

**This topic addresses:** The visitor economy, regeneration, thriving city/local centres, tourist buses.

**SA Objective(s):**

11. To achieve sustainable inclusive **economic growth**, including the development and expansion of a diverse and knowledge-based economy and the culture/leisure/visitor sector.

**SEA Theme:** Population and material assets.

## Introduction

Oxford attracts approximately 7 million visitors per year<sup>1</sup>, which generates £780 million for the city's local businesses. Consequently, the management and shaping of the city's tourism industry is crucial for both the prosperity of Oxford's people and businesses. The city's tourism industry plays an important role within the wider context of Oxfordshire, the South-East region and nationally. The city's tourism industry has certainly felt the impact from Brexit and is still dealing with the ongoing consequences of Covid-19.

This paper provides a brief summary of the relevant national and local plans, policies and programmes that currently exist and will influence change in the future. There is a section on the role that Oxford's tourist economy plays in the national economy, which includes some key headlines on the challenges, issues and future trends that will impact on the tourist sector. The next section explores what would happen without a plan and the potential difficulties that the city would face. The final section puts forward some ideas for discussion to suggest what the Plan could do to in terms of objectives to meet the plans, policies and programmes.

## Plans Policies and Programmes

### International and national context

#### NPPF

The NPPF's economic objective is 'to help build a strong, responsive and competitive economy, by ensuring that sufficient land of the right types is available in the right places and at the right time to support growth, innovation and improved productivity; and by identifying and coordinating the provision of infrastructure'. Para. 20 of the NPPF states that strategic policies should set out an overall strategy for the pattern, scale and quality of development, including retail, leisure and other commercial development. Para. 80 notes that the planning system should seek to 'build a strong,

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<sup>1</sup> Oxford Economic Profile, Oxford City Council 2019

competitive economy’ and create the conditions in which businesses ‘can invest, expand and adapt’. Local areas are encouraged to build on their strengths, particularly where Britain is a global leader.

The policies need to be set within a ‘clear economic vision and strategy’ for the local area, which positively promotes sustainable economic growth and is aligned with any Local Industrial Strategy (LIS).

Tourism development, including theatres, museums, galleries and concert halls, hotels and conference facilities, is defined as a ‘main town centre’ use. As such it is subject to the sequential approach and should in first preference be located within the city or district centres. Planning policies and decisions should however recognise and address the specific locational requirements of different sectors (para 82).

### **NPPF Review**

There are no significant proposals in the review that directly relate to providing tourist accommodation / uses and their location. These are already set out in the sections on ‘building a strong competitive economy’, and ‘ensuring the vitality and viability of town centres’, which remains unchanged.

### **White Paper**

The Planning for the Future White Paper makes no specific reference to tourism uses.

### **NPPG**

The section on town centres and retail provides further advice on the types of uses, including tourism that should be located within main town centres, with sites being made available for their use. Reference is made to the requirement for local authorities to take the lead and work with partners to create a vision and strategy for these centres.

### **Oxford Local Plan 2036**

The spatial strategy sets out the hierarchy for main town centre uses, including tourist uses, which should be located in first preference to the city centre and or the district centres. Tourism is an important part of Oxford’s economy, which is recognised in the broad policy approach to continue *‘to build on Oxford’s economic strengths and ensuring prosperity and opportunities for all.’*

Policy V5 positively promotes sustainable tourism, which supports new short-stay accommodation in principle within the city centre, district centres and or main arterial roads into the city with good access to public transport services. New, refurbished / expanded short-stay accommodation is supported subject to a criteria based policy which has to show that no adverse impact would be caused by this additional use, or loss of a dwelling. Changes of use from short-stay accommodation are generally resisted unless a lack of viability can be shown. New tourist attractions are supported in accessible locations, well related to existing / proposed tourist uses and where no adverse environmental / traffic impacts can be demonstrated.

Policy V6 supports in principle cultural, entertainment, leisure and tourist activities that add to the vitality of town centres, subject to a criteria-based policy that assesses whether they are appropriate in scale and function to the centre.

## Oxfordshire Plan 2050

The Oxfordshire Local Planning Authorities (including Oxford City Council), working together through the Oxfordshire Housing and Growth Deal, are working towards the development of a Joint Statutory Spatial Plan (JSSP), known as the Oxfordshire Plan 2050, which will set out strategic policies for the county to 2050. An initial consultation was launched on the Plan in February 2019 and a further consultation is being launched in the summer of 2021. The plan asks what makes Oxfordshire special. Oxfordshire's heritage is seen as a major attraction. The Plan is likely to recognise that some major tourism developments could impact on wider area, and acknowledge the need to ensure that such developments are supported by a co-ordinated approach to infrastructure. The summer 2021 consultation will include a number of options as part of the consultation.

The Oxfordshire Plan will be submitted to the Secretary of State for examination in September 2022. It will be important to ensure that the Oxfordshire Plan and the Oxford Local Plan 2040 work closely together; there will be many common themes and objectives and much shared evidence behind the two plans.

## Current situation

Oxford is the tourism gateway to the rest of Oxfordshire. In terms of overseas visitors to the UK, Oxford is the eighth most visited city for staying visits. The potential long-term impact of the Covid-19 pandemic and Brexit, however need to be considered in the context of the future demand and supply of short-stay accommodation. The role and demand for improvements to existing tourist attractions and the provision of new ones needs to be assessed together with the potential development opportunities in the city and district centres. There are also a significant number of jobs within the tourism and hospitality sector, around 8,000<sup>2</sup> jobs.

However Brexit and Covid-19 have taken their toll. Centre for Cities Chief Executive Andrew Carter noted that:

*“Oxford has seen several years of economic growth which have benefited people living in the city and the whole UK through its growing contribution to the Treasury. However, it would be a mistake to think that it has escaped the economic damage done by COVID-19 and will need support to bounce back. In the short-term, practical measures to help Oxford's businesses reopen will be necessary, but in the long-term, more substantive changes to skills and training are needed to protect people's jobs from economic crashes<sup>3</sup>.”*

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<sup>2</sup> Nomis Labour Market Profile Oxford, Employee jobs (2019)

<sup>3</sup> Joint press release from Centre for Cities and Oxford City Council 5<sup>th</sup> March 2021

## Likely trends without a new local plan

The long-term effects of **Covid-19 Pandemic** and **Brexit** issues require serious consideration since they could significantly reduce future tourism demand, and the contribution the tourist and hospitality sector makes to the national economy. A reduction in **international visitors** and students would impact not only on the tourist and hospitality sectors but also the education and health sectors in terms of overseas students and collaborative research and conferences. It would therefore potentially affect both visitor tourism and business-related tourism. Forecasts by PWC<sup>4</sup> state that *'hotel occupancy rates in 2021 are forecast to be 55% across the UK, and could take four years to return to pre COVID-19 levels'*. If the emerging plan does not take Brexit and Covid-19 into account, it will be difficult to help build in the 'resilience' in the economy needed to withstand the long-term effects of these recent challenges, but those that may come in the future.

**ABnB:** if ABnB activities are allowed to continue this could have a significant effect both on the future demand for hotels and short-stay accommodation but also the availability of residential accommodation, which could adversely impact on the existing housing stock available within the city.

**Economic growth** would still be likely to take place, but some of the corporate objectives in terms of building an '**inclusive economy**' would not be achieved and the prosperity could not be shared with local residents to help reduce inequalities and poverty.

Major employment sectors in Oxford such as education and health have been affected by Brexit and Covid-19. The two Universities under normal circumstances attract overseas students and organise conferences attracting international visitors and speakers to Oxford. The hospitals work collaboratively with scientists on research and development projects. The overall economic impact on tourism at least in the short-term is shown by the reduction in international visitors on both day trips and staying over in hotels and short-stay accommodation; in addition to business-related tourism. In the longer-term however as global circumstances improve and Brexit related issues are resolved forecasts suggest tourism both UK and international visitors will return.

**Skills and training opportunities:** these may well still take place to a degree but the opportunities for residents, local workforce and local businesses would not be fully realised and therefore the prosperity and job opportunities would not get shared widely. As such it does not fulfil the corporate aim to achieve an 'inclusive economy.'

## What could our Plan do to meet the objectives of plans, policies and programmes

The preparation of the Local Plan 2040 provides the opportunity to better understand the needs of the existing tourist and hospitality sectors and their future requirements to ensure they can continue

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<sup>4</sup> UK Hotels Forecast 2020-2021 From endurance to recovery October 2020

to operate successfully and grow within the city and contribute to Oxford's economy. The main scope for future development of hotels is on the re-development of brownfield sites, particularly those within the West End area of the city, which include Oxpens the 'island site' and Oxford Station. There could potentially be further opportunities on the business parks, such as possibly the Science Park or its future expansion on Grenoble Road as part of the South Oxford Science Village. Opportunities for tourist attractions as part of future development sites should be explored within the City centre and in particular the West End and District centres. .

In addition, the tourism and hospitality sector faces a number of key challenges and drivers for change, which raise the following key questions:

- What change in direction should policies relating to the economy make to respond to the key changes such as **Covid-19 Pandemic**, the economic landscape **post-Brexit**? What long-term **behavioural and locational** changes are likely to flow from Covid-19 that may impact on the requirement for employment space, flexible working, home- working, staffing and recruitment?
- What impact will the loss of **international** tourists and students have on the contribution that this sector make to Oxford's economy and to what extent will this be mitigated by UK citizens choosing to holiday in the UK in the longer-term?
- There has been a significant increase in tourist accommodation within the city recently in the city centre and Summertown. What demand is there going forward for more **hotels in Oxford** and which sectors are in greatest need?
- The growth in **AirBnB** continues to have an impact on the demand for bed spaces in Oxford, but it is unregulated and therefore cannot be controlled. Are there any proposals to redress this imbalance, particularly in terms of its potential effect on the housing stock?
- What impact will the proposed **mix of uses** have on the vitality and viability of the City and District centres and what control does the local authority have to help to influence these changes and what part should residential uses play?
- The plan provides opportunities in terms of land and premises for new **short-stay accommodation** to come to Oxford and or expand / modernise on existing sites within the city, which will help to positively plan for future economic growth. What approach should be taken to seeking to retain existing accommodation, such as small B & B's? Or should the market prevail and/or should the plan support other uses such as their change of use to residential?
- How can **employment opportunities, skills and training** best be supported? The tourism and hospitality sector relies on staff having high inter-personal skills, so necessary support through skills and training is essential and require support. It is likely that with the effects of Covid-19 there may be an increased demand for staff in the tourism / hospitality sector because of distancing measures and the need for more table service and so on. However, it is likely that operating models will return to normal relatively soon, but the impacts of Brexit and perhaps lasting changes to behaviour may overall reduce demand in this sector, but that is unknown. Skills and training could help to provide support and additional training;

- To what extent will the long-term growth in the tourism sector contribute to **social and environmental factors** and how could this relationship be positively strengthened to support sustainable development and how should this growth be managed and respond positively to climate change and the Climate Emergency targets? It is important to make sure that the long-term economic growth of the city benefits local residents and helps to reduce poverty and inequality through-out the city.
- To promote **sustainable travel**, the location of new development for hotels and short-stay accommodation together with tourist attractions should be directed towards the city centre and district centres. The long-standing issue of coach parking should be seen within a wider context for a visitor strategy for the city as a whole. The use of transport hubs such as park and rides and train stations should be explored as part of a package of measures to reduce the need for coaches to enter the city.
- Whilst the **city centre and the district centres** will continue to play an important role in Oxford's economy, it will be necessary to plan for a greater mix of uses, including those within the tourism and hospitality sectors. This will be important in the future to attract people to these centres and ensure their long-term vitality and viability is secured. Centres should seek to encourage 'destination' uses that provide reasons for people to visit them in the future, as part of a range of mixed-uses, which serve both visitors and local residents. New residential development as part of mixed-use schemes could help to bring greater vitality and viability to these centres as well as providing much needed residential accommodation.

## Conclusion

Tourism contributes to sustainable development in the following ways:

**Economic:** The tourism and hospitality sector make a significant contribution to Oxford's economy. It provides jobs for some 8,000 people. These sectors have the potential to increase the job opportunities for local people, through Employment and Skills Plans and an alignment with the corporate priority to promote an 'inclusive economy'. A sector-based programme of skills and training for tourism and hospitality could bring significant benefits.

Both the Covid-19 pandemic and Brexit have had a major effect on the tourism sector in terms of international visitors and overseas students coming to the city. The reduction in expenditure has had an impact not only on tourist uses such as hotels and short-stay accommodation and tourist attractions, but on businesses particularly within the City centre that serve the international visitor such as retail, restaurants and pubs.

**Social:** Tourism and the hospitality sector contribute to the well-being of both visitors and local residents. These sectors have the potential to help deliver an 'inclusive economy', which provides opportunities for local people to benefit from not only economic, but wider social skills and a sense of well-being. The businesses and attractions supported by these sectors can be enjoyed by visitors, local residents and those who work in Oxford, improving their experience.

**Environmental:** The location of new hotels / short-stay accommodation within the city and district centres supports sustainable travel, by limiting car parking availability and promoting the use of walking, cycling and public transport. The siting of coach parks and dropping off points within Oxford should be reviewed in the context of a wider strategy for the visitor economy, with the requirement to identify sustainable solutions. Options such as links to key transport nodes, including park and rides and train stations should be explored.

New development such as hotels and tourist attractions should be considered within the context of future environmental improvements to the public realm. For example these businesses could benefit from the proposed pedestrianisation of Broad Street and therefore could help to potentially provide some funding / investment towards this project.

#### Sustainability/Plan issues

- The tourism sector has been severely affected by Brexit and the Covid-19 pandemic. The industry may need further support when the full implications of both Covid-19 and Brexit are realised.
- A strong and booming visitor economy has the potential to provide employment opportunities for local residents (over 8,000 jobs).
- Local people should be trained and given the skills to work within this industry.
- The maintenance and growth of the tourism industry should be sustainable and work in collaboration with local residents and communities.
- In future the industry may need to become more resilient to unexpected events and adapt, especially if international travel is restricted in the months and years ahead.