Background Paper F(ii): Retail in Oxford

1 Introduction

1.1 The purpose of this background paper is to identify Oxford's role within the regional retail hierarchy and the contribution it makes to the South East economy. It highlights the key findings of Oxford's Retail Needs Study Update[1] in the context of the original study. The background paper explains in detail Oxford's distinctive retail hierarchy and the health checks undertaken for the City and District centres. It summarises the forecast amount of need for comparison (non-food) and convenience (food) that could be supported in Oxford. Retail need is expressed as forecast expenditure, which is then converted to the amount of additional floor space that could be supported within the city. The Core Strategy sets out the spatial approach towards directing this growth to the development opportunities within the City, new Primary District centre and existing District centres together with the new Blackbird Leys District centre.

2 Brief history of Oxford's retail policies

2.1 The strategic policy approach to retail development was set out in successive Structure Plans. This provided the retail hierarchy for Oxford at the higher spatial level. Over the years in accordance with the 'Country Towns' policy, first endorsed by the Secretary of State in 1979, major retail development was directed to Banbury, Bicester, Didcot and Witney.

2.2 The Oxfordshire Structure Plan 2011 however recognised Oxford, along with Banbury, as important sub-regional shopping centres. Therefore further shopping provision was supported within these existing centres to meet the comparison (non-food) and convenience (food) needs of the wider population of both Oxford and Banbury. A sequential approach to site selection for new development was promoted to encourage the maintenance and enhancement of existing centres. This reflected Government guidance in PPG6.

2.3 More recently the adopted Oxfordshire Structure Plan 2016 confirmed Oxford's sub-regional role and identified it as one of the principal locations for development. This represented an important change, which reflected Government guidance, in PPS1 and PPS6, to promote new development in sustainable urban locations. Major new developments should therefore be located in City or town centres to sustain and enhance the vitality and viability of these centres. Edge of centre and out-of-centre sites are only supported where no sites exist with existing centres.

2.4 Oxford has established a distinct retail hierarchy over the years. At the spatial level this comprises the City centre, District centres and local neighbourhood shops. These centres provide retail facilities (both food and non-food) of an appropriate scale to

[1] *Oxford Retail Needs Study Update* (March 2008) Roger Tym and Partners

serve their respective catchments areas (customer base). District centres are mainly located on the principle arterial roads into Oxford, and therefore well served by public transport. The Neighbourhood centres serve the local residential community.

2.5 Oxford is a compact, historic city that is constrained from outward expansion by the Green Belt, large areas of flood plain and other environmental factors, and at the same time has a dynamic economy. The demand for many types of development far exceeds the supply of land available. It is therefore desirable to prioritise competing land uses, in the public interest. An important component of sustainable development is ensuring that the right development takes place in the right locations. However, because of the need to prioritise competing uses and in order to plan properly for a condensed urban area, such as Oxford, it is essential that all development proposals coming forward that are likely to attract a large number of people, such as major retail developments, should be subject to an assessment of need. Need being an essential element of demand that ought in the public interest to be met.

3 Policy Drivers for change

Oxfordshire Structure Plan 2016

3.1 The Oxfordshire Structure Plan 2016[2] was adopted on 21st October 2005. In discussing the proposed changes to this document as recommended by the Panel at the Examination in Public the key issue in relation to Oxford's economy was whether the 'Country Towns Policy' advocating restraint for Oxford should continue, or greater emphasis on growth ought to be given to Oxford's role. The Panel did take the view that the reference to the concept of 'restraint' for Oxford was unhelpful and that development is an essential component of sustainable development. The subsequent recommendations did represent a sea change in the strategic policy shift for Oxford. It recognised that for Oxford to maintain and enhance its present economic role and competitive global position some policy change was necessary. This approach allowed some scope for Oxford to build on its economic strengths and continue to make an important contribution to the regional economy.

Regional Economic Strategy 2016 (RES)

3.2 The Regional Economic Strategy[3] sets out a vision for the South East to be a "world class region achieving sustainable prosperity." It recognises that the South East is one of Europe's most successful regions but faces increasing challenges in the future. These include three key challenges. Firstly the need to remain competitive in the context of a 'global' market, increase productivity through the promotion of 'smart growth', and delivering long-term prosperity by securing sustainable development.

3.3 Oxford is identified as a 'regional hub' as part of a network of centres of economic activity. There are also eight major concentrations of growth potential, known as Diamonds for Investment and Growth of which Oxford is one. These are seen to act as

[2] *Oxfordshire Structure Plan 2016* (October 2005) Oxfordshire County Council
[3] *Regional Economic Strategy 2016* (Oct 2006) SEEDA

"a catalyst to stimulate prosperity across wider areas, and with the potential for further sustainable growth through targeted investment in infrastructure."

3.4 The RES provides support for these Hubs and Diamonds in developing and implementing plans to unlock the potential for sustainable growth. This strategy recognises the need for relatively prosperous and successful economies such as Oxford to actively promote and plan for growth. In the face of competitive global markets there is in the words of SEEDA "no room for complacency".

South East Plan 2026

3.5 The South East Plan identified a network of town centres. Oxford was identified as a Primary Regional Centre, which will be a focus for major retail, employment, tourism and leisure developments. The retail sector was recognised as an important driver of both the regional economy and the function of town centres. The retail market is changing with the need to ensure that town centres provide a broad range of shopping and leisure facilities. The possible impact on the High Street of e-commerce was also acknowledged.

3.6 Research[4] undertaken by consultants for South East England Regional Assembly (SEERA) showed very substantial expenditure growth levels to 2026, even taking into account sensitivity testing. This amounted to £20 billion residential expenditure, which is equivalent to a floor space requirement of 4 million sqm gross for the region. It envisages a doubling of the existing floor space in the leading 50 town centres by 2026. New retail development is therefore directed to the strategic network of town centres, which includes Oxford, to promote the vitality and viability of the centre and a focus for regeneration. No need was however identified for any further out-of-centre regional or sub-regional shopping centres, or large scale extensions to existing centres.

Central Oxfordshire sub-region

3.7 The Panel at the Examination in Public into the draft South East Plan[5] discussed the spatial strategy and policies for this sub-region. There was a recognition of the importance of the sub-region with Oxford as the hub fulfilling the role of a City region. The principle area of discussion centred on the scale and distribution of new growth. In terms of the spatial strategy there were two alternative options either an Oxford-centred strategy or the distribution of growth to the surrounding 'Country Towns'.

3.8 The Panel overall took the view that Oxford should play a more active part in the strategy, and proposed a new 'urban extension' (of at least 4,000 dwellings) in addition to the growth envisaged for the 'country towns'. In their view the tone of the policy in relation to Oxford should be "made more upbeat reflecting an aspiration to maintain its world-class status," similar to that of the Cambridge sub-region. The Panel recognised that there were very similar parallels between the two cities.

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[4] *Regional Priorities for Retail Development – A regional study into Town Centre Futures* (November 2004) and Addendum (April 2005)

[5] *Draft South East Plan Panel Report* (Aug 2007) The Planning Inspectorate

Secretary of State's Proposed Changes to the South East Plan

3.9 In relation to Town Centres and retail uses there are proposed key changes to Chapter 13. Policy TC1 now sets out the Strategic Network of Town Centres[6]. Oxford is identified as a 'Centre for Significant Change' at the top of the hierarchy, along with Reading and Milton Keynes. Whilst other local centres, such as Banbury and Newbury are at the second tier as Primary Regional centres.

3.10 Policy TC.2 goes on to confirm that the 'centres for Significant Change' are expected to undergo the most significant changes across the range of town centre uses during the plan period and proactive, integrated strategies for their development will be particularly important. All of the Centres for Significant Change are identified as Regional Hubs. These town centres 'will be the focus for significant growth', along with areas where there are particular regeneration needs or a specific growth area focus. Major retail developments, and other town centre uses of a large scale, should be located within these Centres of Significant Change.

3.11 The Plans and strategies prepared by local authorities were also required to support the function and viability of main town centres to accommodate growth but also to "assess the capacity of a centre to accommodate change and growth." Other key criteria included the need "to promote new investment of an appropriate scale," and to assess "the potential impact on the vitality and viability of town centres."

4 Profile of employment in Oxford

Annual Business Inquiry 2006 (ABI)

4.1 Retail is included within the Distribution, hotels and restaurants service sector of the Annual Business Inquiry (ABI). Whilst the overall number of jobs has increased in the southeast region from 3,657,500 in 2004 to 3,668,700 in 2006, there has been a decline in the retail sector from 958,100 in 2004 to 900,800 in 2006. It amounts to a loss of 57,300 jobs. This broad trend is also reflected in the figures for Oxfordshire, which has seen a loss of 6,800 jobs from 2004 to 2006. This service sector as a proportion of the total number of jobs in the County has therefore declined from 24% to 22%.

4.2 The number of jobs in this broad service sector in Oxford has also declined in recent years from 19,000 in 2004 to 17,100 in 2006, a fall of some 1,900 jobs. Oxford has the second highest number of jobs in this sector, compared to the other Districts in the county. The highest being Cherwell with 17,800 jobs. However as a proportion of the total, this sector accounts for only 16% of all jobs in Oxford, which is the lowest proportion of all the other Districts. In the case of both Cherwell and South Oxford Districts this sector accounts for 27% of all their jobs (**Appendix 1**).

[6] *Secretary of State's Proposed Changes to South East Plan* (July 2008) DCLG

4.3 So whilst the overall number of jobs has declined in Oxford over the past few years, and accounts for a lower proportion of the total jobs when compared to the other Districts and the County. It does show Oxford's importance as a centre for employment, with particular strengths in Health, Education and Knowledge based industries, but with retail still playing a significant role in the local economy. Clearly the future redevelopment of the Westgate Shopping Centre will make a major contribution to Oxford as a centre for retail and tourism. It will also provide more job opportunities for those working in the retail and service sector.

Travel to work

4.4 Oxford is a sustainable location. Evidence[7] shows that a high proportion of people that live in Oxford work in the city. In percentage terms this amounts to 53% of the total workforce. In relation to the retail sector the percentages are very similar at 52.6% and even higher for customer services at 70.9% (**Appendix 2**).

4.5 The proportion of all Oxford workers that live within the County as a whole is even higher at 91.3%. This position is reflected almost exactly by the retail sector where the percentage is 91.5%, and for customer services is similarly 93.7%. These figures do show how locally based and self-contained the workforce of Oxford is.

Types of retail jobs

4.6 Research[7] shows that the breakdown of retail jobs in Oxford covers a broad range of occupations. The largest proportion (40%) however is in sales and customer service, with an additional 20% being Managers and Senior officials.

Retail space and footprints

4.7 Recent research[7] undertaken during the period 1998 - 2005 shows that Oxford city has the largest amount of floor space, compared to the other four Districts. The overall trend, including the position in Oxford, showed a decline in the amount of floor space in line with all the other Districts, except Cherwell. Cherwell was the only District that had an increase, when compared to the position in 1998 (**Appendix 3**).

4.8 In comparison to other competing retail centres, Oxford's retail sales at £511m are relatively poor. Reading had over twice as much at £1098m, Milton Keynes £992, and Cheltenham £674m (**Appendix 4**).

Forecast job growth

4.9 This research[7] based on the ABI data has split the broad service sector into component parts to identify in detail the retail and hotel and restaurant businesses. This estimates future job growth between 2006 and 2020, which shows an increase in the total jobs by 10.7%. The figure for 2006 being 106,187 rising to 118,853 by 2020. This would include a

[7] *Oxford West End Skills Study* (June 2008) WM Enterprise

12.3% rise in the percentage of jobs in the retail sector, increasing from 8,652 in 2006 to 9,870 in 2020. Similarly the number of jobs created in the hotel and restaurant sectors will show a comparable increase by 13.4%, during the same period (**Appendix 5**).

5 National Policy context

5.1 Development of the Core Strategy has had regard to the following key policy documents. A summary of the relevant aspects to these documents is given.

Planning Policy Statement 1 (PPS1): Delivering Sustainable Development

5.2 PPS1 sets out the Government's key objectives for the planning system. It clearly states that sustainable development is the core principle underpinning planning. Sustainable development should be delivered through an integrated approach with spatial planning at its heart. Development Plans need to promote global sustainability and potential impacts of climate change. Policies should therefore encourage patterns of development, which reduce the need to travel by private car.

5.3 The broad objectives of social cohesion and inclusion should encourage access for all members of the community to jobs. Sustainable economic development requires a strong, stable, and productive economy that aims to bring jobs and prosperity for all. Local Authorities therefore need to ensure that suitable locations are available for industrial, commercial, retail, public sector (eg. health and education) tourism and leisure developments, so that the economy can prosper. Development Plans are also required to take into account relevant regional economic strategies.

Consultation Paper on new Planning Policy Statement 4: Planning for Sustainable Economic Development

5.4 PPS4 emphasises the importance of economic growth in generating wealth and raising living standards. Planning is seen to play a key role in effecting economic growth through its influence over two key drivers, productivity and employment. The Government's key policy outcomes from economic development are to raise productivity; maximise job opportunities for all; build prosperous communities by improving economic performance of regions and cities; and deliver sustainable development.

5.5 Planning policies are required to be flexible and able to respond to the economic challenges from global competition and technological advances. The principal objective being to sustain and create employment and prosperity. A good range of sites for economic development, and good supply of land and buildings are considered to be key to offering a range of opportunities for creating new jobs in large and small businesses.

5.6 In planning positively for economic development local authorities are required to ensure that the policy strategy takes into account the local character, the different locational requirements of businesses, and supports existing sectors. In relation to larger office developments, in accordance with PPS6 preference should be given to town centres. But there is however a recognition that market demand will influence office location. Local circumstances therefore should be taken into account.

5.7 Draft PPS4 recognises that economic development does cover a wide range of uses and specifically refers to “retail, leisure and offices, both in town centres and elsewhere.”

5.8 The policy framework has to recognise the needs of business, facilitate a supply of land which will be able to meet the differing needs of business and expected employment needs of the whole community but flexible enough to respond to changing demands. Efficient and effective use of land is also required to reflect changing working practices and local circumstances to ensure sustainable development.

Planning Policy Statement 6 (PPS6)

5.9 PPS6 advises local authorities to steer development which attracts large numbers of people to centres that reflect the scale and catchment of the development proposed. This sequential approach prefers existing centres first, then edge-of-centre, and out-centre locations. It emphasises the importance of making the most efficient use of land in centres, to support sustainable transport choices, and the need for accessibility by a choice of modes.

5.10 The advice in PPS6 applies to a range of main town centre uses and includes retail, leisure, offices, arts, culture and tourism. It highlights the need for new office accommodation to be informed by forecasting of future employment levels at the regional level. The physical capacity of centres to accommodate new office development and the town centre’s role in the hierarchy are considered to be important factors in planning for new office development. The advice however recognises that local planning authorities may need to make choices between competing development pressures in town centres and should use the allocation of new sites to secure their strategy for strengthening and improving the performance of the centre.

Consultation on Proposed Changes to Planning Policy Statement 6: Planning for Town Centres

5.11 The principal changes proposed to PPS6 include the replacement of the need and impact tests with a new ‘impact assessment framework’. The sequential approach remains largely unchanged, but the expansion to the town centres is encouraged. Local Authorities however are still required to undertake need assessments to inform their site allocations as part of the Development Plan process. There is greater emphasis on qualitative issues and the importance of other material considerations, which need to be weighed in the balance with the positive and negative aspects clearly set out. The new impact assessment would introduce new criteria relating to a range of factors such as consumer choice and diversity, design quality, impact on out-of-centre allocations, job creation, economic and physical regeneration.

5.12 The Governments' broad aim seeks to promote competition and consumer choice. There is also greater emphasis on the contribution that retail makes to the economy and job creation. This approach makes a direct link to the importance of encouraging sustainable economic development as proposed in the new emerging guidance set out in PPS4.

Planning Policy Guidance 13 Transport

5.13 PPG13 aims to promote more sustainable transport choices; promote accessibility to jobs, shopping, leisure facilities and services by public transport, walking and cycling, and to reduce the need to travel, especially by car. It promotes locating development to make the most of high public transport accessibility, and supporting day-to-day facilities in local centres to encourage trips by walking and cycling. Use of parking policies to reduce reliance on the car for work and other journeys is supported, as is prioritising people over ease of traffic movement.

5.14 PPG13 further urges local authorities to ensure that development plans and local transport plans complement each other, and that transport investment and priorities and site allocations are closely linked.

6 Oxford Local Plan 2001-2016 (OLP)

6.1 The current Oxford Local Plan was adopted in November 2005, and is important as the Core Strategy builds on many of its policies. Section 12.0 of the OLP sets out the following strategic policies on Oxford's retail hierarchy and the mix of uses within shopping centres:

- Policy CP.3 promoted sustainable locations for major new retail development;
- Policy CP.6 encourages efficient use of land and density;
- Policy RC.1 seeks to maintain and enhance the sub-regional role of Oxford's City centre;
- Policy RC.2 aims to maintain and enhance the supporting role of the four District centres (Cowley centre, Cowley Road, Headington and Summertown);
- Policies RC.3-4 seek to ensure an appropriate mix of uses within the Primary Shopping Frontage (City centre) and District Shopping Frontage (District centres);
- Policies RC.5, 6 and 7 aim to ensure an appropriate mix of uses with Secondary shopping frontages, Street Specific Areas and the Covered Market;
- Policies RC.8 and RC.9 seek to safeguard the local role of Neighbourhood Shopping Centres and Individual Shops;
- Policies RC.10 and RC.11 seek contributions from major developments in the City centre and District centres towards environmental improvements to the public realm.

7 West End Area Action Plan (DPD) 2016

7.1 The West End Area Action Plan was adopted in June 2008, having been subject to an Examination in January 2008. Section 5 of the Plan is concerned with the promotion of a vibrant and successful West End. This area includes several of Oxford's key shopping streets. Policies in the Local Plan identify areas of Primary and secondary retail frontages, which seek to maintain a certain percentage of retail uses. The Proposals Map identifies a Primary Shopping Area, and new City centre retail should focus on this area.

7.2 As explained earlier, the Retail Needs Study identified a need for Oxford to expand its retail facilities. Planning permission has now been granted for the redevelopment of the Westgate Shopping Centre, which will provide 34,000 m^2 of additional retail floor space comprising 60 additional units. The Compulsory Purchase Order to assemble the ownership of the site has now been completed. This will make a significant contribution to the amount and diversity of shops available in Oxford for customers, tourists and residents.

7.3 The St. Aldates / Queen Street site as a further opportunity for a retail-led mixed use development. This development is intended to compliment the redevelopment of the Westgate Shopping Centre. It will take place behind the existing properties fronting St. Aldates and Queen Street and will provide an additional 7,000 m^2 gross comparison floor space. Land has been assembled by Merton College and extensive discussions have taken place between the prospective developer, the Carlyle Group, their agents and the City Council. A planning application is expected to be submitted in Autumn 2008.

7.4 The only other potential new site for accommodating additional growth within the Plan period is offered by the County Hall site. Other than these sites any additional growth will be directed to the Primary Shopping Area.

8 Oxford's retail hierarchy

8.1 Oxford is identified, within the regional strategic network of town centres[8], as a 'Centre for Significant Change'. These centres, which are also Regional hubs, will be the focus for significant growth where major retail developments and other large-scale town centre uses will be located. The City centre is the principal retail centre in Oxfordshire. The second tier in the hierarchy is District centres. Oxford has an established network of District centres, comprising four in total, which are largely located along the main arterial roads leading into the city. These include Cowley centre (Templars Square), Cowley Road, Headington and Summertown.

[8] *Secretary of State's Proposed Changes to South East Plan* (July 2008) DCLG

8.2 The third level is Neighbourhood shopping centres, which comprise small groups or clusters of shops. The adopted Oxford Local Plan identifies 24 existing Neighbourhood centres. Their role is to provide for the day-to-day needs of the local residential population.

9 Key studies

Oxford's Retail Needs Study (Feb 2004)

9.1 This study was commissioned by Oxford City Council and undertaken by consultants Roger Tym and Partners. It assessed future food and non-food need and provided the evidence base for the present policies in the adopted Oxford Local Plan 2001 to 2016.

Retail Statement Westgate (June 2006)

9.2 Nathaniel Lichfield and Partners prepared this retail statement for the Westgate Partnership. This assessment used the same methodology as the Retail Needs Study 2004 to project retail need to 2013. The amount of residual expenditure for 2013 was forecast to increase to £326m. These expenditure figures were then converted into floor space, which showed there is scope to support between 43,558 and 50,817 sqm net. The capacity figures showed that even by 2011 there was sufficient capacity to support the Westgate centre proposals.

Oxford Retail Needs Study Update (March 2008)

9.3 Roger Tym and Partners prepared an update to their earlier Retail Needs study. This provides an evidence base for the new Local Development Framework (LDF) to include both the West End Area Action Plan 2016 and the Core Strategy 2026. It considers the need for comparison (non-food) and convenience (food) goods in the context of forecast population and expenditure growth.

9.4 The location of future need has influenced the spatial strategy, which has been driven at first by the existing commitments, such as the Westgate in the City centre. Then the District centres in particular the Primary District centre (Cowley Centre), and the new Blackbird Leys centre. However the study has emphasised that a considerable degree of caution should be used with the figures for the medium to long-term given the difficulty of predicting the accuracy of future need. This has been highlighted by the recent changes in the economy. Clearly if this effects the levels of residual expenditure available this will impact on the amount of floor space required in the future.

The Economic Role of the Higher Education, Health and Retail Sectors in the Oxford Economy (March 2008)

9.5 This study, prepared by Nathaniel Lichfield and Partners, has been commissioned by Oxford City Council to assess the economic importance of the higher education, health and retail sectors to Oxford's economy. In relation specifically to retail the study provides a broad overview of the level and type of employment supported by this sector and the contribution it makes to the Oxford economy.

9.6 The study shows that the retail sector directly employs some 9,800 workers, which amounts to about 10% of the total workforce in Oxford. In addition the retail sector supports a further 1,350 indirect and induced jobs within the City. Oxford attracts some £820 million of retail expenditure annually with significant future expenditure growth forecast. The city is also an important tourist destination and therefore the retail sector has a key role to play in attracting and providing for the needs of tourists. Retail investment and jobs in construction and building are generated on an on-going basis through new retail developments, such as Westgate, St. Aldgate's / Queen Street, together with the regular refitting of existing retail units.

9.7 The retail sector is recognised as an important job opportunity, which provides flexible, part-time employment. This is particularly suited for sectors of the community where unemployment tends to be higher.

Oxford West End Skills Study (March 2008)

9.8 In March 2008 Oxfordshire County Council and Partners commissioned WM Enterprise to assess the impact of the Westgate Partnership led West End Renaissance project on the demand for and, provision of, retail and customer service skills in Oxford and the surrounding area.

9.9 The evidence base considered the need for skills from the national, regional and local policy perspective. A number of key themes have emerged from the study as follows:

- there is a policy drive towards increasing skills at all levels and increasing employer engagement
- there has been a relative decline in the retail sector in Oxford in terms of the percentage of employment and number of businesses
- a significant growth in the customer services sector in Oxford, both in terms of jobs and businesses
- both the retail and customer services sectors draw on a local pool of labour – a relatively high proportion of workers in these sectors live in Oxford (53% and 71% respectively)
- Oxford draws virtually all (93%) of its retail workers from within Oxfordshire. Therefore future improvements to the skills level of staff both in terms of quantity and quality need to be provided at this level
- this identified demand reinforces the importance of seeking a centralised location for training provision
- generally the jobs in both the retail and customer service sectors are low paid and require low skills
- there is a significant student and migrant effect in Oxford – both sectors largely staffed by younger workers (under 30)
- opportunity to extend pool of labour through disadvantaged communities

Health checks

9.10 Roger Tym and Partners in 2004 carried out Oxford's Retail Needs Study. The consultants carried out a detailed health check of the current role and health of the City centre and the four District centres. The health check assesses these centres according to key performance indicators (KPI's) to measure their vitality and viability. The main categories of these indicators include the market, vitality and qualitative. The market indicators comprise retail rents, yields, retailer requirements and vacancy rates. These factors provide a good indication of the commercial market. The vitality indicators considered pedestrian flows and diversity of uses, which provide a reasonable measure of the strengths of each centre and the mix of uses. The qualitative indicators consider factors such as accessibility, customer views and environmental quality.

9.11 The study concluded that overall the District centres were performing well, with the Cowley Centre doing particularly well. This is due largely to the more extensive comparison goods offer than other centres. It comprises a range of different sized units from the larger ones on the retail park (John Allen Shopping Centre) through to the relatively smaller units within the Templars Square Shopping Centre. The Cowley centre also benefits from good accessibility being well served by public transport with regular services to local residential areas and to the City centre. The other District centres are healthy but rely on local shopping and or service provision to attract shoppers.

9.12 The vitality indicators show that all centres have a reasonable range of food and non-food shops. The Cowley centre however has a relatively low level of food provision. In Summertown the addition of an M & S food store has represented a significant qualitative improvement, which may well attract more specialist retailers to the centre. Both Summertown and Cowley Road have a good mix of uses, including service related activities, which reflects the strength of their evening and weekend trade.

9.13 The qualitative assessment highlights the problems associated with pedestrian movements, particularly in Headington, Summertown and Cowley Road. Whilst pedestrians have reasonable pavement areas, the busy traffic movements do not encourage safe pedestrian access across this main arterial road. Cowley Road has recently been subject to traffic management measures that have helped to reduce traffic speed. There have also been more pedestrian crossings put in which have improved access across Cowley Road. Both Headington and Summertown could however benefit from further traffic improvements.

9.14 To conclude Cowley centre was shown to be the strongest centre, followed by Summertown. Headington and Cowley Road were the weaker centres, but still performing reasonably well. Headington had a balance of shopping attractions, whilst Cowley Road provided a stronger service function, with a larger proportion of restaurants.

Mix of uses

9.15 The adopted Oxford Local Plan 2001-2016 includes policies relating to the mix of uses within defined shopping frontages. Those in the City centre, District centres and Neighbourhood centres are regularly surveyed twice a year. This serves to provide an updated position for assessing new planning applications but is also a good measure of the current vitality and viability of each centre. The Core Strategy relies on these recently adopted policies to ensure the vitality and viability of the City and District centres. These policies will however be reviewed as part of the future Development Management DPD.

Annual Monitoring Report (AMR)

9.16 The Annual Monitoring Report (AMR) has been undertaken on an annual basis since 2005. This includes a range of indicators, which assess the retail position in Oxford. It measures the amount and location of new completed retail development and the loss of retail floorspace. Health checks to measure the vitality and viability of the City and District centres are incorporated using specific indicators. These assess principally market (vacancy rates) and vitality (diversity of uses).

9.17 The position[9] for 2007, as set out in the AMR, showed that the City centre still remains healthy with a vacancy rate of only 5%. In relation to the District centres both Summertown and Cowley Road had a relatively high level of vacancies at 9%. Summertown, however is still a vibrant centre with a broad range of uses, but still underpinned by a high proportion (64%) of retail (Class A1) uses. The Cowley Road District centre frontage is restricted to the Core Area. This includes a relatively small number of units; therefore any vacancies have a marked proportional impact. Although the percentage is 59% it is just below the threshold of 65%. The largest proportion of all units along the Cowley Road, are however considered to be secondary frontage where a greater mix of uses is supported.

9.18 The level of vacancies in the Cowley centre (Templars Square) has increased to 8%. Whilst this is high it does reflect the high proportion (75%) of retail (Class A1) uses, and the lack of other Class A uses, only 20%.

9.19 Finally although Headington had a low level of vacancies (4%), this assessment does not take into account the relatively high proportion of charity shops. Nevertheless overall the percentage of retail (Class A1) uses is still 65%.

10 Forecast need

Oxford Retail Needs Study 2004

10.1 Oxford's Retail Needs Study 2004 was prepared by Roger Tym and Partners, and provided evidence on retail need to 2011. The Study concluded that the City centre would continue to trade at current high levels but there remains "a need to provide an

[9] *Annual Monitoring Report 2007* Oxford City Council

additional 11,000 to 13,000 sqm net of new floor space over the next three years rising to between 31,000 and 36,500 sqm net by 2011." The consultants considered Oxford to be a vibrant centre but "the failure to provide additional retail floor space in the City within the near future will eventually lead to its overall decline particularly in relation to other nearby competing centres," such as Reading, Swindon and Milton Keynes, which continue to grow. The redevelopment of the Westgate Shopping Centre was identified as the principle opportunities to accommodate both the amount and type of comparison retail floor space required. The St. Aldates / Queen Street site offered further complimentary floor space.

Retail Need Assessment, Nathaniel Lichfield (2006)

10.2 Nathaniel Lichfield produced a detailed supplementary statement to support the planning application for the Westgate. This used the same methodology as the Oxford Retail Needs Study 2004, but updated the figures to take account of more recent expenditure levels. The assessment also projected the figures further forward to 2016. It showed that, with population projections increasing and expenditure growing, there remained a need for additional retail floor space in Oxford. The main opportunity to accommodate this need continued to be the Westgate Shopping Centre.

Oxford Retail Need Study Update (2008)

10.3 The Oxford Needs Study Update (March 2008) was required to provide additional support for the Local Development Framework in Oxford. Its findings will therefore be used to inform both the West End Area Action Plan (DPD) and the Core Strategy (DPD). The time periods for these two documents are 2016 and 2026 respectively.

10.4 Since the earlier study was completed some key planning permissions had been granted. In relation to comparison (non-food) the proposed redevelopment of the Westgate Shopping Centre was approved in December 2006, following the Secretary of State's decision not to call in the application. This permission allowed a net increase of 34,300 sqm.

10.5 In the meantime further developments were permitted for additional food floor space. This included schemes by Lidl, Marks and Spencers and more recently Aldi. These have all been completed with the exception of Aldi.

Retail Needs Study: Need for Comparison (non-food) goods

10.6 The study reviewed future retail trends, and concluded that there is a range of factors that could significantly influence the need for additional comparison goods floor space. Forecast levels of consumer spending, are based largely on projecting forward continued growth, but recent research suggests this may slow down within the next ten years. The availability of credit, as witnessed by the present credit crunch and falling house prices may well result in lower levels of consumer spending. Furthermore the significant growth in internet online shopping and the increase in comparison goods available in supermarkets and hypermarkets could well effect the amount of retail floor space required in the future. In these circumstances the consultants have introduced a ‘sensitivity test’, which reflects changes in comparison goods spending that would result from a tightening of credit and or a downturn in the economy.

10.7 The ‘sensitivity test’ assumes a lower comparison goods expenditure growth or 3% per annum between the period 2005-2011. The consultants advise however that this would need to be reviewed in 2010 to inform the levels for beyond 2011. At present an assumed growth rate of 3.5% is used for the period 2011 to 2026. The original expenditure growth for the whole period was 3.8% per annum. Figure 4.3 in the Retail Needs Update (**Appendix 6**) compares the original residual expenditure and floor space growth potential for the study period. This shows that for each study year throughout the study period until 2026 the floor space requirement in the original scenario continues to be higher than under the sensitivity test scenario. The findings of the sensitivity test are significant for Oxford, particularly the City centre, since the availability of sites is limited. The lower expenditure growth rates results in a lower requirement for comparison floor space as compared to the original scenario.

10.8 The consultants conclude that the ‘sensitivity test’ should be used to 2011 but monitored in 2010 to take a view on the approach taken to 2016 and beyond. In their view the sensitivity test is the “most plausible outcome at the present time”. Table 5.2 in the Retail Needs Update (**Appendix 7**) therefore represents the amount of retail need that can be supported. The amount of comparison goods retail need to **2011**, using the sensitivity test assumptions, show that a further **18,700** sqm can be supported; this also includes St. Aldates as a commitment during this period.

10.9 Up to **2013** the Westgate Shopping Centre is included as a commitment, which reflects assumptions made by the Westgate Partnership Retail Statement that settled trading patterns will be achieved at this time. Notwithstanding Westgate the figure show that a further **6,350** sqm additional floor space could be supported. By **2016** an additional **10,325** sqm could be supported. Beyond this the consultants advise in para 5.31 that “**extreme caution is used with these figures, and that a review of the retail capacity is undertaken in the future at five yearly intervals reflecting current evidence**.” The study has however estimated that using the sensitivity approach by **2021** a further **24,500** sqm could be supported, and by **2026** some **47,500** sqm.

Retail Needs Study: Need for convenience (food) goods

10.10 The study area for the assessment of the need for food provision is within the Oxford City Council’s administrative boundary. This reflects the same approach taken in the earlier Oxford Retail Needs Study 2004. The expenditure growth rate for the period 2005-2011 is 0.7%, whilst for the longer-term from 2011-2026 is 0.6%. The amount of expenditure available to support additional floor space has then been calculated according to the type of supermarket format proposed. This reflects the wide range of sales densities for example between a higher density operator (£10,000 per sqm), such as Waitrose, compared to a lower density operator (£5,000 per sqm), which would include the ‘deep discounters’ such as Aldi and Lidl. Two scenarios were originally produced, however since planning permission has recently been granted on appeal for Aldi, only scenario B applies.

10.11 The findings of the study, **Appendix 8**, concluded that in **2011** the residual expenditure available could support 1,527 sqm of additional floor space for a low-density operator or 763 sqm for a high-density operator. At **2016** this could support between 3,210 sqm (low density operator) and 1,650 sqm (high density operator). Whilst the residual expenditure is forecast to rise considerably by 2021 and 2026 the consultants state **"we recommend that extreme caution is used with these figures in this long term period, and that a review of the retail capacity is undertaken in the future reflecting the current assumptions at that time."** The amount of residual expenditure by **2021** is estimated to increase by between 4,677 sqm (low density operator) and 2,338 sqm (high density operator) and by **2026** will have risen further to 6,311 sqm (low density operator) and 3,156 sqm (high density operator).

10.12 In the context of sites that are both suitable, available and viable to accommodate this need at 2106, the following locations at Crowell Road (Cowley Centre), Diamond Place (Summertown) and the new Blackbird Leys District centre offer the main opportunities. On the basis that these sites come forward by 2016 there would actually be negative figures and therefore no need for additional floor space required to 2026, in relation to either a low or high-density operator.

10.13 Whilst the need to identify new sites for additional convenience (food) provision beyond 2016 does not appear to be required the consultants advise that qualitative issues should be taken into account. In these circumstances, providing the sequential approach is followed any additional food provision within the City, District or edge-of-centre locations, of an appropriate scale, should be assessed in relation to the benefits that could be provided to maintain and or enhance the centre. Any proposal should provide detailed supporting information to assess the impact on existing nearby centres in Oxford's retail hierarchy.

11 Opportunities to accommodate growth

11.1 The Core Strategy has identified a retail hierarchy, where opportunities exist to accommodate mainly non-food (comparison) but also limited food (convenience) floor space provision. The City centre is the principal location, supported by the District centres. The Cowley centre (Templars Square) has been identified as a Primary District centre, with the greatest potential to accommodate further floorspace. There are a further three established District centres comprising Cowley Road, Headington, and Summertown, which have limited opportunities to absorb further growth. A new District centre is proposed at Blackbird Leys where considerable potential has been identified for a mixed-use centre. Retail is considered to be able to make a significant contribution to act as a catalyst to positively regenerate this area.

12 Spatial strategy

Short-term (2013)

12.1 The study identified a need for 18,700 sqm to 2011, however this does not take account of the redevelopment of the Westgate Shopping centre. By 2013 Westgate is included as a commitment, but the study shows that a further 6,350 sqm can be supported. The most likely location for accommodating this additional growth would be the Cowely centre (Templars Square Shopping Centre). This centre has been identified in the Core Strategy as a Primary District centre, which has potential to absorb additional growth. There are a number of development sites likely to come forward, which include Crowell Road Car Park, Community centre Barns Road, and Barns Road Multi-storey Car Park. The John Allen Shopping Centre has also seen a considerable number of mezzanine developments coming forward.

Medium-term (2016)

12.2 The study forecasts that by 2016 a further 10,300 sqm of additional floor space could be supported. The spatial strategy for accommodating this growth would seek to direct it principally to the Cowley Centre and the new District centre at Blackbird Leys. There are development site opportunities within these two centres to accommodate this level of growth. The study estimates that Cowley centre has the potential to accommodate at least 7,000 sqm gross floor space and Blackbird Leys at least 3,000 sqm gross floor space.

Long-term (2026)

12.3 The study recommends that extreme caution should be used with these figures, and that a review of the retail capacity needs to be undertaken in the future at five yearly intervals reflecting current evidence. The original forecasts for 2021 show that the potential residual expenditure could support 45,136 sqm of additional floorspace, but applying the sensitivity test this would be reduced to 20,500 sqm. The original forecasts for 2026 show that the potential residual expenditure could support 74,875 sqm of additional floor space, but applying the sensitivity test this would be reduced to 27,339 sqm.

12.4 The study acknowledges that the opportunities in Oxford to accommodate the scale of additional floor space envisaged in the long-term are very limited. There may be some scope for the redevelopment of County Hall, but otherwise there are few obvious opportunities in the City centre. Whilst further growth could be accommodated in the Primary District centre at Cowley and the new Blackbird Leys, there appears little scope for the scale of development proposed.

12.5 If the ‘urban extension’ to the south of Oxford proceeds through the SDA there is an opportunity to create a new local centre to serve the newly created 4,000 dwellings. However at present this area is outside the City Council’s boundaries and spatially would be very close to existing facilities at both the Cowley Centre Primary District centre and the new Blackbird Leys District centre. Any subsequent review of the Retail

Needs Study should assess in detail the potential impact of additional retail provision within the ‘urban extension’ and the impact in terms of vitality and viability on these existing and proposed centres.

12.6 In conclusion given the restricted land supply in Oxford and the acknowledged constraints that exist in this historic city surrounded by the Green Belt it is difficult to see how the scale of floor space that could in theory be supported by the long-term forecasts, can realistically be accommodated within the city.

Appendix 1

Broad trend in retail jobs 2004-2006

	Oxford 2004	2006	Cherwell 2004	2006	S.Oxon 2004	2006	Vale White Horse 2004	2006	West Oxford 2004	2006
Service (retail) sector	19,000	17,100	18,200	17,800	16,100	13,900	12,500	11,400	10,400	9,300
Total	99,000	105,700	71,400	65,000	54,500	52,200	53,100	54,400	36,700	49,100
Service (retail) as Percentage of total	19%	**16%**	25%	**27%**	30%	**27%**	24%	**21%**	28%	**19%**

Source: Annual Business Inquiry 2004-2006

Appendix 2

Travel to work patterns

	Total	Retail sector	Customer services
Self-containment (Oxford %)	53.3	52.5	70.9
Self-containment (Oxfordshire %)	91.3	91.5	93.7
TTW total (number)	85,752	11,063	3,972
TTW Oxford total (number)	45,718	5,817	2,816

Note: Self-containment is represented by the percentage of people who work in Oxford who also live in Oxford or Oxfordshire.
Source: Oxford West End Skills Study, WM Enterprise (June 2008)

Appendix 3

Retail footprints 1998-2005

	Oxford	Cherwell	South Oxon	Vale of White Horse	West Oxon	Oxfordshire
1998	369	235	159	165	134	1062
1999	354	241	158	164	135	1052
2000	359	261	167	161	131	1079
2001	379	276	166	161	133	1115
2002	377	289	170	162	132	1130
2003	375	294	168	162	131	1130
2004	381	294	165	162	131	1133
2005	352	273	148	138	118	1029
% change 1998-2005	**-4.8%**	**13.9%**	**-7.4%**	**-19.6%**	**-13.6%**	**-3.2%**

Source: adapted from Caprese Ltd by WM Enterprise

Appendix 4

Local Competition

Retail centre	**Sales** (£m)
Reading	1098
Milton Keynes	992
Cheltenham	674
Oxford	511
Worcester	316
Bicester Village	305
High Wycombe	244

Source: adapted from Caprese Ltd by WM Enterprise

Appendix 5

Forecast change in job growth 2020

	2006	2010	2020	% change 2006-2020
Total jobs in Oxford	106,187	110,115	118,853	**10.7%**
Retail jobs	8,652	9,099	9,870	**12.3%**
Hotels and Restaurant jobs	6,175	6,599	7,134	**13.4%**

Source: WM Enterprise

Appendix 6

Economic downturn sensitivity test: Floorspace comparison goods (non-food) growth potential

		Original	Sensitivity test	Difference
2005	Residual Expenditure (£)	£159.5	£159.5	0
	Floorspace Growth Potential (sqm net)	21,269	21,269	0
2011	Residual Expenditure (£)	£180.3	£140.5	£39.8
	Floorspace Growth Potential (sqm net)	24,033	18,734	5,299
2013	Residual Expenditure (£)	£100.18	£50.83	£49.35
	Floorspace Growth Potential (sqm net)	12,523	6,354	6,169
2016	Residual Expenditure (£)	£174.8	£77.4	£97.4
	Floorspace Growth Potential (sqm net)	23,307	10,325	12,982
2021	Residual Expenditure (£)	£338.5	£184.1	£154.4
	Floorspace Growth Potential (sqm net)	45,136	24,547	20,589
2026	Residual Expenditure (£)	£561.6	£356.5	£205.1
	Floorspace Growth Potential (sqm net)	74,875	47,536	27,339

Source: Oxford Retail Needs Study Update: Roger Tym and Partners (March 2008)

Appendix 7

Comparison goods (non-food) floorspace requirement at base and forecast years 2003-2026

Year	**2003**	**2005**	**2011**	**2013**	**2016**	**2021**	**2026**
Assumed sales density	£7,500	£7,500	£7,500	£8,000	£7,500	£7,500	£7,500
Floorspace requirement (sqm net)	-	21,269	18,734	6,354	10,325	24,547	47,536

Source: Oxford Retail Needs Study Update: Roger Tym and Partners (March 2008)

Appendix 8

Convenience goods (food) floorspace requirement at base and forecast years 2003-2026

Year	**2003**	**2005**	**2008**	**2011**	**2016**	**2021**	**2026**
Assumed sales density £5,000 /sqm net	-	5,022	61	1,527	3,209	4,677	6,311
Assumed sales density £5,000 /sqm net	-	2,511	30	763	1,605	2,338	3,156

Source: Oxford Retail Needs Study Update: Roger Tym and Partners (March 2008)