

Mid Devon Local Plan Review: Examination

Hearing Statement: Matter Policy J27, Issue 5

This statement should be read in conjunction with the representations¹ made by GL Hearn on behalf of Friends Life Ltd (c/o Aviva Investors Global Services Ltd) (herein FLL) and seeks to complement and expand on those representations as necessary to assist the Inspector in determining the extent to which the Mid Devon Local Plan Review (MDLPR) meets the appropriate tests of legal compliance and soundness.

5. IS THERE A 'CLEAR SYNERGY' BETWEEN THE OUTLET SHOPPING VILLAGE (OSV) PROPOSAL AND THE TOURISM AND LEISURE ELEMENTS OF THE PROPOSED ALLOCATION?

- 5.1. A Statement of Common Ground (SoCG) for Issues 1, 5, 6 and 7 has been prepared between Mid Devon District Council (MDDC), Friends Life Ltd (FLL), and The Eden Project (Eden) (August 2017) which expands upon the relevant national, regional and local context and objectives informing the proposed tourism-related development.
- 5.2. This hearing statement addresses the Inspector's question 5 and should be read in conjunction with the above referenced SoCG, and FLL's responses to Issues 1, 6 and 7. This hearing statement expands upon the 'clear synergy' between the outlet shopping village (OSV) and the other tourism and leisure elements forming the Junction 27 allocation.
- 5.3. The common link between the OSV and the other leisure and tourism related elements of the allocation is the assemblage of different activities which allows visitors to create a 'complete day out package', which embodies the concept of 'something for everyone'. This notion is clearly reflected within the opportunities identified by the Mid Devon Tourism Study 2014 (MDTS), as described in the SoCG. In this respect, the synergy between the leisure elements and the outlet village at Junction 27 not only presents individuals with an opportunity to span a number of activities during a single visit, but also for individuals within visitor parties to divide across preferred activities, reuniting afterwards.
- 5.4. Data generated between 2009 and 2011 from the International Passenger Survey about activities engaged in by international inbound visitors to the UK shows that the principal activity undertaken by international tourists visiting the UK in the period was shopping, which was worth 1.5 times more in revenue terms than the next most popular activity. Visit Britain also produces data reports on the value of tourism sectors to the UK economy and it is apparent that shopping is one of the most popular activities for overseas visitors, with 70% of all leisure-based tourism trips involving shopping as a key activity and motivator for travel. In 2011 it is estimated that overseas visitors spent around £4.5bn on shopping within the UK as part of tourist trips². Interesting also in this regard is the year-round attractiveness of shopping as a tourism activity, with seasonality only becoming pronounced in the fourth quarter of the year (October-December 38% of trips). The first half of the year (Q1 and Q2 containing 25% and 23% of trips respectively), with shopping as a tourist activity in the UK being lowest in the summer quarter (Q3 15% of trips)³. Shopping is a key motivational factor for 69% of all

¹ Representations To Mid Devon District Council's Consultation On Its Proposed Submission Local Plan (February 2015) on Behalf Of The Eden Westwood Partnership (April 2015); and Representations To The Mid Devon Local Plan Review Proposed Submission (Incorporating Proposed Modifications) January 2017 on Behalf Of Friends Life Limited (C/O Aviva Investors Global Services Limited) (February 2017)

² Visit Britain: Foresight Issue 112 – February 2013 p.3

³ Visit Britain: Foresight Issue 112 – February 2013 p.7

inbound trips to the South West region, with a high propensity for visitors to spend principally on clothes and accessories (64%)⁴.

- 5.5. The PPG also refers to guidance produced by the World Tourism Organization (WTO), which produces guidance, data reports and publications focussing on the development and management of tourism across all sectors and international markets. The WTO definition of tourism is referenced within the PPG (see SoCG para. 4.8) and research undertaken by the WTO recommends that tourism trips can be classified according to the main purpose, one of these being shopping⁵. The Global Report on Shopping Tourism (AM Reports Vol.8) recognises the role that shopping has as a component of the tourism sector. The foreword to the report by the Secretary General of the WTO states:

“Shopping has converted into a determinant factor affecting destination choice, an important component of the overall travel experience and, in some cases, the prime travel motivation. Destinations have thus an immense opportunity to leverage this new market trend by developing authentic and unique shopping experiences that add value to their touristic offer, while reinforcing and even defining their tourism brand and positioning. More importantly, shopping is one of the major categories of tourists’ expenditure, representing a significant source of income for national economies both directly and through the many linkages to other sectors in the economy.” (p.04)

- 5.6. The report⁶ recognises (paragraph 1.4) that while leisure has always acted as one of the primary motivating factors behind travel it is only relatively recently that shopping has become recognised as a leisure activity and one that helps to drive tourism. The report explains that increasingly shopping occupies a greater space in the destination management agenda and therefore should be considered as an integral part of planning for tourism activity.

“With the appetite for shopping among travellers from both advanced and emerging economies on the rise, the development of shopping tourism is a phenomenon that is attracting increased attention from policy makers, academics and business leaders around the globe. As with all aspects of destination management and marketing, however, balancing the interests of all stakeholders is a complex process, requiring investment, knowledge, experience and above all, partnership.” (p.12)

- 5.7. Outlet shopping has more in common with leisure day trips than standard shopping trips. Outlet visits are typically more ‘speculative’ due to limited stock availability so that the extended but much less frequent journey (quarterly rather than weekly to a town centre) is often packaged with complementary leisure, cultural and social activities. The WTO⁷ draws upon the experiences of existing case studies both nationally and internationally. Within its case study on Value Retail Plc, which operates outlet shopping villages both within and outside of the UK, the report comments:

“The hybrid operating model, part retail business, part tourism business, underlines a total theatrical experience for guests, encompassing every detail of their visit”

- 5.8. This model can be found within the examples of existing OSV’s where tourism and leisure activities can be onsite such as the show gardens at Springfields in Lincolnshire, or Spinnaker Tower at Gunwharf Quays, Hampshire or nearby such as Blenheim Palace near Bicester Village, Oxfordshire or Blue Planet Aquarium near McArthur Glen Cheshire Oaks, Cheshire. **Appendix 5A** contains a list of typical activities at UK and international outlet centre sites.

- 5.9. There are a number of successful outlet centres nationally and internationally that are operating in similar markets to that envisaged at Junction 27, where residential demand is moderate and

⁴ Visit Britain: Foresight Issue 112 – February 2013 p.5

⁵ WTO: International Recommendations for Tourism Statistics pp.24-25 (2008).

⁶ WTO: Global Report on Shopping Tourism (AM Reports Vol.8) (2014)

⁷ WTO: Global Report on Shopping Tourism (AM Reports Vol.8) (2014)

supplemented by tourist demand. Examples include Serravalle (Italy), Kildare Village (Ireland), McArthurGlen Troyes (France) and Designer Outlet Soltau (Germany). In addition a new wave of outlet centres have been proposed or are under construction at popular tourist and day out destinations including Billund Quality Outlets (Denmark), Designer Outlet Algarve (Portugal), Honfleur Normandy Outlet (France), Icon Designer Outlet [O2, Greenwich] (UK) and Viaduc Village - Millau (France).

- 5.10. As well as good brand line ups, these 'destinations' are strongly integrated within local tourism circuits. Key features include onsite tourism offices, public transport links (including park & ride), strong food and beverage (F&B) provision, complementary leisure activities, coach parks (with driver facilities), year round events, shuttle buses to hotels / local railway stations, marketing at key points of entry / places of stay, a specialist tourism role in the centre management team and packaged deals with local hotels and attractions.
- 5.11. Examples of the actions taken by outlet centres to embrace tourism include:
- Kildare Village – local tourist reception (offering discounts and tax refund advice), marketing of and within local attractions, shuttle bus from town centre and local hotels, service bus stops and marketing to international visitors in Dublin
 - Clarks Village – 7 free coach bays, meal voucher for drivers, 10% off single-use discount card for coach parties, tourist information office plus links to local tourist attraction and hotel websites
 - Serravalle / Troyes – extensive marketing events programme (e.g. annual sales, operatic events, organised coach tours) to build awareness amongst Milanese and Parisians
 - Soltau – Website translation into 8 languages (including information on Tax free shopping) plus links to local hotels and tourist attractions for the German domestic market
 - Bicester Village – Since March 2017, passenger announcements at London Marylebone are now given in Mandarin and Arabic.
 - Springfields, Lincolnshire – The outlet shops are set within 30 acres of landscaped gardens (designed by celebrity gardeners including Charlie Dimmock, Chris Beardshaw, Kim Wilde and Steven Woodhams). The gardens incorporate a variety of attractions (e.g. garden sculptures, fountains, land train, miniature railway, mini golf and mini diggers) and there is a seasonal water taxi service to Spalding town centre. The outlet mall has been designed to reflect the Dutch architectural heritage of South Holland district.
- 5.12. Perhaps the most obvious example of the clear synergy between tourism and leisure and OSVs is the attention given to local leisure attractions on the outlet centre webpages. The Inspector's attention is drawn to the joint SoCG prepared by MDDC and FLL, which provides website hyperlink examples for a number of UK and international sites (this is repeated in Appendix 5B for ease of reference).
- 5.13. From the above examples, it is clear that outlet shopping can and has successfully been paired with leisure activities both in the UK and around the World. The range of activities elsewhere is extensive but the composition proposed within Policy J27 is consistent with the type of tourism and leisure activities on offer.
- 5.14. When developing its emerging proposals for land at Junction 27, FLL has engaged with expert commercial consultants, including FSP Retail, which is UK's leading retail property consulting firm providing retail research including, customer research, outlet centre performance. Having

undertaken assignments at more than 60 outlet centres in 20 countries, it is FSP's opinion that the most successful fusions of outlet centres and leisure occur where individual retail and leisure elements have been carefully integrated within single sites which are operated by a single management team, for example at Gloucester Quays or Springfields.

- 5.15. By way of an example of this integration, FSP Retail has been associated with the design and operation of the Springfields outlet centre in Lincolnshire since 2001. The site was originally festival gardens which first opened in 1966 as the shop window for the flower bulb industry, introducing the public to a wide range of horticultural experiences. Despite success in the 1970s, falling visitor and income levels by the 1990s made it impossible to sustain the gardens and Springfields Horticultural Society entered an agreement with Thornfield Properties to redevelop the site. Recognising that the local population of Spalding would not be sufficient to sustain conventional retail facilities, Thornfield Properties opted to develop an outlet village which would build upon the site's historic leisure appeal by providing an integrated package of retail and leisure attractions for all ages, within redeveloped gardens, attracting tourists and day visitors from across the East of England.
- 5.16. At Springfields, the retail area has been located at the geographical centre of the site, with the car parking and leisure elements arranged to either side. As a result, the pedestrian route from the car parking to the gardens and attractions is directed via the outlet mall, maximising visitor exposure to the shops and catering, so as to encourage combined trips and maximise potential income generation. A similar arrangement is envisaged by FLL at Junction 27 within its emerging illustrative plans⁸.
- 5.17. As part of the initial commercial assessment of feasibility for Junction 27, FSP Retail has undertaken a detailed review of trading potential at the proposed outlet shopping village. This work employs commercial appraisal techniques which consider the likely catchment, resident and tourism demand, the most suitable retail mix, comparable locations across Europe in order to estimate sales and rental income.
- 5.18. FLL's proposition is to amalgamate the key scheme components into a cohesive whole, each of which is informed by a compelling rationale driven by the unique locational factors; the notable environmental assets; the economic strengths and profile of the region; the demands of the visitor economy and emerging recreational opportunities. The unique scheme composition has been developed to facilitate a multi-faceted destination that will appeal to all age groups and presents individuals with an opportunity to span a number of activities during a single visit or for individuals within visitor parties to divide across preferred activities. It is this unique offer that responds directly to the opportunity recognised within the MDTs and there is a strong commercial incentive to encourage this and make it as easy as possible to achieve. Visit England⁹ recognises that tourism products will have to work hard to stay on the traveller's radar; and travellers will opt for trips that allow them to collect as many unique experiences as possible on their journey, without having to invest considerable time and money in getting about.
- 5.19. The objective is to create a destination that is both recreational and educational; offering delight and insight in equal measure; stimulating thought and inspiring activity all of which is focussed on the most basic of human needs – food and the farming practices that deliver that food to us¹⁰. Eden has a celebrated and widely known reputation for educating and challenging the relationship we all have with the planet on which we live, championing respect and support for the environment via the world-famous Eden Project and through the educational programmes that it supports. Junction 27 presents an opportunity to extend this approach into the sphere of farming and food production, examining the way that the agri-industry and food producers, on whom we all rely, interact with and

⁸ Illustrative Masterplan drg no. 11034/SK-91 dated 27/01/2016

⁹ Visit England: The Future Travel Journey – Trends for Tourism Product Development (July 2017) <https://www.visitbritain.org/future-trends>

¹⁰ See also: Sir Tim Smit Forward April 2015; A Major Tourism and Leisure Opportunity Narrative April 2015; and Eden Westwood: Food Farming and Life in Devon 2016

influence the environment locally and globally; how they contribute to the economy and how our health and lifestyles are influenced by the food choices we make.

- 5.20. It is envisaged at this point that Eden will have a curatorial role at Junction 27 (across all areas) to ensure that the retail offerings are aligned to the holistic and sustainable values that will be embedded throughout. Eden has successfully achieved this through its supply chain network, and has engaged in high profile corporate relationships: Rio Tinto, Asda, Halifax, EDF for example.
- 5.21. Having regard to the above, it is demonstrated within this hearing statement that the OSV forms an important component of the multi-faceted destination that is envisaged at Junction 27 and that there is a clear synergy between each element, including in particular between the OSV and the tourism and leisure elements.

APPENDIX 5A: EXAMPLES OF TOURISM AND LEISURE ELEMENTS FOUND WITHIN/ ADJACENT TO OUTLET CENTRES

Beyond Food & Beverage, there is a variety of tourism and leisure elements found within/adjacent to Outlet Centres across Europe. The most common tourism and leisure elements (alongside example locations) are:

- Casino (Gunwharf Quays, Portsmouth; Festival Park, Mallorca; Foxtown, Mendrisio; Resorts World Solihull)
- Cinema (Gunwharf Quays, Portsmouth; London DO., Wembley; The Lowry, Manchester; Gloucester Quays, Gloucester)
- Children's Outdoor Play Area (ubiquitous but themed examples include Festival Park, Wales [Adventure Castle], Vnukovo Outlet Village [Angry Birds])
- Garden Centre (Evesham Country Park; Festival Park Wales; Springfields, Spalding)
- Gym (Las Rozas Village, Manufactura, Kiev; Peak Village, Bakewell; The Lowry, Salford)
- Hotel (Manufactura Kiev; Springfields, Spalding; Gunwharf Quays, Portsmouth)
- Indoor Soft Play Centres (Freeport Lisbon; Hatfield Galleria; Springfields, Spalding)
- Leisure Park (Dockside Outlet; Factory Bonaire, Valencia; Junction 32, Castleford [Xscape])
- Museums (K-Village [Shoe museum], The Lowry [Imperial War Museum], Gunwharf Quays Portsmouth [naval museum], McArthurGlen Swindon [Steam Railway heritage centre])
- Public Gardens (Festival Park, Wales; Springfields, Spalding; Vnukovo Outlet Village)
- Ten-pin Bowling (Gunwharf Quays, Portsmouth; Atlantic Village; Factory Zaratan)
- Theme Parks (Atlantic Village [Atlantis], Lightwater Valley, Valmontone [Rainbow Magicland])
- Tourist information Office (Bicester Village; Kildare Village)
- Wildlife Attractions [Aquarium / Zoo] (Cheshire Oaks [Blue Planet Aquarium]; Festival Park, Wales [Owl Sanctuary]; La Vallée Village [Sea Life]; McArthurGlen Athens [Attica Zoo])
- Other Leisure activities include Boat trips (Gunwharf Quays, Portsmouth; Springfields, Spalding); Bungy Jumping (Festival Park Mallorca), Go Karting (FH Bucharest), Ice skating (Zweibrücken), Mini Golf (Mondovicino) and a Snow Dome (Castleford).

APPENDIX 5B: EXAMPLES OF OUTLET CENTRE WEB PAGES

UK Examples

Gloucester Quays – cinema, restaurants and harbour

<http://www.gloucesterquays.co.uk/attractions/>

Springfields – free public gardens, hotel and paid for leisure attractions

<http://springfieldsshopping.co.uk/attractions/>

Gunwharf Quays – historic naval dockyard museum, hotels, casino, nightclub, 10-pin bowling, restaurants and bars

<https://gunwharf-quays.com/leisure/things-to-do-at-gunwharf-quays>

Clarks Village – Shoe Museum and local attractions such as Glastonbury Abbey and Cheddar Gorge

<https://www.clarksvillage.co.uk/tourism/local-attractions/>

Cheshire Oaks – Local attractions such as Blue Planet Aquarium, Chester City Centre and Chester Zoo

<https://www.mcarthurglen.com/uk/cheshire-oaks-designer-outlet/en/tourism/>

European Examples

Honfleur Normandy Outlet, France – under construction at the gateway to the historic port of Honfleur (3.5 million visitors annually)

<http://www.honfleuroutlet.com/en/destination-exceptionnelle.php>

Valmontone Outlet, near Rome, Italy – Next to Rainbow Magicland theme park

<http://www.valmontoneoutlet.com/area/?lang=en>

Designer Outlet Wolfsburg, Germany – Phaeno Science Centre and district attractions

<https://www.designeroutlets-wolfsburg.de/en/attraktionen/>

Batavia Stat, Netherlands – District attractions

<https://www.bataviastad.nl/en/plan-your-visit/cultural-highlights/>

Kildare Village, Ireland – Local and district attractions

<https://www.kildarevillage.com/en/your-visit/local-information/attractions/>

