

**MID DEVON DISTRICT COUNCIL
RETAIL, LEISURE & TOURISM STUDY**

**FINAL
VOLUME 1**

Prepared for:

**Mid Devon District
Council**

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lsh.co.uk



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Prepared by:

A handwritten signature in black ink, appearing to read "Steve Norris". The signature is written in a cursive style with a large initial "S" and "N".

Steve Norris, Director

For and on behalf of Lambert Smith Hampton

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EXECUTIVE SUMMARY

INTRODUCTION

1. Mid Devon District Council ('the Council') commissioned Lambert Smith Hampton (LSH) in January 2023 to prepare the Mid Devon District Council Retail, Leisure and Tourism Study to help inform both plan-making and development management decisions for the District and contribute to the emerging Local Plan.
2. The key objectives of the study were to provide:
 - an assessment of Mid Devon's present position in the hierarchy of retail centres and an analysis of current and future trends, and specify quantitative and qualitative needs;
 - an assessment of the current and potential future role and function of the town centres (Tiverton, Cullompton and Crediton) for retail, leisure and tourism activity;
 - an assessment of the capacity of centres to accommodate projected demand and potential for additional retail floorspace within town centres, edge-of-town, including Junction 27;
 - a broad assessment of commercial provision for the Culm Garden Village proposal;
 - an assessment of the potential for leisure and tourism uses in rural areas including, areas for growth, current visitor accommodation and projected need/demand, business tourism and the value to the Mid Devon economy.
3. This study has been informed by desktop research, supplemented by site visits, new market research and data gathering conducted by NEMS Market Research (NEMS) across the District including:
 - a telephone interview survey of some 706 households; and
 - an independent telephone survey amongst a sample of 100 local businesses trading in Mid Devon that operate within the visitor and tourism sector.

PLANNING POLICY CONTEXT

4. The underlying objective of national, regional and local plan policy is to maintain and enhance the vitality and viability of town centres, and to promote new sustainable development and economic growth in town centre locations 'first'. This policy objective is even more critical now as town centres and high streets are facing increasing economic challenges. These include the long-term competition from out-of-centre shopping and leisure facilities and, over the last decade, the growth in online shopping, cost of living and rising inflation as well as the trends and challenges that have been further accelerated by the COVID-19 pandemic.
5. Furthermore, reforms to the planning system issued by the Government including updates and changes to Permitted Development Rights (PDR); the reform of the Use Classes Order (UCO); and the 2021 Planning Reform Bill have revoked a number of use classes under the previous UCO and replaced them within much broader classifications. On this basis any policies that reflect the previous UCO classifications will need to be amended.

6. Mid Devon's three main towns each have adopted Neighbourhood Plans and neighbourhood plans are currently being prepared for four of the rural parishes. A new Local Plan is currently being prepared for the district. An Issues Paper for this new local plan has referred to most planning activity taking place around the district's three main towns at Tiverton, Cullompton and Crediton and their immediate environs; as they have the largest communities and are where the greatest need exists for new homes, jobs, services and other facilities to be provided.

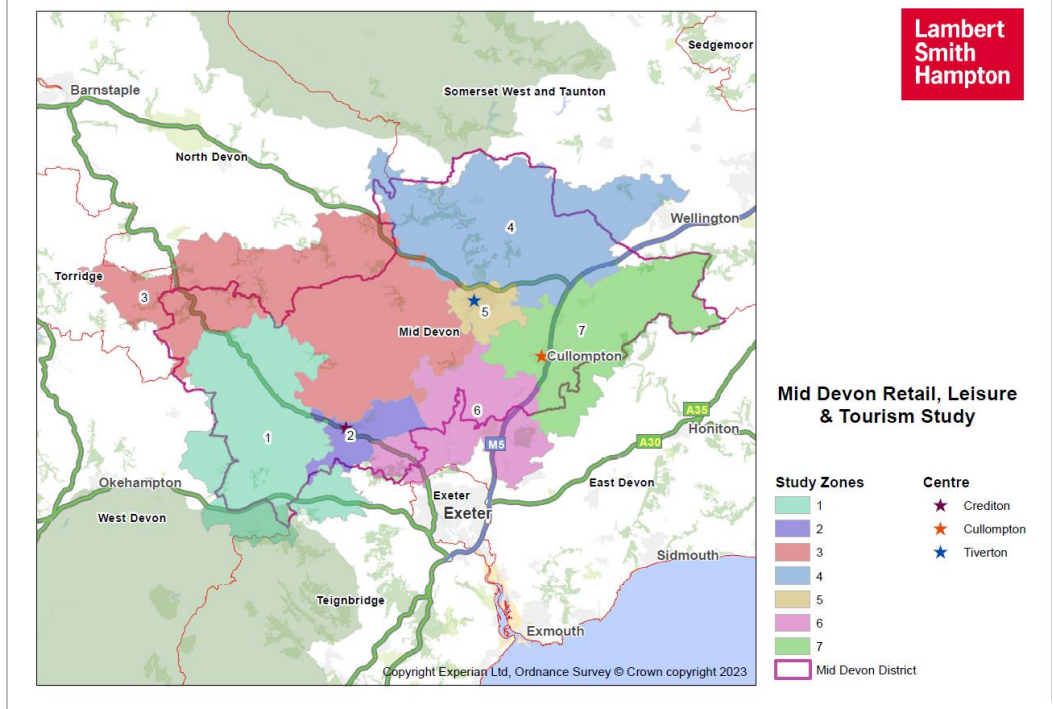
TOWN CENTRE TRENDS

7. Our towns, traditional high streets and shopping centres have been challenged for more than a decade by falling market demand, rising occupancy costs and increasing competition from online and out-of-centre shopping. These trends have been further accelerated and compounded by the COVID-19 pandemic; and are resulting in an increase in vacant shop units.
8. Today, many of our traditional towns and shopping centres simply have too much retail space. The critical challenge over the short, medium and long term will be how to retain existing businesses, fill/replace the voids and attract new investment. The danger is that an increase in long-term vacancies in centres will lead to a 'spiral of decline', which will further engender feelings of neglect and lack of investment confidence in town centres, and "push" more people to shop online.
9. The future trends and forecasts clearly point to the need for the consolidation, reduction and repurposing of physical retail space, rather than any significant expansion. Many high streets and smaller shopping centres will struggle to find the investment needed to survive. Retailers, local authorities, developers and landlords will therefore need to work together to develop sustainable visions and strategies that consider ways of reconfiguring and potentially redeveloping redundant space for alternative uses other than retail over the short, medium and long term.

CATCHMENT, COMPETITION & MARKET SHARES

10. The Study was underpinned by a household telephone interview survey of 706 households within a defined study area. The Study Area (illustrated below) comprised seven zones, to allow for a "finer grain" analysis of shopping patterns, leisure preferences and expenditure flows.

Study Area and Zones



Convenience Goods Shopping Market Shares (including Special Forms of Trading¹)

- All the convenience goods floorspace within Mid Devon attains a market share of 70.6% from across the Study Area (Zones 1-7) which is a good level of retention.
- Of the 70.6% market share retention, the out-of-centre category dominates with an overall retention of 57.8%. Of this total, out-of-centre locations in Tiverton attaining 26.2%; Cullompton attaining 17.1% and Crediton 14.4%.
- Collectively, 22.6% of spending from the Study Area is going to centres/stores outside the area, with the residual (6.8%) taken-up by online food shopping purchases. Of these other food shopping locations, Exeter (8%) dominates achieving the highest market share followed by Wellington, Somerset of some 3.7%.
- Special Forms of Trading (SFT) is achieving a low market share of 6.8% in the widely defined Study Area (Zones 1-7). These shares are below the Experian national average forecast of 18.6% in 2023.

Comparison Goods Shopping Market Shares (including Special Forms of Trading)

- Comparison goods floorspace within Mid Devon District attains a market share of 30.2% from across the Study Area (Zones 1-7) which is a low level of retention.
- Of the overall 30.2% market share retention, the town centres have a 16.8% level of retention. The highest being Tiverton at 9%; followed by Crediton at 4.4%.

¹ Special Forms of Trading (SFT) comprises all non-store retail sales made via the internet, mail order, stalls and markets, door-to-door and telephone sales. On-line sales by supermarkets, department stores and catalogue companies are also included in the data collected by the Office for National Statistics (ONS)

- In comparison to the town centre category, the out-of-centre category has a lower level of retention of 13.4%. Principally this is led by the provision in Tiverton (6.9%), followed by Crediton (4.2%).
- There is 32.9% 'leakage' of comparison goods expenditure to other competing centres; as with convenience goods this is principally to Exeter 22.8%; followed to a lesser extent by Taunton (3.9%) and Barnstaple (1.9%).
- Special Forms of Trading (SFT) is achieving a market share of 37% from across the Study Area (Zones 1-7). These market shares are marginally higher than the 2023 forecast national average figure for SFT of 35.4% .

HEALTHCHECK SUMMARY: TIVERTON

11. Tiverton is the largest town centre in Mid Devon District with the highest number of commercial outlets. Whilst the centre is holding its own within the hierarchy of centres in the District with a lower vacancy rate than the national average and larger provision of outlets and floorspace, there is a need to capitalise on the centre's historic character and location, especially its linkages with the River Exe. There is therefore the opportunity to promote the centre's positive attributes including its green / blue heritage and through events and festivals. This will enable the town to strengthen its profile further. This will ultimately benefit the town centre economy.
12. Improving internal connections and wayfinding will aid better circulation and orientation. The town centre's environmental quality is hard with need for more placemaking and public realm improvements. Furthermore there is a need to integrate the town centre with its inherent natural asset the River Exe which will aid to revitalise the town centre and encourage more visitors. The centre is ideally placed to benefit from tourism, with good transport links, historic built environment and access to the natural environment. These initiatives will help build back resilience into the town's daytime and evening economy.

HEALTHCHECK SUMMARY: CULLOMPTON

13. Cullompton is a relatively small, compact and attractive historic market town. It benefits from its strategic location and is well connected to national road network. The centre also benefits from a good mix of independent businesses, and its market also makes an important contribution to the town's offer. Whilst the environment within the centre is of a good standard it is diminished due to the busy road bypassing through the town resulting in noise, fumes and dirt from heavy traffic. The centre is a beneficiary of funding of some £1.1m from Historic England and matched with support from Mid Devon District Council, Devon County Council, and Cullompton Town Council, to help regenerate Cullompton Town Centre through the High Streets Heritage Action Zone funding. Urban greening in the town centre is limited. Improvements to its public realm including more greening will further enhance the centre's vitality.

HEALTHCHECK SUMMARY: CREDITON

14. Crediton, like the other centres in Mid Devon District, is a market town. Whilst compact it is a healthy, vital and viable centre. The retail and town centre offer is relatively good for a town of its size and is mainly supported by independent businesses. The town centre itself has a busy road, the A377, running through it which can become heavily congested at peak times and is used by HGVs and commercial farm vehicles, which can make it intimidating for cyclists and pedestrians and contributes to congestion and pollution. The potential to improve is focussed on greening and the public realm to encourage more and safer footfall and patronage and make the centre more pedestrian friendly

HEALTHCHECK SUMMARY: RURAL CENTRES

15. Healthchecks were undertaken for 22 Rural Centres within the District. The findings show the Rural Centres serve the needs of their immediate local catchments, and their primary function in most cases is for convenience retailing. These centres are not reliant on national multiples and overall support a mix of independent retailers, leisure businesses and a range of community provision (schools, community centres, library etc).
16. Future place making strategy for the Rural Centres will be important to look at wider factors such as the physical (including public realm and parking), cultural and social identities to make each centre function better and enhance their vitality and viability.

RETAIL CAPACITY ASSESSMENT

17. The quantitative retail need ('capacity') assessment details the potential to support new retail (comparison and convenience goods) floorspace in the District over the period to 2043 (the period to be covered by the emerging new Local Plan).
18. The forecasts to 2033 indicate limited capacity for both convenience (796 sqm net) and comparison goods (69 sqm net). On the basis of the quantum identified it is reasonable to expect that the identified capacity is likely to be absorbed by the planned Sustainable Urban Extensions (SUE's), infill development as well as change of use applications and/or extensions to existing floorspace. Therefore there is no requirement to allocate sites for future comparison or convenience development.
19. Capacity forecasts beyond five years should be interpreted with caution. This is because they are based on various layers of assumptions and forecasts with regard to changes in the national and local economy; the trading performance of existing centres and stores; the growth in population and retail spending; etc.

COMMERCIAL LEISURE NEEDS ASSESSMENT

20. The commercial leisure industry faces considerable challenges and pressures. It is clear that consumers are becoming increasingly selective in terms of where and how they spend their discretionary leisure expenditure. More immediately this will be further compounded by the current 'cost of living crisis'. The challenge for town centres and leisure operators in the future will be how to attract customers away from their homes.
21. The findings of the market research surveys and health check assessments have confirmed the importance of leisure uses and venues to the overall mix and attraction of centres. As part of their future adaptation and growth, it is therefore important that the Council maintains and promotes diverse and flexible leisure uses, venues and events in the main centres over the period to 2043.
22. From a planning policy perspective therefore the key to meeting future, as yet unknown needs, will be the development of policies that can accommodate the changing needs of the sector and ones that can operate in the real world. This includes recognising that for many leisure uses the cost for entering a new market will be relatively high and, unlike retail outlets where store size can vary significantly, incremental development is unlikely if only small increases in market growth are identified.
23. In terms of addressing future needs and supporting the overall attraction and resilience of the daytime and evening economies there could be potential to promote more family-based activities. The forecast need for any new commercial leisure uses will be subject to wider economic, consumer and market trends, and will depend on the demand from leisure operators for representation. Where demand does exist, new uses and activities should be focussed across the Council's main centres first, in compliance with national and local plan policy objectives to maintain and enhance their overall vitality and viability.

TOURISM BUSINESS SURVEY

24. The key findings from the independent telephone survey of 100 businesses trading in Mid Devon that operate within the visitor and tourism sector were:
 - Key customer base for the businesses included local trade from Mid Devon as well as regional trade and domestic tourists.
 - In terms of customer spending profile more than half (56%) of customers spent up to £50.
 - Post pandemic period, the majority (67%) of businesses reported no noticeable change in their customer profile when compared to before the COVID-19 pandemic.
 - In terms of other recent and ongoing economic events, including the pandemic and the current cost of living crisis, the key impacts cited were: less customers in general; lower spend per visit; and increased operational costs.
 - Businesses reported that key important visitor assets within Mid Devon included: Countryside / Green assets; Grand Western Canal (Tiverton Canal) / waterways and Historic houses / gardens.

- The top priorities for developing tourism in Mid Devon from the viewpoint of the businesses were: Better / More co-ordinated promotional activity / Marketing; New infrastructure; and Adventure tourism.
- The top three identified potential gaps in tourism provision in Mid Devon identified by businesses were: More child friendly attractions; Better public transport access; and Better access by car.
- Promotion and marketing ranked at the top by businesses for key responses on:
 - the main challenges in delivering investment;
 - investment needed to support overnight visitor trade; and
 - for a better destination management plan over the next three years.

25. The findings of the business survey on tourism has highlighted the need for place promotion and marketing on a continual basis as key for tourism promotion.

TOURISM ASSESSMENT

26. The accommodation sector within the District includes hotels across a range of sizes and budgets, several guest houses, bed and breakfasts and camping and glamping facilities. Analysis of visitor accommodation has highlighted:

- There are 115 Serviced Operators and 436 Non-Serviced Operators in the District - the main provision is dominated by independent non-serviced operators of various scales and grades;
- Serviced accommodation can be broken down into hotels and guest accommodation and B&B's. The distribution by operator indicates Guest Accommodation / B&B's (103 operators) account for over eight times the provision when compared to commercial hotels (12 operators). Furthermore in terms of bedspaces, Guest Accommodation / B&B exceed hotels (451 beds against 361 beds).
- In terms of hotel provision, the analysis shows that there are a total of 12 hotels dominated by 1 to 3 star grades. The provision in bedrooms is dominated by budget hotels (192 bedrooms some 53% of total). The District lacks 4-Star and 5-Star establishments.
- Non-serviced accommodation is dominated by self-catering properties (69%) followed by Glamping / Lodges (20%); Camping and Caravanning (11%).

27. The tourism sector in the District is varied and includes attractive countryside areas, market towns, its natural and green and blue infrastructure for outdoor pursuits, several castles and stately homes, and various family attractions. The Council will need to consider developing a destination plan for the District that builds on the priority themes of:

- **Building Business Resilience:** Proactive engagement with businesses is required so as to develop relationships on any training and development opportunities;
- **Marketing & Place Promotion:** Delivering area marketing activity will encourage visitors to explore the area throughout the year. Have a 'joined up' voice (e.g. Visit Devon Project) to co-ordinate tourism related outputs. Promotional activity with local community will be vital to its success.

- **Developing and promoting the District as a destination:** The District's tourism assets need to be brought together with tourism products.
- **Sustainability and Rural Tourism:** Promoting sustainable rural tourism involves the integration of the rural / local community to tourism to raise their economic profile and stimulate local economic growth.
- **Contributing to the Local Visitor Economy Partnership (LVEP):** provides an opportunity to develop this relationship further with other authorities in Devon and across the South West. We have been informed by the Council that the County is pursuing a combined LVEP, with the research and bid-work being funded by the Heart of the South West LEP and with potential submission in early 2024.

28. The value of the tourism industry for Mid Devon is estimated to be £261.9m in 2022/23 and forecast to increase by over 33% to £350.5m by 2042/43. With the growth anticipated, the District has potential to develop its rural tourism sector further. This is likely to be led by an experiential and activity-oriented offer together with the involvement of the local community. This could include and combine a range of the following:

- Rural Accommodation Stays – such as Glamping / Forest Lodges / Rural Spas / Eco-lodges.
- Adventure Tourism – Mountain Biking; Canoeing; Trekking etc.
- Promoting the heritage of the historic town centres.
- Fostering local communities through festivals and local community events.
- Promoting traditional crafts and skills – pottery making, weaving, lace work, basket making etc.
- Gastronomy and Culinary – promoting and partaking in making traditional dishes from local ingredients etc.
- Promoting local folklore, traditions and heritage.
- Agri-tourism – associated with farm accommodation; farm based local produce; farm shops / festivals etc.

ASSESSMENT OF SPECIFIC SITES

29. A high level commercial assessment for new retail, leisure and tourism uses was undertaken for:

- The **Culm Garden Village** - Our key recommendation is for the Council to re-evaluate commercial provisioning through soft-market testing once a viable housing provision and associated transport infrastructure has been defined. This will enable to identify market demand on commercial retail and leisure uses. For the purpose of good place-making, the commercial provision should aim to align with housing delivery. Furthermore, that previous assumptions on commercial floorspace forecasts will need to be recalibrated to take account of the commercial realities prevalent at the time.
- The site allocation for **Junction 27 of the M5** - The strategic spatial position of J27 of the M5 as a regionally significant transport infrastructure linkage for the District remains. Based on the current market dynamics J27 of the M5 is positioned for an enhanced leisure service provision within a significant transport interchange. On this basis a travel hub, visitor centre

and a leisure offer potentially remain key areas for consideration and for future plan making and commercial market testing. Overall, the critical criteria for any emerging change to the policy should include:

- That any offer is of a scale that is deliverable and can be of a quality to draw in visitors.
- The offer has a social value component that links with the local community.

KEY POLICY CONSIDERATIONS

30. A review of Policy recommendations for managing town centres included an evaluation of the Town Centre Boundaries (TCBs) and Primary Shopping Areas (PSA) for the centres of Tiverton, Cullompton and Crediton. No changes are recommended to either of these boundaries and they remain appropriate for the emerging Local Plan.
31. There is no policy requirement under the National Planning Policy Framework (NPPF) to define primary and/or secondary shopping frontages. The revised NPPF (December 2023) does not require local authorities to identify shopping frontages. As a result policies that support frontages - such as requirements to maintain thresholds for retail use - cannot now be implemented due to the provisions of Use Class E, which allow a change of use of commercial activities within this broad use class. On this basis Policy DM14 on Town Centre Development will need to be amended.
32. In terms of the sequential and impact test, the Council may want to consider the setting of a lower floorspace threshold of 280 sqm gross from the 500 sqm currently. This would mean amending the threshold of 500 sqm currently under Policy DM15 on Development Outside Town Centres.
33. In relation to extant Policy J27 on Land at Junction 27 of the M5, the site still deserves a specific policy. However, based on current commercial market conditions, the ambition of the extant policy is unlikely to be delivered. We are of the opinion that J27 of the M5 remains a spatially significant transport interchange for the District. It is potentially a location where a high quality offer linked with local community together with experiential leisure in tandem with a tourism destination plan for the District is required.
34. Finally, the Council will need to reflect and amend any Policies with specific quantum on the future provision of retail floorspace (e.g. Policy S10; Policy S11 and S12). This is to reflect: the findings of this study; the structural changes in this sector and the requirement for market testing of any planned floorspace.

1. INTRODUCTION

- 1.2 Mid Devon District Council (hereafter referred to as 'the Council') commissioned Lambert Smith Hampton (LSH) in January 2023 to prepare the Mid Devon District Council Retail, Leisure and Tourism Study.
- 1.3 This study will provide the updated robust and sound evidence base and expert advice on retail, leisure and tourism across the district that is needed to help inform strategic and development control policies on town centre uses, centre hierarchy, and site allocations within the emerging Local Plan. The study will also supersede the quantitative and qualitative findings of the existing Mid Devon Retail Study 2012 ('2012 Study') including the associated health checks, Mid Devon Tourism Study 2014, Local and Town Centres Policy Recommendations).
- 1.4 Other key objectives of the study area are to:
- Provide an assessment of Mid Devon's present position in the hierarchy of retail centres and an analysis of current and future trends, and specify quantitative and qualitative needs;
 - Provide an assessment of the current and potential future role and function of the town centres (Tiverton, Cullompton and Crediton) for retail, leisure and tourism activity;
 - Provide an assessment of the capacity of centres to accommodate projected demand and potential for additional retail floorspace within town centres, edge-of-town, including Junction 27;
 - Provide a broad assessment of commercial provision for the Culm Garden Village proposal;
 - Assessment of need and advice on the need for retail provision to meet local needs in rural locations with regard to the concept of a 20 minute neighbourhood, and how this can be supported through plan making in Mid Devon.
 - Provide an assessment of the potential for leisure and tourism uses in rural areas including, areas for growth, current visitor accommodation and projected need/demand, business tourism and the value to the Mid Devon economy.
- 1.5 The study has been prepared in the context of current and emerging local, regional and national development plan policy guidance, as well as other key material considerations; principally the National Planning Policy Framework (NPPF). Where relevant the study also draws on advice set out in the National Planning Practice Guidance (PPG). Both the NPPF

and PPG place significant weight on the development of positive plan-led visions and strategies to help ensure the vitality and viability of town centres².

- 1.6 At the time of preparing this study the UK's economy was in fragile state after emerging from the COVID-19 pandemic and the cost of living crisis. Nationally, many town centre businesses were lost as a result of a period of 'lockdown' on social activity and Government mandates requiring the closure of non-essential town centre businesses during peak infection periods. As the preparation of this study commenced town centre economies were in recovery and patterns of trade returned to more normal conditions.
- 1.7 In terms of travel, the COVID-19 pandemic significantly impacted on the international travel market and many consumers substituted overseas trips for UK breaks. However, since the relaxation of national lockdowns there is now a "pent-up" consumer demand for international travel despite the rising cost of living (and a key difference to previous recessions). Mintel research on the UK travel industry observed that 64% of consumers are now likely to cut back on additional short breaks. As a result, consumers are expected to prioritise their main summer holiday.
- 1.8 Notwithstanding the economic uncertainties highlighted above, this study does provide the robust evidence base and key findings to help inform and guide both plan-making and decision-taking across the District and its main centres up to the new Local Plan period. Whilst the study will assess outputs up to 2043, any findings beyond 2033 should be treated with caution on the basis that forecasts become less reliable after a 10-year period.
- 1.9 The study is presented in a series of inter-related Volumes as follows:
 - **Volume 2** comprises the quantitative appendices that inform the economic capacity tables for retail needs and tourism assessment.
 - **Volume 3** sets out the findings of the 2023 town centre health check assessments for the town centres of: Tiverton; Cullompton and Crediton as well as the Districts 22 Rural Centres.
 - **Volume 4** presents the weighted results of the household telephone interview survey conducted by NEMS Market Research (NEMS) for this study. Interviews were conducted with over 700 households across a defined Study Area in March 2023. This volume also details the results of a Business Survey of some 100 businesses that were trading in Mid Devon and operating within the visitor and tourism sector.
- 1.10 This Volume draws on the evidence and research in **Volumes 2-4**. It provides robust policy recommendations to help the Council prepare positive strategies, plans and policies for the

² Town centres or centres are defined by the NPPF (Annex 2) as city centres, town centres, district centres and local centres but exclude small parades of shops of purely neighbourhood significance. Unless they are identified as centres in the development plan, existing out-of-centre developments, comprising or including main town centre uses, do not constitute town centres.

growth, management and adaptation of the District's main town centres over the short, medium and long term to help ensure their future vitality and viability.

1.11 For ease of reference this **Volume 1** of the Study is divided into the following inter-related sections:

- **Section 2** reviews the national, regional and local planning policy context.
- **Section 3** highlights some of the key trends that are driving the dynamic changes in the retail and leisure sectors at the national and regional level, and how these trends have shaped (and are likely to shape) Mid Devon's urban and retail landscape over the short to long term.
- **Section 4** summarises the survey-derived market share analysis of shopping patterns for different types of comparison and convenience goods purchases across the defined Catchment Area (see Volume 3) and provides a brief profile of Mid Devon District's main centres and the main competition.
- **Sections 5** sets out the health check methodology
- **Section 6** provides a summary assessment of the relative vitality and viability of the main town centres of Tiverton, Cullompton and Crediton. It also provides a broad summary of the health of the District's rural centres.
- **Section 7** details the key assumptions and findings of the strategic retail capacity assessment for new convenience and comparison goods retailing up to 2043 based on LSH's in-house CREATE economic model and drawing on the results of the economic tabulations provided in **Volume 2**.
- **Section 8** sets out the findings of the commercial leisure need and 'gap' assessment, drawing on the evidence and market research, including the results of the household survey.
- **Section 9** details the findings of the Tourist Business Survey.
- **Section 10** builds on the findings of the Tourist Business Survey and provides an analysis of accommodation provision as well as an insight in to the opportunities and challenges in promoting tourism within the District.
- **Section 11** focuses on the requirement to commercially assess the need for new retail, leisure and tourism uses as part of the Culm Garden Village and Junction 27 allocation.
- **Section 12** draws on the previous sections and provides recommendations to help inform the Council's preparation of robust policies and strategies aimed at maintaining and enhancing the vitality and viability, and competitive positions of Mid Devon District's main centres over the lifetime of the plan.

1.12 Aligned with the NPPF (paragraph 90), PPG, and other material considerations, this study specifically provides advice and recommendations on:

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- The quantitative and qualitative need ('capacity') for new retail floorspace and leisure uses, "looking at least ten years ahead" (NPPF, paragraph 90d). Longer term capacity forecasts are provided but are less reliable beyond ten years.
 - Identifying where need, if identified, can be met through an assessment of current and proposed site allocations and in accordance with the town centres "first" (sequential) approach.
 - The definition and extent of town centre boundaries and Primary Shopping Areas (PSAs).
 - Recommendations on whether the current floorspace thresholds for triggering an impact assessment for proposals for town centre uses that are not within a defined centre are still appropriate.

1.13 It is also important to state at the outset that medium to long term forecasts should be treated with caution. They are influenced by the dynamic changes in economic, demographic, lifestyle and market trends, including the rise of online shopping over the last decade, and the impacts of the COVID-19 pandemic, and the unfolding impact of the cost of living crisis. Further to the advice in the NPPF (paragraph 90d), the PPG also recognises the uncertainty in forecasting long-term retail trends and consumer behaviour, and states that assessments "*... may need to focus on a limited period (such as the next five years)*" but will also need to take the lifetime of the plan into account and be regularly reviewed . We therefore advise that the local planning authority should place greater weight on forecasts over the next five to ten-year period, up to 2033.

2. PLANNING POLICY CONTEXT

- 2.1 To help inform the preparation of this study, this section provides a summary of the key national, regional and local planning policies pertaining to retail, leisure and other main town centre uses.

NATIONAL PLANNING POLICY & GUIDANCE

National Planning Policy Framework (NPPF)

- 2.2 The NPPF was updated in December 2023 and sets out the Government's planning policies for England. Planning law requires that applications for planning permission be determined in accordance with the development plan³, unless material considerations indicate otherwise⁴. The NPPF must therefore be considered in plan-making and is a material consideration in planning decisions.
- 2.3 The NPPF states that the purpose of the planning system is to contribute to the achievement of sustainable development, which is defined as meeting the needs of the present without compromising the ability of future generations to meet their own needs⁵. The Framework (paragraph 11) sets out the Government's view of what the presumption in favour of sustainable development means in practice. For **plan-making**: *"...that all plans should promote a sustainable pattern of development that seeks to: meet the development needs of their area; align growth and infrastructure; improve the environment; mitigate climate change (including by making effective use of land in urban areas) and adapt to its effects"* (paragraph 11a).
- 2.4 Chapter 3 ('**Plan-Making**') of the Framework provides guidance to local authorities on preparing local plans. Paragraph 20 states that policies should set out an overall strategy for the *'pattern, scale and design quality of places (to ensure outcomes support beauty and placemaking) and make sufficient provision for housing (including affordable housing), employment, retail, leisure and other commercial development'*. It requires that strategic policies should look ahead over a minimum 15 year period from adoption, **except in relation to town centre development** (see below). In preparing development plans, *"policies should be underpinned by relevant and up-to-date evidence"* (paragraph 31). To ensure the local plans and spatial strategies are relevant they should be reviewed at least once every five years and updated as necessary (paragraph 33).

³ This includes local and neighbourhood plans that have been brought into force and any spatial development strategies produced by combined authorities or elected Mayors.

⁴ Section 38(6) of the Planning and Compulsory Purchase Act 2004 and section 70(2) of the Town and Country Planning Act 1990.

⁵ Resolution 42/187 of the United Nations General Assembly

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- 2.5 Chapter 7 (**‘Ensuring the vitality of town centres’**) provides guidance on plan-making and decision-taking for retail and other town centre uses. Paragraph 90 states that “*planning policies and decisions should support the role that town centres play at the heart of local communities*” and sets out criteria that local authorities should consider when preparing planning policies. These include: (a) defining a network and hierarchy of centres; (b) defining the extent of town centres and Primary Shopping Areas (PSAs); (c) retaining and enhancing existing markets; and (d) allocating a range of suitable sites in town centres to meet the sales and type of development likely to be needed, “**looking at least ten years ahead**”.
- 2.6 Paragraphs 91-95 specifically set out the requirement to apply the sequential and impact tests to determine applications for new retail, leisure and main town centres that are neither in an existing centre, nor in accordance with an up-to-date development plan.
- 2.7 Other Chapters in the NPPF are also relevant to the preparation of this study, and to the Council’s plan-making and decision-taking policies for its network and hierarchy of centres. For example, Chapter 8 (‘Promoting healthy and safe communities’) sets out the need to achieve healthy, inclusive and safe places; including the need to plan positively for the provision and use of shared spaces, community facilities (such as local shops) and other local services to enhance the sustainability of communities and residential environments (paragraph 97a).

Planning Practice Guidance (PPG)

- 2.8 The Planning Practice Guidance (PPG) provides specific guidance on plan-making and decision taking for retail, leisure and town centre uses, including guidance on Permitted Development Rights (PDR), Article 4 Directions, and the new Use Classes Order (‘UCO’) that came into effect on 1st September 2020⁶ (discussed later in this section). The Guidance supports the policies and provisions of the NPPF, placing significant weight on the development of positive plan-led visions and strategies for town centres.
- 2.9 In terms of planning for town centres, the PPG states that a wide range of complementary uses can, if suitably located, help to support the vitality and viability of town centres. These include residential, employment, office, commercial, leisure/entertainment, healthcare and educational development. Evening and night-time activities also have the potential to increase economic activity within town centres and provide additional employment opportunities.
- 2.10 The PPG (paragraph 004) sets out the importance of evidence-based strategies and visions for town centres to help establish their role and function over the plan period, the need for new retail, leisure and town centre uses, and other interventions. However, given the

⁶ Paragraph: 007 Reference ID: 2b-007-20190722. Also refer to: Town and Country Planning (General Permitted Development) (England) Order 2015, as amended.

uncertainty in forecasting long-term retail trends and consumer behaviour, the PPG states that forecasts **“...may need to focus on a limited period (such as the next five years) but will also need to take the lifetime of the plan into account and be regularly reviewed”**⁷. In those cases where development cannot be accommodated in town centres, the PPG requires planning authorities to plan positively to identify the most appropriate alternative strategy for meeting the identified need, having regard to the sequential and impact tests⁸. The PPG also sets out several Key Performance Indicators (KPIs) that “may be relevant in assessing the health of town centres, and planning for their future”⁹.

Use Classes Order & Permitted Development Rights

- 2.11 The Government issued a series of reforms to the planning system since 2020 that are relevant to this study. The reforms principally relate to Permitted Development Rights (PDR) and the Use Classes Order (UCO), alongside the Government’s White Paper “Planning for the Future” (published in August 2020) and the 2021 Planning Reform Bill.
- 2.12 The new UCO came into effect from 1st September 2020 and is relevant to the Council’s plan-making and decision-taking on new retail, leisure and town centre uses. The new UCO amended and revoked a number of use classes under the 1987 Order and has replaced them with much broader use classes. In summary, the main reforms introduced by the new UCO include¹⁰:
- a new **Class E (commercial, business and service uses)**: which subsumes the former Use Classes A1 (shops), A2 (financial and professional services) and A3 (restaurants and cafés). It also incorporates: the former Class B1 (commercial, business and service uses), comprising office, research and development and light industry; Class D1 (non-residential institutions) in part, comprising medical or health services, clinics, crèches, day nurseries and day centres; and Class D2 (assembly and leisure) in part, comprising gyms or areas for indoor recreation.
 - a new **Class F1 (learning and non-residential institutions)**: which includes some of the former uses under Class D1 (non-residential institutions), including museums, public libraries, art galleries, schools, and places of worship.
 - a new **Class F2 (local community uses)**: which comprises (former Class A1) shops defined as being “...not more than 280 sqm mostly selling essential goods, including food, and at least 1km from another similar shop”. This Use Class also includes former

⁷ Paragraph: 004 Reference ID: 2b-004-20190722

⁸ Refer to Paragraph: 005 Reference ID: 2b-005-20190722. Paragraph 010A ID: 2b-010-20190722 also provides a checklist for local planning authorities to consider when applying the sequential test.

⁹ Paragraph: 006 Reference ID: 2b-006-20190722

¹⁰ It should be noted that reference is also made throughout this study to classifications defined by the previous 1987 UCO.

Class D2 (assembly and leisure), such as meeting places/halls, indoor/outdoor swimming baths, skating rinks, and outdoor sport and recreation.

- an extension to the Sui Generis uses (which fall outside the specified use classes) to include the former Use Classes A4 (pubs and drinking establishments) and A5 (hot food takeaways). It also incorporates some uses previously classified under D2 (assembly and leisure), including cinemas, concert halls, live music venues, bingo and dance halls.

2.13 The Government also issued the new PDR on 1st August 2021¹¹ that permits the change of Class E to Class C3 (residential), subject to prior approval applications. This PDR replaced the two existing commercial to residential PDRs under Class O (office to residential) and Class M (conversion of shops, financial services, betting offices and pay day loan or mixed uses to residential), with a new Class MA. In launching the PDR the Government stated that the regulations gave “...greater freedom for buildings and land in our town centres to change use without planning permission and create new homes from the regeneration of vacant and redundant buildings”¹². The PDR (Class MA) does contain some conditions and limitations, such as: (i) it only applies to buildings that have been vacant for a least three continuous months; and (ii) it does not apply to buildings with a cumulative floorspace of more than 1,500 sqm. Although it does not apply to Listed Buildings, it can be applied in a Conservation Area (subject to an impact assessment if it involves converting the ground floor). Since it was introduced, we are aware some local authorities are planning to bring in new Article 4 restrictions under the GPDO to prevent parts of their area from being converted (including, for example, Westminster City Council and a number of other London Boroughs).

Article 4 Directions

- 2.14 Article 4 Directions are a tool used by local authorities to remove national permitted development rights, if warranted and supported by robust evidence.
- 2.15 The Government supports the use of Article 4 Directions in a “*highly targeted way*” to protect core high street areas whilst not restricting the ability for much needed housing to be delivered.
- 2.16 The December 2023 update to the NPPF provides more detail on Article 4 Directions in paragraph 53. Of relevance, the NPPF states that Article 4 Directions should only be used to “*avoid wholly unacceptable adverse impacts*” such as “*the loss of the essential core of a primary shopping area which would seriously undermine its vitality and viability*” but discourages against the use of Article 4 Directions across the entirety of a town centre. The NPPF also advocates the use of Article 4 Directions to protect the local amenity or well-being

¹¹ Town and Country Planning (General Permitted Development etc.) (England) (Amendment) Order 2021

¹² PM: Build, Build, Build - PM Boris Johnson has announces the most radical reforms to our planning system since the Second World War (Prime Minister's Office, 10 Downing Street, 30/06/2020)

of an area, particularly where there could be a potential loss of local facilities. In all cases, this has to be based on robust evidence, and “*apply to the smallest geographical area possible*”.

DEVELOPMENT PLAN CONTEXT

2.17 The Development Plan Documents (DPDs) are defined in the Local Plan Regulations 2012 (as amended). The DPDs guide the development and use of land, allocate sites for development and provide strategic and development management policies to support and manage growth. The adopted Development Plan for Mid Devon (excluding the part of the district within the Dartmoor National Park) includes:

- Mid Devon Local Plan (July 2020)
- Cullompton Neighbourhood Plan (2020 – 2033)
- Crediton Neighbourhood Plan (2018 – 2033)
- Tiverton Neighbourhood Plan (2020 – 2033)
- Devon Waste Plan (December 2014)
- Devon Minerals Plan (February 2017)

Mid Devon Local Plan (July 2020)

2.18 **Policy S2** on the ‘**Amount and distribution of development**’ states that the needs of the community will be met through the provision of a minimum of 7,860 dwellings and 147,000 sqm of commercial floorspace. The supporting text explains that in addition to development targets, land at Junction 27 is allocated for 42,550 sqm of commercial floorspace to meet a tourism/leisure need in a location suitable for its regional with a retail element.

2.19 Development targets are approximately as follows:

Table 2.1: Development Targets

| Location | Total Commercial (commitments and allocations; square metres) |
|-------------|---|
| Tiverton | 29,400 |
| Cullompton | 73,500 |
| Crediton | 14,700 |
| Rural Areas | 29,400 |
| Total | 147,000 |

Source: Mid Devon Local Plan (July 2020), Page 23

2.20 **Policy S7 ‘Town Centres’** states that the vitality and viability of the town centres of Tiverton, Cullompton and Crediton will be protected and enhanced by positive management including:

- Positive measures of enhancement and regeneration.
- Promoting new homes, shops, leisure, offices and other key town centre uses which contribute to vitality and viability.

- Outside the town centres of Tiverton, Cullompton and Crediton, only permit key town centre uses where they meet the sequential and impact tests.
- 2.21 The supporting text states that Policy S7 seeks to focus development within town centres and that town centre health checks will be undertaken to monitor the condition of each of the market towns.
- 2.22 The supporting text also mentions the allocations of land at Junction 27 which will include associated outlet/discounted retail floorspace to meet a regional comparison floorspace need. It also identifies the only town centre site allocation in Tiverton for 60 dwellings and 7,000 sqm of mixed commercial floorspace.
- 2.23 **Policy S10 on Tiverton** states that the strategy will maintain its status as the largest urban area in Mid Devon and that proposals will provide for approximately 2,358 dwellings and 29,400 gross sqm of commercial floorspace over the plan period.
- 2.24 The Council will guide high quality development and other investment including the promotion of new homes, shops, leisure, offices and key town centre uses which contribute to vitality and viability, including an additional 7,000 square metres of gross commercial floorspace in accordance with the sequential approach and e) Enhance the tourism and visitor role of the town and surrounding area.
- 2.25 The supporting text states that retail forecasts identify a need for additional non-food retail floorspace in Tiverton. It adds that the area around Phoenix Lane in Tiverton is available, suitable and achievable for a mixed-use redevelopment scheme.
- 2.26 The following table summarises Tiverton’s supply of housing and commercial development:

Table 2.2: Tiverton Development Supply

| Use | Commitments (at 31/03/18) | Completions from 01/04/13 to 31/03/18 | Uncommitted Allocations | Total |
|--|---------------------------|---------------------------------------|-------------------------|--------|
| Housing (Dwellings) | 1,275 | 478 | 840 | 2,593 |
| Commercial (employment, retail & leisure) square metres floorspace | 43,216 | 4,218 | 8,981 | 56,415 |

Source: Mid Devon Local Plan (July 2020), Page 51

- 2.27 Two sites in Tiverton are allocated to deliver employment up to 2033, through a range of uses:
- **Policy TIV1 ‘Eastern Urban Extension’** is a 153 hectares site east of Tiverton allocated mixed use development which includes a commercial component of at least 30,000 sqm of commercial floorspace.
 - **Policy TIV5 Eastern Urban Extension Phasing** relates to the phasing of the Urban Extension and part (h) states that the occupation of no more than 600 dwellings or

10,000 square metres commercial floorspace before the completion of the full movement grade separated junction to the A361 and completion of the traffic calming and environmental enhancement of Blundell's Road between Putson Lane and Heathcoat Way.

- **Policy TIV12 Phoenix Lane** - a site of 1.4 hectares allocated for redevelopment as a high-quality shopping, leisure and residential area with accessible public space.

Table 2.3: Tiverton Allocated Sites for Commercial Development

| Site | Policy | Gross Site Area (ha) | Net Site Area (ha) | Floorspace (sqm) |
|--------------------------|---------|----------------------|--------------------|------------------|
| Eastern Urban Extension' | TIV 1-5 | 153 | 6 | 30,000 |
| Phoenix Lane | TIV 12 | 1.4 | 1 | 7,000 |
| Total | | | | 37,000 |

Source: Mid Devon Local Plan (July 2020), Page 52

2.28 **Policy S11 on 'Cullompton'** states that this town will develop as a fast-growing market town and become a strategic focus of new development, improving access to housing through urban extensions and expanded opportunities. This also includes reopening of the railway station and 73,500 gross sqm of commercial floor space over the plan period. The policy also states that the council will guide high quality development and investment including (inter alia):

- d) Manage the town centre so that economic regeneration and heritage reinforce each other by promoting new homes, shops, leisure, offices and other key town centre uses which are well designed and contribute to vitality and viability.
- f) Enhance the tourism and visitor role of the town and surrounding area.

2.29 The following table summarises Cullompton's supply of housing and commercial development:

Table 2.4: Cullompton Development Supply

| Use | Commitments (at 31/03/18) | Completions from 01/04/13 to 31/03/18 | Uncommitted Allocations | Total |
|--|---------------------------|---------------------------------------|-------------------------|--------|
| Housing (Dwellings) | 252 | 545 | 3,238 | 4,035 |
| Commercial (employment, retail & leisure) square metres floorspace | 29,808 | 9,273 | 30,702 | 69,783 |

Source: Mid Devon Local Plan (July 2020), Page 68

2.30 The amount of commercial floorspace provision to be provided will be governed by use type and, broadly of the following quantum:

Table 2.5: Cullompton Allocated Sites for Commercial Development

| Site | Policy | Gross Site Area (ha) | Net Site Area (ha) | Floorspace (sqm) |
|-----------------------------|---------|----------------------|--------------------|------------------|
| North West Urban Extension' | CU 1-6 | 100 | 3 | 10,000 |
| East Cullompton | CU 7-12 | 160 | 5 | 20,000 |
| Week Farm | CU 17 | 10.7 | 8.7 | 15,000 |
| Venn Farm | CU 18 | 4.4 | 2.5 | 12,000 |
| Total | | | | 57,000 |

Source: Mid Devon Local Plan (July 2020), Page 69

- 2.31 **Policy CU1 on 'North West Cullompton'** is an allocated site of 100 hectares and includes 10,000 sqm commercial floorspace to include a care home or retirement complex, and other suitable uses such as a hotel or leisure development.
- 2.32 **Policy CU7 on 'East Cullompton'** is a site of 160 hectares to the East of Cullompton is allocated for mixed use development subject to the following and includes 20,000 sqm commercial floorspace within the plan period and a further 12,000 post 2033, to include a care home or retirement complex, appropriately scaled retail development and other suitable uses such as offices and a hotel or leisure development.
- 2.33 **Policy CU17 on 'Week Farm'** is a site of 10.7 hectares and is allocated for employment development, subject to the following: a) 15,000 square metres of employment floorspace within use classes B2-B8. The supporting text states that the Council will consider proposals for alternative employment generating uses on their merits
- 2.34 **Policy CU18 on 'Venn Farm'** is a site of 4.4 hectares is allocated for employment development, subject to the following: a) 12,000 sqm of employment floorspace within use classes B1-B8.
- 2.35 **Policy S12 on 'Credton'** states that the town will continue to develop in its role as a small and vibrant market town, serving a rural hinterland in the western part of the district. Proposals will provide for approximately 786 dwellings, of which 220 will be affordable and 14,700 gross square metres of commercial floorspace. Development will be backed where (inter alia) *'support the economic generation of the town centre, including the provision of ... commercial development ... and other key town centre uses which support the town centre's viability and vitality'*. Particular support will be given for proposals which improve the quantity and quality of existing retail provision within the town centre.
- 2.36 The supporting text to the policy refers to the Council's Retail Study (2012) in which there was no identified requirement for additional retail floorspace within the town but reinforced the message that development management and town centre initiatives should seek to improve and upgrade the quality of the existing provision.
- 2.37 The following table summarises Credton's supply of housing and commercial development:

Table 2.6: Crediton Development Supply

| Use | Commitments (at 31/03/18) | Completions from 01/04/13 to 31/03/18 | Uncommitted Allocations | Total |
|--|------------------------------|---|----------------------------|--------|
| Housing (Dwellings) | 295 | 136 | 548 | 979 |
| Commercial (employment, retail & leisure) square metres floorspace | 6,863 | 2,045 | 5,429 | 14,337 |

Source: Mid Devon Local Plan (July 2020), Page 92

2.38 Two sites in Crediton are expected to deliver commercial floorspace during the plan period:

Table 2.7: Crediton Allocated Sites for Commercial Development

| Site | Policy | Gross Site Area (ha) | Net Site Area (ha) | Floorspace (sqm) |
|-----------------------|--------|-------------------------|-----------------------|------------------|
| Wellparks | CRE 1 | 22.9 | 1.2 | 2,220 |
| Land south of A377 | CRE 10 | 2.6 | 2.6 | 7,600 |
| Total | | | | 9,820 |

Source: Mid Devon Local Plan (July 2020), Page 93

2.39 **Policy J27 on Land at Junction 27 of the M5** details a site of approximately 71 hectares adjoining the south bound carriageway of the M5 motorway (adjacent to junction 27) identified for major development. The land which lies to the south of the A38 is allocated for the provision of a major high quality regional tourism, leisure and retail attraction supported by ancillary roadside services and supporting infrastructure. It is stated as a prime destination for major leisure development and outlet-retailing and provides a unique leisure destination at the gateway to Devon and Cornwall. The allocation includes the provision of:

- Travel Hub (7ha) – Motorway/roadside services; electric car hub; hotel.
- Agronomy Visitor Centre (9ha) – exhibition space and hall, gallery; research and education space, regional visitor centre and hotel. The Agronomy centre will include up to 1,000 square meters of ancillary retail.
- Outdoor Adventure Zone (6ha) – Surf Lake/lagoon; beach; high ropes adventure area.
- Outlet Shopping Village (6ha) - Designer outlet shopping centre retailing controlled goods comprising discontinued/end-of-range lines, seconds and surplus/sample stock. The Outlet Shopping Village to include up to 14,000 square metres of controlled comparison goods and up to 2,000 square metres of A3 uses.

2.40 The supporting text to the policy refers to the Mid Devon Tourism Study 2014 (see later) which identified six potential strands to assist the growth of tourism in Mid Devon offering opportunities for visitors to stop and stay when travelling through to destinations further south and west.

- 2.41 **Policy DM14 Town Centre Development** states that within defined town centres development proposals for main town centre uses will be supported where they:
- Retain or enhance the town centre's historic character and appearance, vitality and viability.
 - Sustain or enhance diverse town centre uses and customer choice, incorporating residential accommodation above ground floor level where possible; and
 - Are readily accessible by public transport, walking and cycling.
- 2.42 The shopping function will be safeguarded and enhanced within defined primary shopping areas. Development and change of use of ground floor premises to alternative uses will not be permitted where:
- The primary retail role and character is undermined, causing unacceptable fragmentation and isolation of the remaining shops.
 - The proposed use would harm the vitality and viability of the primary shopping area; and
 - There would be a detrimental effect on the visual character and amenities of the surrounding area.
- 2.43 Within primary shopping frontages, at ground floor level, the proportion of A1, A2 and A3 uses will not be permitted to fall below 85% of all units.
- 2.44 **Policy DM15 on Development Outside Town Centres** states that in Tiverton, Cullompton and Crediton, the Council will apply a sequential approach to main town centre uses for planning applications, according to the following descending order of preference:
- Town centre
 - Edge of town centre
 - Out of town centre
- 2.45 For any proposals where the total **gross floorspace would exceed 500 square metres**, the Council will require an impact assessment to be submitted which must include an assessment of:
- The impact of the proposal on existing, committed and planned public and private investment in the town or other centres in the catchment area of the proposal; and
 - The impact of the proposal on town centre vitality and viability, including local consumer choice and trade in the town centre and wider area, up to five years from the time the application is made, or ten years in the case of major development, considering the cumulative impact of recently completed developments, planning permissions and development plan allocations.
- 2.46 **Policy DM16 on Fronts of Shops and Business Premises** states proposals for the alteration, replacement or construction of fronts for shops or business premises must be well

proportioned and suited to the character of the building, adjacent buildings and the surrounding street scene.

2.47 **Policy DM22 on Tourism and Leisure development** states that proposals for new or expanded tourism, visitor or leisure will be supported within or adjacent to defined settlements. Proposals elsewhere must justify the location.

2.48 The supporting text states that generally, tourism and leisure development is welcomed, however these can have negative impacts on surrounding areas if located insensitively. Thus, this policy intends to locate most development within or close to defined settlements, where local shops and facilities are most accessible and stand to benefit the most.

NEIGHBOURHOOD PLANS

2.49 This includes the following Neighbourhood Plans

- Cullompton Neighbourhood Plan (2020 – 2033)
- Crediton Neighbourhood Plan (2018-2033)
- Tiverton Neighbourhood Plan (2020-2033)
- Lapford Neighbourhood Plan (in progress)
- Willand Neighbourhood Plan (in progress)
- Newton St Cyres Neighbourhood Plan (in progress)

Cullompton Neighbourhood Plan (2020 – 2033)

2.50 The Cullompton Neighbourhood Plan has become the first neighbourhood plan in Mid Devon to be formally 'made' in July 2021 following a successful referendum held in May 2021.

2.51 Policy TC06 on Cultural and Leisure Facilities in the Town Centre states that proposals that increase the provision of cultural and leisure facilities in the town centre through the conversion and/or better use of redundant buildings and spaces are supported.

2.52 Policy TC08 on Extending the Attraction of the Town Centre states that proposals that help promote the development of a visitor and evening economy in the town centre are supported.

2.53 Policy TC09 on Improving the Town Centre Offer states that proposals that would provide small-scale retail units or stalls, tourist facilities, street cafes and visitor attractions in the side courts and other suitable spaces in Cullompton town centre will be supported provided they follow parts i-v in the policy which include:

- are of an appropriate design and scale.
- are temporary in nature.

Crediton Neighbourhood Plan (2018-2033)

2.54 The Crediton Neighbourhood Plan became the second neighbourhood plan in Mid Devon to be formally 'made' in October 2022 following a successful referendum held in September 2022.

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- 2.55 Crediton is a small market town in the west of the district of Mid Devon, situated between the rivers Yeo and Creedy. High grade agricultural land surrounds it; the farming communities and villages look to the town for local services and these communities continue to be important to its economy.
- 2.56 The plan represents the community's vision and priorities for how they would like to see Crediton develop over the plan period to 2033. It sets out planning policies against which development coming forward in the town, will be considered – helping to shape the town and reflect the community's aspirations.
- 2.57 The long term vision is *"we are a creative and sociable community that is committed to developing, over the plan period, a sustainable town alongside our valued heritage and environment"*.
- 2.58 Policy TC1 Town centre development illustrates the centre boundary and primary shopping area of Crediton and states that development will be supported here provided that they have:
- a well-balanced mix of uses
 - high quality design and construction which integrates well with Crediton's distinctive and historic character including existing buildings
 - improvements to the functionality of the town centre that will benefit pedestrians, shoppers, cyclists and residents of the town centre.
 - improvements to biodiversity and green infrastructure and the quality of the public realm where appropriate.
- 2.59 Policy TC2 Town Centre Living states that development will be supported that re-uses buildings for residential use above ground floor level, including live/work accommodation and 'living over the shop'.
- 2.60 Policy TC3 Public realm states that any development which affects the public realm will only be supported if they increase and/ or improve pedestrian amenities, make the town centre more attractive and pleasant to walk around and include planting and increase biodiversity.

Tiverton Neighbourhood Plan (2020-2033)

- 2.61 The Tiverton Neighbourhood Plan became the third neighbourhood plan in Mid Devon to be formally 'made' in December 2022 following a successful referendum held in November 2022.
- 2.62 Tiverton is a large parish in Mid Devon. It comprises the main market town of Tiverton and a rural hinterland, extending from Bickleigh Bridge in the south to beyond Cove in the north, and from west of Witleigh to East Mere.
- 2.63 The plan was made for the Tiverton Parish whose purpose is to structure development within the parish and provide guidance to any interested parties wishing to submit planning applications for development.

2.64 The overarching principles promulgate that all planning applications and development proposals should:

- tackle the climate emergency, protect the natural environment and promote sustainable living;
- increase in access to housing, urban and rural facilities for people of all ages;
- value heritage;
- ensure a vital and living town and respect the special design features in the parish; and
- yield improved health and wellbeing for all residents and visitors.

Silverton Neighbourhood Plan (2013 – 2033)

2.65 Silverton is one of the larger historic villages of Mid Devon. Lying in the Exe Valley and within easy commuting distance of Cullompton, Tiverton and Exeter. Silverton Parish Council formally submitted the Silverton Neighbourhood Plan to the District Council for the Publicity Stage, as required by the neighbourhood planning regulations, in January 2023. This community based plan, which at the time of writing is not adopted, provides the opportunity for the community to set out a positive vision for how the parish wishes to develop over the next 10 years and more.

2.66 The long term vision states that: *“Silverton is a rural Parish in the Exe Valley, yet within easy reach of Exeter and other local towns. We seek to protect the special character of both its country setting and ancient heritage, while encouraging the change and development needed to make our Parish a more thriving, more sustainable and safer place for the present community and for those who will live here in the future”.*

Newton St Cyres Neighbourhood Plan

2.67 The Newton St Cyres Neighbourhood Area was designated in December 2021. At the time of writing this report the steering group responsible for the plan was in the process of developing this by identifying its key priorities.

Willand Neighbourhood Plan

2.68 The Willand Neighbourhood Area was designated in February 2022. Since then a Parish review has been undertaken by the Council resulting in an amendment to the parish boundary. A revised Neighbourhood Area was designated in June 2023. Willand Parish Council formally submitted the Willand Neighbourhood Plan to the District Council for the Publicity Stage, as required by the neighbourhood planning regulations, in February 2024.

Lapford Neighbourhood Plan

2.69 The Lapford Neighbourhood Area was designated in September 2023. Lapford Parish Council has started work on their Neighbourhood Plan.

SUPPLEMENTARY PLANNING DOCUMENTS & MASTERPLANS

Culm Garden Village & East Cullompton Masterplan

- 2.70 The Culm Garden Village proposal was one of only 14 areas awarded Garden Village status by the Government in January 2017. Mid Devon's expression of interest for the Garden Village identified the potential to deliver up to 5,000 sustainable new homes in a country park landscape, with jobs, community facilities and transport, all integrated with Cullompton itself. 1,750 of these homes are already planned at East Cullompton through the current adopted Local Plan for the period to 2033 and there is provision for a further 850 new homes beyond. The development of a garden village in this location will build on the strategy of the current Local Plan, where Cullompton will be the strategic focus of new development in Mid Devon due to its accessibility, economic potential and environmental capacity.
- 2.71 East Cullompton is allocated for development in policies CU7-CU12 of the adopted Mid Devon Local Plan to provide around 2,600 new homes (1,750 homes to be built before 2033), community facilities, commercial space and supporting infrastructure including transport improvements and parks and green spaces.
- 2.72 In time, East Cullompton could become part of a larger Culm Garden Village. Culm Garden Village will potentially be included in the next Local Plan for Mid Devon 2023-2043.
- 2.73 The East Cullompton Masterplan SPD was adopted in April 2023. It was prepared to support the development of the allocated land east of Cullompton and the M5 (East Cullompton) to provide around 1,750 homes plus at least another 850 post 2033, community and commercial facilities, public open space and general landscape and biodiversity enhancements.
- 2.74 The document provides guidance about how East Cullompton should be designed, developed and delivered in accordance with the sites allocated under extant Local Plan Policy CU7 and other relevant policies. Key objectives in terms of future commercial provision include:
- Place quality will be a key determinant of the successful integration and longevity of commercial and community space ensuring that they are places that people will be drawn to and choose to use as well as using out of convenience. Community and commercial uses will provide an important function in drawing the community together as well as meeting day to day needs of residents.
 - A commercial area of some 6.5ha including allowance for care home, retirement complex, appropriately scaled retail, offices, hotel and leisure uses and ancillary landscaping. Capable of delivering 32,000 square metres of commercial floorspace required by Policy CU7 with some overlap of uses with the mixed use community hubs.
 - Provision of commercial development in step with housing, at a rate of at least 1 hectare per 500 occupied dwellings.

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- The Masterplan SPD proposes that the mixed-use community areas are, in part, focussed around existing farm clusters that are already providing a sense of place and generating activity and a local economy through a diversification of uses.
 - The principal community hub for East Cullompton will be located around an expansion of Fordmore Farm to the north and south of Honiton Road. This hub will expand to include community space as well as further retail and commercial space including potential healthcare, indoor multipurpose spaces which can cater for a range of activities, including: dance, yoga / pilates, circuits, babies/toddlers activity sessions, short mat bowls, table tennis etc
 - Secondary hubs, incorporating smaller scale shops and flexible community space will be encouraged in areas of high accessibility in areas further from the principal hub including at East Culme House near the existing community around Culm Lea and near Moorhayes serving the northern areas of the allocation close to the potential Country Park. A community hub near Moorhayes will demonstrate how it can also support the potential Country Park to the north with potential for ancillary uses

Tiverton Eastern Urban Extension

- 2.75 This Supplementary Planning Document (SPD) concerns the Tiverton East Urban Extension and addresses key policies and where there is significant deviation from the previous local plan. The previous Local Plan Policy AL/TIV/1 proposed 95,000 to 130,000sqm of employment floorspace although this quantum of floorspace identified in the previous policy could not be achieved. The masterplan identifies that approximately 30,000sqm of employment floorspace will be achievable, and this has been included in the current Local Plan.
- 2.76 The Development Concept includes a mixed use neighbourhood centre which will have a public space focused around Blundell's Road, with shops, community uses and bus stops for routes into town and to the railway station. It also states that employment areas should be on the most level ground and in locations visible from the road, that are directly accessible from the A361 following provision of the new junction.

Northwest Cullompton Urban Extension

- 2.77 The revised North West Cullompton Masterplan SPD was adopted in December 2022. This also included a reduction in the amount employment floorspace from 40,000 sqm to 10,000 sqm.
- 2.78 The Development Concept includes a mixed-use neighbourhood centre which will have a mix of uses including shops, community facilities, care facilities, employment and homes. The employment areas are to be located in the north part of the site to provide good access to the M5 and at the local centre serving local needs and will provide much needed employment for the area.

Tiverton Town Centre Regeneration Masterplan Supplementary Planning Document

2.79 Mid Devon is developing a masterplan for Tiverton Town Centre which aims to enhance the economic prospects of the town and provide a clear strategy to make sure Tiverton builds on its existing qualities and assets to meet its full potential as a thriving market town. The SPD will be subject to stages of consultation; presentation of options and the masterplan itself.

Tiverton Eastern Urban Extension (EUE) Area B Masterplan-Public Consultation

2.80 The Tiverton Eastern Urban Extension (EUE) Masterplan Supplementary Planning Document (SPD) was adopted in 2014 and revised in 2018. However, the Council's planning policy requires the whole area to be masterplanned prior to any development happening on this area. Whilst the SPD covered the whole of the site it was not able to consider the entire site to the same degree of detail due to the absence of some site-wide survey work. The Area B Masterplan was still being prepared at the time of writing this report.

2.81 In addition to the Regeneration Masterplan, Tiverton is one of the towns selected under the Market and Coastal Towns Initiative with a Regeneration Action Plan (this is being overseen by Devon County Council).

The Cullompton Town Centre Masterplan

2.82 The Cullompton Town Centre Masterplan (detailed earlier) was adopted in April 2023 guiding the regeneration of the town.

EMERGING PLAN: PLAN MID DEVON

2.83 The Council is currently preparing a new Local Plan for Mid Devon (which will be known as 'Plan Mid Devon'). This new Local Plan will cover Mid Devon District (excluding part of the district within the Dartmoor National Park). Once adopted it will form part of the statutory Development Plan for Mid Devon together with other development plans (once adopted) including the Devon Minerals and Waste Local Plans and Neighbourhood Plans. The new Local Plan will include a spatial development strategy, strategic policies and non-strategic policies for the use and development of land and buildings in Mid Devon.

2.84 The new Local Plan, once adopted, will supersede the Mid Devon Local Plan Review 2013 – 2033. A regulation 18 Issues Paper for a new Local Plan, Plan Mid Devon, was published and consulted between January and March 2022. This was the first stage in preparing the new Local Plan.

2.85 Key themes central to the emerging Plan Mid Devon include:

- Helping tackle the causes and effects of climate change.
- Promote sustainable use of energy and other resources.
- Guide multi-million pound investment across the district.
- Plan for new homes, employment and other uses to meet local needs.

-
- Ensure that new schools, transport and other supporting infrastructure is provided.
 - Help to regenerate Mid Devon's town centres.
 - Protect and enhance those parts of the district where we do not wish to see un-planned development taking place, including the open countryside and high quality landscapes.

2.86 Within the document there is recognition that:

- Mid Devon's three main towns – Tiverton, Cullompton and Crediton each have key roles in providing a range of shops, employment and services for their communities and their environs;
- shopping habits are changing, and more people are choosing to shop online accentuated by the pandemic;
- town centres are at the heart of a market town's community. For this reason the adopted Local Plan identifies 'primary shopping areas' in the three main town centres, where the shopping function will be safeguarded and enhanced;
- an opportunity for the Council to introduce 'Article 4 Directions' at Tiverton, Cullompton and Crediton town centres to restrict Class E to residential permitted development rights.

OTHER MATERIAL CONSIDERATIONS

2.87 Reference is made to the following studies that form the evidence base to the current local plan:

- Mid Devon Retail Study 2012 and
- Mid Devon Tourism Study 2014

Mid Devon Retail Study 2012

2.88 The broad findings from this study were:

- In relation to Tiverton, the study reported that it is the largest and most successful town centre in Mid Devon. It had the highest amount of retail units; a comparatively wide catchment; and the most national multiple retailers. Tiverton was found to be a healthy town centre. The study recommended that the area around Phoenix Lane could be explored to accommodate new floorspace. The identified convenience goods floorspace capacity by 2021 was forecast at 218sq m net rising to 577sq m net by 2026. For comparison goods the equivalent was 4,013sq m by 2021 and 6,392sq m net by 2026.
- In Cullompton, the convenience goods floorspace capacity by 2021 was forecast at a nominal 273sq m net rising to 399sq m net by 2026 as a result of the opening of a new Tesco at Station Road. This also influenced the identified lack of forecast comparison goods capacity over the period to 2026.

-
- In relation to Crediton, there was an indicative over-supply of convenience goods floorspace with no identified capacity to 2026. For comparison goods a modest 280 sqm net was identified by 2026.

Mid Devon Tourism Study 2014

2.89 This study considered the current rural tourism and leisure infrastructure and the towns of Tiverton, Cullompton and Crediton were regarded as rural service towns.

2.90 The total tourism spend in Mid Devon was estimated at £30 million in 2011 which was lower than other areas in Devon; potentially reflecting the lack of larger tourism attractions in the District; together with the above average proportion of visitors who stay with friends or relatives.

2.91 This study concluded that

- Mid Devon District's key tourism assets were the three market towns, its natural and green infrastructure for outdoor pursuits, several castles and stately homes, and various family attractions.
- Existing tourism facilities within the District largely drew on a visitor pool from within the region, and particularly within a 20-40km catchment. However, identified were a number of strategic routes through the District – the M5 and A361 in particular. This was identified as an opportunity to develop the tourism infrastructure around these key links to encourage a greater proportion of people to “stop” or break their journey in the area.
- This opportunity built on the District's location at Gateway location to Exmoor and the North Devon Coast, and on the route to Dartmoor, the South Devon Coast and Cornwall from much of the UK.
- The opportunity particularly related to encouraging day visits, as well as short stay trips (such as long weekends)
- A multi-pronged approach to future tourism development was defined based on:
 - Marketing the Market Towns and Surrounding Areas
 - Developing the Accommodation Offer
 - Maximising the Natural Offer
 - Slow Tourism
 - Catching Passing Tourists / Major Tourist Facility
 - Fun for the Kids

SUMMARY

2.92 In summary, the underlying objective of national, regional and local plan policy is to maintain and enhance the vitality and viability of town centres, and to promote new sustainable development and economic growth in town centre locations 'first'.

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- 2.93 This policy objective is even more critical now as town centres and high streets are facing increasing economic challenges. These include the long-term competition from out-of-centre shopping and leisure facilities and, over the last decade, the growth in online shopping, cost of living and rising inflation as well the trends and challenges that have been further accelerated by the COVID-19 pandemic.
- 2.94 It should also be pointed out that reforms to the planning system issued by the Government including updates and changes to Permitted Development Rights (PDR); the reform of the Use Classes Order (UCO); and the 2021 Planning Reform Bill have revoked a number of use classes under the previous UCO and replaced them within much broader classifications (discussed later). On this basis any policies that reflect the previous UCO classifications will need to be amended.
- 2.95 Mid Devon's three main towns each have adopted Neighbourhood Plans and neighbourhood plans are currently being prepared for four of the rural parishes. A new Local Plan is currently being prepared for the district. An Issues Paper for this new local plan has referred to most planning activity taking place around the district's three main towns at Tiverton, Cullompton and Crediton and their immediate environs; as they have the largest communities and are where the greatest need exists for new homes, jobs, services and other facilities to be provided.

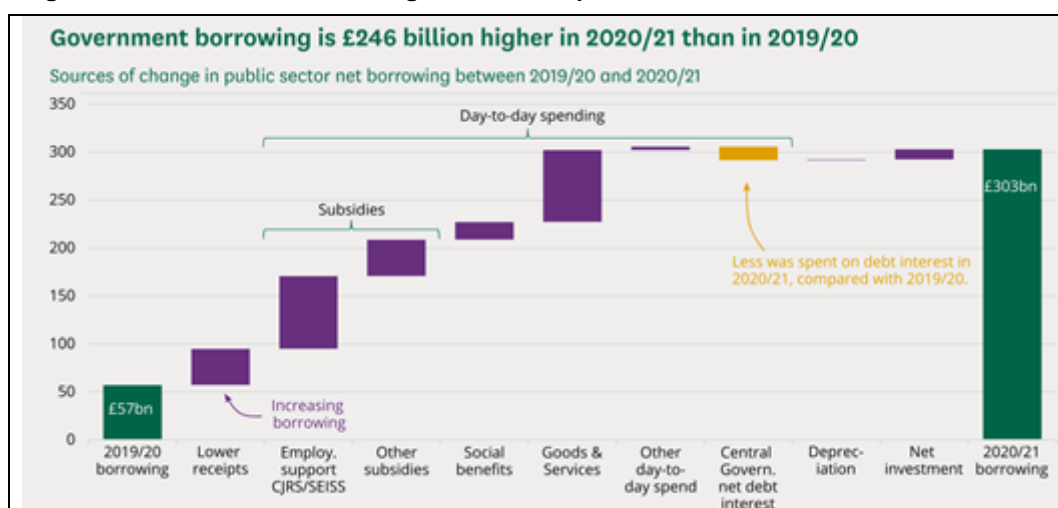
3. TOWN CENTRE TRENDS

- 3.1 This section summarises some of the key economic, consumer and property market trends that have driven the changes in the retail and leisure sectors over the last decade and how town centres can respond to these dynamic trends to remain competitive and enhance their overall vitality and viability in the future.
- 3.2 The pandemic created one of the toughest trading environments for the retail and leisure sectors and the post pandemic phase has been characterised by low growth, rising inflation and the cost of living crisis. This section details the impact of these factors on the commercial retail and leisure market.

UK ECONOMIC OUTLOOK

- 3.3 The government's decision to close non-essential retail and leisure outlets in spring and autumn of 2020, followed by a third national lockdown from January 2021, had a significant impact on a wide range of formats: from leisure and hospitality sector to fashion retailers and department stores.
- 3.4 A weak consumer economy born out of the response to the COVID-19 pandemic caused widespread disruption to the UK's economy. The impact of the COVID-19 pandemic in 2020 saw the UK economy experience its biggest annual decline in GDP (-9.9%) for over 300 years. Britain's budget deficit (i.e., the gap between public spending and income from taxes) has also reached the highest levels experienced since the Second World War. Government borrowing climbed to a record £303 billion (or 14.5% of GDP) in 2020/21.

Figure 3.1: Government Borrowing: 2019/20 compared with 2020/21

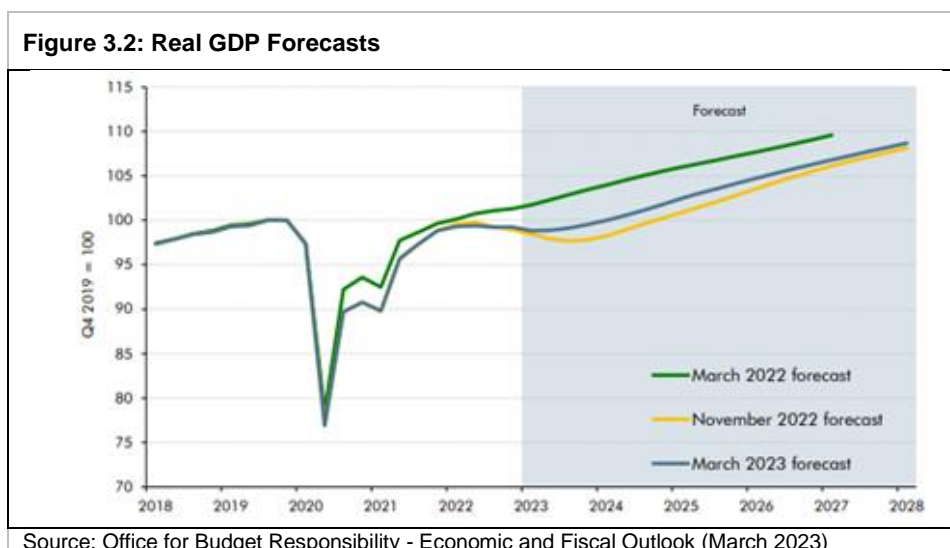


Source: House of Commons Library: Government borrowing: Peacetime record confirmed (23/04/2021)

- 3.5 The UK economy continues to face significant headwinds in the form of surging inflation, high energy costs and supply chain disruptions. Even as the impact of the COVID-19 pandemic eases, the economic consequences of the Ukraine conflict continue to reverberate

in impact in the form of high energy prices which affects the economic outlook. GDP is expected to contract by 0.4% in the first quarter of 2023 to 0.6% below its recent peak in the second quarter of 2022.

- 3.6 According to the Office of Budget Responsibility (OBR)¹³, the near-term economic downturn is set to be shorter and shallower; medium term output to be higher; and the budget deficit and public debt to be lower. But this reverses only part of the costs of the energy crisis, which are being felt on top of larger costs from the pandemic.



- 3.7 Consumer Price Inflation (CPI) peaked at a 40-year high of 11.1% in October 2022¹⁴ (well above the Bank of England target rate of 2%). Twelve-month CPI inflation fell from 10.5% in December 2022 to 10.1% in January 2023 but then rose to 10.4% in February 2023 before falling again to 8.7% in May 2023¹⁵.
- 3.8 Hence there are macroeconomic shifts unfolding. A 'cost of living crisis' has emerged, hitting the least affluent households the hardest, sparking recessionary behaviours, weaker spending and softer confidence. Real household disposable income (RHDI) per person – a measure of real living standards – is expected to fall by a cumulative 5.7% over the two financial years 2022-23 and 2023-24. This would be the largest two-year fall since records began in 1956-57¹⁶. The fall in RHDI per person reflects the rise in the price of energy and other tradeable goods of which the UK is a net importer, resulting in inflation being above nominal wage growth. The squeeze on real household incomes is anticipated to drag down consumption in 2023/2024.

¹³ Office for Budget Responsibility - Economic and Fiscal Outlook (March 2023)

¹⁴ Office for Budget Responsibility - Economic and Fiscal Outlook (Ibid)

¹⁵ Bank of England: Monetary Policy Summary and minutes of the Monetary Policy Committee meeting ending on 22 March 2023 and : Monetary Policy Summary and minutes of the Monetary Policy Committee meeting ending on 21 June 2023

¹⁶ Office for Budget Responsibility - Economic and Fiscal Outlook (Ibid)

- 3.9 Experian Business Strategies (Experian) predict in their latest Retail Planner Briefing Note 20 (February 2023) ('RPBN 20') that "recovery over the coming years will be shaped by the after-shocks from the pandemic the extent of potential scarring to the UK's longer term economic potential and the supply chain disruption due to shutdowns and continued Brexit impacts". According to Experian spending growth over the course of 2023 is clouded by consumers' wider economic woes, namely a cost of living squeeze underpinning a decline in real personal disposable incomes and a curbing of consumer spending.
- 3.10 The implications are that this will result in a decline in real disposable incomes in 2023 and beyond over the short term to 2024. Against this backdrop the latest average GDP forecasts (May 2023) show a 0.2% growth for 2023 and a projected moderate growth to 1% in 2024 according to HM Treasury¹⁷ estimates.

RETAIL SPENDING

- 3.11 Spending growth over the course of 2023 was impacted by consumers' wider economic factors including the cost of living squeeze.
- 3.12 The latest Experian¹⁸ forecasts for **retail spend per head** show:
- **Convenience goods:** The impact of COVID-19 resulted in a significant +10.2% surge in spend per head in 2020 but a contraction of -1.4% in 2021. This followed negative growth of -1.4% between 1997 and 2021. The overall level of negative growth in convenience goods spending has had a significant impact on the grocery sector and on retailer business models. Experian reported a fall in convenience spend in 2023 (-2.4%), and annual (per capita) growth over the medium to long term "flatlining" at around +0.1% to 2029 and +0.2% up to 2040.
 - **Comparison goods:** the figures show year-on-year growth rates recovering from a low of 0.9% in 2012, to a high of +6.7% in 2021. This followed a contraction of -6.8 in 2020. Experian predict that (per capita) growth will settle at around +2.5% to 2029 and +3% up to 2040. The longer term growth forecast is higher than the historic long term trend (1997-2021) of +2.6% per annum.
- 3.13 These expenditure growth trends and forecasts have informed the updated assessments of retail capacity. Clearly any further dampening of growth rates over the short to medium term due to rising inflation and the cost of living crisis will have implications for the viability of existing retail businesses and the demand for new space.

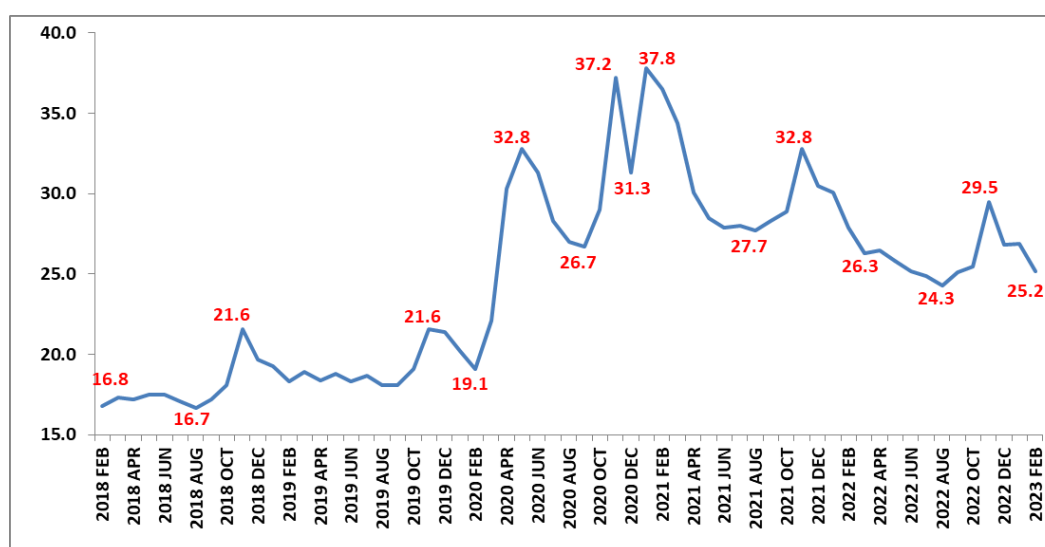
¹⁷ HM Treasury Forecasts for the UK economy: a comparison of independent forecasts No. 430 (May 2023)

¹⁸ Source: Experian Retail Planner Briefing Note 20 (February 2023) Figures 1a and 1b.

ONLINE SHOPPING

3.14 The growth in non-store¹⁹ retail sales has undoubtedly had the most significant impact on consumer spend and behaviour over the last decade, and on our High Streets and traditional shops. ONS figures show that as a percentage of total sales, online retail sales accounted for up to 25.2% of sales in February 2023 compared with a peak of 37.8% in January 2021. The graph also shows the steep increase from 19.1% in February 2020 to 32.8% in November 2021. Overall, the trend suggests that online accounts for almost a third of the amount spent on retail goods.

Figure 3.3: Internet Sales as a Percentage of Total Sales (%)

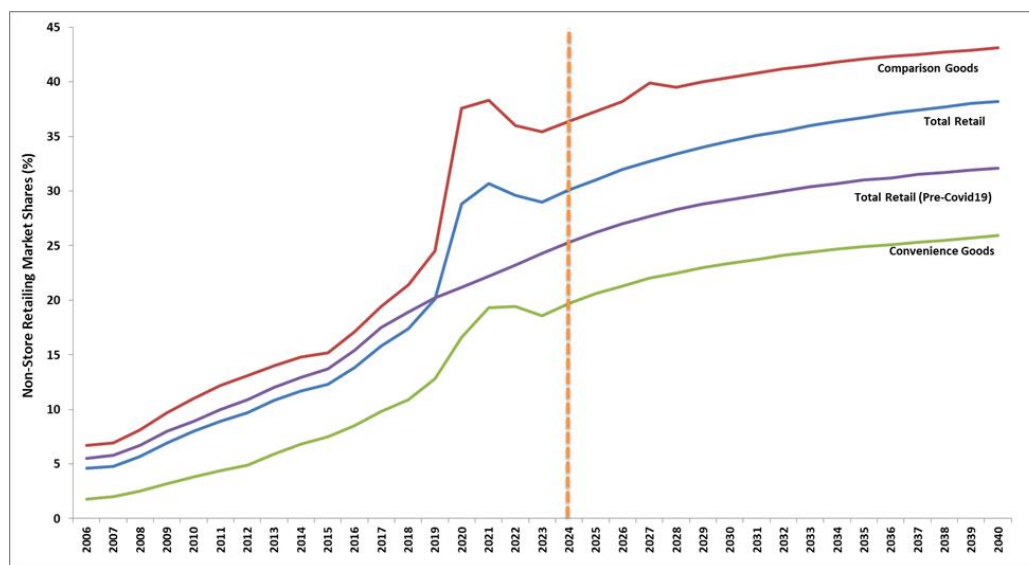


Source: ONS: Retail sales, Great Britain: February 2023

3.15 As the figure below shows, SFT's overall market share (as a proportion of total UK retail sales) increased from 5.4% in 2006 to 28.1% in 2020. In other words, online accounted for almost one in every three pounds spent on retail goods in 2020. Of this total non-store retail sales, Experian estimate that comparison and convenience goods retailing achieved market shares of 36% and 19.4% respectively in 2022.

¹⁹ Non-store retailing is commonly referred to as Special Forms of Trading (SFT). This comprises all non-store retail sales made via the internet, mail order, stalls and markets, door-to-door and telephone sales. On-line sales by supermarkets, department stores and catalogue companies are also included in the data collected by the Office for National Statistics (ONS).

Figure 3.4: Estimated and Projected Market Shares of Non-Store Retail Sales (SFT), 2006-2040 (Not Adjusted)



Source: Experian Retail Planner Briefing Note 20 (February 2023) Appendix 3 and Experian Retail Planner Briefing Note 17 (February 2020); Appendix 3

- 3.16 The latest Experian forecasts indicate that total SFT market shares will increase to 38.2% by 2040. Comparison and convenience goods non-store retail sales are forecast to reach 43.1% and 25.9% respectively by 2040.
- 3.17 Experian predict that the pace of e-commerce growth will moderate over the long term as internet use is now almost at capacity. ONS statistics showed in 2020 some 92%²⁰ of all UK adults have internet access and almost all of those aged between 16-44 years. Hence, Experian expect that the growth of the internet user base will be less of a driver than it has been in the past decade. Instead, generational differences in internet use will increasingly drive growth. For example, the 'Millennials' (defined as anyone born between 1981 and 1996) and 'Generation Z' (anyone born between 1997 and 2010) generations have grown up in digital environments and use technology more intensively. These groups will account for half of the adult population by the end of the 2020s (compared to 39% in 2019) and the bulk of retail and leisure spending. Their preference for online shopping could well represent the "tipping point" for the retail industry as a whole, and this will have been further accelerated by the impact of the pandemic.
- 3.18 Whatever the forecast growth in online sales and market shares, it is clear that high streets, town centres and physical retailers will need to work even harder to retain their existing customer base and attract new customers over the short (post-pandemic), medium and long term.

²⁰ Source: ONS: Internet users, UK: 2020 (Release date 06/04/2021)

- 3.19 In terms of forecasting the potential capacity for new physical retail floorspace, Experian estimate that approximately 25% of all SFT sales for comparison goods and 75% for convenience goods are still sourced through traditional ('bricks-and-mortar') retail space, rather than through 'virtual' stores and/or 'dot com' distribution warehouses. On this basis, Experian adjust their SFT market shares downwards for total retail to 18.6% in 2023, 19.8% by 2025, 22.3% by 2030 and 24.5% by 2040²¹. These market shares are higher than Experian's pre-COVID-19 forecasts²² of 15% in 2022, increasing to 25.4% by 2040. In line with standard approaches these adjusted/recalibrated market share figures are preferred for retail capacity assessments and used in this assessment.
- 3.20 It is clear that the "*digital revolution*" and growth of online retailing has, and will continue to have, a significant impact on Britain's retailers, sales and high streets. Digital trends are constantly developing and 2023 has already been a big year for new technologies from better online gaming to Artificial Intelligence (AI)-powered tools. Some online stores have started to experiment with augmented reality (AR). The "*digital revolution*" is also impacting on how and where people choose to spend their leisure time. The adoption of digital technology in the leisure and entertainment industry is part of this wider trend. Consumers are increasingly turning to digital platforms for entertainment, including video games, streaming services, and social media. This trend has been further accelerated by the COVID-19 pandemic, as people were forced to spend more time at home and turned to digital entertainment to pass the time.
- 3.21 Streaming services are another major contributor to the growth of the digital leisure market. Platforms like Netflix, Amazon Prime Video, and Disney+ have seen a surge in subscribers in recent years, and this trend is expected to continue. Furthermore, social media is also a significant contributor to the growth of the digital leisure market. Platforms like Facebook, Instagram, and TikTok have become a major source of entertainment for many people, particularly younger generations. These platforms have also become important channels for advertising and marketing as companies seek to reach consumers where they spend their time.
- 3.22 In summary, both retailers and high streets will need to compete for shoppers and expenditure through a variety of means including creating experiences that will attract the interest and attention of potential consumers across all age and socio-economic groupings.

²¹ Experian Retail Planner Briefing Note 20 (February 2022)

²² Experian Retail Planner Briefing Note 17 (February 2020)

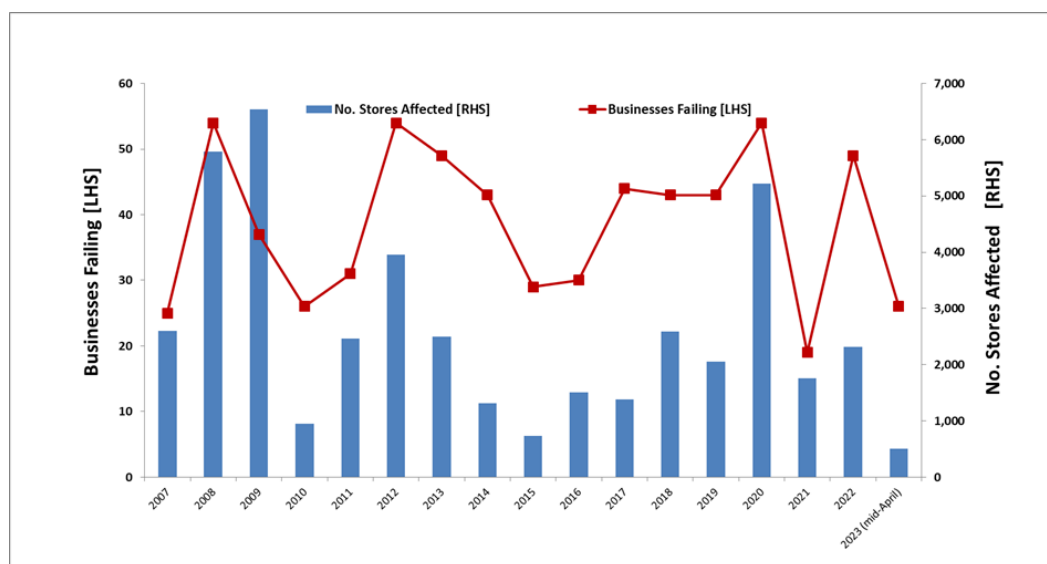
RETAILER BUSINESS MODELS AND REQUIREMENTS

- 3.23 The challenging economic conditions and growth in online sales have had a significant and permanent impact on consumer shopping and spending behaviour. Retailers have faced challenges across the supply chain, inflationary pricing, economic uncertainty and geo-political factors.
- 3.24 This has created significant challenges for traditional “bricks-and-mortar” retailing and the high street. Consequently, national multiple retailers are having to constantly review and rapidly adapt their business strategies, requirements and store formats to keep pace with the dynamic changes in the sector and consumer demand. As retailers adjust to “new normal”, a seamless experience and hybrid shopping are shaping the future of retail; the key trends that will impact the industry include:
- Hybrid or ‘Phygital’ (physical and digital) shopping – Retailers want to deliver a seamless experience across all shopping methods, including online, in-store, mobile devices, social media, and live streaming.
 - Social media sentiment monitoring is collecting and analysing information about a retailer or brand on social media. Actively engaged on social media, retailers are able to better understand data about their customers' sentiments, preferences, and attitudes toward their company and its competitors.
 - Physical retail stores and websites are becoming increasingly crucial as sources for additional advertising revenue for retailers.
 - Changes to retail formats and design – retailers are testing different formats as well as including new offerings on the click and collect such as IKEA opening a store on Oxford Street.
 - Changes in Consumer behaviour – the growing trend in repair, recycling, reuse, and thrifting is set to grow. This is seen in the rise of the popularity of second hand shops, vintage markets, and charity shops once again. Additionally, more and more brands are championing sustainability such as:
 - IKEA recently launched its buy-back and re-sale scheme, in an attempt to reduce the number of products going to landfill.
 - The George at Asda brand has joined forces with specialist wholesaler Preloved Vintage Kilo. The supermarket’s clothing brand, George, will be selling second hand clothing in 50 UK stores after a successful trial in Leeds in 2021.
 - H&M were the first fashion brand to launch a global garment collection initiative in 2013, allowing customers to hand in any unwanted clothing to a H&M store.
 - Decathlon’s Second Life initiative, where repaired products (e.g. bikes, fitness equipment, kayaks, tents) are sold.
- 3.25 These dynamic trends are best illustrated by the changes in the grocery sector over the last decade. Since 2010, the top-5 main grocery operators have been Tesco, Sainsbury’s, Asda,

Waitrose and Morrisons who have dramatically changed their business models; their focus has been on growing market share through online sales and new smaller convenience store formats (including Tesco Express, Sainsbury's Local and Little Waitrose). As a consequence, applications for large store formats have slowed to a virtual standstill over the last decade and extant permissions have not been implemented.

- 3.26 Previously outside of the so-called top-5 grocers, the 'deep discount' food operators (namely Aldi and Lidl) have significantly increased their respective market shares through new store openings. As of September 2022, Aldi overtook Morrisons to become the UK's fourth largest supermarket for the first time, as grocery inflation hit a new record of 12.4% in August 2022. Notwithstanding this the grocery and convenience sector has had buoyant sales during the pandemic, particularly in town, district and local centres as many households have been forced to work from home and only the foodstores and 'essential stores' have been open during the series of lockdowns, including local independents.
- 3.27 The non-food retail sector has also experienced a significant impact from the rise of online shopping over the last decade, which has impacted on business models and store viability. Many well-known retailers have either closed or have significantly reduced their store portfolios.
- 3.28 Although Covid pressures on the economy may have eased, the challenges facing consumers, businesses and town centres continue to intensify. The latest industry research shows that over 2,000 closed stores in 2022 due to administration, with almost 35,000 jobs lost. This compared with 5,200 store closures in 2020, and over 109,000 job losses.

Figure 3.5: Major Retail Failures (2007 – 2023 (mid-April))



Source: Centre for Retail Research (2023)

- 3.29 The pandemic has accelerated the demise of a number of high profile retailers that were already struggling due to falling sales and increasing costs/debt, including Debenhams,

Oasis, Warehouse, Laura Ashley, the Arcadia Group and Cath Kidston. John Lewis also announced the closure of four department stores and four 'At Home' stores.

- 3.30 National retailers with extensive high street store portfolios are struggling to maintain market shares and remain profitable in the increasingly competitive environment. The higher costs of trading from high streets compared with online and out-of-centre retailing, also means that it is not a "level playing field". This is a further contributing factor to the significant number of store closures that have occurred over recent years.
- 3.31 In summary, although some retailers are better positioned to cope with the growth in online shopping and the shifts in consumer behaviour and preferences, many are struggling to position themselves quickly enough to absorb rising costs and engineer the vital transition to a more technology-focussed business model.

RISING OCCUPANCY COSTS

- 3.32 '*Bricks and mortar*' retailers are having to absorb higher than inflation increases in year-on-year occupancy costs (for example, rents, business rates, service charges, utility bills, staff costs, etc). This outpaces sales growth for many retailers, eroding profitability and resulting in more store closures.
- 3.33 As described above it is not a "level playing field" between high street and online retailing, or between high street and out-of-centre retailing. In response to the budgetary challenges from rising costs and tight margins, retailers will need to drive up efficiencies and productivity from existing floorspace to remain viable.
- 3.34 It is standard practice for retail planning assessments to make a reasonable and robust allowance for the year-on-year growth in the average sales densities of existing and new (comparison and convenience) retail floorspace for it to remain vital and viable. However, there is limited evidence detailing actual changes in the turnover and profitability of retailers over time. The latest Retail Planner Briefing Note (RPBN 20) (February 2023) provides forecasts of annual floorspace productivity growth rates based on two different scenarios: (i) the 'constant floorspace scenario', based on limited potential for new retail development, resulting in greater efficiency of existing floorspace; and (ii) the 'changing floorspace scenario', which takes account of the impact of new retail development on average retailer sales performance. The table below sets out the differences between the two scenarios.

Table 3.1: Floorspace Productivity Growth Rates (year-on-year growth %)

| | 2021 | 2022 | 2023 | 2024 | 2025-2029 | 2029-2040 |
|----------------------------|-------|-------|-------|-------|-----------|-----------|
| CONSTANT FLOORSPACE | | | | | | |
| Convenience Goods | -7.2% | -7.7% | -1.8% | -0.3% | 0.2% | 0.4% |
| Comparison Goods | 5.2% | 3.4% | -0.5% | -0.4% | 2.1% | 3.0% |
| CHANGING FLOORSPACE | | | | | | |
| Convenience Goods | -7.2% | -7.7% | 3.4% | 2.8% | 0.1% | 0.0% |
| Comparison Goods | 5.3% | 3.4% | -0.1% | -0.4% | 2.0% | 2.8% |

Experian Retail Planner Briefing Note 20 (February 2023); Figures 3a/3b and 4a/4b

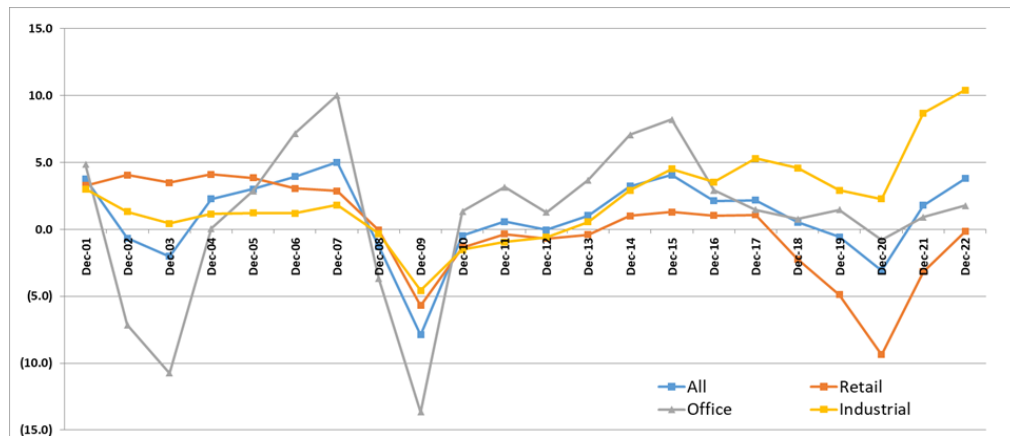
- 3.35 As Experian explain the volatility in sales densities in 2021 and 2022 have been driven by sharp swings in retail spending due to temporary business closures during the pandemic and subsequently the impact of high inflation. Sales density growth rates are expected to be weak in 2023 and 2024 given the poor near term outlook for retail sales volumes. Budgetary challenges from rising costs and tight margins will be a key factor underpinning floor space efficiencies over the coming years. These results reflect national trends and there will be marked differences between local areas.
- 3.36 On this basis, budgetary pressures mean that retailers will have to increase efficiencies from current floorspace including through redevelopment/repurposing of existing floorspace; adoption of new technology and innovations; more effective marketing strategies; and adopting an 'omni-channel'²³ strategy that uses internet sales to increase the sales performance of physical shops. This is against a backdrop of weak demand for retail property, high vacancy levels and a significant fall in new retail-led development in centres across the UK.
- 3.37 For these reasons we prefer to test higher 'constant floorspace productivity' growth rates for retail planning assessments, as they better reflect national trends and the need for existing retailers to increase their sales potential and profit margins to remain viable.
- 3.38 Outside of the top 50 it is the more secondary towns and shopping locations that potentially remain vulnerable to further reductions in their existing retail and commercial offer. This is against the backdrop of limited and falling demand for new shops and commercial space and the need for more flexibility in the use of the available space.
- 3.39 Demand for retail space in centres across the UK has fallen dramatically since 2007 and is currently at an all-time low. In turn this fall in demand is impacting on property values and rents. For example, LSH research conducted before the pandemic showed that the retail sector recorded a 4.9% year-on-year fall in rents in December 2019; fell further in December 2020 by 9.4%; by 3.2% in December 2021 and by 0.2% by December 2022²⁴. As shown

²³ 'Omni-Channel retailing' refers to the integration of different methods of shopping available to consumers (e.g. via the internet, in a physical shop, or by phone).

²⁴ LSH Research (2023) using MSCI data

below the retail sector has performed poorly compared with the other property sectors with its origins back to the economic crisis in 2007/08. This trend has been further exacerbated by the pandemic and current cost of living crisis.

Figure 3.6: Property: Average Rental Growth (2001-2023) (%)



Source: MSCI UK Quarterly Property Index (April 2023)

3.40 One of the obvious impacts of the difficulties experienced within the retail sector is the fall in retail rental values. The larger retail groups have enjoyed a particularly strong negotiating position and lease events represent an opportunity to reduce costs and increase flexibility. Over the past year we have experienced multiple retailers seeking some or all the following lease provisions when agreeing lettings:

- An increase in rentals linked to turnover as opposed to contracted rents linked to market rental value.
- Where rent reviews are to market value a cap as to the quantum of any future increase.
- Shorter leases and regular tenant break options.
- Capped increases to service charge.
- Pandemic clauses with rent cessation provisions in case of forced closure.
- Larger incentive packages, including capital contributions, enhanced handover specifications and extended rent free periods.

3.41 Overall, many centres and shopping locations across the UK simply have too much retail floorspace stock, or they have the “wrong type” of retail floorspace that does not meet the needs of modern national retailers for larger format shop units. Some analysts indicate that as there may be as much as 30% too much physical space in the retail sector. Our recent research together with REVO²⁵ indicated that the oversupply of retail floorspace has overtaken business rates as the main challenge identified by our survey respondents. It was mentioned by 42.7%, up from 36.1% in 2022.

²⁵ LSH / REVO Survey 2023

-
- 3.42 This over-supply of retail floorspace and limited market demand is placing further pressures on the viability of existing stores and shopping centres. In turn, this makes it difficult for landlords, investors and retailers to justify additional capital expenditure.

OUT-OF-CENTRE RETAILING

- 3.43 The development and take-up of food and non-food out-of-centre space has also slowed over recent years, in line with the trends impacting on high streets and town centres. The main grocery retailers have pulled back from new larger format superstore openings in edge and out of centre locations to focus on maintaining and increasing market shares through online sales and opening smaller convenience outlets. The exception to this is the discounters, Aldi and Lidl, who continue to seek new sites in mainly edge and out-of-centre locations.
- 3.44 Vacancy levels in out-of-centre retail warehouses and parks have also increased over the last decade following the closure of major operators (such as, for example, Poundworld, Office Outlet, etc.), and a reduction in the store portfolios of other major out-of-centre retailers (such as, for example, B&Q and Homebase). There are likely to be further increases in closures, particularly in the poorly performing “first generation” and secondary shopping locations, as leases come up for renewal and more retailers go into administration. As a result, a number of out-of-centre foodstore and retail warehouse sites are being repurposed and/or redeveloped for alternative uses, including logistics and residential uses.
- 3.45 Notwithstanding this, most out-of-centre shopping locations retain their significant competitive advantages over town centres and high streets in terms of their supply of larger format modern outlets, ease of access and ability, their lower occupancy costs, extensive free parking as well as their ability to serve as last-mile delivery hubs. This remains an attractive proposition for those retailers that are still seeking space in the current market. For example, as part of its revised business model Marks & Spencer has closed a number of its traditional high street stores and “replaced” these with ‘Simply Food/Food Hall’ branded stores in out-of-centre locations.

VACANCY RATES

- 3.46 At the end of 2022, the GB average ‘All Vacancy Rate’ (retail and leisure combined) according to the Local Data Company (LDC) stood at 13.8%²⁶. The current rate is still higher than the pre-pandemic (H2 2019) level of 12.1%, so the sector has yet to fully recover.
- 3.47 The sharpest increase in vacancy rates was seen in Shopping Centres category, rising from 14.4% at the end of 2019; 17.1% at the end of 2020; 19.1% at the end of 2021 and 18.2%

²⁶ LDC: FY 2022 Retail & Leisure Trends Analysis (March 2023)

at the end of 2022. Shopping centres saw the largest increase in long-term vacant space over 2022, rising to 6.5% from 6.1% in 2021.

- 3.48 LDC estimate that by the end of 2024 the retail vacancy rate reaching 14.9%; leisure 10.2%; with the combined rate falling to 13.4%.

USE CLASSES ORDER & PERMITTED DEVELOPMENT RIGHTS

- 3.49 The Government issued a series of reforms to the planning system since 2020. Effectively, changes to the use classes were brought in to provide a more flexible approach to controlling commercial land uses. This saw the replacement of Use Class A1 to A5, D1 and D2 replaced with E Classes (Commercial), F1 (Learning and Non-Residential) and F2 (Local Community Uses) and the restructuring of sui generis uses (public houses, hot food takeaways, cinemas, music venues, bingo etc.).
- 3.50 The result of these changes is that what would previously be a change of use under the subsumed use classes is no longer considered development under the Planning Acts, and accordingly is no longer subject to planning control. In launching the reforms, the Government announced that the regulations will give “...greater freedom for buildings and land in our town centres to change use without planning permission and create new homes from the regeneration of vacant and redundant buildings”²⁷.
- 3.51 The impact of the changes will still require the definition of a town centre boundary and a primary shopping area, or a primary ‘commercial’ area to be the foci for E and F Classes. Also, in most instances the former use classes can be ‘translated’ into the equivalent categories within the new E and F Classes. This can assist with the interpretation of policy wording and the effective use of conditions. It is worth noting that under the previous use-class system such categories as convenience, comparison (and bulky) goods fell within the A1 use-class and there is a long established planning pedigree of reflecting these A1 retail categories effectively in planning conditions.
- 3.52 The changes have implications for primary and secondary shopping frontages, as the control of shopping and service uses is legally less enforceable in commercial areas, as a change of use between Class E does not constitute development and will therefore not require planning permission. It should be noted that the effectiveness of frontage policies was declining before the pandemic and previous changes to the UCO. However, there may still be a role to control some sui generis uses in key town centre locations, such as provision of fast food takeaways, betting shops, payday loan shops or other uses that are justified to be subject to planning control.

²⁷ Prime Minister’s Office Press Release (30/06/2020) ‘Build, Build, Build’

- 3.53 Hence beyond 2023, town centres are likely to consolidate their retail and shopping role with more emphasis on place and non-transaction uses, this could include high activity based land uses such as health, education being located in more central locations and stem previous trends of decentralisation.
- 3.54 The increase in city living and residential development in town centres is likely to be a growth area in the next 10 years and could be a positive regenerative mandate. We also expect more emphasis on residential upper floor living accompanying ground floor commercial uses.
- 3.55 The introduction of Class AA and AB in August 2020²⁸ (under the Permitted Development Changes (Amendment No. 2) (2020)), allowing new residential on detached or terrace buildings in commercial or mixed use areas could potentially lead to the loss of commercial floorspace to residential.
- 3.56 Furthermore, the Town and Country Planning (General Permitted Development etc.) (England) (Amendment) Order 2021 (Order) that came into force in April 2021 created a new class of permitted development right (Class MA) into the Town and Country Planning (General Permitted Development) Order 2015 (GPDO) authorising changes of use from Use Class E commercial uses to Use Class (C3) residential. The changes within the Order authorise a change in the permitted use of a property or land from a use falling with Use Class E to Use Class C3 residential use where the property has:
- been in Class E use for 2 years (including time in former uses i.e. A1, A2, A3, B1, D1 or D2 now within that Class); and
 - has been vacant for at least 3 continuous months.
- 3.57 These changes will replace existing retail, light industrial and office to residential rights with rights applying to all of the relatively recent Use Class E in which those uses now sit. Exercise of the right is subject to prior approval by the local planning authority and therefore would be subject to some planning control. Details must be submitted relating to flooding, transport, contamination, noise amenity, natural light, fire safety and agent of change issues. The area that can be converted is capped, with a maximum size limit of 1,500 sqm of floorspace capable of conversion using the right.

LEVELLING UP & REGENERATION ACT

- 3.58 The long-awaited Levelling-up and Regeneration Bill received Royal Assent at the end of October 2023 and officially became the Levelling-up and Regeneration Act 2023 (LURA 2023). The government proclaimed that LURA 2023 will “*speed up the planning system, hold developers to account, cut bureaucracy, and encourage more councils to put in place plans to enable the building of new homes*’.

²⁸ The Town and Country Planning (General Permitted Development) (England) (Amendment) (No. 2) Order 2020.

3.59 In relation to town centres specifically the Act enables “*local authorities powers to instigate auctions to rent vacant commercial properties in town centres and on high streets, for leases from one to five years to attract new tenants*”. These rules “*can be exercised at the discretion of local authorities, based on their local context and need, but only on properties which have been vacant for over 12 months*”. The rules apply to commercial premises (other than premises last used as a warehouse, which are specifically exempt) and which satisfy the following criteria:

- situated in an area which a local authority has designated as being a high street or town centre. These will be areas with a high concentration of premises with high street uses. These uses include "traditional" uses associated with a high street, like shops, restaurants and pubs, as well as offices and public entertainment spaces, communal halls. Manufacturing processes are even included in high street uses as long as they are carried on near to, and compatible with, other high street uses. A local authority is required to maintain and make available to the public a list describing, and a map showing, any designations that are in force in its area.
- unoccupied for the last year or for 366 days in the last two years,
- suitable for high street use and
- considered by the local authority to benefit the local economy, society or environment if occupied for high street use.

3.60 The general consensus is that LURA provides the potential to redefine our high streets and town centres through a collaborative process in which both the local authority and property owners will need to work together especially where premises have remain unoccupied for a specified duration and in combating long-term vacancies. It remains to be seen whether Local Authorities have the resources to execute the powers given and the extent to which they will be utilised and whether they are successful in revitalising high streets and town centres. Overall these should be part of a mix of initiatives to revitalise high streets and town centres.

MID DEVON DISTRICT IN CONTEXT

3.61 Mid Devon District is a rural district located on Devon’s eastern border with Somerset and straddling the main transport links into the county. It encompasses a mix of rural and urban areas, with a population that is spread across various towns, villages, and hamlets. with a concentration to the east of the district in the two main market towns of Tiverton and Cullompton. The north and the west of the district are predominantly rural, with the district’s third market town, Crediton to the north-west of Exeter. Over half of Mid Devon’s population live rurally in villages and small settlements. Hence some areas of Mid Devon (particularly the north and west) are remote rural and connectivity within the Mid Devon District can be poor or compromised by inadequate infrastructure i.e. Cullompton and, in turn, can impact upon environmental quality or town centres.

- 3.62 The district is also heavily influenced by the urban economies of Exeter to the south and - to a lesser degree - by Taunton to the north-east. Mid Devon has good transport links, with the M5, North Devon link road (A361) and main-line railway running through the district, connecting Devon and the South West with the rest of the UK. It is also close to the regional airports of Exeter and Bristol.
- 3.63 The latest available population data indicates that the current population of the District is estimated at 82,300²⁹. This population is set to increase; Devon County Council 2016 trend based projections anticipate that the population will be approximately 91,534 by 2033. The adopted Mid Devon Local Plan Review proposes a housing requirement of 7,860 dwellings over the Plan period 2013-33 equal to 393 dwellings per year³⁰.
- 3.64 Comparatively in terms of employment those that are economically active (aged 16 – 64) the latest available data indicates this stood at 80.4% which is comparable to the South West average (80.5%) but higher than the Great Britain (GB) average of 78.5%. Furthermore, the unemployment rate was 3.1% which is higher the South West average (2.6%) but lower than the GB average (3.6).

Table 3.2: Mid Devon District: Employment and Unemployment (Jan 2022-Dec 2022)

| | Mid Devon (%) | South West (%) | Great Britain (%) |
|----------------------------|----------------------|-----------------------|--------------------------|
| Economically Active | 80.4 | 80.5 | 78.5 |
| Unemployed | 3.1 | 2.6 | 3.6 |

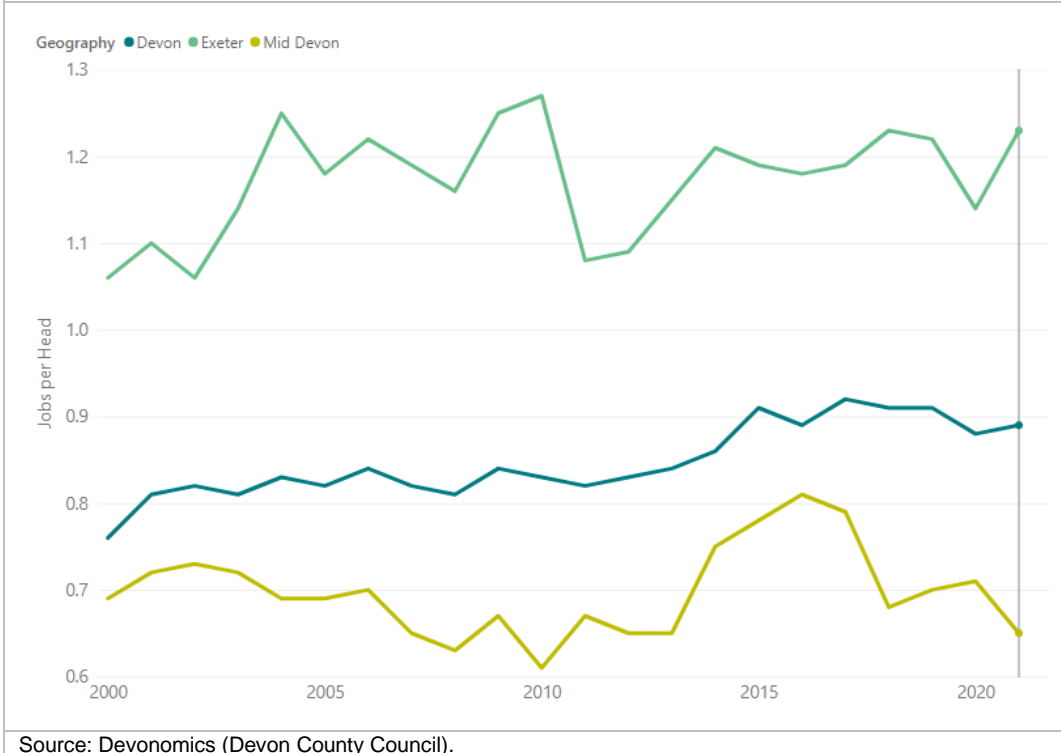
Source: NOMIS (May 2023)

- 3.65 In terms of job density, the District is below the Devon average and considerably lower than that of Exeter indicating lower number of jobs per resident.

²⁹ Population as at 2019 derived from Devonomics (Devon County Council).

³⁰ Economic Strategy for Mid Devon 2019 – 2024

Figure 3.7: Mid Devon District: Job Density per Head Compared



3.66 In terms of employment sectors, significant proportions of the workforce are in the service sectors including wholesale and retail (19.2%), health and social work (9.6%) and education (9.6%) and accommodation and food services (8.7%). The District also has a relatively large manufacturing sector, making up 17.3% of employment. Despite The District's rural nature, Agriculture accounts for 4.8% of the workforce. This is focused on textile, food and paper manufacture. Mid Devon has a number of larger manufacturers such as Heathcoat Fabrics, Hepco, Devon Valley Papermill, Graphic PLC and Ernst Jackson making high-specification globally recognised products. There is also a concentration of distribution and logistics along the M5 corridor, and a growing professional, scientific and technical services sector, including a number of green engineering businesses³¹.

³¹ Economic Strategy for Mid Devon 2019 – 2024

Table 3.3: Mid Devon District: Job Density per Head Compared

| Employee Jobs By Industry | Mid Devon (%) | South West (%) | Great Britain (%) |
|--|---------------|----------------|-------------------|
| A; Agriculture, Forestry and Fishing | 4.8 | 1.9 | 0.9 |
| B : Mining And Quarrying | 0.3 | 0.1 | 0.1 |
| C : Manufacturing | 17.3 | 8.6 | 7.6 |
| D : Electricity, Gas, Steam And Air Conditioning Supply | 0.1 | 0.5 | 0.4 |
| E : Water Supply; Sewerage, Waste Management And Remediation Activities | 0.8 | 1 | 0.7 |
| F : Construction | 8.7 | 4.9 | 4.9 |
| G : Wholesale And Retail Trade; Repair Of Motor Vehicles And Motorcycles | 19.2 | 15.4 | 14.4 |
| H : Transportation And Storage | 4.8 | 4.6 | 5.1 |
| I : Accommodation And Food Service Activities | 7.7 | 9.9 | 7.5 |
| J : Information And Communication | 1.2 | 3.2 | 4.5 |
| K : Financial And Insurance Activities | 0.7 | 2.7 | 3.6 |
| L : Real Estate Activities | 1.2 | 1.5 | 1.8 |
| M : Professional, Scientific And Technical Activities | 5.8 | 8.1 | 8.9 |
| N : Administrative And Support Service Activities | 3.8 | 7.1 | 8.9 |
| O : Public Administration And Defence; Compulsory Social Security | 1.2 | 4.5 | 4.6 |
| P : Education | 9.6 | 9.1 | 8.8 |
| Q : Human Health And Social Work Activities | 9.6 | 15 | 13.7 |
| R : Arts, Entertainment And Recreation | 3.1 | 2 | 2.3 |
| S : Other Service Activities | 1.3 | 1.5 | 1.9 |

Source: Devonomics and NOMIS (May 2023)

- 3.67 According to NOMIS, there were 4,145 enterprises in Mid Devon as a December 2022. Of these 92.1% were micro businesses with less than 10 employees. One of the contributing factors is the high rate of self-employment at 16.7% compared to the GB average of 9.3%.
- 3.68 The gross weekly pay in Mid Devon was £577.20 compared with £611.30 for the South West and the GB average of £642. In broad terms the Mid Devon economy is typified by high rates of employment, but lower than average wages that potentially has an impact on the level of local spend.
- 3.69 Tourism is an important part of the District's economy, it contributes significantly through job creation, increased expenditure and income into local communities. The Economic Impact of Devon's Visitor Economy (2015) Report estimates total visitor related spend in Mid Devon at £101.3m³². In 2015, Mid Devon attracted approximately 212,000 staying visits from UK

³² The Economic Impact of Devon's Visitor Economy – Mid Devon (2015)

and overseas visitors combined with approximately 1.59 million day visits. According to the Economic Impact of Devon's Visitor Economy (2015) Report, Mid Devon is the least visited district in Devon, indicating potential room for growth.

Figure 3.8: Highlights From The Economic Impact of Mid Devon's Visitor Economy (2015)

| Area | Domestic trips (000's) | Overseas trips (000's) | Domestic nights (000's) | Overseas nights (000's) | Domestic spend (millions) | Overseas spend (millions) |
|-------------|------------------------|------------------------|-------------------------|-------------------------|---------------------------|---------------------------|
| East Devon | 478 | 43 | 1,905 | 332 | £100 | £17 |
| Exeter | 423 | 58 | 1,446 | 631 | £86 | £37 |
| Mid Devon | 193 | 19 | 727 | 133 | £37 | £6 |
| North Devon | 937 | 56 | 4,205 | 364 | £224 | £20 |
| Plymouth | 637 | 76 | 2,186 | 616 | £114 | £33 |
| Teignbridge | 573 | 38 | 2,488 | 261 | £119 | £13 |
| Torbay | 1,084 | 96 | 4,033 | 563 | £274 | £36 |
| Torridge | 237 | 19 | 1,006 | 144 | £53 | £7 |

Source: A Destination Management Plan for Mid Devon (2017)

3.70 Mid Devon District has also recently secured the following regeneration funding:

- In 2022, £816,672 in funding from Government to support rural businesses and create jobs to grow the rural economy. This will be through the Rural England Prosperity Fund, a top-up of the UK Shared Prosperity Fund. Projects benefitting from the additional funding will improve community facilities and support arts and culture to grow local tourism. Agricultural businesses looking to expand their remit and rural businesses looking to launch or grow will also receive investment.
- In 2022, a grant of up to £1.1m from Historic England and matched with support from Mid Devon District Council, Devon County Council, and Cullompton Town Council, to help regenerate Cullompton Town Centre through the High Streets Heritage Action Zone (HAZ) programme.
- In 2022, the Department for Transport awarded Network Rail £5m to spearhead proposals to build new stations in Cullompton and Wellington. The money will be used to progress with the development of detailed designs for the stations and a full business case. It is anticipated that the next stage will be completed by no later than the end of December 2023. Subject to the approval of the business case and the receipt of the necessary funding to build the stations, construction could start as early as 2024 with the aspiration for both stations to be in operation by 2025.
- Mid Devon District Council remains short of the funding after its bid for the government's levelling-up fund failed for the second time in January 2023. Mid Devon Council was

unsuccessful in its £19.5 million levelling up fund bid to build a town centre relief road for Cullompton. The new Cullompton relief road is currently without two thirds of its current projected £28m cost, which recently rose from £15m. The relief road, which has already secured planning permission, is considered to be a major strategic growth project for the district. Its delivery aims to unlock environmental and air quality improvements within Cullompton town centre, as well as unlock early growth capacity at J28. It is also stated to be needed to allow the area to meet its future housing delivery plans.

- In March 2023, Coldharbour Mill Museum in Uffculme was granted £495,000 as part of the Government's £60m Cultural Investment Fund for cultural venues, museums and libraries.
- In September 2023, and supported by MDDC, The Tiverton Museum of Mid Devon Life has been successful with its application for National Lottery Heritage Funding with £248,000 awarded strengthen community engagement and long term sustainability.

SUMMARY

- 3.71 Our towns, traditional high streets and shopping centres have been challenged for more than a decade by falling market demand, rising occupancy costs and increasing competition from online and out-of-centre shopping. These trends have been further accelerated and compounded by the COVID-19 pandemic; and are resulting in an increase in vacant shop units, often in primary shopping areas, as retailers and occupiers either choose to downsize and/or close stores in some locations (e.g., Marks & Spencer, John Lewis), or they are forced out of business altogether due to failing business models and unmanageable debts (e.g., the Arcadia Group).
- 3.72 Today, many of our traditional towns and shopping centres simply have too much retail space. The critical challenge over the short, medium and long term will be how to retain existing businesses, fill/replace the voids and attract new investment. The danger is that an increase in long-term vacancies in centres will lead to a 'spiral of decline', which will further engender feelings of neglect and lack of investment confidence in town centres, and "push" more people to shop online.
- 3.73 Residential provision in centres is already being encouraged, including by previous national planning changes (such as office to residential conversions through prior approval, and permitted development for two flats above a shop), and through emerging local development plan policy. In those cases where retail vacancies are long-term and more often than not concentrated in secondary shopping streets/pitches, it will be necessary to plan for alternative uses and/or consider options for redevelopment. As a result of the increasing drive towards more flexible planning through changes to the Use Classes Order and Permitted Development Rights, there will inevitably be more mixed-uses within centres

particularly residential, and this should be encouraged and planned for through enabling planning policies.

- 3.74 It will be important to maximise intergenerational residential provision in the most sustainable locations, particularly in centres, as part of a balanced mix of uses. Therefore, consideration needs to be given to planning policies and allocations enabling the growth of other uses, such as education, leisure and recreation, within centres, which, along with residential, are particularly positive in terms of enhancing the vitality of centres.

4. CATCHMENT, COMPETITION & MARKET SHARES

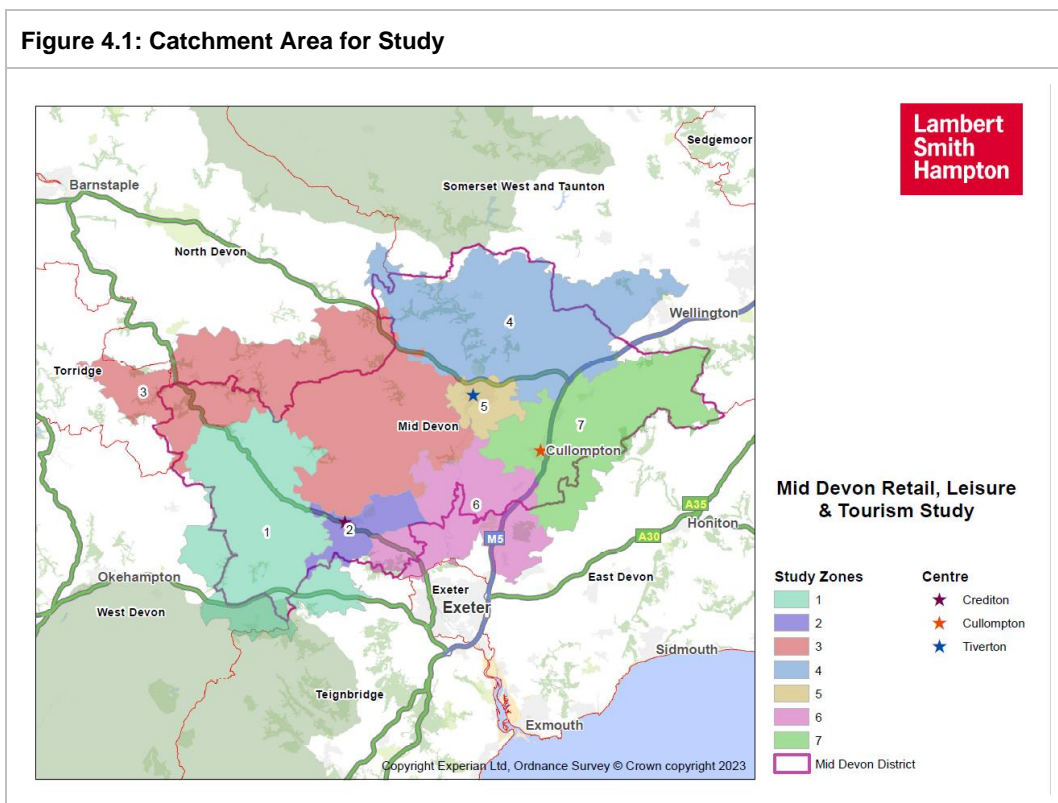
4.1 This section first describes the Catchment ('Study') Area that has been defined and adopted as the framework for this study. It then sets out the headline results of the telephone interview survey, to identify where households normally shop for different types of convenience ('food') and comparison ('non-food') goods.

CATCHMENT (STUDY) AREA DEFINITION

4.2 The definition of an appropriate Catchment Area is an important starting point for retail and town centre assessments. It provides the framework for the household telephone interview survey and the retail capacity analysis (Section 7).

4.3 The broad geography of the Catchment Area and composing zones has been informed by the Council's previous study. The outputs from these have been combined to form a new catchment area. In this case, the Catchment Area is based on "Postcode Sector Geography". It covers the entirety of the Mid Devon District area in full, as well as extending into neighbouring authorities. The figure below shows the full extent of the Catchment Area and Zones (also refer to Volume 2; Appendix 1).

Figure 4.1: Catchment Area for Study



4.4 NEMS Market Research (NEMS) was commissioned to carry out some 706 household telephone interviews in March 2023. The methodology and full 'weighted' survey results are

set out in **Volume 4**³³. Responses were weighted by the population in each zone to ensure that the results in more sparsely or heavily populated zones were not under or over represented in terms of the market share assessment.

Table 4.1: Study Zones and Postal Sectors

| Zone | Postal Sectors |
|-------------|------------------------|
| 1 | EX6 6, EX17 5, EX17 6 |
| 2 | EX17 1, EX17 2, EX17 3 |
| 3 | EX16 8, EX17 4, EX18 7 |
| 4 | EX16 7, EX16 9, TA21 0 |
| 5 | EX16 4, EX16 5, EX16 6 |
| 6 | EX5 3, EX5 4, EX5 5 |
| 7 | EX15 1, EX15 2, EX15 3 |

- 4.5 The zone-by-zone approach detailed at **Volume 2, Appendix 3** for convenience goods and **Appendix 7** for comparison goods enables more detailed analysis of shopping patterns, market shares and expenditure flows both within and outside the Study Area (Zones 1-7). The key findings are used to inform the baseline market share analysis and the centre/store turnover estimates that underpin both the quantitative and qualitative needs ('gap') assessment, carried out in compliance with good practice.

MID DEVON CENTRES AND COMPETITION PROFILE

- 4.6 **Section 6 and Volume 3** provide more detailed health checks for main town centres of Tiverton, Cullompton and Crediton. These towns are supported by a network of smaller rural centres and villages.
- 4.7 By way of overview the table below shows the scale of the retail, leisure and service provision in the main centres (measured by outlets and floorspace) based on the information set out in the Council's town centre occupier data, *Experian Goad Category Reports*³⁴ and LSH research.

³³ NEMS ensure the sample profile is representative of the profile of the person responsible for most of the household's shopping. In order to correct any small differences between the sample profile and population profile. The data was weighted by NEMS as explained in their appended method statement.

³⁴ The floorspace figures set out in the Experian Goad Reports are derived from Goad Plans. They show the 'footprint' floorspace and the site area without the building lines. Although they do not provide a definitive report of gross or net floorspace in centres, they do provide a useful means of comparison between centres, as all outlets are measured in a consistent manner.

Table 4.2: Mid Devon District: Main Town Centres

| Town Centre | Total Floorspace (sqm) | % of Total | Total Outlets | % of Total |
|---------------|------------------------|-------------|---------------|-------------|
| Tiverton | 34,699 | 54% | 249 | 56% |
| Cullompton | 16,202 | 25% | 93 | 21% |
| Crediton | 13,153 | 21% | 105 | 23% |
| Totals | 64,054 | 100% | 447 | 100% |

Source: Experian Goad Category Reports / LSH Research / MDDC

4.8 The following provides an overview of the main centres (also see **Section(s) 2 and 6**):

- **Tiverton:** A historic centre originally the site of a Roman Encampment. The heart of the town centre comprises four quarters:
 - *Gateway Quarter* covers Fore Street and Phoenix Lane in the heart of the town centre, with an offer comprising both national multiples and independents.
 - *Riverside Quarter* incorporates Angel Hill, Bridge Street and Westexe. The River Exe can easily be accessed from this area.
 - *Independent Quarter* (Gold Street and Lowman Green) encompasses boutique independent retailing including pottery, art and gifts as well as a bookshop, cafés, specialist camera and photography shops, several health services plus pet supplies.
 - *Market Quarter* incorporates Bampton Street, Market Walk and Tiverton Pannier Market, which offers weekly general markets as well as a monthly farmers' market

As mentioned above, a notable feature of Tiverton is the River Exe, which runs through the town centre together with associated green spaces providing a pleasant environment to the centre. There are also several historic buildings that add character to the area.

The town centre is also host to regular markets where local traders and farmers sell fresh produce, crafts, and other goods. The Pannier Market is in the centre of the historic town selling a wide range of local, artisan and other products.

The commercial leisure offer includes traditional pubs and bars, restaurants and the Tivoli Cinema. The Tiverton Museum of Mid Devon Life is also located within the town centre.

- **Cullompton:** Cullompton is in the heart of Mid Devon District situated adjacent to the M5 on the main transport corridor through Devon. It is the second largest town in the district close to rail services from nearby Tiverton Parkway and set within a valley landscape, with views towards the Blackdown Hills and East Devon Area of National Beauty (AONB). It is known locally as the gateway to the Culm Valley, much of which falls within the Blackdown Hills. Cullompton town centre is within a conservation area and the town's rich heritage can be seen throughout the High Street.

The High Street is the primary commercial area within the centre. The town has a large provision of independent retailers and is renowned for its Farmers' market in the Bullring. The commercial leisure provision includes cafes, and restaurants. Cullompton has a variety of services to cater to the local community and visitors.

The town is adjacent to the proposed Culm Garden Village – which aims to provide up to 5,000 new homes.

- **Crediton:** is a market town home to St. Boniface Parish Church, a prominent landmark that dates back to the 14th century. The High Street hosts a variety of shops and eateries including the award-winning Farmers' Market, which meets on the first and third Saturday of every month. The High Street retains a traditional character, with buildings that showcase a blend of architectural styles, including Georgian and Victorian influences. The main commercial leisure offer comprises a mix of takeaways, cafés and restaurants.

4.9 The following provides a brief profile of the main competing centres and shopping/leisure locations outside Mid Devon District. The main location is Exeter and to a lesser extent Taunton.

- **Exeter:** is the administrative centre for the County of Devon. The city is situated at the foot of the M5, which provides direct access to the West Midlands and to the South East and Wales via the M4. The city's main link to west Devon and Cornwall is the A38 dual carriageway, known as the Devon Expressway. Exeter has a large core area that runs in a broadly linear fashion from the junction of South Street, North Street and Fore Street in the west, to the intersection of Sidwell Street and York Road in the east. The more historic and attractive parts of the city centre, Cathedral Yard and Gandy Street, provide a contrast to the 1960s buildings that characterise much of the rest of the city centre. The opening of Princesshay shopping centre in 2007 extended the retail core southwards, creating a new retail quarter and improving what had previously been one of the less attractive parts of the city centre. The shopping centre's streetscape design links well with the existing retail pitches and its fashion-led offer has increased the overall quality of shopping in the city centre. The town centre retail floorspace in Exeter is estimated at 129,134 sq m (1.39m sq ft). Exeter has relatively good city centre convenience provision. There is a Sainsbury store in the Guildhall Centre, Tesco Express on High Street and Co-op on Queen Street, just outside our audit area. Iceland and Sainsbury's Local both have stores on Sidwell Street. Exeter is also a tourist destination and University city.
- **Taunton:** is around 30 minutes' drive north east of Tiverton. With 105,909 sqm (1.14m sq ft) of town centre floorspace. It is the shopping destination of choice for the locals but with competition from Bristol. The market town still has a mix of high street names, independents and markets. The town has a broad, but unexceptional retail offer when

compared to Exeter. However, Taunton may attract some shopping trips from residents on the northern fringe of the Mid Devon catchment as there is direct access via the M5.

MARKET SHARE ANALYSIS

- 4.10 The survey-derived market share analysis is detailed in **Volume 2** (see **Appendix 3** for convenience goods and **Appendix 7** for comparison goods)³⁵.

Convenience Goods Market Shares

- 4.11 Convenience goods retailing is generally defined as comprising everyday essential items (including food, drinks, newspapers/magazines and confectionery), as well as an element of non-durable housing goods (such as washing up liquid, kitchen roll, bin bags, etc.).
- 4.12 The overall market share analysis (%) for all centres and stores are detailed in Table 1 (**Appendix 3**). These market shares have been derived from the assessment of the ('primary') responses as to where people normally shop for their more infrequent main ('bulk') food purchases, and for their more frequent day-to-day ('top up') convenience and grocery purchases.
- 4.13 Furthermore, in order to prevent food shopping patterns being 'skewed' by larger superstores and foodstores in the Catchment Area, the survey also asked respondents where else they normally shop (if anywhere) for their 'main' and 'top up' purchases in addition to the first store identified (i.e., the 'secondary' responses). The market shares for these 'secondary' shopping purchases are set out in Table 3 ('other' main food shopping) and Table 5 ('other' top up food purchases') in **Appendix 3**.
- 4.14 The 'primary' and 'secondary' responses for the different types of food shopping have then been merged through the application of a weighting based on judgements as to the proportion of household expenditure normally accounted for by each type of convenience goods shopping. In this case we have applied a reasonable and robust weighting of 60% for main 'bulk' shopping; 15% for secondary main 'bulk' shopping; 15% for primary 'top-up' shopping; and 10% for secondary 'top-up' shopping.
- 4.15 The summary of market shares for town and out-of-centre locations is shown below:

³⁵ Please note that the market share analysis at this stage of the assessment includes expenditure on 'Special Forms of Trading' (SFT), which comprises sales via the internet, mail order, stalls and markets, door to door and telephone sales

Table 4.3: Convenience Goods: Town and Out-of-Centre Market Shares

| MID-DEVON DISTRICT COUNCIL AREA | Zone 1 | Zone 2 | Zone 3 | Zone 4 | Zone 5 | Zone 6 | Zone 7 | STUDY AREA |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-------------------|
| TOWN CENTRE STORES / LOCATIONS | | | | | | | | |
| Tiverton Town Centre | | | | | | | | |
| M&S (Foodhall), Phoenix Lane | 1.6% | 0.0% | 1.4% | 4.1% | 2.4% | 0.5% | 0.1% | 1.5% |
| All Other Town Centre Floorspace | 0.0% | 0.0% | 1.2% | 0.0% | 3.5% | 0.0% | 1.3% | 1.2% |
| Sub-total | 1.6% | 0.0% | 2.6% | 4.1% | 6.0% | 0.5% | 1.5% | 2.6% |
| Cullompton Town Centre | | | | | | | | |
| Nisa, Fore Street | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.8% | 0.2% |
| Premier, Fore Street | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| All Other Town Centre Floorspace | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.6% | 0.5% | 0.2% |
| Sub-total | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.6% | 1.4% | 0.4% |
| Crediton Town Centre | | | | | | | | |
| Spar, High Street | 0.0% | 2.7% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.2% |
| Tesco Express, High Street | 1.1% | 5.0% | 1.2% | 0.0% | 0.0% | 0.4% | 0.0% | 0.8% |
| All Other Town Centre Floorspace | 1.6% | 12.6% | 2.2% | 0.0% | 0.0% | 0.1% | 0.0% | 1.6% |
| Sub-total | 2.8% | 20.2% | 3.4% | 0.0% | 0.0% | 0.5% | 0.0% | 2.6% |
| Bampton Town Centre | 0.0% | 0.0% | 0.0% | 5.0% | 0.1% | 0.0% | 0.0% | 0.7% |
| All Other Rural Locations | 10.9% | 0.2% | 7.3% | 3.5% | 5.9% | 7.9% | 7.9% | 6.5% |
| Sub-total: Town Centre Stores / Centres | 15.2% | 20.4% | 13.3% | 12.6% | 11.9% | 9.5% | 10.7% | 12.8% |
| OUT OF TOWN STORES / LOCATIONS | | | | | | | | |
| Tiverton | | | | | | | | |
| Lidl, Blundells Road | 1.7% | 0.9% | 3.9% | 7.9% | 11.9% | 0.3% | 2.1% | 4.8% |
| Morrisons, Kennedy Way | 1.5% | 0.3% | 8.1% | 19.4% | 21.6% | 3.1% | 2.2% | 9.0% |
| Tesco Superstore, Blundells Way | 0.0% | 0.4% | 8.0% | 20.6% | 36.2% | 4.6% | 2.8% | 12.3% |
| All Other Out-of-Centre Floorspace | 0.0% | 0.0% | 0.0% | 0.0% | 0.9% | 0.0% | 0.0% | 0.2% |
| Sub-total | 3.2% | 1.5% | 20.0% | 48.0% | 70.6% | 8.0% | 7.1% | 26.2% |
| Cullompton | | | | | | | | |
| Aldi, Brook Road | 0.0% | 0.0% | 0.4% | 1.8% | 1.3% | 11.0% | 23.6% | 7.2% |
| Home Bargains, Exeter Road | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.1% | 0.7% | 0.2% |
| Tesco Superstore, Station Road | 0.0% | 0.0% | 0.0% | 4.0% | 0.7% | 9.4% | 29.0% | 8.4% |
| All Other Out-of-Centre Floorspace | 0.0% | 0.0% | 0.0% | 3.0% | 0.0% | 0.3% | 3.9% | 1.3% |
| Sub-total | 0.0% | 0.0% | 0.4% | 8.9% | 2.1% | 20.8% | 57.2% | 17.1% |
| Crediton | | | | | | | | |
| Morrisons, Mill Street | 11.4% | 25.8% | 6.9% | 0.3% | 0.0% | 2.6% | 0.4% | 4.8% |
| Tesco Superstore, Joseph Locke Way | 27.5% | 37.4% | 14.7% | 0.0% | 0.0% | 10.8% | 0.0% | 9.4% |
| All Other Out-of-Centre Floorspace | 0.9% | 0.2% | 0.2% | 0.0% | 0.0% | 0.5% | 0.0% | 0.2% |
| Sub-total | 39.9% | 63.4% | 21.8% | 0.3% | 0.0% | 13.8% | 0.4% | 14.4% |
| Sub-total: All Out of Town Centre Stores / Centres | 43.1% | 64.9% | 42.3% | 57.1% | 72.7% | 42.7% | 64.7% | 57.8% |
| MID-DEVON DISTRICT COUNCIL AREA | 58.4% | 85.3% | 55.6% | 69.8% | 84.6% | 52.1% | 75.4% | 70.6% |

Source: **Appendix 3; Volume 2.** Note: % figures may not sum due to rounding.

4.16 The main headlines from the table are summarised below.

- All the convenience goods floorspace within Mid Devon attains a market share of 70.6% from across the Study Area (Zones 1-7) which is a good level of retention.
- Of the 70.6% market share retention, the out-of-centre category dominates with an overall retention of 57.8%. Of this total, out-of-centre locations in Tiverton attaining 26.2%; Cullompton attaining 17.1% and Crediton 14.4%.

- Within the out-of-centre location category the Tesco Superstore, Blundells Way attains the highest retention of 12.3% followed by Tesco Superstore, Crediton (9.4%); Morrisons, Kennedy Way, Tiverton (9%) and Tesco Superstore, Station Road Cullompton (8.4%).
- Comparatively, the town centres collectively attain a lower market share retention of 12.8%. Tiverton and Crediton attain a retention of 2.6% followed by Bampton (0.7%) and Cullompton (0.4%). All other rural locations attain a retention of 6.5% signifying the importance of the rural nature of the District.

4.17 The table below shows the market shares of centres and stores located outside the Mid Devon District area. This broadly represents a proxy for the 'leakage' of shoppers and spend. However, we advise that care should be applied in interpreting these market shares and 'leakage' in particular. This is because they are dependent on how widely drawn the catchment area is, and also reflect the fact that some of the stores located in neighbouring authorities will be more convenient and easily accessible to residents rather than necessarily reflecting any under-provision or latent need for new convenience floorspace.

Table 4.4: Convenience Goods: Market Share Leakage (%)

| OTHER CENTRES/STORES OUTSIDE MDC AREA | Zone 1 | Zone 2 | Zone 3 | Zone 4 | Zone 5 | Zone 6 | Zone 7 | STUDY AREA |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Barnstaple | 0.7% | 0.0% | 18.9% | 0.0% | 0.0% | 0.6% | 0.0% | 2.3% |
| Bideford | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Exeter | 18.6% | 10.2% | 3.4% | 0.0% | 1.1% | 32.9% | 3.0% | 8.0% |
| Exmouth | 0.0% | 0.3% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Great Torrington | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Honiton | 0.0% | 0.0% | 0.0% | 0.0% | 7.2% | 0.0% | 4.9% | 2.6% |
| Taunton | 0.0% | 0.3% | 0.0% | 1.5% | 0.6% | 0.0% | 3.6% | 1.2% |
| Wellington | 0.0% | 0.0% | 0.0% | 17.8% | 0.2% | 0.0% | 5.4% | 3.7% |
| ALL OTHER CENTRES / STORES: | 16.3% | 0.0% | 14.0% | 3.0% | 0.0% | 4.2% | 1.6% | 4.8% |
| Sub-Total All other Centres / stores | 35.6% | 10.8% | 36.3% | 22.3% | 9.1% | 37.8% | 18.6% | 22.6% |
| SPECIAL FORMS OF TRADING/ INTERNET SHOPPING: | 6.0% | 3.9% | 8.1% | 7.9% | 6.3% | 10.1% | 6.0% | 6.8% |
| TOTAL | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |

Source: **Appendix 3; Volume 2.** Note: % figures may not sum due to rounding.

4.18 The table shows:

- Collectively, 22.6% of spending from the Study Area is going to centres/stores outside the area, with the residual (6.8%) taken-up by online food shopping purchases.
- The "leakage" of 22.6% from the wider Study Area is reasonable in our view given the increased competition from other neighbouring centres and foodstores in the outer zones. Of these other food shopping locations, Exeter (8%) dominates achieving the highest market share (especially from the closest Zone 6 of some 32.9%); followed by Wellington, Somerset of some 3.7%.

- **Special Forms of Trading (SFT)** is achieving a low market share of 6.8% in the widely defined Study Area (Zones 1-7). These shares are below the Experian national average forecast of 18.6% in 2023.

Comparison Goods – Market Share Analysis

4.19 Comparison goods³⁶ are generally classified as items purchased less frequently and include clothing, footwear, household and recreational goods. For the following main categories of non-food expenditure, each respondent was asked where they did most of their household’s shopping, and “where else” they shopped.

Table 4.5: Main Categories of Comparison Goods Expenditure

| Household Survey Question: | Where do households normally shop for: | See Appendix 7 |
|----------------------------|---|-----------------|
| Q11 | Clothing and footwear (fashion) items | Table 2 |
| Q12 | Recording media (e.g., records, CDs, DVDs, etc.) | Table 3 |
| Q13 | Domestic Electrical | Table 4 |
| Q14 | Audio-visual, photographic and computer items | Table 5 |
| Q15 | Books, Stationery and Drawing Materials | Table 6 |
| Q16 | Pet-related products, hobby items, sportswear, camping, cycling and musical instruments | Table 7 |
| Q17 | Furniture, carpets, other floor coverings and household textiles | Table 8 |
| Q18 | DIY goods, decorating supplies & garden products | Table 9 |
| Q19 | Personal care products & goods | Table 10 |
| Q20 | Medical goods | Table 11 |
| Q21 | All other goods – including jewellery, watches, glassware, tableware etc. | Table 12 |

4.20 Table 1 (**Appendix 7**) sets out the total combined market shares for all comparison goods expenditure allocated to the main centres and stores. The market share analysis (%) takes account of the distribution and weight of spend (£) by households on the different comparison goods categories. This ensures that that the resultant shares are not ‘skewed’ by any particular comparison goods expenditure category. This is a standard approach for retail assessments. As for the analysis of convenience goods, the market shares at this stage of the analysis include expenditure on SFT.

4.21 The summary of market shares for town and out-of-centre locations for comparison goods locations in the Mid Devon District area is shown below:

³⁶ Please note that comparison goods and non-food shopping have the same meanings.

Table 4.6: Comparison Goods: Town and Out-of-Centre Market Shares

| MID-DEVON DISTRICT COUNCIL AREA | Zone 1 | Zone 2 | Zone 3 | Zone 4 | Zone 5 | Zone 6 | Zone 7 | STUDY AREA |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-------------------|
| TOWN CENTRE STORES / LOCATIONS | | | | | | | | |
| Tiverton Town Centre | 1.5% | 0.2% | 9.5% | 15.8% | 20.4% | 4.6% | 4.5% | 9.0% |
| Cullompton Town Centre | 0.0% | 0.0% | 0.0% | 0.2% | 0.0% | 2.4% | 4.1% | 1.3% |
| Crediton Town Centre | 10.4% | 21.6% | 8.6% | 0.8% | 0.0% | 1.7% | 0.0% | 4.4% |
| Bampton Town Centre | 0.0% | 0.0% | 0.0% | 2.0% | 0.0% | 0.0% | 0.0% | 0.3% |
| All Other Rural Locations | 1.4% | 0.4% | 1.7% | 2.1% | 0.1% | 1.9% | 3.9% | 1.8% |
| Sub-total: Town Centre Stores / Centres | 13.3% | 22.3% | 19.8% | 20.9% | 20.5% | 10.6% | 12.6% | 16.8% |
| OUT OF TOWN STORES / LOCATIONS | | | | | | | | |
| Tiverton | 1.6% | 0.2% | 4.5% | 13.3% | 16.7% | 4.3% | 2.7% | 6.9% |
| Cullompton | 0.1% | 0.0% | 0.0% | 1.3% | 0.3% | 3.1% | 7.3% | 2.3% |
| Crediton | 13.0% | 15.2% | 5.6% | 1.2% | 0.1% | 3.1% | 0.5% | 4.2% |
| Sub-total: All Out of Town Centre Stores / Centres | 14.6% | 15.4% | 10.1% | 15.9% | 17.1% | 10.5% | 10.5% | 13.4% |
| MID-DEVON DISTRICT COUNCIL AREA | 27.9% | 37.7% | 30.0% | 36.7% | 37.6% | 21.1% | 23.1% | 30.2% |

Source: **Appendix 7; Volume 2.** Note: % figures may not sum due to rounding.

4.22 The market shares are set out in the table and the main headlines are described below:

- Comparison goods floorspace within Mid Devon District attains a market share of 30.2% from across the Study Area (Zones 1-7) which is a low level of retention.
- Of the overall 30.2% market share retention, the town centres have a 16.8% level of retention. The highest being Tiverton at 9%; followed by Crediton at 4.4%.
- In comparison to the town centre category, the out-of-centre category has a lower level of retention of 13.4%. Principally this is led by the provision in Tiverton (6.9%), followed by Crediton (4.2%).

4.23 The table below shows 'leakage' of comparison goods expenditure to other competing centres and stores located outside of the Mid Devon District area. The main headlines are:

- There is 32.9% 'leakage' of comparison goods expenditure to other competing centres; as with convenience goods this is principally to Exeter 22.8%; followed to a lesser extent by Taunton (3.9%) and Barnstaple (1.9%).
- **Special Forms of Trading (SFT)** is achieving a market share of 37% from across the Study Area (Zones 1-7). These market shares are marginally higher than the 2023 forecast national average figure for SFT of 35.4%³⁷.

³⁷ Experian Retail Planner Briefing Note 20 (February 2023). See Section 3 for a more detailed commentary

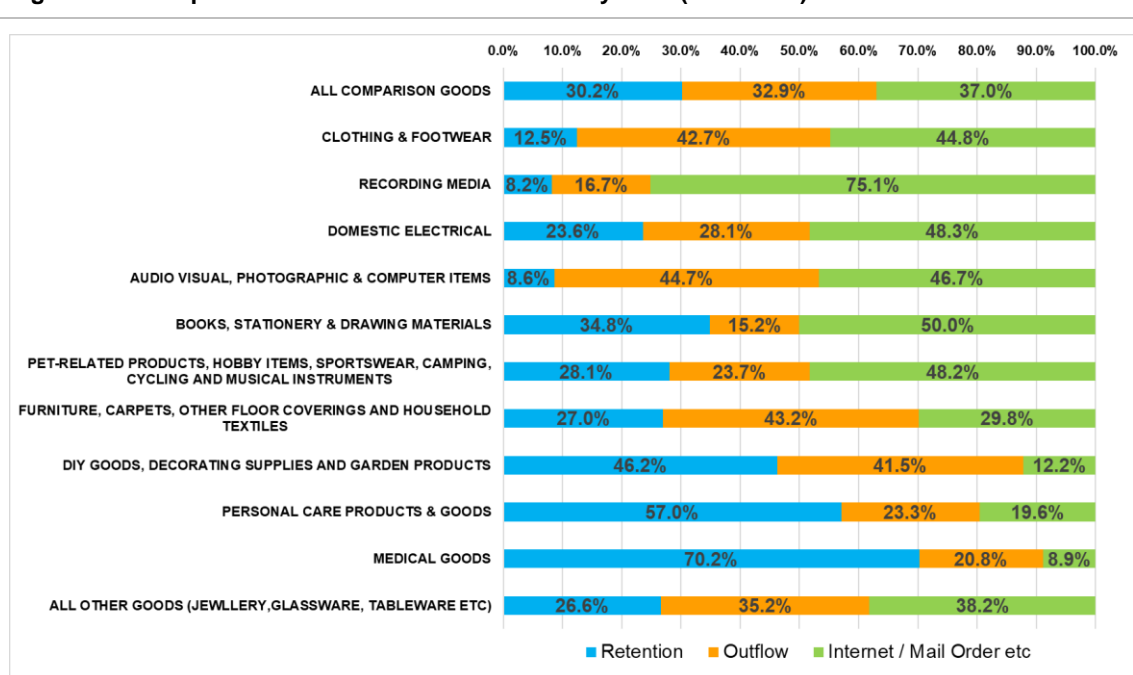
Table 4.7: Comparison Goods: Market Share Leakage (%)

| OTHER CENTRES/STORES OUTSIDE MDC AREA | Zone 1 | Zone 2 | Zone 3 | Zone 4 | Zone 5 | Zone 6 | Zone 7 | STUDY AREA |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Barnstaple | 0.9% | 0.4% | 10.7% | 1.9% | 0.3% | 0.1% | 0.7% | 1.9% |
| Bideford | 0.0% | 0.1% | 0.1% | 0.1% | 0.3% | 0.0% | 0.0% | 0.1% |
| Exeter | 34.6% | 31.8% | 15.8% | 9.7% | 14.7% | 39.3% | 23.2% | 22.8% |
| Exmouth | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Great Torrington | 0.1% | 0.0% | 0.2% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Honiton | 0.1% | 0.0% | 0.3% | 0.0% | 1.1% | 0.0% | 1.4% | 0.6% |
| Taunton | 1.0% | 0.2% | 0.0% | 8.2% | 4.6% | 1.0% | 7.2% | 3.9% |
| Wellington | 0.0% | 0.0% | 0.3% | 8.3% | 0.4% | 0.0% | 1.8% | 1.7% |
| ALL OTHER CENTRES / STORES: | 5.7% | 1.9% | 0.7% | 1.1% | 0.3% | 2.2% | 2.2% | 1.9% |
| Sub-Total All other Centres / stores | 42.5% | 34.3% | 28.0% | 29.3% | 21.7% | 42.7% | 36.4% | 32.9% |
| SPECIAL FORMS OF TRADING/ INTERNET SHOPPING: | 29.6% | 28.0% | 42.0% | 34.0% | 40.7% | 36.2% | 40.5% | 37.0% |
| TOTAL | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |

Source: Appendix 7; Volume 2. Note: % figures may not sum due to rounding.

4.24 The figure below shows the market share ('retention') of different categories of comparison goods achieved by centres/stores in Mid Devon District from within the Study Area (Zones 1-7).

Figure 4.2: Comparison Goods Market Shares: Study Area (Zones 1-7)



Source: Appendix 7; Volume 2. Note: % figures may not sum due to rounding.

4.25 The above figure shows that across the Study area (Zones 1-7), online shopping accounts for 37% of market share and that this category is highest amongst the following expenditure categories:

- Recording Media – 75.1%
- Books & Stationery – 50%

-
- Domestic Electrical – 48.3%
 - Pet related products et al – 48.2%
 - Audio Visual – 46.7%
 - Clothing & Footwear 44.8%
- 4.26 In terms of the overall level of retention of 30.2%, the highest is amongst the categories of:
- Medical Goods – 70.2%
 - Personal Care Products & Goods – 57%
 - DIY Goods – 46.2%.
- 4.27 Outflow accounts for 32.9% of market share for all comparison goods. The highest is in the categories of:
- Audio Visual – 44.7%
 - Furniture, Carpets et al – 43.2%
 - Clothing & Footwear – 42.7%
 - DIY Goods – 41.5%
- 4.28 The above shows that for personal goods there is a tendency to shop more locally but for other comparison goods types the consumer is more fluid in terms of where the product is sourced online or elsewhere beyond the District as it may be more convenient and easily accessible.

SUMMARY

- 4.29 In summary the market share headlines for **convenience goods** retailing are:
- SFT has a 6.8% market share in the Study Area (Zones 1-7), which is below the national average forecast by Experian Business Strategies of 18.6% in 2023.
 - The 'retention level' of 70.6% by floorspace in the Mid Devon District area represents a good level of retention.
 - The town centres collectively attain a low market share retention of 12.8%. Tiverton and Crediton attain a retention of 2.6%.
 - The out-of-centre category dominates the retention level with an overall retention of 57.8.
 - There is leakage of some 22.6% primarily to Exeter (8%) as the main competing location outside of the District.
- 4.30 For **comparison goods** the key headlines are:
- SFT's market share in the Study Area of 37% is higher than Experian national average of 35.4% for 2023.
 - Centres and stores in Mid Devon District are achieving an overall retention level of 30.2%. Of this total, a higher level of retention is seen for the town centres of 16.8% followed by the out-of-centre category at 13.4%.

-
- The centre with the highest level of highest of retention is Tiverton with market share of 9%. Furthermore, out-of-centre floorspace in Tiverton achieves the next highest retention level of 6.9%.

5. CENTRE HEALTH CHECKS: APPROACH & KPIS

5.1 **Section 6** sets out the key findings of the health checks for Tiverton, Cullompton, Crediton and the District's Rural Centres. These health check assessments have been informed, where possible, by the following Key Performance Indicators (KPIs) outlined in the Planning Practice Guidance (PPG)³⁸:

- | | |
|--|---|
| • the diversity of uses; | • accessibility; |
| • proportion of vacant street level property; | • perception of safety and occurrence of crime; |
| • commercial yields on non-domestic property; | • state of town centre environmental quality; |
| • customers' experience and behaviour; | • balance between independents and multiples; |
| • retailer representation and intentions to change representation; | • any evidence of barriers to new businesses opening and existing business expanding; |
| • commercial rents; | • opening hours/availability/extent to which there is an evening and night time economy offer ³⁹ . |
| • pedestrian flows; | |

5.2 These KPIs help to identify the critical **S**trengths and **W**eaknesses of each centre from a retail and leisure perspective; the **O**pportunities for new sustainable development and growth; and any current and potential future **T**hreats to their overall vitality and viability ('SWOT' assessment).

5.3 The health check and SWOT assessments draw on a number of industry standard published datasets (e.g. Experian Goad, PROMIS, etc.), primary market research (including the findings of the household telephone interview survey), and LSH's own market intelligence. This will help understand the current vitality and viability of the Council's main town centres, how their health has changed over time, and their prospects over the short, medium and longer term. Our approach and some of the key performance indicators assessed are briefly described below.

DIVERSITY OF USES

5.4 The health check assessments have been principally informed by the Council's town centre occupier data, the latest available Experian Goad Category reports and site visits for Tiverton, Cullompton and Crediton. These assessments set out the number and proportion

³⁸ Paragraph 006. Reference ID: 2b-006-20190722

³⁹ The "evening" economy generally relates to all leisure activities that are open until around 11pm. The "night-time" economy is generally defined as businesses and activities with late night licences that are open beyond 11pm, particularly at the weekend.

of units and floorspace⁴⁰ by different uses (i.e. convenience, comparison, leisure and service uses). Experian Goad define 'services' into three sub-categories:

- **retail services**⁴¹ - including hairdressers, beauty salons, travel agents, launderettes, opticians, etc.;
- **leisure services**⁴² - including cafés and restaurants, betting shops and fast food/ takeaway outlets; and
- **financial and professional services**⁴³ - including banks, estate agents, etc..

5.5 Each centre is audited by Experian on an annual or two year cycle depending on the size of the centre. The outlet and floorspace data in each report is drawn from the town centre boundaries as defined by Experian based on the Goad Plans for each centre. The Goad Plan boundaries are not necessarily the same as the town centre boundaries defined by the Council on its Policies Maps. As a result, the number of units and floorspace set out in our analysis may not relate directly to the Council's own boundaries and centre audits.

5.6 The Experian Goad reports also provide a useful 'gap' analysis tool to help identify retail types and categories that are under or over represented in centres, benchmarked against the UK averages for all circa 2,500+ centres and shopping locations covered by Experian Goad.

VACANCY LEVELS

5.7 The number and scale of vacancies in a centre, and the length of time properties have been vacant, represents one of the critical KPIs used to assess a centre's overall vitality and viability. For example, high vacancy levels, or a concentration of vacancies in certain areas/streets, could indicate underlying weaknesses in terms of occupier demand, and/or the fact that vacant units are not 'fit-for-purpose' to meet the needs of modern businesses (for example, there may be too small and/or have a poor layout/configuration). Notwithstanding this, vacancies can arise in even the strongest centres due to the natural 'churn' in businesses opening and closing at any point in time. This KPI must therefore be used and interpreted with caution. Where possible we have assessed the changes in vacancy levels (outlets and floorspace) over time for the four main centres based on the findings of previous evidence-based studies.

⁴⁰ The floorspace figures set out in the Experian Goad Reports are derived from Goad Plans that show the 'footprint' floorspace and the site area without the building lines. Although they do not provide a definitive report of gross or net floorspace in centres, they do provide a useful means of comparison between centres, as all outlets are measured in a consistent manner.

⁴¹ Since the reform of the Use Classes Order (1 September 2020) all retail services are defined as Class E (previously Class A1). This is apart from shops not more than 280sqm "*most selling essential goods ... and at least 1km from another similar shop*", which are now covered by the new Class F2 (local community uses).

⁴² Cafés and restaurants are now classified as Class E (previously Class A3); betting shops are 'sui generis'; and fast food/ takeaway outlets are 'sui generis' (previously Class A5).

⁴³ Financial and professional services are now classified as Class E (previously Class A2).

MULTIPLE AND INDEPENDENT OUTLETS

- 5.8 The Experian Goad reports also provide analysis of the representation of multiples and independents in centres. A multiple is defined by Experian as being part of a network of nine or more outlets. It is widely accepted that a good presence and mix of multiples in a centre, alongside a strong and diverse independent offer, helps to increase the overall attraction, diversity and performance of centres. For many centres multiples are the key anchors to their shopping and leisure offer, helping to draw visitors from wider catchments and generate more frequent shopping trips and footfall, to the benefit of other shops, businesses and facilities in terms of linked trips and expenditure, and longer dwell times.

STREET & COVERED MARKETS

- 5.9 The presence of high quality, well managed and diverse street/indoor markets and foodhalls in centres can have a significant positive impact on their overall vitality and viability. This is recognised by the NPPF (paragraph 90c), which states that existing markets should be retained and enhanced and, where appropriate, new ones should be created, ensuring that markets remain attractive and competitive. It is widely accepted that successful markets in the right locations can help increase trips to centres from a wider catchment, attract a more diverse customer profile, generate benefits for the wider daytime and evening economy, and act as "seedbeds" and "incubator space" for the growth of new businesses.

MARKET DEMAND & REQUIREMENTS

- 5.10 Evidence of market demand from retail and leisure operators for representation in a town centre can provide a further indication of the overall health and attraction of centre, and investor confidence. In this case evidence was drawn from standard published sources (including the Requirements List) and, where possible, supplemented by LSH's own market intelligence. However, it should be noted that the published information is not definitive, as many retailers and leisure operators prefer not to make their requirements public, as it can potentially undermine their current and future negotiating position with potential landlords. Furthermore, market demand is often opportunity-driven, and often responds to the availability and marketing of new development sites and regeneration opportunities.

PRIME ZONE A RENTS & COMMERCIAL YIELDS

- 5.11 The level of rent, that businesses are prepared to pay for retail space, and the commercial yields achieved, provide a further indication of the relative strength of the centre and its prime retail pitch. However, it should be noted that Prime Zone A rents and yields are not available for all centres, particularly smaller centres where there is more limited evidence on transactions. Therefore, an assessment of Prime Zone A rents and yields is only provided where there has been significant market activity. Evidence of average commercial yield levels for centres is inherently more difficult to source, as it depends on the level and volume of transactions in any one year. In general terms though, where reported yields are low, this

usually represents a particularly strong performing investment. Conversely, where the yield value is high, this generally reflects poorer performing investments.

CUSTOMER VIEWS AND BEHAVIOUR

- 5.12 Our assessment of customers' views and behaviours draws on the Telephone Interview Survey of 706 households conducted by NEMS Market Research (NEMS) across the 7 study zones in March 2023. The detailed tabulations are set out in **Volume 4** to this study and the survey-derived market shares are summarised in **Section 4** of this report.
- 5.13 Apart from helping to identifying shopping and leisure patterns across the defined catchment area and zones, the household survey also asked specific questions on what respondents 'liked' about the District's main centres, and what improvements (if any) could persuade them to visit the centres more often than at present.
- 5.14 The findings of the market research surveys provide further critical evidence to help inform the town centre healthchecks.

TOWN CENTRE ENVIRONMENTAL QUALITY

- 5.15 Assessment of a town's overall environmental quality represents a further KPI to help assess its overall attraction, vitality and viability. An assessment of environmental quality (including, for example, cleanliness and attractiveness, security, treatment of buildings and open/green spaces) was carried out as part of our site visits and further informed by the findings of the household survey and stakeholder engagement, along with other available reports and evidence.

ACCESSIBILITY

- 5.16 The accessibility of a centre is measured by the ease and convenience of access by different modes of travel to and across the centre; including dedicated access for pedestrians, cyclists and disabled people. This assessment was informed by the survey evidence, along with information provided by the local planning authority, and observations undertaken as part of the centre audits and site visits.

PERCEPTION OF SAFETY AND OCCURRENCE OF CRIME

- 5.17 The statistics detailing crime rates for specific regions, urban areas and postcodes is based on data sourced from UKcrimestats.com. This source aggregates open police force data on crime trends for England, Wales, and Northern Ireland. It provides, in our view, the most complete catalogue of crime and safety information available. This is supplemented by the feedback from the household survey, stakeholder engagement and other research to help inform current perceptions of safety and crime for the main town centres.

OUT OF CENTRE PROVISION

- 5.18 The existing and planned out of centre retail and leisure floorspace in the Council area and neighbouring local authority areas was determined using a number of published sources , evidence provided by the local authority (where available), and the findings of the market research surveys and town centre audits.

NEW INVESTMENT & POTENTIAL DEVELOPMENT

- 5.19 The Council provided evidence of all existing, committed and planned retail/leisure investment and development in the main centres. All new retail and leisure floorspace identified by this study covers commitments and permissions (normally over 500 sqm gross).
- 5.20 In summary, health checks are important planning 'tools' for appraising and monitoring changes in the overall attraction and performance of town centres and informing the preparation of robust strategies and plans. The assessments of Key Performance Indicators (KPIs) carried out for this study are informed by the PPG and are based on different data sources and market intelligence, including published research, site visits and the household telephone interview surveys. Taken together these KPIs enable a robust assessment of each centre's SWOTs (Strengths, Weaknesses, Opportunities and Threats), and will help to identify any significant "gaps" in provision.

6. HEALTHCHECK SUMMARIES

- 6.1 This section sets out the summary findings of the town centre audits for Tiverton; Cullompton and Crediton. The detailed health checks and audits are set out in **Volume 3**.

TOWN CENTRE HEALTH CHECKS - SUMMARY

- 6.2 As described in the previous section and in **Volume 3**, the health checks are based on the Key Performance Indicators (KPIs) set out in the PPG. The assessments are informed by different data sources and market intelligence, including published research, site visits, the Council's monitoring data, and market research surveys. Taken together these KPIs enable a robust assessment of each centre's SWOTs (Strengths, Weaknesses, Opportunities and Threats), and help to identify any significant "gaps" in provision.
- 6.3 By way of overview the table below shows the scale of the retail, leisure and service provision in the main town centres based on surveys of commercial outlets and our own site visits. The number of outlets in Tiverton overshadows is more than double that of the other centres with a prominence in the comparison goods retail outlets.

Table 6.1: Main Centres: Number of Outlets

| No. of Outlets | Tiverton | Cullompton | Crediton |
|------------------------------|------------|------------|------------|
| Comparison Retail | 77 | 22 | 35 |
| Convenience Retail | 26 | 7 | 11 |
| Retail Services | 44 | 23 | 18 |
| Leisure Services | 52 | 20 | 21 |
| Financial & Business Service | 29 | 10 | 13 |
| Vacant | 21 | 11 | 7 |
| Total | 249 | 93 | 105 |

Source: Experian Goad / LSH Research / MDDC

- 6.4 In terms of floorspace, the data for Tiverton reinforces the fact that it is the largest centre more than double the size of Cullompton and Crediton.

Table 6.2: Main Centres: Floorspace (sqm)

| Floorspace (sqm gross) | Tiverton | Cullompton | Crediton |
|------------------------------|---------------|---------------|---------------|
| Comparison Retail | 12,133 | 3,261 | 4,115 |
| Convenience Retail | 4,339 | 5,676 | 1,801 |
| Retail Services | 3,865 | 2,016 | 1,502 |
| Leisure Services | 7,572 | 2,648 | 3,133 |
| Financial & Business Service | 3,865 | 1,245 | 1,648 |
| Vacant | 2,926 | 1,356 | 954 |
| Total | 34,699 | 16,202 | 13,153 |

Source: Experian Goad / LSH Research/ MDDC

- 6.5 The District's main centres are distinct from each other in terms of their physical characteristics, catchments, and market position, which is described in detail in the health check assessments in **Volume 3**. The following tables and commentary summarise the main SWOTs (Strengths, Weaknesses, Opportunities and Threats) for each centre. The findings help to identify their relative performance in the District's network and hierarchy of centres, and any significant "gaps" in provision.

TIVERTON: SWOT SUMMARY

- 6.6 Tiverton is the largest town centre in Mid Devon District with the highest number of commercial outlets. Whilst the centre is holding its own within the hierarchy of centres in the District with a lower vacancy rate than the national average and larger provision of outlets and floorspace, there is a need to capitalise on the centre's historic character and location, especially its linkages with the River Exe. There is therefore the opportunity to promote the centre's positive attributes including its green / blue heritage and through events and festivals. This will enable the town to its profile further. This will ultimately benefit the town centre economy.
- 6.7 The town is also experiencing the long term impacts of wider market trends, including the growth in online shopping, which have been further accelerated by the pandemic. Many of the challenges and opportunities are focused on the negative impacts of vehicle access on Gold Street, Bampton Street and the inner middle section of the town centre which are seen as a negative contributor to the environmental quality of the centre.
- 6.8 Overall, it is considered that Tiverton is a vital and viable town centre, but continuous investment and reimagining is critical in order for the town to maintain and strengthen its profile within the District and limit the impact of competition from competing centres and online shopping.

Table 6.3: Summary SWOT: Tiverton

| Strengths |
|--|
| <ul style="list-style-type: none">• The town centre is one of the largest in the district.• Strategic location - highly accessible by road located just south of the A361 which is connected to the M5 which eventually connects to the M4 at Bristol. The train station is nearby and a national cycling route passes through the town centre.• The town centre has a relatively strong comparison retail offer which is slightly above the UK average.• Both the number of commercial outlets and overall quantum of floorspace is representative of the UK average.• The town centre has a strong independent retailer representation which benefits the local economy.• Footfall has recovered well since the national lockdowns and appears to be above pre-pandemic levels in parts. The weekdays have a strong footfall presence.• Good car parking provision.• The town benefits from being closely related to the River Exe, with blue and green infrastructure associated attracting visitors.• The town centre is located within a Conservation Area and benefits from having the historic value associated with this, such as the numerous listed buildings which contributes to the built environment and character.• Core of the town centre is within 10-15 mins walking radius.• Historic Pannier Market is a unique selling point that attracts visitors. |
| Weaknesses |
| <ul style="list-style-type: none">• The town centre's environmental quality is hard and stark in parts and missing landscaping or other forms of softening.• Tiverton Parkway Station is not in the town and transport is required to access. There is need for clear and improved linkages from the station to the town centre.• The pedestrian environment along the River Exe is not inviting and the river can only be accessed along one side.• Vehicle access on Gold Street, Bampton Street and the inner middle section of the town centre is seen as a negative contributor to the environmental quality of the centre.• Parked cars on the already narrow roads pose safety issues to both drivers and pedestrians and reduce the quality of the environment.• Limited EV charging points.• Weekends have a lower level of footfall and there are numerous stores which close on a Sunday, limiting the weekend retail offer.• Rising crime rate that needs to be monitored. |

| Opportunities |
|---|
| <ul style="list-style-type: none"> • To make better use of the River Exe and to revitalise the town centre which could encourage more visitors. • Allocations in the town centre which includes residential and as such housing growth could result in an increase in footfall and expenditure into the local economy. • More promotion as the town is well placed to benefit from tourism, with good transport links, historic built environment and access to the natural environment. • Implementing outputs from the ongoing Masterplan and investment strategy. • Implementing a greening strategy for the town centre. • Improvements needed to public realm (especially greening). |
| Threats |
| <ul style="list-style-type: none"> • Further closure of outlets. • Rising vacancy levels due to national closures and clustering (e.g. Fore Street) creating a divide between the two parts of town. • Limited market demand from retailers for vacant and/or new space. • Growth of online shopping impacts on brick-and-mortar shopping. • Longer term impacts from the pandemic are still to be determined. • High / increasing business operating costs. |

CULLOMPTON: SWOT SUMMARY

6.9 Cullompton is a relatively small, compact and attractive historic market town. It benefits from its strategic location and is well connected to national road network. The centre also benefits from a good mix of independent businesses, and its market also makes an important contribution to the town's offer. The centre has comparatively lower level of vacancies. It has a limited comparison goods offer, although this is typical for a centre of its size and role in the hierarchy. Like many centres in the UK of a comparable size, there is limited published market demand for representation in the centre. The town is benefitting from new investment and development in the form of a new railway station and HAZ funding. This will aid in raising the profile and vitality of the centre to both to locals and tourists. The town is considered to be a vital and viable centre that is performing well as a day to day retail and service centre for surrounding catchment residents.

Table 6.4: Summary SWOT: Cullompton

| Strengths |
|--|
| <ul style="list-style-type: none"> • The centre is highly accessible via the M5. • Compact and attractive historic town. • The town centre has a strong retail service sector. • The provision of comparison and convenience retail meets day to day needs of the local catchment. |

- There is a strong convenience retail offer, particularly in relation to floorspace - Cullompton has 20%+ floorspace than the UK average.
- There is a regular street market (Wednesday) and a regular weekend farmers' market.
- The centre's retail provision is primarily independent led in terms of outlets.
- The town centre also benefits from a strong footfall presence, especially during the weekdays and in the afternoon. Footfall has bounced back well post-pandemic.
- The northern part of the town centre is leafy with a tree-lined road which resembles a boulevard and is an attractive environment.
- The town centre is within a Conservation Area and boasts a number of listed buildings which contribute to the town centre character.

Weaknesses

- Heavy traffic has a negative impact on shopping environment – including poor air quality, and dirty facades and shopfronts.
- Low provision of EV charging points.
- Historic buildings degrading and requiring restoration.
- No cycle paths.
- Compared to the weekdays, the level of footfall on weekends appears to be much lower.
- The town at present does not have a train station which weakens its connection and accessibility to other places.
- Leisure Service also has substantially less floorspace than average and over half of the F&B floorspace comprises pubs and fast-food takeaways.

Opportunities

- Recipient of High Streets Heritage Action Zone monies to regenerate town centre.
- The proposed relief road has the potential to improve general accessibility as well as environmental quality within the town centre.
- Reintroduction of the train station for Cullompton which will make the centre more accessible.
- Provision of bike racks / cycle ways.
- Like Tiverton, there is an opportunity to improve the street scene, perhaps making it safer and more attractive for pedestrians, particularly towards the south end.
- Opportunity to restore degrading historic buildings.
- Urban greening should be encouraged.
- Improvements / upgrades to the public realm.

Threats

- The traffic and congestion appear to be a growing issue and could impact people wanting to visit the town centre.
- Growth of online shopping impacts on brick-and-mortar shopping.

- Longer term impacts from the pandemic are still to be determined.
- The edge-of-centre convenience offer (Tesco) potentially draws people out of the centre.
- High/ increasing business operating costs.
- Limited market demand from retailers for new space.

CREDITON: SWOT SUMMARY

6.10 Crediton, like the other centres in Mid Devon District, is a market town. Whilst compact it is a healthy, vital and viable centre. The retail and town centre offer is relatively good for a town of its size and is mainly supported by independent businesses. It provides a good range of retail and service uses for a centre of its size and meets the needs to meet day-to-day requirements of the local catchment people. The environmental quality is very good and streets and shop fronts are well maintained. The night and evening economy is limited but is good for a centre of its size and catchment. Overall, Crediton appears to meet the needs of the local people and visitors and is considered to be a vital and viable town centre.

Table 6.5: Summary SWOT: Crediton

| Strengths |
|---|
| <ul style="list-style-type: none"> • The town centre has a strong comparison offer along with a strong independent economy. • The town centre has a nearby train station which contributes to the accessibility of the town. • The town centre is within a Conservation Area and boasts a number of listed buildings which contribute to the town centre's character. • The vacancy rate in the centre is low (6.7%) when benchmarked against comparable town centres and the UK average. |
| Weaknesses |
| <ul style="list-style-type: none"> • The town centre is more disconnected in terms of accessibility by car. • Limited weekend options as there appear to be many stores which close on Sundays. |
| Opportunities |
| <ul style="list-style-type: none"> • To improve the street scene which could help showcase the historic urban fabric. • To build upon the tourism that comes from the town's connections to St Boniface. Pilgrimage visitors are beginning to return post-pandemic. |
| Threats |
| <ul style="list-style-type: none"> • Growth of online shopping. • Longer term impacts from the pandemic are still to be determined. • The out-of-centre convenience offer (Tesco Superstore) likely draws people out of the centre. • High / increasing business operating costs. |

RURAL CENTRES: SUMMARY

6.11 The District's numerable Rural Centres serve the needs of their immediate local catchments, and their primary function in most cases is for convenience retailing. These centres are not reliant on national multiples and overall support a mix of independent retailers, leisure businesses and a range of community provision (schools, community centres, library etc). The table below details the availability of provision and thereby reinforces the localised nature of the catchment.

Table 6.6: Rural Centres: Summary of Provision

| | Rural Centre | Convenience Provision | Comparison Provision | Commercial Leisure Provision | Community Provision |
|----|--------------------|-----------------------|----------------------|------------------------------|---------------------|
| 1 | Bampton | ✓ | ✓ | ✓ | ✓ |
| 2 | Bow | ✓ | ✓ | ✓ | ✓ |
| 3 | Bradninch | ✓ | | | ✓ |
| 4 | Burlescombe | | | ✓ | ✓ |
| 5 | Chawleigh | ✓ | ✓ | ✓ | ✓ |
| 6 | Cheriton Bishop | | | ✓ | ✓ |
| 7 | Cheriton Fitzpaine | ✓ | | ✓ | ✓ |
| 8 | Copplestone | | ✓ | | ✓ |
| 9 | Culmstock | ✓ | | ✓ | ✓ |
| 10 | Halberton | ✓ | | ✓ | ✓ |
| 11 | Hemyock | ✓ | | ✓ | ✓ |
| 12 | Kentisbeare | ✓ | | ✓ | ✓ |
| 13 | Lapford | ✓ | | ✓ | ✓ |
| 14 | Morchard Bishop | ✓ | | ✓ | ✓ |
| 15 | Newton St Cyres | ✓ | | ✓ | ✓ |
| 16 | Sampford Peverell | ✓ | | ✓ | ✓ |
| 17 | Sandford | ✓ | | ✓ | ✓ |
| 18 | Silverton | ✓ | | ✓ | ✓ |
| 19 | Thorverton | ✓ | | ✓ | ✓ |
| 20 | Uffculme | ✓ | | ✓ | ✓ |
| 21 | Willand | ✓ | | ✓ | ✓ |
| 22 | Yeoford | | | ✓ | ✓ |

6.12 In terms of the future place making strategy for the Rural Centres it will be important to look at wider factors such as the physical (including public realm and parking), cultural, social identities to make each centre function better and enhance its vitality and viability. A place based strategy for each Rural Centre drawing on inherent strengths e.g. historic character or heritage supplemented by more place activity such as through curated events will aid their vitality and viability.

-
- 6.13 As part of this study the Council has requested advice on the need for retail provision to meet local needs in rural locations with regard to the concept of a 20 minute neighbourhood, and how this can be supported through plan making in Mid Devon.
- 6.14 In the context of the centres the concept of living locally and the 15/20-minute neighbourhood has become increasingly noteworthy. The general ethos is to reduce car dependency, boost community interaction, improve local economies, liveability and quality of life. It is widely acknowledged that 20 minutes is the maximum time people are usually willing to walk to meet their daily needs locally, may that be for shopping, to schools, health services, or meeting socially. This concept has developed with the aim of de-centralising amenities and creating more liveable places.
- 6.15 In a broad urban setting, the critical density of population and associated travel infrastructure provision is perhaps easier to define a neighbourhood concept. However, in terms of rural centres the critical mass of provision is unlikely to exist. Rural centres like the ones in the District have evolved with their own ecosystems that support their unique cultural, social identities underpinned by their mix of independent retailers, leisure businesses and a range of community provision (schools, community centres, library etc). Hence categorising the urban based approach to the 20-minute neighbourhood concept may not necessarily be replicable for rural centres.
- 6.16 In our opinion, and in terms of future planning, the concept has to be adapted to support sustainable development across the rural centres. For example, rather than be prescriptive about time or distance perhaps to focus on defined priorities such as climate action, liveability, better health, stronger communities and local economies. Alternatively, this could be linked to the Council's broader Corporate Plan objectives (sustainable and prosperous communities; a sustainable planet; sustainable participation) and priorities (homes, environment; economy; community)⁴⁴. This in turn will help to define and strengthen sustainable local services and infrastructure within the rural centres. The principles embodied by the 20-minute neighbourhood concept can be adapted and for the Council to define policies that support the development of rural centres economically to cater for the sustainable day-to-day needs of their inherent local communities.

⁴⁴ Mid-Devon District Council: Corporate Plan 2020-2024

7. RETAIL CAPACITY ASSESSMENT

7.1 This section sets out the results of the economic retail capacity ('need') assessment for new retail (comparison and convenience goods) floorspace in the MDDC area and its main centres. The capacity forecasts cover a period, from 2023 (the "base year") and aligned with the NPPF and PPG the forecasts also take account of the lifetime of the plan (i.e. to 2043). The detailed economic capacity tabulations are set out in **Volume 2**. These forecasts update and supersede the findings of each of the Council's previous evidence-based studies.

THE CREAT^e MODEL

7.2 The CREAT^e economic model has been specifically designed, developed and tested by the LSH team over more than 25 years to assess the capacity for and impact of new retail (convenience and comparison goods) floorspace development. The evidence-based model has helped to inform and guide plan-making and decision-taking at the local, sub-regional and regional level. In brief, the CREATe (Excel-based) model adopts a transparent 'step-by-step' approach in which all the key assumptions and forecasts can be easily tested. The model is underpinned by the findings of the household survey, which provides a robust understanding of shopping patterns, market shares and the trading/turnover performance of existing centres, shops and stores.

7.3 At the outset it has necessarily been assumed for the purpose of the capacity assessment that the local retail market is in 'equilibrium' at the base year. In other words, all existing centres/stores are broadly assumed to be trading in line with expected average ('benchmark') turnover levels. This is a reasonable approach in this case as it reflects the impact of the economic downturn and the significant growth in online sales on the trading levels and performance of retailers and stores across the UK. It also reflects the outputs of the health checks covering the main centres and shopping locations. The main challenge and focus over the short/medium term in response to market trends and the impact of rising cost inflation as well as of the COVID-19 pandemic will be to retain existing occupiers and to redevelop/repurpose vacant retail floorspace to attract new businesses and uses.

7.4 In simple terms, any residual expenditure available to support new retail floorspace over the forecast period will be generated by the difference between the forecast growth in 'current' (survey-derived) turnover levels and the growth in '**benchmark**' turnovers based on applying robust year-on-year 'productivity' ('turnover efficiency') growth rates to all existing and new retail floorspace⁴⁵.

⁴⁵ Section 3 sets out the forecast growth in annual 'productivity' levels based on the latest Experian Retail Planner Briefing Note.

- 7.5 It is important to restate that medium to **long term forecasts should be treated with caution**, as they will be influenced by the dynamic changes in economic, demographic and market trends. As described previously (see **Section 2**), the NPPF (paragraph 90) states that local planning authorities should meet the need for retail and town centre uses "*looking at least ten years ahead*". The *Planning Practice Guidance* also states that given the uncertainty in forecasting long-term retail trends and consumer behaviour, assessments "*may need to focus on a limited period (such as the next five years) but will also need to take the lifetime of the plan into account and be regularly reviewed*"⁴⁶. Therefore, whilst this study assesses retail capacity up to 2043, greater weight should be placed by the **local planning authority on forecasts over the next five to ten-year period**.
- 7.6 The updated capacity forecasts set out in this section provide the Council with a broad indication of the (quantitative) need for new retail (comparison and convenience goods) floorspace in the LPA area and its main centres. In turn, this will inform whether there is a need to identify and allocate additional sites (over and above any already identified) to meet any forecast need, in accordance with the advice set out in the NPPF (paragraph 90).

KEY ASSUMPTIONS & FORECASTS

- 7.7 The 'baseline' capacity tabulations are set out in Volume 2 for convenience and comparison goods. The capacity forecasts are based on the population growth projections from Experian, which are derived from the Office of National Statistics' (ONS) ONS 2020-based subnational population projections (released March 2020 and ONS 2020 mid-year estimates at Local Authority District level (released June 2021))⁴⁷. This approach reflects best practice when undertaking capacity modelling. The following describes the critical steps in the retail capacity assessment, and the main assumptions and forecasts underpinning the CREATE Model.

Base Year Population Projections

- 7.8 **Appendices 2 and 6** set out the latest base year (2023) population and projections (to 2028, 2033, 2038 and 2043) sourced from the Experian MMG3 Geographic Information System (MMG3 GIS) for the Study Area. Experian's population projections show the Study Area population (Zones 1-7) is forecast to increase by +15% (+15,662 people) between 2023 and 2043.

⁴⁶ PPG. Paragraph 004. Reference ID: 2b-004020190722

⁴⁷ Experian: Retail Planner UK 2021 Release Note.

Expenditure per Capita & Special Forms of Trading (SFT)

7.9 **Appendices 2 and 6** set out the growth forecasts for convenience goods and comparison goods retail expenditure for the wider Study Area and zones⁴⁸. The base year average expenditure figures have been derived from our in-house Experian MMG3 GIS⁴⁹. In identifying expenditure per capita, an allowance has been made for the market share of non-store retail sales (i.e. Special Forms of Trading) at the base year informed by the results of the household telephone interview survey. These SFT market shares have been 'adjusted' to take account of goods sourced from traditional ('physical') retail space based on Experian's latest Retail Planner Briefing Note 20 (RPBN23). The adjusted baseline SFT market shares in 2023 are 26% for comparison goods and 1.9% for convenience goods and are forecast to increase to 31.7% and 2.7% respectively by 2043 based on the growth rates forecast by the RPBN23.

Average Expenditure Growth Forecasts

7.10 The growth in average expenditure per capita levels to 2043 has been informed by the forecasts set out in Experian's RPBN23 (as described in detail **Section 3**). Experian's forecasts show a fall in convenience goods spend in 2023 (-2.4%), and annual (per capita) growth over the medium to long term "flatlining" at around +0.2% up to 2040; this has then been applied to the period to 2043. For comparison goods and following the forecast growth for 2023 of -1.6%, Experian predict that (per capita) growth in comparison goods spend will settle at around +3.0% per annum on average up to 2040; this rate of growth has been applied to the period to 2043.

Total Available Expenditure

7.11 For convenience goods retailing there is a forecast +17.5% (+£45.3m) growth in total available expenditure by 2043 across the widely defined Study Area (Zones 1-7) (refer to Table 3, **Appendix 2**).

7.12 The forecast growth for comparison goods retailing is higher than for convenience goods. The forecasts show a +82.2% (+£280.1m) growth in total comparison goods expenditure by 2043 across the Study Area (refer to Table 3, **Appendix 6**).

Market Share Analysis (excluding SFT)

7.13 The capacity assessment is informed by the survey-derived market shares for all stores and centres across the widely defined study area and 7 zones. A key step in the economic capacity assessment involves allocating the baseline convenience and comparison expenditure (£ million) to the identified centres, stores and floorspace based on the market

⁴⁸ Total expenditure is derived by multiplying the population and average expenditure per capita levels together.

⁴⁹ All monetary and turnover values are expressed in 2020 prices.

shares. This helps to establish the current trading performance of the main centres and stores within the MDDC area and zones based on expenditure allocated from the study area only.

7.14 For the purpose of the retail capacity assessment, and in line with standard approaches, the market shares reported in Section 4 have been recalibrated for both convenience goods (Table 1, **Appendix 4**) and comparison goods (**Table 1, Appendix 8**) to exclude SFT. The 'baseline' (2023) turnovers are projected forward to 2028 (Table 3), 2033 (Table 4), 2038 (Table 5) and 2043 (Table 6) and assuming no changes in market shares⁵⁰. It should be noted that no allowance is made at this stage for any potential 'inflow' (trade draw) of expenditure to centres and stores from outside the defined study area.

'Inflow' / Trade Draw

7.15 The assessment of the 'inflow' (trade draw) from outside the widely defined Study Area are based on informed judgements that consider the relative:

- scale, quality and mix of retail provision across the MDDC centres, based on the results of the healthchecks;
- location of all other centres and stores in the LPA area, including out-of-centre shopping locations;
- competition from centres, stores and shopping facilities outside the study area, as informed by the results of the survey-derived market share analysis;
- the likely retail expenditure derived from people visiting the MDDC area's shops and stores, but who live outside the study area (including tourist, visitor and commuter spend); and
- the assumptions and judgements set out in previous evidence-based studies and retail assessments.

7.16 Although the assessment of inflow is not an "exact science" due to the complex nature of overlapping catchments and shopping patterns, it is reasonable to assume that for comparison goods retailing the larger centres such as Tiverton, Cullompton and Crediton will draw a higher proportion of their shoppers and trade from outside the defined study area, than the smaller rural centres and parades that generally serve the needs of their more local resident catchment populations.

7.17 Typically, the 'inflow' of convenience goods expenditure to the main centres and stores from outside the wider study area is more limited than for comparison goods, as households generally carry out their main food shop at their more local and convenient stores, and do

⁵⁰ The 'constant market share approach' is standard practice for strategic retail capacity assessments. This approach does not take account of the potential impact that new retail investment and development (both within and outside the LPA area) can have on existing shopping patterns, market shares and turnover performance over time.

not normally travel longer distances for food purchases. Notwithstanding this, a reasonable allowance should be made for inflow associated for commuters and visitors/tourists, particularly for those centres close to employment hubs and major transport nodes.

Total Forecast Turnover

- 7.18 Based on the (survey-derived) market analysis and ‘inflow’ assumptions, **Table 2 (Appendix 5)** sets out the overall convenience turnover estimates for the main centres and stores in the MDDC area and Table 2 (**Appendix 9**) details the comparison turnover estimates.
- 7.19 The table below summarises the 2023 (‘base year’) total turnover estimates. It shows that Tiverton is forecast to achieve a total turnover of £56.3m in 2023, of which approximately 87% is accounted for by comparison sales. Tiverton achieves the highest turnover across the MDDC centres; primarily driven by its comparison turnover.

Table 7.1: Forecast Base Year (2023) Turnover of Centres/Stores (£m)

| MID-DEVON DISTRICT COUNCIL AREA | Convenience Goods | Comparison Goods | Total Turnover |
|--|--------------------------|-------------------------|-----------------------|
| Tiverton Town Centre | £7.4 | £48.9 | £56.3 |
| Cullompton Town Centre | £1.1 | £6.9 | £7.9 |
| Crediton Town Centre | £7.2 | £23.9 | £31.1 |
| Bampton Town Centre | £1.9 | £1.5 | £3.4 |
| All Other Rural Locations | £18.1 | £9.9 | £28.0 |
| Out-of-Centre Locations | £161.8 | £72.6 | £234.4 |
| TOTAL: MDDC AREA | £197.4 | £163.7 | £361.2 |

Source: CREATE Retail Capacity Model (Appendix 5 and 9, Volume 2)

- 7.20 Crediton’s turnover represents 8.6% of the total turnover of all centres and stores in the District and Cullompton some 2.2% of the total
- 7.21 All the other Rural Centres collectively achieve a total turnover of £28m in 2023; primarily driven by convenience sales accounting for 64.6% of turnover. This is also an indication of their principal as convenience and service centres meeting the day-to-day needs of their local resident catchments and communities. Their total turnover accounts for 7.7% of all centres and stores in the MDDC area.
- 7.22 However, the highest turnover levels achieved is by foodstores and shops located outside the main town centres. The Out-of-Centre provision accounts for £234.4m of turnover split between 69% convenience and 31% comparison sales. Their total turnover accounts for 64.9% of all centres and stores in the MDDC area.

Floorspace Productivity

- 7.23 A key input to the retail capacity assessment is the application of a year-on-year floorspace ‘productivity’ growth rate to all existing and new retail floorspace. As described in **Section 3**, existing retailers will need to achieve higher annual ‘productivity’ growth rates to cover their increasing costs (including, for example, rising rents, business rates and wages), in order to

remain profitable and viable over the short, medium and long term. This is particularly the case as the competition from online retailing increases; a trend that has been significantly accelerated by the impact of the pandemic.

- 7.24 For all existing and new retail floorspace we have tested annual average 'productivity' growth rates informed by Experian's latest Retail Planning Briefing Note (RPBN23). These are described in more detail in **Section 3** to this report. For convenience goods a 'productivity' growth rate of -1.8% is assumed for 2023; -0.3% for 2024, +0.2% for 2025-29 and +0.4% for 2030 onwards. For comparison goods the annual productivity growth rates assumed are -0.5% for 2023, -0.4% for 2024, +2.1 for 2025-29 and +3.0% for 2030 onwards.

Retail Commitments

- 7.25 The next step in the retail capacity assessment takes account of all the major retail (convenience/ comparison) floorspace commitments and planned development at the time of preparing this study. The assessment of pipeline floorspace and the predicted turnover of this new floorspace is necessarily focused on permitted schemes that will provide circa 250 sqm (gross) or more of net additional retail floorspace. All planned and pipeline floorspace commitments have been provided by the Council.

- 7.26 **Appendix 5** sets out the convenience goods floorspace commitments. This includes:

- **Crediton (Out-of-Centre) - 21/00222/MFUL** - Playing Field at Commercial Road Lords Meadow Industrial Estate, Crediton, Devon. Erection of a retail foodstore with associated parking, access, servicing and landscaping. Supporting documents to the application reveal that the GIA is 2,022 sqm and Net Sales Area is 1,256 sqm of which convenience goods is 1,005 sqm net and comparison goods 251 sqm net.

- 7.27 **Appendix 9** also sets out the comparison floorspace commitments. These include:

- **Tiverton (Out-of-Centre) - 18/00915/MFUL** - Foundry Estate, Blundells Road, Tiverton, Devon. Erection of Lidl food store (Class A1) and non-food unit (Class A1) with associated parking, landscaping and access arrangements following demolition of existing buildings - Non-Material Amendment - 19/00867/NMA - Granted - 11/06/2019 - Non-Material Amendment 21/00010/NMA - Granted - 19/01/21. This foodstore is operating and trading but associated with the permission was the provision of an additional retail unit comprising 1,964sq m of Class A1 retail floorspace, arranged over ground and mezzanine floors and that remains unimplemented. It was proposed that the floorspace will be confined to one single retail unit and which will be restricted to the sale of bulky comparison goods. We have assumed the floorspace figure of 1,964 sqm gross netted to down to 1,375 sqm net) based on a gross to net of 70%.
- **Crediton (Out-of-Centre) - 21/00222/MFUL** – As detailed previously above, of which the estimated comparison goods floorspace is some 251 sqm net.

7.28 It is assumed that all the identified committed floorspace will be open and trading by 2028. It is forecast that this new floorspace will achieve a total convenience turnover of £2.8m and a total comparison turnover of £6.8m in 2028 (at 2020 prices). This forecast turnover of the commitments is then discounted from any residual expenditure capacity over the forecast period. The net residual expenditure capacity will be available to support new retail floorspace over and above all identified commitments.

RETAIL CAPACITY FORECASTS

- 7.29 The following sets out the convenience and comparison goods capacity forecasts for the main centres and stores over the forecast period, up to 2043. Whilst the forecasts are provided to 2043, the NPPF (paragraph 90d) is clear that local planning authorities should plan to meet the need for new retail and town centre uses by “**looking at least ten years ahead**”. The PPG also states that given the uncertainty in forecasting long-term retail trends and consumer behaviour, assessments “...may need to focus on a limited period (such as the next five years) but will also need to take the lifetime of the plan into account and be regularly reviewed.”
- 7.30 The detailed capacity tabulations for convenience and comparison goods are set out in **Appendices 5 and 9**. The capacity findings after accounting for commitments (i.e. retail development that has extant planning permission. This does not take account of local plan allocations at Strategic Urban Extension (SUEs) referred at paragraph 7.36 that follows) show the following:

Table 7.2: Retail Floorspace Capacity Forecasts (sqm net)⁵¹

| MID-DEVON DISTRICT COUNCIL AREA | Convenience Goods | | | | Comparison Goods | | | |
|---------------------------------|-------------------|------------|--------------|--------------|------------------|-----------|------------|--------------|
| | 2028 | 2033 | 2038 | 2043 | 2028 | 2033 | 2038 | 2043 |
| Tiverton Town Centre | 23 | 39 | 53 | 69 | 193 | 335 | 483 | 736 |
| Cullompton Town Centre | 3 | 6 | 8 | 10 | 27 | 47 | 68 | 103 |
| Crediton Town Centre | 22 | 38 | 51 | 67 | 94 | 164 | 236 | 360 |
| Bampton Town Centre | 6 | 10 | 14 | 18 | 6 | 10 | 15 | 23 |
| All Other Rural Locations | 56 | 96 | 129 | 169 | 39 | 68 | 98 | 149 |
| Out-of-Centre Locations | 251 | 607 | 899 | 1,265 | -766 | -556 | -337 | 39 |
| TOTAL: MDDC AREA | 362 | 796 | 1,153 | 1,599 | -406 | 69 | 563 | 1,410 |

Source: CREATe Retail Capacity Model (**Appendix 5 and 9, Volume 2**)

⁵¹ The assessment of the potential capacity for new retail floorspace up to 2043 is based on applying an average sales density ('turnover to floorspace ratio') to any forecast residential expenditure capacity, after allowing for all commitments and a reasonable growth in the "productivity" ("efficiency") of existing and new floorspace. It is assumed for the purpose of this capacity assessment that all new convenience floorspace will achieve an average sales level of c. £11,000 per sqm at the base year, and new comparison floorspace will achieve an average sales level of between £3,500 and c. £6,000 per sqm. For all new retail floorspace these average sales levels have been informed by the performance of 'benchmark' retailers. For example, the average sales level for new convenience goods retailers is informed by published research by Mintel and other data providers on the average turnover performance of foodstore operators (including, for example, Tesco, Asda, Sainsbury's, Waitrose, Morrisons, Aldi, Lidl, Co-Op, and Budgens). It should be noted that the sales levels applied are "averages" and different retailers and centres will trade above or below these "averages" depending on the nature of the business and local considerations (e.g. catchment population, available expenditure and competition from other centres, stores and shopping locations).

Convenience Goods Capacity

- 7.31 The forecasts indicate that in the short term to 2028, a very modest level of 362 sqm net for the District. This increases to 796 sqm net by 2033. Hence over a ten year period to 2033 there could be sufficient expenditure growth to support a new smaller format foodstore and/or a mix of smaller convenience stores or discounter type across the District area.
- 7.32 Forecasts at the centre level should be treated as indicative but suggest that there is very modest capacity by 2033; Tiverton (39 sqm net); Cullompton (a nominal 6 sqm net), Crediton (38 sqm net), Bampton (10 sqm net) and all other Rural Centres some 96 sqm net. The out of centre locations area are generating the highest capacity of some 607 sqm by 2033. In line with the NPPF and "town centre first" approach, the Council should seek to accommodate this forecast capacity in and on the edge of existing centres, ahead of any increase in out-of-centre retailing.
- 7.33 It should be noted that although the capacity forecasts take account of all known planned and committed retail (comparison and convenience) floorspace in the district at the time of preparing this study, they do not take account of vacant retail floorspace. It is reasonable to assume for the purpose of this assessment that a proportion of the more modern vacant floorspace could potentially take up some of the residual convenience goods floorspace capacity identified over the short to medium term, particularly in prime and sustainable shopping locations. However, this approach to addressing forecast capacity will mainly be suited for the occupation of smaller convenience stores. Furthermore the wider mix of uses that Use Class E offers provides another alternative avenue for the reuse of vacant stock, alongside redevelopment.
- 7.34 Furthermore, it should also be noted that the capacity forecasts do not take account of the potential to re-occupy and re-use existing vacant retail floorspace within the Council's main centres. Additionally, that any theoretical capacity forecast will be dependent on whether there is any market demand for new floorspace. The identified convenience floorspace capacity could also be met through infill development, change of use applications and/or extensions to existing stores.
- 7.35 The potential for new convenience floorspace within new developments should be located in town centres, which are the most sustainable and sequentially preferable locations. This is particularly relevant to centres where provision of new convenience provision or enhancement of existing provision could help to attract new shoppers to the centre and support footfall.
- 7.36 We have also been made aware by the Council that retail floorspace is planned for the Strategic Urban Extension (SUEs) and allocations which, when implemented in full, would also erode any identified capacity:

- **Cullompton: The East Cullompton Masterplan SPD** – refers to Local Plan **Policy CU7** in the Local Plan which includes provision for 20,000 sq m commercial floorspace to 2033 and a further 12,000 sqm post 2033, to include appropriately scaled retail development. Additionally, Local Plan **Policy CU10** includes provision for a site of 2 hectares for a shopping and community centre, and the provision of a multi-purpose community building for youth, children and other community uses.
- **Tiverton:** Local Plan **Policy TIV4** – includes provision for a site of 2 hectares for a shopping and community centre, or which 1 hectare will be for community buildings. The precise quantum floorspace is unknown at this stage.
- **Policy J27 of the extant Local Plan (on Land at Junction 27 of the M5)** details a site of approximately 71 hectares adjoining the south bound carriageway of the M5 motorway (adjacent to junction 27) identified for major development. Part of this policy outlines the prospect to include up to 14,000 square metres of controlled comparison goods and up to 2,000 square metres of A3 uses.

Comparison Goods Capacity

- 7.37 The identified capacity for new comparison goods retail floorspace over the 10 year period to 2033 shows a modest level of 69 sqm net for the District.
- 7.38 In terms of in-centre capacity, the majority of the forecast floorspace capacity by 2033 is focussed in Tiverton (664 sqm net) and Crediton (324 sqm net). Capacity increase to 563 sqm net by 2038 and 1,410 sqm net by 2043.
- 7.39 As stated previously, it has necessarily been assumed that the local retail market is in ‘equilibrium’ at the base year, as there is no qualitative evidence to show that existing stores/floorspace at the local level are significantly over and/or under trading.

SUMMARY

- 7.40 To reiterate, the NPPF (paragraph 90d) is clear that local planning authorities should plan to meet the need for new retail and town centre uses by “looking at least ten years ahead”. The PPG also states that given the uncertainty in forecasting long-term retail trends and consumer behaviour, assessments “...*may need to focus on a limited period (such as the next five years) but will also need to take the lifetime of the plan into account and be regularly reviewed.*” Therefore, whilst **greater weight should be placed on forecasts over the next five to ten-year period**, we have also assessed the potential capacity for new retail floorspace over the lifetime of the plan, up to 2043, to help inform both Council’s longer term plan-making and strategies.
- 7.41 As shown, the forecasts to 2033 indicate modest capacity for both convenience (796 sqm net) and comparison goods (69 sqm net). On the basis of the quantum identified it is reasonable to expect that the identified capacity is likely to be absorbed by the planned

SUE's, infill development as well as change of use applications and/or extensions to existing floorspace. Therefore there is no requirement to allocate sites for future comparison or convenience development.

- 7.42 Overall, a robust policy approach should be adopted, especially development management policies in accordance with the NPPF (paragraphs 90 - 95), to enable the assessment and determination of future proposals that are not in a centre and not in accordance with an up-to-date development plan. It particularly emphasises the importance of the sequential test and having robust locally set impact thresholds, in compliance with the NPPF and PPG, to ensure that edge and/or out-of-centre proposals do not result in any significant adverse impacts on existing centres.
- 7.43 We further recommend that forecasts are kept under review and refreshed on a regular basis. The Council overall will need to be flexible in relation to strategic planning policies to support:
- good place making as a minimum, provide for objectively assessed needs for housing and other uses (NPPF para 11b);
 - set out an overall strategy for the pattern, scale and design quality of places (to ensure outcomes support placemaking (NPPF para 20);
 - aim to achieve healthy, inclusive and safe places including local shops (NPPF para 96c)
 - plan positively for the provision and use of community facilities (such as local shops) to enhance the sustainability of communities and residential environments (NPPF para 97a).

8. COMMERCIAL LEISURE NEEDS ASSESSMENT

8.1 This section focuses on the potential need for new leisure uses and facilities in the MDDC area over the period to 2043. This assessment necessarily focuses on the main leisure, entertainment and cultural uses identified by the NPPF (Annex 2). These uses are widely accepted as making a significant contribution to the overall vitality and viability of town centres and should be located in town centres first in accordance with national and local plan policy objectives.

8.2 As described in **Section 2**, the Government's reform of the Use Classes Order came into effect on 1st September 2020. The table below summarises the impact of these reforms on the classification of the main food and beverage, commercial leisure and cultural uses.

Table 8.1: 2020 Use Classes Order Update

| Original Use Class ⁽¹⁾ : | Revised Use Class ⁽²⁾ : | Use: | Description: |
|-------------------------------------|------------------------------------|-------------------------------------|--|
| Class A3 | Class E(b) | Restaurants and cafés: | Defined as selling food and drink for consumption on the premises. |
| Class A4 | Sui Generis | Drinking establishments: | Includes public houses, wine bars or other drinking establishments (but not night clubs), and drinking establishments with expanded food provision |
| Class A5 | Sui Generis | Hot food takeaways: | Defined as the sale of hot food for consumption off the premises. |
| Class D1 | Class F.1 | Non-residential institutions: | Includes art galleries (other than for sale or hire) and museums. |
| Class D2 | Sui Generis | Leisure/Recreation (indoor/outdoor) | Cinemas, music and concert halls, bingo and dance halls |
| Class D2 | Class E(d) | Leisure/Recreation (indoor/outdoor) | Gymnasiums or area for indoor recreations. |
| Class D2 | Class F.2 | Leisure/Recreation (indoor/outdoor) | Indoor or outdoor swimming baths, skating rinks and outdoor sports/recreations. |
| Sui Generis | Sui Generis | A use on its own | Theatres, nightclubs, casinos |

Source: (1) Town and Country Planning (Use Classes) Order 1987 (as amended);

Source: (2) Revised Town and Country Planning (Use Classes) (Amendment) (England) Regulations 2020 (SI 2020 No.757).

8.3 It is important to understand at the outset that forecasting the need for new leisure uses is more problematic than for retailing, as the sector is highly complex and dynamic. For example, the demand for existing and new leisure uses and facilities is particularly sensitive to changes in economic, demographic, lifestyle and fashion trends. Consequently, the methods developed to forecast the need for new leisure uses are necessarily more flexible, qualitative and high level. In this context LSH has developed robust and transparent approaches to assess leisure needs based on the following key inter-related workstreams:

- A review of the key trends driving expenditure growth and market demand in the leisure sector over the last decade;
- An audit of existing leisure provision to help identify any significant 'gaps' in provision;

-
- A review of current leisure participation rates and preferences across the study area based on the results of the household survey; and
 - The application of a robust economic/quantitative need assessment for some leisure groups based on accepted approaches.
- 8.4 This section provides a summary of the key leisure trends, current provision and participation to help identify the potential (quantitative and qualitative) need for new uses and facilities over the plan period. As for the retail capacity assessment all leisure need forecasts should be treated with caution as they are subject to dynamic market and lifestyle trends and changes in the market demand and investment preferences of leisure operators.

COMMERCIAL LEISURE TRENDS

- 8.5 Following a dramatic -37.9% fall in leisure spend per head in 2020, Experian forecasts showed a return to growth in 2022 (+27.7%) but a drop to -5% in 2023 and - 0.2% in 2024. Thereafter the growth averages between 0.9% and 1% over the long term to 2043. This growth in leisure spend is higher than the long term trend of -2.4% per annum over the period 1997-2021. These expenditure growth trends and forecasts have informed the updated leisure needs assessment. Any further dampening of growth rates over the short to medium term will have implications for the viability of existing leisure businesses and the demand for new space.
- 8.6 The pandemic posed the most significant challenge to the commercial leisure industry in recent years. Never before was the sector unable to operate in its entirety. With restriction on movement which was essential for commercial leisure pursuits including eating and drinking out or going to the cinema or gym. All of these sectors suffered as a result and lockdown resulted in a more home focused consumer.
- 8.7 It is anticipated that the post-pandemic demand for leisure is unlikely to decline but will be dependent on broader economic conditions and prevailing consumer confidence. The anticipated focus on more working from home will result in local areas benefiting from any uptake in leisure provision. This is likely to benefit independents.
- 8.8 The key issues for commercial leisure provision in a post pandemic world will encompass a number of factors, particularly:
- macro-economic and resulting consumer sentiment (e.g. income growth, rising cost inflation, cost of living crisis);
 - the rise in home working and benefiting local locations and businesses;
 - rise of home delivery; and

- the increase in the use of open spaces and pursuits; for example, the number of drive-in cinemas across the U.K. has grown from three to 40 during the pandemic⁵².

8.9 However, according to survey released in November 2022 by UK Hospitality, the British Beer and Pub Association, the British Institute of Innkeeping and Hospitality⁵³; this found that 96% of hospitality businesses were being hit by higher energy costs and 93% faced higher food prices. Continuing uncertainty over soaring inflation, future regulation and staffing levels is said to be causing a “crisis of confidence” among business owners, which has fallen to a lower level than at any point during the pandemic. The vulnerability of the sector due to soaring energy costs, crippling rises in the cost of goods and dampening consumer confidence is likely to affect the sector over the next few years further.

LEISURE EXPENDITURE GROWTH

8.10 The leisure sector has experienced significant growth in consumer and market demand since the mid-1990s; fuelled by a buoyant economy, growing disposable income and low unemployment levels. Although the sector has been significantly impacted by the pandemic, the fact is that leisure and entertainment activities remain an important lifestyle and entertainment choice for many consumers over other areas of spending.

8.11 Average spend on leisure services is dominated by Food and Beverage (‘F&B’), which includes cafés, restaurants and bars. F&B accounts for approximately 54.8% of all average spend per capita on leisure services in the Study Area (Zones 1-7).

Table 8.2: Estimates of Expenditure per Capita on Leisure Services (2022)

| Zone | Accommodation | Cultural services | Games of chance | Hairdressing salons & personal grooming | Recreational & sporting services | Restaurants, cafes, etc. | Total |
|-------------------------------|---------------|-------------------|-----------------|---|----------------------------------|--------------------------|--------|
| Zone 1 | £249 | £433 | £217 | £127 | £181 | £1,430 | £2,637 |
| Zone 2 | £188 | £377 | £268 | £111 | £163 | £1,365 | £2,473 |
| Zone 3 | £265 | £452 | £211 | £127 | £190 | £1,453 | £2,698 |
| Zone 4 | £251 | £446 | £206 | £135 | £198 | £1,466 | £2,702 |
| Zone 5 | £173 | £351 | £280 | £108 | £159 | £1,287 | £2,358 |
| Zone 6 | £244 | £437 | £209 | £139 | £204 | £1,549 | £2,782 |
| Zone 7 | £198 | £388 | £217 | £119 | £165 | £1,361 | £2,448 |
| Study Area Average (£) | £224 | £412 | £230 | £124 | £180 | £1,416 | £2,585 |
| (% of Total) | 8.7% | 15.9% | 8.9% | 4.8% | 7.0% | 54.8% | 100.0% |

⁵² Source: “U.K. Drive-Ins Boom in Pandemic Era With 40 New Cinemas”; Variety Magazine 21/07/2020

⁵³ “Third of hospitality businesses at risk of collapse”- React News (01/11/2022)

LEISURE EXPENDITURE FORECASTS

8.12 The table below shows the most recent leisure spend projections by Experian Business Strategies (EBS) as set out in Retail Planner Briefing Note 20 (February 2023).

Table 8.3: Actual & Forecast Growth in UK Leisure Spend (% per annum)

| | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025-29 | 2030-40 |
|---------------------------------|------|-------|------|------|------|------|---------|---------|
| Leisure Spend Growth (%) | -0.1 | -37.9 | 30.5 | 27.7 | -5 | -0.2 | 1 | 0.9 |

8.13 The base year expenditure per capita levels for leisure have been projected forward to 2043 using Experian's forecast annual growth rates above, and then applied to the projected population for each Study Zone to identify the total available expenditure on leisure and recreation goods and services.

8.14 This results in total available leisure expenditure in 2023 of £266.5m in the Study Area (see table below).

Table 8.4: Study Area: Total Forecast Growth in Commercial Leisure Expenditure: 2023 – 2043 (£m)

| Zone | 2023 | 2028 | 2033 | 2038 | 2043 | Change: 2023-2043 | Change: 2023-2043 |
|---------------------------------------|--------------|--------------|--------------|--------------|--------------|----------------------|----------------------|
| | (£m) | (£m) | (£m) | (£m) | (£m) | (£m) | (%) |
| Zone 1 | 30.5 | 32.4 | 35.3 | 38.1 | 41.9 | 11.3 | 37.2% |
| Zone 2 | 23.8 | 25.2 | 27.4 | 29.6 | 32.6 | 8.8 | 36.9% |
| Zone 3 | 30.4 | 32.1 | 34.7 | 37.2 | 40.4 | 10.0 | 32.8% |
| Zone 4 | 35.6 | 37.7 | 41.2 | 44.7 | 49.4 | 13.8 | 38.8% |
| Zone 5 | 54.8 | 57.8 | 62.5 | 67.1 | 73.3 | 18.5 | 33.7% |
| Zone 6 | 30.9 | 32.7 | 35.9 | 38.8 | 43.0 | 12.1 | 39.2% |
| Zone 7 | 60.4 | 64.0 | 69.8 | 75.6 | 83.8 | 23.4 | 38.7% |
| Study Area (Zones 1-7) (£) | 266.5 | 282.0 | 306.8 | 331.2 | 364.4 | 97.9 | 36.7% |

8.15 Applying the most recent year-on-year leisure spend growth rates sourced from Experian Business Strategies to the population projections results in an increase in total available commercial leisure expenditure across the defined Study Area (Zones 1-7) of +36.7% (+£97.9m) by 2043.

8.16 The table below breaks down the growth in leisure expenditure by category. It shows that F&B expenditure between 2023 and 2043 in the MDDC area (Zones 1-7) is forecast to increase by +£97.9m (+36.7%). Of this total F&B accounts for 55% of the total followed by cultural services (16.8%).

Table 8.5: Study Area: Total Forecast Growth in Available Leisure Expenditure by Category: 2023 – 2043 (£m)

| | Study Area: Total Available Leisure Spend (£m) | | | | | Change: 2023-2043 (£m) | Change: 2023-2043 (%) |
|----------------------------------|--|--------------|--------------|--------------|--------------|------------------------------|-----------------------------|
| | 2023 | 2028 | 2033 | 2038 | 2043 | | |
| Accommodation | 22.6 | 23.9 | 26.0 | 28.1 | 30.9 | £8.3 | 36.8% |
| Cultural services | 42.2 | 44.7 | 48.6 | 52.5 | 57.7 | £15.5 | 36.8% |
| Games of chance | 24.4 | 25.8 | 28.0 | 30.2 | 33.3 | £8.9 | 36.5% |
| Hairdressing salons & personal | 12.8 | 13.5 | 14.7 | 15.9 | 17.4 | £4.7 | 36.8% |
| Recreational & sporting services | 18.5 | 19.5 | 21.3 | 22.9 | 25.2 | £6.8 | 36.8% |
| Restaurants, cafes, etc. | 146.1 | 154.6 | 168.2 | 181.6 | 199.8 | £53.7 | 36.8% |
| Total | 266.5 | 282.0 | 306.8 | 331.2 | 364.4 | £97.9 | 36.7% |

8.17 Against this background of significant forecast leisure expenditure growth over the plan period, the following assessment identifies the potential quantitative and qualitative need for new commercial leisure uses in the MDDC centres.

EATING AND DRINKING OUT

8.18 The food and beverage (F&B) sector includes restaurants, cafés, bars and pubs (former Class A3-A5). These uses are an integral to a town centre's wider offer and economy. A good choice and quality of F&B uses can help to complement other town centre uses, by generating trips, stretching 'dwell times' (i.e. the time people spend in centres), increasing 'linked' expenditure to other shops and businesses as part of the same trip, and strengthening both daytime and evening economies.

8.19 As identified previously, the F&B sector dominates average household expenditure and participation in leisure across the Study Area. Spend on F&B is also forecast to experience the greatest growth over the period to 2043. In theory, this expenditure growth should support the potential to enhance the scale, quality and choice of F&B uses across the MDDC area and in its main centres. In reality though, this growth will be determined by current and future trends in the sector and market demand.

8.20 Research shows that the multiple chains mainly dominated the expansion of the F&B sector up to 2017 when they accounted for almost half of all net new business openings. However, since 2017 a number of multiples in the casual dining sector have struggled against a backdrop of increased competition, rising costs and a tightening of consumer spending due to wider Brexit and economic concerns. The reality is that too many F&B operators expanded too quickly into increasingly marginal locations, funded by private equity, and the market became saturated and unsustainable. The growth in the availability, convenience and speed of home deliveries driven by innovative technology and apps represents a further significant challenge to more traditional F&B operators.

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- 8.21 These new challenges and pressures have resulted in a radical restructuring of businesses across the sector, resulting in the closure of many loss-making branches. It is estimated that some 1,412 UK restaurants closed in the year to the end of June 2019⁵⁴. This represented a +25% increase on the previous year and was the highest number of insolvencies recorded since 2014, when approximately 750 restaurants closed. Both larger multiples and smaller independent restaurant operators were affected (including Strada, Jamie's Italian, Byron Burger, Carluccio's and Prezzo).
- 8.22 It is likely that there will be an increase in business failures and closures during 2023/24 as the impact of the pandemic, cost of living and energy costs on sales, profit margins and rising debts deepens. Experts predict that this further "shakeout" in the sector will leave the proactively managed multiple and independent businesses that have strong brand loyalty and/or a clear differentiated offer as the main "winners." This is illustrated by a number of recent success stories that provide hope for the sector, including Nando's the South African restaurant chain and Gail's Artisan Bakery.
- 8.23 F&B operators, like retailers, will also need to understand and cater for the needs of the changing demographic and consumer market to remain relevant and viable. For example, Millennials (under 35s) make-up almost one-quarter of the UK population and research shows that they spend a substantial 13% of their disposable incomes on eating and drinking out⁵⁵. Looking ahead, by 2025 it is estimated that Millennials will make up over 80% of all parents in the UK, meaning that restaurants, pubs and cafés will also need to evolve and adapt to cater for the changing needs of new 'Millennial families'. This could be driven for example, by increasing emphasis on convenience, affordability, entertainment, uniqueness and the use of technology and apps.
- 8.24 Restaurant operators will therefore, as a minimum, need to make sure that they are easy to reach online and on social media with up-to-date menus and strong images, and adapt the latest technologies to drive online booking. It will also mean sourcing more organic, vegetarian/vegan and local sustainably sourced produce that respond to customers' changing tastes and concerns with regard to climate change. For example, figures provided by the Vegan Society indicate that there are approximately 1.7m vegetarians in GB and over 900,000 vegans. Forecasts indicate that vegans and vegetarians could make up a quarter of the British population in 2025⁵⁶.
- 8.25 The popularity of street food, market halls and "meanwhile"/"pop-up" restaurants and bars has also coincided with the growth in the spending power and influence of the Millennials.

⁵⁴ Research by UHY Hacker Young. Reported in The Guardian: More than 1,400 UK restaurants close as casual dining crunch bites

⁵⁵ Research by Foodspark

⁵⁶ Future of Food Report, Sainsbury's.

These more informal drinking and eating venues fulfil their desire to experiment and explore distinctive styles of drink, food and new cuisines in exciting new and more informal environments. Trialling a “pop-up” site also represents an opportunity to test a new concept, gain a following, fine-tune details and secure investment before making a long-term commitment. The pop-up concept is also attractive to landlords and property companies who are increasingly nervous about signing long leases following numerous high profile restaurant closures.

8.26 The household survey identified where people living in the Study Area currently chose to eat and drink, and whether there are potential ‘gaps’ in the current offer. In summary, the key headlines are as follows:

- Locations and venues across the MMDC area attain a good market share of almost 59.6% from the Study area (Zones 1-7). The dominant location being Tiverton (23.4%) followed by the collective of Rural Centres (13.3%); Crediton (10.5%) and Cullompton with 8.4% market share.
- In terms of competing centres outside the MDDC area, notable responses from across the Study Area (Zones 1-7) centre on Exeter (22.9%) as a key competing location.

Table 8.6: Market Shares for Eating Out Locations (%)

| VENUES | Study Area | Zone 1 | Zone 2 | Zone 3 | Zone 4 | Zone 5 | Zone 6 | Zone 7 |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | Zones 1-7 | % | % | % | % | % | % | % |
| MID-DEVON DISTRICT COUNCIL AREA | | | | | | | | |
| Tiverton Town Centre | 23.4% | 0.0% | 0.8% | 23.4% | 21.6% | 65.2% | 15.1% | 11.2% |
| Cullompton Town Centre | 8.4% | 0.0% | 0.0% | 0.0% | 6.6% | 0.0% | 1.3% | 34.0% |
| Crediton Town Centre | 10.5% | 27.0% | 59.5% | 7.5% | 0.0% | 0.0% | 2.8% | 0.0% |
| Bampton Town Centre | 3.0% | 0.0% | 0.0% | 0.0% | 19.7% | 0.8% | 0.0% | 0.0% |
| All Other Rural Locations | 13.3% | 15.9% | 4.7% | 31.2% | 6.5% | 9.6% | 16.9% | 12.8% |
| Sub-total: Town Centre Stores / Centres | 58.6% | 42.9% | 64.9% | 62.1% | 54.3% | 75.5% | 36.1% | 58.0% |
| OUT OF TOWN LOCATIONS | | | | | | | | |
| Tiverton | 0.1% | 0.0% | 0.0% | 0.8% | 0.0% | 0.0% | 0.0% | 0.0% |
| Cullompton | 0.4% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 1.9% |
| Crediton | 0.5% | 3.1% | 0.0% | 0.0% | 0.0% | 0.0% | 1.3% | 0.0% |
| Sub-total: All Out of Town Centre Stores / Centres | 1.0% | 3.1% | 0.0% | 0.8% | 0.0% | 0.0% | 1.3% | 1.9% |
| MID-DEVON DISTRICT COUNCIL AREA | 59.6% | 46.0% | 64.9% | 62.9% | 54.3% | 75.5% | 37.4% | 59.9% |
| OTHER VENUES OUTSIDE MDC AREA | | | | | | | | |
| Barnstaple | 1.6% | 2.1% | 0.0% | 11.2% | 0.0% | 0.0% | 0.0% | 0.0% |
| Bideford | 0.4% | 2.3% | 1.6% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Exeter | 22.9% | 33.2% | 27.7% | 17.3% | 8.9% | 16.6% | 42.9% | 25.3% |
| Exmouth | 0.1% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 1.3% | 0.0% |
| Great Torrington | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Honiton | 0.4% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 5.2% | 0.0% |
| Taunton | 2.1% | 0.0% | 0.0% | 1.8% | 3.4% | 3.1% | 0.0% | 3.6% |
| Wellington | 3.5% | 0.0% | 0.0% | 0.0% | 11.4% | 0.0% | 0.0% | 8.5% |
| ALL OTHER CENTRES / STORES: | 9.3% | 16.5% | 5.7% | 6.8% | 21.9% | 4.8% | 13.3% | 2.8% |
| Sub-Total All other Centres / stores | 40.4% | 54.0% | 35.1% | 37.1% | 45.7% | 24.5% | 62.6% | 40.1% |
| TOTAL | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |

8.27 Drawing on these market shares and retention levels, it is possible to carry out a high-level assessment of the potential need for new food and beverage uses over the plan period using a robust approach developed by LSH. This involves applying the F&B retention level of 59.6% to the available F&B spend in the MDDC area of £146.1m in 2023 (see table below). This results in a 'retained' F&B expenditure (or 'turnover') of £87.1m in 2023 which is forecast to increase to £119.1m by 2043.

Table 8.7: Total Leisure Spend Across Study Area (£m): 2023 – 2043

| Study Area (Zones 1-7) | 2023 | 2028 | 2033 | 2038 | 2043 |
|--|-------------|--------------|--------------|--------------|--------------|
| Available Spend on F&B: | £146.1 | £154.6 | £168.2 | £181.6 | £199.8 |
| Participation Levels (%) | 59.6% | 59.6% | 59.6% | 59.6% | 59.6% |
| Market Share (£m) | £87.1 | £92.1 | £100.2 | £108.2 | £119.1 |
| Benchmark Turnover (£m) | £87.1 | £92.4 | £102.0 | £112.6 | £124.4 |
| Net Residual F&B Spend Capacity | £0.0 | -£0.3 | -£1.8 | -£4.4 | -£5.3 |

- 8.28 Using a similar approach as for the assessment of retail capacity, we have applied a robust year-on-year 'productivity' (sale 'efficiency') growth rate of +2% to the retained turnover of £87.1m in 2023 for the MDDC area to allow for existing businesses to cover their reasonable costs over time to remain viable. This results in a theoretical negative or simply no net residual expenditure capacity up to 2043.
- 8.29 As detailed previously this is a sector that has been hit hard prior to, and even more so, during the pandemic and the prevailing macro-economic position will also influence discretionary leisure spending. The sector was effectively shut down and carried high overheads. On this basis, it can be reasonably assumed that a proportion of any growth is likely to be absorbed by existing businesses to cover the debt incurred during the pandemic, rising operational / occupancy costs and inflation.
- 8.30 The growth to sustain new cafés, restaurants and bars will be very much subject to market demand. Focusing new uses in the main town centres will help increase competition and consumer choice, and to underpin both daytime and evening economies. Any market demand from operators is likely to be satisfied by the take-up of suitable vacant units in existing centres, the repurposing of floorspace and/or as part of mixed use developments.
- 8.31 This is further confirmed by the responses to the household survey which does not show a significant demand. In response to the question on what improvements could be made to the Mid Devon's leisure offer that would make respondents visit / partake in leisure activities more often (Question 47), there was general contentment with the offer. Only 1.1% stated more quality restaurants; 0.5% more / better cafes and a nominal 0.3% stated more / better public houses.
- 8.32 Furthermore in terms of suggested improvements to the main centres, the response was equally low with the following:
- Tiverton (Question 31) - More / better pubs / bars – 0.5%;
 - Cullompton (Question 35) - More / better cafes / restaurants – 0.2%; and

- Crediton (Question 27) - More / better cafes / restaurants – 0.4%; More / better pubs / bars – 0.1%.

CINEMAS

8.33 The UK cinema sector has evolved dramatically since the 1990s when it was largely dominated by a handful of national multiples. Today the sectors offer ranges from larger multiplexes⁵⁷, to smaller independent operators and ‘pop up’ venues. The table below sets out some of the main cinema operators in the UK.

Table 8.8: Main Cinema Operators in the UK

| Operator/ Brand: | No. of Cinema s | Description: |
|---------------------|-----------------------|---|
| Cineworld | 116 | Established in 1995. The first cinema opened in Stevenage in 1996. Acquired the Picturehouse Cinema chain in 2014 (see below). Cineworld is the leading cinema operator in the UK (based on revenue). |
| Odeon/UCI | 120 | Established in 1930s. In July 2016, Terra Firma sold Odeon/UCI to the Chinese-owned AMC Entertainment group. |
| Vue | 93 | Established in 2003, following the acquisition of Warner Village for £250m. Grown through new development and acquisitions (e.g. acquired 7 Star Century cinemas in 2005 and 15 Apollo cinemas in 2012). In June 2013, the business was sold to Canadian investment firm OMERS Private Equity and Alberta Investment Management. |
| Everyman | 35 | Established in 2000. Acquired the Screen Cinemas chain in 2008 and 4 cinemas from Odeon in 2015. Increased its revenue by 27% in 2018 and opened 7 cinemas in 2019. |
| Picturehouse | 25 | Established in Oxford in 1989. Differentiated by its unique locations, homely atmosphere, and art-house film. Cineworld acquired the entire chain for £47.3m in 2012. |
| Showcase | 19 | Established in 1986. Owned by National Amusements Inc |
| Empire | 14 | Established in 2005 but has its origins in the Empire on Leicester Square which opened in 1884. Formed following the purchase of 11 former UCI and Odeon cinemas for c.£50m that had to be divested by Terra Firma (see above). Cineworld acquired 5 cinemas from Empire in 2016 for £94m, including the flagship cinema in Leicester Square. |
| Reel | 10+ | Established in 2001, following the purchase of Curzon in Loughborough. Independently owned and branded as Reel Cinemas in 2005. Following their acquisition of Apollo, Vue sold 4 cinemas to Reel. |
| The Light | 9 | Established in 2007. Multiplexes in Wisbech, Cambridge, Walsall, Bolton, Sheffield, Stockport, Bradford and Addlestone. Trialled its first 3-screen cinema in Thetford, Norfolk - opened in 2016. |
| Movie House | 3 | Established in 1990. Based in Northern Ireland and acquired the UGC (ex MGM/Virgin) multiplex in Belfast City Centre. Also owns two other multiplexes in Northern Ireland. |

Source: Various

8.34 Although year-on-year admissions and box-office takings are notoriously volatile - driven by the appeal of individual films and Hollywood ‘blockbusters’ - the long-term trend since the mid-1980s has been upward and has principally been driven by the development of new

⁵⁷ In general, a multiplex is considered to be any cinema with five screens or more, though some of the largest multiplex sites have as many as 12 or 16 screens

cinemas. The growth in the cinema sector over the last 10-20 years is even more impressive when one considers that this has occurred against the increase in new and sophisticated in-home entertainment, driven by innovative technology, choice and flexibility (including, for example, Sky, Netflix and Amazon, and in 2020 the launch of the Apple TV and Disney platforms).

- 8.35 As the competition in the sector has increased, cinema operators have responded by introducing changes to the cinema experience, including new innovations in technology, improvements to the auditoriums and the introduction of higher quality refreshments, alcohol and food. For example Odeon has introduced their luxury 'Luxe' branding into a number of converted and new cinemas since 2017, and this evolved into the opening in 2019 of its premium 'Luxe & Dine' concept in Islington, north London, which is specifically aimed at adults. Showcase also introduced their 'Cinema De Lux' branded multiplexes in 2014, beginning with the conversion of its cinema in Bluewater. This subsidiary brand puts emphasis on customer service, lush décor, high quality food and other high-end amenities, and 13 other Showcase multiplexes have since upgraded to the Cinema de Lux brand.
- 8.36 There has also been a growth in smaller (Digital) cinemas serving smaller catchment areas. These Digital cinemas are more flexible and less "space-hungry," as they do not require large auditoriums. There are therefore opportunities to provide a modern cinema offer in existing (repurposed) buildings and shopping centres, or as part of a mixed use offering. Other trends in the sector include the growth of 'pop-up' cinemas. Although there appears to be no dependable or recent data on the UK 'pop-up' cinema market, it is estimated that there were some 800-1,000 screenings in 2018, with 650+ screenings in London alone. Analysts estimate that the sector has a market value of circa £10m and has the potential to grow at between 20-25% per annum. Luna Cinema is the market leader and is reported to have achieved a turnover of around £3m in 2019 from around 175-200 screenings per year. Other niche operators in this space include Rooftop Film Club London, Backyard Cinema, Secret Cinema, Pop-up Screens and The Nomad Cinema.
- 8.37 The pandemic hit the cinema industry hard, particularly for the major chains. As previously mentioned, smaller nimble operators have found novel ways to show films. A temporary or mobile cinema (referred to as a pop-up cinema) such as drive-in cinemas and UK's smaller independent chains, Curzon, Picture House (which is owned by Cineworld) and Everyman fared much better during the pandemic. They showed a more diverse selection of films, and with high-quality food offering, fully stocked bars and high-end seating, attracting more visitors during periods in which restrictions have eased. The future growth in the sector is dependent on the levels of available discretionary spending. Cinema trips will remain a significant and popular leisure activity for all age groups. Notwithstanding this, the competition from home entertainment and alternative at-home film channels will intensify and

cinema operators will have to keep updating and adapting their offer to respond to consumer needs.

8.38 The table below shows the most popular cinemas in the MDDC and wider Study Area based on the household survey market shares:

Table 8.9: Popular Cinema Venues Based on Survey-derived Market Shares (%)

| | Study Area Zones 1-7 | Zone 1 % | Zone 2 % | Zone 3 % | Zone 4 % | Zone 5 % | Zone 6 % | Zone 7 % |
|---|-------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| MID-DEVON DISTRICT COUNCIL AREA | | | | | | | | |
| Commercial Cinemas Within MDDC AREA | | | | | | | | |
| Tivoli Cinema, Fore Street, Tiverton | 28.6% | 0.0% | 0.0% | 21.5% | 33.4% | 68.8% | 1.7% | 16.7% |
| Other Non Commercial Venues Within MDDC AREA | | | | | | | | |
| Bampton Riverside Hall, Bridge Terrace, Bampton | 0.2% | 0.0% | 0.0% | 0.0% | 2.4% | 0.0% | 0.0% | 0.0% |
| MID-DEVON DISTRICT COUNCIL AREA | 28.8% | 0.0% | 0.0% | 21.5% | 35.8% | 68.8% | 1.7% | 16.7% |
| Venues Outside MDDC AREA | | | | | | | | |
| Barnstaple | 2.1% | 0.0% | 0.0% | 18.6% | 0.0% | 0.0% | 0.0% | 0.0% |
| Exeter | 47.4% | 61.2% | 94.7% | 45.3% | 7.5% | 22.1% | 98.3% | 48.4% |
| Exmouth | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Great Torrington | 0.2% | 2.5% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Honiton | 0.6% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 2.4% |
| Taunton | 11.0% | 0.0% | 0.0% | 0.0% | 37.0% | 6.3% | 0.0% | 23.1% |
| ALL OTHER CENTRES / STORES: | 9.9% | 36.3% | 5.3% | 14.6% | 19.7% | 2.8% | 0.0% | 9.4% |
| Sub-Total All other Centres / stores | 71.2% | 100.0% | 100.0% | 78.5% | 64.2% | 31.2% | 98.3% | 83.3% |
| TOTAL | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |

8.39 In summary, the key headlines are as follows:

- Venues in the MDDC are collectively achieving a market share of 28.8% in the wider Study Area. Of this share, the Tivoli Cinema in Tiverton dominates with a 28.6% market share. It is the only commercial cinema in the District. In terms of other non-commercial venues, the Council has advised that Crediton Arts Centre, Knightshayes and other village halls and churches also host occasional pop-up cinema events across the District.
- The main competition is from provision outside of the District. This is dominated by Exeter where the Vue Cinema (Summerland Gate) attains a market share of 30.2% and the Odeon (Sidwell Street) some 9.9% and the Exeter Picturehouse (Bartholomew Street) 6.2%. In terms of other competition this includes Taunton and specifically the Odeon (Heron Gate) attaining some 11%. Additionally, the New Carlton Cinema (Market Street) in Okehampton attains a lower market share of 3.8%.

8.40 The high-level assessment of the potential need for new commercial cinema provision in the MDDC area is based on standard approaches that draw on published national and regional 'screen density' averages (i.e. the number of screens per 100,000 population). According to

the latest available research⁵⁸, the current UK average is 7 screens per 100,000 people, which represents an increase from 6.1 screens in 2014. The equivalent average figure for the South West region is higher, at 7.3 screens per 100,000 people.

- 8.41 The table below shows the potential quantitative need for additional cinema screens to 2043 based on the population projections previously described.

Table 8.10: Potential Capacity for New Cinema Screens

| | 2023 | 2028 | 2033 | 2038 | 2043 |
|--|--------|--------|--------|--------|--------|
| Potential Cinema Catchment Population (Zones 1-7) | 30,147 | 30,714 | 31,917 | 32,940 | 34,657 |
| Cinema Screen Density (screens per 100,000 persons) based on average for South West Region | 7.3 | 7.3 | 7.3 | 7.3 | 7.3 |
| Cinema Screen Potential | 2 | 2 | 2 | 2 | 3 |
| Existing: Screen Numbers | 1 | 1 | 1 | 1 | 1 |
| Proposed: Screen Numbers | 0 | 0 | 0 | 0 | 0 |
| Net Screen Potential | 1 | 1 | 1 | 1 | 2 |

- 8.42 The key steps in the assessment of cinema capacity involve applying the market share ('retention level') for cinema trips (MDDC area – 28.8%) to the total population at the base year (some 104,687). This produces the total "cinema-going population" (some 30,147). Applying the average screen density of 7.3 to this population, the forecasts show that there is limited capacity for new cinema screens of up to 2 screens by 2043, based on existing provision
- 8.43 This is further confirmed by the responses to the household survey which do not show a significant demand for new cinemas. In response to the question which asked respondents what improvements could be made to Mid Devon's leisure offer leisure offer that would make respondents visit / partake in leisure activities more often (Question 47), only 1.3% of respondents in the Study Area identified the need for "a multi-screen cinema". Furthermore, in terms of suggested improvements to the main centres of Tiverton, Cullompton and Crediton there was no specific mention in the responses in relation to cinemas.
- 8.44 In summary, there does not appear to be any significant capacity or demand for new cinema provision in the MDDC area. However, should market interest and demand arise from cinema operators seeking representation in the area, this should be directed to the town centres first to further help diversity their daytime and evening economies, and strengthen their competitive positions.

HEALTH AND FITNESS FACILITIES

- 8.45 The health and fitness (H&F) sector, including gyms, was badly hit by the pandemic, with lockdowns forcing the closure of facilities. It is undeniable that the pandemic reinforced the need for outdoor activity particularly to support mental health and wellbeing. Furthermore,

⁵⁸ Dodona Research, Office for National Statistics (ONS) and BFI

alternative means of exercise increased during the series of lockdowns in 2020 and 2021, including at-home workouts, digital work-outs, outdoor exercise and classes, and the purchase of home gym equipment. For example, Peloton (cycle fitness), saw demand surge during the pandemic. Whilst this was an accelerated reaction to the pandemic, the long term impact on the sector and gym memberships remains unclear.

8.46 Notwithstanding the impacts of the pandemic, research⁵⁹ indicates the UK market continues to bounce back from the effects of the pandemic, member numbers in 2023 are up 3.9 per cent versus 2022 – this in spite of a 0.9 per cent fall in total club numbers (6,998 in 2023, down from 7,063 in 2022). Penetration rates are also recovering, with 15.1 per cent of the UK population now a member of a gym: 10.2 per cent are members of private health clubs, while the public sector has a 4.9 per cent penetration rate. It is also apparent that the structure of the UK H&F sector has evolved significantly over the last decade to reflect changes in consumer choice and trends. The table below shows the top operators in the sector in 2023.

Table 8.11: Main Private Sector Gym Operators in the UK

| Operator/Brand: | UK Facilities | Position | Comment |
|---------------------|---------------|------------|---|
| Pure Gym | 362 | Budget | Established in 2008. Acquired all gyms from LA Fitness in 2015. Most locations are open 24 hours and offer cardio equipment, fixed/free weights and exercise classes. |
| The Gym Group | 234 | Budget | Established in 2007. 24-hour access. No fixed contract; membership starts from £10.99/month. |
| Anytime Fitness | 188 | Budget | Established in 2002. It is a 24-hour health and fitness club. Membership rates vary by club. |
| Snap Fitness | 70 | Mid-Market | Established in 2003. A privately owned and operated club. |
| DW Sports Fitness | 73 | Mid-Market | Established in 2009 following purchase of 50 JJB Sports Fitness Clubs and the attached retail stores for £83m. |
| Nuffield Health | 114 | Mid-Market | Acquired 35 Virgin Active clubs in 2016 at a reported cost of £80m. Membership rates vary by club and locations but start from circa £60/month. |
| Energie Group | 100 | Mid-Market | Established in 2003. Clubs are typically between 5,000-25,000 sqft and comprise a café/ lounge area, fitness area, studio, locker rooms and showers. Many include spa areas, swimming pool, treatment rooms and spinning studios. |
| JD Gym | 230 | Mid-Market | Established in 2014. With approximately 1 million members in over 230 gyms nationwide, JD Gyms is one of the most recognised fitness center brands on the market. |
| David Lloyd Leisure | 103 | Premium | Established in 1982. Provide a family-orientated, high-quality fitness and leisure facility. Whitbread PLC acquired the company in 1995 for £182m. It is now owned by TDR Capital. |
| Bannatyne's | 69 | Premium | Established in 1997. Growth driven by new openings and acquisitions; including the purchase of the LivingWell Premier Health club chain from the Hilton Hotel UK Group in 2006. Also operates 37 spas and five hotels across the UK |
| Virgin Active | 43 | Premium | Virgin Active was launched in 1999 in Preston, Lancashire. Today, there are 43 clubs across the UK |

⁵⁹ State of the UK Fitness Industry Report 2023.

- 8.47 The value and budget gym operators have experienced the most significant growth in recent years. According to figures by Leisure DB, budget gyms now account for over one-third of gym memberships in the UK. The budget business model is normally based on 24-hour opening, discounted monthly subscriptions (ranging from £9.99 up to £20), 'pay-as-you-go' rather than 'upfront' annual memberships, and gym-goers providing their own towels, toiletries and locker padlocks. The popularity of the budget gyms is best reflected by the rapid expansion and success of Pure Gym since it was founded in 2007, along with relatively new entrants to this sector (such as Fitness4Less, Fitspace, TruGym, and SimplyGym). As a result, the budget gym sector is becoming increasingly "crowded" and competitive, and operators are constantly striving for differentiation. Notwithstanding this, we anticipate that there will be some restructuring and consolidation within the budget gym sector as the market evolves.
- 8.48 The growth of the budget gym operators has also 'squeezed' the memberships and viability of some of the established mid-market chains, such as LA Fitness and Fitness First. This has resulted in the increasing polarisation of the gym sector between the budget operators at the value end of the spectrum, and the more exclusive health and fitness centres at the higher, more expensive end. As a result, analysts predict that those mid-market gym operators that are neither very cheap, nor particularly exclusive will struggle to maintain market share in the competitive market place unless they revise their business models. Furthermore, as operators compete against the "at-home fitness" revolution (e.g. Peloton), boutique studios and tech-enabled fitness, they will need to evolve to be more than "*just gyms*." As with trends in the retail sector, experiences and entertainment will be key to attracting and retaining customers. For example, there has been continued investment into 'fitness-tainment' over the last few years and analysts predict that there is plenty of opportunity for future growth.
- 8.49 The table below shows the current representation of the main national, regional, independent, privately owned health and fitness operators in the MDDC area, along with Council-owned leisure centres, based on the household survey results. The table shows a good representation of other multiple operators, alongside a number of independent facilities, supplemented by public sector facilities.

Table 8.12: MDDC Area: Leisure Centres and Fitness Clubs⁶⁰

| Named Venues | Study Area Market Share (Zones 1-7) | Public Sector | Private Sector |
|---|-------------------------------------|---------------|----------------|
| Bespoke Fitness and Nutrition, Hartnoll Business Centre, Tiverton, EX16 4NG | 0.00% | | ✓ |
| CrossFit 4TC, Woodward Road, Tiverton, EX16 5GZ | 0.00% | | ✓ |
| Exe Valley Leisure Centre, Bolham Road, Tiverton, EX16 6SG | 18.36% | ✓ | |
| Petroc Fitness Centre, Bolham Road, Tiverton, EX16 6SH | 1.74% | ✓ | |
| Snap Fitness Tiverton, Kennedy Way, Tiverton, EX16 6FP | 7.28% | | ✓ |
| WTB Fitness, Lower Pitt, Washfield, Tiverton, EX16 9QU | 0.00% | | ✓ |
| Heathcoat Cricket Club, Knightshayes Court, Bolham, Tiverton, EX16 7RQ | 1.68% | | ✓ |
| Moorhayes Community Centre, Lea Road, Tiverton, EX16 6SU | 1.55% | ✓ | |
| Tiverton Golf Club, Post Hill, Tiverton, EX16 4NE | 0.37% | | ✓ |
| Tiverton Rugby Club, Bolham Road, Tiverton, EX16 6SG | 1.68% | | ✓ |
| Culm Valley Sports Centre, Meadow Lane, Cullompton, EX15 1LL | 5.20% | ✓ | |
| PFP Cullompton, Saunders Way, Cullompton, EX15 1BS | 0.45% | | ✓ |
| Cullompton Rugby Club, Stafford Park, Knowle Lane, Cullompton, EX15 1PZ | 1.96% | | ✓ |
| Padbrook Park Health & Fitness Studio, Padbrook Park, Cullompton, EX15 1RU | 2.02% | | ✓ |
| Lords Meadow Leisure Centre, Lords Meadow Industrial Estate, Crediton, EX17 1ER | 13.38% | ✓ | |
| Downes Crediton Golf Club, Hookway, Crediton, EX17 3PT | 0.31% | | ✓ |
| Sam Cooke Personal Training, Serstone Units, Bow, Crediton EX17 6ED | 0.79% | | ✓ |
| Chulmleigh Recreational Association, Beacon Rise, Chulmleigh, EX18 7AA | 0.00% | ✓ | |
| Gym Warehouse, Nethercott, Chawleigh, Chulmleigh, EX18 7LA | 0.00% | | ✓ |
| Uffculme Sport & Fitness, Chapel Hill, Uffculme, Cullompton, EX15 3AG | 0.97% | | ✓ |
| Zeal Monachorum Swimming Pool, The Waie Inn, Zeal Monachorum, EX17 6DF | 0.31% | | ✓ |

8.50 In terms of fitness/health activity participation rates, the table below shows that H&F facilities in the MDDC area are achieving a relatively strong market share within the widely defined Study Area of 80.2%. Of this total over 60% market share is attributed to Tiverton Town Centre (10.8%); Crediton Town Centre (6.8%); Exe Valley Leisure Centre (18.4%); Lords Meadow Leisure Centre (13.4%); Snap Fitness, Tiverton (7.2%) and Culm Valley Sports Centre some 5.2%. ‘Leakage’ to other H&F facilities is primarily to Exeter (6.7%) and Wellington (4.3%).

⁶⁰ Public Sector refers to all provision that is in a non-commercial setting.

Table 8.13: Health and Fitness - Market Shares

| | Study Area | Zone 1 | Zone 2 | Zone 3 | Zone 4 | Zone 5 | Zone 6 | Zone 7 |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | Zones 1-7 | % | % | % | % | % | % | % |
| MID-DEVON DISTRICT COUNCIL AREA | | | | | | | | |
| Tiverton Town Centre | 10.8% | 0.0% | 0.0% | 8.7% | 4.6% | 26.8% | 14.7% | 0.0% |
| Cullompton Town Centre | 0.8% | 0.0% | 4.9% | 0.0% | 0.0% | 0.0% | 1.8% | 0.0% |
| Crediton Town Centre | 6.8% | 12.7% | 28.0% | 25.3% | 0.0% | 0.0% | 0.0% | 0.0% |
| Bampton Town Centre | 0.4% | 0.0% | 0.0% | 0.0% | 4.6% | 0.0% | 0.0% | 0.0% |
| All Other Rural Locations | 4.7% | 15.3% | 0.0% | 2.7% | 0.0% | 5.9% | 1.8% | 5.1% |
| Sub-total: Town Centre Stores / Centres | 23.4% | 28.0% | 32.9% | 36.7% | 9.2% | 32.7% | 18.3% | 5.1% |
| OUT OF TOWN LOCATIONS | | | | | | | | |
| Tiverton | 32.6% | 0.0% | 0.0% | 0.0% | 52.2% | 67.3% | 27.0% | 29.7% |
| Cullompton | 9.6% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 7.4% | 45.1% |
| Crediton | 14.5% | 30.8% | 62.3% | 19.9% | 0.0% | 0.0% | 15.4% | 0.0% |
| Sub-total: All Out of Town Centre Stores / Centres | 56.8% | 30.8% | 62.3% | 19.9% | 52.2% | 67.3% | 49.8% | 74.8% |
| MID-DEVON DISTRICT COUNCIL AREA | 80.2% | 58.8% | 95.2% | 56.6% | 61.4% | 100.0% | 68.2% | 79.9% |
| OTHER VENUES OUTSIDE MDC AREA | | | | | | | | |
| Barnstaple | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Bideford | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Exeter | 6.7% | 35.1% | 3.3% | 0.0% | 0.0% | 0.0% | 13.0% | 4.7% |
| Exmouth | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Great Torrington | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Honiton | 1.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 7.4% | 0.0% |
| Taunton | 0.4% | 0.0% | 0.0% | 0.0% | 4.6% | 0.0% | 0.0% | 0.0% |
| Wellington | 4.3% | 0.0% | 0.0% | 0.0% | 29.4% | 0.0% | 0.0% | 10.3% |
| ALL OTHER CENTRES / STORES: | 7.5% | 6.1% | 1.5% | 43.4% | 4.6% | 0.0% | 11.5% | 5.1% |
| Sub-Total All other Centres / stores | 19.8% | 41.2% | 4.8% | 43.4% | 38.6% | 0.0% | 31.8% | 20.1% |
| TOTAL | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |

- 8.51 The household survey also asked a specific question on what improvements could be made to Mid Devon's leisure offer that would make respondents visit / partake in leisure activities more often (Question 47). The main responses for the wider Study Area included: 'an indoor swimming pool' (7.8%); 'leisure / sports centre' (2.7%); 'an outdoor swimming pool' (1.6%); 'more local sports & recreation facilities (football pitches, tennis courts etc)' (1.1%); 'more / better health clubs / gyms' (0.4%); and 'outdoor gyms' (0.2%).
- 8.52 In terms of the need for new health club/gym facilities, the population growth projected for the MDDC area (Zones 1-7) is +1,969 by 2028; +6,148 by 2033 and +15,662 by 2043. By applying the survey-derived area participation rate for H&F activities of 80.2% within the MDDC area results in the potential for new gym/H&F members. It is 1,579 by 2028 rising to 4,929 by 2033 and 12,558 by 2043.

- 8.53 Based on average membership levels for key premium gym operators (average 2,900 members per club) or a budget gym (average 3,450 members)⁶¹, the population projection increases will support an additional 2 premium gyms by or 1 budget gym by 2033 rising to up to 4 premium or budget gyms by 2043.
- 8.54 As for other commercial leisure sectors, the take-up of any forecast need based on population growth will be dependent on market interest and the demand from gym operators for representation.
- 8.55 Translating demand for new gyms to actual floorspace will also depend on the type of gym. For example, smaller boutique and specialist independent gyms generally require smaller units of between 300-700 sqm, and budget operators generally have requirements for unit sizes of up to circa 3,700 sqm⁶². Promotion of the provision of new gym and fitness facilities is recommended within town centres to help maintain and enhance their overall diversity and attraction, and/or focussed on transport hubs. Town centre locations also represent the most sustainable and accessible locations for the majority of the population. Meeting needs over the plan period will also have to take account of the changes in the local demographic profile and lifestyle trends. For example, facilities, clubs and classes will need to cater for an older population at one end of the age spectrum, and the needs of the Millennials and Generation Z groups at the other end. This may also drive the growth in demand for more specialist, niche and boutique gym offerings that specifically cater for the needs of different age groups and can sustain smaller membership levels.

GAMBLING VENUES

- 8.56 Gambling represents a significant component of the leisure industry. The main sectors comprise 'games of chance' (namely bingo clubs, casinos, betting shops and amusement arcades). The latest research⁶³ indicates that the gambling industry in Great Britain generated a Gross Gambling Yield (GGY) for the year end to March 2022 of £14.1bn. This represented a +10.9% increase from the previous year. Remote (online) gambling accounted for £6.4bn of total GGY.
- 8.57 The following assesses the main trends in this sector, current provision and the potential need/demand for new uses and facilities.

⁶¹ The latest research shows that the average number of gym memberships in the UK is currently circa 1,426 per club. Gym memberships range significantly: from an average of 725 members per club for independent venues, up to 2,200 members per club for the national operators. Average membership levels increase to 2,900 per club for the larger fitness chains (such as, for example, David Lloyd, Virgin Active, LA Fitness, etc.). Levels for the budget chains are higher, averaging circa 3,450 members per club.

⁶² Anytime fitness is an example of a smaller independent gym, with a floorspace requirement generally ranging from 350sqm to 650 sqm. Budget operators Pure Gym and The Gym have requirements for up to 1,850 sqm; and NRG is acquiring units of up to 3,700sqm

⁶³ The Gambling Commission – Industry Statistics (November 2022)

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- **Bingo Halls** - in response to falling admissions bingo operators are increasingly taking advantage of the online market and embracing smart-phone technology through new 'app' development. This forms part of a wider trend and has fuelled the growth in 'remote/online' gambling (which includes gambling activities through the internet, telephone, radio, etc.). Bingo operators are also increasingly looking to diversify their customer profile, and are marketing their clubs at a younger, predominantly female audience. As a result there has been an increase in the number of younger and more affluent bingo players over recent years, particularly as deregulation has enabled clubs to offer bigger (national) prizes. At the opposite end of the scale, research shows that 55-64 age group has generated the biggest growth in online gambling as more mature bingo players' switch to online bingo sites, as they grow in confidence with the modern technology. These trends have resulted in the closure of many bingo halls in centres across the UK over the last decade, and the prospects for new openings are limited.
 - **Casinos** - the latest figures published by the Gambling Commission show that non-remote casinos (i.e. not online) CGY increased by £575.1m (+492.8%) from £116.7m to £691.8m over the period March 2021 to March 2022. This followed a decrease of £900.9 million in GGY (casino games by £718.1 million and casino machines by £182.8 million) during the lockdown heavy period. The casino sector is dominated by two companies: the Rank Group with 67 venues has a 44% market share and Genting UK has 44 venues and a 29% market share. There has been some consolidation of the sector in the past few years, such as Rank Group's purchase of Gala Coral Casinos. Within the MDDC area there are no casinos with the closest being Plymouth where there is both a Genting and Grosvenor Casino.
 - **Betting Shops** - there were some 6,219 in the UK as of March 2022 this is below the 8,320 in March 2019 and also down from 9,111 in 2014. The decrease has been due to regulatory changes introduced in 2015 which led to a fall in revenue and profit. William Hill accounted for 27% of all premises in 2019, Ladbrokes had a 22% share, Tote's market share was 19% (following its purchase of Betfred), and Gala Coral Group's share was 18%. As gambling activities continue their shift to online channels, so the demand for physical outlets will inevitably dampen in the future and more betting shops will inevitably close. The presence of betting shops in high streets is also a contentious issue due to the perceived social, economic and health/wellbeing impacts on individuals and households. The Government has recognised that betting shops have specific impacts and in 2016 reclassified their use from Class A2 to 'Sui Generis'. This was also translated in the of the Use Classes Order came into effect on 1st September 2020. This reclassification means local authorities have greater planning powers to manage the number of outlets and therefore greater potential to limit impacts.

8.58 The survey-derived market shares for visits to bingo halls, casinos and bookmakers show that venues in the MDDC attain a high level retention of 72.5% from the Study Area (Zones 1-7). Almost 70% is retained within the centres of Tiverton (26.1%); Cullompton (10.3%); Crediton (12.3%) ; Bampton (7.7%); Morchard Bishop Village Centre (7%) and Bow Village Centre (6.5%). The high level of retention is reflective of the rural geography of the District.

Table 8.14: Bingo Halls, Casinos and Bookmakers - Market Shares

| | Study Area Zones 1-7 | Zone 1 % | Zone 2 % | Zone 3 % | Zone 4 % | Zone 5 % | Zone 6 % | Zone 7 % |
|---|-------------------------|---------------|---------------|-------------|---------------|---------------|---------------|---------------|
| MID-DEVON DISTRICT COUNCIL AREA | | | | | | | | |
| Tiverton Town Centre | 26.1% | 0.0% | 0.0% | 0.0% | 51.4% | 67.0% | 0.0% | 40.2% |
| Cullompton Town Centre | 10.3% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 59.8% |
| Crediton Town Centre | 12.3% | 33.7% | 51.1% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Bampton Town Centre | 7.7% | 0.0% | 0.0% | 0.0% | 48.6% | 0.0% | 0.0% | 0.0% |
| All Other Rural Locations | 13.5% | 66.3% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Sub-total: Town Centre Stores / Centres | 69.8% | 100.0% | 51.1% | 0.0% | 100.0% | 67.0% | 0.0% | 100.0% |
| OUT OF TOWN LOCATIONS | | | | | | | | |
| Tiverton | 2.7% | 0.0% | 0.0% | 0.0% | 0.0% | 16.5% | 0.0% | 0.0% |
| Cullompton | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Crediton | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Sub-total: All Out of Town Centre Stores / Centres | 2.7% | 0.0% | 0.0% | 0.0% | 0.0% | 16.5% | 0.0% | 0.0% |
| MID-DEVON DISTRICT COUNCIL AREA | 72.5% | 100.0% | 51.1% | 0.0% | 100.0% | 83.5% | 0.0% | 100.0% |
| OTHER VENUES OUTSIDE MDDC AREA | | | | | | | | |
| Barnstaple | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Bideford | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Exeter | 27.5% | 0.0% | 48.9% | 0.0% | 0.0% | 16.5% | 100.0% | 0.0% |
| Exmouth | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Great Torrington | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Honiton | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Taunton | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Wellington | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| ALL OTHER CENTRES / STORES: | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Sub-Total All other Centres / stores | 27.5% | 0.0% | 48.9% | 0.0% | 0.0% | 16.5% | 100.0% | 0.0% |
| TOTAL | 100.0% | 100.0% | 100.0% | 0.0% | 100.0% | 100.0% | 100.0% | 100.0% |

8.59 The main competing location outside of the MDDC area is Exeter attaining a 27.5% market share of which the Mecca Bingo (North Street) attains a 15.9% share followed by the Exeter City Centre at 11.6%

8.60 Based on current provision, market and consumer demand, there appears to be no demonstrable need to enhance existing provision to help improve competitive position and the choice of venues in the District and its main centres. This is further confirmed by the

responses to the household survey which do not show a significant demand. In response to the question on what improvements could be made to Mid Devon's leisure offer that would make respondents visit / partake in leisure activities more often (Question 47), only 0.4% stated 'bingo venues'. There was no response for a new casino venue.

- 8.61 Current trends also indicate that gambling activity growth will be online, rather than a need to provide more physical venues. Future demand for new venues is therefore expected to be very limited. If demand does arise in the future over the plan period, it should be directed to town centres first in accordance with national and local plan policy objectives

OTHER COMMERCIAL LEISURE

- 8.62 Other commercial leisure facilities can be grouped together under '*family entertainment venues*' (FEVs), which include paid activities that appeal to adults and children (such as, for example, tenpin bowling, roller skating, ice skating, and similar uses).

- **Tenpin bowling** – is possibly the most popular activity in the 'family entertainment' sector. After a period of decline in the 1970s, there are currently some 320 venues in the UK according to Mintel figures, and this sector was valued at £250m in 2021. A number of the successful bowling facilities opened over the last 15-20 years (e.g. Hollywood Bowl and Ten Entertainment) tend to form part of larger leisure complexes that include multi-screen cinemas, restaurants and nightclubs. The critical mass of leisure uses "under one roof" help to underpin the viability of tenpin bowling centres, as they tend to struggle as standalone destinations. The sector is evolving from old-style bowling alleys, to modern, multi-generational entertainment centres where bowling is blended with other forms of activity alongside an enhanced dining offer. This is balanced by the growth of smaller independent specialist bowling facilities (such as, for example, All Star Lanes and Bloomsbury Bowl). Within the MDDC area there is limited ten pin bowling provision. The main provision is outside of the area including Tenpin Exeter; Tenpin Plymouth; Hollywood Bowl, Taunton; Hollywood Bowl, Yeovil and Let's Go Superbowl & Entertainment in Barnstaple). It is estimated that the 320 venues in the UK represent approximately one venue for every 250,000 people, which compares with approximately three per 250,000 in the USA. Based on the forecast increase in population within the Study Area to 2043 to 120,349 by 2043, the current provision appears to be adequate. Furthermore, in response to the question on what improvements could be made to Mid Devon's leisure offer that would make respondents visit / partake in leisure activities more often (Question 67), some 2.9% of responses from across the Study Area identified the need for a new ten-pin bowling venue. Any market demand should be and directed to town centres first in accordance with national and local plan policy objectives.
- **Trampoline Parks** - over recent years there has also been growth in other more specialist commercial leisure attractions, such as trampoline parks. Since the opening

of the first indoor parks in the UK in 2014, trampolining has become one of the UK's fastest growing sport and leisure trends. It is estimated that there were some 150 parks in the UK in 2017/18, with the potential capacity for between 250-300 parks before saturation is potentially reached. This mirrors the growth in the United States and Australia, where parks first emerged in the early to mid-2000s. The main operators in this sector include Oxygen Freejumping , Ryze , and Gravity Active Entertainment . The public sector is also investing in trampoline parks, including Eastbourne Borough Council, Waltham Forest Council and Tameside Metropolitan Borough Council. At Tameside, for example, the new Total Adrenaline trampoline park, which opened in November 2016, forms an important part of a £20m investment project that aims to get people more physically active. Research shows that, on average, over one-third of "jumpers" are aged between 6-10 years and over one-quarter are aged between 11-15 years. These younger age groups require a parental guardian or authorised person for entry and, as a result, the trampoline venues are attracting wider families and groups, who are generating 'spin-off' expenditure to other uses and facilities both within and outside the venues. In response to the broad range of "jumpers," trampoline parks are also offering a range of activities and experiences that cater to the needs of a broader demographic, including dodge-ball tournaments, rock-climbing, ninja courses, laser tag and other social events. There is no commercial trampolining in the MDDC area. In response to the question on what improvements could be made to Mid Devon's leisure offer that would make respondents visit / partake in leisure activities more often (Question 47), only some 0.3% suggested a trampoline park. Other notable responses included are shown below:

Table: 8.15: Family Entertainment Venues: Suggested Improvements

| FEVs: Suggested Improvement | Study Area: Market Share |
|--|--------------------------|
| Leisure facilities / activities for families | 5.94% |
| Leisure facilities / activities for young children | 3.12% |
| Bowling alley / centre (ten-pin) | 2.93% |
| Leisure facilities / activities for teenagers | 2.85% |
| Improve the existing facilities | 1.87% |
| Ice rink | 1.10% |
| Skateboarding | 1.08% |
| Leisure facilities / activities for the elderly | 0.86% |
| Indoor soft play areas | 0.75% |
| Climbing centres | 0.36% |
| Indoor trampoline parks | 0.29% |
| Theme park | 0.13% |

8.63 The table below summarises the findings of the survey-derived market shares for trips to FEVs. The results show that venues within the MDDC area are achieving a low market share of 12% from within the Study Area (Zones-1-7). This reflective of current provisioning as stated above. The competing locations are Exeter (city Centre – 19.4%; Tenpin Exeter – 26.9%); Taunton (Hollywood Bowl – 21.9%) and Barnstaple (Let's Go Superbowl (3.5%).

Table 8.16: Family Entertainment Venues – Market Shares

| | Study Area Zones 1-7 | Zone 1 % | Zone 2 % | Zone 3 % | Zone 4 % | Zone 5 % | Zone 6 % | Zone 7 % |
|---|-------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| MID-DEVON DISTRICT COUNCIL AREA | | | | | | | | |
| Tiverton Town Centre | 2.6% | 0.0% | 0.0% | 0.0% | 5.3% | 7.2% | 0.0% | 0.0% |
| Cullompton Town Centre | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Crediton Town Centre | 1.1% | 9.8% | 0.0% | 0.0% | 0.0% | 2.2% | 0.0% | 0.0% |
| Bampton Town Centre | 0.6% | 0.0% | 0.0% | 0.0% | 5.3% | 0.0% | 0.0% | 0.0% |
| All Other Rural Locations | 7.7% | 19.5% | 0.0% | 9.5% | 21.7% | 7.2% | 3.7% | 5.0% |
| Sub-total: Town Centre Stores / Centres | 12.0% | 29.3% | 0.0% | 9.5% | 32.4% | 16.6% | 3.7% | 5.0% |
| OUT OF TOWN LOCATIONS | | | | | | | | |
| Tiverton | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Cullompton | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Crediton | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Sub-total: All Out of Town Centre Stores / Centres | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| MID-DEVON DISTRICT COUNCIL AREA | | | | | | | | |
| 12.0% | 29.3% | 0.0% | 9.5% | 32.4% | 16.6% | 3.7% | 5.0% | |
| OTHER VENUES OUTSIDE MDDC AREA | | | | | | | | |
| Barnstaple | 5.9% | 0.0% | 0.0% | 46.6% | 0.0% | 0.0% | 0.0% | 0.0% |
| Bideford | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Exeter | 46.3% | 60.9% | 100.0% | 38.1% | 38.7% | 7.2% | 80.1% | 36.2% |
| Exmouth | 2.0% | 0.0% | 0.0% | 0.0% | 0.0% | 7.2% | 0.0% | 0.0% |
| Great Torrington | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Honiton | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Taunton | 27.1% | 0.0% | 0.0% | 2.9% | 28.9% | 51.1% | 8.1% | 58.8% |
| Wellington | 2.5% | 0.0% | 0.0% | 0.0% | 0.0% | 9.0% | 0.0% | 0.0% |
| ALL OTHER CENTRES / STORES: | 4.3% | 9.8% | 0.0% | 2.9% | 0.0% | 9.0% | 8.1% | 0.0% |
| Sub-Total All other Centres / stores | 88.0% | 70.7% | 100.0% | 90.5% | 67.6% | 83.4% | 96.3% | 95.0% |
| TOTAL | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |

THEATRE AND CULTURAL ACTIVITIES

- 8.64 Cultural activities include a broad range of activities that are focused on the arts and historic attractions. This assessment is concerned with the provision and potential need for theatres and museums. There is limited provision in the MDDC area that includes the Tiverton Community Arts Theatre, Crediton Arts Centre and a number of pop-up venues across the District that host outdoor theatre in the summertime (e.g. The Walronds, Lapford Mill, Lapford Victory Hall, Holy Cross Church Crediton, Cheriton Fitzpaine, Newton St Cyres Arboretum).
- 8.65 The limited provision is also reflected in the responses to the household survey. This shows that for trips to the theatre and/or music venues from across the Study Area (Zones 1-7), venues in the MDDC area attain a relatively low market share of 15%. Other theatre and music venues outside the MDDC area attain a substantial market share from the Study Area

of 85%. Venues in Exeter dominate with a 32.4% market share; Plymouth some 15.2% and Central London / West End attaining 8.8%. The Exeter Northcott Theatre attains a 17.7% market share, the Theatre Royal Plymouth 7.5%.

Table 8.17: Theatre and Music Venues – Market Shares

| | Study Area | Zone 1 | Zone 2 | Zone 3 | Zone 4 | Zone 5 | Zone 6 | Zone 7 |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | Zones 1-7 | % | % | % | % | % | % | % |
| MID-DEVON DISTRICT COUNCIL AREA | | | | | | | | |
| Tiverton Town Centre | 7.0% | 0.0% | 0.0% | 6.9% | 8.8% | 26.4% | 0.0% | 0.0% |
| Cullompton Town Centre | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Crediton Town Centre | 2.0% | 9.0% | 4.6% | 1.6% | 0.0% | 0.0% | 0.0% | 0.0% |
| Bampton Town Centre | 0.3% | 0.0% | 0.0% | 0.0% | 2.8% | 0.0% | 0.0% | 0.0% |
| All Other Rural Locations | 1.7% | 2.2% | 1.1% | 0.0% | 0.0% | 0.0% | 3.4% | 5.1% |
| Sub-total: Town Centre Stores / Centres | 11.0% | 11.2% | 5.7% | 8.5% | 11.5% | 26.4% | 3.4% | 5.1% |
| OUT OF TOWN LOCATIONS | | | | | | | | |
| Tiverton | 4.0% | 0.0% | 0.0% | 3.5% | 5.5% | 5.0% | 5.4% | 7.4% |
| Cullompton | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Crediton | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Sub-total: All Out of Town Centre Stores / Centres | 4.0% | 0.0% | 0.0% | 3.5% | 5.5% | 5.0% | 5.4% | 7.4% |
| MID-DEVON DISTRICT COUNCIL AREA | | | | | | | | |
| | 15.0% | 11.2% | 5.7% | 12.0% | 17.0% | 31.4% | 8.7% | 12.6% |
| OTHER VENUES OUTSIDE MDDC AREA | | | | | | | | |
| Barnstaple | 3.8% | 0.0% | 0.0% | 31.1% | 0.0% | 0.0% | 0.0% | 0.0% |
| Bideford | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Exeter | 32.4% | 37.7% | 48.8% | 26.9% | 22.7% | 19.3% | 64.4% | 14.2% |
| Exmouth | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Great Torrington | 1.0% | 0.0% | 0.0% | 8.2% | 0.0% | 0.0% | 0.0% | 0.0% |
| Honiton | 0.7% | 2.2% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 2.3% |
| Plymouth | 15.2% | 17.7% | 26.4% | 16.9% | 0.0% | 18.2% | 7.1% | 15.4% |
| Taunton | 4.0% | 0.0% | 0.0% | 0.0% | 23.5% | 0.0% | 3.7% | 5.1% |
| Wellington | 0.4% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 2.3% |
| ALL OTHER CENTRES / STORES: | 27.6% | 31.2% | 19.1% | 4.8% | 36.8% | 31.0% | 16.1% | 48.0% |
| Sub-Total All other Centres / stores | 85.0% | 88.8% | 94.3% | 88.0% | 83.0% | 68.6% | 91.3% | 87.4% |
| TOTAL | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |

8.66 In response to the question on what improvements could be made to Mid Devon's leisure offer that would make respondents visit / partake in leisure activities more often (question 47), some 1% suggested 'a theatre'; 0.6% suggested 'outdoor festivals / events'; 0.5% suggested 'live music / events'; 0.3% suggested comedy clubs' and a further 0.3% suggested 'street carnivals'.

8.67 The provision of historic and cultural venues in the MDDC area includes, inter alia:

- Tiverton Castle, Park Hill, Tiverton.
- Tiverton Museum Of Mid Devon Life, Beck's Square, Tiverton.
- Old Town Hall, High Street, Crediton.

- Bampton Heritage & Visitor Centre, Bampton.
- Knightshayes Court & Gardens, Bolham.
- Tiverton Canal Co (a Living Heritage Attraction)

8.68 For trips to cultural venues from across the Study Area (Zones 1-7) venues in the MDDC area attain a market share of a low 24.1%. Of this Knightshayes Court attains 7.8% and the Tiverton Museum Of Mid Devon Life attains a market share of 7.5%. Other historic and cultural venues outside the MDDC area attain a substantially higher market share from the Study Area of 75.9%. This is dominated by the Royal Albert Memorial Museum & Art Gallery, Exeter attaining 7.5%; Exeter City Centre 27.3% and Central London 10.2%.

Table 8.18: Historic and Cultural Venues – Market Shares

| | Study Area Zones 1-7 | Zone 1 % | Zone 2 % | Zone 3 % | Zone 4 % | Zone 5 % | Zone 6 % | Zone 7 % |
|---|-------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| MID-DEVON DISTRICT COUNCIL AREA | | | | | | | | |
| Tiverton Town Centre | 14.5% | 0.0% | 5.0% | 12.4% | 12.1% | 35.3% | 0.0% | 14.3% |
| Cullompton Town Centre | 0.8% | 0.0% | 6.5% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Crediton Town Centre | 1.1% | 2.7% | 4.8% | 2.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Bampton Town Centre | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| All Other Rural Locations | 7.8% | 8.1% | 0.0% | 0.0% | 8.1% | 20.4% | 0.0% | 6.0% |
| Sub-total: Town Centre Stores / Centres | 24.1% | 10.8% | 16.3% | 14.4% | 20.2% | 55.6% | 0.0% | 20.3% |
| OUT OF TOWN LOCATIONS | | | | | | | | |
| Tiverton | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Cullompton | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Crediton | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Sub-total: All Out of Town Centre Stores / Centres | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| MID-DEVON DISTRICT COUNCIL AREA | | | | | | | | |
| OTHER VENUES OUTSIDE MDDC AREA | | | | | | | | |
| Barnstaple | 1.4% | 0.0% | 1.6% | 10.1% | 0.0% | 0.0% | 0.0% | 0.0% |
| Bideford | 0.2% | 0.0% | 0.0% | 2.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Exeter | 53.0% | 56.0% | 70.1% | 52.5% | 46.8% | 39.2% | 65.0% | 53.9% |
| Exmouth | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Great Torrington | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Honiton | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Taunton | 2.8% | 0.0% | 0.0% | 0.0% | 8.1% | 0.0% | 0.0% | 12.0% |
| Wellington | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| ALL OTHER CENTRES / STORES: | 18.4% | 33.2% | 12.0% | 21.0% | 24.9% | 5.2% | 35.0% | 13.8% |
| Sub-Total All other Centres / stores | 75.9% | 89.2% | 83.7% | 85.6% | 79.8% | 44.4% | 100.0% | 79.7% |
| TOTAL | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |

8.69 Overall from the household survey the main centres and venues in the MDDC area are not necessarily achieving a good market share of trips and activities focused on theatre, music, cultural and historic attractions.

8.70 In response to the question on what improvements could be made to Mid Devon's leisure offer that would make respondents visit / partake in leisure activities more often (question 47), some 1% suggested 'art galleries'; 0.6% suggested 'museums' and 0.2% suggested 'more / better cultural facilities'.

SUMMARY

8.71 This section has shown that the commercial leisure industry faces considerable challenges and pressures. It is clear that consumers are becoming increasingly selective in terms of where and how they spend their discretionary leisure expenditure. There will also be a continued increase in at-home activities due to the advances in computers, tablets, television, gaming, and audio technology. More immediately this will be further compounded by the current 'cost of living crisis.' The challenge for town centres and leisure operators in the future will be how to attract customers away from their homes.

8.72 In summary, the leisure needs assessment has identified:

- **Food and Beverage** - there is no potential for additional new cafés, restaurants and bars by 2043 based on projected population and expenditure growth.
- **Cinemas** – existing venues in the MDDC area show a low level of participation of 28.8%. Overall, there does not appear to be any significant capacity or demand for new cinema provision in the MDDC area.
- **Gyms / Health and Fitness facilities** – current venues show a high level of retention of 80.2%. The projected growth in the population over the period to 2043 could potentially sustain an additional 2 premium gyms or 1 budget gym by 2033 rising to up to 4 premium or budget gyms by 2043.
- **Family Entertainment Venues** – in terms of addressing future needs and supporting the overall attraction and resilience of the daytime and evening economies there could be potential to promote more family-based activities.

8.73 Responses from the household survey indicate that the main centres and venues in the MDDC area are not necessarily achieving a good market share of trips and activities focused on theatre, music, cultural and historic attractions and there is a need to promote these further.

8.74 In the post pandemic and cost inflation world, consideration will also need to be given to facilitating outdoor provision particularly through the activation of under-utilised public realm and green spaces to support residents' health and wellbeing and promote more active lifestyles.

8.75 In all cases, the potential for new commercial leisure venues, facilities and attractions will be subject to dynamic economic, market and consumer trends over time. Where demand from operators does arise for representation, this should be directed to town centres first, aligned with national and local plan policy objectives.

9. TOURISM BUSINESS SURVEY

9.1 An independent telephone survey amongst a sample of local businesses trading in Mid Devon that operate within the visitor and tourism sector was conducted by NEMS Market Research in June 2023. The main aims and objectives of the survey were to:

- establish customer profile;
- determine changes in customer profile due to the COVID-19 pandemic;
- understand impact of recent and ongoing economic events, such as Brexit, the COVID-19 pandemic and the cost-of-living crisis;
- ascertain recent business performance and expectations for the future;
- gather opinions on tourism in Mid Devon and how it could be encouraged;
- identify the perceived challenges to delivering investment in Mid Devon's tourism sector;
- obtain views on which visitor attractions and facilities Mid Devon is currently lacking;
- determine awareness level of the Visit Mid Devon Project; and
- collect opinions on whether they believe the Junction 27 site would affect their business.

SURVEY METHOD

9.2 NEMS carried out some 100 interviews between Wednesday 7th and Tuesday 27th June 2023. All respondents were either the owner or director of the business or had responsibility for making senior decisions, such as where the business was located, the premises they occupied and any future plans. This was determined using a preliminary filter question.

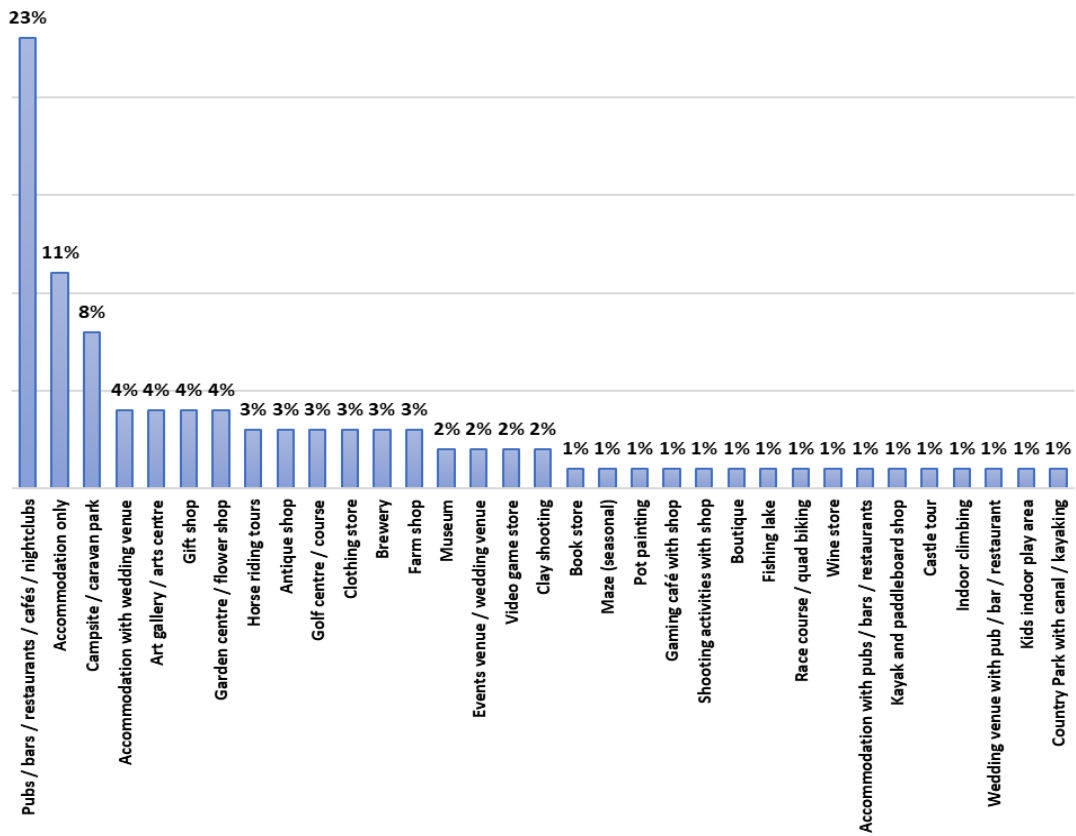
9.3 The business sample included various companies working within the visitor and tourism industry in the District and covered the following four business sectors; namely, Food & Drink, Shopping, Accommodation and Attractions / Activities. To ensure an even spread of interviews was achieved; 25 interviews were conducted in each of the four sectors.

9.4 The research method, survey questionnaire and detailed tabulations are set out in **Volume 4** accompanying this report.

RESPONDENT PROFILE

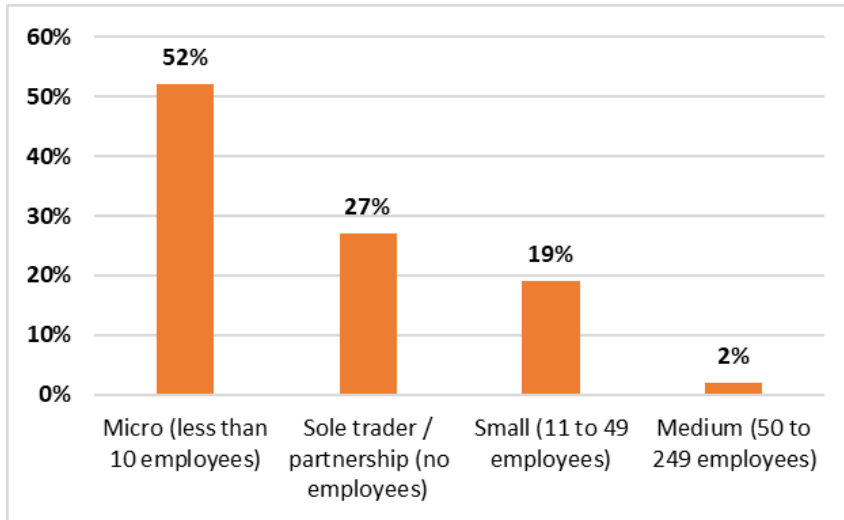
9.5 The composition of the businesses based on the four sectors is shown below with the top three types of businesses represented namely: pubs / bars / restaurants / cafes / nightclubs (23%); Accommodation businesses (11%) and Campsite businesses (8%).

Figure 9.1: Business Survey: Profiles of Businesses



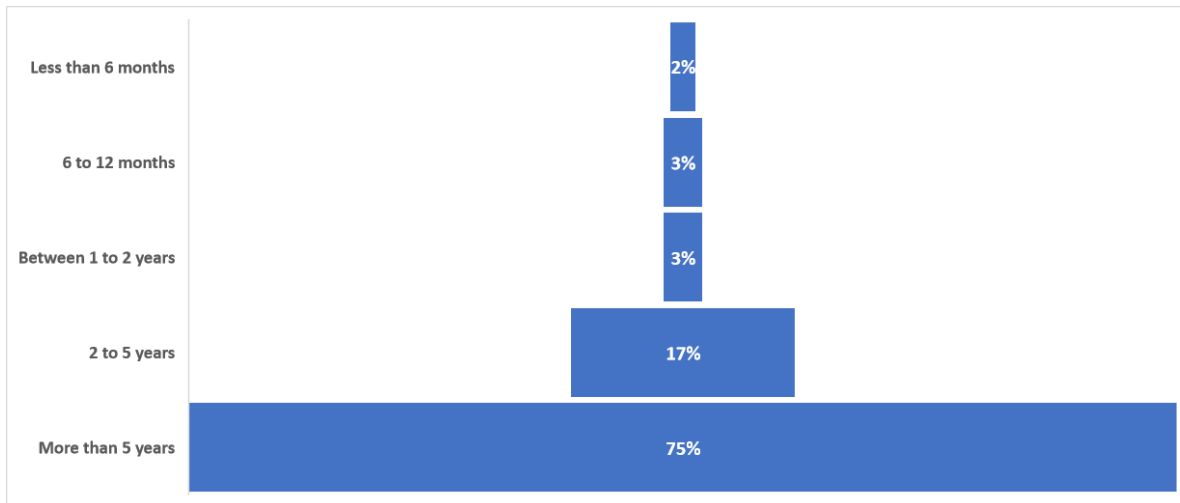
9.6 The majority of the responding business were micro businesses (less than 10 employees), some 52%, followed by sole trade / partnership (27%). This indicates that the majority of the responding businesses were local independent businesses.

Figure 9.2: Business Survey: Size of Businesses (by no. of Employees)



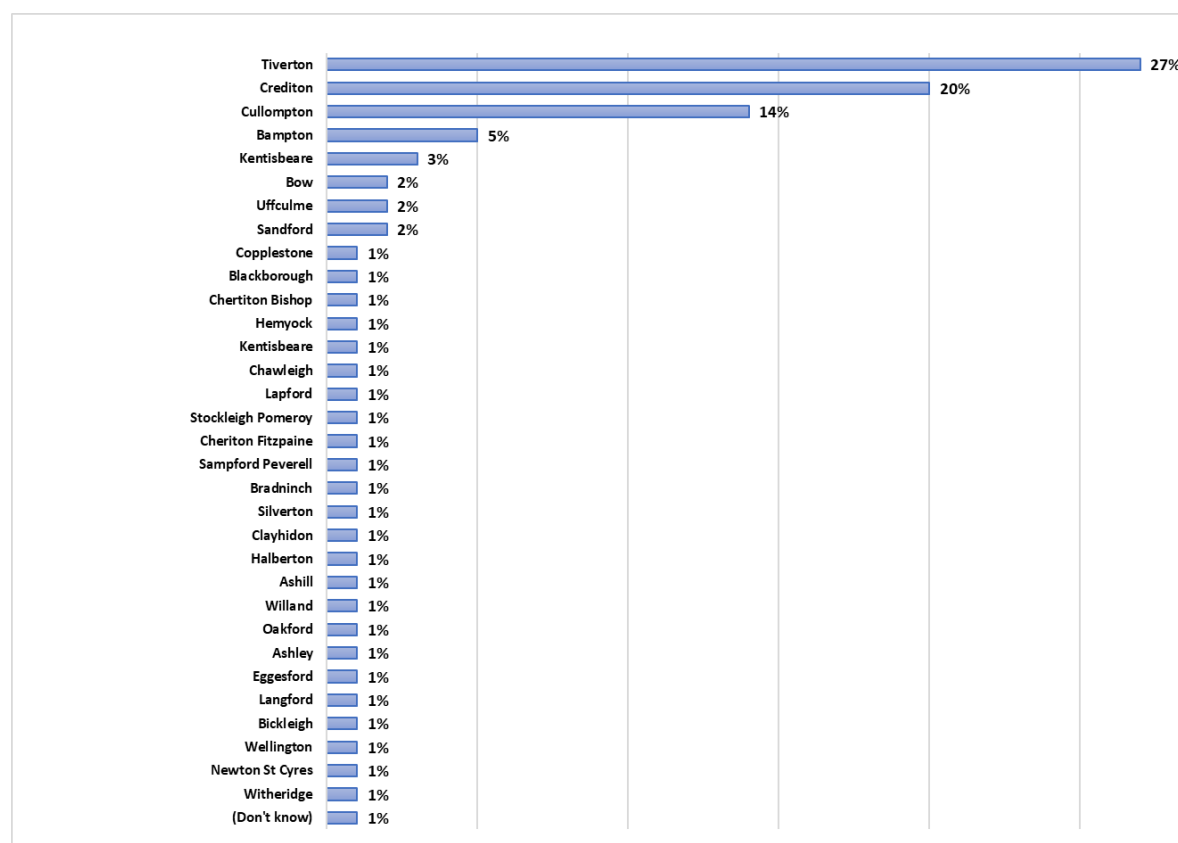
9.7 The majority of the responding businesses were established having been operating for more than five years.

Figure 9.3: Business Survey: Trading Profile (by No. of Years)



9.8 Regarding the location of the businesses they were spread throughout the District with particular representation (over 60%) from the main centres of Tiverton (27%); Crediton (20%) and Cullompton (14%).

Figure 9.4: Business Survey: Location of Businesses



CUSTOMER BASE & TRADING PROFILE

9.9 The businesses were also asked about the origin and trade of their customer base. The analysis shows that in the main the key customer base includes local trade from Mid Devon as well as regional trade and domestic tourists (highlighted below). International tourists are a contributor but not to the same extent.

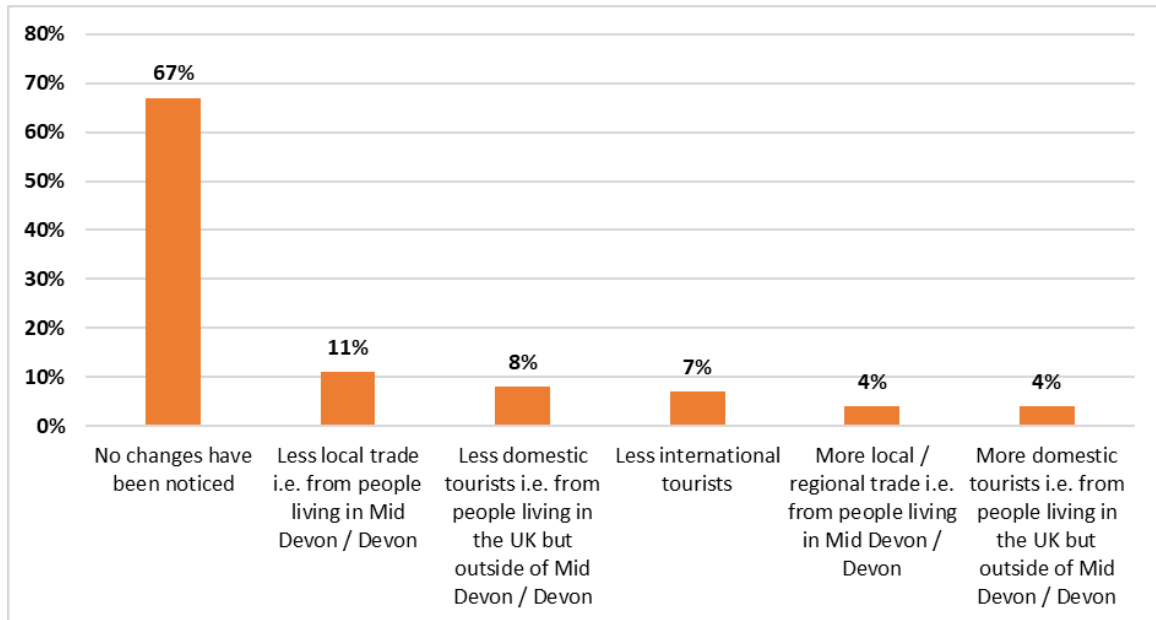
Table 9.1: Business Survey: Origin of Trade

| Proportion of Trade | Local Trade from Mid Devon | Regional Trade (visitors from elsewhere in Devon) | Domestic Tourists (i.e. from UK but outside of Devon) | International Tourists |
|---|----------------------------|---|---|------------------------|
| Between to 1% to 40% of trade. | 17% | 56% | 53% | 38% |
| Between to 41% to 100% of trade. | 66% | 7% | 26% | 1% |
| None | 17% | 37% | 21% | 61% |
| Total | 100% | 100% | 100% | 100% |

9.10 Businesses were also asked if there were any noticeable changes to their customer profile currently compared to before the COVID-19 pandemic. Overall the majority (67%) noted that

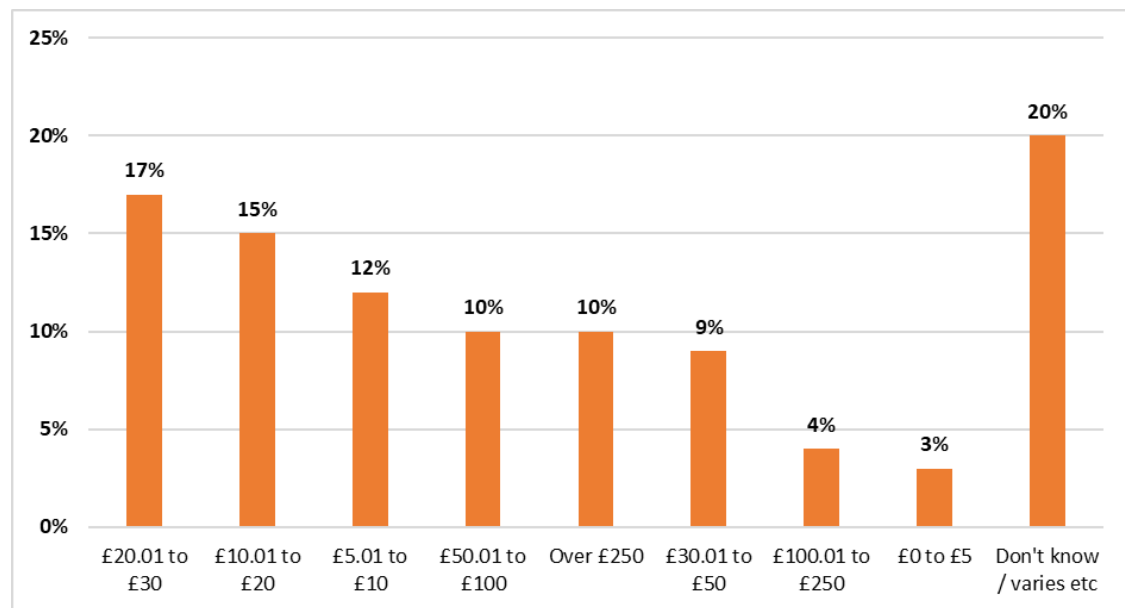
there was no noticeable change. Though, a significant proportion (26% overall) stated less local trade (11%); less domestic tourists (8%) and less international Tourists (7%). A minority stated more local/regional trade (4%) and more domestic tourists (4%).

Figure 9.5: Business Survey: Changes In Customer Profile Post Pandemic



9.11 Businesses were also asked about average customer spend per visit or per stay. The analysis showed that in the main some 56% of customers spent up to £50. The highest proportion was those who spent between £20 and £30 pounds (17%) closely followed by those who spent between £10 and £20. Interestingly, some 10% spent over £250, with a minority (4%) spending between £100 and £250.

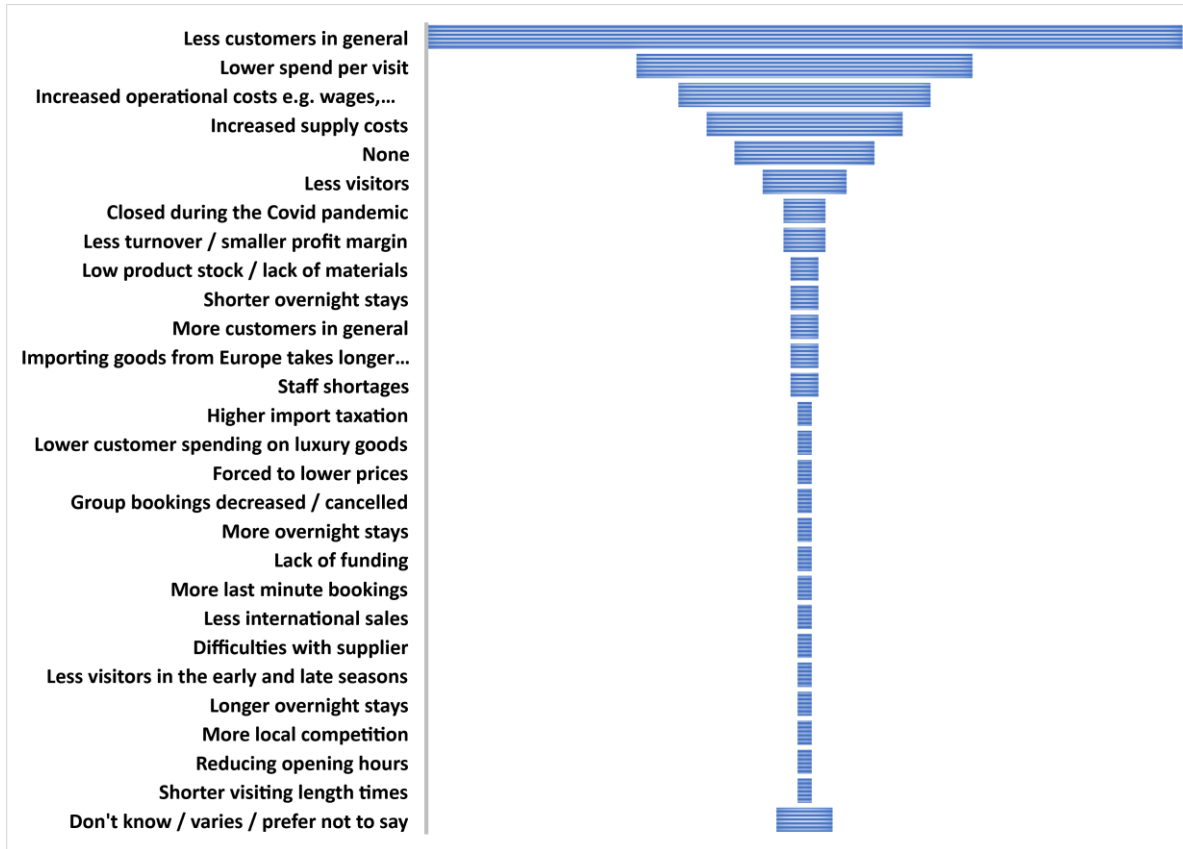
Figure 9.6: Business Survey: Customer Spend Profile



9.12 Businesses were also asked whether they were being impacted by recent and ongoing economic events, such as BREXIT, the COVID-19 pandemic, and the current cost of living crisis. For those that provided a constructive response, the top three responses were:

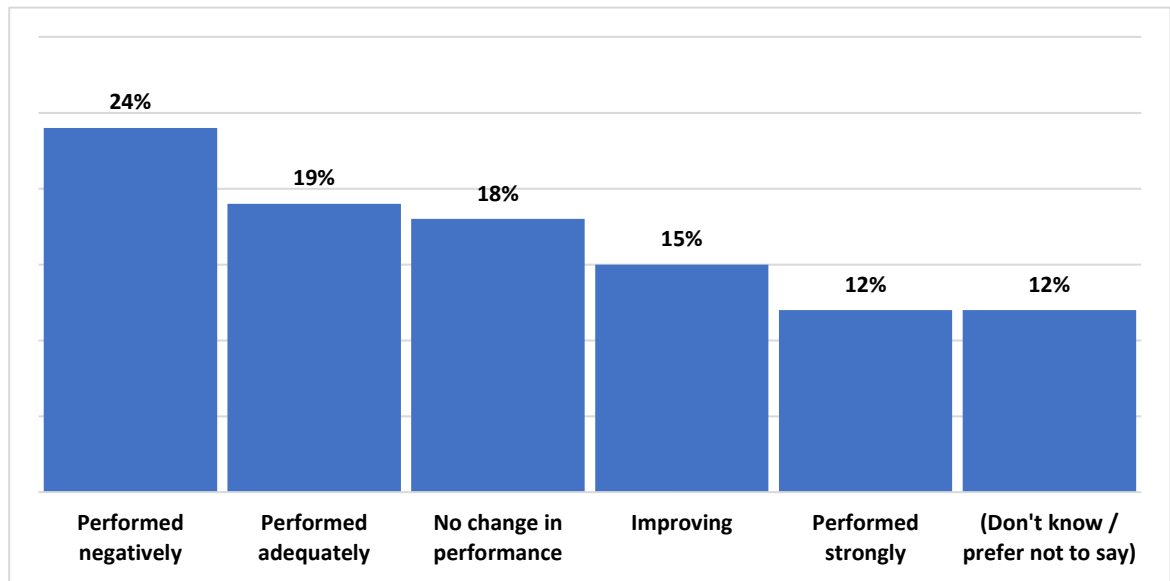
- Less customers in general;
- Lower spend per visit; and
- Increased operational costs

Figure 9.7: Business Survey: Impact of Economic Events



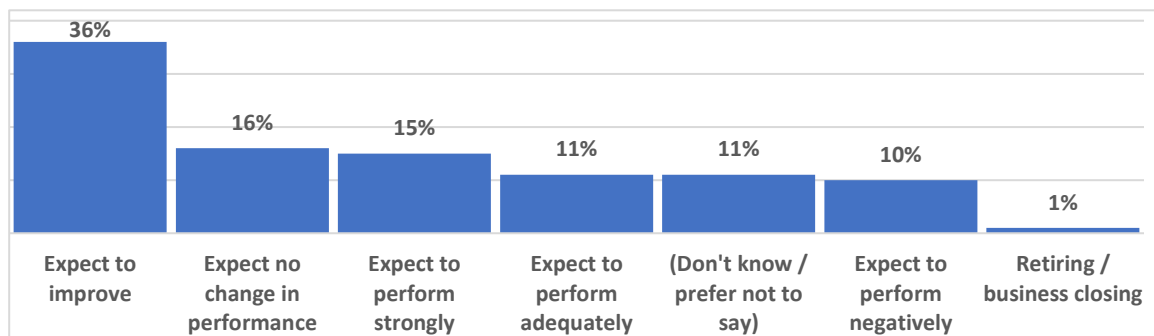
9.13 In comparison to their previous year of trading 27% stated that their businesses were performing strongly or improving. Some 24% stated that they were performing negatively. Over a third (37%) reported that they had either seen no change in performance or that they had performed adequately.

Figure 9.8: Business Survey: Business Performance Over the Last 12 Months



9.14 In terms of future performance over the next 2 years over a third (36%) of the businesses responded optimistically expecting the performance of their business to improve. Furthermore a minority (1%) expected to close over the next 2 years.

Figure 9.9: Business Survey: Expectation of Future Business Performance (next 2 Years)



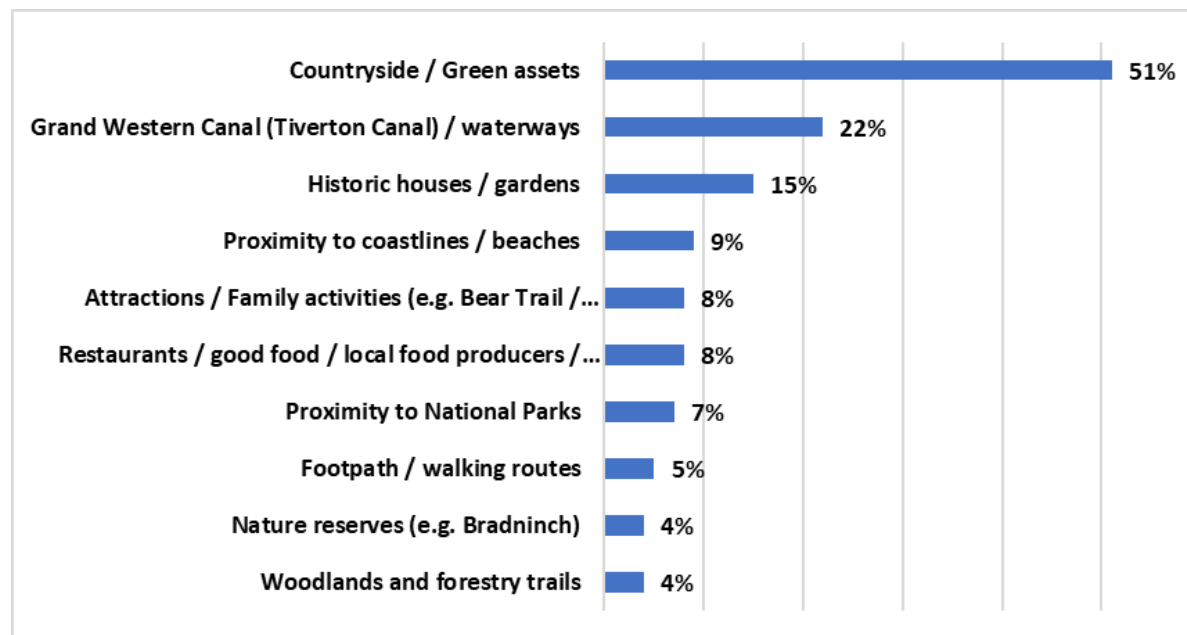
TOURISM PROVISION IN MID DEVON DISTRICT

9.15 Businesses were also asked questions about their broad perception of tourism provision in the District as well as key assets, attractions and facilities together with areas for improvement.

9.16 With reference to the question on the most important visitor assets in Mid Devon, the Businesses rated the following as the top three:

- Countryside / Green assets
- Grand Western Canal (Tiverton Canal) / waterways
- Historic houses / gardens

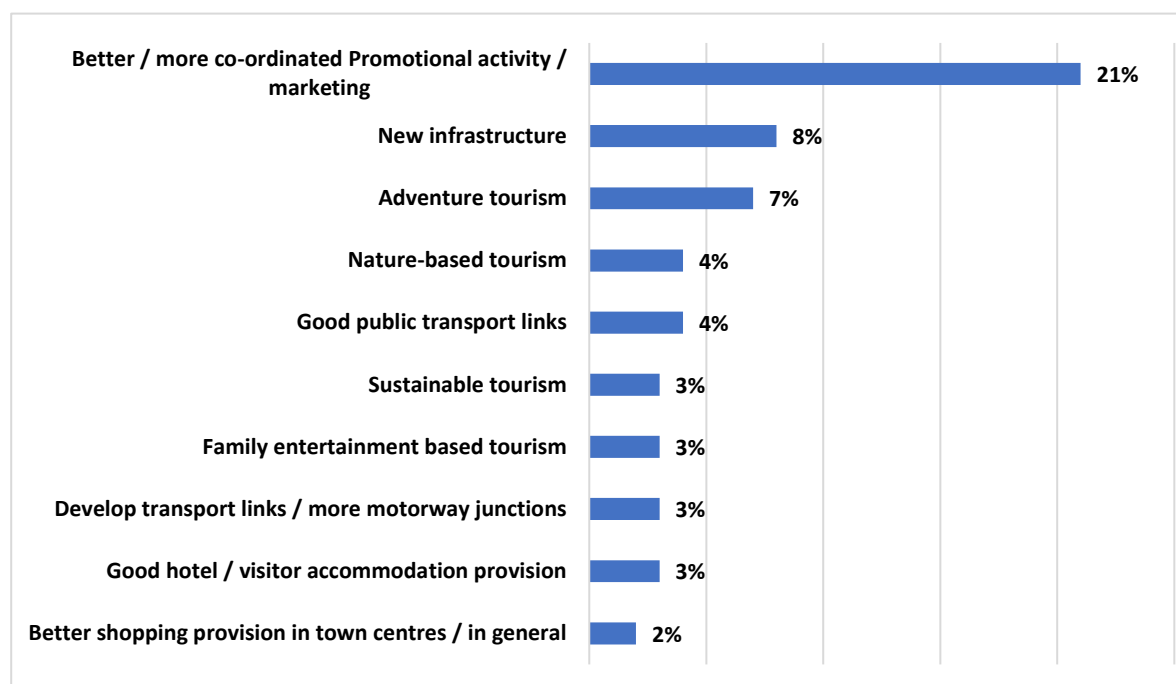
Figure 9.10: Business Survey: Most Important Visitor Assets (Top 10)



9.17 In terms of opportunities for developing tourism in Mid Devon the businesses reported that the top priorities were:

- Better / More co-ordinated promotional activity / Marketing
- New infrastructure
- Adventure tourism

Figure 9.11: Business Survey: Opportunities for Developing Tourism in Mid Devon (Top 10)

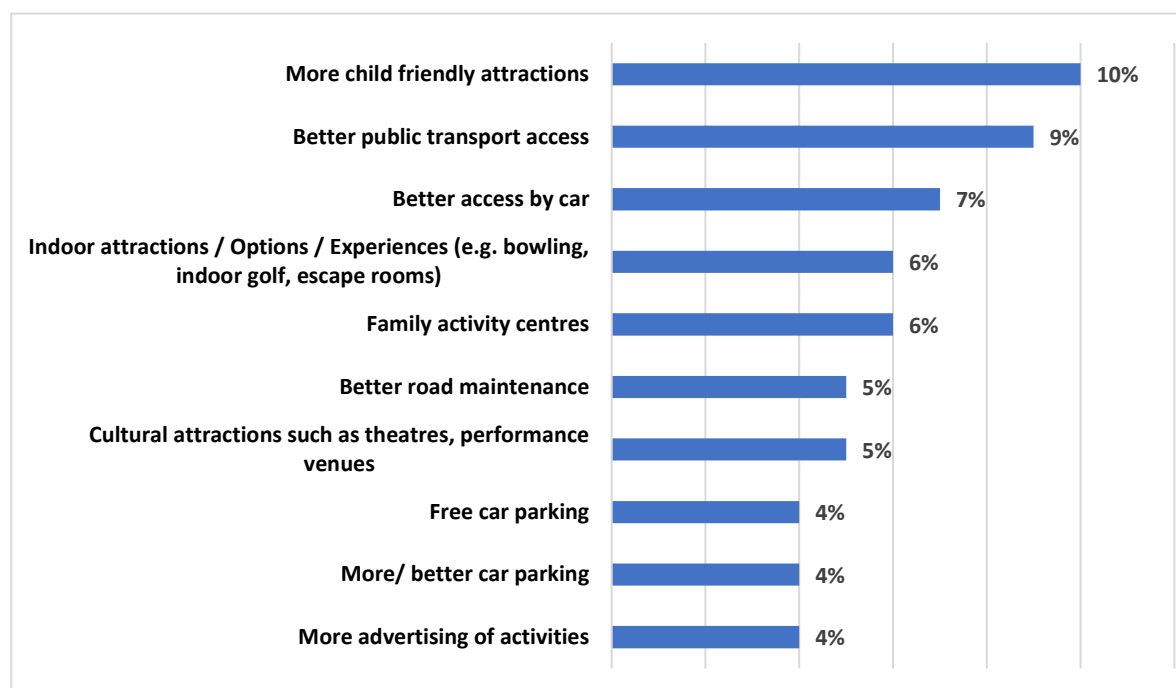


9.19 The businesses sampled are at the forefront of customer interaction and it is important to recognise that they will have regular contact with their customer base from whom they will gather feedback on their local area and Mid Devon overall. Place promotion and marketing on a continual basis is an essential component for tourism promotion. The Council needs to have a strategy in place for regular and diverse type of promotion both locally and beyond.

9.20 Businesses also responded on potential gaps including attractions and facilities lacking in Mid Devon. The top three identified were:

- More child friendly attractions
- Better public transport access
- Better access by car

Figure 9.12: Business Survey: Visitor Attractions & Facilities Lacking in Mid Devon (Top 10)

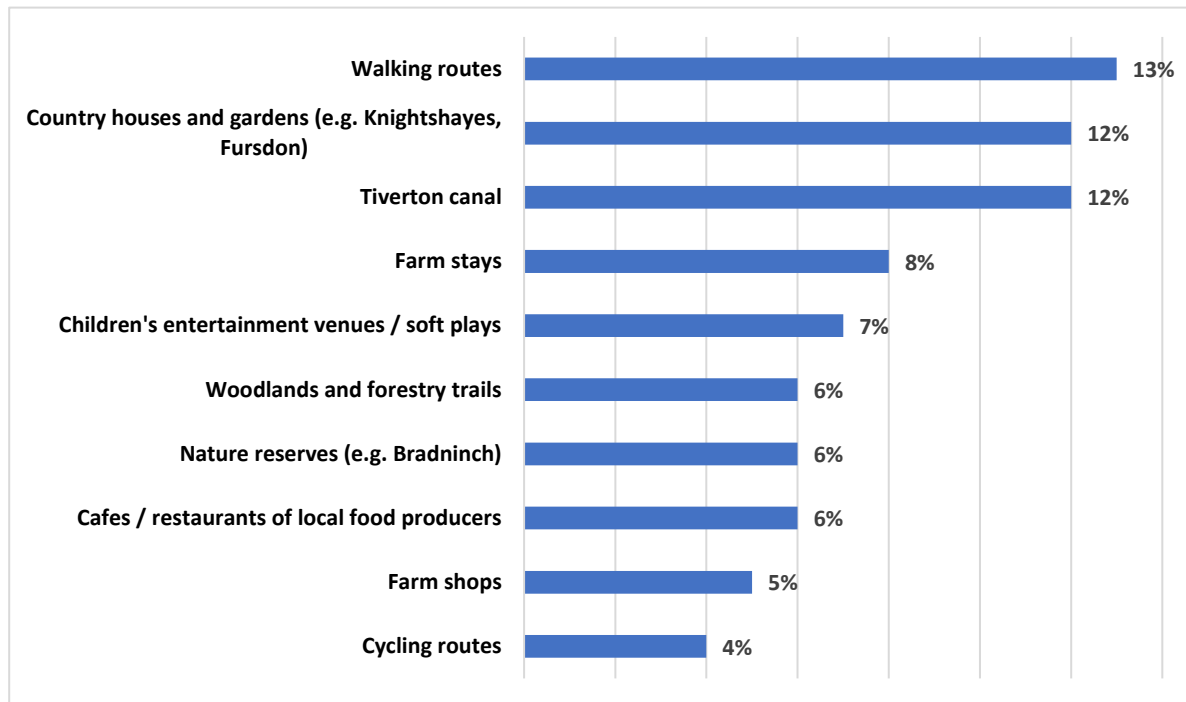


9.21 This response also gives weight to the findings in the commercial leisure assessment (**Section 8**) in which the potential to promote more family-based activities is recommended.

9.22 Businesses were also asked about which rural attractions should be promoted in Mid Devon so as to encourage more visitors. The top three responses were:

- Walking routes
- Country houses and gardens (e.g. Knightshayes, Fursdon)
- Tiverton canal

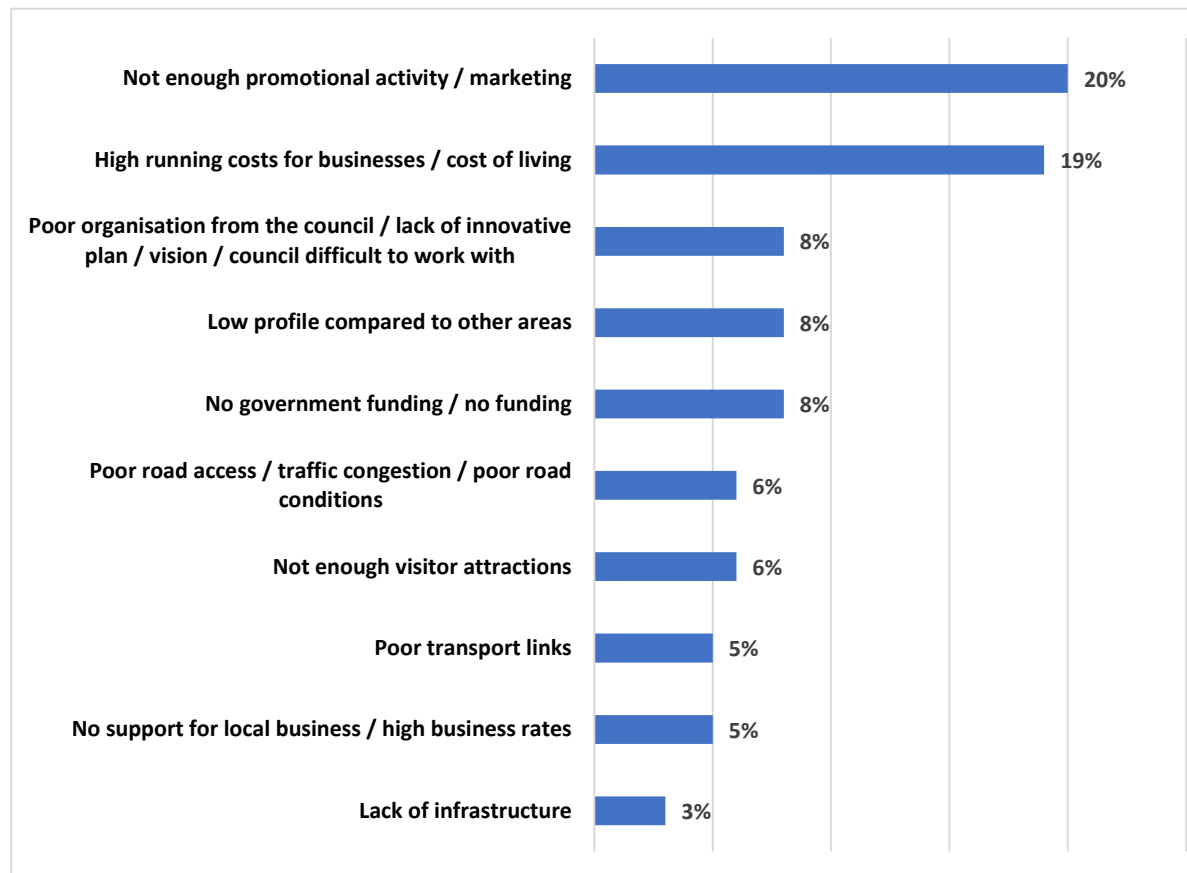
Figure 9.13: Business Survey: Promotion of Rural Attractions (Top 10)



9.23 The responses by the businesses reflect the rural nature and abundant greenspace in the District. These are its natural assets which coupled with associated activity can aid to raise the profile of the District. Within the top 10 there is also an inference in terms of providing and interacting with the local community say through more family entertainment venues, farm stays and shops and walking routes etc, all of which require proactive promotion.

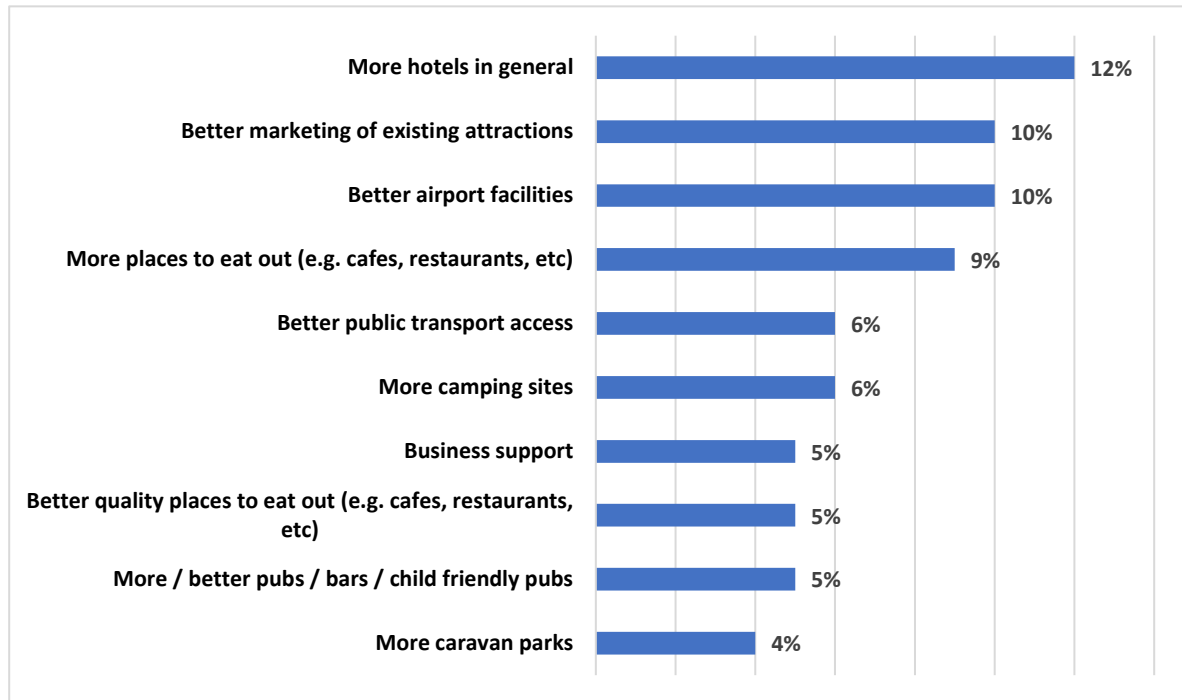
9.24 Businesses were also asked to reflect on the main challenges in delivering investment in Mid Devon's tourism sector. Interestingly, not enough promotion and marketing ranks at the top followed by rising business costs and the current cost of living crisis. Furthermore the Council in itself comes in for some criticism which potentially suggests the need for more proactive representation and engagement with the local business community.

Figure 9.14: Business Survey: Main Challenges to Delivering Investment in Mid Devon's Tourism Sector (Top 10)



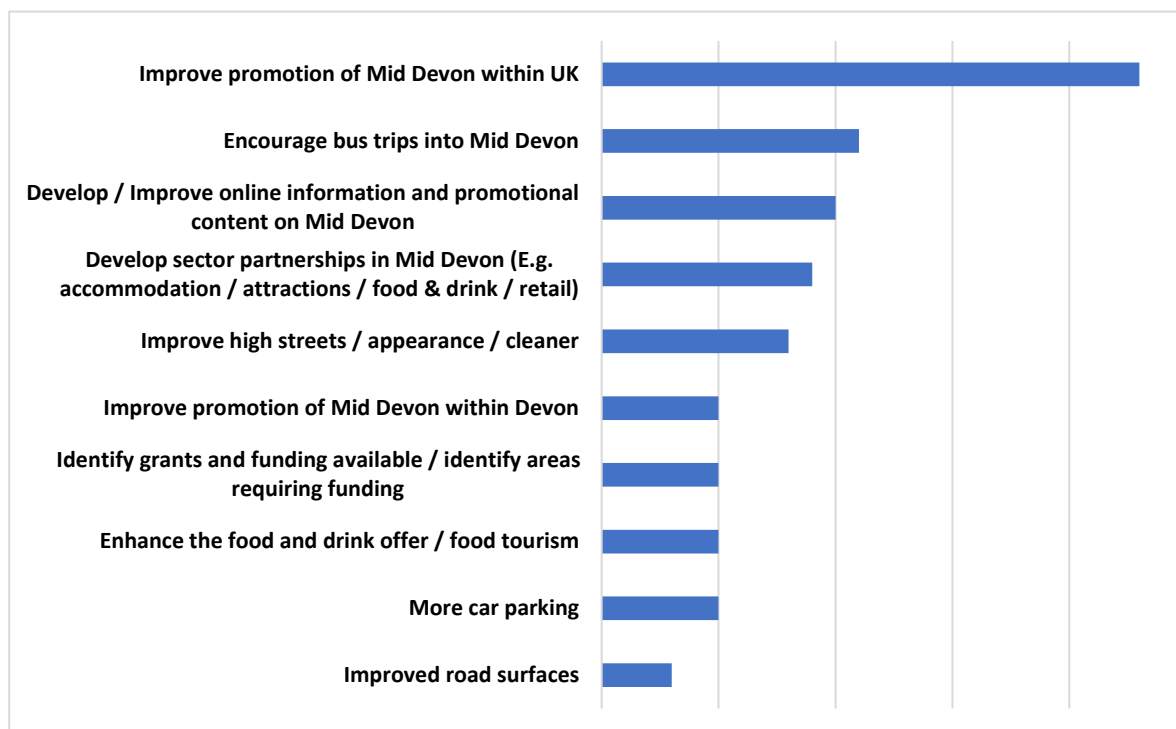
9.25 The businesses were also required to provide an indication of the type of investment needed to support overnight visitor trade. The responses to this question has again highlighted the need for better marketing. Broadly there is a call by businesses for more hotels and quality eating places including child friendly eateries and better facilities overall. The inference from this response is the need to drive towards raising the quality of the current provision.

**Figure 9.15: Business Survey: Investment Needed to Support Overnight Visitor Trade
(Top 10)**



9.26 In terms of steering the Council towards a better destination management plan over the next three years, again business recommended better promotion of Mid Devon both within the District and beyond including improving online promotion.

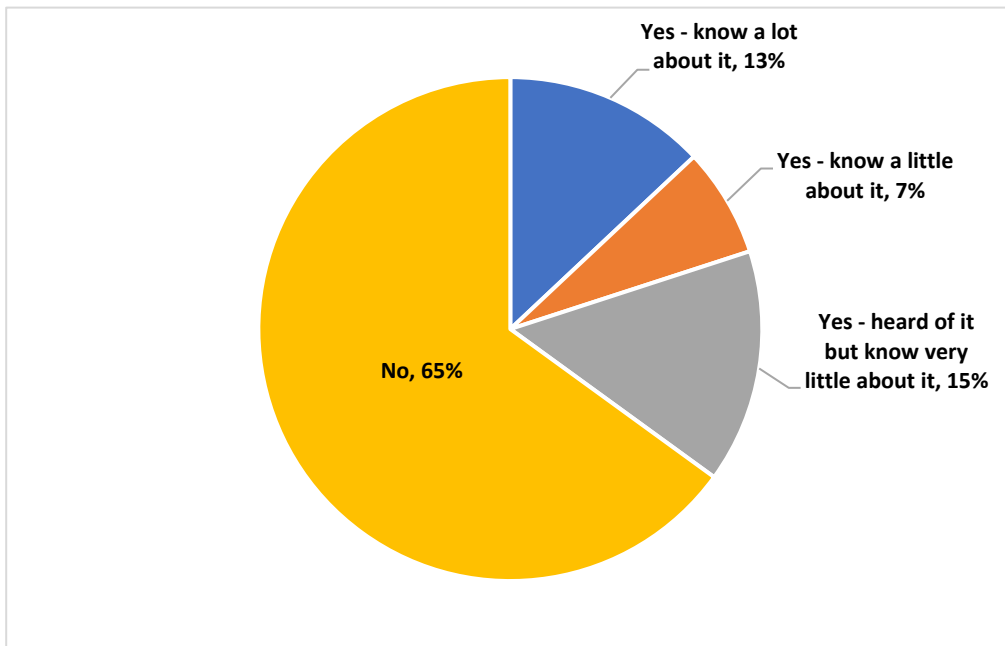
Figure 9.16: Business Survey: Improving Council’s Destination Management Plan (Top 10)



9.27 Businesses were also asked about their awareness of the Visit Mid Devon Project⁶⁴. Most of the respondents (65%) did not know about the project. Some 35% overall knew about it of which 13% knew a lot about it, 7% knew a ‘little’ about it and 15% had ‘heard about it but knew very little about it’. This again highlights the need for better promotion within the local community of Mid Devon.

⁶⁴ Tourism Promotion project managed in partnership by Mid Devon District Council and the Tourist Information Service (run by Tiverton Museum of Mid Devon Life).

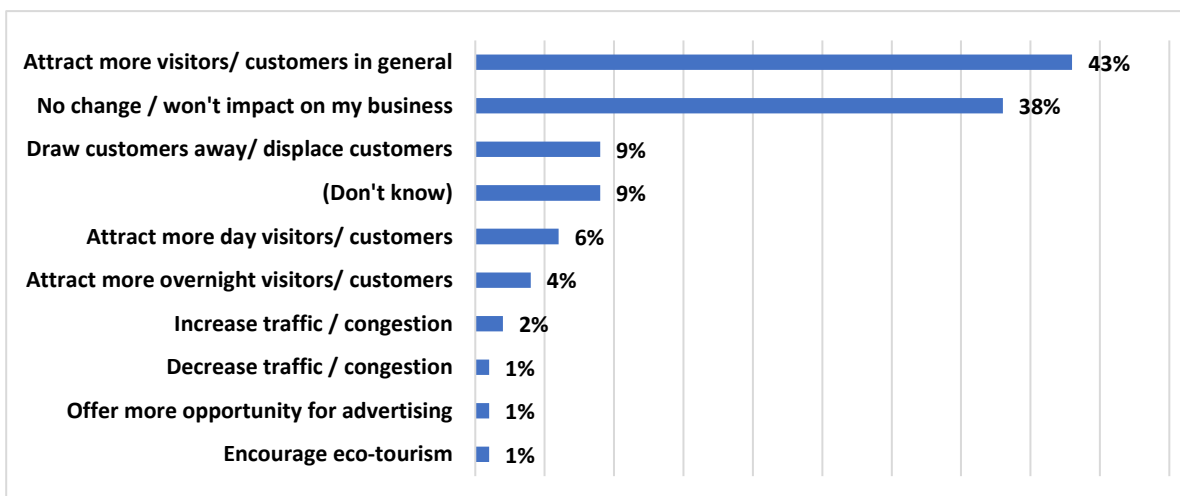
Figure 9.17: Business Survey: Awareness of the Visit Mid Devon Project



9.28 Additionally, from the 35% who were aware of the Visit Mid Devon Project, just under half (46%) were a member or had a free business listing on the website again highlighting the need for promotion of initiatives locally.

9.29 Businesses were also asked to provide views on the potential development at Junction 27 of the M5 and the impact this would have on their business. There was a mix of opinion from 'it would attract more visitors' (43%) or that it would represent 'no change' (38%) to a concern that it would 'draw customers away or displace customers' (9%). This indicates that a substantial proportion of business within the District remain ambivalent about development at Junction 27.

Figure 9.18: Business Survey: Impact of Development at J27 of the M5



SUMMARY

- 9.30 The majority of the responding businesses were micro businesses (less than 10 employees) i.e. independent local businesses that had been operating for more than five years. The businesses were spread across the District with particular representation from the main centres of Tiverton, Crediton and Cullompton.
- 9.31 The key customer base for the businesses includes local trade from Mid Devon as well as regional trade and domestic tourists.
- 9.32 In the main, and in terms of customer spending profile, businesses reported the highest proportion of spend was between £20 and £30 pounds (17%). Overall, it was estimated that more than half (56%) of customers spent up to £50.
- 9.33 Post pandemic, the majority (67%) of businesses reported no noticeable change in trade. Though, a significant proportion (26% overall) stated less local trade (11%); less domestic tourists (8%) and less international tourists (7%).
- 9.34 In terms of other recent and ongoing economic events, including the pandemic and the current cost of living crisis, the key impacts cited were:
- less customers in general;
 - lower spend per visit; and
 - increased operational costs.
- 9.35 In terms of trading performance, over a third (37%) reported that they had either seen no change in performance or that they had performed adequately. Some 27% stated that their businesses were performing strongly or improving.
- 9.36 In terms of future performance over the next two years, a third (36%) of the businesses responded optimistically expecting their business performance to improve.
- 9.37 Businesses reported that the following were key important visitor assets within Mid Devon:
- Countryside / Green assets
 - Grand Western Canal (Tiverton Canal) / waterways
 - Historic houses / gardens
- 9.38 The survey found that the top priorities for developing tourism in Mid Devon from the viewpoint of the businesses were:
- Better / More co-ordinated promotional activity / Marketing;
 - New infrastructure; and
 - Adventure tourism.
- 9.39 In terms of potential gaps in tourism provision in Mid Devon, the top three identified by businesses were:
- More child friendly attractions;

-
- Better public transport access; and
 - Better access by car.
- 9.40 The following were rated by businesses as the top rural attractions in Mid Devon that should be promoted to encourage more visitors:
- Walking routes;
 - Country houses and gardens (e.g. Knightshayes, Fursdon); and
 - Tiverton canal.
- 9.41 Promotion and marketing ranked at the top by businesses for key responses on:
- the main challenges in delivering investment;
 - investment needed to support overnight visitor trade; and
 - for a better destination management plan over the next three years.
- 9.42 In terms of investment needed to support overnight visitor trade, there was a call by businesses for more hotels and quality eating places including child friendly eateries and better facilities overall.
- 9.43 The majority of the businesses (65%) did not know about the Visit Mid Devon Project. Of the 35% who were aware of the Visit Mid Devon Project in some capacity, just under half (46%) were a member or had a free business listing on the website.
- 9.44 On the potential development at Junction 27 of the M5, local businesses expressed a mix of opinion from 'it would attract more visitors' (43%); it would represent 'no change' (38%) to a concern that it would 'draw customers away or displace customers' (9%). A substantial proportion of the business therefore remain ambivalent about development at Junction 27.
- 9.45 The findings of the tourism business survey on tourism has highlighted the need for place promotion and marketing on a continual basis as key for tourism promotion. The Council needs to have a proactive strategy in place for regular and diverse types of promotion both locally and beyond. Furthermore there is a need for local community engagement to enable growth and for ideas to develop locally. The promotion of family-based activities and raising the quality of the current provision are other key findings from the survey.

10. TOURISM ASSESSMENT

- 10.1 This section assesses the Tourism profile for the District and builds on the findings of the Tourism Business Survey. The broad aim is to detail the challenges and opportunities to promoting tourism in the District.

CONTEXT

- 10.2 Tourism plays an important role in generating income for local residents. The County of Devon is a very popular tourist destination, providing leisure and recreation activities for its own residents and those visiting the county. Despite a number of small-scale attractions and places to stay across Mid Devon, tourism is less developed than within other parts of the county, partly reflecting the District's inland location and distance to the coast.

BACKGROUND

- 10.3 Tourism is an important contributor to the Mid Devon and South West economies, with the latter according to Visit Britain attracting £10.4bn spend in 2019.
- 10.4 It comprises a mix of visitors from both the UK and abroad with different reasons for visiting, lengths of stay and spend attributes.
- 10.5 It has previously been recognised that Mid Devon has seen less tourism spend than some of the neighbouring Devon authorities, despite the Council's strategic location on the M5, which provides the main access to most of the key holiday destinations in the South West. The District is not considered to be a destination, but instead a route to other holiday and business destinations.
- 10.6 As with the retail and leisure sectors, recent years have seen many challenges in the tourism and hospitality sectors, some due to general changes in the sector and others as a direct result of the impact of the COVID-19 pandemic. However, going forward it is necessary to have a good understanding of how tourism and hospitality is changing and continuing to change, and what Mid Devon can develop and offer.
- 10.7 The purpose of this chapter is therefore to provide a SWOT analysis of the Mid Devon offer, informed by a review of national and international trends, a review of current provision and the views of local businesses detailed previously.

MID DEVON'S APPROACH TO TOURISM

- 10.8 The adopted Local Plan for Mid Devon (Mid Devon Local Plan 2013-2033) seeks to promote sustainable rural tourism (Policy S1) and Policy DM22 sets out the detailed policy requirements for such development.

10.9 Policies S2 and J27 also propose development at Junction 27 of the M5 to meet a tourism / leisure need, while Policies S10, S11, S12, S13 and S14 seek to enhance the tourism and visitor role of Tiverton, Cullompton, Crediton, the villages and the countryside.

10.10 The significant increase in tourism and leisure provision was previously set out in the Mid Devon Tourism Study 2014. This study concluded that:

- Mid Devon District's key tourism assets were the three market towns, its natural and green infrastructure for outdoor pursuits, several castles and stately homes, and various family attractions.
- Existing tourism facilities within the District largely drew on a visitor pool from within the region, and particularly within a 20-40km catchment. However, identified were a number of strategic routes through the District – the M5 and A361 in particular. This was identified as an opportunity to develop the tourism infrastructure around these key links to encourage a greater proportion of people to “stop” or break their journey in the area.
- This opportunity built on the District's location at Gateway location to Exmoor and the North Devon Coast, and on the route to Dartmoor, the South Devon Coast and Cornwall from much of the UK.
- The opportunity particularly related to encouraging day visits, as well as short stay trips (such as long weekends)
- A multi-pronged approach to future tourism development was defined based on:
 - Marketing the Market Towns and Surrounding Areas
 - Developing the Accommodation Offer
 - Maximising the Natural Offer
 - Slow Tourism
 - Catching Passing Tourists / Major Tourist Facility
 - Fun for the Kids

NATIONAL TRENDS

10.11 The most recent Great Britain Tourism Survey (GBTS) (published September 2023) covering the period April to December 2021 and January to December 2022 details the following key findings:

- 126 million overnight trips were made by British residents (England 107 million) from January to December 2022.
- Spend was £32.9bn (England £27.6bn) from January to December 2022.
- Total of 383.3 million (England 316.2 million) nights for the period from January to December 2022.
- Trips lasted an average of 3 nights (England 3 nights) between January to December 2022.

-
- Average spend per trip was £262 (England £258), equating to £86 a night (England £87) over the period January to December 2022.
 - In 2022, regions with the largest shares of visits in England were South West (16%), South East (15%), London (14%) and North West (14%).
 - In 2022, regions with the largest shares of spend in England were South West (18%), London (18%) and North West (15%).
 - In 2022, visiting friends and relatives represented 36% of all overnight trips within Great Britain by British residents. Pure holiday trips represented 34% and business trips only 6%.
 - In Great Britain, the average spend per trip increased for all quarters of 2022 when compared to relevant quarters of 2021. Average spend per trip was highest in Q3 2022, £275 per trip in Great Britain. In the same quarter, the average spend per night was £83. In England, in Q3 2022 the average spend per trip was £274, which was the highest across the year. Average spend per night was £85.
 - In 2022, a city or large town was a destination type with largest share (43%) for trips in Britain and same for England. Cities and larger towns peaked in Q4 2022 with 17.7 million trips within Britain. Small towns were the main destinations for 22% of all GB domestic trips in 2022
 - Serviced accommodation was the main type of accommodation used by GB residents during their trips in 2022, 45% share in Britain and 46% in England, equating to 56.4 million trips in Britain and 48.7 million trips in England. Private home had the second highest share in 2022 (28% in Britain, 20% in England) and peaking in Q4 2022.
 - 57% of total spend during trips to GB and England was spent on trips where the main accommodation was a serviced type. Serviced accommodation also recorded the largest increase, vs 2021, in Q2 2022 (133% for GB, 136% for England). Across the year 2022, commercial property and caravan / camping / glamping were most chosen in Q3.

10.12 The most recent Visit Britain report on visitor trends⁶⁵ provides the following findings:

- Attractions in England reported a 42% increase in total visits from 2021 to 2022, continuing the sector's recovery following the COVID-19 pandemic. However, visit volume remained 35% lower than in 2019.
- Around two thirds of attractions have been affected by increases in supplier fees (69%) and rising energy costs (64%) and half by higher wages (51%). Although rising costs clearly pose a challenge, it is stated that this this does not compare to the impact of COVID-19.

⁶⁵ Visitor Attraction Trends in England 2022 (published July 2023)

- Overall, attractions in England reported a 42% annual increase in total visits from 2021 to 2022, building on the recovery that began in 2021.
- Marketing expenditure increased for the second year running, with 39% of attractions reporting an increase in their budgets. Use of social media continues to grow, with 94% of visitor attractions using any social media or apps in 2022, up by 4% in the last 2 years.
- In the first half of 2023 when the research was undertaken, nearly three quarters (73%) of English attractions were back to 2019 staffing levels.
- Accessibility is becoming a priority, with over half of attractions (54%) investing in provisions during 2022.
- Most regions saw admissions growth of around 20-30%, but this was notably higher in London (141% increase) and the North West (42% increase). The South West saw a +20% increase.

10.13 Furthermore, the latest Visit Britain Domestic Sentiment Tracker (published August 2023) reported:

- 38% of respondents indicated they are more likely to choose a trip in the UK than overseas, compared to the last 12 months.
- The top 5 reasons for choosing a UK holiday over one abroad were:
 - UK holidays are cheaper (53%)
 - UK holidays are easier to plan (51%)
 - Shorter / quicker travel (48%)
 - To avoid long queues at airports/cancelled flights (42%)
 - To take holidays in familiar places (25%)
- The top barriers to UK holidays tend to be matters that are outside of the control of an area, namely the rising cost of living (36%); the UK weather (34%), personal finances (28%), the rising costs of holidays/leisure (27%) and an individual's health (18%).
- Responding UK adults plan to cut their overnight trip spending mainly on accommodation, activities and eating out by:
 - Choosing cheaper accommodation (32%)
 - Looking for more 'free things' to do (30%)
 - Spending less on eating out (28%)
 - Other ways of reducing costs include taking shorter breaks (17%); choosing self-catering accommodation (16%); doing fewer activities (15%) and visiting fewer visitor attractions (14%).
- The South West is the most preferred UK location both for August-September (21%) and October-December (19%).
- The top type of destination for an overnight trip in August-September is 'traditional coastal/seaside town' and 'City or large town' is most preferred in October-December.

- The most popular activities vary depending on when the holiday is taken and is also influenced by the demographics of the group. In August-September the top activity is 'walking, hiking or rambling', while in October-December it is 'trying local food and drink'.
- The top motivation for overnight trips in August-September is 'to get away from it all and have a rest', while in October-December this is shared with 'family time or time with my partner'.

Figure 10.1: Activities for UK Holidays and Short-Term Breaks



Source: Visit Britain Domestic Sentiment Tracker, August 2023 (Page 30)

INTERNATIONAL TRENDS

- 10.14 International visitors represent an important sector of the UK tourism and hospitality market. According to Visit Britain, in 2022, the UK welcomed 31.2m visits following two years of extremely low visits due to the impact of COVID-19 (down 24% vs 2019). Visitors spent £26.5bn during the 12 months of 2022, down 7% on 2019 (in nominal terms). Taking inflation into account, visitor spend would have been 17% below 2019 levels, equivalent to £23.5bn in 2019 prices.
- 10.15 One of the most recent reports on the topic is '*Midas: A Global Report - Motivations, Influences, Decisions and Sustainability in a Post-Pandemic Era*' which was commissioned by Visit Britain (published December 2022). It seeks to advise how international travellers can be 'inspired', 'converted' and 'delighted' in order to drive the economic benefits international tourism can offer.
- 10.16 This found that the propensity to visit Britain was higher amongst those who had already visited recently, rather than those considering a visit. This offers places like Mid Devon an

opportunity to promote themselves to international travellers whilst they are in the UK, with it to be expected that a first visit to the country is more likely to one of the better-known tourist attractions.

10.17 The study found that the key drivers influencing the choice of destination for an international break / holiday include many of the features that are, or could be offered by Mid Devon, with 'Value for money' the key driver for international travel destination selection in 2022. This was supported by being welcoming and a place to roam to enjoy diverse sites and experiences as well as enjoy rest & relaxation.

10.18 In terms of Britain's offer, there are strong and consistent perceptions of Britain as being a place where history meets modernity and a range of sites and ('must-see') experiences are offered within easy access. The key negative is that the country is not seen as offering good value for money.

10.19 When compared to other international travel options in Europe, Britain scores relatively poorly on value for money and as a place for resting/relaxation. The latter is the most popular type of leisure break overall, with 'seeing famous sites / places; ticking off the 'must do' list' second. When visiting Britain tourists desire a wide variety of products and experiences, but 'experience coastal places and scenery' and 'explore local food and beverage specialities' are marginally the most sought experiences for those visiting.

10.20 The study goes on to identify five key types of products and tourism experiences:

- Participation/Doing
- Outdoors & Local
- Culture
- City Experiences
- Beverage Experiences

Figure 10.2: Five Key Clusters in Specific Products and Tourism Experiences



Source: MIDAS A Global Report, December 2022 (Page 76)

10.21 These trends have a bearing on the District in terms of curating the mix of experiences that could potentially be promoted as part of any future destination plan. The outdoors, participation, culture and beverage opportunities are experiences that could be promoted within the District.

10.22 In terms of visits by international tourists within the UK, the South West attracts 18% of global visitors in comparison to London (78%), North West (29%), East of England (27%) and South East (27%). This also reflects the high proportion of visitors wanting to tick off the 'must see' sites.

10.23 Going forward however, the report notes three themes as 'Emergent Drivers' in global tourism – Wellbeing, Sustainability and Accessibility & Inclusion. It concludes that;

- **Wellbeing** - is of emerging importance amongst global tourists and presents an activation opportunity for Britain that requires further exploration and understanding;
- **Sustainability** - is an emerging driver of importance in destination selection for international tourists, most relevant to Experience Seekers and younger travellers but requires clarity, signalling and impact reinforcement; and
- **Accessibility & Inclusiveness** - One in four tourists or their immediate travelling companion(s) will have accessibility needs, but this is not a barrier in wanting to visit Britain. One in ten tourists identify with the LGBTQ+ community, within which being seen as inclusive, and welcoming will be increasingly important.

10.24 The overall conclusions are that:

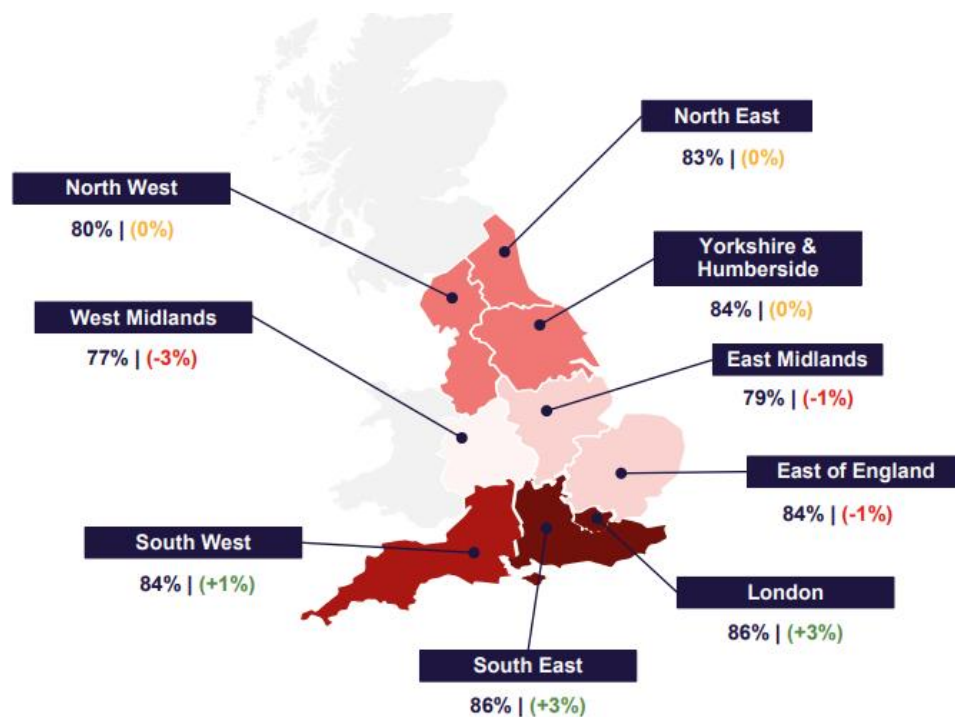
- Demand is back for global tourism and Britain remains a priority destination, even for those who have recently visited.

- Value for money has become the dominant driver and remains a ‘perceptual’ weakness for Britain. It is anticipated that ‘value’ will continue to increase in importance and tourists are looking for ways to mitigate financial risk in a post-pandemic environment.
- Britain’s strength as a destination choice lies in its (iconic) diversity of history and modernity in one, easy to navigate place. A brand framework is derived from the study, including identification of important ‘regional flexes’.
- Visitors to Britain discover it to be easier, more affordable and more welcoming than perhaps expected.
- Emerging themes of wellbeing, sustainability and inclusivity are becoming a stronger priority, but each needs more work in terms of truly understanding what they could and should mean for British tourism.
- Within a wide array of inter-personal and digital sources, partners remain a key source of inspiration, information and trust throughout the stages of the tourism journey and package bookings remain particularly strong for some of our largest inbound markets.

OCCUPANCY TRENDS

10.25 For England the average maximum monthly occupancy by room was 84% in July 2023 (just below the 85% in July 2019)⁶⁶. The South West occupancy rate was comparable at 84%.

Figure 10.3: Room Occupancy by Region (July 2023)

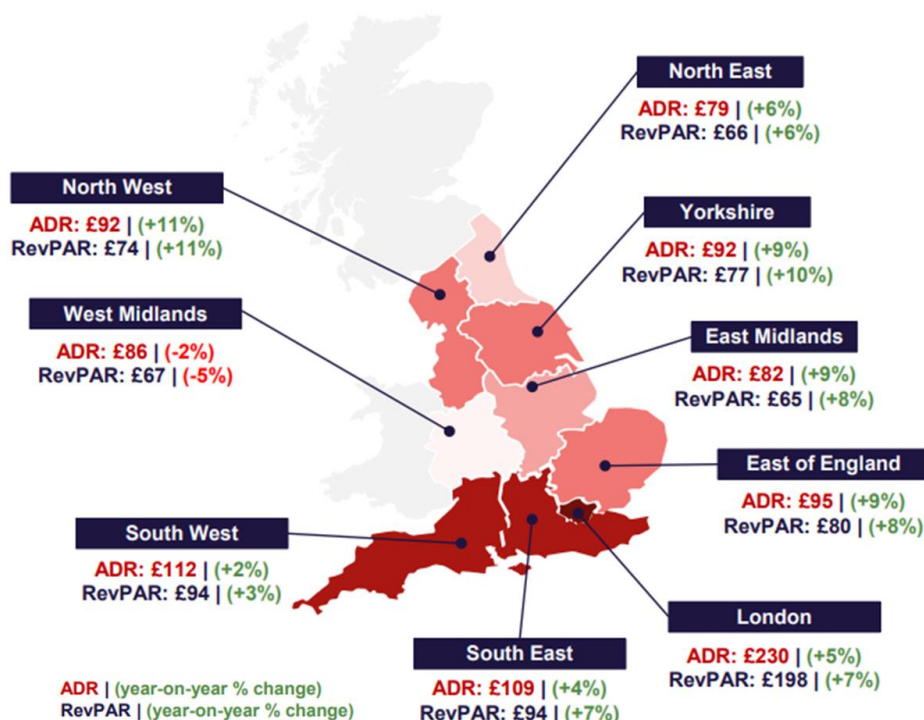


Source: Visit Britain’s England Occupancy Survey (July 2023) (Page 8)

⁶⁶ Visit Britain’s England Occupancy Survey (July 2023)

10.26 The average ADR (Average Daily Rate) and RevPAR (Revenue Per Available Room) for England was £139.79 and £117.02 respectively. Looking at the regions, the South West had the second highest ADR of £112 and Revpar of £94 after London.

Figure 10.4: ADR and RevPAR by Region (July 2023)



Source: Visit Britain's England Occupancy Survey (July 2023) (Page 8)

MID DEVON DISTRICT ACCOMODATION ANALYSIS

10.27 The provision of accommodation is an essential part of any tourism offer, with the greater numbers and range directly influencing the extent to which people will stay in an area.

10.28 For Mid Devon we have assessed current provision based on the following categorisation as defined by Visit Britain and then further harmonised by our own analysis:

- **'Serviced Accommodation'** includes hotels, guest houses, Bed & Breakfasts (B&Bs) and inns;
- **'Non-serviced'** accommodation including: self-catering properties such as houses, cottages, chalets and flats; hostels; and camping (including pitched tents), caravans, and non-permanent accommodation structures (yurts, shepherd huts, etc.).

10.29 It has to be recognised that the accommodation on offer in any area will (at least on most occasions) exceed that required to accommodate visitors, given the need for choice and flexibility. This can be assessed by room or bedspace, with the latter normally considerably lower.

10.30 Our findings are detailed at **Volume 2, Appendix 10** and can be summarised as follows:

- There are 115 Serviced Operators and 436 Non-Serviced Operators in the District. This indicates that in the main provision is dominated by independent non-serviced operators of various scales and grades. It also mirrors the findings of the tourism business survey in which the majority of the responding businesses were local independent businesses.

Table 10.1: Accommodation Breakdown

| Serviced Accommodation | Non-Serviced Accommodation |
|------------------------|----------------------------|
| 115 | 436 |

- In terms of serviced accommodation this can be broken down into hotels and guest accommodation and B&B's. The distribution by operator shown below indicates Guest Accommodation / B&B's (103 operators) account for over eight times the provision when compared to commercial hotels (12 operators). Furthermore in terms of bedspaces, Guest Accommodation / B&B exceed hotels (451 beds against 361 beds).

Table 10.2: Serviced Accommodation Breakdown

| Serviced Accommodation Type | Operators | Beds |
|-----------------------------|------------|------------|
| Hotel | 12 | 361 |
| Guest Accommodation / B&B | 103 | 451 |
| Total | 115 | 812 |

- Delving further into the hotel provision, the analysis shows that there are a total of 12 hotels dominated by 1 to 3 star grades. In terms of bedroom provision this is dominated by budget hotels (192 bedrooms some 53% of total). The next biggest category being 3 star establishments (102 bedrooms; 28% of the total). There is currently no 'destination' hotel with a five star experience and the current provision is reflective of a provision that is catering for visitors passing through the District.

Table 10.3: Hotels: Current Supply

| No. | Hotel | Town | Grade | Bedrooms |
|-----|------------------------------|------------|--------------|------------|
| 1 | Hartnoll Hotel | Tiverton | 4 | 17 |
| 2 | Huntsham Court Country Hotel | Tiverton | 4 | 27 |
| 3 | Tiverton Hotel | Tiverton | Budget | 69 |
| 4 | Premier Inn | Tiverton | Budget | 83 |
| 5 | Travelodge | Tiverton | Budget | 40 |
| 6 | Bridge House Hotel | Tiverton | 3 | 5 |
| 7 | Fox and Hounds Country Hotel | Chulmleigh | 3 | 15 |
| 8 | Padbrook Park | Cullompton | 3 | 40 |
| 9 | The Fishermans Cot | Tiverton | 3 | 42 |
| 10 | Manor House Hotel | Cullompton | 2 | 10 |
| 11 | The Ginger Peanut | Tiverton | 2 | 5 |
| 12 | The Twyford Hotel | Tiverton | 1 | 8 |
| | | | Total | 361 |

- In relation to non-serviced accommodation, this is dominated by self-catering properties (69%) followed by Glamping / Lodges (20%); Camping and Caravanning (11%).

Table 10.4: Non-Serviced Accommodation Breakdown

| Serviced Accommodation Type | No. of Operators | Beds / Pitches / Units |
|---|------------------|------------------------|
| Self-Catering Properties (houses, apartments, cottages, annexes, barns, chalets etc.) | 302 | 885 Beds |
| Glamping / Lodges | 87 | 1,018 Pitches |
| Camping and Caravanning | 47 | 320 Units |
| Total | 436 | 100% |

- The scale of the operations varies by operator but analysis shows the diversity of provision in this sector. With this provision there is also a direct link to the District's inherent tourism assets including farms; agriculture; rural towns, market towns and villages; caravan and camping sites etc. This is important as the responses to the tourist business survey clearly indicated that 'Countryside / Green assets' were a key strength cited by visitors to the District.

VALUE OF TOURISM

10.31 We have also assessed the value of tourism for the Mid Devon economy. This is detailed at **Volume 2, Appendix 11** and is based on three different approaches namely:

- Visit Britain data at the Local Authority level;
- Visit Britain data at the Local Authority level, adjusted for overseas visitors; and

- CoStar data on hospitality values (occupancy and revenue per room) in Cornwall and Devon (excluding Exeter and Plymouth) and LSH data on hospitality capacity in Mid Devon

10.32 The first two approaches, **based on Visit Britain data**, estimate that the value of the tourism industry for Mid Devon in 2022/23 is estimated at between **£146.7m to £157m**. However, it should be noted that Visit Britain caveats the data they provide at the local authority level and state that data is for informational purposes only due to the limited size of the sample which does not allow to derive robust estimates at this geographical level.

10.33 This notwithstanding, the third, **based on CoStar data**, estimates that the value of the tourism industry for Mid Devon to be higher at **£261.9m** in 2022/23. This approach includes an estimate of number of overnight visitors and therefore represents a more robust figure than using the Visit Britain data. On this basis, it is our opinion, that the CoStar approach is more robust, given the caveats made by Visit Britain on their data.

Table 10.5: Value of Tourism for Mid Devon, 2022/23

| | Approach 1: Visit Britain | Approach 2: Adjusted Visit Britain | Approach 3: CoStar |
|---|--------------------------------------|---|-------------------------------|
| Volume of overnight trips and holidays | 149,440 | 175,812 | 1,543,950 |
| Volume of day visits | 4,999,771 | 4,999,771 | 4,999,771 |
| Total Tourism Volume | 5,149,211 | 5,175,583 | 6,543,721 |
| Spend related to overnight trips and holidays | £41,285,645 | £48,571,347 | £153,505,614 |
| Spend related to day visits | £108,418,186 | £108,418,186 | £108,418,186 |
| Total Tourism Spend | £149,703,831 | £156,989,533 | £261,923,800 |

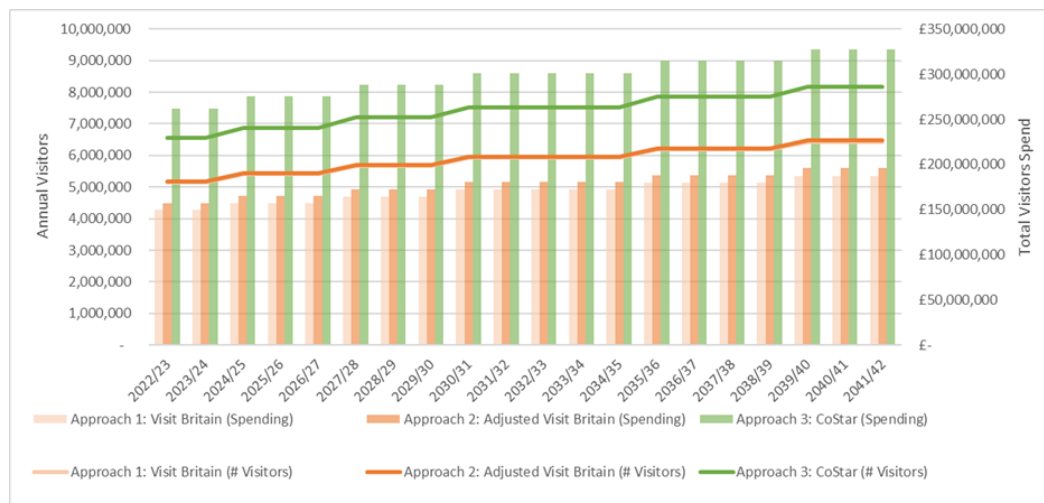
10.34 An additional check also confirms that the data provided by Visit Britain on the number of overnight visitors is unlikely to be accurate. The review of existing accommodation, as detailed previously shows that Mid Devon offers a total of 3,035 accommodation units (bedrooms or camping pitches). However, with a reported 149,440 overnight visitors per annum reported by Visit Britain, the occupancy rate of the tourism accommodation would be a low 13.5% on average throughout the year, which would be insufficient to support the level of accommodation identified.

TOURISM VISITORS AND SPEND: FORECAST

10.35 A forecast of the evolution of the number of visitors (overnight and day visits) to Mid Devon can be calculated using Experian employment forecast for the “*Accommodation, Food Services & Recreation*” employment category in the Local Authority (as a proxy for growth forecasts in the tourism industry).

10.36 The assessment of future tourism spend assumes that average visitor spending remains stable over time. Based on this assessment, it is estimated that the size of the tourism industry in Mid Devon could grow by over 33% between 2022/23 and 2042/43. Hence under the CoStar approach, it is estimated that visitor numbers to **Mid Devon could reach 8.5m by 2042/43, generating a total of £350.5m** for the local economy.

Figure 10.5: Visitors and Spend: Forecast



Source: LSH

IMPLICATIONS

10.37 National trends have illustrated the impact of the pandemic on the tourism sector that has been subsequently compounded by the current cost of living crisis. The implications are that tourists in the future are likely to be more discerning. On this basis, whilst demand has increased, value for money and quality will be key factors influencing visitors in the short to medium term.

10.38 As detailed, the South West Region as a whole has high levels of occupancy, ADR and RevPar; the Mid Devon District therefore needs to capitalise on this with a focus on the ‘emergent drivers’ in tourism such as wellbeing, sustainability and accessibility (and inclusion). The District is well placed to take advantage of its natural assets and to raise the quality of provision and thereby the potential value of tourism spend.

10.39 Our assessment of tourism in the District, and its future potential can be summarised as follows:

Table 10.6: Mid Devon Tourism SWOT Analysis

| Strengths |
|--|
| <ul style="list-style-type: none">• The South West is already a year round destination for UK overnight trips and Mid Devon represents a constituent part.• Access to natural environment.• Varied provision of accommodation.• Green tourism location.• Lifestyle / well-being.• Green / blue infrastructure.• Proximity to Exmoor National Park and Dartmoor National Park (part in the District).• Rural location and tranquillity. |
| Weaknesses |
| <ul style="list-style-type: none">• Vehicle focussed tourism.• Rural infrastructure.• Poor place promotion.• District bypassed by visitors to the rest of the South West.• In-migration / purchase of homes / second homes.• Seasonality that affects tourism and agriculture.• Large land area.• Poor linkages with tourism providers.• Ageing population.• Limited engagement between tourism business sector and Council.• Lack of events in off-peak season.• Not enough Electric Vehicle (EV) charging facilities.• Limited conference facilities to host large events. |

Opportunities

- Proactive place making and destination promotion.
- Consider a wide range of assets, channels, infrastructure, campaigns for promotion.
- Potential to develop sustainable rural tourism.
- Growth in value of tourism.
- Strategic location on the UK motorway network (M5).
- Capturing passing spend travelling to/through the District.
- Potential to develop family friendly experiences.
- Business collaboration on consumer offers and promotions.
- Increase and support visitor experiences.
- Increase in domestic holidays/staycations.
- Increase the range of outdoor activities e.g. walking, cycling, wellbeing etc
- Improve / Increase EV charging infrastructure.
- Major events to showcase District.
- Developing 'experiences' based on District's tourism assets.
- Limited awareness of destinations' characteristics which offers untapped potential.
- Social innovation/entrepreneurship.
- Diverse tourism product to be exploited - promotion of nature-based attractions, local markets, arts and culture and heritage & history.
- Untapped potential from staying visitors and business tourism.
- Encourage current visitors to stay longer and spend a bit more - raise quality of the offer (experiences and assets) available.
- Partnership with other adjacent South West authorities through Local Visitor Economy Partnership for the County.

Threats

- Current cost of living crisis and broader economic climate may reduce volume and value of tourism.
- Council restricted on its ability to maintaining and developing the local tourism activity.
- Lack of joined-up promotion with other Devon authorities where Mid Devon can piggyback off wider communication strategies.
- Potential for lack of partnership with tourism business community.
- Poor response rates from the tourism business community to initiatives.
- Competition from surrounding areas and other UK destinations managing tourism more effectively.
- Reduced / limited public sector budgets for tourism promotion.
- Changes in holiday trends.

- Transport investment.
- Electricity network limitations (e.g. increased demand from EV) and funding.
- Climate change and adverse/extreme weather situations.
- Increasing legislation and regulations putting extra strain on small businesses.
- Potential environmental damage e.g. erosion caused by increased visitor numbers.

10.40 The visitor of the future will be environmentally and socially conscious with emphasis on sustainability. Furthermore there will be an increasing emphasis on visitor experiences. Reflecting back on the Council's previous Devon Tourism Study 2014 which advocated a 'multi-pronged approach' to future tourism development we consider this still to be relevant. The Council need to ensure in policy terms that the outputs that were defined in the 2014 Study continue to be proactively actioned including (inter alia):

- Maximising the Natural Offer
- Promoting 'Slow' Tourism
- Catching Passing Tourists / Major Tourist Facility
- Fun for the Kids

10.41 The accommodation analysis and the provision has highlighted that the District is ideally positioned to take advantage of tourism assets may they be referred to as 'green', 'rural' or 'slow' tourism. The tourism sector in the District is varied and includes attractive countryside areas, market towns, its natural and green and blue infrastructure for outdoor pursuits, several castles and stately homes, and various family attractions. The accommodation sector includes hotels, across a range of sizes and budgets, and several guest houses, bed and breakfasts, camping and glamping facilities.

10.42 What has come through from the leisure assessment and the business survey is the following:

- Need for more family entertainment; and
- More marketing and place promotion of Mid Devon and its assets.

10.43 In policy terms, we would recommend the following actions as a minimum:

- Develop promotional messages that reflect the distinctive nature of Mid Devon's rural products and experiences throughout the year;
- Work with media partners to increase exposure of tourism assets and capture more visits;
- Identify methods and champions to market that support rural businesses and communities; and
- Increase local community involvement and projects on tourism.

10.44 There is a need to champion and promote Mid Devon's rural tourism assets including farms; agriculture; rural towns, market towns and villages; built heritage, including churches, historic

houses, the natural environment, biodiversity; rural tourism businesses, attractions, holiday parks, hotels, caravan and camping sites and other accommodation; rural transport and infrastructure (bus, rail; public footpaths and rights of way, bridleways, national trails and cycle paths) etc.

10.45 The Visit Mid Devon Project is a good launchpad for promoting tourism but needs to be promulgated further. It has the potential of enabling visitors to use technology and associated media to promote Mid Devon's assets such as downloadable walks on smart phones.

SUMMARY: DESTINATION PLAN

10.46 To inform future tourism there is a call for the Council to consider a destination plan for the District that builds on delivering the objectives of the 2014 strategy and additionally develops the following priority themes:

- **Theme 1: Build Business Resilience.** Proactive engagement with businesses is required so as to develop relationships on any training and development opportunities; funding & investment; insights on visitor behaviour and trends; supporting business to deliver high quality experiences which benefit the visitors, and more locally, the places that they visit.
- **Theme 2: Marketing & Place Promotion.** Delivering area marketing activity will encourage visitors to explore the area throughout the year. Supporting venues to be inclusive and accessible destinations enabling all visitors to travel widely and enjoy the full range of visitor experiences. Supporting tourism assets to deliver high quality memorable experiences. Have a 'joined up' voice (e.g. Visit Devon Project) to co-ordinate tourism related outputs. Promotional activity with local community will be vital to its success. This would include (but not restricted to) interacting with the local business community, hospitality industry, transport companies etc. Furthermore promotional messages to be disseminated both within the District and beyond through a range of media.
- **Theme 3 – Developing and promoting the District as a destination.** The District's tourism assets (detailed previously) need to be brought together with tourism products e.g. walking trails and tours; farm shops; cycling; mountain-biking; canal boating; glamping, camping and caravanning, horse-riding; fishing; nature; bird watching; painting; arts and crafts; health and wellbeing retreats, forest music and dance; literary, drama and music festivals; conservation holidays; visiting nature sites etc.
- **Theme 4: Sustainability and Rural Tourism.** Promoting sustainable rural tourism involves the integration of the rural / local community to tourism to raise their economic profile and stimulate local economic growth. It can also help to build on the diverse nature of visitor assets. The District has the potential to showcase its natural environment as a place where low impact on the environment and ecosystem coupled with sustainable economic activity can be promoted. The Council could promote

ecological sustainability, socio-cultural sustainability and accumulation of experiences. Co-ordination of the District's rural assets and experiences together with place promotion is key to this theme. Therefore, marketing activities begin to play a very important role, and selling rural tourism means selling and co-ordinating activities in a rural space for instance, walking, climbing, adventure, sport and health tourism, educational travel, arts, and heritage. Also, promoting sustainable rural tourism practices to ensure that the visitor economy is both economically and environmentally sustainable, developing a sustainable, predictable, manageable growth. This would also include promoting low-carbon transport options, reducing waste and promoting recycling, and encouraging visitors to engage in responsible rural tourism practices.

- **Theme 5 – Contributing to the Local Visitor Economy Partnership (LVEP) Programme for English Destination Management Organisations (DMOs).** Developed and administered by Visit England following consultation with DMOs in autumn 2022, the LVEP programme is one of the key recommendations in the Government's response to the independent de Bois Review of Destination Management Organisations in England. 'NewcastleGateshead' Initiative, 'Visit County Durham' and 'Visit Northumberland' formed the pilot Destination Development Partnership (DDP) in the North East of England, led by the 'NewcastleGateshead' Initiative. The pilot was an opportunity to prove the DDP concept and the impact the model can have on growing the visitor economy. Their important role will be promoted across government and national agencies, ensuring the local visitor economy is an active and valued contributor to Levelling Up and the wider economy. For Mid Devon District this could potentially provide a significant role in place shaping and economic development, generating better outcomes for visitors, the environment, communities and businesses, through building influential relationships with the Council. Furthermore it provides an opportunity to develop this relationship further with other authorities in Devon and across the South West. We have been informed by the Council that the County is pursuing a combined LVEP, with the research and bid-work being funded by the Heart of the South West LEP and with potential submission in early 2024.

11. ASSESSMENT OF SPECIFIC SITES

- 11.1 This section focuses on the requirement by the Council to provide a high level assessment for new retail, leisure and tourism uses as part of:
- The Culm Garden Village
 - The site allocation for Junction 27 of the M5.

- 11.2 The analysis draws on our broad local market knowledge of the commercial market in the South West region.

CULM GARDEN VILLAGE

- 11.3 In January 2017, the government announced its support for 14 new 'garden villages' – new communities of 1,500-10,000 homes which meet criteria set out in the 2016 'Locally-Led Garden Villages, Towns and Cities' prospectus. Culm Garden Village was one of 14 areas awarded Garden Village status by the Government in January 2017.
- 11.4 Mid Devon's expression of interest for the Garden Village identified the potential to deliver up to 5,000 sustainable new homes in a country park landscape, with jobs, community facilities and transport, all integrated with Cullompton itself. Of these, some 1,750 homes were already planned at East Cullompton through the extant adopted Local Plan for the period to 2033 and there was provision for a further 850 new homes beyond.
- 11.5 With Culm Garden Village receiving garden village status, there was a clear intention and direction of travel towards a garden village of significantly greater scale and covering substantial additional land to that currently proposed to be allocated by policy CU7 of the extant Mid Devon Local Plan Review. The allocation of additional land to expand the East Cullompton allocation into a garden village of approximately 5,000 homes with associated infrastructure, facilities and open space is intended to be explored through the emerging Mid Devon Local Plan process.
- 11.6 The Stage one public consultation took place in 2019 on a Vision for the garden village and some initial ideas for the East Cullompton allocation masterplan supplementary planning document (SPD). A draft East Cullompton Masterplan SPD went out for Stage two public consultation in Autumn 2022. The SPD was revised following the public consultation and was approved by Mid Devon's Cabinet in February 2023 and adopted by Full Council in April 2023.
- 11.7 As detailed earlier (**Section 2**), the key objectives in terms of future commercial provision include:
- Place quality and the successful integration and longevity of commercial and community space.

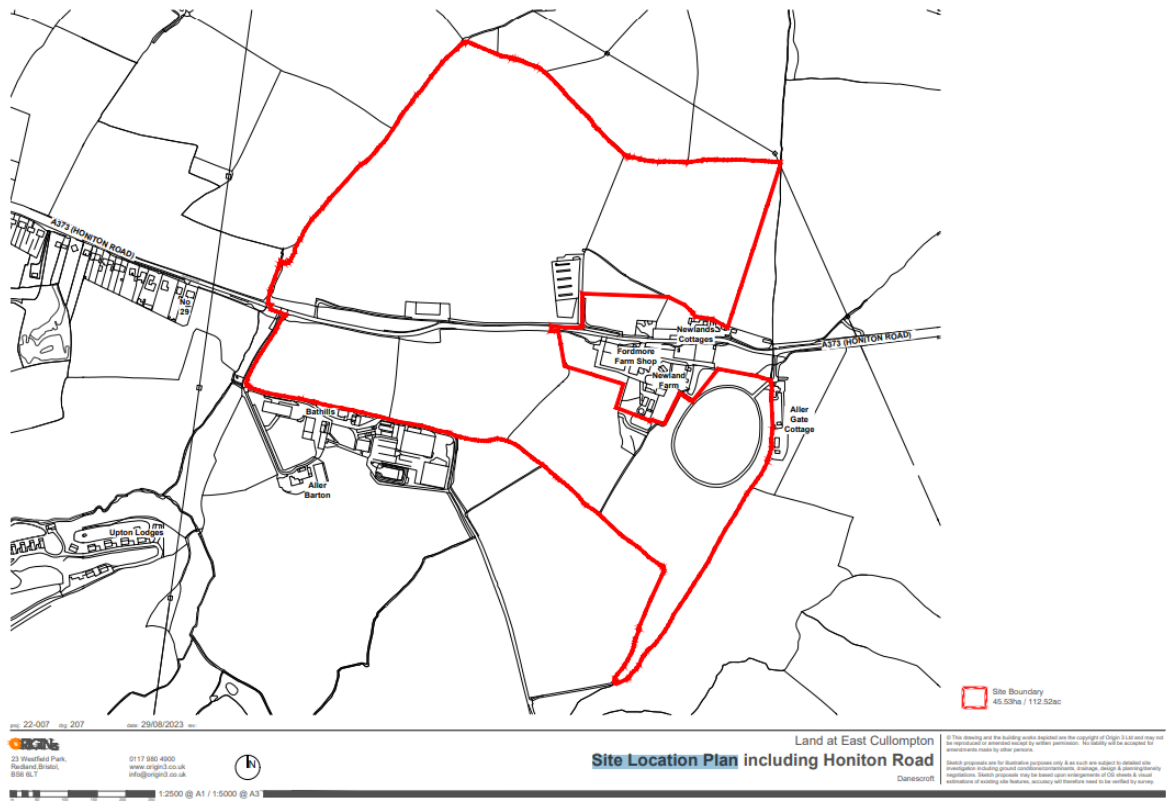
-
- A commercial area of some 6.5ha including delivering 32,000sqm of commercial floorspace required by Policy CU7 with some overlap of uses with mixed use community hubs.
 - Provision of commercial development in step with housing, at a rate of at least 1 hectare per 500 occupied dwellings.
 - mixed-use community areas focussed around existing farm clusters that are already providing a sense of place and generating activity and a local economy through a diversification of uses.
 - The principal community hub for East Cullompton will be located around an expansion of Fordmore Farm to the north and south of Honiton Road. This hub will expand to include community space as well as further retail and commercial space.
 - Secondary hubs, incorporating smaller scale shops and flexible community space will be encouraged in areas of high accessibility in areas further from the principal hub including at East Culme House and Moorhayes.

11.8 At the time of writing this report a planning application⁶⁷ was submitted (and being determined by the Council) on Land at Newlands Farm, Honiton Road, East Cullompton (submitted by Wittington Investments (Developments) Ltd). As shown below, the application site broadly sits at the centre of allocation CU7 for East Cullompton (as detailed earlier, the East Cullompton allocation is for 1,750 homes, 20,000sqm of commercial floorspace, community facilities and 40ha of strategic green infrastructure across 160ha of land that anticipates greater development beyond the plan period, with a further 850 dwellings (total of 2,600 homes) and 12,000sqm of commercial floorspace (total of 32,000sqm) after the 2033 plan period. The application comprises the following:

- up to 1,100 dwellings (Use Class C3);
- up to 118 elderly accommodation units (Use Classes C2 and/or C3);
- village centre uses (Use Classes E and F), to include the community hub and facilitate a medical facility; and
- a primary school with capacity for up to three form entry (Use Class F).

⁶⁷ Planning Application Ref: 23/01440/MOUT by Wittington Investments (Developments) Ltd (the Applicant)

Figure 11.1: Planning Application Ref: 23/01440/MOUT – Site Area Plan



Source: Planning Application Ref: 23/01440/MOUT – Planning Statement

Commercial Review

11.9 In our opinion, and at this stage, a new Garden Village of up to 5,000 new homes would typically house a population of up to 12,000 persons (assuming 2.4 persons per household) depending on mix of house type. On this basis, a centre such as that proposed under the SPD at the Fordmore Farmshop complex (to the north and south of Honiton Road as a focal point for early phases) hosting a mix of commercial uses would therefore be potentially viable based upon the potential consumer spend generated by this new population.

11.10 Furthermore, potentially attracting a foodstore operator would provide an important and significant “anchor” the overall commercial retail offer. It would also help to underpin a centre’s overall viability and vitality; as it will have the potential to generate trips, footfall and linked trip expenditure to the benefit of other shops, services and facilities. From a commercial perspective this will include a number of convenience retailers and mid-range stores up to say 400sqm or a supermarket (typically a Tesco Express, Co-op, Sainsbury’s, Aldi or Lidl of up to 2,500 sqm and a dedicated / shared car park with between 100 and 150 spaces). This will be supported alongside a mix of service and convenience retail including pharmacy, newsagents, health and beauty, coffee shops, food to go, bakery and other specialist food uses. A family dining pub would also typically form part of the tenant mix. This would also support the broad vision in the SPD of an ‘*appropriately scaled retail*

*development*⁶⁸ at the Fordmore Farmshop complex together with other rural/community commercial hubs.

- 11.11 The introduction of Use Class E in September 2020 has helped with the planning and transition from more inflexible Class A shops to the provision of a more diverse and viable tenant mix. Traditionally, and to cater for this size of populous, a centre would comprise groups of shops often contain at least one supermarket, and a range of non-retail services are anchored by foodstores of varying sizes and formats; ranging from smaller convenience stores to larger supermarkets and superstores. However, whilst convenience foodstores will be a critical part of the overall tenant mix, there are other non-retail uses that can also act as “anchors” to help underpin a centre’s overall vitality and viability; generating day-to-day trips, footfall and linked expenditure to the benefit of other shops, services and facilities. These other “non-traditional anchors” can include, for example, a business hub offering flexible workspace to local residents and businesses, healthcare, civic and education facilities. There should also be potential for an element of commercial leisure including a health and fitness unit and potentially fitness studios for niche health and wellbeing uses. This variety in offer supports the vision in the SPD for the integration of commercial and workspace for the successful growth of East Cullompton into a larger Garden Village⁶⁹. With an ultimate new residential population of c.12,000 persons and people employed in the commercial space (32,000 sqm) overall, this represents increase in population which at least would be served with some form of convenience retail provision. Furthermore, some spend will migrate to the Cullompton town centre which would also enhance retail viability in the existing town centre.
- 11.12 Hence, when considering the optimum tenant mix for a centre, it is important to look beyond purely retail. The more successful and resilient centres, both now and in the future, will be those that have an increasingly diverse offer and mix of uses that appeal to a wide demographic and visitor profile.
- 11.13 Phasing will also be crucial since a critical mass of residential will need to be developed and occupied before it is commercially viable. Potentially the centre could be designed in a manner that allows further later phases as the village population increases. Within the SPD phasing is stated to be a critical factor (see earlier) in ensuring place quality and delivering the vision for East Cullompton⁷⁰.
- 11.14 The location of the commercial part of the centre is also important and it should be visible and accessible from the primary road network allowing the centre to draw custom. The SPD is cognisant of this and details the need of the linear east to west orientation of development

⁶⁸ East Cullompton Masterplan Supplementary Planning Document (January 2023),pg.129.

⁶⁹ East Cullompton Masterplan Supplementary Planning Document (January 2023),pg.141.

⁷⁰ East Cullompton Masterplan Supplementary Planning Document (January 2023),pg.123.

to ensure priority is always given to ensuring connectivity back to Cullompton and employment areas.

- 11.15 The additional consumer expenditure generated by the new garden village population should also prove beneficial to the commercial health of Cullompton town centre. It should however be noted that the size of retail provision within the proposed garden village will potentially have an impact on the health of Cullompton Town Centre and the scale and mix of uses will require careful consideration to ensure that it complements and not adversely impact the current provision within Cullompton town centre. Within the SPD reference is made the total delivery of commercial space of some 32,000sqm. In our view, at this stage and considering the wider market factors we would encourage a wider mix of uses with less reliance on the retail sector.
- 11.16 As mentioned earlier, and at the time of writing this report, a planning application was submitted and being determined by the Council on Land at Newlands Farm, Honiton Road, East Cullompton. We consider that this is part of the journey in the evolution of a new settlement. In terms of the commercial provision associated with this particular application, at this stage it can be envisaged that it will seek to follow the aspirations of the Local Plan, be of an appropriate scale, and complement any provision at the at the Fordmore Farmshop complex together with other rural/community commercial hubs as well as Cullompton town centre.

Summary

- 11.17 At an appropriate time, when the Garden Village scheme and constituent elements have progressed, we recommend a more detailed commercial market testing exercise to determine the optimum commercial provision to align with commercial viability and key environmental, sustainability and placemaking objectives.
- 11.18 Whilst the recent submission of a planning application (Ref: 23/01440/MOUT) on part of the site represents a positive step in fulfilling the Garden Village ambition; we are also of the opinion that at present there remains a level uncertainty in the long term in relation to the scale of the development. By way of example, in the extant Mid Devon Local Plan, Policies CU2 (NW Cullompton) and CU7 (East Cullompton) state that as part of the development of these allocations, capacity improvements will be required at Junction 28 to deliver a strategic highway improvement. The Local Plan currently requires that beyond the first 500 houses at East Cullompton, the Policy CU7 allocation will require a significant strategic intervention at Junction 28 of the M5 motorway. This is because development in Cullompton is severely constrained by the limited capacity at Junction 28 of the motorway contributing to traffic congestion and poor air quality in the town centre. Hence the Garden Village opportunity, in combination with the urban extension to the northwest of Cullompton, presents an opportunity to resolve town centre traffic problems (traffic congestion at the junction of

Tiverton Road and High Street, and in the town centre generally) and provide an alternative means of access onto the M5.

11.19 However, Mid Devon District Council has been unsuccessful in securing Levelling Up Funding for the Cullompton Relief Road. The funding for this remains unclear at this stage and especially as the infrastructure project has increased significantly in cost. As the provision of appropriate transport infrastructure is a key requirement for the development, it is to be assumed that it will impact on the delivery of the Garden Village and the associated commercial provision.

11.20 On this basis, our key recommendation is for the Council to re-valuate commercial provisioning through soft-market testing once a viable housing provision and associated transport infrastructure has been defined. This will enable to identify market demand on commercial retail and leisure uses. For the purpose of good place-making, the commercial provision should aim to align with housing delivery. Furthermore that previous assumptions on commercial floorspace forecasts will need to be recalibrated to take account of the commercial realities prevalent at the time.

SITE ALLOCATION: JUNCTION 27 OF THE M5

11.21 The Council's adopted Local Plan includes provision for a site of approximately 71 hectares adjoining the southbound carriageway of the M5 motorway adjacent to Junction 27 for a major high quality regional tourism, leisure and retail attraction. We have undertaken an assessment of this location from a commercial market perspective.

11.22 Based on current commercial and forecast market trends (see **Section 3**), our market knowledge indicates that Mid Devon is not currently considered a destination in its own right – it is principally a rural area that acts as a thoroughfare – a route for those travelling to/from Cornwall, North Devon, South Devon etc.

11.23 This notwithstanding, J27 of the M5 has the potential to be a significant transport interchange given its proximity to Tiverton Parkway railway station. However it is significantly less busy than other services on the M5. The cost of installing either a new bridge or a pedestrian tunnel to link with the station is likely to be prohibitive. We consider the existing footpath / cycle link and bridge over the M5 to the south of Junction 27 to be functional and not necessarily catering for significant volume of visitors or in providing a visitor experience.

11.24 Hence the current services are regarded as 'quiet' and do not appear to provide an ideal stopping point for many travellers to and from the South West. They are less likely to be used by visitors to North and South Devon due to their close proximity to final visitor destinations.

11.25 In our opinion, Sowton (M5, J30) and Bridgewater Services (M5, J24) have a poor reputation and an enhanced or reimagined service station offering similar such as that provided by either the new Cornwall Gateway Services on the A30 at Mount Pleasant, or the high quality

and very popular food orientated offering at Gloucester Services on the M5 could prove to be successful at J27. Therefore an enhanced service station and leisure offer might also prove attractive to visitors/travellers on their departure days seeking to delay joining heavy holiday traffic on the M5.

11.26 As detailed in **Section 2**, the site benefits from a specific policy allocation (Policy J27 of the extant Local Plan), that aspires to the provision of:

- Travel Hub (7ha) – Motorway/roadside services; electric car hub; hotel.
- Agronomy Visitor Centre (9ha) – exhibition space and hall, gallery; research and education space, regional visitor centre and hotel. The Agronomy centre will include up to 1,000 square meters of ancillary retail.
- Outdoor Adventure Zone (6ha) – Surf Lake/lagoon; beach; high ropes adventure area.
- Outlet Shopping Village (6ha) - Designer outlet shopping centre retailing controlled goods comprising discontinued/end-of-range lines, seconds and surplus/sample stock. The Outlet Shopping Village to include up to 14,000 square metres of controlled comparison goods and up to 2,000 square metres of A3 uses.

11.27 However, based on our commercial review, the implications for the site to be a prime destination for a major leisure and outlet retailing are somewhat not in keeping with the commercial market. This is especially the case in relation to the retail component which is stated to comprise some '*14,000 square metres of controlled comparison goods*' based on an Outlet Shopping Village concept. Considering the structural changes in the retail sector and the lack of comparison goods capacity highlighted in this report, a retail led development is no longer a viable proposition in the current market.

11.28 At this stage we are of the opinion that J27 of the M5 is ideally positioned for an enhanced provision. It has the potential to be a significant transport interchange provided it delivers a high quality offer. Examples of these are found at the Gloucester Services on the M5 as well as Tebay Services in Cumbria. In Gloucester, this not only provides a link with the local community but also with 130 producers within 48.2km (30 miles) of the services. Gloucester Services is seen as a pioneering model of social investment, elements of which the Council may want to inspire, aspire or adopt for the J27 development. The success of Gloucester Services rests on connectivity with the local community and local produce. In our opinion any development in of the J27 must have a linkage with the local community.

11.29 The success of any scheme in this location will be led by an experiential offer including an activity-oriented offer together with the involvement of the local community. This may take the form of forest or eco lodges and associated activities together with an enhanced food and beverage offer. Both the business tourism survey and commercial leisure assessment has highlighted the need for quality in the offer and the need for it to be family friendly. The aim of any offer should be of a high quality to attract visitors. Hence, in terms of future

planning of development in this location, the Council should ensure that the 'value driver' of the provision is such that it attracts visitors from within the District and beyond.

11.30 The strategic spatial position of J27 of the M5 as a regionally significant transport infrastructure linkage for the District remains. This therefore requires a spatial planning component. Based on the current market dynamics J27 of the M5 is positioned for an enhanced leisure service provision within a significant transport interchange. On this basis a travel hub, visitor centre and a leisure offer potentially remain key areas for consideration and for future plan making and commercial market testing. Overall, the critical criteria for any emerging change to the policy should include :

- That any offer is of a scale that is deliverable and can be of a quality to draw in visitors.
- The offer has a social value component that links with the local community.

Provision of an experiential family friendly offer including an activity-oriented offer linked with the local community such as forest lodges, cycling, wellbeing and associated activities together with an enhanced food and beverage offer (e.g. artisanal food tourism that can promote food, resources, and Mid Devon's cultural heritage). In turn, it can aid the local community to promote sustainable practices such as organic farming, renewable energy production, and eco-tourism. In short, J27 of the M5 should be an allocation of a significant interchange that showcases and promote Mid Devon District and its businesses.

12. KEY FINDINGS & RECOMMENDATIONS

- 12.1 This concluding section provides high-level advice and recommendations to help the Council effectively plan and manage the vitality and viability of its centres. The *National Planning Policy Framework* (NPPF) specifically states that planning policies and decisions should support the role that town centres play “*at the heart of local communities*” and should promote the long term vitality and viability of centres “*by allowing them to grow and diversify in a way that can respond to rapid changes in the retail and leisure industries, allows a suitable mix of uses (including housing) and reflects their distinctive characters*” (paragraph 90).
- 12.2 Aligned with the NPPF and *National Planning Practice Guidance* (PPG), our advice takes account of the life time of the emerging plan period to 2043, but specifically focuses on the next five to ten year period. We have robustly assessed both the quantitative and qualitative need for new retail (comparison and convenience goods) floorspace and commercial leisure uses over the forecast period. These assessments have been informed by a comprehensive review and update of the dynamic economic and market trends that are impacting on the retail and leisure sectors. This includes the impact of the COVID-19 pandemic, which has accelerated many of the long-term trends and structural changes that placed significant pressures on the current and future performance and health of our towns, high streets and shopping centres. It also includes the current potential implications of rising inflation and cost of living crisis.
- 12.3 This assessment draws on a robust evidence base and is informed by primary research conducted specifically for this study. This new research included a telephone interview survey of some 706 households. It also draws on updated health check assessments for the main centres. These health checks are based on a series of Key Performance Indicators (KPIs), informed by the NPPG, that help identify the vitality and viability of centres, their SWOTs, and their relative role and function in the District’s network and hierarchy of centres.
- 12.4 This study also takes account of the series of reforms to the planning system issued by the Government. These include: updates and changes to Permitted Development Rights (PDR)⁷¹; the reform of the Use Classes Order (UCO)⁷²; and the 2023 *Levelling-up and Regeneration Act (LURA 2023)*.
- 12.5 It is against this background, including the legacy of the pandemic, cost-of-living crisis and worsening macro-economic position, that we provide the Council with our robust

⁷¹ The Town and Country Planning (General Permitted Development) (England) (Amendment) (No. 2) Order 2020/755; & The Town and Country Planning (General Permitted Development) (England) (Amendment) (No. 3) Order 2020/756

⁷² The Town and Country Planning (Use Classes) (Amendment) (England) Regulations 2020/757 was laid before Parliament on 21st July 2020 and amended the Town and Country Planning (Use Classes) Order 1987. Came into effect from 1st September 2020.

recommendations to help inform plan-making and decision-making over the next 5-10 years, and over the period to 2043. Our advice covers:

- the need ('capacity') for new retail (convenience and comparison goods) floorspace and other main leisure and town centre uses.
- the requirement to allocate a range of suitable sites to meet the scale and type of any forecast need identified, looking at least ten years ahead (NPPF, paragraph 90d).
- the current definition of the network and hierarchy of centres, and whether this reflects existing and future shopping and leisure trends, planned investment and regeneration strategies, and future housing growth.
- assessing the need to update and change the definition of town centre boundaries and Primary Shopping Areas in light of the key findings and evidence, and recent planning reforms.
- the setting of a local impact assessment threshold to inform the assessment and determination of applications for new retail and leisure developments proposed outside of town centres (NPPF, paragraph 90).

REFORM OF USE CLASSES ORDER & PERMITTED DEVELOPMENT RIGHTS

- 12.6 As previously mentioned, the Government has issued a series of reforms to the planning system. These reforms principally relate to Permitted Development Rights (PDR); the Use Classes Order (UCO)⁷³ and more recently the Levelling-up and Regeneration Act 2023.
- 12.7 The impact of the changes will still require the definition of a town centre boundary and a primary shopping area, or a primary 'commercial' area to be the foci for E and F Classes. Also, in most instances the former use classes can be 'translated' into the equivalent categories within the new E and F Classes. This can assist with the interpretation of policy wording and the effective use of conditions.
- 12.8 The changes have implications for the former designations of primary and secondary shopping frontages, as the control of shopping and service uses is legally less enforceable in commercial areas, as a change of use between Class E does not constitute development and will therefore not require planning permission. It should be noted that the effectiveness of frontage policies was declining before the pandemic and previous changes to the UCO.
- 12.9 Hence beyond 2024, town centres are likely to consolidate their retail and shopping role with more emphasis on place and non-transactional uses, this could include high activity based land uses such as health and education being located in more central locations and stem previous trends of decentralisation.

⁷³ The Town and Country Planning (Use Classes) (Amendment) (England) Regulations 2020/757 was laid before Parliament on 21st July 2020 and amended the Town and Country Planning (Use Classes) Order 1987.

12.10 The increase in 'city' or 'town centre' living and residential development in town centres is likely to be a growth area in the next 10 years and could be a positive regenerative mandate. We also expect more emphasis on residential upper floor living accompanying ground floor commercial uses.

12.11 Permitted Development Changes (Amendment No.2) (2020) released in August 2020⁷⁴, introduced Class AA and AB that allows new residential on detached or terrace buildings in commercial or mixed use areas (but not in conservation areas). This could potentially lead to the loss of commercial floorspace to residential.

12.12 Furthermore, the Town and Country Planning (General Permitted Development etc.) (England) (Amendment) Order 2021 (Order) that came into force on 21 April 2021 creates a new class of permitted development right (Class MA) into the Town and Country Planning (General Permitted Development) Order 2015 (GPDO) authorising changes of use from Use Class E commercial uses to Use Class (C3) residential. The changes within the Order allow a change in the permitted use of a property or land from a use falling with Use Class E to Use Class C3 residential use where the property has:

- been in Class E use for 2 years (including time in former uses i.e. A1, A2, A3, B1, D1 or D2 now within that Class); and
- has been vacant for at least 3 continuous months.

12.13 These changes replace existing retail, light industrial and office to residential rights with rights applying to all of the relatively recent Use Class E in which those uses now sit. Exercise of this right is subject to prior approval by the local planning authority and therefore is subject to some planning control. Details must be submitted relating to flooding, transport, contamination, noise amenity, natural light, fire safety and agent of change issues. The area that can be converted is capped, with a maximum size limit of 1,500 sqm of floorspace capable of conversion using the right.

12.14 Research conducted by LSH and REVO⁷⁵ provides a broad indication of impact of these changes and shows that both have proved controversial and have divided opinion. On the one hand they are viewed positively by some as helping to revitalise and repurpose high streets and boost housing delivery, by making it easier to change the use of buildings and respond more flexibly to dynamic market trends and demand. On the other hand, it is argued that the reforms seriously undermine the plan-led approach to town centre regeneration and place-making. The risks highlighted include the loss of vital commercial space on prime shopping streets, the creation of sub-standard piecemeal housing developments, and the

⁷⁴ The Town and Country Planning (General Permitted Development) (England) (Amendment) (No. 2) Order 2020.

⁷⁵ LSH & REVO Research (April 2022) - How Can We Deliver the Recovery & Renaissance of Our Towns, High Streets & Shopping Centres?

further weakening of the sequential test by potentially allowing for unfettered changes of use to out-of-centre floorspace.

12.15 In response several Councils have turned to Article 4 Directions (A4Ds) to try to remove PDRs. Where correctly applied, they can help prevent “*wholly unacceptable adverse impacts*”⁷⁶ on the vitality and viability of centres through the potential loss of their primary shopping areas.

12.16 The LSH REVO Research details the following top positive and negative views on the impact of the changes to the Use Classes Order and Permitted Development Rights.

| Positive Views | Negative Views |
|---|--|
| Greater flexibility and mix of uses on the high street (47%) | Result in development of poor quality residential accommodation (23%) |
| Support the long-term viability and vitality of our town centres and high streets (23%) | Loss of continuous primary shop frontages (23%) |
| Reduce property vacancies in town centres (21%) | Loss of local planning authority (LPA) powers to plan and manage development (20%) |

12.17 The implications arising from these changes result in more flexibility and are likely to be focussed on the peripheral parts of existing town centres, reflecting the influence of land values, but the outcomes are unclear, particularly the likely scale of increased residential and loss of commercial space and this should be investigated and monitored further. In strategic terms, and especially for the future of town centres, the PDR deregulation is likely to add to the already high levels of uncertainty surrounding their future composition.

ARTICLE 4 DIRECTIONS

12.18 The latest revision to the NPPF has tightened the rules and restricts the ability of local authorities to secure Article 4 directions (A4Ds). The revised version of the NPPF (paragraph 53) tightens this scope in relation to changes of use from commercial to residential, stating that such directions should be used where they are “*essential to avoid wholly unacceptable adverse impacts*”. These impacts “*could include loss of the essential core of a primary shopping area*”, thereby “*seriously undermining its vitality and viability*”. However, the paragraph contains the caveat that such a direction would be “*very unlikely to extend to the whole of a town centre*”.

12.19 Based on the above, the Council should be mindful of the following in considering the use of A4Ds:

- it will be difficult to restrict the use of PD rights using A4Ds;

⁷⁶ Source: National Planning Policy Framework; paragraph 53

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- restriction is likely to be more difficult for residential PD rights than non-residential, but in all cases “robust evidence” will be needed to justify their use;
 - there is a high bar set, and the scope of any A4D which is used must be limited geographically to the smallest area possible as opposed to an entire area being covered by an A4D; and
 - in terms of this area, the Council will need to be clear with targeted evidence to show why PD rights need to be restricted e.g. loss of employment space; preserving community uses or protecting a historic area / amenity.

12.20 Overall, based on our current assessment there is no evidence to suggest that the loss of retail premises to residential use is a frequent occurrence and there is no need for Article 4 Directives to cover this within the District. It is acknowledged that to protect the Conservation Area in Cullompton, an Article 4(2) Direction has been in place since 2009 that ensures that any proposed changes are of good quality, are sensitive to local character and protect important historic features.

RETAIL NEEDS

12.21 The NPPF (paragraph 90d) is clear that local planning authorities should plan to meet the need for new retail and town centre uses by “*looking at least ten years ahead*”. The PPG also states that given the uncertainty in forecasting long-term retail trends and consumer behaviour, assessments “*...may need to focus on a limited period (such as the next five years) but will also need to take the lifetime of the plan into account and be regularly reviewed.*” Therefore, greater weight should be placed on forecasts over the next five to ten-year period.

12.22 The headline retail capacity forecasts are reproduced in the table below and show limited capacity for both convenience (796 sqm net) and comparison goods (69 sqm net) to the period to 2033. There is therefore no requirement for the Council to allocate any new sites for retail provision in the period to 2033. Furthermore, on the basis of the quantum identified, it is reasonable to expect that the identified capacity is likely to be absorbed by the planned SUE's, infill development as well as change of use applications and/or extensions to existing floorspace.

Table 12.1: Retail Floorspace Capacity Forecasts (sqm net)

| MID-DEVON DISTRICT COUNCIL AREA | Convenience Goods | | | | Comparison Goods | | | |
|---------------------------------|-------------------|------------|--------------|--------------|------------------|-----------|------------|--------------|
| | 2028 | 2033 | 2038 | 2043 | 2028 | 2033 | 2038 | 2043 |
| Tiverton Town Centre | 23 | 39 | 53 | 69 | 193 | 335 | 483 | 736 |
| Cullompton Town Centre | 3 | 6 | 8 | 10 | 27 | 47 | 68 | 103 |
| Crediton Town Centre | 22 | 38 | 51 | 67 | 94 | 164 | 236 | 360 |
| Bampton Town Centre | 6 | 10 | 14 | 18 | 6 | 10 | 15 | 23 |
| All Other Rural Locations | 56 | 96 | 129 | 169 | 39 | 68 | 98 | 149 |
| Out-of-Centre Locations | 251 | 607 | 899 | 1,265 | -766 | -556 | -337 | 39 |
| TOTAL: MDDC AREA | 362 | 796 | 1,153 | 1,599 | -406 | 69 | 563 | 1,410 |

LEISURE NEEDS

12.23 **Section 8** detailed the high level assessment of the potential need for new commercial leisure uses and facilities over the next 5-10 years, and over the lifetime of the plan.

12.24 Even under normal circumstances it is difficult to predict the need and demand for new leisure uses, as the sector is very diverse and highly influenced by market, lifestyle and consumer trends. Predictions as to likely future need, even over the short term (i.e. the next 2-3 years), have been further complicated by the impact of the pandemic, rising inflation and the cost of living crisis. These will have an impact on leisure expenditure trends and growth, consumer preferences and business viability.

12.25 Notwithstanding these caveats, commercial leisure uses are a critical part of the overall offer and attraction of centres. They make a significant contribution to the overall diversity, vitality and viability of centres, and to their daytime, evening and night-time economies⁷⁷. The findings of the market research surveys and health check assessments have confirmed the importance of leisure uses and venues to the overall mix and attraction of centres. As part of their future adaptation and growth, it is therefore important that the Council maintains and promotes diverse and flexible leisure uses, venues and events in the main centres over the period to 2043.

12.26 From a planning policy perspective therefore the key to meeting future, as yet unknown needs, will be the development of policies that can accommodate the changing needs of the sector and ones that can operate in the real world. This includes recognising that for many leisure uses the cost for entering a new market will be relatively high and, unlike retail outlets where store size can vary significantly, incremental development is unlikely if only small increases in market growth are identified.

12.27 It is also the case that the recent changes to the Use Classes Order mean that the main commercial leisure sector in terms of spend is Food and Beverage which encompasses both

⁷⁷ The “evening” economy generally relates to all leisure activities that are open until around 11pm. The “night-time” economy is generally defined as businesses and activities with late night licences that are open beyond 11pm, particularly at the weekend.

Class E and Sui Generis uses. As a result, any changing demand for restaurant and café uses is likely to be met by changing uses within the existing or committed town centre floorspace.

12.28 Against this background the headlines from the leisure needs assessment show:

- Eating out in **cafés and restaurants** is a popular leisure activity with venues within the District attracting a 59.6% market share from the Study Area (Zones 1-7). Based on expenditure growth, and after allocating a proportion of this growth to existing businesses to help support their viability (against a backdrop of rising costs), our high-level forecasts indicate no net residual expenditure capacity up to 2043. The growth to sustain new cafés, restaurants and bars will be very much subject to market demand. Focusing new uses in the main town centres will help increase competition and consumer choice, and to underpin both daytime and evening economies.
- There is a low level of commercial **cinema** provision and commensurately low participation level across the District. Overall, there does not appear to be any significant capacity or demand for new cinema provision in the MDDC area. Should there be any market interest and demand arise from cinema operators seeking representation in the area, this should be directed to the town centres first to further help diversify their daytime and evening economies.
- **Health and fitness** venues within the District show a relatively high market share from within the widely defined Study Area of 80.2%. The high-level assessment shows that collectively the projected growth in the population over the period to 2043 could potentially sustain up to 4 premium or budget gyms.
- With regard to other commercial leisure uses, there is currently no identified need for **gambling venues** (e.g. bingo halls and casinos). The provision of **Tenpin bowling** and **Trampoline Parks** is poor. Any future provision will be subject to market demand which should be directed to town centres.
- In terms of **theatres** and **music venues**, the existing provision is limited with a low level of retention of 15%. The principal competing venues are in Exeter, Plymouth and Central London.
- **Historic** and **cultural** attractions also attain a very low market share of 24.1% from across the Study Area. The principal competing venues are in Exeter.

12.29 In terms of addressing future needs and supporting the overall attraction and resilience of the daytime and evening economies there could be potential to promote more family-based activities.

12.30 The forecast need for any new commercial leisure uses will be subject to wider economic, consumer and market trends, and will depend on the demand from leisure operators for representation. Where demand does exist, new uses and activities should be focussed

across the Council's main centres first, in compliance with national and local plan policy objectives to maintain and enhance their overall vitality and viability.

TOURISM SURVEY & ASSESSMENT

12.31 The survey of 100 businesses operating within the visitor and tourism sector highlighted the need for place promotion and marketing on a continual basis as key for tourism promotion.

Key outputs from the survey included:

- the highest proportion of spend was between £20 and £30 pounds (17%). Overall, it was estimated that more than half (56%) of customers spent up to £50.
- Post pandemic period, the majority (67%) of businesses reported no noticeable change in their customer profile when compared to before the COVID-19 pandemic.
- In terms of future performance over the next two years, a third (36%) of the businesses responded optimistically expecting their business performance to improve.
- Businesses reported that the following were key important visitor assets within Mid Devon:
 - Countryside / Green assets
 - Grand Western Canal (Tiverton Canal) / waterways
 - Historic houses / gardens
- The top priorities for developing tourism in Mid Devon from the viewpoint of the businesses were:
 - Better / More co-ordinated promotional activity / Marketing;
 - New infrastructure; and
 - Adventure tourism
- The top three gaps in tourism provision were identified as:
 - More child friendly attractions;
 - Better public transport access; and
 - Better access by car.
- The top three rural attractions that should be promoted to encourage more visitors were:
 - Walking routes;
 - Country houses and gardens (e.g. Knightshayes, Fursdon); and
 - Tiverton canal.
- Promotion and marketing was ranked at the top by businesses for key responses on:
 - the main challenges in delivering investment;
 - investment needed to support overnight visitor trade; and
 - for a better destination management plan over the next three years.

12.32 Overall, the Council needs to have a proactive strategy in place for regular and diverse types of promotion both locally and beyond. Furthermore, there is a need for local community engagement to enable growth and for ideas to develop locally.

- 12.33 The County of Devon is a very popular tourist destination, providing leisure and recreation activities for its own residents and those visiting the county. Despite a number of small scale attractions and places to stay across Mid Devon, tourism is less developed than within other parts of the county, partly reflecting the District's inland location and distance to the coast.
- 12.34 Tourists in the future are likely to be more discerning as value for money and quality will be key factors influencing visitors in the short to medium term.
- 12.35 The accommodation sector within the District includes hotels, across a range of sizes and budgets, and several guest houses, bed and breakfasts and camping and glamping facilities. Analysis of visitor accommodation has highlighted:
- There are 115 Serviced Operators and 436 Non-Serviced Operators in the District - the main provision is dominated by independent non-serviced operators of various scales and grades;
 - Serviced accommodation can be broken down into hotels, guest accommodation and B&B's. The distribution by operator indicates Guest Accommodation / B&B's (103 operators) account for over eight times the provision when compared to commercial hotels (12 operators). Furthermore in terms of bedspaces, Guest Accommodation / B&B exceed hotels (451 beds against 361 beds).
 - In terms of hotel provision, the analysis shows that there are a total of 12 hotels dominated by 1 to 3 star grades. The provision in bedrooms is dominated by budget hotels (192 bedrooms some 53% of total). The District lacks 4-Star and 5-Star establishments.
 - Non-serviced accommodation is dominated by self-catering properties (69%) followed by Glamping / Lodges (20%); Camping and Caravanning (11%).
- 12.36 The tourism sector in the District is varied and includes attractive countryside areas, market towns, its natural and green and blue infrastructure for outdoor pursuits, several castles and stately homes, and various family attractions. The Council will need to consider developing a destination plan for the District that builds on the priority themes of:
- **Building Business Resilience:** Proactive engagement with businesses is required so as to develop relationships on any training and development opportunities;
 - **Marketing & Place Promotion** – Delivering area marketing activity will encourage visitors to explore the area throughout the year. Have a 'joined up' voice (e.g., Visit Devon Project) to co-ordinate tourism related outputs. Promotional activity with local community will be vital to its success.
 - **Developing and promoting the District as a destination.** The District's tourism assets need to be brought together with tourism products.
 - **Sustainability and Rural Tourism:** Promoting sustainable rural tourism involves the integration of the rural / local community to tourism to raise their economic profile and stimulate local economic growth.

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- **Contributing to the Local Visitor Economy Partnership (LVEP):** provides an opportunity to develop this relationship further with other authorities in Devon and across the South West. We have been informed by the Council that the County is pursuing a combined LVEP, with the research and bid-work being funded by the Heart of the South West LEP and with potential submission in early 2024.

12.37 Additionally the value of the tourism industry for Mid Devon is estimated to be 261.9m in 2022/23 and forecast to increase by over 33% to £350.5m by 2042/43. With the growth anticipated, the District has potential to develop its rural tourism sector further. This is likely to be led by an experiential and activity-oriented offer together with the involvement of the local community. This could include and combine a range of the following:

- Rural Accommodation Stays – such as Glamping / Forest Lodges / Rural Spas / Eco-lodges
- Adventure Tourism – Mountain Biking; Canoeing; Trekking etc
- Promoting the heritage of the historic town centres.
- Fostering local communities through festivals and local community events;
- Promoting traditional crafts and skills – pottery making, weaving, lace work, basket making etc.
- Gastronomy and Culinary – promoting and partaking in making traditional dishes from local ingredients etc
- Promoting local folklore, traditions and heritage.
- Agri-tourism – associated with farm accommodation; farm based local produce; farm shops / festivals etc.

RETAIL AND LEISURE NEEDS

12.38 The NPPF (paragraph 90d) states that planning policies should “...allocate a range of suitable sites in town centres to meet the scale and type of development likely to be needed, looking at least ten years ahead”. Aligned with the NPPF, the NPPG⁷⁸ identifies that town centre strategies should establish the potential for “...development or the redevelopment of under-utilised space” to accommodate the scale of assessed need, and the more effective and efficient use of land (for example, the scope to group particular uses such as retail, restaurant and leisure activities into hubs, or for converting airspace above shops). In turn, this will help to establish the need for centre “expansion,” “consolidation” and/or “restructuring.”

12.39 It is to be recognised that the capacity forecasts do not take account of current (or future) vacant retail floorspace in the main centres and shopping locations. Some of this vacant space (particularly in prime shopping streets) will be available and suitable for re-occupation,

⁷⁸ Planning Practice Guidance (PPG). Paragraph 004, Reference ID:2b-004-20190722.

re-purposing and/or redevelopment both now and in the future. We therefore advise that any forecast capacity and/or market demand for new retail and commercial leisure floorspace could either be accommodated in suitable vacant units, or by the mixed-use development of vacant sites/buildings (i.e. ground floor commercial uses, with residential above).

12.40 As the headline retail capacity forecasts have shown there is no requirement for the Council to allocate any new sites for retail provision in the period to 2033. We recommend that the forecasts are kept under review and refreshed on a regular basis. The Council overall will need to be flexible in relation to strategic planning policies to support good place making in the future as detailed in the NPPF.

TOWN CENTRE FUTURES

12.41 The NPPF requires that: “...*planning policies and decisions should support the role that town centres play at the heart of communities, by taking a positive approach to their growth, management and adaptation*” (paragraph 90). Both the NPPF and the adopted development plan policies support the need to maintain and enhance the long term vitality and viability of town centres first, as the most appropriate and sustainable locations for new investment and development.

ISSUES, CHALLENGES AND OPPORTUNITIES

12.42 It is apparent that centres within the District (like other centres across the UK) are facing a myriad of issues and challenges to their vitality and viability from the dynamic changes in the retail and leisure sectors. The challenges have been further accelerated and compounded by the legacy impact of the pandemic and the prevailing macro-economic inflationary position, and other factors including:

- the growth of online shopping and home-based leisure activities (from watching movies to eating at home);
- the increase in retail failures and closures;
- a dramatic fall in market demand for space;
- a rise in vacancies and decline in footfall; and
- limited forecast need or market demand for new retail floorspace.

12.43 In the context of the issues and challenges, although retail will remain a key part of a town centre’s overall offer, vitality and viability - helping to generate trips, footfall and spend – it is critical that the policies and strategies developed for each centre help to promote greater flexibility and diversity, so that they can respond more effectively and rapidly to future trends. This flexibility and diversity will, in turn, help to create more resilient, attractive and successful town centres. It will also help to strengthen their respective roles in the network and hierarchy of centres as places to live, work, shop, study, play and visit for a wide range of uses and activities.

12.44 **Tables 12.2 – 12.4** that follow below summarise some of the key opportunities and initiatives identified for the main centres in the District based on the research and evidence. In summary the key suggestions are as follows:

- **Tiverton:** It is a historic market town and administrative centre for the District as well as being the largest commercial centre in the District. The town benefits from being located within a Conservation Area with many listed buildings which contribute to the historical interest of the centre and its overall character. As with other centres nationally, and after taking into account the structural changes that have affected the retail sector and the evolving broader macro-economic challenges since the pandemic, the study findings confirm the need to strengthen and diversify the town centre's offer and attraction is more important than ever. Improving internal connections and wayfinding will aid better circulation and orientation. The town centre's environmental quality is hard with the need for more placemaking and public realm improvements. Furthermore, there is a need to integrate the town centre with its inherent natural asset, the River Exe, which will aid to revitalise the town centre and encourage more visitors. The centre is ideally placed to benefit from tourism, with good transport links, historic built environment and access to the natural environment. These initiatives will help build back resilience into the town's daytime and evening economy and provide the opportunities for sustainable development. Overall place making and greening across the town will be an important part of the future matrix for the centre. The Council is also seeking to implement a masterplan for Tiverton Town Centre which is anticipated to support the regeneration and future development of the centre.
- **Cullompton:** is a vital and viable centre with a lower than average vacancy rate and a strong representation of independent operators. It is a historic market town with the town centre located within a Conservation Area. It benefits from its strategic location and is well connected to the national road network. Whilst the environment within the centre is of a good standard it is diminished due to the busy road bypassing through the town resulting in noise, fumes and dirt from heavy traffic. The centre is a beneficiary of funding of some £1.1m from Historic England and matched with support from Mid Devon District Council, Devon County Council, and Cullompton Town Council, to help regenerate Cullompton Town Centre through the High Streets Heritage Action Zone funding. Urban greening in the town centre is limited. Improvements to its public realm including more greening will further enhance the centre's vitality. The potential re-opening of Cullompton Train Station will decrease travel times especially to Exeter and encourage more visibility for the centre. Proximity to the Culm Garden Village should also complement the commercial health of Cullompton town centre through additional spend.

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- **Crediton:** is also a market town whose town centre is within a Conservation Area. It is the smallest of the three town centres in the District. The town centre itself has a busy road, the A377, running through it which can become heavily congested at peak times and is used by HGVs and commercial farm vehicles, which can make it intimidating for cyclists and pedestrians and contributes to congestion and pollution. The potential to improve is focussed on greening and the public realm to encourage more and safer footfall and patronage and make the centre more pedestrian friendly.

Table 12.2: Tiverton Town Centre – Opportunities for Growth and Transformation

TIVERTON TOWN CENTRE:

- Increase diversity in offer enabling new mixed-use developments within the town centre to strengthen the urban core.
- With the demand for retail premises on the decline and an increase in vacancies over recent years, the dominance of existing retail space within the town centre can be reduced. Space can be repurposed to rebalance the existing mix of uses, with a greater emphasis on residential, office and leisure.
- Improve linkages and promote and raise the profile of the Pannier Market and develop a Destination Plan for the centre.
- Encourage leisure provision particularly family entertainment to increase footfall, improve perception and improve both the day and night time economy.
- Promote and support pop-up and meanwhile uses in vacant premises.
- Promote the evening economy and seek to attain Purple Flag status.
- Promote active placemaking encouraging walking connections and active frontages on major thoroughfares.
- Create linkage and signage to green corridor (e.g. along riverside) and blue corridor (River Exe) surrounding the town centre.
- Consider more activity based pursuits and space around the River Exe.
- Capitalise and promote greening as part of a place making and promotion strategy for the centre.
- Enhance and promote the existing historic townscape.
- Consider revitalisation of shopfronts.
- Continued improvement to the public realm will strengthen perceptions of the town as a place to invest and work.
- Promote sustainable forms of movement and provide more/new electric vehicle charging (EVC) points across car parking areas in the centre.
- Improve gateways in to the town centre including the linkages between the bus station and the railway station.
- Link the offer in the centre with other town centres in the District to create a more coherent and compelling Destination Plan to attract visitors and tourists to the area.
- Review regeneration opportunities including sites under the ownership of the Council and undertake comprehensive market testing as part of the process.

TIVERTON TOWN CENTRE:

- Review previous strategic masterplan, market test opportunities and co-ordinate an effective management of critical interventions and initiatives and help unlock wider investment and funding to the centre.
- Develop a caucus of champions for the centre to promote, develop and further town centre initiatives and interventions.

Table 12.3: Cullompton Town Centre – Opportunities for Growth and Transformation**CULLOMPTON TOWN CENTRE:**

- Invest in updating street furniture and public realm, and shop frontages where needed (and capitalise on the Heritage Action Zone Funding received).
- Greening measures will play an integral role in rejuvenating and reimagining key areas as places to convene and socialise.
- Greening will also have a positive impact on health and wellbeing, and in helping to tackle the climate crisis and improve air quality.
- Develop a rolling programme of place promotion including fairs / festivals and street markets (perhaps traffic days?)
- Develop and promote regular year-round events to attract residents and visitors to the town centre.
- Provide for active travel, including new pedestrian and cycle routes.
- The re-opening of Cullompton train station provides the opportunity for more visitors and a sustainable form of travel for residents.
- With more visitors anticipated via the rail link, it will be important to create a coherent and compelling Destination Plan together with other centres in the District.
- Provide more/new electric vehicle charging (EVC) points in public car parks.
- Proximity to the Culm Garden Village will benefit commercial activity and potentially investment in the town centre.

Table 12.4: Crediton Town Centre – Opportunities for Growth and Transformation

CREDITON TOWN CENTRE:

- Consider refurbishment of shop frontages.
- Ensure a diverse and mix of uses including residential, retail, leisure and office space.
- Public realm and greening are at the forefront.
- Link promotion of centre with surrounding natural landscape and build on green space connections.
- Invest in updating street furniture and public realm where needed.
- Develop a rolling programme of place promotion / activity including fairs / festivals street markets (perhaps traffic days?).
- Undertake place promotion as part of a co-ordinated approach with other town centres in the District as part of a wider Destination Plan.
- Provide regular year-round events to attract residents and visitors to the town centre.
- Promote and support pop-up and meanwhile uses in vacant premises.
- Provide for active travel, including new pedestrian, cycle routes and bike racks.
- Provide more/new electric vehicle charging (EVC) points in public car parks.
- Potential to consider a Masterplan to take account of structural changes in the commercial market and wider macro-economy.
- Improve the public realm to enhance the centre and improve perceptions of safety, wellbeing, etc.

NETWORK AND HIERARCHY OF CENTRES

12.45 We have reviewed the Council's existing network and hierarchy of main centres in accordance with the advice set out in the NPPF (paragraph 90a) and PPG⁷⁹. This assessment takes account of current classifications, and these been "reviewed and tested" based on the key evidence and updated research findings identified by this study.

12.46 To help inform this classification, the table below summarises the relative scale of the retail, leisure and service offer in the main centres.

Table 12.5: Mid Devon Centres – Total Floorspace and Outlets

| Town Centre | Total Floorspace (sqm) | % of Total | Total Outlets | % of Total |
|---------------|------------------------|-------------|---------------|-------------|
| Tiverton | 34,699 | 54% | 249 | 56% |
| Cullompton | 16,202 | 25% | 93 | 21% |
| Crediton | 13,153 | 21% | 105 | 23% |
| Totals | 64,054 | 100% | 447 | 100% |

12.47 Based on the study findings, we advise that the District's main centres largely function in line with their current roles in the hierarchy.

12.48 As noted in **Section 2**, the extant Mid Devon Local Plan (July 2020) and Policy S7 on 'Town Centres' seeks to secure the sustainability of Mid Devon's market towns of Tiverton, Cullompton and Crediton focusing development within town centres. In our view, this classification is appropriate as it reflects each town's important role in the District's network of centres. Tiverton will continue to serve the commercial hub for the District and in serving the largest urban area in the District. Cullompton and Crediton are comparatively smaller but have a good choice of retail, leisure and service uses that meet the needs of their local catchment population.

12.49 We have also considered the smaller rural centres to see if it remains appropriate for them to be classified as such. Given that in the majority of cases their local convenience, leisure or community offer dominates we consider their designations as appropriate.

TOWN CENTRE BOUNDARIES AND PRIMARY SHOPPING AREA DEFINITIONS

12.50 The NPPF states that planning policies should "*...define the extent of town centres and primary shopping areas and make clear the range of uses permitted in such locations, as part of a positive strategy for the future of each centre*" (paragraph 90b). Annex 2 to the NPPF:

⁷⁹ Planning Practice Guidance (PPG). Refer to Paragraph 004, Reference ID:2b-004-20190722.

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- defines the **Primary Shopping Area (PSA)** as an “...*area where retail development is concentrated*;”
 - defines **Edge of centre** (for retail purposes) as a location that is “...*well connected to, and up to 300 metres from, the primary shopping area*” (our emphasis underlined); and
 - for all other main town centre uses edge of centre is a location “...*within 300 metres of a town centre boundary*” (our emphasis underlined).
- 12.51 The NPPF explains that the **town centre** is an area defined on the local authority’s policies map, and includes the PSA and areas predominantly occupied by main town centre uses⁸⁰ within or adjacent to the PSA.
- 12.52 There is no policy requirement under the NPPF to define primary and/or secondary shopping frontages. The revised NPPF (December 2023) does not require local authorities to identify shopping frontages. As a result policies that support frontages - such as requirements to maintain thresholds for retail use - cannot now be implemented due to the provisions of Use Class E, which allow a change of use of commercial activities within this broad use class.
- 12.53 Our review of the definition and extent of town centre boundaries for each of the District’s main centres necessarily takes account of the impact of recent planning reforms (see **Section 2**). These include the new Use Classes Order comprising the new Class E (commercial, business and service uses); and the new PDR allowing the conversion of Class E uses to Class C3 (residential). This PDR effectively means that a wide range of shops, restaurants and cafés, banks, estate agents, nail bars, doctors’ surgeries, crèches and gyms will all be able to be change into residential units without the need for planning permission; albeit subject to prior approval and the need to satisfy certain criteria (including the requirement for the unit to be vacant for a continuous period of at least three months prior to the date of the application for prior approval).
- 12.54 In this context, given the scrapping of the previous Class A uses (including shops) and the introduction of a much wider Class E use (which incorporates Class A1-A3, B1, D1(a), D1(b) and D2(e)), the definition of a PSA (i.e. an area where retail development is concentrated) is more problematic.
- 12.55 In terms of the extent of the centres and current frontage designations, the structural changes to the sector (see **Section 3**) and the declining demand for retail floorspace means that in many locations in the UK, reviews of centre boundaries have required a consideration of reducing the extent of the defined retail areas and sometimes the town centres, rather than seeking to increase them as in the past.

⁸⁰ References to town centres or centres apply to city centres, town centres, district centres and local centres but exclude small parades of shops of purely neighbourhood significance. Unless they are identified as centres in the development plan, existing out-of-centre developments, comprising or including main town centre uses, do not constitute town centres.

12.56 Notwithstanding these trends and the impact of recent planning reforms, the policies pertaining to plan-making and decision taking for retail, leisure and town centre uses in the NPPF do still refer to the need to define a PSA. The definition of a PSA (paragraph 90b) is critical, for example, to the application of both the sequential and impact tests (paragraphs 91-95). Furthermore the definition of a PSA is essential so as to define an 'Edge of Centre' location (up to 300metres from the PSA) in retail planning terms. As a result, we have necessarily reviewed the current PSA boundaries.

12.57 Our review of vacancy rates and the location of the vacant units across the District's main town centres does not suggest that there is any current surplus of retail floorspace in a specific location to justify the contraction of the current retail designations. Tiverton, Cullompton and Crediton all have vacancy rates below the national average and as such seem to be performing well on this indicator of vitality. It therefore is not necessary to consider any amendments to the extent of the PSA designations in these centres.

12.58 Furthermore the retail capacity assessment has indicated that there is no requirement to allocate new retail sites for development. As a result, we consider the PSA and town centre boundaries will remain appropriate for the emerging Local Plan (Plan Mid Devon).

LOCAL FLOORSPACE IMPACT THRESHOLD

12.59 The NPPF requires an impact assessment to be undertaken for "*retail, leisure and office development outside of town centres, which are not in accordance with an up-to-date Local Plan*" (paragraph 94). Local planning authorities should require an impact assessment if the development is over a proportionate, locally set floorspace threshold, but if there is no local threshold, then the NPPF default threshold (2,500 sqm gross) should be applied. To help inform the setting of an appropriate impact threshold, the PPG⁸¹ also states that it will be important to consider the following:

- scale of proposals relative to town centres;
- the existing viability and vitality of town centres;
- cumulative effects of recent developments;
- whether local town centres are vulnerable;
- likely effects of development on any town centre strategy; and
- impact on any other planned investment.

12.60 As detailed in **Section 2**, the Council's current retail impact threshold is set out under **Policy DM15 of the Local Plan** that provides a retail impact threshold of **500 sqm gross**. We advise that the Council may want to consider a revised impact threshold of **280 sqm gross** as an appropriate and robust level for assessing the impacts of any proposed retail/leisure

⁸¹ Planning Practice Guidance. Paragraph: 015. Reference ID: 2b-015-20190722

developments outside of defined centres in accordance with paragraph 94 of the NPPF. The justification and evidence to support this lower impact threshold is set out in the paragraphs below.

- 12.61 As reported in **Section 3**, the growth in internet shopping is having a significant impact on the way households choose to buy food and non-food goods, which in turn is impacting upon retailer business and operating models. This should be considered alongside the long-term impacts of out-of-centre stores, shopping and leisure facilities on town centres. These impacts are probably best illustrated by the changes in the grocery sector over the last decade. Following a sustained period of growth over almost 20 years up to 2010, principally driven by new larger format superstore openings, the main grocery operators (i.e. Tesco, Sainsbury's, Asda, Waitrose and Morrisons) have effectively scrapped their superstore expansion programmes to focus on growing their market shares via online sales and opening smaller convenience stores (i.e. Sainsbury's Local, Tesco Express, Little Waitrose, etc.). Although sizes vary from location-to-location, the main grocers are promoting smaller convenience stores with a minimum gross floorspace of between 280 sqm and 372 sqm (circa 3,000 - 4,000 sqft).
- 12.62 The 280 sqm gross floorspace figure is also significant, as stores below this threshold are exempt from Sunday trading restrictions. In brief, the Sunday Trading Act defines a 'large shop' as generally being over 280 sqm. It is the Government's intention through this Act to protect smaller, independent stores which are perceived to be financially weaker and therefore require protection from unfair competition from the major supermarket operators. In general terms therefore it follows that proposals for retail floorspace over 280 sqm gross are unlikely to be a purely local facility and will have the ability to draw trade from outside of their immediate local catchment with potential consequent impacts on existing stores and centres. For example, in circumstances where convenience stores are proposed on the edge or outside of centres, often as part of petrol filling stations or conversions of public houses, they can have a significant adverse impact on the trading performance, vitality and viability of smaller district and local centres nearby. This will particularly be the case where these existing centres are dependent on smaller supermarkets and/or convenience stores to anchor their retail offer, and to generate footfall and linked trips/expenditure to the benefit of other shops, services and facilities. In some cases, post office counters can also form an integral part of the convenience store offer and attraction in smaller centres, and their future operation could therefore also be jeopardised by new convenience stores opening outside of centres.
- 12.63 The Government's overarching aim to protect the role, function and integrity of local shops selling essential goods and comprising essential services (e.g. post-office counters) is further demonstrated by the reforms to the UCO and the introduction of the new Class F2, which covers local community uses. Within this category, Class F2(a) specifically pertains to a shop

(previously classified as A1) selling mostly “essential goods”, including food, to visiting members of the public where the shop’s premises cover an area of no more than 280 sqm and there is “no such facility within 1,000 metre radius of the shop’s location”. This new use class is intended to ensure that uses which are important to local communities have some protection through the planning system, because the scope to change use without planning permission is more limited.

12.64 At the same time, the market demand from operators seeking representation and space in town centres is falling significantly as the space available in centres is often of the wrong size and configuration, and in the wrong location to meet today’s retailer requirements. For example, modern multiple retailers selling a range of comparison goods (including, for example, fashion, home store and ‘bulky’ goods) generally have requirements for larger format modern premises with a minimum size of circa 465 sqm gross (5,000 sqft), and usually 929 sqm (10,000 sqft) and above. This minimum floorspace provides operators with the necessary ‘critical mass’ of sales needed to display their full range of goods in-store and attract customers from a wider catchment area, particularly where they are co-located alongside similar stores in town centre and out-of-centre locations. These minimum floorspace requirements also fall significantly below the NPPF-default threshold of 2,500 sqm gross.

12.65 The health checks for the town centres have also identified that smaller independent stores and services make a significant and vital contribution to each centre’s diverse offer, attraction and viability. The table below shows the average size of comparison and convenience units in each main centre as sourced from Experian Goad data.

Table 12.6: Mid Devon District : Main Centres - Average Size of Outlets by Centre & Category (sqm gross)

| | Total | | | Convenience Retail | | | Comparison Retail | | |
|--------------------------|------------------------|---------------|---------------------------|------------------------|---------------|---------------------------|------------------------|---------------|---------------------------|
| | Total Floorspace (sqm) | Total Outlets | Average Outlet Size (sqm) | Total Floorspace (sqm) | Total Outlets | Average Outlet Size (sqm) | Total Floorspace (sqm) | Total Outlets | Average Outlet Size (sqm) |
| Tiverton | 34,699 | 249 | 139 | 4,339 | 26 | 167 | 12,133 | 77 | 158 |
| Cullompton | 16,202 | 93 | 174 | 5,676 | 7 | 811 | 3,261 | 22 | 148 |
| Crediton | 13,153 | 105 | 125 | 1,801 | 11 | 164 | 4,115 | 35 | 118 |
| Totals / Averages | 64,054 | 447 | 143 | 11,816 | 44 | 269 | 19,509 | 134 | 146 |

Source: Experian Goad Category Reports / LSH Research / MDDC data

12.66 As the table shows the average size of a comparison goods unit is 146 sqm gross and for convenience goods the average unit size is higher at 269 sqm gross. Overall, the average unit size for all retail, leisure and service businesses in the District’s main town centres is 143 sqm gross.

12.67 Turning to the published and known market demand from retailers and leisure operators for representation in the main centres, it is apparent that the minimum average unit sizes

operators are seeking are significantly below the NPPF threshold of 2,500 sqm gross (see **Volume 3**). Clearly if the demand from these operators was for edge and/or out of centre locations, then it could undermine the future retail offer and investment within the Council's centres. In turn this could result in a significant adverse impact on their vitality and viability, specifically in terms of reduced market demand, investment and trade.

12.68 Having regard to the District-wide capacity assessment for new retail (convenience and comparison goods) floorspace, focussing on the next five to ten years in accordance with the advice set out in the NPPF and PPG, but also taking the lifetime of the plan into account. In this case the capacity forecasts show limited capacity for both convenience (796 sqm net) and comparison goods (69 sqm net) to the period to 2033.

12.69 In conclusion, we consider that the above evidence provides robust support and justification for the setting of a lower floorspace threshold of 280 sqm gross. This will provide the Council with greater flexibility to robustly assess the individual ('solus') and cumulative impacts of any smaller commercial floorspace (including convenience stores) proposed outside of existing centres that could compete 'like-against-like' with existing, planned and proposed investment in its main centres. We also advise that this threshold should be applied, where relevant, to change of use applications and applications seeking variations of conditions. It should be noted that whilst the proposed threshold applies to net additional floorspace, where a proposal is for the redevelopment of existing retail floorspace, the threshold should apply to the total floor area proposed (i.e. existing and net additional).

12.70 For clarification, the Council will be aware that the locally set impact threshold does not determine whether an application should be allowed or refused, only whether an application should be subject to an impact assessment. Furthermore, the PPG advocates that the level of information pertaining to the impact test (and the sequential test) provided in support of any application should be proportionate and considered in a locally appropriate way⁸². We therefore advise the Council that they should pro-actively engage with any applicant at an early state in the pre-application process to scope and agree the detail of any assessment and the evidence required in support of an application on a case-by-case basis.

POLICY CONSIDERATIONS

12.71 In relation to existing policies that apply to retail and town centre uses and centres within the District we have reviewed the following based on the findings of this study and changes to national planning policy and legislation. The policies are detailed in **Section 2** and comments on the policies are provided below:

⁸² PPG. Paragraph: 017. Reference ID: 2b-017-20190722

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- **Policy S7 ‘Town Centres’** details the broad aim on protecting the vitality and viability of the town centres of Tiverton, Cullompton and Crediton. We are of the opinion that this Policy and wording remain relevant and remain appropriate.
 - **Policy S10 on Tiverton** sets out the broad aim on the future growth of Tiverton. Overall the policy context remains appropriate except for the forecast on the provision of housing numbers and commercial floorspace. Focussing on the latter only, we recommend removing the requirement need for some 29,400 sqm of additional commercial floorspace and some 7,000 sqm of gross commercial floorspace (in accordance with the sequential approach in extant Policy DM15). These quantum refer to historic forecasts and will be difficult to deliver in the current market - a fact reinforced by the low level of need identified in this assessment. We would recommend that emphasis is placed on improving the environmental quality of the town centre (including greening), place making (particularly links to the riverside) and promotion of the centre as part of a cohesive destination plan across the centres in the District.
 - **Policy S11 on ‘Cullompton’** provides the strategic policy direction for the centre with emphasis and focus as a centre of new development. The policy is comprehensive and covers a wide number of areas. As with Policy S10 comment can only be provided in relation to the commercial space forecast / planned. The extant policy details the requirement for some 73,500 gross square metres of commercial floor space over the plan period to 2033. As with Policy S10 this quantum will be difficult to deliver in the current market due to the reasons outlined previously. It can be assumed that any capacity identified as part of this assessment will be prioritised by the Council with the likelihood that this will also contribute any new floorspace planned for the Strategic Urban Extensions planned.
 - **Policy S12 on ‘Crediton’** as with previous **Policies S10 and S11** this strategic policy covers a wide range of areas. Focussing on the commercial space forecast / planned, the extant policy details the requirement for some 14,700 gross square metres of commercial floor space over the plan period to 2033. Again, this quantum will be difficult to deliver in the current market due to the reasons outlined previously. We would additionally recommend that the Council incorporate public realm improvements and greening in to emerging policy.
 - **Policy J27 on Land at Junction 27 of the M5** has been elaborated upon previously at **Section 11**. In summary, the site still deserves a specific policy. To reiterate, and based on current commercial market conditions, the ambition of the extant policy for a surf lake / lagoon or Outlet Shopping Centre are unlikely to be delivered. We are of the

opinion that J27 of the M5 is ideally positioned for an enhanced provision. It is spatially a significant transport interchange for the District. It is potentially a location where a high quality offer linked with local community together with experiential leisure in tandem with a tourism destination plan for the District is required. The experiential offer may take the form of forest or eco lodges and associated activities together with an enhanced food and beverage offering. Both the business tourism survey and commercial leisure assessment has highlighted the need for quality in the leisure offer in the District and the need for it to be family friendly.

- **Policy DM14 on Town Centre Development** focuses on sustainable growth and regeneration of Tiverton, Cullompton and Crediton. The main part of the policy remains appropriate. The portion of the policy that refers to *'primary shopping frontages, at ground floor level the proportion will not be permitted to fall below 85% of all units (of A1, A2 and A3 uses'* is no longer appropriate and should be removed. This requirement has been superseded by the UCO changes and the NPPF does not require the definition of primary and secondary frontages (as previously detailed).
- **Policy DM15 on Development Outside Town Centres** focuses on the sequential and impact test. In broad terms the policy remains appropriate and the Council may consider a revised impact threshold of 280 sqm gross (from 500 sqm gross set currently) as an appropriate and robust threshold for assessing the impacts of any proposed retail/leisure developments outside of defined centres in accordance with paragraph 94 of the NPPF.

13. GLOSSARY OF TERMS

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| TOWN CENTRES | Town are the principal centre or centres in a local authority's area In planning the future of town centres, local planning authorities should consider the function of various parts of the centre and how these contribute to its overall vitality and viability. |
| DISTRICT CENTRES | District centres will usually comprise groups of shops often containing at least one supermarket or superstore, and a range of non-retail services, such as banks, building societies and restaurants, as well as local public facilities such as a library. These centres generally contain between 10,000-50,000sqm of retail, leisure and service floorspace; and provide a higher proportion of convenience over comparison goods. |
| LOCAL CENTRES: | Local centres include a range of small shops of a local nature, serving a small catchment. Typically, local centres might include, amongst other shops, a small supermarket, a newsagent, a sub-post office, a pharmacy or a launderette. |
| TOWN CENTRE USES: | As defined in the NPPF, main town centre uses are 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, nightclubs, casinos, health and fitness centres, indoor bowling centres, and bingo halls); offices; and arts, cultural and tourism development (including theatres, museums, galleries and concert halls, hotels and conference facilities). |
| NEIGHBOURHOOD CENTRES | Normally comprise all parades of shops that are of purely local significance. |
| TOWN CENTRE BOUNDARY | Defined area, including the primary shopping area and areas of predominantly leisure, business and other main town centre uses within or adjacent to the primary shopping area. The extent of the town centre should be defined in Local Plans and on the policies map. |
| PRIMARY SHOPPING AREA (PSA) | Defined area where retail development is concentrated (generally comprising the primary and those secondary frontages which are adjoining and closely related to the primary shopping frontage). |
| EDGE-OF-CENTRE | As defined in the NPPF, For retail purposes a location that is well connected up to 300 metres from the primary shopping area. For all other main town centre uses, a location within 300 metres of a town centre boundary. For office development, this includes locations outside the town centre but within 500 metres of a public transport interchange. In determining whether a site falls within the definition of edge-of-centre, account should be taken of local circumstances. |
| OUT-OF-CENTRE | A location which is not in or on the edge of a town centre. Out-of-centre locations are at the bottom of the retail hierarchy and any application for retail development in an out-of-centre location must fully assess impacts and rule out potential for locating in a more sequentially preferable location. |
| CONVENIENCE RETAILING | Convenience retailing is the provision of everyday essential items, including food, drinks, newspapers/magazines and confectionery. |
| COMPARISON SHOPPING | Comparison retailing is the provision of items not obtained on a frequent basis. These include clothing, footwear, household and recreational goods. |
| SUPERMARKETS | Stores selling mainly food, with a trading floorspace less than 2,500 square metres, often with car parking. |
| SUPERSTORES | Stores selling mainly food, or food and non-food goods, usually with more than 2,500 square metres trading floorspace, with supporting car parking. |
| RETAIL WAREHOUSES | Large stores specialising in the sale of household goods (such as carpets, furniture and electrical goods), DIY items and other ranges of goods, catering mainly for car-borne customers. |

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| RETAIL PARKS | An agglomeration of at least 3 retail warehouses |
| WAREHOUSE CLUBS | Large businesses specialising in volume sales of reduced priced goods. The operator may limit access to businesses, organisations or classes of individual. |
| FACTORY OUTLET CENTRES | Groups of shops specialising in selling seconds and end-of-line goods at discounted prices. |
| LEISURE PARKS | Leisure parks often feature a mix of leisure facilities, such as a multi-screen cinema, indoor bowling centres, night club, restaurants, bars and fast-food outlets, with car parking. |
| CONVENIENCE GOODS EXPENDITURE | Expenditure (including VAT as applicable) on goods in COICOP categories: Food and non-alcoholic beverages, Tobacco, Alcoholic beverages (off-trade), Newspapers and periodicals, Non-durable household goods. |
| COMPARISON GOODS EXPENDITURE | Expenditure (including VAT as applicable) on goods in COICOP Categories: Clothing materials & garments, Shoes & other footwear, Materials for maintenance & repair of dwellings, Furniture & furnishings; carpets & other floor coverings, Household textiles, Major household appliances, whether electric or not, Small electric household appliances, Tools & miscellaneous accessories, Glassware, tableware & household utensils, Medical goods & other pharmaceutical products, Therapeutic appliances & equipment, Bicycles, Recording media, Games, toys & hobbies; sport & camping equipment; musical instruments, Gardens, plants & flowers, Pets & related products, Books & stationery, Audio-visual, photographic and information processing equipment, Appliances for personal care, Jewellery, watches & clocks, Other personal effects. |
| SPECIAL FORMS OF TRADING | All retail sales not in shops and stores; including sales via the internet, mail order, TV shopping, party plan, vending machines, door-to-door and temporary open market stalls. |
| GROSS GROUND FLOOR FOOTPRINT FLOORSPACE | The area shown on the Ordnance Survey map or other plans as being occupied by buildings and covered areas measured externally. |
| GROSS RETAIL FLOORSPACE | The total built floor area measured externally which is occupied exclusively by a retailer or retailers; excluding open areas used for the storage, display or sale of goods. |
| NET RETAIL SALES AREA | The sales area within a building (i.e. all internal areas accessible to the customer), but excluding checkouts, lobbies, concessions, restaurants, customer toilets and walkways behind the checkouts. |
| RETAIL SALES DENSITY | Convenience goods, comparison goods or all goods retail sales (stated as including or excluding VAT) for a specified year on the price basis indicated, divided by the net retail sales area generating those sales. |
| QUANTITATIVE NEED | Is conventionally measured as expenditure capacity (i.e. the balance between the turnover capacity of existing facilities and available expenditure in any given area). Expenditure capacity, or 'quantitative need' can arise as a result of forecast expenditure growth (either through population growth or increase in spending), or by identification of an imbalance between the existing facilities and current level of expenditure available in an area. |
| QUALITATIVE NEED | Includes more subjective measures such as, for example, consumer choice; the appropriate distribution of facilities; and the needs of those living in deprived areas. 'Over trading' is also identified as a measure of qualitative need, although evidence of significant over-crowding, etc., may also be an indicator of quantitative need. |

