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OXFORD CITY COUNCIL

To: Communities and Partnership Scrutiny Committee

Date: 28th November 2012 **Item No:**

Report of: **Head of Law and Governance**

Title of Report: **"Helping the High Street" – what can Oxford City Council do to help and support the retail environment?**

Summary and Recommendations

Purpose of report: To update the Communities and Partnership Scrutiny Committee on the work carried out to date by the Scrutiny Panel that is investigating this topic.

Scrutiny Lead Members: Councillors Clack, Wilkinson and Wolff.

Executive Lead Member: Colin Cook - Board Member for City Development

Introduction

1 The Scrutiny Committee decided that, as part of its work programme for 2012/13, it would investigate the health of the High Street, and in particular, district shopping centres within Oxford.

2 The question which was the starting point for the investigation, as laid out in the Work Programme, was:-

"National economic difficulties have their part to play in the survival of local businesses that make up local centres; but what is (or can) the City and its partners doing to support the retail environment and encourage diversity?"

3. Councillors Bev Clack, Ruth Wilkinson and Dick Wolff ("the Panel") were charged with scoping the investigation and deciding on the information required. The Panel was asked to gather information that could facilitate a debate at a meeting of the Communities and Partnership Scrutiny Committee. **This paper is therefore not a full review document, more an issues paper for further discussion**.

Starting Point

4 The scope given to the Panel was broad and so to focus inquiries the Panel used the Core Strategy as a starting point to help it to understand the current designation of our shopping centres.

5 Policy CS31 of the Oxford Core Strategy states that:-

"Oxford's Retail hierarchy is defined as follows:-

- *First – city centre (as defined by the primary shopping areas);*
- *Second – primary district centres (Cowley centre);*
- *Third – secondary district centres (Blackbird Leys, Cowley Road, Headington, Summertown)*
- *Fourth – edge of city centre (primary shopping area);*
- *Fifth – edge of district centres;*
- *Sixth – neighbourhood centres.*

Planning permission will be granted for development that is appropriate in relation to the role and function of each centre New retails development must demonstrate need (if outside city or district centres), compliance with the sequential test, good accessibility by walking, cycling and public transport, and that there will be no adverse impact on the vitality and viability of other existing centres"

6 The Core Strategy also states that:-

"*All Oxford's District centres perform well. Cowley centre (Templar's Square and the John Allen Centre) is the best performing centre…………this centre is well served by public transport but also has three multi storey car parks and a large open surface car park."*

It notes that "*It [Cowley centre] draws shoppers from a larger catchment area, serving Oxford as a whole, whereas the other district centres principally serve the local residential population."*

Focus

7 The Panel therefore decided to focus its attention on secondary district centres, on the grounds that:-

(a) The City centre had its own Manager and a developing Town Team to look after its interests;

(b) The original concern had sprung from a councillor call for action concerning development on the St Clements Car Park which is a secondary district centre. The debate here centred around the effects of reduced car parking on economic activity, and developed into the general health of this centre.

(c) The Cowley Centre is highlighted as the City's "best performing centre" for which the Core Strategy proposed an extension to its boundary to enhance its status as a district centre.

The centres for focus are therefore:

a. Headington;
b. Summertown;
c. Blackbird Leys
d. Cowley Road.

8 It was noted that the Core Strategy defines these centres as having:-

- Distinctive characteristics and mix of uses;
- Provide an important focus for local facilities and services;
- Primarily serve the local resident population.

What do we know about these centres?

9 Headington – has a large number of coffee shops and charity shops, about which the traders have expressed concerns in the past. There is also a branch of Waitrose supermarket and some restaurants. There is a car park with 128 spaces which charges £1.20 for up to 2 hours' parking. An additional 48 spaces are available at St Leonard's Road, where one to two hours parking costs £1.20.

The Council does not own any retail property in this area.

10 Cowley Road – between The Plain and Magdalen Road, is home to a wide variety of largely locally-owned independent shops and businesses, but in recent years the big-name chains have been attempting to get a foothold which is causing a concern to traders and local residents alike. Many of the small independents are vulnerable in the present economic climate. The area hosts a lively night-time economy and there is a preponderance of drinking and eating establishments. There is quite a high turnover rate of the latter. It is also home for many independent-sector projects, and has two primary schools, two community centres, several entertainment venues and six significant religious establishments. The local neighbourhood is extremely diverse economically, socially and ethnically, and a significant number of people work from home.

The nearby St Clement's Car Park (soon to be built upon and a cause of strongly felt local opposition) currently has 120 spaces and charges £1.20 for up to an hour's parking, £2.00 for between 1 and 2 hours. However, this car park is to be redeveloped, and the developer aims to retain 30-50 parking bays during the construction period. There will be a free 1 hour parking, but customers will need to take and display a "free" ticket from the machine. No overnight parking will be allowed. All parking rules will be enforced during the construction phase.

There is also parking available at Union Street – 79 spaces where one to two hours costs £1.50.

The Council owns 6 retail properties along Cowley Road.

11 Summertown – has some smaller independent shops; however Sainsbury's has now opened in a former newsagent's shop, making it the fourth big name supermarket along the Banbury Road shopping area. There are 121 parking spaces available in Summertown, plus 75 at the Ferry Pool. Up to 1 hour costs £1.

There is a night-time economy as well, with several restaurants and eating places.

12 Blackbird Leys – the Council owns the following retail units in Blackbird Leys:-

- Balfour Road – 4 units;
- Blackbird Leys Road – 9 units
- Knights Road – 3 units

There is a lay-by outside Blackbird Leys Parade where on street parking is available, plus on street parking in the general area. There are some parking restrictions that operate when there is an event at the Kassam Stadium

Car parking tariffs are attached as **Appendix 1**

Local Plan provisions

13 The Oxford Local Plan 2001-2016 adopted in November 2005 , is still in force, and has the following to say about District Shopping areas:-

"The District Shopping Frontage relates to the four District Centres as these have a different character from the City centre. Changes from A1 (shop) use to other Class A uses will only be considered in District centres where the proportion of units in A1 use is above 65% of all units. Post offices are protected as Class A1 uses and would be subject to Policy RC4. Subject to the criteria of Policy RC4, other uses that may be acceptable in District Shopping frontages are primary health facilities, child care facilities and other community type uses. Residential use is not acceptable at ground floor level"

14. Policy RC4 is as follows:-

"Within the District Shopping Frontage, planning permission will only be granted for:-

- Class A1 (shop) uses;
- Other Class A uses only where the proportion of units at ground level in A1 use does not fall below 65% of the total ground level units in the centres, and;
- Other uses only where the proportion of units at ground level in Class A use does not fall below 95% of the total ground level units at the centres."

15 The Use Classes are:-

- Class A1 – retail/shops;
- Class A2 – financial and professional use (bank, estate agent)
- Class A3 - café, restaurant;
- Class A4 – public house
- Class A5 - hot food take away.

16 Policy RC4 covers the District Shopping Centres. Only use at ground floor level is measured, because other uses (for example residential) could exist at first floor level; (and the majority of commercial concerns are, after all, on the ground floor).. To help monitor this, a survey, attached at **Appendix 2** is, taken twice a year and measures the current proportion of shops frontages in A1 use against the target of 65%. This provides a valuable snapshot of retail use as it stands at a specific moment in time – in this case in August 2012.

17 A further policy, RC5, covers Secondary Shopping Frontages and is related to the City Centre and parts of Cowley Road and St Clements. This aims to allow more flexibility and diversification of uses than would be allowed in a Primary of District Shopping Centre. It ensures a predominance of Class A1 use, but allows for other Class A uses too. Residential use is not acceptable at ground floor level however. Like Policy RC4, Class A1 use is the desired use, and other use will only be allowed where the proportion of units at ground floor level in A1 use does not fall below 50% of total uses, and where Class A use does not fall below 95% of the total uses for that frontage. **Appendix 3** shows the outcome of the annual survey of this taken in June 2012.

18 **Appendix 4** shows a further survey taken in August 2012 showing the percentage of vacant units in each retail area. This can be seen as another measure of retail health in Oxford.. The percentage of vacant property in for the following areas was:-

- Cowley Road (core area) – 3.77%
- Cowley Road (part) and St Clement's – 7.38%
- Headington – 3.57%
- Summertown – 2.97%

What property does the Council hold?

19 The Council owns the following retail property:-

- Freehold interest in Templar's Square Shopping Centre, which is let on a 125 year lease (began 1984);
- 92 retail units let on a variety of terms primarily in Broad Street, George Street, Queen Street, Ship Street and St Michael's Street;
- Major retail holding at Westgate Centre, let on a 150 year lease from 1986;
- Gloucester Green – let on 128 year lease from 1987;
- Covered Market – mostly short term leases;
- A total of 77 retail units (including those at Blackbird Leys) at Council owned housing estates across Oxford, all let on short term rack rented leases.

20 Asset Management reports that the retail situation in Oxford is robust with continuing demand for retail property to let. At the present time, the Council has only 2 vacant properties out of the 169 lettable units that it owns; one in the City centre and one estate shop.

What are the challenges identified?

21 Considering the evidence that it gathered, the Panel identified **the following potential issues for consideration:-**

(a) The retail scene in Oxford is described as robust, and snapshot figures for vacant properties would seem to bear this out. But how do local retailers currently view the situation? What issues do they currently face? Would knowing this cast a different light on the situation? (It is obvious that any further consideration would need to include discussion with traders in order for it to be meaningful.)

(b) Despite the seemingly favourable figures, some district shopping frontages are not meeting their targets on 65% to be Class A1 (retail) use. It is noted that in many cases they are only just missing their targets, but what can the City Council do to actively help support this policy and make sure targets are met, even exceeded? What measures might be considered?

(c) The Panel notes the contents of Core Strategy CS31 and feels it would be valuable to know how “appropriate” is defined and who decides what is and what is not appropriate. How do we define “vitality” and how can we enhance it? How do we measure it? What powers does the Council have to deal with this?

(d) The retail outlook has been reported as favourable for Oxford at present, in that the City Council has very few of its properties empty, but in a time of economic difficulty, we cannot afford to be complacent. We need to think more deeply about our District centres in particular. Footfall, for example, is measured in the City centre but not in District centres. Should this be extended to our district centres? How best can we promote and support our District centres, encourage more community enterprise use, and deal with the issue of empty shops?

(e) It has just been drawn to our attention that Oxford has become a Town Team Partner, having failed in its initial bid to get Portas Pilot status. It has also been successful in bidding for £10k from Central Govt. A City Centre Town Team has now been created (with Gordon Reid as interim Chair) to develop a business plan and to identify initiatives to support the independent retail sector *in the city centre*. <u>It would be good to know what, if any, initiatives have been planned for the District Centres, as we feel these are equally important to the economic wellbeing of the City.</u>

Next Steps

22 A useful follow up would be to consider what the Council currently does, and potentially *might* do, to promote the distinctive character of each district shopping centre as an asset to Oxford in general

23 However, the Panel feels that there is a continued job of work to do on this subject. There is a value in giving additional consideration to the contents of the *Portas Report* into the future of British High Streets. This report raises a number of issues that are worth exploring in more detail, and in greater depth than is allowed by our initial study. The Panel commends this topic to the Committee, and asks that it agrees to the furtherance of its work.

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(On behalf of the Scrutiny Panel.)

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