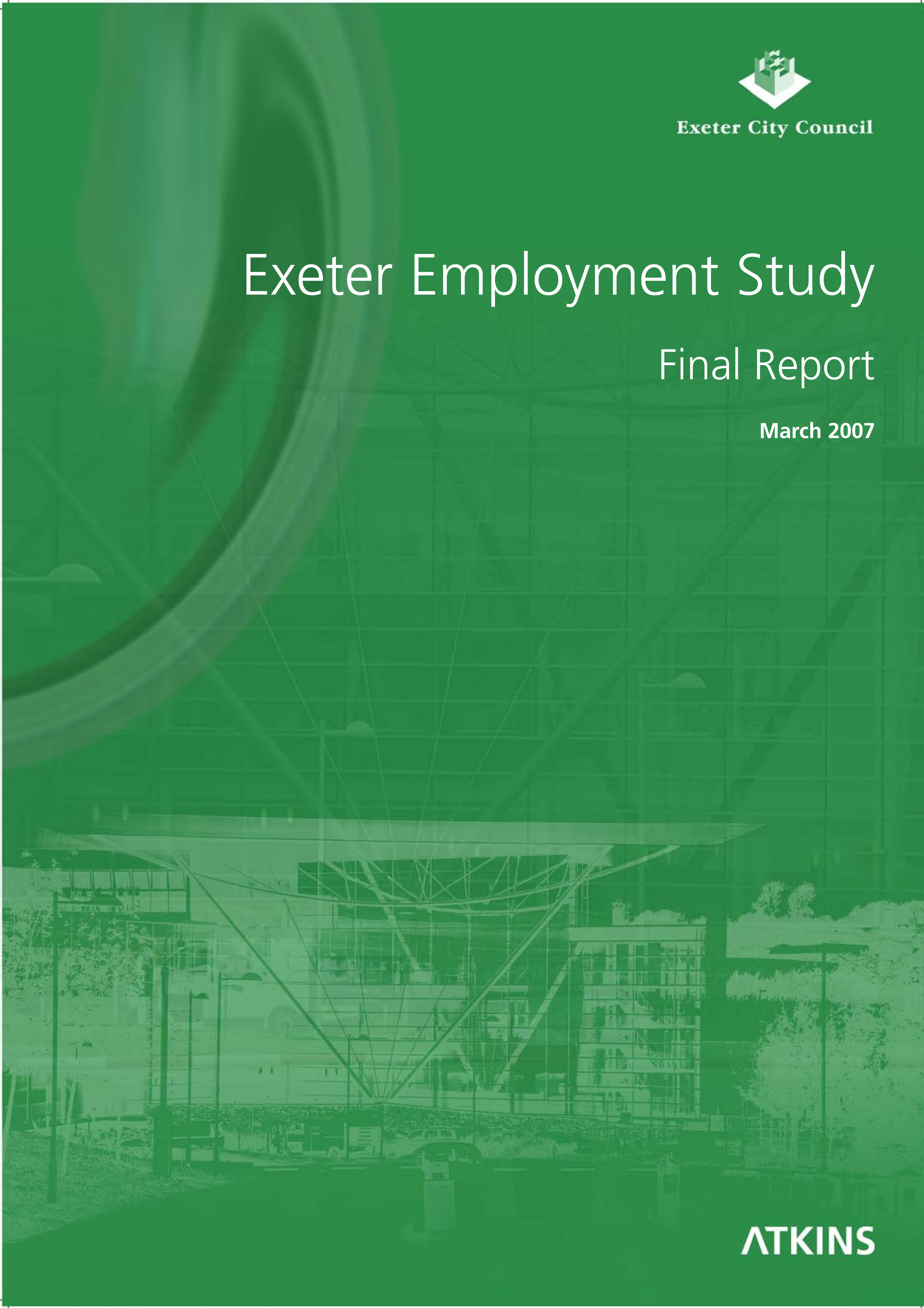

Exeter City Council

Exeter Employment Study

Final Report

March 2007

ATKINS

Exeter Employment Study

Final Report

JOB NUMBER: 5049270			DOCUMENT REF: Document3			
2	Final	RH	RC	RC	JB	March 07
1	Final	RC/RH	DC	RC	JB	Feb 07
0	Draft Final	RC/RH	DC	RC	JB	Jan 07
		Originated	Checked	Reviewed	Authorised	Date
Revision	Purpose Description	ATKINS				

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1. INTRODUCTION

BACKGROUND

1.1 Atkins was commissioned by Exeter City Council (ECC) in November 2006 to provide advice on employment land and floorspace requirements in response to anticipated economic growth and job creation in the Exeter area up to 2026. Specifically, the main aim of the study is to critically examine proposals and forecasts in the draft Regional Spatial Strategy (RSS) for employment growth in the Exeter travel to work area (TTWA), and to provide detailed advice on the planning and economic development implications for the City and surrounding area.

PURPOSE OF THE STUDY

1.2 The findings of the study will inform the Council's evidence to be presented to the RSS Examination in Public in Spring 2007 and will assist with the preparation of employment policies in the Local Development Framework (LDF) for Exeter.

1.3 In July 2006, Exeter City Council Planning Committee provided a response to the South West Regional Assembly (SWRA) in respect of the draft RSS. This highlighted the Council's concerns that some proposals in the draft RSS for economic development in the Exeter area lack clarity and raise issues of feasibility. Consequently, the Council recommended that further work was required in respect of the following issues:

- Whether the projected job growth for the Exeter TTWA (28,500) is at the right level;
- Whether there has been a step change in land take up in the last five years which requires a greater employment land allocation to 2026;
- What the precise implications are for each part of the TTWA;
- The extent to which the ambitions for office growth in the city centre are realistic; and
- Whether there is adequate provision in the sub region for light industrial uses.

1.4 In addition, the Council's response highlighted that further work was required to assess the extent to which a job/housing balance will be achieved by the RSS within the Exeter TTWA and Exeter SSCT.

APPROACH

1.5 In order to critically review the proposed job growth and employment land provision figures identified in the draft RSS, this study has provided independent set of forecasts for comparison. These forecasts have taken into account local, sub regional and national trends and issues, including the fact that over the last five years, rates of employment land take-up have been significantly higher than those recorded for historical periods.

1.6 Estimates of demand for future employment have been split into 5 year periods between 2006 and 2026, and defined according to the following land-use types:

- Primary Offices (B1a);
- Secondary Offices (B1a);
- Research and Development (B1b);
- Light Industry (B1c);
- General Industry (B2);
- Distribution / Warehousing (B8); and
- Other Sectors.

1.7 Consideration has also been given to the specific requirements of key growth in the Exeter area.

1.8 The spatial distribution of job and employment land growth across the TTWA has been examined according to the following sub-areas (see Figure 1.1):

- Exeter City Centre;
- East of Exeter Joint Area Action Plan;
- Rest of Exeter;

- Area of Mid Devon within the Exeter TTWA;

- Area of East Devon within the Exeter TTWA; and

- Area of Teignbridge within the TTWA.

1.9 In addition to providing advice in terms of the geographical distribution of growth, the study has defined job and employment land / floorspace requirements in terms of type, quality, timescale and size. Furthermore, consideration has been given to the need to upgrade and replace inappropriate or redundant stocks of commercial and industrial premises.

1.10 The study also tests the thrust made by the Regional Assembly which pursues a policy in favour of strong office growth in Exeter City Centre. Therefore, evidence is provided in respect of the demand for, and physical capacity to accommodate office growth in Exeter City Centre.

1.11 In assessing the need for future jobs and employment land growth in the Exeter TTWA, the study has considered the impact that such policies may have on the future jobs-housing balance. As a result, employment forecasts have been tested not only in terms of market demand and business need, but also in terms of potential workforce supply (implied by housing growth and demographic change).

1.12 A critical element of the study has been to assess the local economic, labour market and land-use implications of pursing a strong policy approach to economic growth in Exeter as advocated by the draft RSS, the Regional Economic Strategy and Exeter and Heart of Devon Economic Development Strategy.

1.13 This report is structured as follows:

- Section 2 provides a brief review of the policy context for the study.

- Section 3 sets out the baseline demographic, economic and labour market position in the Exeter TTWA which provides an important context to assessing scenarios of future demand for employment and employment land.

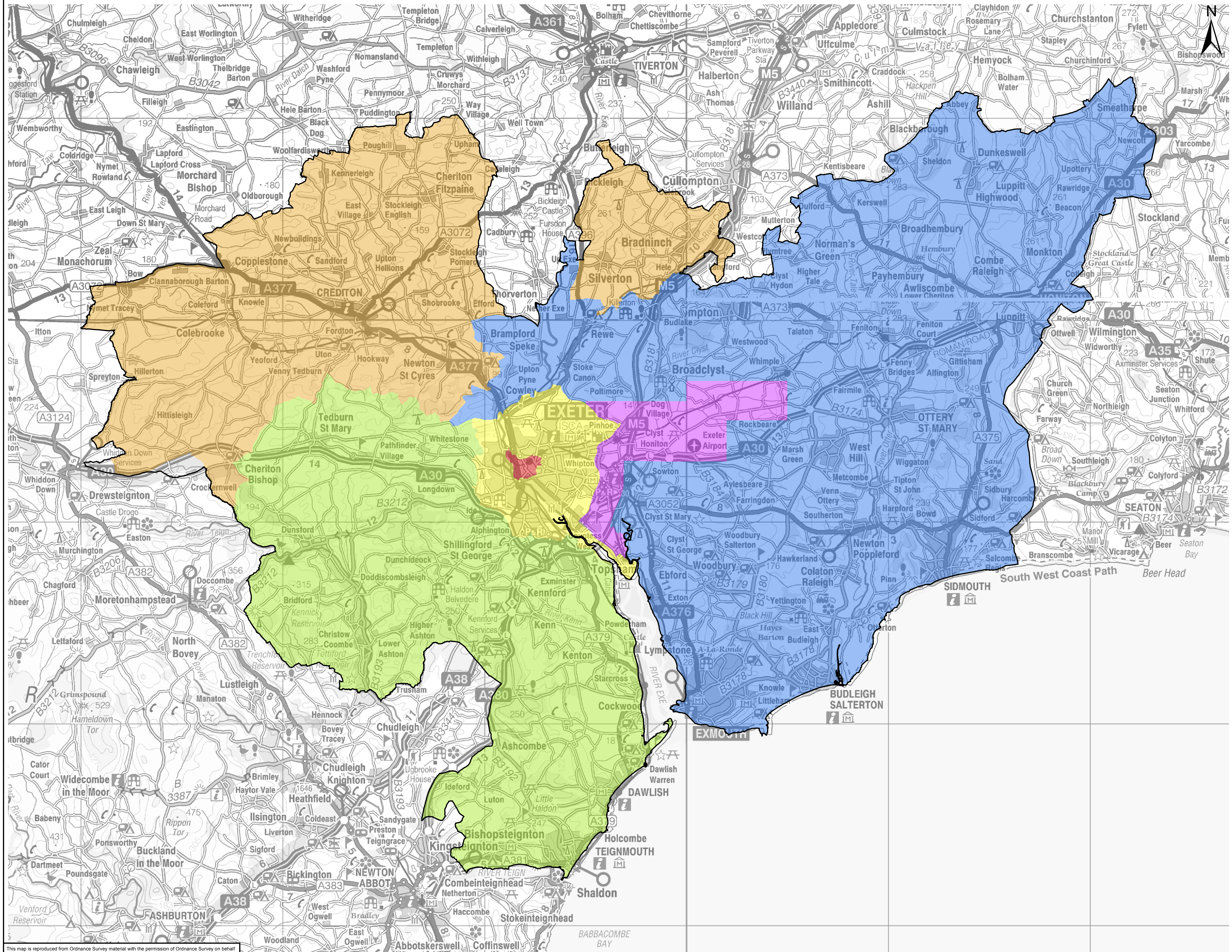
- Section 4 contains the results of an empirical business survey which tests demand for office accommodation in the city centre from existing occupiers in the TTWA.

- Section 5 presents our scenarios of future demand for employment which are compared with scenarios of labour supply in the TTWA. This Section also summarises our conclusions in respect of future demand for employment floorspace and land in the TTWA and sets out an indicative spatial distribution of future employment needs within the Exeter TTWA.

- Section 6 describes existing and potential employment land supply in the Exeter area which may contribute to meeting future employment needs in the TTWA.

- Section 7 evaluates the merits of sites identified in the Exeter Local Plan First Review and the Core Strategy Issues and Options report to potentially meet demand for different types of employment identified by the study.

- Section 8 summarises our conclusions and recommendations.



ATKINS

Legend

- Travel to Work Area
- Exeter City Centre
- East of Exeter JAAP
- Rest of Exeter
- Mid Devon
- East Devon
- Teignbridge

0 1,000 2,000 4,000 6,000 Metres

CLIENT
EXETER DISTRICT COUNCIL

PROJECT
EXETER EMPLOYMENT STUDY

TITLE
FIGURE 1.1
EXETER TRAVEL TO WORK AREA

SCALE	DATE	DRAWN
1:85,000 at A3	10/01/2007	LH

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2. POLICY CONTEXT

INTRODUCTION

2.1 This Section provides a brief review of the policy and strategy context for the study. It aims primarily to highlight the key aspects of the draft RSS and supporting evidence base of relevance to this study.

DRAFT RSS

Economic Growth

2.2 The draft RSS was submitted to the Secretary of State by the South West Regional Assembly (SWRA) in April 2006. It recommends a scale and location of development provision over the period to 2026 which is related to SWRDA's and the Assembly's assessment of economic growth anticipated for the region. It is highlighted in the draft RSS that, central to the strategy, is the objective to secure a balance between jobs and population both in overall terms and within sub areas.

2.3 Exeter is identified as one of 21 Strategically Signficant Cities and Towns (SSCTs) where most future development (80% of the region's jobs) is to be concentrated. Policy SR16 states that:

"Exeter will realise its economic opportunities and its role as a major Regional Centre for employment, retail services and culture, with provision for job growth in the Exeter TTWA for about 28,500 jobs over the plan period."

2.4 To meet Exeter's employment role, Policy SR16 indicates that 140ha of employment land should be provided within the Exeter SSCT, comprising approximately 40ha in Exeter City and 100ha adjacent to Exeter in Exeter City and East Devon (no specified employment land figure is given for parts of the TTWA outside Exeter SSCT). The 40ha within the City equates to the total of current permissions and Local Plan allocations. How the 100ha is to be split between Exeter and East Devon is not specified but it includes commitments for 30ha at Skypark and 25ha at the Science Park. Of the remaining 45ha, the RSS states that 20ha should be provided for after 2021 as part of a second urban extension or new community. This means that for the period up to 2021, the RSS is providing for an increase of 25ha in the Exeter SSCT over current commitments.

2.5 The draft RSS places significant emphasis on Exeter realising its economic potential with aspirations being high in terms of its ability to attract significant growth in knowledge-based industries. Building on the success of key employers such as the Met Office and the Airport, it calls for Exeter and East Devon LDDs to make provision for the further development of the City as a centre for business and service sectors. It also highlights the need to safeguard strategic sites which are suitable for further investment in specialised science and technologically based industries.

Housing Growth

2.6 In terms of planning for future housing development, Policy SR16 states that provision should be made for an average of about 925 dwellings per annum within and adjoining Exeter's urban area over the plan period. This is to comprise:

- An average of about 525 dwellings per annum in Exeter City; and
- An average of about 325 dwellings per annum in East Devon (New Community[1]).

2.7 In catering for development requirements after 2021, the draft RSS states that a second strategic urban extension (or new community) should be identified, providing for at least 1,500 dwellings and 20 hectares of employment land on the eastern and south eastern sides of Exeter City.

Towns Outside the SSCTs

2.8 Outside of the SSCTs, it is highlighted in the draft RSS that town such as Exmouth, Crediton, Dawlish, Tiverton, Honiton and Ottery St Mary have experienced a considerable scale of housing growth over the last 20 years which has not been matched by local job creation. Consequently, the strategy advocates smaller scale change although it aims to achieve more self-contained and balanced communities in these locations. Policy SR17 highlights that, whilst Exeter should accommodate the majority of development:

'…LDDs should identify where opportunities for job growth with other related towns in the surrounding area [of Exeter] should be promoted and encouraged, reducing existing imbalances between population and employment, and reducing dependence on car-borne commuting…This should be complemented by sufficient provision of

[1] A total of approximately 6,500 dwellings are planned for the Cranbrook New Community.

new housing to provide a more appropriate balance between labour and housing markets in the wider area.'

REGIONAL ECONOMIC STRATEGY

Economic Growth Scenarios

2.9 The Regional Economic Strategy (RES) identifies eight key sectors which are considered to be particularly important to the region's economy and which may require specific interventions to ensure their continued success. These sectors are: advanced engineering and aerospace; food and drink; creative industries; tourism; marine; bio-medical and health; ICT; and environmental technologies. It also identifies five other sectors including Health, Retail and Engineering as a focus to improve skills and an efficient labour market.

The evidence base of the RES also sets out the economic forecasts that underpinned the growth assumptions set out in the RSS. Cambridge Econometrics prepared the projections which have acted as the official forecasts for the region and are the source of the projected employment growth of 28,500 in Exeter between 2006 and 2026. Two key scenarios were considered in the development of the economic forecast for the region:

- **First Scenario**: the assumption was that real GVA growth in South West England averages +2.8% per annum over the period 2006-2026. This was derived from study of the underlying growth trend of the UK economy, based on OECD, HM Treasury and private sector calculations with regard to output "gaps", productivity trends and employment expectations. These tend to put the UK's "underlying real growth rate" in a range +2.25% and +2.75% per year, with recent evidence and the Treasury view towards the upper end of the range. Because recent experience has shown South West England growing slightly better than the UK average, given population and productivity trends, it was assumed that SW real growth will be at the top end of this range: +2.8%.

- **Second Scenario:** the assumption was that real GVA growth in the South West averages +3.2% over the period 2006-2026. Rates of growth of this magnitude have been achieved in recent years and this scenario assumes such performance can be maintained if current strategies and policies are delivered effectively and business and household confidence can be bolstered. Positive assumptions about changes in sector mix, infrastructure development, migration and employment patterns and technological change and dissemination, as well as a positive policy impact contribute to this outlook. Sustained growth rates higher than this would be unrealistic, given the UK/global background and the advanced state of SW economic development.

2.10 It was decided by the SWRDA and SWRA that policy needs to be orientated towards this “second” scenario if sustainable development of the region’s economic potential is not to be restrained by a lack of preparation in planning and structural development.

2.11 It is important to note that the Cambridge Econometrics model applied regional sectoral growth assumptions which resulted in local differences in economic and employment growth arising from existing sectoral structure. However, this approach did not enable distinctions to be made between each individual location’s potential growth where it may be affected by other local circumstances. These circumstances may relate to the supply of land and labour, inward investment promotion initiatives, business perception of different locations, labour market and business development initiatives, quality of life and environment, future infrastructure improvements and other fundamental business location factors.

Role of Exeter

2.12 In the context of the headline economic projections for the South West, the evidence base for the RES identifies the future economic role of Exeter[2]. This highlights the potential for:

- developing a stronger knowledge-based employment structure;
- facilitating growth in electronics, transport communication and other business services
- providing targeted programmes to address poor skills levels in parts of the urban area;
- utilising the knowledge-based institutions located in Exeter including the University, Met Office and Peninsula Medical School as key economic drivers; and
- delivering sustainable land and sites, including a science park and innovation centre, for future development, especially for high growth SMEs and innovative businesses and particularly to the east of Exeter.

[2] RES 2006-2015. Spatial Implications – Place Matters.

SUPPORTING DOCUMENTATION

2.13 The draft RSS, RES and supporting background technical documents raise significant issues for the emerging LDF for Exeter (and other local authorities in the Heart of Devon). Of particular importance to this study are the following key documents:

- Spatial Implications of Economic Potential in the South West (Roger Tym & Partners for SWRDA, June 2006);
- South West's Town Centres Regional Study (DTZ Pieda for SWRA, January 2006).

Spatial Implications Study

2.14 This study was commissioned to explore the strategic spatial issues and implications resulting from the two growth scenarios identified in the RES.

2.15 The report highlighted a number of key limitations of the study. In particular it was stressed that:

(i) Further work would be required to provide a more sophisticated analysis of demand and supply issues at the local level.

(ii) The forecasts were absent of policy intervention assumptions. For example, the forecasts had not taken account of the planned science park at Exeter. Therefore, consideration will need to be given to the potential for policy initiatives which influence the pattern of growth of key sectors and / or key locations. Such policy-led scenarios should provide an indication of the different levels of growth that may be achieved other than through 'business as usual.'

2.16 Bearing in mind the potential deviation from the SSCT forecasts, the study highlighted the potential for Exeter to exceed forecasts although it was stressed that this would need to be supported by adequate infrastructure improvements.

2.17 The study highlights that 48% of existing employment in the Exeter SSCT is located in the main urban area. For the period 2006-2016, it is estimated that approximately 60% of the TTWA's new employment is likely to be located in the urban area although no clear evidence is provided to support this. However, it is highlighted that this estimate does not directly reflect the implications of major employment generating developments in the pipeline to the east of Exeter (including Skypark and the Science Park).

Town Centres Study

2.18 The SWRA appointed DTZ in 2005 to assess future strategic needs of town centres in the South West including retail and office growth requirements. After Bristol, Exeter is identified in the study as one of six regional centres in the South West's office hierarchy (along with Swindon, Plymouth, Chelthenham, Gloucester and Bournemouth / Poole).

2.19 The study provided projections of office based employment growth in the region which was translated to potential floorspace need in the period up to 2026[3]. These floorspace demand projections were then compared to different assessments of supply. For Exeter, the study concluded that office demand could amount to approximately 108,000 sqm (DTZ, page 106). The study concluded that this level of potential demand was significantly in excess of the consultants' preferred assessment of existing supply having taken into consideration qualitative issues that would affect the actual availability of sites currently committed in local plans.

2.20 Analysis of completions data for Exeter in the period 2000-2005 set out in the report indicate that office take-up has been dominated by out-of-town development (96% v 4% in the City Centre). It is important to highlight that the analysis includes the development of the Met Office premises as well as the rest of Exeter Business Park during this period.

2.21 The study concludes that the challenge for policy makers will be to stimulate office development in the City Centre and edge of centre locations. Whilst it is highlighted that the current supply of committed sites in the City Centre is limited, the report does not provide supply-side solutions for meeting future demand for offices in the Centre.

Spatial Dynamics of Change in the Key Sectors

2.22 Published by SWRDA in February 2005, the report highlights some of the implications for change in the key and emerging sectors identified in the RES. According to the report, these sectors account for some 17% of the regional economy by employment, and 22% of the regional economy by GVA. Key implications for each of the key sectors are summarised below:

- **Advanced Engineering**. There is an overall decline in employment forecast across the sector, although a fall in productivity is not anticipated. Within this overall decline there are two counter trends – a decline in demand for large automotive and aerospace plants (B2) and a potential increase in demand for high value manufacturing/research premises (B1).

[3] Employment density / Worker:Floorspace ratio of 18.5 sqm. per worker was applied in the study.

- **Food & Drink**. Employment in food & drink is also forecast to decline at a regional level. The overall change is made up of two counter trends – a decline in land based agriculture, and a short-term growth in employment in secondary food processing, which may be superseded by automation in food processing. This means a short term increase in demand for premises for food processing (B2), which may be tempered in the long-term.

- **Information and Communications Technology (ICT).** Overall there is a high level of growth forecast in the sector, with the main growth areas in software development and ICT services rather than manufacturing and telecoms. This will generate demand for offices with high bandwidth infrastructure requirements (B1 office) rather than industrial sites and premises. ICT is not a sector that will demand major single sites and premises provision in the future. Rather, it is expected to require a larger number of good quality smaller sites. It is noted in the report that ICT companies tend to follow a geographical clustering pattern.

- **Tourism**. Growth in tourism employment is expected to be high, particularly in the North East Triangle (driven by city breaks and business tourism). However, it is clear that there will be growth across the entire region. This will translate into a demand for appropriate sites and premises uses such as hotels and commercial leisure facilities (C1, D1 and D2).

- **Creative Industries**. Employment in creative industries is forecast to grow, particularly in the digital media sub-sector with the highest levels of growth expected around Bristol. Other major towns and cities will see a fairly similar change in demand including Exeter. Demand from the digital media sub-sector is most likely to be for premises with high capacity bandwidth infrastructure. Some businesses will require inner-city, urban warehousing and Victorian conversions, whilst others will prefer edge-of-town business parks (B1 office and light industrial).

- **Biotechnology.** The requirements for sites and premises demanded by the biotechnology sector will be particularly stringent compared to the other key sectors. Issues such as bio-security, physical security, appropriate facilities (such as wet rooms and clean rooms) as well as high bandwidth capacity infrastructure will be critical for locations for businesses in this sector. Businesses in this sector prefer to cluster in locations where there are complementary functions (e.g. universities and pharmaceutical companies). A science park environment is typically required by biotechnology companies.

- **Environmental Technology**. A number of key drivers of growth were identified in the report for environmental technology sector including waste management and consultancy. These will have very different sites and property requirements with consultancy requiring B1 office and R&D space. These uses are not likely to be tied to major towns and cities, and employment is expected to be spread throughout the South West.

2.23 Cambridge Econometrics sectoral forecasts for the UK as published in September 2003, were used to highlight sectors which are forecast to expand or decline rapidly over the period 2003-2015. Table 2.1 highlights the forecast employment change by key sector for joint study areas comprising the city region of Exeter and Torbay.

Table 2.1 – Employment Change in Key Sectors (2003-2015): Exeter / Torbay

Key Sector	Forecast Employment Change
Advanced Engineering	-700
Food & Drink	-1,500
ICT	+6,100
Tourism	+5,400
Marine	-100
Creative	+1,700
Biotechnology	+1,200
Environmental Technology	+1,500

Source: Spatial Dynamics of Change in the Key Sectors, SWRDA 2005.

IMPLICATIONS

2.24 Our review of the strategic policy context raises the following key implications for the Exeter LDF:

(i) The draft RSS does not provide sufficient guidance on the distribution and type of future employment growth. Furthermore, additional guidance is required on the scale and spatial distribution of employment land provision.

(ii) The LDF of Exeter and other authorities in the sub-region will need to address the challenge of planning for an adequate balance between employment growth and labour supply.

(iii) The draft RSS places particular emphasis on Exeter SSCT as a strategic driver for business and employment growth. Consequently, the City Council and East Devon District Council will be required to define a suitable land-use and economic strategy that can deliver this step-change in the economic role of Exeter within the region.

(iv) Despite targeting the growth of Exeter SSCT for significant employment growth, the draft RSS also calls for a reduction in the existing imbalances between population (housing) and employment in towns outside the SSCT. In many cases, this implies a greater increase in the supply of jobs relative to planned population / housing growth.

(v) The policy drive to increase the role of Exeter City Centre as an office location needs to be tested in terms of occupier and developer demand as well as potential land supply.

(vi) Employment growth projections prepared at the regional level need to be compared to local projections which have regard to local economic circumstances including known opportunities and constraints.

(vii) Policies aimed at boosting Exeter's employment in key knowledge-based industries should be assessed in terms of land-use requirements.

2.25 The remainder of this report gives further consideration to these key issues.

3. ECONOMIC BASELINE POSITION

INTRODUCTION

3.1 This section provides an overview of the socio-economic conditions in Exeter Travel to Work Area (TTWA) and the South West. It concentrates in particular on the employment structure and trends in Exeter TTWA. The analyses contained in this section provide an assessment of the key baseline drivers of economic change in the TTWA which are used to inform our employment growth forecasts set out in subsequent sections.

3.2 Where available, data for the Exeter TTWA is analysed. However such data is not available for many of the data sets and therefore district, Exeter Heart of Devon (EHOD) and county data is also analysed when necessary.

3.3 The analysis set out in this Section is supported by detailed data tables provided in Appendix A.

THE SOUTH WEST AND EXETER TTWA

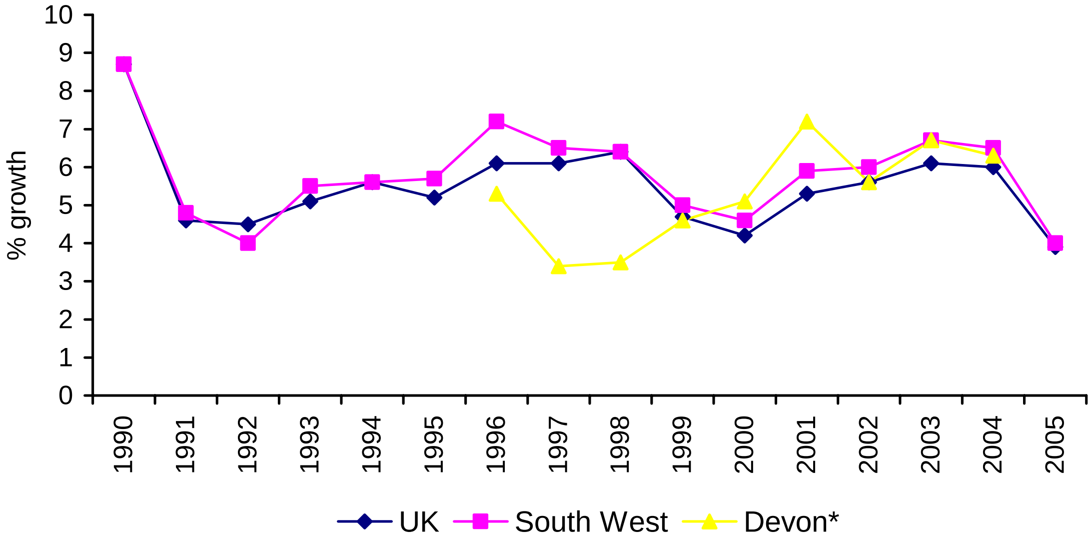
3.4 Whilst the economy of the South West tends to follow the trends of the national economy, over the past decade it has tended to perform slightly better than average, as shown in Figure 3.1 below. Between 1990 and 2004 GVA (before allowing for inflation) growth averaged 5.6% per annum in the South West compared to 5.3% for the UK overall. Evidence set in the RES and its supporting documents indicates that growth is likely to continue inline with recent trends. GVA growth for Devon[4] has been slightly below that of the South West and UK. Annual growth averaged 5.3% between 1995 and 2004, compared to 6.1% and 5.6% respectively regionally and nationally.

3.5 GVA per capita growth in the South West has not demonstrated the same strength as total GVA growth and has been more inline with the UK rate, averaging 5.0% growth between 1990 and 2005 compared with 4.9% for the UK (see Figure 3.2). Whilst rapid growth of the population has contributed to economic growth, it has also diluted the distribution of this growth rate, particularly in the South West. GVA growth

[4] * Data prior to 1995 is not available for Devon.

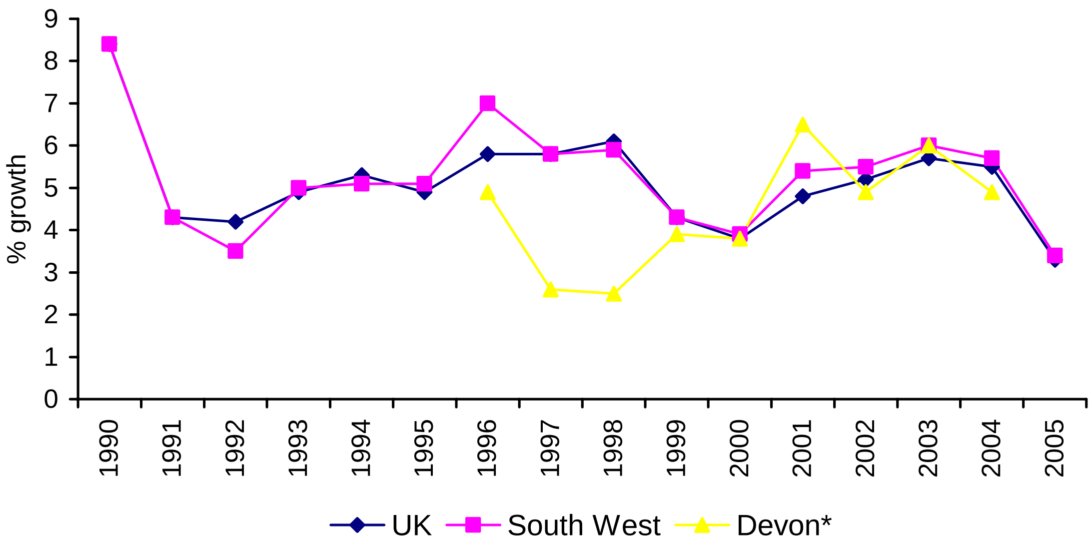
for Devon[5] has been slightly below that of the South West and UK. Annual growth averaged 4.4% between 1995 and 2004, compared to 5.5% and 5.2% respectively regionally and nationally.

Figure 3.1 – Annual GVA Growth



Source: Headline Gross Value Added, current basic prices, ONS

Figure 3.2 – UK and South West Annual GVA per Capita Growth



Source: Headline Gross Value Added, current basic prices, ONS

5 * Data prior to 1995 is not available for Devon

3.6 Service activities have been driving GVA growth in the South West and in 2003 accounted for approximately three quarters of total GVA in the region.

POPULATION & ECONOMIC ACTIVITY

3.7 Population growth in the South West has grown at an average rate of 0.6% per annum over the last 20 years. Population growth in the four districts that contribute to the Exeter TTWA has been above this regional average (Table 3.1).

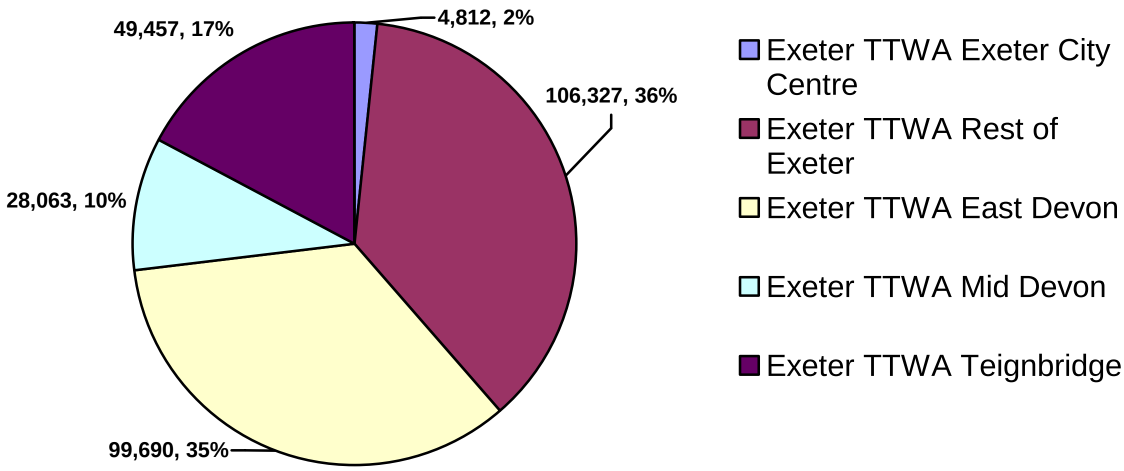
Table 3.1 – Population Growth Rates (average % per annum)

	1985-1995	1995-2005	1985-2005
South West	0.6	0.6	0.6
East Devon District	0.9	0.6	0.8
Exeter District	0.5	1.1	0.8
Mid Devon District	0.8	1.1	0.9
Teignbridge District	1.5	0.9	1.2

Source: Mid-year Population Estimates, NOMIS

3.8 The population of the Exeter TTWA[6] was approximately 288,350 in 2001. Figure 3.3 shows the distribution of population across the TTWA sub-areas. The 'Rest of Exeter' and East Devon are by far the most populated areas, accounting for 36% and 35% of the total respectively.

Figure 3.3 – Exeter TTWA Population Distribution (2001)



Source: Census 2001, NOMIS

[6] Source: Census 2001.

Working age and Economic Activity

3.9 The working age population (those aged between 16 and 64 years old) in Exeter TTWA stood at 177,642 in 2001, equal to 61.6% of the total population. The urban area of Exeter display a significantly higher proportion of working age population compared to other parts of the TTWA, the South West and England & Wales (see Table 3.2). However, this includes students resident in the area.

3.10 Trends in the UK and South West have shown an ageing population which results in a declining proportion of the working age population: whilst data for the TTWA is not available for 1991, data for the districts of Exeter, East Devon, Mid Devon and Teignbridge support this conclusion.

Table 3.2 – Working Age Population[7]

	1991		2001		Total % change 1991-2001
	Number of people	% of total	Number of people	% of total	
Exeter	62 737	67.2	74 150	66.8	1.7
East Devon (TTWA)	n/a	n/a	57 034	57.2	n/a
Mid Devon (TTWA)	n/a	n/a	17 540	62.5	n/a
Teignbridge (TTWA)	n/a	n/a	28 979	58.6	n/a
Exeter TTWA	n/a	n/a	177 703	61.6	n/a
Exeter TTWA (excl. economically inactive students)	n/a	n/a	165 283	59.9	n/a
South West	2 870 876	65.4	3 070 749	62.1	7.0
England & Wales	31 832 791	66.9	33 240 406	63.5	4.4

Source: Census 1991 & 2001, NOMIS

3.11 The level of economic activity, often referred to as the available workforce, is the sum of working age population who are either in employment, or registered as unemployed. The economic activity rate is the ratio of workforce to working age population, and can be regarded as a measure of economic participation. Table 3.3 details economic activity levels and rates for the Exeter TTWA and wider areas.

3.12 The economic activity rate remained broadly unchanged in the South West between 1991 and 2001. Whilst data for the TTWA is not available for 1991, data for the districts of, East Devon, Mid Devon and Teignbridge shows that economic activity rates have increased slightly. However in Exeter the economic activity rate has fallen, from 77.4% to 72.1% which reflects demographic change in the area.

[7] Specified as those aged between 16 and 64 years old.

3.13 Excluding students resident in Exeter from the working age population, the economic activity rate for the TTWA increases to nearly 80%.

Table 3.3 – Economic Activity

	1991		2001		Total % change 1991-2001
	Number of people	% of total	Number of people	% of total	
Exeter	48 544	77.4	53 461	72.1	1.0
East Devon (TTWA)	n/a	n/a	42 738	74.9	n/a
Mid Devon (TTWA)	n/a	n/a	13 714	78.2	n/a
Teignbridge (TTWA)	n/a	n/a	21 704	74.9	n/a
Exeter TTWA	n/a	n/a	131 617	74.1	n/a
Exeter TTWA (excl. economically inactive students)	n/a	n/a	131 581	79.6	n/a
South West	2 182 840	76.0	2 341 023	76.2	7.2
England & Wales	23 955 558	75.3	24 641 559	74.1	2.9

Source: Census 1991 & 2001, NOMIS

COMMUTING PATTERNS

3.14 Table 3.4 provides a summary of commuting patterns in the TTWA whilst Tables 3.5 and 3.6 provide detailed assessments of flows in each of sub-areas within the TTWA. Table 3.4 shows that approximately 16% of total jobs in the TTWA are accounted for by in-commuters. Overall, the TTWA has a net in-flow of just over 2,900 workers.

Table 3.4 – TTWA Summary Commuting Patterns

Workplace Source / Type	Workers / Commuters
TTWA Residents Employed	123,310
Workplace Population (Jobs) in TTTWA	131,186
TTWA Residents working in TTWA	110,265
In-Commuters to TTWA	20,921
Out-Commuters from TTWA	18,019
Net Commuting In-Flow	2,902

Source: ONS Census, 2001(Origin Destination Statistics)

Table 3.5 – Workplace Commuting Patterns in TTWA

Work in East Devon (Exeter TTWA):

		No.	%
Live in:	East Devon pt of ETTWA	28213	75.8
	Exeter	3181	8.5
	Exeter City Centre	114	0.3
	Mid Devon pt of ETTWA	506	1.4
	Teignbridge pt of TTWA	569	1.5
	Other (outside ETTWA)	4659	12.5
of which	Plymouth	246	0.7
	Torbay	263	0.7
	Other East Devon	1224	3.3
	Other Mid Devon	746	2.0
	North Devon	138	0.4
	South Hams	118	0.3
	Other Teignbridge	362	1.0
	Torridge	102	0.3
	West Devon	176	0.5
	Taunton Deane	206	0.6
	Other	1078	2.9
	Total	**37242**	**100.0**

Work in Mid Devon (Exeter TTWA)

		No.	%
Live in:	East Devon pt of ETTWA	205	2.4
	Exeter	655	7.8
	Exeter City Centre	21	0.2
	Mid Devon pt of ETTWA	6187	73.2
	Teignbridge pt of TTWA	99	1.2
	Other (outside ETTWA)	1280	15.2
of which	Other Mid Devon	721	8.5
	North Devon	144	1.7
	Other Teignbridge	45	0.5
	Torridge	97	1.1
	West Devon	135	1.6
	Other	138	1.6
	Total	**8447**	**100.0**

Work in Teignbridge (Exeter TTWA)

		No.	%
Live in:	East Devon pt of ETTWA	320	2.3
	Exeter	1012	7.3
	Exeter City Centre	44	0.3
	Mid Devon pt of ETTWA	116	0.8
	Teignbridge pt of TTWA	9785	70.3
	Other (outside ETTWA)	2650	19.0
	Plymouth	116	0.8
	Torbay	511	3.7
	Other Mid Devon	57	0.4
	North Devon	48	0.3
	South Hams	153	1.1
	Other Teignbridge	1407	10.1
	West Devon	76	0.5
	Other	282	2.0
	Total	**13927**	**100.0**

Work in Exeter

		No.	%
Live in:	East Devon pt of ETTWA	6883	12.7
	Exeter	31459	58.0
	Exeter City Centre	859	1.6
	Mid Devon pt of ETTWA	2157	4.0
	Teignbridge pt of TTWA	3690	6.8
	Other (outside ETTWA)	9220	17.0
of which	Plymouth	541	1.0
	Torbay	1075	2.0
	Other East Devon	364	0.7
	Other Mid Devon	1701	3.1
	North Devon	384	0.7
	South Hams	496	0.9
	Other Teignbridge	1943	3.6
	Torridge	254	0.5
	West Devon	604	1.1
	Taunton Deane	358	0.7
	Other	1500	2.8
	Total	**54268**	**100.0**

Work in Exeter City Centre

		No.	%
Live in:	East Devon pt of ETTWA	2256	13.0
	Exeter	8716	50.4
	Exeter City Centre	922	5.3
	Mid Devon pt of ETTWA	959	5.5
	Teignbridge pt of TTWA	1337	7.7
	Other (outside ETTWA)	3112	18.0
of which	Plymouth	128	0.7
	Torbay	414	2.4
	Other East Devon	116	0.7
	Other Mid Devon	600	3.5
	North Devon	102	0.6
	South Hams	197	1.1
	Other Teignbridge	628	3.6
	Torridge	104	0.6
	West Devon	262	1.5
	Taunton Deane	134	0.8
	Other	427	2.5
	Total	**17302**	**100.0**

Table 3.6 – Resident Commuting Patterns in TTWA

Resident in East Devon (Exeter TTWA):

		No.	%
Work in:	East Devon pt of ETTWA	28213	66.1
	Exeter	6883	16.1
	Exeter City Centre	2256	5.3
	Mid Devon pt of ETTWA	205	0.5
	Teignbridge pt of TTWA	320	0.7
	Other (outside ETTWA)	4835	11.3
of which	Bristol	114	0.3
	Plymouth	186	0.4
	Torbay	175	0.4
	Other East Devon	739	1.7
	Other Mid Devon	705	1.7
	North Devon	159	0.4
	South Hams	97	0.2
	Other Teignbridge	246	0.6
	Torridge	48	0.1
	West Devon	78	0.2
	West Dorset	78	0.2
	South Somerset	322	0.8
	Taunton Deane	388	0.9
	London	318	0.7
	Other	1182	2.8
	Total	**42712**	**100.0**

Resident in Mid Devon (Exeter TTWA)

		No.	%
Work in:	East Devon pt of ETTWA	506	4.2
	Exeter	2157	17.8
	Exeter City Centre	959	7.9
	Mid Devon pt of ETTWA	6187	51.2
	Teignbridge pt of TTWA	116	1.0
	Other (outside ETTWA)	2165	17.9
of which	Bristol	42	0.3
	Plymouth	39	0.3
	Torbay	54	0.4
	Other Mid Devon	968	8.0
	North Devon	161	1.3
	Other Teignbridge	54	0.4
	West Devon	273	2.3
	Taunton Deane	142	1.2
	London	81	0.7
	Other	351	2.9
	Total	**12090**	**100.0**

Resident in Teignbridge (Exeter TTWA)

		No.	%
Work in:	East Devon pt of ETTWA	569	2.6
	Exeter	3690	17.1
	Exeter City Centre	1337	6.2
	Mid Devon pt of ETTWA	99	0.5
	Teignbridge pt of TTWA	9785	45.5
	Other (outside ETTWA)	6037	28.1
of which	Bristol	60	0.3
	Plymouth	297	1.4
	Torbay	1319	6.1
	Other Mid Devon	108	0.5
	South Hams	211	1.0
	Other Teignbridge	3173	14.7
	West Devon	67	0.3
	Taunton Deane	78	0.4
	London	117	0.5
	Other	607	2.8
	Total	**21517**	**100.0**

Resident in Exeter

		No.	%
Work in:	East Devon pt of ETTWA	3181	6.4
	Exeter	31459	63.2
	Exeter City Centre	8716	17.5
	Mid Devon pt of ETTWA	655	1.3
	Teignbridge pt of TTWA	1012	2.0
	Other (outside ETTWA)	4720	9.5
	Bristol	137	0.3
	Plymouth	306	0.6
	Torbay	330	0.7
	Other East Devon	54	0.1
	Other Mid Devon	701	1.4
	North Devon	162	0.3
	South Hams	147	0.3
	Other Teignbridge	663	1.3
	Torridge	60	0.1
	West Devon	194	0.4
	South Somerset	63	0.1
	Taunton Deane	237	0.5
	London	252	0.5
	Other	1414	2.8
	Total	**49743**	**100.0**

Resident in Exeter City Centre

		No.	%
Work in:	East Devon pt of ETTWA	114	5.1
	Exeter	859	38.7
	Exeter City Centre	922	41.5
	Mid Devon pt of ETTWA	21	0.9
	Teignbridge pt of TTWA	44	2.0
	Other (outside ETTWA)	262	11.8
of which	Bristol	6	0.3
	Plymouth	24	1.1
	Torbay	22	1.0
	Other Mid Devon	39	1.8
	North Devon	15	0.7
	South Hams	9	0.4
	Other Teignbridge	18	0.8
	Torridge	3	0.1
	West Devon	12	0.5
	Taunton Deane	12	0.5
	London	24	1.1
	Other	78	3.5
	Total	**2222**	**100.0**

3.15 In-commuting to Exeter and the city centre is significantly higher than that for the TTWA as a whole: 40% of jobs in Exeter and 45% of jobs in the city centre are taken by residents living outside the City Council area. East Devon and Teignbridge provide the main sources of labour for Exeter although significant numbers (9,200 /17%) also travel from outside the TTWA (see Table 3.5). This demonstrates the expansive pressure on the TTWA which is occurring as a result of Exeter's increasing role as an employment centre as well as more general improvements in labour market accessibility.

3.16 The East Devon TTWA sub-area demonstrates a relatively high level of self containment (76%) despite the proximity of Exeter. This reflects the functional expansion of the Exeter urban area into the administrative area of East Devon as well as a significant increase in the number of jobs being created east of Exeter.

3.17 Self containment ratios in the East Devon, Mid Devon and Teignbridge Districts are also high at 70%, 73% and 70% respectively. However, within their respective area of the Exeter TTWA, self-containment remains relatively high only in East Devon (66% compared to 51% in Mid Devon and 46% in Teignbridge). This highlights the need for future planning policies to assist in maintaining a reasonable degree of self-reliance through the encouragement of local jobs provision for local residents. This principle is supported by policies in the draft RSS.

3.18 Examination of out-commuting patterns raises particularly important issues for the balance between employment and housing in the TTWA. As Table 3.4 highlighted, over 18,000 working residents in the TTWA occupy jobs in locations outside the TTWA. Indeed, close to 5,000 Exeter residents work outside in the TTWA in a wide range of locations including Newton Abbot, Bristol, Plymouth, London and Taunton (Table 3.6). In considering future planning policies aimed at addressing the balance (or imbalance) between jobs and the locally available labour force, consideration should be given to the potential of generating new jobs that will be effective in clawing back a proportion of out-commuters.

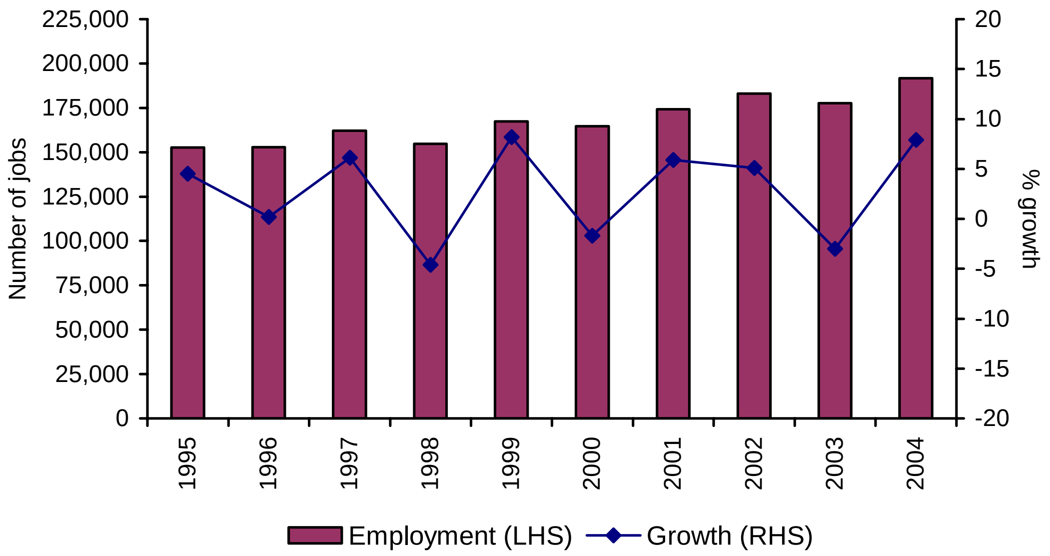
EMPLOYMENT TRENDS

Total Employment

3.19 There were approximately 191,700 jobs provided in EHOD in 2004, representing an increase of just over 25% since 1996, equivalent to an annual growth rate of 2.9% (see Figure 3.4). This is considerably above the regional and national rates of 1.6% and 1.3% respectively.

3.20 The Exeter TTWA accounts for approximately 72% of total EHOD employment, amounting to approximately 138,900 jobs. (It should be noted however than the real figure is slightly higher than this as elements of agricultural employment are not available at this level of detail.) Within the TTWA, it is Exeter that is the key provider of jobs and source of employment growth, with the bulk of this occurring outside of the city centre (see Table 3.7). Employment in Exeter accounts for 45% of the EHOD total and 62% of the Exeter TTWA total.

Figure 3.4 – Total Employment (EHOD)



Source: Annual Business Inquiry, NOMIS.
Note: Historical data not available for TTWA

Table 3.7 – Total Employment

	1996		2004		Change in jobs	Average annual % growth
	Jobs	% of total	Jobs	% of total		
Exeter TTWA						
TTWA East Devon	n/a	n/a	33,183	23.9	n/a	n/a
TTWA Exeter CC	n/a	n/a	20,911	15.1	n/a	n/a
TTWA Rest of Exeter	n/a	n/a	65,288	47.0	n/a	n/a
TTWA Mid Devon	n/a	n/a	7,090	5.1	n/a	n/a
TTWA Teignbridge	n/a	n/a	12,414	8.9	n/a	n/a
Exeter TTWA TOTAL	n/a	n/a	138 886	100	n/a	n/a
Joint Area[8]	n/a	n/a	26,457	19.0	n/a	n/a
Exeter Heart of Devon						
East Devon District	33,453	21.9	41,232	21.5	7 779	2.6
Exeter District	68,042	44.5	86,199	45.0	18 157	3.0
Mid Devon District	18,617	12.2	23,556	12.3	4 939	3.0
Teignbridge District	32,795	21.4	40,705	21.2	7 910	2.7
EHOD TOTAL	152,907	100	191,692	100	38 785	2.9
Wider Study Areas						
South West	1,883 733	n/a	2 194 694	n/a	310 961	1.9
England & Wales	21 041 942	n/a	23 693 854	n/a	2 651 912	1.5

Source: Annual Business Inquiry, NOMIS

Broad Sectoral Analysis

3.21 The following sub-section provides a review of the TTWA's broad employment sectors as defined by Standard Industrial Classifications (SICs). A description of trends over time for each of the broad sectors is provided which is supported by key tables of data set out in Appendix A. It is important to note that time-series data is not available for the TTWA given changes to ward boundaries in 2003. Consequently, the discussion below in respect of trends over time is based on analysis of data for EHOD and the four constituent local authorities.

[8] The Joint Area refers to the Exeter and East Devon Joint Area and is defined as Broadclyst ward, Pinhoe ward, Topsham ward, St Loyes ward and Whipton & Barton ward and overlaps the Exeter &

3.22 Where data permits, a snapshot of employment characteristics in the TTWA is provided below for 2004 (based on amalgamations of wards defined for statistical purposes since 2003).

Public Administration, Education & Health

3.23 The public sector is the primary employer in EHOD and the Exeter TTWA. It accounts for 32% of total employment in EHOD and 36% in Exeter TTWA. Employment Location Quotient[9] (ELQ) data shows the sector is significantly over-represented in EHOD when compared to the South West (ELQ of 1.13 for EHOD and 1.26 for Exeter TTWA) and the England & Wales (ELQ of 1.22 for EHOD and 1.36 for Exeter TTWA). However, despite strong growth - public sector employment has grown at an average annual rate of 2.8% since 1996 generating close to 12,250 additional jobs – the ELQs have fallen since 1996 indicating that the sectors level of representation in the economy is becoming more in line with the structure of the wider economies.

3.24 Exeter provides the bulk of the sector's employment (55% of EHOD total and 70% of Exeter TTWA total), although this proportion has dropped slightly since 1996. There has been strong growth in East Devon, with average annual growth of 3.7%, equivalent to an increase of over 3,000 jobs.

3.25 The growth in employment has been driven by the education and health sectors, which have expanded at an average rate of 4.4% and 5.5% per annum since 1996 respectively (equivalent to an increase of over 15,500 jobs between them). Education employment has grown strongly in all local authority areas with the exception of Mid Devon, where growth averaged 2.5% per annum. In particular there has been strong growth in the primary education sector. Higher education has grown strongly in Exeter. Health employment growth has been driven by Exeter, which accounted for over half of the increase, and has been concentrated in human health related activities.

Distribution, Hotels & Restaurants

3.26 Distribution, hotels & restaurants is the second largest source of employment, accounting for 27% of the EHOD total in 2004 and 26% of the Exeter TTWA total. This level of representation is reasonably well aligned with the regional and national situation, indicated by ELQs of 0.99 and 1.07 respectively for EHOD and 0.96 and

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East Devon sub-areas. It should be noted that this definition slightly over-estimates the size of the Joint Area.

[9] Employment Location Quotient (ELQ) An employment location quotient of less that 1.00 indicates that employment in the sector is under-represented in EHOD compared to the wider area. A quotient of greater than 1.00 indicates that employment in the sector is over-represented.

1.04 respectively for Exeter TTWA. The sector has grown particularly robustly since 1996, averaging 2.9% growth per annum and has provided the second largest number of additional jobs to the area, at over 10,500. Despite this growth, its relative significance has remained unchanged.

3.27 Exeter accounts for the largest proportion of employment in the distribution, hotels & restaurants sector at over half, closely followed by East Devon. Mid Devon and Teignbridge account for approximately 17% between them as only a handful of their settlements fall within the Exeter TTWA.

3.28 Retail trade is the main sub-sector, accounting for nearly 45% of all employment in the sector. Furthermore, retail employment has been growing strongly at an average rate of 3.6% per annum. Exeter accounts for the largest proportion (41%) of retail employment although Teignbridge and East Devon have experienced above average growth since 1996.

3.29 Hotels & restaurants have also seen strong employment growth, averaging 4.1% per annum. The majority of the growth has come from employment in bars and restaurants. Hotel & restaurant employment in East Devon has considerably underperformed compared to the other Districts, although still averaged growth of 2.1% per annum.

3.30 The performance of the wholesale & commission trade sector has been mixed across the sub-region. Mid Devon recorded the strongest growth, at 5.5% per annum equating to 435 additional jobs since 1996, whilst Exeter saw the weakest performance with the employment level remaining unchanged. Overall, employment growth in EHOD has been driven by a small number of medium and large firms which typically do not need to be located within main urban areas.

Banking, Finance & Insurance

3.31 The banking, finance & insurance sector (which includes various business and professional services) has been one of the fastest growing sectors in EHOD, as it has in the South West and England & Wales. However, the sector is under-represented in EHOD, indicated by ELQs of 0.85 with respect to the South West and 0.72 compared to England & Wales. Looking at just the Exeter TTWA the sector is better represented, with ELQs of 0.93 with respect to the South West and 0.85 with respect to England & Wales. This strength of growth in the sector in the regional nad national economies and the slight under-representation in the Exeter TTWA indicates that there is strong potential for further growth in such activities. These businesses typically are office-based.

3.32 Other business activities (which includes services such as professional services, management consultancy, software consultancy, repair of office machinery, advertising, industrial cleaning and labour recruitment) is the principal sub-sector, accounting for nearly 60% of total employment in the sector. It has been growing particularly strongly, averaging 5.6% per annum, well above the 3.4% and 3.2% recorded regionally and nationally. Nearly all of the growth seen in EHOD has come during the last four years. Real estate activities and computer & related activities have also performed well.

3.33 The relocation of the MET Office has provided a boost to employment in this sector. It is estimated that the MET Office currently provide between 1,500 and 2,000 jobs in Exeter. According to the Experian, Thompson and Yellow Pages, the MET Office is classed as providing ‘weather services’. This therefore classifies it within SIC:7430: Architectural & engineering activities & related technical consultancy, which is a part of the ‘other business activities’ sub-sector.

3.34 Exeter accounts for over 56% of all banking, finance & insurance employment in EHOD (and 70% of that in Exeter TTWA) and has seen by far the highest level of employment growth. The same pattern can be seen when looking simply at the ‘other business activities’ sub-sector.

3.35 East Devon has been the only District where growth in the sector has been weak. This reflects the relatively low level of growth in the ‘other business activities’ sub-sector (2.0% per annum compared to 5.6% in EHOD).

3.36 Employment growth has taken place across all business sizes, although in Exeter it has been more focussed on medium and large-sized businesses.

Construction

3.37 Employment in the construction sector has seen particularly rapid growth since 1996, averaging 9.1% per annum. Growth has been strong regionally and nationally, averaging 6.4% and 4.2% per annum respectively. However given that this is considerably below the EHOD average, the ELQ has increased which demonstrates that sector is now considerably over-represented.

3.38 The ELQ for the Exeter TTWA is 1.20 with respect to the regional economy and 1.26 compared to the national economy. This reflects the development boom in the area over recent years. The ELQ for EHOD against the South West has increased from 1.16 in 1996 to 1.32 in 2004 and the ELQ against England & Wales has increased from 1.07 in 1996 to 1.38 in 2004.

3.39 Rest of Exeter, East Devon and Teignbridge each account for a considerable amount of construction employment. However for Teignbridge the majority of this is located outside of the Exeter TTWA. Growth has been strong in all four local authority areas, although weakest in Exeter. This may provide an indication of development projects dispersing away from the main urban area and/or the need for construction companies to be located outside Exeter.

Transport & Communications

3.40 The transport & communications sector has seen strong percentage growth in EHOD since 1996, averaging 4.1% per annum. This is over double the rate seen in the wider areas, where growth was 1.9% in the South West and 1.6% in England & Wales. This growth has brought the representation of the sector into line with that of the national economy, shown by an increase in its ELQ from 0.89 in 2006 to 0.97 in 2004. However, it has become slightly over-represented when compared to the regional economy, shown by an increase in its ELQ from 1.06 to 1.17 over the same period. The ELQ for the Exeter TTWA was 1.24 with respect the regional economy and 1.03 with respect to the national economy.

3.41 Post & telecommunications is the main source of employment in the sector, accounting for close to half of the total. It has also accounted for approximately half of the total increase in employment, providing over 1,500 jobs. Over three quarters of the post & telecommunications employment is located within Exeter and it is the latter which is the predominant employer. Telecommunications employment growth has been driven by the relocation or expansion of two large employers. Excluding these employers telecommunications employment growth averaged 2.3% between 1996 and 2004.

3.42 Employment in land transport is split relatively evenly between the four local authority areas. However, only East Devon has experienced any growth since 1996. Essentially all of the air transport activities are based in East Devon around Exeter airport.

Other Services

3.43 The ‘other services’ sector has seen slightly below average growth in employment in EHOD. Growth has been held down by a poor performance in Exeter, where employment fell by 650 jobs in Sewage & refuse disposal, sanitation & similar activities. Employment in these activities has fallen in each of the Districts as well as regionally and nationally. Overall the sector is well represented in EHOD and Exeter TTWA and is broadly inline with its representation in the regional and national economies.

Manufacturing

3.44 Manufacturing employment has been declining at an average rate of -2.6% per annum in EHOD since 1996. This broadly mirrors the national and regional trends where manufacturing employment has declined at a rate of -2.4% and -3.3% respectively. Manufacturing is under-represented in EHOD, indicated by ELQs of 0.67 and 0.65 compared to the South west and England & Wales respectively. When looking solely at the Exeter TTWA the sector is further under-represented with ELQs of 0.45 and 0.43. This under-representation and therefore reduced reliance on the sector means that further declines in the sector are likely to have less overall impact on employment and the economy than regionally and nationally.

3.45 Part of the reason for the decline has been overseas competition. This is particularly true for activities with high labour costs, which can react by moving to locations where labour is less expensive, and where trade barriers have been removed or reduced, such as in the textiles industry.

3.46 Employment levels have fallen particularly strongly for medium businesses with the total number of medium businesses falling by 5.4% per annum since 1996 and the level of employment by 6.6%. Micro businesses however have seen some growth (the only one of the four business size bands to grow) with the number of business units growing at 0.4% per annum since 1996 and employment by 1.8%.

3.47 Manufacturing employment is spread relatively evenly across the four Districts, however only Exeter has recorded any growth. East Devon in particular has seen a strong rate of decline, averaging -5.5% per annum. When looking at just the Exeter TTWA approximately half of manufacturing employment is located in Exeter, outside of the city centre.

3.48 The best performing manufacturing sub-sector has been the ‘manufacture of machinery & equipment’. Employment is this sub-sector has increased at an average annual rate of 11.2%, although there was a particularly large increase between 1998 and 1999. Since 1999 growth has averaged 1.6% per annum. The sector has shown robust growth in all of the local authority areas except for East Devon where it has declined.

3.49 Recycling has shown a strong proportional increase. It has increased from a very small base and has provided an additional 109 jobs since 1996. The majority of these have been provided in East Devon.

3.50 There have been falls in employment in a variety of sub-sectors, the largest of which are identified in Appendix A (Table A.14). Despite the long-term decline of the manufacturing sector, improvements in productivity have been significant with restructuring leading to a shift from labour-intensive activities to more high value activities. Over the 20 years between 1981 and 2001 the proportion of people employed in manufacturing fell from 12.1% to 7.8% of total employment. Over the same period the value in real terms of goods produced rose by 35%. This can be seen at the County level in recent years where manufacturing employment in Devon has declined but output (in terms of GVA) has continued to increase. Despite the trend of long-term decline there remain growth opportunities within the sector, particularly from high-tech and high value activities in small to medium-sized companies. Positive planning policies for economic development should include sufficient provision for new and expanding manufacturing employers with particular regard to:

- Providing premises which are fit for purpose for modern occupiers particularly those engaged in light industrial activities;
- Offering a wide range of industrial sites and premises in terms of size;
- Planning for on-going restructuring in order to anticipate downsizing, diversifying, consolidation, relocation and closure activities. Moreover, consideration should be given to the needs of new and small businesses operating in a wide range of production, processing and R&D markets. Policies should focus on retaining and attracting industrial sectors which can operate competitively in locations throughout the TTWA.

Agriculture & Fishing

3.51 The agriculture & fishing sector saw employment decline by around 2,700 between 1997 and 2004, equivalent to an average growth rate of -8.6% per annum. This is broadly inline with the regional and national performance, where growth rates averaged -8.7% and -7.7% respectively. The sector is following a long term pattern of regional and national contraction, driven primarily by competition from overseas and changes to European agricultural and fisheries policies.

3.52 Employment is concentrated in the rural districts of East Devon, Mid Devon and Teignbridge although all have experienced significant decline. Despite the small and decreasing proportion of employment that the sector accounts for, it is an integral part of the EHOD economy. As such policies should focus on aiding farm diversification, environmentally sensitive practices and sustainable land management. Agricultural opportunities exist in the growing of non-food crops and energy crops.

3.53 There are also opportunities to convert disused farm buildings into small B1/B2 workspace thus aiding sustainable development of many rural locations. Funding is potentially available from Rural Renaissance for the conversion of rural premises.

Energy & Water

3.54 The energy & water sector is the smallest source of employment in EHOD, providing just 1.1% of the total (and 1.1% in Exeter TTWA). It has also seen a large reduction in the numbers employed since 1996, down by 1,142. Exeter is the main location for energy & water employment, accounting for close to three quarters of the total in 2004 (although the total level has fallen since 1996).

B USE CLASS EMPLOYMENT

3.55 Of total jobs in the Exeter TTWA, approximately 42% are in activities which typically occupy B-Use Class premises[10]. This highlights the importance of economic activities in the TTWA which either do not occupy formal premises or are accommodated in premises not traditionally classified as 'employment uses' under the Use Class system. These include key sectors such as retail / retail services, restaurants & cafes, leisure and many public sector activities.

3.56 The spread of B-use jobs across the TTWA is similar to the spread of total jobs, with the vast majority, 64%, located in Exeter (see Table 3.8).

3.57 In the development of an economic / employment strategy for the area, it is critical that appropriate consideration is given to the role and needs of businesses which fall outside of the B use class category.

[10] Appendix A sets out our definition of B use-class employment by SIC.

Table 3.8 – B-use employment

	1996		2004		Change in jobs	Average annual % growth
	Jobs	% of total	Jobs	% of total		
Exeter TTWA						
East Devon zone	n/a	n/a	15,352	22.5	n/a	n/a
Exeter CC zone	n/a	n/a	11,289	16.5	n/a	n/a
Rest of Exeter zone	n/a	n/a	32,495	47.6	n/a	n/a
Mid Devon zone	n/a	n/a	4,089	6.0	n/a	n/a
Teignbridge zone	n/a	n/a	5,051	7.4	n/a	n/a
Exeter TTWA TOTAL	n/a	n/a	68,276	100.0	n/a	n/a
Joint Area	n/a	n/a	16,883	24.7	n/a	n/a
Exeter Heart of Devon						
East Devon District	14,992	18.7	18,276	19.2	3,284	2.5
Exeter District	37,324	46.5	43,784	46.1	6,460	2.0
Mid Devon District	11,358	14.1	13,261	14.0	1,903	2.0
Teignbridge District	16,672	20.8	19,675	20.7	3,003	2.1
EHOD TOTAL	80,346	100.0	94,995	100.0	14,649	2.1
Wider Study Areas						
South West	12,606,500	n/a	13,364,956	n/a	758,456	0.7
England & Wales	1,028,971	n/a	1,116,075	n/a	87,104	1.0

Source: Annual Business Inquiry, NOMIS

KEY GROWTH & KNOWLEDGE-BASED SECTORS

3.58 The RES specifies eight key sectors in the South West, based on their existing or potential economic importance. These sectors represent, in part, the main knowledge-based activities in the region excluding professional services:

- Advanced Engineering and Aerospace;
- Biotechnology;
- Creative Industries;
- Environmental Technologies;
- Food and Drink;

- ICT;
- Marine Technologies; and
- Tourism and Leisure.

3.59 The RES does not provide any authoritative definition of the key sectors. Consequently, for the purposes of this study, definitions are based upon previous research conducted for SWRDA in relation to the sectors including those by DTZ[11] and Arthur D Little[12]. A list of the SICs included within each sector can be found in Appendix A.

3.60 For the purposes of this study, we have extracted key sub-sectors from the list of RDA key sectors in order to define a 'Knowledge and Science' Sector. This is particularly important is planning for economic development in the Exeter TTWA given the aspirations for a Science Park at Redhayes and the high value growth potential inherent which characterise these activities.

3.61 It is important to note that the knowledge and science group of sectors does not include all knowledge-intensive sectors: Broader, non-science activities such as finance & business services, education and cultural activities are sometimes included in definitions of knowledge-based sectors. However, in order to focus the analysis on strictly high technology and science-based activities, we consider it important to concentrate on a more pure definition of knowledge industries. Our definition builds on previous studies undertaken by SQW[13], Arthur D Little[14] and David N E Rowe[15].

3.62 Table 3.9 shows employment levels and recent growth trends for the key RES sectors and the composite group of activities which comprise our 'knowledge & science' sector. Table 3.10 provides the same information but excludes employment provided by large businesses, in order to provide a clear picture of underlying trends which are not influenced by the decisions of a relatively small number of individual businesses.

[11] Research on Current and Emerging Industrial Sectors and the Implications for Skills and Business Development, DTZ Pieda Consulting (2000).
[12] The State of the Key Sectors; Arthur D Little (2004).
[13] Feasibility Study for a Science Park in Exeter, SQW (2003).
[14] Exploiting the Knowledge Base of the South West of England – Part 2 Incubators and Science Parks, Arthur D Little (2003).
[15] Exeter Science Park – Moving Forward to Establish a Science Park at Exeter, David N E Rower (2004).

Science & Knowledge Employment

3.63 Table 3.9 shows that the TTWA includes a significant number of highly skilled jobs in knowledge and science sectors (advanced engineering, biotechnology, creative industries, environmental technologies, ICT and marine technologies).

3.64 In 2004, nearly 11,700 science & knowledge jobs were provided, representing approximately 6% of total employment in the TTWA. The table also shows that employment in these sectors has grown by around 2,500 jobs over the last decade, representing an average annual increase of 2.4% (compared to 0.2% for the South West as a whole). This highlights the importance of the TTWA's regional role as a technology and knowledge-based employment centre.

3.65 Excluding the effect of large businesses such as the Met Office (Table 3.10), the underlying growth rate increases to 2.9% per annum: ICT, Environmental technologies and Creative industries have been the main sources of growth in the Exeter TTWA.

Table 3.9 – Key Sector Employment

	Exeter TTWA		EHOD				South West		
	2004	As % of EHOD	1996	2004	Per annum % growth	Change 96-04	2004	Per annum % growth	Change 96-04
Advanced Engineering	688	62.4	2,505	1,102	-9.8	-1,403	50,508	-2.4	-10,749
Biotechnology	118	76.6	522	154	-14.2	-368	11,474	4.4	3,370
Creative Industries	4,907	83.1	2,801	5,903	9.8	3,102	53,292	1.5	6,134
Environmental Technologies	1,443	77.2	3,646	1,869	-8.0	-1,777	19,005	-3.6	-6,497
Food & Drink[16]	1,183	21.4	8,977	5,539	-6.7	-3,438	61,859	-2.7	-14,844
ICT	3,835	87.1	2,656	4,403	6.5	1,747	52,763	1.6	6,471
Marine Technologies	690	51.0	69	1,352	45.0	1,283	13,197	4.6	4,011
Tourism & Leisure	6,105	69.9	7,857	8,737	1.3	880	100,665	1.1	8,609
Science & Knowledge	11,681	79.0	12,199	14,783	2.4	2,584	200,239	0.2	2,740

Note: The Science & Knowledge sector is made up of Advanced Engineering, Biotechnology, Creative Industries, Environmental Technologies, ICT and Marin Technologies. It excludes most standard business & financial service activities which are commonly thought of as Knowledge sectors.

Source: Annual Business Inquiry, NOMIS

[16] Food & drink employment refers to 1997 not 1996 due to data reliability issues for 1996.

Table 3.10 – Key Sector Employment (Excluding Large Businesses[17])

	EHOD				South West		
	1996	2004	Per annum % growth	Change 96-04	2004	Per annum % growth	Change 96-04
Advanced Engineering	1,283	1,102	-1.9	-181	18,508	-1.2	-1,884
Biotechnology	112	154	4.1	42	4,307	2.7	833
Creative Industries	2801	3471	2.7	670	43,126	1.1	3,550
Environmental Technologies	1,132	1,514	3.7	382	15,331	-0.3	-392
Food & Drink	2256	4485	9.0	2,229	42,538	-3.1	-12,410
ICT	1,309	2,078	5.9	769	35,349	3.5	8,404
Marine Technologies	69	88	3.1	19	3,017	2.8	598
Tourism & Leisure	7131	8523	2.3	1,392	94,211	1.6	11,382
Science & Knowledge	6706	8,407	2.9	1,701	119,638	1.2	11,109

Source: Annual Business Inquiry, NOMIS

[17] Large businesses are classified as those employing 200 or more employees.

Advanced Engineering

3.66 Employment in the sector declined in EHOD at an average rate of 9.8% per annum between 1996 and 2004, a far stronger rate of contraction than was seen regionally and nationally. The decline in the sector has been driven by the loss of two large businesses in the 'manufacture of aircraft and spacecraft sub-sector'. Looking at the trend data excluding these large businesses (Table 3.9), the rate of decline falls to -1.9% per annum. The main area of growth has been in the 'manufacture of medical and surgical equipment and orthopaedic appliances'.

Biotechnology

3.67 The sector has seen employment fall at an average rate of 14.2% per annum between 1996 and 2004, unlike the regional and national trends where growth has been recorded. The decline has been due to the loss of a major employer in 2003. Excluding this employer (Table 3.9), employment in the sector has grown at a rate of 4.1% per annum, although it remains relatively small.

Creative Industries

3.68 Employment in creative industries in EHOD has expanded significantly since 1996 with the architectural and engineering activities & related technical consultancy sub-sectors driving growth. The relocation of the Met Office to Exeter formed an important part of this growth. Total employment has increased by approximately 3,100 whilst employment in the architectural sub-sector has increased by over 2,000. Excluding these large employers employment growth in the creative industries has averaged 2.7% per annum, with robust rates of growth seen in nearly all of the included activities.

Environmental Technologies

3.69 The 'collection, purification & distribution of water' and 'sewage & refuse disposal, sanitation & similar activities' sub-sectors have both seen a large decline in employment since 1996. This has had the effect of driving down total employment in the environmental technologies sector. Both sub-sectors have contracted as a result of the loss or relocations of some large businesses. Conversely, both have experienced strong growth in micro and small businesses. Employment growth in smaller businesses, in particular for the 'recycling of metal waste & scrap' sub-sector have been robust, averaging 3.7% per annum.

Food and Drink

3.70 The food & drink sector has seen employment fall across nearly all of its sub-sectors and business sizes in both the agricultural and manufacturing related areas. This has resulted in a loss of over 3,400 jobs since 1997 in the EHOD sub-region. The rate of employment contraction in the sector (-6.7% pa) exceeded regional and national rates of decline.

ICT

3.71 Employment in ICT has expanded robustly since 1996, averaging 6.5% per annum, outstripping the rates of growth in the South West and nationally. Employment growth excluding all large employers has averaged 5.9% per annum since 1996. The only sub-sectors to have seen employment levels contract have been those related to the manufacture of televisions. The main drivers of growth have been telecommunications, software consultancy & supply and other computer related activities. This is a key knowledge-based sector in the TTWA which displays significant potential for further growth in the future.

Marine Technologies

3.72 The main source of employment within this sector is the manufacture of engines & turbines (except aircraft, vehicle & cycle engines). This area has been boosted by the arrival of two large employers who account for 95% of total employment in the sector. Excluding these employers the sector is very small, although growth has been robust over the last decade.

Tourism and Leisure

3.73 Employment growth in the sector has come from a range of activities. The only two to show any significant reduction in employment numbers have been Hotels and Library services. Overall employment growth averaged 1.3% between 1996 and 2004, slightly above that seen regionally but below the 2.1% recorded nationally. Small and medium-sized business account for the bulk of employment and have also provided the impetus for growth.

UNEMPLOYMENT & QUALIFICATIONS

Unemployment

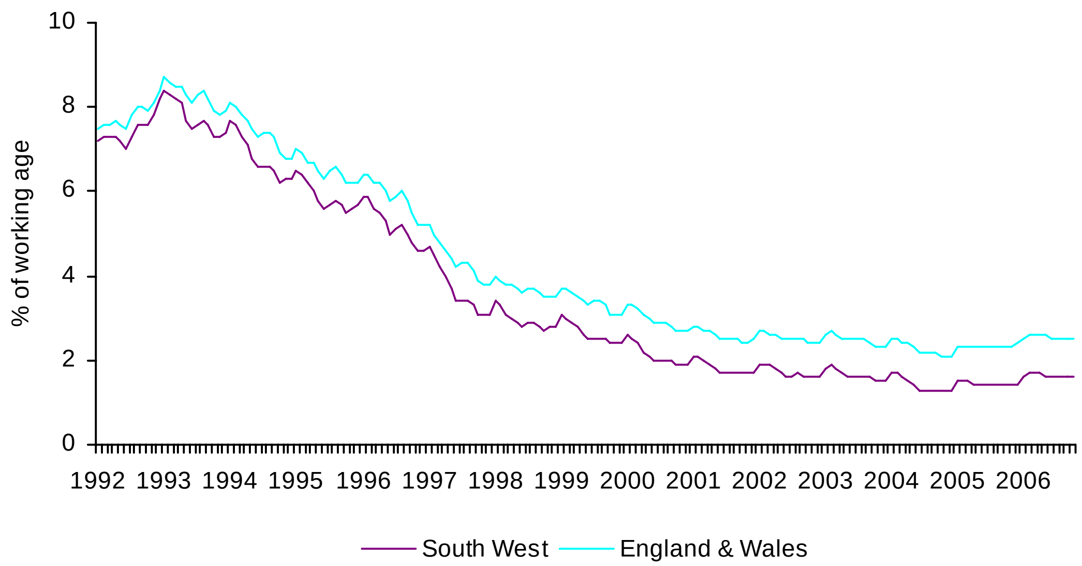
3.74 Table 3.11 shows the unemployment rate as a percentage of the working age and economically active populations. Figure 3.5 shows unemployment through the claimant count measure, which looks at the percentage of the working age population claiming unemployment benefit. Both measures show that unemployment has fallen considerably since 1991. Notably the level of unemployment in Exeter is significantly above that of the South West and England & Wales. The rest of the Exeter TTWA has recorded very low unemployment levels.

Table 3.11 – Unemployment Levels and Rates

	1991			2001			Total % change 1991-2001
	Number of people	% of working age pop	% of econ active pop	Number of people	% of working age pop	% of econ active pop	
Exeter	3 608	7.4	5.8	2 105	3.9	2.8	n/a
East Devon zone	n/a	n/a	n/a	1378	2.4	3.2	n/a
Mid Devon zone	n/a	n/a	n/a	492	2.8	3.6	n/a
Teignbridge zone	n/a	n/a	n/a	732	2.5	3.4	n/a
Exeter TTWA	n/a	n/a	n/a	4 707	2.6	3.6	n/a
Exeter TTWA (excl. economically inactive students)	n/a	n/a	n/a	4 707	2.8	3.9	n/a
South West	167 845	5.8	7.7	89 679	2.9	3.8	-46.6
England & Wales	2 227 267	7.0	9.3	1 250 093	3.8	5.1	-43.9

Source: Census 1991 & 2001, NOMIS

Figure 3.5 – Claimant Count Rate

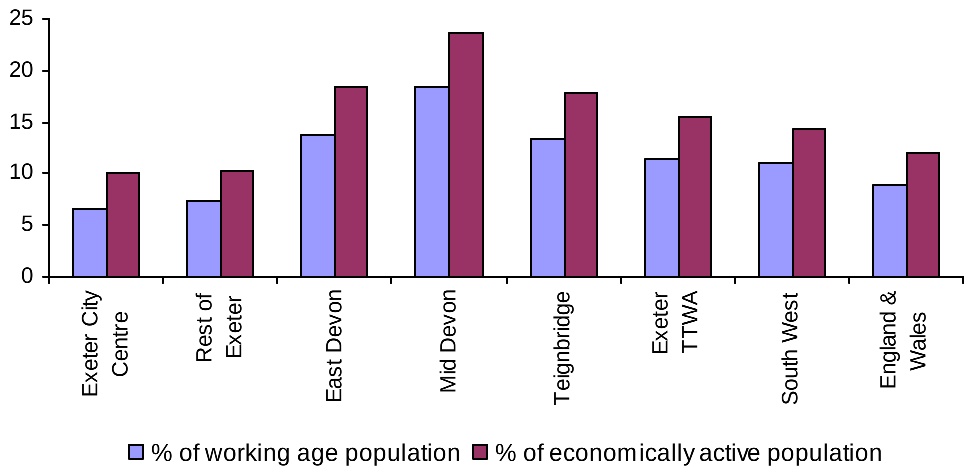


Source: Claimant Count, NOMIS

Self Employment

3.75 In 2001 there were approximately 20,500 working age people self employed in the Exeter TTWA. This equates to 15.6% of the total working age population and 11.5% of the economically active population, above the regional and national averages. Self employment is highest outside of the main urban area of Exeter, particularly in Mid Devon where close to 24% of the working age population are registered as self employed (Figure 3.6).

Figure 3.6 – Self Employment (2001)



Source: Census 2001, NOMIS

Qualifications

3.76 Table 3.11 shows that the proportion of the working age populations by their qualification levels. Exeter TTWA has a well educated workforce with just 25.2% having no qualifications and 19.7% being qualified to Level 4/5, which compares favourably with the regional and national averages. In particular Exeter City Centre has a well qualified workforce.

Table 3.12 – Qualifications (% Working Age Population 2001)

	No qualifications	Level 1	Level 2	Level 3	Level 4/5	Other / unknown
Exeter City Centre	18.2	11.2	18.3	22.7	25.3	4.2
Rest of Exeter	24.6	16.0	18.7	14.4	19.9	6.3
East Devon zone	25.2	17.5	22.2	8.4	19.1	7.6
Mid Devon zone	25.7	16.8	21.0	7.6	21.6	7.2
Teignbridge zone	26.9	17.1	21.3	7.6	18.8	8.2
Exeter TTWA	25.2	16.7	20.5	10.8	19.7	7.1
South West	26.2	17.7	21.4	8.6	18.8	7.2
England & Wales	29.1	16.6	19.4	8.3	19.8	6.9

Source: Census 2001, NOMIS

Earnings

3.77 Earnings data is only available by District. Earnings are generally lower in the South West compared to the national average. Both East Devon and Mid Devon have higher residence based earnings than workplace based (Figure 3.7). Conversely, Exeter has higher workplace based earnings. This indicates that for East Devon and Mid Devon there is a pattern of out-commuting to better paid jobs, whilst for Exeter there is a pattern of in-commuters to Exeter securing many of the better paid jobs.

Figure 3.7 – Earnings (£/week 2004)

House Prices

3.78 The average house price in EHOD reached £208,900 in the second quarter of 2006. This is above the Devon, South West and national averages and is equivalent to a 175% increase since 1998. This is equal to more than ten times the median full-time earnings level, which is greater than the Devon, South West, South East and national ratios. Table 3.12 highlights average house prices in the second quarter of 2006.

Table 3.13 – Average House Prices (Q2-2006)

Area	Price (£)
Exeter	188 700
East Devon	232 900
Mid Devon	195 900
Teignbridge	207 300
EHOD	208 900
Devon	196 200
South West	205 800
South East	236 900
England & Wales	199 200

Source: Economic Trends Report, Exeter City Council

Business Size

3.79 When looking at the average size of business units in EHOD, the pattern is broadly in line with that of the regional and national economy. However, the proportion of employment within micro and small businesses is greater than in the regional and in particular the national economies.

3.80 Significantly there is a clear difference in the size structure of Exeter's businesses compared to the other three more rural Districts. Approximately 77% of Exeter's business units are of micro size (1-10 employees) compared to around 85% in the rest of the TTWA. This difference is even more pronounced when looking at employment data: less than 15% of employment in Exeter is in micro businesses, compared to over 30% in the rest of the TTWA. Moreover, around 40% of employment in Exeter is accounted for by large businesses, which is a higher proportion than that for both the South West (30%) and England & Wales (33%). This reflects the City's role as a major business location in the region.

4. BUSINESS SURVEY RESULTS

INTRODUCTION

4.1 A survey of indigenous businesses within the Exeter TTWA was conducted in order to provide an assessment of office occupiers' perceptions of Exeter City Centre as a business location. The purpose of undertaking the survey was to supplement our demand analysis in respect of need for office accommodation in the City Centre. This responds to the emphasis given in the draft RSS regarding the significance of latent demand for new office accommodation in the City Centre.

METHODOLOGY

4.2 The information was collected through a series of 10 minute interviews with 100 businesses located within the Exeter TTWA. Interviews were conducted with owners, managers and directors. Appendix B contains a copy of the Business Survey Questionnaire.

4.3 The sample frame was taken from the Annual Business Inquiry, and the sample itself was drawn from the Experian business database. The interviews were split between businesses located within Exeter City (50) and business located in other parts of the TTWA. All the businesses within the sample were categorised as financial and business services in order to ensure focus on office occupiers.

4.4 The business size bands were:

- Small (0 -10 employees)
- Medium (11 - 49 employees); and
- Large (50 + employees).

4.5 The findings have been analysed by location (businesses either within Exeter or outside Exeter) and by company size.

4.6 It should be highlighted that some questions were 'follow on' questions, meaning that a respondent's response to a prior question would dictate whether they were asked the question or not. As such many of these 'follow on' questions were not asked to the entire sample population, which sometimes resulted in the number of responses being small. Consequently, caution should be applied in the interpretation of these responses.

Survey Sample

4.7 Table 4.1 sets out the survey sample population by location and size of business. The table shows that a higher proportion of smaller sized businesses (in terms of the number of people employed) were located outside of Exeter. Of the large businesses interviewed, all but one was located inside the Exeter area.

Table 4.1 – Size of Business and Location

No. of People Employed	Total no. of Businesses	Current Business Location: Exeter Area		Current Business Location: Other parts of TTWA	
		No. of Businesses	% of total	No. of Businesses	% of total
1 to 10 (small)	65	25	50.0%	40	80.0%
11 to 25 (medium)	19	11	22.0%	8	16.0%
26 to 49 (medium)	5	4	8.0%	1	2.0%
50 to 100 (large)	9	8	16.0%	1	2.0%
101 to 250 (large)	2	2	4.0%	0	0.0%
Total	**100**	**50**	**100.0%**	**50**	**100.0%**

4.8 Tables 4.2 and 4.3 demonstrate the main business functions performed by the respondent firms and the basis on which they occupy their premises. Table 4.2 shows that a higher proportion of businesses located in the Exeter area carry out the 'delivery of professional or other services' than businesses located outside of Exeter. Table 4.3 illustrates that the vast majority of businesses located within Exeter City Centre occupy their premises on a leasehold basis.

Table 4.2 – Current Business Location and Main Business Functions

Business Functions	Total no. of Businesses	Exeter Area		Outside of Exeter	
		No. of Businesses	% of total	No. of Businesses	% of total
Delivery of professional or other services	54	30	60.0%	24	48.0%
Routine office functions, e.g. the processing of accounts or records	16	10	20.0%	6	12.0%
Sales direct to customers or clients	11	5	10.0%	6	12.0%
Construction activities	9	5	10.0%	4	8.0%
Production or assembly line operations	6	2	4.0%	4	8.0%
Estate Agents / Letting Agent	6	0	0.0%	6	12.0%
Transport or haulage of goods and services	4	2	4.0%	2	4.0%
Design	4	2	4.0%	2	4.0%
Engineering	3	2	4.0%	1	2.0%
Computer Repairs	2	0	0.0%	2	4.0%
Call centre or volume telephone-based operations	1	0	0.0%	1	2.0%
Research & Development	1	1	2.0%	0	0.0%
Education or training	1	0	0.0%	1	2.0%
Storage	1	1	2.0%	0	0.0%
Total	**100**	**50**	**100.0%**	**50**	**100.0%**

Table 4.3 – Current Business Location and Occupation of Premises

Current Occupation of Premises	Total no. of Businesses	Exeter Area		Outside of Exeter	
		No. of Businesses	% of total	No. of Businesses	% of total
Leasehold	67	43	86.0%	24	48.0%
Work from Home	15	1	2.0%	14	28.0%
Freehold	10	4	8.0%	6	12.0%
Mobile Working	3	0	0.0%	3	6.0%
Licence	2	1	2.0%	1	2.0%
Share a shop	1	0	0.0%	1	2.0%
Don t Know / Refused	2	1	2.0%	1	2.0%
Total	**100**	**50**	**100.0%**	**50**	**100.0%**

EXETER CITY CENTRE AS A BUSINESS LOCATION

4.9 Overall, 19% of businesses (a total of 19) considered Exeter city centre to be a good business location with the image of the local area being an important contributor to this view. Of these, 15 were already located in the Exeter area. Additionally, businesses highlighted the City Centre's other key advantages to include: links to the M5 / national road network; accessibility for customers; and accessibility for staff. A higher proportion of medium and larger sized businesses considered the links with other local businesses to be good, compared to smaller sized businesses.

Table 4.4 – Aspects of Exeter City Centre Considered to be 'Good' as a Business Location

	Total no. of Businesses	Current Business Location		Size of Business		
		Exeter Area	Outside Exeter	Small	Medium	Large
Image of local area	19	15	4	9	6	4
Links to M5 / national road network	16	10	6	10	3	3
Accessibility of location for customers	15	9	6	8	5	2
Accessibility of location for staff	14	8	6	8	5	1
Links with other local businesses	11	7	4	4	5	2
Quality of public transport	9	3	6	5	2	2
Quality of site or premises	8	8	0	5	2	1
Good restaurants	6	4	2	3	1	2
Accessibility to Exeter Airport	4	1	3	2	1	1
Quality of labour locally	3	1	2	1	1	1
Good community facilities nearby	3	1	2	2	1	0
Good entertainment / leisure facilities for employees	3	2	1	0	2	1
Quality of local road and access	2	2	0	0	1	1
Quality of colleges and training providers locally	2	1	1	2	0	0
Good cafes	2	2	0	1	0	1
Good public realm/environment (e.g. street lighting/furniture, pavements)	2	2	0	0	1	1
Good customer base	2	0	2	1	1	0
Parking facilities	1	0	1	0	1	0
Good loading areas	1	0	1	0	1	0
Main commercial area for South West	1	0	1	1	0	0
Proximity to Cathedral	1	1	0	1	0	0
New shopping development	1	0	1	1	0	0
Proximity to Home	1	1	0	1	0	0
Total	**100**	**50**	**50**	**65**	**24**	**11**

4.10 Significantly, nearly 50% of businesses considered that a lack of parking facilities made Exeter city centre a poor business location (of which 28 were located within the Exeter area and 20 outside of the Exeter area). Over one quarter of businesses also highlighted poor local roads and access issues as having a negative impact (see Table 4.5).

Table 4.5 - Aspects of Exeter City Centre Considered to be 'Poor' as a Business Location

	Total no. of Businesses	Current Business Location		Size of Business		
		Exeter Area	Outside Exeter	Small	Medium	Large
Lack of parking facilities	48	28	20	28	12	8
Poor local roads and access	26	14	12	17	6	3
High rents / High property costs	9	4	5	4	3	2
Poor accessibility of location for staff	7	2	5	5	0	2
Cost of public transport	2	2	0	0	0	2
Low quality of site or premises	3	2	1	2	0	1
Poor availability of premises	4	3	1	2	1	1
Poor image of local area	5	2	3	4	0	1
Poor accessibility of location for customers	5	1	4	4	0	1
Poor links to national road network	9	7	2	5	3	1
Lack of restaurants	1	1	0	0	0	1
Traffic congestion	11	3	8	8	2	1
Lack of hotels	1	1	0	0	0	1
Poor quality of public transport	6	3	3	4	2	0
Poor quality of labour locally	1	0	1	1	0	0
Lack of local leisure facilities	1	1	0	0	1	0
Too far from home	1	0	1	1	0	0
New shopping development will cause empty shops elsewhere	1	1	0	0	1	0
Total	**100**	**50**	**50**	**65**	**24**	**11**

4.11 Figure 4.1 demonstrates that 28% of businesses located outside of Exeter, and 40% of businesses located in Exeter would consider Exeter City Centre as an appropriate location if they were seeking to relocate, expand or set up a new office in the Exeter area.

4.12 Figure 4.2 illustrates that larger businesses are more likely to consider the city centre as an appropriate location relative to smaller businesses: 55% of large businesses (with over 50 employees) stated that they would consider the city centre as an appropriate location, compared to only 29% of small businesses (with less than 10 employees).

Figure 4.1 – Business Location and Perceptions of the City Centre as an Appropriate Location

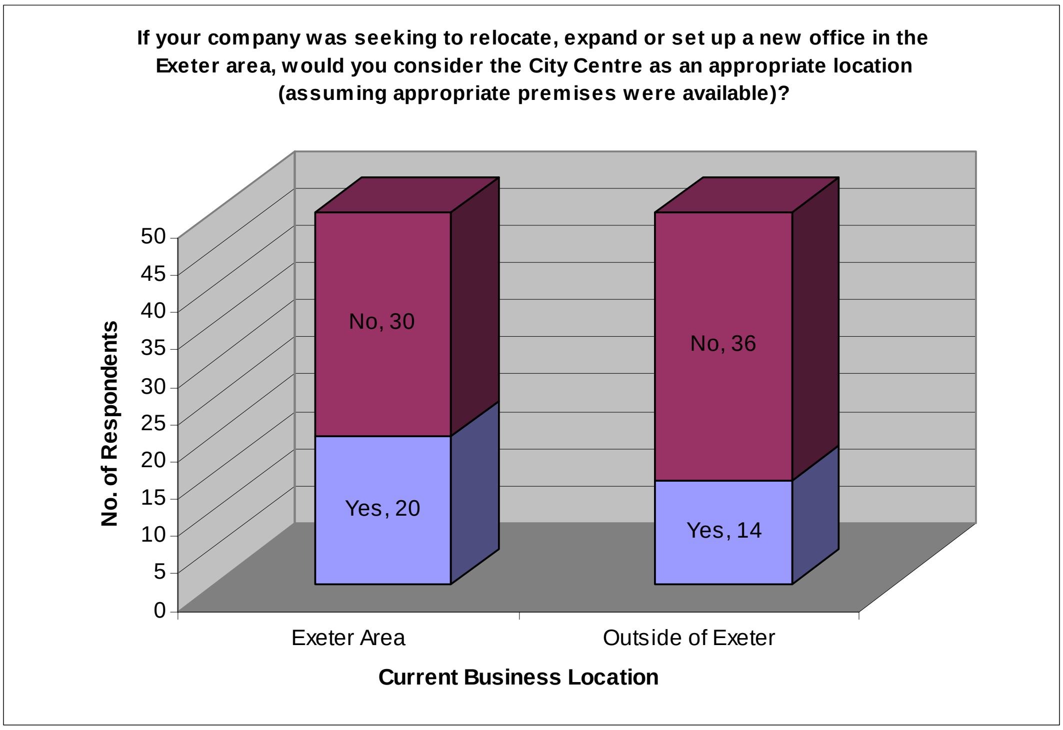
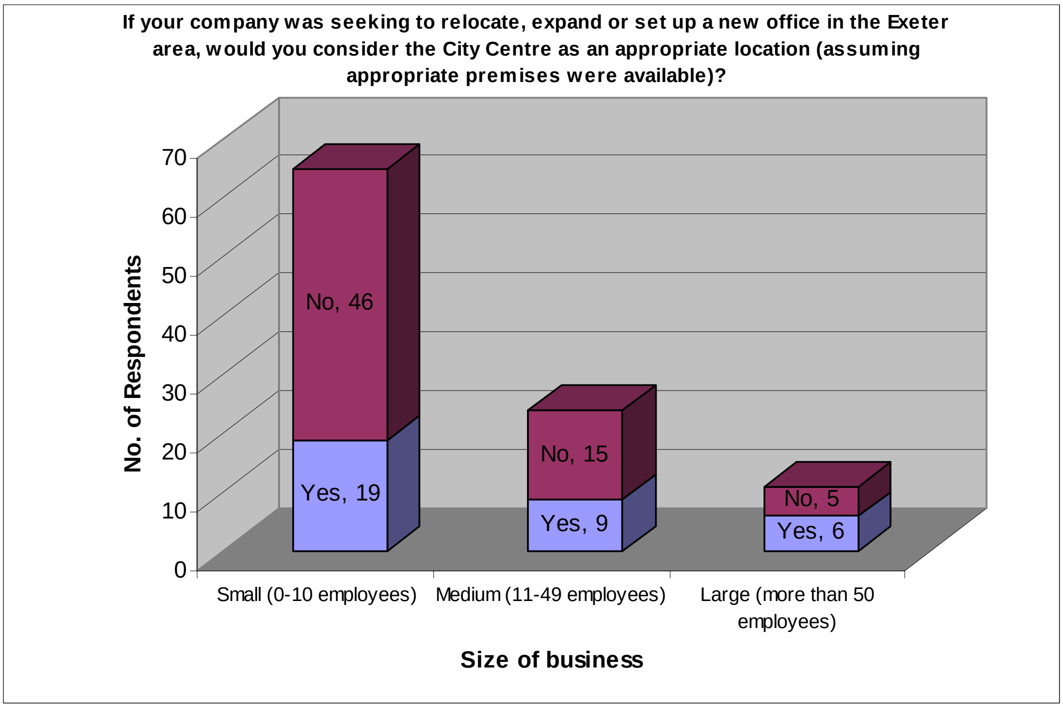


Figure 4.2 - Business Size and Perceptions of the City Centre as an Appropriate Location



4.13 Table 4.6 demonstrates that the following business functions were found to be the most likely to consider the city centre as an appropriate location: estate agents / letting agents; sales direct to customers or clients; and delivery of professional or other services.

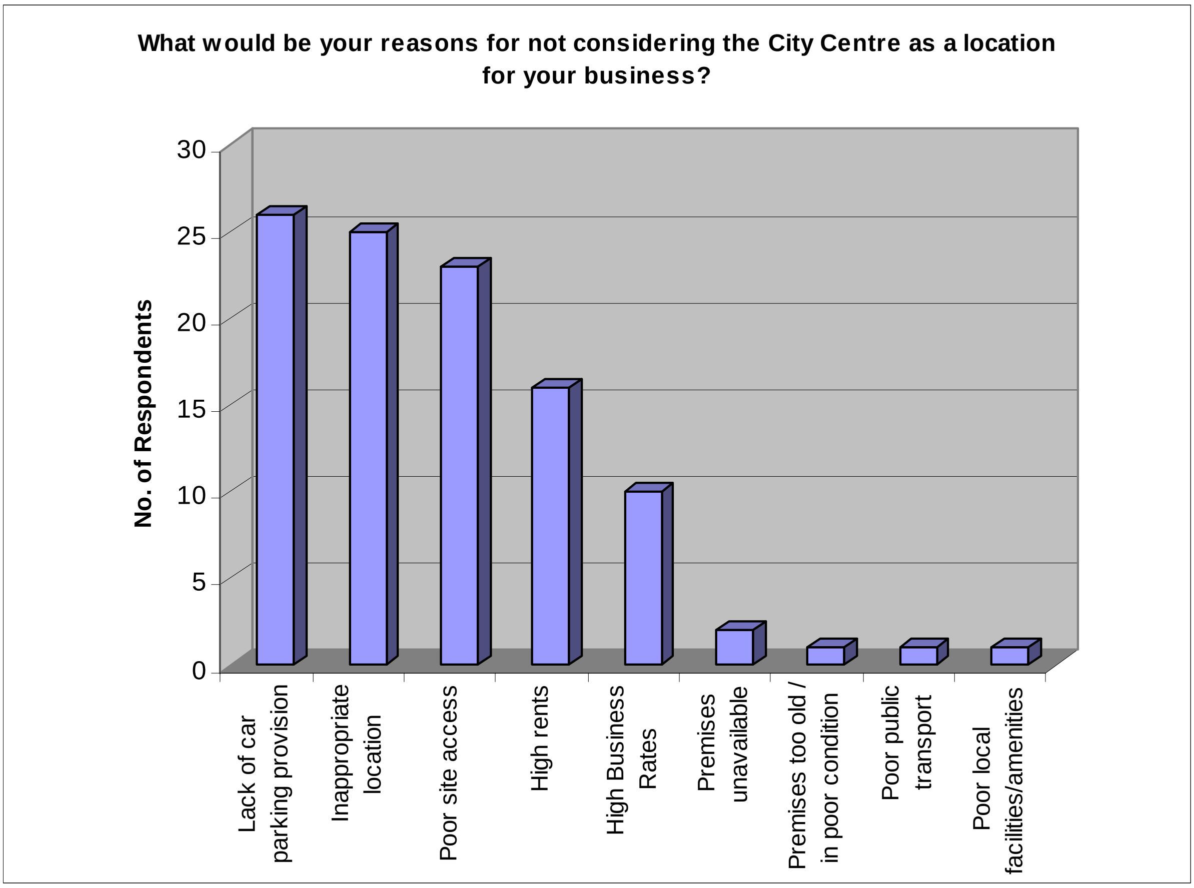
Table 4.6 – Main Business Function and Perceptions of the City Centre as an Appropriate Location

Business Function	Yes		No		Total
	No.	% of Total	No.	% of Total	
Estate Agents / Letting Agent	6	100.0%	0	0.0%	6
Research & Development	1	100.0%	0	0.0%	1
Computer Repairs	1	50.0%	1	50.0%	2
Sales direct to customers or clients	5	45.5%	6	54.5%	11
Delivery of professional or other services	23	42.6%	31	57.4%	54
Production or assembly line operations	2	33.3%	4	66.7%	6
Design	1	25.0%	3	75.0%	4
Routine office functions	3	18.8%	13	81.3%	16
Total	**34**	**34.0%**	**66**	**66.0%**	**100**

4.14 Figure 4.3 illustrates that the most frequently stated reason for not considering the city centre as a location for business was a lack of car parking (39%). Other reasons included a preference for a non-central location (38%) and poor site access (35%).

4.15 However, the reasons given varied according to the size of business: 29% of small businesses and 25% of medium sized businesses (that would not consider the city centre) stated that the location was not appropriate for them and they preferred a non-central location. A higher proportion of large businesses (27%) stated poor site access in the city centre, compared to medium sized businesses (25%) and small businesses (22%).

Figure 4.3 –Reasons for not Considering the City Centre as an Appropriate Location

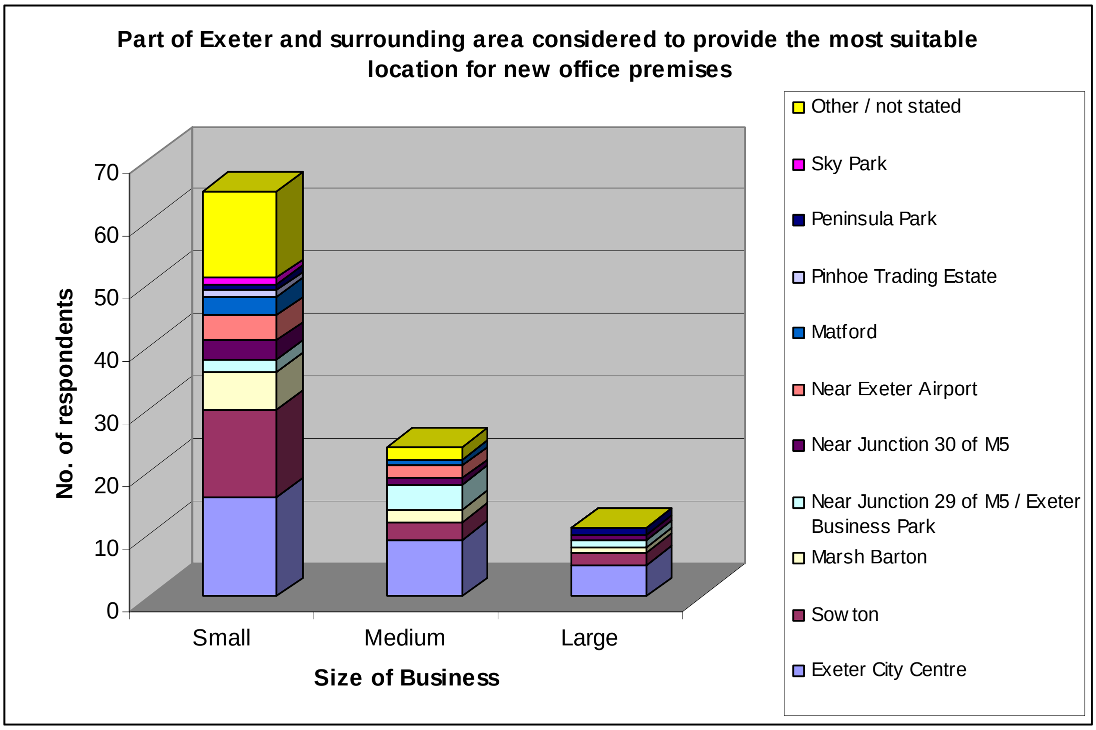


SUITABLE LOCATIONS FOR OFFICES

4.16 When asked to state the most suitable location within Exeter and the surrounding area for new office premises (to suit the respondent's type of business), 30% stated Exeter City Centre, with 19% and 9% highlighting Sowton and Marsh Barton respectively (Figure 4.4).

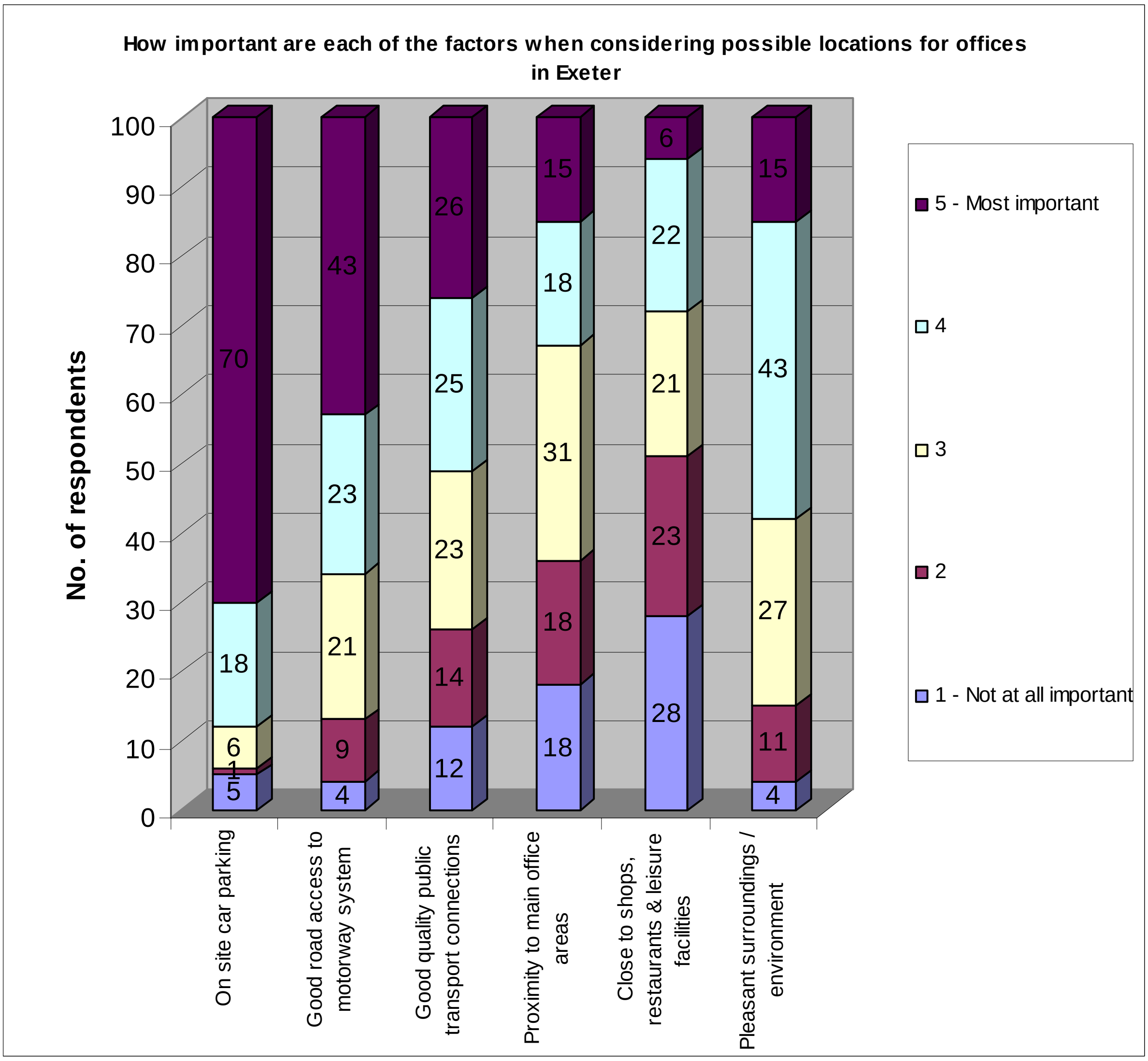
4.17 The area considered most suitable varied according to the size of business: 46% of large businesses considered Exeter city centre to be the most suitable location, compared to 38% of medium sized businesses and 25% of small businesses.

Figure 4.4 – Size of Business and Location Considered most Suitable for New Office Premises.



4.18 Figure 4.5 relates to the relative importance of various factors relating to potential office locations in Exeter. 70% of businesses rated on site car parking as '5 - most important', and 43% rated good road access to the motorway as '5 - most important'. 28% of businesses rated being close to shops, restaurants and leisure facilities as '1 - not at all important'.

Figure 4.5 – Important Factors when Considering Office Location

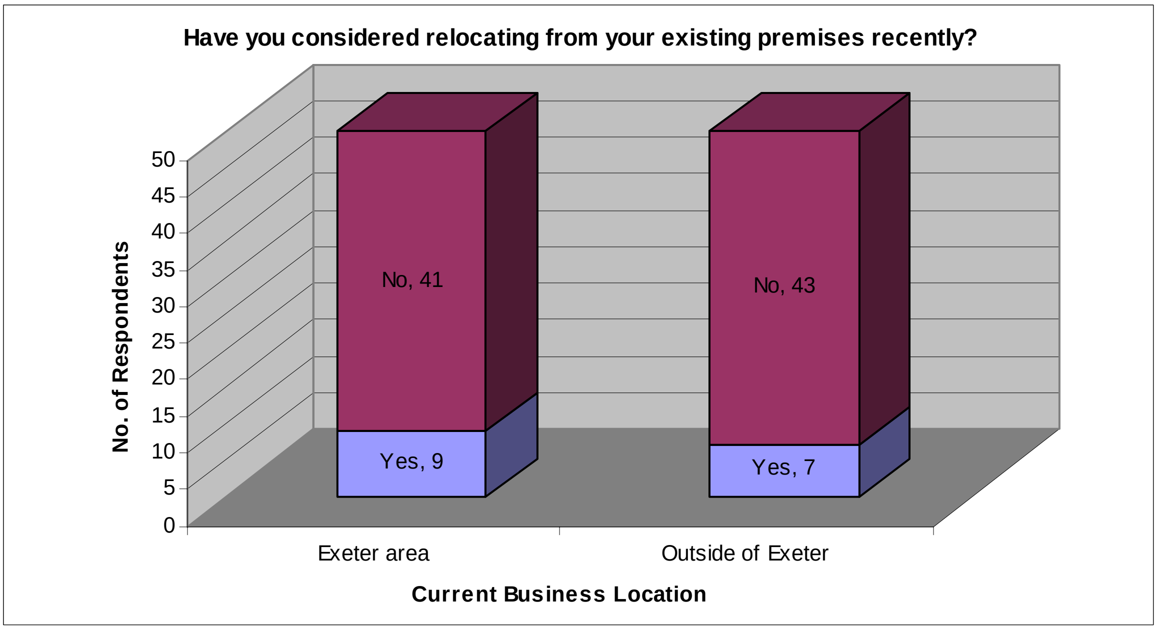


BUSINESSES CONSIDERING RELOCATION

4.19 Of all businesses interviewed, 16% stated that they had considered relocating from their existing premises recently. This included 18% already based in Exeter and 14% located in other parts of the TTWA (see Figure 4.6). Of these, 3 had considered relocating to near Exeter Airport, 2 to Exeter City Centre, 2 to Marsh Barton and 2 to Sidmouth.

4.20 Smaller sized businesses (14%) were found to be less likely to have considered relocation than medium (17%) or large sized businesses (27%).

Figure 4.6 – Location and Consideration of Relocation



4.21 Premises being too small was the most common reason for considering relocation followed by the need to expand and the desire to occupy premises on a freehold basis.

4.22 The majority of those considering relocation have been looking for other premises for more than one year, and require their new premises to be larger than those currently occupied (see Figure 4.7 and 4.8).

4.23 Of business already located in Exeter area considering relocation, 56% have been looking for new premises for over one year, compared to 29% for potentially relocating businesses based in other parts of the TTWA. This implies a lack of choice / shortage of supply in the main urban area.

4.24 All three of the large sized businesses seeking other premises have been looking for over one year, and all are looking for larger sized premises. 22% of small sized businesses have been looking for over one year, and only 44% are looking for larger sized businesses.

Figure 4.7 – Length of Time Looking for Other Premises

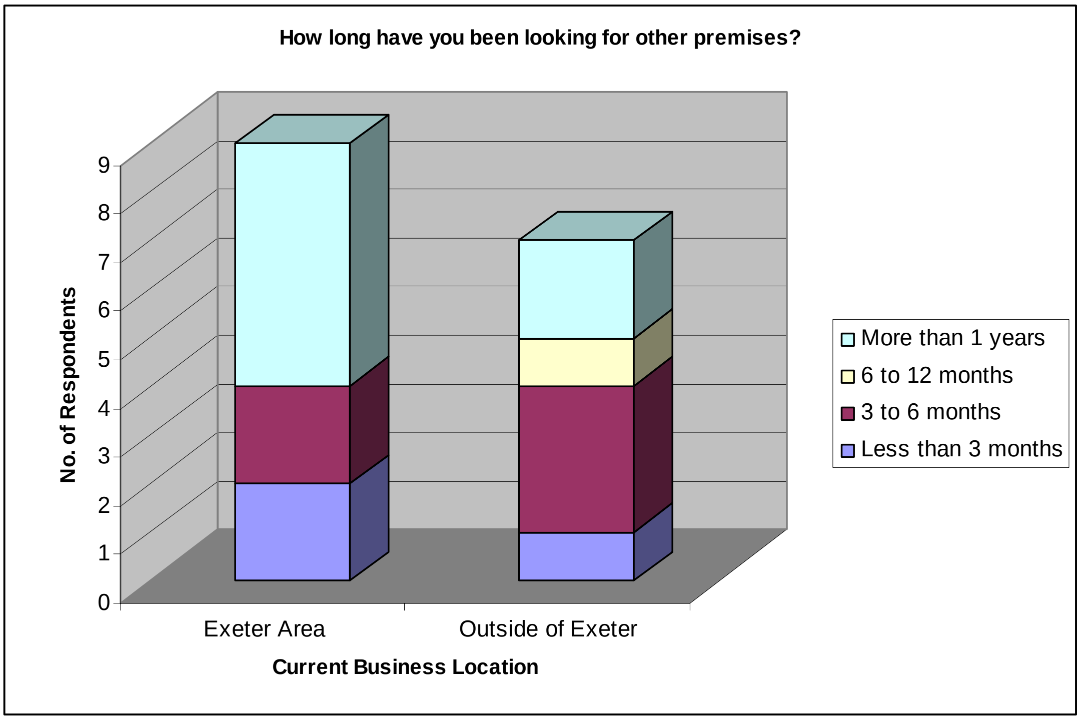
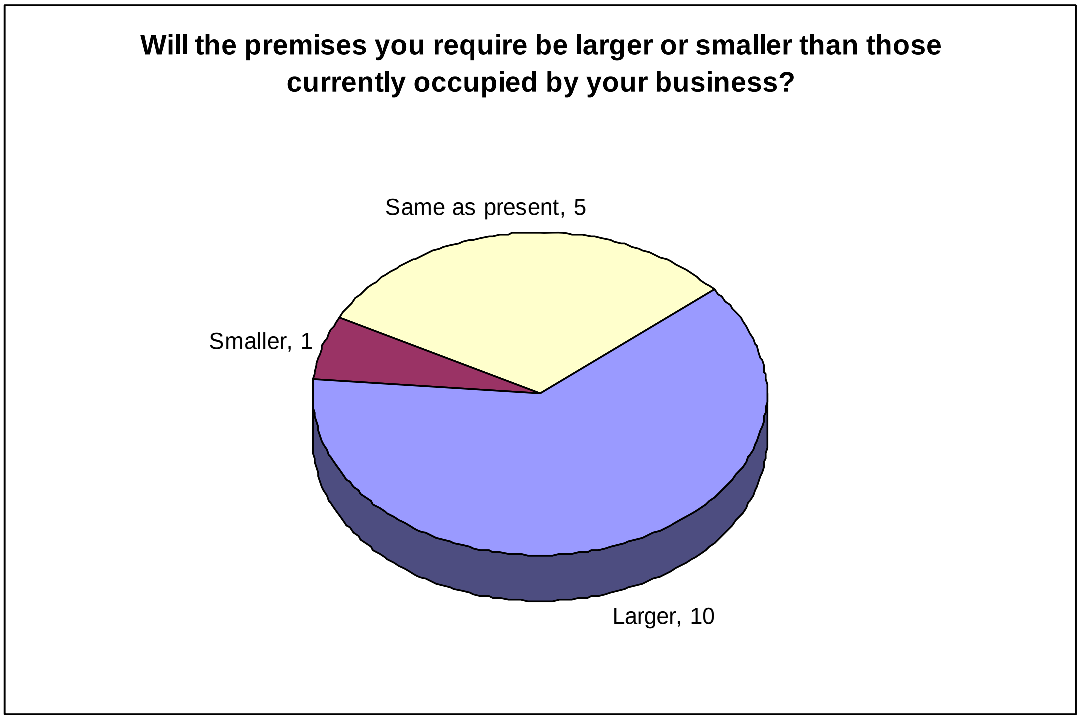


Figure 4.8 – Size of Premises Required



IMPLICATIONS

4.25 The results from the business survey indicate that there is significant demand for office floorspace within the city centre, supporting the views held by property agents active in the Exeter area. Overall, 34% of businesses in the Exeter SSCT stated that they would consider the city centre as an appropriate location if they were seeking to relocate, expand or set up a new office in the area (28% of businesses located outside of Exeter and 40% of businesses already located in Exeter). Extrapolated to represent the main existing office occupiers in Exeter City, the survey indicates that around 700 businesses consider the City Centre to be good office location.

4.26 The survey results also indicated that larger businesses are more likely to consider the city centre as an appropriate location than smaller sized businesses. The business functions most likely to consider the city centre include estate agents / letting agents, sales direct to customers or clients, and delivery of professional or other services. Industries not likely to consider the city centre as an appropriate location include the office functions of construction activities, transport or haulage of goods and services, and engineering.

4.27 Significantly, nearly 50% of businesses considered that a lack of parking facilities made Exeter city centre a poor business location. Similarly, the survey indicated that on site car parking was thought to be highly important for the majority of businesses. Proximity to shops, restaurant and leisure facilities was thought to be unimportant by a significant proportion of businesses.

4.28 In terms of the most suitable location for new office premises, 30% of business stated Exeter City Centre, 19% Sowton and 9% Marsh Barton. The area considered most suitable varied according to the size of business: 46% of large businesses considered Exeter city centre to be the most suitable location, compared to 38% of medium sized businesses and 25% of small businesses.

4.29 Larger businesses located within Exeter were found to be more likely to have considered relocation recently. A larger proportion of businesses located in Exeter considering relocation have been looking for new premises for over one year, in comparison to businesses considering relocation based in other parts of the TTWA. This implies a lack of choice / shortage of supply in the main urban area.

4.30 Consequently, it is important for planning policies to include the provision of good quality office sites and premises in the City Centre, particularly but not exclusively, for relatively large businesses. Development of modern offices with good ICT facilities in the city centre will be particularly attractive for customer facing activities as well as professional and business services. In identifying new sites for employment generation, particular emphasis should be given to improving transport links to the city centre as well as a review of business parking facilities.

5. EMPLOYMENT GROWTH SCENARIOS

INTRODUCTION

5.1 This Section provides a series of quantitative scenarios of workplace employment in the Exeter Travel to Work Area (TTWA) for the period up to 2026. The analysis is presented by sub-area and key sector. Also provided are our estimates of the future demand for employment floorspace and employment land, which are derived from the employment forecasts. The floorspace and land forecasts concentrate on the B-use classes.

5.2 The scenarios have been prepared using two distinct techniques, the first focussing on labour demand and the second labour supply, which conform to the latest guidance from the ODPM / DCLG on employment land reviews. They are carried out using a series of future scenarios which are followed by an examination of the relationship between potential demand for and supply of labour in the TTWA.

5.3 A ‘preferred employment scenario’ for the period 2006-2026 is then tested using a number of assumptions relating to employment densities, plot ratios and geographic location in order to provide indicative estimates of the likely scale and type of employment land that will be required to ensure that economic growth in the Exeter TTWA can achieve the objectives for the area as set out in the draft RSS and RES.

LABOUR DEMAND TECHNIQUE

Methodology

5.4 The labour demand technique takes a bottom up approach to estimating future levels of employment in the Exeter TTWA. This methodology responds to the gap in the Spatial Implications study carried out for the SWRA which forecast future levels of employment based on a top-down methodology apportioning out regional economic growth based on GVA growth of 3.2% per annum. The Spatial Implications report highlights that it does not fully take into account the relative performance and prospects of local economies. The bottom-up approach allows a range of local influencing factors to be taken into consideration when forecasting employment growth. These factors allow for local economic advantages and disadvantages to be built into the forecasting model.

5.5 This technique involves the extrapolation and manipulation of historical trends in sectoral employment over the forecast period to provide an estimate of the potential future demand for labour in the Exeter TTWA. The starting point in history for the trend analysis has a significant impact on the outcome of the modelling process. Looking back over the last 20 years or more, equivalent to the long run growth rate, takes into account more than one full business cycle therefore including both recessions and booms. In line with the assumptions made in the Regional Economic Strategy about economic growth for the South West, the projections concentrate on the trends over the last ten years. Looking at trends that have occurred within the last 10 years, equivalent to the short run rate, gives more focus to the recent performance and direction of the economy.

Labour Demand Future Scenarios and Assumptions

5.6 Labour demand projections have been tested under two scenarios:

- Scenario (1): Neutral
- Scenario (2): Regional Growth Pole

Scenario (1): Neutral

5.7 Under the neutral scenario labour demand is expected to follow market forces as determined by national and regional trends. Those sectors that have been performing well over the last ten years in the Exeter TTWA are assumed to continue to perform well. In essence this is a base-case scenario. Only minor adjustments have been made to growth rates, with the effect of large inward investments and large company relocations and closures on sector trends being muted.

Scenario (2): Regional Growth Pole

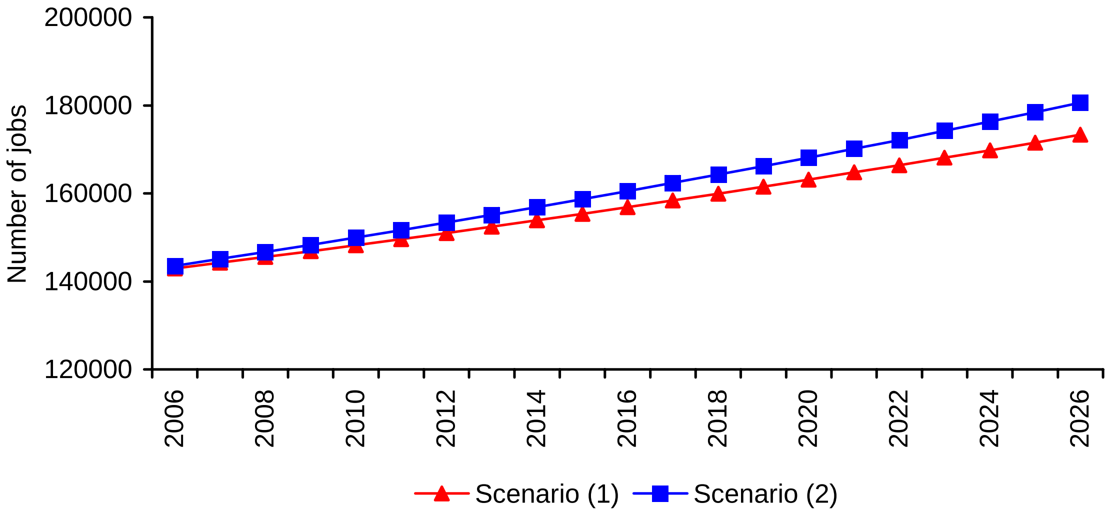
5.8 Under this scenario, labour demand is expected to deviate from that of the neutral scenario in that it anticipates an above-trend rate of growth (or below trend contractions) in a range of industries. The assumptions underlying the deviations from trend-based growth include:

- Regional growth sectors: regional growth sectors with potential for improved performance in Exeter TTWA.
- Relatively high rates of inward investment and strategic indigenous expansion of key knowledge sectors targeted by the RES.
- Supply-led growth via large-scale planned developments including:
    - Science Park: related sectors of Advanced Engineering, Biotechnology, Creative Industries, Environmental Technologies, ICT and Marine Technologies;
    - Skypark: mix of business, industrial and distribution uses;
    - Airport Expansion: an increase in passenger capacity is planned for Exeter airport and this will have implications on associated employment opportunities; and
    - Inter-modal Rail Freight Terminal: distribution uses.

Labour Demand Forecast Outputs

5.9 The outputs detailed here provide the forecast level of labour demand in 2026, including the rate of growth and the absolute increase in jobs, for each of the two scenarios (see Figure 5.1 and Tables 5.1 and 5.2). An overview of the growth in the key economic sectors is also included. The definition of these key sectors by SIC is provided in Appendix A.

Figure 5.1 – Total Employment (Labour Demand Technique)



Source: Atkins Forecasts

Table 5.1 – Labour Demand Forecasts (Exeter TTWA)

Scenario (1)	
Jobs (2026)	173,331
Average % growth per annum (2006-2026)	1.0%
Total change in jobs (2006-2026)	30,373
B-use Jobs (2026)	84,858
Average % growth per annum of B-use jobs (2006-2026)	1.0%
Total change in B-use jobs (2006-2026) including on-site construction jobs	15,365
Scenario (2)	
Jobs (2026)	180,591
Average % growth per annum (2006-2026)	1.2%
Total change in jobs (2006-2026)	37,062
B-use Jobs (2026)	89,677
Average % growth per annum of B-use jobs (2006-2026)	1.3%
Total change in B-use jobs (2006-2026) including on-site construction jobs	19,815

Source: Atkins Forecasts

Table 5.2 – Labour Demand Forecasts (Exeter and Exeter & East Devon Joint Area)

Scenario (1)	
Jobs (2026)	111,400
Average % growth per annum (2006-2026)	1.1%
Total change in jobs (2006-2026)	21,843
B-use Jobs (2026)	52,216
Average % growth per annum of B-use jobs (2006-2026)	1.2%
Total change in B-use jobs (2006-2026) including on-site construction jobs	11,063
Scenario (2)	
Jobs (2026)	117,662
Average % growth per annum (2006-2026)	1.4%
Total change in jobs (2006-2026)	27,840
B-use Jobs (2026)	55,620
Average % growth per annum of B-use jobs (2006-2026)	1.5%
Total change in B-use jobs (2006-2026) including on-site construction jobs	14,467

Source: Atkins Forecasts

LABOUR SUPPLY TECHNIQUE

Methodology

5.10 This technique relates growth in the population to growth in the TTWA's future labour. Effectively, it provides a labour supply constrained model of the economy which limits the growth in employment to the availability of labour within the local economy. Two factors which underpin the outputs of this technique are the forecast age profile of the population and the implications that this has for the size of the working age population as well as the potential for changes in the rates of economic activity of residents.

Labour Supply Future Scenarios

5.11 The labour supply forecasts have been taken forward under two scenarios:

- Scenario (1): ONS Population Projections for the TTWA[18];

- Scenario (2): Draft RSS Housing Allocations for the TTWA[19];

Scenario (1): ONS Population Projections

5.12 This scenario provides estimates of labour force change for the Exeter TTWA based on ONS Population Projections. The ONS projections are issued at District level and therefore estimates were made, based on Census 2001 ward population data in order to provide estimates of projections for the Exeter TTWA. The ONS population projections do not take into account housing provision constraints.

Scenario (2): Regional Spatial Strategy Housing Allocation

5.13 This scenario relates population growth to the number of new dwellings that are currently planned to be built in the Exeter TTWA. These are based on the allocations set out in the RSS for within and adjoining Exeter's urban area as well as assumptions made by East Devon, Mid Devon and Teignbridge District Council's as to the potential increase in housing stock for the Exeter TTWA that is outside the 'within and adjoining Exeter urban area' (see footnote 19).

Assumptions

5.14 The following assumptions have been made with regard to the labour supply forecasts:

Household Size per Dwelling

5.15 This assumption is only relevant for Scenario (2), where an estimate of the increase in the population given the increase in the housing stock is made. It has been assumed that the average number of people per dwelling will decrease from 2.32 in 2001 to 2.05 in 2026 (source: DCLG Household projections and estimates model – data for the South West – see Table 5.3).

[18] Based on ONS Population Projections, 2006.
[19] Estimates of housing provision assume additional dwellings of: 18,500 in Exeter urban area; 3,900 in the East Devon part of the TTWA (excluding land which forms part of the Exeter urban area); 1,200 in Mid Devon part of TTWA; and 4,000 in Teignbridge part of TTWA (Source: Local Authorities).

Table 5.3 – Average Household Size Assumptions

Year	Persons per household
2001	2.30
2002	2.29
2003	2.28
2004	2.27
2006	2.25
2011	2.19
2016	2.13
2021	2.08
2026	2.05

Source: DCLG Household projections and estimates model for the South West

Working Age Population

5.16 The working age population has been defined as those people (both male and female) between the ages of 16 and 64 inclusive. The ONS Population Projections provide an age structure for each year of their projections for EHOD. Minor upward adjustments have been made to the projection of the working age proportion to allow for the distribution of age groups across Exeter TTWA compared to EHOD (see Table 5.4).

Table 5.4 – Working Age Population Assumptions

Year	Proportion of total population of working age
2006	62.1%
2026	59.9%

Source: Atkins calculations based on ONS Population Projections

Economic Activity Rate

5.17 The economic activity rate is defined as the proportion of the working age population who are economically active. The potential rate of economic activity over the forecast period has been tested under a variety of future scenarios. As the starting point the rate of economic activity has been calculated for Census 2001 data to be 74.9% (see Table 5.5).

5.18 The two scenarios assumed for the economic activity rate are:

i. Scenario (A): Existing South West – where the rate is assumed to increase to inline with the current regional average;

ii. Scenario (B): Projected UK – where the rate is assumed to increase in-line with the projected economic activity rates produced by the ONS.

Table 5.5 – Economic Activity Rate Assumptions

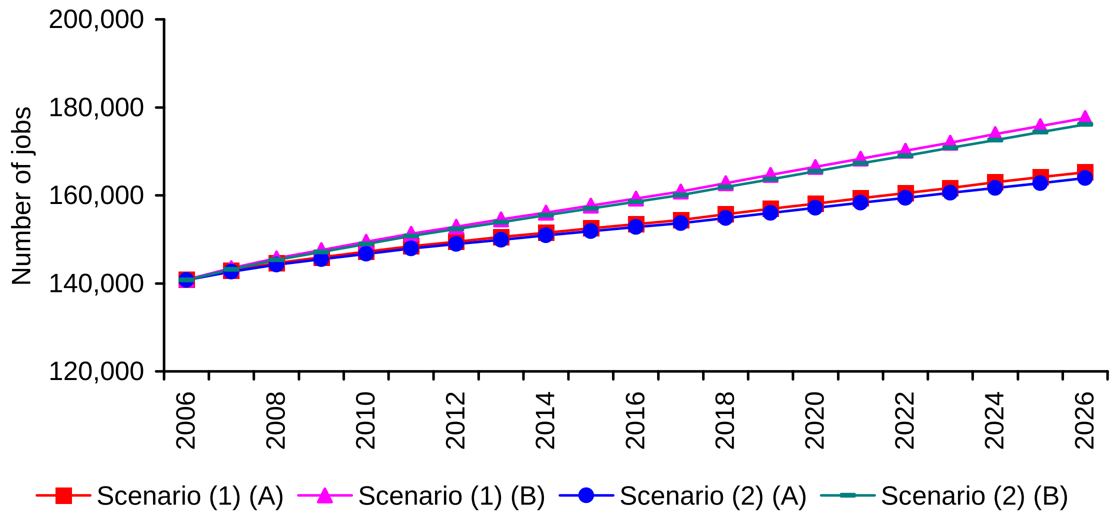
Year	Scenario (A): Existing South West	Scenario (B): Projected South West
2006	74.9%	74.9%
2026	76.2%	81.9%

Source: Atkins calculation based on ONS Economic Activity Rate projections and Census 2001 data

Labour Supply Forecast Outputs

5.19 The outputs detailed here provide forecasts for labour supply in 2026, including the rate of growth and the absolute increase in labour, for each of the two scenarios. Included are the total population, working age population and economically population data (see Figure 5.2 and Tables 5.6 and 5.7).

Figure 5.2 – Total Employment (Labour Supply Technique)



Source: Atkins

Table 5.6 – Labour Supply Forecasts (TTWA)

Current Situation	**Year: 2006**
Total population	302963
Working age population[20]	188032
Working age population rate	62.1%
Economically active population	140836
Economic activity rate	74.9%
Total Employment	143497
Net in-commuting to the Exeter TTWA	2902
Future Scenario	**Year: 2026**
Assumptions Summary	
Working age population rate	59.9%
Economic activity rate (A)	76.2%
Economic activity rate (B)	81.9%
Scenario (1)	
Total population	361941
Working age population	216,803
Economically active population (A)	165,204
Change in economically active population (A) 2006-2026	24,368
Economically active population (B)	177,562
Change in economically active population (B) 2006-2026	36,726
Scenario (2)	
Total population	359062
Working age population	215,078
Economically active population (A)	163,889
Change in economically active population (A) 2006-2026	23,053
Economically active population (B)	176,149
Change in economically active population (B) 2006-2026	35,313

Source: Atkins

[20] Working age population: Includes both male and females aged between 16 and 64 years old inclusively.

5.20 Additional analysis has been carried out looking at Exeter and the Exeter & East Devon Joint Area (see Table 5.7). Population forecasts were undertaken based on the same assumptions as were stated for the Exeter TTWA forecasts. One adjustment is that the forecast for the working age proportion has been increased, inline with the existing age structure of the Exeter and Exeter & East Devon Joint Area compared to the Exeter TTWA.

Table 5.7 – Labour Supply Forecasts (Exeter and Exeter & East Devon Joint Area)

Current Situation	**Year: 2006**
Total population	124,278
Working age population[21]	85,453
Working age population rate	68.8%
Economically active population	61,611
Economic activity rate	72.1%

Future Scenario	**Year: 2026**
Assumptions Summary	
Working age population rate	67.8%
Economic activity rate (A)	76.2%
Economic activity rate (B)	81.9%
Scenario (1)	
Total population	146,777
Working age population	99,442
Economically active population (A)	75,775
Change in economically active population (A) 2006-2026	14,164
Economically active population (B)	81,443
Change in economically active population (B) 2006-2026	19,832
Scenario (2)	
Total population	160,079
Working age population	108,454
Economically active population (A)	82,642
Change in economically active population (A) 2006-2026	21,031
Economically active population (B)	88,824
Change in economically active population (B) 2006-2026	27,213

Source: Atkins

[21] Working age population: Includes both male and females aged between 16 and 64 years old inclusively.

LABOUR SUPPLY AND DEMAND RECONCILIATION

Forecast Labour Supply and Demand Comparison

5.21 A comparison between the labour supply and demand forecasts indicates that there is the potential for the supply of labour to fall short of demand. Table 5.8 summarises the outputs and the gap in labour demand and supply for the Exeter TTWA and Table 5.9 shows the analysis for the Exeter and Exeter & East Devon Joint Area.

Table 5.8 – Labour Demand and Labour Supply Gap (Exeter TTWA)

	Low end forecast	High end forecast
Labour demand	173,331	180,591
Labour supply	163,889	177,562
Net difference	9,442	3,029

Source: Atkins forecasts

Table 5.9 – Labour Demand and Labour Supply Gap (Exeter and Exeter & East Devon Joint Area)

	Low end forecast	High end forecast
Labour demand	111,400	117,662
Labour supply	75,755	88,824
Net difference	35,645	28,838

Source: Atkins forecasts

5.22 The forecast scenarios produced under the labour demand technique provides estimates of potential growth in employment within the Exeter TTWA economy without consideration of labour or land supply factors. Similarly, the scenarios produced under the labour supply technique consider potential growth in the labour force without consideration of the demand side. There are a number of independent and dependent factors which are likely to reconcile the difference between the potential labour supply and demand.

5.23 The scale of the net difference between labour demand and supply is considerably larger for the Exeter and Exeter & East Devon Joint Area than for Exeter TTWA. This predominantly reflects the existing imbalance rather than any future changes in the levels of labour demand and supply.

Factors Affecting Labour Demand and Labour Supply

5.24 Given that the demand and supply techniques are carried out independently of each other using different variables, there is a degree of deviation between the forecast outputs produced under each. The forecasts produced under the labour demand technique are considerably larger than those produced under the labour supply technique, which is inline with the baseline characteristics of the area which indicate that there is the potential for strong economic growth, although the associated labour force is likely to have a constraining effect. There are however a number of factors that may influence both the demand for and supply of labour, including some directly as a result of any disparity between the two.

Influences on the Demand for Labour

5.25 There are a number of ways that firms may adapt to slower growth in the labour force compared to growth in potential labour demand. These all have the effect of reducing the level of demand for labour, whilst maintaining levels of economic growth. Some of the main potential influences are outlined below.

- *Demand for population-driven services*: A slower rate of population growth during the second half of the plan period may lead to a reduced level of demand for population-driven services, including public sector administration and provision of education and health services, as well as retail and leisure services.

- *Offshoring / Relocation*: This refers to the process whereby firms outsource particular activities of their business to other regions or countries normally with the aim of reducing production costs. Whilst future trends of offshoring are uncertain, any shortfall in labour supply compared to labour demand is likely to have the effect of reducing the base of suitably qualified workers for a company to employ. It may also have the effect of inflating the rate of wage growth, so increasing a firm's production costs. Both of these factors are likely to lead to an increase in the attractiveness of offshoring and/or relocation. The effect of this process is a reduction in local labour demand in the economy as this is shifted elsewhere.

- *Productivity*: Productivity is a measure of economic output achieved for a given level of inputs. In this case we refer to the productivity of labour, a proxy for which can be seen in GVA per capita data. There is a constant drive for, and often expectation that there will be improvements in the rate of productivity growth. Underlying the assumption of Gross Value Added growth of 3.2% per annum for the South West between 2006 and 2026 as set out in the Regional Economic Strategy is a requirement that the rate of productivity growth increases, particularly during the second half of the plan period when population growth is expected to weaken. This therefore implies that less jobs will be need to produce a given level of output, so reducing the level of demand for labour.

- On top of this, any potential shortfall in the supply of labour compared to demand is likely to have an upward effect on wage growth. This in turn will lead to efforts to increase productivity by firms in the area as they try to annul the impact of higher labour costs. Therefore the potential demand for labour will be reduced.

Influences on the Supply of Labour

5.26 There are a number of ways that the labour force may adapt to faster growth in the demand for labour compared to the potential supply. These have the effect of increasing the available workforce thereby allowing demand to be met and therefore remove the associated constraint on economic growth. Some of the main potential influences are outlined below.

- *Double jobbing:* Double jobbing refers to those in the labour force that have two or more jobs. A person with two jobs therefore has the effect of artificially increasing the potential supply of labour.

- Any increase in the rate of growth of wages as a result of a shortfall in labour supply is likely to lead to an increase in the number of double jobbers as it increases the incentive to work. Also, increased flexibility in the workplace and use of broadband communications / ICT can increase the propensity for a proportion of the workforce to have more than one job.

- Approximately 30% of jobs in the Exeter TTWA are part-time jobs. To roughly estimate the number of double-jobbers in the TTWA, it can be assumed that around 25% these jobs are taken by people with more than one job. In other words, a labour supply of 35,000 accounts for the 40,000 part-time jobs in the TTWA. At 2006, this has the effect of artificially increasing the labour supply by 5,000 (approximately 3.5% of total economically active population).

- *Commuting*: Data from the Census 2001 show that approximately 20,900 people who live outside the Exeter TTWA commute into the TTWA to work. Conversely, 18,000 people who live within the TTWA commute out of the area for work. This creates a positive net level of in-commuting to the Exeter TTWA of approximately 2,900. Effectively, this increases the available labour force in the Exeter TTWA by 2,900. Moreover, given the increasing role of

Exeter as an employment centre, there is potential for 'clawing back' some of the existing 18,000 out-commuters from the TTWA.

- Anecdotal evidence tends to show that the level of in-commuting of residents from outside of the Exeter TTWA is increasing.

- A shortfall in the level of labour supply relative to potential labour demand is likely to have the effect of driving up wages in the Exeter TTWA and forcing firms to look outside of the Exeter TTWA for new employees. It can therefore be assumed that commuting levels into the Exeter TTWA will increase due to a combination of these factors.

- *Economic activity rates*: A degree of testing economic activity rates has already been built into the forecasts produced under the labour supply technique. These are based on a slight increase in the rate in-line with the current level in the South West, and a stronger increase in-line with the ONS projections for the UK as a whole.

- The economic activity rate of the Exeter TTWA working age population may also be affected by the increased rate of growth of wages resulting from the shortfall in the level of labour supply relative to potential labour demand. The higher returns for working and the availability of work are likely to positively affect the economic activity rate in the local area by bringing back into the workforce a proportion of those who are currently inactive. This may include a wide range of potential female workers, those on sickness benefit and those aged over 65 (see below).

- *Age of retirement*: The state pension age for women is to be increased to 65 (the same as is currently the position for men) thus increasing the number of women included in the workforce. This increase has already been allowed for within our labour supply forecasts. Further increases to the pension are planned however the effects of these will fall outside of the plan period of 2006 to 2026.

- The Atkins forecasts consider the working age population as those between 16 and 64 years old. However, there are economically active people who fall outside of this age group. Data from the Census 2001 showed that there were just over 2,800 economically active residents in Exeter TTWA between the ages of 65 and 74 years old. This will have the effect of increasing the size of the available workforce. The current pension crisis is likely to have the effect of pushing many older people to remain within the workforce for longer than they would have otherwise, so increasing the size of the labour supply of 65 to 74 year olds.

- *Home working*: The increasing trend of home working is unlikely to have much effect on bringing currently economically inactive people back into the active workforce. This is because the opportunities for home working tend to be for those with relatively high skills and computer literacy, and such people are likely to already be economically active. However, it may have the effect of increasing the distance that people are willing to commute to work, due to the need to do so being reduced to perhaps only twice per week. Home working may therefore have the effect of increasing the available pool of labour by increasing levels of in-commuting to the Exeter TTWA. It may also impact on migration, increasing the current trend of people moving away from areas such as London to areas such as Exeter to enjoy the benefits of the high quality of life.

- *Public policy*: Central, regional and local government can shape the above factors through a range of training, economic participation and skills programmes. These can have the effect of increasing the supply of labour.

IMPLICATIONS FOR PREFERRED EMPLOYMENT LEVEL FORECAST

5.27 It is expected that the influences on the supply of labour are likely to be relatively strong compared to the influences on demand and should be sufficient to bring the true level of labour supply broadly inline with that of demand. Improvements in productivity are likely to have the greatest effect on the level of labour demand, although the degree to which demand will be reduced is uncertain. Given the existing economic strengths of the Exeter TTWA and its increasing competitiveness arising from its role as a regional services centre, it is recommended that the upper level forecasts produced by the labour demand technique (i.e. Scenario (2): Regional Growth) is adopted as the basis for developing planning and economic development policies for the area.

5.28 Table 5.10 sets out the preferred forecast scenario by main employment sector in five-yearly time periods. The pattern of employment change over time reflects a range of key factors including population change, productivity improvements and major planned employment-generating developments.

Table 5.10 - Exeter TTWA Employment Growth by Sector 2006-2026 (Net additional)

Sector	2006-2011	2011-2016	2016-2021	2021-2026	Total
Agriculture & fishing	-7	-10	-9	-6	-32
Energy & water	-80	-110	-102	-73	-365
Manufacturing	83	114	106	76	378
Construction	609	831	776	554	2,770
Distribution (inc retail, hotels & restaurants)	2,359	3,217	3,003	2,145	10,724
Transport & communications	578	789	736	526	2,630
Banking, finance & insurance (Business services)	2,215	3,021	2,819	2,014	10,068
Public sector	2,100	2,864	2,673	1,909	9,547
Other services	295	403	376	268	1,342
Total	8,154	11,118	10,377	7,412	37,062

Source: Atkins.

5.29 The distribution of employment growth over time reflects the importance of Exeter's existing and future role as a regional centre for business services, retail, catering & hospitality, distribution and public services. Importantly, the majority of employment growth in these sectors will not require traditional B use class premises. This includes approximately 4,800 additional retail jobs with the health/social work and education sectors expanding steadily also. As is discussed later in this section, the main growth activities which will require significant B use-class premises include business services (B1) and wholesale, distribution and storage (B8).

FORECAST EMPLOYMENT FLOORSPACE AND LAND REQUIREMENT

Methodology

5.30 A key part of the project brief was to test the employment land allocations for the Exeter TTWA that have been set out in the Regional Spatial Strategy. Employment land refers to that which falls within the "B-Class" of the Town and County Planning (Use Classes) Order 1987 (the "UCO"). Specifically the UCO identifies the following categories for employment land within the "B-Class":

- ***Class B1 – Business*** - Use for all or any of the following purposes:
  - (a) as an office other than a use within Class A2 (financial and professional services),
  - (b) for research and development of products or processes, or
  - (c) for any light industrial process,
- ***Class B2 – General Industrial*** - Use for the carrying out of an industrial process other than one falling within Class B1 above.
- ***Class B8 – Storage or distribution*** – Use for storage or as a distribution centre.
- ***Other Sectors (see earlier)***

5.31 The forecast levels of employment floorspace and employment land required in the Exeter TTWA are calculated based on the forecast level of job growth in the area. As laid out in the previous section, it is expected that by 2026 there will be a total of approximately 180,600 jobs in the Exeter TTWA, representing an increase of approximately 37,050 from 2006, in-line with the results of Scenario (2) from the labour demand forecasting technique. Within this B-use jobs are expected to total approximately 89,700 by 2026, equating to an increase of approximately 19,800 from 2006 (including on-site construction jobs).

5.32 The outputs for employment floorspace and land have been set out according to the B-use class, split across the principle B-use sectors of:

- o B-use Banking, finance & insurance;

- o B-use Construction (on-site construction employment has been excluded);
- o B-use Distribution & wholesale;
- o B-use Manufacturing;
- o B-use Other services;
- o B-use Transport & communications; and
- o B-use Public administration and social security.

Employment Floorspace

5.33 B-use jobs are converted into employment floorspace using employment densities. An employment density refers to the average floorspace per person in an occupied building and is therefore a measure of how much space each additional job will require. These densities are based primarily on guidance produced by English Partnerships[22] which was complemented by some employment density data for existing B-use employment sites in the Exeter TTWA as well as previous employment studies undertaken by Atkins. The employment densities were tested under two density scenarios, the first inline with the average density given by the guidance and the second at a lower density to take account of local conditions and the style of developments in the local area over the last five years.

Employment Land

5.34 The B-use employment floorspace requirements are converted into the associated employment land requirements using 'plot ratios'. Plot ratios provide a method for estimating the amount of employment land that will be required to be able to provide a particular level of floorspace. The lower the ratio, the less dense the development is. A plot ratio of one implies that, for example, 1,000m^2 of employment land will be needed to provide 1,000m^2 of employment floorspace. The plot ratios that we have used are based on guidance issued in the Employment Land Review Guidance[23], which has been complemented by some data for existing developments in the Exeter TTWA as well as previous employment studies undertaken by Atkins.

[22] Employment Densities: A Full Guide; English Partnerships & the Regional Development Agencies (July 2001).
[23] Employment Land Reviews: Guidance Note; ODPM (December 2004).

Employment Floorspace and Land Outputs

5.35 Table 5.11 and 5.12 summarise the outputs of the employment floorspace and land calculations under the high and low density scenarios. The data shown in the table refer to the gross additional amounts. They therefore do not take into account floorspace or land which is effectively ‘freed-up’ due to declining sub-sectors and activities. Given the uncertainty over the suitability and availability to the market of any freed-up floorspace/land, the gross additional data is considered to give a better picture of future requirements. The total net additional amount is included in order to demonstrate the potential impact of declining sub-sectors and activities.

Table 5.11 – Employment Floorspace Outputs for Exeter TTWA 2006-2026 (Gross Additional)

	Jobs	Scenario (1) Low Density		Scenario (2) High Density	
	Increase (2006-2026)	Employment density	Employment floorspace (m^2)	Employment density	Employment floorspace (m^2)
B-use Class 1a Offices (Town Centre)	3479	21	73059	19	66101
B-use Class 1a Offices (Business Park)	8451	21	177471	16	135216
B-use Class 1b R&D	564	32	18048	29	16356
B-use Class 1c Light industrial	1880	32	60160	32	60160
B-use Class 2 General industrial	890	35	31150	34	30260
B-use Class 8 Warehousing	3250	65	211250	50	162500
TOTAL GROSS ADDITIONAL	18515	**-**	571138	**-**	470593
Total net additional	17599	-	543813	-	444356

NOTE: Employment numbers exclude on-site construction employment and are therefore lower than forecast change of total B use-class jobs set out in Table 5.1

Source: Atkins forecasts.

Table 5.12 – Employment Land Outputs for Exeter TTWA 2006-2026 (Gross Additional)

	Scenario (1) Low Density			Scenario (2) High Density		
	Employment Floorspace (m^2)	Plot ratio	Employment land (hectares)	Employment Floorspace (m^2)	Plot ratio	Employment land (hectares)
B-use Class 1a Offices (Town Centre)	73059	1.00	7.3	66101	2.00	3.3
B-use Class 1a Offices (Business Park)	177471	0.30	59.2	135216	0.40	33.8
B-use Class 1b R&D	18048	0.35	5.2	16356	0.40	4.1
B-use Class 1c Light industrial	60160	0.35	17.2	60160	0.40	15.0
B-use Class 2 General industrial	31150	0.35	8.9	30260	0.40	7.6
B-use Class 8 Warehousing	211250	0.40	52.8	162500	0.40	40.6
TOTAL GROSS ADDITIONAL	571138	**-**	150.5	470593	**-**	104.4
Total net additional	543813	-	143.9	444356	-	99.0

NOTE: Employment numbers exclude on-site construction employment

Source: Atkins forecasts

Preferred Scenario

5.36 Given the nature of existing developments in the Exeter TTWA and the need to allow for uncertainties and flexibility in the future supply of employment land, it is proposed that Scenario (1) Low Density is taken forward as the ‘preferred’ scenario for employment floorspace and land demand in the TTWA. (see Table 5.13).

5.37 Within the B-use classes are some areas of relatively specialised employment land. In the future, these may include Skypark and potentially the intermodal distribution facility. The table below summarises the result for Scenario (1) Low Density, and splits out the main components of the B use class activities.

Table 5.13 – Low Density Scenario Employment Floorspace and Employment Land Requirements for Exeter TTWA 2006-2026 (Gross Additional)

	Jobs	Employment floorspace		Employment land	
	Increase 2006-2026	Employment density	Employment floorspace	Plot ratio	Employment land
B-use Class 1a Offices (Town Centre)	3479	21	73059	1.00	7.3
B-use Class 1a Offices (Business Park)	8451	21	177471	0.30	59.2
B-use Class 1b R&D	564	32	18048	0.35	5.2
B-use Class 1c Light industrial	1880	32	60160	0.35	17.2
B-use Class 2 General industrial	890	35	31150	0.35	8.9
B-use Class 8 Warehousing	3250	65	211250	0.40	52.7
TOTAL GROSS ADDITIONAL	18515	**-**	571138	**-**	150.5
Total net additional	17599	-	543813	-	143.9

Source: Atkins

5.38 Tables 5.14 and 5.15 provide a summary of the demand for jobs, employment floorspace and employment land across the broad B-use sectors as well as the six key economic activities that have been grouped together to form the Science & knowledge sector.

Table 5.14 – B Use Labour, Floorspace and Land Requirements for Exeter TTWA 2006-2026 (Gross Additional)

	Additional Jobs	Employment floorspace (m^2)	Employment land (ha)
B-use Banking, finance & insurance	10019	216278	**57.9**
B-use Construction	654	26297	**7.2**
B-use Distribution & wholesale	1377	87518	**21.9**
B-use Manufacturing	1389	45622	**13.0**
B-use Other services	809	31924	**8.1**
B-use Transport & communications	2780	132251	**34.2**
B-use Public admin & social security	1488	31248	**8.2**
TOTAL GROSS ADDITIONAL	**18515**	**571138**	**150.5**
Total net additional	17599	543813	143.9

Source: Atkins

Table 5.15 – Science & Knowledge Sector Labour, Floorspace and Land Requirements for Exeter TTWA 2006-2026 (Gross Additional)

	Additional Jobs	Employment floorspace (m^2)	Employment land (ha)
Advanced engineering	48	1553	0.4
Biotechnology	105	3175	0.9
Creative industries	2056	49968	13.6
Environmental technologies	136	4454	1.3
ICT	1214	33510	9.3
Marine technologies	99	3421	1.0
TOTAL GROSS ADDITIONAL	**3659**	**96081**	**26.5**
Total net additional	3300	84473	23.2

Source: Atkins

NOTE: Please see Appendix A for a definition showing the SIC included within each sector. In particular, the definition for Creative industries is quite tight and excludes most financial & business services.

5.39 Table 5.15 reflects only a narrow definition of knowledge industries, inline with the aspirations for Exeter Science Park. In particular, the definition for Creative Industries excludes most financial & business services.

SPATIAL DISTRIBUTION OF LABOUR, FLOORSPACE AND LAND

5.40 Table 5.16 illustrates the potential geographical split of B use class jobs within the TTWA. It also sets out the spatial implications of demand for employment land and floorspace for each sub-area within the TTWA.

Table 5.16 – Spatial Distribution of B Use Forecasts 2006-2026 (Gross Additional)

	Additional Jobs[24]	Employment floorspace (m^2)	Employment land (ha)
Exeter City Centre	2859	60048	6.0
Exeter and East Devon Joint Area	8835	322120	90.3
Rest of Exeter	2773	68911	21.6
Rest of East Devon Zone	1933	62391	16.9
Mid Devon Zone	756	21849	5.6
Teignbridge Zone	1358	35840	10.1
Total	18515	571159	150.5

Source: Atkins

5.41 Tables 5.17 and 5.18 provide estimates of the phasing of demand for B use class employment and land over time, having regard to the likely implementation of key planned developments.

[24] Note: Additional jobs data excludes on-site construction jobs.

Table 5.17 - – B Use Class Employment Change by Sector 2006-2026 (TTWA)

B Use Sector	2006-2011	2011-2016	2016-2021	2021-2026	Total
B-use Banking, finance & insurance	2,204	3,006	2,805	2,004	10,019
B-use Construction	144	196	183	131	654
B-use Distribution & wholesale	303	413	386	275	1,377
B-use Manufacturing	306	417	389	278	1,389
B-use Other services	178	243	227	162	809
B-use Transport & communications	612	834	778	556	2,780
B-use Public admin & social security	327	446	417	298	1,488
TOTAL	4,073	5,555	5,184	3,703	18,515

Source: Atkins

Table 5.18 – Employment Land (ha) Demand by B Use Class Sector 2006-2026 (TTWA)

B Use Sector	2006-2011	2011-2016	2016-2021	2021-2026	Total
B-use Banking, finance & insurance	12.7	17.3	16.2	11.6	57.9
B-use Construction	1.6	2.2	2.0	1.4	7.2
B-use Distribution & wholesale	4.8	6.6	6.1	4.4	21.9
B-use Manufacturing	2.9	3.9	3.6	2.6	13.0
B-use Other services	1.8	2.4	2.3	1.6	8.1
B-use Transport & communications	7.5	10.3	9.6	6.8	34.2
B-use Public admin & social security	1.8	2.5	2.3	1.6	8.2
TOTAL	33.1	45.2	42.1	30.1	150.5

Source: Atkins

5.42 Table 5.19 sets out, in 5 yearly intervals, an indicative distribution of total employment change within the Exeter TTWA. Tables 5.20 and 5.21 illustrate the distribution and phasing of demand in terms of employment floorspace and land. These are based on range of determining factors including existing and potential economic structure, existing distribution of jobs and supply-side issues including labour force supply and the impact of major planned employment-generating development in key locations.

Table 5.19 – Spatial Distribution of Employment Growth 2006-2026 (Gross Additional)

	2006-2011	2011-2016	2016-2021	2021-2026	Total
Exeter City Centre	520	755	872	712	2859
Exeter and East Devon Joint Area	1732	2695	2589	1820	8835
Rest of Exeter	754	857	679	483	2773
Rest of East Devon Zone	516	566	512	338	1933
Mid Devon Zone	181	246	192	137	756
Teignbridge Zone	364	426	331	236	1358
Total	4067	5546	5176	3726	18515

Source: Atkins

Table 5.20 – Spatial Distribution of Floorspace (square metres) Demand 2006-2026 (Gross Additional)

	2006-2011	2011-2016	2016-2021	2021-2026	Total
Exeter City Centre	10929	15853	18315	14952	60048
Exeter and East Devon Joint Area	63136	98247	94381	66357	322120
Rest of Exeter	18744	21294	16883	11991	68911
Rest of East Devon Zone	16658	18281	16534	10918	62391
Mid Devon Zone	5222	7123	5550	3955	21849
Teignbridge Zone	9605	11254	8745	6236	35840
Total	124294	172050	160407	114408	571159

Source: Atkins

Table 5.21 – Spatial Distribution of Employment Land (hectares) Demand 2006-2026 (Gross Additional)

	2006-2011	2011-2016	2016-2021	2021-2026	Total
Exeter City Centre	1.1	1.6	1.8	1.5	6.0
Exeter and East Devon Joint Area	17.7	27.6	26.5	18.6	90.3
Rest of Exeter	5.9	6.7	5.3	3.8	21.6
Rest of East Devon Zone	4.5	5.0	4.5	3.0	16.9
Mid Devon Zone	1.3	1.8	1.4	1.0	5.6
Teignbridge Zone	2.7	3.2	2.5	1.8	10.1
Total	35.7	45.5	40.3	29.1	150.5

Source: Atkins

5.43 Table 5.22 provides an indicative estimate of the gross demand for employment premises for the sub-areas within the TTWA. This is calculated by applying the average size of employment premises within the TTWA (381 square metres[25]) to the floorspace requirements in each area. This is produced to provide an indication of the potential scale of development and investment that will be required to accommodate the demand for employment during the plan period.

Table 5.22 – Gross Demand for Business Premises in TTWA 2006-2026

	2006-2011	2011-2016	2016-2021	2021-2026	Total
Exeter City Centre	29	42	48	39	158
Exeter and East Devon Joint Area	166	258	248	174	845
Rest of Exeter	49	56	44	31	181
Rest of East Devon Zone	44	48	43	29	164
Mid Devon Zone	14	19	15	10	57
Teignbridge Zone	25	30	23	16	94
Total	326	452	421	300	1499

Note: Single Buildings can accommodate more that one business premise. *Source: Atkins*

[25] ODPM / ONS Commercial and Industrial Floorspace Statistics 2005 (see Table 6.1 for further details).

5.44 Further details indicating the distribution of employment and the associated floorspace and land figures by use-class for each of the TTWA sub-areas are provided in Appendix D.

6. EXISTING AND POTENTIAL SUPPLY

INTRODUCTION

6.1 This section provides an overview of the existing supply of employment land within the Exeter TTWA as defined by current planning permissions and local plan allocations. Whilst the brief for the study did not require an assessment of existing and potential supply, this section serves to provide a summary of existing commitments which, given the scale of developments proposed to the East of Exeter, are an important factor in determining the geographical distribution of likely take-up of employment land across the Exeter TTWA. The section also identifies sites for further assessment, which may potentially contribute to future supply of employment land.

6.2 An issue of immediate importance for Exeter City Council and other districts in the TTWA will be to assess the extent to which existing supply can meet the demand / need requirements of businesses as set out in this report. This may include the need to include, in respective LDFs, the assessment of ‘new’, previously unallocated sites which can perform a significant employment role in the period up to 2026.

6.3 A variety of secondary sources have been used to examine the spatial distribution of employment land within the TTWA in terms of: total B-class floorspace; land currently allocated for employment uses; potential employment land locations; and vacant employment premises currently being marketed.

SPATIAL DISTRIBUTION OF EMPLOYMENT LAND

Existing B-Class Floorspace

6.4 Table 6.1 shows the spread of B-class floorspace across the wards of the Exeter TTWA, extracted from the ODPM (DCLG) and Valuation Office Commercial and Industrial Floorspace Statistics. These floorspace figures are compiled at ward level which are attributed to the TTWA as closely as possible. Given the limitations of identifiable useable ward boundaries to the EEJAAP sub-area, this area has been excluded from the analysis[26].

6.5 Table 6.1 demonstrates that there were 4,333 B-class hereditaments (B use-class businesses) within the TTWA providing some 1,654,000m² of floorspace. Offices accounted for 39% of B-class hereditaments and 26% of the floorspace, factories for 27% of hereditaments and 31% of the floorspace, and warehousing for 34% of hereditaments and 43% of the floorspace.

6.6 In Exeter City Centre, offices accounted for 85% of hereditaments, and 87% of floorspace. This highlights the city centre's role as an office centre within the TTWA and wider South East region.

Table 6.1 - B-Class Floorspace within the TTWA by Sub-Area

Sub-area	Offices		Factories		Warehouses		Total	
	No.*	**Floorspace (000m²)**	**No.***	**Floorspace (000m²)**	**No.***	**Floorspace (000m²)**	**No.***	**Floorspace (000m²)**
Exeter City Centre	512	127	31	5	62	13	605	146
Rest of Exeter	613	203	331	237	607	438	1,551	878
East Devon Zone	353	66	479	153	553	192	1,385	410
Mid Devon Zone	81	6	155	89	114	42	350	137
Teignbridge Zone	126	21	174	32	142	30	442	83
Total TTWA	**1,685**	**423**	**1,170**	**515**	**1,478**	**716**	**4,333**	**1,654**

*Represents the total number of hereditaments (premises)
Source: ODPM Commercial and Industrial Floorspace Statistics

Existing Employment Land Supply

6.7 Table 6.2 summarises the total supply of employment land provision in the TTWA as defined by existing planning permissions and local plan allocations.

6.8 The allocated sites within Exeter District reflect those identified in the Local Plan First Review. In East Devon the allocated sites reflect the major allocated sites identified by the East Devon Employment Land Review[27]. The allocated sites within the neighbouring Districts of Mid Devon and Teignbridge are those defined in their respective Local Plans and Employment Studies[28] and through discussions with planning officers from each Council.

[26] Table 6.1 excludes floorspace which has been attributed by the OPDM / DCLG to an 'Unknown' ward / location.
[27] As assessed by Atkins in 2006
[28] Mid Devon Local Plan (adopted July 2006), Teignbridge Initial Deposit Local Plan (placed on hold in 2003) and Teignbridge Employment Land Review (2006)

Table 6.2 – Existing Employment Land Supply in Exeter TTWA

Sub Area	Total Area (Ha)
City Centre*	0.81
EEJA (Exeter)	21.95
Rest of Exeter	17.36
Total Exeter	**40.12**
EEJAAP[29] (East Devon)**	60
Mid Devon Zone	3
Teignbridge Zone	4.61
Total Exeter TTWA	**107.73**

* Includes approvals subject to S106 Agreements but excludes Bus & Coach Station mixed-use development (floorspace not specified).

** Excludes Intermodal Freight Terminal (approx 43 ha). Includes Skypark, Science Park & New Community.

6.9 Compared to our assessment of future demand / need for employment land (Section 5), our strategic overview of planning commitments indicates that, irrespective of quality, existing supply is insufficient to meet identified demand. Furthermore, our analysis of existing supply (planning permissions and Local Plan allocations) set out in Section 7 of this report, highlights that only a small proportion of supply is likely to be available over the next two or three years. Indeed, for Exeter City, we estimate that approximately 17.5 ha is suitable and readily available for employment development, of which approximately 40% is under construction or close to commencement. This increases only to 19.8 ha when consideration is given to commitments in other parts of the TTWA.

6.10 However, Table 6.2 excludes the potential for development of an Intermodal Freight Terminal, which if developed, would provide a significant amount of new warehousing floorspace. Nevertheless, this specialist proposal is subject to significant uncertainty and therefore should not be assumed as forming part of future employment land supply.

6.11 It is particularly important to highlight that this study has not assessed the availability and suitability of commitments to meet future employment needs. The critical next stage for the four authorities will be to assess the suitability and availability of commitments in the short, medium and long terms. This should include a robust assessment of the potential phasing of suitable employment sites in order to ensure that the supply of land and premises is sufficient to meet demand / need at key stages throughout the planning period.

6.12 Although this study did not involve a thorough assessment of the suitability of existing supply, the brief did require an initial evaluation of sites identified in the Local Plan

[29] EEJA: Exeter and East Devon Joint Action Plan Area

First Review and the emerging Core Strategy. This analysis is set out in Section 7 of this report.

Vacant Employment Premises

6.13 Table 6.3 provides an estimate of total floorspace being marketed for occupation as recorded by the Exeter & Heart of Devon Property Register. It is important to highlight that the register does not include properties being marketed throughout the TTWA in its entirety as it relates only to Exeter City Centre, EEJAAP and Rest of Exeter sub-areas. To avoid the inclusion of short-term fluctuations in the property market the table includes only those premises which were marketed as vacant in both 2004 and 2006.

6.14 The figures show a relatively low, frictional level of vacancy when taken as an overall percentage of B-class floorspace. For the Exeter City Centre sub-area, the vacant floorspace represents approximately 7% of the total floorspace, and for the Rest of Exeter sub-area approximately 1%. This reflects a relatively tight property market once an allowance is made for turnover arising from tenancy arrangements, relocations and expansions. Moreover, the 7% in Exeter city centre is largely accounted for a relatively small number of individual premises which have been made available to the market. These include ‘The Forum’ (1,800m²) and Brittany House (1,700m²).

6.15 The only sub-area with long-standing industrial vacancy is the Rest of Exeter. This 5,000m² is concentrated within Filmer Way and Ashton Road, Marsh Barton.

Table 6.3 - Vacant Employment Premises (m²)

Sub-area	Total	Offices	Industrial
Exeter City Centre	10,532	10,532	0
EEJAAP	7,023	7,023	0
Rest of Exeter	5,874	1,105	4,769
Total	**23,428**	**18,659**	**4,769**

7. SITE EVALUATION APPROACH

INTRODUCTION

7.1 This section provides an assessment of allocated employment land in the Local Plan First Review and sites identified as Core Strategy development options in terms of their suitability to meet future employment demand. Additionally, a methodology for assessing the suitability of land or buildings that are, or were last used for employment purposes is suggested to inform the Council's Employment Land Review process.

ASSESSMENT OF LOCAL PLAN & CORE STRATEGY SITES

Suitability Criteria

7.2 Consistent with the best practice guidelines set out by the ODPM/ DCLG, the suitability of existing and potential employment locations to meet demand for different types of employment has been considered. Evaluation matrices have been prepared utilising the following criteria (where applicable) to assess the sites:

- access;
- sustainability;
- marketability and demand; and
- development constraints and availability.

7.3 A range of different indicators have been derived within each category as described below and summarised in Table 7.1.

Table 7.1 - Criteria for the Assessment of Suitability

	ASSESSMENT CRITERIA	RATIONALE
ACCESS	ACCESS TO PUBLIC TRANSPORT	Distance from site entrance to nearest mode of public transportation.
	PROXIMITY TO THE STRATEGIC ROAD NETWORK	Distance from site to strategic road network.
SUSTAIN-ABILITY	PREVIOUSLY DEVELOPED LAND	Brownfield/Greenfield Land
	SEQUENTIAL TEST	Proximity of site from urban settlements (within urban area, urban fringe, rural location etc.).
MARKETABILITY / DEMAND	FUTURE B-CLASS DEVELOPMENT POTENTIAL	Does the site have the potential to accommodate any B-class development in the future?
	MOBILE INWARD INVESTMENT DEMAND	Is the site capable of attracting major investment?
	INDIGENOUS EXPANSION / RELOCATION DEMAND	Is the site capable of meeting needs of growing / consolidating existing firms in Exeter?
	SME DEMAND	Is the site capable of providing premises for new and small enterprises in a variety of sectors?
	B-USE CLASS	Most appropriate type of activity (B1/B2/B8)
DEVELOPMENT CONSTRAINTS	PHYSICAL DEVELOPMENT CONSTRAINTS	Development Constraints as follows: Need for reclamation, need for remediation of contamination, need for access improvements onto highway system, topological constraints, presence of mine shafts, need for drainage/services infrastructure; flood risk.
	SITE AVAILABILITY	Likely time frame required before site could become available for development taking into account ownership, planning requirements and constraints. Short-term = site available within 1 yr, medium-term = site potentially available within 1 to 3 years, and long-term = site potentially available in term longer than 3 years.

Access

7.4 Access to efficient public transport links is an important determining factor in encouraging sustainable travel to work patterns. The distance from a public transport interchange and the frequency of the public transport service is important in determining public transport accessibility of existing and potential employment locations.

7.5 The importance of being located close to the strategic road network (SRN) varies according to business sector, the stage in the supply chain, market access dependencies and the frequency of inward and outward deliveries. Firms within the B8 use class who are engaged in storage and distribution activities are likely to attach the most importance to proximity and access to the strategic road network. B1(c) firms may also have a strong business need for good access to the road network.

Sustainability

7.6 In sustainability terms, it is preferable to re-use existing land and premises to maximise the use of existing resources. Locations have been evaluated according to whether they represent “brownfield” locations.

7.7 The location of potential employment sites has been considered on a sequential basis to provide a measure of the centrality of the location and the extent to which access can be provided by a range of transport modes. The locational typology has been adapted from those identified within PPS6 (Town Centres and Retail Development) and PPS3 (Housing):

- locations within the existing urban area;
- locations on the edge of existing urban areas i.e. adjacent to the settlement boundaries; and
- rural locations.

7.8 The principles can equally be used to provide an indicator of the centrality (providing access to other services and firms) and access (proximity to transport network and labour pools).

Marketability and Demand

7.9 The market attractiveness of sites varies according to the demand for different types of premises. Market perceptions are also influenced by factors such as the desirability of an area as an employment location, the quality of the environment surrounding a site, and the accessibility of a site.

7.10 Good location and access is often viewed as a pre-requisite for employment sites, and exerts a strong influence on the marketability of a site for employment use. A potential site must exceed the minimum size requirement needed to make a given development economically viable. For B-class uses in new locations it is necessary to provide sufficient land for a critical mass of similar activities to be established. The size of parcel varies according to the target sector and size of premises to be provided. Consequently, a relatively small site may be large enough to make B1(a) development feasible, but may be too small for B1(c) development.

7.11 Certain occupiers may have particular site requirements depending on the operations of their business particularly in terms of accessibility, and environmental requirements. For example, HQ occupiers within some sectors have a preference for a high quality business park type environment in a prominent location whereas similar functions in other sectors are less prescriptive. B1(c) and B8 firms typically require purpose built, low density sites in order to undertake their operations in an efficient manner and to allow room for expansion in situ.

7.12 An assessment has been made of the market attractiveness and demand for each site in terms of to what extent:

- the site is capable of attracting major inward investment;
- the site is capable of meeting needs of growing / consolidating existing firms in Exeter;
- the site is capable of providing premises for new and small enterprises in a variety of sectors; and
- the most appropriate type of activity in terms of B-use class (B1/B2/B8).

7.13 The assessment has been informed by discussions with property agents and relevant Council officials.

Constraints

7.14 The presence of development constraints on each site is considered with regard to the ease at which such constraints are likely to be overcome. Constraints include: the likelihood of site owners bringing forward employment development; likely need for land reclamation or decontamination on a site; need for and severity of access improvements to the highway network; and topological constraints.

7.15 The availability of a site is influenced by its current physical state, including whether it accommodates an existing use and the presence of environmental constraints which need to be overcome prior to development. The need for land assembly may also reduce the availability of a site for development in the short-medium term. The availability of a site has a direct relationship on the ease at which a site can be brought forward for development and development costs. Sites that accommodate an existing use and require land assembly are generally harder to develop than undeveloped sites in single ownership.

7.16 Sites have been classified into the following types of availability:

- Short-term availability;
- Medium-term availability; and
- Long-term availability.

7.17 Sites available in the short term are those that could be taken forward immediately or within the next two years, are free from major development constraints and would require minimal land assembly measures. Sites available in the medium term (within three to six years) may require some mitigation measures such as minor decontamination works or improvements to access. Sites available in the long term (six years plus) are likely to have significant development constraints and require significant works to bring forward employment development.

Availability

7.18 In assessing the availability of employment commitments (planning permissions plus Local Plan allocations), our analysis indicates that, for Exeter City, only 17.5 ha is suitable and readily available for employment development, of which approximately 40% is under construction or close to commencement. This increases only to 19.8 ha when consideration is given to commitments in other parts of the TTWA.

Suitability Criteria Matrix

7.19 Appendix C contains the Suitability Criteria Matrix for employment sites assessed within the Exeter TTWA.

Exeter City Centre

7.20 Appendix C demonstrates the shortage of available land allocated for employment within Exeter city centre. All of the sites are either already developed, under construction, or unlikely to be brought forward for redevelopment in the short-term.

7.21 Additionally, the sites identified by the Exeter Core Strategy Issues and Options Paper are unlikely to become available for employment uses in the short term.

Rest of Exeter

7.22 Appendix C demonstrates that there are a variety of allocated sites within the Rest of Exeter sub-area of varying sizes, which are potentially available for a range of uses.

7.23 The most significant allocation (R82) at Matford Park could potentially attract inward investment. A number of small sized allocations are potentially available for employment uses in the short-term, although proposals for several sites are at an advanced stage.

7.24 There are likely to be development constraints impacting on the allocated sites adjacent to Ibstock Brickworks (41 and 42).

7.25 Within the rest of Exeter sub-area, one site was identified as a Core Strategy Development Option for employment uses (7 – land south of Silverton Road). This could potentially attract significant inward investment.

East of Exeter Joint Area Action Plan

7.26 Appendix C demonstrates that there are a variety of allocated sites within the sub-area of varying sizes, which are potentially available for a range of employment uses.

7.27 Several of the allocations are capable of potentially attracting major inward investment, including:

- Land south of the A379;
- Land north of EDF between Pinn Lane and J29 on M5;
- University of Exeter Science Park;
- Skypark; and
- Intermodal Freight Terminal.

7.28 Additionally, Appendix C includes three further sites which are identified as Core Strategy development options incorporating employment uses. The land to the south of the Met Office is identified as having potential purely for employment uses, whereas the land to the north of Old Rydon Lane (St Bridget Nurseries) and land to the west of Sandy Park Farm are identified as having potential for mixed uses.

7.29 In addressing the shortfall in employment land supply, particularly in the short-term, it is essential that the City Council give consideration to:

- the potential for identifying a significant component of employment land provision at Core Strategy development option sites including land to the north of Old Rydon Lane (St Bridget Nurseries), land west of Sandy Park Farm (Junction 30) and land south of the Met Office;
- enabling the early development of key sites for employment generation in order to stem the increasingly acute shortfall in good quality employment land supply;
- identifying a significant proportion of employment provision as part of mixed-use developments in the city centre; and
- potentially identifying a number of new employment allocations in addition to the employment element of core strategy options sites. Consideration should be given to a mix of brownfield and greenfield sites including, for example:
  - extension of bus station site to the north east to include land between Bampfylde Street and Belgrave Road (potentially forming part of a comprehensive redevelopment scheme between the northern side of Sidwell Street, Paris Street and Summerland Street);
  - conversion and extension of Dean Clark House, Southernhay;
  - Land north of Topsham Road, east of Royal Naval Stores Depot;
  - Ibstock Works; and

METHODOLOGY FOR ASSESSING THE SUITABILITY OF EMPLOYMENT LAND

7.30 To comprehensively assess the suitability of employment land within the District and undertake a full Employment Land Review, it would be necessary to carry out assessments in accordance with the central government guidance '*Employment Land Reviews: Guidance Note'.* The remainder of this Section outlines a methodological framework for undertaking the employment land review.

7.31 An initial assessment of the employment sites should be undertaken to help develop an understanding of the "fitness for purpose" of existing employment sites. This would help to inform the site appraisal process.

7.32 Additionally, comprehensive appraisals should also be undertaken at each site. These should assess a number of factors, including:

- site specific policy context;
- the size of the site (ha);
- details and amount (ha) of vacant / derelict land, and vacant floorspace (m^2);
- existing uses including the total number of employment premises and business activity types;
- property appraisal including the type, age, condition, and quality of premises;
- total number of premises, number of vacant premises and vacant floorspace;
- appraisal of access and transport issues including external and internal access and parking arrangements;
- environmental condition and quality including the provision of amenities;
- issues affecting the marketing and management of the site;
- identification of development constraints; and
- potential scope for change and future uses.

7.33 In order to ensure a consistent and robust assessment of all employment sites, a site appraisal pro-forma should be developed, incorporating a variety of closed tick-box style questions and open ended questions. Adopting this approach enables a mixture of qualitative and quantitative analysis to be undertaken.

7.34 To ensure that reliable and consistent data is collected, a set of pro-forma guidelines should be prepared which establish how each of the different questions should be completed. For reference purposes photographs should be taken at each site.

Data entry, checking and verification

7.35 Following the completion of the site appraisal stage of the study, the information obtained from the site surveys can be fed into an Access database. The information should then be checked and verified for accuracy. It is necessary to obtain some information including site access to the road network and public transport, from the relevant Local Plan and other sources, and add this to the database.

7.36 The data can then be analysed using Access to enable detailed analysis of various issues affecting the sites, including information on vacancy rates, the balance of uses, the range, age and condition of premises found within the sites, and site accessibility.

7.37 The database can then be used to help identify the issues relating to the future role of the sites (including scope for change and potential development constraints), and maps can be prepared to illustrate the assessment findings.

8. CONCLUSIONS

SCALE OF EMPLOYMENT GROWTH

8.1 Based on our analysis of local economic circumstances including key drivers in the Exeter economy, we conclude that demand for labour in the TTWA is likely to be in excess of the 28,500 as indicated in the draft RSS. Indeed, based on our scenario of Exeter pursuing a strong policy agenda aimed at achieving the regional and sub-regional objective of becoming a major economic driver in the South West, we estimate that total job growth is more likely to be around 37,000. However, this includes an estimated increase of around 9,500 public sector jobs which are subject to policy-based decisions more than core market forces. The employment growth forecasts by sector for the TTWA are summarised in Table 8.1.

Table 8.1 - Exeter TTWA Employment Growth by Sector 2006-2026

Sector	2006-2011	2011-2016	2016-2021	2021-2026	Total
Agriculture & fishing	-7	-10	-9	-6	-32
Energy & water	-80	-110	-102	-73	-365
Manufacturing	83	114	106	76	378
Construction	609	831	776	554	2,770
Distribution (inc retail, hotels & restaurants)	2,359	3,217	3,003	2,145	10,724
Transport & communications	578	789	736	526	2,630
Banking, finance & insurance (Business services)	2,215	3,021	2,819	2,014	10,068
Public sector	2,100	2,864	2,673	1,909	9,547
Other services	295	403	376	268	1,342
Total	8,154	11,118	10,377	7,412	37,062

Source: Atkins.

8.2 It is imperative to highlight that a significant proportion of these jobs (around 55%) will not require premises as defined by the B use class category. Of particular importance will be key employment sectors including retail, hotels and catering, health and education. This is a significant consideration in relation to the future allocation of B use class land and has significant implications for any future economic / employment strategy for the TTWA.

8.3 With regard to planning for potential future job growth in the public sector, it will be important for the local authorities to consult closely with major employers and agencies in the area in order to provide adequately for their land and premises need. Given that the provision of public services and location of operations is driven more by strategic policy considerations rather than market forces, the forecasts of public sector employment may be subject to a significant margin of error. Consequently, it will be necessary for authorities to adequately monitor employment change and drivers of change in this sector.

8.4 It is also important to highlight that the extent to which the additional 37,000 jobs will be realised in the TTWA will, in part, depend upon the ability of the local labour supply to respond to this need. Undoubtedly, this level of labour demand raises significant implications for commuting, economic participation, training and skills programmes and housing supply (see below). Table 8.2 provides an indicative profile of the likely distribution of the TTWA's total employment growth in the period up to 2026.

Table 8.2 - Spatial Distribution of Employment Growth 2006-2026

	2006-2011	2011-2016	2016-2021	2021-2026	Total
Exeter City Centre	652	1,112	1,453	1,038	4,255
Exeter and East Devon Joint Area	3,261	5,003	4,877	3,484	16,626
Rest of Exeter	1,957	2,224	1,764	1,260	7,205
Rest of East Devon Zone	1,223	1,445	1,245	889	4,803
Mid Devon Zone	489	667	519	371	2,046
Teignbridge Zone	571	667	519	371	2,127
Total Exeter TTWA	8,154	11,118	10,377	7,412	37,062

Source: Atkins

QUANTITY OF EMPLOYMENT LAND

8.5 Despite labour demand likely to be in excess of the 28,500 highlighted by the draft RSS, our conclusions indicate that the 140 ha of employment provision in the draft RSS provides a sufficient allowance for future need for industrial and business floorspace in the Exeter SSCT during the period 2006-2026. Indeed, our assessment of future demand indicates that Exeter SSCT will amount to approximately 118 hectares (based on stated assumptions). Our estimates of demand for the rest of the TTWA (outside Exeter SSCT amount to approximately 33 hectares. According to our preferred forecast scenario of employment growth, the draft RSS's proposed allocation for Exeter SSCT would create a sufficient allowance for the establishment of new enterprises, expansion of indigenous businesses and significant inward investment in key knowledge-based sectors driven by a strong economic growth policy agenda.

8.6 However, for the LDF to properly meet the business needs of Exeter, it is critical that adequate amounts of good quality land is made available throughout the plan period. In practice, this will require identifying appropriate sites to overcome the immediate shortage of suitable land and premises as well as ensuring a sufficient pipeline supply for longer term needs (see below).

SHORTFALL OF CURRENT SUPPLY & PLANNING FOR FUTURE NEEDS

8.7 Our analysis has indicated that existing employment land supply in the TTWA (as determined by planning permissions and Local Plan allocations) falls short of our projections of demand. If implemented, major planning commitments tied up in a relatively small number of large sites will make a significant contribution to meeting medium and long-term demand. However, there remains a clear shortfall in the short-term supply of suitable sites to meet existing and forecast demand for the next five years. For Exeter City, our analysis indicates that approximately 17.5ha of land is suitable and readily available for development, of which approximately 40% is under construction or close to commencement. This increases only to 19.8ha when consideration is given to commitments in other parts of the TTWA.

8.8 Consequently, a critical gap in the draft RSS relates to the potential phasing and quality of land that may be made available to meet future need. Therefore, we recommend that immediate steps are taken to fully evaluate the quality / suitability of all major employment allocations and a range of potential new employment sites for this purpose. Furthermore, we recommend that the feasibility of delivering sufficient employment floorspace over the next 5-10 years is assessed thoroughly and in consultation with the property market and business representatives. In addressing the shortfall in employment land supply, particularly in the short-term, it is essential that the City Council give consideration to:

- the potential for identifying a significant component of employment land provision at Core Strategy development option sites including land to the north of Old Rydon Lane, land west of Sandy Park Farm (Junction 30) and land south of the Met Office; and

- identifying a significant proportion of employment provision as part of mixed-use developments in the city centre.

8.9 In evaluating the potential contribution of these sites to meeting business needs, it will be essential for ECC to assess the relative importance of the Council's priorities in making provision for new housing and community uses as well as employment.

This assessment should take into consideration Exeter's increasing role as a regional centre as well as its requirement to serve local needs.

8.10 In the longer term, particular emphasis should be given to maximising the quality of employment land supply and ensuring that key sites can be delivered. The employment land strategy should aim to ensure that significant value can be added to the sub-regional and regional economies by bringing forward sites that can attract a range of knowledge-based businesses to the area (through indigenous expansion and inward investment).

8.11 This will require working closely with the business sector, landowners, the RDA, property investors and local agents to ensure that timely and effective solutions can be provided in order to realise the potential of a number of complex sites. In addition to providing implementation solutions for existing, major commitments, the Council should also consider with its partners, the need to potentially identify a number of new employment allocations in addition to the employment element of core strategy options sites. Consideration should be given a mix of brownfield and greenfield sites including, for example:

- extension of bus station site to the north east to include land between Bampfylde Street and Belgrave Road (potentially forming part of a comprehensive redevelopment scheme between the northern side of Sidwell Street, Paris Street and Summerland Street);
- conversion and extension of Dean Clark House, Southernhay;
- Land north of Topsham Road, east of Royal Naval Stores Depot; and
- Ibstock Works.

LOCATION OF EMPLOYMENT LAND PROVISION

8.12 Our analysis of local demand and supply factors has included an indicative distribution of employment growth and employment land needs in different parts of the TTWA. This is highlighted in Table 8.3.

Table 8.3 – Spatial Distribution of B-use Forecasts 2006-2026 (Gross Additional)

	Additional B-use Jobs[30]	Employment floorspace (m^2)	Employment land (ha)
Exeter City Centre	2859	60048	6.0
Exeter and East Devon Joint Area	8835	322120	90.3
Rest of Exeter	2773	68911	21.6
Rest of East Devon Zone	1933	62391	16.9
Mid Devon Zone	756	21849	5.6
Teignbridge Zone	1358	35840	10.1
Total Exeter TTWA	18515	571159	150.5

Source: Atkins

TYPE OF EMPLOYMENT GROWTH

8.13 As previously indicated, a significant proportion of future employment growth will take place in non B-use sectors, particularly retail, hotels & catering and the public sector.

8.14 With regard to B use class employment our analysis indicates that, in the period up to 2006, approximately 3,700 new jobs will be generated in science and related knowledge-based industries. These will require employment land demand of approximately 27ha.

8.15 The key source of demand for employment land and premises will come in the form of business, professional and financial services. Indeed, we estimate that approximately 10,000 new jobs will be created in this broad sector which will require around 58 ha of B1a land.

8.16 Demand for distribution, storage and warehousing land and floorspace will also be strong which will result from both the accessibility advantages displayed by the TTWA but also from the growing need for these uses generated by other economic activities (and a growing population).

[30] Note: Additional jobs data excludes on-site construction jobs.

8.17 It is important to highlight that demand for B1 floorspace and land will need to be matched by a suitably flexible supply of these premises. Whilst the majority of demand for B1c (light industry) premises will be on the fringe or outside the main urban area (in other parts of the TTWA), there is insufficient evidence which can justify a prescriptive approach to estimating the split between demand for B1a, B1b and B1c. With regard to B1b, it is important to note that R&D is a precise economic activity which forms only a small part of any local economy. Furthermore, in land-use and planning terms, there is little case history to provide strong evidence of the type of economic activities which occupy B1b floorspace. Therefore, it is difficult to predict with confidence how much pure R&D demand will be forthcoming over the next 20 years.

8.18 From a planning and economic perspective, it is much more important to focus on the provision of suitable land and premises which are required by more broadly defined knowledge-based industries. Typically, these businesses will require B1 floorspace, a large proportion of which will be for offices.

8.19 Table 8.4 summarises our assessment of future demand for B use class jobs, floorspace and land in the Exeter TTWA. Table 8.5 provides our estimates of demand for land in each of the TTWA sub-areas by B use-class categories in the period 2006-2026.

Table 8.4 – Preferred Scenario Employment Floorspace and Employment Land Requirements for Exeter TTWA 2006-2026 (Gross Additional)

	Jobs	Employment floorspace		Employment land	
	Increase 2006-2026	Employment density	Employment floorspace	Plot ratio	Employment land
B-use Class 1a Offices (Town Centre)	3479	21	73059	1.00	7.3
B-use Class 1a Offices (Business Park)	8451	21	177471	0.30	59.2
B-use Class 1b R&D	564	32	18048	0.35	5.2
B-use Class 1c Light industrial	1880	32	60160	0.35	17.2
B-use Class 2 General industrial	890	35	31150	0.35	8.9
B-use Class 8 Warehousing	3250	65	211250	0.40	52.7
TOTAL GROSS ADDITIONAL	18515	**-**	571138	**-**	150.5
Total net additional	17599	-	543813	-	143.9

Source: Atkins

Table 8.5 – Employment Land Demand Forecasts by Sub-Area and Use-Class (Hectares 2006-2026)

B Use-Class	City Centre	Exeter & East Devon Joint Area	Rest of Exeter	Rest of East Devon Zone	Mid Devon Zone	Teignbridge Zone	TOTAL Exeter TTWA
B1a Office (Town Centre)	6.0	0.0	0.0	0.5	0.4	0.4	7.3
B1a Office (Business Park)	0.0	30.2	15.0	6.2	1.9	5.9	59.2
B1b R&D	0.0	5.2	0.0	0.0	0.0	0.0	5.2
B1c Light Industrial	0.0	8.0	4.0	3.0	1.1	1.1	17.2
B2 General Industry	0.0	5.0	0.9	1.0	1.0	1.0	8.9
B8 Warehousing & Distribution	0.0	41.9	1.7	6.2	1.2	1.7	52.7
TOTAL	6.0	90.3	21.6	16.9	5.6	10.1	150.5

EXETER CITY CENTRE

8.20 Our analysis concluded that demand for new offices in the City Centre will be significant. For example, the results from the business survey indicate that there is significant demand for office floorspace within the city centre, supporting the views held by property agents active in the Exeter area. Overall, 34% of businesses in the Exeter SSCT stated that they would consider the city centre as an appropriate location if they were seeking to relocate, expand or set up a new office in the area (28% of businesses located outside of Exeter and 40% of businesses already located in Exeter). Extrapolated to represent the main existing office occupiers in Exeter City, the survey indicates that around 700 businesses consider the City Centre to be good office location. This excludes potential demand arising from inward investment activity, which for Exeter, is likely to include regional HQs for business and professional services, many of have requirements for town centre locations.

8.21 When asked the location which represented the most suitable location for new offices, 30% of businesses interviewed stated Exeter City Centre. Moreover, 46% of large companies identified the City Centre as the most suitable location.

8.22 Our forecasts of future employment floorspace and land demand indicate a gross additional requirement for approximately 60,000 sqm of office space in the City Centre during the period 2006-2026. This is based on our appraisal of Exeter's existing and projected change in economic structure and demand for employment. It reflects a scenario where Exeter fulfils its role as a major regional centre for business activity in service and knowledge intensive economic activities. An increase of up to 60,000 sqm by 2026 represents an approximate growth of 50% on top of the current stock of offices in the City Centre (127,000 sqm).

8.23 As highlighted above, it is important to stress that demand will, in the main, come from medium and large- sized companies. Furthermore, businesses with a specific need to be located in a City Centre location should be distinguished from those which prefer an edge or out-of-town location and do not have a requirement to be the City Centre. Businesses and business functions with a need to be in the City Centre will include regional and national HQs and major service centres operating within the business, professional and financial services sectors.

8.24 Recent take-up of Phase 1 of The Senate in Southernhay and the scale of pre-let activity for the second phase provides a strong indication of current demand for prime office accommodation in the City Centre.

8.25 Despite strong levels of latent demand, a strong land and premises supply response will be required by the local authority and local land owners. This will include a comprehensive approach to realising the potential of a small number of major redevelopment sites in the City Centre. Furthermore, a significant proportion of land at these sites should be allocated for employment (potentially as part of mixed-use schemes) in order to achieve a step-change in the City Centre's office role.

8.26 In addition, it is important to highlight that a significant constraint to realising the demand for new office premises in the City Centre relates to issues of parking and accessibility. Indeed, 50% of businesses interviewed identified the lack of parking facilities which detracted from the attractiveness of the City Centre as a business location. Consequently, in devising the LDF's employment land strategy, the feasibility of improving parking provision for businesses in the City Centre should be investigated. This should be accompanied by firm plans and commitments to improve accessibility to the City Centre by public transport and other more sustainable means of travel (including, for example, Park & Ride). Public transport solutions should be pursued not only in mitigating constraints associated with car parking provision but also as a positive factor which can assist in attracting new businesses to the City Centre.

LABOUR SUPPLY / DEMAND BALANCE

8.27 Comparing the scale of existing job provision in the Exeter TTWA with its pool of economically active population indicates that, at present, there is a reasonable balance between labour supply and demand. However, our population and housing based forecasts suggest that there is significant potential for labour demand to outstrip labour supply. Whilst from one perspective, this may create an argument for increasing housing provision, it is important to highlight that a number of demand and supply-side adjustments may take place to reduce the disparity. Some of these adjustments can occur naturally through market forces in the economy whilst others can be facilitated through public sector intervention.

8.28 Given the continued expansion of Exeter as a regional employment centre, it is likely that outward pressure will be exerted on the TTWA. At the same time, in order to address the potential shortfall in labour supply, significant efforts should be taken by the local authority, RDA and training organisations to increase economic activity rates and encourage flexibility at the workplace.

APPENDIX A

Employment Tables & B Use-Class SIC Definitions

A. 1. EMPLOYMENT TABLES (SUPPORTING SECTION 3)

Table A.1 - Broad Sector Employment (EHOD)

Broad Sector	1996 Jobs	1996 % of total	2000 Jobs	2000 % of total	2004 Jobs	2004 % of total	Average annual % growth
Agriculture & fishing[1]	5,724	3.7	2,934	1.8	3,057	1.6	-8.6
Energy & water	3,167	2.1	1,995	1.2	2,025	1.1	-5.4
Manufacturing	18,479	12.1	17,676	10.7	15,011	7.8	-2.6
Construction	5,842	3.8	9,315	5.7	11,719	6.1	9.1
Distribution, hotels & restaurants	40,450	26.5	43,297	26.3	50,962	26.6	2.9
Transport & communications	8,049	5.3	8,951	5.4	11,138	5.8	4.1
Banking, finance & insurance	20,060	13.1	20,832	12.7	27,659	14.4	4.1
Public admin, education & health	48,830	31.9	51,018	31.0	61,084	31.9	2.8
Other services	7,509	4.9	8,606	5.2	9,036	4.7	2.3
TOTAL	152,907	100.0	164,625	100.0	191,692	100.0	2.9

Source: Annual Business Inquiry, NOMIS

[1] As 1996 figures are under-estimated for agriculture & fishing at the District level, the growth rate shown here is for the period 1997 to 2004.

Table A.2 – Broad Sector Employment (Exeter TTWA) (2004)

Broad Sector	Exeter City Centre	Rest of Exeter	East Devon zone	Mid Devon zone	Teignbridge zone	Exeter TTWA TOTAL	Joint Area[2]
Agriculture & fishing[3]	1	59	122	53	104	339	17
Energy & water	0	1,495	45	4	31	1,575	1,335
Manufacturing	313	3,562	1,844	1,185	299	7,203	2,469
Construction	88	3,618	2,513	621	912	7,752	2,192
Distribution, hotels & restaurants	6,529	12,587	10,443	1,890	4,257	35,706	4,676
Transport & communications	1,463	3,954	2,349	284	498	8,548	3,924
Banking, finance & insurance	7,380	8,182	3,734	1,044	1,737	22,077	4,414
Public admin, education & health	4,215	29,570	10,029	1,642	3,932	49,388	6,680
Other services	922	2,261	2,102	367	646	6,298	751
TOTAL	20,911	65,288	33,181	7,090	12,416	138,886	26,457

Source: Annual Business Inquiry, NOMIS

Table A.3 – Broad Sector Employment Location Quotients (EHOD)

	EHOD : the South West			EHOD : England & Wales		
Broad Sector	1996	2000	2004	1996	2000	2004
Agriculture & fishing	n/a	1.23	1.25	n/a	1.99	1.93
Energy & water	1.79	1.42	1.54	2.38	1.71	2.13
Manufacturing	0.74	0.72	0.67	0.68	0.71	0.65
Construction	1.16	1.30	1.32	1.07	1.30	1.38
Distribution, hotels & restaurants	1.03	1.00	0.99	1.11	1.09	1.07
Transport & communications	1.06	1.10	1.17	0.89	0.88	0.97
Banking, finance & insurance	0.83	0.78	0.85	0.73	0.64	0.72
Public admin, education & health	1.22	1.17	1.13	1.33	1.31	1.22
Other services	1.07	1.16	1.02	1.01	1.05	0.92
TOTAL	1.00	1.00	1.00	1.00	1.00	1.00

Source: Annual Business Inquiry, NOMIS

[2] The Joint Area refers to the Exeter and East Devon Joint Area and is defined as being: Broadclyst ward, Pinhoe ward, Topsham ward, St Loyes ward and Whipton. In practice this slightly over-represents the actual area that the Joint Area refers to.

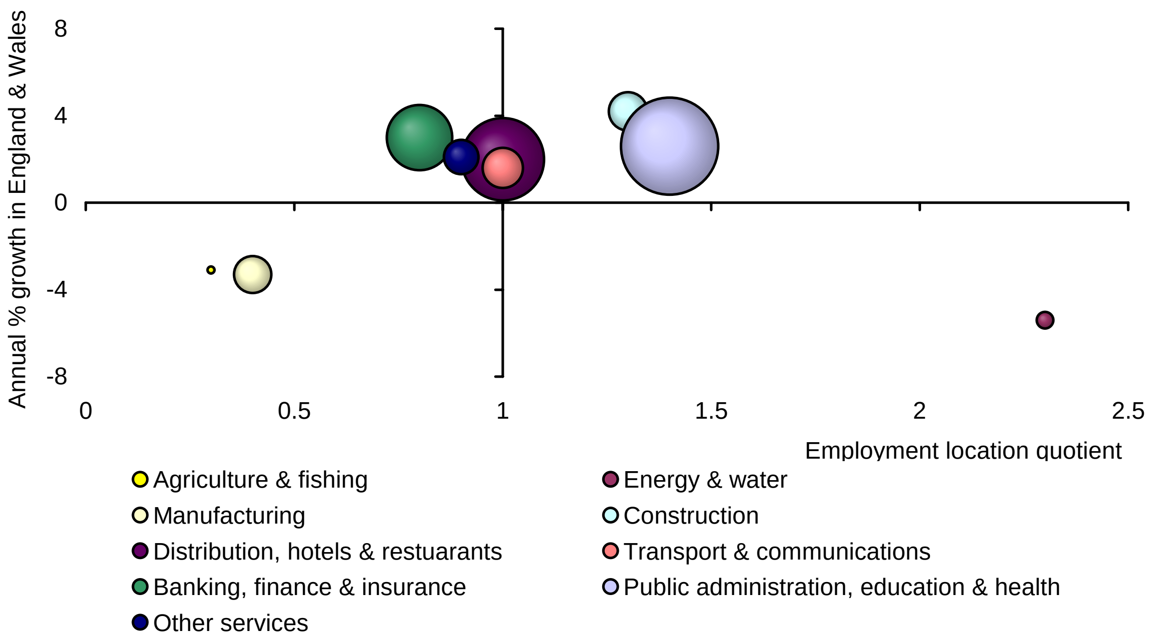
[3] As 1996 figures are under-estimated for agriculture & fishing at the District level, the growth rate shown here is for the period 1997 to 2004.

Table A.4 – Broad Sector Employment Location Quotients (Exeter TTWA) (2004)

Broad Sector	Exeter City Centre	Rest of Exeter	East Devon zone	Mid Devon zone	Teignbridge zone	Exeter TTWA TOTAL	Joint Area
	Exeter TTWA sub-areas : South West						
Agriculture & fishing	0.00	0.07	0.29	0.59	0.66	0.19	0.05
Energy & water	0.00	3.34	0.20	0.08	0.36	1.65	7.36
Manufacturing	0.13	0.47	0.48	1.44	0.21	0.45	0.80
Construction	0.09	1.20	1.63	1.89	1.58	1.20	1.79
Distribution, hotels & restaurants	1.16	0.72	1.17	0.99	1.27	0.96	0.66
Transport & communications	1.41	1.22	1.43	0.81	0.81	1.24	3.00
Banking, finance & insurance	2.08	0.74	0.66	0.87	0.82	0.93	0.98
Public admin, education & health	0.71	1.60	1.07	0.82	1.12	1.26	0.89
Other services	0.96	0.75	1.38	1.12	1.13	0.98	0.62
TOTAL	1.00	1.00	1.00	1.00	1.00	1.00	1.00

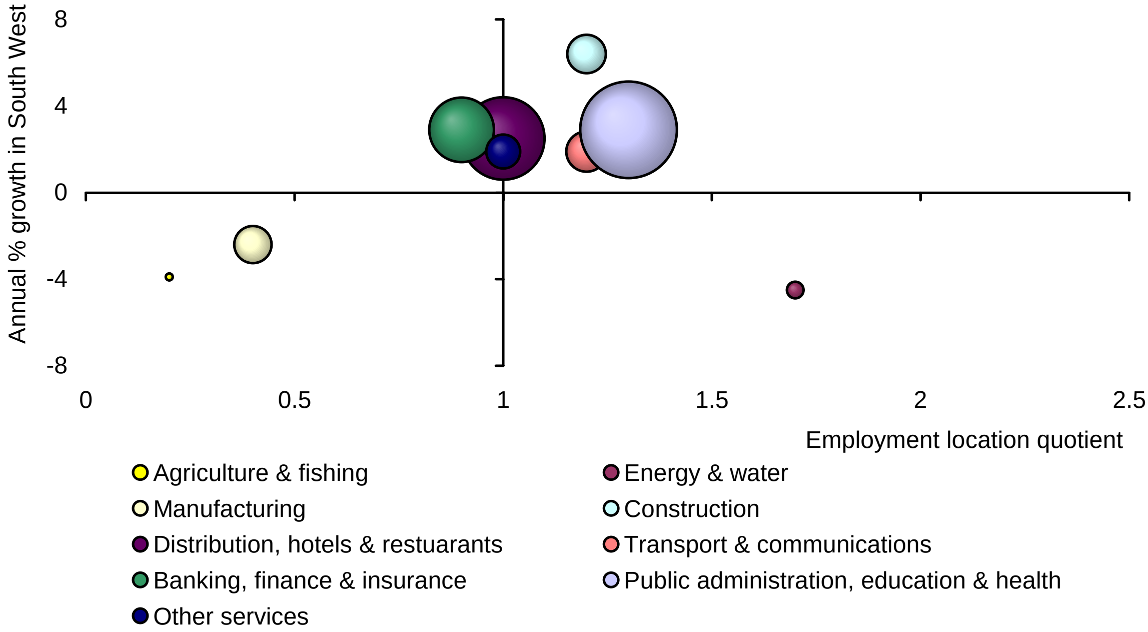
Source: Annual Business Inquiry, NOMIS

Figure A.1 – Exeter TTWA : England & Wales Employment Location Quotients (2004) Against Sectoral Growth in England & Wales (1996-2004)



Source: Annual Business Inquiry, NOMIS

Figure A.2 – Exeter TTWA : South West Employment Location Quotients (2004) Against Sectoral Growth in the South West (1996–2004)



Source: Annual Business Inquiry, NOMIS

Table A.5 – Broad Sector Employment Growth

Broad Sector	East Devon	Exeter	Mid Devon	Teignbridge	EHOD[4]	South West	England & Wales
Agriculture & fishing[5]	-6.8	-8.6	-8.4	-7.3	-8.6	-8.7	-7.7
Energy & water	-29.7	-2.4	5.5	-2.9	-5.4	-4.5	-5.4
Manufacturing	-5.5	0.7	-3.0	-2.5	-2.6	-2.4	-3.3
Construction	13.3	5.8	10.3	9.6	9.1	6.4	4.2
Distribution, hotels & restaurants	2.2	3.4	4.0	2.5	2.9	2.5	2.0
Transport & communications	8.7	4.0	2.8	0.7	4.1	1.9	1.6
Banking, finance & insurance	0.6	4.7	5.4	5.2	4.1	2.9	3.0
Public admin, education & health	3.7	2.5	3.2	2.7	2.8	2.9	2.6
Other services	4.1	-0.1	6.0	2.7	2.3	1.9	2.1
TOTAL	2.6	3.0	3.0	2.7	2.9	1.9	1.5

Source: Annual Business Inquiry, NOMIS

[4] EHoD – Exeter and Heart of Devon (includes: East Devon, Exeter, Mid Devon and Teignbridge)
[5] Growth is based on 1997 – 2004.

Table A.6 – B-use Employment Summary (EHOD)

Broad Sector	1996 Jobs	1996 % of total	2000 Jobs	2000 % of total	2004 Jobs	2004 % of total	Average annual % growth
B-use Banking, finance & insurance	20,060	28.8	20,832	28.3	27,659	33.0	4.1
B-use Construction	5,842	8.4	9,315	12.7	11,719	14.0	9.1
B-use Distribution & wholesale	11,273	16.2	10,315	14.0	11,636	13.9	0.4
B-use Manufacturing	18,479	26.5	17,676	24.0	15,011	17.9	-2.6
B-use Other services	6,011	8.6	6,513	8.8	6,652	7.9	1.3
B-use Public administration	9,951	12.5	9,196	11.1	10,584	11.2	0.8
B-use Transport & communications	8,049	10.1	8,951	10.8	11,138	11.8	4.1
TOTAL	79,665	100	82,798	100	94,399	100	2.3

Source: Annual Business Inquiry, NOMIS

Table A.7 – B-use Employment Summary (Exeter TTWA (2004)

Broad Sector	Exeter City Centre	Rest of Exeter	East Devon zone	Mid Devon zone	Teignbridge zone	Exeter TTWA TOTAL	Joint Area
B-use Banking, finance & insurance	7,380	8,182	3,734	1,044	1,737	22,077	4,414
B-use Construction	88	3,618	2,513	621	912	7,752	2,192
B-use Distribution & wholesale	261	4,593	1,946	656	675	8,131	1,710
B-use Manufacturing	313	3,562	1,844	1,185	299	7,203	2,469
B-use Other services	639	1,840	1,573	282	500	4,834	613
B-use Public administration	1,146	6,745	1,393	17	430	9,731	16,883
B-use Transport & communications	1,463	3,954	2,349	284	498	8,548	3,924
TOTAL	11,289	32,495	15,352	4,089	5,051	68,276	32,205

Source: Annual Business Inquiry, NOMIS

Table A.8 – Public Administration, Education & Health Employment

	1996		2004		Average annual % growth	Change in jobs
	Jobs	% of EHOD total	Jobs	% of EHOD total		
East Devon	8,897	18.2	11,906	19.5	3.7	3,009
Exeter	27,627	56.6	33,785	55.3	2.5	6,158
Mid Devon	4,120	8.4	5,289	8.7	3.2	1,169
Teignbridge	8,185	16.8	10,104	16.5	2.7	1,919
EHOD	48,830	100.0	61,084	100.0	2.8	12,254
Public admin	9,951	20.4	10,584	17.3	0.8	633
Public services etc	4,768	9.8	5,052	8.3	0.7	284
Education	12,990	26.6	18,116	29.7	4.2	5,126
Health	21,121	43.3	27,332	44.7	3.3	6,211
EHOD	48,830	100.0	61,084	100.0	2.8	12,254
Exeter TTWA	n/a	n/a	49,388	80.9	n/a	n/a

Source: Annual Business Inquiry, NOMIS

Table A.9 – Distribution, Hotels & Restaurants Employment

	1996		2004		Average annual % growth (96-04)	Change in jobs
	Jobs	% of EHOD total	Jobs	% of EHOD total		
East Devon	10 842	26.9	12 887	22.1	2.2	2 045
Exeter	14 627	36.4	19 116	32.8	3.4	4 489
Mid Devon	4 390	10.9	6 017	10.3	4.0	1 627
Teignbridge	10 591	26.3	12 943	22.2	2.5	2 352
EHOD	40,450	100.0	50,962	100.0	2.9	10,512
Sale, maintenance & repair of motor vehicles, motorcycles & fuel	5,044	12.5	4,736	9.3	-0.8	-308
Wholesale trade & commission trade	6,229	15.4	6,900	13.5	1.3	671
Retail trade; repair of personal & household gds	17,166	42.4	22,825	44.8	3.6	5,659
Hotels & restaurants	12,011	29.7	16,502	32.4	4.1	4,491
EHOD	40,450	100.0	50,962	100.0	2.9	10,512
Exeter TTWA	n/a	n/a	35,706	70.1	n/a	n/a

Source: Annual Business Inquiry, NOMIS

Table A.10 – Banking, Finance & Insurance Employment

	1996		2004		Average annual % growth (96-04)	Change in jobs
	Jobs	% of EHOD total	Jobs	% of EHOD total		
By District						
East Devon	4,154	20.7	4,364	15.8	0.6	210
Exeter	10,772	53.7	15,562	56.3	4.7	4,790
Mid Devon	1,568	7.8	2,395	8.7	5.4	827
Teignbridge	3,566	17.8	5,338	19.3	5.2	1,772
EHOD	20,060	100.0	27,659	100.0	4.1	7,599
By Sub-sector						
Financial intermediation, except insurance and pension funding	2,912	14.5	2,713	9.8	-0.9	-199
Insurance & pension funding, except compulsory social security	886	4.4	1,270	4.6	4.6	384
Activities auxiliary to financial intermediation	1,789	8.9	770	2.8	-10.0	-1,019
Real estate activities	2,184	10.9	3,781	13.7	7.1	1,597
Renting of machinery & equipment & of personal & household goods	858	4.3	1,128	4.1	3.5	270
Computer & related activities	712	3.5	1,473	5.3	9.5	761
Research & development	111	0.6	113	0.4	0.2	2
Other business activities	10,608	52.9	16,412	59.3	5.6	5,804
EHOD	20,060	100.0	27,659	100.0	4.1	7,600
Exeter TTWA	n/a	n/a	22,077	79.8	n/a	n/a

Source: Annual Business Inquiry, NOMIS

Table A.11 – Construction Employment

	1996 Jobs	1996 % of EHOD total	2004 Jobs	2004 % of EHOD total	Average annual % growth (96-04)	Change in jobs
By District						
East Devon	1,069	18.3	2,905	24.8	13.3	1,836
Exeter	2,356	40.3	3,706	31.6	5.8	1,350
Mid Devon	674	11.5	1,475	12.6	10.3	801
Teignbridge	1,743	29.8	3,633	31.0	9.6	1,890
EHOD	5,842	100.0	11,719	100.0	9.1	5,877
Exeter TTWA	n/a	n/a	7,752	62.1	n/a	n/a

Source: Annual Business Inquiry, NOMIS

Table A.12 – Transport & Communications Employment

	1996 Jobs	1996 % of EHOD total	2004 Jobs	2004 % of EHOD total	Average annual % growth (96-04)	Change in jobs
By District						
East Devon	1,305	16.2	2,550	22.9	8.7	1,245
Exeter	3,958	49.2	5,417	48.6	4.0	1,459
Mid Devon	1,169	14.5	1,463	13.1	2.8	294
Teignbridge	1,617	20.1	1,708	15.3	0.7	91
EHOD	8,049	100	11,138	100	4.1	3,089
By Sub-sector						
Land transport; transport via pipelines	2,934	36.4	3,246	29.1	1.3	312
Water transport	17	0.2	24	0.2	4.4	7
Air transport	222	2.8	684	6.1	15.1	462
Supporting & auxiliary transport activities; travel agency activities	1,094	13.6	1,873	16.8	7.0	779
Post & telecommunications	3,783	47.0	5,312	47.7	4.3	1,529
EHOD	8,050	100	11,139	100	4.1	3,089
Exeter TTWA	n/a	n/a	8,548	76.7	n/a	n/a

Source: Annual Business Inquiry, NOMIS

Table A.13 – Other Services Employment

	1996		2004			
	Jobs	% of EHOD total	Jobs	% of EHOD total	Average annual % growth (96-04)	Change in jobs
By District						
East Devon	1,793	23.9	2,469	27.3	4.1	676
Exeter	3,214	42.8	3,183	35.2	-0.1	-31
Mid Devon	806	10.7	1,282	14.2	6.0	476
Teignbridge	1,696	22.6	2,103	23.3	2.7	407
EHOD	7,509	100.0	9,036	100.0	2.3	1,527
By Sub-sector						
Sewage & refuse disposal, sanitation & similar activities	1,366	18.2	605	6.7	-9.7	-761
Activities of membership organisations n.e.c.	946	12.6	1,477	16.3	5.7	531
Recreational, cultural & sporting activities	3,700	49.3	4,570	50.6	2.7	870
Other service activities	1,497	19.9	2,384	26.4	6.0	887
EHOD	7,509	100	9,036	100	2.3	1,527
Exeter TTWA	n/a	n/a	6,298	69.7	n/a	n/a

Source: Annual Business Inquiry, NOMIS

Table A.14 – Manufacturing Employment

	1996		2004			
	Jobs	% of EHOD total	Jobs	% of EHOD total	Average annual % growth (96-04)	Change in jobs
By District						
East Devon	4,443	24.0	2,829	18.8	-5.5	-1,614
Exeter	3,666	19.8	3,875	25.8	0.7	209
Mid Devon	5,689	30.8	4,472	29.8	-3.0	-1,217
Teignbridge	4,681	25.3	3,834	25.5	-2.5	-847
EHOD	18,479	100.0	15,011	100.0	-2.6	-3,468
By Sub-sector						
Manufacture of machinery & equipment n.e.c.	1,087	5.9	2,533	16.9	11.2	1,446
Manufacture of furniture; manufacturing n.e.c.	767	4.2	1,043	6.9	3.9	276
Publishing, printing & reproduction of recorded media	1,598	8.6	1,777	11.8	1.3	179
Recycling	39	0.2	148	1.0	18.1	109
Manufacture of medical, precision & optical instruments, watches & clocks	236	1.3	344	2.3	4.8	108
Manufacture of other non-metallic mineral products	1,256	6.8	1,063	7.1	-2.1	-193
Manufacture of electrical machinery & apparatus n.e.c.	534	2.9	255	1.7	-8.8	-279
Tanning & dressing of leather; manufacture of luggage, handbags, saddlery, harness & footwear	363	2.0	45	0.3	-23.0	-318
Manufacture of fabricated metal products; not machinery/equipment	1,265	6.8	936	6.2	-3.7	-329
Manufacture of pulp, paper & paper products	887	4.8	472	3.1	-7.6	-415
Manufacture of radio, television & comms. equipment & apparatus	857	4.6	344	2.3	-10.8	-513
Manufacture of textiles	1,671	9.0	1,138	7.6	-4.7	-533
Manufacturing of food & beverages	3,286	17.8	2,664	17.7	-2.6	-622
Manufacture of chemicals & chemical products	1,148	6.2	250	1.7	-17.3	-898
Manufacture of transport equipment	1,494	8.1	113	0.8	-27.6	-1,381
EHOD	18479	100.0	15011	100.0	-2.6	-3,470
Exeter TTWA	n/a	n/a	7,203	48.0	n/a	n/a

Source: Annual Business Inquiry, NOMIS

Table A.15 – Agriculture & Fishing Employment

	1996		2004		Average annual % growth (96-04)	Change in jobs
	Jobs	% of EHOD total	Jobs	% of EHOD total		
By District						
East Devon	2,236	39.1	1,273	41.6	-6.8	-963
Exeter	123	2.1	60	2.0	-8.6	-63
Mid Devon	2,164	37.8	1,069	35.0	-8.4	-1,095
Teignbridge	1,202	21.0	654	21.4	-7.3	-548
EHOD	5,724	100.0	3,057	100.0	-8.6	-2,667
By Sub-sector						
Agriculture, hunting & related service activities	5,484	95.8	2,850	93.2	-8.9	-2,634
Forestry, logging & related service activities	184	3.2	181	5.9	-0.2	-3
Fishing, operation of fish hatcheries & fish farms; service activities incidental to fishing	57	1.0	26	0.9	-10.6	-31
EHOD	5,725	100.0	3,057	100.0	-8.6	-2,667
Exeter TTWA[6]	n/a	n/a	339	11.1	n/a	n/a

Source: Annual Business Inquiry, NOMIS

[6] Note: agriculture & fishing data at this level of detail excludes SIC:01.00 and is therefore underestimated.

Table A.16 – Energy & Water Employment

	1996		2004			
	Jobs	% of EHOD total	Jobs	% of EHOD total	Average annual % growth (96-04)	Change in jobs
By District						
East Devon	801	25.3	48	2.4	-29.7	-753
Exeter	1,816	57.3	1,495	73.8	-2.4	-321
Mid Devon	62	2.0	95	4.7	5.5	33
Teignbridge	488	15.4	387	19.1	-2.9	-101
EHOD	3,167	100	2,025	100	-5.4	-1,142
By Sub-sector						
Mining of coal & lignite; extraction of peat	0	0.0	0	0.0	0.0	0
Extraction of crude petroleum & natural gas; service activities incidental to oil & gas extraction excluding surveying	0	0.0	4	0.2	0.0	4
Mining of uranium & thorium ores	0	0.0	0	0.0	0.0	0
Mining of metal ores	0	0.0	0	0.0	0.0	0
Other mining & quarry	550	17.4	451	22.3	-2.5	-99
Electricity, gas, steam & hot water supply	964	30.4	914	45.1	-0.7	-50
Collection, purification & distribution of water	1,653	52.2	657	32.4	-10.9	-996
EHOD	3,167	100	2,025	100	-5.4	-1,142
Exeter TTWA	n/a	n/a	1,575	77.8	n/a	n/a

Source: Annual Business Inquiry, NOMIS

Table A.17 - Primary, growth and declining sub-sectors

Sub-sector	2004 No.	2004 %	Growth p.a. (%)	Change
Primary Sub-Sectors				
Health and social work	27,332	14.3	3.3	6,211
Retail trade, except of motor vehicles and motorcycles; repair of personal and household goods	22,825	11.9	3.6	5,659
Education	18,116	9.5	4.2	5,126
Hotels and restaurants	16,502	8.6	4.1	4,491
Other business activities	16,412	8.6	5.6	5,804
Public administration and defence; compulsory social security	15,635	8.2	0.8	916
Construction	11,719	6.1	9.1	5,877
Wholesale trade and commission trade, except of motor vehicles and motorcycles	6,900	3.6	1.3	671
Post and telecommunications	5,312	2.8	4.3	1,529
Sale, maintenance and repair of motor vehicles and motorcycles; retail sale of automotive fuel	4,736	2.5	-0.8	-308
Main Growth Sub-Sector				
Health & social work	27,332	14.3	3.3	6,211
Construction	11,719	6.1	9.1	5,877
Other business activities	16,412	8.6	5.6	5,804
Retail trade, except of motor vehicles & motorcycles; repair of personal & household goods	22,825	11.9	3.6	5,659
Education	18,116	9.5	4.2	5,126
Hotels and restaurants	16,502	8.6	4.1	4,491
Agriculture, hunting & related service activities	2,850	1.5	33.8	2,572
Real estate activities	3,781	2.0	7.1	1,597
Post & telecommunications	5,312	2.8	4.3	1,529
Manufacture of machinery & equipment not elsewhere classified	2,533	1.3	11.2	1,446

Main Declining Sub-Sectors				
Manufacture of transport equipment	113	0.1	-27.6	-1,381
Activities auxiliary to financial intermediation	770	0.4	-10.0	-1,019
Collection, purification & distribution of water	657	0.3	-10.9	-996
Manufacture of chemicals & chemical products	250	0.1	-17.3	-898
Sewage and refuse disposal, sanitation and similar activities	605	0.3	-9.7	-761
Manufacturing of food and beverages	2,664	1.4	-2.6	-622
Manufacture of textiles	1,138	0.6	-4.7	-533
Manufacture of radio, television & communication equipment & apparatus	344	0.2	-10.8	-513
Manufacture of pulp, paper & paper products	472	0.2	-7.6	-415
Manufacture of fabricated metal products, except machinery & equipment	936	0.5	-3.7	-329

Source: Annual Business Inquiry, NOMIS

Table A.18 – B-use business units and employment

	Exeter			EHOD			England & Wales		
	Business units		Emp	Business units		Emp	Business units		Emp
	Number	% of total	% of total	Number	% of total	% of total	Number	% of total	% of total
B-use banking, finance & insurance	1,468	48.7	43.4	4,725	40.6	33.0	649,895	46.5	38.1
B-use construction	392	13.0	10.3	2,054	17.7	14.0	194,132	13.9	8.4
B-use Distribution & wholesale	476	15.8	13.5	1,853	15.9	13.9	193,957	13.9	12.1
B-use manufacturing	286	9.5	10.8	1,348	11.6	17.9	158,156	11.3	22.8
B-use other services	224	7.4	6.9	847	7.3	7.9	108,850	7.8	7.4
B-use transport & communications	168	5.6	15.1	805	6.9	13.3	92,453	6.6	11.3
TOTAL	3,014	100	100	11,632	100	100	1,397,443	100	100

Source: Annual Business Inquiry; NOMIS

2. B USE CLASS SIC DEFINITIONS

B USE CLASS BY SIC

B-Use Class	Activities (UK SIC 1992)
Banking, finance & insurance	65 : Financial intermediation, etc
	66 : Insurance and pension funding, etc
	67 : Act auxilliary financial intermediation
	70 : Real estate activities
	71 : Renting machinery/equipment, etc
	72 : Computing and related activities
	73 : Research and development
	74 : Other business activities
Construction	45 : Construction
Distribution & wholesale	50 : Sale,maintenance/repair motor vehicles
	51 : Wholesale trade/commission trade, etc
Manufacturing	15 : Manuf food products and beverages
	16 : Manuf tobacco products
	17 : Manuf textiles
	18 : Manuf apparel;dressing/dyeing fur
	19 : Tanning/dressing of leather, etc
	20 : Manuf wood/products/cork, etc
	21 : Manuf pulp, paper and paper products
	22 : Publishing,printing,repro recorded media
	23 : Manuf coke, refined petroleum products
	24 : Manuf chemicals and chemical products
	25 : Manuf rubber and plastic goods
	26 : Manuf other non-metallic products
	27 : Manuf basic metals
	28 : Manuf fabricated metal products, etc
	29 : Manuf machinery and equipment nec
	30 : Manuf office machinery and computers
	31 : Manuf electrical machinery/apparatus nec
	32 : Manuf radio, tv/communications equipment

B-Use Class	Activities (UK SIC 1992)
	33 : Manuf medical,precision instruments,etc
	34 : Manuf motor vehicles,trailers,etc
	35 : Manuf other transport equipment
	36 : Manuf furniture; manufacturing nec
	37 : Recycling
Other services	90 : Sewage/refuse disposal, sanitation, etc
	91 : Activities membership organisations nec
	92 : Recreational, cultural and sporting
Public administration	75.1 : Administration of the state
	75.3 : Social security activities
Transport & communications	60 : Land transport; transport via pipelines
	61 : Water transport
	62 : Air transport
	63 : Supporting/auxilliary transport,etc
	64 : Post and telecommunications

KEY SECTORS BY SIC

Sector	Activities (UK SIC 1992)
Advanced engineering	2940 Manufacture of machine tools
	3130 Manufacture of insulate wire & cable
	3210 Manufacture of electronic valves etc
	3310 Manufacture of medical/surgical equipment etc
	3320 Manufacture of instruments for measuring etc
	3330 Manufacturing of industrial process control equip.
	3340 Manufacture of optical instruments etc
	3410 Manufacture of motor vehicles
	3420 Manufacture of motor vehicles bodies etc
	3430 Manufacture of parts for motor vehicles
	3530 Manufacture of aircraft & spacecraft
Biotechnology	2441 Manufacture of pharmaceutical products

Sector	Activities (UK SIC 1992)
	2442 Manufacture of pharmaceutical preparations
	7310 Research: natural sciences/engineering
Creative industries	2211 Publishing of books
	2212 Publishing of newspapers
	2213 Publishing of journals & periodicals
	2214 Publishing of sound recordings
	2215 Other publishing
	7420 Architectural/engineering activities
	7440 Advertising
	7481 Photographic activities
	9211 Motion picture & video production
	9212 Motion picture & video distribution
	9213 Motion picture projection
	9220 Radio & television activities
	9231 Artistic & literary creation etc
Environmental technologies	2923 Manufacture of ventilation equipment etc
	3120 Manufacture of electricity distribution apparatus
	3710 Recycling of metal waste & scrap
	3720 Recycling of non-metal waste
	4100 Collection/purification etc of water
	4511 Demolition & wrecking of buildings
	4524 Construction of water projects
	4532 Insulation work activities
Food & drink	0100 MAFF/DAFF Agricultural data
	0111 Growing of crops etc
	0112 Farming of animals
	0113 Growing of crops & farming of animals
	0114 Agricultural service activities
	0500 Fishing/operation of fish hatcheries & farms
	1510 Production & preserving meat etc

Sector	Activities (UK SIC 1992)
	1520 Processing/preserving fish etc
	1530 Processing/preserving fruit & veg etc
	1540 Manufacture of veg/animal oils/fats
	1550 Manufacture of dairy products
	1560 Manufacture of grain mill products etc
	1570 Manufacture of prepared animal feeds
	1580 Manufacture of other food products
	1590 Manufacture of beverages
ICT	2233 Reproduction of computer media
	3002 Manufacture of computers etc
	3220 Manufacture of TV/radio transmitters etc
	3230 Manufacture of TV/radio receivers etc
	6420 Telecommunications
	7210 Hardware consultancy
	7220 Software consultancy & supply
	7230 Data processing
	7240 Data base activities
	7250 Maintenance/repair of office machinery etc
	7260 Other computer related activities
Marine technologies	2911 Manufacture of engines & turbines
	3511 Building & repairing of ships
	3512 Building & repairing of pleasure boats
Tourism & leisure	5510 Hotels
	5520 Camping sites etc
	5530 Restaurants
	6330 Activities of travel agents etc
	9232 Operation of arts faciltiites
	9233 Fair & museum park activities
	9234 Other entertainment activities nec
	9250 Library, archive & museum etc

Sector	Activities (UK SIC 1992)
	9260 Sporting activities
	9270 Other recreational activities

Appendix B – Business Survey Proforma

EXETER EMPLOYMENT STUDY

Business Survey Questionnaire (December 2006)

Good morning/afternoon/evening. My name is _____________ and I'm calling from _________, an independent market research company. We are ringing on behalf of Exeter City Council who are keen to find out the views of local businesses regarding Exeter, and specifically the City Centre, as an office location.

The Council is undertaking this survey in order to help develop its future planning polices for Exeter.

All answers provided will be anonymous unless you specify otherwise.

Find appropriate person to speak to (MD/director/owner)
If not convenient time, arrange appointment for call-back.
If do not have required information to hand, send fax through sheet.

Please can you confirm the postcode of the business?
Verify postcode according to that shown on sample sheet. Amend below if necessary.

Business Details

First of all, I'd like to ask you some general questions about the business…

1
Please can you confirm that your business activity is ……………………………………..
Read out Experian Classification Description.

2
What are the main business functions performed at this site?
Do not read out. Multiple answers can be given

a) Administration of other operations within the group or division (e.g. Head Office)
b) Sales direct to customers or clients
c) Strategic sales or marketing functions
d) Delivery of professional or other services
e) Routine office functions, such as the processing of accounts or records

f) Call centre or volume telephone-based operations
g) Production or assembly line operations
h) Construction activities
i) Transport or haulage of goods and services
j) Wholesale distribution or import/export activities
k) Research & Development
l) Design
m) Education or training
n) Entertainment, leisure, catering etc
o) Other
p) Don't know/no response
q) Other…………………………………………(specify)

3
On what basis do you occupy your premises. Is it :
Read out

a) Freehold *(Go to A9)*
b) Leasehold *(Go to A8)*
c) *Licence* *(Go to A8)*
d) *Other……(specify)* *(Go to A9)*

4
Approximately how many people do you employ?
Enter total number of employees and then code appropriate band

TOTAL number ____________

Code by band

a) None (small) ____________
b) 1 – 10 (small) ____________
c) 11 – 25 (med) ____________
d) 26 – 49 (med) ____________
e) 50 – 100 (large) ____________
f) 101 – 250 (large) ____________
g) More than 250 (large) ____________

Exeter City Centre as a Business Location

The Council is interested in your views of Exeter City Centre as a location for businesses such as yours.

5
What aspects of Exeter City Centre do you consider to be good as a business location?
*Do **not** read out. Code most appropriate responses & all that apply.*

a) Low rents / low property costs
b) Availability of premises
c) Quality of site or premises
d) Image of local area
e) Security and level of crime
f) Accessibility to Exeter Airport
g) Accessibility of location for customers
h) Accessibility of location for staff
i) Quality of local road and access
j) Links to M5 / national road network
k) Quality of public transport
l) Quality of labour locally
m) Quality of colleges and training providers locally
n) Links with other local businesses
o) Good community facilities nearby
p) Good entertainment / leisure facilities for employees
q) Good restaurants
r) Good cafes
s) Good public realm/environment (e.g. street lighting/furniture, pavements)
t) Parking facilities
u) Other…………(specify)

6
What aspects do you consider to be poor
*Do **not** read out. Code most appropriate responses & all that apply*

a) High rents / HIgh property costs
b) Low quality of site or premises
c) Poor availability of premises
d) Poor image of local area
e) Poor security and high level of crime
f) Poor accessibility of location for customers
g) Poor accessibility of location for staff
h) Poor local roads and access
i) Poor links to national road network
j) Poor quality of public transport
k) Poor quality of labour locally
l) Poor quality of colleges and training providers locally
m) Poor links with other local businesses.
n) Lack of airport routes / flight frequency
o) Lack of local entertainment facilities
p) Lack of local leisure facilities
q) Lack of restaurants

r) Lack of cafes
s) Poor public realm / environment
t) Lack of parking facilities
u) Other……………….(specify)

7
If your company was seeking to relocate, expand or set up a new office in the Exeter area, would you consider the City Centre as an appropriate location (assuming appropriate premises were available)?

a) Yes
b) No
c) Don't know

8
If **NO** answered to Question 7, ask Question 8. If YES answered to Question 7 go to Question 9.
What would be your reasons for not considering the City Centre as a location for your business?
*Do **NOT** Read out categories*

a) High business rates ______________
b) High rents ______________
c) Premises too old / in poor condition ______________
d) Premises unavailable ______________
e) Unfavourable lease conditions ______________
f) High security costs ______________
g) Poor site access ______________
h) Poor public transport ______________
i) Lack of car parking provision ______________
j) Poor image ______________
k) Poor public realm (e.g. street lighting, pavements, landscaping) ______________
l) Poor local facilities/amenities ______________
m) Other (specify) ______________

9
Which parts of Exeter and its surrounding area to you consider to provide the most suitable locations for new office premises for businesses similar to yours? Please provide your top three locations in declining order of preference.

Do not read out. Please code additional locations. Code mentioned areas 1, 2 or 3 with 1 being the most favoured location.

a) Exeter City Centre ____________________

b) Sowton ____________________

c) Marsh Barton ____________________

d) Near Junction 29 of M5 / Exeter Business Park ____________________

e) Near Junction 30 of M5 ____________________

f) Near Exeter Airport ____________________

g) Matford ____________________

h) Pinhoe Trading Estate ____________________

i) The Senate ____________________

j) Peninsula Park ____________________

k) Sky Park ____________________

l) Other ____________________

____

10

Please would you tell us how important each of the following factors are when considering possible locations for offices in Exeter. Please give each factor a score of between 1 and 5. A score of 5 means that it is a most important factor. A score of 1 means that it is not at all important.

Issue	**Score (1 to 5): 5 = best score / 1 = worst**
On site car parking	
Good road access to motorway system	
Good quality public transport connections	
Proximity to main office areas	
Close to shops, restaurants & leisure facilities	
Pleasant surroundings / environment (e.g. business park environment with low density development and green spaces).	

11

Have you considered relocating from your existing premises recently?

Yes (go to 11a)

No (end interview)

11a If yes, where to?

Do not read out. Please code additional locations.

a) Exeter City Centre ____________________

b) Sowton ____________________

c) Marsh Barton ____________________

d) Near Junction 29 of M5 / Exeter Business Park ____________________

e) Near Junction 30 of M5 ____________________

f) Near Exeter Airport ____________________

g) Matford ____________________

h) Pinhoe Trading Estate ____________________

i) The Senate ____________________

j) Peninsula Park ____________________

k) Sky Park ____________________

l) Bristol ____________________

m) Plymouth ____________________

n) Taunton ____________________

o) Swindon ____________________

p) Other (specify) ____________________

(q) Other (specify) ____________________

11b What are your reasons for considering relocating?

*Do **NOT** Read out categories*

a) Needing to expand ________

b) Needing to downsize ________

c) Premises too old / in poor condition ________

d) Premises too small ________

e) Unfavourable lease conditions ________

f) High security costs ________

g) Poor site access ________

h) Poor public transport ________

i) Lack of car parking ________

j) Poor image ________

k) Poor environment for your business ________

l) Poor local facilities/amenities ________

m) Cost of premises (rent) too high ________

n) Other (specify) ________

11c

How long have you been looking for other premises

a) Less than 3 months ________

b) 3 to 6 months ________

c) 6 to 12 months ________

d) More than 1 years ________

11d

Will the premises you require be larger or smaller than those currently occupied by your business?

*Do **NOT** Read out categories*

a) Larger ________

b) Smaller ________

c) Same as present ________

Record contact details for quality assurance purposes. Thank respondent and close

Appendix C – Evaluation of Local Plan Sites & Core Strategy Development Options

Appendix C - Suitability Matrix
Planning Permissions Local Plan Allocations

				Access		Sustainability		Market considerations					Development Constraints		
PP / LP	**Site Name**	**Location**	**Size of Site (ha)**	**Proximity to Public Transport**	**Proximity to Strategic Road Network**	**Previously Developed Land**	**Sequential test (proximity of site to urban area)**	**Future B-Class Develop-ment Potential**	**Mobile Inward Investment Demand**	**Indigenous Expansion / Relocation Demand**	**SME Demand**	**B-Use Class**	**Develop-ment Constraints (where known)**	**Site Avail-ability**	**Comments**
Exeter City Centre															
PP	Southernhay Gardens	South-east city centre	0.31	Approximately 0.5 mile from Central railway station and close to bus links off High Street	Close proximity to A377	Yes	City Centre	N/A	Yes	Yes		B1(a)		N/a	This site is currently under construction and is due for completion during 2007. 'The Senate' will comprise 7,788 sqm of office accommodation over 5 floors
PP	Central Station Yard	NW City Centre	0.05	Within 0.5 km from High Street. Next to Central Station	Close proximity to A377	Yes	City Centre	Yes		Yes	Yes	B1(a)	Land assembly	MT / LT	Available but developer seeking residential uses. Potential for 2,250 sqm floorspace.
LP	Car Park and Land Adjacent to St David's Station	North-west city centre	0.4	Adjacent to St.David's Station. Close to bus links from High Street	Close proximity to A377	Yes	City Centre	Yes		Yes	Yes	B1(a)	Land assembly	LT	Site unlikely to come forward - currently owned by Network Rail
PP	Land adj. Renslade House	South-west city centre	0.06	Close to St.Thomas Station and bus links from High Street	Adjacent to the A377	Yes	City Centre	No						N/a	Site developed for leisure uses
Rest of Exeter															
LP	West of Ibstock Brickworks, Pinhoe	North-east Exeter	2.06	Approx 0.5 miles from Pinhoe Railway Station	Poor access to the strategic road network	No	Urban Fringe	Yes		Yes	Yes	B1	Flooding, and obtaining access to the road network	MT	Development to the west of the Ibstock works, will only be permitted if they secure access from Exhibition Way, and carry out necessary highway improvements.
LP	Eastern Fields, (south east)	North-east Exeter	3.26	Approx 0.5 miles from Pinhoe Railway Station	Poor access to the strategic road network	No	Urban Fringe	No					Flooding, and obtaining access to the road network	N/a	The land at Eastern Fields forms part of an open area of green space is only allocated, exceptionally and specifically, to help resolve the access difficulties. The land could alternatively be developed for indoor leisure.
PP	Woodwater Park / Pynes Hill	Pynes Hill	0.73	Under a mile from Digby and Sowton Station	The M5 is a 5 minute drive giving access to the A30 and the A38 Expressway.	Yes	Urban Fringe	Yes	Yes	Yes		B1(a)		ST	Proposal for office development (3603 sqm)
PP	Matford Park Road	Matford	0.91	Park and ride bus service link to city centre	Good access to the M5, A30 and the A38 Expressway via the Matford Link Road	Yes	Urban Fringe	Yes		Yes	Yes	B1/B2/B8		ST	3991 sqm
PP	Matford Park	Matford	6.29	Park and ride bus service link to city centre	Good access to the M5, A30 and the A38 Expressway via the Matford Link Road	Yes	Urban Fringe	Yes	Yes	Yes	Yes	B1/B2/B8		ST	Proposals for various B-class development (8727 sqm)
PP	Peninsula Park	East Exeter	0.8	Under 0.5 mile from Digby and Sowton Station	Junction 30 of the M5 is only a 5 minute drive giving access to A30 and the A38 Expressway	Yes	Urban Fringe	Yes			Yes	B1(a)		ST	Peninsula Park is a modern business park in landscaped environment (2550 sqm).
PP	Land off Grace Road	Marsh Barton	1.3	There is a Park and Ride bus service linking the Trading Estate to the City Centre.	Access to the M5, A30 and the A38 Expressway via the Exeter Ring Road	Yes	Urban Fringe	Yes		Yes	Yes	B1/B2/B8		ST	Proposal for mixed uses (B1, B2, B8 and A2) including retail sales and ancillary offices (2090 sqm)
PP	L/o Matford Park Road	Matford	0.5	Park and ride bus service link to city centre	Good access to the M5, A30 and the A38 Expressway via the Matford Link Road	Yes	Urban Fringe	Yes			Yes	B1/B2/B8		ST	Currently proposal for a vehicle dealership (1100 sqm)
PP	L/a Alphinbrook Road/Clapperbrook Lane	Marsh Barton	0.16	There is a Park and Ride bus service linking the Trading Estate to the City Centre.	Access to the M5, A30 and the A38 Expressway via the Exeter Ring Road	Yes	Urban Fringe	Yes		Yes	Yes	B1/B2/B8		ST	100 sqm
PP	Innovation Centre, North Park Road	University of Exeter	1.2	Approximately 0.5 miles from St James Park Railway Station	Junctions 29 and 30 of the M5 are a 10-15 minute drive	Yes	Urban Fringe	Yes			Yes	B1(a)		ST	Proposal for 3-storey office building (3548 sqm)
PP	Bakers Yard, Alphinbrook Road	Marsh Barton	1.24	There is a Park and Ride bus service linking the Trading Estate to the City Centre.	Access to the M5, A30 and the A38 Expressway via the Exeter Ring Road	Yes	Urban Fringe	Yes		Yes	Yes	B1/B8		ST	Proposals for B1 and B8 units
PP	Alphingbrook Court, Alphinbrook Road, Marsh Barton Trading Estate	Marsh Barton	0.15	There is a Park and Ride bus service linking the Trading Estate to the City Centre.	Access to the M5, A30 and the A38 Expressway via the Exeter Ring Road	Yes	Urban Fringe	Yes			Yes	B1/B2/B8		ST	Proposal for 2 storey building (900 sqm).
EEJAAP (Exeter)															
PP	Sowton 30, Sidmouth Road	Sowton	0.37	Approximately 1 mile from Digby and Sowton Station and 3 miles from city centre	Sowton Industrial Estate is located between junctions 29 and 30 of the M5 giving access to the A30 and the A38 Expressway	Yes	Urban Fringe	Yes		Yes	Yes	B1/B2/B8		ST	Proposal for single storey building (991 sqm)
PP	Exeter Business Park	Sowton	0.53	Approximately 1 mile from Digby and Sowton Station and 3 miles from city centre. Close proximity to park and ride	Close proximity to J29 of the M5	Yes	Urban Fringe	Yes		Yes	Yes	B1(a)		ST	Several small plots of land within the Business Park

Appendix C - Suitability Matrix
Planning Permissions Local Plan Allocations

				Access		Sustainability		Market considerations					Development Constraints		
PP / LP	**Site Name**	**Location**	**Size of Site (ha)**	**Proximity to Public Transport**	**Proximity to Strategic Road Network**	**Previously Developed Land**	**Sequential test (proximity of site to urban area)**	**Future B-Class Develop-ment Potential**	**Mobile Inward Investment Demand**	**Indigenous Expansion / Relocation Demand**	**SME Demand**	**B-Use Class**	**Develop-ment Constraints (where known)**	**Site Avail-ability**	**Comments**
PP	Site 1, Park Five, Falcon Way, Sowton	Sowton	0.29	Approximately 1 mile from Digby and Sowton Station and 3 miles from city centre	Sowton Industrial Estate is located between junctions 29 and 30 of the M5 giving access to the A30 and the A38 Expressway	No	Urban Fringe	Yes			Yes	B1/B2/B8		ST	Proposal for 3/4 storey office block
LP	Osprey Road	Sowton	0.6	Approximately 1 mile from Digby and Sowton Station and 3 miles from city centre. Close proximity to park and ride	Sowton Industrial Estate is located between junctions 29 and 30 of the M5 giving access to the A30 and the A38 Expressway	Yes	Urban Fringe	Yes			Yes	B1/B2/B8		MT	
LP	Land West of Oberon Road	Sowton	1.92	Approximately 1 mile from Digby and Sowton Station and 3 miles from city centre. Close proximity to park and ride	Close proximity to J29 of the M5	No	Urban Fringe	Yes		Yes	Yes	B1(a)		MT	
LP	Land South of the A379	South-east Exeter	12.4	Approx 0.5 miles from Digby and Sowton Station	Adjacent to the A379, and in close proximity to J30 of the M5	No	Urban Fringe	Yes	Yes			B1		MT	The employment allocation south of the A379 is brought forward on the basis that the land will only be released for knowledge based industries (particularly high demand users of information and communication technologies) as these industries are strategically essential to ensure Exeter s future competitiveness.
PP	Land north of EDF between Pinn Lane and J29 on M5	Sowton	2.84	Approx 0.5 miles from Pinhoe Station and from Digby and Sowton Station. Close proximity to park and ride	Adjacent to the A30 and J29 of the M5	No	Urban Fringe	Yes		Yes	Yes	B1(a)		ST	Proposal to develop offices (9921 sqm)
PP	Land east of Exeter Business Park	Sowton	1.27	Approx 0.5 miles from Pinhoe Station and from Digby and Sowton Station. Close proximity to park and ride	Adjacent to the A30 and J29 of the M5	No	Urban Fringe	Yes		Yes		B1(c),B2 & B8		ST	Proposal to develop land for B1(c),B2 & B8
EEJAAP (East Devon)															
LP	University of Exeter Science Park	Redhayes, Sowton	25	Approx 1 mile from Pinhoe Station	Adjacent to the A30 and J29 of the M5	No	Urban Fringe	Yes	Yes	Yes	Yes	B1		MT	
LP	Skypark	North of Exeter International Airport	30	Over 2 miles to Pinhoe Station	Approx 1 mile from the A30, and 2 miles from J29 of the M5	Yes	Urban Fringe	Yes	Yes	Yes	Yes	B1/B2/B8		MT	The development of this site has been planned to follow on from the completion of the re-routing and upgrading of the A30 and Junction 29 of the M5, giving the site excellent and speedy access.
LP	Land at New Settlement	Cranbrook	5	Approx 2.5 miles from Whimple Railway Station	Approx 2 miles from the A30, and 3 miles from J29 of the M5	No	Rural location	Yes		Yes	Yes	B1/B2/B8		LT	Approx 5ha of new community to include employment uses
LP	Intermodal Freight Terminal	Clyst Honiton	43.1	Under 2 miles to Pinhoe Station	Approx 0.5 miles from the A30, and 1.5 miles from J29 of the M5	No	Rural location	Yes	Yes	Yes	Yes	B2/B8		LT	The terminal will transfer goods between the rail network, from the Exeter-Waterloo line to the road network.
East Devon															
LP	Land south of Redgate	Exmouth	0.65	Approx 1.5 miles from Exmouth Railway Station	Approx 2 miles from A376, and 7 miles from J31 of the M5	Yes	Within urban area	Yes			Yes	B1/B2/B8		MT	Vacant house (Redgate) and garden off Salterton Road currently overgrown and occupied by a range of broken vehicles and caravans
LP	Finnimore Industrial Estate	Ottery St Mary	2.22	Feniton Railway Station approximately 2.5 miles away	Less than 2 miles from the A30, and 8 miles from Junction 29 of the M5	Yes	Within urban area	Yes		Yes	Yes	B1/B2/B8		ST	Established industrial area to the west of Ottery St Mary containing a range of occupiers including: timber framers; wholesalers; car mechanics; and general small scale manufacturing.
Mid Devon															
LP	Exeter Rd	Crediton	3	Adjacent to Crediton Railway Station	Adjacent to the A377, and approx 9 miles from J29 of the M5.	Yes	Urban Fringe	Yes		Yes	Yes	B1/B2/B8	Constrained by the floodplain, and steep hills surrounding. Also, Exeter Hill is designated as an air quality action area.	MT	Cross-subsidising the site with retail is likely to be the only viable development option.
Teignbridge															
PP	North of Shutterton Industrial Estate	Dawlish	3.72	Approx 1 mile from Dawlish Warren Railway Station	Adjacent to A379, and approx 7 miles from J31 of the M5	No	Urban Fringe	Yes		Yes	Yes	B1/B2/B8		MT	
LP	Kayley Garage	Dawlish	0.27	Approx 1 mile from Dawlish Warren Railway Station	Adjacent to A379, and approx 7 miles from J31 of the M5	Yes	Urban Fringe	Yes			Yes	B1/B2/B8		MT	

Source: Atkins

PP Planning Permission

LP Local Plan Allocation

Appendix C - Suitability Matrix
Core Strategy development options

				Access		Sustainability		Market considerations				Development Constraints			
ID number	Site Name	Location	Size of Site (ha)	Proximity to Public Transport	Proximity to Strategic Road Network	Previously Developed Land	Sequential test (proximity of site to urban area)	Future B-Class Development Potential	Mobile Inward Investment Demand	Indigenous Expansion / Relocation Demand	SME Demand	B-Use Class	Development Constraints	Site Availability	Comments
Exeter City Centre															
1&2	Bus and Coach Station Site	North-east city centre	2.27	Close proximity to Central railway station and bus services from High Street	Approx 0.5 miles from the A377	Yes	Within urban area	Yes	Yes	Yes	Yes	B1(a)	Land assembly	LT	The City Council is the freeholder of the bus and coach station. Should the site come forward for redevelopment there is likely to be significant pressure for retail, housing and leisure uses, in addition to employment. Part of site is allocated in Local Plan but employment component is not specified
Rest of Exeter															
7	Land South of Silverton Road	Matford	7.29	Park and ride bus service link to city centre	Good access to the M5, A30 and the A38 Expressway via the Matford Link Road	No	Urban Fringe	Yes	Yes	Yes		B1/B2/B8		MT	Site identified as having potential for employment uses
EEJAAP (Exeter)															
43	Land North of Old Rydon Lane / St. Bridget Nurseries	South-east Exeter	13.69	Approx 0.5 miles from Digby and Sowton Station	Adjacent to the A379, and in close proximity to J30 of the M5	Yes	Urban Fringe	No	Yes	Yes	Yes	B1/B8		MT	Site identified as having potential for mixed uses (including employment)
44	Land West of Sandy Park Farm	South-east Exeter	25.77	Adjacent to Digby and Sowton Station	Approximately 0.5 miles from J30 of the M5	Yes	Urban Fringe	No	Yes	Yes	Yes	B1/B8		MT	Site identified as having potential for mixed uses (including employment)
45	Land South of Met Office	Sowton	4.83	Approximately 1 mile from Digby and Sowton Station and 3 miles from city centre. Close proximity to park and ride	Close proximity to J29 of the M5	No	Urban Fringe	Yes	Yes	Yes		B1/B2/B8		MT	Site identified as having potential for employment uses

Appendix D – Distributional Analysis of Employment Forecasts

D. DISTRIBUTIONAL ANALYSIS OF EMPLOYMENT FORECASTS

Table D.1 – Employment Forecasts by Exeter TTWA Sub-area and B-use 2006-20026

	City Centre	Exeter & East Devon Joint Area	Rest of Exeter	Rest of East Devon Zone	Mid Devon Zone	Teignbridge Zone	TOTAL Exeter TTWA
B1a Office (Town Centre)	2859	0	0	238	191	191	3479
B1a Office (Business Park)	0	4311	2141	885	271	842	8451
B1b R&D	0	564	0	0	0	0	564
B1c Light Industrial	0	875	437	328	120	120	1880
B2 General Industry	0	500	90	100	100	100	890
B8 Warehousing & Distribution	0	2585	105	382	74	105	3250
TOTAL	2859	8835	2773	1933	756	1358	18515

Source: Atkins Forecasts

Table D.2 – Employment Floorspace (square metres) Forecasts by Exeter TTWA Sub-area and B-use 2006-20026

	City Centre	Exeter & East Devon Joint Area	Rest of Exeter	Rest of East Devon Zone	Mid Devon Zone	Teignbridge Zone	TOTAL Exeter TTWA
B1a Office (Town Centre)	60048	0	0	5004	4003	4003	73058
B1a Office (Business Park)	0	90533	44967	18586	5696	17687	177468
B1b R&D	0	18060	0	0	0	0	18060
B1c Light Industrial	0	27984	13992	10494	3848	3848	60166
B2 General Industry	0	17504	3151	3501	3501	3501	31157
B8 Warehousing & Distribution	0	168040	6802	24806	4801	6802	211250
TOTAL	60048	322121	68911	62391	21849	35840	571159

Source: Atkins Forecasts

Table D.3 – Employment Land (hectares) Forecasts by Exeter TTWA Sub-area and B-use 2006-20026

	City Centre	Exeter & East Devon Joint Area	Rest of Exeter	Rest of East Devon Zone	Mid Devon Zone	Teignbridge Zone	TOTAL Exeter TTWA
B1a Office (Town Centre)	6.0	0.0	0.0	0.5	0.4	0.4	7.3
B1a Office (Business Park)	0.0	30.2	15.0	6.2	1.9	5.9	59.2
B1b R&D	0.0	5.2	0.0	0.0	0.0	0.0	5.2
B1c Light Industrial	0.0	8.0	4.0	3.0	1.1	1.1	17.2
B2 General Industry	0.0	5.0	0.9	1.0	1.0	1.0	8.9
B8 Warehousing & Distribution	0.0	41.9	1.7	6.2	1.2	1.7	52.7
TOTAL	6.0	90.3	21.6	16.9	5.6	10.1	150.5

Source: Atkins Forecasts