



Assessment of Retail Planning Policy

Planning Application for Class A Retail and
Associated Development at WPD Depot, Moor
Lane, Exeter

November 2018

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Appendix I Impact Assessment

1. Introduction

- 1.1 This advice report has been prepared by GVA for Exeter City Council ('ECC') in relation to the retail and town centre planning policy aspects of an outline planning application by Richard Walker Developments Ltd ('the applicant') to redevelop part of the existing WPD depot site at Moor Lane in Exeter for retail floorspace and associated development.
- 1.2 A description of the proposed development can be found in Section 2 of this advice report.
- 1.3 This planning application, hereafter referred to as 'the WPD application', is one of a number of planning applications for retail development on the eastern side of the Exeter urban area. GVA has recently provided advice¹ on retail planning policy issues to ECC in relation to the Moor Exchange proposal on Honiton Road and a proposed retail and leisure development at Middlemoor.
- 1.4 In a similar manner to our written advice on the Moor Exchange application, this advice deals with the WPD application alone and separate advice on cumulative impact matters will be provided to ECC in order that consideration can be given to the impact on defined town centres in the event that ECC wishes to consider whether to grant planning permission for one than one of these retail development proposals.
- 1.5 Given the location, planning policy status and scale of the proposed retail floorspace, this advice report considers the relationship of the proposal against the sequential and impact planning policy tests. Similar issues were raised in relation to our advice on the Moor Exchange and Middlemoor proposals and therefore elements of that advice contained relevant background and contextual information for this application at WPD. Therefore, in the interests of brevity, we will refer to the content of that previous advice where necessary. Moreover, whilst the WPD application needs to be determined on its own merits, it is nevertheless useful to refer back to the Secretary of State's 2016 decision on the Moor Exchange proposal as it can provide useful information.
- 1.6 The main focus for our assessment of this proposal has been a review of the contents of a Retail Statement ('RS') prepared by the applicant and dated February 2018. Following an initial review of the content of the RS, a series of queries were raised with the author of the RS which has resulted in further information being submitted on the controls over the retail floorspace which the applicant is happy to accept should ECC be minded to support this outline application.
- 1.7 From the outset it should be noted that since the completion of our written advice on the Moor Exchange proposal, the updated version of the National Planning Policy Framework ('NPPF') was published by the Ministry of Housing, Communities and Local Government in July 2018. The new NPPF will now be a material consideration for ECC when determining these retail development proposals and we provide a review of the content of the NPPF, insofar as retail and town centre planning policy issues are concerned, in Section 2 of this advice report.
- 1.8 The remainder of this advice report is structured in the following manner:

¹ In a report to ECC dated May 2018

- Section 2 outlines the content of this planning application and summarises the retail planning policy context.
- In section 3 we consider the key retail and town centre planning policy issues, including the sequential and impact tests.
- Section 4 provides a summary of our assessment and our advice to ECC.

2. The Proposed Development and Salient Planning Policy Context

2.1 This application is submitted in outline, with all matters reserved except for access, with the following description of development:

“Outline planning application with all matters reserved (apart from means of access) for the demolition of existing structures, site remediation and redevelopment to provide Classes A1 (retail), A3 (Cafes and Restaurants), associated access, internal circulation, service yards, parking, landscaping, public realm works, infrastructure and dedication of land for improvements to Honiton Road”.

2.2 The submitted planning application form indicates that a total of 7,962sq m (gross) Class A retail floorspace will be provided within the development, split between 6,900sq m (gross) for Class A1 (shops) and 1,062sq m for Class A3 (cafes and restaurants). The Class A3 figure does not match the corresponding figure in Section 1 of the RS which indicates the A3 floorspace to be 1,117sq m. In addition, there is conflict between the application form and the submitted Design, Access and Landscape Statement, with the latter stating that there will be 7,247sq m (gross) A1 floorspace.

2.3 Section 1 of the RS indicates that the sales area within the Class A1 floorspace will be 3,890sq m for comparison goods and 2,300sq m for convenience goods, making a total of 6,190sq m. This represents between 85%-90% of the total proposed gross floorspace. This is a high ratio for retail floorspace, even for out of centre retail warehousing floorspace and should be clarified with the applicant, particularly in terms of the use of mezzanine floors.

2.4 Section 1 of the RS and the indicative site layout plans should five separate Class A1 units but do not indicate the number of separate Class A3 units. At no point is it suggested in the RS that there will definitely be five separate A1 units within the proposal.

2.5 Section 1 of the RS indicates the following net sales areas and split between convenience and comparison goods sales between the five indicative A1 retail units:

- Unit 1 – 791sq m comparison goods sales and 400sq m convenience goods sales
- Unit 2 – 1,200sq m comparison goods sales
- Units 3 and 4 – 791sq m comparison goods sales apiece
- Unit 5 – 317sq m of comparison goods sales and 1,900sq m of convenience goods sales.

2.6 The RS does not indicate any particular types of retailer which the proposed development could attract and accommodate.

2.7 Given the uncertainties provided by the RS in terms of the type and format of retail floorspace which could be provided within the proposed development, we have asked the author of the RS to provide, on behalf of the applicant, further clarity over the controls which the applicant would be happy to accept should ECC be minded to support this application. In an email from the author of the RS dated 3rd September 2018, the following controls over the proposed retail floorspace have been suggested:

- The total maximum net sales area within the development will be limited to 6,190sq m, including up to 3,890sq m net for comparison goods sales and 2,300sq m net for convenience goods sales.
- Should a foodstore be provided within the development (selling mainly convenience goods), the unit will be between a minimum size of at least 1,000sq m net sales and a maximum of 2,300sq m net sales for convenience goods and up to 317sq m net for comparison goods sales.
- In addition to a foodstore, if provided, there will be a maximum of 4 other Class A1 retail units.
- Footwear and clothing will only be able to be sold from one of the proposed Class A1 units.
- There is a proposed commitment from the applicant to provide a pharmacy within the development for at least 10 years.
- Following the construction of the Class A retail units, there will be no subsequent change in unit sizes (i.e. sub-division or amalgamation)
- There is a proposed commitment from the applicant to ensure that there will be no occupation by any retailer(s) with an Exeter city centre presence unless they commit to remain in the city centre for at least 5 years post occupation.

2.8 Subsequently, it has been confirmed that there will be up to four separate Class A3 café/restaurant units within the scheme.

2.9 The provision of these suggested controls is useful as it helps to guide our assessment of the proposed development's relationship with the sequential and impact tests.

Planning Policy Context

2.10 The development plan for the area comprises the Exeter Core Strategy ('the Core Strategy') and those remaining saved policies in the Exeter First Review Local Plan ('the Local Plan') which have not been superseded by the contents of the Core Strategy.

2.11 The proposals map indicates that the application site is not allocated for any particular analysis and that it lies outside of the network of defined 'town centres' across the city. As a consequence, Policy CP8 of the Core Strategy will apply, along with paragraphs 86, 87 and 89 of the updated NPPF published in July 2018.

2.12 Policy CP8 of the Core Strategy is quoted in full in Section 3 of our Moor Exchange advice and is not repeated here in the interests of brevity. However, its contents require that the WPD application is considered against the sequential and impact tests.

2.13 As set out in Section 1 of this advice report, the revised version of the NPPF was published after the completion of our advice report on the Moor Exchange proposals and therefore it is appropriate that this advice provides a review of the content of the new NPPF insofar as retailing and town centre planning policies are concerned. Section 7, including paragraphs 85-90, of the new NPPF provides national policy on town centres and proposals for main town centre uses (including retailing). There is very little change between Section 2 of the 2012 NPPF and Section 7 of the new document. Paragraphs 86 and 87 deal with the sequential test in decision-making. They continue to require a sequential test to be carried for main town centre use proposals which are neither in an existing centre nor in accordance with an up-to-date plan. In

addition, the sequence of preference locations remains in-centre, then edge-of-centre and only then out-of-centre locations. Similarly, paragraph 87 continues the approach of old paragraph 24 in giving preference to accessible sites which are well connected to the town centre when considering edge or out of centre proposals. Paragraph 87 also requires that applicants and local planning authorities should demonstrate flexibility on issues such as format and scale, so that opportunities to utilise suitable town centre or edge of centre sites are fully explored.

2.14 The one change in relation to the sequential test is the insertion of the words *“or expected to become available within a reasonable period”* after the reference to availability. Whether this is considered to be a change in policy or a clarification, it is nevertheless helpful in terms of understanding how the availability of alternative sites and premises should be assessed.

2.15 Paragraph 89 continues to require an impact assessment for retail and leisure development outside of town centres and not in accordance with an up to date plan. The national default threshold of 2,500sq m gross remains (unless there is a different locally set threshold) and the two limbs of the impact assessment remain ‘impact on existing, committed and planned public and private town centre investment’ and ‘impact on town centre vitality and viability’.

2.16 Finally, the clear guidance on the determination of planning applications involving the consideration of the sequential and impact tests remains:

“Where an application fails to satisfy the sequential test or is likely to have significant adverse impact on one or more of the considerations in paragraph 89, it should be refused”.

2.17 Therefore, there is no significant or material change in national policies towards retail development proposals outside of town centres.

3. The Key Retail Planning Issues

- 3.1 As outlined in the previous section of this advice, the location and scale of the proposed retail development indicates that consideration should be given to the relationship of the proposal with the sequential and impact tests. We outline our review of each test in turn below.

The Sequential Test

- 3.2 The distance between the application site in the nearest defined 'town centres' in ECC's formal centre hierarchy in its development plan means that the site should be classified as an out-of-centre location. Therefore, consideration should be given to whether there are any sequentially preferable in-centre, edge-of-centre, or more accessible and better connected² out-of-centre sites or premises which can provide suitable and available alternatives for the proposed development (taking into account the need to demonstrate flexibility).
- 3.3 It has been established by ECC over recent years that the only sequentially preferable redevelopment site which has the potential to accommodate large scale retail and leisure development is the Bus and Coach Station ('BCS') site in Exeter city centre. This was the focus for the Inspector's and Secretary of State's examination of the sequential test for the original Moor Exchange public inquiry in late 2015 (and the Secretary of State's decision in 2016) and has remained our focus for the more recent assessment of the new Moor Exchange proposal and also the Middlemoor proposal.
- 3.4 It is well known that the original Moor Exchange proposal was dismissed by the Secretary of State on the basis that the BCS site was a suitable and available alternative. Our May 2018 advice on the more recent Moor Exchange proposal revisits the previous analysis and examines whether matters have materially changed. Our advice concludes that:

"We consider that the focus for the sequential test remains on the BCS site and our re-assessment of its suitability and availability finds a number of factors have not materially changed since the 2015 public inquiry and the June 2016 Secretary of State decision.

These include the development plan strategy towards the site and the physical condition of the site. However, there have been some material changes including the abandonment of the redevelopment scheme promoted by the Crown Estate which is related to changes in market conditions. In addition, as a consequence of the abandonment of the redevelopment scheme (based upon the outline planning permission) ECC will now assess its options with regards to the BCS site going forward and there is a possibility for a change in approach for the land use mix. As a consequence, we consider that it reasonable to remain of the view that the majority of the BCS site considered as part of the previous proposal remains available but there is now much less certainty over it being a suitable alternative for the Moor Exchange proposals.

Also relevant to the issue of suitability is the content of the current scheme. In overall terms, the current scheme is smaller than the scheme refused in 2016, with a similar amount of Class A1 retail floorspace. That change does not suggest that the current scheme cannot be physically accommodated on the BCS site. However, the applicant has contemplated that the current scheme could include a reasonably large foodstore, which is shown on the indicative illustrative masterplan. However, the provision of this floorspace is not guaranteed by the proposed floorspace control offered by the applicant. This suggests no real difference from the previous scheme. However, should a large format foodstore become a formal and guaranteed part of the current scheme, we consider that it could not be accommodated on the BCS site thus potentially removing any potential concern that the BCS site was still a suitable alternative".

² In relation to defined 'town centres'

3.5 Whilst it is important to note that the Moor Exchange and WPD proposals are not identical, there are a number of conclusions from our recent Moor Exchange advice which are equally relevant to the WPD analysis. These are:

- These are a number of matters which have remained the same since the 2016 Secretary of State, which include: the development plan strategy for the BCS site, the physical condition of the site and its general availability.
- There has also been the abandonment of the Crown Estate proposals and the decision by ECC to assess its options for the site going forwards and a possible change in approach in the land use mix.
- Overall, the BCS remains an available alternative but there is now much less certainty over it being a suitable alternative for a large scale retail development proposal.

3.6 In terms of the differences between the schemes, it should be noted that the WPD proposal is materially smaller than both Moor Exchange proposals and therefore, in line with the comments made in paragraph 4.33 of our Moor Exchange advice, this would suggest that the WPD proposal can be physically accommodated on the BCS site. However, also in line with the Moor Exchange advice, the potential suitability of the BCS site is influenced by the content of the Moor Exchange and WPD proposals. As noted in paragraph 4.33 of our advice on the latest Moor Exchange proposal, if a large format foodstore became and formal and guaranteed part of the scheme, we consider that it could not be accommodated on the BCS site thus potentially removing any potential concern that the BCS site was a suitable alternative.

3.7 As a consequence of the above, the potential suitability and availability of the BCS site as an alternative to the WPD site will ultimately depend upon: (A) ECC's next steps in terms of bringing the site back for redevelopment following the abandonment of the Crown Estate proposal, and (B) whether a large foodstore forms a definite part of the WPD proposal.

Impact

3.8 Given the location of the application site and the scale of the proposed retail floorspace, there is also a need to consider whether the proposal is likely to have a significant adverse impact upon the health of, or investment within, defined 'town centres' in the local area.

3.9 In relation to the 'impact on investment' test, there is no evidence / analysis to suggest that the WPD proposal is likely to have a significant adverse impact upon investment on the BCS site. Indeed, even when there was a 'live' redevelopment scheme at the BCS site, the Secretary of State concluded that the prospect of a significant adverse impact from the 2015 Moor Exchange proposal was not likely. Given that the Crown Estate scheme, which was the focus for the previous assessment, has now been abandoned, we consider that it would be unreasonable to suggest that the risk of a likely significant adverse impact remains.

3.10 In relation to the 'impact of town centre health' test we have examined the applicant's financial impact analysis, undertaken our own analysis, and also considered the wider effect of the WPD proposal.

3.11 The applicant's analysis predicts the following levels of trade diversion in relation to convenience and comparison goods expenditure:

- Comparison goods diversion:
 - Exeter city centre - £11m
 - Heavitree - £0.2m
 - Pinhoe - £0.2m
 - Rydon Lane - £5.7m
 - Alphington - £0.7m
 - Marsh Barton - £2.7m
 - Sowton - £4.0m
 - Outside of Exeter - £2.7m
- Convenience goods diversion:
 - City centre - £0.7m
 - Heavitree - £0.2m
 - ALDI, Alphington - £0.1m
 - ALDI, Pinhoe - £1.5m
 - ALDI, Topsham - £0.3m
 - Lidl Burnthouse Lane - £0.8m
 - Lidl, Powlesland - £0.8m
 - Morrisons - £1.0m
 - Sainsburys, Alphington - £0.3m
 - Sainsburys, Pinhoe - £4.8m
 - Tesco Extra, Russell Way - £5.8m
 - Waitrose, Heavitree - £0.7m
 - Other out of centre stores - £0.4m
 - Outside of Exeter - £2.0m

3.12 These trade diversion figures are based upon a £7,000/sq m sales density for the proposed comparison goods floorspace and a density of £12,000/sq m for the convenience goods floorspace. In relation to the comparison goods sales density, we consider this to be quite high for this type of floorspace and is higher than we, and the other applicants, are using to test the other current retail development proposals on the eastern side of Exeter. Therefore, in our own impact assessment, we have, in the interests of consistency, used an average sales density of £4,500/sq m for the comparison goods turnover. For the convenience goods floorspace, a density of £12,000/sq m is generally reflective of an average of the main grocery

retailers (including ALDI and Lidl) and is slightly higher than ALDI and Lidl. We have therefore retained the £12,000/sq m density in our own impact assessment.

- 3.13 The applicant's comparison goods assessment is forecasting that 40% of the proposal's turnover will be diverted from Exeter city centre. Whilst this comprises the largest single element of diversion, it is not reflective of the importance and popularity of the city centre for comparison goods shopping. In contrast, £13.2m is predicted to be diverted from out of centre retail parks which appears to be disproportionately higher when the market share, range of goods and amount of floorspace in out of centre locations is taken into account.
- 3.14 In contrast to our reservations over the applicant's comparison goods pattern of trade diversion, the forecast pattern of diversion for convenience goods in Table 2 of the RS appears to better reflect the likely main sources of competition for the proposed convenience goods floorspace. In particular, the ALDI and Sainsbury stores at Pinhoe and the Tesco Extra store at Russell Way will be the main sources of diversion.
- 3.15 Our own financial impact analysis is contained at Appendix I to this advice report and Table 2a outlines the following convenience goods expenditure/turnover impacts:
- A 3% impact on the convenience goods sector in the city centre;
 - A 4% impact upon foodstores in Heavitree district centre; and
 - A 5% impact upon foodstores at St Thomas district centre (influenced primarily by the impact on the M&S Foodhall).
- 3.16 The comparison goods diversion forecasts are shown in Table 3a and suggest a 1.6% impact upon the city centre's comparison goods turnover (based upon a diversion of £13.83m) and a 6% impact upon St Thomas district centre (influenced primarily by the impact upon stores in the Exe Bridges part of the district centre).
- 3.17 In relation to the city centre, we consider that the likely impacts associated with the WPD proposal are similar, and slightly lower, to the ones forecast in relation to the 2015/2016 Moor Exchange proposals and it was not ECC's case at the December 2015 public inquiry that this level of direct financial impact would lead to a significant adverse impact upon the health of the city centre. As a consequence, we do not consider there is evidence to suggest that a different conclusion should be reached in relation to the WPD outline planning application. Indeed, as advised by the NPPG, the positive and negative effects should be considered alongside other material considerations in the overall planning balance. In relation to the impact of the proposal on the health of the city centre, we consider that the following should be taken into account:
- The direct financial impact of the proposal on the city centre's convenience and comparison goods sectors does not suggest a likely significant adverse impact but should be considered as a minor adverse impact.
 - The proposal will provide a rival shopping destination for the city centre, as also observed in relation to the Moor Exchange proposals, as it could provide an opportunity for an additional store for existing city centre retailers. Clearly, the proposal is not of a similar scale to the city centre but could lead to a

reduced need to visit the city centre for some convenience and comparison goods shopping trips. This should also be considered as a minor adverse impact associated with the proposal.

- Finally, we cannot rule out the potential for retailer relocations from the city centre to the WPD site. The number of relocations which could take place is, of course, limited by the scale of the proposal, and the strength of the city centre as a trading destination may also dampen the possibility of closures. However, it is nevertheless a potential characteristic of the proposal which should be taken into account. To try and counter this potential, the applicant has offered an obligation which would force an existing city centre retailer, who wished to open a store in the WPD development, to keep open their existing city centre store for at least five years. Whilst the scope of this obligation offered by the applicant is high level at this stage, and would require further discussion, we consider it important to note that it would provide only short term mitigation and, in the longer term, there would be the potential for retailer relocations from the city centre to the proposed development.

3.18 Like the Moor Exchange and other current retail proposals, there is also a need to consider the impact on the health of St Thomas district centre. On this issue, we consider that there are no apparent material differences between the circumstances surrounding the district centre between the time of the Moor Exchange appeal in 2015/2016 and the present time. As a consequence, and in the interests of consistency in decision making, there is no reason for ECC to change its approach in relation to St Thomas district centre. However, we do consider that the current proposal will, like the previous application, have an adverse impact upon the health of the district centre in the following ways:

- Direct loss of trade. We predict that the centre will lose around 6% of its comparison goods annual turnover and 5% of its convenience goods turnover. A clear contribution to this forecast is the overlap between the style of retail units (and goods sold) between the WPD proposal and Exe Bridges element of the district centre. There is the possibility that the household survey being used for our impact assessment may have under-estimated parts of the district centre's turnover, and thus the actual proportionate impacts may be lower, although we still consider that the centre will experience a material loss of turnover.
- Potential loss of existing occupiers. Whilst the main part of the centre is unlikely to experience retailer relocations, Exe Bridges is more susceptible. Boots, Next, TK Maxx and Marks & Spencer all have the potential to relocate and have been associated with the nearby Moor Exchange scheme. There is no reason to suggest that these retailers would not be interested in the nearby WPD retail development as well. As noted in relation to the most recent Moor Exchange proposal, there are varying degrees of possibility that Moor Exchange could result in store closures in the short term, following the expiry leases and at lease breaks.
- Overall impact on the health of the district centre. The overall focus for the impact upon St Thomas district centre is on Exe Bridges which forms part of the defined centre. We consider that Exe Bridge will be the focus for the trade loss from the centre and also in relation to the possibility of store closures. Information on how this may affect the rest of the centre is not available as we do not know the propensity for linked trips between the two parts (which is similar to the situation experienced in 2015/2016) and therefore we do not have information to demonstrate that the scale of impact on Exe Bridge retail park is likely to have a significant adverse impact upon the district centre as a whole.

4. Summary and Conclusions

4.1 This advice report has been prepared by GVA for Exeter City Council in relation to the retail and town centre planning policy aspects of an outline planning application by Richard Walker Developments Ltd to redevelop part of the existing WPD depot site at Moor Lane in Exeter for retail floorspace and associated development.

4.2 Given that this application has been submitted in outline, there is the potential for a number of contrasting scenarios in terms of how the proposed retail floorspace may be provided across the site and therefore asked the applicant to provide a series of controls in order that a robust assessment can be made against the salient retail planning policy tests. As a consequence, the proposal consists of the following:

- The total maximum net sales area within the development will be limited to 6,190sq m, including up to 3,890sq m net for comparison goods sales and 2,300sq m net for convenience goods sales.
- Should a foodstore be provided within the development (selling mainly convenience goods), the unit will be between a minimum size of at least 1,000sq m net sales and a maximum of 2,300sq m net sales for convenience goods and up to 317sq m net for comparison goods sales.
- In addition to a foodstore, if provided, there will be a maximum of 4 other Class A1 retail units.
- Up to four Class A3 units
- Footwear and clothing will only be able to be sold from one of the proposed Class A1 units.
- There is a proposed commitment from the applicant to provide a pharmacy within the development for at least 10 years.
- Following the construction of the Class A retail units, there will be no subsequent change in unit sizes (i.e. sub-division or amalgamation)
- There is a proposed commitment from the applicant to ensure that there will be no occupation by any retailer(s) with an Exeter city centre presence unless they commit to remain in the city centre for at least 5 years post occupation.

4.3 It should be noted that this application is one of a number of other current applications for retail development on the eastern side of the Exeter urban area. For the avoidance of doubt, this advice report deals with the WPD application only and separate advice will be provided by GVA to ECC in relation to the other proposals and cumulative impact issues. That said, this advice report does make reference to our recent advice on the Moor Exchange and Middlemoor proposals given that all these retail proposals share a number of common issues.

The sequential test

4.4 The distance between the application site in the nearest defined 'town centres' in ECC's formal centre hierarchy in its development plan means that the site should be classified as an out-of-centre location. Therefore, consideration should be given to whether there are any sequentially preferable in-centre, edge-

of-centre, or more accessible and better connected³ out-of-centre sites or premises which can provide suitable and available alternatives for the proposed development (taking into account the need to demonstrate flexibility).

- 4.5 It has been established by ECC over recent years that the only sequentially preferable redevelopment site which has the potential to accommodate large scale retail and leisure development is the Bus and Coach Station ('BCS') site in Exeter city centre. This was the focus for the Inspector's and Secretary of State's examination of the sequential test for the original Moor Exchange public inquiry in late 2015 (and the Secretary of State's decision in 2016) and has remained our focus for the more recent assessment of the new Moor Exchange proposal and also the Middlemoor proposal. We have re-assessed the BCS site in terms of its suitability and availability to accommodate the WPD proposal, as we have also done for the Moor Exchange and Middlemoor proposals, and our assessment finds a number of factors have not materially changed since the 2015 public inquiry and the June 2016 Secretary of State decision.
- 4.6 These include the development plan strategy towards the site and the physical condition of the site. However, there have been some material changes including the abandonment of the redevelopment scheme promoted by the Crown Estate which is related to changes in market conditions. In addition, as a consequence of the abandonment of the redevelopment scheme (based upon the outline planning permission) ECC will now assess its options with regards to the BCS site going forward and there is a possibility for a change in approach for the land use mix. As a consequence, we consider that it reasonable to remain of the view that the majority of the BCS site considered as part of the previous proposal remains available but there is now much less certainty over it being a suitable alternative for large scale retail development proposals such as the current proposal at the WPD site.
- 4.7 Also relevant to the issue of suitability is the content of the WPD scheme. The applicant has proposed that a foodstore, between 1,000sq m and 2,300sq m net convenience goods sales area, could be accommodated. However, the provision of this floorspace is not guaranteed by the proposed floorspace controls offered by the applicant. This suggests no real difference from the content of the 2015/2016 Moor Exchange proposals which were considered to fail the sequential test. However, should a large format foodstore become a formal and guaranteed part of the WPD scheme, we consider that it could not be accommodated on the BCS site thus potentially removing any potential concern that the BCS site was still a suitable alternative.

Impact

- 4.8 Given the location of the application site and the scale of the proposed retail floorspace, there is also a need to consider whether the proposal is likely to have a significant adverse impact upon the health of, or investment within, defined 'town centres' in the local area.
- 4.9 In relation to the 'impact on investment' test, there is no evidence / analysis to suggest that the WPD proposal is likely to have a significant adverse impact upon investment on the BCS site. Indeed, even when there was a 'live' redevelopment scheme at the BCS site, the Secretary of State concluded that the prospect of a significant adverse impact from the 2015 Moor Exchange proposal was not likely. Given that

³ In relation to defined 'town centres'

the Crown Estate scheme, which was the focus for the previous assessment, has now been abandoned, we consider that it would be unreasonable to suggest that the risk of a likely significant adverse impact remains.

4.10 In relation to the 'impact of town centre health' test we have examined the applicant's financial impact analysis, undertaken our own analysis, and also considered the wider effect of the WPD proposal. Our own financial impact analysis is contained at Appendix I to this advice report and Table 2a outlines the following convenience goods expenditure/turnover impacts:

- A 3% impact on the convenience goods sector in the city centre;
- A 4% impact upon foodstores in Heavitree district centre; and
- A 5% impact upon foodstores at St Thomas district centre (influenced primarily by the impact on the M&S Foodhall).

4.11 The comparison goods diversion forecasts are shown in Table 3a and suggest a 1.6% impact upon the city centre's comparison goods turnover (based upon a diversion of £13.83m) and a 6% impact upon St Thomas district centre (influenced primarily by the impact upon stores in the Exe Bridges part of the district centre).

4.12 In relation to the city centre, we consider that the likely impacts associated with the current proposal are similar, and slightly lower, to the ones forecast in relation to the 2015/2016 Moor Exchange proposals and it was not ECC's case at the December 2015 public inquiry that this level of direct financial impact would lead to a significant adverse impact upon the health of the city centre. As a consequence, we do not consider there is evidence to suggest that a different conclusion should be reached in relation to the WPD outline planning application. Indeed, as advised by the NPPG, the positive and negative effects should be considered alongside other material considerations in the overall planning balance. In relation to the impact of the proposal on the health of the city centre, we consider that the following should be taken into account:

4.13 The direct financial impact of the proposal on the city centre's convenience and comparison goods sectors does not suggest a likely significant adverse impact but should be considered as a minor adverse impact.

4.14 The proposal will provide a rival shopping destination for the city centre, as also observed in relation to the Moor Exchange proposals, as it could provide an opportunity for an additional store for existing city centre retailers. Clearly, the proposal is not of a similar scale to the city centre but could lead to a reduced need to visit the city centre for some convenience and comparison goods shopping trips. This should also be considered as a minor adverse impact associated with the proposal.

4.15 Finally, we cannot rule out the potential for retailer relocations from the city centre to the WPD site. The number of relocations which could take place is, of course, limited by the scale of the proposal, and the strength of the city centre as a trading destination may also dampen the possibility of closures. However, it is nevertheless a potential characteristic of the proposal which should be taken into account. To try and counter this potential, the applicant has offered an obligation which would force an existing city centre retailer, who wished to open a store in the WPD development, to keep open their existing city centre store for at least five years. Whilst the scope of this obligation offered by the applicant is high level at this stage, and would require further discussion, we consider it important to note that it would provide only short term

mitigation and, in the longer term, there would be the potential for retailer relocations from the city centre to the proposed development.

4.16 Like the Moor Exchange and other current retail proposals, there is also a need to consider the impact on the health of St Thomas district centre. On this issue, we consider that there are no apparent material differences between the circumstances surrounding the district centre between the time of the Moor Exchange appeal in 2015/2016 and the present time. As a consequence, and in the interests of consistency in decision making, there is no reason for ECC to change its approach in relation to St Thomas district centre. However, we do consider that the current proposal will, like the previous application, have an adverse impact upon the health of the district centre in the following ways:

- Direct loss of trade. We predict that the centre will lose around 6% of its comparison goods annual turnover and 5% of its convenience goods turnover. A clear contribution to this forecast is the overlap between the style of retail units (and goods sold) between WPD and Exe Bridges element of the district centre. There is the possibility that the household survey being used for our impact assessment may have under-estimated parts of the district centre's turnover, and thus the actual proportionate impacts may be lower, although we still consider that the centre will experience a material loss of turnover.
- Potential loss of existing occupiers. Whilst the main part of the centre is unlikely to experience retailer relocations, Exe Bridges is more susceptible. Boots, Next, TK Maxx and Marks & Spencer all have the potential to relocate and have been associated with the nearby Moor Exchange scheme. There is no reason to suggest that these retailers would not be interested in the nearby WPD retail development as well. As noted in relation to the most recent Moor Exchange proposal, there are varying degrees of possibility that Moor Exchange could result in store closures in the short term, following the expiry leases and at lease breaks.
- Overall impact on the health of the district centre. The overall focus for the impact upon St Thomas district centre is on Exe Bridges which forms part of the defined centre. We consider that Exe Bridge will be the focus for the trade loss from the centre and also in relation to the possibility of store closures. Information on how this may affect the rest of the centre is not available as we do not know the propensity for linked trips between the two parts (which is similar to the situation experienced in 2015/2016) and therefore we do not have information to demonstrate that the scale of impact on Exe Bridge retail park is likely to have a significant adverse impact upon the district centre as a whole.

Appendix I

Impact Assessment

TABLE 1a: INDICATE TURNOVER OF WPD PROPOSAL

	NET SALES AREA (sq m)	COMPARISON FLOORSPACE	CONVENIENCE FLOORSPACE	COMPARISON SALES DENSITY (£/sq m)	CONVENIENCE SALES DENSITY (£/sq m)	COMPARISON GOODS TURNOVER (£m)	CONVENIENCE GOODS TURNOVER (£m)
	6190	3890	2300	£4,500	£12,000	£17.5	£27.6
Total						£17.5	£27.6

TABLE 2a: CONVENIENCE GOODS IMPACT OF WPD, 2021

STORE / CENTRE	PRE-IMPACT 2021 TURNOVER (£m)	DIVERSION TO COMMITMENTS (£m)	RESIDUAL TURNOVER (£m)	IMPACT OF COMMITMENTS (%)	DIVERSION TO WPD (£m)	RESIDUAL TURNOVER (£m)	SOLUS IMPACT (%)	CUMULATIVE IMPACT (%)
Exeter City Centre								
Marks & Spencer, High Street, Exeter	£7.3	£0.1	£7.3	-0.7%	£0.83	£6.4	-11.4%	-12.0%
Sainsbury's, Guildhall Shopping Centre	£20.5	£0.1	£20.4	-0.5%	£0.55	£19.9	-2.7%	-3.2%
Other - Exeter City Centre	£33.8	£0.4	£33.4	-1.2%	£0.55	£32.8	-1.7%	-2.8%
Sub-total	£61.6	£0.6	£61.1	-0.9%	£1.93	£59.1	-3.2%	-4.0%
Heavitree district centre	£2.6	£0.1	£2.5	-1.9%	£0.11	£2.4	-4.3%	-6.2%
St Thomas district centre								
Co-op, Cowick Street, Exeter	£5.6	£0.1	£5.5	-0.9%	£0.00	£5.5	0.0%	-0.9%
M&S Simply Food, Albany Road, Exeter	£3.1	£0.0	£3.1	0.0%	£0.83	£2.2	-26.9%	-26.9%
Tesco Express, Cowick Street, Exeter	£6.5	£0.1	£6.4	-0.8%	£0.00	£6.4	0.0%	-0.8%
St Thomas District Centre	£1.2	£0.0	£1.2	0.0%	£0.00	£1.2	0.0%	0.0%
Sub-total	£16.4	£0.1	£16.3	-0.6%	£0.00	£15.4	-5.1%	-5.7%
Topsham district centre								
Co-op, Fore Street, Topsham	£2.7	£0.4	£2.3	-14.9%	£0.00	£2.3	0.0%	-14.9%
Topsham District Centre	£2.0	£0.3	£1.8	-12.5%	£0.00	£1.8	0.0%	-12.5%
Sub-total	£4.7	£0.7	£4.0	-13.8%	£0.00	£4.0	0.0%	-13.8%
Sidwell Street / Blackboy Road	£0.7	£0.0	£0.7	0.0%	£0.00	£0.7	0.0%	0.0%
Mount Pleasant	£0.0	£0.0	£0.0	0.0%	£0.00	£0.0	0.0%	0.0%
Magdalen Road	£0.3	£0.0	£0.3	0.0%	£0.00	£0.3	0.0%	0.0%
Countess Wear (Topsham Road)	£0.3	£0.0	£0.3	0.0%	£0.00	£0.3	0.0%	0.0%
Countess Wear (Glass House Lane)	£0.6	£0.0	£0.6	0.0%	£0.00	£0.6	0.0%	0.0%
Beacon Lane	£0.3	£0.0	£0.3	0.0%	£0.00	£0.3	0.0%	0.0%
Polsloe Bridge	£0.3	£0.0	£0.3	0.0%	£0.00	£0.3	0.0%	0.0%
Pinhoe	£1.4	£0.0	£1.4	0.0%	£0.00	£1.4	0.0%	0.0%
Whipton	£1.9	£0.0	£1.9	0.0%	£0.00	£1.9	0.0%	0.0%
Exwick Road / Winchester Avenue	£0.2	£0.0	£0.2	0.0%	£0.00	£0.2	0.0%	0.0%
Isleworth Road	£0.0	£0.0	£0.0	0.0%	£0.00	£0.0	0.0%	0.0%
Exeter out-of-centre stores								
Aldi, Alphington Road, Exeter	£30.0	£1.2	£28.8	-4.0%	£1.10	£27.7	-3.8%	-7.7%
Aldi, Exhibition Way, Pinhoe	£20.9	£0.6	£20.3	-2.9%	£2.48	£17.8	-12.2%	-14.8%
Aldi, Topsham	£6.8	£0.0	£6.8	0.0%	£0.41	£6.4	-6.1%	-6.1%
Lidl, Burnthouse Lane, Exeter	£11.6	£1.3	£10.8	-6.9%	£1.66	£9.2	-15.3%	-21.1%
Lidl, Powlesland Road, Exeter	£8.5	£0.8	£7.7	-9.1%	£0.28	£7.4	-3.6%	-12.3%
Morrisons, Prince Charles Road, Exeter	£31.8	£0.7	£31.1	-2.1%	£2.48	£28.6	-8.0%	-10.0%
Sainsbury's, Alphington Road, Exeter	£40.5	£0.9	£39.6	-2.2%	£1.52	£38.1	-3.8%	-5.9%
Sainsbury's, Pinhoe	£47.3	£0.4	£46.9	-0.8%	£6.27	£40.7	-13.4%	-14.1%
Tesco Extra, Russell Way	£40.9	£2.6	£38.2	-6.4%	£5.11	£33.1	-13.3%	-18.9%
Waitrose, Gladstone Road, Exeter	£23.1	£0.4	£22.7	-1.7%	£3.04	£19.7	-13.4%	-14.9%
Iceland, Alphington Road, Exeter	£2.3	£0.0	£2.3	0.0%	£0.00	£2.3	0.0%	0.0%
Other	£3.6	£0.1	£3.5	-1.4%	£0.11	£3.4	-3.1%	-4.5%
Other	£1,054.0	£0.0	£1,054.0		£0.28			

Notes:

Pre-impact 2021 turnover taken from EWEEED study.

TABLE 3a: COMPARISON GOODS IMPACT OF WPD, 2021

STORE / CENTRE	PRE-IMPACT 2021 TURNOVER (£m)	DIVERSION TO COMMITMENTS (£m)	RESIDUAL TURNOVER (£m)	IMPACT OF COMMITMENTS (%)	DIVERSION TO WPD (£m)	RESIDUAL TURNOVER (£m)	SOLUS IMPACT (%)	CUMULATIVE IMPACT (%)
Exeter City Centre	£865.2	£9.7	£855.5	-1.1%	£13.83	£841.66	-1.6%	-2.7%
Heavitree district centre	£5.3	£0.0	£5.3	0.0%	£0.00	£5.28	0.0%	0.0%
St Thomas district centre	£8.7	£0.0	£8.7	0.0%	£0.53	£8.16	-6.0%	-6.0%
Topsham district centre	£6.8	£0.0	£6.8	0.0%	£0.00	£6.79	0.0%	0.0%
Sidwell Street / Blackboy Road	£2.4	£0.0	£2.4	0.0%	£0.00	£2.40	0.0%	0.0%
Mount Pleasant	£3.4	£0.0	£3.4	0.0%	£0.00	£3.40	0.0%	0.0%
Magdalen Road	£0.3	£0.0	£0.3	0.0%	£0.00	£0.31	0.0%	0.0%
Countess Wear (Topsham Road)	£0.8	£0.0	£0.8	0.0%	£0.00	£0.76	0.0%	0.0%
Beacon Lane	£0.2	£0.0	£0.2	0.0%	£0.00	£0.17	0.0%	0.0%
Polsloe Bridge	£0.1	£0.0	£0.1	0.0%	£0.00	£0.07	0.0%	0.0%
Pinhoe	£12.0	£0.0	£12.0	0.0%	£0.00	£12.03	0.0%	0.0%
Whipton	£3.4	£0.0	£3.4	0.0%	£0.00	£3.41	0.0%	0.0%
Exwick Road / Winchester Avenue	£0.3	£0.0	£0.3	0.0%	£0.00	£0.31	0.0%	0.0%
Isleworth Road	£0.0	£0.0	£0.0	0.0%	£0.00	£0.00	0.0%	0.0%
Rydon Lane	£27.3	£1.0	£26.3	-3.5%	£0.70	£25.63	-2.7%	-6.1%
Alphington	£12.7	£0.7	£12.0	-5.4%	£0.70	£11.31	-5.8%	-10.9%
Marsh Barton	£49.4	£4.0	£45.4	-8.2%	£0.00	£45.35	0.0%	-8.2%
Sowton	£72.6	£4.4	£68.1	-6.1%	£0.88	£67.25	-1.3%	-7.3%
Other	£7.1	£0.0	£7.1	0.0%	£0.00	£7.06	0.0%	0.0%
Ikea	£48.0	£0.1	£48.0	0.0%	£0.35	£47.65	-0.7%	-0.7%
Other	£1,109.9	£29.9	£1,080.0	-2.7%	£0.53	£1,079.48	0.0%	-2.7%

Notes:

Pre-impact 2021 turnover taken from EWEEED study.