Exeter Plan

Hearing statement

Matter 2: Housing, Employment and Retail Need

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1. Introduction

1.1. This hearing statement responds to the Exeter Plan Inspectors' questions relating to Matter 2 which addresses housing, employment and retail need.

1.2. The statement is divided into sections which cover each of the following issues:

- Issue 1: Local Housing Need and the Housing Requirement – Policy H1;
- Issue 2: Affordable Housing Need;
- Issue 3: Employment Land Requirement; and
- Issue 4: Retail Need – Policies RFC1 and RFC2.

2. Issue 1: Local Housing Need and the Housing Requirement – Policy H1

To determine the minimum number of homes needed, paragraph 61 of the Framework states that strategic policies should be informed by a local housing need assessment, conducted using the standard method in national planning guidance ('the PPG') – unless exceptional circumstances justify an alternative approach which also reflects current and future demographic trends and market signals.

Q1. What is the minimum number of new homes needed over the plan period as calculated using the standard method? Are the calculations accurate and do they reflect the methodology and advice in the PPG?

2.1 The minimum number of homes needed over the plan period as calculated using the standard method is 12,840.

2.2 The calculation is accurate: the inputs reflect data correct at 12 December 2024, when the Regulation 19 Plan was published. The calculation is summarised in the 2024 Exeter Local Housing Needs Assessment (2024 LHNA) (EVB-H-01a: page 61, figure 44), prepared by specialist consultancy ORS. The calculation is set out in full below and is consistent with the standard method and advice in paragraph 004 of the Housing and Economic Needs Assessment PPG.

<u>Step 1 – Setting the baseline</u>

(A) CLG 2014-based household projection for Exeter, 2024	= 57,492
(B) CLG 2014-based household projection for Exeter, 2034	= 62,348
(C) 10-year household growth (B-A)	= 4,856
(D) 10-year average household growth (C/10)	= 486

<u>Step 2 – Adjustment to take account of affordability</u>

Adjustment factor $= \frac{(\text{local affordability ratio} - 4)}{4} \times 0.25 + 1$

$= \frac{(9.14 - 4)}{4} \times 0.25 + 1$

$= 1.285 \times 0.25 + 1$

$= 1.321$ (rounded to 1.32)

<u>Outcome of steps 1 and 2</u>

Minimum annual local housing need (LHN) = adjustment factor x 10-year household growth

= 1.32 x 486

= 641.52 (rounded to 642)

Step 3 – Capping the level of any increase

The Exeter Core Strategy was adopted in 2012 and therefore the relevant strategic housing policy is more than five years old.

- Average annual housing requirement figure in the Exeter = 600
- Core Strategy
- 10-year average annual household growth (as per step 1) = 486
- Minimum annual LHN = 642

The cap is set at 40% above the higher of the most recent average annual housing requirement figure for household growth. Therefore:

Cap = 600 + (40% x 600)
= 600 + 240
= 840

The capped figure (840) is greater than the minimum annual LHN (642) and therefore does not limit the increase to Exeter's minimum annual LHN. The minimum annual LHN for Exeter is therefore 642.

Step 4 – Cities and urban centres uplift

Exeter is not in the ONS's list of top 20 cities and urban centres. Therefore, it is not necessary to uplift the minimum LHN by 35%.

Outcome of steps 1-4

Minimum annual LHN = 642

Total minimum LHN over the plan period = 642 x 20
= 12,840

Q2. Have any changes in the methodology, since the preparation of the Plan, resulted in any meaningful or significant changes to the calculation?

2.3 A new standard method was introduced in the NPPF published on 12 December 2024. However, the Plan meets the requirements for applying the transitional arrangements in paragraph 234a of that NPPF:

- The Plan reached Regulation 19 on 12 December 2024, which is before 12 March 2025; and
- On 12 March 2025, the Plan's draft housing requirement (642 homes per annum) met at least 80% of LHN calculated using the new standard method (800 homes per annum):
  - 800 x 80% = 640 homes
  - 642 is greater than 640

2.4 Therefore, whilst there have been changes to the standard method, the transitional arrangements mean this does not change the calculation for the Plan.

Q3. Is there any historic unmet need that should be taken into account?

2.5 There is no historic unmet need that should be taken into account, because:

- Step 2 of the standard method factors in past under-delivery as part of the affordability ratio. This is explained in paragraph 031 of the Housing Supply and Delivery PPG, paragraph 002 of the Housing and Economic Development Needs Assessments PPG and in the 2024 Exeter LHNA (EVB-H-0a1: page 67, paragraph 6.28).

- The LHN has been met since the start of the plan period, whether this is 2021 as per the Submission Plan, or 2022 as suggested by the Council in SMM1 of the Schedule of suggested potential modifications (CSD-03: page 3). This is evidenced in the Housing Topic Paper (TOP-01: pages 6 and 7, paragraphs 2.13 to 2.15 and table 1) and the 2025 September Exeter Five Year Housing Land Supply Statement (EVB-H-04a: page 7, paragraph 3.5). In addition, table 1 below shows that, whether the Plan has a start date of 1 April 2021 or 1 April 2022, total housing supply is expected to exceed total LHN at the anticipated point of plan adoption (1 April 2027). Therefore, there is no historic unmet need to consider.

Table 1: Housing supply versus emerging housing requirement

	Housing supply (net)[1]	LHN / housing requirement
2021/22 (recorded)	986	642
2022/23 (recorded)	577	642
2023/24 (recorded)	808	642
2024/25 (recorded)	554	642
2025/26 (projected)	880	642
2026/27 (projected)	700	642
Total (1 April 2021 to 31 March 2027)	**4,505**	**3,852**
Total (1 April 2022 to 31 March 2027)	**3,519**	**3,210**

Q4. Has the Council identified land to accommodate at least 10% of their housing requirement on sites no larger than 1 hectare, as required by paragraph 70 of the Framework? Does this include sites which have already been completed?

2.6 As required by NPPF paragraph 70, the Exeter Plan and the Exeter Brownfield Register (EVB-H-15) identify land to accommodate at least 10% of the housing requirement on sites no larger than 1 hectare:

- Policy H2 of the Plan identifies sufficient small sites to accommodate 1,227 homes (TOP-01: pages 18-19, table 2).
- The Exeter Brownfield Land Register (EVB-H-17) identifies a further 16 sites measuring no larger than 1 hectare, with a combined capacity to accommodate 317 homes (site refs. BL1, BL2, BL10, BL13, BL14, BL16, BL20, BL21, BL42, BL43, BL46, BL47, BL48, BL49, BL50, BL51).

[1] Supply figures for 2022/23 to 2026/27 are taken from the Exeter Plan Housing Trajectory: EVB-H-03: page 5.

- 1,227 + 317 homes = 1,544 homes.
- 1,544 homes = 12% of the housing requirement (12,840).

2.7 None of the sites included in the 12% have been completed.

The PPG advises that there will be circumstances where it is appropriate to consider whether actual housing need is higher than the standard method. Circumstances where this may be appropriate include situations where there are growth strategies for an area, where strategic infrastructure improvements are proposed or where an authority is taking on unmet housing needs from elsewhere.

Q1. Do any of these circumstances apply to Exeter?

<u>Growth strategy</u>

2.8 There is no Government-supported growth strategy for Exeter that would drive a need for additional housing.

2.9 The Economic Development Needs Assessment (EVB-EJ-03a) models four economic growth scenarios for the Greater Exeter sub-region (‘minimum’, ‘mid-point’, ‘clean growth’ and ‘maximum’). The 2024 Greater Exeter LHNA Jobs and Workers Balance Assessment assesses the impact of these scenarios on the LHNs of each Greater Exeter local authority (EVB-H-01c: in particular pages 7 and, 8, paragraphs 14 and 15 and figure 4). Based on this assessment, the 2024 Exeter LHNA concludes that, even under the maximum+ growth scenario, there will still be a small surplus of workers contained in Exeter’s LHN. Therefore, there is no economic case to increase the LHN.

<u>Strategic infrastructure improvements</u>

2.10 Infrastructure improvements have the potential to drive an increased need or demand for housing in an area – for example, by requiring additional workforce or resulting in economic growth.

2.11 There are no planned strategic infrastructure improvements in Exeter, or in the wider sub-region, with the potential to increase Exeter’s LHN. Such projects tend to be on a very large scale (e.g. Hinkley Point C Nuclear Power Station, HS2).

2.12 The 2025 Infrastructure Delivery Plan (IDP) (EVB-IF-02a) identifies a number of ‘strategic’ infrastructure projects, together with sources of funding. None of these projects are of a scale that would drive an increased need or demand for housing.

<u>Unmet housing needs</u>

2.13 Exeter’s neighbouring authorities do not have any unmet housing needs (see TOP-01: page 5, paragraph 2.5; and DTC-03a: page 6, paragraph 2.7).

2.14 Torbay Council is the only local authority to have notified the Council that it is unlikely to be able to meet all its housing need. However, Torbay Council agrees that the Plan cannot accommodate any of Torbay’s unmet LHN (DTC-03f: pages 6 to 10, paragraphs 4.1 to 4.7). It should also be stressed that:

- Torbay Council is not adjacent to Exeter City Council.
- Teignbridge District Council is adjacent to Torbay Council. The recently examined Teignbridge Local Plan has not been required to provide for any of Torbay Council's unmet need.
- Since the Plan was submitted, Torbay Council has undertaken a Regulation 18 consultation on a new Local Plan, in which it is proposed to deliver at least 400 homes per year compared to a LHN of 950 per year. Torbay Council have not yet published evidence to justify why the LHN cannot be met. Without this evidence, it is not justified for another local authority to plan to meet Torbay's unmet housing needs.

Q2. Does the PPG list only those circumstances where it would be appropriate to plan for an alternative level of housing provision than the standard method, or could other locally specific reasons justify a higher figure?

2.15 No: paragraph 010 of the Housing and Economic Development Needs Assessment PPG says that the circumstances are not limited to situations relating to growth strategies, strategic infrastructure improvements and unmet housing needs from elsewhere.

2.16 Paragraph 010 identifies the NPPF's policy to make as much as possible of brownfield land as a potential reason to plan for more homes.

2.17 As regards this, there is no scope to uplift Exeter's LHN: the Plan already seeks to make as much use as possible of brownfield land, by:

- In the spatial strategy (policy S1(4 and 5)), focussing the majority of development on strategic brownfield sites and enabling the development of smaller brownfield sites as they become available;
- In policies S1(7) and H15, requiring development to achieve optimal densities;
- In policy H2, allocating all suitable, available and achievable brownfield sites for housing and setting optimal housing capacities for these sites.

2.18 Representations made at Regulation 19 stage argued that the LHN and/or housing requirement should be uplifted to take account of a previous under-delivery of housing, affordable housing needs, the housing crisis and deliverability risks associated with the Plan's brownfield focus. The Council does not consider that these are justified reasons to uplift the LHN, as explained in the Housing Topic Paper (TOP-01: pages 6 to 9, paragraphs 2.13 to 2.27) and in the Council's responses to Matter 2, Issue 1, Question 3; Matter 4, Issue 1, Question 2; and Matter 7, Issue 1, Question 4.

Q3. Is the housing requirement of 12,840 new homes over the plan period justified and consistent with national planning policy and guidance? If not, what should the housing requirement be?

2.19 The housing requirement of 12,840 homes is justified by proportionate evidence and consistent with NPPF paragraph 67:

- The Exeter Plan Housing Trajectory (EVB-H-03: page 5), supported by the 4th Edition Housing and Economic Land Availability Assessment (EVB-H-02d: pages 15 and 16) shows the extent to which the LHN can bet met over the plan period. The documents show that the LHN can be met with a potential 10% headroom to allow for choice and competition in the market.
- As covered in the Council's response to question 1 above, proportionate evidence shows there are no justifiable reasons to set the housing requirement above the LHN.
- The Sustainability Appraisal Report (EXM-02a: page 144-145, paragraph 6.101) concludes that reasonable alternatives are not supported by evidence or national policy.

Q4. How have projected levels of economic growth been factored into the calculation of the housing requirement?

2.20 The Housing Topic Paper (TOP01: page 6, paragraphs 2.12) explains that projected levels of economic growth have been factored into the calculation of the housing requirement through the 2024 Greater Exeter LHNA: Jobs and Workers Balance Assessment (EVB-H-01c), by specialist consultancy ORS.

2.21 Based on EVB-H-01c, the 2024 Exeter LHNA concludes that there is no economic case to set the housing requirement above the LHN (EVB-H-01a: page 62, paragraph 6.11).

Q5. How has the limited capacity of the existing power grid network in Exeter been considered? Are any related and necessary strategic infrastructure improvements being proposed? If so, should the housing requirement be higher? If not, should the housing requirement be lower?

2.22 Through Duty to Cooperate discussions held since Regulation 19 stage and the associated Statement of Common Ground with National Grid Electricity Distribution (EXM-02d, in particular pages 9 to 13; and EXM-02u: pages 38 and 39), National Grid Electricity Distribution (NGED) have confirmed its commitment to meet the network capacity demands of Exeter's housing requirement by:

- Reinforcing Exeter's main grid supply point. NGED have given an estimated delivery period of 2025-2032 and have confirmed the project is underway.
- Providing additional grid transformers at the Exeter and Sowton bulk supply points. NGED have given an estimated delivery period of 2028-2030 and have confirmed the projects will be included in their next business plan.
- Providing a new primary substation at Peamore. NGED have given an estimated delivery period of 2027-2032 and have confirmed the project is partially underway, with outline planning permission granted by Teignbridge District Council.

2.23 In EXM-02d (page 11), NGED have also confirmed they are content that the above infrastructure reinforcements will be delivered, and therefore that no modifications to the Plan's housing requirement are necessary.

2.24 Based on the information from NGED, the Statement of Common Ground (EXM-02d) and NGED's position that the infrastructure reinforcements needed to provide sufficient grid capacity will be delivered, the City Council is confident that the power grid network will support the housing delivery phasing shown in the Exeter Plan Housing Trajectory (EVB-H-03). However, the grid's limited capacity means it would not be appropriate to increase the housing requirement.

3. Issue 2: Affordable Housing Need

Q1. The Exeter Local Housing Needs Assessment (LHNA) states that the overall need for affordable housing is around 805 homes per year for the plan period 2021 - 2041. Is this figure accurate and robust? If not, what is the need for affordable housing over the plan period?

3.1 The figure of 805 households per annum over the plan period 2021-2041 (16,092 households overall) is an interim stage in the calculation of overall affordable housing need. It is not the final affordable housing need figure for Exeter.

3.2 The figure of 805 derives from the 2024 Exeter LHNA (EVB-H-01a: pages 43-55, paragraphs 5.1 to 5.51), prepared by specialist consultants ORS. Figure 40 (page 55) shows that the figure comprises:

- 2,044 households unable to afford to rent of buy on the open market; and
- 14,047 households who aspire to homeownership.

3.3 However, EVB-H-01a (page 56, paragraph 5.55) notes that the 14,047 households who aspire to homeownership include households who can afford market rent without the support of housing benefit. For reasons set out in that paragraph, these households may not want, need, or be able to afford an affordable homeownership product. Paragraphs 5.56 to 5.63 of EVB-H-01a explores this issue further and conclude that only 1,777 of the 14,047 households are likely to form an effective demand for affordable homeownership products.

3.4 On this basis, EVB-01a (page 59, paragraph 5.65 and figure 42) identifies an overall affordable housing need from 3,821 households over the 20-year plan period (2,044 + 1,777). This includes the needs of all households unable to afford to rent or own market housing, and all households who aspire to homeownership, cannot afford to buy, but have a realistic prospect of accessing an affordable homeownership product.

4. Issue 3: Employment Land Requirement

The PPG advises that strategic policy making authorities will need to develop an idea of future needs based on a range of data which is current and robust, such as labour demand, labour supply, past take-up of employment land and consultation with relevant organisations.

Q1. How have these factors been taken into account in determining future demand for employment space in Exeter?

4.1. In partnership with its neighbouring authorities, Exeter City Council commissioned consultants Hardisty Jones Associates to undertake an Economic Development Needs Assessment (EVB-EJ-03a: EDNA - Final Report and EVB-EJ-03b: EDNA - Market overview). The EDNA follows the Framework and Planning Practice Guidance in developing an idea of future needs based on a range of data across the Functional Economic Market Area (FEMA).

4.2. The EDNA is the key evidence for future demand and postdates an earlier Exeter Employment Study (EVB-EJ-04) carried out by the same consultants, Hardisty Jones Associates, in 2022.

4.3. The approach to calculating the requirement for sites and premises is set out in Chapter 5 of the EDNA and in Figure 5.1 on page 34 (EVB-EJ-03a). The key points are summarised below.

4.4. Following a baseline review of the Greater Exeter economy, a policy review considered all relevant policies and strategies, which identified issues relating to the supply of employment sites and premises in Greater Exeter (and its constituent Districts), and plans for future growth.

4.5. Future economic growth projections are based on employment forecasts produced by Cambridge Econometrics and Experian. Three scenarios are derived from these, including the mid-point of the two sets of forecasts, a minimum growth scenario, and a maximum growth scenario. A fourth scenario, 'clean growth', includes adjustments for policy-led growth in clean technology sectors (referred to as the Policy Intent scenario in the earlier Exeter Employment Study). Adjustments are also made for greater levels of homeworking following the Covid pandemic.

4.6. The calculation of the requirement for sites and premises is based on a number of factors including the forecast growth in employment described above; an allowance for the replacement of premises that are no longer fit-for-purpose; an allowance for the re-use of some redundant employment sites for new development; and an allowance for choice and flexibility in the market. The demand for sites and premises for the logistics sector is also considered, based on input from local property agents JLL.

4.7. To inform the EDNA, a property market review was undertaken by JLL (EVB-EJ03b). This looked at the current stock of employment sites and premises, currently available supply, and market demand in each of the four Districts.

4.8. The EDNA approach was tested in consultation with planning and economic development officers from the four Districts in Greater Exeter.

4.9. Within the EDNA, the employment growth forecast for the mid-point scenario was compared to the forecasted future labour supply (i.e. economically active population) provided by consultants ORS (EVB-EJ-03a, page 41, Figure 5.9) and shown to be consistent with this.

4.10. Since the EDNA was published in 2023, Exeter City Council has commissioned an additional evidence document, 'Employment supply in Greater Exeter', to supplement the EDNA (EVB-EJ-06).

The Economy and Jobs Topic Paper[2] identifies a need for about 255 hectares of employment land across the Greater Exeter Functional Economic Market Area (FEMA) and around 71 hectares for Exeter, based on the mid-point economic growth scenario.

Q1. How has this requirement figure for Exeter been established? Is it robust and based on appropriate available evidence? Is this a minimum requirement and is it adequately set out in the Plan?

4.11 The calculation of the requirement for sites and premises across Greater Exeter is set out in Chapter 5 of the EDNA (EVB-EJ-03a, page 34, figure 5.1). The approach to calculating this is described above and is consistent with the Framework (paragraph 85) and PPG (Housing and economic needs assessment, paragraphs 025 – 032). It draws on a range of evidence including baseline socio-economic data, largely derived from the ONS; a review of relevant local and national policy and strategy documents; economic and employment growth forecasts provided by Cambridge Econometrics and Experian; input from property agents JLL; consultations with other local property agents; and consultations with local authority planning and economic development officers.

4.12 Overall, four growth scenarios are considered (discussed above in response to Question 1 and in more detail in response to Matter 3, Issue 2, Question 3). Within each scenario the demand for employment sites is set out in ranges which allow for different densities of development of offices, industrial, and distribution premises on each site. The requirement for 71 ha of employment land within Exeter is the middle of the range for the mid-point scenario – essentially the middle of the range of possible requirements.

4.13 The figure of 255 ha across the Greater Exeter Functional Economic Market Area (FEMA) is the sum of the middle of the range value for the mid-point

[2] Document EXM-02c

scenario for each of the four Districts, so the middle of a range of possible requirements.

4.14 Within the EDNA, the employment growth forecast for the mid-point scenario was compared to the forecasted future labour supply (i.e. economically active population) provided by consultants ORS (EVB-EJ-03a, page 41**,** Figure 5.9) and shown to be consistent with this.

4.15 The 255 ha figure is robust and based on appropriate available evidence. However, the figure of 255 ha is neither a minimum nor a maximum – it is an idea of future needs based on a range of data.

4.16 Of this 255 ha the need attributed to Exeter is 71 ha, but this division between the constituent authorities is artificial in that as stated in PPG (Housing and economic needs assessment, paragraphs 025 and 026) the need should be established across the FEMA. This is because economic need does not operate on the basis of administrative areas; the Functional Economic Market Area often overlaps several administration areas, and this is the case for Greater Exeter. This is set out in detail in the Economy and Jobs Topic Paper (EXM-02c: page 7-9).

Q2 The Topic Paper also suggests that the Plan will supply about 21 hectares of employment land. Is the Plan justified in seeking to allocate less employment land than required? If this need for employment land cannot be met in Exeter, how and where will it be met?

4.17 PPG states that need should be assessed across a Functional Economic Market Area (FEMA); e paragraphs 025 and 026, revision date 20.02.2019. The EDNA has been prepared for the four local authority areas of Greater Exeter, which is a FEMA. The assessment of Greater Exeter as a FEMA was set out in detail in the 2017 EDNA for Greater Exeter. This was reviewed in the 2023 EDNA and no changes were made (EVB-EJ-03a: section 1.2, page 3).

4.18 The EDNA discusses the need to accommodate the City of Exeter's growth within its hinterland, some of which is in adjoining local authority areas, within the FEMA. The EDNA concludes 'Some of the future economic growth stimulated by the City of Exeter will need to be accommodated in its hinterland in adjoining local authority areas, which is functionally part of the city. Future employment growth in areas adjoining the City of Exeter (the city fringe) could reduce levels of commuting into Exeter itself.' (EVB-EJ-03a: Section 8 Conclusions and Recommendations, page 59, paragraph 8.8.8).

4.19 Whilst the City Council took a proactive approach to identifying employment sites (including through three calls for sites, undertaking an independent search for additional land and approaching landowners directly) and sought to allocate sufficient land and include policies (EJ2: Retention of employment land and EJ3: New forms of employment provision) to ensure jobs growth could occur at the suggested level and that overall growth was not constrained, the level of growth driven by the City of Exeter is not required to be met within Exeter's administrative boundary.

4.20 The evidence base document 'Employment supply in Greater Exeter' (EVB-EJ-06) updates the position presented in the original EDNA and demonstrates how and where the need will be met across the FEMA (Figure 3.1, page 4). This position is also set out in the Economy and Jobs Topic Paper (EXM-02c: paragraphs 7.18 – 7.21).

4.21 Taking the above into account it seems reasonable to conclude that Exeter is justified in allocating 21 hectares.

Q3 How does the updated Functional Economic Market Area supply position, as set out in 7.18 of the Economy and Jobs Topic Paper affect the employment land requirement?

4.22 The updated Functional Economic Market Area supply position presented in the evidence document 'Employment supply in Greater Exeter' (EVB-EJ-06) and the Economy and Jobs Topic Paper (EXM-02c: page 12, paragraphs 7.18 – 7.21) suggests that across the FEMA the employment land requirement is met and therefore there is no requirement to allocate additional land.

5. Issue 4: Retail Need – Policies RFC1 and RFC2

Q1. Where are the anticipated needs for retail, leisure, office and other main town centre uses set out? Is the information on future needs based on appropriate and up-to-date evidence?

5.1. Chapter 8 of the Submission Plan (CSD-02) identifies how the role of the city centre and the district and local centres will evolve over the course of the plan period. It explains that the function of the centres will widen through the presence of a greater mix of uses to reflect changing shopping behaviour and an evolution of how people use the centres. This reflects the various needs assessments which have been produced to consider town centre uses, in particular in terms of retail. The Exeter Retail Study Update concludes that there is not a city-wide need for net additional convenience goods floorspace and there is not a need to plan for a large new food store or supermarket in the city (EXM-02v, paragraph 3.36, page 30) and that Exeter does not require a net increase in comparison goods floorspace (EXM-02v, paragraph 3.37, page 30).

5.2. The evolution of the city centre will also be supported by an emerging City Centre Strategy which is to be considered by the City Council's Executive for consultation in March 2026.

Retail

5.3. In order to provide appropriate and up-to-date evidence on the need for retail land uses, an Exeter Retail Study Update document (EXM-02v) has been prepared. This document provides an update to the quantitative need assessment contained within the Greater Exeter Town Centre and Retail Study Part Two (2019) (EVB-RFC-01b), along with an assessment of qualitative factors of need for retail floorspace across Exeter.

5.4. In order to bring the evidence base on retail land use need up to date, the Exeter Retail Study Update provides a quantitative need assessment which incorporates the latest population projections for the study area, the latest retail spending data and forecasts and takes account of recent retail store openings and retail floorspace commitments. Further details can be found in Section 3 of the Study Update (EXM-02v, page 21).

5.5. In relation to quantitative need, the Study Update identifies a capacity for circa 7,500sq m (net)[3] of net additional convenience (food/grocery) retail floorspace at 2025, rising to 8,700sq m net by 2036 and circa 9,200sq m net by 2042. For comparison (non-food) goods floorspace, the update tests two capacity scenarios[4], both of which show an over-provision of floorspace up to 2036. Post-2036, only one scenario indicates a quantitative capacity for net additional floorspace, which is minimal (2,600sq m net at 2036, rising to 8,600sq m net by 2042) in the context of the total amount of comparison goods floorspace provision in the city.

5.6. The Study Update also indicates that the assessment of need for retail land use floorspace should also consider qualitative factors (EXM-02v, section 3, page 25). Section 3 provides an assessment of qualitative indicators, including recent additions and changes to floorspace provision, the land use profile

[3] Net sales area floorspace.
[4] Which are explained in Section 3 of the Study Update report.

across Exeter city centre over the past several years, along with the lack of progress in two major retail development projects.

5.7. The overall conclusions on the need for retail floorspace can be found in paragraphs 3.34-3.39 of the Study Update (EXM-02v, pages 29-30), which recommend that:

- There is not a city-wide need for net additional convenience goods floorspace and no requirement to plan for large-scale food store/supermarket units. Instead, any need for new provision should be directed towards two areas. First, part of any demand for new convenience goods floorspace should be accommodated via the town centres first approach as and when opportunities arise. Second, new provision should be directed towards areas of regeneration and high residential growth in order to ensure that local communities have easy and convenient access to day to day convenience provision.

- Based upon a number of factors which are set out in paragraphs 3.38 and 3.39 of the Study Update (page 30), there is not a pressing need to identify land for the provision of new comparison goods retail floorspace. The Study Update finds that demand for comparison goods retail provision has dropped to such a level that existing and committed floorspace, and continued comparison retail at the Exe Bridges Retail Park (SBA4) and East Gate (SBA2) is able to meet the (expenditure) demand from consumers and from the commercial retail sector.

<u>Leisure</u>

5.8. The FPM[5] Assessment of Sports Hall Provision (EVB-IF-05) considers the needs for sports halls up to 2034 from a baseline of 2024. It concludes (page 3, paragraph 0.6) that Exeter's supply can meet current and future demand and there is no requirement to increase sports hall provision.

5.9. The FPM Assessment of Swimming Pool Provision (EVB-IF-04) considers swimming pool requirements up to 2034 from a baseline of 2024. It concludes (page 3, paragraph 0.6) that the vast majority of the current and future demand for swimming in Exeter can be met by the existing supply, taking into account the closure of Northbrook Swimming Pool. Although there is a small amount of unmet need in 2034, assessment states (paragraph 0.13) that the need is not sufficient to justify further provision.

<u>Offices</u>

5.10. The Economic Development Needs Assessment (EDNA, EVB-EJ-03a) sets out the need for office uses. It concludes (figure 5.5, page 38) that there is a need for 21 ha of employment land for office uses up to 2040. This figure does not, however, need to be met within the city centre as the office market is split into city centre and out-of-centre (EVB-EJ-03a, page 45, paragraph 6.3.3).

5.11. Policy EJ6 includes allocations for a total of 15.5ha of employment space, some of which will be suitable for office use. Other office uses will come

[5] FPM: Facilities Planning Model

forward as part of mixed use redevelopment and as part of refurbishment of existing buildings.

5.12. In addition, the Office Vacancy Evidence Report (EVB-EJ-07) shows there are existing vacancies totalling 308,400 sqm in the city, of which 89,200 sqm are in the city centre (table 3.1, page 2).

Culture development

5.13. The assessment of cultural provision is set out in the Exeter Cultural Strategy (EVB-C-01) and the Connected Cultural Placemaking Study (EVB-C-03).

5.14. The Cultural Strategy identifies the potential for a new creative hub for Exeter (page 21) whilst the Cultural Placemaking Study identifies the potential of City Point in East Gate (allocation SBA2) to provide an innovation hub (collaborative workspace) and public realm and Water Lane (SBA1) to provide multi-functional public realm (pages 45, 46 and 50). These are provided for by policies SBA1 and SBA2.

Q2. Does the Local Plan allocate a range of suitable sites in town centres to meet the scale and type of development likely to be needed, looking at least 10 years ahead, as required by paragraph 90 of the Framework?

5.15. The Exeter Plan (paragraph 8.14, pages 67 and 68) identifies the city centre, district centres and local centres as the town centres within the city. There are strategic allocations within the designated town centres as follows:

- City centre: SBA2: East Gate: SBA3: Red Cow and SBA5: South Gate
- St Thomas district centre: SBA4: Exe Bridges Retail Park.

5.16. The evidence discussed in answering Issue 4, Question 1 above covers the range of town centre uses required by paragraph 90 of the NPPF.

Retail

5.17. Based upon the content of the Retail Study Update (EXM-02v), the scale and type of retail floorspace likely to be needed is provided for in the following ways:

5.18. Allocations SBA1-5 each have the opportunity to accommodate the identified (targeted) need for convenience goods floorspace. In particular, SBA3: Red Cow and SBA5: South Gate (in the city centre) include convenience retail provision of up to 500 square metres to meet the local needs of the development as cross-referenced in Policy RFC2: Development in, and affecting, our centres.

5.19. SBA2: East Gate and SBA4: Exe Bridges Retail Park, provide for continued, larger scale retail at the sites. This allows these sites to accommodate convenience goods floorspace plus comparison goods floorspace as identified by suggested main modifications SMM56 and SMM97 in the Schedule of Suggested Modifications (CSD-03, pages 23 and 42) as is appropriate given their location in the city centre (East Gate) and district centre (Exe Bridges).

5.20. SBA1: Water Lane also provides the opportunity to accommodate modest levels of convenience goods floorspace, in line with the adopted Supplementary Planning Document for this area (EVB-S-03, Code W03 – Neighbourhood Centre, page 56).

5.21. Section 4 of the Exeter Retail Study Update (EXM-02v, page 31) provides further information and analysis to demonstrate how the identified needs are to be met within the strategic allocations. Sufficient retail provision will therefore be made without making specific retail allocations.

<u>Leisure</u>

5.22. The FPM Assessment of Sports Hall Provision (EVB-IF-05) and FPM Assessment of Swimming Pool Provision (EVB-IF-04) show that there is no additional need for these facilities in the city up to 2034 which would require new provision. Additional work is being undertaken to commission a new built facilities strategy in accordance with Sport England requirements.

5.23. As wider context, it should also be noted that a new, Passivhaus, strategic City Council leisure centre opened in 2022: St Sidwell's Point-includes two swimming pools, paddling pool, gym, spin studio, studio and spa.

5.24. On this basis, there is sufficient leisure provision in the town centres without making specific allocations.

<u>Offices</u>

5.25. In terms of office space, the EDNA (EVB-EJ-03a, figure 5.5, page 38) has identified needs of 21 ha up to 2040 (although this does not all have to be provided in the city centre). In addition to the 15.5 ha of employment allocations which are identified outside of the town centres, all of SBA2, SBA3, SBA4 and SBA5 (in the town centres) make provision for employment or safeguard against its loss. This provision should be seen in the context of 89,200 sqm of vacant office space in the city centre (EVB-EJ-07, Table 3.1, page 2). On this basis, sufficient office space is planned for in the town centres without making specific allocations.

<u>Cultural development</u>

5.26. In terms of cultural development, the potential projects included in the Exeter Cultural Strategy (EVB-C-01) and the Connected Cultural Placemaking Study (EVB-C-03) are provided for within the policies for Water Lane (SBA1) and East Gate (SBA2). Both policies include requirements for collaborative workspaces and public realm which would support cultural activities. East Gate includes a specific requirement for an innovation hub in line with the University of Exeter's future plans. On this basis, sufficient provision for cultural development as identified in the evidence base is included in the strategic brownfield allocations, of which East Gate is in the city centre. Specific allocations are not required.

Q3. What would be considered 'robust evidence' under Policy RFC2? Would this requirement be applicable to all proposals, or just those outside of town centres?

5.27. RFC2: Development in, and affecting, our centres, requires development proposals to be considered in the context of robust evidence. In order to provide a robust assessment, evidence and analysis would be required in relation to the following areas (evidence should be proportionate to the scale and likely impact of the proposal):

- A clear explanation of the nature, role and function of the proposal;
- Provision of up-to-date evidence and data on town centre health check issues and shopping/leisure patterns;
- For retail proposals, the provision of a financial impact assessment which provides clear and justified information and analysis on the pattern of trade-draw to the proposal and the likely pattern of trade-diversion from existing stores and centres;
- For leisure proposals, a financial and/or qualitative impact assessment, depending upon the nature of the proposed use;
- Where applicable, an assessment of the cumulative effects of a proposal together with committed and recent opened retail/leisure floorspace;
- An assessment which considers not only the direct financial impacts of a proposal, but also its effect on the role and function of defined 'town centres' in the catchment area and the land uses which are key to the overall health of nearby centres;
- An explanation of how the proposal will support the delivery of Policy RFC1, Policy RFC2 and the prevailing city centre strategy (including any impact on the delivery of Local Plan allocations for retail, leisure and main town centre uses);
- An assessment of the potential impact of the proposal on planned, committed and existing investment within the city centre and other centres in the catchment area of the proposal; and
- Identify any mitigation required.

5.28. It may be appropriate to consider the potential for a revision to policy RFC2. For consistency with paragraphs 91-94 of the NPPF, this could clarify that proposals for main town centre uses would need to be accompanied by robust evidence when the proposals are outside of the town centres.

Q4. How does Policy RFC2 ensure that larger scale and comparison retail can be accommodated on the strategic mixed use brownfield allocations?

5.29. Policy RFC2: Development in, and affecting, our centres, enables the provision of convenience retail provision of up to 500 square metres (net sales area) in the strategic brownfield allocations. This provision has been made in recognition that each of these allocations have the potential to either support and enhance the health of defined 'town centres' and provide day to day retail facilities for the residents of growing communities. The allowance of 500 square metres (net) allows for the provision of a convenience store which is able to serve day to day top-up shopping needs.

5.30. Following representations, the Schedule of Suggested Modifications (CSD-03) includes a suggested modification (SMM56, page 23) to enable larger scale and comparison retail to come forward at the East Gate and Exe Bridges Retail Park strategic brownfield allocations. This amendment is proposed in recognition of the existing role and location of these sites within the city centre and St Thomas District Centre respectively; the sites already include larger scale retail provision. The Council considers that continued retail of this order would be appropriate in future.

Q5. Are policies RFC1 and RFC2 positively prepared, justified, effective and consistent with national policy?

5.31. Policies RFC1: The future of our centres, and RFC2: Development in, and affecting, our centres are positively prepared, justified, effective and consistent with national policy:

- Policies RFC1 and RFC2 are positively prepared; they provide for the need for town centre uses to be met;

- Policies RFC1 and RFC2 are consistent with NPPF, chapter 7 as they recognise that the defined 'town centres' in the formal hierarchy are to be protected and enhanced in order that they may serve the population Exeter (and its wider catchment) including the provision of easily accessible local facilities.

- Policies RFC1 and RFC 2 are justified by evidence; the Council has undertaken a review of the city's district and local centres (EXM-02q) in order to ensure that the defined 'town centre' hierarchy (required by paragraph 90 of the NPPF) remains relevant to the scale and type of retail and main town centre land use provision.

- Policies RFC1 and RFC2 provide clarity on the areas where retail and other main town centre land uses are to be supported. These are within defined 'town centres' in line with national policy and within the strategic allocations (in certain circumstances). This will ensure that the policies are effective in steering town centre uses to appropriate locations. The identification of these areas is informed by the content of the Exeter Retail Study Update (EXM-02w) which has assessed the need for retail floorspace provision in the city up to 2042. The policy is therefore justified.

- Policies RFC1 and RFC2 recognise that a range of land uses will make a positive contribution to the health of defined 'town centres' in the city while the need for town centre uses is informed by various studies in terms of leisure and retail. The policies are therefore justified.

Q6. In terms of this issue, are any of the suggested modifications in the Schedule of Suggested Modifications necessary for soundness?

5.32. Suggested modifications SMM56 (CSD-03, page 23) and SMM97 (CSD-03, page 42) are necessary for soundness because they will ensure consistency between Policy RFC2 and Policies SBA2 and SBA4 to enable larger scale and comparison retail to come forward at strategic brownfield allocations in the city centre and St Thomas District Centre. The suggested modifications will ensure that the policy is effective and consistent with national policy.

5.33. An additional/minor modification, SAMM 62 (CSD-03, page 80), is suggested in the supporting text to further explain the suggested main modifications SMM56 SMM97; whilst it is not considered that this modification is required for soundness it does address concerns made by other parties and provide greater clarity.

6. Summary

6.1. This hearing statement has been prepared by Exeter City Council in response to questions asked in relation to Matter 2 of the Exeter Plan Examination.

6.2. All questions associated with the full range issues for Matter 2 have been answered.