

Executive Summary

The purpose of this Stage 1 report

Five Lines Consulting were commissioned by Oxford City Council to assist the Council with their considerations over the future of Oxford Stadium.

This report is required to provide part of the evidence base for the emerging Local Plan 2036 to test the commercial viability of returning the Oxford Stadium to a greyhound and speedway use, and to understand what other commercial leisure, community, and/or residential uses maybe required to enable this to take place.

At this early stage, the Council require the completion of an initial assessment of the commercial viability of bringing greyhound and speedway back to Oxford Stadium. This is Stage 1 of the assessment, which is the focus of this report. If the conclusion is reached – following this Stage 1 report - that this is potentially viable, further work will be required to appraise the various investment / development / ownership / operating models in detail, and to examine the associated financial and commercial issues. This would form Stage 2 of the assessment.

This Stage 1 report examines the market and commercial potential for greyhound racing and speedway at Oxford Stadium by focusing on (1) the commercial attributes of the site, (2) the challenges and opportunities associated with the national greyhound and speedway markets, (3) the various commercial leisure, hospitality, community and other uses which could support the commercial viability of the site, (4) the financial implications, including profit and loss potential if the Stadium is brought ‘back to life’, (5) the possible economic and other benefits which could be generated (e.g., new jobs created and supported indirectly in Oxfordshire’s economy through the greyhound, speedway and other activities on the site, and (6) the commercial and financial risks which will need to be considered should the project progress.

The Stage 1 financial appraisal is commercially sensitive, and is therefore not included in this report. The financial assessment was issued to the Council as a separate “Commercial in Confidence” letter.

A brief history of the site

The site has been used by the community for greyhound racing and speedway since 1939. Speedway stopped at the Stadium in 2007. Greyhound racing ceased in 2012.

When the Stadium was operated most recently for speedway and greyhound racing, it was owned and operated by GRA Ltd. We understand that the Stadium generated an operating profit in the years immediately prior to its closure. Trading performance became impaired when the Stadium lost the BAGS contract in 2012 (BAGS races are a betting product for bookmakers). This meant that the income which previously went to the Stadium from those BAGS races was lost.

The site is now owned by Cowley Property Investments Ltd, which is a property investment / development company.

The greyhound and speedway buildings, tracks and other facilities remain in place at the site. There are currently a number of community users of the site, including Oxford Karting, Dance Connection, and a Lightning Motorcycle Training.

The commercial potential of the site

The challenges and risks associated with the site include the following:

- As a Conservation Area, any development proposal will need to be carefully considered having regard to the character and appearance of the Conservation Area.
- The site is an existing greyhound and speedway stadium. However, the condition of the buildings track and other parts of the site varies. There is a need for investment for greyhound racing and speedway to be able to return.
- Added to the cost of refurbishing the site will be the cost of site acquisition, as the site is owned by a 3rd party (unless a partnership arrangement with that 3rd party could be forged).
- There are currently some 250 car parking spaces on the site. If the site is brought back to life for greyhound and speedway, the levels of car parking required and overall traffic impact assessment will need further consideration from both planning aspects and the Local Highway Authority.

There are various opportunities, including the following:

- The Stadium has a clearly defined catchment area which it would be able to operate within, as there is no other licensed greyhound track within 35 miles of the site.
- The local/regional resident market (i.e., 683,200 people living within Oxfordshire), and Oxford's overnight tourist market (total of 1.14 million overnight trips) present, respectively, attractive primary and secondary markets for the Stadium to target visits from.
- The region's profile as a major automotive cluster creates commercial opportunities for the Stadium. These include usage of the facilities during both race days and non-race days (e.g., use of the function space and hospitality facilities for conferences, meetings, functions, parties and other events).
- The hospitality space within the grandstand could also be used by residents, local communities and visitors for conferences, functions, parties and other events on non-race days.
- There are community activities already on the site. This is a foundation upon which to have more community users/activities (as part of a redevelopment of the site).

Market potential

The market challenges include the following:

- Over recent decades, the number of UK greyhound tracks has decreased significantly. There are commercial challenges within both the greyhound and speedway markets (e.g., low attendances at some sites, variable operating profitability, etc.). Furthermore, some tracks were closed for housing and other property developments.

- If Oxford Stadium was to be used for both greyhound racing and speedway, there would need to be a new speedway team at the venue. In the past, it was Oxford Cheetahs. Any new speedway team would need to discuss which of the three major leagues (i.e., Premiership, Championship or National League) they would enter into with the British Speedway Promoters Association.
- A challenge at other greyhound stadia has been attracting repeat visits. For this to happen at Oxford Stadium, the site will need to be managed and operated to the highest standards of service on both race days and non-race days (so that the 'visitor experience' is excellent). Although Oxford is a relatively affluent city, the pricing of the venue will need to be considered carefully so that it is an affordable night-out option that will generate repeat visits. In addition, there will need to be various promotional deals, as at other greyhound venues. The Stadium will also need to benefit from on-going repairs, maintenance and improvements (given the link between investment and trading performance).

The major commercial opportunities are as follows:

- Based on our initial discussions with the national governing bodies of greyhound racing and speedway (and other consultees), there was a positive response to the idea of bringing Oxford Stadium back as a venue for these sports (as part of a multi-sport site).
- The national governing bodies for both greyhound racing and speedway offered to provide further assistance to the Council should the project progress (e.g., inspect the current facilities and track).
- There is confidence amongst interested parties - such as the local 'Save our Stadium' group - that greyhound and speedway racing would be successful at Oxford Stadium, not least because of the Stadium's previous attendances and profitability.
- There was a commonly expressed view amongst Stage 1 consultees that commercial viability would be more likely if greyhound, speedway and potentially other sports (e.g., stock cars) shared the stadium, rather than it being a single sport venue. Within a joint-use greyhound and speedway stadium, greyhound racing is considered as being most important from a commercial viability perspective because of its greater income-generating potential.
- Greyhound racing broadcast income makes a vital contribution to profit at many greyhound tracks (e.g., BAGS races). A critical success factor will be for the Oxford Stadium to be part of one of the media services which own the rights to broadcast races (e.g., Arena Racing Company or SIS).
- Evidence from the more commercially-successful greyhound and speedway stadia suggests that the venue would need to trade for as many days of the week as possible. This includes the catering and hospitality spaces being used on non-race days for conferences, meetings, banquets, parties, etc.
- The Council has been approached by a potential investor and operator who is keen to bring greyhound racing and speedway back to this site, offering tangible evidence of market appetite.

- The success of stadia is often partly based on the profitability of the catering and hospitality facilities, both during race days and non-race days. The catering and hospitality business could be operated 'in house' by the stadium operator, or by a 3rd party catering company. There are various arrangements which could be examined for the 3rd party option, which could also include a Facilities Management role (e.g., management fee, commission, and profit share). There are various 'pros'/'cons'/risks/rewards associated with each option which would need to be considered by the Stadium's owner carefully.

A potential concept for the Oxford Stadium

The concept for the Oxford Stadium could be as follows:

- A multi-sport stadium which holds greyhound racing and speedway, possibly as well as other sports (e.g., stock car racing).
- The Stadium should target (1) greyhound/speedway enthusiasts, and (2) people looking for a social and entertaining 'night out' in the grandstand's restaurant and bars (on both race-nights and on non-race days).
- The level of service and hospitality provided will need to be high to ensure visitors receive a great 'experience'. The challenge is to attract new visitors and generate repeat visits throughout the year through trying to constantly exceed customer expectations through the activities, facilities, and service offered, as well as the value for money.
- Our preliminary assessment suggests that the site could be capable of holding 156 greyhound meetings, and 22 speedway meetings p.a.
- The Stadium promotes its facilities for non-race day activities, including conferences, meetings, banquets, parties, music events, etc., which could use the spaces within the grandstand.
- The Stadium could also be a 'community hub' through accommodating community-based activities, including the existing tenants, and potentially additional users/tenants (if space allows).

The above would require an investment in the site to bring it 'up to scratch' (i.e., refurbishment and improvements to buildings, tracks, services, etc.). There will also be a need to ensure that the Stadium benefits from regular investment so that the 'product' is refreshed constantly (e.g., décor, condition of buildings and track, public realm, etc.).

Based on the above concept, our Stage 1 assessment of possible profit and loss performance (issued to the Council separately given its commercial sensitivity) suggests the venue could generate an operating profit.

Economic and other benefits which could be generated

For this Stage 1 assessment, a prudent initial assessment of the additional economic impact was completed. This suggested that the Oxford Stadium has the potential to generate a total of 62 full-time equivalent jobs that could be created, supported and maintained directly and indirectly at the site and across Oxfordshire (because of the expenditure of Stadium visitors during their trips and the Stadium's expenditure on local suppliers). These full-time equivalent jobs could generate an additional Gross Value Added of c. £3.1 million for Oxfordshire's economy.

This stadium could also create a number of other benefits, including the following:

- Bringing back greyhound and speedway back to Oxford would create an additional leisure and entertainment attraction for local/regional residents, and visitors.
- If the Stadium hosts high profile greyhound and speedway race meetings (e.g., national finals), this will generate media coverage for Oxford and Oxfordshire, which has a number of 'knock-on' effects (e.g., enhancing the national and international profile of the City as a sporting destination).
- It would provide a new restaurant and bar which would be available for use by the local community on non-race days.
- The Stadium could become an important community asset, particularly if it accommodates additional community-based sports, leisure and other activities.
- The site is of historical and cultural significance, as evidenced through its Conservation Status.

Conclusions and recommendations

We make the following concluding comments:

- The greyhound and speedway markets have experienced commercial challenges over recent years and continues to do so.
- There are various attributes of this project which suggest a commercially viable solution is possible at this site, including the following:
 - The site already has the various buildings and infrastructure in place (albeit in need for refurbishment and improvement).
 - Oxford has a history of hosting greyhound racing and speedway, and there is evidence of local support for the bringing the Stadium back to life for these sports (e.g., the 'Save our Stadium Group').
 - Oxford and Oxfordshire are relatively affluent with a growing economy, which means the Stadium can target the resident, tourist and local/regional business markets for race days, and for other events/activities at the site, such as non-race day conferences, meetings, parties, and other events.

- The Council has already received an informal approach by an interested 3rd party that is interested in investing in the site and operating the venue.
 - Our initial assessment of possible trading performance (issued to the Council separately given its commercial sensitivity) suggests the site could generate an operating profit as a destination for greyhound and speedway racing.
 - There are risks / critical success factors associated with the trading potential of the site which will need to be considered going forward (e.g., getting a speedway team to compete at the stadium, the role of broadcasting revenue in supporting commercial viability, and optimising non-race day income through activities such as conferences, meetings, parties and functions).
- A challenge facing this project will be the funding of the capital costs (i.e., both the cost of land acquisition and site refurbishment/improvement costs). Based on our initial assessment – and informal feedback from an interested 3rd party – one option is for an enabling (housing) development on the Western Car Park site, which could generate a residual value to fund some or all of the necessary capital costs.
 - There are various economic, community and other benefits this project could generate. These include creating and supporting 62 additional full-time equivalent jobs directly and indirectly p.a. at the site and across Oxfordshire. The GVA associated with these jobs could be c. £3.1 million p.a.

Should the Council see sufficient initial evidence of commercial potential, the Council should proceed with Stage 2 of the assessment (as per the Council's original Brief). This should focus on the following:

- Discussions with the current owner of the site prior to considering options for the potential way forward.
- The options for the investment, development and operating arrangements for the site, and the financial implications of these.
- The various roles the Council could potentially play in this project (e.g., planning, preparation of the development Brief, direct investment, etc.).
- A detailed assessment of financial and other risks associated with this project from the perspective of the Council.