Information/Discussion Paper

Overview & Scrutiny – 24 February 2020

The Retail Environment in Cheltenham

This note contains the information to keep Members informed of matters relating to the work of the Committee, but where no decisions from Members are needed

1. Why has this come to scrutiny?

1.1 Request of Overview & Scrutiny committee in response to the rapidly changing town centre environment

2. Summary of the Issue

2.1 The national retail environment has been challenging since the last recession. In fact many commentators assert that the closing of the Woolworth chain in 2009 was simply the start of a much bigger transition. One that has devastated the retail status quo and completely changed the face of town centre retail.

2.2 However, it would be naïve to simply focus upon retail in abstract from the wider role that town centre's perform. A point noted in the Portas Review of 2011 "*The new high streets won't just be about selling goods. The mix will include shops but could also include housing, offices, sport, schools or other social, commercial and cultural enterprises and meeting places. They should become places where we go to engage with other people in our communities, where shopping is just one small part of a rich mix of activities."*

2.3 As a consequence this paper adopts a much broader perspective on the town centre.

3. Summary of evidence/information

3.1 A thriving town centre has a range of functions including

- Retail
- Leisure
- Food & beverage
- Town centre living
- Employment
- Public realm
- Connectivity/accessibility
- Events and Festivals

3.2 For each of these areas we now present evidence on the current situation, although it is worth recognising that the town centre is in a state of transition and flux and consequently it is rapidly evolving.

3.3 **Retail.** Cheltenham has had its share of losses, but these have to be seen in the context of globalisation. Brands appear and decline with increasing frequency but interestingly for Cheltenham, even when a shop unit closes when administrators are appointed, those retail units are often filled promptly.. Examples include Blacks, Millets and HMV. Equally, whilst losses have occurred, there has been a positive take-up of vacant units with newcomers to the town eg Oliver Bonas, India Jane and Urban Outfitters. More recently there has been a slow-down in the take-up of retail vacancies reflecting the national picture, encapsulated by data from Springboard which noted a difficult Christmas trading period nationally with footfall down -2.5%. Justification linked to “caution and spending restraint of consumers which typifies low consumer confidence…..Other influences that will have driven down footfall in stores and destinations during December include the strong shift in consumer demand towards experience/leisure based trips, away from wholly transaction focussed visits.”

3.4 **Leisure**. Cheltenham is fortunate in that it has a defined leisure quarter at the Brewery; in many instances this would have been developed on the edge of town driving footfall away rather than into the centre. That foresight by NFU Mutual in redeveloping the site into a leisure driven offer has clearly benefited the town.

3.5 **Food & Beverage**. Cheltenham has a strong food and beverage offer and whilst some high profile collapses have occurred (eg Jamies Italian), the offer is very strong and diverse with national names such as Wetherspoons, the Botanist and Brewhouse & Kitchen plus local independents too eg Lumiere, Mayflower, Gin & Juice. This offer aligned with the leisure core helps strengthen the wider night-time economy.

3.6 **Town Centre Living**. A key step to maintaining vibrancy is to ensure opportunities for people to live right in the heart of the town. CBC has been supporting such initiatives through its planning function. Specific successes include Regency Place and the Brewery Quarter, with further properties coming on-stream on the Lower High Street. The town centre has also attracted significant retirement home operators who tend to attract individuals with high disposable income, but the extent to which this is spent in the town centre is unknown.

3.7 **Employment**. The 1980’s/1990’s trend for decentralisation of employment to edge of town business parks at the expense of the town centre has often been linked with poor town centre performance. Fortunately Cheltenham has had considerable success in reversing a trend of employment to residential losses across the town eg The Dower house, 1 Bayshill and Pate Court. New town centre employment space has been created at Formal House, Honeybourne Place, and the Brewery; all of which have experienced positive take-up rates. Other schemes include the Quadrangle and 111-117 High Street. An interesting fact is that schemes with zero or very little car parking but accessible to town centre amenities and with positive cycling facilities etc are commanding some of the higher demand and rental levels; a factor that would be unheard of only a decade ago, and reflecting a new client group of youngsters who wish to live and work locally, and view sustainable transport as part of that change. The importance of these sites is their impact upon town centre footfall especially at lunchtime.

3.8 **Public Realm**. It is vital that public realm is delivered and maintained to a high standard. CBC has been working with GCC, the BID and other stakeholders to improve the offer in Cheltenham. Whilst there have been some successes, such as the Promenade upgrade, wayfinding and phase 1 of the High Street, there remains a considerable amount of work to do, especially in The strand which must rate as one of the worst town centre surfaces in the County.

3.9 **Connectivity/Accessibility**. It is crucial that the central core is readily accessible. As the Cheltenham Transport Plan demonstrated there is a growing propensity for individuals to wish to travel by foot, cycle or public transport – Stagecoach reported a 270,000 increase in bus passengers p.a. and greater reliability performance as a result of the phase 4 trial. Equally independent survey work undertaken by the BID (CARD group) identified that less than one in four town centre users came to

Cheltenham by car, the majority arriving by bus or on foot, exploding the myth that everyone drives into town and that car parking and its price is the key determinant of the town centre performance. The key question with the climate change emergency declared by both CBC and GCC is how to maintain and build upon the positive modal shift achieved in the last 18 months.

3.10 **Events and festivals**. Cheltenham has benefited from the creation of both the Cheltenham BID and Marketing Cheltenham who have taken on wide ranging roles to promote the town. The effectiveness of their actions best summed up in the following data sets, released in November 2019. Day visitors to Cheltenham grew to 1.9 million – a 7% increase, whilst staying visitors rose to just under 1.1 million – a 6% increase. Rebadging the town to the Festival Town and bringing forward events such as the Big Wheel and Lighting-Up Cheltenham are all part of a wider package designed to support town centre vitality. Equally we must be open-minded to new initiatives such as the Wheel and ice-rink on Imperial Gardens.

3.11 In conclusion, Cheltenham remains buoyant as shown by headline data eg Knight Frank rate Cheltenham town centre as 9th out of 200 retail centres for investment; the JCS retail study (Sept 2019) cites Cheltenham vacancy rate at 8% compared to national average of 12%. However, there is no time for complacency as the retail storm continues unabated with £1 in every £5 now spent on-line. In order to maintain current footfall and performance will require the town to run faster to stand still.

3.12 To date this has been delivered through a variety of arms-length bodies. Cheltenham Development Task Force has played a significant role in delivering ambitious schemes, notably the bookends of the Brewery Quarter and John Lewis & Partners store, plus on-going engagement with potential new entrants such as Metro Bank, whilst the BID has supported a wide range of initiatives through direct marketing and engagement and ambassadors on the street. Meanwhile Marketing Cheltenham picks up the mantle for long term promotion.

3.13 More recently the planning team under David Oakhill has been taking a more proactive stance to forthcoming challenges working with the agencies above and others such as Cheltenham Civic Society. This has resulted in recent successes in securing planning for underutilised upper floors above retail (eg Radley store on the Promenade) for residential or office which it is hoped will help landlords facing challenges from retail lease renewals. Additionally we have collectively been engaging with other landlords and leaseholders to encourage conversations to ‘unlock’ existing and potential future challenges.

4. Next Steps - possible next steps for the committee to consider eg potential witnesses, further report, site visit etc.

4.1 The key issues are policy and political support for a creative and open-minded approach to the challenges that we face.

4.2 Assuming that the town can remain in aspic in the face of such momentous change is unrealistic. An opportunity exists to create a Town Centre Vision/Masterplan that connects a range of existing strategies such as the Place Strategy and Connecting Cheltenham under one document and as the Task Force did at inception identify where the opportunities for interventions exist. Inevitably this requires a document with a degree of flexibility as too great a specificity necessitates a rewrite every time circumstances shift. Equally becoming a slave to a masterplan is not advised as the vagaries of funding mean that we need to have well developed concepts capable of pursuing funding opportunities as they arise.

4.3 The Cheltenham/Gloucester/Tewkesbury Joint Core Strategy (JCS) is currently under review. One area of focus is Retail, with a review of retail currently underway for Cheltenham and Gloucester to inform future policy direction. The other area of focus is obviously residential development, much of which is likely to be located on the periphery of Cheltenham. It is important to have a sufficiently sized market to support the town centre, along with connects (i.e. transport connections) between residents and the town centre to ensure ease of movement.

4.4 Consideration of the implications (both positive and negative) of Conservation Area designations and the application of Listed Building regulations is worth exploring. Cheltenham has one of the largest Conservation Area's in the Country, which is both an asset and constraint. A Conservation Area helps to retain the important character of the town centre, but through its application does inevitably make it more difficult to implement significant change (for example height of buildings).

4.5 Listed Building regulations place an emphasis on protection and retention of listed assets, as opposed to the wider benefits derived from making changes to those buildings (as would be the case for planning regulations). A listing places significant restrictions on works to such building, both internal and external, and within proximity to. Consideration should be given to informing national debate on this issue.

4.6 Continue effective dialogue with developers and investors as achieved through the Development Task Force to maintain the quality of the built environment offer, and create added value where possible.

4.7 Continue to promote Cheltenham as a thriving town centre through outreach work by Marketing Cheltenham and the delivery of short-term attractions such as Light-Up Cheltenham delivered by the BID.

4.8 Maintain pressure on central government to accelerate the review of business rates.

4.9 Progress public realm upgrades as funding allows

4.10 Delivering the ambitions of Connecting Cheltenham which aligns with the GCC emerging Local Transport Plan refresh and supports both Councils climate change emergency declarations. This will involve promoting modal shift and reducing car borne traffic.

Background Papers	n/a
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