Retail, District Centres and City Centre

This topic addresses: **SA Objective:** (14) To achieve sustainable economic growth (including the development and expansion of a diverse and knowledge-based economy) (2) To encourage urban renaissance by improving efficiency in land-use, design and layout and to create and sustain vibrant communities **SEA Theme:** Material assets

Introduction

Whilst the focus of town centres has traditionally been on retailing, more recently attention has been given to the other varied roles of centres. This refocus reflects a number of trends including the pressures on retailing and the sustainability of access to centres. Instead of now seeing centres as solely (or even primarily) places to shop, the trend is to identify the opportunities that centres have to offer in terms of accommodating:

- residential developments – city centre (and smaller centre) living continues to be attractive and offers additional benefits in terms of sustainable travel, such centres can successfully accommodate car-free developments, (also see Background Paper 1: Housing)
- employment developments – centres are seen as attractive locations by employees who can access other services at lunchtime for example (also see economy paper)
- education and research – for similar reasons as above, workers and students can benefit from the amenities available and particularly in Oxford, Oxford University is very focused in the city centre (also see Background Paper 13 Employment and Economy and Background Paper 5 Students and Language Schools)
- tourism – the city centre will continue to be the focus for tourism trips to Oxford, the volume of visitors mean that this is a significant factor and the implications need to be considered (also see Background Paper 6: Tourism)
- transport solutions – in Oxford the city centre currently plays a crucial role in the public transport network, many bus routes start and end in the city centre and it plays an important interchange role. In the future other centres could play a greater part in this role to enable interchange outside the city centre and thereby easing pressure (also see Background Paper 9: Transport)

Plans, Policies and Programmes

National Planning Policy Framework (NPPF) and Planning Practice Guidance (PPG)

The NPPF has policies on how Local Plans should consider town centre uses and how planning applications for town centre uses should be considered. In the Glossary, the NPPF defines main town centre uses as: *Retail development (including warehouse clubs and factory outlet centres); leisure, entertainment facilities the more intensive sport and recreation uses (including cinemas, restaurants, drive-through restaurants, bars and pubs, night-clubs, casinos, health and fitness centres, indoor bowling centres, and bingo halls); offices; and arts, culture and tourism development (including theatres, museums, galleries and concert halls, hotels and conference facilities).*

The NPPF says that planning policies should promote competitive town centre environments and set out policies for the management and growth of centres over the plan period. In drawing up Local Plans, local planning authorities should:

● *recognise town centres as the heart of their communities and pursue policies to support their viability and vitality;*

● *define a network and hierarchy of centres that is resilient to anticipated future economic changes;*

● *define the extent of town centres and primary shopping areas, based on a clear definition of primary and secondary frontages in designated centres, and set policies that make clear which uses will be permitted in such locations…*

The PPG and NPPF say that Local Plans should assess and plan to meet the needs of main town centre uses in full, and they should also take a 'town centre first' approach when allocated sites to meet the predicted need for town centre uses, with well-connected edge of centre sites to be considered if there are not enough town centre sites. This positive approach should include seeking to improve the quality of parking in town centres and, where it is necessary to ensure the vitality of town centres, the quantity too. Local Plans should also recognise that *residential development can play an important role in ensuring the vitality of centres…*

The NPPF says that the approach to determining planning applications, where a town centre use such as retail is proposed on a site that is not allocated for that use in a Local Plan, should be to**:**

- First carry out a sequential test for town centre uses- if not an allocated site, development should be, in order of preference:
  - In town centre (or district centre)
  - Edge of centre
  - Out of centre
- Then, if no alternative site is available in a town centre location an impact assessment should be carried out to assess the impact on vitality and viability of town centres over a 5 and/or 10 year period

The General Permitted Development Order (GPDO)

The GPDO 2015 came in to force in April 2015. This allows some changes of use from retail to other uses without planning permission being required, including:

- A new non-time limited permitted change of use from retail premises (A1) to financial and professional services (A2), and restaurants and cafes (A3);
- Permitted change of use from retail (A1) to assembly and leisure (D2) (this is subject to prior approval);
- Permitted change of use of A1 to C3 (residential development) (this is subject to 'prior approval').

Planned Developments in the City Centre
The city centre is currently experiencing significant change and investment. The redevelopment of Frideswide Square was completed in December 2015; October 2017 will see the redeveloped Westgate Shopping Centre open its doors to an 800,000 sq. ft. retail and leisure destination, increasing retail provision in the city centre by over 50%; the Station Masterplan, Oxpens redevelopment; and public realm improvements are also in various stages of project planning.

Current Situation

Oxford's centres
Oxford's city centre is currently defined on Oxford's Policies Map and broadly extends from the railway line to the West, to Longwall Street in the East; and from St Giles in the North to the River Thames in the South. In addition to the City Centre, the Policies Map also defines 5 District Centres at Summertown, Headington, Cowley Road, Cowley Centre and Blackbird Leys.

The Local Plan 2001-2016 contains polices that restrict planning permission for uses other than A1, with the aim of maintaining a proportion of A1 above 75% in the primary shopping area of the city centre and above 65 % in district centres.

The table in Figure 7.2.1 below shows the % of units in A1 use (retail) in the city centre primary retail area and at other retail locations in the city. It also shows the % of vacant units. Vacancy rates in district centres and the city centre are generally low, and all below the national average of 10%. The surveys were undertaken in January 2016.

Figure 7.2.1: table to show the % of vacant units and units in A1 use in main shopping areas in Oxford

Location	% of units vacant	% of units in A1 use
City Centre Primary Shopping Area	4	78
City Centre Secondary Shopping Frontage	3	50
Headington	7	62
Summertown	6	63
Templars Square	6.5	72

Making successful centres
Successful centres are often easy to identify but the factors that make them successful can be less so; there are a range of interlinked factors that can help in making a centre successful. The first, more obvious factor is that of development. In Oxford there are many schemes either underway or planned in the city and district centres (e.g. Westgate, ROQ, Oxpens, Cowley Centre, Blackbird Leys centre etc). Such schemes will clearly have an important role to play in the quality of the local area. Other factors that help make centres successful include:

- Active management – To help promote the city centre the City Council has in place a City Centre Manager, Town Team and City Centre Ambassadors
- Investment and partnership working – aligning public and private sector funding and using that to attract government funds

- Infrastructure improvements – public transport improvements, public realm investment, wi-fi facilities etc. Many such schemes are complete, underway or in the early stages of planning. Enhancements to the public realm in Summertown and Headington have taken place in recent years, and changes linked to the Westgate are underway or being planned in the city centre
- Marketing and promotion – arts and events, linked trips, encouraging people to stay and spend a little more in the centres
- Cleanliness and maintenance – waste collection, litter and fines; washing;
- Inclusiveness and safety – accessibility (surfaces, levels and seating), civilising streets (shared spaces and crossings), safety (CCTV and lighting)
- Place making and character – enhancing the historic and contemporary character, quality planting and landscaping

Jobs in retail and other town centre uses

The proportion of jobs in wholesale and retail is lower in Oxford than Great Britain and the South East, as shown in Figure 7.2.2 below. The proportion in Oxford remained relatively steady from 2009 to 2013, at around 10% (compared to around 16% in Great Britain). The proportion of jobs in accommodation and food services (as shown in Figure 7.2.3) is much closer

Figure 7.2.2: Graph showing the proportion of jobs in wholesale and retail, including motor trades

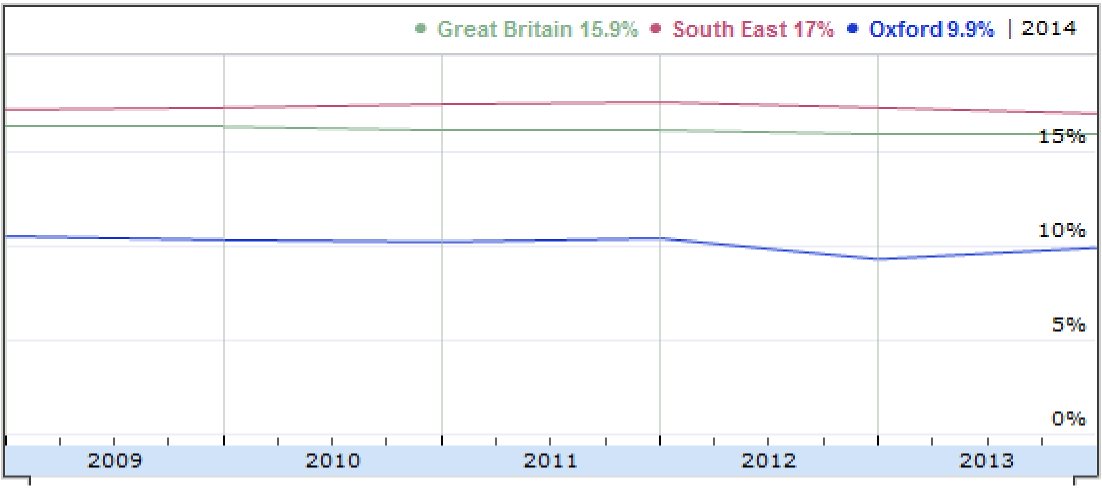
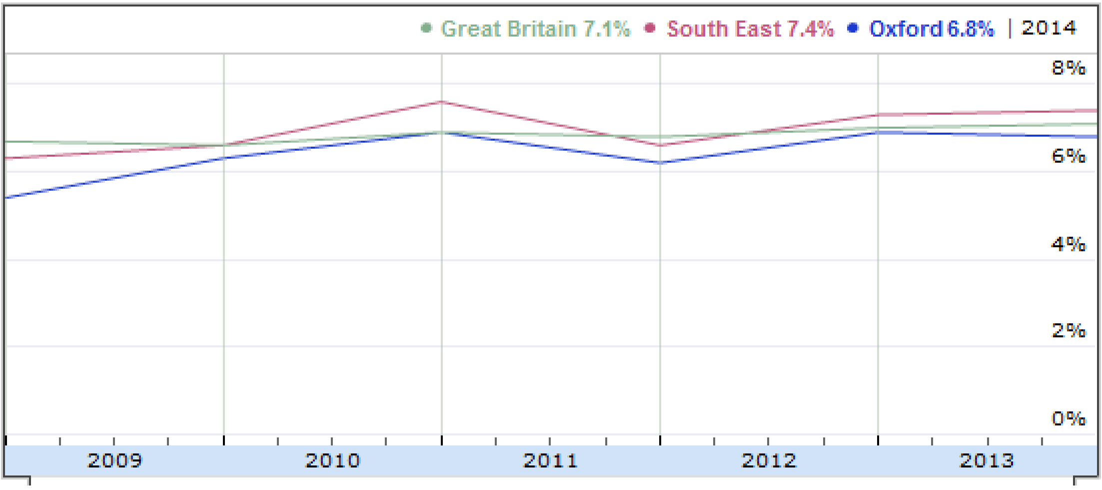


Figure 7.2.3: Graph showing the proportion of jobs in accommodation and food services

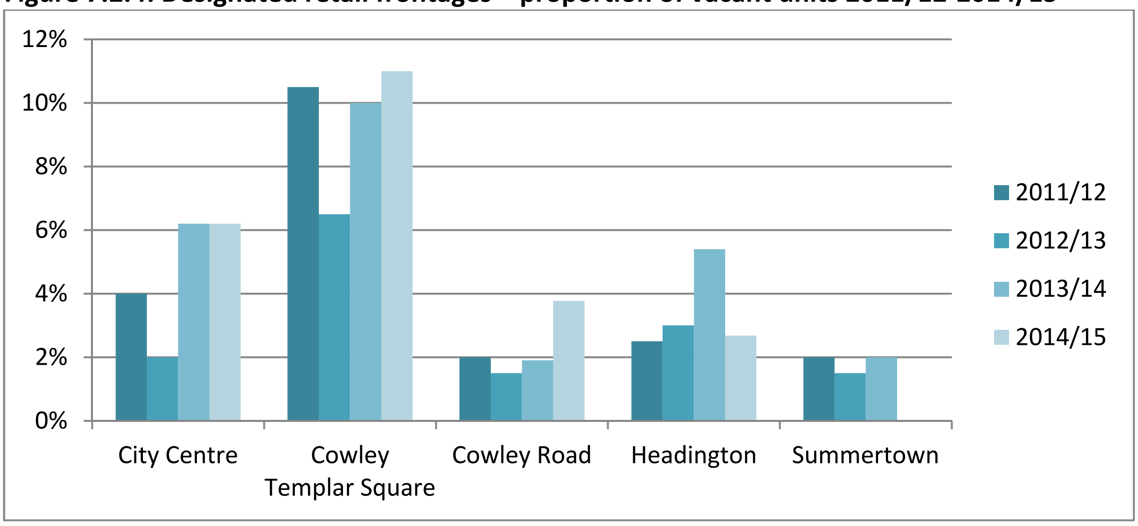


Likely trends without a new Local Plan

Vacancy rates and footfall

In the past few years Oxford has gone from being the fifth to the seventh most visited city in the UK. Over the past 18 months footfall in the city centre has reduced by over 6%. This drop is nearly twice as much as the national average. The decrease in footfall can probably be attributed to a number of factors including significant roadworks. Over the year commuters have been faced with substantial delays on many arterial roads leading into the city centre. This has and continues to create a perception amongst many that it is easier to access and shop elsewhere. Although most of the roadworks have ceased, many local's preferred shopping destinations are now somewhere else and without being provided with reasons as to why they should come back to the city centre they are unlikely to do so before the Westgate reopens. Unless footfall and sales figures improve in the next 18 months some of the smaller businesses claim they will not survive to take advantage of any increased footfall created once the Westgate opens.

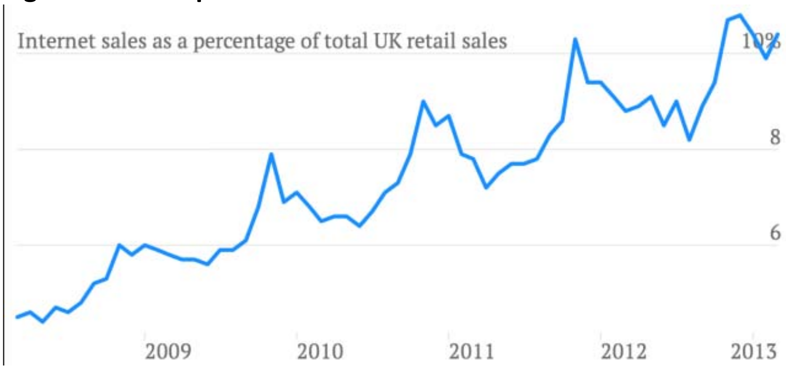
Figure 7.2.4: Designated retail frontages – proportion of vacant units 2011/12-2014/15



Changing Consumer Habits

Less than 50% of sales are now on the high street (over 50% of sales are out of town and online). Online retail expenditure in the UK is forecast to reach £62.7bn by 2020, which would account for a predicted 17.1% of total retail sales. This would be an increase from the approximately 13-14% in 2015. While the popularity of online retail continue to grow, it does seem that the market is maturing, with 2015–20 growth 37.4 percentage points lower than in the preceding five-year period.

Figure 7.2.5 Graph to show the % of internet sales as a total of UK retail sales



Data from ONS

The High Street still has a part to play despite the strong desire for convenience, and modern day consumers are still willing to swap online shopping with in store as they get to feel, touch and smell. The convenience of online shopping means that environment and experience is now more important than ever in attracting customers. Modern retailers and shopping centres have to compete for customers' attention and this is leading to diversification. For example, clothes stores are combining themselves with eateries, shoe shops are using technology for customers to design their own footwear in-store and some shops even offer a concierge service so shoppers can book a theatre trip or an exercise class.

Online-only retailers are increasingly looking for physical outlets to service click-and-collect and as 'showcase stores' which are a reaction to customers' desires to touch products before purchase and to create affinity with their brands. It is likely to be main shopping centres that benefit from this. The economic recovery is helping retail sales, but the shopping centres that benefit will be regional centres and those that have a strong draw beyond retail.
http://www.spring-board.info/updates/article/BRCfvmnews-april-2015

Loss of Retail through Permitted Development and changes to the proportion of retail

In 2014, the government introduced permitted development rights in England allowing the conversion of certain retail units into residential accommodation. However, figures released by the Department for Communities and Local Government (DCLG) show that only 402 schemes took advantage of the 2014 change in the GPDO that allows conversion of certain retail units into residential accommodation in the nine months following its introduction. This equates to an average of just 1.3 applications per council.

As the table in figure 7.2.6 below shows, the proportion of retail units at ground floor level on Oxford's designated frontages has remained fairly consistent in recent years, with no significant change since the new legislation was introduced. Targets for the city centre and Cowley Centre are exceeded, and Headington and Summertown are very close to their targets. The exception to this is Cowley Road, which has a much higher proportion of food and drink premises. Whilst this means that levels of retail fall below Local Plan targets, these other uses make a strong contribution to the character and vibrancy of this area.

Figure 7.2.6: proportion of retail units at ground floor level on Oxford's frontages

	Local Plan Target	Jan 2016	2014/15	2013/14	2012/13	2011/12
City Centre						
Primary shopping frontage	**75%**	78%	78.19%	77.73%	78.57%	79.15%
Secondary shopping frontage	**50%**	50%	50.00%	52.27%	51.88%	-
District Shopping Frontages						
Cowley Centre (Primary district centre)	**65%**	72%	73.91%	74.73%	74.71%	74.42%
Cowley Road	**65%**	57%	58.49%	50.33%	58.49%	58.49%
Headington	**65%**	62%	63.39%	64.29%	63.40%	63.72%
Summertown	**65%**	63%	63.00%	64.00%	64.36%	64.36%

Prospective new schemes to enhance the city centre

The City Council intends to bring forward developments in George Street and other landowners are in the early stages of planning, such as Jesus College in Cornmarket. This growth is expected to have a positive impact on the economic success of the city, including providing additional employment, living and commercial space opportunities and it should also provide greater visitor numbers, an increase in dwell times, encourage existing customers to shop for longer, create more public spaces and reduce the current 'leakage' of shoppers to other destinations such as Oxford St, London, Milton Keynes and Reading.

Sustainability/Plan Issues

- Retail will continue to be an important part of thriving town centres. However the city and district centres will need to ensure there are a wide range of uses to complement it and ensure longer dwell times.
- To attract people away from online shopping, city and district centres should have an attractive public realm, a range of activities and flexible venues.
- Oxford will continue to need to complete with other towns and cities, to do so the many elements of what Oxford has to offer will need to be promoted.