

Request for Hearing

Policy V4: District and Local Centre Shopping Frontages

on behalf of NewRiver REIT plc

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1.0 Introduction

Purpose of this Statement

- 1.1 This correspondence has been prepared by Nexus Planning, acting on behalf of NewRiver REIT.
- 1.2 Our client's interests in Oxford City Council's authority area is Cowley Templars Square. NewRiver REIT owns and operates the Cowley Templars Square, a shopping centre comprised of 89 retail units. The shopping centre is located within the Cowley District Centre designation as illustrated on the draft Local Plan Policy Map.
- 1.3 The purpose of this correspondence is to set out the reasons for which our client considers that an additional hearing session should be scheduled to afford the opportunity to examine Policy V4 of the draft Local Plan in greater detail.
- 1.4 Our client contends that in its current form, Policy V4 is not justified, nor is it consistent with national policy. Policy V4 therefore cannot be considered to be sound.

Executive Summary

- 1.5 Policy V4 relates to District and Local Centre Shopping Frontages. The Policy sets out thresholds in each of the District and Local Centres, for the proportion of A1 units, A2-A5 units, and other town centre uses.
- 1.6 Our client considers that Policy V4 is unjustified and inconsistent with national policy for the following reasons:
- a. The policy is unjustified – it is unreasonable that Cowley District Centre is allowed less flexibility and diversity, the only justification for which is its current proportion of A1 units;
 - b. Policy V4 is inconsistent with national policy – there has been a clear shift towards allowing further flexibility and managed diversification of uses in centres.
- 1.7 For the reasons described above and discussed in more detail overleaf, our client requests that a hearing session is scheduled to further discuss the Council's reasoning in this regard.

2.0 Discussion

Policy V4 is unjustified

- 2.1 Policy V4 applies varying restrictions to the ground floor uses of each District and Local Centre within Oxford City Council. Cowley District Centre has the greatest proportion of retail units sought to be retained in Class A1 use (60%). By contrast, East Oxford-Cowley Road, Headington and Summertown District Centres are each restricted to 50%, and Blackbird Leys to 40%.
- 2.2 We contend that it is unreasonable that retailers within Cowley District Centre are required to work within the restrictions that 60% of units within the shopping frontages are retained within Class A1 uses, while other District Centres are afforded more flexibility, with lower thresholds of 50% and 40%. Furthermore, the Council have not satisfactorily justified the varying thresholds.
- 2.3 As part of their second set of initial questions and comments, the Inspectors request that the Council explain the difference in the percentage thresholds applied to the different centres in Policy V4 (Question 27). The Council's response at Paragraph 27.2 of their response was as follows:

The policy approach taken towards the District centres recognises the higher proportion of Class A1 uses within the Cowley centre as opposed to the other District centres. Cowley Road, Headington and Summertown do have comparative proportions of Class A1 uses; whilst Blackbird Leys does have significantly lower level. These differences are reflected in the thresholds for each District centre. The survey results for the Cowley Centre show that there is a reasonable amount of flexibility to allow for a greater mix of uses, both other Class A uses and 'other town centre' uses.

- 2.4 It is noted that this statement is somewhat misleading, as East Oxford-Cowley Road District Centre (48.5%), not Blackbird Leys District Centre (53.8%) is shown as having the lowest proportion of Class A1 uses in accordance with Table 27.1 of the Council's response, further complicating the suggested justification for the chosen thresholds.
- 2.5 Nonetheless, the Council go on to report that within Cowley District Centre's shopping frontages, 74.4% of retail units are within Class A1 use, whereas the other District Centres have a comparatively lower proportion, according to the Council's surveys.

2.6 The Council rely on this higher proportion of current A1 units within the District Centre as the sole basis to justify the arbitrary 60% threshold.

2.7 This higher retention rate of A1 units in Cowley District Centre gives the impressions that the centre may be more successful than the other District Centres. However, our review has found that the Council's utilisation of that particular calculation as justification is flawed, for the following reasons:

- The Shopping Frontage designation within the District Centre is comprised of two distinctly different precincts:
 - the Templars Shopping Park, a retail park comprised of 13 units, 12 of which are in A1 retail use; and
 - the Cowley Templars Square Shopping Centre, which provides a more varied offer of main town centre uses, incorporating retail services, financial and business services and leisure facilities.

The high concentration of A1 units in the Templar Shopping Park therefore skews the overall figures for the District Centre in favour of A1 units;

- The calculation of A1 units does not account for vacancies. Within the Cowley Templars Square shopping centre, five A1 units (equating to 7% of units within the centre) are currently vacant. While these vacant units are counted within the Council's calculations, the count does not accurately illustrate the health of the centre on the ground;
- NewRiver REIT has reported that they expect multiple additional A1 units to become vacant in the short term as their tenant's leases expire. They have reported difficulties in finding new A1 tenants on account of increasing building rates and the increased availability of retail units in the area and are at risk of being retained as vacant units within A1 use without an occupier;
- There are also three charity shops in the centre. These occupiers pay a discounted rent and no building rate, and so while the units are occupied and appear to be active, they do not generate an income and are not a viable long-term option.

2.8 Furthermore, the lower proportions of A1 units in other District Centres point towards the ever-growing market pressures facing traditional retailers. It therefore seems counterintuitive to impose

more arduous restrictions on a centre that currently 'appears' to be operating more successfully than other District Centres.

- 2.9 The Council's response is therefore considered to be insufficient justification for a policy that could have a significant impact on the vitality and viability of the centre moving forwards. Our client notes the lack of evidence provided to justify the varying thresholds, and is concerned that there may be unintended consequences of the proposed restrictions, including long-term vacancies as competing Town and District Centres become more focussed on leisure and services.

Policy V4 is inconsistent with national policy

- 2.10 As touched on previously, the nature of retail is changing rapidly, and there has been a clear national policy shift away from stringent use class thresholds in town centres. In response, national policy now directs local plan policies to allow further flexibility and managed diversification of uses.
- 2.11 In the Oxford City Council Retail and Leisure Study 2017, prepared by Carter Jonas, the Paragraph 3.45 of the trends chapter concludes:

"...existing floorspace in town centres face a myriad of challenges. These will continue to grow over the Council's Plan period. This notwithstanding, for the centres within the City Council area to perform strongly they will need to adapt and embrace the new dynamics."

- 2.12 Paragraph 85 of the National Planning Policy Framework states that in order to take a positive approach to town centres' growth, management and adaptation, planning policies should:

"a) define a network and hierarchy of town centres and promote their long-term vitality and viability – by allowing them to grow and diversify in a way that can respond to rapid changes in the retail and leisure industries, allows a suitable mix of uses (including housing) and reflects their distinctive characters;"

- 2.13 Draft Local Plan Policy V4 is not considered to be consistent with national policy requirements as described above. The policy is unduly restrictive, and would not allow Cowley District Centre to 'diversify in a way that can respond to rapid changes', as is required by the NPPF.
- 2.14 We accept that Policy V4 includes provision for 'exceptional circumstances' whereby planning permission would be granted for changes of use from Class A uses to other main town centre uses

that would result in a breach of the percentage thresholds. In order to do so, a set of criteria must be satisfied, including demonstrating one year of marketing and evidencing changing need, amongst other criteria. The Council claim, at Paragraph 27.2 of their response to the Inspectors, that the 'exceptional circumstances' clause allows greater flexibility to reflect the changes to the retail / services landscape. However, we contend that the requirements to demonstrate 'exceptional circumstances' are time consuming barriers, disproportionate for what should be addressed as a straightforward change of use to a more viable town centre use.

- 2.15 In further evidence of the national policy shift, the latest revision of the NPPF saw the removal of the requirement for Local Plans to designate primary and secondary shopping frontages, opting for the more general 'primary shopping areas' (Paragraph 85b). This shift comes part and parcel with the shift away from the traditionally restrictive retail policies of old. The inclusion of the designation of 'shopping frontage' conflicts therefore, with the NPPF.
- 2.16 For the reasons described above, Policy V4 is considered to be inconsistent with the requirements of national policy and is therefore unsound.

Conclusion

- 2.17 This statement has described the reasons for which our client considers Policy V4 of the draft Local Plan is unjustified, and inconsistent with national policy. Our client therefore requests that a hearing session is scheduled during the Examination in Public, to afford the opportunity for the Council to confirm the logic behind this policy, and for the Inspectors to form their own conclusions regarding whether the policy, in its current form, can be adopted, or if further modifications are required.
- 2.18 Whilst our client considers that a restrictive, threshold-based policy would be unsound, if the Inspectors are minded to allow such a policy position, we would suggest that the wording of Policy V4 be made sound by adopting the threshold of 40% of Class A1 uses applied to Blackbird Leys, consistently across all District Centres.
- 2.19 This minimum common threshold would also reflect the fact that, over the lifetime of the Local Plan, the share of online spending as a proportion of retail spending will continue to increase, which will continue to place pressure on A1 retailers and the space that they would require.

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