Retail & Town Centres Study (Part 1) – Executive Summary

Gloucester, Cheltenham and Tewkesbury

Strategic & Local Plan

ON BEHALF OF GLOUCESTER CITY COUNCIL, CHELTENHAM BOROUGH COUNCIL AND TEWKESBURY BOROUGH COUNCIL

October 2025

1. Executive Summary

1.1 In order to inform the Gloucester, Cheltenham and Tewkesbury Strategic & Local Plan ('the SLP'), this Retail and Town Centres Study has been prepared by Nexus Planning. This Study provides up to date evidence base information to inform the retail and town centre land use elements of the main overarching planning strategy in SLP, which is a cross-boundary strategic planning policies document for Gloucester, Cheltenham and Tewkesbury.

1.2 For the purposes of informing the preparation of the SLP, the overall Retail and Town Centre Study is split into two distinct parts. This Executive Summary forms part of Part 1 of the Study, which includes:

a. A review of the background context to retail, commercial leisure and town centre land use issues, including recent trends and current commercial market sector characteristics which will influence how the SLP plans for retail land use provision and the main 'town centres' in Gloucester, Tewkesbury and Cheltenham.

b. A review of the main issues surrounding the health, role and function of the main 'town centres' in the SLP area, along with issues associated with the hierarchy of centres.

c. The provision of information regarding current spending patterns on retail and leisure uses across the SLP area.

1.3 Preparation for Part 2 of the Study commenced in Autumn 2025, and will provide: (a) assessments of the need for retail floorspace across the SLP area; (b) an assessment of the spatial aspects of retail floorspace provision, including the most appropriate locations to plan for provision of retail floorspace alongside the SLP 'town centres' strategy; and (c) advice on the content of retail and 'town centre' planning policies for the SLP and its wider strategic approach to 'town centre' planning policy and hierarchy issues.

1.4 A summary of the main findings of Part 1 of the Study is outlined below.

Review of Economic Factors & Retail Trends

1.5 The background context for this Study lies within a much more restrictive environment for retail spending growth. Whilst overall retail sales are expected to grow by circa 15% up to 2032, the amount of growth available to traditional 'bricks and mortar' retailers is expected to be closer to 10%. When potential increases in floorspace efficiency and productivity are accounted for (as part of the need to allow existing floorspace the ability to benefit from growth in available spending), the increase in retail spending up to 2032 is forecast to be only 1.3%. In relation to the different retail sectors, the forecast picture is mixed. Over the period 2020-2034, comparison goods expenditure per head is forecast to grow by 2.6%, whilst there is now expected to be a forecast decline in spending on convenience goods per head up to 2034.

1.6 Following a temporary peak during the Covid-19 pandemic, online spending has now found a 'new normal'. Whilst the scope for more rapid phases of growth in online retailing have now passed, it remains the case that both food and non-food spending online will continue to grow over the medium to longer term, with one quarter of all comparison goods spending to be directed towards purely online sales by 2034. At the local level, bespoke spending data gathered for the purposes of this Study has found levels in excess of this national figure.

1.7 There are also continued challenges for physical 'bricks and mortar' shops in all locations across the UK. In 2023 there was a net reduction of circa 5,000 retail stores in the UK, with a reduction continuing in 2024 with a further net loss of circa 3,800 stores. The rate of decline has been fastest in town centre locations, whilst the smallest increases have occurred in out of centre retail parks and stand-alone stores.

Key Headlines for the Main SLP 'Town Centres'

1.8 The review of the key retail characteristics of **Gloucester** city centre in this Study has confirmed many of the themes which were identified in previous evidence base studies have continued. These include a higher than (national) average vacancy rate, which has now increased further over the past few years. In 2025, one in five retail and service units in the city centre are now vacant which should now be confirmed as a long-term characteristic that should be addressed through planning policy in the SLP. Since the most recent evidence base study in 2021, the number of comparison (non-food) goods retailers in the city centre has fallen and there has also been a reduction in the number of service uses.

1.9 A key influence on the performance of the historic part of the city centre is the scale of competition posed by other retail and leisure provision elsewhere in the city. Whilst there are reasons to suggest that the Gloucester Quays retail outlet centre (and associated leisure provision) has the potential to benefit the city centre through linked trips, the Quays nevertheless provides competition for shops and services along the four 'gate streets' in the city centre and the purpose-built shopping centres. Further significant competition comes from Eastern Avenue, St Oswald's Retail Park and Quedgeley district centre, along with the proximity of Cheltenham.

1.10 Whilst the level of vacant floorspace in the city centre is a negative aspect of its current health, the availability of surplus retail space should also be seen as a clear opportunity for the future of strategic planning policy for the centre. The foundations for this strategy have already been laid with the development of The Forum area, which has provided a significant amount of office, hotel and other commercial space in a part of the city which was previous identified for retail-led mixed-use development. Similarly, the refurbishment of the former Debenhams department store building by the University of Gloucester is a superb example of a re-use of a large-scale retail unit.

1.11 Outside of the core part of the city centre, the Quays/Docks area has occupied a unique position in the Gloucester retail market for a number of years. It brings new visitors to the city (including positive impacts of spin-off benefits) and can also be viewed as an alternative mainstream comparison goods shopping destination to the city centre. It is also now the pre-eminent location for food/beverage visits/spending in the city. The Quays has therefore had a major influence on the city centre but now faces its own challenges in relation to the new retail outlet centre in Ashchurch. It is unusual for an area such as the SLP area to have two retail outlet centres and there is the possibility that the Ashchurch facility, given its proximity to the M5, will pose significant competition to The Quays.

1.12 **Cheltenham** town centre continues to display a number of key characteristics. First, the centre remains a very popular and financially successful destination, with the highest annual financial turnover in the SLP area. The catchment area of the town centre for comparison goods shopping is wide, which is no doubt influenced by a wide range of non-food stores in the centre. Like Gloucester, Cheltenham town centre does face stiff competition from out of centre stores, although the evidence suggests that it is able to better withstand this aspect of competition. The food/beverage sectors in the town centre are also particularly strong, with a robust financial performance and an attractiveness which extends well beyond the study area. This is no doubt heavily influenced by the events held by Cheltenham throughout the year including those organised by Cheltenham Festivals and the horse racing festival.

1.13 One particular notable feature of the land use mix in the town centre is that the leisure services sector is now the largest sector, with around one third of all occupied units. This aspect of the hospitality sector is also boosted by the quality and (potentially expanding) quantity of hotel rooms in the town centre.

1.14 A further potential change to the future amount and balance of retail and main town centre land use provision across Cheltenham will be the level of new floorspace within the planned new local centres within the JCS strategic allocations. The key allocations in Cheltenham are North West Cheltenham (Elms Park) and West Cheltenham, both of which have been subject to outline planning applications (which have secured resolutions to grant permission from CBC). Both of these projects, combined, have the potential to add circa 16,000sq m (circa 172,000sq ft) of main town centre land use floorspace with very few controls over the future use of that floorspace.

1.15 The updated evidence base information for the **Tewkesbury and Ashchurch** area has shown that there has not been a significant change in the overall characteristics of Tewkesbury town centre. The town centre continues to have relatively modest market share levels for convenience and comparison goods shopping, across a reasonably limited catchment area. Unlike the other large 'town centres' in the SLP area, Tewkesbury has not experienced a reduction in the proportion of comparison goods retailers in the centre over the past five years and only modest changes have occurred in the retail and service sectors. The one notable change is a fall in the vacancy rate in the town centre.

1.16 The wider Tewkesbury/Ashchurch area is now starting to experience the impact of the planning permission for the large retail development to the east of the M5. Whilst phase 1 of the retail outlet centre at Ashchurch only opened for trade during the course of preparing this Part 1 Study report, the opening of the adjacent large garden centre has provided useful information regarding the split between local and non-local expenditure. It is clear from the latest spending data that the turnover of out of centre stores in Tewkesbury/Ashchurch are now gaining a large proportion of trade from outside of the study area used in this assessment. It is recommended that further spending data is gathered (to inform the SLP retail and 'town centres' evidence base) once the outlet centre has reached a settled trading pattern, in order to understand whether the trend associated with the garden centre is continuing with the retail outlet.

1.17 At the present time, the defined centre at **Bishops Cleeve** benefits from accommodating both of the large food stores in the village. Tewkesbury Borough Council has recently resolved to grant planning permission for a new out of centre ALDI store which is likely to draw a large proportion of its turnover from the existing (in centre) Lidl and Tesco stores. In addition, the new ALDI store will divert trips away from stores in Tewkesbury and Cheltenham (which currently attract convenience goods expenditure from residents of the Bishops Cleeve area).

1.18 **Winchcombe** is the final 'town centre' included in this review, characterised by a compact 'town centre' area and a land use profile that has remained largely unchanged since the 2021 Retail Study. The local grocery retail sector primarily caters to small-scale, top-up shopping, capturing a reasonable 15% of market share of spending in the local area. Its geographic position contributes to the highest rate of online grocery shopping among residents in the SLP area. Additionally, Winchcombe attracts a notable level of expenditure inflow from outside of the study area, likely due to its historic charm, specialist retail shops, and popular attractions such as Sudeley Castle.

Next Steps

1.19 Part 2 of the Study will build on the findings above by providing a comprehensive evaluation of the need for retail and food/beverage floorspace/uses across the SLP area, based upon quantitative and qualitative indicators and forecasts. It will identify optimal locations for any required future retail development in alignment with the emerging spatial strategy and provide guidance on how best to tackle issues associated with retail and main 'town centre' land use provision.

1.20 Part 2 will also provide advice and recommendations for strategic planning policy surrounding 'town centres' in the SLP area, along with the content of development management policies which will deal with main 'town centre' land use proposals within and outside of defined 'town centres'.

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