Dorchester Town Centre
Development Potential

West Dorset District Council

Final Report

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Prepared by

GL Hearn
280 High Holborn
London WC1V 7EE
glhearn.com

Contents

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DATE	ORIGINATORS	APPROVED
29 July 2016	Chris Hemmings	Graeme Tulley
	Associate Director	Director
		Graeme Tulley

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1 INTRODUCTION

1.1 GL Hearn, together with BDP, was instructed by West Dorset District Council (WDDC) in April 2016 to advise on commercial development potential within Dorchester town centre. This forms part of a series of studies across the West Dorset and Weymouth & Portland area to promote town centre development, including for example the Weymouth Town Centre Masterplan.

1.2 The Council owns a number of key sites in Dorchester town centre, including Charles Street (and including the Community Church site), Wollaston Fields Fairfield, Trinity Street, and the "Top O' Town", which are all predominately used for surface car parking.

1.3 WDDC has promoted retail led development of the Charles Street site on three occasions since the late 1980's with MEPC, Helical Retail and Simons as its development partners.

1.4 The Charles Street site comprises some 1.2 hectares, is owned freehold by WDDC and serves as the town centre's main car park offering approximately 322 spaces (Acland and Old Market car parks).

1.5 Charles Street is allocated in the West Dorset Weymouth & Portland Local Plan 2015 at Policy DOR4 and on the policies map as… *"a key town centre site, to deliver significant new retail development with ancillary mixed uses"*….and*…"on completion, the site will form part of the primary shopping area".*

1.6 Simons constructed WDDC's new administrative offices on South Walks (part of Charles Street site) as Phase 1, but the Phase 2 retail led proposals have not come forward. WDDC and Simon agreed to set aside the Development Agreement in 2015.

1.7 Whilst Charles Street has to date failed to secure retail led development, Dorchester has seen major new retail, leisure and residential investment at Brewery Square, located adjacent to Dorchester South railway station.

1.8 Our brief requires us to advise on:

- Stage 1 - Role of the town centre
- Stage 2 - Development options
- Stage 3 - Delivery strategy

1.9 The approach to the assignment has been a collaborative one with the Council, and in particular liasing with the Charles Street Members Working Party.

1.10 In addition, Dorset County Council has recently commissioned WSP Parsons Brinckerhoff to undertake a Public Realm, Transport and Movement Strategy, which will consider the current and future car parking provision within Dorchester and assess the opportunity for traffic management improvements. Within this context, we recognise that Charles Street is a car park serving Dorchester town centre and therefore the development options for this site needs to balance the objectives of the site's allocation whilst preserving the car park's role and status.

2 ROLE OF DORCHESTER TOWN CENTRE

2.1 To review the current and potential future role of the town centre we have considered the following:

- Planning Policy;
- Characteristics of the catchment area;
- Retail need/capacity/trends;
- Dorchester's retail offer;
- Market gap analysis ;
- Winners and losers;
- Market perceptions of Dorchester; and
- The Brewery Square development.

Planning Policy

2.2 The West Dorset Weymouth & Portland Local Plan was adopted in 2015 and sets out the strategic objectives and site allocations to deliver future retail, employment and housing need. Chapter 11 provides the vision and policies for Dorchester with the aim of creating a more prominent sub-regional town centre by 2031. The chapter also includes three key policies for Dorchester town centre as follows:

- ***Policy DOR3 – Dorchester Roman Town Area – i) Any development within the Roman Town Area, should help reinforce the historic character of the area.*** (This area includes the Charles Street, Wollaston Fields and Trinity Street car parking areas).
- ***Policy DOR4 – Charles Street – i) Land at Charles Street, Dorchester, as identified on the policies map, is a key town centre site, to deliver significant new retail development with ancillary mixed uses. The development of the site will include a significant element of public car parking and provide improved pedestrian links to South Street. ii) On completion, the site will form part of the primary shopping area.*** (The Local Plan refers to the outline permission secured by Simons).
- ***Policy DOR5 – Future Town Centre Expansion – i) Land off Trinity Street, as identified on the policies map, will be the preferred location for future retail expansion of the primary shopping area. Any scheme will need to retain an appropriate amount of public car parking.***

2.3 The Local Plan is clear that Charles Street is the key site allocation for retail development in the early part of the development plan period, with Trinity Street identified as an area of expansion to reinforce the role of the town centre once Charles Street has been developed. The Roman heritage and archaeology is identified within Policy DOR3, which is both a constraint on site development, but also an opportunity to market the town.

2.4 The other car parks, such as Fairfield Road, Wollaston Fields or Top O' Town are not specifically mentioned in the policies. Development at these locations would be subject to the sequential test and impact test (in excess of 2,500 sq.m.) in accordance with the NPPF.

Catchment area

2.5 Key characteristics include:

- Dorchester town population of 25,000 with a primary catchment area of circa 95,000;
- Projected population growth over the Local Plan period of 2011-2031 for West Dorset and Weymouth and Portland is anticipated to be circa 37,000 based on the housing requirement of 15,500 homes, although Dorchester town has allocations for just over 1,900 homes, which may accommodate around 4,500 new residents;
- Moving forward, there is also the potential for an additional 4,500 homes in the Local Plan area up to 2036, some of which could be distributed to Dorchester helping to boost further the expenditure available within the immediate catchment area;
- Significant leakage of retail expenditure (loss of spend to other centres and special forms of trading including internet sales) from Dorchester town centre. The leakage is estimated to be circa 78% for comparison goods from the whole Dorchester/Weymouth catchment area (Source: CBRE Retail and Leisure Study 2008);
- Above average % of retirement age groups and older working groups 54-64;
- Children aged 0-14, young adults aged 15-24 and adults aged 25-44 are under-represented within the Dorchester area;
- Per capita retail spending levels are above the average (Source: CACI);
- Area contains significantly above average proportion of adults of working age categorised within the most affluent AB social group (2011 Census);
- Car ownership significantly above average -particularly high % of 2 car households;
- Level of owner occupation in Dorchester is above average;

- In June 2016, average house prices in Dorchester were £283,000 compared with the national average (England) of £229,000; and
- High employment, low unemployment, low Jobseeker's Allowance applicants (unemployment benefit that can be claimed while looking for work).

2.6 In summary Dorchester is a comparatively affluent area, with population bias to older age groups, high car ownership and high retail expenditure leakage.

Dorchester's Retail Needs and Market Shares

2.7 CBRE reported to Weymouth and Portland and West Dorset councils on retail need and capacity in 2008. This was based on a 2007 household survey of shopping patterns.

2.8 Estimates of "retail need" are based on population and expenditure projections over periods of time and most commonly used in preparing local plan documents. They are not assessments of commercial market demand.

2.9 The 2007 survey found that for convenience (i.e. food) goods Dorchester town centre's attracted some 40% of trade from Zone 5 and 4 (i.e. Dorchester town centre). CBRE noted…. *" we would expect a centre of its size to attract market shares above 70% from the zones covering its centre (i.e. zones 5 and 4) therefore it is evident that trade again is being drawn out of the town, most likely to the Tesco store on the edge of the town".*

2.10 In respect of comparison (i.e. non-food) goods, the 2007 survey found that only 20% of residents in the full catchment (zones 1- 9) visited the town for their clothes and footwear (the main competitors being Yeovil, Bournemouth and Poole), although for the Dorchester town centre zone (5) this figure rose to 60%.

2.11 This suggests that the town centre has significant leakage of convenience and comparison good expenditure.

2.12 CBRE prepared an update of its 2008 study on retail needs and capacity in 2010. CBRE reported that there was capacity for an additional 964 sqm (net sales) of convenience space over the period up to 2026 in Dorchester town centre, and for comparison goods there was capacity for an additional 9,676 sqm (net sales) up to 2026.

2.13 In addition CBRE reported capacity for non-central floorspace of 4,582 sqm (convenience) and 15,154 sqm (comparison) respectively, which in accord with the NPPF should be directed to the centre under the town centre first policy. Whilst a proportion of this floorspace could be directed towards Dorchester town centre, there are other centres within the catchment area that could deliver this floorspace, including most notably Weymouth.

2.14 The 2010 update was based on the 2007 survey. Much has changed since – not least further growth in internet shopping, growing importance of higher order centres (in terms of regional centres within the retail hierarchy with a significant scale of retail e.g. Southampton, Reading, Bath and Bristol), developments including Brewery Square, changing economic fortunes and population change.

2.15 In due course a new retail study should be commissioned to update the position. It is anticipated that the retail study would be completed in 2017.

Dorchester's Retail Offer

2.16 According to PROMIS/PMA (a national property database), the total retail floorspace in Dorchester town centre is estimated at 43,000 sq.m. This includes 47 non-food multiples, 4 food multiples (including M&S Simply) and 3 branded café/restaurants. It should be noted that this data does not include retail and leisure units at Brewery Square.

2.17 Using PROMIS/PMA data, Dorchester compares favourably with other "small towns" in the PROMIS database , but against the average of the top 200 centres in the UK, Dochester compares less favourably, e.g the top 200 centres have an average of 90 non-food multiples compared with 49 in Dorchester.

2.18 Our own market gap analysis, which compares Dorchester to 5 other similar towns (Market Harborough, Petersfield, Cirencester, Sevenoaks, and Stratford-upon-Avon) shows that Dorchester for its size offers many of the retailers that one would expect to find.

2.19 There may be an opportunity to attract some additional retailers not currently represented as well as some café and restaurant operators.

2.20 What is perhaps more of note is that Dorchester town centre lacks the modern larger units that many convenience and comparison retailers now require.

2.21 For example, Dorchester has an "average" number of food stores for its size/function, and lacks a full range food store/supermarket in the town centre.

2.22 In respect of comparison retail units which are focused on South Street, there has been no new development for many years. There are therefore no new large modern units with first floor or mezzanine coverage, which is demanded by many retailers. However, there is very little vacancy in South Street.

2.23 That said there must be concern that as leases expire, then some key national retailers in South Street may seek alternative accommodation outside of Dorchester if upgraded/larger space is not available.

2.24 A town's retail offer is of course not solely defined by the presence or absence of multiple names. In this context Dorchester retains a wide range of independent retailers (most notably Gould's variety and fashion stores) and service units, including a number of coffee shops and restaurants. These fulfil a vital role in the town, creating differentiation for residents and visitors alike, driving and retaining loyalty from the catchment area.

2.25 Moreover a town centre's offer and vitality is increasingly not defined simply by its retail offer. Leisure, hospitality, cultural, community and civic facilities play an essential and growing role in market differentiation and creating an attractive destination. Increased housing and different housing typologies, can also add to the town centre's overall offer to residents, workers and tourists alike.

2.26 In this regard Dorchester with its built and cultural heritage has much to build on - Roman Britain, Hardy, arcades, museum, market etc. – and there is an opportunity to enhance the promotion of this heritage.

Winners and Losers

2.27 Retail and town centres are fast moving and dynamic concerns. However, we offer some broad trends some of which have implications for Dorchester.

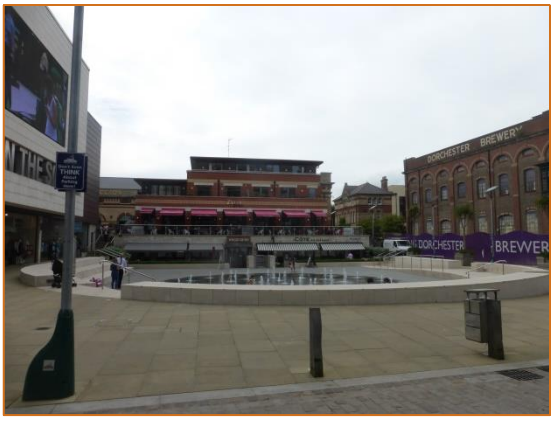
2.28 Winners:

- Retailers require fewer stores – "polarisation" into larger centres
- Top 15 -20 UK Cities
- Regional Shopping Centres
- Outlet Centres – stronger centres - double digit growth
- Quality Markets e.g. Camden town
- Strong Tourist destinations – e.g. Canterbury, Chester
- Smaller towns with strong identity and discrete catchment - e.g. Winchester
- Destination stores e.g. JLP, IKEA, food stores
- Well integrated retail & leisure destinations

2.29 Losers:

- Retailers taking fewer stores and retail businesses failing
- Existing floor space is projected to be cut significantly
- By 2020 the UK will need 21% less floor space and 31% fewer shops (Source: Javelin Group Retail Forecasts)
- Smaller towns with weak/clone offering and lacking critical mass
- New and expanded towns lacking a clear identity
- Centres lacking “experiential/aspirational” elements or significant integrated leisure
- Sectors such as books, music, travel under threat from internet
- Towns particularly exposed to public sector cuts and redundancies

Brewery Square



2.30 Brewery Square comprises some 3,452 sq.m. of retail and restaurant space (including names such as Hobbs, Gerry Webber, Joules, Jones the Bootmaker, Phase 8 and café/restaurants Wagamama, Cote, Carluccio’s, Zizzi), a 3 screen Odeon cinema and some 550 apartments. A cultural/event space is also planned.

2.31 Brewery Square is a high quality leisure led mixed use regeneration scheme. It is building “critical mass” and benefits from the adjacent rail station and car parking at Fairfield Road. In short it is a good example of an integrated retail and leisure “destination”.

2.32 There are a number of implications for South Street and Trinity Street, and Charles Street car park.

2.33 Linked trips need to be encouraged between Brewery Square and the primary shopping area (South Street), so both can benefit from the additional footfall and expenditure. In this regard the work that WSP Parsons Brinckerhoff is undertaking on public realm is looking at ways to improve pedestrian movements around the town centre.

2.34 Brewery Square has effectively delivered the commercial leisure market (branded cinema, café, restaurants) for Dorchester and its catchment. This type of development has been and continues to be one of the most dynamic parts of the town centre development market, driven by demand from cinema and café and restaurant operators, meeting higher disposable income on leisure activities.

2.35 Whilst there are other café/restaurant names in what is a highly dynamic and growing market, much depends on achieving critical mass around the anchor, i.e. the commercial cinema. Thus whilst there may be some additional café and restaurant demand for the town centre, we do not see an opportunity to duplicate a commercial leisure based development scheme at Charles Street.

2.36 The Brewery Square retail offer is largely different from the primary shopping area, i.e. focusing on the mid to upper aspirational fashion market with smaller units. This leaves a market gap in the town for larger units. Some of these are already in the centre, but in small and compromised stores.

Conclusions on Dorchester's Role

2.37 We draw the following conclusions on Dorchester town centre's future role:

- Dorchester has a relatively affluent and mobile catchment, however there is leakage from the catchment area that needs to be addressed through the retention of key retailers and the expansion of the retail offer.
- The town should look to attract and retain more expenditure (comparison and convenience), especially from younger age groups but also from the silver pound. The 2010 retail capacity study has identified the need to deliver circa 964 sq.m. of convenience and 9,676 sq.m. of comparison goods in Dorchester town centre to serve the immediate catchment area.
- It is important that Brewery Square and the primary shopping area encourage linked trips to prevent adverse impacts.
- Brewery Square has largely met the commercial leisure needs of Dorchester's catchment area.
- However, there are retail market gaps to fill – national high street names (particularly fashion and lifestyle) as well as a full-line food store/supermarket.
- There is a lack of modern large retail units within the centre for new entrants, but also those existing retailers who may not continue in Dorchester (on lease breaks) if they cannot operate from the size/type/location of units they require.

- The internet will continue to eat into traditional “bricks and mortar”, but smart retailers/centres are using omni-channel retailing with “click and collect” becoming increasingly important.

- Dorchester needs to enhance its built and cultural heritage – it should develop and market its "brand" to residents and visitors to create a destination for day out and short break trips, as Brewery Square is looking to do. Indeed a marketing strategy for the town as a whole including Brewery Square, should be drawn up.

- Given its large catchment, mobile population with high car ownership, safe and accessible car parking will continue to be important to catchment and retail/leisure operators.

3 DEVELOPMENT OPTIONS

3.1 On the basis of our review, we have considered the following retail development options for the Charles Street site in the context of the town centre as a whole. This reflects WDDC's focus on Charles Street redevelopment, as set out in Local Plan Policy DOR4. It should be noted that these options are indicative and designed to provide a high-level capacity exercise of what is achievable on the site.

3.2 We have not set out options for a residential led scheme for Charles Street, as in planning policy terms, the focus of development should be retail led proposals. Also, housing does not form an ancillary use in the options, as it would add complexity to the scheme that would not necessarily improve the financial viability of the site, or developer/investor interest. We fully appreciate the social value of housing and associated uses within town centres, but due to these issues, we have taken the view that WDDC will meet its housing needs elsewhere.

3.3 A key issue in the past has been the need to maintain and increase car parking on the site through the provision of underground parking requiring the appropriate archaeological mitigation, which has proved challenging to the financial viability. This issue as part of the overall scale of the previous schemes have become problematic and our proposals seek to mitigate the adverse financial impacts and reduce the scale to allow more cost effective, viable and deliverable options.

3.4 Charles Street is a very important site for Dorchester and WDDC. It is one of the central Town car parks, servicing the existing primary shopping offer, and represents a significant financial income stream to WDDC.

3.5 However, it is not the only car park in town – Wollaston Fields, Fairfield Road, Trinity Street, and Top O' Town all have significant parking capacity as well as development potential.

3.6 The initial results of the WSP Parsons Brinckerhoff Dorchester Public Realm, Transport & Movement Strategy showed that Dorchester has a good range of car parks all within a walkable distance of the town centre and with consistent levels of occupancy, i.e. they are all well used. There are certain peaks, particularly on Wednesday mornings with the street market in use on Fairfield, and Saturdays. There is some spare capacity, and it is a case of managing the car parking resources more efficiently if some areas were to be considered for alternative uses as the Local Plan envisages.

Option 1 – Maintain, Improve and Promote

3.7 The first option is to maintain Charles Street largely in its current use, improve it with better public realm and environmental treatments and possibly introduce “pop up” or “soft” activities at times of the week, e.g. performance space, exhibitions, niche local markets, to help create a destination and brand. We note that Dorchester’s main market is located at Fairfield Road opposite Brewery Square and held every Wednesday.

3.8 In our view this would need to be aligned to an overall town centre strategy which focuses not on major property development at Charles Street, but looks at the town centre as a whole creating a distinctive brand and marketing it to bring in new visitors, extending their dwell time and retain the loyalty of the resident catchment area.

3.9 The pros and cons can be summarised as:

Option 1 - Maintain, Improve and Promote

PROS	CONS
• Retain destination car park	• Doesn’t meet OAN (2010) retail needs
• Improve public realm	• Doesn’t itself address existing market gaps
• Retain WDDC income streams	• Over time South Street could lose key retailers without action elsewhere
• Incremental intervention	• Fails to meet growth objectives
• Lower risk/lower cost than development	• Lost opportunity for new income stream from development
• No archaeological implications	• Fails to manage WDDC car parking resources
• Opportunity for events/exhibitions and to create a new destination.	
• Focus development on “easier” sites.	

Option 2 – Food store of circa 3,716 sq.m.

3.10 This option comprises a food store on the west part of Charles Street. It provides a floor area of 3,716 sq.m. (GIA).

3.11 The access road in front of South Walks offices is reconfigured to deliver circa 257 car parking spaces with 162 at surface and 60 in an under croft accessed by ramps, plus 35 spaces at Old Market. This represents a loss of 65 spaces compared to the existing provision of 322 spaces (Acland and Old Market). Alternatively, a decked car park could be provided to retain as much of the existing levels of spaces, subject to design, archaeological, occupier or viability issues.

3.12 The service yard is located in the north west corner of the site.

Option 2 – Food store of circa 3,716 sq.m.

Pros	Cons
• Provides for major food store and surface car parking within town • Provides a sustainable "anchor" to the primary shopping area • Size more likely to meet operator requirements • Limits archaeological excavations and costs • Does not require basement car parking • Allows circulation from Hardye to Tudor arcades • Car parking visible in front of store • Backs of South Street face back of new store • Business Rates income from the new foodstore • Meets the OAN (2010) convenience retail needs	• Doesn't meet OAN (2010) comparison retail needs • Operators may seek free surface car parking or reimbursement • Reduction in existing car parking and loss of chargeable income • Food retailer may not see Wollaston Fields as suitable overspill – trolleying across main road • Loss of trees and current green triangle • Reconfiguration of service road • Disruption to car parking while the scheme is being constructed, especially for South Street retailers • Maybe visually intrusive

Option 3 – Large format retail units circa 5,574 sq.m.

3.13 This option looks to accommodate a number of larger retail units for comparison (e.g. fashion/lifestyle) retailers to meet current market gaps or the upsizing needs of existing retailers in the town centre.

3.14 The units are gathered on the western part of the scheme, with:

- A semi-underground car park at the existing level (+ 59.5) fits in the eastern part of the scheme with a surface car park on the top.
- More limited excavation is potentially needed.
- Full first floor/mezzanine coverage as desired by retailers.

3.15 This would deliver approximately 2,787 sq.m. (GIA) on ground and with full first floor cover some 5,574 sq.m. (GIA). This could be arranged in three units for occupiers.

3.16 Total car parking would be 174 spaces or 204 spaces if the trees and green triangle are removed. The service road in front of South Walks remains as currently configured. This represents a loss of either 81 or 51 car parking spaces, depending on whether 174 or 204 spaces are created.

Option 3 – Larger Retail Units – 5,574 sq.m.

Pros	Cons
• Provides for larger floorplate modern retail units in town centre • would provide modern space for existing occupiers and/or new entrants • Allows circulation from Hardye to Tudor arcades Retail circuit enhanced • No excavations/costs • Car parking visible in front of store • Backs of South Street face back of new units • Wollaston Fields could also be used for car parking (no trolleying required) • Business Rates income from the new units	• Doesn't meet all the OAN (2010) comparison retail need (i.e. circa 5,574 sqm out of 9,676 sqm) • Key retailers may relocate from South Street – but they might leave in any event if they can't find the space they need? • Operators would seek free surface car parking • Reduction in existing car parking and loss of chargeable income • Loss of trees and current green triangle to maximise car parking • Disruption to car parking while the scheme is being constructed, especially for South Street retailers • Maybe visually intrusive

Summary of Options

3.17 The following table shows the development options compared to the retail needs as presented by CBRE in 2010.

Option	Indicative GIA Floorspace to be Delivered	Dorchester Immediate Catchment Area – Retail Need to 2026	Non-central Retail Need to 2026
1 – Enhancement of Charles Street Car Park	0 sq.m.	Convienence Goods = 964 sq.m. net sales Comparison Goods = 9,676 sq.m. net sales	Convenience Goods = 4,582 sq.m. net sales Comparison Goods = 15,154 sq.m. net sales
2 – Food Store	3,716 sq.m ---	Convienence Goods = 964 sq.m. net sales Comparison Goods = 9,676 sq.m. net sales	Convenience Goods = 4,582 sq.m. net sales Comparison Goods = 15,154 sq.m. net sales
3 – Larger Retail Units	--- 5,574 sq.m.	Convienence Goods = 964 sq.m. net sales Comparison Goods = 9,676 sq.m. net sales	Convenience Goods = 4,582 sq.m. net sales Comparison Goods = 15,154 sq.m. net sales

3.18 Whilst in quantitative terms, the provision of a foodstore (Option 2) at Charles Street would absorb the 2010 retail need for convenience goods in Dorchester plus a proportion of the wider non-central need, the provision of a scheme for larger retail units (Option 3) would not deliver the forecast retail need for comparison goods for Dorchester's immediate catchment area.

Other Dorchester Town Sites

3.19 In looking at the current retail supply and demand in Dorchester and as well as Charles Street, we have considered other town sites and made brief comments on these. It should be noted that some leases exist.

Trinity Street

3.20 Trinity Street car park offers a longer term development prospect for the town within the adopted Local Plan (Policy DOR5) and is located on the west side of Trinity Street adjacent to the Co-op foodstore. The Local Plan policy boundary for DOR5, includes the Iceland's foodstore, the Trinity Street car park and the shops on the eastern side of Trinity Street. The site extends to circa 1.6 hectares and has mixed WDDC and private ownership when considering the whole site.

3.21 The quality of shop frontages along the southern end of Trinity Street is of lower quality compared to the adjacent southern end of South Street. The presence of road traffic also lowers the appeal of the street as a shopping destination when compared to South Street or Brewery Square.

3.22 Trinity Street is a secondary frontage, and without enhancements in the traffic circulation and public realm its retail commercial attractiveness may be limited. In addition, the developable area of the site, especially the southern area of car parking is likely to restricted by the presence of Hascombe Court (a retirement/care home facility),the existing electricity sub-station, and presence of archaeology. It should be noted that beyond the car park, Dorchester Town Council has plans for housing development at land it leases from WDDC at the existing tennis courts. These and other issues may influence the viability of the site overall.

3.23 The primary function of the site is to provide car parking, and the initial results from the Dorchester Public Realm, Transport and Movement Strategy by WSP Parsons Brinckerhoff indicates that the car park is performing well in terms of occupancy.

Fairfield Road

3.24 Another key site within the freehold ownership of WDDC is Fairfield Road car park. Fairfield Road car park has 372 spaces, providing both short and long stay car parking. The site also includes Dorchester Street Market, Dukes' fine art sales room, and a café, all of which have leases from WDDC. The site also have public toilets.

3.25 The site is located opposite the Brewery Square development and South Dorchester rail station, and therefore has the potential to capitalise on the footfall and expenditure from this scheme through a complementary offer.

3.26 The site is circa 2 hectares in size and is largely flat, which commercially provides good scope to create a development of critical mass, subject to the relocation of existing uses.

3.27 A significant issue in terms of development of Fairfield, is that it currently does not have any specific planning policy status promoting the site – although we note it is outside the designated Roman remains area. Indeed the Local Plan is clear that it supports and allocates Charles Street and Trinity Street as retail locations, and given the Plan is dated 2015 these must be considered up to date allocations as per the NPPF.

3.28 As such if WDDC wished to promote the site for major town centre related development (including retail use), we consider the planning policy framework may need to be reviewed, as at the current time the Charles Street site remains the key Local Plan allocation for the expansion of retail-led uses within the centre of Dorchester. However, this is likely to be influenced by the delivery of future retail floorspace requirements (which as shown above, based on the latest 2010 retail study, cannot be met exclusively by Charles Street), and a sequential test of all suitable sites in and around the town centre.

3.29 Accordingly, if a planning application were made for the site at the current time, it would need to be accompanied by a sequential site assessment and (if over 2,500 sq.m.) an impact test.

3.30 We consider an up-to-date retail capacity study that sets out the population growth, expenditure patterns and calculates the convenience and comparison goods floorspace requirements over the next 15-20 years is now required to underpin any future town centre strategy for Dorchester. As per NPPF Para 23, this might demonstrate that Fairfield Road is also required to meet need and/or that it is more deliverable than other sites.

Wollaston Fields and Top O' Town

3.31 Wollaston Fields and Top O' Town car parks continue to play an important role in the car parking strategy for the town. Wollaston Fields has a supplementary role to the Charles Street car park, and given its status as a Scheduled Ancient Monument, with the presence of a Roman Bath it is not considered to be a suitable site for intrusive development.

3.32 Top O' Town car park is located at Bridport Road, adjacent to the Keep and this is some way from the primary shopping area at South Street. The streetscape here is more residential in character and would probably suit a non-retail use, in a scenario where the Council deem it to be surplus to requirements (although it has good levels of occupancy). A retail use is unlikely to be supported here, as it appears to be a remote location, compared to the other car parks (Charles Street, Trinity Street, Fairfield Road).

4 DELIVERY STRATEGY

4.1 We have commented in this report that there are a number of matters that could, and are in many cases are being addressed, to improve the overall vitality and viability of Dorchester town centre.

4.2 For example, transport and parking issues are being addressed through the Dorchester Transport and Environment Plan DTEP work and Brewery Square has significantly “upped” the commercial leisure offer. Other public realm and marketing/branding issues could also form part of an overall town centre strategy, which as set out below, we consider is necessary.

4.3 However, in this report we are primarily focused on the delivery of additional retail led mixed use development in the town centre. We consider new development is required to attract new retailers and equally important to provide modern space for existing retailers to move in to and therefore remain in the town centre.

4.4 In addition we focus our comments on a delivery strategy for the Charles Street site. Notwithstanding the history of the site, which is well known by those in the town centre property market, there remain clear reasons for wishing to bring forward this site.

4.5 WDDC’s recently adopted planning policy designates Charles Street as the site for major new retail led development. This reflects the town’s unmet need for new retail and the site’s location adjoining the current primary shopping area and its potential to strengthen and make a strong retail circuit with South Street.

Indicative Viability

4.6 A delivery strategy has by definition to be deliverable. By this we mean both financially viable and commercially attractive to operators.

4.7 We have undertaken a series of high level indicative development appraisals for options 2 and 3.

4.8 It is most important to note that our indicative appraisals are deliberately framed around simpler development options, in order to reduce costs, including the need for significant intrusive works, and minimise as far as possible uncertainties.

4.9 Option 2 is based around providing a full line food store (circa 3,716 sq.m.) for the town centre which could compete with out of town outlets and anchor the centre, consolidating its “market” town role. Different configurations maybe possible on Charles Street.

4.10 We note that at the current time most food store operators have a very cautious approach to further development commitments, and in any event there are only ever a few potential operators in the market. However, previous schemes have secured food store operator support, and we consider that it is important to assess the Charles Street potential in the current market.

4.11 Option 3 is based around comparison retail and provision of larger modern units. This is aimed at both consolidating and growing the town's retail offer (e.g. in the fashion and lifestyle sectors), and "clawing back" an element of trade currently leaking from the centre. Different configurations may be possible, but we consider the option 3 concept could potentially supply up to 5,574 sq.m. assuming full first floor trading. While not likely to satisfy the full retail demand, we do consider that there is likely to be operator demand for such a scheme in Dorchester.

4.12 The results of our appraisals reveal positive residual land values for both options but this is subject to further detailed design work and technical assessments. Most importantly, the Council's position in relation to car parking income has pivotal bearing on viability outcomes.

4.13 The Council will need to evaluate the impact on its revenue from car parking income from development at Charles Street which could consider the financial benefits to the Council and community from enhanced business activity and value added.

Other considerations

4.14 As well as financial viability and commercial attraction, there are other strategic planning and development matters for WDDC to consider before arriving at decisions over the town's future direction.

4.15 The 2010 Retail Capacity study has identified 9,676 sq.m.of comparison goods floorspace for the immediate Dorchester town centre area, whereas our "simpler" option 3 suggests potential at Charles Street to deliver circa 5,574 sq.m. We consider that more recent retail commitments are small in scale and would not significantly affect the overall figures. In other words on the evidence base the Council currently has, it appears Charles Street by itself might not accommodate all the identified need.

4.16 The Council does have other land holdings in and around Dorchester Town Centre, including Trinity Street and Fairfield Road car parks, which could complement Charles Street. However, all of these also have pros and cons as previously considered.

4.17 Trinity car park is also identified in the Local Plan 2015 as a potential expansion of the Primary Shopping Area. However, we understand that Trinity car park may have archaeological issues associated with it that may prevent/restrict development, as well as heritage and sub-station issues.

4.18 Wollaston Fields already acts as an “overflow” car park for town centre shoppers, but given is size, location, archaeological issues and status as a Scheduled Ancient Monument, we consider it unsuitable for major retail development.

4.19 Top O’ Town plays a supplementary car parking role, but given its location we do not see it as a site for major retail development.

4.20 Fairfield Road is in use as both short stay and long stay car parking, with Dorchester street market taking centre stage on Wednesdays. As well as commuter parking for the station, it is increasingly in use as car parking for Brewery Square. The market, Dukes auction house and café have long leases from WDDC.

4.21 However, Fairfield Road is twice the size of Charles Street, well accessed (by road, rail, foot) and directly opposite the Brewery Square development, which itself is building “critical mass” and footfall.

4.22 On the face of its Fairfield Road could help support Charles Street in the delivery of Dorchester’s retail needs and demands.

4.23 On the one hand, we could see this creating what might be called the “Dorchester Triangle”, joining up the Primary Shopping Area (focused on South Street and the extension Charles Street), with the predominately leisure based development at Brewery Square and creating a complementary retail offer to the Primary Shopping Area.

4.24 However, this would require a number of planning and development matters to be addressed in a holistic, planned and phased way.

4.25 Most importantly, given Charles Street is the designated Local Plan site, we consider its development potential should be prioritised over any other sites. In our view this requires Charles Street to be at the centre of a wider town centre strategy for Dorchester.

4.26 Moreover, any town centre development at other sites not designated in the Local Plan would require application of the NPPF/Local Plan sequential assessment and impact tests. In the case of the latter, any development over 2,500 sq.m. would require an impact test to examine both the trade diversion on the Primary shopping area as well impact on investment plans for the centre.

Additional Work

4.27 The study has identified that additional work is required to support the delivery of Charles Street. These reports include:

- **Soft Market Testing –** to assess the level and type of retailer/developer demand for Options 2 and 3, it is recommended that soft market testing is undertaken to assess the level of occupier interest for each of the two development options.

- **Archaeology Peer Review –** in order to de-risk the development opportunity at Charles Street it would be prudent for the Council to appoint an independent archaeological consultant. This party would carry out a peer review of the archaeological studies undertaken to date and provide conclusions to the Council. Further it would suggest the level of mitigation required from a more straight forward development solution as described in our options. Finally, it could consider the need and benefits of undertaking any intrusive works. Dialogue with Historic England would also be an essential component of this work.

- **Updated Retail Capacity Study –** the last study was undertaken by CBRE in 2010 to support the formulation of the West Dorset and Weymouth Local Plan. This now requires updating to provide population and expenditure forecasts for the Dorchester catchment area, usually underpinned through a household survey questionnaire. The capacity study would present the floorspace requirements for convenience and comparison goods over the next 15-20 years, taking account of existing planning commitments and the sales turnover or existing stores. As well as a retail capacity exercise we would expect the retail study to examine the impact of potential development options. WDDC is due to commission this new study together with Weymouth & Portland and possibly North Dorset and it is anticipated to be completed in 2017.

- **Town Centre Strategy –** building on the results of the soft market testing, archaeological review and retail study, a town centre strategy could follow. This might address the branding and marketing of the town as well as public realm, parking, traffic and environmental improvements. This strategy would address the circulation and footfall within the centre and seek to link the key attractors, such as Brewery Square, the Museum, other heritage assets etc. to main entrant points such as the car parks and rail station to improve the accessibility (e.g. Dorchester South train station is due to be improved as part of the Brewery Square s.106 agreement). Public realm and signage would play an important role to differentiate between these areas.

5 CONCLUSIONS

5.1 This report has identified a number of key conclusions to aid WDDC in formulating a new development and town centre strategy for Dorchester town centre. Our main findings are:

I. Dorchester remains an attractive market town serving a wide rural hinterland, and with additional housing growth plans to reinforce its role as the county town;

II. There continues to be leakage of retail expenditure from Dorchester town centre to larger competing centres, particularly in terms of comparison goods spend, and there is an opportunity to address this by filling the market gaps identified including the ability of existing retailers to upsize;

III. There is also identified quantitative convenience and comparison retail need that the Town needs to provide as set out in the 2010 Retail Capacity Study. This report needs updating, but we would expect new findings to still show un-met need, especially for comparison goods;

IV. Dorchester has been successful in attracting investment, most notably demonstrated by the recent mixed-use scheme at Brewery Square, which has added the leisure component to the town centre's offer. There are no inherent issues that would prevent further investment (subject to the impacts of Brexit being fully understood), if the right development opportunities are made available to the market;

V. Charles Street would remain a challenging site to develop out based upon former larger scale schemes, but there appears to be a good opportunity to promote a more balanced, smaller and appropriately scaled scheme, which is likely to be viable and favourably received by the occupier and developer/investor market. On this basis we consider there is a reasonable prospect of delivering a retail based scheme;

VI. This would then leave the opportunity to consider other options for additional retail space elsewhere dependent on what took place on the Charles Street site, but recognising that there is likely to be to a shortfall in meeting the quantitative retail need.

VII. To support the delivery of the Charles Street site, a series of additional tasks and actions have been identified. These are:

a) The soft market testing of both of the two development options;

b) The archaeology peer review and potential requirements and impact on the site development;

c) The retail impact study to better understand the current and likely retail shortfall and need for Dorchester; and

d) Following on from the above tasks, a Town Centre strategy looking at the overall longer term uses and integration of the offering that Dorchester has to give.