NEXUS
PLANNING

Cotswold District Council

Cirencester Town Centre Feasibility Study: Forecast Change in Uses to 2051

Executive Summary

November 2021

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Instruction and Scope

1. Nexus Planning has been instructed by Cotswold District Council (hereafter referred to as 'the Council') to undertake a Feasibility Study to consider anticipated future changes in the composition of Cirencester's 'high street' to 2051. Our project team includes the chartered surveying practice, AspinallVerdi.

2. The purpose of the Study is to identify the land use implications of structural changes in the retail and service sectors, and to determine how this may affect the usage of the centre in practice. This will allow the Council to consider the implications of changes in demand on the redevelopment of a series of major site-specific opportunities in Cirencester town centre. The majority of the opportunity sites are currently publicly operated (and owned) surface-level car parks, which are allocated for redevelopment in the Cotswold District Local Plan 2011-2031 (adopted August 2018).

3. Our initial Feasibility Study report will be supplemented by a second piece of work that will consider how forecast changes in the composition of Cirencester town centre and shifts in respect of transport usage will likely affect the demand for car parking spaces in practice. The subsequent work will help to shape the Council's approach in respect of the future redevelopment of the allocated town centre car parking sites, and ensure that the centre retains appropriate car parking provision. It is envisaged that additional piece of work will also address forecast future changes in travel habits and the potential for greater use of more sustainable modes of travel in order that Cirencester is able to meet the needs of its catchment in a sustainable manner.

4. In this context, our assessment of the future anticipated changes in the composition of Cirencester town centre comprises three key elements:

   i) Consideration of the context to the commission and the current vitality, viability and usage of Cirencester town centre.
   ii) An assessment of the commercial market in Cirencester and consideration of structural trends of relevance to the future use and composition of the centre. This work has been led by AspinallVerdi and is informed by discussions with key operators active in the retail and leisure sectors.
   iii) A detailed retail and service sector needs assessment that takes the form of an Excel spreadsheet 'model'. The model considers how changes in population, expenditure, online retail, and wider

shopping and service sector usage will impact on the demand for commercial floorspace going forward.

5. The model utilises the Council's 2016 household survey[1] to identify the market share of convenience and comparison goods retail expenditure claimed by Cirencester. The use of this existing evidence base is considered appropriate in the prevailing economic circumstances. Whilst the survey pre-dates Covid-19, this means that shopping patterns are not influenced by any short-term behaviours arising from the pandemic.

Planning Policy Context

6. The most recent iteration of the National Planning Policy Framework ('NPPF') was published in July 2021. The NPPF reflects the fact that the traditional role of town centres has been somewhat undermined by structural changes in the retail sector, and that there may be a need to plan for a more diverse range of uses going forward. As such, the NPPF advocates a more flexible policy framework to support the future vitality and viability of town centres.

7. Paragraph 86 of the NPPF specifically relates to planning for town centres. It encourages local planning authorities to support centres' long-term vitality and viability by allowing them to grow in a way that can respond to rapid changes in the retail and leisure industries. The same paragraph also requires authorities to look at least ten years ahead when considering the scale and type of development that is likely to be needed in town centres.

8. The requirement to plan to meet needs across a minimum ten-year period represents a change from the previous iteration of the NPPF, which required town centre needs to be met in full across the entire plan period. The NPPF goes on to set out sequential and impact policy tests, which seek to promote a 'town centre first' approach to development.

Role and Function of Cirencester Town Centre

9. Nexus Planning carried out a land use survey of Cirencester town centre on 2 July 2021 in order to identify the current composition of units in the town centre. At the time of our survey, the country was operating under 'Step 3' of the Government's roadmap out of lockdown and the centre was therefore 'open for business'.

10. The below Table 1 provides a summary of the land use composition of the town centre as identified

[1] Commissioned in support of the Cotswold Retail Study Update 2016.

by our July 2021 survey.

Table 1: Composition of Cirencester Town Centre

Sector	Floorspace (sq.m)	Proportion of Floorspace (%)	National Average Floorspace (sq.m)	Number of Units	Proportion of Units (%)	National Average Proportion of Units (%)
Comparison	19,510	38.2%	31.4%	138	41.1%	27.4%
Convenience	4,030	7.9%	15.4%	20	6.0%	9.1%
Financial	5,270	10.3%	7.0%	35	10.4%	9.2%
Leisure	10,700	21.0%	25.7%	51	15.2%	24.5%
Retail	5,080	10.0%	7.2%	55	16.4%	15.6%
Vacant	6,420	12.6%	12.8%	37	11.0%	13.9%
Total	**51,010**	**100.0%**	**100.0%**	**336**	**100.0%**	**100.0%**

Source: Nexus Planning land use survey of July 2021; national average figures derived from July 2021 Experian Goad Category Report

11. The land use data for Cirencester town centre indicates that the town centre's composition is very broadly comparable to the national average position. Comparison goods retail remains the most dominant single use in the centre, followed then by leisure services. These uses are augmented by Cirencester's retail and financial services offer, and by its convenience goods retail offer. The fact that the convenience goods offer is below national average level is not surprising given the wider role of Cirencester, and the propensity for some grocery shopping to be undertaken close to home in local and district centres.

12. Our survey identified that the proportion of floorspace vacant in Cirencester is very similar to the national average level. However, the centre's performance is stronger in terms of the proportion of units that are currently vacant, which is appreciably less than the national average figure. We also note that the proportion of units that are vacant at July 2021 (equating to 11.0% of overall units) represents an increase on the position at 2018 and at 2012 of units. It remains to be seen whether the vacancy rate may now reduce if prospective operators gain confidence that Covid-19's impact is diminishing. However, at the time of reporting, there is a notable concentration of vacant units around Cricklade Street, which is largely due to the loss of several national multiples, including New Look and Burton/Dorothy Perkins.

13. It is evident that, notwithstanding the Covid-19 pandemic, Cirencester remains a vital, viable and distinct town centre that supports a range of uses.

14. Cirencester's strengths include its comparison goods function, which includes a notable range of independent retailers. This is supplemented by the Monday and Friday Charter Markets and the

Farmers' Market which is held twice each month. There are also a number of speciality markets and fairs that take place in the Corn Hall.

15. Cirencester's comparison goods market is characterised by a relatively high-end offer, which incorporates fashion boutiques, jewellery and decorative goods retailers, and antiques and art dealers. As such, Cirencester is clearly a place for local and visitors to browse and to enjoy the attractive environment.

16. In this context, we would expect Cirencester to support a stronger leisure service sector. Whilst we believe there to be a satisfactory range of cafés and restaurants, there are relatively few licensed premises and hotels. The leisure service sector generally appears to compare unfavourably with that available at identified comparator centres. The relative lack of bars may be linked to the modest hotel offer within the centre and the lack of a cinema in the town.

Property Market Assessment

17. The chartered surveying practice, AspinallVerdi, has produced a Property Market Report in order to understand the buoyancy of the commercial market in Cirencester town centre and the sectors that may be able to support future growth. The Property Market Report analyses the current strength of the retail, leisure and residential markets within Cirencester town centre, and considers the level of demand and supply that underpins the commercial market.

18. Notwithstanding current wider economic conditions, the retail market in Cirencester appears to be performing relatively well, with only a small supply of commercial units available to buy or let.

19. AspinallVerdi's market research identified a large supply of independent B&Bs and Airbnbs in Cirencester, with only two 'mainstream' hotels present, these being a Travelodge and a Premier Inn. However, these two hotels are located on the outskirts of the town and therefore may have a limited role in supporting other leisure operators that are located within the town centre. The viability of new hotels is determined by the trading potential of the scheme (i.e. a function of its likely occupancy rate and the room rates that can be generated). This is dependent upon the business model, location, and the competition in the vicinity.

20. AspinallVerdi's review of the residential market indicates that residential development within and around the town centre will be important in sustaining future growth and helping maintain the attractiveness of Cirencester as a residential location. Increased residential development will in turn increase the population density within the town, helping generate greater footfall and demand within

the town centre for retail and leisure uses. It will enable the evening economy to become more sustainable and add vibrancy into the evening.

Methodology for Assessing Future Needs

21. The household survey Study Area covers Cirencester town centre's primary catchment area, and addresses the retail and leisure sectors of principal relevance in determining the likely future role and function of the centre. Unlike the 2016 Retail Study Update, the sole focus of our assessment is the performance of Cirencester and the town centre's ability to meet retail needs arising within the area. As such, we use the household survey to identify the market share of convenience and comparison goods expenditure claimed by facilities in the town of Cirencester. This is distinct from the survey's original purpose, which was to identify the market share of expenditure claimed by retailers across the District as a whole.

22. The defined Study Area for the household survey comprises ten survey zones, which correspond to postcode sectors; the use of zones ensures an equitable distribution of surveys and assists in providing a detailed understanding of patterns of retail use at a localised level. The zones are representative of geographic areas that may accommodate broadly similar patterns of shopping behaviour. The below Table 2 confirms the postcode sectors which define the zones.

23. The zones were used as the basis for the NEMS household survey and directly inform our needs assessment. The Cotswold authority area broadly comprises Zones 1, 2, 4, 6, 7, 9a and 9b (together with a small part of Zones 8 and 10). Cirencester sits centrally within Zone 1, which is representative of its primary catchment area.

Table 2: Study Area Zones by Postcode Sector

Survey Zone	Postcode Sectors
Zone 1	GL7 1, GL7 2, GL7 5, GL7 6, GL7 7
Zone 2	GL8 8, GL12 7
Zone 3	SN6 6, SN6 7, SN16 9
Zone 4	GL7 3, GL7 4
Zone 5	CV36 5, OX7 5, OX7 6, OX18 4
Zone 6	GL54 2, GL54 3
Zone 7	GL4 8, GL6 7, GL53 9, GL54 4
Zone 8	GL54 5, WR12 7
Zone 9a	GL56 0, GL56 9
Zone 9b	GL54 1
Zone 10	CV36 4, CV37 8, GL55 6

24. Our service sector methodology is based around an estimation of the level of expenditure growth apparent across the period to 2051. We assume that some of this growth is available to support existing operators, and that the remainder is available to support new entrants into the market. The growth available to support new operators effectively provides a multiplier that can be applied to the base position at 2021 to identify future growth in the retail and leisure service sectors.

25. In summary, the key steps in our methodology comprise:

- use Experian data to estimate the likely population and expenditure available to support additional retail and leisure service sector floorspace at 2021, and at future reporting years;
- calculate a multiplier which is commensurate with the expenditure growth across the respective service sector at relevant reporting years;
- make an allowance to account for the fact that some of this growth will be claimed by existing operators; and
- apply the net growth rate to the baseline position (i.e. the existing stock of retail sector and leisure sector floorspace) to estimate the additional floorspace requirement.

Key Findings

Future Retail Needs

26. Our retail capacity assessment identifies the likely (very limited) quantum of additional convenience and comparison goods floorspace that could be supported in Cirencester across the period to 2051. Whilst any identified expenditure surplus is indicative of need that arises across the town as a whole, additional requirements should be directed towards the town centre in practice (subject to the availability of appropriate sites).

Table 3: Quantitative Need for Convenience Goods Floorspace in Cirencester

	2021 (sq.m)	2026 (sq.m)	2031 (sq.m)	2036 (sq.m)	2041 (sq.m)	2051 (sq.m)
Net Convenience Goods Requirement	300	400	600	800	900	1,300
Gross Convenience Goods Requirement	400	600	900	1,100	1,300	1,900

Source Table 6d of Appendix 8

27. With regard to convenience goods, our assessment identifies an immediate need for around 300 sq.m of net sales floorspace at 2021 (equating to 400 sq.m gross), and an increased need for around

1,300 sq.m net at 2051 (1,900 sq.m gross). The 2051 requirement is broadly commensurate to a single moderately sized supermarket.

28. With regard to comparison goods, we do not believe that there is any need to bring forward additional floorspace. Whilst our assessment identifies that at least 600 sq.m of additional net sales floorspace (800 sq.m gross) could be supported at 2051, it is important to note that the stock of vacant floorspace in Cirencester currently totals 6,420 sq.m.

Table 4: Quantitative Need for Comparison Goods Floorspace in Cirencester

	2021 (sq.m)	2026 (sq.m)	2031 (sq.m)	2036 (sq.m)	2041 (sq.m)	2051 (sq.m)
Net Comparison Goods Requirement	-400	-700	-700	-400	0	600
Gross Comparison Goods Requirement	-500	-900	-900	-500	0	800

Source Table 26d of Appendix 8

29. In the short to medium term, the first priority should be to support the reoccupation of this vacant stock. It should also be noted that any capacity for additional comparison goods floorspace arises only at the very end of the reporting period and that forecasts over such an extensive timeframe need to be viewed cautiously.

Future Service Sector Needs

30. Our service sector capacity exercise is a high-level needs assessment that utilises Experian's identified growth rates in respect of the future growth of the leisure and retail service sectors[2].

31. Experian does not provide any data of relevance to the financial and business service sector, and we assume that Cirencester's offer in this regard will remain static. Any further decline in the sector may be arrested by the town's important function as the key centre serving the wider Cotswolds area. We believe that this will mitigate against further closures and that the financial and business service sector is likely to stay broadly as existing.

32. With regard to the retail service sector, our assessment identifies a need for approximately 900 sq.m of additional floorspace across the town centre at 2051. In respect of the leisure service sector, the identified need equates to around 2,000 sq.m of additional floorspace at 2051. It is important to note that these requirements are less than the total quantum of floorspace that is currently vacant within the town centre, and that the re-use of vacant floorspace should again be a priority for the Council.

[2] The retail service sector, for this purpose, comprises expenditure at 'Hairdressing salons and personal grooming establishments'.

33. We again reiterate that the findings of an assessment of this nature (which applies national average growth estimates and does not rely on the findings of a household survey) should be taken as a broad assessment of future needs. The findings of the assessment should also be the subject of regular review in order to account for emerging trends and the overall strength of the economy.

Conclusions

34. Cirencester town centre is vital and viable, and there is reason to be generally optimistic about its future. It is an attractive destination and performs a distinct role for residents of Cotswold District and the wider Study Area given that it is able to meet the majority of retail and service sector needs. In this regard, the centre benefits not only from its historic setting, but also from its geography. The town centre remains the retail and administrative 'capital of the Cotswolds', with higher order competitor centres generally being located some distance away.

35. In commercial terms, the key opportunities relate to:

- the potential to bring forward a cinema within Cirencester, which would likely be of a 'boutique format' in order to be accommodated on a town centre site;
- the potential to supplement the hotel offer in the town centre;
- the quantitative need which exists towards the end of the reporting period to support a further moderately-sized supermarket in the town, which could be brought forward in the centre (subject to format and site availability); and
- the potential to improve the leisure and cultural economies, which are perhaps not as substantial as we would expect given the wider role and function of the town (and its ability to attract visitors to the area).

36. Whilst any additional convenience goods floorspace may take the form of a bespoke development (if it were to be delivered by a single supermarket operator), for the purpose of our assessment we have assumed that, in the first instance, consideration should be given to the reoccupation and repurposing of vacant floorspace to meet identified needs. As such, we assume that the overall stock of floorspace remains the same over the 30-year period.

37. The below Tables 5a and 5b summarise the findings of our quantitative retail and service sector needs assessments, and set our forecast in respect of the future composition of the centre. As the tables identify, the strongest level of growth is apparent in the convenience goods and leisure service sectors. Some growth is also apparent for the service sector and, over the very long term, for the comparison goods sector. The effect of this growth would be to reduce the town centre vacancy rate

over time (this would accelerate further should any commercial units be redeveloped for residential purposes).

38. Taken in aggregate, we believe that the retail sector (convenience and comparison goods floorspace) in the town centre could increase from 23,540 sq.m at 2021 to 26,240 sq.m at 2051. Some of this growth is attributable to the immediate convenience goods need at 2021, which equates to 600 sq.m gross. We estimate that the service sector could expand from 21,050 sq.m at 2021 to 23,950 sq.m at 2051.

Table 5a: Composition of Cirencester Town Centre at 2021 and at Future Reporting Years

Sector	2021 Floorspace (sq.m)	Changes in Floorspace to 2026 (sq.m)	2026 Floorspace (sq.m)	Changes in Floorspace to 2031 (sq.m)	2031 Floorspace (sq.m)	Changes in Floorspace to 2036 (sq.m)	2036 Floorspace (sq.m)
Comparison	19,510	-900	18,610	+0	18,610	+400	19,010
Convenience	4,030	+600	4,630	+300	4,930	+200	5,130
Financial Service	5,270	+0	5,270	+0	5,270	+0	5,270
Leisure Service	10,700	+0	10,700	+500	11,200	+300	11,500
Retail Service	5,080	+0	5,080	+200	5,280	+200	5,480
Vacant	6,420	+300	6,720	-1,000	5,720	-1,100	4,620
Total	**51,010**	**+0**	**51,010**	**+0**	**51,010**	**+0**	**51,010**

Source: 2021 figures from Nexus Planning land use survey of July 2021; changes thereafter as identified at Sections 6 and 7 of this report; assumes that needs are subsumed by existing stock

Table 5b: Composition of Cirencester Town Centre at 2021 and at Future Reporting Years

Sector	Changes in Floorspace to 2041 (sq.m)	2041 Floorspace (sq.m)	Changes in Floorspace to 2051 (sq.m)	2051 Floorspace (sq.m)
Comparison	+500	19,510	+800	20,310
Convenience	+200	5,330	+600	5,930
Financial Service	+0	5,270	+0	5,270
Leisure Service	+400	11,900	+800	12,700
Retail Service	+200	5,680	+300	5,980
Vacant	-1,300	3,320	-2,500	820
Total	**+0**	**51,010**	**+0**	**51,010**

Source: 2021 figures from Nexus Planning land use survey of July 2021; changes thereafter as identified at Sections 6 and 7 of this report; assumes that needs are subsumed by existing stock

39. We believe that the most significant changes arise in respect of the convenience goods sector and the leisure service sector, which expand relatively significantly. As a consequence of this (and noting the expanded comparison goods and retail service provision), we envisage that the future vacancy rate reduces significantly. The estimated vacancy rate is just 1.6% at 2051. The assessment has been undertaken on the basis that the existing stock of floorspace remains as it is at 2021, and has been repurposed in accordance with the needs identified in this assessment. In practice, the delivery of a

substantial quantum of convenience goods floorspace may require the redevelopment of a site to accommodate a single operator.

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