

# Agenda

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## Tourism Management Review Group

Date: **Thursday 14 March 2019**

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Time: **5.00 pm**

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Place: **Freemen's Room - Oxford Town Hall**

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# Tourism Management Review Group

## Membership

<b>Chair</b>	Councillor Andrew Gant
	Councillor Alex Donnelly
	Councillor Paul Harris
	Councillor James Fry
	Councillor Pat Kennedy
	Councillor Dick Wolff

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# AGENDA

## Pages

### 1 WELCOME AND INTRODUCTIONS

Welcome from the Chair and brief round table introductions.

### 2 APOLOGIES FOR ABSENCE

To receive any apologies for absence.

### 3 MINUTES OF THE PREVIOUS MEETING

To note the minutes of the previous meeting held on 21 February 2019.

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### 4 DISCUSSION WITH EXTERNAL GUESTS

As background information, the meeting has also been provided with the following papers:

- |   |    |
|---|----|
| a) A background report concerning tourism in Oxford.                  | 13 |
| b) An answer sheet responding to questions from the previous meeting. | 27 |
| c) A report concerning hotels and short stay accommodation in Oxford. | 31 |
| d) A scoping document which sets out the purpose of the Review.       | 43 |

Guests will be invited to make any opening statements if they wish, and the meeting will then move to questions and open discussion. Confirmed external guests include:

- Sushila Dhall, Oxford Pedestrians Association
- Jeremy Mogford, Mogford Hotels and Restaurants
- Felicity Lewington, Oxford Guild of Tour Guides
- Rob Hough, Oxford Tube Operations Manager
- Dr Rebecca Hawkins, MD of the Responsible Hospitality Partnership
- Reverend William Lamb, University Church of St Mary the Virgin
- Martin Kraftl, Oxfordshire County Council Principal Transport Planner
- Jack Creeber, Oxfordshire County Council Interim Parking Manager

Examples of questions and themes that may be discussed include:

- a) How could the City better harness the benefits of tourism?
- b) How could coach access, parking and drop-off locations be better managed?
- c) What actions could be taken to support long term sustainable tourism?
- d) What digital innovations could improve the visitor and resident experience?
- e) What could be done to improve wayfinding and pedestrian flows in the City?
- f) Would there be value in introducing a tourist levy on hotel rooms or coaches?
- g) What future tourism challenges will local businesses and operators face?

### 5 NEXT STEPS

To clarify the actions agreed and next steps of the review.

### 6 DATES OF FUTURE MEETINGS

The following dates are scheduled for the Review Group:

- 20 March
- 27 March
- 11 April
- 9 May





## **DECLARING INTERESTS**

### **General duty**

You must declare any disclosable pecuniary interests when the meeting reaches the item on the agenda headed "Declarations of Interest" or as soon as it becomes apparent to you.

### **What is a disclosable pecuniary interest?**

Disclosable pecuniary interests relate to your\* employment; sponsorship (ie payment for expenses incurred by you in carrying out your duties as a councillor or towards your election expenses); contracts; land in the Council's area; licenses for land in the Council's area; corporate tenancies; and securities. These declarations must be recorded in each councillor's Register of Interests which is publicly available on the Council's website.

### **Declaring an interest**

Where any matter disclosed in your Register of Interests is being considered at a meeting, you must declare that you have an interest. You should also disclose the nature as well as the existence of the interest.

If you have a disclosable pecuniary interest, after having declared it at the meeting you must not participate in discussion or voting on the item and must withdraw from the meeting whilst the matter is discussed.

### **Members' Code of Conduct and public perception**

Even if you do not have a disclosable pecuniary interest in a matter, the Members' Code of Conduct says that a member "must serve only the public interest and must never improperly confer an advantage or disadvantage on any person including yourself" and that "you must not place yourself in situations where your honesty and integrity may be questioned". What this means is that the matter of interests must be viewed within the context of the Code as a whole and regard should continue to be paid to the perception of the public.

\*Disclosable pecuniary interests that must be declared are not only those of the member her or himself but also those member's spouse, civil partner or person they are living with as husband or wife or as if they were civil partners.

## Minutes of a meeting of the TOURISM MANAGEMENT REVIEW GROUP on Thursday 21 February 2019

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### Committee members:

Councillor Donnelly	Councillor Fry
Councillor Gant (Chair)	Councillor Harris
Councillor Kennedy	Councillor Wolff

### Officers:

Matthew Peachey, Economic Development Manager  
Stefan Robinson, Scrutiny Officer

### Also present:

Councillor Mary Clarkson, Board Member for Culture and City Centre

### 1. Welcome and Introductions

There were brief introductions.

### 2. Review Scope and Background Reading List

The Review Group noted the scope of the review, but agreed that matters concerning short term lets, particularly in relation to AirBnB and the tourist experience, should also be other key themes. It was also noted that key issues around homelessness and Public Space Protection Orders would affect the overall visitor experience.

### 3. The Current Context

Matt Peachey, Economic Development Manager, explained that tourism to Oxford and Oxfordshire has continued to grow with the value of visitor expenditure now exceeding £2 billion per year for the very first time. 27 million visitors a year came to Oxfordshire, with around 8m coming to Oxford, contributing £873 million of value in the City. The sector also supported nearly 35,000 jobs in Oxfordshire - one in every 10 jobs across the County. It was highlighted that Oxford was an ideal point from which to explore other wider attractions such as Blenheim, Bicester Village and the Cotswolds.

The three key surveys used to measure volume and expenditure in relation to tourism was the GB Tourism Survey (domestic overnight trips), the International Passenger Survey, and the GB Day Visitor Survey. The 2018 VisitEngland destination summary report was also discussed, for which the sample base was UK holiday makers. Matt highlighted that much of the data and measures used in these surveys should be considered indicative of trends, rather than clear-cut, and there was often a lag in the data. He also said that whilst footfall was a useful

indicator in some circumstances, it did not necessarily correlate with spending in shops, and the number of tourists visiting.

Key findings from these various surveys included:

- Year on year increases in the total jobs supported through the tourism sector;
- Year on year increases in the total contribution to the economy;
- A minor decrease in staying nights of 1% in 2017, and a subsequent significant increase in day trips for 2016 and 2017;
- Visitor satisfaction for Oxford was 39% compared to the average of 48% for other cities. Likelihood to revisit and loyalty to the destination were also below the average;
- There were approximately 2614 overnight rooms available in Oxford, with an additional 601 given planning permission, taking the total to over 3200. This would be a significant increase on recent years.

The Group were informed that there had been previous partnership efforts to improve the coordination of the destination offer, and whilst there had been some successes, some other actions could have been better implemented. Particular challenges were highlighted in relation to funding public realm improvements, for example.

The West End of Oxford was also discussed, in that it was to undergo comprehensive redevelopment, expanding the city centre to the west, as a series of strategic developments take shape. The Group heard that the Council would continue to seek to attract public and private investment for vital infrastructure or tourism products as part of its aims to create a successful and sustainable economy. Experience Oxfordshire had also been successful in attracting funds from Government for Tourism promotion and from its tourism sector partners to promote the county-wide offer. Officers also explained that commitment from local businesses in developing a business improvement district (BID) was not certain.

A key theme for the Group was the value that a tourism levy or tax might add. Officers said a number of places have started exploring the case for levying forms of tourism tax, as it is also common across Europe. A number of councils in the UK, Birmingham, Brighton, Edinburgh, Cornwall and most recently Bath councils had all discussed the possibility of introducing a tourist tax but none have gone ahead yet, as it would likely require national legislation.

The Group agreed that further consideration would need to be given to how such a tax could be administered, the benefits, costs and overall impact, and how a congestion charge might be used in relation to coaches. The is also considering making a bid into the Future High Streets fund from Central Government, and expressions of interest were needed by 22 March 2019. The Group also wished to understand more about room occupancy rates, and the potential for public access to private toilets scheme, such as has been done in previous years.

Councillor Fry left the meeting at the end of this item.



#### **4. Cable Car Discussion**

Councillor Wolff gave a presentation on what a cable car system might look like if it were to be developed in Oxford, and the benefits it would have in alleviating coach congestion, for example. He showed a short video of the emirates cable car in London, and commented on its capacity to transport people on mass at a fair cost. He highlighted that cable cars were used around the world, were quiet, and welcomed by residents. They were particularly popular in Europe in recent years, and one had been developed in a UNESCO World Heritage Site, demonstrating that planning restrictions can be overcome. Cable Car systems had a low carbon impact, which was particularly salient in the context of Oxford's future as a zero emission zone.

Councillor Wolff was clear that he was not suggesting that the Council fund such a scheme, but that a feasibility study should be undertaken to assess the relative merits of such a system. A desktop exercise would help understand more about how the system could work, and projections of future visitor numbers and possible sources of capital would also be useful to know. He said broad support had been given from various officials in the City, and a seminar held last year had significant interest.

The Chair thanked Councillor Wolff for his presentation, and said the issue would be picked up in a subsequent meeting about coach matters.

#### **5. Discussion with Experience Oxfordshire**

The Group welcomed Hayley Beer-Gamage and Joanna Simons from Experience Oxfordshire, and received a presentation from them.

Experience Oxfordshire, as the official destination management organisation for the County, was still in receipt of a funding contribution from the Council, which would be graduated down over three years to zero in 2022. In 2011 Experience Oxfordshire were given a ten year lease for City Council owned premises on Broad Street. The rent was £85,000 per year and increased to £95,000 following a rent review in 2016. The Council paid the rent by awarding a second annual grant to Experience Oxfordshire. The total grant contribution budgeted for 2018/19 is £173,000, made up of the £95,000 rent reimbursement plus a £78,000 service grant. However, the City Council had just announced a reduction in grant by £20k in 19/20 and a further £25k in 20/21 then taking it to zero from 21/22.

The presentation highlighted a number of improvements that had been made to the visitor economy and experience since the establishment of Experience Oxfordshire in 2011. This was when the DMO was established and the City Council's tourism delivery was outsourced, noting particular improvements since 2015 when Experience Oxfordshire undertook a change of leadership. The presentation also showed extensive trend data on various matters relating to tourism in Oxford. Key matters highlighted as part of the presentation included:

- There were no successful destination management organisations in the UK which did not receive some level of public sector funding.

- Experience Oxfordshire host the only official walking tours in Oxford, with professional walking guides and limited group sizes, avoiding pedestrian pinch points. Users of this service had increased from 30,000 to 50,000 in recent years.
- Only one in six people transact at the visitor centre, but 500,000 people were supported by the centre each year. This required a lot of resource to manage and its main function is service provision.
- Prior to the establishment of Experience Oxfordshire, there were a number of challenges for the city, with a declining visitor economy, demand exceeding supply for overnight stay, perceptions of being expensive and unaffordable and a lack of access to key academic institutions.
- There is now a focus on boosting overnight stays, as they bring more value to the local economy and better impact.
- 11% of visitors are from overseas, but they contribute 40% of the overall visitor spend. Overseas visits had increased 25% since 2012.
- Increasing tourism numbers could be managed if more efforts were made to counteract seasonality, and disperse people more widely throughout the year, and throughout the City regions.
- The main overseas visitor markets were from the USA, France and Germany. China and Poland are the fastest growing markets for Oxford.
- No two models of destination management operate the same. Each area has its own unique approach, and there is not a 'one size fits all' model.
- Experience Oxfordshire field in the region on 1000 media enquiries each year.

The Chair asked how Experience Oxfordshire would deal with the reduction in Council funding. Hayley explained that the level of funding reduction was not anticipated, and it may stop certain streams of work from being delivered and that the private sector would not be able to plug the gap. She highlighted that there was a significant return on investment for the Council, and cited some examples of where Experience Oxfordshire's intervention had secured high value international visitor contracts that benefited multiple businesses and stakeholders.

Hayley also highlighted the significant saving that the Council had made outsourcing delivery to the DMO as it used to cost the Council in the region of £1.5million pa to operate. Annual funding is currently also received from County Council and Cherwell District Council. The County's contribution was £25,000, and Experience Oxfordshire employed 30 members of staff with a 14FTE equivalent. Hayley also explained that majority of private sector partners were paying for a range of marketing, PR and business support services rather than destination management and local stakeholders such as the Councils should continue to support this remit.

During discussion, it was highlighted that coach companies are often booked by international organisations up to three years in advance, making it difficult to engage and coordinate coach congestion and parking. It therefore requires a targeted travel trade approach to managing the issues, which Experience Oxfordshire has been involved with recently.

The Group discussed the impact of large groups of day visitors which spend little money in the City, and block pathways in some instances. There was concern about the growing trend of day visitors, and a stagnation of overnight visits. The Group agreed that more overnight stays would be beneficial in comparison to short term day visits.

The Group commented that part or self-guided tours would help avoid pedestrian congestion and overcrowding in some areas, and this should be looked into. Hayley explained the new AR app was deigned to do just this and also that you will get visitors that want different types of experience and both self-guide and guided were important. The app was also designed to see behind closed doors to help mitigate some impact on academic institutes and alleviate tensions between education/academia and visitors. Hayley said that licensing or council accreditations to prevent ticket touts and free tours, particularly on broad street would be welcome and improve visitor experience.

Hayley encouraged the Group to consider that any decisions that may cause barriers to coaches carefully (a congestion charge or poor parking for example) or other visitor groups to the City, may limit future visits. Once a tour operator chooses an alternative destination, it would be very hard to get them back. In response to questions, she said that coaches could benefit from better parking facilities which have on site conveniences, and a better place for drop off and pick up which is time limited. She suggested that Oxford should not want to give the impression that coaches are not welcome, but rather make arrangements where they cause less inconveniences by having improved access and facilities.

## **6. Next Steps**

The Group agreed to contact Robert Tanner, who may have links with local language schools, and to invite a representative to attend a meeting.

Further, invites should be sent to the conference of colleges, and Oxfordshire County Council, who had not yet responded to invitations. Councillors suggested contacting the relevant Cabinet Member.

## **7. Future meeting dates**

The following dates were noted for the next Review Group meetings:

- 14 March
- 20 March
- 27 March
- 11 April
- 9 May

**The meeting ended at 7.22pm.**

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## Tourism Management Scrutiny Group Report: 14 March 2019

### 1. Purpose of Report

For a long time, tourism has been considered as a low environmental impact industry with few externalities associated with it. More recently it has become accepted that tourism demand has significant economic impact at both the macro and micro level by modifying the demand and supply of certain goods and services. Some of these impacts and externalities are positive i.e. jobs, growth in business revenues but there are also some negative impacts – congestion, pollution, rising demand for public goods paid for by local residents for example.

In line with the separate Scoping Document, this report aims to provide an over-arching context and outline the following:

- Oxford's offer and performance as a tourist destination
- Oxford City Council's role in tourism management, and
- Other background information linked to the requirements of the Scoping Document.

The report is starting point for the collation of a wider base of evidence to support the findings of the scrutiny group.

### 2. Oxford's Tourism Offer

We are fortunate to have a standout visitor offer in Oxford with the potential to appeal to a broad range of tastes. The city welcomes an estimated 8 million visitors each year, creating significant economic and cultural benefits, alongside associated demands and costs.

Oxford's history and academic pedigree shapes its global brand. In addition to the Colleges and grounds of the University of Oxford and circa 1,500 listed buildings dating from the 11<sup>th</sup> century onwards, the city has numerous cultural attractions with a significant concentration of them in the city centre such as the Ashmolean Museum, Pitts Rivers, Museum of Natural History, Weston Library, Martyrs' Memorial, Radcliffe Square and the Castle together with the Sheldonian Theatre, New Theatre and Playhouse.

Oxford is flat and compact, with many of its major attractions, such as Oxford Castle, and its centrally located parks, rivers and gardens. A range of events are held throughout the year with a range of walking and also bus tours all year round. Oxford's literary history and attractiveness as a filming location add to the diversity of the offer, as does Westgate, Oxford's newest shopping and leisure experience, which can reach a new visitor demographic. Cinema, music, theatre, comedy and a range of dining options add further the diversity of the offer, with rooftop bars and dining. Oxford's offer is beyond that of most cities its size.

Oxford is also easy to reach from London and Birmingham, as well as the major airports in the area. It is also an ideal point from which to explore other attractions such as Blenheim, Bicester Village and the Cotswolds.

### 3. Oxford's Performance as a Visitor Destination

#### 3a. Economic Impact of Tourism 2014-17

The economic impact of tourism to Oxford and Oxfordshire has continued to grow with the value of visitor expenditure now exceeding £2 billion per year for the very first time. We welcome over 27 million visitors a year to Oxfordshire (7.55M trips and £873m value in Oxford) and the sector supports nearly 35,000 jobs - one in every 10 jobs across the County.

Annual reports, commissioned by Experience Oxfordshire examine the volume and value of tourism and the gross positive impacts of visitor expenditure on the local economy. They provide

comparative data against previously published data, with a one year lag. The results are derived using the Cambridge Economic Impact Model. The three key surveys used to measure volume and expenditure from tourism trips are the GB Tourism Survey (domestic overnight trips), the International Passenger Survey, and the GB Day Visitor Survey. Moreover, data from accommodation occupancy and visitors to visitor attractions is used to estimate year-on-year changes in the volume and value of tourism related visits. The accuracy of these sources varies and results should be regarded as estimates which are indicative of the scale and importance of visitor activity in the area. Sample sizes change year on year, so results are best viewed as a snapshot. The year on year comparisons below are thus provided with caution.

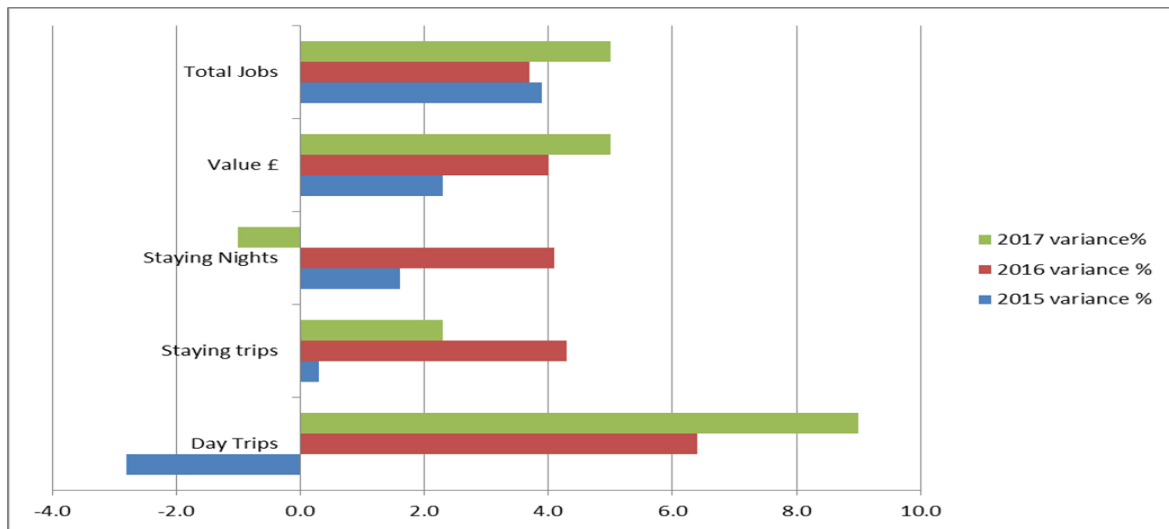


Figure 1: Year on year performance – Cambridge Model estimates

### 3b. Visitor Perceptions

Since April 2015, the national tourist boards of VisitEngland, VisitScotland and Visit Wales have been tracking visitor perceptions of destinations across GB in a continuous weekly tracking study. In 2018, VisitEngland commissioned the production of several destination summary reports, drawing on the findings from the continuous tracking data, for all destinations where sample sizes were sufficiently robust. The sample base for the study is GB holiday takers – those who have taken a GB break in the past 12 months or are expecting to in the next 12 months. These tracked loyalty, satisfaction and perceptions.

Loyalty Ladder	Oxford average	City/Large towns average	GB destination average
Loyal	13%	18%	17%
Considerers	51%	49%	48%
Rejecters	29%	24%	25%
Satisfaction	39%	48%	49%
Likelihood to revisit	7.9	8.4	8.4

Fig2: Visit Britain Visitor Perceptions, 2018

Further information on Visitor perceptions of Oxford’s characteristics and aspects of its welcome can be found in Appendix 1.

### 3d. City Centre Footfall

Oxford City Council monitors footfall in the city centre on Cornmarket Street, Queen Street and George Street.



Figure 4: Springboard Footfall measures in Oxford, 2014-2018

In the first half of 2018 eight per cent more people visited the city centre compared to the same period last year bucking national trends which have seen footfall dropping for the past year. Nationally the rate of decline in January is now slowing year on year and despite local footfall also dropping Oxford is still achieving the same levels of footfall it was 2 years ago.



Figure 5: Footfall measure by street January 2019.

The decline in recent footfall figures is likely to be reflective of the continuing change in shopping habits and the usual post-Christmas slump rather than a decrease in tourist numbers.

### 3e. Hotels and Short Stay Accommodation

As of 2017, Business rates data showed that there were 26 hotels and 46 guest houses in the city. In the previous 5 years the hotel supply had increased by 17.6% and the guest house supply had reduced by 6.9%.

Recent research undertaken by the City Council shows the following overall increase in hotel provision since the earlier study was carried out in March 2007. This assessment is based on the data collected and published as part of the Annual Monitoring Reports (AMRs) for the following eight years up to 2015. The table below shows published position, taken from the 2015/2016 AMR. 601 additional rooms have been given permission since, taking the estimated total, once completed, to over 3,200.

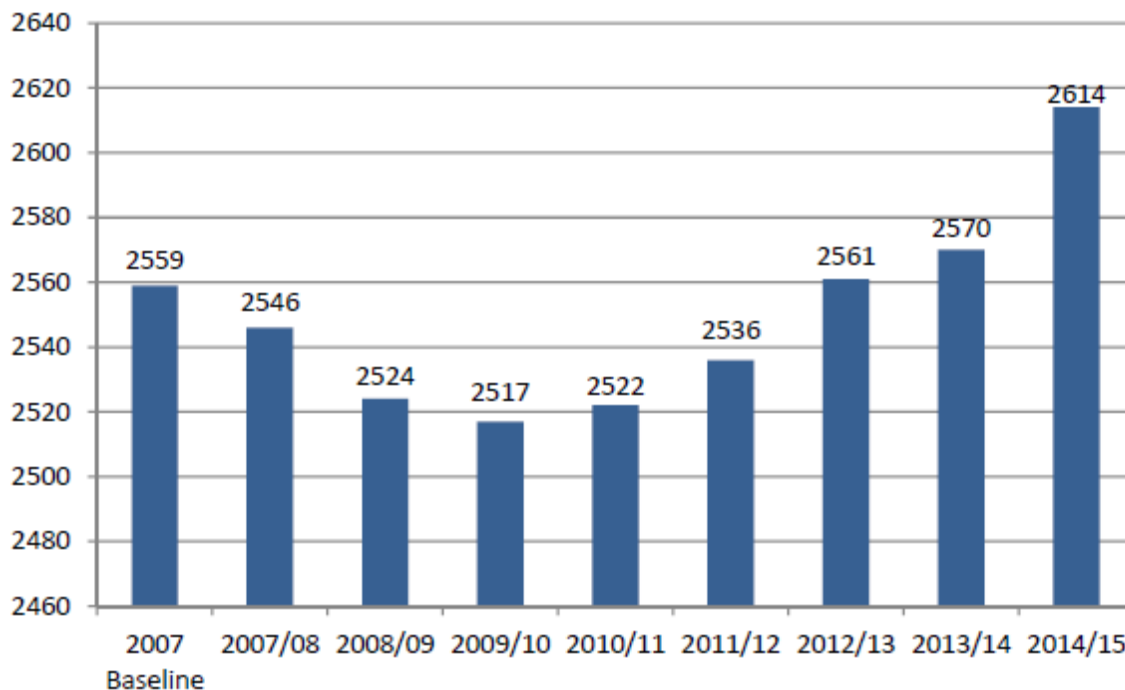


Figure 3: Hotel room data: Oxford City Council AMR

There has been considerable investment activity in the hotels sector in Oxford over the past 5-10 years. Below is a summary of large hotel planning permissions in the last two years:-

- 180 bed Easyhotel in Summertown
- 180 bed hotel at Cooper Callas site on Paradise Street
- 90 rooms at Greyfriars Court, Paradise Square
- 43 rooms at 15-19 George Street
- Holiday Inn, Peartree - erection of four-storey extension to hotel
- 71 bed Travelodge at Templar Square
- A range of other smaller extensions.

#### 4. Oxford City Council's Current Role in Tourism Management

##### 4a. City Centre Management

As previously highlighted, with such a concentration of tourist attractions located in Oxford's City Centre, tourism is a significant priority within city centre management and vice versa. In 2016, as part of strategic planning for the city centre a series of City Centre Visioning Workshops were held for key stakeholders. Four strategic themes and two Operational Themes were identified.

##### Strategic Themes:

- *Wellbeing*: to make the city centre look and feel attractive, clean, green, sustainable, safe and well regulated
- *Movement*: to ensure effective transport and pedestrian access to and within the city centre.



- *Experience:* to promote a diverse range of activities that meets the needs of a modern economy and contributes to Oxford as a world-class city. This is to include promoting first class customer service and visitor welcome across the city.
- *Appeal/Attraction:* to celebrate the history and diversity of Oxford and make the city feel more vibrant, alive with people and inclusive for all.

### **Operational Themes:**

- *Management:* to facilitate debate on managing the interface of all stakeholders in the city centre and investigate the optimum way to manage the issues facing the centre.
- *Promotion:* to invest in world reaching promotion that Oxford is a great place to live, work, shop, visit, invest and enjoy.

All of these themes include a component that relates to tourists and the impact of tourism on the city centre such as improving the public realm. For example Oxford has a highly attractive historic environment of national significance but there are however opportunities to better realise its potential through environmental improvements to the public realm and creating a more legible way of connecting different parts of the centre together (see Appendix 2). The recent redevelopments of Frideswide Square, Westgate Shopping centre and the current redevelopment of Northgate House provide a catalyst to kick-start this approach, but this needs to be explored in detail through a review of the public realm, which the City Centre Manager is currently carrying out. This review will identify those streets and squares within the City centre that are failing to contribute to the intrinsic character of the area and suggest how this could be fully realised in association with partner organisations.

Alongside a public realm review, an update of the street-scene manual is required. The City and County Councils are committed to continually improving the appearance and function of the city centre's streets and spaces and as such this document which sets out a palette of acceptable materials to be used now needs updating.

Many City Centre Stakeholders anecdotally report a desire for more pedestrianisation in the city centre to improve the environment, accessibility and ease pedestrian congestion which is often attributed on the millions of tourists visit the city. A city centre consultation will be held on the standards of the city centre environment to back up these anecdotal aspirations.

The stakeholder workshops also focused on the need for clearer signage and wayfinding across the city. Hidden gems such as the Covered Market and access to the river frontages are not signposted clearly. The route from the station to the centre is also cited as poorly signposted. This is an issue and clearly needs improving to create a better destination. The current wayfinding scheme was delivered in 2012 but due to major redevelopments in the city centre since then many signs need updating however there has been no budget allocated since 2012 to do this. The Oxford Explore wayfinding system used cutting edge technology when it was first introduced but the QR code system is now well established and the system could be more user-friendly.

### **4b. Visitor Welcome Workshop 2015**

In early 2015, the OSP undertook some partnership work on Oxford's Visitor Welcome mapping the visitor experience and studying satisfaction levels and asking;

1. **Functional** - Do we have what our visiting customers need?
2. **Accessible** - How easy is Oxfordshire to visit and explore?
3. **Emotional** - How do visitors feel when they are here?

It asked what needs to change? What actions are needed How do we deliver those?

Priorities were identified including

- People
- Place
- Tourism Services
- Travel & Transport
- Marketing and Information

An outline plan to improve the welcome was developed. Some elements of this have been implemented by partners since such as improvements by Oxford Bus Company with their Park & Ride Service, raising awareness of service levels among the taxi trade (public and private), and efforts to improve information provision. Yet, much of the work was not adequately resourced.

Reviewing this work, what went well and the lessons from it will be important in the scrutiny review process

#### **4c. Regeneration and Development Role**

The West End of Oxford is to undergo comprehensive redevelopment - expanding the city centre to the west - as a series of strategic developments take shape. Following the £440m Westgate development will be Oxpens. OXWED, as a joint venture between the Council and Nuffield College, owns the Oxpens site, which will be transformed into a new neighbourhood with a hotel, up to 500 new homes, together with around 12,000 m<sup>2</sup> of offices and commercial space. Academic buildings, new homes, and commercial space will create a new cluster of working and living space, and importantly, new public spaces. The expansion of rail services at Oxford Station and proposed landmark station building with transport interchange has great potential to attract new tourists and dramatically improve the arrival experience for visitors. A hotel is proposed.

Osney Mead Industrial Estate is within walking distance of Oxford station, and fronts the Thames. This 18 Hectare site, regarded as an under-utilised industrial estate in need of modernisation is subject of emerging plans to transform the area into a new 'innovation district' that can harness the economic potential of Oxford's diverse knowledge base in specialist digital and engineering activities. The site also offers the potential to create much needed new public spaces and enhance walking and cycling connectivity with the adjacent city centre.

#### **4d. Planning Role: Oxford Local Plan 2036**

The Local Plan seeks to encourage sustainable tourism through Policy V5. It seeks to manage the negative impacts of day visitors through the management of coaches and congestion of the arterial roads and public realm of the city centre; and encourage tourists to stay longer through new short-stay accommodation and tourist attractions in locations where they are easily accessible through sustainable travel (e.g. City and district centres or those with good access).

Planning permission will be granted for new tourist attractions where proposals are realistically and easily accessible by walking, cycling or public transport for the majority of people travelling to the site will not cause environmental or traffic impacts; and they are well related to any existing or proposed tourist and leisure related areas; and add to the cultural diversity of Oxford.

#### **4e. Funding and Investment attraction**

The City Council will seek to attract public and private investment for vital infrastructure or tourism product as part of its aims to create a successful and sustainable economy. Experience

Oxfordshire has also been successful attracting funds from Government for Tourism promotion and from its tourism sector partners to promote the county-wide offer.

Oxford City Council is currently eligible to bid for a portion of the £675 million Future High Streets Fund which has been set up to help local areas respond to and adapt to the changes the High Street is facing. It will serve two purposes: it will support local areas to prepare long-term strategies for their high streets and town centres, including funding a new High Streets Taskforce to provide expertise and hands-on support to local areas. It will also then co-fund with local areas projects including investment in physical infrastructure, including improving public and other transport access, improving flow and circulation within a town / city centre, congestion-relieving infrastructure, other investment in physical infrastructure needed to support new types of use and heritage asset development. Council Officers are currently exploring the potential of this fund to contribute to the Council's overall economic, city centre and sustainability aims.

Business Improvement District: The introduction of a Business Improvement District (BID) in Oxford City Centre remains an opportunity to finance the management of tourism. A BID is a business-led and business funded body formed to improve a defined commercial area. The potential benefits and uses of BIDs are wide-ranging and funded activity might include:

- Enhanced marketing and promotion
- Spend on infrastructure, movement and environment
- Place shaping activity
- Facilitated networking opportunities with neighbouring businesses
- Staff resource for management and ambassadorship.

A BID is funded through the BID levy, which is normally between 1% and 1.5% of the hereditament's rateable value. Once a ballot is successful the BID levy is mandatory for all eligible businesses above the threshold set in the BID proposal. BIDs can choose to exempt certain businesses from paying the levy (and therefore from voting in the BID ballot). Many BIDs exempt the smallest businesses; and some exempt certain business sectors.

CIL/S106: As city centres continue to transition into the future there will need to be more of an experiential offer, improved Streetscene and visitor management within the public realm. Public art is a particularly good way of achieving this and can be used strategically to change and influence the way visitors move around a city centre.

Tourism Levy: A number of places have started exploring the case for levying forms of tourism tax. Indeed tourism levies operate in a number of EU cities or towns. A number of councils in the UK, Birmingham, Brighton, Edinburgh, Cornwall and most recently Bath councils have all discussed the possibility of introducing a tourist tax but none have gone ahead yet.

Edinburgh councillors have voted in favour for what could be the UK's first. The Transient Visitor Levy (TVL) scheme would include a flat £2 per night room charge, applicable to all types of accommodation apart from campsites. It will only come into effect once the Scottish Parliament passes enabling legislation, and would raise £14.6m each year. Birmingham is the most likely candidate to take this forward in England at present, but this will be within the context of them hosting the Commonwealth Games – the levy will be targeted, hypothecated and time limited (as was the Olympic tax in London).

The basic principle of a tourist tax is that it provides a means to generate additional funding for the tourism industry (e.g. museums and galleries) and/or funding for public services used by tourists.

There are several ways in which a tourist levy could be introduced. However, it is understood that the city would need to obtain central government approval (probably through primary or secondary legislation possibly through a Parliamentary Act). This would require the council to clearly articulate;

- How would a tourism levy be charged and at what rate?
- How would it be collected and administered?
- What exemptions would apply?
- How much revenue could be raised?
- How would it be spent and under what governance arrangements?

A local tourist tax is only likely to be acceptable if a local authority can demonstrate that:

- there is a robust evidence base that the local economy could support the introduction of the tax, including the likely start-up, collection and enforcement costs;
- existing alternatives, such as Business Improvement Districts, have been fully considered;
- there is local support for the tax (a referendum of some sort); and
- the scheme has been developed in partnership with local businesses and residents, who should continue to have a voice in the evolution and review of the scheme.

In considering a local levy, the council would have to make a very robust case or rationale for the levy including how it will effectively target this. It would also need to undertake the cost benefit analysis of administering it including mitigating the unintended consequences. As an alternative to the taxation of bed spaces in hotels, there may also be options for introducing a local road charge for high emitting coaches, for example, although this would be for the County Council to decide, and has yet to be explored.

**4f. Street-scene services; waste collection & deliveries:** Getting the everyday services right is imperative to the successful operation of the city centre and providing a clean and safe environments for its visitors. The City Council has set out 'Street-scene and Ground Maintenance Service Standards' which highlight that shopping areas of high footfall are swept daily as are the bins emptied daily. It sets out how businesses can report problems and there is an undertaking to provide extra cleaning within one working day of a report. Feedback on services is sought regularly by the City Centre Manager and the service standards are regularly reviewed.

Arranging for the collection of commercial waste is the responsibility of individual businesses. Regulations are in place on the timings of collections and when waste can be placed outside premises for collection in the main retail areas. The County Council, as Highways Authority, regulates delivery timings across the city centre. In general deliveries are permitted outside the hours 10am to 6pm. Enforcement of these regulations will become even more essential post Westgate re-opening with greater traffic in the City

City Ambassadors are recruited by Oxford City Council to identify problems across the City and report back to Enforcement Officers if action is required. Two Ambassadors work 6 days a week, 6 hours a day.

## **5. Destination management function and coordination**

VisitEngland's 2014 Guidance Document on City Centre Management and the Visitor Economy states City or town centre management is often described as 'a coordinated pro-active initiative designed to ensure that town and city centres are desirable and attractive places'. Town Centre Management, in particular in its most recent incarnation Business Improvement Districts (BIDs), often has a mandate for marketing the place. Destination management is a process of leading, influencing and coordinating the management of all the aspects of a destination that contribute to a visitor's experience. Destination Management Organisations (DMOs) are involved in developing product, setting out what is needed in terms of physical improvement, service standards and

facilities in order to meet the growing expectations of tourists and delivering initiatives to meet those expectations. Although the most visible output of destination management is often the marketing so there is a misconception that it is a marketing based activity. In many cases DMOs cover a much wider geography than a town or city centre. The reality is often not that clear cut and every local area has variations and as local priorities and funding levels change the work of destination management and city or town teams cross over. Regardless of local roles and responsibilities between delivery organisations the functions are interdependent and each type of organisation has expertise that should be shared and activity that should be aligned to enable each to maximise the growth potential for local areas.

Town Centre Management	Visitor/DMO benefit
Managing the city/town events diary	Addressing seasonality Helping to make a town distinctive
Facilitating/managing markets	Contributing to local vibrancy Helping to make a town distinctive
Running local quality schemes e.g. Best Bar None, Britain in Bloom	Contributing to a feeling of safety and well-being Creating an attractive public realm Delivering good customer service
Liaising with stakeholders that have an impact on the smooth running of the town in particular police, the local authority, traffic managers etc.	Ensuring basic facilities for visitors i.e. toilets, parking Providing a safe environment
Liaising with and supporting traders both individually and through associations	Contributing to local vibrancy Delivering good customer service
Helping to deliver business support initiatives such as shop watch	Helping to sustain the product
Monitoring the health of the town/city in terms of shop vacancy rates and encouraging new businesses	Contributing to local vibrancy Helping to make a town distinctive
Monitoring the appearance of the town/city and helping to deliver improvements e.g. graffiti removal	Helping to create a welcoming and attractive environment
Conducting audits and research activity to help with decision making	Contribution to developing tourism sustainably
Inward investment	Contributing to local vibrancy Helping to refresh the destination offer/product

Figure 6: Guidance Document | City Centre Management and the Visitor Economy | VisitEngland |

### 5a. Experience Oxfordshire, Board membership role

Experience Oxfordshire (EO) is the official Destination Management Organisation (DMO) for Oxfordshire. Experience Oxfordshire is the trading arm of the parent charity, the Experience Oxfordshire Charitable Trust, and are a not-for-profit partnership organisation that is committed to the promotion, management and development of Oxfordshire as a great destination to live, work, visit and do business. EO work with businesses to grow and develop the visitor economy and work to ensure that Oxfordshire becomes a leading destination for tourism, culture and business. They have a growing Partnership network of businesses spanning all parts of the visitor economy and through effective collaboration are working to ensure that Oxfordshire is a world renowned destination of choice.

While it is difficult to measure the direct impact of tourism promotion efforts, there is undoubtedly a positive impact. In 2017 the EO visitor guide was downloaded 18,000 times, they have 17,000 followers on twitter and the visitor information centre welcomed just fewer than 500,000 people. They have won awards for DMO and VIC of the year very recently. They play a vital role in supporting and promoting tourism. Their membership has grown well over the past three years and they have recently taken on a new business manager to further develop their membership offer.

EO is still in receipt of a funding contribution from the Council, but evolving their financial model. In 2011 Experience Oxfordshire were given a ten year lease for City Council owned premises on

Broad Street. The rent was £85,000 per year and increased to £95,000 following a rent review in 2016. The Council paid the rent by awarding a second annual grant to Experience Oxfordshire. The total grant contribution budgeted for 2018/19 is £173,000, made up of the £95,000 rent reimbursement plus a £78,000 service grant. The four year service grant agreement expires in March 2021. The Council's consultation budget proposes a reduction of 20k next year then 25k with the remainder in year three. The City Council will cease paying a grant to cover EO's rent in 2021.

## **5b. Pressures and Challenges**

While there are significant economic benefits of tourism, it can also make the city centre feel more like a crowded tourist destination than an asset for local residents and workers to enjoy. There is a perception that many Oxford residents living in the less affluent areas seldom go into the city centre as they do not feel it is for them, or that those that work here do not enjoy the centre in the evenings and weekend.

Such high numbers of visitors also place a strain on Council services, such as keeping the streets clean. Large groups of tourists create additional waste; require Public Toilets, Coach Parking, and adequate Wayfinding. The present wayfinding scheme may benefit from improvements so visitors can successfully navigate their way around the centre. As a result of the redevelopment of the Westgate Shopping Centre and other smaller redevelopments in the city centre some of the signs are now incorrect but there is no budget to replace or update them.

## **6. Concluding officer remarks**

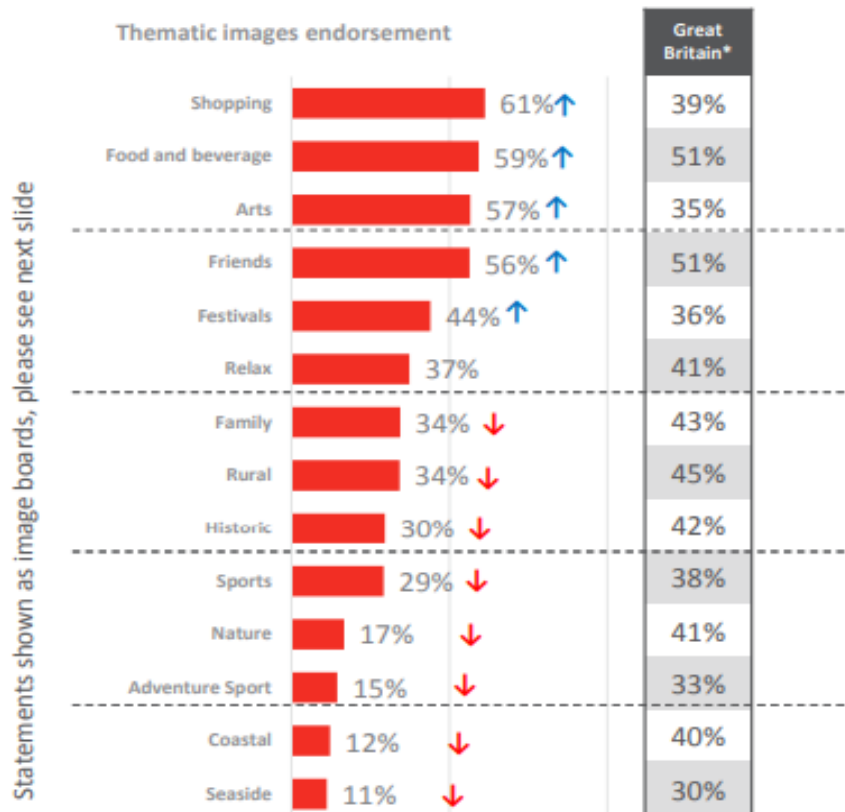
It is likely, based on previous discussions and evidence available, that the case for targeted and heightened level of coordination around visitor management needs to be explored properly.

Past experience in this area suggest that without a clear and realistic plan, leadership and resourcing, future destination management work will not be successful.

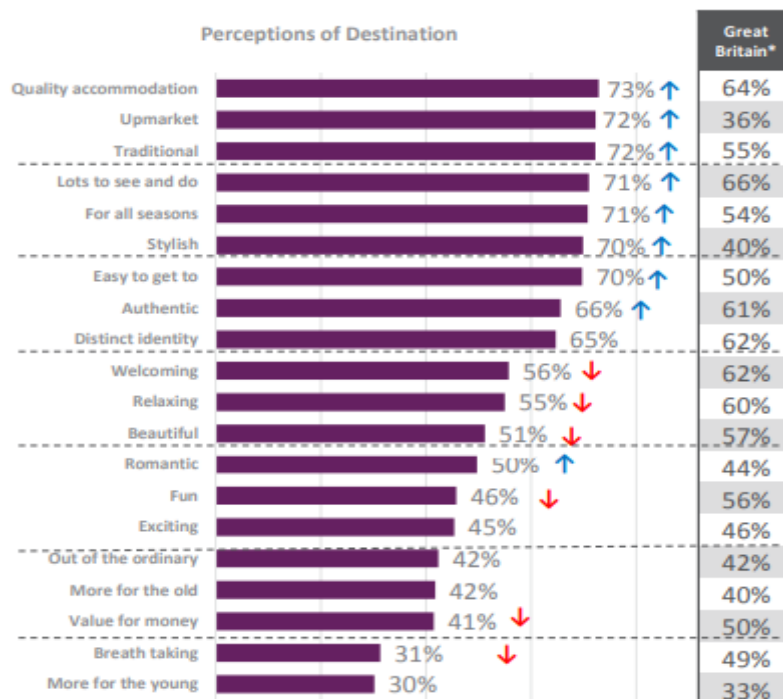
It is important to decide on what is possible, and the level of ambition we wish to show, and ensure resources are better coordinated alongside clear leadership. This is of course set against a backdrop of budgetary pressures for local government and reducing funds for tourism.

Despite significant visitor numbers and the tourism economic benefits, should further marketing opportunities be explored to assist with increasing tourist dwell time and encourage visitors to stay longer and to shop in Oxford?

## Appendix 1 – VisitBritain Perception Survey



Themes and place, Visit Britain Visitor Perceptions Survey, 2018



Perceptions and place, Visit Britain Visitor Perceptions, 2018

## Appendix 2

### ***Distinctive areas of the City Centre***

City centres are defined by the historic phases of development and renewal that they undergo. In a historic city like Oxford, this has given rise to distinctive areas that have their own character, uses and opportunities. The character of these areas can also be harnessed further to help communicate their identity and improve the sense of orientation for those who use them, particularly those new to it such as tourists. The city centre has five areas of the city which have their own distinctive character and may require differing approaches to place shaping and public realm. The perceived boundaries of these areas do overlap to show how in practise they do directly relate to each other in a dynamic way.

**The High:** The High is the area of the city to the north and south of the High Street comprise a range of educational and cultural uses in historic buildings, which help to define the intrinsic character of the City centre. It includes a number of leading University of Oxford colleges and associated buildings, such as the Radcliffe Camera and the Bodleian Library which are truly iconic buildings that place Oxford on the world stage. This area comprises a number of listed buildings and lies within the heart of the City and University Conservation Area. These historic buildings, the spaces between them and the medieval street patterns create an attractive and interesting public realm providing a memorable experience for tourists and those visiting or passing through this area.

*Aims and opportunities for The High:* The principle aim will be to support proposals and investment in the historic fabric of this area, which will positively improve and enhance its historic legacy. This approach will help to support key educational and cultural uses and strengthen Oxford's role as a world-class tourist destination. Proposals to improve walking and cycling routes within this area and their linkages to the City centre will be supported. The High Street is a broad thoroughfare, and currently heavily used by buses and taxis; through the evolution of the Oxford Transport Strategy, there may be opportunities for part pedestrianisation.

**The Commercial Centre:** This area includes the Primary Shopping Area (PSA) as defined within the Local Plan which comprises the main commercial uses within the city centre. Carfax Tower is considered to be the heart of the city. The primary shopping streets are Cornmarket Street, Queen Street and the eastern end of George Street and the western end of High Street. The shopping experience is enriched by two shopping centres the Clarendon centre and the new Westgate Shopping centre open in late 2017 after extensive redevelopment. The 'Covered Market' provides a distinctive retail offer together with weekly markets in Gloucester Green. Next to Gloucester Green is the bus terminal for services to London and local services to neighbouring towns. To the south-west is the Castle site which is a successful example of regeneration that includes the Malmaison hotel and the historic Castle Mound. This area comprises a number of listed buildings and lies within the City and University Conservation Area.

*Aims and opportunities:* The redevelopment of the Westgate Shopping centre will hugely strengthen the retail and leisure experience for those visiting, working and living within this area. This may also shift the axis of the commercial centre slightly to the west of the city but will create opportunities for a greater mix of retail, leisure, service, office, cultural and tourist uses within this commercial centre. Significant improvements to the public realm will be delivered by the Westgate development with the formation of new public squares, it will be important to ensure that these measures are directly linked with the rest of the City centre as part of a programme of way-finding and wider public realm improvements. In line with this is the pedestrianisation of Queen Street and the 18 month trial now starting to remove buses entirely from this street. With regards to Cornmarket, proposals to improve the public realm and street furniture need to be taken forward.



There is also the opportunity to create new street trader stalls and create its very own sense of space. Specific mention also needs to be made concerning George Street, it has become a food/leisure and evening destination in recent years and there is the possibility for part-pedestrianisation and improvements to the streetscape.

The future redevelopment of Oxpens and the Station site offer significant opportunities to improve the connectivity and public realm that could bring real benefits to the City centre.

**St. Giles:** This area comprises the land and uses around St. Giles, the main northern and perhaps most attractive entrance into the City centre. It runs from St. Giles church in the north down to Broad Street in the south. The area is characterised by University of Oxford colleges, including both St. Johns and Balliol. St. Giles itself is a wide attractive tree lined street, with college buildings of significant historic and architectural interest making an important contribution to the public realm. The Ashmolean, a Museum of national importance is located on the corner of St. Giles and Beaumont Street, directly opposite the Randolph Hotel. The main commercial uses are largely focused on the west side of St. Giles. Broad Street to the south includes an important presence from the University of Oxford including Balliol and Trinity Colleges. Towards the end of the street wider cultural uses flowing from the University offer some diversity, which includes the Sheldonian Theatre and Weston Library. The south side of the street comprises a good mix of retail and service commercial uses.

*Aims and opportunities:* The principle aim will be to support proposals and investment in the historic fabric of this area, which will positively improve and enhance its historic legacy. This approach will help to support key educational and cultural uses and strengthen Oxford's role as a world-class tourist destination. Proposals to improve walking and cycling routes within this area and their linkages to the City centre will be supported. The future use of Broad Street and St. Giles should be explored through the Oxford Transport Strategy (OTS) together with emerging Local Plan policies to maximise the benefits for those walking and cycling in the area. Detailed proposals have come forward for the partial pedestrianisation of Broad Street towards the eastern end of the street, which would bring real improvements to the public realm. These measures will add to the opportunities for a greater mix of uses and activities and promote the vitality and viability of this area.

**The Station Site and Oxpens:** This area of the city lies to the west and is bounded by the railway line it comprises some key land uses such as the Railway Station to the north and the Ice Rink and surrounding open space to the south. It includes a number of major sites which are either vacant and or under-used. The walking and cycling routes to the City centre are well used but are not always clearly signed, providing a poor experience for those passing through the area or experiencing it as a visitor. In the midst of this area is **The 'Island site'**: this site is bounded by Park End Street and Hythe Bridge Street and provides an important key link between the train station and the city centre. The 'Island site' together with the buildings on the south-side of Frideswide Square have recently been bought on a long-term lease by Nuffield College. The College is currently at the early stages of drafting a Master Plan for the future development of this site,

*Aims and opportunities:* This area of the city offers the most significant sites with development potential, such as the Station site, Oxpens and the Island site. Their future redevelopment, flowing on from the soon to be completed Westgate development, will be vital to the wider regeneration of the West End of the City centre. These sites have a high profile and their development particularly the Station site with a new train station and bus interchange has the potential to transform this area of the city. The new developments will comprise mixed-use schemes for residential, offices, R&D, retail and leisure uses that will provide the opportunity to help define the character of this

area and create new public spaces. Walking and cycling routes between this area and others within the city centre could benefit from improvements both in terms of their condition, legibility and make better connectivity between key sites. Just outside the Western boundary, separated by the rail-way line and the river Thames, is **Osney Mead Industrial Estate**. If the University's emerging masterplan is realised for this under-sued industrial site, and if the connectivity issues are managed, it is conceivable a new western innovation district, perceived as part of city centre, could be created in the longer-term.

**Follybridge and Riverside:** The Follybridge is located to the south of the City centre, which acts as a gateway to the city linking St. Aldates to Abingdon Road. The area around St. Aldates comprises a mix of uses including educational, commercial shops and offices and administrative buildings such as Crown Court, Magistrates Court. Adjacent to Follybridge there are some tourist / visitor related uses including a boat-hire business, pub and restaurant.

*Aims and opportunities:* This area around Follybridge has the potential for making better use of its tourism and service offer. It is situated next to the River Thames which does offer opportunities for adding to the transport connections around the city. The proposal is to develop a 'riverside strategy', which would extend out beyond city centre and seek to encourage more visitors walk or cycle in, or simply enjoy these areas. A riverside cycle improvement scheme is already being explored by the City and County Councils with a view to providing more direct and quicker routes around the city.

## **Outstanding questions from the Tourism Management Review Group's previous meeting**

**14 March 2019**

### **What has happened with the Community Toilet Scheme?**

1. The scheme was not allocated funds beyond its set up to sustain the running of it. No officer was given it as part of their remit once it had been set up by Direct Services. Other cities operating the scheme make flat payments to cover costs but Oxford has never done so and this may explain the lack of take up.

### **What are the occupancy rates of hotel rooms in Oxford?**

2. The Review Group has been provided with a report on hotels and short-stay accommodation in Oxford as part of this meeting. This shows that in 2015, Oxford had an occupancy level of 80.6%, which was higher than the regional average and almost as high as the average for London hotels at 82%, but below that for Bath (84.5%). No hotels had closed between 2009 and 2015.

### **How could a congestion charge be used in relation to coaches?**

3. The Review Group has been provided with an extract from a 2018 Parliamentary Research Paper on Local Road Charges, as set out below. The full report can be [found here](#).
4. Charging schemes may only be made "if it appears desirable for the purpose of directly or indirectly facilitating the achievement of policies in the charging authority's local transport plan". Local Transport Plans (LTPs) contain the strategic transport priorities of the relevant charging authority. The procedure involved in making a charging scheme, as set out in the Act, is quite straightforward: the charging authority makes an Order for a scheme. If the authority or authorities (in the case of a joint scheme) are entirely within England, outside London, then they may proceed to introduce the Order as they see fit. There is no requirement to hold local referenda or to obtain approval from the Secretary of State or anyone else.
5. The charging authority may seek views from local people or representatives but this is at the authority's discretion. In practice, as road charges are so controversial, it would likely be a brave authority that did not seek to consult their voters in the fullest possible manner. An Order establishing a charging scheme must:
  - Designate the relevant roads;
  - The circumstances under which a charge will be imposed;
  - The classes of motor vehicle(s) in respect of charges will be imposed; and
  - State the duration of the charge.
6. A charging scheme may make provision in relation to the manner in which charges are to be made, collected, recorded and paid. The charges that may be imposed by a charging scheme include different charges (which may be no charge) for different cases, including different days; times of day; roads; distances travelled; classes of motor vehicles; and methods or means of recording, administering, collecting or paying the charge. This can be explored with guests from the County Council, at the meeting on 14 March 2019.

## **How much money could be generated through a tourism tax on hotel rooms and short stay accommodation, for reinvestment?**

7. In order to understand the scale at which a tourism tax could be introduced in Oxford, the Review Group may wish to consider the outcome of detailed studies undertaken in Bath and Edinburgh, for example.
8. Bath City Council, which has approximately 2,000 hotel rooms, estimates that £2.4m could be generated each year from a £1 per person per night charge. Similarly, Edinburgh, which has approximately 13,000 hotel rooms, estimates a revenue income of £11.5m. These studies also factored in the availability of short stay accommodation such as Airbnb, which are not included in the total hotel numbers.
9. In each case, the studies broadly show that in cities with a similar hotel occupancy rate and tourism draw, approximately £1m may be generated per 1000 hotel rooms per year. Including granted planning permissions, Oxford is expected to have 3,200 rooms soon. This is an illustrative comparison, and depending on a series of other factors that have not yet been considered, revenue income for Oxford could range from £1m to £9m per annum. Further detailed work would be required to give a more accurate appraisal.

### **What are the arguments for and against the introduction of a tourism tax?**

10. The Review Group has been provided with an extract from the “Options for a tourism levy for London” 2017 report, set out below. Many of these matters would be transferable to the Oxford context. The full report discusses how the introduction of a tax might operate in London, and it can be [found here](#).
11. Arguments for a tourism levy - The main economic arguments for a tourism levy are based around internalising the externalities of tourism. This externality argument has two main aspects. The first relates to the observation that tourists impose costs on the host society (and on other tourists), which are not accounted for in the private costs of the tourist. Examples include congestion and pollution generated by consumption of services like transport. Crowding, queues at popular attractions and untidy environments affect residents and businesses of the host nation as well as other tourists and can discourage visitors to a particular destination.
12. Therefore, the argument is there should be appropriate policies to internalise these externalities which optimise the volume of tourism. In theoretical terms, a tax or levy equivalent to the marginal external cost should be introduced, the revenue from which could be used to compensate residents or to mitigate the externality. The second aspect of the externality argument relates to the provision of public goods to visitors. Tourists consume un-priced natural amenities and public goods, which in turn gives rise to the free rider problem.
13. Public goods have two features: they are non-rival and nonexclusive. A good is non-rival if for any given level of production, the marginal cost of producing it to an additional consumer is zero. A good is non-exclusive if people cannot be excluded from its consumption. Tourists consume a range of non-exclusive public goods while visiting their destination. These might include the water and sewerage systems, utilities, waste disposal facilities, parks and recreation areas, health care facilities, police and public safety services. Local residents make a significant contribution to the provision and maintenance of public goods through direct taxes such as income taxes and property taxes like council tax.

14. International visitors are argued to make little contribution to national or local funding for these types of public goods. Tourism taxes and levies appeal to policymakers because the levy when applied to international tourists is 'exportable', i.e. the burden does not fall on residents. Of course, this argument would apply to a lesser extent to domestic visitors to London. In the case of London, cultural attractions that are free or heavily subsidised might also come under this heading although they would not meet the technical definition of a pure public good since charging for entry is eminently possible. Nevertheless, the same free rider argument tends to be raised; that the UK government provides free entry to cultural attractions for the benefits to UK society but these are enjoyed by visitors from overseas who make little contribution to their upkeep by way of taxes.
15. There are other more general arguments for taxing tourism. Governments across the world spend a significant amount of money promoting tourism and the UK is no exception. London's tourism offer is promoted by London & Partners. It is argued that since governments spend considerable sums promoting tourism, there is a case for those who gain (the tourism sector) to bear the cost of promotion. Ihalanayake (2007) also argues that rent extraction and Government Revenue Generation are economic arguments for taxing tourism.
16. Arguments against a tourism levy - There is generally strong opposition to the idea of hotel bed taxes within the hotel industry although not necessarily the wider tourism sector. As Lyons (2007) noted in their review: "I received a great deal of correspondence on the possible introduction of a blanket tax on tourism. Over 500 individual businesses sent proformas to my Inquiry opposing this and 'Caterer and Hotelkeeper' organised a 'say no to bed tax' petition with 4,028 signatures. I also received correspondence from larger organisations such as Butlins, Travelodge and Pontins as well as tourism representative bodies".
17. When the introduction of a £1 hotel bedroom tax was raised by Camden council, the Deputy CEO of the British Hospitality Association said: "Any additional tax on top of the existing 20% VAT, which is almost the highest in Europe, would directly discourage international tourists from visiting London... A tourist tax could also be costly to collect and almost impossible to collect from the flats and houses let illegally through online companies like Airbnb."<sup>22</sup> As alluded to in these statements, there are several arguments put forward against hotel accommodation taxes, which are similar to those made in campaigns to reduce VAT on hotel accommodation. Industry representatives argue that hotel taxes reduce the competitiveness of the sector relative to competitor destinations.
18. They argue that tourism is highly price sensitive because of the many close substitutes so an increase in price due to the tax would lead to a large decrease in demand<sup>23</sup>. The tax is therefore seen as counter-productive as the revenue generated would be outweighed by the benefits foregone in tourism expenditure which generates jobs and income. Related to this, if tourists have a fixed budget for their trip then they may simply subtract the levy from their total holiday expenditure. A second argument is that the tourism sector in the UK is already heavily taxed.
19. The World Economic Forum (2015) 'Travel and Tourism Competitiveness Index' found that the strength of the UK tourism sector was weighed down by its heavy ticket taxes and airport charges. As discussed above, VAT is charged at the standard 20 per cent on hotel accommodation in the UK, however, a number of other

European countries offer a reduced rate of VAT on hotel accommodation. Other taxes and charges impacting on the tourism sector include (among others): Air Passenger Duty, visa/entrance fees, Licenses to serve alcohol and other more general taxes like business rates and/or PAYE.

20. A third argument against tourism taxes and levies is that they only apply to a segment of the wider tourism industry i.e. commercial accommodation. Many of the arguments to tax tourism could equally apply to other service providers such as restaurateurs, entertainment venues, or visitor attractions. Moreover, tourists staying in commercial accommodation as opposed to those staying with friends or relatives are arguably unfairly penalised. Finally, the administrative burden of collecting tourism levies falls on businesses rather than the tourist, adding to their cost base. Some commentators have argued that operators should be able to offset these costs against the tax they pay.
21. Finally, there is also a concern that competition could be distorted if the levy were not to apply (or could easily be avoided) by less regulated parts of the sector such as non-serviced accommodation provided through websites like AirBnB.

## Hotels and short-stay accommodation in Oxford

### 1. Introduction and purpose of this paper

This background paper sets out the key evidence to support the development of preferred options and emerging policies for the Local Plan 2036. The evidence will be used to inform the future location and amount of hotel and short-stay accommodation within the city.

This paper supplements and updates the Sustainable Tourism Background Paper that was published as part of the Issues stage of consultation in 2016, to explain any changes since then and new evidence.

### 2. Policy context

#### National policy

National advice is set out by Government in the National Planning Policy Framework (NPPF, 2012). There is a clear ‘presumption in favour of sustainable development,’ which would be assessed according to 12 overriding principles. Of particular relevance to this background paper is the requirement for future provision of hotels and short-stay accommodation to be considered within a ‘genuinely plan-led’ approach that will ‘proactively drive and support sustainable economic development,’ and encouraging the ‘effective use of land’ and the promotion of ‘mixed-use developments.’

This should be planned within a framework that seeks to actively ‘manage patterns of growth’ favouring sustainable locations, such as town centres, that make the fullest use of public transport, walking and cycling. The delivery of sustainable development is necessary to build ‘a strong competitive economy’ that will secure economic growth to create jobs and prosperity to support an economy fit for the 21<sup>st</sup> Century. This should be carried out within a clear ‘economic vision and strategy’ for local and inward investment to meet the future needs of existing business sectors, such as the hotel and tourism sector that is important to Oxford’s economy. The role of town centres and the promotion of vitality and viability will be critical to their future success.

#### Oxford Economic Growth Strategy 2013-2023

The City Council and its partners have sought to take a proactive approach to Oxford’s economy by working in partnership with key stakeholders and business. The Oxford Strategic Partnership (OSP) commissioned consultants (Shared Intelligence) to develop an Oxford Economic Growth Strategy (OEGS). The OEGS defines the role of the city, ‘Oxford is a national asset and essential to the future of the UK and the regional economy as a whole.’ The productivity and competitiveness of the city is clearly expressed in its contribution to the national economy. Tourism is critical to Oxford’s economy and has an international reputation.

Amongst the key recommendation is therefore the aim of extending the value of Oxford's tourism across the region. This will be achieved through the development of an Action Plan and actively working with partners, particularly Experience Oxfordshire and the Destination Management Organisation to extend the tourism and cultural offer and event calendar. Other key measures will include the need to increase the quality of the tourism offer and to extend the range of tourist accommodation in particular the provision of hotels in Oxford to extend trips and visitor expenditure across the region.

### **Strategic Economic Plan (SEP)**

Oxfordshire's Strategic Economic Plan (SEP) has been developed by the Local Enterprise Partnership (LEP) in partnership with the business community, academic institutions and the Local Authorities and was submitted to Government on the 31st March 2014. This sets out the long term vision and ambitions for economic growth in the county. The scale, ambition and deliverability of the SEP will form the basis of Growth Deal negotiations with Government and determine Oxfordshire's allocation from the Local Growth Fund (LGF). The overall vision for the Oxfordshire Strategic Economic Plan is that by 2030 "Oxfordshire will be recognised as a vibrant, sustainable, inclusive world leading economy, driven by innovation, enterprise and research excellence."

An updated version of the Strategic Economic Plan (SEP) for Oxfordshire was published in 2016 and which takes into account evidence that has become available since the first SEP was produced in 2014 considered the important role played by other key sectors such as tourism. This update includes new strategies relating to skills, innovation, culture and heritage, and natural resources and the environment. It acknowledges the changing context for Oxfordshire's economic well-being. The report responds to substantial engagement from the county's businesses, universities, research institutions, local authorities, voluntary and community sectors, and many of its residents. Like its predecessor, this refreshed SEP signals a strong ongoing commitment to sustainable economic growth across the county.

The SEP refresh recognises the importance of historic buildings and the environment in Oxfordshire and the role they play in attracting tourists and making a significant contribution to the local economy.

### **3. Economic importance of tourism**

#### **Economic impact of Tourism in Oxford (2015)**

This assessment was undertaken by consultants, Destination Research on behalf of Experience Oxfordshire. The key headline was that there were some 6.6 million trips to Oxford of which the largest proportion 83% (5.5m) were day trips, with the remaining (17%) 1.1m overnight stays. Tourists spent £625 m during their visits to the area, with an average of £52 m spent in the local economy every month. The spend on overnight visits is £387m which is about 1.5 times greater than irregular day trips that accounts for £235m. Taking into account the wider multiplier effects tourism does account for an overall total spend of some £800m in the local area. There is a total of 13,823 jobs supported for both local residents and those living nearby. Of this total 10,193 comprise jobs directly supported tourism as compared to 3,660 additional non-tourism related jobs linked to the multiplier spend from tourism.



The research compared the economic impact of domestic overnight tourism with overseas overnight tourism. This showed that the overall number of overnight visits for domestic was 0.6 m very similar to overseas visits at 0.5 million. The number of overseas overnight trips (3.1m) is about twice as many as domestic (1.5m) overnight trips. The spend by overseas visitors (£262m) is just over double that of domestic (£125m).

The study carried out a comparison between 2015 and those figures for 2014. This showed that the number of day trips measures by volume had fallen slightly by-2.8% to 5, 501,004, but when measures by value there was an increase by 2.2%. The number of overnight trips has increased marginally by 0.3% to 1,093,000 in 2015, whilst the number of staying nights had increased by 1.6% to 4,577,000. The most significant change was in the total staying spend which showed a greater increase of 5.3% to £386,717,000. The total value of tourism in 2015 has increased slightly by 2.3% (£799,816,000) as compared to 2014. The total actual tourism related tourism in 2015 is estimated to be 13,823 jobs, which represents a slight increase of 3.9% compared with 2014. This represents 11.3% of all employment in Oxford.

#### 4. Supply of hotels in Oxford

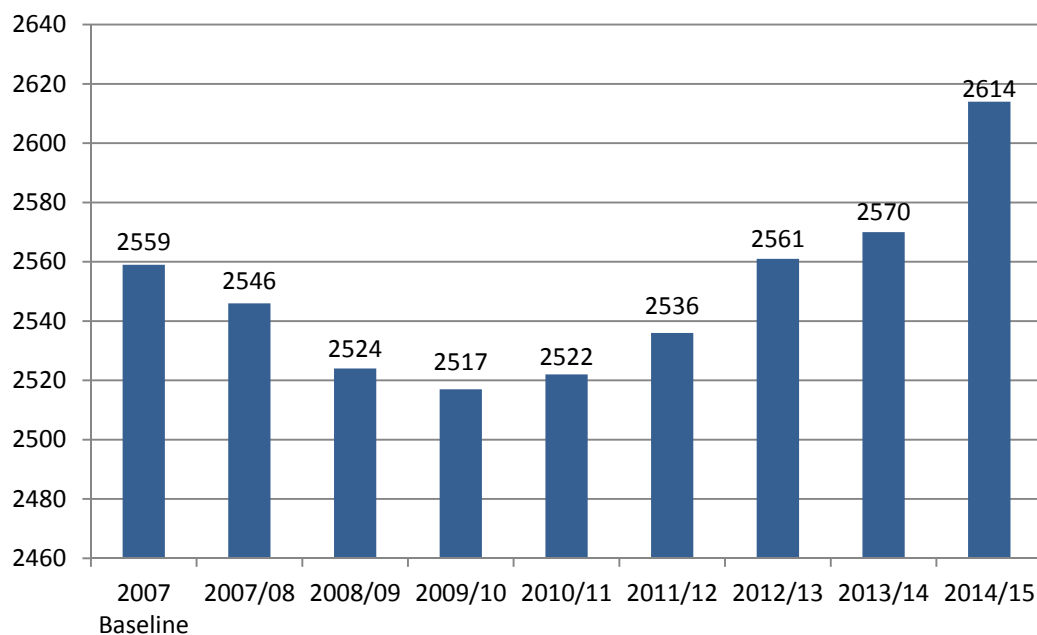
##### Hotel provision

Business rates data shows that there are 26 hotels and 46 guest houses in the city. In 2007, the Oxford Hotel and Short Stay Accommodation Study found that the city had 23 hotels and 74 guest houses together providing 2,416 rooms, 72.5% of which were at the hotels and 27.5% at the guest houses. (In addition there were 3 hostels, 34 serviced apartments, 61 self-catering units and 6,500 rooms at the colleges.) In the previous 5 years the hotel supply had increased by 17.6% and the guest house supply had reduced by 6.9%.

**Figure 1 Hotel provision in Oxford over time**

Year	2002	2007	2017
<b>No of hotels</b>	20	23	26
<b>Number of guest houses</b>	79	74	46

Recent research undertaken by the City Council shows the following overall increase in hotel provision since the earlier study was carried out in March 2007. This assessment is based on the data collected and published as part of the Annual Monitoring Reports (AMR's) for the following eight years up to 2015. The table below shows the latest published position, which is taken from the 2015/2016 AMR.



**Figure 2 Supply of short stay accommodation bedrooms (completed developments) 2007/08-2014/15**

In terms of trends this shows that there was a decline in the number of short-stay accommodation bedrooms available from 2007/08 to 2009/10, which was likely a result of the wider economic downturn. However, since 2010/11 the situation has been steadily improving, with the number of short-stay accommodation bedrooms surpassing the Core Strategy baseline for the first time in 2012/13. The 2014/15 monitoring year has shown the biggest annual increase to date, with a net increase of 44 short-stay accommodation bedrooms (Table 9). Based on these figures, there were a net total of 55 additional short-stay accommodation bedrooms available in 2014/15 in comparison to the Core Strategy 2007 baseline.

In terms of sites coming forward and investment in the hotel market the following sites show the principle areas of interest as follows:

Recent hotel completions:

- Planning permission was granted to Travelodge for a new hotel with **83** bedrooms, on appeal on the Abingdon Road, which in an out-of-centre location. This development is now completed;
- Planning permission has been completed for a **87** bedroomed hotel operated by Holiday Inn on land adjacent to the Priory public house in Grenoble Road, Littlemore, which is in an out-of-centre location.
- A new boutique hotel (Vanbrugh Hotel) has been completed and is fully operational in St. Michael's Street in the City centre, which comprises **22** bedrooms;
- Extension and change of use of dwelling to provide **10** hotel bedrooms, Four Pillars Hotel, Abingdon Road
- Significant refurbishment work has been carried out to the Old Parsonage in St. Giles, City centre to provide **5** bedrooms

- Extension to the Oxford Spires Hotel in Abingdon Road to increase the number of bedrooms by **10**
- Erection of two-storey side extension to provide an additional **4** guest bedrooms, 25 London Road, Headington
- Erection of single storey building to form staff accommodation and conversion of existing staff accommodation to provide **3** additional guest bedrooms, Red Mullions Guest House, 23 London Road, Headington
- Change of use and extension of property to form **4** x 1 bed holiday apartments
- Change of use of property to guest house, Osney Arms, 45 Botley Road, Oxford of **11** rooms
- Conversion of house into guest house (**6** beds), 228 London Road, Headington
- Extension to provide staff accommodation and **9** guest bedrooms, Coach and Horses 62 St Clements

### Benchmarking hotel provision

The Bath Hotel Future 2015 Study, published in July 2015 comprised a detailed assessment of the supply and demand for hotel accommodation. This study included an assessment of comparable historic cities which included Oxford, Cambridge, York, Chester and Exeter.

**Figure 2: Benchmarking hotel provision**

	<b>Number of establishments</b>	<b>Number of rooms</b>
Oxford	33	2040
Bath	35	1715
Cambridge	32	2377
York	58	3222
Chester	35	2176
Exeter	33	1733

Oxford (33) had the same number of establishments as Exeter (33) and very slightly more than Cambridge (32) but slightly less than Bath (35) and Chester (35). York however had almost double that of Oxford and the other comparable cities with a total of 58 short-stay establishments. In terms of rooms York has the greatest number of bedrooms with 3222, which is over 840 more than Cambridge. Whilst Cambridge has over 340 more than Oxford and 200 more than Chester; and over 600 more than Exeter and Bath.

The study showed that *'hotel development trends have been similar across all six comparator cities between 2009 and 2015.'* These trends have included a *'general move upmarket'* with the *'upgrading of 3 star hotels as 4 star and boutique hotels, the opening of a new 5 star and boutique hotels in some cities, and some loss of poorer quality 2 star / lower grade hotel stock'*. New Premier Inn and / or Travelodge budget hotels have opened in most of the cities and the supply of serviced apartments and aparthotels has gradually increased.'

## 5. Hotel investment

### Outstanding planning permissions

There are more potential hotel investments in the development pipeline. These include:

- Three-storey extension to existing hotel to provide **63** additional bedrooms, Premier Inn, The Longwall Garsington Road, Cowley
- The Oshmanti Group has received planning permission to convert 15-19 George Street in the city centre into a **40** bed 4 / 5 star hotel
- Planning permission was granted at the Eastgate Hotel, City centre, for an extension to add **12** bedrooms and upgrade this 4 star hotel
- A planning application was submitted by Indigo for a hotel on the Cooper Callas site within the City centre, but due to the scale of the proposed development was refused permission. A revised planning application has now been submitted. The proposed development comprises a six-storey building with **140** bedrooms.
- Change of use of workshop to form hotel bedroom, Malmaison Hotel, New Road
- Change of use of upper floors to hotel, 107 St. Aldates
- Change of use of offices to additional hotel use (**5** beds), Old Parsonage Hotel, St. Giles
- Three-storey infill extension, 253 and 255 Cowley Road

### Future opportunities

Further opportunities are provided through existing site allocations and other policy provisions:

- Northern Gateway Area Action Plan (AAP) has now been adopted and includes an allocation for a new hotel (up to **180** beds) in this out-of-centre location;
- The Barton Area Action Plan has been adopted and an outline planning permission has been granted for a major residential development Barton (885 houses) to include the potential for the provision for a hotel (**120** beds);
- In the City centre there is potential for the additional provision of hotel accommodation (**150** bed) on the Oxpens site, which includes the prospect of a new hotel within the adopted Oxpens Master Plan Supplementary Planning Document (SPD); and
- There is an opportunity for a new hotel on the Oxford Station site. A joint agreement between the City Council, County Council and Network Rail has been working together to promote the redevelopment of this site. Some Draft Master Planning work has already been undertaken and a competition held to explore some of the key design principles. The draft Station Supplementary Planning Document is also being consulted on in summer 2017.

### Benchmarking hotel investment

The Bath Hotel Study (2015) looked in detail at the current and future activity within the comparator cities. Oxford has experienced some growth and interest in the 'boutique sector' and within the 'budget sector' but other comparable cities have shown even greater activity.

The study assessed the period between 2009 and 2015 to measure the recent activity in the hotel market within the six comparable cities, as summarised in Appendix 1. The city

experiencing the most significant growth was York with 11 new hotels being built within the period, followed by Cambridge with 8 new hotels and Chester with 6 hotels. Exeter only had 5 new hotels recently completed comparable with Oxford who had only 4, whilst Bath experienced the least growth with 2.

As for the type and sector of growth at the top end of the market Bath and York both had a new 5 star hotel, whilst the 4 star hotel activity was restricted to extensions to existing hotels in Bath, Chester and Oxford. The boutique sector seemed attractive to these historic cities with York having 3 new hotels, Oxford and Chester 2 each and 1 for Cambridge and Exeter respectively. There was minimal activity in the 3 - star market with York the only city to increase its stock of accommodation but this was only by way of an extension. The Budget sector which includes Premier Inn and Travelodge, showed the most significant growth during this period with four new hotels in Cambridge, three in Exeter, two in York and one each in Bath and Chester; and overall increasing the total number of bed spaces by 1395. Serviced apartments showed an increase with four in York, three in Cambridge and two in Chester and Oxford. There does seem to be a rise in interest within the aparthotel market as well with two new buildings in Exeter and one each in York and Chester.

## 6. Performance of hotel sector

### UK and regional performance

Hotel Britain Report (BDO) 2016 provides a definitive assessment of the performance of UK hotels during 2015 and the trends likely to influence the market in 2016. This report states that *'regional hotels continued to experience strong growth in 2015 although at a slower pace compared to 2014's stellar results with occupancy up by 1.1% to 75.9% setting a new record in occupancy levels'*. However the Annual Average Room Rate (AARR) was the main driver for regional hotels. Average room rate was up 4.0% to £63.15. As a result of the increases in occupancy and AARR, regional UK hotels' rooms yield grew by 5.1% to £47.94 in 2015.

Hotels in the regions have experienced the fifth consecutive year of rooms yield increase and high rates of growth overall since 2013 and continue to outperform their London counterparts, which shows likely positive growth potential for Oxford. The report suggests that 2016 is *'poised to be another year of growth for the UK economy, with 'GDP growth expected to be around 2.0% per budget.'* Visit Britain 2016 forecasts are also positive and expect the number of visits to the UK to rise by 3.8%, reaching approximately 36.7m and visitor spending expected to be £22.9bn representing an increase of 4.2% on 2015 results.

The Hotel Britain Report 2016 provides some useful information to assess the performance of hotels in the UK which includes statistics on yields, occupancy, and average actual room rates for 2015. The average occupancy rate for all hotels in London was 82.8%, whilst the regional average for all hotels was 75.9%.

### Benchmarking hotel performance

A comparison has been undertaken to assess the performance of Oxford in relation to some comparable historic cities, including Bath, Cambridge, Chester and York, as set out in Appendix 1. This showed that in 2015 Oxford had an occupancy level of 80.6%, which is

higher than the regional average and almost as high as the average for London hotels. Oxford's occupancy level was the same as Cambridge and higher than both York and Chester, but below that for Bath (84.5%). The next indicator used to assess performance was the achieved room rate (AARR), which showed that in 2015 Oxford had achieved £71, which was slightly below Cambridge (£72.2) and just above Chester and York but well above Bath. The third indicator is the average daily rooms yield this showed Oxford to be £57.2, which was just below Cambridge but higher than Chester and York and significantly higher than Bath. Overall these findings show the strength of the Oxford hotel market and the capacity available to support further hotel provision within the city.

## 7.1 Drivers for growth and trends within the hotel sector

### Drivers for growth

Key sectors identified for growth in Oxford's hotel market are:

- Growth in **corporate** demand; including **conferences** and **residential conferences**;
- Growth in demand from the **contractors** market, particularly given the number of major construction projects planned in and around the City;
- Potential for significant growth in **leisure break** demand given the development of new hotels and other types of short-stay accommodation, particularly in the City centre;
- Strong growth in demand from **overseas tourists**, particularly for City centre hotels, guesthouses and serviced apartments, especially with the weaker pound at present; and
- Scope for the growth in the weddings and visiting **friends and relatives** markets as population grows and the University expands.

### Trends and potential threats to the hotel sector

In 2007 the Hotel Study predicted strong growth in the **budget hotel sector**, with continued expansion by Premier Travel Inn, Travelodge and Express by Holiday Inn, and new budget hotel brands. This trend does appear to have continued in Oxford since 2007, with interest from Travelodge and Premier Inn.

The second trend identified was growth the **3 to 4 star market small boutique** and town house hotel chains, such as Hotel du Vin and Malmaison. This trend also appears to have continued since 2007 as shown by the completion and opening of both the Malmaison Hotel (City centre) and the Vandburgh Hotel (City centre).

The trends identified by the earlier study, referred to above, still appear to be very much in evidence since then and are considered likely to continue. More recently however The Hotel Britain Report 2016 report suggests some new trends. Amongst these emerging trends within the market could potentially be the growth of some new formats for short-stay accommodation and in particular the rise of the **Airbnb** type offer. PricewaterhouseCoopers have been regularly surveying hoteliers on a range of issues including the threat posed by the Airbnb type offer. Their survey in 2014 of 35 UK hotel chains (accounting for around 169,000 UK hotel rooms) found that 10% of hoteliers admitted they had seen a decrease in demand as a result of Airbnb activity but most thought sharing economy business models were not (yet) a significant threat to traditional business models. Two years on (2016) their

research revealed that more had seen demand impacted negatively although many hoteliers continue to regard sharing economy platforms as a low to moderate threat to their traditional business model; almost 60% had not seen, or did not admit to seeing, new sharing models impacting their business – this compares to 79% in 2014. They conclude that hoteliers’ attitudes could be partly because this is a stealth competitor and hoteliers find it hard to accurately measure the impact on hotel performance.

In addition there may be new ‘financial models’ such as the emergence of ‘crowdsourcing hotels’ approach currently being explored in London, as an alternative source of finance for their properties and even influencing the design of new hotels.

The BDO research further suggests that there are likely to be a number of other changes within the hotel sector that could influence the market and how it operates. These could include in 2016 a peak being reached in the transaction market, with activity soaring in recent years; together with the continuation of the ‘brands’ dominating the market, leaving less room for the boutique style hotels. It is expected that 90% of new builds will come from the main brands.

Whilst it is forecast that growth in the hotel market will continue there is however concern over the wider global instability both political and economic. Brexit may impact most significantly on the regional hotel performance, such as in Oxford. The operation of hotels is expected to be effected to a degree by the introduction of the ‘living wage’ with operators seeking to pass on these costs to the customers, whilst sub-contracting and the outsourcing of work may become more commonplace.

## **8. Summary conclusions**

### **Policy approach**

The future provision of hotels and short-stay accommodation should be considered within a ‘genuinely plan-led’ approach that will ‘proactively drive and support sustainable economic development,’ and encourage the ‘effective use of land’ and the promotion of ‘mixed-use developments.’ This approach should positively seek to plan for further hotel provision and improvements to the quality of the existing supply of accommodation to encourage visitors to stay longer and spend more. The role of ‘town centres’ and in particular the City and District centres will be required to take an active role in supporting the provision of short-stay accommodation.

The Preferred Options Document makes it clear that the city seeks to prevent the loss of existing short-stay accommodation to other uses. Alongside this there is a preferred approach to permit new proposals in the city centre, district centres and on Oxford’s main arterial roads. This approach would encourage further provision of accommodation which would contribute to Oxford’s long term goal of encouraging a higher percentage of visitors to stay overnight, facilitate corporate travel to support local businesses, and therefore benefit the economy. Allowing short stay accommodation in the centres will also enhance the vibrancy of these areas in lien with the NPPF approach.

### Performance of existing hotels in Oxford

The Hotel in Britain Report 2016 confirms that *'regional hotels continued to experience strong growth in 2015 although at a slower pace compared to 2014's stellar results with occupancy up by 1.1% to 75.9% setting a new record in occupancy levels'*.

The performance of existing hotels in Oxford taking into account key indicators such as occupancy, room rate achieved and yields as compared to both regional and comparable cities shows that there is clearly demand for more accommodation within the city.

In 2015 Oxford had an occupancy level of 80.6%, which is higher than the regional average and almost as high as the average for London hotels. Oxford's occupancy level was the same as Cambridge and higher than both York and Chester, but below that for Bath (84.5%). In relation to other key indicators such as achieved average room rate (AARR) and daily room yields Oxford performed well in comparison to other similar historic cities such as Chester, York, Bath and Cambridge. Overall these findings show the strength of the Oxford hotel market and the capacity available to support further hotel provision within the city to meet this 'unmet' demand and to help generate future economic growth.

### Increase in supply of hotel space

Overall since 2007 there has been significant interest in the hotel sector which has resulted in two new hotels being completed on the outskirts of the city including Travelodge in Abingdon Road providing 83 new bedrooms and the development of a Holiday Inn Express with 87 bedrooms. Some modernisation to existing hotels has taken place such as an extension to the Four Pillars Hotel in Abingdon Road, just outside the City centre, which provided a further 10 bedrooms and a major extension to the Premier Inn, Longwall, Cowley of 63 bedrooms next to the Business Park.

Within the City centre itself a new boutique style hotel (Vanburgh) creating 22 bedrooms has been completed and is now fully operational. This has been in addition to the refurbishment and investment carried out in the existing stock, which includes the Old Parsonage (5 beds) and Eastgate Hotel (12 beds) and an additional 40 bedrooms at 15-19 George Street.

More recently a planning application has been approved by committee for the development of a new hotel by the Dominvs Group comprising 140 bedrooms at the former Cooper Callas site, 15 Paradise Street.

### Development opportunities

There are sites already allocated within the adopted Local Plan including allocations for new hotels in the City centre (Oxpens) and on the outskirts of the city (Northern Gateway). In addition there are other sites coming through the 'pipeline', but opportunities for additional hotels and short-stay accommodation should be explored further within the Local Plan 2036. Priority should be given towards sites within 'town centres' and in particular the City centre and District centres and within any emerging 'transport hubs', which provide a focus for sustainable travel options and or main arterial roads which are well served by public transport together with cycling and walking options.



**Appendix 1 Recent changes in hotel supply between comparable cities during 2009 to 2015**

41

City	5 star number / beds	4 star	Boutique	3 star	Budget	Serviced apartments	Aparthotels	Total Hotels / Beds
<b>Bath</b>								
hotels	1      99				1      108	8		<b>2      215</b>
extensions		41						41
<b>Cambridge</b>								
hotels			1      48		4      631	3      31		<b>8      710</b>
extensions								
<b>Chester</b>								
hotels			2      103		1      120	2      13	1      64	<b>6      300</b>
extensions		2      130						<b>2      130</b>
<b>York</b>								
hotels	1      107		3      123		2      210	4      29	1      15	<b>11      377</b>
extensions				1      24				<b>1      24</b>
<b>Oxford</b>								
hotels			2      32			2      21		<b>4      53</b>
extensions		1      14						<b>1      14</b>
<b>Exeter</b>								
hotels			1      10		3      326		2      18	<b>5      354</b>
extensions								
<b>Totals</b>	<b>2      206</b>	<b>3      185</b>	<b>9      316</b>	<b>1      24</b>	<b>11      1395</b>	<b>11      102</b>	<b>4      97</b>	

Source: Bath Hotel Futures Study 2015

### Hotel performance of comparable historic cities 2015

City	Occupancy (%)				AARR (£)				Rooms yield (£)			
	2011	2015	% ch 14/15	CAGR 11-15	2011	2015	% ch 14/15	CAGR 11-15	2011	2015	%ch 14/15	CAGR 11-15
<b>Oxford</b>	73.8	80.6	2.1%	2.2%	57.10	71.00	14.3%	5.6%	42.13	57.22	16.7%	8.0%
<b>Bath</b>	76.3	84.5	6.5%	2.6%	49.7%	57.95	12.7%	3.9%	37.93	48.98	20.1%	6.6%
<b>Cambridge</b>	75.7	80.6	1.3%	1.6%	56.37	72.21	14.9%	6.4%	42.65	58.17	16.4%	8.1%
<b>Chester</b>	67.5	76.0	2.1%	3.0%	56.00	69.54	13.5%	5.6%	37.78	52.82	15.9%	8.7%
<b>York</b>	78.7	79.6	-2.9%	0.3%	59.14	69.50	10.7%	4.1%	46.57	55.35	7.5%	4.4%

Source: Hotel Britain 2015 | The Guide to the performance of hotels in the UK (BDO Leisure and hospitality services)

#### Definitions:

**Room occupancy:** the ratio of total occupied rooms to total availability

**Average achieved room rate (AARR):** rooms revenue divided by the total number of guest rooms occupied during the year

**(Average daily) rooms yield:** room occupancy multiplied by the average achieved room rate (also known as RevPar)

**Compound Annual Growth Rate (CAGR):** average growth rate on an annualised basis

## The Tourism Management Review Group Scoping Document March 2019

<b>Chair</b>	Councillor Andrew Gant
<b>Membership</b>	Councillors; Pat Kennedy, James Fry, Alex Donnelly, Paul Harris and Dick Wolff.
<b>Officer support</b>	The Scrutiny Officer will support the Review Group around existing committee and panel commitments. Approximately 10 hours a week will be dedicated to producing meeting notes, agendas, organising guests, research and drafting reports. Council officers will also provide technical advice, though their capacity to support the review may be limited among other commitments.
<b>Background and rationale</b>	<p>Oxford is a tourism gateway to the rest of Oxfordshire. The City attracts 7 million annual visitors, and tourism generates over £780 million of income for local businesses, whilst supporting 12% (14,000 jobs) of jobs in the City. In terms of overseas visitors to the UK, Oxford is the seventh most visited city for staying visits. The City is famed for its heritage, and has numerous attractions (many of which are linked to the university), including the Ashmolean Museum, Pitt Rivers Museum, University Museum of Natural History, University Botanic Gardens, Sheldonian Theatre, Christ Church, Radcliffe Camera and Holywell Music Rooms.</p> <p>With predicted visitor numbers set to increase, the growth of tourism in a small medieval city brings with it some challenges. Particular issues have been raised by councillors and local residents relating to:</p> <ul style="list-style-type: none"> <li>• Overcrowding on central pavements, particularly by large tour groups</li> <li>• Coaches parking over cycle lanes and in inappropriate areas</li> <li>• The condition of the public realm and public facilities in the city centre</li> <li>• The need for pedestrian flows to be managed in an effective way.</li> <li>• Street clutter, narrow footways and limited space for seating</li> </ul> <p>However, the significant benefits of tourism in the City should not be lost in this discussion. The resource requirements to address some of these issues are significant, and any solutions will need to involve the views of various stakeholders, with the City Council being only one of the interested organisations. The bus companies, tour operators, County Council and universities have been identified as key stakeholders in this area. The Council currently subsidises the not-for-profit organisation Experience Oxfordshire to promote the region as a place to live, work, visit and do business.</p>
<b>Purpose of the Review</b>	<p>The Review Group will carry out a review of Oxford's visitor welcome, and the current partnership approach to destination management. This will involve working with stakeholders to identify opportunities for improving the visitor and resident experience, with a focus on improving the coordination of the tourism offering. The review will not seek to duplicate any work already underway.</p> <p>It is expected that any recommendations from the Review Group will consider the financial implications of such changes, and where funding might be made available. Specific areas to consider are:</p>

	<ol style="list-style-type: none"> <li>1. Is there a clear vision for tourism management in Oxford, and are partners aware of it?</li> <li>2. How might the Council and its partners support private organisations to innovate? For example, the development of a city card for attractions and transport, or a city app.</li> <li>3. What destination management model is best suited to Oxford?</li> <li>4. What are the risks and benefits associated with the current and predicted number of visitors, particularly during peak season?</li> <li>5. What are partners plans to manage rising numbers of visitors?</li> <li>6. What are other cities doing to promote and manage tourism that Oxford is not doing already, and what lessons can be learnt?</li> <li>7. How are tourism management activities funded and resourced?</li> <li>8. What work is planned to improve the public realm?</li> </ol>		
<b>Indicators of Success</b>	<ol style="list-style-type: none"> <li>1. The majority of recommendations are agreed and implemented.</li> <li>2. A strong evidence base is produced to support current or alternative arrangements in relation to tourism management.</li> <li>3. That the Council and other stakeholders are clear about their role in managing increasing numbers of visitors to the City.</li> <li>4. A strengthening of relationships between the Council, local partners and stakeholders in the tourism sector.</li> <li>5. Stimulating public conversation in relation to tourism management.</li> </ol>		
<b>Out of scope</b>	The impact of the Westgate Centre was being reviewed by the Scrutiny Committee in December 2018, and therefore should not be considered in detail by this review group at this time.		
<b>Method / Approach</b>	<p>The Review Group will firstly hear from officers about the Council's role in the tourism management function, and what work is underway in this area. It will also hear from Experience Oxfordshire. The Review Group will then undertake a series of evidence gathering exercises to meet the purpose of the review with stakeholders, experts and other guests.</p> <p>This will involve gathering information on the challenges that are presently experienced as a result of high numbers of visitors, as well as the benefits. The Review Group will then explore how other cities manage tourism, and what lessons can be learnt or transferred to Oxford. This includes reviewing different models of destination management by public and private sector providers.</p> <p>The Review Group will conclude by meeting to reflect on the evidence gathered, and agree its recommendations. Recommendations will be specific, measurable, achievable, realistic and timely (SMART).</p> <p>The Scrutiny Officer will support the Review Group by producing a detailed report of its work, the evidence gathered, and the recommendations agreed, with an accompanied rationale for the recommendations made.</p>		
<b>Specify Site Visits</b>	A possible visit to Cambridge and/or Bath		
<b>Proposed start date</b>	21 February 2019	<b>Draft Report Deadline</b>	Report to 15 May 2019 Scrutiny Committee
<b>Meeting Frequency</b>	~ 6 meetings	<b>Projected completion date</b>	Reports to 21 May 2019 CEB

## Draft outline of meetings

### **21 February 2019: Understanding the current context**

5pm: The Review Group will meet with council officers to understand the Councils role in tourism management, and the work that is currently underway to improve the visitor welcome and the public realm.

6.30pm – 7.30pm: Experience Oxfordshire has asked to meet with the Review Group early in the process to explain what information is available, how the industry operates and how people arrive in the City. Joanna Simons and Hayley Beer-Gamage will attend.

### **14 March 2019: Meeting stakeholders, service providers and experts part 1**

The Review Group will meet with stakeholders to:

- Understand perspectives on managing increasing visitor numbers (e.g wayfinding)
- Discuss ideas for innovation in the tourism offer (e.g visitor card, visitor levies)
- Consider where the Council can support stakeholders on matters of mutual interests
- Discuss possible recommendations that could be made as a result of the review.

Confirmed guests thus far include:

- Sushila Dhall, Oxford Pedestrians Association
- Jeremy Mogford, Mogford Hotels and Restaurants
- Felicity Lewington, Oxford Guild of Tour Guides
- Rob Hough, Oxford Tube Operations Manager
- Dr Rebecca Hawkins, MD of the Responsible Hospitality Partnership
- Reverend William Lamb, University Church of St Mary the Virgin
- Martin Krafft, Oxfordshire County Council Principal Transport Planner
- Jack Creeber, Interim Parking Manager

### **20 March 2019: Meeting stakeholders, service providers and experts part 2**

Confirmed guests thus far include:

- Tony Hart, Smart Oxford Programme Manager
- Phil Southall, Oxford Bus Company
- Helen Camuñas-Lopez, Christ Church College Visitor Manager
- Tony Joyce, Oxford Civic Society
- Tim Wiseman, Oxford City Council Waterways Coordinator

### **27 March 2018: Destination Management**

The Review Group will explore how other cities manage tourism, and what lessons can be learnt or transferred to Oxford. This includes reviewing different models of destination management by the public and private sector. Confirmed guests thus far include:

- Leslie Redwood, Visit Bath
- Joanna Simons, Experience Oxfordshire
- Hayley Beer-Gamage, Experience Oxfordshire
- Tim Jenkins, VisitBritain Policy and Public Affairs Manager
- Rachael Farrington, VisitBritain Senior Policy and Public Affairs Executive

### **11 April 2019: Agreement of recommendations and Conclusions**

The Review Group will review the evidence it has received and form recommendations. This should include discussion with the relevant officers about the feasibility and costs associated with implementing any recommendations, prior to submission to CEB.

### **9 May 2019: Agreement of Final Review Group Report**

The Review Group will review the draft report provided by the Scrutiny Officer, and identify changes needed prior to submission to Scrutiny and CEB. The level of changes required may affect whether this is considered by CEB in May or June.