Gloucester, Cheltenham and Tewkesbury:

Retail and City / Town Centre Review

Executive Summary

March 2021

Introduction

This non-technical executive summary of the Gloucester, Cheltenham and Tewkesbury Retail City / Town Centre Review is intended as an easy read version of the main report which is available on the JCS website www.jointcorestrategy.org. It does not provide significant detail, but gives an overview of what the study is, including its main points and any outcomes or recommendations.

Following the adoption of the Gloucester, Tewkesbury, and Cheltenham Joint Core Strategy in 2017, the three Councils have commissioned a new retail and town centres study to inform a review of the Joint Core Strategy ('JCS') and contribute to its evidence base.

The study responds to part of Policy SD2 Retail and City / Town Centres of the adopted JCS which notes that:

"Following adoption of the JCS, this policy will be subject to an immediate review. The single issue review will take approximately two years to complete. It will cover strategic planning matters relating to the three JCS authorities including issues such as a revised assessment of retail needs, market share between different designated centres, city / town centre boundaries, site allocations, primary and secondary shopping frontages and locally defined impact thresholds".

The study provides the following information and assessments:

- Comprehensive health checks of Gloucester city centre, Tewkesbury town centre, Cheltenham town centre, Winchcombe and Bishops Cleeve, including their role and function and place in the existing hierarchy of towns, plus an assessment of the strengths, weaknesses, opportunities and threats facing these centres. The function of a place means:

- A review of the health role and function of existing designated centres across the three administrative areas, including recommendations regarding their place in the retail hierarchy. Consideration of the need for new local and district centres to provide for the needs of communities.

- A review of existing retail and leisure parks located outside of town centres in terms of how they operate and their potential influence upon designated centres across Tewkesbury, Cheltenham and Gloucester.

- An assessment of the need for retail floorspace in each of the local authority areas of Cheltenham, Gloucester and Tewkesbury, including a review of the share of expenditure that each centre attracts for different types of shopping.

- An assessment of sites and premises which may be suitable to accommodate identified retail needs, alongside a review of retail and town centre planning policies and town centre / primary shopping area boundaries (the areas in town centres where the main focus is on shops).

- Based on the results of the assessment above, to make recommendations on strategy options to support the health of the centre over time, particularly in light of the changing ways people are using city and town centres, and shopping more generally.

The recommendations of the study are outlined below.

Recommended Strategy for the Main Town Centres

Cheltenham

Cheltenham remains a healthy town centre which is the strongest of the three main 'town centres' at the top of the JCS centre hierarchy. The town centre has the highest amount of retail and service uses amongst the main JCS town centres and has a proportion of comparison goods retailers[1] and services[2] uses which are above their respective national averages. Vacancy levels have fallen over the past couple of years and remain below the national average.

Cheltenham town centre has seen considerable development over past few years, with the completion of the second phase of the Brewery quarter and the redevelopment of the Beechwood shopping centre to

[1] comparison goods are commonly known as non-food goods, such as clothing, footwear, health/beauty, electrical, DIY, furniture and home furnishing products.
[2] such as cafes, restaurants, take-aways, banks and building societies

provide a new John Lewis store. These projects have confirmed Cheltenham's position as the largest and most successful centre across Gloucestershire.

However, the town centre is not without its challenges. The most significant influence on the loss of market share is, like most towns, due to internet sales, which has seen strong growth amongst Cheltenham residents particularly in sectors such as clothing and fashion.

With regards to the need for new floorspace in the future, this study has shown that there is the potential for a net increase in the amount of convenience goods[3] floorspace across Cheltenham over the short to medium term. The study has shown that it would be helpful for some of this need to be directed to the town centre which currently does not have a main food shopping function and the rest is best directed to new district and local centres to be provided in new urban extensions, to provide for the needs of those communities.

With regards to the need for comparison goods floorspace in Cheltenham, the recent addition of the new John Lewis store, along with the second phase of the Brewery Quarter project, has provided the quality of improvement which has previously been sought.

As a consequence of the above, we consider that the recommended strategy for retail floorspace provision in Cheltenham should be as follows:

- There is no requirement to allocate any sites/locations for any additional comparison goods retail floorspace in Cheltenham and that new retail proposals (outside of defined 'town centres') are closely examined in terms of their impact.

- There is the capacity for some additional convenience goods floorspace in Cheltenham. The focus for this should be in the town centre and new local centres within the planned urban extensions. One centre is already included within the adopted JCS for North West Cheltenham and any further new large residential allocations should also be considered for retail taking into account the criteria outlined in this report. We also recommend that the allocated West Cheltenham allocation is

[3] convenience goods are defined as food and grocery products, including food and drink and essential household items

considered for retail floorspace due to the size of the planned development and level of existing provision in this part of Cheltenham.

- Beyond the retail sector, Cheltenham town centre has a good and varied set of other uses appropriate to a town centre, including commercial leisure, arts, cultural, food/beverage and hotel uses. These provide the town centre with resilience and are important if Cheltenham is to maintain its vitality and viability. Other assets include existing office uses such as the Borough Council offices on the Promenade. We consider that such uses should remain a significant part of the land use mix in the town centre as, apart from their obvious economic benefits, they can increase footfall through different times of the day.

Gloucester

The evidence base prepared for the Adopted JCS concluded that Gloucester city centre was a relatively robust and healthy centre which benefitted from its historic built environment and had shown resilience to difficult economic conditions.

Furthermore, that vacancy levels were falling but that there was a need for an improved retail offer (particularly around the fashion sector) and for new development to improve the overall attractiveness of the centre.

Since this previous research, the available evidence would suggest that there has been a fall in the city centre's comparison goods turnover (back to 2011 levels) and also a rise in vacancies in the centre.

The evidence shows that the comparison goods retail offer in the city centre is reducing (albeit this is a common trend in a number of town and city centres across the country) and there has been a shift to a growing level of services. In addition, the financial performance of the convenience goods sector in the centre has fallen by one third.

All of these factors point to a city centre which is vulnerable and open to even small levels of trade loss. Such levels of trade loss have, in some instances, not been able to be properly assessed through planning applications as there has been no locally set impact assessment threshold set in policy. There are likely to be a varied range of reasons for this vulnerability, including the structural changes affecting high streets nation-wide, the continuing growth of spending via the internet, the greater level of success achieved by Cheltenham in recent years and also the large scale competition available in out of centre stores in the city. It is likely that further retail floorspace outside of the city centre will continue the trends set out above and it is now likely that the city centre needs to be re-focused away from its traditional retail offer and accommodate a wider mix of land uses in order to sustain its health. The Kings Quarter and Greater Blackfriars projects will be important first steps in this process, bringing in an increased level of residential and office accommodation in to the city.

It has been found that there is no requirement for any additional convenience or comparison goods floorspace in the city.

The quality choice and selection of convenience and comparison goods floorspace across the city as a whole is good and continues to grow with the grant of planning permission for additional floorspace. However, the city 'needs' quality comparison goods floorspace and we recommend that efforts are given to refurbishing, redeveloping and reconfiguring existing floorspace.

The characteristics of Gloucester are somewhat unique with the Gloucester Quays retail and leisure outlet centre lying close to the southern edge of the city centre and offering a different dimension to the retail offer, albeit one which is likely to have impacted upon the traditional part of the city centre over recent years. Gloucester Quays is now, in our opinion, likely to offer an equally attractive retail and leisure destination to the city centre which suggests that the city centre needs to evolve and introduce a wider range of land uses in order to support the health of the centre. A clear sign of this is the current proposals for Kings Quarter which have moved away from the previous retail-focussed proposal to a more diverse offer including residential accommodation and a hotel.

The focus for the retail and town centre strategy in Gloucester should therefore be on a stricter control on proposals for retail development outside of defined town centres. Given the change which has occurred in Gloucester over the past 10-15 years, the strategy should acknowledge the benefits to the city of the current Gloucester Quays retail outlet centre, due to its ability to attract visitors to the city which may not have otherwise come, but also show that further out of centre retail and leisure development has the very real potential to be harmful.

We therefore recommend that the retail and leisure strategy for the primary shopping area and the Quays should be complementary. Both locations have the ability to make positive contributions to the health and attractiveness of the city but they must find their own individual role. This will require careful management by the city council and whilst it is proposed that the Quays remains within the city centre boundary, planning applications for main town centre uses will still be required to be assessed against the sequential test[4] (as it lies outside of the recommended primary shopping area).

The St Oswalds, the Peel Centre and Westgate Island out of centre retail parks also lie reasonably close to the primary shopping area and thus have the potential to provide positive impacts on the centre in a way in which other out of centre retail provision (at, say, Eastern Avenue) cannot. Linkages with the primary shopping area will, however, need to be improved as part of future development proposals although we consider that these three areas should be identified in the strategy as 'inner ring' locations, which are out-of-centre and placed third in the sequence after the primary shopping area, and edge of centre locations for future retail and leisure development.

In relation to other areas surrounding the city centre, improvements to the railway station in the transport hub will also make the city centre more attractive for visits via public transport and making the centre attractive for rail users. There is also the potential benefit of the hospital which has a large workforce and attracts many visitors. If linkages can be improved then this will also make a positive contribution to the city centre.

The strategy in the JCS should set out the aspirations for each area and how each, particularly the traditional part of the city centre / primary shopping area / Westgate Street, is to evolve over the JCS Review period. As part of this position, the strategy for the traditional part of the city centre (i.e. existing primary shopping area) should be to aim for diversification, with a lower focus on traditional retail space and a greater focus on residential and leisure uses. This will require a more flexible approach to the land use mix in certain parts of the city centre, aided by changes to the defined primary shopping area and the identification of priority areas such as Westgate Street.

Gloucester city centre is the centre in the JCS area which is likely to require greatest diversification. The City Council should adopt a 'curator' role in terms of both the ownership and management of property,

[4] a key aspect of national and local planning policy where the first choice for retail and service uses is within town centres

the promotion of redevelopment and also adopt a strong focus for promoting reasons to come to Gloucester. That may be shopping, food and drink, specific bespoke events and a much greater amount of residential accommodation in the city centre.

The increased level of residential accommodation in the city centre can achieve a number of benefits, including contributing to the supply of housing in the city, making the city centre a safer place to live and visit and also drive increased footfall (and available retail expenditure) which is a key issue for retailers and leisure businesses.

The JCS should set out the above in a strong and robust vision for the city centre which will guide development activity and also be a very useful part of the development plan strategy when the City Council is faced with proposals associated with out of centre retail and leisure floorspace. The strategy will also set out the role and contribution that the three 'third choice' 'inner ring' of retail and leisure locations – St Oswalds, the Quays/Docks and Westgate Island – which can play a positive role in complementing the city centre and encouraging linked trips (possibly including the need for enhanced linkages).

Tewkesbury

Tewkesbury town centre plays an important role for its residents and surrounding rural settlements. It is an attractive historic centre which benefits from the presence of the Abbey, many other historic buildings and the riverside location. The retail mix and offer of the town centre is broadly comparable to the national average apart from a slight under-provision of convenience retailers and a growing number of vacancies.

One sixth of all surveyed retail units in the town centre are vacant and this trend may be linked to the falling market share of the centre in terms of comparison goods shopping. The number of vacancies should be of some concern regarding the health of the centre and may be a sign that there is an over-provision of retail space. This over-provision of retail space may well be corrected over the short to medium term as the recent changes to the use classes order take effect. For example a vacant retail shop being converted to residential without the need for planning permission.

A key future challenge for Tewkesbury town centre going forwards will be to create and maintain its own distinctive role, which acknowledges that it is the largest 'town centre' in the Borough and adapts to the on-going changes and challenges facing the retail and leisure sectors.

With the future potential construction of the new retail outlet centre at Ashchurch, Tewkesbury town centre has the potential to experience future change and pressures in the coming years and there is concern that its comparison goods and food/beverage functions could face renewed pressure.

With regards to the need for retail floorspace, we found no requirement for net additional convenience goods floorspace although there is a strong case for a modest amount of new provision within the Tewkesbury Garden Town project in order to provide easily accessible quality provision to the east of the M5, to provide for the needs of new communities.

For comparison goods retailing the new retail outlet centre at Ashchurch will provide a significant change in the type and level of provision in the local area. We recommend that the JCS Review does not plan for any significant net additional comparison goods floorspace and, instead, the JCS authorities monitor how the health of Tewkesbury town centre fares 2-3 years after the opening of the outlet centre.

The two main town centre sites which can provide a modest amount of retail floorspace are Healings Mill and Spring Gardens. Healings Mill has the potential to offer a waterside development which can offer a new dimension to the town centre, possibly in the way that the Docks area has developed in Gloucester. It is likely that provision here will be focused on food and beverage uses with a small amount of traditional retailing.

The redevelopment potential of Spring Gardens has been discussed for the past several years following the departure of the leisure centre. Retail-led masterplans have not been progressed and the latest work for the borough council is now considering a wider mix of uses including residential.

Winchcombe & Bishops Cleeve

Winchcombe and Bishops Cleeve play much smaller and localised roles to the three large centres in the JCS area. Both have a modest range of shops and services, serving their local catchment, although Bishops Cleeve is able to retain a much larger amount of food shopping trips due to the presence of the large Tesco supermarket in the town centre. The strategy for both centres should be to concentrate upon their ability to serve the day to day needs of their local communities with it likely that any expansion in retail space will be modest.

Wider Retail Strategy Implications

An implication of the key messages around retail need/capacity in the main JCS settlements is that there is, to one extent or another, an over-supply of certain types of retail floorspace in certain geographic areas. The most notable area is Gloucester in this respect. Bearing in mind that these need/capacity forecasts are for settlements as a whole, this has the potential to have implications for out of centre floorspace, particularly when combined with the state of the retail sector in the UK.

Whilst out of centre retail floorspace does not benefit from planning policy protection it is nevertheless part of the land use landscape in the JCS settlements and the JCS authorities will need to (A) plan for the future beneficial use of these areas, and (B) deal with planning applications to vary existing controls on out of centre retail units/parks.