policy COR6 of the Core Strategy.

6.56 The April 2011 DMDPD consultation identified the opportunity to reconsider the concept of these boundaries and the ways in which they are applied, and presents two contrasting options: abolish or retain them.

6.57 We set out our analysis of these options below, although it is worth noting from the outset that paragraph 23 of the NPPF asks local planning authorities to define the extent of town centres and primary shopping areas based on a clear definition of primary and secondary frontages and set policies that make clear which uses will be permitted in such locations. Town centres, primary shopping areas and primary/secondary frontages are also defined in the glossary to the NPPF.

**Table N: Town Centre Boundary and Primary Shopping Frontage Policy Options**

| Option                                                                                                                                                                                                                                                                                                                                                                                                          | Comments                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Abolish town centre boundaries and primary shopping areas, aiming to reduce restrictions on the free market economy, relying on emerging national policy and the Core Strategy rather than detailed and prescriptive DMDPD policies.</p>                                                                                                                                                                     | <p>The key observation for this option is that it appears to run contrary to paragraph 23 of the NPPF. In addition, the removal of town centre and shopping frontage boundaries from Mid Devon’s development plan documents would make the application of in-centre and out of centre retail policies very difficult.</p> <p>Beyond these obvious and important issues, the removal of town centre and shopping frontage boundaries would remove the ability of the Council to control retail development across Mid Devon, with the prospect of retail land uses leaving town centres and becoming disbursed across towns and villages in the District. As a consequence, there is the potential for town centres to lose their role as the focal point for the local community.</p> |
| <p>Keep town centre boundaries and primary shopping areas but adjust them according to up-to-date evidence and planning policy. This could lead to new primary shopping areas in Cullompton and Bampton. Include associated policies in the DMDPD to manage development in these areas, in compliance with the Core Strategy, current legislation and the National Planning Policy Framework as it emerges.</p> | <p>This approach is fully in line with national policy in the NPPF and will enable the Council to control development proposals within the central areas of its towns and also properly assess proposals for retail development outside of the central areas. It will also enable Policy COR6 in the Core Strategy to continue to be applied.</p> <p>The contents of this study will enable the Council to set town centre, primary shopping area and primary/secondary frontage boundaries on the Proposals Map.</p>                                                                                                                                                                                                                                                                 |

6.58 In our view, the option which retains defined boundaries is the only sensible to proceed, otherwise there is a real risk that the DMDPD will be found to be unsound. Whilst there remains the potential to change the existing town centre and primary shopping frontage boundaries, their retention will enable other policies in the DMDPD and the Core Strategy to operate successfully. We recommend that town centre boundaries are defined for Tiverton, Crediton, Cullompton and Bampton and primary shopping frontages are defined in Tiverton and Crediton.

6.59 In addition to the town centre and primary shopping frontage boundaries, we also recommend that the Council defines primary shopping area ('PSA') boundaries, where these are different to the town centre boundaries, in Crediton, Tiverton and Cullompton. The definition of PSA boundaries will be very important in the operation of retail impact and sequential test policies contained within development plan documents and the NPPF.

6.60 Our recommended town centre, PSA and primary retail frontage boundaries are contained at Appendix I to this report:

- Tiverton. We recommend that the defined town centre boundary for Tiverton remains largely unchanged, save for the removal of the majority of St Peter Street and the inclusion of a small number of additional properties on the eastern side of the River Lowman on Gold Street. With regards to the primary shopping area, we recommend that this should include Bampton Street (up to its junction with William Street), Gold Street (up to the River Lowman in the east), Fore Street, Phoenix Lane (including the Marks & Spencer Simply Food store).
- Cullompton. We do not recommend any changes to the town centre boundary in Cullompton as it remains fit for purpose, whilst we recommend that the defined primary shopping area should cover Fore Street from numbers 63 and 66 in the south up to numbers 15 and 20 Higher Street in the north.
- Crediton. For the defined boundary in Crediton town centre we propose an amendment to the existing boundary to remove the factory premises to the south of High Street and properties to the west of 85 High Street. For the defined primary shopping area, we recommend that this is concentrated on High Street from numbers 103 and 41 in the west and 2 / 143 in the east.
- Bampton. At present Bampton does not have a defined town centre boundary and we recommend that one is included within the Council's development plan

documents going forwards. The recommended area is shown on the plan at Appendix I and includes Brook Street, the western part of Castle Street, Back Street and Newton Square.

### Retail Development Outside Town Centres

6.61 The issues and options version of the DMDPD makes reference to the need to control out of centre retail development and also made reference to PPS4 (which was in force at that time). However, with the loss of the detailed policies for retail development from PPS4, there is a need to consider the interaction between the NPPF, the existing single policy on retail development in the Core Strategy and the need for (and content of) policies dealing with out of centre retail development. The DMDPD puts forward two potential options, retain an out of centre policy or rely on national policy, and these are discussed below.

**Table O: Retail Development Outside Town Centres - Policy Options**

| Option                                                                                                                                             | Comments                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|----------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Retain a policy on out-of-centre development, though this would need to be justified to avoid the DMDPD being found unsound at Examination.</p> | <p>Retaining a policy on out of centre development would be able to take advantage of the NPPF recommendation that local planning authorities do set their own policies. This policy could also take advantage of the option provided by the NPPF to set a local threshold for requiring a retail impact assessments plus any other 'local impacts' considered relevant by the Council. There is no specific guidance within the NPPF on the need to avoid duplication of national policies although we agree that any new out of centre development policy should be drafted in a way which avoids unnecessarily repeating the entire national policy on retail impact and the sequential approach to site selection. This approach would also appear to fit well with the existing policy on retail development in the Core Strategy given that it is in need of updating and lacks specific reference to the current key retail policy tests.</p> |

|                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|-------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Delete the policy and rely on national guidance such as PPS4 and its emerging replacement, the National Planning Policy Framework.</p> | <p>The NPPF sets out a clear national policy on the need to apply the sequential approach to site selection on all proposals for retail development outside of town centres and also the need to assess the impact of large retail proposals on town centre investment and town centre vitality and viability. Therefore, it is possible to rely on the NPPF for these important policy tests. However, for the impact assessment the default threshold in the NPPF is 2,500sq m and therefore any retail proposals under 2,500sq m gross would not be assessed against their impact on town centres. In any event, the NPPF also invites local planning authorities to set their own policies for the assessment of proposals located outside town centres.</p> |
|-------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

6.62 Whilst either option is open to the Council to chose, the option which retains an out of centre retail development policy will offer the Council more control over out of centre retail development. For example, reliance on national policy within the NPPF will allow proposals under 2,500sq m gross floor area to be determined without reference to an assessment of their impact on town centre investment and vitality. Similarly, no local impact tests can be introduced. Therefore, we recommend that the option which retains an out of centre policy is adopted, including a local impact test threshold. Whilst the threshold will ultimately be a decision for the local planning authority, we recommend that a threshold of 500sq m gross comprises a suitable level for the Mid Devon retail hierarchy.

### Local and Rural Shopping

6.63 At present, Policy E6 of the Local Plan controls retail development proposed within residential areas of the main towns and rural settlements, whilst Policy E7 relates to retail development outside of settlements. Both of these policies restrict the scale and type of retail development which can be provided. Within Policy COR17 in the Core Strategy, services and facilities ‘serving the locality’ are also supported.

6.64 The April 2011 DMDPD consultation highlighted the importance of local shops and services, particularly to rural communities and suggests that, with the Core Strategy now

in place, there does not appear to be any need to retain policies E6 and E7 in the DMDPD. This choice guides the two options which were put forward for consultation and we outline our thoughts for each options in turn below.

**Table P: Local and Rural Shopping Policy Options**

| Option                                                                                                                                          | Comments                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|-------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Do not include policies on local shops and services, or retailing outside settlements, relying instead on national policy to guide development. | If policies E6 and E7 in the Local Plan are not transferred to the DMDPD, then the Council will need to rely on policies COR17 and COR18 in the Core Strategy and Section 3 of the NPPF. The Core Strategy policies cover, on a broad basis, proposals for new retail facilities within rural areas, whether this is within or adjacent to a rural settlement or within the open countryside (i.e. farm shop). However, they do not assist in instances where an existing village/local shop is proposed to be lost. Section 3 of the NPPF asks local planning authorities plans and policies to promote the retention and development of local services and community facilities and therefore the existing Core Strategy only meets half of this advice. |
| Include policies on local shops and services and retailing outside settlements to build upon national policy and the Core Strategy.             | This approach has the potential to meet NPPF advice by providing policies which relate to the development <u>and</u> retention of shops in rural areas, whether they are in a settlement or not. Because of the existing reference to the development of new shops, in both settlements and the open countryside, in policies COR17 and COR18 in the Core strategy, the main requirement for the DMDPD will be to provide a policy which deals with the retention of local/rural/village shops. However, there is an opportunity for the Council to expand upon the references in COR17 and COR18 where it considers that additional development management criteria would be useful to guide proposals for new retail facilities.                         |

6.65 Based upon the NPPF, we would recommend that the Council follow the option where policies relating to the provision and retention of local shops and services in rural areas



are included within the DMDPD. Whilst policies already existing within the Core Strategy, there is the potential to amplify these policies, adding additional local development management criteria, whilst there is a need to fill the current gap in policy regarding the retention of existing local facilities in rural areas.

6.66 Overall, we recommend that the DM Local Plan includes a single policy on rural shopping which:

- Indicates that retail development will be permitted within or adjacent to defined villages where it is of a scale and function appropriate to the settlement, is intended to meet local needs only and is accessible by a range of transport modes;
- Strictly controls retail development elsewhere in the open countryside, requiring proposals to demonstrate a acceptable scale and location of development and demonstrate that they would not harm the vitality and viability of town and village centres.

## 7. SUMMARY AND CONCLUSIONS

### Scope and Purpose

- 7.1 This report has been prepared by GVA in response to an instruction by Mid Devon District Council ('MDDC'), dated April 2012, to prepare a Retail Study for Mid Devon ('the 2012 study'). The 2012 study, which is intended to update the findings of the previous Mid Devon Retail Study, has been designed to provide background evidence base information to assist MDDC in the production of its development plan documents, including the Development Management Development Management Document ('DMDPD') and a future review of the Core Strategy (adopted in 2007), along with evidence base information to assist with the development management decisions across the District.
- 7.2 The objectives of the 2012 study are to update the 2004 retail study and provide:
- An assessment of Mid Devon's present position in the hierarchy of retail centres in the surrounding area, and retail trends affecting Mid Devon's towns and rural areas.
  - Viability assessment of retail premises of less than 100m<sup>2</sup> gross floor area.
  - Assessment of need and demand for additional retail floorspace within town centres, edge-of-centre and elsewhere.
  - Guidance on a sequential assessment of potential locations of providing any additional floorspace identified, and recommendations for a policy approach that would respond to unanticipated changes in economic circumstances.
  - Review of the existing town centre boundaries at Tiverton and Crediton and advice on the suitability of town centre boundaries at Cullompton and Bampton.
  - Identification of primary and secondary shopping frontages at Tiverton, Cullompton and Crediton.
  - Advice on the relevance of the NPPF's requirement to identify priority areas for economic regeneration and environmental enhancement, including suggested sites if necessary and focusing on the three main towns.

- Assessment of how policy options will affect town centre and village vitality and viability, including local consumer choice and trade in the town centres and the wider area for up to 10 years.
- Conclusion and recommendations for policies that encourage a range of scale and type of retail development, in conformity with Policy COR1 of the Core Strategy and the NPPF.

7.3 The key findings of the study for the Tiverton, Cullompton, Crediton and Bampton are outlined in turn below.

### Tiverton

7.4 Tiverton remains the largest and most successful town centre in Mid Devon, with the highest amount of retail units and a comparatively wide catchment. It is the town centre with the most national multiple retailers and is the only town to attract published retailer requirements from national retailers. Vacancies within the town centre have fallen since 2009, which indicates that the centre is maintaining a level of popularity even through the current difficult climate. The development of the new Tesco supermarket on Blundells Road, which was an allocation within a former development plan as succeed in bringing a main/bulk-food shopping destination closer to the town centre and there is evidence of linked trips between these two locations. Overall, we find Tiverton to be a healthy town centre, which is a key asset to the retail hierarchy in Mid Devon.

7.5 Now that the Tesco store has been provided, the focus for the local planning authority in Tiverton will be town centre development sites which can accommodated the need for additional comparison goods retail floorspace alongside a mixed of other appropriate main town centre uses. Whilst the Tesco store will have soaked up some capacity since the completion of the 2004 study, there remains a quantitative and qualitative need for additional comparison goods floorspace and we recommend that the focus for new provision should be within the Phoenix Lane area, supported by smaller development opportunities at the Pannier Market area, Bampton Street and William Street. It is recommended that the Council look to expand the area around Phoenix Lane allocated in the AIDPD to include further areas to the south and further masterplanning work undertaken to explore the physical capacity of this wider area to accommodate

new floorspace and improve public transport infrastructure alongside maintaining access to car parking and surrounding land uses.

## Cullompton

7.6 Since the 2004 Retail Study, the retail landscape in Cullompton has experienced significant change. The new Tesco supermarket on Station Road has now opened, following the original proposal in 2001, and the former Somerfield/Co-op store on Exeter Road has now closed. The town centre has had to cope with this change and it is clear that the number of convenience units in the centre have reduced since the last study and there has been a significant increase in vacant units in the centre. Whilst vacant units in the centre have reduced in recent years, they remain high and should be an area of focus for the Council going forwards. One area which should also remain a focus is the need to improve the physical environment within the centre in order that the overall attractiveness can be improved.

7.7 Now that the new Tesco store in Cullompton has been developed, there is only a limited capacity for additional retail floorspace. Given the lack of potential development sites within and around the town centre, along with the lack of apparent commercial demand from the retail sector, we recommend that the Council concentrates its efforts upon maintaining and enhancing the existing stock of retail floorspace within the town centre, in order that retail/town centre property remains attractive to retailers and other commercial occupiers.

## Crediton

7.8 Like Cullompton, Crediton has also experience significant change in its retail environment in recent years with the opening of the out of centre Tesco store and Morrisons taking over the former Somerfield store. This change does not appear to have affected convenience goods stores in the town centre and there have not been dramatic changes in other retail sectors in the centre. Vacancies were much higher in 2009 around the time of the opening of the new Tesco store, although there have been some improvements over the past two years.

7.9 In a similar manner to Cullompton, the future focus for retail development in Crediton will be on the existing stock of retail and commercial property within the town centre, as there is little capacity for additional convenience and comparison goods floorspace and also a lack of obvious retail development sites within the town centre. The new

Tesco store has met quantitative and qualitative deficiencies in convenience goods floorspace provision identified by the 2004 Retail Study and has also gone some way to improve comparison goods provision.

## Bampton

- 7.10 The final town centre covered by this study is Bampton and this is a centre which serves much more of a localised catchment than the other three town centres in Mid Devon. Because of the size of the town, retailing is very much orientated towards day-to-day convenience retailing and specific types of comparison and service uses (rather than the broader range found in the other centres). The proportion of convenience retail uses is goods, likely to be due to the lack of a large dominant foodstore. Overall, the range of retail uses within Bampton is good and serves the town well and should be protected by the Council going forwards.